



## **A STUDY ON MARKETING AND SUSTAINABILITY - A CASE STUDY APPROACH WITH REFERENCE TO HINDUSTAN UNILEVER LIMITED**

**Priti Jeevan**

Asst Professor, Srinivas Institute of Management Studies, Pandeshwar, Mangalore,  
Karnataka

### **Abstract:**

*Environmental concern and social impacts of business is always a serious issue in today's day organization. This trend has increased now a days due to the pressures from various stakeholders the prominent being the consumers. The companies need to be sensitive to social and ethical issues affecting the business. This is not just for the short term objective of gaining profits but for the survival of the business for long term. The need of the hour is therefore focus on triple bottom line approach and not just focus on sales, profitability or market share. There is a direct correlation between the corporate responsibility policies and the business performance. The companies should prepare for a sustainable marketing by reexamining the social and economic impacts of their strategies. The focus should be on 3 levels people, planet and profit. This paper titled "A Study on Marketing and sustainability- A case study approach with reference to Hindustan Unilever Ltd" will explore the key issues in sustainability and strategies adopted by HUL. HUL's growth and evolution has reflected the requirements and growth of India. The company has always stood when the country needed be it a national cause, or pioneering initiatives towards integrated rural development, the initiatives taken by them in manufacturing and their leadership and skills development programmes. The firm believes that their brands and operations must touch and positively impact every individual and all stakeholders. HUL is developed a plan called Sustainable Living Plan which is a plan for achieving their vision to double the size of their business, whilst reducing the environmental footprint and increasing their positive social impact. The research uses secondary data for the collection of data. Conclusions, based on the outcome, hereby obtained were drawn and decisions were taken about the said objectives. The primary purpose of this paper is to stimulate further discussion amongst marketers and to be used in dialogue with stakeholders.*

**Index Terms:** Sustainability Marketing, Key Issues, Triple Bottom Line & HUL

### **1. Introduction:**

Concern about the environment and its social impacts of business is a topic that is on the top of the agenda for the business houses. The concerns about pollution, resource depletion and population growth has impacted many industries. There was a necessity to introduce environment friendly products for achieving sustainability with profitability. The companies are examining the social and environmental impacts of their marketing strategies. There is a necessity to re-evaluate product and science portfolios, the creation of the products and services and the marketing of it. This is a complex challenge for marketers. Marketing is the whole business seen from its final result. The final result is the acceptance by the customer. The concept of marketing or the practices followed by the companies have evolved or changed. The companies started the focus from the production orientation where the emphasis was on product standardization and mass manufacturing. In this process they achieve lower unit cost and better quality control. Marketing activity was limited only to distribution. Then the focus shifted to sales orientation where the emphasis was on advertising and personal selling to find out new markets and customers. The objective was to increase the sales volume. The companies then moved towards the marketing orientation where the

objective was on determining the customer's needs and meeting his needs and achieving the repeat sales through customer's satisfaction.

The journey of marketing moved further with the concept of generic marketing which considers the needs of all stakeholders not only customers. Then the concept grew further with the societal marketing where customer satisfaction is generated through long term customers and public welfare. The trends changed further on where marketing evolved as a more responsible system and the focus shifted towards environment and societal impacts. The ecological marketing, greener marketing and sustainable marketing are the concepts that emerged due to this.

Ecological marketing focus was on all products and production methods that help to cause environmental problems and the solution to those problems. The major thrust area was the study of marketing activities related to reduction of pollution and depletion of resources. The last fifteen years saw companies adopting greener approaches to do marketing. Green marketing was defined as "A holistic and responsible management process that identifies, anticipated, stratifies and fulfills stakeholder requirements, for a reasonable reward, that does not adversely affect human or natural environment well beings". The concept of green marketing challenges the traditional buying behavior. Ethical and environmental criteria are gaining growing prominence among buyers and business houses whenever they make buying decisions. Environment cannot be taken for granted anymore is the logic that is applied in their thinking process and all the stakeholders support this kind of understanding. So be it purchases, or investment or employment decisions individual will give environmental and ethical issues as a major determinant factor. Sustainable marketing was the next natural step after green marketing. The concept broadened and the focus was on achieving the triple bottom line through innovating, making and delivering sustainable answers while enhancing the satisfaction level for consumers and other stakeholders. Sustainability understands the win-win scenario of environmental, social and economic well-beings. All kinds of business houses from local to national or transactional companies need to understand this if they want to achieve in the long run.

## **2. Need for Sustainability Marketing:**

Social and environmental performances of the company were dependant on sustainable marketing. The growing concern about the environment from the consumers is increasingly being converted into demand for greener products and services. Especially the segment of 'true blue greens', the consumer group who are completely green and recyclers and 'greenback greens', the group who buys and will propagate green products are growing a large scale. The media is the second reason for the increasing acceptance of this concept. Media was highly responsible in creating awareness and understanding about the ecological problems and they definitely played a key drive of environmental coverage. Suppliers also tried to give emphasis to this concept by being certified environmental and social standards. Increasing social audits and accreditation systems became a priority list for the companies when they chose their suppliers. Shareholders are one more reasons for the companies to go in this direction. Environmental excellence was considered similar to efficient management and funds started flowing to companies that were more ecological and environmental friendly. The community at large also started valuing companies that were more environmental favored. They support such organisations that work towards this and give them all kind of response to their local demands. They also stand by such companies in a variety of causes. Regulatory authorities also support sustainable companies and do not keep a strict control if the company is abiding by all

environmental standards. The reason is that the company which takes care of its environment usually has right values and vision for their functioning. The future lies in the hands of the companies that are sustainable and the products and services that are essentially green. The objectives of any business undertaking are profitability with survival. If today's business wants to survive tomorrow then they have to safeguard the ecological balance and by doing so they get the support from the future shareholders, suppliers or customers.

### **3. Issues in Sustainability:**

Sustainability incorporates a wide range of components like population growth, globalization, production and consumption, global warming and climate change, ozone depletion, acid rain, genetic engineering and loss of habitats and species. The world population has increased rapidly in few years and the environmental degradation also is growing at the same pace. This will have a lot of problems especially in developing countries where the population growth is happening at rapid speed and the environmental control is slow. Globalisation tried to reduce the gap between the rich and poor nations and trying to satisfy the world's consumption needs. But in reality sustainable development was not achieved and there was more disparity between the nations and ethics became a main issue followed by some companies towards the third world countries. As population grew more production of goods was needed. As people wanted better lifestyle their expectations of consumption went higher. This in turn resulted in enhanced consumption of energy, water, wood and other resources which created impact to our environment. Emission of carbon dioxide in increasing fold was the reason for the global warming and the climatic changes. The companies had to decrease the carbon footprint and use all the resources wisely. The ozone got depleted with increased levels of harmful ultraviolet radiation which has potential for degrading human health. Serious research and support from all countries and industries is necessary to make the ozone layer to its previous levels. Air pollution creates acid rain and damage to environment which is harmful not only to human health but also to forests and lakes. To increase the crop yields lot of genetic engineering technique was adopted which in turn spoilt the balance of earth's natural systems. It not only contributed to world hunger but lot of species became extinct because of it. Biological diversity is richness of earth- different plants, animals, micro organisms etc. All are needed for the healthy functioning of this earth. As human beings became more materialistic and greedy this resources are mostly depleted.

All the above reasons made the companies more responsive towards the environment and sustainability was essential to improve quality of life of everyone with keeping in mind the bottom line of the organisations i.e., the profits. They also achieve competitive advantage over others and get the benefits of marketing products easily, recruiting and retaining the best talent, getting the right finance at right time and gaining the confidence and trust of all stakeholders.

### **4. Case Study of HUL:**

Hindustan Unilever Limited (HUL) is one of the strongest FMCG Company having a long standing in India with the motto that what is good for India will be good for HUL. HUL is a household name in most of the categories of the products. With right vision statement which includes the environmental vision the company is growing as sustainable company. The brands are manufactured in 29 owned factories across the country having more than 18,000 employees. The company has over 1800 suppliers and associates, 3500 stockists and coverage of 7 million outlets which includes direct coverage of 3 million outlets through their distribution partners Project Shakti. The

turnover of the company in the fiscal year 2014-15 was 30,170 crores. HUL has products in categories of personal care products, cleaning products, food category and water purifier and most of their brands are market leader in their category.

HUL believes that sustainability can be achieved by being a good corporate citizen. The legacy of being over 100 years in the Indian market is the continuous effort by the company to maintain ethics and transparent in their undertaking. The strong value system and the torch bearer of social change is one of the reasons for the company to be market leader. The company believes in accuracy of accounting, against corruption to any officials, anti-competition, treating all the stakeholders with lot of dignity and respect etc. Any unethical behaviour or fraud can be reported directly by the employees to the management. This whistle blower policy of the organization will give more authority and empowerment to all the employees to remain honest and corrupt free. Therefore ethics, accountability and transparency are one of the pillars of achieving sustainability in HUL.

Sustainability can also be achieved through the products and brand lifecycle. From sourcing of the raw materials to the process to the usage of the products by the consumer everything is very cautiously done which has the least implications on the environment. Continuous improvement in technology is done so that the washing powders use minimum water but yet cleans the clothes to the best. Social missions are attached to the brands of HUL where hand washing message reached to most of the households with main focus to the rural houses. Focus on health and hygiene was transferred in their advertising messages. The water purifiers were able to reach all the low income households with the tie up with micro finance institutions. Brands also empowered Indian women with the foundation which provided scholarship for vocational training and for their new enterprises. Most of the raw materials required for food category is directly sourced from the farmers so that the benefit reaches to the farmers and eliminate middlemen in the process. Sustainable tea estates were created in Assam, Tamil Nadu and West Bengal for their raw materials. Safety and Environmental Assurance Centres in HUL assure that all the products and processes created by the company are following all the health, manufacturing and environmental standards. If any queries the consumer can directly contact Lever care and get to know the usage, standards, and ingredients in the products. Packaging of all the brands is done in such a way that it has minimum packaging and weight of packaging is also less. Keeping the product design standardized helps in reducing packaging cost. This in turn has helped the company to go sustainable with the drastic reduction in plastic usage and paper use in the packaging. The wastes released by the factories are zero non hazardous.

The next principle of HUL that leads them to sustainability is their Employee engagement. Employees well being and concern for them is something that every organization should be concerned about. Having a strong leadership practice and continuous motivation is given in HUL factories. The training practices at shop floor level are all professionally undertaken. 200 plus managers constantly strive to achieve excellence to their employees with the leadership programs. HUL is also called as CEO's factory. This organization has contributed around 400 CEO's to the corporate world. With the world class manufacturing system installed care is taken for employee's health and safety standards. Diversity in employees is another unique feature of HUL. The do not discriminate people based on gender, age, language, religion, state etc as they believe in encouraging the right talent. Digitalization in their training programmes helps the employees to keep themselves updated. Continuously fourth time in the row

this organization has got the No 1 employer of the choice by the student community. In addition they also enjoy the status of being the dream employer status consecutively for the fourth time. With best HR practices and following all the norms they exceed the expectations of their employees.

Environmental safeguard is one of the prime most elements in this organization strictly following the principle of 3R Reduce, Reuse and Recycle. India being the water scarce region lot of efforts is taken by company to use minimum water in all their processes. They also run a foundation called as Hindustan Unilever foundation which engages in projects to conserve water. They also work towards reduction in carbon footprint. They have achieved around 88% reduction in total waste generation. Sustainability sourcing is also what they working at trying to achieve 100 % agricultural raw materials sustainability. Sustainability Governing councils are an integral part of this firm with the objective of innovation in sustainability. Environmental sub-committee is one more committee that concentrates on environmental performance and implements the strategies for safe environment.

The company also focuses on inclusive growth through creation of self improvement programs and employment opportunities. Agricultural supplies, small scale distributors, retailers and farmers have all grown by the company's initiatives. They are advised to adopt advanced technologies along with training programs and monitoring by the company on a regular basis. Pest management, drip irrigation, nutrition management are some of the initiatives. Project Shakti is another initiative that is empowering village women and supported by village men who reach out to over 4 million households across 1,65,000 villages. Personal selling strategies are adopted by them giving them job opportunities, decent standard of living and empowered village people.

#### **5. Conclusion:**

The role of marketing in responding to sustainability issues will differ based on company and its products, the vision and the value systems that they possess. Sustainability inbuilt in HULs purpose builds future profitability of the business and ensures that the Company creates a long-term value with its stakeholders. Unilever Sustainable Living Plan spans across the value chain of its entire operations. By reducing the environmental footprint and creative a positive and favourable impact to all the stakeholders the vision of the company is to double the size of its business. Health and well being of the billions of people, removing the negative impact of the environment and enhancing the livelihoods of millions of people is the outcome of the sustainability program of HUL. Inclusive growth is the only way that company can grow. The commitment to serve many Indians has helped the company to achieve their top one position in Indian markets. With the right portfolio of brands catering to every Indian household, the value based pricing strategy, distribution network that reaches consumers to the remotest rural area and right manufacturing units helps the country to accelerate economic development.

#### **6. References:**

1. Charter M and Clark T (2002), Sustainable Value, Greenleaf publishing, Sheffield , UK
2. Charter M., and Polonsky M (2000) Greener Marketing, Greenleaf publishing, Sheffield, UK
3. Dahlstrom, Robert (2011), Green Marketing Theory, Practice, and Strategies, Cengage Learning, New Delhi,

4. Elangovan ,A., Murugesan, B., & Azhagaiah, R.(2006), “Consumers Attitude and Behaviour Toward Environmental Marketing”, Udyog Pragati, The Journal for Practicing Mangers,
5. Kotler, Philip, Keller, Lane, Kevin, Kashy and Haque, Ehsan ul(2010), Principles of Marketing Management – A South Asian Perspective, Pearson-Prentice Hall, New Delhi,
6. Peattie K (1995), Environmental Marketing Management; Meeting the Green challenge, Pitman Publishing, London
7. [www.emeraldinsight.com](http://www.emeraldinsight.com)
8. [www.researchgate.net/publication\\_Managing\\_greenness\\_in\\_technology\\_marketi](http://www.researchgate.net/publication_Managing_greenness_in_technology_marketi)  
ng