

## Emami Men's Fairness Cream: Creating A New Product Category

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### Abstract

The case study discusses the launch of Fair And Handsome cream by Emami. It discusses how Emami identified a latent need of customers and not only created a new product category in men's fairness cream segment but also changed the perception that fairness creams were only meant for women. The case discusses various strategic and tactical decisions taken from the marketing standpoint that went on to make Fair And Handsome, a market leader in the category with 66 per cent of the market share. The case delves into the positioning, pricing, promotion, packaging and distribution strategy that led to the product success. As the company decides on its future growth strategies of focusing on existing product portfolio or creating new product categories in new segments, it presents a rich discussion field for readers.

**Keywords:** *New Product Launch, Fairness Cream, Latent Need, Marketing Communication, Salesforce Strategy*

### Introduction

In 2010, Mr Mohan Goenka, Director, Emami Ltd, was reviewing the launch of Fair And Handsome (FAH), a very successful brand of his company, which had replaced the reigning market leader and created a new category in the fairness cream market in India. The success of the campaign was supplemented by modern trade, point of sales support along with 360-degree

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integrated marketing communications. This helped in building a direct connection with the customers. A review, therefore of the launch and conceptualization strategy of Fair And Handsome, would help in developing such successful brands in the future. Mr. Goenka was looking at sharpening the focus on men's grooming space with brand extension and a review was in order.

### **Emami : A Brief Background and Company History**

Emami Limited is one of the fastest-growing personal and healthcare businesses in India, with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair And Handsome, Zandu Balm, Mentho Plus Balm and Fast Relief. The company manufactures products under various categories such as Hair Care, Skin Creams and Lotions, Talcum Powder and Ayurvedic healthcare products. The seeds for the current Emami Group were sowed in 1974 when two childhood friends, R. S. Agarwal and R. S. Goenka set up Kemco Chemicals. Kemco Chemicals was a Kolkata based manufacturing unit producing cosmetics and ayurvedic. In 1978, Himani ,was purchased by Emami, and later used to produce different types of health care items and toiletries based on Ayurvedic preparation.

A decade later the company launched its first flagship brand, Boroplus Antiseptic Cream under Himani umbrella. In 1995, Kemco Chemicals became a Public Limited Company and was rechristened Emami. 1998 saw Himani merging into Emami. In 2006 the company decided to introduce a Health Care Division and some new brands of over the counter (OTC) ayurvedic medicines. When Emami Limited acquired Zandu Pharmaceuticals Works Ltd with an investment of Rs 730 crore, leading brands such as Zandu Balm, Zandu Chyawanprash, Zandu Kesri Jeevan, Zandu Pancharishta, Sudarshan and Nityam Churna also came under Emami's basket of the brands.

In 2005 with the launch of Fair And Handsome, a men's fairness cream, Emami created a new product category in men's fairness market. Emami used a combination of strategic and tactical launch decisions to introduce the product in the market. While the strategic launch decisions defined the boundaries of its launch program, the tactical launch decisions were more concerned with marketing mix decisions.

### **Buildup to the Strategic Launch Decision**

*The market for fairness cream in India.* Owing to genetics and geography, Indians are predominantly brown-skinned people. Consequently, there is a cultural inclination towards

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fairer skin tone; the desire to have fair skin exists almost everywhere. The strong preference for fairness creams amongst Indian women, grew out of the desire for fair skin, considered a sign of beauty. Hence, the opportunity for the fairness products was provided by the existing demographics of a young population, increasing number of working-class, growing economy and higher capita income, where people were willing to spend more on their personal grooming & wellness. Besides, there was also a growing fascination among the youths towards foreign brands. They were ready to spend on imported goods believing that it would confer them with a better image and higher class. In, 1975, Hindustan Unilever (then Hindustan Lever) introduced its women fairness cream Fair and Lovely (FAL) that was soft on skin. It took over the fairness bleach market and soon attained a pioneer status in the business. As the obsession with white skin continued in India, other cosmetic and FMCG companies grabbed the opportunity of introducing fairness cream catering to women, CavinKare's Fairever was launched in 1998 and Godrej's Airglow in 1999<sup>1</sup>.

***Understanding men's purchasing behaviour.*** In 2005, Emami launched Fair And Handsome men's fairness cream in India, there was no other company which had fairness grooming products for men. A general perception among Indians was that fairness creams were meant only for women. Even multinational companies did not pay attention to this latent but prevalent need. There was a growing awareness among Indian youth who believed that they needed to look smart and presentable. This was augmented by the emergence of metrosexual men, who were conscious of their looks and were ready to spend money on personal grooming.

The predominant concern with a fairness cream for men was, that in a patriarchal<sup>2</sup> society such as India, using fairness creams was not considered very macho. Owing to this perception, a beauty cream for men could have easily failed in the market. Another issue was that men were not willing to admit to using women's fairness creams. Therefore, inducing them to buy such a product off the shelves was a challenge. In the need to create a product category that had not been catered before, the importance of men's behaviour in purchase decisions needed to be understood. It was also found that since the texture of a man's skin was harder, harsher and more exposed to sunlight, as compared to a woman's skin, there was a need to design a new product specifically for men that could provide them with the desired benefits. However, the priorities of male and female consumers were different. For men there was no societal pressure to look fair, it was more to do with their self-esteem, confidence, and personal

looks. Men were more focused on attributes such as oil control, aftershave, cooling effect and portability of the product.

***A new idea was born.*** Mr Hari Kishan Gupta, President, Business Development of Emami, observed while travelling in a train in South India, that using talcum powder on ones face was part of the morning routine of most men. There was an innate desire by dark-skinned man to look fair. In a second interesting incident, Emami research team discovered a shop opposite a boy's hostel in Andhra Pradesh (a state in South India) that sold more tubes of female fairness cream to hostel boys than to the girls. These men were too embarrassed to admit that they used women skin lightening cream. It revealed that several Indian men were closet users of their wives' and sisters' fairness creams. There was a demand for personal grooming products for male consumers but none of the existing products in the market could satisfy this latent need. All these incidents helped in initiating an idea of launching fairness cream for the Indian male consumers.

***An idea supported by research.*** The idea for launching Fair And Handsome cream was triggered by the MRUC (Media Research User's Council) research, which was conducted for Fair and Lovely (FAL) in different markets. The research indicated that both in both rural and urban India, 30 per cent of female fairness cream users were men<sup>3</sup>. These men were secret users as they were shy to reveal that they used fairness creams. Emami jumped at the idea, that there was a ready market for male consumers, who wanted a beauty product that could improve their personal look. Emami team travelled the length and breadth of the country and interacted with a host of retailers and intermediaries and received validation for the MRUC statistics. After doing detailed research, strenuous market study and brainstorming sessions, the company concluded that there was a need for a personal grooming product for men, which would help them in looking presentable and enhance their career prospects.

***Product testing with the consumers.*** Before Launching Fair And Handsome in 2005, Emami reconfirmed the research idea by doing a Focus Group study. The Focus Group was done on male consumers who had a dark complexion, to understand whether there was a need for a fairness cream for men. During this study, it was found that Indian men not only wanted to look fair, but also desired to look handsome. The feeling of "handsome" came out as the major payoff of this study. This was later tested through the product trials done on male consumers, wherein they were not only also asked about becoming fair, but about the overall feel they got after using the product.

Before the launch of Fair And Handsome, product samples were developed and tested on male consumers of different demographics in Andhra Pradesh. These samples were tested through a blind trial process and after use consumer feedback was taken. The study was conducted on about hundred consumers extending over a one-month period. The results of the study were very encouraging. The male consumers found Fair And Handsome to be fairly more effective than Fair and Lovely, which not only give them a fairer skin but also a better look. The consumers unanimously preferred Fair And Handsome to Fair and Lovely. The motivation of launching Fair And Handsome idea was further strengthened through this study.

### **Tactical Launch Decision**

**Marketing Strategy.** The Marketing Strategy had to be carefully planned as Fair And Handsome was to reposition the existing market leader, Fair and Lovely a fairness cream for women. It was uniquely placed as the first-of-its-kind fairness cream for men in a patriarchal society; and therefore, had to be marketed well. The launch of the brand also had to be swift, to avoid any imitation by competitors. Emami initially thought of going for a soft launch for Fair And Handsome. However, the company took a calculated risk after viewing the response of consumers in product trials. The actual launch was very aggressive with respect to product placement and shelf visibility. The company planned a phased pre-launch for Fair And Handsome and of evaluating its success by measuring the outlet productivity, shelf visibility, and product acceptance by the customers.

Fair And Handsome did not have any direct competition, as there were no predecessors in this new product category. However, the main challenge for the company was to change the mindset of the target group. They had to develop a well-defined holistic marketing strategy, which would give a clear message to Indian male consumers. The message being that it was okay to use a fairness cream and it did not lessen their masculinity in any way. The brand had to be visible with considerable promotion across all media channels. It also had to be unique in its differentiation, characterization, pricing and promotion strategy to influence its target audience.

**Product Positioning.** Emami was clear about the positioning of Fair And Handsome positioning was clear - the brand was to become the market leader in men's fairness cream category in India. The company claimed that cream was a one-stop solution for not just enhancing fairness, but also delivering additional benefits like oil control, sun protection, dark

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spot reduction and sweat control. The brand communication also laid stress on the wonder molecule “lumino-peptide” developed by Activorcorp Laboratories in the United States in collaboration with herbalist and dermatologist in India. Later, the brand moved on to the improved “deep action peptide” which offered the five benefits of oil control, sun protection, spot reduction, sweat control and long-lasting fairness.

***Proving a masculine characterization.*** Finding a suitable name for the product was based on the prevalent psyche of men, the potential users of the cream, that fair men were handsome. It was decided that the new men’s fairness cream would be launched as “Fair And Handsome,” The packaging had to be trendy, smart and eye-catching. The packaging colours and designs had to be of international standards as it was going to compete with the biggest names in the industry. The company also decided to give the product packaging a masculine look by choosing a colour scheme of black and grey with bold and square fonts on the pack, as shown in **Exhibit 1**.

***Pricing Strategy: Adopting a skimming pricing.*** Indian consumers seek value for money and prefer products with multiple benefits<sup>4</sup>. Usually, when a new product was launched in the FMCG sector, companies either adopted a penetration pricing strategy or priced their product below the market leader. However, as it can be seen from the price points of the products in 2005 (**Exhibit 2**), the price fixed for Fair And Handsome was even higher than that of the well-established market leader in the fairness cream category, Hindustan Unilever’s Fair and Lovely. The product pricing was a bold and thoughtful leadership stance. The company researched and found out that as compared to women, men would be willing to shell out more money on their personal grooming. Price also plays a crucial role in decision making of a low involved customer; it had to be therefore made available in smaller trial packs.

***Promotion Strategy.***

***Choosing the right brand ambassador.*** In the FMCG sector, where several common substitutes were readily available, it was important to position the company’s product uniquely. The next move in the launch of the product was to make it visible to the people. This process necessitated an innovative promotional campaign, which would lay the groundwork for the launch. To increase consumer awareness and to build brand aspiration for higher product recall, famous Indian actors such as Shah Rukh Khan and Surya were signed on as brand ambassadors,

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post the initial successful launch. Indian people are emotional and respond to the pull of a popular celebrity, where these movie stars were often worshipped as a hero. ( **Exhibit 3**)

***Starting with the right locations.*** At the time of the launch of Fair And Handsome, Emami had a sales staff of only around 500 people working for the launch. The launch began in June 2005, at Hyderabad and Vijayawada in Andhra Pradesh, followed by Karnataka in August 2005 and went nation-wide in October 2005. The company decided to start its launch in Andhra Pradesh, as this state was in southern India where it had a strong distribution network. The state also had a sizeable proportion of surrogate users of Fair and Lovely (women fairness cream). The company ensured that Fair And Handsome cream was available across 30,000 outlets. It also aimed to convince 30 per cent of men using female fairness creams to use Fair And Handsome. By the end of 2006, the product was available across 900,000 outlets<sup>5</sup>. After a nation-wide launch, the product was also launched in international markets such as Bangladesh, Sri Lanka, Nepal and the Middle East.

***Painting the city red.*** Ten days before the launch of the product, Billboards were displayed at strategic locations on roadsides and highways in Hyderabad and Vijayawada in Andhra Pradesh, which acted as teasers, questioning men's habit of using female fairness creams. This move was bold but risky—it could turn away prospective consumers—, by questioning men who used female fairness creams. Extensive carpet coverage<sup>6</sup> was carried out including the highways. All the leading malls, colleges, and salons were targeted for consumer activation and sampling of the product. Unique media campaigns were launched with innovative commercials to appeal to the psyche of men.

***Reaching the Masses.*** In the first year of launch it was aimed that the target group (TG) reach and television-rating point (TRPs) for Fair And Handsome should match those of Fair and Lovely in all mediums. The four primary mediums used by Emami for mass advertising were television, print, digital and mobile services. The company's promotional campaign emphasized men's hidden desire for fair skin. Over a period of 28 days, leading malls, colleges, and salons were targeted, mainly on weekends. Around 30 colleges in the Hyderabad region and over 200 salons were approached in 20 days. Promoters were hired to promote Fair And Handsome in 560 urban shops, and a specific set of promoters were reserved for the promotion of the product in rural areas. Advertisements were released in all leading newspapers in Andhra Pradesh. All television channels were simultaneously broadcasting the Fair And Handsome cream



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advertisements. The TV advertisements laid emphasis on convincing men to use a fairness cream specially created for their skin. Unique media campaigns were launched with innovative commercials that showed how product usage enhanced social recognition for men.

***Optimizing Digital Communication.*** A new channel used in the communication strategy was digital communication. Those were the times where the internet, email, and mobile marketing were not so popular. The company tied with a prominent web portal to send email to its users. It was probably the first time that an email marketing strategy was used to reach out to people, 1.6 million Rediffmail users in Andhra Pradesh were reached with the objective of establishing brand value and recognition for the brand. Mobile messaging was a costly affair in 2005, with each message costing Emami around INR 5, a push-based SMS campaign was started with an aim to target 300,000 Hutch-Alive (Mobile service provider) users across South India. In the initial phases, the focus was on the cities of Hyderabad, Vijayawada, Vishakhapatnam, and Warangal in Andhra Pradesh. The advertisements for Fair And Handsome cream were depicted in different languages and in different mediums.

#### ***Distribution Strategy.***

***Building the leader network.*** With a clear vision of the positioning of the product for the target consumers, the next step was to launch the fairness cream in the market. This involved logistics and support arrangements to supply the product to the cosmetics and general merchandise outlets. The aim was to launch the product in 30,000 outlets across Andhra Pradesh within 15 days of the launch in 2005. Teams of two or three people from Emami and one or two individuals from the distributor were entrusted with the ready stock units to be supplied to the retailers. All teams were given agreement forms for display in all outlets and were instructed to cover a minimum of 50 outlets in one working day of eight hours. Carpet coverage was undertaken to cover all the outlets on the coverage route. Special schemes and offers were made to incentivise shop owners to display the Fair And Handsome cream on their shelves. Prizes were offered to shopkeepers and retailers to increase the number of units of Fair and Handsome displayed, which faced outside and were visible to consumers (“facings”).



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***Aggressive salesforce strategy.*** A four-member team was constituted to visit each shop with clear instructions and individual tasks. Each team member who visited a store was given a set of steps detailing what he should do and in which order so that he could engage the seller in the shop. The sales protocol of all the members has been discussed in **Exhibit 4**.

Even at the sign-off, the sales team was required to say, “Men do not want to be lovely, they want to become handsome.” The extent of emphasis laid on the underlying philosophy of the fairness cream—being handsome—quickly and comprehensively captured the men’s fairness market.

### **Relevant Concerns for Emami**

By 2019, Fair And Handsome had emerged as a power brand contributing to 9% of Emami’s total FY19 revenue which was about rupee 2.30 billion.<sup>8</sup> This was the largest brand in Men’s fairness category and second largest in overall fairness category in India having 63.7% market share. Fair And Handsome product formulations based on Ayurveda and supported by innovative marketing strategies helped in maintaining continuous growth for its brand. Emami’s major concern was its limited existing product portfolio; the company was looking at ways for leveraging the power of its existing brands by product addition in the male grooming segment so as to strengthen the mother brand, Fair And Handsome. The brand had a successful expansion journey with face wash launched in 2014 and Fair And Handsome winter solution launched in 2015. Emami had to be cautious with brand extension strategies as overextension could also dilute the mother brand.

Fair and Handsome’s success signaled a huge, untapped market for male-grooming products and companies, both homegrown and multinational, started investing in the male grooming segment. Emami’s focus and concern is now on innovating and introducing new products across a wide range of male grooming categories that resonates with the millennial consumer. Learning from the commercial success of Fair And handsome brand the company had to decide on its future growth strategies either by focusing on existing product portfolio or by creating new product categories in new segments.<sup>9</sup>

**Exhibit 1: Packaging design**



Source: Emami Limited, "Annual Report 2012-13," accessed July 25, 2017, <http://www.emamiltd.in/images/annualreportpdf/20130717002822small299.pdf>.

**Exhibit 2: Pricing Strategy of Different Competitors (in 2005)**

Emami Limited <i>Fair And Handsome (men's fairness cream)</i>		Hindustan Lever Limited <i>Fair and Lovely (women's fairness cream)</i>		Cavin Care <i>Fairever (women's fairness cream)</i>	
Size	MRP	Size	MRP	Size	MRP
9 ml	6	9 g	5	9 ml	5
30 ml	30	25 g	28	25 ml	27
60 ml	53	50 g	50	50 ml	49

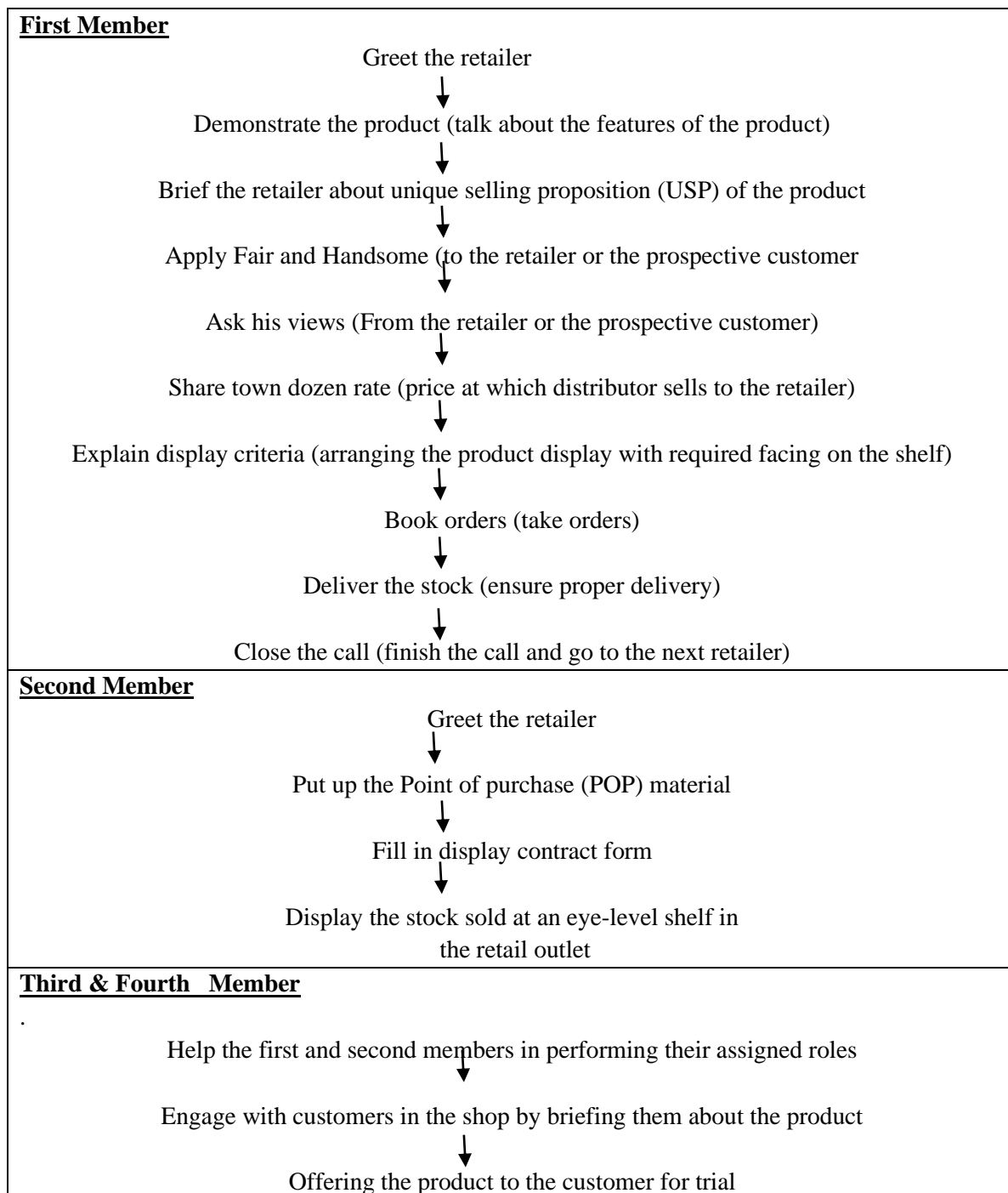
Source: Company pricing note created for the Fair and handsome launch in May 2005(Reproduced with prior permission from Emami).

**Exhibit 3: Fair And Handsome Advertisement With Well Known Celebrity Shahrukh Khan As Its Brand Ambassador**



Source: Reproduced with prior permission from Emami

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**Exhibit 4: Salesforce Strategy**

Source: As told by Emami president, *Business development (2005)*

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