AN EMPIRICAL ANALYSIS OF PRICE ELASTICITY AND BRAND ATTRACTIONS OF TOILET SOAP BRANDS IN AN ORGANIZED RETAIL ENVIRONMENT

MOHIT AGRAWAL*; DR. ABHISHEK RAIZADA**

*ASSISTANT PROFESSOR,
SCHOOL OF BUSINESS, GALGOTIAS UNIVERSITY,
GREATER NOIDA, UP.

**ASSISTANT PROFESSOR,
SCHOOL OF BUSINESS, GALGOTIAS UNIVERSITY,
GREATER NOIDA, UP.

ABSTRACT
The debate on modeling, conceptualization and understanding of price elasticity of various products in multiple settings and environments has been continuing for the last many decades with far reaching implications on marketing efforts, specially pricing and promotions. The present study attempts to empirically evaluate the application of one of prominent models of price elasticity and brand attractions i.e. the Multiplicative Competitive Interaction Model (MCI) for the retail soap segment in an organized retail setup in India. We try to analyze the price elasticity dynamics of fifteen soap brands divided into twenty three variant offerings in terms of varying weights. The data pertains to sales of these soap brands over a nine week period. On application of the model, it was observed that the MCI model is suitable under the current market settings and situation. The price elasticity of the soap market has been found in line with expected figures with minor variations. The soap brands have also been compared on their relative attraction quotients. An attempt has also been made to compare different size (packaging) variants for some brands. The analysis and its findings clearly establish the applicability of the MCI models in retail setups for the soap industry in the region. Further retailers and manufacturers can also use the results and conduct deeper studies for their merchandising, pricing and promotional policies.

KEY WORDS: Brand Attraction, FMCG, Market Share Theorem, MCI, Multiplicative Competitive Interaction, Point of Sale Data, Price Elasticity, Soap Market in India