

THE PERFECT DOSE CAN BE THE RIGHT CHOICE

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Case Study

Masters in Management

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Persil Perfect Dose: The perfect dose can be the right choice

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Abstract

Since founded a subsidiary in 1989 Henkel Ibérica continues to be one of the most innovative companies in the detergents industry in Portugal, being number one in a lot of country in the world. Persil, the most challenging brand of the company since 1907, has having a huge evolution since quality, sales and portfolio, being the brand number two in the detergents industry in Portugal.

In 2015 one of the innovations of this brand came to challenge the market with a new package, believing to be a revolution to the end of waste. After few months since the launch of the product, the sales started to be lower than the expectations of the company, seeing itself obligated to create a revitalization plan. Due to huge external changes and a lack of support of the company in this plan, the product was leaving its presence in the marketplace.

The process of an innovative product that turns to not be a success to the company, as the case of Persil Perfect Dose, is an interesting subject of discussion. It includes themes like the influence of the external environment, the product's positioning and marketing mix. In this sense, it may be analyzed by any marketing or strategy areas, supported by the theoretical concepts proposed in the literature review.

The proposed reflection focuses essentially on the development of a revitalization plan to Persil Perfect Dose through extensive analyses of the case.

Key-words: Marketing Plan, Laundry Care Market, Henkel, Persil Perfect Dose

JEL: M31 – Marketing

JEL: L67 – Other Consumer Nondurables: Clothing, Textiles, Shoes, and Leather Goods; Household Goods; Sports Equipment

Resumo

Desde 1989, em que foi fundada uma subsidiária em Portugal, Henkel Ibérica continua a ser uma das mais inovadoras empresas na indústria dos detergentes em Portugal, sendo a número um em vários países do mundo. Persil, a marca mais desafiadora da companhia desde 1907, tem tido uma grande evolução a nível de qualidade, vendas e de portfólio, sendo a marca número dois de detergentes em Portugal.

Em 2015, uma das inovações desta marca veio desafiar o mercado com uma nova embalagem, acreditando que seria uma revolução para o fim do desperdício. No entanto, passados alguns meses desde o lançamento do produto, o valor das vendas começou a ficar abaixo das expectativas da companhia, sendo a mesma obrigada a criar um plano de revitalização. Devido a grandes mudanças externas e a uma falta de apoio da parte da companhia neste plano de revitalização, o produto foi deixando de ter presença no mercado.

O facto do lançamento de um produto inovador no mercado que não resultou num sucesso de vendas para a companhia, como o caso do Persil Perfect Dose, é um tema interessante de discussão pois inclui temas como a influência do ambiente externo, posicionamento do produto e marketing mix. Neste sentido, este tema pode ser analisado pelas áreas de marketing ou de estratégia, sendo apoiado por conceitos teóricos propostos na revisão de literatura.

A reflexão proposta foca-se essencialmente no desenvolvimento de um plano de revitalização para o produto Persil Perfet Dose através de uma análise extensiva do caso.

Palavras-Chave: Marketing Plan, Laundry Care Market, Henkel, Persil Perfect Dose

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Case Study

The Problem

Over the years and with all the advancement of technology, the laundry detergent market has undergone several changes. Washing clothes by hand is a habit that housewives have stopped doing with the appearance of washing machines, being the first step of all the revolution of the Laundry Care Market. Therefore the first powdered detergent appeared, Persil. Thanks to constant advances in technology and innovation more segments of laundry detergent have started to appear. However, the market has been slowing down so that the competition begins to differentiate its products by the type of clothing to wash and by using different fragrances. Nevertheless, Henkel, the company that owns the Persil brand, realized that its market was also changing and with those changes Henkel saw an opportunity.

Portuguese people are becoming more active and spending less time at home, and housekeeping is not a fun task, people do not want to spend their little free time cleaning the house or washing their clothes. In this way, people look for effective products that are easy to use in order to save time and reduce waste. Therefore, Henkel saw an opportunity to continue to fight in the strongest segment of the market but also to meet these new needs. Therefore it launched the first liquid detergent with self-metering cap, Persil Perfect Dose.

In 2015 Persil Perfect Dose was launched in the Portuguese market, and as any launch made for Henkel Ibérica in Portugal, it is under a monthly control program. However, in the middle of that year, a few months after Perfect Dose launch, Ana Catarina Sanches, the Brand and Customer Manager of Laundry Care, was analyzing the evolution of Persil Perfect Dose's performance. The results weren't positive since the product wasn't matching the company's expectations. Persil, the number two in the Portuguese market, was facing the challenge of entering in a new market segment. Neither of Henkel's competitors, as Unilever, Procter&Gamble or even Reckitt Benckiser, were in this new segment, but a few months later the competition started to attack and launches products very similar. Although, after much effort and much struggle, Henkel decided to

withdraw Persil Perfect Dose from the market. But the question remains, what has gone wrong?

The Company

Founded in 1876, Henkel operates globally with a well-balanced and diversified portfolio. It holds leading positions with its three business units in both industrial and consumer businesses: Adhesives Technologies, Laundry and Home Care, and Beauty Care.

Henkel Adhesive Technologies is the global leader in its market – across all industry segments worldwide, and it is the strongest business unit representing 48% of total sales in 2016 with 8,961 million euros. In Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Globally, Laundry & Home Care represents 31% of total sales in 2016, and Beauty Care the remains 20%. The three top brands of the company, representing each business unit, are Loctite (Adhesive Technologies), Schwarzkopf (Beauty Care) and Persil (Laundry & Home Care).

Henkel employs more than 50,000 people globally, composed by passionate and highly diverse teams, united by a strong company culture, for a common purpose to create sustainable value and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings.

In 1970 Henkel Portugal – Produtos Químicos Lda. (Chemicals Products) was settled in Alverca, after the purchase of Intent company installations. Initially it produced adhesives, industrial detergents and compounds leveling. A few years later it started the production of additives for the textile and leather industries. In 1989 it was founded the Henkel Ibérica, a subsidiary of Portugal, based in Figa Cabra (Sintra) for the marketing of consumer products. Two years later Henkel acquired the National Society of Soaps, and therefore becoming the second larger detergent company in Portugal and one of the most important in the cosmetics sector. Today Henkel operates in Portugal in its three business units.

In Portugal, the Laundry & Home Care is the largest business unit owning market leaders brands. Its portfolio shifts from laundry detergents with Persil and X-Tra, as well as softeners with Vernel, to household cleaning detergents with Sonasol and Sonasol WC, along with some accessories with Ballerina, ending up in insecticides with DumDum.

Persil

In 1907, Henkel developed the first self-acting detergent, Persil. Its revolutionary formula that released oxygen during washing made strenuous rubbing of the laundry superfluous. Ever since, Persil has always set the pace of time to serve society's changing needs, combining innovation and continuity. Nowadays, it is the number two laundry detergent in the Portuguese market and its present in the three segments of the market: powder, liquids and capsules.

Society is changing, needs are changing and so the demands of consumers face to product performance as well. That's why innovation and continuity are the focus of Persil's brand strategy. The new products have to complement the range, proven products are maintained and carefully adapted to new realities with one aim: to make washing easier and create a better quality of life. The positive image of Persil was described by the Allensbach Institute of Public Opinion with the words: "Persil combines performance in washing, top quality and modernity. At the same time Persil is full of tradition and has always kept its feet firmly on the ground. This combination is not a contradiction; on the contrary it defines the unique brand image of Persil."

As success also demands consistently high quality, the products have not only been developed over time, but successful and proven products have also been watched and followed closely. All this always with the aim of making washing easier and in this way help the consumer to obtain a better quality of life.

Persil is the number two detergent in the Portuguese market, but with a high speed of share market development, being the liquid segment the main bet of the brand. In November 2016 Persil had a market share of 22,4% in the liquid segment, and only 14,5pp behind from the brand leader. However, it is the fastest growing brand in the

liquid segment with an increase of 0,6pp compared with previous year and 1,7pp with 2014 (Nielsen, 2016).

Persil Perfect Dose

After intensive analyses, Henkel saw an opportunity for its consumers. Since mostly buyers are active housewives, who also have a full time job, have been gaining a more environmental and economic consciousness, they start looking for a practical and efficient solution.

In order to respond for this new need, in 2015, Henkel Ibérica Portuguesa developed the first concentrated liquid detergent with self-metering cap, allowing people to get the proper amount of detergent for a perfect result in every wash, Persil Perfect Dose. It was the first detergent with this technology in the market.

The economic crisis in Portugal made the consumers rationalize about waste and efficient, and now they know the problems that can appear when using less or more detergent per washing. Using the less amount of detergent can produce bad results in terms of cleaning and lead to accumulation of dirt deposits on the machine, but using with too much detergent can increase the risk of waste and bad rinsed clothes. Persil Perfect Dose came to solve these problems by providing the right amount of detergent, eliminating waste and giving a perfect wash, and still belonging in the main segment. It only takes three steps: (1) open the cover, (2) turn the bottle and pour the detergent into the machine drawer, (3) and replacing the bottle in the correct position (a self-filling dosing cap immediately and is ready for next use).

Persil Perfect Dose appear in the market with a small package, only with 26 scoops, and available in three fragrances: Universal, Color and Pure Moments. The image used for these products was aligned with the rest of the Persil's portfolio, in order to facilitate the consumers to recognize the quality of the products by association with the rest of the portfolio. Also the price was align with the rest of the portfolio giving the same price for scoop. In order to give visibility, Henkel decided to promote these products with a 360° Launch Plan. This plan consists on having POS materials (from hypermarkets to small grocery stores), outdoors, television (RTP Play and TVI), and digital (SAPO feminine

websites, YouTube) presence. However, it was also decided has main tool of activation in the distribution channels to make a 50% promotion (L2P1), as Persil and its competitors were practicing.

The Laundry Care market in Portugal

Mostly of the Portuguese people (48%) take care of their clothes two or more times per week, 26% one a week and 17% daily, and 91% use a washing machine to wash their clothes, according Nielsen. In 2015, the Home Care market had around of 2% growth, having the Laundry Care as leader having a growth of 4% (160 million euros).

The category of Laundry Care is divided in three segments: powders, liquids, where we have diluted and concentrated, and dosing unit, where we can see tablets and capsules.

The innovations along this last decade as change the habits of the house wife's, they are abandoning the classic and efficient powder preferring the innovative capsules and the new liquid formulas. According with Nielsen the liquid segment represents 59,5% of the market and it is in constant development. Although, there were more changes in the market besides segments that had an influence on purchasing and used quantity.

After the economic and political crisis in Portugal, people have changed their habits of rationalization and savings on their daily basis. The shopper is reducing its presence on point of sales, and for that reason is also changing formats buying bigger packages, with more doses for a less amount of money per dose. However, the detergent for washing machines is the category that represents more sales in promotions than out of it, being the only segment generating more volume in promotions.

The market of Laundry Care is the category with a greater expression in leaflet communications with an increase in the number of insertions. In addition to this, there is an increase in the number of inserts and share of voice of liquid detergent, in detriment of detergent powder. The increasing number of insertions is notorious in most of the insignias, highlighting Pingo Doce. According with share of shelf Skip continuous to be the leader brand followed by Persil that has being reduce the distance from the leader. The other brands, Ariel, Surf, Tide, X-Tra and even private labels are losing share of shelf (Kantar, 2014).

The Card Discount continues to be the most frequent discount in this category, being the 50% discounts in card the one that has more weight in the share of promotions. The Cash Discount (€) and Percentage (%) show an increase in the number of products with these promotions. When analyzed by segment the Cash Discount (€) has a greater impact on laundry detergent in capsules and powder, while the Card Discount has a higher share of liquid detergents. Also the Lightweight X, Pay Y (LxPy) promotion presents an interesting "share" in liquid detergents (Marktest, 2014). Nowadays, is also important to refer the increasing promotions made online with direct discounts and card discounts.

In summary, there is an increase in the number of leaflet communications by laundry detergents, in particular liquid detergents. The brands that contributed most to this increase are the brands Skip and Persil. As a consequence the promotional activity, in this segment, is giving space to fabric labels to grow, and representing 70% of the market nowadays.

The Main Players

The market can be divided in two different categories: the premium brands and the money for value brands. The premium brands, as the name says, compete by quality where we have Skip, Persil, Ariel and Xau as main brands. The value for money competes by price where we have X-tra and Surf as main brands for this segment. For a total market we have Unilever with Skip and Surf, Henkel with Persil and X-tra, Procter and Gamble with Ariel and Reckitt Benkiser with Xau.

Skip, present in the Portuguese market since 1966, offers consumers a wide range of products, suitable for all types of washing needs. Considered a true love & trust brand, it is the market leader in which it operates and stands out both for its functional side and for its strong emotional component. So that consumers can focus on what is really important, this is the healthy and happy development of their children. In this way, the brand has always worked on improving its detergents and guarantees effectiveness in the removal of stains having the following slogan "É bom sujar-se!" ("It's good to get dirty!").

Persil Perfect Dose: The perfect dose can be the right choice

Ariel competes in the premium segment; however this brand believes that the fragrances are important in the consumers' lives, being its strategy. It also believes that the smells can transmit various sensations, improving the mood, invigorating the day or passing a sense of tranquility. The smells can also help to identify different things in the world, from the smell of people to the smell of food. Ariel understands how important it is that the clothes should smell nice. The fragrance of the clothes can influence the opinions that others have, therefore, being able to provide the right aroma can be important.

Xau is one of the biggest brands of Reckit Benkiser in Portugal, and one of the famous brands in the laundry detergent market competing in the value for money segment. Reckit Benkiser knows that life is changing, getting faster and it is more demanding. In this way it claims that provides solutions that help people deal with the new challenges, and also believes that it is one of the fastest growing companies in one of the fastest growing markets. Therefore, the company focuses on innovation like launching products with a different purpose as cleaning washing machines.

X-tra was launched in Portugal in 2003 and nowadays is the number one of value for money segment. For the first time, Portuguese consumers were able to wash their clothes in a "smart" way, justifying the slogan "Seja esperto lave com X-tra" (Be smart, wash with X-tra). The passion for innovation goes beyond its products in order to achieve the best result at the best price. Over time, the nature of the stains has been changing, but X-TRA has been the secret of millions of consumers not to let dirty laundry be an obstacle to their hectic lives. They also believe that using X-TRA consumers will always have the ideal solution for their needs for paying only the essentials.

Surf is a brand of laundry detergent that stands out for its young and fun personality; it is the second most known detergent in the value for money market. The brand recognizes that washing clothes is not always the most appealing task and therefore seeks to make this activity more joyful for its consumers through its colors and fragrances. Surf detergents promise to amaze and excite the senses of those who use them through its delicious scents of flowers and fruit. Surf perfumes are available in Concentrate, Dilute, Powder and Capsules.

Consumers

As a developed country, Portugal has an aging population. The consequences cannot be positive in an economic view as the increase of the burden with social benefits such as health care and retirement, and the reduction of the active population, leading to greater discounts on wages for those who work. However, it also has positive consequences, such as the increase in tourist activity, based on the elderly with greater financial capacity, and the greater availability of the elderly to support the family, especially in the education of children.

However, Portugal as a EU country has allowed a growing mobility between countries and with the Erasmus and School Exchange programs young people have been increasingly interested in mobility, and therefore a growing spirit of independence. This new spirit has led young people to leave their parents' home early and start living alone or sharing with other young people. This modern lifestyle is a very small percentage of the young Portuguese adults; with the economic and financial pressure most young adults can't afford living by themselves or even shared a house.

The idea that the place of women is behind the stove or the tank is already more than outdated and women have given proves in all sectors of work life or academic life. Most women today run both a career and a house, even with the household's tasks being divided between the couple the majority of the consumers in Portugal continuous to be the active women.

According to Nielsen the most sought after benefit for laundry Detergents is the effectiveness of removing stains from clothing (62%), but effective detergents (60%) and low prices (52%) are also sought. The fragrance is another important factor (49%), as well as being able to be used in different types of clothing (48%). Mostly of the Portuguese (94%) buy these products in supermarkets and 62% admit that the decision of the place of purchase is related to the offer of good prices or to be able to take advantage of discount vouchers. The promotions (47%), previous experience with the product (37%), the fact that it is a brand of your trust (25%) or the size of the packaging to meet your family's needs (23%) are also determinant factors.

These values are explain by the increasing an economic and environment concern that has been living in Portugal, making people look for more efficient products and took the

maximum benefit of them. For having a more active life they look for a more efficient product and for more convenient packages, like large doses and a good price-quality relation. Although, we are now living in a more positive economic environment, in way the Portuguese people are starting to leave the private labels and choose branded products.

Distribution Channels

Since the 60s that the distribution in Portugal has been facing changes, with the introduction of supermarkets, hypermarkets and more recently the discounters. This new distributors have been growing and taking advantage of the old and small grocery stores, or also calling, traditional channel.

The wholesalers are also changing their strategies. With the appearance of the modern distribution, wholesalers were losing value in its market, and in order to survive they started to sell the products also in units making possible to everyone. The response of these strategies, the modern distributors created new mini-markets chain that sells the same products taking advantage of the private labels and the proximity of its clients.

This industry is also taking advantage of all the technological advances making possible to go shopping and to not carry all the shopping bags at home, or even to shop at home. The stores allow consumers to ask for a delivery at home service, this is the customer enters the store choose the products and at the payment moment the customer leaves its shopping bags to be delivered at home by the retailer. However, there is also another alternative to shop, the online stores. Through these virtual stores is now possible to shop wherever the customer is, and available for 24hours a day, deciding where and when to receive its groceries. This new way is the new way of shopping to a lot of homes, but, most of people still prefer to make a physical than a virtual shopping when concerning to food products.

All the changes on the distribution channel market made the relationship with suppliers increasingly complicated. They frequently have divergent opinions that need to be reconciled in order to achieve the ultimate goal: the end-user satisfaction. For these divergences to be reconciled there is the process of negotiation. These conflicts are due

to the fact that both players intend to control the circuits and distribution channels, obtain the best prices, promotions and placement conditions at the points of sale. However, given the increasing integration of the supply chain, the relationships between retailers and suppliers aim to achieve a win-win solution. Therefore, the suppliers have to identify and quantify the needs of the consumers and to seek a response to satisfy them in an accessible way for them. On the other hand, the retailer should allow consumers to access the products and act as a consumer screen, that is, pass information to suppliers of consumer's feedback.

In short, this relationship is based on a close collaboration between the players and the disappearance of the confrontational relationship between partners. With the development of modern distribution and the stagnation of markets, the focus of negotiation has also changed. The focus of negotiation was on which products would be at the point of sale and with what purchasing conditions, but with the stagnation of the market the main focus has shifted to the profitability of each product by creating a new challenge for the negotiation. Now, achieving the best returns is what maintain the balance between the supply and the consumers' needs.

Suppliers

The Laundry Care industry is characterized for being integrated, this is, the main players of the industry produce its products themselves, the bottles, the detergents, and many of the competitors have an exclusive contract or holds design companies that develops the labels. In this way, the suppliers in this specific industry are the raw materials providers.

A laundry detergent composition generally comprises six groups of substances: surfactants, builders, enzymes, bleaching agents, fillers and other minor additives such as dispersing agents, fabric softening clay, dye-transfer inhibiting ingredient, and optical brighteners. Surfactants, as the main component for the production of detergents, represent about 80% of the consumption of the detergent industry, being the laundry detergent an industry very important to these suppliers.

There is another element very important to laundry detergents, the plastic. Between 1950 and 2015, consumption of plastics and rubber grew by an average of 8.5% per year. The increase of the global population and the general improvement of the living standard are the main factors of the global growth of the consumption of plastics. The effect of live improving standards can be seen in several application markets, starting with the packaging of food and first necessities, as well as the variety of packaging for storage and transport. As in all periods of price increases and economic crisis experienced in recent decades, the economic and financial crisis of 2008/2009 had a minor impact on the plastics industry and only marginally affected sustained and positive development. Since 2010, when production has increased only 3 to 5%, industry has returned to the growth trend, and more than 90% of production capacity refers to standard plastics (Reviplast, 2016).

Difficult Times

During the third launch control of Persil Perfect Dose, the marketing department notices that there was something not working has desired. Even with net sales values above the plan, for having a good profitability and being in line with distribution, Perfect Dose couldn't convince its clients. Sell out results weren't promising and were high below the expected. There were identified two main reasons for a slow evolution of the product.

The product was highly differentiated in terms of using that was fundamental an explanation in terms of strategy. Henkel made a high investment in communication of the product and the brand spending 50% of the budget in promotion. However, it wasn't sufficient to ensure the clarification of using the products to its consumers. In the other hand, the laundry care market is noticing a marked increase in promotion level, pressuring promotions above 70%, where the main tool is now 50% of discount in big formats (above 50 scoops), and the tool L2P1 is losing importance (Kantar, 2014).

There was a revitalization plan for Perfect Dose by increasing the communication in TV and digital, as the number of promotional activity in promotion and visibility in stores. Henkel also thought about launching the same product in a big format in order to active it with 50% discount, but the investment level was huge and the additional return will not compensated it. In this way, Persil Perfect Dose is now leaving the market.

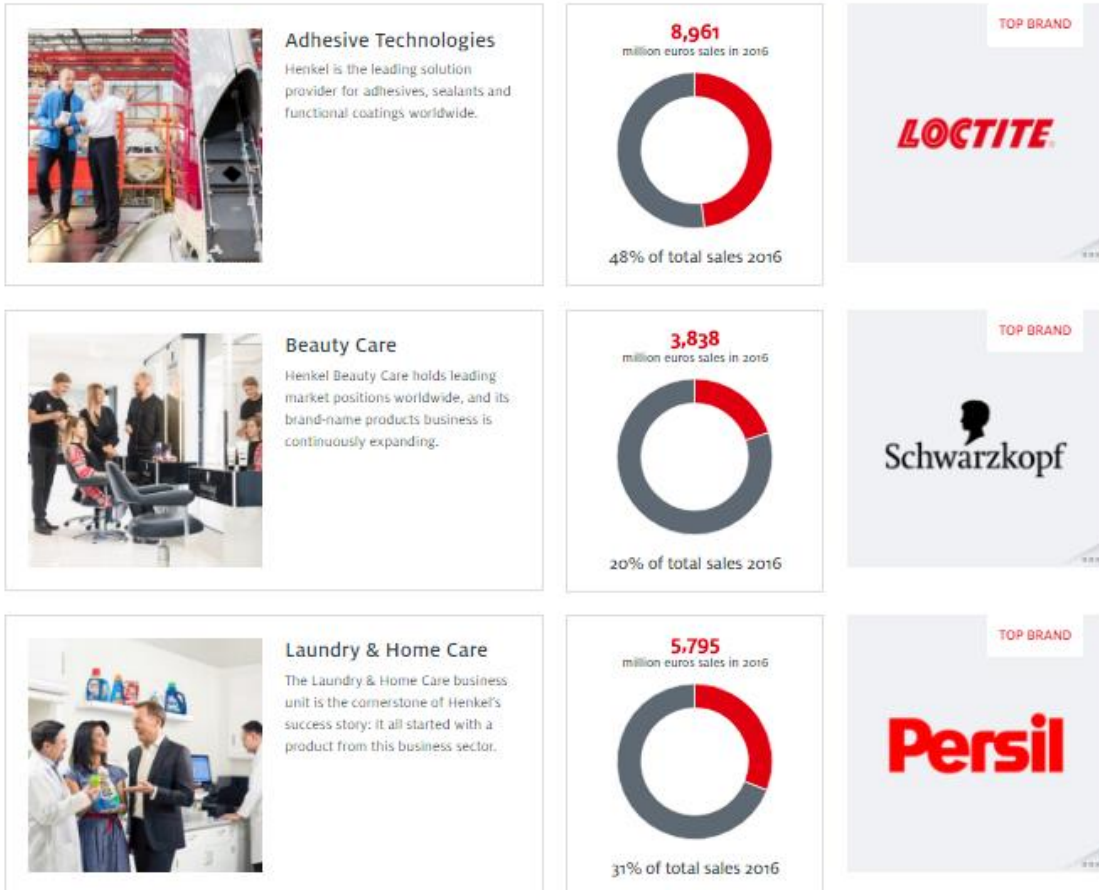
Questions

1. Analyze the external environmental of the Laundry Care industry.
2. Taking into account the question 1 analyze the business situation of Henkel.
3. What was the marketing strategy defined by Henkel to Persil Perfect Dose?
4. “Although, after much effort and much struggle, Henkel decided to withdraw Persil Perfect Dose from the market. But the question remains, what has gone wrong? “
Considering the previous analyses comment the statement above.
5. Taking into account the answer of the previous question build a new Marketing Mix for Persil Perfect Dose.

Appendix

1. Henkel's Total Sales by Business Unit and Top Brands

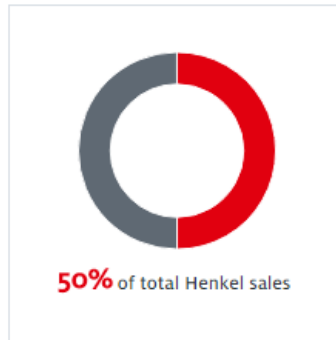
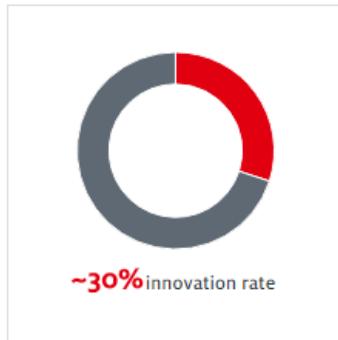
OUR BUSINESS UNITS AT A GLANCE



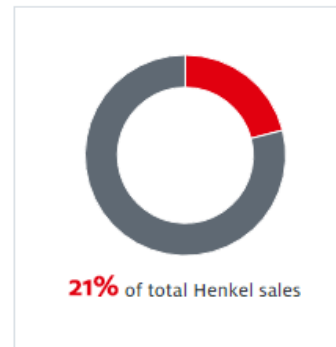
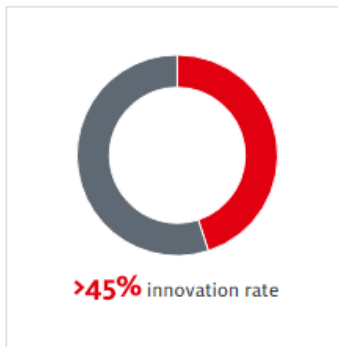
Source: Henkel

2. Henkel's Numbers by Business Unit

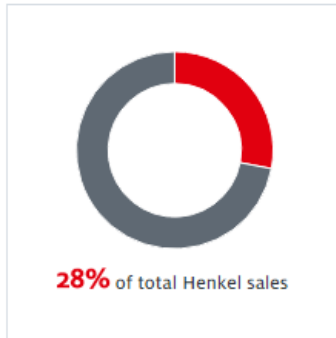
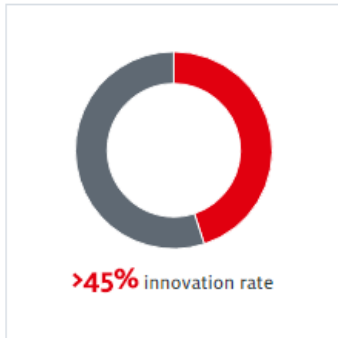
Adhesive Technologies in numbers



Beauty Care in numbers

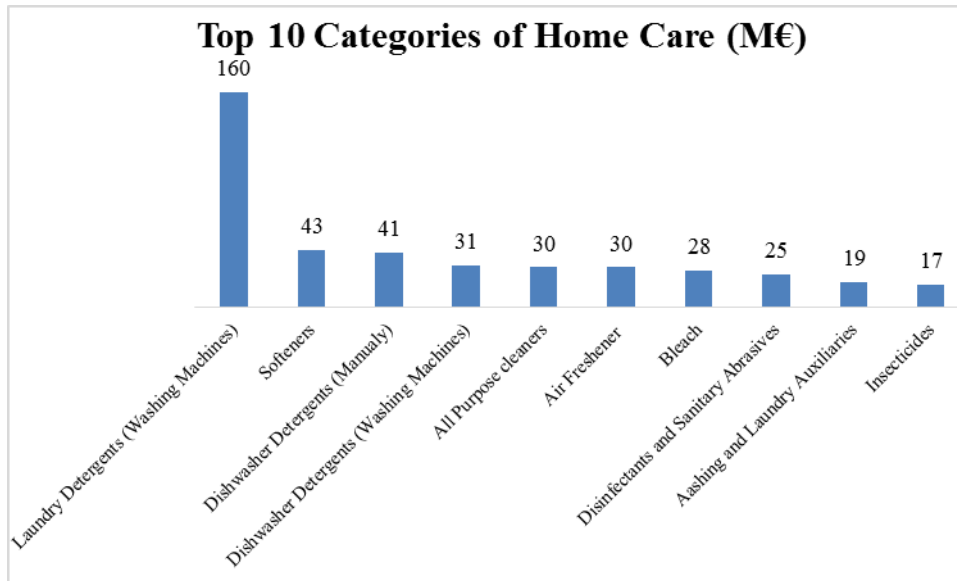


Laundry & Home Care in numbers



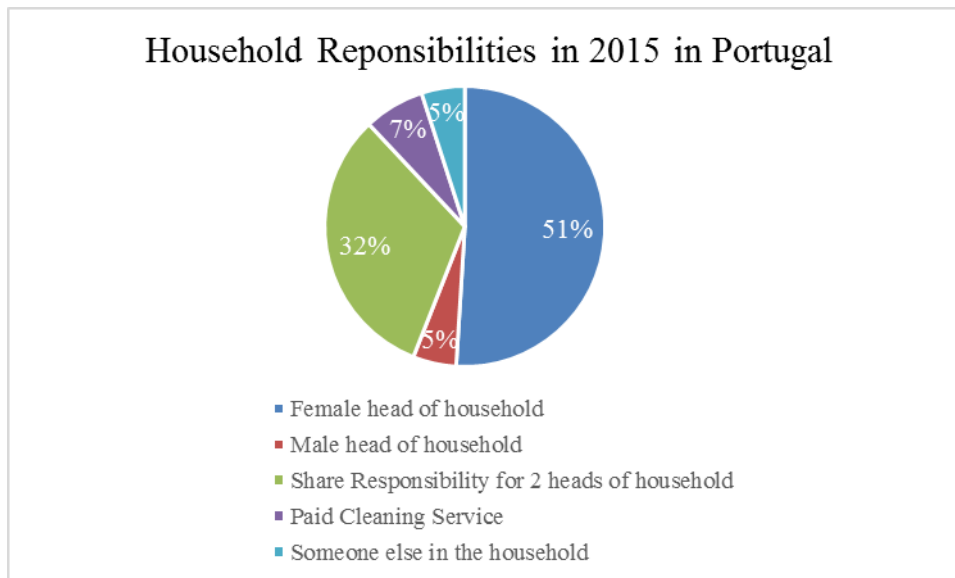
Source: Henkel

3. Top 10 Categories of Home Care



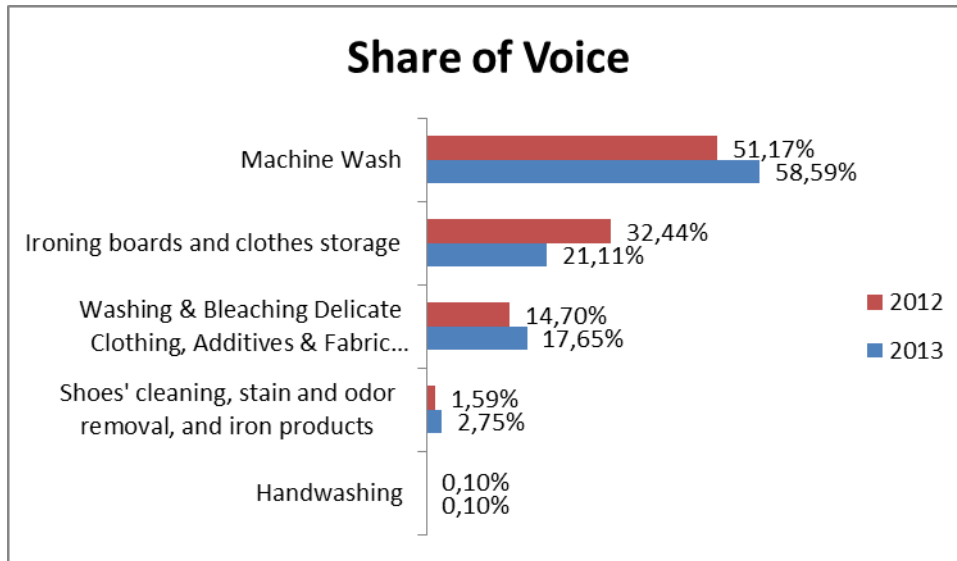
Source: Nielsen

4. Responsibilities of household in Portugal



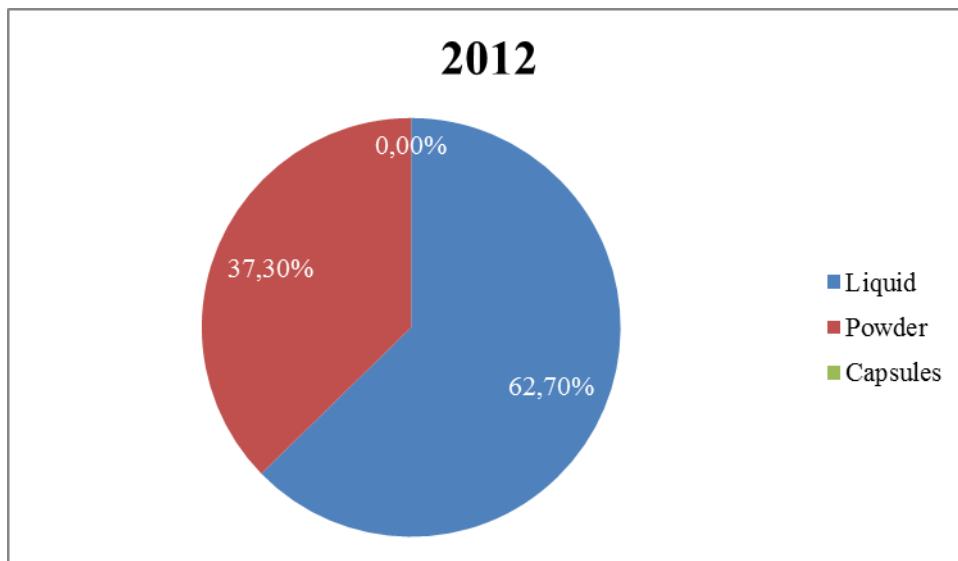
Source: Nielsen

5. Share of Voice by Category

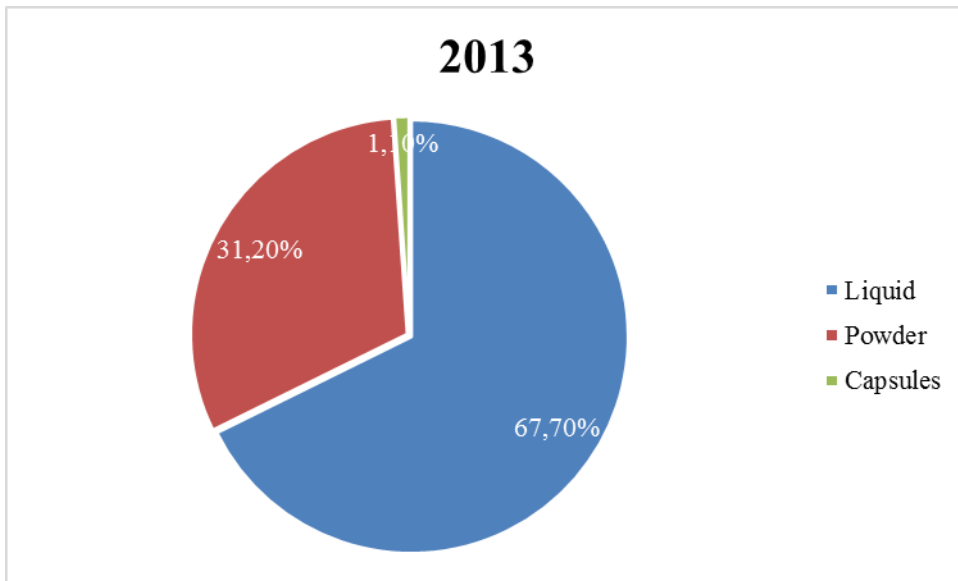


Source: Marktest

6. Share of Voice of Laundry Care by Segment

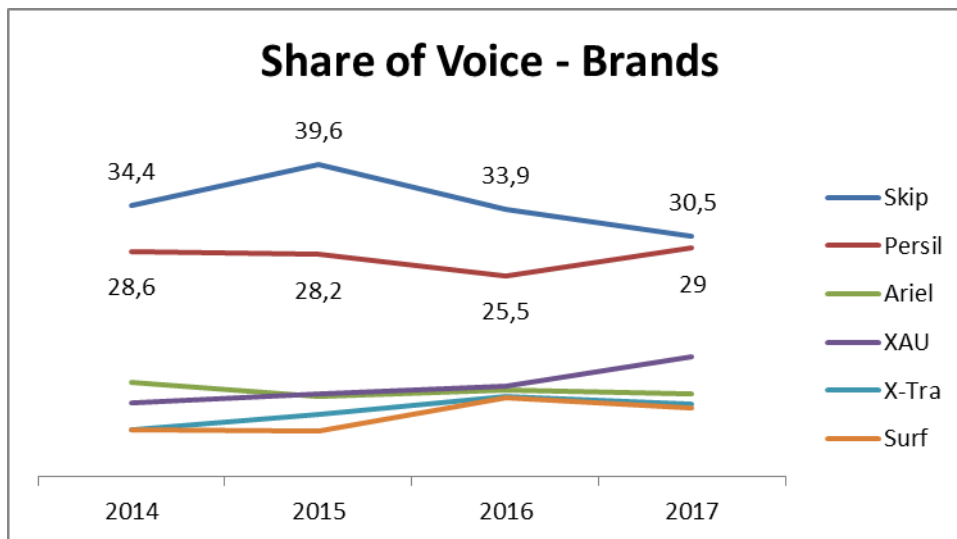


Persil Perfect Dose: The perfect dose can be the right choice



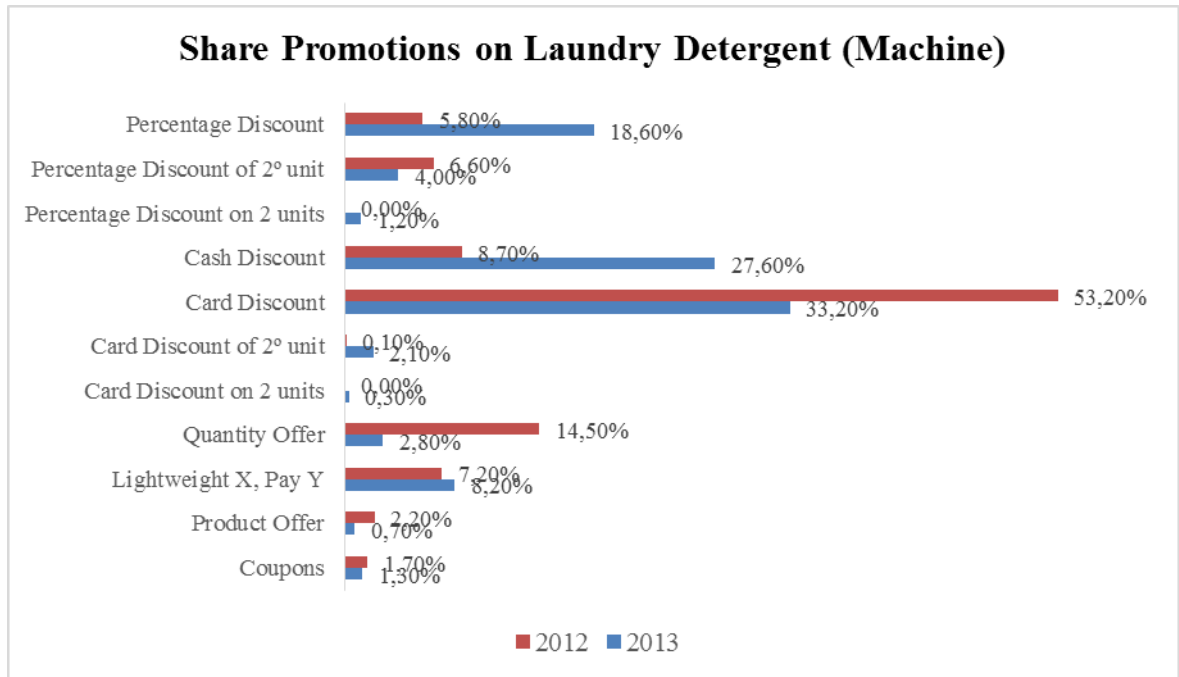
Source: Markttest

7. Share of Voice of Laundry Care by Brand



Source: Nielsen

8. Share Promotions on Laundry Detergents Category



Source: Marktest

Persil Perfect Dose: The perfect dose can be the right choice

9. Persil's portfolio

9.1. Persil Gel and prices

“The choice in liquid detergent for a brilliant cleaning. Persil Gel is a fast-dissolving detergent that deeply removes stains from the fibers and ensures thorough cleaning of your clothing.”



Source: Google Images

Persil Perfect Dose: The perfect dose can be the right choice

Scoops	Price	Price/Scoop
62	17,99 €	0,29 €
48	13,99 €	0,29 €
27	8,99 €	0,33 €
80*	20,69 €	0,26 €
52*	12,99 €	0,25 €

Source: Continente Online

9.2 Persil Perfect Dose

Persil Perfect Dose exist in just one format of 26 scoops with 0,33€ per scoop. It is available in three fragrances: Universal, Color and Pure Moments.

Persil Perfect Dose, the first detergent with self-dosing cap, which allows you to obtain the right amount of detergent for a perfect result, at each wash.



Source: Google images

10. Skip Concept

“We believe that every stain represents an important experience - mud bricks mean adventures; stains of grass denote exploitation; and stains of fruit are the result of the discoveries. Encourage your kids to get dirty with our fun activities that help create happy, healthy and self-confident children. Then we're here to deal with dirty laundry.”

10.1 Skip Gel and Prices

Skip Ultimate
Active Clean/
Active Fresh



Skip Active
Clean/ Active
Fresh/ Cores/
Aloe Vera



Skip Sabão
Natural/
Baby/Lã e
Sedas/ Black



Source: Google Images

Scoops	Price	Price/Scoop
68	19,99 €	0,29 €
60	24,99 €	0,42 €
58	17,99 €	0,31 €
46	14,99 €	0,33 €
40	16,99 €	0,42 €
28	9,99 €	0,36 €
28*	7,99 €	0,29 €

Source: Continente Online

10.2 Skip Gel Concentrated

Skip concentrated gel exists in two formats, 53 and 40 scoops, and in three fragrances: Active Spring Fresh, Sensitive and Active Clean.



Source: Google Images

Scoops	Price	Price/Scoop
53	19,99 €	0,38 €
40	16,99 €	0,42 €

Source: Continente Online

11. Ariel Gel and Prices

Ariel Gel exists in four fragrances: Alpine, Regular, Fresh Sensation and Baby, in three formats: 50, 40 and 27 scoops.



Source: Google Images

Persil Perfect Dose: The perfect dose can be the right choice

Scoops	Price	Price/Scoop
50	15,99 €	0,32 €
40	13,99 €	0,35 €
27	8,99 €	0,33 €

Source: Continente Online

12. Xau Gel and Prices



Source: Google Images

Persil Perfect Dose: The perfect dose can be the right choice

Scoops	Price	Price/Scoop
88	19,99 €	0,23 €
70	15,99 €	0,23 €
72	18,99 €	0,26 €
62	16,99 €	0,27 €
50	13,99 €	0,28 €

Source: Continente Online

13. X-Tra Gel and Prices



Source: Google Images

Scoops	Price	Price/Scoop
80	17,99 €	0,22 €
52	11,99 €	0,23 €
28	7,19 €	0,26 €

Source: Continente Online

Persil Perfect Dose: The perfect dose can be the right choice

14. Surf Gel and Prices

Surf gel exists in three fragrances: Flores Selvagens, Golden and Tropical. These products are available in three formats: 75, 45 and 40.



Source: Google Images

Scoops	Price	Price/Scoop
75	14,99 €	0,20 €
45	9,99 €	0,22 €
40	9,99 €	0,25 €

Source: Continente Online

15. Surf Concentrated

Surf concentrated are available in two fragrances: Flores Selvagens, Tropical, but exists just in one format, 40 scoops.



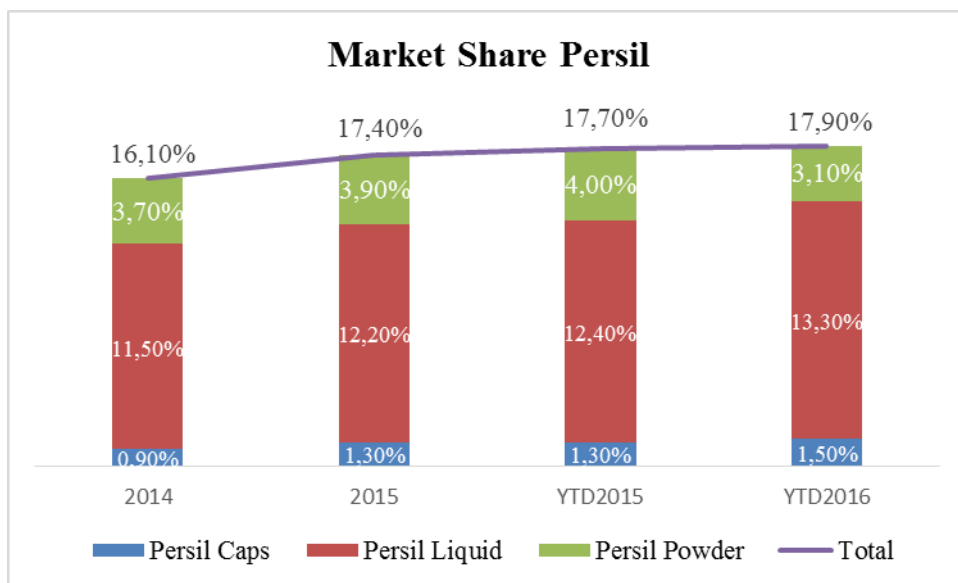
Source: Google Images

Persil Perfect Dose: The perfect dose can be the right choice

Scoops	Price	Price/Scoop
40	9,99 €	0,25 €

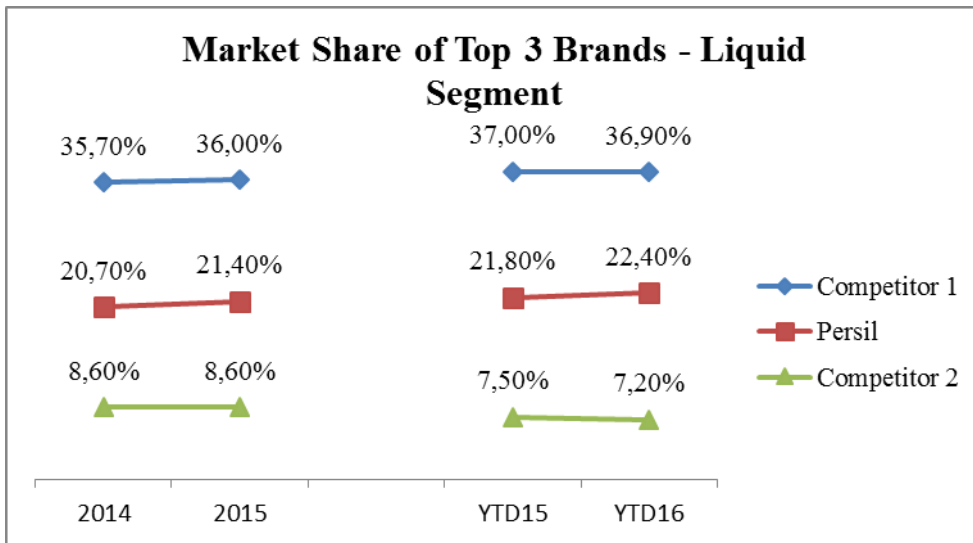
Source: Continente Online

16. Development share of Persil by Segment



Source: Nielsen

17. Market share of top 3 brands in the liquid segment



Source: Nielsen

18. Image and concept of Persil Perfect Dose



Source: Persil

Persil Perfect Dose: The perfect dose can be the right choice

19. Persil Perfect Dose 360 communication plan



Source: Persil Perfect Dose

Teaching note

1- Case Synopsis

Henkel Ibérica Portuguesa founded in 1975 in Alverca, operates in three different markets: Additives, Beauty Care and Laundry and Home Care. Henkel's most famous product is a laundry detergent that exists in the international market since 1907, Persil. It is the number one detergent in the world, however in Portugal is the number two fighting against its main rival Skip. These detergents compete in a premium market, having quality has main characteristic.

The market of detergents has been in a constant change in the last decades. Women are now working and taking care of the house, young adults are leaving the parents' house earlier, and men are having a stronger role at home. Living in an after economic crisis, consumers are now shopping in the modern channels leaving the drug stores in order to buy the same products for better prices.

However, the distribution channels are also in constant change. Nowadays, the drug stores are struggling in the market since the modern channels are becoming more competitive. With the technology advances, the modern channels are also competing with online stores. The economic crisis also changed the promotion environment, making it more aggressive and constant, reducing the manufacturer brands penetration.

Nowadays, the Laundry Care market is slowing down making difficult to competitors to be more differentiated and to compete more on differentiate on the different type of clothes or even with new fragrances.

With all the changes occurred in the market Persil saw an opportunity of launching a differentiated product, but not leaving the most relevant segment of its market. In this way, Persil Perfect Dose appeared in the market as a response of the new needs, practical, efficient and friendly environmental. However, a few months after its launching the product wasn't exceeding its expectations, and as a last resource the company decided to remove it from the market.

2- Target Audience and Learning Objectives

The present Case Study is designed to serve as teaching material for strategic and marketing areas. In this way, this project is intended to Undergraduate and Master students in Marketing, Strategic or other courses with a strategic marketing component.

The case pretends students to be able to address topics from marketing and strategy in order to develop a marketing plan and to solve a potential misunderstood step of it.

Resuming, students should be capable to address the following topics:

1. Identify the main factors of the macro environment of an industry that can affect a company' success, and analyze its attractiveness;
2. Identify the strengths and weaknesses of a company in order to respond to opportunities and convert potential threats into opportunities;
3. Know how to segment the market and to analyze each segment in order to target a high profitable segment and to develop a position of the product for the chosen target;
4. Understand and develop a Marketing-Mix of a product;
5. Be able to develop a Marketing Plan for a new product or service.

3- Literature Review

The main object of this Literature Review is to provide theoretical concepts and management frameworks, which will be applied when analyzing the Persil Perfect Dose case study.

The main question of the final project is why Persil Perfect Dose is struggling in the market, and to answer this question its necessary to identify which external and internal factors influences the entering of a product in the respective market. For that reason it will be analyzed the external environment as well as the attractiveness of an industry in order to be able to identify the external factors. The market segmentation, targeting and positioning as the product variables will also be analyzed with the intention of identify the internal influences.

External Environment

In the economic history many authors were being looking for theories and concepts in order to explain the differences of performance of the companies. This is, authors were looking for a reason to explain why some companies have success when others don't.

It is being increasingly recognized that environmental factors must be analyze when building a planning process, and if the long-term goal of making industrial development sustainable is to be achieved. In strategic planning, it can use different methods and techniques, and one of them is PEST analysis.

An examination of the important stakeholder groups in a particular company's environment is also a part of an industry analysis. Between many authors, Porter (1980) stands out with a model of industry structure analysis, which allows to measure the attractiveness of the industry. According Porter, the success of a company is in how it can adequate its strategy in the surrounding environment, since outside forces usually affect all firms in the industry.

Both analysis analyze different layers of external environmental, and for that reason it's important to make the two analysis, but first we have to understand what it is and identify the industry.

The industry concept

In this way, the first step to make for a good marketing strategic analysis is the industry definition in which the company operates, that is the group of organizations which the company has to compete with.

However, this step is not consensual since there's not a single definition for each industry. Although Porter refers that most controversial aspect of the industry definition is the definition of substitutes, asking how much substitute has to be in product itself, process or geographic market in order to be classified as one (Porter, 1985). For Porter the group of organizations that produces products or services that are directly substitutes between each other's is consider an industry.

According with Grant (2008) industry can be defined by substitute's products. On the demand side, this author considers it important to analyze the consumer's willingness to pay against the various existing substitutes. On the supply side it is important to analyze whether it is easy for suppliers to change their type of production. The same kind of approach should be made on the geographic frontier of the industry. In this way, Grant concludes that the definition of an industry depends on the purpose and context in which the analysis is done.

PEST Analysis

Concerning Macro-Environment, one of the most common frameworks to be applied in this analysis is the PEST framework. However, this framework is very criticized for being generic and hard to illustrate the true drivers of change, even with the two new taxonomic classifications added (Burt *et al.* 2006). However, the PEST or PESTEL analysis allows framing the many variables of the surrounding macro in specific contexts and therefore promotes a more objective evaluation of external factors that

impact the company's actions (Cardeal 2014). It also describes a framework of macro-environmental factors where requires a fit between them with the capabilities of the company, making necessary to the company to be able to react to changes (Gupta, 2013). Although, Johnson, Scholes and Whittington (2008) state that "it is particularly important that PESTEL is used to look at the future impact of environmental factors, which may be different from their past impact". Environmental analysis is a critical component of strategic management because it produces much of the information, which is, requires to assess the outlook for the future.

In this way, the framework is a strategic management tool used to study and analyze how Political, Economic, Social, Technological, Legal and Environmental factors affect a business or a project.

For political factors can be consider the country's next local, state, or national election and how could change the government or regional policy, know how well developed are property rights and the rule of law manage, and how widespread are corruption and organized crime. There are any pending legislation or taxation that affect the business. For economic factors is important to know how stable the current economy is and if it's growing, stagnating, or declining, the customers' levels of disposable income and the unemployment rate. It can also be important to know if the key exchange rates are stable or it they tend to vary significantly. The social factors to take into account are the population's growth rate and age profile, the generational shifts of attitude, the society's levels of health, education, and social mobility. It can also be useful know the employment patterns, job market trends, and attitudes toward work and what are the social attitudes and social taboos that could affect the company's results. For the technological factors it must be analyzed if there are any new technologies and if the competitors have easily contact with these technologies, if there are any governmental and educational institutions focus and research, and even the infrastructure changes.

Limitations of a PEST Analysis

The external factors are dynamic and they change at a very fast pace, these changes can arise in less than days, therefore making it complicated to predict why and how these factors may affect the present or future of the project. On many cases, environmental

changes that may have an adverse effect on the project cannot be obvious during their initial stages, indicating that a certain amount of uncertainty still remains even after implementing a detailed PESTEL analysis.

For PEST analysis, the usual procedure is to present a simple list of the environmental factors that can affect the project. Unless the attributing factors are critically examined in terms of the degree of impact, the findings of the analysis don't seem to be of much value. A proper PEST analysis requires a lot of information to be collected. But when handling too much information, the users tend to get confused and lose sight of what factors are more critical. This ambiguity in prioritizing the affecting factors can put the entire planning on the wrong track. The lack of easily available updated information leads to one more problem – making too many assumptions. Oftentimes, the factors mentioned in the analysis are based more on assumptions and less on actual facts. An analysis based on unfounded assumptions can lead to planning disasters. However, collecting enormous amounts of relevant data from the right sources becomes a bit of a problem, especially since most of the pertinent data must be collected from external agencies. This makes PEST analysis not only time consuming but also costly.

PEST analysis is insufficient for the purpose of strategic planning, since it scans only the external environment while completely ignoring the internal environment and the competitive scenario. Nonetheless, there sure are ways to overcome this limitation. For PEST analysis to make some worthwhile contributions towards strategic planning it must be in conjunction with other tools like SWOT analysis to get a more realistic overall picture.

PEST does offer a viable technique for carrying out an environmental scan for a project, however, its effectiveness depends on the accuracy of the data collected, timely updates to accommodate changes and the use of additional tools that can trim down the limitations of a PEST analysis to some extent.

The industry attractiveness

The elements of the micro environment interact daily with the industry and with the company, and therefore, its need to understand the industry itself. Generally people used

the Porter's Five Forces model to analyze the industry attractiveness by studying the potential threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitutes and the rivalry among existing competitors (Porter, 1980). Rapp (2001) states that Porter's Model can be classified into two dimensions: vertically, where the forces that have a competitive character of the industry; and horizontally, that have the cooperative character of the industry. This model, as its name indicates, divides an industry into five forces: potential threat of new arrivals, bargaining power of suppliers, bargaining power of buyers, threat of substitutes, and rivalry among competitors.

Profitable markets attract new entrants, which corrodes profitability. However, industries possess characteristics that protect the high profit levels of firms in the market and constrain additional rivals from entering the market. This is, there are barriers to entry. As entry barriers are possible to have high costs of equipment and facilities, lack of distribution facilities, customers loyal to established brands, small companies lack economies of scale and subsidies or regulations on favor to existing firms.

The bargaining power of suppliers depends on the number of suppliers' existent in the market and the size of them. It also depends on the ability of changing suppliers and its costs, but also the existence of substitutes in order to negotiate better prices. In this way, the bargaining power of suppliers is the result of the importance that each supplier has in the market as well as the differentiation of products.

The bargaining power of buyers resides on the percentage they have of supplier's sales, the number of alternative products or suppliers existent in the market and also the switching costs to other suppliers. There are another characteristic of the market that can influence the bargaining power of buyers and it's related to the buyers themselves and the costs of the products. The number of buyers in the market can influence the power that they have on suppliers but also the product's percentage of buyer's costs.

The likelihood of customers finding a different product for the purpose can also influence the attractiveness of the industry. The pressure of substitute products influence the prices, and as consequence the levels of profitability. The existences of substitutes lower the switching costs of buyers as well. In Porter's model the substitute products refer to product in other industry, and this threat exists when a product's demand is affected by the price of a substitute product, price elasticity.

All companies fight for leadership in their markets, raising a competition among rival companies. In this way, companies strive for competitive advantage in order to gain market share of its competitors, and it will influence the profits of the industry. The intensity of rivalry is influenced by the number of companies' existent, the market growth, the fixed costs (economies of scale), the storage costs or perishable products, the switching costs of buyers, levels of product differentiation, strategic stakes, and diversity of rivals. As in the potential threat of new entrants there is barriers to entry, also in the rivalry among competitors are barriers to exit. These barriers also have influence in the attractiveness of the industry, and they can be the specialization of actives of the company, fixed costs, and legal and social restrictions.

Limitations of Porter's Five Forces

Although, there are many authors that criticize the Porter's five forces. Grundy (2006) reported several limitations of this framework, "it tends to over-stress macro analysis", this is, the analysis is only at the industry level ignoring the analysis of more specific product-market segments at a micro level. "It also oversimplifies industry value chains", buyers may need to be segmented and differentiated between channels, intermediate buyers and end consumers. "It fails to link directly to possible management action", companies that have low influence over any of the five forces has a low power of setting or dealing something with these forces. One of the limitations of the Porter's framework is the existence, or not existence, of complementary products. "It tends to encourage the mind-set of an 'industry' as a specific entity with ongoing boundaries", this is perhaps less appropriate now where industry boundaries appear to be far more fluid. The competitive dynamics it's also be a problem in this framework, however it can be explored by analyzing the industry life cycle as an answer for the static model of Porter.

Industry Life Cycle

Porter in 1980 has introduced industry life cycle with four stages. However, Klepper (1992) concluded that what has been established for the Product Life Cycle could also be extended to most of the industries studied. Over time most industries evolve through a several stages. The strength of the forces stated by Porter varies according to the stage

of the industry. Changes in industrial structure, demand and technology for example can happen in each stage, and for that reason is important and necessary to have different strategies for the different stages, each of the phases in the industry life cycle requires an appropriate business strategy. The stages are the same for all industries, yet every industry will experience these stages differently, they will last longer for some and fast for others. Even within the same industry, a lot of firms may be at different life cycle stages. A firm's strategic plan is likely to be greatly influenced by the stage in the life cycle at which the firm finds itself.

The four distinct stages of an industry life cycle are: introduction, growth, maturity, and decline. At the introduction phase sales naturally begin slowly, and then take off rapidly during the growth phase. After leveling out at the maturity phase sales begin a gradual decline. However, profits generally continue to increase throughout the life cycle, as companies in an industry take advantage of expertise and economies of scale and scope to reduce unit costs over time, for find new uses for declining products, thus extending their life cycle.

In the introduction stage an industry is in its beginning, a new or/and unique product offering has been developed, therefore the beginning of a new industry. At the introduction stage, the company may be alone in the industry as a small entrepreneurial company or a proven one using research and development funds and expertise to develop something new. A company will use a focused strategy at this stage to stress the uniqueness of the new product or service to a small group of customers. During this stage the marketing tactics are intended to explain the product and its uses, and therefore create awareness. Since it costs money to develop, test prototypes, create a new product offering and market it, the profits are usually negative at this stage. Any profits generated are typically reinvested into the company to solidify its position and help fund continued growth. Market demand will grow from the introduction, and as the life cycle curve experiences growth at an increasing rate, the industry is said to be entering the growth stage. Companies may also cluster together in close proximity during the early stages of the industry life cycle to have access to key materials or technological expertise.

Like the introduction stage, the growth stage also requires a significant amount of capital. The goal of marketing efforts at this stage is to differentiate from other

competitors. Consequently the growth stage requires funds to launch a newly focused marketing campaign as well as funds for continued investment in fixed assets to facilitate the growth required by the market demands. However, the industry is experiencing more product standardization at this stage, which may encourage economies of scale and production efficiency. R&D funds will be needed to make changes to the product or service to better reflect customers' needs. In this stage, if the firm is successful in the market, growing demand will create sales growth. Earnings and accompanying assets will also grow and profits will be positive for the firms. These products have high growth and market share. The key issue in this stage is market rivalry, because there is industry-wide acceptance of the product, more new entrants join the industry and more intense competition results. The duration of the growth stage, as all the other stages, depends on the particular industry or product line under study. Some items may experience a very short growth stage and move almost immediately into the next stages of maturity and decline. During the growth stage, the life cycle curve is very sharp, indicating fast growth. Firms tend to spread out geographically during this stage of the life cycle and continue to disperse during the next stages.

Some competition from late entrants will be apparent, and these new entrants will try to steal market share from existing products. Therefore, the marketing effort must remain strong and must stress the unique features of the product or the firm to continue to differentiate a firm's offerings from industry competitors. Firms may compete on quality to separate their product from other lower-cost offerings, or conversely the firm may try a low-cost/low-price strategy to increase the volume of sales and make profits from inventory turnover. A firm at this stage may have excess cash to pay dividends to shareholders. But in mature industries, there are usually fewer firms, and those that survive will be larger and more dominant. While innovations continue they are not as radical as before and may be only a change in color or formulation to stress "new" or "improved" to consumers. Laundry detergents are examples of mature products.

Declines are almost inevitable in an industry. If product innovation has not kept pace with other competing products and/or service, or if new innovations or technological changes have caused the industry to become obsolete, sales suffer and the life cycle experiences a decline. In this phase, sales are decreasing at an accelerating rate. This is often accompanied by another, larger shake-out in the industry as competitors who did not leave during the maturity stage now exit the industry. Yet some firms will remain to

compete in the smaller market. Mergers and consolidations will also be the norm as firms try other strategies to continue to be competitive or grow through acquisition and/or diversification.

Internal Factors

The environment trends are essentially the same for all competitors of the industry, but some companies are able to achieve consistently better results than others. This is because some companies have better resources and/or capabilities, or apply their resources /capabilities in a better way.

Kotler and Keller (2009) believe that each business unit develops a strategic plan in order to be profitable. They also say that the strategic marketing plan lays out the target markets and the firm's value proposition, based on an analysis of the best market opportunities and the tactical marketing plan specifies the marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service.

A marketing plan is a document that summarizes important insights of the marketplace and indicates how the company plans to reach its marketing objectives. In this way it is important to know the process of a marketing plan to be able to apply the resources and capabilities in a better way in order to reach its objectives.

Regarding the objective of the marketing plan, Jeff Pollack (2006) explains that the marketing plan defines the target market, the message that the company wants to send and how it will be sent, the costs marketing and competition. The objectives of the marketing plan can be divided into objectives of the company, because the marketing plan not only works as tool of reorganization and internal structuring, as it has a concrete commercial purpose, which is based on the realization of results and creation of value for the market and for the customer.

For Ferrel and Hartline (2011) the Marketing Plan is divided in six parts: situation analysis, SWOT analysis, marketing goals and objectives, marketing strategy marketing implementation and evaluation and control. However, for Lavinsky (2013) the right marketing plan should identify the customers target in order to reach them and retain

them with the purpose of repeatedly buying from the company, and for that reason he stated 15 key sections to include in a marketing plan.

Although, Ferrell and Hartline (2011) are following the same reasoning as Kotler and Keller (2009) by going in a more product view the project will follow this marketing plan framework and divided in three parts: situation analysis, marketing strategy and volume and objectives, and implementation and control.

Situation Analysis

Many consider SWOT analysis to be one of the most effective tools in the analysis of marketing data and information. It is a simple, straightforward framework that provides direction and serves as an agent for the development of marketing plans. It fulfills this role for assessing the strategic position of a business (strengths and weaknesses) and its environment (opportunities and threats). When performed correctly, a SWOT analysis not only organizes data and information, it can be especially useful in uncovering competitive advantages that can be leveraged in the firm's marketing strategy. The most common criticisms against SWOT analysis are that it allows firms to create lists without serious consideration of the issues, and it often becomes an academic exercise of classifying data and information. It is important to remember that SWOT analysis is not integrally productive or unproductive, the way that one uses SWOT analysis will determine whether it produces benefits for the firm.

As already said the SWOT analysis is considered to be one of the most useful tools in analyzing marketing data and information that links a company's situation analysis to the development of a marketing plan. Therefore, the SWOT matrix makes possible the understanding of how the strengths and opportunities are connected in order to create capabilities that are fundamental to encounter the customers' needs. As Ferrell and Hartline (2011) state "the conclusion of the SWOT analysis, the focus of the marketing plan shifts to address the strategic focus and competitive advantages to be leveraged in the strategy. The key to developing strategic focus is to match the firm's strengths with its opportunities to create capabilities in delivering value to customers."

When conducting a SWOT analysis, what keeps in mind is that it is only one stage of the business planning process. For complex issues, it's necessary to conduct more in-depth research and analysis to make decisions. Researchers support SWOT analysis as a tool for planning purposes, and over the past decade, it's been focused on analyzing organizations for recommended strategic actions. As a methodology for strategic positioning, SWOT analysis has been extended beyond companies to countries and industries and is used in virtually every published business case positioned for business student analysis. However, SWOT analysis provides a broad spectrum of industry analysis, and for that reason the need to link SWOT analysis to other strategic tools and methodologies for further theory building is necessary (Helms and Nixon, 2010). Hill and Westbrook (1997) said that the framework is very poor to use in publications of some repute, and also suggests that there are factors that are commonly as many "Weaknesses" identified as there are "strengths".

Concluding, SWOT analysis doesn't prioritize issues, doesn't provide solutions or offer alternative decisions, can generate too many ideas but doesn't help to choose which one is best, it also produces a lot of information, but not all of it is useful, and there are factors that can be considered for more than one category. For all these reasons many authors suggest to complement SWOT analysis with other tools or methodologies.

Marketing Strategy, Volume and Objectives

Afterwards the company has performed a SWOT analysis; it's time to proceed to goal formulation, developing specific goals for the planning period. The major function of goals is to guide the development of objectives and to provide direction for resource allocation decisions. Marketing objectives should be stated in quantitative terms to permit reasonably precise measurement, and they are formal statements of the desired and expected outcomes. Most business units pursue a mix of objectives, including profitability, sales growth, market share improvement, risk containment, innovation, and reputation.

Marketing strategy outlines how the firm will achieve its marketing objectives, and for that it's necessary to select and analyze a target markets and create and maintain an

appropriate marketing program to satisfy the needs of those targets. Many said that the successful marketing can be resumed to STP strategy, segmentation, targeting and positioning. STP is a familiar strategic approach in Modern Marketing. It is one of the most commonly applied marketing models in practice. This model is useful when creating marketing communications plans since it helps marketers to prioritize propositions and then develop and deliver personalized and relevant messages to engage with different audiences. The STP Model consists in three steps that focus on an audience rather than product approach, it goes from audience options to audience selection and finally to production positioning. In this way we can identify the three steps as Market Segmentation, Market Targeting and Product Positioning. However, this approach suggests that selecting some segments to target and others to ignore, Aaker (1991) stated that positioning implies a segmentation commitment that ignores large shares of the market. Although, the segmentation commitment is necessary since the needs of different segments are often conflicted and satisfaction exclusive.

According with Best (1990), during the definition of positioning its necessary to make a Marketing Mix Strategy, this is, expand the segment positioning strategy to include all aspects of the marketing mix: product, price, promotion, place and people, what responds to the limitation proposed by Aaker (1991). Best (1990), also defends that each segment has a different marketing mix and it's essential to know and study the marketing mix in order to define each position a company wants to have in the customers' minds. Outlining that the necessary analysis in order to understand the product in cause is to analyze the marketing mix in the SPT defined. In this way, is important to understand these two analyses and how they can affect a company's performance.

STP

Market segmentation divides a market into smaller groups of buyers/consumers by its unique needs, characteristics, or behaviors that might need separate products or marketing mixes (Lamb, 2003). This is, market segmentation is the process of dividing the market into different homogenous groups, and those groups tend to react in different ways to different marketing mix variables (Elrod and Russel, 1982 and Goller and

Kalafatis, 2002). Segments should be identifiable and measurable, substantial, accessible, responsive and viable and sustainable. A segmentation strategy and target markets depends on the ability of identifying the characteristics of buyers by selecting the most relevant variables.

Under the most popular segmentation studies, there are four segmentation bases (Kotler, Armstrong, Saunders, & Wong, 2002): geographic segmentation, demographic segmentation, psychographic segmentation, and behavioral segmentation. Behavioral segmentation is related to benefits sought, product usage, occasions or situations and price sensitive variables; age, gender, income, occupation, education, family life cycle, generation, ethnicity, religion, nationality and social class variables as demographic segmentation; regional, city and/or country size and population density variables as geographic segmentation; personality, lifestyle and motives variables as psychographic segmentation. However, according with Chisnall (1985) the type of product, the nature of demand, the method of distribution, the media available for market segmentation and the customers' motivation will define the segmentation base to be chose.

Once market segmentation is completed the firm must evaluate each segment to determine its attractiveness: strong sales and growth potential, inexpensive to reach with marketing efforts, currently being served by few or weak competitors and that have needs and desires that match with the company's capabilities and resources. Based on previous analysis the company might consider five strategies for target marketing selection: Single Segment Targeting, Selective Targeting, Mass Market Targeting, Product Specialization and Market Specialization.

Single segment targeting consists on focusing on just one segment. Although this type of target is a high-risk strategy, a company is vulnerable to unexpected changes in taste or preference of its buyers, or the entry of a larger competitor. Left to itself, an organization which opts to concentrate on a single segment can develop a strong market position, a specialist reputation and above average returns for the industry as a whole. Selective targeting, as an alternative to concentrating on just one segment, the company may decide to spread the risk by covering several market segments. These segments' needs cannot necessarily be related, although the strategies should be compatible with the organization's objectives and resources. Product specialization consists on a company to focus on marketing a particular product type to a variety of target markets.

Market specialization is when the organization concentrates on satisfying the range of needs of a particular target group. Mass market targeting is by far the most costly of the five patterns of market coverage; a strategy of full market coverage involves serving all customer groups with the full range of products needed.

A positioning strategy is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market. The goal is to locate the brand in the minds of consumers to maximize the potential benefit to the company. A good brand positioning helps guide marketing strategy by clarifying the brand's essence, identifying the goals it helps the consumer achieve, and showing how it does so in a unique way. A market positioning strategy is built on business data and seeks to compose the precise chain of words to balance concepts of differentiation, distinction, and similarity in a unified brand-narrative. It is a long-term effort to solidify the identity of a company. This is, market positioning allows the customer to differentiate a product from its competitors by creating "value proposition" in the consumers' minds. Positioning helps in attracting new customers and to retain existing customers as it portrays that the organization has understood what the customer wants.

In order to define the distinctive attributes that support the company's positioning, it must take into account three main factors: the consumer expectations to the category of product under analysis; the positioning of competing products present in the market; and the potential assets of the product itself against its competition (Lindon et al, 2004). These factors are known as triangle of gold, which answers three questions on the effectiveness of the positioning: does the proposal meet consumer expectations?; The positioning is consistent with the strengths of the product ?; Can we differentiate ourselves of competition?.

When defined the three dimensions of the positioning triangle, it's possible to rely on the study of the positioning of the competitors' offers, as a way to decide the ideal positioning. To this end, it is necessary, to identify two attributes which customers value more, and to select a set of brands competitors. In this way, a perceptual map is drawn, in which the existing brands are located according to the expectations of the customers.

According to Ghose (1994) perceptual maps are a type of visual representation usually used to describe complex competitive relations between products. For Kohli and Leuthesser (1993), there are two goals when constructing perceptual maps. The first one

is to determine where the target brand is positioned compared to the competition, and the second is to help to identify the product attributes that are determinant. The attributes are those that are important for customers that also display differences between brands.

Marketing Mix

Marketing Mix or 4Ps, as often referred, as a mean of converting the marketing plan into practice (Bennett, 1997). Marketing Mix is used by a particular company with specific resources, market conditions and continuous change of customers' needs. The decisions made on one element of the marketing mix as impact on the others elements (Low and Kok, 1997), what makes the number of possible strategies of the marketing mix infinite (McCarthy, 1960). It is important to mention that the importance of the elements will vary in time. Marketing Mix, as referred before, is composed in four variables: product, promotion, place and price.

Product mix is all the tangible and intangible attributes of something that satisfy the customers' needs when buying or use it. Different clients in different segments value differently the attributes of each product. In this way product mix is about all the product's attributes, branding, packaging, labeling and even product support activities that have different value for each customer.

Promotion mix, as the word say is all the promotions made to the product, like Kotler and Keller (2012) state "the promotion mix is the specific blend of advertising, sales promotion, public relations, personal selling, and direct marketing tools that the company uses to persuasively communicate customer value and build customer relationships".

Place, or distribution, is the process of the product since it leaves the manufacturer into the consumer. There are many levels in this process; it can be direct from the manufacturer to the consumer or being indirect for having intermediaries during the process.

The price is the value that consumers are able to offer in order to get or use the product. Price is a variable of the marketing mix that contributes to the image of the product, but

also to be profitable to the company. It is important to remember that the price will determine the importance of the segment wanted to acquire, but also the competition's reaction, being imitate or exceeded in any moment.

As services are usually produced and consumed simultaneously, customers are often present in the company's production unit, interacting directly with the company's staff and effectively constituting part of the service production process. These facts have led practitioners to conclude that they can use additional variables to communicate with their customers and to satisfy them. Therefore, in addition to the traditional 4 Ps, the marketing services compound includes People, Physical Evidence and Processes.

People are the ones who interact directly with the clients. It is important to notice that the characteristics of the people who directly contacts with the clients are also responsible for transmitting the image of the company.

The physical evidence of a company includes elements that compose the establishment, as the design, equipment used to serve the client directly or to manage the company, layout, quality, signage, landscaping, air conditioner and also the surrounding environment. Because of the intangibility of services, it is difficult for customers to objectively assess their quality, especially during the negotiation period, when customers are often still forming their views on the company. Therefore, they often rely on the tangible evidence surrounding the service to help them make assessments.

In low contact services, the customer is not directly involved in the production process, so the product is defined by fewer attributes. It is important that the customer feel close to the company. To do this, it must describe the entire flow of activities of the service, the client's follow-up in his first contacts, the involvement of the same throughout the service elaboration process, and finalize reporting how the after-sales relationship and / or execution of the service is done.

Implementation and Control

The implementation section of the marketing plan describes how the marketing program will be executed. Without a good plan for implementation, the success of the marketing strategy is seriously jeopardized. For this reason, the implementation phase is just as

important as the marketing strategy phase, it centers on gaining the support of employees, since employees implement marketing strategies. As a result, issues such as leadership, employee motivation, communication, and employee training are critical to implementation success, in this way the key element for implementation is coordination.

Marketing control involves establishing performance standards, evaluate actual performance by comparing it with the chosen standards, and taking corrective action if necessary to reduce discrepancies between desired and actual performance.

Performance standards should be tied back to the objectives stated earlier. These standards can be based on increases in sales volume, market share, or profitability; or even advertising standards such as brand awareness. The financial assessment of the marketing plan is also an important component of evaluation and control. The estimates of costs, sales, and revenues determine financial projections. The financial realities of the firm must be monitored at all times. The company can use a number of tools to identify potential causes for the discrepancies, one of them is the marketing audit, a systematic examination of the company's marketing objectives, strategy, and performance. The control phase of the planning process also outlines the actions that can be taken to reduce the differences between planned and actual performance.

4- Analytic Tools

The analysis of the case should have into account the quantitative and qualitative strands, in order to have a decent framework, and through a meticulous reading and analysis of all information, to provide the capability of the problem solving gave to the audience target.

For the quantitative strand it should have into account the following information:

- The sales evolution of the global detergent market of Laundry & Home Care and its growth;
- Weight of the segments of the laundry detergent Portuguese market;
- Market share of the laundry detergent's brands in the Portuguese market;
- Percentage of usage of laundry detergents in Portugal;
- Prices and distribution of the principal brands in Portugal;
- Penetration percentage of each category.

For the qualitative strand the information to take in account should be:

- Characterization of the external environment of the Laundry Care industry;
- Characterization of Henkel's brand Persil and its competitors;
- Characterization of the possible consumers followed by target, position and portfolio analysis;
- A qualitative study of the proposed literature review;
- A qualitative study of the situational analysis and the marketing strategy.

5- Animation Plan and Questions

Session	Objectives	Means	Time (minutes)
1° Session	<ul style="list-style-type: none"> - Case Presenting - Catch the students eyes for the themes presenting - External Analysis introduction - The beginning of the marketing plan - situation analysis 	<ul style="list-style-type: none"> - Distribution of the case to the students - A little introduction of the case - PEST/PESTEL - 5 Forces of Porter - SWOT 	90'
Out of session	<ul style="list-style-type: none"> - Read the case - Answer the first two questions of the case 	<ul style="list-style-type: none"> - Reading the Case individually - Analyze the external environment - SWOT elaboration 	60'
2° Session	<ul style="list-style-type: none"> - Comprehension of the case and the external environment - Marketing plan 	<ul style="list-style-type: none"> - A small discussion of the case and the first two questions - Explanation of SPT model - Explanation of Marketing-Mix 	90'
Out of session	<ul style="list-style-type: none"> - Create work groups - Solve the last questions 	<ul style="list-style-type: none"> - Analyze all the information given by the case and class discussion - Solve the questions and create a presentation with it 	240'
3° Session	<ul style="list-style-type: none"> - Presentation of each group - Doubts clarification and conclusion 	<ul style="list-style-type: none"> - 15min presentation through slides - Last considerations of the teacher 	90'

Questions

1. What is the importance of studying the external environment?
2. In your opinion what are the opportunities and threats in the Laundry Care market?
3. In your opinion what are the weaknesses and strengths of Persil?

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4. How can Persil/Henkel do to convert the weaknesses into strengths?
5. What is the importance of Marketing Strategy?
6. If you could do any modifications in the case, statement and questions, what would you add or removed?

6- Analysis

1. Analyze the external environmental of the Laundry Care industry.

The year 2015 was a very difficult year for Portugal. The economic crisis has made the political environment greatly degraded. The strikes and manifestations were constant, as people were living in a climate of discontent. Nevertheless, in 2017, with the new government and with the new and very active president of the republic, the political stability has been increasing. The level of corruption has decreasing since the fact that people of great importance for the country are being caught in hidden corruptions. The control over trade has been growing through associations such as ASAE and the Competition Authority. However the regulation of this last one is practically non-existent in Portugal, living under Brussels' laws. At last, the brands, patents and intellectual property are well protected and almost impossible to consult making impossible to small companies to innovate.

As a developed country, Portugal has high average life expectancy and an aging population. The consequences cannot be positive in an economic view as the increase of the burden with social benefits such as health care and retirement, and the reduction of the active population, leading to greater discounts on wages for those who work. However, it also has positive consequences, such as the increase in tourist activity, based on the elderly with greater financial capacity. It also enables bigger support to their families, since the familiar dependency is increasing due to the degradation of the average disposable income. The income differences between those who earn more and those who earn less have been increasing. As was said earlier in 2015, there was an economic crisis, which made the unemployment rate rising, but with the new government, the crisis has been fading, the growth rate has gone from 1.2% to 2.5%, but the unemployment rate remains very high. The tax burden of families continues to be high, making the Portuguese continue to make purchases through coupons and promotional actions.

Portugal as an EU country has allowed a growing mobility between countries and with the Erasmus and School Exchange programs young people have been increasingly interested in mobility, and therefore a growing spirit of independence. This new spirit has led young people to leave their parents' home early and start living alone or sharing with other young people. However, this is not the only consequence of a free mobility

between countries. The emigration has been increasing; the demand for better working conditions outside their country has been a growing choice for young adults.

Over the years, in Portugal has been increasing an economic and environment concern, making the Portuguese look for more efficient products and took the maximum benefit of them. Nowadays, in Portugal are expenditures in the R&D area making possible to companies to innovate and to meet these new concerns. However, the problem is to be able to bring the innovation founded to practice. There is also a program named Portugal 2020 that is concern about the technological incentives, but the success rate of applications is very low.

These phenomena are certainly important for the laundry detergent market; however it is also important to make an analysis closer to their reality and as such will be made an analysis to its market in more detail. The Laundry Care industry is in the maturity phase for a long time making the marketing effort really strong. Companies may compete on quality to separate their product from other lower-cost offerings, or conversely the company may try a low-cost/low-price strategy to increase the volume of sales and make profits from inventory turnover. In this stage there are fewer companies, and those that survive will be larger and more dominant. While innovations continue they are not as radical as before and may be only a change in color or fragrances. For a better understanding of the industry it will be analyzed the 5 Forces of Porter in this industry.

Potential threats of new competitors – low since it's a mature industry and the entry barriers are very high (the economies of scale, the necessary capital, the difficulty of access in the distribution channels and the high probability of retaliation of the existing companies). However the changing costs and the product differentiation are low since the washing machines are all the same and prepared to use any kind of detergent.

The bargaining power of Suppliers – The Laundry Care industry is characterized for being integrated, this is, the main players of the industry produce its products themselves, and many of the competitors have an exclusive contract or holds design companies that develops the labels. In this way, the suppliers in this specific industry are the raw materials providers. The raw materials providers have a low impact in negotiations with laundry and home care markets since 80 a 90% of its production capacity is to detergents industry. Therefore the suppliers have a low bargaining power.

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The bargaining power of Buyers – The final consumer values a detergent for all its cleaning process, it must do all the process without ruin any characteristics of the clothes, and the softness and the senses are being more valuable. However, the product differentiation is very low, since the washing machines are all the same and prepared to use any kind of detergent. What makes companies to differentiate through the type of clothes (colors, clothes for babies or the ones that needs to be more hygienic) and fragrances. With a low differentiation the changing costs are null, since the consumer during its purchasing process choose another detergent. Therefore, for the final consumer the bargaining power of buyers are high, but the Laundry Care companies works on B2B business making the distribution channel the direct clients. The high concentration of the distribution channels makes the few existent channels very demanding to suppliers. Since the products are low differentiated the only way to compete is through price and cardex (list of products available). In this way, companies have to negotiate a good price and products to put on each channel making the bargaining power of direct buyers also high.

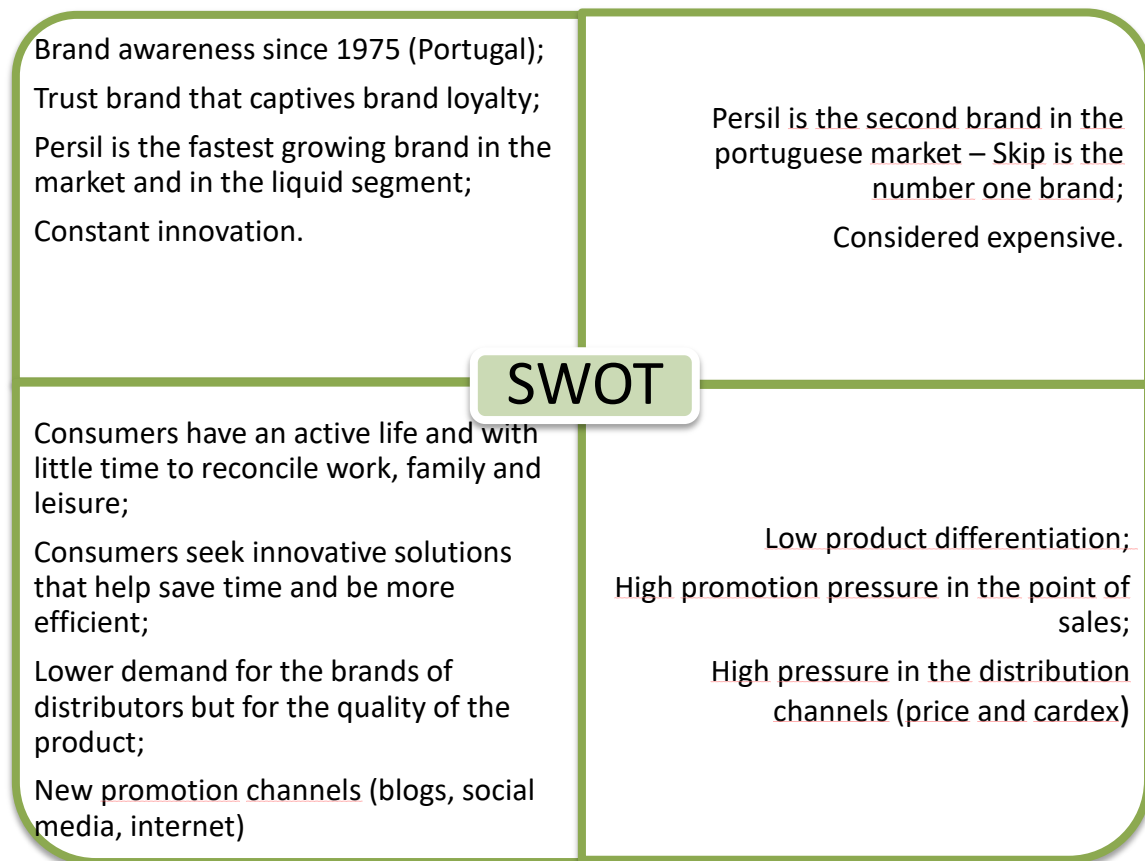
The threat of substitutes – This threat is very low since “91% use a washing machine to wash their clothes”. As substitutes there are the Light Duty Detergents, considered as the detergents for delicate clothes, detergents for hand washing and also the detergents in format of small balls. As the substitutes market only represents 1% of the Portuguese homes, in this analysis is more useful and interesting to analyze the substitutability in the same segment, detergents for washing machines.

Rivalry among competitors – The main competitors are Unilever, which owns Skip and Surf brands, Henkel holding Persil and X-Tra, Procter & Gamble (P&G) holding Ariel, and Reckitt Benckiser (RB), holder of Xau. If we apply the BCG's three-quarters rule, it is concluded that the laundry care market is not a stable industry as there are more than 3 competitors operating in the industry and if the leader has a market share of more than four times the market share of the competitor with the lowest market share. Therefore, it can be concluded that this is not an industry that is very intense in terms of number of competitors but it is clearly led by Unilever. In this market, the main competitors are present in the two dominant market positions - Premium brands and Value for Money brands. The only exception is the RB that only holds Xau which has a value for money positioning. As this industry is quite mature, in which the growth rate presents tendency to stagnate or even be negative with a product almost undifferentiated only possible to

differentiate by the positioning of each brand. It is a high level of competition is expected given that for a competitor able to grow in market share, there is another that has to lose marketplace. Consumption, which automatically also decreases the importance of fixed costs to consider an exit from the industry. Since most of the companies in this industry are subsidiaries in Portugal of multinational corporations, some cross-strait strategic interests can be created. For example, Henkel, in order to enter the Portuguese market, had to acquire a Portuguese brand - Sonasol to the Sociedade Nacional de Sabões (National Soap Company), in order to subsequently be able to export its other brands to the national market. On the other hand, emotional factors are non-existent. This industry is governed by the general legal and social restrictions of the country, and there is no specific legislation that makes it difficult for a company to leave the industry. The main factor leading to the existence of competitive rivalry is the lack of product differentiation, which is associated with a mature industry controlled by only four companies, where the bargaining power of the customers is higher than the industry, leads companies to industry. As a factor that diminishes the intensity of the rivalry is the low restrictions implemented in the county, associated with the reduced exit barriers and lack of emotional barriers, because the industry is controlled by multinationals.

2. Taking into account the question 1 analyze the business situation of Henkel.

Considering the previous question is possible to detect the opportunities and threats in the market, and in order to answer to the threats and opportunities is important to identify the strengths in order to power up and weaknesses to eliminate or diminishing them. In this way, the SWOT analysis is the most adequate analysis to understand the business situation of Henkel.



Summarizing Henkel should match its strengths with the opportunities of the market and convert weaknesses and threats into strengths and opportunities. In this way, Henkel should develop the new product under Persil's brand and able to save time to its consumers. In order to lower the perception of being an expensive brand, Henkel should bet in the new ways of promotion to run of the pressure of the distribution channels and point of sales and communicate its high quality in order to reach a perception of quality price ratio of equilibrium.

3. What was the marketing strategy defined by Henkel to Persil Perfect Dose?

To segment the markets Henkel had to divide the market into different homogenous groups founded in four bases: geographically, demographically, psychographic and behavioral.

For geographic segmentation is clear that is divided for country level and in this case it will be analyzed for Portugal. According with the demographic segmentation is possible to segment by gender (female and male), age (18-24; 25-45; +45). According with

psychographic segmentation the main variables to analyze in this case are lifestyle (young adults who study and live alone; active women and men) and motives (effectiveness of removing stains from clothing). From behavioral segmentation it will be analyzed the price sensitive, benefits (fragrance and able to be used in different types of clothing), and product usage.

Along with the bases defined the segments will be focus in country level, by people who buy and use laundry detergents that can be women or men adults. In this way is it possible to segment in main three segments: Young people who started to live alone, Men who share household tasks, and Active Women.

- Young people who started to live alone

“Portugal has a EU country has allowed a growing mobility between countries and with the Erasmus and School Exchange programs young people have been increasingly interested in mobility, and therefore a growing spirit of independence. This new spirit has led young people to leave their parents' home early and start living alone or sharing with other young people.”

People between 18-24 years old who started to live alone in order to complement their studies and experiences. For living alone don't use detergent much often and the main decision when buying detergents is based on price and other benefits are irrelevant, for having a low income.

- Men who share household tasks

According to Nielsen, in 2015, 32% of men were already sharing household responsibilities. These men are adults with more than 25 years old, who work and have a family at home being the use of detergents constant. These families have an average or high incomes, being the decision making when buying is based on quality having benefits in mind, like fragrance.

- Active Women

“The idea that the place of women is behind the stove or the tank is already more than outdated and women have given proves in all sectors of work life or academic life. Most women today run both a career and a house, even with the household's tasks being

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divided between the couple the majority of the consumers in Portugal continuous to be the middle age women.“

Active young housewives between 25-45 years old, who have to balance work and household responsibilities, with a significant income and consider quality as main characteristic of the product and also give importance to benefits (fragrance and able to be used in different types of clothing). This segment spends a lot of time doing domestic tasks for making these women responsible for these tasks, being the usage of laundry detergents very high. This segment also have a characteristic of being highly receptive to trying new products in order to spend less time on domestic tasks.

Henkel is in the laundry detergents market with two distinctive brands in order to pursue all the segments, mass market. However, we will focus on the brand Persil and in this case be more specific and analyze the segments for Persil Perfect Dose.

The target of this product are active young women who are consumers of liquid detergents and who, at the level of the washing attitude, value high washing results, but do not want to spend much time on domestic tasks. They are also highly receptive to trying new products, like Persil Perfect Dose. When analyzing the segments in terms of weight percentage in the Portuguese population that lead to a greater target in terms of number of people is the young active women, since the percentage of men buyers are still low. This segment is also the greater target in terms of usage. In this way, this segment is the most profitable and it also fits with the brand's requisitions, like quality and benefits.

For deciding to target a single segment Persil is taking a high-risk strategy, since it will be vulnerable to unexpected changes in taste or preference of its buyers, or the entry of a larger competitor. However, Persil will develop a strong market position, a specialist reputation and above average returns for the industry as a whole.

In order to define the better positioning of a company it will be needed to build a triangle of gold, which answers three questions on the effectiveness of the positioning: *does the proposal meet consumer expectations?; The positioning is consistent with the strengths of the product ?; Can we differentiate ourselves of competition?.*

Consumer expectations: effectiveness of removing stains from clothing, effective detergent (no wastes) and low prices

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Competitors positioning:

Skip competes in the premium segment and offers a wide range of products, suitable for all types of washing needs. Considered a true love & trust brand. Skip has always worked on improving its detergents and guarantees effectiveness in the removal of stains having the following slogan "É bom sujar-se!" (It's good to get dirty!").

Ariel competes in the premium segment; however this brand believes that the fragrances are important in our lives, being its strategy.

Xau competes in the value for money segment and it focuses on innovation on launching products with a different purpose as cleaning washing machines.

X-tra is the number one of value for money segment. The passion for innovation goes beyond its products in order to achieve the best result at the best price. X-TRA has been the secret of millions of consumers not to let dirty laundry be an obstacle to their hectic lives. They also believe that using X-TRA consumers will always have the ideal solution for their needs for paying only the essentials.

Surf is a brand of laundry detergent that stands out for its young and fun personality; it is the second most known detergent in the value for money market. Surf detergents promise to amaze and excite the senses of those who use them through its delicious scents of flowers and fruit.

The strengths of the product: Formulation of a product with characteristics that meets consumers' expectations.

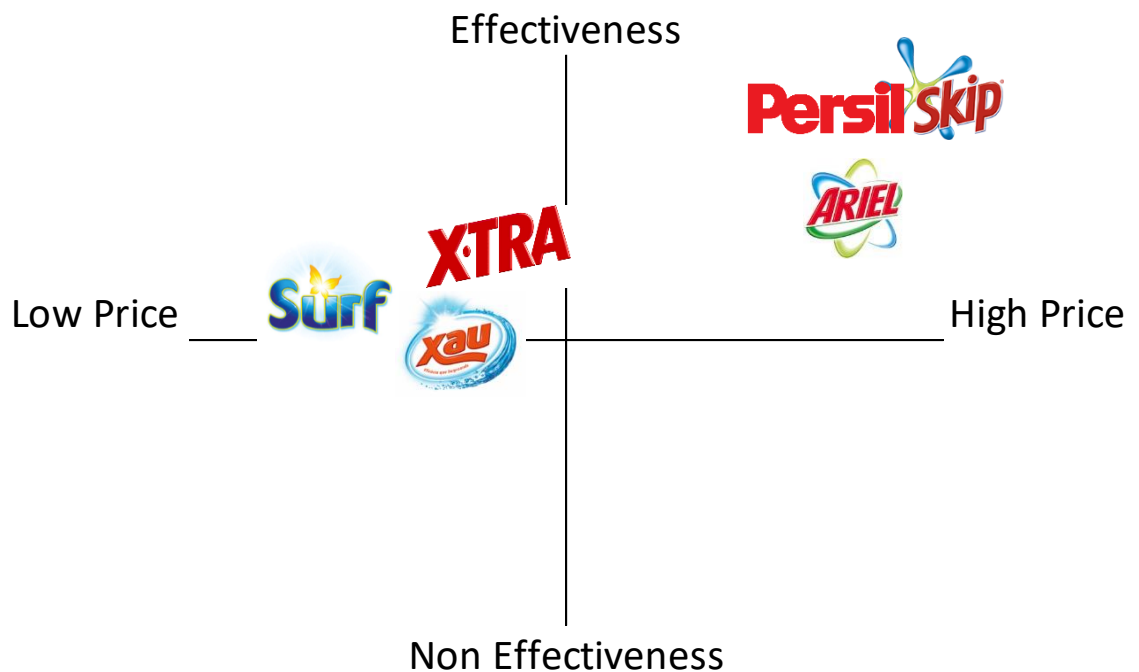
Differentiation: With the fact that the nature of the product does not allow a large difference from the other brands, the differentiation must be made through the Persil. In this way, Persil is brand with high brand awareness for its quality that transmits trust for its consumers, the association from the new product with this brand will be a way to differentiate in the market. However, Persil Perfect Dose can differentiate by its self-filling dosing cap.

Value proposition: effective detergent that promises no waste with high quality in removing stains, with benefits like fragrances.

Slogan: "A dose perfeita, sem complicações" (The perfect dose, without complications)

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When defined the three dimensions of the positioning triangle, it's possible to rely on the study of the positioning of the competitors' offers, as a way to decide the ideal positioning. To this end, it is necessary, to identify two attributes which customers value more, and to select a set of brands competitors. In this way, a perceptual map is drawn, in which the existing brands are located according to the expectations of the customers. In the case of laundry detergents were found three important attributes for consumers, "Detergents is the effectiveness of removing stains from clothing (62%), but effective detergents (60%) and low prices (52%) are also sought". Although, the first two attributes are very similar, and in this case it will be analyzed the effectiveness of the detergent and price.



In this map is possible to understand that Persil and Skip are the more effective brands but also the most expensive, and X-tra and Surf are the most economic brands but for a lower effectiveness. Although, Xau is the less effective brand and it charges a relatively high price. In this way, Persil has a strong position with an effectiveness-price equilibrium, for staying in the dashed line.

However, is also important to define the marketing mix in order to finalize with a better positioning for Persil Perfect Dose. In this way, it will be analyzed the 4Ps: product, promotion, place and price.

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Product mix is all the tangible and intangible attributes of something that satisfy the customers' needs when buying or use it, and it is about all the product's attributes as branding, packaging, labeling and even product support activities that have different value for each customer. For Persil Perfect Dose Henkel decided to follow the strategy of the Persil's portfolio and use the same label and brand. In terms of packaging Perfect Dose was launched in a small bottle with 26 scoops easily to transport and storage and also with a transparent cap in order to visualize the perfect dose to use.

Regarding promotion Henkel also follow the brands strategy and made a 360° plan with materials in the point of sale communicating the product, 4 weeks digital communication, 10 weeks television communication and also a promotion in store with a L2P1 (buy 2 and pay 1).

For place and distribution Henkel delivers its own products through a carrier, made the place the important issue to decide. Nowadays, most consumers prefer to made their shopping in hyper and supermarkets, however in order to have a full geographic coverage Henkel decided to place Persil Perfect Dose in both modern and traditional channels.

Price is a variable of the marketing mix that contributes to the image of the product, but also to be profitable to the company, and in this case Henkel also preferred to follow the Persil' strategy and align the price of Perfect Dose with the rest of its portfolio.

4. “Although, after much effort and much struggle, Henkel decided to withdraw Persil Perfect Dose from the market. But the question remains, what has gone wrong? “

Considering the previous analyses comment the statement above.

Taking into account the previous analyses it's possible to understand that the external environment has a strong power on the laundry detergent competitors. The distribution channels are taking advantage to its clients pressuring them with share of shelf, the clients are more demanding and they are also pressuring for more promotions. However, there are new ways of promotion creating more space for brands to shine and

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take advantage of. As we know, the market is in constant evolution and change, and this opened an opportunity for Henkel to reinforce its opportunity.

Nowadays, consumers have an active life with little time to reconcile work, family and leisure making them to seek for innovative solutions that help saving time and to be more efficient. For having a more active life consumers started to look for efficient products and for large doses packages for good price-quality relation.

Therefore Henkel decided to launch Persil Perfect Dose in order to take advantage to this opportunity and also to extend its portfolio. However, as stated in the case there were identified two main reasons for the unsuccessful of the product. This seems that Henkel had a good control program, since it identified the reasons why the product wasn't having the results expected. In this way the company decided to implement a revitalization plan for Perfect Dose by increasing the communication in TV and digital, and to increase the promotional activity in stores. It also thought about launching the same product in a big format, but it claims that the investment level was too big that wouldn't compensate it. Yet, the main reasons identified by Henkel were truth, but not the only ones.

The communication of the product wasn't clear enough to consumers understand its concept and there were a lack of promotion channels POS materials, television (RTP Play and TVI), radio stations (Comercial, RFM) and digital (SAPO feminine websites, YouTube) presence. The other reason is the package size. It's clearly that consumers are looking for bigger packages for believing that they are more economic through the promotions, and Persil Perfect Dose were launch in a small package with only 26 scoops.

In this manner, Henkel when revitalizing the marketing plan of Persil Perfect Dose should took into account another television channels, since the chosen ones a don't have a strong number of visualizations. Portuguese people prefer to watch the four main channels (RTP1, RTP2, SIC and TVI) and also the series channels, like FOX and AXN. With the new technologies, people started to watch videos and read papers and blogs online, making this an opportunity for promoting the product. Finally, and as stated in the case Henkel thought on development the same product in a bigger package, and this solution would be the solution with greater impact since it meets the consumers' needs.

5. Taking into account the answer of the previous question build a new Marketing Mix for Persil Perfect Dose.

In the previous question it was possible to conclude that the advertisement used wasn't clearly enough to understand the new concept of Persil Perfect Dose, that the promotion channels weren't the best ones and even the package size didn't meet the consumers' needs. So, it is important to develop a new Marketing Mix for Perfect Dose.

Product Mix – Perfect Dose should have the Persil's label in order to create brand awareness. The format must have a handle or a shape that is easy to hold in order to be easily pour the detergent in the washing machine. The cap should be invisible in order to consumers visualize the small amount needed and also the fill of the cap for the next use. The package size should be between medium and big size, this is from 48 scoops to 62.

Promotion Mix – Since it is a product with a new concept this variable requires a lot of investment and care with the purpose of pass the right information and to consumers understand this new concept.

Promotion Mix – In the promotion mix it is possible to divide in two areas: stores' promotion and communication channels. In stores' promotion the card discounts and percentage discounts are the main promotions made, and using the advantage of the frequency used to liquid segments of these promotions and as the main brands do for big formats, Persil Perfect Dose should temporarily use 50% discounts. Still in the stores, Persil Perfect Dose should create POS materials that call attention to its target. They should follow the Persil's main color, and also explain the usage of the product. Finally, in the shelf Persil should delimited a visual area of the presence of Perfect Dose with shelf materials like windows, and also distributed some leaflets of the whole range to explain the benefits of the product.

Regarding communication channels Persil should also take into account its target in order to captive its attention and awareness. Active women between 25 and 45 years old that have a family at home waiting for them. In this way, the communication should present active women coming home after work, and still have to wash the family's clothes. In the meanwhile this advertisement should also explain the new concept of the

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three steps and explain its characteristics, finishing with a presentation of the three fragrances.

Active women are still a big audience of television, radio stations, blogs and magazines, so this product should be communicated in these channels. For television Persil should play for the big four Portuguese channels (RTP1, RTP2, SIC, TVI), and also international (AXN, AXN White, FOX, FOX Life). In terms of radio stations Persil should also risk in the three big radio stations for this target (Radio Comersil, RFM, M80). Concerning internet, the product should be refer on blogs for women, present the advertisement in the video sites like Youtube, and also commercials when waiting for the selected video. Women are famous for reading women magazines, like Caras, consequently it is also important to be present in some of this type of magazines. Since these women pass a lot of time driving, Persil should also think about fixed outdoors to announce the product. Finally, to create experimentation it should also think about samplings in the main places frequented by the target.

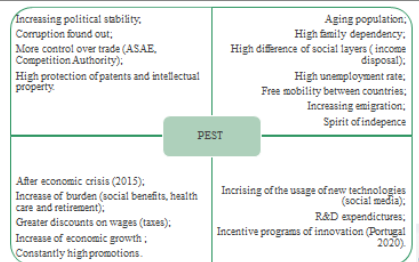
Place Mix – As said in the case, mostly of the Portuguese buy laundry detergents in supermarkets, however it is important for the new product to be available in every grocery store to reach the full geographic area. In this case, Persil Perfect Dose should be available in hyper and supermarkets, discounts, small grocery stores, wholesalers, and even online stores.

Price Mix – the price of Persil Perfect Dose should also be aligned with the rest of Persil's portfolio in order to consumers realize Perfect Dose as an extension of Persil, therefore the price should be 0,29€ per scoop.

7- Resolution Slides

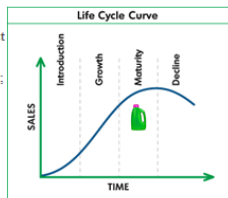
Perfect Dose Case Study

Market

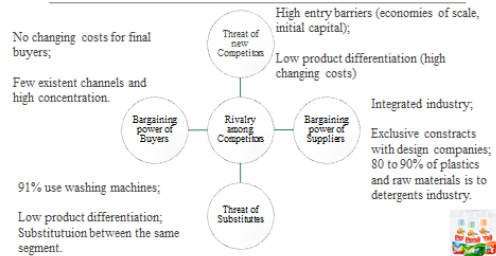


Industry of Laundry Care

- Strong marketing strategies;
- Quality competition to separate their product from other lower-cost offerings;
- Fewer firms (larger and dominant);
- Innovations continue but not radical (color or fragrances).



Industry

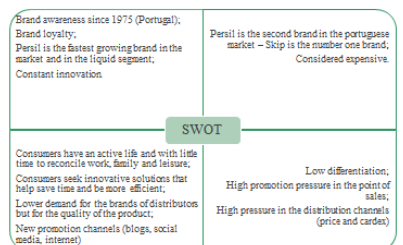


Rivalry Among Competitors



- Small impact of fixed costs; cross-strait strategic interests; non emotional factors

Business Situation



Segmentation, Targeting and Positioning

Segmentation			
Geographic	Demographic	Psychographic	Behavioral
-Portugal	-Gender (M/F) -Age (18-24; 25-45; +45)	-Lifestyle (students; workers) -Motives (effectiveness of removing stains from clothes)	-Price Sensitive (fragrances; capability to be used into different types of clothing) - Product Usage

Segmentation, Targeting and Positioning

Young adults who live alone • 18-24 y.o. • Students • Lives alone • Not very often user • Price sensitive	Men who share household tasks • +25 y.o. • Workers • Family member • Average to high incomes • Quality as buying decision • Believes that benefits increase value	Active Women • 25-45 y.o. • Workers • Household responsible • High usage of laundry detergents • Quality as main characteristic • Gives importance to benefits • Receptive to new experiences in order to save time
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Segmentation, Targeting and Positioning

Target: Active Women

- Greater weight percentage in the Portuguese population;
- Greater segment in terms of usage;
- Most profitable;
- Better fit with consumers' needs.



Segmentation, Targeting and Positioning

Consumer expectations: effectiveness of removing stains from clothing, effective detergent (no wastes) and low prices



Competitors positioning:
Skip; Ariel; Xau; X-Tra; Surf

The strengths of the product:
Formulation of a product with characteristics that meets consumers' expectations.



Segmentation, Targeting and Positioning

- Skip - premium segment, considered a true love & trust brand, focus on innovation.
- Ariel - premium segment, focus on fragrances.
- Xau - value for money segment, focuses on innovation on launching products with a different purpose as cleaning washing machines.
- X-tra - value for money segment, focus on innovation, price strategy.
- Surf - value for money segment, young and fun personality, focus on fragrances.

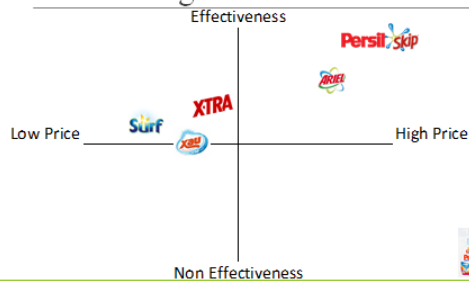


Segmentation, Targeting and Positioning

- Differentiation: Persil Perfect Dose can differentiate by its self-filling dosing cap.
- Value proposition: effective detergent that promises no waste with high quality in removing stains, with benefits like fragrances.
- Slogan: "A dose perfeita, sem complicações" (The perfect dose, without complications)



Segmentation, Targeting and Positioning



Marketing Mix

Product mix - Persil's label and brand strategy

- Small bottle with 26 scoops;
- Easily to transport and storage;
- Transparent cap.

Promotion Mix - 360° plan with materials in the point of sale communicating the product, 4 weeks digital communication, 10 weeks television communication;

- Promotion in store with a L2P1 (buy 2 and pay 1).

Place Mix - Modern and traditional channels.

Pricing Mix - 0,33€/scoop



What went wrong?

- Communication failed its purpose to explain how to use and the new concept of Persil Perfect Dose;
- Wrong communication channels;
- Small package.



New Marketing Mix

Product Mix - Persil's label, format with a handle or a shape that is easy to hold, transparent cap, medium to big size (48-62);

Place Mix - Hyper and supermarkets, discounts, small grocery stores, wholesalers, and online stores;

Price Mix - 0,29€ per scoop.



Conclusion

Through all the political, economic, and social changes, the high consumption market has undergone high changes. In the laundry care market the changes are noticeable, the appearance of washing machines and even the evolution of its segments. Society is in constant changing, and the needs and the demands of consumers face to product performance as well. That's why innovation is a focus for most companies in order to become increasingly competitive and gain more market space.

The Laundry Care industry is in the maturity phase making the marketing efforts stronger since innovations are not as radical as before and may be only in color or fragrances. Therefore this industry is not an attractive industry; the high bargaining power of buyers (final consumers and distribution channels) and the fact that the nature of the product does not allow a large difference from the other brands, increases the industry rivalry. However, this case also shows that it is important to constantly analyze the external environment. These analyzes can bring opportunities to companies to take advantage of. In 2015, Henkel saw an opportunity and decided to pursue that opportunity and launch a new concept.

Consequently, it was developed a marketing plan, and as Kotler and Keller (2009) say each business unit develops a strategic plan in to order to be profitable, and the strategic marketing plan lays out the target markets and the firm's value proposition, based on an analysis of the best market opportunities and the tactical marketing plan specifies the marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service. And in 2015 Persil Perfect Dose appears in the market with a small package, only with 26 scoops, and available in three fragrances: Universal, Color and Pure Moments. The image used was aligned with the rest of the Persil's portfolio, as well the price. It had a 360° Launch Plan, POS (point-of-sale) materials (from hypermarkets to small grocery stores), outdoors, television (RTP Play and TVI), radio stations (Comercial, RFM), and digital (SAPO feminine websites, YouTube) presence. Also to promotion it was also decided has main tool of activation in the distribution channels to make a 50% promotion (L2P1), as Persil and its competitors were practicing.

Persil Perfect Dose: The perfect dose can be the right choice

This case also teaches us that the marketing plan is not just a document that summarizes the insights of the marketplace and indicates how the company plans to reach its marketing objectives. It is important to meet both parts in order to succeed; the marketing mix should fit with the needs of target so as to help the company to position its product.

Nowadays, consumers have an active life with little time to reconcile work, family and leisure making them to seek for innovative solutions that help saving time and to be more efficient. For having a more active life consumers started to look for efficient products and for large doses packages for good price-quality relation. According to Nielsen the promotions, previous experience with the product, the fact that it is a brand of trust, and the size of the packaging to meet your family's needs are also determinant factors when buying laundry detergents. In terms of communications Portuguese people prefer to watch the four main channels and also the series channels, and with the new technologies, people started to watch videos and read papers and blogs online, making this an opportunity for promoting the product. In this manner, Henkel when revitalizing the marketing plan of Persil Perfect Dose it should took into account the new preferences of its consumers regarding its package size and how and where to promote its product in the media.

Although, it will be interesting to analyze the implementation of this marketing, that according with Ferrell and Hartline (2011) without a good plan for implementation, the success of the marketing strategy is seriously jeopardized. And therefore it was also interesting to analyze the marketing control used to revitalize the Perfect Dose marketing plan, which for lack of information wasn't possible to analyze.

The purpose of this project was accomplished. Even though, the most interesting driven of the project would be to put in practice all the conclusions of the analyses made, suggesting to Henkel to consider to change the package size and to invest in other promotion channels.

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