

MARKETING PLAN FOR REDKEN BREWS LAUNCH

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Abstract

The Portuguese professional hair market is an interesting, dynamic and complex market. With a business-to-business approach, it has a clear customer centric vision, along with the desire to communicate more and more with the consumer.

Even being considered a mature and slow-paced market, it has been facing some struggles and challenges throughout the years. One of the most current challenge is the men's grooming boom. During the last few years, men are awaking to beauty, more specifically hair and beard care. With the previous, the market has being experiencing the comeback effect of old barbershops and hair salons with a men's approach.

L'Oréal group, as the leader of the beauty industry, cannot be behind of this opportunity. It has, within its professional hair portfolio, men's brands but with a total outdated approach to the market. Due to previous, it is important to launch a brand in this market, with an updated communication, packaging and business approach.

Given all the previous, this project thesis proposes a marketing plan for the launch of Redken Brews- a new brand within Redken that will renovate its men's offer. This plan will have a deep analysis on the market, its opportunities and threats, on the competition and implementation proposal, with the development of clear marketing strategies.

This marketing plan will deliver a clear go-to-market, with the main objective to turn Redken Brews the number one player in the men's professional hair market.

Keywords: marketing plan, professional hair market, marketing-mix, men's grooming

JEL: M31 – Marketing; M37 - Advertising

Resumo

O mercado capilar profissional português é um muito interessante, dinâmico e complexo. Com um modelo de negócio *business-to-business*, coloca o cliente no centro da sua estratégia, mas com o desejo de comunicar cada vez mais com o consumidor.

Apesar de ser considerado um mercado maduro e lento, o mesmo tem passado por alguns desafios e dificuldades. Um dos atuais desafios é a explosão do cuidado dos homens. Nos últimos anos, os homens estão a acordar para a beleza, especialmente cabelo e barba. Tendo em conta o anterior, o mercado tem experienciado um revivalismo com o aparecimento de *barbershops* e cabeleireiros com uma abordagem mais masculina.

O grupo L'Oréal, como líder da indústria de beleza, não pode ficar atrás desta oportunidade. O grupo tem, dentro o seu portfolio profissional, marcas masculinas mas com uma abordagem ao mercado completamente desatualizada. Tendo em conta isso, é importante lançar uma marca para este segmento de mercado, com uma comunicação, embalagem e modelo de negócio mais atualizados.

Posto isso, este projeto de tese propõe um plano de marketing para o lançamento de Redken Brews- uma nova marca de Redken que irá renovar a sua oferta masculina. Este plano fará uma análise profunda ao mercado, as suas oportunidades e ameaças, à concorrência e fará uma proposta de implementação, com estratégias de marketing claras.

Este plano de marketing irá entregar uma estratégia clara, com o objetivo de fazer de Redken Brews a marca número um do mercado profissional masculino.

Palavras-Chave: marketing de marketing, mercado profissional, marketing-mix, mercado masculino

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Executive summary

A presente tese tem como objetivo principal a elaboração de um plano de marketing de suporte ao lançamento de uma nova linha de produtos, Redken Brews, da marca Redken, no mercado português, no início do ano 2019.

Redken é uma marca que opera no mercado profissional capilar há mais de 20 anos em Portugal. Com um posicionamento de preço premium, Redken tem uma política de selectividade perante a sua distribuição, estando atualmente presente em cerca de 500 salões de cabeleireiro por todo o país, com maior incidência nas regiões urbanas. O grande fator de diferenciação desta marca é o seu ADN, que transporta os seus clientes e consumidores para uma atmosfera mais urbana, irreverente e ligada à moda. Atualmente, Redken tem como principal objetivo ser a maior marca irreverente no mercado profissional, capitalizando a sua capacidade de educar e inspirar os cabeleireiros, de chegar aos consumidores via digital e através de uma experiência diferenciadora em salão. Quanto ao modelo de negócio, Redken opera em *business-to-business*, sendo os cabeleireiros os seus principais clientes, chegando ao consumidor final através dos mesmos. A sua fonte de rendimento são os seus produtos, que se encontram repartidos em quatro categorias- *haircare*, *hairstyling*, *haircolor* e *men*, sendo a categoria de *haircare* a que mais pesa e sendo *haircolor* a categoria com maior margens e, portanto, com maior foco para crescimento.

Redken encontra-se inserida na divisão de produtos profissionais (DPP) do grupo L'Oréal, sendo atualmente a marca que mais cresce na divisão e com uma atividade mais dinâmica, apesar de ainda só pesar sete por cento do negócio total.

A DPP é a clara líder do mercado capilar profissional em Portugal. É através das suas cinco marcas- *L'Oréal Professionnel*, *Kerástase*, *Redken*, *Shu Uemura* e *Mizani*- que a divisão dinamiza o mercado e traz todos os meses inovação aos seus clientes, que podem ser cabeleireiros, lojas de retalho profissional e lojas de beleza *online*.

Ciente que os fatores críticos de sucesso do mercado são a entrega constante de inovação, notoriedade e educação, a DPP foca-se, mais e mais, em criar lançamentos impactantes com grande foco em comunicação para o cabeleireiro e para o consumidor, como também ter equipas de educação capazes de dar formação em sala e em salão.

Nos últimos anos, o mercado de beleza tem vindo a experienciar uma grande alteração no comportamento de consumo do público masculino. Os homens, que até aqui eram uma franja residual do mercado, estão cada vez mais preocupados com a sua beleza e procuram produtos para cuidar da mesma, sendo o cabelo e barba as categorias com maior atenção e crescimento.

O mercado capilar profissional tem vindo a sentir consequências da crescente preocupação masculina, estando a aumentar o número de salões masculinos e *barbershops*. O consumidor cada vez mais procura serviços somente para homens e é num universo repleto de revivalismo masculino que encontra o sitio perfeito para investir na sua beleza.

Estando a par desta tendência, a concorrência desde logo moldou a sua oferta, surgindo marcas verdadeiramente masculinas e inspiradas no revivalismo de barbeiro, ficando com essa franja de mercado.

Tendo o anterior em consideração, esta tese debruça-se sobre a maneira de como Redken Brews pode aproveitar esta crescente procura, destronando a atual concorrência através de uma linha de produtos que aposta numa inspiração americana dos anos cinquenta e na indústria cervejeira. São esses elementos que são tidos em conta numa análise estratégica de definição de *target* e posicionamento, como também numa definição operacional das variáveis de *marketing-mix* (produto, preço, distribuição e comunicação). Nesta tese, realiza-se, também, uma orçamentação dos custos do lançamento destes produtos.

Tendo em conta o contexto macroeconómico, espera-se alcançar com o lançamento de Redken Brews 300.000 euros líquidos no primeiro ano, referentes à venda de 36.000 unidades

Chapter 1 - Definition of the problem context

Redken is part of the L'Oréal group, within the professional products division, and operates in the professional hair market, selling four categories of products- haircare, haircoloration, hairstyling and Redken for men.

Currently Redken has the opportunity to launch a new brand to its portfolio, Redken Brews, replacing the already existing Redken for men. Redken Brews is a brand inserted in the mens professional hair market, with twenty-one skus sorted by four categories- haircare, hairstyling, haircoloration and beard. With this context, it is important to analyze the opportunity of launching these products in the Portuguese market, taking into account the actual competition.

Given the previous, it is essential to develop a marketing plan to support the initial launch of Redken Brews, developing a detailed analysis on the market and the opportunities that exists taking into account its positioning. To have a proper plan, it is going to be done the budgeting for all the strategies found, as well as an sales estimation.

At last, the success of this launch depends on the strategical decisions and operational actions. Given that, this thesis should propose with some next steps to implement project.

Chapter 2 – Literature review

2.1. Marketing definition

According to Kotler and Armstrong (2007), marketing is “a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers”. They even define marketing as the process by which companies create and build strong relationships in order to capture value from customers in return. Given that, marketing can be defined as a philosophy that guide a business organization.

2.2. Marketing plan

Marketing planning is, more and more, one of the main activities for a company. According to Lindon *et al.*, (2004) planning is taking decision in advance in order to prepare correctly its execution. Planning is also taking simultaneously a set of articulated decisions, instead of taking

successively one after another. At last, planning is also taking decisions in a formal and explicit way, which allows letting every stakeholder know what it is estimated from them, as well as set actions and objectives in order to have a proper control.

For Westwood (2006), marketing plan is “the means by which marketing objectives will be achieved”. Marketing plan is used to segment markets, identify market position, forecast market size, and to plan viable market share within each market segment.

McDonald (2007)’s marketing plan definition is similar to Westwood (2006). Both defend that it means a planned usage of marketing resources to reach a certain objective and a clear roadmap to achieve it. Wood (2010) highlights that a marketing plan must be structured, having the marketing actions to a specific company, within a well-defined period. Given that, in a marketing plan must reflect the market situation, strategies and marketing actions. Kotler et al (2006) adds that marketing plan works in two levels: strategic and tactical. The strategic marketing plan addresses the market target and the value proposal that will be offered, based on the best opportunity in the market. The tactical marketing plan deals with the marketing tactics, including the product features, promotions, merchandising, pricing, etc...

A marketing analyses is especially relevant in a sector where the competition is aggressive, which is the case of the beauty market, where the innovation and the differentiation are one of the best way create value to the company. It does make sense and Cooper (1999) supports it mentioning that the best way to launch new products is to start with an extensive and deep market analysis.

There is no doubt, that marketing planning is crucial for any business, can be strategical and tactical at the same time. For that reason, it is important now to understand how to set a proper For Airich (1989), a marketing plan must be, above all, a practical document with the capacity to be implemented for real. Most of marketing plans tend to be too long, ending up on a “shelve”, without any practical execution, just relevant to look for information on the market and on the company.

2.3. Marketing plan structure

In order to design a structure for the Redken Brew's Marketing Plan, several models were analysed and revised- such as Kotler *et al.* (2006), McDonald (2008), Westwood (2006) and Wood (2010). Although some slight changes verified, every model follows the same structure:

- 1) Marketing Audit (External and Internal Analysis),
- 2) Competitive analysis,
- 3) Objectives and Marketing Strategies
- 4) Action Plan,
- 5) Budget;
- 6) Control.

In order to understand better each stage of the structure, each one is going to be analyzed deeply.

2.3.1. Marketing audit

2.3.1.1 External analysis

According to Lindon *et al.* (2004), the word market is use for the marketing managers in two different senses, although complementary: restrict sense- a set of quantitative data on the importance, structure and evolution of product's sales; in the broad sense, market is the set of consumers that are more likely to influence the consumption volume of a product

For a more deep and reliable marketing plan is important to get into both senses of market. In a restrict sense, it is important to analyze the product or range of products, the market where our company is going to operate, the sales volume and value, the market segments, the prices, life cycle, etc.. in a broader sense, It is important to define the market having in mind the client (users, buyers, prescribers).

Beyond the previous, it is important to do a deep analysis on the competition. According Ho and Lee (2008), the competition analysis is crucial to a relevant strategical implementation:

“Companies can develop and apply better strategies if the response of their competitors can be analyzed and forecasted”.

Assess the competition position of several companies that operates in the market is a relevant process due to the output that can take from it, helping to develop better strategies and actions.

McDonald (2008) wraps up the previous setting up three uncontrollable variables analysis within the external audit, each are in line with the authors mentioned before:

- 1) Business and Economic environment- PEST analysis (Political, Economic, Social/Cultural and Technological)
- 2) The Market – Total market, size, growth, trends (value/volume) and Marketing mix Characteristic
- 3) The Competition – Major competitors, size, Market Share, Distribution Policies, Marketing Methods and Key strengths and weaknesses.

2.3.1.2. Internal analysis

According to Lindon *et al.* (2004), the internal analysis is the assessment of the resources that a company has and the difficulties or weakness that limit its evolution. This is one of the most important steps in a marketing plan given the fact it is the foundation of the objectives.

For a proper internal analysis is important to understand the evolution of the company’s performance in a quantitative way- market share, costs and profitability of each products. Knowing the financial, technological and commercial resources is also crucial as well as the notoriety of the brand/company. Wrapping up, internal analysis is the balance of strengths and weaknesses of a company.

Those elements are the ones that we have to take in account to do a deep and reliable internal analysis. More elements can be added, as brand analysis, company’s strategy, etc.. The deeper the analysis, the deeper the marketing manager will understand and the better he/she will do the marketing plan.

According to McDonald (2008), and in line with the previous authors, to do a proper internal analysis the follow controllable variables must be analyzed:

- 1) Own Company – who are we
- 2) Sales (value/volume)
- 3) Market Shares
- 4) Profit Margins/costs

2.3.2. Competitive analysis

As mentioned above, the internal analysis is about finding the strengths and the weakness of a company/brand. In the other hand, if the market and the competition is under analysis the opportunities and the threats are going show up. This diagnosis tool is call SWOT analysis, standing for Strengths, Weaknesses, Opportunities and Threats.

An opportunity does exist when a company can get profit on answering to a certain need of a market, for a new product or for a baseline product with a new approach. In the other hand, a threat is a challenge set by the market, with an unfavorable consequence to the company (Kotler *et al.*, 2006). Strengths and Weaknesses are defined by the own company's performance.

Having the marketing audit done, a SWOT analysis is going to take place in order to have a proper framework of Redken Brews launch.

2.3.3. Objectives and marketing strategies

Setting objectives is one the most important step of a marketing plan because it does allow everyone to have a clear vision and be in line with the plan, setting key performance indicators to the chosen strategy. A company can point three type of general objectives: profitability and return of investment, volume and market share, other marketing objectives like client's satisfaction or brand's image (Lindon et al, 2004).

According to Mcdonald (2007), it is important to set objectives to a clear portion of the market that is worth to be explored. For him “one of the keys aspect of marketing planning is choosing the right customers to focus on (...) it is therefore necessary to define in precise and actionable terms just who are the organization's customers, both now and in the future”. For the

same author, a market segmentation should tickle the questions: “who buys?”, “What they buy?” and “why they buy?”. The first question is answered using demographic/socio-economic/geographic/cultural factors, the second is answered by doing an analysis of products and purchase characteristics and the last question is answered by taking a deep dive on the benefits, attitudes/beliefs they are looking for and, even, their lifestyle.

After setting up the segmentation and the targeting wanted to be explored, it is important to set up our positioning in order to understand what make it relevant for the market and the consumer (unique selling proposition), taking into account the consumer’s expectations, the position of the competitors and the brand’s strengths. “Positioning can be defined as a strategical choice that looks to give a credible, different and attractive position to a offer, within a market and in the mind of the clients” (Lindon *et al.*, 2004).

Having the previous in mind it is possible to set up now the objectives. How to achieve the objectives? Kotler supports three generic strategies: total leadership on costs, differentiation, and focus. The previous is important but might not reflect the world of today, given the fact that today’s complexity brought more ways to build a marketing strategy.

Setting objectives requires setting strategies. Several authors are point out that the way to have a clear vision of the strategies is using the marketing mix (product, price, promotion and place). Marketing mix is part of a tactical marketing, focused on details and characteristics.

Figure 1- Marketing Mix. The 4 P’s

Product	History and evolution; Life cycle; Characteristics and Features; Benefits; Branding; Design and image; Quality; Usage; and Use occasion
Price	Price level and its reasons; Comparisons with competitors; Discounts; Payment conditions; Positioning
Place	Distribution channel; Relation with the channels; Logistics; Stocks; Transportation; Storing.
Promotion	Advertisements (target, copy, agency and media); Sales promotions; Public relations; Sales teams; Direct marketing; Launch events; Budget table for each tool of communication

Source: Own elaboration, based on Lindon *et al.*, (2004)

After setting up the objectives and strategies is important to define the action plan, i.e. the actions taken by the company to achieve the wanted results, the budget behind it, the implementation and control.

Wrapping up, after doing the SWOT analysis we are going to do the segmentation, of the market, find our customer and consumer target, set our positioning and marketing objectives, do the marketing mix, action plan, budget plan and control.

2.4. Business-to-Business

Given the fact Redken operates in a business-to-business market is important to understand if a marketing plan does need to adapt under this new approach.

Lynch and De Chernatony (2007) believe that the business environment in the twentieth-century “poses considerable challenges for business-to-business (B2B) organizations”. these conditions are explained by the successive homogeneity of the products, with physical specifications and identical performance, and consequent competition based on price, resulting in an extreme difficulty for the companies in being able to differentiate themselves from the others competitors and to build a sustainable competitive advantage (Alexander et al, 2009).

Several authors mention the characteristics of the industrial markets when compared to the consumer markets, Mudambi (2002) reinforces the importance of it “especially given the dynamic nature of the business environment.”. He points out the complexity of the decision process and even of the product or service, the high number of stakeholders involved in the process and the factors that influence the same process as key characteristics of the industrial markets, making the buying decision process in a business-to-business context different from the one in a business-to-consumer context. Those industrial markets specific characteristics are considered in this project given the fact Redken operates in an industrial market.

Webster and Keller (2004) mention industrial buying as a “result of a combination of organizational and individual decision processes” from the recognition of the organizational problem passing through the identification and assessment of the supplier and the alternative product offers, choosing one or more suppliers, negotiation, assessment and performance and the proper follow up of the relationship. Enlightened by Lynch and De Chernatony (2004), it is really important for a marketer to have in consideration a structure, process and behavior content in an

industrial buying- being structure the composition of the industrial buying centers; process as the stages of a decision process; and content as the assessment criteria that influence the decision process. Those criteria's can be economical or functional, including price, product specifications, deliver, quality consistence, the reliability of the supplier and of the client service, and non-economical or emotional, including trust, prestige, professional security and social needs. The behavior of an industrial buying involves then, several authors that make decisions motivated for their own needs and perceptions, combining personal objectives and organizational objectives that will shape their buying behavior and decision process. That will be always rational and emotional (Webster and Keller, 2004). Within this frame, Lynch and De Chernatony (2007) believe that marketers, in business context, should understand and communicate clearly the organization's values, letting these key success factors appeal both relational and emotional industrial client's needs. Aspara and Tikkanen (2008) mention the importance of a strong image and strong reputation of the supplier, given the fact that it does influence the decision process of the industrial client. Webster and Keller (2004) say that managers in a Business-to-Business market should concentrate their efforts on developing a communication more emotional, taking as foundation the strong reputation of the company as a differentiation and a superior offer to the client.

Given the image, reputation and communication of a brand such an important topic in a business-to-business organization, it is important to take a deeper dive in the brand and brand value concept to enrich our marketing plan.

Chapter 3- Methodology

The ultimate objective of this chapter is to exhibit the methods and techniques of data collections and analysis used to support the development of the marketing plan.

The chapter two, literature review, supplied crucial knowledge about how to develop a marketing plan and how to approach a business-to-business model. In this part is going to be developed a study to complement the chapter two and to provide a foundation to the undertaking decisions done on the implementation.

In this marketing plan it was only collected secondary data, pre-existing one, releasing a systematic organization of the information, already produced. This secondary data collected was of two types: internal and external data. To collect internal data it was used L'Oréal Portugal data. The external data was obtained through information available in INE (Instituto Nacional de Estatística), Nielsen and Marktest. Both data was qualitative and quantitative.

Regarding data analysis techniques, it was done a content analysis, both qualitative and quantitative. The quantitative analysis are referred to interpretation of graphics and tables coming from real numbers. The qualitative analysis are focus on extrapolations of conclusions shaped to a unique case that this project wants to emphasis, taking into account theories exposed by several authors.

Chapter 4 - Marketing Audit

4.1 External analysis

4.1.1. Business and economic environment- PEST analysis

4.1.1.1 Political analysis

Portugal is a small (92,072 Km² and 10.7 million inhabitants) country in Europe. It is a member of the European Union since 1986, and part of Eurozone at its creation (1999). Although Portugal is considered to be a developed country it still presents some values that are characteristic in a “less develop” country.

The political framework is undergoing a phase of stability, both in Portugal and at the level of the European Union. There are naturally threats at geopolitical level, as is the case of tensions with Russia and North Korea. More concrete and at European level, terrorist threats are a problem that more often occurs, independence trends (eg, Scottish and Catalan) and, as yet unresolved, refugees who have brought great challenges to European integration .

António Costa, the Socialist Party leader, was elected prime minister in 2015. His minority government faces political pressures, but is now well-positioned to see out its term, which ends in late 2019.

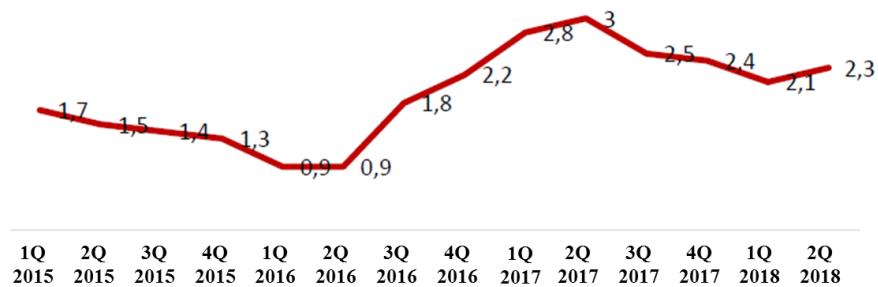
Cosmetic products are regulated by a harmonized European Union legislative act, which is designated by Regulation (EC) 1223/2009 on cosmetic products. The Cosmetics Regulation is the main regulatory framework for cosmetic products when placed on the European Union Market. The articles of the regulation that most affect day-to-day marketing activity are articles 19 and 20. Article 19 refers to labeling requirements for cosmetic products and article 20 concerns claims on cosmetic products.

The competent authority for these products in Portugal is INFARMED (National Authority for Medicinal Products and Health Products I.P), which also supervises and regulates the sectors of medicine and medical devices.

4.1.1.2. Economic analysis

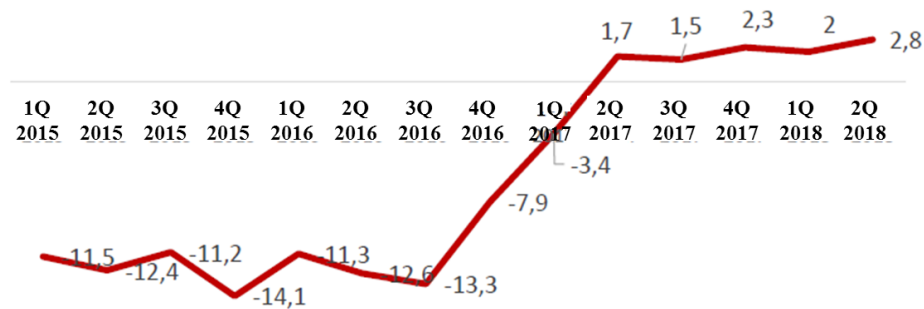
After facing years of struggle, the Portuguese economy grew 2.7% in 2017, achieving its strongest growth since 2000 according to the Portuguese National Statistics Office (INE). This year, 2018, it managed to growth 2,3% in the 2nd quarter of the year, proving Portugal is back on track. This was a result of increased domestic demand and investment in exports. The consumer confidence index reflects how the Portuguese are feeling about the current situation and they pretty optimist, closing the 2nd quarter at plus 2,8%, after two years declining. The positive contributors for actual consumer confidence is the household financial status (+5,1%) and Portugal’s economic situation (+6,8%). In the other end, savings opportunity is a bad contributor (-19,9%) as well as unemployment evolution (-18,1%). With this last insight, we can easily see that the Portuguese are optimist about the economy but they show resistance to the evolution for unemployment, even though it has been decreasing at a faster pace to 6,7% at the end of 2018, Q2 (the lowest level since 2008), according to INE.

Chart 1 – Evolution of Portugal’s GDP (homologous variation %)



Source: own elaboration based on INE, 2018

Chart 2 – Evolution consumer confidence index

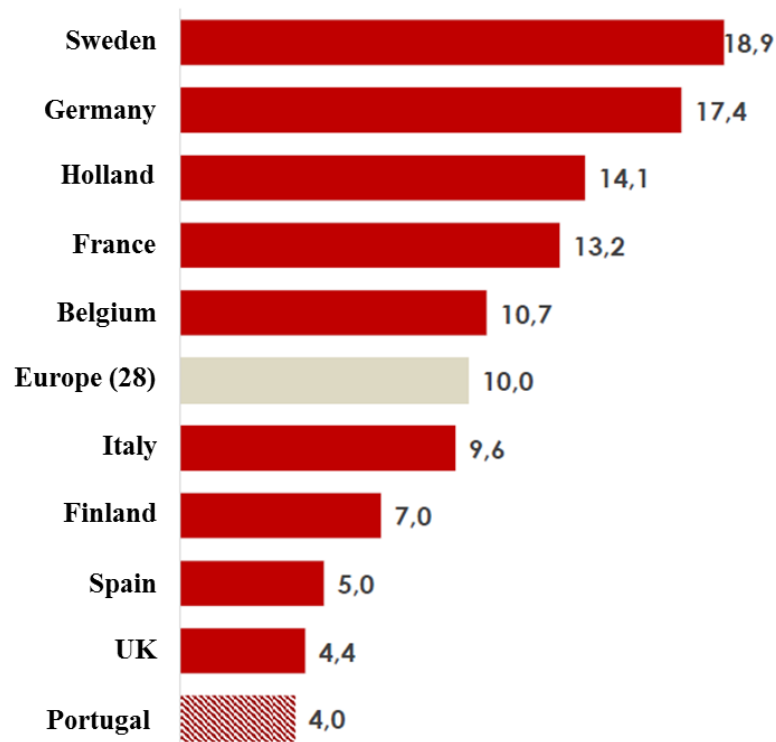


Source: Own elaboration based on INE, 2018

Tourism is one of the biggest contributors to growth, representing 15,2 billion euros in 2017 (+19,5% vs 2016) according to INE and Turismo de Portugal. In just three years, the weight of tourism in the GDP came from 11,9%, in 2014, to 12,5%, in 2017, representing 50% of the total service exports (2017, +6pp vs 2012). The major goal is to achieve 25,8 billion euros of revenues by 2027.

Another important factor to take into account is the inflation. According to INE, the monthly inflation reached its pique in June 2018, 1,52%, due to gasoline (+7,46%), restaurants and hotels (+3,82%), alcoholic beverage and Tabaco (+2,88%). In the other end, shoes and clothing were a negative contributor (-2,74%)- we cannot isolate the last effect because it was sales season, which is an important factor on clothing and shoes market.

Not everything in Portugal is positive. In the first quarter of 2018, Portugal was one of the countries with the lowest savings rates in Europe, 4% household saving (-6 p.p vs average Europe) proving that the future is not guaranteed bright. (L'Oréal Portugal internal data / Eurostat, 2018 Q1)

Chart 3 – Household saving rate (%) 2018 Q1

Source: Own elaboration based on Eurostat, 2018

4.1.1.3. Social/cultural analysis

The total population of Portugal is 10.291 million inhabitants with 47.29% of males and 52.71% of females. Regarding the population density, Portugal has 446 inhabitant per square meter in predominantly urban area and just 79,3 in medium urban (INE). Given the fact that major urban areas are located at the west coast of Portugal, we can have a better picture of the population in the country. In addition the life expectancy is 79.8 years old and the mortality rate has been decreasing to 10.2‰. (INE)

On a less positive note, the birth rate has been decreasing to 8.4‰ in 2017, even though INE is feeling positive that 2018 might be a good year. With life expectancy high and birth rate below European level, Portugal can be defined as old country.

Regarding cultural aspects, Portugal has been changing a lot. There is good access to technology and good levels of education.

Beauty & Hygiene consumption in Portugal (women)

When it comes to beauty consumption, we can say that the Portuguese female consumer is a hair, skin and hygiene driven. With a high penetration rate, haircare is crucial for the consumers. The first gesture (shampoo) has 97% of penetration rate, followed by conditioner (84%) and hair mask (51%). When we compare Portugal to the main countries in Europe, haircare has the highest penetration rate, followed by France (98%), UK (98%), and Germany (97%). After Haircare, it comes hygiene (deos and shower), with a penetration rate of 93%, away higher than the rest countries in Europe. (L’Oréal Portugal internal data, 2018 / Nielsen)

For the Portuguese, skin is as well a category that must be treasured. 8 out of 10 consumers buy skin care products, in line with the rest of Europe, including face care and face cleansing.

Still in hair, haircolor and hair styling are categories super important for L’Oréal Professional products division. When looking to haircolor, it is easily seen that 6 out 10 consumer does have colored hair, but they do in haircoloration in differente places - 29% does exclusively in hairsalon, 17% exclusively at home and 17% in both. Haircoloration has a big potential, given its low penetration, when compared to the rest of Europe. At least, and with the lowest penetration rate, there is hairstyling. 44% of total female portuguese consumers uses hairstyling products. (L’Oréal Portugal internal data, 2018 / Nielsen)

Table 1 – 2018 penetration track

	PORTUGAL	FRANCE	ITALY	SPAIN	UK	GERMANY
	%	%	%	%	%	%
HAIR CARE	98	98	94	96	98	97
Shampoo	97	95	86	90	94	94
STD Conditioner	84	47	68	58	83	56
Masque	51	40	36	57	17	41
HAIR COLOR	62	60	67	66	58	59
Exclusive Salon	29	33	39	33	21	23
Exclusive Home	17	19	17	22	29	29
Both	17	8	11	11	7	7
HAIR STYLING	44	48	49	54	56	62
Gel	8	11	14	13	11	14
Mousse	6	17	31	36	29	42
Lacques	18					
Sprays	13	32	33	32	36	49
SKIN CARE	83	84	76	78	81	86
Face Care	83	84	76	78	81	86
Face Cleansing	82	86	79	72	77	73
BODY CARE	83	65	69	68	73	71
DEOS	92	83	81	83	91	86
SUN CARE	57	68	79	87	77	70
MAKE-UP	65	83	83	83	83	76
Make-Up Face	56	67	75	73	73	64
Make-Up Eyes	62	74	74	73	76	67
Make-Up Lips	60	68	74	64	74	61
Make-Up Nails	54	66	43	76	65	55
SHOWER	93	90	90	91	90	91
PERFUME	83	78	85	87	82	80

Source: Own Elaboration based on L’Oréal Portugal Internal data

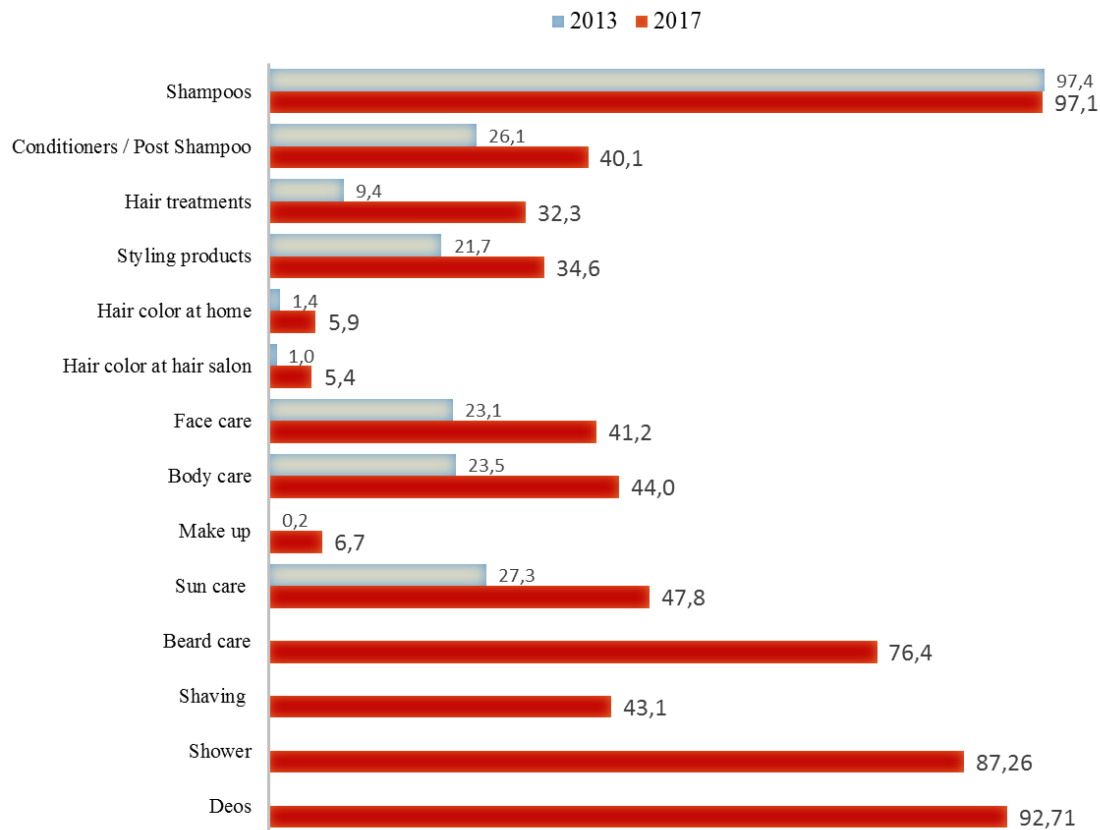
Beauty & Hygiene consumption in Portugal (men)

In Portugal, there are 4 million men aging more than 15 years old and, those men, are more and more into beauty & hygiene. Haircare products consumption is almost in line with the female consumption- almost 10 out of 10 uses shampoo but only 40% uses conditioner, even though its consumption has been growing 14p.p on the last 4 years. When it comes to hairstyling products, the penetration rate is low- only 34,6% of men uses. Haircolor is the category with the lowest penetration- only 5,9% of men says that have colored their hair. (L'Oréal Portugal internal data, 2018)

Hygiene categories has seen as crucial for men as well. 9 out 10 men uses shower and deos.

The categories that have been growing the most are – skin care, body care and beard care. Skin care has been growing 18p.p. in only 4 years, reaching a penetration rate of 41,2% in 2017. Body care is in the same wave, reaching a penetration rate of 44%.

Beard care is definitely a category has been booming in the last couple years. Portuguese men are hairy men and beard is not excluded. 43% uses beard but the penetration rate of beards are not equally across all ages, i.e. 56,4% in men aging 16 to 19 years old, 70,21% in men aging 20 to 34 years old, 31,16% in men aging 35 to 54 year old and 17,9% in men aging 55plus year old. Those last figures prove that having a beards is a trend and it has a link with cultural aspects. Older men link beard to uncleaned face due to military services trend in the past, younger men link beard to fashion, to personality, masculinity and self esteem. Given the previous, is easily understood why beard care products have 43,1% penetration rate and shaving products have 76,4%. (L'Oréal Portugal internal data, 2018)

Chart 4 – Men categories penetration (%) 2017 vs 2013

Source: Own elaboration based on L'Oréal Portugal Internal data

Another important figure is the purchase behavior on the Portuguese men for men products. 81% of men choose and buys their own products, 7% choose but do not buy the products and 12% do not choose or neither buy. This shows that Portuguese men are the buyers and the consumers. (L'Oréal Portugal internal data, 2018)

4.1.14 Technological analysis

Currently the technological area is in constant development, which facilitates production processes. Technologies play a key role, particularly in the business area. The emergence of social networks has also boosted the way companies communicate. Communication, being an added value to the success of a company, is now much simplified through the numerous existing social networks. Portugal is definitely surfing the wave of online booming. With a population of 8,56

million with more than 15 years old, 5,15 million are internet users with a diary frequency and 3,67 million are active social media users, according to INE.

If we take a deep dive on social media, which are an important mean of communication, facebook has a penetration rate of 58%, youtube 45%, Spotify 29,5% and Instagram 17%., according to Marktest). This last figures prove that social media channel cover a big part of the population and are a great way to communicate.

Taking on mobile phones, 99,8% of the portuguese population is covered by this device and use it daily. According to INE, the consumption of data in mobile has been growing successively. From 2013 until 2016, it has grown 116%.

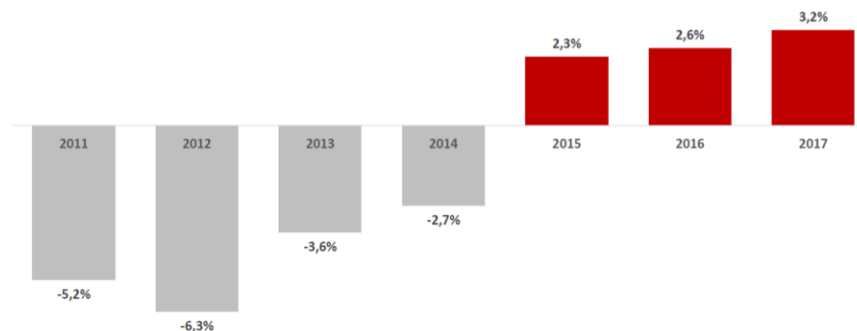
Give all the previous, we can say that Portugal is technological driven, especially on digital means.

4.1.2. The market

4.1.2.1 The beauty and personal care market

According to L’Oréal Portugal internal data, the market of beauty and personal care is worth 1.058 million euros, in Portugal 2017. It is a dynamic market that has been facing some struggles in the pass, due to national crisis, but now is experiencing a trend of growth (+3,2% vs 2016).

Chart 5 – Total hygiene market value variation (%) Homologous variation



Source: Own elaboration based on L’Oréal internal data and Nielsen

This market is divided in 11 segments: haircare, hairstyling, hair coloration, face care, body care, sun care, makeup, deos, shaving and after shave, perfumes and shower gel.

In 2017, those segments performed differently. Haircare, which is the segment that worth the most (nearly 233 million euros), experienced a growth of 2,2%. Hairstyling is a segment that has been losing year after year, ending up 2017 with a minus 2,9% (30,8 million euros). Hair coloration has been following the trend of haircare, ending up 2017 positive with a 2,7% growth. Face care is the second biggest segment in this market and, during this last years, made great results, ending 2017 with a 3,6% growth, reflecting that Portuguese are each time more into face care. Body care represents the fourth biggest segment and has grown 5,6% in 2017. With the same positive trend, sun care has grown 2,8% (making 65,4 million euros). In the other hand, the makeup segment has struggled to growth on the last 3 years, ending up at 0,3% growth in 2017. Deos end up 2017 with a 5,4 growth as well as shower gel. Shaving and after shave is facing bad times with a negative growth of 1,1%. At last, Perfumes represent the third biggest segment, worthing 138,6 million euros, facing a super positive growth of 5,2% in 2017.

Table 2 – Categories value in the cosmetic market

	2014	2015	2016	2017	% Evol 2017 Vs 2016
TOTAL HYGIENE MARKET	978.865	1.001.356	1.025.477	1.058.031	3,2%
Hair Care	223.709	225.635	228.303	233.342	2,2%
Total Face Care	184.833	186.378	185.265	191.843	3,6%
Face Care Soin	166.531	166.672	165.164	169.777	2,8%
Face Care Toilette	18.302	19.706	20.101	22.066	9,8%
Body	92.738	99.694	101.998	107.726	5,6%
Perfumes	122.441	124.803	131.475	138.607	5,4%
Make Up	86.514	92.250	99.086	99.415	0,3%
Sun Care	44.299	58.862	63.618	65.416	2,8%
Shower Gel	50.385	53.495	54.540	57.442	5,3%
Deos	56.072	57.510	58.355	61.531	5,4%
Coloration	43.052	43.606	43.440	44.621	2,7%
Styling	32.380	32.565	31.702	30.779	-2,9%
Shaving and After Shave	20.046	21.383	19.014	18.805	-1,1%

Source: Own elaboration based on L'Oréal Portugal internal data

This market continues to benefit from the country's ongoing economic recovery following a significant financial crisis and it is far from being static. Taking a deep dive on the distribution channel of this market, four channels can be highlighted- Pharmacies and parapharmacies, mass market, perfumeries and professional (hairdressers and professional stores).

One of the biggest contributor for the 3,2% growth of the market is the pharmacies and parapharmacies channel. During the last three years has been facing successive growths, ending 2017 at plus 6,0%, followed by the perfumeries, that have been experienced the booming of tourism, ending up at plus 4,0%. The mass market channel never recovered properly from the crisis. It has been facing some devaluation of products, given the high level of discounts, struggling to grow in value the same as volume. Besides that, this channel increased 1,6% in 2017. At last, the professional channel has slow down the growth, ending up 2017 at plus 1,9%.

Taking in mind the previous figures, we can say that the market is in a good trend of growth, coming from more dynamic channels, as pharmacies and perfumeries.

4.1.2.2 The professional hair market

The professional hair market counts with every product and service that is sold in hair salons, professional retail shops and professional e-retails. This market, like many others, is slowly recovering from the crisis years (2013 and 2014), ending up 2017 worthing 75,15 million euros, with a 1,9% growth.

Within this market it can be found the following product/categories categories - hair coloration, hair care, hair styling and hair texture. Hair care has the biggest cut of the market, weighting 58%, followed by hair coloration with 31%, styling with 7% and texture with just 4%.

Chart 6 – Hair categories weight (%)

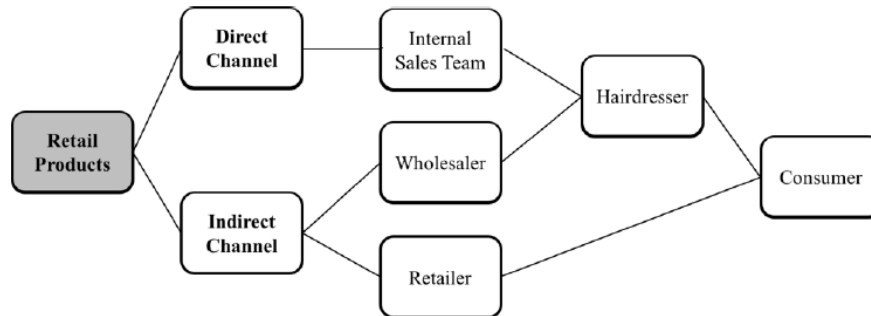


Regarding the distribution frame, there are two main channels- hair salons and professional retail shops. In Portugal, L'Oréal forecasts that does exist nearly 11,275 hair salons, 76% of those having 1 or 2 stakeholders and 40% with the price of color service below 22€. Regarding the professional retail shops, it does exist 430 located across the country.

To better understand this market, it is important to understand how's the consumers is interacting with it. When it comes salon penetration, 96% of consumers have gone to a hair salon in 2017 (vs 94% in 2013), they are going average 9 times per year (vs 11,7 times in 2013) and they have a average ticket of 22,7€ (vs 20,5€ in 2013). Wrapping up, hair salons are not a new channel for the consumers although they are going less often. When in the hair salon, they are spending more money.

When it comes to understand who are the players of this market, it is important to keep in mind that the way this market is composed it is not possible to have an one hundred percent accurate vision on the value, because it is not possible to have the total sell out due to fragmented distribution. Nevertheless, the main players of the market are L'Oréal Professional Division group (brands: L'Oréal Professionnel, Kerastase, Redken, Shu uemura and Mizani), Coty group (brands: Wella professionals, Good hair day, Nioxin and Sebastian), Henkel group (brands: Schwarzkopf and Syoss), Lupa Biologica and Revlon.

This market has particularities regarding the distribution of its products. It can be done directly by sales team or indirectly by wholesalers and large retailers. When it comes to retail products, the goal is to reach the end-consumer, boosting the client's sell out. Currently, it can be found three main distribution channels for retail products. Living in a business-to-business-to-consumer business model, the whole process involves many intermediaries leading to hard negotiation conditions, due to business margins.

Figure 2 – Professional Distribution Diagram

Source: own elaboration

On the other hand, this market does offer technical sized product meant to be used by hairdressers, in their hair salon. This type of products are not supposed to be sold to the end consumer, ending its selling process in the hairdresser.

Given the previous, setting up a price strategy to the market is hard. Between the brand and the consumer sometimes it does exist two intermediaries, leading to a different price cascading, with different margins reflected in the final price. Given the fact that a brand cannot fix the final price, it can be found in the market different prices for the same product, depending on the distribution, and the margin it has been applied.

4.1.2.3 The men's professional hair market

The male professional hair market is still a small piece (1,5%) for the entire professional market, with a value forecasted by L'Oréal of 1,5 million euros. It is an emerging market due to the comeback of classical barber trend, focused particularly on services rather than in products. The main service is haircut and, more and more, beards.

In this market we can find the same channel as the professional hair one, although with a more specialize approach. After some deep analysis and some field exploration, it is possible to segment the channels into four- traditional barbers, male hair salons, barbershops and unisex hairsalons.

Traditional barbers are less developed salons. Those can be found in small neighborhoods, focused in basic and classical haircuts and beard services for a more mature and conservative

target. With hair cut pricing nearly 6€ and beard service 3,5€. They do not have a strong connect with suppliers and do not valorize education. When it comes to retail, it is almost inexistent.

Male hair salons are developed than traditional one. They treasure education from brands and they try to bring a fresher and modern approach to classics for a more wealthy consumer. The price of the hair care is around 14€ and beard service is 4€. The retail exists but not so well organized, with hairstyling products, beard oils and some haircare products.

Barbershops are now booming in the market. Those are completely influencer by old school barber trend, a combination of retro and vintage style. The target is now alternative, fashion driven men. They seek alternative suppliers and education. A haircut price is around 19€ and a beard service is 11€. They do not put a lot of effort on retail, although some hairstyling and oil products can be found.

Unisex Hair salons are more into women but they have a space and a menu for men. Their style is totally link to what brands say it is trendy and fashion. The target is men that care about their style but do not seek anything special. Sometimes they are just following their female friends or wives. The owners care about brand's education (especially in class) and have a clear focus on retail, with a wide range of products available.

It is forecasted that the biggest cut of this market is in the unisex hair salons and male hair salons.

4.1.3. The competition

Even though this market is small is size, when compared to the all professional hair market, it is very fragmented in competition. This new barber trend allowed indie brands to come to our local market to fulfill this unmet need.

When looking to the competition it is possible to divide it into two groups- the barbershop oriented and the unisex oriented. The barbershop oriented brands are the ones new in town. With a clear focus on retro and old school image, they are distributed in barbershops across the country, having this extreme manly mood. The unisex oriented are the one meant to fill the men space in a unisex hair salon. They are cleaner and classier.

If we take a look into the major competitors, we have as barbershop oriented- Reuzel and Uppercut Deluxe; and as unisex oriented – L’Oréal Professionnel Homme and American Crew.

It is very important to have a closer look on the previous brands to know their positioning, pricing and way of communication.

4.1.3.1 Reuzel

According to its website, two classic barbers created Reuzel. They were passionate about classic barbering and they were influenced by rock n’ roll, kustom culture and its sub cultures and they opened “Schorem haarnijder en Barbier”. Schorem was an old school men-only barbershop in the city of Rotterdam, in Holland. This barbershop was specialized in traditional, classic and signature haircuts, as well as, hot towels. This words means “bad boy” in Dutch. This way of working was so popular by that time that become an influenced worldwide.

In Portugal, Reuzel is part of LVM group and it is estimated that has around 370 barbershops across the country. Its target are schorem-influenced barbershops

When it comes to products portfolio, Reuzel is stronger in beard and hairstyling products, having a medium price positioning. Portfolio and pricing in the figures 25 and 25 (appendices)

Like the other brands on the list, this one communicate only inside of the barbershops, focusing on wooden and raw materials, allowing to create a cool barbershop to the consumer.

4.1.3.2 Uppercut Deluxe

According to its website, Uppercut Delux is a brand inspired by the timeless style of the 1950s barbershop. Its creator, Willy Uppercut OShea, wanted to have a modern, yet traditional approach to mens grooming. It is an Australian born brand that delivers a core range of high quality grooming products for men without all the fancy embellishments of salon brands. The mood of the brand is all related to boxing, that why the creators to name it “uppercut”.

In Portugal, Uppercut is distributed by LVM as well, being present in around 350 barbershops across the country. When it comes to product range offer, it does have haircare, hairstyling, shaving and beard products. Their focus is on beard and hairstyling products. Its price

positioning is affordable, especially when compared to Reuzel. Portfolio and pricing in the figure 26 (appendices)

Uppercut only communicates inside of the hairsalon, investing in merchandising with a cool and barber mood.

4.1.3.3. L'Oréal Professionnel Homme

L'Oréal Professionnel Homme is part of L'Oréal Professionnel brand. In 2017, the turnover was 60.000 euros, being distributed in 369 unisex hairsalons.

L'Oréal Professionnel Homme is a professional male hair care line to be used by hairdressers, and it is developed to meet men specific needs. The aim is to allocate these products in hair salons, in order to make men understand that this is no longer a women's environment and they have a place for them too. At the end, the product is available to be bought and taken home, with a quality that no supermarket brand can offer.

Regarding product portfolio, it has only hair products- haircare and hairstyling with a medium price positioning. Portfolio and pricing in the figure 27 (appendices)

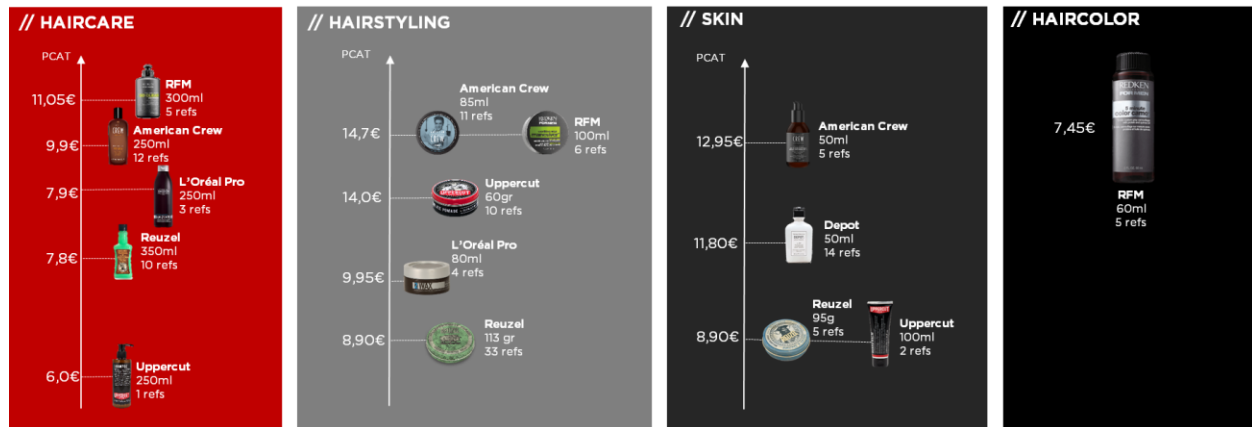
4.1.3.4 American Crew

American crew is the leading professional men's grooming brand worldwide, with more than 20 years of history. It does bring to the professional market a more clean and modern approach to beauty. With a portfolio based on haircare, hairstyling and shaving products, American Crew is part of Revlon group, In Portugal is forecasted to be in nearly 400 unisex hair salons across the country. Portfolio and pricing in the figures 28, 29 and 30 (appendices)

4.1.4. Price positioning

To have a better knowledge how the male professional hair market act, a pricing positioning was taken in place, found below a matrix with the average catalogue prices per category:

Figure 3 – Men professional hair market player price index (average)



Source: Own elaboration

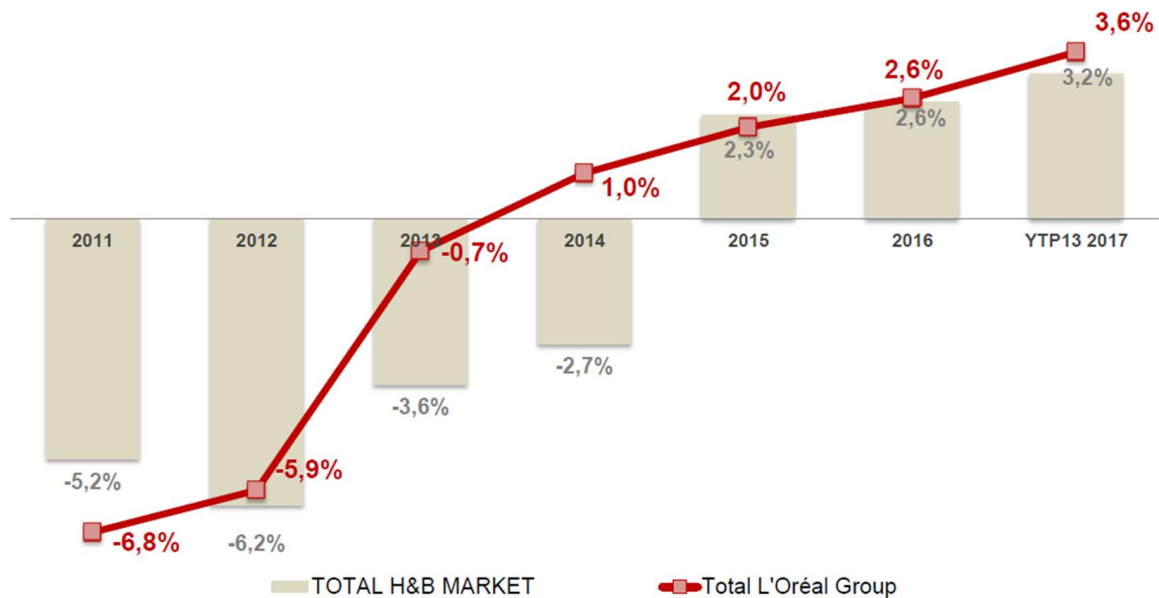
4.2. Internal analysis

4.2.1. L'Oréal Group

L'Oréal is a hundred percent beauty and cosmetics' company founded by Eugène Schueller, in 1909. L'Oréal is, nowadays, the number one cosmetic group in the world. Today, L'Oréal group is in 130 countries across all globe. The group has the simple mission of "Beauty of Everyone". This motto is due to its leadership and the fact it does have such a broad way to get in contact with the consumer. L'Oréal products are easy to find given its diverse and dynamic distribution. The group is divided into four different divisions according to its distribution in the market channels: Consumer Products Division (CPD) – mass market and retail brands, Professional Products Division (PPD)- Hairsalons and Professional retail shops, Active Cosmetics Division (ACD) – pharmacies and parapharmacies and L'Oréal Luxe (LL)- perfumeries. Those division are the umbrella for its forty six brands worldwide but in Portugal we can only find twenty eight. (exhibit xx)

Regarding its performance, L'Oréal Portugal is now facing a positive growth in turnover, overcoming the market. The group ended 2017 with a 3,6% growth, after a growth of 2,6% in 2016. This growth is allowing L'Oréal to be the leader in this market, with a market share of 25,5%. The previous is the reflection of a different growths within the group- ACD is the division with the faster pace (+6,0% vs 2016), followed by LL (+5,4%), PPD (+2,6%) and CPD (+1,4%).

Chart 7 – Total Hygiene & Beauty Market and L’Oréal Portugal value variation (%)
Homologous variation



Source: L’Oréal Portugal internal data

In the next chapter, it is possible to realize the weight of each division in the group

4.2.2. L’Oréal Professional Products Division

Given the fact that Redken Brews is a new franchise within Redken, whose brand is inserted in PPD frame, it is important to understand how this division operates.

PPD Portugal is the division whose main channel of distribution is hair salons and professional retail shops. It ends up being an ally of hairdressers, supplying them with haircare, hairstyling, haircolor, shape products and, as well, trainings to develop their skills to ensure that the professional services reach the consumer at its best. More than products, this market is about services. Locally, PPD it is the umbrella of five hair brands- L’Oréal Professionnel, Kerastase, Redken, Shu uemura and Mizani.

PPD is facing a healthy growth in the three years, reaching a plus 2,6% of growth in 2017, overcoming the market. This growth allows the division to settle its leadership in the market, with a market share (MS) of 39,5%, overcoming its main competitors- Coty group (10,8% MS), Henkel (9,7% MS) and Lupa (7,1% MS).

When it comes to distribution, PPD hair salons have a penetration rate of 35,9%, being its brands present in 4.048 hair salons across the country, and a penetration rate of 50% in professional retail shops (215).

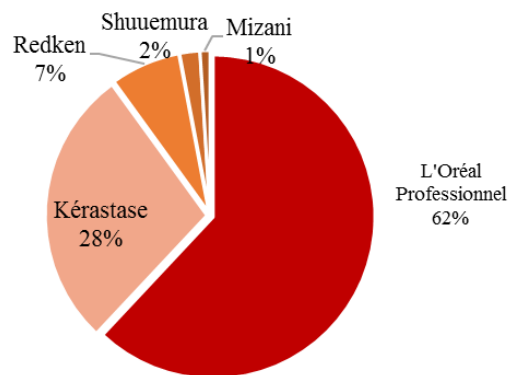
Regarding categories, the weight of haircare is 58% total turnover, Haircoloration is 31%, Hairstyling is 7% and Shape is 4%.

Having a business-to-business model, PPD is focused on making the business of its client healthy, giving them the proper tools to better communicate its products and services. It is key for this market an education team, a marketing focused on salon merchandising to boost sell out and a wide sales team, given the fact the selling is made face to face. It is crucial to have a proper animation for the hairdresser to decide to introduce new products, being the final price up to them because it is not possible to fix the price.

Regarding the brands presented previously, each one as a different position in the market, being completely complementary. L'Oréal Professionnel is the generalist premium brand, being present in the biggest cut of hair salons and professional retail shops. Kerastase has a luxury position with a selective distribution. Redken is an edgy, indie premium brand, being present in hairsalon in urban areas. Shu uemura is the artsy luxury brand, being ultra selective and high priced. Finally, Mizani is a brand that targets afro hair, being present in some hair salons across the country.

The Weight of its brand is reflects in the followed chart:

Chart 8 - Brands Weight in PPD 2017



Source: Own elaboration based on L'Oréal internal data

4.2.3. REDKEN

Redken is a L'Oréal Brand founded in 1960, by Paula Kent. According to Redken's website, Paula was "a young actress in the late 1950s, when hair was highly bleached and teased. Paula was challenged with baby fine hair and sensitive skin. On set in Hollywood, she constantly experienced allergic reactions to products. She visited dermatologists and hairdressers, but no one could explain to her the science behind the products. In a moment of inspiration, Paula realized that she could help millions of other people who needed gentle, high-performance products—and that professional hairdressers needed to know the chemistry of hair and skin, product ingredients and their relationship to beautiful, healthy hair. Paula and her hairdresser, Jheri Redding (forming the name "REDKEN") started Redken with three products and an intensive Education program for hairdressers. The formulas were developed based on three principles: · Protein technology (since hair is composed primarily of protein); · An acidic pH of 4.5–5.5, complementing the natural pH of the hair and skin; · Products recommended exclusively by licensed cosmetologists in professional salons."

The previous allowed Redken to be pioneer in professional product, realizing the power of stylist expertise to sell retail products that extend the benefits of salon services, changing the game and the industry.

In 1993, Redken was acquired by the L'Oréal group, moving its headquarters to New York City. This allowed Redken to create a bond with fashion, being nowadays the professional brand that allies innovation and fashion. With a backstage presence at Fashion Week in New York, London, Milan and Paris, Redken has become a leader in backstage beauty, creating the runway looks for the industry's most prestigious designers. A unique mix of fashion, innovation and inspiration, Redken creates the buzz, sets the pace and establishes what's new, what's hot and what's next in hair.

Nowadays, in the PPD worldwide frame, Redken is the second biggest brand in turnover (first in the USA), following L'Oréal Professionnel. This makes Redken an important brand within the group.

Regarding its positioning, Redken decided to have a different and unique stamp within L'Oréal landscape. Its fashion and innovation approach allows it to claim to be the number one professional indie and edgy brand, present in hair salons across urban areas.

In Portugal, Redken is third biggest brand in PPD, right after L'Oréal Professionnel and Kérastase.

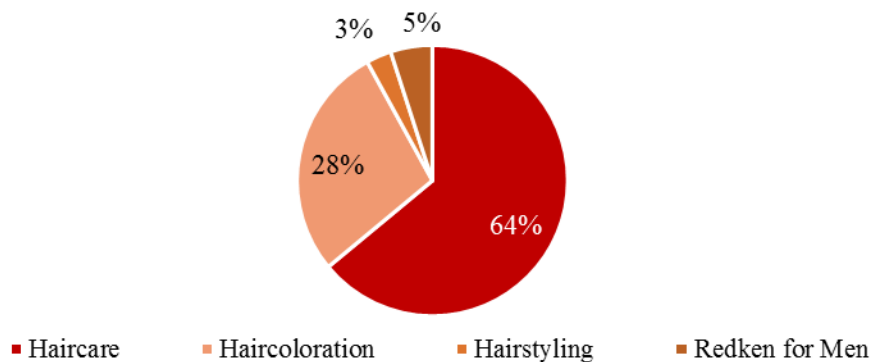
With a one hundred percent of direct selling, Redken is present in 505 hair salons across the country, with higher penetration rate of Lisbon and Porto (60%).

When it comes to Portfolio, Redken counts with:

- 1) Haircare- 96 skus retail and backbar oriented sorted by hair need
- 2) Haircolor – 205 skus counting with shades and color developers for the following sub-brands:
 - a. Non ammonia oxidative hair color – Chromatics
 - b. Acidic tone on tone- Shades EQ
 - c. Alkaline tone on tone- HDresolution
 - d. Direct color- City Beats
 - e. High lifting color – Blonde Idol
 - f. Bleaching- Flash Lift
- 3) Hairstyling – 24 skus sorted by hold level and texture
- 4) Redken For Men – 19 skus sorted by haircare, hairstyling and haircolor

In the following chart it is possible to see the weight of each category:

Chart 9 – Category weight in Redken 2017



Source: Own elaboration based on L'Oréal internal data

As seen before, education is key. For that reason, Redken counts with an education team whose objective is to upskill the clients in order for them to have a better knowledge of the brand and its products.

Regarding the pricing strategy, as said already, it is not possible to fix the end price. Nevertheless, Redken is a premium brand with a high catalogue price as seen in the following average price charter:

Chapter 5 - Competitive analysis (SWOT)

The competitive analysis is a clear overview on Redken’s strengths, weaknesses, opportunities and threats (SWOT).

Figure 4- SWOT analysis matrix

Strengths	Weaknesses
.Being part of the L’Oréal Group .Brand with a clear and strong DNA .High capability and agility on Research and Development .Strong relation with Fashion, being considered a trendsetter .Capability to place education in the market	.High dependence on L’Oréal USA .Low Market Share and awareness .Perceived as a female brand .Lack of consumer data and client’s sell out .Small percentage of PPD turnover
Opportunities	Threats
.Growing of males grooming industry .Men buy their own products .Portuguese men have beard .Consumers are using social media as mean of communication .Mens professional market is far from its potential	.Professional Men’s market is small .Entrance of dedicated men’s grooming brands in mass market distribution .”Do it Yourself” is growing digitally .E-retailer from other countries operating locally .Market used to aggressive commercial deals

Source: Own elaboration

Critical Success Factors

Having the SWOT analysis in mind it is possible to extract the Critical Success Factors of this market.

-Innovation: This market is traditionally driven by new products and new technologies. The consumers are always looking for new products for different news, and they expect that from the brands.

-Education: It is important to guarantee that the customer communicate the product properly to the end consumer. He/she is the main mean to reach the consumer, and this shapes how they perceive the brand. Training the hairdressers is key to upskill the distribution.

-Commercial strategy: Working in a business-to-business market, commercial strategy is important. It is expected by the customer a clear vision on discounts and animations. Otherwise, they will not buy it.

-High range of products and categories- Being a product specialized channel, it is important to have a wide portfolio for every need in the hair salon. If the hairdresser cannot find it, it will try to find it in other brands.

Chapter 6- Objectives and marketing strategies

6.1. Segmentation, Positioning and Targeting

6.1.1. Segmentation

When it comes to model of consumption, beauty and cosmetic market is very diverse. For this case, it is important to have a concrete piece of the market to explore. Given that, it is necessary to segment, which is the process of splitting the market into clusters that share similar needs, wants, habits, behaviors, attitudes and demands.

Has seen on the literature review, it is important to set segmentation criteria and variables. By the combination of all criteria it is possible to have the target that we are willing to reach.

Figure 5 – Segmentation Criteria

Criteria	Variables
Geographic	Country and city of residence
Demographic	Age and gender
Psychographic	Social class, lifestyle and personality
Behavioral	Benefits sought and user rates

Source: Own elaboration

6.1.2. Targeting

Given the fact that this case is about a brand operating in the professional hair market, it is important to have two targets in mind- a customer and a consumer. Both are crucial for a proper and accurate marketing mix. Without reaching the right customer, the consumer will not be able to find the products in the distribution. In the other hand, without reaching the right consumer, the customer will not sell out and will increase the levels of stock.

Due to the logic of the previously presented segments, it is possible to have the following two target groups:

-Hairdressers owning men's hair salons in urban areas of Portugal, aging from 25 to 55 years old, that, in their business, appreciate brands with a clear DNA, having a focus on retail animation.

-Men, residing in urban areas of Portugal, aging from 25 to 55 years old, medium/heavy users of hair salons, whose hair is part of their self-esteem and consume high quality products to improve their final hair look, not being price sensible. These men use social media daily and are influenced by others, looking for inspiration for their look.

6.1.3. Positioning

Positioning is how the brand wants and works to be perceived by customers and consumers. As seen in the literature review, it is important to make clear which type of brand it is and what make it different (unique selling proposition).

-What type of brand it is: Redken Brews is a professional men's grooming brand

-What makes it different: Redken Brews is the complete destination for style, haircare, skin, beard and color solutions, inspired by crafted beer industry with a retro Brooklyn spirit.

Below a golden triangle can be found:

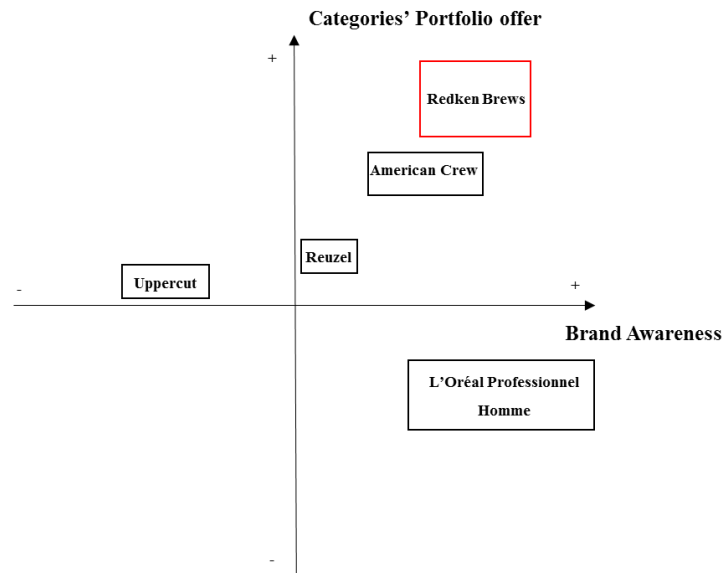
Figure 6 – Positioning “golden” triangle



Source: Own elaboration

To be easier to understand the GAP in the market, a perceptual map was developed:

Figure 7 – Perceptual mapping



Source: Own elaboration

The perceptual mapping done below reflects the positioning of the players taking into account to consumers' expectations- Brand awareness and categories' portfolio offer. The consumer wants a wider offer and a quality product, that is linked with brand awareness. Given the previous, it is easily seen that Redken Brews is going to fulfill a GAP- the brand with the wider categories portfolio (having hair coloration) and a good brand awareness, given by Redken and L'Oréal Group.

6.2. Marketing Objectives

The marketing objectives for Redken Brews launch in Portugal are:

- Achieve 300.000 euros of turnover in one year
- Be present in 500 hair salons and barbers in one year
- Be the first contributor to growth of Redken brand on the first year
- Be the number one professional men's grooming brand in the market in two years

6.3. Marketing Mix

Having a strategic vision on how Redken Brews wants to be positioned in the market, in order to reach its consumer and customer's target, it is time to create an operational plan. This go-to-market plan is going to be crucial to understand all the means needed. In order to make it happen, we are going to do a marketing mix- Product, Price, Place and Promotion.

6.3.1 Product

Given the boom of men's grooming, it has been decided to refresh the Redken men's offer. Redken Brews is a new brand within Redken family, replacing the already existing "Redken for men". This chapter is going to be divided into two- analyze the brand and all its levels and the offer that is on the table.

Brand

Type of brand

Redken Brews is a line extension, being classified as a sub brand within Redken, given the fact it keeps its umbrella brand name, adding a another element to differentiate from the rest.

Brand Characteristics

Name

As already mentioned, Redken Brews is a sub brand within Redken. This strategy allows the new brand to have already some brand equity, coming from the umbrella one. This allows communicating clearer to the consumer and costumer. Having Redken in the naming, Redken Brews starts automatically with a heritage and a deep link to NYC and edginess. Being a line extension, it was needed to have some differentiation points. In this case, this new Redken's portfolio was called Brews. Brews recalls the act of brewing, transporting us to crafted beer industry, which is an industry traditionally linked to man.

Wrapping up, Redken Brews is a perfect combination of keeping the heritage and brand equity of Redken – Edgy, NYC and Professional - adding Brews to boost the manly side of the brand.

Tone of Voice

Tone of voice is key to all strategy. For Redken Brews, the tone of voice is informal, straight to the point, transparent and sometimes humoristic.

Logo

Logo is crucial for any brand. It is the main communication mean and it must reflect the position of the brand. For Redken Brews, it was decided to have a mix of a logotype, symbols and a strapline. All together have a simple, memorable and easy imagery, transporting us to a comeback trend- retro and vintage. The symbol represents wheats, which are an important part of the crafted beer industry and, for consequence, brewing process. The decision of having the strapline on the logo is due to easiness when communicating through the logo and, in this case, it is important

because it mentions a unique selling proposition- a brand that is inspired by New York City (NYC) and it is for men’s grooming.

Figure 8- Redken Brew’s logotype



Offer

Regarding Redken Brews’s product portfolio, the following table summarize all the offer

Table 3- Redken Brew’s SKUS description

Category	Product name	Capacity (ml)	Front Descriptor	Back Copy
Haircare	Extra Clean Shampoo	300 ml 1000 ml	Build-up remover for all hair types	Redken Brews extra clean shampoo for extra dirty hair, intensely cleanses to eliminate dirt and oil. Apply to wet hair, lather, and rinse. In case of contact with eyes, rinse them immediately. Keep out of reach of children
	Daily Shampoo	300 ml 1000 ml	For all hair types	Redken Brews daily shampoo gently cleanses without stripping the hair. Apply to wet hair, lather, and rinse. In case of contact with eyes, rinse them immediately. Keep out of reach of children
	Mint Shampoo	300 ml 1000 ml	Invigorating for hair and scalp	Redken Brews mint shampoo cleanses hair and delivers a cooling sensation on the scalp. Apply to wet hair. Lather and massage hair and scalp for one minute. Rinse thoroughly. In case of contact with eyes, rinse them immediately. Keep out of reach of
	Silver Shampoo	300 ml 1000 ml	For gray and white hair	white hair. Wear Gloves. Apply to damp hair and leave on for 3 minutes, rinse. For a deeper color deposit and conditioning, apply to towel-dried hair and leave on for up to 5 minutes. Rinse. Apply to wet hair twice weekly. In case of contact with eyes, rinse
	3-in-1	300 ml	Shampoo, Conditioner and Body Wash	Redken Brews 3-in-1 cleanses and conditions hair and washes body, for freshness from head to toe. Apply generous amount over wet hair and body. Rinse well. In case of contact with eyes, rinse them immediately. Keep out of reach of children
Hairstyling	Wax Pomade	100ml	Mild Control/Shine Finish	Rub a small amount into hands and work through damp or dry hair
	Cream Pomade	100ml	Medium Control/Smooth	Rub a small amount into hands and work through damp or dry hair
	Molding Paste	100ml	Maximum Control/Natural	Redken Brews paste molds styles with texture and delivers a natural finish. Rub a small amount in hands and work through damp or dry hair
	Clay Pomade	100ml	Maximum Control/Gritty Finish	Rub a small amount into hands and work through damp or dry hair
	Stand Tough	100ml	Maximum Control/High Shines	Redken Brews extreme gel provides maximum hold for a sculpted look. Squeeze into palm, rub hands together and work through damp hair.
Skincare	Shave Cream	150 ml	Close shave. Suitable for sensitive skin.	Redken Brews shave cream provides protection for and extra close and comfortable shave. Apply to wet skin and face. Lather. Shave. Rinse thoroughly. Pat dry. Avoid contact with eyes. Dermatologist tested for safety
	Beard and Skin Oil	50 ml	For grooming softness	Groom your beard. Redken Brews skin and beard oil softens facial hair and the skin beneath so your beard looks and feel great. Apply and massage a few drop into your dry beard.
Haircolor	Light Natural Medium Natural Dark Ash Light Ash Medium Ash	60 ml		5 min. Custom gray camoufalge

Source: Own elaboration

Redken Brews counts with four categories and twenty-one skus. This allows Redken Brews to be a complete men's destination, offering a wide portfolio of products, rather retail focused (i.e 300ml shampoo) or backbar focused (1000ml shampoo).

Design

As already mentioned, Redken Brew's inspirations are crafted beer industry and Retro lifestyle. The Packaging of the products are the perfect reflection of this.

The haircare products counts with a crafted beer packaging inspiration. Each bottle of shampoo are beer shaped, brown darkened plastic and labelled in back with a the logo centered and highlighted. Each product can be differentiated, within this category, by the usage of a different color. Every bottle is 100% Post-consumer recycle plastic.

Figure 9 – Redken Brews' Haircare packaging



Hairstyling category's packaging is different from haircare ones. The inspiration is clearly NYC retro lifestyle- more tough materials and colors. All the products are black and white. The pomades are almost cans, made with metal, and the tubes are plastic. Each product can be differentiated by the description on the front pack.

Figure 10- Redken Brews' Hairstyling packaging



Skincare is a total new category for Redken. To separate skin from hair, it was chosen to stick to white, instead of black. The beard oil counts of a more premium glass bottle and the shave cream with a plastic tube. It is important to highlight the fact that the beard oil has two levels of packaging- the first is a box made of carton and the second is, the already mentioned, glass.

Figure 11 – Redken Brews' Beard products packaging



Haircolor is a 100% professional category. All the products are in 60ml tubes, made of plastic. There are two levels of packaging- the first is a box made of carton, containing three units of the same sku; The second one is, the already mentioned, 60 ml tube. The design is not so relevant given the fact is not meant to be sold to the consumer.

Figure 12 – Redken Brews’ Haircoloration packaging



6.3.2. Price

Regarding the pricing strategy, it is important to reinforce that it is not possible to fix the price for the end consumer, the costumer is free to fix the prices at its own will. For that reason, the price that we can fix is the catalogue price and the discounts level.

Regarding the catalogue prices strategy for Redken Brews, we are going to keep the same positioning that Redken already has in the market and, more specifically Redken For Men. Although we are going to keep the same positioning it is important to take into account that the new skus can have different cost of goods (COGs), impacting the gross margin of the product- which is a really important variable.

Due to the previous, we are going analyze the COGs and extract the weight of those in the net pric, having in mind that Redken Brews must have the same or less COGS weight as Redken (30%) in order not to be dilutive. For this exercise we are going to assume that Redken Brews is going to have the same discount level as Redken (40%).

Table 4 – Redken Brews’ SKUs pricing rational

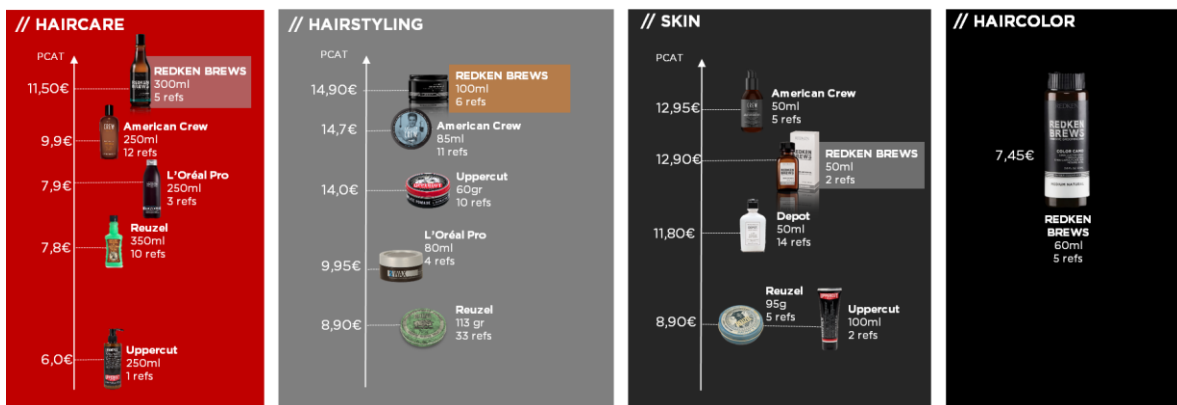
Category	Product name	COGs	Catalogue Price	Net Price	% COG / Net Price	Bench Redken	delta
Haircare	Extra Clean Shampoo	1,17 €	11,50 €	6,90 €	17%		-13
		1,97 €	29,90 €	17,94 €	11%		-19
	Daily Shampoo	1,23 €	11,50 €	6,90 €	18%		-12
		2,14 €	29,90 €	17,94 €	12%		-18
	Mint Shampoo	1,41 €	11,50 €	6,90 €	20%		-10
		2,74 €	29,90 €	17,94 €	15%		-15
	Silver Shampoo	1,50 €	11,50 €	6,90 €	22%		-8
3,04 €		29,90 €	17,94 €	17%		-13	
3-in-1	1,40 €	11,50 €	6,90 €	20%		-10	
Hairstyling	Wax Pomade	1,55 €	14,90 €	8,94 €	17%	30%	-13
	Cream Pomade	1,48 €	14,90 €	8,94 €	17%		-13
	Molding Paste	1,80 €	11,90 €	7,14 €	25%		-5
	Clay Pomade	1,67 €	14,90 €	8,94 €	19%		-11
	Stand Tough	1,09 €	11,90 €	7,14 €	15%		-15
Skincare	Shave Cream	2,04 €	12,90 €	7,74 €	26%		-4
	Beard and Skin Oil	2,75 €	17,00 €	10,20 €	27%		-3
Haircolor	Light Natural	0,85 €	7,45 €	4,47 €	19%		-11
	Medium Natural	0,85 €	7,45 €	4,47 €	19%		-11
	Dark Ash	0,85 €	7,45 €	4,47 €	19%		-11
	Light Ash	0,85 €	7,45 €	4,47 €	19%		-11
	Medium Ash	0,85 €	7,45 €	4,47 €	19%		-11

Source: own elaboration

All the catalogue prices, in the table above, do not include taxes.

When compared to the competitors, Redken Brews is the most expensive brand in the market, slightly above American Crew. This will guarantee the premium positioning of the brand.

Figure 13 – Players’ price index (average) per category



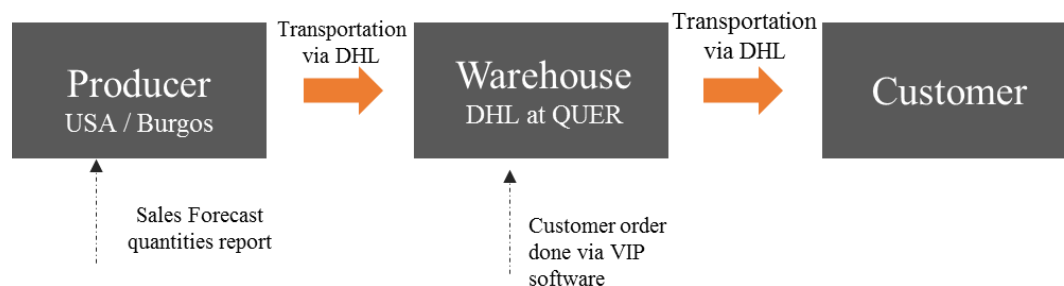
Source: Own elaboration

Regarding the payment conditions, the customer can pay by wire transfer or bank check. He/she can pay upon delivery or until 30 days after the delivery. The amount must be transfer to L'Oréal Portugal IBAN.

6.3.3 Place

Given the fact that Redken Brews / Redken is part of L'Oréal group, the distribution strategy is going to be similar. L'Oréal Portugal has a supply chain management shared with L'Oréal Spain (Iberian Hub). Normally, the products are produced or in the USA or in a warehouse in Burgos (Spain). The process is clear- Portugal share the sales forecast for a certain range of products, Burgos/USA starts the production (combining all the countries' demands), after the production, Burgos send the quantities to the warehouse in QUER (Spain), managed by DHL. In the Warehouse, the products are stocked and waiting for our clients' orders. The orders are made using an IT software called VIP. This software is linked to the warehouse and, automatically, push the stock and DHL starts to gather all order and sends it via car transportation to the client. Normally, the clients gets the order within 3 working days.

Figure 14- Redken Brews' Supply chain



Source: own elaboration

Given the fact that Redken Brews is part of Redken, it shares the same one hundred percent direct business strategy, being the hair salons, barbershops and e-retailers the only customers. The previous is followed by a selective distribution strategy due its premium positioning. Redken Brews can be in a limited amount of hairdresser in the same geographical area, having the clients a selective distribution contact to fill when they are deciding to buy the brand, guaranteeing that the brand is not going to have an intense distribution.

6.3.4 Promotion

Goals

The goals we have in Redken Brews' promotion are:

- Create Awareness of the Brand
- Increase Sell in and boost sell out
- Increase Reorders

Target

There are two different targets for Redken Brews's promotion:

-Hairdressers owning men's hair salons in urban areas of Portugal, aging from 25 to 55 years old, that, in their business, appreciate brands with a clear DNA, having a focus on retail animation.

-Men, residing in urban areas of Portugal, aging from 25 to 55 years old, medium/heavy users of hair salons, whose hair is part of their self-esteem and consume high quality products to improve their final hair look, not being price sensible. These men use social media daily and are influenced by others, looking for inspiration for their look.

Strategy

Regarding Redken Brews' promotion strategy, there are 6 main means that are going to be addressed:

- Local Ambassador : Find a local ambassador for a digital campaign
- Partnerships: Complementary business to boost awareness
- Public Relation: Launch Event and angles to the press
- Digital Media Campaign: Social Media, SEM and Online paid press
- Point of Sale (POS) animation – Merchandising
- Sales – Sales promotions and discounts

Actions

To better reflect the 360 degree promotion campaign for Redken Brews, the actions are going to be structured per Strategy

Local Ambassador

It is not a surprise that having a familiar face behind a brand's campaign can be really positive. Especially if the face matches the DNA and the position of the Brand.

Given the fact Redken Brews is a newcomer in the mens professional market, finding a local ambassador is going to be key to boost awareness and to transmit reliability and comfort. In this case, The ambassador is going to be the face of an one hundred percent of a social media campaign, he is going to be present in launch event to the press and he is going to post our content in his social media channels.

The person chosen to the face of Redken Brews is Diogo Piçarra. Diogo Piçarra is a famous singer in Portugal, his music is currently playing the radio, he has 339.000 followers on Instagram, 285.000 youtube subscribers and his music has been played more than 10 million times on Spotify. Besides the fact that he has a really good reach, he has an indie/rock look, being his long hair part of his identity. He is going crucial to reach the consumers and the customers as well.

Given all the Previous, Diogo Piçarra is going to be the face of Redken Brews in Portugal, during 9 months. We are going to do a signed contract with the following requirements:

- Diogo will be the launch event for the sales team
- Diogo will be in a one day photo shooting for the digital media content creation at The lx barbershop, lx factory (Lisbon)
- Diogo will be present in the launch event for press
- Diogo will post 3 post in his Instagram account
- Diogo will have access to unlimited barber services during the 9 months.

Partnerships

Partnerships can be key for any brand. Associating yourself with a brand that is complementary and has the same DNA can be beneficial for both sides.

Given the fact we want to have a different approach to the market, Redken Brews is going to do a partnership with a local crafted beer brand – Oitava Colina- and, both, are going to produce a new crafted beer one hundred percent dedicated to the launch.

This beer is going to be used as a sell in pusher (buy redken brews, get a pack of 12 exclusive beer) and a new angle to the press. Having the hairsalons already the beers, we will communicate that the hairsalons are the new pubs and “buy a product, get a beer” – a completely new experience in the point of sale.

Redken Brews and Oitava Colina are going to produce an American Pale Ale crafted beer – linking to the fact that Redken is an American brand- with 5,5% alcohol volume. Given the fact that Oitava Colina gives persons’ name to each skus, we are going to name this beer “barber jerry”, with the following story (that can be found on the back of the label):

-“Barber jerry is an American hairstylist, entrepreneur and business man. He is 30 years old and he loves his urban lifestyle, because it is in the city where he finds diversity to feed his ideas. He wants to feel unique and for that he does not dispense his indie look and his hair and beard.”

To add another partnership, we are going to ask a Portuguese illustrator to design the label. The chosen one is Pedro Lourenço, as known as the tigger bastard. He is a well known local illustrator with works done for the New York Times. This two partnerships are going to create something unique

Figure 15 – Barber Jerry’s label

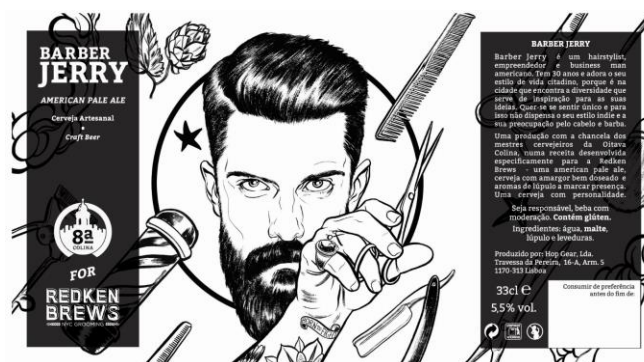


Figure 16- Still life picture of Barber Jerry's Crafted beer



Public Relation

Investing time and money on public relation is important because it is a mean of awareness unpaid. For Redken Brews, we are going to do two launch events- one in Porto and another in Lisboa. These events are for clients and for press.

Involving the digital and printed press in our projects can lead to unpaid outputs. In these events, we are going to present all the history behind the product, they will have the possibility to try the products and, if they are men, to try a haircut or beard service, they will have the chance to interview our local ambassador- Diogo Piçarra and try the Redken Brews x Oitava Colina crafted Beer.

The online and printed press that will be invited are:

.Online- 4men, briefing, new in town, observador and sapo lifestyle

.Printed- elle, happy woman, men's health, must, saber viver, vogue, caras and lux magazine.

We are going to count with the presence of some men consumer influencers like- @bmvidal, @diogonpacheco, @franciscoapena, @goncalnovaes, @henriquesadio, @joaoacatarino and @marquesfernandoo (Instagram accounts) (pictures at Figure 31- appendices)

Regarding the place of the events, in Lisboa is going to be in Etic school (at santos) and in Porto is going to be at the boulevard club (at aliados). Those places are truly connected to the brand. One is a place of art and expression and the other is linked to music and nightlife.

At last, we are going to send a press release for all the press that might not have the availability to show up during the event, with all the information about the launch.

Digital Media Campaign

As seen in the PEST analysis, more and more, the consumers are more into digital and especially into social media channels. This target is not different. Given that, we are going to set up a digital campaign based on:

- Social media channels- Facebook and Instagram
- Online Paid Press- two articles on Observador press

The digital media campaign is going to have two different targets. 70% of the investment are for 18-45 years Old Portuguese men, interested in beauty and living in urban areas. 30% are going to 18-45 year woman, interested in beauty and living in urban areas. The decision of having two different target is due to big amount of female customer that Redken has and we know that woman are a great mean of communication as well.

This digital campaign is going to have three phases- Pre-buzz, awareness and drive to salon.

On the pre buzz phase, we are going to use only facebook and we are going to give some hints on who is our ambassador (Diogo Piçarra) We are going to invest 2.000 euros on this content. The format of content is going to be promoted posts using GIFs and still life.

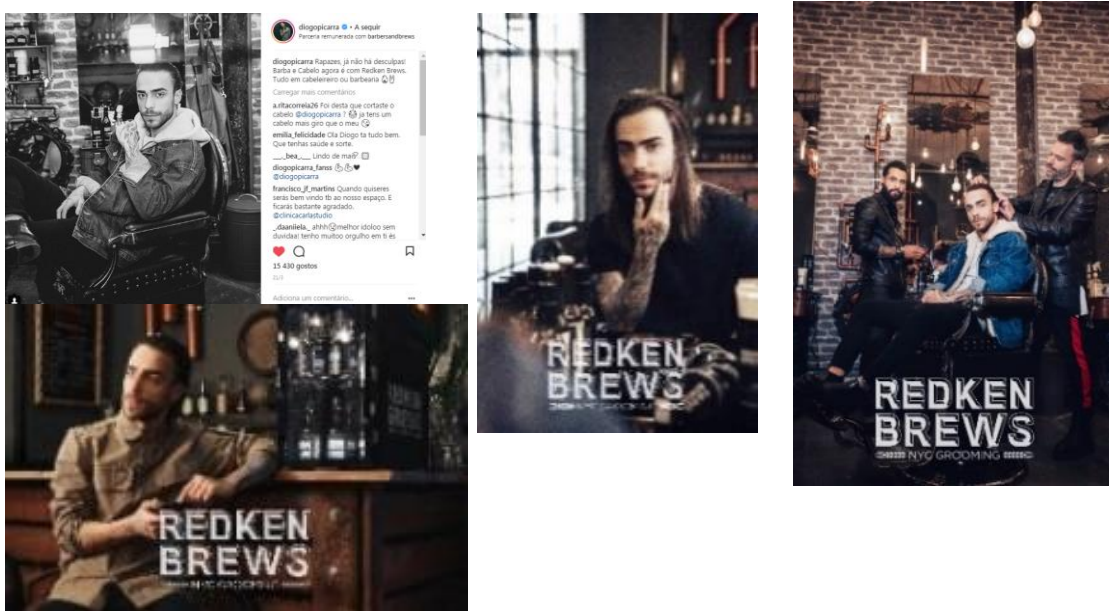
The second phase, the awareness, is going to be the total reveal of Redken Brews and its ambassador. We are going to invest on facebook, Instagram and 2 articles on observador. The investment of 10.000 euros is going to be mainly on the local product done, specially video.

Using remarketing we are impacting the same consumer across all the phases, until the last one- Drive to salon. The ultimate goal of digital is to contribute to sell more, given that, we are going to give 5.000 vouchers of -20% off on the second redken brews product bought. This give away is going to be by facebook, using lead generation format. The consumer will see a post with

a clear call to action and will supply with his data and we will send over the voucher, driving him to the hair salon.

We are going to measure the performance of this campaign by the cost per engagement and reach.

Figure 17 – Redken Brews x Diogo Piçarra digital content



Point of Sale Animation

Point of Sale animation is crucial for any brand in this business model. Foster the experience of the consumer within a hair salon is key to transmit the DNA of a brand, or even increase sales.

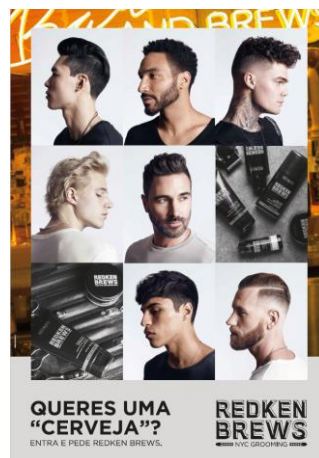
In one hand, investing in POS animation improves the consumer experience and boost awareness, in the other hand, POS animation push sell in because hairdresser are always in need of ways to animate the hair salon and they expect some help from the brand.

In case of Redken Brews, we want to animate the hair salons in four different zone of interaction with the consumer- the window, the styling booth, shopping/retail and check out.

Window display is the element that boosts the awareness quicker, it is the first point of contact with the consumer. Knowing that, we are going to invest in two types of windows- Motion window and static.

For the motion window, we are going to develop a vertical short video, straight to the point, explaining everything about Redken Brews. Regarding the static, we are going to supply the hair salon with a vertical sticker, sizing 600 x 830 mm, for them to stick on the window. This static is going to communicate final looks and a call to action question – “Do you want a beer? Get inside and ask for Redken Brews”. This last call to action is only possible because we are supplying the “barber jerry” beer and then we are making fun with the fact that the shampoos are similar to beers.

Figure 18 – Hair salon window communication



Styling booth is another important step in the hair salon. It is there where the consumer is more relaxed and spends more time. For that reasons we are supplying the already explained crafted beer, in order for the hairdresser to surprise the consumer with a full barber experience in the hair salon.

Regarding the retail area, we want to create a specific area for Redken Brews in the hair salon for the consumer to easily identify the brand and want to buy it. We are going to develop three retail displayers, for three type of customers- a carton retail displayer, a metallic and fridge. These three options are meant to cover all type of clients.

The carton retail displayer is an easy and straight to the point element that allows the hairdressers to display the product in any particular space inside the hair salon. The sizes are 230 x 460 x 1620 mm (depth x width x height).

Figure 19 – Redken Brews’ Carton product displayer



The metallic retail element is a more premium product displayer, made of metal, sizing 340 x 220 x 1600 mm ((depth x width x height). This element is for more premium clients.

Figure 20 – Redken Brews’ Metallic product displayer



At last, we are going to animate the “fridge” displayer. Having the beer inspiration, we are going to develop a displayer that looks like a fridge that is meant to be placed on the counter. This element allows the consumer to grab a shampoo like he is grabbing a beer, experiencing something unique. (sizing 300 x 400 x 500 mm).

Figure 21 – Redken Brews’ “fridge” product displayer



To end the consumer journey, we are supplying the hairdresser with retail bags, for the consumer to take home a Redken Brews element. The retail bag is going to be made of paper, colored black with the logo.

Sales promotion and discounts

As already previously mentioned, the discount levels are not fixed for all the clients. Some clients have more/less discount level due to its volume of annual purchase. For Redken Brews we are going to change the game. In order to have a more stable and homogeneous brand in the market, every client is going to have a -20% off in the entry purchase, even the clients that normally have more than 20%. This will allow Redken Brews to have the almost the same expression across the country.

As entry purchase, we are going to create an entry pack- making the introduction of all skus mandatory. They buy 6 units of each retail product and 1 unit of each technical product (except coloration – 3 units per sku) and they get 1 metallic displayer, 1 static window, 1 pack of 12 beer, 1 education workshop and be able to be part of the drive to salon digital campaign. Everything 20% off.

Figure 22 – Example of an entry promotional sales kit

6.4. Action Plan

The actions are scheduled given the previous strategies and taking in consideration the objectives and characteristics. The Following chronograph is for the year 2019.

Table 5 – Action plan planogram

ACTIONS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Sales team presentation												
Sell In												
Launch Event												
Press Release												
Digital Campaign												
Observador paid articles												
Diogo Posts												
POS animation												

6.5. Budget

To have a holistic 360 degree overview of the action plan, it is important to valorize all the effort that are about to be done. For that reason, a table was created to sum everything up.

Table 6 – Redken Brews’ launch detailed budget

Strategy	Action	Quantity	Unit Price (€)	Total Value (€)
Ambassador	Diogo Piçarra	1	8000	8000
Partnership	"barber jerry" beer	7500	1,1	8250
	Illustrator	1	500	500
Launch Event	Decoration	2	10000	20000
	Staff / Technical issues	2	5000	10000
Digital	Content Production	1	3000	3000
	Barber renting	1	2500	2500
	Digital Media	1	10000	10000
	Observador media	2	2500	5000
POS	Static Window	500	4	2000
	Carton displayer	300	40	12000
	Metallic displayer	150	70	10500
	"Fridge" displayer	100	65	6500
	Retail bag	10000	0,5	5000
Total Budget				103250

The budget is a set of provisory values that might vary due to negotiation with partners. Nevertheless, the forecasted value of investment is 103.250€ to generate 300.000€ of turnover in the first year, reaching 500 hair salons.

6.6. Control

Each of the previous actions must be controlled regularly and monitored in terms of efficiency and goals achievement. The main measurement tools to control are:

- Number of sales
- Number of hair salons
- Cost per engagement
- Cost per click
- Number of merchandising given
- Earn media value

Chapter 7- Conclusions

The objective of the master's thesis was to develop a marketing plan for a new brand for the Portuguese Market, starting in 2019. In order to achieve the previous objective, a deep literature review was done in order to collect relevant scientific information on marketing, marketing plan, business-to-business and branding. This allowed to understand how a proper marketing plan must be done, step by step. In this case, all the authors taken in consideration made it possible to create a well-structured thesis, starting with an external context, market analysis, internal and competitive analysis, followed a detailed marketing objectives and strategies.

The external context allowed to make it clear that Portugal is on a good trend when it comes to economic factors, being tourism a big contributor to growth, and the consumers are more positive and spending more. In the other hand, Portugal is still a underdevelopment country when compared with the rest of European countries, having its savings on the lowest level. Regarding the social factors, it could be seen that the Portuguese are more and more into beauty products, spending more money in this category and, more specifically, in hair salons. The previous analysis made it clear that men are more into care and they are consuming more products. With the technological factors, it was possible to see that the Portuguese consumer is on digital, specially on social media, being this channel a great way to communicate.

The good trend on our national context is reflected on the beauty market, which has been increasing in the last four years. The market is more dynamic and fragmented, which allows to have different paces in each segments. When it comes to professional market, it is increasing as well even though consumers are not going so often to the hair salons, but they are spending more in each visit. The men's professional hair market is still a small piece of the entire market, but really fragmented when it comes to players and it is in a good trend of growth.

The internal analysis made clear that L'Oréal group is the leader of the entire market, and in each segments. In the Professional hair market, PPD has the biggest market share, specially due to L'Oréal Professionnel brand, which has the biggest cut of the business. PPD fulfills the critical success factors of the market, putting innovation, heritage and education at its core, making possible to have a widest distribution. Redken is still seven percent of the whole PPD business but it is a fast growing brand, being its clear DNA and selectivity a key success factor. Having in mind

Redken way of doing business, it was possible to think on Redken Brews, and specially its positioning on the men's market, given a proper segmentation and targeting.

It was clear that Redken Brews has competitors to fight for but it has what it takes to make it happen- a strong heritage (being linked to Redken/L'Oréal), an updated DNA that match to what is expected from the males consumer nowadays and high quality products.

After making clear what is the positioning of Redken Brews, it was possible to set up the goal of 300.000 euros on the first year, being distributed in 500 hair salons. This will make Redken Brews the number one brand in this market segment.

The previous goal is only possible with detailed strategies. For that reasons, a marketing mix was done. This marketing mix allows Redken Brews to stands out in the market, having a clear vision where to be, for what price and how to be perceived. Redken Brews is going to target mainly masculine hair salons and unisex salons in order to have a wider reach, with a premium price (following the positioning of its mother brand- Redken). The communication is crucial and for that reasons will spend around 100.000 euros to guarantee that the consumer gets to know the brand digitally, is pushed to go to the hair salon, has a good experience inside the salon and buys products. In the other hand, the clients will like the drive to salon strategy, the communication magnitude that it is going to have, the communication and education focus and the entry selling proposition kit.

All the previous will allow Redken Brews to achieve its goals.

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INE

https://ine.pt/xportal/xmain?xpgid=ine_main&xpid=INE

Appendices

Figure 23 – Reuzel’s Hairstyling portfolio

HAIRSTYLING LINE



REUZEL HIGH SHEEN

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

A medium hold pomade for a wet look



REUZEL STRONG HOLD

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

A strong hold pomade for an intense shine



REUZEL GREASE MEDIUM HOLD

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

A medium hold pomade for a medium shine



REUZEL GREASE HEAVY HOLD

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

An extra strong hold pomade for a medium shine



REUZEL CLAY MATTE POMADE

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

The ideal formula for sportif men



REUZEL FIBER POMADE

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

Essential for short hair (3-8cm)-



REUZEL EXTREME HOLD

340gr | 113gr | 35gr

Catalogue Price 19,5€ | 8,90€ | 5,0 €

Extra strong hold with a matte finishing



REUZEL FIBER GEL

100ml

Catalogue Price 8,90€

Strong hold and flexibility

Source: own elaboration based on Reuzel website and estimated prices

Figure 24- Reuzel's Beard line and Haircare portfolio

BEARD LINE



REUZEL AFTERSHAVE
100ml

Catalogue Price 9,5€
Aftershave with a Schorem original perfume



REUZEL BEARD FOAM
70ml

Catalogue Price 8,90€
Leave-in beard conditioner



REUZEL SHAVE CREAM
283gr | 96gr

Catalogue Price 26,2€ | 8,90€
Light and efficient shaving cream



REUZEL BEARD BALM
35gr

Catalogue Price 7,9€
Butter balm with argan oil

HAIRCARE LINE



REUZEL SCRUB SHAMPOO
1000ml | 350ml | 100ml

Catalogue Price 22,3€ | 7,80€ | 5,0 €
Scrubbing shampoo for a deep cleansing



REUZEL DAILY SHAMPOO
1000ml | 350ml | 100ml

Catalogue Price 22,3€ | 7,80€ | 5,0 €
Moisturizing shampoo for a daily usage



REUZEL CONDITIONER
1000ml | 350ml | 100ml

Catalogue Price 22,3€ | 7,80€ | 5,0 €
Smoothing and moisturizing conditioner



REUZEL GROOMING TONIC
350ml

Catalogue Price 7,80€
Tonic to volumize the hair

Source: own elaboration based on Reuzel website and estimate prices

Figure 25- Uppercut's portfolio

HAIRSTYLING LINE



UPPERCUT *DELUXE POMADE*
300gr | 100gr

Catalogue Price 35,5€ | 14,0€

Strong hold pomade, médium high shine



UPPERCUT *FEATHERWEIGHT*
210gr | 70gr

Catalogue Price 35,5€ | 14,0€

Medium hold pomade, matte effect



UPPERCUT *MATT CLAY*
60gr

Catalogue Price 14,0€

Texturizing pommade, matte effect



UPPERCUT *MONSTER HOLD*
70gr

Catalogue Price 14,0€

Extra strong hold with a medium shine



UPPERCUT *MATT POMADE*
300gr | 100gr

Catalogue Price 35,5€ | 14,0€

Pommade no residues, easy to wash out



UPPERCUT *EASY HOLD*
300gr | 90gr

Catalogue Price 35,5€ | 14,0€

Easy hold pommade

HAIRCARE LINE



UPPERCUT *DELUXE* CHAMPÔ
250ml

Catalogue Price 6,0€

Cleansing shampoo for hair and scalp

BEARD LINE



UPPERCUT *DELUXE* SHAVE CREAM
100ml

Catalogue Price 8,90€

Shaving foam that balances the shaving



UPPERCUT *DELUXE* BEARD BALM
100ml

Catalogue Price 8,90€

Smoothing beard balm

Source: own elaboration based on Uppercut website and estimated prices

Figure 26- L'Oréal Professionnel Homme's portfolio

HAIRSTYLING LINE



CLAY
50ml

Catalogue Price 9,95€

All type of hair pomade. Intense matte effect



SCULPTE
150ml

Catalogue Price 9,95€

Textured look styling paste



MAT
80ml

Catalogue Price 9,95€

Matte effect styling paste



STRONG
150ml

Catalogue Price 9,95€

Strong hold styling gel

HAIRCARE LINE



COOL CLEAR
250ml

Catalogue Price 7,90€

Anti-dandruff shampoo



FIBERBOOST
250ml

Catalogue Price 7,90€

Redensify & energise



ENERGIC
250ml

Catalogue Price 7,90€

Energized & clean scalp

Source: own elaboration based on L'Oréal internal data

Figure 27- American Crew's Haircare portfolio

HAIRCARE LINE



DAILY SHAMPOO
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Shampoo for normal to oily hair



FORTIFYING SHAMPOO
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Daily shampoo for thinning hair



3-IN-1
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Shampoo, Conditioner and Body Wash



ANTI-DANDRUFF
SHAMPOO
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Anti-dandruff for hair and scalp



GRAY SHAMPOO
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Purple shampoo for yellow hair



POWER CLEANSER STYLER
REMOVER SHAMPOO
1000ml | 250ml

Catalogue Price 32,90€ | 9,90€

Daily shampoo to remove build up

Source: own elaboration based on American Crew website and estimated prices

Figure 28- American Crew's Hairstyling portfolio

HAIRSTYLING LINE



LIGHT HOLD STYLING GEL TUBE
390 ml

Catalogue Price 14,70€

All type of hair pomade. Intense matte effect



FIRM HOLD STYLING GEL TUBE
390 ml

Catalogue Price 14,70€

Non Flaking formula gel



FIBER CREAM

100 ml

Catalogue Price 14,70€

Fibrous cream with medium hold



MATTE STYLING CREAM
100 ml

Catalogue Price 12,5€

Medium hold with no shine cream



GROOMING SPRAY
250 ml

Catalogue Price 16,5€

Variable hold finish grooming spray



POMADE
50 gr

Catalogue Price 14,70€

Medium hold with high shine



DEFINING PASTE
85 gr

Catalogue Price 14,70€

Medium hold with low shine



GROOMING CREAM
85 gr

Catalogue Price 14,70€

High hold with high shine



HEAVY HOLD POMADE
85 gr

Catalogue Price 14,70€

Heavy hold with high shine



FIBER
50 gr

Catalogue Price 14,70€

High hold with low shine fiber-like



LIQUID WAX
150 ml

Catalogue Price 9,95€

Liquid wax for hair control

Source: own elaboration based on American Crew website and estimated prices

Figure 29- American Crew's Beard line portfolio

BEARD LINE



BEARD BALM
60g

Catalogue Price 12,00€

Beard conditioner and styler



BEARD SERUM
50ml

Catalogue Price 12,95€

Lightweight oil, fast-absorbing formula



MOISTURIZING SHAVE CREAM
150 ml

Catalogue Price 11,5€

Moisturizing non-drying cream



POST SHAVE COOLING LOTION
150ml

Catalogue Price 11,5€

Moisturizing shave relief lotion



REVITALIZING TONER
150ml

Catalogue Price 11,5€

Soothes skin after shaving.

Source: own elaboration based on American Crew website and estimated prices

Figure 30- Redken Brews's influencers pictures



Bruno Vidal
@bmvidal



Diogo Pacheco
@diogonpacheco



Francisco Pena
@franciscoapena



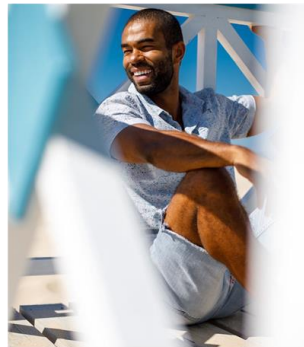
Gonçalo Novaes
@goncalonovaes



Henrique Sadio
@henriquesadio



João Catarino
@joaoatarino



Fernando Marques
@marquesfernadoo

Source- own elaboration based on instagram