

Hindustan unilever international company

[Business](#), [Marketing](#)



Executive Summary

Hindustan unilever is an international company dealing in the daily used products all over the world having good hold in the market. Hindustan unilever India is an Indian chapter of Hindustan unilever, the company is holding about 62% share whereas the Government of Peoples Republic of India has 38% share.

One of the most famous products of Hindustan unilever is LUX. They have divided lux based on the geographical distribution. If they are been divided into more parts the division would be in Socio Economic Cluster (SEC) which is responsible for accounting criteria of education and profession which at last measures the financial status of consumers. They are divided in to groups of five parts which starts from A to E. Hindustan unilever targets the sub urban and urban middle class and upper middle class division of the population, which comes under A to C of Socio Economic Cluster.

Then comes the tactical tools of marketing, 4p's, are used by many companies so as to sell LUX in the market. All though LUX is produced in India, Hindustan unilever India is able to maintain the standard all over the world. This product is available in the market in several different sizes in three different fragrances. Though demand for the beauty soap market is to great extent a normal computation market, the price difference makes the competition tougher which then can lead ultimately fall of the market share of the company. Hindustan unilever can't give a cheaper price in the market than it's the competitors of product. Since price is affordable by most of the

people. Hindustan unilever India has an outsourced channel of distribution of the product through third party marketers which helps and gives them to distribute and sell LUX at a large scale at an estimated amount up to ten million pieces. The company also undertakes a promotional activity which is one of the largest in beauty soap industries.

The beauty soap industry include less major manufactures of which Hindustan unilever holds market share of less than 50%. Other brands like santoor, dove, rexona etc these competitors have now started to get a large consumer base, but LUX features promotional and distribution activities has already created loyalty for high brand which has made LUX as market leader globally. Hindustan unilever, using promotional tool seriously so as to promote LUX, have been resulted to which stand in the market from a longer time. Still other competitor's manufacturers in the beauty soap industry are now creating a threat for Hindustan unilever's market share as they are trying to move towards the rural areas which are populated. Thus, Hindustan unilever India should take steps like moving towards the poor and/or rural division; some examples like the company must attract children (introducing special product for kids) and time to time innovate and follow new promotional activities to which stand the market position.

Section 1

Introduction

1.1 Hindustan unilever at a Glance:

HUL, the largest FMCG Company in India by revenues was formed by merging three subsidiaries of Unilever in 1956. At present, Unilever Plc holds

a 51.6% stake in the company. HUL's portfolio of products covers a wide spectrum including soaps, detergents, skin creams, shampoos, toothpastes, tea, coffee and branded flour. HUL's brands spread across 20 distinct consumer categories. It owns 35 major Indian brands. HUL has consistently had the most number of brands in the Top 10 list for the most trusted brands in India from 2003 to 2008. LUX, Surf Excel, 'Pepsodent and Ponds in Home and Personal Care segment and Lipton, Kissan and Brooke Bond in Foods and Beverages Segment are some of its top brands. In 2008, it launched Ponds Age Miracle, Vaseline range of products in skin care category and Axe-Dark Temptation in personal care segment as part of their expansion into higher end products.

1.2 Goal of this project:

The whole project was a result of an analysis of marketing strategies used by Hindustan unilever India Ltd. The ultimate reason of this project was to find which strategies the company should use to market the product and make the beauty soap a world famous product; LUX, in India; the negative and positive aspects of those strategies being used. The project result analyzes and shows the position of Hindustan unilever India Ltd. in the beauty soap industry against its competitors. The report further analysis elaborates the way of using market segmentation, the pricing, target marketing, distribution strategies, product and promotional and competitive analysis.

1.3 Methodology of this report:

For the simplicity they use the information chosen to work on the strategies of Hindustan unilever India Ltd. the company works in the market with large numbers of product in different industries, the unbeaten brand, LUX. The

information mostly used in the report taken from the main sources. Main source of information was the spotlight discussion and analysis. Some additional information was collected and was used from the websites.

Section 2

Product Category, Market Segmentation, Target Marketing and Positioning

The section elaborates class of the selected product. This part is divided into four part. part 1 explains under which division the product falls. part 2 explains how Hindustan unilever india Ltd. differentiates population and divides them into different segments. part 3 analyze that which division company targets the most and why they target that particular division. Finally part 4 elaborated the procedure how the company tries to create a place in the consumer's mind i. e. the product positioning method.

2.1 Product Category:

LUX is one of the products which fall in the category of the toiletry product as beauty soap.

2.2 Market Segmentation:

LUX is not only in India but is the world best selling beauty soap. With it few studies also suggests the same result. Although LUX is best selling beauty soap all over, hence; the company never tries for a traditional mass marketing in the market, as a beauty soap LUX never divides its market according to gender.

Hindustan unilever india Ltd. divides the market as per geographical areas. The Indian present population of the country is divided into three parts as

rural, sub urban and urban area customers. Company extends the differentiation as environmental division as per to Socio Economic Cluster (SEC) which is income and education. The Table 2. 1 figure shows the Socio Economic Clusters which the company uses.

The SEC divides the consumers in five division starting from A to E, where A falls in the category which exceeds educated and consumers having low income, and starting from A to decreasing order E overturn the categorizes .

2.3 Target Market:

Sub urban and urban middle class, rural poor people are having a larger part of Indian population. Studies carried out by Hindustan unilever India shows that rich people in the rural areas very likely buys imported and high class products, other than poor people of rural areas have a susceptibility buys a low-priced products even without knowing and investigating its quality. And customers of sub urban, urban middle class and middle class probably buys affordable and worth products.

LUX is less expensive but a reasonable product and worth buying this product. i. e. why company mostly targets sub urban, urban upper middle and middle class consumer who are sharing the second largest population of division of the country. From the division of consumers as per SEC they target category A, B and C, reason is because they understand to be financially easy and can easily compel to buy LUX.

2.4 Product Positioning:

Hindustan unilever India Ltd has a good place in the consumers' mind by good and improved product price, quality, and attribute, presently product in a different loom than the manufactures do. Company provides the customers with quality of products in the market and that too in a reasonable price with immense brand, which finally helps the company to make a place for the product in the consumers' mind as top quality beauty soap.

The company's market share in the beauty soap manufacturing is around 43%. as in the beauty soap manufacture all the products in the market are of the same price. Hindustan unilever can't provide its consumers with more improved price but it has a large position in location with its fragrance, product deign, packaging

Positioning plan of the company explains the position of LUX in the customers mind with just one reason the price and the quality.

Though in relationship with the competing manufacturers pricing of LUX is almost the same but consumers rates it as the product of high quality and high satisfaction product. This state of mind created a physically powerful consumer loyalty for LUX, for which the company is still a market leader in beauty soap catagory.

Section 3

Using the planned Marketing Tools

This section we divided in to four su-bsection. Which explain the Hindustan unilever India Ltd. using what kind of marketing tools and how it works these are mention in sub-section. In section 3. 1 Product which explain about the product attributes of the LUX soap.

In section 3. 2 Price which explain about the LUX prices according to their size.

In section 3. 3 Place which explain about warehouses, it helps to distribute the stock from one place to the other place.

In section 3. 4 Promotions which explain about the promotional strategies.

3. 1 Product:

This product is worldwide famous and it fall under beauty soap of Hindustan unilever. LUX produce in Indiafor for the local consumer but it is an internationally produce. Hindustan unillever try to maintain their quality and name for the product in India as well as in the international market. This company use the method which is use internationally by the company" s research and Development sectors. Lux is produce in India from the

product which are imported such as glycerol, sodium soap and different flavors, comes from Hindustan unilever plants which are located at abroad.

In India LUX comes in six different flavors which are as follows-

LUX Golden Glow

LUX Energizing Honey

LUX Orchid Touch

LUX Nature Pure

LUX Almond Delight

LUX Aqua Sparkle

Above all mention types of the LUX product are made up with the customers convenience and the consideration. That shows Hindustan unilever is looking for the customer's satisfaction and providing value for money product. The company produce all flavors of LUX in 3 different shapes and sizes, 40gm, 80gm and 120gm

3. 2 Price:

Hindustan unilever India provides worthy or we can say it's value for money product to their customer in the form of LUX beauty soap. This company face the Indian market competition with the local market beauty soap product, therefore they try to give their product which is having good quality at cheaper rate or product which normal consumer can afford so they can take over the most of the market share. Beauty soap and beauty products are in huge demand in Indian market. in any market if a company change the product price then there is high risk of price war between the competitor and this thing will automatically leads toward a profit and loss. Its prices are nearly or lesser to the other soap available in the Indian market. Table 3. 1 it shows the price of other soap that are in the market. LUX soap is gone through the brand loyalty test done by the Brand Health Check-Up (BHCU).

3.3 Place:

Hindustan unilever India Ltd. has reach the sales over 11 million soaps per year. The reason behind is only because of their company's distribution channel, which is very vast in India. Hindustan unilever India Ltd. is a multinational company so they have a six huge store house in India and each store house in country's main part, so It is easy to forward the manufacture product to their Chennai factory. Table 3. 2 shows that where are the six store houses located and it follows by their own distribution and transport channels, it shows the easiness to reach the company's product to the consumer as well as to the distributor. However, company exported its division process to third party distributors but only to that distributor who is committed to Hindustan unilever India Ltd. Then these distributors deliver the product all over.

India has a grate amount of retailers. LUX trying to capture the sub urban and urban market and middle class and upper middle class consumers but their distributor deliver product to any part of India.

3.4 Promotion:

When it comes to this part Hindustan unilever India Ltd. never make any scarifies with the promotional activities to promote LUX which is the most selling product in the beauty soap market in India. this company use their 25% to 30% of the earning from sales of LUX as well as they have some other activities such as Annual Cinema Awards and using boll wood celebrities as brand ambassador has made the product step into the glamour world. Since the 1930s over 400 of the world's most beautiful, dazzling

women have been proudly participate with LUX advertisements. LUX is not only trying to promote their soap for the female but also to the male with the help of with world famous male celebrity Shahrukh khan for their advertising.

Analyzing The Market Of Lux

As we explain in the table 3. 4 that Hindustan unilever India Ltd spends a grate amount of money for promotion with the help of media channels, TV ad and hoardings or we can say big banners. On the other hand they also make a promotional campaign at different parts such as shopping mail, school and colleges. This has been successful which has made it a household common name and helped it reach at the 1 billon sales value in the year 2004.

Section 4

Analyzing the Market for LUX

If we want to understand Hindustan unilever India Ltd's marketing strategy, product

quality, placement and positioning we shows the relative analysis with the other competitors. Below mention report explain the market shares of the beauty soap .

4. 1 Market Share:

In Indian soap market industry there are seven major producers. This company is in with service with its well known brand LUX out of which this company holds 43% of the market share this thing shows that Hindustan lever India Ltd is the market leader in India.

Shares of all the competitors in soap industry. Hindustan lever India Ltd is the market leader in soap industry. Other companies can't make a competition with the Hindustan unilever India Ltd. because they having very less shares compare to the Hindustan unilever Ltd .

Soap industry and their service brand, estimated annual sales revenue and market share.

While in the soap industry has no one who can make a competition with the Hindustan unilever India Ltd but this thing will be a big threat to the company by slowly increases in their market share.

For e. g. Kohinoor Chemicals this company operates in Tibet is a very popular brand and holds a sufficient shares in the rural market where are the largest population group of India. One more e. g. of Keya Cosmetics Ltd. operates with Keya and Marks & Allys Ltd operates with brand name Aromatic are increasing their market shares in the sub urban and country side. on the other hand Aromatic take over by multinational product MARICO, this product works with famous brand in other industries like Parachute Coconut Oil. This will be a risky to the Hindustan unilever India's market share.

Section 5

Conclusion

The beauty soap in India has a very few manufacturer who produce soap . on the other hand demand for the LUX soap is very Hugh compared to other soap, because LUX soap is offering good quality with the low price which is very useful for the company to increase their profit as well as their

consumer. Hindustan unilever is the multinational company it has huge segment for male and female with different types at a lower price and in India people are more caring about the soap and there smell . The way they make a promotion is one of the best promotions, because they use boll wood celebrities as brand

Ambassador. Which is the best part of promotion and one more thing they use which in which they organized beauty contest. These things attracting a large number of consumers. In Indian market consumers are very fascinated of discounted items.

Section 6

Recommendation

In our project we should give some recommendation to the Hindustan unilever India ltd. that they make some more promotional strategies in rural part, in rural market most of the shares they can capture because in rural market people are using low price soap with the more quantity. LUX exactly offering same thing to their customer who is very useful for the company as well as to the rural people. Nowadays rural people are very conscious about their skin and the different fragrance of the soap and LUX also offer the varieties of the soap to the consumer. These are the recommendations recommended by team members to Hindustan unilever India Ltd. to adopt for a more winning operation in India with huge market share.

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