

Digital Leadership

Unilever: consumer-first
approach accelerates
digital transformation

An interview with
Rahul Welde,
Unilever





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Rahul Welde – executive vice president, Digital Transformation – leads global digital initiatives at Unilever. A veteran of the company, he joined in 1991, and has worked across a range of roles in the global organization. A well-known face in the industry, Rahul plays an active role in industry bodies and was chairman emeritus for the Mobile Marketing Association Asia and the regional vice president for the World Federation of Advertisers (WFA).

The Capgemini Research Institute spoke with Rahul to understand more about Unilever’s digital transformation.

Unilever's digital transformation – the journey so far

Can you tell us how you are steering Unilever's digital transformation journey?

Unilever has the unique privilege of being a company that touches over 2.5 billion people every day. This strong physical presence is powered by many brands that are global market leaders. The landscape is changing dramatically with digital technology. We are thus transforming our brands to win in this digital ecosystem – we want to reimagine and revitalize our brands, both from a communications and commerce standpoint – and drive this transformation through data at the core.

Which digital transformation initiatives are you most proud of?

There are quite a few initiatives we are proud of. We are seeing the benefits of transformation across a number of business areas – in driving impact for our brands as well as efficiencies.

We have laid a strong foundation through our 5C framework – consumers at the center, with great content and connections, building communities, and powering commerce. This framework lies at the heart of our transformation. This is showing great impact across our presence in the digital ecosystem. Equally, we have stepped up from a technology and tools perspective. This drives simplification whilst bringing new tech into our plans. For example, the work we have been doing through media and our

programmatic trading desk “ULTRA” or U Studios which is our content capability. We are also using a variety of tools to enhance the quality of our investments, embedding a test-and-learn approach, greater experimentation, and continuous-learning loops. We are going beyond communication and using these to fuel innovation across the business system. We now have data centers in many locations, enabling us to deploy modern tech and systems. All these initiatives form the backbone of the multi-faceted digital transformation of Unilever.



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What surprised you the most in your journey so far and what did you learn from it?

One of the things that has grown faster than expected is e-commerce. People's need for convenience – along with the friction-free nature of platforms – has led to a dramatic increase in consumers embracing e-commerce. It is very liberating for consumers to make their own choices, and where and when they want to shop. The second area which has taken off is in social influence. The

impact of social influencers in shaping consumer interest has been much bigger than anyone imagined. The key learning is that we have to keep a sharp eye for the changes that are taking place and as we are a part of that fast-changing ecosystem, we need to respond rapidly.



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So, are you a social-first organization?

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Engaging the end-consumer

Is being “consumer first” a challenge for Unilever, given the need to keep up to speed with fast-changing consumer needs and preferences? How do you manage to keep pace?

We pride ourselves in staying close to local trends and having very customized approaches to all segments. We have a very diverse portfolio, both in terms of geography as well as product categories. That requires us to stay very close to our consumers and thus all our thinking and frameworks have a consumer-first approach. As an example, “Putting People First” is central to our Crafting Brands for Life approach. Another example is that the consumers are at the center of our 5C framework. We always think of people and consumers at the center. This also enables us to keep pace with changing demands and trends. Technology is changing things fast and it is here that we are leveraging our global scale, expertise, and approaches. We always remember one underlying

principle – we sell everyday products that consumers value and use regularly. With that perspective, we have to ensure that we are at the sharp edge of great execution, every day and everywhere.

How are you leveraging new technologies to transform your relationship with the end consumer?

A large part of the business is still conducted in retail stores, while e-commerce is the fastest growing channel. The influence or how we engage consumers is increasingly online. We must win in an omnichannel world leading across conventional as well as new channels – both for communication and for commerce. We have evolved our marketing significantly and continue to do even more now. We have invested in large digital platforms and capabilities, and are leveraging data, optimizing our content and connections using tech and tools, and effectively engaging with consumers more directly through a data-driven approach.

There is a new crop of consumer goods companies that directly reach consumers on digital platforms. Do you believe this will be a new form of competition for large, traditional companies like Unilever?

There is no doubt that the internet allows a democratization of services or products. Thus, a large number of companies have now found it easier to enter the market. At the end of the day, what will matter is how close we are to consumers and how we fulfill and service their needs. Many brands are now also evaluated on their purpose – how they live and what values they represent. For instance, how sustainably do we source raw materials? How do we ensure fair work practices not just for our employees, but also those of our partners? How are we minimizing the impact on climate, and so on? At Unilever, our Sustainable Living Plan and purposeful brands are at the heart of everything we do. These are some aspects which differentiate our brands and our company. It is not just about directly reaching consumers – it is the totality of your proposition, what you have to offer, and what you stand for.



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How important are the values of a company or its brands for today's consumers and future consumers?

Extremely important! Over half of consumers already buy or want to buy sustainably. We have the unique privilege of having great brands that are not only super-efficient and have great propositions but are also led by purpose and our sustainable living plan. Causes that are good for every one of us are at the heart of many of our brands. And consumers want to be a part of this themselves. So, every time they use one of our products, they are really helping to do good. Take, for instance, our brand Dove – which addresses social change through real beauty. For over a decade, Dove has been working to make beauty a source of confidence and addressing issues of self-esteem. Or Domestos – which is improving access to toilets. Or our new brand, Love Beauty and Planet, brought to market last year, is made with natural ingredients and using bottles made from 100% recycled materials as well as being recyclable after use. People love products that stand for and believe in a purpose. We have over 25 sustainable-living brands and they consistently outperform the average.



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Taking the employees along

How have your employees responded to digital transformation? How readily did they embrace the change?

Digital is touching everyone, including employees who experience the dramatic changes in their daily lives. It is easy therefore to understand the change. A cultural transformation underpins digital transformation. It is also about skills – we have been driving a large-scale skills transformation program across our organization. In Marketing alone, thousands of our employees are constantly upgrading their skills, while other functions – such as finance, supply chain, procurement, HR – are reskilling thousands more. These initiatives are driving empowerment, greater agility, greater collaboration, and greater experimentation.



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How involved is Unilever’s leadership in these reskilling programs?

Leaders have to very much be a part of the culture transformation – in fact, at the center of it. Similarly, when it comes to digital we are enabling our leaders with new skills and deeper understanding of technology. For example, our leaders are enrolled in a reverse-mentoring program, where some of our younger digital-native employees act as mentors to these very senior leaders. And it is very exciting for

both these groups. For senior leaders, it demystifies technology and improves their knowledge base. More importantly, it also creates a cultural intervention. It sows the seeds of a culture that is much more accessible, open to experimenting with fresh ideas, and willing to learn. It is also a way for leadership to signal to the entire organization how serious they are about making the change.



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Many companies fail to create exciting learning or reskilling programs for their employees. How did you tackle this issue?

We believe learning must be in a self-motivated environment to be most effective. We think of our employees as we would think of consumers – internal customers but the same principles. We therefore aim to create a similar wow effect with learning and culture change as we do with our brands for consumers. Thus, our programs and initiatives internally are also marketed in that fashion to the employee. As a simple example, we would use Instagram or social-style posts rather than just emails, we craft newsletters that are exciting, we track open rates but also customize to various internal segments. Great learning programs have two things that make them exciting and successful – great content presented in compelling

manner. The design must engage, must prompt employees to participate, and then must deliver against expectations. Most important is to build a learning culture – we continuously strive for that. There can never be enough learning.

Sustaining the momentum

In your digital transformation journey, to what extent do you involve partners as opposed to working on your own?

Partners are critical part of the transformation journey. They bring some great capabilities, new knowledge and approaches, and enable a level of external perspective that we cannot get on our own. For me, personally, I spend a lot of time with our partners and agencies.

There is always the question of working with partners compared to doing things in-house. Both approaches have their pros and cons. However, a few strategic and operational filters help us make a decision. Technology expertise is one area where it makes a lot of sense for us to leverage partnerships to accelerate our progress. For instance, voice assistants are a ripe space for experimentation, and a lot of companies are building expertise in them. We are better off accelerating our progress by partnering with them than trying to do it in-house. For instance, start-ups are creating new solutions and services. We have been aggressively engaging with start-ups through our Unilever Foundry, trying to craft new business models, and so on. We have hundreds of projects. On the whole, partnerships will continue to be very important. I would argue even more important than before – particularly when it comes to innovation and technology.



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What would be your recommendations to large organizations like yours as they look to maintain momentum in their digital transformation journeys?

I like to think of it as a simple 2-S framework– speed and stamina. For a successful digital transformation, stamina is just as important as speed because as you go along, hurdles invariably emerge. In the face of these hurdles, organizations must be steadfast and commit to a marathon rather than a sprint. It’s easy to get off the mark and go at top speed initially. However, the real challenge is whether the organization, people, and leadership can keep up in terms of stamina and thus keep the momentum.

I believe that around every single aspect of transformation, you have to put on an opportunity lens, not just the barriers or challenges lens. That makes the transformation far more energizing, powerful, and movement oriented. The approach that serves any transformation well – a lot of great progress behind that gives confidence and a lot of change ahead that provides all the excitement.



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