

A customer based brand equity model marketing essay



Kiehls is an American cosmetics brand retailer that specializes in making premium skin, hair, and body care products. Founded as a single pharmacy in New York City's East Village in 1851, Kiehl's was purchased by the L'Oréal Group in 2000 and currently has more than 30 retail stores in the world supplemented by sales in high-end department stores.

Kiehl's was founded in 1851 by John Kiehl, Kiehl homeopathy pharmacy at 3rd Avenue and 13th Street in the East Village of New York City. In 1921, Irving Morse, the former apprentice and Russian Jewish exiles who studied pharmacology at Columbia University, the store of purchase. Morse has been involved in many Kiehl's products are still popular today, including the development of the astringent herbal lotion and cream Corps.

Irving's son, Aaron Morse in 1960, took over the store. The Young Morse is included in promoting the Kiehl 1950s. Aaron, his father transferred from traditional medicine shops like skin care product line. After he died in 1995, his desk, and his vintage motorcycles on display in the store prominently, these two projects is an important symbol of all Kiehl's stores.

Then, Aaron's daughter, Jami Morse Heidegger, the enterprise has been operating since 1988. Has been described as " a clever marketing staff," she relied on word of mouth and a wide range of free samples rather than the traditional advertising.

In April 2000, the acquisition of French beauty and cosmetics company's L'Oreal and maintain the style of Kiehl's.

Brand development decisions

Kiehl's is one of the successful company in cosmetics industry because they are doing well marketing mix and using good marketing strategy.

The Kiehl's has strongly competition in the facial care industry such as The Body Shop, Skin Food and etc. since they provide similar products to their customers which are the skin care. Also, customers may not use their product because they have high substitutes such as Skin Food. Therefore the customers would like to compare the product with other competitors.

Although Kiehl's has a lot of competition they are very success in cosmetics industry because of their good strategy.

Customer-Based Brand Equity Model (CBBE)

Salience

Kiehl's is a company which selling the product in natural. Natural is one of popular ingredients people would like. Since the customers have clear knowledge about the brand and products, they would concern more natural products nowadays. For nowadays, the natural products would be easy to attract customers, so some of the customers will consideration to purchases because Kiehl's has good quality of service and tailor made products for their target customer, that can be easy to recall them.

Therefore, Kiehl's provide high quality product to reach customer needs such as how to improve their skin. On the other hand, Kiehl's has well customer services provide to the customers. Especially the word of mouth of Kiehl's is well since there are good comments when the customers after used their

product. So can build a strongly relationship with them in order to keep the loyalty of the customer that they would purchases again.

Performance

Kiehl's expansion in the young lady market and also set up the men's skin care market. Young ladies which in age of 16 to 20 are a good market for skin products because they all love beauty so that need skin care products to keep their skin health. Therefore Kiehl's to target those young ladies market continue to provide new products for them.

Kiehl's product is reliability and serviceability because Kiehl's have combination of beauty knowledge, pharmacy, herbal medicine and professional background, knowledge and experience. For that reason Kiehl's developed a unique formula, and the latest technology, to create special care products, also does not focus on fancy packaging, because they are fully focused on product quality and effective for their customers.

On the other hand, men's skin care market is one of the new line on Kiehl's because nowadays males are more concern their health and skin. Kiehl's have understand the latest marketing needs to provide suitable products and price for target customers.

Imagery

Kiehl's understanding the customers needs so that they set up online purchases system for their customers also can throughout this system to expand their marketing.

Judgement

In April 2000, Kiehl's was purchased by the L'Oréal Group, L'Oreal also is a professional cosmetic company and they support each other. It shows that Kiehl's is believable and professional.

Feelings and Resonance

Kiehl's has a good reputation and brand image that it founded since 1851. So they can keep customers' loyalty since they understood its customer's needs. On the other hand, their products are in natural ingredients such as skin care cleansers and etc that the products have more guarantees in quality. And they had strong word of mouth endorsements since there are good comments when the customers after used our product. They focus on excellence customer service and retail experience therefore they will help their customers to solve their problems.

Evaluation of the role of the marketing mix (4P)

Price

Most of Kiehl's products remain at a middle range of price, around HKD100 to HKD300 or above. One of Kiehl's price strategy is provide products sample when the customer purchases. Kiehl's offers massive amounts of free product sampling in shops. (Andrea, Marco S & Esther 2010)

Place

Kiehl's established online store and local stores throughout the world.

Kiehl's try to understand each customer needs and develop a unique market. For customers whose preferring online shopping can entry it website to purchases.

For the Kiehl's stores, they are using laboratory design to attract people eyes-contact.

Promotion

Kiehl's using a non-traditional marketing promo strategy. They provide free product samples and to rely on reliable word of mouth to promo themselves. Word of mouth is non-traditional marketing approach. " Today, more and more companies have begun to include word of mouth in their marketing mix." (Eda 2009)

Kiehl's also us online to do promotion, for example they would update all latest information and products on the website.

Product

Kiehl's is an american brand created since 1851. The name Kiehl's come from the owner name. This is a long history of the brand in the cosmetics industry.

Kiehl's the logo is a very simple logo. It is written in dark font with a white background which make it very easy to read and clear.

The design of the products are also simple to match with their logo. The products ingredients and how to use it directly on the bottle make customer easy to understand the benefit on using time.

Kiehl's has 5 ranges of products including face and skin care, body care, men's care, hair care and sunburn protection products.

Kiehl's tries to use natural ingredients in every product because the brand also cares about the environment and it chooses the best ingredients for people's skin.

Also all the product packaging is done with recyclable materials, it can be shown that Kiehl's cares about the environment at the same time.

Brand Identity and Positioning

Physique

Kiehl's is a natural skin care and hair care brand when they provide they will do a long time research to ensure the product quality.

Kiehl's is a very consistent brand. It retains its powerful image by implementing a unique layout and design of its stores.

Kiehl's format is the same all over the world and to reproduce the same spirit of the brand.

Kiehl's marketing activities are also consistent with the brand value. They are less advertising relying on low-cost promotional activities to gain success in the market.

Personality

Kiehl's, they obtain commitments in the protection of the environment and in the support of population, customers are willing to pay more for products.

Culture

Kiehl's is a family owned company, created 160 years ago by a pharmacist. More than 160 years, and its success, because of the quality of products there is a long history of research and innovation. Their products are made of natural ingredients, without any chemical additives.

One of their philosophy is the respect: respect of the science, of the product quality and of the customer's expectations. It's thanks to these 3 key words that Kiehl's is long-lasting. (Kiehl's Website)

Relationship

Kiehl's is a brand that is close to its consumers. Kiehl's try to service and provides to every customer, listen to the needs of consumers and to establish a long-term relationship of trust. Their slogans " Try before you buy it." because they provide a lot of samples to customers. It also shows the confidence of their own products and own brand.

Customer Reflection

Today's customers need more skin care products. Emphasis on skin care, body care and hair care products, both gentle and effective. In addition, they are better adapted to the specific effect of the product, to better meet their expectations

Self-Image

Kiehl's the logo is a very simple logo. It is written in dark font with a white background which make it very easy to read and clear. Kiehl's logo has been designed in a simple, professional and elegant way. Classic black and white

two colors, it is a sign of a very clear, clean this flag resonate with their own skin care products, simple, efficient purposes.

Kiehl's packaging is often in black and white. Allows customers focus the ingredients listed on the packaging.

Kiehl's kept the same values from its creation: natural ingredients, environmental and social concerns, scientific background. (kiehl's website)