

Title of the Paper:

“Growing market whilst changing the lives”

Patting at the Bottom of the Pyramid beyond Business goals:

An Empirical analysis on Project Shakti, Hindustan Unilever Ltd.

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ABSTRACT:**Key Words:**

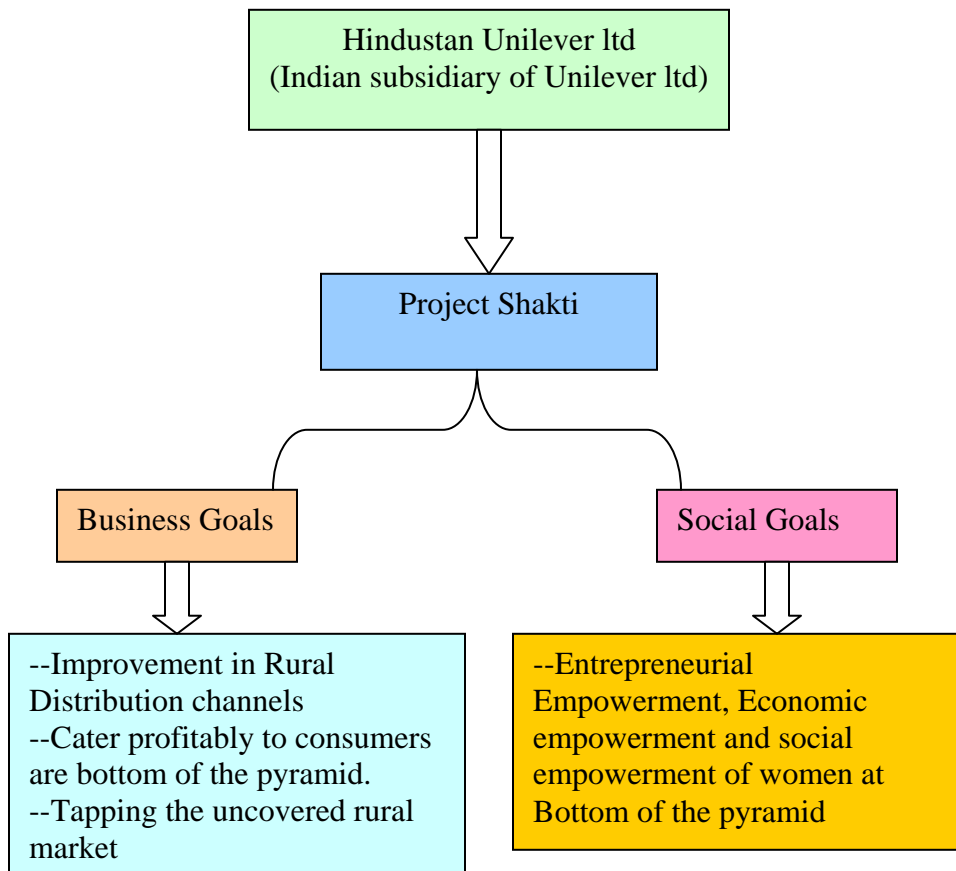
Social goals, Business goals, Bottom of the Pyramid, Corporate social responsibility as Rural Distribution Channel

"It is more important than money. When they see me, they crowd around me and call me 'Shaktiamma'. I am someone today." Says Rajamma, Shakti Entrepreneur, HUL. What is meant by Shaktiamma (empowered mother)? Who is she? What is she doing? Where is she?

Background of the Research:

In India, as the urban markets are saturated with brands, the MNCs are trying to penetrate into the uncovered rural areas to expand their market empire. In the thirst of improving the market, HUL has pioneered an innovative distribution channel termed "Project Shakti" which grows the market while changing the lives. Project Shakti is Hindustan Unilever Ltd's (an Indian subsidiary of Unilever Ltd – leading FMCG marketer) rural initiative, which targets small villages with population of less than 2000 people or less. It seeks to empower the underprivileged rural women i.e the **women at the bottom of the Pyramid**. HUL launched Project Shakti in the year 2001, in keeping with the purpose of integrating business interests with national interests. It is spread to many states of India benefiting the women and the company in terms of better distribution channel in turn better returns. Thus the **Business Goals** are achieved through **Social Goals i.e corporate social responsibility is utilized as a rural distribution channel**.

Model of Project Shakti:



Research in the opted area:

To explore the objectives of the research, a sample study is conducted in East Godavari district of Andhra Pradesh, a state in India. An empirical analysis is conducted in this research spot.

Objectives in brief:

To study whether women are really **Entrepreneurially Empowered, Economically Empowered and Socially Empowered** through Project Shakti or not and to explore how social responsibility has turned out to be a better **Rural distribution channel** in terms of reaching the interior places, increase in sales. In one word, to explore

the extent of achievement of social and business goals of HUL, a sample study is conducted in afore said area.

Methodology:

The researcher collects primary data through well structured questionnaire administered to a sample of Project Shakti entrepreneurs. Company data is collected from the company executives of that area. Statistical tools are used to bring out the findings for the objectives.

Findings:

The researcher quantitatively explores how many women at the bottom of the pyramid are really benefited through Project Shakti i.e the social goals of HUL are accomplished through Project Shakti, how the business goals of HUL are accomplished through Project Shakti.

Implications:

The paper analyses the opportunity of HUL in terms of corporate social responsibility in uplifting the women at the Bottom of the pyramid and how corporate social responsibility is opted by HUL in accomplishing its business goals. The paper concludes with Social goals of HUL Vs Business goals of HUL.

“Growing market whilst changing the lives”

Patting at the Bottom of the Pyramid beyond Business goals:

An Empirical analysis on Project Shakti, Hindustan Unilever Ltd.

“Improving the lives of the billions of people at the bottom of the economic pyramid is a noble endeavor. It can also be a lucrative one”

C.K Prahalad, author of “The Fortune at the Bottom of the Pyramid”



Fig 1

Peddintlamma, a socio economically pitiable widow with three children is leading her deprived life in a village where agriculture is the main occupation. Continuous floods pushed her to abysmally low earnings. With her meager income she could not give proper food and education to her children. At the brink of an impoverished existence, her neighbor showed her a ray of hope, which restored happiness in her life and in the due course she has fulfilled her dreams of educating her children. Similarly there are many women at the Bottom of the Pyramid whose lives were made better by a magic wand. What is that magic wand? Who made it happen?

i. Bottom of the Pyramid (BOP): *The subject matter of the Research*

The phrase “**Bottom Of The Pyramid**” was first used by U.S. president Franklin D. Roosevelt in a radio address on April 7, 1932. The contemporary context of usage pertains to the 4 billion people living on less than \$2 per day, as first defined in 1998 by Professors C.K. Prahalad and Stuart L. Hart. Later on it was widely used by Prof. Prahalad in his brainchild “The Fortune at the `Bottom of the pyramid” (2004) and by Hart in “Capitalism at the Crossroads” (2005). The term is sometimes termed as “**Base of the Pyramid**” or just “**BoP**”.

ii. Weightage for BoP:

Prof. C. K. Prahalad and other contributors to BoP squabble that, instead of disregarding low-income consumers (BoP) as unreachable and non-lucrative, multinational corporations (MNCs) should look at them and embrace them as an unexploited business opportunity. Moreover, through this, MNCs can help improve the living conditions of the world’s poorest population.

Prahalad revolutionarily proposed that four billion poor can be the engine of the next round of global trade and prosperity, and can be a source of innovations. Serving the BoP customers require large firms to work collaboratively with civil society organizations and local governments. Furthermore, market development at the BoP will also create millions of new entrepreneurs at the grass roots level. Prahalad presents his new view regarding solving the problem of poverty as a “*Co-Creation*” solution towards economic development and social transformation, of which the parties involved are:

Private enterprises, Development and aid agencies, BoP consumers, BoP entrepreneurs and Civil society organizations and local government.

“Distribution methods should be designed to reach both highly dispersed rural markets and highly dense urban markets” is one among the Prahalad’s dozen principles of Innovation for BoP Markets and building blocks for creating products and services for BoP markets.

iii. The Lucrative BoP:

Motivated and inspired by the propositions, many MNCs have been tapping at the BoP. Hindustan Unilever Ltd is an ideal example of such MNCs. Till 1995 it catered hugely to Cream of the Indian Crop. Realizing the fact, it restructured its marketing strategies in 1995 and cuddled a focused strategy called “**Marketing to the poor**”.

iv. Stature of HUL:

Hindustan Unilever Limited (HUL) (Previously Hindustan Lever Ltd, an Indian subsidiary of Unilever Ltd.) is India's largest Fast Moving Consumer Goods (FMCG) Company, touching the lives of two out of three Indians with its 20 distinct categories in Home & Personal Care Products and Foods & Beverages. According to www.hll.com, the company is endowed with a scale of combined volumes of about 4 million tonnes and sales of Rs.10, 000 crores. With 75 years of history in India, it has been operating with 15,000 employees, approximately 1,200 managers, 2,000 suppliers & associates, 75 manufacturing locations, 45 C & F As, 4,000 stockists. It covers 5,545 towns with 2.5

Mln outlets and 6,38,000 villages with 5 Million outlets. Yet there are many uncovered geographical areas.

v. The Business Ecosystem:

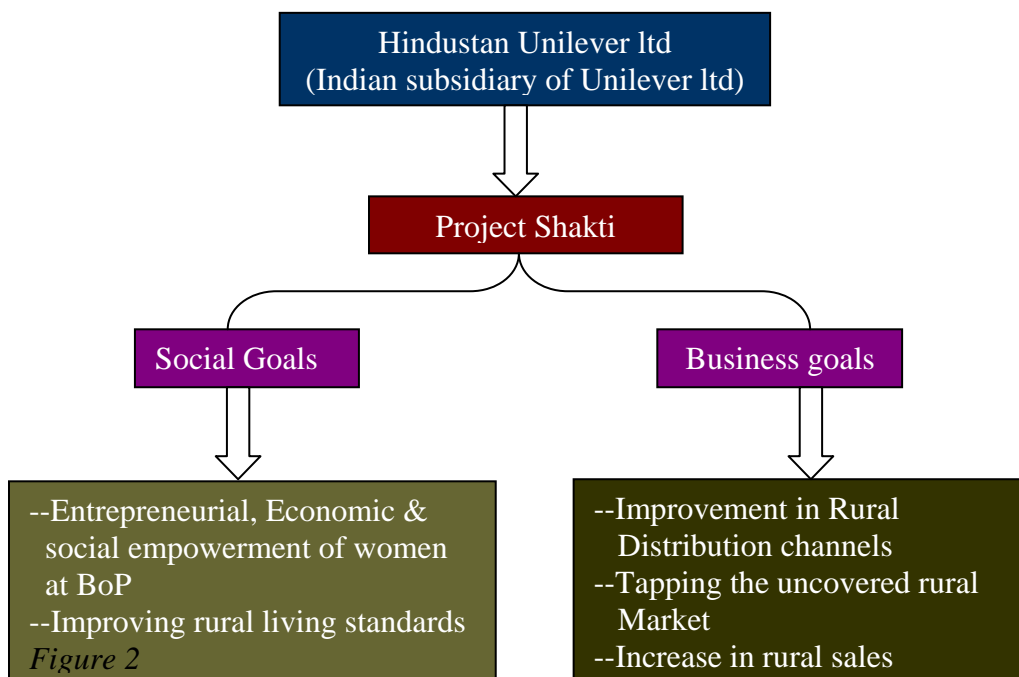
Percentage of Penetration of FMCG			
Category	All India %	Urban %	Rural %
Deodorants	2.1	5.5	0.6
Toothpaste	48.6	74.9	37.6
Skin cream	22.0	31.5	17.8
Shampoo	38.0	52.1	31.9
Utensil cleaner	28.0	59.9	14.6
Instant coffee	6.6	15.5	2.8
Washing powder	86.1	90.7	84.1
Detergent bar	88.6	91.4	87.4
Toilet soap	91.5	97.4	88.9
<i>Source: MRUC, Hansa Research- Guide to Indian Markets 2006</i>			
<i>Penetration numbers based on study conducted by Indian Readership survey, on a sample size of app. 250,000 based on usage in 6 months.</i>			
<i>Table 1</i>			

The above table gives an inference that the percentage of penetration of FMCG in rural market is very less. Yet there is lot of market to be covered.

vi. GROWING MARKET WHILST CHANGING LIVES:

As the urban markets are saturated with brands, MNCs have been trying to penetrate into the uncovered rural areas to expand their market empire. The percentage of coverage in rural area is very less owing to their less developed rural distribution channels.

In search of identifying the uncovered segments, HUL recognized that they are not catering well to the consumers BoP. Having a glance over this scenario, HUL has fixed up a business goal to improve rural distribution channels, penetrate into rural market and cater profitably to consumers at the BoP. This monster has embarked on an ambitious venture to incite growth and penetration of its products in rural India while changing lives and boosting incomes. It fulfills the National interest along with its Business Interest. HUL targeted the women at the BoP.



It instigated Project Shakti (PS) with a motto of creating income-generating opportunities for the rural women by providing a sustainable micro enterprise opportunity, and to improve rural living standards through health and hygiene awareness. It is a direct-to-consumer initiative targeted at women situated at the in rural India. It believes that such initiatives are successful and sustainable only when linked with the company's core business and is mutually beneficial to both the population for whom the program is intended and for the company. Thereby business goals as well as Social goals can be achieved through one attempt. Hitherto PS grows the market whilst changing lives.

vii. Modus Operandi of Project Shakti:

"It is more important than money. When they see me, they crowd around me and call me 'Shaktiamma'. I am someone today." Says Rajamma, Shakti Entrepreneur, HUL.

What is meant by "Shaktiamma" (empowered mother)? Who is she? What is she doing? Where is she?

Shakti means 'power' in Sanskrit, Amma means 'Mother'. The members of PS are addressed as Shakti or Shaktiamma or Shakti entrepreneurs. Shakti is a unique win-win initiative that empowers rural women while also benefiting Hindustan Unilever's business. Shakti impacts rural society through three interventions:

- The *Shakti Entrepreneur* model creates income-generating opportunities for underprivileged rural women.
- The *Shakti Vani* program improves rural living standards through the spread of health and hygiene awareness.

- The *i-Shakti* community portal empowers rural community by creating access to relevant information.

viii. Shakti Entrepreneur model:

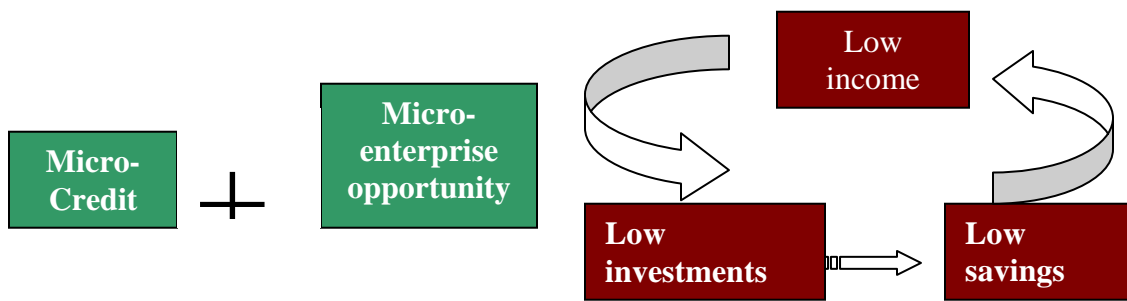
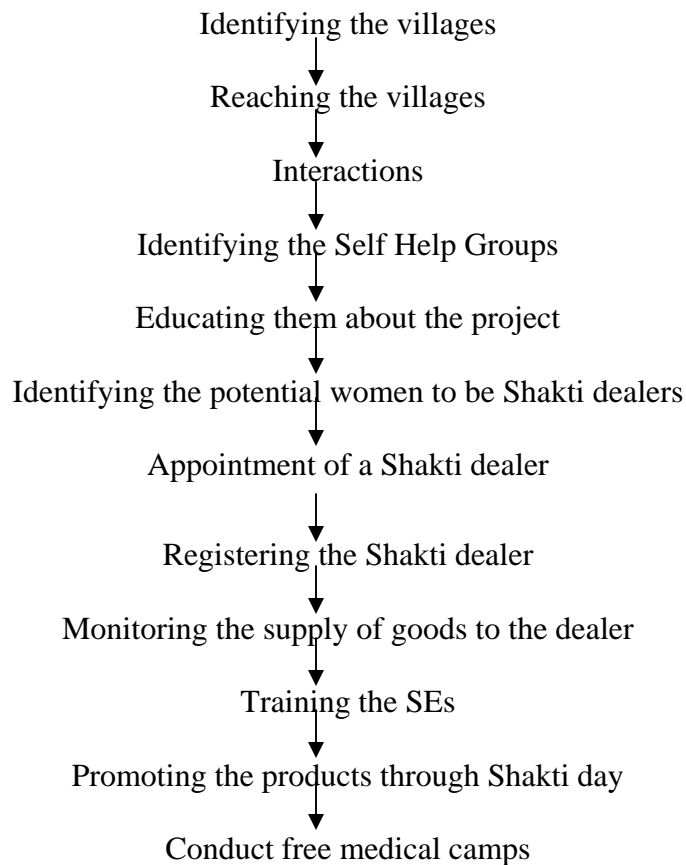


Fig 3 Source: “Business & poverty”, June08 Development outreach, world Bank Institute

The Rural Sales Managers (RSM) or Executives of HUL identifies the uncovered villages which are less populated, geographically unreachable, where SHGs are sprouting, insurmountable to the rural distributors or stockists (10 kms away from urban centers) and where private labels are dominant. The RSM meets the village heads, panchayat heads, SHG members, teachers, medical practitioners. To involve in the project the candidate should be a female with membership either in an SHG (sponsored by govt, NGO, Bank) or Anganwadi worker or a nominee by the village head where SHG are not operating and she should not be an existing wholesaler or semi wholesaler at any cost. The RSM encourages and motivates these women to enroll as distributors of the company’s products in small rural villages. They are addressed as “Shakti Entrepreneurs (SE) or Shakti Ammas or Shakti Dealers”. They get the financial support from SHGs or micro credit organizations. Wherever it is possible and necessary HUL involves in funding these women in collaboration with micro-credit organizations. HUL offers

training to SEs in basic accountancy, selling skills, business intelligence so that they can sell either at a small petty-shops (which they hold at their home) or door-to-door.

Appointment of Shakti Entrepreneurs:



The SE raises an initial investment either through her personal resources or through credit from the SHG or from a bank. With this investment the SE purchases the first stock of HUL products from the near by stockist. In the first step itself HUL could make up some customers. She is called as the “Principal Customer” of HUL.

Usually the SEs go from door to door in the same village (host homes) or in the nearby villages (satellite villages) to sell their products. Some times they even sell to the

retailers in the same village (host retailers) or nearby villages (satellite retailers). The SE covers around 3 to 5 villages. It depends on the density of the population. Some entrepreneurs have a small Point of Sale (POS) at home to sell their products (Dealer's home store).

On and off "Shakti Day" is organized in the villages. Sometimes it is organized after a new appointment of the Shakti entrepreneur is made. Shakti day is basically an exhibition of the HUL products. She makes the villagers aware of the product



Fig 4

Shakti Day celebrations @ the research area

assortment she is offering. The SE offers Rs. 10/- worth complementary gifts to the villagers who visit the exhibition.

Generally the gifts are also sample packs of HUL products. This attracts 50-100 visitors. To build relation with the visitors and identity among them, the organizers conduct various activities like Mehendi



Fig 5

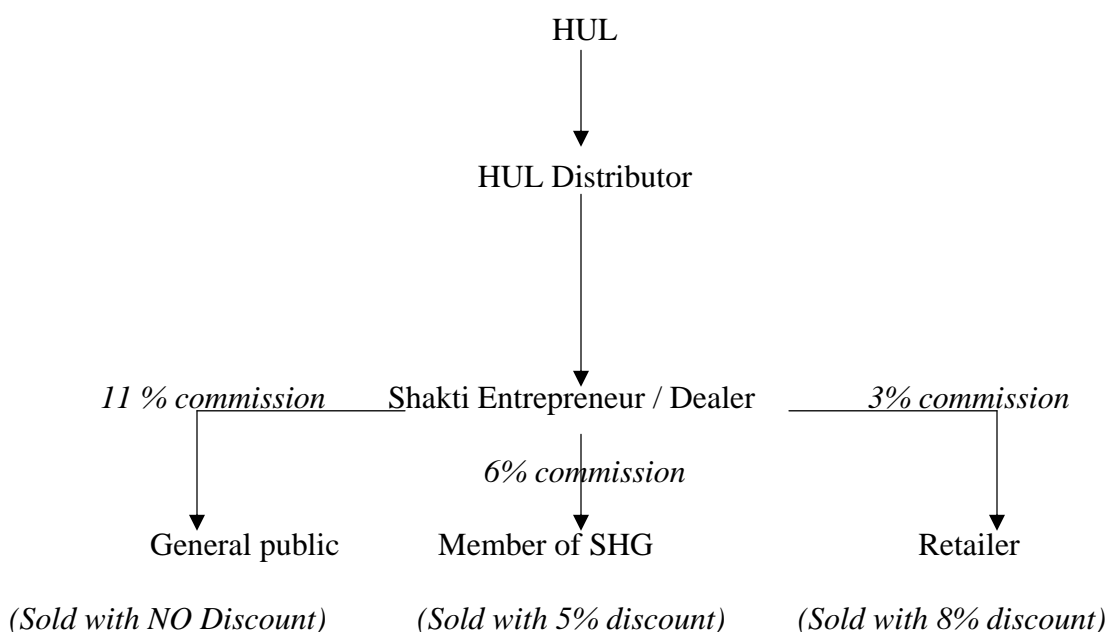
Shakti Day celebrations @ research area

competitions, Rangoli competitions, product quiz, advertisement quizzes are conducted. She gets popularized by these events. She attains social identity through these events. It is

made known to the residents that she has been awarded Shakti dealership. On the Shakti day the general sale ranges from Rs. 5,000 to Rs. 10,000. On the Shakti day, she could make some more customers for HUL. Till date a total of more than 40,000 Shakti Entrepreneurs have formed across India and Andhra Pradesh has over 4,411 Shakti Entrepreneurs spread across 22 districts.

ix. Shakti Entrepreneurs earning money through Shakti Markets:

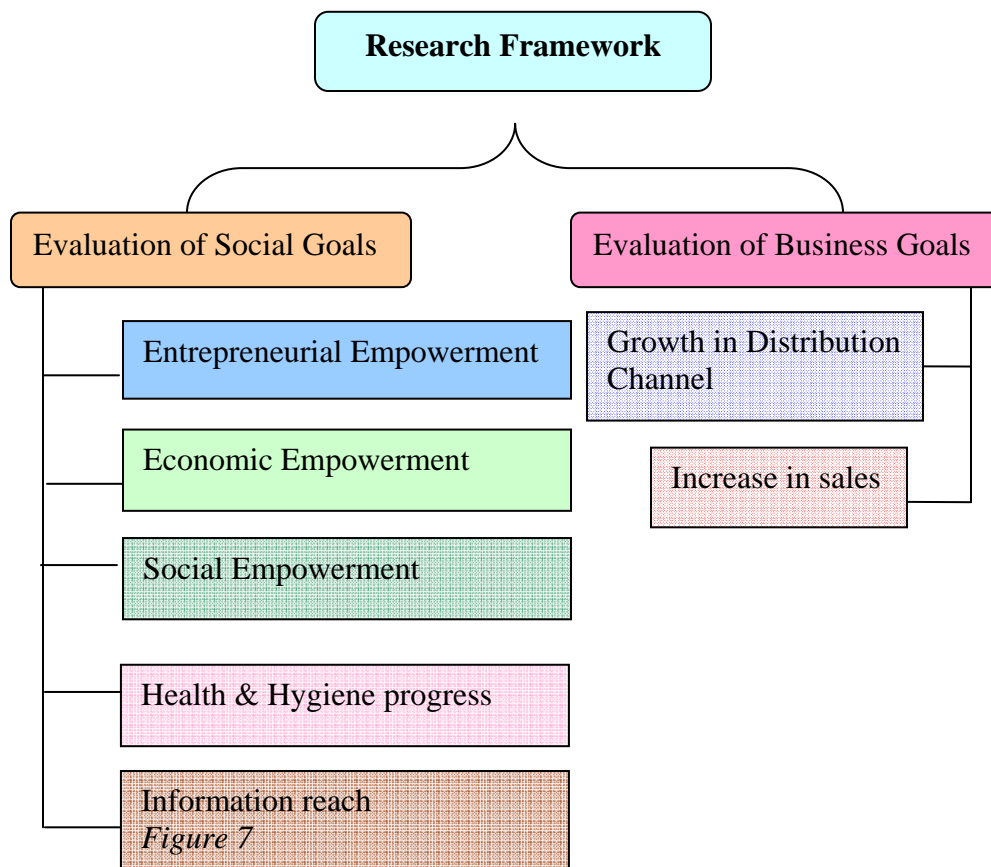
Details of profit generated at each stage of PS:



These rural hinterland developed through PS are termed as “Shakti Markets”. These shakti markets give an opportunity for SE earn an average margin of 12% to 15%. The margin varies according to the customers they sell. Normally the sales of SE range from Rs. 2,000 to Rs. 15,000. The SE purchases the stock when the company is providing

x. About the research:

“To what extent does the PS accomplish its social goals and Business goals?” This thought provoking question encouraged the researcher to take up research in the area of East Godavari, Andhra Pradesh to evaluate the sensation of PS. The study evaluates the extent of fulfillment of the social goals of Project Shakti.



xi. Objectives of the study:

The first module of the research assesses how women are entrepreneurially Empowered, Economically empowered and socially empowered through Project Shakti. The second module assesses the extent of usefulness of Project Shakti in terms of rural distribution channel and sales.

xii. Methodology to evaluate the goals:**Profile of the Shakti Entrepreneurs:**

As the very meaning of PS, most of the respondents are Bottom of the Pyramid women with low socio-economic profile. The group of respondents includes divorcees, widows and uncared by their bread earners¹. Majority of the SEs are uneducated. Very few women are nominally educated. Generally they have superficial knowledge of monetary transactions and simple calculations.

Instruments used:

Questionnaire: 2 questionnaires are prepared to interview the SEs and the company representative. The first questionnaire answers the extent of accomplishment of social goals. The second questionnaire answers the extent of accomplishment of business goals.

Personal Interviews: The SE population of E. G Dt. is interviewed with the help of a questionnaire to explore the information. Size of Shakti entrepreneurs in EG Dt is 284. As the population size is small, complete enumeration is done with the population.

In the research work “Entrepreneurship Development through Corporate Intervention among Self Help Groups in India - The case of HLL's Project Shakti” Prof. M J Xavier, Institute for Financial Management and Research proposed that Entrepreneurial Empowerment, Economic empowerment and social empowerment can be measured with the help of the following Parameters:-

EMPOWERMENT		
Entrepreneurial	Social	Economic
<ul style="list-style-type: none"> **Interest in business **Engaging other people in their business **Dealing with investments and returns **Reinvestment of profits **Determination to continue business **Involved with a superior brand name **Business intelligence 	<ul style="list-style-type: none"> **Possibility for mobility **Knowledge of Social behavior and Inter personal relations **Knowledge of up coming trends and fashions **Entrepreneurial Status in the society **Chance for self development. **Taking part in family welfare. **Create and stimulate business sense among the fellow beings. **Opportunity to offer social service. **Social status as a leader. **Strength to oppose social stigma. **Confidence on life. **Ability to lead. 	<ul style="list-style-type: none"> **Knowledge about financial transactions (Credit from SHG, Banks, repayments, funds management etc) **Financial independence **Economic contribution to the family **Ability to go for progressive borrowing **Escalating step wise investments
Table 2		

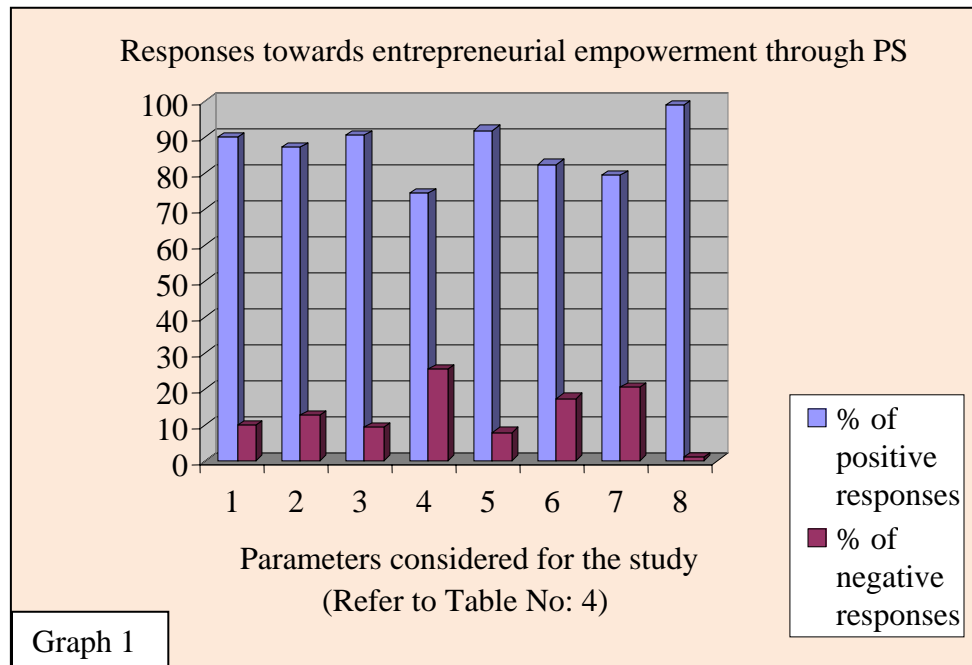
xiii. Data Analysis:

Questionnaire is prepared as a simple check list consisting of many closed ended questions.

xiv.a. EVALUATION OF ENTREPRENEURIAL EMPOWERMENT:

A survey is conducted among the selected respondents to collect their opinion about the sub components of Entrepreneurial empowerment to derive conclusion about the entrepreneurial empowerment.

Evaluation of Entrepreneurial Empowerment						
S. No	Parameter	No. of +ve responses	% of +ve responses	No. of -ve responses	% of -ve responses	Total number of respondents
1	Shakti created interest in business	256	90.1408	28	9.85915	284
2	Shakti is imbining Business intelligence	248	87.3239	36	12.6761	284
3	Shakti is a chance to meddle with superior brand name	258	90.8451	26	9.15493	284
4	Shakti gave a chance to engage other people in their business	212	74.6479	72	25.3521	284
5	Shakti gave us an option to deal with investments and returns	262	92.2535	22	7.74648	284
6	Shakti gave us a prospect to reinvest profits in business	235	82.7465	49	17.2535	284
7	Shakti developed confidence and determination to continue business	226	79.5775	58	20.4225	284
8	Shakti is an opportunity to become entrepreneur and it empowered us.	282	99.2958	2	0.70423	284
<i>Total</i>		<i>1979</i>	<i>696.831</i>	<i>293</i>	<i>103.169</i>	
<i>Average</i>		<i>247.375</i>	<i>87.1039</i>	<i>36.625</i>	<i>12.8961</i>	
<i>Table 3</i>						



xiv.a.1. Findings of the study regarding Entrepreneurial Empowerment of Shakti Entrepreneurs: 87% of the respondents have accepted that they are entrepreneurially empowered through PS. 99% of the respondents opined that really Shakti is an opportunity to become entrepreneur and agreed that it absolutely empowered them. 92% of the respondents are happy that they got an opportunity to deal with the investments and returns.

xiv.a.2. Reasons for setback: 13% of the SEs could not experience and grab the opportunity of entrepreneurial empowerment. When inspected into the reasons, it is identified that 25% of SEs could not feel the benefit of engaging other people in their business. The reasons might be their low interpersonal relations; their attitude to help others by providing an earning opportunity etc. 20% of SEs could not develop confidence even after joining PS. The setback may be due to social stigma, lack of zing and buoyancy.

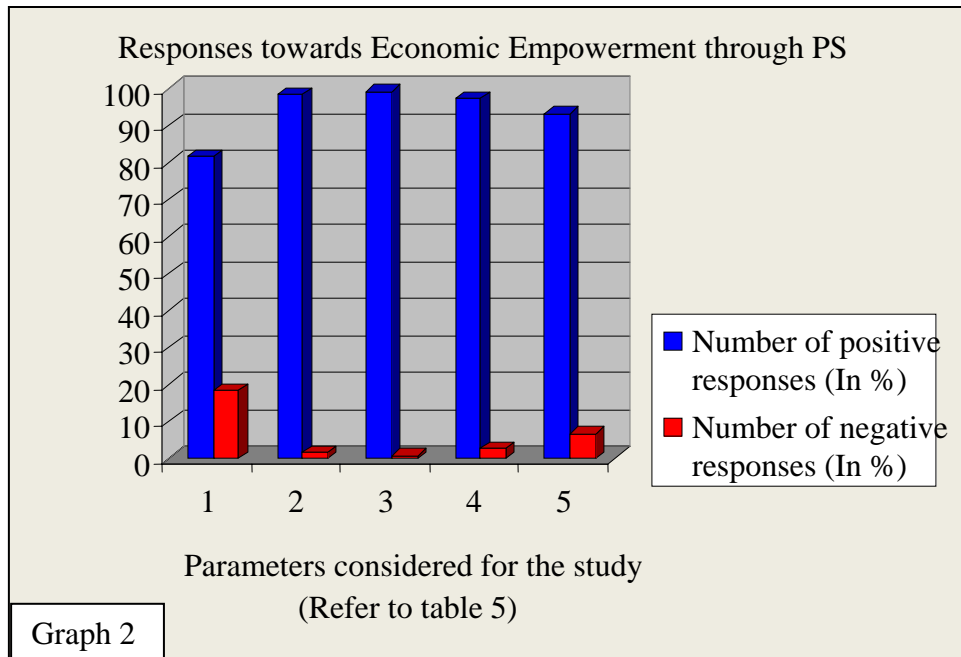
xiv.b. EVALUATION OF ECONOMIC EMPOWERMENT:

Economic empowerment can be appraised qualitatively and quantitatively. Qualitative appraisal is done based on the parameters like knowledge about financial transactions etc. Quantitative appraisal is done to assess the extent to which PS turned out to be an income generating opportunity. This analyzes the earnings of women generated through PS.

xiv.b.1. QUALITATIVE APPRAISAL OF ECONOMIC EMPOWERMENT:

Evaluation of Economic Empowerment						
<i>S N o</i>	<i>Parameters</i>	<i>Number of +ve responses</i>	<i>Number of +ve responses (In %)</i>	<i>Number of -ve responses</i>	<i>Number of -ve responses (In %)</i>	<i>Total number of respondents</i>
1	Knowledge about financial transactions (Credit from SHG, Banks, repayments, funds management etc)	232	81.69014	52	18.3098592	284
2	PS gave us Financial independence	280	98.59155	4	1.4084507	284
3	Economic contribution to the family	282	99.29577	2	0.70422535	284
4	Ability to go for progressive borrowing	276	97.1831	8	2.81690141	284
5	Escalating step wise investments	265	93.30986	19	6.69014085	284
<i>Total responses</i>		<i>1335</i>	<i>470.0704</i>	<i>85</i>	<i>29.9295775</i>	
<i>Average responses</i>		<i>267</i>	<i>94.01408</i>	<i>17</i>	<i>5.98591549</i>	

Table 4



Xiv.b1.1. Findings of the study regarding Economic Empowerment (qualitatively) of Shakti Entrepreneurs: As the women hail from rural hinterland and low socio profile, 52% of the respondents are unaware of the financial transactions. Gradually as they are involved in the program, they acquire knowledge about the transactions. Many women are reluctant to reinvest their earnings. They are interested to enjoy the profits. They are afraid that they may loose the investment. But on the whole women opined that they are very well satisfied with the economic aid they obtained from PS.

Nearly every SE opined that PS is providing vitally required supplementary income to them and their families, by endowing and preparing them to become an all-embracing appendage of the company's business activities.

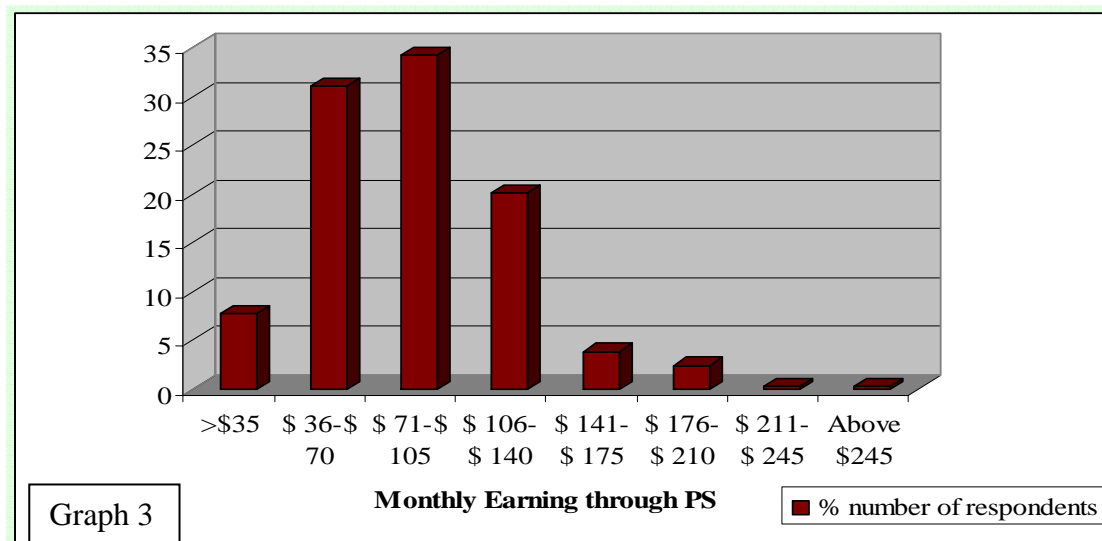
xiv.b1.2. Reasons for the setback: The women who are enrolled through SHG are aware of the transactions. But the other women are not that aware of the financial transactions. This is engulfing their confidence and it is resulting in reluctance towards step wise investments.

xiv.b.2 QUANTITATIVE APPRAISAL OF ECONOMIC

EMPOWERMENT: The appraisal of the project efficacy is done on the basis of the amount of income generated through the project. Information was collected from the respondents about the monthly earning generated through PS. The following was the information given by the respondents.

Monthly Earning through PS				
S. No	In \$	In Rs	Number of respondents	In %
1	>\$35	> 1470	22	7.74647887
2	\$ 36-\$ 70	1470-2940	88	30.9859155
3	\$ 71-\$ 105	2940-4410	97	34.1549296
4	\$ 106-\$ 140	4411-5880	57	20.0704225
5	\$ 141-\$ 175	5881-7350	11	3.87323944
6	\$ 176-\$ 210	7351-8820	7	2.46478873
7	\$ 211- \$ 245	8821-10,290	1	0.35211268
8	Above \$245	Above 10,290	1	0.35211268
Total number of respondents			284	100

Table 5



xiv.b.2.1 Findings of the study regarding Economic Empowerment (quantitatively) of

Shakti Entrepreneurs: 92% of the respondents have a minimum monthly earning of \$36 which is a good amount to run a family in rural area. So these people no more belong to the BoP. Highest number of respondents earn from \$36 to \$ 70 per month. Might be a few, but there are SE who earn more than \$ 175 per month. This is a very good sign of improving the standard of living.

(It is revealed in the interview) With the money raised through PS, many SE have made their life better by putting their children in school, gaining capacity to purchase quality food etc.

The income generated through PS gave a helping hand to the women who lost their husbands all of a sudden, widows with very young children and uncared women. Generally in rural India, men are the bread earners (income generators) and women take care of the domestic responsibilities. But PS is converting these people into entrepreneurs which gave them a chance to contribute economically to the family. So the bread earning capacity gives them financial independence which in turn gives them lot of confidence on life.

So it's an opportunity for the SEs to shoot up their position from the 'Bottom of Pyramid' to an improved level.

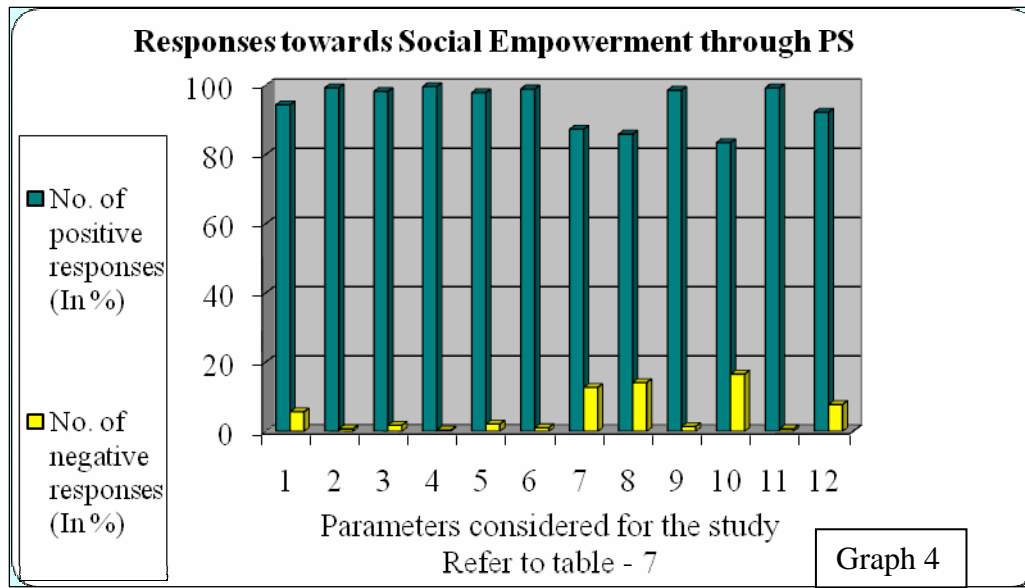
xiv.b.2.2 Reasons for the setback: Females going around the villages involve lot of physical work. At times Territory management is found to be difficult. Poor physical distribution facilities are encouraging them to restrict to villages which are within the radius of their native town. Because of less developed physical distribution channels they have to depend either on their foot or local transportation. This is consuming lot of their

physical energy. In some places retailers became competitors of the SEs. Insufficient credit facilities, insufficient capital are restricting them to remain with less turnover which showers less income.

xiv.c. EVALUATION OF SOCIAL EMPOWERMENT:

Social Empowerment						
S. No	Parameters	No. of +ve responses	No. of +ve responses (In %)	No. of -ve responses	No. of -ve responses (In %)	Total number of respondents
1	Possibility for mobility	268	94.366197	16	5.633803	284
2	Knowledge of Social behavior and Inter personal relations	282	99.295775	2	0.704225	284
3	Knowledge of upcoming trends and fashions	279	98.239437	5	1.760563	284
4	Entrepreneurial Status in the society	283	99.647887	1	0.352113	284
5	Chance for self development.	278	97.887324	6	2.112676	284
6	Taking part in family welfare.	281	98.943662	3	1.056338	284
7	Create and stimulate business sense among the fellow beings.	248	87.323944	36	12.67606	284
8	Opportunity to offer social service	244	85.915493	40	14.08451	284
9	Social status as a leader.	280	98.591549	4	1.408451	284
10	Strength to oppose social stigma.	237	83.450704	47	16.5493	284
11	Confidence on life	282	99.295775	2	0.704225	284
12	Ability to lead	262	92.253521	22	7.746479	284
<i>Total</i>		<i>3224</i>	<i>1135.2113</i>	<i>184</i>	<i>64.78873</i>	
<i>Average</i>		<i>268.6666</i>	<i>94.600939</i>	<i>15.33333</i>	<i>5.399061</i>	

Table 6



xiv.c.1. Findings: Due to cultural stigma, the Indian rural women lack social identity. They are very shy and timid. But when the women are turning out as SE, they gain social identity as Entrepreneurs. They got a chance to mingle with others and enjoy social life. 99% of the respondents responded very positively about the social life they attained through PS. While mingling with other people they are updated with the upcoming fashions and fads. This improved the lifestyle and culture of the PS cluster.

Most of the women entering into PS are socially oppressed. Their involvement in PS gave lots of energy to voice against the hubbub. With the help of leading and active SEs, the rural executive conducts entertainment programs like mehendi competitions, rangoli competitions and kitty parties etc to cheer up the SEs. These programs are found to be very successful in triggering the zeal to come out of their boxes. It has developed them self-esteem and a place in the society.

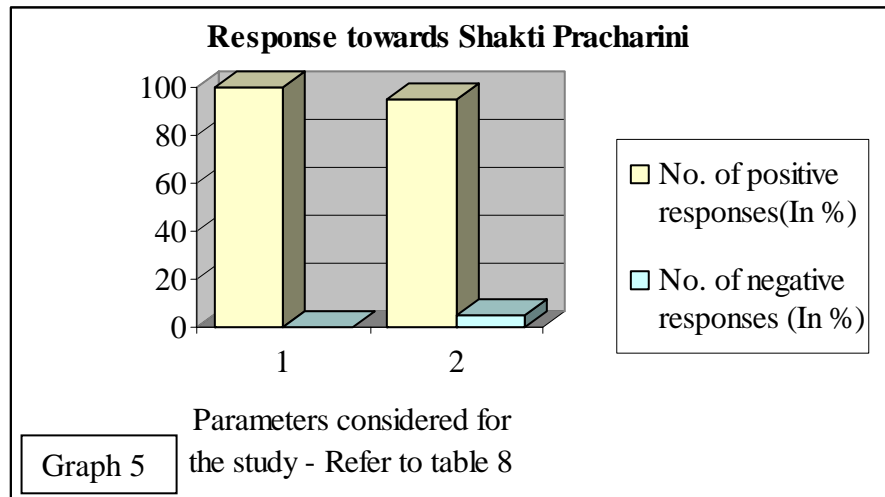
xiv.c.2. Reasons for the setback: Even after the new millennium some of the women could not come out of the social restrictions. Lot of cultural change is necessary to bring them out of the cocoon. They have to break their cultural shell to showcase their hidden entrepreneurial skills.

xiv.d. EVALUATION OF IMPACT OF SHAKTI VANI:

The research explores the extent to which the 2nd module of PS, **Shakti vani** is successful in nurturing health and hygiene in the families of SEs. The paper unravels how these SEs are groomed as ambassadors in educating the school children, young mothers, local opinion leaders, Self Help groups and the general public about the health and hygiene.

Evaluation of Shakti Vani						
S. No	Parameters	No. of +ve responses	No. of +ve responses (In %)	No. of –ve responses	No. of –ve responses (In %)	Total number of respondents
1	Improved the health & hygiene after association with PS	282	99.29577465	2	0.704225352	284
2	Helped and trained the public to improve their health & hygiene after association with PS	268	94.36619718	16	5.633802817	284
Average		275	96.83098592	9	3.169014085	100%

Table 7



xiv.d. 1. Findings: From the personal interviews the following are the facts collected from the respondents. The HUL rural executive organizes lectures or speeches by eminent healthcare professionals about basic health practices, such as good hygiene, disease prevention and pre- and post-natal care. From time to time they organize health check up camps and medical camps to treat routine diseases. This is found to be helpful in terms of educating them and offer services in treating some medical problems. This initiative has shown tremendous improvement in the rural health and hygiene.

Spending time for the public is naturally a difficult task. Some of the women were not willing to their valuable time for educating the public.

xiv.e. EVALUATION OF IMPACT OF i-SHAKTI:

The third PS constituent and IT inventiveness called i-Shakti is designed to meet villagers' information needs and provide both private and public sector organization with communication access to "media dark" areas. Kiosks are established in villages which constitute internet-linked and networked computers. Generally these kiosks are established at the homes of active and smart SEs. They are free to access these computers for free of charge. These computers are interactive and voice enabled which facilitates the

illiterates to utilize the services to the maximum. Through these kiosks they become aware of the contemporary happenings in the world around.

During the research it was found that majority of the users are farmers and they opined that it is very much beneficial to them. They used it to find a quick solution for pest problems with their crops. Very few villagers emailed their symptoms to a doctor and got a diagnosis. This was recorded as an enthralling experience by them. A smart entrepreneur was using this computer and software to teach alphabets to the rural children.

i- shakti					
Experienced the benefits of i-shakti		Did not experience the benefits of i-shakti		Total number of respondents	
No	%	No	%	No	%
226	79.5775	58	20.4225352	284	100

Table 8

xiv.e. 1. Reasons for the setback: 20 % of the respondents have not experienced the provision. The reason for such percentage is: A few SEs are not familiar with the technology, some are techno phobic and some could not realize the importance of knowing the contemporary happenings. Some of them are not anxious to get acquainted with the new technology.

xv. BUSINESS GOALS:

The company breeds approximately half of its business in India from the towns and cities and half from rural areas, where its products are sold in some 100,000 villages with population of 2,000 or more. At the end of the 1990s, however, the company became conscious to augment its market share it can happen only when the market is expanded. At this juncture, the challenge was to reach the 500,000 villages with less

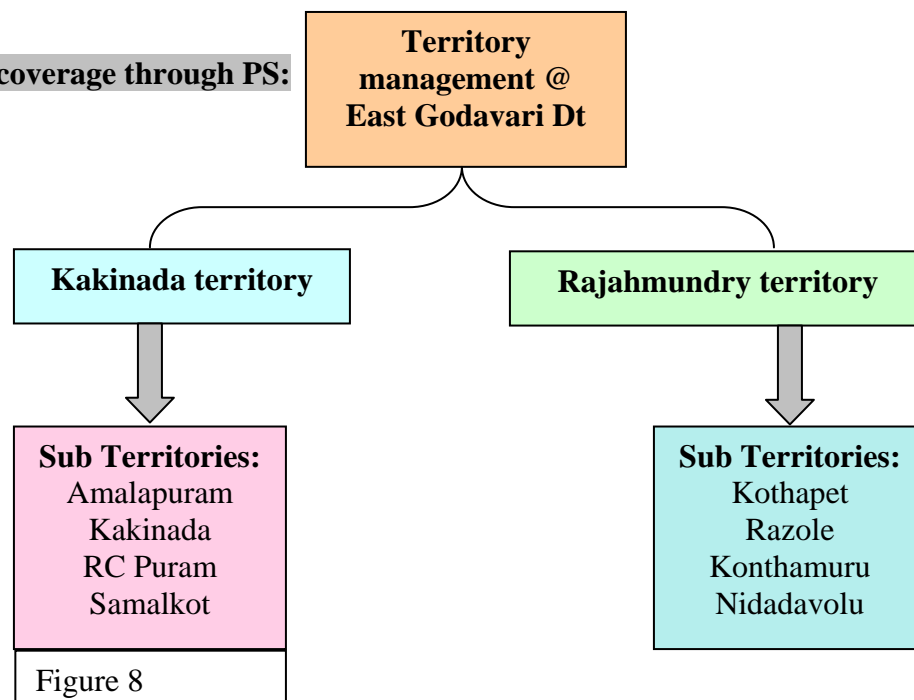
population located in secluded parts of the country, where there are millions of potential consumers, but no retail distribution network, no advertising coverage and media coverage and broken roads and transport. To achieve the aim the company needs a different business model. In this struggle there evolved the brain child of HUL “Project Shakti”.

The main business goal of PS is to improve the rural Distribution channels, Cater profitably to consumers located at the bottom of the pyramid, tap the uncovered rural market. The study aims at scrutinizing whether the business goals of the project are achieved and to what extent it is achieved with reference to the opted research area.

xv.1. RELEVANCE OF PS AS ALTERNATIVE RURAL DISTRIBUTION

CHANNEL:

Rural market coverage through PS:

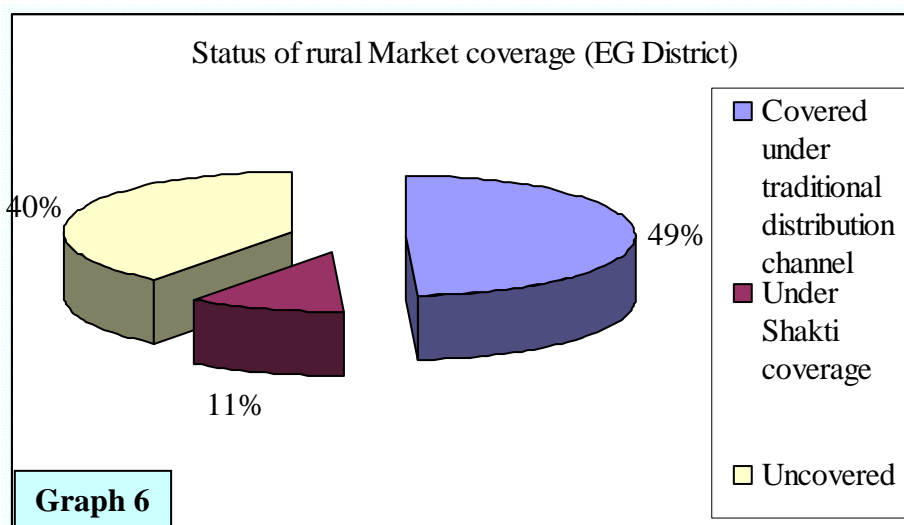


During the territory management process in HUL, East Godavari District (E.G.Dt) is divided into 8 territories. The total number of villages in E.G Dt are 932. 104 villages are

covered through PS. The less populated villages are covered more by Shakti. Still there are 369 villages to be covered. If PS is not introduced, all these 104 villages would have been left uncovered.

Population	Total number of villages	Number of villages			
		Under Rural Coverage	Under Urban coverage	Under Shakti Coverage	Uncovered
0-1000	21	8	0	10	3
1001-2000	217	69	0	29	119
2001-3500	232	95	0	32	105
3501-5000	170	88	0	21	61
5001-10000	217	142	0	12	63
10001-20000	60	44	1	0	15
20001-50000	14	11	0	0	3
50001-100000	1	1	0	0	0
above 100000	0	0	0	0	0
TOTAL	932	458	1	104	369
In %	100	49.2	0.1	11.2	39

Table 9 (As on 28.02.2007) (Figures are rounded to nearest numbers)

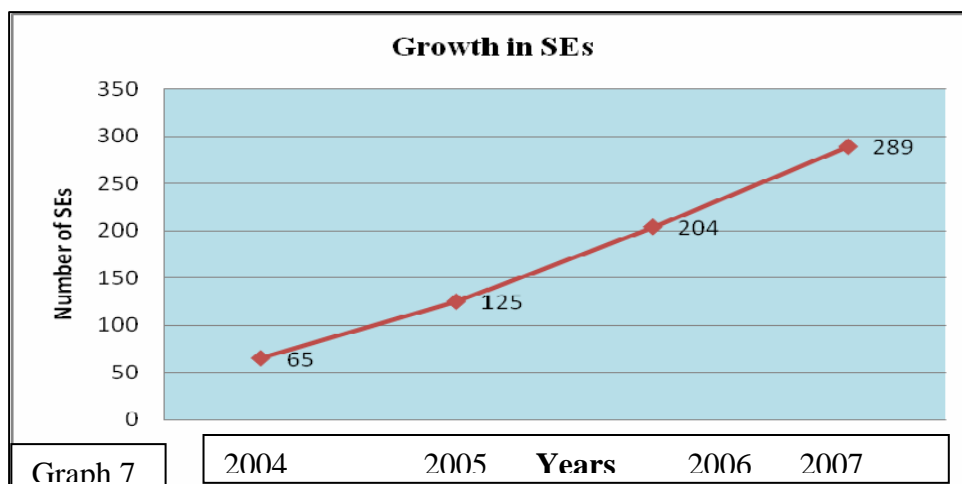


The uncovered villages are predominantly occupied by the private and local brands. With the inception of PS, 12% of the villages (104 villages), which were not covered through the routine distribution channels are covered by PS. However there are 369 villages left uncovered. So there is lot of scope to increase the geographical area of coverage. If the number of SEs are increased, obviously the coverage increases.

xv.2. TREND IN THE GROWTH OF NUMBER OF SEs:

Data of SE appointments		
2004	From 2003	52
	New Appointments	25
	Dropouts	12
	Total	65
2005	New Appointments	69
	Dropouts	9
	Total	125
2006	New Appointments	87
	Dropouts	8
	Total	204
2007	New Appointments	92
	Dropouts	7
	Total	289
2008	New Appointments	*
	Dropouts	5
	Total	284

Table 10 ** Information could not be obtained.*



The number of SEs are increasing substantially. This is a sign of more coverage. As SEs are the primary customers, rise in number of SEs indicates the rise in sales and in turn indicates the increase in number of points of sale and increase in the coverage of more number of villages.

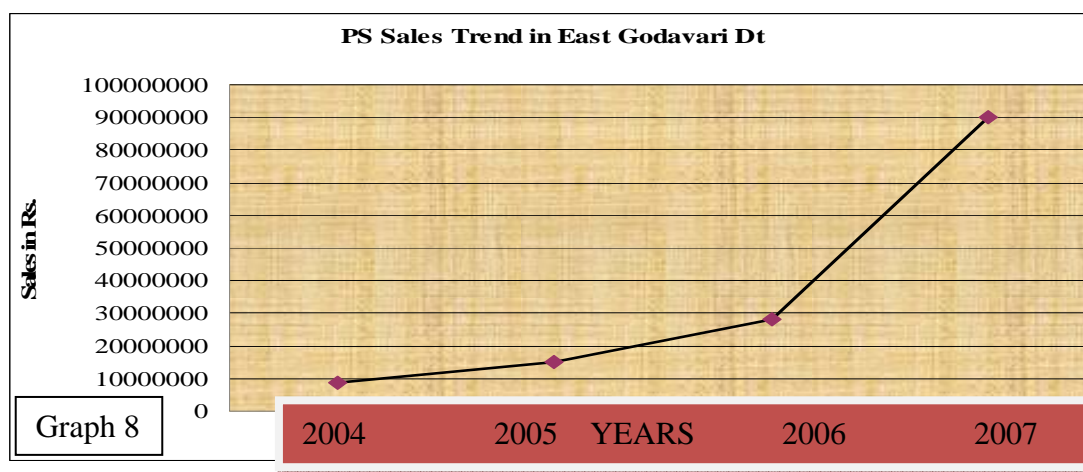
xv.2. 1. Reasons For Drop Outs:

When the researcher inspected into the reasons for dropouts, it was identified as: Social stigma, de-motivated by non-performance, Difficulty in physical work, Health problems, Unfavorable climatic conditions, Domestic problems, Fear of society and could not deal with the monetary transactions etc. The negative responses observed during the analysis of economic, social and entrepreneurial empowerment were observed to be the reasons for drop outs.

xv.3. RESULTANT OF PS IN TERMS OF RURAL SALES:

Achievement of Business goals is measured in terms sales growth.

Sales generated from PS -East Godavari District (In Rupees)			
2004	2005	2006	2007
8685745	14985538	27995514	90276318
<i>Approximate figures are collected from the sales executives</i>			
Table 11			



Year	Increase in sales (In Rs)	% increase in sales
From 2004 to 2005	6299793	72.5
From 2005 to 2006	13009976	86.8
From 2006 to 2007	62280804	200
<i>Table 12</i>		

So when sales analysis is made, it is observed that there is a remarkable growth in the sales. Sales have been growing year after a year. If Project Shakti is not introduced, the company would have lost its market share in rural area. In 3 years of introduction PS was able to grow upto sales worth Rs. 8685745. By 2005 the sales figure could rise upto Rs. 14985538. 72% rise i.e Rs.6299793 is observed in the subsequent year. As per the information provided by the rural sales executive – EG Dt the sales generated from PS constitute 20% of the total company sales in the area of E.G.Dt.

xv.4. REACHING THE UNREACHABLE GEOGRAPHICAL AREAS:

Before the introduction of PS many unreachable remote villages were not covered due to lack of transportation facilities. The river Godavari flows across E.G.Dt which makes many villages unreachable through roadways. Contacting those villages is a difficult task. But PS made it possible.

The SE receives the stock at her door step from the stockiest. This provision made the products reach the villages which are close to the town. During the selling process, SEs reach the satellite villages (nearby villages) and satellite retailers on foot or by bullock carts or bicycles or mopeds or auto rickshaws. Some of the SEs replied that they are crossing small water streams by boat to carry on with their business.

xvi. The Climax:

PS is definitely a success story. Nevertheless to reach this success it has to cross many stumbling blocks. PS could succeed with the blend of efforts of large firms in collaboration with civil society organizations and local governments. During the research it is observed that some of the SHG are not cooperative with the local women.

Strong purchasing power of consumers is necessary to increase the customer base of the SEs. This is an uncertain factor which fluctuates with the agricultural output. In some instances, the Shakti entrepreneurs are turning out as competitors to the retailers in those villages. To withstand in the competition, the retailers sell private labels for a lower price. The entrepreneurs need intensive training in improving their selling skills. The SEs are facing lot of problems in acquiring the investment. Many SEs have opined that they will be comfortable if company provides stock on credit basis. To our surprise there are respondents who are not that economically deprived, but they joined with the interest of earning and business leadership. Some of the SEs opined that they would be comfortable working with female rural executives rather than male rural executives.

On the whole the result of the research can be concluded that Project Shakti is a massive success in the area of E.G Dt, India.

xvi. The Crux:

This is not a corporate social responsibility program which ends up with a temporary benefit to the society. But it is a business initiative with social benefits. Beyond the business goals the project pats at the women situated at the BoP. It is a mutually beneficial program. Thus HUL change the lives while growing their market.

Conclusion:

As Dilip Sehgal, ED, New Ventures & Marketing Services, HUL, says women in the rural areas are “The catalyst of change and that is why its whole program keeps women in focus. It's like popcorn in a machine; one burst at first and then everything begins popping; here too, one woman as an agent of change bursts into a movement. Clearly, it's the rural women who give Shakti its strength.” Beyond the business goals (intensifying rural distribution channels and penetrating into rural hinterland) the company is patting at the BoP women to bring change in their life. This is a novel initiative which was proven to be a great success in East Godavari Dt, India. foal

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xvii. Appendix:

Investment in Project Shakti Vs other investments (*In the perspective of Shakti Entrepreneur*)

<i>Particulars</i>	<i>If deposited in Bank</i>	<i>If the money is given as loan to a group</i>	<i>If invested in Project Shakti</i>
Investment	20,000	20,000	20,000
Sales / year	NIL	NIL	3,60,000
Profit or interest / year	4.25% to 8%	24%	5%
Income/ year	1,600	4,800	18,000
Average income	1600	4800	9000
Income on investment	8%	24%	45%
<i>Source: Brochures of HUL</i>			

Foot Notes: Generally in India, men are the bread earners and women take care of the domestic work. But in the changing social environment both men and women started working.

Kaleidoscope:

INCLUDED IN THE NEXT WORD DOCUMENT

CONTINUATION OF THE PREVIOUS WORD DOCUMENT**Kaleidoscope:**

Picture 1:- Researcher (in the middle) with Shakti Entrepreneurs, EG Dt, India



Picture 2:- Shakti entrepreneur involved in door to door selling



Picture 3:- A Shakti Entrepreneur decorating her house with promotional material of HUL (In research area)





Picture 5:- Shakti entrepreneur (lady with green colored sari on the right) selling her products to the villagers





Picture 7:- Sales Training by Rural Sales Executive, HUL Ltd (In research area)





Picture 9:- Indian Rural people with HUL Products (In research area)





Picture 11:- A male customer attending product display during the Shakti exhibition





Picture 13:- Wall paint showing PS as income source, importance of education, health & hygiene etc.
