

MARKETING MIX OF UNILEVER AND P&G

Sravya Ghanta¹ | Antra²

¹(School of Business Studies, Christ University Bannerghatta Campus, Bengaluru, India, srav.ghanta@gmail.com)

²(School of Business Studies, Christ University Bannerghatta Campus, Bengaluru, India, antra3101@gmail.com)

Abstract— The fast moving consumer goods industry is constantly moving forward. The brand, product are changing drastically. FMCG industry is able to beat recession hence it means FMCG products will always be needed by the consumers. The rural population has a huge potential to FMCG products. . Unilever and P&G are one of the leading FMCG companies. These both companies have a unique approach towards the market and consumers say, pricing policy and the promotion techniques. In today's competitive world these both FMCG companies are giving each other a tough competition it is necessary to understand the marketing mix; product, price, place and promotion of unilever and P&G. the purpose of this paper is to explore the marketing mix strategies of unilever and P&G. this is a conceptual paper and secondary source of data is used. The paper reveals the similarities and differences of different marketing techniques and strategies of unilever and P&G.

Keywords—Marketing mix; 4p's; Product; Price; Place; Promotion; Unilever; P&G; Marketing mix of unilever; Marketing mix of P&G

1. INTRODUCTION

MARKETING MIX

In 1960s Jerome McCarthy invented the marketing 4Ps i.e. Product, place, price and promotions. It is set of tactics used by a company to produce and market a product.

Product: refers to the item actually being sold. The product must deliver a minimum level of quality. The packaging should be proper. It should be useful and convenient for the consumer.

Price: It is the monetary value of the product. It is the costs of production, ability of the market to pay. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used as a tool to enhance the image of the product.

Place: It refers to the point at which the product is sold. The main aim of this is to provide the consumer and producer a platform for the exchange of the product. For a successful business place plays a very important role.

Promotion are activates that are done to spread the knowledge of the product to the consumer. This can include advertising, word of mouth marketing, print media, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes

Unilever is a British-Dutch multinational consumer goods company. Its headquartered are in Rotterdam, Netherlands, and London, United Kingdom. Its products include 4 major categories food, beverages, cleaning agents and personal care products. After Procter & Gamble and Nestlé Unilever stands at the 3rd largest consumer goods company.

It is the world's largest producer of food spreads, such as margarine. Its products are available in more than 150 countries. Unilever owns over 400 brands. Its major brands include Lynx, Dove, Omo, Flora, Heartbrand ice creams, Sunsilk, Hellmann's, Knorr, Lipton, Lux, Magnum, Rama, Rexona and Surf. It is a dual-listed company. Unilever N.V is based in Rotterdam, and Unilever plc is based in London. They have a common boards of directors and they operate same business. It has research and development facilities in the United Kingdom, Netherlands, China, India and the United States. Unilever was founded in 1930 by the merger of the Dutchmargarine producer Margarine Unie and the British soap maker Lever Brothers.

In second half of 20th century the company diversified from oils and fats and expanded its operations around the globe. Its corporate acquisitions includes Lipton in 1971, Brooke Bond in 1984, Chesebrough-Ponds in 1987, Best Foods in 2000, Ben & Jerry's in 2000, Alberto-Culver in 2010, and Dollar Shave Club in 2016. Unilever N.V. has a primary listing on Euronext Amsterdam and London Stock Exchange and is a constituent of the FTSE 100 Index. The revenue of the company in 2015 was 53.272 Euros and operating income is 7.515 billion Euros. The number employees working are 1,72,000. It has 7 subsidiaries namely Hindustan Unilever Unilever Australasia, Unilever Bangladesh, Unilever Nepal, Unilever Pakistan, Unilever Philippines, Unilever Indonesia.

Procter & Gamble Co. also known as P&G, is an American multinational consumer goods company the headquarters is in downtown Cincinnati, Ohio, United States and it is founded by William Procter and James Gamble, from the United Kingdom. P&G products include cleaning agents and personal and home care products. The product line included foods and beverages before the sale of pringles to the Kellogg's. The company mainly focuses on providing branded consumer

packaged goods to the consumer across the world. The Company owns and operates approximately 20 manufacturing sites located in over 20 states in the United States. In addition, it owns and manages over 100 manufacturing sites in around 40 countries. P&G is a 23 Billion-Dollar brands with annual sales of \$1 billion. Almost all of the 23 billion dollar brands and majority of \$500 million to \$1 billion brands hold the number one or two position in their category and they all have significant growth and value creation potential. P&G grouped its Global Business Units into four industry-based sectors as part of the Company's ongoing plan to improve business performance.

1. Beauty
2. Baby, Feminine and Family Care
3. Fabric and Home Care
4. Health and Grooming

The businesses in each sector are focused on common consumer benefits, shared common technologies and face common competitors.

2. REVIEW OF LITERATURE

Mehrabi Javad ,NarsiriRuhollah and Mani Mansuri (2014) conducted a research on the titled "Investigate and Priority of (4P) Factors on costumer decision for marketing strategy". The article was published in journal of current research in science. The objective of the study was to find the effect pf elements of marketing mix strategy on the purchase decision of consumer.

Product place and promotions are the important elements of marketing .The research conducted is an applied research. The methodology used was primary data. Statistical tools like SPSS, Anova were used. The result showed that advertising and exhibitions showed appliance to marketing mix. From the result it can be concluded that Audio and video products are most important element in the mix.

Smith Steve W. (2004) conducted a research on the title "Vitality in business: executing a new Strategy at Unilever". It was online published at Emerald Group Publishing Limited. It is conceptual research. The main objective of the research was to find the effect of change of strategy on the business. The data collected was primary data and involved with interviews with mangers of Unilever. The company style of the organization was collegial more cohesive than a federation. It is strongly decentralized with the power focused at country level.By the year 2000, global competition forced Unilever to re-focus on its core competence marketing and producing fast-moving consumer goods. In 2005 Unilever had a drop in the profit and the market share declined. There was a need to change their strategy. One single CEO was appointed. It was concluded that path to growth was the right strategy for the time but it had not been executed well enough.

Birinikandreas and bowman cliff (2007) conducted a research on the topic "Marketing mix standardization in multinational corporations: A review of the evidence" the article was published by Blackwell Publishing Ltd in the International Journal of Management Reviews. The main objective of this research was to extract and synthesize 'best evidence' regarding marketing mix standardization practices in multinational corporations and to identify evidence regarding the performance impact of marketing mix standardization. Data was collected through secondary source of data. The research concluded that there are studies addressing the same topic. The findings have been inconclusive and conflicting. As to collect relevant and reliable data is difficult to get the studies on marketing mix and performance are limited. This literature review also conclude that the jury is still out regarding the relationship between marketing standardization and performance.

G. Robert, Cooper and Mills Mike (2005) conducted a research on the topic "succeeding at new product development the P&G way: a key element is using the "innovation diamond"". The article was published by stage gate international. This is a conceptual research. In this article the author explores the drivers of new product performance with a particular focus on P&G's best practises. The "innovation diamond" is used as an integrative and guiding framework to help management focus on what's important to success. The innovation strategy is a solid idea to launch process, portfolio management, at the right climate and under right leadership. The article concluded that the real challenge is making the innovation diamond and it drives work in the business and here is where P&G the product innovation is embedded in the company's very nature and fabric. They also concluded that by saying they will provide the product with almost quality and value to improve the lives of the worlds customer.

Brown Bruce and Anthony Scott (2011) conducted a research on the topic "How P&G Tripled Its Innovation Success Rate" the article was published by Robert Tucker. The main objective of this article was to discuss how P&G tripled its innovation success rate. The data was collected through secondary source of data. Innovation has long been the backbone of P&G's growth. From the history that while promotions may win quarters, innovation wins decades. The study concluded that although individual creativity can be unpredictable and uncontrollable, collective creativity can be managed. Although the next Tide or Crest innovation might stumble the factory's methodical approach will bring many innovations to market. The research concludes that the factory process can create sustainable sources of revenue growth—no matter how big a company becomes.

3. CONCEPTUAL ANALYSIS

MARKETING MIX OF UNILEVER

PRODUCT

Unilever owns more than 400 brands. Unilever products are diversified and they have products in each and every category ranging from Foods, refreshments Personal care, Home care. The largest selling brands include Ben& Jerry, Dove, Flora, Heartbrand, Lynx, Knorr, Lipton, Rexona or Sure, TRESmme, Fair & Lovely, Blue band, Pears, Ponds, Vim, Vaseline and V05. Some of the famous products in food categories are Knorr soups, Kissan jams, Brook bond tea, Bru coffee. In Homecare Surf excel, Rin detergent, Cif, Pureit water purifier etc. In Personal care TRESmme hair care, Vaseline lotions, Sure, Pepsodent toothpaste, Body wash soap of Lux, Lifeuoy, Denim products.

Unilever has a product type divisional which helps in producing, manufacturing and distributing consumer goods. Throughout the years Unilever has established a major hold on the consumer goods market. Unilever product are sold in 180 countries. Unilever however does not compromise on its quality. Unilever produces goods of different quality with different price range. The products are packed nicely according to its size and matter. Dove soaps have a cardboard packaging and Knorr soups have individual as well as a common packaging. Warranties is given on Pureit water purifier. Unilever products are useful and convenient to get for consumers. Knorr soup cubes are convenient for the consumers to buy and make.

PLACE

Unilever has an extensive reach to its consumers in the consumer goods market. Unilever uses Retailers, Wholesalers and stores. Unilever is focusing on building extensive local roots in developing areas. Unilever enjoys well established distributing channels in traditional and retail outlets. Walmart is other example of retailer used by Unilever. It offers its products through stores and subsidiaries. Unilever promotes a limited selection of products through these kiosks. In EU in trade free countries like Germany Poland England France Unilever products are used and exported. Unilever follows Think Global and Act Global strategy. It sells and strengthens its market where it's already present. Unilever products are also available online in Amazon and Ebay. India Unilever was the first company to introduce sachet of shampoo at minimum cost for the rural population.

PRICE

Unilever offers a wide variety of price range as it has a diverse product. The price range is affordable for all income group. It maintains competitive pricing policy if the competitors change the price Unilever also changes its price. It offers low cost products to have a wider market. Captive product pricing is other strategy used by Unilever products that complement others product, like cheaper shampoo and costly conditioner, cheaper printer costly cartridge. Lakme cream and lotions are less costly than lipstick. Unilever also follows Bait Pricing low price of one item to attract customers for selling a higher priced product. Example Lux is low cost product and dove is a high end product. Both are sold together. It gives various discount which reduces the price of the product. It offers products with various price ranges so that consumer can buy any product according to his budget. It also follows a premium pricing for premium goods for the people who will invest in branded goods. Example Dove and Lux both sells soaps but Dove soap is costlier than Lux. Unilever also follow Product Bundle pricing strategy. For example, with 4 Rin soap get 1 free. The company follows a variety of pricing strategies according to its market and consumers.

PROMOTIONS

Hindustan Unilever is a large company with a verity of brands and products so its promotional policies are varied and extensive. In global consumer market Unilever has to promote its products because of high level of competition. Advertising in the primary source of promotion. Unilever uses print and electronic media.

It has taken the help of advertisements to create consciousness about its products. Coupons are attached with local newspapers to advertise and promote the products. To maintain consumer awareness Unilever also uploads detailed information about their product. Hindustan Unilever have attractive product appearances with detailed and complete information about the product on its packaging in three different languages. Discounts are provided along with various schemes to attract the customers during off seasons and during special occasions. In Indonesia Unilever gives discount to the shop owners to display their products in front, then sends in its representatives to check. Sales push is encouraged through various contests, free samples, and lowered prices of introductory products and endorsement of products by celebrities. To launch TRESmme shampoo 10 million free samples were given in Brazil.

In order to arouse the interest of the consumer's various staffs' are hired who provide a live demonstration of the product at particular public places. Some of the major campaign through which Unilever took step to increase awareness towards social issues. Dove's Campaign for Real Beauty challenges current stereotypes about beauty.' Dirt is good' campaign promoted that getting dirty is natural and positive part of growing up for children all part of their learning and development. Comfort One Rinse's campaign clarified the customers that they just need one bucket of water to wash their clothes instead of three thus taking a step towards conservation of water.

MARKETING MIX OF P&G

PRODUCT:

Procter & Gamble deals with goods whose products range is firmly related. The main objective of P&G is to make the products available and affordable to every consumer in the world. P&G's products are available in North America, Latin

America, Europe, the Middle East, Africa, Asia, Australia, and New Zealand. The company serves a large variety of products. The major subdivisions are:

1. Beauty and grooming brands: the products in this category are puma, pert, zest, cover girl and Dunhill fragrances.
2. Health and well-being brands: the products in this category are align, always, scope, oral-b, crest, pur, and vicks etc.
3. Household care brands: the products in this category are ace, Charmin, Ariel downy, gain, tide, lenor, tempo and fairy.

The most marketed and demanded products are Head & Shoulders , Ariel, joy, Olay, pampers, safeguard, tide, downy, whisper and Pantene. These products are also called as the ten pillars of the company because of the paybacks they give to the company.

PRICE:

During 1990's P&G started value pricing strategy this pricing strategy for P&G depends on the quality and the brand value of the products. The company took this system by cutting its coupon, creation and strategic cost by adequately expanding effectiveness and expanded its promotion by 20 percent. As there are a large number of brands under the company it has different policies for different type of products. The pricing depends on adjustable policy where the products are priced according to the market value. The competitive pricing policy maintains a price range that is near to the competitors market .any change in the competitors product affect the price of the product. So for few products the prices remain in range. The branch sometimes also follows penetration policy to launch a new product in the market keeping in mind to make a new customer base. For high quality of goods the brands however follows a premium pricing policy where the prices are at a high level.

PLACE:

Procter & Gamble has a worldwide network for all its products with a distribution policies for at least one hundred and forty countries like India, UK, China and USA. The company also has various manufacturing plants for various products. P&G has a very strong network for distribution and manufacturing of its products. It understands the importance of quick action and hence all its distributary strategies are well organized and taken care of efficiently

Distribution process is followed in three major ways

1. Intensive distribution
2. Specialty distribution
3. Extensive distribution.

Procter & Gamble network channel consists of manufacturers they are the producing agents, and frommanufactures to the wholesalers who are the distributors and from them to retailers who are the suppliers for the consumers. For some products, the marketing channel consists of independent organizationsthat are participants in the product production process for consumer consumption. It is the responsibility of the retailers to see that the goods are dispatched at a very faster pace to various outlets. Therefore, the warehouses are at convenient places from where accessibility is faster and easier. The main distributors of the goods to the consumers are the provision stores, the chemist's shops, the retail outlets, the mall and various big markets. DHL provider ensures the company's logical efficiency.

PROMOTION:

Procter & Gamble capitalizes heavily on the online media and insists on "attraction strategy". Under this advertising policy, the company focuses on heavy advertising and creative ads. It has deals with celebrities for its advertisements. Actors like Kareena and her husband saif ali khan are in the head &shoulders ads, actor Katrina Kaif is in ads for Olay and actor Shilpa Shetty and parinitie are in the Pantene ads shown in different television channels, radio, hoardings, newspapers and different magazines. P&G has been a sponsor for various television shows like Guiding Light, Our Private World, Texas, Another World and The Caitlin's. It additionally supported the first soap opera on the radio in the year 1930. Under its internet advertising technique, the organization has opened its official site where a shopper can without much of a stretch download any point by point data about any result of its sub brands and make purchases. The organization additionally has tie-ups with various other shopping destinations from where purchasing is possible. It has turned into a supporter of different online groups like "Women.com" and "BeingGirl.com" and even has various goal destinations that are exceedingly adapted. The organization has discharged little item pouches as limited time dares to make mindfulness in the purchaser advertise for its items. Free samples as advancement strategy are circulated at various occasions to expand the visibility of the items.

4. RESULT AND CONCLUSION

Procter & Gamble Co. also known as P&G, is an American multinational consumer goods company. The product line included foods and beverages before the sale of Pringles to the Kellogs. The company mainly focuses on providing branded consumer packaged goods to the consumer across the world. Unilever is a British-Dutch multinational consumer goods company. After Procter & Gamble and Nestlé Unilever stands at the 3rd largest consumer goods company. In management Procter and Gramble is better than Unilever. P&G's sales are double the size of Unilever and Procter has an 18% operating margin compared Unilever's 13%. Procter and Gramble is a leader in practically all of its product categories, so it's easier for the company to raise prices to deal with rising costs.

In product Unilever owns more than 400 brands under 4 major categories of Food, Refreshments, Healthcare and Home where as P&G has only 3 major categories as Health, beauty and homecare. In price Unilever and P&G follows

competitive pricing policy and penetration policy. In price both Unilever and P&G offers a wide variety of price range as it have a diverse products and they complement each other through their prices. In place Unilever has a broad reach to its consumers in the consumer good market. Unilever utilizes Retailers, Wholesalers and stores and P&G has a very strong network for distribution and manufacturing of its products. It focuses on quick action and hence all its distributary strategies are well organized and taken care of efficiently. Unilever has a larger product mix than P&G. unilever has a specific product line of food but P&G does not have a separate product line. Unilever and P&G both have very consistent product mix and they both use same distribution channel for similar products. Unilever has a vast number of body care brands but P&G has a very limited number. Both the brands provide same kind of products and share the same market so there's a though competition between them. In this competitive world Unilever and P&G creator to all the needs and wants of consumers.

REFERENCES

- [1] Steve, W. Smith. "Vitality in Business: Executing a New Strategy at Unilever." *Emerald Group Publishing Limited* (2009): 31-41. Web. 5 Dec. 2016.
- [2] Mehrabi, Javad, RuhollahNasiri, And Mani Mansuri. "Investigate And Priority Of (4p) Factors On Costumer Decision For Marketing Strategy." *Journal Of Current Research In Science* 2 (2014): n. Pag. Web. 5 dec. 2016.
- [3] G, R., &Milla, M. (2005, October). Succeeding at new product development the P&G way: A key element is using the innovation diamond". *Stage-gate International*. Retrieved December 12, 2016.
- [4] Birnik, A., & Bowman, C. (2007, June). Marketing mix standardization in Multinational Corporation Marketing mix standardization in multinational corporations: A review of the evidence. *International Journal of Management Reviews*. Retrieved December 12, 2016.
- [5] Brown, B., & Anthony, S. (2011, June 22). How P&G Tripled Its Innovation Success Rate. *ARTWORK Josef Schulz*. Retrieved December 12, 2016.
- [6] Official website. <http://unilever.com>. Retrieved on December 7, 2016.
- [7] Official website. <http://us.pg.com>. Retrieved on December 7, 2016.