

TOPIC: LIFEBUOY SANITIZER

ROLL NO.: 23

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1. INTRODUCTION

Lifebuoy a subsidiary brand of Hindustan Unilever Limited, the FMCG Company which is the leader in home, personal care products and food and beverages. The journey of Lifebuoy started as a carbolic soap which contained phenol in it. The Lever brothers in England first introduced it in the year 1985.

Lifebuoy launches the Lifebuoy Hand Sanitizer, a convenient, accessible and easy-to-use way to keep one's hands germ-free, even in absence of access to water! Lifebuoy Hand Sanitizer is an effective, ethyl-alcohol based hand sanitizer (95% v/v), which kills 99.99% of germs, including the deadly H1N1 virus without water. Added moisturizers and Vitamin E, make it tough on germs, yet gentle on hands, keeping the skin healthy and supple.

Lifebuoy sanitizer is an effective way to protect one's health, given that hands transmit millions of germs every day and often are the agents that carry deadly viruses and bacteria from external environment to inside our body. Many cases of cold flu and water borne illnesses are spread by unclean hands. Needless to say, keeping good hand hygiene is one of the most effective ways to avoid getting sick and spreading germs to others. At the same time, finding soap and water every time and everywhere can be quite a challenge, given the water cuts, distances and travel that take over the urban life.

2. PRODUCT ANALYSIS

Lifebuoy hand sanitizer Pricing:

Pricing Lifebuoy targets on the low and middle-income group, which mainly are from the rural region. Therefore, they are much more sensitive about the pricing.

Following Table indicates the recent pricing of Lifebuoy product in India

Quantity	Price (in Rs)
50ml	25
100ml	50
150ml	75
250ml	120

This affordable pricing strategy attracted many customers and built a loyal trust between customer and Lifebuoy.

Lifebuoy hand sanitizer Utility:

- Kills germs upto 99.9%.
- Improves the immunity.
- Makes hands soft and supple

Lifebuoy hand sanitizer SWOT analysis:

Strenghts:

Brand Credibility: Lifebuoy has been successful in gaining the trust of its customers have been in the market for over 100 years. Its health-centric approach and communication have helped it gain credibility and a loyal set of customers.

Medicinal approach: Lifebuoy has positioned itself as a product with a medicinal approach which could combat germs and provide a healthy disinfectant bathing soap.

Affordable: Lifebuoy has been priced at a range in order to be affordable to all kinds of markets especially rural markets.

Strong Distribution: Lifebuoy has a strong distribution channel worldwide which makes the product available in the farthest corner of various countries. Lifebuoy has made special efforts to be present in the rural markets where the demand for the product is really high.

Product Line Extension: Lifebuoy has been successfully able to extend its product line by bringing out successful products like hand wash, body wash and hand sanitizer. This has helped Lifebuoy increase its revenues.

Unilever Product: Lifebuoy has a competitive advantage coming from the armory of Unilever which provides it support in distribution as well as in finances.

Awareness campaigns with a social message: Lifebuoy has come out with various awareness campaigns meanwhile also giving a social message.

Weaknesses:

Perception of a male centric brand: Lifebuoy is perceived to be a male centric brand and even after many efforts by Lifebuoy to project the brand as a family brand.

Not popular in urban markets: While the brand has priced the product in order to be available for all especially rural markets, its urban market penetration is relatively low.

Opportunities:

Increasing disposable income: Disposable incomes of people around the world are increasing and thus it is also expected that consumption in the FMCG industry is going to increase which will eventually increase sales.

Promote Lifebuoy with a message: Unilever has concentrated in providing social messages by promoting its products. Lifebuoy has also been one of the many products which have been promoted with a social message. To add to this Lifebuoy should take up on missions to fight global epidemics.

Increasing health awareness: There is an increase in health awareness globally which can provide Lifebuoy an advantage considering its disinfectant composition.

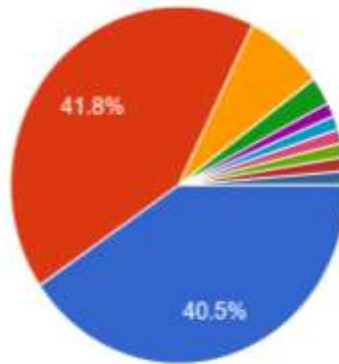
Threats:

Intense competition: Lifebuoy is subjected to intense competition from various local as well as global products such as Dettol and Savlon etc. Intense competition impacts market share.

Increasing awareness of Herbal products: Awareness of herbal based products is increasing globally. This can affect Lifebuoy's market which is essentially a chemical based product.

3. DEMAND OF THE PRODUCT

Sanitizers	No. of users
Cipla...	1
Dettol	33
Dr. Sparsh	1
Godrej	2
Lifebuoy	32
Patanjali	1
Savlon	6
Sterillium	1
Zara	1
Grand Total	78



The above pie chart shows that lifebuoy and Dettol has the highest demand in the market. It can be seen that 33 people i.e. 41.8% people prefer Dettol over other hand sanitizers, whereas 32 people i.e. 40.5% prefer Lifebuoy and 17.7% people prefer other sanitizers over the two. Hereby we can say that both Dettol and Lifebuoy are having a tough competition since they acquire a major portion of preference.

4. MARKET ANALYSIS

Hindustan Unilever (HUL) has announced that it will be reducing the prices of Lifebuoy sanitisers, Lifebuoy Liquid Handwash and Domex floor cleaners by 15 per cent. The country's biggest FMCG company has said it's scaling up production to meet the supply-demand arising out of coronavirus outbreak. Sanjiv Mehta, Chairman and Managing Director, HUL said, "In a crisis like this, companies have a big role to play. We are working closely with the governments and our partners to ensure that we overcome this global health crisis together."

5. SUPPLY OF THE PRODUCT

Our Procurement teams purchase from a worldwide network of partners spanning the 190 countries in which our products are sold. Together, we deliver innovative solutions for our consumers and customers with positive social and environmental impacts.

To meet the increasing demand of hand sanitizers in this pandemic, the global monthly production of Lifebuoy hand sanitizer increased by 56 times and liquid hand wash by three times compared to a typical month in 2019. And now, as people start stepping out, Unilever's Lifebuoy is expecting a higher demand for its hygiene products.

Substitutes of Lifebuoy:

According to the survey conducted, we can see that Dettol is the strongest competitor and is the closest substitute of Lifebuoy Brand.

Other substitutes are- Savlon, Patanjali, Cipla, Dabur, Godrej, Sterillium, etc.

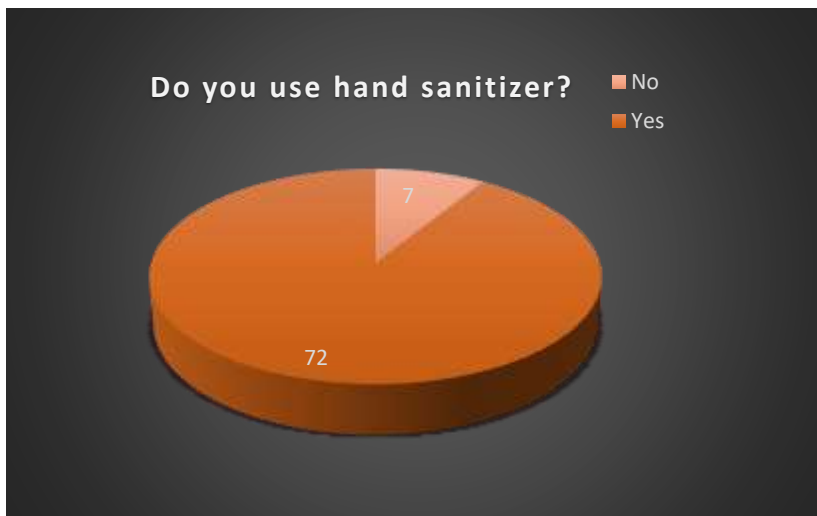
6. SURVEY ANALYSIS

a)



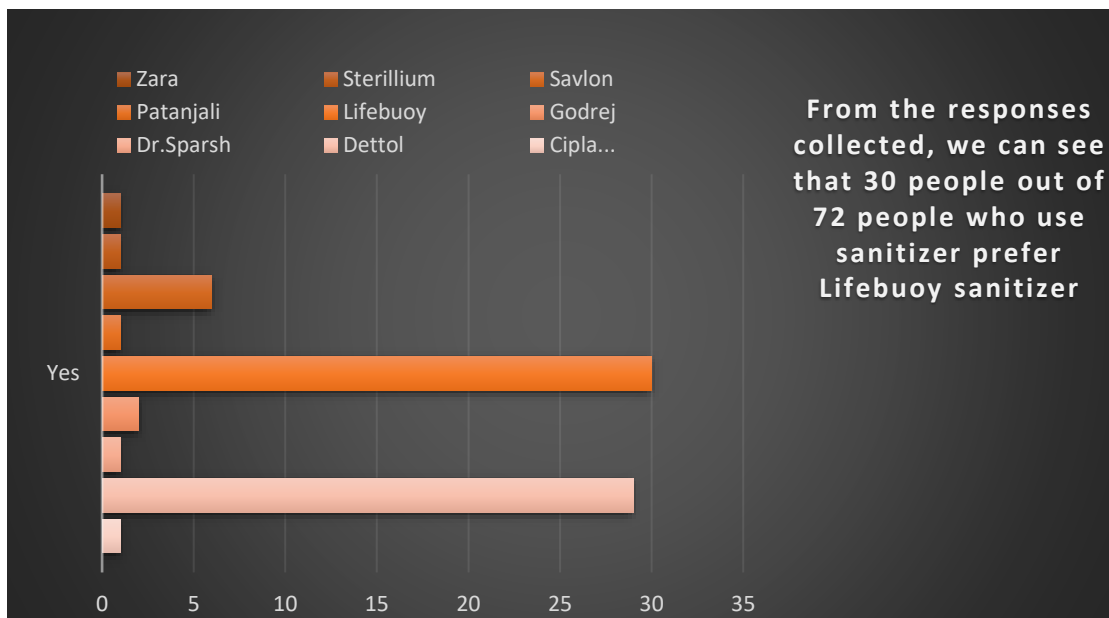
From the data collected, it can be seen that 76% of the people prefer to wash their hands with tap water and hand wash, and 14% of the crowd prefer tap water only, whereas just 9% of the people surveyed use hand sanitizer to clean their hands.

b)

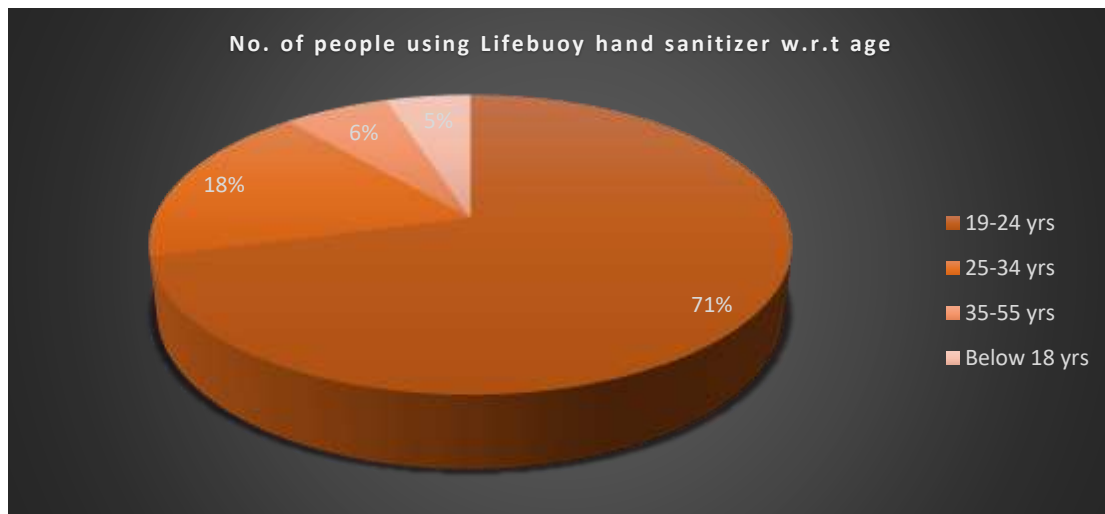


From the above pie chart we can conclude that 91% (i.e.72) prefer use hand sanitizer and there are 9% (i.e.7) people choose not to use sanitizers.

c)

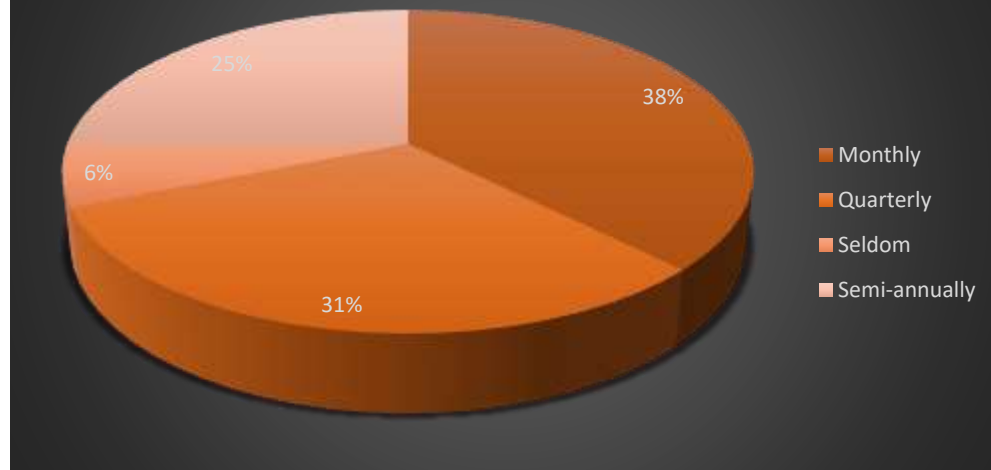


d)



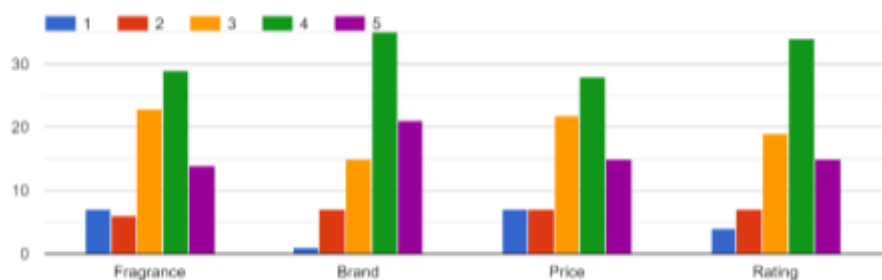
The pie chart above indicates the number of people using lifebuoy sanitizers falling in different age groups. It can be clearly seen that highest number of sanitizer users belong to 19-24 age, i.e. the youth in the market.

e) How often does one buy Lifebuoy sanitizer?

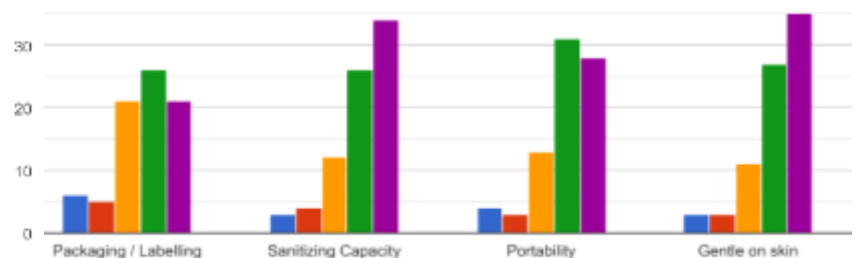


From the data collected, here I've listed 32 people using lifebuoy sanitizer who buys at different time intervals. The above pie-chart indicates that 69% people mostly buy their sanitizers monthly or quarterly. 25% of the crowd buys semi-annually and remaining 6% buys rarely.

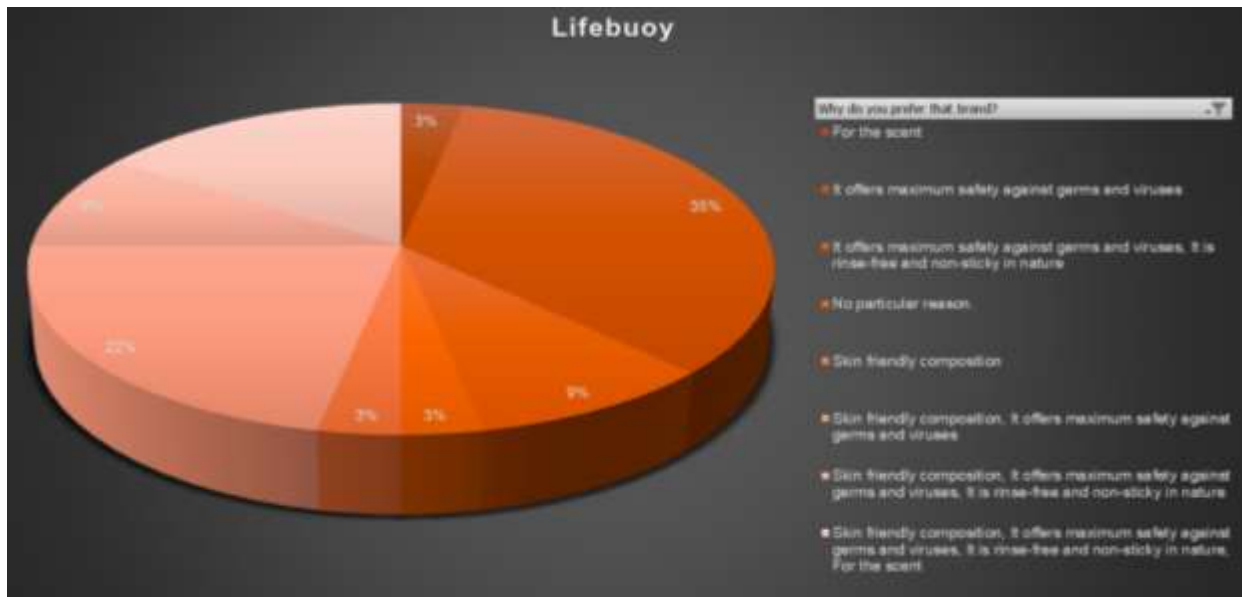
f) What do you consider the most while buying a hand sanitizer? Please rate the attributes you look for while buying a sanitizer. 1 is the least important and 5 is the most important.



From the data collected we can see that most of the people prefer sanitizing capacity, brand, portability and gentle on skin as the most important attribute for buying their sanitizers.

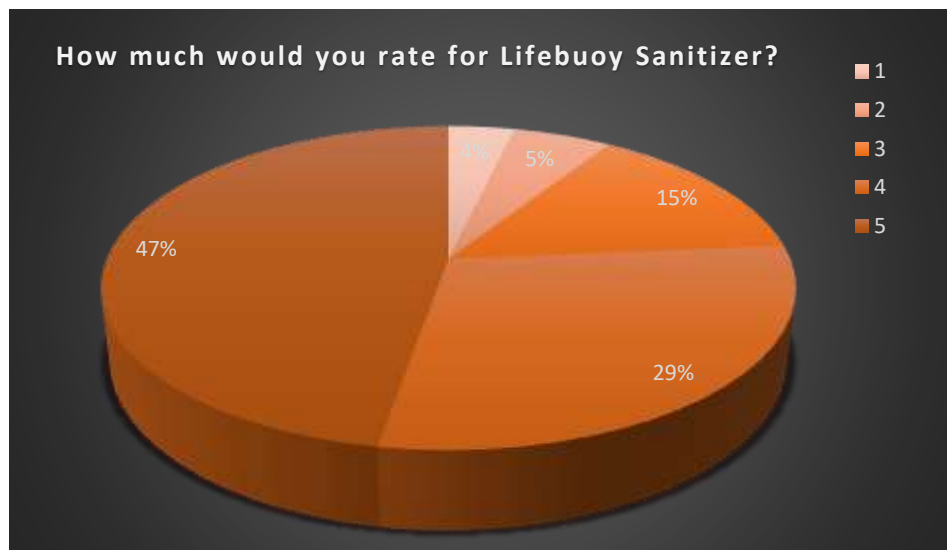


g)



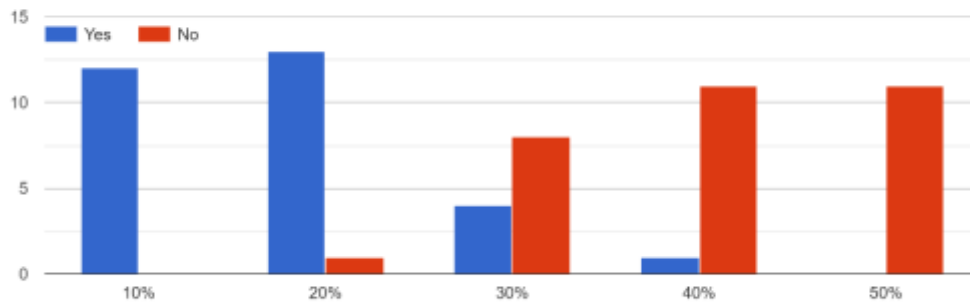
The above pie-chart shows the responses of the people who chose lifebuoy sanitizer and the reasons why they prefer this brand. Thus, majority of the people selected ‘it offers maximum safety against germs and viruses’ as a reason behind using lifebuoy sanitizer. The brand stands true to its “kills 99.9% germs and viruses” tagline.

h)



According to the survey conducted, 47% people find Lifebuoy as the best sanitizer brand. 29% rated four out of five. Thus it indicates that majority people are satisfied with the features of lifebuoy sanitizer.

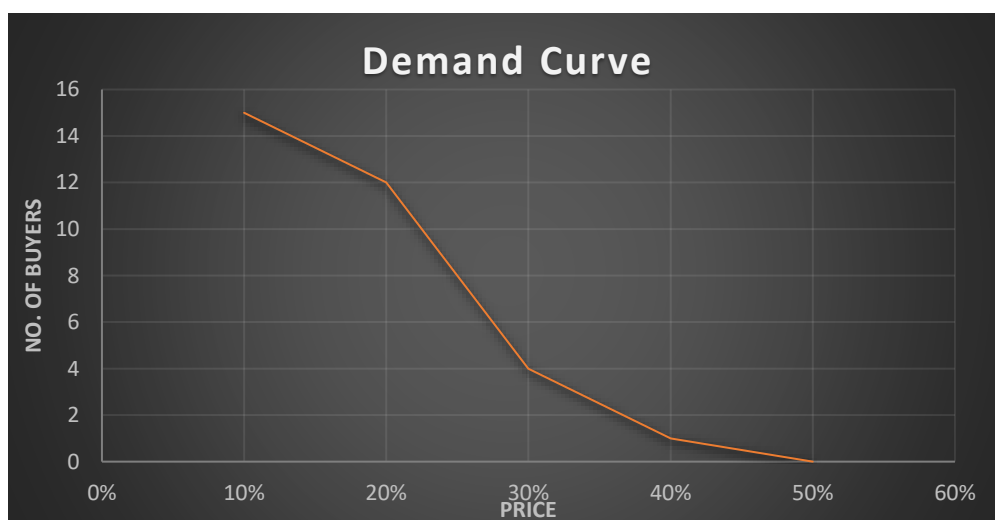
e) Will you continue using Lifebuoy Sanitizer if it's price increased by



Here, from the data collected for this question, I've assumed demand for lifebuoy sanitizer as a result of number of respondents saying "Yes". It is because I couldn't collect sufficient data on quantity demanded.

The above graph indicates the change in demand with respect to increase in the price of a sanitizer. Here, we can see that when customers were asked to buy sanitizer if its price increased by 10%, they were ready to buy. But when it came to 30% and 40% rise in price; most of the people denied. Thereafter when asked to buy at 50% rise in price, everyone denied.

This shows inelasticity of the demand for lifebuoy sanitizer. People are willing to buy at pocket friendly rates, if its price increased more than 20%, then all the lifebuoy users will switch to other substitutes of this brand. Here, pricing is the important aspect.



Price Elasticity of Demand:

When a rise in price leads to major change in its demand, it is known as Perfectly Elastic Demand. Here we can see that the demand curve is elastic, indicating that demand goes on decreasing with an increase in the price of the product.

In order to calculate elasticity of demand, I've chose a 100ml sanitizer bottle of price 50 with demand 15.

$$Ed = \frac{\Delta Q}{Q} \times \frac{P}{\Delta P}$$

Where Q is original demand and P is Original Price

Where ΔQ = change is demand ($Q_1 - Q$)

ΔP = change in price ($P_1 - P$)

Here, I've used Proportionate method to calculate elasticity of demand.

Increase in price	New price	Demand	% change in price	% change in demand	Ed	Perfectly Elastic Demand
10%	55.00	15	10%	0.00%	0.00	
20%	60.00	12	20%	-20.00%	-1.00	
30%	65.00	4	30%	-73.33%	-2.44	
40%	70.00	1	40%	-93.33%	-2.33	
50%	75.00	0	50%	-100.00%	-2.00	

7. CONCLUSION

After carrying the research-work we got a rough picture of demand for lifebuoy sanitizer in the market.

It can be clearly seen that majority of people using sanitizers are youth falling into age group 19-24 years. Wherein people prefer sanitizer mostly at workplace, hospitals, trips, public toilets, thus making a perfect use of hand sanitizer in absence of tap water.

Thereafter we saw the attributes people consider while buying a hand sanitizer, the most important was sanitizing capacity. Moreover people prefer lifebuoy for its 99% germ killing capacity.

The survey's main purpose was to see the demand of the lifebuoy sanitizer with respect to hand hygiene. Thus from the survey conducted we can conclude that lifebuoy stands as most favorite sanitizer brand.

8. REFERENCES

www.uniliver.com

<https://www.indiaonline.com/>