

Marketing Fundamentals assignment 2

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Marketing Fundamentals

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Introduction

With the emergence of the Global pandemic, there have been certain changes in the operations of the leading brands in the world. There are various challenges which have been faced by organisations in order to keep up with the expectations of the customers in an innovative manner. In this assessment report, the global challenges and the internal issues which have been faced by Unilever will be delineated in a diligent manner. The major challenges which will be focused on in this report are the high rise of energy prices, new workplace conditions, staff shortages, green marketing, flexible working model, cyber security issues and several other challenges (Tawalbeh *et al.*, 2020). These are proving to be extremely detrimental to the optimum growth and development of an organisation. The strategies which have been followed within the organisational framework of Unilever to tackle the issues will also be highlighted in this report. The changes which have been spotted within the marketing strategies to promote the products and services in an innovative manner will also be highlighted in this report. The role of stakeholders in regulating the marketing functions will also be portrayed herein. Apart from this, a set of recommendations which would be helpful for the company will also be suggested at the end of this report.

“Critically Analyse and Evaluate the global challenges Unilever faces and the megatrends which impact its marketing functions post the Covid-19 pandemic”

Covid 19 pandemic has caused enormous losses to both small and large businesses across the globe. Here, in order to show and critically analyse the impact of covid 19 pandemic on the operations of enterprises across the globe, Unilever has been aptly chosen. One of the leading retailers in the United Kingdom, Unilever suffered a significant loss during the phase of covid 19. In the year 2020, the company conducted a loss of 70% of its “Unilever Food solutions” as the global lockdown owing to the covid 19 pandemic forced the company to close down almost all of its businesses (CHANDRA, 2021). Not merely the food section, but the entire business has been badly impacted by the covid 19 pandemic in recent times.

There are certain challenges which have been especially faced by the retail brands in the world and the specific challenges faced by Unilever are no exception from any possible aspects. Here are some of the global challenges which have been faced by Unilever while coping with the loss in the post covid 19 world

Rise in digitalisation

During covid 19, social distancing and health and safety norms had become the norm (Lobe *et al.*, 2020). While maintaining the safety norms, the brands tried to continue with the business with the help of technologically advanced. This rise in digitalisation has compelled leaders and managers to design

training and development strategies to meet the needs of the organisation. Unilever has more than 3.4 billion people using the products of this brand regularly (Unilever, 2023).

A majority of customers from various parts of the world took resort to purchasing their preferred products and services through online mode. This rise in digitalisation had come across as a major challenge for the retail organisation. The company faced issues with the use of modern supply chain operations due to discrepancies in the workflow (Dutta *et al.*, 2020). A majority of the workforce was actually against the rise in digitalisation. This appears to be a major hindrance in the way of implementing strategies within the organisation. The straightway adaptations seem to be causing difficulties in the majority of the cases.

Rising inflation and energy cost

During the Covid-19 phase, the Inflation in the UK had accelerated to 2.1%. Inflation in the United Kingdom has touched 10.1% in recent times. This had taken place due to the Russia and Ukraine war. This rising inflation had impacted the business of the company to a great extent. With an intent to keep up with the changes in the price of raw materials, Unilever increased the price of its FMCG products. Evidently, there had been an 11% increase in the price of “dove skin care products”. The company had been basically forced in order to cover up the rising prices of the raw materials and the supply chain. This has resulted in the loss of customers in recent times.

Staff shortages

Due to the Furloughs and layoffs as a cost-cutting strategy, it had become difficult to keep up with the workflow even during the post covid times (Stuart *et al.*, 2020). As a result of this, staff shortages significantly impacted the business performance and growth. Due to the lack of training facilities companies are also facing troubles with imparting the right amount of skills and knowledge required in order to thrive in this highly competitive post covid world. As a result of this, it has become difficult for their brands to keep up with the expectations of the customers in a diligent manner.

Flexible working conditions

During the pandemic, Unilever allowed a majority of the employees to work from home facilities. After the Covid-19 situations were over, the company started summoning some of the employees to the office. Continuing with the workflow in a “hybrid mode” is always flexible for the managers to manage. 7000 of the UK employees who had been working from home are still working from home after the covid situation. Although it is extremely challenging for a brand to operate in hybrid working conditions, Unilever has been able to keep the workflow intact for the US workers with more than 30% of the workers continuing their work from their homes.

Green marketing

Covid 19 had come up with an increased focus on the safety and security of humans in the contemporary world. Along with this, the concept of green marketing has emerged in the post covid world. It is the

promotion of products and services which appear to be environmentally friendly and will not be able to have a detrimental effect either on the individual or on the business entity (Nekmahmud and Fekete-Farkas, 2020). In order to thrive in the highly competitive market, this might appear to be a major challenge for the organisation.

Cyber security issues

With the proliferation of digital media and the use of collaboration technology, it has become difficult to maintain the safety and security of employees and customers in an effective manner. With the “content security policies’ being implemented in the wrong manner, it had become cumbersome for Unilever to keep up with the safety and security norms in the best possible manner (Roth *et al.*, 2020)

“How is the organisation evolving in deriving marketing strategies to take advantage of the new developments and gain a competitive advantage?”

It is true that there have been new technologies which are making it easier for leading companies to keep up with the expectations of the stakeholders and the customers. However, there is a genuine need to incorporate the right strategies which would enable the company to take advantage of the new developments due to the covid 19 pandemic. This will be helpful in exceeding a tremendous competitive advantage over the other brands operating in the same industry.

Purpose-led campaigns

The “purpose-led campaigns’ that Unilever had used to revive the image of the brand within a very stipulated time frame, had definitely worked in the favour of the organisation. Infused with creativity and zeal, Unilever had been a part of a “courage is beautiful” campaign which had given a tribute to the frontline workers who had put in their best efforts ²² during the phase of the covid 19 pandemic. Since safety and hygiene had been one of the biggest prerequisites during and after the covid 19, Unilever started promoting handwashing with its popular product Lifebuoy (At a glance! Unilever, 2023). The handwashing marketing campaign had been enormously successful. It had not merely increased the sale within the company but also helped in influencing customers in 17 new markets across the globe.

Partnership with Uber

During the covid19 phase, it had become almost impossible to reach out to the target customers in a physical way. In order to promote its products and services, the company had pondered upon a completely new plan. The partnership with Uber to provide hygiene kits for drivers had been a part of the company's marketing strategies in an integrated and innovative manner. Hygiene education could also be imparted to the target customers during this time. These efforts actually resulted in enhancing the brand image of the company and also helped in the process of increasing sales for the company.

Exploring cheaper media

With the covid 19 pandemic, the retail major had suffered a humongous loss which often becomes difficult to cope with after the covid 19 phase. In order to compensate for the loss which has occurred within the company, Unilever had rejected the major advertising media in order to invest in R&D to come up with innovative products and services. Cheaper media such as TV, social media, and personalised marketing had helped the retail major to increase its sales by at least 2.4% within the very few months in the year 2020. Although this new marketing strategy has been helpful in enhancing its sales in the hygiene and beauty product domain, the food products were hit by 1.7% in the same year.

Investing in SMM and switching to sustainability

According to Statista (2023), more than 4.8 billion people all over the world are using social media on a regular basis. Unilever started taking advantage of these social media users who strongly believe in the points of referral on social media when it comes to online shopping. Penetrating this mindset of social media users, Unilever has been using various social media platforms in order to influence customers from various parts of the world in a prompt manner. Social media has been immensely helpful in imparting information to customers. 78% of the customers who were polled by the retail brand strongly opined that social media is one of the best platforms which would be helpful in knowing about the recent endeavours by the brand.

Investment in green marketing

Covid 19 brought forth a lot of changes in the business operations of the FMCG major as there has been an increased focus on protecting the resources of the earth in the best possible manner. In order to synchronise with the environmental norms in the post covid 19 world, Unilever has come up with certain principles which would be helpful in studying highly competitive amidst volatile market conditions. Through the incorporation of the “behavioural change model”, Unilever has invested in green marketing along with the five levers (Gallagher *et al.*, 2020). “Make it understood”, “make it easy”, and “Make it desirable” are some of the principles published by the brand.

Responsible marketing

When it comes to the prospects of the ethical marketing strategies which have been applied by Unilever, responsible marketing and promotion are two of the most important components. The benefits of the use of the products have also been emphasised by this company. For instance, the Dove Campaign for real beauty challenges is a part of the relationship marketing strategies of this brand (Unilever!News, (2023). These campaigns actually help in the process of enhancing the value and trustability of the brand to a great extent. The Comfort one rinse campaign is another campaign which has helped the brand in promoting its products in the best possible manner.

“Identify key stakeholders of the organisation and their impact on the marketing functions of the organisation”

The identification of stakeholders is significant for Unilever plc in determining the key stakeholders and determining the best approach to managing their expectations. The key stakeholders of the company can vary depending on specific contexts and industry segments (Haapaniemi, 2020). Some of the major stakeholders who have a significant impact on the marketing functions of the company are as follows:

Employees: The employees are the most important in executing the marketing function of the company. The inputs and overall efforts of the employees are essential for delivering better outcomes for the marketing functions. From the development of products towards sales and advertising, the employees contribute towards numerous marketing initiatives. Highly engaged and motivated employees are vital for the success of the marketing campaign of the company. Hence, it is imperative for the company to provide proper training and resources and align its workforce with the marketing objectives for successful outcomes.

Customers: The customers are considered to be the important stakeholders and their preferences and needs tend to have a direct impact on the profitability and marketing strategies of the company (Ashaye and Irani, 2019). It is essential for the company to understand customer behaviour and conduct market research to come up with effective advertising campaigns which is one of the major marketing functions and is highly influenced by customer demands.

Suppliers: The suppliers are one of the key stakeholders as they provide the raw materials, components and services essential for the manufacturing and marketing activities of Unilever. The marketing functions of the company involve collaborating closely with the suppliers and maintaining good relationships which is essential for ensuring the availability of the resources required for the marketing campaigns.

Shareholders and investors: The profitability and Performance of Unilever rely on the investors and stakeholders. They have influence over the marketing functions by expecting strong returns on their investments (Albors-Garrigos, 2020). The marketing strategies are usually designed in attracting and retaining customers, increase market share and drive sales and revenues while satisfying the investors and shareholders.

Retailers and distributors: The company also relies on distributors and retailers in getting its products to the market and reaching customers effectively. Collaboration with these stakeholders and understanding their needs along with providing appropriate market support like promotion, trade incentives and so on are vital in driving sales and maintaining loose and strong partnerships.

Media and advertising agencies: it involves media outlets such as television, a social and digital platform that plays a significant role in the marketing activities of Unilever. The marketing functions of the

company involve collaboration with the advertising agencies, content creation and media planners which helps the company in reaching its target audiences effectively and creating compelling marketing campaigns.

Competitors: the competitors in the retail industry tend to have an impact on the marketing function of Unilever. Hence, it is essential for the company to analyse the competitor's strategies, consumer preferences and market positioning to differentiate its products from the competitors and develop an effective marketing company in gaining a competitive edge.

Local communities: The company operates in diverse regions across the world and interacts with numerous local communities. It has been essential for the company in identifying the cultural nuances and respecting the values of the local communities along with addressing their concerns and needs .which are significant in considering the marketing functions (de Oliveira and Rabechini, 2019). It is beneficial for the company to build a positive brand image and engage within the company initiatives which can further contribute towards the overall marketing strategy of Unilever.

All these stakeholders have a collective influence on the marketing function of Unilever in shaping its strategic decisions, brand posting, product development, advertising campaigns and consumer insights. The company is required to effectively manage the interests and expectations of these stakeholders to thrive in the competitive market and to operate efficiently.

Stakeholder analysis

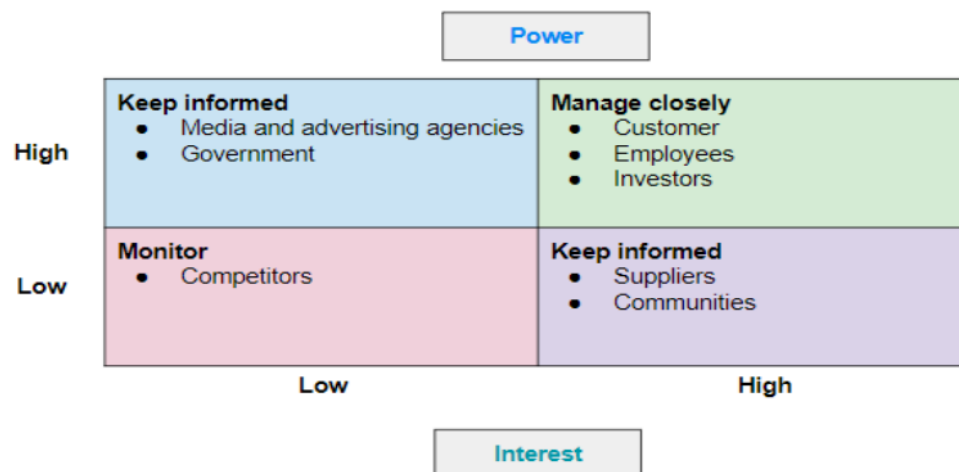


Fig 1: Stakeholder matrix
(Source: Created by the learner)

Conducting stakeholder analysis with the use of a stakeholder matrix is crucial for Unilever PLC in categorising the stakeholders based on their influence level and interest within the company. This matrix is beneficial in identifying major stakeholders and prioritising the efforts of engagement. From the matrix, it has been analysed that the investors, customers and employees have a high level of interest and influence. The investors are essential as they invest capital within the company and expect returns. The customers are significant stakeholders as their purchasing decision tend to have a direct impact on the revenue of the company (Wood *et al.*, 2021). Hence, it is imperative for the company to meet their needs, maintain their trust and stay competitive for long-term success. The employees are the most vital aspect of the company and play a significant role in the overall operation of the company including its marketing functions. Motivating and engaging employees is important for accomplishing marketing objectives and delivering quality services and products. In addition, the media and advertising agencies and government bodies have been identified as the stakeholders with high influence and low interest. Government bodies tend to have a huge impact on the overall operation of the company due to the regulation standards and policies.

Moreover, the media and advertising agencies have stringer influences on the marketing campaign of the company. It is essential for the company to have effective collaboration and communication with these stakeholders for the successful promotion of the brand. In the context of, stakeholder analysis, the communities and suppliers tend to have low income and high interest. Unilever operates across the globe and usually interacts with local communities. The direct influence of the communities might be limited, however, their interest lies in the employment opportunities, community engagement, and environmental impact of the company. In addition, the suppliers have a significant role in the overall supply chain and marketing function of the company (Torelli *et al.*, 2020). Even though the influence is low, it is essential for the company to maintain stable relationships with suppliers. In the context of low influence and low interest, competitors have been identified in which Unilever should monitor the activities of the competitors to stay ahead in the market and implement effective marketing strategies.

“Provide Recommendations for marketing strategies for some of the challenges identified”

As the challenges posed by the covid 19 have been identified, which can impact the marketing strategies of Unilever, it is essential for the company to come up with the best approach to enhancing its strategies and cope with the challenges:

- It is recommended that the company should embrace digitalisation. The company should invest in the e-commerce platform and digital marketing channels in reaching customers in the digital space. The company should enhance its online presence and optimise its website for mobile devices in facilitating easy navigation for the customers (Dolega *et al.*, 2021). Moreover, the company also leverage social media platforms for customer feedback and engagement. In

addition, the partnership with the content creators and influencers is effective in expanding its brand credibility and reach.

- Unilever should focus on mitigating inflation and energy costs. It should optimise the supply chain operation by reducing the cost for mitigating the impact of inflation. The company should explore alternative energy sources and invest in energy-efficient technology in managing the energy cost.
- For addressing the shortage of staff implementation of flexible working arrangements and remote working policies along with providing a conducive working environment will be effective for the company. The company should also focus on investing in the technology infrastructure in supporting remote collaboration among team members (Kalogiannidis and Mavratzas, 2020). In addition, the company can also consider offering training and development programmes for enhancing the skills and adaptability of employees in the changing working environment. Unilever can also consider fostering an inclusive and supportive working culture which is effective in boosting the retention and morale of employees.
- It is recommended that Unilever should enhance its green marketing efforts by strengthening its sustainability initiatives and communicating them efficiently to the consumers. The company can consider highlighting eco-friendly packaging, environmental impact reduction and responsible sourcing in the marketing campaigns. It is beneficial for the company to educate the consumers regarding the benefits of sustainable products and encouraging mindful consumption. Moreover, collaboration with the environmental organisation and leveraging their expertise will be effective for the company in enhancing its green marketing efforts.
- Adapting marketing strategies as per the changing consumer behaviour while conducting market research and developing personalised marketing campaigns will be beneficial for the company (Zhu and Gao, 2019). The company should leverage customer insights and data analytics in refining marketing strategies and optimising targeting and messaging.
- It is recommended that the company should prioritise cybersecurity by strengthening its data security and measures and ensuring compliance with privacy regulations. Training employees on the best practices associated with cybersecurity will be beneficial in identifying and mitigating the risks.

Conclusion

Throughout the detailed discussion, it has been found after the covid 19, leading companies across the globe are facing certain issues in the post covid situation. The challenges such as staff shortages have been one of the major issues within the organisations. Here, ²³ in order to show the impact of the marketing strategies and stakeholder management, the organisational context of Unilver has been aptly used herein.

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