

A study on conceptual framework for managing brand portfolio in FMCG sector with respect to retailers in India

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Abstract

Indian FMCG sector is fourth largest in the world and valued almost 2-lakh-crore . Apart, demographic and socio-cultural characteristics of India make, FMCG sector more diverse and complex. FMCG sector in India is witnessing proliferation of multinational and domestic brands with surfeit variants. The paper emphasizes FMCG giants in India with their category, brand and SKUs operation with respect to retailers' perception. The paper also encompasses various issues pertaining the brands of selected Home and Personal care available at retail out-let. The paper also highlights various factors affecting the retailers to keep particular brand in their shop and comparison of various FMCG companies on the basis of category presence with optimum brand and SKUs combination. Store space and demographic profile also divulge important insight so far as the brands in selected categories of FMCG is concerned. The paper elicits the facts about rationalization of brand portfolio with 360 degree scanning of retailers' perspective on FMCG products.

Key Words: Rationalization, Brand Portfolio, Retailers, Category Management

1. INTRODUCTION

The thrust for having big pie in terms of market share kindle the marketer for constant endeavors and strive for excellence. Indian FMCG sector is fourth largest in the world and valued almost 2-lakh-crore.¹ Independent India today because of liberalization, privatisation and globalization hunt for the policy of "Differentiate and Rule" in the areas of sales and marketing. The important thing is that today for survival in the intense competition marketers have to come out with differentiations. At this juncture the marketer should accentuate on the Branding phenomenon, which becomes the

¹ Economic Times 22 May 2013

indispensable part of the differentiation. Majority of the products become standardize today. Again if we take the Fast Moving Consumer Good Industry then, we find majority of the products are standardize and there is influx of marketers who come out with identical products every-day.

So, the issues for Fast Moving Consumer Goods Industry become complex and require lot of contemplation on the part of the marketer. Again this kind of phenomenon stimulates the price wars and only price become the prime criteria for differentiating the product with competitors. At this juncture marketers have to think, is it rationale to do so or behave in a way like others. All these circumstances compel the marketer to think on Brand and Brand Building exercise. Again once you have developed the strong brand then the issues on the later half are how to stretch the Brand successfully? How many brands should be there in the Brand Portfolio? When to revitalize the weaker Brands of the Organization? When to do Re-Branding? Is it Feasible to Develop a Brand as a cult Brand for FMCG Product? So plethora of the question comes out in today's scenario, which poses stern challenges to the marketer.

The concern for Brand and Brand Portfolio

To develop the strong Brand is not only the motto of the firms but to preserve them against piracy is become important discretion for the marketer. So all these compel the marketers of the FMCG industry to rationalize the Brand Portfolio and again it is the need for the Day. Brand portfolio management is a strategic examination of your branded offerings across the organization. It starts with your customers, the needs you are satisfying and, in some cases, the needs you are not satisfying. The end game is to efficiently manage branded offerings to create greater value and uncover new opportunities for growth. Brands are assets, and each asset must be regularly monitored to assess its contribution and role within the overall portfolio.

Transition from Brand portfolio to Brand Architecture in FMCG sector

The tangible dimension of brand portfolio management is brand architecture.² Based on the roles that various brands play in a portfolio, brand architecture is how a company needs to strategically organize its total array of offerings to face the market-place, how it expresses these offerings verbally and visually, and how all the brand names and identities relate to each other. There are several primary models for brand architecture, ranging from a single masterbrand system to a house of freestanding brands, as well as hybrid versions of these. The words "brand portfolio management" invoke images of Proctor and Gamble, Unilever, ITC, GSK, Godrej, Nestle and Kraft Foods with their vast array of categories and brands, each playing a strategic role to maximize total portfolio value. Perhaps this is why organizations with a single brand, or a corporate brand that plays a smaller role in the customer purchase decision, often fail to apply the discipline of brand portfolio management and also fail to reap the rewards.

Whether you are managing a single master-brand or a large number of freestanding brands, the offerings behind your brand architecture are typically vast and evolving. This applies to almost all businesses. Equally important is, the need to understand opportunities for growth and innovation based on unmet customer needs by making additions to the portfolio that align with the existing framework.

²Aaker, David A. (2004a), Brand Portfolio Strategy. Creating Relevance, Differentiation, Energy, Leverage And Clarity. New York, Free Press.

Retailers' perspective for brand Management: Need and Significance

Today Modern Trade or organized retail for FMCG sector has emerged as significant factor as the proportion of consumers who claim to shop at MT "Occasionally" has grown from 54% last year to 66% in 2012.³ Modern trade has a market share of 9.2% in overall FMCG sales, it indicates still more than 91% of FMCG sales is driven by traditional format and other channels. The Nielsen report reveals the fact that Modern Trade is still a urban phenomenon as 17 key Metros accounts for whopping 73% of MT sales of FMCG products. Significant research happened on organized retail in FMCG sector and impulse buying issues. Still the unorganized retailers remain obscure area for FMCG sector and brand portfolio management. Retailers of FMCG products in India suffer from issues ranging from store size to ROI and demographic issues to corporate attention. For exploring all these possibilities research tried to analyze the FMCG sector in light of brand portfolio management with retailer's perspective.

2. RESEARCH METHODOLOGY

The research has been carried out in mainly two phases; in phase one; macro environment variables have been studied along with literature review on brand portfolio Management and retailers while in phase two primary survey has been conducted.

For determining sample size following consideration is taken:

As in this research population standard deviation is not available, so the sample size has been determining by estimating a population proportion (Levin and Rubin, 2003, pp. 379-382). 95% level of significance had been taken and the expectation is the estimation should be within 0.05.

$$\begin{aligned} \text{Symbolically If } Z \sigma_{\hat{p}} &= 0.05 \\ \text{And } Z &= 1.96 \\ \text{Than } 1.96 \sigma_{\hat{p}} &= 0.05 \\ 1.96 \sqrt{pq/n} &= 0.05 \end{aligned}$$

N = 384.20 Approx. 384

So, 384 retailers from different part of Gujarat have been surveyed with convenience sampling method. Different geographic areas and localities have been taken care for research. As representative of FMCG sector five categories have been selected viz. Bath-soap, Shampoo, Tooth-paste, Detergent powder, Fairness Cream.

³ Nielsen report on Modern Trade

3. DATA ANALYSIS AND INTERPRETATION

The below table shows the position of brands kept, by retailers for different product categories. The five main stream categories like Bath soap, Shampoo, Tooth paste, Detergent powder and fairness cream have been taken for the analysis purpose.

Table: 1 Brand Preference of retailers in different categories

Sr. No.	Bath Soap(%)		Shampoo(%)		Tooth Paste(%)		Detergent Powder(%)		Fairness Cream(%)	
1	Lux	13.05	Head & Shoulders	12.96	Colgate	17.52	Nirma	15.77	Fair & Lovely	22.36
2	Lifebouy	10.24	Pentene	12.19	Close-up	16.09	Tide	15.48	Ponds	12.87
3	Dettol	9.25	Clinic Plus	11.91	Pepsodent	15.80	Wheel	14.99	Fair & Handsome	12.05
4	Santoor	8.84	Sunsilk	11.87	Babool	10.74	Surf Excel	14.30	Vicco	9.31
5	Dove	8.53	Chick	10.69	Anchor	9.50	Rin	13.42	Boro Plus	7.68
6	Godrej	5.99	Dove	7.80	Cibaca	7.30	Arial	13.03	Garnier	5.37
7	Pears	5.92	Vatika	5.32	Dabur Lal	5.49	Ghadi	3.62	Fairever	4.37
8	Nirma	5.03	Clinic All Clear	5.12	Miswak	4.77	Hipolin	3.28	Nivea	3.81
9	Cinthol	4.45	Garnier	4.27	Dabur Toothpaste	2.39	Henko	1.62	Lakme	2.44
10	Liril	4.04	Lux	3.25	Vicco	2.24	Mr. White	1.08	Fair One	2.25
11	Hamam	3.53	Nyle	3.21	Choice	2.15	Ujjwal	0.39	Fairglow	2.12
12	Breeze	3.01	Rejoice	2.36	Amar	1.62	Fena	0.34	Emami	1.94
13	Vivel	2.88	Vivel	1.83	Ajanta	0.62	Vanish	0.24	Olay	1.62
14	Dyna	2.53	Superia	1.26	Ipco	0.48	Watan	0.24	Ayur	1.44
15	Medimix	2.36	Aayur	1.14	Colgate Gel	0.43	Army	0.24	Vaseline	1.37
16	Nima	2.29	Fiama Diwills	0.69	Promise	0.33	Aura	0.24	Himalaya	1.31
17	Fairglow	1.85	Fructis	0.61	Colgate Salt	0.33	Vimal	0.15	Everyouth	0.87
18	Savlon	1.40	Loreal	0.37	Such	0.33	Sawan	0.15	No Marks	0.44
19	Rexona	1.03	Sesa	0.28	Colgate Max Fre	0.29	Sweta	0.10	Borolin	0.44
20	Jhonson & Jhonson	0.68	Margo	0.28	Neem	0.24	Amar	0.10	Boro Soft	0.44
	Total Percent	96.92		97.40		98.66		98.78		94.5

Above table indicates the fact that in all five categories top 20 brands cover from 94.5 per cent to 98.78 per cent. So, in detergent powder category only 1.22 per cent brand left while in fairness cream industry 5.5 per cent brand room is there. Above able divulge the fact that

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in detergent powder category there is very thin space for new brand while in fairness cream industry still the room is there for new brand. For shampoo, tooth-paste and Bath-soap categories there are also thin space fro new brands.

Table: 2 Brand enjoy good sales as per retailers' view in five categories

Sr. No.	Bath Soap		Shampoo		Tooth Paste		Detergent Powder		Fairness Cream	
1	Lux	22.1	Clinic Plus	17.5	Colgate	25.9	Nirma	18.9	Fair & Lovely	30.6
2	Lifebouy	15.1	Sunsilk	16.5	Closeup	21.5	Wheel	18.8	Ponds	15.2
3	Dettol	10.2	Head & Shoulders	15.3	Pepsodent	18.7	Tide	17.5	Fair & Handsome	12.9
4	Santoor	8.5	Pentene	13.6	Babool	9.5	Surf Excel	14.1	Vicco	7.7
5	Nirma	6.7	Chick	11.6	Anchor	8.1	Rin	13.2	Boro Plus	6.4
6	Godrej	6.6	Dove	6.3	Cibaca	5.6	Ariel	11.3	Fairever	4.5
7	Dove	6.6	Clinic All Clear	5.2	Dabur Lal	3.7	Ghadi	2.2	Garnier	4.2
8	Pears	6.1	Vatika	2.6	Dabur	1.8	Hipolin	1.3	Fairglow	2.0
9	Cinthol	3.7	Lux	2.5	Miswak	1.6	Henko	0.5	Fair One	2.0
10	Liril	2.1	Garnier	2.2	Amar	0.9	Ujjwal	0.2	Nivea	1.7
11	Dyna	1.8	Rejoice	1.8	Vicco	0.7	Fena	0.2	Lakme	1.6
12	Nima	1.7	Nyle	1.4	Choice	0.6	Army	0.2	Olay	1.2
13	Breeze	1.6	Vivel	0.9	Ajanta	0.2	Aura	0.2	Ayur	1.1
14	Hamam	1.5	Loreal	0.3	Colgate Herbal	0.2	Vimal	0.1	Emami	1.0
15	Vivel	1.1	Fiama Diwills	0.2	Colgate Total	0.1	Watan	0.1	Everyuth	0.9
16	Fairglow	0.8	Aayur	0.2	Colgate Gel	0.07	Vanish	0.07	Himalaya	0.7
17	Rexona	0.5	Medicare	0.2	Colgate Salt	0.07	Mr. White	0.07	Dove	0.7
18	Medimix	0.5	Superia	0.2	Cogate Max Fresh	0.07	Wim	0.07	No Marks	0.5
19	Savlon	0.5	Dabur Red	0.1	Ipco	0.07	Rexona	0.07	Vaseline	0.5
20	Joe	0.3	Sesa	0.1	Dumik	0.07	V-Care	0.07	Fructis	0.4
	Total Percent	98.7		99.3		99.8		99.6		96.4

In bath soap category Lux, Lifebuoy, and dettol enjoys the good sales according to the retailers. Further Santoor, Nirma , Dove and Godrej are the brands which are also following the leaders closely. So brands of HUL are leading the category apparently. In shampoo category Clinicplus is leading he category followed by Sunsilk, Head &Shoulder, Pentene, Chick and Dove. So in shampoo category as per retailer’s opinion HUL brands are doing well, while P&G brands are very close in the category. Chick the leader of earlier phase in category is lagging at present in terms of performance. In tooth paste category retailers believe Colgate is performing excellent, followed by Close-up and Pesodent brands of HUL. Babool, Anchor and Cibaca are third tier brands in the category and doing well in certain part of the region. I detergent powder category Nirma and Wheel are parallel so far as performance is concern. Nirma ruled the category for the years but now low proce variants of Wheel and Tide are giving tough competition to Nirma. Surf-Excel, Rin and Ariel are performing well in premium segment. I fairness cream category Fair & Lovely, Ponds and Fair Handsome is doing well. The category also witnesses good performance by Vicco, Fairevee and Boroplus brands. Garnier is penetrating in the premium segment with rapid pace in fairness cream category.

No. of brands kept by retailers in different product categories

Retailers were specifically asked about number of brands they would like to keep in their shop in bath soap, shampoo, detergent powder, tooth-paste and fairness cream categories. The research revealed following facts in line with the question:

Table: 3 No. of brands retailers would like to keep in bath soap category

Number of brands retailers would you like to keep in bath-soap category for satisfying your customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	43	11.5	11.7	11.7
	6-10	178	47.5	48.2	59.9
	11-15	95	25.3	25.7	85.6
	16-20	39	10.4	10.6	96.2
	More Than 20	14	3.7	3.8	100.0

The above table sows the fact that 11.7 percent retailers would like to keep between 1 to 5 brands, while 48.2 percent would like o keep up to 6 to10 brands in bath soap category. Further, 25.7 percent retailers would like to keep up to 11 to 15 brands and 10.6 percent would like to keep up to 16 to 20 brands. Only 3.8 percent of retailer would like to keep more than 20 brands in the shop. So, it is apparent that almost 60 percent of the retailers would like to keep up to 10 brands of bath soap in the shop. Further it is note worthy that only 3.8 percent retailer would like to keep more than 20 brands in their shop. In bath soap category the majority of the customer can recall up to 6 to 10 brands. So, Indian retailers are stocking more number of brands to cater the need of customer. This gap between stocking the brand of bath soap and recall ability of customer apparently shows the ROI loss of retailers.

Table: 4 No. of brands retailers would like to keep in shampoo category

Number of brands retailers would you like to keep in Shampoo category for satisfying your customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	93	24.8	25.1	25.1
	6-10	198	52.8	53.5	78.6
	11-15	54	14.4	14.6	93.2
	16-20	15	4.0	4.1	97.3
	More Than 20	8	2.1	2.2	99.5
	22.00 Adjusted	2	.5	.5	100.0

The above table reveals the fact about Shampoo brands preference in terms of number by retailers and it shows 25.1 percent retailer would like keep up to 1 to 5 brands while hefty 53.5 percent keep up to 6-10 brands of shampoo in their shop. The table divulges the fact that 78.6 percent retailer would like to keep up to 10 brands in their shop. Further only 14.6 would like to keep up to 11 to 15 brands and 4.1 percent would like to keep up to 16 to 20 brands of shampoo in their shop. It is astonishing to observe retailers would like to keep moderate number of brands in their shop but 22 percent retailers desire more brands in shampoo category.

Table: 5 No. of brands retailers would like to keep in tooth-paste category

Number of brands retailers would you like to keep in tooth-paste category for satisfying your customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	165	44.0	45.0	45.0
	6-10	164	43.7	44.7	89.6
	11-15	28	7.5	7.6	97.3
	16-20	5	1.3	1.4	98.6
	More Than 20	5	1.3	1.4	100.0

Above table reveals the fact about tooth paste brands and retailers desire to store number of brands in their shop. It is apparent that almost 90 percent of retailers would like to keep up to 10 brands in tooth paste category. Further, in contrast to other categories numbers of brands kept in tooth-paste category by retailers are limited in most of the shops of India. Oral care is emerging area in India, the penetration of tooth paste is increased many folds but conscious attitude by customers is still lacking. Only 7.6 percent respondents would like to keep brands up to 11 to 15.

Table: 6 No. of brands retailers would like to keep in detergent powder category

Number of brands retailers would you like to keep in detergent powder category for satisfying your customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	140	37.3	38.3	38.3
	6-10	167	44.5	45.6	83.9
	11-15	35	9.3	9.6	93.4
	16-20	14	3.7	3.8	97.3
	More Than 20	10	2.7	2.7	100

The above table shows in detergent powder category 38.3 percent retailer would like to keep up to 1 to 5 brands while 45.6 percent of retailer would like to keep up to 6 to 10 brands. So, almost 84 percent of retailers would like to keep up to 10 brands in detergent powder category. This fact apparently shows increase in number of brands in detergent powder category will prune one or another brand's presence in the category by and large.

Table: 7 No. of brands retailers would like to keep in fairness cream category

Number of brands retailers would you like to keep in fairness cream category for satisfying your customers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	224	59.7	61.5	61.5
	6-10	89	23.7	24.5	86.0
	11-15	32	8.5	8.8	94.8
	16-20	8	2.1	2.2	97.0
	More Than 20	11	2.9	3.0	100.0

The above table divulges the fact that 61.5 percent retailers would like to keep up to 1-5 brands and 24.5 percent would like to keep 6-10 brands in fairness cream category. So, it is apparent that 86 percent of retailers would like to keep up to 10 brands. Surprisingly, some 8.8 percent retailers would like to keep up to 11 to 15 brands in fairness cream category. Fairness cream is emerging market in India and the growth of skin care segment is outperforming the other categories of FMCG sector.

Retailer satisfaction with respects to Number of Brands available in five categories

Research revealed the fact that 93.4 percent retailers are satisfied with the number of brands available in bath soap category. Further, it is evident with the fact that proliferation of bath soap in India is up to 98 to 99 percent and more than 70 brands are sold in particular region which is economically modest in nature. Apart, it is apparent from the research that 92.6 percent retailers are satisfied with the number of brands available in Shampoo category. It is really astonishing to note that some 65 brands are either used or recalled by the respondents in customer survey. So Shampoo category may not able to absorb more number of brands in the category and people are not much conscious compare to bath soap. Further, 86.9 percent of retailers are satisfied with number of brands available in tooth paste category, while 13.1 percent retailers are not satisfied with number of brands available in tooth paste category, so still the category may have some retailers who want more brands. In detergent powder category 86.6 percent retailers are satisfied with the number of brands available while 13.4 percent retailers still want more brands in the category. Research also, divulges the fact that in Fairness cream category 73.6 percent retailers are satisfied with number of brands available in the category while 26.4 percent retailers want more brands in the category. Further compare to other categories like bath soap, Shampoo, Detergent Powder and tooth paste the fairness cream category is not proliferated with number of brands and still there is scope and space for more brands in the category.

Retailers' opinion about keeping SKUs for different brands with respective categories

Retailers have been asked whether they are keeping all SKU of brands in the categories (viz. Bath-soap, Tooth-paste, Shampoo, Detergent powder, Fairness cream), majority of SKUs, Moderate, Few selected SKUs or only popular SKUs in their shop. Following table divulge the fact about retailer's preference for keeping SKUs for all five categories:

Table: 8 Retailers' opinion for keeping the SKUs in all brands with respect to Bath Soap

Retailers' opinion regarding keeping the SKU's in all the brands - Bath soap		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep all	80	21.3	21.7	21.7
	Majority	187	49.9	50.8	72.6
	Moderate	46	12.3	12.5	85.1
	Few selected	41	10.9	11.1	96.2
	Only Popular	14	3.7	3.8	100.0
	Total	368	98.1	100.0	

The above table shows that 21.7 percent retailers keep all SKU's in the brands of Bath soap category. In, India selected retailers only keep all SKUs of brand in their outlet, further the 80:20 rule is apparently visible in the case of bath soap category's brands and SKUs. Almost 50.8 percent retailers keep majority of the SKUs in bath soap brands and 12.5 percent retailers keep moderate number of SKUs in brands of bath soap category. Further 11.1 percent retailers keep few selected and 3.8 percent keep only popular SKUs in brands of bath soap category.

Table: 9 Retailers' opinion for keeping the SKUs in all brands with respect to Shampoo

Retailers' opinion regarding keeping the SKU's in all the brands - Shampoo		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep all	48	12.8	13.1	13.1
	Majority	166	44.3	45.2	58.3
	Moderate	66	17.6	18.0	76.3
	Few selected	51	13.6	13.9	90.2
	Only Popular	36	9.6	9.8	100.0
	Total	367	97.9	100.0	

The above table shows the SKUs kept by retailers in brands of shampoo in their store where only 13.1 percent retailers keep all SKUs in brands they keep. Further 45.2 percent retailers keep majority of SKUs in the brands of shampoo, while 18 percent keep moderate SKUs of shampoo in their store. Further 13.9 percent retailers keep few selected SKUs of shampoo brands in their store. Only 9.8 percent retailers keep popular SKUs in shampoo brands in their store. Again, it is apparent from the table that in shampoo category retailers are inclined to keep limited SKUs in their stores.

Table: 10 Retailers' opinion for keeping the SKUs in all brands with respect to Toothpaste

Retailers' opinion regarding keeping the SKU's in all the brands - Toothpaste					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep all	24	6.4	6.5	6.5
	Majority	106	28.3	28.7	35.2
	Moderate	109	29.1	29.5	64.8
	Few selected	86	22.9	23.3	88.1
	Only Popular	44	11.7	11.9	100.0
	Total	369	98.4	100.0	

The above table reveals the fact that in tooth paste category only 6.5 percent retailers keep all SKUs in brands they are keeping in their store. Further in tooth paste category the responses of retailers are skewed in terms of keeping SKUs of Tooth paste brands. The data shows the fact 28.7 percent retailers keep majority of SKUs, 29.5 percent keep moderate SKUs and 23.3 percent keep few selected SKUs of tooth paste brands in their store. Further 11.9 percent retailer keep only popular SKUs of Tooth paste brands in their store. So, new brands and more SKUs in tooth paste brands are not preferred by retailers.

Table: 11 Retailers' opinion for keeping the SKUs in all brands with respect to detergent powder

Retailers' opinion regarding keeping the SKU's in all the brands - Detergent Powder					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep all	28	7.5	7.6	7.6
	Majority	96	25.6	26.0	33.6
	Moderate	100	26.7	27.1	60.7
	Few selected	91	24.3	24.7	85.4
	Only Popular	54	14.4	14.6	100.0
	Total	369	98.4	100.0	

The above table reveals the fact that 7.6 percent retailers keep all SKUs in Detergent powder, while 26 percent retailers keep majority of the SKUs in the category. It is quite astonishing to observe 27.1 percent retailers keep moderate number of SKUs while 24.3 percent of retailers keep few selected SKUs in Detergent powder category. Further 14.4 percent retailers keep only popular SKUs in Detergent powder category. So, from the research observation it is apparent that Detergent Powder category retailers are reluctant to store more SKUs in the store; one obvious reason may be space the Detergent powder occupies in the store.

Table: 12 Retailers' opinion for keeping the SKUs in all brands with respect to fairness-cream

Retailers' opinion regarding keeping the SKU's in all the brands- Fairness Cream		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Keep all	20	5.3	5.4	5.4
	Majority	47	12.5	12.8	18.3
	Moderate	51	13.6	13.9	32.2
	Few selected	112	29.9	30.5	62.7
	Only Popular	137	36.5	37.3	100.0
	Total	367	97.9	100.0	

The above table indicates the fact that 5.3 percent retailers keep all SKUs in Fairness cream category, while 12.8 percent retailers keep majority of the SKUs. So, the research divulges the fact that in Fairness cream category only 18.3 percent of retailers keep majority of the SKUs. Apart, 13.9 percent keep moderate SKUs and 30.5 percent keep few selected SKUs while maximum 37.3 percent keep only popular SKUs in the fairness cream category. The research signifies in fairness cream more number of SKUs will not pay to the company as retailer are reluctant to store them in the shop as it will reduce their return on investment(ROI).

Companies and brands with respect to ROI

From the research it is apparent that retailers responded category leaders are giving good ROI as they are moving fast in the market and inventory turnover is rapid. further for all FMCG category leader the margin are thin but volume make the sense for selling them .Out of five categories three categories are leaded by HUL with their successful brands in terms of giving good ROI. Further in tooth paste category Colgate is leading the chart while in detergent powder category Nirma is leading the chart.

The research also divulge the fact that, Lux in bath soap category is there for giving good return as well as in giving poor returns. Dove is also poor brand in giving the return with Dettol in the category. In shampoo Chick, Head & Shoulder and Pentene are giving poor returns. In tooth paste category Babool, Ppsodent and Anchor are poor in giving returns to the retailers. Ariel, Nirma and Surf-Excel are poor in giving returns in detergent powder category. In fairness cream category Ponds and Vicco lead the chart in giving poor returns.

Retailers' perspective for brand and brand portfolio Management with respect to FMCG

The retailers are asked 24 different questions pertaining to brand and brand portfolio along with vital areas of FMCG marketing. The responses are solicited through five point likert scale on agreement. Following responses have been observed in the research.

Table: 13 Reliability Statistics

Cronbach's Alpha	N of Items
.714	24

The above table shows the Cronbach's Alpha is 0.717 which is quite good so far as the reliability of the scale is concerned. Again it reveals the fact that all the statement are in line with the requirement of the research problem.

Table: 14 KMO and Bartlett's test for Retailers' perspective for brand portfolio management

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.694
Bartlett's Test of Sphericity	Approx. Chi-Square	1374.834
	Df	276
	Sig.	.000

The above table shows the Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.694, so adequate samples are there to run factor analysis. The Bartlett's Test of sphericity also has significance level 0.000 which suggest the samples taken are representative of population.

Table: 15 Retailers' perspective on brands and brand portfolio management

Sr. No.	Factors	Initial Extraction
1	More number of brands means more turnover in the business	0.575
2	Less number of brands drive better financial performance	0.628
3	More number of brands in category cause difficulty in shelf-space	0.515
4	More number of brands from one company in category increase the awareness of the company	0.673
5	Single brand create more awareness than multiple brands	0.626
6	Multiple brands create confusion in the mindset of customers	0.665
7	Multiple brands reduce the awareness of the parent company	0.57
8	There should be unique brand for each product category	0.569
9	Company should sell all the products under single brand name	0.59
10	The product is reliable when two reputed brands are endorsing the product together	0.709
11	Company's name with product brand (endorse branding) helps in making decision and more reliable	0.63
12	Company and its credibility is most important criteria for buying the particular product	0.619
13	Brand name is the single most important criteria for buying the product	0.544
14	Brand name and company name both are equally important and should be consider with equal weightage	0.592
15	Few brands facilitate the trade promotion	0.537
16	Customers will accept the merging of two brands if both the brands are established and proven	0.688
17	Customers forget the old brand if the product comes with good quality with new name if the company is same.	0.551
18	If the company reduce the number of brand the reliability of company will reduce	0.636
19	The better way to reduce the number of brands merging them and then withdraw the brand with less power	0.626
20	If one company is acquired by some other(international) company	0.747

	then the sales of the brand of acquired company affect badly	
21	Advertisement along with other promotional tools will help in strengthening the brand portfolio	0.613
22	Few brands enjoy stronger advertisement support and better implementation of promotional tool	0.709
23	Role of corporate reputation play vital role in maintaining the relationships with trade customers	0.583
24	More numbers of brand reduce ROI in that category	0.473

The above table indicates the communalities in initial extraction in terms of factor loading. Further if the extraction more than 0.600 considered as significant loading as following statements become noteworthy from the research perspective.

Table: 16 Retailers' perspective on brands and brand portfolio management

Sr. No.	Statement	Extraction
1	If the company reduce the number of brand the reliability of company will reduce	.636
2	The better way to reduce the number of brands merging them and then withdraw the brand with less power	.626
3	If one company is acquired by some other(international) company then the sales of the brand of acquired company affect badly	.747
4	Advertisement along with other promotional tools will help in strengthening the brand portfolio	.613
5	Few brands enjoy stronger advertisement support and better implementation of promotional tool	.709
6	Customers will accept the merging of two brands if both the brands are established and proven	.688
7	The product is reliable when two reputed brands are endorsing the product together	.709
8	Company's name with product brand (endorse branding) helps in making decision and more reliable	.630
9	Company and its credibility is most important criteria for buying the particular product	.619
10	More number of brands from one company in category increase the awareness of the company	.673
11	Single brand create more awareness than multiple brands	.626
12	Multiple brands create confusion in the mindset of customers	.665
13	Less number of brands drive better financial performance	.628

The above table indicate the statement no.3 "If one company is acquired by some other (international) company then the sales of the brand of acquired company affect badly" has highest loading 0.747 among all the thirteen statements. Further 'Few brands enjoy stronger advertisement support and better implementation of promotional tool' and "The product is reliable when two reputed brands are endorsing the product together" have significant loading of 0.709. Apart from this 'Customers will accept the merging of two brands if both the brands are established and proven also has loading of 0.688 and

effective to gauge the response from the retailers. In addition to this “More number of brands from one company in category increase the awareness of the company” has loading of 0.673 and looks interesting from the retailers’ perspective. Again “Multiple brands create confusion in the mindset of customers” has 0.665 loading and important from the perspective of brand portfolio management. It is also important to scan “If the company reduce the number of brand the reliability of company will reduce” as it has loading of 0.636. So the statements pertaining to brand portfolio and customer loyalty covers majority of research thrust with respect to retailers.

Sr. No.	Statement	Extraction
1	Single brand create more awareness than multiple brands	.717
2	Brand name and company name both are equally important and should be consider with equal weightage	.650
3	Company and its credibility is most important criteria for buying the particular product	.493
4	More number of brands in category cause difficulty in shelf-space	.417
Brand Architecture		

Above table indicate the four statements pertaining to the number of brands and company’s image that plays the role in view of retailers. The statements as per their loading may be consolidated in the factor “Brand Architecture”. As brand architecture describe the monolithic, stand alone and endorsed structure of brand management, all the statements carry consolidating meaning for he factor.

Sr. No.	Statement	Extraction
1	Few brands enjoy stronger advertisement support and better implementation of promotional tool	.779
2	Advertisement along with other promotional tools will help in strengthening the brand portfolio	.744
3	Customers forget the old brand if the product comes with good quality with new name if the company is same	.431
Marketing Communication for Brand Portfolio		

The above table describes the statement containing the advertisement and promotional tools and revitalization of the product and brand. All the three statements can be summarised with the common factor like “Marketing Communication for Brand Portfolio”. Corporate now a days use integrated marketing communication for optimizing the marketing budget and effective communication. Marketing communication for brand portfolio covers entire nitty-gritty of advertisement and promotional tools with respect to FMCG sector.

Sr. No.	Statement	Extraction
1	Less number of brands drive better financial performance	.691
2	More numbers of brand reduce ROI in that category	.634
3	Few brands facilitate the trade promotion	.489
Financial efficiency for brand portfolio		

The table contains the statements pertaining to number of brands and financial performance along with Return on Investment. Further efficiency in trade promotion also has the concern for the brand portfolio. The factor “Financial efficiency for Brand Portfolio” addresses the concern for views of retailers.

Sr. No.	Statement	Extraction
1	The product is reliable when two reputed brands are endorsing the product together	.800
2	Company’s name with product brand (endorse branding) helps in making decision and more reliable	.504
3	Role of corporate reputation play vital role in maintaining the relationships with trade customers	.464
Corporate brand image		

The statements with respect to brand image and corporate image are clubbed in the factor and the statement “The product is reliable when two reputed brands are endorsing the products together” unveil the importance of reliability of company in FMCG sector. The factor is identified as “Corporate Brand Image”. Corporate brand image has enormous significance so far as reputation and reliability is concerned.

Sr. No.	Statement	Extraction
1	If the company reduce the number of brand the reliability of company will reduce	.716
2	Multiple brands reduce the awareness of the parent company	.560
3	Multiple brands create confusion in the mindset of customers	.547
Customer mind share for brand portfolio		

Reduction in number of brands and multiple brands may cause reliability crisis or awareness issue. Further multiple brands may also lead to confusion in the mindset of customer. The factor “Customer mind share for brand portfolio” rightly explains the problem areas in views of retailers for the FMCG sector.

Sr. No.	Statement	Extraction
1	The better way to reduce the number of brands merging them and then withdraw the brand with less power	.718
2	More number of brands means more turnover in the business	.635
3	Brand name is the single most important criteria for buying the product	.468
Brand Tracking for performance		

Above table contain the statements pertaining to merging the brands and withdrawing later the brand with less power and more brands turn in to more business. Further brand name is single most important criteria for buying the product is also added in the group of three statements. The factor suitable for these group statements is “Brand

Tracking for performance”, which reveals analyzing the brand power and potential of brand for future success for FMCG products.

Sr. No.	Statement	Extraction
1	If one company is acquired by some other(international) company then the sales of the brand of acquired company affect badly	.768
2	There should be unique brand for each product category	-.530
Power branding		

The statements pertaining to the band power are clubbed here like global acquisition of the brand and unique branding for the different product category. The factor which emerges here is “Power branding”. Power branding consists of length, width, height and depth of the brand with respect to its company and other association.

Sr. No.	Statement	Extraction
1	Customers will accept the merging of two brands if both the brands are established and proven	.721
2	Company should sell all the products under single brand name	-.670
Master brand		

The statements in the above table unveil the importance of established and proven brand. Further the second statements also highlight the importance of single powerful brand through which company may sell all the products. The factor which identifies with these two statements is “Master Brand”. As the scope of master brand is vast both the statements significantly correlate with the concept.

Sr. No.	Statement	Extraction
1	More number of brands from one company in category increase the awareness of the company	.795
Brand portfolio for awareness		

Above table contain only one statement with significant loading and form a separate factor. The factor emerges as “Brand portfolio for awareness”. Brand awareness is critical for success of any brand as; it is constituted by two important parameters, viz. Brand recognition and brand recall. So brand portfolio for awareness is the vital factor for corporate in, views of retailers.

Rationalization of brand Portfolio with respect to store planning, uniform and better store planning and achieving sensory criteria

The research divulges the fact that rationalization of band portfolio facilitates better store planning. Here the mean for the statement is 3.57 and apparently retailers believe that rationalization of brand portfolio facilitate in better store planning. Further it is also apparent from the research that rationalization of brand portfolio will result in uniform and better packaging as the mean for the statement is 3.49. As the mean of the statement related to sensory criteria is 3.26, it is clear that rationalization of brand portfolio will facilitate in achieving sensory criteria like touch, taste, smell, sound and

sight. So, again retailers believe that few brands will help in better management of products and brands.

Number of Brands managed by retailers in FMCG

From the research it is apparent that 19.7 percent of retailers manage up to 20 to 40 brands, 17.1 percent retailers manage up to 40 to 60 brands. Further, 9.3 percent retailers manage up to 60 to 80 brands and 6.7 percent manages up to 80 to 100 brands. So it is apparent from the table that still in India retailers manage with limited brands and categories and they are mom and pop stores. India is having more than 20 to 22 lacs outlet pertaining to the FMCG variants. Further in India grocery stores and small stores are bulk in numbers and at the street corners we may find the small stores. The capacity of average Indian retailer is still limited and they modestly run the store with limited products and brands.

Shelf space and store size available with retailers

The research reveals the fact about shelf space available in store for the retailers where almost 71 percent have less than 50 Square feet shelf space. This apparently shows in India still we have very limited shelf space to display the product so the retailers can not make more brands visible to the customers. Again 23.5 percent retailers have shelf space up to 51 to 200 square feet. So the research reveals the fact that very limited retailers have even modest retail store which is not spacious and helps in better visualizing of the products. Only 4.3 per cent retailers have good shelf space ranging from 201 to 400 square feet and 1.1 percent retailers have shelf space ranging fro 401 to 600 square feet. Apart only 0.3 percent of retailers have shelf space of more than 600 square feet. In nutshell Indian retailers are having very modest infrastructure for product visibility.

Further it is apparent from the research that 22.9 percent retailers own store less than 50 square feet while 25.1 percent retailers own the store of 51 to 200 square feet. Again 27.2 percent retailers have store of 201 to 400 square feet while 10.4 percent retailers own the store of 401 to 600 square feet. So it is apparent from the data that 42 percent retailers have considerable store size while 52 percent retailers still mangle with limited space. Again 4.8 percent retailers have store size of 600 to 800 square feet while 9.6 percent retailers have store size more than 800 square feet.

Outlook

From the research it is apparent that in India brands and SKUs of FMCG are proliferating in the market at unprecedented pace. Small retailers are still facing from issues like ROI, Shelf-space, store size and proliferation of brands and SKUs. Research revealed the fact that almost 88 percent retailers are falling in the age-group of 20 to 50 and majority of them are having moderate education required for the business. Again, the FMCG giant like Unilever has category leaders in bath-soap, fairness cream and shampoo categories, while Nirma rule the detergent powder category and Colgate rule the tooth-paste category. Research reveals the fact that there are close competitors for all category leaders which compels the leaders for relentless innovation. Brand Architecture, Marketing communication, Financial efficiency, Corporate brand image,

Customer mind share, Brand Tracking for performance, Power branding, Master brand and Awareness emerged as factors affecting rationalization of brand portfolio for Fast Moving Consumer Goods.

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