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Title

A TRANSITION FROM POWDER TO PASTE – A CASE STUDY ON DABUR LAL DANT MANJAN

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Abstract:

Rural marketing has become the latest marketing mantra of most FMCG. The growing Indian population, particularly the rural segments, creates an opportunity for the companies to convert consumers to branded products. Rural India has a large consuming class with 41 per cent of India's middle-class and 58 per cent of the total disposable income. There is a cutthroat competition in urban markets, with a wide variety of choices of products. It's becoming difficult for existing companies to maintain their markets shares in urban markets. So, the new companies find the rural market for the good opportunities to invest. Efforts are to be made now to understand the attitude of the rural consumers and to walk with their pace.

This paper is an attempt to study the consumers' attitude towards the Dabur lal Dant Manjan usage pattern in the rural area nearer to Balasore town, Orissa. The Participants were chosen randomly from the selected village. Of 150 Dabur lal dant manjan users' approached, 120 agreed to participate in the survey but the data have been collected from 100 respondents only.

Key words: powder, paste, Dabur, Dant Manjan

Introduction:

The rise of rural markets has been the most important marketing phenomenon of the 1990s, providing volume growth to all leading companies. Many companies are trying to take a grip on rural market. But the challenges are many: how to make the product affordable, how to penetrate the villages with small populations, connectivity, communication, language barriers etc. Higher rural incomes driven by agricultural growth, increasing enrolment in primary schools, high penetration of TV and other mass media have increased the propensity to consume branded and value added products in rural area. The media explosion and satellite invasion have brought about drastic changes in the consuming habits of rural Indians and the future would hold a lot in store for the companies entering rural markets. New players like Nestle, Mc Donald are eyeing the rural market and the companies like Hll, Dabur, Asian paints and LG have penetrated the rural market. Driven by the rise in the middle class and the demand for FMCG products, the Indian rural market offers a huge opportunity for investment. With higher saturated urban

markets, the future growth in the FMCG sector will come from increased rural and small town penetration.

Table-1

Rural penetration

Company	Rural sales in % of total sales
Asian paints	60
HLL	50
Colgate	50
Godrej	50
Dabur	40
Videocon	40

Source: ORG-MARG and Francis kanoi

Dabur: Special focus to lal Dant Manjan

Dabur India Limited is India's fourth largest FMCG with revenues of US$600 million (Rs 2834 Crore). Dabur Company has 3 major strategic business units (SBU) - Consumer Care Division (CCD) & Consumer Health Division (CHD). The company operates in key consumer product categories like Hair Care, Oral Care, Health Care, Skin Care, and Home Care & Food.

Table-2

Dabur consumer care Division break-up

Segments	% Market Penetration
Hair care	31
Oral care	20
Health supplement	15
Food	14
Digestive & Candies	8
Baby's oil and skin care	6
Home care	6

Source: Company, India Infoline Research

Further consumer care division extended in the direction of oral-care with 27% share in the tooth powder segment.

Today the oral care segment of Dabur has the following products:

- Dabur Lal Dant Manjan
- Dabur Red Toothpaste
- Babool Toothpaste and Babool Mint Fresh Toothpaste
- Meswak Toothpaste and
- Promise Toothpaste.

Dabur Lal Dant Manjan is a natural red ayurvedic tooth powder with spicy in taste because of the ingredient base of herbs and spices. The rural people are closer to the usage of ayurvedic products and the company targeted the rural market for the product with a peculiar flavour similar to "Tambakku". The purpose was to cater the rural people who have had the earlier practice of using "Tambakku" as tooth powder thereby creating a platform for the future switchover. Approximately after 20 years of the introduction of Dabur Lal Dant Manjan i.e., in the year 2004, the company came up with the Dabur Red toothpaste. Due to increasing urbanization influence on rural people, a shift in consumer preference was marked from Dabur lal powder to the paste. And the company launched the product Dabur Red Toothpaste in order to capture those consumers who had upgraded from toothpowder to toothpaste. During 2009-10 company emerged as the fastest growing toothpaste company in India with a near 20 per cent growth.

Objective of the study:

The objective of the study is to understand the behavior of dabur lal dant manjan users in rural area in India in general and Balasore (Orissa) in particular and further, the paper aims at deriving the comparative structure of dabur lal dant manjan and paste.

a) Usage Pattern of Dabur lal with respect to powder and paste.

b) To find out the effect of colour, price and flavour on the sales of Dant manjan.

c) To find out the most important predictor (age, income, size of the family and the distance from town) of using Dabur lal dant manjan and paste.

d) To discriminate the entire rural market of powder and paste user.

Methodology:

The methodology to conduct the study is composed of following tasks.

a) A pre-tested questionnaire was administered to the selected group of Dabur lal dant manjan users, personal interviews with the help of the pre-tested interview schedule was taken. Besides, personal observation was done wherever necessarily applicable. A pilot survey was conducted and the questionnaire was improved in that light. A structured questionnaire was used as a data collection tool. Two separate questionnaires were prepared, one for consumers and another for rural shopkeepers.

b) Analytical Framework for the study is aimed at getting an insight in to the behavior of consumer by analyzing the data gathered

Sources of Data and Sample Size:

150 Dabur lal dant manjan users were selected in the selected villages of Balasore town within 15km distance from the town. The sample includes male and female users from different occupation, age, and income group.

a) **Sample Design:** Judgment sampling was used keeping the target segment in mind.

b) **Data collection Period**: The period of the data collection is limited to only a 3 -week period in October 2010.

c) **Data collection method:** A structured questionnaire was prepared and requisite information was collected through personal interviews.

d) **Tools and techniques used**: Factorial experiment design and discriminant analysis.

Analysis:

1. Effect of colour, price and flavour on the sales of Dant manjan:

In Indian market, we can find dant manjan basically with two colours, red and white. And also two flavours similar to "Tambakku" and "Gudaku" dominate the entire dant powder and paste. So, the researcher has tried to find out the effect of colour, price and flavour on the sales of Dant manjan. For the purpose of testing the main and the interaction effects, the Factorial design Experiment has been performed by using **SPSS-11.0** version.

Hypotheses for factorial design Experiment

1. The mean sales remain same for three types of prices.
2. The mean sales remain same for two types of flovour.
3. The mean sales remain same for two types of colours.
4. The mean sales remain same for all combination of price and flavour.
5. The mean sales remain same for all combination of price and flavour.
6. The mean sales remain same for all combination of colour and flavour.
7. The mean sales remain same for all combination of price and colour.
8. The mean sales remain same for all combination of price, flavour and colour.

These hypotheses are to be tested at 95% confidence level

Table-1

Tests of Between-Subjects Effects

Dependent Variable: Sales

Source	Sum of Squares	df	Mean Square	F	Sig.	
Main Effect						
COLOUR	40.940	1	40.940	.078	.784	

FLAVOUR	283.925	1	283.925	.538	.474	
PRICE	13878.965	2	6939.483	13.151	.000	
Interaction Effect						
COLOUR * FLAVOUR	189.322	1	189.322	.359	.558	
COLOUR * PRICE	2017.114	2	1008.557	1.911	.180	
FLAVOUR * PRICE	72.959	2	36.480	.069	.933	
COLOUR * FLAVOUR * PRICE	2869.813	1	2869.813	5.438	.033	
Error	8443.117	16	527.695			
Total	762893.000	27				
Corrected Total	30455.630	26				

a R Squared = .723 (Adjusted R Squared = .550)

Interpretation

The significance of F values for the main effect price and the interaction effect of colour, flavour, and price are less than 0.05. So, the hypothesis one and eight are rejected. And all other hypotheses are accepted at 95% confidence level.

Therefore it is interpreted that the sale of dant manjan is affected by price and the combined effect of price, colour and flavour.

2. Discriminant Analysis:

Discriminant analysis is tried out to segment the rural market of dabur lal dant manjan and paste. The researcher has tried to classify the rural people according to their usage pattern. The rural people of different age, income and family size within 15km distance from Balasore town were selected and asked to opine their views of using the Dabur lal manjan and paste. The data so collected were analyzed by using **SPSS-11.0** version. The tables of different outputs are given as follows.

Table-2:

Group Statistics

		Mean	Std. Deviation	Valid N (list wise)	
Dant manjan				Unweighted	Weighted
powder	Age	39.5000	12.84987	22	22.000
	Income per month	4325.2273	2294.05856	22	22.000
	Distance from town in km.	11.2209	1.55719	22	22.000
	Size of the family	6.0455	1.49530	22	22.000
Paste	Age	24.9483	5.60521	58	58.000
	Income per month	5235.4655	2186.38928	58	58.000
	Distance from town in km.	2.6328	.56204	58	58.000
	Size of the family	5.5517	1.53523	58	58.000
Total	Age	28.9500	10.45533	80	80.000
	Income per month	4985.1500	2239.48711	80	80.000
	Distance from town in km.	4.9945	3.97037	80	80.000
	Size of the family	5.6875	1.53106	80	80.000

Table-3:

Log Determinants

Dant manjan	Rank	Log Determinant
powder	4	21.649
Paste	4	18.339
Pooled within-groups	4	20.211

The ranks and natural logarithms of determinants printed are those of the group covariance matrices.

Table-4:

Test Results

Box's M		76.530
F	Approx.	7.069
	df1	10
	df2	7479.571
	Sig.	.000

Tests null hypothesis of equal population covariance matrices.

Table-5:

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	18.058	100.0	100.0	.973

First 1 canonical discriminant functions were used in the analysis.

Table-6:

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.052	224.011	4	.000

Table-7:

Standardized Canonical Discriminant Function Coefficients

	Function
	1

Age	.156
Income per month	-.076
Distance from town in km.	.987
Size of the family	.216

Table-8:

Structure Matrix

	Function
	1
Distance from town in km.	.972
Age	.189
Income per month	-.044
Size of the family	.034

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions Variables ordered by absolute size of correlation within function.

Table-9:

Canonical Discriminant Function Coefficients

	Function
	1
Age	.019
Income per month	.000
Distance from town in km.	1.050
Size of the family	.142

(Constant)	-6.430

Unstandardized coefficients

Table-10:

Functions at Group Centroids

	Function
Dant manjan	1
powder	6.813
Paste	-2.584

Unstandardized canonical discriminant functions evaluated at group means

Table-11:

Prior Probabilities for Groups

	Prior	Cases Used in Analysis	
Dant manjan		Unweighted	Weighted
powder	.500	22	22.000
Paste	.500	58	58.000
Total	1.000	80	80.000

Table-12:

Classification Results

			Predicted Group Membership		Total
		Dant manjan	powder	Paste	

Original	Count	powder	22	0	22
		Paste	0	58	58
	%	powder	100.0	.0	100.0
		Paste	.0	100.0	100.0

a 100.0% of original grouped cases correctly classified.

Statistical Significance -Table-6

A low value (0.052) of Wilks' Lambda indicates high significance of discriminant analysis. Chi-square indicates that the discrimination in between the two groups is highly significant as p-value is less than 0.05.

Better Predictor -Table-7

It is observed that the variable Distance from town in km. is the best predictor with the coefficient 0.987, followed by the variable Size of the family with the coefficient 0.216, age with coefficient 0.156 and Income per month -0.076

Classification of dant manjan and paste -Table-9

The discriminant score of any dant manjan user in rural area can be computed by using the following equation

Y = -6.430 + Age (.019) + Distance from town in km. (1.050) + Size of the family (.142)

If the discriminant score will be more than 2.1145 [1/2 (6.813-2.584) Table 10] than the user of Dabur lal dant manjan will be classified as the Dabur lal dant manjan powder user, otherwise Dabur lal dant manjan paste.

Conclusion:

Rural marketing is growing in importance in coming years. The Indian rural market is much larger when compared to the urban market in terms of population and number of household. The penetration level of the rural market is upgrading with the improvement in distribution channel. As discussed, the predominant area of marketing for FMCG product is rural area and so Dabur also adopted the same strategy for dant manjan.

The usage pattern of Dabur lal dant manjan and the paste is quite different among the rural people. The researchers have tried to distinguish the Dabur lal dant manjan and the paste users. The following inferences have been derived from the paper.

1. It is observed that the people of comparatively higher age (35+) are using powder.
2. The rural people nearer to urban area (2 to 3 km) are using the paste more and the people who are far away (10 to 12km) from urban area are using powder more.
3. The families of large size (6+) are using the powder more in comparison to paste.
4. It is found that the sale of dant manjan is affected by price and the combined effect of price, colour and flavour.
5. The discriminant score seems to be affected more by "Distance from town" followed by "Size of the family", "age" and then the "income".

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