

Marketing and unilever

[Business](#), [Marketing](#)



Unilever is a fully multinational corporation with operating companies and factories scattering all around the world, and manufacture foods, beverages, cleaning agents and personal care products. Unilever owns more than 400 brands but its 13 “ billion-dollar brands” fall mostly into two categories: Food and Beverage, and Home and Personal Care. Unilever started its operation in Vietnam in 1995.

Since then, Unilever Vietnam (UVN) has achieved a strong and rapid growth, and managed to become the market leader in almost every sub-sector it has entered in spite of facing lots of harsh competition, especially in a country where investment is ample, rising not only domestic competitors but also attracting big foreign ones such as Nestle or PepsiCo. This paper, based on secondary research, is composed with the aim of presenting an overview of Unilever’s activities in Vietnam through the study of its current market, marketing environment, customers, competitors, and particularly brand and SWOT analysis.

We would mainly bring Comfort-the fabric softener into focus. In brief, some of its strength are secured financial background and reasonable pricing and high adaptability. It also has weaknesses such as probable misperception. And even though UVN has to face harsh competition and other threats that pose a hazard, it also can take advantages of opportunities like the domestic market having evolved much. From the analysis, we draw several suggestions for the company’s promotion strategies such as keeping going with public campaigns.

Mission Statement Unilever is a multinational business that owns many of the world’s consumer product brands in foods, beverage, cleaning agents

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and personal care products. Since the commencement of Unilever's operation in Vietnam in 1995, Unilever Vietnam has successfully grown to become a leading-fast moving consumer goods company in the local market. Guided by the mission " To add vitality to life", the company has diligently fulfilled its commitment to raising the quality of life for people everywhere through the revision of its branded products and services. Every product line is originated and developed perfectly in tune with the overall mission. Knorr, for instance, the leader in Vietnam's granule market with total share of more than 70%, originally founded on the belief that " Good food matters" since it adds untold pleasure to our lives. Or Comfort, which has been ranked the number 1 fabric conditioner in Vietnam with more than 55% of market share since 1999, lets people " Do the little extra thing for the one you love".

Or Lifebuoy, a market leader in every Asian market where it is sold, has made its goal clear is to provide affordable and accessible hygiene and health solutions for every person. Besides working on its production to provide the best for people, Unilever Vietnam is also actively involved in social activities to help raise the living standards and improving the well-being for Vietnamese people. It has contributed more than VND 200 billion to the society through a wide range of projects such as " P/S protects Vietnamese Smiles Program", " For Bright Eyes of Children", and " Pride of Ha Long".

Brand analysis 1, Brand `s current performance Brand is the most important component to create success for a company, so it's necessary for marketers to realize the brand's current performance in the market and from that developing appropriate marketing strategies for improvement by using

product life-cycle (PLC) stages, a useful framework for describing how products and markets work. There are five main stages namely Product Development, Introduction, Growth, Maturity and Decline.

Product development and Introduction refer to the period of launching goods and services while Decline is when the company stops expanding and spending on the product and develop another new one instead. In the case of Comfort, it can be said that they are in the period of rapid market acceptance and sales growth (the growth stage). Caring for your clothes is important as it allows you look good and feel good. Understanding this, in 1999 Market Leader of Unilever Viet Nam launched Comfort with the aim of making customers feel cared for everyday by bringing softness and longlasting freshness to their clothes . Immediately, Comfort has long been winning the love andloyaltyof consumers with more than 55% market share and become the number one fabric conditioner in Vietnam.

These are the evidences to support the fact that Unilever Viet Nam has been developing very good marketing strategies for their brand-Comfort. 2, Current marketing strategy for the brand Unilever Company has been implementing the international marketing strategies in Viet Nam market following Marketing Mix 4Ps framework. , Place Comfort has been distributed over the country, with over 100, 000 places, which makes a convenient access for customers and any suppliers. Nowadays, when the transportation becomes more advanced with different kinds of vehicles, it is easier for Unilever Viet Nam to allocate the product to customers in different areas and regions. 2, Product In terms of quality, Comfort not only delivers exceptional softness to clothes, but it also offers a variety of well-loved fragrances. Some

of which are Lily, Huong Ban Mai, rose scent etc. Fragrance Angels are the icons for Comfort's long-lasting fragrances.

With the desire to meet the changing needs of consumers, Comfort keeps innovating and introducing new products to the market. Not only offering softness and long-lasting freshness, but Comfort also introduces extra benefits of the products. Comfort White, the only fabrics conditioner endorsed by the Dermatology Institute of Vietnam that is safe for sensitive skin, is the best choice to protect the skin and make clothes very soft, which is very suitable for baby's clothes. Active Confident with tea tree oil extract protects the clothes from malodor and keeps customers feeling fresh and active the whole day long.

The latest innovation on the February 2006 is Comfort Thom Lau Huong Ban Mai (Blue Concentrate) with fragrance capsules which protect the perfume and only releases it during wearing. These innovations again reinforce the long-lasting benefit of Comfort Blue in the fabric conditioner market. 3, Promotion The main promotion strategy system of Comfort is “ Above the Line”. Above-the-Line is the promotion activities for product on TV, magazines... to announce, persuade and remind customers about their products, especially at the beginning of each or new product launched .

Some promotion programs are made most often on TV to make customers to be aware of the product like Comfort wedding, Comfort big day, Comfort“ spring breeze”... Since March 2005, a unique and creative idea for advertising and activation has been introduced: fragrance angel. With the fragrance angel, the fragrance is symbolized by an imaginary character which visualizes very well how the fragrance of Comfort works on fabric. The

image varies according to its purpose to illustrate the function and component of Comfort: Angel with tea leaf shield, Angel that hugs the fabric, Angel with schoolbag, Angel with the fan, Angel with sunglasses.

The fragrance angel is the unique property of the Comfort brand in Vietnam. It has been loved and adored by many people, especially children. In November 2005 promotion, thousands of fragrance angel dolls have been given as unique and lovable souvenirs to consumers of Comfort. In additions, Unilever also held many programs at markets and supermarkets like “ Kham pha 14 ngay thom lau” Campaign on 15/03/2006 “ Thu thach 1 lan xa cua Comfort” on 14/04/2008 with the aspire of positioning the brand name as well as the product quality.

Unilever Vietnam is also well recognized for its active contributions to social and community programs across Vietnam, which has helped to improve life for millions of people in Vietnam. In April 2005, Unilever Vietnam was honored by the President of the State the Second Rank Labor Medal for its excellent business performance and contribution to the socio-economic development of Vietnam, being one of the first multinational companies awarded with such honor by the State and Government of Vietnam.

Due to these direct, on time and appropriate promotion campaigns, the brand name Comfort has been widely recognized in Vietnamese market, not only bringing benefits for Unilever Vietnam but creating a good brand image fro Comfort on consumers as well. Price Recognizing that 80% of Vietnamese consumers live in the countryside with low income, Unilever Viet Nam has been developing the price strategy, reducing the producing costs, charging appropriate price on consumers. The company has based on the small rural

enterprises to find the local materials instead of importing. This helps the company reduce the producing costs and pay fewer tariffs.

Furthermore, the company also distributes the producing places at three main factories, in the north, the middle and the south of Viet Nam to trim down transportation expenses and land cost. Unilever also follows the finances support policy, helping rural enterprises advance their equipments, transfer technology, hold the training programs, etc. With all actions the company has been doing, Unilever Viet Nam has demonstrated its talent of management in satisfying the needs and wants of customers and raising the market share of Comfort in a competitive environment like Vietnamese market in current years.

Competition is inevitable for every business in every market. It's apparent that the company must cope with numerous powerful and relentless competitors such as Bestfoods; Coca-Cola; Colgate-Palmolive; Kraft Foods, Inc. ; L'Oreal; PepsiCo. ; Nestle S. A. ; Procter ; Gamble and the list continues to go on. Unilever has managed to become a leading company in almost every sub-sector it has entered despite harsh competition in Vietnam, a thriving market that not only raising domestic rivalries but also big and wellknown foreign ones.

Though it has dominated with lots of products in different kinds, this analysis would take a case of Comfort in particular. In detergents industry, Comfort has become the pride of Unilever, maintaining its 1st position in Vietnam with more than 55% of market share since 1999. However, as soon as Comfort made its appearance known in the market, it has also begun its struggle against other competitors. The strongest one of all is Downy, the

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product of Proctor ; Gamble group. Downy was launched right after Comfort was introduced to the market.

It can be said that the number of campaigns and commercials ads poured into the two products from two sides have been equally effective and attracted attention. That might partly explain the market share between of the two has been in a tight match. Firstly, the two products are produced by two both well-known companies, which can somewhat assure their look in customers' view. Then, the quality could also buy consumers with their position as worldwide brands plus the diversification of the product lines gives customers numerous choices to choose.

Also, advertisements of Downy and Comfort have been skillfully customized to attract attention and create certain values to consumers. From the introduction stage up to now, customers have been exposed to a handful of advertisements of both companies. When Comfort launches Comfort with lasting fragrance, Downy immediately offers this kind as well. Comfort creates a beautiful image of a little angel protecting the fragrance of clothes to illustrate its Comfort Fragrance Angel. Downy competes with Downy Incense Flowers, creating a demonstration through a flower field always presented in clothes.

Comfort introduces Comfort 1-time; Downy also has Downy 1-time; Comfort comes up with Comfort anti-mosquitoes, Downy provides Downy anti-bacteria. Both of them make campaigns to market for their product. About the price, Downy's price is higher than Comfort's one in general. In pack-shape, price for a pack of Downy is 2000VND, whilst a pack of Comfort costs 1500VND. In recent months, the battle has become fierce when Unilever has

launched a promotion using two eye-catching characters Andy and Lili and seem to gain attraction from consumers. From this commercial, Unilever gain the higher revenue.

While Unilever invest so much on this commercial, P; G is still quite silent. Whether P; G is planning a state-of-the-art Downy ever with outstanding functions and best-ever components; or nurturing a win-away strategy? Time will give the answer and the rivalry between the two promises to be a prolonging harsh and unforgiving one. However, at this point, it appears that Comfort is gaining the upper hand over Downy.

There are many kinds of business everywhere; where there are many issues related to the growth of the company and Different strategies will enable different companies to reach those goals. Unilever is a company started in 1930 formed of Dutch Margarine Company and British based lever brothers. Unilever holds a wide range of products which include food, personal care, beverages, canned foods, ice creams and many more which are worlds best consumer brands.

The case study describes a lot of information regarding Unilever's business strategies, key elements of Unilever's path to growth, how they rejuvenated and restructured the companies' slow moving performance to wide range of brands across the world. Unilever was created in 1930 as an outcome of merger with dual chairpersons and headquarters one in Netherlands and other in Unites Kingdom. This is of one the giant and best competitor's in the industry which holds wide range of products. The two chairpersons have launched a strategy in early 2000 to recover the company's performance which was said to be lackluster.

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With the new strategies the company showed a significant progress and has gone through many dealings over the next years, this made the company to open 20 new acquisitions worldwide and increased the sales of the company. Thus the company's business was restructured, renovated and improved through its acquisitions. Then their came companies likes nestle which effecting the growth of Unilever. Unilever then started efforts to attract and motivate young, talented and innovative managers from outside its company.

A planning technique which is used for summarizing the key issues and evaluates the Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T) in any business is called an SWOT analysis. Analysis is the brief study of any case how they are going to be obtained, who are responsible for causing it and solving it by planning which involves internal and external factors of a business or an organization; internal factors are classified as strengths(S) or weaknesses (W) and external factors are classified as Opportunities (O) or Threats (T).

Strengths are those characteristics of a person or a company that are useful to achieve the goals. Weaknesses are the characteristics of a person or a company that is destructive to achieve the objective. Opportunities and threats are the external factors that are helpful in achieving and damaging the business performance respectively.

The internal factors include personal, finance, manufacturing capabilities, etc and the external factors may include technological changes which may cause changes in products and processes that is inventing a new product or making the product better which include quality of the product and the <https://assignbuster.com/marketing-and-unilever/>

consumer desire, market influences due to unemployment rates effect the company and price factors is one of the important thing to keep in mind , market place is one more thing which is very important that is the company or a business should be located in a convenient environment to the consumers to attract and the product should be user friendly.

Another important factor is that its external appearance the packing and the name of the products should be eye catchy. At last he customer relations should be friendly and consumer satisfaction is very necessary. Other than these there are some more factors which may be changing due to economic and social factors and competitive positions which may create new opportunities or threats. SWOT analysis is useful in decision making when most wanted these include nonprofit organizations, individuals. It is the only method for classification and has its own weaknesses.

A SWOT which produces no strategies is of no use whereas which generates important strategies is useful. Unilever had a very tough competition during that time when it was bringing about the changes it was probably at this stage that these companies had moved forward with there various strategies. Skills, assets, finance, facilities are the resources which are used in any business to compete in the industry. In the same way Unilever used their own resources to grow as giant company. They have implemented SWOT analysis and implemented new business strategies and rejuvenated their company from lack lust to significant progress in sales.

It has concentrated on marketing and advertising its business and gained increased pricing with supermarket vendors. Unilever was lagging in sales when compared with nestle, Procter ; Gamble, Kellogg's etc its path of <https://assignbuster.com/marketing-and-unilever/>

growth strategy which met considerable uncertainty which made Unilever to undertake a series of actions by cutting the companies profile to reach corporate goals and introduced 20 new acquisitions worldwide and restructured the company into two divisions one includes all food products and other household and personal care.

Then started other two new businesses across the world. The external market factors such as technological changes, social factors, and other companies' growth made a very big impact on the consumer preferences and Unilever had to cut its revenue growth. Later it continued to obtain more products across the world and these products gave managers to make their own decision making to set priorities by introducing new initiatives. Unilever has even motivated and attracted young talented managers from outside the company to join their company.

According to Unilever's SWOT analysis the strengths of the company are recognized as it is a global company with strong brand profile with worlds best brands and maintains strong relation with its retailers. But coming to its weaknesses it has insufficient management of brands and doesn't not connect with customers. And inability to maximize acquisitions has reduced spending for R; D. Thought it has got many opportunities by introducing many products by changing customer preferences and increase in production of quality goods.

There are threats equally which cause decrease in revenues with high market competition, increasing the number brands and exchange rates. There are many growth expectations, risks, profit margins in food and house hold industry which is composed of many sectors and sub sectors by <https://assignbuster.com/marketing-and-unilever/>

challenging the change of customer's preferences with challenging rival firms to gain market shares. Then with competitive achievement by creating attractive products through acquisitions and with capability of growing sales of the brands which existed and improve margins.

For all this the many key to success was advertising the products. By improving the profits of the company not only included shifting sales of the products but also boosting efficiency and unit costs. There were three factors which worried in 2000, the consolidation pressures in food industry which bothered were slower growth rates in food industries, rapid consolidation among grocery markets that is between branded manufactures and private manufactures for good self space in the grocery stores.

In the United States for several years the food industry was miserable and was expected to continue for few more years due to more women working and decreasing house hold sizes, single parents and singles. But the food industry in Europe, Asia, Africa and other less developed countries were attractive. Thought the competition between branded and private manufactures was a never ending issue, private manufactures improved their quality of products by growing market shares.

Then there came many giant super markets and gave an opportunity for private brands with attractive prices below branded products and even provided checkout scanners to help the customers know price difference which tempt them to

BRIEF SWOT ANALYSIS OF UNILEVER'S CASE STUDY

STRENGTHS WEAKNESSESS Global company. Reduced spending for R ; D. Best Brands. Inability to maximize acquisitions. Strong relation with retailers.

Insufficient management of brands. DualLeadership. Increasing in need of quality products. Decrease in revenues. Changing customer preferences.

Strong competition. Increase in brands. shift to the private brands. Due to the heavy competition among them manufactures had to cut down the costs of the products, number of versions of the products and weed out weak brands and concentrate on those brands which were popular among the customers and those could develop into global brands. Introducing dual headquarters by dividing the food industry which consisted of 6 categories and household industry which consisted of 8 categories there were many benefits such as improving food and household industry by focusing more on them regionally and globally.

Accelerating decision making and successful integration of R ; D though there were some critics that Unilever has been paying more for some of its acquisitions such as acquire Amora Maille. Unilever as of then in 2003 had been seen as a growing organization which probably had all the necessary requirements to make it a force to recon with, during the Path to Growth strategy many aspects of the company had come out some of them included the strengths, weaknesses, opportunities and threats.

Strengths, probably the biggest strength that the company had at that time was the correct selection of the brands and the products it had in store unilever had done many researches and had to make many decisions to get the right combinations products that where to be sold it also had the right ideas to increase the sales and all the leading brands to help its cause.

Unilever was very good at that time even if the financial aspect was taken into consideration it could experiment with various aspects of its store cause had the financial backup which was required at that time to help it implement various ideas and deal with the market pressures, for any company to improve its sales marketing always plays a very important role this was probably there biggest strength as the marketing strategy applied by them managed to grab peoples attention as they easy to be connected to and much more simplistic and realistic.

Unilever did manage all its clients very well considering that during a phase when they where cutting on the brands it would have been a risk to out anything at that time but it was very well managed by the company. Mainly the fact that unilever was now looking to make the higher range or the brands which where more famous as there core brands which made it much easier for them to advertise considering that it is much easier to promote a very well known and a trusted brand rather than a normal or new brand to increase the sales.

Weaknesses, though unilever had a very good policy and all the right objectives to make a difference in the industry it couldn't happen basically due to the lack of proper organization, it was actually much like a bureaucratic organization where things where divided between too many people and it had become difficult to get the ideas moving due to the lack of proper organization, it probably all started with the fact that the company had to deal with too many brands in the first place it would obviously have the impact when the Path to Growth strategy came up cause of the then 1600 brands only 400 brands where retained and rest all where either

removed or replaced, that shows that due the lack of proper organization and too many brands being part of it didn't help it in making the changes it wanted to in a better and quickest way.

The organization was probably one field in which the company was lacking because it was felt that at the top of the company as there were too many people making decisions and these decisions had to be put forward and this delayed the process of improvement for the company. Opportunities, during this phase of development and renewing it content and upgrading of the stock it turned out to be very fruitful as it provided many working opportunities for people it was at that time that many people where starting to get full time work, during this phase a lot of acquisition also took place with the major brands which resulted in some alterations in plans to that which were planned. SlimFast which is a private company is another acquisition of Unilever after implementing path to growth strategy in 2000 the company bargained an agreement to purchase slimfast diet foods.

It had strong sales and network and has a special space in every super market and drugstores these products were made from natural ingredients and added vitamins and minerals to provide good nutritional profile. It also maintained a very good relationship with Food and Drug Administration (FDA) and other agencies. Unilever has concentrated more on this Slimfast since the company was growing fast and attracted the customers to buy more of it for healthier and long living life . Management of Unilever utilized the opportunity to globalize the product in other countries like Europe, Australia due to increase in the percent of obese. According to the world health organization percent of the obese was increasing gradually.

UNILEVERS TOP COMPETITORS ? Figure: Competitors Performance Comparison <http://finance.aol.com/company/unilever-plc-amer/ul/nys/top-competitors> Ben ; Jerry's acquisitions which produces one of the finest ice creams anywhere in pint cartons and wholesale at groceries. Their sales slogan was Vermont finest All Natural Ice cream. They never use any artificial flavors thought the cost is little more it is worth the price. According to the time magazine Vermont makes the best ice cream in the world with 29 flavors in pint cartons and 45 flavors in bulk cartons. There products were distributed throughout the world. On demand Ben & jerry operated three manufacturing plants where Vermont plant produces super premier ice cream and frozen yogurts where as spring field produces ice cream, lot fat ice creams in bulk, pint cartons and half gallons.

Dreyer's and Haagen-Dazs were the two major competitors of Ben ; jerry and other competitors were Colombo frozen yogurts, Kemps ice cream and star bucks. Ben ; Jerry produces a wide range of ice creams products like sticks, bars, frozen yogurt pops etc. Though Haagen- Dazs was the global market leader followed by Ben ; jerry it had an insignificant market share in United States where as Haagen- Dazs was more significantly sold in foreign markets. Both Ben ; jerry and Haagen-Dazs produced ice creams with cookies and candies in it. Bestfoods was a global company across the world almost in 60 countries which was busy in manufacturing and marketing the food products. Bestfoods profits are almost from outside of the United States that is almost 60 percent of its profits.

It is one of the best managed food companies among United States who has much number of employees working with in their company in which half of

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them were at non US locations. The company increased payments for 14 successive years has its revenues grow by 7.8 percent annual rate and suddenly slow down during the period of 1997 and 1999. Then the company introduced a strategy with four core elements. Globalization of the company's core consumers: Products which are new in the market are needed to be globalized that is the products which are less popular among the consumers, are needed to be advertised and market those products to increase its sales and profits of those products. Few such products are Knorr product line, salad dressing and food service operations.

The advertising of such kind of products was done very well in order to get those products globally recognized and be accepted among many big brands and soon they became household names. Improvement in cost effectiveness: With changing customer preference the quality of the products must be improved and therefore there should also be improvement in cost effectiveness as the quality improves cost increases. Cost effectiveness is nothing but it is a way by which you show to a customer that a certain product is worth using or is better than other product or the money you spend on it is worth it. Cost effectiveness in simple would be defined as showing the worth of the product. Looking for new market opportunities:

Extending the product sales all over the world via new product introductions and extending sales of the products which are existed in the market. It is very important for any company to be always alert and look for opportunities to extend the business to a large scale and see it in a bigger picture based on the opportunities it gets. Using free cash to make new acquisition: With expanding the products and brands company has created 60 acquisitions in

the global market. After struggling a lot in June 2000 best foods agreed to be acquired by Unilever. Best foods were the largest acquisition undertaken by Unilever by as far as concerned and which makes a largest combination of food companies in 12 years.

Management of Unilever believed that combining and assimilating bestfoods would result in pre tax cost saving, better efficiencies in business process, synergy in distribution marketing, reformation of general and administrative functions and improved economies of scale. By creating robust business in United States market, increasing strengths of Unilever and best foods in Europe, building of best foods in Latin America to speed up the growth of Unilever brands, by distributing strengths in Asia- pacific to grow and sped up Bestfoods brands and increasing the sales of Unilever products by food service channel of Bestfoods. The workculturewas so casual to make the atmosphere fun and lively withcommunicationbetween the management and employees.

The company respected the employees suggestions and respected them even paid the employees a reasonable salary Finally Unilever has announced sale of Bestfoods Baking Company to Canadian food and super market group known as George Weston for \$ 1. 76billion though Unilever declared to divest Bestfoods Baking Company and Unilever other products and bakery products does not exit any more at Unilever. Bestfoods has 19plans across the United States with a strong management team and was entirely US based. It was one of the best distributing for delivering the baked products which are really baked fresh and sent directly to the retail stores. With its dedication andhard workBestfoods sales has increased its profit margins by 8

percent. Later again Unilever announced to sell 19 Bestfood brands across North America to ACH food companies which is a supplementary of Associated British Food.

By successfully combining the operations of bestfoods with Unilever by the year end of 2003 the two companies had been merged in 63 countries across the world TASK 2: Path to Growth: Path to growth strategy was initiated in 2000 and was restructured for several years for better and significant results. The key elements of this Unilever's path to growth strategy were cutting down its brands from 1600 brands to 400 core brands to achieve top line sales and increase profits by advertising the brands which are more popular and leading brands across the world and concentrating on R ; D. Another important key element was divesting underperforming brands and their companies and introducing more innovated things to enhance the internal development of the organization and making new acquisitions.

Unilever's years of slow performance and its lack of corporate strategy in the competition industry with low number of brands and ordinary performance in growing markets with a little global presence made to create a path to growth strategy which was a 5 year growth plan which made them to concentrate on more brands and product innovations for internal and external growth of the company. And made the company to grow with acquisitions. According to FitzGerald and Bergman's path to growth strategy they predicted to manufacture double digit wages per share growth and superior positions. Focusing on the key brands by advertising and marketing made business grow higher and build brand value and increased brands prices.

The case study shows Unilever as a global company according to SOWT analysis after introducing the path to growth strategy the company had really increased its sales and with introducing more number of acquisitions and cutting down the cost of revenues. As the acquisitions like Slimfast, Ben ; jerry and best foods were rapidly growing their market across the world building a very strong profile and providing customers attractive products and offers. Slim fast has 20% annual growth rate with strong sales and distribution all over the world and also maintained good customer relation. Where Ben ; jerry was worlds giant ice cream products and yogurt maker with strong brand equity. Bestfoods was US's 10 largest food products company with a strong global position.

The two key elements of the Unilever's new business strategy was to cut down on the number of brands that were being sold or being marketed by the company, at that time Unilever was operating with as many as 1600 brands and much more products due to this the cut down on the number of products and brands was considered, the 1600 brands that where part of the company were cut down to as many as 400 core brands, the core brands mostly included all the famous and popular brands which are generally very popular among people, this idea came up as to make sure that the products where sold and by doing this it would not be much of a problem for the marketi8ng of these products as most of these brands where already day to day and very famous brands which people would generally prefer buying, which would mean that it would take much less an effort to connect to the people and more over the marketing was also done in such a way that people where able to connect to it very easily, the other key element of the

unilevers strategy was to remove all the underperforming companies or brands and introduce some other new brands or companies in order to enhance the internal development of the organization and make new acquisitions which would enhance the sales of the company and make it more likable for the people this strategy was designed to increase the sales of the company and get rid of the companies which were not much in demand . Weaknesses according to SWOT analysis showed the company has dual leadership, insufficient management of brands and reduced R ; D after all this slow performance and small global presence the management has introduced path to growth strategy, which increased the company sales with cutting down its costs and introducing more acquisitions resulted in globalizing the company. As a result there were few expectations to achieve a double digit growth and securing a better position in global market for food and household products by increasing the quality of the product to gain pricing power and attract more customers.

But according to the strategy plan the targets which were set was really high that is top line sales growth of 5-6 percent annually, increasing profits, and plan to complete by the end of 2004. If we look and analyze the path to growth strategy we can tell whether the strategy is working or not, we can say that it is working by its success rates and increase in profits and increase in brands and acquisitions that is the consumer preferences have changed due to which the products quality has changed and prices have changed the leading brands sales have increased from 75 percent to 93 percent. Food and personal care industry have increased its profits consistently.

Operating assets have also improved by 9 percent. Acquisitions like slim fast, Ben ; jerry and best foods have gradually improved its growth and established its acquisitions all over the world. But the other side it is completely not yes, Unilever was gaining profits significantly after introducing new strategies but it was losing too yes it reported a net loss of \$318M as the competitions was increasing and new brands were coming in to the market and rivals were introducing new strategies to compete Unilever. In the year 2004 sales grew only by . 4 percent leading brands by . 9 percent so this proves that Unilever was lagging behind competitors in terms of innovation and advertising.

Unilever's lack of advertising and marketing failed to improve sales. The company was small and not globalized. In this case Unilever attracted the new young talented manages to join their company with innovated ideas to increase its company profits by new methods of advertising and marketing. To justify Unilever strategies it maintained dual headquarters and dual chairpersons which reduced effective thinking and slow downed the decision making. Unilever is divided into Unilever Plc and Unilever NV. This made Unilever to focus on the needs of the customers and increase its sales profits in various industries like food, personal care, and household industries all over the world.

As customers demand the products which are of the best quality and branded but at the same time convenient, cheap and attractive. The market for household products have been decreased its profits as the numbers of single parents have been increased and the rate of females working out have been increased and the demand for the healthy and high quality food has

been increased. The consumer's preference of the products such as its look, quality of the product and nutritional values has been increased by providing a strong competition against its giant competitors and private manufactures. This allows Unilever to focus on the need of its customers by increasing its sales.

In 2003 Unilever executing its path to growth strategy by increasing its operating margins to over 15percent, but the sales of the leading brands growth as slowdown and raised questions among the investors and retailers that whether company brands could deliver some 5-6 percent of growth in revenues in the next coming years. TASK 3: Unilever's current business Strategies: Ever since the ' Path to Growth' strategy ended in 2005 there has been a 15% increase in the sales and development in the overall progress of Unilever. After the ' Path to Growth' came to an end a new process was developed by Unilever called as the Brand Imprint which helped the marketing teams in understanding how the business could face risks as well as opportunities from the social, economic and environmental issues.

In this process each brand was scrutinized by a team looking into various aspects of it such as the direct as well the indirect impacts of the product, it also checked how the brand would go ahead in the future looking at the products possibilities of growth both from a customer and a stakeholders point of view. The outcome of the Brand Imprint is that the process has helped in making important decisions for the company keeping the future in perspective it also developed in addressing social missions, social and environmental issues. The Brand Imprint provided a perfect experience to find some systematic and measurable ways to explore different brands and

improve the brands by addressing social issues, helping people the product well and reducing the environmental issues. When the S. W. O. T analysis was done on the ' Path to

Growth' strategy many different aspects of the strategy were scrutinized using the SWOT analysis in which it dealt with many aspects such as the strength, weakness, opportunities and the threats that are being faced. After the analysis it came out that it had been very useful to determine the various aspects attached to it. Unilever for years had been a slow developing company, though the company had the right infrastructure and the capital but it couldn't utilize it properly that was basically the reason why the path to growth and various other strategies were starting to come up to help the company to increase the sales of the products and improve the business. Path to growth played a major part in the development of the company.

The Path to Growth strategy did prove to be quite a useful thing considering the fact that during this period almost all of the unsuccessful brands were removed or replaced and the brands which were trusted and kept managed to increase the sales by 75% to 93%. Unilever's growth was considerably slow during this phase because the company was at that stage making very drastic changes and for these changes to come up and make a difference was something unexpected but the company's growth was obvious in certain fields thanks to the new strategies that had come in to improve the sales of the company so as to improve the business of the company. It was due to the fact that the company probably took way too much time to start and implement its plans that it caused the success to be not as high as expected.

Many business analysts and commentators felt that most of the strategies of the path to growth were working fine but there was always a speculation that whatever progress was taking place was happening too slow considering the competition the market was in with at that time, it was also felt that as the basic functionality of the business was spread among way too many people made the management way too complex and it would have been better off if it was simpler. It did work out fine when it came to the advertising of the product and getting it known to the people as it was more public oriented and it used the sources to the full extent to connect to the people.

It did experience a drastic growth during that period as the analysis had proved that the company had the highest growth percentage as compared to any other company during that period it did bring in high profits to the company but looking at the whole picture it did prove to be a huge loss for the company considering the fact that they faced a countable loss in the revenue margin and that proved to be the difference, though it did have the right amount of sales and customers due to the slowness of their analysis to sort out and remove or replace the stuff did make a difference to analysis in the larger picture. But the company did grow during that time which might as well have effected the revenue cause many new stores were started and large number of employees were starting to be employed on a full time basis. It did do quite well on the international market as well.

By looking at the way the company had grown during this stage is quite remarkable many business analysts and commentators had felt that they probably had the right scheme of action because during that time they

where handling 1600 brands and which was way too much and among those were quit few brands which hardly made any diff to the company so then the whole idea of brands cut based on the market outlook and sales reports was looked into to classify as to which of the products or brands where fast selling and which had the scope to sell more. It was that idea to cut down on the number of brands and start promoting only few brands which where much easier to be marketed and which where more likable by the people by which it would increase the sales and also make the marketing of these products easier cause when you are promoting bigger brands which are often very well known to public would mean that u don have to spend much on the marketing. Did the company experience growth during this period?

Yes, would be the right thing to say voiding the minor things which might effect the outcome but it did see the light of success though slowly and there process and ideas where starting to get implemented in a better way and in a more successful way to deal with the growth of the company, the process of cutting down on the under selling companies was probably the decision that started to turn the tide for the company as it was when the losses where starting to be covered and it was more like a store where the fast selling stuff was found. Unilever's Path to Growth had probably the right ideas to take the company to the highest position with its aims and objectives on the right part but probably it was at the implementation of the whole strategy that could have probably caused the difference in this strategy from just a successful strategy to a very successful state The strategy had the right plans to study the whole products and the brands which where being sold and come up with whole list of brands that where actually more likely to be

sold quickly and frequently and those which were not that much preferred, it does take in a lot of effort to recognize what is selling and what people like the most as you have to be cautious that you don't get any of the products that is more frequently sold off the shelf. By early 2005 there was a need for a new business strategy and a new strategy which was more active and a top down approach to managing a company's brand profile was introduced for Unilever to support this growth strategy. But the growth to strategy at the starting point was precise, though compared to the company's profile. On the whole Unilever did manage to grow very well in the market during this period and it was for its strategies and policies and the work put into it that the whole thing was done successfully. TASK 4:

Academic theories: The word diversification means a strategy for a company for its market growth. To look forward to increase its profits by increasing the sales of the products. There are four main strategic alternatives emphasizing how each strategy might change companies' competitive capabilities they are Market penetration, product development, market development and diversification. [http://en.wikipedia.org/wiki/Diversification_\(marketing_strategy\)](http://en.wikipedia.org/wiki/Diversification_(marketing_strategy)) Basically the four main strategic alternatives deal with the markets and the products which are based on the present position of demand and supply of the market and the position of the products.

Market penetration, it is nothing but the way by which a product's sales can be determined, consider there is a particular product which is generally used by everyone and is almost the same for everyone then in that case the penetration of that particular product will be deeper as its demand is much

higher than other products, it can simply be told that the deeper the penetration the greater the product sales, by using the market penetration technique we can determine as to which product is currently more sort after and which one has the highest demand by doing this it will effect the business cause the demand for that product will be much higher. By using the market penetration we can come up with new marketing techniques as to increase sales of a product which is not much in demand or gain more profit on products which are in higher demand, for example lets consider a product which has not been off the shelf due to competition from other products in this case if we do the market penetration we would know the reasons as to why the product has not been sold. Based on this if the reason for that is if the product is expensive then we can look into the market penetration and decide to cut down the price so as to match that of its competitors.

There are many growth expectations, risks, profit margins in food and house hold industry which is composed of many sectors and sub sectors by challenging the change of customer's preferences with challenging rival firms to gain market shares. Then with competitive achievement by creating attractive products through acquisitions and with capability of growing sales of the brands which existed and improve margins. For all this the many key to success was advertising the products. By improving the profits of the company not only included shifting sales of the products but also boosting efficiency and unit costs. Market position can also help you determine as to which products need to be stocked up the most and how these are to be

managed and depending on the demand we can decide as to what can be done to increase the publicity or marketing of that particular product.

Product development, it is nothing but the way at which any particular product has improved its sales or how a product has worked out is called as the product development, the product development is generally used to determine as to which product is leading at the moment so as to utilize more of it to increase the sales, in the product development if any particular product is higher in demand due to its development it can be helpful in increasing the sales of that product but where as simultaneously if there is any product which is least popular we can make efforts using this to know as to what would be the reason behind the product not being to the sales expectations. Market development, the market development strategy is nothing but a way by which we can develop our business and increase the sale of the products, it is the process of getting new customers, new products and new business to the company by making new promotions so as to increase the sales of the products and to increase new customers, market development in simple terms can be called as the process by which we wish to develop the business by getting in new customers and getting some new products to our already existing customers is the market development.

The market development strategy generally deals with the non-customers who don't often come in to shop, with this market development we manage to attract the people to now come into the store and improve our business. Diversification, it is nothing but the spreading of the investments among the company in order to increase the business, diversification is a means of way by which the market penetration can be improved, in the diversification

looking at the market conditions the company invests in various fields so as to make the product develop by which the product will get more penetration, if the product gets more penetration that means it will increase the business to the company.

On the whole diversification is a corporate technology by using which they generally tend to woo the customers to make the decision and increase the market penetration. All the four strategies have their own importance in improving the business the market penetration is the basic thing which helps the company in building up a product which would become a money spinner for companies, the market penetration process helps in finding the right product that is in demand and the right ways by which a normal product can be increased is called market penetration. Similarly, product development is a way by which we can determine as to what is the actual position of a particular product in the market and so as to what needs to be done for the development of that product is called as the product development.

Market development is similar to product development in which we check as to what needs to be done so as to improve the sales and customers in the company. While diversification is probably the main source that holds all of these together, by using the diversification a product can be made to increase its market penetration, diversification involves the spreading of investments among the various other aspects in business so as to improve and let other products grow so as to improve the market penetration. Diversification is something which holds all the four alternative strategies together and diversification is more like an influencing factor on these for the products to be judged in the market and vice versa.

Unilever in order to improve the sales has few strategies which are influenced by the strategic alternatives, in the unilever's method to increase the growth the number of brands that were being promoted or sold had to be cut down from 1600 to just 400 core brands which could be done with the help of the market penetration, by using the market penetration and looking at the market penetration of the various brands in the company it would help out in which brands had the highest penetration in the market and which had the least penetration in the market, so that the brands with the least penetration were removed from the company. Market penetration makes the whole task of choosing the brands which had to stay and the brands which were to be removed by having a look at the brands penetration.

Similarly in the aspect of divesting the underperforming companies the strategic alternative comes into play where the product development is taken into consideration, in this a if a particular product or brand is not having a high market penetration then it is said that it is looked after to see the product development of the product so as to check if the product would help in the internal development of the company. The overall picture was of business strengths and weaknesses too much wastage of money and many better opportunities to align resources behind building the brand profile for the future. However the food products were also globalized with slower growing market. Unilever's expectations were to achieve double digit growth and secure a better position in the global market by building a brand value with increase in sales by diversifying that is creating more number of acquisitions across the world and making the products which are local in a market globally according to the change of customer preference.

And making the company with dual chairperson and dual headquarters this made Unilever a more successful in the competitive industry while it is easy to manage the company and make decisions very quickly and effectively. Changing customer preferences that is according to the four business strategies product development need to be modified or a new product need to invented it is better to change and improve the quality of a product which is already existing rather than inventing a new product. As the number of women working out has increased gradually and single parents have increased and heir became a decrease in household products and rapid consolidation among retailers has made food industry miserable.

Whether the theory is supported by practice: Yes the theory of these strategic alternatives is very much accepted and supported by practice, all the four strategic alternatives that ate used for the company's capabilities are generally accepted and supported by practice, it is very well known that the four strategic alternatives are market penetration, product development, market development and diversification. These are the four strategic alternatives which are generally supported by practice because when implementing the actual strategies of unilever these alternative strategies do come into being used and help in the successful implementation of those ideas.