

Brand Watch: Rapid innovation keeps Cillit Bang ahead of the competition

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New Cillit Bang Multi Power is the latest addition to the Cillit Bang range of products in the UK in 2008 as manufacturer Reckitt Benckiser looks to revitalise consumer interest and retain brand loyalty through consistent new product introduction in a stagnant UK market facing an economic downturn.

Cillit Bang Multi Power is a reformulation which retains the original Cillit Bang power but is more versatile in that it can be used on a broader range of surfaces. Prior to this, Reckitt also launched New Cillit Bang Grease & Floor in April, adding to the already popular existing line of products with slightly task-specific positioning. The launch of New Cillit Bang Multi Power reinforces its multi-purpose property and promotes frequency of usage.

Rapid innovation to rejuvenate sales

The launch of Cillit Bang Multi Power so soon after that of Cillit Bang Grease & Floor was part of the company's attempt to rejuvenate its Cillit Bang sales in the UK, as the company witnessed a disappointing performance in 2007 at the expense of expanding private label products. With Reckitt's integration of healthcare businesses BHI and Adams Respiratory Therapeutics coming to an end, the company is now able to refocus on developing its household care products.

Reckitt's consistency in product innovation has always been one of the company's core competencies, enabling it to maintain its market share and compete with rival household care giants P&G and Unilever at global level over the review period. Indeed, the company's research and development spend topped Â£92 million in 2007, up 46% from three years ago, while it derives around 40% of its net revenues (Â£2.1 billion) from new products launched over the last three years. By identifying only a limited number of power brands (18) to focus on, Reckitt was able to optimise its resources for product research and marketing support.

Reckitt's global media support for its brands accounted for 13% of its net revenue in 2007. Its generous spending on marketing contributed to distinguishing the benefits of its products and brands directly to consumers, hence driving up sales through clearly communicated value-added features. To support its Cillit Bang launch this year, the company has scheduled marketing activities worth Â£7 million in the UK, including a television campaign and outdoor and press advertisements.

Credit crunch a double-edged sword

As one of the leading surface care markets in the world, the UK will continue to develop at a sluggish pace given the rather dull nature of these products. The market is forecast to contract over the next five years. Faced with the rise of cheap private label products, branded manufacturers will increasingly seek to improve their value shares via continuous new product development to encourage consumers to trade up. Consumer preference intends to shuffle between the task-specific and multi-purpose cleaners when it comes to purchasing surface cleaners, a trend which is likely to remain over the forecast period.

UK consumers are facing a credit crunch following problems in the US sub-prime mortgage sector. Combined with the inflation rate jumping to an 11-year high at 3.3% in May this year, consumers are finding ways to stretch their budgets by going back to the basic essentials. New Cillit Bang Multi Power is likely to do well in the power cleaner sector as consumers will be tempted to buy just one instead of a number of products to tackle dirt in different places in their homes.

That said, the new launch may also possibly cannibalise sales of other Cillit Bang products, such as the initially launched Cillit Bang Crystal Powder, constraining the company's sales growth in the sector as a whole.

However, brand performance in surface care is closely related to marketing support and its "tone of voice". Cillit Bang's advertising tag line "Bang and the dirt is gone!" continues to reinforce the product's ability to tackle tough cleaning problems and guarantees consumers product efficiency. While smaller domestic players will focus mainly on developing niche products for very specific purposes due to financial constraints, Reckitt will be able to compete for more share as it has the financial muscle to provide consistent and high-profile marketing support to its Cillit Bang range. Stepping up its product development this year, Cillit Bang is expected to do well and remain at the head of the power cleaner sector in years to come.

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