

Chapter 8

Consumer Behavior

Perspective for

Fairness Creams:

A Case of 'Fair & Lovely'

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EXECUTIVE SUMMARY

The market for fairness creams around the globe was an untouched territory till mid-1970s. No cream was available which could claim an effect on the fairness of skin. The first product for this market was Fair & Lovely (Fair & Lovely) by Hindustan Unilever Ltd (Hindustan Unilever Ltd.:HUL) which was launched in India in 1975. It was a turning point for the fairness cream business and several companies followed soon. Fair & Lovely didn't take much time to become a household name with more and more women putting their trust in the product for giving them the much needed fair skin they always desired. A product which started as another addition to the product line, acquired the status of a super brand by 2004. It became a part of the customer's persona. In a society where the general population is genetically brown in skin color, yet has resentment to it; fair color of skin is an obsession and is equated with beauty, happiness and success. This craze for fair skin is marketed aggressively and a range of products are available in the market, which gratify the likes of teenagers as well as grown women. The following case on the product Fair & Lovely gives a background of the market for fairness creams in India and focuses on different aspects of behavior of women as consumers of this product.

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ORGANIZATION BACKGROUND: HINDUSTAN UNILEVER LIMITED

Hindustan Unilever Limited (HUL) is India's largest fast moving consumer goods company, with leadership in home and personal care products, as well as foods and beverages. HUL brands vary from soaps to soups, which meet the need of consumers from the morning cup of tea to the brushing routine at bedtime. 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 products are used by around 700 million consumers across India (HUL Magazine, 2012). Brands like Axe, Lux, Liril, Lifebuoy, Pears, Vim, Surf, Cif, Rin, Wheel, Closeup, Brooke Bond, Bru, Clinic Plus, Fair & Lovely, Pond's, Lakmé, Vaseline, Sunsilk, Kwaliti Wall's, Kissan, Knorr, and many others have become household names. HUL shares the mission of its parent company which is working to create a better future every day.

The company has over 16,000 employees and has an annual turnover of around Rs.19, 401 crores (Financial year 2010-2011). HUL is a subsidiary of Unilever, one of the world's leading suppliers of fast moving consumer goods with strong local roots in more than 100 countries across the globe with annual sales of about €44 billion in 2011. Unilever has about 52 percent shareholding in HUL (HUL, 2012).

For the financial year 2010-11, a major share of revenue was from soaps and detergents (44.6%), personal products (29.7%), and beverages (11.9%). Whereas the total expenditure of the company segment wise shows a different trend. The highest investment was for personal products (54.6%); followed by soaps/detergents (30.5%), and beverages (13.1%) (HUL Annual Report, 2012).

One big reason for the focus on personal care products is the targeted growth rate of 15% year-on-year for the next five years; which is due to the continuous growth seen by domestic players, and the entry of multinational companies through innovative products. The industry has recorded eight per cent growth in the last few years (Jha, 2011).

The personal product portfolio of HUL comprises of soaps (Dove, Lux, Lifebuoy, Pears, Hamam), shampoos (Clinic Plus, Sunsilk), Toothpaste (Closeup, Pepsodent), and face cream (Ponds, Lakme, Fair and Lovely). Out of all the products of HUL, Fair & Lovely is playing a decisive role in the companies' personal care business with a presence in more than 30 countries and over 250 million consumers. HUL continues to dominate the Rs. 1,800-crore women's fairness cream market in India with an over 70 per cent share (Pinto, 2011).

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