**A STUDY ON CONSUMER'S PREFERENCE TOWARDS MULTILEVEL MARKETING PRODUCTS WITH SPECIAL REFERENCE TO HINDUSTAN UNILEVER PRODUCTS IN UDUMALPET TOWN**

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***ABSTRACT***
*"Multilevel refers to the system of compensation provided to the persons who are causing the product to move or the service to be provided.*
*Multi means more than one.*
*Level means generation.*
*There are really five basic method of moving products are as:*
*Retailing - (Example) The drugstore, departmental store go into a store and    buy something. Direct sale (Example) Tupperware, Avon. Multilevel marketing - This should not be confused with retailing and direct sales. Mail order:  This can be a multilevel marketing but mostly is included in the direct sales category. Pyramid sales: This type of sales is to often confuse with multilevel marketing.*

**INTRODUCTION OF THE STUDY**
The word "market" is derived from the latin word "Marcatus" meaning merchandise, wares, traffic, trade or place where business is conducted. The common use of market means a place where goods are bought or sold.

Marketing is everywhere in India and it touches everyone. Marketing is the process of developing and exchanging ideas goods and services that satisfy customer and organizational needs, using the principles of pricing, promotion and distribution. Marketing is the basic reason for the existence of a business organization. It is an important functional area of business management. In the age of fast changes marketing is the spring board of all business activities. It is a powerful mechanism which alone can satisfy the needs and wants of consumer at the place and price they desire. Modern markets concentrate more on creating consumers rather than creating products. The objective of modern marketing is to make profits through satisfying consumer needs and wants.
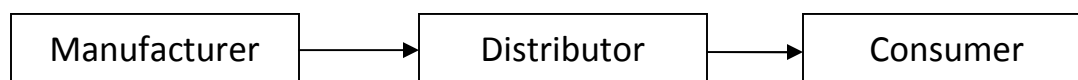
**MULTI LEVEL MARKETING**
"Multilevel refers to the system of compensation provided to the persons who are causing the product to move or the service to be provided.

Multi means more than one.

Level means generation.

There are really five basic method of moving products are as:

1. Retailing - (Example) The drugstore, departmental store go into a store and
   buy something.
2. Direct sale (Example) Tupperware, Avon.
3. Multilevel marketing - This should not be confused with retailing and direct  Sales.
4. Mail order:  This can be a multilevel marketing but mostly is included in the direct sales category.
5. Pyramid sales:
   This type of sales is to often confused with multilevel marketing.

Manufacturer → Distributor → Consumer

## STRUCTURE OF MULTILEVEL MARKETING

As per the model, the firm motivates the customers of the company to sell its products by way of network (direct selling). This happens when the customer introduces other people to the system of MLM and sells to them their firms products. Now, after purchasing, these new customers will automatically have agency rights for marketing the same products to other people, thereby increasing sales and recruiting more marketers (consultants). Hence these systems of network marketing boosts sales and also bring in new and more marketers by way of existing customers working on behalf of the company.

Multilevel marketing which is the subset of direct marketing has the following three characteristics:
1) Presence of a sponsorship line that creates financial ties between distributors.
2) Ties become basis for social networking.
3) Profits by making social networking serve business ends.

Diagram:
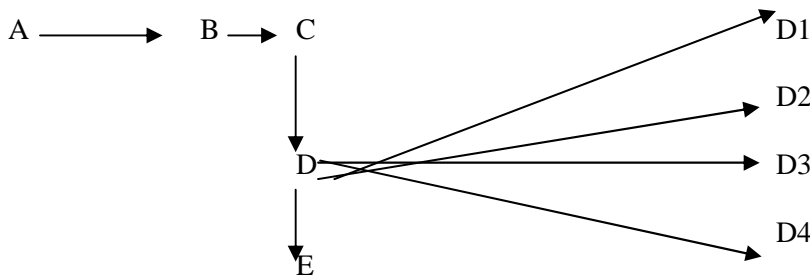


Distributors Family Tree

The above diagram shows "A" who become "B" sponsor recruits a distributor namely "B" now "B" recruits "C", "D" and "E" down the line from him or her. Any of the people recruited by A,B,C,D or E are independent entrepreneurs. They are on the same level and may end up in different degree of financial success.

## HISTORY OF HINDUSTAN UNILEVER LIMITED

England's Lever Brothers began importing their sunlight brand soap into India in the late 1980s. Lever had introduced another of its brands, Lifebuoy, which became the company's longest- running successful brand in India. Other Lever brands followed into the beginning of the next century, including the Lux soap flake brand in 1905; and scouring powder vim as well as soap brand vinolia in 1913. Lever Brother then well into an international expansion that would see the company become one of the world's top multinationals, also acquired and introduced a number of other brands into the Indian market, including the pear's soap, in 1917. By 1930,Lever Brothers,which also had entered areas such as food production including the edible oils and margarine. In its journey of over 100 years the company has allows operated with the singular beliefs that what is good for India is good for Hindustan Unilever.

On June 25, 2007 Indians leading FMCG Company, Hindustan Unilever Limited, announced that it would officially rebrand itself as, Hindustan unilever limited taking on the name of its parent company. Unilever through the new corporate identity. The company expected to benefit from the global brand positioning of Unilever without compromising on its local heritage.

## STATEMENT OF THE PROBLEM

In India a few companies have introduced multilevel marketing in a very large scale, by quoting and promising very high returns. A large number of the people belonging to the middle class population of India have joined into this dying business of multilevel marketing by paying an entry fee into the business. Also with the given potential of industry there are immense direct and indirect employment and business opportunities to come up and benefit millions of people worldwide.

Indians are getting more health conscious in nutrition and wellness products. There are more number of multilevel marketing companies entered in India to create long term value for their shareholders, their people and their business partners. Hindustan UniLever Limited is one of the MLM Company to produce number of products and also facing many problems such as increasing cost, high competition and changing life style of the consumers. To overcome these problems the company needs information about the potential customers and their behaviour. In modern time without understanding the consumer need and desire, it becomes difficult to sell their product. So it is necessary to find out the needs of the consumers and their attitudes towards the company. Hence, " A study on consumer preference for multilevel marketing products with special reference to Hindustan Uni Lever Limited products in Udumalpet" was undertaken.

## OBJECTIVES OF THE STUDY
1. To identify the factors motivating the consumer for purchasing Multilevel Marketing of Hindustan Unilever products.
2. To study about the consumers opinion towards Hindustan Unilever products.

## HYPOTHESIS
1. There is no significant relationship between decision maker in the family and gender among the respondents.
2. There is no significant relationship between monthly income and monthly spending amount for Hindustan unilever products.

## METHODOLOGY
The following are the steps involved in the present study are as:
### i)Selection of the population
For the purpose of this present study udumalpet was chosen. It was a convenient place to collect the sample to the researcher and sample design is determined before data are collected.

### ii)Selection of sample size
A sample of 100 respondents was taken based on randomly. These respondents interviewed and data collected from udumalpet.

### iii) Selection of the sample
Selection of the sample unit was selected under the "Random sampling", Random sampling is a sample selected from a population in such a way that the every member of the population has equal chance of being selected and the selected of any individual does not influence the selected of any other. The choice of sample items depends on chance.

### iv) Collection of data
Both primary and secondary sources of data were used. The primary data required for the study were collected through questionnaire and the secondary data required for the study were collected from various books, articles, reports and websites.

### v)Consolidation of data
The data collected from the questionnaire consolidated by the researcher for the purpose of the analysis based on the objectives of the study. After completion of the data collection every questionnaire was verify. Afterwards editing was done. Information was coded by numbering with help of master table for further analysis.

### vi)Application of tools
Simple percentage and chi-square test analysis was the major tool used for the analysis and the interpretation of data.

## LIMITATIONS OF THE STUDY

1. All the limitations of primary data are applicable to the study.
2. The customer opinions may vary at different time, become of their psychological instincts.

## ANALYSIS AND INTERPRETATION

Analysis and interpretation are closely related. Interpretation is not possible without analysis and without interpretation analysis has no value. Hence the term analysis is widely used to refer been analysis and interpretation.

The changing profile of Indian customers who hitherto docile, the changing pattern of life style, the changes in the way of living, the demographic changes, the changes in the level of income, the changes in the expenditure pattern, the influence of foreign culture etc., warrants dramatic changes in the strategies being adopted by marketers . The data from the present survey , the consumers are analyzed to know their socio economic profile of the sample unit.

**Table 1,Factors motivating respondents for purchasing Hindustan unilever products**

| Motivational Factors | I | II | III | IV | V | VI | VII | TOTAL | RANK |
|---|---|---|---|---|---|---|---|---|---|
| | 7 | 6 | 5 | 4 | 3 | 2 | 1 | | |
| Availability | 6 | 10 | 18 | 20 | 18 | 12 | 16 | 366 | VI |
| Brand Image | 12 | 12 | 15 | 17 | 18 | 15 | 11 | 394 | III |
| Fragrance | 17 | 11 | 13 | 10 | 11 | 17 | 21 | 378 | IV |
| Price | 14 | 20 | 14 | 10 | 16 | 15 | 11 | 417 | II |
| Packing | 2 | 12 | 22 | 19 | 21 | 17 | 7 | 376 | V |
| Quantity | 8 | 18 | 8 | 17 | 11 | 18 | 19 | 360 | VII |
| Quality | 41 | 17 | 10 | 7 | 5 | 6 | 15 | 509 | I |

*Source: Primary Data*

The above table shows the various factors to be considered while purchasing the Hindustan unilever products. Out of 100 respondents good quality was the main factor for majority of the respondents which was given first rank (509), the second factor was price with a score of (417), brand name was ranked as third(394), the fourth factor was fragrance with a score of (378), packing was ranked as fifth(376), the sixth factor was availability with a score of (366), the seventh factor was quantity with a score of (360).It is inferred from the above table that the good quality and price were the main factors to be considered by the respondents while purchasing the Hindustan unilever products.

**Table 2, Opinion of Hindustan unilever products**

| | Number of respondents | Percentage |
|---|---|---|
| Better than others | 33 | 33 |
| Equally good | 40 | 40 |
| Best of all | 27 | 27 |
| Total | 100 | 100 |

*Source: Primary Data*

The above table shows that, 33 percent of the respondent's opinion about the Hindustan Unilever products is better than other products, 40 percent of the respondents opinion about the Hindustan unilever products is equally good, and 27percent of the respondents opinion about the Hindustan unilever products is best of all.Majority (40%) of the respondent's opinion about Hindustan unilever products are equally good compared to others.

**CHI-SQUARE TEST**
**Table 3,Cross tabulation between Gender and decision maker in the family for Purchasing Hindustan Unilever product.**

| Gender of Respondents | Decision Maker In The Family for Hindustan Unilever product | | | | Total |
|---|---|---|---|---|---|
| | Own Decision | Spouse | Parents | Other Family members | |
| Male | 18(47%) | 9(24%) | 8(21%) | 3(8%) | 38 |
| Female | 25(40%) | 12(19%) | 12(19%) | 13(22%) | 62 |
| Total | 43 | 21 | 20 | 16 | 100 |

*Source: Primary Data*

The above table clearly shows that Gender of respondents and Decision maker in the family, out of total (100) respondents 38 respondents are male which 47percent of respondents are influenced to take own decision, 62 respondents are female which 40percent of respondents are influenced to take own decision.

Majority 47% of respondents are male and they are taking own decision for purchase of Hindustan Unilever products.

**CHI-SQUARE TEST**
1. (Ho): There is no significant relationship between Gender and Decision maker in the family for buying Hindustan Unilever product.
2. (H1): There is significant relationship between Gender and Decision maker in the family for buying Hindustan Unilever product.

| Factor | Calculated value | Table Value | Degree of Freedom | Significant Level |
|---|---|---|---|---|
| Gender and Decision maker in the family | 3.135 | 7.115 | 3 | 5% |

It is observed form the above table that the calculated value (3.135) is of chi-square is less than the table value(7.815). Hence the null hypothesis is accepted and it is concluded that there is no significant relationship between Gender and Decision maker in the Family.

**Table  4,,Cross tabulation between Monthly Income and monthly spending amount for Hindustan Unilever product.**

| Gender of Respondents | Monthly Spending amount for    Hindustan Unilever Product | | | | Total |
|---|---|---|---|---|---|
| | Below Rs.100 | Rs.100-200 | Rs.100-200 | Above Rs.300 | |
| Below        Rs 5,000 | 10(59%) | 5(29%) | 2(12%) | - | 17(100%) |
| Rs 5001-    Rs 10,000 | 18(72%) | 7(28%) | 0 | - | 25(100%) |
| Rs 10,001- Rs 15,000 | 20(63%) | 9(28%) | 2(6%) | 1(3%) | 32(100%) |
| Above        Rs 15,000 | 12(46%) | 11(42%) | 2(8%) | 1(4%) | 26(100%) |
| Total | 60 | 32 | 6 | 2 | 100 |

*Source: Primary Data*

The above table clearly shows that respondents monthly income and monthly spending amount for Hindustan Unilever product out of total monthly income which 59 percent of respondents are spending Below Rs.100 monthly, 25 respondents are Rs.5,001-10,000 monthly income which 72 percent of respondents are spending Below Rs.100 monthly, 32 respondents are spending Rs.10,001-15,000 monthly income which 63 percent of respondents are spending Below Rs.100 monthly, 26 respondents are above Rs.15,000 monthly income which 46 percent of respondents are spending Below Rs. 100 monthly.    Majority 72% of respondents are Rs.5,001-10,000 monthly income and they are spending Below Rs. 100 monthly.

**CHI-SQUARE TEST**
1. (Ho): There is no significant relationship between Monthly Income and Monthly spending Amount Hindustan Unilever product.
2. (H1): There is significant relationship between Monthly Income and Monthly spending Amount Hindustan Unilever product.

| Factor | Calculated | Table Value | Degree of Freedom | Significant Level |
|---|---|---|---|---|
| Monthly Income and Monthly Spending Amount | 7.17 | 16.919 | 9 | 5% |

It is observed from the above table that the calculated value (7.17) is of chi-square is less than the table value(16.919). Hence the null hypothesis is accepted and it is concluded that there is no significant relationship between monthly income and monthly spending amount for Hindustan Unilever product.

**Table 5,Cross Tabulation between Gender and Monthly spending Amount for Hindustan Unilever product.**

| Gender of Respondents | Monthly Spending Amount for  Hindustan Unilever product | | | | Total |
|---|---|---|---|---|---|
| | Below Rs. 100 | Rs. 100-300 | Rs. 300-500 | Above Rs. 500 | |
| Male | 26(68%) | 10(26%) | 2(6%) | 0 | 38(100%) |
| Female | 34(54%) | 22(37%) | 4(6%) | 2(3%) | 62(100%) |
| Total | 60 | 32 | 6 | 2 | 100 |

*Source: Primary Data*

The above table clearly shows that respondents Gender and Monthly spending amount for Hindustan Unilever product, out of total (100) respondents 38 respondents are male which 68 percent of respondents are spending Below Rs. 100 monthly, 62 respondents are Female which 54 percent of respondents are spending below Rs. 100 Monthly. Majority 68% of respondents are male and they are spending Below Rs. 100 Monthly.

**SUMMARY OF FINDINGS**
1. Majority (82%) of the respondents were from nuclear family.
2. Majority (32%) of the respondents were in the income group between Rs.10,001 – Rs. 15,000.
3. Majority (50%) of the respondents came to know about the Hindustan unilever products through advertisement.
4. Majority (43%) of the respondents were influenced by self to make purchase decision.
5. Majority (32%) of the respondents purchase Hindustan unilever products monthly once.
6. Majority (60%) of the respondents spend below Rs.100 per month for purchase of Hindustan unilever products.
7. Majority (97%) of the respondents were highly satisfied by using the Hindustan unilever products.

8. Majority (63%) of the respondents are having tried the entire products of Hindustan unilever.

**SUGGESTIONS**
1. The price of Hindustan unilever products may be reduced to create more demand.
2. Special offers and free gifts can be offered to induce the consumer to buy the product once.
3. The company has to reduce the price and increase the product quantity.
4. The company has to concentrate on new line of product.
5. The company has to focus on advertisement in the existing position to get more attention of consumers.

**CONCLUSION**
The study reveals that most of the respondents are aware about Hindustan Unilever Products. Now-a-days people are considering the cosmetic is not a luxuries one and also consider the medicine for improving health condition. Hindustan Unilever manufacturing company is a leading company to introduce best brand. The company has got good name and same for its quality, fragrance, availability and innovative products to satisfy the current demand for their customer.

On the basic findings of the present study given by the researcher some practicable suggestions have been arrived. If the Hindustan Unilever manufacture and its marketers have executed these suggestions a desired result can be achieved in future.