

Developing a marketing plan

Introduction

The NIVEA® brand is one of the most recognised skin and beauty care brands in the world. NIVEA creme was first introduced in 1911 and the NIVEA brand now extends to 14 product ranges worldwide from suncare to facial moisturisers, deodorant and shower products.

In 1980 when Beiersdorf, the international company that owns NIVEA, launched its NIVEA FOR MEN® range internationally, it broke new ground with its aftershave balm product. It was the first balm on the market that did not contain alcohol, which can irritate the skin. It proved to be very popular with consumers.

In 1993, NIVEA FOR MEN developed a fuller range of male skincare products. This reflected the growing social acceptance of these products with male consumers. The brand was able to exploit its knowledge of the skincare market. The company's research showed men mainly wanted skincare products that protected the face after shaving. Men were willing to buy products that helped calm and soothe irritated skin caused by shaving.

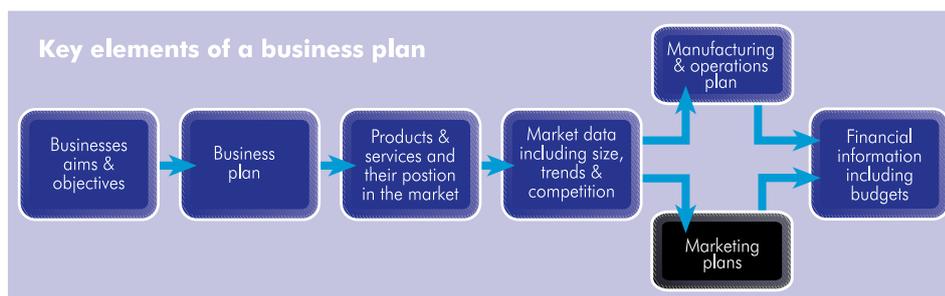
The NIVEA FOR MEN brand was launched in the UK in 1998. At that time total annual sales of men's skincare products (facial and shaving preparations) in the UK were only £68 million with the male facial product sector worth only £7.3 million.

Sales of male skincare products have grown steadily since the launch of NIVEA FOR MEN and the market in 2008 was worth over £117 million with male facial products worth £49 million.

NIVEA FOR MEN wanted to increase its share of the UK male skincare market. This case study examines how NIVEA re-launched the NIVEA FOR MEN range in 2008. This was part of its overall plan to develop the range in the UK. It shows how the company developed a **marketing plan** for the relaunch and organised its marketing activities to achieve its **aims** and **objectives**. The study focuses on how a company can respond to changes in consumer expectations, **external influences** and business aims to achieve those objectives.

What is a marketing plan?

A business needs to set its overall direction for the company through a **business plan**. This plan sets out how the company is to achieve its aims. The aims and objectives of a business inform and shape its business plan. A vital part of the overall business plan is the marketing plan. The relationship between the two plans is shown in the diagram.



CURRICULUM TOPICS

- Marketing plan
- SWOT analysis
- Marketing strategies
- SMART objectives

GLOSSARY

Marketing plan: A plan to identify and then meet consumers' requirements.

Aims: The general end purposes towards which an organisation focuses its activities.

Objectives: The end purposes that an organisation or individual seeks to achieve.

External influences: activities beyond the control of the business that affect its performance and shape its market. These are a combination of social, legal, political, economic, environmental and technological factors.

Business plan: describes the future activities of the business, across financial, production, and resourcing issues.





GLOSSARY

Brand: A name, symbol or design used to identify a specific product and to differentiate it from its competitors.

SWOT analysis: Identification and evaluation of the strengths and weaknesses inside a firm and the opportunities and threats in its external environment.

Return on investment: The return on the funds invested in the business.

Profits: money that is earned in trade or business, after paying the costs of producing and selling goods and services.



Marketing involves identifying, anticipating and satisfying customer needs. A marketing plan takes the stated aims and objectives and then puts in place a series of marketing activities to ensure those objectives are achieved. Marketing plans can cover any time period, but normally set out activities for the next one to five years at either a business or brand level.

The main sections of the plan cover:

- SWOT and competitive analysis – to assess where the business or brand is currently and what competitors are doing
- objectives – what the plan needs to achieve
- the marketing strategy – how the objectives will be achieved
- sales forecast – by how much sales are likely to increase
- budget – how much the marketing activities will cost and how the plan will be financed
- evaluation – how outcomes will be monitored and measured.

There is no set model for a marketing plan. The structure of the plan – and the amount of detail – will depend on the size of the brand, the timescale involved and how the market and economy is behaving. However, NIVEA’s marketing plan for the relaunch of NIVEA FOR MEN follows closely the outline described here.

Assessing the market

The first step in devising a marketing plan is to conduct an evaluation of the business, its brands and products. This should include an assessment of the **brand’s** position and the state of the market. NIVEA FOR MEN needs to know what its male customers want and what competitor products exist. As well as targeting the male consumer, women are also an important target market for NIVEA FOR MEN. This is because women often buy male grooming products for their partners as well as helping them choose which products to buy. NIVEA FOR MEN used a **SWOT analysis** to help it assess the market. This takes a detailed look at the internal strengths and weaknesses of the business, as well as external opportunities and threats in the marketplace.

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| <p>NIVEA FOR MEN identified several strengths</p> <ul style="list-style-type: none"> • NIVEA FOR MEN was the UK market leading male facial skincare brand* which gave it strong brand recognition. • The company had a sound financial base, so it had the resources to put together a strong marketing campaign. • It also had staff with relevant skills – researchers with the scientific skills to develop products that men want and marketing staff with the skills to help promote these products effectively. | <p>As the leading male facial brand, NIVEA FOR MEN needed also to be aware of any weaknesses</p> <ul style="list-style-type: none"> • Was the product range still relevant for the target audience? • Did it have the right sales and distribution outlets? • Was its market research up-to-date? |
| <p>One clear opportunity was that the market was growing</p> <ul style="list-style-type: none"> • NIVEA FOR MEN had seen an increase in the sales of male skincare products and it wanted a greater share of this market. • The company wanted to take advantage of changing social attitudes. Men were becoming more open, or certainly less resistant, to facial skincare products. | <p>However, as the market for male skincare products grows, there are threats</p> <ul style="list-style-type: none"> • Consumers were becoming more knowledgeable and price conscious. They often expect sales promotions such as discounts and offers. • The risk of competitors entering the market. NIVEA FOR MEN needed to differentiate its products in order to ensure that, in an increasingly competitive market, its marketing activity gave positive return on investment in terms of sales and profits. |

* NIVEA FOR MEN the UK’s leading male skincare brand (IRI Data to 27th Dec 2008).

Setting objectives

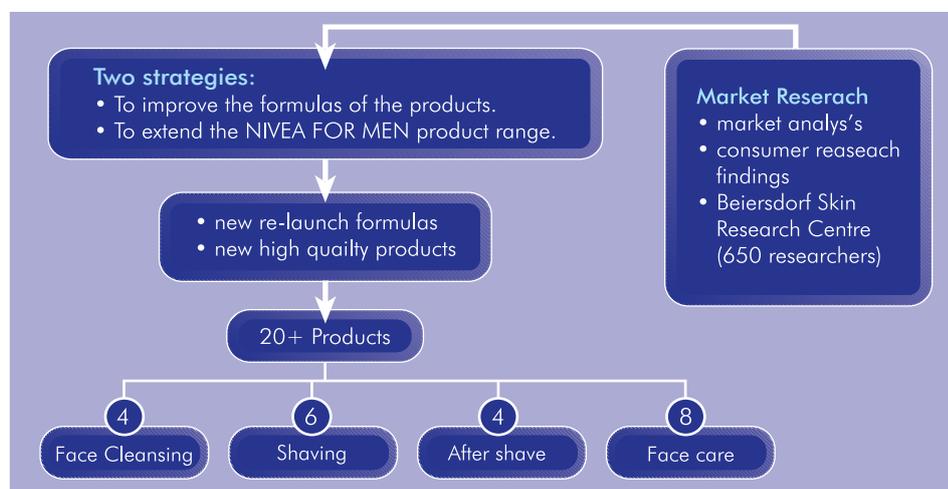
A successful marketing plan relies on setting clear and relevant objectives. These must relate directly to the business' overall aims and objectives. In other words, the marketing plan must fit with the overall company strategy that is set out in the business plan. Beiersdorf states its goal as '...to increase our market share through qualitative growth. At the same time we want to further improve our sound earnings performance so that we can fulfil our consumers' wishes and needs with innovations today and in the future. This will give us a strong position within the global competitive environment.'

The marketing team set **SMART objectives** for the NIVEA FOR MEN relaunch. These are Specific, Measurable, Achievable, Realistic (given the available resources) and Time constrained (to be achieved by a given date). The marketing team used research data to forecast market trends over the next three-to-five years. This helped them set specific targets for increasing sales, growing market share and improving its brand image.

Beiersdorf wanted to increase its UK market share for NIVEA FOR MEN, but also wanted greater market penetration for male skincare products. In other words, it wanted not just a greater share of the existing market; it wanted to expand that market. It wanted more men buying skincare products. One key aim was to move men from just considering skincare products to making actual purchases. It also aimed to sell more male skincare products to women. Research had indicated that women were often the initial purchaser of skincare products for men. NIVEA FOR MEN used this key fact as a way to increase opportunities for sales. Another objective was to develop the NIVEA FOR MEN brand image. The NIVEA brand has always stood for good quality products that are reliable, user-friendly and good value for money. The brand's core values are security, trust, closeness and credibility. These values would be strengthened and expanded on with the re-launch, to get more men and women to think of NIVEA as first choice for skincare.

Marketing strategies

The NIVEA FOR MEN team devised **marketing strategies** to deliver its objectives. These strategies set out how the objectives would be achieved within the designated budget set by the management team.



This focus on product development combined with an emphasis on consumer needs is a key differentiator for NIVEA FOR MEN. It is a major reason why in the UK the brand is still the market leader in the male facial skincare market*.

Another cornerstone of the UK marketing strategy for the re-launch was **promotion**. NIVEA sought to build on and develop the approach it had used in the past. In the 1980s, advertising in men's style and fashion magazines along with product sampling was a major promotional tool. In the 1990s, the company used radio, television and press advertising together with sampling. Since 2000, there has been a greater emphasis on consumer needs and an increasing use of experiential activities in the promotional mix. Experiential marketing is about engaging consumers through two-way communications that bring brand personalities to life and add value to the target audience. This helps build an emotional connection between the brand and the consumers.

* NIVEA FOR MEN the UK's leading male skincare brand (IRI Data to 27th Dec 2008).



THE TIMES 100

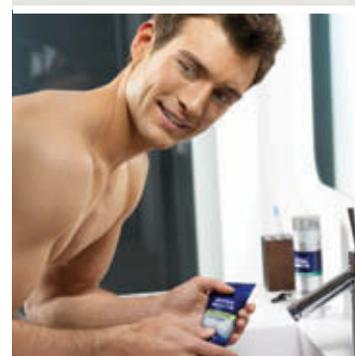
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GLOSSARY

SMART objectives: Framework for constructing objectives in a way that meets a business aim.

Marketing strategies: Long-term plans designed to enable an organisation to identify and meet the wants and needs of its customers.

Promotion: Making products and services better known through a range of activities.





THE TIMES 100

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GLOSSARY

Above-the-line promotions:

Direct expenditure on advertising, such as for a TV commercial.

Below-the-line promotions:

Indirect expenditure on promotion, such as through free gifts, PR or competitions.

Brand affinity: How well customers identify with the brand.

Evaluation: A systematic process that seeks to determine the worth, value or meaning of something.

Key performance indicators:

Financial and non-financial measures to monitor performance across a range of activities within a function, department or role.

It is important to get the promotional balance right. NIVEA FOR MEN promoted the new launches of its products through a mixture of **above-the-line** and **below-the-line** promotion. The use of sport was a key element here. NIVEA FOR MEN supported football events at a grass-roots level through its partnership with Powerleague to build positive relationships with men. This helped create stronger **brand affinity** for NIVEA FOR MEN among men. It also allowed the brand to build and maintain a consistent dialogue with men, which helps to drive sales.

Above-the-line promotion included television and cinema adverts, which reached a wide audience. By using links with sport, NIVEA FOR MEN aimed to build a positive male image associated with male facial skincare. The brand also benefited from press advertorials in popular men's magazines, making the daily usage of their products more acceptable.

Promotions were used to attract new customers. For example, the distribution of free samples encouraged trial of NIVEA FOR MEN products which drove purchase. These promotions have helped build up brand awareness and consumer familiarity which reinforce the NIVEA FOR MEN brand presence. There is a dedicated NIVEA FOR MEN website to support its products and provide information to educate men on their skincare needs. To enhance the brand a tool called a 'Configurator' was created on the website to help customers specify their skin type and find the product that best suits their needs.

Conclusion - evaluating the plan

The marketing plan is a cycle that begins and ends with **evaluation**. The final stage in the marketing plan is to measure the outcomes of the marketing activities against the original objectives and targets. Continuous evaluation helps the marketing team to focus on modifying or introducing new activities to achieve objectives.

NIVEA FOR MEN adopted a range of **key performance indicators** to assess the success of the NIVEA FOR MEN re-launch in the UK. It looked at:

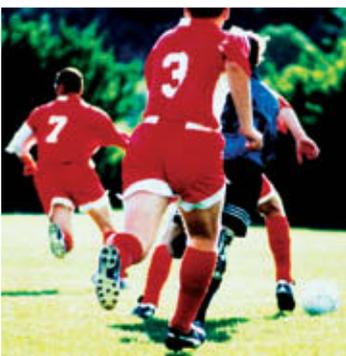
- market share - Did the re-launch accelerate this growth and help achieve its market share objectives? NIVEA FOR MEN is market leader in many countries and is consistently gaining additional market share.
- overall sales - Was this in line with objectives? Internationally, NIVEA FOR MEN skincare products grew by almost 20%. Its sales in the UK market at retail in 2008 were nearly £30 million and in line with expectations.
- brand image ratings - NIVEA FOR MEN was the Best Skincare Range winner in the FHM Grooming Award 2008 for the fifth year running. This award was voted for by consumers. It illustrates that NIVEA FOR MEN has an extremely positive brand image with consumers compared to other brands.
- product innovation - In response to consumer feedback and following extensive product innovation and development, the NIVEA FOR MEN range has been expanded and the existing formulations improved.

These results show that, in the UK, the NIVEA FOR MEN re-launch met its overall targets, which was a significant achievement, considering the difficult economic climate. The marketing plan for the re-launch used past performance and forecast data to create a new marketing strategy. This built on the brand and company's strengths to take advantage of the increasing change of male attitudes to using skincare products.

Questions

1. Describe two pieces of data that NIVEA used when preparing its marketing plan to relaunch NIVEA FOR MEN.
2. Explain why NIVEA used football sponsorship to help increase its sales of NIVEA FOR MEN products.
3. Using the case study, put together a SWOT analysis of NIVEA's position just before the relaunch of NIVEA FOR MEN.
4. Discuss how effective you think the marketing plan for NIVEA FOR MEN has been.

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