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⁸
**“HOW THE POLITICAL, ECONOMIC, SOCIOCULTURAL
AND LEGAL ENVIRONMENT COULD IMPACT ON
BUSINESS COMMUNICATION STRATEGY OF UNILEVER”**

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Introduction

An effective communication strategy of the business relies on “two-way communication” that maximises the performance of productivity. The effectiveness of the communication strategy develops a culture of the company that encourages staff to share opinions and feedback freely (Percy, 2023). In case a business shut down communications as well as feedback from the organisational staff, they stop communicating with the business. Miscommunication could take place which may reduce productivity. The complexity and dynamics of the macro environment such as the political, socio-cultural, economic and legal environment cause changes in the activities of the organisation. The operational changes further push businesses to change the way they communicate (Kumar, 2022). The external environment of businesses has a direct impact on business communication strategy. Unilever is a well-known consumer goods company that is performing actively in the UK market. The study's purpose is to assess the way the external environment (Political, economical, socio-cultural and legal) could impact the business communication strategy of Unilever.

Discussion

Overview of the Business

Unilever is a well-known consumer goods company in the UK that serves food, condiments, baby food, soft drink, instant coffee and ice cream. The mission of the company is to “do more good for society and the planet and not just less harm” (Unilever, 2023). The company wants to act on the environmental and social issues experiencing the world and wants to increase the lives of people with the product. The corporate culture of the company prioritises honesty, dignity as well as fairness (Unilever, 2023). Open communication is emphasised by the company to ensure productivity. The company and its employees are celebrating diversity in the workplace.

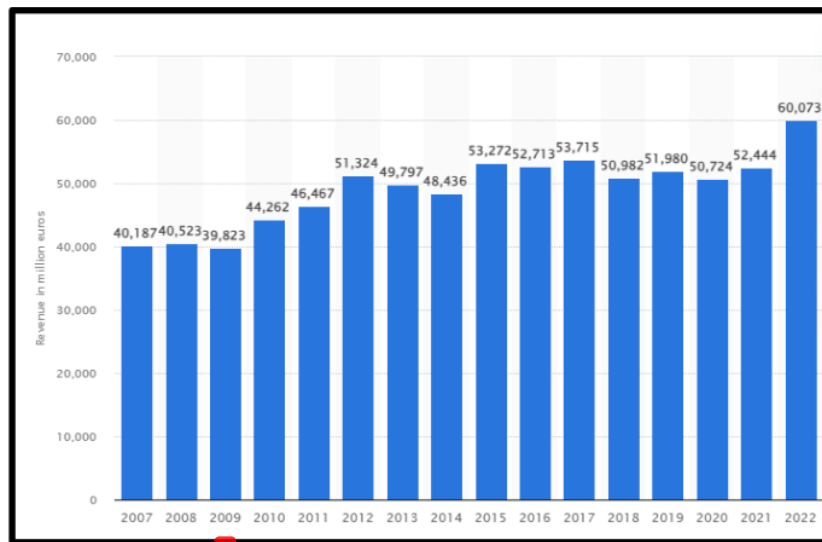


Figure 1: Global revenue of Unilever

(Source: Statista, 2023)

The global revenue of the company was 60.07 billion Euros as of 2022 (Statista, 2023). The record shows an enhancement of approximately 8 billion Euros from the previous year. A high-growth portfolio has been developed by the company on the five groups of business and these are “beauty and wellbeing, personal care, nutrition, home care and Ice cream”. The company prioritises “Cross market strategy” to get success in terms of attracting consumers over competitors (Unilever, 2023). The broad differentiation strategy is the generic strategy used by the company to attain a competitive advantage in the market.

1) Political factors and the way they could affect the business communication strategy of Unilever

The political steadiness rate of the UK was 0.54 as of the 2021 political report (Theglobeconomy, 2023). The research found that the political environment of the country is stable and the criminal activities of the country are also low.

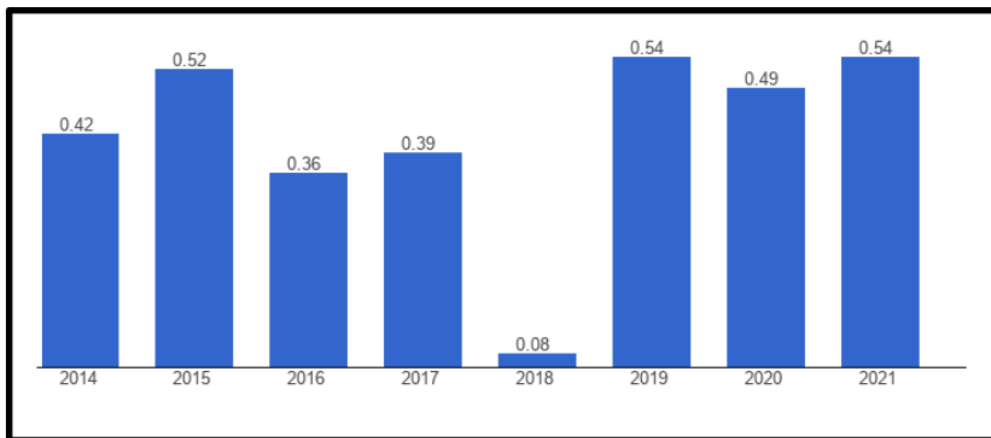


Figure 2: Political steadiness of the UK

(Source: Theglobaleconomy, 2023)

Advantages

Government steadiness and lower criminal offences are positively affecting the business environment of the country. Stable Government policies are the major outcome of Government steadiness that positively impacts the business operation of a company. Businesses in a politically unstable country often experience random changes in policies that hamper a company's operation which relies on policies (Gavazza *et al.*, 2019). The political system of the country is recognised as "Parliamentary democracy". One of the biggest advantages of UK politics is that the country has a long history of continuity as well as steadiness. It has permitted the creation of strong intuitions as well as a well-performing Government (Pennycook *et al.*, 2022). In addition to that, separation of powers has been permitted by the system between the legislative, executive and judicial branches that help restrict abuses of power. The advantage is increasing the growth opportunities for the businesses in terms of productivity and operation (Gavazza *et al.*, 2019).

Disadvantages

However, the biggest threat to the UK's political system is that it can be slow to adapt to a constantly changing environment. The entire system of the UK is situated on the principle of representation which means the voices of individuals or people are not always heard in a direct manner (Vidgen and Yasseri, 2020). Furthermore, the UK's system of politics is often criticised for being extremely centralised and not delivering enough scope for regional as well as local governments to act on decision-making. Another disadvantage of the UK's political environment is the "First-past-the-post voting system" that can often lead to "disproportionate representation" of the popular vote in the parliament. As an outcome of the factor, the "minority Government" is being formed which can be problematic when a major difference is there

between the major parties (Bishop and Beech, 2020). Overall, the political environment of the UK is good and the system is well-established and stable but it is not without its flaws.

Impact of political factor on Unilever communication strategy

A stable political environment could have a positive impact positively to the communication strategy of Unilever. With the stable employment law, Unilever could improve its employee-employer relation with effective communication. By focusing on consistency in communication the employee-employee relationship could be improved. The political steadiness of the country could influence Unilever to use more advanced communication technologies for maximising operational effectiveness of Unilever (Cuevas Vargas *et al.*, 2021). Some examples of communication technology that Unilever could establish are live video, internet media technologies and email communication. By understanding the political steadiness of the country, Unilever could build a communication strategy to increase the organisation's consumer base. Use of the communication media such as email, internet media, blogs, and online chat could be used by Unilever to increase its consumer base and emphasise the effectiveness of the communication (Fischer *et al.*, 2020). The political environment of the UK has been identified as stable which could impact positively on Unilever's communication strategy. The company could use advanced communication technology to maximise productivity and improve "employer-employee" relationships.

2) Economic factors and the way they could affect the business communication strategy of Unilever

Advantages

The UK is the world's ²⁵ fifth-largest economy in the world with gross domestic product growth was £ 2.23 trillion in the year 2022 (Clark, 2023). The GDP growth of the country is based on the economic growth of the ²² country and the values depend on the price of the products and services of that time period. The UK has a developed and ²² market-based economy and plays an important role in the international trade market. During the pandemic, the economy of the country has observed a decline in the economy of the country but the situation has recovered with time. The inflation rate of the UK has decreased by 8.7 % in the ²⁷ year 2023 indicating the strong economic growth of the country (Trading Economics, 2023). ²⁷ The Current corporation tax rate for the company in the UK is 25% and it helps to support the growth of the business in this country (Gov. UK, 2023). The large population of this country helps the growth of the business and the diversified economy of the country helps both the private as well as the public sectors of this country. These factors indicate that the economy in the United Kingdom is stable and helped the business growth of Unilever. A stable economy is one of the important factors for the company to become successful in the competitive market and maintain its presence in the global market.

Disadvantages

The company has faced different challenges due to the high inflation rate and the slowdown in the global economy which created problems for the company to maintain their profit margins and sales growth (Fleming, 2018). The free trade policy of the country has impacted the business of Unilever but with the other stable external economic factors, this company is able to maintain their business competition in the market. Overall the stable economy of the UK has a positive impact on the communication strategy of Unilever.

Impact of Economic factor on Unilever communication strategy

With a stable economy, the company can improve their communication strategy with the consumers and the employees of the company. The company is committed to building trust in the consumers and the stakeholders of the company by following ethical and responsible business practices through transparent communication (Unilever, 2023). The company has been using different types of communication channels including the official websites, and leaflets for the consumers of the company for open communication. In order to achieve the mission of the business, the company has been working closely with the stakeholders to deliver value to individual stakeholders of the company. Unilever has almost 148,000 employees all around the world and the company is always trying to engage them with the company for the critical success of the company (Unilever, 2023). In order to keep the workers of the company engaged and informed, the company holds different types of company-wide events where the company's leaders from all around the world participate in these events to engage with the members of the company to inform the growth of the company. This makes the communication of the employees of the company more effective.

3) Socio-cultural factors and the way they could affect the business communication strategy of Unilever

Advantages

The UK is known for its big consumer market and the current population of the country is 68.9 million in 2023 (Worldometer, 2023). The population of the country has been increasing with the advanced medical treatment and improvement of the country. This country has been influenced by the different social classes of the country but the population of this country is known as the multicultural population. This country has a big diversified market which is the home of different types of Universities, Academic institutions and foreigners. The country is known as one of the ten most educated countries in the world. With the passing of time, the cost of living and education is increasing in this country. The expenditure of foreign students in the country is almost £1300-£1400 per month (British Council, 2023). The multicultural

society of the country and the population of the country are proud of their diversity and this is a very positive part of the socio-culture of the country.

Disadvantages

Some of the disadvantages of the socio-culture of this country are the increasing dependency ratio of the country and issues regarding social unrest among the migration groups. Cultural differences can bring conflicts in between the employees and their communication process which can directly impacts the performance of any business organisation.

Impact of Social factor on Unilever communication strategy

Unilever can follow the ***Social Science Approach*** as the intercultural communication theory to observe the behaviours of the person from the different cultures of the company and this theory helps the members of the company to adjust their communication in the different situations within the organisation (Kanazawa, 2023). ***An interpretive approach*** can help to acknowledge the communication based on the shared stories of the employees within the company based on their experiences and subjective. Unilever believes that all the employees of the company are treated with respect, dignity and fairness. This company believes in a diverse organisational culture to celebrate the employees and respect each of the people of the company from different cultural backgrounds with respect and equality (Unilever, 2023). This makes the communication between the employees and the employers of the company more effective and efficient. The aim of the company is to foster a working culture that is transparent and safe for the employees of the company where each right of the worker of the company is clearly respected and individuals of the company can reach their positional values. This company has followed transformed the advertising of the company to support the inclusivity in the products of the company and diversity in the supply chain of the company. This company gives more priority to gender equality and the empowerment of women within the organisational culture (Unilever, 2023). The ***transformational approach*** of the company helps to identify the discrimination within the company and promotes the equity goal of the company.

4) Legal factor and their impact on the business communication strategy of Unilever

Legal factors of a business refer to the factors related to the law and regulations that affect the performance of the business and also impact the behaviour of the customers.

Advantages

Legal factors are highly connected with the consumer satisfaction of a company. As opined by Ortega *et al.* (2019), legal factors and environmental factors have a significant impact on the growth and development of business organisations. Consumer law is an important element of legal factors that a business organisation is required to practise and prioritise. The main objective of a business organisation is to satisfy the demand and expectations of the consumers. As opined by Otto *et al.* (2020), customer loyalty and consumer satisfaction help a business organisation to ensure and increase the development and productivity of their company. Consumer law protects consumers from the fraud practices of the organisations and protects their rights. As opined by Sarihan (2021), consumer laws and regulations are the provisions that organisations are required to follow to protect their consumers.

Disadvantages

There are some disadvantages related to the legal factors followed by a company. The organisations may lose flexibility of their operation due the restraints placed by the legal complexities. At the same time the laws and regulations impresses a kind of conservatism on the actions of the company.

Legal factors practiced in Unilever

Unilever prioritises the factors related to human rights. The organisation has connected with millions of people and its main aim is to provide good services and the best quality products to their consumers (Unilever, 2023). Prioritising the factors of Consumer law and human rights the organisation has succeeded in building a strong customer base in the world.

²⁶ **Health and safety law**

The health and safety of the consumers are the most important priority of the company. The organisation is aimed to protect the health of their consumers as well as the health of nature (Unilever, 2023). Unilever is found to provide their consumers the best quality products and focusing on the health of their consumers, by following all the regulations of consumer rights and health factors.

Consumers trust us to provide them with high-quality products that are safe for their intended use. We have extensive product quality and safety processes to minimise risks throughout our value chain.

Our commitment to product safety and quality

Unilever's reputation and success is founded upon providing safe high-quality products that meet all applicable standards and regulation.

Figure 3: Health and Safety benefits of Unilever

(Source: Unilever, 2023)

The organisation has also achieved the products safety certificate that suggests that the organisation produces the best quality and safe products of good quality for their customers (Unilever, 2023).

Copyright law

Copyright law refers to the legal rights of the owner to keep the data, information and strategy safe. None other than the management no one is able to copy or create the products or plans without the authorisation of the owner or the management. Unilever follows every significant policy of confidentiality of their information strictly, the suppliers of the company are suggested to keep all the data and information confidential and advised not to disclose any information to any person except the employees, management, directors of the company (Unilever, 2023). The official website of Unilever contains some significant policies of copyright, confidentiality, trade mark, securities and many other essential factors (Unilever, 2023). The trade mark found in their website are created by the company, the products found in the website are not sold directly by the company and lastly the consumers and audiences can follow the webpage of Unilever Plc to get any kind of authentic information regarding their business (Unilever Plc, 2023).

Conclusion

Based on the analysis it can be concluded that the political, legal, socio-cultural and economic environment of the UK has a direct impact on the communication strategy of Unilever. For example, a stable political atmosphere is advantageous to build a stable communication plan and adopt advanced communication technology. However, it is important for the company to monitor the changing macro environment scenario on a consistent basis and develop a communication strategy and changes in the plan of communication accordingly to maximise the effectiveness of the company's operation and employee-employee communication.

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