

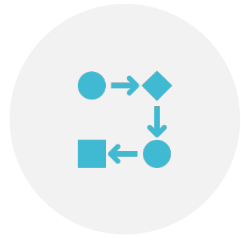
Brand Equity and Deletion Analysis on the Company of Nivea

By Chloe Rogers





EXECUTIVE
SUMMARY



PROCESS



PROMPT
QUESTIONS



BRAND
EXPANSION



BRAND
DELETION

Overview

Executive Summary

“The goal of this assignment was to perform a brand equity analysis of Nivea, comprehend its expansion strategies (umbrella and sub-branding), and then make an informed decision to suggest which of Nivea’s product lines should be deleted. By implementing concepts from Varadarajan, DeFanti and Busch’s article about managing brand deletions, a summary of brand deletions and expansions was created for focusing on the aforementioned concepts. Drawing upon market trends and social trends, we suggested that Nivea delete its Nivea Body and Nivea Hair product lines while expanding upon Nivea for Men, Nivea Beauté, and Nivea Sun.”

The Process

- 1) Read the Nivea Case Study
- 2) Read Varadarajan, DeFanti and Busch's work
- 3) Collected information about the brand
- 4) Answered all three prompt questions
- 5) Took the prompt a bit further
- 6) Made an educated analysis of brand deletion and expansion recommendations

Three Prompt Questions

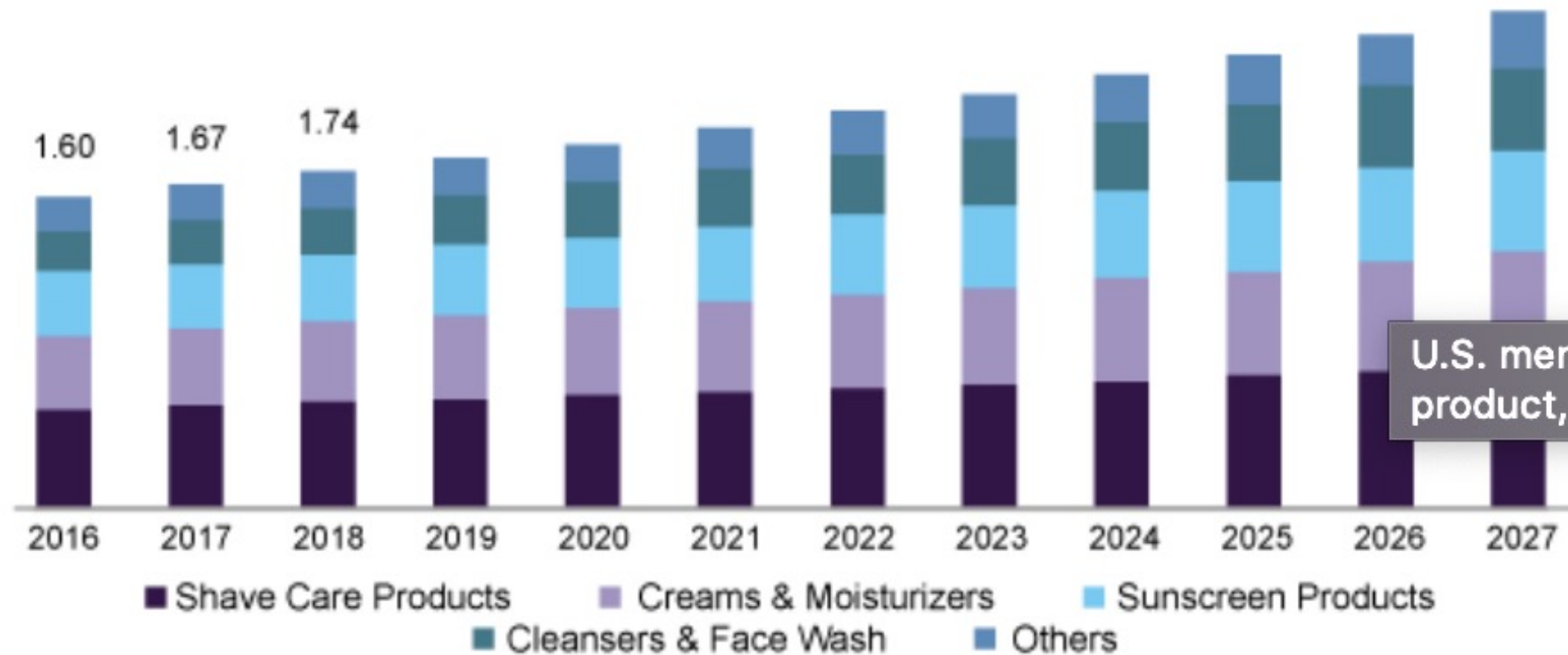
- 1) What is the brand image and sources of equity for the Nivea brand? Does it vary across product classes? Has it changed over the years?
- 2) How would you characterize the Nivea brand extension strategy? Has the company properly expanded the brand? How consistent and cohesive is its brand hierarchy?
- 3) What are the pros and cons of the various brand architecture options available to Beiersdorf management? Should management run a corporate umbrella campaign for all products or revert to sub-brand strategy?

Nivea Men: Expand

- 28% of revenues were from Men's product sales in 2014
- Industry is valued at \$11.6 billion
- Self care no longer being considered feminine

Overall: Expandability, age, perceived value

U.S. men's skincare products market size, by product, 2016 - 2027 (USD Billion)



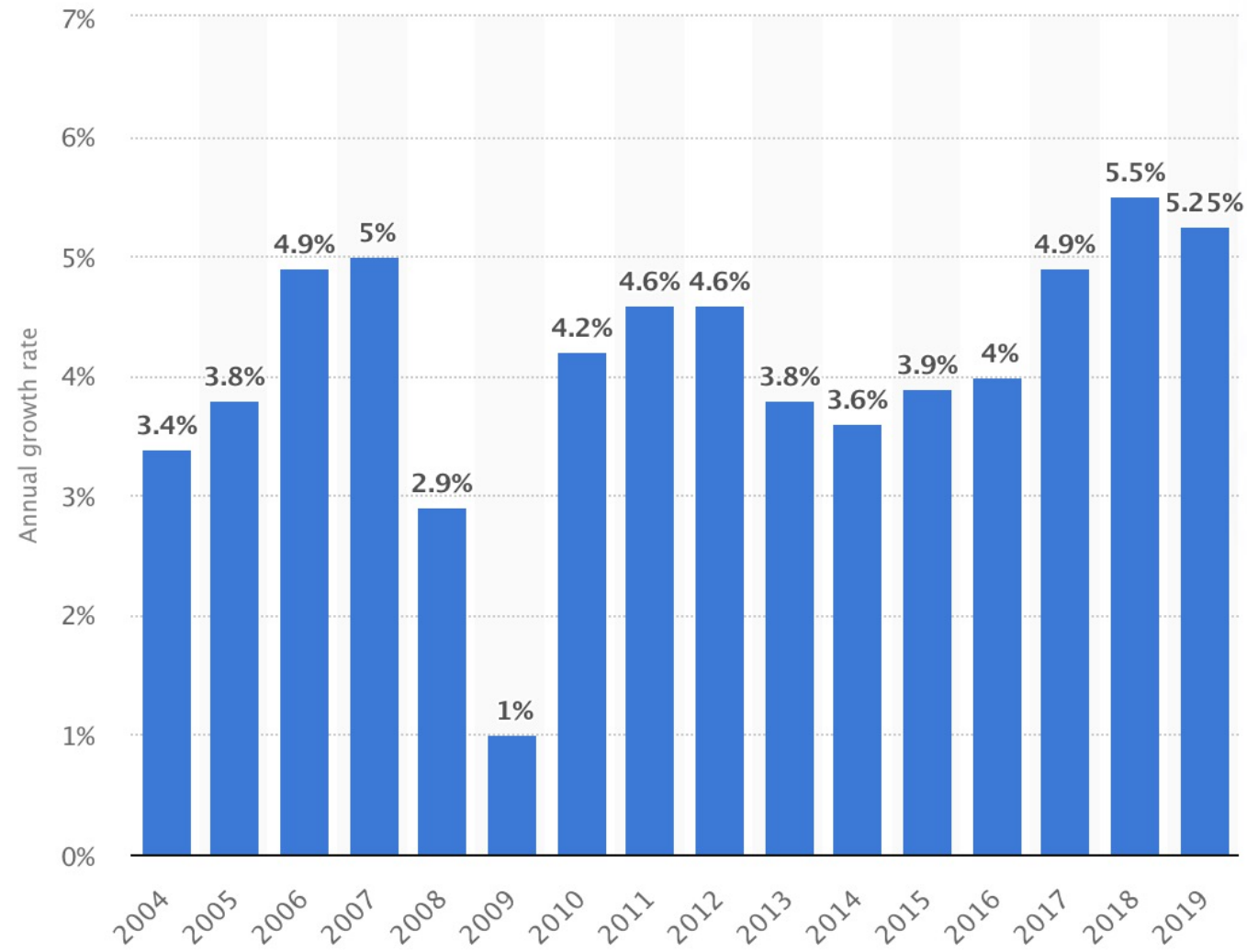
U.S. men's skincare products market size, by product, 2016 - 2027 (USD Billion)

Source: www.grandviewresearch.com

Nivea Beaut : Expand

- Can gain market share in the United States
- Can gain market share in the younger generations
- Industry is valued at \$532 billion

Overview: Market size growth, perceived value, attractiveness, perceived quality and expandability



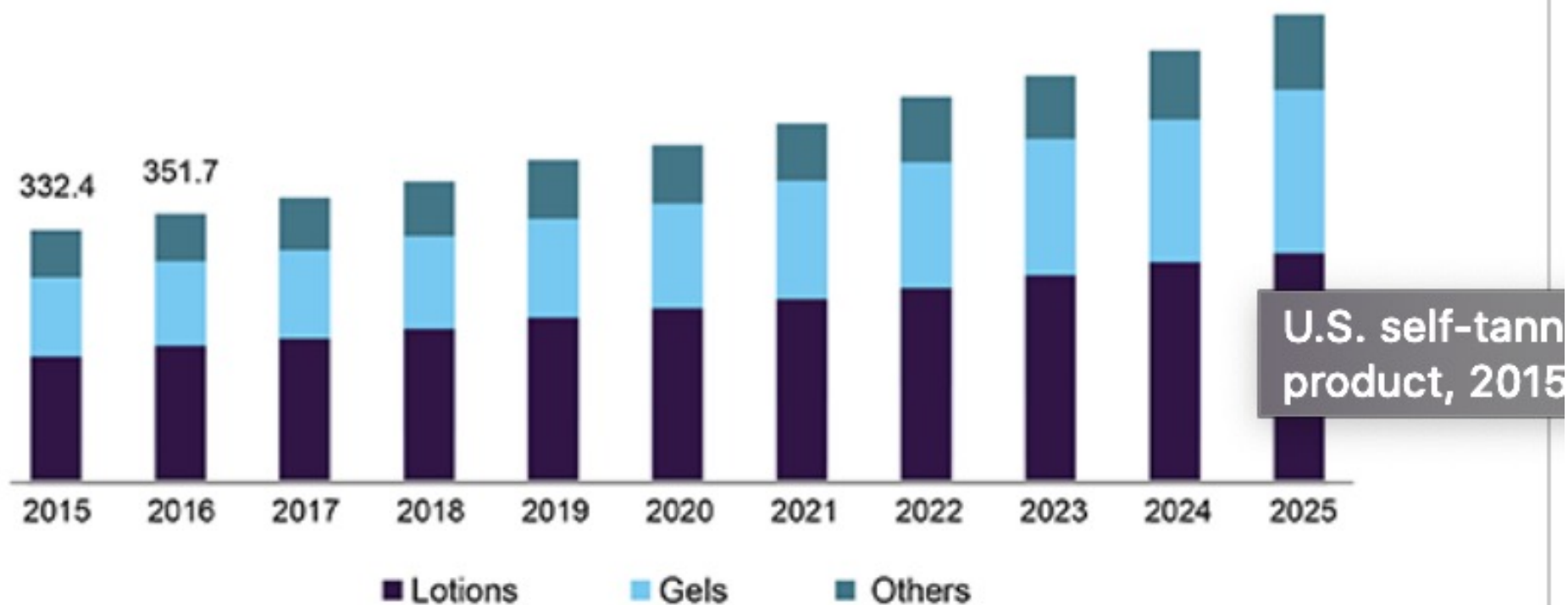
Growth of Makeup Industry

Nivea Sun: Expand

- Social awareness and exposure
- Seasonality can be combatted by sunless tanning methods and makeup

Overview: Expandability, perceived value and strength of associations

U.S. self-tanning products market size, by product, 2015 - 2025, (USD Million)



Source: www.grandviewresearch.com

Nivea Hair: Delete

- Inability to match company attributes with that of the industry products
- American industry is already saturated
- Allocation to Nivea Beauté

Overall: Market size, attractiveness to opportunities

Nivea Body: Delete

- Contradictory to social trends
- Social responsibility
- Rise of eating disorders and body dysmorphia
- Overview: Gap between corporate and brand image, social trends, cost of repositioning

Nivea Product	3 in 1 Bodywash	3 in 1 Lotion	Men's Facewash
CVS selling price	\$5.99	\$8.79	\$7.99
Price per oz	\$0.34/ oz	\$0.52/ oz	\$1.60/ oz
Other Brand Products	Dial 3 in 1	Blade Face + Body Lotion for Men	Neutrogena Men's Facewash
CVS price	\$6.79	\$8.29	\$8.29
Price per oz	\$0.42/oz	\$1.63/oz	\$1.63/ oz

Pricing Analysis from the scope of CVS

Product Name	Nivea Skin Firming	Jergens Skin Firming	Beauty 360 Healing
CVS Price	\$11.49	\$11.49	\$9.29
Price per/oz	\$0.68/oz	\$1.53/oz	\$1.24.OZ

Pricing Analysis Overview

Pricing in accordance with brand image

CVS store brand

Economies of scale

Packaging/ distribution

Ingredients

01

Nivea for
Men:
Expand

02

Nivea
Beauté:
Expand

03

Nivea Sun:
Expand

04

Nivea
Body:
Delete

05

Nivea Hair:
Delete

Conclusion

Thank you!!!