

“Strength, Weakness and Opportunities of HUL’s FMCG Products: Rural Market of Uttar Pradesh, India”

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Abstract: Rural Marketing is a developing in pricing, promoting, and distributing rural specific goods and services. It leads to a desired exchange with rural consumers to satisfy their needs and also to achieve organizational objectives. Products, which have a quick turnover, get replaced within a year and have relatively low costs, are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India and touches the lives of every 2 out of 3 Indians. The concept of rural marketing in Indian Economy has always played an influential role in the lives of people. It is the marketing that is meant especially for the rural people. Products are especially meant for them and to make them aware about the products which they are not known to them. Through this paper an effort has been made to know about the rural markets and their impact in terms of strength and weakness of HUL's FMCG products in rural market. This paper tries to understand the concept, importance and status of rural market. The main aim of the study is to observe the potential of Indian rural markets and fetch out various opportunities and problems being faced by HUL in rural market of Uttar Pradesh, India.

Key words-Rural Market, FMCG products, Factors affecting Rural Market, strength, weakness, Opportunities and Challenges.

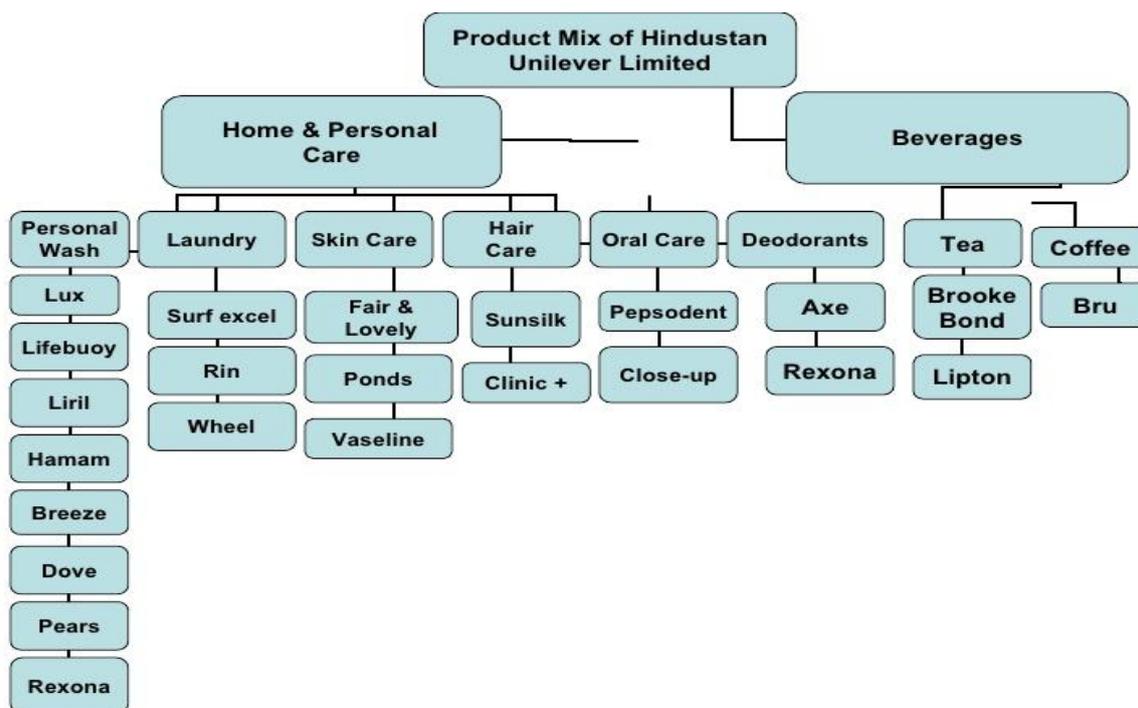
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I. Introduction

Rural Marketing is defined as any marketing activity in which the one dominant participant is from a rural area. This implies that rural marketing consists of marketing of inputs (products or services) to the rural as well as marketing of outputs from the rural markets to other geographical areas. The rural market in India generates bigger revenues in the country as the rural regions comprise of 627 million which is 74.3 percent of the total Indian population. As for the FMCG Industry, it is characterized by a well-established distribution network, low penetration levels, low operating cost, lower per capita consumption and intense competition between the organized and unorganized segments. Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India. It touches, almost the lives of every 2 out of 3 Indians. Sanjiv Mehta is the CEO of HUL, and Harish Manwani is the Chairman of the company. Hindustan Unilever Limited was started in 1932. It works to create a better future and helps people feel good, look good and get more out of life with brands and services that seem appropriate and good for them and good for others. Marketing in rural India poses several challenges, apart from the geographical distance and remoteness of various villages. However, the proliferation of the media, especially the increasing reach of the electronic media in rural India, has provided exposure to various products and services, which were hitherto considered the domain of urban users. This has resulted in demand in some cases and the aspiration to acquire such products in other cases. Beside, the Company has about 18,000 employees and has a net sales of INR 33895 crores (financial year 2016-17). HUL is a subsidiary of Unilever, one of the world's leading suppliers of Food, Home Care, Personal Care and Refreshment products with sales in over 190 countries and an annual sales turnover of €52.7 billion in 2016. Unilever has over 67% shareholding in HUL.

Figure- 1.1 Product Line and Product Mix Depth of HUL



Source SlideShare

Hindustan Unilever Ltd (HUL) has posted a better-than-expected quarterly numbers with a 6 per cent rise in its net profit at ₹ 1,183 in fourth quarter ended March 31, 2017. However, HUL has initiated a pilot project with India's largest bank, the State Bank of India (SBI) in Maharashtra and Karnataka. HUL's Shakti Ammas, women who sell HUL's consumer products in rural India, have doubled up as customer service-providers and opened around 1,000 accounts for rural folk. If this exercise proves scalable, HUL plans to roll it out across the country. Banks, which are being pushed by the regulator to become ambassadors of financial inclusion, are also grappling with how to look beyond the conventional branch model to go through deeper in an achievable manner. While the latest move of HUL, which is the country's largest advertiser, won't replace advertisements. Instead the company is trying to be partner with media channels. In 2010, the Shakti programme was extended to include 'Shaktimaans' who are typically the husbands or brothers of Shakti Ammas. They complement the Shakti Ammas. They sell products sell on bicycles in villages nearby them, covering a larger area than Shakti Ammas can cover on foot. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands shown in the above flow chart. Unilever also stated Unilever's Young Entrepreneurs Awards for supporting and celebrating inspirational young people from all over the world with existing initiatives, products or services that are tackling some of the planet's biggest sustainability challenges and basically for change maker.

II. Review of Literature

Some of the literatures related to the study are mentioned below-

J. Thomas Russell and W Rolland Lane (1996) have defined advertising in the following words "Advertising is a message paid for by an identified sponsor and delivered through some medium of mass communication. Advertising is persuasive communication. It is not natural; it is not unbiased; it says; I am going to sell you a product or an idea. According to Deepti Srivastava rural markets are rapidly growing in India but have often been ignored by marketers. 53% percent of Fast Moving Consumer Goods (FMCG) and 59 % of consumer durables have market in the rural belts.

Md. Abbas Ali et.al (2012) proposed that rural marketers should design innovative promotional strategies for rural markets that can express messages in an easy way to the villagers and compatible with their education and understanding levels. It is recommended to offer FMCG that lasts long. Rural consumers associate long lasting feature with bigger size and/or hardness of the product. Hence, it is suggested to promote FMCG in these lines. Quality is important in the context of rural purchase and consumption of FMCG as rural

customers prefer quality FMCG. Experts like, Harish Bijoor, Rama Bijapurkar and C.K.Prahalad and many researchers have been emphasizing on this fact. Hence, it is recommended not to compromise on the quality of FMCG. Low prices have to be charged while maintaining the quality.

Further in 2013, Kumaret.al emphasizes on the challenges and opportunities that are faced by the rural market in India which companies can tap for their growth and development. However, Companies face many challenges in tackling the rural markets. 833 million people reside in India as compared to 377 million in urban India so vast untapped opportunities are available in rural India, but marketer unable to tap these opportunities because of lack of infrastructure facilities. Literacy rate is low in rural area so people are unable to identify brand difference.

In the same year AvinashPareekand SatyamPincha (2013) stated that the effective communication is an important tool to reach the rural audience. Among the mass media at some point of time in the late 50's and 60's radio was considered to be a potential medium for communication to the rural people. Another mass media is television and cinemas. But now days the scenario has changed. Television, telephone, mobile, internet etc. reached to every house in the rural India. Ultimately the winner would be the one with the required resources like time and money, and also, with much needed innovative ideas to tap the rural markets. Thus looking at the opportunities which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage.

According to Chaudhary(2015) it was clear that the size of the population is not only the factor that makes rural markets very important for marketers, but the availability and the price of the commodity offer immense potential for market expansion and growth. For example, in India, the consumption in rural markets was growing at an annual compounded growth rate of around 4% for the last 20 years; but this is estimated to grow by over 5% in the next two decades and this is expected to treble by 2025.

As per the Mckinsey Global Institute forecasts, spending per household in rural India would reach the 2008 levels prevailing in Urban India by the year 2017.

Another study done by HUL gives their financial results for September Quarter (2015)proving that Lower input costs resulted in a 320 bps reduction in cost of goods sold. Brand investments were sustained at competitive levels across segments and overall A&P was up 220 Crores (+230bps). Profit before interest and tax (PBIT) grew by 7% and PBIT margin improved by +40 bps. Profit after tax before exceptional items, PAT (bei), grew by 1% to Rs.970 Crores while Net Profit was at Rs.962 Crores, the growth rate impacted by the exceptional income from the sale of properties in the base quarter and a higher effective tax rate. The Board of Directors have declared an interim dividend of Rs 6.5 per equity share of face value Re. 1 each, for the year ending 31st March 2016.

3.1 Statement of the problem

The main theme of the current paper is to find answers to the question that why HUL needs rural marketing and the factors which contribute to rural boom. Further the analysis is based on identifying the major problems faced in tapping the rural market and the potential of HUL’s FMCG products in rural India. Also the various opportunities for HUL’s FMCG products available in the rural area and the major challenges faced by marketer in rural market are explored.

3.2 Objective of the study

To identify the level of awareness of FMCG brands in the rural market of U.P. To know the purchase frequency of different FMCG brands in the rural market of U.P. To explore the relevant promotional schemes and its preferences in the rural market. To evaluate the dependable factors for rural consumers to Switch Brand/Product. The study also aims at to find out the influencer on FMCG brands/product in the rural market.

3.4 Methodology of the study

Both primary and secondary data area used in the present study. Secondary data includes different journals, books, and web resources which are primarily used to develop the theoretical foundation to the study. Primary data are collected through a questionnaire presented to the rural market consumers of Uttar Pradesh, in which they are requested to give their responses .For developing scales (Items) pertaining to the latent variables identified a large no of literatures are reviewed (e.g. DeeptiSrivastava, 2010; Md. Abbas Ali,et.al.,2012;AvinashPareek, Dr. Satyam, 2013; J. Thomas Russell and W Rolland Lane, 1996 etc.) Items of the questionnaire are finalized after the pilot survey. Data are collected from 359 rural consumers of Uttar Pradesh of different rural area. This study is especially based on income level of rural consumers.

Table- 1: Respondent Profile of rural consumers

Socio Demographic Particulars	N	%
Gender of the Respondent		
Male	292	81.3
female	67	18.7
Total	359	100
Total Monthly Household Income		
<Rs2000	76	21.3
Rs. 2000-5000	107	30.1
Rs. 5001-10000	48	13.5
Rs. 10001-15000	57	16
Rs. 15001-25000	36	10.1
>Rs. 25000	32	9
Total	356	100
Age		
<25 years	218	60.7
26 – 40 years	129	35.9
41 – 60 years	12	3.3
Total	359	100
Marital Status		
Single	207	57.7
Married	152	42.3
Total	359	100
Educational Level		
illiterate	13	3.6
< Primary	35	9.7
HS/Intermediate	127	35.4
Graduation	149	41.5
Post Graduation/ Professional	35	9.7
Total	359	100
Nature of Your Work		
Business	79	22
Farming	38	10.6
Wage Labour/Job work	71	19.8
House wife	46	12.8
Others	125	34.8
Total	359	100
Type of Family		
Nuclear	205	57.1
Joint	154	42.9
Total	359	100
Total Family Members		
1-2 Member	44	12.29
3-4 Members	246	68.72
5 and above	68	18.99
Total	358	100
Dependable Or Unemployed Members In Family		
1-2 Member	127	35.4
3-4 Members	195	54.3
5 and above	37	10.3
Total	359	100
Source of Information		
TV/ Radio	146	41.2
News paper	141	39.8
Friends and Relative	28	7.9
Shopkeeper	24	6.8
Others	15	4.2
Total	354	100

Source Self Structured Questionnaire

Analysis and Interpretation: Survey is not restricted to either the male or female respondents only. Both the sexes are included in the survey. Numbers of males are more as 292 out of 359 or 81.3 % and females are as 18.7 %. The reason behind the difference in number of male and female is that the female of rural areas avoiding to contact or talk with the strangers and other unknown persons. 356 respondents have given their response on the question related to monthly household income. From the survey it has been observed that 30.1% respondents having Rs 2000-5000 monthly income, 21.3% having less than Rs 2000, 13.5 % having Rs 5001-10000 monthly household income, 57 respondents having Rs. 10001-15000, 36 respondents having Rs. 15001-25000 and only 9 % respondents having more than Rs. 25000 monthly household income. Survey includes the

people of different groups such as less than 25 years, 26-40 years and 41-60 years. Mostly are the young people, as 60.7 % are in group of < 25 years and 35.9 % in age group of 26-40 years. Students are more in the age group of < 25 years. Old age people are less in the survey. Most of them i.e., 57.7 % are single and 42.3 % are married. On basis of education level most of them are graduate i.e., 41.5 %, 35.4% are HS/Intermediate, 9.7 % respondents having < primary and Post-graduation/ Professional education and 13% of them are illiterate. It shows that the literacy rate of the rural area is now increasing and with the increase in education level also increases the demand of quality goods. According to the education level and decision making of respondents Company can target new customers, retain and make them a loyal customer of FMCG goods of HUL. If we look at the result of the nature of work and type, it was observed that 22% are businessman, 71 % are wage labour, 38 % are farmers and in case of female 12.8 % are house wife and rest comes in others. In which 205 belong to nuclear family and 154 were from joint family. The data shows that 68.72% family having 3-4 members and 68 family having more than 5 members in their family. Only 44 families having 1-2 members in their family. In which 195 members are dependent members in their family whose size is 3-4 members, 127 are dependent in the family having 1-2 members and 68 family having 5 and above dependent members. It means if the number of members is unemployed then the family will be price and quantity sensitive. Regarding source of information, the result revealed that most of respondents are getting information about the FMCG products through TV/Radio i.e., 41.2 %, through newspaper 39.8 %, 7.9 % getting information by friends and relatives and only 6.8 % are getting information through shopkeeper.

Table-2: Frequency of Purchase of FMCG Goods by Rural Consumers

Product category		Always	Often	Sometime	Not at all	Total
Toothpaste	N	352	3	3	1	359
	%	98.1	0.8	0.8	0.3	100
Skin Care	N	187	77	77	16	357
	%	52.38	21.57	21.57	4.48	100
Toilet/bathing Soap	N	330	8	17	4	359
	%	91.9	2.2	4.7	1.1	100
Bathing shampoo	N	310	7	26	16	359
	%	86.4	1.9	7.2	4.5	100
Tea	N	315	10	30	4	359
	%	87.7	2.8	8.4	1.1	100
Washing Powder	N	332	18	8	1	359
	%	92.5	5	2.2	0.3	100

Source Self Structured Questionnaire

Analysis and Interpretation:- The data of the survey shows that 252 respondent out of 359 of rural areas always purchase the toothpaste, as 98.1%, 1 out of 359 i.e. 0.3 % not purchase at all, 3 out of 359 ,as 0.8 % purchases sometime and often. In case of skin care the data of the survey shows that 187 respondent out of 357 of rural areas always purchase the skincare , as 52.38 %, 16 out of 357 i.e. 4.48 % not purchase at all, 77 out of 357 ,as 21.7 % purchases sometime and often. In case of toilet/ bathing soap the data of the survey shows that 330 respondent out of 359 of rural areas always purchase the toilet/bathing soap , as 91.9 %, 4 out of 359 i.e. 1.1 % not purchase at all, 17 out of 357 ,as 4.7% purchases sometime and only 8 out of 359 i.e. 2.2 % purchases toilet/bathing soap often. The data of skin care and toilet/bathing soap will help to the HUL to convert the respondents who are not at all, sometime or often purchasing toilet/bathing soap into the customer of HUL product with change their attitude. The data of the survey regarding bathing shampoo presenting that 310 respondent out of 359 of rural areas always purchase the toilet/bathing soap , as 86.4 %, 16 out of 359 i.e. 4.5 % not purchase at all, 26 out of 359 ,as 7.2 % purchases sometime and only 7 out of 359 i.e. 1.9 % purchases bathing shampoo often. The data and result reveals that 315 respondent out of 359 of rural areas always purchase the tea , as 87.7%, 4 out of 359 i.e. 1.1% not purchase at all, 30 out of 359 ,as 8.4% purchases sometime and only 10 out of 359 i.e. 2.5% purchases tea often.

In case of washing powder the survey shows that 332 respondent out of 359 of rural areas always purchase the washing powder , as 92.5 %, 1 out of 359 i.e. 0.3% not purchase at all, 8 out of 359 ,as 2.2% purchases sometime and only 18 out of 359 i.e. 5% purchases washing powder often. Here the data shows the opportunity to gain and retain the loyal consumer of HUL products.

Table -3: Level of awareness of toothpaste Brand across the income

		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k		
Pepsodent									
Yes	N	46	67	32	37	25	10	χ^2	14.117
	%	60.5	62.6	66.7	64.9	69.4	31.3		
No	N	30	40	16	20	11	22	P-value	0.015

	%	39.5	37.4	33.3	35.1	30.6	68.8		
close-up									
Yes	N	65	85	40	39	32	30	χ^2	12.292
	%	85.5	79.4	83.3	68.4	88.9	93.8	df	5
No	N	11	22	8	18	4	2	P-value	0.031
	%	14.5	20.6	16.7	31.6	11.1	6.3		
Colgate									
Yes	N	71	101	42	44	35	31	χ^2	19.105
	%	93.4	94.4	87.5	77.2	97.2	96.9	df	5
No	N	5	6	6	13	1	1	P-value	0.002
	%	6.6	5.6	12.5	22.8	2.8	3.1		
Babool									
Yes	N	57	79	40	39	29	26	χ^2	4.396
	%	75	73.8	83.3	68.4	80.6	81.3	df	5
No	N	19	28	8	18	7	6	P-value	0.494
	%	25	26.2	16.7	31.6	19.4	18.8		
Anchor									
Yes	N	27	40	27	28	18	14	χ^2	7.300
	%	36	38.5	56.3	49.1	50	43.8	df	5
No	N	48	64	21	29	18	18	P-value	0.199
	%	64	61.5	43.8	50.9	50	56.3		

Source Self Structured Questionnaire

Analysis and Interpretation-For toothpaste brand level of awareness has been examined across the income level there is a significant difference ($\chi^2=14.117$), $p=0.015$ is found in the awareness of Pepsodent brand, from the table it is reveals that respondents whose income is less than Rs 25000 are more aware about the Pepsodent, whose monthly income above Rs 25000 are unaware about the Pepsodent.Regarding Close-up the consumer of income group between Rs.10k-15k and Rs 2k-5k are less unaware about the close-up brand. Chi-square test results shows that the significant difference ($\chi^2=12.292$, $p=0.031$) in the awareness across the different income groups.

A significant difference ($\chi^2=19.105$, $p=0.002$) is found in the awareness of Colgate brand, from the table it is observed that respondents whose income Rs5k-10k and Rs. 10k- 15k are less unaware about the Colgate brand. Chi-square test result shows the significant difference in the awareness across the different income group.Regarding Babool there is no significant difference ($\chi^2=4.396$, $p=0.494$) is found in the awareness of Babool Brand. From the table it is reveals that respondents group between Rs.10k- 15k and Rs 2k-5k are less aware about the Babool brand.For toothpaste brand level of awareness has been examined across the income level there is a significant difference ($\chi^2=7.300$), $p=0.199$ is found in the awareness of Anchor brand, from the table it is reveals that respondents whose income is less than Rs 2k and Rs 2k-5k are less aware about the Anchor, whose monthly income above Rs 5000 are more aware about the Anchor.

Table -4: Level of awareness of Skin care Brand across the income

		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k		
Fair & Lovely									
Yes	N	66	95	46	49	34	29	χ^2	4.452
	%	86.8	88.8	95.8	86	94.4	90.6	df	5
No	N	10	12	2	8	2	3	P-value	0.486
	%	13.2	11.2	4.2	14	5.6	9.4		
Ponds									
Yes	N	47	68	34	37	26	14	χ^2	7.818
	%	61.8	63.6	70.8	64.9	72.2	43.8	df	5
No	N	29	39	14	20	10	18	P-value	0.167
	%	38.2	36.4	29.2	35.1	27.8	56.3		
Vaseline									
Yes	N	64	88	40	41	30	28	χ^2	4.859
	%	84.2	82.2	83.3	71.9	83.3	87.5	df	5
No	N	12	19	8	16	6	4	P-value	0.433
	%	15.8	17.8	16.7	28.1	16.7	12.5		
Olay									
Yes	N	38	56	26	29	19	11	χ^2	3.810
	%	50	52.3	54.2	50.9	52.8	34.4	df	5
No	N	38	51	22	28	17	21	P-value	0.577
	%	50	47.7	45.8	49.1	47.2	65.6		
Rajni									
Yes	N	53	67	36	36	29	27	χ^2	9.601
	%	69.7	62.6	75	63.2	80.6	84.4	df	5

No	N	23	40	12	21	7	5	P-value	0.087
	%	30.3	37.4	25	36.8	19.4	15.6		
Fair & fairy									
Yes	N	24	51	22	30	20	12	χ^2	9.538
	%	31.6	47.7	45.8	52.6	55.6	37.5	df	5
No	N	52	56	26	27	16	20	P-value	0.089
	%	68.4	52.3	54.2	47.4	44.4	62.5		

Source Self Structured Questionnaire

Analysis and Interpretation- Regarding Skin Care brand level of awareness has been examined across the income level there is no significant difference ($\chi^2=4.452$), $p=0.486$ is found in the awareness of Fair & Lovely brand, from the table it is reveals that respondents whose income is less than Rs2000 ,Rs 2k-5k and Rs 10k-15k are aware about the Fair & Lovely.As per the result of the data chi – square ($\chi^2=7.818$, $p=0.167$) shows there is no significance difference in the awareness level across the income about the Ponds but from the table it is reveals that income group between Rs.5k-10k and Rs.15k-25k are more aware about the Ponds in rural market.The analysis of the data shows that there is non-significant difference for the chi-square ($\chi^2=4.859$, $p=0.433$) in the awareness level of different income groups of rural consumers regarding Vaseline but from the table it is observed that the income group between Rs.10k-15k is less aware about the Vaseline as a skin care product. Similarly in case of Olay whose result of chi-square ($\chi^2= 3.810$) for the value of $p=0.577$ stated that there is statistically non-significant in the awareness level if Olay. It is also observed from the table that income group less than Rs 25000 are more aware about the Olay. It may be because of the price as compare to other brands available in the rural market.It has been observed that chi-square ($\chi^2=9.601$), $p=0.087$ for Rajni, there is no significance difference in the level of awareness but from the table it is found that income group between Rs10k-15k less aware about the Rajni as skin care product.Analysis of chi-square($\chi^2=9.538$, $p=0.089$) reveals that there is no significant difference in the awareness level of different income level groups regarding Fair & Fairy, but is it is observed from the table that the income group less than Rs 2000, and Rs 2k-5k are more aware about the Fair & fairy.

So the result reveals that Increase the awareness level of HUL whose income is more than Rs 15k, Olay in the group of More Than Rs 25000 and Vaseline in Rs.10k-15k income group.

Table- 5: Level of awareness of Toilet/bathing Soap Brand across the income

		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k		
Lux									
Yes	N	58	80	40	43	28	28	χ^2	3.446
	%	76.3	74.8	83.3	75.4	77.8	87.5	df	5
No	N	18	27	8	14	8	4	P-value	0.632
	%	23.7	25.2	16.7	24.6	22.2	12.5		
Lifebuoy									
Yes	N	71	99	43	48	36	31	χ^2	9.632
	%	93.4	92.5	89.6	84.2	100	96.9	df	5
No	N	5	8	5	9	0	1	P-value	0.086
	%	6.6	7.5	10.4	15.8	0	3.1		
Liril									
Yes	N	31	48	18	25	17	9	χ^2	3.801
	%	40.8	44.9	37.5	43.9	47.2	28.1	df	5
No	N	45	59	30	32	19	23	P-value	0.578
	%	59.2	55.1	62.5	56.1	52.8	71.9		
Hamam									
Yes	N	35	56	23	27	19	11	χ^2	3.640
	%	46.1	52.3	47.9	47.4	52.8	34.4	df	5
No	N	41	51	25	30	17	21	P-value	0.602
	%	53.9	47.7	52.1	52.6	47.2	65.6		
Rexona									
Yes	N	23	41	17	22	17	9	χ^2	4.317
	%	30.3	38.3	35.4	38.6	47.2	28.1	df	5
No	N	53	66	31	35	19	23	P-value	0.505
	%	69.7	61.7	64.6	61.4	52.8	71.9		
Godrej									
Yes	N	45	69	37	35	28	20	χ^2	7.196
	%	59.2	64.5	77.1	61.4	77.8	62.5	df	5
No	N	31	38	11	22	8	12	P-value	0.206
	%	40.8	35.5	22.9	38.6	22.2	37.5		

Source Self Structured Questionnaire

Analysis and Interpretation- For Toilet/bathing brand level of awareness has been examined across the income level there is no significant difference ($\chi^2=3.44$), $p=0.632$ for HUL’s Lux, ($\chi^2=9.632$, $p=0.086$) for HUL’s Lifebuoy, Chi-square ($\chi^2=3.801$, $p=0.578$) for HUL’s Hamam, ($\chi^2=4.317$, $p=0.505$) for HUL’s Rexona is found in the awareness of Toilet/Bathing Soap brand, But from the table it is reveals that respondents whose income is more than Rs 25000 and between Rs 5k-10k are more aware about the Lux, rural consumers whose monthly between Rs 15k-25k are more aware about the HUL’s Liril, Hamam and Rexona as compare to other income group level of rural consumer.

The result reveals that HUL should increase awareness level of their products in all income group level except group Rs 5k-10k.

Table -6: Level of awareness of Bathing shampoo Brand across the income

		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k		
Sunsilk									
Yes	N	46	73	35	37	29	16	χ^2	9.379
	%	60.5	68.2	72.9	64.9	80.6	50	df	5
No	N	30	34	13	20	7	16	P-value	0.095
	%	39.5	31.8	27.1	35.1	19.4	50		
Clinic Plus									
Yes	N	71	92	42	46	33	30	χ^2	6.962
	%	93.4	86	87.5	80.7	91.7	93.8	df	5
No	N	5	15	6	11	3	2	P-value	0.223
	%	6.6	14	12.5	19.3	8.3	6.3		
Head & shoulders									
Yes	N	61	81	41	48	31	26	χ^2	3.565
	%	80.3	75.7	85.4	84.2	86.1	81.3	df	5
No	N	15	26	7	9	5	6	P-value	0.614
	%	19.7	24.3	14.6	15.8	13.9	18.8		
Dabur									
Yes	N	42	66	30	32	23	11	χ^2	9.043
	%	55.3	61.7	62.5	56.1	63.9	34.4	df	5
No	N	34	41	18	25	13	21	P-value	0.107
	%	44.7	38.3	37.5	43.9	36.1	65.6		
Arnica									
Yes	N	34	55	22	32	20	11	χ^2	5.512
	%	44.7	51.4	45.8	56.1	55.6	34.4	df	5
No	N	42	52	26	25	16	21	P-value	0.357
	%	55.3	48.6	54.2	43.9	44.4	65.6		
Chick									
Yes	N	38	60	26	31	21	12	χ^2	4.137
	%	50.7	56.1	54.2	54.4	58.3	37.5	df	5
No	N	37	47	22	26	15	20	P-value	0.53
	%	49.3	43.9	45.8	45.6	41.7	62.5		

Source Self Structured Questionnaire

Analysis and Interpretation- Regarding Bathing Shampoo brand, level of awareness has been examined across the income level there is no significant difference ($\chi^2=9.379$), $p=0.095$ for HUL’s Sunsilk and Chi-Square ($\chi^2=6.962$, $p=0.223$) for Clinic Plus. The table of the result reveals that Sunsilk is more aware between the income group of Rs 5k-10k and Rs15k-25k as compare to other income group level. So it is necessary to increase the awareness level in other income groups. In case of Clinic plus it is less aware in the income group of Rs10k-15, Rs 2k-5k and Rs 5k-10k as compare to other income group level. HUL must increase the awareness level in these groups for Clinic Plus.

Where as in case of Head & Shoulders, Dabur, Arnica and Chick Head & shoulders and Dabur and Chick are more aware but less aware as compare to HUL’s product.

Table -6:ANOVA on Preference of toothpaste brand across the income level in Rural Market

	<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k	F-value	Sig.
	Mean	Mean	Mean	Mean	Mean	Mean		
Pepsodent	3.23	2.99	3.06	2.96	3.09	3.75	1.61	0.158
Close-up	3.35	3.01	3.13	3.35	3.50	2.94	2.00	0.078
Colgate	3.75	3.82	3.81	3.68	3.97	4.09	0.54	0.75
Babool	2.67	2.71	2.48	2.68	2.69	2.55	0.28	0.925
Anchor	2.01	2.32	2.32	2.14	1.78	1.69	1.66	0.143

Source Self Structured Questionnaire 1-indicate least Preferred.....5 –Indicate Extremely Preferred

Analysis and Interpretation- Output is the key indicator to measure performance of toothpaste brands across the income level in rural market. Analysis of variance has been employed to analyze the preference of toothpaste brand and significance difference across the gender. F-test (F=1.61, p=0.158) shows for Pepsodent there is no significance difference found among the different income groups. Mean value for the income group between Rs 10k-Rs15k and Rs.5k-10k are less preferred Pepsodent. The analysis shows that preference for Close-up toothpaste is less in Income group of <Rs 25000, which is statistically non-significant (F=2.00, p=0.078). In case of Colgate there is no significance difference (F=0.54, p=0.75), but mean value shows it is more preferred toothpaste brand as compare to HUL’s toothpaste. In case of Babool (F=0.28, p=0.925) and Anchor (F=1.66, p=0.143) shows there is no significant difference. Mean values of Babool and Anchor shows that they are less preferred by the income group Rs 15k- 25k and Less than Rs 25 k but preferred in other income group of rural market.

So the result reveals that Pepsodent and Close-up should increase their preference in the income group of RS. 2k-5k, Rs 10k-15 k and >Rs 25k and also to make preference in that group where other companies brands are less preferred.

Table -7:ANOVA on Preference of bathing shampoo brand across the income level in Rural Market

	<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k		
	Mean	Mean	Mean	Mean	Mean	Mean	F-value	Sig.
Sunsilk	2.89	3.04	2.89	2.83	2.90	2.46	0.75	0.585
Clinic Plus	3.82	3.39	3.90	3.37	4.24	4.25	3.78	0.002
Head & shoulders	3.57	3.42	3.21	3.52	3.34	2.75	1.85	0.103
Dabur	2.33	2.46	2.51	2.70	2.57	1.97	1.67	0.141
Arnica	2.14	2.20	2.17	2.05	2.14	3.00	2.68	0.022
Chick	2.20	2.22	1.71	1.92	1.53	2.53	3.13	0.009

Source – Self Structured questionnaire 1-indicate least Preferred.....5 –Indicate Extremely Preferred

Analysis and Interpretation- Analysis of variances across the income level has been employed to analysis the preference of bathing shampoo brand and significance difference across the income level. F-Test (F=0.75, p=0.585) shows that for HUL’s Sunsilk, there is no significance difference found between different income group of rural consumers. Mean value 3.04 shows that it more preferred by income group Rs. 2k-5k across the income group and in other group it is less preferred. F-test statistics (F=3.78, p=0.002) for HUL’s Clinic Plus shows that there is a significance difference on preference across the income level. Mean value 4.24 and 4.25 states that it is more preferred by the income group Rs 15k-25k and >Rs 25k. ANOVA (F=1.85, p=0.103) for Head & Shoulders shows that there is no significance difference on preference across income level. Mean value 2.75 shows it is less preferred by income group >Rs 25. F-Test statistics (F=1.67, p=0.141) for Dabur and (F=2.68, p=0.022) for Arnica, shows there is no significance, for Chick (F=3.13, p=0.009) shows statistical difference on preference across income level. While Dabur (1.97) is less, Arnica (3.00) and Chick (2.53) are more preferred by the income group >Rs 25k. The result reveals that HUL’S Sunsilk and Clinic Plus should increase their preference in that income level where other brands preference is less.

Table -8: Behavior on promotional Scheme across the Income level

Do you look for various schemes in FMCG products		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k	Total
Yes	N	28	50	26	33	13	10	160
	%	36.8	46.7	54.2	57.9	36.1	31.3	44.9
No	N	48	57	22	24	23	22	196
	%	63.2	53.3	45.8	42.1	63.9	68.8	55.1
	N	76	107	48	57	36	32	356
	%	100	100	100	100	100	100	100
If yes, which scheme								
Coupons	N	5	9	9	10	3	6	42
	%	17.9	18	34.6	30.3	23.1	60	26.3
Extra quantity	N	8	10	4	9	3	0	34
	%	28.6	20	15.4	27.3	23.1	0	21.3
Lucky draws	N	2	9	4	7	0	0	22
	%	7.1	18	15.4	21.2	0	0	13.8
Scratch cards	N	7	6	5	3	2	3	26
	%	25	12	19.2	9.1	15.4	30	16.3
Price off	N	6	16	4	4	5	1	36
	%	21.4	32	15.4	12.1	38.5	10	22.5
Total	N	28	50	26	33	13	10	160
	%	100	100	100	100	100	100	100

Source – Self Structured questionnaire

Analysis and Interpretation – The result of the data for behavior on promotional schemes across income level reveals that out of 356 44.9 % rural consumers look for various schemes in FMCG products. In which the (54.2% and 57.9%) of Rs 5k-10k and Rs 10k-15k income level highly looks towards various schemes in FMCG products and income level < RS 2k and Rs 15k-25k not more looks for various schemes in FMCG Products. In case of income group Rs 2k-5k 46.7 % looks towards various schemes. Schemes such as Coupons are highly looks by income level group of Rs 5k-10k , Rs 10k-15k and >25k. Extra quantity by income group <Rs 2k and Rs 10k- 15k. 21.2% of Rs 10k-15k income group looks for Lucky Draws and <Rs 2k and Rs 5k-10k looks for Scratch cards. Whereas income group Rs 15k-25 k (38.5%) and Rs 2k-5k highly looks for price off.

The result reveals that income group Rs2k-5k highly looks towards various schemes in FMCG products in which Price off scheme is more prefer by <Rs 2k and Rs15k-25k income level group. Coupons for Rs 5k-10k and Rs 10k-15k, Extra quantity schemes prefer by <Rs 2k.

Table -9: Consumers Response to Switching to Other Brand

Will you like to switch your brand preference if you get some promotional scheme with another brand?		<Rs2k	Rs.2k-5k	Rs.5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k
Yes	N	26	49	19	28	14	10
	%	34.2	45.8	39.6	49.1	38.9	31.3
No	N	50	58	29	29	22	22
	%	65.8	54.2	60.4	50.9	61.1	68.8
Total	N	76	107	48	57	36	32
	%	100	100	100	100	100	100
Give reason for the same							
Cost	N	3	7	6	8	1	3
	%	11.1	15.2	30	28.6	6.7	30
Quality	N	8	14	5	7	5	5
	%	29.6	30.4	25	25	33.3	50
Satisfaction	N	8	10	3	3	3	1
	%	29.6	21.7	15	10.7	20	10
More benefits	N	5	11	1	7	4	0
	%	18.5	23.9	5	25	26.7	0
Seasonal Change	N	3	4	5	3	2	1
	%	11.1	8.7	25	10.7	13.3	10
Total	N	27	46	20	28	15	10
	%	100	100	100	100	100	100

Source – Self Structured questionnaire

Analysis and Interpretation- Analysis of the data reveals that most of the income level groups do not want to switch to other brands. Income group Rs 2k-5k and Rs 10k-15 k are highly prefer to switch the brands as compare to other income group level. The reasons for switch to brands for the income group Rs.10k-15k and >Rs 25k are given that cost. In case of quality all groups prefer to switch to other brand but income level group >Rs25k are highly preferred. On the basis of satisfaction income group >Rs 2k and Rs2k-5k are more prefer to switch. On the basis of more benefits income group >Rs2k, Rs 2k-5k and Rs15k-25k are given more response and in case of seasonal change income group Rs15k-25k given more response as compare to other income group level.

The result reveals that income group of Rs 2k-5k involve in all promotional schemes to switch other brands. So HUL must be focus on Quality, cost and more benefits as compare to other promotional schemes.

Table -10: Influencing person to purchase your preference for brand across the income level

		<Rs2k	Rs.2k-5k	Rs.5k-10k	Rs.10k-15k	Rs.15k-25k	>Rs. 25k
family members	N	10	13	3	11	6	5
	%	13.9	13.3	6.8	21.2	19.4	16.7
Peers	N	4	7	7	3	1	4
	%	5.6	7.1	15.9	5.8	3.2	13.3
Advertisement	N	36	41	19	17	17	8
	%	50	41.8	43.2	32.7	54.8	26.7
point of sale	N	14	24	8	10	7	10
	%	19.4	24.5	18.2	19.2	22.6	33.3
Self	N	8	13	7	11	0	3
	%	11.1	13.3	15.9	21.2	0	10
	N	72	98	44	52	31	30

	%	100	100	100	100	100	100
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Does the advertising play any role towards brand preference		<Rs2k	Rs. 2k-5k	Rs. 5k-10k	Rs. 10k-15k	Rs. 15k-25k	>Rs. 25k
Yes	N	68	94	39	47	36	31
	%	90.7	87.9	81.3	82.5	100	96.9
No	N	7	13	9	10	0	1
	%	9.3	12.1	18.8	17.5	0	3.1
If yes, which advertisement influenced your preference?							
television	N	48	59	27	35	26	27
	%	64	55.7	57.4	63.6	72.2	84.4
news papers	N	16	27	12	9	6	3
	%	21.3	25.5	25.5	16.4	16.7	9.4
pamphlets	N	6	10	5	4	1	0
	%	8	9.4	10.6	7.3	2.8	0
world of mouth	N	5	10	3	7	3	2
	%	6.7	9.4	6.4	12.7	8.3	6.3
Total	N	75	106	47	55	36	32
	%	100	100	100	100	100	100

Source – Self Structured questionnaire

Analysis and Interpretation- Analysis of the data on the basis of influencing factor to purchase for brands across the income level, the result reveals that for income level Rs 5k-10k less influenced by family members as compare to other income level groups. In case of peers income level Rs 5k-10k and >Rs 25 are highly influenced by peers as compare to others. While all income level groups are highly influenced by advertisement. Point of sale also influences all income group level in rural market. Only income group Rs 15k-25k not influenced by any factor. On the basis of role of advertisement all income group have given their response in yes, towards brand preference. In which Television is less for the income group Rs> 2k and Rs 2k-5k but these groups are highly influenced by newspaper. Income group Rs 5k-10k are highly influenced by pamphlets as compare to other advertisement source. In case of word of mouth all income group are influenced but less as compare to other source advertisement.

So the result shows that HUL must be focus on advertisement and point of sale to influence all income level rural consumers. In advertisement should more focus on television and newspaper for the low level income group and word of mouth for all income groups.

III. Problems faced by HUL’s FMCG products in Rural Market

- The fast growing struggle (competition) between HUL and other FMCG companies.
- Tough struggle (competition) is provided by non-brands and local FMCG products.
- Presence of other strong FMCG brands poses limitation to the market share.
- Consumers of rural market do not think about brand image.

IV. Opportunities for HUL’s FMCG goods in Rural Market

- By growing wakefulness (awareness) of brands and thus increasing interest for HUL products.
- With the introduction of electronic and digital media in rural India, the probabilities of changes are getting prominent.
- Target those markets where local brand competitors are in the majority.
- Target the rural consumers through entertainment programs.

V. Conclusion and managerial implications

Regional languages are playing vital role in the rural marketing. The rural consumers usually do not experiment with a new product unless something triggers them so in this case product must be attached with the old product. Must be attract the middle man to boost up the demand of the HUL’s Products. Create top of mind recall of the HUL’s FMCG products in the mind of rural consumer. It is found that Price, quality and Availability factors makes a preference in toothpaste in which Colgate comes at first in quality and availability and HUL’s Pepsodent comes at first only in price. Rest other factors i.e., promotional offers, Brand Image and advertisement have not make a preference for the products but in these factors also HUL product comes at 3rd and other places. It is also clear that Brand image and promotional offers does not play a vital role in making preference for the products in rural market. The result of the analysis shows now rural consumers are moving towards quality. It shows that rural consumer also changing their preference due to season which is a good sign for the HUL. They can become a loyal customer if they would be satisfied and will get more benefits. This data shows that most of people are businessman, wage labour and farmer, in this case HUL company should

understand the need of these groups and then provide FMCG products according to their need and taste (in case of price and satisfaction). The decision making in the rural market is done by self, followed by spouse so must be focus on them through different events or programmes like chaopal etc. The rural consumers usually do not experiment with a new product unless something triggers them, so in this case, the product must be attached with the old product.

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