

HIMALAYA SHAMPOO: BUILDING A DIFFERENTIATED BRAND IMAGE

Dr. S. Ramesh Kumar and S. Venkatesh wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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Sarfraz Rumane, senior brand manager at the Himalaya Drug Company, Bangalore, India, had to make a few decisions on the Himalaya brand of shampoo, based on his knowledge of the market and the conceptual highlights that he could derive from the survey the company had recently commissioned.

The Indian shampoo market had grown exponentially. Like the consumers in emerging markets, Indians seemed to place a high degree of importance on physical appearance, perhaps as an outcome of Westernization and exposure to media. Traditionally, Indians were known to use herbs to nurture and enhance their hair. In a present-day context, consumers had to choose between the propositions of “synthetic” brands and the “natural benefits” of the “herbal” brands, despite the fact that some degree of processing was required even for brands that contained natural ingredients.

As a late entrant in the Indian market, the Himalaya brand of herbal shampoo had to compete with the brands of Unilever India and Procter & Gamble on the one hand and with emerging successful brands that were perceived to be ethnic (such as the herbal offerings of Meera and Nyle) on the other. Such a challenge would require Himalaya to probe more deeply into the beliefs associated with its own brand and with its close competitive offerings. The brand associations of herbal offerings and non-herbal offerings would also require Himalaya to formulate its positioning strategy to ensure that it would be able to effectively reach out to consumers who were strongly inclined towards herbal shampoos.

How could the Himalaya brand of shampoo strengthen its differentiation using the insights from consumer responses and the associations created by the brands (that were considered in the case) through the company’s ads?

SHAMPOO INDUSTRY: BRANDS AND SEGMENTS

The fast-moving consumer goods (FMCG) market in India was projected to be worth around US\$15 billion to US\$18 billion in 2010¹ and was likely to grow to US\$33 billion by 2015. In India, rising disposable incomes and greater attention to personal hygiene had led to the growth of the personal care segment. The Indian hair-care market, for example, which accounted for 14 per cent of Asia-Pacific's hair-care market overall, grew by 14 per cent in value and 11.7 per cent in volume in 2010. It generated total revenues of US\$2.2 billion in 2010, representing a compound annual growth rate (CAGR) of 15.4 per cent for the period spanning 2006 to 2010. In comparison, the Chinese and Japanese markets grew with CAGRs of 6.1 per cent and 1.1 per cent, respectively. Market consumption volumes increased, with a CAGR of 12.3 per cent between 2006 and 2010, to reach a total of 1.9 billion units in 2010. The market volume was expected to increase to three billion units by the end of 2015, representing a CAGR of 8.9 per cent for the period 2010—2015.²

The Indian hair-care market consisted of the retail sale of conditioners, hair colorants, salon products, shampoos and styling agents. Conditioner sales proved to be the most lucrative for this market in 2010, generating total revenues of US\$1.2 billion, equivalent to 57.8 per cent of the market's overall value.³

The shampoo market in India was estimated to be worth INR 2,500 crore to INR3,000 crore.⁴ The market was segmented into three specific product types:

1. **Cosmetic:** The key proposition of this segment was built around the concept of rendering “shine, health, and strength” to hair; Sunsilk, Pantene, Clinic Plus, and Chik were the main brands.
2. **Anti-dandruff:** Clears dandruff in one wash; Clinic All Clear and Head & Shoulders were the main brands in this segment.
3. **Herbal:** This segment offered complete hair care with the help of herbal, ingredients; Himalaya, Meera, and Vatika were the main brands. The world over there is a significant preference towards herbal products (Body Shop and Lush brands are global examples of this trend). The Indian herbal system is based on the Ayurvedic system of healing that presumes that body is made up of air, water, space, fire and earth. Ayurvedic system of medicine provides a holistic approach towards the diagnosis of health ailments by considering the entire body rather than the part that is to be addressed. The system uses herbal remedies that are drawn from a mixture of herbs and the recipe for several health ailments are supposed to be passed on from one generation of ayurvedic doctors to another.

Due to the continuous efforts of the top shampoo brands in India, the market penetration of shampoos in urban areas was almost 100 per cent. Further, the market penetration rate for shampoo in the rural areas rose by almost 18 per cent in 2012.⁵

The Himalaya brand offered a number of shampoo products, such as Himalaya Protein Shampoo - Gentle Daily Care; Himalaya Protein Shampoo - Extra Moisturizing; Himalaya Protein Shampoo - Soft & Shine; Himalaya Anti-Dandruff Shampoo - Soothing & Moisturizing; Himalaya Anti-Dandruff Shampoo - Volume & Bounce; and Himalaya Anti-Hair Fall Shampoo. The brand contained the words “protein” and “anti-dandruff/anti-hair fall” in its name, and several variants existed for each specific product. Compared to other age groups, consumers in the below-20 and the 20- to 29-year age groups proved to be the most

¹ “Euromonitor Report on Hair Care in India,” 2011, portal.euromonitor.com, accessed July 30, 2012.

² “Datamonitor Report on Industry Profile: Hair Care in India,” 2011, www.marketlineinfo.com, accessed July 30, 2012.

³ “Euromonitor Report on Hair Care in India,” 2011, portal.euromonitor.com, accessed July 30, 2012.

⁴ 1 crore INR-Indian rupees is approximately equivalent to US\$ 200,000.

⁵ “Datamonitor Report on Industry Profile: Hair Care in India,” 2011, www.marketlineinfo.com, accessed July 30, 2012.

willing to try innovative products.⁶ Moreover, the medium-size pack of shampoos (100-ml to 250-ml quantity) was found to be the most frequently purchased pack.⁷

THE HIMALAYA DRUG COMPANY

The Himalaya Drug Company was involved in the manufacturing, marketing and distribution of pharmaceuticals, baby-care products, animal health-care products and personal-care products. The company operated more than 130 exclusive Himalaya showrooms, and, internationally, it maintained a strong focus on global markets, exporting to 90 countries in North America, the Middle East and Europe.⁸

Himalaya had positioned itself in the high- and mid-market segments. Earlier, its products had been branded as “Ayurvedic Concepts” in India, as “Himalaya USA” in the United States and as “Himalaya Herbal” in other geographies.⁹ However, the fragmentation of the herbal health-care market on a global basis, combined with the firm’s globalization drive, led Himalaya to resort to an umbrella branding of its products. Moreover, the company’s management team did not want the multiple brand identities to create conflict in the mind of the consumer.¹⁰ Thus, starting in 2001, all products were branded as “Himalaya,” after the company name.¹¹ This approach allowed consumers to form a strong ayurvedic concept association with the Himalaya brand. Himalaya offered shampoo and hair care products in the following variants: anti-hair fall, anti-dandruff, protein-based shampoo, hair detanglers and conditioners.¹²

Other Brands of Shampoo

The top shampoo brands in India included Sunsilk, Clinic Plus, Dove, Pantene, Head & Shoulders and Garnier Fructis. The company that led the shampoo market in India (as of 2012) was Hindustan Unilever Limited (HUL). With its Sunsilk, Dove and Clinic brands, HUL commanded 44 per cent of the market share. Procter & Gamble (P&G), the next leading shampoo brand in India, held a market share of around 25 per cent in the Indian shampoo industry. CavinKare’s Meera and Nyle Daily Cleansing shampoo, Dhathri’s Dheedhi shampoo, and Cochin Ayurvedic Centre’s Indulekha Coconut Milk shampoo represented the other herbal brands in the market.

METHODOLOGY

A consumer survey was conducted in order to gain an understanding of consumer perceptions on important aspects of the brand-market situation. For sampling purposes, the respondents were defined as consumers in the 19- to 27-year-old age group who were regular users of shampoo. The geographic area of the survey encompassed the city of Bangalore in the state of Karnataka, located in South India. The questionnaires were formulated in English and were shared with 124 respondents. The survey was undertaken by the authors during the period September—December 2012.

⁶ “Marketing Project on Consumer Behaviour towards Shampoo Market,” www.allprojectreports.com/MBA-Projects/Marketing-Project-Report/consumer-behaviour-shampoo-market/brand-image-shampoo-advertisement-project-report-ch3.htm, accessed July 30, 2012.

⁷ *Ibid.*

⁸ “About Himalaya,” www.himalayahealthcare.com/aboutus/index.htm, accessed July 30, 2012.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² “Hair Care by Himalaya Brands,” www.himalayahealthcare.com/products/personalcare/hair-care.htm, accessed July 30, 2012.

The scales were designated to capture category-related attitudes associated with herbal shampoos (Exhibit 1). Exhibit 2 presents samples of the brand communications of the key brands in the herbal and non-herbal shampoo segments. The survey was undertaken across three sets of respondents: users of Himalaya shampoo, users of a competitive herbal brand (Meera), and users of a non-herbal brand (Pantene). The Likert scale was used for the study. Exhibit 3 covers the associations of the respondents with respect to Himalaya, Meera and Pantene. All the respondents of the three groups answered the questions shown in Exhibit 3. Exhibit 2 presents the storyboard description of the Pantene ad since the authors used Pantene in Exhibit 3 for studying associations and also to draw out the perception of the respondents related to non-herbal offerings in Exhibit 1.

There were several decision aspects that Sarfraz Rumane, senior brand manager at Himalaya, had to explore to ensure that the brand was positioned to provide a sharper perception among the consumers. How could the brand compete at the benefit level? How should Himalaya handle the “Protein” and “Anti-Dandruff/Anti-Hair fall” suffixes in its brand names? How could Himalaya strengthen its perception about the “herbal touch” being more effective for the promised benefits? How should the brand use the results of the study at the category level of shampoo? Finally, how could the Himalaya brand create a well-differentiated imagery that would be useful when the brand was positioned against herbal and cosmetic competitive offerings? Sarfraz had to act quickly and come up with the answers to these questions.

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EXHIBIT 1: ANALYSIS OF CATEGORY INVOLVEMENT (CATEGORY-RELATED ATTITUDES)

Category-related attitudinal questions		Herbal				Non-Herbal		Overall
		Meera		Himalaya		Pantene		
		Satisfied Users	Extremely Satisfied Users	Satisfied Users	Extremely Satisfied Users	Satisfied Users	Extremely Satisfied Users	
1	I feel herbal shampoos need to be used in large amounts to create a good lather	2.50	3.80	2.50	3.80	2.68	2.60	2.64
2	I don't think the protein content in shampoos makes my hair strong, shiny, and soft	2.71	2.60	2.71	2.60	3.15	3.25	2.90
3	I choose my shampoo based on my hair type and texture	2.21	2.20	2.21	2.20	2.41	1.90	2.33
4	Herbal products with conditioners add volume and bounce to dull, lifeless hair	2.67	2.10	2.67	2.10	2.59	2.75	2.71
5	A daily dose of proteins can strip out the nutrients and hence is unsafe and unhealthy for the hair	3.33	2.90	3.33	2.90	3.05	3.05	3.05
6	I use anti-dandruff shampoo only under a trichologist's recommendation	3.42	3.10	3.42	3.10	3.44	3.85	3.44
7	Most herbal shampoos I use are not rich in proteins and don't give additional nutrition to the scalp	3.17	2.60	3.17	2.60	3.02	2.90	3.08
8	Hair oils, more than shampoos, help my hair grow thicker, longer, and darker	2.08	1.70	2.08	1.70	2.37	2.80	2.42
9	In my opinion, protein conditioners cannot be used on artificially colored or permed hair	2.79	2.90	2.79	2.90	2.90	2.55	2.78
10	Men and women should have different hair-care products (particularly shampoos)	2.21	2.20	2.21	2.20	2.44	2.05	2.34
11	I strongly believe dry hair needs extra moisturizing and nourishment	1.75	1.60	1.75	1.60	1.93	1.70	1.89
12	People with strong or long hair don't need conditioners	3.50	3.00	3.50	3.00	3.59	3.55	3.53
13	Protein conditioners, unlike others, preserve my hair's moisture and give me a strong sensual appeal	2.58	2.80	2.58	2.80	2.68	2.50	2.74
14	Keratin and soy proteins give a better shine to hair than artificial foaming agents and synthetic colors do	2.29	2.50	2.29	2.50	2.66	2.65	2.55

Note: A 5-point Likert scale was used with the following rating scale: Strongly Agree = 1; Agree = 2; Neither Agree nor Disagree = 3; Disagree = 4; Strongly Disagree = 5.

Source: The scores presented in Exhibit 1 represented the average of the responses to the questions answered by the survey respondents.

EXHIBIT 2: EXAMPLES OF BRAND COMMUNICATION FROM HERBAL AND NON-HERBAL SHAMPOO BRANDS

Storyboard Interpretation: Meera Shampoo¹³

The advertisement started off with the protagonist (a young girl in her early 20s) being mocked by her younger brother. By giving his sister a toothbrush instead of a hairbrush, he pointed to the fact that her hair was very low on thickness and strength. The girl became worried and took the concern to her mother, who then claimed that Meera's Thick and Strong Shampoo would be the one-stop solution to her daughter's hair-care problems. (Meera Shampoo's ads always focused on the mother-daughter relationship, with the mother being the guide/problem solver.) The voice-over then described how the rich ingredients in the shampoo (coconut milk and badam) could render increased strength and thickness to the hair. In the next frame, the brother showed up again with a toothbrush, only to be surprised by the transformation. The young girl waved her hair, leaving her brother in shock. He then gave her a hairbrush, and the ad closed with a voice-over on how Meera Shampoo could ensure that one's hair remained thick and strong forever.

Storyboard Interpretation: Pantene Shampoo¹⁴

The ad opened with a well-known Bollywood celebrity (Pantene's brand ambassador in India) worrying about her hair-fall problems. She went on to explain how the various brands in the market (brands that she had used before) had failed to provide any permanent solution, making her wonder whether she had been cheated. The voice-over then claimed how Pantene, with its Pro-vitamin scientific formula, could reach the hair roots, increase strength, and thereby guarantee no hair-fall, even after 100 brush strokes. The ad closed with the celebrity expressing her excitement, with the brand having delivered on its promise.

Storyboard Interpretation (1): Himalaya Herbals Protein Shampoo¹⁵

The ad started off with a rose (signalling eco-friendliness) graphically transforming into a shower under which the protagonist (a young/modern woman in her mid-20s) was taking a shower to get ready for work. Waving her hair in excitement, she was able to grab the attention of the opposite sex on her way to the bus stand. (The young woman's hair was so beautiful that one man even forgot about the sound of the horn from his car.) During this process, she went on to cause envy among the other women in the town. When the young woman boarded the bus, the passengers were awestruck by her long, shiny, beautiful hair. She was able to capture the attention and envy of her colleagues at work when she stepped into the office. Both at the bus and at the office people are shown to cover their hair with caps to presumably hide their badly maintained hair. This part of the visual implies that people are suffering from a low self esteem as they hide their hair that is in a bad condition. The ad closed with a voice-over stating that Himalaya Protein Shampoo was 100 per cent herbal and was safe on hair. The final frame depicted the young woman's colleagues throwing off their hair caps in a expression of their joy in having found a solution for their hair problems. (I have explained the ad —caps is the term to be used instead of masks

Storyboard Interpretation (2): Himalaya Protein Shampoo¹⁶

This ad showed how a woman could attract social attention, especially from youngsters of the opposite gender, with hair care involving the Himalaya brand. A young woman on the side of a highway attempts to hitch a ride from several youngsters. They stop after being signalled by her, but only to pursue some other activity (such as posting a letter or attending to a phone call), and the woman feels disappointed.

After she starts using the Himalaya brand of shampoo, she does get noticed by a stylish youngster who goes out of his way to give her a lift. (I have added the references for the respective ad)

¹³ "Meera Shampoo Ad," www.youtube.com/watch?v=t-RoWSNPge0, accessed March 28, 2013.

¹⁴ "Pantene Shampoo Ad," www.pantene.in/pages/shilpa-on-hairfallcontrol.aspx, accessed March 28, 2013.

¹⁵ "Himalaya Protein Shampoo Ad," www.youtube.com/watch?v=oRdYbluVCEA, accessed March 28, 2013.

¹⁶ "Himalaya Protein Shampoo Ad," www.youtube.com/watch?v=A_j0yLE50b0, accessed March 28, 2013.

EXHIBIT 3: COMPARISON OF THREE SHAMPOO BRANDS (MEERA, PANTENE, AND HIMALAYA)

Top of Mind Recall	Meera	Pantene	Himalaya
Herbal or ayurvedic (medicinal)	60	0	83
Vibrant and exciting	1	85	8
Eco-friendly	52	5	72
Traditional, Indian legacy	75	2	46
High quality	11	74	42
Value for money	31	18	23
High on innovation, knowledgeable	6	66	42
Educator and caring for society	33	16	71
Lives up to its brand promise	31	48	43
Ethical business practices	39	31	60
Celebrity endorsed	4	89	6
Safe, healthy, hygienic	59	28	61
Modern	2	90	13
Respectable, trustworthy	36	43	57
Recommended by doctors and specialists	26	29	62

Note: All figures are in percentages of the total population surveyed (e.g., 85 per cent of the surveyed respondents associated Pantene with vibrancy and excitement).

Source: All data was obtained from the survey conducted by the authors.