A Work Project Final Report, presented as part of the requirements for the Award of a Master

Degree in Management from the NOVA – School of Business and Economics.

Branding Lab

"How can Biotherm grow in the selective skincare channel in Portugal?"

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BIOTHERM

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List of abbreviations

BA   beauty advisor (please see subsection 4.1.2 for further detail)
e.g.   for example
i.e.   that is
POS   point-of-sale
PR   public relations
QR   quick response
SKC   skincare

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1 Executive Summar

This final group report of the Master in Management conclusive work project at NOVA SBE, conducted by four students, aims at providing managerial recommendations for the SKC brand 'Biotherm' in order to prohibit a further decrease in sales in the Portuguese market. For this purpose, the group first conducted a primary market research to determine Biotherm's present situation. The subsequent analysis is directed towards the identification and definition of critical variables, which can be altered for improvement. Finally, supported by secondary research, the group drew exemplary managerial recommendations to overcome the challenges identified.

Main Diagnose

The very first questions raised by the Biotherm management team, defining the research problem, were aimed at understanding the current female Biotherm consumer in Portugal. This comprised investigating consumers' profiles, why they purchase the brand and where they purchase it, in order to subsequently derive the potential purchasers as well as where and how to reach them. Therefore, the group conducted in-store observations at Perfumes & Companhia (P&C) and El Corte Inglés (ECI) as well as in-depth consumer interviews. All data gathered was combined with the information provided by the Biotherm management team.

Main findings

Based on the qualitative research, the group concluded that there is a potential inefficacy with respect to Biotherm's in-store sales services, connected with L'Oréal Luxe Beauty Advisors' (BAs) weak performance regarding Biotherm sales. The second problem identified is the apparent lack of a clear 'Biotherm consumer profile' in Portugal. Those currently purchasing Biotherm products seem to not perceive the brand as such, but as a group of isolated products. They seem to have little knowledge about Biotherm and consumers' brand perception is blurred. Furthermore, Biotherm's

aspirational target is hard to combine with the current Portuguese selective SKC channel conditions.

Recommendations

In a last step, the group focused on four main topics that seem critical to overcome the challenges identified: branding strategy, digital strategy, POS service strategy and sampling strategy. Branding strategy focuses on establishing Biotherm as a brand in consumers' minds, supported by the digital strategy that is based on improving the brand's online presence. POS service strategy aims at improving Biotherm's sales representatives' performance in-store. Last but not least, sampling strategy's main objective is develop a target-oriented sample distribution to conquer a maximum of potential consumers.

2   Introduction, objectives and organization of the project

Brand management nowadays begins and ends with the consumer (Okonkwo, 2007) and so did our work in cooperation with Portugal's leading skincare (SKC) company L'Oréal (Euromonitor, 2015), more precisely, the management team of the SKC brand Biotherm. Biotherm is one of the 18 brands that belong to L'Oréal Luxe division in Portugal. Two of these brands sell only SKC products, i.e. Biotherm and Kiehl's, and two comprise SKC next to make-up and fragrances, i.e. Yves Saint Laurent and Lancôme. Kiehl's sells exclusively in brand-own stores, whereas the other three are selling in the selective channel[1]. Biotherm is a French SKC brand and a pioneer in skin biology, since Jeanine Marissal discovered the healing benefits of Life Plankton™ in 1952, giving birth to the brand's foundation. Today, all Biotherm products contain thermal

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[1] In the following 'selective SKC channel' refers to multi-brand selective distribution, i.e. products are sold at wholesale to dealers and retailers, including specialty stores, which in turn offer them to the end consumer in their own way (Kapferer, 2012).

plankton. Its name "Biotherm" arose from the combination of "Biology" and "Thermal", indicating the fusion of life science with natural ingredients. The slogan "*From the depths of living waters to the depths of your skin*" shows Biotherm's dedication in exploring and extracting aquatic active ingredients, using them in its advanced SKC solutions. Committed in preserving and protecting the skin with powerful aquatic actives and seeing water as the origin of life, Biotherm also engages in actions dedicated at safeguarding oceans, rivers and lakes, known as 'Biotherm Water Lovers'. Iconic products include 'Aquasource' (moisturizer), 'Blue Therapy' (anti-aging), 'Lait Corporel' (body lotion) and 'Biomains' (hand cream). In 1970, Biotherm was acquired by the L'Oréal group and in 1985 Biotherm launched its male SKC line "Biotherm Homme", number one worldwide in men's SKC (Euromonitor, 2012). Regarding the global female SKC segment, the brand is currently shifting from the previous biological approach described above to a modern lifestyle approach. Along with the new positioning as a lifestyle brand comes a new target: the "winning hedonist". The "winning hedonist" can be described as an active, energetic and joyful woman, living her life intensively. She is a smart woman that takes care of her health as well as her body, mind and soul. Given the new global positioning and target, questions such as "who is buying Biotherm today in Portugal?", "are they winning hedonists?" and "how can we reach them?" arose among the current Biotherm management team, giving birth to our branding lab. Additionally, Biotherm has been experiencing a decline in sales in Portugal for several years[2], enforcing the urge to find answers to these questions in order to provide sustainable and successful solutions.

The project has been elaborated in a group of four students, all in their last semester of the master program in management, majoring in marketing, at NOVA SBE, Lisbon. In accordance

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[2] As the Biotherm brand management team changed frequently in Portugal over the last years, we were not able to obtain concrete data on this decrease.

with our supervisor we agreed to organize the work in the following way: Until the middle of November, all work has been conducted as a team in order to investigate Biotherm's current situation in the Portuguese market (i.e. diagnostic). Then, the work was split in four individual topics that seemed critical to overcome the challenges discovered throughout the diagnostic. Each of the group members took responsibility of one individual topic.

The purpose of our group report is to depict which challenges Biotherm currently faces in the selective SKC channel in Portugal and to give subsequent recommendations on how to overcome those challenges by focusing on branding, digital, POS service and sampling strategy. The group report ends up with a prioritization of measure implementations of the different fields – digital, POS service and sampling – aligned with Biotherm's main branding objectives.

The group report is organized in two main chapters. Chapter one, the diagnostic, aims at exploring today's Biotherm consumers in Portugal. More precisely, the chapter investigates the current consumer behavior in the selective SKC channel with a special focus on the consumer behavior of Biotherm consumers. The research is based on in-store observations conducted by the group. Furthermore, with the help of in-depth consumer interviews, we sought to explicate consumer behavior and brand perceptions, emerging from the prior observations. Given the complexity of today's empowered consumer, revealing a multichannel and multi-brand consumer behavior, often trading-up and -down within the same product category (e.g. purchasing a moisturizing face cream in the mass channel but an anti-aging serum in the selective channel), made it indispensable to broaden our research. In order to gain a better understanding of the context in which Biotherm operates, the chapter starts with an overview of the overall SKC market in Portugal, based on secondary data, as well as Biotherm's current position in the Portuguese market. Subsequently, we present our primary data research by starting with the problem definition and the applied methodology. We then outline the overall consumer behavior in the selective SKC channel

in Portugal before moving on to the Biotherm specific topic analysis. This analysis starts with depicting service related issues at the POS and afterwards investigates consumer related issues. This last part covers the weak knowledge about the brand among several stakeholders and then moves on to further consumer behavior related issues. We propose a segmentation and describe the current consumer behavior before finishing with a comparison between Biotherm and its competitors. The chapter ends up with a summary of the main challenges Biotherm is currently facing in Portugal.

The second chapter builds on the first and its focus changed according to the first chapter's insights. Initially, the second part was aimed at detailing a strategy on Biotherm's international plans of targeting winning hedonists. However, the main insights from our diagnostic – the typical Biotherm consumer profile does not exist today in Portugal – shifted the focus away from implementing the international strategy, as they revealed challenges that need to be overcome first. In accordance with our thesis supervisor and Biotherm's management team, we decided to refocus on strengthening Biotherm as a brand in the Portuguese market by digging deeper in the main challenges uncovered. For this purpose, the second chapter is divided into four big sections, i.e. branding strategy, digital strategy, POS service strategy and sampling strategy. Each of these four sections is elaborated by one of the group's members. Branding strategy aims at depicting ways to establish Biotherm as a brand in consumers' minds, as its products are currently dissociated from the brand, and elaborates future steps in order to become a "lovebrand". This part is written by Anja Oboril, student number 1983. The second section, digital strategy, aims at developing and enforcing Biotherm's online presence in order to bond with existing consumers and to acquire new ones. This part is written by Patrícia Serrano, student number 2272. The third part, POS service strategy, has as a major objective to create a memorable experience for the consumer at the POS in order to build a long-term consumer-brand relationship. This part is edited by Teresa Sofia

Fernandes, student number 2100. The last section, sampling strategy, arose from the idea that sampling should be the main communication instrument in 2016, as it promises a high rate of transformation from non-consumers into consumers. This section aims at elaborating an efficient sampling strategy in order to maximize the transformation rate, i.e. to investigate adequate touch-points to hand out samples. This part is composed by Leonor Brigas, student number 2103.In order to make our recommendations as practical as possible, the group conducted expert-interviews with the people in charge of the L'Oréal Luxe BAs trainings and got back to selected BAs as well as the Biotherm management team.

To conclude, the group prioritized ideas out of the three operational sections, i.e. digital, POS service and sampling, according to implementation urgency. Implementation urgency has been defined from the need of establishing Biotherm as a brand in consumers' minds.

3   Diagnostic

3.1   Background

3.1.1   The skincare market in Portugal

According to Oxford Advanced Learner's Dictionary, skincare is defined by the use of cosmetics to care for the skin. Skincare comprises face care, with the main purpose of moisturizing and preventing signs of age, and body care products. The skincare market includes three sales channels: the mass-market, pharmaceutical and selective channel.

Fierce competition from mass-market channel brands

In the SKC market, competition is driven by continuous technological innovations, resulting in shortening product life cycles, multiple product launches and new SKC concepts every year. This competitiveness led the mass-market to offer competitive products at affordable prices. The products' quality has become increasingly good, leading consumers to be more and more

discerning. Besides, consumers remain particularly price-sensitive with respect to SKC since the crisis of 2008 (Euromonitor, 2015). Table 1 depicts the average consumer basket and its value across the different sales channels.

Table 1: Average number of products purchased and value spent per purchase per channel

Channel	Average consumer basket	Average value
Mass Market	2.9 products	18 euros
Pharmaceutical market	5.0 products	99 euros
Selective market	3.6 products	124 euros

Source: Branding Lab group, based on L'Oréal Briefing, 2015.

Mass products experience an emerging success in terms of sales in the SKC market. In 2014, mass brands accounted for 67% of the value share (Euromonitor, 2015).

Decreasing market share of the selective channel

Premium products suffered a decline from 2009 to 2014 (see Appendix 1). Especially the demand for moisturizers with added functions (e.g. anti-spot) in the mass-market increased considerably, wooing consumers from premium products. Consumers looking for efficient, high-quality products are likely to purchase in pharmacies, since they trust the products' high quality and can still benefit from lower prices than in the selective channel (L'Oréal Briefing, 2015). Due to the narrow and competitive market conditions, the selective SKC channel has by far the lowest penetration compared to the mass-market and pharmaceutical channel.

Selective channel attracts older target

The selective channel in Portugal is mostly visited by an older segment as a result of the persistent aging of the Portuguese population and the higher purchasing power of this segment. Therefore, the demand for anti-aging products is increasing, being the most purchased product in the selective SKC channel (see Appendix 2).

The selective SKC channel in Portugal has difficulties recruiting younger (new) consumers. This is related to the "disharmony of consumption" trend, in which consumers' purchase decisions are increasingly discerning, trading-up products that they consider important (premium and luxury products) and trading-down those of minor importance (low cost decision) (Silverstein & Fiske, 2005). In general, young Portuguese consumers have limited purchasing power. Therefore, on the one hand they trade-down SKC products, as they consider the category as less important, and go for mass-market brands. On the other hand, they trade-up categories with a higher personal emotional engagement, as e.g. technology (e.g. laptops, mobile phones, gaming gadgets) and leisure activities (e.g. cinema, restaurants, festivals, concerts).

Selective channel's dynamics and outlooks

The SKC market in Portugal remained stable throughout 2014 compared to 2013, reaching a sales value of 306 million euros. Compared to the rest of Europe, the Portuguese SKC market is poorly developed and represents only 1.2% of the European SKC market value. L'Oréal continued to dominate the Portuguese SKC market with 26% of value share (see Appendix 3). Regarding marketing strategies, there is an increase of investment in social media and online marketing. Online blogs are gaining influence, where admired fashion or cosmetics bloggers receive free product samples to share their experiences on their sites. However, traditional media, such as women's and beauty magazines, as well as television, remain important for brands operating in the SKC market. Marketing strategies also include sponsoring events, e.g. L'Oréal Portugal was one of the main sponsors of Lisbon Fashion Week (Euromonitor, 2015).

The SKC market is predicted to experience an increase in supply and demand for more professional and time saving routines. That is, launches of multi-feature SKC, such as facial moisturizers combined with anti-aging, forming or sun protection properties, will be responsible for sales growth. Premium products are predicted to slightly decrease from 32.8% in 2014 to 28.6%

in 2019 (Euromonitor, 2015). They will continue to attract a niche of affluent shoppers, mainly composed by urban consumers, given the price and distribution restrictions (see Appendix 1 and 4). The anti-aging category will continue to grow, as demographics continue to shift to the upper age range. By 2019, the population older than 65 years is predicted to account for 22%.

3.1.2 Biotherm in Portugal

As mentioned earlier, Biotherm is sold in the selective SKC channel in Portugal via multi-brand exclusive distribution, i.e. department stores, and multi-brand selective distribution, i.e. specialty stores[3] (Kapferer, 2008). Notably, Biotherm has 235 POS, whereof two department stores (El Corte Inglés Lisbon and Gaia), 101 free access doors (59 Perfumes & Companhia, 23 Sephora and 19 Douglas), 130 traditional retailers and two boutiques. With respect to turnover, free access is most relevant with 73.4% of turnover as well as the two department stores, which together generate 7.5% turnover. Peak seasons, as in the overall selective channel, are Christmas and summer. Each of them accounts for 20% of annual sales (L'Oréal Briefing, 2015).

Brands selling in the selective channel are aspirational (L'Oréal Briefing, 2015). However, Biotherm seems not to be an aspirational brand in the Portuguese market but rather a brand valued for its good quality/ price ratio, which is typical of pharmaceutical brands. Therefore, Biotherm's image might not be clear among consumers. In the selective channel the brand is one of the most affordable ones, which is both a blessing and a curse. It is a blessing because consumers are price sensitive and therefore one might assume higher sales for a lower priced product. At the same time it is a curse due to Biotherm's, or more L'Oréal Luxe's, sales policy. Biotherm is sold by retailers' sales representatives and L'Oréal Luxe multi-brand BAs. One third of L'Oréal Luxe BAs' salary

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[3] Specialty stores include free access doors, traditional retailers and boutiques.

comes from a monthly set sales objective. When they surpass the monthly sales objective, they are rewarded with a bonus. Hence, L'Oréal Luxe BAs are keen to sell expensive brands, i.e. Lancôme or YSL, and discard cheaper brands, i.e. Biotherm (L'Oréal Briefing, 2015).

Retailers' BAs act according to the conditions, the different beauty and personal care players have negotiated with them. The footfall in Portugal is low and hence, competition among BAs is fierce. Therefore, more affordable products sometimes lose. Biotherm's positioning in the Portuguese SKC market according to the vision of Biotherm's management team is shown in the figure below.

Regarding the selective SKC channel, Biotherm's closest competitors are Clinique and Clarins. As a benchmark, the group used Lancôme and Estée Lauder, as those two brands are the best performing brands in the selective SKC channel (L'Oréal Briefing, 2015).

Figure 1: Biotherm's positioning in Portugal
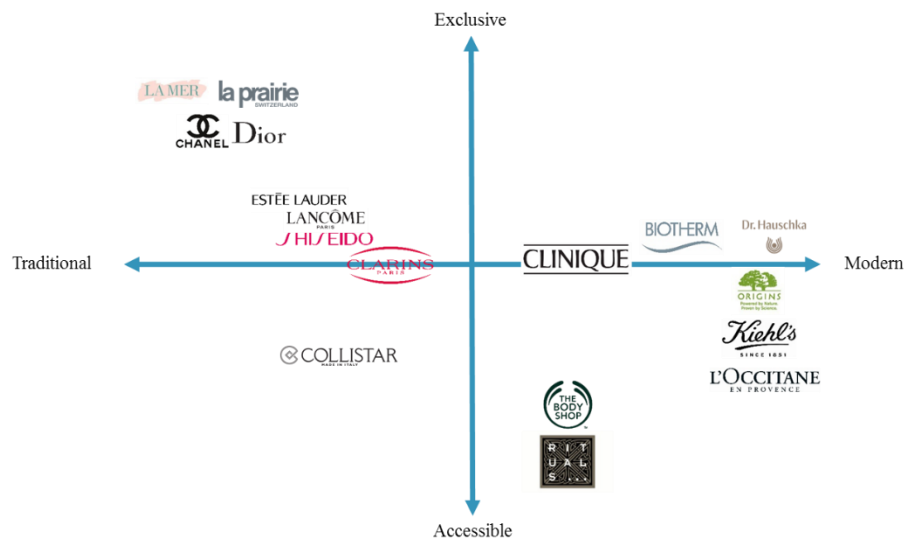
Source: Branding Lab Group, based on L'Oréal Briefing, 2015.

Overall, Biotherm's management team feels that they are missing out on sales in the selective channel and that there is potential to grow, also by acquiring consumers from the mass-market channel due to Biotherm's relative affordability. Therefore, it is crucial to understand Biotherm's

current consumers and the reasons behind purchasing the brand but also to clarify what the brand represents. Biotherm's global brand identity prism[4] (Kapferer, 2012) is illustrated below.

Figure 2: Biotherm's brand identity prism

Constructed Source

Packaging Glass jars
Logo The Biotherm lettering
Symbol The Biotherm wave

- The color blue
- Water
- Biological science
- Natural
- Fresh and clean

PHYSICAL

PERSONALITY

- Active and vivid
- Energetic
- Living life at its fullest

- Healthy
- Nature-loving
- Environmental-conscious

- Down to earth
- Curious and exploring
- Honest

EXTERNAL FACETS

- New horizon for science, health & beauty
- Innovation and high technology
- Deep penetrating skincare
- Powerful acquatic ingredients
- Safety, efficacy and pleasure
- Regenerates, protects and soothes
- Sustainability and environmental consciousness
- A moment of self-indulgence & relaxation, connecting with the very origin of life
- Comitted to protecting the earth's waters
- Water Lovers Community

RELATIONSHIP

CULTURE

"It represents our vision of skin care, which is going deep to find new ingredients, working deep in the skin but also a holistic approach to beauty."

- Life power of water – The origin of life
- Beauty from the deep
- Pure Thermal Plankton
- Biotechnology and science
- Healthy and sustainable beauty → a combination of physical health, inner calm, and an attractive external appearance

INTERNAL FACETS

The winning hedonist
"Active and radiant with joy, flourishing, living intensively her life and shaping her body according to the new wellness trends."

- Active, fit, strong and energetic
- Health- and body conscious
- Balanced
- Smart, educated

- Independent and confident
- Socialite, influencer
- Modern, urban, connected

CUSTOMER REFLECTION

SELF-IMAGE

A moment of pleasure and freshness, restoring my skin's energies and protecting it. Biotherm makes my skin pure and radiant.

A breath of life and energy for me and my skin.

Constructed Receiver

Source: Branding Lab Group, based on Kapferer, 2012.

Brand identity is a stable and long-lasting concept, providing the framework for overall brand coherence and durability. Therefore, it is absolutely crucial to know what the brand represents and to stick to it. This does not mean that the identity has to be static. It can be adjusted according to market dynamics and other internal and external conditions. However, in Portugal, Biotherm's current brand identity seems to be distant from its global one. This mainly due to the fact that the brand seems not to be "lived" internally, i.e. its culture is not internalized by its staff, including

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[4] Kapferer's brand identity prism identifies aspirational features that make the brand meaningful, unique and timeless. It breaks down the symbolic dimension of brands by identifying six key facets that together define the brand. The prism is composed by external features: physical (salient brand features); relationship (counterpart given by the brand to its consumers/users); customer reflection (brand "projected/desired" consumer type); and internal features: personality (what kind of person would it be?); culture (set of values feeding the brand inspiration, core of the brand); self-image (brand aspired target's internal mirror).

L'Oréal Luxe's BAs. Therefore, the counterpart given by Biotherm to its consumers seems to be not fully exploited in Portugal.

3.2   Market Research

3.2.1   Problem definition

In order to conduct our marketing research accurately and efficiently, the group first identified and defined Biotherm's current issues. The following problem definition is divided in the management decision problem and marketing research problem (Kapoor, 2013). The first is action oriented, focusing on the issues' symptoms, and aims at providing a range of ideas and possible pragmatic solutions for Biotherm's management team. The second is information oriented, focusing on the underlying causes, and refers to the methodology required to gather the necessary primary data in order to elaborate the issues at hand and to draw subsequent conclusions.

Management decision problem

During the Biotherm briefing, Biotherm's management team settled their expectations with respect to this work project. In a first instance, Biotherm Portugal wants to get a better understanding of who the current Biotherm consumer in Portugal is, as well as its purchase and consumption behavior, to investigate if the real consumer is aligned with the aspirational target. It also allows Biotherm to better address their consumers in the future, as well as to reach potential consumers with similar characteristics. Therefore, the group defined a set of questions to be answered throughout the course of the project:

- Who is today's Biotherm consumer in Portugal?
- What are the reasons for purchasing Biotherm today in Portugal (purchase criteria)?
- Where do they buy the brand?
- What are the main touch-points with the brand?
- What do consumers know about the brand?

In a second step, Biotherm Portugal needs to understand how the brand is perceived among consumers, in order to analyze if the right brand image[5], i.e. the brand image in line with the brand identity, is conveyed. Based on the findings, it is then possible to adequately adjust current marketing activities in order to improve and enforce Biotherm's brand image and hence, consumers' attachment to the brand. Questions considered in this part are:

- What do they think and feel about the brand?
- Is there a distinct/ clear brand image?
- Is it consistent with the brand identity?

Marketing Research problem

In Portugal, there is a lack of information regarding Biotherm consumer behavior, purchase behavior and brand image. Therefore the group needs to:

- Understand who today's Biotherm consumer in Portugal is,
- Acknowledge what the reasons lead consumers purchasing Biotherm,
- Perceive how consumers think and feel about the brand.

3.2.2   Methodology

In order to assess consumer behavior in the selective SKC channel in Portugal and to ensure a complete diagnostic of Biotherm's performance, the group made use of two different qualitative research methods, i.e. in-store observations and in-depth consumer interviews (see Appendix 5 for the detailed timeline and description of each step). Apart from the qualitative research, the group had scheduled meetings with the Biotherm management team as well as with BA training managers in order to get their expert opinion on the identified issues.

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[5] General impression of a product held by real or potential consumers.

Observations

In-store observations were conducted at predefined Biotherm POS in order to obtain a better understanding of the in-store dynamics and the current Biotherm consumer. P&C was the retailer chosen by Biotherm's management team. The scope of our observations was broadened from Biotherm consumers to the overall selective SKC channel consumers, as they display a multi-brand and multichannel consumer behavior. In our subsequent analysis it proved beneficial to reveal factors influencing consumer behavior and to identify key attributes driving in-store decisions. On the 10th and 11th of September, the group was divided in teams of two, whereby each team spent one day in El Corte Inglés at the Biotherm counter. This first insight helped to elaborate the observation grid to document our in-store observations (see the observation grid in Appendix 6). The latter were conducted from the 15th to the 26th of September and were executed overtly, i.e. researchers identified themselves as such and explained the purpose of their observations. Each group member was attributed a particular POS[6]. Observations were scheduled at Colombo, Vasco da Gama, CascaiShopping and Norte Shopping. This guaranteed a good geographic coverage, as well as a significant number of observations. Besides, one group member was assigned to observe the Biotherm counter in El Corte Inglés, Lisbon. This is the POS registering the highest number of loyal consumers, allowing a more detailed observation.

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[6] Patrícia Serrano in Vasco da Gama; Teresa Sofia Fernandes in CascaiShopping; Leonor Brigas in Colombo and in Norte Shopping; Anja Oboril in El Corte Inglés.

Table 2: P&C observations

Store	Date	Hours of observations	% of promot.hrs	Nb of encounters	Total nb of encounters	Nb of products purchased	Nb of Biotherm products purchased	% of Biotherm products purchased during promotional hrs
CascaiShopping	15.09.'15 (Tue) [1]	8		8				
	17.09.'15 (Thu) [2]	8	66%	39	82	103	7	100%
	19.09.'15 (Sat) [1][2]	8		35				
Colombo	15.09.'15 (Tue) [1]	8		14				
	18.09.'15 (Fr) [2]	8	66%	19	49	46	5	60%
	19.09.'15 (Sat) [1][2]	8		16				
Vasco da Gama	15.09.'15 (Tue)	8		11				
	18.09.'15 (Fr) [2]	8	66%	27	55	39	8	100%
	19.09.'15 (Sat) [2]	8		17				
NorteShopping	24.09.'15 (Thu) [2]	8		16				
	25.09.'15 (Fr) [2]	8	100%	18	63	46	10	100%
	26.09.'15 (Sat) [2]	8		29				
TOTAL		96			249	234	30	

Notes:

1. L'Oréal Luxe BA was not present (total of 32 hours of observations without L'Oréal Luxe BA presence)
2. Promotional campaign: 20% discount in all products.

Source: Branding Lab Group, data from P&C.

Table 3: El Corte Inglés observations[7]

Store	Date	Hours of Observations	% of promotional hrs	Nb of encounters	Total of encounters	Nb of products purchased	Nb of Biotherm products purchased	% of Biotherm products purchased on promotional hrs
El Corte Inglés [1]	22.09.'15 (Tue) [2]	8		8		8	7	
	25.09.'15 (Fr) [2]	8	100%	9	19	15	8	100%
	26.09.'15 (Sat) [2]	8		2		2	2	
TOTAL		24					17	

Notes:
1. Due to the specific premises in ECI, observations refer solely to the Biotherm, Lancôme and Estée Lauder brand.
2. During the days of observation a promotional campaign of -10% was running.

Source: Branding Lab Group, data from El Corte Inglés.

The sample observed comprises every woman who either directly approached the SKC area and those who passed by after having spent some time in other parts of the store (i.e. fragrances and make-up area). In the following, '**SKC prospects**' refers to all women observed who had contact with the SKC area. Whenever a woman bought at least one SKC product, she is referred to as '**purchaser**'.

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[7] El Corte Inglés reveals some specifies that might have biased the results. Brands are represented in brand-own counters, making the observation of competitors difficult, given the limited visibility.

Concerning P&C observations, it is important to acknowledge that the number of BAs in-store influences the results, as well as the brand each BA represents. On average each store involved six brand-specific BAs and two retailer BAs. Overall, the BAs in-store represented the following brands: L'Oréal Luxe, Clarins, La Prairie, Estée Lauder, Sisley, Sensai, Shiseido, Model Aimé, Dior, Carita, Puig and Clinique. However, the BAs varied with the days and locations observed. The exact allocation is depicted in Appendix 7.

In-depth Interviews

Data collection

The second part of our primary research consisted of **in-depth consumer interviews**. This part of the research ran the whole month of October (see Appendix 5), comprising both the execution of the interviews as well as the subsequent data processing. First, the group elaborated a **pre-recruiting questionnaire** (see Appendix 8), in order to select an adequate sample that is consistent with the research problem, even if it is not representative from a statistical point of view. Respondents had to match the following criteria:

- 100 % of the respondents are female, since the scope of this project refers solely to the female SKC consumer.
- 100% of the respondents have lived in Portugal for at least 10 years.
- 100% of the respondents must have used (not necessarily purchased) at least one Biotherm product in the last two years. However, since the group was facing major difficulties in finding people fulfilling this criterion, we were obliged to extend the time interval of usage to three years.

The semi-structured in-depth interviews were aimed at obtaining ideas and insights regarding consumers' perceptions and beliefs with respect to Biotherm and to find out how they use the brand. For an even better understanding, respondents were not only asked Biotherm-related questions but

were invited to give detailed information about other SKC brands. The sample elements were selected based on the judgment of the group – judgmental sampling[8] – and were obtained mainly through personal and professional networks. The characteristics of the sample of this research were the following:

Table 4: In-depth consumer interview sample

Sample size	30 respondents[9]	
	<20	1/30
	20-30	12/30
Age	31-40	6/30
	41-50	4/30
	51-60	7/30

Source: Branding Lab Group

All interviews lasted between 40 and 90 minutes and were audio recorded for further transcription. The interviews were divided in three main parts (see the complete Interview Guide in Appendix 9):

- **Consumer behavior and general questions** regarding SKC products used (this part also gave us main insights in the daily SKC routines and skin concerns of consumers).
- **Purchase behavior**, i.e. in which type(s) of retailer(s) the respondent usually buys her SKC products, the reason why she chooses them and what she values most during her SKC purchase experience (e.g. recommendations/ consultancy from BAs).
- **Brand or brands image,** which had two main objectives: First, to understand the brand image(s) that the respondent had regarding her most used/ favorite SKC brand(s) and the reasons why she prefers this (these) brand(s) over alternatives. Explored were also the main touch-points

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[8] Sampling technique where the researcher selects units to be sampled based on their knowledge and professional judgment.

[9] 30 semi-structured one-to-one interviews considered valid. However, another eleven interviews that had been scheduled preliminary had to be canceled. Respondents of the pre-recruiting questionnaire confused Biotherm with Bioderma (a pharmaceutical brand) and were thus not compatible with our selection criteria. As soon as this confusion was detected by the researchers (some were detected right in the beginning of the interviews, some only when asking the question where they purchase Biotherm and the answer was "in pharmacies") the interviews were stopped and not considered valid for further analysis.

the respondent had with the respective brand(s). Second, to investigate what respondents know, feel and like about Biotherm and its products, i.e. Biotherm's brand image. We also applied a projective technique. Projective techniques are unstructured and indirect explorations aiming at encouraging respondents to project their underlying motivations, attitudes and feelings regarding the issue. In this case, respondents were asked to compare their favorite brand, Biotherm and its main competitors to a person, i.e.: *"If Biotherm was a person, what kind of person would it be? Would it be a man or a woman? How old would she/ he be? Etc."* To finalize the interview, some Biotherm advertisements were shown in comparison to an advertisement of Biotherm's main competitors and Vichy (a pharmaceutical L'Oréal Luxe brand that has often been compared to Biotherm throughout our interviews).

<p style="text-align:center"><u>Data analysis</u></p>

After all the 30 in-depth interviews had been conducted, the group **reduced and displayed** the collected information in a written format. Then, the analysis of frequency of responses drove us to the exploration of the following five topics, representing our frame of analysis: **purchase criteria**, **consumer behavior**, **relationship with the brand [Biotherm]**, **perceived Biotherm competitors** and **today's Biotherm consumer**.

3.2.3 Findings

3.2.3.1 Skincare consumers' purchase behavior in the Portuguese selective channel

We investigated the percentage of SKC prospects going right to the SKC shelves, the transformation rate of SKC prospects in purchasers, the age of purchasers as well as the most purchased products. Based on our observational data, we got the following results:

Figure 3: Percentage of SKC prospects going right to the SKC shelves[10]
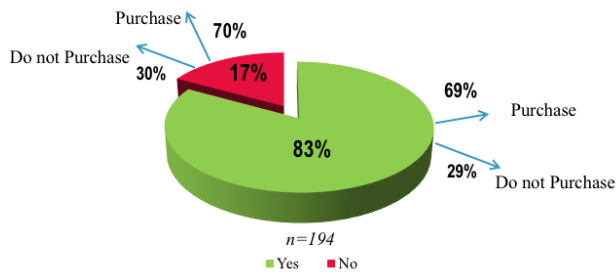
Source: Branding Lab Group, data from P&C stores, except P&C Vasco da Gama.

This indicates that there is no apparent link between effectuating a purchase and SKC prospects going right to the SKC shelves. In other words, even if a consumer enters the store showing a primary interest in fragrances or make-up, the probability of purchasing SKC seems just as high as if her primary interest was in SKC.

Figure 4: Transformation rate of SKC prospects into purchasers
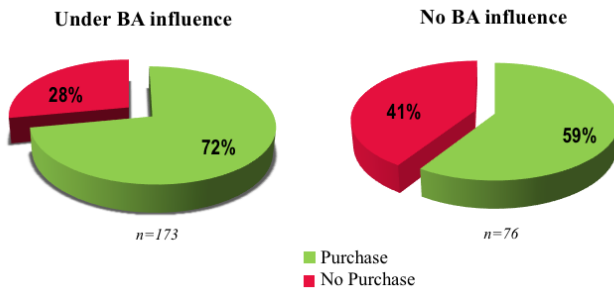
Source: Branding Lab Group, data from P&C.

The above depicted graphs describe the ratio of SKC prospects effectuating a purchase relative to SKC prospects leaving the store without purchasing. As we assumed this rate to be influenced by BA sales services, we conducted the rate for SKC prospects under BA influence and without BA influence. Consumers who did not consider BAs' services, either already knew what they want (59%) or were just 'looking around' (41%). It is striking, that the majority of SKC prospects

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[10] Data from P&C store observations except Vasco da Gama given the store layout, which does not provide a high visibility of the entire store from the SKC area -

consulted BAs' services, which hints at consumers' demand and need for the latter. Besides, when looking at the numbers, BA influence seems to indeed increase the transformation rate. Furthermore, our observations confirmed the secondary data, i.e. that the selective channel is mostly frequented by elderly women.

Figure 5: Purchasers' age in the selective SKC channel

n=173
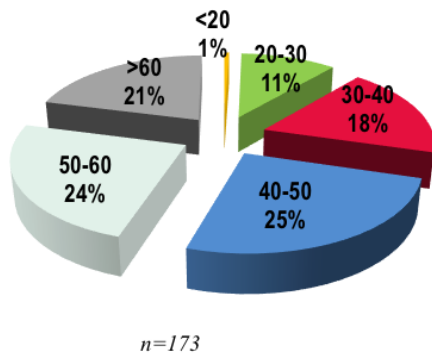
Source: Branding Lab Group, data from P&C.

Figure 6: Most purchased products

n=173
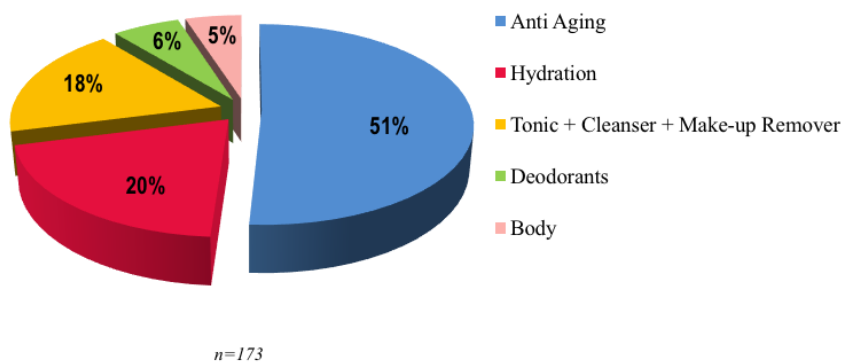
Source: Branding Lab Group, data from P&C.

Our observational data is also in line with the secondary research data regarding the most popular product type, i.e. our SKC prospects follow the overall market trends of anti-aging being the most demanded and hydration being the second most demanded product type.

Biotherm consumers' multi-brand purchase behavior

Connecting the insights gathered from our in-store observations with those gained through our

in-depth consumer interviews, we were able to conclude that most SKC consumers seem to depict a multi-brand purchase behavior. The majority of our respondents (21/30) did not show strict loyalty to a brand, while only 9/30 respondents demonstrated loyalty to a brand or to a restricted group of brands. The main reason evoked by respondents to switch regularly was that the skin gets used to the products (8/30) and hence, they become less efficient, i.e. results are less visible. The second most common reason to switch brands was respondents' curiosity to try something new (5/30). Others mentioned that they change because they "are looking for something better" (4/30) or because there is a promotion (4/30). The main reason for a respondent to be loyal was her high satisfaction with the current brand(s) (6/30). Only one of our 30 respondents confirmed to be a loyal Biotherm consumer. Two respondents showed a seasonal loyalty, being committed to Biotherm during summer.

Biotherm consumers' multichannel purchase behavior

In line with the overall multichannel consumer behavior in the SKC market, Biotherm consumers are also purchasing in the different SKC market channels. According to our in-depth interviews, 14 out of the 30 respondents purchase in more than one channel as can be seen in the figure below.

Figure 7: Biotherm consumers' multichannel purchase behavior

Current SKC Channel	Number of interviewers
Perfumeries only	10/30
Supermarkets only	6/30
Pharmacies only	2/30
Perfumeries + pharmacies	7/30
Perfumeries + supermarkets	3/30
Pharmacies + supermarkets	3/30
All channels	1/30

Source: Branding Lab Group, based on in-depth consumer interviews.

3.2.3.2 Biotherm consumers in comparison to competitors' and benchmarks' consumers

Based on the observation grids, the group extracted consumer profiles for Biotherm, its two main competitors, i.e. Clinique and Clarins, and the two benchmark brands, i.e. Lancôme and Estée Lauder. The consumer profile covers two criteria, i.e. consumer appearance and consumer behavior, which is described in the following, starting with **appearance**:

Table 5: General consumer appearance

Brand	General consumer appearance
Biotherm	**Modern style, casual clothes** but still well-dressed (often wear expensive brands). They have a **simple and discrete** appearance and wear little to no make-up. Unlike the traditional luxury shopper, "45-year-old, fur-clad woman" (Gustafson, 2014) with a lot of make-up and fancy clothes, Biotherm purchasers seem **natural and unobtrusive**.
Clarins	Practical and casual style, very simple clothing (e.g. many prospects wear jeans). Simple to no make-up. Only occasionally classy or fancy style. They are mainly between 40 and 60 years old.
Clinique	Practical and casual style, usually very juvenile and with a natural look. Consumers are mainly between 30 and 40 years old.
Lancôme	Very well-dressed with a modern style. Sometimes using expensive jewelry and branded bags. Consumers seem conspicuous, demonstrating their wealth. Consumers are between 40 and 50 years old or above.
Estée Lauder	Very well-dressed with a classic style, expensive jewelry, combined with a classy make-up and combed hairstyle. Consumers are neat and tidy from head to toe. They are 40 years or older.

Source: Branding Lab Group

Clinique's, Clarins' and Biotherm's consumer appearance is fairly similar. However, Biotherm's consumer appearance differs distinctly from Lancôme and Estée Lauder. Besides, it can be noted that the age division seems similar across all brands. The only exception is Clinique that seems to attract a younger consumer in the age range 30-40.

With respect to **consumer behavior** (at P&C and ECI stores), the group observed how SKC prospects behave , e.g. how much time they spend in the SKC area, the way they speak to the BA, how many products they purchase as well as their overall attitude. The group investigated in getting detailed information from the involved BA after each interaction, resulting in the following table:

Table 6: General consumer behavior

Brand	General consumer behavior
Biotherm	Seem to be **active, vivid and busy**. Overall, Biotherm consumers depict a rather **quick purchase process** (more or less five minutes), where they purchase mainly one product.
Clarins	Consumers seem price-sensitive, and many of them seemed to be loyal. They purchase mainly one product, and the product type sought after the most was (in decreasing order): anti-aging, hydration and body.
Clinique	Consumers seem to value the odorless scent, purchase mainly two products and look for (in decreasing order): anti-aging, hydration and face cleaning.
Lancôme	Consumers rarely combine Lancôme with other brands. Cross-selling (i.e. combined sales across the categories: SKC, make-up and fragrances) is very frequent. Consumers usually purchase two or more products. Previous experiences with the brand as well as the efficiency of its products seemed to be the most important criteria. Consumers mainly seek (in decreasing order): anti-aging, tonic and cleansers
Estée Lauder	The majority of Estée Lauder prospects observed (76%) only considered purchasing this brand, i.e. Estée Lauder seems to benefit from a high rate of loyal consumers. In case of looking at other brands, prospects consideration set included: Lancôme and Shiseido. Consumers purchased one or more products, mainly anti-aging. Estée Lauder also reveals a high cross-selling frequency.

Source: Branding Lab Group, based on in-store observations.

With respect to consumer behavior, Biotherm's consumers appear to purchase fewer products than more prestigious brands' consumers. Biotherm's consumers seem to look for more "secondary" products (deodorant, cleanser), while Lancôme's and Estée Lauder's consumers seem to look for more sophisticated product solutions, e.g. expensive anti-aging care and serums.

3.2.3.3 Point-of-sale issues

Results of our in-store observations indicated that Biotherm's services provided at the POS seem to be ineffective. Instead of supporting Biotherm's sales, BAs seem to deviate sales to more "attractive"[11] brands. The following topics aim at exploring Biotherm's distribution dynamics and at illustrating Biotherm's issue with respect to a potential service inefficiency. Results are based on the data of the group's in-store observations.

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[11] "Attractive" in this sense means that the brand is more expensive which allows BAs to achieve their sales objective more easily, as explain in subsection 4.1.2.

Biotherm's relevance in the selective SKC channel

First of all, the group defined Biotherm's current consumer penetration in the overall selective SKC channel, i.e. to elaborate Biotherm's share with respect to the total number of SKC prospects and purchasers in the selective SKC channel. Therefore, we first analyzed the **percentage of Biotherm SKC prospects** in relation to the total number of SKC prospects. As Appendix 10 shows, out of the total of 249 SKC prospects, **15% are Biotherm SKC prospects** (the remaining 85% belong to other brands, mainly Lancôme, Clinique, Clarins, Estée Lauder and Shiseido). When considering purchases, **14% of the total of 170 purchases included at least one Biotherm product** (see Appendix 11). However, when doing the same calculation including **only the "main"[12] face care products**, observations led to different results, in which Biotherm's performance decreases: Appendix 12 demonstrates that in this case, **only 8% of the all purchases (n=124) include at least one Biotherm product.**

Transformation rate of SKC prospects in purchasers

In order to better understand the effectiveness of Biotherm's POS services, the group calculated the transformation rate of SKC prospects in purchasers (i.e. the percentage of SKC prospects that ended up buying at least one Biotherm product) with and without BA influence. The transformation rate was calculated for the overall selective SKC channel and Biotherm's main competitors, Clarins and Clinique respectively, in order to derive valuable interpretations. As can be seen in Appendix 13, out of a total of 38 Biotherm SKC prospects, **63% ended up buying at least one Biotherm product**. When considering the total SKC channel, **68% of the SKC prospects end up buying at least one product of any brand** (see Appendix 14). Hence, there is no significant difference comparing Biotherm's transformation rate to the overall selective SKC

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[12] i.e. excluding cleansers, make-up removers and tonics, which are referred to as "secondary" products.

channel. Appendix 15 and 16 show the transformation rates of Biotherm's main competitors. Clarins reveals a transformation rate of 61% of a total of 44 Clarins SKC prospects, which is very similar to Biotherm's transformation rate. Clinique on the other hand reveals a higher transformation rate: 95% of Clinique SKC prospects ended up buying at least one Clinique product. However, the number of Clinique SKC prospects amounts only to 20, which is why this result is not significant from a statistical point of view (with $n < 30$) and consequently, we cannot draw any definite conclusions.

Transformation rate of SKC prospects to purchasers with and without BA influence

One of the most important influencers for any SKC brand operating in the selective channel is the quality of its sales representatives at the POS. Therefore, the group considered the analysis of Biotherm's POS service as crucial. The group thus calculated the impact that BAs have on Biotherm's sales in comparison to the total SKC channel. As can be seen in the observation grid (see Appendix 6), the group was able to observe whether or not a BA had any influence during the presence of each respective prospect. Regarding Biotherm with its total of 38 SKC prospects, 14 SKC prospects were not influenced by a BA, while 24 were under BA influence during their store visit (considering all BAs present in the store). Appendix 17 shows that **under BA influence the transformation rate of SKC prospects in purchasers (67%) is higher than without BA influence (57%)**. However, this difference is not statistically significant, given the fact that the samples sizes (n=14 and n=24) are too small. As it was previously mentioned, the transformation rate under BA influence (72%) in the overall selective SKC channel is significantly higher than the transformation rate without BA influence (59%). Therefore, it is possible to conclude that **BA influence is significant with respect to the transformation rate in the overall selective SKC channel and it is higher than Biotherm's transformation rate (67%)**. From all these results it

is possible to draw the conclusion that **BAs seem to not have a significant influence on Biotherm's sales.**

Transformation rate of SKC prospects in purchasers with and without L'Oréal Luxe BA influence

Next to the analysis of the overall BA influence, the group wanted to find out the impact of L'Oréal Luxe's BAs on Biotherm's sales more specifically[13]. With the help of the observation grid it was possible to register whether the BA was from L'Oréal Luxe, from the store, or from another brand. Aggregated information, shown in Appendix 18, indicates that **out of a total of 24 Biotherm SKC prospects under BA influence, 62% (i.e. 15 SKC prospects) were attended by a L'Oréal Luxe's BA**, while the other 38% (i.e. 9 SKC prospects) were assisted by a BA from another brand or from P&C. Appendix 19 shows the transformation rate of Biotherm SKC prospects in purchasers, focusing solely on the 15 Biotherm SKC prospects under L'Oréal Luxe's BA influence. **60% of these SKC prospects ended up buying at least one Biotherm product**. This result is lower than when taking into account all BAs (67%, see Appendix 17), indicating that **L'Oréal Luxe's BAs' influence on Biotherm sales is at least not positive**. This might be due to consumer deviations from Biotherm to Lancôme or Yves Saint Laurent. Besides, Lancôme SKC is a priority in the brand portfolio according to L'Oréal Luxe's BAs' guidelines. The deviation of Biotherm sales to other brands is also supported by some BA comments in front of the observers:

"Lancôme is the priority for any [L'Oréal Luxe] BA regarding skincare." [BA 2]

"Even if a consumer wants a more affordable product, I prefer not to sell anything but to give a Lancôme sample. I know that it is very likely for the consumer to return in order to buy Lancôme, when it comes to anti-aging products." [BA 4]

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[13] The fact that they are multi-brand and they have monthly sales objectives, the assumption was made that BAs might deviate sales from more affordable brands, i.e. Biotherm, to more expensive brands (i.e. Lancôme and Yves Saint Laurent) within their portfolio to allow them to reach those objectives easily.

Average number of Biotherm products per purchase

As a last step in our analysis of the distribution dynamics, we compared the number of Biotherm products purchased to the overall selective SKC channel. On average, SKC prospects bought 1.1 Biotherm products per purchase in P&C stores[14], while in El Corte Inglés the average number of Biotherm products per purchase was 1.5[15]. The difference between these two retailers may be due to the fact that consumers purchasing in ECI have a higher propensity of being loyal. Besides, in ECI the incentive to sell Biotherm is higher as the brand has its own counter and the BAs are solely responsible for Biotherm sales. The **average number of Biotherm products per purchase**, retrieved from our observations at P&C as well as ECI, **is 1.3**. This number is considerably lower than the average number of products purchased in the overall selective SKC channel, which is 3.6[16]. One possible reason might be that consumers consider Biotherm products as "secondary" products, as mentioned earlier in this part.

3.2.3.4   Consumer issues

3.2.3.4.1   Weak knowledge among consumers about the Biotherm brand

"I have been using a Biotherm moisturizer and eye cream for two years and really liked the products. But Biotherm is a brand focusing on younger skin. I don't think they have products matching my age." (Respondent, 52 years) – This statement is one of many comments gathered throughout our in-depth interviews, leading us to the assumption that consumers are not well informed about Biotherm's product offerings and the brand as a whole. When asking consumers what they know about the brand, answers were even more obscure than the above quotation. **23**

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[14] Branding lab group, based on data from P&C store observations
[15] Branding lab group, based on data from El Corte Inglés store observations
[16] Information provided in L'Oréal Briefing

out of 30 respondents had to discard this question very quickly by answering that **they do not know anything** about the brand. Even when digging deeper, asking if they have any idea regarding the brand's origin, values or what it represents, answers remained meager. Three out of 30 respondents knew that Biotherm used ingredients from the sea, two respondents remembered that it was a L'Oréal brand and one interviewee knew that the brand was engaged in the preservation of the oceans and that it was the first having plankton as an ingredient. This interviewee was the only one following the brand on its country-specific Facebook page. When asking if they knew that Biotherm was also selling anti-aging products, **none of the respondents would relate the brand to that product type**. This is even more outstanding, given the fact that 18 of our respondents are aged 30 years or above and eleven being in their forties or above. The vast majority of our respondents had no idea about Biotherm's product range and if there are suitable products for their respective needs. Respondents only knew the specific products they have been using for different reasons, without any curiosity or interest to know what other products the brand offers. Besides, respondents purchasing in the selective channel and who want **to obtain prestigious brands are unlikely to purchase Biotherm**. When we asked respondents to compare other brands from any SKC purchasing channel (e.g. pharmacy, supermarket, beauty store, perfumery, online or else) to Biotherm, half of the respondents named **pharmaceutical brands**, with Vichy being the first, followed by La Roche-Posay, Avène and Lierac. Only after those, as the second most common brands compared, came Biotherm's closest competitors Clinique and Clarins. Another interesting aspect to note here is that eleven interviews had to be canceled, as people confused Biotherm with the pharmaceutical brand "Bioderma". When applying the projective techniques, Biotherm revealed to have a bulk of different **brand associations**. The only observable regularity was that brand associations could be divided into **two opposing groups**: consumers who purchase mainly luxury-to-premium products and consumers who purchase mainly mass-market brands. The first,

that mainly compared Biotherm with brands as Lancôme and Estée Lauder, described Biotherm as being youthful with attributes such as vivid, relaxed, extrovert, young, modern, as well as dynamic. The second, that mainly compare Biotherm with brands as Nivea and Garnier, described the brand as being old-fashioned with attributes such as discrete, formal, introvert, conservative and settled. It also came up that about one third of the respondents associated Biotherm with a men's brand, underlining Biotherm's dominance in the male SKC market compared to its female counterpart in Portugal. On the contrary, **Clinique and Clarins both have a consistent and distinct brand image** among respondents. Clinique was described as a woman, between her late 20s and 40, who is very sociable, young and dynamic, having a vibrant life as e.g. a blogger and who is always up with the latest trends. Clarins was described as a lady between her 30s and 40s, being a successful executive, kindhearted and having an active, happy life. The French overtone of the brand's name evoke trust and the perception of expertise among respondents.

When asking respondents why they purchase Biotherm, the most frequent answer was that they purchase the products **out of habit**, or more precisely, as they are satisfied with the products they are currently using, they do not see the need to find an alternative. The second most common cause was WOM, i.e. they purchase the product(s) because they got recommendations from friends or family. Only few state to purchase the brand because it is actually less expensive than comparable brands. What is striking is that almost all respondents answered the question why they purchase the brand with why they purchase the specific products they are currently using. The group also explored where respondents got to know the brand. Half of them got to know the latter **at the POS**, hinting at the brand's low investment in traditional advertisement or other communication channels. Only half of the respondents remembered to have seen a Biotherm advertisement but have no clear memory of it and only one respondent followed Biotherm on social media, i.e. its country-specific Facebook page. One fourth got to know the brand through WOM.

3.2.3.4.2 Divergence between Biotherm's aspirational target and observational data

Coming back to the group's initial challenge of exploring Biotherm's current consumer in the Portuguese market, this part presents our results gained through our exploratory research with respect to this question. **Based on our observational data**, we compared Biotherm consumers with the overall selective SKC channel consumers. There is **one major aspect that we want to highlight from our observations, i.e. consumer age.**

As can be seen in Appendix 20, **Biotherm consumers seem to be mainly between 40 and 50 years old**. This range accounts for 35% of the total SKC prospects. More than **half of the sample observed purchasing Biotherm products is between 40 and 60 years old**. Consumers within the age range 20-30 years were less observed with respect to Biotherm compared to the general SKC prospects. According to Biotherm's management team, the objective is to be an entry price brand, targeting mainly younger women new to the selective channel (L'Oréal Briefing, 2015). This means that **there is an apparent mismatch between Biotherm Portugal's aspirational and real target**, as they reach fewer young consumers than the selective SKC channel overall. Reasons for this are outlined in subsection 4.1.2. Besides, as it was mentioned in part 4.2.3.2, **Biotherm seems to be considered a brand for "secondary" skincare needs**. For 'main' face care treatments, consumers seem to prefer more prestigious brands. Looking at the figure below, Biotherm's best-selling products, i.e. deodorant (34%) and body (25%), are much less dominant in the overall selective SKC channel with 6% and 5% respectively.

BIOTHERM | **TOTAL SKC MARKET**

n=52 | n=173
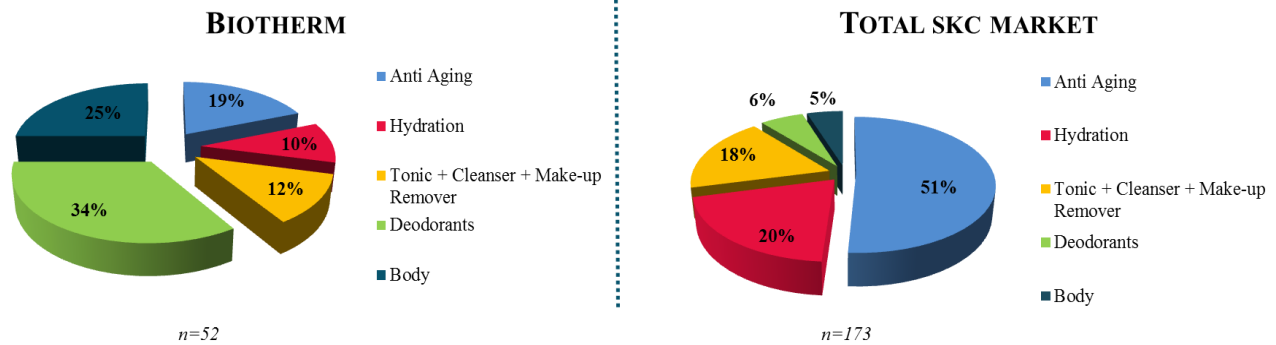
Source: Branding Lab Group, data from P&C and ECI in-store observations.

3.3   Proposed segmentation, targeting and positioning

This part is based on our in-depth interviews that helped us to draw patterns of similarity among respondents, based on their behavior, demographics, lifestyle, attitude and opinions towards Biotherm and competitors. As consumers in the SKC market are both multichannel and multi-brand, Biotherm not only competes in the selective market brands but also mass-market and pharmaceutical brands.

According to Kotler and Armstrong (2008) market segmentation aims at dividing the market into homogeneous groups of consumers, whereof one or more are selected as a target market to be attracted by a distinct marketing mix. Only by doing this, marketing expenditures can be allocated effectively, which is crucial in the highly competitive SKC market and the limited marketing budget Biotherm has to comply with (Kotler & Keller, 2011). With respect to demographics, which give a first hint at the expected consumer behavior (indirect criteria), respondents are mainly urban women, which can be attributed to the selective channel's distribution constraints. Furthermore, we analyzed our interviews based on the frequency of responses with respect to the **behavioral criteria** "usage pattern". Besides, in order to expand the understanding of Biotherm's segmentation particularities, it is worth studying respondents' lifestyles and AIO (Attitudes, Interests, Opinions)

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(Plummer, 1974). We investigated respondents' compliance with the winning hedonists AIO: open-minded, living to the fullest, strong, active, fit; socialite, influencer; modern, urban and connected (L'Oréal Briefing, 2015). Hence, in the following, we refer to the winning hedonist as a woman having this certain **state of mind**, disregarding her **age**. Three segments have been identified among the respondents that are described below, ranked from the segment that was observed most often to the segment less frequent.

<div align="center">

Segment 1 - One shot & quitters

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This segment includes 14 out of our 30 respondents. This segment has already used Biotherm but would not consider purchasing it again. Ten of the 14 are 'one shots', i.e. they only used Biotherm once, including people who received Biotherm as a gift (they did not proactively purchase the brand). The other four respondents are 'quitters', i.e. they have been purchasing Biotherm regularly in the past but then stopped. One example of an initial consumer quitting the brand, was a woman who used to purchase Biotherm's moisturizer 'Aquasource' regularly in the past, but once her skin concerns shifted towards anti-aging she decided to switch. The most present age range among 'quitters' is 30-40 years, i.e. when women start using anti-aging products. This segment did not reveal a clear pattern with respect to the winning hedonist AIO criteria.

<div align="center">

Segment 2 - Heavy users

</div>

This segment accounts for twelve out of 30 respondents. It includes consumers who have been repeatedly purchasing Biotherm for the last years. This does not mean that they only purchase Biotherm, but rather that they included Biotherm in their SKC brands' consideration set. The most frequent age range is 40-50 years, followed by the range 50-60. Heavy users are aligned with the most present age in the overall selective SKC channel. Overall, this segment reflected the winning hedonist state of mind. All heavy users pursued a healthy lifestyle, taking care of their body through healthy nutrition, a good work-life balance and sports. All of these women were conscious about

their healthy and natural skin as well as overall appearance. Respondents value Biotherm's fresh and effective textures as well as its energizing scent – all at a comparatively affordable price.

Segment 3 - Light users

Four of our 30 respondents are segmented as 'light users'. This segment uses Biotherm products only for "secondary" skincare concerns. They purchase Biotherm only punctually and not on a regular basis. Besides being the smallest segment among our respondents, these consumers revealed high price sensitivity. Despite the fact that this segment partly complies with the winning hedonist lifestyle and AIO, they are unlikely to increase their Biotherm purchases in the future due to their high price sensitivity, wooing them to mass-market brands.

Segment 4 – Non-Users

Unlike the other three segments, non-users were not inferred from the in-depth interviews. This segment includes all women that have the purchasing power to buy in the selective channel and the winning hedonist state of mind.

Targeting

Targeting is crucial because not all consumers are the same, meaning different groups have different needs and require different benefits. After selecting the target segments, marketing activities become more effective because they are directed towards homogeneous consumers (Wood, 2012).

With respect to targeting, we consider only the segments that do not reject the possibility to purchase Biotherm and have the winning hedonist state of mind (Kotler et al., 2011). Hence, 'one shot & quitters' and 'light users' should be excluded. Biotherm's target market (i.e. to whom the entre mix is directed) comprises 'heavy users' and 'non-users'. In the following, we refer to 'heavy users' as current consumers and 'non-users' as potential consumers. To sum up, the target market includes urban women of every age, belonging to the lower upper middle and upper class and

following the lifestyle and state of mind of the winning hedonist. How Biotherm could reach selected targets is be partly outlined in the recommendations provided at a later point in this report.

Positioning

"To every active and heath minded woman, living intensively her life while taking care of her body, mind and soul. She values natural ingredients, protecting her skin and leaving it pure and radiant (***target***). Biotherm is a premium skin and face care brand (***frame of reference***) with a focus on natural efficacy, pleasurable textures, pursuing a holistic approach to beauty, i.e. a combination of physical health, inner calm, and an attractive external appearance (***point-of-difference***). With more than 60 years of expertise, Biotherm is a pioneer in skin biology, providing advanced skincare solutions that use the force of aquatic ingredients, working deep in the skin (***reason to believe***)." (Tybout & Sternthall, 2010).

3.4   Main insights from diagnostic

As explained in detail throughout the previous sections, Biotherm is currently facing several challenges in the Portuguese selective SKC channel.

A challenging environment

The Portuguese selective SKC channel is a very narrow and sales of premium SKC products have experienced a decline compared to 2014 and are forecasted to further decline until 2019 (Euromonitor, 2015). Given the already difficult channel, Biotherm sells next to prestigious luxury brands and other premium brands. As stated earlier, the selective SKC channel is mostly visited by a niche of affluent consumers and urban buyers that do not match Biotherm's aspirational target of a younger clientele. The former are looking for prestigious and authentic brands, e.g. Estée Lauder, and want to get immersed in a unique purchase experience that is inspiring and imbued with feelings (Atwal, 2009). As outlined earlier, those consumers were rather unlikely to make a

Biotherm purchase. Next to the difficult market conditions, consumers reveal an increasing complex purchase behavior. Spoilt with choice, consumers are becoming increasingly discerning and demanding and are no longer sticking to one brand but look for brands that assist them best in expressing themselves and their lifestyles (Okonkwo, 2010). Thus, brands have to deal with an unpredictable, multichannel and multi-brand consumer behavior, which makes it increasingly hard to reach consumers.

Poor POS experience for consumers

L'Oréal Luxe's BAs seem to not positively influence Biotherm purchases as they deviate consumers to other brands. Reasons for this are multiple. First of all, L'Oréal Luxe's BAs have to reach their monthly sales objective which is easier to reach by selling higher-priced products. Furthermore, brand investment to spur L'Oréal Luxe's BAs motivation to sell the brand is held to a minimum. As consumers seem to not know anything about the brand it takes more time and effort to succeed a sale and due to the relatively high percentage of consumers quitting, L'Oréal Luxe's BAs might feel some kind of frustration selling Biotherm. Additionally, the brand has not been a priority for a long time in the L'Oréal Luxe portfolio. Consequently, communication between the office and the field staff has been infrequent, which is why Biotherm became less and less understood among L'Oréal Luxe's BAs and inconvenient to sell. Thus, L'Oréal Luxe's BAs are unable to deliver a consumer service necessary to engage consumers, educating the latter about the brand and making the sales process a memorable experience rather than a mere transaction. Besides, L'Oréal Luxe's BAs seem to not engage in any consumer follow-up in order to generate loyal consumers.

Consumers' potential lack of knowledge about the brand

The other major challenge is that consumers seem to have little to no knowledge about the brand. Given the vast array of choices in the SKC market, consumers are likely to go for brands

that they already know and trust. Brands are a shorthand for choice, and make it easier for consumers to get an orientation in the bombardment of products and brands. Brands serve as a signal of quality and trust and ultimately inspire loyalty (Silverstein, 2009). However, as our research data revealed, Biotherm's brand image, i.e. its associations, are blurred and disconnected from its brand identity. Consumers seem to associate the brand rather with a pharmaceutical brand than a selective channel brand and some even confused the brand with the pharmaceutical brand 'Bioderma'. Biotherm's product offerings seem to also remain broadly unknown among consumers. This potential lack of knowledge about the brand has multiple consequences. First of all, consumers are likely to quit the brand as they do not know if the brand offers suitable products for their skin concerns, leaving the brand with few loyal consumers. Besides, as consumers do not know what the brand represents and have nothing to connect to, they cannot build up a relationship with it. Those effectuating repeated purchases seem to do so out of fatigue to look for an alternative in the dizzying array of choices, but not out of loyalty. Due to the missing relationship, consumers seem to have no curiosity to explore and discover the brand. The apparent lack of knowledge about the brand results in a missing attachment and interest.

Low brand investment

Even if consumers want to learn more about the brand, they do not find the brand's support and presence as they would expect. In addition to the poor POS experience, Biotherm itself has very little presence both in traditional and new media. Biotherm currently does not have a country-specific website and is not present on any beauty, health or lifestyle blog. Its country-specific Facebook page is its main presence online, however this page is currently failing to educate and engage the consumer. Thus, consumers will find it very hard to learn about and understand the brand and are likely to abandon their search.

All this adds up to a vicious circle in which the consumer is left with no knowledge, no attachment and the perception of Biotherm as a mere 'range of products' rather than a brand in its entity, in Portugal.

Given all the information at hand, the group answered the questions posed at the L'Oréal Briefing:

Who is today's Biotherm consumer in Portugal?

It is very difficult to draw a conclusion for this question at the current state. First of all, finding women purchasing the brand in the last two to three years turned out to be rather difficult. Besides, observed and interviewed Biotherm consumers do not reveal a clear cluster. Biotherm's current aspirational target of a young consumer is unlikely to work in the Portuguese selective SKC channel.

What are the reasons for purchasing Biotherm today in Portugal?

Consumers seem to (re-)purchase the brand out of habit, i.e. they are satisfied with the product they are currently using. Further reasons were positive WOM from peers and Biotherm's more affordable prices.

Where do they purchase?

Biotherm consumers seem to have a multichannel purchase behavior.

What are the main touch-points with the brand?

The major touch-point seems to be the POS, followed by WOM.

4   Recommendations for Biotherm and further insights

4.1   Branding strategy – This part was written by Anja Oboril

4.1.1   Objectives and organization of this section

The initial question raised by Biotherm's management team was how Biotherm could become a lovebrand[17]. However, given the above described challenges Biotherm is currently facing in the Portuguese market, the following section, in its first instance, aims at elaborating how Biotherm can achieve a shift in consumers' perception in order to establish itself as a brand in Portugal. Then, in a second step, the section explores how a brand can evolve to become a "lovebrand" to ultimately guide Biotherm in the future. The focus is placed on the first subsection, as it is impossible to become a lovebrand without being a brand.

4.1.2   How Biotherm could become a "brand"

4.1.2.1   Academic and business oriented literature review

Brand definitions

Brands have become a major player in modern society and are analyzed through a number of fields and perspectives. However, "brand" remains a term widely used but unevenly understood. Due to the ever-changing business environment and depending on the perspective from which the term "brand" is reflected, numerous definitions have emerged:

Table 7: Main brand definitions and their perspectives

Perspective	Illustrative definition
Manager perspective	"A name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors." – *American Marketing Association, 1960* (cited in Keller, Apéria & Georgson, 2012, p. 4)
Consumer perspective	"A set of mental associations, held by the consumer, which add to the perceived value of a product or service." (Keller, 1998, p. 5)

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[17] There is no official definition and spelling of the term "lovebrand". Therefore, in the following, the term will be referred to and spelled as "lovebrand".

Time perspective	"A continuous process whereby the values and expectations imbued in the brand object (product or service) are set and enacted by the firm's staff and interpreted and defined by the consumers." (De Chernatony & Dall'Olmo Riley, 1998, p. 428)
Co-creation perspective	"Brands are co-created experiences between firms and consumers." (Prahalad, 2004)

Source: Branding Lab Group, based on Keller, Apéria & Georgson, 2012; De Chernatony and Dall'Olmo Riley, 1998; Prahalad, 2004.

In the following, the term "brand" is reflected from the **consumer perspective**. This definition seems the most appropriate as brand associations are exactly what Biotherm seems to be currently missing in Portugal as a consequence of consumers' apparent lack of knowledge about the brand and is a potential reason why consumers dissociate Biotherm's products from the brand.

From 'product' to 'brand'

Brands transcend products by offering dimensions making it possible to distinguish products satisfying the same need, i.e. they create a difference. This difference can be either tangible, i.e. related to product performance, or intangible, i.e. related to what the brand represents (Keller, 2012). A successful brand needs both dimensions. Intangible associations stem from the brand's values, heritage, vision and its personality, i.e. its brand identity. One way of building a strong brand is to start with a product advantage and move towards intangible values. The product has to be continuously associated with the intangible dimension, so that consumers' perception moves upward from tangible to intangible. Strong brands have an intense emotional component, a vision and are culturally loaded, as the idea accompanying the product is what makes the brand incomparable in the long-run (Kapferer, 2008).

Brand-building starts inside the organization by cultivating a strong corporate culture. It is no longer about closing a sale but about creating a memorable experience. The latter is key and is likely to trump the brand. Every employee thus has to understand, accept, incorporate and live the brand values as well as to embrace customer service (Kapferer, 2012). To turn employees into

successful brand ambassadors[18], the brand has to grow and strengthen the internal culture, embedding its values in the organization and ultimately build an internal brand community. In turn, employees are likely to steadily deliver good brand experiences that fulfill the brand promise. This ensures a consistent brand orchestration across all channels and over the whole product range, which is essential to enhance the brand's authenticity and thereby its intangible benefits like enchantment and myth (Kapferer & Bastien, 2009).

Figure 9: Impact of internal branding on the consumer-brand relationship

Measure	Output	Result		Outcome
Internal Branding	Employee Performance	BRAND EXPERIENCE	Below Expectations	Brand Relation weakended
			Matching Expectations	Brand Relation confirmed
External Branding	Customer Expectation		Beyond Expectations	Brand Relation strengthened

Source: Branding Lab Group, based on N.N. (URL 1), www.hrbranding.org (20.11.2015).

The Consumer Decision Journey (CDJ)[19]

Through the advent of new media the consumer landscape has changed considerably, giving birth to a savvy and empowered multichannel consumer. Information is publicly and instantly available, turning the consumer into a well-informed but also discerning participant. At the same time, attention is scarce and fragmented due to the diversity of channels, making it increasingly hard for brands to reach potential consumers. Hence, brands have to integrate new technologies and effective digital strategies in order to remain relevant and desirable. This implies building their brand image consistently offline and online, providing consistent brand experiences across all channels (Okonkwo, 2007). In today's attention economy, consumers seek a deep, intimate and

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[18] 'Brand ambassadors' in this sense refer to employees acting in support and on behalf of a particular brand. They represent the brand in a positive way and spread the word about it. Brand ambassadors are committed to the brand they represent and act within a reference group who, because of special skills, knowledge, personality, or other characteristics, exert influence on (potential) consumers (Kotler & Armstrong, 2012).
[19] Based on McKinsey Quarterly, 2009; Edelman, 2012

meaningful relationship with brands, which is why brands need to know exactly their target customer. The CDJ seems an appropriate model to elaborate a branding strategy achieving the shift in consumer's minds from a mere range of products to a brand. It helps Biotherm to navigate in today's environment and to adequately focus its marketing activities with respect to brand-building purposes. The CDJ, depicted in the figure below, shows how consumers are making their decision nowadays and underlines that marketing does not end with the sale, making brand experiences absolutely critical (Edelman, 2012).

Figure 10: Consumer Decision Journey

Stage 1: The consumer considers an initial set of brands based on previous brand exposures and perceptions. Brand awareness through company-driven MKT matters.

Stage 2: Consumers add or subtract brands, while gathering information and evaluating what they want. 2/3of touch-points are consumer-driven. Initial set is likely to change.

Stage 5: Consumers are committed to the brand and deepen their relationship with it.

Stage 3: The consumer selects a brand at the moment of purchase. One of the most powerful touch-points. Especially in SKC, brands that have not been considered, win at the POS through merchandising and packaging

Stage 4: The consumer owns and experiences the product, building opinions and expectations to inform the next decision journey. Consumers remain engaged: In SKC more than 60% of consumers go online to conduct further research after purchase.

Source: Branding Lab Group, based on McKinsey Quarterly, 2009; Edelman, 2012.

4.1.2.2 Analysis

Biotherm's products are well-performing SKC solutions but product performance is no longer a sufficient differentiator and brand stimulator. The reason why Biotherm as a brand is dissociated from its products today in Portugal, is because the brand lacks intangible dimensions. Consumers are unaware of the brand personality, its values and mission and therefore cannot connect to or identify with the brand. To make matters worse, Biotherm is selling in the selective channel next to aspirational luxury brands, which are known for being emotionally loaded (Albert, 2014) and consumers visiting this channel are looking for an emotional purchase experience, feeding their

aspiration for a better life (Silverstein, 2003). As Biotherm claims to be a 'New Luxury' brand (L'Oréal Briefing, 2015), it has to build and constantly enforce its emotional appeal, as 'New Luxury' is expected to be based on genuine, personal emotional engagement (Silverstein & Fiske, 2005). However, so far, Biotherm seems to be more about price and functionality in Portugal. The brand does not deliver an emotional benefit as other SKC brands in the selective channel, nor does it deliver the price advantage of mass-market brands and is therefore stuck in the "middle", losing sales, profitability and consumer interest.

Internally, Biotherm has failed to embed its brand values and to grow an internal culture. Due to inconsistent management measures[20] throughout the past years, staff has lost connection with the brand and the motivation to work for it. This has been passed on to the service level, i.e. L'Oréal Luxe's BAs. Consequently, as the brand is not understood and lived internally, BAs pass a poor experience on to the consumer.

With respect to the CDJ, Biotherm reveals several shortfalls. In the 'consideration stage', Biotherm is currently far from being a top-of-mind brand in Portugal. The brand's weak media exposure and the inconsistency of its past messages result in a low awareness of the brand and caused the problem of Biotherm's products being dissociated from the brand.

Regarding the 'evaluation stage', in which integrated online properties play a key role, Biotherm is still at a nascent stage. Although one of the most important and trusted informational sources among consumers is the brand website (McKinsey, 2012), Biotherm does not have a country-specific website for women, nor an engaging international website. Simple, dynamic tools helping consumers to choose a product are essential elements of an interactive and engaging brand

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[20]   There has been a frequent re-positioning of the brand in the Portuguese market throughout the last couple of years, accompanied by numerous changes of the Biotherm management team (L'Oréal Briefing, 2015).

website. Biotherm's country-specific Facebook page is missing storytelling and engaging posts, which would make consumers get to know and understand the brand. The low number of likes, shares and comments proves that consumer interaction is fairly weak[21]. When potential consumers are doing their research and looking for information about the brand, they, therefore, find very little content. However, two-thirds of touch-points at this stage are consumer-driven, wherefore brands have to learn how to impact them, i.e. by adopting a strong integrated digital strategy.

At the POS, Biotherm seems to miss out on the most influential component, i.e. sales interaction. The service delivered does not match consumers' expectations, weakening the brand relation (see Figure 1). As mentioned earlier in the group report, L'Oréal Luxe's BAs seem to deviate sales from Biotherm to other L'Oréal Luxe brands, failing to engage consumers in a memorable Biotherm experience. This leads to a poor POS experience, prohibiting consumers to create a relation with the brand and shaping their mindsets for every subsequent decision in this category.

In the 'post-purchase stage', the Biotherm consumer is left without any further engagement possibility. As Biotherm does not provide a strong support via its sales representatives nor via its online properties, the brand does not engage in after-sales experiences. This absence and the poor experiences delivered at the POS, make the spread of positive WOM very unlikely to occur and increase the risk of generating negative advocacy. Furthermore, Biotherm fails to connect with its consumers beyond the sales transaction. Establishing an online platform, whether a brand-own community or well-groomed Facebook page, allows consumers to talk to fellow brand consumers

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[21] The average number of shares and comments rarely exceeds 2, whereas the average number of likes amounts to around 40. Sales promotion posts and nutritional lifestyle posts currently seem to perform best. Clarins Portugal has an average of around 100 likes, around 70 shares and 2 comments. Clarins regularly does competitions with clear call-to-actions, asking the participant to like, share and comment the post in order to spread the word.

and share their experiences with each other, fostering the feeling of belonging, and hence driving loyalty. Besides, it helps to stay in touch with consumers after the sale and to anticipate consumer trends.

Last but not least, the majority of the current Biotherm consumers are likely to quit the journey before getting to the loyalty loop. The brand reveals too many leakages in the previous stages, making it impossible for the consumer to connect with the brand.

4.1.2.3 Recommendations to Biotherm

The following part gives recommendations on how Biotherm can overcome its shortfalls, by keeping in mind Biotherm's new orientation towards a "lifestyle" brand.[22]

First of all, Biotherm's branding strategy needs to focus on the brand's intangible dimension in order to connect to consumers, create brand preference and to spur loyalty. Biotherm needs to be embodied in the tangible but form a basis of a durable relationship with shared values among its consumers. As Howard Schultz, Starbucks' CEO used to say "*the most powerful and enduring brands are built from the heart*" (Schultz, 1999, p. 48). The source of Biotherm's values and culture is its brand identity. Its core values comprise its holistic approach to beauty (healthy, fit, balanced and happy) and its vision of SKC, for which the brand is exploring the depth of the world's waters to find new ingredients that work deep in the skin.

Internally, Biotherm should implement measures supporting the growth of its internal culture. Starting from the highest hierarchy level in the organization, managers have to continuously exemplify brand-compliant behavior. Possibilities to communicate the brand values and to make

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[22] Due to the lack of space, recommendations will be hold exemplary, i.e. only selected strategic recommendations are outlined. They are not explained in detail, as more exhaustive operational recommendations are provided in the sections 'digital strategy', 'POS service strategy' and 'sampling strategy'.

employees understand and internalize them, are in-house events (trainings, workshops, conferences) and in-house competitions, both for office and field staff. Those events and activities have the purpose of reinvigorating Biotherm's heritage, giving employees a chance to experience the brand from different perspectives. For the multi-brand L'Oréal Luxe's BAs there should ultimately be a Biotherm-specific incentive program (e.g. sales competitions), encouraging the sales representatives to better understand the brand. Besides, there should be regular BA trainings and workshops, as well as special brand-endorsing events. BAs have to be continuously shown and taught the connection between the brand and their contribution to the band's success.

Throughout the whole CDJ, Biotherm should integrate a consumer-centric mindset in order to become an engaging brand, resulting in the generation of consumer advocates, i.e. active loyalists. Biotherm has to add on the experiential dimension in order to engage and deepen the connection with consumers. Consumer engagement through shared values is a prerequisite for affective loyalty, exceeding mere repeated purchases (Kapferer, 2008). Biotherm's touch-point priorities in the CDJ should be the 'purchase' and the 'post-purchase stage'. Another touch-point to leverage would be the 'evaluation stage', depending on the budget constraints the brand has to comply with. In either case, the 'evaluation stage' is very connected to the 'post-purchase phase', as both require well-developed internet properties. Thus, a leverage of the 'post-purchase stage' is very likely to benefit the 'evaluation stage'. Even though the awareness of the brand is low, the 'consideration stage' is not a priority. Firstly, traditional advertising is expensive and becoming increasingly less impactful. Secondly, the consideration set is likely to change throughout the subsequent stages.

Thirdly, generating loyal consumers spreading positive WOM (i.e. earned media[23]) also increases the brand's likelihood to get into the initial consideration set.

The subsequent exemplary recommendations are focused on stage three and four[24], as bonding the existing consumer is considered a priority. First of all, acquiring new consumers is more expensive and second, in case of the acquisition of new consumers, the brand still needs a strategy to re-engage them after purchase. A BCG research shows, that the 2% of consumers that are advocates account for 20% of sales. Furthermore, they drive 80% of total sales volume via their recommendations, i.e. WOM (Silverstein, 2015). WOM is highly effective as it is perceived as having passed through the judgment of like-minded. It is hence one of the most influential communication modes, especially in today's digital age (Smith, 2011). Regarding the CDJ, WOM influences both the first and the second stage and is hence very profitable for a brand as it is earned media. Consumers become active loyalists because they feel passionate about the brand as a result of what the brand is giving to them beyond its products, i.e. bonding through shared values (Kapferer, 2008). It is hence absolutely crucial, and all the more in the aspirational selective channel, not only to deliver functional and experiential rewards but to bond through aspirational values.

The figure below depicts the different possibilities brands can use depending on the depth and the length of the relationship they want to establish with their consumers.

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[23] Earned media' refers to consumer generated content, i.e. consumers become the communication channel. Well executed 'owned' and 'paid' media drive earned media (Forrester Research, 2009).
[24] Please read the individual assignment for more complete recommendations.

Figure 11: Post-purchase bonding possibilities
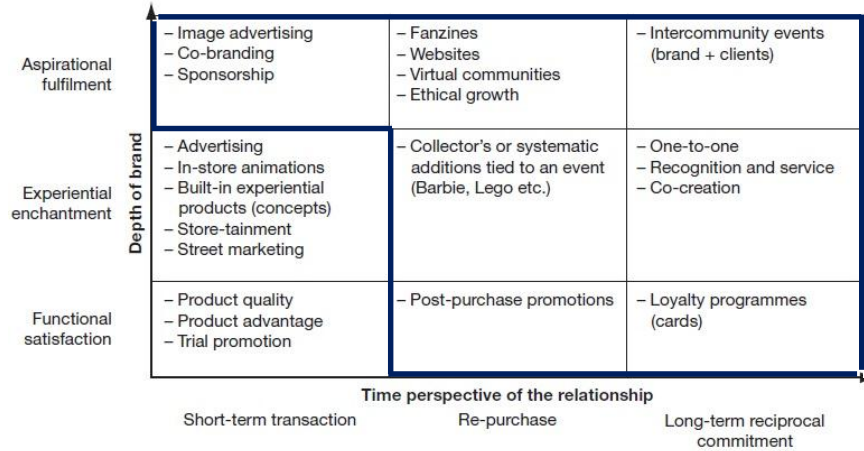
Biotherm is currently missing out on the 'aspirational fulfillment' level in Portugal and should invest in its development. On the 'functional satisfaction' and 'experiential enchantment' level, Biotherm delivers mainly on the 'short-term transaction' and needs to improve and develop the 're-purchase' and 'long-term reciprocal commitment' level.

Source: Branding Lab Group, based on Kapferer, 2008, p. 162.

Today, Biotherm's activities remain on the functional satisfaction level. On the experiential level, i.e. at the POS, Biotherm needs to exploit the power of its L'Oréal Luxe's BAs, which involves major improvements in their service quality with respect to Biotherm. With today's discerning consumer, unparalleled service quality is assumed as a given. Success is now based on consumer experiences, viewing consumers as emotional beings striving for pleasure and in-depth experiences. BAs knowledge and familiarity with the brand, coupled with respectful distance, should be another extension of the brand identity and the experience Biotherm wants to offer (Wittig, Albers, Sommerrock & Beil, 2014). They need to listen to, interact with, connect with and create value for the consumer. At the same time, consumers should have the chance to participate, to experience the products, to learn something about the brand and to create a personal relationship with the BA and thus the brand.

The main goal in the 'post-purchase stage' is to generate loyal consumers and to enforce aspirational values. Biotherm currently only makes use of a loyalty card, allowing consumers to get discounts. Biotherm should develop a more complete loyalty program. One possibility is to link the loyalty card to brand-connected experiences rewarding consumers, such as events (e.g. cultural

or sport events) or vouchers (e.g. to a fitness studio, spa or organic food stores[25]). Such behavioral loyalty programs create the conditions for deepening the consumer-brand relationship through emotional connections. Regarding Biotherm's online properties, Biotherm should develop its country-specific website and has to improve its current Facebook page with more engaging content, incentivizing frequent visits and dialogs, giving consumers a reason to come back. The US Biotherm page, which is very elaborated as the brand is selling exclusively online in this market, can serve as an example. Besides, Facebook is a good way for the brand to reconnect to its consumers in order to get a better consumer understanding. Ultimately, Biotherm should think about establishing a (virtual) community to offer constant interaction possibilities and transparency. The level of customization and involvement is especially high in communities, giving the brand the possibility to transform its consumers into passionate brand advocates. Communities can be implemented through fan-sites, brand clubs and events, enacting consumers to 'live' the brand's values together with the brand in a non-commercial environment. In case of a virtual community it is advisable to intertwine online and offline, as does e.g. Nike with its "Nike+" application. It brings people sharing the same values as well as the brand together (Nike employees are active participants). More and more beauty and personal care brands embrace effective digital strategies in order to respond to the growing number of technology-savvy consumers, e.g. Estée Lauder with its 'The Estée Edit blog'. Sponsorships, partnerships as well as brand-own events and co-branding are other ways to stimulate WOM as well as online and offline PR. They involve the consumer in brand-building experiences, creating or reinforcing brand associations and brand

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[25] The consumption of healthy food, such as superfoods (e.g. goji berries and chia seeds) and detox juices, is seeing a steady increasing demand in Portugal. Consumers want to feel better about themselves and especially women are looking after their health and body shape. Therefore, special shops and organic supermarkets are becoming popular (Euromonitor, 2014).

awareness as well as benefiting the brand's image (Aaker, 1996). Sponsorships give you the possibility to associate the brand with an event, e.g. Biotherm could think about sponsoring runs, triathlons or surf events, such as the women's run "Corrida da Mulher – EDP Lisboa, a Mulher e a Vida" in May an event exclusively for female runners under the slogan "For women and for life". Partnerships offer the possibility to act within an existing community, e.g. Biotherm could partner with gyms or sports clubs. Co-branding can be used as an image strategy, enhancing proximity to the desired target. On an international level, Biotherm has already started to co-brand with the women sports brand "Roxy" to create winter jackets and neck warmers imbued with a nourishing SKC formulas. In this manner, brand content provides the brand with depth and emotion, emphasizing the intangible dimension.

Last but not least, all activities have to interlink Biotherm's online and offline presence. A consistent and intertwined online-offline brand presence is essential to be recognized by consumers and to establish the brand in consumers' minds. The brand as a set of fundamental values and attributes, defining the unique value created for customers and the way stakeholders are engaged with it, has to acknowledge that the small things it does through a combination of touch-points has a bigger impact than advertising campaigns pushed onto the consumer. Biotherm should start establishing itself as a cultural resource and not as a cultural blueprint, giving consumers the possibility to choose which brand attributes assist them best (Holt, 2002).[26]

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[26] It should be mentioned that the new accelerated CDJ, published in November 2015 (Edelman & Singer, 2015), has been acknowledged. Even though the new CDJ is an efficient mean to reach and bind consumers in today's fast-living multichannel environment, Biotherm should focus on establishing itself as a brand by generating a profitable set of loyal consumers. As the objective of this assignment is to provide practical recommendations, the new CDJ does not seem as appropriate as it involves a set of highly developed technologies, processes as well as organizational structures and therefore, a considerable budget investment.

4.1.3　How Biotherm could become a "lovebrand"

4.1.3.1　Academic and business oriented literature review

The emergence of "lovebrands" and their definition

Even though consumers' emotions towards brands have seen burgeoning interest among practitioners and academics throughout the last years (Batra, 2012), the term "lovebrand" or synonyms is an expression not yet fully established in literature. It has been argued that it is not even a new concept but just another word for a successful running brand (N.N., 2005). Still, data provides strong support that brands work much like other emotional stimuli, i.e. consumers make emotional connections with them. Thus, this part looks at brands in a way emphasizing the importance of the emotional engagement with consumers. Among practitioners, Saatchi & Saatchi CEO Kevin Roberts elaborated an applicable framework for brands, which is explained in the following. According to Roberts, we live in a post-branding age in which consumers treat brands like products. The success of a brand is thus dependent on the degree to which consumers are emotionally attached. Therefore, brands need to work on both axis in the "Love and Respect Diagram", shown in the figure below.

Figure 12: Love and Respect Diagram
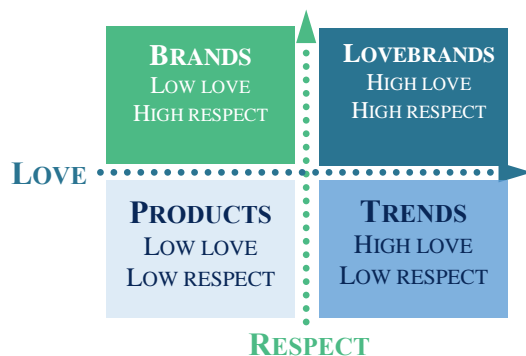
Source: Branding Lab Group, based on Roberts, 2005.

In order to be loved, brands first must earn high respect by constantly delivering on their promises and then increase on the love axis by transforming the consumer with mystery, sensuality and intimacy. Roberts defines "lovemarks" as "*the future beyond brands. They deliver beyond your expectations of great performance. They reach your heart as well as your mind, creating an intimate, emotional connection. Lovemarks are a relationship, not a mere transaction. […]. They are about Mystery, Sensuality and Intimacy*" (N.N. (URL2)).[27]

Nature and consequences of being a 'lovemark'

What unites brands like Coca-Cola, Apple, Starbucks and Harley-Davidson? This diverse array of brands all forge an emotional connection with a cloud of consumers by sharing the same values, i.e. they are built by a community. Lovemarks deliver high technical and functional attributes, but win consumers' hearts and minds by delivering intrinsic values (Silverstein, 2015). Lovemarks connect to deeply held values, such as cultural topics or interpersonal relationships. Consumers identify with things they love, which is why lovemarks help consumers express their current identities and enact desired ones. Consequences of brand love are brand loyalty, resistance to negative information or competitive messages, increased willingness to engage in positive WOM as well as to invest time, money and energy to use or interact with the brand. Lovemarks have the power to create a sense of belonging and to bring people together (Batra, 2012).

Seven steps to become a 'lovemark'

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[27] A comparison between brands' characteristics and management approaches versus lovemarks' can be seen in Appendix 21.

When a brand aspires to migrate to a lovemark, consumers' dreams and inner desires need to be known, so that the brand can become a vital part of consumers' lives. Roberts outlines seven necessary steps to migrate from a brand to a lovemark (Roberts, 2008).

Figure 13: Seven steps to become a lovemark

Step 1: Acquire full respect through performance, trust and reputation
Transform consumer habits and indifferences into respect. Exceed consumer expectations.

Step 2: Move closer to consumers
The brand has to get to know its consumers deeply. Lovemarks stand for things people care about and increasingly, they also have to ensure that they do not stand in conflict to people's beliefs more generally.

Step 3: Definition of the brand's position in the "Love and Respect Diagram"
Identify gaps and elaborate possible strategies to close them (See Appendix 22 for checklist).

Step 4: Transform with mystery
Refers to the historical dimension of the brand. The brand needs to provide a touching story, connecting past, present and future, and to keep some mystery around it. As in a real relationship, also a consumer-brand-relationship thrives on learning, anticipation and surprise.

Step 5: Transform with sensuality
Make the brand a true experience lived by the consumer through all five senses. Multi-sensory experiences are the fast lane to emotional engagement, bonding the consumer to the brand.

Step 6: Transform with intimacy
Refers to consumers' commitment and passion for the brand. Intimacy is the only way to turn an experience addressed to millions of people personally meaningful. It requires high levels of empathy, sensitivity and transparency.

Step 7: Build up a community in and outside the company
Strengthens the sense of belonging and gives like-minded the possibility to exchange their thoughts.

Source: Branding Lab Group, based on Roberts, 2008; Esch, 2008.

4.1.3.2 Analysis

As explained in detail above, Biotherm is not perceived as a brand in the Portuguese market. It is thus not surprising that Biotherm does not deliver on one of the three key attributes making up a lovemark, i.e. mystery, sensuality and intimacy. These attributes can only be stimulated when consumers respect Biotherm as a brand.

4.1.3.2.1   Recommendations to Biotherm

Biotherm first has to establish itself as a brand in the Portuguese market. Taking the "Love and Respect Diagram" into consideration, Biotherm is currently positioned in the lower left square, i.e. products. In order to become a brand, Biotherm needs to move up on the respect axis by establishing trust and reputation, as it so far only delivers the product-based performance. Trust, driven by engagement, integrity and services, is therefore one of the key attributes Biotherm has to focus on today in Portugal. Only then, Biotherm can grow on the love axis by reinforcing the emotional bond, making the consumer a co-creator of the brand and in turn, becoming an integral part of consumers' lives.

4.1.3.2.2   Conclusion

The transition to a lovemark is a flowing process and drawing a line between both concepts is nearly impossible. What is a lovemark to one may be a brand to the other. Besides, branding paradigms have experienced significant shifts throughout the last couple of years (Holt, 2002), moving away from traditional push-strategies, acknowledging a consumer-focused management approach. Brands shift more and more towards building on emotions and creating the brand inside the company. Still, whatever the exact meaning of being a "lovebrand" might be, Biotherm should only envisage this concept after having established itself as a brand, i.e. when it succeeded moving up the respect axis through trust. Relinquishing control and providing transparency is risky if the brand is not well-established. Biotherm has to start building its brand from the inside by establishing itself as relevant and authentic cultural resource. Through time and the right communication, Biotherm will then transcend to the lovebrand status.

4.2 Digital strategy – This part was written by Patrícia Serrano

4.2.1 Objectives and organization of this section

The second section of the recommendations to Biotherm aims at understanding how digital strategy can help Biotherm overcoming some of the problems previously identified, more precisely the consumer's weak knowledge about the brand[28]. This section starts with an academic and business oriented literature review in order to understand the importance of having an online present that must be interlinked with all the other offline marketing activities. Then, the section is organized in two main parts: The first part has the objective of explaining what Biotherm is currently doing in Portugal regarding digital. The second part presents the recommendations to Biotherm regarding the use of the available digital tools in order to make consumers know and understand this brand and therefore engage with it, being that the main focus of the present section.

4.2.2 Further insights to address digital strategy.

4.2.2.1 Academic and business oriented literature review

In the current digital age, brands have been challenged with the growing multichannel consumer behavior characterized by a constant and fast movement between online and offline. To be successful, brands cannot focus on only one of these channels anymore, since consumers are going from online, to offline, to online again looking for information, engagement and to influence behaviors and decision processes (Mirchevska and Markova, 2011). Biotherm is not an exception and it is not difficult to imagine several scenarios where a consumer interconnects both channels to purchase a Biotherm product, for example: consumer sees an outdoor advertisement about the new Acquasource (offline), goes to the brand website and visit some blogs to have more

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[28] This problem is explained in detail in part 4.2.3.3.l.

information about it (online), decides to go to a store do buy it (offline) and finally, after trying the product and enjoying it, goes to the brand Facebook page to make a positive review about his/her experience (online). Therefore, the following recommendations for the future Biotherm's digital strategy take into account that it is imperative to have strong and meaningful links between online and offline channels. These links must ensure that the consumers have coherent experiences either they contact with the brand through online or offline touch-points (Edelman, 2010), and that the perception they have regarding Biotherm (i.e. brand image) is consistent no matter each channel they are using.

The consumer decision journey, presented in the previous section, emphasizes that online/offline necessary interlink between any brand's marketing activities. When applying this journey to Biotherm consumers[29], it is easy to recognize that digital has a crucial role on some of the stages that this brand has to leverage: stage 2, 'evaluation' and stage 4, 'post purchase' (experience and advocate). On stage 2, Biotherm's digital strategy should take advantage of the fact that it is the stage where consumers look for information mainly online (see Appendix 23), and directing its digital tools on storytelling would make consumers know, trust and create an emotional bond with the brand. At stage 4, it is important to create a relationship with the consumer that goes beyond the moment of the purchase, therefore, digital would be useful to create 'territories' where people can go after the purchase in order to: first, have more information about the products they bought (more than 60% consumers of facial skincare products go online to conduct further research after the purchase (McKinsey Quarterly, 2009)), then to make online reviews about their experiences and, ultimately, to engage and bond with the brand

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[29] The application of the CDJ to Biotherm consumers is presented in part 5.1.2.2

4.2.2.2 Biotherm's current digital activities in Portugal

Before starting the recommendations on the future Biotherm's digital strategy, it is important to first understand what Biotherm Portugal is currently doing in terms of digital marketing. After a deep search and with the information gathered during a meeting with Biotherm's product manager, Sara Abreu[30], it was possible to compile the main current digital activities in Portugal:

Table 8: Biotherm's current digital activities

Website	Regarding the **brand website**, only exists the Portuguese website for Biotherm Homme. According to Biotherm's management team, the creation and the maintenance of a website for the female SKC segment represents high costs that Biotherm's budget could not support. However, in the words of Biotherm's management team, Portuguese women can still consult the general Biotherm website which, despite being in English, has all the information that they need about the products and the brand.

Social networks	• Global **Instagram** and **Youtube** account (that according to headquarters' rules, it cannot be changed).
	
	• Each country where Biotherm is present has its own official Facebook page. Therefore, **Biotherm Facebook page** is the main digital tool that Biotherm Portugal uses to communicate with consumers, currently having the following characteristics/ content:
	
	   o Focus on healthy lifestyle and on the idea of 'Biotherm Woman' (i.e. fit, healthy, free, wild, intense, "life to the full or nothing", "nothing by half", "winning hedonist" woman).
	
	   o Use of the global ambassadors – Candice Swanepoel and Christy Turlington – on several posts and videos.
	
	   o Presentation of current promotions discounts and announce sampling giveways through digital platforms.
	
	   o Information and curiosities about the products.
	
	   o '1 minute challenge'[31] and "#CANCANDICE challenge'[32].

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[30] This meeting was done before the members of the group start working on Chapter two, i.e. recommendations to Biotherm (see the project timetable in Appendix 1), in order to gathered information about Biotherm's plans for 2016
[31] Biotherm's trainer Lucile Woodward teaches how to do simple exercises that can be done at home without going to the gym and spending a lot of time.
[32] Participants reproduce some of the challenges done by the ambassador Candice and post a photo on Biotherm Facebook page to win a certain product.

4.2.3 Further recommendations to address digital strategy

4.2.3.1 Overall recommended digital strategy

"(…) with the advent of the Internet, social media and the dispersal of knowledge in every direction, corporations are in the unique position to distribute the information they've gathered in exchange for audience, readership and brand loyalty." (Jutkowitz, 2014, p.5)

With the current CDJ, **consumer-driven marketing** is gaining significance since consumer is having more control throughout all the purchasing process and he/she is actively 'pulling' information that is useful for his/her purchase (McKinsey Quarterly, 2009). Appendix 23 shows the importance that consumer-driven marketing's touch-points have through the first three CDJ's stages. For that reason, the overall Biotherm's future digital strategy should be focused on **content marketing** - *"Strategic approach focused on creating and distributing valuable, relevant and consistent content to attract and retain a clearly-defined audience – and, ultimately to generate loyalty and to drive profitable customer action"* (N.N. (URL3)). According to Content Marketing Institute, this approach differs from traditional marketing since it is focused on owing media (channels that the brand controls such as website and social networks' accounts), not renting it (i.e. paid media, such as display ads and paid search). Brands that follow the content marketing approach must have the ability to communicate with consumers without trying to sell: instead of pitching its products, the brand must deliver information that increases consumer's knowledge. Studies prove that 80% of people would rather get information about a company through an article (brand publishing[33]) than through an advertisement (Content Marketing Institute).

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[33] Brand publishing is a marketing strategy where brands treat themselves not as advertisers, but as content publishers (N.N. (URL4))

If it is done in the right way, good content marketing will make consumers stop, read and then behave and think differently. Jutkowitz (2014) said that a content marketing strategy will help brands being closer to the consumer by responding to his/her preferences; it will also allow the brand to react in real time (through brand publishing) while it creates, facilitates and lever brand own ideas; furthermore, it will increase transparency and strengthen brand's image; and, lastly, content marketing strategy will help building brand's legacy and give it a greater purpose (not being only economically important for society but also intellectually significant).

Why content marketing is the best approach for Biotherm's digital strategy?

As it was previously mentioned, in order to overcome the issues that were previously identified, one of the main focus of Biotherm Portugal should be the creation of a **strong and meaningful relationship with consumers**. Using content marketing, Biotherm will be able to deliver information that truly matters for its consumers, because it will be interesting and useful for them, and therefore it will have a positive impact on their lives. Subsequently, Biotherm consumers will feel that the brand is doing something 'good' for them and, consequently, they would be more 'receptive' to engage and bond with it.

Additionally, we are witnessing a growing interest and concern about health and fitness among Portuguese population. According to 1st edition of the *Observatório da Nutrição e da Alimentação em Portugal* (N.N. (URL5)), almost 67% of the Portuguese population said that they are having a healthier diet (having started that diet for more than six months). Also the increasingly number of websites and social networks' accounts focusing on fitness, healthy recipes, etc., proves the growing preoccupation of Portugueses on taking good care of their health and bodies. For that

reason, the new positioning of Biotherm as a lifestyle brand[34] represents an excellent opportunity to create the valuable and useful content the brand should distribute to its consumers.

Finally, as 'ultimate rewards' of using content marketing, the consumer's knowledge about Biotherm would increase and, lately, it would motivate brand loyalty.

4.2.3.2   Operational recommendations

The next topics will develop three main operational recommendations for Biotherm in terms of digital:

4.2.3.2.1   Website

As it was previously mentioned, Biotherm does not have a Portuguese version of its website for the female segment. However, having a website is very important for any brand that wants to be seen 'as a brand' since it is still a primary resource for consumers who seek for information regarding products and companies (N.N. (URL6)). Moreover, the brand website is also the 'place' where people most rely to understand the full story of the brand (Connor, 2013).

According to Connor (2013) having digital presence only through social networks is not enough for consumers to get to know deeply the brand. First of all, most people do not look for a brand on social networks (such as Facebook), they may 'stumble upon it' but they are very unlikely to repeat the visit. Additionally, consumers normally start their 'search' through a searching engine (e.g. Google), so it is important to own that 'digital shelf space'. Connor (2013) also said that websites and social networks' pages have different mind-sets: consumers go to social networks when they want to 'have fun' and share their opinion/ experiences with others, while they go to a brand website when they want to solve a problem/ need and are looking for adequate information.

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[34] The new positioning of Biotherm as a lifestyle brand is explained in chapter 3.

Furthermore, one of the major investments of Biotherm for next year will be sampling giveaways, as it is developed in the next section, and therefore it is very important to have an online 'territory' where people can go after trying the sample in order to know more about the product and about the brand they just tried.

Considering this, the first operational recommendation for Biotherm is the creation of a Portuguese website for women. When creating a website, it is very important to understand and to choose which would be the role(s) of that brand website. Connor (2013) presented four possible roles of a brand website:

Table 9: Roles of a brand website

Informer	Seller
A rational informative resource	A specialized transactional environment
Expresser	**Engager**
An emotional brand expression	An interactive and socialized brand experience

Source: Connor (2013)

These roles are not mutually exclusive: the ultimate objective of any brand website is to have the four roles working at the same time in a natural and effective way. However, when a brand website is created, it is important to decide on which role(s) to focus on and to prioritize them. For Biotherm women's website, this should be the order regarding its roles' priorities:

Table 10: Prioritization of Biotherm's website roles

1.   Engager
Taking into account that one of the main priorities of the brand is to build a relationship with consumers, it is important to focus on creating an experience through Biotherm website that would allow consumer to interact with the brand and therefore engage with it.
2.   Expresser
Since current consumer's knowledge about the brand is very limited or none, it is also important to use Biotherm website to express the emotional aspects of the brand and to communicate the full story of the brand.

3. Informer
As it was previously mentioned, brands websites are the main resource for consumers who search for information about the product, so, it is important to keep the information about each Biotherm products and also the story behind them on the website. Besides, the website should also give information about the physical stores where consumers can purchase Biotherm products.
4. Seller
Although e-commerce is gaining a lot of importance in the beauty market (A.T. Kearny, 2012), being an online shop should be the last priority of Biotherm website for now. Still, Biotherm should not ignore this trend and should support online purchases on P&C website (which nowadays is the only retailer selling Biotherm products online).

Source: Branding Lab Group, based on Connor (2013)

Typically consumer visits the brand website to get information about some products or about the brand itself and in fact the Biotherm general website has all the information about the Biotherm products and about the brand. Nevertheless, it is still important to have a Portuguese Biotherm website for the female SKC segment for two main reasons. First, according to Eurostat (2011), 42,6% of Portuguese women between 25 and 65 years-old do not speak any foreign language and once Biotherm general website's language is English, many Portuguese women are not be able to get any information from there. Second, and most important, the general Biotherm website is mainly focus on the 'informer' role and Biotherm Portugal needs 'something more' than that: it needs a website that, besides informing consumers, engage and bond with them.

Figure 14: Example of a virtual Biotherm BA
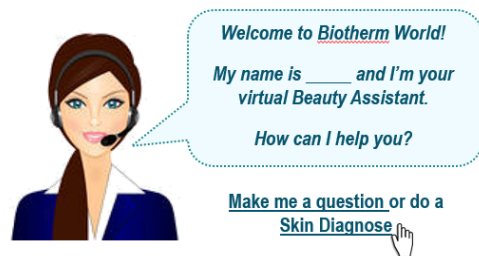
Source: Branding Lab Group

To achieve that (i.e. to have an 'engager' website), Biotherm must find a way to interact with consumers and make their experience on the website memorable. This could be achieved through the creation of a virtual Beauty Assistant. The virtual BA should have a name and would follow the consumer throughout the visit on the website. Carrera (2009) suggests that the virtual assistant should also: react to some visitor's movement and actions (e.g. make certain comments, such "*Do*

you know that this product is composed by pure thermal plankton that contains 35 nutrients?" when the visitant clicks in a certain product); inform visitants about current promotions/ actions of the brand; and the virtual BA should also show that she knows that the consumer visited the site previously.

4.2.3.2.2 Facebook Page

As it was said, Biotherm Portuguese Facebook page is the main digital tool used by the brand and it is also the main channel of communication with consumers. However, this page is not being able to educate and engage with the consumer making very difficult for them to learn about the brand. This influences their future purchase decision and does not allow them to relate with Biotherm. Given that, it is extremely important to improve and 'boost' Biotherm's presence on Facebook.

In order to be consistent through all the digital channels, the Biotherm Facebook page must have the same roles previously defined for the website (i.e. 1. Engager, 2. Expresser, 3. Informer, 4. Seller). Therefore, it is also important to find ways to be dynamic and to interact with consumers within the Facebook page. An example of an interactive and appealing initiative could be the creation of a skin diagnose on the page that people could do and receive the results automatically as well as suggestions for adequate products and where they can acquire them. Moreover, the Facebook page should also be used to increase consumers' knowledge about the brand, which, once again, should be done interactively and allowing consumers to 'have fun' while doing it (e.g. creation of a challenge where the first people answering correctly to a question about the brand win a certain product as prize). Finally, Biotherm Portugal should follow the example of Biotherm US and share on its Facebook page inspiring/motivational images and quotes (see Appendix 24) that

would make people identifying with the brand, share the images on their own pages. This would make other people notice the brand (increase the awareness about it) and strength brand image.

4.2.3.2.3 Branded Community

For a brand that is trying to bond with consumers and have a strong relationship with them as Biotherm is trying to, creating an **online brand community**[35] could be a very clever and useful move since it would encourage build loyalty and engagement around this brand (see examples of successful branded communities that exist for at least five years and are still growing in Appendix 25). Additionally, a study conducted by Manchanda, Packard and Pattabhiramaiah (2015) proves that online brand communities can also increase sales by as much as 20%. However, in order to be successful (i.e. to engage with consumers and build loyalty), the brand community should not be driven by sales but by helping its members meeting their needs (Fournier and Lee, 2009). The increase in sales would come as a 'reward' for doing it right.

4.2.3.2.3.1 Biotherm c'Womanity

The Portuguese Biotherm online community would be named Biotherm c'Womanity and it will be focused on the lifestyle the brand wants to represent and to inspire. The name came from a merge between 'community' and 'woman' once it will be directed only to the female segment. The Biotherm c'Womanity will be basically 'put together' fit, healthy, free, wild, intense, 'life to the full', 'nothing by half', 'winning hedonist' women – **Biotherm Women** – and women who aspire to be like this.

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[35] A brand community is *"a specialized, non-geographically bound community, based on structured set of social relationships among admires of the brand. (...) Like other communities, it is marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility"* (Muniz and O'Guinn, 2001, p.2)

This community would spread and 'materialize' the idea of what is to be a 'Biotherm Woman'. In fact, the idea of being a fit, healthy and active woman is gaining a lot of importance and 'followers' in Portugal: some women are adopting this lifestyle and some others aim to do it. In other words, the idea of a 'Biotherm Woman' is already present in Portugueses' mind, however, people do not identify this idea with the term 'Biotherm Woman'. One of the main objectives of the c'Womanity is to make women understand that being fit, healthy and active means precisely the same as being a 'Biotherm Woman'.

In other hand, the rise of such lifestyle is leading people to search for information and support mainly on internet (websites and social networks). This represents a great opportunity for the c'Womanity once it will be based on creating and delivering content that will help and motivate women who want to have a healthier and a more active life.

Furthermore, this community would make people connect with the brand and identified with its ideals. Basically, this branded community will work as a 'bridge' between Biotherm and its consumers (and also with potential future consumers) making them closer and giving them an opportunity to know each other (i.e. consumers would increase their knowledge about the brand, and the brand would also be able to gathered information about its consumers and potential consumers) which would likely result in a long-term relationship.

c'Womanity features

The Biotherm c'Womanity would be materialized through a Facebook page that would have free access to everyone. To receive the c'Womanity updates directly on their own *newsfeed*, people just have to 'like' and 'follow' the page. However, any woman who wants to became an 'official member' of this community must fill a registration questionnaire (see Appendix 26) which would allow her to receive at home a 'Welcome Kit' that would be mainly composed by a complete products routine in a sampling format (see Appendix 27 to know more details about the 'Welcome

Kit'). This questionnaire would be connected to a database that would allow the brand to **reap information about consumers and potential consumers** that might be useful, not only for the c'Womanity, but also for some other marketing activities, such as sampling.

Moreover, in order to increase the visibility and the 'power' of the c'Womanity, it would be 'mentored' by **three Portuguese ambassadors**. Once this would be a community exclusively for women, the group of ambassadors should also be composed only by female celebrities. These women must: personify the 'Biotherm Woman'; be someone that is able to connect and engage with Biotherm's target (i.e. the 'winning hedonists'); and should also have a solid, well-established online presence with a wide network (Hayzlett, 2015). The ambassadors must be also already seen as reference for people who wants to have and active and healthy lifestyle. Given that criteria, the suggested ambassadors are (see Appendix 28):

Table 11: c'Womanity ambassadors

Carolina Patrocínio	TV presenter | 203.000 followers on Instagram | 131.641 likes on Facebook
Isabel Silva	TV presenter | 191.000 followers on Instagram | 109.174 likes on Facebook
Sara Matos	Actress | 181.000 followers on Instagram | 868.250 likes on Facebook

Source: Branding Lab Group, based on official pages (Facebook and Instagram) of Carolina Patrocínio, Isabel Silva and Sara Matos

The fact that the ambassadors are famous and they would be together would cause a lot of 'buzz' which would allow the brand capture the attention and, eventually, recruit new consumers.

How the c'Womanity would work?

The ambassadors and the brand itself would make several **posts** during the week within the c'Womanity with the objective of **helping the members to have the healthy, fit and active lifestyle** that Biotherm wants to transmit. The topics of the posts could be: fitness (e.g. exercises, training routines, motivation tips), healthy dieting (e.g. recipes, *"what to eat before and after training"*, *"benefits of drinking water"*) and skincare advices (e.g. skincare routines, *"food that is*

good for your skin", "what products to use this season?"). The format of the posts could be: text, photo or video. The three ambassadors should have a rotation between the three topics: each week an ambassador would be responsible for one of the topics and she would have to make two to three posts about it. The subject and the format of the post should be decided by the ambassador. However, the members would be invited to make suggestions about topics or to expose some doubts they might have and would like to be elaborated/ clarified by the ambassadors as well to comment and to discuss some of the subjects.

Every time the ambassadors post something on the community, they would announce it on their own social network accounts (Facebook and Instagram). This would capture a lot of attention to the c'Womanity (and consequently to the brand itself) since they have a large number of followers. The 'announcements' should be done in a way that people understand what is the subject but it should not reveal all the content in order to create the desire to visit the c'Womanity, e.g. if it is a video, show just a few seconds of it, or if it is a written post, show some sentences only. The ambassadors should transmit the idea that *"if you want to see my complete post, visit the Biotherm c'Womanity"* and provide the link to that.

Implementation Steps

In order to be successful, it is crucial to have a good plan to implement the c'Womanity. This plan must be done in a way that makes sure that most of the potential members (i.e. women who identified with Biotherm's lifetsyle) get to know that this community exist and most important, that they clearly understand what this is about.

Step 1 – Create 'buzz' and curiosity
Launch the "Biotherm Woman" video[36] on Biotherm's website, Facebook, Instagram and YouTube accounts. The objective is to start 'spreading' the concept of 'Biotherm Woman' and to find people who feel identified with that idea. Afterwards, the ambassadors would post the same video on their social network pages, saying that they are a Biotherm Woman (e.g. using the *hashtag* #imabiothermwoman) and transmitting the idea that *'something is coming'*. Photos of the three ambassadors together would also appear (on their social networks and on Biotherm's Facebook pages), transmitting the same ideas.

Step 2 – Announcement & Register
The c'Womanity would be launched and Biotherm and the ambassadors would announce it on their own social network pages (Facebook and Instagram) explaining what this is about and providing link to access its Facebook page. The c'Womanity should be also advertised on some digital newspapers such as NiT and Observador.

Step 3 – Becoming an 'official member'
After the c'Womanity is working, it would be announced that would be possible to became an 'official member' and receive the Welcome Kit, as it was previously mentioned.

Step 4 – Track satisfaction
Two to three weeks after receiving the 'Welcome Kit', the 'official members' would receive on the given e-mail a brief questionnaire in order to track their satisfaction regarding the c'Womanity and the samples they received at home (see Appendix 29). This step would also help to understand the impact the c'Womanity is having on consumers' life and to find space for improvement.

Source: Branding Lab Group

Beyond Digital

According to Fournier and Lee (2009) being 'just digital' is not enough to build a true brand community. Putting the members of the community physically together plays an important role in fostering community's connections. Therefore, it is important to create some events within the c'Womanity that would put members together on a physical place, sharing experiences.

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[36] Video that was already created by Biotherm's headquarters that explains exactly what is the idea of being a Biothem Woman

The events must be aligned with the 'philosophy' of this community, focusing on healthy lifestyle (exercise) and being exclusive for women. Members of the c'Womanity could invite friends and family to participate which would represent an opportunity to promote the c'Womanity and to encourage more women to be part of it.

Taking advantage of each ambassador characteristics, three types of event would be created (each event would be led by one of the ambassadors): Carolina Patrocínio will be responsible for a 'Fitness Bootcamp'; Isabel Silva would lead and organize a run (once she already organizes 'women who run' by Women's Health[37], Biotherm can take advantage of that); Sara Matos would be responsible for a 'stretching session' (in order to diversify the type of events since not all the women like to run or do high intensity workout). Every event will charge a fee and provide participants will a thematic t-shirt (see Appendix 30).

The three events should be held outdoors and the chosen place must have enough space to realize the activities and it should also have high visibility to create curiosity to the outsiders (e.g. use Biotherm's flags to decorate the space of the event). This would be, one more way to promote the c'Womanity through its events.

4.3   POS service strategy[38] – This part was written by Teresa Fernandes

4.3.1   Objectives and organization of this section

The main objective in this section of the project is to conduct a deeper analysis of the suggested issues in the part 4.2.3.2., in order to clarify critical points and to understand how and what to improve. As service is mainly made by Beauty Advisors (BA) the main question to be answered is: How to improve Biotherm's BA service? In order to do so, first we present further insights

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[37] Biotherm is planning to start a partnership with this magazine in 2016
[38] Read further analysis in the Individual Working Project Report of POS service strategy.

addressing service strategy, drawn from literature, analysis of the current situation and deeper development of service at POS issues. Finally, based on all information gathered, from both qualitative research, meetings with L'Oréal experts, and secondary data, we propose and describe feasible solutions that we believe would solve current issues.

4.3.2 Further insights to address service strategy at point of sale

4.3.2.1 Academic and business oriented literature review

To make a deeper development of Biotherm service at POS, it is important to first define the term. As business and management are dynamic areas, the definition of 'service' varies according to different sources, as described in the table below:

Table 13: Service definitions

Definition	Source
Service is the activities, benefits and satisfactions provided in connection with the sale of goods.	American Marketing Association, (2015)
A service is series of activities of more or less intangible nature that normally, but not necessarily, take pace in interactions between the consumer and service provider, which are provided as solutions to consumer problems.	Gronroos (1990)
"Service is an activity or an advantage which is given by one party to another party which is basically intangible and cannot affect any ownership."	Philip Kotler & Amstrong (1996, pag. 383)
Service is the interaction process, the time when costumers and service provider meet, that will influence consumer's satisfaction.	Handi Irawan D (2002)

Source: Branding Lab Group, based on sources mentioned

From now on we refer to service as the definition given by Gronroos (1990), once the service providers (BAs) interact with consumers and provide them with SKC solutions.

In the luxury industry, what really makes the difference is the emotion conveyed by the service, namely by the BA who has to provide the holistic experience[39] (Kapferer, 2012). In Biotherm's

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[39] Holistic experience is a high quality experience, filled with tangible and intangible aspects that arise consumers' senses (Kapferer, 2012).

case, the service is provided by L'Oréal Luxe Beauty advisors (L'Oréal Luxe BAs). A BA is a cosmetic and SKC saleswomen, and she is the main company and brand(s) representative in the store. Sales representatives have multiple purposes once they have to meet sales goals, offer personalized consumer service and assist consumers finding products that meet their needs. This involves full industry and brand products' catalogue knowledge as well as proper products demonstration techniques expertise. It is extremely important that BAs detain very well developed soft skills such as communication and persuasion. As a final point, BAs are meant to maintain long-lasting relationships with consumers (U.S. Bureau of Labor Statistics, 2015). According to A.T. Kearney (2012, pag.1), "In beauty care and cosmetics, the customer's experience at POS is where the sale is won or lost, where the brand comes to life, and where the seeds of loyalty are planted". Hereafter, sales representatives, BAs, have to recognize brand's mission and values, know their consumers, balance brand knowledge with sales techniques and attract consumers with appealing store merchandising. Above all, BAs should not only capture the consumer and provide them with a holistic experience at POS, but also make them brand advocates[40]. Satisfied consumers purchase more, and allow link and cross selling, and once they become loyal, they positively share their experience through WOM, the best advertising a brand can have (Hesselink, Wiele, 2011). But in order to achieve that success, company brands have to make BAs feel engaged by providing them with wellbeing policies, listening to their ideas (brainstorms), and by reserving part of the annual budget to leisure activities. This leads to not only an increase of quality, because the company knows from BAs the consumers requests, but also enthusiasm from BAs that feel recognized and, more importantly, feel they are part of a community. As a result, the company creates a sustainable

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[40] A Brand Advocate is a highly-satisfied customer, who recommends their favorite brands and products without being paid to do so.

and friendly environment that nurtures motivation to sell delivering a great experience at POS (Nicollete Fox, 2013).

4.3.2.2 Information Sources

Analysis of current situation, and data presented in this section, is based on two meetings that delivered the insights necessary to conclude what critical points should be altered and improved, and how it was possible to work through the service at POS system: the meeting with Biotherm product manager Sara Abreu, providing insights about 2016 plans; and the meeting with L'Oréal Luxe training directors, Filomena Dias and Marta Raposo, providing knowledge of the entire service at POS system.

4.3.2.3 Analysis of current service strategy at point of sale

4.3.2.3.1 General L'Oréal Luxe BA strategy and Guidelines:

As L'Oréal groups all luxury brands in one department, named L'Oréal Luxe, the company presents a multi-brand sales strategy. Hence, one single L'Oréal Luxe BA sells:

- Different Product ranges (treatment - SKC, Perfumery and Make ups);
- Different Product types (each range has different product lines);
- Different Brands (inside specialty store BA sells in total 17 brands, three of them have SKC products: YSL, Lancôme and Biotherm).

As it is impossible for one person to fully memorize each brand 'code of service'[41], there is a global service guideline for L'Oréal Luxe BAs, stressing that consumers should be provided with a unique, complete and unforgettable experience, and this stands for any L'Oréal Luxe brand. In order to do so, L'Oréal Luxe BAs first have to be careful with their appearance, specifically formally dressed in black, with simple make up and jewelry. Secondly, their approach to consumer should be with a smile, positive and friendly attitude, with a clear speech, available to help

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[41] Guideline from a specific brand to

consumer in any situation and above all try to achieve emotional relationship with consumer to create a bond. To provide this bond, L'Oréal Luxe created the '360º service' described in Appendix 31. It mainly stresses the importance of L'Oréal Luxe BAs fulfilling all needs of the consumers, providing them not only with the most suitable choices but go even beyond, by surprising the consumer with new necessities. It is intended to make consumer "fall in love" with the brand, conquer its loyalty that reflects in positive WOM. Finally, cross selling[42] and link selling[43] are an opportunity to explore, especially for a group as L'Oréal Luxe, that owns so many different brands and offerings.

4.3.2.3.2 Promotional events:

There are two main promotional events organized by Biotherm that may occur at the same time presented below:

Table 14: Biotherm promotional events

Animations in-store	Modelling
Punctually, at the TOP 10 doors - best Biotherm selling specialty stores, one brand is chosen to have more 'presence' in-store through thematic decoration, and be the sales focus of L'Oréal Luxe BAs. These animations aim at reinforcing the connection between loyal consumers and the brand, by offering them SKC treatments (last on average of 30 mints). They might also aim to attract new consumers, by building a decorated brand stand, having modeling or celebrities supporting the event. L'Oréal Luxe allots each brand animation budget according to their sales volume and their significance. Biotherm has 5% of the total L'Oréal Luxe animation budget.	From time to time, at the TOP 10 doors, modellings work as sales reinforcement during promotional weeks, or at purchasing peaks (summer time and Christmas). Models demonstrate the products, engage consumers, educate them about the brand and try to sell.

Source: Branding Lab, based on BAs training directors meeting

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[42] BA sells product from different ranges, e.g. selling from the same brand SKC and make-up products
[43] BA sells product from different lines, e.g. selling from the same brand an anti-aging serum and anti-cellulite

4.3.2.3.3 Specific Guides for Biotherm

As L'Oréal Luxe BAs sell many brands, they have guidelines to identify Biotherm consumer profile that includes characteristics such as: pragmatic, peaceful, relaxed, value texture, economic consumer, like comfortable things, active, social, strong, fit, modern, and energetic. All BAs are provided with Biotherm "bible" (see Appendix 32) that contains Biotherm's heritage, values, culture, tips for storytelling and products description. During trainings, BAs are informed that the texture is one of the most appealing features, thus BAs are told to make specific demonstrations and provide samples. Furthermore, as Biotherm has loyalty card, BAs are informed to invite consumers, who end up purchasing, to create it and receive its advantages.

4.3.2.3.4 Biotherm and BAs relationship

So far, there were two events that strengthen Biotherm relation with Bas:

Table 15: Biotherm events to motivate BAs

Skin Best Challenge	The Biotherm day event
Each 10 top doors **L'Oréal Luxe BAs** had to organize the animation for the Skin Best launch. The store who sold the most, given the most effective animation, won. The BAs allocated to the winning store got tickets to a concert at Meo Arena. BAs got really excited and had many ideas, e.g. creative t-shirts, spirulina shots, Biotherm related photography.	**Retailers' BAs**, meaning they do not belong to L'Oréal Luxe, were invited to have Biotherm recycling training (review Biotherm values, products and story-telling) and experience Biotherm lifestyle activities such as: Workshop of cooking with "Biotherm ingredients" (components that are present in Biotherm SKC formulas were used to cook) followed by the "green challenge" that dare BAs to cook with "Biotherm ingredients"; Workshop of macrobiotic food to teach BAs to cook healthier; Finally, the event ended up with an Yoga workshop.

Source: Branding Lab Group, based on BAs Training Directors meeting

4.3.2.3.5 Sales Objectives

Objectives can be: <u>Non-mandatory</u>, the case of mono-brand, such as Biotherm sales objectives; and <u>Mandatory</u>, in case of multi-brand, where a minimum value of sales has to be assured among all L'Oréal Luxe sales, as one third of BAs salary depends on it. In term of periods, objectives can

be set daily, weekly and monthly. Objectives can increase on promotional days, sales' peak periods, and are set differently to each store according to population density and commercial affluence areas. Objective structure is unchangeable as directives come from the international strategy.

4.3.2.3.6 L'Oréal Luxe BAs Control

There are two systems that evaluate L'Oréal Luxe BAs performance: <u>Coaching on the Job Program:</u> Former trainers evaluate L'Oréal Luxe BAs performance, and identify main difficulties at POS, from two to three times a year; <u>Mystery Shopper</u>: Common consumer evaluates top 10 doors L'Oréal Luxe BAs at POS according to defined criteria. Both systems contribute for a plan of improvement, concerning the critical aspects found during the diagnosis. This plan is applied during the "recycling training", especially during the "role-plays". This helps to have a uniform and aligned team of BAs all across the country.

4.3.2.3.7 Training

There are two separate types of training, based on the multi brand structure:

Table 16: Biotherm trainings

Pillars & News	*Recycling training*
Technical training that provides BAs with updates of each brand 'bible', and review all products characteristics and how to sell them to consumers. It occurs cyclically, usually when new products are launched. It is done separately for both retailers' BAs (more broad, just the main ideas) and for L'Oréal Luxe BAs (with a more detailed and specific training).	It is a multi-brand training with additional mono-brand focus, and is only provided to L'Oréal Luxe BAs. It takes place in January and September and each L'Oréal Luxe brand storytelling, technology and values are reviewed, as well as the general guidelines (technical part). Eight mono-brands "role-plays" (one from Biotherm), guided by a psychologist, are developed based on aspects to improve from L'Oréal Luxe BAs' control reports, to understand what works better in different critical situation regarding consumer needs (behavioral related). Both trainings aim at creating homogenous BAs' behavior at POS, and consistent knowledge.

Source: Branding Lab, based on BAs training directors meeting

4.3.2.4 Deeper elaboration of the current 'service at point of sale' issues

Given the deep analysis of the current situation it was possible to better understand the issues found in part 4.2.3.2.('POS issues') that are currently interfering with Biotherm performance due, mainly, to sales deviation from the Biotherm representatives at POS. They are briefly schematized in Appendix 33. We start with fact that L'Oréal Luxe has a multi-brand strategy which leads to brand prioritization. As Biotherm does not allow cross selling between SKC, perfumery and makeup (because it does not have the two last ones), it is not a priority for the Luxe division, which becomes clear to BAs during L'Oréal Luxe trainings. Besides one BA representing all L'Oréal Luxe brands, in specialty stores there are less L'Oréal Luxe BAs than SKC competitors' BAs, resulting in less power at POS. This structure does not allow Biotherm to have its own BA, which would solve the problem of deviations, but even if it was possible Biotherm does not have the financial resources. As mentioned in section 'Background', the mandatory sales objective is multi-brand, it is logical that L'Oréal Luxe BAs try to sell the most expensive product brands that allow cross selling, in order to reach the objective faster. As 1/3 of L'Oréal Luxe BAs' salaries depend on sales objective if they surpass it they receive extra remuneration, reinforcing the deviation from the cheaper brand Biotherm. Furthermore, there is no mandatory Biotherm sales objective to avoid sales deviation, which combined with all the other factors mentioned above makes Biotherm not being a priority to L'Oréal Luxe BAs, causing poor story-telling at POS. This is the main reason why consumers have weak knowledge about the brand and do not trust it, which results in consumers refusing to provide their data to Biotherm sales representatives impeding the creation of a loyalty card. In the rare cases consumers make the loyalty card, the information collected from the CRM is not being used. As modeling events are not profitable, Biotherm animation budget decreased by 1/3 in 2015, leading to a lower promotional campaigns that are used to provide
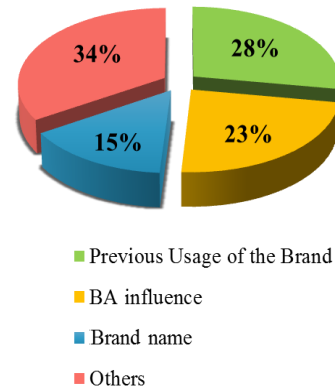
visibility. Combined with the fact that L'Oréal Luxe BAs poorly represent the brand, consumers rarely get to know the brand.

Even if Biotherm management team tried to change BAs poor attitude towards the brand, by making the 'Skin Best Challenge' and 'Biotherm day event', there was no continuation in the so needed investment in the relationship between Biotherm and BAs. All this triggers meager consumers follow up. Without follow-up, pitiable story-telling at POS and lack of Biotherm presence in-store (through promotions) it is very unlike that consumers become loyal or even purchase Biotherm at all.

Summing up, this becomes a vicious circle, presented in Appendix 34, depicting L'Oréal Luxe BAs indifference towards Biotherm, because they feel there is no obligation to sell it coming from L'Oréal Luxe directives, subsequently consumer is not educated and does not contact with the brand. As promotional events are rare, there is nothing that attracts new consumers. This combined with the fact that current sales volume is low, reinforces once again L'Oréal Luxe decision of decreasing the already limited Biotherm budget. Accordingly, one of the main problems is this circle, and it has to be broken. Since L'Oréal Luxe BAs have full knowledge about Biotherm, the way to please consumer as well as many hours of training and control systems, the problem is not their knowledge about the brand. The problem is that L'Oréal Luxe BAs have the freedom to sell what they like, as long as they fulfill the multi-brand sales objectives. Therefore, it is necessary to make L'Oréal Luxe BAs love Biotherm regardless the unchangeable fact that Biotherm is not a priority in the L'Oréal Luxe multi-brand structure.

Finally, based on in-store observations, it was possible to identify the most important purchasing drivers: <u>Previous Usage of the Brand:</u> Consumers feel more comfortable purchasing a SKC product that they have already tried and may confirm by themselves it worked. Hence, samples giveaway are crucial and they were rarely detected during observations, so this has to change; <u>BA influence</u>: BA's opinion has extreme importance for consumers, they might come to the store expecting to acquire a specific product but BA easily dissuades them. So

Figure 15: Purchase Drivers

- Previous Usage of the Brand
- BA influence
- Brand name
- Others

n=170

Source: Branding Lab Group, data from P&C and ECI store observations

BAs have to positively influence Biotherm purchases; <u>Brand name</u>: Consumers are keener to purchase brands they have already heard about and find them prestigious. In-depth interviews highlighted consumers' very weak knowledge about Biotherm. This means that brand's values and presence in-store (mainly represented by L'Oréal Luxe BAs), is crucial and therefore must be improved. BAs have to educate the consumer about what the brand stands for and its product offering.
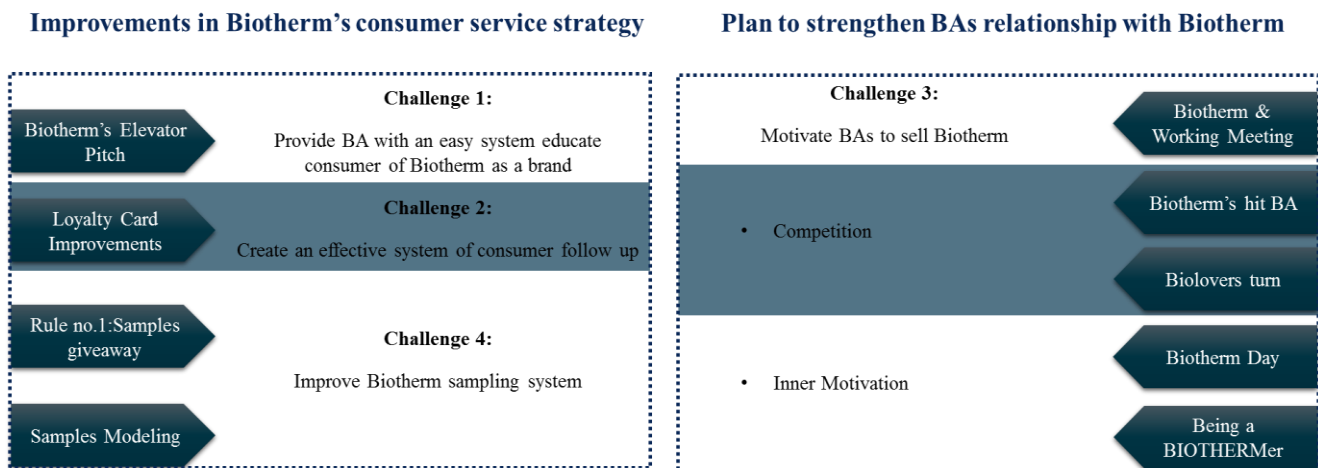
From the data analyzed many problems arose, however we decided to focus on the most imperative, which lead to four challenges to be solved: <u>Challenge 1</u>: Provide BA with an easy system to educate consumer about Biotherm as a brand; <u>Challenge 2</u>: Create an effective system of consumer follow up; <u>Challenge 3</u>: Motivate BAs to sell Biotherm; <u>Challenge 4</u>: Improve Biotherm sampling system.

4.3.3   Recommendations to Biotherm addressing service strategy at point of sale

Given the challenges set based on problem identification, ideas are suggested to overcome critical points, namely the challenges set. Ideas were divided into two major recommendations: the

improvement of Biotherm service at POS and how to create a love relationship between BAs and Biotherm. As L'Oréal Luxe BAs are the main Biotherm representatives they are a priority, especially because they are currently deviating. Even though, retailers' BAs might also sell Biotherm, therefore they should be incentivized through some initiatives. In the table below is the overall organization of recommendations explained in detail (Fig. 16).

Figure 16: Recommendations organization

Improvements in Biotherm's consumer service strategy

Biotherm's Elevator Pitch	**Challenge 1:** Provide BA with an easy system educate consumer of Biotherm as a brand
Loyalty Card Improvements	**Challenge 2:** Create an effective system of consumer follow up
Rule no.1:Samples giveaway	**Challenge 4:** Improve Biotherm sampling system
Samples Modeling	

Plan to strengthen BAs relationship with Biotherm

Challenge 3: Motivate BAs to sell Biotherm	Biotherm & Working Meeting
• Competition	Biotherm's hit BA
	Biolovers turn
• Inner Motivation	Biotherm Day
	Being a BIOTHERMer

Source: Branding Lab Group

4.3.3.1 Improvements in Biotherm's consumer service strategy at point of sale

Challenge 1: Provide BA with an easy system to educate consumer of Biotherm as a brand

4.3.3.1.1 Biotherm's Elevator Pitch

It is a one page document to be presented in one to two minutes as a quick presentation of the brand (e.g. Appendix 35). All BAs and modeling have to memorize and tell it to any person who has potential to purchase Biotherm (including both current consumers and SKC prospects[44]). This is meant to eradicate the idea, found in the in-depth interviews, that Biotherm is a group of products,

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[44] Potential SKC consumers, i.e. shopper that approached SKC shelves looking for products

and to educate consumer to perceive Biotherm as a brand. "Coach on the job" and "mystery shopper" programs would control if the pitch is being correctly applied at POS.

Challenge 2: Create an effective system of consumer follow up

4.3.3.1.2 Loyalty card improvements

Make clear during L'Oréal Luxe BAs training and 'Service Guidelines' that after a purchase they have to incentivize consumers to create the loyalty card, gather their information on CRM, by mentioning its benefits: 10% of the money spend on 10 purchases, are return to the consumer in the 11th purchase (card is stamped with products purchased by L'Oréal Luxe BAs) and that loyalty card consumers are sometimes invited to free treatments in-store. Moreover, it is suggested that other benefits should be added: on consumer birthday there is a special gift (e.g. one more stamp, 15Ml sample or a discount of 20% in any product). When a loyalty card has eight stamps, Biotherm should send a card with a sample, as the one in the Appendix 36, making clear that consumer is two products away from getting the 10% discount. This initiative is made by Clarins[45], and is very successful among its consumers. For the most profitable consumers, Biotherm should be willing to provide even stronger incentives (e.g. consumers who spend more than a "X" value per year receive a "Christmas basket", with her favorite products). Biotherm should make a partnership with premium gymnasiums, so then a consumer who has "X" value of sales per year has "Y"% of discount in the gym. A suitable example for this initiative, given the target market, is Holmes Place or Virgin.

The ideas suggested come from the fact that to create loyal consumers, service provided must be rewarding. This means that value sharing through rewards (i.e. loyalty cards) has full potential to make consumers become sustainably loyal, which might require long term benefits for the

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[45] Direct Biotherm competitor

consumer. These benefits might be attractive to consumer, hence partnering between brands might help achieving loyal consumers (O'Brien, Jones, 1995).

*** Challenge 4: Improve Biotherm sampling system***

4.3.3.1.3 Rule no. 1: Samples giveaway

Trainings and 'Biotherm Guidelines' should focus on emphasizing the importance of samples giveaways. Especially, because consumers get excited, feeling they are receiving something exclusive and special when receiving a sample. Getting a consumer to even try a product is the biggest part of the battle. With a free sample, a company gets the consumer to try a product without putting up a price barrier (Tuttle, 2011). Hence L'Oréal Luxe BAs are obliged to provide sample at the end of a purchase (enhancing link selling), and anytime a consumer is interest in Biotherm but reluctant to purchase because they do not know the brand. L'Oréal Luxe BAs must report samples storage, to guarantee samples availability in-store.

4.3.3.1.4 Samples Modeling

As texture is one of the most important Biotherm features attracting consumers, there should be an official calendar (one to two weeks in July, August, and December) for the modeling events where consumer try the product and get a sample. Basically at the top 10 doors, models – who had training and wear Biotherm "official" suit - would approach any women who enter in the store. Then models would ask consumers to try the texture of the product (e.g. aquasource), and while they let the consumer spread the cream, models should gladly and in an honest and engaging way told shoppers Biotherm's Elevator Pitch. Afterwards, models explain the product characteristics, and then would find the most appropriate product according consumer's type of skin and age and offer respective samples. Even if sales increase, the main goal is letting consumers discover the

brand, and one of its most appreciated features is the texture, so they immediately purchase or come back later to purchase.

4.3.3.2 Plan to strengthen BAs relationship with Biotherm

Challenge 3: Motivate BAs to sell Biotherm

From our point of view, initiatives related with BAs motivation are a "must do" once service at POS is the essential aspect to ensure Biotherm's successfully performance. Effective and transparent communication is vital, as it may make L'Oréal Luxe BAs aware of Biotherm key information and the role they play within the brand.

As a result, L'Oréal Luxe BAs get deep understanding of the strategy and goals and realize they are a major asset for Biotherm, making them feel valuable and recognized. Therefore L'Oréal Luxe BAs become engaged and actively supportive (Weal, 2014). All L'Oréal Luxe BAs would become aware of the message being transmitted, which ensures consistency. Henceforth, everyone would be working towards the same goal, augmenting team work and the sense of community between all L'Oréal Luxe BAs and Biotherm management team. L'Oréal Luxe BAs shall work at optimum efficiency because there is a global positive attitude towards change (Timpe, 1986). The next two initiatives ensure this communication process towards brand success according to literature review indicated.

4.3.3.2.1 Biotherm meeting

First of all, a mandatory serious meeting would take place, with all L'Oréal Luxe BAs, in January. This meeting has two purposes: <u>Be clear about the past</u>: Admitting Biotherm mistakes in the past that led to a difficult situation in the present. Honestly and openly explained the current Biotherm situation in Portugal: the changing positioning, changing strategy, showing sales, showing conclusions from this report that consumer do not know the brand and rather perceive

Biotherm as a product range; <u>Be clear about the future</u>: Clarify undoubtedly Biotherm's current positioning and the service strategy at POS, and deliver them as documents to L'Oréal Luxe BAs, (e.g. Appendix 37). Stress that L'Oréal Luxe BAs are the most important element for Biotherm success. Mention the fact that it is mandatory that BA talk about the brand to consumers who want to purchase Biotherm products. Above all make clear that Biotherm is reliable and have great quality, and eliminate the myths that Biotherm is a men's brand, or that only has products for young people, or even that it is not trustful to 'main' face treatments.

4.3.3.2.2 Working meeting

It would be a meeting, between BA trainers or Biotherm managers with five to ten L'Oréal Luxe BAs at each time, but making sure all BAs are reached. These meetings should take place in January, right after the Biotherm meeting. Aligned with previous meeting, it would be explained in a cozy and friendly environment that if L'Oréal Luxe BAs do not make that extra mile to "save" Biotherm, the brand will probably not survive in Portugal. Make them understand that the future of the brand is in their hands. They would feel valued and engaged to help the brand. This is probably the best way to break the vicious circle and eradicate sales deviation.

<p align="center"><u>***Compensations***</u></p>

The next two ideas to eradicate deviation are connected with extra compensations gained depending on the success in competitions between L'Oréal Luxe BAs. Competition between sales persons might be tremendously motivating, leading in this case, L'Oréal Luxe BAs to feel challenged and to prove their quality towards Biotherm sales. This leads to sales increase (Hedges, 2015).

4.3.3.2.3 Biotherm's hit BA

This contest is to incentive L'Oréal Luxe BAs to sell more, but it is important to make the contest fair. It is due to the fact that L'Oréal Luxe BAs are allocated to different stores that have different consumer traffic due to the surrounding population density, local holidays, etc. Therefore, both ideas take into account these factors. We propose two ways of doing this competition that should be then chosen by Biotherm management team. Both have the same goal of attracting consumers and increase sales volume.

Table 17: Proposed Biotherm hit BA contest

OPTION 1	OPTION 2
Chose clusters of BAs (that work for L'Oréal Luxe at least for the last 2 years). Inside each cluster are L'Oréal Luxe BAs with similar past monthly revenues. This consists of a monthly ranking concerning the sales made by each L'Oréal Luxe BA of each cluster (e.g. 1 cluster of 10 BAs working in different stores that have 1,000 euros from Biotherm sales every month, another cluster of 10 BAs that sells 1,500 euros/ month, etc.). The winning L'Oréal Luxe BAs of each cluster receive 100 euros Biotherm voucher.	Objective is to make L'Oréal Luxe BAs increase their monthly % of sales by comparing current month sales with the same month sales of last year (e.g. sales of February 2015/ sales of February 2014)-1= % of increase). Then L'Oréal Luxe BA shall be rewarder according to their % increased: •Increased % > X → BA receives 100 euros Biotherm voucher. •Increased X > % >Y → BA receives 50 euros Biotherm voucher. •Increased Y > % > Z → BA receives one Biotherm Lait Corporel. At the end of the year there should be a final ranking, concerning the average monthly increase %. The L'Oréal Luxe BA who had the highest average % increase, wins a one-year gymnasium contract (e.g. Homes Place club membership for a year, ≈ 720 euros / year).

Source: Branding Lab Group

4.3.3.2.4 Biolovers turn

It shall take place at top 10 stores whenever a product is being launched. L'Oréal Lux BAs from each store are challenge to organize the animation at POS for the launch of the product, given they have a budget and one month to structure a plan to deliver to Biotherm management team. Then they decide who has the best animation idea, evaluating creativity and connection with Biotherm values and culture. The winning idea would be used in every store during the launch. The winning team of L'Oréal Luxe BAs ought to receive one day at the Spa (e.g. Magic Spa,

Pestana group). BAs have a lot of insight on what works best with the consumer, and they have full knowledge of Biotherm, so this program can be very effective to Biotherm in terms of brand awareness and capture of new consumers. Correspondingly, this engages L'Oréal Luxe BAs once they feel they are valued and rewarded due to the prize (pleasant experience), which would result in a positive bond with Biotherm - team work and professional recognition.

Inner Motivation

The initiatives in this part mainly intend BAs' to dive into different aspects of the Biotherm World: be healthy inside out by "living" Biotherm lifestyle. It would make them feel closer to the brand and build a sense of commitment, which would lead them to start loving the brand. Hence, the story telling at the POS with the consumer improves. Finally, the message is spread, consumer become aware of the brand, and Biotherm purchasing transformation increases (Mitchell, 2002).

4.3.3.2.5 Biotherm Day

It starts by sending an invitation to BAs, asking their presence to Biotherm Day, on the 8th of June (World Ocean's day) at L'Oréal building. It is worth mentioning that the day shall be full of surprises, and that BAs should dress as a "Biotherm Women". This would create mystery and buzz around the event among BAs. On the day of the event the path since the front door till the conference room has to be fully decorated with the theme 'Biotherm world': pictures, advertisings, Biotherm perfume have to be spread all over the place and cards with Biotherm's slogans/ culture/ values sentences should be falling from the ceiling (e.g. Appendix 38). In addition, the decoration should be predominantly blue and green, and include water fountains, many plants, and nature sounds music. As the event might occur the entire day, food and drinks must be available. Following this line of reasoning, the alimentation should highlight Biotherm Lifestyle, not only be healthy but also contain Biotherm formulas ingredients and have an appealing look, e.g. Milkshake

with spirulina, Menth detox juice, Soya soup, lemonade, etc. The full plan description of the event can be read in Appendix 39. The event day is divided into two parts:

Table 18: Two facets of 'Biotherm' day event

BAS TRAINING	BIOTHERM LIFESTYLE
Morning of recycling training about Biotherm as a brand and its products. Also takes into account the sales volume change from Biotherm meeting till the event day. Enhance team building and two way feedback, meaning listening to BAs and what they think should be improved, which is crucial to keep effective communication and BAs engaged (Scott, 2012). Role plays would be made, applying 'mystery shopper' and 'coach on the job' programs feedback. If Sara Matos is an ambassador, she would play different clients during the role-plays.	Decoration, food and drinks would be aligned with the Biotherm lifestyle, but there would also be some activities to stimulate BAs: Healthy cooking workshop, with the ambassador Isabel Silva; Home exercises workshop, with the ambassador Carolina Patrocínio; Biotherm Basket: range of products provided at the end of the event to each BA.

Source: Branding Lab Group

Ideally, the event should be made first with L'Oréal Luxe BAs and then with retailers' BAs because it has a fundamental aspect in terms of long-term relationship with the brand. All ambassadors would have time to talk to BAs, about her job, life and connection with Biotherm, to reinforce BAs engagement and positive association with the brand.

4.3.3.2.6 'Being a BIOTHERMer'

It shall be an outdoors event, in September, where L'Oréal Luxe BAs, Biotherm management team and ambassadors would be invited. If possible C'Womanity members might also apply and pay their respective fee. As a result, participants would create buzz and raise awareness, especially for the people who walk by the beach and see the event. Biotherm would make posts on social media, and to have higher visibility, spread Biotherm flags, and provide all participants with T-shirts of the BIOTHERMer event, projected in Appendix 40. The three ideas we proposed are connected with water, the most important element to Biotherm, and they are: Surf at Carcavelos; Scuba Diving at Cascais Beach; Stand up paddle boarding (SUP) at Cascais Beach. After the event, L'Oréal Luxe BAs would go to a "symbolic Biotherm lab" where they could make some

experiences with the formulas, look in the microscope to some of Biotherm components and simulate investigation. This would be a memorable event to L'Oréal Luxe BAs.

4.4   Sampling strategy – This part was written by Leonor Brigas

4.4.1   Objectives and organization of this section

Currently Biotherm has an unclear sampling strategy with no define objectives and no measured return, regardless they keep investing in it with no clear understanding of the benefit of this strategy. Therefore, aligned with the group report, the main question to be answered is *"How can Sampling Strategy help Biotherm to grow in the selective market?"*

This section main objective is to ensure the appropriate recommendations to Biotherm regarding its sampling strategy, being this the major investment of this brand for 2016[46].

Hence sampling strategy is defined taking into account the analysis of the problems hinted with the current tactic. To do so we first explain current sampling activities, and then, based on literature and qualitative research, we propose solutions to address the issues found.

4.4.2   Further insights to address sampling strategy

4.4.2.1   Academic and business literature review

Product sampling stands for the promotional tactic which offers a free amount or a trial of a product for consumers, being an effective way to enter a new market, promote a new product, or increase existing sales (Jain, et al., 1995).

Combining Marie Chevrier (2015) and GCI Magazine (N.N. (URL7)) insights on product sampling strategy it is fundamental that the latter covers 8 essential points in order to guarantee its efficiency:

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[46] Information gathered through the meeting with Biotherm's product manager, Sara Abreu.

Table 19: Eight essential points in order to guarantee sampling strategy's efficiency

1	The specific target aimed.
2	The product sampled.
3	The brand information provided.
4	Choose the right medium, i.e. the distribution methods adopted.
5	The exact timing and place to occur.
6	Leverage social media by spread campaign awareness through influencers or your own channels (also a great way to amplify your message by letting people share samples with their friends).
7	Test, measure and learn (ROI), e.g. the total number of samples to distribute, the number of people to reach, the rating desired to receive when consumers send product reviews back; the conversion rate of samples into purchases in order to understand if the investment is worth it[47].
8	Get feedback and continue conversation by tracking which consumers responded both positively and negatively to your campaign, and have a plan for remarketing to them post-sampling.

Source: Chevrier, (2015); GCI, (2008)

4.4.2.2 Information Source

In order to better understand what Biotherm is currently doing regarding sampling and also to become acquainted with its strategy for 2016, we met the Biotherm Product Manager, Sara Abreu. Afterwards, a meeting with L'Oréal Luxe training directors – Filomena Dias and Marta Raposo – was conducted which allowed us to acknowledge the system of sampling at POS. Finally the meetings with ECI Biotherm BA, Marta[48] gave a deeper analysis of the current sampling system, since she was able to give a clear view on in store dynamics.

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[47] Marie Chevrier is the Founder of Sampler, a Software as a Service that helps Consumer Package Good companies manage and measure the digital distribution of promotional offers like product samples and coupons.
[48] BAs main responsibilities are developed in the subsection 'Analysis of current service at POS'

4.4.2.3 Biotherm's current sampling practices in Portugal

Sampling target

Biotherm's current target market is focused on women who, either already visit the SKC selective market, or women who read magazines such as: *Prevenir*[49]*, Activa*[50]*, Máxima*[51] and *Saber Viver*[52]*;* since the latter target readers who are similar to Biotherm aspirational target, the winning hedonist women.

Samples characteristics

Biotherm does not offer samples of all products, but rather focus on providing samples of the 'pillar' products. Some products such as cleaners, tonics and mascaras have no samples[53], in Appendix 41. Regarding the sizes of samples, Biotherm has four types of samples available for different occasions:

Table 20: Sample Sizes according to occasions

Occasion	Size
For situations outside sales context.	2ml named "carteletes" or 5 ml named "saquetas"
For consumers who purchased one or two products.	10 ml named "duplos"
For clients who make more than 3 products purchase.	15 ml or 20 ml named "kit viagem"

Source: Branding lab, based on meeting with L'Oréal Luxe training directors

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[49] The health magazine with credible information, practical solutions, exclusive content, written in simple language and with a dynamic image, in which women see themselves, inspire and are the most important tools to improve your lifestyle. Source: Editor

[50] The Portuguese magazine per excellence, the guide, the leader, practical, credible and useful for all active women. Active. All that you are. Source: Editor

[51] *Máxima* "the magazine that tells you much more" has a new face. More focused in the Portuguese population and their new lifestyles, the Maximum brings you new content and items. Source: Editor

[52] *Saber Viver* is more than a magazine. It is the personal assistant who always wanted and who can delegate and rely on the major areas of your life. For the woman who is forced to reconcile personal and professional demanding schedule. Source: Editor

[53] i.e. there are no samples for Biosources, Aquasource for eyes and biosensitive, Purefect cleanser, tonic and mascara

Information provided on the sample

In the samples, the information available on the package is confined to specific details of the formula and its ingredients. BA might also provide instructions about the application routine. Currently there is no information about the brand Biotherm in the sampling packages.

Biotherm sampling distribution

It consists mainly in in-store sampling giveaways, provided in retailers' stores and Biotherm own-counters[54], however other sampling initiatives are carried outside (both online and offline) store, such as:

Table 21: Biotherm current sampling distribution

Magazines	*Prevenir, Activa, Máxima, Saber Viver*.
Digital platforms	Advertised mainly on the Portuguese Facebook page, to offer samples in case of product launches as it recently happen with Blue Therapy accelerated[55](see Appendix 42). The consumer just needs to enter the platform, fill a questionnaire with some personal information (e.g. of Aquasource case in the Appendix 43) and the sample arrives, after a certain period of time, consumer's home. Biotherm established a number of samples limit to distribute
Máxima Podium	At the shopping malls, the Máxima podium raised awareness to Biotherm as everyone who was passing could see it and Biotherm samples were distributed.

Note: Although, the last two initiatives happen either occasionally (i.e. if there is a product launch) or once in time (i.e. Máxima Podium).
Source: Branding lab, based on meeting with Biotherm Product Manager, Sara Abreu

Leverage Social Media

Biotherm lacks on social media influencers to their sample initiatives, as this role is only covered by the occasional product sampling platforms (i.e. Blue Therapy accelerated platform). Failing to take advantage from the Facebook and leveraging on promotion tactics amongst the followers and thus their friends due to the power of WOM.

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[54] El Corte Inglés Lisboa and El Corte Inglés Gaia
[55] http://www.bluetherapyaccelerated.pt/

Sampling Time and place

Currently samples are given, as mentioned in section 5.3 POS Service Strategy, in two occasions: after purchases, to promote or complement the sale with samples; and when consumer shows intention to purchase. However, as we already concluded previously, L'Oréal Luxe BA's deviate Biotherm consumers to other L'Oréal Luxe brands, not fulfilling their role as samples providers.

Biotherm Sampling ROI

Biotherm is the L'Oréal's Luxe brand that invests more in sampling[56], with the following justification: *As people like the products so much, it is a great focus of Biotherm marketing strategy to invest in samplings* (L'Oréal Briefing, 2015).

However, their current sampling strategy return measurement consists only on in-store sample inventory control, as the L'Oréal Luxe BAs, given the knowledge concerning in-store dynamics, can foresee the approximate number of samples required to avoid situation of stock outs.

The consumers' data collected from the digital platform is done by outsourcing, given the requirements to deliver in home samples, and it is not being used properly to promote engagement and long term relationship with consumers.

Feedback and Continue Conversation

As the measurements of performance are not assured by Biotherm, it is difficult for the brand to know the impact of their sampling initiatives in terms of level of satisfaction, which hampers the possible improvements to be made regarding sampling methods as well as post-sampling

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[56] El Corte Inglés has the higher volume of samples with more diversity.

remarking and thus the company is unable to continue the conversation from the feedback it is lacking.

4.4.2.4 Deeper analysis of issues found

After analyzing Biotherm's current sampling strategy – by assessing its performance in the 8 key points aforementioned– we have found the main issues which are preventing the brand from reaching the expected potential of this type of promotional tactic: (1) the lack of sampling outside of store; (2) lack of brand relationship through sampling; (3) the lack of sampling tracking.

The lack of outside store sampling

Biotherm is not aiming on sampling outside of stores (using only magazines or product launches' online platforms), focusing the majority of product samples inside stores.This fact may hamper Biotherm's mission to attract younger targets, given that the selective channel attracts mainly older targets, as it was previously explained.[57] Moreover, in-store sampling depends mainly on L'Oréal Luxe BAs, and as mentioned in the section 5.3, they are multi-brand sellers and influenced by the sales objective, so they might end up offering other brands samples instead of Biotherm's. As Bill Taylor[58] explains it (…)*organizations which consistently and dramatically outperform their rivals* do it because they have everyone on board, (…) *regardless of job title or function* understanding *what makes the organization tick and why what the organization does matters* (Taylor, 2012).L'Oréal Luxe BAs do not have this connection with Biotherm, leading to its failure in terms of sampling efficiency which is reflected in the transformation rate. Furthermore, some consumers may feel intimidated to ask for samples in store (Heilman , et al., 2004), given the

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[57] In 4.2.3.4.2 an as in-store observations indicate (see Appendix 20).
[58] As a cofounder and founding editor of Fast Company; launched a magazine that won countless awards, and earned a passionate following among executives and entrepreneurs around the world; also wrote *Mavericks at Work: Why the Most Original Minds in Business Win*.

public exchange and social pressure, through the presence of other consumers and also the need to ask for something that is not visible in store, what may cause them to behave differently. So it is fundamental that L'Oréal Luxe BAs offer samples spontaneously.

The lack of brand relationship through sampling

Biotherm does not use the opportunity of sampling to share Biotherm values and lifestyle. It is difficult to establish and enhance the Biotherm positioning lifestyle[59] through sampling in-store. Apart from L'Oreal Luxe BA's interaction, when providing the sampling or the product sampled itself, there is nothing that is enhancing consumer dream about the brand. As a consequence, there is a low knowledge about Biotherm among consumers, low curiosity to search for more information about this brand, and also low education in terms of application routine steps, in case of receiving a sample. This problem is common to the online strategy with product launches' platforms, as the data collected is not being used to create an emotional connection with the consumers (e.g. birthday sample gift, promote brand events, new launches, special days: mother's day, women's day) as well as a lack of personalization along the procedure, meaning the product may not fit the consumer needs and also the fact that the consumer is not addressed by the name. There are also other constrains with this platform, such as:

- New users are difficult to reach, being only announced on Biotherm Facebook Portugal;
- There might be the risk of consumers asking for the sample just to get "something" free instead of making sure the product fits their skin type specific needs;
- Once the sample is received at home, there is no coupon incentive to visit the store after using the sample, which reduces the chances of the consumer purchasing the product sampled or any other Biotherm product in the future.

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[59] Mentioned in more detail in section 3

The lack of sampling tracking

Biotherm lacks tracking tools to assess if product sampling practices are being correctly conducted. As Cindy Johnson from P&G[60] said *I don't care if you have the right target, if you have poor sample control there's no point in doing the program* (Rhodes, 2010, p. 16).

In that sense, Biotherm must strive to have a better control of product sampling distribution, not only online but also offline (i.e. in-store). This control enables the brand to determine which methods are more successful to increase the conversion rate of samples into purchases. Also by tracking a consumer previous samples it is possible to know in the future what samples they should receive, promoting consumer engagement.

General mistakes of product sampling

Having a look at the most often ten mistakes according to Sampling Effectives Advisors[61] below, we can conclude that Biotherm: there are no sampling tracking initiatives, meaning there is not a consumer sampling follow up program. Additionally, there is no further **consistent research** to develop new programs, and bond consumer with Biotherm through sampling.

Moreover, the place and time of the majority sampling giveaway seems to be inappropriate to address the new Biotherm's aspirational target. Finally, Biotherm by not conveying the essential factors that a sampling strategy must cover as well as by falling in the mistakes above mention is not being efficient with this promotional tactic.

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[60] stands for Procter & Gamble, Multinational manufacturer of product ranges including personal care, household cleaning, laundry detergents, prescription drugs and disposable nappies.
[61] *Is a product sampling industry leader with more than 20 years of experience; which focus 100% on improving the results of sampling programs. Information retrieved from http://samplingadvisors.com/*

*Table 22: Top ten mistakes made most often in product sampling*

	1st Brands do not address sample control issues.
✔	2nd Brands frequently abandon proven programs to participate in new programs
✔	3rd Brands won't commit to (or lack the budget) to research new sampling programs
✔	4th Brands lack time/budget to follow-up on sampling program distribution
	5th Brands often choose event marketing/sampling over "traditional" sampling programs
	6th Most companies have junior brand marketers or inexperienced agency personnel managing the sampling plan
✔	7th Brands place too much importance on targeting alone; not enough on reaching target at right place and time
	8th Distributing samples at wrong time results in a "forgettable" experience
	9th Too often marketers forget about doing a pre-event ROI calculation
	10th Brand marketers assume they don't need help developing plans

Source: Sampling Effectiveness Advisors (SEA)

4.4.3 Recommendations

Prior to establishing a clear sampling strategy, Biotherm must ensure: (1) it is perceived by consumers as a brand and not for its individual products[62]; (2) the digital support to allow space for the consumer to give feedback[63]; (3) the L'Oréal Luxe BA has the right speech to feed the dream and engagement with the brand to the consumer[64]. Only after this, the sampling strategy has a chance to be successful, and taking into account the main issues in Biotherm sampling strategy we suggest the following recommendations:

Figure 17: Organization of sampling strategy recommendations
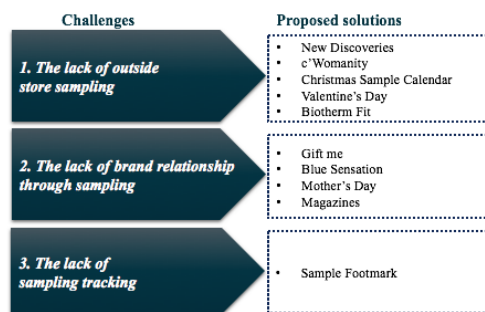
Note: A guide for product samples taking into account age and skin type is defined in appendix 41.
Source: Branding Lab group

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[62] by following the guidelines suggested in section 5.1
[63] by following the guidelines suggested in subsection 5.2.3
[64] by following the guidelines suggested in section 5.3

Challenge 1: The lack of sampling outside of store

4.4.3.1 New Discoveries

In case of product launch, Biotherm loyalty consumers must receive samples (2ml or 5 ml) at home, taking the age factor into account, through information already collected in the consumer profile; having the aim to increase brand engagement. As Michael Czinkota and Ilkka Ronkainen say: *Communication about innovation takes place through the physical product itself (samples)* (2012).

4.4.3.2 c'Womanity

Each attendant[65] of c'Womanity events[66] must receive a sample (2ml or 5ml) (appendix 44) of a Biotherm product, enabling consumers to associate the brand with the new lifestyle positioning[67]. The registrations to the event is used to predict number of samples; in order to streamline the process at the event, consumers are asked (again) for their age and skin type.

According to Oliver Hinz *Seeding to well connected individuals is the most successful approach because these attractive seeding points are more likely to participate in viral marketing campaigns.* (Hinz, 2011).

4.4.3.3 Christmas Sample Calendar

Taking into consideration that 20% of the annual sales result from Christmas and summer periods, Biotherm sampling initiatives must be enhanced in these periods.[68]

Loyalty consumers must receive Christmas sample calendar with the objective of increasing consumer engagement while promoting sales, by the variety of Biotherm products samples present in this sampling tactic.

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[65] c'Womanity member and their friends who attend
[66] bootcamp by Carolina Patrocínio; run with Isabel Silva; stretching session by Sara Matos
[67] explained in the introduction section 3
[68] the sampling initiative that covers the summer period is explain afterwards in 5.4.3.5

Figure 18: Biotherm Christmas Calendar

In the 1st December, loyalty consumers receive at their house's this calendar that includes for each day, one of the following things:
- Product sample
- Inspiring quotes
- Information about the brand

Source: Branding Lab Group, based on Biotherm Global Instagram Account

4.4.3.4 Valentine's Day

Biotherm must take advantage of Valentine's Day (14th February) as well as the fact it serves two genders. In this day, consumers walking around the shopping mall both for men and for women should receive the "heart" card with samples, of 2 ml or 5 ml. The objective is to increase awareness about Biotherm among consumers who commonly do not visit the selective SKC channel, even if they are reached in an indirect way[69]. The efficiency of this initiative is likely guaranteed by the many consumers present in shopping malls in this date, *cultural expectations may make it difficult (...) to ignore* Valentine's day *or to delegate gift shopping* (Fischer 1990).

Figure 19: Valentine's Day Sample card

In the back of the post card should be provided details about the product sampled as well as information on the application process.
Note: 1 modeling is required for each of this initiative.

Source: Branding Lab group

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[69] men who receive the sample are going to give the woman's product to a special friend or family member.

4.4.3.5 Biotherm Fit

To enforce the loyalty card improvements[70] suggested to Biotherm, which consist in part in the partnership with premium gymnasiums, the brand should also use the latter to promote its products, Biotherm Lifestyle, SKC treatment and Word of Mouth. In that sense, in gymnasiums such as Holmes Place and Virgin Active we suggest that during 1 week, in June, in the dryers or bathroom area, near the mirrors there should be placed 3 dispensers with Aquasource, Skin Best and Blue Therapy. Above each dispenser must mentioned the intended user age of each product: less than 25; + than 25; + than 35 (respectively) as well as it should have displayed a QR code or link to visit Biotherm Facebook Page.

Challenge 2: The lack of brand relationship through sampling

4.4.3.6 Gift me

The sampling gift box initiative must root consumer's loyalty, improve the image of the brand while encouraging consumers to increase the number as well as type of product purchased (i.e. through promoting product link selling). It consists in complementary sampling destined to women who are Biotherm loyal purchasers, regardless of the type of store (retailers store or a Biotherm own-counters) L'Oréal Luxe BA's or Biotherm exclusive must provide this gift box explain in the following figure:

Figure 20: Gift box Sample
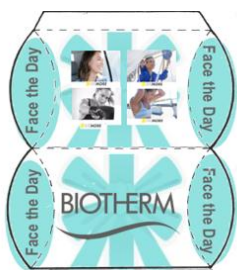
After the purchase, this gift box must be given. It tells the story of the brand inside in order to feed the dream - with 2 to 3 samples: 1 or 2 complementary product for face care in the same product line (e.g. who purchases Blue Therapy sérum, receives Blue Therapy cream) and 1 sample for body care.

Source: Branding Lab group

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[70] In section 5.3 more specifically in Loyalty card improvements

4.4.3.7   Blue sensation

To address the issue highlighted in depth interviews section that consumers have little to no knowledge about Biotherm, Blue sensation sampling initiative consists of attracting new consumers who are already within the retailer's shops as they might be already in the mood for a purchase. More specifically all mature consumers (over 40 years) who purchase SKC products, at Douglas, Sephora and P&C must receive two samples of products from Blue Therapy line. This reinforces the idea that Biotherm is a SKC brand that has anti aging lines for women; being especially important due to the fact that Portuguese SKC consumers are mainly over 40. Other main advantage is the fact that the brand addresses consumers already in the mood for a purchase.

4.4.3.8   Mother's Day

In Mother's Day (8th of March), Biotherm should giveaway samples (of 2 ml or 5 ml) to every woman who entered retailer's stores or the brand own-counters, accompanied with a card to give to their mother's.

Figure 21: Mother's Day Product Sampling Brochure

In the back of the post card should be provided details about the product sampled as well as information on the application process.
Note: 1 modeling is required for each of this initiative.

Source: Branding Lab group

4.4.3.9 Magazines

This is a three months (February, July, November) initiative that consists on sample giveaways through the Biotherm currently used Magazines such as *Activa[71]* and *Máxima[72]*, *Prevenir[73]*, *Saber Viver[74]* and add *Women's health[75]* has it also targets the winning hedonist that the brand wants to attract. The other big difference in this strategy is the fact that the sampling brochure next mentioned as a rule must also be followed in this type of tactic.

Challenge 3: The lack of sampling tracking

4.4.3.10 Sample footmark

As Reid explains it, …*consumer demographic information, feedback on products and purchase conversion rates helps brands to better target their sampling programs, save money and actually measure ROI.* (Reid, 2013). And in accordance to benchmarking analysis through Benefit example (appendix 45), the sample footmark initiative incorporates a rule - to ensure adequate sampling tracking - for any sample distributed – either in store[76] or outside store (offline and online): each sample must be always accompanied with a brochure:

This rule main goal is to: educate the consumer in terms of the brand history and product line; provide an incentive to visit the store and to purchase; collect data about the consumer; calculate the conversion rate from sample to purchase; adopt follow up initiatives[77].

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[71] Average audience: 2.9% | 248 356 individuals; Source: Grupo Marktest - Bareme Imprensa 2014
[72] Average audience: 2.0% | 171 280 individuals; Source: Grupo Marktest - Bareme Imprensa 2014
[73] Average audience: 1,3% | 111.332 individuals; Source: Grupo Marktest - Bareme Imprensa 2014
[74] Average audience: 1,7% | 145.588 individuals; Source: Grupo Marktest - Bareme Imprensa 2014
[75] is a women's magazine lifestyle, aimed at active, modern women, ambitious, dynamic and confident, between 28 and 45 years. It has its editorial focus on the areas of fashion, beauty, sports, nutrition and health, and addresses these issues in a natural and balanced way, without obsessions
[76] All retailers and brand own-counters (distributed by BA's)
[77] consumers must sense that Biotherm takes interest in them through enhancing relevant, distinctive and believable interaction.

Figure 22: Sampling Footmark Brochure
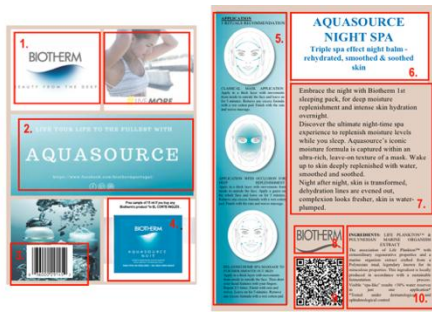
1. Biotherm Logo (also in 8.);
2. Product name;
3. Bar code (to used in next purchase as it offers 10ml or 15ml free sample);
4. Sample;
5. Application routine steps;
6. Detail on product name;
7. Information about the product and brand;
9. QR code to visit c'Womanity;
10. Product Ingredients. As well as suggestion of products in the same line.

Source: Branding Lab group

5   Final remarks

Re-considering the CDJ, our recommendations focus on the purchase and post-purchase stage in order to deepen the link with existing consumers and conquer their loyalty. Therefore, Biotherm needs to create an experiential dimension that involves the consumer. Involvement is the prerequisite for engagement and engagement in turn, will generate affective loyalty, which is much more valuable than pure repeated purchases. This experiential dimension is built up with the help of the intangible part of the brand, making the latter desirable in the long-run. As outlined in the branding strategy, a brand should first seek to keep and bond its existing consumer before acquiring new ones. There is evidence that the rate of active loyal consumers is directly correlated to the growth rate of the brand (Reicheld, 2006). As Jeff Bezos, CEO Amazon, used to say, "*your brand is what people say about you when you're not in the room*" (TEDGlobal, 2012).

This being said, this last chapter presents the prioritization of our recommendations' implementation. Therefore, two scenarios are presented, i.e. the idealistic scenario, not taking into account any budgeting constraints, and the realistic scenario, aiming at being more pragmatic. Both scenarios are divided into two phases, considering our pre-defined objective priorities, i.e. first to bond with the existing consumer and only in a second step, to acquire new consumers. Both

scenarios aim at solving the above described issues Biotherm is currently facing in the Portuguese market, i.e. service issues at POS and consumer issues.

Idealistic Scenario

Phase 1 – Consumer retention

POS service strategy should be the first priority. It is absolutely crucial to impede BAs sales deviation towards other L'Oréal Luxe brands and to break the vicious circle explained in section 5.3. Initiatives to solve this issue should focus on motivating BAs to sell Biotherm through engagement. The group considers the following initiatives as being the most appropriate: the 'L'Oréal Meeting', the 'Working meeting', the 'Biotherm day' as well as the 'Being a BIOTHERMer' activities. Besides, it is crucial to create an efficient follow-up system (i.e. 'rule number 1: Sample giveaway' and loyalty card improvements), aiming at creating long-term relationships with existing consumers.

Digital strategy aims at creating a holistic consumer experience by establishing an integrated online-offline brand management approach. The group therefore considers the improvement of Biotherm's current Facebook page as absolutely crucial and strongly recommends the creation of a Portuguese 'engager website'for women.

Sampling strategy is important but will is not a priority in contributing to the shift in consumers' minds to perceive Biotherm as a brand. However, as existing consumers seem to be unfamiliar with Biotherm's product offerings, we want to give them the chance to try different products in order to educate them about Biotherm's product range. Therefore, we recommend to make use of complementary sampling ('Gift me'), product launch related sampling ('New Discoveries'), Christmas sample calendar and the sample footmark.

Other recommendations are the sponsorship of sports events, such as 'Cascais Women's Pro' (surf competition), Color Runs, and the 'Corrida da Mulher' mentioned earlier, in order to create and

reinforce Biotherm's brand image as well as to give consumers the possibility to connect to and experience the brand in a non-commercial environment. Those brand-building experiences foster an emotional bond between consumers and the brand.

Phase 2 – Consumer acquisition

POS service strategy keeps being the priority for the same reasons stated above. In order to attract new consumers, we recommend to provide BAs with target-oriented incentives in order to increase Biotherm sales. These incentives could be the 'Biotherm's hit BA' and 'Biolovers turn'. Besides, in order to capture new consumers, the group recommends product trials in-store through modeling as well as the implementation of 'Biotherm's elevator pitch'.

Sampling strategy is ranked second with respect to the acquisition of new consumers, as Biotherm's product quality is one of its strongest aspects and is likely to raise non-consumers' interest. The course of action should consist of travel kit samples ('Blue Sensation'), sampling in gymnasiums ('Biotherm Fit'), samples in magazines, and sample giveaways on valentine's and mother's days.

Digital strategy should be based on the creation of the 'c'Womanity', which uses celebrities, increasing the Biotherm's visibility and (potential) consumers' interest. .Furthermore, the country-specific Biotherm website is likely to support the acquisition of new consumers while they are gathering information during their decision process.

Other Recommendations include co-branding with well-established sport brands in order to create buzz around the brand among opinion leaders in order to increase brand awareness and to create a strong brand image.

Realistic Scenario

Phase 1 – Consumer retention

POS service strategy remains the same as in the idealistic scenario, since the budget investment is relatively low.

Digital strategy should focus on the Facebook page. The creation of a website exceeds Biotherm's annual budget and hence, cannot be pursued.

Sampling strategy should focus on complementary sampling and product launch related sampling.

Phase 2 – Consumer acquisition

POS service strategy has the same objectives stated in the idealistic scenario. Due to budget constraints, we recommend to spur BAs' motivation to sell more by acquiring new consumers through 'Biotherm's Hit BA'. Besides, we advise to keep 'Biotherm's elevator pitch'.

Sampling strategy is the major focus according to Biotherm's official plan for 2016. Therefore, we advise the implementation of sample giveaways on valentines and mother's day as well as the sampling in magazines.

Digital strategy's main tool is the use of the "c'Womanity'" and its ambassadors. However, as Biotherm's budget might not be enough to take all three ambassadors into contract, we recommend the following ranking: #1 Isabel Silva, #2 Carolina Patrocínio and #3 Sara Matos. Our decision is based on the resemblance of the ambassador profile with the aspirational "Biotherm woman". Moreover, other advantages, such as current partnerships certain ambassadors already possess, were taken into account.

   With these prioritization of recommendations, the group aspires to provide Biotherm with a pragmatic plan in order to achieve the shift in consumers' minds to be perceived as a brand in its entity and ultimately to grow in the Portuguese selective SKC channel.

6   Research limitations

Admittedly, this study is rather exploratory in nature. Rather than make some sort of bold pronouncements, we sought to understand Biotherm's current situation and challenges. The group might have been biased by previous knowledge about the brand's situation as well as the

achievement of the project's objectives and might not have been completely objective. Especially with respect to the observations, the data might be biased by the group's cognition ability as well as subjectivity and the overtness of the group's observation might have manipulated consumer and BA behavior. Therefore, data does not represent definite facts. Progress in the group's research has been hindered by the month of observation. September is not a good month for SKC sales in general, as consumers have spent their money during their holidays and on their children's start of school year, impacting traffic negatively. With respect to the in-depth interviews, the group had networking constraints, i.e. were limited to their personal and professional network. Further progress in the group's research has been impeded by the small size of the overall selective SKC market and especially with respect to Biotherm consumers. The resulting difficulty to find Biotherm consumers, mainly those purchasing the brand on a regular basis, might have affected the quality of data collected. Besides, both the group as well as respondents had few experiences with the execution of in-depth interviews, which might have affected the quality of answers. Overall, the group's work focused on the exploration of the brand image. More work is needed to determine the current Biotherm consumer and her behavior more accurately as well as to better assess brand performance. In particular, further quantitative research is needed to more definitively assess the consumer behavior with respect to multi-brand and multichannel behavior, perceived brand quality and brand awareness. Further conceptual and empirical work would help to determine SKC category dynamics, factors influencing consumer behavior and key attributes driving in-store decisions. Thus, although insights are valid, they might not be representative.

Recommendations were provided without any respect to budget constraints, wherefore costs were not taken into account. Consequently, the group's work misses any information about financial planning or related topics. Furthermore, with respect to sampling, the elaboration of the strategy has been impeded by the lack of recent information about product sampling provided by Biotherm,

as well as that the researcher has never conducted or followed a product sampling imitative in order to better comprehend its impact.

Furthermore, with respect to sampling, the elaboration of the strategy has been hampered by the lack of recent product samples studies available; shortage information about the current product sampling strategy provided by Biotherm; alongside with the reality that brand's avoid sharing successful approaches on this topic in order to avoid situations in which competitors copy them, so most of the successful cases in product sampling which are known are shared through consumers, which can be a bias source; as well as by the fact that the researcher has never conducted or followed a product sampling initiative in order to better comprehend its impact. Moreover, the experience from in-store observations may have influence the recommendations done in this topic.

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