

L'Oréal Brandstorm 2014

Overview

Since 1851, Kiehl's has been dedicated to serving customers the finest skin and hair care made with the most advanced technologies and uniquely efficacious, natural ingredients. Established in New York City, Kiehl's founding family created their East Village apothecary to fulfill the individual needs of the vibrant, diverse customers who came through its doors every day. Kiehl's evolved from its early pharmacy roots to rely on even more advanced science and the finest natural ingredients - and today, its chemists formulate the finest skin and hair care products that address the contemporary concerns of Kiehl's customers and fans around the world.

The Values of the Brand – the Kiehl's Commitment



Purveyors of the Finest Skincare

Kiehl's was founded as an old-world apothecary in 1851. Through the 1960s, Kiehl's was one of the top producers and distributors of medicinal salves, herbal remedies and early pharmaceuticals, including one of the first penicillins as well as an aloe vera-based cream to treat burns that was widely commissioned by the U.S. government. Since that time, Kiehl's Since 1851 began developing contemporary skincare products, all of which were formulated and tested using proven pharmaceutical methodology. Today, the company holds true to its heritage – integrating extensive research, development and safety testing for all its products and formulating with a balance of natural ingredients sourced from around the globe and the latest technologies. Fundamental to our formulations is the necessity to respect and protect the skin barrier, the first step to ensuring healthy skin. Kiehl's also minimizes the use of masking fragrances and colorants in our formulas. Furthermore, rather than focusing on expensive

packaging or advertising, Kiehl's efforts are put forth towards what matters most, the quality of the formula.

Kiehl's Men's Products

Cultivated from their pharmaceutical roots, Kiehl's unique, extensive skincare collection represents a blend of cosmetic, herbal and medicinal knowledge developed and passed on through the generations. Guided by a team of expert dermatologists and chemists, our formulas are generally designed for both women and men. Kiehl's unisex products are distinctive in the industry. In recent years, Kiehl's has also developed male-targeted products, when there are specific men's skin issues or needs identified. Favorites like White-Eagle Shave Cream and the energizing Facial Fuel collection are examples of our men's specific products.

Kiehl's Today

Kiehl's continues to follow a unique business model set-forth by the founding families – which does not rely on advertising for brand awareness. Instead, awareness is driven primarily through “word of mouth”: utilizing sampling, PR and digital communication. For over 160 years, Kiehl's has been committed to providing customers with exceptional service, personal consultations, and generous samples of their efficacious formulas.

BRANDSTORM 2014 CASE

“How would you grow Kiehl’s men’s business? Come up with an idea for a new men’s only in-store experience and develop a product (or products) that brings incremental sales to the current geography. In addition, devise a comprehensive multi-channel strategy to recruit and retain male customers and increase our brand awareness. Focus on in-store and online engagement points including digital & social media campaigns, cross-channel communication, merchandising, PR, service approach, loyalty programs, events, etc. Traditional advertising; specifically television or print advertising may not be used as this is not part of Kiehl’s business model.”

PRE-CASE STUDY

I- THE MARKET

Analyze the current offering of male beauty products and services and best practices in the selective market.

1. Define the market

Study what’s out there for men in terms of beauty products (both in the selective market and mass) and services. What is the current market situation? What are the current trends? What fundamental characteristics define the global and local markets? What are the growth opportunities and threats? What are the characteristics of distribution channels?

2. Identify the competition

Who are the main competitors? Define their positioning and targets.

3. Understand the consumer; identify the trends

Who exactly are the male consumers who go to department stores and retail stores? Who are the male consumers who use selective market skincare products? What are their habits (frequency, preferences, rituals)? What are their expectations? Define the main trends for this type of consumer.

II- THE BRAND

Analyze the status of Kiehl’s and any other two competitor brands of your choice (select brands from the selective market distribution channel).

Based on what you have just found out, do a **SWOT analysis** of the Kiehl’s brand when it comes to **male beauty products** for this target group. Find out where the opportunities for Kiehl’s would be by analyzing:

- Business performance
- Products (packaging, visuals, ranges, geography, claims, USP <unique selling proposition>)
- Market share and ranking
- Positioning and image
- Pricing
- Consumers
- PR & Digital strategy

- Retail strategy
- Merchandising

Base your analysis on your local market, but bear in mind the international positioning of the brand. As we say at L'Oréal: "Think local, act global!"

Pre-case Option: What sort of in-store & online activities would you think of to attract the male target? Who would your target be? Briefly present both your new strategy and your associated Kiehl's Men's product or products.

CASE STUDY

Now that you have completed a full analysis, take action and answer the following:

1. What is Kiehl's legitimacy in Men's? How is it attractive to your target?
2. Imagine a new product range in the Kiehl's Men's portfolio and define its positioning within the existing brand catalogue, its brand positioning statement and the reason why.
3. Develop and implement a mid-term international multi-channel strategy (2 years) to aggressively expand Kiehl's share in the selective men's market. Define a competitive approach for the brand and focus on creating a new communication campaign (launch + next two years). Include digital & PR as part of your communication plan.

Your strategy must consider the following:

- You have no constraints in terms of budget & profitability but note that **Kiehl's does not do classic advertising via paid media or use paid spokespersons to promote its product or brand.** Your strategy should be formulated with this in mind.
- Kiehl's does not discount or use gift with purchase or excessive promotions to drive sales – our investment is in the product efficacy delivered to our customers.
- Your strategy will be developed with the aim of recruiting new customers via a multi-channel approach but also retaining existing customers.
- Bear in mind Kiehl's diverse distribution channels, including retail stores.
- Your strategy should be developed with the importance of merchandising in Kiehl's retail/ department store channels in mind.
- Kiehl's focuses on 3 pillar charities: HIV/AIDS research, Children's Causes and the Environment.
- You must include innovation in your product (either in the formula, the packaging, the application, etc).
- Your product must be in line with Kiehl's formulation standards and brand DNA. As Kiehl's products are unisex, we do not formulate men's products unless there is a men's specific concern that is not addressed by the existing catalogue.
- Kiehl's is an international brand: if your strategy is based on your local market, make sure it can be implemented internationally.