

Global Business Environment

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Introduction

Globalisation has reshaped the international business environment by improving economic dependence, expanding cross-border competition as well as accelerating technological diffusion (Alkharafi and Alsabah, 2025). In this increasingly interconnected environment, the multinational organisations need to continuously adapt for rapid changes in the global forces such as geopolitical instability, increasing sustainability expectations and digital transformation. Unilever is a leading multinational organisation based in the United Kingdom operating in more than 190 countries (Unilever, 2025a). The company has played a major role in the Global FMCG market using its brands such as Dove, Heilmans and Knorr (Weforum, 2025). The extensive supply chain of the company along with its wide range of consumers make it extensively sensitive to the global disruptions yet it is well-positioned for capturing new options of growth. The main focus of the essay is to examine the application of current forces influencing the international strategy as well as operations at Unilever by an assessment of both challenges and opportunities. The essay has further proposed a strategic recommendation for improving the global competitive position of Unilever along with its long-term resilience aligning with the changing global business environment.

Main Body

Being an example of a leading global consumer goods conglomerate, Unilever gains substantial advantages in the conditions of the existence of the existing macro-environmental factors. In particular, the power of digitalisation, the changing preferences of the consumers and the demands of sustainability are the opportunities. According to the technological factor of the PESTLE analysis, the rise of e-commerce and the digital marketing platform gives Unilever the chance to enter into heterogeneous markets with operational elasticity and brand presence (Kim, 2021). In order to illustrate the point, the company took advantage of online opportunities during the Covid-19 pandemic to continue selling such product lines as Dove and Lifebuoy. Thus, it is resilient in terms of supply chain management as well as distribution setups. Furthermore, the enhanced customer behaviour towards sustainability creates an opportunity of the firm to strengthen its brand equity by programs of environmental responsibility. The ‘Sustainable Living’ portfolio, which includes brands like Ben & Jerry and Seventh Generation, does not only show high growth rates but also targets a segment of the world-spreading population of environmentally-conscious clients *[Referred to Appendix 1]*.

However, such global processes are also accompanied by relevant challenges. Increasing geopolitical tension, trade rules and currency exchange determine encroaching sourcing and production decisions, especially considering the large transactional supply chain of Unilever. The price volatility due to inflation or weather conditions that will be applied to the raw materials may increase the operation costs and reduce profits (Shenkar, Luo and Chi, 2021). Besides, there is increased consumer awareness concerning ethical activities, which puts pressure on Unilever to maintain higher standards in all markets. It requires long-term investment in ethical procurement and corporate social responsibility programmes. The fact that the same product is subject to different jurisdictions further complicates product compliance and marketing. Even though macro environmental forces offer opportunities to grow the market, go digital and be sustainable, they also force careful strategic and operational management to mitigate the risks and maintain long-term resiliency and competitiveness.

The macro environmental changes which include digitalisation, sustainability requirements, and developing consumer choices have had a very strong impact on the market where Unilever positions. On the positive side, the digitalisation has increased the market coverage and brand recognition of the firm. Through the use of e-commerce, social media campaigns, and data analytics, Unilever will be able to interact directly with the consumers, customise its marketing approach, and respond to the emerging trends in a timely manner (Rachmad, 2022). As an example, the Dove body-positivity campaigns or the hygiene awareness campaigns of Lifebuoy have increased the brand loyalty, and established the socially responsible image of Unilever. This online flexibility also empowers the company to be competitive in comparison with agile start-ups and local wall players.

Unilever is also shaped by sustainability trends that have shaped its innovation and product development speed. Their efforts to be environment-friendly through packaging, lowering the carbon footprint and sourcing of ethical-friendly products have seen the company introduce high demand brands like Ben & Jerry and Seventh Generation that are under the umbrella Sustainable Living category. Such efforts do not only improve consumer perception but also create differentiating space for Unilever in oversaturated marketplaces, and hence resulting in lasting competitiveness (Boamah, 2022). The macro environmental forces have also redefined talent management. These changes in the focus on diversity, inclusion and remote work have led to Unilever adopting the concept of flexible work and investing in employee development programs. This practice will help to attract and retain talented professionals internationally, which will enhance the innovation capability and performance.

On the other hand, there are challenges that are created by these forces. The high competition in the world demands ruthless innovation and this may put pressure on the resources and may require swift strategic re-alignment. Differences in regulations between different regions, especially concerning product safety and environmental laws, accrue operational complexity. The emerging workforce expectations also put additional pressure on talent management, as it requires constant investment into training and employee engagement. Furthermore, the supply chain related shocks of geo-political tension, trade limits or climate-related occurrences may disrupt the production time table and market sensitivity, thus endangering the entire competitiveness. Unilever is affected by macro environmental forces in both ways (Unilever, 2025). Although they provide a chance to strengthen the brand positioning, encourage innovations, and increase talent competencies, they also present operational and strategic difficulties. The ability to balance these forces by the firm is critical towards maintaining market leadership and gaining long-term and sustainable development in an ever-changing global environment.

To ensure a continued competitiveness during a rapid change in the global landscape, Unilever needs to pursue a set of integrated responses which can utilise current opportunities. Unilever needs to expand end to end digitalisation especially in its supply chain, AI demand forecasting and predictive analytics. With the increasing geo-political tension damaging the trade routes, real time data systems will be able to help Unilever in anticipating shortage, minimising operation and delay and optimising logistic pathways. Investment in digital consumer platforms as well as personalised marketing will also help customer engagement in the fast-growing market (Pascucci *et al.*, 2023). The organisation needs to further integrate artificial intelligence for innovation which will enable a fast formulation of new products specifically created to the local preferences. Digital capabilities will not reduce exposure to risk but also to improve the complete agility and efficiency.

Increasing geo political uncertainty along with fluctuating trade policies need the company to adopt a decentralized supply chain model. Through expansion of regional production hubs and engaging in a near shoring. Unilever can reduce its reliance on vulnerable trade routes along with decreasing exposure to the currency swings. Localisation of procurement for essential raw materials will eventually stabilise financial investment and improve compliance with the changing sustainability regulations (Shekarian *et al.*, 2022). The strategic change increases resilience and reduces the impact of global disruptions in future.

Sustainability Trends have provided a strong opportunity of differentiation. Unilever needs to accelerate the transition towards a biodegradable material, circular packaging and low carbon manufacturing. Integrating sustainability metrics deep into supplier contract and product design will ensure compliance with the changing regulation and improve brand reputation (Gaines, 2025). The organisation can utilise sustainability to be competitive advantage through investment in technologies such as refill station renewable energy powered factories. It will align with the CSRD requirement of the European Union and meet consumer expectations.

Due to the fluctuations in currency rate Unilever needs to intensify the utilisation of improving instruments and making the required diversification of currency denominated revenue streams. Establishment of a financial risk committee at a regional level might improve the responsiveness to changes in the currency market. It produces margin and ensures a predictable cash flow despite a volatile condition in the global market. As the global consumers are prioritising health, ethical procurement and wellness, Unilever needs to diversify the portfolio and include land-based alternatives (Unilever, 2025b). Apart from that, they need to diversify with dermatologically tested personal-care products along with low sugar products. Utilisation of market analytics for detecting emerging trends will help the companies to rapidly launch products suitable to the regional market. Personalised offerings for high growth markets such as Africa and South Asia will improve market penetration as well as growth of revenue.

Conclusion

The global business environment is evolving rapidly. It is shaped by technological advancement, geo-political instability and increasing sustainability requirements. For a multinational organisation such as Unilever, these forces have presented both significant opportunities as well as complex challenges which need strategic adaptability. Digitalisation has offered new pathways for increasing efficiency, innovation and the changing consumer preference for sustainability trends creating new pathways for market expansion along with brand differentiation. At the same time the trade restriction, currency volatility and geo political tensions have threatened the stability of the supply chain along with operational continuity. The strategic recommendations have been outlined that range from a digital transformation along with supply chain reconfiguration for sustainability leadership and improved risk management. It has provided a practical pathway to improve the resilience and competitiveness of Unilever. Responding and understanding proactively to the Global dynamics remain

essential to safeguard the current operations of Unilever and ensure a long-term success in this increasingly unpredictable international environment.

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Appendices

Appendix 1: PESTLE Analysis

Factors	Analysis
Political	Trade regulations, tariffs, Brexit, government policies, political stability
Economic	Inflation, currency fluctuations, economic growth, disposable income, recession
Social	Changing consumer preferences, health and wellness trends, demographics, ethical consumption
Technological	Digitalisation, e-commerce, AI analytics, automation, R&D innovation
Legal	Regulatory compliance, product safety laws, labor laws, environmental regulations
Environmental	Climate change, sustainability, carbon footprint, packaging regulations, resource scarcity