

## The Impacts of Covid-19 on Unilever

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### ABSTRACT

Unilever is a global consumer goods company which provides daily products such as soap and snacks. It is one of the oldest multinational companies distributing its products to more than 190 countries. During Covid-19 pandemic, the demand for products and services has greatly decreased, and Unilever has shown a great reaction towards the situation. The purpose of this study is to explore how Covid-19 affected Unilever and how Unilever improved the company welfare. The data collected from news, websites and other reviews. This study found that Unilever instant food products decreased as consumers focus on purchasing household products.

**Keywords:** Covid-19, Household, Impact, Product Demand, Unilever, Welfare

### INTRODUCTION

Right down to the year of 2020, Unilever is the largest global company selling fast-moving consumer goods. Every day, two billion people are consuming the products as Unilever gives their customers an opportunity to build a brighter future. As a food and consumer goods manufacturer (FCMG), Unilever has a purpose to help every life on earth to make sustainable living common place.

Unilever is considered a high-ranked FMCG company with more than 400 brands all around the world and numerous product segments. The company was founded in 1930 and became one of the oldest companies producing consumer goods in the world. The company was started from the collaboration of Margarine Uni and Lever Brothers, a British soap maker, to form a multinational company named Unilever to produce numerous daily products. The company has created many product brands including food and beverages, beauty and personal care, home care, cleaning agents, personal care, refreshments, and more.

Its \$15 billion worth top brands include Rexona, Knor, Lipton, Sunsilk, and Dove, which expand 50% faster and more than 60% share of the company's total growth. Unilever has been engaged in several Corporate Social Responsibility (CSR) events, such as an



initiative by Unilever Home Brands to clean 2,000 mosques in 13 cities during Ramadan in Indonesia, and Ben & Jerry's efforts to improve criminal justice and address racial bias in the United States. Besides, it is fiendishly difficult to penetrate the farthest corner of the world in places like India. Unilever has made this possible through its involvement in the network of distributors. The product line of the company contains both luxury and affordable products. In addition, Unilever has made several strategic investments, such as Breyers from Kraft, the biggest ice cream maker in the United States. Unilever's power is its valuable supply chain network.

COVID-19 is a pandemic which has been ongoing since the World Health Organization (WHO) declared this outbreak as a pandemic in March 2020. Various countries have taken aggressive measures to cope with the disease (Mahajan, 2020). When the coronavirus occurred, the market worldwide panicked since all pandemics ever happened brings bad effects on the economy and business, they need to close their business and stay at home. Employees are advised to keep wearing a mask in order to prevent the risk of being exposed to Covid-19 (Yuliasuti, Kepramaren, Sugiantari, & Giri, 2020). Consequently, the pandemic not only affects mental health but also people's daily livelihood and economy while they need to struggle to satisfy their needs.

The International Monetary Fund (IMF) forecasted the 2020 global growth by 4.9%, 1.9% lower as predicted by the World Economic Outlook (WEO). The decrease was influenced by the unpredictable covid-19 and total national lockdowns by several countries. Moreover, the second largest production company in China, which usually being the main production for supply, reported its 6.8% reduction in the first quarter of 2020 due to the enclosed nation borders (Bradsher, 2020). These lockdown measures have also created teleworking, and telecommuting, interrupted operations, and restricted the demand and supply.

The demand and supply of the economy was affected for some products have less demand and make supply less needed, however, as the expenses involved remained the same, the profits diminished. This will make consumers and investors uninterested to invest in the marketplace when the market declines. In addition, some companies need to make bad moves by reducing employees to cut the cost and keep their business safe from loss. Public health and international world also responded to the pandemic as it affects economic development policies and trade, travel, and health.

From the data we obtained, the product consumers are most interested in is beauty and personal care products, including soap, shampoo, toothpaste, etc. Product development, based on 4'P in management strategies, which this research will do is to add a variety of existing products to answer questions from the community.

The products are beauty and personal care products, such as Lifebuoy, consisting of antibacterial chemicals to prevent the transmission of the Covid-19 virus. Apart from this, we suggest some ideas such as developing market share where Unilever is implementing CSR programs to several countries. Since the economic situation is falling, this is a good moment to carry out the program by opening new job opportunities, improving community knowledge about the dangers of Covid-19, as well as improving their welfare by community service programs.

The Covid-19 pandemic has changed our lives. Companies and foreign markets will never be the same as before. It affects the economy in terms of demand supply of the

products. In addition, further change in consumers' needs is unavoidable as the peak of the pandemic passes and its long-lasting impact on human behaviors becomes clear. Therefore, Unilever should be well prepared to take multiple steps to improve the present situation. The purpose of this research is to explore the impact of the coronavirus pandemic on Unilever and its consumer behavior in purchasing Unilever's products.

## **RESEARCH METHOD**

Research method is the technique or method used to collect and identify the data to be used in the research topic. This section allows the researchers to evaluate the study's reliability and validity. For this research, the methodology part will define the quantitative and qualitative method, data collection method, sample selection, research process and data analysis.

There are two methodological methods to collect data; they are quantitative and qualitative method. In this research paper, we simply focused on the quantitative method as it described the data by numbers, charts, and graphs to identify the research assumption. The purpose of gathering the quantitative data is to understand, describe and predict the nature of a phenomenon. Furthermore, this approach can be used to confirm the theories and establish the generalizable facts about the research topic.

As stated by Ainsworth (n.d.) one of the most used methods of gathering information for research is the quantitative data. Quantitative analysis refers to the measurement of a numerical result. The most common method is a survey that asks questions to gather answers that shed light on patterns, preferences, behavior, views, and any other elements that can be counted.

### **Data Collection Method**

"Data collection is the procedure in gathering information on a specific topic from targeted variables and sources. Data are the basic inputs needed in making decisions and produce outcomes for the research. There are many ways in collecting data which are based on several approaches such as the research objectives, research design and the limitation and availability of researchers in the form of personnel, time, and money" (Belyh, 2019). We collected data from online resources such as the Internet, reused data provided by anyone else or used the stored data or previous collected data.

The data for quantitative methods are collected from surveys and existing data. First, the survey form consists of multiple-choice questions and rating scale questions which are related to the research topic (Suvanmanee et al., 2020). Probability samples are used to randomly select participants to take part in the research. This can help the researchers to make relevant and statistical inferences from the respondent opinions. The survey was conducted online via Google Form distributed to one hundred and thirty respondents.

We conducted a survey in the form of an online questionnaire, comprising 14 questions regarding personal data and products from Unilever, to find data on gaps of sold products and to determine the impact of Covid-19 on the company.

### **Research Process**

Research process is the process of gathering information for initiating, modifying, or terminating a particular investment. There seem to be two main types of research

questions, the conditions of nature and the relationship among variables. If the problem has been established, a brief description should be written, and a hypothesis should be formulated. Formulating hypotheses is a tentative assumption made to test the logic because a hypothesis should be very specific and limited. Then, a data collection process is needed. Primary data can be collected and analyzed through observation and survey. There are therefore seven phases inside this research process (1) identifying a problem statement, (2) studying the literature, (3) formulating hypotheses, (4) planning the design of study, (5) compiling data, (6) reviewing data, and (7) writing analysis and making documentation.

### Data Analysis Process

Data analysis is the process conducted by researchers to minimize and analyze data for information. It is used to minimize the vast volume of data to small parts. After data is collected and analyzed, researchers may use various methods of data analysis to gain useful insights and interpret the data into simplest form along with the details to make the message clearer and more efficient to the users. This data analysis process has a few processes before making it easy to decide and the process begins with data requirement to data collection, data processing, data cleaning, data analysis and communication which the decision will begin.

## RESULTS AND DISCUSSION

After distributing the questionnaire with the hyperlink [forms.gle/PSsKsqsb5DvKFMkn7](https://forms.gle/PSsKsqsb5DvKFMkn7), this study collected several data about respondent's demographic profile. Table 1 demonstrates the frequency and percentage of the demographic profile of respondents who answered the questionnaire.

**Table 1. Respondents' Demographic Profile**

Response	Frequency	Percentage (%)
<b>Gender</b>		
Female	76	58.46
Male	51	39.23
Prefer Not to Say	3	2.31
<b>Age</b>		
15 - 19 years old	18	13.8
20 - 30 years old	102	78.5
31 - 50 years old	7	5.4
51 years old and above	3	2.3
<b>Ethnicity</b>		
Malaysian	70	53.8
Indian	35	26.9
Indonesian	25	19.2

### Employment Status

Government Sector	7	5.4
Private Sector	12	9.2
Self-employed	7	5.4
Unemployed	2	1.5

Based on Table 1 above, most of the respondents were Malaysian female students at the age of 20 to 30 years old. There are 76 out of 130 respondents are females whereas another 51 respondents were male, and 3 respondents preferred not to say the gender. Female and male participation is 58.46% and 39.23% respectively.

By their age, the most respondents belong to the age group of 20-30 years old (78.5%). The group age of 15-19 years old comprises 18 respondents (13.8%). Other respondents belong to the age group of 31-50 years old and 51 years old and above by 7 and 3 respondents respectively with a total of 7.7%.

By respondent's ethnicity, 70 respondents are Malaysians, 35 respondents are Indians, and 25 respondents are Indonesians. This means that the participation of respondents from Malaysia is 53.80%, from India is 35%, and Indonesia is 25%.

By employment status, it indicates that out of 130 respondents, 102 respondents are students, 12 are working in the private sector, 7 are employed in the government sector, 7 are self-employed, and 2 are unemployed. This means that student participation is 78.50%, while the rest of the groups is 21.5%.

**Table 2. Consumer Behavior of Unilever products**

Response	Frequency	Percentage (%)
<b>Are you familiar with the brand Unilever?</b>		
Yes	130	100.0
No	-	-
<b>What products from Unilever that you are aware of? (Multiple Choice)</b>		
Beauty and Personal Care	118	38.44
Household Items	80	26.06
Water Purifier	31	10.1
Food and Refreshments	78	25.4
<b>Are you aware that you use products from Unilever every day?</b>		
Yes	86	66.2
No	25	19.2
Maybe	19	14.6
<b>How would you rate the quality of Unilever products?</b>		
Excellent	50	38.5
Good	66	50.8
Average	10	7.7



Bad	-	-
I do not know	4	3.1
<b>How do you purchase your necessities during the Pandemic?</b>		
Online Shopping	35	26.9
Physical Store	90	69.2
Other	5	3.8
<b>Do you think Covid-19 has affected Unilever?</b>		
Yes	63	48.5
No	67	51.5
<b>How much money do you usually spend on households' items per month?</b>		
0\$ – 30\$	57	43.8
31\$ – 60\$	48	36.9
61\$ – 100\$	19	14.6
101\$ and above	6	4.6
<b>Which age group uses Unilever products the most? (Multiple Choice)</b>		
Children	27	10.8
Teenagers	85	34.0
Adults	107	42.8
Senior Citizens	31	12.4
<b>Is it easy to purchase Unilever products?</b>		
Yes	129	99.2
No	1	0.8

Table 2 shows the frequency and percentage of respondents' experience, usage, and purchase behavior of Unilever products.

Based on the table above, we can say that most of the respondents were familiar with Unilever brand across the three nations. This highlights that people are enjoying using Unilever products. It indicates that all 130 respondents were familiar with the Unilever brand. They have used, experienced the products as they are easily available in their surrounding areas.

In addition, Table 2 implies that those aged 20-30 years old like to use Unilever beauty and personal care products in their daily lifestyle. It also indicates that out of 130 respondents, 118 used beauty and personal care, 80 bought household items, 31 purchased water purifiers and 78 used food and refreshments. We can also conclude that most respondents (86 respondents) are aware of using Unilever products. This confirms their awareness of the brand. A total of 66% respondents rated that Unilever products are good emphasizing Unilever products' super quality.

Addedly, based on Table 2, we can see that most respondents (90 respondents) purchased their daily items at nearby physical stores. During the pandemic, 26.9% respondents bought their necessities from online shops, 69.2% at physical stores, while the rest 3.8% at the others. A number of 67 respondents believed that Unilever are not affected by Covid-19 people keep buying products from Unilever, while the rest 63

believed otherwise in which the market share fell because the average product from Unilever did not contain chemicals able to prevent the spread of the coronavirus.

Additionally, Table 2 shows that most of the respondents (43.8%) spent 0\$-30\$ for their household items, 36.9% spent 31\$-60\$, 14.6% spent 61\$-100\$, and 4.6 101\$-above. It also illustrates that adults (42%) are those who use Unilever products the most, followed by teenagers (34%), senior citizens (12.4%), and children (10.8%). Lastly, 99.2 respondents agreed that Unilever products are easy to purchase. This signifies the easy availability of Unilever products in the market. Through Unilever, customers can fulfil their daily nutrition, grooming and personal care needs to make them feel healthy, and to look better. Unilever products certified safe everyday use.

### CONCLUSIONS

To sum up the findings, Unilever is barely affected by Covid-19 pandemic since most of its products are considered necessities and are well known. While other companies are facing a big turnaround due to the outbreak, Unilever has a variety of products with worldwide usage flexibility in its brand revenues which makes it reasonable to resolve the crisis. Some sort of products may well benefit, however for food, they need to step up their strategies to minimize the loss of brand sales.

The outbreak has dramatically changed the world today. During this pandemic, a lot people switch their behavior of buying from daily items into primary products like personal care products (Laato, Islam, Farooq, & Dhir, 2020). Turambi and Wuryaningrat (2020, p. 1) stated that people are living in a different manner, purchasing differently, and making different choices in a variety of ways. Production facilities have been trialed. Retail stores are closing their doors. Consumers are looking at products and services through a different perspective since people are now much more health-conscious and avoid becoming infected with the virus. Anderson and Sin (2020, p. 74) argued that excellent layout of the environment impacts purchase choices and consumer loyalty. Furthermore, in compliance with existing provisions, the owner must continue to avoid the virus by enforcing health protocols.

Unilever also manufactures a ton of sanitary products that are lightly influenced or not affected by the national pandemic. The virus is transforming the consumer goods market in real time, accelerating long-term systemic patterns in a matter of months (Accenture, 2020).

The world is changing and living toward more meaningful and sustainable ways of consumption where they personally increase their responsibilities to always keep healthy and clean. This proves their purpose to keep a sustainable living society. Unilever has successfully achieved and enhanced the livelihoods of millions of people even through this global pandemic.

However, Unilever must take constant efforts on advertising through products packaging like Dove, Clear, Sunsilk, in televisions, radios, or print media. Unilever only has their official website, Facebook, Instagram, and Twitter. A SWOT review's aim is to help business achieve a full understanding of all factors involved in making a business decision.



The strength of Unilever is its strongest brands of consumer goods in more than 190 countries worldwide. This advantage allows the company to enter markets and successfully compete against other competitors. The broad product mix shows the scale of its market success. For instance, through years of mergers and acquisitions, the company has increased its product portfolio, leading to corporate elevation, and resulting sales accretion.

It also created a sustainable living plan (USLP) to help businesses from only sustaining to have links to each other. The plan impacts sustainable resources especially in agricultural resources allowing more than 1.3 billion people to stay healthy and hygiene and bringing them to improve their quality of life.

Some people considering their own advantages tend to copy others' products by just making slight changes in their products to make it look more unique and different. People will start comparing similar products and choose those suitable with their budget and preferences. As they faced money shortages due to Covid-19, people need to cut their spending since they cannot go out to work, while supplies in supermarkets decrease (Grashuis, Skevas, & Segovia, 2020).

Along with the consumer goods sector, Unilever has a lot of opportunities to expand its business allowing diversification to occur, eliminating market-based threats, and strengthening business stability. Moreover, it has big opportunities to produce products for health by doing some innovation and this could attract consumers as they need to improve their health. It has a chance to make their business more sustainable and environmentally friendly to attract more consumers with environmental awareness. To increase the revenues, Unilever should develop the market by selling more existing products to new market segments. For example, Unilever produces Lipton products which are specifically for people who need diet drinks but also want to have tea taste. This will be a magnificent opportunity to increase the sales and the reputation. Its wide range of products enables consumers to have a lot of choices, and make Unilever become their first choice to purchase when shopping. Anderson and Sin (2020, p. 74) argued that for both marketing philosophy and reality, customer loyalty has been a core principle. For business operations, it is one of the main priorities. It is deemed to play a significant role in the quality of goods. Consumers, thus, play a decisive role in the calculation of satisfaction of goods and services.

By entering a new market segment and producing new products, it gives a bright future to the Unilever sales, as they could produce a variety of products packaging by maintaining the concept of eco-friendliness. This also helps the market increase the range of health products from a lot of brands and the brands under Unilever will maintain their sales since it has the reputation in the business and market. Unilever also must take product creativity into consideration as an incentive to improve company efficiency. It is advised that the organization should use its assets for product growth, such as economies of scale, to counter competition and the threat of imitation.

Due to Covid-19 pandemic outbreak, many businesses have taken the initiatives to go online. Thus, Unilever needs to require more strategies in social media to get their attention, since most young people use social media for their daily life. Unilever's digital market media shall include Twitter, Facebook, Instagram and YouTube for its digital marketing globally.



Unilever needs to inform the public about what they do and those who are interested will tend to visit the official website to learn more about it, eventually, thereby, increasing potential customers. Facebook, Instagram, and Twitter can be used to engage with customers, while they could provide feedback. For example, Unilever may post some questionnaires to measure customers' satisfaction, and promote their products through social platforms, such as posting promotional videos or pictures, and customers could get discount coupons.

Unilever needs to learn how to improve their disadvantages from other companies' advantages. Unilever's weaknesses are the imitative quality of its products. For example, other companies will reproduce Unilever's products such as Dove and Rexona even as the company spends heavily in the product creation systems. Unilever can do more promotion during this Covid-19 pandemic such as for hygiene products to kill bacteria or germs and personal care products.

In addition to social media, advertising is another effective tactic for quicker, simpler, and more convenient ways to bring new customers. With ads in newspapers, TV, posters, and other media, a lot of people can get exposure. Unilever will build community engagement and social support by encouraging positive social industrialism. For example, Unilever should host skills workshops on employability and entrepreneurship for youngsters, to develop their skills required for jobs. This could quickly promote the business products.

While all consumer goods firms will face a big disturbance as a consequence of the outbreak, Unilever has a brand and regional versatility in its brand sales that provides it reasonably well to resolve the disaster. Some categories may well be favored, but food in particular, improved approaches would likely be needed to minimize the loss they had (Business Wires, 2020).

Moreover, while Unilever's brand reputation is increasing, it proves a strong dedication to supporting its most disadvantaged consumers and business partners currently. Generally, the company has several main advantages that allow it to perform well like any other big multinational consumer products based on the latest available information. As stated by Suvanmanee et al., (2020) negative and neutral views on brand experience can offer a negative outcome on customer loyalty. If customers are not pleased, they do not want to select that particular brand as their first preference, sales would also be affected. Therefore, Unilever must offer a good service to the customers to avoid the customers from feeling displeased.

There are limitations in this research. Since Unilever is a food and consumer goods manufacturer, their products are usually sold in supermarkets and grocery stores where consumers are rarely aware that the products come from Unilever. Addedly, research or journals for the same topic or Unilever specifically, are not easily accessible. Some of them required paid subscription.

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