

MARKETING FUNDAMENTALS

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Background of the company

Unilever originated in the United Kingdom during the 1920s, this particular company belongs to the FMCG **sector**. **Unilever** throughout the decades served a long range of products to consumers belonging from different countries and regions. **Unilever** manufactures different products which fall under the category of **daily essentials**. Better qualities of the products and the cost-friendly pricing have helped the company to gain a large base of customers. **Unilever** has a large range of famous products and also in the different regions the company holds a distinct base of popularity. **Unilever** is the one particular company that manufactures different food products, toiletries, bathroom cleaners, and skincare products. Currently, the company is operating in over 190 countries. **Unilever** has a range of products that are relevant to people belonging to different age groups. Under the name of **Unilever**, several other brands have developed with efficiency. The particular company targets sustainable growth in the lifestyle of humankind. The company is able to make effective development and also to keep the reputation of the company safe and secure by following those strategies. In 1883, **Unilever launched** the **Sunlight soap** in the UK market. This launching of this product has helped the brand to promote itself in the competitive market of the United Kingdom.

Unilever always focuses on communicating with the customers in the most effective and transparent way. This particular way of marketing has supported the brand to develop awareness about the customers. The company also provides information about the safe use of the products. In this respect, **Unilever** provides information related to the safe use of the product. The company has always respected the right of the customers to know the elements of the products. This particular principle of the company has helped **Unilever** to develop in the global market.

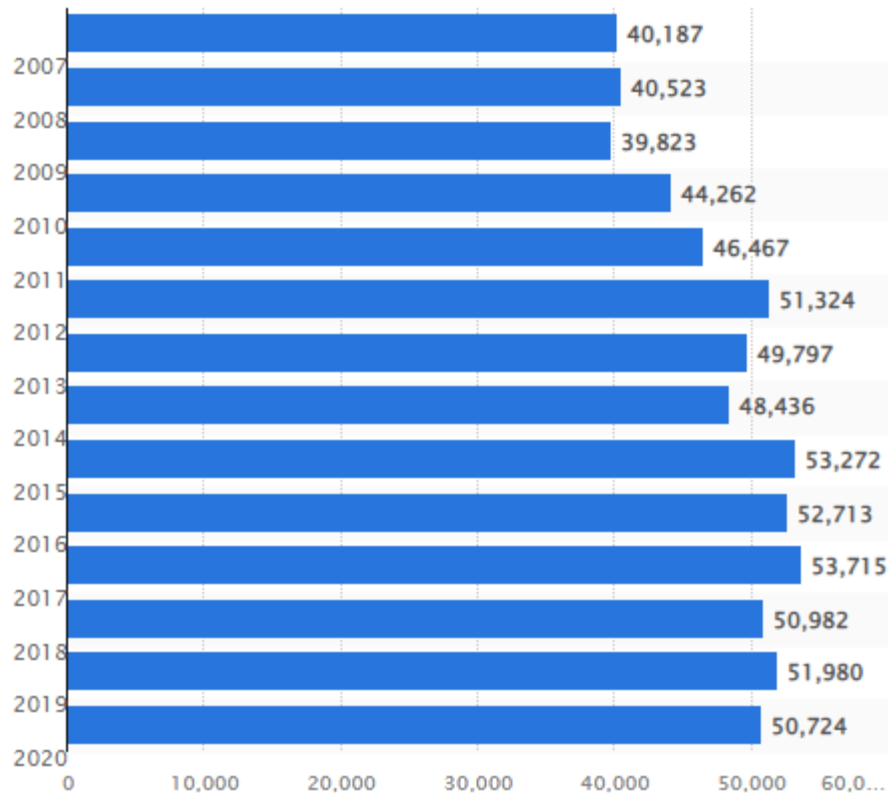


Figure 1: Financial growth of Unilever

(Source: Statista, 2021a)

Unilever is the particular company that has developed the revenue consistently in the years. Even the global pandemic of Covid-19 was unable to affect the sales of **Unilever**. **Lifebuooy** soap has taken the third part in the global selling of the product. The global pandemic of Covid-19 has helped in increasing the sales of the soaps. **Knorr** is one of the most famous food products by **Unilever** which is the 11th famous product among the range of **Unilever** products. The **personal care segment** of **Unilever** has made the most of the revenue of the company. The amount of the revenue is around 21.1 billion Euros in the revenue of the 2020 financial year (Statista, 2021b).

Unilever follows a distinct way of marketing by generating social awareness. The campaign of **Dove** challenges the traditional notion of beauty. In the campaigning for the product **Omo/Persil**, **Unilever** promotes the '**Dirt is good**' message as to make playing an essential part during the growth of a child. They motivate customers by promoting the slogan "**Comfort One Rinse**

campaigns to take just one bucket of water and rinse all of the clothes at one” (Unilever, 2021d). All these initiatives of **Unilever** help the company to develop in the international market.

Communicating with the target audience

Communication is one of the key factors of market research to understand customer preferences. Business owners and marketing professionals emphasize this part as this enables them to disclose market trends and launch products according to the trend. Through this process, both the customers and businesses effectively interact with each other. Thus, delivering their messages- product information as well as receiving customers' concerns and priorities both becomes easier.



Figure2: Unilever PLC.

(Source: Unilever, 2021c)

There are several communication tools used in the business to understand the targeted audiences' preferences. STP Analysis is a popular communication tool, which is divided into three factors that entirely depend on the product and its targeted market. Segmentation of the marketplace, target the proper audience, and position of the company allows identifying the potential customer base of a particular product. Unilever believes that proper communication patterns allow the customers to know the benefits of their products as well as innovations. The company provides products for both the rural and urban areas and relies on its advertising strategy. The advertising strategy of

Unilever is very unique and innovative as this is another way to communicate and engage with customers.

STP Analysis of Unilever

- Segmentation of market

- ❖ Demographic segmentation

Unilever collaborates with famous singers or actors while underpricing a new product in the market to attract its targeted audiences. Its hair care section contains several popular brands and is mostly used by females. Those symbolize smooth and shiny hair. The company promotes this product by collaborating with Madonna, Shakira, and Priyanka Chopra to emphasize product quality and goodness. Besides this, the new strategy of this organization is to include not only the famous ones but also general people to make their product more appealing to the customers.

- ❖ Geographic segmentation

The product portfolio of Unilever generally contains such products that can be used by all people. Mainly the people from urban and suburban areas used its products. The price of its products is adjusted in such a way that can be used by upper-middle and middle-class people.

- ❖ Age segmentation

Unilever produces products that can be used by people of all ages. Its baby care section of Unilever is specially designed to care for a baby's soft skin. The hair care section is mainly used by female customers of 16 to 50 ages (Unilever, 2021c). Besides this, it incorporates several beneficial ingredients like coconut water, jasmine extract, or multivitamin components to shampoo to attain customers' attraction. The company strategically modified its products (mainly hair care and skincare products) that especially targeted the youth female customers.

- ❖ Income segmentation

This FMCG company mainly targets the ***middle-income group***; thus, providing affordable prices to its consumers.

- ***Target market***

Unilever's product portfolio contains all types of products from the body and hair care to personal hygiene and other households. The hair care section targets female customers; thus, they analyze the female's preferences and choices. Collaborating with famous celebrities along with general people to promote products makes a high reach to its audiences.

- ***Positioning***

Unilever is positioned as one of the popular consumer retailing and manufacturing companies and with its effective product quality, the company is able to accomplish customers' satisfaction for several years. The product's secret of quality has been its evolution. It starts with the body bars but now contains different products- from baby care to shampoo.

In this digital era, Unilever also tries to approach its customer base as the social platform used by the global people and provides several ways to connect with a large number of customers. Therefore, the company is able to organize proper social campaigns that can target a particular audience.

Targeting audiences through different online social platforms

★ Finding millennials on Facebook

Most of the Facebook users are millennials (60%) who are the prime customers of the organization (Unilever, 2021c). Unilever creates various ad campaigns to promote its new products and target millennials on Facebook. Undoubtedly, the product promoting technique of Unilever is entirely different and innovative and always tries to attain targeted audiences with an effective message. The company allows the customers to represent their perspective that leans effectively on the ***User Generated Content (UGC)***. This is something in which millennials engage.

★ Targeting new generation with Snapchat

Snapchat offers unlimited business promotion features like filters that also attract the customer's attention. Multiple-use of such filters helps the company to identify its potential customers (Unilever, 2021).

★ Reaching new mothers or parents to YouTube

Internet activity youtube become very popular and it has become a popular search engine. Using proper hashtags helps a particular product to reach more customers (Unilever, 2021). Unilever debuts a new ad to support mothers; especially featuring traditional examples of mothers along with progressive ones (heterosexually married, lesbian and transgender mothers). This empowering message gets a reach of two hundred thousand views on YouTube.

Communicating with customers

There are four principles that Unilever follows to create a better communication pattern with its customers.

- Creating trust through practices and transparent communication.
- Providing better quality products and ensuring that the products are safe to use.

- Supporting customers by attaining their feedback regarding the product's ingredients or nutritional value (Unilever, 2021).
- Using multiple channels including websites, product labels, and careline contact numbers to communicate with customers.

4Ps of marketing mix of Unilever

4Ps of Marketing Mix is a useful business tool that helps a company to make prominent brand visibility in the market. The 4Ps of marketing include product, price, promotion, and place. Modifying an existing product improves brand recognition on the market. So, understanding the company's internal factors and recognizing external factors of the market are essential to make a sustainable position for the company. Unilever uses a complex marketing strategy and introduces numerous effective products to the market that both increase market competitiveness and brand extension. The marketing mix of Unilever involves a wide variety of products and markets with different but affordable prices. The company has an effective approach to its marketing mix measuring the scale of its consumer product relating business.

→ Product

Unilever successfully attained customer satisfaction and earned a huge amount of revenue throughout the year with its vast product portfolio. More than 400 brands are in its product section. The product portfolio of this company contains mainly four types of products including foods, refreshments (icecreams and beverages), personal care, and home care. The food section of this company contains mayonnaise, sauces, sandwich spreads, and stock cubes of popular brands. The refreshments category includes teas, cold drinks, soft drinks, and icecreams (Daniel kissinger, 2021). The home care section includes effective products like laundry detergent, dishwashers, and other home care products. Personal care ranges a different variety of toothpaste, soaps, petroleum jellies, and shampoos. Besides this, a wide variation of face care products is found in this category with which it especially attracts its youth customers. The diversified product section denotes that the company is able to satisfy its targeted audiences.

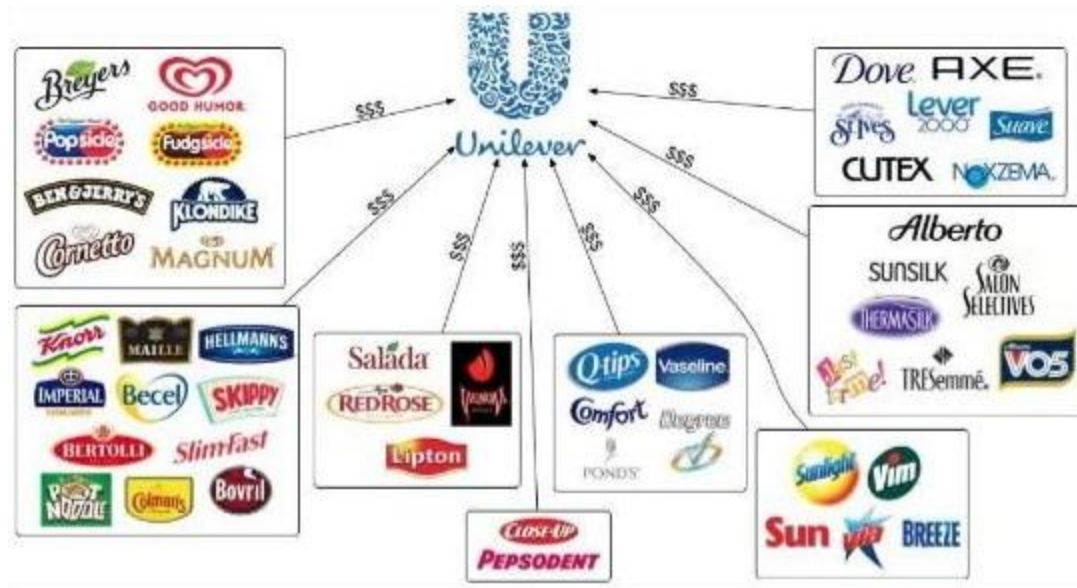


Figure3: Product section of Unilever

(Source: Unilever, 2021c)

→ Price

Unilever mainly produced products that can be used by middle-class people. The company maintains its pricing strategy considering its products' diversifications. Unilever uses its types of pricing strategy to make its products affordable to its customers. Premium Pricing Strategy, Market-Oriented Pricing Strategy, and Product Bundle Pricing Strategy are used by this company according to market needs and competitors' conditions (Daniel Kissinger, 2021). The premium marketing strategy refers to the product price that is higher than the competitors. Some of the body care products come under this pricing strategy. The market-oriented pricing strategy denotes the product price is based on the customer's goods market elements. In this case, Unilever set its product's price before analyzing customers' pricing strategy. The product bundle pricing strategy is applied by the company on occasions or festivals. The pricing strategy of Unilever shows a diversification of strategies that is appropriate for the variation in the company's product ranges.



Figure 4: Product distribution

(Source: Unilever, 2021c)

→ Promotion

Unilever implies unique advertising and promotional techniques to accomplish the market competition by targeting its customers. The promotional techniques used by Unilever are advertising, public relation, sales promotion, direct marketing, and personal selling. The product bundle pricing strategy is one of the most effective promotional techniques of Unilever (Unilever, 2021). Nowadays, emerging technologies allow digitalization and globalization at a huge rate. Unilever is trying to make a pace with the market trends by approaching its targeted audiences through social media. Effective presence on online platforms, and providing quality content allow the company to engage with its targeted audience with more efficacy. Unilever sometimes collaborates with retailers to maintain kiosks for any promotional events or any particular festivals. Its innovative promotional techniques influence customers to know more about its products.



Figure5: product promotion

(Source: Unilever, 2021c)

→ Place

Unilever is a multinational business and its international operations are the major example of the company's market reach. The company operates in more than 190 countries and earned huge revenue from the Asian market (Unilever, 2021). Retailers, stores, and kiosks are the main places through which Unilever distributes its products. Retailers are the primary source to distribute products. Stores are the place where people can access the company's product distribution techniques. Unilever uses kiosks occasionally to promote limited or exclusive products.

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