



Dabur India Limited – The World Leader in Ayurvedic Products - Sustaining Competitive Advantage

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Abstract

The fast moving consumer goods (FMCG) sector with a market size of US\$ 47.3 billion in 2015 is expected to more than double to USD 103.7 billion by 2020 and is the fourth largest sector in the Indian economy. This sector has seen several of the top players trying to consolidate their existing business portfolios by innovation or customization in the food & beverages; healthcare; and household and personal care segments. The customers are now more aware and with changing lifestyles and brand consciousness they are willing to pay a premium for easily accessible products. In this competitive markets, companies adopt several strategies like small pack size, exports to nearby similar markets, eco-friendly products, private label substituting premium brands, rural market focus, backward and forward front end integration including third party manufacturing. This case study focuses on the analytical decisions and strategy that Dabur, India's oldest and the largest ayurvedic company uses to be among the top three FMCG business companies in the Indian market. A detailed insight into their growth strategy is analyzed wherein Dabur is strengthening its new categories in the FMCG sector by strong innovative programs that target inorganic opportunities while expanding across geographies. Dabur is making a strong appeal to the young generation with the brand campaign that is contemporary, vibrant and socially conscious. Proper technological investments coupled with excellent distribution infrastructure are expected to enhance their growth. The final strategic thrust is reflected in their strategic intent to employ a combination of technological innovations, acquisitions, international business expansions, appropriate distribution setup, modern communication methods and use of digital media to realize their vision and gain a strategic dominant position in the FMCG market.

Keywords: Dabur, FMCG sector, Strategy, Innovative technology, marketing

JEL Classification: L1

Paper Classification: Case Study

Introduction

The case is a strategic analysis on how the world's largest ayurvedic healthcare company maintains its top strategic position by a proper selection of new products. Dabur introduces new products based on the opportunities provided in the expanding global market. This is vital to maintain its leadership position and maintain its competitive advantage.



FMCG – Sector Analysis

Dabur is competing in the FMCG sector which has grown at 13 per cent CAGR during the period 2007-2015. This market is expected to reach US\$ 103 billion by the year 2020 from US\$ 47.3 billion in 2015. Figure 1 FMCG is the fourth largest sector of the Indian economy. The most important segment in FMCG sector is the food products segment that contributes nearly 43 per cent of the overall revenue.

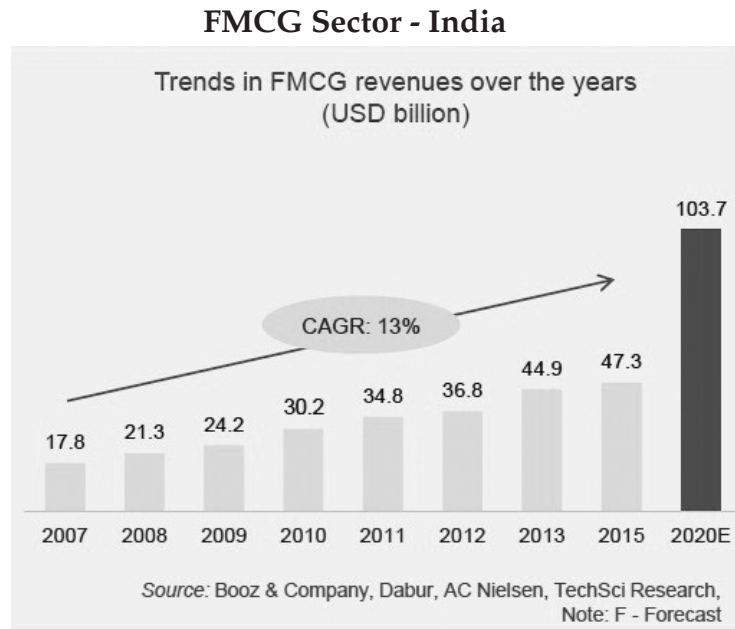


Figure 1. Annual Growth Rate of FMCG Sector in India

There are three main segments in the FMCG sector as shown in Exhibit 1

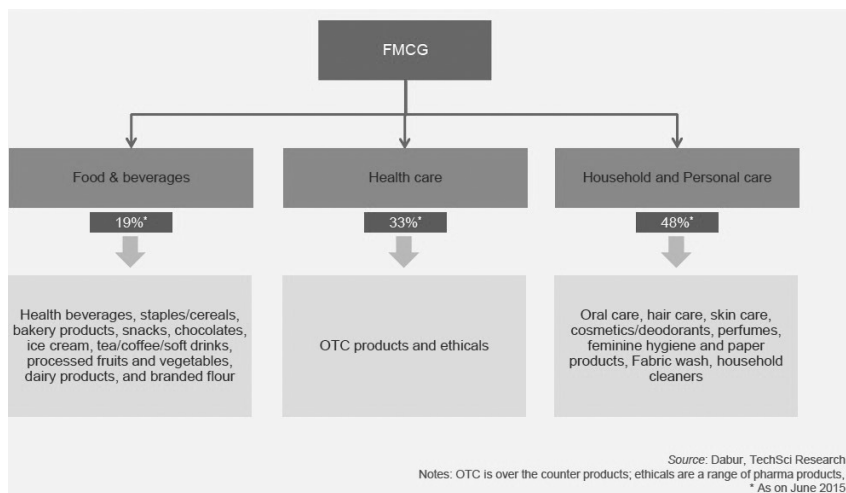


Figure 2. Main segments of FMCG sector

Figure 2 shows the three main segments of FMCG sector. Out of these, household and personal care is one of the most important segments in the FMCG sector, followed by healthcare and food & beverages. The growth in the urban and rural markets for the various categories is shown in Figure 3.

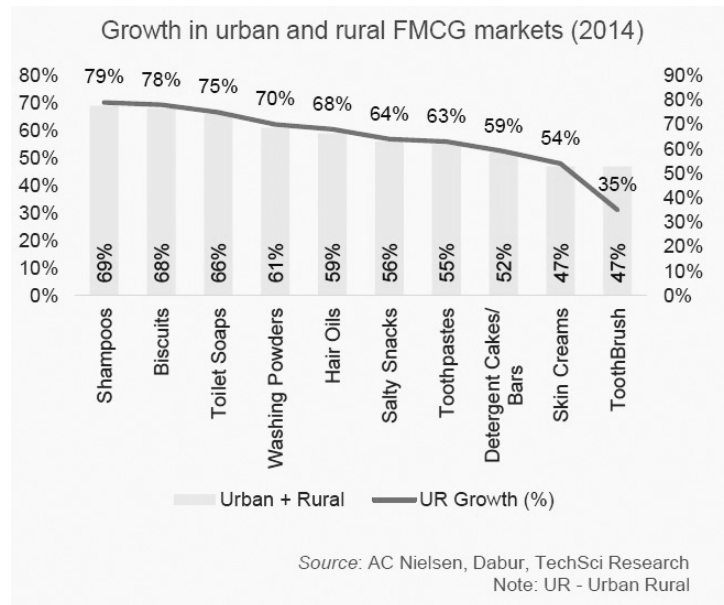


Figure 3. Growth in Urban and Rural FMCG Markets

As shown in Figure 4, the data for the top FMCG companies show an average 16-20% increase in sales in 2015, when compared to 2014.

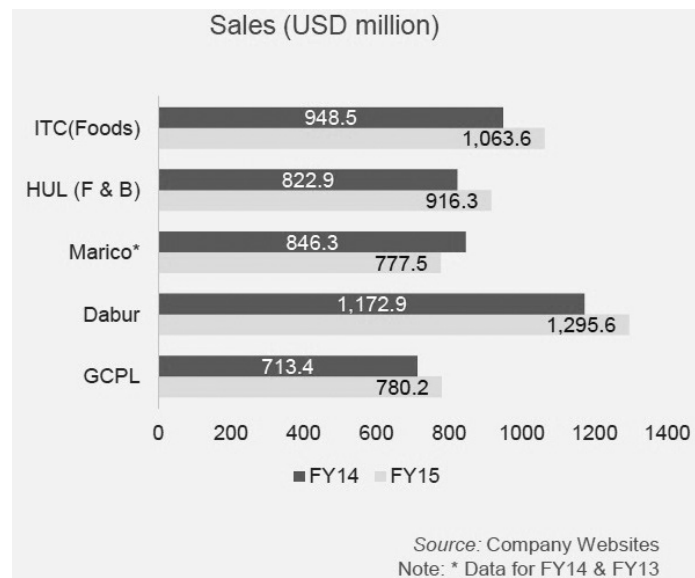


Figure 4. Growth in sales of top FMCG companies (USD mn)

Considering the growth in urban and rural categories as seen in Figure 3 the market share of the top FMCG categories as per the industry estimates of 2015 is shown in Figure 5.










	Market leader	Others	
Hair oil	 33%	 17%	
Shampoo	 47%	 23%	
Oral care	 49%	 30%	 13%
Skin care	 54%	 12%	 3%
Fruit juice	 50%	 45%	

Figure 5. Market share of FMCG companies in India

Source: Industry estimates
Aug 2015 (ibef.org)

The regulatory framework of the Government of India is favourable with relaxation in license rules that permits tremendous opportunities in the rural market. The major players in the Indian FMCG market have foreign connections like Hindustan Unilever, Nestlé India, and Procter & Gamble and are market leaders. Among the truly Indian players are Dabur, Britannia, ITC (Indian Tobacco Company) and Marico. It is imperative that Dabur stands out among the Indian players and provide a stiff competition to capitalize on the large market opportunity in the FMCG market. This needs to be done strategically so that their core assets and capabilities can be enhanced and sustain the competitive edge in an otherwise fiercely competitive market.

Based on the sales data (Figure 4) and the estimated market share (Figure 5) Dabur faces stiff competition from Marico and an emerging Godrej Consumer Products Ltd (GCPL) especially in the personal care segment. The sales figures in the personal care segment are shown in Appendix 1.

Dabur

Vision and Mission

Dabur’s vision is to satisfy the health and well-being of all its customers. Dabur would achieve its vision by offering high quality natural products that will improve the customer’s health and personal care. In doing so, the mission is maximizing the value offered to the shareholder.

Analysis

Dabur is one of the oldest listed company currently in the fourth position among the FMCG companies in India and has a varied portfolio of more than 260 herbal ayurvedic products. Its net revenue growth in the coming years can be seen in Figure 6.

Dabur – Net Revenue

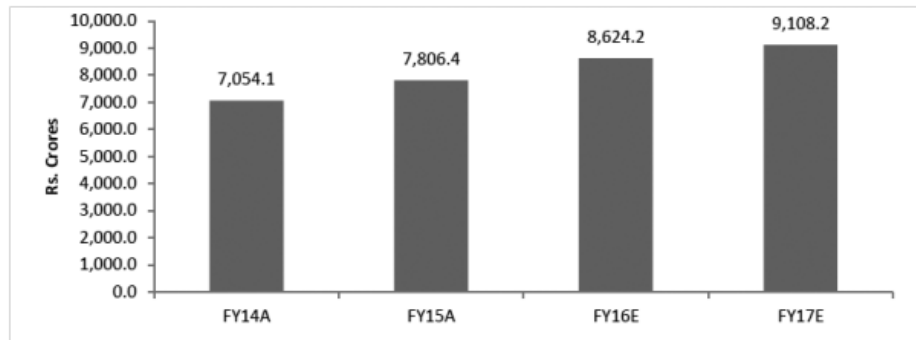


Figure 6. Expected net revenue growth of Dabur

Source: FundsIndia Vol 1. Issue 40 as on September 8th 2015

Dabur by virtue of being the world’s largest herbal ayurvedic portfolio has dominated this market. During financial year ended March 2015 Dabur has recorded revenues of Ra.7806 cr, an increase of 10.3 percent over FY2014. Its net profit in FY2015 was Rs.1066 cr, an increase of 16.6 percent over FY2014. It is of strategic importance for Dabur to maintain the high growth in order to capture higher market share. This can be achieved by specific strategic actions to be sequenced by Dabur in order to achieve their goals. Dabur is leveraging its dominant market position to bring out new products. Therefore, Dabur has initiated the focus on empowering and detailing their marketing front end team to increase their reach to the doctors. To do so, it has strengthened its team by providing innovative technologies like hand held devices to communicate seamlessly to expand their health portfolios.

Strategic Business Units

Dabur - SBU's wise sales breakdown

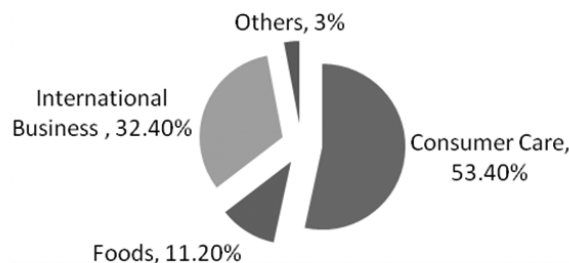


Figure 7: Sales breakdown of different SBUs of Dabur

Source: Company annual report 2014

The strategic business units are shown in Figure 7. These include the consumer care division (53.40 percent of sales) that consists of the healthcare and the personal care verticals. The foods division (11.20 percent of sales) that consists of the fruit based beverages and culinary paste verticals. The international division (32.40 percent of sales) that consists of all products sold in the international markets.

Dabur needs to focus on the core products that sustain their competitive advantage hence there is a need to identify specifically the products in each division. In the consumer care division, the product wise distribution is shown in Figure 8.

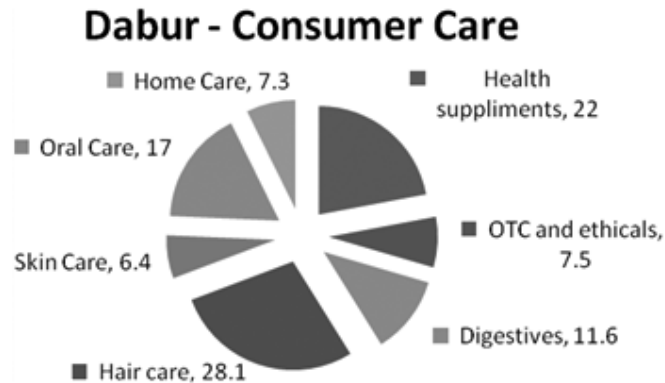


Figure 8. Product-wise distribution of Consumer Care Division

Source: Company annual report 2014

The most noted products in this division are:-

Health supplements. Dabur Chyawanaprash, Dabur Honey and Dabur Glucose. These brands grew at 16.4 percent in the year 2013-14.

Digestives. Hajmola, Pudina Hara and Triphala Churana grew at 17.2 percent during 2013-14.

Among the personal care products, although hair care contribution is the highest (28.10 percent), the growth rate was dismal at 7.1 percent during 2013-14. This is attributed to the strong competition faced among the competitors. Dabur's core products in this category are:

Oral care. Toothpowder & toothpaste (ayurvedic) that grew at 17 percent during 2013-14.

Home care. Mosquito repellents and toilet cleaners that grew at 19.80 percent during 2013-14

In all these cases; Dabur is focussed on their core competencies of being the world's biggest and quality supplier of ayurvedic products. This strategy is further enabled by the bottom of the pyramid (BOP) consumers that management needs to be attentive about, especially in terms of affordability. Radical innovative products can create business models that are creative in terms of value addition. In fact this approach has great implications for the developed markets (Pralhad, Di Benedetto & Nakata (2012). These could be possible sources of disruptive innovations that every good management should learn by listening to their customers. This has an effect on the sustainability of the future of companies that operate in the developed world. It is therefore vital for Dabur to focus at the BOP (Bayomi & Jasper, 2011). It has also been established that the need of the rural market segment requires the introduction of small packaging units. Smaller stock

units at lower prices help sustain low profit margin per unit but high sales volume from price conscious customers. Research studies showed that this improves the customers' quality of life and also enhances the corporate reputation and brand image. This differentiation is very vital for promotion and penetration in a market that is huge (Martinez & Carbonell, 2007).

Strategic Actions for Key issues faced by Dabur

Strategic Issues faced by Dabur. Dabur has strategically positioned itself as a quality ayurvedic supplier, thereby, making it extremely difficult to imitate due to causal ambiguity and excellent cross-sectional fit among the activities they perform. As a result, its main competitors like HUL or P&G face a high trade-off to capture the strategic position of Dabur. This is reflected in the sustainable returns for its shareholders in the past years as seen in Figures 9 & 10 below. (Figures are in Indian Rs).

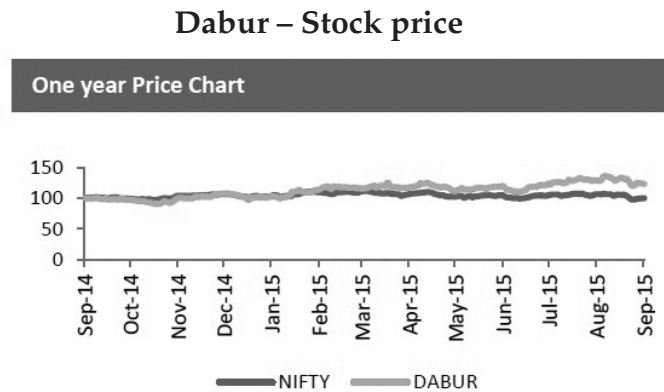


Figure 9. One year stock price of Dabur

Source: FundsIndia Vol 1, Issue 40
September 8th 2015

Fiscal Year Ended				
Y/E	FY14A	FY15A	FY16E	FY17E
Net Revenue (Rs. Crores)	7,054.1	7,806.4	8,624.2	9,108.2
EBITDA (Rs. Crores)	1,158.8	1,319.0	1,424.8	1,770.7
Net Profit (Rs. Crores)	885.3	1,058.3	1,214.0	1,547.5
EPS (Rs.)	5.1	6.0	6.9	8.8
P/E (x)	47.3	46.0	40.1	31.4
P/BV (x)	15.8	14.5	11.7	9.2
EV/EBITDA (x)	37.2	37.5	34.7	27.3

Figure 10. Estimated/Forecast for 2016 & 2017

Source: FundsIndia Vol 1, Issue 40
September 8th 2015

Despite their superior positioning in ayurvedic and natural health care products in rural areas and semi-urban regions (SEC-1, SEC-2), there are issues Dabur faces due to poor consumer preferences in the urban areas. Also the low switching costs for consumers coupled with very low and sizeable investments in branding and advertising makes strategic marketing difficult in the urban market, especially for the visibility, as compared to their top competitors like P&G, Unilever and Colgate. This is also perceived in the quality for similar products. Strategic spending for brand building, awareness and promotional activities needs to be done in order to aggressively market its product. Technology automation to leverage operational efficiencies would help in achieving superior competitive advantage compared to the top rivals.

Strategic Fit. Strategic fit looks at the strategic action plan being aligned to the vision and mission of the organization. Based on extensive literature survey and in depth case studies there is a need to understand the strategic fit and its interrelations and drivers to the organization and its core products. Here the managers need to look at strategic innovations, alliances and how to actually manage fit, Douma, Bilderbeek, Idenburg, & Looise (2000).

The inter-organizational learning and knowledge acquired in the strategic alliances helps leverage the existing opportunities into value driven propositions that enhance competitiveness. Various simulation models have been proposed to test the different conditions that influence the outcome of an alliance (Otto, 2012). This is clearly seen in the strategic alliances Dabur has entered into that affects its total international business

SWOT Analysis. Strategic action plan looks at the internal and external environment wherein the strength and weakness of the organizations are looked at based on the present and anticipated future opportunities and threats the organization could face in the long term.

The detailed SWOT/TOWS matrix is shown in Figure 11.

In a complex reality situation where the business is intensely competitive, companies need to look at the dynamics of the global market and the technological breakthroughs to build sustainable advantages. As the competitive advantage erodes over time, especially in an environment that is hypercompetitive, the companies must actively work at disrupting their own their competitors' advantages. This is possible by analyzing the industries and competitors and looking at their SWOT to meet the challenges of hyper competition (opportunities and threats). Here the structure, systems and strategy in the 7S framework is critical to realize the value that needs to be sustained (D'Aveni, 1995).

A look at their SWOT shows that in the Indian branded honey market, Dabur has more than 75 percent of the market. Dabur Chyawanprash, the largest selling ayurvedic medicine in the health tonics segment has over 65 percent market share. The Hajmola brand commands 60 percent market share of the digestive tablets category. This shows its presence in the niche herbal segment. In the overseas market, they have 69 percent hair oil market share in Saudi Arabia in FY2014 and 62 percent market share in Egypt. This consolidates their market strength. Their products directly reach more than 38,250 villages in India. However the Indian rural market is huge untapped that continuously offers opportunities for high growth in the consumer goods sector. Penetration levels are 55~70 percent across various categories compared to 70~90 percent in various categories. The Indian OTC pharmaceuticals market is estimated to grow at CAGR of 8.7 percent during 2013–18. In this category, Dabur has several products especially memory enhancers, digestive products, rejuvenation medicines, and women's health products. One of their main weaknesses involves tax planning.

	<p>Helpful Opportunities</p> <ul style="list-style-type: none"> Natural Brand Niche Market New Product Development Better product packaging Health product Rural Penetration 	<p>Harmful Threats</p> <ul style="list-style-type: none"> Many competitors - compete on cost and product range Herbal raw materials are demising
<p>Internal Strength</p> <ul style="list-style-type: none"> Herbal Brand In-house Raw Material High Export Depreciation shown high Monopoly in Chyawanprash High Brand Awareness Diversification 	<p>Strength – Opportunities</p> <ul style="list-style-type: none"> Moving towards Natural by developing Real juices Partnership with banks and IOC to reach rural market 	<p>Strength – Threats</p> <ul style="list-style-type: none"> Using high promotion on IPL and TV ads- “Brave and Beautiful” In-house more development of herbal resource - Nepal
<p>External Weakness</p> <ul style="list-style-type: none"> High Cost Product length Consumer perceptions that brand is for people above 35 years of old No branding by social media 	<p>Opportunities- Weakness</p> <ul style="list-style-type: none"> Increasing low cost product length to reach rural penetration Digital marketing to target niche market Branding as “Health and Wellness” –targets young, vibrant, socialized 	<p>Weakness – Threats</p> <ul style="list-style-type: none"> Improvement in product basket to reduce threat from competitor

Figure 11. SWOT/TOWS of DABUR

In FY2014 alone, their tax expense increased by 19.7 percent over the past year. Dabur has stiff competition from Colgate-Palmolive of Colgate and Pepsodent of Unilever against their personal and oral care brands among the urban Indian consumers. In the low priced hair care brands, Dabur faces severe competition from Chik of CavinKare and Parachute of Marico.

Strategic Intent: Focus. Dabur needs to accelerate their profitable growth significantly by focusing on the core brands that runs across various product categories, develop new geographies globally, and leverage technologies efficiently. Using their deep knowledge of ayurveda and herbs, Dabur looks at quality products to provide above average returns to their stakeholders

As Sunil Duggal, CEO of Dabur India Ltd informed, the challenges faced by Dabur in the millennium is to overcome the low demand and competition for their products. With this in mind Dabur decided to outsource non-core businesses, thereby stressing on product quality and

reviewing their product portfolio by concentrating on emerging categories that includes packaged fruit juices skincare and toothpaste (Duggal, 2012).

Strategic innovation. During FY2013, Dabur launched Babool Salt toothpaste, Gulabari Saffron and Turmeric Cold Cream and Vatika Henna based Hair Colors in niche markets. In the food segment, Dabur launched a unique Jamun fruit juice. As recent as July 2015, Dabur entered the ready to drink beverage market by launching 'Hajmola Yoodley'. Dabur also launched the new Dabur Baby brand that strengthens its baby care portfolio.

Strategic acquisitions. During FY2011, Dabur acquired Hobi Group Kozmetik Division (Turkey), a personal care products company that markets skin care, hair care, and body care products. Hobi is the Turkish hair gel category leader with 35 percent share spread across more than 30 countries mainly in the North Africa and the Middle East. In 2011, Dabur acquired Namaste Laboratories (Chicago, US) that markets specialized hair care products to African descent people in the US and African markets. Namaste, with its products developed of natural ingredients has a strategic fit with Dabur's existing portfolio of natural/herbal products. This platform provides a strong expansion into new markets and product categories especially in the international arena.

Changing trends. The Indian cosmetic surgery industry is growing significantly with increased consumer awareness, direct marketing campaigns. Technological advances especially in Non-surgical procedures have opened wide the Non-surgical markets especially the less invasive treatments like dermal resurfacing and micro-dermabrasion that consumers prefer. Dabur's covers over 3.4 million retail outlets in India and their products are available in over 60 countries worldwide contributing to 20 percent of the total turnover.

Strategic execution. As Eisenhardt and Sull (9001) question the sources of advantage in high velocity markets. The key point is keeping the strategy as simple as possible as seen in the case of Yahoo, Enron or eBay. This can be done by product innovation, partnering, or spinout creation where the opportunities are greatest. Essential are the boundary conditions of the market, the company's priority and timing in exploiting the attractive opportunities.

The strategic effectiveness based on Miles and Snow's strategy types depends on the manner in which the solution to the entrepreneurial problem is identified for the product-markets. According to the theory of Slater (1993), after the business fixes its product-market strategy, it must then look at the strategic system for producing and distributing its products. This would involve the development of the products, processes including the organizational structures that would enable the technological solutions that are entrepreneurial. Most successful companies need to be consistent in their strategy especially with reference to what business models they develop or choose. This includes the technology choice and capabilities of their organization. Ghoshal (2003) summarizes these most relevant managerial experiences in the case of Sony that was envisioned by its CEO in defending its traditional consumer electronics position while simultaneously building in the "integrated home entertainment" a leadership position.

For FMCG business, the communication channels that are interactive are far better than traditional methods because they are able to create increased brand awareness and differentiation compared to the other FMCG brands. The traditional communication methods are unable to measure their effectiveness as compared to the modern methods of advertisements. More over consumers use the modern communication methods more frequently due to significant advancements in technologies (Dad, 2012). Dabur Vatika is a classic example of Dabur's strategy where it leverages positioning to differentiate. This strategy is used for almost all the product

categories and markets. Dabur identified and evolved in to an umbrella brand from a premium brand while maintaining its market positioning. The core resource backed by thorough consumer research were the natural/organic ingredient that greatly influenced the consumers' choice. This is the key to carve and maintain a niche market. This was backed by product packaging and advertisements.

Although Dabur faced resistance in repositioning of its brand Dabur strategically re-branded including a 'more contemporary and relevant' change in their logo in 2004 that aided in strengthening in Dabur's image in India and the international market. Dabur understood the timing, especially of micro-segmenting the market, so that its communication strengthens all the product categories across all markets. The media selection was specific that engages and interacts with its consumers. This is how Dabur continuously innovates its product formulation and sustains its market position. Dabur's foods & beverage division was facing a pricing problem. Due to the impact of citrus canker disease that devastated orange crop, the orange concentrate prices worldwide including India soared, leading to price rise in 2006. Dabur's strategy was to broaden its consumer base in order to deal with their profit margins (Pande, 2007).

Rural Indian consumers are very keen to emulate their urban counterparts especially with regard to skin care products like facial bleaches. This market has reported a double digit growth with great interest in the single use small packs. Dabur identified 10 states with its rural footprint to reach out to villages with population of 3,000 that covers 72 per cent of the rural FMCG potential. As the consumer research shows "Fairness is the single biggest beauty need of Indian women", bleaching is a very popular skin care practice with a fast growing market that is on the radar of Dabur. Dabur's business supplements and foods business, grew at 22 per cent and 21 per cent, respectively. Their star products being Dabur Honey and Dabur Glucose. Glucose-D was pitted against Glucon-D, the category leader from Heinz. This is a seasonal product, with 80-85 per cent consumption in the summer season between April and June. Dabur's strategic advantage was its flavor especially the orange and lemon, their communication strategy with a contest for kids that centered on cartoon character Ben10 and their strategic positioning in key geographies like Andhra Pradesh, West Bengal, Bihar, Uttar Pradesh and Odisha. Quantitative research for branded FMCG products in Iran showed that the consumer behavior viewed brand loyalty to have the highest impact in purchasing behavior among the four elements of brand equity like to brand awareness, association and perceived quality (Fouladivanda, Pashandi & Hooman 2013). Focus groups studies based on the broad demographic and socio-economic backgrounds in mass markets found that there are no relationships in the perspectives of the consumers. The strategic implications are to move away from relationships and focus on exploring the true exchange process that leads to effective marketing (Leahy, 2011). Among the important range of strategies, line extensions play a key role in keeping the brand alive and in obtaining incremental financial growth. In the study by Nijssen (1999), three market-related factors were investigated; (i) market place completion level; (ii) the power of the retailer; and the (iii) consumers' behaviour for seeking variety. The study showed that line extensions that introduces new flavours and new packaging sizes were the ones that were most successful.

Recommendations

In conclusion, Dabur needs to focus on their core brands to leverage their competitive advantage. This needs to be done across new geographies areas. Its strategic allocation of resources in leveraging technology would help improve operational efficiencies. Strategic positioning with increased brand visibility to occupy more shelf space would strategically propel Dabur to the top three FMCG company in India. Continuous innovation, especially in the personal

care segment, internationally along with premium pricing in the US market will help Dabur enhance its performance.

Dabur is reinventing its target by focussing on the middle aged people. Simultaneously, it is also building a contemporary brand that appeals to the youth with increased spend on digital ads, and creating products with excellent packaging format that gives the product sharper appearance and commands price premium. In distribution, their wide network covers over 5.8 million retail outlets giving them high penetration both in the rural and the urban market. Dabur's international sales contribution (30 percent of total sales) is increasing over the years and it has increased their global presence to over 60 countries where its brand popularity is increasing. Dabur are present in the SAARC countries, Middle East, Africa, US, Europe and Russia. This has happened despite political disturbances in MENA region and the currency devaluation in Egypt and Nigeria. Their Namaste America grew by 20 percent. The local coverage of the potential rural market is covered by the "Project Double" wherein Dabur has increased the rural coverage from 14,000 to 44,000 villages in the past three years.

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Appendix 1

Personal care segment - Market Share

Company	Net Sales INR (crores)	Market Share
HUL	30805.62	51.7%
Dabur India	5431	9.1%
Marico	4681	7.9%
Godrej	4429	7.4%
Colgate	3981	6.7%
P & G	2333	3.9%
Emami	2030	3.4%
Gillette India	1874	3.1%
Jyothy Labs	1437	2.4%

Others include Bajaj Corp, JL Morison, Safal Herbs etc are having less than 5% market share

Appendix 2 Balance Sheet

Sources of Funds	Godrej					Dabur					Marico				
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
Owners Fund															
Equity Share Capital	34.04	34.04	34.03	34.03	32.36	175.65	174.38	174.29	174.21	174.07	64.5	64.49	64.48	61.49	61.44
Reserves & Surplus	3,349.01	2,990.32	2,727.07	2,489.89	1,501.34	2160.54	1727.96	1420.45	1128.28	927.09	2278.39	1908.85	1926.95	1062.63	811.68
Loan Funds															
Secured Loans	0.34	0.88	0.65	2.27	9.89	15.74	17.79	22.47	19.12	17.57	177.38	302.71	289.57	310.53	280.13
Unsecured Loans	0	0	260.17	235.24	59.5	113.39	26.5	219.11	254.15	235.78	0	105.42	366.62	242.62	220.06
Total	3,383.39	3,025.24	3,021.92	2,761.43	1,603.09	2465.32	1946.63	1836.32	1575.76	1354.51	2520.27	2381.47	2647.62	1677.27	1373.31
USES OF FUNDS															
Fixed Assets															
Gross Block	1,318.34	1,332.07	1,352.74	1,363.44	1,399.40	1093.98	1017.04	937.7	864.68	766.88	708.95	686.26	499.6	425.81	381.22
Less : Revaluation Reserve	0	0	0	0	0	0	0	0.04	0.78	0	0	0	0	0	0
Less : Accumulated Depreciation	258.15	226.98	206.91	182.03	169.7	411.46	363.39	321.12	279.35	269.32	227.39	192.12	164.37	185.72	158.76
Net Block	1,060.19	1,105.09	1,145.83	1,181.41	1,229.70	682.52	653.65	616.54	584.55	497.56	481.56	494.14	335.23	240.09	222.46
Capital Work-in-progress	178.83	147.99	121.1	12.19	7.55	12.22	16.73	17.07	11.58	11.92	2.07	2.06	145.34	36.22	24.71
Investments	2,300.21	2,166.99	1,450.05	1,193.46	362.06	1778.17	1118.42	729.41	552.72	519.23	1335.04	1366.76	1316.47	672.17	470.36
Net Current Assets															

(Continued...)

Current As-sets, Loans & Advances	1,127.81	838.09	1,119.05	896.94	490.28	1215.45	1333	1464.83	1301.9	1317.26	1412.39	1280.62	1371.23	1112.18	968.2
Less : Current Liabilities & Provisions	1,493.04	1,426.33	1,034.03	792.11	700.4	1223.04	1175.17	991.53	874.99	1074.41	710.79	762.11	520.65	383.39	312.42
Total Net Current As-sets	-155.84	-394.83	304.94	374.37	3.78	-7.59	157.83	473.3	426.91	242.85	701.6	518.51	850.58	728.79	655.78
Miscellaneous expenses not written	0	0	0	0	0	0	0	0	0	82.95	0	0	0	0	0
Total	2520.27	2381.47	2647.62	1677.27	1373.31	2465.32	1946.63	1836.32	1575.76	1354.51	2520.27	2381.47	2647.62	1677.27	1373.31
Note :															
Book Value of Unquoted Investments	1298.45	1334.28	1291.9	550.21	459.29	438.64	742.8	434.33	307.48	101.6	1298.45	1334.28	1291.9	550.21	459.29
Market Value of Quoted Investments	3308.12	2499.38	717.45	797.59	1154.8	1342.16	377.26	295.06	245.22	421.02	3308.12	2499.38	717.45	797.59	1154.8
Contingent liabilities	819.27	879.8	808.28	1392.55	553.86	1553.8	1338.05	1719.07	1341.72	1075.89	819.27	879.8	808.28	1392.55	553.86
Number of Equity shares outstanding (in Lacs)	6449.82	6448.73	6447.72	6149.34	6144	17565.12	17438.13	17429.35	17421.01	17407.24	6449.82	6448.73	6447.72	6149.34	6144

Appendix 3

Ratio Analysis

	Godrej					Dabur					Marico				
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
PER SHARE RATIOS															
Adjusted E P S (Rs.)	18.97	16.59	15.01	12.73	12.2	4.48	3.86	3.39	2.92	2.64	8.45	8.95	5.93	5.47	4.07
Adjusted Cash EPS (Rs.)	20.19	17.64	15.96	13.49	12.88	4.85	4.17	3.81	3.29	2.96	9.3	9.67	6.45	5.99	4.52
Reported EPS (Rs.)	19.22	16.59	15.01	17.76	13.44	4.34	3.85	3.39	2.66	2.71	8.45	8.95	6.65	5.47	5.13
Reported Cash EPS (Rs.)	20.45	17.64	15.96	18.52	14.12	4.72	4.16	3.81	3.04	3.02	9.3	9.67	7.17	5.99	5.58
Dividend Per Share	5.5	5.25	5	4.75	4.5	2	1.75	1.5	1.3	1.15	2.5	4	1	0.7	0.66
Operating Profit Per Share (Rs.)	24.66	21.95	18.51	16.87	15.3	5.34	4.74	4.33	3.77	3.59	10.26	8.68	8.1	6.63	5.64
Book Value (Excl Rev Res) Per Share (Rs.)	99.38	88.85	81.14	74.17	47.39	13.3	10.91	9.15	7.48	6.33	36.32	30.6	30.88	18.28	14.21
Book Value (Incl Rev Res) Per Share (Rs.)	99.38	88.85	81.14	74.17	47.39	13.3	10.91	9.15	7.48	6.33	36.32	30.6	30.88	18.28	14.21
Net Operating Income Per Share (Rs.)	130.12	119.86	105.22	87.43	76.3	30.92	27.93	24.95	21.57	18.81	72.58	57.1	52.84	48.3	38.26
Free Reserves Per Share (Rs.)	0	0	0	72.86	0	0	0	0	0	4.02	0	0	0	0	0
PROFITABILITY RATIOS															
Operating Margin (%)	18.95	18.31	17.59	19.29	20.05	17.27	16.95	17.34	17.47	19.06	14.14	15.19	15.32	13.71	14.74
Gross Profit Margin (%)	18.01	17.43	16.69	18.42	19.16	16.06	15.84	15.66	15.72	17.91	12.97	13.93	14.35	12.65	13.57
Net Profit Margin (%)	14.77	13.84	14.26	20.31	17.61	14.04	13.8	13.58	12.32	14.39	11.64	15.67	12.59	11.33	13.41
Adjusted Cash Margin (%)	15.32	14.57	14.95	15.14	16.62	15.3	14.59	14.97	15.05	15.58	12.44	15.91	12.02	12.18	11.69
Adjusted Return On Net Worth (%)	19.09	18.67	18.5	17.17	25.73	33.66	35.36	37.05	39.01	45.21	23.26	29.25	19.21	29.94	28.61
Reported Return On Net Worth (%)	19.34	18.67	18.5	23.94	28.36	32.64	35.33	37.05	35.56	46.29	23.26	29.25	21.54	29.94	36.11
Return On long Term Funds (%)	25.28	24.84	21.46	21.92	33.27	43.24	46.33	48.13	49.55	53.79	29.78	33.6	22.76	29.51	28.85
LEVERAGE RATIOS															
Long Term Debt / Equity	0	0	0.09	0.09	0	0	0	0	0	0.01	0.07	0.12	0.18	0.28	0.35
Total Debt/Equity	0	0	0.09	0.09	0.04	0.05	0.02	0.15	0.2	0.23	0.07	0.2	0.32	0.49	0.57

(Continued...)

Owners fund as % of total Source	99.98	99.97	91.36	91.39	95.67	94.76	97.72	86.84	82.65	81.29	92.96	82.86	75.21	67.02	63.57
Fixed Assets Turnover Ratio	1.38	1.35	1.24	1.3	2.02	2.46	2.57	2.55	2.56	2.96	1.91	1.46	1.58	1.95	2.02
LIQUIDITY RATIOS															
Current Ratio	0.89	0.72	1.29	1.37	1.01	0.99	1.13	1.48	1.49	1.23	1.99	1.68	2.63	2.9	3.1
Current Ratio (Inc. ST Loans)	0.89	0.72	1.28	1.37	0.9	0.88	1.08	1.17	1.12	0.99	1.94	1.32	1.69	1.72	1.83
Quick Ratio	0.58	0.39	0.78	0.84	0.58	0.54	0.65	0.97	0.88	0.77	0.87	0.8	1.27	1.47	1.56
Inventory Turnover Ratio	9.61	8.71	6.68	7.26	8.33	10	8.72	8.7	7.18	8.65	5.92	5.55	4.81	5.61	5.18
PAYOUT RATIOS															
Dividend payout Ratio (Net Profit)	28.61	31.63	33.3	25.91	37.52	46.06	45.4	44.23	48.88	42.46	29.57	44.68	7.51	12.78	12.85
Dividend payout Ratio (Cash Profit)	26.89	29.76	31.32	24.85	35.71	42.39	42.03	39.36	42.8	38.07	26.87	41.37	6.97	11.69	11.82
Earning Retention Ratio	71.01	68.37	66.7	63.86	58.65	55.34	54.65	55.77	55.44	56.53	70.43	55.32	91.58	87.22	83.78
Cash Earnings Retention Ratio	72.77	70.24	68.68	65.89	60.83	58.8	58.01	60.64	60.55	61.11	73.13	58.63	92.25	88.31	85.39
COVERAGE RATIOS															
Adjusted Cash Flow Time Total Debt	0	0	0.48	0.51	0.16	0.15	0.06	0.36	0.47	0.49	0.29	0.65	1.58	1.5	1.8
Financial Charges Coverage Ratio	24.3	20.43	43.95	37.19	93.39	108.83	48.34	45.72	50.49	50.47	47.3	26.09	13.1	16.2	11.65
Fin. Charges Cov. Ratio (Post Tax)	19.85	16.59	36.07	38.16	81.16	84.78	38.52	37.1	38.53	41.66	36.35	21.49	11.58	13.99	11.85
COMPONENT RATIOS															
Material Cost Component(% earnings)	45.59	46.27	50.93	52.81	47.57	52.94	53.2	52.92	55.89	53.15	60.32	54.04	58.58	60.74	61.19
Selling Cost Component	0	0	0	17.83	0	0	0	0	0	14.89	0	0	0	0	0
Exports as percent of Total Sales	3.96	4.18	5.73	12.5	8.17	3.68	4.51	5.47	4.44	4.09	6.61	10.17	4.93	7.56	6.57
Import Comp. in Raw Mat. Consumed	10.69	14.02	20.73	23.45	17.17	1.95	0.86	1.47	0.91	0.93	11.4	10.39	8.48	8.99	5.26
Long term assets / Total Assets	0.66	0.7	0.56	0.54	0.44	0.66	0.57	0.47	0.46	0.43	0.55	0.59	0.56	0.45	0.42
Bonus Component In Equity Capital (%)	0	0	0	0	0	92.87	93.24	93.29	93.34	93.41	86.04	86.05	86.07	90.25	90.33

Appendix 4
Annual Result

Annual Results	Godrej					Dabur					Marico				
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11
Sales	4,429.80	4,079.84	3,581.02	2,980.08	2,442.64	5,431.28	4,870.08	4,349.39	3,759.33	3,287.67	4,681.20	3,682.49	3,407.10	2,970.30	2,353.71
Operating profit	839.67	752.97	642.08	554.28	502.17	938.5	825.72	754.42	658.55	620.77	661.97	559.52	522.09	407.46	348.31
Interest	36.92	38.52	15.49	13.39	8.76	634	19.35	18.4	14.1	12.93	16.97	30.43	43.68	28.34	29.92
Gross Profit	857.99	748.51	665.23	603.94	526.63	1,066.46	915.94	822.91	697.8	634	785.79	763.46	528.61	430.76	336.72
EPS	19.23	16.59	15.01	17.76	13.44	4.34	3.85	3.39	2.66	2.71	8.45	8.95	6.65	5.47	5.13

Authors' Profile

Thomas Mathew is a management professional with over two decades of experience in strategy, planning, development & business operations in several global MNCs. He has led key initiatives to identify new business territories and products that added value to the company's overall performance. He has over a decade of experience in teaching IB & Strategy for the PG program and the Master/Working executives program of Mumbai University. He has expertise in teaching International Business & Strategic Management having taught at several management institutes before joining K J Somaiya Institute of Management Studies & Research, Mumbai, India. He has attended several national & international conferences and published several papers/case studies in national/international journals.

