

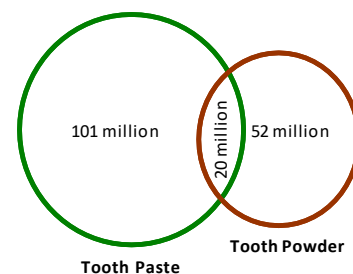
## Category Development

Industry: FMCG – Tooth paste

Marketing Challenge: Market expansion by using consumer upgrade model

Data Source: IRS 2008 R1

The Toothpaste and tooth powder market has grown from 147 million in 2005 to 173 million in 2008 and the market has expanded at a CAGR of 5.6% per annum. Out of these, 121 million households use toothpaste and around 72 million households use tooth powder for oral care. 20 million households use both the products. Amongst the two, toothpastes are slowly becoming the preferred product for cleaning teeth. This is evident from the fact that in the last 3 years, the toothpaste penetration has grown by 9% by adding 27 million Households to its base and the tooth powder category has actually seen a de-growth of 2%. The toothpaste category may well be gaining to some extent, from households upgrading from tooth powder to tooth paste.



Source: IRS 2008 R1, Base: All India HHs

Since the concept of oral hygiene is already established in The Toothpowder using households a toothpaste manufacturer may choose to look at this segment for market expansion. From the IRS data we infer that there are 52 million households that use only toothpowders (and not toothpaste). This could translate to nearly 198 million individuals who may be using toothpowder only.

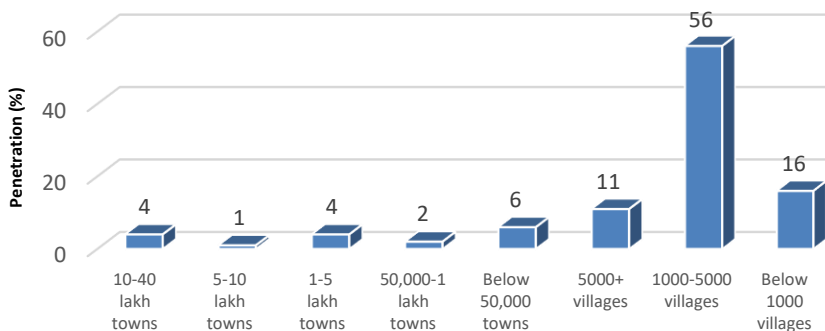
Where do we find tooth powder using households?

We can identify states, pop strata and specific regions within states which have higher penetration of Tooth Powder using households from IRS.

Table 1.1 provides the estimated number of households using Tooth Powder (but not Tooth Paste). Uttar Pradesh clearly leads the pack. However we now have to identify regions within the state that could be targeted for concentrated marketing efforts or promotional campaigns.

States	Users of Tooth Powder but not Tooth Paste ('000s)
Uttar Pradesh	11542
Maharashtra	7658
Madhya Pradesh	6068
Bihar	5254
Tamil Nadu	4990
Andhra Pradesh	4504
West Bengal	2561
Karnataka	2220
Rajasthan	1847
Jharkhand	882
All India	52036

### UttarPradesh

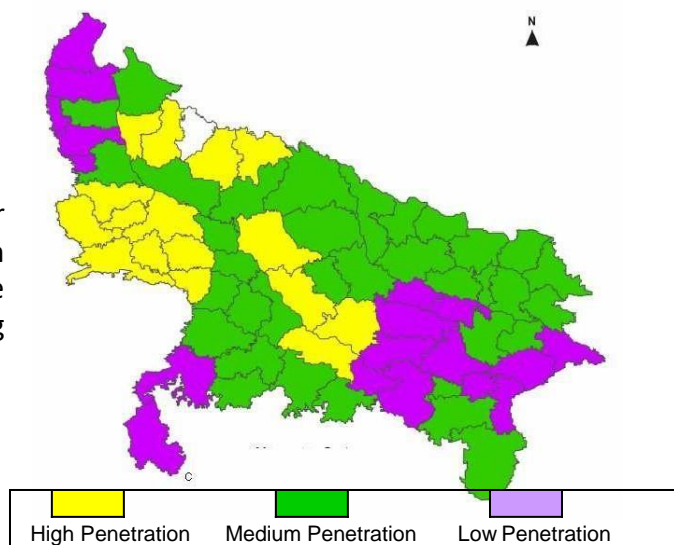


In IRS sampling is done using the PPS model (Proportion to population Sampling). As such each state is allocated a sample which is in accordance with its population size. The aggregate sample is then distributed between various urban and rural pop strata, SCRs down to the district level. A set number of adjoining districts are clubbed to form IRS Sampling Districts (ISDs). We can find out the Tooth Paste penetration levels of each of the ISDs in the state to arrive at high, medium and low priority regions within the state

### Fine tuning your understanding of the market

IRS can further help you narrow your consideration set and. You can get answers to questions like:

1. *How to establish toothpowder purchase volumes for market size estimation* - IRS captures information on 'frequency of purchase' and 'pack size bought'. Volume estimations can be made from this information enabling further fine tuning of priority markets.
2. How to identify products that could be used for bundling offers or for sampling – IRS captures information on consumption of over 120 products.
3. It may be a worthwhile exercise to identify products that go to tooth powder using households or households with a similar profile. A marketer may choose to sample tooth paste to these households.
4. *Choice of media* – Get an understanding of the penetration of various media in select target groups And this is not all.... There are several ways in which you can use the information from IRS to help you make better business decisions.



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Note: Data for the above case study has been taken from IRS software. The ISD level data however has been obtained from raw data on request. While care has been taken to ensure correct representation of the data, please note that the case study has been developed for sample purpose only.