

MARKETING FUNDAMENTALS

ANALYSIS AND EVALUATION based on

Unilever

Renata Farkas 1910087

Marketing Fundamental : LCBB4004

Lecturer: Rexon Nting

TABLE OF CONTENTS

INTRODUCTION	3
MAIN BODY	3
TASK 1A: SWOT, PESTLE,Porters 5 forces	3
Process and stages of marketing along with marketing mix	7
Role of marketing in creating value for customers	7
Stakeholder engagement and its impact on marketing activities	8
CONCLUSION.....	10

INTRODUCTION

Marketing is function that is used by every organisation to market its products and services to maximum number of customers so that it can earn large amount of profitability. Marketing Mix has 4p and 7p that are used by marketing manager to effectively promote products of company over other competitors in the market. This report is about Unilever is one of the world's largest fast moving consumer goods (FMCG) companies. On their list, customers can find personal care products, foods, home care and refreshment categories too- such as AXE deodorant, Dove, Flora margarine -. The company is international, headquartered in UK-and later on in Netherlands too-, but works in Europe, USA, Asia, Middle and East Africa.(Plc., Datamonitor, 2017) It has used various models such as SWOT and Pestle to analyse internal and external factors that impact on marketing strategies of Unilever so that it can gain competitive advantages.

MAIN BODY

TASK 1A

Process and stages of marketing along with marketing mix

The concept of marketing process basically signifies the series of steps that are adopted by the organisations in order to analyse and identify the unmet needs of the consumers and then address them adequately. There are a series of steps that need to be followed in order to complete this.

1. Situational Analysis:

This is the base or foundation where external and internal environment is analysed thoroughly in context of a business so that correct decisions can be taken.

SWOT Analysis will be used for internal analysis of the Unilever Company where its strengths, weaknesses, opportunity and threats need to be analysed.

<i>Strength</i>	<i>Weaknesses</i>
• The global presence of Unilever in multiple countries gives immense strength to the company and its portfolio. • The competitive advantage of the	• The market is extremely competitive and dominated by world class leaders such as P&G, Nestle etc. • The easy duplicity of the products and their replacement with the substitutes is

company is very high (Gürel and Tat, 2017). • Unilever exercises economies of scale which helps in cost reduction and quality development. • Extremely loyal customer base due to pursuit of glocal strategies.	the major reason of hindrance in the growth. • Many countries prefer traditional and natural products over manufactures products.
Opportunities • Unilever has a huge opportunity of diversification and expansion targeting customers who are new in the market and increasingly want to live the western lifestyle. • The sustainability and CSR record of the company is unbeatable and this can be used to encourage ethical and eco-friendly consumers in the society.	Threats • The economic crisis has affected profitability of all the FMCG sector companies and the shrinking spending power of consumers has affected the Unilever as well (Phadermrod, Crowder and Wills, 2019). • Unilever has been in criticism due to some of their practices and the company has to ensure that in future they are not involved in any scandals.

PESTLE analysis can be used to analyse the external environment in which Unilever is operating currently:

- **Political Factors:** The current political ruling in UK is not very stable and with the Brexit the situations have further worsened. The company however operates in the FMCG sector and the government has always supported the FMCG sector. The simple rule and regulations and greater access to the international markets and trading can be favourable for the company.
- **Economical Factors:** The consumption rate of shoppers in UK has improved drastically in the past years and they are willing to spend more in order to improve their lifestyle (Perera, 2017). This can act as a major advantage for the Unilever company as they can attract and retain majority of the customers.
- **Social Factors:** Since the products of Unilever are for the daily lifestyle and do not use any harmful toxics or chemicals, society generally approves of the activities that are

being performed and the products that are manufactured by the Unilever thus proving them to be very beneficial for company's growth.

- **Technological Factors:** The use of technology, social media and other gadgets has increased at a very fast rate and the technological environment of UK is very well developed (Achinas and et.al., 2019). This acts as a favourable situation for Unilever as they are able to utilise such technological advents for better marketing and selling of their products and services.
- **Legal Factors:** The Company is present worldwide in so many countries and therefore legal compliance to laws and regulations that have been developed by each country is necessary for the uninterrupted growth of the operations of Unilever. In UK, the legal system regarding international FMCG companies is very simplified allowing them to operate with ease.
- **Environmental Factors:** The environmental friendly activities, sustainability score, CSR score etc. of the company is very well developed which makes this factor extremely favourable for the company to operate (Gheibi and et.al., 2018). For example in Europe and North America Dove by end of 2019 only going to use 100% of recycled plastic bottles and plastic free packs for soaps (Sevak Publications ,2019). By end of 2019 the factory reduced 29%of energy, since 2008 65% of Co2 (Report, 2019)

The third aspect of situational analysis involves analysis of *the Porter's five force model* that can be applied for Unilever in following manner:

- **Existing Rivalry (High):** The existing rivalry of the company in the current FMCG market is very well developed and there are many firms who are currently giving a tough competition to Unilever such as P&G, Nestle etc. (Competitive, 2011)
- **Threat of Substitutes (Low):** The brand Unilever stands for its quality of products and the optimum pricing strategy that they utilise (Lewis, 2017). It is not easy to substitute the kind of products that are being sold by them thus making this factor of lower impact.
- **Threat of New Entrants (Low):** Unilever has globally established itself in the FMCG industry over a course of many years. There are many new entrants who can enter this industry easily but they do not present any major threat to Unilever because of its supremacy in this industry (O'Hara and et.al., 2017).

- ***Bargaining Power of Suppliers (Medium)***: The Company can gain suppliers easily where if one supplier denies agreeing to the contract pricing that has been developed, they can easily identify another supplier who would do so willingly. Therefore, the bargaining power of suppliers is moderate.
- ***Bargaining Power of Buyers (High)***: Since there are many companies giving similar products, the consumers can easily shift over to next best alternative that gives them the high bargaining power, the company Unilever cannot exercise any control over such buyers (Varelas and Georgopoulos, 2017).

2. Objectives

This is the second step in the marketing process and for Unilever their objectives can be developed in following manner using SMART objective pattern:

- ***Specific***: The Company aims to reduce the carbon footprint incurred in production, improve health and lifestyle of people and give livelihood to more people.
- ***Measurable***: The energy consumption is aimed to decline by 40% and the sales is expected to rise by 25%.
- ***Achievable***: The goal is achievable because the portfolio is diverse and the value chain can be strategically modified along with using correct production strategy for genuinely healthy products.
- ***Realistic***: Company has always maintained sustainability and growth hand in hand and therefore this is a realistic goal for Unilever.
- ***Timely***: All the objectives are expected to be achieved within one year.

3. Strategy

This is the third step where the marketing mix and STP analysis of the company would be done:

STP Analysis: Unilever can be said to target all the segments of the public ranging from child to an old person, from males to females, from high class to low class people. They have something for everyone and targeting is done by using correct pricing strategy depending on the product type and market conditions (Yan and et.al., 2016). There is no particular positioning as company operates in multiple dimensions but it tends to give high quality products at medium prices thus placing themselves in second quadrant of the positioning map.

Marketing Mix: The 4 P's of the company can be analysed in following manner:

<i>Marketing Mix P's</i>	<i>Analysis</i>
Product	The product range of Unilever is very wide covering foods, refreshment, home and personal care for all segments.
Price	The bundle pricing, premium pricing and market oriented pricing strategy are the major classifications of pricing that Unilever employs (Blut, Teller and Floh, 2018).
Place	The distribution strategy of Unilever is mainly by establishing own stores, through retailers or in the manner of kiosks.
Promotion	The company uses all traditional and modern promotional techniques such as advertising, sales promotion, public relation, personal selling, use of social media etc. (Išoraitė, 2016).

4. Implementation

The implementation of the current strategy that has been developed will be done by adopting all the relevant tools and tactics (Bolon and et.al., 2018). It has already been identified that the presence of Unilever is very strong and implementation will also be very strong.

5. Control

All the practices will be regularly monitored using variety of strategies such as KPI, Benchmarking, standard costing etc. so that quality and quantity both can be controlled.

Role of marketing in creating value for customers

The basic purpose of marketing is to create value for the customers by addressing their unmet demands and needs and making them attracted towards the product that will fulfil their unmet desires. The customers are satisfied by the marketing activities where they are deliver a product or service that will adequately address the want of the customers and thus create value generation of the customers who are consuming it (Kumar and Reinartz, 2016). Unilever, for instance, has recently launched a lover beauty and planet brand for their customers where they

are selling beauty products that are nature friendly and does not exploit the nature nor does they use any chemical. Before this launch the female customers that they have majorly targeted did not realise that they could use products that were friendly for nature as well i.e. the nature had not been exploited in any manner.

This is just one example as Unilever has always carried out innovation right from the earlier years. Lifebuoy was one such innovative soap idea by Unilever where they introduced hygiene and sanitation within a soap by advertising it as the one that kills 99% of the germs (Rundh, 2016). This was a very innovative idea where earlier only fragrance was being considered as the major aspect behind a bathing soap. After this product, the customers realised that they need to be safe from germs as well and therefore the sales of this particular product increased heavily. Therefore, it can be ascertained that in this manner the role of marketing in creating value for its customers is immense.

Stakeholder engagement and its impact on marketing activities

Stakeholders are those parties that are interested in the activities of the organisation and its performance as well. There are two types of stakeholders i.e. internal and external that can affect the decision making of an organisation (Abdollahi, Hosseini and Alimohammadzadeh, 2019).

It is necessary that the stakeholders of the company that are engaged in the business activities are effectively managed and this can be done by the use of following **stakeholder engagement matrix**:

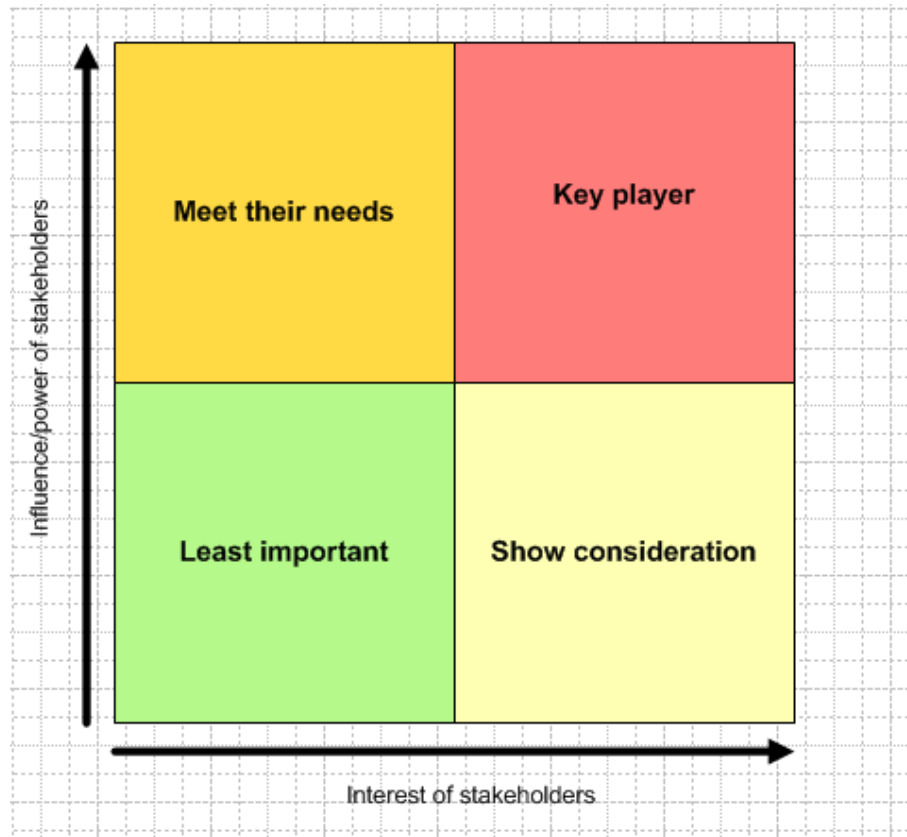


Figure 1: Stakeholder Matrix

Source: *Rasheed and et.al., 2017*

- The **meet their needs** category is the first category of stakeholders that must be kept satisfied at every point of time because their power or influence is very high even if their interest is comparatively lower. For Unilever, these include the customers and the government regulations as they are not interested in the internal activities but can affect the decision making (Cuppen, 2016). The competitors also fall in this category of stakeholder.
- Second category is of **key players** that are the most important stakeholders who have high power as well as are highly interested in the activities of company. For Unilever, they are business partners, the investors of the business, the suppliers in the company etc. who can affect the functioning of entire business.
- Third category is of **least important** stakeholders who neither have any interest nor any influence over business and these generally include no one for Unilever (Rasheed and et.al., 2017). For them there is no stakeholder that is least important.

- Last comes the **show consideration** category that needs to be kept informed about all the decisions and practices or plan that the company is developing. These include the employees of Unilever mainly who are the actual workers and therefore, they always need to be kept informed about the business performance and activities .

It is important to keep the stakeholders engaged and informed about the business that is going on as the approval of stakeholders is necessary in the continuous growth of Unilever (Baernholdt and et.al., 2018). For instance, if a particular strategy or plan is not approved by the BOD's of the company then it cannot be implemented and similarly, if any campaign is targeted in a wrong manner then the government might call it off. Therefore, this affects the stakeholders of the company significantly as they can completely call of the marketing activities and ultimately the process of working of the company as well.

Therefore, it can be adequately concluded that the stakeholders of the company affect the overall marketing activities and decision making of the entire company. (Company, 2020)

CONCLUSION

From the above report it can be concluded that marketing is an important function that helps in enhancing sales volume and productivity of firm. Marketer of Unilever uses various marketing tool and strategies to effective promote products and service to large number of customers. The report has clearly explained about external factors such as policies of UK government, customer's preference and choice in recent trends and economic condition so that marketer of Unilever has used to effective promote its varieties of products to different customers. Technological changes and various laws measured implemented by government has also identify by marketing department so that company can easily operate its various function and earn maximum amount of profitability. There are various advantages of marketing of products to customers as well as companies such as customers can know about various products that company offers so that it can select best suitable option to meet it needs and requirements. Customer can easily compare products of Unilever with products and service of another company that deals in similar industry. Swot analysis model is also used to identify internal strength, capabilities of Unilever that helps in influencing large number of customer to prefer Unilever over other company so that it can gain maximum market share and competitive advantages. Swot helps Unilever to effectively identify various available opportunities in the market so that it can effective utilise and earn large amount of profitability. At the same time it

protect company from various threats such as change in customer preference, increase competition or new policies of government. Company sales have been increased due to effective marketing strategies and manufacture of qualitative products by company to retain customer satisfaction and loyalty. From the above report it can also be concluded that stakeholder analysis is used to identifying number of stakeholders, their level of participation and interest with organisation. Unilever by identifying stakeholder interest, level of participation is able to formulate marketing strategies that can satisfy needs and preferences of interested stakeholder of company. Marketing manager of Unilever has formulated effectively target, segment and position its products and service in mind and heart of customers so that they can prefer company product over other competitors in the industry. It can also be analysis from above report that various external and internal factors impact on effective implementation of marketing strategies so that company can earn maximum amount of profitability. Therefore, at last it can be illustrated that effective marketing strategies of Unilever has lead to increase brand image, customer satisfaction and long term growth of organisation.

REFERENCES

Books and Journals

Annual Report 2019 Available on : https://www.unilever.com/Images/unilever-annual-report-and-accounts-2019_tcm244-547893_en.pdf

Abdollahi, H.R., Hosseini, S.M. and Alimohammadzadeh, K., 2019. STAKEHOLDER ANALYSIS USING THE MATRIX OF INTEREST-POWER IN INSURANCE INDUSTRY: CASE STUDY OF HAFEZ ATIEHZASAN INSURANCE.

Achinas, S., and et.al., 2019. A PESTLE Analysis of Biofuels Energy Industry in Europe. *Sustainability*. 11(21). p.5981.

Baernholdt, M., and et.al., 2018. Quality Measures: A Stakeholder Analysis. *Journal of nursing care quality*. 33(2). pp.149-156. Available in : https://whelf-primo.hosted.exlibrisgroup.com/primo-explore/fulldisplay?docid=44NLW_LD%2F81055%2Fvdc_100075174151.0x000001&context=L&vid=44WHELF_UWTSD_VU1&lang=en_US&search_scope=LSCOP_44WHELF&adaptor=Local%20Search%20Engine&tab=tab2&query=any,contains,Quality%20Measures:%20A%20Stakeholder%20Analysis.%20Journal%20of%20nursing%20care%20quality&offset=0

Blut, M., Teller, C. and Floh, A., 2018. Testing retail marketing-mix effects on patronage: A meta-analysis. *Journal of Retailing*. 94(2). pp.113-135.

Bolon, B., and et.al., 2018. STP position paper: recommended best practices for sampling, processing, and analysis of the peripheral nervous system (nerves and somatic and autonomic ganglia) during nonclinical toxicity studies. *Toxicologic pathology*. 46(4). pp.372-402.

Cuppen, E., 2016. 15 Stakeholder Analysis. *Foresight in Organizations: Methods and Tools*, p.208.

Datamonitor Plc . Unilever SWOT analysis ,2017

Available on : <https://web-a-ebSCOhost-com.ezproxy.uwtsd.ac.uk/ehost/pdfviewer/pdfviewer?vid=2&sid=76bb137a-5f85-460a-995b-9694d3e410a7%40sessionmgr4006>

Gheibi, M., and et.al., 2018. Controlling air pollution in a city: A perspective from SOAR-PESTLE analysis. *Integrated environmental assessment and management*. 14(4). pp.480-488.

Gürel, E. and Tat, M., 2017. SWOT analysis: a theoretical review. *Journal of International Social Research*. 10(51).

Işoraitè, M., 2016. Marketing mix theoretical aspects. *International journal of research granthaalayah*. 4(6). pp.25-37.

Kumar, V. and Reinartz, W., 2016. Creating enduring customer value. *Journal of Marketing*. 80(6). pp.36-68.

Lewis, R., 2017. Porter's Five Forces of competitive advantage.

NSA Competitive , 2011 . Nestlé S.A. Competitive Position and Analysis . Available on : <https://pdfs.semanticscholar.org/ef44/1bcc72597c9f8d56298bff48ddd3ec05fd68.pdf>

O'Hara, N.N., and et.al., 2017. Tuberculosis testing for healthcare workers in South Africa: A health service analysis using Porter's Five Forces Framework. *International Journal of Healthcare Management*. 10(1). pp.49-56.

Perera, R., 2017. *The PESTLE analysis*. Nerdynaut.

Phadermrod, B., Crowder, R.M. and Wills, G.B., 2019. Importance-performance analysis based SWOT analysis. *International Journal of Information Management*. 44. pp.194-203.

Rasheed, S., and et.al., 2017. Policy content and stakeholder network analysis for infant and young child feeding in Bangladesh. *BMC Public Health*. 17(2). p.402.

Rundh, B., 2016. The role of packaging within marketing and value creation. *British Food Journal*.

Sevak Publications & Chemical Weekly Database P Ltd ,2019 Available on : [https://pdf.sciencedirectassets.com/272728/1-s2.0-S1351421020X00035/1-s2.0-S1351421020300640/main.pdf?X-Amz-Security-Token=IQoJb3JpZ2luX2VjEI3%2F%2F%2F%2F%2F%2F%2F%2F%2F%2FwEaCXVzLWVhc3QtMSJGMEQCIC%2BxB%2BpA%2Fq6RTlHpEjqZyZd3M8YPGLj1ALQ20A7EBTYnAiBEBEbfS3eDIwsaO49lLybhdvvAAjhhcBa8WiM2bv%2FEpSq9AwjF%2F%2F%2F%2F%2F%2F%2F%2F%2F%2F8BEAMaDDA1OTAwMzU0Njg2NSIMJQ7e%2BWWJAUXradbhKpEDq8X%2F04%2Fc0DWhtPYzD31Z54Ye4%2FfXAt2tW7dbEK84pevQMwQeUZ2TdbfF8RUFbwHHaZYzdxI28nD9ZaU1UxGYOrBiP7rD8TEpQ97O02u](https://pdf.sciencedirectassets.com/272728/1-s2.0-S1351421020X00035/1-s2.0-S1351421020300640/main.pdf?X-Amz-Security-Token=IQoJb3JpZ2luX2VjEI3%2F%2F%2F%2F%2F%2F%2F%2F%2F%2F%2FwEaCXVzLWVhc3QtMSJGMEQCIC%2BxB%2BpA%2Fq6RTlHpEjqZyZd3M8YPGLj1ALQ20A7EBTYnAiBEBEbfS3eDIwsaO49lLybhdvvAAjhhcBa8WiM2bv%2FEpSq9AwjF%2F%2F%2F%2F%2F%2F%2F%2F%2F%2F8BEAMaDDA1OTAwMzU0Njg2NSIMJQ7e%2BWWJAUXradbhKpEDq8X%2F04%2Fc0DWhtPYzD31Z54Ye4%2FfXAt2tW7dbEK84pevQMwQeUZ2TdbfF8RUFbwHHaZYzdxI28nD9ZaU1UxGYOrBiP7rD8TEpQ97O02u)

BXGa20V7ThPpPn8pUwNLZkwJkfMkhVYnZvRLeqUmbMNzju17s4fNVcDc9PaLB8
CShyWu3qIi0hvTriUx9CE0MajSHu%2BY9B%2BtZ9%2FYqEgTNBVhaJqim%2Beev
waqEdlVJkMQSzVYKPxHU1U%2BcELmpx68Y%2Bn3LcZRoViDk17XvZKauPqg82e
SPNDAYvgkgE7edmUb7hoOMgtFc3OZZ4f2VN5V8H1KV7LgDvaJUkKR2eK7OKwX
3uGPjCPPrygEry4mCrIXX6xwq55Ri%2B80kVS0QnyAhQlHRVidh%2BkEYjgkB9wI
Duu4dR6FUYbN8uE4sf%2FaW2HIImf8gi2ogQED9Jxo5hoSDzdS%2FwZhkoUz51JEuT
%2FY88c%2BnxsE1MYI61v8CNZoSMmfftGB8CCRIAE%2FCzip5iRzNn283nDslDqH
jCxZZ%2BxYTbgq94JUIwodTR9QU67AHHevXC6FwlfcdhTMTHgAv75Dok2tK2JM
mWZGwqXQld5akZU7rd5%2F4gbEFKFMBjQsUYsMh%2BWbOa7dkQS%2FZI%2BI
zRdjcw18ybFKSGWl9GxwYEelB6oeEZptRCWoRvAAFnJX%2BlFGTr0PepP0LYLdYI
JJYkPK5UD8hejhfmVdrzGZLW8WOX%2FuEvimv1DKDf1zP794RR2JtJuMbqs5JQ6u
sj4DNkSSL2yYrPwUFX1btFIInCSFUJf1Q8A7fFSmvHHGJh4oxwi%2FAxSjg7O9Vabkf
qmM8MOQ7hwXpTxMhW5pvK7pFZwjGanV89yJzxnjgBAiQ%3D%3D&X-Amz-
Algorithm=AWS4-HMAC-SHA256&X-Amz-Date=20200507T204036Z&X-Amz-
SignedHeaders=host&X-Amz-Expires=300&X-Amz-
Credential=ASIAQ3PHCVTYUDYBFGWM%2F20200507%2Fus-east-
1%2Fs3%2Faws4_request&X-Amz-
Signature=3dfc591ca0d1fa1bf2a94ff49b5fa9b104199772e8a2eebb68cc259ce80781af&h
ash=7c55deef5d1a200713d3fb527ace2b6292041204725c654f864c8853f4a6a626&host=
68042c943591013ac2b2430a89b270f6af2c76d8dfd086a07176afe7c76c2c61&pii=S1351
421020300640&tid=spdf-26a70acc-610b-4e45-8978-
0dcea1efbf8c&sid=1980f9a3283e304a494b1ef31bcd37dfeedgxrbq&type=client

Unilever Global Company, 2020 Available on : <https://www.unilever.com/sustainable-living/our-approach-to-reporting/engaging-with-stakeholders/>

Varelas, S. and Georgopoulos, N., 2017. Porter's competitive forces in the modern globalized hospitality sector—the case of a Greek tourism destination. *J Tour Res.* 18. pp.121-131.

Yan, Y., and et.al., 2016. STP approach to model controlled automata with application to reachability analysis of DEDS. *Asian Journal of Control.* 18(6). pp.2027-2036.

