

Malaysia Laundry Detergent

Malaysia Soap & Detergent Association

CJ. Hee

19th Oct 2017

Content

- Country Profile
- Laundry Detergent Market Overview
- Business Environment
- Challenges



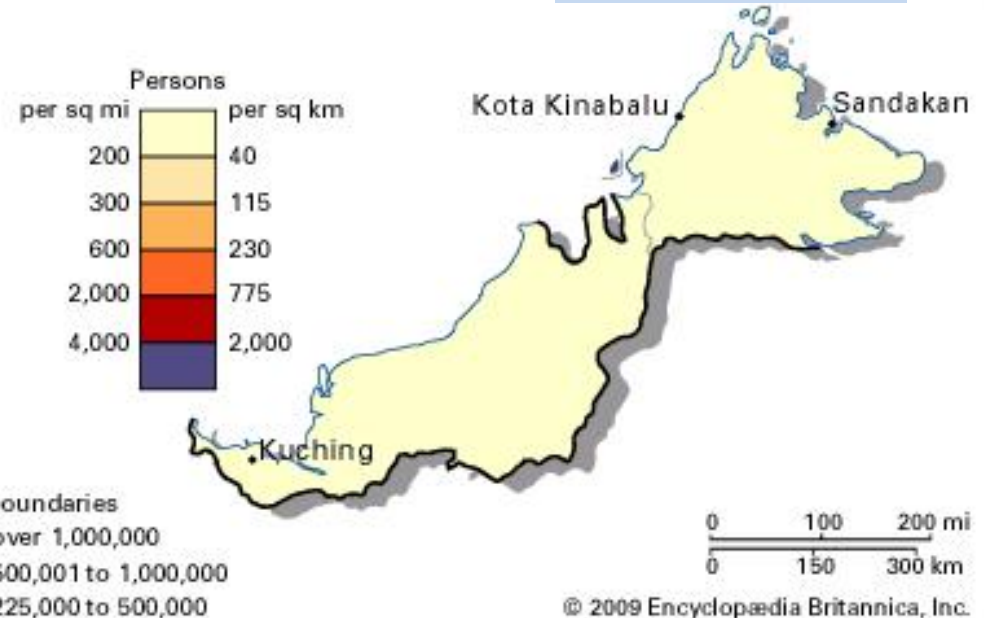
COUNTRY PROFILE

Malaysia

Peninsular Malaysia



East Malaysia

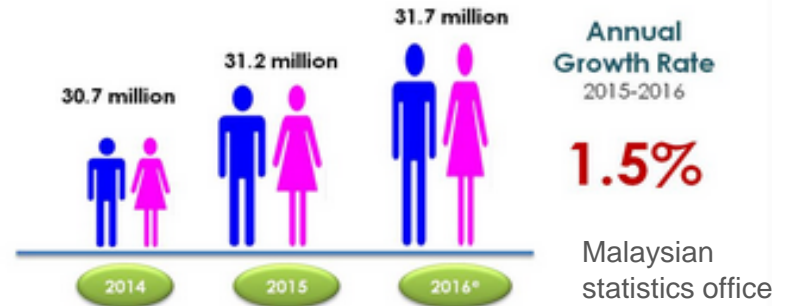
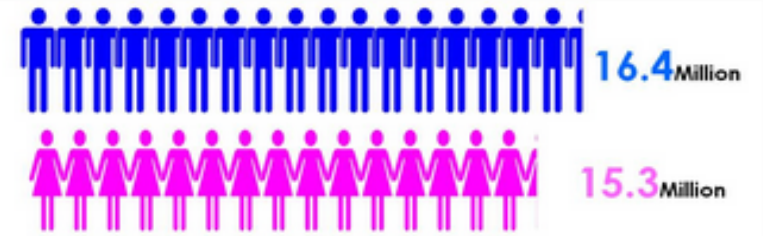


Area – 330,323 km²

Population **31.7 million** (2016)

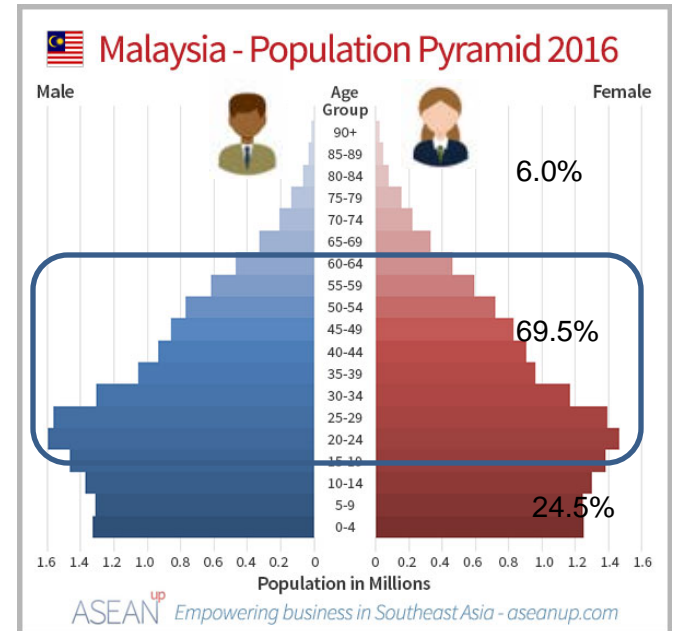
Population Distribution

- Male 16.4M, female 15.3M
- Population growth rate 1.5%
- 69.5% between 15 and 64 years old
- Household population of 7.6 million



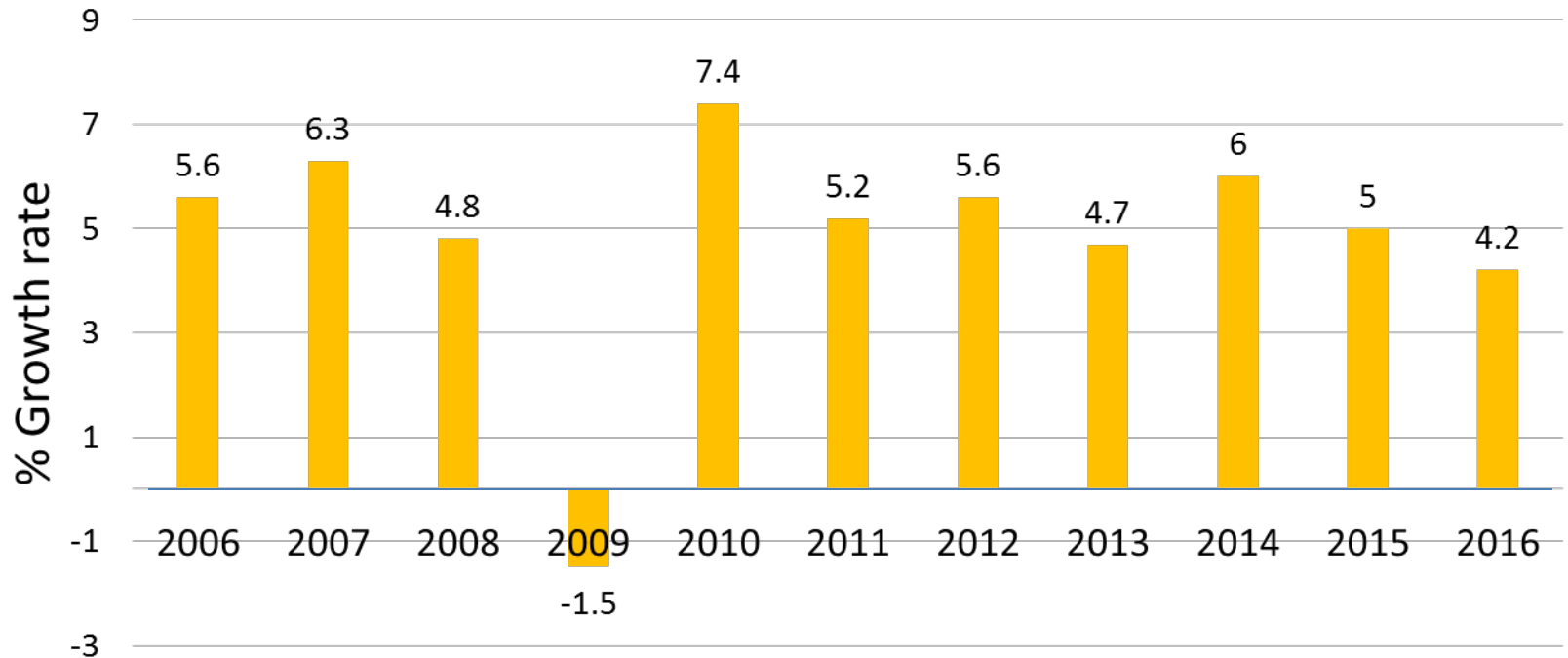
Total Population by Ethnicity %

- Malay 68.6%
- Chinese 23.4%
- Indian 7%
- Others 1%



Malaysia GDP in 2016 was
RM1,108.2 billion (USD250.4 billion)
Registered a growth of 4.2%

GDP Annual Growth Rate



Notes : The growth rates for 2006-2010 are based on 2005 constant prices. While the growth rate for 2011-2016 are based on 2010 constant prices

Laundry Detergent Market Overview

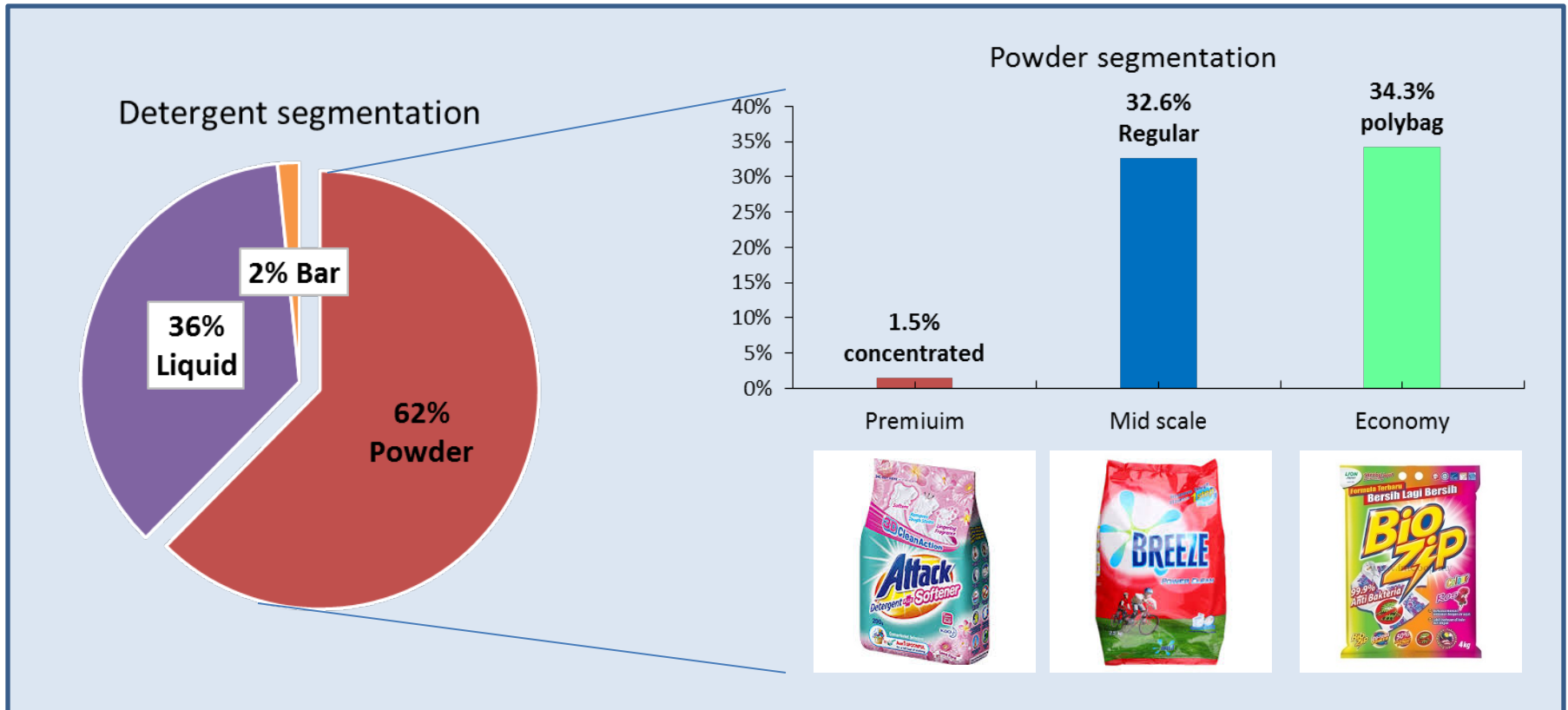
Laundry Detergent Market

- Laundry detergent market is worth approximately
 - USD 220 million (2016)
 - 200,000 mt
- Main segment :
 - Detergent powder
 - Detergent liquid
 - Detergent Bar
- Annual detergent consumption is approximately 26kg/household

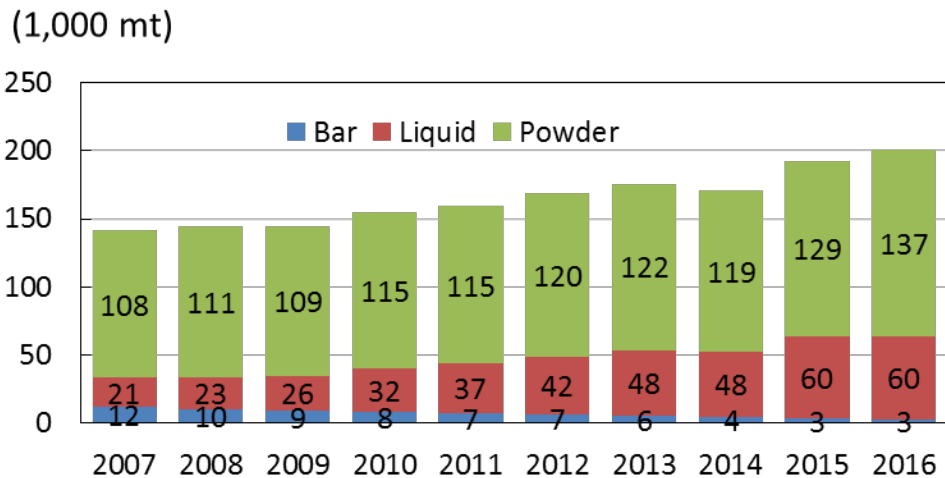
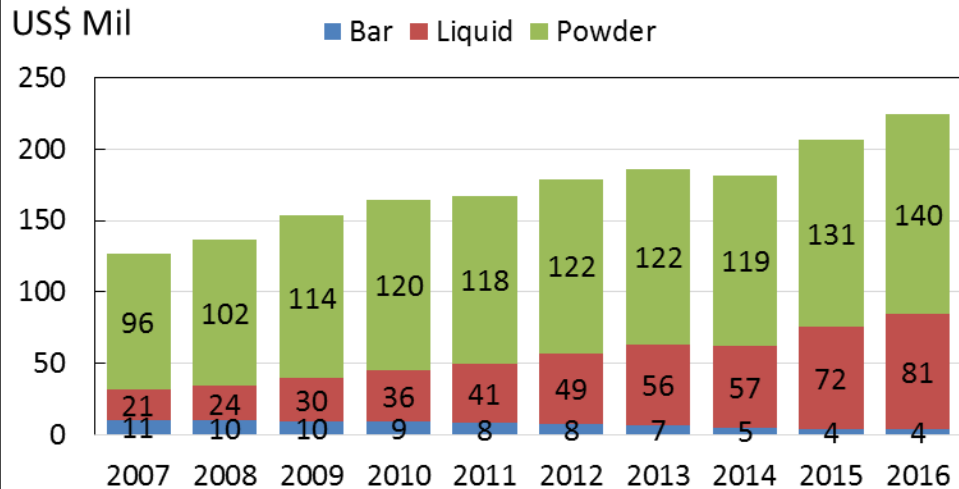


Detergent Market Segmentation

- Detergent powder dominates Malaysia market representing approximately 62% of the total value



Market Trend (value, Volume)



Value (USD)	Growth 2016 Vs 07
Total laundry	76.4%
Powder	46%
Liquid	286%
Bar	-65%

Volume (mt)	Growth 2016 Vs 07
Total laundry	38.7%
Powder	26.7%
Liquid	182%
Bar	-75%

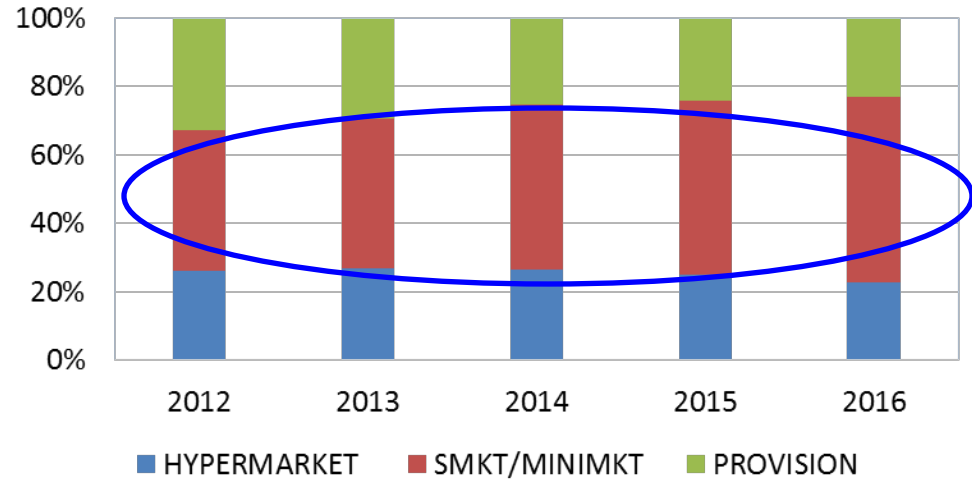
- Total detergent market is growing in both value & volume
- Bar segment is shrinking
- Powder & liquid at increasing trend

Market Trend

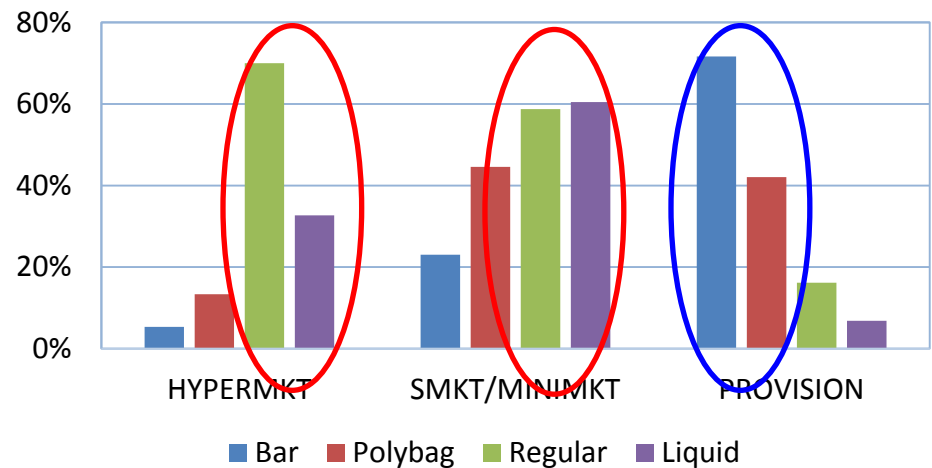
Distribution Channel

- Super/ Mini market is the main retail channel as large selection
- Provision is less popular
- Liquid & regular : Hyper/Super/Minimkt
- Provision shop is more popular for Polybag & Bar

Trade Contribution : Vol %



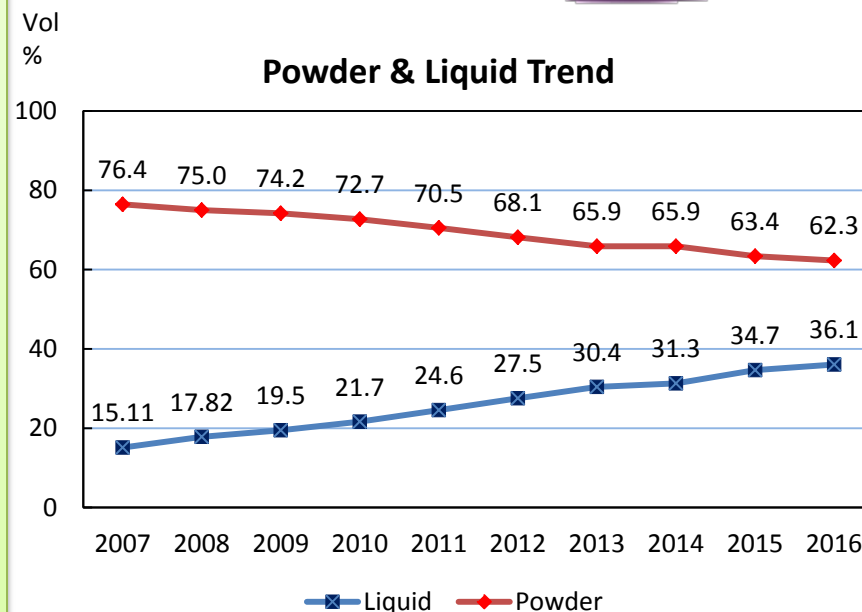
Product Volume % distribution at Trade



Product Trend

Growth of liquid detergent

- Steady shift from powder to liquid detergent
- Shift led by detergent producers as liquid are cheaper and less energy demanding to produce than powder
- Chinese shows high preferences towards liquid detergent as compared to Malay, could be due to economic reason
- To consumer it is dissolves easily
 - ⇒ no need extra effort to ensure powder dissolves
- No powder residue
 - ⇒ no need to re-rinse clothing to remove residue
- Liquid offer conveniences & more function
 - ⇒ ease of use, spot-stain removal, better performance, clothes feel softer



Product Trend

Shifting toward green

- Detergent industry moving toward the development green
- Waiving phosphate afford was on a voluntary basis
- Majority of market products (powder & liquid) are phosphate free
- 2 main reasons of transformation :-
- Increase green awareness of Malaysia consumers
 - Escalating price of petrochemical based surfactants



Business Environment

- Market : Severely competitive markets with adopting low price strategy , aggressive promotion & heavy advertisement



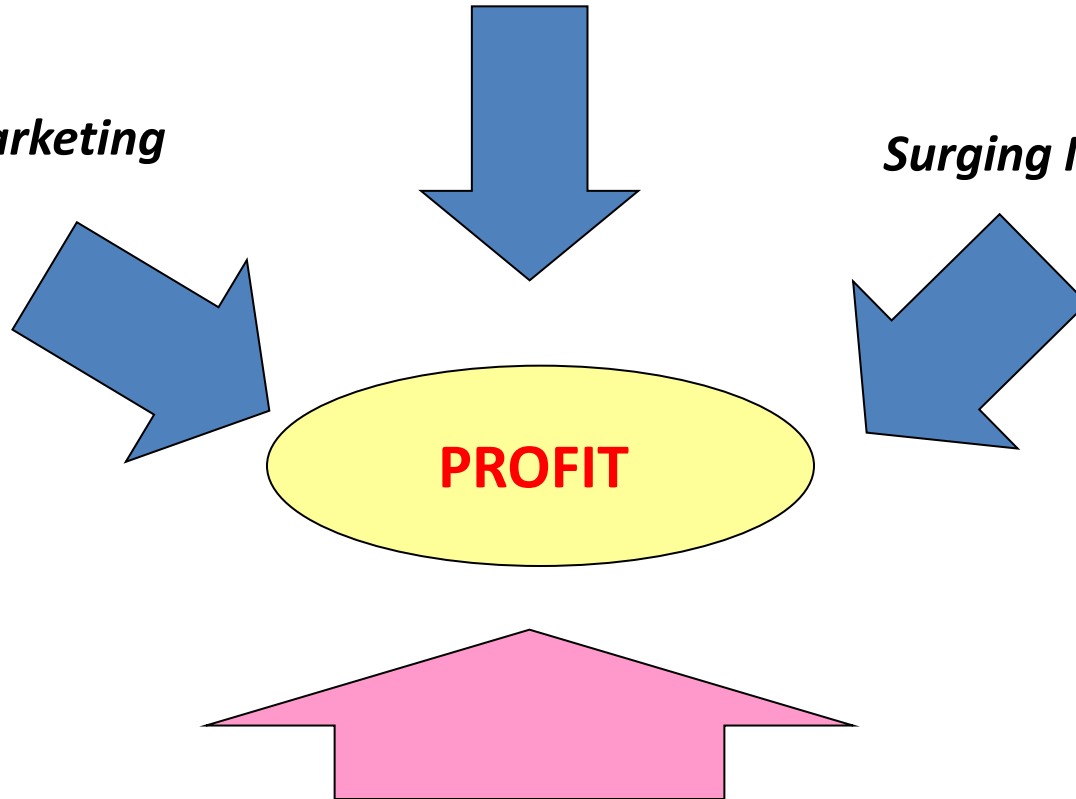
- Retail: Growing power of key accounts and price wars
=> increasingly demanding trading terms
- COG: Sharp increase of raw material costs dues to surging demand in China & India

Business Environment

Pressure to lower prices

Increasing marketing investment

Surging Material Cost



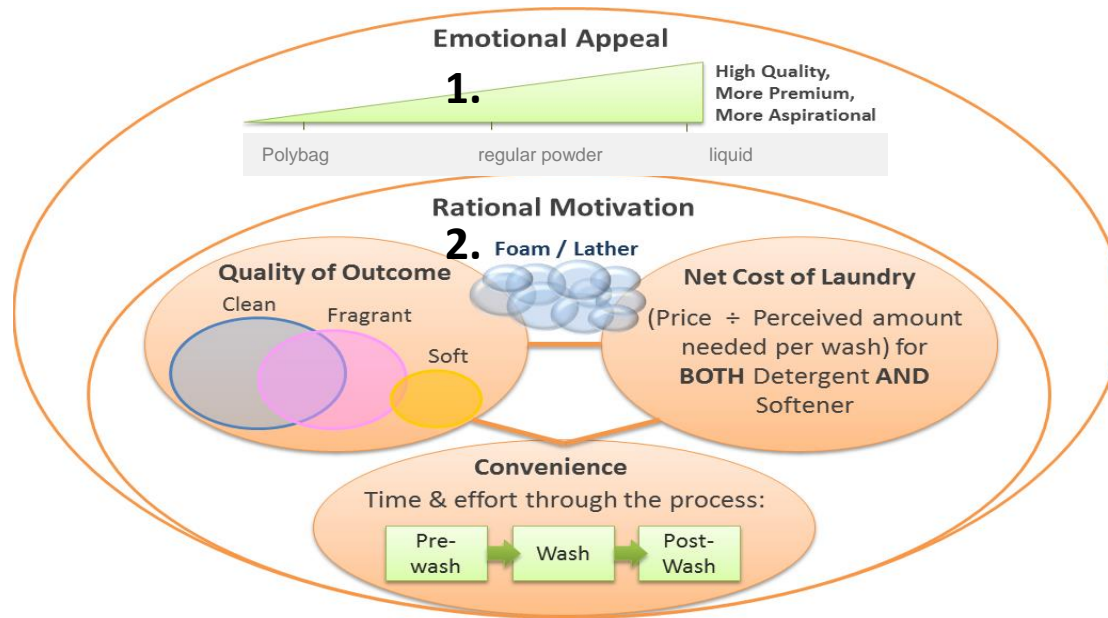
Continuous innovation afford to maintain competitiveness and deliver profits

Detergent Industry Challenges

- Product innovation for consumer choice
- Product COG

CONSUMER DETERGENT CHOICE

- Consumer are driven by 2 Factors when they choose their detergent.
 - 1. Emotional Appeal
 - 2. Rational Motivation



EMOTIONAL APPEAL

- Emotional Appeal - How they feel about the product.



Polybag

- Low income, lives in a village
- Not very selective about the detergent brand as long as it is **cheap**.
- Not so concerned about cleanliness
- Must soak first before washing
- Not a choosy person

Regular Detergent

- Lives in a town / city.
- More particular about laundry - wants it to be **clean** and **smell fresh**
- Will soak & scrub if necessary
- Friendly, confident

Liquid Detergent

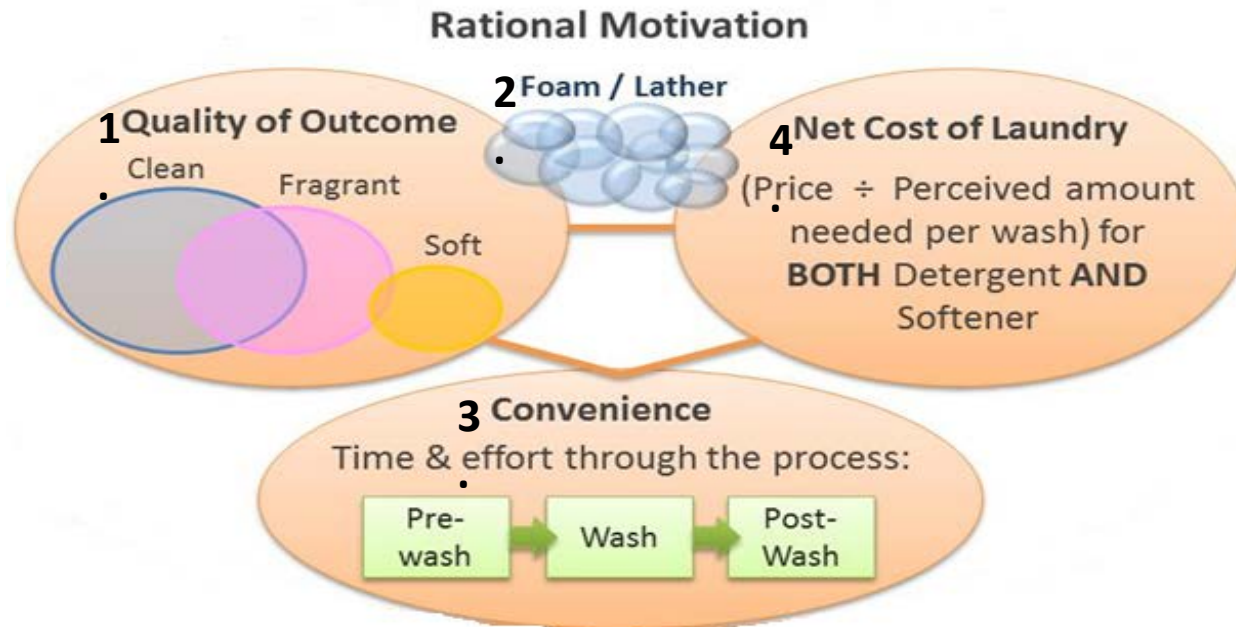
- Lives in condo or bungalow – live in a town / city
- Laundry will be **clean, soft & fragrant**.
- Less time and effort – can skip soaking stage
- Protection to clothes & safe to use

RATIONALE MOTIVATION

Rational Motivation - What they expect from the product

Consumers want :

- a) Thorough Visible & Invisible cleaning
- b) Pleasant & Long lasting fragrance
- c) With most convenience & least possible effort
- d) At the lowest net cost for laundry products.



Consumer Trend

4 Key Consumer Trends in Laundry Detergent Market



Value



Experience



Convenience



Green

Life style

- Increase urbanization
 - 2 career family, high rise living
 - Different type of cleaning habit
- Moving up middle class growth
 - Increased disposable income leading to “aspirational” spending
- Sustainability
 - Concerns environmental/safety issues



Implication

- Higher water, pollution, time stress
 - Convenience, value, speed
- Greater wealth increase the demand of modern cleaning
 - Increase hygiene expectation, experience
- Growing awareness of safety and environmental
 - Greener product : require less water, biodegradable, safety

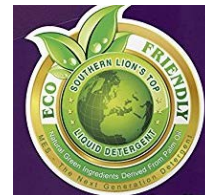


Green

Product Innovation

Green innovation - Free of harsh chemicals that are harmful to environment, human & save resources

Product claims	Technologies
<ul style="list-style-type: none">• Phosphate free formula<ul style="list-style-type: none">➤ Potentially trigger eutrophication	<ul style="list-style-type: none">• Substitution with other builders , chelator, anti redispersion agent
<ul style="list-style-type: none">• Adopting sustainable material<ul style="list-style-type: none">➤ Reduce carbon foot print	Plant base ingredient <ul style="list-style-type: none">• oleo-chemical surfactant (coconut/palm)
<ul style="list-style-type: none">• Biodegradable component<ul style="list-style-type: none">➤ Readily biological degradation	<ul style="list-style-type: none">• Surfactant - Linear alkyl benzene• Biodegradable enzyme, chelating agent
<ul style="list-style-type: none">• Reduce number of rinsing<ul style="list-style-type: none">➤ Water conservation	Silicones technology <ul style="list-style-type: none">• Anti foam emulsion and compound



Environmentally friendly plant-based surfactant MES, low CO2 emission





Convenience

Product Innovation

Convenience innovation – Save time & afford of laundry chore and improve family life

Product Claims	Technologies
<ul style="list-style-type: none"> Short wash cycle / no soaking <ul style="list-style-type: none"> ➤ Reduce time stress ➤ Reduce effort 	<ul style="list-style-type: none"> Enzymatic power – co-granulate enzyme action to get complete remove tough stain Polymer technology – soil release polymer, increase hydrophilicity Surfactant technology – fast & deep penetration into fiber core
<ul style="list-style-type: none"> No sorting <ul style="list-style-type: none"> ➤ Reduce time stress 	<ul style="list-style-type: none"> Anti Dye technology - dye fixative, dye inhibitor Polymer technology – soil suspension
<ul style="list-style-type: none"> Indoor drying <ul style="list-style-type: none"> ➤ Keep fresh w/o SL 	<ul style="list-style-type: none"> Anti bacterial agent - bactericide /photobleach/oxygen bleach Fragrance technology - Odor neutralizing/ encapsulated
<ul style="list-style-type: none"> Ultra concentrated <ul style="list-style-type: none"> ➤ 2x better stain removal 	<ul style="list-style-type: none"> Concentrated power gel formula Multi enzyme power



Save Time & afford

Make your laundry task lighter, not required soaking, scrubbing, brushing & bleaching → less time, less effort.



Indoor Drying Expert

Formulated for heyaboshi or indoor drying, did not leave any stinking smell on clothes.



Value

Product Innovation

Value innovation – value oriented benefits that improve washing efficacy

Product claims	Technologies
<ul style="list-style-type: none">• Hygienically clean<ul style="list-style-type: none">➤ Remove visible & invisible soil➤ Anti mite dust	<ul style="list-style-type: none">• Surfactant power- Deep cleaning, good grease dissolving• Good solubilizer- Fast penetration, good wetting• Multi enzyme cleaning power
<ul style="list-style-type: none">• Care – colour , clothes<ul style="list-style-type: none">➤ Stay brilliant/ restore color➤ Minimize damage/keep surface smooth	<ul style="list-style-type: none">• Enzymatic power – Remove fuzz & pills• Anti graying – reduce inorganic builder
<ul style="list-style-type: none">• Malodor control & Anti bacterial<ul style="list-style-type: none">➤ Keep fresh during soaking & raining	<ul style="list-style-type: none">• Anti bacterial agent, oxygen bleach, photo bleach• Fragrance deodorizing technology
<ul style="list-style-type: none">• Keep whites white	<ul style="list-style-type: none">• Optical brightener, shading dye – shift yellow to blue• Enzymatic power - cleave off damaged microfibrils, anti-redeposition



Value

Product Innovation



Hygienically Clean

Remove invisible soil such as bacteria, sebum and protein. Odour buster for sweat heavy laundry (sport wear)



Keep Whites White

“Superior Whiteness” technology that makes your clothes whiter than ordinary detergent



Colour Protection

Protects coloured fabric & keeps colours bright



Anti bacterial

Advance anti-bacterial formula inhibit bacterial growth all day long



Super Clean

Innovative formula with multi enzymes that remove tough stain effectively, kill odour causing bacterial & provide cleaner clothes





Product Innovation

Experience

Experience – senses of emotional through touch, feel and smell

Product claims	Technologies
<ul style="list-style-type: none"> Long lasting fragrance <ul style="list-style-type: none"> ➤ Stay fresh all day long 	<ul style="list-style-type: none"> Fragrance technology - encapsulated
<ul style="list-style-type: none"> Feel soft <ul style="list-style-type: none"> ➤ 2 in 1 soft & clean 	<ul style="list-style-type: none"> Silicones technology Softening clay – less incrustation Polymeric technology – increase hydrophilic & wettability

Softening feel



2 in 1 clean & softens

Improve fragrance delivery & long lasting fragrance impact with encapsulated fragrance



Freshness of Downy passion, long lasting fragrance



Fragrance lasting 30 days



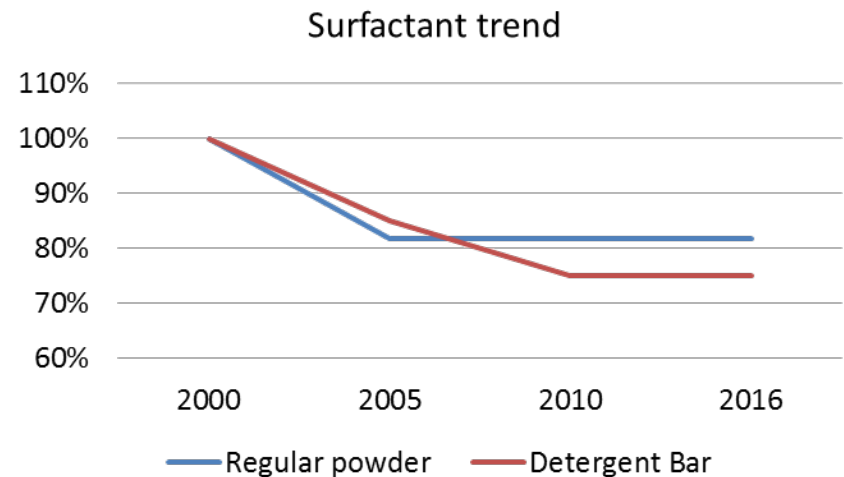
leaves your clothes with great fragrance all day long.

Product COG

Maintain product cost without compromising performance

Formula

- Optimize product Cost
 - Avoid over performing
 - Avoid over usage material
- Material replacement
 - Same or similar function in product
 - Same or similar spec material from alternative source
- Synergy effect with new technology raw material
 - Reduction component %



Product COG

Packaging

- Optimize packaging Cost
 - Transform : Box → bag
- Optimize material usage
 - Avoid over sizing & specification
 - maximize container headspace
 - reduce air trapped
 - optimize weight
- Material replacement
 - Virgin board/resin → recycle grade



Product COG

Production Pattern

- Process Efficiency Improvement
 - Automation
 - Continuous, master batch process – reduce code change
- Utilities Management
 - Technology adoption to enhance energy efficiency
 - Spray Tower process → Non tower process
 - Hot mixing process → cold mixing
- Minimize Reject/ wastage
 - over dosage material
 - over weight product
 - reduce reject



Thanks!