

marketing strategy of clear shampoo in china essay



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In Chinese shampoo market, many companies are facing the same problem Homogenization. It is, therefore, significant to adopt effective marketing strategy to attract target and potential customers. As for clear shampoo, it is one of the most distinguished shampoo brands all over the world and belongs to Unilever. Before clear came to China, it has become the top brand in dandruff market in South America, Europe and Southeast Asia. Clear landed in China in 2007 in order to seize one billion yuan shampoo market. In this report, PEST analysis and SWOT analysis are used to analyze the environment of clear marketing, which is useful to find problems and solve problems. Several suggestions have also been made on how to improve its marketing strategy in the future.

The macroenvironment of clear marketing

PEST analysis Political and legal forces The political and legal environment refers to the local, state, national and global laws and regulations that affect businesses (Jacob Aabroe, 2006). In China, “Fifteen” plan proposed the development of light industry, including chemical. As for Unilever, it also encountered a golden period of its development. The abolishment of hair care products consumption tax in 2006 was an opportunity for Unilever to promote consumption and make the price more elastic.

Economic forces

A good way to measure the market potential for a product is to look at a country's economic health. Gross Domestic Product (GDP) is the most commonly used tool to measure whether a country's economy is healthy. In China, the total GDP was \$7.04 trillion in 2008 (CIA World Factbook, 2008).
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Moreover, Chinese economy is increasing rapidly within 5 years, GDP growth rate was 9.5 percent each year. There is no doubt that Chinese people's spending power has already considerably improved.

Ecological environmental forces

Unilever launched activity called "blue hills and green streams" in China in 2000. And seven years later, Unilever officially launched the left-behind children home project. Besides, Unilever is making efforts in energy conservation and emission reduction. Everything revolves around the goal "to 2015, individual customer's impact on social environment will halve". This is particularly important when people begin to pay attention to environmental problems. Therefore, it is easy to establish a corporate image.

Social or cultural forces

Clear shampoo focuses on dandruff market, highlighting a "trust" concept and planning to launch a series of "trust" theme activities. Meanwhile, it invited many famous stars to endorse its products, such as Small S, Karen Mock, C- Luo, conveying the product conception of health and no dandruff. In Chinese culture, red color stands for good luck as well as happiness and people prefer to use warm colors. However, the package of clear is cool color and monotonous, just white for women and blue for men. As a result, the design of package is not suitable enough for Chinese, which has large space for improvement.

Technological forces

Clear shampoo research center was set up in France in order to promote “the most trusted consumer brand of professional hair care” for clear. The breakthrough point is that researchers take advantage over “Vita mineral group” to reinforce anti-scurf elements which can spread more uniformly into the scalp so as to effectively eliminate and prevent scurf.

Because of technological progress, clear shampoo is divided into women’s and men’s, which can fulfill different functions and achieve the best effect. Unilever aims to break the traditional shampoos’ category, developing unique ingredient to improve the function of shampoo, such as high-tech formula “Nutrium 10”. The power of science and technology is to solve the problems from the root of the scalp and prevent dandruff regeneration.

3. The marketing mix of clear

Unilever uses differentiated marketing strategy (Gordon E. Greenley, 1989) to position clear in Chinese market. 4P theory (Jerome McCarthy, 1960) can be used to analyze the microenvironment of clear.

When clear was promoted the market, it had four kinds of differentiated marketing strategy on products. The first one was that anti-dandruff was the most significant bright spot of clear’s products. Secondly, clear Paris institute tailored for Chinese to utilize anti-dandruff shampoo. In addition, it contained vitamins and mineral nutrients that deeply nourishes scalp. The fourth one was that it was the first shampoo that subdivided into women and men.

Place

The distribution channel of clear is selective distribution, including first-order channel and second-order channel. It is easy to find clear in supermarket or large shopping malls instead of small shops, because the price of clear is relatively high. It is, therefore, expensive cost for small shops to purchase.

Promotion

Clear has gained big success in terms of promotion. The advertisement of clear was unique and successful, which attracted a large number of customers and became the household name in China. Undoubtedly, mass media has increased the exposure and power of the product. It invited famous stars to represent its products and brought the prime time of television advertising time to launch its advertisement. Besides, clear carried out the activity called “ hundred percent challenge, no longer to be bothered with dandruff” in each terminal and network (e. g., blog, we chat, micro-blog). 4. Positive and negative major issues that clear is facing

SWOT analysis should be used to analyze the situation that clear is facing, including strength, weakness, opportunity and treat. Strength and opportunity are positive ones for clear to take fully advantage of them, while weakness and treat are negative issues to avoid and solve them. Strength

Brand superiority As early as 1973, clear shampoo came out and was sold in Greek. Before clear shampoo came to China, it has already been popular and successful in Latin American and Southeast Asia, which has been hailed as the first brand of dandruff. Thanks to this brand superiority, it is easier than other new brands to land in a new market and adapt to a changing environment.

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Technological superiority

Clear shampoo has professional technical support in CLEAR Paris institute with innovative breakthrough, Nutrium 10, deeply nourishes and strengthens the scalp 3 layers deep (Clear Paris website, 2011). Besides, Nutrium 10 serves its purpose for different group of people, men and women, due to the fact that the scalp of males and females is different. All of clear's products have international proprietary technology, such as clear technology and clear silk, which have been providing professional equipment for every clear's product.

Product superiority

Clear team came up with the concept of anti-dandruff subdivision for men and women firstly and explicitly, subdividing anti-dandruff market further. Aiming to position more potential customers and fill gaps in the market, clear are promoting different kinds of products to meet market needs.

Financial superiority

As Unilever pound launched products, clear has huge promotion expenses about five hundred million Yuan, which has provided a considerably strong support for clear shampoo to enter Chinese market. Not only does it have huge advertisement fees to promote the products, but it also has enough expenses to choose distributors and marketing channels.

Weakness

Market infrastructure of a new brand is weak There is no loyal customer for a new brand and it is hard to integrate to a new environment. As a new brand, it is easy to enhance the visibility in a relatively short time but it is much more challenging to win the heart of customers and win a large number of loyal customers. To cultivate customers' loyalty need plenty of time and they will be accustomed to utilize this product. The package of clear is not suitable enough for Chinese

There is controversy for the package of clear, because the style of packaging is too simple and monotonous to attract customers in Chinese market. Unlike Europeans like cold tone, the majority of Chinese prefer to choose warm colors especially some luxurious colors. The advertising phrase of clear is arrogant to a certain degree Apply clear's ad saying: If someone has lied to you, what you should do is to dump him immediately, which is domineering and arrogant. This kind of ad may attract young customers who are aggressive and curious about new things, but it fails to play a role in the older age groups. In Chinese culture, due to the fact that people are deeply influenced by Confucius from generation to generation, it is better to be neither the best nor the worst one and to be moderate is perfect. The advertising phrase of clear is not suitable for Chinese culture, and that is the reason why it is not popular enough in Chinese market and its potential customers are narrow.

Opportunity

Huge potential demand in shampoo market Shampoo has become a kind of the largest products in personal care products and anti-dandruff shampoo

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products accounted for 60% of the shampoo market share. All of clear's products are anti-dandruff, which would be particularly professional and authoritative. There is more opportunity for clear to integrate to the changing market and attract target customers from different age.

Innovation in the realm of gender

clear has been stressing the differences between the male and female to get rid of dandruff, which was the first brand came up with this concept. It is successful and powerful because it subdivides the function of anti-dandruff shampoo to some extent. This kind of innovation is a great breakthrough to stimulate consumer curiosity to choose different gender's shampoo.

Customers' sense of brand difference has decreased

In shampoo market, brand homogeneity is quite common, even though some old popular brands are losing their customers. Many people do not care much about the brand when they choose one and the majority of customers are curious about new products and advertisements. Brand switching has become a trend that innovative brands are always popular rather than established brands in the current climate. Customers' sense of brand difference is decreasing so that it provides more chance for clear to seize the market and attract customers.

Treat

The new products are difficult to integrate into the market Traditional products have occupied shampoo market share in China, it is difficult for a new brand to compete with old ones, especially for some popular ones such

as Head& Shoulder. As a survey shows that 60% shampoo market share is P&G in China (docin website, 2010), P&G' s products (e. g., Head& Shoulder, Pantene, Rejoice and VS) have been carving up the shampoo market for a long time. As a result, it is quite difficult to replace them and attract prospect customers.

Unilever aims to utilize clear to compete with Head& Shoulder from P&G and to gap the anti-dandruff market in China. Head& Shoulder is an old shampoo product in China and has a multitude of loyal fans. There is no doubt that Head& Shoulder is a formidable opponent.