

# The major brands for unilever marketing essay



**ASSIGN  
BUSTER**

Unilever is a global corporation of England and the Netherlands, world famous in the manufacturing sector and consumer goods manufacturer.

Unilever operations in 170 countries in three regions: Western Europe, The Americas and Asia, Africa and Central & Eastern Europe

Unilever has strong portfolio of food, home and personal care brands. The brand's typical consumer and are widely accepted worldwide in food division such as Bestfoods, Blue Band, Flora/Becel, Heartbrand ice creams, Hellmann's, Knorr, Lipton, Ben&Jery and in home and personal care division such as Cif, Comfort, Domestos, Omo, Skip, Snuggle, Axe, Dove, Lux, Pond's Rexona, Sunsilk. (dslfls, 2010, p. 78)

Which business generates the most revenue? (100)

Unilever is one of the leading food companies in the world. Unilever's passion is to find out what people want and need from their food - and what they love-making for the Unilever brand become a popular choice. From the graph, we can see over last 4 years, the percent of revenues are generated in the foods sector always greater than 50 percent, which includes such brands as Knorr soup mixes, bouillons, and seasonings; Amora, Calvé, Hellmann's, and Wish-Bone dressings; Bertolli olive oil and other Italian foodstuffs; Rama, Blue Band, and Country Crock margarines; Becel and Flora heart-healthy foods; Heartbrand, Ben & Jerry's, and Breyers ice cream; Lipton tea; and Slim-Fast weight-management products

Which business generates the most profit? (100)

Unilever with core products: soaps and detergents in the world strongly. In 1930's , 90 % o Unilever's profit belonged to soaps and detergents but in early 1980's soaps and detergents brought to Unilever 40 % profit and up to last 4 years the main profit belonged to frozen food, additive of food, ice-cream, tea, cosmetic and personal care.

In the last year 2007 to 2008, Unilever booked a 1. 2 billion euro gain on selling its frozen foods division in Europe

The percentage of personal care growing up nearly 11% from 2008 to 2009 that announced acquisition of Sara Lee's personal care brands for €1. 275 billion in cash, including Sanxe, Radox and Duschdas

From 2009 to 2010, Savoury growth accelerated with strong volumes, positive price and constant innovation within the brand and Knorr is a good example. Knorr jelly bouillon drive growth across in many markets in Europe and Latin America while a new gourmet soups drove strong share growth in France. Knorr soupy noodle keep growing in India whilst soups have been launched in Bangladesh. Other Knorr Season has been launched in more than 20 markets with good initial result.

Which business will drive growth in the next decade?(100)

With the new vision to double the size of our business while reducing overall environment impacts across the entire value chain, Unilever will focus on building the long term health of their brands such as " Green Palm" oil now sourced sustainably via Green Palm certificate and as a founder member of the Roundtable on Sustainable Palm Oil (RSPO) Unilever are helping to move

the industry to sustainable palm oil and set their target to be 100% sustainably sourced by 2015.

And 15% of the tea that Lipton tea now sourced from Rainforest Alliance Certified farms.

Lifebuoy will be the first choice for consumer when it reduced environment impact of manufacturing operations by 41% for CO2 from energy, 65% for water use and 73% for total waste

Now in line, 44% of food portfolio with internationally accepted guidelines for saturated and trans fat, sugar and salt.

How successful would you say this company has been since 2007? (100)

Unilever's strong brands are always refreshed continuously to keep its inherent advantages. Since 2007, the growth was driven by a combination of technologies - new products along with the mix and the improvements made to increase the strength of existing brands of Unilever in the market through differences and a combination of marketing activities- China, Russia and Brazil

Unilever has also achieved a shift in harmony with other continents and cultures, to launched the brand successfully in new market, for example, Unilever has rolled out the brand Axe deodorant for men in Japan and 6 months later it became the market leading

Successful innovation is based on deep consumer insight. Unilever also increased activity in both R & D with local knowledge of people's habits,

<https://assignbuster.com/the-major-brands-for-unilever-marketing-essay/>

tastes and behaviours and recognizes the indispensable role of technology in quality improvement

Successfully in attracting, developing and retaining a skilled workforce to build and maintain a fit-for-purpose organization.

## **2. Corporate Responsibility (400)**

How has the company responded to the increasing demands of society for greater Corporate Responsibility? Or to the challenge of sustainability? Or Climate Change? What evidence is there that the company engages with external stakeholders?

With serious awareness:

For example: Unilever's detergent brands are used in 125 billion washes a year. That is the equivalent of 14 million washes every hour. Every time a unilever consumer does the laundry at a lower temperature or with a full load, the reductions in energy, CO<sub>2</sub> and costs are cumulatively very large.

Unilever knows that failure to design innovative products with a lower environmental footprint, neither effectively manufacturing nor encouraging consumers to change their everyday habits could damage their reputation and hence long-term cash flow, turnover, profits and/or profit margin.

Aware of the importance, in 2008, Unilever have established set of metrics to measure the impacts of Unilever's products on:

Greenhouse gas (GHG) emissions.

Water

<https://assignbuster.com/the-major-brands-for-unilever-marketing-essay/>

## Packing

### Sustainable sourcing

Unilever laundry products include well-known brands such as Omo, Persil and Surf aim to reduce the GHG on the environment by examining how their products effect their environment at every point in a product's lifecycle, from production to consumption.

They are also using innovative technology to create products that use less water such as Comfort One Rinse that needs less water for rinsing. And when talking about cut 50% off Unilever's water use, they doesn't just mean in manufacturing processes - but in the amount of water consumers use when they wash their hair with Dove shampoo and their clothes with Persil.

Total waste was decreasing 73% from 1995-2009 and some recent packaging innovation that achieve reductions in environmental impact including: Suave Body Wash bottles now use HDPE which is recycled at 26-29% instead of polypropylene which is recycled only 9%. Or Omo and Sunlight detergents in 15-30g sachets, a new 'stick pack' reduces plastic packaging by 37% and 100% recyclable cardboard box for Sun Green Power dishwasher detergent had reduced the cardboard packaging by 20%

In 2009, Unilever also develop a set of metrics covering social impacts. The development of these metrics allows Unilever to track their performance across their portfolio and enabling them to show consumers how their small, individual action can add up to a big difference. And Lifebouy will be the first

brand to pilot the new metrics, helping track the impact of Lifebuoy programmes on hand washing behaviours over a five-year period.

Unilever has also acknowledged that sustainability improve the health and well-being of over a billion people worldwide. Unilever plans to provide safe drinking water for 500 million people by 2020 as well as improve the nutritional content of all their food products. Unilever is also tackling hygiene by launching campaigns to encourage hand washing and other habits in order to reduce the incidence of life-threatening illnesses like diarrhea in at-risk areas around the world.

“ We want long-term shareholders,” who are prepared to accept periods of “ average results”. We wants investors “ who understand that companies need sustainable sourcing and sustainable growth.” That all thing Paul Polman, chief executive of Unilever, say when set out a hugely ambitious new sustainability plan.

Unilever show how serious they are in engaging with external stakeholders via building realistic business project case with clear potential benefits for both business and for society demonstrate by time frame, nature of benefits and benefit split.

Moreover, Unilever always looking for way to meet stakeholder’s specific need and expectations, for example, they do a lot of detailed consumer research to understand their diverse tastes, needs and trends, operate consumer-care lines... With other stakeholders, for example, local government, operating companies, have regular meetings, participate in research projects, surveys and symposia...

<https://assignbuster.com/the-major-brands-for-unilever-marketing-essay/>

### **3. Crisis Management (500)**

How has the company managed major issues in the past few years? Has it had to face a major crisis? How did it react?

If there has been no particular crisis related to the company, such as a product failure or damage to the environment, how has the company reacted to the economic downturn?

#### **Major problems facing Unilever can be summarised as follows:**

Underperformance of its some businesses such as prestige perfumes, frozen foods, household care business

Diversity of products – Foods and Home and Personal Care which require diverse strategies and efforts

Sales decline in Slim-Fast product, consumers turning to alternative diets.

Competitive innovation products

Tackling social as well as environmental issue.

Food safety in Vietnam is a significant issue ( running about more than 1000 miles from north to south and VN is predominantly rural with an estimated 3 million cases of food poisoning a year, people have good reason to worry about poor food refrigeration among street vendors and wet markets).

Hygiene issues to consumers.

Growing of packaging material



Unilever has faced with those issues and to be able to survive in harsh environments, they must have reasonable reforms:

Unilever used to have the portfolio of 1, 600 brands. However, due to Path to Growth strategy Unilever cut down the brands to 400 core brands which are exceptionally recognisable in the world. For instance, Knorr is the biggest brand, with Euro 2. 3 billion sales in over 100 countries and a product range covering soups, bouillon cubes, sauces, noodles and complete meals. Frozen foods brands in Europe - the Findus brand in Italy, Bird's Eye brand in the UK, and Iglo brand in other European countries. Margarine and spreads brands in most European countries and North America - Becel (the Netherlands), Flora (UK) and Take Control (US).

Unilever restructured its business by splitting the group's activities into two divisions - Foods and Home and Personal Care. This structure allows improved focus on foods and home and personal care activities at both the regional and global levels. It allows for faster decision-making and strengthens their capacity for innovation by more effectively integrating research into the divisional structure.

As the experience with Slim Fast showed, consumers are very much health and fitness conscious, but are gradually shifting towards healthy diets, which made the company innovate the product and reposition it

Constant innovation on product or within the brand: This will add new features to existent products, so prolonging their life, but foremost, it will bring new products to the market that are better quality than the ones produced by Unilever's competitors. From earlier experience, the company

<https://assignbuster.com/the-major-brands-for-unilever-marketing-essay/>

achieved 25% growth of Dove through successful extension of dove from skin care to hair care and Knorr being extended well beyond its original concept of bouillon cubes. Improving product offerings, changing design, flexibility in distribution, good check on quality is thought to be critical success factors for Unilever.

Aim to grown business while reducing environmental impact via Unilever sustainable living plan. Lifebuoy's programme to teach children and their families about the importance of hand washing has reached over 133 million people since 2002.

Unilever has thought creatively about distribution and developed a network of independent and exclusive distributor that sell and distribute goods in every nook and cranny throughout 64 cities and provinces.

" Hygiene issues to consumers is playing a vital role in the success of our brands," says Walter Gibson, bioscience group leader, R&D, HPC. " There's a lot we can learn from the social and psychological sciences. But we also need to look carefully at the types of products we use and the delivery mechanisms," he says. " For example, a gel might be more appropriate than a bar of soap in regions where there is little running water." One of our oldest brands, Lifebuoy, exemplifies our commitment to champion health through hygiene for everyone

Unilever applied 5 " R": Remove, reduce, reuse, renew and recycle i. e Knorr Pure de Papas (Chile) reduced the weight of pouches by 14% by switching to a thinner laminate or Knorr Pomarola (Brazil) is replaced cans weighing 53.

1g with pouches weighing only 7.5g, saving nearly 4000 tones of packaging a year.

#### **4. Strategy (300)**

How would you define the company's strategy over the past few years:

What markets has it focused on?

What are its core strengths?

Would you describe the company as innovative?

In recent years, the company has been following the path to growth strategy. This strategy has meant shedding more than 1000 products, refocusing around 200 core products (reflected in 400 brand names, such as Knorr, Lipton and Magnum in food or Dove and Persil in the household products sector) in order to boost sales and margins and to concentrate marketing and advertising activities on the 200 product leaders

Moreover, another strategy used under Path to Growth was a buy of new brands, at the same discarded brands, notably Hellmann's mayonnaise and Ragu sauces, which came with the takeover in 2000 of the American firm, Bestfoods.

#### **Internal strengths (S) of Unilever:**

Completion of 5 year restructuring program on shortening of product line

Multinational character of company's business operations (present in 170 countries)

Leading global positions in 7 categories.

Company's restructuring efforts to consolidate its position (merge of Bestfoods and Lipton in 2000)

Majority of company's products is satisfying diverse consumers tastes

Company's strong innovative activities - production of snack sized ice cream (Magnum) and miniature and multi-packs ice cream (Cornetto), launch

The company reputation as a producer of qualitative goods

Strongly developed policies of listening to customers, satisfy their needs within the company

Good understanding of difference in cultures and adjustment of company's Bestfoods production to different demands.

Strong sense of responsibility to the communities they serve

Creation of regional business groups that form a regional interface with corporate strategic customers

Company's recent growth through takeover of Bestfoods in 2000 with strong businesses, Ragu sauces and Hellmann's mayonnaise. Sara Lee Corp in Personal Care division and Alberto Culver

Company's actions about stimulation of the developing world

Gradual re-branding of Slim Fast from meal replacement drinks and snack bars to low-fat meals

Recognition of shift in consumer's tastes towards healthy diets gave an impetus to repositioning of Slim Fast

25% growth of Dove achieved through successful extension of dove from skin care to hair care, Knorr being extended well beyond its original concept of bouillon cubes

Increase in share-holders value by offering relatively high dividends/EPS

Unilever realizes that innovation is key to success so that they invest nearly € 1 billion every year to build laboratories in research and development around the world to improve their nutritional properties, taste, fragrance or functionality and constantly enhance their brands and design because Unilever knows that innovative effective packaging design not only minimize the environmental impact but also reduce product leakage and consequent waste during transportation.

## **5. Vision, Mission, Goals (300)**

What is the company's vision? What are its goals? How does it motivate its employees?

### **Our vision**

" We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact"

### **Our Mission**

" To maintain the position of the leading global consumer goods manufacturer, be recognised around the world for its outstanding products

and exceptional commercial performance, thereby bringing substantial and growing benefits to the Unilever – not just commercially but also creatively.”

**“ Being the best in customer satisfaction, value, cost and maintain standards of quality. Being a socially responsible producer, a good player, a good corporate citizen, a responsible partner with its distributors and a caring employer to ensure honesty, fairness and respect.”**

**To increase the company’s overall profits by 5% per annum in real terms each year for the next 3 years.**

This is one of the prime objectives of Unilever related to return on capital employed. If Unilever manages to increase its profits, it will satisfy expectations of its shareholders and attract new investors leading to further development and growth.

**To increase the global market share by 5% per annum in real terms each year for the next 3 years.**

If Unilever wants to strengthen and maintain the position of the market leader, it will have to expand within the existing markets with better quality products.

**To achieve and maintain the highest level of the company’s technological advancement in the industry, its willingness to embrace new ideas and learn continuously.**

In the modern extremely competitive environment, Unilever has to be highly innovative and technologically advanced. A continuous innovation and learning process is vital for the company.

## **To maintain the highest standards of corporate behaviour towards employees, consumers and other stakeholders and increase concern for the communities.**

As the corporate mission states, Unilever wants to be a responsible producer, a good corporate citizen, a caring employer to ensure honesty, fairness and respect, and therefore, to achieve this mission, the company has to aim this particular objective

Unilever is quite clever when using pay for performance to supporting strategic objectives because it a perfect way for employers to communicate what the organization values and boost employee motivation. And “ Path to Growth” is empirical evidence strategy, Unilever emphasizes both growth and profits. Its compensation practices reflect the achievement of both, not just one or the other. Large bonuses are rewarded to units that deliver both outstanding growth and profits, providing the motivation needed to achieve both of these strategic objectives.

### **6. Would you like to work for this company and why? (100)**

At the moment, I'm a project manager for Harvey Nash, one kind of software outsourcing company for UK. My major is Telecom so when doing a business reports for Unilever a famous consumer goods manufacturer. It's actual not quite easy for me when I don't have deep knowledge about consumer goods manufacturer but it's brought me a fabulous challenge experience when do deep research on thing that not your strong. I did learn lots of things from one of the biggest consumer as Unilever with very innovative strategies via the way the deal with external stakeholder, cooperate responsibilities and their employee. Doing research about Unilever had been opened my

knowledge side in another field and this company is absolutely the best choice for me when I want to change my carrier path.