

# International marketing strategy: philips case

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



**ASSIGN  
BUSTER**

- 1: What are the key success factors (KSF's) in the male shaving market? How are they different from the female shaving market?
- 2: How can Philips increase the worldwide share of "dry shaving"?
- 3: How will you characterize and explain the cross-national advertising "rowing boat" campaign?
- 4: Who are the target groups for the:
  - a) "rowing boat" advertising campaign
  - b) "gift" advertising campaign
  - c) WilliansF1 advertising campaign
- 5: What is the difference in the cooperative relationship that Philips has with Nivea (Cool Skin) and that with WilliansF1?
- 6: Discuss the internet as a part of a multiple distribution channel strategy for Philip shavers

#### Introduction:

- Philips is a dutch diversified technology company headquartered in Amsterdam, Netherlands. The brand was founded in 1891 by Gerard Philips. Now, it is one of the largest electronics companies in the world (People: 122.000 - Countries: 60)
- Currently, the brand "Philips" is organized in three divisions:
  - Philips consumer lifestyle
  - Philips healthcare
  - Philips lighting

#### Key Datas:

- Chairman: Jeroen Van der Veer
- Revenue: About 25 billions of Euros.
- Collaboration: Nivea in 1998 (The Cool Skin)
- Sponsor: PSV Eindhoven football team
- Motto: Sense and Simplicity

#### Major Inventions of Philips:

- Audio Tape (1963)
- Compact Disc with Sony (CD - 1982)
- Senseo (Coffee machine - 2001)
- Blu-Ray Disc with Sony (2006)

1) What are the key success factors (KSF's) in the male shaving market? How are they different from the female shaving market?

Philips, the market leader in dry shaver owes its success to a mix of different elements . First of all, the research and development department offers innovations enabling the brand to market different new products all in line with consumer needs . Therefore , the consumer feels the difference and more prone to change. They speak of a rassage " more comfortable , without irritation , no nicks , no cuts" Thanks to advanced technology Philips managed to reduce boundaries between wet and dry shaving and thus seduce advantage of consumers. In addition, Philips emphasizes the saving of time and cost savings that can bring dry shaver.

Secondaly, thanks to itspartnershipswith brands such as Nivea and WilliamsF1, Philips managed to make known its products but also to associate with brands whose image brands allows it to attract many

consumers, but also to benefit from a high visibility at sporting events such as F1 races. Also, thanks to its partnership with Nivea, Philips seems to involve a brand for comfort and hydration during shaving. So we can say that thanks to two points, consumers show a high satisfaction it gives to Philips a significant advantage over its competitors. On the women's market, it is completely different because women are more receptive to the design and sensitivity of shavers. The women's market requires more advertising and promotions. Indeed, this is explained by the fact that the shaver women remains a touchy subject compare to the man market.

## 2) How can Philips increase the worldwide share of " dry shaving"?

The brand " Philips" must increase the worldwide share of " dry shaving" thanks to four points:

- The first one, Philips must concentrate the efforts on the Asia Market
- Some of countries, in Asia, have a very fast growth like China and India  
China: Increase of 67. 5 % since 2009 (Male toiletries)  
India: Increase of 63. 6 % since 2009 (Male toiletries)
- Philips, have to spend more in Asia market (The brand spend five times more in USA than in China.
- The market position in Asia is a weakness currently.
- The second point is to continue to innovate. Indeed, we can see that Philips has a real strong competitors like Braun, Panasonic, Remington. It's very important for a brand to innovate a lot. The customers must see clearly a difference between the old and the new shaver. People always want " A new

product”. We can see in the history of Philips, that the shavers improved a lot.

- Some datas:
- 1939: First Philipshaver was introduced
- 1966: Philipshaver 3 - Another generations
- 1998: Collaboration with “ Nivea”
- Philips has two options for a product innovations:
  - 1) Development of a new product (With Marketing Analysis)
  - 2) Improvement of existing products (Technical abilities)
- The third point for Philips is to target the young people: - To be their first experience
- To make them loyal to the brand
- Philips can launch a targeting advertising campaign (Distribution in front of the schools)
- The last point is to take shares from the wet shaving:
- Wet shaving world shares: 60%
- Dry shaving world shares: 40%

Focus that dry shaving avoid irritation, nicks and cuts in advertising campaign.

3: How will you characterize and explain the cross-national advertising “ rowing boat” campaign?

We can see in advertising “ Rowing Boat” campaign some important informations: - First of all, this campaign was launched for many countries

(USA - United Kingdom - Germany and Spain) - We can see that the advertising is targeting: Men - Athletic men - We can see the competition and some symbolizes related with the brand " Philips": - Three rotating blades

- The water symbolizes the skin
- Very exclusive sport - Top of the market (Philips)

4: Who are the target groups for the:

a: " Rowing boat" advertising campaign

This advertising campaign is basically for young men, we can see four rowers in the boat. We know that young men use mainly wet shaving, on this ad Philips tries to show them that dry shaving is for us too. Then, We can say that it is for people with middle or high incomes, indeed rowing sport is basically for people who have a comfortable situation. To continue, This advertising aims to affect sportsmen, active people who take care of their body.

b: " Gift" advertising campaign

This advertising aims to affect women and especially wives. There are three rings linked with the three rotary heads. In fact, this ad tries to make women realize that the equivalency of a wedding rings for a men is a dry shaver (Philips). It implies a new kind of present for men and a new way to think. It is usually launched during Christmas or Birthdays.

c: WilliansF1 advertising campaign

Finally, this advertising want to reach people who love sport, cars but not common cars, very performing and fast cars. It implies that Philips shavers have the same characteristics than F1 racing cars. There is also the use of an opinion leader in the person of the F1 Driver. This advertising will have a massive tv effect.

5: What is the difference in the cooperative relationship that Philips has with Nivea (Cool Skin) and that with WilliansF1?

The relationship between Philips and Nivea brought a new product in a new market segment. It was the opportunity for Philips to widen its product range and for Nivea to differentiate its products. Basically, the relationship's goal was to make a common product, to unite Philips and Nivea's know-how in one product to make an innovative product (strategic partner). In comparison, The relationship with WiliansF1 was different, it was sponsorship. Philips wanted to unite its image to the F1's image which means that Philips wanted to take profit of the popularity of F1 (brand endorsement), increase its awareness, strengthen its image and to show to people that the F1 characteristics (Fast & performing cars, precision, excellence) are the reflection of Philips products.

6: Discuss the internet as a part of a multiple distribution channel strategy for Philip shavers

Advantages:

- Adjusted advertisement
- Direct feedbacks from customers
- Availability of products all over the world

- Possibility to have a direct relation with customers
- Viral marketing, people will share on their walls, will like or comment Philips publication & ads - Multi channel strategy

#### Disadvantages:

- People can make negatives posts on their websites & social network pages
- Philips has to be always in the trend, its pages cannot be old fashioned and Philips has to make posts regularly

#### Conclusion

As a conclusion we can say through continuous innovation Philips managed to impose on the market shavers . Indeed, the technologies proposed by Philips is fully in line with the needs of consumers " faster and more sensitive shaving". Moreover, the choice of partners and advertising remains important because these through these that Philipse vehicle values and attracts a growing number of consumers. The adaptation of the communication strategy by country reveals that Philips puts particular emphasis on the needs of local consumers. Finally, Philips should focus on the Asian continent because some developing countries such as China and India has a fast growing enabling Philips to increase its turnover and increase its superiority over more its competitors.