

Segmentation and target market assignment essay sample

[Finance](#), [Market](#)



Unilever is an international conglomerate consisting of over 400 brands in several different markets. From creating brands to mergers with other companies, Unilever is dominating many markets by offering thousands of products to different consumers. This research will discuss the history, market segmentation, and the target markets of Unilever. History

In the 1890's, William Hesketh Lever created an idea for Sunlight Soap, which became the revolutionary in England which promoted cleanliness and hygiene in households. During this time when Lever & Co. start to thrive, they start expanding into other countries. Many other companies, like Lever's company, were well established brands that did well on their own during this time. In the 1920's, after the First World War, many companies met with each other intending to stop production of similar products and competition amongst each other. Through these negotiations, these companies decide to merge to create a company that all brands will be able to take a larger piece of the market (" Unilever," 2014). Unilever formed in the 1930's and went through trials because of the Great Depression and the Second World War.

During this time, Unilever rationalized its position in the market and started diversifying into different markets. In the 1970's, the economy fell and inflation was high which made it difficult companies (" Unilever," 2014). The 1980's became a reorganizing time for Unilever. Between the 1980's and 1990's, the company decides to focus on the core products and brands and sells or withdraws from two-thirds of the brands they incorporated. This time also allows Unilever to expand into other countries. In the 2000's, Unilever

created a five-year plan that focused on the needs of the consumers in the 21st century. According to “ Unilever” (2014), the company changed its corporate vision to, “ working to create a better future every day” (Our History). It was also the start of a new strategy focusing on sustainability which launched in 2010. Market Segmentation

Within Unilever, they offer products in three different markets which are household products, food and beverage products, and personal care products. The market segmentation for the products offered through Unilever is very wide and is found in almost every household. The following gives information on Unilever’s behavioral, psychographic, demographic, and geographic segments. Behavioral Segmentation

The behavioral segmentation of Unilever consists of loyalty and the benefits to the consumers. According to “ Tutor2u” (2013), “ Loyal consumers – those who buy one brand all or most of the time – are valuable customers. Many companies try to segment their markets into those where loyal customers can be found and retained compared with segments where customers rarely display any product loyalty” (Market Segmentation – Behavioral Segmentation). Unilever works to build brand loyalty by offering quality products in many different countries. Unilever offers many different brands. They create a wide customer loyalty through the different brands, and it widens the market for Unilever because there are endless opportunities for the consumer to still purchase a Unilever product.

Benefits that are sought, “ requires marketers to understand and find the main benefits customers look for in a product” (Market Segmentation - Behavioral Segmentation). According to a PowerPoint presentation from Unilever (2014), one of the company’s visions is the want, “ to help people look good, feel good, and get more out of life with brands and services that are good for them and good for others.” It allows the company to produce and sell quality products consumers will want to buy because of the benefits that are received. Psychographic Segmentation

According to the Unilever website (2014), “ health and vitality are amongst the most important consumer needs...” (Innovation In Unilever). The company invests in research and development in order to gain knowledge about consumers and offer solutions that would appeal to the consumer. By knowing that health and vitality are important to consumer needs, Unilever can create products that will not only satisfy the needs of the consumer, but can also market the products towards the consumer needs. It is a great strategy because marketing products towards their needs would create a want for the product. Demographic Segmentation

The demographic segmentation of Unilever is a very broad segment. Unilever provides products to many consumers of all ages and genders. Because Unilever produces products in three large industries, the growth of their demographic segment continues as new products are created. Most of the products of Unilever are for households, so, of course, there are many consumers of the products. Ages of the consumers are wide because they are able to start from an early age with hygiene products and food. Unilever

has a great demographic segment that has products from almost every type of consumer. Geographic Segment

The Unilever PowerPoint presentation (2014) discusses the corporate purpose in which gives details of the geographic segment of the company in which it states that with their knowledge and history of cultural markets, the company gives a strong relationship to the consumers of its products. The presentation also shows that the company produces products in 264 sites worldwide and sells its products in more than 170 countries. Unilever is also working in developing countries as well. Since developing countries are such a large market, Unilever expects the profits from these countries to be over 50% than the established countries. The company is still expanding to create products that will focus on the needs of those markets. Target Market

Unilever has a very well defined target market, even if it seems gigantic. Unilever has many brands of different types of products. The target market that Unilever seeks is the entire market. By creating products of all sorts, Unilever is a very dominate company that can sell at least one item in many markets around the world. Most target markets will look at specifically one market whereas Unilever looks into many markets and offers a variety of products. Almost all targets can purchase some product from Unilever.

Currently, Unilever is looking into developing countries such as India, China, and Africa. The vision for these countries is to develop products that are reasonable for each country and to diversify the products that are offered. Unilever is currently doing consumer research to ensure that products

offered to these developing countries are within their cultural and financial means (Unilever, 2014). The main point is that Unilever will expand its market to meet the needs of the consumers in all markets nationally and internationally. Selection Process for Target Market

There are many different types of consumers, and Unilever is looking to supply some product to them. In order to select a certain target market, Unilever believes that consumer research is the best way to gain knowledge before launching a new product (Unilever, 2014). Each target market in different countries has different wants and needs. Unilever will not only have to do consumer research, but will need to understand the cultural aspects of the target market in specific geographic areas. Each geographical area is different, and Unilever has become a worldwide leader in research and development by creating products under their brands that are specific to each area.

Cultural differences amongst each different area are high, and for Unilever to be successful, the consumer research must entail the culture. Consumer research is not the only information that Unilever needs to be a leader.

Market research plays an enormous role in the selection process of target markets as well. Unilever needs to conduct market research, especially internationally, to see what kind of local and global competition there is and what is needed of Unilever to be successful in the international competition.

Positioning Statement

When thinking about a positioning statement for Unilever, it would need to be tailored toward the vision of the company which is sustainability.

According to the Unilever website, “ the Unilever Sustainable Living Plan sets out to decouple our growth from our environmental impact while increasing our positive social impact,” (Unilever, 2014). Sustainability is a large concern with Unilever, and it should reflect the goals of the company.

A great positioning statement for Unilever would also reflect the many brands that it offers to consumers. Unilever offers different products in different markets, and the quality of the products are at the top of the list. Since quality is always important to consumers, Unilever would need to incorporate this in the positioning statement as well.

A good example of a positioning statement for Unilever would be: For all consumers, Unilever will produce quality products from household items to food and beverage items to personal hygiene items. Unilever is quality and sustainability. Our many brands promise to give quality products through sustainable materials and a large variety of products worldwide.

Since the target market is wide, Unilever’s positioning statement would need to focus on all consumers who purchase their items in the different markets. Also, since sustainability and quality is the number one priority in the product brands and products, Unilever would need to promote that as well.

Conclusion

As Unilever continues to be a leader in international business, growth is always part of the future. If there is potential in a developing country,

consumer and market research is needed to provide insights of the future within that country. With new products being created every day, Unilever will continue to succeed because of the large target market that they aim to satisfy. The products are everyday items that consumers buy and it will be up to Unilever to keep the momentum in creating new product lines to keep the interest of the consumers. With competition becoming more fierce, Unilever will need to continue its growth and development in order to sustain as an industry leader.

Reference

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