

# Performance of HUL Shakti Ammas in Anantapur District

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**Abstract-** For empowering the rural poor the corporate enterprise like HUL approximates it self to the use of bottom of the pyramid marketing. This paper focuses mainly upon the working of this model called project shakti, its pre requisites & problems and its operational view& How is the performance of shakti entrepreneurs in anantapur district.

**Index Terms-** Shakti ammas, autonomy , Shakti project, enterprising nature.

## I. INTRODUCTION

Largest consumer products company in India, is the Hindustan Unilever Limited (HUL), formerly known as Hindustan Lever Limited (HLL). The name HUL came into vogue in late June 2007. The Head office of the company is located in Mumbai. HUL is number one Fast Moving Consumer Goods (FMCG) Company in India. Unilever's mission is to add vitality to life. We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.

The vision of HUL is to meet everyday needs of people everywhere – to anticipate the aspirations of our consumers and customers and to respond creatively and competitively with branded products and services which raise the quality of life. The well recognised distribution programmes of HUL are: Project Bharat, Project Streamline, and Project Shakti.

**HUL Project Shakti** was piloted in 2002 in 50 villages of the state of Andhra Pradesh involving members of Self Help Groups (SHGs). They are trained and provided micro credit to buy and sell HUL's products. On an average, each Shakti entrepreneur earns enough each month to approximately double her previous household income, which makes a significant difference to family living standards. Through the nature of the products sold, the project is helping to increase awareness on health, hygiene and nutrition, thus improving the standard of living of the rural community. In addition, health educators known as 'Shakti Vanis' talk to Self Help Groups about HUL's brands and on the importance of good nutrition and hygiene practices in combating diseases. In 2003, HUL piloted I-Shakti, an IT-based rural information service, providing access to these key rural information needs in areas such as agriculture, education, health and hygiene, veterinary, programmes, etc.

The present study focuses on the performance analysis of project shakti in **Anantapur** district of Andhra Pradesh.

## Review of Literature

*John Mano Raj and Selva Raj (2007)* traced the social changes in rural market which opened up new market for FMCGs and discussed in detail how FMCGs can respond to the demand in rural areas by adopting innovative marketing strategies. Godrej Consumer Products Limited (GCPL) launched Rs.5 soaps, Cavin Kare made live demonstration of hair and dye, and HUL embarked on Project Shakti. Promotion is a challenge as rural consumer is influenced by retailer as he asks for a soap – "lal wala sabun dena" or 'Paanch rupees waali chai dena' and not brands.

*Xavier, Raja and Usha Nandhini (2008)* studied the impact of HUL's Project Shakti on participant members of Shakti groups after delving at length on HUL's Shakti model, explaining its formation and operations. They collected data from Shakti Ammas in Tamil Nadu. The data covered aspects like demographics, habits, life styles, incomes and occupations. An inquiry was also made into the choice of becoming Shakti Ammas, the benefits and problems. Based on their data, three major constructs - social empowerment, entrepreneurial development and economic empowerment - were developed and linked to satisfaction. It was found that greater satisfaction was obtained from social empowerment.

*Hari Sundar and Prashob Jacob (2009)* studied investment pattern and the perceptions towards post office savings scheme based on a sample of 291 respondents from Kumbalangi in Kochi district, a semi rural area. The findings are:

- The major purposes of savings are education of children and purchase of house.
- Post office savings is ranked first, followed by insurance and bank savings.
- About 14% of the respondents are not aware of post and 7% considered it unattractive.
- The preferred schemes based on high interest rate are Kisan Vikas Pathra and monthly income scheme.

*Rangan and Rajan (2005)* examined HUL project Shakti with particular reference to marketing FMCGs to the rural consumer. While retailing the movement of HUL, the authors referred to the onslaught of competition from both local brands and international brands. The beginning of the 21<sup>st</sup> century

witnessed a chequered bottom line situation in the functioning of the company to which it responded by introducing new brands and price reduction. In order to stay above competition and to remain as leader, the company found the way for establishing rural distribution mechanism. This development paved the way for the creation of Project Shakti, a win-win initiative aimed at triggering micro enterprise that creates livelihoods for the community. This led to aggressive penetration of the company into markets in small towns, semi urban and rural areas.

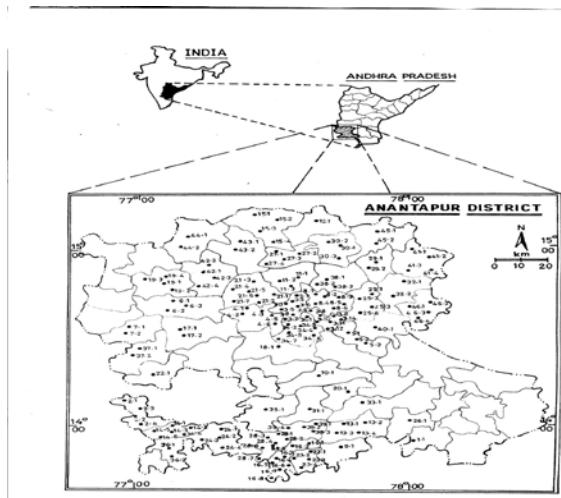
### **Objectives:**

1. To know the performance of Shakti Entrepreneurs in Anantapur Dist .
2. To understand the life style changes of shakti ammas .

## **II. METHODOLOGY**

### **Area of study:**

Field investigation has been undertaken in the study area comprising the Anantapur district which falls under Southern Andhra Pradesh.



### **Data Sources:**

The data for the study was drawn from primary and secondary sources. The primary sources are the members of Project Shakti group of Hindustan Unilever Limited (HUL) and the Rural Sales Promoters of the company. The secondary sources are the print and electronic media. Different write-ups in journals, magazines, news papers, etc constitute the print media sources.

### **Questionnaire:**

The questionnaire is developed based on rational construct criterion. It is proposed to administer the questionnaire by interview method. As the various questions framed in the questionnaire were in the English language, due care was taken to reach out to the SEs.

### **Data Analysis:**

The data were converted to SPSS (Statistical Package for Social Sciences: version 11.0: 1999) for statistical analysis. Data

obtained from the responses to questionnaire are tabulated and analysed using descriptive statistics like percentages, means and standard deviations. Factor analysis was carried out to identify the factors from the variables studied as also to reduce them into manageable factors.

### **Profile of Respondents**

Table 1 shows the demographic characteristics of all the respondent SEs from Chittoor district.

#### *Age*

The sample is dominated by elders of above 30 years. A good majority of them (75.9%) are in the 30-45 years category. Only 7.9% of them are in the below 30 years age group and 16.4 % of them are in the above 46 years age group.

#### *Education*

Most of the Shakti Entrepreneurs (SEs) are reasonably educated. Only 11.1% are in the primary educated group. About 61.4% of them had "upper primary" school education. About 21.5% are in the high school educated category and 2% had college education.

#### *Marital status*

It is found that most of the SEs (97.4%) are married. Only a meager 2.6% are unmarried.

#### *Family size*

The respondent SEs are characterized by normal family size. As against the expected norm of 6 members consisting of husband and wife with 2 parents and 2 children, a good majority of the respondent SEs (77%) have family size of 3-5. Out of the remaining 23% of the respondents, about 6.1 % have small families with less than 3 members. Only 16.9% of the respondents have large families of 6-9 members.

**Table 1 Profile of Respondents (N=153)**

Factor	Categories	ATP(N=153)	
		F	%
Age (Years)	< 30	12	7.9
	31-35	14	9.2
	36 -40	87	56.9
	41 – 45	15	9.8
	Above 46	25	16.4
Education	Primary	17	11.1
	Upper primary	91	61.4
	High school	39	25.5
	Collegiate	6	2.0
Marital status	Yes	149	97.4
	No	4	2.6
Family size	< 3	10	6.1
	3 – 5	119	77.0
	6 – 9	24	16.9

S. No.	Attendance	ATP(N=153)	
		F	%
1.	Always	55	35.9
2.	Mostly	45	29.4
3.	Sometimes	34	22.2
4.	Never	19	12.4

#### Experience as SEs

Since how long the respondent SEs are with the Project Shakti? Table 6- 7 shows the details. The recent entrants are small in number. About 11.7% of the respondents are associated with Project Shakti recently and have not gained even one year experience. The remaining 5.9% have more than one year experience. Those with 1-2 years of experience constituted 21.2% and those with more than 2 years of experience represented 72.9% of the total sample.

**Table 2 Number of years with Shakti (N=153)**

S. No	Duration	ATP(N=153)	
		f	%
1.	Less than one year	9	5.9
3.	1-2 years	32	21.2
5.	> 2 years	112	72.9

#### Reasons for becoming SEs

The reasons given by Shakti Entrepreneurs are listed in Table 6 - 8. ‘Programme benefits’ topped the list with 71.9% of the respondents mentioning it as the single reason and another 28.1 % mentioning it along with their family background. ‘Family background’ and ‘community pressure’ are mentioned individually by a negligible proportion of SEs. As such the hypothesis is proved right. Women have become Shakti Entrepreneurs convinced by programme benefits.

**Table 3 Reasons for becoming SEs (N=60)**

S. No	Reason	ATP(N=153)	
		%	Rank
1.	Programme benefits	71.9	1
2.	Family background /Community pressure	1.3	3
3.	Both Programme benefits and family background	26.8	2

#### Attendance at meetings

The SEs in Chittoor district are found to be more serious about the meetings as revealed by 77.5% of them attending the meetings regularly (Table 4).

**Table 4 Attendance at HUL meetings (N=153)**

#### Reasons for not attending meetings

Anantapur district, only 65.3% of the SEs are having similar concern. The reasons for not attending meetings are same as can be observed from Table 5. The dominating reasons in the case of SEs are: ‘Meetings convened at far off places’ and ‘nothing significant takes place in the meetings’.

**Table 5 Reasons for not attending meetings (N=153)**

S. No	Reasons	ATP(N=153)	
		%	Rank
1	No time to attend the meetings	20.0	3
2	Meetings held at inconvenient time	6.67	4
3	Meetings convened at far off places	40.0	1
4	Nothing significant takes place in the meetings	20.0	2

#### Marketing efforts

What kind of support HUL is giving to SEs? How do the SEs go about in selling the products?

#### Brand acceptance :

Table 6 shows the perception of consumers of the Ananatapur district. The awareness is lower and acceptance is more.

**Table 6 Level of acceptance of HUL products (N=153)**

S. No	Statement	ATP(N=153)	
		Mean	SD
1	HUL is very much known to consumers.	4.17	0.418
2	HUL products are considered more expensive	2.10	0.602
3	Some products of HUL are not suited to water	1.00	0.00
4	Consumers prefer substitutes of HUL products.	2.40	0.942
5	HUL products are acceptable to consumers.	3.78	0.94

#### Modes of selling

A cursory glance at Table 7 indicates that the selling modes in chittoor district. Multiple approaches are employed. The predominant one is ‘door to-door selling’ in combination with other modes like ‘retail outlet’ and ‘own house’.

**Table 7 Modes of selling by Shakti dealers(N=153)**

S.No	Mode	ATP
1.	Door to door	3.3
2.	Sale at own house	2.0
3.	Retail outlets	3.3
4.	Door to door and sale at own house	43.0
5.	Door to door and retail outlets	7.2
6.	Sale at own house and retail outlets	2.0
7.	Door to door Sale, at own house and retail outlets	39.2

**Table 9 Life Style Changes - Project Shakti in Anantapur District (N=153)**

S. No	Statement	Before		After		z-value
		Mean*	SD	Mean*	SD	
<b>Factor 1 – Autonomy</b>						
2	I do not have to consult my family members for minor personal decisions	1.60	0.542	4.27	0.538	43.10*
3	My husband / family members consult me before they take vital decisions	1.78	0.606	4.63	0.535	43.47*
4	I do not depend on my family members for meeting small personal expenses	2.24	0.752	4.34	0.528	28.18*
<b>Factor 2 – Enterprising</b>						
7	I am confident that I can run a business independently	1.93	0.575	4.75	0.490	46.02*
8	My family members support my entrepreneurial initiatives	1.40	0.621	4.18	0.717	36.13*
10	I am cash rich and do not feel the pinch of cash	1.90	0.817	4.33	0.759	26.87*
11	I have got the opportunity to mingle with others	1.95	0.682	4.18	0.567	31*
<b>Factor 3 – Leadership</b>						
5	I am confident of taking lead roles in public activities	2.23	0.815	3.80	0.828	16.66*
6	People in my village acknowledge that I am a well informed person	2.09	0.600	3.87	0.570	26.52*
<b>Factor 4 – Active</b>						
1	I am confident that I can socialize and speak in public	2.33	0.752	3.83	0.826	16.54*
9	I am capable of opening a bank account and am familiar with banking formalities	2.01	0.730	4.40	0.789	27.31*
<b>Factor 5 Achiever</b>						
12	I am looked up on as a pioneer in introducing the latest products	2.23	0.917	4.27	0.845	20.14*
<i>Z<sub>th</sub>=1.96 @ 5% significance level; *- significant</i>						

Scale: 5-Strongly agree 1-Strongly disagree.

#### Problems faced by Shakti ammas

Do Shakti Entrepreneurs have problems? The answer is NO according to the sample of all respondents. Table 11 shows the problems faced by Shakti dealers. They showed disagreement

with the problem statements indicating that they have no problems. However, the agreement with response to global statement "I have no problems" is positive. This requires a probe – whether they have problems other than those mentioned in the table. Personal inquiries with SEs at the later stage did not provide any clues to the problems.

**Table 11 Problems Faced by Shakti Dealers (N=153)**

S. No	Statement	ATP (N=153)	
		Mean	SD
1	I face competition from local retailers	2.05	0.746
2	I have problems with those who sell fake products	1.73	0.778
3	I have problem in reaching households	1.78	0.783
4	I face problems of gender discrimination	2.07	0.634
5	I have no problems	2.82	1.479

#### Views on Support by HUL

Request for continuation of benefits being provided by HUL is relatively stronger in the case of annatapur district.

**Table 12 Views on Support by HUL (N=153)**

S. No	Views	ATP
1	Effectiveness of incentives	97.4%
2	Effectiveness of Advertisement support	100.0%
3	Continuation of benefits being provided by HUL	95.4%
4	Complaints	3.3%

#### suggestions of ses to hul

What are the suggestions to HUL by SEs? Table 13 shows that SEs of Anantapur district suggested changes in price and packaging.

**Table 13 Suggestions to HUL (N=153)**

S.No	Suggestions	ATP	
		%	Rank
1.	Change in packaging	3.3	4
2.	Change in price	26.8	2
3.	Both Change in packaging and price	49.0	1
4.	Change in brand name, packaging and price	19.7	3
5.	Change in brand name, packaging ,price and colour	1.3	5

#### Findings:

Rural marketing needs innovative approaches to reach the remote villages and bottom of the pyramid consumers. The experiments of HUL and ITC-e-Choupal are commendable. The empowerment of village women as rural distributors in project Shakti make it a unique experiment.

The project took off very well and is working in many areas successfully as per the reports.

### III. CONCLUSIONS

- Rural marketing needs innovative approaches to reach the remote villages and bottom of the pyramid consumers. The experiments of HUL and ITC-e-Choupal are commendable. The empowerment of village women as rural distributors in project Shakti make it a unique experiment.
- The project took off very well and is working in many areas successfully as per the reports. The present study found its working in Anantapur and found that the project is doing well.
- The Project Shakti is, therefore, not only conceptually sound but also operational. However, there are some problems to be sorted out to make it more effective.

### IV. SUGGESTIONS OF THE STUDY

The Project Shakti, when conceptualised as a system will be found having the following components.

- Rural staff of HUL
- Shakti entrepreneurs.
- Government agencies
- Supply of brands
- Sale of brands

To implement Project Shakti more effectively the following suggestions will be helpful.

#### Rural staff of HUL

HUL has to pay attention to the following aspects.

### *Recruitment and Selection*

The different types of positions required for the company to work in rural areas may be duly advertised through the print and electronic media. As far as possible, candidates may be selected based on their merit, with due consideration to the language skills- fluency in writing and speaking the local language and English.

### *Training*

The RSPs considering their pivotal role in the business deals may be imparted, appropriate training at the State headquarter city for a period of one to two months. During the training period they may be paid full salary.

### *Pay and incentives*

The staff particularly the RSPs and their subordinate staff may be provided handsome pay package (if possible running scales) and congenial working/service conditions. It may be worthwhile if all the staff of the company are given annual/periodic incentives including yearly bonus, medicare, annual increments, etc. This will prevent desertions of the employee and inculcate dedication, hard work, sincerity and honesty in their work.

### *Infrastructure*

It may be good for the company if proper office (work place) with necessary infrastructure instead of simply attaching them to the local agencies and their godowns. The Regional Sales Officer may need to be provided a decent office with the required infrastructure along with supporting/secretarial staff to assist him in the formulation of policies and functioning norms and schedules of the staff under him. This office may be located at a well known place of the headquarter city of the region.

### *Transport facility*

The company may consider the possibility of providing the necessary transport facility to the RSP to approach the Shakti points easily and to recover the cost of the products without fail.

### **Shakti Entrepreneurs**

In respect of Shakti entrepreneurs, HUL has to take following measures.

### *Loan facility*

Certain members of the SEs seem to be enthusiastic in expanding their business. But they do not possess the matching finances. Hence they deserve to be encouraged by providing appropriate credit facility in the purchase of the products, after a careful examination of their financial capabilities and resources as well as track record in the sale of products. Such select SEs may be placed under the strict vigilance, supervision and responsibility of the respective RSPs.

### *Reviving inactive units*

A number of SE points are reported to be not so active as expected by the company. Appropriate immediate steps may be initiated to tide over the situation and to make them functional.

### **Government agencies**

A model based on private and people participation can be successful only when public agencies make their contribution in the right way. Collaboration is a two way process and the company and government agencies should have mutual concern for the benefit of society.

### *Linkage with government agencies*

The company may make sure that the concerned State Government wings of DRDA such as Indira Kranthipatham, etc are in regular touch with the personnel of the HUL and their working pattern, including their schedules from the standpoint of various administrative matters, besides meticulously evaluating the women empowerment and its impact on the quality of their life.

### *State agencies to be active*

The State Government DRDA wings should have full knowledge of the HUL company and the strategies adopted for the women empowerment. Periodic evaluation of various aspects of SEs will certainly help the Government in understanding whether women empowerment has been successful by the participation of HUL. It is necessary that the State Government DRDA should maintain the complete list of SEs in the State.

### *Supply of brands*

In the matter of supply of brands, it is important that the company has to take care of the SE's request. Failure to do so will have obvious negative consequences like loss of sales to SEs and increased preference to retailer points.

The supply of different brands of products has to be continuous as far as possible in order to meet the customer demands.

### *Sale of brands*

It is reported by majority of the SEs that the company is unable to keep up its offers on the sale of different brands of products to them. The company therefore should address this problem and keep up the promise of delivery of offers.

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