

**Birla Institute of Technology and Science, Pilani**  
**Marketing Research (MBA G583/ MBA C483/ECON F435)**  
**Mid- Term (Close Book)**  
**First Semester (2016-17)**

**Time: 90 Minutes**

**Marks: 25**

**Date: 3/10/2016**

**Note: Answer questions to the point and in brief.**

Q: 1 Do the following questions define the issue? Why or why not? (3+3=6 M)

- (a) What is your favorite brand of toothpaste?
- (b) How often do you go on a vacation?

**Read the case and answer questions following case.**

**Case - NIVEA: Marketing Research Leads to Consistency in Marketing**

Nivea ([www.nivea.com](http://www.nivea.com)), the skin care products company, is part of the German Beiersdorf conglomerate. As of 2011, Nivea's skin care product line is marketed in more than 150 countries. The product line has been around for about 10 decades, originating with a scientific breakthrough of the first skin cream that did not separate into water and oil. That, coupled with intelligent marketing based on marketing research, has led to a strong positive brand image, which accounts for much of Nivea's success.

Nivea, founded in 1911, began marketing in the 1920s when it changed its logo and began selling its product around the world. Early on, Nivea established its brand identity as a pure and gentle product that families could rely on. Early advertisements featured the Nivea Girl. In 1924, it broke from tradition and began advertising with the Nivea Boy. This helped Nivea convey the message that Nivea skin cream was for the entire family. Its brand image has transcended the decades with the help of a foundation built upon advertising that stresses family relationships and values.

In the 1970s, Nivea had to defend itself against true competition for the first time. It relied heavily on marketing research, which helped it to formulate a two-pronged response: (1) defense of its core business through a new advertising campaign—Crème de la Crème and (2) the introduction of new products, which helped keep the brand fresh and introduced new sources of sales.

In the 1980s, marketing research indicated that brand differentiation was becoming increasingly important. In response, Nivea began branding with sub-brands. These sub-brands included skin care, bath products, sun protection, baby care, facial care, hair care, and care for men. It used an umbrella strategy with the sub-brands, meaning that it used its core brand to encompass all of the sub-brands. The goal was to establish individual images that were distinct but consistent with Nivea's core image. Nivea focused on strengthening the brand name and linking the new sub-brands with the core brand's traditional values. The result was an explosion in sales.

Nivea was able to continue its success into the 1990s, and sales grew rapidly throughout the decade. The growth was due in large part to the introduction of new

products, each based on extensive marketing research. The most successful products were its antiwrinkle cream and an entire line of cosmetics.

Nivea entered the new millennium as the number-one skin care and cosmetics company in the world. However, Nivea, a nearly 100-year-old brand, found itself in need of a makeover to evolve its strongly entrenched brand image of being a mild, reliable family product. The company had to revamp its product portfolio and marketing and branding strategy in order to address the changing needs and aspirations of its consumers and to appeal to a younger, more modern audience. This initiative placed a great emphasis on marketing research to transform the Nivea brand to a new, youthful identity.

The launch of Nivea Styling is an example of the how the old Nivea image had become a handicap. Marketing research revealed that Nivea was very strongly identified with richness and creaminess, whereas in styling products consumers look for long-lasting hold and funky hairstyles. Nivea had to convince customers that it was not only about mild and caring products, but could also fulfill the needs of the category, which meant long-lasting hold.

However, Nivea, did not want to restrict itself to an exclusively young audience, but sought to extend the Nivea legacy and the Nivea line of products to more mature women. The launch of Nivea Vital, a line of products for mature women, was not without its share of challenges. Older women had not been given due attention by most beauty products companies, and hence there was a lack of understanding of awareness about how older women feel about beauty and aging. The company relied on marketing research to fill this gap. An unprecedented ad campaign featuring a mature woman was planned. Nivea was fearful that showing an older woman in an ad campaign could negatively impact the brand, making it appear old and less modern, thereby losing the support of its younger consumers. Marketing research was used to carefully test the choice of the model for the ad, and her beauty and self-confidence helped Nivea prevent this harmful side-effect to its brand image. The model, a 50-year-old woman, turned out to be the perfect model for the brand, and the campaign had the opposite effect of what was feared. Consumers felt that Nivea, by daring to show a mature and beautiful model, was truly a modern brand. In 2010, Nivea was named the “Most Trusted Brand” for skin care for the sixth time in a row in a high-profile consumer study conducted by Reader’s Digest involving consumers from 16 European countries.

The company still faces many challenges. Its greatest challenge is in the U.S. market, where the brand is not as strong as it is in other parts of the world. The U.S. market poses many obstacles because it is the largest and most dynamic market in the world. Nivea hopes to overcome these obstacles through the use of extensive marketing research. This research will lead Nivea to launch more products and to develop focused marketing strategies. Nivea seeks consistency in its marketing, which can be problematic when trying to communicate the same message across various cultures and countries. However, Nivea will do whatever it takes to maintain this consistency, because it believes it gives them an edge over competitors. It helps consumers relate all its products to its core brand and identity. Nivea will continue to rely on marketing research to retain and refine the consistency in their marketing across global markets.

**Conclusion**

Nivea, a large company, had to rely on marketing research to revamp its brand image to keep itself relevant and to appeal to consumers. The company's launch of Nivea Vital demonstrates that if researched well, a product line can significantly enhance a company's brand image, even though the product might not be targeted at the core target audience. In sum, the case shows the use of marketing research in some of the aspects of developing, sustaining, and evolving a brand.

**Questions**

1. Nivea would like to increase its share of the U.S. market. Define the management-decision problem. (1 M)
2. Define an appropriate marketing research problem based on the management-decision problem identified in question 1. (5 M)
3. Nivea would like to undertake research to understand the preferences of American consumers for skin care products. What type of research design should be adopted and why? (1+1=2M)
4. Discuss the role of qualitative research in understanding the preferences of American consumers for skin care products. Which qualitative research techniques should be used? (1+2=3M)
5. If a survey is to be conducted to understand the preferences of American consumers for skin care products, which survey method should be used and why? (1+1=2 M)
6. Develop Likert, semantic differential, and Stapel scales for determining consumers' evaluation of skin care products. (2+2+2=6 M)