As mentioned earlier, the structure of this book follows the flow of marketing decision making. After assessing the competences and the competitiveness of the firm in Part I, Part II mainly looked at the interplay of the three Cs: the company, the customer and the competitors.

Marketing strategies focus on ways in which the company can differentiate itself from its competitors, capitalising on its distinctive strengths to deliver better value to its customers.
Thus, a marketing strategy is the creation of a unique and valuable position, involving a different set of activities. Therefore, development of a marketing strategy requires activities that are different from rivals to be chosen.

As shown in the diagram above, Part III is concerned with marketing decisions on the strategic level. The complex process of marketing strategy formulation emerges from the interplay of different factors. A variety of internal and external information is needed to formulate a marketing strategy. This internal (Part I) and external (Part II) information is then assessed in a SWOT analysis which, together with the corporate mission, defines the corporate objectives, growth strategy and the strategic business unit (SBU) marketing strategy. Though the SWOT analysis is placed on a higher strategic level in the diagram, it is important to note that this analytic tool may be used on all strategic levels, including new product planning (tactical decisions).

Chapter 7 (including e.g. SWOT analysis) will be the basis for the output of the SBU marketing strategy in Chapter 8 (Segmentation, positioning and competitive strategy).

Chapter 9 will discuss how the corporate social responsibility (CSR) strategy can influence the overall marketing strategy.

These three chapters are then the input for developing marketing plans on the tactical level (Part IV) and action planning level (Part V).
Hamburg-based Beiersdorf AG can trace its origins back to a patent received for medical plasters in 1882 by the pharmacist Paul C. Beiersdorf. The business did not remain focused on this area alone: the first Labello lip care stick was sold almost 100 years ago. In 1911, Nivea Creme (which literally means ‘snow white’) – the first stable oil-and-water-based creme – was created. From early on, the company was looking abroad. Already in 1913 the company generated 42 per cent of its sales abroad.

The 1990s saw the start of Nivea’s systematic expansion into an umbrella brand. Today, the process is regarded internationally as a classic example of successful brand development. Brand trust has been extended to a wide range of products: men’s care, hair care, body care, face care, hand care, sun protection, bath and shower care, deodorants and make-up. Thanks to Nivea Sun, Beiersdorf is not just the European market leader for sun care products; it was also the catalyst for the introduction of a sun protection factor as a new global standard.

For a long time, Beiersdorf was active in four business areas: cosmetics, toiletries, and medicinal and pharmaceutical products. Since the 1990s, Beiersdorf has focused consistently on the growing market of skin and beauty care – a strategic decision that has now made Beiersdorf Germany’s largest cosmetics company. Today the company’s skin care products are sold in more than 100 countries.

Sales of the first full-spectrum range of men care products for the mass market began in 1993. Today Nivea for Men has also a strong position on the global market and is consistently gaining market share.

The global market of cosmetics and toiletries totalled €200 billion in 2008. In the same year Beiersdorf had total sales of nearly €6 billion, and €480 million in net income. The company had 21,700 employees as of 31 December 2008.

**Nivea sun care**

The Nivea Sun brand portfolio has grown to over 40 products, which can be characterised in four different categories:

1. **Sun protection**
   It is vital that skin is adequately protected against the sun’s harmful effects (although no sunscreen can provide total protection). Nivea Sun provides products that enable people to be as safe as possible. Nivea Sun also encourages the use of other forms of protection (e.g. wearing a sun hat and avoiding midday sun). Protection is the largest segment in the sun care market.

2. **After-sun**
   Providing cooling and refreshing effects for the skin after a whole day in the sun.

3. **Self-tan**
   In contrast to protection and after-sun, the self-tan category is concerned mostly with cosmetic appeal. Many adults use self-tan to have an all-year-round sun-kissed glow.

**Nivea**
Segmentation of the sun care market
4 Whitening products

The popularity of whitening products in Asia is based on the old Asian belief that ‘white skin conceals facial defects’, a philosophy passed on for generations, and it reflects the traditional criteria for beauty.

The choice of product depends on usage occasion (when) – e.g. holiday, outdoor sports, gardening, working. This relates to the Sun Protection Factor (SPF) required, e.g. the SPF required for a holiday in Egypt differs greatly to outdoor work in the UK. This is one of the reasons why Nivea Sun includes a wide range of sun protection, from SPF 4 to 50+.

Sun protection is the primary benefit but the preference by which this is delivered will vary by segment, e.g. convenience is important to men (so they choose spray applicators). Parents want to provide maximum protection for children (high SPFs and coloured products are therefore important).

Women are the main purchasers of sun care for the family. This is reflected in above-the-line (advertising) communications, generally targeted towards a female audience.

Children are not purchasers of sun care. However, Nivea Sun recognises it can play an important part in
educating children from a young age to be safer when in the sun.

In Asia, Nivea has considerable success with a combination of sun care and whitening products in face care. While there may be a market for bleaching products in these zones, Nivea sticks to gentle formulas. In 2005, Nivea was the world’s first brand to introduce whitening products for men in Thailand.

QUESTIONS

1. Discuss and suggest segmentation criteria for the Nivea Sun Care business.

2. What degree of globalisation and/or localisation does Nivea Sun Care represent, based on the following videos?

   The video clip featured on the book’s online site: www.pearsoned.co.uk/hollensen

   The following YouTube videos (TV commercials):
   http://www.youtube.com/watch?v=J0c0BsdhxsU
   http://www.youtube.com/watch?v=U0tgKREnQ&feature=PlayList&p=E1C6DB9BFDB4BF&B&playnext=1&playnext_from=PL&index=30
   http://www.youtube.com/watch?v=JaQ6Ojq4BpA
   http://www.youtube.com/watch?v=lace3omjKRF&feature=related
   http://www.youtube.com/watch?v=qnwzcyDSZok
   http://www.youtube.com/watch?v=AeNh3pSyKAg&feature=related
   http://www.youtube.com/watch?v=Cwz8Sn9sguk&feature=related

3. Discuss the target groups for the different TV commercials in question 2.

SOURCES

Hosea, M. (2006), Comfortably creme, Brand Strategy, October, pp. 20–23; Nivea website (www.nivea.com); Beiersdorf (www.beiersdorf.com); Hoover company records; other public sources; YouTube.