



University of Wales
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Marketing Management

Assessment 2

Marketing Analysis of Unilever

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Market Analysis of Unilever {PESTEL, SWOT, STP and 4P's}

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Summary

The outbreak of Covid-19 in 2020 caused a global economic depression, and many businesses went bankrupt because of the outbreak. However, a big proportion of sales decreased for every firm, according to the research data analysed in this study, but Unilever's sales fell only by 1.6 percent, and its financial and operational status remained constant. It is due not just to Unilever's decision to use Covid-19 as a standard, but also to its differentiation initiatives, which enable Unilever to compete when consumer items are in high demand in Covid-19. This research incorporates a variety of PESTEL analysis tools to investigate Unilever's internal and external environments during the pandemic era and to support the outcome, use the SWOT analysis methodology which shows that how Unilever's commercial situation is steady, and it still has a lot of opportunities for growth because to its outstanding brand and marketing strategies.

Introduction

Unilever's goods are consumed by nearly 2.5 billion people every day, and it's rare to find a corner of the globe where it hasn't made an impact (Unilever, 2021). As a single multi-product brand has grown into one of the world's largest consumer brand organizations, with operations in food, personal care, homecare, beverages, and more.

Here are some facts that show why Unilever is regarded as one of the world's top multinational corporations and their production, branding and marketing strategies to have a big influence on people's lives all around the world:

- Turnover of Unilever is around €50 billion in the year 2020
- Portfolio reaching out past 400+ brands
- Consistent organization which has over 25 million retailers
- A labour force comprising of around 150,000 representatives worldwide

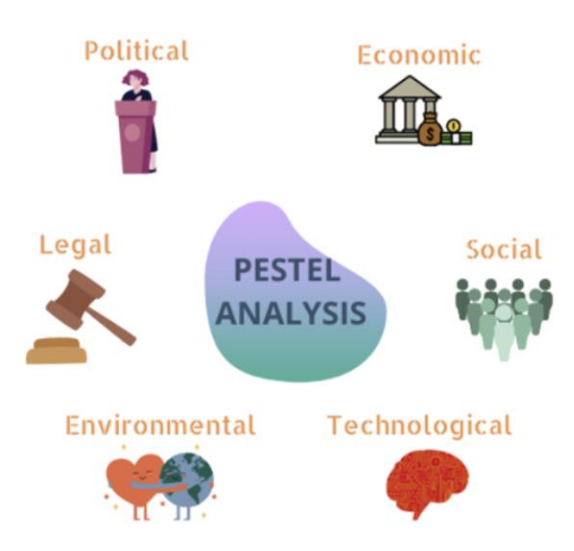
There are various reasons for this multi-industry giant's success, ranging from creative ideas and immaculate management to successful marketing and a dedication to sustainability.

Analysing and Summarizing

This report is based on examining in depth to show how Unilever has been able to expand its horizons through time and across nations and continents, obtaining a competitive advantage while growing enormously.

In this study, the PESTEL, SWOT as well as marketing 4P's model used to analyse which may be able to help in knowing the organization closely and highlight how Unilever has been able to continuously expand its horizons over the years and gaining a competitive edge while growing exponentially.

PESTEL Analysis



Political Analysis (Favourable):

Unilever PLC operates in the Personal Products sector in UK and in more than a dozen countries, exposing it to a variety of political risks and political systems. To succeed in such a dynamic Personal Products market spanning several nations, it is necessary to diversify the systemic risks posed by the political environment (IvyPanda, 2020). Before entering or investing in a market, Unilever might carefully consider the following criteria.

- Political stability and the significance of the Personal Products sector in the economy of the country.

- Contract enforcement legal framework
- Protection of intellectual property
- Personal Products have work week limitations.
- In the Consumer Goods business, there are industrial safety rules.

Economic Analysis (Favourable):

PESTLE Analysis of Unilever's success relies upon the overall economic fact. The investigation characterizes the impact of financial variables on organizations and their large-scale environment. Indicators of Unilever's presentation in the buyer merchandise area are the accompanying worldwide outside factors:

- Expanding salaries in non-industrial nations
- Quick development in non-industrial nations
- Worldwide dependability in created nations

Unilever ought to anticipate an extension of the business, notwithstanding, as these nations are filling as far as the size and volume of customer item interest (IvyPanda, 2020). Developing wages in agricultural nations offer Unilever the chance to acquire from higher wages.

Social Analysis (Un-Favourable):

Unilever, the world's largest consumer products company, has opted to focus on building a solid image. The brand exhibits a great desire to help people feel well, given that many of their goods focus on personal care and well-being (S & P, 2020). Even their advertising, particularly with Dove, is geared around making women feel their best from the inside out.

Unilever may expand by developing goods that directly satisfy customers' growing need for healthy foods. Environmentalist behaviour is on the rise, which gives the firm an opportunity to acquire additional customers. By using new and more energy-efficient technology, the firm may reduce its energy use. It can also expand through increased sales as female consumers' wages rise.

Technological Analysis (Un-Favourable):

A company should not only do a technological study of the industry, but it should also evaluate the rate at which technology disrupts it. Slower speeds offer more time for a firm to cope and remain profitable, but quicker speeds provide less time (IvyPanda, 2020). Technology analysis requires an understanding of the following consequences of technology.

- Unilever PLC's competitors have recently achieved technological advances.
- The impact of technological advancements on product offers
- Effect on the cost structure of the personal goods industry Impact on the value chain structure of the consumer products industry Diffusion rate of technology.

Environmental Analysis (Favourable):

Using country economic parameters such as growth rate, inflation, and industry economic indicators, Unilever PLC can forecast not only the sector's but also the company's growth trajectory (MBASchool, 2019). Macroeconomic factors such as inflation, savings, interest rate, foreign exchange rate, and economic cycle influence aggregate demand and investment in each economy. Competition standards and other microenvironmental factors have an impact on a firm's competitive advantage.

- Workforce skill level in the Personal Products business.
- In the economy, the degree of education
- In the economy, labour costs and productivity
- The rate of inflation
- Rates of interest

Legal Analysis (Un-Favourable):

Unilever should conform to guidelines to limit hindrances to its purchaser items business. The PESTLE examination decides the effect of the general set of laws on the remote or full-scale professional workplace (MBASchool, 2019). Unilever requirements to resolve the issue dependent on the accompanying outer outside factors:

- Expanding intricacy of ecological guidelines
- Boost worldwide patent law and customer privileges laws

Unilever has the chance to further develop its corporate picture by joining its corporate social obligation procedure with natural guidelines. The outer variables in this piece of Unilever's PESTEL examination exhibit the advantages of working on general sets of laws all over the planet.

SWOT Analysis



Strengths

Unilever Inc. has a slew of advantages that will help it succeed in its core business. A SWOT analysis of Unilever will aid in focusing on these assets (Davis, 2022). Some of these advantages are stated below, according to the study:

Monetary position: Unilever has a solid monetary base. It has gathered an aggregate of more than 30 million euros. It has acquired the public trust as a star organization. Its monetary position has it on a place of unadulterated benefit that expanded its reasonable worth and brand name huge amounts at a time. Thus, this monetarily safe position accomplishes something beneficial for the organization

Driving Industry: Unilever is one of the best 10 organizations for shoppers' merchandise. Unilever is coordinated into three fundamental divisions-Food

and Refreshments, Home Care, and Beauty and Personal Care items. Throughout the previous three years, these areas have been raising a joined 50 million euros as an income.

Weaknesses

Shortcomings are important for the inner elements of an organization (Unilever, 2019). A Unilever SWOT investigation will expose a considerable lot of these.

Higher assets in the innovation area: All however spend sufficient cash to foster its mechanical destinations. It is still very behind in this matter since a significant number of its rivals are in front of it in this. This puts it as a serious bother as they put down the group's assurance.

Reliance on retailers: Unilever relies intensely upon its retailers. It is a decision, obviously. Although it adds a critical sum to the organization's income, over reliance isn't something to trifle with. Along these lines, Unilever should attempt to make different marks of solidarity that it can rely upon.

Opportunities

The chances are outside elements of an organization that they can take advantage of for benefit and advantages for themselves (Davis, 2022). A Unilever SWOT examination will assist the leaders with considering them before their next enormous move.

Business Diversification: Even however Unilever has a lot of items to sell, there are numerous new items that it could send off. Individuals are presently mindful of its essence. Along these lines, this will be beneficial for the organization. Business broadening can get individuals more intrigued and put resources into the organization. This will function as exposure and raise the benefit.

Product Innovation: Unilever can likewise improve their old items. Large numbers of the items have a conventional course of making. However,

advancing them will assist with fitting the items reasonable for the cutting edge individuals' requirements. This will make individuals more intrigued by the organization. The outcome will be a higher deals rate, whenever promoted and publicized accurately.

Threats

Threats are the main piece of a swot examination (Unilever, 2019). A Unilever SWOT investigation will call attention to the dangers to this local area that has been keeping it down.

Expanding rivalry: lately, many new organizations are mushrooming in this new market. This expands the opposition. In the purchasers' area, Unilever's most destructive adversary is Proctor and Gamble.

Effect of pandemic: This is the hour of a pandemic. Unilever is one of the lead organizations in the customer's products division. Despite the fact that this pandemic immensely affects the marketing projection, that doesn't imply that the extent of the circumstance is any less. This pandemic has impacted assembling, dispersion and buying of Unilever items. This has energized significant changes in Unilever's business systems.

Market Segmentation, Targeting and Positioning Strategy

Marketing Segmentation

The division of a single market into smaller divisions is known as market segmentation (PhDessay.com, 2017). It is done in particular in accordance with those who have comparable qualities.

Segmentation by demographics: Like female sun silk has been marketed as a women's shampoo since its inception. Sun silk is a brand that stands for hair and care.

Segmentation of income: Group with a middle income One of the most significant characteristics of an FMCG product is its low price, which is critical for its rapid sales.

Target Market

Unilever sees itself as a health and beauty product manufacturer with a target market of beauty and health-conscious people. Unilever's marketing efforts might be directed based on the target market. Unilever is a global firm that caters to the mass market all over the world (Reza, 2020). Unilever caters to a wide spectrum of consumers through product differentiation for its multiple commodities. From babies to the elderly, Unilever caters to everyone in the market. Unilever makes practically every second product, and the company wants to expand its market by reaching out to more individuals. The population is divided into six income and age groups (rich, average, poor, and children), and the company's products are available to everyone.

Positioning Statements

The position that a firm wants to have in the eyes of its target customers as compared to the products or services of competitors. Customers evaluate items and services on a regular basis. As a result, marketers must devise positioning techniques to improve consumers' perceptions of their products. Effective product placements must meet four critical requirements (Reza, 2020). To begin with, they are intended to deliver advantages to potential clients. Second, they distinguish the unique company's products or services from those of major competitors. Finally, the different firms must have the knowledge, resources, and reputation to carry out their implicit assertions and commitments. Finally, an effective position is defensible, implying that an aggressive competitor would be unable to quickly neutralize or predict another.

Marketing Mix {4P's}

In Unilever's marketing strategy, the product strategy and mix are as follows:

Product

Food, Personal and Home Care, and Water Purifier are the four essential classes of Unilever. Unilever's advertising blend has roughly 400 brands, showing the brand's critical power in the FMCG area (Davis, 2022). Unilever centers around 13 brands with yearly deals surpassing one billion euros. Dove, Ax, Rexona, Hellmann's, Rama, Lipton, Lux, Magnum, Knorr, and Oma are only a couple of the brands.

Foods: Unilever €13 billion segment accounts for one-fourth of the company's total revenue. The € 1 billion brands in this category include Knorr, Hellmann's, and Rama.

Care at home: Home Care had a €10 billion turnover, accounting for one-fifth of Unilever's total revenue.

Refreshment has a turnover of €10 billion and accounts for a large portion of the Group's revenue. Magnum and Heart brand are €1 billion brands, as is Lipton tea. Unilever prioritized innovation and providing a positive brand experience. Magnum Pink & Black and the Ben & Jerry's Cookie Core line were among the new products.

Personal attention: With a turnover of €20 billion, this is Unilever's largest segment, accounting for most the company's revenue.

Price Strategy:

In marketing terms, price may be described as the price a customer is willing to pay in exchange for the benefits of owning a product or service to get high value. Price, functional advantages, and emotional benefits all go into determining the worth (Najmusaqib Niazi, 2020). As a result, to deliver increased value to clients, the differentiation approach plan is used, in which the product advantages are boosted but the price remains constant. The product adds value in terms of practical benefits including ease of use and a better grip, as well as being versatile. It also responds to clients' emotional needs, such as cleanliness, and offers a variety of pleasant fragrances.

Promotion Strategy:

Unilever is one of the biggest marketers, with an annual marketing budget of almost €8 billion. Unilever is employing digital marketing combined with ecommerce to generate sales as the usage of digital media and e-commerce has grown fast. Unilever's All Things Hair, an internet video channel, is one of their digital promotions (Najmusaqib Niazi, 2020). Unilever also utilizes celebrities, such as actors and athletes, to market its products throughout the world. Print media, hoardings, discounts, and free samples are some of the other ways to promote your business. Unilever's brand has also benefited from hoardings and out-of-home media throughout the world. This brings the Unilever marketing mix to a close.

Ansoff Matrix

Unilever, situated in London, England, is one of the world's major FMCG companies. The firm grew in terms of goods and markets throughout time. Ansoff matrix analysis is carried out for the firm to understand its growth and performance.

Market Expansion

As per Kaur (Manpreet, 2013), market Expansion is a technique that Unilever has utilized for quite a long time and that has added to the organization's prosperity. The firm doesn't zero in on offering to few customers and afterward continuing to the following business sector or item; rather, the organization perceives the worth of economies of scale in a FMCG association, which is the reason for the organization's colossal achievement. Today, 2.6 billion clients in different locales of the world utilize a Unilever item consistently, showing the organization's worldwide reach.

Development of New Products

According to Dirisu et al. (Dirisu, 2013), product development is connected to an organization's innovation and creativity, and a focus on product development indicates that the firm continually improves or develops new items for consumers. The company's diversified consumer base, which is mostly attributable to a variety of product offerings, has been one of the significant benefits it has gained over the years. The business started with cleanser and has now extended to incorporate tea, milk, yogurt, cleanser, and shampoos. Since customers were getting new things

consistently and the expansiveness of Unilever's offers was growing, this item improvement approach saved the business on target for progress.

Conclusion and Recommendation

Unilever is a worldwide player with a lot of strength and opportunity. These can help mitigate some of the risks, but it's also important to consider shifting consumer habits, millennial demands, and a focus on sustainability.

Several recommendations for Unilever are as follow:

- Improving the company's employees' health and safety.
- By 2030, we will have reduced our environmental effect.
- By a long margin, the people have been improved.
- Encourage your employees to be innovative.
- Boosting team morale through completing team objectives.

At last, Unilever's significant qualities might be summed up as a steady benefit line and overall reach. Its principal defect would be an extreme dependence on retailers. It may not have all the earmarks of being a lot, yet it is a huge weight to bear.

Unilever benefits from a SWOT examination in an assortment of ways. Simply because it would hypothetically permit the leader chiefs to analyze and assess the organization's essential way to deal with this day.

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