

**CASE STUDY: THE MARKET IS CALLING FOR
BIOLAGE R.A.W.**

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- Spine -

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ABSTRACT

Which one of us never noticed the emerging trend of natural products? The presented case study aims to study the increasing demand for natural and organic cosmetics and how can Biolage R.A.W. leverage from it. Biolage R.A.W. is a natural professional haircare brand taking its first steps in the Portuguese market. The brand is already facing a lack of awareness which, alongside with the higher prices of its products can leave the brand more exposed. So, how can Biolage R.A.W. come up with a launch strategy to solve these main problems?

To better understand the market and brand, an exhaustive qualitative and quantitative analysis was developed that allowed to draw some primary conclusions: Millennials are the healthy beauty products generation and are willing to pay more for natural products. Regarding the launch communication strategy, Biolage R.A.W should follow an integrated communication strategy, using different communication options, creating synergies, to obtain different outcomes in a more cost-efficient way. Taking into consideration millennials' characteristics, online platforms and e-influencers should take a big part of the brands' communication.

Although recent in the market, Biolage R.A.W. can easily be aware of the growing demand for natural cosmetics and take it as an opportunity to develop and expand the brand. In this case study is clear that the brand has four large strategic core areas to develop, of which two are remarkable for their potential for expansion: distribution channels and innovation. The brand must in the future explore new distribution channels such as natural supermarkets and prioritize a brand extension at the product and category level by launching a line of natural dyes for the hair.

Keywords: Green Marketing, Marketing Strategy, Communication, Brand

JEL Classification System: M310 Marketing;

M370 Advertising

RESUMO

Quem de nós nunca notou a tendência emergente de produtos naturais? O estudo de caso apresentado visa estudar a crescente procura por cosméticos naturais e orgânicos e perceber como pode Biolage R.A.W. beneficiar com isso. Biolage R.A.W. é uma marca natural de cuidados capilares profissionais naturais que está atualmente a dar os primeiros passos no mercado português. Enfrenta já alguma falta de *awareness* que, juntamente com os preços altos praticados quando comparados com os seus concorrentes, a deixam mais suscetível a eventuais. Então, como pode Biolage R.A.W. encontrar uma estratégia de lançamento para resolver esses principais problemas?

Para entender melhor o mercado e a marca, uma análise qualitativa e quantitativa exaustiva foi realizada de forma a retirar algumas conclusões principais: os *millennials* são uma geração de produtos de beleza saudáveis e estão dispostos a pagar mais por produtos naturais. Em relação à estratégia de comunicação de lançamento, Biolage R.A.W deve seguir uma comunicação integrada usando diferentes opções de comunicação, criando sinergias para obter diferentes resultados e de forma eficiente. Tendo em consideração as características dos *millennials*, as plataformas on-line e os influenciadores digitais devem ter parte fulcral da comunicação da marca.

Embora recente no mercado, Biolage R.A.W. pode facilmente estar ciente da crescente procura por cosméticos naturais e encará-la como uma oportunidade para desenvolver e expandir a marca. Neste estudo de caso fica claro que a marca tem quatro grandes áreas estratégicas principais para desenvolver, das quais duas são notáveis pelo seu potencial de expansão: canais de distribuição e inovação. A marca deve, no futuro, explorar novos canais de distribuição, como os supermercados naturais, e priorizar a extensão da marca ao nível do produto e categoria, lançando uma linha de coloração natural para o cabelo.

Palavras-chaves: Marketing Verde, Estratégia de Marketing, Comunicação, Marca

JEL Classification System: M310 Marketing;

M370 Advertising

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1 CASE STUDY CONTEXT

Nowadays, we have been experiencing a growing demand for natural and sustainable cosmetics. Factors such as the side effects of raw materials used in non-natural products or the impact that these products have on the environment seem to be the change in consumer behavior. (Fonseca-Santos *et al.*, 2015).

There is a growing concern about the side effects that cosmetic products can cause. The demand for this type of goods free of artificial components has been increasing year after year. It is estimated that the increase represents a growth of \$ 1 billion per year and a total value of \$ 13 billion in the year 2013. This market, which started with only small brands targeting niches, is no longer worthless for large groups or major brands. The demand for natural cosmetics has risen above 10% of the cosmetics market, as such, this market has become one of the most dynamic in international beauty markets (Colombini, 2016).

Based on some studies and facts supporting this new demand, Brands are making massive efforts to keep up with the new needs of consumers, even though they have caused structural changes in the production process of their products.

But brands face other challenges. Although there is a growing demand for this type of product, will this demand be sufficient to lead the consumer to pay a premium price resulting from the high production costs of this kind of product? Does the solution involve increasing demand through effective communication? How will this trend be seen in markets that typically do not value this type of product? Cannot this change cause a problem of identity of brands that did not represent this sort of philosophy?

Due to all these unknowns, this case study aims to investigate the launch of Biolage R.A.W. and how it will benefit from this green approach.

Biolage R.A.W. is a professional haircare brand launched in 2017, in Portugal. Its principle is the use of natural ingredients in the composition of its products, providing a sensorial experience, without neglecting the expected professional treatment.

Challenges for Biolage R.A.W.: Increase the awareness of the brand with a weighted budget. Make the consumer willing to pay a premium price for a natural and sustainable product. Create an intergraded marketing strategy addressed to green consumers.

1.1 SUSTAINABLE, ORGANIC AND NATURAL MARKETS

1.1.1 SUSTAINABILITY

Sustainability, a word increasingly common in almost every industry. Word responsible for a change of behavior by companies and consumers. Thanks to these changes, factors such as raw materials, environment, people and waste management have become more visible within companies, leading to a growing demand for renewable energies and changes in consumer behavior. (Kates, 2010; Adams and Jeanrenaud, 2008; Brower and Leon, 1999).

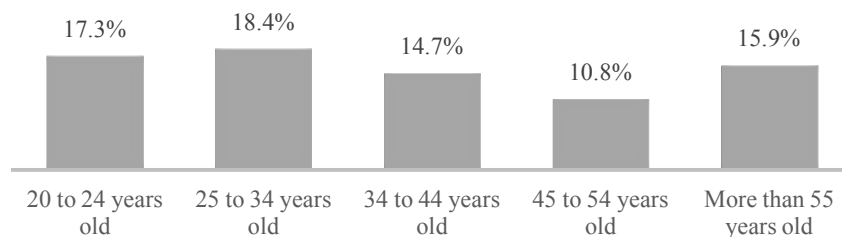
Sustainability is a concept that emphasizes three pillars: social, economic and environmental. Regarding the first and second pillars, it is argued that social and economic well-being must be provided to the present generation without harming future generations. Concerning the third pillar, it is discussed that the environment and natural resources must be protected for future generations to use (WECD, 1987; Hansmann et al., 2012). Other authors, following the same lines of thought, describe sustainability as responsible development considering the planet, people, and profit (Elkington 1997; Kajikawa 2008; Schoolman et al., 2012). These perspectives have been criticized since they involve different values that are not directly related to one another and also by contentious interests of various stakeholders that regularly divergence within a particular pillar of sustainability (Hansmann *et al.*, 2012).

It is still relevant to this case study the concept of sustainable products. They represent economic benefits for companies and at the same time proportionate benefits to society at the environmental and social level (Dyllick, 2016). These products are used by companies as a competitive advantage in times when consumer behavior is changing and demand for this type of product is increasing (Nielsen, 2015). On the social side, they contribute to sustainable development, reducing the ecological footprint and improving social conditions. However, despite the increase in demand for sustainable products, "... *we are living further than our possibilities, and the choices we make today will define the chances of our next generation*" (WWF, 2008: 44). Thence, it is necessary for companies to dedicate even more efforts so that shortly, the pace of consumption is adequate to the rhythm of the extraction of the products.

Based on a study ordered by L'Oréal Portugal, it is possible to take several conclusions about the emerging trend of sustainability in the Portuguese market. It will be presented a sequence of studies with the purpose of ascertaining how these subjects translate into the daily life of the Portuguese population and how it is reflected in their consumption of cosmetics.

The Portuguese population is awakened to the theme of sustainability: 80% say they are informed about sustainable development, considering themselves well or reasonably educated (Cardoso and Barbosa, 2017). The target aged between 20 and 34 is the most informed on this subject and the target aged between 45 years and 54 years the less (Figure 1). It seems to be a great indicator, as the youngest generation can dictate the shopping preferences of the future.

Figure 1 Percentage of Portuguese population well informed regarding sustainable development



Source: Cardoso and Barbosa, 2017

It was asked to the sample population their opinion about the contribution of several entities to improve the society and environment. Non-profit organizations and Schools (for the education given to the youngster) are for the Portuguese population the entities that contribute the most. Media and Municipalities are also relevant. Then in 5th place, 30% consider them to be the citizens / each one of us. But it should be noted that this notion of self-accountability is greater for the target between 20 and 24 years, proving to be a more active target in the contribution to sustainability (Cardoso and Barbosa, 2017). On the other hand, only 20% consider that this is a theme for which companies contribute (Table 1).

Table 1 2017 Contribution of each entity to improve the environment and society

	Low Responsibility	Some Responsibility	Much Responsibility	A lot of Responsibility
All the citizens / Each one of us	5.30%	64.50%	27.50%	2.80%
ONGs	3.30%	23.50%	54.50%	18.80%
Authorities and Local Authorities	8.50%	60.00%	28.00%	3.50%
Government	10.00%	62.00%	25.30%	2.80%
Companies	14.80%	65.50%	17.80%	2.00%
Social Media	10.30%	57.80%	28.30%	3.80%
Church	32.00%	52.30%	14.50%	1.30%
Schools	3.80%	39.30%	50.30%	6.80%

Source: Cardoso and Barbosa, 2017

Although companies are one of the less-mentioned entities as contributors, 61% of the Portuguese population consider that corporate actions are important to help society and the environment. Moreover, 32% tell us that these actions generally have a small impact or are implemented on a small scale (Cardoso and Barbosa, 2017).

Looking at their day-to-day life, 58% of the Portuguese say that they have a sustainable behavior in their daily lives, not only in their purchases choices but also in consumption of water, electricity and others. Nonetheless, the vast majority (73%) have adopted these behaviors recently, which proves the growing concern with sustainability (Cardoso and Barbosa, 2017).

Regarding receptivity to different types of communication, consumers mentioned being more receptive to three different types: Certification labels on the packaging of products (52.5%); Media (33.0%); Friends, Family and Co-workers (30.9%). It is also relevant to highlight the importance of blogs, social networks and sharing forums since it is placed fourth place, with a high percentage (Exhibit 1).

1.1.2 NATURAL AND ORGANIC PRODUCTS MARKET

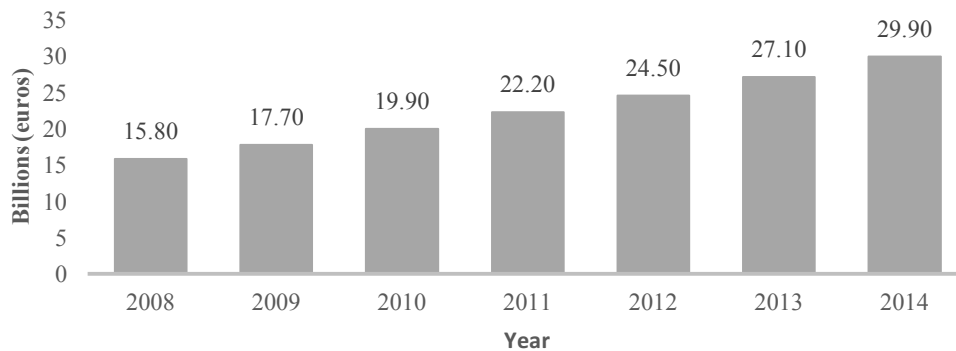
The difference between natural products and organic products is sometimes confused, however, it turns out to be quite evident. The origin of the name natural is related to “small molecule that is produced by a biological source” (Nature Chemical Biology, 2007). Generally, are considered natural products the ones that are minimally processed without artificial ingredients (Natural Products Foundation, 2017). Cosmetics that are claimed

natural are a bit complex, as sometimes not all the ingredients of the product are natural. From time to time, only one or two ingredients are actually natural.

The definition of organic, according to USDA is “A labeling term that indicates that the food or other agricultural product has been produced through approved methods. These methods integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. Synthetic fertilizers, sewage sludge, irradiation, and genetic engineering may not be used” (USDA, 2016: 2). Concerning cosmetics to be called organic and be certified it must contain at least 95% of ingredients of a natural origin (USDA, 2016).

The interest in these types of natural/organic products, nowadays, is transversal to almost all sectors of the market from food and cosmetic products to homecare and technologies. We can even say that it is already more than a trend, it is already deeply rooted in the different markets. In the market for natural cosmetic products, a significant evolution is visible worldwide. In 2014, it represented already almost double the revenue compared to the year 2008. The market is growing steadily and there are no reasons to believe that it will slow down. In recent years, this market has been growing every year, more than 10% in sales.

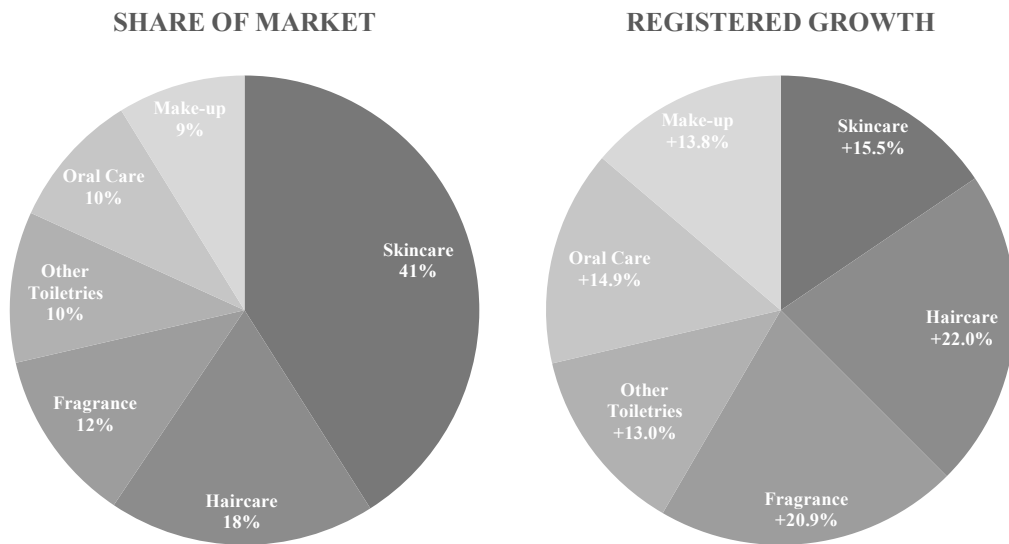
Figure 2 Sales natural personal care market - Worldwide



Source: Adapted from Kline Natural Personal Care Market, 2014

Skincare stands out as the leading segment regarding natural personal care products, representing 41% of the market. Following is the haircare segment with a market share of 18%. However, the scenario changes as we look at the growth registered in all categories, where the haircare category records the highest growth with 22%, followed closely by the category of fragrances. We can, therefore, conclude that the haircare sector represents 5 billion euros worldwide and is the fastest growing sector.

Figure 3 Natural personal care market share of market / registered growth - Worldwide



Source: Adapted from Kline Natural Personal Care Market, 2014

Looking to the Portuguese populations choices, within products with a high social commitment, consumers tend to prefer those that are natural, followed by those that are environmentally friendly. Although organic products do not rank first in consumers' preferences, consumers tend to draw attention to them (Exhibit 2).

Food, specifically fruit and vegetables, is the category in which the consumer is more concerned about the naturalness of the product. Secondly they are concerned about personal care products that include shampoos, toothpaste, etc. (Exhibit 3). This preference is directly related to their willingness to pay more for products that defend or improve the environment. That is, for example, consumers are more willing to pay more for environmentally friendly fruits and vegetables, than they are for the environmentally friendly household objects, for example. We can also conclude that consumers are willing to pay more for environmentally friendly products than environmentally friendly services (Exhibit 4). The disposition of consumers to pay more for products with a positive social and environmental impact has been increasing year after year. By 2015, already 66% of the consumers worldwide were willing to pay more for this type of products, while in 2013 only 50% had this will (Nielsen, 2015).

It is possible also to consider three different types of experiences of buying natural products: Hyper / Supermarkets, Specialized Shops and Online. The purchase of these products in supermarkets is made mostly for convenience. Buying online is considered

unreliable. The biggest highlight goes to the specialized shops that are recognized for their very helpful professional advice (Exhibit 5).

1.1.3 NATURAL PORTUGUESE CONSUMERS

Consumers interested in natural cosmetics are usually involved in a lifestyle according to it. In Portugal, consumers who most identify with the healthy lifestyle are female and focuses on four universes of a healthy life: Nutrition, Sport, Fashion and Leisure. Regarding diet shows greater interest in sophisticated gastronomic experiences. At the sports level, the gym is the category with more lovers. They also show a keen interest in fashion and style products and in their moments of leisure they like to experience nature, green spaces and showing concern for a green lifestyle (Exhibit 6).

Millennials are a crucial target group for natural and organic brands, and influencer marketing can help to educate a brand's audience on its core ideals and beliefs (Cosmetic Business, n.d.). In fact, worldwide, 50% of Millennials (18-34 years) intend to spend more on natural products in the next two years. (Skininc, 2017). Additionally, nearly three-quarters of consumers aged 34 or under, most millennials, are willing to pay more for products with a positive social and environmental impact (Nielsen, 2015).

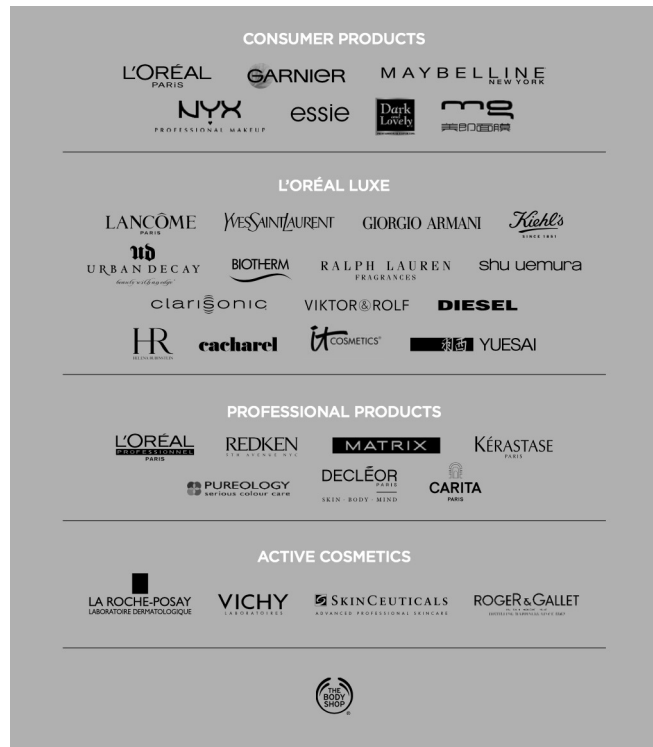
1.2 L'ORÉAL GROUP

L'Oréal is a cosmetics company founded by Eugène Schueller in 1909. L'Oréal has become the number one cosmetic group in the world. The growth of the company is sustained by big launches, acquisitions and new subsidiaries, along with a significant investment in research to bring the brands to the next level and maintain market leadership (Exhibit 7).

Today, L'Oréal is present in 130 countries on five continents. The group has the simple mission of "providing the best cosmetics innovation to women and men around the world with respect to their diversity".

Regarding the organization of the company, it is divided into four different divisions and an independent management brand according to its distribution in the market channels: Consumer Products, Professional Products, Active Cosmetics and L'Oréal Luxe and The Body Shop.

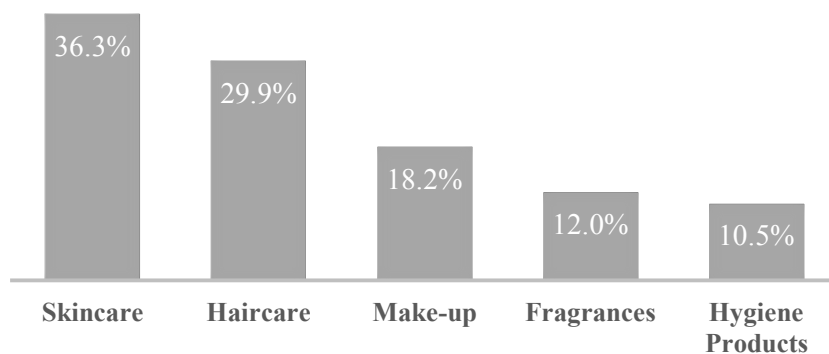
Figure 4 Brands of the L'Oréal group by business division



Source: L'Oréal Finance, 2017

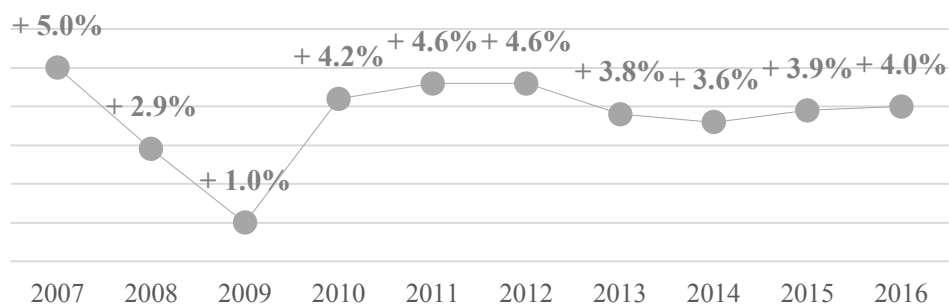
Although the category that most makes the L'Oréal group is skincare, the category of haircare, where the brand Biolage R.A.W. is inserted, occupies the second position.

Figure 5 Breakdown of the market by product category



Source: Adapted from L'Oréal Finance, 2017

Since 2007, the worldwide cosmetics market grows year after year. It registered in 2016 one of the best years of the last decade and allowed L'Oréal Group to strengthen its leading position in the market.

Figure 6 Growth of the worldwide cosmetics market over ten years

Source: Adapted from L'Oréal Finance, 2017

1.2.1 SUSTAINABILITY AT L'ORÉAL

In 2014, L'Oréal structured its sustainable program *Sharing Beauty with All*, which since then has been broadly pursued by the group, under the premise that it is possible to reconcile business growth with a fair model for employees. It also improves the living conditions of the most disadvantaged communities where it operates and at the same time reduces the environmental impact of its operations.

The four main areas involved in the *Sharing Beauty with All* program are to *innovate sustainably*, to *produce sustainably*, to *consume sustainably*, and to *share sustainably* (communities, suppliers and employees).

Regarding *innovating sustainably*, the goal of L'Oréal is that 100% of its products have a positive social and environmental impact, reducing the ecological footprint and respecting biodiversity and making packaging ecological, by 2020.

About *producing sustainably*, L'Oréal aims to reduce its environmental footprint by up to 60% of its distribution centers by reducing CO₂ emissions, water consumption and waste production.

L'Oréal uses its brands to transfer the values of sustainability to its consumers. Achieving this way, the fulfillment of one of its pillars of sustainability, *consume sustainably*.

The company is concerned with all stakeholders to *share sustainably*. It is therefore important that they share the same sustainable practices, provide work to disadvantaged communities, integrate their suppliers into their sustainability process, and ensure best partner practices for their workers around the world (L'Oréal Finance, 2017).

The goal of this new strategy is for the group to move towards a new business paradigm leading the transition to an ecological, responsible and inclusive business model. As such,

and to demonstrate its commitment as a company, L'Oréal has been developing several initiatives. We can easily find the same ones in the company's social media.

In Portugal, to demonstrate this integrated vision of brands, the group organized an event called “Mercado de Beleza Natural” dedicated to the sustainability and naturalness of L'Oréal brands. This event was attended by influencers, media, suppliers, etc. So that they become aware of the individual initiatives of each brand, the measures that have already been taken and those that are to come, in the path to achieve this greater goal that is sustainability.

Figure 7 L'Oréal corporate event “Mercado Beleza Natural”



Source: Developed by the author, 2017

1.2.2 PROFESSIONAL PRODUCTS DIVISION

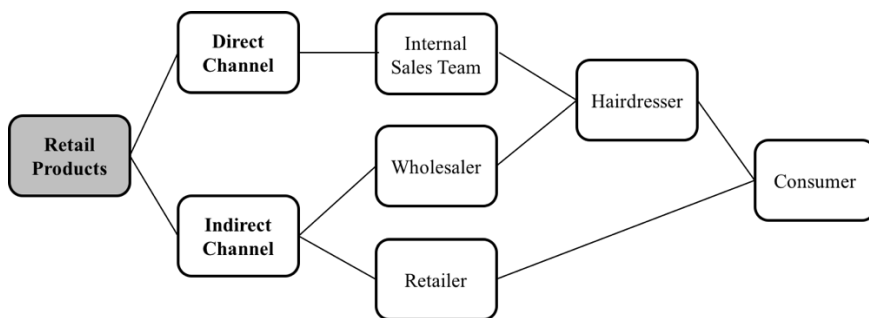
As said before, L'Oréal Group is divided into four divisions: Consumer Products, Professional Products, Active Cosmetics and L'Oréal Luxe. This case study will focus only in the Professional Products Division. This division owns 13 brands and all of them share the fact that the distribution of their products is made mainly in salons all over the world. It ends up being the main ally of hairdressers who receive from these brands products developed with the most advanced technologies, as well as, professional training to ensure that professional service reaches consumers. Haircare, Haircolor, Styling and Shape turn out to be the main categories worked by the brands of this division although there is an increase in the professional skin care brands that the division holds. With the division's strategy to migrate to an integrated strategy of professional beauty as a whole.

In 2016, Professional Products division registered a sales growth of +1.8% having Haircolor, as the main contributor category (L'Oréal Finance, 2017).

This division has particularities as regards the distribution of its products. Distribution can be done directly by the internal sales team or indirectly by wholesalers and large retailers.

As far as retail products are concerned, the objective is always the same, reaching the consumer. Currently, the professional products division has three distribution channels for retail products. Since some of them involve too many intermediaries, sometimes the negotiated conditions end up not being the most advantageous for the business because every intermediary gets its margin.

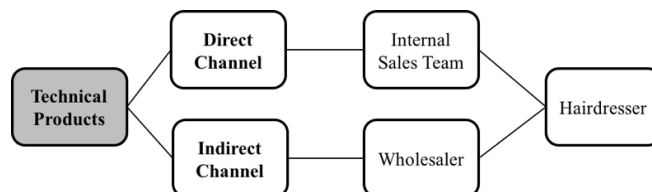
Figure 8 Retail products sales circuit



Source: Developed by the author, 2017

There are, on the other hand, technical products that are dismantled through only two distribution channels and represent fewer intermediaries conceding higher margins to the brands (Figure 9). It is also relevant to highlight that the direct distribution channel represents higher fixed cost mainly with sales representatives, when comparing with indirect distribution channels.

Figure 9 Technical products sales circuit



Source: Developed by the author, 2017

In addition, the professional products market is a very dynamic market and high promotional discounts are granted to wholesalers, retailers and consumers.

1.2.3 MATRIX

Matrix was founded in 1980 by Arnie and Sydell Miller, a couple of American hairdressers. After 20 years of working as a hairdresser, Mr. Miller began exploring other business areas, entering the eyelash business, which began to market to retailers and salons creating the company Ardell. The company that was already established in the salons began to produce and commercialize Haircolor and Haircare products. "I felt that in order to be successful, I needed more focus." I chose the professional end because I knew the business and I liked it better, "said Mr. Miller (Matrix, 2017a).

Millers aimed to provide hairdressers with a vast product range to help them grow their business and provide the tools they need to get the most out of their talent and creativity. They have made it through two major strategic pillars: affordable products that really work and high investment in professional education and marketing in the salon.

It currently positions itself as the leading hair care brand in the world. Present in 57 countries around the globe, Matrix is present in more than 1600 salons in Portugal and is the professional brand that has grown the most in Europe. Like all other DPP brands, it has an exclusive presence in hairdressing salons, such as shops for professionals.

After 20 years, the brand has expanded its portfolio and is now present in 4 pillars: Haircare, Haircolor, Styling and shape including: Biolage, Total Results, SoColor, Color Sync, Style Link and Opti.Smooth.

A dominant element of the brand is its community spirit. The brand, workers, hairdressers and consumers share the same values. Inclusive, Collaborative, Authentic, Uncomplicated, Expressive and Sustainable are the highest values shared between the community and brand.

Regarding the Haircare category, Matrix has two major haircare sub-brands: Biolage and Total Results. Total Results is a brand that discriminates against no one. Individualistic, expressive, playful and young at heart are the key features. It doesn't focus on labels, just results. Allows a professional color expression together with a lot of versatile solutions for every look. It is a low-cost brand that has an excellent relation between price and quality. Biolage is "the secret of nature decoded by science". A superior haircare inspired in the botanical power to solve every hair problem. It has a medium-high price in the market.

1.2.4 BIOLAGE R.A.W.

Biolage was launched in 1990 when founder Arnie Miller saw that nature could be harnessed to protect and nourish the hair while leaving it in its most natural state. Hairstylists all over the world were thrilled. Here was a haircare line that was inspired by nature and also delivered, providing beautiful results while being gentle on hair.

Accordingly, Biolage is recognized worldwide as a leader in the professional Haircare market and that reputation only continues to grow. This is because team members realize that traditional ingredients hold great power. The company believes that Biolage is taking natural origin haircare to a whole new level by offering truly professional quality products that outperform their competitors over and over again and now at his best with the new brand Biolage R.A.W.

R.A.W. means Real, Authentic, Wholesome. Biolage R.A.W. is a range of feel-good, look-good, do-good hair care. The 70-100% natural-origin haircare range provides a unique sensorial experience combined with truly professional results.

It's the perfect balance between, nature, health, beauty and performance and it will change the way that Haircare is seen. Unfortunately, natural alternatives often don't reach that gold standard. This creates a quandary of sorts. Consumers want to use natural alternatives and as their hairstylists want to deliver it. This is where Biolage R.A.W. comes in. It is a high-performing natural origin haircare line that does not compromise. Biolage R.A.W. transforms the new feel of healthy hair.

The real genius here is that the range does all of this while remaining as natural and genuine as possible. Biolage R.A.W believes in being completely transparent. This is why they stand by their promise of selecting as many natural origin ingredients as possible to make up their formula. And when no natural alternatives exist, they still ensure that every single component that does go into their formula is not harmful to the earth – from production to end use. They believe in giving to the consumer the best, both for their hair and the planet.

1.2.4.1 Product

Biolage R.A.W is a brand new to the market. As such, at this time it is only present in the Haircare field and has only 10 product references. Having few references is understandable since it is almost an entirely new market where the research and development of new products are quite expensive and time-consuming. In the category of Haircare, the brand detains the following products: shampoos, conditioners, masks and a leave-in. These products are tailored to specific needs like nutrition, damage repair and volume.

Products stand out not only for their high performance but also for the differentiating and attractive design of their packaging and visuals (Exhibit 8).

Figure 10 Range of products Biolage R.A.W.



Source: Matrix, 2017b

Biolage R.A.W. gives visible benefits after just one use: hair is hydrated, easier to style, shiny and more resistant.

Biolage R.A.W. is a brand of haircare, so it cares about hair, but It cares about the planet too. That is why all of its product bottles aren't just adorable. They are also 100% recyclable and are made up of up to 100% post-consumer recycled materials.

The ingredients are sourced from some of the world's most exotic and far-flung locations. They come from the highest mountains and the deepest seas. For example, yucca is grown

in America by traditional farmers; lava clay is sustainably sourced in Morocco; white beeswax is collected from various regions in Africa; the fresh and spicy coriander is harvested in Bulgaria, and the funds earned go towards supporting local communities there. They use quinoa husk from Bolivia. If they didn't, it would go to waste. Quinoa husk is the envelope that protects the grain and it is removed before quinoa is consumed. By including it in their formulas, they help local Bolivian farmers and the environment.

Synthetic ingredients are easy to come by, but that is not what the brand is about. Conditioners are a good example. The biodegradable surfactant conditioning agent used is from a natural origin agent derived from the brassica plant.

Most hair care products have dozens and dozens of ingredients. Biolage R.A.W. keep things simple, so the formulas contain the basics only. In fact, one of the products boasts 14 ingredients only. In haircare that's akin to a miracle. The products are: Pure - use the most natural origin ingredients we can in every formula; Powerful - formulas are carefully designed to ensure they're truly efficacious. Professional, can take its place alongside the most technically advanced haircare lines in the world.

Biolage R.A.W. shampoos and conditioners are produced in a facility that is deeply committed to sustainability and ethical practices.

1.2.4.2 Price

The price of Biolage R.A.W. products is premium and more expensive than the direct competitors. The prices in this market vary widely since there are several intermediaries in the process of arriving the product to the consumer. There are different prices for distributors, customers (hairdressers) and consumers. It is always difficult to estimate the retail price since the salons are free to practice the price they consider most appropriate for each product. It is possible, however, determine a recommended retail price.

Table 2 Biolage R.A.W. product prices

Description	Capacity	RRP including VAT
R.A.W. Nourish Shampoo	325 ml	22 €
R.A.W. Nourish Conditioner	325 ml	30 €
R.A.W. Recover Shampoo	325 ml	22 €
R.A.W. Recover Conditioner	325 ml	30 €
R.A.W. Uplift Shampoo	325 ml	22 €
R.A.W. Uplift Conditioner	325 ml	30 €
R.A.W. Re-Hydrate Clay Mask	400 ml	55 €
R.A.W. Re-Bodify Clay Mask	400 ml	55 €
R.A.W. Re-Hab Clay Mask	400 ml	55 €
R.A.W. Replenish Oil	125 ml	44 €

Source: L'Oréal, nda

1.2.4.3 Distribution

The distribution of Biolage R.A.W. is made by traditional channels in this type of market. Unlike the other DPP brands, Biolage R.A.W only functions in the indirect distribution, that is, products are sold to the distributors who in turn distribute it through the hairdressing salons. At the moment, the brand only has five distributors that ensure that all salons in Portugal can have access to the products of the brand. For this brand, there is no direct distribution nor is it present on the large professional retail surfaces. This strategy is only valid in Portugal since, in the other countries where the brand is present, the distribution is made directly, indirectly and is present on the large retail surfaces of professional products.

Although the distribution is broad and reaches all points of the country geographically, the brand has defined a strategy where the products will only be commercialized in salons that have enough size and quality to own this type of premium products. The evaluation of the salons is done through an internal L'Oréal tool, called MAG. The MAG consists in classifying the potential of a salon through the cost of its services and the number of hairdressers that the salon has (Table 3). Through this system, it was then determined that the products of Biolage R.A.W. would only be present in salons of type A and B. That is to say, salons whose price of a hair color service is equal to or higher than 22 euros.

Table 3 Salon potential evaluation tool - MAG

		1	2	3
		1 or 2	3 or 4	5 or more
A	N° of Employees			
	Hair Color Price			
	>=27 €	A1	A2	A3
	22-27 €	B1	B2	B3
B	17-22 €	C1	C2	C3
C	=<17€	D1	D2	D3
D				

Source: L'Oréal , ndb

1.2.5 COMPETITORS AND MARKET

The market of natural organic professional products for the hair stills very small in Portugal, so we cannot find a lot of direct competitors. We can consider competitors all the direct and indirect competitors and also the substitutes that the buyer may take into account. (Kotler and Keller, 2016) As direct competitors, there are brands like Davines and Lupabiológica. On the other hand, as indirect competitors, can be considered brands such as L'Oréal Professionnel, Wella, Kerastase, Redken, Schwarzkopf, Revlon.

For the case study is relevant to analyze the primary direct competitors: Davines and Lupabiológica.

DAVINES

Figure 11 Davines brand logo



Source: Davines, n.d.

The Davines groups was founded in 1983 by the Bollati family in Parma, Italy. It started out as an exclusive research company, owning laboratories for high-quality production for hair treatment and skin care, for other famous cosmetic companies worldwide. This

business scheme did not last long. After ten years of perfecting the products and already with some experience in the sector, a brand of its own was created - Davines. They then began to teach the production of beauty products for hair exclusively and limited to hairdressing salons. It was then founded in 1996 a cosmetics division directed to spas.

From the outset, Davines focuses on quality handcrafted products that are scientifically engineered to work and express your distinct spirit and style. For Davines, quality means having the freedom to create the best products with careful attention and respect for the environment, using natural ingredients of high level and applying scientific rigor to each product to ensure the safety of all its customers. This also means quality of life for your employees, partners and consumers.

The Davines style is the reflection of curiosity and openness to the world - different cultures, customs and people that truly inspire the brand. The brand adds to these factors, its Italian perspective of history, art, design, fashion, culture and lifestyle since it is part of its heritage.

It is a brand that struggles to do what it believes in and does not allow itself to be driven by the dominant market trends. They are free to develop authentic and original concepts and products while maintaining an emotional relationship with their consumers.

At Davines, the balance is highly valued. They aim to create projects to enhance life and for this count with the exact balance between nature, science, people, style and spirit.

More than thirty years later, the brand has grown immensely and is now entering 80 countries and thousands of hairdressing salons. They have some offices in the main cities of the world - Parma, New York, Paris, London and Mexico - for family research and development of new products, always looking for quality, timeless approach and passion.

This company is known for social responsibility very rooted in its identity. An example of this is the fact that only renewable energy resources are used.

Davines is present in three of the four categories of professional products for hair: Haircare, Haircolor and Texture. The prices of their Haircare products is lower than the ones from Biolage R.A.W..

LUPABIOLÓGICA

Figure 12 Lupabiológica brand logo



Source: Lupabiológica, n.d.

Lupabiológica is a Portuguese brand created in 1977 by a Portuguese hairdresser. It began by developing, producing and marketing high-quality products for hair treatment. These products are unique for use in hairdressing salons. It has become a reference company in the hair cosmetics sector, and can now compete with large multinational corporations. The quality of its products and values, such as passion, dynamism, creativity and innovation, have raised the brand to the current level.

Being this, a sector of constant change it is vital for the brands to follow the evolution and trends of the market. The case of the biological magnifying glass is no exception and the company manages to do it in a very consistent way.

The company dedicates a lot of effort, through its Research and Development Department, to find high-quality raw materials that meet the standards of rigor and safety defined by the company. For this reason, they are able to comply with all national and international legislation and regulations relating to the cosmetics industry.

Lupabiológica is considered the top of mind brand for natural products and is present in three of the four categories of professional haircare products: Haircare, Haircolor and Texture. Bioseivas (Haircare) is the flagship brand of Lupabiológica and has higher market share than Davines. Their hair care products are more affordable than the one from Biolage R.A.W and the brand target mainly salons of type B and C.

2 CASE STUDY QUESTIONS

- 1- Considering the given data about the sustainable/natural markets and the main competitors, define Biolage R.A.W. segmentation, target and positioning.
- 2- Develop a Dynamic SWOT Analysis and take most important conclusions about a plan of action to implement Biolage R.A.W. in the Portuguese Market.
- 3- When a brand is launched, communication is always decisive, especially when it competes in a market that has not been much explored or even known for the most of the consumers.
 - a. Define a communication strategy for this new brand. Explain using communication platforms and the main communication outcomes/objectives expected.
 - b. Construct a timeline of implementation with hypothetical dates. Justify your choices.
- 4- Considering the conclusions drawn in the analysis of the dynamic SWOT and using the Ansoff Matrix, define the strategy for the brands' future growth and give practical examples.

3 ANNEXES

3.1 EXHIBIT 1 LEVEL OF RECEPTIVITY TO DIFFERENT COMMUNICATIONS

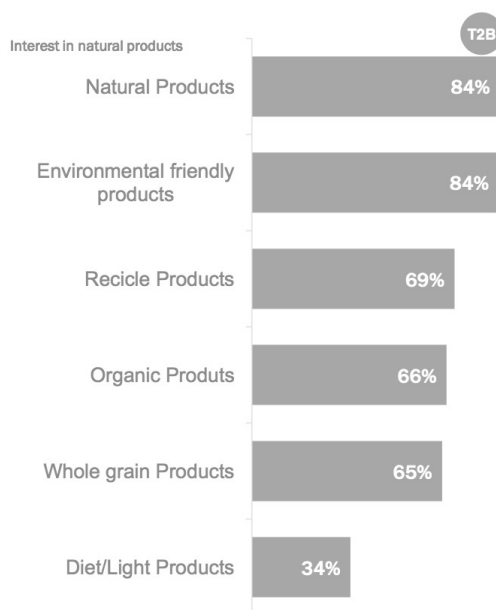
Table 4 Level of receptivity to different communications

	General	Female	Male	20 to 24 years old	25 to 34 years old	35 to 44 years old	45 to 54 years old	55 years old or more
Certification stamps on product packaging	52.50%	54.50%	49.60%	42.10%	52.10%	52.60%	48.10%	68.60%
Social Media	33.00%	33.20%	32.80%	26.30%	27.10%	33.00%	42.90%	31.40%
Friends, family and co-workers	30.90%	28.90%	33.60%	31.60%	35.40%	26.80%	28.60%	34.30%
Opinions of other consumers (blogs, networks, others)	30.20%	31.00%	29.20%	52.60%	32.30%	24.70%	28.60%	31.40%
Declarations made on product packaging	28.70%	26.70%	31.40%	10.50%	29.20%	25.80%	32.50%	37.10%
Movies or documentaries	27.80%	29.90%	24.80%	36.80%	24.00%	28.90%	29.90%	25.70%
Corporate social responsibility reports	21.00%	20.90%	21.20%	26.30%	27.10%	20.60%	14.30%	17.10%
Company Advertising	19.10%	21.90%	15.30%	15.80%	26.00%	16.50%	15.60%	17.10%
Brand website or Facebook page	10.80%	13.30%	6.60%	10.50%	11.50%	11.30%	10.40%	8.60%
Celebrities	5.60%	4.80%	6.60%	5.30%	3.10%	6.20%	9.10%	2.90%
None of the above	3.70%	2.70%	5.10%	0.00%	2.10%	6.20%	5.20%	0.00%

Source: Adapted from Cardoso and Barbosa, 2017

3.2 EXHIBIT 2 LEVEL OF INTEREST IN NATURAL PRODUCTS

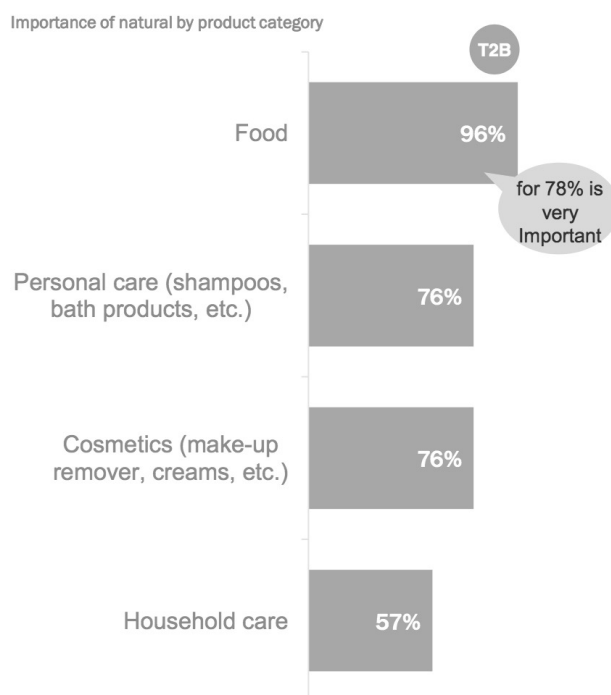
Figure 13 Level of interest in natural products



Source: Annalect, 2017

3.3 EXHIBIT 3 IMPORTANCE OF NATURAL BY PRODUCT CATEGORY

Figure 14 Importance of natural by product category



Source: Annalect, 2017

3.4 EXHIBIT 4 WILLINGNESS TO PAY FOR PRODUCTS/SERVICES

Table 5 Willingness to pay more for environmentally friendly products/services

	General	Female	Male	20 to 24 years old	25 to 34 years old	35 to 44 years old	45 to 54 years old	55 years old or more
Fruits and vegetables	64.00%	71.60%	54.30%	50.00%	64.50%	61.40%	69.50%	66.70%
Personal hygiene (shampoo, toothpaste)	39.80%	44.40%	33.70%	28.60%	45.50%	34.20%	37.90%	50.00%
Groceries / Other Food Products	38.80%	41.80%	34.90%	25.00%	38.00%	36.00%	44.20%	45.20%
Detergents for clothes	36.50%	40.00%	32.00%	32.10%	34.70%	32.50%	36.80%	54.80%
Detergents for the home	33.50%	33.30%	33.70%	21.40%	31.40%	30.70%	35.80%	50.00%
Household appliances	28.00%	28.90%	26.90%	10.70%	26.40%	29.80%	25.30%	45.20%
Cars	27.30%	23.10%	32.60%	21.40%	29.80%	25.40%	18.90%	47.60%
Clothes and accessories	23.80%	28.40%	17.70%	14.30%	26.40%	21.90%	20.00%	35.70%
Technology / electronics	21.30%	18.70%	24.60%	21.40%	18.20%	18.40%	21.10%	38.10%
Make-up	14.50%	20.40%	6.90%	21.40%	17.40%	14.90%	7.40%	16.70%
Objects for the home	13.80%	14.20%	13.10%	10.70%	11.60%	14.00%	10.50%	28.60%

Source: Adapted from Cardoso and Barbosa, 2017

3.5 EXHIBIT 5 SHOPPING EVALUATION / ATTRIBUTES

Figure 15 Shopping evaluation / attributes



Source: Annalect, 2017

3.6 EXHIBIT 6 NATURAL CONSUMERS PROFILE ON SOCIAL MEDIA IN PORTUGAL

Figure 16 Gender

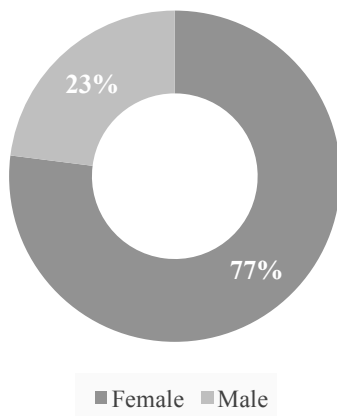


Figure 17 The four universes of the consumer interested in a healthy life

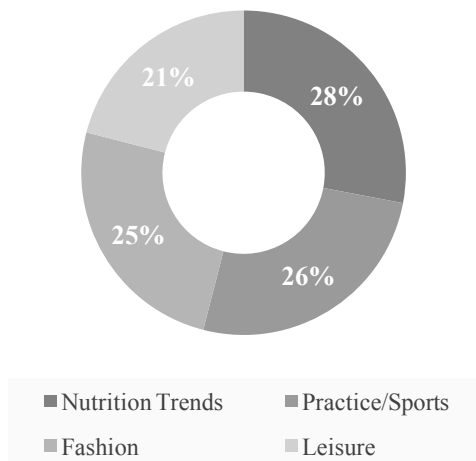


Figure 18 Nutrition trends

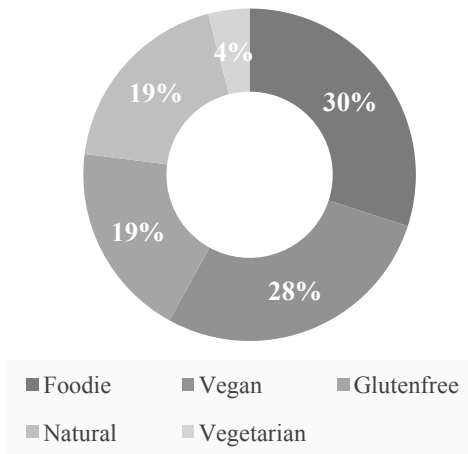


Figure 19 Practice/sports

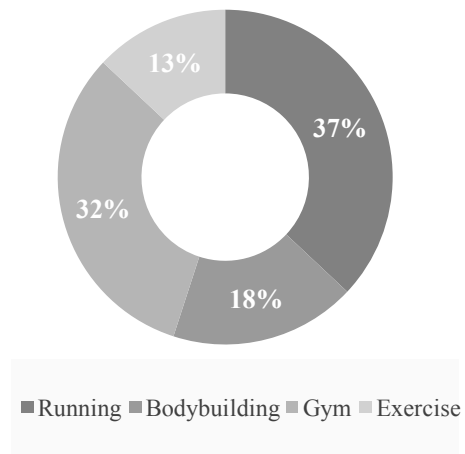


Figure 20 Fashion and style

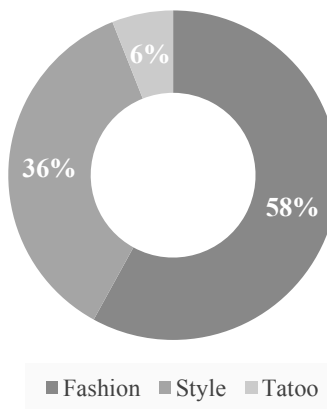
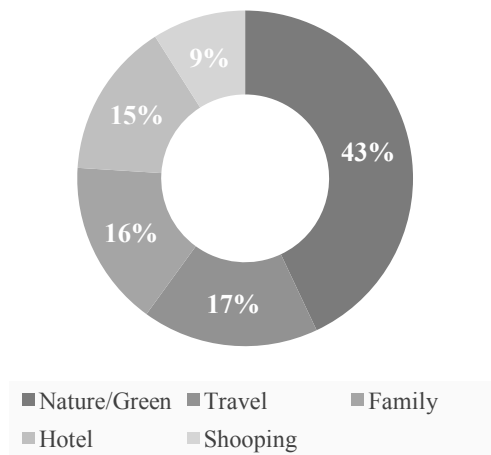


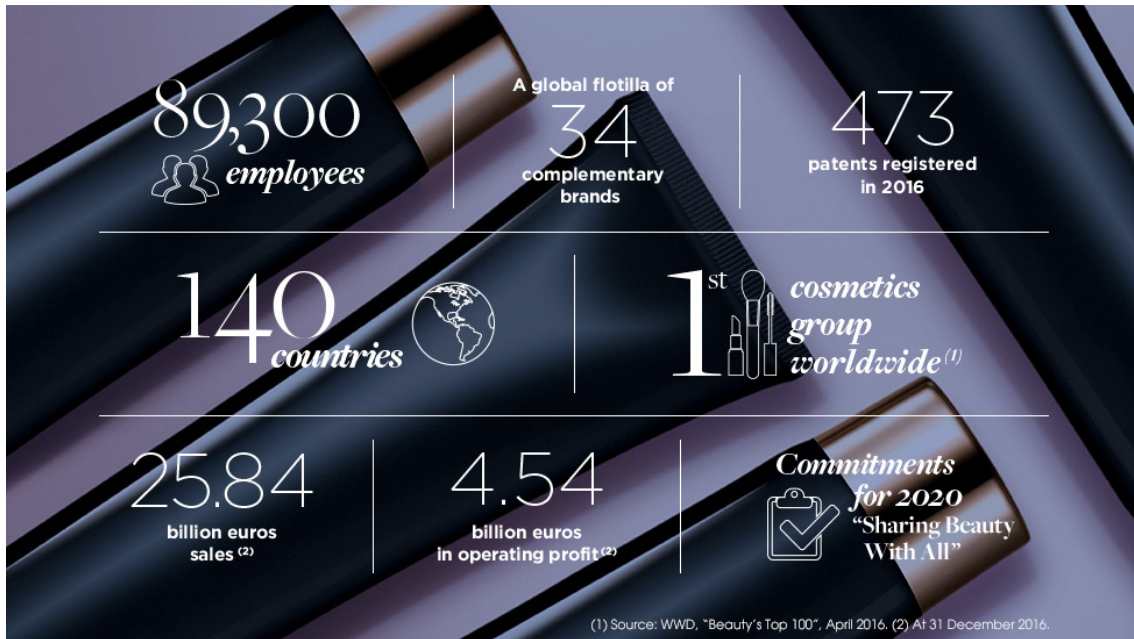
Figure 21 Leisure



Source: Adapted from e.life, 2017

3.7 EXHIBIT 7 L'ORÉAL IN NUMBERS

Figure 22 L'Oréal in numbers



Source: L'Oréal, 2016

3.8 EXHIBIT 8 BIOLAGE R.A.W VISUALS AND CLAIMS

Figure 23 Biolage R.A.W. visuals and claims

MATRIX BIOLAGE
REAL • AUTHENTIC • WHOLESOME

BIOLAGE R.A.W. IS REAL • AUTHENTIC • WHOLESOME.
A natural health kick for hair.

Introducing a new collection of crave-worthy, do-good, feel-good all-natural haircare. 70 to 100% natural origin formulas reveal a unique sensorial experience crafted for true professional results.

Discover the new feel of naturally healthy hair.

- up to 100% biodegradable
- No artificial colorants
- 100% recycled plastic
- No sulfates
- No silicones
- No parabens

NOURISH
FOR DRY, DULL HAIR

71% natural origin
99% biodegradable
Queen Bees + Honey
feeds dry, dull hair for healthy looking, softer locks

84% natural origin
99% biodegradable
Kaolin Clay + Coconut Oil
intensely conditions for soft, shiny, touchable strands

RECOVER
FOR STRESSED, SENSITIZED HAIR

79% natural origin
99% biodegradable
Yucca + Grape Berry
helps restore shine & leaves it feeling replenished

93% natural origin
99% biodegradable
Cranberry Oil + Kaolin Clay
helps restore stressed, sensitized hair for improved strength, shine and bounce

no sulfates no silicones no parabens
 100% recycled plastic no artificial colorants

no sulfates no silicones no parabens
 100% recycled plastic no artificial colorants

CASE STUDY: THE MARKET IS CALLING FOR BIOLAGE R.A.W.

THE R.A.W. BREAKDOWN

THE MOST NATURAL FORMULAS

- over 250 formula iterations
- up to 100% natural origin
- up to 99% biodegradable

THE R.A.W. BREAKDOWN

- 70-100% natural origin
- minimalistic ingredient list
- highly biodegradable
- no sulfates
- no silicones
- no parabens
- no artificial colorants
- traceable ingredient source

THE MOST RIGOROUS STANDARDS

THE R.A.W. BREAKDOWN

FAIR TRADE INGREDIENTS

- Quinoa husk salvaged from Bolivia
- Yucca locally grown by American farmers
- Coriander harvested in Bulgaria
- White Beeswax supporting communities in regions of Africa
- Lava Clay sourced from Morocco

THE R.A.W. BREAKDOWN

Post-Consumer Recycled Plastic

Retail bottle: 100% PCR

Technical sizes: 50% PCR

OUR MOST SUSTAINABLE LINE

FAIR TRADE INGREDIENTS

- Quinoa husk salvaged from Bolivia
- Yucca locally grown by American farmers
- Coriander harvested in Bulgaria
- White Beeswax supporting communities in regions of Africa
- Lava Clay sourced from Morocco

THE R.A.W. BREAKDOWN

OUR MANUFACTURING PROMISE

Manufactured in a plant committed to sustainability, reducing its waste and water consumption per unit by approximately 58% and 4% since 2006.

THE R.A.W. PHILOSOPHY: GREEN CHEMISTRY

Biologie R.A.W. pushes naturally further by ensuring that not only our formulations are developed from natural-origin ingredients, but also designed according to the principles of green chemistry.

GREEN CHEMISTRY
An environmentally responsible approach to develop our formulae as safely and sustainably as possible. We look at the life cycle of a formulation from conception to disposal, while minimizing the use of resources to produce it.

NATURAL ORIGIN
Ingredients made essentially from plants and minerals, but can also be algae, honeycomb and fungi.

BIODEGRADABLE
Ingredient will decompose by way of bacteria or other biological means, and is therefore easily composted at end of its lifetime.

THE R.A.W. DIFFERENCE: NATURAL ORIGIN & BIODEGRADABILITY

Formula name	Biodegradability %	Natural origin %
Nourish Shampoo	99%	71%
Nourish Conditioner	99%	95%
Uplift Shampoo	99%	98%
Uplift Conditioner	98%	95%
Recover Shampoo	99%	70%
Recover Conditioner	99%	95%
Re-hydrate Mask	78%	95%
Re-bodily Mask	92%	95%
Re-hab Mask	72%	95%
Replenish Oil-Mist	99%	100%

Determined by our labs and the Natural Méliér, each formula has a natural origin and biodegradability percentage, also present on each artwork.

Source: L'Oréal, 2017

4 TEACHING NOTES

4.1 CASE STUDY TARGET

This case study is aimed at undergraduates or masters in the areas of Marketing, Management and Business Administration. This case may still be relevant for professionals working in the marketing field of brands that show interest in the sustainability and naturalness of their products, helping them with the demonstration of a real case and current situation of the natural cosmetics market in Portugal. This case may still be useful for entrepreneurs who want to realize the relevance of sustainability to the consumer today and where they are migrating and adopt it in their business.

4.2 PEDAGOGICAL OBJECTIVES

The primary objective of this case study is to understand the best implementation strategy for a differentiating brand such as Biolage R.A.W. in a growing natural professional market. With the elaboration and resolution of the proposed case, it is expected that the target public will have the capacity to:

- Understand the concepts used in this case study and characteristics of the emerging natural organic market.
- Make a deep analysis of the market, company, brand and consumers in order to be able to define the best way forward and the best opportunities to be used in the creation of a communication campaign;
- Understand the particular authenticity of a brand, being able to define entirely its identity so that it can build a communication campaign adapted to the objectives of the brand in the market differentiating it from its competition and placing it in a market with little competition;
- Mastering new and traditional communication tools to take advantage of an integrated marketing communication.
- Learn how to analyze strategic analytical frameworks and use it as the basis for deeper market analysis or as a tool for creating a swot analysis.

4.3 LITERATURE REVIEW

Literature regarding natural and organic products, currently, is not abundant. However, if we compare with previous years it is wider and the idea is that in the future this area will arouse more and more the curiosity of the researchers and the panorama will change. As far as green marketing concepts are concerned, several visions and investigations by different authors are notorious, despite the idea that they are relatively static and that a consensus seems to have been found. In the end, there is no significant incentive for further investigation. Finally, the importance of an Integrated Marketing Communication for an objective, efficient and cost-effective communication seems to be unanimous.

4.3.1 GREEN PRODUCTS

Green products must have the same functionality and quality as non-green products. The difference lies in the ingredients that compose it and should cause less damage to the environment considering its life cycle (Ottman, 1993). The green products have to be developed according to ecological standards and also have several advantages: reduction of raw material and packaging, reuse and recycling of them to create new products, an increase of product life cycle, reduction of natural resources, etc. (Santos *et al.*, 2015). Green products may be organic products or natural products (IBD, 2010). The concepts of natural products and organic products are not consensual around the world. There are slight differences that are regulated by different certification agencies. The various perspectives regarding natural and organic cosmetics are shown in Table 6.

Table 6 Certifications parameters for natural/ organic cosmetics

Countries	Classification	Certification Agency
Brazil	<p>Organics: when at least 95% of the formulation components, less water, are organic raw material with extraction certificate or raw materials that follow strict standards of production, extraction, purification and processing. An organic raw material is always natural.</p> <p>Natural: a cosmetic can be classified as natural and be certified if the formulation is composed of natural raw materials certified or not. A natural raw material is not necessarily organic.</p> <p>With raw organic or organic ingredients: prepared or made with organic raw materials is at least 70% and at most 95% of the formulation components, discounting water, are certified organic.</p>	IBD
India, Canada, Ecuador, Colombia, Portugal, Japan, South Africa	<p>Organic: The fraction of plant ingredients from organic agriculture on the total plant ingredients must be 95%</p> <p>Natural: The fraction of plant ingredients from organic agriculture on the total plant ingredients must be at least 50%.</p>	ECOCERT
Germany, France, Italy, UK	<p>Organic: must have at least 95% of organic ingredients produced. At least 20% of the total product must be organic.</p> <p>For natural cosmetics, there is no requirement to use a minimum level of organic ingredients.</p>	COSMOS-STANDARD
US	<p>100% Organic: must contain (excluding water and salt) only organically produced ingredients and be processed using only organically produced processing aids.</p> <p>Organic : must consist of at least 95% organically produced ingredients (excluding water and salt). Each organically produced ingredient must be identified as “organic” in the ingredient statement on the information panel.</p> <p>Made with Organic: Processed products that contain at least 70% organic ingredients.</p>	USDA

Source: Adapted from Santos *et al.*, 2015

4.3.2 GREEN MARKETING

The concept of Green Marketing has changed over the time. It has evolved since several factors have changed and it can divide the evolution of the concept in three eras.

The first period, ecological green marketing, from the 1960s into the early 1970s. In this era, the focus was the external factors of the environment, such as air pollution (Peattie and Crane, 2005). The second period, green environmental market, this process began in the late 80s and was based on new concepts such as clean technologies, sustainability,

consumer and competitive advantage emerged (Peattie and Crane, 2005). The third, sustainable green marketing. The appearance of this era was due to increased demand and expectations from the public, as well as the growth of the rules set by the state leading to the emergence of sustainable development in the field of marketing science, bringing great impact on the economy (Fathi, 2007).

The American Marketing Association (n.d.) gives three different definitions in 3 perspective ways for green marketing. In a retail standpoint, green marketing refers to a commercialization of a product that is considered to be safe for the environment. In a social viewpoint, green marketing is about the development and marketing of products designed to minimize adverse effects on the physical environment or to improve its quality. And finally, in an environmental perspective, green marketing represents the efforts by organizations to produce, promote, package and reclaim products in a way that is sensitive or receptive to ecological concerns.

According to Hartmann and Ibáñez (2006) green marketing is a persuasion strategy and they believe that the fact that consumers show a growing concern with environmental issues, is because they are better informed at about the subject.

Stanton and Futrell (1987) define green marketing as the action to satisfying the will and needs of the people but with the least possible harmful impact on the environment.

4.3.2.1 Green marketing tools

Three green marketing tools can be considered as drivers of environmentally friendly product knowledge. These tools are also known for distinguishing green products from conventional ones. These tools include eco-brand, eco-label and environmental advertisement (Rahbar and Wahid, 2011).

Eco-labeling

Rex and Baumann (2007) define eco-labeling as an object which its primary purpose is to distinguish products that are environmentally friendly of those who are not. It also allows knowing some information about the origin of certain products and how they are produced. Nevertheless, people still not using these tools on a daily basis and because of that, many studies have been done to understand how to change the consumer's purchase behavior (D'Souza and Taghian, 2006; Sammer and Wüstenhagen, 2006). Sometimes consumers do not trust eco-labels because they are not informed of the restrictive

legislation that brands are submitted to put eco-labels on their products. Other times, consumers are just not able to recognize an eco-label (Lyer, 1999). There are other cases where consumers recognize these labels. However, these eco-labels do not lead necessarily to the consumer to purchase the product (Leire and Thidell, 2005).

In a different perspective, a study from Rashid (2009) shows that there is a positive relationship between a green product with eco-label and consumers intention to purchase.

Eco-labels can be defined as claims stating that a product has particular environmental properties and features (De Boer, 2003)

Although most consumers believe that green products are more expensive than the others, in the past few years, there was a greater propensity for consumers to buy such products. Nevertheless, this condition is not true for all countries (WPP, 2011).

Eco-brand

Eco-brand can be defined as the factors that help identify products that are not harmful to the environment. Factors such name, symbol, or the appearance of the product can help consumers distinguish green products from those that are not. (Rahbar and Wahid, 2011).

Understanding the consumer purchase behavior and reactions to different types of marketing are vital for marketers and market researchers. For this reason, it is important that a green product is associated with a green brand. (Aaker, 1992).

Environmental advertising

The environmental advertising made by companies usually contains three elements. The first is a state where the corporation shows concern for the environment. In the second aspect, the company describes the changes that have made in its way of operating that is contributing to the improvement of the environment. And finally, the advertisement describes specific environmental actions in which the corporation is involved and which resulted in an improvement of the environment (Davis, 1994).

According to Baldwin (1993), environmental advertisements help to form a consumer's values and translate these values into the purchase of green products. Chase and Smith (1991) refer that "Environmental messages in advertisements and product labeling was found to ,sometimes influence the purchasing decisions of 70% of respondents" (Delafrooz *et al.*, 2014: 5).

4.3.2.2 *Consumer green purchase behavior*

Green consumers usually know very well their options, they carefully track every shopping practice and systematically adopt practices of reusing, reducing and recycling. They are very influential and incentive their peers follow the same beliefs. They should not be seen as an individual force but as individuals who join other individuals to make decisions and influence as political citizens. Companies should address them as a whole community of consumers and not as an individual consumer decision maker (Moisander, 2007). Regarding product purchasing, they refuse to buy products that are adverse to the environment being sometimes and represent the culture-ideology of anti-consumption trying to live a more sustainable life (Loureiro *et al.*, 2014).

In a market survey conducted by Nielsen (2015), it is possible to reach several conclusions about consumer behavior regarding the consumption of sustainable products. In this study, 59% of consumers say that the benefits to health and well-being influence their purchase decision, 57% of consumers say that natural, organic and healthy ingredients are part of their buying decision and 60% of consumers would pay a higher value for sustainable products.

4.3.2.3 *Fairtrade*

The consumption of Fairtrade goods has been increasing in the last few years (Krier, 2007). Despite the increase in the use of fair-trade products, this does not mean that the production of the same has grown.

The Fairtrade consumer is the individual who intentionally consumes traded products to show his support to producers who operate in developing countries. Despite the increase in consumption of fair-traded goods, this does not mean that the production of the same has increased. The Fairtrade model is presented as a solution to poverty in less developed countries where unfairly estate transactions are made (Wheeler, 2012).

Comparable to any customer brand, the consciousness of the accessibility and denotations of Fairtrade products between the general population depends on a set of market devices such as advertising campaigns, the point of sale displays and educational policies (Wheeler, 2012).

4.3.3 INTEGRATED MARKETING COMMUNICATIONS

In an age where information is readily accessible to most people, brand communication becomes more and more imperative. Communication can happen in many forms, written, spoken or even gestural, the heart of the matter is the exchange of information. For the brands is no different and have a panoply of media tools increasingly broad. For them to be maximized, brands must use reflected and integrated marketing communication strategies so that they can draw maximum potential from it.

The American Marketing Association (n.d.) describes integrated marketing communications (IMC) as "planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time." This necessity came from technological advances and other factors which provided new challenges and opportunities for marketers. To take full advantage of these, marketers have been forced to look for new tools and ways of thinking to create more complex communication structures.

Several marketing communication options can play different roles and have different goals for brand communication. First, it is relevant to differentiate them into three categories: Paid Media, Owned Media and Earned Media. Paid media refers to the use of traditional outlets like TV, print and direct mail. Owned media are the options controlled by the company such as website, blogs, mobile apps and social media. Finally, earned media can occur in the virtual or real world but is not controlled by the company, such as word of mouth and press coverage. In this case, it is only relevant to consider the first two categories, since they are the ones that marketers control most directly and for which they are responsible for making decisions. (Keller, 2016)

To have access to a more detailed version of the communication options, in the paid and owned media category, eight major Marketing Communication Platforms are listed in Table 7. Each one of them has several components and defining characteristics.

Table 7 Major Marketing Communication Platforms

		Component	Characteristic
Direct and	Advertising	Print and broadcast ads; Packaging, outer; Packaging inserts; Cinema; Brochures and booklets; Posters and leaflets; Directories; Reprints of ads	Pervasive; Amplified Expressiveness; Control
	Sales Promotion	Contests, games, sweepstakes, lotteries; Premiums and gifts; Sampling; Fairs and trade shows; Exhibits; Demonstrations; Coupons; Rebates; Low-interest financing; Trade-in allowances; Continuity programs;	Ability to be attention-getting; Incentive; invitation
	Events and Experiences	Sports; Entertainment festivals; Art; Causes; Factory tours; Company museums; Street activities	Relevant; Engaging; Implicit
	PR and Publicity	Press kits; Speeches; Seminars; Annual reports; Charitable donations; Publications; Community relations; Lobbying; Identity media; Company magazine	High credibility; Ability to find hard-to-reach buyers; Dramatization
	Online and Social Media Marketing	Websites; E-mail Search ads; Display ads; Company blogs; Third-party chatrooms, forums, and blogs Facebook and Twitter messages, YouTube channels and videos	Rich; Interactive; Up to date
	Mobile Marketing	Text messages; Online marketing; Social media marketing; Apps	Timely; Influential; Pervasive
	Database Marketing	Catalogues; Mailings; Telemarketing; Electronic shopping; TV shopping; Fax	Personal; Proactive; Complementary
	Personal Selling	Sales presentations; Sales meetings; Incentive programs; Samples; Fairs and trade shows	Customized; Relationship oriented; Results oriented

Source: Keller, 2016

Two communication models complement each other and create a broad conceptual framework to address key IMC questions and define an IMC Conceptual Framework – Communications Optimization Model and Communications Matching Model.

The Communications Matching Model coordinates the main characteristics of different type of media options with the communication objectives (Table 7) of the brand (Figure 21) combining the various types of communication with the different stages of the consumer decision journey (Figure 22). The model therefore considers the behaviors of the different types of consumer during their decision-making process and their needs/gaps. Compares them with where they would need to be about the need for brands, and then advises more appropriate media combinations that best meet those needs/gaps at each stage along the decision chain (Figure 23). After applying the Communications Matching Model, marketers then need to confirm if they already have a fully integrated marketing communication program and confirm their decision. To achieve this confirmation, they should run the Communications Optimization Model (Batra et al., 2016).

Figure 24 Communication Options versus Communication Outcomes

Research Propositions Concerning Likely Communication Outcomes from Different Communication Options

Communication Outcomes	Communication Options										
	TV	Promos	Events	PR	Social Media	Website	Search	Display	Mobile	Direct	Selling
Create awareness and salience	+++	++	++	++	+++	++	+++	+++	+++	++	+
Convey detailed information	+	+	+	+	++	+++	+	+	++	+++	+++
Create brand imagery and personality	+++	++	++	++	+++	++	+	+	++	+	+
Build trust	+	+	+	+++	+++	+	+	+	++	+	+++
Elicit emotions	+++	++	+++	+++	+++	++	+	+	++	+	+
Inspire action	+	+++	+	+	+	++	+++	++	+++	+++	+++
Instill loyalty	++	+	+	+	++	++	+	+	++	++	++
Connect people	+	+	++	+	+++	+++	+	+	+++	+	+

Notes: +++ = greatest influence; ++ = medium influence; + = least influence.

Source: Batra et al., 2016

Figure 25 Decision Journey Stage versus Communication Need and Objectives

Research Propositions Concerning Possible Communication Needs and Objectives at Different Stages of the Consumer Decision Journey

Decision Journey Stage	Communication Needs and Objectives							
	Awareness	Information	Imagery	Trust	Emotion	Action	Loyalty	Connect
Needs	+++	+++	+	++	++	+	+	+
Is aware	+++	+++	+	+	+	+	+	+
Considers	+++	+++	+++	++	+	+	+	+
Learns	+++	+++	+++	+++	+	+	+	+
Likes	++	+++	+++	+++	+++	+	+	+
Will pay	++	+++	+++	+++	+++	+	+	+
Commits	++	+++	+++	+++	+++	+++	+	+
Consumes	+	++	+++	+++	++	+++	+	+
Is satisfied	+	++	+++	+++	++	++	+++	+
Is loyal	+	+	+	++	++	+++	+++	++
Engages	+	+	+	++	++	+++	+++	+++
Advocates	+	+	+	++	++	+++	+++	+++

Notes: +++ = greatest influence; ++ = medium influence; + = least influence.

Source: Batra *et al.*, 2016

Figure 26 Decision Journey Stage versus Communication Options

Research Propositions Concerning the Relative Strengths of Different Communication Options Across the Consumer Decision Journey

Decision Journey Stage	Communication Options										
	TV	Promos	Events	PR	Social Media	Website	Search	Display	Mobile	Direct	Selling
Needs	+++	+	+	++	++	+	+++	+++	++	+++	+++
Is aware	+++	++	+++	++	++	+++	+++	+++	+	+++	+++
Examines	++	++	+	+	++	+++	+++	+++	++	+++	+++
Learns	++	++	+	+	++	+++	+++	++	+++	+++	+++
Likes	+++	++	+++	++	+++	+++	+	+	+++	++	++
Will pay	+	++	+	++	+	++	+	+	++	+++	+++
Commits	+	+++	+	+	+	++	+	+	+++	+++	+++
Consumes	+	+++	+	+	++	+	+	+	++	+	+
Is satisfied	++	++	+	++	++	++	+	+	++	+	+
Is loyal	++	+++	+++	+	+++	+++	+	+	+++	+++	+++
Engages	+	+++	+++	+++	+++	+++	+	+	+++	+++	+
Advocates	+	+	+++	++	+++	+++	+	+	+++	+	+

Notes: +++ = greatest influence; ++ = medium influence; + = least influence.

Source: Batra *et al.*, 2016

Communications Optimization Model evaluates all proposed communication options for effectiveness and efficiency to ensure that maximal collective effects result. In all seven criteria help in this process, they are Coverage, Cost, Complementarity, Contribution, Commonality, Cross-Effects and Confirmability.

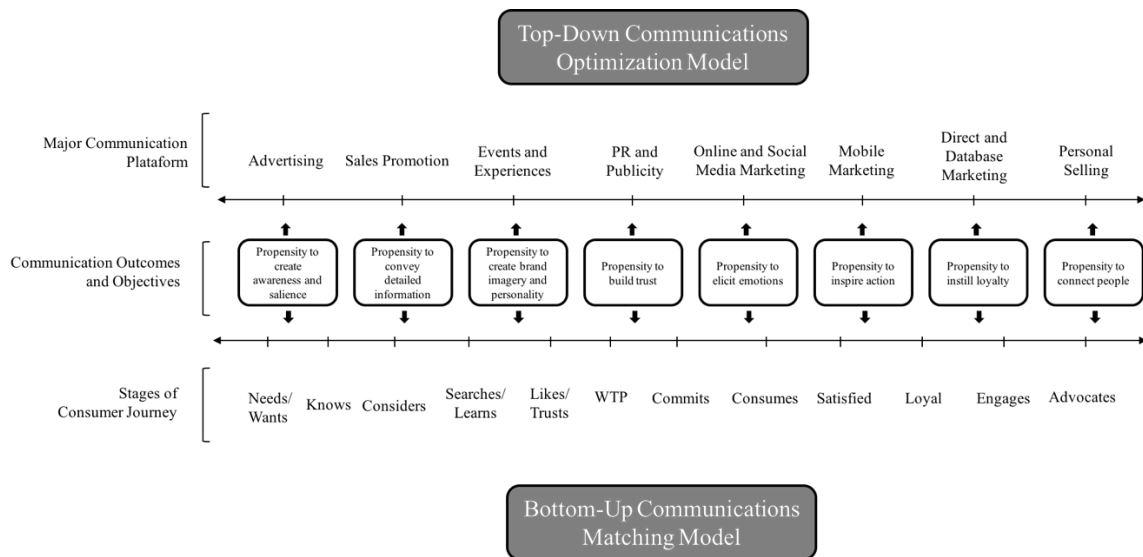
Table 8 Communications Optimization Model Criteria

Coverage	Coverage is the proportion of the target audience reached by each communication option employed, as well as the amount of overlap among those options.
Cost	Marketers must evaluate marketing communications on all these criteria against their cost to arrive at the most effective and most efficient communications program.
Contribution	Contribution reflects direct “main effects” and the inherent ability of a marketing communication to create the desired response and communication effects from consumers in the absence of exposure to any other communication option.
Commonality	Commonality is the extent to which common associations are reinforced across communication options; that is, the degree to which different communication options share the same meaning.
Complementarity	Complementarity is the degree to which different associations and linkages are emphasized across communication options.
Cross-effects	Communications used in tandem are more powerful when they interact and create synergistic cross-effects with other communications through proper sequencing.
Conformability	Conformability refers to communication versatility and the extent to which a particular marketing communication “works” for many target consumers in many times and places.

Source: Batra et al., 2016

By contemplating communication complementarity and incorporation in detail, the Communications Matching Model and Communications Optimization Model suggest a complete top-to-bottom view of marketing communications, the IMC Conceptual Framework (Figure 24).

Figure 27 IMC Conceptual Framework



Source: Adapted from Batra *et al.*, 2016

4.4 ANALYTICAL FRAMEWORK PRESENTATION

For the target audience of this case study to develop an appropriate and structured analysis of the same, it is important to provide and monitor both qualitative and quantitative data on the subject.

The quantitative analysis will help to better understand the evolution of sustainable and natural market nationally and internationally, as well as a better understanding of the Portuguese “green” consumer.

1. Portuguese green consumer:

- Percentage of Portuguese population well informed regarding sustainable development;
- The contribution of each entity to improve the environment and society;
- Level of interest in natural products;
- Willingness to pay more for environmentally friendly products/services.
- Level of importance of natural by product category;
- Millennials as the key group for green purchasing products.

2. Natural market:

- Natural personal care market - Sales;

- Natural personal care market - Share of market;
 - Natural personal care market – Registered growth;
3. Global beauty market:
- Breakdown of the market by product category;
 - The growth of the worldwide cosmetics market over ten years.
4. Natural consumer profile on social media – Portugal.
5. Biolage R.A.W. internal data:
- Biolage R.A.W. product prices.

On the other hand, it should complement this quantitative analysis with a qualitative perspective to achieve a right equation to the case:

- Description of the L'Oréal group and the position of its brands;
- Characterization of the professional products market in Portugal as well as the specificity of its distribution channels;
- Deep analysis of the philosophy of Biolage R.A.W. as well as its range of products, price and distribution, including internal tools for evaluating the potential of salons;
- Characterization of Biolage R.A.W competition;
- The reviewed literature on the subject and also integrated marketing communication tools to solve the case.

Finally, some tools are assumed to be controlled by the target audience of this case study, such as the development of a dynamic SWOT analysis and the use of Ansoff Matrix.

4.5 ACTION PLAN

Session	Objectives	Action plan	Time
1 st Session	<p>Develop the students' interest in the case study.</p> <p>Introduction of the market</p> <p>Presentation of the case and the objectives</p>	<p>Presentation of the market and L'Oréal Group;</p> <p>Introducing initial topics on sustainable, natural and organic markets and its evolution to students;</p> <p>In-class discussion on the perception of students about the "green" consumption and the "green" Portuguese consumer;</p> <p>Presentation of the professional products market and contextualization regarding the different distribution channels;</p> <p>Distribution of the case study to the students;</p> <p>Creation of workgroups.</p>	90min
Out of session	<p>Reading and internalizing the case</p>	<p>Individual case study reading, diagnosis and comprehension.</p> <p>Initial case study analysis of the market and its dynamics.</p> <p>Collection and summary of information about natural cosmetics demand.</p> <p>Group discussion.</p>	60min
2nd Session	<p>Introduction of the brand</p> <p>Know the case study</p> <p>Presentation of the first set of questions</p>	<p>Introducing Biolage R.A.W. to the student, including the range of products, price and distribution.</p> <p>Visualization of different visual materials from the brand ;</p> <p>In-class discussion about Biolage R.A.W. direct and indirect competitors;</p> <p>Presentation of the 1st set of questions.</p>	90min
Out of Session	<p>Resolution of the 1st set of questions</p>	<p>Secondary research (books, scientific articles) on the key subjects in consideration;</p> <p>Deep case study analysis and discussion by the group</p> <p>Elaboration of the Biolage R.A.W. segmentation, target and positioning.</p> <p>Construction of a dynamic SWOT analysis to launch the brand;</p>	120min

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3 rd . Session	Case study development Presentation of the second set of questions	In-class discussion on communication platforms and outcomes as well as integrated marketing communications; Presentation of 2nd set of questions Explanations about the data presented by the teacher, discussion about the points of doubts	90 min
Out of Session	Resolution of the 2 nd set of questions Presentation preparation .	Complimentary research for case resolution; Creation of communication strategy for the launch; Definition and explanation of the next steps for the brand; Development of the case resolution presentation.	210min
Final Session	Case resolution presentation and discussion	20 minutes' presentation per group; Argument and class discussion; Evaluation by the teacher regarding the presentation and consistency of the answers;	120 min
Out of Session	Score work groups	Case resolution (50%) + Presentation (35%) + Discussion (15%)	

4.6 ANIMATION QUESTIONS

- What is the difference between a natural product and an organic one?
- Have you heard about Natural haircare professional products? Where?
- Is the professional haircare market prepared to receive a natural professional haircare brand made with organic ingredients? Will they trust in the results of a natural product?
- In your opinion, the future of the professional product market will be the “green” approach?
- Is the consumer willing to pay more for natural products?
- Will consumers trust a brand, when its “mother brand” does not share the same values?
- Is it possible to create awareness with a limit budget and efficient communication?
- Is it feasible to evaluate the impact/success of this launch?
- Do you think you had access to all the information you needed to solve this case? If not, what information is missing from your opinion?

4.7 CASE STUDY RESOLUTION PROPOSAL

The resolution recommended is merely indicative and may be matched or improved due to the dynamic market atmosphere in which the case is inserted. The answers will serve as a guidance for the teacher /trainer in order to establish an element of pedagogical support and learnings.

1. *Considering the given data about the sustainable/natural markets and the main competitors, define Biolage R.A.W. segmentation, target and positioning.*

Table 9 Segmentation and target analysis

Segmentation	Criteria	Target
Demographic	Age	From 20 to 45 years old. Mainly millennials.
	Gender	Woman.
Geographic	Region	Lisbon and Oporto.
	Urban	Metropolitan and urban areas with higher density of population.
Psychographic	Lifestyle	Individuals that are looking for a healthier lifestyles which usually reflects a healthy diet and a concern for the body and physical well-being. Practice enough exercise and seek to feel good about themselves. They like to influence the society, to be original and spontaneous.
	Personality	Modern, Environmental conscious, Digital, Strong believes, Civic-Oriented, Global Citizens.
	Motives	Concern for a sustainable planet. Their hair choices represent their beliefs.
	Attributes	Constant interaction with the community and with brands. They like to have access to all the information to make the right choice.
Behavioral	Benefit Expectations	Want to have a healthy looking hair without compromise the performance nor the planet.
	Brand Loyalty	Like to experiment and test several products, knowing what they are looking for. When they find it, they are loyal to the brand as long as it continues to fulfill their needs.
	Volume Usage	3x times a week or every day.
	End-Use	Healthy looking hair.
	Price Sensitivity	Willing to pay more for natural products.

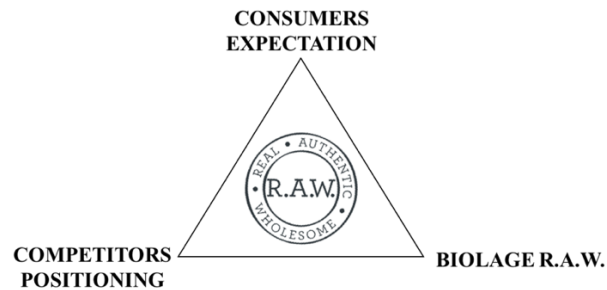
Source: Developed by the author, 2017

Biolage R.A.W. Positioning

The highest-performing natural origin haircare line that does not compromise the world.

Golden Triangle Positioning

Figure 28 Golden triangle positioning



Source: Developed by the author, 2017

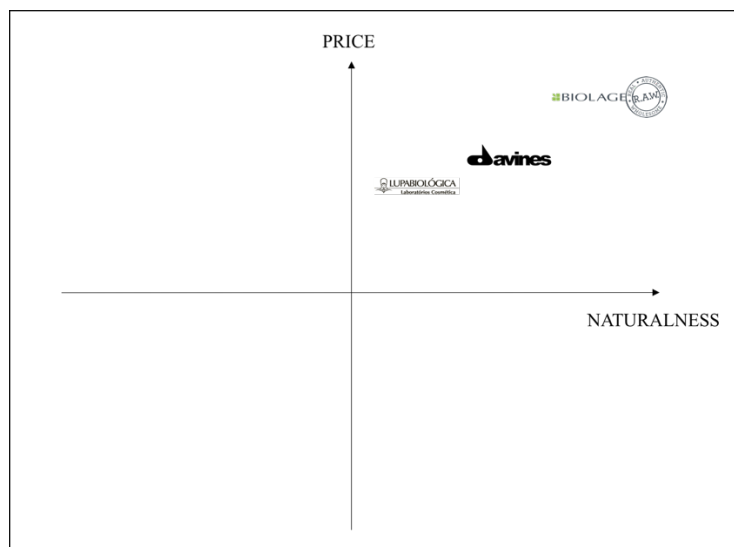
Consumers Expectations: Reliable and High-Performance Products; Naturalness of the product – no chemicals; Good value for money.

Positioning of the competitors: Medium-low prices; Products inspired by nature; Social responsibility rooted in the brands identity.

Biolage R.A.W. Products: High performance of its natural haircare products; Strong brand philosophy and extremely appealing visuals; Truly natural products (up to 95% natural ingredients).

Conceptual Map

Figure 29 Conceptual Map



Source: Developed by the author, 2017

Conceptual Map Justification

Davines

Regarding price, it is possible to establish a reference price for the brand in order to understand where it is located. In order to do this, we can consider as reference, the price of the retail nutrition shampoo (Davines MOMO Shampoo) that is priced at 15.50 euros (shampoo, 2017). If we have to define a naturalness scale from which the extremes would be truly natural and naturally inspired, the brand of vines would be found at the center precisely because it has no harsh chemicals but the quantity of natural and organic products does not go beyond 50%.

Lupabiológica

For a fair comparison, it will be considered again as price-setter the retail nutrition shampoo nutrition (Bioseivas Shampoo Nutritivo) that is price at 13.90 euros (shampoo, 2017). Lupabiológica's products are inspired by nature but its composition is not rich in natural and organic products. It has no parabens which is considered to be a health-damaging chemical component, with great possibility of being carcinogenic.

Biolage R.A.W.

As we have seen before, Biolage R.A.W. has also a nutrition range of products where its retail shampoo (R.A.W. Nourish Shampoo) is valued at 22 euros. Considering naturalness, the brand is, in fact, the most natural brand on the market. Its products contain between 70-100% natural origin minimalistic ingredient and its bottles are highly biodegradable and produced from other packages. The formulas of their products do not contain sulfates, silicones, parabens or artificial colours.

2. *Develop a Dynamic SWOT Analysis and take most important conclusions about a plan of action to implement Biologie R.A.W. in the Portuguese Market.*

<p>Strengths</p> <ol style="list-style-type: none"> 1. Natural Organic products with sensorial characteristics. Fair-trade and sustainable products. 2. High performance of the products 3. Large geographic distribution 4. Education teams and professional advice to the consumer 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Low Awareness 2. High Prices 3. Lack of consumers data 4. The brand only owns haircare brands
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Low competition market 2. Growing demand for natural cosmetics and concern with sustainability. 3. Explore new categories inside the professional products market 4. Millennials are the healthy beauty products generation 5. Consumers willing to pay more for natural products 	<p>Threats</p> <ol style="list-style-type: none"> 1. High commercial deals regarding discount with Wholesalers and Big Retailers 2. Growing DIY natural products 3. Strong indirect competition with higher awareness 4. E-commerce of non-official wholesalers and retailers available to sell Biologie R.A.W. products at a lower price

Once strengths, weaknesses, opportunities and threats are defined, is important to go even forward to make a deep analysis. To do that, we should match the external opportunities and threats with the internal strengths and weaknesses, in a manner that we can take relevant strategic conclusions for the brand. Cross the SWOT Analysis is an exhaustive examination but also works as a relevant brainstorming process that is relevant to better understand the actual context of the market and also to consider to where the brand should focus in the future.

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		Strengths				Weaknesses			
Opportunities	1 - Low competition market	1 - Natural Organic Products with sensorial characteristics. Fairtrade and sustainable.	2 - High performance of the products	3 - Large Distribution	4 - Education teams and professional advice to the consumer	5 - Low Awareness	6 - High Prices	7 - Lack of consumers data	8 - The brand only owns haircare brands
	2 - Growing demand for natural cosmetics and concern with sustainability.	Communication (communicate the uniqueness of the product in the market)	Communication (Invest in educational communication)	Channels (Be where the direct competition cannot be)	Communication (Invest in natural educational communication)	Communication (Invest in e-influencers to reach a big audience to a lower price)	Communication (Communicate the point of difference of this brand)	Channels (Create an e-commerce official channel)	Innovation (Expand to new categories)
	3 - Explore new categories inside the professional products market	Innovation (New natural organic product for a different category)	Innovation (New Product with same performance of the previous ones)	Channels (Take advantage of the existing channels)	Education (Benefit from the professional expertise to recommend new natural products)	Innovation (Create new trendy products that can increase the brand awareness)	Communication (Communicate the origin of the ingredients and Fairtrade. Storytelling of the products)	Market Research (Invest in market research about consumers and their necessities in other categories of the professional market)	Innovation (Invest in new products for new categories)
	4 - Millennials are the healthy beauty products generation	Communication (Invest in digital communication to target millennials)	Communication (Communicate Naturally with high performance)	Communication (Communicate on social media driving the consumer to the nearest salon - Geo-target)	Communication (Educate online - FAQ and Tutorials)	Communication (Communicate through channels were millennials are more present - Digital, Social Media, Influencers)	Communication (Communicate the brand as fun and cool // Communicate added value of this type of products)	Market Research (What are the millennials characteristics?)	Innovation (Analyse possible range extension. Prioritize the ones that millennials value most)
	5 - Consumers willing to pay more for natural products	Communication (Communicate the natural claims of the products)	Sample Strategy (Create events or distribute samples where consumers can test the products)	Channels (Increase the prices in places that there is no competition)	Education (Exclusive educational events for the best consumers)	Communication (Communicate through channels were millennials are more present - Digital, Social Media, Influencers)	--	Market Research (Invest in Market Research to understand which are the characteristics that consumers value the most)	Innovation (Analyse possible range extension within the natural products)
	6 - Strong commercial deals regarding discount with Wholesalers and Big Retailers	Channels (Create a direct channel of sales, lowering the discounts conceded)	Lower discounts because the performance of the product is superior	Channels (Get new channels and distributors to decrease the importance and discounts of each one - Bro, Go Natural, Celerio, Maria Granel)	Education (Replace discounts for workshop for handrersers)	Replace commercial deals for animation gifts	Replace commercial deals for animation gifts	Market Research (Negotiate with wholesaler and big retailers exchanging consumer data to maintain discounts)	Innovation (Analyse possible range extension within the natural products and negotiate lower discounts for this specific one)
	7 - Growing DIY natural products	Innovation (Combine Biolage R.A.W. products complementarity)	Communication (Communicate the superior performance when compared with DIY products)	--	Communication (Communicate through professional advice the superior performance when compared with DIY products)	Innovation (Combine Biolage R.A.W. products complementarity)	Communication (Communicate the benefits regarding performance of using professional products)	--	Innovation (New Product where consumers can customize it)
	8 - Strong indirect competition with higher awareness	Communication (Communicate the natural claims of the products, stating the points of difference)	Communication (Communicate the natural claims of the products, indicating the points of difference)	Channels (Be where the indirect competition cannot be)	Education (Instore and salon actions to educate and promote the benefits and advantages of Biolage R.A.W. range)	Communication (Creation of sensory experiences that create prominence in salons when compared to other brands)	Communication (Create awareness communicating the added value of this type of products)	Communication (The brand has a well define target so it should gather consumer data and address it exclusively)	Innovation (Study the category of products where the indirect competitors are weakest to create a range extension)
	9 - E-commerce of non-official wholesalers and retailers available to sell Biolage R.A.W. products at a lower price	Channels (Create an e-commerce official channel)	Channels (Create an e-commerce official channel)	Sample Strategy (Distribute samples in salons where consumers can test the products)	Education (Take advantage of the professional advice to conquer with lower prices).	New Channels (Create an e-commerce official channel with exclusive discounts)	Communication (Partnership with brands of other segments to complement the offer)	New Channels (Create an e-commerce official channel and gather consumer data)	Innovation (New product that is launched exclusively through official e-commerce channels)
Threats									

CASE STUDY: THE MARKET IS CALLING FOR BIOLAGE R.A.W.

SO Strategy	WO Strategy
<p> S1xO1 Once it stills being a market with low competition, the brand can take advantage of its uniqueness and strong claims to gain notoriety and market-share.</p> <p> S2xO2 The brand has hair care products with a strong performance and that match all the parameters of sustainability, naturalness, organic and fair-trade, the brand should expand haircare category since it is the category with higher growth.</p> <p> S2xO5 Biolage R.A.W. needs to prove to the consumer that the performance is high, so it is important to have a sampling strategy.</p> <p> S4xO4 Education and professional advice is probably the main differentiation between a professional product brand and another brand. Millennials are the key target group for the natural cosmetics and they are very present online (Forbes, 2014). Biolage R.A.W. should considerate to make educational tutorials and FAQ's for consumers online.</p>	<p> W1 x O1 To increase the awareness, Biolage R.A.W. should communicate through e-influencers to reach a higher amount of consumers at a lower cost. Since the competition is reduced, it is possible to for the brand to have exclusivity from the e-influencers chosen.</p> <p> W2xO2 Explain to consumers why the prices of the products are high. The brand should communicate the high performance, origin and Fairtrade sources, through storytelling.</p> <p> W4xO3 Usually a brand in the professional products market owns more than only haircare brands. The brand can extend to new categories – natural hair dyes or natural skin care product. In fact, many salons also have aesthetics treatments so Biolage R.A.W can take advantage of that to commercialize skincare products.</p>
ST Strategy	WT Strategy
<p> S1xT1 The brand should consider the creation of new distribution channels more directly to consumers. In this way, it is possible to reduce the level of discounts given. A good solution for direct distribution would be to implement an official e-commerce channel.</p> <p> S2xT2 The growth of DIY products can be a treat to Biolage R.A.W. products. To defeat this threat, the brand should communicate the superior and professional performance of its products.</p> <p> S4xT1 The brand can obtain higher margins by replacing discounts conceded to wholesalers for education workshops about the new products for hairdressers. It is a win-win situation because hairdressers can give better advice to consumers and the brand gives fewer discounts.</p>	<p> W1xT3 Communicate through differentiation on salon communication. Invest in a sensorial communication using the main ingredients of Biolage R.A.W products. Produce advertising materials made of recycled products and wood giving the feeling of naturalness.</p> <p> W4xT2 Invest in innovation by creating new natural products where consumers can personalize it, at home or salons. This way, consumers would receive a professional and customized treatment and would have the DIY experience.</p>

It is visible that there are four big areas which the brand should take into account, to be able to make future strategic decisions: Communication, Innovation, Distribution Channels and Education.

3. *When a brand is launched, communication is always decisive, especially when it competes in a market that has not been much explored or even known for the most of the consumers.*
 - a. *Define a communication strategy for this new brand. Explain using communication platforms and the main communication outcomes/objectives expected.*

Sales Promotion

- **Online Product Sampling:** Product sampling system allows the consumers to try the product before buying it helping them to be familiarized with it. Traditional product sample is random and reaches any type of consumers. On the other hand, digital product sampling is based on data that allows targeting the consumers that are part of the brands' target and track them (Sampler, 2017). In the case of Biolage R.A.W., this seems to be the right strategy to follow due to the higher performance of the product and the well-defined target. So, the brand should distribute product samples through Facebook platform because it is possible to only reach the brands' target.
 - *Communication Outcomes/Objectives:* Create awareness and salience; Inspire action.
- **Online Contests:** The brand should provide to the fans of the Biolage R.A.W. Facebook page the opportunity to change their Haircare product to R.A.W., earning a free haircare duo (shampoo & conditioner) for a specific need – recover, nutrition or volume. In order to win the duo, the Facebook fans will have to share their reasons to try or use Biolage R.A.W. and every day it will be assigned a product for the best motive pointed out by one of the fans.
 - *Communication Outcomes/Objectives:* Create awareness and salience; Inspire action.

PR and Publicity

- **Press Release:** The brand should write a press release around its philosophy, its products and market contextualization. The press release should also be delivered in person to the magazine's publishers to create a connection with them. This press release should share the naturalness of the brand providing a sensory

experience through the natural ingredients of the products. For example, the box can contain honey, coconut, coriander or grapefruit.

- *Communication Outcomes/Objectives:* Build trust; Create brand imagery and personality.

Figure 30 Press Release Proposal



Source: Developed by L'Oréal Portugal and the author, 2017

- **Magazines:** Buy magazine pages, where consumers can be informed about the brand's philosophy and its products. Here, the choosing process of the magazine is critical. The choice has to be aligned with the brand objectives and beliefs as well as reach the intended target group. The magazine should be present in beauty salons, place where most of the consumers of professional products are present, and online, where can find the most of the millennials - key target. After analyzing this, there are two magazines in the Portuguese market make sense to advertise the brand – Saber Viver and Prevenir.

- *Communication Outcomes/Objectives:* Create brand imagery and personality; Build trust; Elicit emotions.

Figure 31 Magazine cover page proposal



Source: Developed by the author, 2017

- **R.A.W. e-influencers:** Increasingly we realize the influence of e-influencers on millennials buying decisions. E-influencers are bloggers and individuals that share their lifestyle on their social media platforms. They should have a high number of followers to increase the target reach through them, credibility and expertise on the subject and also a big engagement with their supporters (Forbes, 2014). In the specific case of Biolage R.A.W., the e-influencers that make the most sense to be associated with this brand are those that share the same philosophy of the brand: sustainable, organic and natural products that do not harm the environment. But to fully meet the objectives of the brand, they should have an active lifestyle, concern with their diet doing healthy choices and privilege the practice of physical exercises. There are some emerging Portuguese influencers within this lifestyle and meaningful to the brand: Vanessa Alfaro (@vanessaalfaro), Catarina Lopes (@catarinalopesnutri), Marta Ferreira (@martilicious_food) and Joana Limão (@joanamlimao). All together have 12 times more followers than Matrix Facebook page. These kind of influencers have the specificity of only do an association with a brand when the brand actually meet all the standards of sustainability and naturalness, they are very critical and seen by their followers as an extremely credible and even unquestionable source of information. So it is vital for the brand to show their values and beliefs and create high engagement with them, so they can transferee it to their followers. This engagement can be reached through brand natural events and even a "#LiveRAW Challenge". This challenge consists in adopting a "R.A.W" lifestyle for 7 days, achieving a healthy hair while helping the planet. Every day, the individual must meet one of the challenges proposed by the brand, including water and energy savings, relaxation through sleep, use of natural products, recycling and healthy/green food.
 - *Communication Outcomes/Objectives:* Create brand imagery and personality; Build trust; Elicit emotions; Create Awareness.

Figure 32 E-influencers event proposal

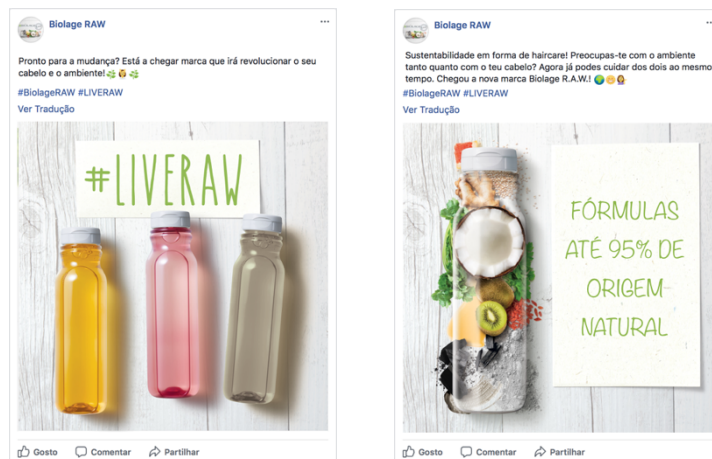


Source: Adapted from L'Oréal records, 2017

Online and Social Media Marketing

- **Teasing:** Given that this brand, before its launch, will not have many Facebook fans, the teasing of Biolage R.A.W. can be done before the launch through the social media platforms of the mother brand Matrix – Facebook, Instagram and its website. This teasing would consist in publications that would catch the attention of consumers about this new brand without ever revealing the range of products.
 - *Communication Outcomes/Objectives:* Create awareness and salience; Create brand imagery and personality.

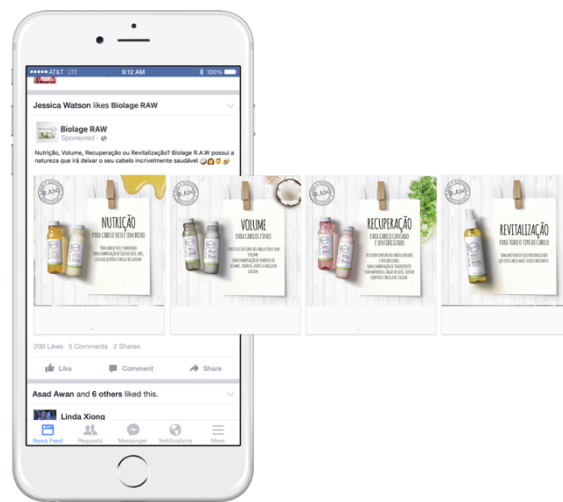
Figure 33 Teasing posts proposal



Source: Developed by the author, 2017

- **Revelation:** The product will be revealed through the social media and website of Biolage R.A.W.. Along with the product, also its characteristics and promises will be communicated. Here e-influencers blogs will also play a significant role since they share the same target as the brand, it is a way of revealing the products to potential consumers.
 - *Communication Outcomes/Objectives:* Convey detailed information; Create brand imagery and personality; Connect people; Elicit emotions.

Figure 34 Revelation posts proposal



Source: Developed by the author, 2017

- **Community Involvement:** Take advantage of social media platforms to establish a relationship with the consumer. One of the leading factors of professional product brands is professional and personalized advice. It is also one of the most valorized by the Portuguese consumers (Exhibit 5). The brand should unify these two strands through online tutorials and even online sessions where it puts its educators to clarify the doubts of consumers and make a personalized diagnosis. With this measure is expected that the engagement with the community increases.
 - *Communication Outcomes/Objectives:* Build trust; Elicit emotions; Inspire action; Inspire loyalty; Connect people.

Figure 35 Professional advice chat proposal



Figure 36 YouTube tutorials proposal



Source: Developed by the author, 2017

Direct and Database

- **Mailing:** The brand Biolage R.A.W. will benefit from the fact that its “mother” brand is already established in the market to have access to a wide database and to inform the current and previous consumers of Matrix about the new brand. In this email, will follow the brand presentation newsletter along with the product catalog.
 - *Communication Outcomes/Objectives:* Convey Detailed Information; Inspire action; Create awareness and salience.

Personal Selling:

- **Sales Meeting:** As explained in the market context, the brands within the professional products market have a high dependency on hairdressers to sell retail products because salons are the place where most consumers buy their professional haircare products. The brand has to maximize efforts to have them available in as many salons as possible. Communication in sales meetings with hairdressers is therefore one of the most important communication points for the brand. Workshops for hairdressers to test the superior performance of the products, would also be highly valued.
 - *Communication Outcomes/Objectives:* Convey detailed information; Build Trust; Inspire action; Instill loyalty

- **Sampling to consumers:** One of the points of differentiation of this brand is its naturalness, but the brand cannot ignore the other key factor in the professional market, professionalism. The brand must rely on a sampling strategy in salons so that consumers can test the product and confirm its superior performance.
 - *Communication Outcomes/Objectives:* Build Trust; Inspire action; Instill loyalty
- **Fair and Trade Show:** Naturalness ends up being very related to sensorial and visual aspects. It is important to convey this naturalness to the consumer through fairs and shows where the whole environment is realigned with the concept of the brand. For example, wooden displays, exposition of the ingredients that make up the products end up creating consumer trust.
 - *Communication Outcomes/Objectives:* Convey detailed information; Build Trust; Inspire action; Instill loyalty.

Figure 37 Fair implementation proposal



Source: Developed by the author, 2017

b. Construct a timeline of implementation with hypothetical dates. Justify your choices.

Considering Communications Optimization Model referred in the Integrated Marketing Strategy, it is important to come up with an effective and cost-efficient communication strategy. We should take into account the overlap of communication options, their capacity to achieve the desired outcome and if they share or not the same meaning. Create synergies between communication options is also crucial for achieving the proper sequencing. Finally, the communication chosen should be also versatile to reach several target groups in many times and places. All said and selecting March as the official launch date to Biolage R.A.W. we can achieve a timeline of implementation of the communication strategy defined in the previous question.

Table 10 Communication strategy implementation timeline

		2017	2018				
		DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
Sales Promotion	Sampling — Online			x		x	
	Online Contests				x		
PR and Publicity	RAW e-influencer				x	x	X
	Press Release			x			
	Magazines					x	
Online + SMM	Teasing	x	x	x			
	Revelation				x		
	Community Involvement					x	X
Direct and Database	Mailing- Newsletter with Catalogue				x		
Personal Selling	Sales Meeting				x		
	Sampling to consumers					x	
	Fair and Trade Show						x

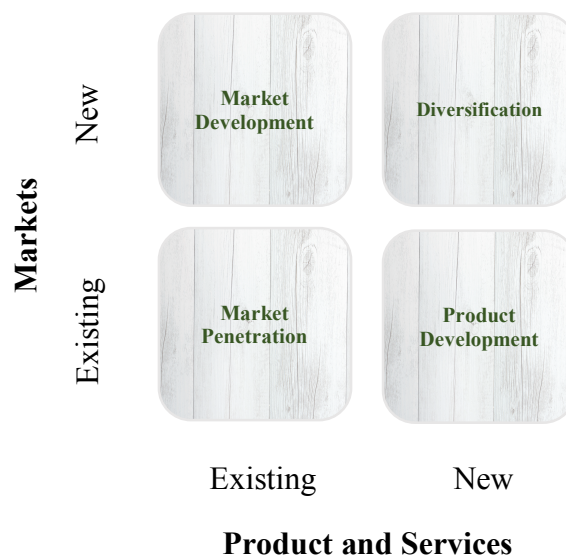
Source: Developed by the author

This implementation timeline was developed keeping in mind, an “ideal” consumer during his decision journey admitting that in December he is at the beginning of his consumer journey and feel a need or want for the overall category of which the brand is a part. At the end of his decision journey he is already loyal to the brand and is willing advocate for it. Each communication option of the implementation timeline attempts to fit into the different states of the consumer decision journey applying the IMC conceptual framework.

4. *Considering the conclusions drawn in the analysis of the dynamic SWOT and using the Ansoff Matrix, define the strategy for the brands' future growth and give practical examples.*

Although Biolage R.A.W is still a small brand with only 10 references, it has a very strong identity and it benefits from the distribution channels of a big group like L'Oréal. Moreover, it is possible to understand in the case study context that there are an increased demand for natural cosmetics. So the question continues, where should the brand go next? To assist in this analysis, we should use a strategic planning tool that provides a framework for future growth, the Ansoff Matrix. It is a very helpful tool because it gives to marketers a very simple and practical view of the risks of growth. The Ansoff Matrix is composed by four quadrants. The lower left quadrant, market penetration, is the safest one because it focus on expanding sales of an existing product on an existing market. On the other side, the higher right quadrant, diversification, is the one that represents the higher risk because is a whole new market with a whole new product. The other two quadrants are the medium risk ones. The higher left is market development and basically consists in introducing an existent product in an entirely new market. The lower right quadrant, product development and is related to explore new products for the market that the brand is already established.

Figure 38 Ansoff Matrix



We have seen during the process of brainstorming in the Dynamic SWOT analysis, that there are areas of innovation for the brand and also, there are new distribution channels emerging that can be really important for the brand to grow. As so, we can identify two future options.

Market Development | Biolage R.A.W. at Celeiro, Brio, Go Natural and Maria Granel

Despite the distribution channels of Biolage R.A.W are geographically wide, in some places, they do not match the brands' target. Through the analysis made in the answer to question 1, it is possible to perceive that Biolage R.A.W. consumers have a healthy lifestyle and a high concern for diet. It would be a good strategy for the brand to broaden the typology of its distribution channels and to partner with natural supermarkets that are experiencing a large increase in demand. For example, the largest chain of natural grocery stores in Portugal, the "Celeiro", has seen a growing number of store openings year by year (Celeiro, 2017). In addition to "Celeiro", also the supermarkets "Go Natural", "Brio" and "Maria Granel" attract more and more consumers of natural and organic products. This expansion would undoubtedly be a competitive advantage for the brand because, not only will be meeting their target in their usual shopping place but also, would be present where the direct competition is not.

Figure 39 Go Natural supermarket



Source: Sonae, 2016

Product Development | Biolage R.A.W. Natural Hair Dyes

Haircolor is the biggest growth contributor category on Professional Products Division (L'Oréal Finance, 2017). Nowadays and with all the evolution in terms of research and development, no harmless hair coloring processes have yet been discovered. There are a large number of consumers who are afraid to change their hair color because of the distress they have of damaging the hair. On the other hand, the green consumer does not agree with the constitution of the existing hair coloring dyes because contains too many chemicals and are not environmentally friendly. Biolage R.A.W. can take advantage of the research and innovation power of L'Oréal Group, to develop a brand extension into this new market including a new innovative natural hair dye. As a result, the brand would be gaining an advantage over its direct competitors and would be struggling against one of its weaknesses, their small and restrictive portfolio.

Figure 40 Biolage R.A.W. natural hair dyes proposal



Source: Developed by the author, 2017

4.8 CASE STUDY RESOLUTION SLIDES



QUESTION 1

SEGMENTATION	CRITERIA	TARGET
DEMOGRAPHIC	Age	From 20 to 45 years old. Mainly millennials
	Gender	Especially woman but also man
GEOGRAPHIC	Region	Lisbon and Oporto
	Urban	Metropolitan and urban areas with higher density of population
PSYCHOGRAPHIC	Lifestyle	Individuals are looking for healthier lifestyles. They worry about eating, sometimes making extremely healthy diets. They have concern for the body and physical well-being, practicing enough physical exercise. They seek to feel good about themselves, to integrate into society and to be original, spontaneous.
	Personality	Modern, Environmental conscious, Digital, Strong believes, Civic-Oriented, Global Citizens
	Motives	They show concern for a sustainable planet. Their hair choices represent their beliefs.
	Attributes	Constant interaction with the community and with brands. They like to have access to all the information to make a right thing.

QUESTION 1

SEGMENTATION	CRITERIA	TARGET
BEHAVIOURAL	Benefit Expectations	Want to have a healthy looking hair without compromise the performance neither the planet.
	Brand Loyalty	Like to experiment and test several products, but they know what they are looking for. When they find they are loyal to the brand as long as it continues to fulfill their needs.
	Volume Usage	3x times a week or every day.
	End-Use	Healthy looking hair.
	Price Sensitivity	Willing to pay more for natural products.

QUESTION 1


BIOLAGE R.A.W. POSITIONING

The highest-performing natural origin haircare line that does not compromise the world.

GOLDEN TRIANGLE POSITIONING

- High-Performance Products
- Naturalness of the product
- Good relation between price / performance

CONSUMERS EXPECTATIONS




COMPETITORS POSITIONING


- Lower Prices
- Products inspired by Nature
- Social Responsibility rooted in the identity

BIOLAGE R.A.W.

- Natural haircare products
- High performance
- Strong brand philosophy and extremely appetitive visuals

CONCEPTUAL MAP





BIOLAGE R.A.W.

QUESTION 2

Strengths

1. Natural Organic Products with sensorial characteristics. Fairtrade and sustainable.
2. High performance of the products
3. Large Geographic Distribution
4. Education teams and professional advice to the consumer

Opportunities


1. Low competition market
2. Growing demand for natural cosmetics and concern with sustainability.
3. Explore new categories inside the professional products market
4. Millennials are the healthy beauty products generation
5. Consumers willing to pay more for natural products

Weaknesses

1. Low Awareness
2. High Prices
3. Lack of consumers data
4. The brand only owns haircare brands

Threats

1. High commercial deals regarding discount with Wholesalers and Big Retailers
2. Growing DIY natural products
3. Strong indirect competition with higher awareness
4. E-commerce of non-official wholesalers and retailers available to sell Biolage R.A.W. products at a lower price



BIOLAGE R.A.W.

QUESTION 2

SO STRATEGY

IS1xO1I The brand can take advantage of its uniqueness and strong claims to gain notoriety and market-share while there is no much completion.

IS2xO2I Expand to the haircare category because it is the category with higher growth.

IS2xO3I Biolage R.A.W. need to prove to the consumer that the performance is high, so it is important to have a sampling strategy.

IS4xO4I Make educational tutorials and FAQ's for consumers online to address millennials

ST STRATEGY

IS1xT1I Creation of new distribution channels more directly to consumers with the creation an official e-commerce channel.

IS2xT2I Communicate the superior and professional performance of its products.

IS4xT1I The brand can obtain higher margins if it replaces discounts conceded to wholesalers for education workshops about the new products for hairdressers. It is a win-win situation because hairdressers can give better advice to consumers and the brand gives fewer discounts.

WO STRATEGY

IW1xO1I Communication through e-influencers to reach a big amount of consumers at a lower price. Of course, once the competition is low, it is possible to have exclusivity from the e-influencers chosen.

IW2xO2I Explain to consumers why the prices of the products are high. The brand should communicate the origin and Fairtrade sources, through storytelling.

IW4xO3I Brand extension to new categories – natural hair dyes or natural skin care product. In fact, many salons also have aesthetics treatments so Biolage R.A.W. can take advantage of that to commercialize skincare products.

WT STRATEGY

IW1xT3I Communicate through differentiation on salon communication. Invest in a sensorial communication using the main ingredients of Biolage R.A.W. products. Produce advertising materials made of recycled products and wood giving the feeling of naturalness.

IW4xT2I Invest in innovation creating new natural products where consumers can personalize it. In this way, consumers receive a professional and customized treatment and have the DIY field.



BIOLAGE R.A.W.

QUESTION 3

Sales Promotion

ONLINE PRODUCT SAMPLING

Communication Outcomes/Objectives:
Create awareness and salience
Inspire action

ONLINE CONTESTS

Communication Outcomes/Objectives:
Create awareness and salience
Inspire action

PR and Publicity

PRESS RELEASE

Communication Outcomes/Objectives:
Build Trust
Create brand imagery and personality

MAGAZINES

Communication Outcomes/Objectives:
Build Trust
Create brand imagery and personality
Elicit Emotions

E-INFLUENCERS

Communication Outcomes/Objectives:
Build Trust
Create brand imagery and personality
Elicit Emotions
Brand Awareness and Salience



BIOLAGE R.A.W. PROFESSIONAL

QUESTION 3

Direct and Database

Mailing

Communication Outcomes/Objectives:
Create awareness and salience
Convey detailed information
Inspire action

Personal Selling

Sales Meeting

Communication Outcomes/Objectives:
Convey detailed information
Build Trust
Inspire Action
Instill Loyalty

Fair and Trade Show

Communication Outcomes/Objectives:
Convey detailed information
Build Trust
Inspire Action
Instill Loyalty

Traditional Sampling

Communication Outcomes/Objectives:
Build Trust
Inspire Action
Instill Loyalty



BIOLAGE R.A.W. PROFESSIONAL

QUESTION 3

Online and Social Media Marketing

TEASING

Communication Outcomes/Objectives:
Create awareness and salience
Create brand imagery and personality

REVELATION

Communication Outcomes/Objectives:
Convey detailed information
Create brand imagery and personality
Elicit Emotions
Connect People

E-INFLUENCERS

Communication Outcomes/Objectives:
Build Trust
Elicit Emotions
Inspire Action
Instill Loyalty
Connect People



BIOLAGE R.A.W. PROFESSIONAL

QUESTION 3

Implementation Timeline

		2017			2018		
		DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
Sales Promotion	Sampling — Online			x		x	
	Online Contests				x		
PR and Publicity	RAW e-influencer				x	x	x
	Press Release			x			
	Magazines					x	
Online + SMM	Teasing	x	x	x			
	Revelation				x		
	Community Involvement					x	x
Direct and Database	Mailing: Newsletter with Catalogue				x		
Personal Selling	Sales Meeting				x		
	Sampling to consumers					x	
	Fair and Trade Show						x



BIOLAGE R.A.W. PARIS

QUESTION 4

Ansoff Matrix

Market Development



Product Development

- Broaden the typology of its distribution channels and to partner with natural supermarkets that are experiencing a large increase in demand.
- Celeiro, Go Natural, Maria Granel, Brio



- Take advantage of the research and innovation power of L'Oréal Group, to develop a brand extension
- New innovative natural hair dye



BIOLAGE R.A.W. PARIS

THANK YOU!

#LIVERAW



BIOLAGE R.A.W. PARIS

5 MANAGEMENT LESSONS

The continuous growing demand for natural cosmetics in the last few years is evident. From 2008 to 2014, natural personal care products registered a growth of more than 10% every year and the market was worth 29.9 billion dollars in 2014. From the total sales of natural personal care products, the haircare sector has the second largest market share and is the one with highest annual growth (Kline, 2014).

This growth can be explained by a change in the consumers' behavior. The Portuguese consumer is nowadays more informed about sustainable development and has recently started to adopt sustainable practices, results from a higher level of information on the topic (Cardoso and Barbosa, 2017; Hartmann and Ibáñez, 2006). They look for natural products and are willing to pay more for them. In fact, by the year 2015, 66% of consumers worldwide were willing to pay more for environmentally friendly products (Nielsen, 2015). The demand for these products is rather made in specialized stores and with professional advice (Annalect, 2017).

Due to all these market indicators, brands are adopting a customer-centric marketing strategy and starting to satisfy these emerging customer needs. Green consumers are no longer a niche on the market, having a high capacity of influencing their peers and even refuse to buy products that are harmful to the environment. For marketers is also very important to understand that green consumers know very well their buying options, track every shopping practice and systematically adopt practices of reusing, reducing and recycling (Moisander, 2007; Loureiro, 2014).

The opportunity in this market exist but in order to take full advantage of the demand, there are some communication options that brands like Biolage R.A.W should take into account to successfully attract green consumers.

- Green consumers know their options and care about eco-labeling, so the products should easily inform about their ingredients origin, fair trade and naturalness.
- The communication options should meet the target. If the majority of the target are millennials, the brand should invest in platforms they value most, like Facebook and e-influencers.
- A brand cannot forget its core business. Despite the natural origin, Biolage R.A.W. is placed on professional product market. Consumers expect higher performance and professional advice. Even though new distribution channels can

be considered, the brand has always to find a solution to deliver the professional advice and communicate the superior performance of the product.

Additionally, brands should always look for the future and to new ways to expand the business. Nevertheless, they have to take risks and take their capacity to innovate into account. Biolage R.A.W. is taking its first baby steps in the Portuguese market, having still a small product portfolio, but the market demand for its type of products is already high. The brand cannot miss the opportunity to keep up with the market and must start to think of product range extension or even extending the brand to a new category. If initially Biolage R.A.W. can benefit from the well-implemented distribution channel of its “mother” brand, in the future it should be able to establish its own alternatives that fit better its target.

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