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CavinKare Private Limited (A): Challenges of Sustaining Growth and Expanding Business

On October 30, 2004, C. K. Ranganathan, Managing Director, and K. S. Ramesh, Chief Executive Officer of CavinKare were reviewing the company's sales plans. Its performance for the year had been good. It had successfully introduced several new products to the market. Ranganathan was recently conferred the "Entrepreneur of the Year" award by *The Economic Times*.

Ranganathan and Ramesh were now keen to find a way forward for the company. The major challenge was to put in place a strategy to translate the vision of making CavinKare a billion dollar (INR 52,000 million) entity by 2012 into reality. They had to make several important decisions that would not only decide the company's future course of action but also achieve the set vision within the next decade.

Background

CavinKare was established by Ranganathan in 1983. His father was involved in the family business of pharmaceutical packaging and beauty care products manufacturing in Cuddalore, a small town in the Southern Indian state of Tamil Nadu. After graduating from college, Ranganathan joined the family business. In 1983, he started his own company in a small room. His entrepreneurial zeal and single-minded commitment to the business helped it grow and succeed.¹ Twenty years later, his company emerged as a dominant consumer product company, manufacturing a variety of products in the hair care, skin care and personal care categories.

The company began operations under the name Chik India in 1983. It changed its name twice along the way. It was renamed Beauty Cosmetics Private Limited in 1990, and later, in 1998, it changed its name again to CavinKare^a Private Limited with the aim of going beyond cosmetics and offering a wide range of consumer products. (See Exhibit 1 for key milestones in the journey of CavinKare). The company had several well-known brands in its portfolio

^a *Cavin* is a word in the Tamil language which means elegance, grace and good looks, while *Kare* is a commercial variant of the English word *care*.

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such as Chik (shampoo and talc), Meera (hair wash powder, liquid hair wash, shampoo and hair oil), Nyle (herbal shampoo), Fairever (fairness cream), Spinz (perfumes, deodorants and talcum powder), Indica (hair colourant), Raaga Cool (cooling hair oil) and Karthika (hair wash powder). (See Exhibit 2 for CavinKare's product portfolio). Most of these brands held top positions in terms of market share. The company was credited with the best new brand success ratio in the fast moving consumer goods (FMCG) industry in India.² From 1994 onwards, it had been growing at a compounded annual growth rate of about 31%.³ In 1998-99, it had a turnover of INR 850 million, which rose to over INR 2,640 million in 2003. (See Exhibit 3 for CavinKare's turnover from 1999-2003 and Exhibit 4 for the estimated revenue contribution of different product categories).

Identifying Consumer Needs

CavinKare identified gaps that were overlooked by established players in the market. It conducted its first gap identification study in the early 1980s. The shampoo market was cluttered with some 70 plus small labels with very low brand awareness. There was a clear need for a superior quality shampoo with an appealing fragrance at an affordable price. National brands such as Clinic Plus and Sunsilk from Hindustan Unilever Limited (HUL),^b the Indian subsidiary of Unilever, were targeted mainly at urban consumers, virtually ignoring the regional and rural markets. (The price performance matrix in Exhibit 5 illustrates the need gap identification by CavinKare in the shampoo industry).

The company introduced Chik shampoo in 1983. This brand was of superior quality and its price was affordable to most consumers. The formulation included French perfume. Chik tried to lure lower middle-class and semi-rural consumers with a monthly income of INR 1,500-3,000.⁴ The company's sales of INR 0.5 million in 1984 increased to INR 3.8 million the following year. By 1990, sales figures went up to INR 35 million and Chik's market share increased by more than 50%. It became the largest selling shampoo brand in the rural markets of South India.⁵

The company identified another gap in the urban shampoo market. It recognised that a key reason for infrequent usage patterns, especially among urban Indian consumers, was the perception that shampoo contained harsh chemicals. A large segment of consumers looked at shampoos as a product that improved hair texture and manageability, giving softness and bounce to hair. However, they also believed that regular usage resulted in dryness and deprived the hair of nourishment. They were reluctant to use a synthetic product on their hair, especially on a regular basis. CavinKare realised that there was a clear need for a good quality herbal shampoo in a convenient and easily usable form. HUL and other companies did not have a presence in this segment. In 1993, CavinKare rolled out its herbal shampoo on a national scale under the brand name Nyle. Nyle offered a range of shampoos containing pure herbal extracts and natural ingredients such as *shikakai*, *amla* and *reetha*.^c The concept of herbal shampoo was well received by consumers. The company positioned Nyle as the safest shampoo to use. In 2000, Nyle had 45% market share in the herbal shampoo category,⁶ which contributed 10% to the overall shampoo market. By 2001, Nyle had emerged as one of the top five selling shampoo brands in India.⁷

^b The company was previously known as Hindustan Lever Limited (HLL). It changed its name to Hindustan Unilever Limited (HUL) in 2007.

^c *Shikakai* is a herb that is believed to remove dandruff and cleanse hair. *Amla* (gooseberry) is widely used for making hair black, while *reetha* (soap nut) is said to provide softness and glossiness to hair.

Gaining Consumer Insights

Continuous engagement with consumers helped CavinKare gain important insights from time to time. Using one such insight, it entered the fairness cream market with the launch of its brand Fairever in 1998. HUL had a stronghold in the fairness cream market through its Fair & Lovely brand. The brand had a virtual monopoly with more than 90% of market share and had almost become generic to the category. Direct interactions with consumers gave CavinKare a useful insight. Though Fair & Lovely was present in the market, consumers had their doubts about it: “I don’t know what I am using; is it actually a bleach or something else?” “Should I use a chemical on my face even though it makes me fair?” Since fear of chemicals was a major inhibitor, CavinKare began the search for natural ingredients that would be safe for the skin and thus would remove consumer doubts. While interacting with consumers, CavinKare learned that many people in India drank a mixture of saffron and milk for fair skin. This practice was especially prevalent among expectant mothers and was rooted in the age-old belief that saffron and milk gave fair complexion to the unborn child. After gaining this insight, the company’s research and development division developed a saffron-and-milk formulation (cream) to be used externally. The combination gained immediate acceptance among consumers. The brand captured more than 6% of the market within six months of its launch.

Acting on another consumer insight, CavinKare introduced Meera herbal hair oil in 2004. Though many value-added hair oil brands claiming to contain various herbs were present in the market, consumers were not sure if these brands actually incorporated those herbs and in what quantity. Using this consumer insight, the company developed a unique design concept for its herbal hair oil product, whereby it offered a visual demonstration of the herbs infusing into the oil. A perforated container filled with pure herbal extracts was inserted into a bottle of coconut oil that had already been pretreated with herbs. Consumers could now see the herbs contained in the transparent porous cylinder continuously leaching into the hair oil. The company got a patent for this unique design.

Before converting product innovations into brands, CavinKare followed a four-pronged strategy for gaining consumer insights: Constantly engaging with customers to gain special insights; screening customer insights for potential and translatability into meaningful products; challenging all conventional paths while translating insights into products; and, in case of problems, going back to customers to refine the products and re-launch improved versions.

Marketing Communication

From its inception, CavinKare had realised the importance of brands and had invested resources in advertising and branding. Building strong brands and gaining consumer visibility was an important part of its marketing strategy. A key aspect of CavinKare’s marketing communication was the use of regional media. It relied heavily on radio for mass media advertising, especially for Chik shampoo. Its advertisements made use of popular movie dialogues supporting Chik. Movie stars held great sway among the masses in South India. Hence, many leading South Indian film actresses were roped in to endorse the product. Leveraging their mass appeal helped the company increase the brand awareness of Chik.

In its use of national media as well, CavinKare was able to connect with consumers. For example, it took a dig at Fair & Lovely’s communication plank through the advertising

campaigns for its own fairness cream. While Fair & Lovely's communication platform was girls "wanting to get married", Fairever highlighted the "achievement" theme in its communication platform. One of its television campaigns featured a father motivating his daughter to achieve something significant in life regardless of her skin tone.⁸ In another campaign, a young, confident woman, who has just become a doctor, returns to her village to serve its people. The advertisement shows her father saying, "We are proud of you" (see Exhibit 6). Various creative communication campaigns helped build CavinKare's brand equity among its target segments. (See Exhibits 7 and 8 for print advertisements of Fairever fairness cream, Spinz Talc and Spinz Perfume).

Delivering Customer Value through Affordable Products

Developing superior products at prices affordable to consumers also played a key role in CavinKare's success. It adopted value pricing strategies for its shampoo products in the initial phase of growth to establish itself in the market. Shampoo, as a category, was characterised by relatively low per capita consumption in India (see Exhibit 9). The former chairman of HUL, M. S. Banga, admitted that though his company had 70% market share in volume terms in the shampoo category, its products accounted for only 10% of the hair wash occasions in India.⁹ The biggest barrier in attracting non-users was the high pricing of commonly available shampoos.

CavinKare learned from a market study that if the total expenditure incurred by an individual on hair wash could be reduced to two rupees a month, the people in rural India would be interested in trying out shampoo products. In September 1999, the company launched a four ml sachet of Chik shampoo priced at INR 0.50. The launch was a great success. The market share of Chik after the launch jumped from 5.61% in 1999 to over 23% in 2003 (see Exhibits 10, 11 and 12). The INR 0.50 sachet expanded the whole market and made Chik the recruitment brand for the shampoo industry. This proved to be an important pricing innovation in rural marketing. CavinKare created a shampoo market out of non-users or infrequent users by introducing an affordable product. By offering value-for-money propositions, the company succeeded in attracting price-conscious consumers. Its focus on volumes and scale of economy resulted in lower costs of production. Because of lower pricing, the company's gross profit was high due to higher volumes even though it made a low to modest profit per customer.

CavinKare followed this affordable pricing strategy for some of its other products as well, such as perfumes. Perfume, as a category, was accessible only to affluent customers owing to prohibitive pricing. In the late 1990s, most of the perfume brands available in India were imported and therefore costly. People sometimes received perfumes as gifts from relatives and friends living abroad. Along with high entry costs, the perfume category was also characterised by low penetration (less than 1%).¹⁰ Perfume had always been seen as a special occasion product and was used sparingly. Ivana and Shie from Lakmé were among the few Indian brands available in the market. CavinKare decided to introduce a quality perfume at an affordable price. The company entered the perfume business with the launch of its brand Spinz^d in 1997. The product was introduced in bottles as well as small "dab-on" packs. A dab-on pack contained two ml of perfume, sufficient for a week's use. Later in 2000, the company launched its single-use perfume Singlez, priced at INR 1.50. The move was aimed at making Spinz a recruitment brand with affordable pricing.

^d The brand name Spinz is based on the word "spin" as used in the game of cricket. It was coined in 1997 in the aftermath of the Cricket World Cup in 1996 and the ensuing cricket fever in India.

Cost Advantage

CavinKare's reduced cost structure enabled it to sell quality products to customers at an affordable cost. In product manufacturing, it was the first among Indian companies to see the advantage of business process outsourcing.¹¹ The company had outsourced its manufacturing operations since its inception in 1983. It realised that shampoo manufacturing did not have technological entry barriers. Outsourcing reduced CavinKare's overheads considerably. Apart from delivering cost savings in product manufacturing, outsourcing helped CavinKare to become a nimble and agile organisation. It gave the company a high level of flexibility in product mix selection and also reduced its working capital requirements. Further, it allowed the company to maintain a strong focus on marketing and distribution.

The company had shown remarkable product development capabilities in creating superior products at affordable prices. Product development was supported by its world-class research and development (R&D) infrastructure. Offering products that gave higher value for money to consumers, thereby generating volume, was critical for the company in scaling up. Further, the relatively small size of the organisation gave it agility when launching products or withdrawing and then re-launching them again.

Packaging Innovations: Sachets and Low Unit Packs

Ranganathan was often referred to as the moving force behind the sachet revolution in India.¹² Though Ranganathan's father, Chinni Krishnan, had pioneered the concept of sachets by introducing Velvette shampoo^e in sachets in 1976, it was Ranganathan who popularised the sachet concept with Chik. Sachets, a form of low unit packs (LUPs), played an important role in capturing the market for Chik.^f Single-serve sachets gave a boost to shampoo consumption in India. Sachets gained high acceptance among rural as well as low-income urban consumers who could not afford the comfort of inventory. Having limited cash at their disposal, these consumers preferred not to stock up on shampoo and thus block money on a product that was perceived to be less essential. Besides this, a sachet, being a low cost per unit pack, offered consumers the convenience of making a purchase only when needed. Sachets also helped in minimising the risk of trial. Sometimes consumers did not want to be tied down to a particular brand by buying a bigger pack. Low-priced sachets came in handy for consumers who wanted to try out different brands.

The company also used innovative packaging for its other products such as perfumes. Its single-use perfume, Singlez was introduced in a novel package – a blister pack containing gelatinous capsules of perfume. The aim was to attract non-users and infrequent users of perfume. Besides offering the convenience of storage, single-use packs helped to induce trials, and thereby bring in new users. With the product's low price, the risk of trial was minimal and the incentive to try it extremely attractive. The company started promoting the

^e After Ranganathan's father's demise in 1979, the Velvette shampoo brand was owned by Velvette International, which was promoted by Ranganathan's brother, C. K. Rajkumar. Velvette was a popular shampoo brand in the 1980s and became the largest selling shampoo brand in 1991 with a market share of 29.32%. However, in the late 1990s, it was unable to survive the competition in the market and the company began accumulating losses. The main problem was that it was not able to set up its own strong nationwide distribution network.

^f CavinKare sourced its packaging materials from its associate company, Packaging India Private Limited, which enabled it to get packaging materials at a lower cost than its competitor.

concept of “once a day” usage. The idea was to break perfume free from the limits of special occasion usage and encourage its daily use, which the single-use pack now made eminently affordable. Single-use packs helped to drive up perfume consumption.

Distribution Access

Over the years, CavinKare established a nationwide distribution network. This ensured that its products were available at a large number of retail outlets. Gaining distribution access, particularly in rural areas, had been a difficult task for marketers in India. Rural markets were characterised by low penetration and a dispersed consuming population. The size of the market at the individual village level was quite small. Retail density, or the number of retail outlets per thousand population, was extremely low in rural areas.

To gain distribution access, CavinKare approached rural consumers in an innovative way. It started tapping periodic markets such as *haats* and *melas*. *Haats* were weekly markets while *melas* were fairs held periodically in rural and semi-urban areas. For CavinKare, *haats* played a key role in accessing consumers in remote and less prosperous villages. *Haats* could serve about 4,000 rural consumers dispersed over 10-15 villages within a radius of 12-15 kms. Approximately 47,000 *haats* and 25,000 *melas* were held yearly in rural areas. These *haats* and *melas* were characterised by high per capita spend, sometimes greater than markets in urban areas. On average, *haats* generated about INR 0.2 million in sales in a single day, while average sales per *mela* were INR 1.43 million.¹³ CavinKare was successful in increasing its penetration by focusing on these periodic markets.

The affordability and availability matrix in Exhibit 13 highlights the importance of right pricing and distribution strategies. The cell with high acceptability and high availability shows the position of CavinKare. While products from the unorganised sector might have been affordable, they were available in limited areas. On the other hand, at least a few multinational companies had good distribution, but their products were not affordable for a large section of the rural population or for low-income consumers. Over the years, CavinKare had built a strong distribution network that could move its products to every corner of India. India had more than 5.5 million retail outlets for consumer products.¹⁴ CavinKare’s distribution system reached out to 0.75 million outlets.¹⁵ Its rival HUL had direct coverage of about one million outlets.¹⁶

THE ROAD AHEAD

The company had successfully competed with big corporations of the likes of HUL, P&G, and Godrej. In the shampoo category, Chik and Nyle had become leading brands in terms of growth and market share. In the fairness cream category, its Fairever brand was number two after Fair & Lovely. In 2001, the size of the shampoo and fairness cream markets in India were estimated to be INR 8,500 million and INR 6,500 million, respectively. Ranganathan and Ramesh realised the major challenge before the company was to sustain its growth. The company had been strengthening its structure and systems for scale up. It had a turnover of over INR 2,640 million in 2003 and had set a vision to become an INR 52 billion company by 2012. To achieve this target, Ranganathan and Ramesh had developed a two-pronged strategy – increase the market share of its current products and diversify into new businesses.

Increasing the Market Share of Current Products

The company had planned to achieve higher growth and thus increase its market share in product categories in which it was already present. In 2002, in the shampoo market, Chik had a volume market share of 21.19% against the 22.95% of HUL's Clinic Plus brand. However, in value terms, Chik's market share was much lower at 8.89% against 27% of Clinic Plus. This was due to the difference in the price of the two brands.¹⁷ In 2003, the combined volume market share of all of CavinKare's shampoo brands was 25.4% in comparison to HUL's 53% share.¹⁸ In categories such as fairness creams, deodorants, perfumes and talcum powder, its brands had managed to make initial dents in the market. However, there was still a wide gap in the market share of its brands and those of HUL, its main competitor in these product categories. For example, in 2003, CavinKare's fairness cream, Fairever, had a market share of 9.5% as against 62% of Fair & Lovely (see Exhibit 14 for fairness cream market share). In 2004, HUL dominated the deodorant market with brands such as Rexona, Ponds and Axe, whereas CavinKare's Spinz deodorant had about 3% market share.¹⁹ Its brand Spinz had a market share of about 7% in the perfume category.²⁰ Spinz talcum powder had a market share of 4.27% in value terms in 2004 as against the 55% market share of HUL's Ponds (see Exhibit 15). In 2002, CavinKare's talcum powder sales were INR 100 million while its perfumes and deodorants each contributed INR 50 million to the sales of the company.

Diversification into New Businesses

CavinKare had diversified into new businesses related to its current businesses. It had already entered the food and retailing business and was planning to enter the soaps and detergents category.

Entry into Soaps and Detergents: For the soap category, CavinKare was contemplating following both organic and non-organic routes to growth. It had set up a separate division for soaps and detergents. The foray into soaps and detergents was part of a strategy to enter categories that were very large. The soaps and detergents category was estimated at INR 100 billion.²¹ The rationale was that even if the company managed to get a small market share in the initial phase, it would have a major effect on its sales turnover. The company was initially looking at a turnover of INR 5 billion for the division in the next five years.²²

Entry into Food Products: Food was another large category and had the potential to grow many times its current size. CavinKare had identified food products as a key driver of its growth in the coming years. The company launched pickles under the brand name Chinni. The product was also introduced in sachets to compete with the unorganised sector. The objective was to target rural markets with low-priced sachets and, at the same time, build a brand in urban areas through its bigger pack sizes (e.g. bottles). It also acquired a leading pickle brand, Ruchi. The company was planning to offer other products such as ketchups and chips.

Retailing Ambitions: Retailing was another area where CavinKare had made a foray in recent years. It had promoted a new company, Trends In Vogue Private Limited, to make its entry into the branded hair and skin care salon business. It viewed its retail business as a logical extension of its hair and beauty care businesses. Making its products available at salons could reinforce its brands. It planned to invest at least INR 250 million in the business and open 250 salons, named Green Trends, by 2005.²³ With a view to differentiating itself on the platform of superior service delivery, it was thinking of running company-owned outlets instead of pursuing the franchise model.

CavinKare had set a vision to become an INR 52 billion company by 2012. Ranganathan and Ramesh were evaluating the business strategy of the company. The big and troubling question before them was this: Would they be able to achieve a seemingly ambitious target with the current strategy?

EXHIBIT 1
CavinKare: Milestones

1983: Chik India is established; starts selling Chik Shampoo

1990: Chik India is renamed Beauty Cosmetics Private Limited

1991: Introduces herbal hair wash powder under the brand name Meera

1991: Sets up Packaging India Private Limited for manufacturing and sourcing packaging materials

1993: Introduces the Nyle Herbal Shampoo brand outside Southern India

1997: Launches perfumes under the brand Spinz

1997: Achieves revenue of INR 500 million

1998: Launches Spinz deodorants

1998: Changes name from Beauty Cosmetics Private Limited to CavinKare Private Limited with the objective of offering products beyond beauty care and cosmetics

1998: Launches Fairever fairness cream with saffron and milk as key ingredients

1998: Adds Indica Hair Dye to its product range

1999: Forays into the talcum powder market in Southern India

2000: Establishes a separate division for exports

2000: Adopts a new corporate logo

2000: Forays into the cold cream market

2001 Establishes a media buying company, CavinKare Advertising Private Limited

2002: Achieves turnover of INR 2,430 million

2002: Sets up Trends In Vogue Private Limited to enter the branded hair and skin care salon business

2003: Enters the pickle market by acquiring the brand Ruchi

2004: The brand Chik enters *The Economic Times*' list of India's top 100 brands

Source: Provided by the company.

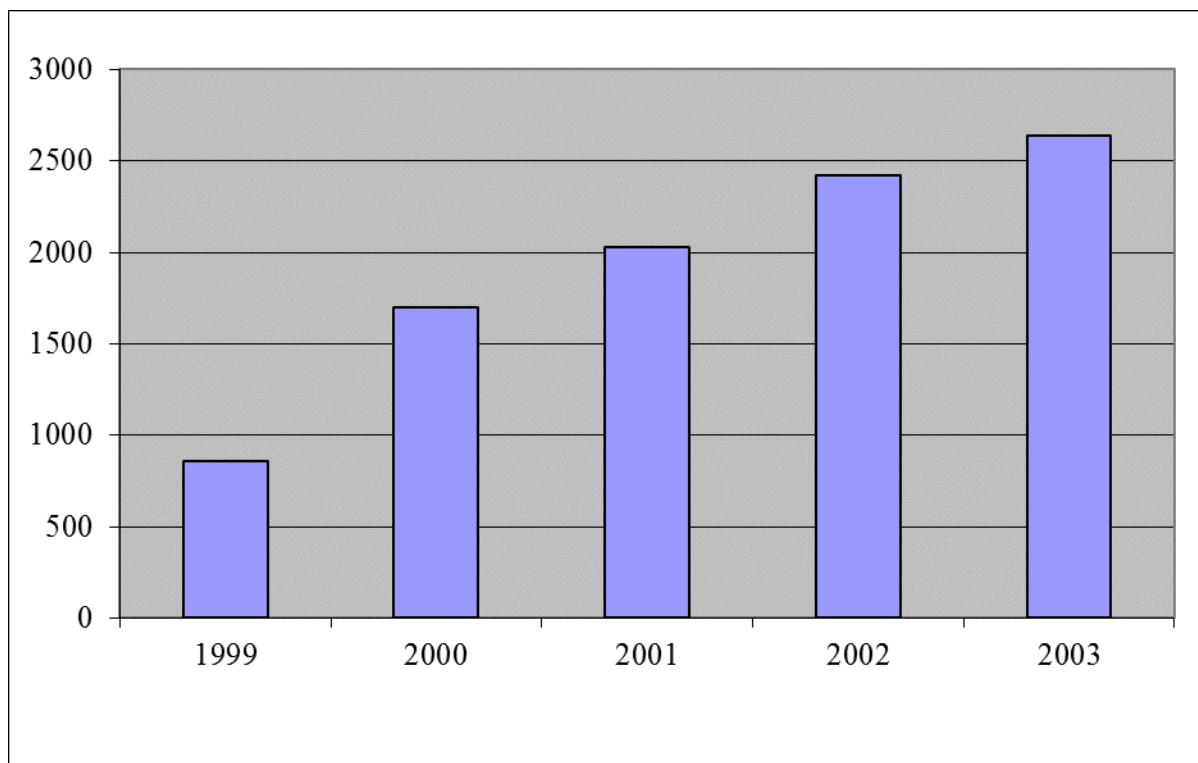
EXHIBIT 2
Product Portfolio of CavinKare

Segment	Comment
Hair Care	
1. Chik Shampoo	First shampoo brand to offer fragrances such as rose, jasmine, etc.
	First shampoo brand to launch "cream conditioning shampoo" in a low unit pack, conveniently priced at INR 0.50 per pack
	Second best-selling shampoo brand in rural India
	Second largest market share in the overall shampoo market
2. Nyle Herbal Shampoo	Market leader in the herbal shampoo segment in India
	Commands 5.5% share of the overall shampoo market
3. Meera Badam Shampoo	
4. Meera Herbal Powder	Achieved over 75% market share since its introduction in the market.
5. Meera Hair Oil	Introduction of novel packaging design with perforated container filled with pure herb extracts dipped in a bottle of coconut oil.
Skin care	
1. Fairever Fairness Cream	The first to use saffron in fairness creams
	Second largest market share in the fairness cream category
2. Nyle Herbal Cold Cream	
3. Nyle Moisturizing Lotion	
Personal care	
1. Spinz Perfumes	First company to launch perfumes in a distinctive dab-on pack, conveniently priced at INR 10
	First company to offer a single-use perfume pack, attractively priced at INR 2
2. Spinz Deodorants	
3. Indica Hair Dye	
5. Spinz Talc	

Source: ChennaiBest.com: Business profiles: CavinKare. Retrieved from http://www.chennaiibest.com/cityresources/Fashion_and_Beauty/profiles02.asp, on December 5, 2004; Forever young. (2003, October 26). Business India, pp. 74-75.

EXHIBIT 3
CavinKare's Turnover From 1999-2003

(In INR million)



Source: Forever young. (2003, October 26). *Business India*, pp. 74-75.

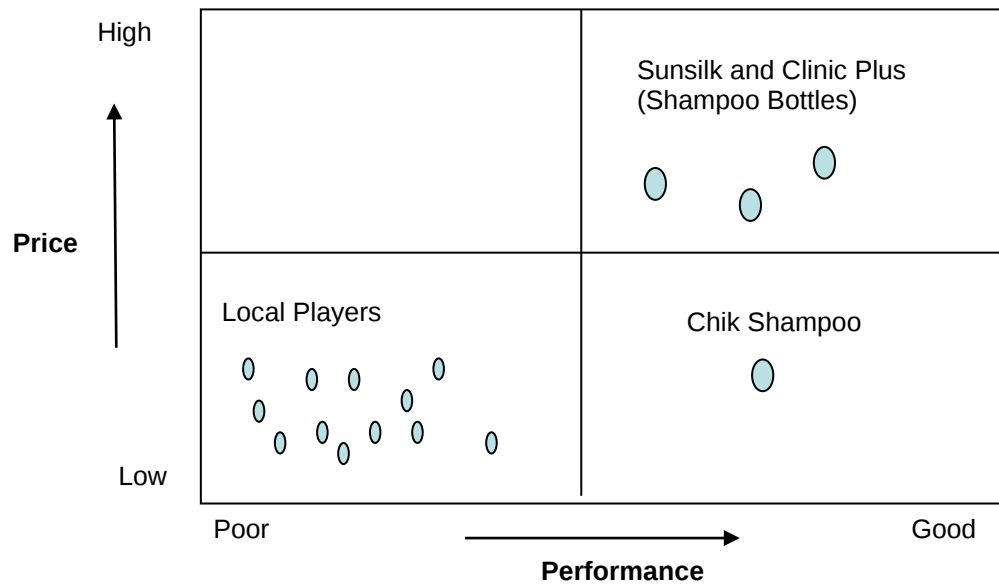
EXHIBIT 4
Brand-wise Estimated Revenue in 2002-03

(In INR million)

Brand	Product Category	Estimated Revenue	% of Sales
Chik	Shampoo	1,000	38
Fairever	Fairness Cream	500	19
Meera	Hair Wash	300	12
Nyle	Shampoo/ Cream	250	10
Indica	Hair Dye	100	4
Spinz	Deodorant	50	2
Spinz	Perfume	50	2
Spinz	Talcum Powder	100	4
Others	Inclusive Exports	250	9
Overall Revenue		2,600	100

Source: Compiled from Vora, N. (2003, April 28). FMCG sector, India equity research. Ask Raymond James & Associates, p. 42.

EXHIBIT 5
Price-Performance Matrix during the early 1980s



Source: Provided by the company.

EXHIBIT 6 Fairever Advertisement



A young woman, the protagonist of the campaign, is seen alighting from a train and confidently heading towards a distant village in a bullock cart.



The ad flashes back to a scene in the past, where a school bus has broken down on the road in a village and the passengers are looking for help.



In the next scene, a woman in the throes of labour, in pain and craving water, is being hurriedly taken to the hospital in a bullock cart.



A teenage girl rushes towards the bullock cart, hands them a flask of water and says, "Take her to the hospital quickly. You have another 20 km to go."



When the young girl boards the bus and opens her book, she looks at what is written on a pack of Fairever, which is being used as a bookmark: "*Takdeer badalte der nahin lagti*" (It doesn't take much time to change one's destiny)."



Some years later, when the girl returns home after her evening game, her mother complains...



"She doesn't listen to me. Her complexion will turn darker because of the sun." On hearing this, the girl promptly says, "Mom, I have Fairever. It will change my destiny."



A few years pass. The girl has finished medical school and become a doctor. She decides to return to the same village where her bus broke down and serve the people there. Her parents ask her why she is not going to the U.S. as expected and remind her that the village doesn't even have electricity.



She sticks to her decision and when she is leaving for village, her father hugs her, saying, "We are proud of you my daughter!"



The scene returns to the present. The young woman in the cart is warmly greeted by the people in the village. One of them says, "Doctor has come!"



As the villagers are greeting her, a pack of Fairever accidentally slips out of her handbag. A little girl returns it to her and innocently asks, "Are you an angel?"



The doctor replies, "Perhaps." The advertisement ends with the message: "Fairever fairness cream. *Takdeer badalte der nahin lagti.*"

EXHIBIT 7

Print Advertisement for Fairever Cream

The advertisement features a sequence of four portraits of a woman showing her skin's improvement over time. The first three portraits are labeled 'Week 1', 'Week 2', and 'Week 3'. The fourth portrait is labeled 'Week 4' and is overlaid with a 'FILMFARE' magazine cover featuring actress Asin. The magazine cover text includes 'TAKE OUR FILM QUIZ AND WIN EXCITING PRIZES!', 'ASIN SHARES HER BEAUTY SECRETS!', and 'ASIN IN 3 TAMIL MOVIES THIS DRAVAI'. Below the portraits, the text reads: 'Discover the miracle of Kashmir Saffron. In just 4 weeks. Get that fair, glowing, natural complexion you have always desired. In just 4 weeks. Introducing Natural Fairever with Kashmir saffron, the world's best saffron. This natural wonder enhances your complexion by significantly reducing the melanin content in your skin. In addition, Natural Fairever has pure milk, which nourishes your skin from within, keeping it soft and sensuously supple. Discover Natural Fairever with Kashmir saffron. Discover natural fairness.' Below this text are two diagrams: one showing 'Melanin content reduction' and another showing 'Moisture retention after application'. At the bottom, the product packaging for 'Natural fairever™ Fairness Cream' is shown, with the tagline 'Extra Blend of Kashmir Saffron and Pure Milk'. The packaging also features a 'Kashmir Saffron' logo and a small image of saffron threads.

Week 1

Week 2

Week 3

Week 4

Discover the miracle of Kashmir Saffron. In just 4 weeks.

Get that fair, glowing, natural complexion you have always desired. In just 4 weeks.

Introducing Natural Fairever with Kashmir saffron, the world's best saffron. This natural wonder enhances your complexion by significantly reducing the melanin content in your skin. In addition, Natural Fairever has pure milk, which nourishes your skin from within, keeping it soft and sensuously supple.

Discover Natural Fairever with Kashmir saffron. Discover natural fairness.

Melanin content reduction

Moisture retention after application

Natural fairever™ Fairness Cream

Extra Blend of Kashmir Saffron and Pure Milk

Kashmir Saffron

ASIN

TAKE OUR FILM QUIZ AND WIN EXCITING PRIZES!

FILMFARE

ASIN SHARES HER BEAUTY SECRETS!

ASIN IN 3 TAMIL MOVIES THIS DRAVAI

Source: Retrieved from <http://magindia.com>, on December 10, 2005.

EXHIBIT 8
Print Advertisement for Spinz Perfume and Talc



The advertisement features a vibrant pink background with large, overlapping white circles. At the top right, the 'CavinKare' logo is visible. The main headline, 'One fragrance leads to another!', is written in a large, white, cursive font. Below this, there are two promotional offers. The first offer, located in the upper middle, shows a large purple Spinz perfume bottle and three small Spinz talc sticks (orange, green, and blue) with the word 'Free' in yellow above them. The text reads: '3 Spinz perfumes worth Rs.10 each with 400g Spinz talc.' The second offer, located in the lower middle, shows a large purple Spinz perfume bottle and one small green Spinz talc stick with the word 'Free' in yellow above them. The text reads: 'Spinz perfume worth Rs.10 with 100g Spinz talc.' At the bottom left, there are two small footnotes: '* Offer available till stocks last.' and '* Stocks also available without the offer.' At the bottom right, the Spinz logo is displayed with the tagline 'Fragrances that transform!' below it.

One fragrance leads to another!

Free 3 Spinz perfumes worth Rs.10 each with 400g Spinz talc.

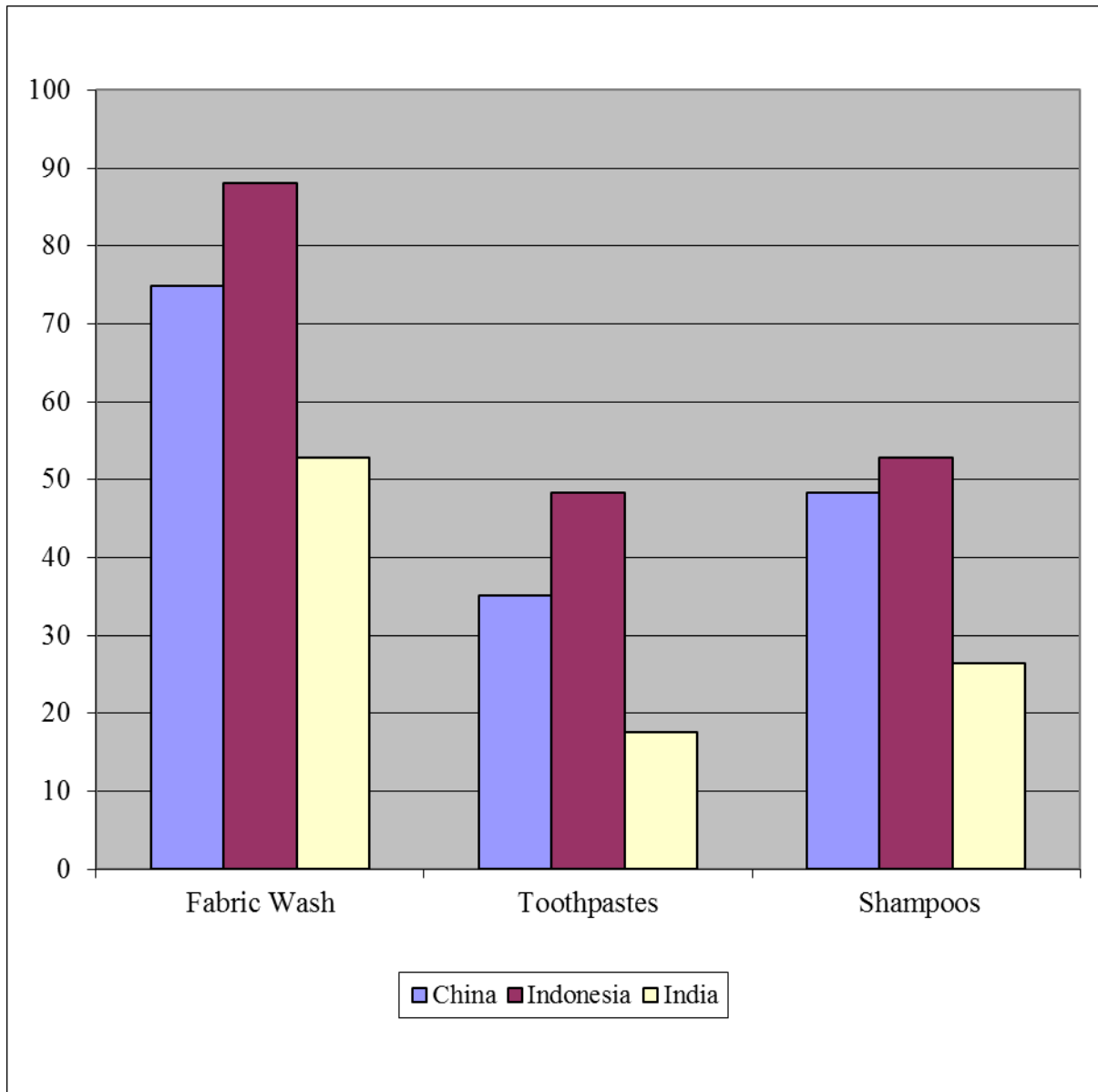
Free Spinz perfume worth Rs.10 with 100g Spinz talc.

* Offer available till stocks last.
* Stocks also available without the offer.

SpinzTM
Fragrances that transform!

Source: Retrieved from <http://magindia.com>, on December 10, 2005.

EXHIBIT 9
Per Capita Consumption of Some Consumer Products (In INR, 2004)



Source: Hindustan Unilever website. Retrieved from <http://www.hll.com/HLL/findinformation/Presentations/MorganStanleyAsiaPacificSummit.pdf>, on January 15, 2004.

EXHIBIT 10
Rural Market Share of Shampoo Brands, All India

(In volumes)

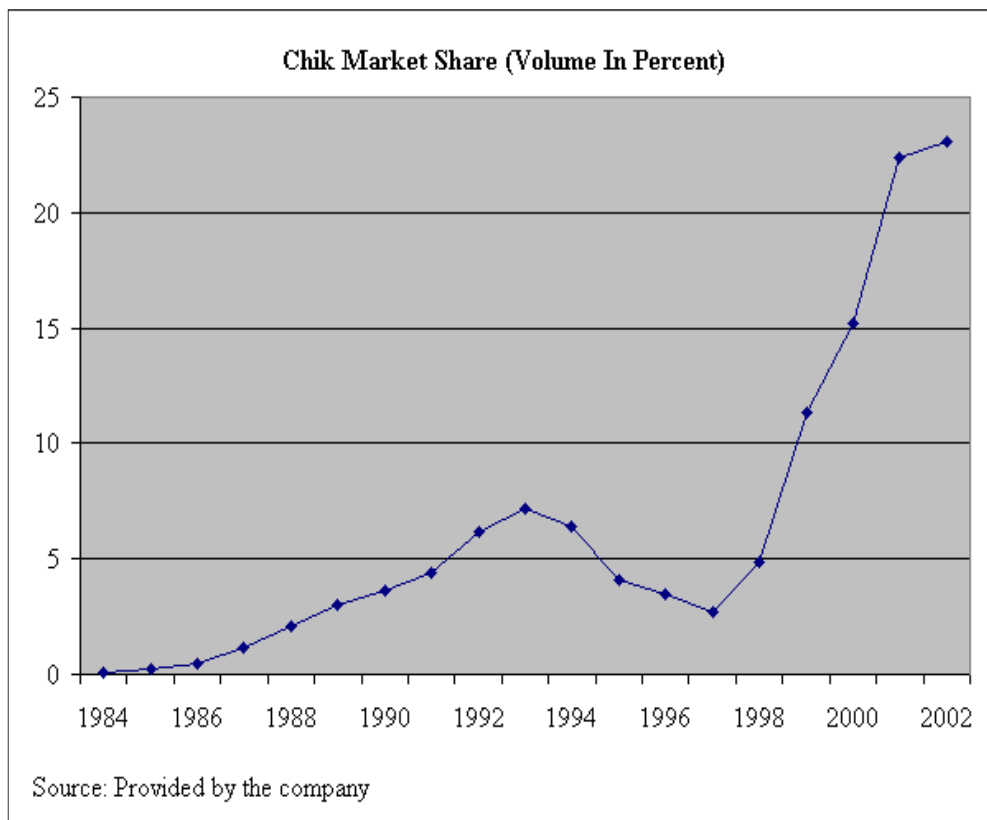
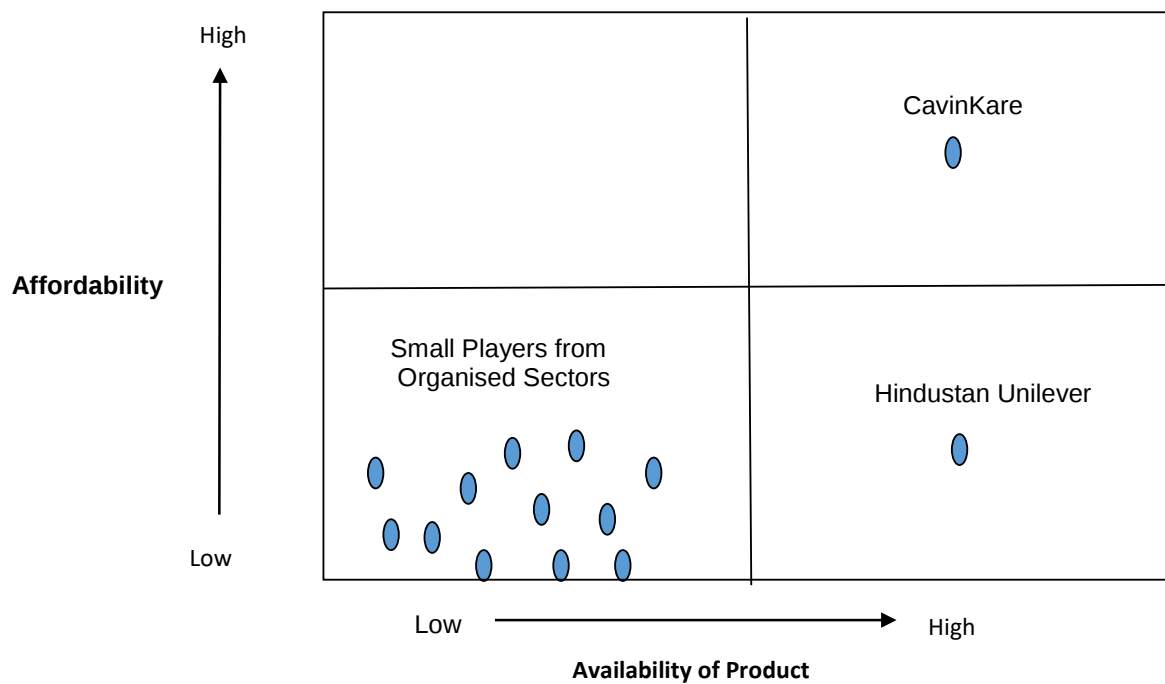
Brand	Nov. 2002	Dec. 2003	Jan. 2003	Feb. 2003	Mar. 2003	Apr. 2003
Chik	39.02	39.38	41.19	39.93	39.68	39.11
Clinic Plus	27.89	27.33	26.69	29.12	29.83	31.44
Lux	9.56	8.81	8.14	8.06	7.84	8.41

Source: Provided by the company.

EXHIBIT 11
Chik Shampoo's Position in Rural Markets (2002)

States	No. of Villages	Market Share (Volume in %)	Position
Uttar Pradesh	107,440	66.86	1
Madhya Pradesh	55,392	21.96	2
Bihar	45,113	31.82	1
Andhra Pradesh	28,123	39.01	1
Tamil Nadu	16,870	45.77	1
Orissa	55,352	18.42	2

Source: Provided by the company.

EXHIBIT 12**EXHIBIT 13**
Affordability Availability Matrix

Source: Provided by the company

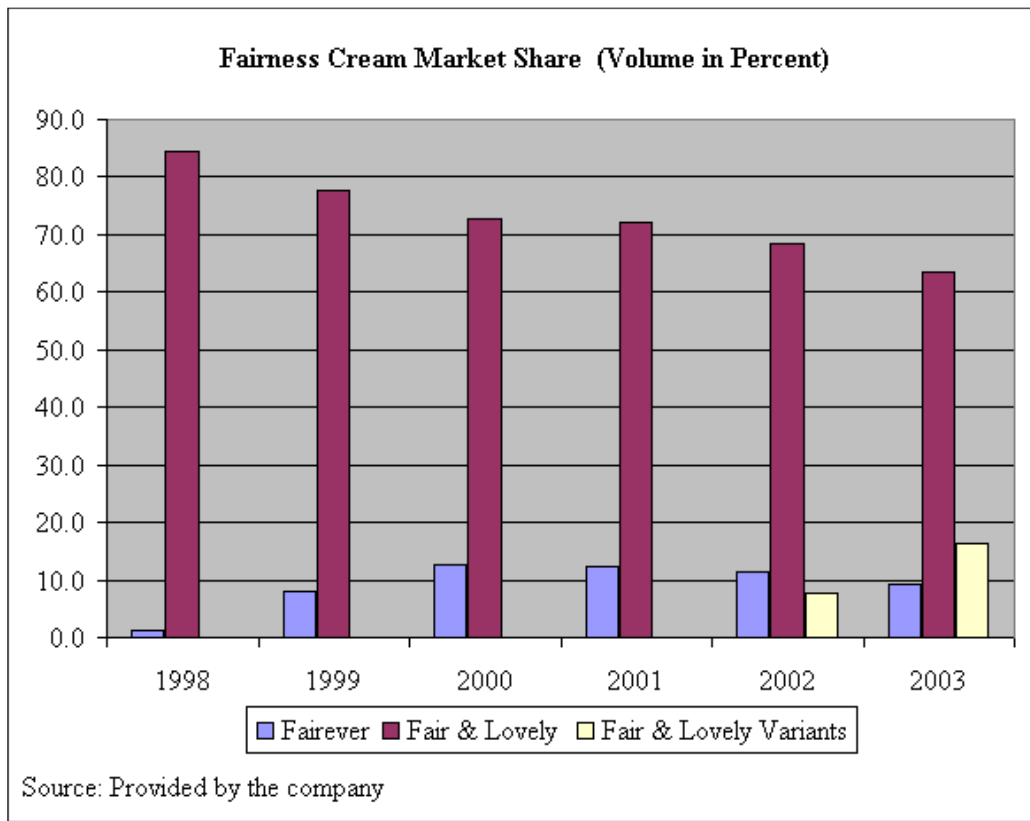
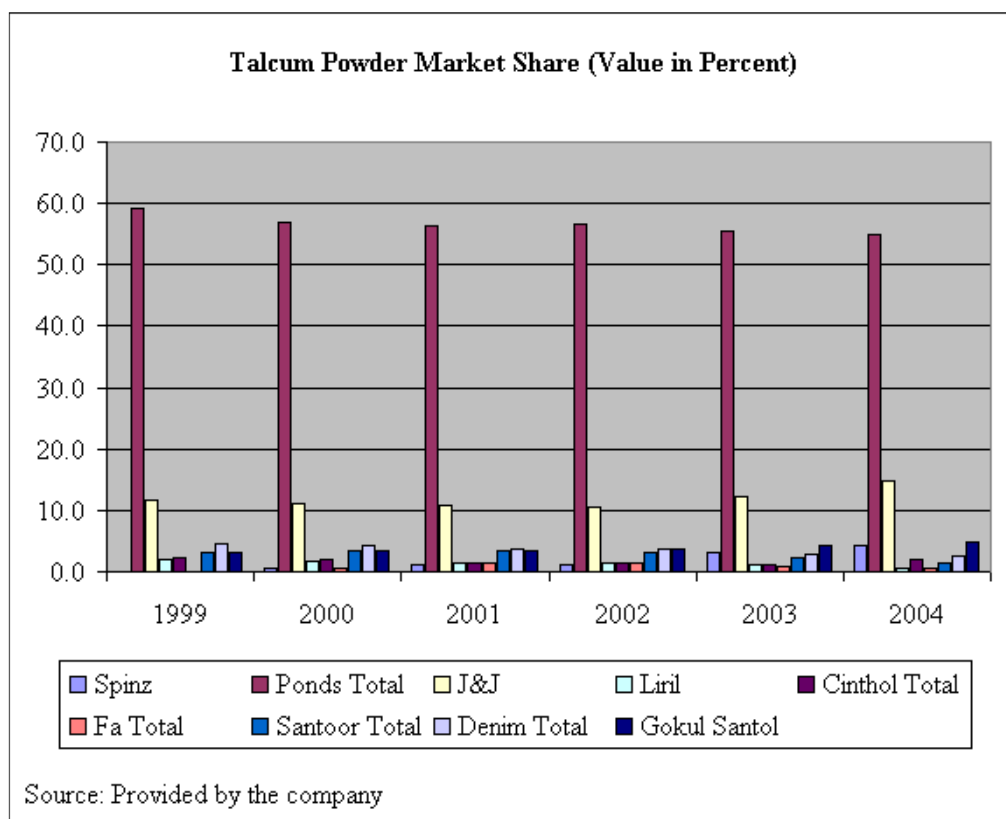
EXHIBIT 14

EXHIBIT 15



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- ²¹ Forever young. (2003, October 26). *Business India*.
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