

MARKETING AND SALES IN IT SECTOR

R. UDHAYA REKHA

Lecturer, Dr. MGR Janaki College of Arts And Science for Women, Chennai, Tamil Nadu, India

ABSTRACT

Colgate was introduced in the semi-urban and rural areas. Colgate is targeted at middle income and upper income families. The main competitors are close-up and pepsodent etc. Colgate has so many promotional tools such as increasing circumference of toothpaste tube, free dental check up in mobile vans, free dental check up by sending a SMS. Since Colgate Company is well established in the market and its products have high demand in the market, taking an undue advantage and distributors create monopoly in the market. The research paper deals on introductory of Colgate Palmolive Company, it also deals with Colgate products views which are given by IT sector - Accenture marketing mix of Colgate product, benefits and problems of Colgate Palmolive, and it also includes finding and recommendation.

KEYWORDS: Colgate Palmolive, IT Sector, Products, Tooth Paste

INTRODUCTION

Colgate – Palmolive Company is an American diversified multinational corporation focused on the production, distribution and provision of household, health care and personal products such as soaps, detergents and oral hygiene products. Under its “Hills” brand, it is also a manufacturer of veterinary products. The company’s corporate offices are on Park Avenue in New York city. In India, it operates under the name as Colgate –Palmolive (India) limited and its head office is at Mumbai.

Reviews of Colgate Company

- In 1806, William Colgate, an English soap and candle maker, opened up a starch, soap and candle factory on Dutch Street in New York City under the name of "William Colgate & Company".
- In the 1840s, the firm began selling individual cakes of soap in uniform weights.
- In 1857, William Colgate died and the company was reorganized as "Colgate & Company" under the management of Samuel Colgate
- In 1873, the firm introduced its first toothpaste, an aromatic toothpaste sold in jars. His company sold the first toothpaste in a tube, *Colgate Ribbon Dental Cream* (invented by the dentist Washington Sheffield), in 1896.
- By 1908 they initiated mass selling of toothpaste in tubes. His other son, James Boorman Colgate, was a primary trustee of Colgate University (formerly Madison University).
- In 2005, Colgate sold the under-performing brands Fab, Dynamo, Arctic Power, ABC, Cold Power and Fresh Start, as well as the license of the Ajax brand for laundry detergents in the U.S., Canada and Puerto Rico, to Phoenix Brands, LLC as part of their plan to focus on their higher margin oral, personal, and pet care products.

- In 2006, Colgate-Palmolive announced the intended acquisition of Tom's of Maine, a leading maker of natural toothpaste, for US \$100 million. Tom's of Maine was founded by Tom Chappell in 1970.
- Today, Colgate has numerous subsidiary organizations spanning 200 countries, but it is publicly listed in only two, the United States and India.

Company Profile

Company Name: Colgate Palmolive

Type: Public

Industry: Personal care

Founded: 1806

Headquarters: 300 Park Avenue, New York City, New York, United States

Key People: Ian M Cook, CEO

Employees: 37, 700

Website: www.colgate.com

Colgate Products – Views of an IT Sector – Accenture

Driving sales through brand building and smart marketing is as necessary for fast moving consumer products in companies in china. Colgate – Palmolive entire business process re- engineering effort- code named project dragon, which is mainly meant to re- design Colgate Palmolive product (introducing new innovated product in Colgate Palmolive brand than before).

Well – Positioned

Today Colgate Palmolive is following a new model. Sourcing has become more economical, with selected countries being the primary suppliers of products for the region. Supporting each market is a shared service organization providing region – wide information technology and financial function.

Information technology for Colgate Palmolive and the main behind project dragon, the program has to come in one – third under behind and “ahead in the savings we had scheduled”.

Malaysia was finally chosen as a market for Colgate Palmolive because Colgate Palmolive produces all categories of goods and market was large as compared to other countries like Honkong and Singapore. The Malaysian government was also actively seeking it investments in the country.

Marketing Mix of Colgate Palmolive

Product

Product Variety: Colgate Herbal White is part of the range of toothpastes offered by Colgate Palmolive in India, which is led by its flagship brand Colgate Dental Cream (CDC).

Brand Name: The use of Herbal in the brand name is self-explanatory. Herbal ‘White’ has been highlighted to stress their brand proposition of ensuring ‘pearly white teeth’.

Price

Discounts/Allowances: No promotional discounts are allowed for.

Payment Period/Credit Terms: Being an off-the-shelf FMCG, in line with the category, no credit is allowed by the company (though the store allows credit on purchase of all items).

Promotion

Sales Promotion: None at the retailer level apart from possible recommendation by the shopkeeper.

Advertising: Advertising is in the form of TVCs (television commercials) and uses the beaver 'gillu' as a mascot of the product.

Place

Coverage: The product is available in the all-India market, including semi-urban and rural markets which are their primary focus.

Locations: The product is placed at just below eye-level at the store surveyed among other brand clutter, unlike at most other supermarkets.

Benefits of Colgate Tooth Paste

- Focus on innovation and new product launches.
- Market leadership position across a range of geographies.
- Diversified business operations.
- Restructuring initiatives.
- Colgate business planning initiatives.
- Growing global oral hygiene market.
- Hispanic population in US.

Problems of Colgate Tooth Paste

- Product recall
- Threat of fake product.
- Changes in retail scenario globally.
- Global economic conditions.

Methodology**Objectives of the Study**

- To study the effectiveness of marketing and sales in Colgate Palmolive product with respect to IT sector.
- To know the benefits and problems of Colgate tooth paste.

- To know the satisfaction level of employees in Colgate tooth paste.
- To give various recommendation to improve in further research for the other researchers.

Hypothesis

- **H₀:** there is no significant difference between the product and customer satisfaction.
- **H₁:** there is a significant difference between the product and customer satisfaction.

Research Design

- Descriptive research studies are those studies which are concerned with describing the marketing and sales of Colgate in the society and also in the IT sector.
- In this study the researcher attempts to describe the various brands of Colgate tooth paste and their satisfaction level in Colgate tooth paste level.

Sampling

The sample size constitutes 50 respondents the studies conducted among the customer of tooth paste in Chennai. The researcher has used structured questioner as a research instrument tool which consist of multiple choice questions.

Source of Data

Primary Data: The primary data was collected through a questionnaire.

Secondary Data: From company's website relevant data has been collected. Wikipedia was used for industry overview.

Statistical Tool: Statistical tool used for data analysis the analysis of data in a general way involves number of closely related operations which are performed with the purpose of summarizing the collected data and organizing them such a manner that they answer the research questions. In this research report the statistical tools used is chi-square

Significance

Colgate Bright Smiles, Bright Futures: The educational program worldwide was developed to teach children positive oral health habits of basic hygiene, diet and physical activity.

Colgate Professional Program: The program works towards improving oral health awareness and oral care on mass scale oral care awareness is created and spread through appropriate mechanism such as exhibition, audio visuals and lectures etc.

Limitation of the Study

- The time period for carrying out the research was very short.
- Only fifty employees were chosen which is a small number to the recent population in the sector.

DATA ANALYSIS

Table 1: Purchase of Colgate Toothpaste

Purchase	No of Respondents	Percentage
Yes	41	82
No	9	18
Total	50	100

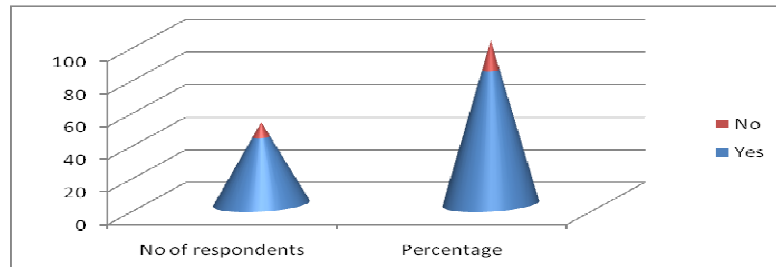


Figure 1: Purchase of Colgate Toothpaste

Interpretation

The above table shows 82% of respondents buy Colgate tooth paste and 18% of respondents prefer other brand rather than Colgate tooth paste.

Table 2: Most Recently Purchased Brand of Colgate Toothpaste

Brands	No of Respondents	Percentage
Colgate Sensitive	12	24
Colgate Sensitive-pro-relief	22	44
Colgate Sensitive-whitening	16	32
Total	50	100

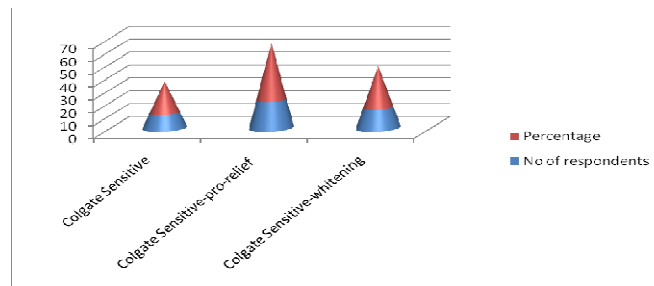


Figure 2: Most Recently Purchased Brand of Colgate Toothpaste

Interpretation

The above table shows that 44% of respondents buy Colgate sensitive prorelief tooth paste, 32% of respondents buy Colgate sensitive whitening and 24% of respondents buy Colgate sensitive tooth paste

Table 3: Customer Satisfaction on Colgate Toothpaste

Level of Satisfaction	No of Respondents	Percentage
Dissatisfied	8	16
Satisfied	30	60
Not sure	12	24
Total	50	100

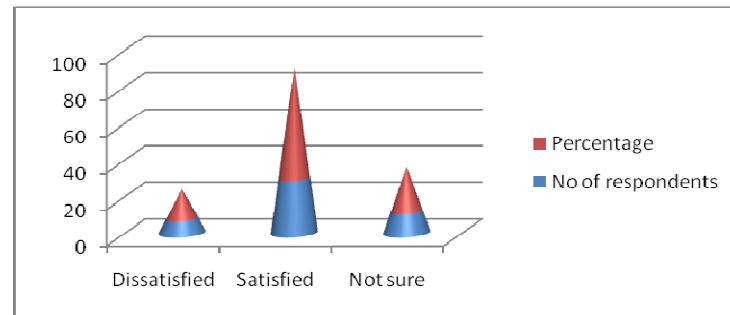


Figure 3: Customer Satisfaction on Colgate Toothpaste

Interpretation

The above table shows that 60% of respondents of Colgate tooth paste, 24% of respondents are not aware of their satisfaction level in Colgate tooth paste and 16% of respondents are dissatisfied of Colgate tooth paste.

Statistical Tool Used (Chi-Square)

H₀: There is no significant difference between the product and customer satisfaction.

H₁: There is a significant difference between the product and customer satisfaction.

Table 4: Customer Satisfaction on Colgate Toothpaste

Level of Satisfaction	No of Respondents
Dissatisfied	8
Satisfied	30
Not sure	12
Total	50

Observed Frequency

Table 5

Level of Satisfaction	Colgate Sensitive	Colgate Sensitive Pro-Relief	Colgate Sensitive Whitening	Total
Dissatisfied	2	5	3	10
Satisfied	12	9	5	26
Not sure	8	2	4	14
Total	22	16	12	50

Expected Frequency

Table 6

Level of Satisfaction	Colgate Sensitive	Colgate Sensitive Pro-Relief	Colgate Sensitive Whitening	Total
Dissatisfied	$22 \times 10 / 50 = 4.4$	$16 \times 10 / 50 = 3.2$	$12 \times 10 / 50 = 2.4$	10
Satisfied	$22 \times 26 / 50 = 11.44$	$16 \times 26 / 50 = 8.32$	$12 \times 26 / 50 = 6.24$	26
Not sure	$22 \times 14 / 50 = 6.16$	$16 \times 14 / 50 = 4.48$	$12 \times 14 / 50 = 3.36$	14
Total	22	16	12	50

$$\text{Chi-square test} = \sum \frac{(O - E_i)^2}{E_i} \approx [(c-1)(r-1)]$$

O = Observed Frequency

E_i = Expected Frequency

Table 7

O	E _i	(O-E _i)	(O-E _i)	(O-E _i)/E _i
2	4.4	-2.4	5.76	1.3090
12	11.44	0.56	0.3136	0.0274
8	6.16	1.84	3.3856	0.5496
5	3.2	1.8	3.24	1.0125
9	8.32	0.68	0.4624	0.0555
2	4.48	-2.48	6.1504	1.3728
3	2.4	0.6	0.36	0.15
5	6.24	-1.24	1.5376	0.246
4	3.36	0.64	0.4096	0.1119
			χ^2_{CAL}	4.8447

$$\chi^2_{\text{CAL}}=4.8447$$

$$\chi^2_{\text{CAL}} = \chi^2_{(3-1)(3-1)} = \chi^2_4 \text{ DEGREE OF FREEDOM}$$

$$=9.488$$

$$\text{Since } \chi^2_{\text{CAL}}=4.887 < \chi^2_{\text{TABLE}}=9.488$$

So we accept the H_0 at 5% level that there is no significant difference between product and customer satisfaction.

Case Study of Colgate Palmolive India Limited

Colgate Palmolive India limited., Is one of the leading companies in FMCG'S. till late 1980's, it was pretty much smooth sailing for CPIL. Smaller tooth paste brands like promise, built a strong franchise in early 1980's and then began to flag. Others, such as Forhans and binaca, faded away into back ground. But in the late 1980's lever wanted to change the vary way the market was curved up. It was moving aggressively to segment the market into two distinct need areas with sharply defined brands. With effective advertising, the very dynamics of tooth paste marketing started changing. Thus, the great tooth paste war began. Colgate matched close up with get variant of its own, aimed at those who wanted to keep their partners happy. CPIL brought Colgate total, a top end formulation of its U.S based parent, to India, priced at 2.5 times its regular paste. The product failed to justify its premium to the consumer. This tartar fighter was supposed to be the knight in shining armour, at its failure delt a severe blow to CPIL'S leadership of the market mean while Colgate's advertising ad become 'globally aligned' with U.S based, young and rubicam which tied up with read fusion in india, and lost some of the local zest. Thus, CPIL saw the opportunity. The market expansion was to be done as the 90000 tones (Rs. 200 crore) tooth paste market had barely grown 3% in 2000. Colgate total as started doing well in the past 2 years total is medically superior formation that is big in high awareness market. It can upgrade uses of gels as well as protective paste. The strategy is expected to unto the 1990's segmentation by harmonsing the two different needs Balsara's Babool was already a success. Colgate acquire is cibaca and relaunched it as Colgate cibaca top in a maligned package. Colgate herbal is launched as a part of flanking strategy against aim, as neem tooth paste by Lever.

In 1976 Colgate launch 'operation Jagrati' program to create oral hygiene awareness. nearly 100 vans went deep into rural areas to generate tribal's through its 30 gram pack Colgate reaches 60000 villages and 18 million rural customers. Overall, an important part of education program is CPIL's association with the Indian dental association Colgate distribution strategy is a three piller one;

- Physical distribution reach.,
- Customer marketing approach.,
- Modernization sales operations
- Enhancement of sales efficiencies, effective presence in haats and save yours savories. It also catters about three million retail outlets that stock tooth pastes ranging from road side kiorks to fancy super markets. Colgate supplies stock which are 'key account holders' supplying super market chain and the like. Thus, Colgate as gain a strong brand image and it is progressively matching ahead.

Findings

- 82% of respondents purchase Colgate toothpaste and 18% of respondents prefer another brand rather than Colgate toothpaste.
- 44% of respondents purchase Colgate sensitive pro-relief, 32% of respondents buy Colgate sensitive whitening and 24% of respondents purchase Colgate sensitive.
- 60% of respondents are satisfied, 24% are not sure of their satisfaction level and 16% are dissatisfied.

RECOMMENDATIONS

- Majority of the people purchase only Colgate toothpaste rather than other brand of toothpaste.
- Majority of people purchase Colgate sensitive pro relief.
- Most of the customers are satisfied by using Colgate toothpaste.

CONCLUSIONS

- The brand Colgate has been sold successfully and has created a good demand all the time. It is also holding a good place in the toothpaste market with a share of around 10% to 15%. As like for all other products Colgate is also facing a tight competition in the toothpaste market. Since the competition is too strong the company has to keep on watching market closely for avoiding any sudden collapse towards the product.

REFERENCES

1. en.wikipedia.org / wiki /Colgate- Palmolive
2. www.foolonahill.com/ mbacolgateherbal.html
3. yousigma.com/ comparative analysis/ colgatepalmolivecompany.html
4. www.accenture.com/SiteCollectionDocuments/PDF/colgate2.pdf
5. Rural Marketing: Indian Perspective, Awadhesh Kumar Singh, Satyaprakash Pandey, new age international publication limited, 2005. Page:131