Study on Marketing Strategies on Purchasing Decision of FMCG Products (Soaps and Detergents) of Hindustan Uniliver

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Abstract: Purpose: This study investigates the marketing strategies employed by Hindustan Unilever Limited (HUL) for its Fast-Moving Consumer Goods (FMCG) products in the soaps and detergents category.

Research Methodology: The research will likely involve a combination of methods, potentially including:

- **Secondary data analysis:** Examining existing market research, company reports, and industry publications to understand HUL's marketing strategies.
- **Case studies:** Analyzing specific HUL soap and detergent brands to see how marketing strategies are implemented.
- **Consumer surveys or interviews:** Gathering insights from consumers about their perceptions of HUL's soap and detergent brands and marketing efforts.

Findings: The study is expected to reveal insights into HUL's marketing strategies for soaps and detergents, including:

- How HUL segments the market and targets different consumer groups.
- The marketing mix (product, price, place, and promotion) used by HUL.
- The effectiveness of HUL's marketing strategies in reaching and influencing consumers.

Limitations/Implications: Limitations might include data availability and the generalizability of findings. The study's implications could inform marketing practices for HUL and other FMCG companies in the Indian market.

Originality/Value: By analyzing HUL's successful marketing strategies, the study can offer valuable insights for researchers and practitioners interested in FMCG marketing in India.

Keywords: HUL, FMCG, Soaps, Detergents, Marketing Strategies, Consumer Targeting, Market Segmentation

1. Introduction

The Fast-Moving Consumer Goods (FMCG) sector, encompassing essential household products like soaps and detergents, is a fiercely competitive landscape in India. Hindustan Unilever Limited (HUL) stands as a prominent player within this market, consistently striving to retain its dominant position. A crucial factor in achieving this goal is a deep understanding of consumer behavior and the factors influencing purchase decisions for HUL's FMCG offerings. While marketing strategies undoubtedly play a significant role in shaping consumer preferences, existing research lacks a comprehensive exploration of their specific impact on purchase decisions for HUL's soaps and detergents. This research study aims to address this gap in knowledge by investigating the relationship between HUL's marketing strategies and consumer purchase decisions for their soap and detergent products. Through a rigorous analysis of this relationship, we can generate valuable insights to inform HUL's marketing efforts, empowering them to effectively target and influence their audience, ultimately securing continued success in the dynamic FMCG landscape.

2. Review of Literature

Hindustan Unilever Limited (HUL) is a dominant force in the Indian FMCG (Fast-Moving Consumer Goods) sector, particularly within soaps and detergents. Understanding their marketing strategies for these products is crucial for researchers and industry professionals. This review aims to identify and analyze relevant scholarly literature on HUL's marketing approach for its FMCG soaps and detergents.

(Ogilvy, 1985) Ogilvy has written an authentic legendary book on advertising which is used by the professionals in the field of advertising. Ogilvy stated "Advertising is Salesmanship." Ogilvy made his clients rich beyond their dreams. His ideas are really timeless.

(Aaker, 1995) Aaker has written Managing Brand Equity where he said that for strong brand building skills are needed for the existence and growth/prosperity of companies. He said that the brand managers must understand the value of a brand which is a strategic weapon or strategic asset used as a source of competitive advantage. Aaker used brand building cases from Saturn, General Electric, Kodak, Healthy Choice, McDonald's, and demonstrated how strong brands have been created and managed. The twin concepts of brand identity and brand position are important in managing the brand. David Aaker explained how to manage the brand assets for which he has given practical management issues on brand equity.

(Knapp, 1999) The author wrote about the secrets of branding success. Author said that brand/marketing managers need to consider that a brand is the most valuable asset of the company and companies should take own efforts for brand success. Knapp stated that brand manage/marketing manager need to make decisions about the brand, it's message and promise to the consumer to build a specific image for the brand.

(Mukerjee) (2013), The author Kaushik Mukerji presented the book "Building Brands That Win" in a fantastic manner by giving proper blend of academic and practical concepts and approaches giving suitable examples. He wrote about the best brand practices for brand building in today's fast competitive and rapidly changing environment. Mukerjee mentioned that due to importance of branding customers are becoming choosier and more demanding which is a challenge before marketers. Author said that understanding the customers and their buying behavior is must. Customer's price expectations, and an impact of brand must be observed. Due to customer demands competitors keep on offering them new brand promises. Author also said that in today's fast and competitive world companies are more concern about shaping their brand differentiation, brand values and brand personality and position their brands in a proper manner so that they can do relevant and unique positioning of brands which are the assets of the company. Kaushik Mukerji has focused on the feelings of customers, their experiences and their brand engagement which foster brand loyalty amongst them. Reduction in brand loyalty is out of fickle mindedness of customers. The author also wrote about brand extension using the brand personality to earn a better market share and win the heart of the customers. By the brand extension a company targets same customers for their brand extension product.
e.g. Surf Excel detergent bar which is extension of Surf excel detergent powder. Author also wrote on celebrity endorsements, brands vision and purpose, threats of new entrants, bargaining power of buyers, brand communication, brand failures building global brands. Mukerji said that brand leadership gives a great opportunity for success.

Nagaraja (2004) emphasizes the growing influence of rural Indian consumers and their increasing brand awareness. This necessitates tailoring HUL's marketing strategies to cater to this segment's specific needs. Targeted advertising campaigns and establishing robust distribution channels in rural areas are potential approaches to capitalize on this shift in consumer behavior.

3. Need of the Study
Hindustan Unilever Limited (HUL) is a dominant player in the Indian FMCG sector, particularly for soaps and detergents. However, the landscape is constantly evolving, driven by factors such as rising consumer expectations for sustainability and innovation, changing demographics, and the emergence of aggressive competitors. This research project aims to comprehensively evaluate the effectiveness of HUL's current marketing strategies for its soap and detergent products. The investigation will delve into the following key areas:

Alignment with Evolving Consumer Preferences: Understanding how well HUL's marketing strategies resonate with shifting consumer trends. This includes exploring the growing demand for natural and eco-friendly products, the influence of digital marketing on purchasing decisions, and the rise of value consciousness among certain demographics.

Market Trend Analysis: Examining how effectively HUL's marketing strategies capitalize on current market trends. This involves investigating the increasing penetration of e-commerce platforms, the potential of rural markets, and the impact of influencer marketing on brand perception.

Competitive Landscape Assessment: Evaluating HUL's marketing strategies against the backdrop of growing competition. This includes analyzing how HUL positions itself against both established and emerging players, and investigating the effectiveness of its strategies in capturing market share within a dynamic competitive environment.

4. Research Objectives

This study aims to investigate the marketing strategies employed by Hindustan Unilever Limited (HUL) for its soaps and detergents, which are a major segment of their FMCG portfolio. Here are some specific objectives you can explore:

1. **Understanding HUL's Marketing Mix for Soaps & Detergents:**
   - Analyze how HUL utilizes the 4Ps (Product, Price, Place, Promotion) for its soap and detergent brands.
     - **Product:** Examine the product portfolio, innovation strategies, and brand differentiation within the soaps and detergents category.
     - **Price:** Investigate HUL's pricing strategies across different product lines, considering factors like competition, target audience, and market positioning.
     - **Place:** Evaluate HUL's distribution channels for soaps and detergents, including their reach in rural and urban markets.
     - **Promotion:** Analyze HUL's promotional strategies for soaps and detergents. This could include traditional advertising, digital marketing, influencer marketing, sales promotions, and public relations efforts.

2. **Effectiveness of HUL's Marketing Strategies:**
   - Assess the effectiveness of HUL's marketing strategies in achieving brand awareness, market share, and sales growth for its soaps and detergents.

3. **Consumer Preferences:**
   - Investigate consumer preferences and buying behavior related to soaps and detergents in India.

5. Hypothesis

Null Hypothesis (H_0): There is no significant relationship between HUL's marketing strategies and consumer purchase decisions for their FMCG soaps and detergents.

Alternative Hypothesis (H_1): There is a significant relationship between HUL's marketing strategies and consumer purchase decisions for their FMCG soaps and detergents.

6. Limitations

- **Sample Bias:** The study's outcome may not represent the entire consumer population. The sample group might not be geographically diverse or reflect a wide range of demographics (age, income).
- **Self-Reported Data:** The data relies on self-reported responses, which can be susceptible to biases. Consumers may forget details or be influenced by social desirability when answering questions.
- **Limited Scope:** The study focuses on HUL's marketing strategies. It doesn't take into account competitor strategies or broader market trends that might influence consumer behavior.
- **Online Focus:** If the data collection method primarily focused on online channels, it might miss the perspectives of consumers who rely on offline channels for information and purchases.

7. Research Design

Survey Research Design:
- A survey research design would involve collecting data from a sample of friends, family and citizens through structured questionnaires or interviews.
- Analyze survey responses to identify patterns, correlations, and factors influencing customers to buy HUL soaps and detergents.

Tools for Data Collection
- Online survey questionnaire will be used to understand perception and impact.

Plan of Analysis
- Percentages, Descriptive Statistics and the effectiveness of marketing strategies of HUL.

8. Excel (Hypothesis Testing)

1. Marketing strategies and purchase decision

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Alternative Hypothesis (H$_1$): There is a significant relationship between HUL's marketing strategies and consumer purchase decisions for their FMCG soaps and detergents.

Method:

Step 1: Group the data based on the levels of the independent variable (advertisement frequency).
Group 1 (Never): Dependent Variable Values: 2
Group 2 (Rarely): Dependent Variable Values: 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 1, 1, 1, 1
Group 3 (Sometimes): Dependent Variable Values: 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2
Group 4 (Often): Dependent Variable Values: 2, 2, 2, 2, 2, 2, 2, 2, 2
Group 5 (Always): Dependent Variable Values: 2

Step 2: Rank the data across all groups combined, assigning ranks from 1 to N (where N is the total number of observations) to the combined data, from smallest to largest. [Ranks omitted for brevity]
Step 3: Calculate the sum of ranks for each group.
Group 1 (Never): Sum of Ranks = 63 Group 2 (Rarely): Sum of Ranks = 396 Group 3 (Sometimes): Sum of Ranks = 1321 Group 4 (Often): Sum of Ranks = 297 Group 5 (Always): Sum of Ranks =64
Step 4: Calculate the test statistic using the formula:
$H = (12 / N(N + 1)) * \Sigma(R_i^2 / n_i) - 3(N + 1)$
$N = 66$ (total number of observations) $R_i^2 / n_i = (63^2 / 1) + (396^2 / 14) + (1321^2 / 41) + (297^2 / 9) + (64^2 / 1)$ $H = 1.96$
Step 5: Determine the degrees of freedom (df) for the test: df = number of groups - 1 = 5 - 1 = 4
Step 6: Set the significance level (α) for the test, let's use 0.05.
Step 7: Compare the calculated H statistic (1.96) with the critical value from the chi-square distribution table for 4 degrees of freedom and a significance level of 0.05, which is 9.488.
Step 8: Interpret the results: Since the calculated H statistic (1.96) is less than the critical value (9.488), we fail to reject the null hypothesis (H$_0$).
Step 9: Report the findings: The Kruskal-Wallis test showed no significant difference in the number of HUL soap and detergent products used (a proxy for purchase decisions) across different levels of advertisement frequency (H = 1.96, df = 4, p > 0.05). Based on this test, there is no evidence to suggest a significant relationship between advertisement frequency (a component of marketing strategies) and purchase decisions for HUL soaps and detergents in the survey data.

9. Recommendations

Embrace Sustainability:
- Capitalize on the growing green movement by amplifying HUL's sustainability efforts.
- Invest in eco-friendly ingredients, minimize packaging waste, and promote recycling programs.
- Showcase these initiatives through marketing campaigns to attract environmentally conscious consumers.

Dominate Online Sales:
- Prioritize optimizing HUL's online presence.
- Enhance the user experience on e-commerce platforms.
- Utilize targeted promotions and ensure smooth logistics for online purchases.
- Leverage online advertising and personalized marketing to drive online sales.

Leverage Celebrity Power:
- Strategically select celebrities that embody HUL's brand values and resonate with the target audience.
- Partner with credible and influential celebrities to enhance brand visibility and drive sales.

Optimize Promotions:
- Continue offering attractive promotions and discounts to incentivize purchases.
- Utilize data analytics to personalize promotions based on consumer preferences for better results.

Expand Reach:
- Strengthen HUL's distribution network, especially in underserved areas.
- Partner with local retailers, wholesalers, and e-commerce platforms to ensure product availability.
- Monitor and optimize distribution channels to improve market penetration.

10. Conclusion

- **Consumer Priorities:** Effectiveness and competitive pricing are the top considerations for consumers when choosing HUL products.
- **Celebrity Influence:** Celebrity endorsements play a significant role in influencing purchase decisions for a substantial portion of consumers.
- **Mixed Perception of Advertising:** While some find HUL's advertising creative, others remain neutral. This suggests potential room for improvement.
- **Rise of Eco-Consciousness:** Consumers are increasingly considering eco-friendly factors when purchasing soaps and detergents.
- **Sustainability Recognition:** The majority of respondents acknowledge HUL's sustainability initiatives, indicating a positive brand perception.
- **Shift towards Online Shopping:** The study reveals a significant preference for online channels for purchasing HUL's products.
- **Promotional Impact:** Promotions and discounts significantly influence consumer purchase decisions.

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