

TO STUDY AND ANALYZE THE BUSINESS OPPORTUNITIES AVAILABLE FOR WET WIPES IN CORPORATES AND OTHER INSTITUTIONS

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Abstract

In light of the extreme competition and changing trends and preferences of customer as faced by the Skincare Industry, companies are perpetually geared in the formation of new consumer for new products and introducing new varieties. This shall hopefully win consumers acknowledgement and response. One such product is skincare wet wipes, which is a rising category in India. The trends pertaining to same is continuously changing with the inclination of new generation towards the use of wet wipes being more convenient and hygienic instead of handkerchief. The objective of our research is to study and analyze business opportunities available for wet wipes in corporates and other institutions. This research will also highlight the reasons for poor performance of wet wipes in terms of institutional sales. This study throws light on opportunities available for wet wipes in institutional sales in corporates especially in service sector and the areas where companies have to take reasonable measures in context to promotion, distribution activities and discount schemes.

Keywords:

Business Opportunities, Wet Wipes, Institutional Sales, Changing Trends

1. INTRODUCTION

FMCG sector is the fourth largest sector in the Indian economy. It comprise of food products segment which is the leader with around 42% market share, personal care segment with 22% market share, fabric care with 12% market share (ibef.org). The skin care market belongs to the Personal Care segment of the FMCG sector in India.

In personal care segment wet wipes is an emerging segment which is available in different variants. Their increasing demand is due to reasons like increasing cleanliness and hygiene consciousness among the customers, modern and busy lifestyle and convenience to use.

Other than being available as refreshing and make-up removal wipes. They are also available in house hold care category for cleaning furniture, kitchen wares, etc. The category of these wipes has gradually enlarged to offer a wide range of new variants with different applications substituting conventional combination of cloth, cotton and cleaning solution.

2. OBJECTIVE STUDY

- To find out potential sectors where wet wipes can be used for institutional sales.
- To study and analyze the factors which governs the low performance of wet wipes in corporates/ Institutions.

3. LITERATURE REVIEW

3.1 SKIN CARE SEGMENT

The skin care market belongs to the Personal Care segment of the FMCG sector in India and is valued at \$180 million in India (Approx. Rs. 72,000 Cr.) [12]. The skin care segment is in infant stage in India but is growing with different forms of products like toners sun creams, cleansers, fairness creams, dark circle creams, wrinkle removal creams, moisturizers, astringents, day and night cream and so on. Even though the market is growing in urban India, but it remains almost untapped in rural parts of the country. Despite of these facts this segment had grown with a great speed in the last 7-8 years.

The Beauty Company in their report 'The Beauty Benchmark' states that 58% of women in the US between 18 and 50 plus buy skincare on a monthly or bi-monthly basis.

Now a days skin care become an important part of people especially anti-aging remedies, in women whether they are belonging to the age group of 35-40 or a teen [3]. For skin care people are moving towards product developed from plant extracts and botanical ingredients based on their traditional medicinal use. [4]. Talking about natural skin care products, Ayurveda is one of the most ancient resource, whose remedies are practiced in India, Sri Lanka, and other south Asian countries [5]. Therefore we can say that in today era people are moving back to these natural practices a demanding a product with natural essences for skin care [6].

The growth of skin care segment in India is due to following reasons [17]:

- Increase in concerns about hygiene and personal grooming
- Discounts also led to increase in sales in the economic uncertainty
- Increase in presence of domestic players
- Chained retailers create opportunities for point-of-sale marketing
- Rising affluence and sophistication to drive future growth

Growth in skin care segment had resulted in the increase in demand for facial products.

Industrialization has led to the development and concentration of humans mainly to the urban areas which became center for commercial activities. Urbanization has also led to an increase in disposable income levels resulting in greater number of companies being involved in value added consumer disposable products like facial cleaning wipes, moist towelettes, personal

hygiene wipes, household cleaning wipes etc. The growing use of wipes in industrial and consumer applications, along with modernization and increased consumer awareness about cleanliness, has led to an increase of demand of wipes globally [11].

The disposable wet wipes market, fairly niche and nascent in India, has grown to \$ 75 million annually [15]. Worldwide, wet wipes are a \$6-billion category, but in India, it is in the nascent category [15]. It is treated as a lifestyle item and not as an essential item. Hence, it will take some time before it reaches an inflection point [9]. The segment, however, has been growing by 16-18% annually, according to a report by Credit Suisse, an international brokerage [16].

Passport, wipes in Thailand, September, 2013, Euromonitor 'Skin Care' has immense opportunities because of hustled life in cities and the growing number of nuclear families and working women who trust more the disposable products while working in the kitchen or while travelling outside. The wipes in India are usually made of Viscose and Spun lace which are known to be the standard materials in the world [14].

US Today 2002 Few years ago wipes are not very common product and only wipe exist were baby wipes. But today wipes were available for almost every house hold chore and for every parts of body. There are wipes for kitchen counters. Wipes for toilets. Wipes for each car surface. Wipes to clean wounds and relieve pain. Deodorant wipes for men and women toning and moisturizing wipe. Several companies recently have rushed premoistened toilet tissue to the market The stronghold of the major competitor 'Tainwala Personal Care Products Pvt Ltd' on wipes gradually attenuate over the latter half of the year 2010 [17]. Since in recent years, many brands have entered the category, with big brands like Mac, Johnson's & Johnson's, Wipro baby care, Pampers, Dove, Nivea, Mistique, Ginni, Freshones, Klenox, Kara etc. which are owned by different multinational companies including Chinese and some Indian companies [9].

Wipes constituted less than 1% of retail hygiene value sales in India in 2010 [17]. As these products are traditionally not popular in the country, the category still depends on niche consumer segments or season-based sales. Though no major developments are likely to be seen in home care wipes and floor cleaning systems over next couple of years, other product categories under personal wipes- including refreshing wipes and cosmetic wipes are foreseen to contribute more towards overall growth of wipe category. In a similar trend, a majority of value sales growth in all wipes categories will be due to the entry and marketing push of national manufacturers [14].

4. RESEARCH METHODOLOGY

4.1 RESEARCH AIM

To study business opportunities for wet wipes in, corporates and other Institutions.

4.2 RESEARCH DESIGN

The researchers have used explorative research design. This is done with the help of a structured questionnaire containing 22 statement measured on a 5-point Likert scale ranging from 5 for strongly agree down to 1 for strongly disagree. The different

statements were generated based on literature surveyed from different journals and research paper

4.3 DATA TYPE

- **PRIMARY DATA:** This is collected from questions asked from employees from different corporates in Delhi and national capital region.
- **SECONDARY DATA:** Online Journals and news articles.

4.4 RESEARCH TOOL

Analysis is done with the help of mean, median, skewness, and kurtosis.

- Chi-square test
- T-test for one sample, paired sample
- One-way A-nova.
- Factor analysis (With the help of SPSS)

4.5 SAMPLE SIZE

A sample size of 49 respondents was finally taken for further analysis from different corporates and other institutions. Data was collected from people belonging to different designations in corporate.

4.6 DATA COLLECTION INSTRUMENT

The data is collected with the help of a structured and undisguised questionnaire during the period May-June 2015.

4.7 SAMPLE DESIGN

The sample unit consists of companies either visited or contacted through mail and telephone calls. The target respondents are people of different age groups belonging to different companies from different sectors. Sampling element consists of each employee (both male and female) in the age group of 21 and above.

4.8 SAMPLING METHOD

Multi staged sampling is used for drawing final conclusions.

4.9 SAMPLE BIAS

Sampling technique were convenience and judgmental sampling technique based because not with all companies wet wipes fits for institutional sales and from each company only one or two people are ready to talk

5. DATA ANALYSIS AND INTERPRETATION

5.1 RELIABILITY CHECK

First reliability of the sample is tested.

Table.1. Cronbach's alpha test

Cronbach's Alpha	No. of Items
.888	22

INTERPRETATION:

Here, cronbach’s alpha value = 0.88, which is greater than 0.6. Therefore, it can be concluded that sample is highly reliable to do further research.

Table.2. Descriptive Statistics

Sl. No.	Statement	Maximum	Minimum
1	Awareness of wet wipes among the respondents.	89.6% (aware)	10.4% (not aware)
2	Preferred variant of wet wipes by the respondents.	48.8% (refreshing)	9.8% (make-up removal)
3	Age of respondents.	20-30 years	40 and above
4	Type of sector in which respondents work.	61.7% (services)	8.2% (automobiles)
5	Its use is largely confined to urban area	37.5% (agree)	8.3% (disagree)
6	With increasing modern and busy lifestyle wipe market has bunch of opportunities	47.9% (agree)	4.2% (strongly disagree)
7	Brand loyalty is comparatively low than other FMCG products	35.4% (agree)	10.4% (strongly disagree)
8	Providing wet wipes by corporates and other institution increases their customer satisfaction	54.2% (agree)	4.2% (disagree)
9	Margins provide by the company are favourable for corporates sales	33.3% (agree)	6.2% (strongly disagree)
10	Consumer’s consciousness towards cleanliness is a reason for increase in demand of wipes	41.7% (agree)	8.3% (disagree)

5.2 HYPOTHESIS TESTING: CHI-SQUARE TEST

We had used chi-square test to find out the relationship between the types of sector and whether providing wet wipes increases their customer’s satisfaction.

H₀: No relationship exists between the types of sector and providing wet wipes increases their customer’s satisfaction.

H₁: Relationship exists between the types of sector and providing wet wipes increases their customer’s satisfaction.

Table.3. Chi-square test

	Value	Df	Asymp.Sig.(2-sided)
Pearson Chi-Square	12.783 ^a	15	.619
Likelihood Ratio	15.133	15	.442
Linear-by-Linear Association	1.090	1	.296
No. of Valid Cases	45		

INTERPRETATION:

Here, p-value = 0.619 > α (0.05). Therefore, there exist no relationship between type of sector and using wet wipe increases the customer satisfaction.

5.3 PAIRED SAMPLE T-TEST

We had applied T- test for paired samples to check whether the company has to focus on promotion or on distribution channel to improve its corporate sale.

H₁: There exists difference in rating for promotion and distribution channel.

H₀: No difference in rating for promotion and distribution channel.

INTERPRETATION:

Out of 48 respondents 48 gave the response for promotional activity and distribution channel together.

T_{cal} = -0.312

df= 47

P-value = 0.757 > α (0.05)

Hence, the null hypothesis is accepted.

Thus, there exist no difference in rating for promotional activities and distributional channel.

Therefore companies have to focus on both distribution channel and on promotional activities for increasing its corporate sales.

5.4 FACTOR ANALYSIS

Now, we did factor analysis to check which variables can be combined to form one factor and have a combined effect on the corporate sales of wet wipes.

KMO - test is applied to check the sample adequacy for factor analysis, its value should be between 0.5-1.

Table.4. Paired sample T-test

	Paired Differences					t	Df	Sig (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1: companies should focus more to improve distribution channel - awareness also depend upon better promotional activities	-.062	1.390	.201	-.466	.341	-.312	47	.757

Table.6. Summary table of factor analysis

Factor	Components	Factor loading	Mean	Combined mean
Product utility	Margins	0.851	3.52	3.75
	Skin-problems	0.849	3.54	
	Corporate Sale	0.824	3.87	
	Convenient	0.720	3.70	
	Hand sanitizing	0.671	3.98	
	Strategies	0.63	3.89	
Hygiene	Product portfolio	0.864	3.52	3.71
	Necessity	0.753	3.43	
	Opportunity	0.678	3.96	
	Cleanliness consciousness	0.552	3.83	
	Living standard	0.541	3.85	
Customer perception	Brand loyalty	0.820	3.24	3.49
	Non-essentiality	0.816	3.5	
	Customer-appreciation	0.709	3.48	
	Promotion	0.627	3.74	
Area penetration	Area confoundedness	0.862	4.09	3.86
	Market development	0.663	3.85	
	Distribution channel	0.500	3.65	

Table.5. KMO and barter test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.801	
Bartlett's Test of Sphericity	Approx. Chi-Square	590.694
	Df	153
	Sig.	.000

Here, $KMO = 0.801 > 0.5$. Therefore sample is adequate and factor analysis can be applied.

Now barter test- It is used to check the correlation between the variables and the factors formed through data reduction,

HYPOTHESIS TESTING:

H_0 : No correlation between variables.

H_1 : correlation between variables.

Degree of freedom = 153

$X^2 = 590.694$

p- Value = $0.000 < \alpha (0.05)$

H_0 is rejected.

Indicating their exist correlation between the variables.

From total variance explained table, we got, total variance explained by four factors is 66.66%. Thus with data reduction we are losing (100-72.967) % information, i.e., 27.033%.

FACTOR-1: is product utilities which comprises of Margins provide by the company, skin problems, and corporate sales, convenient, hand sanitizing and marketing strategies.

FACTOR-2: is hygiene which comprises of product portfolio, necessity, opportunity, cleanliness-consciousness, living standard.

FACTOR-3: is consumer perception which comprises of brand loyalty, wipe as essentiality, customer appreciation, promotional activities by the company.

FACTOR-4: is area penetration which comprises of area confoundedness, market development distribution channel.

Therefore, we can say that all the 4 factors play an important role in corporate sales of wet wipes.

6. FINDINGS

- Brand loyalty is less as compared to other FMCG products which results I capturing of market by Chinese and other local wipes.
- Margins and discounts provide by the company are unfavorable for corporate sales of Kara. This results in less demand of Kara in Corporates.

7. SUGGESTIONS

- The product needs rigorous advertising be it in print media and television, hoardings, van operations only then the awareness could be brought about the brand and the products.
- Apart from traditional promotional channels, I would recommend to use social media channel to promote Kara wipes in youth those are internet centric and spend their maximum time on accessing internet
- Another idea which I think may help the product is that if the company can tie up with CAB SERVICES like Merru & many more & provide samples inside the cab this may help to at least a chance where the consumers may actually use the wipe & can judge it & a display in the cab itself will help a lot for promotional factor.

8. FUTURE SCOPE

The concept of wet wipes have been very successful in foreign countries and now emerging trends show that in India also its demand is growing in fast pace. With the FMCG market growing and wipes being one of its sub divisions, the demand will grow in following years.

This paper helps in generating new market opportunities especially for institutional sales of wet wipes as a complementary product or can be used for gifting purpose.

It also facilitates the further study on wet wipes for B2B marketing.

9. CONCLUSION

Companies are working very hard to establish their wipe as a leading product in Market. Some products have made their mark in wet wipes segment. Among their different variants, Refreshing facial wipes are the most selling wipes in the consumer market and is also a potential product for gifting done by various Corporates. Out of all the companies visited, Hotel Industry held the priority. Rigorous advertising is needed for better consumer awareness by

focusing not only on traditional channel as well as new channel like social media promotional activities. Very few visits were appointment based, whereas cold calling was the prominent method employed. Most of the worthy interactions were with companies having corporate offices in Delhi. The research work gave us an idea as to what difficulties many branded wipes are facing problem in spite of being a very good quality product.

The major problem faced by many companies is discount and customization cost included in institutional sales and company has to work on promotional activities and distribution channel so that wet wipe can become a strong part of personal care segment in FMCG sector through increasing brand loyalty.

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