



A Comparative Study of Two FMCG Companies: HUL and P&G in India

Dr. M. Lakshmi pathi Naidu

*Associate Professor & Head, Department of Business Administration
M S Ramaiah College of Arts, Science and Commerce, Bengaluru, Karnataka, India*

Y. Shivashankarachar

*Assistant Professor, Department of Business Administration
MS Ramaiah college of Arts Science and Commerce, Bengaluru, Karnataka, India*

Abstract

Fast-Moving Consumer Goods (FMCG) are the most dynamic and competitive sectors in the world, which significantly contribute to the fulfillment of daily-day consumer demands. This research paper is a comparative analysis of two FMCG companies in India Hindustan Unilever Limited (HUL) and Procter and Gamble (P&G) in terms of 4Ps of marketing coupled with marketing strategies and brand positioning, with primary emphasis on it. The study encompasses primary data from structured questionnaires and secondary data from annual reports, websites, and industry research articles. The study analysed the responses of 100 FMCG consumers and interpreting the impact on 4 P's of marketing and the company strategies in the marketing. The research study highlights the strengths, limitations, and growth opportunities of the select FMCG in Indian market. The study revealed the facts that HUL dominates through wide distribution and price competitiveness where P&G focuses on high-end branding and global positioning. This study highlights the strategic roadmap for the select FMCG companies, marketers, policy makers, and research scholars an insight into strategies to be adopted in marketing, branding positioning and also focus light on consumer behavior and market penetration strategies in the FMCG sector.

Keywords: India, Marketing Strategy, Consumer Behavior, Branding, FMCG, HUL, P&G.

Introduction

Fast-Moving Consumer Goods (FMCG) market is an important component of the world economy, and the Indian economy. The industry is a big-volume consumer goods and low-priced industry, and the use of the goods sold in the industry is highly heterogeneous: foods, beverages, personal care goods, and household items. The fourth

largest sector of the Indian economy that contributes a massive part of the GDP growth and employment opportunities is the FMCG segment of the economy.

The two leading competitors of the Indian FMCG market are Hindustan Unilever Limited (HUL), the subsidiary of Unilever, and Procter and Gamble (P&G), a multinational corporation



located in the United States. The two companies boast of broad product offerings, strong brand and large market. However, there is a significant difference in the marketing practices adopted by HUL and PGP in the context of positioning, focus of promotions, pricing and channel distribution.

The purpose of this paper is to comparatively analyze these two companies in the marketing context. It will be concerned with how the two companies serve the dynamic Indian market and how they can differ in terms of their strategies in accessing the urban and rural consumers. India is an ideal land of strategic differentiation and innovation with an increasing number of middle-class citizens, increased disposable income, and a digital revolution.

It is the primary aim of the current work to evaluate and compare the effectiveness of marketing practices applied by HUL and P&G, particularly, in consumer participation, product knowledge, campaigns and pricing practices. The research is based on the qualitative and quantitative data, so the analysis is guaranteed to be in-depth.

The paper then presents a terse literature review, the research methodology in the following sections, the profile of each company, a comparative marketing analysis, major

insights regarding the data and a final conclusion and some strategic recommendations.

Literature Review

Firstly, one of the key components of comparison is the assessment of the performance of companies on the basis of mixed financial and nonfinancial indicators. New performance evaluation theory states that it is not sufficient to focus only on financial results, but it is necessary to evaluate other important performance indicators, such as customer satisfaction, market share, etc., which are very important in today's highly-dynamic context (Narkuniene & Ulbinaite, 2018).

Furthermore, HUL and P&G marketing strategies play a crucial part in their performance and success. The strategic decisions can have an impact on the companies' standing in the market. Differentiation and cost leadership are a key strategy that firms use to achieve competitive advantage (Zahay & Griffin, 2010).

Further, the two companies have adopted many innovative marketing strategies, such as green marketing and utilization of artificial intelligent tools, to improve their positioning and performance metrics (Arce et al., 2023; Mukonza & Swarts, 2019). In particular, the use of green marketing has been



suggested not only to be in line with sustainable business practices but also to have a positive impact on corporate image and the perception of customers (Mukonza & Swarts, 2019).

Stakeholder relationship marketing and performance appraisals are highlighted as insightful approaches for understanding and improving integrated financial business performance through the delivery of economic, social and environmental value (Murphy et al., 2005).

Research Methodology

The present research is a mixed-method study, which consists of primary and secondary data:

Primary Data

- A questionnaire was given to 100 consumers in Bangalore who were structured.
- Participants were selected using simple random sampling.
- Responses were analyzed to assess brand awareness, loyalty, pricing sensitivity, and promotional influence.

Secondary Data

- Company annual reports (2020-2024)
- Industry publications
- Official websites of HUL and P&G

- Scholarly articles and marketing journals

Company Overview

Hindustan Unilever Limited (HUL)

HUL largest FMCG and a subsidiary of Unilever PLC in India. The HUL functions in the sectors of home care, food and beverages, health & hygiene and personal care. HUL's flagship brands include Dove, Surf Excel, Lux, Lifebuoy, and Brooke Bond.

- **Founded:** 1933
- **Headquarters:** Mumbai, India
- **Market Share:** Over 60% in some product categories
- **Strategy:** Wide distribution, competitive pricing, rural penetration, sustainable sourcing

Procter & Gamble (P&G) India

P&G entered the Indian market in 1989 and has positioned itself as a premium FMCG provider. Its key brands include Ariel, Tide, Pampers, Whisper, Head & Shoulders, and Gillette.

- **Founded:** 1837 (global), 1989 (India)
- **Headquarters:** Cincinnati (Global), Mumbai (India)
- **Market Share:** Strong presence in health & hygiene
- **Strategy:** Brand innovation, technology-driven marketing, emotional branding



Comparative Analysis: HUL vs P&G

In the following section, the main marketing strategies of HUL and P&G are analyzed in terms of 4Ps, i.e., Product, Price, Place (Distribution), and Promotion, and the data visualization of

the supporting data is provided. The strategies are analyzed to determine the extent to which the two companies have been able to generate brand value and customer loyalty in the Indian FMCG competitive market.

Table 1 Marketing Mix Comparison of HUL and P&G

Element	HUL	P&G
Product	Extensive portfolio (mass & premium)	Premium-focused, selective product lines
Price	Competitive pricing, bundling for value	Premium pricing with focus on perceived value
Place	Extensive rural-urban distribution network	Urban-centric distribution with retail focus
Promotion	Mass advertising, local events, CSR drives	Emotional branding, celebrity endorsements

Insight

HUL maintains a broader product and pricing strategy, while P&G leverages exclusivity and innovation.

Interpretation for Table 2

A higher percentage of consumers prefer HUL due to its wider availability and cost-effective variants.

Table 2 Which Brand do you Prefer in Household and Personal Care Categories?

Brand	% Preference
HUL	62%
P&G	33%
Others	5%

Table 3 Distributions Reach in India

Metric	HUL	P&G
Retail Outlets Covered	9 million+	2.5 million+
Rural Penetration (%)	80%	45%
Warehouses and Stock Points	30+ major hubs	12+ major hubs

Insight

HUL outpaces P&G in rural market accessibility, significantly increasing its customer base.



Table 4 Pricing Strategy Comparison (Per Product Category)

Product Category	HUL Avg Price (INR)	P&G Avg Price (INR)	Price Difference (%)
Detergents	Rs. 90	Rs. 120	33%
Shampoo	Rs. 85	Rs. 110	29%
Toothpaste	Rs.55	Rs. 75	36%

Observation

P&G products are priced higher than HUL's across all key categories, indicating premium positioning.

- Due to deep research and diverse product range consumer loyalty is higher in HUL company.

Table 5 Promotional Media Effectiveness

Medium	HUL (%)	P&G (%)
TV Ads	80%	65%
Digital (YouTube, Instagram)	60%	70%
Print Media	40%	25%
In-store Offers	55%	45%

Interpretation

HUL tops in traditional advertising, whereas P&G is leads in digital advertising strategies (using the social media platforms).

Discussion and Findings

The research reveals that HUL holds a leading status in the Indian FMCG market, which is more in the Indian rural regions underscoring affordability and access to products. The low pricing, diversified product range, and limitless distribution channel makes the company a great option to a large group of consumers.

In contrast, the premium branding strategy of the concentrates and other products of P&G is focused on targeting the middle- and upper-class urban consumers. The company excels in digital marketing and innovation, whereby periodically, the company unveils technologically oriented products, and the brands are emotionally appealing.

Summary of Key Insights

- **HUL's success** lies in affordability, rural access, and aggressive mass promotions.
- **P&G focuses** on urban elite markets with value-added products and strong digital campaigns.

Key Findings

- HUL has **higher brand recall** in traditional advertising.



- P&G is more effective in **digital platforms and influencer marketing**.
- Rural consumers are more **price-sensitive**, favoring HUL.
- P&G's **premium pricing limits its mass-market penetration**.
- HUL's extensive distribution gives it a **supply chain advantage**.

The study reveals that the select FMCG companies have global reputation. The study also revealed that, localisation strategy adopted by HUL advantages the company in market penetration, and P&G's premium strategy advantages in maintaining strong brand loyalty in niche segments.

Conclusion and Suggestions

This study provides a comparative lens on the strategic approaches of P&G and HUL in the Indian FMCG industry. The analysis concludes that **HUL's strategy of affordability, rural outreach, and brand breadth** ensures wider consumer acceptance. Meanwhile, **P&G leverages brand prestige, product innovation, and urban segmentation** to maintain its foothold.

Suggestions

1. For HUL

- Invest more in **digital transformation** and influencer-led campaigns.

- Enhance **sustainability practices** in packaging and sourcing.

2. For P&G

- The company should give importance for **value pricing** for products in select categories for rural markets.
- The company should focus on other than metros on **retail distribution networks**.

3. For HUL and P&G Companies

- Both the companies should Accentuate **sustainable branding** in matching consumer expectations.
- The companies should focus more involvement in **local R&D** and customize products for Indian local preferences.

References

Arce, C. G. M., Valderrama, D. A. C., Barragán, G. A. V., & Santillán, J. K. A. (2023). Optimizing Business Performance: Marketing Strategies for Small and Medium Businesses using Artificial Intelligence Tools. *Migration Letters*, 21(S1), 193-201.

Fay, S., & Xie, J. (2008). Probabilistic Goods: A Creative Way of Selling Products and Services. *Marketing Science*, 27(4), 674-690.

HUL Annual Reports (2021-2024).



Mukonza, C., & Swarts, I. (2019). The influence of green marketing strategies on business performance and corporate image in the retail sector. *Business Strategy and the Environment*, 29(3), 838-845.

Murphy, B., Maguiness, P., Pescott, C., Wislang, S., Ma, J., & Wang, R. (2005). Stakeholder perceptions presage holistic stakeholder relationship marketing performance. *European Journal of Marketing*, 1049-1059.

Narkuniene, J., & Ulbinaite, A. (2018). Comparative analysis of company

performance evaluation methods. *Entrepreneurship and Sustainability Issues*, 6(1), 125-138.

P&G India Annual Reports (2021-2024).

Williams, P., & Naumann, E. (2011). Customer satisfaction and business performance: A firm-level analysis. *Journal of Services Marketing*, 25(1), 20-32.

Zahay, D., & Griffin, A. (2010). Marketing strategy selection, marketing metrics, and firm performance. *Journal of Business & Industrial Marketing*, 25(2), 84-93.