



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Student name:

ARJAN LAKHUBHAI KARAVADARA

Student ID:

2436856

Programme:

Master of Business Administration

Module Name:

International business concept

Module Code:

LCMB7034_LON

Lecturer's Name:

Hoang Dang Nyugen

Work Count:5000

Term 2

Submission date:

15 December 2025

Abstract

This report analyses the Unilever international business and business positioning, with special attention to its venture in Brazil. The report explores the Unilever value chain, OLI factors, the cultural distance, and the necessary adjustment of the SOP to be able to enter the market successfully and remain competitive in the long term in Brazil. To assess the impact of cultural differences, ways in which the differences affected market entry strategy and overall success in the long run has been done using Hofstede Cultural Dimensions, the Seven-Dimension Model developed by Trompenaars, along with the High/Low Context Theory developed by Hall. Standard Operating Procedure (SOP) changes based on analysis of OLI and cultural analysis have been suggested, with an aim to enable Unilever position better in the competitive market.

Table of Contents

1. Introduction	5
2. Benefits and Challenges of International Operations	5
2.1 Why Unilever is an MNC/TNC	5
2.2 Global Value Chain Analysis	7
2.3 Entry Modes in Key Markets	9
2.4 Benefits & Strategic Advantages.....	10
3. OLI (Ownership–Location–Internalisation) Analysis for Brazil	11
3.1 Ownership Advantages	12
3.2 Location Advantages: Why Brazil?	13
3.3 Internalisation Advantages.....	16
4. Cultural differences and impact on market entry strategy	16
4.1 Cultural Distance (UK vs Brazil).....	16
4.2 Impact on Market Entry Strategy	18
4.3 Impact on Potential Market Success.....	19
5. SOP Adjustments for Brazil	20
5.1 SOP Adjustment 1: Localised Marketing & Consumer Insights	20
5.2 SOP Adjustment 2: Supply Chain Localisation & Regulatory Compliance	22
5.3 SOP Adjustment 3: HR, Leadership & Cultural Integration.....	24
6. Conclusion.....	25
References	26

1. Introduction

International operations are a complex aspect that include a wide range of factors related to different environments and functions. However, it is true to that a successful international business ensures access to new markets, lower costs through economies of scale, and risk diversification. At the same time, navigating complex regulations of overseas countries, dealing with cultural and language barriers, and political and economic instability are of greater importance.

The choice of **Unilever** is attributed to its size, covering more than 190 destinations and having €60.8 billion in turnover in 2023, and a combined presence of the emerging sector where 58% of income is produced (Unilever, 2025). Brazil is selected due to the fact that it is the second largest market in the world, which brings over €7 billion every year and has great growth opportunities in a 215 million population economy (Unilever, 2025).

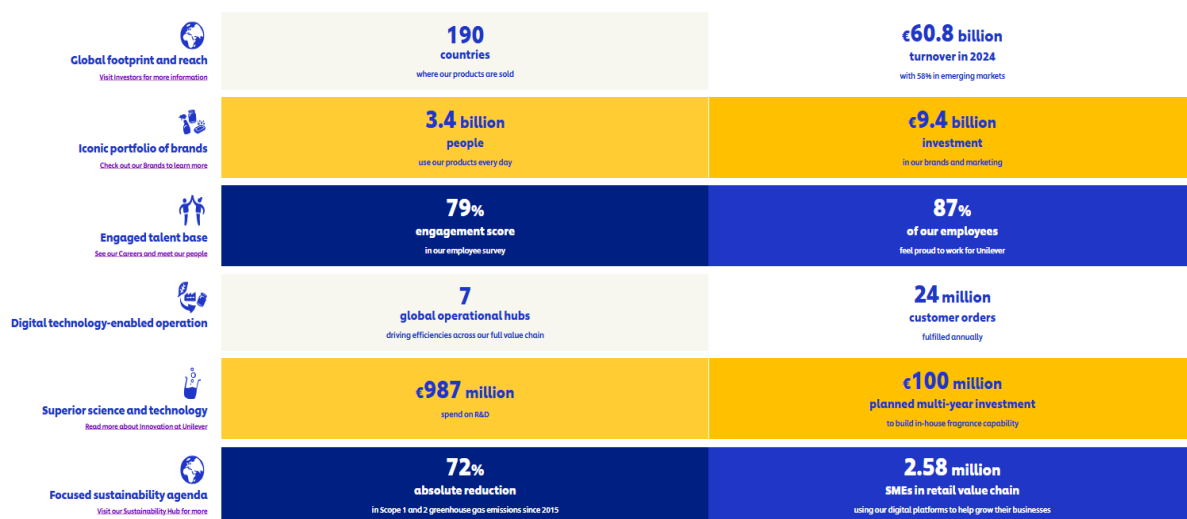


Figure 1: Unilever Profile

(Source: Unilever, 2025)

2. Benefits and Challenges of International Operations

2.1 Why Unilever is an MNC/TNC

Unilever can be classified as a leading multinational/transnational corporation (MNC/TNC) because of globalisation, its structural complexity, and global integration of its operations. Unilever is present in more than 190 countries and employs 3.4 billion

consumers daily (Unilever, 2025). In 2023, its global revenue was €60.8 billion, which is 58% in emerging economies, a sign of penetration in non-domestic economies (Unilever, 2025). MNC, as with foreign direct investment (FDI), is a multi-country production network, and decentralised subsidiaries, all of which Unilever satisfies completely (Gratton, 2025).

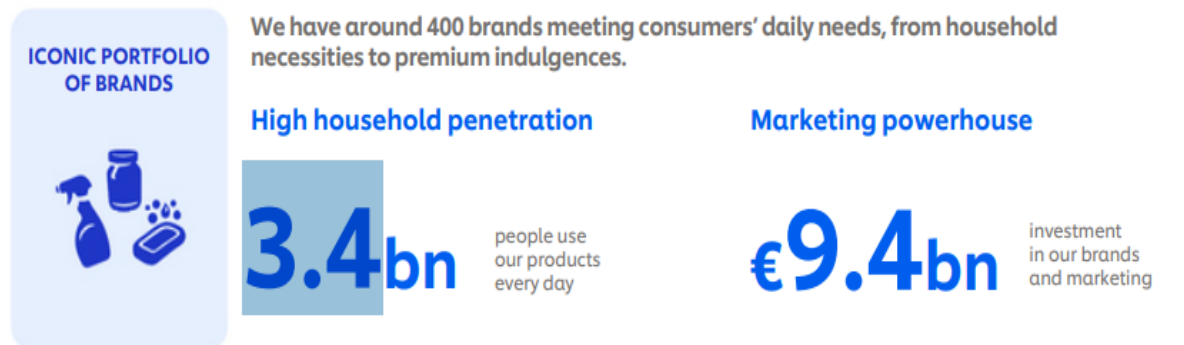


Figure 2: Customer base of Unilever

(Source: Unilever, 2025)

Formally, Unilever is a transnational company which has both globalised and localised responsiveness. The TNC model by Lorberg and Janusch (2025) characterises companies to be both efficient on a global scale and locally oriented. This will be in line with the global brand, such as Dove, Rexona, Knorr global-local strategy of Unilever, whereby the global brands are promoted with local product variants like Surf detergent, Brazil-specific or Lifebuoy hygiene, India-specific. Unilever has a multi-regional supply chain also covering Europe, Asia, Africa, and Latin America, which allows cost optimisation based on cross-border sourcing and common production centres. As shown in figure 3, Unilever has a portfolio of approximately 400 brands produced in more than 300 factories across the globe, incorporating both standardised production and country-specific customisation (Unilever, 2025). Contemporary TNCs are depicted to use the notion of global scale as well as local differentiation to stay competitive (Zhyvko and Vivchar, 2023). The decentralised marketing, centralised R&D, global brands and local supply chains of Unilever can thus safely make it an advanced MNC/ TNC.

Unilever at a glance

We are home to 400+ brands – and proud that around 3.4 billion people use our products every day.



Figure 3: Unilever Product Range

(Source: Unilever, 2025)

2.2 Global Value Chain Analysis

In response to optimisation of production, sourcing, innovation and market responsiveness, Unilever has global value chains that have been structured to exhibit complex cross-border interdependencies. It has a core competitive asset, the value chain, that is enhanced by intensive investments in digitisation, sustainability, collaboration with suppliers, and automation of manufacturing.

(a) Research & Development (R&D)

Unilever spends approximately €949 million every year on research and development (R&D), with significant research centres in the UK (Port Sunlight), the Netherlands (Wageningen), India (Bengaluru), China (Shanghai), and the US (New Jersey) (Unilever, 2024). The corporation has more than 5,000 technical and scientific engineers (Unilever, 2024). Global R&D dispersion allows for localisation more quickly and generates more profound consumer insights. This is reflected in the products designed by Unilever in response to the conditions in Brazil, like Brazil-specific haircare products that respond to the humid weather.

(b) Global Sourcing

Unilever uses more than 56,000 suppliers as sources of raw materials (palm oil, dairy, tea, chemicals) across the world (Emanuela Kerencheva, 2021). In fact, its agricultural raw materials are sustainably sourced. It has had a Responsible Sourcing Policy, which governs suppliers in 4 continents. A dispersed sourcing network is cost-efficient but more vulnerable to commodity price fluctuations, which is a pre-existing issue with global value chains (Gaudenzi et al. 2021).

(c) Manufacturing

The firm has 300 factories in 69 countries with major plants in Brazil (Indaiatuba, Taubaté), India (Haridwar), China (Guangzhou) and South Africa (Unilever, 2024). Scale economies are based on manufacturing assets: an example is the plant in São Paulo, Unilever, which manufactures more than millions of cleaning products a day. The scholarly data indicate that distributed manufacturing decreases the risk exposure and enables local responsiveness (Phillips et al. 2022).

(d) Marketing and Sales

Unilever spends 7.8 billion on advertising and brand-building every year (Sam Bradley, 2025). This, in turn, makes Unilever to be one of the best advertisers of FMCGs in the world. At the same time, it is true that global brand stories do not change entirely, like Dove in its narrative of Real Beauty, the campaigns are culturally modified. Another instance of high localisation in emerging markets is Unilever in Brazil, which does region-specific marketing of OMO and Seda to low-income consumers.

(e) Distribution and Logistics

Unilever has a highly digitised system of distribution with large logistics partners worldwide. It operates SAP-based demand forecasting, blockchain-based traceability and route optimisation technology.

(f) Financing and Treasury

Unilever has centralised its international treasury in London and Rotterdam in order to maximise its tax efficiency, currency hedging, and capital allocation. It also issues sustainability-linked bonds; in 2023, it issued emission-linked and waste reduction-linked bonds amounting to €1.5 billion (A.B. Brown, 2021). Research in academics confirms that a centralised treasury has internal benefits and reduces financial risk to MNCs (Yadava, 2023).

2.3 Entry Modes in Key Markets

The internationalisation route that Unilever has followed is marked with high-control entry modes, involving mainly acquisition and wholly owned subsidiaries, which were in line with the strategic requirement of safeguarding brand equity and proprietary technology. Unilever joined India in 1933 in a joint venture and then fully acquired Hindustan Vanaspati to be HUL now, which is the biggest FMCG company in India with revenue of over INR60,680 crore as of 2024 (HUL, 2024). This acquisition approach allowed the firm to have close control of product quality and fast growth in the market, which scholars consider to be vital in the emerging markets with heterogeneous cultural backgrounds (Malek et al. 2024).

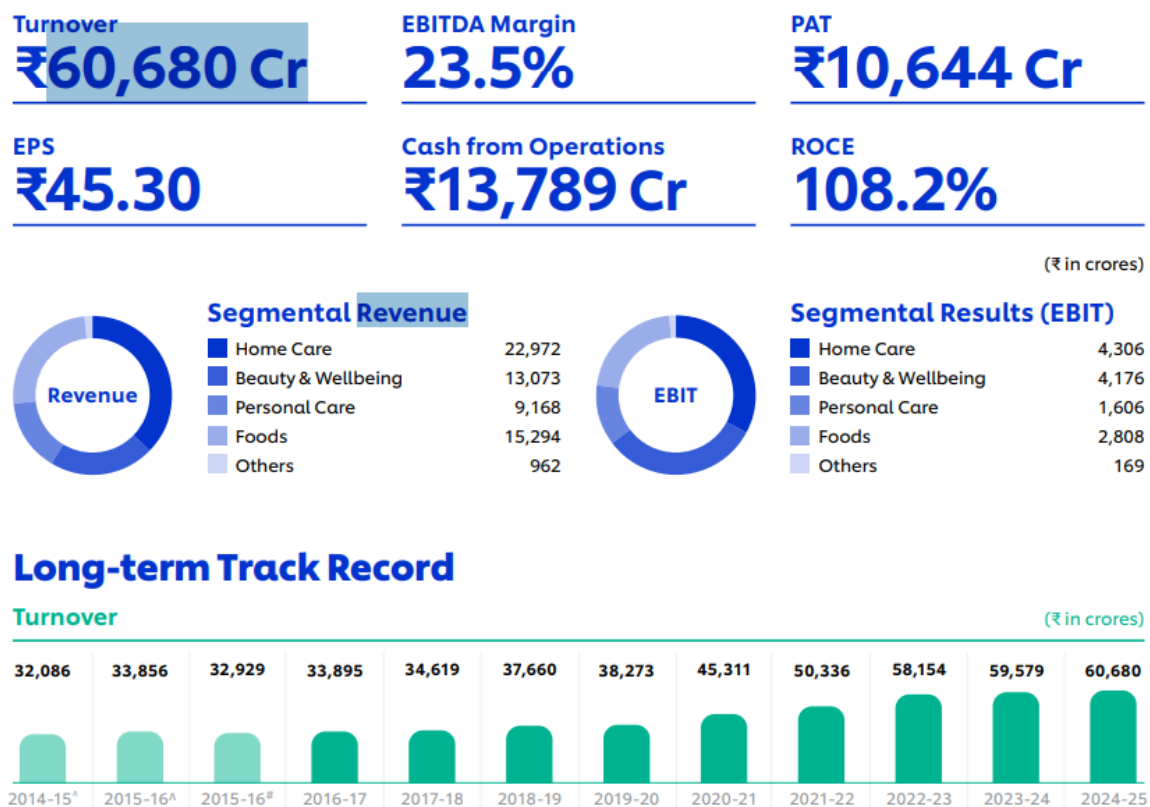


Figure 4: Financial Highlights of Unilever

(Source: HUL, 2024)

Unilever also implemented the concept of wholly owned subsidiaries (WOS) in China, which allowed the company to have stronger intellectual-property protection benefits and control over the manufacturing. Meanwhile, in Brazil, Unilever made acquisitions of

domestic soap manufacturers and greenfield investments in mass detergent and personal-care factories. In 2023, Brazil was the ninth largest export market for U.S. products and services, representing US\$ 69.6 billion in exports, according to the Department of Commerce (International Trade Administration, 2021).

In Africa, Unilever uses both acquisitions and strategic alliances to overcome political, infrastructural, and distribution challenges to create regional revenues totalling 26.2 billion (Unilever, 2023). In general, the prevailing entry modes of Unilever, including acquisitions and WOS, offer operational control, quality control, and strategic integration, which is consistent with the research in academia indicating that the high-control modes are the most popular among FMCG MNCs to conserve process capabilities and brand assets.

Full Year Review: Geographical Areas								
(unaudited)	Full Year 2023				Fourth Quarter 2023			
	Turnover	USG	UVG	UPG	Turnover	USG	UVG	UPG
Unilever	€59.6bn	7.0%	0.2%	6.8%	€14.2bn	4.7%	1.8%	2.8%
Asia Pacific Africa	€26.2bn	6.5%	1.1%	5.3%	€6.1bn	1.9%	0.7%	1.1%
The Americas	€21.5bn	9.3%	3.4%	5.7%	€5.4bn	9.6%	7.4%	2.0%
Europe	€11.9bn	4.1%	(7.7)%	12.8%	€2.7bn	2.5%	(6.3)%	9.4%

(unaudited)	Full Year 2023				Fourth Quarter 2023			
	Turnover	USG	UVG	UPG	Turnover	USG	UVG	UPG
Emerging markets	€34.7bn	8.5%	1.6%	6.9%	€8.3bn	4.6%	2.3%	2.2%
Developed markets	€24.9bn	4.8%	(1.8)%	6.7%	€5.9bn	4.9%	1.1%	3.7%
North America	€13.1bn	5.8%	2.5%	3.3%	€3.2bn	7.0%	6.3%	0.7%
Latin America	€8.4bn	14.9%	4.8%	9.6%	€2.2bn	13.4%	9.1%	4.0%

Figure 5: Geographical Areas of Unilever

(Source: Unilever, 2023)

2.4 Benefits & Strategic Advantages

The international activities of Unilever create various strategic benefits that support the leading role of this company as one of the strongest FMCG multinationals in the world. One of the advantages is economies of scale is the centralised procurement that enabled Unilever to achieve savings of €800 million in 2023 alone (Unilever, 2023). This has decreased the production costs and increased bargaining power. Moreover, the

emerging markets are a source of worldwide revenue, and the growth in India, Brazil, Indonesia, and Nigeria is highly important, as research indicates the increasing purchasing power and population growth in these countries.

The global diversification also stabilises Unilever profits: local shocks in Africa or Europe can be replaced by expansion in Latin America or Asia, as is expected by the dispersion risk theory in multinational portfolios. Another efficiency the multinational supply network brings is sourcing efficiencies, which allow cross-border sourcing and add to a 39% cut in carbon per tonne of production since 2010 (Unilever, 2024). Lastly, global activities facilitate knowledge flow, like sachet innovation in India to Africa and Brazil, and talent flows, like leadership rotations and organisational learning.

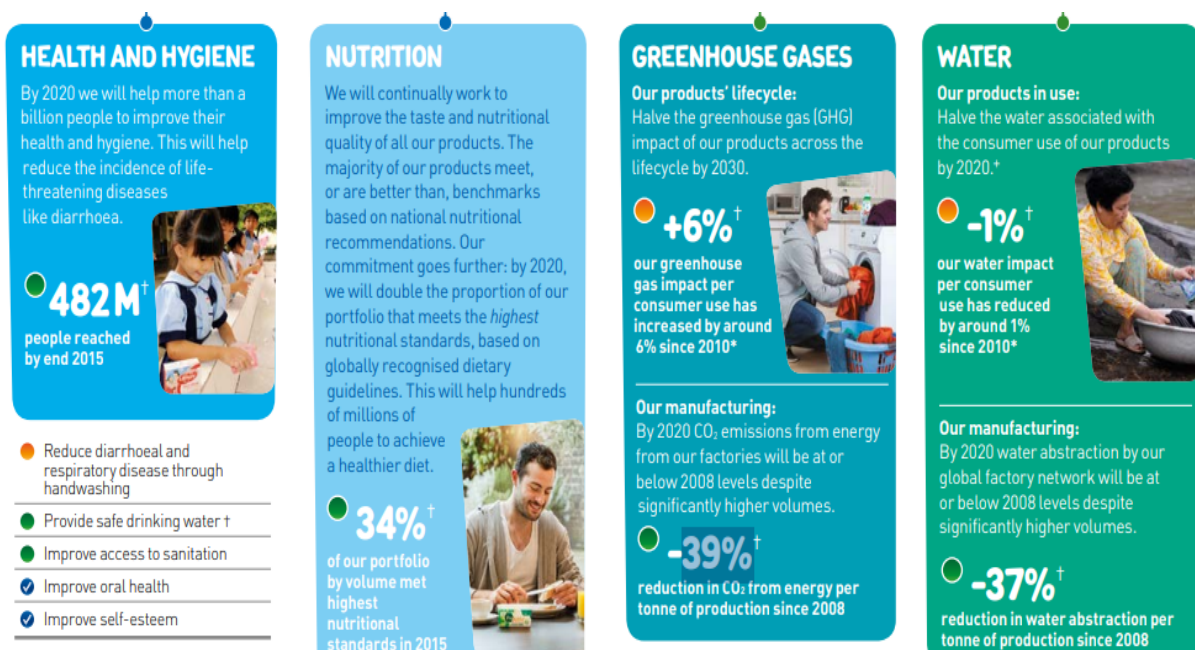


Figure 6: CO₂ Emission

(Source: Unilever, 2024)

Reliance on emerging markets is subjecting the company to currency risk. The decreased value of the Brazilian real and Nigerian naira lowered the reported income between 2021 and 2023 considerably (Unilever, 2024).

3. OLI (Ownership–Location–Internalisation) Analysis for Brazil

The OLI paradigm by Dunning is a stringent model of assessing the entry and expansion of Unilever in Brazil. The model states that multinational enterprises (MNEs) internationalise in situations where they have ownership benefits, a country has location

benefits, and internal governance has internalisation benefits (Rahman et al. 2025). The use of OLI on Unilever indicates that there is a solid strategic reason to invest in Brazil with the support of brand-related assets, technology capabilities and the appeal of Brazil's demographic and economic features.

3.1 Ownership Advantages

Unilever has a lot of ownership-specific resources that provide a competitive advantage in Brazil. These are brand equity, global capabilities, technological knowledge, sustainability leadership and financial strength.

(a) Strong Global Brands

Unilever has one of the 14 brands with a yearly turnover of more than €1 billion, such as Dove, OMO, Lux, Rexona, and Knorr (Unilever, 2024). In Brazil, the market share of OMO and Rexona in the laundry and deodorants segment, respectively, respectively. The brands have a high level of recognition, making the risk of entering the market minimal due to the established consumer confidence. It has been validated by academic literature that brand equity is one of the main ownership benefits that affect MNE expansion into new markets.

(b) High-end Marketing and Research and Development.

Unilever spends \$900 million on R&D per year and \$7.8 billion on marketing campaigns around the world (Unilever, 2024). Such a level of investment makes it possible to develop products that are highly innovative, such as humidity-resistant haircare products that would suit the Brazilian climate. Duan et al. (2021) claimed that the intensity of R&D contributes to the competitiveness of MNEs as it allows them to adapt products to the needs of consumers in their country of operation.

(c) Technology and Process Know-how (proprietary)

The Unilever manufacturing processes, through enzyme-based detergents and energy-efficient production processes, are some of the major technological ownership strengths. These proprietary technologies reduce the cost of production and are sustainable. Technological leadership is also a well-established MNE advantage, which effectively allows penetrating the foreign market.

(d) Financial Capability and Treasury Worldwide

Unilever has a significant financial capacity to invest in large-scale investments, Brazilian green field factories, buying and selling companies, and digital supply-chain infrastructure is supported by its financial ability of a global turnover of €59.6 billion and an operating profit of €8.7 billion (Unilever, 2024). Its treasury that is centralized also allows it to hedge the currency effectively, which is important in the unstable Brazilian economy. Research evidence indicates that academic institutions have established that MNEs that have strong financial resources cope better with emerging-market risks (Lopez-Vega and Lakemond, 2022).

(e) ESG and Sustainability Leadership

The sustainability programmes at Unilever, including its target to become a net-zero emissions company by 2039, and 95% sustainable sourcing of agricultural produce, give the company a point of differentiation in Brazil. This initiative is expected to deal with the issue of environmental sustainability, which is increasingly gaining momentum. The regulatory bodies in Brazil are more rewarding to those companies that possess transparent sustainability practices. as per the ideas of Gao and Luo (2024), ESG capabilities are now accepted as intangible assets which enhance ownership advantages.

3.2 Location Advantages: Why Brazil?

Brazil has strong location-specific factors which render it highly favourable to Unilever about investing and expanding in Brazil.

(a) Large Consumer Market Size

Brazil consists of 205 million people, and it is the largest consumer market in Latin America (World Bank, 2024). The frequency of FMCGs is immeasurably high, and households use 14% of their yearly income on personal care and hygiene goods. Brazil is the second-largest market in the world, and it generates more than 7 billion in revenue annually for Unilever. Big markets are a powerful location advantage for MNEs that aim at growth in demand.

(b) Increasing Middle Class and Urbanisation

In 2022, 177.5 million people (87.4% of the total 203.1 million people in the Brazilian population) lived in urban areas, and 25.6 million people lived in rural areas (Agenciadenoticias, 2022). City customers prefer to use branded FMCG, which

generates a steady demand in the categories of deodorants, home care and skincare, offered by Unilever. It has been demonstrated that increasing consumption by the middle classes is a major factor affecting MNE growth options.

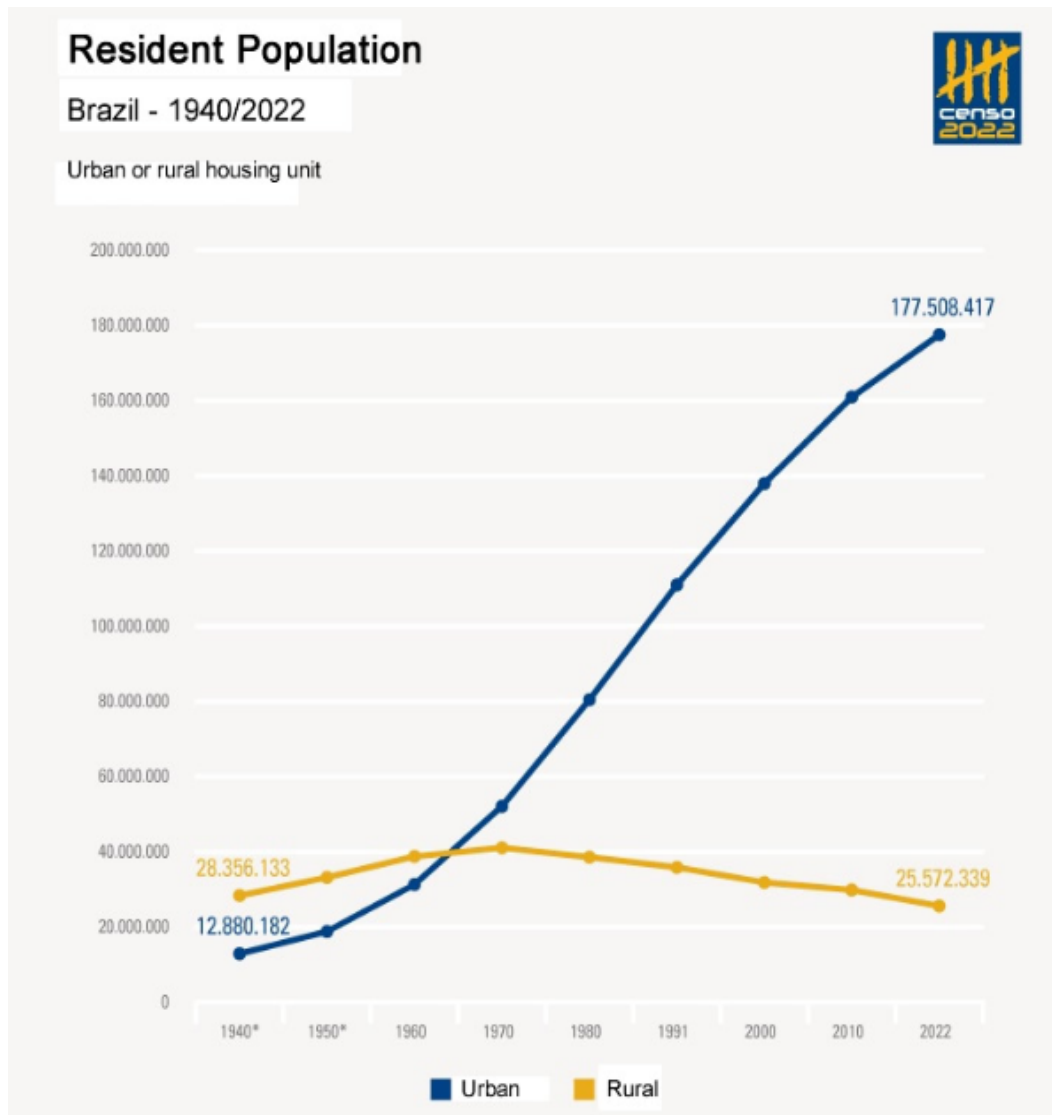


Figure 7: Brazilian population
(Source: Agenciadenoticias, 2022)

(c) Local Resource Endowments

The Brazilian solid agricultural foundation offers major raw materials in the form of soybean derivatives, essential oils and surfactants. Local sourcing will cut down logistical costs and contribute to the sustainability goals of Unilever. Natural-resource endowment is a significant location advantage to MNEs in the food industry and FMCG.

(d) Semi-Skilled and Skilled labour Supply

Brazil has a workforce that is large and is FMCG-ready workforce: there are more than 18 million manufacturing and services workers. Labour is regulated, but on the other hand, labour is available to promote mass production. Empirical research indicates that the depth of the labour market plays an important role in influencing MNE foreign direct investment (Islam and Beloucif, 2024).

(e) Strategic Access to Latin America

Brazil is a regional production and distribution centre for Argentina, Chile, Colombia, and Peru. The Unilever factories in the states of São Paulo and Minas Gerais also have exports to 10+ Latin American countries, which makes them not dependent on the more distant hubs. One of the advantages of location is the regional access, which is emphasised in the FDI theory. An example of this is the high demand of the product in question and the cultural suitability of the particular area where the products are sold. High FMCG Demand and Cultural Fit

(f) High FMCG Demand and Cultural Fit

Brazilian consumers are very brand loyal in the deodorants category, laundry detergents and personal care. Unilever has brands that match the local preferences, in particular, OMO, Rexona, Lux and Seda brands. Location attractiveness is enhanced through cultural proximity between the offered products and the consumer behaviour (Dudziak et al. 2023).

Location Disadvantages

Besides these benefits, Brazil has significant challenges:

- Large tax rate: Commercial profit is taxed, which is one of the highest worldwide
- Logistic inefficiencies: In 2023, Brazil ranked 51 in the Global Logistics Index because of congested ports and roads (IPI, 2023). This ranking also depicts lesser competence and poor-quality logistics services
- Legal restrictions: Labour laws are highly complex and bureaucracies are delayed, which makes the costs of operations more expensive
- Currency volatility: The Brazilian market is subject to depreciation over 2020/23.

It, therefore, depicts that these risks are complex to resolve (IPI, 2023). However, it is also true that these do not override good location benefits of Brazil as a whole.

Comprehensively, Unilever boasts of a good brand portfolio, financial strengths, technological advantages and sustainability leadership which in totality offer substantial O-advantage that warrants and supports the deep-rooted existence in Brazil.

3.3 Internalisation Advantages

Unilever internalizes its business in Brazil to safeguard proprietary technologies, brand consistency and quality control. Its personal-care and detergent enzymes are essential intellectual property, and it needs to have secure, wholly owned production to prevent leakages, particularly in markets where IP protection is weaker. Ethical sourcing and adherence to the Unilever Responsible Sourcing Policy, which was set up in 2017, is underpinned by internalisation (Unilever, 2017). Complying with this is, therefore, necessary in an ESG-sensitive agricultural sector in Brazil. Unilever can save transaction costs by not paying for complicated external contracting and product supply-chain stability in the Brazilian, fragmented, and unstable retail and macroeconomic context.

4. Cultural differences and impact on market entry strategy

Cultural distance knowledge is important to the success of Unilever in Brazil, where the expectations of the consumers, workplace values, and the manner of communication are vastly different to those of the home country (UK/Netherlands).

4.1 Cultural Distance (UK vs Brazil)

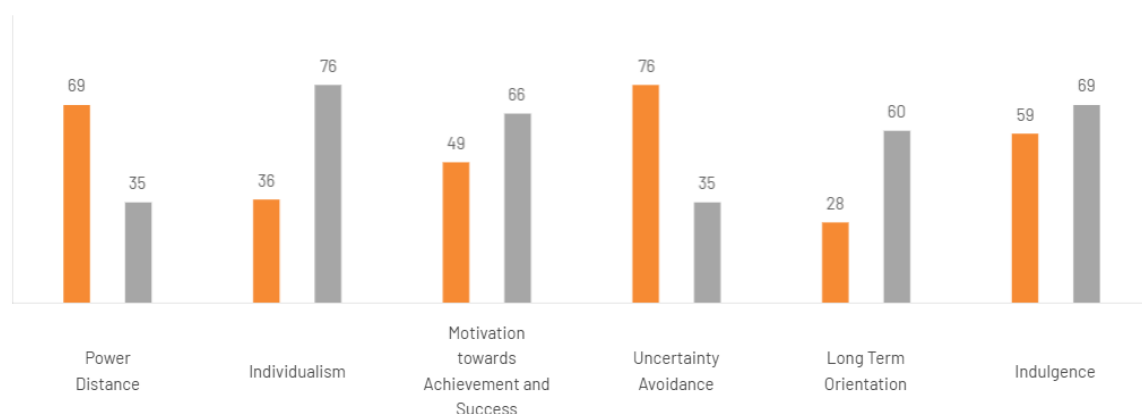


Figure 8: Country Comparison UK and Brazil

(Source: Theculturefactor, 2025)

Power Distance (Hofstede): Brazil has a high-power distance (69) when compared to the UK (35) (Theculturefactor, 2025). This implies adoption of hierarchy, centralised control and formal management relationships. The workers anticipate autocratic leadership and the definition of the roles. The UK focuses on flatter forms and decentralised decision-making, and therefore, when doing business in Brazil, there should be a modification in the management practices.

Individualism vs. collectivism (Hofstede and Trompenaars): Brazil has a 36 score on individualism compared to 76 for the UK (Theculturefactor, 2025). Brazil is a collectivist and communitarian culture in which loyalty, relationship-building, and social belonging have an impact. The consumers in the UK focus on personal advantage and independence. Such variations justify why such campaigns as loyalty and family-oriented are more effective in Brazil.

Uncertainty Avoidance (Hofstede): The low uncertainty avoidance (76) of Brazil is an indication of the preference of stability, detailed information, and trusted brands (Theculturefactor, 2025). The consumers of the UK are more tolerant to ambiguity and experimentation. This helps the already-established brands of Unilever in Brazil, such as OMO, Rexona and Lux, because of the perceived trustworthiness. High-UA markets are known to favour risk-mitigating brand strategies, which is an academic finding.

Communication Style (Hall)

Brazil is a high context culture that employs the use of indirect communication, non-verbal communication and personal rapport. Contrarily, the UK is a low-context nation, where it is important to be straightforward, fast, and focused on business. This implies that Brazilian negotiations and marketing involve storytelling that has emotions and relationship-based communication as opposed to the hard-to-deliver information-based methods.

Time Orientation (Trompenaars)

As inspired by the ideas of Ivanova-Gongne et al. (2025), Brazil has a polychronic and flexible time orientation, as the schedules are flexible and adjust to the relationship. The UK is monochronic, which focuses on deadlines and time management. This impacts the project schedules, retail negotiations and in-house HR demands.

4.2 Impact on Market Entry Strategy

Partnership Building, Negotiations: It is a high-context, collectivist culture where Brazil prefers to build trust first before commencing business. Unilever needs to invest in local operations, regular face-to-face interaction, and distribution relationships. It is also confirmed that trust and social capital are essential to MNEs in Latin America (Velez-Ocampo and Gonzalez-Perez, 2022). Brazilian negotiations are very slow in decision-making and demand patience and diplomacy, and personal rapport, unlike transactional approaches adopted in the UK.

Brand Positioning and Marketing Strategy: There is a high sensitivity of the Brazilian consumers to emotional, community-based narratives. The achievements of the Unilever campaigns like the dirt is good in OMO and the empiricism of personal motivation communications in Rexona, are indicators of collectivism. On the contrary, UK advertising can be considered cold or uninvolved when informative and minimalistic. The congruence of culture enhances the effectiveness of the FMCG brand (Ahuja and Tabeck, 2024).

Management of Employees and Leadership Style: High power distance implies that employees want an authoritative leadership, formal structure and instructions. Participative leadership in the UK style can be taken as weak or indecisive. Organised reporting channels, formal appraisal frameworks and overt leadership are also to be adopted as HR adaptations. As per Rodrigues and Child (2022), directive management results in increased satisfaction with Brazilian employees.

Consumer Behaviour & Perception Risk: The level of uncertainty avoidance is high. Therefore, it is associated with selecting long-established brands, safety assurances, and the reliability of the quality of products (Celestin, 2021). This will support Unilever's competitive advantage as it has strong global brands and quality assurance. UK consumer behaviour, on the other hand, has increased brand switching and trial adoption.

Route-to-Market Adjustment: As can be seen from figure 9, Brazil's retail market is projected to grow at a CAGR of 5.40% between 2025 and 2034, reaching a value of USD 370.96 billion by 2034 (Expertmarketresearch, 2025). The relationship-based selling and distributor partnerships are necessary as opposed to the UK structure,

where the structure is dominated by supermarkets. Unilever should maintain strong local-level distribution networks, field sales forces and individualised promotion to search the informal retail channel.

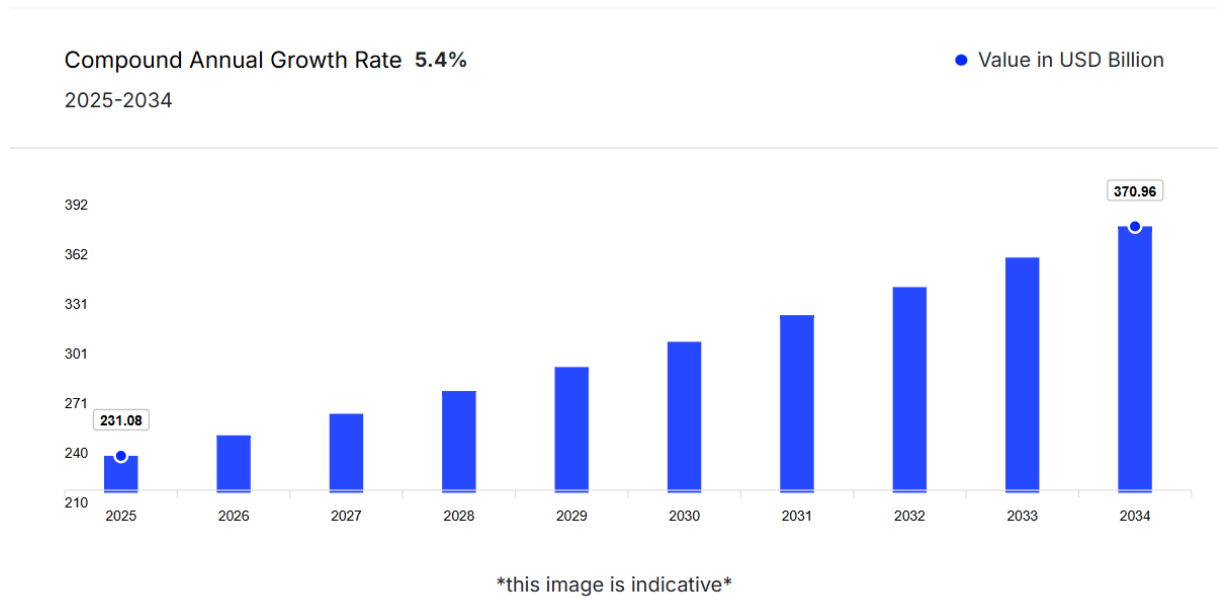


Figure 9: Brazil's retail market
(Source: Expertmarketresearch, 2025)

4.3 Impact on Potential Market Success

As a performance driver, **Localisation** is one of the key aspects. Adaptation to culture leads to increased brand loyalty and acceptance in the market. Unilever already differentiates products to suit the climate in Brazil, such as deodorants that are resistant to humidity, and tropical haircare. It has been found that localisation enhances the performance of MNEs in markets that have a high culture distance (Chishty et al. 2025).

Reward with Trust and Community Values: Being there since 1929 creates consumer trust, thus making the society more loyal as a collectivist community. As opined by Kotcharin et al. (2024), relationships are characterised by trust and are, therefore, the main predictors of MNE success in international consumer markets. And in case of Brazil, there are scopes for making efficient use of scarce public resources. Doing so will not only help in maximizing growth, but will also ensure social dividends from infrastructure investment.

Modified HR Strategy and Organisational Culture: It takes a team that will merge the standards of Unilever worldwide with Brazilian standards that define the expectations of the workplace. Formal communication, a more prominent chain of command, and representative leadership encourage less internal conflict and higher participation of the employees.

Brand Engagement and Style of Communication: The campaigns need to make use of Brazilian high-context standards of communication, emotion, symbolism, and collective identity, instead of straightforward information overload communication in the UK markets.

Maintaining Distribution Advantage: As per the ideas of Veiga et al. (2024), the Brazilian retail industry is highly fragmented. As a result of this, the integrity of distributor relations and logistic systems is vital to attaining a competitive advantage over an extended period.

5. SOP Adjustments for Brazil

Estimated success of Unilever in Brazil demands changes in its operations to mirror the national cultural dynamics, structures of regulation, and market circumstances. Three Standard Operating Procedure (SOP) changes are suggested, based on previous OLI and cultural analysis, which include the following:

- Localised marketing and consumer insights
- Localised supply chain and regulatory alignment, and
- Culturally aligned HR and leadership integration.

As inspired by the ideas of Veiga et al. (2024), such adjustments will position the concerned company better in the competitive market, minimise the operational risks, and become more responsive to changes in the Brazilian socio-economic environment.

5.1 SOP Adjustment 1: Localised Marketing & Consumer Insights

Brazilian culture, which is collectivist, emotional communication style and climate product needs tailor-made branding, product formulations and distribution channels. Beauty, hygiene, and grooming standards, which result in social identity, contribute to Brazil having one of the highest personal-care spending per capita in the world, amounting to US\$28.16 billion (Statista, 2025). In this context, it is essential for Unilever to respond to this demand by developing products and marketing them according to the

local cultural values. Firstly, the product formulas must be oriented to the local climatic conditions. The humidity of the coastal areas in Brazil is above 80% on average (World Bank, 2024), which contributes to the popularity of anti-frizz haircare products and high-performance antiperspirants. Unilever already localised the Rexona antibacterial varieties in Brazil; further expansion of its R&D partnership with its innovation centre in Brazil, based in the State of São Paulo, would help to tailor products faster to the regional micro-segments. The studies have proven that product adaptation that complies with climate increases the success of the FMCG markets in the emerging markets.

Secondly, a high-context and collectivist culture of Brazil should influence marketing approaches where the focus is on emotion, belonging and identity to the community instead of rational and individualistic approach to messages in the UK. The use of local influencers and cultural ambassadors should be part of the campaigns. Brazil has the largest influencer market with an annual revenue forecast over \$4,597.3 billion in 2030 (Grandview Research, 2025). It is demonstrated by Ahmed et al. (2024) that influencer-based digital branding contributes to a substantial increase in brand loyalty in the new markets.

Brazil influencer marketing platform market, 2018-2030 (US\$M)

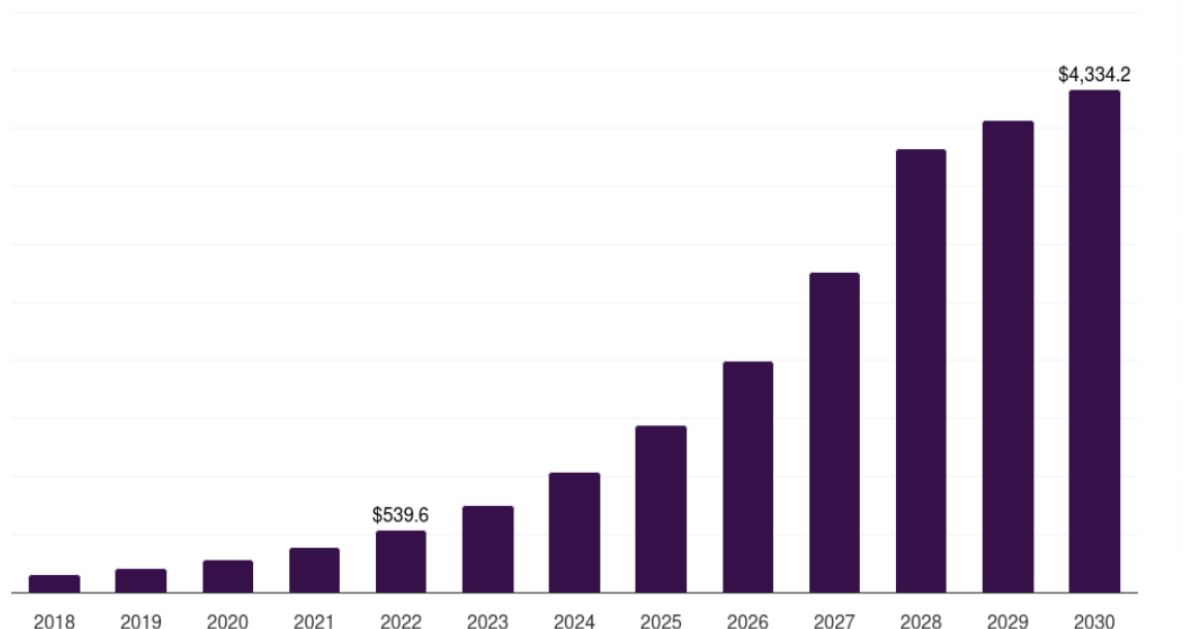


Figure 10: Brazil Influencer Marketing

(Source: Grandview Research, 2025)

Thirdly, price and packaging must be an indication of income segmentation. In spite of the rising economy, Brazil's economic growth has been resilient, averaging above 3% over the past three years (Worldbank, 2024). Fine sizes of sachets, value packs and refill packages allow wider coverage- a strategy that has already been successfully implemented in India and Nigeria. Inclusive pricing policies reinforce the brand penetration of high inequality markets. In general, localisation of SOPs to design, culturally-sensitive communication and low cost fit the ownership resources of Unilever (brand equity, strength of R&D) and Brazil location-based advantages.

5.2 SOP Adjustment 2: Supply Chain Localisation & Regulatory Compliance

The complicated regulatory system, logistics issues, ESG and elevated import taxes in Brazil necessitate supply chain reorganisation. The tax base in Brazil is one of the highest in the world, which is 65.1% of the commercial profit (Iolanda Fonseca, 2020). Also, bottlenecks in logistics are caused by the insufficiency of the infrastructure. Brazil occupies the 56th place in the world logistics performance. Unilever will have to localise its production and simplify compliance to counter these challenges. Taking these into consideration, expanding into domestic sourcing lowers the transportation expenses and the risks associated with currency fluctuations. Agri inputs like soy products, ethanol-solvents, and botanical extracts applicable in Unilever formulations are also obtained in Brazil. Local sourcing also facilitates the sustainability agenda; Unilever is committed to 95% traceable agricultural sourcing by 2030 (Unilever, 2025). The evidence in the literature confirms that local sourcing increases cost-effectiveness and resiliency in emerging economies (Agu et al. 2024).

Second, the creation of additional regional manufacturing centres decreases the use of imports and minimises the delivery time. Unilever already has several plants in Brazil (São Paulo and Minas Gerais) and manufactures more than a million units a day. Northern and northeastern Brazil expansion would enhance accessibility to the underserved markets and streamline transportation routes throughout the 8.5 million km² territory of the country (Siemens, 2024).



Figure 11: Society and Economy

(Source: Siemens, 2024)

Thirdly, the SOPs should include environmental compliance requirements and labour compliance requirements in Brazil. Forest Code is mandatory to record deforestation severely, and ANVISA provides regulations for the safety and labelling of products. By integrating the auditing process with ESG, the risk will be mitigated, particularly since Brazil is implementing more enforcement that is connected to Amazon deforestation. It has been proven that robust compliance systems promote legitimacy and long-term competitive advantage to MNEs (Bhuiyan et al. 2023). Lastly, Unilever must step up digitalisation of logistics route optimisation, demand forecasting, and blockchain

traceability, and make distributors more efficient in 1 million of its small retailers. The logistics capabilities that can be provided by technology are essential to work in fragmented high-growth markets. Therefore, supply-chain localisation is in line with Brazil's location advantages and minimisation of internalisation cost and regulatory risk.

5.3 SOP Adjustment 3: HR, Leadership & Cultural Integration

In order to achieve success in the high-power distance and collectivist culture of Brazil, Unilever will need to integrate the cultural expectations of leadership, internal communication and talent management. To start with, there should be a rise in the representation of the local leadership. Even though Unilever has been operating in Brazil long enough, there is still a predominantly global leadership. The studies indicate that the culture of leadership alignment enhances the subsidiary performance (Sindakis et al. 2024). Brazilian executives should be hired in strategic positions, which would increase the legitimacy, relevance of the decisions, and relationships with the stakeholders.

Secondly, intercultural competence needs to be formalised. The managers in the UK who are relocating to Brazil need to go through systematic training in cultural aspects on the basis of hierarchy, communication styles, negotiation etiquette and relationship-oriented management. In high-context cultures, managers have to establish rapport at first and then give performance expectations; directness could be viewed as aggressive (Bhuiyan et al. 2023). Thirdly, HR policies are to be based on the balance between the global inclusivity standards of Unilever and the Brazilian value of structure and decisive leadership. Rigid reporting relationship systems, organised onboarding, and well-defined job descriptions are in line with local expectations. It is proven that directive leadership enhances employee motivation in Brazil, whereas egalitarian leadership can cause ambiguity. Lastly, the strategies of workforce engagement must focus on the group-level accomplishments, team-based rewards and community-focused CSR programs. The Brazilian workforce appreciates collective acknowledgement and a sense of social goodwill. The *"Dirt is Good" (DIG) education program*, as published by Global Action Plan UK and Unilever, has a cultural resonance (Unilever, 2021). In this way, HR SOPs that are culturally sensitive enhance talent retention, internal integration and subsidiary performance.

6. Conclusion

It can be concluded from above discussions that the large size of Unilever, the good brand portfolio, the well-developed capabilities in the field of R&D, and its presence in more than 190 countries prove it to be one of the leading MNCs across the globe. Its global business creates strategic benefits, such as economies of scale, diversification of revenues and robust emerging markets. The OLI model justifies expansion to Brazil, which is backed by brand strength, huge consumer demand and favourable resources. However, Brazil has a high-power distance, is collectivist, and has a high-context culture, which means that strategies need to be culturally specific. Cultural adaptation of HR SOPs, localisation of supply chains and marketing can only be sustained through localisation of competitive advantage. It is also analysed that Unilever has been a key player in differentiating its products as per local demands. This relates with the fact that it has introduced deodorants that suit the humid climate in Brazil.

References

- Agenciadenoticias, (2022). *2022 Census: 87% of the Brazilian population lives in urban areas*. Available at: <https://agenciadenoticias.ibge.gov.br/en/agencia-news/2184-news-agency/news/41910-2022-census-87-of-the-brazilian-population-lives-in-urban-areas> (Accessed: 12 November 2025).
- Agu, E.E., Chiekezie, N.R., Abhulimen, A.O. and Obiki-Osafiele, A.N., (2024). Optimizing supply chains in emerging markets: Addressing key challenges in the financial sector. *World Journal of Advanced Science and Technology*, 6(01), pp.035-045. https://www.researchgate.net/profile/Angela-Abhulimen/publication/383860887_Corresponding_author_Njideka_Rita_Chiekezie_Optimizing_supply_chains_in_emerging_markets_Addressing_key_challenges_in_the_financial_sector/links/66ddb5032390e50b2c769b3b/Corresponding-author-Njideka-Rita-Chiekezie-Optimizing-supply-chains-in-emerging-markets-Addressing-key-challenges-in-the-financial-sector.pdf
- Ahmed, S., Ghaffar, A., Zaheer Zaidi, S.S., Islam, T., Khan, M.M., Islam, F., Kincl, T. and Sheikh, A.A., (2024). Influencer-driven loyalty: Understanding the mediating role of customer brand engagement in the relationship between social media influencers and brand loyalty. *Journal of Global Scholars of Marketing Science*, 34(2), pp.207-230. <https://www.tomaskincl.net/wp-content/uploads/Influencer-driven-loyalty-Understanding-the-mediating-role-of-customer-brand-engagement-in-the-relationship-between-social-media-influencers-and-bran.pdf>
- Ahuja, V. and Tabeck, P.S., 2024. Enhancing brand trustworthiness, relationships, congruence and positioning through social media marketing in the FMCG sector. *Cogent Business & Management*, 11(1), p.2434203. <https://www.tandfonline.com/doi/pdf/10.1080/23311975.2024.2434203>
- Bhuiyan, F., Rana, T., Baird, K. and Munir, R., 2023. Strategic outcome of competitive advantage from corporate sustainability practices: Institutional theory perspective from an emerging economy. *Business Strategy and the Environment*, 32(7), pp.4217-4243. <https://onlinelibrary.wiley.com/doi/pdfdirect/10.1002/bse.3362>
- Bhuiyan, F., Rana, T., Baird, K. and Munir, R., (2023). Strategic outcome of competitive advantage from corporate sustainability practices: Institutional theory perspective from

an emerging economy. *Business Strategy and the Environment*, 32(7), pp.4217-4243.

<https://onlinelibrary.wiley.com/doi/pdfdirect/10.1002/bse.3362>

Brown, A.B. (2021). *Unilever finds that short-term sustainability costs lead to long-term savings*. Available at: <https://www.supplychaindive.com/news/unilever-supplier-sustainability-costs-savings/595388/> (Accessed: 12 November 2025).

Celestin, M.B.O.N.I.G.A.B.A., (2021). Factors associated with quality management practices towards the performance of construction projects: Analytical study of Ayabaraya. *International Journal of Multidisciplinary Research and Publications*, 4(1). https://www.researchgate.net/profile/Prof-Celestin/publication/353349247_Factors_Associated_with_Quality_Management_Practices_towards_Performance_of_Construction_Project_Analytical_Study_of_Ayabaraya/links/60f6f5da9541032c6d547236/Factors-Associated-with-Quality-Management-Practices-towards-Performance-of-Construction-Project-Analytical-Study-of-Ayabaraya.pdf

Chishty, S.K., Sayari, S., Mohamed, A.H., Mallick, M.F., Khan, N. and Inkesar, A., (2025). The Utilisation of Artificial Intelligence in the Export Performance of MNCs: The Role of Cultural Distance. *Administrative Sciences*, 15(5), p.160. <https://www.mdpi.com/2076-3387/15/5/160>

Dias, L.M., Bezerra, M.R., Barra, W.F., Carvalho, A.E.V., Castro, L. and Rego, F., (2022). Advance care planning and goals of care discussion: the perspectives of Brazilian oncologists. *BMC Palliative Care*, 21(1), p.165. <https://link.springer.com/content/pdf/10.1186/s12904-022-01052-w.pdf>

Dudziak, A., Stoma, M. and Osmólska, E., (2023). Analysis of consumer behaviour in the context of the place of purchasing food products with particular emphasis on local products. *International Journal of Environmental Research and Public Health*, 20(3), p.2413. <https://www.mdpi.com/1660-4601/20/3/2413>

Emanuela Kerencheva, (2021). *Unilever Asks Suppliers to Slash Emissions in Half by 2030*. Available at: <https://www.esgtoday.com/unilever-asks-suppliers-to-slash-emissions-in-half-by-2030/> (Accessed: 10 November 2025).

Expertmarketresearch, (2025). *Brazil Retail Market Size and Share Outlook - Forecast Trends and Growth Analysis Report (2025-2034)*. Available at: <https://>

www.expertmarketresearch.com/reports/brazil-retail-market (Accessed: 12 November 2025).

Gao, J., Li, J. and Luo, Y., (2022). Does the enterprise's choice of intangible capital help to promote its ESG score?. *Frontiers in Environmental Science*, 10, p.978955. <https://www.frontiersin.org/journals/environmental-science/articles/10.3389/fenvs.2022.978955/pdf>

Gaudenzi, B., Zsidisin, G.A. and Pellegrino, R., (2021). Measuring the financial effects of mitigating commodity price volatility in supply chains. *Supply Chain Management: An International Journal*, 26(1), pp.17-31. <https://www.emerald.com/insight/content/doi/10.1108/scm-02-2020-0047/full/pdf>

Grandviewresearch, (2025). *Brazil influencer marketing platform market, 2018-2030 (US\$M)* Available at: <https://www.grandviewresearch.com/horizon/outlook/influencer-marketing-platform-market/brazil> (Accessed: 12 November 2025).

Gratton, P. (2025), *Multinational Corporation: History, Characteristics, and Types*. Available at: <https://www.investopedia.com/terms/m/multinationalcorporation.asp> (Accessed: 10 November 2025).

Heikkilä, H., 2025. Effects of cultural factors in business negotiations with Japanese businesses: a study into Japanese business culture. Available at: https://www.theseus.fi/bitstream/handle/10024/879963/Heikkila_Henrik.pdf?sequence=2 (Accessed: 12 November 2025).

HUL, (2024), *Financial Highlights (Standalone)*. Available at: <https://www.hul.co.in/files/hul-integrated-annual-report-2024-25.pdf> (Accessed: 12 November 2025).

International Trade Administration (2025). *Doing Business in Brazil*. Available at: <https://www.trade.gov/knowledge-product/brazil-market-overview> (Accessed: 12 November 2025).

Iolanda Fonseca, (2020). *Survey: Brazil's Corporate Income Taxation is Among Highest in World*. Available at: <https://www.riotimesonline.com/brazil-news/brazil/brazils-corporate-income-taxation-is-among-the-highest-in-the-world/> (Accessed: 12 November 2025).

IPI. (2023). *International Scorecard Page*. Available at: <https://ipi.worldbank.org/index.php/international/scorecard/line/C/BRA/>

[2023#:~:text=2007%202008%202009%202010%202011%202012%202013,/%20Tracking%20&%20tracing%20Brazil%20/%20Timeliness](#) (Accessed: 18 November 2025).

Islam, M.S. and Beloucif, A., (2024). Determinants of foreign direct investment: A systematic review of the empirical studies. *Foreign Trade Review*, 59(2), pp.309-337. <https://journals.sagepub.com/doi/pdf/10.1177/00157325231158846>

Ivanova-Gongne, M., Solo, D., Hyytinen, J., Bruun, O.V., Stuk, A., Gugenishvili, I. and Fuerst, S., (2025). *Navigating Multicultural Dynamics: A Case Study of Time Management, Communication Styles, and Trust Building at Mexpando*. SAGE Publications: SAGE Business Cases Originals. <https://sk.sagepub.com/cases/skpromo/vBEXAT/navigating-multicultural-dynamics-a-case-study-of-time-management>

Kotcharin, S., Dehe, B. and Boonchoo, P., (2024). 'All you need is trust': examining trust, information sharing, and supplier performance perception in SMEs from a social exchange perspective. *Cogent Business & Management*, 11(1), p.2415523. <https://www.tandfonline.com/doi/pdf/10.1080/23311975.2024.2415523>

Lopez-Vega, H. and Lakemond, N., (2022). Tapping into emerging markets: EMNEs' strategies for innovation capability building. *Global Strategy Journal*, 12(2), pp.394-417. <https://sms.onlinelibrary.wiley.com/doi/pdf/10.1002/gsj.1429>

Lorberg, D. and Janusch, H., (2025). Digitalization, Transnationalization, and Transformation of the Global Economy: A Theoretical Explanation. *Transnational Corporations Review*, p.200146.

Malek, R., Yang, Q. and Dhelim, S., (2024). Toward sustainable global product development performance: Exploring the criticality of organizational factors and the moderating influence of global innovation culture. *Sustainability*, 16(10), p.3911. <https://www.mdpi.com/2071-1050/16/10/3911>

Phillips, W., Roehrich, J.K., Kapletia, D. and Alexander, E., 2022. Global value chain reconfiguration and COVID-19: Investigating the case for more resilient redistributed models of production. *California Management Review*, 64(2), pp.71-96. <https://journals.sagepub.com/doi/pdf/10.1177/00081256211068545>

Rahman, A., Rowlinson, S., Xia, B., Mahmood, M.N. and Hubbard, B., (2025). Testing the multinational contracting OLI framework: Australia as a host market. *Engineering*,

Construction and Architectural Management. https://www.academia.edu/download/124852648/Published_Paper_2_2025_10_1108_ecam_12_2024_1651.pdf

Sam Bradley, (2025). *Inside Unilever's AI beauty marketing assembly line — and its implications for agencies*. Available at: <https://digiday.com/marketing/inside-unilevers-ai-beauty-marketing-assembly-line-and-its-implications-for-agencies/> (Accessed: 12 November 2025).

Siemens, (2024). *Society and Economy*. Available at: <https://assets.new.siemens.com/siemens/assets/api/uuid:8edd43e0-1b72-4d67-9754-c9745c7d6644/Pictures-of-Transformation-Brasil-EN.pdf> (Accessed: 10 November 2025).

Sindakis, S., Kitsios, F., Kamariotou, M., Aggarwal, S. and Cuervo, W.J., (2024). The effect of organizational culture and leadership on performance: A case of a subsidiary in Colombia. *Journal of General Management*, 49(2), pp.115-132. <https://journals.sagepub.com/doi/pdf/10.1177/03063070221100048>

Statista, (2025). *Beauty & Personal Care - Brazil*. Available at: <https://www.statista.com/outlook/cmo/beauty-personal-care/brazil?srltid=AfmBOooM6Pz8LN7wOBptQdnKO8oKRFIJS0sUvXNyJul4szwTUQXEaSC5> (Accessed: 5 November 2025).

Theculturefactor, (2025). *Country Comparison tool*. Available at: <https://www.theculturefactor.com/country-comparison-tool?countries=brazil%2Cunited+kingdom> (Accessed: 5 November 2025).

Unilever, (2023). *Full Year Review: Geographical Areas*. Available at: <https://www.unilever.com/files/ir-q4-2023-full-announcement.pdf> (Accessed: 8 November 2025).

Unilever, (2024). *UNILEVER SUSTAINABLE LIVING PLAN: PROGRESS IN2015*. Available at: <https://www.unilever.nl/files/92ui5egz/production/ac8a9bef3ec90df928267210fea8f1c7d1d6f11c.pdf> (Accessed: 8 November 2025).

Unilever, (2024). *How our engineers fitted a factory into a 40-foot container*. Available at: <https://www.unilever.com/news/news-search/2021/how-our-engineers-fitted-a-factory-into-a-40-foot-container/> (Accessed: 12 November 2025).

Unilever, (2024). *Innovation and R&D at Unilever*. Available at: <https://www.unilever.com/our-company/innovation-and-rd-at-unilever/> (Accessed: 12 November 2025).

Unilever, (2024). *The cutting-edge R&D driving product innovations and growth*. Available at: <https://www.unilever.com/news/news-search/2024/the-cutting-edge-rd-driving-product-innovations-and-growth/> (Accessed: 10 November 2025).

Unilever, (2025). *First half performance supports full year confidence*. Available at: <https://www.unilever.com/news/press-and-media/press-releases/2025/first-half-performance-supports-full-year-confidence> (Accessed: 10 November 2025).

Unilever, (2025). *How we create value through our business model*. Available at: <https://www.unilever.com/files/92ui5egz/production/1f29837894fdb4899c11238660528686f431e0b7.pdf> (Accessed: 5 November 2025).

Unilever, (2025). *Our five nature-focused goals*. Available at: <https://www.unilever.com/sustainability/nature/> (Accessed: 10 November 2025).

Unilever, (2025). *POWERED BY STRONG FUNDAMENTALS AND CAPABILITIES*. Available at: <https://www.unilever.com/files/unilever-annual-report-and-accounts-2024.pdf> (Accessed: 8 November 2025).

Unilever, (2025). *Unilever at a glance*. Available at: <https://www.unilever.com/our-company/at-a-glance/> (Accessed: 8 November 2025).

Unilever. (2017). *UNILEVER RESPONSIBLE SOURCING POLICY*. Available at: <https://www.unilever.com/files/e6e301e3-7e20-4363-b6aa-ef0f4a4e3322/responsible-sourcing-policy-interactive-final.pdf> (Accessed: 18 November 2025).

Unilever. (2021). *GENERATION ACTION*. Available at: <https://www.unilever.com/files/8359850c-9265-46a7-93e9-ccf9f681e128/dig-project-white-paper-final.pdf> (Accessed: 18 November 2025).

Veiga, C.P.D., Veiga, C.R.P.D., Michel, J.D.S.S., Di Iorio, L.F. and Su, Z., (2024). E-commerce in Brazil: An in-depth analysis of digital growth and strategic approaches for online retail. *Journal of Theoretical and Applied Electronic Commerce Research*, 19(2), pp.1559-1579. <https://www.mdpi.com/0718-1876/19/2/76>

Velez-Ocampo, J. and Gonzalez-Perez, M.A., 2022. Internationalization and capability building in emerging markets: what comes after success?. *European Management*

Review, 19(3), pp.370-390. https://www.researchgate.net/profile/Juan-Velez-Ocampo/publication/354837984_Internationalization_and_capability_building_in_emerging_markets_What_comes_after_success/links/6153ad6339b8157d9004060a/Internationalization-and-capability-building-in-emerging-markets-What-comes-after-success.pdf

Worldbank, (2024). *CLIMATE RISK COUNTRY PROFILE*. Available at: https://climateknowledgeportal.worldbank.org/sites/default/files/country-profiles/17303-WB_Brazil%20Country%20Profile-WEB.pdf (Accessed: 10 November 2025).

Worldbank, (2025). *The World Bank In Brazil*. Available at: <https://www.worldbank.org/en/country/brazil/overview> (Accessed: 10 November 2025).

Yadava, A., 2023. The role of corporate governance in mitigating financial risk: Evidence from multinational firms. *International Journal of Innovative Research in Science, Engineering and Technology*, 12, pp.11-17. https://www.researchgate.net/profile/Arun Kumar - Yadava/publication/391838009_The_Role_of_Corporate_Governance_in_Mitigating_Financial_Risk_Evidence_from_Multinational_Firms/links/6828d0c1d1054b0207ef981e/The-Role-of-Corporate-Governance-in-Mitigating-Financial-Risk-Evidence-from-Multinational-Firms.pdf

Zhyvko, M.A. and Vivchar, S.F., (2023). Strategies for navigating in the fragmentation conditions of global finance and economic digitalization: contemporary trends in TNC management. *Problemy Ekonomiky*, (3), pp.15-24. https://www.problecon.com/export_pdf/problems-of-economy-2023-3_0-pages-15_24.pdf