

Good book review on pestle analysis on unilever

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



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BUSINESS ENVIRONMENT

INTRODUCTION

Unilever is a multinational corporation that has been formed by the joint venture of the Dutch and British companies. It owns more than 400 brands worldwide and is operational in more than 100 countries. The mission of the company is to add vitality to life. “ We meet every day needs for nutrition, hygiene and personal care with brands that help people look good, feel good, and get more out of life” (Unilever. co. uk, 2014). The company changed its logo in 2004 to represent its cultural diversity as the new logo contains blue color and 25 signs. All the icons on the logo represent different aspects of the business expressing the added vitality in everything we do.

PESTLE analysis is a strategic tool that tends to study the macro environmental aspects of the business for instance the growth/decline in the market, positioning of the business, and the potential for operations etc. This tool is helpful for the business as it ensures that the company is aligned positively with the external forces impacting the business. It scans the environment for strategic planning for the future (Warner, 2010). PESTEL

stands for Political, Economic, Sociocultural, Technological, Legal, and Environmental factors affecting the business.

- Political/Legal: Unilever is affected by numerous regional and global laws, rules and regulations pertaining to diverse areas like product safety, copyrights, trademarks, product claims, employee health and safety, corporate governance, listing and disclosure, and taxes. The UK government is a supporter of the fair trade commitment. European Commission as well as the US Food and Drug Administration have direct influence over the business. If the business fails to comply with the laws/regulations, not only it would be alleged by legal crime and fines but could result in imprisonment of the personnel that would lead to adverse publicity of the brand. During recent years, more than half of revenue comes from the developing and emerging markets like China, Mexico, Turkey, Indonesia and Brazil where markets are more volatile and due to host government sanctions, the production capacity is negatively impacted.

- Economic: The Western Europe market is highly competitive; due to the current economic tide, the buying behavior of the consumers is rather restricted. Unilever faced difficulties due to the EU competition in countries like Netherlands and France in particular. The major competitor on Europe is P&G while due to the EU free trade policy, there is rising competition. The business is highly dependent on the continuing consumer demands while the reduction in consumer wealth during the recent economic downturn has had adverse impacts on the cash flow, turnover, and profit margins of the business as the consumers have become fearful.

- Sociocultural: Unilever has developed a strong corporate image due to its

emphasis on social and environmental issues while encouraging the sustainable development of the renewable resources. It is one of the largest FMCG companies in the globe that impacts the lifestyle of millions of people. In 2008 alone, the company invested more than 91 million Euros throughout the globe in community programs. Since 2002, the hand washing program in India through the Lifebuoy brand has reached more than 120 million people. Similarly, in 2008, around 4 million children were reached by tooth paste brands like Signal, Pepsodent, and Close Up for Oral Health Program (Macdonald, 2012).

- Technological: When competing in a global environment, it becomes necessary for the companies to make use of technology so that it can sustain a competitive advantage over its rivals. In order to improve the brand image as well as the product quality, Unilever has been striving hard to automate the business and enter the e-commerce world. One of the critical success factors that distinguishes it from the competitors is the high level of automation as it focuses on minimizing the cost at the global level through IT efficiencies. Moreover, the Unilever Technology Venture collaborates with Unilever R&D to identify and meet the needs of its consumers around the globe.

- Environmental: Consumers have become more aware about their own rights as well as the duties towards environment. Moreover, the climate change is becoming a huge issue that is impacting the companies as people prefer the brands which are more environment friendly and do not harm the environment. Unilever aims at environmental sustainability and has been striving hard to promote its image as positive. During 2009, the accident

rates declined to 9% as the company is highly conscious about the health and safety of its employees (Macdonald, 2012). Working on the vision to make people feel good about life, Unilever has been destining and producing products that ensure consumer safety. The packing material is environmentally friendly and it has built an image as a socially responsible company.

CANTERBURY CHRIST CHURCH UNIVERSITY

Stakeholder analysis is a methodology that incorporates the needs of all those who have a stake in the company so that the process of policy formation is facilitated. It is important to gather information about the interests as well as the capacity of influence of the stakeholders. It is a useful tool that helps in clearly defining the key stakeholders for any activity or a project. By understanding the role of the stakeholders, successful outcomes are ensured for the project (Varvasovszky and Brugha, 2000). So, basically through the stakeholder analysis, the stakeholders of the entity are classified.

The University has numerous stakeholders as the Church is organized into different schools, teaching and research centers, and professional service departments. The Vice Chancellor who is also the leaders and chief executive of the university is responsible for the day-to-day management of the University (Canterbury. ac. uk, 2014).

The Vice Chancellor's executive team is known as the Senior Management Team. The members comprise of some senior academic and support managers; the team directly reports to the Vice Chancellor.

The Chancellor of the Canterbury Christ Church University is the Archbishop

of Canterbury, Justin Welby. He is also the honorary head of the University and merely attends on special occasions including the degree ceremonies to perform ceremonial duties.

The ultimate responsibility to handle the affairs of university rests with the Governing Body that operates according to the Instruments and Articles of University Government and has been approved by the Privy Council. The broad responsibility of the body is “ for determination of the educational character and mission of the University and the oversight of its activities” (Canterbury. ac. uk, 2014). The responsibility of the Governing Body is to handle: the proper conduct of business, finance, audit, staffing, and students’ union, monitoring performance, and health and safety issues. There are 18 members in the governing body who have been elected, appointed and co-opted. There are five committees that make up the governing body with each different responsibility including chairs committee, audit committee, human resources committee, academic board, and finance and general purposes committee.

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