

GlaxoSmithKline is committed to identifying needs of various consumer segments and then serving those needs faithfully. In its quest to serve various consumer segments, GlaxoSmithKline launched Glaxo Nutrition ActiGrow—a protein supplement for children in early 2008. In April 2008, it launched Horlicks NutriBar—a health snack, and Chilled Doodh—a flavoured milk drink. A few months later, it launched Doodh—Mausambi—a new flavour of Eno. It then launched Eno biscuits for young children.

The health food drink market is growing at 20 per cent per annum. Horlicks is the strongest brand of the health food drink market. It has 50 per cent market share in the health food drink market. Cadbury's Bournvita and Heinz's Complan have around 15 per cent share in this market. Horlicks is such a strong brand that Nestle was forced to withdraw its brand Milo from the health food drink market. Dabur has launched Chyawan Junior to target customers of GlaxoSmithKline's other brand, Boost, and has studiously avoided taking on Horlicks. But, it is not that Horlicks does not face any competition at all. Complan has made serious inroads in the health food drink market. Complan and Horlicks have been advertising aggressively, and have not shown any willingness to cede any space to the other. Other competitors are also not sitting idle—Heinz India has come up with muesli as a breakfast meal, and Cadbury has launched Bournvita L'il Champs to woo customers of Junior Horlicks.

The company carried out marketing research in the 1990s, which revealed that though Horlicks was still a strong brand, customers perceived it as a boring drink. The research also revealed that while customers were taking a liking to different flavours, Horlicks was still stuck in its old look and feel. In response, GlaxoSmithKline re-launched Horlicks and created a new positioning—a tasty nourishment drink targeted at children in the age group of 8 to 14. Horlicks now came in

3 flavours—vanilla, honey and chocolate, and its packs were new and also more attractive.

GlaxoSmithKline launched many line extensions of Horlicks for various segments in the market—Horlicks Lite for the elderly, Junior Horlicks for young kids, Women's Horlicks for women, Mother's Horlicks for lactating mothers and Horlicks NutriBar for young adults. In its long journey, Horlicks has reinvented itself from a malt-based health drink to a more complete health brand having sub-brands to cater to various consumer segments.

In pursuance of its strategy of launching specific products for different segments, GlaxoSmithKline has introduced a value-for-money health drink called Asha from Horlicks in December 2009. Asha from Horlicks targets the lower end of the health food drinks market. GlaxoSmithKline introduced Asha from Horlicks in response to marketing research it carried out, which revealed that there was an urgent need for a low-cost health drink for the low-income groups in the urban markets, and for most of the rural consumers. Research also revealed that rural consumers did not consume Horlicks regularly because they found it too expensive. Rural consumers bought Horlicks once in a while, and used it sparingly, making it last for a long time. GlaxoSmithKline wanted to launch a product that people of the lower-income group could use regularly, and not once in a while. In pursuance of this quest, it launched Asha from Horlicks at ₹85 for a 500-gram pouch pack. The price is significantly lower than the price of ₹135 that the company charges for a Horlicks pack of a similar size. It has also introduced a 200-gram pack that it has priced at ₹50.

Through in-house research and published health data, GlaxoSmithKline learnt that rural consumers have different nutritional needs because of their dietary habits and work patterns. Rural consumers meet their daily nutritional requirements through products like finger millet and broken