



Market

Oral care may have once been a narrow market segment; but today, it represents a flourishing sector with several sub segments. It serves as a channel for products that address gum disease, cavities, plaque and tartar build up, sensitive teeth and even a condition known as dry mouth. There is another segment that represents fresh breath and white teeth. The ingredients that go into toothpastes are often used to position them differently across different demographic groups and regions.

In Sri Lanka, the oral-care market has a high degree of penetration through toothpaste and toothpowder products. Toothpowder preceded toothpaste for centuries, when oral care was essentially a habit of keeping teeth white. Brushing introduced people to new ideas about dental and oral hygiene; and it is in this context that Clogard's success can be measured – combining a local ingredient with a modern practice.

Toothpaste and toothpowder have a combined household penetration in Sri Lanka of 89%. In 2005, Lanka Market Research Bureau (LMRB) estimated this market to be worth Rs. 2.5 billion. Toothpaste accounts for marginally over Rs. 2 billion, with an annual volume of approximately 4,500 metric tonnes. The market is dominated by two brands: Signal – with a 53% volume share in 2005 – marketed by Unilever Sri Lanka; and Clogard – with a 33% share in 2005 – marketed by Hemas. The other significant player in this market is Supirivicky, a local Ayurvedic toothpaste from Siddhalepa, with an 8% share of sales volume. The rest of the market consists mainly of herbal brands.

Achievements

In 1992, Clogard entered the oral-care market dominated by a powerful multinational brand. But within a very short time, it became the second largest toothpaste brand in the country with a one-third share of market volume. In



keeping with the brand's indigenous positioning, Clogard was launched at a significant discount in comparison to the market leader – but over time, it has nearly closed this price differential, with no impact on sales volumes. Most users of toothpaste use multiple brands. Clogard has a loyal consumer base of 12% of all users.

History

In the late 1980s, Hemas Marketing conceptualised a toothpaste containing clove oil that would be an attractive value proposition for the Sri Lankan market. Initial research into consumer acceptance proved to be favourable. The company proceeded to purchase equipment from a local entity that had unsuccessfully ventured into this category. It was also the beneficiary of assistance on product formulation from an USAID consultant. After an extensive phase of product development and trials, the brand Clogard was launched in 1992.

Investing in a market dominated by Unilever was a bold and risky initiative at the time, primarily due to the multinational's strong positioning both locally and regionally, and its extensive supply chain and distribution networks. Unilever's Signal brand had 95% market share and high brand equity as the principal oral-care brand in the market.

Clogard was positioned as a toothpaste for the whole family, based on the premise of its trusted local ingredient for oral care – clove oil. A 5% price discount compared to the leader encouraged consumer trials – with Clogard being viewed as a good value-for-money option.

At the time of launch, Hemas' distribution reach was limited. Yet, with its focus on Clogard, the company doubled the number of distribution outlets in a short time. The product enjoyed a strong response from dealers who were happy to support a local company.

Clogard is now placed in a respected position in the marketplace – as a trusted brand with a healthy heritage in oral care, with the one limitation of having the brand's equity very closely linked to clove oil, making expansion a challenging task. But Clogard successfully introduced a mouthwash to the market and it now has a range of toothbrushes to complete its oral-care range.

Product

Clogard's product portfolio currently consists of toothpastes that are unique because of its clove-oil, which is a trusted ingredient in traditional Sri Lankan dental preparations. The product comes in the form of a pure-white opaque paste with a distinctive spicy flavour that leaves lasting fresh breath. The combination of clove oil and fluoride also assures extra protection for teeth.

Clogard toothpaste is available in many sizes: fifteen grammes, 40 grammes, 70 grammes, 125 grammes and a 175-gramme jumbo pack. It is also available in a 45-gramme non-fluoride variant in areas where there is a high fluoride content in the water.

Clogard Mouthwash, the newest addition to the Clogard family, is now available in a convenient 200-millilitre bottle at an affordable price.

Clogard toothbrushes are available in the form of three sub-brands: Clogard Popular, Active and Junior. Clogard Popular comprises a range of toothbrushes with a special diamond head and a superior grip. It is available in six attractive colours and is economically priced. Clogard Active is available in attractive colours and comes in a protective printed blister pack. It offers an extensive brushing experience because its zigzag-shaped bristles reach hard-to-brush areas between the teeth. Clogard Junior is the perfect toothbrush for young teeth – it is available in four vibrant colours, in a protective case. It makes brushing a fun experience for children.

Recent Developments

Clogard has now adopted a more endearing platform for its brand communications. Despite being a relatively young brand, Clogard is perceived as being steeped in local heritage. This is a result of its close correlation with clove oil.



The first commercial on this new platform used three generations and the close-to-the-heart idiom of the squirrel – the local equivalent of the tooth fairy. The commercial made it to ACNielsen's list of top recalled advertising in Sri Lanka. The most recent extension of this campaign continues to use three generations – grandmother, mother and grandson – and another local idiom of losing milk teeth to an elephant and relying on Clogard to ensure the health of permanent teeth.

Promotion

After an initial TV campaign that positioned Clogard as the new toothpaste in the market, the brand had a 60% awareness level. Repeat purchases, however, declined. Consumer feedback indicated that fluoride was considered to be a given in any toothpaste and that the lack of any mention of this was a drawback. At this point, the brand launched its second campaign, which spoke of the combined goodness of both fluoride and clove oil, resulting in a leap in market share from 5% to 11%.

With competition at the retail point becoming more intense, the company invested in marketing Clogard at the distribution level. It secured shelf space for focused displays, and offered incentives to both its sales team and dealers to maintain a strong brand presence. This increase in in-store brand visibility resulted in another boost to the brand's market share.

Post-use consumer research indicated two main issues with regard to brand formulation. The first was the spicy clove flavour that was apparently disliked by children, since it was much stronger than what they were accustomed to. The second was an ingrained consumer belief

that toothpaste had to have a colour and stripes. The company was convinced that these were non-issues and this led to an advertising campaign that turned this supposed demerit into an advantage.

The new campaign dealt with the fact that a toothpaste does not need colours or stripes to be effective. Using reverse psychology, the message supported the claim of Clogard's efficacy. The message was that the tingling sensation when using the product was the work of the clove oil, which provided extra protection. Clogard's antiseptic qualities thereby gave it a therapeutic value proposition, as well as the dual benefits of taste and freshness.

Clove has been well known in Sri Lanka and Asia for its medicinal germ-killing properties. This campaign resulted in increasing Clogard's share of the market from 11% to 21% – and subsequently to an impressive 31%. Consumers and traders found the advertising to be humorous and memorable. Unilever, however, sued Clogard on the grounds of unfair competition – but Hemas fought back and won. The battle brought the brand free publicity.

As the market leader changed its packaging from an aluminium tube to a flexi-tube, its grammes per tube reduced. Clogard, once again, turned a potentially disadvantageous position – of it being in less modern packaging – into an advantage, by highlighting its value for money and dependability.

In below-the-line marketing, Clogard conducts dental-awareness programmes in schools and clinics to educate children about healthy dental practices. The brand has tied up with a leading tabloid, and organised islandwide dental camps and mobile clinics, which travelled throughout the island, attending to the dental

needs of people. In the interest of educating people residing in areas with a high fluoride content in their water, Clogard also joined forces with the Sri Lanka Water Board.

Clogard is in continuous partnership with the Sri Lanka Dental Association, the Peradeniya Dental Faculty and other universities, supporting them with sponsorship and involving itself in research and development into dental hygiene. Clogard's mission to promote sound dental hygiene in Sri Lanka has also been taken up by Hemas Holdings, which actively supports early childhood care and development in Sri Lanka.

Brand Values

Clogard is a unique product which contains the goodness of clove oil, a trusted ingredient in traditional Sri Lankan dental preparations. It also contains fluoride, the scientifically proven ingredient in oral care.

It is, in essence, a product that consumers can trust because its ingredients are both traditional and scientifically proven – in other words, it offers the best of both worlds!

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THINGS YOU DIDN'T KNOW ABOUT

Clogard

- On any given day, approximately 5.5 million Sri Lankans use Clogard toothpaste.
- Over 80% of toothpowder buyers also purchase Clogard toothpaste.
- Over 80% of heavy users of toothpaste purchase Clogard.
- Clogard regularly conducts dental camps and mobile clinics islandwide.
- Clogard is the only brand of toothpaste in Sri Lanka to have SLS certification.

