

Report on marketing strategy flashcard



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Introduction Unilever is a multi-national corporation, formed of Anglo-Dutch parentage that owns many of the world's consumer product brands in foods, beverages, cleaning agents and personal care products. Unilever employs nearly 180, 000 people and had worldwide revenue of almost €40 billion in 2005. Unilever is a dual-listed company consisting of UnileverNV in Rotterdam, Netherlands and Unilever PLC in London, England. This arrangement is similar to that of Reed Elsevier and that of Royal Dutch Shell prior to their unified structure. Both Unilever companies have the same directors and effectively operate as a single business.

The current non-executive Chairman of Unilever N. V. and PLC is Michael Treschow while Patrick Cescau is Group Chief Executive, who will retire at the end of 2008. Mr Paul Polman will succeed Patrick Cescau as Group Chief Executive. The company is widely listed on the world's stock exchanges. 1. 2 Origin of report Since practical orientation is an integral part of the BBA program, I tried to expose real life performance of Uniliver by preparing this report. To prepare this report I have come across with different information of the Uniliver.

From the collected information I understand the company's activities in the market as Uniliverll as in their internal preparation for marketing and others activities. I expect that this report will fulfill the requirement of BBA program and provide a clear idea about the Uniliver activities and other multi-national company's effort in the Bangladesh. Thus, Uniliver can get deep understand of actual situation of MN's company's activities by analyzing their exposed strategy . 1. 3 Objective This Study is intended to analyze marketing strategies used by Unilever Bangladesh Ltd and globe.

The main purpose of the study is to find what strategies the company uses to market its products and brands worldwide; the positive and negative aspects of those strategies. The report further analyzes the position of Unilever Bangladesh Ltd and globe in the several industries in comparison to its competitors. Specific objective: To know about Uniliver and Uniliver Bangladesh. To develop SOWT analysis of Uniliver Bangladesh. To know about Uniliver's strategy regarding product, price, place and promotion. To identify the segmentation, targeting and positioning strategy used by Uniliver Bangladesh.

To develop some recommendation for further improvement in Marketing strategy of Uniliver Bangladesh. 1. 6 Methodology of this report For accessibility and availability of information I have chosen to work on the Marketing strategies of Unilever Bangladesh Ltd and globe. As the company operates in the market with a huge number of products in different industries, I have decided to focus on one of their world wide successful strategy on providing data. Most of the information used in this report is from secondary sources. The main source of information was the Uniliver's website.

In addition information will be collected from focus group discussion, depth interview and survey. Primary Sources: Face to face conversation with the Uniliver's people Customer opinion collection through survey. Collection of data related with Customer satisfaction through survey. Miscellaneous Book Reading. Secondary Sources: Annual Reports of Uniliver Various types of Website Different research report. Different Newspapers, Articles, Journals

and Publication. Sample Size: I have collected data from 5 upper level employee through depth interview and 100 Customer for survey.

Sampling Technique: In case of survey simple random sampling was used . In case of depth interview snowball sampling was used. Data analysis: I used Microsoft excel to analyze the collected data and get the proper meaning. I used also graph, picture to show and analyze the data. For accessibility and availability of information I have chosen to work on the strategies of Unilever Bangladesh Ltd and globe. As the company operates in the market with a huge number of products in different industries, I have decided to focus on one of their world wide successful strategy on providing data.

Most of the information used in this report is from secondary sources. The main source of information was the Unilever website. In addition information was also collected from focus group discussion. 1. 4 Limitation To conduct this study sheer experiences are needed. But I have lack of those. As like- The Data was not available about company. Without practical work experience it was difficult to do work. Confidential information are not exposed in Bangladesh. It was difficult to gather sufficient information due to limitation of time.

It was also difficult to obtain proper information from respondents because of their busy schedule. Lack of Money After all within time limited it is not possible learn and understand all the activities of MN's company like Unilever. Chapter-02 Overview of Unilever Unilever at a glance Unilever NV Unilever PLC | | Type| Public company (AMS: UNA) (LSE: ULVR) (NYSE: UN) (Unilever N. V.) (NYSE: UL) (Unilever PLC)| Industry| Conglomerate| Founded|

1930| Headquarters| Unilever House, London, United Kingdom| Rotterdam, Netherlands| Area served| Worldwide| Key people| Michael Treschow (Chairman) Lord Simon of Highbury (Vice Chairman) Paul Polman (CEO)| Products| See brands listing| Revenue| €44, 262 million (2010)| Operating income| €6, 339 million (2010)| Net income| €4, 598 million (2010)| Employees| 163, 000 (2010)| Unilever's website| <http://unilever.com>| 2. 1 History & Growth Unilever is a British-Dutch multinational corporation that owns many of the world's consumer product brands in foods, beverages, cleaning agents and personal care products. Unilever is a dual-listed company consisting of Unilever N. V. in Rotterdam, Netherlands and Unilever PLC in London, United Kingdom.

This arrangement is similar to those of Reed Elsevier and Royal Dutch Shell prior to their unified structures. Both Unilever companies have the same directors and effectively operate as a single business. The current non-executive Chairman of Unilever N. V. and PLC is Michael Treschow while Paul Polman is Group Chief Executive. Unilever's main international competitors include Nestle and Procter & Gamble. They also face competition in local markets or product ranges from companies such as Beiersdorf, ConAgra, Danone, General Mills, Henkel, Mars, Inc. Pepsico, Reckitt Benckiser and S. C. Johnson & Son. History Unilever was founded on 1 January 1930 by Antonius Johannes Jurgens, Samuel van den Bergh and William Hulme Lever, 2nd Viscount Leverhulme. The amalgamation of the operations of British soap maker Lever Brothers, William Hulme Lever and Dutch margarine producer Margarine Unie, Anton Jurgens en Samuel van den Bergh, a merger as palm

oil was a major raw material for both margarine and soaps and could be imported more efficiently in larger quantities.

The initial harvesting of palm oil was from the British Unilever in Africa, from where news reports seen back in England showed the workers abroad in favorable conditions. In 1911 the company received a concession for 750,000 hectares of forest in Belgian Congo, mostly south of Bandundu, where a system of forced labor operated. The subsidiary of Lever was named “Huilleries du Congo Belge”. During the great depression in the thirties, the Huilleries sharply decreased the fee for gathered oil nuts, while the government of Belgian Congo strongly increased taxation.

This resulted in social unrest in 1931, which are known as the Revolution of the Pende, in which eventually more than 400 members of the Pende-tribe were killed. In the 1930s the Unilever business grew and new ventures were launched in Africa and Latin America. In 1972 Unilever purchased A&W Restaurants' Canadian division but sold its shares through a management buyout to former A&W Food Services of Canada CEO Jefferson J. Mooney in July 1996. By 1980 soap and edible fats contributed just 40% of profits, compared with an original 90%. In 1984 the company bought the brand Brooke Bond (maker of PG Tips tea).

In 1987 Unilever strengthened its position in the world skin care market by acquiring Chesebrough-Ponds, the maker of Ragu, Pond's, Aqua-Net, Cutex Nail Polish, and Vaseline. In 1989 Unilever bought Calvin Klein Cosmetics, Faberge, and Elizabeth Arden, but the latter was later sold (in 2000) to FFI Fragrances. In 1996 Unilever purchased Helene Curtis Industries, giving the

company “ a powerful new presence in the United States shampoo and deodorant market”. The purchase brought Unilever the Suave and Finesse hair-care product brands and Degree deodorant brand. Global employment at Unilever 2000–2008

Black represents employment numbers in Europe, light grey represents the Americas and dark grey represents Asia, Africa, and Middle East. Between 2000 and 2008 Unilever reduced global workforce numbers by 41%, from 295, 000 to 174, 000. Note: Europe figures for 2000–2003 are all Europe; from 2004 figures in black are Western Europe. For 2004–2008 Figures for Asia, Africa and Middle East include Eastern and Central Europe. Source: Unilever Annual Reports 2004, 2008 In 2000 the company absorbed the American business Best Foods, strengthening its presence in North America and extending its portfolio of foods brands.

In April 2000 it bought both Ben & Jerry’s and Slim Fast. The company is multinational with operating companies and factories on every continent (except Antarctica) and research laboratories at Colworth and Port Sunlight in England; Vlaardingen in the Netherlands; Trumbull, Connecticut, and Englewood Cliffs, New Jersey in the United States; Bangalore in India (see also Hindustan Unilever Limited); and Shanghai in China. The US division carried the Lever Brothers name until the 1990s, when it adopted that of the parent company.

The American unit has headquarters in New Jersey, and no longer maintains a presence at Lever House, the iconic skyscraper on Park Avenue in New York City. The company is said to promote sustainability and started a

sustainable agriculture programme in 1998. In May 2007 it became the first tea company to commit to sourcing all its tea in a sustainable manner, employing the Rainforest Alliance, an international environmental NGO, to certify its tea estates in East Africa, as well as third-party suppliers in Africa and other parts of the world.

It declared its aim to have all Lipton Yellow Label and PG Tips tea bags sold in Western Europe certified by 2010, followed by all Lipton tea bags globally by 2015. Unilever's Lipton brand Covalence, an ethical reputation ranking agency, placed Unilever at the top of its ranking based on positive versus negative news coverage for 2007. In 2007, Unilever's Dove "Evolution" video that ran only online, was named the first ever non-tv spot to win the Grand Lion at the Cannes Advertising Festival. And in March, 2008, Unilever was named "Digital Marketer of the Year" by Advertising Age.

In 2008 Unilever was honored at the 59th Annual Technology & Engineering Emmy Awards for "Outstanding Achievement in Advanced Media Technology for Creation and Distribution of Interactive Commercial Advertising Delivered Through Digital Set Top Boxes" for its program Axe: Boost Yits ESP. On 25 September 2009, Unilever decided to acquire the personal care business of Sara Lee Corporation: leading brands such as Radox, Badedas and Duschdas strengthened category leadership in Skin Cleansing and Deodorants.

On 9 August 2010, Unilever signed an asset purchase agreement with the Norwegian dairy group TINE, to acquire the activities of Diplom-Is in Denmark, as of 30 September 2010. On 24 September 2010, Unilever

announced that it has entered into a definitive agreement to sell its consumer tomato products business in Brazil to Cargill. On 27 September 2010, Unilever purchased Alberto-Culver, the maker of personal care and household products such as Simple, VO5, Nexxus, TRESemme, and Mrs. Dash for \$US3.7 billion.

On 28 September 2010, Unilever and EVGA announced that they have signed an agreement under which Unilever will acquire EVGA's ice cream brands (amongst others, Scandal, Variete and Karabola) and distribution network in Greece, for an undisclosed amount. On 23 March 2011: Unilever announced that it has entered a binding agreement to sell the global Sanex business to Colgate-Palmolive for €672m. Unilever also announced that it has entered into a binding agreement to acquire Colgate-Palmolive's laundry detergent brands (Fab, Lavomatic and Vel) in Colombia for US\$215m. . 2

History & Growth in Bangladesh perspective Unilever Bangladesh is a company that has its own history intrinsically built with the development of its nation and its culture. It has been part of the Bangladeshi household since the 19th century with the same intention of bringing cleanliness and convenience to households as Unilever do today. Back then Sunlight soap was marketed through Lever Brothers India limited throughout the undivided India. Later on, Lever Brothers Pakistan limited started its operation in Bangladesh on a larger scale.

In 1964, its soap manufacturing facility was setup in Kalurghat, Chittagong. With time it gradually evolved and diversified into manufacturing personal products like skin care creams, toothpastes, shampoos, detergent powders, and so on. Accumulating manufacturing experience over 40 years, Unilever

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has a legacy of leading the market with international brands offered at affordable prices. Today, with 13 different brands in 8 different categories, Unilever Bangladesh stands as one of the most progressive partner in development for the Government of Bangladesh. 1964-1972 Productions started off with Sunlight soap and Lifebuoy soap. After the war of independence in 1971, Bangladesh became an independent country. At this time, Lever Brothers Bangladesh Ltd. was constituted with Unilever owning 60.75% shares and the Government of Bangladesh owning the remaining 39.25% shares. 1972-1980 Post liberation period evidenced accelerated growth for the company. Demand started rising and the company continued its mission to meet consumer needs by producing quality soaps, introducing Lux – the beauty soap and Wheel.

Launched in 1972 Wheel entered the merchandised laundry category, traditionally dominated by cottage soaps. It appealed to the consumers with unique care benefits for hand and fabric, a generic weakness in cottage soaps. It gradually became the secret ally of Bangladeshi women by extending the caring hand to ease her daily laundry chores. 1980-1990 The early eighties witnessed expansion of the company through diversification. Calibrating direction, the mission now included enhancing quality of life through other personal products aspiring aestheticism like sparkling white teeth, fresh breath, beautiful hair, and glowing skin.

A Personal Product Plant was established to manufacture shampoo, toothpaste, and skin care creams. Sunsilk Shampoo, Closeup Tooth paste, Fair and Lovely for skin care and Vim for dish washing was produced and marketed to bring great international and regional formulations to

Bangladeshi households at affordable prices. 1989 heralded the beginning of a fairy tale story – the initiation of LUX photogenic contest that brought the real life experience of glamours, fame and fortune to the doorsteps of young girls throughout the country. 1990-1998 In the early 90s Unilever Bangladesh entered the tea-based beverage market introducing Lipton Taaza, Lever's flagship packet tea brand, with the objective to be the most preferred tea of the Bangladeshi consumers. World renowned Pond's cream and Pepsodent – the dental hygiene expert began to be manufactured from its Kalurghat factory. Washing drudgeries of the busy homemakers were washed away with the introduction of Wheel washing powder and Surf Excel for premium wash. In 1996-1997, its manufacturing facility owned and run by a third party was set up outside Dhaka for wheel washing powder.

With formulations suitable for local conditions, the washing powder concept brought about a huge revolution in fabric washing habits in the country.

1998-2004 These are the golden years in the history of Unilever Bangladesh as the company turned around from severe losses due to competitive backlash – to a company with 6 years of consecutive growth. Around the end of November 2001, its new personal products factory “ Sankalp” in Kalurghat started production which helped us meet the market needs from a shift on its dependence on soaps to diverse personal grooming categories.

This is also the era when Unilever Bangladesh introduced many exciting new products such as Pond's face wash to end soap related facial skin woes or Lipton double chamber tea bags for more zest in its tea cups and the markets responded enthusiastically. In 2001, Unilever brought about a new excitement in the kitchen care sector with the introduction of Vim bar, the

dish cleaning soap – a concept of convenience and common household habits combined together. In 2002 Rexona deodorant entered the market building in awareness about body odors problems and creating a new personal grooming habit in the country.

The company's soap formulations changed radically during this time to bring in world class standards – without any price rises. Lifebuoy, the health brand has moved from just the hard-working men's soap to reminding one, of the bond of love that binds a family in a healthy circle, free of germs and sickness. In 2004, as a new variant, bringing in the goodness of Neem – an Ayurvedic medical marvel, Lifebuoy has reinstated its earnest endeavors to be ahead of consumer's needs. In the span of these six years, Unilever gathered many accolades ([link to awards page](#)) to certify its fast paced move towards world class performance.

Unilever Bangladesh had a jolt towards adding new impetus to its trade marketing and today its products are available in 90% of the households in Bangladesh. In a company wide move to come out from behind the great brands and be known as Unilever worldwide, Lever Brothers Bangladesh limited officially changed its name to Unilever Bangladesh in December 2004. 2. 2. 1 Unilever Bangladesh (core information) Over the last few decades, Unilever Bangladesh has been constantly bringing new and world-class products for the Bangladeshi people to remove the daily drudgery of life.

Over 90% of the country's households use one or more of its products.

Unilever Bangladesh is a Fast Moving Consumer Goods company with local

manufacturing facilities, reporting to regional business groups for innovation and business results. Constitution Unilever – 60. 75% shares, Government of Bangladesh – 39. 25% Product categories Household Care, Fabric Cleaning, Skin Cleansing, Skin Care, Oral Care, Hair Care, Personal Grooming, Tea based Beverages. Unilever Bangladesh Brands Wheel, Lux, Lifebuoy, Fair & Lovely, Pond's, Close Up, Sunsilk, Taaza, Pepsodent, Clear, Vim, Surf Excel, Rexona, Axe, Dove, & Vaseline.

Manufacturing facilities The Company has a Soap Manufacturing factory and a Personal Products Factory located in Chittagong. Besides these, there is a tea packaging operation in Chittagong and three manufacturing units in Dhaka, which are owned and run by third parties exclusively dedicated to Unilever Bangladesh.

2. 2. 2 Key Dates: 1872: Two Dutch firms, Jurgens and Van den Bergh, begin commercial production of margarine. 1885: William Hesketh Lever establishes soap factory in Warrington, marking the beginnings of Lever Brothers. 1908: Jurgens and Van den Bergh pool their interests. 1914: Lever begins producing margarine at the request of the British government. 1927: Jurgens and Van den Bergh create dual-structured Margarine Union Limited and Margarine Unie N. V. 1929: Margarine Union/Margarine Unie merges with Lever Brothers to create Unilever, with dual Anglo-Dutch structure. 1930: Special committee is established as a board of directors over the British and Dutch Unilever holding companies. 1937: Reorganization equalizes the assets of the Dutch and the British groups of Unilever; Thomas J. Lipton Company, U. S. manufacturer of tea, is acquired. 1944: The U. S. toothpaste brand Pepsodent is acquired. 1957: Company acquires U. K. frozen foods maker Birds Eye. 1961: U. S. ice cream

novelty maker Good Humor is acquired. 1984: Buying spree begins that will last until 1988 and result in about 80 companies being acquired; Brooke Bond, the leading European tea company, is acquired through hostile takeover. 1986: Company acquires Chesebrough-Pond's, its largest purchase to date. 1989: The acquisition of three companies, including Faberge Inc. , makes the company a major player in the world perfume and cosmetics industry. 1994: The launch of a new laundry detergent in Europe turns into a public relations disaster when tests reveal that it can damage clothes under certain conditions. 1996: Fundamental management reorganization is launched, including the replacing of the special committee with a seven-member executive committee. 1997: Specialty chemicals operations are sold to Imperial Chemical Industries PLC for about US\$8 billion. 1999: Company announces that it will eliminate about 1, 200 of its brands to focus on around 400 regionally or globally powerful brands.

2. Corporate Objective

The purpose of Unilever is to meet the everyday needs of people—everywhere anticipate the aspirations of company's consumers and customers and to respond creatively and competitively with branded products and services which raise the quality of life. Company's deep roots in local cultures and markets around the world are its unparalleled inheritance and the foundation for company's future growth. The Unilever will bring its wealth of knowledge and international expertise to the service of local consumers—a truly multi-local multinational.

Company's long term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively and to a willingness to embrace new ideas and learn continuously. Unilever

believe that to succeed requires the highest standards of corporate behavior towards its employees, consumers and the societies and world in which it exist. This is Unilever's road to sustainable, profitable growth for its business and long-term value creation for Uniliver shareholders and employees. 2. 4

Vision, Mission & Goals Vision

Unilever products touch the lives of over 2 billion people every day – whether that's through feeling great because they've got shiny hair and a brilliant smile, keeping their homes fresh and clean, or by enjoying a great cup of tea, satisfying meal or healthy snack. The fits pillars of Uniliver vision set out the long term direction for the company – where its want to go and how it is going to get there: It work to create a better future every day It help people feel good, look good and get more out of life with brands and services that are good for them and good for others.

It will inspire people to take small everyday actions that can add up to a big difference for the world. It will develop new ways of doing business with the aim of doubling the size of its company while reducing its environmental impact. Uniliver has always believed in the power of its brands to improve the quality of people's lives and in doing the right thing. As its business grows, so do its responsibilities. Uniliver recognize that global challenges such as climate change concern us all.

Considering the wider impact of its actions is embedded in its values and is a fundamental part of who it is. Mission Uniliver mission is to add Vitality to life. It meet everyday needs for nutrition, hygiene and personal care with brands that help people look good, feel good and get more out of life. In the

last five years, it has built its business by focusing on its brands, streamlining how Unilever work, and improving its insight into the evolving needs and tastes of consumers. Now Unilever are taking the next step in simplification – by aligning its selves around a clear common mission.

Unilever recognize that the world in which Unilever operate is changing. Consumers are increasingly bringing their views as citizens into their buying decisions, demanding more from the companies behind the brands. They want companies and brands they trust. Unilever embraces these new expectations. Its heritage of good governance, product quality and long experience of working with communities gives us a strong base. Unilever aim to build on this by taking the next step in transparency and accountability.

It will stand visibly as Unilever, behind its products and everything Unilever do, everywhere. Every day 150 million people in over 150 countries choose its products. Already, most of its brands give the benefits of feeling good, looking good and getting more out of life. Bertolli, for example, conjures up the Italian zest for life and Becel/Flora keeps hearts healthy. Sunsilk helps you feel happier because yits hair looks great. Its laundry brand, Omo, encitsages children to get dirty so they can experience more of life.

In the future, its brands will do even more to add vitality to life. Its vitality mission will focus its brands on meeting consumer needs arising from the biggest issues around the world today – ageing populations, urbanizations, changing diets and lifestyles. Unilever see growing consumer need for: a healthy lifestyle more variety, quality, taste and enjoyment time, as an increasingly precious commodity Helping people to feel good, look good and

get more out of life will enable us to meet these needs and expand its business. Unilever is in a unique position to understand the interrelationships between nutrition, hygiene and personal care. Unilever can do this thanks to its strong science capability and its locally rooted consumer insight. It is by bringing all this together that Unilever can strive to contribute to quality of life and wellbeing – adding vitality to life. The long-term success of its business is intimately interconnected with the vitality of the environment and the communities in which Unilever operate. The environment provides us with its raw materials and the ingredients Unilever need to make its products.

Healthy, prosperous communities provide us with a healthy, growing consumer base. Unilever Unveils 50 Sustainability Goals 50 specific goals that include social and health-related targets under the Unilever Sustainable Living Plan released today. It expanded on a commitment made last year to double sales while reducing overall environmental impact. The new plan gets far more specific. And progress on this “social mission” is now part of every Unilever initiative launch plan alongside sales and profit targets, Mr. Lewis said, president of Unilever America.

Unilever isn't the only company to recently step up environmental goals, but its targets are more ambitious than many, maybe even most. Procter & Gamble Co. also announced bigger sustainability goals for 2020 in September, targeting, among other things, a 20% reduction in packaging per consumer use, but Unilever's goal is for an absolute reduction of 33%.

Pledge to use sustainable sites Unilever is pledging to source all of its agricultural raw materials from sustainable sites by 2020 and half by 2015. That could drive up costs, but it is manageable by Unilever.

One of Unilever's more ambitious targets is to expand its Pureit water-filtration brand, launched in India in 2004, to elsewhere in Asia, Latin America and sub-Saharan Africa. It aims to have such systems provide safe drinking water to 500 million globally by 2020 — a population bigger than South America's current 385 million or nearly half of India's current 1.1 billion. The company's new "Sustainable Living Plan," developed over the course of the last 12 months, and unveiled around the globe today, focuses on Unilever's entire supply chain, from the farms that supply raw materials for its products to the emissions and waste generated by customer use of those products. Among the targets Unilever has set:

- Since 100 percent of agricultural raw materials sustainable by 2015, including 100 percent sustainable palm oil. Unilever buys 3 percent of the world's annual supply of palm oil.
- Change the hygiene habits of 1 billion people in Asia, Africa and Latin America to help reduce diarrhea — the world's second biggest cause of infant mortality. Unilever will push sales of its Lifebuoy soap brand and teach consumers when to wash their hands to achieve this aim. Make drinking water safer in developing countries by extending sales of its Pureit home water purifier.
- Improve standards of living by working with agencies such as Oxfam and the Rainforest Alliance to link 500,000 smallholders and small-scale distributors to the Unilever supply chain.

According to The Guardian: "[Unilever] also intends to improve the nutritional quality of its food products — with cuts in salt, saturated fats, sugar and calories — and link more than 500,000 small holder farmers and small scale distributors in developing countries to its supply chain. The Sustainable Living Plan sets out over 50 social, economic and environmental targets. It will see Unilever, whose global brands include Dove, Omo, Knorr and Lipton, halve the

greenhouse gas emissions, water and waste used not just by the company in its direct operations, but also by its suppliers and consumers. Over two-thirds of greenhouse gas emissions and half the water used in Unilever products' lifecycle come from consumer use, so this is a major commitment on an unprecedented scale.

Other key goals Unilever plans to achieve by or before 2020 include: 100% of its agricultural raw materials sustainable including, by 2015, 100% sustainable palm oil; Changing the hygiene habits of 1 billion people in Asia, Africa and Latin America so that they wash their hands with Lifebuoy soap at key times during the day – helping to reduce diarrhea disease, the world's second biggest cause of infant mortality; Making safe drinking water available to half a billion people by extending sales of its low-cost in-home water purifier, Pureit, from India to other countries; Improving livelihoods in developing countries by working with Oxfam, Rainforest Alliance and others to link over 500, 000 smallholder farmers and small-scale distributors into its supply chain. Paul Polman (group chief executive) emphasized that Unilever did not have all the answers and that the company would need to work in partnership with customers, suppliers, governments and NGOs if it was to achieve its goals.

2.6 Volume growth ahead of Unilever markets Table-01

| Underlying volume growth: Financial Year | Growth |
|--|--------|
| 2008 | 0.1% |
| 2009 | 1.0% |
| 2010 | 5.8% |

Underlying volume growth accelerated in 2010 to 5.8%, the best that Unilever has achieved for more than 30 years. Unilever set out two years ago to reignite its volume growth and to grow ahead of its markets. That is what Unilever are starting to

do; its volume shares are up in all regions and in most categories. Volume growth was broad based.

In its emerging markets business Unilever grew volumes by around 10% over the year as a whole, with the key businesses of China, India and Turkey all delivering growth well into double digits. Only in Central and Eastern Europe did Unilever see more subdued growth, although even here volumes were comfortably up in difficult markets. In the developed world, where growth has been very hard to achieve over the recent past, its volumes were also up by around 2%, again ahead of the market, in both Western Europe and North America. Unilever gained volume share in all regions, with particularly strong performance in key emerging markets such as China, Indonesia, South Africa and Argentina. Unilever's Western Europe also saw strong volume share gains, led by the Netherlands, France and Italy.

Volume shares were also up in most of its core categories, with deodorants, skin cleansing, household care, ice cream and dressings all achieving notable gains during the year. Steady improvement in margin Underlying Operating Margin for the year increased by 20 basis points. It was another year of the steady and sustainable improvement that Unilever have been targeting. Cost saving programmes again delivered strongly, with €1.4 billion of savings in the year following a similar amount in 2009. Much of the success in savings came in the supply chain, and as a result gross margin, at constant currency, improved for the year despite negative underlying price growth and modestly higher commodity costs. Positive mix and improved volume leverage also contributed positively to gross margin.

At the same time as increasing underlying operating margin Unilever also increased substantially the advertising and promotions investment put behind its brands – at constant currency the increase was more than €300 million or 30 basis points in the year. This came after an even bigger increase in 2009, meaning an additional €700 million behind the building of its brand equities over the last two years. Aside from the gross margin increase, the key driver of margin improvement was a reduction in indirect costs, with the organization now leaner and a new discipline exerted in all areas of the cost base. Healthy cash delivery Working capital reduced as a percentage of turnovers and has now been negative for over 12 months. The cash conversion cycle improved by 17 days, from 20 days in 2009 to just three in 2010.

Unilever are close to best in class in its management of payables and receivables, but in inventories Unilever still see scope for further improvement. This strong performance in working capital management was reflected in free cash flow, which was again healthy at €3.4 billion. Over the last two years its combined free cash flow of €7.4 billion represents around 90% of net profit. This is robust performance, particularly at a time when Unilever are investing heavily in the future growth of the business in areas such as capital expenditure, as it build new capacity to support its rapid volume growth in emerging markets. The €0.7 billion reduction versus 2009 reflected a smaller inflow from working capital in 2010, following the exceptional benefit of €1.7 billion taken in 2009.

2. Corporate image

Unilever claims that corporate social responsibility is at the heart of its business. However Unilever, the transition to a responsible and sustainable

company is ongoing and it has attracted a variety of criticisms from political, environmental and human rights activists on not achieving the high aims it communicates on a number of topics. 2. 8. 1 Environmental issues Unilever's stated goals are to decouple growth from the company's environmental impact by halving the environmental footprint of its products helping 1 billion people improve their health and well-being since all of its agricultural raw materials sustainably Palm oil

Unilever has been criticized by Greenpeace for causing deforestation, Unilever was targeted in 2008 by Greenpeace UK, which criticized the company for buying palm oil from suppliers that are damaging Indonesia's rainforests. Unilever, as a founding member of the Roundtable on Sustainable Palm Oil (RSPO), responded by publicizing its plan to obtain all of its palm oil from sites that are certified as sustainable by 2015. In Cote d'Ivoire, one of Unilever's palm oil suppliers was accused of clearing forest for plantations, an activity that threatened a primate species, Miss Waldron's Red Colobus. Unilever intervened to halt the clearances pending the results of an environmental assessment.

On 4 July 2010, Unilever announced that it has secured enough GreenPalm certificates of sustainable palm oil to cover the requirements of its European, Australia, and New Zealand business. GreenPalm is a certificate trading programme, endorsed by the RSPO, which is designed to tackle the environmental and social problems created by the production of palm oil. Rainforest Alliance Unilever has committed to purchase all its tea from sustainable, ethical sites. It has asked the international environmental NGO, Rainforest Alliance, to start by certifying tea farms in Africa. Lipton and <https://assignbuster.com/report-on-marketing-strategy-flashcard/>

PG Tips will be the first brands to contain certified tea. The company aims to have all Lipton Yellow Label and PG Tips tea bags sold in Western Europe certified by 2010 and all Lipton tea bags sold globally by 2015. Animal testing

Unilever states it is committed to the elimination of animal testing, and where it is a legal requirement in some countries, it tries to convince the local authorities to change the law. Some activists argue that this is little more than an effort to gain good publicity and Unilever continue to use animal experimentation such as the LD50 poisoning test.

2. 8. 2 Social issues

Race and advertisements

Hindustan Unilever, had been showing television advertisements for skin-lightening cream, Fair and Lovely, depicting depressed, dark-skinned women, who had been ignored by employers and men, suddenly finding new boyfriends and glamorous careers after the cream had lightened their skin.

The Austrian branch of Unilever (Eskimo) is producing and marketing an ice-cream under the name Mohr im Hemd. “ Mohr” (moor), is a colonial German word for African or black people, has a heavily colonialist and racist connotation, “ Mohr im Hemd” (moor in the shirt) is a traditional Austrian chocolate specialty which refers to naked, “ wild” Africans. Unilever refutes any racist intentions and claims that it has tested the name in broad market studies in Austria without any critical feedback.

Sexism in advertisements

The Campaign for a Commercial-Free Childhood criticized Unilever for the 2007 Axe marketing campaign, which they considered sexist. Unilever’s response is that the Axe campaign is intended as a spoof and “ not meant to be taken literally”.

Unilever has launched the Dove “ Real Beauty” marketing campaign, which envisaged women to reject the underfed and hyper-sexualized images of modern advertising in 2007. Child labor In 2003 Hindustan Unilever was accused of making use of child labor, among others.

2. 9 Organizational Structure

Billion-Euro brands

Brands with annual sales of one billion euros or more: Axe/Lynx Blue Band Dove Flora/Becel Heartbrand Hellman’s Knorr Liptons Lux (soap) Omo/Surf (detergent) Rexona/Sure Sunsilk TIGI (haircare)

Heartbrand

The Heartbrand logo accompanying various brands of Unilever ice creams. Unilever is the world’s biggest ice cream manufacturer, with an annual turnover of €5 billion.

Except for the USA brand names Popsicle, Klondike, Ocean Spray ice cream, Slim Fast ice cream, Breyers, Starbucks and Ben & Jerry’s; all of its ice cream business is done under the “ Heartbrand” brand umbrella, so called because of its heart-shaped logo. Unilever currently operates eleven ice cream factories in Europe; the biggest include factories at Heppenheim in Germany, Caivano in Italy, St. Dizier in France, Gloucester in the United Kingdom and Santa Iria da Azoia in Portugal. The Heartbrand was launched in 1998 (and slightly modified in 2003) as an effort to increase international brand awareness and promote cross-border synergies in manufacturing and marketing (“ centralization”).

It is present in more than 40 countries. Although the logo is common worldwide, each country retained the local brand so as to keep the familiarity built over the years, one notable exception being Hungary where the previous Eskimo brand was replaced with Algida in 2003. In 2005, Glidat Strauss received special permission from Unilever to export their brand of ice

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cream to the United States because of the strict kosher certification the products in Israel have. Under terms of the agreement, Strauss ice cream and krempo may be sold only in kosher supermarkets and import shops. It is distributed in North America by Dairy Delight, a subsidiary of Norman's Dairy.

Prior to the heart logo, each country could choose its own logo, although the most common one consisted of a blue circle with the local brand's name over a background of red and white stripes; second most common old logo, used by Wall's in the UK and other countries, was a yellow logo with Wall's in blue text. Unilever generally manufactures the same ice-cream with the same names, with rare occasions of regional availability, under different brands. Some of these ice-creams include Carte D'Or, Cornetto, Magnum, Solero and Viennetta. Food and beverages Ades or Adez — soya-based drinks Alsa — desserts and syrups Amora — French mayonnaise and dressings Amino — dehydrated soup (Poland) Annapurna — salt and wheat flits (India) Bakers Joy - Non stick baking spray Becel — also known as Flora/Promise; health-aware: margarine, spreads, cooking oil, milk, fermented milk Ben & Jerry's — ice cream Best Foods — mayonnaise, sandwich spreads, peanut butter and salad dressings Bertolli — pasta sauces (ambient/chilled & frozen) and margarine BiFi — sausage-based snacks (Germany) Blue Band — family-aware: margarine, bread, cream alternatives Bovril — beef extract Breyers — ice cream Brooke Bond — tea Bru — instant coffee (India) Brummel & Brown — margarine Bushells — tea (Australia, New Zealand) Calve — sauces, ketchup, mustard, mayonnaise, peanut butter Chicken Tonight - Unilivert sauces range Choysa - Tea, marketed mainly in Australia and New Zealand

Conimex — Asian spices (Netherlands) Colman's — mustard, condiments, packet sauces & OK Fruity Sauce Continental — side dishes Country Crock — margarine Delma — margarine (Poland) Du Darfst (Germany) Elmlea — Pilsable artificial cream available in different varieties (UK) Fanacoa — Mayonnaise, mustard, ketchup (Argentina) Findus — frozen foods (Italy, UK, Scandinavia) Flora — margarine, light butter, jams Fruco — ketchup, mayonnaise and condiments Fudgsicle Gallo — olive oil Heartbrand — ice cream (umbrella logo) Hellmann's — mayonnaise I Can't Believe It's Not Butter — margarine spread Imperial Margarine — margarine Jif Lemon & Lime Juice Kasia — margarine (Poland) Kecap Bango — soya sauce in Indonesia Kissan — Ketchups Squashes and Jams (India and Pakistan) Klondike — Ice cream sandwiches Knorr (Knorr-Suiza in Argentina) — sauces, stock cubes, ready-meals, meal kits, ready-soups, frozen food range| Lady's Choice — mayonnaise, peanut butter and sandwich spreads (Philippines, Malaysia) Lan-Choo — tea (Australia/New Zealand) Lao Cai Seasoning Lipton — tea Lipton Ice Tea — ready-to-drink tea (partnership with PepsiCo) Lizano Sauce (Salsa Lizano) — Costa Rican condiment Lyons' — tea (Ireland) Maille — French mustard Maizena — corn starch Marmite — yeast extract spread (except in Australia and New Zealand, called Its Mate) McCollins — tea (Peru) Mrs Dash - Seasonings range Molly McButter Mrs.

Filbert's — margarine (USA) Paddle pop — Ice cream (Australia, Indonesia, Malaysia [incorporated with Wall's]) Pfanni — Bavarian potato mixesPeperami — Sausage snacks PG Tips — tea (UK) Phase — cooking oil Planta — margarine Popsicle — Frozen treats Pot Noodle — cup noodles Promise — Becel/Flora Ragu — pasta sauces Rama — margarine Royal —

pastas (Philippines) Royco — stock cubes, non-MSG stock (only in Indonesia)
 Red Rose Tea — tea (Canada) Sana — Margarine (Turkey) Saga — tea
 (Poland) Sariwangi — tea (Indonesia) Scottish Blend — tea Skippy — peanut
 butter Slim•Fast — diet products Sugar Twin Sunce (Sun) — Mayonnaise
 (Serbia, Macedonia, Bosnia and Herzegovina, Montenegro) brand now
 discontinued, Sunce factory now produces Unilever brand Knor Mayonnaise
 Stork margarine Streets (ice cream) (Australia/New Zealand) Tortex —
 ketchup (Poland) Turun sinappi — mustard (Finland/SUnilverden) Unilever
 Food Solutions — professional markets (food service) Unox — soups, smoked
 sausages Vaqueiro — cooking margarine, cooking oil Wall's ice cream Wish-
 Bone salad dressing| Partial list of national brands variants of the Heartbrand

 Algida — Czech Republic, Cyprus, Greece, Hungary, Italy, Republic Of
 Macedonia, Malta, Poland, Romania, Russia, Serbia, Slovakia, Slovenia,
 Turkey, Latvia, Lithuania Bresler — Chile Cargills — Sri Lanka Eskimo —
 Austria Frigo — Spain Frisko — Denmark GB Glace — SUnilverden, Finland
 Glidat Strauss — Israel, USA Good Humor — USA, Canada, China HB —
 Ireland Helados La Fuente — Colombia ??? — China Holanda — Mexico,
 Central America| Kibon — Brazil Kwality Wall's — India Langnese — Germany
 Lusso — Switzerland Miko — France Ola — Belgium, Netherlands,
 Luxembitsg, South Africa Ola — Portugal Pinguino — Ecuador Selecta —
 Philippines Streets — Australia, New Zealand (slogan ' Nothing Beats
 Streets') Tio Rico — Venezuela Wall's — United Kingdom (Great Britain),
 Hong Kong, Singapore, Indonesia, Pakistan, Malaysia, Thailand and other
 parts of Asia Wall's HB — United Kingdom (Northern Ireland)| Home and
 personal care brands

Ala — laundry detergent (Argentina) Andreon Axe — deodorant, shower gel, body spray (Lynx in the UK, Ireland and Australasia) Ayush (India)

Badedas — Shower gels Baba (East Europe) Biotex — laundry detergent

Brilhante — laundry detergent (Brazil) Brisk-Hair Styling products for men (Southeast Asia, North America, All Regions, All Variants: Brisk Hairstyling Unilivertlook, Brisk Hairstyling Unilivertlook Extra Strong, Brisk Shampoo 2 in 1 For Men, Brisk Hairstyling Cream Antidandruff, Brisk Hair Cream) Brut — cologne, aftershave Brylcreem — hair styling products for men Caress — soap Cif — cleaning Clear — anti-dandruff shampoo and conditioner (China, Southeast Asia, Romania, Pakistan, Poland, Hungary) Close-Up — toothpaste Coccolino — softener (Poland, Hungary, Romania) Comfort Consort - Men hair care Cream Silk — conditioner (Philippines) Degree — deodorant Dimension Domestos — bleach (Poland, Czech Republic, Romania, Hungary, Spain, Germany, Italy, Israel, France, Turkey, Australia) Dove — skin, hair, and deodorant Dusch Das — shower gels Fair and Lovely — skin lightening product (available in India and Malaysia) FDS - Skin care range Finesse — shampoo and conditioner (sold in 2006 to L'Oréal Brands, Inc. Gessy (Brazil)— soaps Glorix (Netherlands) Good Morning — soap (Egypt) Impulse — deodorant ; body spray Just for me - Kids hair range Lever 2000 — soap Lifebuoy — soap (Malaysia, Singapore, Vietnam, Bangladesh, India, Pakistan, Indonesia, Australia) Clinic — dandruff shampoo Lynx — deodorant, men's Lysoform — home care (Italy) Lux — women's soap, shower gel, and lotions (Caress in the United States) Matey — children's bubble bath Minerva — laundry and dishwasher detergents (Brazil) Mist — soap (Egypt) Motions - Hair care Neutral — laundry detergent Nexxus - Salon Hair care Noxzema - Skin care range Omo (South America) — laundry detergent

Origins| Pears Transparent Soap Pepsodent — dental (outside of the United States) Persil (IE/UK/FR/NZ) Pond's (Outside of the United Kingdom and United States) Prodent — toothpaste Quix — dishwashing liquid (Chile) Q-Tips — cotton swabs Radox — ShoUniliverr gels and Bubble Bath Range Rexona — deodorant Rinso Robijn — softener Salon Selectives - shampoo and conditioner (sold in 2010 to CLT International) Sedal (known in Brazil as Seda) shampoo and conditioner Signal Simple— Skin/ body care range SR — toothpaste with sodium ricinoleate Skip — laundry detergent Static Guard Suave Sun — dishwasher Sunlight SunsilK (Sedal in Latin America, Seda in Brazil) — shampoo and conditioner Sure Surf — laundry detergent Soft ; Beautiful - Hair Care products St Ives - Hand ; body care Swan (defunct) TBC - Hair care range Thermasilk — shampoo and conditioner TIGI — shampoo and conditioner for hair salons Tholl - skin cure Timotei — shampoo and conditioner Tony ; Guy - Hair care range TRESemme - Hair care range Vaseline body lotion, shoUniliverr gel, deodorant (Vasenol in Portugal, Brazil, Italy, India, Spain and Mexico) Vibrance — shampoo and conditioner Vim (Bangladesh, India, Pakistan) Vitapointe — Conditioner (UK/IE) Vinolia — soap (Brazil) Viso — laundry detergent (Vietnam and Indonesia) White Beauty — skin lightening cream Williams — men's care VO5 - Hair care/ Styling Xedex Zendium — toothpaste Zhonghua — toothpaste Zwitsal — Baby care range|

2. 9. 1 Principal Operating Units: Africa; Central Asia ; Middle East; China; East Asia Pacific; Latin America; DiverseyLever; Food ; Beverages-Europe; Ice Cream ; Frozen Foods-Europe; Home ; Personal Care-Europe; Central ; Eastern Europe; Foods-North America; Home ; Personal Care-North America .

CHAPTER 3 STRATEGY AND MARKETING SWOT analysis Strength:

Unilever is one of the world largest Company. Company has advanced technology and well skilled professionals. Product is highly qualified. The target people are the whole people. Company totally owned, systematic distribution network, transparent communication system. Participative management style. Weakness Competitors has strong promotional activities. Customers are offered better alternatives by the competition. Advertisement flaws. Devotion of product. Product's quality loses its values. Poor Promotion of free sample. No Unique identification of product. Opportunities Population expanding at a rapid rate. Consumers are becoming more quality conscious.

Current capacity utilization ; 0% which can be better broadened with the increased in demand. Customer base is increasing with effective marketing. Baby shampoo is another area uniliver can make huge gains. Shampoo plus conditioner and anti dandruff shampoos are another area where uniliver can earn huge profits. Rural areas are a large prospective market where they can introduce. Threat Political and economic factors. Partial government Policies. High rate of competition. Local and foreign competition. 4. 9. 1 Top Uniliver competitors: Company| Location| Proctor ; Gamble| Cincinnati, OH| Kraft foods| Northfield, IL| Nestle| Vevey, Switzerland| 4. 9. Market share: | Uniliver| P ; G| Kraft| Nestle| Top segment| C/G foods| Consumer care| Food| Food| Top brand| Dove| Tide| Mac ; cheese| Kitkat| CEO| A. Burgmans| A. G. Lefely| R. Deromedi| P. Letmathe| Stock per share| \$66. 03| \$53. 76| \$30. 70| \$66. 90| Growth| 15. 55%| 9. 25%| 8. 2%| 11. 23%| Revenues| \$42. 942m| \$28. 2b| \$31. 010m| \$69. 00b| Revenues growth| -11. 39%| 19%| 4. 3%| -1. 93%| International| 100+| 42| 150+| 86| Business segment| 3| 5| 5| 6|

Employees| 234000| 110000| 10600| 253000| (Source: Hoovers Business Intelligence Guide) 4. 9. 3 Principal Competitors: Alberto-Culver Company; Amway Corporation; Avon Products, Inc. Beiersdorf AG; Ben ; Jerry's Homemade, Inc. ; Bestfoods; Campbell Soup Company; The Clorox Company; The Coca-Cola Company; Colgate-Palmolive Company; ConAgra, Inc. ; Dairy Farmers of America; Groupe Danone; Del Monte Foods Company; The Dial Corporation; The Estee Lauder Companies Inc. ; The Gillette Company; Hormel Foods Corporation; Johnson ; Johnson; Kraft Foods, Inc. ; L'Oreal; LVMH Moët Hennessy Louis Vuitton SA; Mars, Inc. ; Nabisco Holdings Corp. ; Nestle S. A. ; The Pillsbury Company; The Procter ; Gamble Company; Reckitt ; Colman plc; Revlon, Inc. ; Sara Lee Corporation; S. C. Johnson ; Son, Inc. ; Shiseido Company, Limited; Unigate PLC. 4. 10 Advertising

A freezer in Queens, NY filled with Strauss ice cream from Israel with the Heartbrand Unilever has produced many advertising campaigns, including: Lynx/Axe click advert with Nick Lachey (US only) and Ben Affleck (Non-US only) PG Tips Monkey and Al Knorr Chicken Tonight, ' I feel like chicken tonight' Knorr Chinese Soup, ' Just add one egg! ' Flora London Marathon Knorr global brand Dove Campaign for Real Beauty, including Evolution Calve Pindakaas (peanut butter) in the Netherlands Comfort Pure recommended by mothercare Clear Anti-Dandruff shampoo and conditioner with the entertainer Rain Clear Anti-Dandruff shampoo and conditioner with the entertainer Nicole Scherzinger Clear Soft and Shiny shampoo and conditioner with the actress Sandra Dewi 4. 11. 1 Outlook and risks Outlook

Market conditions for its business were challenging in 2010 and Unilever do not anticipate this changing significantly in 2011. Economic pressures are

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expected to continue to weigh heavily on consumer spending, particularly in developed markets where the combined impact of austerity measures and high unemployment is likely to constrain disposable incomes. Emerging market growth should continue to be robust, although even here Unilever expect to see a modest slowdown. The most difficult environment is likely to be in Western Europe, where higher taxes, lower public expenditure and potentially rising interest rates mean that, for the short term at least, growth will be limited.

In these conditions, consumer confidence is not expected to rise significantly in the year ahead and the search for value by the consumer will continue unabated. A further source of volatility in the year ahead is the return of inflationary pressure, particularly in respect of key commodity costs. Unilever anticipate significant commodity cost inflation for at least the first half of 2011. If current trends continue then this inflationary pressure will extend also into the second half and beyond. In this environment Unilever expect prices to rise, albeit at a lower rate than costs as competitors seek to protect market positions and offset higher commodity costs with savings elsewhere. The competitive environment for its business is likely to remain intense in 2011.

Its key competitors, both global and local, will be eager to rebuild market share in many of its markets and categories, and will design their activity plans accordingly. Unilever expect continued high levels of competitive challenge to its many category leadership positions. Some of this will be price-based, as in 2010, but Unilever also expect strong innovation-based competition backed by wide-ranging brand support. With the improvements

Unilever have been making to its business Unilever are well prepared for these challenges. Faced with these challenges Unilever will continue to focus on its long term strategic priorities of driving volume growth ahead of its markets whilst providing a steady improvement in underlying operating margin and strong cash flow.

Unilever are well placed, with an impressive presence in emerging markets, more than 75% of its business in either category leadership or number two positions, a portfolio of strong brands, an increasingly effective innovation programme and a dynamic new performance culture. These give us confidence that Unilever is fit to compete, whatever the circumstances.

Principal risk factors Risks and uncertainties could cause actual results to vary from those described in forward-looking statements made within this document, or could impact on its ability to meet its targets or be detrimental to its profitability or reputation. The risks that Unilever regard as the most relevant to its business are identified below.

Unilever have also commented on certain mitigating actions that Unilever believe help us manage such risks; however, Unilever may not be successful in deploying some or all of these mitigating actions. 4. 11. 2 Where Unilever will win Brands and innovation are at the heart of its business model. Unilever aim to offer a broad portfolio those appeals to consumers with different needs and budgets. Unilever brands must also offer product quality that is recognized as superior by its consumers and supported by excellent marketing. Meanwhile, its innovation programme is focused on being ‘ bigger, better, faster’. This means leveraging technology to create bigger,

better innovation platforms that are then rolled out faster to multiple markets.

Its ambition is to win share and grow volume profitably across its categories and countries – and Unilever believe it has the tools in place to do so. Unilever have a portfolio fit for growth, with strong brands and many leading category positions. Geographically, its outstanding presence in the emerging markets leaves us well positioned to win where much of the future growth will be. Yet, Unilever is also determined to grow in the developed world, which represents around half of its business and where the bulk of the world's wealth will remain for many years to come. The biggest opportunity for Unilever and its customer's lies in growing the size of its categories, which Unilever will strive to achieve through innovation and market development.

Unilever will further enhance and broaden its relationship with customers – working together on areas of mutual benefit such as consumer research, shopper behavior and merchandising. To sustain winning customer relationships and to enable growth, Unilever will also need to be consistently brilliant at customer service and in-store execution. Unilever will aim to reinforce its continuous improvement philosophy by further developing a customer and consumer-led, agile value chain. Its focus will be in three areas. Unilever will prioritise speed and flexibility in the supply chain to deliver growth. Secondly Unilever will Leverage its global network capabilities and scale more aggressively.

Finally Unilever will work to get a better return on its advertising and promotional expenditure – one of its most significant areas of cost. It is vital

that Unilever have the talent and organization in place to match its growth ambition. Across the business, Unilever are therefore looking ahead at what it needs to achieve, and aim to equip itself with the necessary people, skills and capabilities to get there. Unilever also know that engagement and a culture based on living its values are essential for keeping the best people. Unilever believe its operating framework allows us to balance scale and global expertise to develop successful products with the local consumer intimacy needed to market and sell them.

4. 11. 3 How Unilever will win Strategy

With confidence in its ability to grow Unilever launched a renewed, bold vision for the company – to double its size while improving its environmental footprint. With its portfolio of brands, presence in emerging markets and long-standing commitment to shared value creation, Unilever believe its company is well placed to deliver on this ambition. ” Strategies are:

- Winning with brands and innovation
- Growth priorities
- Winning in the market place
- Winning through continuous improvement
- Winning with people

a. Winning with brands and innovation Superior products Its aim is to give people a great experience when they use its brands – better than the competition.

Unilever are investing in improving product quality and making stronger functional claims. Unilever are also focusing on design, packaging, marketing and advertising, in order to get its brand benefits across more persuasively. Take Knorr Stockpot bouillon. Using a unique jelly technology that delivers homemade taste and quality, this product is helping people create a special meal at home instead of eating out. Widespread appeal Product superiority is essential, but Unilever also need to offer a broad range of choice which meets

differing consumer needs and price points wherever Unilever operate. Brands and innovation are at the heart of everything Unilever do.

Unilever develop its products to keep pace with changes in consumer lifestyles and to appeal to people at all income levels. Success means getting bigger and better innovations into the market faster, supported by the very best marketing. In the UK, understanding that consumers are looking for value without compromising on quality, and recognizing the importance of fragrance in communicating a product's benefits, Unilever developed a range of liquid concentrates for Surf detergent with added essential oils, resulting in 29% growth. In Russia, despite a severe economic recession, Unilever achieved growth of more than 20% in its tea sales by offering choice across multiple price points with three distinctive brands –Lipton, Brooke Bond and Beseda. And in India, where water quality remains a major concern, the breakthrough technology of Pureit, its in-home purification system, is providing safe and affordable drinking water with complete protection from the water-borne germs that cause diseases. In 2009, Pureit provided safe drinking water for more than 15 million people in 3 million households in India.

b. Growth priorities Bigger, better, faster innovations Successful innovation is based on deep consumer insight. The balance Unilever seek to achieve is to marry global strength in R; D with local knowledge of people's habits, tastes and behaviors. To grow at the rate Unilever want to, its focus investment on products that can work globally rather than on launches in just a few countries.

Unilever have also doubled the number of big projects Unilever are working on. Unilever are already seeing results. Unilever have rolled out Axe Dark

Temptation deodorant to 56 markets, Lipton Pyramid fruit tea bags to 38 markets and Clear shampoo to 35 markets. For a product to work at a global level, it needs to address unmet needs with superior technology and a clear consumer concept. R; D must deliver breakthrough science in areas that really matter to consumers, with products that do what they claim. Success on this scale requires strict priorities and big ideas. Within R; D, part of prioritizing is getting the balance right between the short and the long term.

With an eye to its future growth plans, during 2009 Unilever developed a more robust process for fuelling its longer-term innovation pipeline. Called the Genesis Programme, it spans its foods and home and personal care categories