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1. Introduction

This report will extensively analyse the international business activities of Unilever, including its operations in developed and emerging markets. Unilever, being a multinational company and operating in over 190 countries, has a global presence, thus providing important background knowledge about the challenges and issues of running an internationalised business (Macro Trends, 2025). It is paramount to understand how such a company manages its operations across the globe to understand the advantages, issues, and strategies that affect competitiveness in the long term. The report has been laid out to make some major areas an examination. It commences by examining the advantages and disadvantages of Unilever's international business in the UK, USA, China, and Brazil. It then analyses the impact of OLI (Ownership, Location, Internalisation) on market-entry strategies, followed by the analysis of cultural differences affecting performance. Lastly, the report proposes tactical changes that will make Unilever successful in new markets.

2. Benefits and challenges of international operations

a. Why Unilever qualifies as an MNC/ TNC

Unilever has a presence in more than 190 countries with diversified revenues due to its wide variety of products, such as Personal Care, Home Care, Nutrition, and Ice Cream. Its 2024 financial reports depict group revenues and operating indicators of a large MNC (Unilever PLC, 2025). The company has over 120,000 employees globally in the mid-2020s and releases consolidated Annual Report and Form 20-F filings to foreign investors, which are clear indicators of its multinational nature (Macro Trends, 2025).



Figure 01: Unilever (Unilever PLC, 2025)

Integrated cross-border value chain

Unilever bases its R&D centres such as Colworth, UK, and other laboratories in China, India, and the US, sources raw materials across the world, conducts production and packaging in various continents and also controls the global and local marketing and brand outlets and flexures the products locally (Bartlett, 2015). This is a vertically and horizontally integrated cross-border value chain that includes global R&D, regional production, and local commercialisation, which is one of the main characteristics of transnational firms (Harvard Business Review, 2023).

Cross-border investment, acquisitions, and legal structure

Unilever has engaged in inorganic expansion, acquiring brands like Ben and Jerry, Dollar Shave Club, and other targeted acquirers. It has also been strategic with its portfolio, such as divestment and spin-offs, to redistribute resources globally (Marrow and Shabong, 2025).

Unilever has large corporate centres, R&D centres, and commercial centres and competes with other FMCG companies in the UK and the US. The company employs varied entry modes such as joint venture, acquisition or wholly owned affiliate in China and Brazil, and prices and innovation strategies fit local conditions (Chakravorti, 2016). The latest news and announcements indicate business growth and national issues, including low premium markets in China and inflationary pricing pressure in Brazil. These instances show the classical Unilever MNC example of global coordination with local responsiveness (OCED, 2023).

b. Nature of Global Operations- Value Chain Overview

This subsection explains how Unilever coordinates its major value-chain activities, such as research and development, sourcing, production, sales and marketing, and financing, across countries.

Research and development

Unilever operates a system of R&D centres that combine overall scientific knowledge with localisation. Colworth Flagship sites, in the UK and others, operate together with regional laboratories in China, India and the US to accelerate innovation and make products more local (Harvard Business Review, 2023). The company employs over 5,000 research and development employees, 500 of whom have PhDs, and spent approximately EUR 949 million in research and development in 2023, and will spend comparable amounts in 2024-25 (Reid et al., 2025). Central R&D here develops platform technologies and international formulations, regional personnel tailor products to taste, climatic differences and regulatory differences, promoting a hybrid that acquires economies of scale, and at the same time, localisation is allowed (Alves, 2020).

Sourcing and Procurement

The agricultural products and packaging that Unilever purchases globally, and they work hard to be able to enter into sustainable procurement in areas like palm oil, tea and soy (Marrow and Shabong, 2025). The sourcing teams located globally achieve long-term contracts and impose standards on suppliers, and local buying units in Brazil and China oversee logistics and compliance. This coordinating core keeps the input costs firm and maintains the sustainability ratings, which safeguard the brand name (David, 2013). Disclosures and sustainability reports of the company published recently describe significant supplier programmes and traceability projects.

Production and Manufacturing

The production is decentralised. Unilever operates large factories in the UK, the USA to host global and regional stock-keeping units, and several production plants in China and Brazil to serve local markets and reduce freight and tariff expenses (Harvard Business Review, 2023). The business employs the make-where-you-sell approach on most fast-moving consumer goods (FMCG). This enhances responsiveness and reduces logistics expenses, and high-tech or speciality products continue to be produced centrally where scale counts (Reuters, 2024). New operations have installed supply-chain management under the top finance and supply-chain officers to enhance productivity.

Sales, marketing, and Commercialisation

Unilever owns international brand platforms that retain uniform positioning and core creative assets. In China and Brazil, messaging, pricing and trade strategies are adapted by local commercial teams (Reuters, 2024). The emerging-market distribution innovation, including rural routes, sachet sizing, and local alliance, all show a careful localisation of go-to-market functions, achieved by the scale of global marketing (Macro Trends, 2025).

Finance, Corporate Strategy, and M&A

The annual reports and Form 20-F centralise corporate finance and investor reporting, whereas tax, treasury and capital allocation are regionalised (Reuters Staff, 2025). Unilever has declared a yearly capital outlay of between EUR 1.5 -1.7 billion to invest in

essential markets, particularly the US, which indicates strategic cash is centralised and localised in execution (Marrow and Shabong, 2025).

Summary

Unilever has scientists, marketers and supply-chain professionals all over the world, and global talent initiatives such as Future of Work to mix skills and local expertise. High-return, scalable functions such as R&D platforms, brand management and finance are centralised in this hybrid model, manufacturing, distribution and commercial adaptation are decentralised to exploit local opportunities (UNCTAD, 2024). This structure facilitates global brand congruency, market responsiveness and operational efficiency in the UK, USA, China and Brazil.

c. Entry Modes and Dominant Approaches

Wholly-owned Subsidiaries/ FDI (Greenfield and Acquisitions)

In Europe, Asia, the Americas and Africa, Unilever has extensive holdings of wholly-owned subsidiaries and finance-based affiliates, including Unilever UK Ltd, Unilever USA Inc., Unilever France SAS and Unilever Pakistan Ltd (Unilever PLC, 2024c). Unilever has FDI-based, wholly-owned subsidiaries in more than 100 countries, such as the UK, USA, Germany, France, Netherlands, Pakistan, as well as most EU and Latin American jurisdictions (Unilever PLC, 2024a). The 2024 subsidiary listing and SEC filings of the company include dozens of 100% owned organisations, which demonstrate that the direct FDI is a mainstream path towards highly developed markets and strategic locations (Marrow and Shabong, 2025).

Mergers and Acquisitions

Unilever has made extensive acquisitions to gain capabilities, Brands and domestic distribution. Some of its most notable acquisitions are Ben & Jerry (2000) and Dollar Shave Club (2016, later sold in 2023), and others more recently, such as Dr Squatch (2025) (Reuters Staff, 2025). Acquisitions of local chains and brands, such as a laundromat chain purchase, have offered ready market presence in the USA, UK and Brazil. Other examples are the brand and site purchases by India (Naidu, 2024). The

management guidance spends about EUR1.5-1.7bn annually on deals, highlighting M&A as one of the key growth engines (Unilever PLC, 2024b). Numerous acquisitions are converted to fully owned local businesses.

Joint ventures (JVs) and equity partnerships

Unilever has a long history of joint venturing in countries with regulatory or capability limitations. A classical case is China, where it re-entered the country in 1986 and established several JVs in the 1980s-1990s to localise production and circumvent market penetration (Geller, 2017). JVs also occur in the other markets where the local partners provide distribution coverage or political legitimacy.

Licensing and Franchising

Unilever uses licensing and franchise relationships in order to increase brand coverage at minimal capital cost. These include local Ben and Jerry licensing deals, franchised businesses, like laundromats in Brazil, and rebranded OMO (Naidu, 2024). Examples of this model include franchising transactions in Brazil and licencing disputes in Israel. Most smaller markets were primarily entered through local licensees or distributors; trade/distribution arrangements are wide in smaller or high-risk markets (Mahajan, 2016).

Strategic alliances, co-marketing, and digital partnerships

Unilever has a consistent practice of establishing non-equity alliances in e-commerce, supply chain development, and sustainability, including supplier programmes and NGO partnerships, particularly in emerging markets where local networks and expertise are important (Speed et al., 2025).

Dominant Entry Mode

Although Unilever employs a combination approach, acquisitions resulting in wholly-owned subsidiaries (direct FDI) prevail in its strategy in strategically important markets. M&A provides immediate scale, brand value and dominance (Unilever PLC, 2022). Licencing and joint ventures are only applied in cases where regulation or cost considerations render total ownership imprudent. The recent recommendations regarding

the annual budget on M&A and the wide-ranging subsidiary registry of Unilever reinforce this dominant trend (Anderson et al., 2025).

d. Key benefits derived from International Operations

This subsection discusses the principal advantages Unilever reaps through its global response, in terms of both revenue, value-creation, and risk-specific benefits, with country-specific details.

Revenue and market-growth benefits

Both developed and emerging markets provide significant leverage to Unilever through their top-line potential as they offer access to vast and rapidly expanding consumer segments and high-end markets (Yatish, 2025). As an example, Unilever recorded a turnover of EUR 14.7bn in Q3 2025 and had underlying sales growth of multi-per cent due to developed-market premiumisation, which is the USA and UK, and emerging-market volume recovery, which is Brazil and some parts of Asia (Unilever PLC, 2025). Strategic M&A and a year deal pipeline of EUR 1.5-1.7bn also fast-tracks revenue access to priority markets with further focus on higher-margin categories via divestments, like the demerging of ice-cream (World Bank, 2025a).

Value creation: Scale, brands, and Innovation

Unilever is able to amortise its R&D investments and global marketing costs over large volumes due to the global scale. R&D efforts and brand investments are driving Unilever to a Power Brands strategy and its expanding Prestige division, which has ensured high margins and double-digit growth (Monnappa, 2025). R&D centres, such as Colworth, are developing platform technologies, and local laboratories are developing formulations tailored to China and Brazil, where there will be cost efficiencies and local relevance, a typical transnational value proposition (Unilever PLC, 2024b).

Diversification and supply resilience

Expanding geographically reduces single-market risks, such as demand losses, currency fluctuations and compliance alterations. Chinese weak premium demand and Brazilian

inflation are compensated in part by strong performance in the US and global price-mix plays (Speed, 2024). Commodity and reputational risk is hedged by central procurement and sustainability programmes, such as palm oil traceability and supplier standards. Mixed entry-mode portfolio comprising FDI, JVs and licensing allows Unilever to trade off levels of control and political and regulatory risk (Anderson et al., 2025). Financial risk is controlled by share buybacks and disciplined capital allocation to provide shareholder returns.

Local e-commerce and customised innovation drive growth in China, but it needs considerable local adjustment and digital alliances. In Brazil, inflation and pricing are closely controlled to secure margins (Naidu, 2024). Acquisitions and prestige brands are the sources of the premium revenue in the US and UK. These national trends explain why global access can transform national idiosyncrasies into value-generating activities. The international operations of Unilever create growth in revenues, value greater through scale and brand/IP leverage, and significant risk diversification, which enhances its competitive advantage over global competitors and allows it to invest in more profitable segments (Monnappa, 2025).

Challenges of international operations

Being an international organisation, Unilever has to face some major challenges, such as managing cultural and consumer diversity, regulatory and political risk, as well as cost pressures and supply-chain volatility. Due to the differences in tastes, consumption habits, and social norms across countries, Unilever has to tackle operational complexity and higher costs (Yatish, 2025). Besides, failure to comply with food safety standards, environmental regulations, and labour laws in markets, such as China and Brazil, Unilever may face supply chain disruptions and delay approvals. Moreover, its other challenges include commodity price fluctuations, geopolitical tensions, intense global and local competition, and so on (Unilever PLC, 2022). Therefore, it has to follow strategic flexibility to achieve long-term sustainability in any international market.

3. OLI Analysis to assess the impact of Unilever's Entry into China

The section critically evaluates the effect of Ownership, Location and Internalisation (OLI) benefits to Unilever's decision to select entry mode into China, and how these considerations influenced strategy and performance. The Eclectic Framework of internationalisation presented by Dunning discusses the reasons behind internationalisation by considering firm-specific resources (O), country-specific resources (L) and gains of holding processes in the firm (I) (Bruin, 2016).

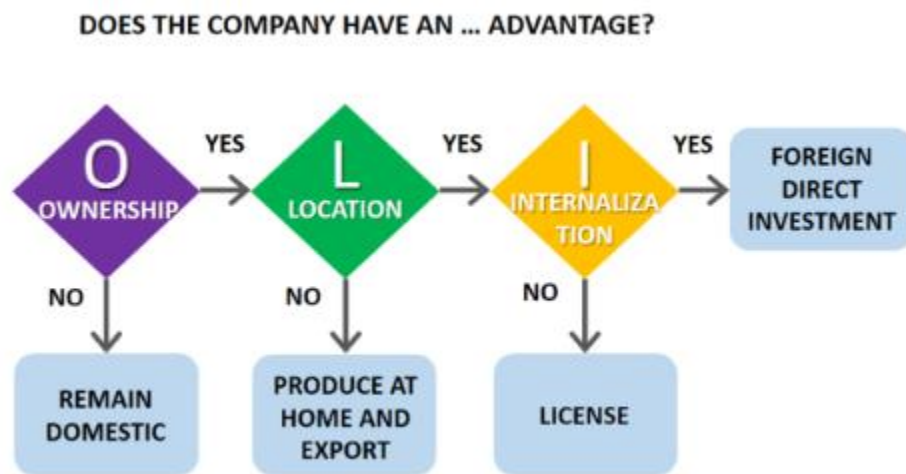


Figure 02: OLI Analysis (Bruin, 2016)

Ownership Advantages (O)

Ownership benefits are company-specific advantages of brand reputation, technology, products and organisational capabilities that provide a competitive advantage in foreign markets (Mohammedfikri, 2010). These advantages motivate a firm to internalise and directly use its assets in the foreign country rather than licensing them.

Strong Global Brands and Reputation: Unilever manages over 400 brands, including Dove, Lux, OMO and Sunsilk, many of which had penetrated China prior to full entry (Yatish, 2025). Brand equity reduced the cost of acquiring customers and earned the trust of the local consumers who tend to use local, familiar international names.

Product portfolio and innovation capability: Another feature that enabled Unilever to provide China-specific solutions was its wide variety of personal care, home care, food and refreshment products (Becker, 2025). Its global research and development, supported by regional research centres in Asia, created products that fit the local tastes and weather, giving the firm a solid advantage against local rivals.

Production and supply-chain expertise: The integrated supply chains and logistics expertise enhance the operations of the company in the global market, thereby facilitating effective distribution and rigid cost control (Alves, 2020). Decentralised local production has played a critical role in a large geography of China, ensuring the timely delivery of products to consumers.

Limitations: In some cases, the Western-based branding of Unilever failed to impress the Chinese taste (Anderson et al., 2025). Indicatively, certain high-cost Western products initially were not appealing to local consumers but had to be modified to suit local preferences.

Impact on entry mode choice: Due to these resources, Unilever favoured more entry modes that maintained ownership of R&D and brand. In China, its straightforward licensing was substituted with a joint venture to integrate its international strength with domestic distribution and regulatory expertise (Becker, 2025). Most of these ventures, over time, became wholly-owned subsidiaries by acquisition or high equity shares, and retained ownership without losing their market penetration.

Location Advantages (L)

Location benefits are certain characteristics of a host country that appeal to investment, such as market size, labour costs, resources, infrastructure and the business climate (Brand Minds, 2021).

Large and growing market: With a greater population of over 1.4 billion people and an emerging middle class, China offered an enormous consumer base for personal and home-care products, compelling Unilever to entrench itself beyond export or licensing (World Bank, 2025b).

Cost-effective manufacturing and labour: China was an appealing site for factories due to lower costs of production and a skilled labour force than developed markets. Establishing production in this area allowed Unilever to reduce production and distribution costs of serving the whole region of East Asia (Bridging Connect, 2025).

Distribution and infrastructure growth: The fast development of transportation systems and modern retail systems, such as hypermarkets and e-commerce platforms, also facilitated the distribution of products throughout urban and rural zones, attracting foreign investments in the country (Chau et al., 2022).

Regulatory environment and reforms: Gradually, Legal thresholds on foreign ownership to consumer goods were lowered in China, and direct ownership became more attainable (David, 2021). First, strict policies drove companies into joint ventures to ease market penetration and address local needs.

Limitations: The regulatory sophistication in China in the past compelled foreign investors to establish joint ventures and secure local approvals to deter individual investments (Guo, 2024). The localisation was further complicated by cultural disparities and regional customer preferences.

Impact on entry mode choice: Unilever initially selected joint ventures since a local partner provided market intelligence and regulation assistance. With China being liberalised, the company shifted to complete ownership by acquiring or increasing its equity to enable greater scale and integration with the systems of the world (Harvard Business Review, 2023).

Internalisation Advantages (I)

Internalisation refers to a company performing tasks within its own company rather than its external partners. This will facilitate quality and proprietary knowledge preservation, as well as value chain full capture (Hu and Zeng, 2024).

Quality control and consistency: Brands like Dove and Lux require closed-ended quality control. Internalisation would enable Unilever to impose uniform standards on plants in China, compared to external franchisers or licensees (Latief and Riantini, 2020).

Protection of technology and processes: R&D and proprietary formulations are essential to the competitiveness to be centralised. Production units ensure that there is no leakage of IP and that standards are not compromised (Macro Trends, 2025).

Ability to coordinate global strategy: The global innovation and marketing strategies at Unilever need market coherence. Chinese operations are coordinated with the global brand strategy of the company through wholly-owned subsidiaries in China (Marrow, 2025).

Limitations: Excessive internalisation might increase costs and complexity, particularly in a large market as China, where local partners might offer quicker distribution or better on-ground knowledge. The mixed strategy of Unilever balances these trade-offs (McKinsey, 2017).

Impact on entry mode choice: The advantages of complete ownership in terms of safeguarding of knowledge, quality enforcement, and implementation of global campaigns at ease influenced Unilever to favour internalisation (Monnappa, 2025). However, initially, it has undertaken a pragmatic, balanced strategy by collaborating with joint ventures to overcome regulatory and cultural barriers.

Summary

In the example of Unilever in China, joint venture pathways to complete foreign direct investment were most effective, according to the OLI understanding. The core competencies were ownership benefits, such as strong brands, R&D, and a global supply chain, which warranted deep attachment (Nwodo et al., 2025). The location advantages were a high market, and low cost structure, and a firm infrastructure of China, making it desirable to invest heavily. Direct control is rewarded by internalisation benefits, quality control, strategic coordination, and IP protection. The slow transition between joint-venture entries so as to traverse regulatory barriers and acquire local knowledge to wholly-owned subsidiaries through acquisitions and equity expansions reveals a mature application of the principles of OLI to strike the right balance between risk and return (Olajide et al., 2022). This dual approach enabled Unilever to integrate its world resources and to conform to local forces.

4. Cultural Differences and Their Impact on Market Entry

This section critically reviews the implications of cultural differences between the home country of Unilever (UK) and China on the market-entry strategy of the firm and its probability to succeed in the market. The six-dimensional model proposed by Hofstede contrasts national cultures along six dimensions to forecast the influence of values on business conduct and consumer preferences (Brand Minds, 2021). The model assists managers to develop communication, organisation and entry modes based on the host-country norms.

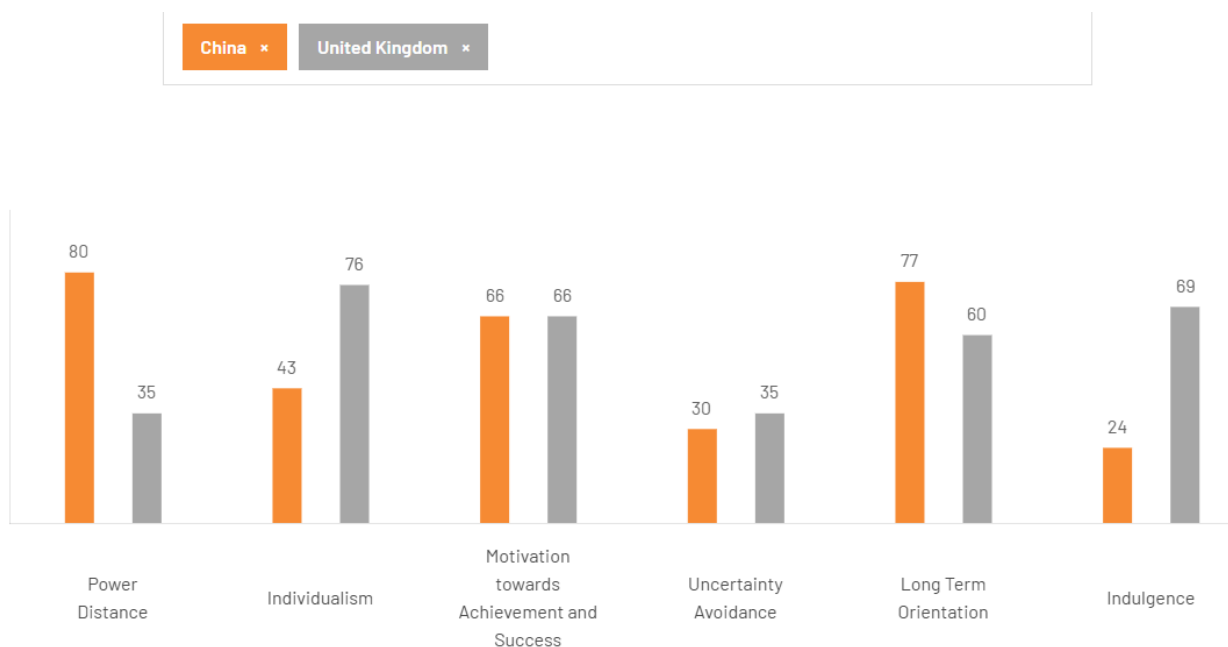


Figure 03: Hofstede's Model of National Cultures (The Culture Factor, 2020)

Power distance

Power Distance is the degree to which a society accepts inequality in power and hierarchy. China has a high score on PDI (80), and the UK has a low score on PDI (35). This implies that Chinese work-places and consumers are more accustomed to hierarchical authority than the British (Vorecol, 2025).

Impact on market entry mode: High PDI implies that Unilever needs to have transparent hierarchical lines of decision-making that include senior sponsorship, negotiating with

Chinese partners, regulators, or large retailers. Credibility is created by formal introductions, status respect, and the presence of high-level executives when conducting joint-venture negotiations or huge retail transactions (Bridging Connect, 2025). The UK teams used to a flat hierarchy might require cultural coaching. A study of power distance and status brands suggests that in high-PDI markets, well-placed international brands benefit from status signalling, which Unilever can capitalise on with its high-end product lines (Chau et al., 2022).

Impact on potential for Success: Unilever can ease negotiations and speed up approvals by appointing senior relationship managers, modifying governance structures to align with local expectations, and respecting hierarchy, which would raise the likelihood of success (Cook, 2023). Inability to adapt may offend partners or seem to be inexperienced.

Individualism vs Collectivism

Individualism is the degree to which individuals favour loose (individualist) over tight (collectivist) social structures. The UK ranks high (76) on individualism, and China in collectivism (43). Therefore, Chinese customers and institutions attribute more importance to group belonging, family, and in-group allegiance than British customers do (Speed, 2024).

Impact on market entry mode: Marketing should emphasise family, community and social proof and relationships with the help of celebrity endorsement, KOLs and group discounts. To distribute and sell, it is better to collaborate with local wholesalers and community stores and capitalise on social commerce, such as WeChat groups, livestreaming, rather than individualistic UK digital campaigns (Monnappa, 2025). Thus, localisation and HQ support in Unilever should focus on community-based campaigns and partner networks.

Impact on potential for Success: Established networks of distributors/Guanxi, as well as well-focused campaigns, add penetration and retention (Geert Hofstede, 2021). Relevance can be reduced by misreading collectivist cues, like an excessive focus on the self-interest of an individual.

Masculinity / Motivation towards Achievement (MAS)

MAS is a scale of cultural value towards competitiveness, achievement and material success as opposed to care and cooperation. In both cases, the UK and China display moderate-to-high scores on MAS, meaning that both cultures value achievement and success in equal measure (Guo, 2024).

Impact on market entry mode: Unilever can also apply similar performance-based brand messages, such as emphasis on career, achievement, and product efficacy, in both markets, due to the shared MAS. Nevertheless, it must adapt symbols of success, including local celebrities or images of aspiration, to Chinese cultural indicators (Marrow, 2025). In China, employer branding and talent should reward performance at the individual level whilst respecting collective group rewards.

Impact on potential for Success: Mas Parity lowers the tension in the development of Unilever upon efficacy and innovation. By matching product implications and advertising with their local icons of achievement, they can resonate across cultures (Hofstede, 2011).

Uncertainty Avoidance (UAI)

UAI is an indicator of ambiguity tolerance and rule and structure preference. The score in China is 30, with the UK being 35, meaning low to moderate UAI. Both nations are relatively tolerant of ambiguity and business flexibility (McKinsey, 2017).

Impact on market entry mode: Reduced UAI is conducive to experiments, such as A/B testing, new types of e-commerce, and quick product development. This is in line with agile digital campaigns like livestreaming and fast testing of SKUs in China (Mind Tools, 2024). Nonetheless, in China, the regulatory ambiguity requires that Unilever have robust compliance functions.

Impact on potential for Success: The Unilever global test-and-learn strategy is appropriate to the Chinese market. Experiments in marketing and strict regulation monitoring are necessary to succeed in China (Nwodo et al., 2025).

Long-term Orientation

LTO displays a future-based mind, frugality, and tenacity as compared to short-term thinking. China has a 77 LTO score compared to 60 by the UK. Chinese culture is focus-oriented, open to gradual change and long-term relationships (Olivier Kuziner, 2024).

Impact on market entry mode: Long-term orientation promotes long-term investments in brand-building, sustainability programmes and supplier development. Unilever's sustainability commitments and training of suppliers in China can be rewarded long-term. Standalone quick-win tactics are less efficient (Staff, 2025). Joint-venture relations and Guanxi require time and consistency to develop.

Impact on potential for Success: The long-term investment creates a source of trust and expands market share in China. Short-term egress processes are detrimental to credibility.

Indulgence vs Restraint (IVR)

IVR measures the degree to which a society permits desire gratification and leisure. China ranks 24 on Indulgence, which is far below 69 of UK. This demonstrates that Chinese culture is more reserved and disciplined (The Culture Factor, 2020).

Impact on market entry mode: Frugality, family responsibility, and practical advantages should be considered in marketing in China, although hedonistic indulgence should not. Many Chinese segments identify with packaging sizes (sachets) and affordability (Wale, 2023).

Impact on potential for Success: Product formats and messages should be aligned with restraint values, such as economy packs, usefulness, to enhance acceptability. Luxurious indulgence positioning is effective in niche premium markets only (Wang et al., 2021).

According to the profile by Hofstede, the UK and China differ significantly on Power Distance, Individualism, and Indulgence. They are closer to each other in Masculinity and Uncertainty Avoidance, and China ranks higher in Long-Term Orientation. In the case of

Unilever, this involves focusing on strong relationship building (guanxi) and hierarchy in negotiations (Unilever PLC, 2022). Marketing must be localised to appeal to collectivist and restrained values, but include global product claims. The company must have long-term partnerships, a supply chain, and sustainability initiatives and remain adaptable with digital experiments (Yang, 2011). Packaging, pricing and distribution, e-commerce, live selling, sachets, and regional factories should be adjusted to local standards.

5. SOP Adjustments for Ensuring Success in China

This section provides three major SOP modifications that Unilever ought to consider in order to thrive in China, which are connected with the previous OLI analysis and the Hofstede knowledge.

Linking SOP Adjustments to OLI and Cultural Factors

The three SOP changes aim to balance both protection and exploitation of Unilever's ownership advantages, brand, R&D and supply chain and leverage the Chinese market size, distribution channels, and cost advantages (location) (David, 2021). They balance internalisation requirements, quality control and IP protection, with culturally aware practices like high Power Distance, collectivism, long-term thinking and low indulgence (Han, 2014). These SOPs encompass governance, commercial execution and talent/partner management so that Unilever retains control yet demonstrates local responsiveness.

SOP Adjustments 1: Localised Governance and Relationship Management

The high Power Distance and low guanxi culture in China require formal authority, senior sponsorship and relationship networks to pass approvals, retail partnerships and regulatory navigation (The Meister, 2018). Meanwhile, internalisation incentives dictate that Unilever retain brand and IP control but work with local partners.

Executive Sponsorship Protocols: It mandates a named senior executive, who is a regional C-level executive sponsor, to be in charge of all JV deals, big-box retail deals and regulatory hikes in China. It requires the senior leaders to make regular in-country visits to signify relationships (Tindall, 2024). This official top management participation meets PDI expectations and speeds up approvals.

Partner Due Diligence and Governance Template: A standardised due diligence checklist should be prepared, which includes aspects of finance, legal, ESG and reputation (Zhao, 2025). Inclusive templated JV agreements should also be prepared that maintain a core brand and IP clauses. Pre-determined escalation roads and board

representation regulations should be set. This secures ownership benefits and allows collaborative working.

Guanxi and Stakeholder Map SOP: A current stakeholder map should be maintained with local regulators, big box retailers, online shopping websites and provincial government (Hu and Zeng, 2024). An activity calendar has to be kept to hold festivals, trade shows, and policy openings to maintain relationships. Gifts, sponsorships and events should be formalised and stay within the scope of compliance to respect local norms without the risk of legal action.

As a result, the expected impact includes accelerated regulatory process, enhanced retail and commercial relationships, less negotiation risk and more ownership resources, but in accordance with Chinese standards (Trinh, 2018). This SOP operationalises the hybrid JV-FDI route that can be observed in the history of Unilever in China.

SOP Adjustment 2: Agile Localisation of Product, Pricing, and Omni-Channel Execution

The massive, collectivist, long-term-oriented Chinese market motivates locally competent SKUs, elastic pricing structures (sachets, multi-packs), and quick web marketing (livestreams, KOLs) (Latief and Riantini, 2020). Unilever needs to internalise the main quality and brand factors and allow local teams to develop fast to gather scale economies (ownership) and location advantages.

SKU localisation playbook: Pre-approved product-adaptation pathways, such as flavour, format, and regulatory checks, should be offered. It empowers regional R&D organisations in Asia to implement modified SKUs within set timelines, such as 12 or 16 weeks, with a fast lane approval of low-risk changes and an extensive review of ingredient or regulation changes (Olajide et al., 2022). This secures IP as it fastens market fit.

Dynamic pricing and packaging SOP: The company has to ensure the provision of documents on variable pack size, price level and promotion schedules that are reserved for urban and rural locations and e-commerce or brick-and-mortar sides (Unilever PLC,

2024). It also has to add the micro-promotion provisions through livestream activities and shopping.

Omni-Channel Campaign Approval Matrix: Unilever ought to implement an Omni-Channel Campaign Approval Matrix, which runs on a two-track model. The first track includes global brand guardrails, which require all marketing material to comply with the set standards in brand claims, logo usage, and sustainability communications (Kapiyangoda and Gooneratne, 2018). The second track allows the local marketing teams complete creative autonomy to adapt executions to platform-specific needs on channels like Douyin, WeChat, and livestreaming sites.

The matrix will spearhead increased consumer conversion levels by providing culturally suitable and extremely localised creative content. It will also maximise the global R&D investment of Unilever in specific commercialisation, reinforce the performance of the company in the Chinese fast-growing e-commerce ecosystem and the scaling of successful campaign formats to other Asian markets (Hu and Zeng, 2024).

SOP Adjustment 3: Integrated Supply-Chain Resilience and Sustainable Sourcing SOP

Unilever has great sourcing and production strength, but will have to trade off with local relations with suppliers, sustainability initiatives, and China-vires realities of local logistics. China has a long-term orientation that rewards investments in suppliers and capacity building and internalisation that requires quality and traceability control (Latief and Riantini, 2020).

Supplier onboarding and Traceability Standard: Unilever must codify a holistic Supplier Onboarding and Traceability Standard, which mandates all Chinese suppliers of all priority commodities, including palm oil, tea, and soy, to join a digital traceability platform (Harvard Business Review, 2023). Such a system should confirm sustainability credentials to meet Unilever's global deforestation-free and ethical sourcing principles. The SOP must impose certified third-party local auditors, and they should have annual verification cycles to maintain compliance throughout the entire supplier base (Marrow and Shabong, 2025).

“Make-Where-You-Sell” Manufacturing and Contingency Playbook: Unilever needs to adopt a Make-Where-You-Sell Manufacturing and Back-Up Playbook that employs clear terms of selecting locations where to produce in China (Reid et al., 2025). These criteria must encompass labour and facility fees, distance to large e-commerce fulfilment centres, distance to transport infrastructure, and the possibility of exports to other Asian markets.

Supplier Capability Building Program: Unilever ought to develop a long-term Supplier Capability Building Program through investing in enhancing operational maturity, technical capability and sustainability of operations of major Chinese suppliers (Reuters, 2024). The program must cover training sessions, mutually necessary technological tools, co-investment, and sustainability grants to enhance supplier performance.

The new supply-chain SOPs will ensure the sourcing of raw materials, bind the brand with improved traceability and sustainability certification, lowering cost volatility by stabilising supplier grants, and strengthen long-term collaboration with Chinese suppliers (Speed et al., 2025). All these efforts put Unilever into a better position to grow responsibly in China, internalise strategic value and hold global-quality standards.

6. Conclusion

The report demonstrates that the global success of Unilever is due to its ability to leverage and integrate ownership, location, and internalisation efficiencies in adapting to various cultural and market environments. Exploring China as an emerging economic power brings out the magnanimity of the opportunities and the complexity of doing business in a market full of fast digitalisation propulsion in the market, intense localisation bias, and unique behavioural standards. Unilever can become more competitive and resilient to current market shifts by enhancing its SOPs, particularly regarding the omni-channel marketing governance, sustainable and traceable sourcing and robust and locally based manufacturing. Such customisations are in line with OLI imperatives and are in reaction to Chinese culture demands, regulatory forces, and supply-chain facts.

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