

Lifebuoy is the world's

Business, Decision Making



Lifebuoy is the world's number one soap which comes up with an idea of the health and hygiene. This report is based on the Unilever's lifebuoy. Lifebuoy has the more than 110 years history. This report includes the mission and the strategic objective of the Unilever. External and internal analysis of the company shows the factors which is affecting to the company internal analysis includes technological, governmental, customer analysis and the competitor's analysis, which makes the company aware from the environment outside of the organization. Internal analysis covers the performance analysis and the determinants of the strategic options, which helps to make the future strategy from the past record.

Key success factor of the lifebuoy includes the goal of the product which is health and hygiene, distribution system and meeting the requirements of the customer. Lifebuoy has the loyal customer base is major strength of the product. Lifebuoy is reach to its maturity stage on the product life cycle where it requires the changes.

Lifebuoy has been relaunched with the new fragrance and the new product range. New lifebuoy is now not only targeting to the male consumers but to the family with the goal that the lifebuoy help to protect from the germs and makes the life healthier. Introduction Lifebuoy is Unilever's oldest brand launched in 1894 as disinfectant soap in the UK to support people in their quest for better personal hygiene. Lifebuoy is a brand that is truly " global" before the term " global brand" was invented. Lifebuoy soap is found across the world, in some countries such as India where it is the market leading brand. This report includes the strategic marketing plan for the lifebuoy, which covers the strengths, weaknesses, opportunity and threats of the

lifebuoy. It reflects the internal and external environment, strategic marketing mix and it ends with the recommended medium term strategy.

Strategic marketing plan covers the goals and strategies of the organization's marketing effort and should be coordinated with companywide planning. Unilever Company provides the 14 different categories in personal care, home and food products with 400 brands; no other company touches so many people's lives in so many different ways. Company's brand portfolio has made them leader in every field. Some popular brands of the companies are Lipton, Knorr, Dove and Omo. Company is investing €1 Billion every year on research and development and have five laboratories around the world that explore new thinking and techniques to develop the products. Mission Statement: Mission statement describes what an organization does, what market it serves and what it seeks to accomplish in the future.

Mission statement serves as a guide for day to day operation and the foundation for the future decision making. Strong mission statement builds commitment, loyalty and motivation. (Lifebuoy, 2010) " Unilever's mission is to add vitality to life. We meet everyday needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life. " (Lifebuoy, 2010) Values and strategy: The purpose of the organization is the drive to grow sustainably and in this way create long term value for all those within a stake in business.

Companies' efforts are guided by their code of business principles which sets the standards of behaviour of employees. It also outlines the commitments to stakeholders including customers, suppliers, employees, communities

and the environment Lifebuoy Goal of the lifebuoy is to provide accessible hygiene and health solution with the affordable price that enable people to lead a life without fear and hygiene anxieties and health consequences. Lifebuoy is launched in 1894, consistent in lifebuoy is 110 plus year history has been championing to support life through unbeatable protection is at the heart of the brand name itself i. e. Lifebuoy, the guarantee of protection in threatened. In 1930's campaign in US was titled ' clean hands help guard health', encouraging the use of lifebuoy soap to kill the germs on hands that can use health issues. A similar campaign is continues in today with lifebuoy hygiene programme in countries like India, Bangladesh, Pakistan, Sri Lanka, Indonesia and Vietnam Internal and external business environment Environmental analysis is the process of identifying and understanding emerging opportunities and threats.

Some of the points of internal and external analysis are as follow. External analysis Internal analysis 1. Technological, governmental, economic, cultural, demographic.

1. Performance analysis: Profitability, sales, shareholder value analysis, customer satisfaction, product quality, brand associations, relative cost, new products, employee capability and performance, product portfolio analysis 2. Customer analysis: Segments, motivations, unmet needs. 2. Determinants of Strategic options: Past and current strategic problems, organizational capabilities and constraints, strengths and weaknesses. 3.

Competitor/ Industry analysis: Identity, strategic groups, performance, image, objectives, strategies, culture, cost structure, 4. Market

characteristics analysis: Size, projected growth, profitability, entry barriers, cost structure, distribution system, trends. (Source: Mills, 2005, p51)

External Analysis Unilever is trying to make its product affordable to everyone. Company is changing their technology according to the trends. People have different lifestyle, taste and preferences and budgets. Organization is sensitive while designing the soap bars or shower gels because of the every market has the different requirement which is depend on the consumer taste and preferences.

Organization is making their decision depending on the customer analysis, available technology and market characteristics such as the size of the market, entry barriers and distribution system. (Mills, 2005, p50) Internal Analysis Internal analysis provides the detailed understanding of the strategically important aspects of the organization, which covers the performance analysis and key determinant of strategy. Performance analysis includes the profitability and sales which provides an evaluation of past strategies and an indication of the current market viability of a product line.

Product portfolio analysis considers the strength of each business the goal is to generate business mix with an appropriate balance between new and mature products. Determinants of strategic option include the past and current product strategic problem. (Mills, 2005, p56-58) Key/ Critical Success factor Critical success factors activities required for the success of the business. It has been used significantly to present or identify a few key factors that organizations should focus to be a successful. Critical success factor refers to “ the limited number of areas in which satisfactory results will

ensure successful competitive performance for individual department, or organization" (Critical Success Factors – Analysis, 2009) Key success factor can be developed from the company's mission statement, developing five or six high level goals, list of requirements, problem and assumption and problem vs. requirement matrix. Some of the key factors for the lifebuoy are as follow: Improve health and hygiene. ' Swathya Chetana' programmes.

Sensitivity of changing market. Understanding of how and why customers buy Product line coverage Identification and positioning to fulfil customer needs. Prevention of price wars Distribution coverage and delivery speed. Promotion magnitude and impact High product quality SWOT analysis SWOT analysis includes the internal and external analysis to summarise the strengths, weaknesses, opportunities and threats.

The standard SWOT framework incorporates four critical components that encompass the firm's traits which includes the strengths and weaknesses as well as competitive factors that it faces in its environment which reflects the opportunities and threats. The following diagram of SWOT analysis reflects the dual perspective form. 0200220106001 (Novicevic, Harvey, Autry, & Bond, 2004) Dual perspective swot analysis shows the controllable and uncontrollable factors in the descriptive view of competitive factors and in evaluative view of competitive factors which includes the desirable and undesirable factor. Strength and weakness are the controllable by the company and opportunities and threats are not controllable. Organization desires the strength and opportunities and undesirable factor includes the threats and weakness. The brand Lifebuoy in itself is strength

for the company. Since 2000, major changes have been made in to the classic lifebuoy soap bar to ensure that it provides the improved hygiene protection and a more enjoyable healthy washing experience to the consumers.

The new signature lifebuoy shape makes the bar easier to grip and use. Brand developed the new formulation providing even better germ protection which creates the reach lather on the skin. Lifebuoy become is more than just a soap, which provides the hygiene and health solution to the families. Strength of the lifebuoy includes the brand name, loyal customer, and affordable price, different product range such as lifebuoy soap, lifebuoy hand wash, and lifebuoy shower gel and lifebuoy clear skin. Lifebuoy is a market leading brand in India. Lifebuoy target the limited segment of the customer and Monotones product. Lifebuoy can improve sales by increasing the different fragrance in its product range.

Strategic Thrust Strategic thrust is a broad statement of intended actions. Strategic thrusts are intended to create a broad, shared understanding of what strategic actions are intended during a three to five years planning horizon. Company has defined the four strategic thrust. First is that the company has examined their brand portfolio very thoroughly and decided to concentrate on some major brands. Company select this brand on the several criteria such as their absolute size, brand strength, brand relevance, competitive advantage and potential for growth. This brand will receive a disproportionate share of their marketing appropriation spend, and will be backed with the high level of relevant innovation based on true consumer

insight as well as new technology platforms. The new technology will give the opportunity to reduce their cost and be much more competitive against low priced competition and it also helps to improve the quality of the product. One of the major strategic thrust is to grow the business by focussing on the brand.

Second strategic thrust will be to explore growth opportunities in new channels which reflects the start the new consumption opportunities in the different methods. Such as Lifebuoy soap provide free emergency mobile washing facilities to Londoners in 1940. Lifebuoy vans were equipped with hot showers, soap and towel. Company has appointed dedicated market activation managers who will concentrate on innovative promotion and strategies to grow the share. Third one is to continue to reduce the total cost.

Company will get media scale and efficiency benefits and are also exploring other shared services. It will also maintain a tight control on overheads, including corporate centre costs. Fourth strategic thrust is to build a pro active, flexible and fast moving organization culture. Organization is reducing corporate centre involvement in operating decision making, it also enhancing dramatically, the linkage between rewards and actual performance through a combination of variable pay bonuses and stock-related schemes. Product Life Cycle As the every human passes from the life cycle, the same way every product is passes through its life cycle. There are mainly four stages of the every product. Four stage includes the introductory stage, growth stage, maturity stage and decline stage.

Decline stage is where the product needs the innovation or it requires some changes. Lifebuoy exist since 110 years. Product life cycle of the lifebuoy is as follow: product_life_cycle (Product life cycle, 2008) Introductory stage: the product has been launched in the market and the people are not aware about the product. This is the entry stage in to the market.

Product can enter to the product with the two price strategy. One is price penetration and another is price skimming. Price penetration is the product of the price is higher than the price in the market.

In the skimming price strategy, price of the product is lower to the price of the competitors. Growth stage: in this stage the consumer will aware about the product through the promotion of the product which can be done in many ways. The sales will increase of the product. This is the stage where the lifebuoy is becoming the market leading brand.

In this stage the price will not make a big difference. Lifebuoy increase the sales in this stage. Maturity stage: this is the stage where the sales to the product will get stable. There is a little fluctuation between the sales but it will not make a big difference in the sales. The similar product will enter in to the market and the competition will increases which will reduce the sale of the product and in some cases the sales of the product will be stable. As the lifebuoy is focusing on the health and hygiene so the other new product will enter into the same market with the similar kind of the product. Such as many competitors will enter in to the market with the same concept such as Dettol launched the antiseptic soap.

And the sales of the product will get stable. Decline stage: once the sales of the product will be stable then the sales of the product will start decline in the upcoming future. This is the time where the changes will be required in to the product. This is the time where the product will come up with the different flavour or it will increase the product range. Lifebuoy has been relaunched with the new fragrance and with more germ protection.

Lifebuoy has increased its product range as in the lifebuoy shower gel, talcum powder and etc. Marketing strategy Well planned market strategy can be vital to the growth for the business. Decisions are mainly taken on the basis of the marketing plan. Marketing strategy can help to not only define the business goals but also help to develop the activities to achieve them. To make the marketing strategy the first thing is required is the company's unique selling proposition, which makes the product apart from the rest of the market. What is the unique in the product? Why should the consumer choose the product? These are the points required to make the strategic plan. The next thing is the target market.

Which segment of the consumer the product is targeting. Now the next step is the positioning of the product, and finally the marketing method. India is the major market for the lifebuoy. Lifebuoy is the leading brand in the India. Lifebuoy's goal is to provide affordable and accessible hygiene and health solutions which enable the people to lead life without fear of hygiene and anxieties and health consequences.

When we are targeting India for the lifebuoy, then product will get the large number of the rural market. Rural customers are generally the daily wage

earners and thus they don't have the monthly income. So the strategy revolves around what attracts to the rural consumer and it is require changing in the packaging size. The rural consumers in India are looking for the low unit price pack. So the packaging in the smaller units and lower price packs to increase their affordability.

Lifebuoy should target the other market segment as the people who are using the shower gel and should provide the more fragrance and the bath gel. Repositioning of Lifebuoy Lifebuoy is known for the health and hygiene. Lifebuoy has a standard brick red soap with the specific fragrance. But in the product life cycle lifebuoy is reached at the maturity stage where it requires changing in the product. The existing product is not competent with the other market competitors. So the company has changed the lifebuoy and make the new lifebuoy with the new fragrance and lifebuoy increase its product range.

In India lifebuoy is targeting the rural market. The new lifebuoy is the completely new product with the new formulation, fragrance, lather profile and a shift in positioning from being a male soap to family soap. Seventy percent of the sale of lifebuoy is from rural India. Now the lifebuoy is no longer a carbolic soap with cresylic perfume, it is toilet soap with a different fragrance. Lifebuoy changes the target market from an earlier men, the focus has shifted to the family message that Lifebuoy is for effective protection from germs that cause the health problems.

The new range of Lifebuoy includes the Lifebuoy active red, Lifebuoy international plus and gold, shower gel and the talcum powder. For the upper

end consumer the lifebuoy international range and which is used as the deodorants. Marketing mix Marketing mix refers to the primary elements that must be attended to in order to properly market a product or services. Marketing mix includes the 4 Ps, which includes the Product, Price, Place, and Promotion. Product It describes the product in detail, which includes its special features and how it will benefit to the consumer. The product needs to be able to meet the specific and existing market demand or it should be able to create the niche market through building a strong brand. Lifebuoy is the world's largest selling soap and offers a strong health benefit to the family. Targeting the specific country such as India where the brand lifebuoy with its brick red soap, with its perfume and popular jingle have carried the lifebuoy message of health across the country which makes the lifebuoy, largest selling soap.

Lifebuoy was relaunched in the 2002 with the new mix includes the formulation and a repositioning of the brand to make it more relevant to both new and existing customer. Mew lifebuoy offers the protection against the germs, which can cause stomach infection, eye infection and infection in cuts and bruises. The new mixed formulation offers the significantly superior bathing experience.

The new formulation, new health perfume and superior skin feel along with the popular red colour, have now registered conclusive and clear preference among the existing and new user. PriceThe price of the product plays a large role in its market. Pricing for product or services that are more commonly available in the market is more elastic. Which describe as the sales is mainly

depend upon the price; a change in price can make the difference in the sales. Lifebuoy is trying to match the price with the smaller players.

Company has announced the new price policy with the introduction of the lower size pack to get the volumes. More than bench marking competition, dropping price is all about triggering and this has always been an integral part of their strategy. PlaceThe term place refers that, how the product will reach to the consumer. The product will reach to the consumer via distribution channel such as distributor, warehouse, transportation, wholesaler and retailer. How the product will reach to the consumer will affect to the sales.

Lifebuoy is trying to reaches to the every rural area in India, so it will follow the single distribution channel. In a significant move with long term benefits, company has started project streamline. And getting more benefit from rural area company has appointed the sub stockist in the rural area to reach the every consumer. PromotionHow the customer will know the product? There are many ways that the customer will know about the product such as the advertising, public relations, point of sale, displays, and word of mouth promotion are all traditional ways of promoting a product. Promotion can be seen as a way of closing the information gap between sellers and buyers. Promotion will be depending upon the promotional budget and the type of the product.

Lifebuoy will play the major role in the total turnover of the company. Sales were declining as the consumer were moving away from carbolic based soaps to beauty soaps with better fragrance. Through TV and print

campaigns, the agency team focused attention on the family health themes. The rural market area is covered under the swasthya chetana project. Company is offering the lifebuoy with its other product as a promotion. Conclusion Lifebuoy is the oldest brand of the Unilever which provides the health and hygiene solutions to the family.

Lifebuoy is making the seventy percent of its sales in the Indian rural market. Internal and external analysis of the lifebuoy reflects the technology, product verification, size, fragrance. Lifebuoy soap has the loyal customer and is the market leading brand in the Indian market is the strength of the product. Product has a limited fragrance which makes the limited market for the product. Company can enter in to the different segment of the market which is the opportunity and the other hand the competition is increasing which makes the market more competitive. Company is mainly targeting the rural market for the increasing the sales.

New lifebuoy is not only targeting to the male but also it is targeting to the family to protect from the germs. Recommendation While relaunching the lifebuoy in the 2000, lifebuoy is targeting the family and has increase the market segment. According to my view point company can increase the market share by increasing the product range.

Company can launch the shampoo variety. These days in the baby care product Johnson and Johnson is the leading company. Unilever can increase the sales volume of the lifebuoy by entering into the baby care product. This sector of customer is not targeted by the lifebuoy. While launching the baby

care product such as Lifebuoy baby shampoo, lifebuoy baby oil, lifebuoy baby talcum powder. The company can reach to the mass consumer.