Product Development: ‘TIDE Wash-by-Hand’

Marketing Plan for Product Development at TIDE in China

Group Presentation #2 – ‘Marketing Management’

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### Product Development Strategy

- Keeping ‘TIDE’ focused on the high-end Market


Basis for this new Marketing Plan
**Detergent Market in China – Strong Competition**

**Inner Industry (high)**
- Fierce Competition (Powerful local Players)
- TIDE is a Late-Comer
- Sales picking up slowly
- Infrastructure (Washing machine)

**Substitutes (medium)**
- Traditional Soap as a ‘manual’ Detergent

**New Entrances (low)**
- Unlikely to be expected

**Buyer Power (middle)**
- Volume Market, therefore Consumers very Price sensitive
- “Unsophisticated” Buying Behaviour

**Supplier Power (low)**
- Capacity available
- Raw Material sheep

Detergent Market in China – TOP 10 Detergent Brands

Chinese Players
1. Diao
2. Qi Qiang
3. OMO
4. BREEZE

Unilever
5. 
6. 
7. 
8. 

Proctor & Gamble
9. TIDE
10. 

How to get far up the ladder?
So many really great ideas ...

- ‘Change Production Base (City vs. Rural)’
- ‘Bundling / Co-Branding’
  - ‘Features (Softener, environmental-friendly)’
- ‘Buy local Brand (1st/2nd)’
  - ‘Different Product for a Niche’
- ‘Introduce Low-Price Brand’
  - ‘Reduce Costs by Outsourcing’
- ‘Advertise existing Product more intensely’
- ‘Contract Production Factories / Staff’
Product Positioning: ‘Tide Hand Wash’

**NEW BRAND**

Chinese Name: .. but ‘powered by TIDE’

**DIFFERENTIATION**

.. by Features: Environmental Friendly
Soft to your Hands
Hand and Machine Wash

**PACKAGING**

Primary Package: Absolutely Chinese

**PRICE**

Competitively cheap (~ 1/3 of TIDE)
Detergent Market in China – Diversification necessary

- Market Development Strategy
- Product Development Strategy
- TIDE Handwash
- Diversification
- TIDE
- Market Penetration
- Existing Products
- New Products
- Existing Markets
- New Markets

Demand & Revenue / Profit Forecast..

\[ P_{TIDE} = ¥2.99 \]
\[ Q_{TIDE} = 4.7b \]
\[ R_{TIDE\ HW} = ¥14\ b \]
\[ P_{TIDE\ HW} = ¥1.4\ b \]

*Calculations on yearly Basis, 500g Boxes*
Supply Chain Management Concept..

Traditional ‘TIDE’

P&G-owned

Complete Outsourcing

‘TIDE Hand Wash’
Investment Requirements

- Research & Development
- Advertisement
- Promotion
- Distribution (contracted)
- Manufacturing (contracted)
Marketing Plan Summary

Less negative Impact to Environment

Increasing overall Sales Performance

Tapping new Mass Consumer Target Group

Improving Brand and Corporate Image
Thank You for your Attention!
Questions and Discussion