

Veet promotion campaign

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



To better understand the market and shape the key marketing problem, we conducted primary research to find out the general trends of hair removal among women in Singapore. From this we found a significant result of women in Singapore favouring razors over cream due to the main reason convenience. As such, the report seeks to explore different promotional methods that would allow us to help these heavy razor users to overcome their misconceptions of cream being inconvenient and subsequently to trial Veet® hair removal cream.

The promotional campaign incorporates integrated marketing communications and features efforts including sampling, couponing, talks, and point-of-purchase displays, featured articles on blogs, mobile advertising, trade promotions and tie-in promotions. All in all, we hope that the campaign will successfully expose more consumers to Veet® hair removal cream samples, convert them into Veet® users and ultimately increase sales for Veet® .

Our overall ROMI sees a negative figure due to costs incurred from our sampling program but CLV is strong at 107 percent. Section Two: Situation Analysis 2A. Depilatory Industry The depilatories industry in Singapore is a steadily growing one, experiencing a 4% growth in 2009 to reach almost \$4 million in total sales. Razors and blades for women are the fastest growing depilatories followed by hair removal creams. Depilatories (or hair removal products that remove hair to the level of the skin) include razors, shavers, creams, bleaches and pre-shaves.

Currently, international manufacturers Procter & Gamble (S) Pte Ltd and Reckitt Benckiser (S) Pte Ltd have found dominance in the Singapore

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depilatories market with their popular brands Gillette and Veet®. However, with the increasing awareness of epilators (or hair removal products that remove the entire hair from the root), many women in Singapore are also turning to these methods, including the use of wax strips, epilators and lasers.

2B. Company & Brand History Company background Veet® was first launched under the brand name, Neet, in Canada in 1901.

It was later bought by Reckitt Benckiser Pte Ltd in 1960 and has since been sold in nearly 200 countries worldwide. Reckitt Benckiser is a British global consumer goods company, making and marketing household, personal and healthcare products. The company's strategy is to have a highly-focused portfolio concentrating on its 17 Powerbrands which contributes to 62% of its net revenues in 2008. Veet®, one of its 17 most profitable and recognised brands, has two major products, namely hair removal creams and wax strips.

Target market

Veet®'s current target market consists of young female professionals and students aged 16 – 35 who are cost-conscious and seek convenience. Some may even be apprehensive of pain. This includes both first-timers who are seeking but have not yet tried hair removal products and also existing users of alternative hair removal products such as shavers and epilators.

2C. Marketing Mix Adopted by Veet® Veet® has used the following marketing mix to develop a strong brand recognition, as well as competing for leadership position in the depilatory industry. Product Veet® promises smooth, glowing skin in just 3 minutes.

The hair removal cream/gel works by using an active ingredient to dissolve the hair and the specially designed Perfect Touch spatula enables quick

removal of the cream for a smooth and long-lasting finish. The wax strips removes the hair shaft from the root by the mechanical action of removing the strip from the skin, comes in a 20s box. Place Veet® is mass-marketed to Health & Beauty stores (Watsons, Guardian and Unity) and supermarket chains (NTUC Fairprice, Cold Storage, Shop N Save, Carrefour and Giant). It is also available online via the supermarket chain's online shopping service.

Price

Prices of Veet® ranges from \$8.45 for a 100gram hair remover cream to \$17.20 for a 150ml hair remover gel. The Veet® wax strips (20s) are priced at \$12.90. Promotion In 2007 and 2008, Veet® organized the Miss Veet® Standout Challenge which selected 10 finalists to compete for the crowning through their catwalk and Q&A skills where notable personalities including local bloggers were guest judges. Brand Characteristics * Brand image: The product with its use of soothing colours and graphics of nature communicates an image of natural well being which appeals to the brand's core customers – women. Brand personality: Veet® relates to the personality of elegant, sensual, graceful and beauty. * Brand equity: The 3 green leaves on the Veet® logo and the use of floral graphics on the product elude a natural feel to users. 2D. Internal Analysis for Veet®
Veet® Strengths
Strong brand presence in Singapore market Procter & Gamble (S) Pte Ltd that manufacture Gillette series of razor brands and Reckitt Benckiser (S) Pte Ltd that manufacture Veet® are the dominance brands in the market. Consumers trusted the brands as they provided relative good hair removing results.

Strong brand equity allows Veet® to use sales promotion to build competition barriers that deter consumers from using private labels. Veet® removing cream has smoother result as compared to other razors and shavers. Clearly, we know the numerous side effects of using razors and shavers. Firstly, cuts happen when blade movement is perpendicular to the blade's cutting axis. Following on, shaving of hair has been known for causing Hirsutism, a condition in which shaving certain parts of the body hair will result in hair stubbles and accelerates process of hair growth, causing a greater density of hair.

Razors and shavers manufacturers through the years have been innovating new razor design to mitigate the problems but are unable to eradicate the shaving aftermath. By using Veet® remover cream, consumers avoid the risk of razor cuts, while growth hairs become finer. Veet® remover cream contains moisturizing content that allows users to remove and moisture their skin at the same time. Veet® dominates market share for hair removal cream. Referring to appendix 456, the depilatory environment in Singapore is mainly dominated by razors and shavers brand (portions highlighted in orange).

Following 53. 3% of the market share dominated by razors and shavers brands, Veet® covers the next prominent portion of the market share (33. 6%). This proves that the next preferred depilatories after shaving is removal cream and/or waxing strips; and this market is primarily dominated by Veet®. In terms of intratype competition, Veet® faces weak competition from its rivalry brands, namely Nair removal cream, Marzena wax strip and

other smaller brands that are currently sold in supermarkets and personal hygiene stores.

Veet® 's high market shares also correspond to the net worth of the brand viewed by retailers. This implies that Veet® distribution network, more specifically retailers, are more willing to cooperate with Veet® in its upcoming sale promotion – since Veet® 's promotion will increase stock turnovers for the retailers. Veet® Weaknesses Potential target market low expectation about Veet® performance As highlighted in pointer three (3), consumers are more incline to use razors and shavers as they place focus on convenience when choosing depilatories.

Consumers associate Veet® with inconvenience as they have to apply the removal cream on intended areas and wait for six (6) minutes before washing the chemical away. This lengthy process as compared to shaving tends to discourage consumers from buying them. However, Veet® 's previous advertising campaign attempted to change consumer's belief about Veet® being an inconvenient product. The advertising campaign also aimed to change consumer's focus on convenience to place heavier importance on the results of hair removing. Wide deviation in user's review about Veet® performance

Raise of social media importance will affect potential consumer's expectation towards a brand and ultimately, affecting the consumer's decision to purchase the brand. As a consumer engages in information search, it demonstrates her engagement with the brand in the HEM model. A search through users' reviews in social media review centre explain that there is a huge different between the users' rating. Some users rated Veet® one (1)

star as the brand did not remove their body hair effectively and it causes red chemical burns.

Fortunately the bad ratings are neutralized as other users rate Veet® five (5) stars as they love the product for being simple and easy to use. More importantly they love the brand because it produces better hair removing result than razors and shavers while not leaving chemical irritation on their skin. The two vast differences in users rating thus imply that potential customers still have to rely on other forms of peripheral cues to evaluate their product choices. Sales promotion will help to attract a portion of this market where consumers eventually have to purchase and experience hair removal results by themselves.

E. External Analysis for Veet® Consumer Evaluation Primary Research Method A primary research was conducted through an online questionnaire (Appendix 1) with one hundred women aging between 16 year and 35 year old. Through the survey, it will help us to gain understanding about target market's depilatory products usage behavior and motivation. Veet® Opportunity Veet ® has relatively high brand awareness (Appendix 2A) According to survey results, Veet ® products have high brand awareness. Consumers are able to recognize the product category that Veet® belongs.

With the high brand awareness, this shows that advertising efforts are showing positive results in the market. Market Share between Razor Market and Veet ® Market – On Par (Appendix 2B, 2C, 2D, 2E) Majority of Veet® target market have already performed some form of hair removal procedure as they are image conscious and are concern about how others view them if they appear to be untidy. Currently 18% of our respondents have not

engaged in hair removal procedure and a significant portion of this group would either consider or may not do hair removal in the next three to six months period.

This highlights that our promotional campaign should not direct at this group of consumers, as sale promotion is unlikely to change a consumer's behavior. More advertising instead of sale promotion should be engaged to encourage this group of consumer to start removing hair through Veet ® products. With the remaining 82% of the market that has started removing body hair, we learnt that that is an equal market share between Razor products and hair removal cream products. As covered previously, Veet ® is the leader in the hair removal cream industry; therefore we can assume that Veet® has a market share of 34%.

More than half of our respondents who are using razors mainly are very likely to try Veet® given that there is an attractive sale promotion campaign. With a higher perceive value, there is high potential to convert a portion of the razor users instead of non-hair removal users, to start using / trying Veet® products. Veet® Threats Key Performance Factor: Convenience (Appendix 2F) Consumers today are leading increasingly hectic lifestyles and these cause them to regard convenience as the key factor when choosing depilatory products.

Consequently razors and blades continued to remain popular among consumers commanding a combine market share of around 40 percent in 2009 with Gillette Venus leading the pack taking 75 percent of the razor market. In addition, as consumers become more sophisticated, they are turning to products that promised a cleaner shave and even opted for

products with enhanced functions like moisturizing effect or catered to sensitive skin. This explains why consumers are trading up other depilatories for Veet® air removal cream which sees it clinching the top position with nearly 34 percent of the depilatory market share. However, there is still a large part of consumers who are still unaware of the convenience in using Veet® which is well reflected in our primary research. We saw that 70 percent of the surveyed razor users have never use Veet® before and hence have no knowledge about its convenience. Strong Price Competition from other Razor Brands The relatively low price of the Bic Soleil Shimmer Clic compared to other brands saw the fastest growth in 2009.

We attributed this trend to the slowing down of the economy last year. The trend is not high since the sophistication and affluence of consumers would invest in a more functional depilatory with the recovery of the economy. Summarized SWOT Analysis Below is a SWOT diagram summarizing Veet®'s internal and external analysis: Section Three: Targeting, Positioning, Objectives Setting, Budgeting 3A. Key Marketing Problem From our situation analysis, it is clear that while there is high awareness level for Veet® hair removal cream.

Being a market leader in the depilatories, Veet® has generated adequate awareness for its hair removing products. However, Veet® must compete mainly with razor product brands such as Gillette. The main threat that is stopping Veet®'s growth is that target market do not perceive Veet® as convenience as razors. There is a need for our campaign to address this misconception about Veet® ®, and to further strengthen Veet® positioning

with the product benefit that razor product cannot achieve- benefit such bladeless solution to stubble free skin.

Overall, the management team of Veet® wants to find out: “ What should be changed about the current marketing efforts to increase the sales of Veet® hair removal cream? ” In our research to help Veet® in this management decision issue, we will be looking into the following marketing research problem: “ How can Veet® promote trial of its hair removal cream in the hair removing market through a promotional campaign? ” 3B. Segmentation of the Women’s Depilatories market in Singapore This research segments the women’s depilatories market in Singapore using a behavioural segmentation base.

We have divided the market into several segments according to the frequency of using razors and the frequency of using Veet® hair removal cream, as seen in the perceptual map in Appendix 3. The different segments as follows: 1) The Bladers: Heavy razor users who have never used Veet® hair removal cream before. 2) The Biased: Relatively heavy razor users who use Veet® only on special occasions such as parties. 3) The Balancers/Switchers: Users of both razors and Veet® . These consumers have no loyalty to either method and switch easily. 4) The Professionals: High frequency Veet® users who use razors occasionally to ensure better hair removal effect 5) The Cavemen: Non-users of hair removal products. These are hairy ‘ monsters’ who have never shaved and also includes those who are ‘ hairless’ and do not need to shave. 6) The Un-conventional: Non-users of razors and Veet® but who are users of other hair removal methods such as waxing and lasers. 7) The No Bleeders: Our Veet® lovers. 3C. Our Target

Market Out of the different segments, we have decided to select ‘ The Bladers’ as our target market for Veet® hair removal cream.

This is primarily due to the relative ease of conversions of ‘ The Bladers’ into users of Veet® hair removal cream, as compared to ‘ The Cavemen’ who are non-users of hair removal products. ‘ The Bladers’ already have a desire to remove hair, whereas “ The Cavemen” do not even see a need to remove hair. This was based on our survey results, where we found out that there is quite a low percentage, 18%, of non-users who are willing to use hair removal products in the first place (Appendix 2D).

However, there is a much more optimistic percentage, 58%, of current users of shavers who are likely or very likely to try hair removal creams since they already have a desire to remove body hair (Appendix 2E). Moreover, the market size for current users of razors is 32. 8% (Appendix 2C) while that of current non-users of hair removal products is only 18% (Appendix 2B). With a larger market, there is a greater potential to tap upon in the current market for users of razors. In addition, we did a targeting specified by personification for ‘ The Bladers’.

This person would represent the typical non-Veet® user whom we hope to convert into a Veet® user. Her profile is seen below: * Name: Rachel Quek * Age: 27 * Occupation: Marketing Executive * Hobby: Loves shopping, online shopping, going to the beach, clubbing, social networking* Personality: Fun, image-conscious, highly regards others’ opinions on her appearance, has a fear for pain * Shopping behavior for personal product: Loves trying products before deciding to buy * Current hair removal method: Uses Gillette Venus because of convenience * Monthly expenses on personal grooming: \$300

Time spent on personal grooming daily: 2 hours on weekdays, 3 hours on weekends * Dressing habits: Frequently in dresses and above-knee skirts 3D.

Positioning Statement Our positioning statement is: For women in Singapore who currently shave, who now seek a painless, smoother & longer-lasting hair removing effect; Veet® is a bladeless hair removal product that moisturizes your skin – a total beauty experience that no woman should miss out on. 3E. Objective Setting

There is already high awareness of Veet® hair removal cream in the women's depilatories market in Singapore, with 95% of the market being aware of it (Appendix 2A). Yet, only 27.9% of the market uses it (Appendix 2C). Through the implementation of our one-year campaign, we hope to be able to see an increase in this market share as we move 'The Bladers' up the Hierarchy of Marketing Communication Effects (HEM) from the 'Awareness' to 'Trial' stage (Appendix 4). However, 'The Bladers' currently either have no expectations or have a bad expectation of Veet® where they think that it is inconvenient to use (Appendix 2F).

For those who have no expectations, we want to push them to try our product through samples, creating expectations of convenience and pushing them to eventually buy since they have the assurance from trying the product first hand. For those who have poor expectations of the product being inconvenient, we need to give them samples to change this attitude and also further push them to buy our product. We have thus established our campaign objectives below: 1) To see 40 percent of 'The Bladers' being exposed to our campaign 2)

To have 40 percent coupon redemption among all who received our sample and coupon 3) To achieve 20 percent of our target segment purchasing our tie-in promotion 4) To see 30 percent of the 'The Bladers' joining our contest 5) To collect a consumer database from our couponing system for Veet®'s future promotional campaigns 3F. Budgeting We will be employing the objective and task method of budgeting so that we can clearly specify what role each component of the marcom campaign satisfies for the brand and set the budget accordingly.

The overall campaign budget will comprise fully of promotional dollars. The rationale of this decision links back to our objective of moving 'The Bladers' up the HEM from awareness to trial and therefore a heavy focus on promotion will be a better plan. We did not specifically allocate a portion of the budget for media and public relation (PR) spending since they consist of only a small percentage of the budget. They are still present in the campaign but act as a support for the main promotional campaign. Therefore they will be accounted under the promotion budget instead.

That explains a 100 percent allocation of the S\$400, 000 budget to promotion. Promotion Budget Breakdown We strongly believe that it is crucial for our target segment to test our product before they can move from being 'aware' to eventually product 'trial'. To accomplish this objective, the majority of the promotion budget will be devoted to heavy sampling (50 percent of promotion budget or S\$200, 000). A self created event will constitute one of the channels for distributing our samples and it will cost us S\$10, 000. We would like to incentivize our consumers as well and therefore 7. percent or S\$30, 000 will be allocated to a couponing exercise which will

overlay sampling. A tie-in promotion with a complementary product will follow so as to induce purchase and further incentivize our consumers. This component will be given S\$50, 000 of the promotion budget. An online contest will also be running throughout the campaign but due to the relatively low investment involved, it will be weighted at 1. 25 percent only. S\$80, 000 will also be budgeting for trade allowances for our partner retailer's involvement in our full campaign as well as slotting allowances given for erecting our point-of-purchase (POP).

Our POP will be given S\$15, 000 in the budget. The remainder of the promotion budget will be assigned to media and PR efforts to drive the promotional campaign. (Please refer to Appendix 5 for full budget allocation)

Section Four: Our Promotional Campaign 4A: Allocation of efforts in the overall Integrated Marketing Communication Campaign Advertising – (1% effort) Through our situation analysis, we learnt that Veet® has very high level of brand awareness, and this is mainly pushed by Veet® advertising efforts.

In addition, the target market has relatively little target consumers who have not started doing hair removing procedure, advertising investment will not be effective as the market coverage is significantly lower as compared to putting the investment in converting current razor users. Lastly, given our campaign objective of moving ' The Bladders' from brand awareness level to trial level, advertising will not be effective to move the target consumers into actions – by getting them to start trying Veet® product.

However, we will engage trade promotion tools by getting our partner retailer to advertise Veet® sale promotion to its customers. Personal Selling

and Public Relations - (1% effort) As Veet® belongs to the FMCG (Fast Moving Consumer Goods) product category, it would be unwise for our campaign to invest in sales people to encourage consumers to purchase Veet® products. Moreover, hair removal procedure is considered a private personal grooming process. Therefore it is difficult to involve 'The Bladders' in an open environment for a hair removal demonstration.

Little investment will be put into public relations as majority of the target market are aware of Veet® usage. Direct Marketing - (5% effort) In our campaign, we will be adopting mobile advertising. The customer database will be collected through consumer's opt in option when they send a SMS (Short Message Service) to obtain a SMS coupon. With the customer details collected, we will direct advertising messages via mobile services in the subsequent promotion campaign. Sales Promotion - (90%) Majority of our investment and efforts will be invested on Sale Promotion.

Sale promotion will be the center of our campaign with the remaining IMC tools acting as a supporting role to communicate about the sales promotion to 'The Bladders'. As consumers have the perception that Veet® product is not as convenient as razors, the campaign will focus on changing this misperception by allowing 'The Bladders' to personally experience Veet® product. In addition, 'The Bladders' will experience the smoother hair removal effects (stubble free), this will help to strengthen Veet®'s positioning. Shaping user experiences will be done primarily through sampling.

With user experience appropriately shaped, couponing exercise and attractive contest incentives will be used to spur 'The bladders' to start

trying Veet® product. With the understanding of how investment will be made in this campaign, following is our proposed promotional campaign for Veet® . 4B: Our promotional campaign for Veet® Overview of campaign Our promotional campaign will be primarily revolving around bringing across the mindset of Veet® hair removal cream as one that is convenient coupled with a plus point of better hair removal results to our target group ‘ The Bladers’.

The entire promotional campaign duration will be 12 months, and staged in three phases: (i) Feeling the stubbles, (ii) Long-lasting smoothness and (iii) The Veet® Contest. Phase 1: Feeling the Stubbles Objective: Expose ‘ The Bladers’ to our campaign and drive word-of-mouth As we are targeting ‘ The Bladers’ who are already experienced customers in the hair removing market, they will be less likely to take notice of the convenience and added benefits of Veet® if it is done through the mass media channels like commercials, ads or any other imagery that is forced upon them.

Thus in ‘ Feeling the Stubbles’, we will seek to first roll out the promotional campaign in a subtle manner with heavy sampling also known as tryvertising, by conveying the intended messages based on their experience with our product and also concurrently incorporate mobile couponing as a piggyback to that to have a best reach to our target group. Diagram 2: Sample & Couponing Sketch The sample we will be giving out is a 30ml Veet® hair removal cream tube that comes with the brand’s signature perfect touch spatula and tied together with the tube is a double sided information card.

On the front side of the information card, it is a surface full of protruded patterns that resemble the stubbles after shaving with a razor following a

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tagline of ' Feeling the Stubbles? ' And on the flipside, it will feature our tagline of ' Stubbles-Free in 3 minutes' following our couponing exercise.

Diagram 3: Mobile Couponing Process The recipients of the sample will be required to text in to our number with their name and identification number for a mobile coupon.

The mobile coupon will then entitle them to a 10 percent discount on a full sized Veet® hair removal cream at any of the stores of our partner retailer and also a contest entry chance. Each mobile coupon will come with a uniquely coded two-dimensional Quick Response (QR) code for tracking the redemption levels and from the codes to track which the efficiency of the sampling mediums deployed. The retailer will be incentivized with every mobile coupon redeemed. Sampling Mediums

In this heavy sampling exercise, we will be distributing our samples through three sampling mediums namely digital media platform, collaborative events and through our partnering retailer. The three mediums are The Sample Store, Corporate Luncheon and in the stores of Watsons. The Sample Store (www.thesamplestore.sg) is a local platform that distributes product samples online. Since its launch in 2008 it has since built a huge database of members both on its website and facebook fansite and still growing its popularity as many recognize it as one that operates on unbiased reviews that are given by members.

Members who redeem any samples will receive them via mail. Other than having our samples be placed on the site, we will also want to minimize or prevent any possible clutter of the many different brands and products on The Sample Store. We will be working with the team over there with three

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additional features. First, we will have our product featured in The Sample Store's blog as a new sample which members will be able to access directly to this page or link through the main site.

Currently the site's blog maintenance team has an updates indicator of how recent is the blog updated for the ease of members to track new entries. On the blog entry, there will be a link for the readers to direct them to page to grab our sample. Hello Rachel Veet® Hair Removal Cream Sponsored Link The Sample Store Blog The Sample Store product placement Secondly on the actual product placement page, we will also be having our product be featured in the section of 'Sponsored Link' to further minimize the brand and product clutter in our sampling exercise.

Be it on the main page of 'Samples' or when members scroll through the pages of samples, the 'Sponsored Link' function will come in handy as it is a permanent display on the top of every page that effectively maximizes the chance of reach and redemption. Thirdly, we will also put up a special request to have our product placement be strategically located beside Gillette or any other razor products so as to have a better chance in reaching our target group 'The Bladers'.

Veet® Corporate Luncheon is a series of collaborative events with the National Skin Centre's Health Talk aiming at bringing these talks to the premises of 48 companies. These series of lunch talks will be done in a form of registered events in which employees register with the human resources department and there will be a seat limit capped at 50 for each session. During each hourly session, there will be a 40 minutes skin talk by the National Skin Centre's dermatologists.

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Following up will be a 20 minutes product talk and interactive demonstration session by Veet® whereby the models for demonstration will be picked from the audience. Thereafter, the dermatologists will wrap up the entire talk by testing the skin hydration levels of the models after using Veet® hair removal cream product. Lunch will also be catered to encourage participants of the talk to clear any doubts regarding Veet® 's products while handling out Veet® 's samples. Sampling @ Watsons is the main highlight of the three sampling exercises as it is a highly targeted sampling exercise in conjunction with the ones mentioned above.

From our primary research it shows that when ' The Bladers' want to make any purchase regarding personal care products, Watsons will be their first choice. Thus, to be in line with that, we will be making Watsons our exclusive partner for distributing Veet® 's samples across Watsons' good scalability of 101 outlets islandwide. Also derived from our primary research, we found that there are some complementary products that the razor-users are most likely to use before, during or after shaving. Diagram 6: Determinants of scanner-delivered sampling

With this information, we have designed a scanner-delivered sampling exercise whereby once any of these 6 items (body lotion, tights, sunblock, deodorant, razors and shaving aids) is purchased, a Veet® sample will be automatically be presented to the customer. To gain retailer's agreement and cooperation, a heads-on competition with other razors and shaving aids companies will be eliminated by having these two items as an exception. Only with purchase of other items on top of razors and shaving aids, will the customer be entitled the Veet® sample.

In addition to the scanner-delivered sampling conducted, we will be purchasing retail spaces at Watsons to have a point-of-purchase display at the storefront of Watsons' outlets. This will allow us to cast a bigger net to reach and expose our target group 'The Bladers' to our campaign should they coincidentally fall out of the sampling determinants during our campaign period. Diagram 7: Point-of-Purchase Display The display will be in line with the sampling exercise, seeking to convey the message of convenience being 'Stubbles-free in 3 minutes'.

Wobblers will be attached to the fixture indicating information including the mobile couponing exercise and contest entry chance. The entire Phase 1 sampling exercise will be held in a 4 months period, with the exception of the featured article on The Sample Store's blog which can be posted up for the entire campaign. Couponing and redemption exercises will be conducted for a 5 months period. Diagram 8: Phase 1 'Feeling the Stubbles' timeline 4B. Phase 2: Long-lasting Smoothness Objective: Build brand associations of better hair removing effect and experience After exposing our target group to the campaign in Phase 1, Phase 'Long-lasting Smoothness' will seek to build brand associations of Veet® as one that provides a the total hair removing effect and experience. To be in line with that, we will be partnering with Vaseline a brand that is known for its long heritage of body lotions and the effectiveness of hydrating skin, bringing a great boost to both brands when seen as complementary products. Together, we will be offering a tie-in promotion bundle which includes a 400ml Vaseline body lotion and 100ml Veet® Hair Removal Cream.

Diagram 9: Vaseline and Veet® bundle Pricing of the bundle will be at \$15.90, strategically seeking it to be lower than a separate purchase of either items and also importantly be lower than that of a combined purchase of razors or razor refills and Vaseline body lotion altogether. Based on the respondents of Phase 1, we will be deploying a closed-loop marketing tactic whereby we will be sending text messages to the people who redeemed our coupon in Phase 1 to inform them of the tie-in promotion.

Similar to the point-of purchase display in Phase 1, we will be purchasing retail spaces at Watsons to have a point-of-purchase display at the storefront of Watsons' outlets in addition to the closed-loop marketing text messaging. This will allow us to cast a bigger net to build brand associations of a total hair removing effect and experience to our target group 'The Bladers' should they not be in time to redeem our coupons during our couponing period. The same point-of-purchase fixture will be used from the previous occasion to lower costs.

Wobblers will be attached to the fixture will be changed now to indicating information Diagram 10: Bundle Point-of-Purchase Display including the 15 percent savings with the special bundle pricing drawing comparison with its usual price, reinforcement of a total experience of long-lasting smoothness and a contest entry chance. Bundle packages will also be concurrently placed on Vaseline's shelves. Cards regarding contest information will be slotted in the bundles. The entire Phase 2 tie-in promotion will be held in a 4 months period after the sampling and couponing exercise of Phase 1.

Diagram 11: Phase 2' Long-lasting Smoothness' timeline 4C. Phase 3: The Veet® Contest Objective: Drive trial and traffic to Veet® Singapore

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Facebook page. Build brand excitement and buzz Phase 3 of the campaign will act as a overlay campaign to both Phase 1 and Phase 2. To effectively drive product trial and building brand excitement, a Veet® Singapore Facebook fanpage will be set up as currently Veet® do not have any adoption of social media locally. Diagram 12: Contest Card Sketch

When the recipients of the samples make a purchase using the mobile coupon in Phase 1, purchase a bundle in Phase 2 or making a regular purchase after the 2 phases, the retailer will be handing out contest cards for every purchase. On the flipside of the contest card, it will visibly tell recipients that they have won one chance to ‘ The Veet® Contest’ by entering the scratch code on the contest card on Veet® Singapore’s Facebook fanpage. Every additional purchase will entitle them an additional chance in becoming the grand winners of the contest.

Diagram 13: Veet® Singapore Facebook fanpage In addition, by liking Veet®’s page will entitle the contest participants 5 more winning chances to the contest. The top 3 winners of the contest will walk away with a \$500 Watsons Gift Vouchers each and there will also be 5 winners who will walk away with a year’s supply of Veet® hair removal cream as consolation prizes. Such information will also be detailed on the Facebook fanpage. At the end of the entire contest, announcement of contest winners will also be conducted via the Facebook fanpage.

Phase 3 will be held as a supporting role in the entire 12 months period, concurrently with Phase 1 and 2. Diagram 14: Phase 3 ‘ The Veet® Contest’ timeline Section Five: Conclusion 5A. ROMI and CLV (Appendix 6) Retail price of Veet® hair removal cream is at S\$10. Our profit margin for the product is

at 40 percent or S\$4. We will take annual discount rate to be at 12 percent and this will translate to 1 percent monthly discount rate. We are looking at a three tiers conversion model with light users purchasing once in two months, medium users once a month and heavy users twice a month. 1.

Phase 1

The sampling exercise overlay with couponing will see an estimated 40 percent conversion rate in total out of the sample/coupon given out over the four months. Of the 12, 500 potential converts per month, we will be looking at 4 percent becoming heavy users, 16 percent medium users and 80 percent light users. This will transit to a monthly profit of S\$32, 000 but a negative return of marketing investment (ROMI) of 56 percent. However, we are projecting a relatively high constant retention rate of the converts at 90 percent for heavy users, 85 percent for medium users and 80 percent for light users.

Therefore this will give us a positive customer lifetime value (CLV) of 106 percent. 2. Phase 2 Our tie-in promotion with a moisturizer brand will see a conversion rate of 20 percent. However we foresee that three-quarter of them will be those who used the coupon in Phase 1 and are returning customers. Therefore we are looking at 1, 560 new converts per month from the tie-in promotion. Although we will have a negative ROMI of 53 percent in this phase, we will be looking at the same retention rate for all three conversion segment hence getting a positive CLV of 124 percent. . Phase 3 The Veet® contest will run from the start to the end of the one year campaign and we are expecting purely new converts (not from Phase 1 and 2) only from those who picked up a contest form from our POP at our partner

retailers. Since we foresee that a percentage of them would be purchasing for the contest, we lowered their retention rate to 80 percent, 60 percent and 40 percent for the heavy, medium and light converts respectively.

Given that our main intention of the contest is to create hype for the campaign and rewarding the real converts who purchase through Phase 1 and 2, we are expecting to see only 310 converts per month which will transit to a slightly positive ROMI of 5.3 percent and only 25 percent in CLV.

4. Overall The overall campaign will see a conversion of 14,730 users per month and a total of close to 60,000 converts throughout the full one year campaign. Although we will be getting a negative overall ROMI of 55 percent and a slightly high average acquisition cost of S\$5.74 we will be achieving a strong CLV of 107 percent. . Best and Worst Case The best case scenario will see us having 25 percent more conversions from Phase 1, 50 percent more from Phase 2 and Phase 3 and this will increase the ROMI to -44 percent and CLV to 162 percent.

As for the worst case scenario, it will be the reverse having 25 percent lesser in conversions for Phase 1 and 50 percent lesser for Phase 2 and 3 will see us having a negative CLV for both Phase 2 and 3 but an overall CLV of 66 percent. ROMI will stand at negative 64 percent. 5B. Evaluation of Campaign The success of our campaign will depend on meeting our pre-set objectives. To have 40 percent coupon redemption among all who received our sample and coupon * To collect a consumer database from our couponing system for Veet®'s future promotional campaigns We can easily track this by tabulating the number of request for the mobile coupons. As the distribution of the samples with the coupons are highly targeted at 'The Bladers', we

can foresee near to 100 percent of the mobile coupon being redeemed by our target segment. As for the database, when our consumer sends in a message requesting for the mobile coupon, we would locked in their numbers and consolidate it into a database.

This database will be straightaway put to use in Phase 2 of our campaign where we will send them a message informing about the tie-in promotion being offered in our partner retailers. * To achieve 20 percent of our target segment purchasing our tie-in promotion * To see 30 percent of the 'The Bladders' joining our contest The numbers for these two objectives can be tracked when our target segment sign up for the contest. When entering the contest on Facebook, they will be asked a simple question regarding when they were first exposed to the product.

If they choose either through the tie-in promotion or through the sample with coupon distributed, we would know that they are our target segment 'The Bladders'. As the contest card comes with a unique code for entering into the contest, a consolidation of the unique codes keyed in for each Phase of the campaign will indicate to us the number of our target segment who participated in the online contest. * To see 40 percent of 'The Bladders' being exposed to our campaign The number of samples given out, coupons redeem and contest details will give us a rough estimate to how many of our targeted segment was in face exposed to our campaign.

Appendix Appendix 1: Questionnaire Done Through Online Medium S/N| | Options| 1| Have you heard about the brand Veet®? | Yes No| 2| Veet® is product that| ShampooBody WashHair Removal CreamHand LotionNail Protection CreamFeminine Wash | 3| In the last 12 months, have you done
<https://assignbuster.com/veet-promotion-campaign/>

any hair removing procedures? | Yes (Go to Qns 5) No (Go to Qns 4)| 4| Will you consider starting removing body hair in the next 3 to 6 months time? | Yes No Maybe| 5| Which of the following hair removing method do you use dominantly? Razor blade (Go to Qns 6) Hair removal cream Wax Strips (Go to Qns 6) Saloon (Go to Qns 6) Others (Pls Specify: _____)| 6| What is your reason for using the particular hair removing method? | (Open ended answer)| 7| Given an attractive promotion, would you consider using Veet® to remove body hair in the next 3 to 12 months? | Yes No (Go to Qns 8) Maybe (Go to Qns 8)|

8| What is your reason for not considering using Veet® to remove body hair? | (Open ended answer)| About Yourself| | Age| 11 – 15 15 – 20 21 – 25 26 – 30 31 – 35 36 – 40 41 – 45 46 – 50 51 – 55| | Occupation| (Open ended answer)| Amount of time spent on personal grooming daily (Weekday)| | Amount of time spent on personal grooming daily (Weekend)| | Amount of money spent on personal grooming monthly| | Where do you usually purchase personal grooming products? | NTUC Guidance Watson Venus Provision Shops Giant Shop and Save The Market Place Others (Pls Specify: _____)| | What are some products that you would usually purchase with hair removal product? | (open ended answers)| Appendix 2: Descriptive Survey Results (Important insights) - Total Number of Respondents: 30 Appendix 2A: Graph Showing Awareness Level of Veet Hair Removal Cream 1.

Have you heard of Veet Hair Removal Cream? Appendix 2B: Graph Showing market doing hair removal 2. Have you done hair removal before? Appendix 2C: Graph Showing Type of Hair Removal Method Used by Women 3. (For the 82% of women who have removed hair before) which type of hair removal

method do you use? Appendix 2D: Graph Showing Percentage of Non-Users on Whether They Will Ever Do Hair Removal 4. Do you think you will ever do hair removal in the next three to six months period? Appendix 2E: Graph Showing Percentage of Razor Users on Whether They Will Use Veet 5. For current razor users) Will you use try using Veet hair removal cream? Appendix 2F: Summary of Reasons of Current Razor Users for Not Wanting to Try Veet 6. (For those who are unlikely to try Veet hair removal cream in Q5) Why not? * Inconvenient (Most responses) * I am unsure of the effects of using cream * May not remove all the hair as effectively as razors * Using cream makes my skin dry * More expensive * I am used to using razors already Appendix 3: Segmentation Map of the Women's Depilatories Market in Singapore

Appendix 4: Graph Showing How 'The Bladers' Will Move Up the Hierarchy of Marketing Communication Effects (HEM) Appendix 5: Budget Allocation Appendix 6: ROMI and CLV Bibliography Veet Hair Removal Cream Review, retrieved on 19 October 2010, retrieved from <http://www.reviewcentre.com/reviews74276.html> Veet Bladeless Razor Review, retrieved on 19 October 2010, retrieved from <http://www.viewpoints.com/Veet-Rasera-Bladeless-Razor-reviews> Depilatory Industry Overview in Singapore, Euromonitor International: Country Sector Briefing, June 2010, retrieved on 22 October 2010