

The Business Strategy followed by Hindustan Unilever Limited

¹Lagan Mahipal, ²Shivam Gupta, ³Dr. Sunishtha Dhaka & ⁴Dr. Somya Choubey

¹Student, Department of Business Administration, Manipal University Jaipur, Rajasthan

²Student, Department of Commerce, Manipal University Jaipur, Rajasthan

³Assistant Professor, Department of Business Administration, Manipal University Jaipur, Rajasthan

⁴Assistant Professor, Department of Commerce, Manipal University Jaipur, Rajasthan

ARTICLE DETAILS

Article History

Published Online: 15 December 2021

Keywords

Hindustan Unilever Limited (HUL),
GSKCH India, Asian Market, Kapadia
Associates Mumbai

ABSTRACT

HUL stands for Hindustan Unilever Limited, a consumer products firm. It is a subsidiary of the British business Unilever. Foods, drinks, cleaning agents, personal care items, water purifiers, and other fast-moving consumer goods are among its offerings. HUL was founded in 1931 as Hindustan Vanaspati Manufacturing Co. and was renamed Hindustan Lever Limited in 1956 after a merger of constituent organisations. In June 2007, the firm was renamed Hindustan Unilever Limited.

Hindustan Unilever has 44 product brands in 14 categories in its portfolio as of 2019. In FY2017–18, the firm had 18,000 workers and sales of 34,619 crores. HUL announced in December 2018 that it will buy GlaxoSmithKline's India consumer division for \$3.8 billion in an all-equity transaction with a 1:4.39 ratio. The integration of GSK's 3,800 workers, on the other hand, remained unknown, since HUL indicated that there was no stipulation in the purchase allowing for staff retention. After completing all legal formalities, HUL concluded its merger with GlaxoSmithKline Consumer Healthcare (GSKCH India) in April 2020.

With more than thirty-five brands, operating under 20 products in the region such as detergents, soaps, cosmetics, the company can be part of the existence of dozens of buyers across the Asian country.

HUL's head office is located in Andheri, Mumbai. This field covers an area of 12.5 acres and is the workplace of more than 1,600 workers. several facilities accessible to employees including shops, food court, active health center AN, gym, games and recreation center. This field is signed by design firm Kapadia Associates based in Bombay.

1. Literature Overview

As per the latest report given HUL for the annual general meeting it was examined that Hindustan Unilever Restricted offers several business models that will be examined and categorised one by one as prominent examples of business approaches that affect the globe and earn money. Some of the Business strategy includes:

Reverse innovation

A notable example of large alternative brands is the HUL geographic region's use of this method. The "Knorr Stock Pot," a well-known HUL product, is an example of the well-known reverse innovation approach.

They are motivated by the outstanding alternative brands that have made high-quality products.

The country made its debut in 2007 as China's "Condensed Soup Treasure," at a time when hot soup consumption was at an all-time high. The Chinese with white hair prepare soup by hand, which saves them time and ensures that everything they eat tastes excellent.

Over time, and for many developing and unregistered markets in industrialised nations, Simple and Reasonable Products have been developed. The word "reverse" suggests that a new technique of creating things for the industrialised world would later be adapted to meet the market's expanding needs.

Poor People as a Target

HUL has designed products that are ideal for most Indian clients. Unilever's geographical region created a washing powder called Wheel in 1990, which was manufactured from the Indian market, and Detergent had a relationship before the Indian market. Because the bond between oil and water is less, you may clean fabrics by hand. In India, the majority of Bharat's adopt this practise. The merchandise was supplied in such a way that it was advertised to many local stores as well as registered personal sales agents.

Emphasizing the Three Key Points' Alternative Domains

HUL incorporates a new three-point attack that really reflects the essence of this firm, which is concerned not only with earnings, but also with consumers and consequently the environment. The rebranding of items from "Fair and Lovely" to

"Glow and Lovely" was mostly a cultural problem that they addressed in the aftermath of the All-Black Lives Matter campaign. As a result, despite its small geographic footprint, HUL promotes itself as a global corporation that represents the views of its clients.

A large-scale distribution plan

They want to distribute to supermarkets, wholesalers, cash and shipping, small convenience shops, and active alternative distribution channels such as e-commerce, outside, and direct to consumer. distribute their merchandise The importance of buyer knowledge cannot be overstated.

Project No.5 named as "Sakti Amma"

Many rural girls in rural Bharat have been able to become entrepreneurs because of this campaign and have grown up with financial independence. Sakti Amma's, a United Nations organisation, is a group of businesswomen who have been trained in distribution principles and are familiar with the restricted geographic administration of Unilever products.

These Sakti craftsmen are guided by rural sales marketers who introduce them to HUL products in order to help them run their businesses more efficiently. Bharat has had a lot of exposure to HUL goods in the rural, which has helped them become successful and self-sufficient businesses. To enjoy the business, Hindustan Unilever Limited focuses primarily on 'sustainable growth.'

2. Results

The study done on this issue is primarily based on secondary data found on the company's official website and the annual report set to be released in 2021, when analyzed it was found that Hindustan Unilever Limited is largely considered as one of the most powerful firms in the fast-growing consumer products sector. In most cases, the company's market share eclipses that of its greatest competitors. Kissin and Lifebuoy, for example, are rapidly gaining commercial traction

Hindustan Unilever is a corporate subsidiary. Unilever PLC, which owns around 62 percent of the corporation in India, contributes worldwide knowledge to the company's operations. Since the Indian market is not considered to be uniform, Hindustan Unilever Limited offers goods tailored to local tastes. The Indian market is segmented based on socioeconomic factors, offering consumers both price and quality.

Hindustan Unilever Limited has shown to be a great performer, with 85% of the market to penetrate and 90% of the market share matching customer expectations. These figures are quite competitive when compared to the market's top achievers. According to the statistics, Hindustan Unilever

Limited has divided its products into three categories: Home care accounted for 35% of the total.

Food and beverage accounted for 19% of the total. Beauty and personal care accounted for 45 percent of the total. 1% of the population is classified as "other."

According to the most recent report from Hindustan Unilever Limited, overall revenue in fiscal year 2020 would indeed be 38,785, up almost 3% from the previous year. The key reason for this is because top-performing brands such as Dove and Sunsilk, both of which are personal care companies, dominate their respective sectors.

If we look closely at the performance of the company, we can see that the food and beverage market has been developing rapidly in recent years. It's also worth noting that the newborn and female sectors grew at much slower rates. Hindustan Unilever is attempting to enhance its market position, but its competitors are rapidly gaining market share.

3. Conclusion

Hindustan Unilever Limited is a multi-brand conglomerate with a wide range of products. Unilever owns many of the things we use daily. From bath soaps to water purifiers, there's something for everyone. The consumer thinks this is a smart plan, quality assurance is no longer an issue, and the customer is pleased. People frequently favour one product over another when they are aware that both are owned by the same corporation. The company's major goal is to compete in the same market with its own items to provide the image of a totally competitive market. The client believes that the market is not a price period in this circumstance, however this is a major mistake. The buyer will have no other option if the corporation raises the price of all items at the same time.

To keep the items in the same range, advertising and marketing are done at the product level. Customers, on the other hand, make irrational decisions that provide organisations a competitive advantage. Because the product is purchased at the same level by the consumer in both circumstances, HUL gains money. Profit margins are also quite low in the fast-changing consumer products business, owing to high customer expectations and unfair competition. For the previous three years, the net profit margin has been between 12 and 17 percent. Hindustan Unilever Limited spends just 12% of their revenue, which is an intriguing number. Companies in the moving consumer goods business have also been discovered to have negative working capital, and the fundamental reason for this is the best and most effective supply chain management of all. power. Supply Chain Management has a 109-day negative churn rate. Overall, the firm is growing at a healthy rate and has achieved good industry growth.