

# Internal analyses lipton tea business plan sample

[Business](#), [Company](#)



An organization should always use efficient strategies so as to have full knowledge of both the internal and external environments. These factors help an organization to deliver products and services according to the customers' expectations and also gain competitive advantage against other competitors. Below, is the internal analysis of the firm:

### **SWOT analysis**

- Economies of scale
- The Company is known as an international Company
- Powerful brand portfolio
- Unilever Company which introduced Lipton tea has always maintained a strong relationship with the retailers
- The product managers lacked efficient connection with customers
- Dual leadership by the company
- The brand had inefficient management
- The managers lacked the ability to maximize acquisitions

### **Revenue decrease**

- Consumers changing tastes and preferences
- High increased need for healthy products by the customers
- Store brands increase
- Increasing strong competition
- Rates of exchange

### **Current Strategies**

During the introduction of Lipton tea in the market Unilever company lacked sound corporate strategy. The current strategies used for Lipton product by

Unilever Company included small global presence and high product pricing. The product management lacked to implement tougher strategies since they felt that the company is a recognized one, and that the sale of a new product will just pick. Below are the company's objectives, strategies and tactics which are currently in use;

## **Objectives**

The firms' major objectives and expectations is to grow through acquisition. In some countries, Unilever Company has merged with other companies in order to succeed in its market positioning and have a better view and access to its target market. Acquisition helps the company gain a competitive edge over the existing competitors since the other company may have greater familiarity and knowledge of the target groups. Another objective used by Unilever Company is concentration on innovation of products and this has helped them enhance the internal growth.

Securing of a better competitive position in international food and households is another key objective for Unilever Company. Introduction of Lipton tea was a way of enhancing this objective of securing a better position worldwide. Unilever Company also focuses on Research and Development for the company's leading brands. However, it is clear that the company is not using a lot of efforts in this objective otherwise more sales would have been gained internationally. Another key objective for the company is building of brand loyalty in order to acquire pricing power. This is an objective that has been quite successful towards the company and has also enhanced product loyalty.

## **Strategies**

The company used certain strategies such as product differentiation strategies, product development and pricing strategies in order to accomplish the stated objectives. Pricing strategies is used to acquire wider market coverage and this is through decreasing prices. Advertising and promotion strategies also help Unilever Company improve the company's sales. These current strategies have helped create new brands for the company for example Lipton tea. This is a beverage that faced some problems in Australia, but due to the company's advertising strategy and product improvement, the product gained market in the long run.

## **Product**

The company has always used its products to segment the market and also to choose the correct target market. Introduction of Lipton tea in the market was a way of enhancing product development for the company. Unilever products are associated with quality and class and this has helped the company enhance its image thus attaining more loyal customers. Products help enhance the company's sales. Quality products are associated with high prices and vice versa. Though Unilever Company has always been associated with quality products, more research and development needs to be carried, so that the company can improve more on its products and also make new products which helps reduce the severe competition in the marketing world.

## **Price**

Unilever Company has always priced their products in regards to their target markets and quality. Pricing also helps enhance the market positioning since

the customers position the product according to the price and quality. The company has all along tried to price the product in the favor of the target markets and also in a way that will not degrade the quality of the products. Lipton product is among the highly priced beverages for the company since it is also associated with classy and high quality. However, due to increasing competition, the company needs to put more well based strategies so as to maximize on product segmentation and positioning.

## **Place**

When it comes to locations of the products, Unilever Company has totally gained a competitive edge against so many competitors. The company's products are located worldwide including in Africa, Asia and Australia. For the company to gain a more competitive advantage, it needs to introduce more products to the market and also penetrate deeper in various markets and in different countries. This is a good tactic to gain more market share and improve on the company's sales.

## **Promotion**

Though the Unilever Company has always promoted their products, more improvement is needed. The company has been able to acquire a large market share and penetrate deeper to the market due to its promotional strategies. Promotion is a good tactic that helps organizations reach their goals and objectives. Some of these promotion strategies include coupons and samples.

## **Critical Evaluation of the Current Strategies**

Proper evaluation of the current objectives, strategies and tactics shows that the company has gained positively and negatively. These strategies helped the firm in trimming the unsuccessful brands successfully. Also, the evaluation also shows that the whole quality and profile for growth of food portfolio has largely increased in the Company.

The strategies were also not so successful since the company has been lagging behind in terms of innovation and advertisements. In 2004, underlying sales grew with only 4% and leading brands by only 9%. This was seen as a result of failure to improve on the advertising and marketing efforts. Also, it shows that during introduction of Lipton tea there was lack of focus and effective execution of strategy. Earlier, the company had remained local and fragmented while deciding to leave the path of growth strategy, but due to the intense competition facing the firm, they decided otherwise.

## **Recommendations/Conclusion**

In conclusion, for Unilever Company to improve on these strategies and improve sales in the future, the company has to improve on certain areas such as the management structure so as to avoid repeating past mistakes. The Company can therefore reorganize the organizational structure and streamline. Increased accountability will be recognized through a simple management structure which will also enhance easier decision making in the organization.

Simple and right management will also help the company provide a greater clarity of leadership, accountability and responsibility in all areas. The

company is also recommended to implement its believer products and work more on brand extensions. This will enhance and improve the brand image thus help in competing with the rivals. The company should also be able to put more efforts in consumer goods, and focus more on the customer's needs and wants thus improving and increasing the sales growth higher than that of other products including the Lipton tea.

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