

# Marketing plan essay sample

[Business](#), [Marketing](#)



People nowadays experiencing different changes in our environment. One of this is our weather. Most of the times we experience hotness in the temperature. Everywhere you go feels like your always hit by sun because of the strong hotness coming from the sun. We can't prevent being expose to the sun because of our daily activities like going to the market, school, office, etc. And we all know that too much exposure to the sun is can damage the body and harmful to the skin, and skin is important because it's serves as a barrier to infection. So to help our skin from the harmful rays of sun, sun block and lotion is needed. Sun block protects our skin against sunburn and lotion helps our skin to be smooth and re-hydrate. Nivea is known for it's being effective in skin care product. We have written a brief introduction of NIVEA along with its history. And being one of the best lotion, it's cost is much expensive than other brand that's why not all can afford to buy it. So our objectives is to put lotion into sachet. In that case people will be convenient to carry it and can afford it.

## INTRODUCTION

Nivea is a Global skin and body care brand own by the german company Beiersdorf. The company began in 1911 when Beiersdorf developed the water in oil emulsifier as a skin cream with eucerit. Beiersdorf is one of their internationally leading companies for skin care it is very close to its consumer, offering them compelling, innovative products. Beiersdorf enjoy universal trust from NIVEA, one of the world's largest skin care brand, to other internationally successful brands such as Eucerin, La Prairie, Labello, 8X4, and Hansaplast/Elastoplast. With more than 125 years experience in skin care and one of the world's most modern research centers, Beiersdorf

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stands for innovative and high-quality cosmetic products. Nivea cream was first introduced in 1911, it has more than 14 different kinds of products from sun care to facial moisturizers, deodorant and shower products.

## HISTORY

The history of NIVEA is very interesting. The story began when Hamburg-based Pharmacist Dr. Oskar Troplowitz mixed water and oils into a stable cream. This was achieved through use of an emulsifier called Eucerit. In the same year, he introduced the name Nivea from the latin niveus-which means snow-white.

1911 was the year NIVEA Cream was born. It owes its development to the product " Eucerit". After decades of research Dr. Isaac Lifschutz discovered this revolutionary emulsifier, which meant that a product was now available which could combine an active substance, fat and water to give a stable base for ointments. The highly creative Dr. Oscar Troplowitz of the Beiersdorf Company used Eucerit, originally discovered for the medical field, as the base for a completely new kind of cosmetic cream that is called NIVEA Cream.

Nivea had a brief slump in popularity in the 1920s and underwent a massive re-launch. The result was Nivea Crème-which is now the most popular face cream in the world. Overall, the Nivea brand currently holds 203 number one positions across its 54 country market.

## CURRENT SITUATION AND TRENDS

## A. Market Situation

\* Nivea having 15% market share in the global skin care products. \* Nivea increased their double digit growth rates every year. \* Leadership status presented a superior financial performance, trust and reliability.

## B. Competitive Situation

Nivea is one of the most leading brand in our country. Because competitor products are problem focused, in contrary to Nivea, and offer medicated solutions. This gives Nivea competitive advantage. Their concept provides a unique bridge between the teenage and the adult market. The company improved the product to make it more effective and consumer-friendly. They tested their products on a sample group they picked from its target audience. Before finalizing the range for re-launch.

## C. Macro environmental Situation

\* Political and legal analysis:

The Nivea brand and its product body lotion will not face any major political or legal issue as such. We hope to sell the product in accordance and conformance to the Philippine laws. All prohibitive ingredients will not be utilized in preparing the product. Other than that the cosmetics industry is not subject to a lot of political constraints and legal regulations.

\* Economic Factors:

Even though Nivea produces lotion a years ago, a consumers might be

unwilling to pay for it because its too expensive. With Nivea lotion mini, consumers will be able to afford the price of this lotion.

#### \* Technological Factors

It is widely known that product categories that are weaker on the technology dimension are particularly vulnerable to competition from both new products and foreign competition. On the contrary, Nivea lotion mini strength lies in its superior product quality, design and innovation.

#### \* Demographic Factor:

One of the most apparent demographic trend in Philippines is the high rate of young people in coming in who are mostly aged between 20-35. They are conscious about how they look and want to use the latest skin products. This creates a huge potential to exploit this opportunity.

#### D. Past Product Performance

Nivea was the market leader in skin creams and lotions in 28 countries, in facial cleansing in 23 countries, in facial skin care in 18 countries, and in suntan products in 15 countries. In many countries, Nivea was reportedly believed to be a brand of local origin – having been present in them for many decades. This fact went a long way in helping the brand attain the leadership status in many categories and countries.

#### PERFORMANCE REVIEW

It's not the Nivea products self, it's only a part of it they promote. In this case, Nivea uses market research to target key market segments which identifies groups of people with same characteristics. Like

age/gender/lifestyle/attitude. The knowledge and understanding from the research helps in the development of their new products.

The way Nivea carries out their market research:

- \* using focus groups to listen to consumers directly
- \* product testing
- \* gathering data from consumers through a variety of different research techniques

They made the following improvements (also includes environmental-friendly ones): \* changing the formula for some products. E. g. it removed alcohol from one product and used natural sea salts and minerals in others

- \* introducing 2 whole new products
- \* a new modern pack design
- \* changing product descriptions and introducing larger pack sizes.
- \* Reduce packaging and waste - by using larger pack sizes
- \* use more natural products, as described above
- \* increase opportunities for recycling - by using recyclable plastic in its containers Each of these changes helped to strengthen the product range, to better meet the needs of the market

Price

Which price strategy does Nivea use and how did they come up with it?

The pricing strategy:

It's not the same as that of the retailers. It sells products to retailers at one

price. However, the retailers have the freedom to use other strategies for sales promotion. These take account of the competitive nature of the high street. They may use: \* loss leader: the retailer sells for less than it cost to attract large volume of sales, for example by supermarkets. \*

Discounting/special offers

Place

Where do they sell it and how to promote that?

Nivea aims to use as many relevant distribution channels as they possible can to ensure the widest reach of its products to its target market. The main stores where they sell it are retail outlets where consumers expect to find skin care products. About 65% of their sales are through large high street shops such as Boots and Superdrug(In Holland it's Kruidvat and Da) . The other 35% comes from large grocery chains that stock beauty products.

Market research shows that around 20% of this younger target market buys products for themselves in the high street stores when shopping with friend. Research also shows that the majority of purchases are actually made by mums, buying for their daughters. Mum are more likely to buy from supermarkets while they are busy doing grocery shopping.

Nivea distributes through a range of outlets that are cost effective but also reach the highest number of consumers. Their distribution strategies also consider the environmental impact of transport. Their central distribution point is in the UK. The products they need arrive from European production plants. To do this correctly, they use contract vehicles for efficiency for onward delivery to retail stores. Nivea does not sell direct to smaller retailers

as the volume of products sold would not be cost effective to deliver but it uses wholesalers for these small amounts. It does not sell directly through its website as the costs of producing small orders would be too high.

Promotion:

What promotion methods do they use to actually promote it?

Nivea chooses promotional strategies that reflect the lifestyle of its audience and the range of media available. They realise that a 'one-way' message (using TV or the press) is not as effective as talking directly to its target group of consumers. It can be further explained when looking at the Nivea event promotions around the world, where it tied-up with the affiliated NGO Rock Challenge 2007. This event was to promote awareness of healthier lifestyle choices among students. It was a professional staged event with three hundred and fifty pupils aged between 13 to 18 years from five different high schools in Dubai. The challenge is about having fun and making healthy lifestyle choices. This enabled the company to get directly involved in their target teenage segment and work closer to them.

Moreover, a company can get information and feedback from its target market while promoting their brand. This is a win-win situation with two way message communication and is a good example for consumer led promotional method adopted by the Nivea. They are a consumer-led company, meaning, its promotions are carried out by centralizing the customer. Nivea promotional strategies are chosen to "reflect the life style of its audience" and the range of medias available. The market promotions are done in a more interactive and customer friendly manner. It



communicates directly with its target teen and mums segment. This method is more market oriented than product oriented. Following are some consumer led promotional routes.

Nivea launched an interactive online magazine called FYI (Fun, Young & Independent) to raise awareness of the brand. The idea behind the magazine is to give teenage girls the confidence to become young women and to enjoy their new-found independence. The magazine focuses on 'first time' experiences relating to Nivea being their first skincare routine. It is promoted by using various radio shows and music channels on TV (like TMF). In connection with FYI, Nivea has recognised the power of social network sites for this young audience and also has pages on MySpace and Facebook. The company is using the power of new media as part of the mix to grow awareness amongst the target audience.

## SWOT ANALYSIS

### Strength

- \* NIVEA used only one logo since the beginning, it is for the consumer to easily recognize the logo. It helps NIVEA to create trust and reliability of their product.
- \* The products offered are simple and effective in design, as well as economical, in comparison to that of their competitors. By this they gain the competitive edge over their competitors and sustain in the market as a cost leader.

\* With increasing marketing share and sales all over the world they have strong financial base.

#### Weakness

\* NIVEA does not change their old fashioned looking logo, it maybe a chance to the customers to be distracted with the product of that brand.

\* Nivea lotion can't afford by many because they do not produce a small one that put on a sachet.

#### Opportunities

\* Nivea Lotion Sachet is a great opportunity for Nivea to increase their sales volume because many consumer can afford it because of its cheaper amount.

\* Many students are very conscious about their skin. Some got irritated whenever their skin gets dry. So with the help of this plan, even the students can afford to buy the Nivea lotion. It also helps the company to increase their loyal customer.

#### Threats

\* There is a stiff competition in the market as the demand of body lotion products has increased. Competitive companies are also offering lotions putting on a sachet such as Vaseline, Skin White, etc.

#### OBJECTIVES

##### A. Financial Objectives

The goal of this marketing plan is to outline the marketing strategies, tactics, and programs. This plan includes sales of roughly 275, 000 in the first year with that figure increasing 20% annually.

#### B. Marketing Objectives

- \* Grow total sales by 20% annually.
- \* Build customer loyalty, as well as increased customer loyalty.
- \* Reduce marketing expenditures to achieve profit contribution objective.
- \* To valorize the brand to occupy a premium position in the market.
- \* Even the students can afford to buy the product

#### MARKETING STRATEGY

Our objective is to increase the market share of NIVEA through qualitative growth. At the same we want to further improve our sound earning performances in order to fulfill our consumers wishes and need with innovations for today and for the future to achieve strong position within the global competitive environment. So our strategy is to put more advertising in the new products that we are going to create. We can also give some samples of our new products so consumer will somehow know its effectiveness and will truly enjoy and afford it. With our effective marketing plan NIVEA enjoys a bigger market share and becomes market leader in many countries and is consistently gaining additional market share. It achieves its objective and internationally NIVEA skin care products grew by almost 20%.

#### ACTION PLANS

## TARGET MARKET

Basically our target market is the women especially the students. Teens nowadays are so vain and conscious with their skin. Students, because of their active activities in school always have a prolonged exposure to the sun and it irritates them. As much as possible they want to apply lotion or sun block every time they are going to be exposed in the sun. That's why the Nivea Mini lotion and sun block will be more convenient for the students to bring along with them and it is also much affordable than the bigger one.

## 4 P'S

Marketing mix of any company involves 4P's of the company. These areas given below:

- \* Product
- \* Price
- \* Place
- \* Promotion

For Nivea lotion sachet, these are as discussed below:

## PRODUCT

This is the very first P of Marketing Mix. For knowing about this we don't have something to change about the product itself. Whatever the quality of the product they offered before is still the same as what we've gonna offer today.

Product Segmentation:

### 1. Demographics

- \* On the basis of age - any age especially those belongs to teenage.
- \* On the basis of sex - women and even man.
- \* On the basis of income - there is no basis of income because even the students can afford it.

## 2. Psychographics

- \* Lifestyle
- \* Personality

### Product Differentiation

- \* High quality product.
- \* Very affordable because of its cheaper price.
- \* Give softness to skin.

### PRICE

#### Pricing Strategy

- \* Lessen the price to afford by many.
- \* Discounting/ Special offers.

### PLACE

#### Distribution channel:

A three tier distribution channel will be followed for the products distribution:

- \* Manufacturer
- \* Distributor

- \* Stockist

- \* Retailer and salon

## PROMOTION

Marketing pricing:

We will merge with famous existing shops, so that customer can buy directly from the dealer and hence the element of middleman is not there. Here the retailer in this category buys watches for lesser than MRP and hence they are able to get the profit margin on sales.

Price discount and allowances:

We will give price discount sale on the MRP of the Nivea Lotion at initially. The allowance varies from one segment to another.

Actually the product we chose in this plan is already existing in the market. Many customers already patronize this product. So to increase more the willingness of customer to buy that product we make a plan on how this Nivea Lotion put into a sachet. In that case the Advertising Manager is more responsible to that action. He needs to focus more on advertising that product eventhough it already exist in the market.

Somehow, instead of giving the 100% budget on a large lotion of Nivea. Atleast 30% of it should be budgeted for the better implementation of that product. Instead of focusing to Nivea Lotion large size, one must able to give budget to this newly plan.

As soon as possible the action must be engaged in. As we all observed, people nowadays experiencing different changes in our environment. So they need that product which is more affordable than the others.

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## CONTROLS

The goal of this marketing plan is to outline the strategies, tactics, and programs. We have these marketing obstacles to face: \* The promotion of New Nivea Lotion Sachet to afford by many. \* The competitors have also the same products.

\* Customers continue to patronize this product.

## CONTINGENCY PLANNING

This marketing plan is just that, a plan. Plans don't always work out and we have to be ready to deal with the likelihood that Nivea Lotion Sachet won't make good on the projections outlined in this plan. We also have to prepare ourselves for overwhelming success. The following are some possible scenarios:

Revenues exceed projections - A serious increase in revenues over projections will give us an opportunity to increase our marketing budget above the allocated 20%. We'll be able to hire the marketing manager earlier, and we'll be able to provide more equipment and possibly add an additional location. Revenues miss projections - We have to be prepared for this possibility. If we miss our projections, we simply have to re-double our marketing efforts. The danger in this scenario is that the first reaction to

missed projections is to decrease spending, particularly marketing expenses. We can't do that! We have to get our message out to the target market, and we can't do that if we stop spending on marketing. Additional capital infusions may become necessary and that possibility is detailed in the business plan.