

CONSUMER BEHAVIOR



Brand: Mehta Solutions

Product Code: case1437

Weight: 0.00kg

Price: Rs500

Short Description

CONSUMER BEHAVIOR

case study

Description

Case V

Golden Glow Soap

Anil Mahajan absent -mindedly ran his finger over the cake of soap before him. He traced the name 'Golden Glow' embossed on the soap as he inhaled its unmistakable sesame fragrance. It was a small soap, almost like a bar of gold. There were no frills, no coloured packaging, and no fancy shape. Just a golden glow and the fragrance of sesame and Lucida font that quietly stated' Golden Glow'.

Mahajan smiled wanly and clasped the soap in his hands, as if protecting it from an unseen predator. He was wondering with quiet concern if the 30-year-old brand would last long. Sensi India, where Mahajan was marketing manager, was taking a long, hard look at the soap, as it was proving to be a strain on resources.

There were varying stories about how Golden Glow was launched. Some said the brand was a ‘gift’ from the departing English parent company. Others claimed that it was created for the then chairman’s British wife, as the Indian climate did not agree with her skin. They also claimed that the lady also coined the copy “The honest soap that loves your skin” was also coined by the lady. The line had stuck through three decades. Only the visuals had changed, with newer models replacing the older ones.

Zeni was basically a speciality products company producing household hygiene, fabricare, and dental care products. Golden Glow was the only soap in its product mix, produced and marketed by Sensi. Its reliable quality and value delivery had earned it a lot of respect in the market. Golden Glow equity was such that Sensi was known as the Golden Glow Company. Indeed, the brand name Golden Glow denoted purity, reliability, and gentle skincare.

In 1994, Sensi UK increased its stake in the Indian subsidiary to 51%. Within months, all of Sensi’s products were given a facelift, thanks to the inflow of foreign capital. New packaging, new fragrances, new formulations and more variants were introduced.

Only Golden Glow was left untouched. For, although it had a growing skincare business following some strategic acquisitions in Europe in the early eighties, Sensi UK was not a soap company. The UK marketing team ran an audit of every brand and product in the company’s portfolio. But when it came to Golden Glow, it faltered. “We don’t know this one,” officials at the parent company said.

“We don’t want this one to be touched,” Mahajan had said protectively, a sentiment that was endorsed by the managing director, Rajan Sharma. “Golden Glow is too sacred, we will leave it as it is,” he said.

But the UK marketing team was confounded. What was a lone soap doing in the midst of toilet cleaners and fabric protectors; they wondered, however they somehow agreed that their proposed revamp strategy would only look at up-gradation, not tinkering with what wasn’t broken.

Indeed, for 30 long years no one had tampered with the Golden Glow brand. And Mahajan felt there was no reason to start now. Golden Glow, in his view, was a self-sustaining brand. That was a bit of an understatement because advertising for the brand was moderate and Sensi India had never used any promotional gimmick for it.

Now, after four years of nurturing the other categories, Sensi UK had decided to launch its Vio range of skincare products in India. But Golden Glow's presence and profile was a major roadblock to Vio's success. "It will create dissonance, confuse our skincare equity and deter the articulation of Vio's credo. It will stand out as a genetic flaw," argued the UK marketing head. "You need to do a rethink on Golden Glow."

Mahajan protested. "Why? It has such a strong equity and loyal following. So much has been invested in it all these years. Why give up all that?"

Rajan, however, had another idea. "Let us then extend the Golden Glow brand." He said It was the simplest solution. Companies were now investing heavily in creating new equities for their brands. But in Golden Glow's case, Sensi was already sitting on a brand with a terrific equity. He felt that extending this equity to other categories, such as skincare products would be successful.

But Golden Glow needed a new positioning before it could be extended. Till a few years ago, it had been in premium category, priced at Rs.15. Then new brands with specific positioning and higher price tags entered the market. This created a level above Rs.15 soaps and pushed Golden Glow down to the mid-priced range. So Golden Glow's price was not commensurate with its premium position and image.

Over the years, Golden Glow had become so sacred that Sensi India had been too scared to do anything to it. As a result, the soap was left with niche category of loyal users. This category neither shrank or increased, just kept getting older and older, and with it the brand also kept growing older. For example, when Mahajan's wife had her first baby at 25, her mother had recommended Golden Glow for her dry skin and also for baby's tender skin because it contained sesame oil. That was in

1979. Today, Mahajan's daughter had turned 21 and was being wooed by Dove, Camay, even Santoor, and Lifebuoy Gold, with their aggressive advertising. Golden Glow had begun to lose its image of being contemporary as newer brands came in with newer values.

Today, at 46, Mahajan's wife still used Golden Glow, but when she recommended Golden Glow to her daughter, she said, "But Golden Glow is a soap for mothers, for older people."

That was a major problem. The Golden Glow brand had aged, and Sensi India hadn't even been aware of it. While its equity had grown with its users, its personality had aged considerably in the last 30 years. "I don't think you can keep the personality young, unless you keep renewing the brand. The objective now is to widen your equity so that your image becomes young," continued Rajan. "For instance, if today you were to personify a Golden Glow user now, it would be a woman of 45 years using the same brand for many years, who is over-40, not experimenting, very skincare conscious, very trusting, and very one-dimensional. As you can see, this is not a very competitive personality. These are the strengths of our Golden Glow, but these are also its weaknesses," he analysed.

The context had changed. Today, youth demanded brands that stood for freedom and fearlessness. They demanded bold brands that dared to cure, not just preserve. "Preservation is for old people. Those are the attributes being presented in evolved markets," said Rajan. To make Golden Glow contemporary, the attributes had to be re-framed, he felt. "You can't make a young brand trusting caring, loving, without adding other attributes to it. Today, youth stands for freedom, for laughter, for frankness, for forthrightness. That's what Close Up, Lifebuoy Gold, Vatika, and other brands propagate. So, either come clean and say it is for older skin which needs trust and kindness, or reposition the brand," said Rajan.

Repositioning was also necessary to address another anomaly in Golden Glow's image: its perceived premium. Sensi India had been unable to do anything about Golden Glow slipping into the mid-price range following the entry of more expensive brands. Now, as Rajan mulled over the brand extension plan, Mahajan felt that Golden Glow's premium positioning was its core equity and that had to be maintained.

“If you are premium priced in the consumer’s mind, your extensions are automatically perceived as premium. So, if you don’t present the other products as premium, the consumer will not see them as extensions of the brand,” he said. “For example, if you are to launch a shampoo which is priced lower than Sunsilk, but higher than Nyle and Ayur, then whatever the rationale, the consumer will not accept your product. “It is not the Golden Glow I know,” will be the feeling,” he said.

Mahajan felt that since premium positioning was one of Golden Glow’s equity values, it would be very difficult to convince consumers that the brand was being extended without hanging on to this particular value. “Will they buy your rationale that the very same values and equity would now be available at a low price? To be in the premium segment now, you have to price it at Rs 35 or 40, almost on a par with Dove,” he said. “With Dove retailing at Rs 45, Golden Glow will be perceived as a cheaper option.”

“We can’t simply raise the price,” said Rajan. “What are we offering for that increase? You can’t add value because you don’t want to tamper with the brand. The consumers will then ask, “Golden Glow used to be so cheap, what has happened now? The user will forget that 15 years ago, Rs10 was expensive, because all her comparisons would be in today’s context,” said Rajan.

“So what’s the option?” asked Mahajan. “You don’t have to be expensive to be premium,” said Rajan. Golden Glow already has the image of a premium brand, thanks to its time-tested core values of purity, credibility, and reliability. What we can do is reinforce the premium through communication and positioning. In fact) we should have tinkered with Golden Glow long ago. That is what HLL did with Lux. It also launched a bridge brand, Lux International, in the premium category,” said Rajan.

“How could we have done anything to the brand?” asked Mahajan. “The product had such a strong following. It stood for gold, for sesame oil, for its subtle earthy perfume. We changed the packaging periodically, but that’s all we could do. Remember the time we brought out a transparent green Golden Glow with the fragrance of lime? It bombed in the market.”

Rajan was not in favour of the premium positioning. It appeared very short sighted to him, given the bigger plan to extend the brand. “Where are the volumes in the premium segment? He asked. “For some reason, every manufacturer feels that skincare can be an indulgence of only the moneyed class. As a result, there is a crowd in the premium end of the market. Do we want to be yet another player in the segment?”

Fifteen years ago, Golden Glow was perceived as a premium product. But today, global brands like Revlon, Coty, and Oriflame were delivering specific premium platforms. Golden Glow did not have a global equity. ‘Let us revisit the brand and examine what it stood for 15 years ago and examine the relevance of those attributes in today’s context,” suggested Rajan. “Golden Glow stood for care, consciousness, love, quality and all that. But today, are these enough to justify a premium position?” he asked Mahajan. “These attributes are viable in the mid-priced segment.” He said.

“The mid-priced brand is the proverbial washer-man’s dog,” said Mahajan. “You don’t know whether you are at the bottom end of the premium range or at the top-end of the low-priced range. You end up creating an image of being on the opportunity fence. It is a mere pricing ploy, with no strategic value.”

QUESTIONS

- 1. Discuss the nature of problem(s) in this case?**
- 2. Suggest the kind of consumer research needed?**
- 3. How should Golden Glow be positioned/ repositioned to bring about the desired change among consumers? Give your reasons.**

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers