Changes in Consumer's Taste with the Change of Time

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Change is a response to internal or external stimuli. The most important internal stimuli spurring change are the desire and vitality to grow and advance. This is somewhat similar to the human system. A major difference is that while human life has finite life cycle, an organisation may not have that limitation. Therefore, it can be in a state of enduring change over the years and yet never reach a state of total stability. Once an organisation reaches total stability, it tends to stagnate and decline. History has many examples in the realms of culture, religion, empires, dynasties and businesses. Modern business history in our country has witnessed the phenomenon of 'sickness' which is often the symptom of stagnation and decline of organisations that did not change. Therefore, change originates from vitality and is a positive and necessary sign of growth and progress. Absence of change should be a matter of concern as it could be a sign of internal decay.

Another major set of stimuli which originates from the outside environment is technological advancement which can often change the nature of a business. It could be sudden. But very often it is deceptively gradual. The gradualness of some technological advances prevents many organisations from perceiving their ultimate impact and thus lulls them into a false and short-lived stability, which could eventually be over whelmed by the change.

Habits and preferences of consumers can stimulate changes in products and activities of an organisation. Actions of governments, attitudes of employees, competitive activity and even public opinion, sustained over a period of time, are other stimuli that can result in changing an organisation. Any response needs a medium a medium to be stimulated and to responds. This medium is usually the people at the top. Whether the change is in response to internal or external factors, it is the people at the top who can initiate the process. The sensitivity and vitality of this layer in an organisation are key factors in changing an organisation.

Over the years, Hindustan Lever Limited has been steadily changing its character, composition of business, ownership and organisation. What started in the preceding century as a sales organisation became a marketing company earlier in this century. Steps were taken by 1930 to commence manufacturing vanaspati and soaps in India. This made it possible to strengthen the marketing function because products could be tailored locally to local consumer needs. With the consequent expansion of the market, the company built up a very extensive and efficient sales and distribution system. Because of the close involvement with the market place and the intimate contacts with the trade and consumers, it was only natural to develop local management. The process of Indianisation of management at senior levels started in the early forties, so that by the late fifties it was possible to manage the company predominantly with Indian management, and by 1961 this process culminated with the appointment of an Indian chief executive.

The 'isation" of management was not a painless process because those involved in the transition period on both sides of the fence had many personal and sectoral adjustments to make. It was also during this period of the fifties and sixties that the trade union movement took root and began to provide varying shades of political leadership to its workmen. At the same time, the company embarked on improvement of productivity through the application of industrial engineering techniques both in the manufacturing and in the commercial operations. This was something that accelerated the pace of change.

In ten years, between the mid-fifties and the mid-sixties, the company diversified its activities into synthetic detergents, convenience foods, animal feeds and dairy products. Although today these may not appear to have been great changes, in the milieu of time these were significant changes for a company with a tradition of established business in soaps and vanaspati.

Simultaneously, the realisation that India was sufficiently large as a market, with its own unique characteristics, and that there were enough well qualified Indian scientists who could work in a sufficiently science-oriented culture led the company to set up Research and Development activities in the late fifties and this brought in its train a constant stream of changes and improvements.

By the late sixties and early seventies it was evident to the company that its future was more secure with further diversification into what was then beginning to be referred to as 'core sector' and this could be carried out along with dilution of foreign shareholding. During the early seventies, while the Indian economy was in an uncertain state of growth, the business was adversely affected by irrational price controls first on vanaspati and then on soaps. This resulted in contraction of the vanaspati business over a period and even of the soap business temporarily in 1974. It was a period of education, self-discipline and avoidance of panic. It also underlined the need to diversify the business further.

During the last few years the pace of change has accelerated further. The organisation of the company has proceeded further in the direction of business groups within the company. New projects and new lines of business have been set up. The sales and profits of the company have advanced significantly as also its investment. This growth in size and performance has triggered off further changes. In the present research 'Vim' have been selected as representative of multinational companies '**Hindustan Lever Limited**'.The reason for the selection of this company was that these company produced items of every day needs in households. Which are still present in the market after a tough competition of more than 100 years and have endured many ups and downs of the market. The main reason behind the success is company's planning which includes vast changes from product launching to production, packaging and also in management in accordance with market strategy closely correlated with consumer needs and wants

VIM

In 1904, the popular dish washing agent in most Indian kitchens was ash. Ash had its points. It was convenient for the housewife to source. In fact, it came free, from the burnt firewood or coal she used for cooking. Plus, it was abrasive enough to remove stubborn particles stuck to vessels, and she perceived the grey material as 'pure' since it was produced right under her nose. That was the year, Hindustan Lever Ltd. introduced **Vim**, a brand of scouring powder. It was sold on the hygienie plank, trying to get the consumer to see cleanliness from a microbiological perspective. Vim saw no action, it was just another member of Hindustan Lever's cleaning products portfolio.

By the early 1970s, however, urban Indian homes had switched enmasse to cooking gas. As ash usage plummeted Vim's sales grew. But not alone. Low-priced regional competitors, having recognised the market's potential, started coming in to target the urban Indian housewife with assorted scouring powders. They expanded the market greatly. The country was consuming about 40,000 tonnes of scouring powder by the mid1970s.

Vim, being six to seven times more expensive than its new rivals, was suddenly under threat. The brand's marketing team figured that to make the housewife pays for Vim, it had to raise not only its perceived, but formulation value as well. Simultaneously, it had to push up her involvement with both, the task of dishwashing and the cleansing agent.

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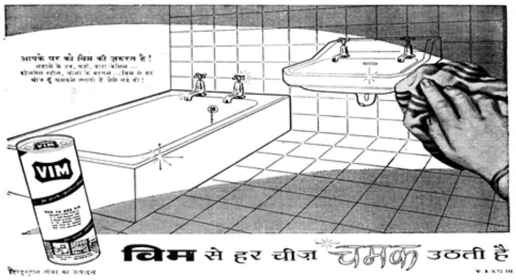

The company began looking for areas of consumer dissatisfaction in dishwashing. It zeroed in on the hard-to-scrub off greasy stains left on vessels by the generous doses of oil used in most Indian kitchens. Vim was reformulated to include a chemical to tackle that problem. Said the ad campaign announcing it: "**Vim leaves nothing but a sparkle**". To highlight its performance through gentle exaggeration, the commercial showed a pleased housewife using the surface of a steel utensil as a mirror.The brand built itself some nationwide brand equity, but many consumers didn't care much for what it way saying and continued to regard scouring powder as a commodity, which was to be bought at the lowest possible price. By the early 1980s, smaller brands got strong Meanwhile footholds in regional markets. Shine-it made headway in the West and Sabena became popular in the South., another national level brand came along: Biz from Godrej. By the time the next ambitious player went national-Balsara's Odopic, around 1985-the market had swelled to nearly 1.8 lakh tonnes. Odopic sold for half the price of Vim, and filled the gap between Vim and local labels. It became popular in the West, especially in Maharashtra, where the company was having trouble delivering its scourer because of a production hitch. Throughout all this excitement of the late '70s and early '80s, Vim's sale stayed more or less flat, fluctuating between 10,000 and 15,000 tonnes.

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The company delved into consumer behaviour to get a fix on the problem. For one almost all brands were white, which meant that Vim offered no visual differentiation. Buying a cheaper scouring powder was a great temptation for the housewife who was forever on the lookout to cut cost. It didn't matter if a cheap powder left residues, scratched plates and clogged drains. In many cases, the product was to be used by a servant, so if it meant extra scrubbing, it was all right by the consumer. At the end of the perceived value analysis, the company concluded that Vim's high pricing was indeed a threat to its survival, and convenience and affordability were the keys to success.Vim went in for some ferocious cost cutting, the first victim of which was its packaging. It came in a 500-gm silver-foil cardboard cylinder, the cost of which accounted for nearly 30 percent of its retail price but didn't give the consumer any tangible benefit. In 1987, the company switched an overwhelming chunk of the produce to cheap '**refill**' polypacks in half, one and 2.5Kg sizes, slashing the cost of packaging to a more sensible 8 percent of the price.

In 1989, Vim launched a commercial which compared the brand's performance with that of others. The accent was on how "**a little Vim goes a long way**." Its volume share crept back to roughly 10 percent. The company reasoned that while stressing value for money, quantity was a more cognisable tack (than price) to play on. Making a price performance judgement was difficult for the housewife whose washing patterns were complicated.

Research had pointed out that the average consumer rarely segmented her household washing clothes, dishes, sinks and so on in accordance with actual product aptitudes. The demarcations among scouring, washing and cleaning powders were clear only in the marketer's mind. The housewife slotted her cleaning into a hierarchy of jobs depending on the value of what was to be washed. So while expensive clothes would solicit a better detergent, the cheaper ones wouldn't.

Likewise, while expensive tableware and crockery would command a better cleaning agent sometimes even an expensive clothes detergent, steel plates and black-bottomed pans and utensils weren't meted out such treatment. The cheaper dishes even had to make do with ash mixed with scouring powder. To add to the complexity the cleaning efficacy often depended on the applicator-coconut husk, nylon mesh or steel wool, if not so much on the utensil's material.

By the 1990s, Vim had clawed back to the growth path. But to keep any rival from coming close, the product had to be differentiated more sharply than ever before. Market research showed that lime was used in many kitchens to battle greasy stains. In 1992, the company put lime as an ingredient into Vim and relaunched the brand. The commercial showed a 'progressive' family, with a father and daughter preparing some delicacies for the family, but leaving the utensils to be done by the mother. Vim came to the rescue, announcing itself as the best option for '**the sensible woman of today'**. The idea was to shift focus from plain performance to the intelligent consumer as in Surf's Lalitaji Campaign, making her the brand's best friend and confidante.

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That left one problem unaddressed. The small-quantity, high efficacy product was vulnerable to a high degree of wastage, especially in powder form. If left in a heap on a moist surface, it would turn soggy. The company found that to get the waste-conscious consumer into the brand fold, a waste-free alternative had to be developed.

In 1993, it introduced **Vim Bar**, in cake form. The reasoning: the consumer buys the benefit not the form. Just a swipe off the bar was sufficient to wash many utensils. The bar promised not to get soggy, drip or flow away. Priced at Rs. 6.50 for a 400-gm cake, it offered to last the entire month. The commercial-similar to that of Hindustan Lever's Rin used a finger swipe as a visual mnemonic and '**itna Sa**' (just this bit) as the brand message.

The company had tried offering a liquid, cleanser earlier. In 1988, it tests marketed **Vim Liquid** in the South. But at Rs. 20 for 500 ml, it proved too expensive to get anywhere. Vim Liquid faded out. In 1996, the product had been relaunched as **Vim Micro** priced at an enticing R. 6 it was available as a concentrate in a sachet, which gives a litre of Vim Liquid when, diluted with water.

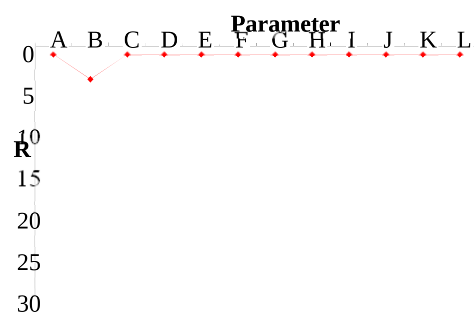
It's clear that the revival of Vim and success of the 1990s must be attributed to its spawn of product variants. This is another Hindustan Lever brand-based appeal of equal relevance to the various respondent categories and to both the rural and urban consumer.

According to A & M-MARG SURVEY REPORT Hindustan Lever Limited reigns supreme in the world of Fast Moving Consumer Goods marketing company in India, with a score of 8.34 out of a maximum possible score of 10.00. It was conducted in Bombay, Delhi, Calcutta, Madrash and Bangalore.While Hindustan Lever Ltd. is rated the best.

HINDUSTAN LEVER LTD.

Rank	–	1
Score	–	8.34 points
High Score	–	The company tops on 11 of 12 parameter
Low score	–	Product differentiation

Hindustan Lever Ltd. is rated No-1 for the fourth year running, but that there has never been a close No.-2. The runner up keeps changing. It receives score of more than 8.00 on six parameter, the best being 8.40 for market leadership. As always, product differentiation is a problem area, as the score of 6.71 suggests.



INDEX :

- Hindustan Lever Limited

A = Products designed to meet needs

B = Products different from competitors

C = Products are market leaders

D = Products are innovative

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E = Products superior to competitors

F = Products offer goods value for money

G = Successful product Launches

H = Brand provide long term stability

I = Marketing personal of high caliber

J = Good relations with retailers/customers

K = Advertising is superior

L = Keeps in touch with market

It is obvious that the performance of the 'Hindustan Lever Limited' had been smooth and free from fluctuations, the reason HLL launched its products after careful planning in the are of market study, brand positioning, marketing strategy.

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