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Unilever

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1.0 Introduction

Despite the ever-changing consumer products market, Unilever has remained a constant presence thanks to the company's global reach, diversified product line, and unyielding dedication to environmental responsibility and technological advancement. To better understand how external influencing drivers and internal dynamics interact to create Unilever's marketing strategy in the United Kingdom, we embark on this environmental marketing investigation as an external consultant.

1.1 Company Background

Unilever is a worldwide conglomerate that was founded in 1930 after Lever Brothers and Margarine Unie merged. It maintains offices in London and Rotterdam (Fatyandri and Lie, 2023). The company has been around for nearly 90 years, making it a veteran in the consumer goods industry. They sell products in a wide variety of markets, from hygiene and cosmetics to groceries and cleaning supplies.

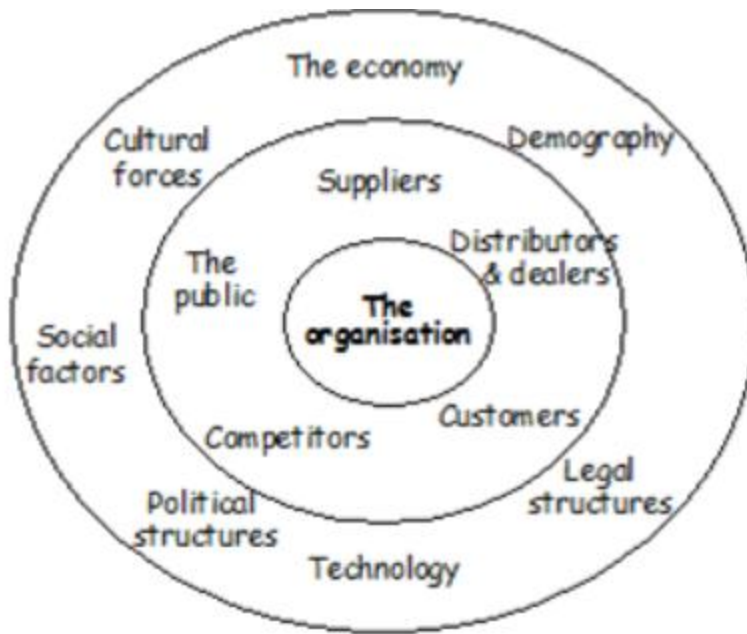
Aside from solidifying its position as a global leader, Unilever's dedication to sustainability has established a new standard for ethical business practices (Fatyandri and Lie, 2023). The Unilever Sustainable Living Plan and other noteworthy projects demonstrate the firm's commitment to sustainability and social improvement. The organization focuses more on marketing efforts to increase its sales and profitability. Please look into the following figure to understand its marketing efforts;



(StudyCorgi.com, 2022)

2. Environmental Marketing Analysis

Internal and external environment of an organization such as Unilever plays an important role in shaping the existing marketing and business strategies and operate within the belonging environment effectively. The internal and external environment of an organization can understand through following figure;



(Onikoyi et al., 2022)

2.1 External influencing drivers

PESTEL Analysis

Consumer behavior, industry trends, and competition dynamics are all influenced by a wide range of external factors, and Unilever's success in the UK market depends on the company's ability to successfully traverse this maze (Onikoyi et al., 2022). We investigate these critical external elements that affect Unilever's operations and marketing initiatives in the UK as part of our environmental marketing analysis supported with PESTEL model. Please see the following figure to understand PESTEL components;



(Cheng, 2021).

Please look into the table 1 to understand PESTEL Environment along with the favourable and unfavourable factors. The table explains;

Table 1

PESTLE Factor	Favorable Aspects	Unfavorable Aspects
Economic Indicators	- Strong economy supports demand for high-quality innovation	- Economic instability may lead to focus on value, impacting premium products
Consumer tastes and expectations	- Demand for ethically sourced and sustainable products aligns with Unilever's values	- Changing demographics and cultural standards make reaching various demographics challenging

PESTLE Factor	Favorable Aspects	Unfavorable Aspects
Rapid changes in technology	- Direct consumer engagement through technology	- Need for prompt adaptation to changing technology trends
Environmental considerations	- Growing demand for eco-friendly solutions	- Environmental sustainability efforts might require significant investments
Legal and Political factors	- Adherence to laws and regulations	- Political events (e.g., Brexit) impacting supply chains and distribution
Competition	- Encourages innovation and compelling value propositions	- High competition requires constant research and differentiation
Shifting consumer preferences	- Adapting to changing preferences leads to success	- Promptly addressing shifts can be challenging
Consumer preferences and habits	- Understanding trends like online shopping and social media influence	- Need for constant revision of marketing strategies

1. Economic Indicators: Unilever's marketing methods are heavily influenced by economic indicators including GDP growth, inflation rates, and consumer purchasing patterns. Unilever may need to modify pricing strategies and roll out new budget-friendly product lines as

consumers turn their focus to value during times of economic instability (Cheng, 2021). In contrast, high-quality innovations may find more takers when the economy is doing well.

2. Rapid changes in technology are a primary factor in the evolution of consumer preferences and the formulation of new approaches to advertising. Unilever may engage with consumers directly and personalize their experiences through e-commerce, mobile apps, and other digital engagement channels. In addition, data-driven insights made possible by technology let Unilever tailor their marketing to each individual customer and increase their level of involvement.

3. Fourth, environmental considerations and sustainability movements have come to the fore in the United Kingdom (Cheng, 2021). Sustainable methods like these, implemented by Unilever, help meet rising customer demand for eco-friendly solutions. Brand loyalty may be strengthened and eco-conscious consumers attracted by including these ideals in advertising efforts.

4. Unilever's marketing plans may be affected by the UK's legal framework, trade policies, and political stability, as discussed in point 5. Labeling laws, nutritional guidelines, and safety laws must all be followed. In addition, political events like Brexit might have an effect on Unilever's supply chains and distribution networks, which in turn affects product availability.

5. To create effective marketing strategies, it is crucial to be aware of consumer preferences and habits. Online shopping's rising popularity, social media's sway over consumer spending habits, and the requirement for authentic brand experiences are all trends that require Unilever to revise its marketing strategy (Wati, 2020).

6. Factors such as government rules, trade policy, and political stability all make up Unilever's political environment. Legislative shifts in the United Kingdom have consequences for Unilever's business and product distribution. Disruptions in supply chains and distribution

networks, due to political events such as Brexit, can have an impact on product availability. Moreover, Unilever's dedication to sustainability is in line with the increasing emphasis on environmental legislation by governments worldwide. Since changes in political dynamics can have an effect on corporate operations, market access, and international trade agreements, Unilever's capacity to plan and execute initiatives effectively is impacted by the stability of the political climate.

Porter Five Forces Model

Porter five forces model explains the competitive environment of an organization. Please look into table 3 to understand Porter five Forces Model;

Table 3

Force	Description	Level of Effect
1. Threat of New Entrants	High brand recognition and economies of scale deter new entrants.	Moderate
2. Bargaining Power of Suppliers	Numerous suppliers reduce supplier power. Unilever's size can impact negotiations.	Moderate
3. Bargaining Power of Buyers	Large consumer base gives buyers some power. High brand loyalty offsets to some extent.	Moderate
4. Threat of Substitutes	Strong brand portfolio and diverse product range minimize the	Low

Force	Description	Level of Effect
	threat of substitutes.	
5. Competitive Rivalry	Intense competition, but Unilever's strong brand, innovation, and sustainability efforts provide advantage.	High

2.2 Internal influencing drivers

Micro or internal factors analysis

The success of Unilever in the UK's fiercely competitive market hinges on the company's capacity to detect and adapt to internal shifts. This study considers the interplay between the firm and its key stakeholders, including its suppliers, customers, distributors, and the broader public. These factors affect Unilever's market presence and brand image through the company's operations and marketing strategies (Dhamayanti and Restuningdiah, 2022).

Unilever's marketing strategy relies heavily on the company's own strengths. The company's capabilities, which include its global presence, product breadth, and commitment to sustainability, are among its greatest strengths. Investing heavily in research and development has helped Unilever stay ahead of the curve and create products that appeal to today's consumers. The company's culture of innovation and teamwork fosters creativity and facilitates the implementation of effective marketing strategies (Birahim, 2020).

Second, the relationships Unilever maintains with its suppliers significantly impact the quality, availability, and sustainability of the company's products and programs (Jose, 2021). The commitment of the organization to ethical sourcing has an effect on the relationships with its suppliers (Cheng, 2021). Unilever is able to deliver on its pledge to promote environmentally and socially responsible products because it works closely with its suppliers to ensure a reliable supply of raw materials.

Thirdly, customers: providing them with what they want and need is the bedrock of effective marketing (Fatyandri and Lie, 2023). Unilever's diverse clientele play a vital role in the company's product planning and promotion. Brand loyalty is fostered through Unilever's attempts to cater to certain customer categories and express the company's commitment to sustainability.

Relationships with distributors and retailers are essential to Unilever's product distribution and market expansion (Akmal. and Affandi, 2022). The company's products reach consumers quickly and smoothly thanks to its cooperative marketing efforts with distributors. Product placement and market penetration are bolstered by Unilever's marketing efforts, optimized supply chains, and cooperative efforts with distributors.

Interactions with the public and stakeholders have larger consequences for Unilever's marketing initiatives, which brings us to point number five. The public's impression of the corporation and its products is affected by its dedication to environmental and social responsibility (Laursen and Andersen, 2023). When Unilever is open about its efforts to reduce plastic waste and support community activities, it attracts and retains customers who are concerned about the environment.

SWOT Analysis

An organization's internal and external opportunities and dangers can be evaluated using a SWOT analysis. A SWOT analysis for Unilever is mentioned in table 2. The use of SWOT analysis by companies like Unilever has many benefits.

Table 2: SWOT Analysis

Strengths	Weaknesses
1. Strong brand portfolio	1. Dependency on few markets
2. Global presence	2. Complex organizational structure
3. Focus on sustainability	3. Product recalls in the past
4. Diverse product range	4. Price sensitivity in some markets
5. Innovation capabilities	5. Competition from local brands

Opportunities	Threats
1. Growing demand for naturals	1. Intense competition
2. Expansion in emerging markets	2. Economic instability
3. Health and wellness trends	3. Fluctuating commodity prices
4. Digital marketing and e-commerce	4. Changing consumer preferences

Opportunities	Threats
5. Sustainability trend	5. Political and regulatory changes

- To help with making educated business decisions, SWOT analysis takes into account both internal and external issues.
- Planning strategically helps businesses make the most of their assets, eliminate waste, grasp opportunities, and lessen the impact of potential dangers (Iglesias et al., 2023).
- In order to get an advantage over the competition, businesses must first identify those areas in which they excel.

2.3 Role of marketing within the organization

The function of marketing in Unilever's UK operations goes well beyond simple advertising and public relations. For a company to thrive in the competitive consumer products sector, marketing must play a strategic and multifaceted role. Please look into the following figure to understand marketing role within Unilever;



(Slideshare.net, 2013)

Segmentation, targeting, positioning, and a clearly defined marketing mix all play a role in the company's marketing efforts.

Market segmentation: Unilever works in a wide variety of markets around the world, each with its own distinct set of consumer tastes and habits. Unilever's marketing department uses market segmentation to categorize its customers into groups with similar wants and needs (Jose, 2021). By breaking down their customer base into distinct groups, the organization may better target those groups with relevant products, messages, and strategies.

Targeting When deciding which market sectors to focus on, Unilever takes into account market potential, segment alignment with the company's competencies, and growth prospects. Unilever can increase the effectiveness of its marketing and better connect with its target audience by concentrating on the aforementioned demographic subsets (Laursen et al., 2023).

Positioning: Each product in Unilever's extensive brand portfolio has its own distinct positioning. The job of marketing in creating and disseminating these brand positions to customers is crucial. Unilever's positioning strategy is to give its products a unique character in consumers' thoughts and set them apart from the competition by stressing sustainability, health advantages, or convenience.

Marketing mix strategies: Unilever's dedication to satisfying customers and providing long-term value is reflected in the company's marketing mix tactics.

Product: Unilever sells a wide variety of goods, including those for the home, the body, and the stomach (Onikoyi et al., 2022). Products are marketed to guarantee that they meet consumers' needs, have unique qualities, and are in step with modern movements toward things like health and environmental consciousness.

Price: Pricing methods at Unilever change depending on market conditions, product characteristics, and consumer feedback. Pricing strategies are developed to maximize profits while gaining market share.

Place: Consumers can purchase Unilever goods from a wide variety of traditional and online retailers thanks to the company's large distribution network (Raj, 2023). The goal of marketing is to maximize customer satisfaction, which includes determining the best methods of distribution.

Strategy: Various digital and social media channels are integrated into Unilever's strategic marketing strategies. Unilever's dedication to social and environmental responsibility is highlighted in these advertisements, along with the products' benefits and the brands' origin tales.

3. Recommendations for the future

Several suggestions can help Unilever maintain its competitive edge, boost brand loyalty, and assure sustainable growth in the dynamic UK consumer products industry.

Unilever, in an ever-more-digital world, needs to keep investing in new digital platforms and technology to keep up with consumer demand. This involves investigating new technologies like AI-driven chatbots for customer interactions and enhancing e-commerce experiences through the use of data analytics for targeted advertising.

Second, Unilever should increase its efforts to lessen its negative influence on the environment and spread word of its eco-friendly goods by amplifying its sustainability initiatives. Share this information openly with customers to show your organization is committed to ethical business practices and win over customers who care about the environment.

Encourage consumer participation in product development through "co-creation" efforts. Involve them in everything from brainstorming and feedback collection to the introduction of a special edition of a product. This does double duty: it increases customer satisfaction and informs future product development (Jose, 2021).

Promote an environment where new ideas are welcomed and rewarded in the workplace. Make it possible for employees to voice their opinions and offer input on how to improve products and promotional strategies. New ideas can be sparked when people are rewarded for being creative.

Unilever can maintain its success in the UK consumer products industry by implementing the suggestions made here (Iglesias et al., 2021). Unilever can strengthen its reputation as a customer-focused and ethical business by responding to shifting consumer tastes, taking use of new technologies, and adhering to long-term sustainability goals.

The Ansoff Matrix suggests the following two tactics for Unilever's expansion strategy:

To expand their business, Unilever can research untapped niches in the UK's consumer goods sector. This includes reaching out to previously unreached demographics, entering new markets, and increasing sales of already established products (Wati et al., 2020).

When it comes to developing new products, Unilever can zero in on the wants and needs of its existing client base in the UK. The goal of this strategy is to use the firm's extensive knowledge of consumer habits to develop innovative products that appeal to the firm's current clientele.

4. Conclusion

The environmental marketing analysis and strategy advice help Unilever navigate the dynamic UK consumer products market. The company's unique marketing approaches and uncompromising dedication to sustainability set it positioned for future growth. Unilever is able to adeptly respond to customer requirements and industry developments by comprehending the complex interaction of external influencing variables and the internal dynamics that form its operations. With marketing shifting its focus from promotion to strategic alignment, brand building, and customer engagement, Unilever is well positioned to forge meaningful bonds with its broad and varied client base. These findings and suggestions will help Unilever face down obstacles, capitalize on openings, and expand its brand's influence in the UK consumer products market.

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