NOVA School of Business & Economics

Shaping powerful minds

CEMS

THE GLOBAL ALLIANCE IN MANAGEMENT EDUCATION

L'Oréal Business Project

How can Garnier recruit new consumers from Generation Y?

GARNIER

WORK PROJECT REPORT

Generation Y in Czech Republic and its segmentation

José Maria Cavaleiro Gonçalves Pereira Martins

Masters in Management #1287

Spring Semester 2014

Nova School of Business and Economics

June 6th 2014

Index

Business Project Context

Company and Market Overview

L'Oréal is the world leader in beauty, present in 130 countries, with a unique international brand portfolio in the branch of cosmetics, ranging from consumer goods brands to professional and luxury brands[1].

The company founds its leadership in the ability of constantly creating innovative products without forgetting quality, effectiveness and safety, meeting the aspirations of consumers, despite of their lifestyle and beauty habits.

The local branch for which the following report will deal with, is the one in Czech Republic, and more specifically, the company's brand Garnier in the Consumer Goods Division, the 2nd largest brand in the group and sold in more than 120 countries[2].

In Czech Republic the cosmetic market is a 6billion CZK market (≈ €218milion), facing recession, as from 2012 to 2013 the market presented a -2,8% evolution in Sales Value and -2,3% in Sales Volume[3].

The market is generically divided into 6 categories: Hair Care, Hair Colorant, Skin Care, Hand and Body, Deodorants and Body without Hand.

From the six categories only "Hand and Body" and "Body without Hand" presented a positive evolution of 1,9% and 2,3% respectively[4].

Current client situation

Regarding the brand Garnier it presented a negative evolution of more than double of the total market, -6,9% in Sales Value, even with a positive evolution in terms of Sales Volume, 0,4%[4].

Garnier rendered a pronounced negative evolution in half of the categories, while in "Hair Care" it presented no evolution and in "Hair Colorant" and "Deodorants" presented a positive evolution of 3,8% and 2,5% respectively[5].

Concerning the brand's total ranking, despite of belonging to the L'Oréal group that holds the first position of the overall ranking, Garnier exhibits a 10th place.

Garnier's greatest competitor in some categories is Nivea, as Beiersdorf AG, group to which the brand belongs, presents a 3rd place in total ranking, and Nivea 1st place in the categories of "Hand and Body", "Deodorants" and "Body without Hand".

[1] http://www.loreal.com/group/our-activities.aspx
[2] http://www.loreal.com/brands/consumer-products-division/garnier.aspx
[3] Appendix 1 – information lent by L'Oréal Czech Republic (CONFIDENTIAL)
[4] Appendix 1 – information lent by L'Oréal Czech Republic (CONFIDENTIAL)
[5] Appendix 2 – information lent by L'Oréal Czech Republic (CONFIDENTIAL)

The business project challenge

The challenge of the business project elaborated with L'Oréal Czech Republic consisted in understanding how could the company recruit new consumers from Generation Y (Millennial, 20-35 years old).

Which brand would be the most attractive, which communication channels should be used to draw Generation Y and which age gap within the generation presented the best buying and loyalty potential.

As previously stated the elected brand was Garnier, as it presented the best image, brand portfolio and pricing to attract Generation Y.

Since no information about Generation Y or how the brand was perceived within Czech Millennial consumers, direct marketing research, both quantitative and qualitative, had to be conducted to support future strategic plans and other proposals.

Summary of conclusions

The development of the business project helped the brand to identify problems in terms of Spontaneous Awareness, lack of Brand Portfolio Awareness, as it is usually recognized as a hair-products brand, as well as a losing position in terms of perceived quality compared to the main competitor, Nivea, within Millennial consumers[6].

However, the two major conclusions of the project were:

- Help the brand to understand that the segment of consumers it's trying to target, Millennial consumers, cannot be defined in a single "generation profile", as it is a generation characterized by a multitude of life options and fast change, but rather in a set of profiles that characterize the generation in terms of lifestyle (psychographic segmentation) and behaviors (behavioral segmentation);
- Thanks to the profiling and segmentation of Generation Y it was possible to do a deeper analysis and reach a major insight that revealed the common need of this specific segment – the need to find themselves – that allowed to build the strategy around the "Find Yourself. Find Your Garnier"[7] insight, a strategy based on the "Garnier App", a personality test application with tailored messages and information with a two-way feedback, and the "Garnier Bar" that can be set from places like a shopping mall to a summer festival, with an interactive experience of building our own bundles and with expert advice, while showing the entire brand portfolio.

[6] Appendix 3 – Marketing Research
[7] Appendix 4 – Draft of *Garnier App* and *Garnier Bar*

Generation Y Segmentation – Research Methodology Problem

As previously stated, one of the most important parts of the Business Project with L'Oréal, was the segmentation of Generation Y in Czech Republic.

This segmentation was essential to understand which of the age-gaps, within the selected generation, had the best buying and loyalty potential.

By understanding which of the age-gaps had the best buying and loyalty potential it would allow to show the company which one should be directly target and, upon that information, to propose a strategy in terms of communication channels.

Unfortunately, during the elaboration of the business project the initial intention had to be shifted, in agreement with L'Oréal's Media & Market Research Director, as during the research phase we were not able to do an enough meticulous market research, due to time constraints, research design and team cooperation.

In the end, the Business Project shifted to a more generalist approach on how to recruit new consumers from Generation Y, without defining which of them would be the most profitable and loyal ones, but presenting a strategy on which communication channels to use that would attract and meet the needs of the different defined profiles that characterize part of the generation.

In the following pages I will explain what where the major downfalls of the original approach, what precluded the reach of the desired results to propose a strategy for the original objective of the project and what should have been done differently during the research phase.

Original approach to the topic

The original approach to the topic consisted in the presentation of a Research Proposal[8] to L'Oréal's MMRD, with:

- Definition of the Marketing Research Problem, this is, what would be the research questions towards Generation Y;
- Research Objectives: Understand Brand Awareness, Image, Loyalty and Perceived Brand Quality, and which would be the best suitable research methodologies;
- Research Design: a two phase approach
    - Phase I - Qualitative Research: Methodology – Semi-structured in-depth interview and Projective techniques; Objective – to define insights of

[8] Appendix 5 – Complete Research Proposal

Generation Y attitudes towards cosmetics and Garnier’s Brand Perception on Czech consumers.

  - Phase II – Quantitative Research: Methodology – Online survey; Objective – measure attitudes towards Garnier products to test Brand Awareness, Loyalty and Perceived Quality of the Brand.

- Draft of Semi-structured in-depth interview and Questionnaire for online survey.

However, after the presentation of the Research Proposal it was defined, along with the MMDR, that, although not academically correct, we would switch the order of the research design and first perform Phase II, the Quantitative Research, in order to discover which of the age gaps within Generation Y presented the best buying and loyalty potential and then proceed to Phase I and perform the Qualitative Research.

Main limitations of the approach used

Due to the change in the research methodology, several limitations were encountered during its execution, some because of time constraints, others because research design and also because of team cooperation problems.

The fact of elaborating the Quantitative Research in the first place meant that no insights about Garnier’s Brand Image, Brand Loyalty and Benchmarks within Generation Y were available to design the questionnaire, this is, to properly adapt the questions that would support the findings of the Qualitative Research.

This way an extensive online questionnaire (283 questions) had to be done in order to collect all the possible data about Millennial lifestyle, behaviors, channels of purchase, patterns of usage and, instead of two or three benchmarks, eight benchmarks had to be used, what resulted in a long and repetitive questionnaire.

The detail of being a long and repetitive questionnaire dissuaded many people to complete it, specially the older spectrum of the generation, as it tends to have less time and being less participative in this kind of initiatives.

Despite having the online survey open for a considerable amount of time, in the end only 89 complete surveys were collected, and 81% of the respondents were aged between 20 and 25 years old.

The combination of the previous factors resulted in a biased result as the age-gaps from 26-30 and 31-35 were barely taken into consideration, forcing the shift of the original purpose of the project as it was not possible to identify which of the different segments within Millennial had the best buying and loyalty potential.

Along with this initial problem, the fact of one of the team members not being cooperative during the process of data analysis of the quantitative research worsened the already existent time constraints. This problem was due to the fact of the questionnaire being entirely written in Czech, in order to stimulate Czech people to answer and not to bias the results, and, hence, someone who spoke the language was needed to collect and to analyze the data.

This event forced us once again to change the original approach and perform two Focus Groups for the Qualitative Research instead of the semi-structured in-depth interviews.

As a consequence of the change in the Qualitative Research methodology, several problems were arouse, limiting furthermore the results of segmentation.

As there was no time to perform the semi-structured in-depth interviews, the two focus groups were arranged within a week and, due to time constraints and to a limited set of available people, the participants of the Focus Groups were once again confined to the younger spectrum of the generation as most of them were students that had some time and were willing to participate in the initiative.

Although the participants of the Focus Groups were aligned with the respondents of the questionnaire in terms of age, occupation and lifestyle, it restricted our findings.

In the end, not only the original focus of the Business Project had to be change, but also the segmentation of Generation Y that was feasible girded to the ages of 20 to 27 years old.

This way, several generic profiles of Generation Y were not discussed during the brainstorm session with the MMDR, as there was no information to support the profiling, making us question ourselves if the insight and common need that was found – the need of finding themselves – was not just a need of the younger range on the generation and if the suggested plan and solutions would be equally efficient to attract the rest of Millennial consumers.

What would have I done differently when developing this topic

To overcome many of the limitations of the approach used I would have followed a different Research Design, that would start with the Qualitative Research, as originally purposed, followed by Quantitative Research and its subsequent analysis with statistical tools, and to support the findings of both previous researches and help us to find further insights, a final Qualitative Research would be done.

In the following pages I will develop the approach that I believe would have brought the best results and allowed us to follow the original objective of the Business Project of finding which would be the age range within the generation that would present the best buying and loyalty potential and suggest what would be the best strategy to target and attract the desired segment.

First Phase of the Research – Qualitative Research

To initiate the Market Research, I would propose to start with the Qualitative Research, using the methodology of a Semi-structured in-depth interview and a Projective technique[9], this is, a comparison technique where the interviewee is asked to compare the brand to, for instance a person, and describe it as a if it was a person in terms of traits, personality, behavior.

This phase of the research should have been done to a minimal sample of 15 people, five per each 5 year gap of the generation.

The Semi-structured in-depth interview would be composed by a Pre-questionnaire, in order to see if the interviewee fulfilled the requirements in terms of demographics and if knew the brand Garnier, followed by a brief Warm-up explaining the intention of the interview and a question in the format of open-question.

This initial approach would allow us to understand and develop the following topics:

- <u>Consumption habits</u>: which products are bought; reasons and occasions of purchasing; frequency and place of purchasing; time of consumption or use;
- <u>Feelings and expectations</u>: associated with the product consumption or use;
- <u>Purchase behavior:</u> brand chosen and the reason why; impulse of planned purchase; loyalty patterns; reasons to chose the product or brand; impact of advertising in the choices;
- <u>Garnier's Image- use of the Projective technique</u>: "If Garnier was a person, what kind of person would it be?".

[9] Appendix 5 – Draft of possible Semi-structured in-depth interview with Projective technique included in the Research Proposal

The analysis of the information would cover each topic and enable to detect if there was any pattern emerging across the interviews.

The gathering of information and detection possible pattern across the interviews would provide us the necessary information to blueprint a more focused questionnaire for the Quantitative Research, that would be less fastidious and more accessible for every respondent, this is, even people from the upper range of the generation would have time and be interested in answering the survey.

Second Phase of the Research – Quantitative Research

Regarding the second phase of the Market Research, as previously stated, it would be the Quantitative Research, making use of the previous information of the Qualitative Research and tailoring the questionnaire to the collected insights.

In terms of spread of the questionnaire I believe a different approach should have been taken, this is, an online spread of the survey through social media networks was not enough.

A spread of the survey via e-mail and also delivering it in hand would have been more effective as we could explain the intention of the study and the importance of the same, making people more sensible to participate in the initiative.

It would also allow us to better control the sample of respondents as we could better divide the questionnaires through the entire generation in terms of age range, leading to a less biased set of results.

After the compiling of data, a proper analysis using a statistical tool like SPSS should have been done in order to better translate the data into important information.

Although the Microsoft Office Excel tool was used to gather and analyze the data and come up with some interesting correlations, it was not enough to do a more thorough analysis, such as a cluster analysis, this is, to group the different types of potential consumers in groups with similar demographics, behaviors, usage patterns and brand image perception.

If a more concise questionnaire, with more direct questions and only two benchmarks, along with a better distribution of the same to collect answers from the entire spectrum of the generation and a more meticulous analysis using a statistical tool to perform a cluster analysis, was initially done, it would permit us to keep the original purpose of the project – to identify who had the most buying and loyalty potential within Generation Y and to do a more complete profiling of the generation, perhaps 7 or

8 profiles instead of just 4, as we would not be constrained to information only about the younger range of the generation.

Third Phase of the Research – Qualitative Research

The third and final phase of the Market Research would consist in the execution of one or two focus groups – a qualitative research methodology.

The best alternative would be to do two focus groups with two different groups of people. This would provide twice the information and enable to confirm the insights of each focus group by comparison.

The focus groups would also allow to confirm the previous results but, furthermore, due to the nature of the methodology, since people tend to discuss and share ideas during the focus group, it would permit to foster the development of our ideas and giving a personal mark while presenting the same to the company.

Conclusion of New Approach and Methodology

It is my belief that if the purposed approach and methodology in this report was followed, a more detailed and efficient research towards the segmentation of Generation Y could have been done during the development of the Business Project.

If this approach produced the desired results and information it would have been possible to present the company a strategic plan to tackle the initial problem, this is, not only on how to attract consumers from Generation Y but also which of them represented the segment the company should target due to highest potential profitability and which should be the communication channels used to reach them.

However, it is also my belief that many of the encountered problems during the original approach were due to time constraints and lack of team cooperation by one member of the team, what meant that the team was reduced to two thirds and only one of the two elements spoke the native language, and several changes had to be done to the approach along the development of the project, hindering acquirement of data and subsequent information.

The problem was only lessened when the third team member received a direct letter from the CEMS Office of School of Economics of Prague, stating that if his attitude and cooperation did not change he would face severe consequences and possibly be expel of the CEMS-MIM Program.

Learning Experience

Previous knowledge learned from Masters program

As previously stated, it was needed the elaboration of market research to properly understand and define several aspects of the brand Garnier and Millennial consumer segment in the Czech market.

As a result, a Research Proposal had to be presented to L'Oréal's Media & Market Research Director for the Czech, Slovak and Hungarian markets (MMRD). The design of the presented proposal was the same as the one previously used in the course of Brand Management[10].

The proposed research design presented both qualitative and quantitative research, the qualitative in format of a semi-structured in-depth interview and the quantitative as an online questionnaire, both following the same guidelines from the Brand Management course.

Regarding further knowledge, material from the courses of Brand Management and Marketing in a Dynamic World[11], along with literature from Kapferer, Kotler, Kellog and Michael Solomon, was used to do the segmentation and profiling of Generation Y in terms of *Psychographic Segmentation*, to determine the "why" of each segment, this is, the specific motivations and lifestyle choices, and *Behavioral Segmentation*, to understand the "what" behind the related behaviors.

Since Millennial market segment was already defined in terms of demographics and geography, there was no need for a *Demographic Segmentation*.

New knowledge – new methodologies and tools

In terms of new knowledge and new methodologies, the most important one worth mentioning was during the process of brainstorming the different profiles that define the Millennial in Czech Republic, what were their needs and what was the main insight of Generation Y profiling that could be translated in one single idea.

Although the majority of times, people may be induced in thinking what is the need that a certain product, or range of products, may fulfill and therefore limiting the search for a deeper insight or the real need of a certain consumer segment,

Therefore, a different approach was taken during the profiling and discover of Generation Y greater and common need.

---

[10] Course lectured by Adjunct Assistant Professor Catherine da Silveira, Spring Semester 2012/2013

[11] Course lectured by Adjunct Assistant Professor Vitor Centeno, Spring Semester 2012/2013

During the profiling process it was decided, together with L'Oréal's MMRD, that it would be done without considering the brand and what needs it could suppress, in order to better define the different profiles of the generation and reach a single, strong insight that would evidence the common need of all potential consumers. It was due to this approach that we were able to reach the great insight on which we could build our strategy. It was found that the common need of Generation Y is the desire of people finding themselves and their personalities. Hence, the insight and basis for our strategy was – Find Yourself. Find Your Garnier.

Personal experience

Concerning the personal experience from participating in this project it was truly satisfying working with one of Cems' International Corporate Partners and directly with the MMRD, Miss Evelin Majoros, as I was able to have direct access to the company's dynamic and industry insights.

Furthermore, the invite to integrate Miss Evelin Majoros team at the end of the project, and work in such an interesting and dynamic industry, in the world's leader company, L'Oréal, was a proof of how committed I was in delivering results.

In terms of strengths during the project, I might say the most noticeable while compared to my fellow colleagues, was my pro-activeness and practical thinking, due to previous experiences on working with brands and similar projects, at Nova SBE, in the courses of Brand Management and Luxury Marketing and Management.

As to weaknesses, I believe that the greatest one was out of my reach as it was the fact of not knowing the local language, Czech, what limited my role during the marketing research phase as it had to be done in the local language in order to not biased the results.

Benefit of hindsight

The greatest added value of this project was to work alongside Miss Majoros, as I had the privilege to work with someone that could guide us and give us the best possible insights on how the cosmetic industry runs, moreover, in the number one company, present worldwide and with a brand portfolio from consumer goods to luxury goods, and guide us to do the best possible Business Project with the available information.

A note of what should have been done differently, is regarding the team constitution, as only three people was clearly not enough while only two of the members spoke the native language – fundamental for the marketing research phase.

Bibliography

Keller, Kevin Lane et al., *Strategic Brand Management, A European Perspective*, 2nd edition, 2011, Prentice Hall

Kapferer, Jean Noel, *The new Strategic Brand Management. Creating and sustaining brand equity long term*, 5th edition, 2012, Kogan Page.

Kotler, Philip, *Keller*, Kevin, *Marketing Management*, 14th edition, 2012, Prentice Hall

Tybout, Alice, *Grayson*, Kent, Chapter 2 *Identifying Market Segments and Selecting Targets, Kellogg on Marketing*, 2nd edition, 2012, Kellogg School of Management

Solomon, Michael et al., *Consumer Behavior, A European Perspective,* 3rd edition, Prentice Hall

Confidential documents from L'Oréal Czech Republic.

Appendixes

Appendix 1 - CONFIDENTIAL

	Sales Value in Mio CZK				
	2012	2013	YTD 12	YTD 13	ND 2013
TOTAL MARKET	***6476,6***	***6297,6***	***6476,6***	***6297,6***	***1468,5***
TOTAL L'OREAL DPGP	**1584,4**	***1536,7***	***1584,4***	***1536,7***	***326,0***
TOTAL L'OREAL PARIS	**718,3**	**701,4**	**718,3**	**701,4**	**157,9**
TOTAL GARNIER	**857,1**	**797,5**	**857,1**	**797,5**	**155,6**
HENKEL	**1207,9**	**1119,2**	**1207,9**	**1119,2**	**221,5**
TOTAL BEIERSDORF	**978,5**	**999,1**	**978,5**	**999,1**	**227,6**
TOTAL P&G	**554,2**	**494,3**	**554,2**	**494,3**	**116,3**
COTY ASTOR	**394,1**	**379,1**	**394,1**	**379,1**	**144,0**
UNILEVER	**529,8**	**539,8**	**529,8**	**539,8**	**143,5**
TOTAL MDD	**359,5**	**354,6**	**359,5**	**354,6**	**68,3**
OTHERS	**868,1**	**874,8**	**868,1**	**874,8**	**221,3**

TOTAL CATEGORY								
	Sales Value - Millions of CZK							Ranking
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013	
TOTAL MARKET	**6.477**	**6.298**	**-2,8**	**6.477**	**6.298**	**-2,8**	**1468,5**	
TOTAL L'OREAL DPGP	**24,5**	**24,4**	**-3,0**	**24,5**	**24,4**	**-3,0**	**22,2**	**1**
TOTAL L'OREAL PARIS	**11,1**	**11,1**	**-2,4**	**11,1**	**11,1**	**-2,4**	**10,7**	
TOTAL GARNIER	**13,2**	**12,7**	**-6,9**	**13,2**	**12,7**	**-6,9**	**10,6**	
HENKEL	**18,7**	**17,8**	**-7,3**	**18,7**	**17,8**	**-7,3**	**15,1**	**2**
TOTAL BEIERSDORF	**15,1**	**15,9**	**2,1**	**15,1**	**15,9**	**2,1**	**15,5**	**3**
TOTAL P&G	**8,6**	**7,8**	**-10,8**	**8,6**	**7,8**	**-10,8**	**7,9**	**5**
COTY ASTOR	**6,1**	**6,0**	**-3,8**	**6,1**	**6,0**	**-3,8**	**9,8**	**6**
UNILEVER	**8,2**	**8,6**	**1,9**	**8,2**	**8,6**	**1,9**	**9,8**	**4**
TOTAL MDD	**5,6**	**5,6**	**-1,4**	**5,6**	**5,6**	**-1,4**	**4,6**	
OTHERS	**13,4**	**13,9**	**0,8**	**13,4**	**13,9**	**0,8**	**15,1**	

	Sales Volume - Millions							Ranking
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013	
TOTAL MARKET	**85.954**	**84.002**	**-2,3**	**85.954**	**84.002**	**-2,3**	**18667,1**	
TOTAL L'OREAL DPGP	**19,6**	**20,3**	**1,4**	**19,6**	**20,3**	**1,4**	**18,6**	**1**
TOTAL L'OREAL PARIS	**7,7**	**7,8**	**-1,0**	**7,7**	**7,8**	**-1,0**	**7,7**	
TOTAL GARNIER	**11,8**	**12,1**	**0,4**	**11,8**	**12,1**	**0,4**	**10,3**	
HENKEL	**18,5**	**18,3**	**-3,2**	**18,5**	**18,3**	**-3,2**	**16,5**	**2**
TOTAL BEIERSDORF	**12,7**	**13,1**	**0,8**	**12,7**	**13,1**	**0,8**	**13,7**	**3**
TOTAL P&G	**7,1**	**6,2**	**-14,0**	**7,1**	**6,2**	**-14,0**	**6,7**	**5**
COTY ASTOR	**4,7**	**4,8**	**0,4**	**4,7**	**4,8**	**0,4**	**7,8**	**6**
UNILEVER	**9,9**	**9,8**	**-2,4**	**9,9**	**9,8**	**-2,4**	**11,0**	**4**
TOTAL MDD	**11,2**	**10,7**	**-6,3**	**11,2**	**10,7**	**-6,3**	**8,7**	
OTHERS	**16,4**	**16,7**	**-0,8**	**16,4**	**16,7**	**-0,8**	**16,9**	

Appendix 2 - CONFIDENTIAL

HAIR CARE							
	Sales Value - Millions of CZK						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**1.711**	**1.645**	**-3,9**	**1.711**	**1.645**	**-3,9**	**346,8**
TOTAL L'OREAL DPGP	**27,7**	**28,1**	**-2,7**	**27,7**	**28,1**	**-2,7**	**27,0**
TOTAL L'OREAL PARIS	**17,8**	**17,7**	**-4,3**	**17,8**	**17,7**	**-4,3**	**17,9**
ELSEVE	17,8	17,7	-4,3	17,8	17,7	-4,3	17,9
TOTAL GARNIER	**9,9**	**10,3**	**0,0**	**9,9**	**10,3**	**0,0**	**9,0**
GARNIER FRUCTIS	5,5	5,6	-2,9	5,5	5,6	-2,9	4,9
ULTRA DOUX	4,4	4,8	3,5	4,4	4,8	3,5	4,1
TOTAL HENKEL	**28,4**	**27,8**	**-5,9**	**28,4**	**27,8**	**-5,9**	**30,9**
GLISS KUR	11,9	12,3	-1,2	11,9	12,3	-1,2	14,1
SCHAUMA	8,2	8,0	-5,9	8,2	8,0	-5,9	8,4
SYOSS	8,2	7,5	-11,8	8,2	7,5	-11,8	8,4
TOTAL P&G	**17,0**	**15,5**	**-12,0**	**17,0**	**15,5**	**-12,0**	**14,7**
HEAD&SHOULDERS	11,2	11,2	-4,3	11,2	11,2	-4,3	10,6
PANTENE PRO V	3,2	2,4	-29,0	3,2	2,4	-29,0	2,0
WELLA	2,1	1,5	-28,9	2,1	1,5	-28,9	1,2
TOTAL BEIERSDORF	**6,7**	**6,6**	**-6,2**	**6,7**	**6,6**	**-6,2**	**5,8**
TOTAL UNILEVER	**5,5**	**6,3**	**11,5**	**5,5**	**6,3**	**11,5**	**6,4**
DOVE	3,0	3,2	1,5	3,0	3,2	1,5	3,6
TIMOTEI	2,4	2,5	1,7	2,4	2,5	1,7	2,1
TOTAL MDD	**7,1**	**7,3**	**-0,5**	**7,1**	**7,3**	**-0,5**	**6,4**
OTHERS	**7,6**	**8,4**	**5,7**	**7,6**	**8,4**	**5,7**	**8,8**

HAIR COLORANTS

	Sales Value - Million of CZK						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**986**	**902**	**-8,5**	**986**	**902**	**-8,5**	**145,3**
TOTAL L'OREAL DPGP	**30,4**	**32,7**	**-1,7**	**30,4**	**32,7**	**-1,7**	**34,7**
TOTAL L'OREAL PARIS	**16,6**	**17,0**	**-6,4**	**16,6**	**17,0**	**-6,4**	**17,7**
CASTING CREME GLOSS	8,1	8,6	-3,7	8,1	8,6	-3,7	8,3
SUBLIME MOUSSE	3,1	2,9	-13,6	3,1	2,9	-13,6	3,0
EXCELLENCE	1,0	0,9	-23,6	1,0	0,9	-23,6	0,7
FERIA / PREFERENCE	4,2	4,0	-13,4	4,2	4,0	-13,4	3,9
TOTAL GARNIER	**13,8**	**15,7**	**3,8**	**13,8**	**15,7**	**3,8**	**17,0**
COLOR NATURALS	5,9	5,7	-12,6	5,9	5,7	-12,6	5,3
NUTRISSE	3,8	3,1	-25,9	3,8	3,1	-25,9	2,2
COLOR & SHINE	0,5	0,1	-88,2	0,5	0,1	-88,2	0,0
GARNIER COLOR SENSATION	3,5	4,3	10,5	3,5	4,3	10,5	4,3
TOTAL HENKEL	**59,6**	**58,9**	**-9,6**	**59,6**	**58,9**	**-9,6**	**57,6**
PALETTE TOTAL	**43,6**	**40,8**	**-14,5**	**43,6**	**40,8**	**-14,5**	**39,7**
INTENSIVE COLOR CREME	19,3	19,9	-6,0	19,3	19,9	-6,0	19,3
COLOR SHAMPOO	7,6	7,3	-11,9	7,6	7,3	-11,9	7,0
DELUXE	6,3	5,3	-22,9	6,3	5,3	-22,9	6,0
COLOR NATURALS	2,6	2,2	-21,0	2,6	2,2	-21,0	2,0
COLOR&GLOSS	2,1	0,2	-92,7	2,1	0,2	-92,7	0,0
10 MINUT COLOR	0,1	0,0	-99,1	0,1	0,0	-99,1	0,0
PALETTE MOUSSE COL.	3,1	2,1	-38,3	3,1	2,1	-38,3	1,6
SCHWARZKOPF TOTAL	**5,9**	**7,4**	**15,6**	**5,9**	**7,4**	**15,6**	**6,6**
NATURAL & EASY	2,0	2,0	-8,8	2,0	2,0	-8,8	1,6
BRILLANCE	0,3	0,1	-66,1	0,3	0,1	-66,1	0,2
PERFECT MOUSSE	3,6	2,8	-29,5	3,6	2,8	-29,5	2,5
SCHWARZKOPF COLOR MASK	0,0	2,6		0,0	2,6		2,4
SYOSS TOTAL	**10,1**	**10,7**	**-3,1**	**10,1**	**10,7**	**-3,1**	**11,3**
SYOSS	6,3	6,0	-12,0	6,3	6,0	-12,0	5,5
SYOSS MIXING COLORS	2,3	1,8	-28,3	2,3	1,8	-28,3	1,4
SYOSS PRO NATURE	1,5	0,7	-60,2	1,5	0,7	-60,2	0,1
TOTAL P&G	**7,3**	**5,4**	**-32,0**	**7,3**	**5,4**	**-32,0**	**4,8**
LONDA	2,1	1,9	-19,1	2,1	1,9	-19,1	1,6
WELLA	5,1	3,5	-37,4	5,1	3,5	-37,4	3,2
OTHERS	**2,7**	**3,0**	**2,1**	**2,7**	**3,0**	**2,1**	**2,9**

SKIN CARE	Sales Value - Million of CZK						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**1.392**	**1.375**	**-1,2**	**1.392**	**1.375**	**-1,2**	**307,0**
TOTAL L'OREAL DPGP	**42,6**	**41,5**	**-3,9**	**42,6**	**41,5**	**-3,9**	**45,5**
TOTAL L'OREAL PARIS	**17,6**	**18,3**	**2,8**	**17,6**	**18,3**	**2,8**	**22,6**
DERMO EXPERTISE	16,7	17,6	3,6	16,7	17,6	3,6	21,7
TRIPLE ACTIVE	4,5	4,4	-3,6	4,5	4,4	-3,6	4,8
REVITALIFT	3,3	4,8	45,3	3,3	4,8	45,3	5,4
YOUTH CODE	2,2	1,4	-38,2	2,2	1,4	-38,2	1,3
NUTRI GOLD	2,4	2,5	2,1	2,4	2,5	2,1	4,1
AGE PERFECT	0,5	0,5	-2,3	0,5	0,5	-2,3	0,9
PURE ZONE	0,8	0,6	-30,9	0,8	0,6	-30,9	0,3
MEN EXPERT	0,8	0,7	-13,2	0,8	0,7	-13,2	0,9
TOTAL GARNIER	**24,4**	**21,2**	**-14,2**	**24,4**	**21,2**	**-14,2**	**20,2**
ESSENTIALS	9,3	8,9	-5,4	9,3	8,9	-5,4	8,9
PURE & PURE ACTIVE	3,6	3,2	-13,5	3,6	3,2	-13,5	2,6
ULTRALIFT	3,1	2,9	-5,4	3,1	2,9	-5,4	3,1
NUTRI SKIN	1,7	0,6	-61,7	1,7	0,6	-61,7	0,2
ORCHID VITAL	0,9	0,5	-46,7	0,9	0,5	-46,7	0,4
MIRACLE SKIN PERFECTOR	4,4	3,0	-32,5	4,4	3,0	-32,5	3,0
GARNIER SENSITIVE	1,0	1,2	21,3	1,0	1,2	21,3	1,0
MIXA Skin Care	**0,0**	**1,5**		**0,0**	**1,5**		**2,3**
TOTAL VICHY	**0,3**	**0,1**	**-63,3**	**0,3**	**0,1**	**-63,3**	**0,1**
TOTAL BEIERSDORF	**26,4**	**27,5**	**3,1**	**26,4**	**27,5**	**3,1**	**26,1**
NIVEA VISAGE	25,2	26,3	3,2	25,2	26,3	3,2	24,3
BASIC RANGE	2,5	0,6	-76,5	2,5	0,6	-76,5	0,5
Q10	7,1	5,7	-20,5	7,1	5,7	-20,5	5,1
DNAge	1,0	0,8	-20,3	1,0	0,8	-20,3	0,1
Expert Lift	1,7	2,0	18,7	1,7	2,0	18,7	1,5
PURE & NATURAL	2,5	2,4	-4,3	2,5	2,4	-4,3	2,1
NIVEA BB	0,4	1,5	267,5	0,4	1,5	267,5	1,2
OTHERS	10,0	13,2	30,1	10,0	13,2	30,1	13,9
NIVEA FOR MEN	1,1	1,1	-7,5	1,1	1,1	-7,5	1,7
DERMACOL	**4,7**	**5,3**	**11,0**	**4,7**	**5,3**	**11,0**	**6,2**
TOTAL HENKEL	**1,8**	**1,8**	**-2,6**	**1,8**	**1,8**	**-2,6**	**1,6**
ASTRID	1,8	1,8	-2,6	1,8	1,8	-2,6	1,6
TOTAL MDD	**8,7**	**8,8**	**-0,4**	**8,7**	**8,8**	**-0,4**	**7,2**
OTHERS	**15,7**	**15,0**	**-5,2**	**15,7**	**15,0**	**-5,2**	**13,4**

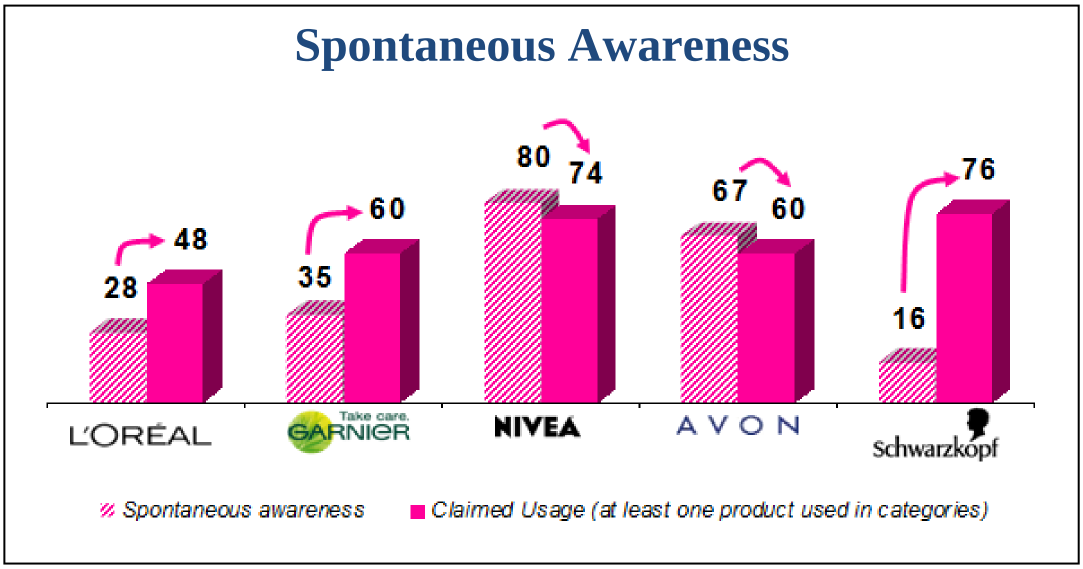
HAND & BODY	Sales Value						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**833**	**848**	**1,9**	**833**	**848**	**1,9**	**218,5**
TOTAL L'OREAL DPGP	**14,0**	**12,6**	**-8,0**	**14,0**	**12,6**	**-8,0**	**12,2**
TOTAL L'OREAL PARIS	**0,7**	**0,6**	**-6,5**	**0,7**	**0,6**	**-6,5**	**0,4**
TOTAL GARNIER	**13,3**	**10,8**	**-17,2**	**13,3**	**10,8**	**-17,2**	**9,9**
SKIN NATURALS	8,0	6,9	-11,5	8,0	6,9	-11,5	6,2
GARNIER INTENSIVE 7 DAYS	5,3	3,9	-25,7	5,3	3,9	-25,7	3,8
TOTAL BEIERSDORF	**31,5**	**34,4**	**11,3**	**31,5**	**34,4**	**11,3**	**32,5**
NIVEA CLASSIC	29,3	32,5	13,1	29,3	32,5	13,1	30,2
NIVEA PURE & NATURAL	1,7	1,4	-14,8	1,7	1,4	-14,8	1,9
UNILEVER	**11,0**	**10,4**	**-3,6**	**11,0**	**10,4**	**-3,6**	**13,2**
DOVE	9,9	9,4	-3,3	9,9	9,4	-3,3	12,5
INDULONA	**8,4**	**7,7**	**-6,6**	**8,4**	**7,7**	**-6,6**	**5,2**
DERMACOL	**3,5**	**3,2**	**-8,3**	**3,5**	**3,2**	**-8,3**	**2,9**
JOHNSON&JOHNSON	**6,6**	**7,4**	**13,2**	**6,6**	**7,4**	**13,2**	**10,6**
TOTAL MDD	**9,3**	**8,6**	**-5,9**	**9,3**	**8,6**	**-5,9**	**7,5**
OTHERS	**15,6**	**15,7**	**2,3**	**15,6**	**15,7**	**2,3**	**15,8**

DEODORANTS TOTAL							
	Sales Value						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**1.554**	**1.527**	**-1,8**	**1.554**	**1.527**	**-1,8**	**451,0**
TOTAL L'OREAL DPGP	**6,5**	**6,7**	**2,6**	**6,5**	**6,7**	**2,6**	**3,5**
TOTAL GARNIER	**6,4**	**6,7**	**2,5**	**6,4**	**6,7**	**2,5**	**3,5**
DEO MINERAL	6,4	6,7	2,5	6,4	6,7	2,5	3,5
UNILEVER	**22,2**	**22,7**	**0,7**	**22,2**	**22,7**	**0,7**	**20,5**
REXONA	11,3	11,4	-1,1	11,3	11,4	-1,1	8,7
DOVE	5,7	6,1	5,4	5,7	6,1	5,4	5,8
AXE	4,4	4,6	2,5	4,4	4,6	2,5	5,7
COTY	**25,4**	**24,8**	**-3,8**	**25,4**	**24,8**	**-3,8**	**31,9**
ADIDAS	12,5	12,3	-3,2	12,5	12,3	-3,2	14,5
PLAYBOY	7,5	6,5	-14,6	7,5	6,5	-14,6	9,3
OTHERS	5,4	6,0	9,9	5,4	6,0	9,9	8,1
BEIERSDORF	**15,0**	**14,4**	**-5,6**	**15,0**	**14,4**	**-5,6**	**12,5**
NIVEA	15,0	14,4	-5,6	15,0	14,4	-5,6	12,5
PROCTER&GAMBLE	**12,3**	**12,4**	**-1,0**	**12,3**	**12,4**	**-1,0**	**12,9**
OLD SPICE	7,2	7,2	-1,4	7,2	7,2	-1,4	7,7
GILLETTE	0,8	0,6	-23,7	0,8	0,6	-23,7	0,7
HENKEL	**7,0**	**6,9**	**-2,8**	**7,0**	**6,9**	**-2,8**	**5,7**
FA	6,3	6,8	6,8	6,3	6,8	6,8	5,7
RIGHT GUARD	0,7	0,1	-86,1	0,7	0,1	-86,1	0,0
COLGATE-PALMOLIVE	**2,4**	**2,1**	**-13,0**	**2,4**	**2,1**	**-13,0**	**1,7**
LADY SPEED STICK	2,2	2,0	-11,1	2,2	2,0	-11,1	1,3
TOTAL MDD	**2,5**	**2,6**	**2,0**	**2,5**	**2,6**	**2,0**	**1,7**
OTHERS	**6,8**	**7,2**	**4,1**	**6,8**	**7,2**	**4,1**	**9,6**

BODY without Hand

	Sales Value						
	2012	2013	Evol %	YTD 12	YTD 13	Evol YTD %	ND 2013
TOTAL MARKET	**646**	**660**	**2,3**	**646**	**660**	**2,3**	**170,9**
TOTAL L'OREAL DPGP	**15,8**	**13,2**	**-14,6**	**15,8**	**13,2**	**-14,6**	**11,9**
TOTAL L'OREAL PARIS	**0,9**	**0,8**	**-6,5**	**0,9**	**0,8**	**-6,5**	**0,5**
DERMO EXPERTISE	0,9	0,8	-6,5	0,9	0,8	-6,5	0,5
TOTAL GARNIER	**14,9**	**11,3**	**-22,5**	**14,9**	**11,3**	**-22,5**	**9,7**
Bifidus Body	6,0	3,9	-34,1	6,0	3,9	-34,1	3,6
OTHERS	8,8	7,4	-14,6	8,8	7,4	-14,6	6,2
MIXA Body Care	**0,0**	**1,1**		**0,0**	**1,1**		**1,7**
TOTAL BEIERSDORF	**38,1**	**41,9**	**12,6**	**38,1**	**41,9**	**12,6**	**39,0**
NIVEA	38,1	41,9	12,5	38,1	41,9	12,5	39,0
UNILEVER	**12,9**	**12,2**	**-3,1**	**12,9**	**12,2**	**-3,1**	**14,6**
DOVE	11,5	10,9	-2,7	11,5	10,9	-2,7	13,7
DERMACOL	**4,3**	**3,6**	**-13,6**	**4,3**	**3,6**	**-13,6**	**3,0**
DERMACOL	4,3	3,6	-13,6	4,3	3,6	-13,6	3,0
JOHNSON&JOHNSON	**6,2**	**6,8**	**13,4**	**6,2**	**6,8**	**13,4**	**9,4**
JOHNSON&JOHNSON	6,2	6,8	13,4	6,2	6,8	13,4	9,4
ASTRID	**1,7**	**1,5**	**-11,1**	**1,7**	**1,5**	**-11,1**	**1,1**
ASTRID	1,7	1,5	-11,1	1,7	1,5	-11,1	1,1
TOTAL MDD	**8,8**	**7,9**	**-8,0**	**8,8**	**7,9**	**-8,0**	**6,7**
OTHERS	**12,3**	**12,9**	**7,2**	**12,3**	**12,9**	**7,2**	**14,4**

Appendix 3


Spontaneous Awareness
28
48
35
60
80
74
67
60
16
76
L'ORÉAL
Take care.
GARNIER
NIVEA
AVON
Schwarzkopf
Spontaneous awareness
Claimed Usage (at least one product used in categories)

Appendix 4

Garnier App

Garnier Bag

(Complement to Garnier Bar)

Garnier Bar

Appendix 5

Research Proposal – Garnier

Management Problem

How can L'Oreal recruit new consumers from Generation Y, which brands, communication channels can be the most appealing for the 20-35 and what is the buying and loyalty potential of this group?

Marketing Research Problem

Understand how the Brand Garnier is perceived by Czech Gen Y consumers, how is the Consumption Behavior of Czech Gen Y users of cosmetics/styling products and their Brand Loyalty.

Problem definition

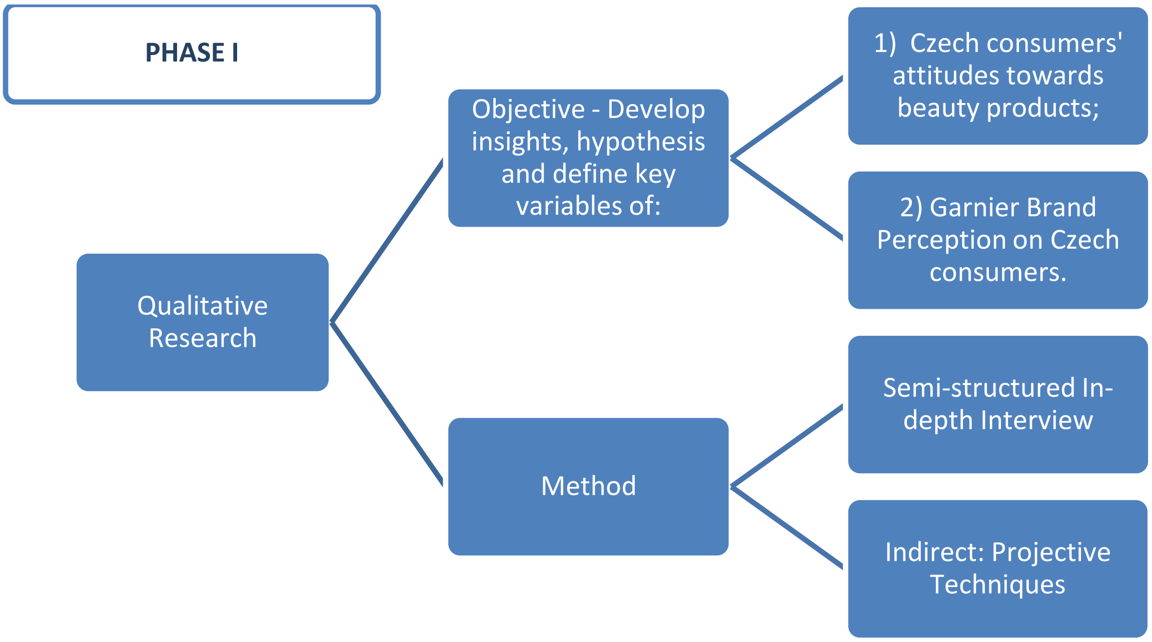
Research Questions – Towards Gen Y

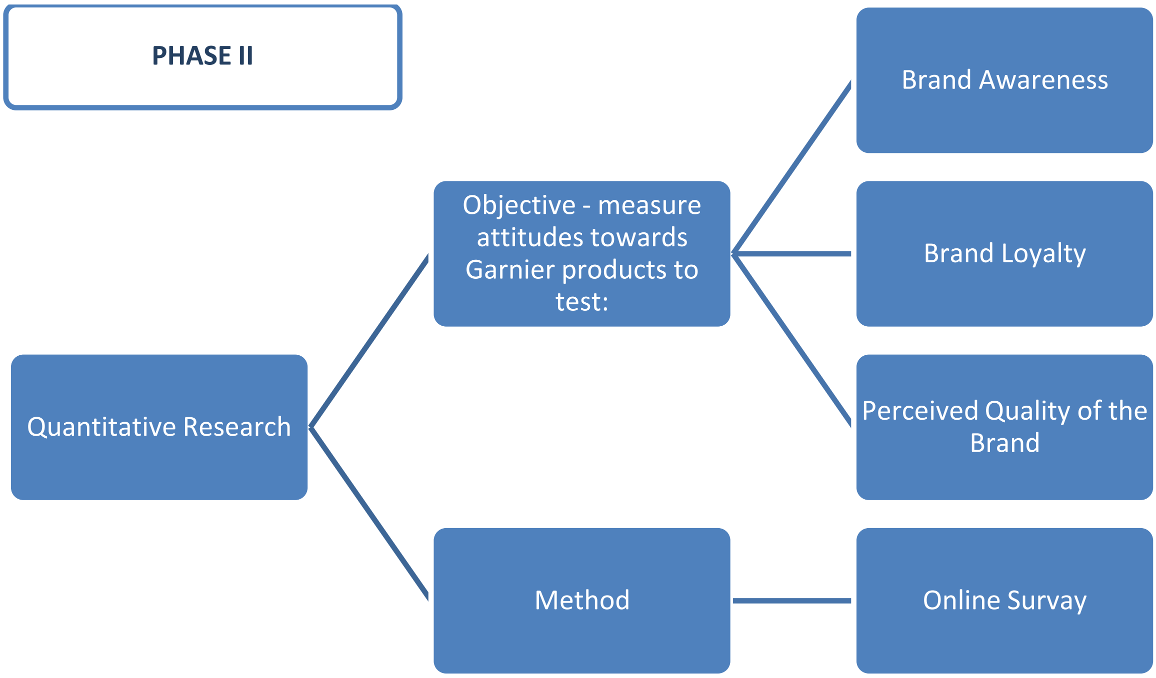
1. Who are the Garnier consumers?
2. How is the consumption attitude towards Garnier?
3. What is the purchase behavior of Garnier consumers?
4. What associations shape the brand image?

Research Objectives

Understand Brand Awareness	• Quantitative Research
Understand Brand Image	• Qualitative Research • Quantitative Research
Understand Perceived Brand Quality	• Quantitative Research
Understand Brand Loyalty	• Qualitative Research • Quantitative Research
Context	• Czech Republic market - Generation Y consumers

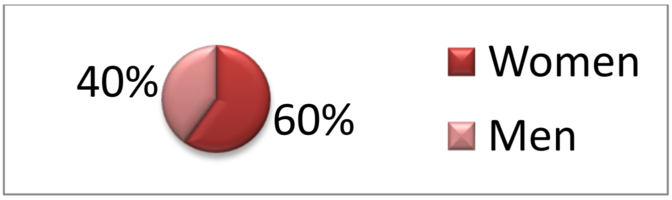
Research Design



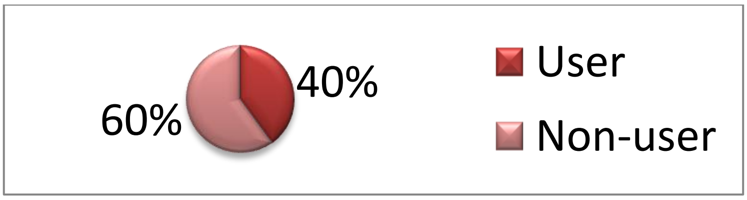


Sample N=30

Gender



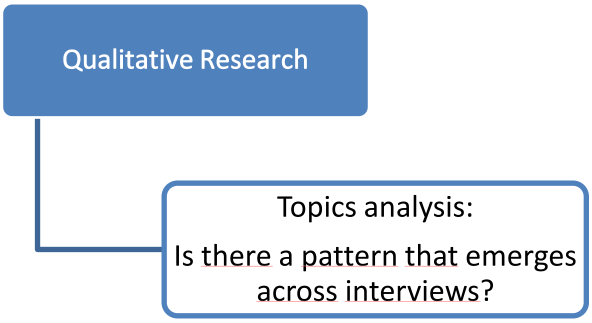
Garnier Consumers

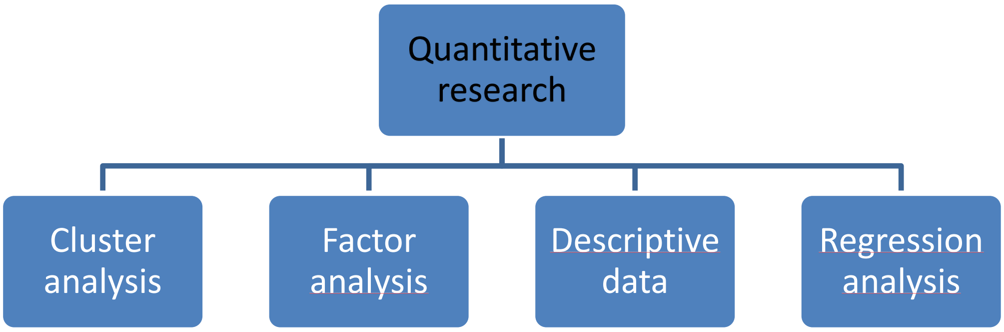


Age

- **20-25**
- **25-30**
- **30-35**

Data Analysis





Qualitative Research

Semi-structured In-depth Interview

Pre-Questionnaire

Filter 1: Have you been living in Czech Republic for the last 3 years?
(Yes → Next filter)

Filter 2: Have you bought a beauty/personal care product in the last 3 months?
(Yes → Next filter)

Filter 3: Which of the following brands do you know?
Vichy Innéov Garnier L'Oréal Maybeline Lâncome Biotherm
Revlon Clinique Shiseido Avon Johnson&Johnson Coty
(If the interviewee knows Garnier + 1 benchmark → In-depth Interview)

Warm-up

Good morning / afternoon / evening. My name is __________ and I'm currently a master student of the CEMS-MIM program at VSE, elaborating my thesis. Due to this fact I'm conducting a research consumer goods consumption. For this purpose, I would like to interview you for approximately 60 minutes, by means of a depth-interview, which means that, for the most part, I will not ask you questions, but instead let you talk freely after the first initial question. This also means there are not right or wrong answers and you are free to say whatever comes to your mind on the subject. For the purpose of analysing our interviews later, if you don't mind, I will record the interview. All the data and findings will remain anonymous.

First question

"Can you please tell me about the last time you bought a beauty/personal care product? Such as skincare, styling or coloring."

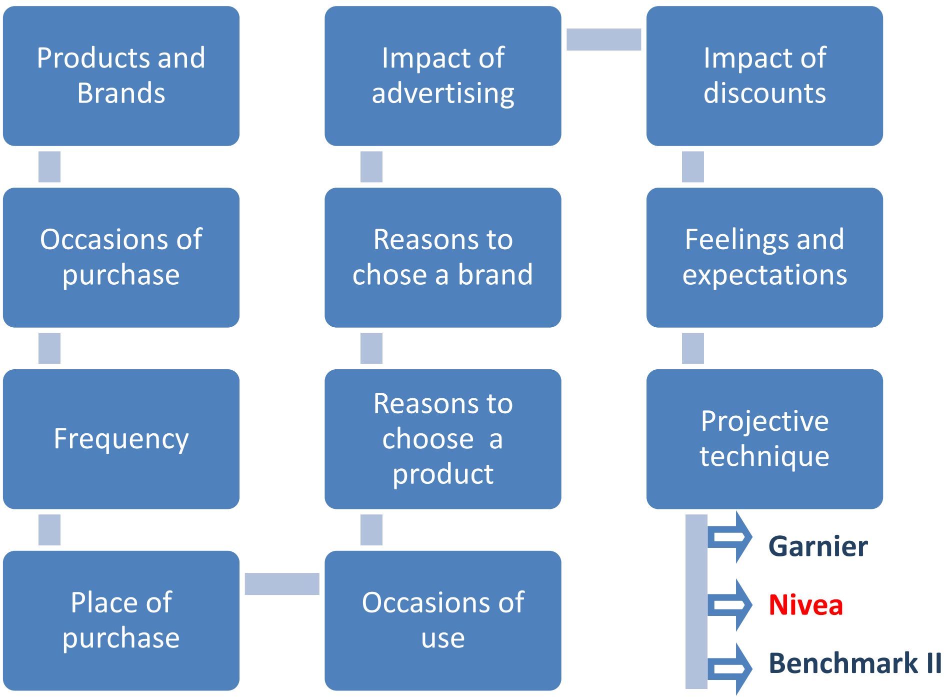
"Can you please tell me about your usage of beauty/personal care products? Such as skincare, styling or coloring. How do you chose them and why?"

Topics to be developed

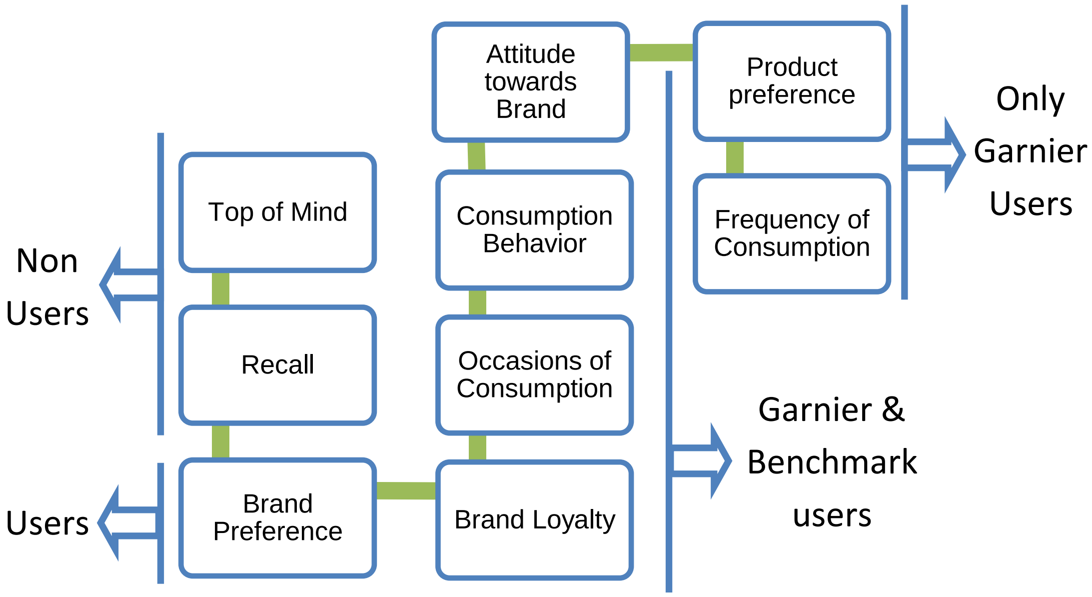
1. **Consumption habits**
   a. Products
   b. Reasons of purchasing
   c. Occasions of purchasing
   d. Frequency
   e. Place of purchasing: supermarket, local store, cosmetic store, etc.
   f. Time of consumption/use: more seasonal, daily-basis, etc.
2. **Feelings and expectations**
   a. Feelings associated with the product consumption: satisfaction, pleasure, etc.

   b. Expectations associated with the product consumption: quality standards, usage satisfaction, etc.

3. **Purchase Behavior**
   a. Brand chosen and the reason why;
   b. Impulsive/Planned purchase;
   c. Loyalty: choosing always the same product & brand VS. trying new ones;
   d. Reasons to chose the product: Price, Quality, Satisfaction, Size, Status;
   e. Impact of advertising in the choices: personality related to brand image, discounts, etc.
4. **Garnier's Image**
   a. <u>Projective technique – Comparison technique</u>
      i. If Garnier was a person, what kind of person would it be?
      ii. If "Benchmark I" was a person, what kind of person would it be?
      iii. If "Benchmark II" was a person, what kind of person would it be?
5. **Possible interview path**



Quantitative Research



General questions about beauty/personal care products

1. Questions to check if they are Gen Y.
2. Generic questions about cosmetics.
3. Have you been living in Czech Republic for the last 3 years?

   Yes/No

4. How much time do you spend online during a day on average?

   0 - ½ , ½ - 1…hours

5. How much time do you spend on social networks?

   0 - ½ , ½ - 1…hours

6. Which social networks do you use?

   Facebook, Twitter, LinkedIn, other, none

7. How much time do you spend watching TV during a day on average? (what stations?)
8. How much time do you spend listening to the radio during a day on average? (which one?)
9. Do you buy any magazines? (if yes, which ones)
10. Do you visit any "magazine" (*I don't know how to call them*) websites online? (if yes, which ones – prozeny.cz and so on)

11. Are you a follower of any kind of blog/vlog or tumblr? (If yes, which ones?)
12. Have you ever attended any commercial/promotional event?
13. Are you a member of any loyalty programs? (which ones?)
14. Which are the brands of beauty/personal care products that you know at least the name?

    (Open question)
15. From the following brands, which ones you know at least the name?

    (Exhaustive list of brands' images)
16. Did you buy any beauty/cosmetic/styling product in the last 6months?

    Yes/No (If "No" → go to demographics)
17. Where do you buy the beauty/cosmetic/styling products?
18. Which one of the following brands of beauty/personal care did you buy/used in the last 6months?

    (Exhaustive list of brands' images) (If Garnier or one of the benchmarks is not mentioned → go to demographics)
19. Which one is your favorite brand of beauty/personal care products?

    (Open question)
20. Which one is the brand of beauty/personal care products that you use the most?
21. If there is someone on the shopping mall offering you a free sample of a cosmetic product (shampoo, perfume, cream…) do you take it?

22. Which one of the following statements you identify with the most? (Select more than one option if applicable)
- I use more beauty/personal care products in the winter
- I use more beauty/personal care products in the summer
- I only use beauty/cosmetic/styling products in special occasions
- I use beauty/cosmetic/styling products on a daily basis
- I'm a heavy user of beauty/cosmetic/styling products
- I'm a medium user of beauty/cosmetic/styling products
- I'm a light user of beauty/cosmetic/styling products
- I buy my own beauty/cosmetic/styling products
- I don't buy my own beauty/cosmetic/styling products

Questions about Garnier and Benchmarks

The following questions will now be about specific brands.

You indicated that used the brand X in the last year.

With which one of the following statements you identify yourself more?

- I use more **X** products in the winter
- I use more **X** products in the summer
- I only use **X** products in special occasions
- I use **X** products on a daily basis
- I'm a heavy user of **X** products
- I'm a medium user of **X** products
- I'm a light user of **X** products
- I buy my own **X** products
- I don't buy my own **X** products
- I buy more than one product of brand **X**
- I only buy one product of brand **X**

If the product of brand X that I want is not available I chose: (Possibility of choosing more than one option)

	Completely disagree	Disagree	Don't agree or disagree	Agree	Completely agree
Other product of brand **X**					
Other brand					
I don't buy the product					

On a scale from 1 to 5, please select your position relatively to brand X

	1	2	3	4	5	
Not trustworthy						Trustworthy
Without quality						With quality
Out-dated						Modern
Introverted						Extroverted
Simple						Sophisticated
For young people						For older people

Questions only to Garnier Consumers

1. From the list below, which of the Garnier product(s) you buy/use more frequently?
2. Which one of the Garnier product(s) you bought/used in the last 6 months?
3. What do you appreciate about the Garnier products the most? (they work, smell, natural ingredients, packaging, price, nothing special, other)
4. Why do you prefer Garnier products instead of others? (they work, smell, natural ingredients, packaging, price, nothing special, other)

Demographics

Select your age (0-12 | 13-18 | 19-25 | 26-39 | 40-55 | >55)

Select your gender (Man | Woman)

Select your academic education level

- Primary-school
- Middle-school
- High-school
- Professional/artistic degree
- Bachelor
- Master degree
- Phd. degree

Select your profession

-…

-…