A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Can affirming Ultra Suave as the most natural brand in the mass market make it the market leader in Portugal?

Mariana Mendes Lino de Sousa, 40562
Rita Maria Guia Lucas, 40924
Teresa Maria Correia de Sampaio Barreiros Cardoso, 33754

Work project carried out under the supervision of:

Prof. Catherine da Silveira

02-01-2021

Abstract

Ultra Suave is a hair care brand from the L'Oréal Group, that belongs to the natural segment of the Portuguese hair care market, and that represents 14.2% of the total market share. Ultra Suave is the number two brand in Portugal. Even so, it has been losing market share, mainly due to it not being sufficiently perceived as a natural brand.

Ultra Suave is already taking actions that aim to emphasize its brand positioning of being perceived as a natural brand by consumers. As such, this Project addresses whether Ultra Suave can affirm itself as the most natural brand in the mass market in Portugal.

Keywords: Brand Management, Ultra Suave, Hair care market, Natural Segment

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

Table of Contents

1. Introduction

Ultra Suave, founded in 1982, is a daughter brand of Garnier, from the L'Oréal Group (Garnier Portugal, *A*, 2020).

In Portugal, Ultra Suave is the second brand in the hair care market, with a market share (MS) of 14.2%. It is positioned as the first brand in the natural segment of the hair care market, and this segment includes brands that mostly contain natural ingredients in their composition. Besides these achievements, Ultra Suave has been facing some issues:

1. **Ultra Suave is losing market share** (MS) since 2018, from 16.2% to 14.2% in year to date (YTD) 2020 (Appendix 1 – Nielsen, Briefing L'Oréal Portugal, 2020). It is losing market share in all product categories, contrary to the general trend (Appendix 2 – Nielsen, Briefing L'Oréal Portugal, 2020). This can be explained by:
   a. The entrance of new niche natural brands, which are brands that target small segments of consumers whose needs differ from those of the general market in the category. Their products contain ingredients from natural origins and normally have higher prices. These brands include: Ogx with 0.8% MS, Aussie with 0.5% MS, Maui Moisture with 0.2% MS, Beology with 0.2% MS, and Love Beauty and Planet with 0.1% MS. Altogether, they represent a value of 2 million years in sales (Appendix 3 – Nielsen, Briefing L'Oréal Portugal, 2020).
   b. The loss to private labels, which are distributor brands including Cien from Lidl, MyLabel from Continente and Be Beauty from Pingo Doce (Appendix 1 – Nielsen, Briefing L'Oréal Portugal, 2020). These brands are all copying Ultra Suave but are setting much lower prices, around 6 euros per litre, whilst Ultra Suave charges 14 euros per litre (Appendix 4 – Briefing L'Oréal Portugal, 2020).

c. The loss to Fructis and Herbal Essences, that have increased in sales, but also in MS (Appendix 3 – Nielsen, Briefing L'Oréal Portugal, 2020).

d. Lack of innovation, especially from 2019 to 2020, since in 2019 only one new line was launched, and in 2020, nothing was launched in the entire first semester (Appendix 5 – (Briefing L'Oréal Portugal, 2020).

2. **Ultra Suave's shoppers fell significantly** from 1,659,600 in 2016 to 1,270,300 in 2019 (Appendix 6 – Kantar, Briefing L'Oréal Portugal, 2020). One of the reasons for this to have happened was due to the past price war between Ultra Suave and Pantene. For a long time, Pantene offered a higher level of promotions (50%) than Ultra Suave (40%). Currently, both Ultra Suave and Pantene are on the 40% promotion mark. However, it took Pantene some years to align itself to Ultra Suave, and it was during that period that Ultra Suave lost its shoppers to Pantene.

3. **Ultra Suave is not recognized as an independent brand**. The distinction between Ultra Suave and Garnier is not clear for the consumers which blur the image of both brands.

4. **Ultra Suave is not perceived as a natural brand**. When consumers are asked to describe the brand, they do not refer to it as natural (Briefing L'Oréal Portugal, 2020). Consumers do not perceive Ultra Suave's product ingredients to be particularly natural, and so they do not pay attention to them. Many consumers associate the brand with unhealthy ingredients and plastic packages, rather than linking it to innovation and "naturality" (a concept referring to ingredients being of natural origins).

Ultra Suave decided to tackle these problems by taking actions in affirming itself as the most natural brand in the mass market, such as having launched the solid shampoo in September 2020.

In order to understand whether Ultra Suave can achieve this goal and consequently make it the market leader in Portugal, the main objectives of this Field Lab are:

1. To understand and differentiate between different consumers' patterns of behaviour.
2. To study consumers' decision journey, a model that illustrates the whole decision-making process of a customer (Appendix 7).
3. To identify the different perceptions consumers have about the concepts of "naturality" and sustainability in the hair care market.
4. To understand the difference in consumer's perception and usage between Ultra Suave, natural segment brands (including niche natural brands), mainstream brands (referring to those belonging to the cosmetics and professional segments in the hair care market, such as Pantene, Elvive, Gliss, and Tresemmé), and private labels.

The individual contributions of the team members aim to further investigate key questions related to the main objective. The first individual topic, *A - "How has the brand image of Ultra Suave changed since the launch of the solid shampoo?"* explores whether the most recent launch of Ultra Suave - the solid shampoo line - has contributed to start changing the brand image to a natural brand. The second topic, *B* - "*What can Ultra Suave do in order to succeed in the natural products driven consumer segment vs. Fructis and Herbal Essences?*", aims to investigate how Ultra Suave can recover its MS and the shoppers lost to the brands Fructis and Herbal Essences. The third, *C* - "*What can Ultra Suave do in order to succeed in the natural products driven consumer segment vs. niche natural brands?*", seeks to identify how Ultra Suave can recover its MS and the shoppers lost to niche natural brands.

2. Contextual Background

2.1. Hair care market in Portugal

The Portuguese haircare market has been growing since 2015, with a CAGR (Compound Annual Growth Rate) of 2.6% until 2019 (Appendix 8 – Nielsen, Briefing L'Oréal Portugal, 2020). In 2020 it slightly declined due to the current pandemic. However, the prospect of the market is to normalize and follow the growth trend (Briefing L'Oréal Portugal, 2020).

Consumers' behaviour has also changed as a consequence of the pandemic, since they have become more conscious and aware of social and environmental issues. On top of that, consumers are more concerned about their health and consequently more cautious regarding the brands they choose to buy (Netsonda, Briefing L'Oréal Portugal, 2020).

2.1.1 Trends

In Portugal, there is an increase in interest for hair care products made of natural ingredients and organic formulae (Euromonitor, 2020). Slow beauty is a concept that arises to create awareness among consumers to invest in more natural products that will also save the planet (The Green Beauty Concept, 2020).

Another tendency expanding to the beauty segment, including the hair care market, is the superfood trend. Consumers recognize superfoods as healthy ingredients that are beneficial to their own health and so, they are willing to spend more on hair care products that contain them (Nielsen, 2018).

2.1.2 Natural Segment

The natural segment makes up 30% of the total market and it refers to brands that contain mostly natural ingredients in their composition. In Portugal, in the mass market channel, the natural segment is composed by 12 brands: Ultra Suave, Fructis, Herbal Essences, Botanicals, Beology, Nature Moments, Johnson Baby, Le Petit Marsellais, Aussie, Love Beauty and Planet, Maui Moisture and Ogx (Appendix 9 – Nielsen, Briefing L'Oréal Portugal, 2020).

Despite the natural segment having a significant weight in the total Portuguese Haircare market, the first quarter of 2020 registered a 1.4% decrease. This decrease was driven by the decline of 180, 600 euros in sales faced by Ultra Suave, mainly to Fructis, Herbal Essences and Love Beauty and Planet (Appendix 9 – Nielsen, Briefing L'Oréal Portugal, 2020). The natural segment is expected to grow in the long term (Briefing L'Oréal Portugal, 2020). Giants of the hair care industry, such as Unilever and Procter & Gamble, have been acquiring small brands already positioned as natural, in order to mark a position for the future in this market segment.

2.1.3 Evolution of hair care categories

In terms of the evolution of the hair care categories, there has been a growth in shampoo, conditioner, and mask, whilst in waterless products (products that do not require water to be used) a decrease can be observed. The shampoo category has the largest weight in the market, representing 65%, followed by conditioner with 19%, mask with 9%, and waterless products with only 7.2% (Appendix 2 – Nielsen, Briefing L'Oréal Portugal, 2020).

2.1.4 Average Price Evolution

The Portuguese hair care market is highly promotional and Portuguese consumers are the most "Brand Switching" consumers in Europe (Nielsen, *Shopper Trends*, 2019). This means that they switch brands according to price promotions. However, brands are offering lower promotions, mainly seen in the L'Oréal and Procter & Gamble Groups, that have reduced them from 50% to 40%.

2.2. Ultra Suave in the Portuguese hair care market

Initially, Ultra Suave started as a range of four different shampoos inspired by nature, created according to each type of hair, and all formulas were made with "authentic receipts to take care of what is really important" (Koskas, 2020). It currently offers fourteen different lines of products for adults, and three for children (Garnier Portugal, B, 2020).

The brand's values are aligned with Garnier's and include: advocating for sustainable beauty that should be everyone's right; products' strength comes from nature; empowering people to embrace themselves and their natural beauty; and being family centered (L'Oréal, 2020). Over the years, Ultra Suave has maintained its brand identity that relies on products created to address different needs, that are inspired in nature and made with carefully selected natural ingredients that provide a sensory fragrance. Today, formulae are paraben and silicone free and all packages, except for the lid, are made with recycled plastic.

Within the natural segment, Ultra Suave's main competitors are Fructis, Herbal Essences, and niche natural brands that recently entered the natural market.

3. Addressing the Work Project's Challenge

3.1. Research Methodology

After analysing the secondary data provided by L'Oréal, which was the foundation of the project until this point, a primary research was conducted in order to deeply understand the reasons behind the problems faced by Ultra Suave. With the objective of developing detailed knowledge of consumers' patterns of behaviour with regards to hair care products, this research included both qualitative and quantitative methods, allowing for conclusions to be of greater value. This combination of methods was also important to ensure validation of the obtained information.

The following *Table 1* summarizes the methodology:

Table 1: Description of the Research Methodology

In-store observations	**Details:** Observation of 100 consumers according to an Observation Grid (Appendix 10) at three different Continente hypermarkets (C.C Colombo, C.C Vasco da Gama, and Telheiras), during different days and hours in a week. **Data collection period:** September 2020 **Purpose:** To have a general idea of the journey a consumer takes before purchasing a hair care product: what does the consumer consider, how does he/she evaluate a product, and how long does he/she take to decide on what to buy. **Limitations:** Observations were only conducted in 3 hypermarkets and only in Continente hypermarkets; limited to the geographical area of Lisbon; fewer male than female consumers were observed; observations took place in only one week, at certain selected time slots, meaning that since different brands are on promotions on different days and weeks, there could be a bias in the observations depending on the day; there was no background information on the people observed; age of the people observed determined according to the team members' own judgement, which could be inaccurate.
Qualitative Research	**In-depth Interviews**
	<u>Sample selection (pre-recruiting questionnaire)</u> **Details:** 500 respondents answered an online pre-recruiting questionnaire (Appendix 11). **Data collection period:** September 2020 **Purpose:** A necessary questionnaire, in order to pre-select the 30 respondents for the in-depth interviews, according to the desired requisites. The target for the in-depth interviews was chosen according to the problems identified. As such, the sampling frame was: 100% women; living in Portugal for the past 5 years; aged between 25 and 45; and that have bought hair care products for themselves or their household from Ultra Suave, natural segment brands, or private labels in the last 12 months.

	Interviews (in-depth semi-structured) **Details:** 30 interviews conducted remotely, via phone or video calls, following a semi structured Interview Guide (Appendix 12). Sample demographics: • 100% women; • 100% Portuguese; • Age: 21 aged between 25 and 29, 5 aged between 30 and 34, 3 aged between 35 and 39, and 2 aged between 40 and 45 (Appendix 13); • Level of Education: 6 had a Highschool diploma, 10 had a Bachelor's degree, and 14 had a Master's degree (Appendix 14); • 100% had purchased hair care products from Ultra Suave, 80% purchased other natural segment brands, and 37% purchased private labels in the last 12 months. **Data collection period:** October 2020 **Purpose:** Gather insights to better understand the difference in consumer's perception and usage between Ultra Suave, private labels and natural segment brands (including niche natural brands) by exploring brand images and consumers' decision journeys. **Limitations:** unequal distribution of the levels of education; most interviewees were from the personal networks of the team members, therefore ages were not well distributed; brands bought were not equally distributed; due to the current pandemic, interviews were conducted online, making it harder to identify any body language or expression given by the respondents.
Quantitative Research	**Online Survey**
	Details: 100 respondents answered the online survey (Appendix 15). Respondents were selected according to the following filters: • to be living in Portugal for the past 5 years; • have purchased a hair care product for themselves or for their household in the last 12 months, in a supermarket in Portugal; • recognize at least Ultra Suave's brand name.

	Data collection period: November 2020 **Purpose**: Quantitative insights to support or not the assumptions gathered from the qualitative in-depth interviews. **Limitations:** there was an unequal distribution of levels of education, possibly because of the majority of interviewees being from the personal networks of the team members; possible bias in results from respondents not sufficiently knowing brands but judging them based on the images shown.

3.2. Research Insights

3.2.1. Insights from the in store observations

The analysis starts by presenting the insights obtained from the in-store observations conducted, in order to have an initial general idea of how consumers behave with regards to hair care products. Additionally, the in-store observations were conducted to serve as a guiding tool on how to approach the analysis of the qualitative interviews and quantitative questionnaire.

When conducting the in-store observations, the most obvious and significant insights obtained were the following:

- The shoppers were mainly female (90% of the 100 observed consumers). From the 90% female shoppers, 57% shopped alone.
- The majority of consumers chose in the moment, in front of the shelves (70% of the 100 observed consumers).
- The remaining 30% of consumers had a brand/product in mind, but still had a look at what was new.
- Consumers tended to go after specific products for their hair types.
- Promotions were highly prioritized and influenced purchases (63% of the 100 observed consumers).

- 40% of the observed consumers read the labels on the products.
- Ultra Suave's solid shampoo attracted 15% of shoppers' attention.
- Natural brands, excluding Ultra Suave, were purchased by 30% of the 100 observed shoppers.
- Niche natural brands were purchased by two types of consumers: those that only noticed the products due to being on promotion, and those that went directly to get a specific product, indicating that they already knew it.

3.2.2. Insights from the in-depth interviews and the quantitative questionnaire

Insights are presented with corresponding quotes, extracted from the conducted interviews and, when applicable, results from the quantitative research. The quotations referring to the in-depth interviews follow the format: (Occupation, age, brand recently bought).

The quantitative numbers related to the attributes, classified on a scale of 1 to 5, that influence the purchase decisions of hair care products for consumers, were obtained by: grouping classifications 1 and 2 as attributes not influencing decisions, 3 as an attribute considered indifferent, and 4 and 5 grouped as attributes that influence decisions for respondents. (Appendix 15, Question 7)

3.2.1.1 Three consumer segments

Three different patterns of behaviour were identified through the in-depth interviews: *promotion driven consumers* (47% of the quantitative sample), *natural products driven consumers* (18%), and *beautiful hair driven consumers* (20%). The remaining 15 % were split into three different marginal behaviors. They were considered not to be of great significance for this analysis on Ultra Suave.

It is important to note that the three main segments emerged initially from the qualitative research analysis with convergent proportions in the quantitative research.

The following table summarizes these results:

Table 2: Results from Qualitative and Quantitative Research

	Qualitative Research n=30	Quantitative Online Survey n=100
Promotion driven consumers	13/30	47%
Natural products driven consumers	11/30	18%
Beautiful hair driven consumers	6/30	20%

Each segment's description as well as its respective Consumer Decision Journey (CDJ - McKinsey & Company, 2009) is presented below. The Consumer Decision Journey is a model that illustrates the whole decision-making process of a customer (Appendix 7).

A. ***Promotion driven segment*** **(47%):** composed by consumers that are essentially motivated to purchase hair care products based on ongoing promotions at the supermarket. The participants belonging to this group, stated that hair care products have a normal to low weight in their monthly baskets, since they buy few products and small quantities: *"I usually buy one unit of each at a time."* (Housecleaner, 44, Ultra Suave) and *"I only buy the necessary products for my hygiene purposes."* (Vet, 27, Tresemmé). Yet, all the *promotion driven interviewees* consider it extremely important to have their hair well-treated and clean: *"I think my hair is the first thing people see in me, it's my 'visiting card'."* (Hospital Receptionist, 26, Tresemmé).

The CDJ's stages for this segment are visually represented and developed below:

F*igure 1: CDJ of promotion driven consumers*

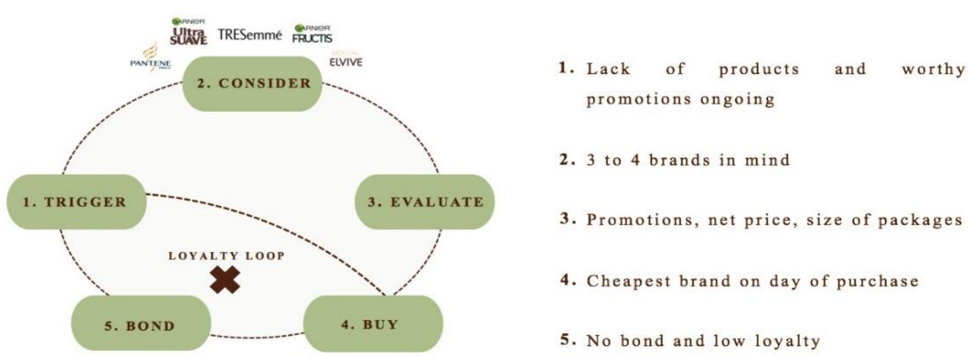


Table 3: CDJ description of promotion driven consumers

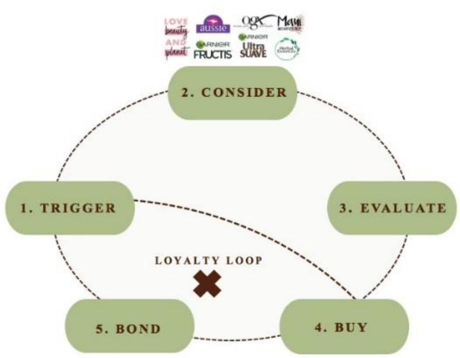
***Promotion driven consumers* (47% of the 100 respondents)**	
Trigger	Interviewees are triggered to go shopping for hair care products when they have **lack of** these **products** for hygiene purposes or when there are **worthy promotions** ongoing.
Consider	Consumers have **3 to 4 brands** in **mind**. Given that respondents could select more than one option, among the considered brands are: **Ultra Suave** (by 55% of the 47 *promotion driven respondents*), **Fructis** (34%), **Pantene** (62%), **Tresemmé** (40%), and finally **Elvive** (30%). Private Labels are not among interviewees' 3 to 4 preferred brands. However, they are also not disregarded. The only brand bought in the last 12 months was Cien, by few respondents (15%). Participants believe that branded products on promotion are a better deal, even if at a slightly higher price: *"I have positive perceptions of private labels, but I only buy them if I see nothing else on promotion."* (Vet, 27, Tresemmé). These brands are considered due to respondents' past experiences of, being rather satisfied with the products. The attributes they consider being the most important are: products fitting their **types of hair (96%** of the 47 *promotion driven respondents***),** the **fragrance (96%)**, and the **final results (96%)**. The respondents do not shop with a list and so do not preselect at home. Their final decision is taken in front of the supermarket shelves.
Evaluate	Respondents base their decisions firstly on **promotions (96%** of the 47 *promotion driven consumers*) and secondly on **net price (91%)**, among their preferred brands. Moreover, the **size** might influence the decisions **(85%),** since these consumers are price sensitive, and bigger packages normally correspond to better deals in terms of price.
Buy	From the initially considered 3 to 4 preferred brands, interviewees buy the **cheapest** brand on that day, considering the evaluation criteria exposed above.

Bond	Finally, consumers do not create strong engagement with the brand. However, they are also not unsatisfied and so, the next time they have lack of products, they will **restart** the whole **journey** again, most likely keeping the same set of brands in their initial consideration stage.

B. ***Natural products driven consumers*** **(18%):** engaged with the hair care category, since they are worried about the composition of ingredients in products. In this segment, hair care products have a medium to large weight in respondents' monthly basket since they normally buy more expensive products: *"Large weight since products with natural ingredients, vegan, are usually more expensive, but worth the money."* (Store manager, 28, Love Beauty and Planet). Despite the importance of products' ingredients, hair appearance is likewise very important for all these participants: *"A bad hair day really messes my whole day."* (Dentist, 25, Fructis).

The CDJ's stages for this segment are visually represented and developed below:

Figure 2: CDJ of natural products driven consumers



1. Lack of products and out of curiosity to check new products
2. Strong idea of the brand they want to buy
3. Promotions ongoing and Price/Quality ratio
4. Brand they had in mind if price is reasonable
5. No bond and low loyalty

Table 4: CDJ description of natural products driven consumers

***Natural products driven consumers* (18% of the 100 respondents)**	
Trigger	Interviewees are triggered to go shopping when they have **lack** of hair care **products** for hygiene purposes or out of **curiosity** to check what **new** products are in the market.
Consider	Consumers usually have a strong idea of the brands they want to buy, being more **engaged** with the category. The brands they have in mind are based on the **natural ingredients** they contain, being this the most important product attribute for all the respondents (**100%** of the 18 *natural products driven respondents*), and based on what has been **recommended online (72%),** either from reviews or from blog experts, such as the Curly Girl Method blog (a hair care blog that suggests treatments and products with less damaging, and healthy ingredients according to hair needs and types). Generally, the brands considered by respondents belonging to this segment, are perceived as natural and sustainable, and were identified by taking into account the most bought brands, in the last 12 months. These brands include **Ultra Suave** (61% of the 18 *natural products driven respondents*), **Fructis** (56%), **Herbal Essences** (56%), and the **niche natural brands**: Aussie (22%), Ogx (28%), Love Beauty and Planet (33%), and Maui (17%). Beology was, in this case, discarded from the initial list of the niche natural brands, since none of the respondents knew or had purchased this brand, until the moment of answering the questionnaire or being interviewed. Additionally, this group does not consider or buy private label brands: "*I never consider them. They steal what other brands work and invest a lot in to build and then do cheap copies.*" (Student, 25, Love Beauty and Planet). Even though having a strong inclination towards one brand, the final decision for these consumers is normally made in front of the supermarket shelves, because they like to **read the labels** on the packages and see what is **new** in the market. As such, they usually end up taking more time in their decision making.

Evaluate	Once consumers have their considered brands in mind, they then evaluate them based on a combination of factors: **ongoing promotions (83%** of the 18 *natural products driven respondents*) and product **price/quality ratio (100%).** Although having a strong idea of what they will buy, **influences** from others may also make them change their mind.
Buy	Consumers either buy what they already had in mind if the **price** is **reasonable**, or change the brand if it is **not** on **promotion**, or if they see a product or brand which they have received a positive **recommendation** or feedback next to the one they wanted to purchase.
Bond	Despite the stronger consumer engagement with the category, there is no solid brand choice, and so there is **no bond** and low loyalty. As such, consumers will start the consideration stage again, and are likely to go back to the store with the brands they considered natural or sustainable in mind.

C. ***Beautiful hair driven consumers* (20%):** are highly engaged with the hair care category, and very concerned with aesthetic results. All the participants belonging to this sub segment consider hair appearance to be extremely important: *"A good hair has a great impact on my self-esteem and it is really visual."* (Sales and communication representative, 27, Ogx). Similar to the *natural products driven consumer segment*, these respondents mention that hair care products have medium to large weights in their monthly basket. The reason for this is that consumers use several products for their hair besides shampoo and conditioner, such as mask, hair oil and dry shampoo: *"Large weight since for me, hair is what most defines beauty, so I am willing to buy many hair products."* (Consultant, 29, Gliss).

Additionally, they like to be up to date with the latest hair care trends and novelties, and hence they follow many brands on social media.

The CDJ's stages for this segment are visually represented and developed below:

Figure 3: CDJ of beautiful hair driven consumers

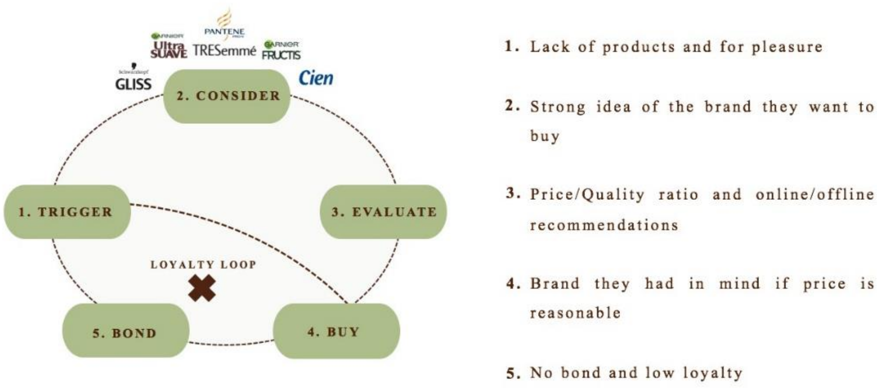


Table 5: CDJ description of beautiful hair driven consumers

***Beautiful hair driven consumers* (20% of the 100 respondents)**	
Trigger	Interviewees are triggered either when they have **lack** of hair care **products** for hygiene purposes or by **pleasure**, to either enhance the aesthetic aspect or the treatment of their hair.
Consider	Consumers have a **strong idea** of the brand they want to buy, being engaged with the category. However, the brands they have in mind are based on different aspects. These consumers give importance to the **final aesthetic result** on their hair **(100%** of the 20 *beautiful hair driven respondents*)**,** and to what has been **recommended online (75%),** from reading reviews, and **offline**, from friends or family **(80%)**. Moreover, all respondents give importance to the products' **fragrance**. The brands considered by participants belonging to this segment were found by taking into account the most purchased brands, in the last 12 months. These brands include **Ultra Suave** (50% of the 20 *beautiful hair driven respondents*), **Fructis** (45%), **Cien** (20%), **Tresemmé** (50%), **Gliss** (35%), and **Pantene** (50%). Interestingly, this group of consumers considers only one particular **private label** brand. This private label is **Cien**, considered since this group of engaged consumers is aware of ultimate news. As such, they highly trust Cien's quality from having been recently awarded with several **prizes**: *"I read articles stating Cien's high quality and I wanted to try it. I liked the results.*" (Vet, 26, Fructis).

	For these consumers, the final decision is normally made in front of the supermarket shelves because they like to see what new products are in the market.
Evaluate	Participants base their decisions on a combination of factors such as products' **price/quality ratio (85%** of the 20 *beautiful hair driven respondents*) and **recommendations** or influences from third parties **(75%).**
Buy	Consumers buy what they already had in mind if the **price** is **reasonable**, or they can change the brand considered if they see a product or brand on which they have received a positive **recommendation**.
Bond	Despite the stronger consumer engagement with the category, there is still no solid choice, and so there is **no bond** and low loyalty. Hence, consumers will start the consideration stage again, and are likely to go back to the store with the brands they considered to have good aesthetic results in mind.

3.2.3. Overall Perceptions on "Naturality" and Sustainability

It was possible to understand that "naturality" and sustainability are not perceived nor prioritized in purchase decisions in the same way by the three different consumer segments.

According to our qualitative research, respondents define the concept of "naturality" as related to the natural ingredients of the products, meaning products being composed by ingredients of natural origins and with evidence of chemical and harmful free substances. Regarding sustainability, respondents consider this concept to be related to sustainable packaging, including if packages are made of recycled plastic, if packages are plastic free, or if packages are made of recyclable material.

A. ***Promotion driven consumers*** **(47%)**: natural ingredients are not a determining factor in their purchase decisions. Reasons for such insight include: (1) natural products are perceived as more expensive than non-natural ones, (2) respondents prioritize other aspects, such as the type of hair for which a specific product is for, and its fragrance, (3) and some respondents only use natural products in very specific circumstances, such as after hair treatments. Even so, *promotion driven consumers* identify certain brands that, according to them, contain natural ingredients: Ultra Suave (53% of the 47 *promotion driven respondents*), Herbal Essences and Fructis, both with the same number of respondents (57%). All 47 respondents stated that they prioritize final aesthetic results over natural ingredients. In fact, respondents do not envision the lack of natural ingredients as a problem (85% of the 47 *promotion driven consumers*), since they do not care about this, and do not refer to it as a possible concern. Furthermore, some think that brands sold in the supermarkets cannot be natural (30%), believing that what distinguishes brands with natural claims is the marketing strategy behind them: "*I think that there are no natural brands at the supermarket. It is all about marketing and packaging.*" (Marketing & Advertising, 31, Fructis).

Regarding sustainable packages, all 47 respondents believe this is a concern. However, the majority (85% of the 47 *promotion driven consumers*), still does not take this factor in consideration when deciding what product or brand to purchase: "*I worry and care about these issues, but I do not act on them.*" (Vet, 27, Tresemmé). Even so, *promotion driven consumers* have a perception of which brand is the most sustainable (respondents could select more than one brand): Love Beauty and Planet (21% of the 47 *promotion driven consumers*), Ultra Suave (19%), Herbal Essences (17%), Fructis (17%), and Maui Moisture (9%). The remaining respondents think that no brand has sustainable packages (40%).

B. ***Natural products driven consumers* (18%):** natural ingredients play determining role in their purchase decisions. For the majority of respondents from this segment, this has been a recent concern.

This segment is extremely engaged with the hair care category, researching a lot about products' composition and innovations (such as the solid shampoo, with 33% of respondents knowing about it) in blogs such as the Curly Girl Method and websites. Those consumers also spend time reading the labels of hair care products when they are at physical stores: "*Now that I have started reading about ingredients, I think it is important. I even have vegan make-up.*" (Student, 25, Herbal Essences). Some of them focus more on the percentage of ingredients of natural origins that a product is composed by (61% of respondents), whereas others avoid buying products with ingredients that they consider harmful, such as sulfates and parabens (50%). Additionally, most of the interviewees stated that they think products with more natural ingredients are both better for their hair and also for their health. Furthermore, vegan (44% of the 18 *natural products driven respondents*) and cruelty-free (61%) products are considered in purchasing decisions but, in general, respondents would not abdicate their preferred products/brands for them. However, some respondents prioritize cruelty-free (22%), and only buy products that explicitly show that they do not test on animals. Overall, given that respondents could select more than one brand, the brands considered most natural by this segment are: Herbal Essences (by 44% of the 18 *natural products driven respondents*), Maui Moisture (39%), Ultra Suave (55%), and Love Beauty and Planet (55%).

For this group of consumers, sustainable packaging is a determining factor in purchasing decisions. All 18 participants try to make the most conscious choice by purchasing packages made of recycled plastic (50% of the 18 *natural products driven consumers*), packages of recyclable plastic (50%), and also plastic-free packages (33%): "*Almost all products I buy have recycled packages. I give priority to this.*" (Human Resources Manager, 29, Ultra Suave).

The brand considered by this group of consumers as having the most sustainable packages was by far Love Beauty and Planet (39% of the 18 *natural products driven consumers*).

C. ***Beautiful hair driven consumers*** **(20%)**: do not consider natural ingredients as an important factor in their purchase decisions, as for all 20 respondents, aesthetic results are more important to them: "*I do not give importance to the ingredients or composition of products. Since I have curly hair, I only care if products leave my hair with the perfect curls.*" (Informatics, 30, Fructis). This group is not concerned about products' composition (75% of the 20 *beautiful hair driven respondents*). Rather, what engages this segment is having the hair with the desired results they are looking for (100%). Even so, respondents are still able to identify Herbal Essences as having natural ingredients, through its name, logo, image, and fragrance (75%).

On the contrary, respondents are worried about the future of the planet, hence sustainability is a factor that somewhat influences the purchase decision of this group of consumers. The brands considered the most sustainable by this segment are (more than one brand can be selected): Ultra Suave (42% of the 20 *beautiful hair driven consumers*), Fructis (33%), and Love Beauty and Planet (25%). Some *beautiful hair driven consumers* gave extreme importance to this factor (60%), considering it determining in their decisions on what products to buy. Additionally, all 20 of them mentioned they tried to make the most conscious choices they could, considering buying more environmentally friendly solutions, such as solid products that are plastic-free, in order to reduce the negative impact they have on the environment: "*I want to try the solid shampoo of Ultra Suave not just because of the innovation, but because it does not use plastic, which is a positive step towards sustainability.*" (Journalist, 34, Gliss). Nonetheless, some respondents did not consider any brand to have sustainable packaging (40% of the 20 *beautiful hair driven consumers*).

3.2.2 Brand Perceptions

The analysis of the consumer decision journey of the three segments of consumers demonstrates that each one considers a different set of brands in their consideration stage. However, both the brands Ultra Suave and Fructis appear in all sets, being considered by the three different consumer's segments. This paradoxical insight can be interpreted in two ways:

1) Those brands are multifaceted since they both offer similar pricing and promotions, hence are considered by the *promotion driven respondents*. On the other hand, they provide good results to the hair, so are considered by *beautiful hair driven respondents*. Lastly, they have natural ingredients in their products' composition, so are also considered by *natural products driven consumers*.
2) The brands are never the number one brand of any consumer segment, in terms of price, aesthetic results, and natural ingredients.

The table below visually represents which brand perceptions of each consumer segment will be developed:

Table 6: Brands considered by each consumer segment represented by "X".

	Promotion driven consumers	***Natural products driven consumers***	***Beautiful hair driven consumers***
Ultra Suave	**X**	**X**	**X**
Fructis	**X**	**X**	**X**
Tresemmé	**X**		**X**
Pantene	**X**		**X**
Elvive	**X**		
Gliss			**X**
Cien			**X**
Herbal Essences		**X**	
Aussie		**X**	
Ogx		**X**	
Maui Moisture		**X**	
Love Beauty and Planet		**X**	

The following tables describe the brand perceptions of Ultra Suave and its main competitors according to each consumer segment. Please note that the brands considered by the *natural products driven consumer segment* are developed in the individual work questions *B* and *C*, since they aim to understand how Ultra Suave can better succeed than other natural brands that are gaining market share in this segment. The percentages showed on the following tables are relative to the number of individuals in each consumer segment that have perceptions on brands. It is worth noting that Tresemmé, Pantene, Elvive, and Gliss do not have percentages since the brands' perceptions were not the focus of this Project.

Table 7: Ultra Suave's brand perceptions

	Ultra Suave
Promotion driven consumers (47% of the 100 respondents)	• Know the brand for a **long time**: from having used it during childhood, from buying it for their children or simply from the supermarket. • Seen as a **traditional** (by 70% of respondents) and **family-oriented** brand connected to families and to childhood (by 87%): *"I can't even remember since when do I know the brand. I remember that my mother used to buy us the peach shampoo that didn't make our eyes sting."* (Hospital Receptionist, 26, Tresemmé). • A **trustworthy** brand in terms of its products' quality and results. • Reminds respondents of a specific **good fragrance** and a smooth hair texture (by 91%). • Perceived as working for **all types of hair** (85%) and leaving the hair as desired (96%). • Respondents recognize the **variety** of different **product ranges** the brand has available. In fact, some only buy the Chamomile line of Ultra Suave as they aim to have lighter hair. • Considered to offer products at a **good price quality ratio**. • Occupies a **large area of shelves** at the supermarket, with characteristic

	packaging and colours, standing out during the purchase decision moment of the respondents (66%): *“I think it is a good brand that stays in people’s memories because of using it as a child, but it is also seen everywhere and occupies a lot of the supermarket.”* (Photographer, 27, Elvive). For these reasons, it is usually incorporated among the brands considered by interviewees when they go shopping.
Natural products driven consumers (18% of the 100 respondents)	• Know the brand for a **long time:** from either having used it during childhood or from supermarkets. • Seen as a **traditional** (by 67% of respondents) and **family-oriented** (89%) brand that can be used throughout all stages of life. • Ultra Suave is perceived in **two** distinct ways: 1. Some **perceive it as being natural (39%)** due to: • Awareness of the brand’s products containing ingredients of **natural origins**, **vegan** product formulas (57%), **innovating** products, or because they were told by others: *“My pharmacist friend only uses pharmaceutical hair care products and Ultra Suave because it is one the most natural brands at the supermarket. That’s why I also use it.”* (Human Resources Manager, 29, Ultra Suave). • Yet, it is **not** seen as the **most natural** brand: *“A trustable brand, but less natural than other brands that I use.”* (Student, 25, Love Beauty and Planet). • Hardly recalled advertisements (71%), weak presence and dull content on social media. 2. Others **do not perceive the brand as natural (50%)** due to: • **Chemical** ingredients and **plastic** packages of products (78%). • **Cheap** brand, disregarding the possibility of it being natural. • Very good **short-term results**, however, in the long-term, these good results are not seen or felt anymore, making products being seen as negatively impacting the scalp health:

	"The brand seems to have a 'makeup effect'. Results at the first, second and third time you use it are great but then the scalp gets addicted and it seems to be very harmful to your health." (Student, 30, Fructis). • Regardless of the "naturality" aspect, Ultra Suave is perceived as a brand for **all types of hair** (72%).
Beautiful hair driven consumers (20% of the 100 respondents)	• Know the brand for a **long time**: from having used it during childhood or from supermarkets. • Recognized as a **traditional** brand (65% of the respondents). • Characterized as having a **good price/quality** ratio. • **Not** considered to be a **natural** brand (60%). • Described by all as having **good fragrance**. • Refer to products leaving the hair with **desired results** (80%). • Some consumers (30%) think that the brand **lacks** some products for **specific hair needs** such as for curly hair and dandruff issues: *"Not adaptable to every type of hair and lacks some kinds of products such as hair foam."* (Informatics, 30, Fructis) • Perceived as having a **large variety** of products (70%). • Considered an ***avant garde*** brand, due to the recent launch of the solid shampoo: *"I want to experiment the solid shampoo of Ultra Suave not just because of the innovation, but also because it does not use plastic, which is a positive step towards sustainability."* (Journalist, 34, Gliss). • However, it is **not** considered a very **sustainable** brand (85%). • Brands **social media** page considered to be dull and messy (60%).

Table 8: Fructis's brand perceptions

	Fructis
Promotion driven consumers	• Know the brand for **a long time**: from brand's TV advertisements (recalled perfectly by 73% of participants), or from the supermarket. • Perceived as being for **every type of hair** and **specific needs** (80%).

(44% of the 100 respondents)	• All respondents stated that the **fragrance** of the brand's products is **pleasant.** • **Not** seen as **natural** but rather as a regular supermarket brand (66%). • Some participants associate Fructis to "naturality" due to the ingredients and packaging of its specific hair food line. • Respondents are **satisfied** with their **hair's final results** (78%). • Described as being a **forgotten** brand. However, the brand has currently been having more visibility due to the launch of the new hair food line: *"I have known Fructis for a long time, but I tried it more recently because of the hair food line. The banana mask smells amazing and fits my hair perfectly."* (Marketing & Advertising, 31, Fructis). • Mostly considered if it is on promotion, with some respondents stating that the brands **promotions** are quite **good** (67%).
Natural products driven consumers (16% of the 100 respondents)	To be explored in the individual topic question *B: "What can Ultra Suave do in order to succeed in the natural products driven consumer segment compared to what Fructis and Herbal Essences are already doing?"*.
Beautiful hair driven consumers (18% of the 100 respondents)	• Know the brand for a **long time**: due to its strong presence at supermarkets. • Perceived as fitting **all hair types** (78%) and **all hair needs**, especially for curly hair: *"I frequently use the brand because in my opinion their products for curly hair show good results and fit my curls perfectly."* (Informatics, 30, Fructis). • Recognized as a brand that leaves the hair with **good** and **desired results** (78%). • Recall **online recommendations** in blogs or websites, such as the Curly Girl Method (56%), which motivate respondents to try the brand. • Considered to be somewhat **sustainable** (39%), especially since the launch of the hair food line, which respondents consider having less plastic on its packages: *"I buy the hair food shampoos since I like the results but also this line is super sustainable. I see this in their packages that are malleable and seem to contain less plastic."* (Teacher, 32, Fructis).

Table 9: Tresemmé's brand perceptions

	Tresemmé
Promotion driven consumers	• Known for a **long time**, especially due to the brand's **constant promotions**. • Associated with **large volume** packages at very **good prices**, this being the main reason behind purchase: *"Tresemmé is usually part of my options because it is frequently on promotion and lasts forever."* (Housecleaner, 44, Ultra Suave). • Perceived as having **good quality**, providing great results for the hair and being **durable**.
Beautiful hair driven consumers	• Know brand for a **long time:** through online recommendations or from supermarkets. • Recognized as having **excellent quality**, being frequently compared to hairdresser **professional** brands due to its high **effectiveness** and final **aesthetic** results: *"I always prefer the closest to professional products within the mass market. It makes a difference on how the hair looks and on the amount of times I wash it, so its durability."* (Vet, 27, Tresemmé). • Highlighted as a **modern** brand since it offers professional results without wasting much time. • Acknowledged as an **enduring** brand, due to its large package sizes, allowing less often shopping.

Table 10: Pantene's brand perceptions

	Pantene
Promotion driven consumers	• Known for a **long time**, especially due to the brand's **constant promotions**. • Associated with **large volume** packages at very **good prices**, this being the main reason behind purchase: *"Tresemmé is usually part of my options because it is frequently on promotion and*

	lasts forever." (Housecleaner, 44, Ultra Suave). • Perceived as having **good quality**, providing great results for the hair and being **durable**.
Beautiful hair driven consumers	• Know brand for a **long time** from it being a historical brand, with strong presence on TV advertisements, radio, and supermarket shelves. • Associated to **very good** hair **treatments.** • A safe and trustful choice: *"Pantene is the brand I buy that never disappoints."* (Vet, 26, Fructis). • A characteristic good **fragrance.**

Table 11: Elvive's brand perceptions

	Elvive
Promotion driven consumers	• Know the brand since a **long time**, mainly from supermarkets. • Perceived as a brand that responds to a **range of feminine needs**, by offering a diverse variety of products for all types of hair, including for **coloured hair.** • Provides **good** hair **results**.

Table 12: Gliss's brand perceptions

	Gliss
Beautiful hair driven consumers	• Know brand for a **long time** from supermarkets. • Perceived as **enhancing** one's **natural beauty**, giving a feeling of having left the **hairdresser**. • Recognized as having products for **coloured hair**, respondents refer to the brand as having an **elegant image**. • Willing to pay more money for results given: *"I don't mind paying a little more for Gliss because I prefer the results."* (Consultant, 29, Gliss).

Table 13: Cien's brand perceptions

	Cien
Beautiful hair driven consumers (14% of the 100 respondents*)*	• Know the brand more **recently** from having used and having been very satisfied with other products (such as body lotions) of the brand, from **recommendations** of friends or from published studies that announced the **prizes** Cien has been receiving due to its products' quality. • Considered good and fitting **all types of hair** (64%). • **Restrictive** in terms of **fragrance**, offering little choice. • Identified by its **cheap** products (79%), but requiring more quantity per usage due to producing less foam than other brands' products. • **Not** seen as **first option** brand, since respondents are willing to spend more money on products for their hair: *"Everyone talks really well about Cien, so I decided to try it. Despite having liked the results, I am willing to spend more on products that leave my hair exactly as I want it. But it is a good solution for an emergency situation."* (Sales and communication representative, 27, Ogx).

4. Implications for Ultra Suave

Ultra Suave is considered by all consumer segments, meaning that it is an important brand for all those that prioritize promotions, but also to those that prioritize attributes such as "naturality" and aesthetic appearance. Even so, it aims to affirm itself as the most natural brand in every consumer segment.

For the *promotion driven consumers*, Ultra Suave is incorporated in their considered brands since it is a trustworthy brand, with good fragrance, and is perceived as "for all". It is also distinguished for offering products for all types of hair at a good price/quality ratio. For this segment, promotions are the decisive factor in consumers' purchase decisions, so brands are used interchangeably depending on their promotions. As seen from the in-store observations, 63% of the 100 observed shoppers' decisions were based on promotions, taken in front of the supermarket shelves. As such, the question for this consumer segment is: **If all brands considered are at the same net price (all on promotion), would Ultra Suave make the difference through a natural identity and positioning?** In the short term, affirming Ultra Suave as a natural brand might not increase MS for the *promotion driven consumers*, since products' "naturality" and sustainability are not important for them, hence their purchase decisions are not influenced by this. However, since in the long term the "naturality" trend is expected to grow, consumers may switch to the *natural products driven consumer segment*, if the product's quality price level remains the same. In this case, Ultra Suave's goal could be achieved.

The *beautiful hair driven consumers* perceive Ultra Suave as offering products with a good price/quality ratio, but not seen as the most performing brand, lacking products for specific hair needs. These consumers do not consider products' "naturality" as an important factor in their purchase decisions, rather, they give extreme importance firstly to the final aesthetic appearance of their hair, and secondly, to the sustainability of packages. The question here is therefore: **How to better convey the sustainability of Ultra Suave as this aspect is more valued by this segment than "naturality"?** Garnier, the mother brand of Ultra Suave, is the world leader in Green Beauty, being disruptive in sustainable solutions. Since Ultra Suave cannot distinguish itself through the aesthetic results it delivers, the way to capture this segment is through focusing on communicating the sustainability aspect of the brand. Innovating products is an essential step towards achieving this, which Ultra Suave has been doing by recently launching the solid shampoo (topic to be further developed in the individual work question *A*).

In the case of the *natural products driven consumers*, some perceive Ultra Suave as a natural brand and others do not. In the short term, this is the consumer segment where Ultra Suave may affirm itself as the most natural brand, given the importance this group assigns to products' natural ingredients. Since the *natural products driven segment* is expected to grow, Ultra Suave needs to invest in this segment. The main challenges are:

1. Those who consider Ultra Suave natural, do not consider it the most natural brand in the mass market channel, since they believe that there are other brands that better meet their requirements concerning "naturality". From the in-store observations, 30% of other natural brands were bought by consumers over Ultra Suave.
2. Those who do not consider Ultra Suave natural due to perceptions of it containing chemical ingredients and having plastic packages. Additionally, the fact that it is considered a cheap brand, disregards the possibility of it being natural, for these consumers.

These might constitute a threat and therefore deserve further investigation that is addressed in the individual topics *B* and *C*.

5. Limitations

Besides the limitations already presented in the methodology section, this project also faced some additional limitations:

1. The current pandemic situation impacted the development of this project since communications were complicated, not only among the team members, but also with the external collaborators to our project (L'Oréal Team, and interviewees).
2. The sample size of the segments created is not representative of the whole population. The allocation of consumers to each segment was based on the analysis of the information provided by them, which may not have been completely accurate, since it depended on their involvement and knowledge on the topic.
3. Uncertainty on how well the recommendations can be implemented by Ultra Suave, since firstly it is dependent on Garnier's values and actions, and secondly, the recommendations are based on the trend that "naturality" is expected to grow over the years, which is only an assumption.

6. References

Euromonitor. 2020. “Hair care in Portugal.” Accessed September 2020. https://www.euromonitor.com/hair-care-in-portugal/report

Garnier. A. 2020. “Legado.” Accessed September 2020. https://www.garnier.pt/sobre-garnier/legado

Garnier. B. 2020. “As nossas marcas, Ultra Suave.” Accessed September 2020. https://www.garnier.pt/as-nossas-marcas/ultra-suave

Grande Consumo. 2019. “89% dos consumidores experimentam novas marcas.” Accessed October 2020. https://grandeconsumo.com/89-dos-consumidores-experimenta-novas-marcas/#.X9n_2y3M17p

Kantar. 2020. “A luta das marcas por um cabelo mais forte.” Accessed September 2020. https://www.kantarworldpanel.com/pt/news/A-luta-das-marcas-por-um-cabelo-mais-forte

Koskas, Adrien. 2020. “Consumer Products Division - Garnier.” L’Oréal. Accessed September 2020. https://www.loreal.com/en/consumer-products-division/garnier/#:~:text=Green%20Beauty%20is%20set%20to,accessible%20to%20all%20of%20us

L’Oréal. 2020. “Consumer Products Division - Garnier.” Accessed September 2020. https://www.loreal.com/en/consumer-products-division/garnier/#:~:text=Green%20Beauty%20is%20set%20to,accessible%20to%20all%20of%20us

Melo, Tiago. 2020. *Briefing L’Oréal Portugal* Slides, L’Oréal Portugal

Nielsen. 2018. “The Future of Beauty.” p. 7. Accessed September 2020. https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/the-future-of-beauty-report.pdf

The Green Beauty Concept. 2020. "Slow Beauty: um conceito de beleza sustentável." Accessed October 2020. https://www.thegreenbeautyconcept.pt/blogs/the-green-beauty-blog/slow-beauty-um-conceito-de-beleza-sustentavel

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Can affirming Ultra Suave as the most natural brand in the mass market make it the market leader in Portugal?

APPENDICES

Mariana Mendes Lino de Sousa, 40562
Rita Maria Guia Lucas, 40924
Teresa Maria Correia de Sampaio Barreiros Cardoso, 33754

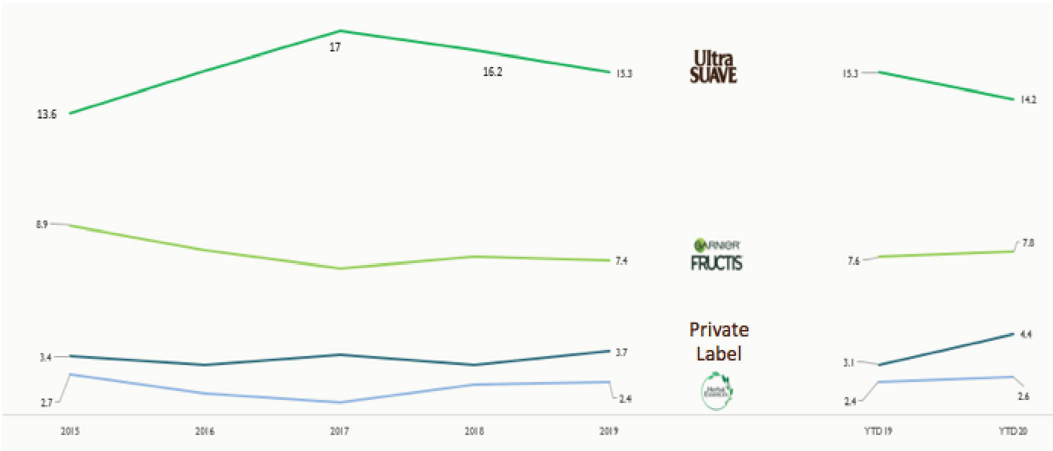
Work project carried out under the supervision of:

Prof. Catherine da Silveira

02-12-2020

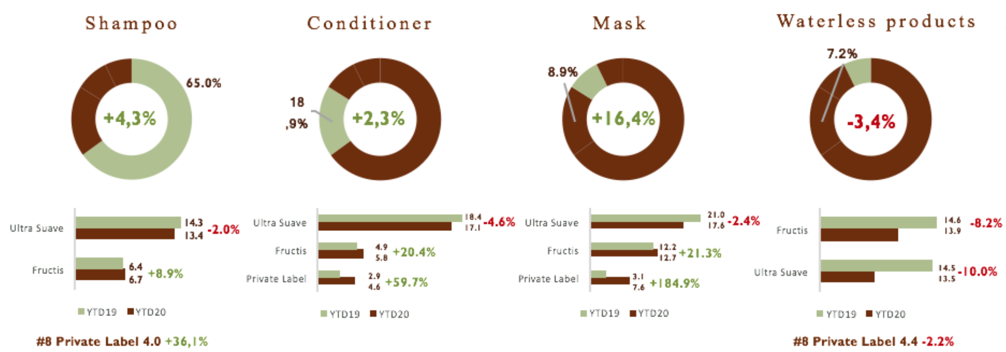
Table of Contents

Appendix 1. Market share evolution of Ultra Suave, Fructis, Private Labels and Herbal Essences from 2015 to YTD 2020



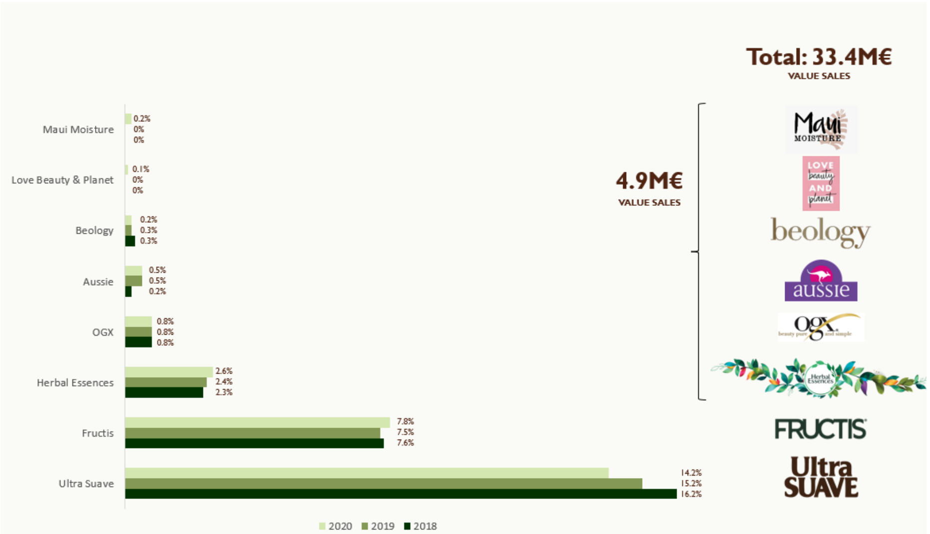
Source: Nielsen, Briefing L'Oréal Portugal, 2020

Appendix 2. Hair care categories evolution of Ultra Suave from 2019 to YTD 2020



Source: Nielsen, Briefing L'Oréal Portugal, 2020

Appendix 3. Market share of the hair care natural segment’s brands

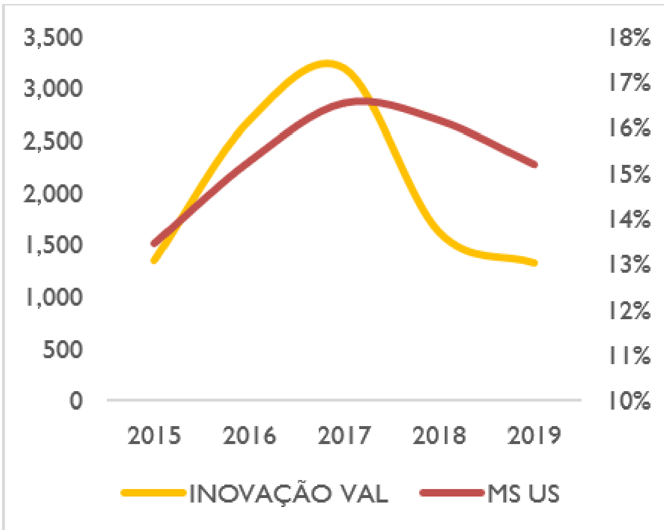


Source: Nielsen, Briefing L’Oréal Portugal, 2020

Appendix 4. Private Label’s Products

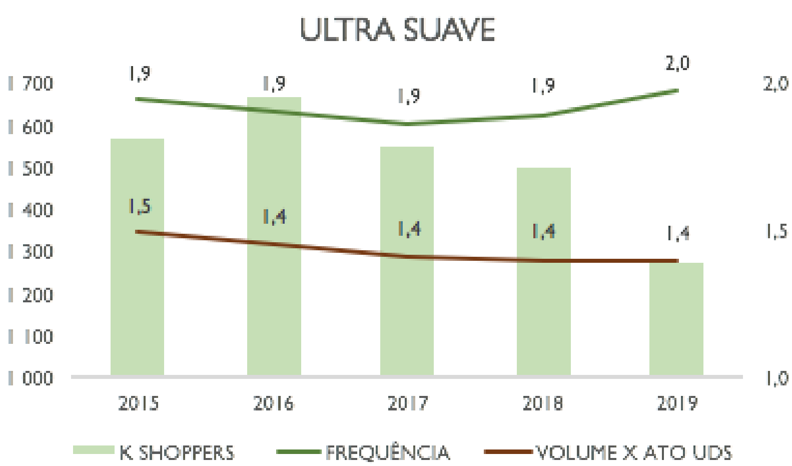
Source: Briefing L’Oréal Portugal, 2020

Appendix 5. Ultra Suave's Innovation and Market Share Performance from 2015 to 2019



Source: Briefing L'Oréal Portugal, 2020

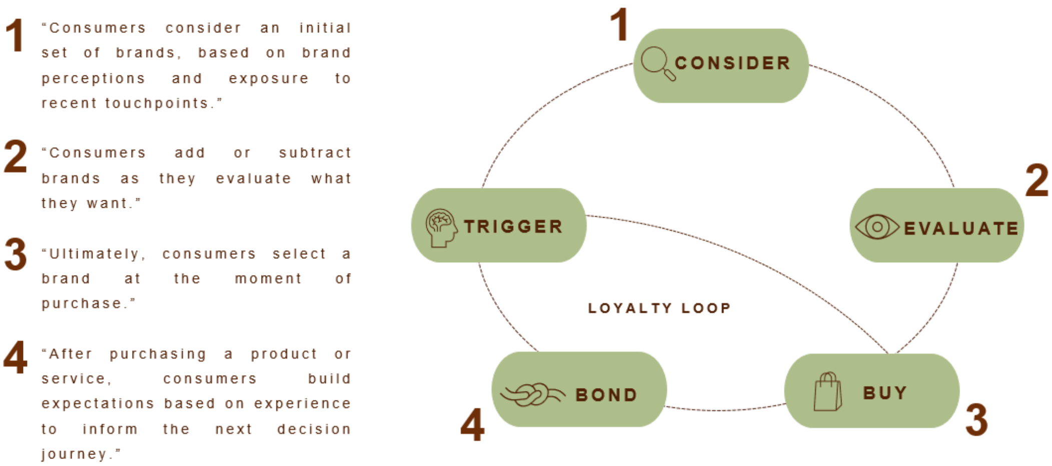
Appendix 6. Ultra Suave's Shoppers evolution from 2015 to 2019



Source: Kantar, Briefing L'Oréal Portugal, 2020

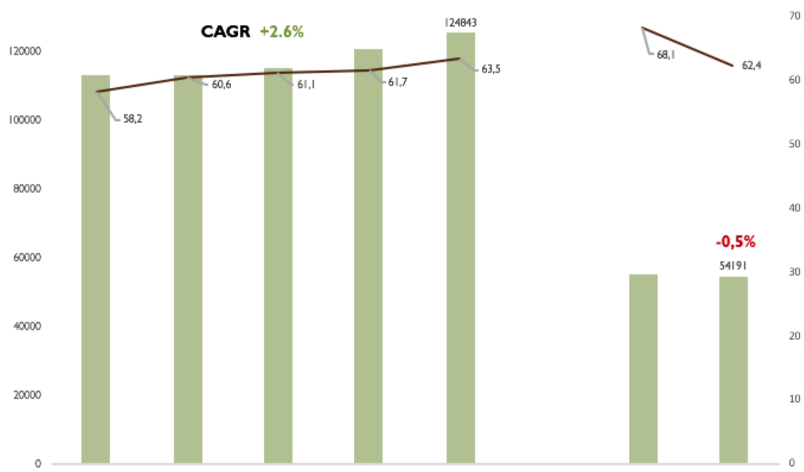
Appendix 7. Consumer Decision Journey

The following consumer decision journey was created according to McKinsey & Company (2009) studies.



Source: Project Authors

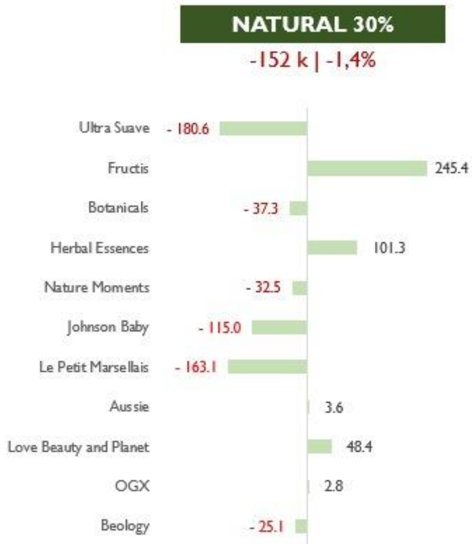
Appendix 8. Hair care market evolution from 2015 to YTD 2020 (000€)



Source: Nielsen, Briefing L'Oréal Portugal, 2020

Appendix 9. Natural segment evolution YTD 2020 (000€)

The following figure excludes the brand Maui Moisture since it only joined the natural segment of the Portuguese hair care market in the second semester of 2020.



Source: Nielsen, Briefing L'Oréal Portugal, 2020

Appendix 10. In-Store observations Grid

The following grid was developed to help record the in-store observations:

In-store Observations

Store: **Name and location** | Date **XX/XX/XXXX** | Time **From...to**

Customer Profile	Description	Insights
Age	Estimate	
Gender	F/M	
Company	With whom	
Hair Characteristics	Type, apperance, color	
Lifestyle	Healthy/Non-healthy (According to products in shopping bag)	
Characteristics sought	If categories considered match hair characteristics	
Customer Behaviour	**Description**	**Insights**
Consumer Decision Journey (CDJ)	Does the person take a shopping cart or not? Time of decision (takes time to decide, goes directly to a determined product)	
Brands taken in consideration	Brands considered by order	1. 2. 3.
Price sensibility	Does the person prioritize promotions ongoing?	
Product Approach	The person reads the label, smells, compares, just puts it in the basket, etc.	
Purchase	Products bought and quantity	
Other	Other information	

Source: Project Authors

Appendix 11. Pre-recruiting Questionnaire

The following questionnaire was developed in order to select the proper respondents for our in-depth interviews:

Warm-Up: Hello! We are Master's student of Management at Nova School of Business and Economics. As part of our final group thesis project, my colleagues and I are conducting a research on the Portuguese consumption of hair care products.
This questionnaire will not take more than 2 minutes and all the answers will remain anonymous.
Thanks in advance for your time.

1. Have you been living in Portugal for the past 5 years?

- Yes - Filter 2
- No - Stop Interview

2. Gender

- Female – Filter 3
- Male - Stop Interview

3. Age

- <25 – Stop Interview
- 25-29 – Filter 4
- 30-34 – Filter 4
- 35-39 – Filter 4
- 40-44 – Filter 4
- 45-49 – Filter 4
- >50 – Stop Interview

4. Which of these brands of hair care products do you know at least the name?

☐ aussie	☐ be beauty	☐ beology	☐ Cien	☐ Corine de Farme
☐ L'ORÉAL ELVIVE	☐ GARNIER FRUCTIS	☐ Schwarzkopf GLISS	☐ hair biology	☐ h&s
☐ Herbal Essences	☐ Johnson's	☐ LE PETIT MARSEILLAIS	☐ LINIC	☐ LOVE beauty AND planet
☐ Maui MOISTURE	☐ MyLABEL	☐ NATUR VITAL	☐ NIVEA	☐ OGX
☐ PANTENE PRO-V	☐ syoss	☐ TRESemmé	☐ GARNIER Ultra SUAVE	

- If Ultra Suave & Private Label & Natural Brand - Filter 5
- If contrary - Stop interview

5. **Which ones have you purchased in the last 12 months for yourself or for someone in your household in a supermarket in Portugal?**

☐ aussie	☐ be beauty	☐ beology	☐ Cien	☐ Corine de Farme
☐ L'ORÉAL ELVIVE	☐ GARNIER FRUCTIS	☐ Schwarzkopf GLISS	☐ hair biology	☐ h&s
☐ Herbal Essences	☐ Johnson's	☐ Le Petit Marseillais	☐ LINIC	☐ Love Beauty and Planet
☐ Maui Moisture	☐ MyLABEL	☐ Natur Vital	☐ NIVEA	☐ OGX
☐ PANTENE	☐ syoss	☐ TRESemmé	☐ GARNIER Ultra SUAVE	

- If Ultra Suave and at least one of the niche brands or Ultra Suave and private labels or Ultra Suave and other natural brands are selected - Set up interview
- If not - Stop the interview

6. **What is your level of education?**

- 4th year completed
- 9th year completed
- Highschool completed
- Professional degree
- Bachelor´s degree
- Master's degree or superior

7. **What is the number of people in your household?**

- 1
- 2-4
- >5

Source: Project Authors

Appendix 12. In-depth Qualitative Interview Guide

The in-depth qualitative interviews were conducted using the following structure:

Warm-Up: Good morning/afternoon. My name is _______ and I am a Master's student of Management at Nova School of Business and Economics. As part of my final group thesis project, my colleagues and I are conducting a research on the Portuguese hair care market. For this reason, I would like to interview you using a particular technique: the non-directive method; meaning that I will not ask you specific questions about the topic. This will not take more than 60 minutes of your time. After the first question, you will be free to tell me whatever comes to your mind on the subject. There are no right or wrong answers. In the end, I will ask a few questions about your profile. If you don't mind, I will record the interview for the purpose of analysing it later. All answers will remain anonymous.

Initial Question

"Can you please describe the last time you bought a hair care product (for you or someone from your household, eg. children) in a supermarket in Portugal? What product was it, what was the brand and why did you choose this product?"

PART 1 – Topics to be developed

Purchase Behavior

- Weight of hair care products in monthly basket
- Effect of pandemic on patterns of purchase
- Which products does one usually buy
- Frequency of purchase
- Volume of products bought
- Where does one usually buy (at physical shops or online)
- Factors that influence the purchase of hair care products
    - Price
    - Promotions ongoing
    - Quality
    - Recommendations/peers
- Importance of organic/naturality in products
- Importance of packaging (sustainability)

Consumer Decision Journey

- Decision moment (pre decided at home, or in front of shelf)
- When do you normally shop ? (lack of products or pleasure)

Consumer Behavior

- Importance of hair appearance
- Characteristics and attributes sought
    - Type of hair
    - Ingredients

- Smell
- Formula
- Packaging (size, design, shape, appearance)
- Treatment (repair, shine, volume, colour, anti-fall, anti-dandruff)
- Aesthetic final result (soft hair, hair shine)

- Opinions on waterless products (oil, dry shampoo, etc)
- Aesthetics vs Naturality
- Importance of lifestyle in terms of nutritional and environmental habits

PART 2 – Brand Perception

1. Relationship with the brand

Understand the brand perceptions of the types of brands: niche natural, private labels, and Ultra Suave, Fructis and Herbal Essences.

- How/when and why did you hear of the brand?
- Do you follow the brand on social media//check website? If so, why?Is the content of your interest? Did someone tell you about it? Do you recognize the face of the brand (celebrity, influencer)?
- Do you currently use the brand? If yes, for how long have you been using it and what are your reasons for using it? If not, what made you change brands/ what are your reasons for dropping it?
- Are you loyal to any brand? Why? If so, is that for all the brands' products?
- What perceptions do you have of the brand (natural, for certain types of hairs...)?
- Which words come to mind when you think about X (the brand in question)?

Projective technique

Understand the image of the types of brands: niche natural, private labels, and Ultra Suave, Fructis and Herbal Essences today:

"If you had to describe ______ as a person, what kind of person would he/she be?"

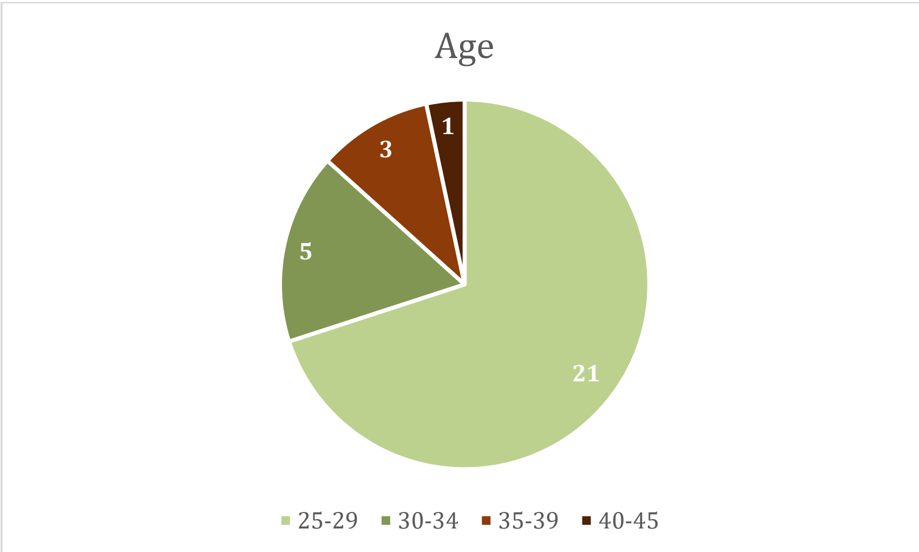
- Which gender?
- What age?
- Which type of personality?
- What style?
- Professional occupation?
- Interests/hobbies?

PART 3 – Consumer Profile

- Occupation
- Number of people in the household (including the number of children)

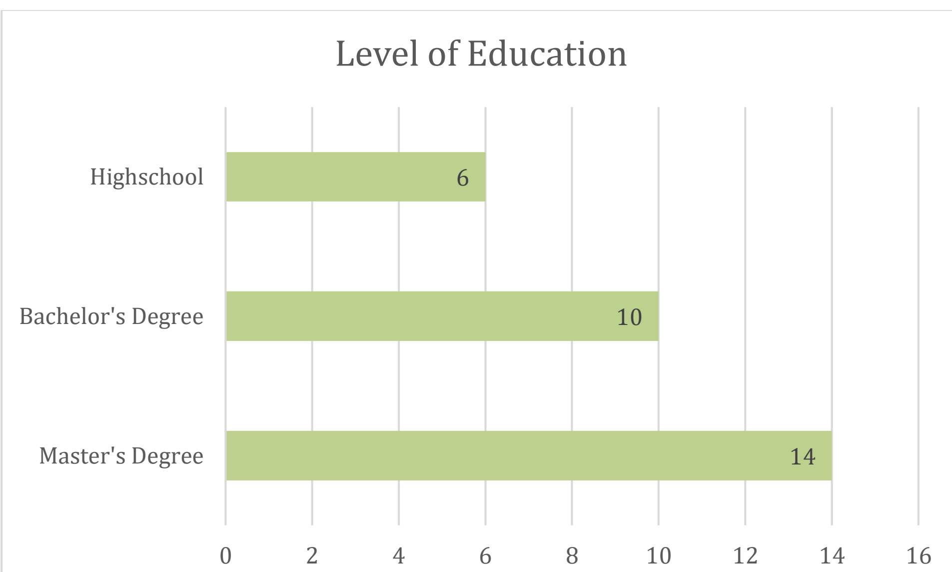
Source: Project Authors

Appendix 13. Sample Demographics for the in-depth qualitative interviews – Age



Source: Project Authors

Appendix 14. Sample Demographics for the in-depth qualitative interviews – Level of education



Source: Project Authors

Appendix 15. Online Survey

The online survey was conducted using the following structure:

Warm-Up: Hello! We are a group of Master's students of Management at Nova School of Businesses and Economics. As part of our final group thesis project, my colleagues and I are conducting a research on the Portuguese consumption of hair care products.
This questionnaire will not take more than 7 minutes and all the answers will remain anonymous.
Thanks in advance for your time.

1. **Have you been living in Portugal for the past 5 years?**

- Yes- Filter 2
- No- stop interview

2. **Have you bought any hair care products in the last 12 months, for yourself or for someone in your household, in a supermarket in Portugal?**

- Yes- Filter 3
- No- Stop Interview

3. **Which of these haircare brands do you know at least the name?**

- If Ultra Suave is selected - Filter 4
- If not - Stop interview

4. **Can you please tell us how you evaluate Ultra Suave on a scale from 0 to 10, having in mind that 0 means "I don't know"? (*If respondents also select Fructis, Herbal Essences, Maui, Aussie, Cien, Love Beauty & Planet and/or Ogx, they will also be asked to evaluate them*)**

For each brand:

0	1	2	3	4	5	6	7	8	9	10
○	○	○	○	○	○	○	○	○	○	○

I don't know	Very bad results	Very good results
	Not sustainable packaging	Sustainable packaging
	Non natural ingredients	Natural ingredients
	Non vegan formula	Vegan formula
	Only for certain types of hair	For all types of hair
	Bad fragrance	Very good fragrance
	Not attractive packages	Very attractive packages
	Bad promotions	Very good promotions
	Brand not recommended by friends/family	Brand recommended by friends/family
	Brand not recommended online	Brand recommended online
	Very expensive	Very accessible
	Not a family brand	A family brand
	Traditional brand	Modern brand
	I can´t remember the advertisements	I can perfectly remember the advertisements
	I don't like the social media communication	I like the social media communication
	I don't like the brand's Instagram content	I like the brand's Instagram content
	I don't think the brand is sustainable	I think the brand is very sustainable

5. **Which of these hair care product brands have you purchased, in the last 12 months, for yourself or for someone in your household in a supermarket in Portugal?**

- ☐ aussie
- ☐ be beauty
- ☐ beology
- ☐ Cien
- ☐ Corine de Farme
- ☐ L'ORÉAL ELVIVE
- ☐ GARNIER FRUCTIS
- ☐ Schwarzkopf GLISS
- ☐ hair biology
- ☐ h&s
- ☐ Herbal Essences
- ☐ Johnson's
- ☐ Le Petit Marseillais
- ☐ LINIC
- ☐ Love Beauty and Planet
- ☐ Maui Moisture
- ☐ MyLABEL
- ☐ NATUR VITAL
- ☐ NIVEA
- ☐ OGX
- ☐ PANTENE PRO-V
- ☐ syoss
- ☐ TRESemmé
- ☐ GARNIER Ultra SUAVE

6. **Now we will describe 6 different types of consumer behaviour. Please read them carefully and select the one with which you identify the most.**

☐ I am a person that has 3 to 4 preferred brands in mind considering my type of hair, smell and the results they leave on my hair. From those brands, when I go to the supermarket, I buy the cheapest one on that day. I decide in front of the shelves which of those preferred brands I will buy.

- I am a person that is engaged with the hair care category because I care about the composition of ingredients in products. Normally, I already know what I want to buy when I go to the supermarket, and the products I consider are based on having natural ingredients or recommendations from online or offline channels. My final decision is made in front of shelves because in the end I like to read labels on packages and see what is new. I usually buy what I had in mind if the price is reasonable, but I can change ideas if the brand is not on promotion or I see a product that I have received positive feedback from next to the one I wanted.

- I am a person that is engaged with the hair care category because I care about how the final appearance of my hair will look. I really want my hair to look beautiful. Normally, I already know what I want to buy when I go to the supermarket, and the products I consider are based on quality, final aesthetic results and recommendations from online and offline channels. My final decision is made in front of shelves because I like to try and be aware of new products. I usually buy what I had in mind if the price is reasonable, but I can change ideas if I see a product that I have received positive feedback from.

- I have no brand in mind when I go to the supermarket. I purchase the cheapest one, usually a private label (Cien, MyLabel, BeBeauty)

- I always buy the same product

- I have very specific needs (eg. Dandruff, hair loss, etc.) and only look for products that address those needs.

7. **Here you have a list of attributes people take into consideration when evaluating a hair care product. Please state how important they are for you on a scale from 1 (not important at all) to 5 (very important).**

- Type of hair
- Fragrance
- Final aesthetic results
- Natural ingredients
- % of natural origin of ingredients
- Cruelty free products
- Vegan formula
- Paraben free formula
- Salt-free formula
- Promotions
- Price/quality ratio
- Packages made of recycled plastic
- Plastic free packages
- Recommendations from peers
- Recommendations from online channels
- Package appearance (colour, attractiveness, shape, etc)
- Package practicability
- Package's material easy to recycle

8. **Among the following hair care brands, which ones do you perceive as having natural ingredients in their composition?**

☐ aussie	☐ be beauty	☐ beology	☐ Cien	☐ Corine de Farme
☐ L'ORÉAL ELVIVE	☐ GARNIER FRUCTIS	☐ Schwarzkopf GLISS	☐ hair biology	☐ h&s
☐ Herbal Essences	☐ Johnson's	☐ Le Petit Marseillais	☐ LINIC	☐ Love beauty and planet
☐ Maui Moisture	☐ MyLABEL	☐ Natur Vital	☐ NIVEA	☐ OGX
☐ PANTENE PRO-V	☐ syoss	☐ TRESemmé	☐ GARNIER Ultra SUAVE	

9. **Among the following hair care brands, which ones do you consider having sustainable packaging?**

☐ aussie	☐ be beauty	☐ beology	☐ Cien	☐ Corine de Farme
☐ L'ORÉAL ELVIVE	☐ GARNIER FRUCTIS	☐ Schwarzkopf GLISS	☐ hair biology	☐ h&s
☐ Herbal Essences	☐ Johnson's	☐ Le Petit Marseillais	☐ LINIC	☐ Love beauty and planet
☐ Maui Moisture	☐ MyLABEL	☐ Natur Vital	☐ NIVEA	☐ OGX
☐ PANTENE PRO-V	☐ syoss	☐ TRESemmé	☐ GARNIER Ultra SUAVE	

10. **Ultra Suave has different product lines. Which of the following product lines do you know at least the name?**

11. **Which of the following product lines have you purchased at least once?**

- If solid shampoo is selected- Filter 12
- If not- Filter 14

12. What did you think about the solid shampoo? How was your experience using it?

13. Why did you decide to buy the solid shampoo?

Personal Information

14. What is your Gender

- Female
- Male
- Prefer not to say

15. What is your Age?

- <25
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- >50

16. What is your level of education?

- 4th year completed
- 9th year completed
- Highschool completed
- Professional degree
- Bachelor´s degree

- Master’s degree or superior

17. What is the number of people in your household?

18. What is the number of children in your household?

Source: Project Authors

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Can affirming Ultra Suave as the most natural brand in the mass market and make it the market leader in Portugal?

Report A: How has the brand image of Ultra Suave changed since the recent launch of the Solid Shampoo?

Teresa Maria Correia de Sampaio Barreiros Cardoso, 33754

Work project carried out under the supervision of:

Prof. Catherine da Silveira

02-01-2021

Table of Contents

1. Introduction

Ultra Suave, founded in 1982, is a daughter brand of Garnier. The brand is positioned within the natural segment, which represents 30% of the total hair care market in Portugal. This segment is expected to grow in the years to come, not only due to a growing concern among consumers regarding their health and the environment, but also due to an increase in interest for hair care products made of natural ingredients and organic formulae (Euromonitor, 2020). As such, Ultra Suave, in order to answer this group of consumers and aiming to affirm itself as the most natural brand in the mass market to become the market leader in Portugal, has launched its first line of solid shampoos in September 2020.

The line currently offers four different categories (Honey Treasures, Chamomile, Oat Delicacy and coco and Aloe Vera) in order to answer to consumers' different hair needs. By adding the solid shampoo to its range of products, Ultra Suave aims to enhance its brand image of being a natural and sustainable brand, that offers products with formulae that are free of parabens and silicone and packages made of recycled plastic (excluding the lid). Consequently, the launch of the solid shampoo is expected to help Ultra Suave become the market leader in the natural mass market segment in Portugal and change how consumers portray the brand.

The objectives of this individual work project are the following:

1. Understand how each consumer segment – *promotions driven consumers*, *natural products driven consumers* and *beautiful hair driven consumers* – has been impacted by the launch of the solid shampoo.
2. Understand whether the recent launch of the solid shampoo has contributed to start changing the brand image of Ultra Suave to a more natural brand among hair care consumers.

By addressing these two objectives, the goal is to investigate **how the brand image of Ultra Suave has changed since the recent launch of the Solid Shampoo**.

2. Contextual background on Solid Shampoo by Ultra Suave

Solid shampoo is a soap bar that provides eco-friendly substitutes to conventional liquid formulas of medium size packaging. This is a world-wide growing trend among consumers who aim to decrease the negative impact they have in the environment, especially their urge to reduce plastic usage (Hall, 2020).

Garnier has just recently launched, in September 2020, its first line of solid shampoos with the Ultra Suave seal. These Ultra Suave products are made of 94% plant-based ingredients, neutral pH for the scalp, vegan formulas, with the exception of Honey Treasures, and without dyes or preservatives. The new solid shampoos are the equivalent of 2 packages of the common liquid formulas, they were developed to last up to two months and can save up to one bottle of water per wash due to their fast-rinse technology. In fact, if consumers water expenditure is conscious, this product can help reduce Ultra Suave's environmental impact by 25% (Culliney, 2020). They are sold in packages free of plastic, biodegradable and fully recyclable. They are composed with nourishing oils, herbal cleansing agents, vegetable glycerin and also with oils that provide the hair a pleasant fragrance. There are four distinct solid shampoos that answer the different hair needs (Ballestero, 2020):

Table 1: Lines of Solid Shampoo

Category	Purpose
Honey Treasures	Rebuild fragile and brittle hair
Chamomile	Brighten and care for blond hair
Oat Delicacy	For delicate hair and sensitive scalp
Coco and Aloe Vera	For normal hair

Source: Ballestero, 2020

3. Addressing the individual work question

3.1. Ultra Suave before the launch of the Solid Shampoo

Ultra Suave offers a wide variety of products: fourteen different lines for adults, and three for children. Its brand image is based on products that were developed to answer distinct hair needs and products that are inspired by nature and that are created with specific natural ingredients that offer a sensory fragrance. In Portugal, the brand is positioned as the number two in the hair care market, and number one within the natural segment of the hair care market. However, consumers do not perceive the brand as sufficiently natural. When they are asked to describe Ultra Suave, they do not perceive the product's ingredients to be particularly natural, and they associate the brand with harmful ingredients and plastic packaging (Briefing L'Oréal Portugal, 2020). Consumers also consider the brand to lack on innovation, since very few lines were launched in the past two years, and no new line was launched in the entire first semester of 2020 (Briefing L'Oréal Portugal, 2020). At the same time, new niche natural brands were entering the Portuguese hair care market, offering consumers more natural options and new and innovative products (Briefing L'Oréal Portugal, 2020). Thus, consumers that prioritize natural ingredients and innovative products started choosing those new brands, over Ultra Suave. For those reasons, Ultra Suave has been losing market share since 2018 (Appendix 1 – Nielsen, Briefing L'Oréal Portugal, 2020).

In order to address these issues, and try to affirm Ultra Suave as the most natural brand in the mass market in Portugal, the brand has launched the solid shampoo.

3.2. Ultra Suave after the launch of the Solid Shampoo

3.2.1. Methodology

A primary qualitative research was made with the purpose of gathering insights to understand how and why consumers' perceptions of the brand changed after they used the solid shampoo. This research was conducted through short interviews.

The following table summarizes the methodology applied:

Table 2: Description of the Research Methodology

Interviews
Sample: participants were selected according to specific requirements, as follows: • To be living in Portugal for the past 5 years • Knew the brand before solid shampoo was launched • Had already tried Ultra Suave's solid shampoo • Level of Education: had at least completed high-school **Limitations:** (1) there were twelve female interviewees and only one male, therefore insights may be biased, (2) due to the current pandemic, interviews were performed through the phone, making it impossible to recognize any body language or expression given by participants, (3) solid shampoo is a very recent product, hence not many people have already tried it which made it hard to find individuals to participate in this study. **Details:** 12 interviews were conducted through the phone and consisted on 5 questions: 1. Have you used Ultra Suave's products before the launch of solid shampoo? 2. If answer is yes: Did your perception of the brand change concerning "naturality" and sustainability? Why? 3. Was your experience using the solid shampoo positive or negative? Why? 4. Would you repeat the experience? 5. Why have you decided to experiment the solid shampoo? **Data collection period:** December 2020

3.2.2. Insights from interviews

Please consider that the results of the interviews are presented as numbers of participants, and not as percentages, because the sample size (n=12) is not large enough. So, these numbers are always out of 12. The quotations referring to the interviews can either be from individuals that have never experienced a solid shampoo before the launch of Ultra Suave, or from individuals that have previously experimented it from other brands, and that will be clearly stated after each quote.

After analyzing the conducted interviews, it was understood that all 12 participants have known Ultra Suave for a long time, from having used it during childhood or from supermarkets. Also, all 12 respondents have already used Ultra Suave's products in the past, but 5 of them were using other brands' products when they decided to experiment the solid shampoo: *"I have curly hair, so I have been using Fructis for the past 4 years. Since I decided to try the solid shampoo of Ultra Suave, I stopped using Fructis immediately, as the results were really good."* (quote by an individual that had never used the solid shampoo before the launch).

3.2.2.1.Reasons for buying solid shampoo

According to the conducted interviews, each respondent presented more than one reason for deciding to purchase this product:

1. To reduce the negative impact on the environment: 10 consumers consider solid shampoos to be a more conscious choice, as they are sold in a plastic free, biodegradable and fully recyclable packaging: *"I was already using the traditional Ultra Suave's format of shampoos, and I decided to try the solid format because it is a more sustainable option, hence better for the environment."* (quote by an individual that had never used the solid shampoo before the launch).
2. Due to a combination of accessibility and affordability: previous to the launch of this product, respondents perceived solid shampoos to be a niche and expensive products,

that were hard to find. According to 8 respondents, solid shampoos are now perceived as more accessible products, since they can now be found in common super and hypermarkets, and that can be purchased for a more user-friendly prices: *"I loved that the brand lunched this new line of solid shampoos, since it made it easier for me to experiment them, given the more manageable price and easiness to find the product."* (quote by an individual that had never used the solid shampoo before the launch).

3. By curiosity: 4 respondents stated that they had never seen a product of this kind in the major super and hypermarkets, and, for that reason, they wanted to see how the product worked and understand how their hair would react to it: *"The first reason, was curiosity for this new product when I saw it at the supermarket."* (quote by an individual that had never used the solid shampoo before the launch).
4. To support the launch of the solid shampoo: 3 participants believe it is rare to see a brand as big as Ultra Suave taking this kind of steps towards a more sustainable life, and they consider it important that they are advocates of such initiative: *"I bought the solid shampoo out of curiosity and also because I wanted to support the brand since I think this launch was such an important move for the environment, given the dimension of Ultra Suave."* (quote by an individual that had already used solid shampoo user before the launch).

3.2.2.2.Consumers' experience using the Solid Shampoo

All 12 respondents affirmed that their experience with the solid shampoo by Ultra Suave was positive or very positive. Each respondent presented more than one reason:

1. Good aesthetics results: 6 participants stated that their hairs were left smooth and hydrated after using the solid shampoo by Ultra Suave, including curly hairs: *"I felt my hair really hydrated after using the solid shampoo by Ultra Suave."* (quote by an individual that had never used the solid shampoo before the launch).

2. Practicability of the product: 2 respondents stated that it is easy to transport and travel with, and also to store: *"Very practical to travel with since I do not need to take a lot of little bottles with me. Also, it requires less space in the bathroom which is very good for me since I have a small one."* (quote by an individual that had never used the solid shampoo before the launch).
3. Clean effect: 3 participants said that this product leaves their hair appropriately cleaned: *"I used to wash my hair with solid shampoos, but from other brands. The solid shampoo by Ultra Suave met the expectations I had from previous experiences, in terms of durability, fragrance and cleaning ability."* (quote by an individual that had never used the solid shampoo before the launch).
4. Pleasant fragrance: 4 participants highlighted the characteristic good fragrance their hair was left with after using the solid shampoo: *"I am using the honey treasures and the smell is really amazing, and stays for days."* (quote by an individual that had never used the solid shampoo before the launch).
5. Foam produced by the product: 3 respondents referred that they were pleased with the quantity of foam the solid shampoo produced, sometimes more than the traditional shampoo: *"It was a very positive experience because it produced much more foam that I was anticipating."* (quote by an individual that had never used the solid shampoo before the launch).

To conclude, 8 of the participants acknowledged that they intend to repeat their experience and incorporate the solid shampoo by Ultra Suave as part of their hair care routine. The remaining 4 respondents stated that, even though their experience was positive, they will look for brands that offer solid shampoos for their specific hair needs: *"I liked the solid shampoo by Ultra Suave, but I think I am going to opt to purchase a different brand that has solid products for* *my type of hair (oily)."* (quote by an individual that had never used the solid shampoo before the launch).

3.2.3. Consumers' brand image of Ultra Suave before and after the launch of the Solid Shampoo

The *natural products consumers group* was the segment more affected by the launch of the solid shampoo, since natural ingredients are a determining factor to them when it comes to their purchase decisions. This group is also concerned about sustainable packaging, and for that reason they always try to make the most conscious decisions they can, by buying products made of recycled plastic, packages of recyclable plastic and also plastic-free packages. Previous to the launch of the solid shampoo, the majority of *natural driven consumers* thought about Ultra Suave as a traditional brand, that lacked on innovative products. The majority of this segment did not consider it a natural and sustainable brand, since they believed the brand's products to be composed by chemical ingredients and packages made of plastic. However, regardless of the "naturality" aspect, the brand was considered to fit all hair types.

The following table summarizes how Ultra Suave was perceived by this group of consumers before the launch of the solid shampoo. Please note that the numbers presented in the table below come from the online survey that was conducted to support or not the assumptions gathered from the qualitative in-depth interviews. As the sample size is n=100, the results are presented as percentages, because the sample size is large enough for it:

Table 3: Natural products driven consumers' brand image of Ultra Suave before the launch of the solid shampoo

n = 100
67% (of the 100 respondents) think of Ultra Suave as a traditional brand
39% of participants perceive the brand as being natural

50% do not perceive it as being natural
78% refer to it as a non-sustainable brand
72% consider the brand to be for all hair types

All the 12 participants stated that their image of the brand has positively changed with the launch of the solid shampoo and after trying the product. This change is not exactly in terms of functionality or final results, but rather in terms of sustainability and "naturality": *"It did not change my perception in terms of functionality of the products, because I think it is as good as the liquid shampoo. What it changed was how I see it in terms of sustainability and "naturality". I think it became a more environmentally-friendly brand."* (quote by an individual that had never used the solid shampoo before the launch).

Concerning sustainability, the majority of participants acknowledged that the main reason for this change is the reduction on the impact Ultra Suave will have on the environment with the solid shampoo, due to the new plastic free, biodegradable and fully recyclable packages: *"They do not use plastic on the packaging of solid shampoos, which is something that really affects the health of the planet."* (quote by an individual that had never used the solid shampoo before the launch). Regarding "naturality", because solid shampoos are composed by plant-based ingredients, vegan formulas and without dyes or preservatives, consumers started perceiving Ultra Suave as a more natural brand. They mentioned they like and feel safer knowing the ingredients used on products, and are satisfied about how clear it is stated on the packages that the solid shampoo is vegan (except for honey treasures): *"I feel safer knowing what products I am putting on my body, thus I really liked the fact Ultra Suave now presents percentage of the ingredients that the solid shampoos are composed by."* (quote by an individual that had never used the solid shampoo before the launch).

Overall, respondents now see Ultra Suave as a more environmentally-friendly brand and also as the first big brand they know taking a step of this magnitude towards a more sustainable and natural life, in the Portuguese hair care mass market: *"The solid shampoo changed my perception about Ultra Suave. That happened because I cannot recall a brand of this size taking such steps in order to improve the environment. That made me respect the brand more and because of that, I had the urge to buy more products of Ultra Suave."* (quote by an individual that had never used the solid shampoo before the launch). For that reason, participants consider the brand to be more innovative, rather than traditional. As well, respondents stated that they now portray Ultra Suave as a more convenient brand, since it offers a wider variety of products (e.g. traditional shampoo, masks, oils and solid shampoo), thus being able to target a bigger range of consumers and penetrate new markets. This product is also easy to access as it is placed in all super and hypermarkets and much more affordable than other niche natural brands.

The following table summarizes how Ultra Suave is perceived by the 12 interviewees that have already used the solid shampoo, hence numbers presented are always out 12:

Table 4: Natural products driven consumers' brand image of Ultra Suave after the launch of solid shampoo

n = 12
10 out of the 12 participants perceive Ultra Suave as an innovative brand
9 participants perceive the brand as being very natural
11 consider the brand sustainable
4 do not think the brand fits all types of hair
8 recognized the brand as affordable
7 believe it is a convenient brand

For both *promotions driven* and *beautiful hair driven consumers*, the launch of the solid shampoo is not expected to change the brand image these two segments have on Ultra Suave.

For the *promotion driven consumers*, the determining factor in purchase decisions is ongoing promotions at supermarkets, and the *beautiful hair driven consumers* prioritize aesthetic results over natural ingredients. Even though both of these segments are not concerned about natural ingredients, they value innovative products and sustainable packaging. Thus, if the brand communicates these two ideas in a better and clearer way, it may be able to attract these two types of consumers in the long-term.

4. Implications for Ultra Suave

The launch of the solid shampoo by Ultra Suave was one of the steps the brand decided to take in order to affirm itself as the most natural brand in the Portuguese mass market, and given the solid shampoo properties and characteristics, this product was directed to those who prioritize attributes such as natural ingredients and sustainability. In consequence, by launching this product, Ultra Suave is directly targeting the *natural products driven consumers*. Thus, both consumers that consider the brand natural, but not the most natural in the hair care mass market, and those who do not consider the brand natural at all are expected to start perceiving the brand as a more natural brand. Furthermore, if the solid shampoo is proven to be a success for the brand, Ultra Suave could invest in the development of more categories, in order to retain consumers with other types of hair needs and requirements, such as oily hair. If that is done, the 4 participants that stated that they are going to look for other brands that offer solid shampoos for their specific hair needs will no longer have to do it, as they will be able to purchase it from Ultra Suave.

Based on the conducted interviews, affirming Ultra Suave as a natural brand by launching the solid shampoo, may not help attracting *promotions driven consumers*, since natural products and sustainable packaging are not important aspects for them. Nevertheless, the “naturality” trend is expected to continue growing, as already mentioned in the collective work project, and for that reason, this segment may eventually switch to the *natural products driven segment*, but only if products' price levels remain the same. Otherwise, *promotions driven consumers* will look elsewhere for more affordable options.

Concerning the *beautiful hair driven consumers*, the brand cannot distinguish itself among this segment given the aesthetic results it delivers. However, this group of consumers is concerned about the impact they have on the environment and such, tries to make the most conscious choices they can when it comes to their purchase decisions. Thus, the way to penetrate this segment may be through showcasing more of the sustainability side of the brand.

5. Summary

Summarizing this report, it was possible to understand that the launch of the solid shampoo mainly impacted the *natural products driven consumers*. As already mentioned, for this segment, natural ingredients and sustainable packaging are two important factors when it comes to purchase decisions, and the solid shampoo is offering a solution for both of their concerns. This segment now portrays Ultra Suave as a more innovative, natural and sustainable brand. As such, it is believed that the brand image of Ultra Suave is changing with the launch of the solid shampoo among the *natural products driven consumers*.

6. Limitations

Apart from the limitations mentioned in the methodology section, some additional ones were faced throughout the development of this project.

The solid shampoo by Ultra Suave was launched very recently, September 2020, and consequently the sample size of interviewees was very small (n=12) and for that reason not very representative of the whole population. Also, buyers of the solid shampoo did not have enough time to experience and understand the long-term effects of the solid shampoo, thus their opinions about the product are only based on short term results. Therefore, conclusions taken might not be very accurate and are also very much based on the “naturality” trend, that is expected to grow.

The current virus has also impacted the elaboration of this project because individuals go shopping less often and try to take the least possible time in doing so. As a result, consumers normally choose to purchase products they already know and also do not have the time to explore and pay attention to new products in the shelves, such as the solid shampoo by Ultra Suave. Covid-19 has made communications with external collaborations, such as interviewees, more complicated and harder to evaluate.

7. References

Ballestero, Catarina. 2020. “Nunca experimentou um champô sólido? Conheça os novos Ultra Suave (e fique com um cabelo incrível).” Dobem. Accessed December 2020 https://dobem.pt/shopping/champo-solido-novos-ultra-suave/

Culliney, Kacey. 2020. “Real impact at scale: L’Oréal launches green beauty Garnier solid shampoo bars.” Cosmetics. Accessed December 2020 https://www.cosmeticsdesign-europe.com/Article/2020/11/20/L-Oreal-Garnier-launches-Ultimate-Blends-solid-shampoo-bar-in-mass-green-beauty-push

Euromonitor. 2020. “Hair care in Portugal.” Accessed September 2020. https://www.euromonitor.com/hair-care-in-portugal/report

Hall. 2020. “Is it time to bin your bottle of shampoo?” Accessed December 2020 https://www.vogue.co.uk/beauty/article/shampoo-bars

Melo, Tiago. 2020. *Briefing L’Oréal Portugal* Slides, L’Oréal Portugal

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Can affirming Ultra Suave as the most natural brand in the mass market make it the market leader in Portugal?

Report A: How has the brand image of Ultra Suave changed since the recent launch of the Solid Shampoo?

APPENDICES

Teresa Maria Correia de Sampaio Barreiros Cardoso, 33754

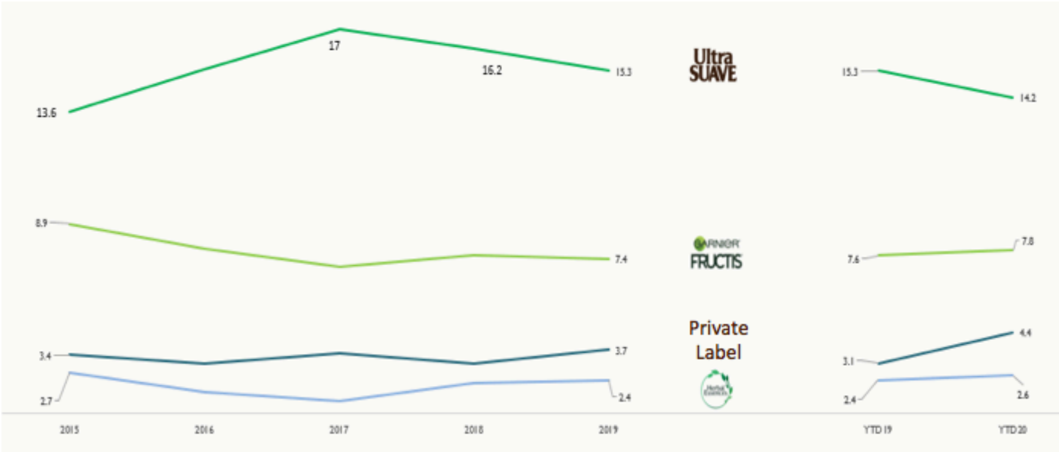
Work project carried out under the supervision of:

Prof. Catherine da Silveira

02-01-2021

Table of Contents

Appendix 1. Market share evolution of Ultra Suave, Fructis, Private Labels and Herbal Essences from 2015 to YTD 2020



Source: Nielsen, Briefing L’Oréal Portugal, 2020