Term Major Project Report on

SOAP & DETERGENTS MARKET FORECAST 2025 & IT'S IMPACT ON LEADING OEM SUPPLIER - A CASE STUDY

Submitted By:

R Sundar Rajan

Roll no: 2K16/EMBA/524

Under the Guidance of:

Mr. A. K Bhargava,

Delhi School of Management (DSM)

Delhi Technological University

DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

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CERTIFICATE

This is to certify that project entitled "**SOAP & DETERGENTS MARKET FORECAST 2025 & IT'S IMPACT ON LEADING OEM SUPPLIER - A CASE STUDY**" has been successfully completed by R Sundar Rajan – 2K16/EMBA/524.

This is to further certify that this project work is a record of bonafide work done by him under my guidance. The matter embodied in this project report has not been submitted for the award of any degree.

R Sundar Rajan
2K16/EMBA/524

Mr. A K Bhargava
Delhi School of Management (DSM)
Delhi Technological University

ACKNOWLEDGEMENT

I Sundar Rajan, wish to extend my gratitude to **Mr. A K Bhargava**, Delhi School of Management (DSM), Delhi Technological University; for giving me all the guidance and valuable insights to take up this Semester Project.

I also take this opportunity to convey sincere thanks to all the faculty members for directing and advising during the course.

I would also like to extend my sincere gratitude to my company Milindia and my colleague’s for guiding me by their support.

Last but not the least; I would also like to thank all my fellow students whose suggestions in this regard provide to be valuable.

R SUNDAR RAJAN
2K16/EMBA/524

RESEARCH OBJECTIVE

This research provides an analysis of the Soaps and Detergents market growth and Forecast.

It presents the latest data of the market value, consumption, domestic production and expansion rate.

The report shows the Market growth and key factors influencing the soap market and do not consider impact of import of export as the volume less than ~5%

Countries coverage: India

Product coverage: Soaps & Detergents

Data coverage:

- Market Share & Value
- Forecast of the market dynamics in the medium term
- Per Capita Consumption

With the above data, analyse the impact of the leading Soaps & detergent machines manufacturer in order to forecast the Future trends of the Domestic Orders.

DECLARATION

The views expressed in this project are personal and not of the organisation and this project is done as a detailed study under the course from strategy perspective only.

ABSTRACT

Leading OEM Company (Milindia Limited.,) operates in machineries manufacturer for Soaps and detergents production like to study about the market demand for the Soaps and detergents in order to understand the future volume of business in this sector.

EXECUTIVE SUMMARY

Key Findings

The Soap & Detergents Market – Key Findings in 2025

Details	Units	2018	2025
Toilet Soap			
Market Volume	thousand tonnes	1,276	2,364
Market Value	Crores in INR	32,200	59,230
Detergents			
Market Volume	thousand tonnes	3,602	6,668
Market Value	Crores in INR	18,650	34,520

Table 1 Chart 2018 vs 2025

Impact on Milindia on its Domestic sector:

Number of New Plant Installations: 10 – 12 Units.

Projected Turnover in Domestic Sector: 22 to 30 Crores

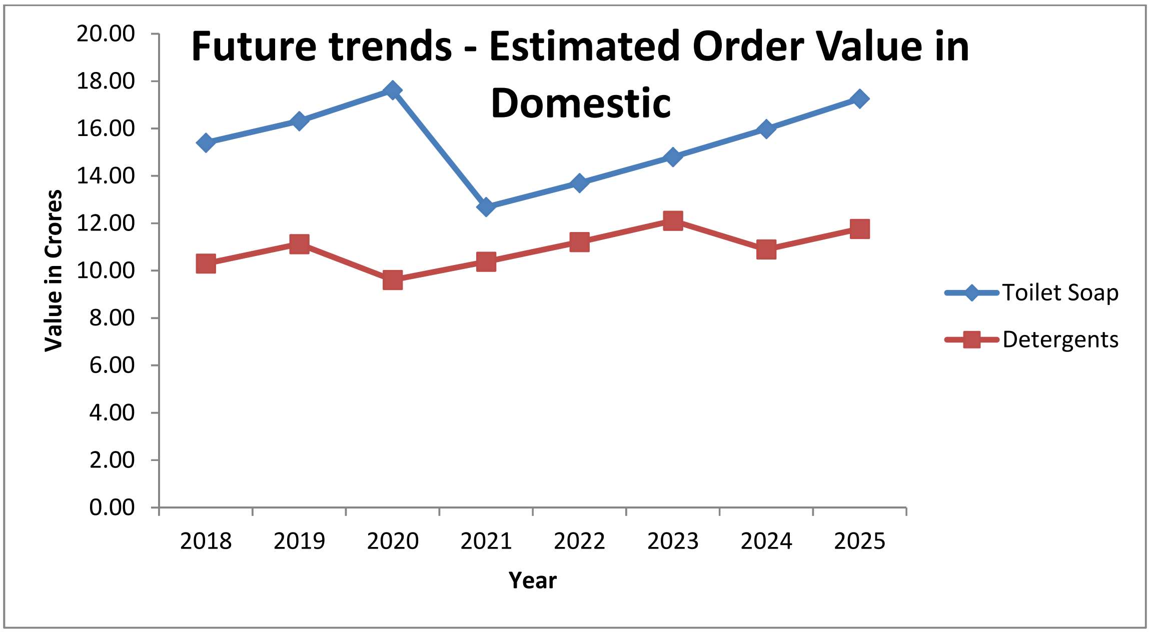

Figure 1 Future Trends Estimated Order Value in Domestic

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1. What is soap?

Soap and detergents are used very commonly in our day to day life. We use Soap and detergents for bath, Hand wash, Dish wash and washing clothes. Soap and detergents industry is a much old industry in History. Soaps and detergents industry include products for washing, viz laundry soaps and synthetic detergents.

Soap is made by blending vegetable or Tallow oil with an alkaline solution.
The alkaline can be caustic soda and caustic potash.

Soap may be distinguished from non-soapy detergents (NSDS) via their composition wherein NSDS are largely made from petroleum by-products. Toilet / Laundry soaps and the NSDS may be formulated as cakes / bars, powders, flakes or liquids.

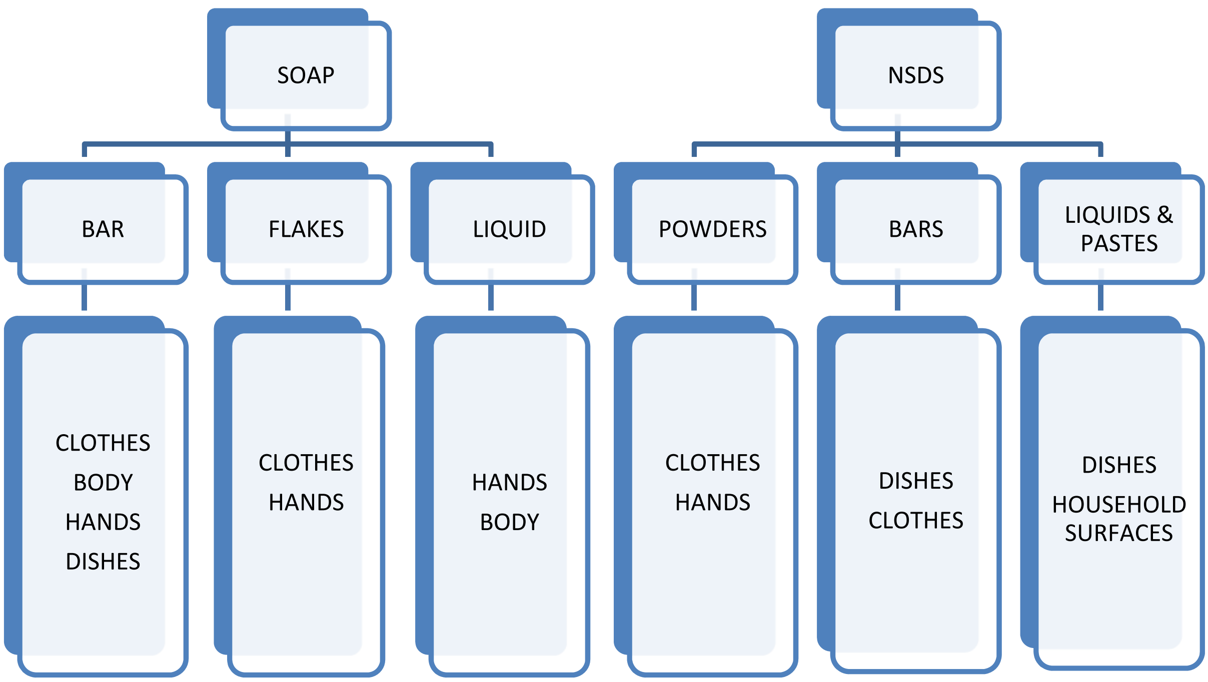

Figure 2 Formulation and uses of Soaps and Non-soapy Detergents

In general, the more evolved the market, Households uses large number of soap products than the NSDS. In developed countries special soaps or NSDs may be used for washing: delicate clothes; dishes, hands, Glass windows floors; Toilets ceramics; Tiles, kitchen surfaces, carpets, for bathing, shampooing babies and adults. In emerging markets one or two types of soap may serve all of these purposes.

Soap-like cleansing bars made of NSDs was introduced in the market to overcome the problem of soap not performing well in areas of hard water and which will have less drying effect on the skin (eg Dove)

Table 1 shows the key Raw Materials used for soap manufacturing.

VEGETABLE OIL		ANIMAL FATS
Coconut Palm Cottonse	Castor Neem Sunflow	Tallow Lard Fish Oils
Rice Bran Palm kernel Mowrah	Soya bean	

Table 2 Key Raw Materials

In addition;

- ✓ Caustic Soda
- ✓ Glycerine
- ✓ Talc
- ✓ Colour
- ✓ Perfume

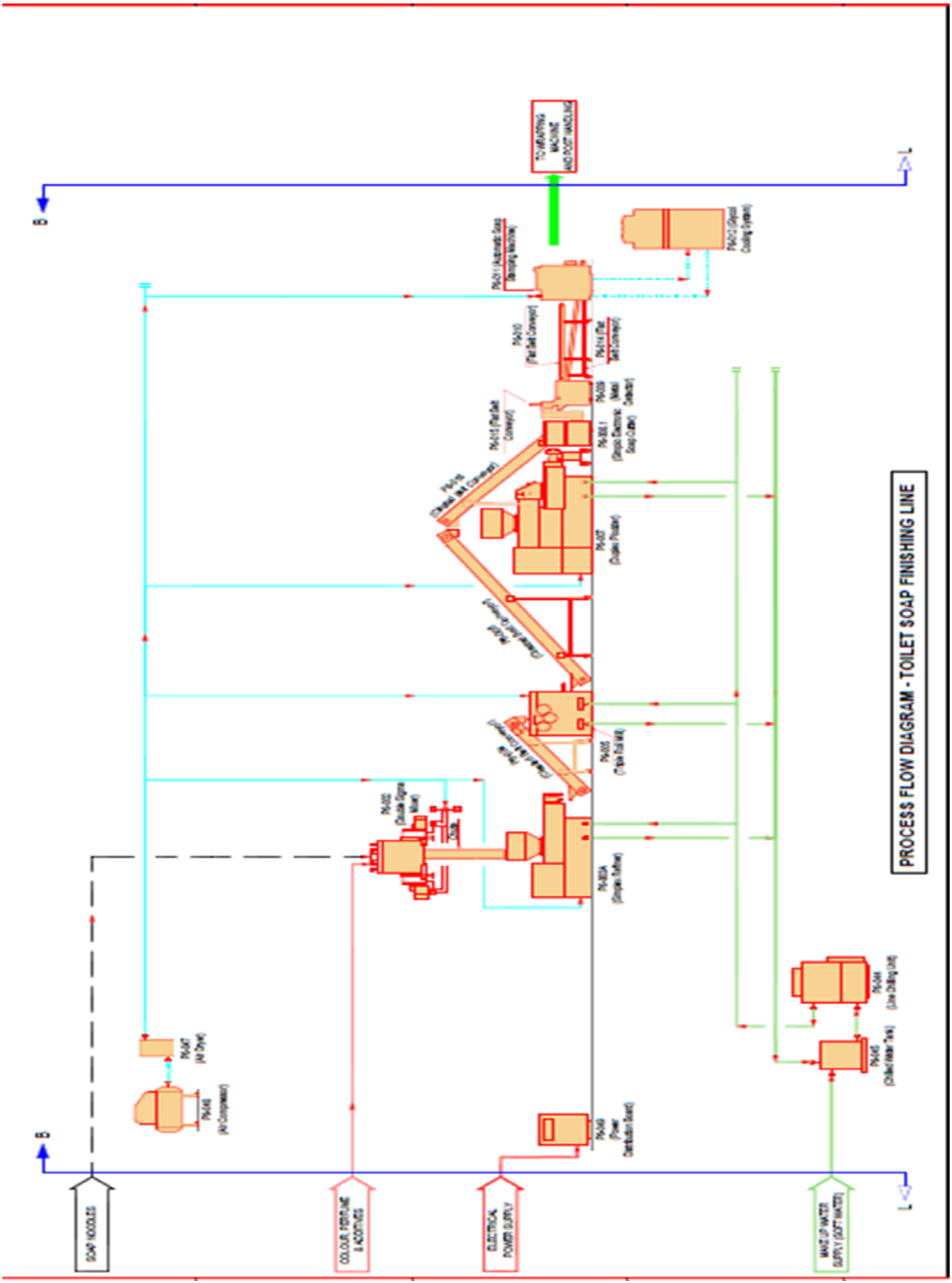

Figure 3 Process Flow Diagram of Toilet Soap Production

2. Indian Market

The Indian domestic market is dominated by bar soap (Toilet), which made up 90% of all bath and shower value in 2018. However, growth rates for bar soap have gradually diminishing over the past three years due to alternative substitutes such as body wash / shower gel had started gaining popularity with leading brands Dove, Lifebuoy and Nivea.

The trend within bath and shower are set to change with the implementation of GST. Categorising bar soap as a necessity product, tax for bar soap under GST was brought down to 18% from prevailing rate of 24%. Bar soap has low price elasticity, hence represent one of the least price-sensitive beauty products in India.

The fashion within tub and shower are set to trade with the implementation of GST. Categorising bar soap as a need product, tax for bar soap under GST changed down to 18% from prevailing price of 24%.

Bar cleaning soap has low price elasticity, consequently represent one of the beauty products with less prince-sensitive in India.

Toilet Bar soaps has a significant price advantage on body wash/shower gel. GST on Toilet bar soaps are less than the Shower gel which will further increase price gap difference between the two categories.

Consumers of Middle class / lower-income are expected to **switch back to Toilet bar soap**.

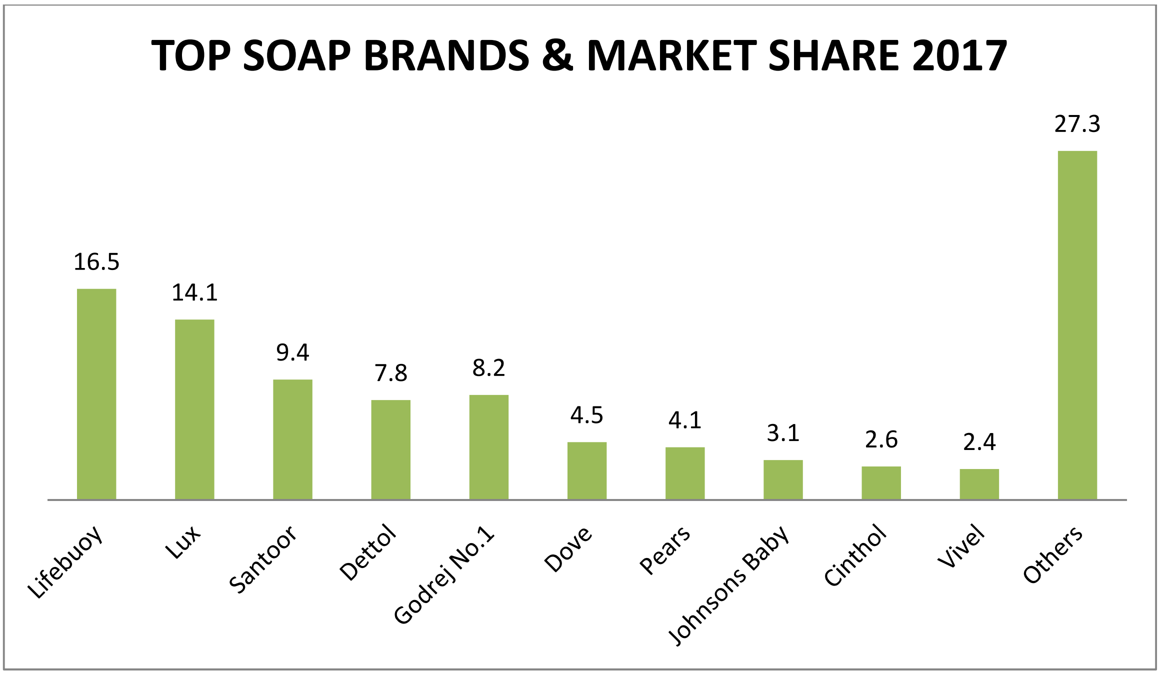

Figure 4 Top Soap Brands Market Share in India Year 2017

COMPANY	CRORES (Rs.)
GODREJ	2,882
WIPRO	3,629
HUL	10,508
PATANJALI	2,296
ITC	945
RECKITT BENCKISER	3,044
OTHERS	8,619
TOTAL	**31,924**

Table 3 Revenue on Toilet Soaps Market Year 2017

Note: Data collected from the annual reports of the respective companies listed above.

Recent market analysis by Euromonitor shows that soaps and detergents together represented around 12.4 % of consumer expenditure on household goods in industrialized countries and between 2.6 % to 5 % in the developing world.

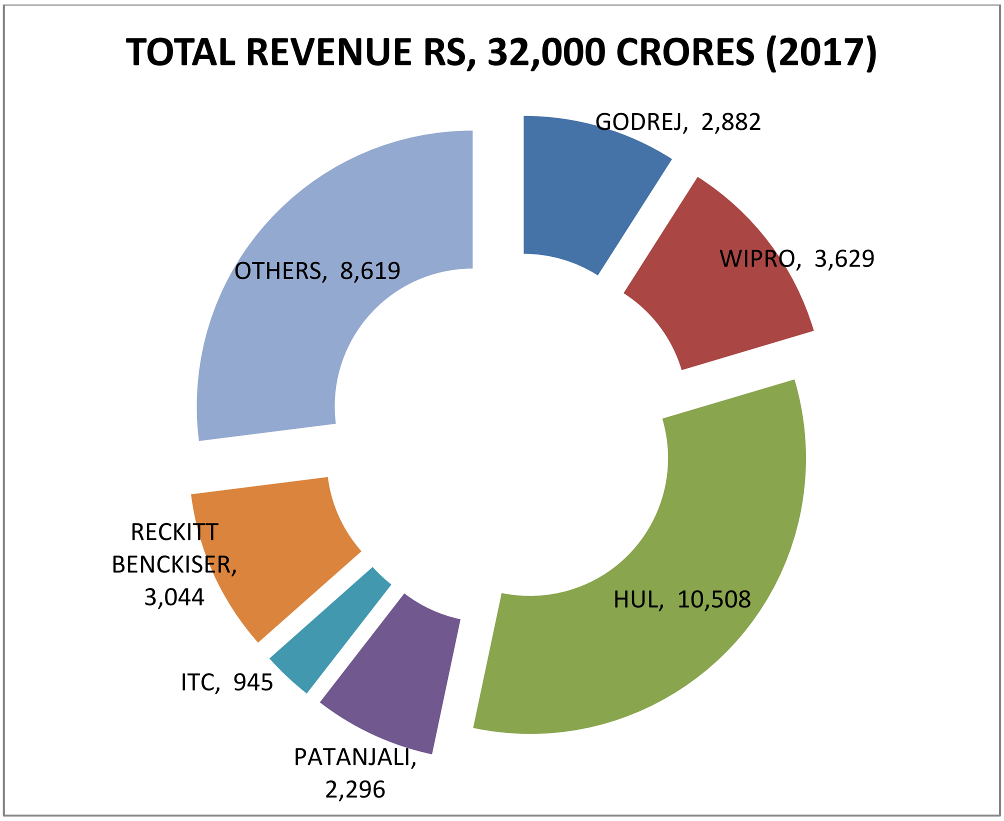

Figure 5 Revenue on Toilet Soap Market Year 2017

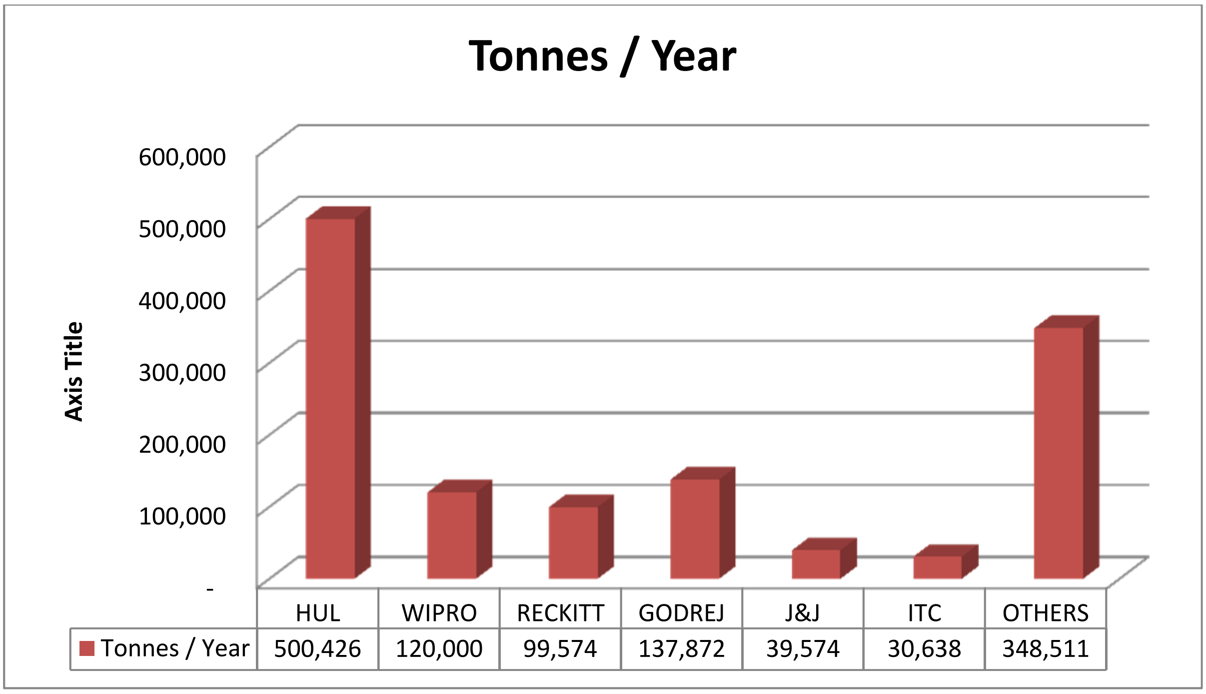

Figure 6 Toilet Soap Consumption tonnes/year

Total Soap Production for Domestic Market:**1,276,596 tonnes / year**

Current Indian Population: **131 Crores**

Average Soap consumption per capita: 0.974 Kgs = ~ **1Kg**

3. A glance of Worldwide Market

Statistics and market statistics for cleaning soap are simply available for the markets in North USA, Europe and different key markets which includes Australia and Japan. There are much less designated facts on sales of cleaning soap in much less developed regions together with Africa, the Gulf and a few components of Asia.

A global tendency inside the cleaning soap market and looks particularly at markets.

- North America
- Asia
- Africa and the Gulf (Middle East)
- Central and Eastern Europe

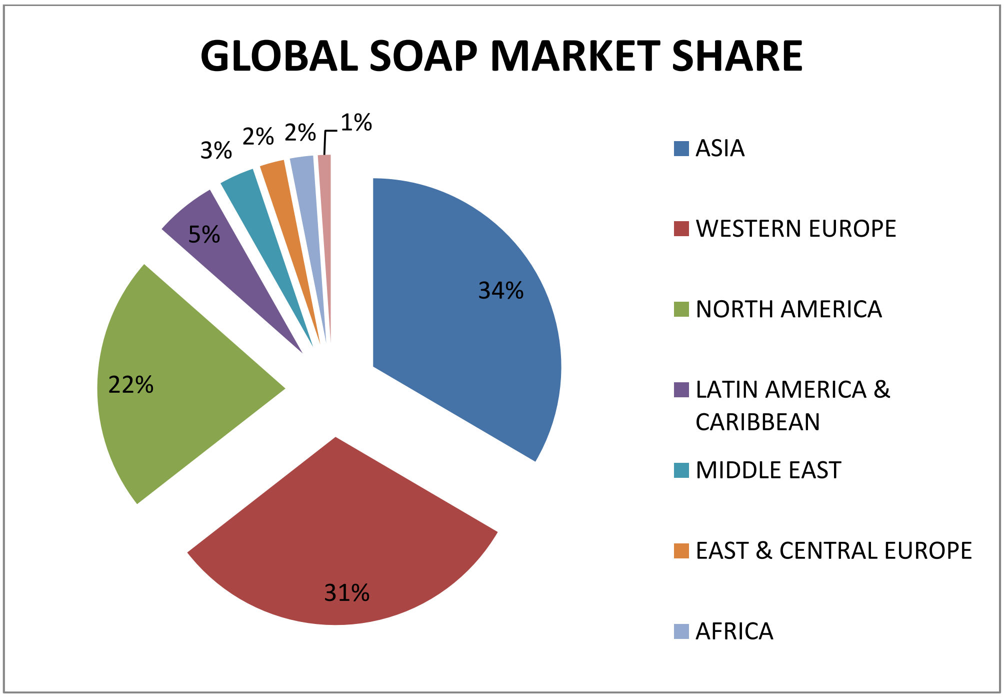

Figure 7 Global Market Share

In absolute phrases, the North America market keeps to dominate the sector degree, although the Japanese market has grown more strongly at some stage in the length under review.

In Eastern Europe, the liberalization of economies which include the Czech Republic, Hungary and Poland have had the effect of accelerating the income development, whilst

France maintains to make a robust contribution to the Europe general. Income of soap has acquired a sturdy impetus from current financial trends in china in which endured destiny expansion is predicted.

The domestic soap market additionally benefited notably from the dramatic reduction of Tax duties. Due to this reduction of Taxes (due to GST Tax slab reduced from 24% to 18%) on soaps and detergents which has increased the market size in few years.

The worldwide marketplace for soaps is ruled by using a small number of multinational groups with robust logo identification and huge advertising budgets.

There's competition among those multinationals. The top global players consist of Unilever, Procter and Gamble, Colgate Palmolive, Reckitt Benckiser and Johnson & Johnson.

The pinnacle 20 worldwide players within the soaps and toiletries marketplace

Position	Company	% Value of World
1	Unilever	10.07
2	Procter & Gamble	7.41
3	Gillette Group	7.66
4	Colgate Palmolive	4.5
5	Johnson & Johnson	4.45
6	Shiseido	4.32
7	Estee Lauder	4.21
8	Revlon	3.42
9	Wella	2.27
10	Henkel	2.27
11	Kanebo	2.13
12	LVMH	1.94
13	Avon Products	1.91
14	Kao	1.88
15	Reckitt-Benckiser	1.88
16	Beiersdorf	1.56
17	Amway	1.55
18	Mary Kay	1.54
19	Coty	1.49
20	Lion	1.07

Table 4 Global Player in the Soaps and Toiletries Market

Source: Euromonitor

4. Indian Consumers in Numbers

INDIA'S CONSUMERS in numbers

(1 Country, 780 Languages)

BIG POPULATION, FAST ECONOMY

1.3bn / 7.5%

India's **population** and **real GDP growth** in 2015.

YOUNG POPULATION

65% The percentage of the **population born after 1980**. Of the 65%, 443 million are Millennials and 393 million are Generation Z.

WELL-CONNECTED

200mn

The number of **connected smartphones** we expect by end of 2016. Telecom ARPU is only US$3/month, among the lowest in the world.

BOLLYWOOD DREAMS

1,602 The number of Bollywood **films produced** in India, selling 1.9 billion cinema tickets. TV penetration is also high (67%) relative to other home appliances.

PUTTING A RING ON IT

US$7,500 – $75,000+

The cost of a **wedding in India,** vs. an average cost of US$30,000 in the US and urban China. The average 2015 income of the Urban Mass was US$3,216.

US$27bn

Annual gold demand. India is the second largest gold consumer globally.

WORKING MASS and MIDDLE

10% / 2%

The portion of the total population made up of the workforce in **"Urban Mass" / "Urban Middle."**

BIG FUTURES

7mn The number of **college graduates** per year.

6 The number of *Fortune Magazine*'s "Most Admired" American companies with **Indian CEOs**: Adobe, Berkshire Hathaway Reinsurance, Google, MasterCard, Microsoft and Pepsi.

ON THE MENU

40% The percentage of the total population that is **vegetarian.**

60mn The size of India's **milk market** in tons – the largest in the world.

$31bn The size of the **spirits market** in USD, making it the largest packaged food and beverage category in India and the second largest spirits market in the world.

SCOOTING ALONG

16mn

The number of **two-wheelers** sold in India in 2015 (vs. a total car fleet of 25 million). Ground transportation is the second biggest category of personal consumption, in part due to a lack of public transit options.

5. Current Market Structure on Soaps

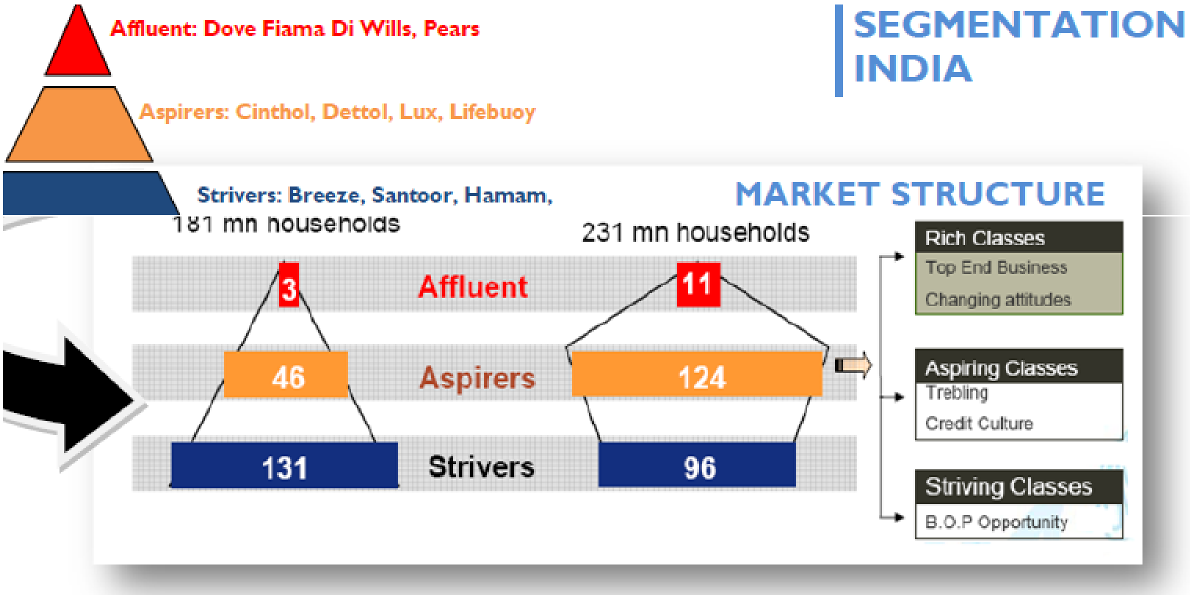

Figure 8 Market Structure

6. Market Analysis

The "Soap & Detergents" in the past was focused at the mass market, i.e. a cleanser for all, be that as it may, today, the classification has been sectioned imaginatively at various levels. All the significant players have endeavoured to make a specialty showcase inside the mass market to develop gainfully.

Liquid soaps for Shower is a Fast Moving Consumer Good, which frames a noteworthy piece of the market. FMCG segment is the main section to get influenced, at whatever point macroeconomic elements change.

Brand faithfulness has turned out to be superfluous where numerous homogenous items are overwhelmed in the market. On the off chance that market reports are to be accepted, after shampoos and oral care, quick moving buyer merchandise (FMCG) organizations are wagering enthusiastic about cleansers.

The soap fragment is required to develop by 10 for each penny even as organizations present an ever increasing number of particular items to make a separation in the market

Soaps and advertisements in India have developed throughout the years from an absolutely cleaning item to an item that presently offers numerous advantages and usefulness. Need to constantly separate and catch advertise in such profoundly value delicate fragment had made

Current pattern is presentation of soaps with different natural and antibacterial actives that can offer individual insurance and cleanliness alongside healthy skin properties like saturating, mellowness; and so on the interest for latrine cleanser is relied upon to develop at a yearly rate of 4 for each penny

Quick urbanization is relied upon to impel the interest for beautifying agents with a yearly development rate of 10 for every penny. The present market state has an unmistakable pioneer in Hindustan Unilever Limited, however the fulfilment is getting genuine extraordinary as an ever increasing number of producers enter the market.

Indian Consumer has turned out to be more perceiving than any other time in recent memory. Any paradox is berated. Fresher brands like Fiama Di Wills have possessed the capacity to enter the market and eat into HUL's offer in the top notch soaps class. Starting at now, Lifebuoy, a HUL item, controls the perch as the market pioneer

7. Macro-Economic Environment

At the large scale level, over the long haul, the endeavors on the foundation front (streets, rails, power, and waterway connecting) are probably going to upgrade the expectations for everyday comforts crosswise over India. Till date, India's per capita utilization of most FMCG items is much underneath world midpoints. This is the inactive potential that most FMCG organizations are taking a gander at. The organizations are concentrating on getting the customer up the esteem chain. Going ahead, a great part of the fight will be battled on advanced dissemination qualities. Presently let us investigate the different full scale monetary elements influencing the Domestic Soap Industries

7.1. Demographic Environment

India is a huge nation with a populace of 1,310 million individuals. Family entrance of soaps is in the district of 98%. Individuals having a place with various pay levels utilize distinctive brands of soaps. These soaps which fall under various sections (see table beneath), yet all salary levels utilize soaps, making it the second biggest class in India (detergents are number one). Rural buyers in India constitute 70% of the populace. Rustic request is developing, with more cleanser brands being propelled in the markdown section focusing on the lower financial strata of customers.

	Rank	Total Score out of 100 (Rounded off)	Brand	Manufactured/Marketed by	MRP in Rs
Grade 1	1	87	Mysore Sandal	Karnataka Soaps & Detergents	30
	2	83	Cinthol	Godrej Consumer Products	32 (121 for pack of 4)
	3	82	Superia Silk	ITC	16 (64 of 4 pack size)
	4	78	Godrej Fair Glow	Godrej Consumer Products	27(63 for pack of 3))
	5	77	Park Avenue	Forever Body Care Industries	40
	5	77	Godrej No.1	Godrej Consumer Products	20 (60 for pack of 4)
Grade 2	1	84	Vivel	ITC	22 (70 for pack of 4)
	2	82	Margo	Jyothy Consumer Products	22 (40 for pack of 4)
	2	82	Lux	Hindustan Unilever	18.75 (75 for pack of 4)
Grade 3	1	82	Hamam	Hindustan Unilever	22
	2	80	Lifebuoy	Hindustan Unilever	20.5 (82 for pack of 4)
	3	76	Medimix	Cholayil Private limited	27 (81 for pack of 3)

Figure 9 Toilet Soap Grades

7.2. Social Cultural Environment

North Region:

Pink pigment soaps, which have flower profiles. Here the aroma inclination is for more complex profiles mirroring their ways of life. Freshness soaps with lime and citrus notes are likewise prevalent inclinations as the atmosphere in the North is extremely hot and citrus/lime scented soaps are believed to invigorate.

West Region:

Buyers in the West display inclinations for solid, impactful aromas and to some degree harsher profiles contrasted with the North. Inclinations are more for the pink soaps with botanical scents, essentially climbed, which are situated on the magnificence stage.

East India:

The East isn't a major soap Market; subsequently no specific inclination skews or little bit senses about the Herbal soaps.

South India:

In the South, the skew is towards particular cleanser sections like the Herbal/Ayurvedic profiles and furthermore the Sandal profiles. Shoppers here don't display high brand faithfulness and are prepared to investigation and experiment with new brands. Subsequently, most FMCG organizations tend to dispatch their new brands in these business sectors, which they call test dispatch showcase

7.3. Focus on Environmental Safety

Soap makers are progressively attempting to watch over the different natural concerns. Periphery instances of not holding fast to the standards of generation regarding contamination have surfaced. With the Government fixing the grasp on such issues, center around natural wellbeing has turned out to be higher than any time in recent memory.

Organizations are focused on making natural supportability a key piece of assembling forms. From sourcing of crude materials to the innovation guarantees that general assembling approach is more future prepared. Organizations are discovering approaches to stretch out manageability endeavors past plants to affect the whole life cycle of items.

Godrej have directed a preparatory life cycle evaluation of our soap producing process and figured the outcomes. Discourses are in advance inside for building up a procedure to alleviate the impacts that were featured by the examination.

Godrej manageability methodology underpins the improvement of items that are ecologically maintainable. As a feature of this system, Godrej are creating items that devour less assets (vitality and water), transmit less ozone harming substances (GHGs), and incorporate 100 for every penny recyclable, inexhaustible, as well as characteristic materials.

1. Optimised ink use of wrappers and lessened ink usage by 10 tons.
2. Optimized the container thickness and lessened plastic utilization by 37 tons.

Godrej have likewise accomplished more than 80 for every penny reusability of our vacant plastic Soap noodle packs.

Deliberately settled an accumulation framework through switch coordinations, which has brought about critical reserve funds in material utilization. Godrej have spared about 300 tons for every annum of material.

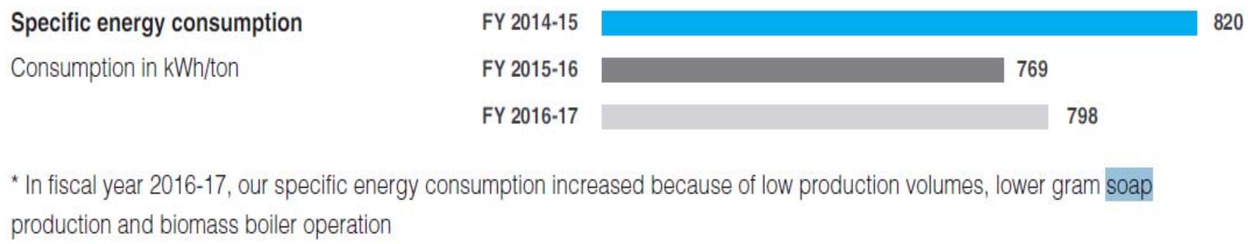

Figure 10 Energy Consumption in KWH/ Ton of Soap

Figure 11 Waste sent to Landfill per ton of soap

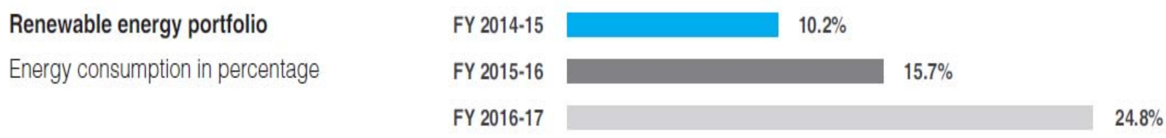

Figure 12 Renewable Energy Consumption

-Godrej Annual Report 2017

7.4. Legal and Government

Different states governments like Himachal Pradesh, Uttaranchal and Jammu and Kashmir and Assam have urged organizations to set up assembling offices in their locales through a bundle of monetary motivations. The Himachal Pradesh government offered deals duty and power concessions, capital endowments and different motivations for setting up a plant in its tax exempt zones. Extract and import obligation rates have been decreased significantly.

GST has been executed and past taxation rate decreased from 24% to18% cap.

FDI POLICY Automatic speculation endorsement (counting remote innovation understandings inside indicated standards), up to 100 for each penny outside value or 100 for every penny for NRI and Overseas Corporate Bodies (OCBs) venture, is took into consideration the vast majority of the sustenance handling segment with the exception of malted nourishment, mixed refreshments and those held for little scale enterprises (SSI). 24 for every penny remote value is allowed in the little scale segment. Impermanent endorsements for imports for test promoting can likewise be acquired from the Director General of Foreign Trade.

7.5. Opportunities for Market Growth

The open doors for expanding utilization in India are vast in light of the fact that its per capita utilization is much lower than worldwide levels. The degree to expand reach is tremendous. No less than 50 for each penny of India's populace isn't straightforwardly secured since showcase reach is limited to urban zones and those towns associated by engine capable streets.

• Focusing on the low-pay gathering of purchasers. (Provincial India to be exact). This will help in the development of current business(s), venture into related organizations, and seeding choices for future development.

• The means may include: expanding utilization, extending foundation to achieve new geologies, and creating practical business frameworks

• Use of different data frameworks can be utilized. This will amplify the business potential.

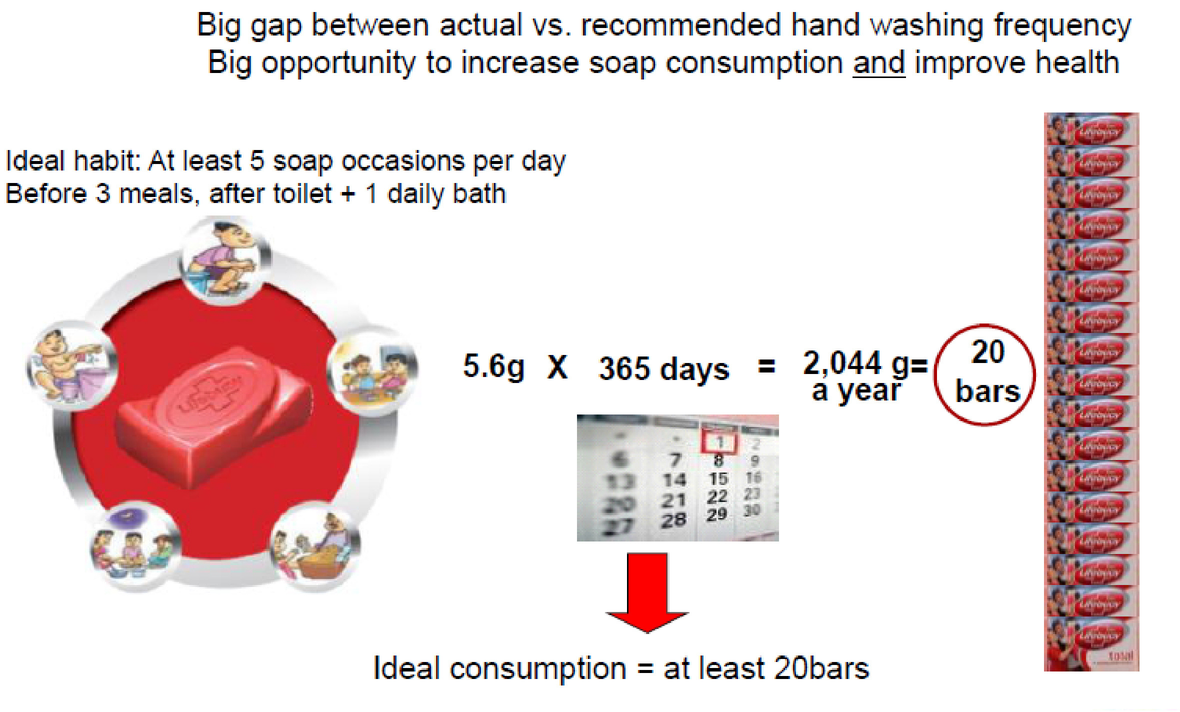

Figure 13 Soap Consumption per capita

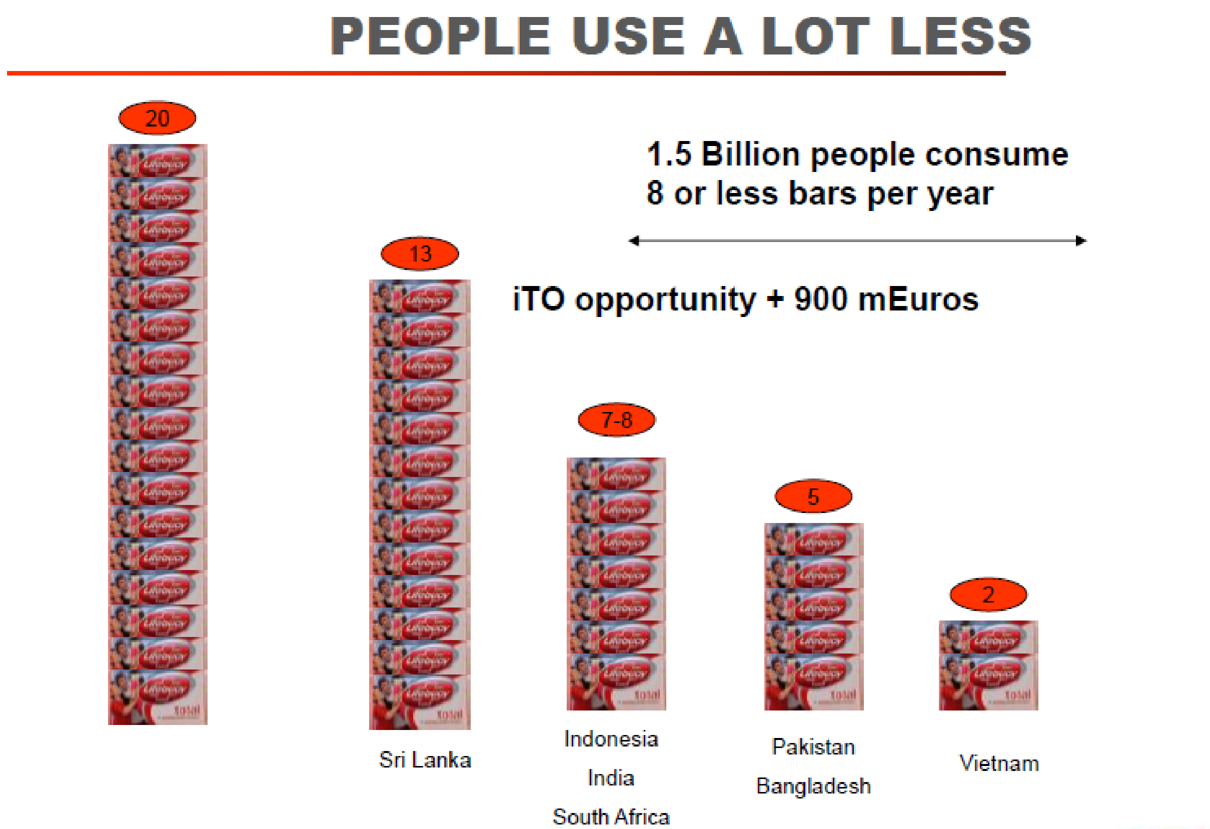

Figure 14 Opportunities for Increasing the Market growth

7.6. Consumer

From the point of view of a customer, a considerable measure should be finished. As officially settled, the customer is the lord and with a low association item like soaps, the worry is much graver. Consequently, organizations should look to build up its business sectors and meeting the advancing needs of our customers.

For the majority of buyers, item decisions rely on moderateness. Subsequently is to discover what the purchaser can pay and afterward tailor the store network to offer the item or administration inside that cost. Self-benefit stores and grocery stores, however little as a channel today, are quick rising in metros and substantial towns. This channel gives the organization an incredible open door for mark collaboration with customers. Buyers can touch and feel the items, and in this way settle on educated decisions.

8. Micro Economic Environment

Give us a chance to investigate its smaller scale monetary condition factors influencing the cleanser enterprises. Advertising smaller scale condition alludes to all the interior factors near the organization that directly affect its system and its capacity to serve its clients.

8.1. Competition

The most critical factor among all is rivalry. Managing FMCG items sets the producer at the back foot as in it doesn't take much for the buyer to move from one brand to the next. In this way, simply having the capacity to offer the items once doesn't end up being sufficient. Organization needs to create brand devotion sufficiently solid to shield the purchaser from moving to the contender's item. If there should be an occurrence of soaps, rivalry is ferocious.

RANK	BRAND	COMPANY	2014	2015	2016	2017
1	Lifebuoy	HUL	16	17	17.1	16.5
2	Lux	HUL	14.7	14.3	14.4	14.1
3	Santoor	WIPRO	8.3	8.6	9.2	9.4
4	Dettol	RECKITT	7.1	7.4	7.7	7.8
5	Godrej No.1	GODREJ	8.2	7.5	7.6	8.2
6	Dove	HUL	4.4	4.6	4.3	4.5
7	Pears	HUL	4.2	4.6	4.3	4.1
8	Johnsons Baby	J&J	3.3	3.3	3.1	3.1
9	Cinthol	GODREJ	2.5	2.5	2.6	2.6
10	Vivel	ITC	2.7	2.5	2.5	2.4
11	Others		28.6	27.7	27.2	27.3

Table 5 Indian Current Market Share percentage

HUL is solidly in the main position in the individual wash classification of soaps [52.7% piece of the overall industry when contrasted with the 9.2% piece of the overall industry of its nearest rival Wipro.,

It isn't that difficult for another contestant to make its quality felt as is clear with the way Fiama Di Wills/Vivel rose as a noteworthy player in the specialty fragment it focused on.

8.2. Suppliers

An expansion in crude material costs will have a thump on impact on the advertising blend procedure of an association.

This happened at some point back when the costs of vegetable oils, a prime segment that goes into the making of soaps, soar halfway because of the redirection of oils into the generation of bio diesel.

It directly affected the cost of creation of soaps in all the sub classifications. Edges must be overseen through a progression of activities, for example, purchasing efficiencies, reserve funds in supply chains and particular cost increments.

8.3. Supply Chain

FMCG division has another prime prerequisite as a solid circulation chain as the products should be made accessible in the most distant of the corners and renewed basically inside no time as smallest of deferrals may prompt shopper disappointment.

8.4. The Company

Ultimately the inward working of the organization, the attachment between the different divisions, the essentials that it keeps running on, the aptitude level of the representatives, all have their effect on the sort of advertising choices that the organization takes.

Organizations ought to exceedingly sorted out and develop or every one of these tallies. Likewise, it ought to have utilitarian R&D which continually gives the organization a chance to overhaul its item genealogy with more up to date and better items that gives it an edge over every one of its rivals

9. India2025 - Future Market Trends

The Fast Moving Consumer Goods (FMCG) are probably going to make a noteworthy imprint in Rural and Semi-Urban Segments by 2025 with their request developing @ of around 60% to convey forward its aggregate market estimate. (Source: as per The Associated Chambers of Commerce and Industry of India)

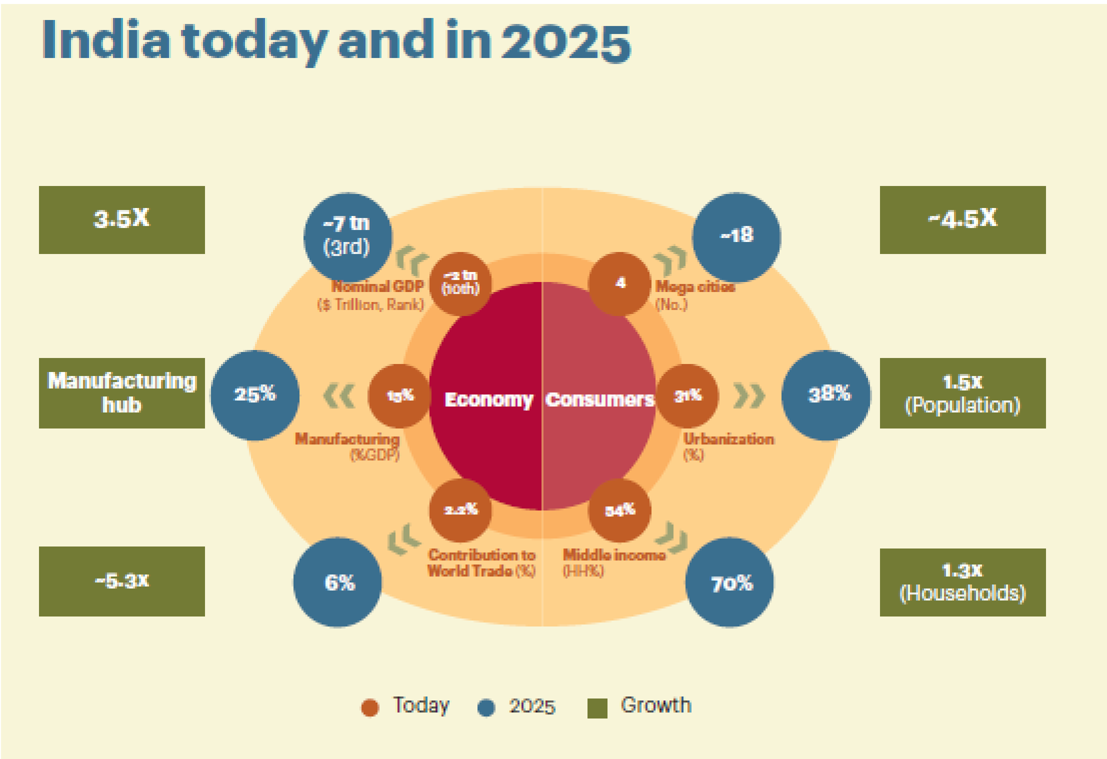

Figure 15 India 2018 & 2025

Today, the urban stashes which right now are the greatest market estimate for FMCG items like soaps, in next 4-5 years will switch over their utilization designs for natural items to keep better their wellbeing, in this manner making disintegration in their present utilization designs for these items.

Soaps which right now have under 30% entrance out of 100 individuals in rustic and semi-urban territories will develop at any rate by half in next 5-7 years in light of their request by virtue of rising per capita pay of provincial and semi-urban people. The per capita salary of provincial and semi-urban masses will increment as the monetary exercises will become their because of government center for their industrialization.

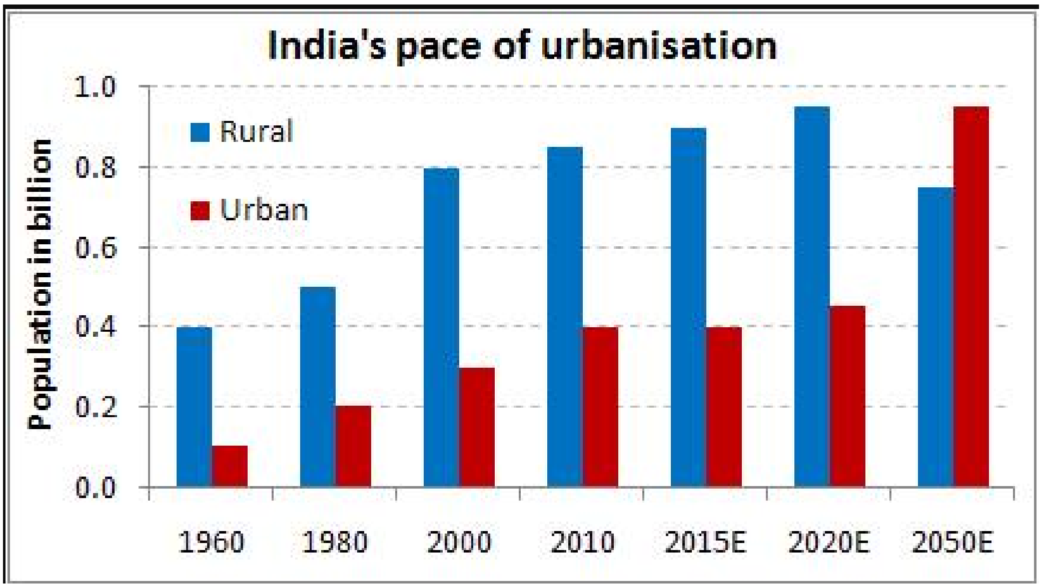

Figure 16 Rural vs Urbanisation

Around 70% of the aggregate family units in India (330 million) dwell in the country territories. Despite the fact that the country and semi-urban request of soaps will become bigger and higher, it will put an extreme weight on the edges of makers as a result of merciless rivalry. The marked organizations in this segment will influence killings to will incorporate a known number like Nirma, HUL, ITC, Godrej, and so on.

The rising rustic and semi-urban salary levels combined with huge ad of soaps in the electronic media will spread such a large amount of enlivening in the provincial and semi-urban people towards quick moving shopper merchandise items so much that these will extend their moderateness for them.

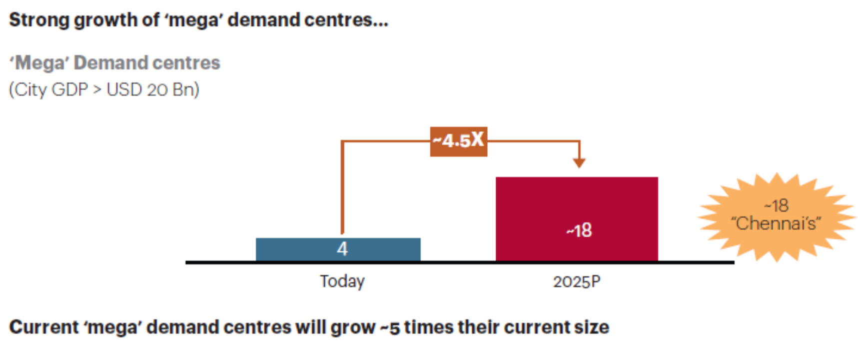

Figure 17 Growth of Mega cities

Moderateness of the item to country shopper is of concern. With low expendable salaries, items should be reasonable to the country customer. Hence it can be recommended that to tap the country and semi-urban market, better framework offices like streets, better telecom network to rustic people, appropriate sanitation and human services offices ought to be made. Estimating is likewise an improtant issue to consider.

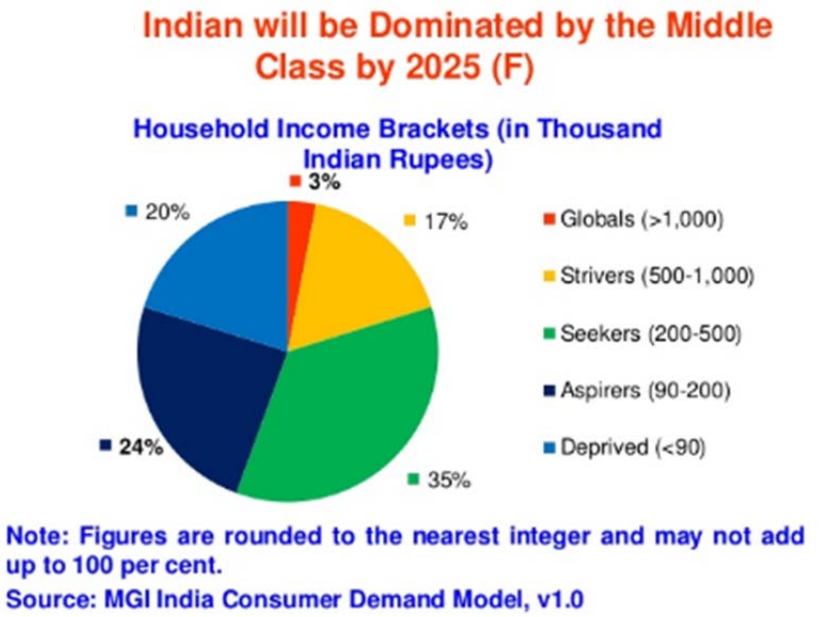

Figure 18 Growth of Middle Class Population

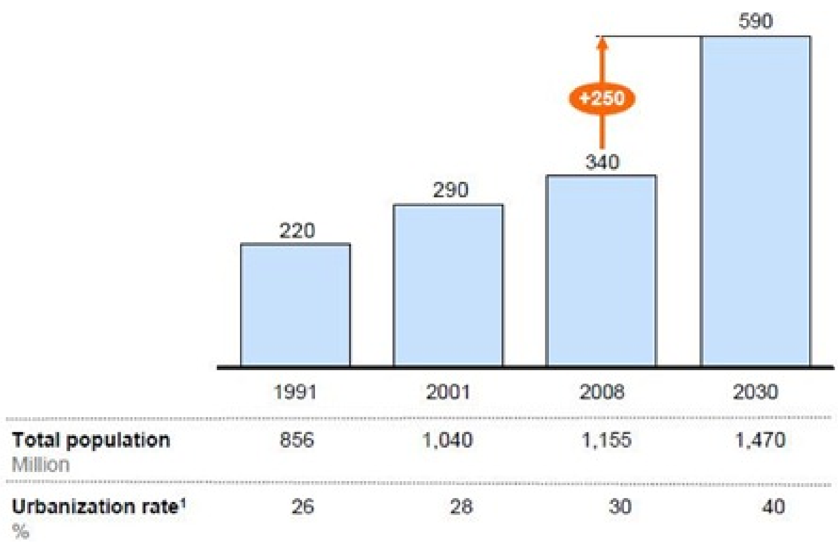

Figure 19 Rate of Urbanisation

10. Substitutes Liquid Soaps

Shower gel otherwise called shower cream is a fluid item used to clean the body. In the realm of healthy skin where sweat, earth, and oil are the greatest concerns, shower gel is turning into a quick and helpful alternative for a fast clean feel.

It is not the same as conventional bar soaps which are shaped by a procedure of saponification of fluid fats, for example, vegetable oils or creature fats by soluble base as a rule sodium hydroxide. Shower gels then again by and large contain a frothing fixing, water, and betaine, the compound part that sticks every single other fixing together. A shower gel has a solid aroma and scents like a fragrance. Shower gels are improving as a contrasting option to conventional bar soaps. These gels are anything but difficult to utilize if put away in the place determined. Shower gel is utilized with a shower wipe/scrubber and is anything but difficult to utilize. Shower gels are being utilized by relatively every age aggregate including children and newborn children.

The fundamental drivers for development of shower gels incorporate developing accessibility of shower gels in shopping centers and general stores and their convenience contrasted with customary bar soaps.

Purchasers are finding that customary soaps make the skin dry by stripping out the dampness, because of essence of sodium hydroxide.

This has prompted development sought after for shower gels as they hydrate the skin because of essence of different oils and creams. Likewise, a few shoppers keep up that customary bar soaps harbor microscopic organisms on its surface, particularly when someone else utilizes a similar bar.

With developing mindfulness, shoppers are spending immense measures of cash on wellbeing and healthy skin, particularly urban buyers where the reception of shower gel is considerably higher. This is relied upon to help the worldwide shower gel showcase amid the estimate time frame.

11. Threats: Water Scarcity

India's water request in the current past, and evaluate their suggestions on future water request and eventually on water assets. Water request of water system, local and modern areas is demonstrated for the years 2025 and 2050.

Projections on water and nourishment request and supply are made as takes after:

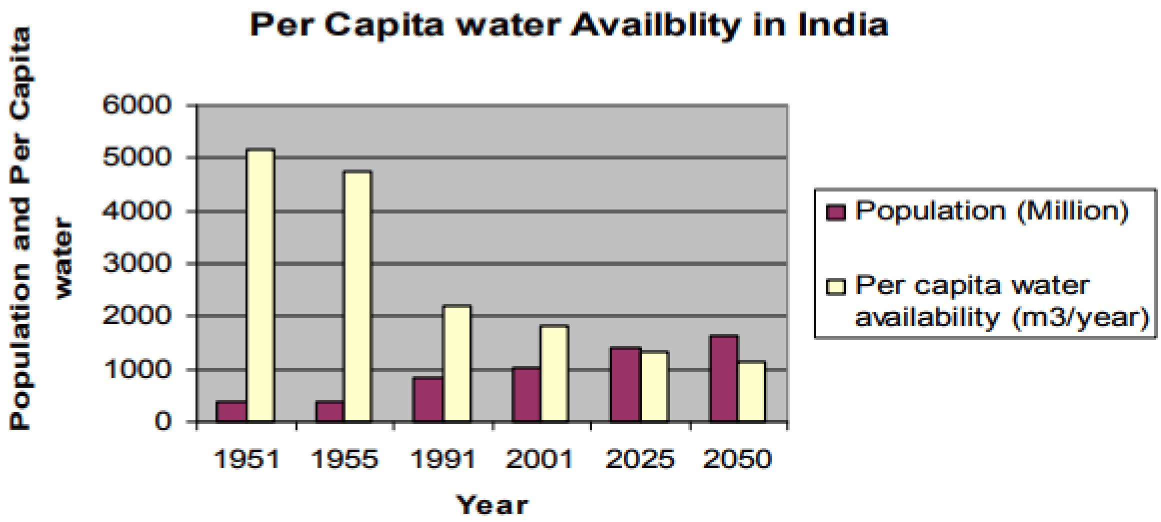

Figure 20 Per Capita Water Availability

- Total water request will increment by 22% and 32% by 2025 and 2050 separately from the present level of 680 billion cubic meters
- The modern and household segments will represent 85% of the extra request by 2050
- The control of groundwater in irrigation development, alongside higher water system efficiencies, will diminish the water interest for water system over the 2025– 2050 period
- Although future nourishment request can be met, the related water utilize examples will prompt a serious local water emergency by 2050
- Many stream bowls will achieve conclusion, will be physically water-rare and will have locales with seriously overexploited groundwater assets.

This will affect the general population showering perspectives thusly lead less utilization of soaps.

12. Toilet Soap Market Forecast by 2025

Estimated Soap Demand (Tons/Year)	**1,282,320**	**1,324,970**	**1,389,171**	**1,506,067**	**1,623,209**	**1,774,102**	**1,965,954**	**2,208,395**	**2,482,182**
Soap Consumption Per Capita (Kg/year)	0.98	1.00	1.03	1.09	1.16	1.25	1.37	1.52	1.70
Increase in Soap Consumption per Capita	0.5	2	3.5	5	6.5	8	9.5	11	12
Indian Population (crores)	131.00	132.70	134.43	138.80	140.47	142.15	143.86	145.58	146.10
Market Growth	**8.00%**								
Company	2017	2018	2019	2020	2021	2022	2023	2024	2025
HUL	500,426	540,460	583,696	630,392	680,823	735,289	794,112	857,641	926,253
WIPRO	120,000	129,600	139,968	151,165	163,259	176,319	190,425	205,659	222,112
RECKITT	99,574	107,540	116,144	125,435	135,470	146,308	158,012	170,653	184,305
GODREJ	137,872	148,902	160,814	173,679	187,574	202,580	218,786	236,289	255,192
J&J	39,574	42,740	46,160	49,852	53,841	58,148	62,800	67,824	73,250
ITC	30,638	33,089	35,737	38,595	41,683	45,018	48,619	52,509	56,709
OTHERS	348,511	376,391	406,503	439,023	474,145	512,076	553,043	597,286	645,069
Production Tons/Year	**1,276,596**	**1,380,741**	**1,491,040**	**1,610,163**	**1,738,815**	**1,877,760**	**2,027,820**	**2,189,885**	**2,364,915**
Revenue per Year (Crores)	**32,000**	**34,560**	**37,325**	**40,311**	**43,536**	**47,018**	**50,780**	**54,842**	**59,230**
Plant Expansion Capacity (tons/Year)		104,146	110,299	119,123	128,652	138,945	150,060	162,065	175,030
Plant Expansion Capacity (tons/Hr)		14.59	15.45	16.68	18.02	19.46	21.02	22.70	24.51
Average Plant capacity per Unit		2	2	2	3	3	3	3	3
Number of Units Expansion / Year		**7**	**8**	**8**	**6**	**6**	**7**	**8**	**8**
Investment (Rs. 3.5 Cr/Plant) in Crores		26	27	29	21	23	25	26	29

Table 6 Toilet Soap Market Forecast by 2025

13. Laundry & Detergent

NORTH Region - The biggest supporter of home care item deals with 30% of the aggregate esteem. Per capita utilization is on a standard with the national normal; however its sheer populace estimate beats different areas as far as volume deals. Developing first and second-level urban areas, for example, Delhi, Chandigarh, Lucknow, Jaipur and Kanpur are enter in driving interest for more complex, marked items

EAST Region - This district frames under 25% of the populace, yet represents only 20% offer of home care item deals. A huge extent of low-salary and low / centre wage buyers has seen development in unbranded items and low-estimated brands. Indeed, even with significant urban communities, for example, Kolkata and Patna, this is the minimum created locale with low levels of urbanization. The East is viewed as a volume-creating area for economy brands.

WEST Region - The most created and prosperous district, with relatively high per capita livelihoods, representing 25% of general home care deals. Abnormal amounts of urbanization can be found in quick developing, first and second-level, multi-industry urban areas which incorporates Mumbai, Pune, Ahmennebad, Nagpur and Bhopal. Princely urban shoppers are available to attempting new items - programmed cleansers saw forceful development here as family units were presented to retailer advancements and item introductions in retail outlets

SOUTH Region - This district represents a 25% offer of home care deals and is relied upon to develop at a CAGR of 3%. Buyers have larger amounts of training and item mindfulness than the national normal and incorporate a set up aggregate looking for global standard shopping encounters and items. To start with level urban communities including Chennai, Bangalore and Hyderabad are prime contender for the dispatch and advancement of mid-estimated and premium items.

13.1. Washing Machine Ownership by Household (Urban vs Rural)

Larger cities tend to be more prosperous and have a higher penetration of washing machines – but 'Urban India' accounts for only 33% of the population

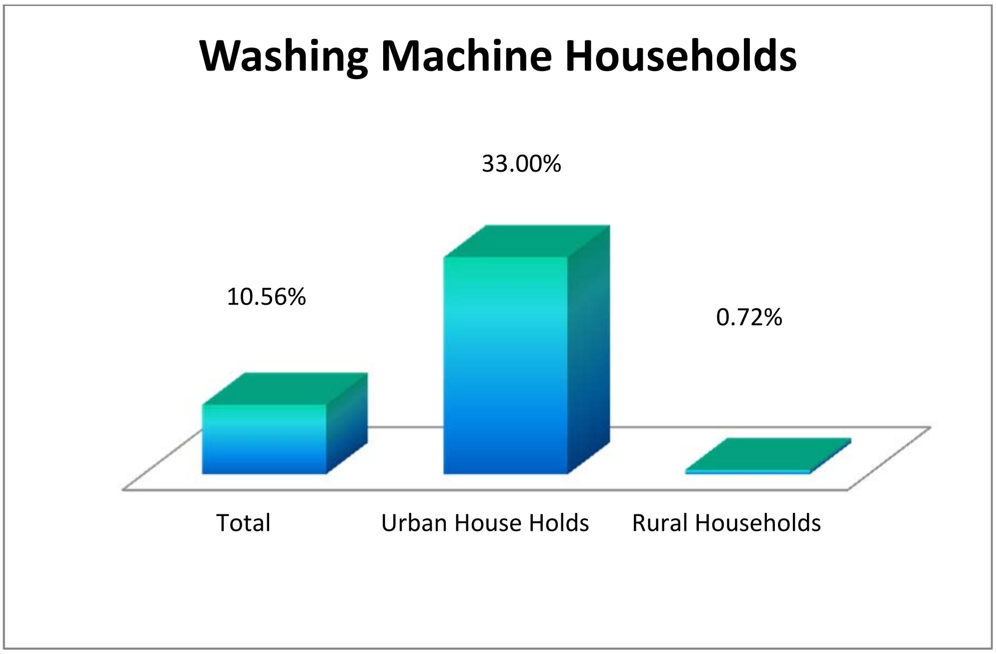

Figure 21 Washing Machine Households

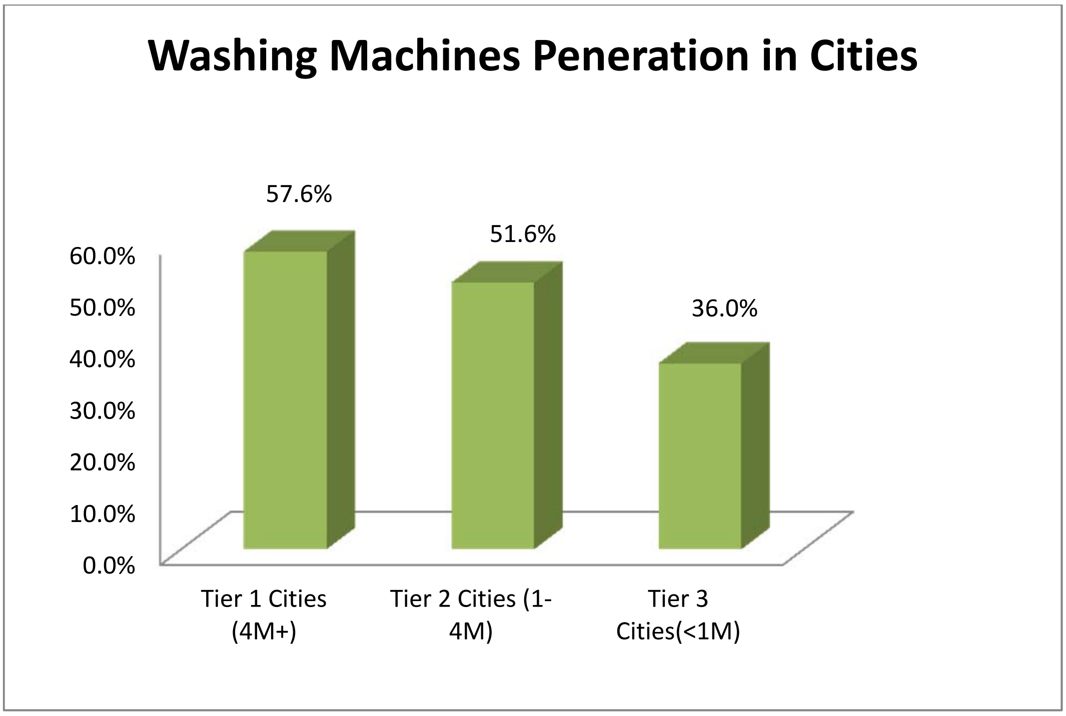

Figure 22 Washing Machine Penetration in cities

As larger cities tend to be more prosperous, they have a higher penetration of washing machines. As urbanization increases, (better water and electricity supplies - and more homes with better plumbing/ washing machine connections) penetration is expected to grow.

14. Sales of Detergents by Category (By Value)

Detergent Powder for Washing Machines	**19.9%**
Detergent Liquids for Washing Machine	0.3%
Detergent Powder for Hand-Wash	55.0%
Detergent Bar	23.9%
Other (Laundry Bar)	0.9%
Total	**100.0%**

Table 7 Sales of Detergent by Category (By Value)

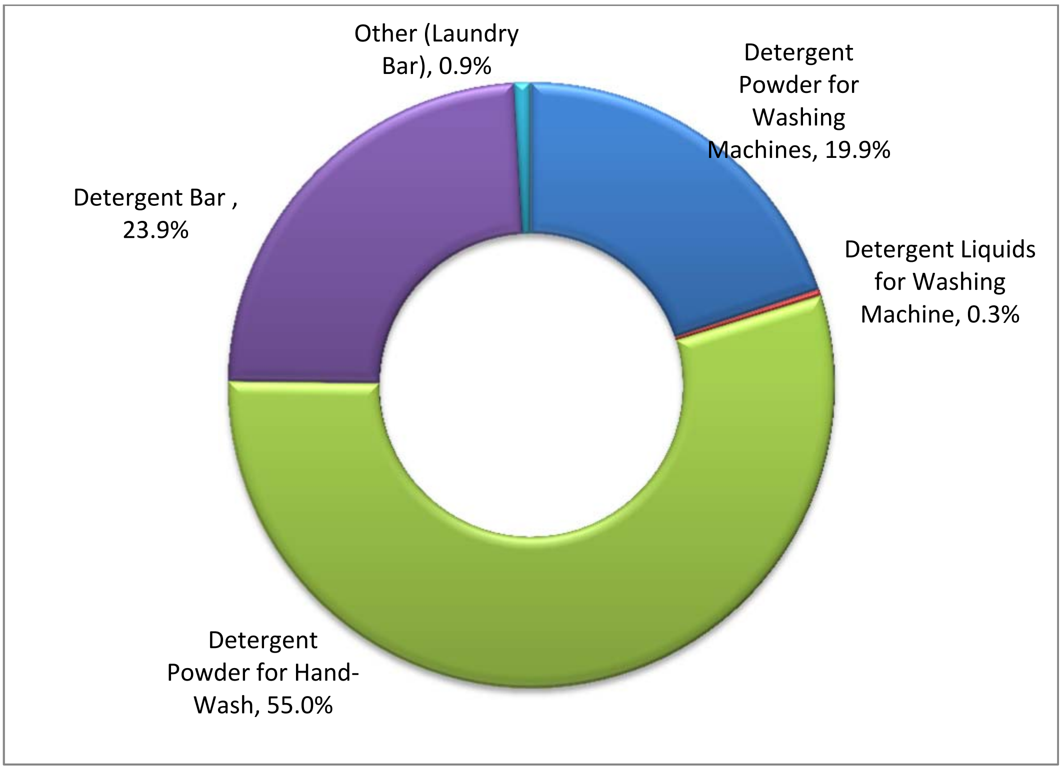

Figure 23 Sales of Detergent by Category (By Value)

Price competition is integral to the Indian Laundry care market, but rising disposable incomes have seen 'traditional laundry' consumers shift from bar detergents to hand-wash detergents.

Higher penetration of washing machines in second and third-tier cities has driven the demand for automatic detergents, however it remains far lower than the demand for hand-wash detergents (the rural market accounts for 33% of all homecare product sales).

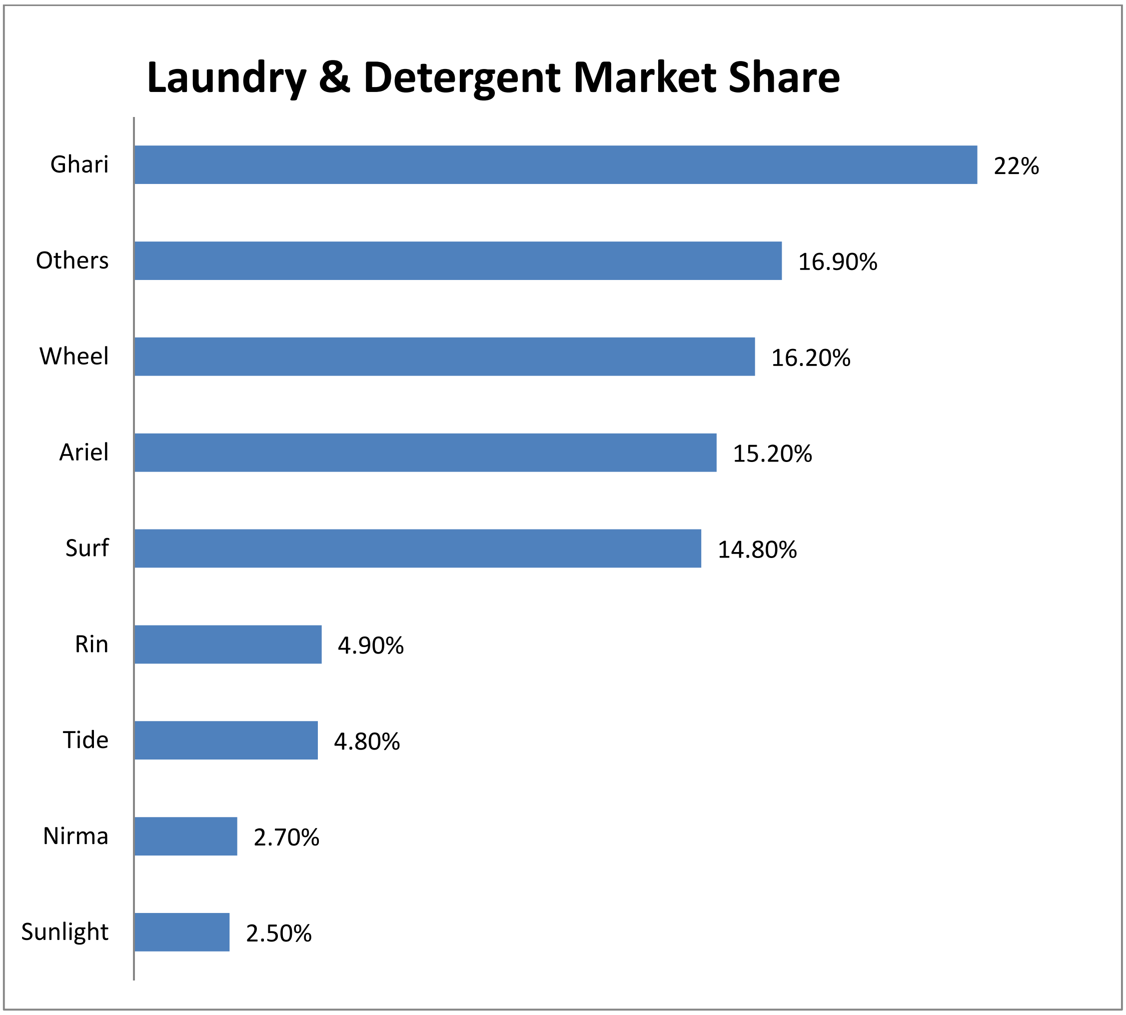

Figure 24 Laundry and Detergent Market Share

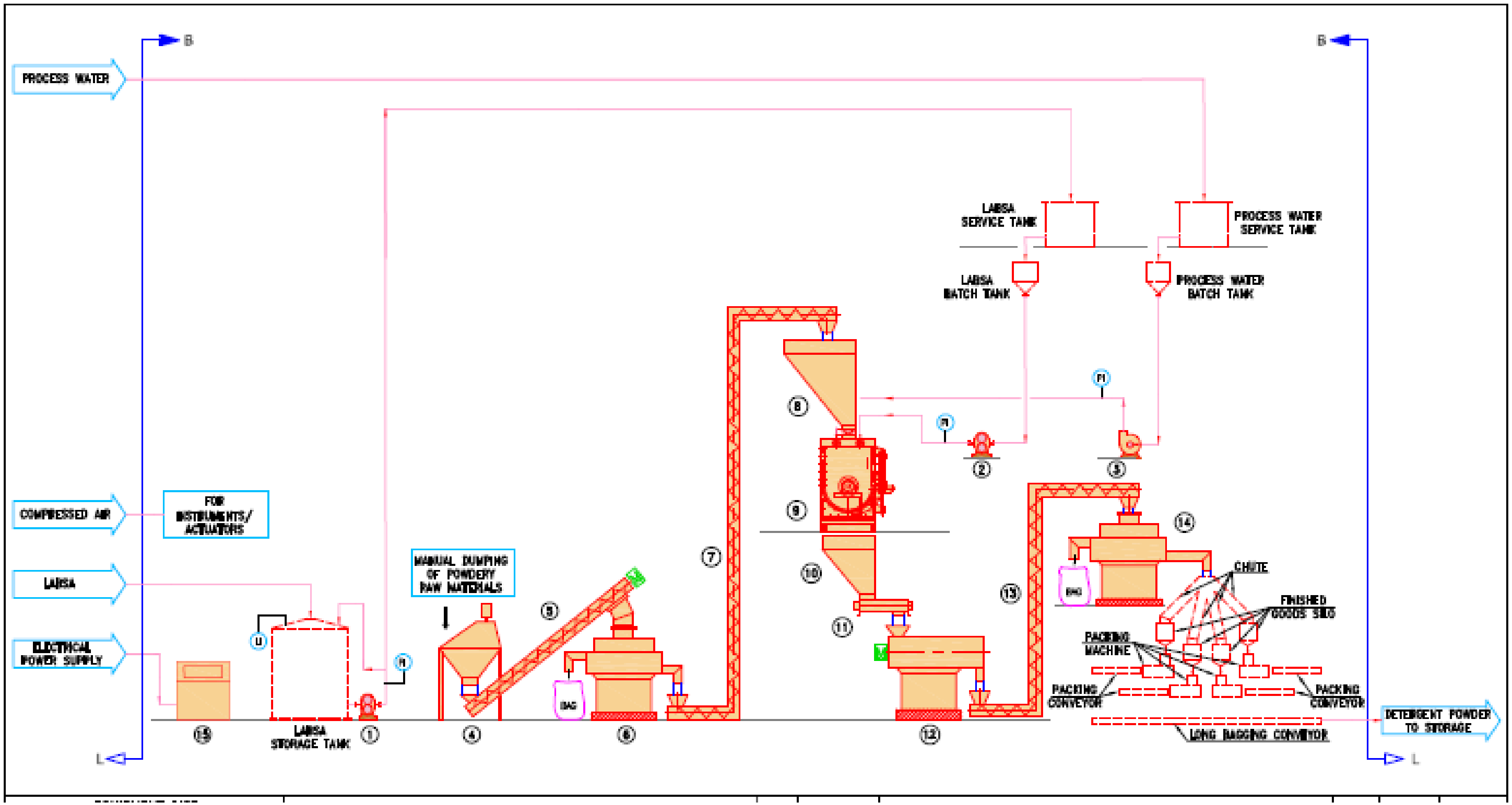

Figure 25 Detergent Plant Process Flow Diagram

Variants	Volume Share	Detergent in Tonnes	Manufacturer Cost/Kg	Cost of Market in Crores	Market Price / Kg	Consumer Expenditure in Crores
Detergent Powder for Washing Machines	19.9%	716,497				
Premium		143,299	84	1,204	210	3,009
Economic		573,198	72	4,127	180	10,318
Detergent Liquids for Washing Machine	0.3%	12,008	57	68	190	228
Detergent Powder for Hand-Wash	55.0%	1,981,195		-		-
Premium		1,129,281	27	3,049	60	6,776
Economic		851,914	20	1,704	50	4,260
Detergent Bar	23.9%	861,169		-		-
Premium		516,701	108	5,580	180	9,301
Economic		344,468	78	2,687	130	4,478
Other (Laundry Bar)	0.9%	32,022	72	231	120	384
Total	**100.0%**			**18,650**		**38,753**

Table 8 Detergent Market Value

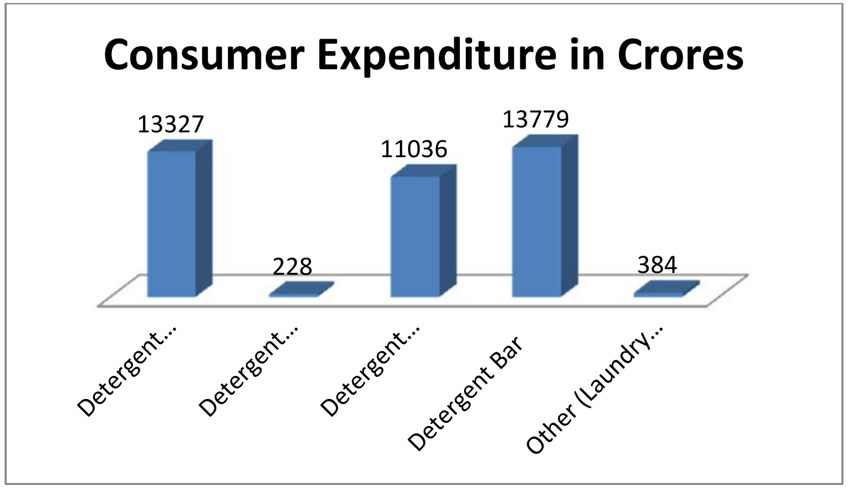

Figure 26 Consumer Expenditure

15. Detergent Market Forecast by 2025

Estimated Detergent Demand (Tons/Year)	**3,602,500**	**3,685,826**	**3,789,748**	**3,991,258**	**4,140,131**	**4,315,507**	**4,520,149**	**4,757,366**	**4,989,093**
Detergent Consumption Per Capita (Kg/year)	2.75	2.78	2.82	2.88	2.95	3.04	3.14	3.27	3.41
Increase in Detergent Consumption per Capita	0.5	1	1.5	2	2.5	3	3.5	4	4.5
Indian Population (crores)	131.00	132.70	134.43	138.80	140.47	142.15	143.86	145.58	146.10
Market Growth	**8.00%**								
Company	2017	2018	2019	2020	2021	2022	2023	2024	2025
Detergent Powder for Washing Machines Premium	143,299	154,763	167,144	180,516	194,957	210,554	227,398	245,590	265,237
Detergent Powder for Washing Machines Economic	573,198	619,054	668,578	722,064	779,829	842,216	909,593	982,360	1,060,949
Detergent Liquids for Washing Machine	12,008	12,969	14,007	15,127	16,337	17,644	19,056	20,580	22,227
Detergent Powder for Hand-Wash Premium	1,129,281	1,219,624	1,317,194	1,422,569	1,536,375	1,659,284	1,792,027	1,935,389	2,090,221
Detergent Powder for Hand-Wash Premium	851,914	920,067	993,672	1,073,166	1,159,019	1,251,741	1,351,880	1,460,031	1,576,833
Detergent Bar Premium	516,701	558,038	602,681	650,895	702,967	759,204	819,940	885,535	956,378
Detergent Bar Economic	344,468	372,025	401,787	433,930	468,644	506,136	546,627	590,357	637,586
Other (Laundry Bar)	32,022	34,584	37,351	40,339	43,566	47,051	50,815	54,880	59,271
Production Tons/Year	**3,602,892**	**3,891,123**	**4,202,413**	**4,538,606**	**4,901,694**	**5,293,830**	**5,717,336**	**6,174,723**	**6,668,701**
Revenue per Year (Crores)	**18,650**	**20,142**	**21,753**	**23,494**	**25,373**	**27,403**	**29,595**	**31,963**	**34,520**
Plant Expansion Capacity (tons/Year)		288,231	311,290	336,193	363,088	392,136	423,506	457,387	493,978
Plant Expansion Capacity (tons/Hr)		40.37	43.60	47.09	50.85	54.92	59.31	64.06	69.18
Average Plant capacity per Unit		4	4	5	5	5	5	6	6
Number of Units Expansion / Year		**10**	**11**	**9**	**10**	**11**	**12**	**11**	**12**
Investment / Plant (Rs.5 Cr/Plant) in Crores		50	54	47	51	55	59	53	58

16. Impact on Leading OEM due to Market Growth

16.1. Milindia Introduction

Milindia offer comprehensive plants and projects that cover various product lines within the soap, detergent, Oleo Chemicals, fatty acid and glycerine manufacturing processes

- ✓ Serves only the Soaps and Detergents Industry with unbroken ownership of almost 50 years.
- ✓ Sales of > Rs. 100.00 Crores in which domestic sector contribution is 30 to 40% and Exports around 60 to 70%
- ✓ Over 650 projects completed across the globe
- ✓ Single Point Focus – from Concept to Commissioning
- ✓ 2 fully equipped Manufacturing Units with >12,000 m2 of workshop area
- ✓ In-house Process Development + Machine Design + Machinery Manufacture + Detailed Engineering + Project Management + Site Services
- ✓ Plants installed just in one year: Cumulative installed capacity of 113 tons per hour
- ✓ The above includes automated single stream plants with capacity of 12 tons per hour (operated by just two operators)
- ✓ The power of Zero! Zero penalties for performance / delays across 49 years of our existence!

Figure 27 Concept to Commissioning

16.2. Office & Works

The headquarter of *MILINDIA* is located at Noida (adjoining New Delhi, India's capital city) which houses the Marketing, Finance, Projects, Process, Machines Design Development & Quality Assurance Departments. This location also houses Manufacturing Unit-1 with a covered area of 3,100 m2. A team of 115 white-collar (out of which 77 are Engineers) & 110 blue collars operate from this location. Our Manufacturing Unit-2 with a covered area of 3,800m2 is located at Haridwar (250 KMs from New Delhi) and is equipped with state-of-the-art Fabrication and Assembly facilities. Apart from manufacturing equipment for the Fatty Acids / Glycerine / Soaps / Detergents industry, Unit-2 also manufactures *custom-built machines required by other process industries.* A team of 18 white-collar (out of which 13 are Engineers) & 85 blue-collar operate from this location

Figure 28 Milindia - Noida Office & Works

Figure 29 Milindia – Haridwar office & works

16.3. Team Milindia

The responsibility for our day-to-day functioning is with our Directors and Managers who have been with the company since its inception in 1986.

A well-defined Operating & Responsibility Structure supported by Defined Operating System and Periodic Reviews ensures smooth working of *TEAM MILINDIA* which has resulted in an installation Base of 650 Plants **(and numerous repeat Orders)**.

We believe our success has been due to our single-minded focus on providing customised and cost-effective Machines & Plants along with Service which goes beyond mere sale of machinery.

16.4. Milestone in Our Growth

Our beginning was in 1968 when Mr. K. S. Krishnan started a project consultancy activity to serve the Indian Soap and Detergent industry. In 1977, having developed designs of modern soap making machines, Mr. Krishnan set up an engineering workshop in the name of K. S. Krishnan Associates (P) Ltd. to manufacture and supply these Plants.

K. S. Krishnan Associates (P) Ltd. & the Erstwhile *G. MAZZONI* S.p.A., Italy (the inventors of continuous soap manufacturing process) formed *MAZZINDIA* as a joint venture company in 1986. *MAZZINDIA* was re-christened as *MILINDIA* in 2001. Today we are the market leaders in India and we continue to expand our client-base across the world.

Figure 30 Milindia Transformation

16.5. Milindia Clients

Figure 31 Milindia Clients

16.6. Milindia Today's Challenges

Milindia has the manufacturing facility for producing equipment's for soaps, Detergent powder, Oleo chemicals and Fatty acids manufacturing industries.

The manufacturing facilities are vertically integrated and ~70% of the components are manufactured at In-House and remaining are outsourced.

MIlindia Turnover is around 100 crores in which 30 to 40% from domestic customers and 60 to 70% from rest of the world (Major contributions from Africa, Indonesia & Brazil)

Both domestic and international markets are having uncertainty in demand due to various economic conditions and order flow to Milinda is not uniform. Milindia works based on JIT / Make to order principle thus meeting sudden rise in demand above the plant manufacturing capacity is becoming critical issue.

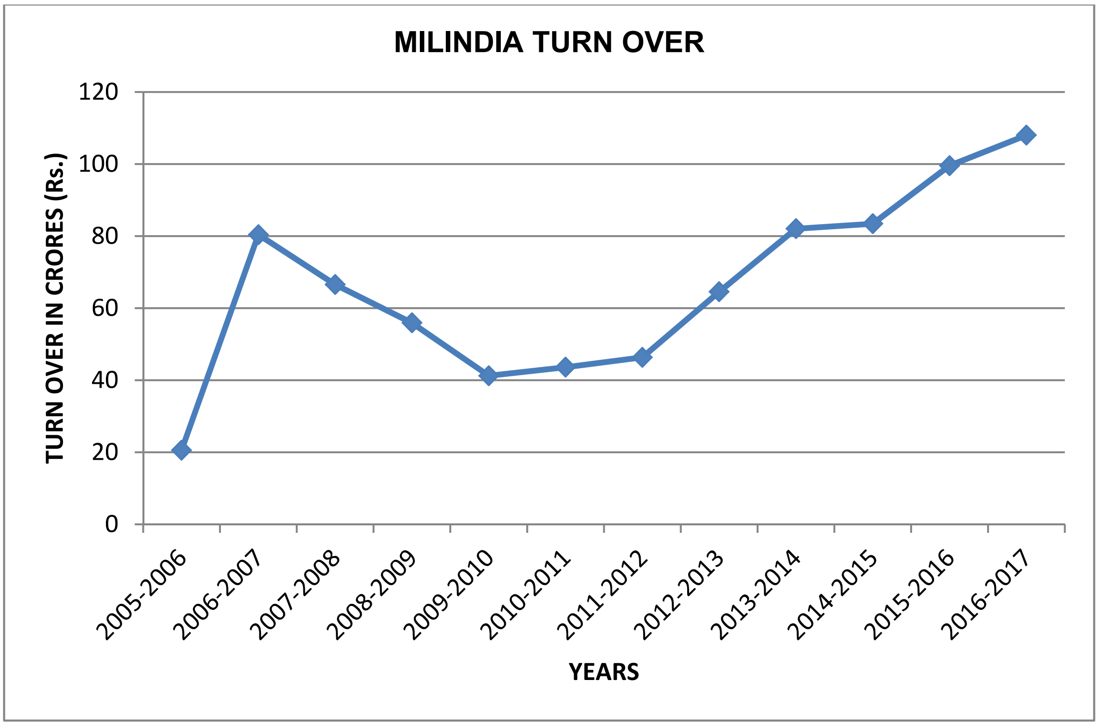

Figure 32 Milindia Turnover History

16.7. List of Equipment's

List of Equipment's produced towards Soaps & Detergents

Equipment's manufactured in In-House from 2008 to 2016

YEAR	TOTAL NO. OF EQUIPMENTS
2008-2009	293
2009-2010	262
2010-2011	397
2011-2012	265
2012-2013	349
2013-2014	491
2014-2015	519
2015-2016	423
2016-2017	554
Grand Total	**3553**

Table 9 Total No. of Equipment's for Soaps produced yearly

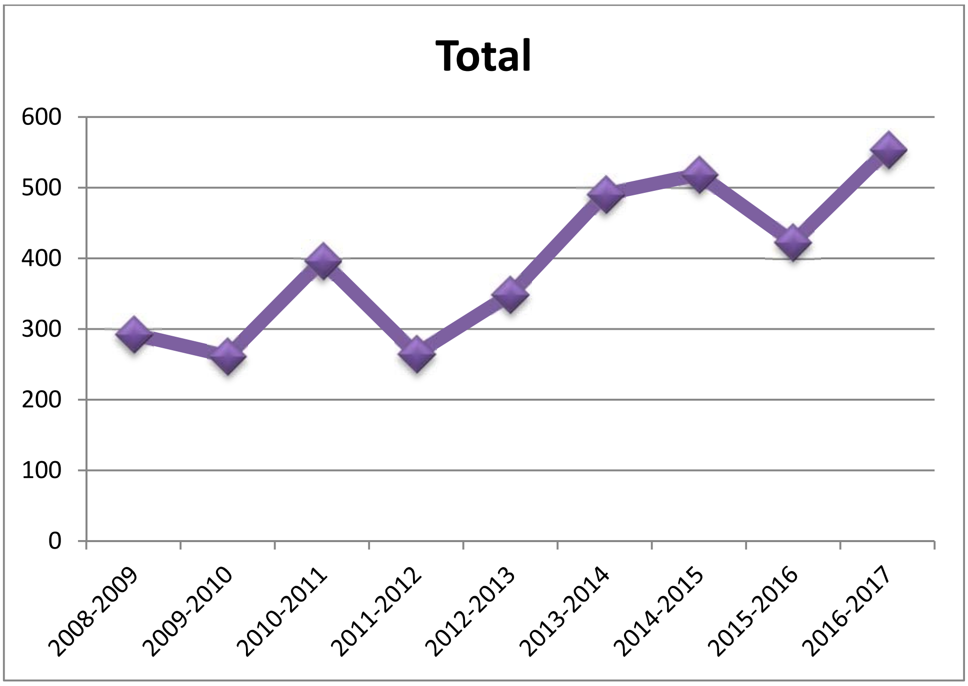

Figure 33 Total no. of Equipment's for Soaps Produced Yearly

17. Domestic Sector - Detergents Expected Order Value

Year			2018	2019	2020	2021	2022	2023	2024	2025	2018	2019	2020	2021	2022	2023	2024	2025
Manufacturer	**Brand Name**	**Probability**	**Investment on Machines for capacity Expansion (In crores)**								**Expected order value for Milindia (crores)**							
Unilever	Sunlight	0	1.51	1.63	1.41	1.53	1.65	1.78	1.60	1.73	-	-	-	-	-	-	-	-
Nirma	Nirma	0.1	1.63	1.77	1.53	1.65	1.78	1.92	1.73	1.87	0.16	0.18	0.15	0.16	0.18	0.19	0.17	0.19
P&G	Tide	0	2.91	3.14	2.71	2.93	3.16	3.42	3.07	3.32	-	-	-	-	-	-	-	-
Unilever	Rin	0	2.97	3.20	2.77	2.99	3.23	3.49	3.14	3.39	-	-	-	-	-	-	-	-
Unilever	Surf	0	8.96	9.68	8.36	9.03	9.75	10.53	9.48	10.24	-	-	-	-	-	-	-	-
P&G	Ariel	0	9.20	9.94	8.59	9.28	10.02	10.82	9.74	10.52	-	-	-	-	-	-	-	-
Unilever	Wheel	0	9.81	10.59	9.15	9.89	10.68	11.53	10.38	11.21	-	-	-	-	-	-	-	-
Patanjali	Popular	0.6	10.23	11.05	9.55	10.31	11.14	12.03	10.83	11.69	6.14	6.63	5.73	6.19	6.68	7.22	6.50	7.02
RSPL	Ghari	0.3	13.32	14.39	12.43	13.43	14.50	15.66	14.09	15.22	4.00	4.32	3.73	4.03	4.35	4.70	4.23	4.57
Total			**60.55**	**65.40**	**56.50**	**61.02**	**65.91**	**71.18**	**64.06**	**69.18**	**10.30**	**11.12**	**9.61**	**10.38**	**11.21**	**12.11**	**10.90**	**11.77**

Table 10 Detergents Expected Order Value

18. Domestic Sector – Toilet Soap Expected Order Value

Year		2018	2019	2020	2021	2022	2023	2024	2025	2018	2019	2020	2021	2022	2023	2024	2025
Manufacturer	**Probability**	**Investment on Machines for capacity Expansion (In crores)**								**Expected order value for Milindia (crores)**							
HUL	0.3	10.01	10.60	11.45	8.24	8.90	9.61	10.38	11.21	3.00	3.18	3.43	2.47	2.67	2.88	3.11	3.36
WIPRO	0.8	2.40	2.54	2.74	1.98	2.13	2.30	2.49	2.69	1.92	2.03	2.20	1.58	1.71	1.84	1.99	2.15
RECKITT	1	1.99	2.11	2.28	1.64	1.77	1.91	2.07	2.23	1.99	2.11	2.28	1.64	1.77	1.91	2.07	2.23
GODREJ	1	2.76	2.92	3.15	2.27	2.45	2.65	2.86	3.09	2.76	2.92	3.15	2.27	2.45	2.65	2.86	3.09
J&J	0.2	0.79	0.84	0.91	0.65	0.70	0.76	0.82	0.89	0.16	0.17	0.18	0.13	0.14	0.15	0.16	0.18
ITC	0	0.61	0.65	0.70	0.50	0.54	0.59	0.64	0.69	-	-	-	-	-	-	-	-
PATANJALI & Others	0.8	6.97	7.38	7.97	5.74	6.20	6.69	7.23	7.81	5.57	5.90	6.38	4.59	4.96	5.36	5.78	6.25
Total		**25.53**	**27.03**	**29.20**	**21.02**	**22.70**	**24.52**	**26.48**	**28.60**	**15.40**	**16.31**	**17.62**	**12.68**	**13.70**	**14.80**	**15.98**	**17.26**

Table 11 Expected Order Value Toilet soaps

19. Future trends – Domestic Sector Milindia

Milindia domestic sector was contributing 30 to 40% of its turnover and same trend is being observed from the below forecast.

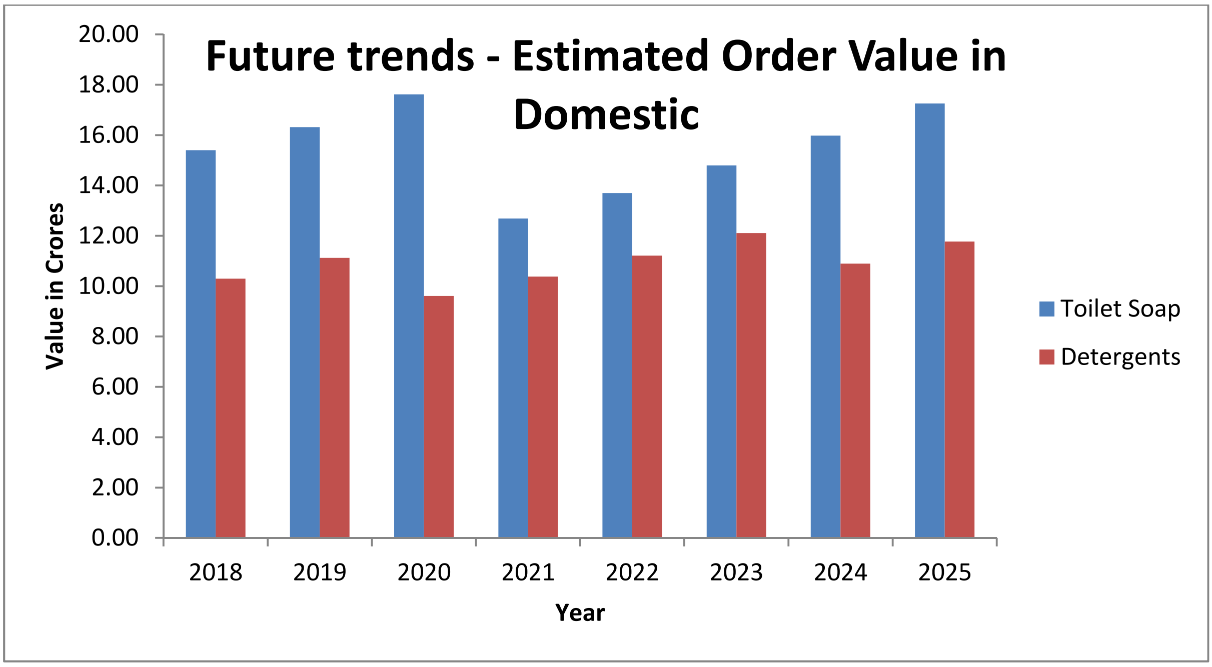

Figure 34 Future Trends – Estimated Order Value in Domestic

Milindia to focus on its export Market to see more opportunities for growth by increasing the customer bases.

20. The BCG Growth-Share Matrix

The BCG Growth-Share Matrix is a portfolio orchestrating model made by Bruce Henderson of the Boston Consulting Group in the mid 1970's. It relies upon the observation that an association's claim to fame units can be described into four classes in perspective of blends of market improvement and bit of the pie in regard to the greatest contender, subsequently the name "advancement share". Market advancement fills in as a go-between for industry appeal, and relative bit of the general business fills in as a go-between for high ground. The advancement share organize along these lines maps the forte unit positions inside these two basic determinants of productivity.

The four categories are:

Dogs / Problem Child - Dogs have low piece of the overall industry and a low development rate and in this manner neither produces nor devours a lot of money. In any case, dogs are money traps on account of the cash tied up in a business that has minimal potential. Such organizations are the contender for divestiture.

Liquid Detergents Market growth is not high compared to Detergent powders and Bars and also Milindia's market share on Liquid detergent plant is very low.

Question marks - Question marks are developing quickly and in this manner devour a lot of money, but since they have low pieces of the pie they don't produce much money. The outcome is extensive net money utilization. A question mark (otherwise called an "issue tyke") can possibly pick up piece of the pie and turn into a star, and in the end a money cow when the market development moderates. In the event that the question mark does not prevail with regards to turning into the market pioneer, at that point after maybe years of money utilization it will worsen into a canine when the market development decreases. Question marks must be investigated painstakingly so as to decide if they are justified regardless of the speculation required to develop piece of the overall industry.

There is huge potential on Detergent Powder market which Milindia should focus towards increasing its customer base and Market penetration.

Stars - Stars generate large amounts of cash because of their strong relative market share, but also consume large amounts of cash because of their high growth rate; therefore the cash in each direction approximately nets out. If a star can maintain its large market share, it will become a cash cow when the market growth rate declines. The portfolio of a diversified company always should have stars that will become the next cash cows and ensure future cash generation.

In Africa Laundry soap market have huge potential and Milindia have large number of customers and market share. Almost 50% of the turnover comes from this region.

Cash cows - As pioneers in a develop advertise, cash cows display an arrival on resources that is more noteworthy than the market development rate, and in this way create more cash than they devour. Such specialty units ought to be "drained", separating the benefits and contributing as meager cash as would be prudent. Cash cows give the cash required to transform question marks into advertise pioneers, to take care of the authoritative expenses of the organization, to support innovative work, to benefit the corporate obligation, and to pay profits to investors. Since the cash cow produces a moderately stable cash stream, its esteem can be resolved with sensible exactness by computing the present estimation of its cash stream utilizing a marked down cash stream investigation

Milindia Toilet soap Market growth is not so high compared to competitors and also global trends towards toilet soap growth is very average due to various substitutes.

Limitations

The development share lattice used to be utilized generally, however has since blurred from notoriety

as more complete models have been produced. A portion of its shortcomings are:

Market development rate is just a single factor in industry engaging quality, and relative piece of the overall industry is just a single factor in upper hand. The development share grid ignores numerous different factors in these two critical determinants of productivity.

The system expect that every specialty unit is autonomous of the others. Now and again, a specialty unit that is a "pooch" might help different specialty units pick up an upper hand. The grid depends vigorously upon the broadness of the meaning of the market. A specialty unit may rule its little specialty, however have low piece of the pie in the general business. In such a case, the meaning of the market can have the effect between a pooch and a cash cow.

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