Conquering the Market Through Effective Communication

NIVEA Hair Care Case Study

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ABSTRACT

Dissertation Title: Conquering the Market through Effective Communication – NIVEA Hair Care Case Study

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This research aims to investigate how can NIVEA Hair increase its market share in Portugal, through communication strategies. This included a research on hair care consumers' preferences and behaviors and brand positioning and awareness of NIVEA Hair Care and the key players in the market. In addition, an experiment was performed to understand the best way to establish a fit between NIVEA mother brand image and the Hair Care brand extension. The methodology used in this research were in-depth interviews with potential consumers of NIVEA and Beiersdorf's Group Brand Manager, followed by a survey distributed online.

The results showed that the attributes describing the shampoo should appeal to the senses of touch and smell and show the result of a repaired flexible and fluttering hair, which not only makes women feel beautiful but also gives them energy. Moreover, going beyond advertising is a solution to increase visibility, which could be made by brand actions in supermarkets, the city center and shopping malls. Communicating in Digital platforms, such as Facebook and YouTube would also reach a bigger crowd, especially younger consumers. No statistically significant results were reached regarding the fit in brand image between mother brand and extensions, so further research is recommended.

The limitations found included the lack of control over the environment of survey data collection, and the resource boundaries to develop the experiment.

Keywords: Brand Extension, Digital Marketing, Hair Care in Portugal, Marketing Communication, NIVEA

RESUMO

Título da Dissertação: Conquistar o Mercado através de Comunicação Eficaz – Cuidado de Cabelo NIVEA

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Este trabalho tem por objetivos investigar como a NIVEA pode aumentar a sua quota de mercado de produtos para o cabelo, em Portugal, através de estratégias de comunicação. Para o efeito foi efetuada uma pesquisa sobre as preferências dos consumidores, o posicionamento e visibilidade da marca NIVEA e os principais concorrentes do mercado no segmento de cabelo. Para além disso, foi realizada uma experiência para estudar a melhor maneira de estabelecer uma ligação entre a imagem da marca NIVEA e a sua extensão para o sector do cabelo. A metodologia utilizada nesta pesquisa incluiu entrevistas com potenciais consumidores da NIVEA e com a Gerente de Marca do Grupo Beiersdorf, seguidas de um questionário distribuído online.

Os resultados mostram que os atributos que descrevem o champô devem apelar aos sentidos do toque e do cheiro e mostrar o resultado de um cabelo reparado, flexível e esvoaçante, que não só faz as mulheres sentirem-se bonitas, mas também lhes dá energia. Os resultados indicam também que, para aumentar a visibilidade da marca, devem ser feitas ações de marca em supermercados, no centro da cidade e centros comerciais, assim como comunicação em plataformas digitais, como Facebook e YouTube. Relativamente ao ajuste da imagem da marca entre a marca mãe e as extensões, não foram obtidos resultados estatisticamente significativos pelo que se recomenda a realização de mais estudos.

As limitações encontradas incluíram a falta de controlo sobre o ambiente de recolha de dados e a pouca disponibilidade de recursos para desenvolver a experiência.

Palavras chave: Comunicação de Marketing, Cuidados com o Cabelo em Portugal, Extensão de Marca, Marketing Digital, NIVEA

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LIST OF ABREVIATIONS

Ad - Advertisement

AS –Advertisement Score

BI – Mother Brand Impact

BTL – Bellow the Line

CAGR - Compound Annual Growth Rate

EI – Excessive Information

Eq. Var. - Equal Variances Assumed

EWP – Extra Willingness to Pay

HM - NIVEA Hair Milk Shampoo

SI – Interest in the Shampoo

M – Mean

MS – Market Share

NHC – NIVEA Hair Care

No Eq. Var. - Equal Variances Not Assumed

PA – Perceived Adequacy

PF – Product Focus

QP – Quality Perception

r – Correlation Coefficient

RF – Results Focus

RT - NIVEA Repair and Targeted Care Shampoo

SKU - Stock-keeping unit

SNF - fit between the shampoo and NIVEA brand

TV – Television

WOM – Word of Mouth

1. INTRODUCTION

NIVEA is a brand that has existed for more than 100 years and has its main focus in skin care. In fact, it is a leading worldwide brand in that segment, being present in more than 200 countries. Among the years, the brand has made an effort to stay innovative by releasing new formulas, as well as new product categories. Accordingly, under the NIVEA brand umbrella there are many categories, from face and body creams, to deodorants and sliming leggings and to bath and shower creams. All of them have a direct link with the brand's skin care positioning. However, recently, the brand has re-introduced Hair Care products. Because these do not strongly match the brand's core focus, they have not achieved an immediate success and struggle to have such positive results as the rest of the brand's categories.

Hence, as a master's thesis, it is proposed to study and build a case study about the most appropriate Marketing Strategy to increase the sales of the NIVEA Hair Care segment in Portugal, resulting the following problem statement: **How can NIVEA Hair Care increase its market share in Portugal?**

Furthermore, the solution to this problem must be applicable. Therefore, there are some limitations that need to be taken into consideration. Using the Four P's framework of the marketing mix, there are four ways to approach the problem.

Firstly, the product. In this area, the company could change the product package or the product formula. However, this implies a high investment in research and development to discover the best formula and /or package. Moreover, there would also be a high cost in replacing the old packages and in changing the media programs.

Secondly, one could try to improve the distribution, but there is few that can be changed in this market, considering that NIVEA Hair Care products are already in the main distribution channels, where their competitors are, and where the rest of the NIVEA's brand products are.

Regarding the third P, price, the brand faces many restrictions. On the one hand, the price cannot be very different from its competitors, which have more market power and higher production and can lower their prices when needed. On the other hand, there has been a growing trend in the Portuguese distributors to impose on the brand regular price promotions, often to a 50% discount. This reality puts a lot of pressure on the prices and gives the brands small room to make changes. Additionally, NIVEA does not aim to be positioned as the cheapest on the market, therefore low price is not the strategy for them.

Lastly, promotion strategies are more versatile and a change in communication does not imply very high costs. Moreover, there are many ways in which NIVEA could increase its sales through promotion, such as having a more fitting and appealing message, to communicate and interact with consumers where they are, to have events or other brand actions, and much more.

Accordingly, the main approach to solving the problem statement of this thesis study will be through Marketing Communication. In specific, the study will aim to answer the following research questions:

Key Research Questions

1. Who are the potential consumers of NIVEA Hair Care?
2. How is NIVEA's Brand Perception and Awareness compared with the main competitors in Hair Care?
3. How is NIVEA Hair Care positioned in the Portuguese market?
4. Which product attributes are valued in the Hair Care category?
5. What is the best way to communicate to the potential consumers of NIVEA Hair Care?
6. What is the best way to establish a fit between NIVEA Skin Care brand image and NIVEA Hair Care?

Methodology

To answer to the problem statement, secondary and primary data will be used. Secondary data will serve as exploratory research, to get information about the market and to contribute to the development of a survey and interviews. Primary data will come from interviews and a survey. Interviews will be with Rita Ferreira, the Group Brand Manager at Beiersdorf, with the aim of getting a view from the company, which will be the main focus of the case study. In addition, interviews with potential consumers of NIVEA Hair Care will be performed, to understand the best approach to take on the survey.

The survey will focus on quantitative data, which will allow to make statistical analysis.

2. LITERATURE REVIEW

Brand Extension

In the growing competitive world, firms aim to diverse their portfolio by introducing new product categories. Nonetheless, there is a high financial risk of entering new markets in the consumer products industry. A way to reduce this risk is by using an established brand name to enter the new market. This strategy, called **Brand Extension**, provides familiarity and knowledge about the new product class by having the mother brand transfer its attributes to the brand extension. In addition, the distribution and the promotion costs are expected to drop due to the shared brand power (Aaker *et al*., 1990). According to these authors, the brand extensions are expected to have transferred to them the qualities and positive associations of the original. However, studies have shown that the perceived quality of the mother brand will only transfer to the new category when consumers recognize a good fit between them. In fact, those researchers concluded that this perceived fit is a key element in the prediction of the success of the brand extension. The importance of fit lies on two main reasons. Firstly, when the mother and the extension product classes fit together the perceived quality of the former will have an enhanced transferability. Secondly, a poor fit not only lessens the transferred positive associations, but can also create improper beliefs and associations.

Studies have shown that the evaluations of Fast Moving Consumer Goods' brand extensions will be enhanced through a perceived similarity between the original and extension brand categories (Hem *et al*., 2003). Hence, consistency is a key issue in brand extensions. If two products are under the same brand, they are understood to share the same concept (Park *et al.,* 1991). This represents the role of a brand, which must aim to build a similarity between categories in a consistent way. Moreover, these authors also propose that the brand type moderates the effects of image consistency on brand extension, in specific, prestige brands are more affected than functional brands by that consistency.

Furthermore, the possible transferable associations must be considered in a brand extension. On the one hand, Aaker *et al*. (1990) state that there is a great variety of brand attribute associations that can become part of the extensions. These could be related to product attributes, such as usage, place or class, and other associations, which would transfer to an extension, in spite of the fact that they may not match, harming both the extension and the mother brand. The extent to which these associations will transpose to the new category will depend on their strength and appropriateness in the association and on whether there are present cues to create the association (Aaker *et al*., 1990).

On the other hand, the same authors concluded that the attitude towards the original brand will affect the connection between extension and original product category. The brand attitude will be related to the product perceived quality, which is the assessment a consumer makes regarding the product's performance and features. The relationship between the mother brand attitude and the extension is such that, when the brand is perceived as having high quality, those positive attributes will transpose to the extension.

However, Hem *et al*. (2009) defend that the strength of the parent brand will affect the transferability of the brand attitude. Hence, well-known brands with high perceived quality are preferred. Therefore, managers should choose carefully their points of strength, which could be related to usage situations, or brand associations, or even the company's competence. Those authors also support that the success of an extension depends on the audience. For instance, the brand attitude mentioned above may be different among different consumer groups, as some people may have high awareness and positive associations towards the parent brand, while others may perceive the brand with some negative attributes. Furthermore, according to those authors, brand loyalty has been proved as a driver of brand extension success. More specifically, when a consumer is loyal to a brand, it means she/he is satisfied with the brand's performance. Therefore, Evangeline *et al*. (2016) has explained that a higher loyalty will result in a lower willingness to change to another brand, leading to a higher trust in the different products under the same brand name.

Moreover, Fu *et al*. (2009) have shown that there is an "ownership effect", under which owners of the brand previous to the extension will have more positive responses to brand extension. The reason behind this fact is that previous brand users will be more connected to the brand, due to their knowledge, familiarity and involvement with the original brand, by its direct experience and possession. Therefore, the authors conclude that it makes sense to use, as marketing strategy of brand extensions, cross-selling to previous brand owners, before considering other segments. However, the last authors have showed that previous brand owners have proven to be more concerned about the image consistency than non-owners. The reason is that the image of the brand affects how already owners are seen and how they see themselves, thus, any inconsistencies will dilute the initial image of the parent brand, which had been their choice. On the contrary, non-owners facing an inconsistency between brand categories are more likely to respond positively, as they are not concerned with the parent brand image, of which they have low knowledge about. Consequently, non-users will evaluate the extension based on "product category similarity rather than image consistency". Ergo, following the marketing strategy mentioned above, when the brand owners are chosen as target market, brand image consistency between the brand categories is crucial for success and the most important criteria (Fu *et al*., 2009).

Marketing Communication

Technology has been shaping advertising. What before was limited to standard messages, no real-time interactivity, low flexibility and lack of feedback, now has the chance to be tailored to consumers' request for information and to reach only those who matter, anywhere and anytime (Morozan *et al*., 2012). Therefore, communication media is no longer bounded by television and press (traditional media). Instead, it should be an interaction between traditional media and new media, such as internet and web advertising (Kumar *et al*., 2016).

The Internet has many possibilities. It offers up-to-date information, allows interactive communication, it is a fast distribution channel and it is growing everyday through networks and content built by its users, turning into an interactive mean of mass communication. Moreover, with the development of technology and information, websites are no longer just a "set of compiled data", but a "genuine virtual windows and shops". This increases the challenges for internet marketing as it is not enough to just be there, every content has to be unique, attractive and useful (Morozan *et al*., 2012).

According to Morozan *et al*. (2012), despite being so different from traditional marketing, the fundamentals of marketing must not be forgotten when developing the online marketing strategies, such as consumer's needs and wants, market research and the four P's of the marketing mix - Product, Price, Place and Promotion. In fact, those same strategies must be planned taking into consideration the interactivity part of the the internet, as well as the personalization opportunities. Internet marketing allows a conversation with feedback from the consumer, who is an individual and not a group. Therefore, there is much more information about the consumer, and that knowledge is not only based on socio-demographics but also on the current behavior of the consumer, allowing to better understand his needs. Those authors also suggested that ways to collect information include involving the consumer in the development of the product, with programs such as "design your own"; asking for reviews of the product they have used and tracking their behavior by knowing which webpages are preferred. This knowledge about the consumer fosters the creation of clearly defined target groups, which will allow to reach niche markets. Moreover, the cost is much lower than in print media, television and radio. Therefore, businesses no longer need to focus on big groups of consumers, and can center their attention on building a strong relationship with the right consumers.

On the consumer perspective, with the growing offer of media, their attention becomes divided and their usage of media is regularly changing in order to access the information they want, which influences their touch points with brands as well as their "path to purchase" (Batra *et al*., 2016). These authors also state that nowadays consumers do not wait to receive information through advertising, such as a commercial TV. Instead, they pursue it when needed in platforms, such as the brands' website, search agents, and blogs. In addition, Meiseberg *et al*. (2016) give credence to consumers relying much more on "user generated content", such as reviews, online communities and product-focused blogs, where consumers' opinions and consumption experiences are shared, with the aim of reducing the purchase uncertainty. Because of that, word-of-mouth (WOM) has become increasingly important, while marketers have less control over the brand message (Batra *et al*., 2016). Therefore, it is crucial that brands create the possibility for reviews on their own platforms, so that they can have more control and can answer faster in case of a negative message (Meiseberg *et al*., 2016).

Lu *et al*. (2014) suggest that another way to have more control over what is said about the brand is through sponsored blog posts. It has been registered that consumers trust more other consumers than corporations, and that they are likely to use information from other consumers, such as product reviews, before making a purchase decision. In these reviews, consumers express their opinion about their personal usage of the product, underlining the advantages and disadvantages of it, with the goal to provide information and make recommendations. By noticing this, marketers have been giving compensation to product users for recommending their products through online posts such as blogs and other product reviews, an action called sponsored recommendation posts. Those authors have discussed that this type of marketing action should be called advertising because of the bias present on the product reviews. For that reason, even though many consumers consider the blog posts an admissible information, sponsored blog posts have been having a questionable credibility, which may have consumers "resist the persuasive intent of the message". However, those authors also have found that even when a post is clearly sponsored, there is not negative attitude towards the post. Therefore, it is an effective way to communicate the brand with consumers.

An essential platform where consumers communicate is social media, such as Facebook and Twitter, where information about brands and products is shared and consumers interact with each other and with firms, by creating and sharing content (Rapp *et al*., 2013). Social media has become increasingly important, and has, thus, deserved a higher share in the marketing budgets. For instance, in 2016, Facebook had 1.55 billion users, and the total spending on social media had increased 33.5% from 2014 to 2015 (Kumar *et al*., 2016). One of the main benefits for brands is an increased brand exposure, which leads to higher brand awareness (Kumar *et al*., 2016). It has been recognized that brand awareness is needed to build higher levels of brand elements. However, the mere presence on social media is not enough. The study of Barreda *et al*. (2015) has found that interactivity between brand and consumer is key to build a brand awareness, which will positively influence WOM. According to the same authors, brand not only should foster interactivity, but also "offer rewards and provide quality of information and system". Furthermore, Batra *et al*. (2016) have found that the content of the message is much more important than the frequency of the communication of the message, such as advertisement exposure. Hence, brands should focus on developing quality and relevant content, in order to create interest of consumers and build a stronger relationship with two-way communication (Kumar *et al*., 2016).

Another aspect of social media is brand communities, in which consumers come together to talk about specific consumption activities (Steinmann *et al*., 2015). Specific benefits are looked for in brand communities, including social, informational, hedonic and economic benefits, such as promotions (Park *et al*., 2014). According to Steinmann *et al*. (2015), a brand's success on these communities depends on how the brand is presented to the consumers, which must be such that it matches the consumers' preferences and needs. By doing so, positive results come out, such as positive perception, higher engagement and higher willingness to purchase. Furthermore, the same authors' research has suggested that personalization in the communication with consumers in these communities also has the potential to create a positive brand perceptions and evaluations, as well as a stronger identity between the consumer and the brand.

Considering all the different online media, it has been reported by Morozan *et al*. (2012) that integrating them in the marketing mix is key to foster sales. Moreover, to have an effective marketing integration, there needs to be a consistent message among the different media, in order to build a strong sense of familiarity. Batra *et al*. (2016) concluded that the reason behind it is that an individual communication alone will not lead to a strong brand equity. In fact, it is all the interactions with the consumer that lead to a brand success, such as prior advertising or selling service. Therefore, according to the same authors, the strategy of a brand message needs to take into consideration the marketing actions before and after and in other channels, so that all the "interactive effects" between new and traditional media ("search, display, mobile, TV, social media, offline WOM") are considered. For instance, Kumar *et al*. (2016) have found that the effectiveness of offline media, such as TV and press, is augmented by the use of online advertising in banner and search ads, leading to a higher volume of website visits. In addition, Srinivasan *et al*. (2016) found that the online media interact with each other, and are affected by communication actions on traditional channels as well, turning into sales "even for a product that is still mostly bought offline"

Cosmetics' Market

Global Cosmetics Trends

Cosmetics include products such as fragrances, color cosmetics, skin and hair care. Depending on the market positioning, they are sold in various retailers, such as supermarkets, pharmacies, specialty stores and online. The largest market for cosmetics is Europe, Germany, France, UK, Italy and Spain, they are "the big 5", with Germany leading. This leadership is not only in sales, but also in exports and imports, volume of production and new product launches (Ferrer *et al*., 2012).

The cosmetics' market is part of the beauty industry, which has many strong players. This industry has the challenge of being influenced by the fashion industry, leading to the need of continuous innovation, not just to differentiate between the rest of the brands, but also to survive. Moreover, the consumer's value for a "beautiful" appearance is growing (MarketsandMarkets Analysis, 2014) and consumers want to improve their appearances to look younger and feel better (MCCREA, 2016). Therefore, a growth is forecasted in the demand, which have led to an expansion of key player's production plant, in order to meet demand (MarketsandMarkets Analysis, 2014).

Copulated with the market growth, competition has increased. Ferrer *et al*. (2012) discussed that differentiation strategies are key for brands to fight competition, Accordingly, MarketsandMarkets Analysis (2014) have concluded that key players have been investing in R&D and that there has been a sophistication of cosmetic products. Indeed, Ferrer *et al*. (2012) and they concluded that more complex products, such as with added-value (for example a deodorant with moisturizing properties) have gained importance. The same authors also suggest that brands have been able to differentiate by leveraging their brand identity through brand extensions, covering different segments of the market. This strategy allows to maximize the impact of their promotion actions and to promote brand loyalty across categories. In addition, brands have made efforts to increase their presence by communicating beyond adverting, through activities' sponsorship, conferences and campaigns by local professionals. Lastly, standing out in the moment of purchase is crucial.

Thus, Ferrer *et al*. (2012) proposed that packaging should be distinctive, while enhancing the brand identity. And in terms of consumer behavior and preferences, they conclude that environmental concern has become a trend in the cosmetics market. This has led to a higher demand of eco-friendly products, either with natural ingredients or biodegradable packaging. Firms have taken advantage of that by implementing an ecolabelling, which communicates to consumers that the product is environmental friendly and, because the license requires a certain level of quality, the product can gain a higher perceived quality. Accordingly, these preferences have also contributed to a differentiation strategy by the brands. Lastly, those authors affirm that there is a trend for lower volume packages, and lighter and refill packaging.

Global Hair Care Trends

According to Transparency Market Research (2016), the global hair care market is growing at a stable pace and is forecasted to continue. The reason behind the steady growth is the continuous demand for a healthy, shiny and controllable hair. Moreover, the market players are consolidated both domestically and internationally, which creates a strong competition, leading to many barriers to entry. The leading global hair care firms include Henkel Corporation, Procter Gamble Co., L'Oreal S.A. and Unilever plc (Transparency Market Research, 2016). The same source proposes that, due to the increased investment in R&D by Hair Care firms, the hair care market is expected to expand in developing and developed regions.

In terms of market value, the global hair care market had a valuation of 81.3 Billion US Dollars, and it is forecasted to come to 105.3 Billion US Dollars by 2024 (Transparency Market Research 2016). The shampoo segment was, in 2015, the most important, accounting for 30.9% of hair care revenue in 2015 (Transparency Market Research, 2016).

Regarding the consumer's preference trends, it has been found that the demand for painted hair is increasing, due to the influence of fashion trends and aging population (Transparency Market

Research, 2016). On the other hand, consumers are accelerating the hair care process, because they perceive to have little time to take care of their hygiene (Datamonitor, 2013). For that reason, the same source concludes that the demand for waterless and multi-functional solutions has been growing.

Lastly, technology has impacted the hair care industry. Firstly, it has allowed a higher interaction between the brand and the consumer by the use of mobile strategies that can interact with the consumer anywhere and whenever (Herman *et al*., 2013). Secondly, it has shifted the need of a physical store, due to the possibility of ordering online (MCCREA, 2016).

3. CASE STUDY

In the offices of Beiersdorf, Rita Ferreira, the Group Brand Manager, wonders about what they are missing in the marketing strategy of their NIVEA Hair Care, as the sales have been much lower than the target. They have recently introduced a new product that looks more promising and are leveraging on the digital strategy, but will that be enough?

Beiersdorf

Beiersdorf was founded in 1882 by Paul Carl Beiersdorf. Since then, it has become a global company with more than 150 subsidiaries in the world.

The company is a key player in the cosmetics market and gained success by developing the first hydrant body cream in history, turning Beiersdorf into what it is today – skin care through innovative brands. The portfolio of brands includes Labello, Eucerin, Hansaplast, Atrix, Harmony, Fuss Frisch and NIVEA, present in more than 200 countries.

Europe is the most important market for Beiersdorf, while the company builds its presence in growing markets such as Brazil, China and Russia. Furthermore, Beiersdorf Portugal was founded in 1963, by introducing in the Portuguese market the company's number 1 brand NIVEA (Beiersdorf Website).

The core values of the company, which are transmitted to the brands, are Care for employees, consumers, brands, society and environment, Simplicity, Courage and Trust. Moreover, "We are Skin Care" is one of the company's statements, and they do it by developing innovative skin care brands aimed at "making people feel good in their skin" (Beiersdorf Website).

NIVEA Hair Care

As mentioned before, NIVEA is the number one brand of Beiersdorf and it has been in the market for more than 100 years. The brand has many categories: Body Care, Face Care, Sun Care, Men Care, Deodorants, Shower Products and lastly, Hair Care. Regarding the latter, the brand was first introduced in Portugal in 1984 and has since suffered a "re-branding" by being discontinued in 2012, and re-introduced in March 2016 (Appendix 1). This move was decided internationally in order to introduce better and more fitting formulas and assortment to the Portuguese market.

The assortment includes diverse hair type shampoos, conditioners and styling products for both women and men and women. In women products, the company divides their analysis in shampoo, which makes up for about 60% of the sales, and conditioners (40%). While in men products, they consider only shampoo, but divide it in Regular (20% of sales) and Anti Dandruff (80% of sales).

In fact, the male segment has achieved great success in the market, by being the leader in the regular segment (NIVEA Men has 66% market share (MS), Syoss has 16% MS and Elvive has 13% MS). And the second in the Anti Dandruff segment (Linic has 83% MS, NIVEA Men has 12% MS and H&S has 4% MS).

However, NIVEA Hair Care has not seen much success in the female segment, in which it has only 1.5% MS. The hair segments of shampoo they serve include lusterless, classic, oily and dandruff hair, with one SKU each, and repair (damaged hair), with five SKUs. As it is clear, NIVEA Hair aims to keep loyal to NIVEA's core competence, which is care. For that reason, the brand focuses in the hair repair segment, by having a wide range of products to satisfy different levels of that need.

The Hair Care Market in Portugal

The hair care market includes several product categories: shampoo, conditioners, styling products, hair colorants and perms (MarketLine, 2013). Shampoo is used to clean the hair from natural fat and other impurities. Conditioners are meant to hydrate the hair, and are used with water (regular conditioners) and without water (leave-ins). Styling products exist in the form of cream or foam and have several purposes, such as fixing or curling the hair. To change the hair color, hair colorants are used. Lastly, perms aim to curl the hair with a longer duration.

The shampoo category leads the Portuguese Haircare market in both volume and value. In addition, more than 40% of the distribution of this category is made in hyper and super markets.

During 2015-2020, a growth of 1.6% (CAGR) in value was expected in the haircare market in Portugal. Moreover, the shampoo category growth forecast is the fastest in value among all categories in the same time period. Therefore, there is possibility to get new consumers, who are not loyal to a brand yet (GlobalData, 2016).

Despite the market expected growth, there had been some challenges to the players in this market. Firstly, pressure on prices has been present, mainly due to the highly competitive environment, in a time when consumers have suffered from an economic crisis, and have thus put more weight in price when making a purchase decision (MarketLine, 2013). Secondly, according to MarketLine Haircare Industry Profile, the strongest force in the Porter's Five Forces analysis of the market had been Rivalry. In fact, due to the large investments big players had been making in marketing campaigns and brand management, new entrants also had some difficulties in growing in the market. In addition, those players had the advantage of scale economies, owing to not only the local success, but also their global reach. Furthermore, by belonging to an international company, they had more investment in product development.

In terms of stocking decisions of suppliers, the market share determines the visibility in store. This makes it harder for new comers and brands with low market share to stand out. On the other hand, high volume brands also get more power, by knowing retailers will stick to selling their brand, as they are highly demanded by consumers (MarketLine, 2013).

Still, focusing on niche markets, such as handmade or eco-friendly, is a solution to stay away from the fierce competition that exists in the rest of the market (MarketLine, 2013).

Regarding product differentiation, the brands take into consideration the hair type, culture considerations, ethnicity, age, climate and fashion trends. Alongside with that, similarities with the skin care market are used, for example the focus on hydration and damage repair.

Focusing on female products, the hair segments targeted by most brands are classic, anti-dandruff, repair (damaged), painted, low volume, curl, straight, aged and fragile hair. Classic and Repair together make more than half of the sales in shampoo, being Repair shampoo the most important, with about 34% of the shampoo MS. In terms of conditioners, the Repair segment also leads with almost half of the market (Nielsen, 2016).

The main players in the hair care market are Pantene, followed by Ultra Suave, and Elvive, (Fig. 1), (Nielsen Data Base, 2017). When discriminating by categories, Pantene is the market leader in both Shampoo (19.2% MS) and Conditioner (15.7%), while Elvive leads the group in No-Water Creams and Sprays (Nielsen Data Base, 2016). Considering hair segments, Ultra Suave is the market leader in the Repair segment in both shampoo and conditioners, whereas Color shampoo and conditioner and Volume shampoo segments are led by Elvive and Classic shampoo and conditioner by Pantene (Nielsen Data Base, 2016).

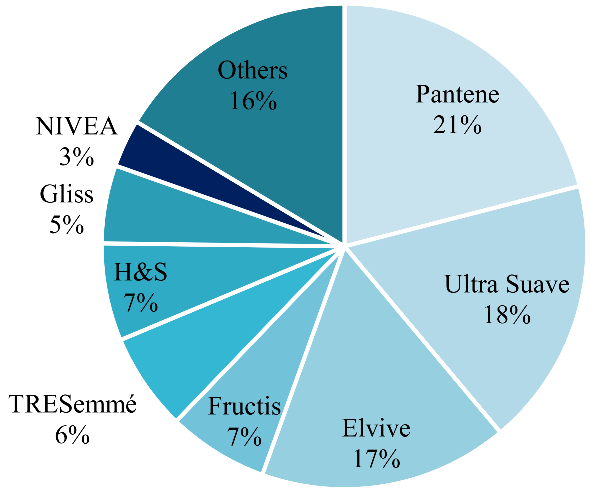


Figure 1 - Hair Care Brands' MS in Portugal, adapted from Nielsen Data Base, (2017)

NIVEA's Hair Care Competition

In the female segment, NIVEA's marketing managers watch closely four main players: Pantene, Ultra Suave, Elvive and Gliss. The first three competitors are the market leaders, as mentioned above. Gliss has a MS of about 5%, but it is important for benchmark because the brand also focuses on the Repair segment. In fact, when comparing the assortment of these brands with NIVEA's, 90% of Gliss's products are equivalent to NIVEA's, whereas Pantene is 68% similar, Elvive 75% and Ultra Suave 70%. (See Appendix 2)

In that sense, the competitor they relate to the most is Gliss in terms of product assortment. Going deeper in Gliss's positioning, the brand's slogan is "Before having your hair cut… Try Gliss". The relationship of this slogan with damaged hair is simple, as women tend to view having a haircut as way to fix its damage, and make the hair stronger. The brand also communicates that it is the best fit for a demanded hair. To answer that need, they have continuous innovations and introduce a new product almost every year. Nonetheless, the brand differentiates strongly from NIVEA in terms of the lifestyle of the target market. While NIVEA target is an active, simple woman, Gliss associates hair with fashion, having a more sophisticated look, both on the products and on the website (Gliss Website).

NIVEA Hair Care Rebranding

With the 2016 re-branding of the Hair Care products, there was a focus in improving the results of the female segment. Namely, the main objective was to achieve a market share of 3.2% after one year and 5% until 2018, which was the share the brand had before exiting the market in 2012. To do so, the marketing team believed that the previous consumers would start to buy NIVEA shampoos again, and that the strength of the brand NIVEA would speak for itself and bring success to the hair care segment. However, the brand failed to do exactly that, as not even half of the previous users currently are using NIVEA shampoo.

In fact, they have noticed that people are not aware that hair care products exist under the brand name. Indeed, lack of awareness has been a key issue, because the company has verified with customers' feedback that their product has high quality and that after experimentation consumers really enjoy the product and stick to it. Therefore, they believe success will arrive after they convince the audience to try the product.

However, the brand faces some challenges to create awareness. Firstly, the budget of this category is relatively small, which only allows for the brand to be profitable, but not to fully compete with market leaders. Secondly, one big market barrier has come in their way - price promotions. In fact, one of the traditional strategies of introducing a new product in the market is to price it low or have price promotions, in order to reduce the risk of purchase and have a big public trying the product. Nonetheless, this strategy is no longer effective in the Portuguese mass market. This situation started with the 2012 1st of May, when the supermarket Pingo Doce had a 50% discount in all their products. After that day, the distributer has included promotions in the daily life of their customers. This strategy was then followed by Pingo Doce's main competitor, Continente, and has changed the shopping habits of Portuguese customers, who know that if they can't find one of their favorite brands with a price discount, they can just wait for the following week. The result is that every week there is at least one main hair care brand with 50% discount. This has shift the consumer's preference from being loyal to just one brand, to having a set of good quality brands that they buy regularly, and that they choose according to the one that has a higher discount on the moment of purchase (Jornal I, 2016). As a consequence, when NIVEA sets a promotion, it cannot differentiate itself from the competitors. Furthermore, the hair care market is the biggest in the health and beauty category, so the distributers have no interest in favoring low rotation brands, like NIVEA, and prefer to have on the spotlight a market leader. Hence, penetration cannot be done by price, as in this market, around 75% of the units sold are sold with a 50% price discount.

Accordingly, they need to find another way to persuade consumers to try their products. The brand managers have realized that as a new brand, it is not enough for them to speak about themselves; they also have to join opinion leaders and influencers, who will talk about and recommend the product. Therefore, they are currently contacting bloggers, v-bloggers and instagramers to recommend the NIVEA hair care products. In addition, partnerships with hair tools companies are being made, in order to give more credibility.

Furthermore, they aim at broadening their target segment. Internationally, they describe their target as a woman in her 30's, who is social, beautiful, and authentic and has ***joie de vivre (Appendix 3)***. However, through customer feedbacks the marketing team has realized that the daughters of this persona also play a strong role in the decision making, and thus they are aiming at targeting to them as well. Ergo, NIVEA Hair Care target segment will change from 25 to 45 year olds women to include also the group from 18 to 25.

In addition to the awareness challenge, because NIVEA has always been associated with skin care, there has been some doubts about whether the fit between the brand NIVEA and the category of Hair Care is being made. In fact, the marketing managers are concerned that consumers perceive the shampoo products as too heavy for the hair and not appropriate. Still, if one searches common uses of the iconic NIVEA Cream, one finds that women use it as a hair mask (blablabla Blog). Which leads to conclude that the perception of being too heavy will not be an issue.

Alongside with that, the marketing strategy has been towards the effort of connecting the hair care brand with the Care concept that NIVEA stands for in the rest of its categories. Therefore, they have intended to give focus to the shampoo Repair segment. By doing so, the NIVEA expertise in hydration and repair can be enhanced. For that reason, despite having SKUs for the other segments, the marketing efforts have always been based on the repair products.

Category Product Shift

NIVEA has such a strong heritage in skin care that it can become an obstacle in selling hair care products. Still, there has recently been a competitor that has proved it is possible to go away from its core target segment and introduce a brand extension to a different category. It has been Ultra Suave, a brand known for its nature inspired hair products, which introduced body creams in 2016, and has been very successful.

They communicated their introduction in the skin market with the following statement "For 30 years Ultra Suave has taken care of your hair. Find out what you can do for your body (…). The softest (suave) recipe, now for your body" (Garnier Portugal YouTube). Therefore, they immediately connected to their previous focus in order to appeal to Ultra Suave hair consumers. Moreover, the formulas were the same as the hair products, leveraging all similarities. Lastly, the packages were very similar to the shampoo ones.

Taking this example as benchmark, NIVEA should make an effort to reinforce all possible similarities, such as colors, smell and message in their communication strategy.

NIVEA Hair Market Communication Strategy

NIVEA Hair Care Star

One of the strategies of the brand is to have a start SKU, in which they focus the communication on, expecting it to leverage to the rest of the products.

The first start of the re-branding, in the year of launch, was the SKU "Repair and Targeted Care" (Appendix 4). However, it was not very successful. The marketing team realized several issues with its communication. Firstly, it was communicated in very technical way of repairing the hair, and had communication media that was very similar to other brands'. Secondly, it was far from one of NIVEA's core values: simplicity, which led to a lack of differentiation. Lastly, they followed the international slogan "get a beautiful hair", which literally translated to Portuguese is not a strong and impacting statement.

In the beginning of the second year, the focus shifted to a new range, which then saw a better acceptance. This time the star was the Hair Milk SKU (Appendix 5), which related better with the heritage of the brand NIVEA. Not only it has the same name as the first NIVEA shampoo, but it also has the color and the smell of the famous NIVEA Cream.

Aiming at having products more linked with the core of the brand – care and hydration – more Hair Milk SKUs are being introduced, including shampoo, conditioner and leave-ins.

The marketing team expected this SKU to have more success due to its stronger fit with the rest of the NIVEA brand. Accordingly, the media used to communicate the NIVEA Hair Milk focuses on the NIVEA blue and communicated the idea of a beauty ritual, such as the Cleopatra's. By doing so, it is expected that the idea of including NIVEA shampoo in consumers' daily routine, alongside with the rest of NIVEA's care, will stand out and be followed by NIVEA's consumers.

Communication Actions

Regarding the communication actions, NIVEA Hair is present in television, outdoors, press and Facebook. Their distribution is about 70% in TV, 5% on BTL activation, such as sending product for experimentation, and the rest is on Digital, Outdoor and Press.

In television, the commercials are put through the whole day with focus in prime time (TV most watched hours). Main Portuguese channels, such as TVI and SIC, have the majority of budget. Other channels, such as FOX, FOX LIFE and SIC Mulher initially had budget allocated, but after the first year they have been quitted. The strategy is to create media synergy, by having an advertisement on TV during 4 weeks while there is other important action, such as beauty fairs in the stores or a stronger price promotion. In fact, the marketing team has noticed that this synergy between actions is crucial for success and to have impact on sales.

Regarding the digital strategy, in the first year of re-branding they had classic campaigns, displays on women related websites, videos from TV commercials and tutorials. From the second year, an expansion was planned for two main objectives. On the one hand, to increase WOM, through a stronger presence in blogs. On other hand, to reach a wider age group, namely younger people. To do so, the brand has continued its presence on Facebook, where it has been since 2011, and is launching an Instagram account. In addition, the opinion leaders chosen are be part of different age groups, from younger to older, to reach a more diverse crowd.

At the stores, NIVEA Hair does not stand out much on its own. The category has been under the NIVEA umbrella in fairs, such as the Women's fair, and does not plan to have an individual action. In shelves, it is also very limited, as the stores have no incentives to offer no shelf space.

The Challenge

In summary, several challenges were being faced by NIVEA Hair Care's marketing team. First of all, increasing brand awareness is crucial. Therefore, they need to understand how to reach potential consumers of the brand. Secondly, identifying the best way to persuade them is imperative for success. Lastly, the marketing team needs to make sure the fit between NIVEA Hair Care and NIVEA core brand is perceived.

> *Back in Beiersdorf office, Rita Ferreira gets the news that this week sales results have come out. Sales of NIVEA Hair Milk have increased! Does this mean that they are on the right track?*

4. MARKET RESEARCH

Methodology

To develop this research, in-depth interviews were made to four women. Two of them were in the age group of 20-25, the third was 35 years old and the last was 60 years old. The interviews followed the structure of the survey (Appendix 7), but were open questions to serve as qualitative data. The results then contributed to develop questions in the survey related with product attributes and the NIVEA's brand associations.

In addition, interviews to the Beiersdorf Group Brand Manager were done to better understand what needed to be researched. The interview questionnaire can be found in Appendix 6.

The survey (Appendix 7) was distributed online, via e-mail and social media and targeted women, as the aim was to evaluate the brand image of NIVEA female shampoos. The questionnaire was developed based on Customer-Based Brand Equity (Keller, 2001) and measured according to Keller (1993). According to this theory, the brand knowledge is measured in four stages, forming a pyramid (see Appendix 8). The base of the pyramid is salience, which is the depth and breadth of brand awareness. This was measured in the first part of the questionnaire, by asking for brand recall and brand recognition. The second layer of the pyramid related to the brand image. Brand image is the perceptions people have of the brand, and was measured by asking respondents about their perception of price and quality and about the strength of brand associations of NIVEA. The list of brand associations was inspired on Aaker (1997) and on the interviews results. The third level of brand knowledge related to brand evaluations, which requires a more rational perspective, through the trial the product. Since that was not possible in an online survey, this level of brand knowledge was not measured. Resonance is the final level of brand knowledge, according to the author. It relates to loyalty and engagement with the brand, and was measured by asking the level of Adequacy respondents felt for the brands. The main competitors of NIVEA Hair Care – Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, H&S and Gliss – were selected for this study and used as a comparison to NIVEA of Brand Awareness, Brand Adequacy, Price and Quality perceptions.

Apart from measuring the brand knowledge, an experiment - *Advertisement Experiment* - was made by having the respondents assigned randomly to two groups and watching two different NIVEA Hair Care Advertisements. One group would watch an advertisement about NIVEA Repair and Targeted Care Shampoo (RT) and the other about NIVEA Hair Milk Shampoo

(HM). The goal of this experiment was to test if there were significant differences in the perceptions and interest between the two shampoos. These two shampoos were chosen because they have been the "stars" in the communication strategy. As mentioned in the case study, in the year of re-launch, the marketing team focused on communications about RT. After a low level of sales, they shifted to HM, which has achieved better results. Therefore, this experiment will test if the shampoo communicated was the reason for the sales increase, with the following Hypothesis: *H1 – HM will have more success.*

The factor success of the NIVEA shampoo will be measured with five variables. Firstly, the Advertisement Score (AS), which was measured by asking respondents to answer to how much they liked the advertisement on a scale from 1 (didn't like it) to 5 (liked it a lot). Secondly, the Quality Perception (QP) of the Shampoo watched in the ad, determined by asking the respondents to state the level of agreement, from 1 (low) to 7 (high), with the statement "The shampoo has quality". Thirdly, the Perceived Adequacy (PA) of the Shampoo watched in the advertisement for the respondent, measured with the same scale for level of agreement with the sentence "The shampoo has what I value in my hair care". Fourthly, the Interest (SI) in the Shampoo watched in the ad, measured by the agreement with "I am interested in trying this shampoo", with the same 1 to 7 scale. Lastly, the Extra Willingness to Pay (EWP) was measured by asking the respondents how much more they were willing to pay comparing with an average priced equivalent sized shampoo.

With the above information, the following sub-sets of H1 were made:

H1.a – HM will have significantly higher levels of AS;

H1.b - HM will have significantly higher levels of QP;

H1.c - HM will have significantly higher levels of PA;

H1.d - HM will have significantly higher levels of SI;

H1.e - HM will have significantly higher levels of EWP.

To test the hypothesis above, Independent Samples T-tests were used for each variable. All the variables were approximately normally distributed in each group and there were no significant outliers. Because the size of the sample was small, a 90% confidence interval was used, allowing to accept that the means are significantly different when p value >0.1.

To further the research, a linear regression analysis was performed using the same variables inputted in the T-Test as dependent variables. The independent variables considered to explain the five dependent variables were all those that could explain a higher success in the shampoo, such as the attributes most valued in a shampoo, the type of personality, the relationship with the brand, and brand perceptions. Because this includes many variables that are correlated with each other, a Backwards Induction method was used to eliminate the independent variables that were reducing the explanatory power of the model (the full list of variables initially entered in the model can be found in Appendix 9). In addition, Multicollinearity tests were performed to all regressions. The Tolerance, VIF and Condition Index obtained, revealed that there was no multicollinearity. Moreover, correlations between the variables in the final model were all bellow 0.8. The error term was normally distributed and dispersed around zero for all the regression analysis. Lastly, Durbin Watson had values around 2, which means that error terms were independent of each other. For these regressions, a significance level of 10% was used for selecting which independent variables explained the dependent.

Furthermore, correlations between the dependent and independent variables were made, being considered significant at a significance level of 5%.

In order to evaluate the advertisement itself, three variables were used. One measured if the advertisement had Excessive Information (EI), and the others measured the perception of focus of the advertisement, either on the shampoo results (RF) or in the product (PF). These three variables were all measured on a scale of 1 (low) to 7 (high), by asking the respondents the level of agreement they had with those factors characterizing the advertisement they have watched. To verify which advertisement had a better approach, Independent Samples T-Tests were performed for the two advertisement groups. From in-depth interviews and the opinion of the management team, the following hypothesis were made:

H2 - The RT advertisement will have significantly higher levels of EI;

H3 - The HM advertisement will have significantly higher levels of RF;

H4 - The RT advertisement will have significantly higher levels of PF.

With the aim of testing the relationship between the shampoo watched in the advertisement and the NIVEA mother brand, two more variables were tested according to advertisement seen by the respondents. Firstly, the impact the mother brand (BI) had, by asking the agreement with this statement "Because the shampoo is NIVEA, it has a good quality.", and secondly, the fit between the shampoo and NIVEA brand (SNF). This analysis was again made using Independ Sample T-test. Because the shampoo HM advertisement had more content that was related to the identity of NIVEA, such as more the color blue and the imaginary of the classic NIVEA Cream, the following hypothesis were developed for this topic:

H5 – *The HM advertisement will have significantly higher levels of BI;*

H6 - *The HM advertisement will have significantly higher levels of SNF.*

Lastly, correlations, cross-tabs, and descriptive analysis were used to characterize the sample and to describe the behavior and preferences of the respondents. Most of the scales used were from 1 (low) to 7 (high), in which 4 was considered the middle value, meaning that when a mean (M) was bellow 4, the results of that variable were low, and when above 4, the results were considered high. On scales of 1 to 5, the middle point was 2.5 and the same reasoning was considered.

Sample

The sample was made of 262 respondents, with 255 being women. This matches the objectives because it was about brands that target the female segment. The age groups were fairly distributed, with a majority (24.8%) of responds under the age of 25 and the rest of the age groups with a presence between 15.6% and 20.2% (Appendix 10).

Regarding the nationality, 97.3% of respondents were Portuguese, while the rest were from Angola, Brazil, Colombia and Spain.

Concerning the employment situation, 64.5% were employed and 24.8% were students. About 2% were unemployed and 8.8% were retired.

The majority of respondents were from the Portuguese middle class, with 57.6% getting a gross household income between 10.000€ and 45.000€, 23.3% an income from 45.000€ to 75.000€, and a minority of 5.7% earning more than 75.000€ (Appendix 11).

Results

The first variable measured was shampoo brands retrieval set, which is the brands that came to mind to the respondents without any type of aids. The results showed that Pantene was the brand most mentioned (123 times), in total and as the first brand too (89 times). NIVEA was the brand least mentioned (7 times), out of which it was mention 4 times first. L'Oreal, which includes Elvive was the second most mentioned, followed by Garnier, which is the mother brand of Fructis and Ultra Suave (Appendix 12).

In order to continue testing brand awareness of NIVEA Hair and its main competitors, respondents were asked to state, on a scale from 1 (not familiar) to 7 (extremely familiar), how familiar they were with each brand. As expected, and in congruence with the market share, Pantene was the most familiar brand (average of 6.1 points). The rest of the brands were more or less familiar according to their market share too, with the exception of Gliss. Gliss was the least familiar brand, being the only brand with an average familiarity under the middle level 4. NIVEA stood in the middle with an average familiarity of 4 points (Appendix 13).

Secondly, to measure the relationship with the different Hair Care brands, respondents were asked to answer how adequate each brand was to them. The brands Pantene, Ultra Suave, Elvive and TRESemmé had a positive average (over 4 points on the scale 1 to 7). NIVEA, Fructis and Gliss had an average of around 3.5. The brand with the lowest rating was H&S with 2.96 points (Appendix 14).

The last two comparisons between brands were in regards to price and quality perception. On a scale of 1 to 7, respondents were asked about which were cheaper or more expensive, and which had lower or higher quality. The brand perceived as the most expensive was TRESemmé, which is a brand that positions itself as more professional, while the brand perceived as the cheapest was Fructis. Regarding quality, Pantene was perceived as the one with the highest quality and Fructis as the lowest (Appendix 15). A perceptual map is presented to better visualize the brands' position in the respondents' minds (Fig. 2).

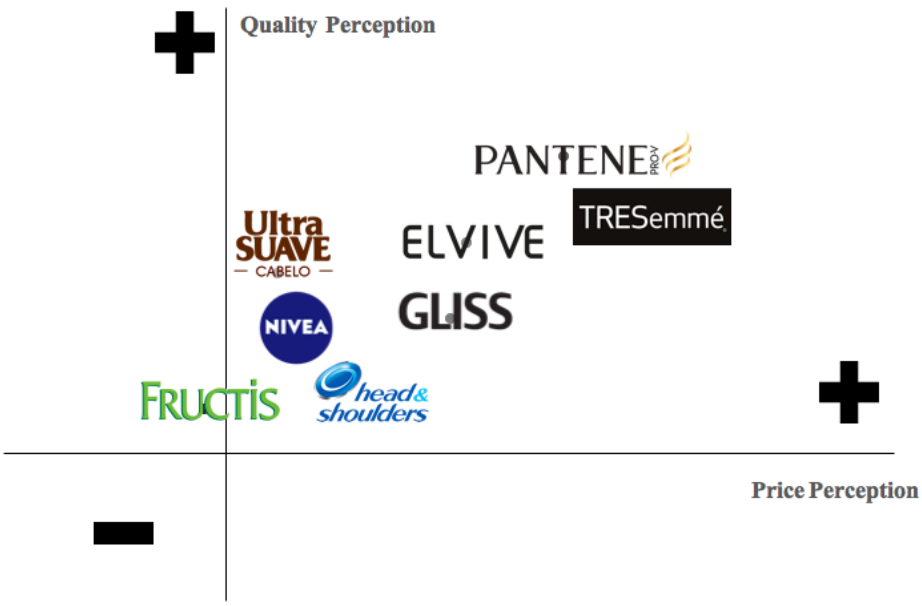


Figure 2 - Perceptual Map Quality per Price. Source: Data Analysis of the average of 262 respondents

Regarding the use of hair products (Table 1), 90% of the respondents use regular shampoo, the remaining 10% uses a product aimed for a specific treatment. The use of regular shampoo is strongly positively correlated with the use of Conditioner, which is used by 65.6% of the respondents. In addition, use of conditioner is positively correlated with the application of other hydrating products, such as leave-ins and hair masks (r= 0.21 and 0.25 respectively). Leave-ins were a choice for 36% of respondents, while masks were used by around half of the sample.

Styling are the least used products (19.1%) and only have a positive correlation with the use of treatment products.

In terms of frequency of use of those products, shampoo and conditioner are most used every other day or twice per week. Hair mask is mostly used once per week. Styling products are mostly used less than once per week (Appendix ***16)***. More information can be found in the table 1.

Table 1 - Hair Products Frequency of Use and Hair Complementary Products. Source: Data Analysis of Frequencies and Correlations of Hair Products Used of of 262 respondents

Hair Products	Regular Use	Variables significantly correlated	Correl. Coef. (r)	Frequency of Use
Shampoo	90.1%	Conditioner Leave-In Specific Treatment Shampoo Styling	(+0.351) (+0.195) (-0.460) (-0.261)	Almost Every Other Day
Conditioner	65.6%	Shampoo Leave-Ins Mask Treatment Shampoo	(+0.351) (+0.206) (+0.246) (-0.181)	Around 3 days per week
Leave-Ins	35.9%	Shampoo Conditioner Mask	(+0.195) (+0.206) (+0.314)	About Once per week
Hair Mask	49.2%	Shampoo Conditioner Leave-Ins	(+0.327) (+0.246) (+0.314)	Around 3 days per week
Special Treatment Shampoo	31.7%	Shampoo Conditioner Styling	(-0.460) (-0.181) (+0.254)	One or Two times per week
Styling Products	19.1%	Shampoo Treatment Shampoo	(-0.261) (+0.254)	Almost twice per week

In terms of brand use per product type, Pantene has the highest number of respondents that use it in shampoo, conditioner, mask and styling products. On the other hand, NIVEA is the least used brand in shampoo and conditioners, with only 3.8% of respondents stating that they consume shampoo of the brand, and 2.7% conditioners. The preferred brands for leave-ins are Ultra Suave and Elvive. Specific treatments, such as anti-dandruff, have a majority of H&S and Pantene (Appendix 17*)*

The sample has an average brand loyalty of 4.49 on a scale of 1 to 7, which is not very high. In fact, considering only shampoo, results show that on average, respondents regularly buy 1.3 brands.

When asked about the importance given to hair care, there is an agreement that it is very important, as around 94% has rated more than 6 on a scale from 1 to 10 (Fig.3). Moreover, 65.2% has rated 9 and 10. On average hair care importance is 8.83 out of 10.

The most important treatment respondents look for in hair care products is repair, followed by shine, volume, anti-fall, color protect, classic, and anti-dandruff.

Considering the product attributes, specific treatment is the most important attribute, followed by the aroma and the price. Brand comes as the fourth most important and with a positive importance (>4). The package is the least important and has a negative importance (Fig.3). In addition, the respondents are indifferent in preferring large package sizes in shampoo (mean of 4 out of 7).

The most important results people expect from a shampoo is making the hair feel smooth and strong and with shine (Fig.3).

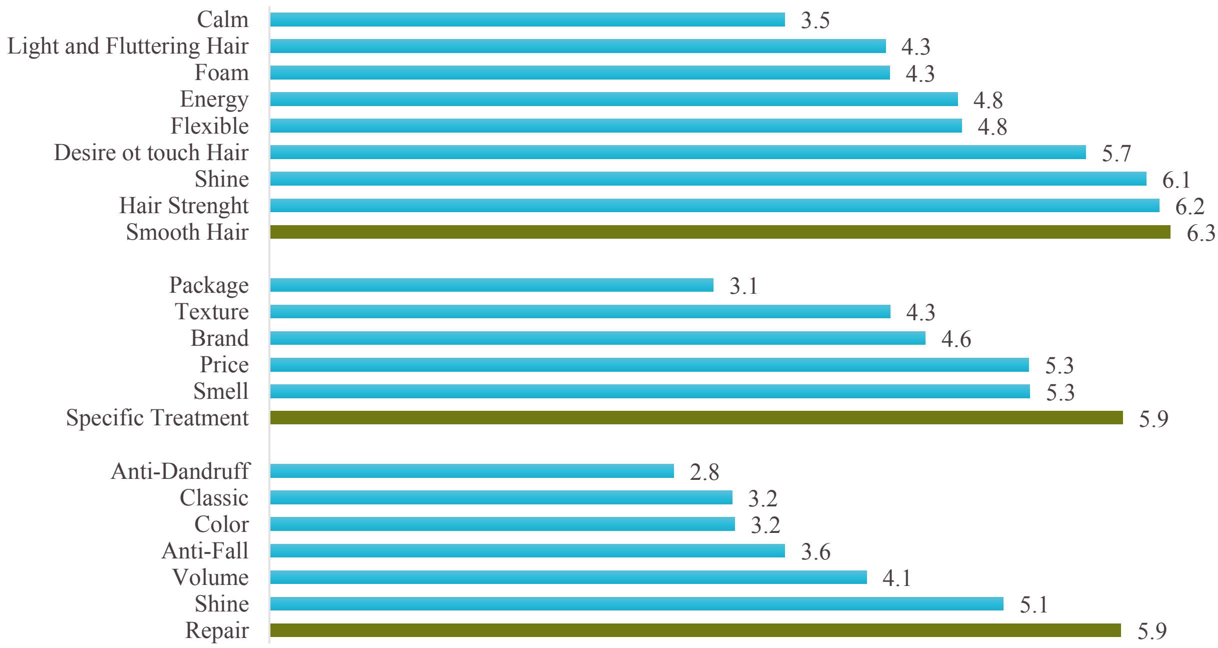


Figure 3 - Shampoo Attributes Importance. Source: Data Analysis of the averages of 262 respondents

Relating the importance of shampoo outcomes with the brands used, few significant correlations were found. Ultra Suave was chosen by those who value more softness and the desire to touch the hair. Fructis was used by those who value more foam in the shampoo. TRESemmé by who prefers a lighter and fluttering hair. Lastly, the respondents who buy H&S, value less energy outcome. Still, it must be taken in to consideration that all these correlations showed a very small r ($r<0.2$), (Appendix 18).

Regarding NIVEA's brand perceptions, NIVEA is perceived a quality brand in the shampoo category, with a mean score of 5.6 out of 7. The rating of quality proposed by the respondents is positively correlated with all the positive attributes that were used to evaluate the brand perception. In specific, as seen in Table 2, the strongest attribute that characterizes NIVEA is Trustworthy, followed by softness.

Table 2- NIVEA Attributes Importance Crossed with Correlation with NIVEA Shampoo Adequacy. Source: Data Analysis of Averages and Correlation of 262 respondents

NIVEA Attributes	*Mean*	*Correlation with NIVEA Shampoo Quality perception*
Trustworthy	5.29	0.215
Softness	5.06	0.349
Nutritious	4.95	0.263
Nice Aroma	4.82	0.276
Beauty	4.74	0.355
Clean	4.68	0.339
Recommended by Mothers	4.59	0.197
Positive Energy	4.2	0.206
Active	4.18	0.22
Young	4.03	0.179
Sophisticated	3.7	0.222
Old	3.63	

In regards to the NIVEA products used during the previous year, body creams were the leading category, used by most the respondents. Shampoo was used by 15% of the respondents, and it was significantly positively correlated with the use of other brand categories (Table 3).

Table 3 - NIVEA Categories Used. Source: Data Analysis of Frequencies and Correlations of 262 respondents

Category	N	Use (%)	Variables significantly correlated
Body Creams	190	73%	face, hand, clean
Face Creams	104	40%	body, hand, clean, shower, shampoo
Hand Creams	138	53%	body, face, clean, shower, shampoo, conditioner
Skin Clean Products	40	15%	body, face, hand
Shower Gel or Cream	154	59%	body, face, hand, shampoo
Shampoo	40	15%	face, hand, shower, conditioner, styling
Conditioner	21	8%	hand, shampoo, styling
Styling	9	3%	shampoo, conditioner

In terms of the perception of price promotions, on average respondents believe NIVEA has less price promotions than its competitors (mean of 3.3 out of 7). Moreover, the results showed that being more sensitive to price and promotions, was negatively correlated with the perception of the amount of promotions that NIVEA has (r= -0.2 and r=-0.2, respectively).

Regarding the use of internet, every respondent used it. In terms of social media, Facebook is the most used, with 56.1% of the respondents using it everyday. YouTube was the second most used, however it was mostly used only once or twice per week and less. Almost half of the sample did not use Instagram, but those who did, used it in majority everyday. Blogs were visited less than once per week, and NIVEA website was never visited by 93% of the sample. The age of the respondents was negatively correlated with all measured online activities, with the exception of visits to NIVEA Website. YouTube and Instagram were the most affected by age, with a correlation coefficient bellow -0.5. Blogs were less affected by age, with a correlation coefficient closer to zero (Appendix 19).

Regarding Television (TV) behavior, the answers showed that TV was widely watched. The night news were watched by most of the sample. Regarding age relation, older age groups respondents watched TV more regularly, as well as the night news. They preferred to watch live TV instead of recorded (Appendix 20). Although Soap Operas were not watched a lot by the respondents, the age group that prefers it is 45 to 50 years old. Comparing the preference in the main channels NIVEA advertises in, SIC is the most watched, followed by FOX LIFE and FOX (Appendix 21).

In terms of activities done in the previous month, going to the supermarket was the most done activity (93.1% of the respondents), and this activity was positively correlated with age. Going for walks in the city center was the second most done activity (72.1%) and it was negatively correlated with age. Going to shopping malls was also done by the majority of respondents (67.6%), but no significant correlation with age was detected.

Reading magazines of wellness was done by 21% of the sample, with no significant correlation between age groups (Appendix 22).

Lastly, the sample has shown to highly value suggestion from experts and opinion leaders (mean of 6.85 out of 7).

Advertisement Experiment

The first factor analyzed was the success of the shampoo. Through Independent Samples T-tests, differences in the variables were tested among the two advertisement groups. In the first variable, AS, no significant difference was found, meaning that respondents liked the advertisements equally. In both groups, the means were above the middle point of 2.5 (HM M=3.29; RT M=3.35), thus it can be concluded that respondents liked the advertisement.

Similar results were obtained for the variable QP, and the two groups presented statistically similar means (4.38 for HM and 4.42 for RT; Appendix 24).

In contrast, respondents who watched the RT Advertisement (M=4.74) reported significantly higher levels of PA to the shampoo than those who watched HM Advertisement (M=4.39), (Appendix 25).

RT Shampoo was also the preferred in terms of interest, as it presented a significantly higher mean value than HM (RT=4.43 and HM=4.01; Appendix 26).

Lastly, EWP also did not show significant differences between the ads. The statistics of each group were: RT=4.15 and HM=4.05; (Appendix 27).

In summary, all H1 were rejected, as HM did not have any significantly higher levels in any of the variables. In addition, it must be noted that HM had lower levels than RT in every variable, enabling to conclude that the sample clearly prefers RT.

Regarding the evaluation of the advertisement itself, the independent sample t-tests have shown that, EI was significantly different between ads, with RT having a higher mean (M=2.85) than

HM (M=2.15). Still, both advertisements had low levels of EI, as both were below the middle value (Appendix 28). In terms of the focus of the ad, RT mean (4.98) indicates higher levels of RF than HM (4.64), (Appendix 29); while there was no significant difference in the measure of PF, with an HM mean of 5.08 and RT mean of 4.78 (Appendix 30). These results allow to accept H2, and reject H3 and H4.

When testing the relationship between the shampoo watched in the advertisement and the NIVEA mother brand, no significant differences in the means of the two groups were found, in both Independent Sample T-Tests (Appendix 31 & 32). In BI, both Advertisement groups had a mean bellow 4 out of 7 (HM=3.81, RT=3.98). SNF showed more positive results, in which the means were HM=4.54 and RT=4.78. In conclusion, the H5 and H6 were rejected.

Factors influencing the success of NIVEA Shampoo

In order to better understand what might affect the interest in NIVEA shampoo, regardless of the Advertisement seen by the respondents, regression analyses were performed for the five variables used before to measure the success of the NIVEA shampoo: AS, QP, PA, SI and EWP.

In the first regression, AS was the dependent variable, and its variance was explained in 13.1% by the independent variables. It was showed that Texture and Flexibility Importance and the Belief that Higher Price Means Higher Quality had a positive impact on the Advertisement Score given. On the other hand, those who valued more the package of the shampoo give a lower score to the advertisement. The variable with higher impact (higher standardized Beta) was Price equals quality (Appendix 33).

The second regression had as dependent variable the QP seen in the ad. The independent variables explained 29.8% of the variance of the depend variable. Among the 11 significant variables, 9 affected positively the dependent variable (in decreasing importance: Look Concern, NIVEA Price Perception, WOM Follower, Income, Foam Importance, Importance of Smell, Spender, Fluttering Hair Importance, NIVEA Adequacy), while 2 affected negatively (Hair Care Importance and Hair Shine; Appendix 34).

PA was the third dependent variable inputted in a regression. The model was significant with a R^2 of 24.2%. The three independent variables that explained negative changes in the dependent variable were: Hair Strength Importance, Hair Care importance and Advertisement Seen. The latter matches the findings in the independent samples t-test, in which it was found that RT Advertisement had a higher mean in PA. The significant variables with positive coefficients were Look Concern, Repair Treatment Importance, NIVEA Adequacy, NIVEA Price Perception, Flexibility Importance, WOM Follower and Income (Appendix 35).

Furthermore, the regression of the variable I, with R^2 of 0.246, indicated that SI would increase because of higher levels in Risk Taker, Texture Importance, NIVEA Adequacy, Repair Treatment Importance, Price Importance, NIVEA Perceived Quality. In contrast NIVEA Familiarity, Hair Strength Importance and Frequency affected SI negatively (Appendix 36).

Lastly, EWP variability was explained in 26% by four independent variables. The one with the highest positive effect was Spender Personality, followed by Specific Treatment Importance and Brand Importance, while Risk Taker Personality affected negatively (Appendix 37).

To find more about the relationship between the dependent and independent variables, correlations were made and other results were found (Appendix 38).

The variables Importance of Smell, Texture, Softness, Shine, Energizing, Relax, Foam, and Flexibility were significantly positively correlated with the variables AS, QP, PA and SI in the NIVEA Shampoo (Appendix 38).

Significant positive correlations were also found between the variables NIVEA Familiarity in the hair segment and AS, QP and SI (Appendix 38), and between NIVEA price and quality perception (r=+0.31).

Furthermore, feeling NIVEA Hair brand is adequate for them is significantly positively correlated with NIVEA higher price (r=+0.261) and higher quality (r=+0.512) perception, foam importance (r=+0.176), and the variables AS (r=+0.166), PQ (r=+0.246), PA (r=+0,209) and SI (r=+0.246).

Lastly, Higher quality perception of the NIVEA brand correlates significantly with quality perception of the shampoo watched in the advertisement (+0.213), its adequacy (+0.196) and the interest in it (+0.193).

5. CONCLUSION AND RECCOMENDATIONS

1. **Who are the potential consumers of NIVEA Hair Care?**

The potential consumers of NIVEA Hair Care are those who showed higher levels in the variables that explained a higher success of the advertisement respondents watched.

Starting with demographics, consumers of all ages can be interested in NIVEA shampoo while higher income people perceive the advertisement more adequate for them and with higher quality. In terms of personality, Spenders, people more concerned about how their hair look and those who value suggestions from opinion leaders and experts are better suited for NHC.

Regarding the shampoo attributes, texture, flexibility, smell, foam, fluttering and repair are most valued by the potential consumers of NHC. On the other hand, hair strength and shine are not so important for them.

2. **How is NIVEA's Brand Perception and Awareness compared with the main competitors in Hair Care?**

In terms of Brand awareness in the shampoo category, NIVEA is the brand less recalled compared with the main competitors in Hair Care. Moreover, it had a relatively low familiarity. This finding matches the perception of the marketing team, who have realized that brand awareness is a key issue for this NIVEA category.

In terms of brand perception, NIVEA is not perceived as a very high quality brand, compared with its competitors. Still, the brand was evaluated with a relative higher quality than price, which can lead to conclude the brand is perceived as a good value for the money.

3. **How is NIVEA Hair Care positioned in the Portuguese market?**

NIVEA is perceived as a trustworthy brand, with positive energy, which is recommended by mothers, while still being active and young. It is not sophisticated, neither perceived as targeted for old people.

Product effect wise, the brand is highly related with softness of the skin and hair. Accordingly, being nutritious and clean as well as having a nice aroma are also attributes that characterize NIVEA.

Lastly, beauty is also used to define the image of the brand and it contributes strongly to the perception of a higher quality.

4. **Which product attributes are valued in the Hair Care category?**

For women, hair care is very important. What they look most in a shampoo is repair, so that their hair looks healthy and shiny. Apart from that, consumers value a shampoo that is directed for a specific treatment, like repair and that has a good smell, at an affordable price. In addition, softness, hair strength and shine are the most important outcomes. Consumers want to feel the desire to touch their hair and feel it healthy and beautiful. Lastly, they look more for a shampoo that gives them energy, instead of calm.

5. **What is the best way to communicate to the potential consumers of NIVEA Hair Care?**

Firstly, NIVEA needs to communicate to the consumers where they are. According to the results of the research, most people go to the supermarket, have walks in the city center and go to shopping malls. Moreover, the last two activities are done more by younger people. Therefore, if NIVEA wants to achieve a bigger crowd, it should advertise and do brand actions in these places. Magazines are not so read, so if there is a low budget, they are an option to drop.

Regarding the Internet Behavior, Internet is mostly used by younger people. The majority uses Facebook everyday, therefore it is a key platform to be present in and interact with the consumers. YouTube is also used regularly, thus it should be invested in, not only with brand content but also with targeted advertising. Instagram is not so used as the last two platforms, but those who use it, use mostly everyday. Lastly, Women and wellness blogs are usually visited once a week.

Considering the TV use, people mostly watch the night news, therefore it is a good time to place advertisements. Moreover, people still watch much live TV, so there is a good probability that they will notice the ad. SIC and series channels, like FOX Life, are the favorites.

In terms of communication message and focus, NIVEA should focus their communication on the attributes most valued by their potential consumers and by the market. Not only would they be making their current customers more satisfied, but would also attract new consumers, strengthening and broadening their customer base. Accordingly, the attributes describing the shampoo should appeal to the senses of touch and smell and show the result of a repaired flexible and fluttering hair, that not only makes women feel beautiful but also gives them energy. Furthermore, the persona present in all the brand content should fit the the characteristics of the potential NHC consumers, so that they turn the potential into reality. Moreover, it is recommended that the NHC products leverage the aspects of NIVEA's positioning and strengthen their relation with the core brand.

Lastly, concerning the advertisement type, they should follow HM style in terms of info transmitted, as RT was perceived as having more excessive info. Additionally, having an advertisement more results focus works better, as RT, which was more results focus, showed a higher interest in the shampoo and perceived adequacy.

6. What is the best way to establish a fit between NIVEA Skin Care brand image and NIVEA Hair Care?

Unlike what was expected, HM advertisement did not reveal more successful than RT, neither did it show a better fit with NIVEA brand image. Therefore, it cannot be concluded that the perceived fit between the NIVEA brand and the Hair Care category results from advertisement. Instead, it can originate from other factors that were not controlled in this study, such as the time NHC has been in the market, brand actions, like a promotion with a celebrity in store, and reallocations of the marketing budget to online and TV only on prime time.

6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH

Limitations:

The first limitation of this study is the lack of control over the environment of research and the sample, which did not allow an equal distribution of demographics. In addition, the sample is not very large, which may limit statistically significant results.

Secondly, the experiment performed also faced limitations that did not allow to make significant conclusions to answer RQ6. Firstly, showing one advertisement is not enough to simulate the whole marketing effort, therefore the perceptions of the respondents may not be accurate. Lastly, both ads showed shampoos from the same segment - repair. Thus, the reason there was not statistically significant results regarding the fit with NIVEA brand may be due to the shampoos similarities.

Future research:

For future research, it is recommended a study that includes more parts of the marketing strategy, such as testing the perceptions of a NIVEA product isolated, and compare with a no brand product; and studying the purchase moment. By doing so, a better understanding of the consumer's mind would be achieved, which would lead to more informed marketing strategy decisions.

7. TEACHING NOTES

Synopsis

After exiting the market in 2012, NIVEA re-introduces hair care products in 2016. However, the brand's category achieves a low success, with a market share even lower than it was before they exited the market.

The main reason that led to a lower success than the marketing team had predicted was the expectation that the brand NIVEA umbrella would be enough to make NIVEA Hair Care widely used by the Portuguese consumers. Accordingly, the marketing team noted that an issue of low product awareness was preventing sales. Moreover, the brand faced difficult challenges to increase the awareness. Firstly, attracting consumers by price was a very difficult goal to achieve, due to the high amount of price promotions regularly present in the market. Hence, NIVEA was not able to stand out because when they did a price a promotion, another more famous brand would do it too, and the relative risk of purchase would continue high. Secondly, NHC products faced a low visibility in store with a small shelf space, because they were not high rotation products. Lastly, the marketing budget for this NIVEA category was small, as it was not a focus of the company strategy. On the other hand, another factor that might be affecting the success of this NIVEA category is that NIVEA has always been known for its skin care, thus hair care may not match the NIVEA core image and detract consumers from buying.

To solve the challenges faced, changes in the marketing strategy have been made. Firstly, the company has been investing in paid WOM, such as women and wellness blogs and partnerships with hair tools companies, to give more credibility. Secondly, they have increased their presence in online media, such as Facebook and Instagram, which is a widely used media by the Portuguese consumers. Thirdly, they have broadened their target market to include a younger crowd, who they have discovered to strongly influence what is bought at the home of Portuguese consumers. Lastly, to strengthen the fit between NIVEA image and the hair care category, they have been focusing the communication on NIVEA Hair Milk, a product that has many similarities with the first and most successful NIVEA cream, namely, they share the same colors, smell and positioning of softness and care.

In conclusion, with these changes the sales have seen a slight increase, so there was the need to research if they were enough and what was the best way to communicate with consumers.

Target and Audience

The aim of this case study is to be used as a teaching tool for class discussion in undergraduate or master level marketing related courses, such as Marketing Communication, Strategic Marketing and Brand Management.

Teaching Objectives

The objective of this study is to foster class discussion about a real and practical example of challenges companies face. Moreover, it is meant to be used to teach about the concepts of Brand Extensions, Product Rebranding, Product Distribution and Pricing, Digital Marketing, Brand Knowledge, Brand Positioning,

Teaching Plan

The case study and Literature Review should be delivered to the students before class so that they can prepared it outside class. In addition, they should prepare the following question: "What else could the company do to increase sales of their shampoos?". In class, after answering this question, the students should be presented with the results of the marketing research and then answer these questions (answers in Appendix 39):

1. What should be taken into consideration in a brand extension?
2. What were the main challenges faced in an introduction of new product in the Portuguese Hair Care market?
3. What are the advantages of NIVEA focusing in the Hair Repair segment?
4. How can NIVEA increase its Hair Care products visibility?
5. How can NIVEA Hair Care increase its market share in the Portuguese market?

8. APPENDIX

1. NIVEA Hair Care Rebranding

Before Rebranding

After Rebranding

2. Hair Care Brand Assortments

NIVEA Assortment on 1/03/2017

Pantene Assortment on 1/03/2017

Ultra Suave Assortment on 1/03/2017

Elvive Assortment on 1/03/2017

Gliss Assortment on 1/03/2017

3. International NIVEA Hair Care Target Segment - Persona

In her 30's, she´s no longer a girl, but a woman – and a woman´s woman too. She´s got it: That ***disarming easy-going presence*** *that draws people to her. In her group of friends, she´s always been the natural center – the one in whose kitchen you always love to congregate.* ***She loves to keep in touch, with you, her friends, her family.*** *Beautiful? Of course! But not just in the classic sense. She is confident of her edges - her authentic nature, in combination with a classy-casual charm, makes out her personality. Her own kind of* ***beauty is half her look and half her joie de vivre.*** *A bit of luxury? Yes, please! But with a* ***substance that feels true and authentic.*** *Work or family? Both! But always putting life first. With her feet on the ground, she can reach for the stars.* ***Radiating inside out*** *– joyfully, heartfelt and beautiful.*

This was transmitted by communicating with the following pictures:

4. Communication Star NIVEA Repair and Targeted Care

5. Communication Star NIVEA Hair Milk

6. Beiersdorf In-Depth Interview Guideline

When did NIVEA entered the Portuguese market?

Which are the core values of NIVEA and how do they transfer to the products?

Which are the categories under the NIVEA brand name?

How do characterize the consumers of NIVEA?

How do characterize the consumers of NIVEA Hair Care?

How do characterize the consumers of the Hair Care market?

Which are the hair care segments? Which are their dimensions?

When did NIVEA Hair Care entered the Portuguese market?

Why did it leave in 2012?

Which market studies did you do?

Which positioning did NIVEA Hair Care wanted to achieve with the rebranding?

Which were the KPI? And how did you achieve it?

What was the marketing mix?

What is the marketing budget and how do you distribute it?

What would you do differently if you could go back?

Which are the competitors and their market shares?

With which competitor do you do more benchmark with?

More information about: Past and current communication strategy (Media, Message, Brand Actions, Digital)

7. Survey

1. When you think about shampoo, which brands come to mind?
2. On a scale of 1 (not familiar) to 7 (extremely familiar), please rate how familiar you are with each of the following brands, in hair care category: Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, Head & Shoulders (H&S), Gliss, NIVEA.
3. On a scale of 1 (not adequate) to 7 (extremely adequate), please rate how adequate for you the following brands, in hair care category, are: Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, Head & Shoulders (H&S), Gliss, NIVEA.
4. Considering only the shampoo category, please rate on a scale of 1 (cheapest of all) to 7 (most expensive of all) the following brands, according to your perception of price: Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, Head & Shoulders (H&S), Gliss, NIVEA.
5. Considering only the shampoo category, please rate on a scale of 1 (lowest quality of all) to 7 (highest quality of all) the following brands, according to your perception of quality: Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, Head & Shoulders (H&S), Gliss, NIVEA.
6. Which of the following products do you use in your hair: Shampoo, Conditioner, Mask, Non-water treatments (leave-ins), Specific treatments (anti-dandruff, anti-fall…), Styling products, Other. Which?, None.
7. How frequently do you use each the products you selected: Less than once per week, Once per week, Twice per week, Every-Other Day, Everyday.?
8. Which of the following brands, do you use the most for each product you use: Pantene, Ultra Suave, Elvive, Fructis, TRESemmé, Head & Shoulders (H&S), Gliss, NIVEA, Private Label, Farmacy Brand, Other.
9. On a scale of 1 (Not important at all) to 10 (Extremely Important), how important is hair care for you?
10. Please, rank according to the importance you give to each of the following hair treatments: Repair, Shine, Volume, Color, Classic, Anti-Dandruff, Anti-Fall
11. On a scale of 1 (Not important at all) to 7 (Extremely Important), how important are each of the following shampoo attributes: Smell, Texture, Specific Treatment, Package, Price, Brand.
12. On a scale of 1 (Not important at all) to 7 (Extremely Important), how important are each of the following shampoo outcomes: Soft Hair, Desire to touch the hair, Hair Shine, Hair Strength, Energy, Calm and Relax, Foam, Fluttering Hair, Flexibility.

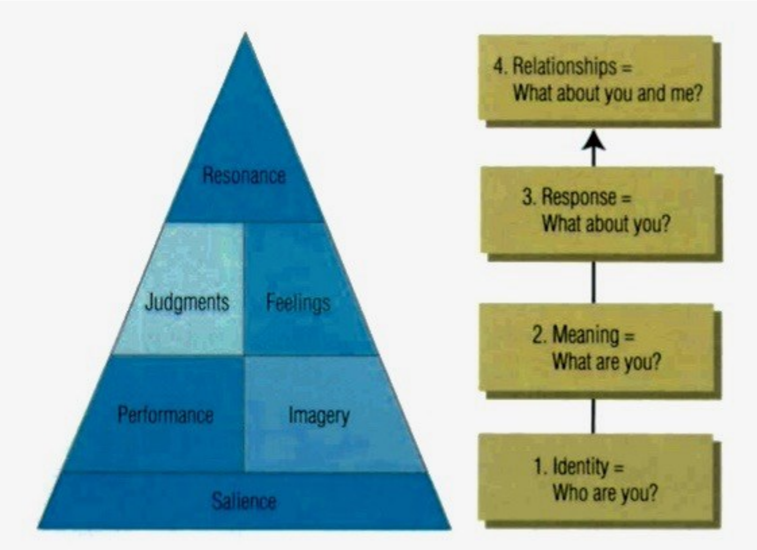
13. On a scale of 1 (Don't Agree at all) to 7 (Agree Extremely), rate how much you agree with the following sentences:
    a. I always by the same brand.
    b. I choose based on price.
    c. I buy the brand that has a price promotion.
    d. I care about having a beautiful hair.
    e. I care about having a healthy hair.
    f. For me it is enough to have a washed hair.
    g. I prefer to buy large sized packages of shampoo.
14. Not necessarily in the hair care category, have you heard about NIVEA before? Yes or No.
15. On a scale of 1 (Does not characterize at all) to 7 (Characterize extremely well), rate how much each of the following sentences characterize NIVEA as brand: Positive Energy, Trust, Beauty, Softness, Nutritious, Good smell, Young, Old, Cleaning, Recommended by Mothers, Sophisticated, Active.
16. Which of the following categories have you used of NIVEA brand in the last year? Body creams, Face creams, Hand creams, Cleaning products, Shower Gel or Cream, Shampoo, Conditioner, Hair Styling Products, Other, None.
17. Comparing with its competitors, do you think NIVEA has more or less promotions, on a scale of 1 (Much less promotions) to 7 (much more promotions)?
18. Now you will watch a short advertisement of a NIVEA shampoo (between 20 to 30 seconds). Please, watch it carefully to answer questions about it.
    a. NIVEA Hair Milk Shampoo (https://www.youtube.com/watch?v=VuA9-ZK7VPY&index=12&list=PL05aPpMdGJpl11_fgNOln2j8bubAtihr-)

b. NIVEA Repair & Targeted Care Shampoo (https://www.youtube.com/watch?v=phdcbRojF_I)

19. On a scale of 1 (Did not Like it) to 5 (Liked it a lot), rate how much you liked the advertisement you have just seen.
20. On a scale of 1 (Don't Agree at all) to 7 (Agree Extremely), rate how much you agree with the following sentences about the advertisement you have just watched:
    a. The shampoo has good quality.
    b. The shampoo has what I value for my hair care.
    c. Because the shampoo is from NIVEA, it has good quality.
    d. I believe it makes sense for NIVEA to have a shampoo like this one.
    e. I am interested in trying this shampoo.
    f. The advertisement had excessive information.
    g. The advertisement focused on the shampoo results.
    h. The advertisement focused on the product.
21. Considering that the average price of a shampoo with the same size of the one you just watched is 3€, how much would you be willing to pay for this shampoo?
22. Do you use the internet?
23. How frequently do you use the following websites, on a scale of Never, Less than Once per week, 1-2 days per week, 4-6 days per week, everyday:
    a. Facebook
    b. YouTube
    c. Instagram
    d. Blogs about Women Topics
    e. Wellness Blogs
    f. NIVEA Website

24. On a scale of 1 (Don't Agree at all) to 7 (Agree Extremely), rate how much you agree with the following sentences, regarding your TV habits:
    a. I watch TV everyday.
    b. Most times, I watch live TV.
    c. I watch the night news everyday.
    d. I watch soap operas after the night news regularly.
25. How frequently do you watch the following TV channels, on a scale of Never, Less than Once per week, 1-2 days per week, 4-6 days per week, everyday:
    a. TVI
    b. SIC
    c. SIC Mulher
    d. FOX
    e. FOX Life
    f. AXN White
26. Which of the following activities have you done in the last month:
    a. Read women and wellness magazines
    b. Go to the supermarket
    c. Go to shopping malls
    d. Walk around the city center
    e. None of the these.
27. On a scale of 1 (Don't Agree at all) to 7 (Agree Extremely), rate how much you agree with the following sentences:
    a. I feel comfortable when I am around other people.
    b. Usually, I just buy what I need.
    c. I like to try new things.
    d. I am interested and follow opinion makers and experts.
    e. I believe higher price means higher quality.
    f. What is your gender: Female or Male?
28. Choose the age group you belong to: Less than 25, 25-34, 35-44, 45-54, more than 55.
29. What is your nationality.
30. What is your employment situation: Student, Unemployed, Employed, Retired.
31. What is your household annual income: less than 10.000 €; 10.000 € to 45.000 €; 45.001 € to 75.000 €; more than 75.000 €

32.Customer-Based Brand Equity Pyramid

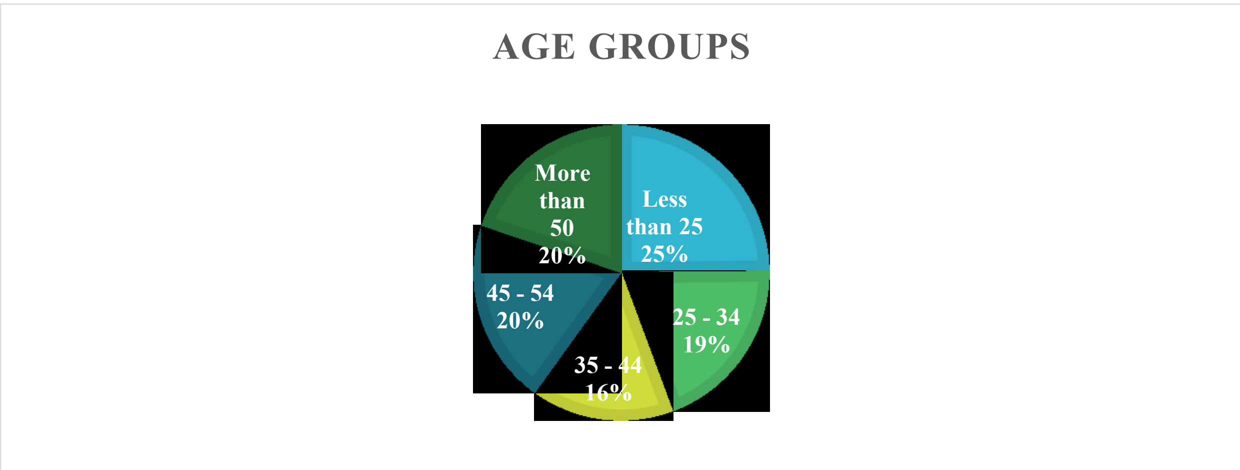


Source: Keller (2001)

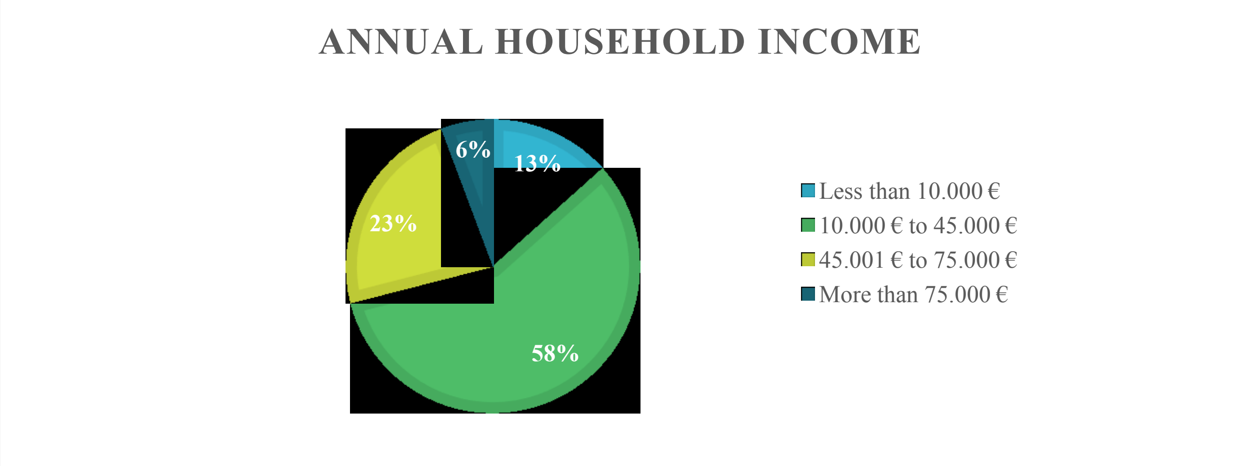
33.Independent Variables Used in Regression

Annual Family Income, Importance of Smell, NIVEA Adequacy, Energizing Importance, Spender, Importance of Package, Advertisement Seen (Hair Milk - 1, Repair & Targeted Care – 0), Repair Treatment Importance, Frequency of Use Shampoo, People Person, Importance of Price, WOM Follower, Foam Importance, NIVEA Price Perception, Importance of Brand, Look Concern, Importance of Specific Treatment, Risk Taker, Age, Fluttering Hair Importance, Hair Strength Importance, Importance of Texture, Desire to Touch the Hair, NIVEA Familiarity, Price Equals Quality Perception, NIVEA Quality Perception, Hair Care Importance, Flexibility Importance, Relax Importance, Softness Importance, Hair Shine Importance

34.Age Groups Frequencies in %



35.Annual Household Income Frequencies in %



36.Retrieval Set of Shampoo Brands

Retrieval Set	Times Mentioned	1st Brand Mentioned
Pantene	123	89
L'Oreal	62	23
Garnier	51	25
Elvive	31	18
Fructis	16	8
H&S	13	5
Ultra Suave	11	5
Gliss	11	4
TRESemmé	10	4
NIVEA	7	4

37.Brand Familiarity

Brand Familiarity	Mean	Std. Deviatio
Pantene	6.07	1.557
Ultra Suave	4.94	2.132
Fructis	4.88	2.069
Elvive	4.86	1.893
TRESemmé	4.56	2.145
Head & Shoulders	4.07	2.098
NIVEA	4	2.097
Gliss	3.38	2.150

38.Brand Adequacy

Brand Adequacy	Mean	Std. Deviatio
Pantene	4.84	1.927
Elvive	4.5	1.894
Ultra Suave	4.48	1.821
TRESemmé	4.25	1.780
Fructis	3.62	1.783
Gliss	3.52	1.780
NIVEA	3.5	1.883
Head & Shoulders	2.96	1.669

39.Price & Quality Perception

Brands	Price Perception		Quality Perception		Market Share
	Mean	Stand. Dev.	Mean	Stand. Dev.	
Pantene	7.03	3.613	7.98	3.855	21%
Ultra Suave	4.46	2.500	6.41	3.712	18%
Elvive	6.16	3.444	6.83	3.697	17%
Fructis	3.8	2.165	4.58	3.145	7%
TRESemme	7.81	3.919	7.17	3.963	7%
H&S	5.11	2.929	5.11	3.233	7%
Gliss	6.02	3.567	5.8	3.702	5%
NIVEA	4.79	2.841	5.57	3.463	2%

40.Frequency of Hair Products Use

	Frequency of Use	
Product	Mean	Std. Deviation
Shampoo	3.81	.820
Conditioner	3.55	.924
Leave-Ins	2.28	1.074
Hair Mask	3.30	1.333
Special Treatment Shampoo	2.53	1.300
Styling Products	2.74	1.498

41.Percentage of Brand Used per Product Type

Brand	Pantene	Ultra Suave	Elvive	Fructis	TRES emmé	H&S	Gliss	NIVE A	Private Label	Farmacy Brand
Shampoo	35%	24%	23%	10%	14%	6%	10%	4%	2%	9%
Conditioner	24%	16%	17%	6%	14%	0%	8%	3%	1%	2%
Mask	15%	12%	11%	2%	5%	0%	6%	2%	0%	2%
Leave-Ins	3%	6%	7%	3%	3%	0%	3%	0%	1%	4%
Specific Treatment	4%	1%	3%	2%	2%	4%	0%	1%	0%	12%
Styling	5%	0%	2%	4%	2%	0%	0%	2%	1%	6%

42.Correlations Between Brands Used and Shampoo Outcomes Importance

		Smooth ness	Desire to Touch the Hair	Hair Shine	Hair Strength	Energy	Relax	Foam	Flutter ing	Flexibilit y
Shampoo Pantene	r	.069	.029	-.064	-.011	-.083	-.051	.104	-.032	.036
Shampoo UltraSuav e	r	.171**	.177**	.066	.023	.081	.065	.097	.067	-.018
Shampoo Elvive	r	.075	.096	.101	-.001	.001	.079	.060	-.019	.036
Shampoo Fructis	r	.079	.054	.051	-.009	.060	.087	.187**	-.064	-.027
Shampoo TRESem mé	r	.067	.065	.005	.007	-.084	-.050	.012	.127*	.091
Shampoo H&S	r	.055	.052	-.006	-.088	-.151*	-.055	.058	-.089	-.045
Shampoo Gliss	r	.015	.020	.121	.002	-.023	-.042	-.001	.053	.023
Shampoo NIVEA	r	.079	.078	.037	-.076	-.020	-.020	.071	-.008	.034
Extra Willingne ss to Pay	r	.155	.000	.050	.103	-.035	.004	-.036	-.005	.044

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

r - Pearson Correlation Coefficient

43.Internet Behavior

	Frequency of Use		**Coefficient of correlation with the variable Age**
Websites	Mean	Std. Deviation	
Facebook	3.79	1.604	-.461**
YouTube	3.11	1.265	-.568**
Instagram	2.68	1.818	-.521**
Women Topics' Blogs	1.93	1.057	-.201**
Wellness Blogs	1.79	.900	-.136*
NIVEA Website	1.09	.355	.132*

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

44.TV Behavior

TV Habits	**Mean**	**Std. Deviation**	**Coefficient of correlation with the variable Age**
Watch TV everyday *	4.76	2.266	.241**
Watch mostly live TV *	3.66	2.164	.211**
Watch Night News everyday *	4.16	2.180	.284**
Watch Soap Operas regularly	2.02	1.726	.008

45.TV Channel Preference

Channel Preference	**Mean**	**Std. Deviation**	**Coefficient of correlation with the variable Age**
TVI *	2.57	1.287	.148*
SIC *	3.17	1.273	.251**
SIC Mulher	1.92	.969	-.002
FOX	2.79	1.168	-.027
FOX Life	2.81	1.207	-.053
AXN White	2.38	1.215	.081

46.Activities done in the Previous Month

Activities	Frequency	%	Coefficient of correlation with the variable Age
Read Women and Wellness Magazines	55	21%	.064
Go to the Supermarket	244	93%	.208**
Go to Shopping Malls	177	68%	-.120
Walks in the City Center	189	72%	-.177**
None of the above	3	1%	.031

47.Advertisement Score Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Advertisement Score	Hair Milk Ad	133	3.2932	1.01341	.08787
	Repair & Targeted Care Ad	129	3.3566	.81776	.07200

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig.	Mean Difference	Std. Error Difference	Lower	Upper
Advertisement Score	Eq. Var.	3.562	.060	-.556	260	.579	-.06336	.11397	-0.25149	0.12478
	No Eq. Var.			-.558	251.727	.578	-.06336	.11360	-0.25091	0.1242

48.Quality Perception of Shampoo Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Quality Perception	Hair Milk Ad	133	4.38	1.369	.119
	Repair & Targeted Care Ad	129	4.52	1.294	.114

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig.	Mean Difference	Std. Error Difference	Lower	Upper
Quality Perception	Eq. Var.	.165	.685	-.825	260	.410	-.136	.165	-0.408	0.136
	No Eq. Var.			-.826	259.823	.409	-.136	.165	-0.408	0.136

49.Perceived Adequacy of Shampoo Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Adequacy	Hair Milk Ad	133	4.39	1.450	.126
	Repair & Targeted Care Ad	129	4.74	1.448	.128

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Adequacy	Eq. Var.	.010	.920	-1.972	260	.050	-.353	.179	-0.649	-0.058
	No Eq. Var.			-1.972	259.776	.050	-.353	.179	-0.649	-0.058

50.Interest in Shampoo Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Interest	Hair Milk Ad	133	4.01	1.857	.161
	Repair & Targeted Care Ad	129	4.43	1.767	.156

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Interest	Eq. Var.	.234	.629	-1.870	260	.063	-.419	.224	-0.789	-0.049
	No Eq. Var.			-1.871	259.907	.062	-.419	.224	-0.788	-0.049

51.Extra Willingness to Pay of Shampoo Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Extra Willingness to Pay	Hair Milk Ad	133	1.0489	1.30469	.11313
	Repair & Targeted Care Ad	129	1.1457	1.00296	.08831

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Extra Willingness to Pay	Eq. Var.	2.301	.130	-.672	260	.502	-.09686	.14408	-.33471	.14098
	No Eq. Var.			-.675	247.213	.500	-.09686	.14352	-.33381	.14009

52.Excessive Information Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Excessive Info	Hair Milk Ad	133	2.15	1.203	.104
	Repair & Targeted Care Ad	129	2.85	1.531	.135

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Excessive Info	Eq. Var.	7.423	.007	-4.135	260	.000	-.702	.170	-0.983	-0.422
	No Eq. Var.			-4.120	242.737	.000	-.702	.170	-0.984	-0.421

53.Results Focus Advertisement Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Results Focus	Hair Milk Ad	133	4.64	1.554	.135
	Repair & Targeted Care Ad	129	4.98	1.492	.131

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Results Focus	Eq. Var.	.469	.494	-1.793	260	.074	-.338	.188	-0.648	-0.027
	No Eq. Var.			-1.794	259.974	.074	-.338	.188	-0.648	-0.027

54.Product Focus Advertisement Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
Product Focus	Hair Milk Ad	133	5.08	1.457	.126
	Repair & Targeted Care Ad	129	4.78	1.500	.132

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Product Focus	Eq. Var.	.096	.757	1.641	260	.102	.300	.183	-0.002	0.601
	No Eq. Var.			1.640	259.073	.102	.300	.183	-0.002	0.601

55.NIVEA Impact in Quality Perception Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
NIVEA Impact	Hair Milk Ad	133	3.81	1.675	.145
	Repair & Targeted Care Ad	129	3.98	1.444	.127

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
NIVEA Impact	Eq. Var.	5.418	.021	-.851	260	.395	-.165	.193	-0.484	0.155
	No Eq. Var.			-.853	256.497	.394	-.165	.193	-0.483	0.154

56.NIVEA Shampoo Fit Advertisement Independent Sample T Test

	Advertisement Seen	N	Mean	Std. Deviation	Std. Error Mean
NIVEA Shampoo Fit	Hair Milk Ad	133	4.54	1.530	.133
	Repair & Targeted Care Ad	129	4.78	1.448	.128

		Levene's Test for Equality of Variances		t-test for Equality of Means					90% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
NIVEA Shampoo Fit	Eq. Var.	.658	.418	-1.270	260	.205	-.234	.184	-0.538	0.07
	No Eq. Var.			-1.271	259.847	.205	-.234	.184	-0.538	0.07

57.Ad Score Regression

Variables:

- Dependent Variable: Advertisement Score
- Predictors: (Constant), Importance of Package, Importance of Texture, Price Equals Quality Perception, Flexibility Importance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
28	.362	.131	.112	.81862	1.995

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	18.084	4	4.521	6.747	.000
Residual	119.954	179	.670		
Total	138.038	183			

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Variables	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.430	.281		8.640	.000		
Importance of Texture	.131	.044	.212	2.952	.004	.939	1.066
Importance of Package	-.100	.046	-.159	-2.146	.033	.882	1.133
Flexibility Importance	.073	.037	.140	1.955	.052	.942	1.062
Price Equals Quality Perception	.079	.024	.240	3.253	.001	.891	1.123

58.Quality Perception of Shampoo Regression

Variables:

- Dependent Variable: Quality Perception of Shampoo
- Predictors: (Constant), Annual Family Income, Importance of Smell, NIVEA Adequacy, Spender, WOM Follower, Foam Importance, NIVEA Price Perception, Look Concern, Fluttering Effect Importance, Hair Care Importance, Hair Shine Importance

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
21	.546	.298	.254	1.049	2.136

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	80.544	11	7.322	6.652	.000
Residual	189.321	172	1.101		
Total	269.864	183			

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Variables	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.844	.895		3.179	.002		

NIVEA Adequacy	.098	.049	.134	1.988	.048	.902	1.109
NIVEA Price Perception	.086	.029	.195	2.907	.004	.911	1.098
Hair Care Importance	-.145	.067	-.174	-2.168	.032	.633	1.579
Importance of Smell	.131	.063	.146	2.083	.039	.830	1.205
Hair Shine Importance	-.170	.083	-.154	-2.064	.041	.731	1.367
Foam Importance	.126	.051	.164	2.476	.014	.925	1.081
Fluttering Effect Importance	.096	.047	.143	2.027	.044	.821	1.218
Look Concern	.282	.112	.213	2.528	.012	.576	1.735
Spender	.060	.028	.144	2.166	.032	.927	1.079
WOM Follower	.078	.028	.191	2.797	.006	.876	1.141
Annual Family Income	.296	.108	.180	2.748	.007	.955	1.047

59.Perceived Adequacy of Shampoo Regression

Variables:

- Dependent Variable: Perceived Adequacy of Shampoo
- Predictors: (Constant), Annual Family Income, NIVEA Adequacy, Advertisement Seen, Repair Treatment Importance, WOM Follower, NIVEA Price Perception, Look Concern, Hair Strength Importance, Hair Care Importance, Flexibility Importance

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
22	.491	.242	.198	1.230	2.123

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	83.348	10	8.335	5.509	.000
Residual	261.761	173	1.513		
Total	345.109	183			

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Variables	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.619	1.036		3.492	.001		
Advertisement Seen	-.398	.186	-.145	- 2.142	.034	.953	1.049
NIVEA Adequacy	.145	.058	.175	2.515	.013	.909	1.100
NIVEA Price Perception	.080	.034	.161	2.331	.021	.922	1.084
Hair Care Importance	-.139	.077	-.148	- 1.805	.073	.655	1.527
Repair Treatment Importance	.213	.083	.177	2.576	.011	.927	1.078
Hair Strength Importance	-.196	.078	-.178	- 2.515	.013	.876	1.141
Flexibility Importance	.119	.060	.145	1.968	.051	.806	1.240
Look Concern	.320	.128	.213	2.491	.014	.600	1.667
WOM Follower	.060	.032	.130	1.866	.064	.898	1.114
Annual Family Income	.241	.125	.129	1.924	.056	.970	1.031

60.Interest in Shampoo Regression

Variables:

- Dependent Variable: Interest in Shampoo
- Predictors: (Constant), NIVEA Adequacy, Repair Treatment Importance, Frequency of Use Shampoo, Importance of Price, Risk Taker, Hair Strength Importance, Importance of Texture, NIVEA Familiarity, NIVEA Quality Perception

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
23	.496	.246	.207	1.570	2.028

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	140.189	9	15.577	6.322	.000
Residual	428.680	174	2.464		
Total	568.870	183			

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Variables	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.523	1.154		.454	.651		
NIVEA Familiarity	-.146	.077	-.147	-1.889	.061	.711	1.406
NIVEA Adequacy	.231	.089	.217	2.598	.010	.623	1.606
NIVEA Quality Perception	.072	.040	.141	1.816	.071	.719	1.391
Frequency of Use Shampoo	-.259	.148	-.119	-1.747	.082	.928	1.077
Repair Treatment Importance	.253	.103	.164	2.446	.015	.965	1.037
Importance of Texture	.308	.085	.246	3.604	.000	.933	1.072
Importance of Price	.198	.087	.156	2.259	.025	.912	1.097
Hair Strength Importance	-.183	.098	-.129	-1.866	.064	.904	1.106
Risk Taker	.191	.051	.256	3.721	.000	.915	1.093

61.Extra Willingness to Pay Regression

Variables:

- Dependent Variable: Extra Willingness to Pay
- Predictors: (Constant), Risk Taker, Spender, Importance of Brand, Importance of Specific Treatment

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
28	.510	.260	.211	.84345	2.245

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.225	4	3.806	5.350	.001
Residual	43.396	61	.711		
Total	58.621	65			

Coefficients							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Variables	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.773	.682		-1.133	.262		
Importance of Specific Treatment	.234	.091	.299	2.576	.012	.899	1.112
Importance of Brand	.135	.067	.228	2.020	.048	.954	1.048
Spender	.104	.035	.331	2.940	.005	.959	1.043
Risk Taker	-.103	.043	-.276	-2.404	.019	.918	1.090

62. Correlations Between Shampoo Success Factors and Consumer Preferences and Perceptions

	Advertisement Score	**Quality Perception**	**Perceived Adequacy**	**Interest**	**Extra Willingness to Pay**
	r	r	r	r	r
NIVEA Familiarity	.139*	.128*	.099	.168**	.028
NIVEA Relation	.166*	.246**	.209**	.246**	-.033
NIVEA Price Perception	.107	.218**	.147*	.117	.013
NIVEA Quality Perception	.082	.213**	.196**	.193**	.054
Hair Care Importance	.058	-.067	-.025	-.050	-.025

Repair Treatment Importance	.075	.060	.146*	.070	.116
Importance of Smell	.154*	.274**	.101	.135*	-.009
Importance of Texture	.210**	.184**	.149*	.225**	-.011
Importance of Specific Treatment	.068	.013	.141*	.075	.273**
Importance of Package	-.006	.021	.033	.053	-.113
Importance of Price	-.030	.140*	.102	.157*	-.128
Importance of Brand	-.026	-.060	-.042	-.040	-.006
Softness Importance	.145*	.209**	.194**	.150*	.155
Hair Shine Importance	.207**	.141*	.190**	.191**	.050
Hair Strength Importance	.080	.092	.043	.038	.103
Energizing Importance	.167**	.125*	.141*	.126*	-.035
Relax Importance	.235**	.150*	.180**	.148*	.004
Foam Importance	.232**	.273**	.197**	.205**	-.036
Fluttering Hair Importance	.143*	.212**	.165**	.096	-.005
Flexibility Importance	.235**	.193**	.255**	.150*	.044

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

r - Pearson Correlation Coefficient

63.Answers to the questions of Teaching Plan

1. In a brand extension, the following aspects should be taken into consideration: relation with the mother brand core image, transferability of attributes, brand attitude and brand loyalty.
2. The main faced in an introduction of new product in the Portuguese Hair Care market are: well established players with high MS and scale economies, difficulties in price penetration due to many price promotions, low visibility in store due to low MS, low budget and established loyalty.
3. The Hair Repair segment relates better with the NIVEA image of care, as before NIVEA used to be only care of skin, now is also care of hair.
4. NIVEA can increase its Hair Care products visibility by invest in WOM, go where the potential customers are: digital platforms, such as Facebook and YouTube, brand actions in shopping malls and supermarkets, presence in TV when most potential consumers are watching.
5. The MS of NIVEA Hair Care can increase by advertising and communicate where and when consumers are, applying a digital strategy, creating more involvement with consumers, communicating about what consumers value and using a persona with who consumers can relate to.

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