

A Work Project, presented as part of the requirements for the Award of a Master Degree in
Economics from the NOVA – School of Business and Economics.

ROBIJN VS. LENOR MEGABRAND: WHAT CAN LENOR LEARN FROM THEIR
COMPETITOR ROBIJN TO SCALE UP THEIR MEGABRAND STRATEGY IN EUROPE?

CINDY ALVARES COUTO – STUDENT N°29930

A Project carried out on the Master in Economics Program, under the supervision of:

Professor Sofia Kousi

15th OF JANUARY 2019

Abstract

In 2011, Procter & Gamble launched their first Megabrand strategy through the extension of their softeners' line *Lenor* to detergents, reaching market shares in Europe below company's expectations. This work focuses on finding solutions to improve the Megabrand by close examination of the strategy followed in the Netherlands by their main competitor and market leader *Robijn* from Unilever, relying on managers' interviews, stores observations, and internal secondary data. Based on the results, some steps should be followed: 1. Improve *Lenor* packaging, 2. Support it with a consistent communication, 3. Change stores' shelving, and 4. Extend the line-up with premium variants.

Keywords: Megabrand, Brand extension, Competition, Strategy.

Table of contents

1. Introduction.....	4
2. Literature Review	5
2.1. Brand Extensions	5
2.2. Brand Extensions' Benefits and Downsides	5
3. Methodology	7
4. Findings.....	8
4.1. Robijn Megabrand Background.....	9
4.1.1. Marketing Mix: Product.....	10
4.1.2. Marketing Mix: Pricing.....	13
4.1.3. Marketing Mix: Place	14
4.1.4. Marketing Mix: Promotion	15
4.2. Lenor Megabrand Context.....	17
4.2.1. Lenor Diagnosis	17
5. Proposed solution	19
6. Limitations Concluding Remarks	22
7. References.....	23

1. Introduction

Created by William Procter and James Gamble in Cincinnati (USA) in 1837, Procter & Gamble is the world leading company on fast-moving consumer goods playing in several categories with diverse brands. In the Fabric Care segment comprising laundry and fabric conditioners, they are present with labels as *Ariel*, *Dash*, *Tide*, and *Lenor*, the brand they used to launch their first Megabrand strategy in Europe, starting in 2011 in Germany and expanding later to the Netherlands, Greece, and Czech Republic. So far however, *Lenor* extension has not reached the company's expectations, particularly in the Dutch market where their value share is flattish at 7.0% over the last three months (Nielsen Panel Data, 2018). Furthermore, they face a strong competitor in this country already established since 2008 with a Megabrand strategy: *Robijn* from Unilever. With almost a third of the value shares according to Nielsen Panel Data, *Robijn* is the leader in this country, and Unilever is even expanding to other markets with other Megabrands as Thailand with *Comfort* or Indonesia with *Molto*. *Lenor* stagnating shares combined with this competitor threat highlights the issue Procter & Gamble is facing and justifies the purpose of this work, which aims to come up with solutions to improve the American company's Megabrand in Europe. To do so, a competitive analysis was conducted to assess the strategies and tactics that have made *Robijn* so successful. Different methods were used for this, as ten stores' visits and interviews with sixteen people from Procter & Gamble management teams. This information combined with data from secondary sources like Nielsen provided a substantial framework to assess *Robijn*'s key success determinants through all the elements of the marketing mix and to diagnose *Lenor* Megabrand problems. Also, since the extension of *Lenor* from softeners to detergents constitutes a brand extension, academic literature on this latter topic was reviewed to gain a scientific perspective on the subject matter. In the end, both the competitive analysis on *Robijn* and the literature allow to recommend solutions to scale up Procter & Gamble's Megabrand in Europe.

2. Literature Review

2.1. Brand Extensions

Over the last four decades, the concept of brand has been highly investigated and research has shown that it represents one of the most valuable assets of a company (Njissen, 1999). The brands do not only allow a firm to position and differentiate its products, they are also part of its identity, allowing it to create a link with consumers. Therefore, companies have to be very careful with the products they offer under a certain brand name and should ensure to stay consistent with the image they want to provide. This is particularly the case with brand extensions, consisting in the launch of a new product under the same brand name as the original item but in a different category (Njissen, 1999). These brand extensions' strategies can be very useful for companies as they allow them to mitigate the risk of failure through the use of an already know brand name (Njissen, 1999). Some research also concluded that they can even create synergies between the extension and the parent brand, as illustrated in *Coca-Cola's* example with their *Cherry Coke* brand amplification that was successful despite a minimal advertising support (Pitta, 1995). But in the end, to achieve such positive effects coming from the brand extension strategy, some other factors that will be discussed in the following section should be fulfilled to elevate the chances of success.

2.2. Brand Extensions' Benefits and Downsides

The different components of the parent's brand equity are evident determinants impacting the outcome of a brand extension strategy (Ambler, 1996). In fact, if consumers are not aware of the existence of the parent label, the result might probably be similar to a new product launch's one. Building a strong brand awareness is then crucial to succeed in a brand extension, as well as creating a complete set of positive associations of the brand in consumers' mind (Pitta, 1995). These associations that consumers link with the parent brand will be very important as they will

strongly influence their evaluation and perception of the extension. Thus, the more positive the associations with the parent brand, the more the extension will benefit from a positive perceived attractiveness (Broniarczyk, 1994). On the other hand, the degree of fit between the parent brand and its extension will also be a critical factor for the success of the strategy. Consumers will look at products' physical similarities and consistency, but also to other feature correspondences, as the usages occasions or the complementarity between the two items (Park, 1991). This is particularly relevant when the fit of the parent brand and its extension is strong, as it could enhance the perceived quality on the parent line (Aaker, 1990), another key factor raising the probability of brand extension's success (Yasir, 2016). Finally, once the parent brand image, its awareness, quality, and the degree of fit between it and its extension are significant enough, the marketing support will be crucial to introduce successfully the new product in the market and increase the probability of success, as highlighted in some researches showing that companies with more marketing competency are more likely to see their extension strategy succeeding (Reddy, 1994).

Nevertheless, the brand extension strategy can present some risks for the companies. Even if using an existing brand name to launch a new product in a new category can be considered as a facilitator for new item success by leveraging the equity existing around the parent brand (Nijssen, 1999), there exists limited evidence showing that the brand extensions provide a higher success rate versus new brands. Also, even if products' perceived degree of fit is an important determinant for the extension's success, there will exist a risk of cannibalization if this latter is too elevated where the label extension could steal the sales from the parent brand, particularly if both are positioned in a close market and if their differentiation level is low (Yasir, 2016). Hence, it will be important to find the right balance between demarcating too much the parent brand and its extension entailing the risk of failure or having almost identical propositions enhancing the danger of cannibalization.

All the benefits and risks highlighted in this section will be further assessed for Procter & Gamble's extension on *Lenor* detergents and based on both the literature and on the benchmark analysis from Unilever's Megabrand *Robijn*, some solutions that could help *Lenor*'s company to achieve a more successful Megabrand strategy will be proposed.

3. Methodology

To determine what are the key learnings that Procter & Gamble can take from *Robijn* to further improve their Megabrand strategy with *Lenor*, it was first important to capture all the different factors that could have originated Unilever's brand success. Understanding their marketing strategy including all the elements of the marketing mix was then crucial, and this has been possible with one-to-one in depth interviews that have been conducted throughout the analysis with different people from Procter & Gamble management (Appendix 1). These discussions focused on *Lenor* and *Robijn* with the objective of understanding clearly the identity and the components of the two brands, as well as their differences and the main drivers explaining their current position in the market. The insights from experienced people in this area were more suitable for the analysis to provide the adequate expertise across all elements of the marketing mix. In total, sixteen people brought their contribution during connects with a duration of one hour each, of which ten were from the Geneva team, respectively two Assistant Brand Managers, six Brand Managers and two Financial Analysts, whereas the six others were from the Dutch team, all from the Marketing and Sales field.

In addition, a business trip of three days in Rotterdam in the Netherlands has been realized, with the aim of visiting the four biggest Dutch retailers, namely *Albert Heijn*, *Jumbo*, *Plus*, and *Kruidvat*, as well as the two fastest growing ones, *Action* and *OP=OP*. In the end, ten stores observations have been made, of which seven in the biggest retailers (three *Albert Heijn* stores, one *Jumbo*, one

Plus, one *Dirk* and one *Kruidvat*) and three in the fastest growing ones (two *Action* and one *OP=OP*). The observations have been made focusing on the disposition of products on shelf, the share of shelf, the identification of brand blocks, and on the pricing and the promotion strategies, with the aim of providing more factual insights to the analysis and to identify further elements from the marketing mix that have not been captured with the interviews (Appendix 2).

All this primary data was complemented by secondary sources of data to add more consumers' perspective to this work. Nielsen Panel Data bought internally by Procter & Gamble was used, providing information on value and volume sales and shares, on pricing, on distribution, and on promotion volumes and intensity (to note: the data from this source was only available from 2012 until the end of August 2018, meaning that the starting reference for the different time periods mentioned on this analysis is September 2018, i.e. past twelve months refers to the period between September 1st, 2017 until September 1st, 2018). Finally, to have a better understanding on *Lenor* brand equity an internal report providing information on Procter & Gamble brands' health vs. competitors was used, enabling to capture metrics as unaided brand awareness, purchase frequency, repeat rate of purchase, and consideration of the brand among consumers. This data was however not available for Netherlands, therefore not including Unilever's Megabrand *Robijn*.

4. Findings

In this section, the main findings of the analysis on *Robijn* will be discussed. After an introductory section giving background on Unilever's Megabrand, the development will be done over four different sections going through each element of the marketing mix and based on the information collected from the primary and the secondary sources of data. Then, the analysis will follow with a chapter focusing on *Lenor* issues' diagnostic before presenting in the end the recommendations to improve and solve the problems of Procter & Gamble Megabrand.

4.1. Robijn Megabrand Background

Created by Unilever in the Netherlands in 1970, *Robijn* is one of the most iconic brands from the company. Always under the motto “*what is beautiful must remain beautiful*”, their brand positioning focuses on keeping colours nice while providing a delicious smell. Launched first only in the fabric softeners segment, it was expanded in 1977 to laundry detergents. They only shift later to a Megabrand strategy, in 2008, when they introduced the fabric softener called “*Summer Pink*”, compatible with the detergent of the same name created two years earlier (Unilever, 2018). In 2015, they started playing deeper on Megabrand, through the creation of a special collection, having matching pairs of softeners and detergents with same name, artwork and scent, as the variants “*Paradise Secret*” or “*Caribbean Dream*”. Moreover, in March 2017 they moved fully to a one-copy communication on all media channels (i.e. TV, billboards, digital, newspapers, etc.), advertising only their matching detergents and softeners, also known locally as the “*Perfect Match*”. Since then, their value share of corresponding pairs has been growing, representing currently 74.2% of their total business in value sales (Nielsen Panel Data, 2018). Always according to this source, their successful strategy allowed them to become leaders in Fabric Care, achieving 26.5% of the detergents value shares, and even 53.2% of the softeners’ over the past twelve months, in a country where detergents account for 79.7% of the shares and softeners for 20.3%. Additionally, in the entire category considering detergents and softeners, *Robijn* is by far the market leader with 31.9% of the shares and keep on growing by +7% over the last three months, whereas their competitor *Lenor* is flattish at 7.0% (Figure 1).

Figure 1: Value shares in the Dutch Fabric Care market in last 12 months. Source: Nielsen Panel Data.











Before going deeper into the analysis and to provide proper understanding, some Fabric Care concepts must be clarified. The detergents and softeners can take diverse forms like powder, beads and liquid tablets, but this analysis will narrow down to liquid forms for both detergents and softeners as they represent the majority of *Robijn* line-up (97% of detergents and 99% of softeners). Also, liquid detergents and softeners can have different concentrations that will determine if the product is said to be diluted or concentrated. The measure used to determine this is the recommended dosage, that will be usually above 50ml for a more diluted product and below for a concentrated proposition. Finally, whereas detergents can be dedicated to specific colours (like black for instance), such split cannot be made for softeners, as these are products formulated to bring softness to garments and may not include stronger chemicals designed for specific colours.

4.1.1. Marketing Mix: Product

Robijn's liquid detergent line-up is in almost all cases split based on the colour of clothes. In fact, more than half of it is dedicated to colours, and black and white propositions represent both more than 15%, besides the 4.5% of their laundry line-up dedicated to delicate garments as wool and silk. In addition, *Robijn* has a diverse offering spanning across different benefit spaces (Figure 2).

Figure 2: *Robijn* laundry line-up and benefit spaces. Source: Nielsen Panel Data.

Benefit Spaces (% of Value Sales)	Dilute		Base - Care Serum		Base - Perfume		Special Collection	
	Detergent	Softener*	Detergent	Softener*	Detergent	Softener*	Detergent	Softener*
Bottles Example								
Share of segment total	20.6%		49.8%		18.5%		11.1%	
Share of segment Detergents/Softeners	22.9%	7.6%	54.0%	27.4%	14.0%	43.0%	9.2%	22.0%
Color split within segments	Color	100%	53.2%	38.7%	97.4%	100%	81.9%	97.3%
	Black	-	27.9%	30.7%	-	-	-	-
	White	-	18.9%	30.5%	2.6%	-	18.1%	2.7%
	Delicate	19.7%	-	-	-	-	-	-
Price ix vs. Base - Care Serum	89	176	100	100	112	99	120	117
Consumers' segments	Value Money / Delicate		Clean&Care / Black Care		Scent		Scent	

*The softeners are split based on the colour for which their detergents counterparts are dedicated to.

1. Dilute: The diluted detergents and softeners, with a recommended dosage per wash of 50ml or above, are dedicated to all colour splits but also to delicate garments made of wool and silk. Overall, they represent 22.9% of *Robijn* detergents' line-up and 7.6% of softeners and are under-priced when compared to other *Robijn* products because of their diluted composition. Historically present, their share in the business was diminishing from 2012 to 2017 by -10% for detergents and -16% for softeners, and keeps on declining over the last twelve months, by -2% for detergents and -9% for softeners comparing to last year's same period. *Robijn* seem to play a diversified retailer strategy by shifting the presence of their diluted products from traditional retailers as *Albert Heijn* to hard discounters as *Lidl* or *Aldi*.
2. Base – Care Serum: This category includes the three *Robijn* base SKUs, each dedicated to a specific garments' colour. Alone accounting for almost a half of *Robijn* detergents' line-up shares and still growing +8% over the last twelve months, these three symbolic variants are concentrated products that have been improved in June 2018 and positioned as “Care” with the introduction of a “Care Serum” banner, showing the intention of Unilever to go back to *Robijn*'s roots as a brand for care of clothing. All three SKUs own a matching softener.
3. Base – Perfume: These products are similar to the propositions from the “Base – Care Serum” category, but with a stronger positioning on scent and with no focus on “Care”. These differences are reflected on their artwork which is full of flowers and perfectly representing scent, whereas the Base – Care Serum variants one is much lighter with defined lines and a shining light to symbolize the focus on cleaning. In value sales, 97.4% of the detergents of this category are designed for coloured garments, whereas the rest are adapted for white clothes.
4. Special Collection: The “Special Collection”, launched by the end of 2016, includes all *Robijn* premium products, all positioned on scent and all with matching softeners. On laundry, 81.9% of their variants are dedicated to coloured garments, with the resting 18.1% for whites. The

artwork of these products reflects well their premiumization with a golden cup and a more developed design when compared to the base variants. In fact, instead of having only flowers to represent scents, the artwork is designed around different themes, illustrated in their names. For the “Caribbean Dream” variant for instance, palm trees, flamingos and hibiscus are represented on a sunny yellow background, perfectly in line with the name of the item.

Through this matrix line-up, *Robijn* successfully stretch their brand equity to serve various consumer needs. In fact, with their “Base – Perfume” and “Special Collection” categories, they can please scent seekers who look for long lasting freshness on clothes, and with their “Dilute” propositions they satisfy “Value for Money” consumers willing to pay less when compared to average shoppers. Also, people who wish to use products adapted to special fibres as wool or silk are fulfilled with the “Dilute” proposition for delicate garments, as well as those who want to remove tougher stains while keeping clothes bright and with their original shape, thanks to the cleaning power and care technology of the “Base – Care Serum” detergents for colours and whites. Finally, even consumers willing to give special attention to their dark garments can be satisfied with *Robijn* “Base – Care Serum” variant for blacks.

This very diversified line-up is also something referred several times during the interviews. In fact, over eight respondents, half have mentioned that this might be one the key factors driving their today’s success. Also, some highlighted the fact that *Robijn* is proposing a pair with an iconic fragrance that “*everybody in the Netherlands knows*”, the “*Zwitsal*” scent, coming from the brand of the same name with baby dedicated products as shampoos, pomades, and talc powder among others. Relying on the information collected in the diverse interviews, such emblematic smell can create in consumers’ mind a positive association with the brand, as this reminds them of their childhood or of tender moments with their babies.

On top of this, the perfectly harmonized artwork of their products across matching pairs enabled them to achieve a Megabrand proposition clear and easily understandable for the consumers. In fact, according to eight interviews' respondents, the beautiful and consistent artwork of Unilever products' packaging was one of the key sources for *Robijn*'s success. Four of them have mentioned the strong brand blocks that this design creates on shelves, highlighting the importance of this to attract consumers' attention. During the stores checks made in August 2018 in Rotterdam (Appendix 3), the brand blocks were particularly noticeable thanks to the strong colours and the harmonized design of all *Robijn* bottles, combined with the fact that they were sold at eye-level.

In the end, *Robijn* seem to have a strong and attractive proposition, with diverse SKUs stretching to diverse benefit spaces while having an harmonized packaging among their various offer.

4.1.2. Marketing Mix: Pricing

Robijn is a premium brand as their products lie in the higher price range of their category, with an average price per wash load for their detergents of €0.19. However, their items are on average under-priced versus most competitors with propositions in the higher price range as *Ariel* or *Lenor*, with an average price per wash load 24% lower than *Ariel*, and even 30% less than *Lenor*. On softeners, their average price per load is €0.09, only 2% lower than *Lenor*.

Robijn are also playing smartly on prices as they offer different price ranges based on the diverse SKUs' categories, with the products from the "Base – Perfume" section being on average 12% more expensive than their "Base – Care Serum" items, and spanning even to premium propositions with their "Special Collection" on average 57% more expensive than the base, but also pleasing the most price sensitive consumers with the "Dilute" offers, under-priced on average at -11%. This contrasts with *Lenor* which have the same price per wash load for all their different variants.

This smart mix is one of the points that has been highlighted during the interviews by three over eight respondents. According to them, having on one hand a “Special Collection” which is over-priced versus the base proposition and on the other hand diluted products sold mostly in hard discounters and under-priced could be one the key factors leading to *Robijn*’s success.

4.1.3. Marketing Mix: Place

In the Netherlands, the three biggest retailers represent more than half of the market shares in value sales. The biggest one, *Albert Heijn*, owns 31.9% of the shares, followed by Jumbo with 12.6% and *Kruidvat* at 12.2%. In the first two, *Robijn* benefits from a total weighted distribution on both detergents and softeners, a considerable advantage over *Lenor* as consumers can more easily find Unilever products. This is also the case on the overall market as *Robijn* has an average weighted distribution of 88.2% for detergents and 89.3% for softeners relying on Nielsen Panel data, whereas only 78.2% of *Lenor* softeners and 48.0% of its detergents are available in the Dutch retailers.

In the interviews conducted during this analysis, one fact highlighted by five managers on what could have been *Robijn*’s key drivers to success was a new shelving adopted in April 2018 at *Albert Heijn* stores. Following Unilever’s recommendation, the Fabric Care shelves were divided in three sections: the extra care (with natural, bio, and other sensitive products), the performance (including strong stain removal power products as *Ariel*), and the scent lines, comprising all the softeners and detergents positioned on scent, as *Lenor* and *Robijn*. More precisely, on this latter section, the detergents were positioned right next to their matching softener creating strong brand blocks for Megabrands and driving cross-sell between categories. In fact, relying on interviews’ information, detergents are planned purchase items whereas softeners are unplanned ones, enhancing the fact that having matching pairs sold close to each other on shelf makes it easier to drive cross sales, increasing the purchase intention on softeners thanks to the matching detergent.

This positive cross-selling effect was possible to observe, relying on Nielsen Panel Data, through the growth of *Robijn*'s total value share at *Albert Heijn* of +9% over the past five months after the change when compared to the same five months' period last year, while in past twelve months their share increased only +1% when compared to the same time interval one year ago. This increase was mainly driven by softeners, which a share increasing by +7% on the same period. *Albert Heijn* have also seen the share of their private label Megabrand "AH" increasing significantly after the change, especially on softeners with an average of +4% and of +2% on detergents.

Since the end of August 2018, the sellers *Jumbo*, *Dirk* and *Plus* followed the same path than *Albert Heijn*, adopting the scent-lines too. With always more retailers adhering to this new shelving, this could probably benefit *Robijn* offering them the possibility of expanding even more their success.

4.1.4. Marketing Mix: Promotion

Since March 2017, *Robijn* moved to a one media copy strategy where they advertise only the matching pairs together, across above-the-line and below-the-line approaches. Thanks to this change, they were able to achieve a more consistent communication across different media channels, having the matching pairs of detergents and softeners highlighted always together.

On their above-the-line strategy, the matching pairs called locally "Perfect Match" were truly emphasized after the change with the matching detergent and softeners appearing next to each other, and even embodied on a TV ad by a couple of Dutch television presenters, Winston and Renate Gerschtanowitz, said to be together to give the best, therefore representing the two *Robijn* products also said to deliver the best results when used together (Appendix 4). Relying on the information from four respondents in the interviews, the use of celebrities can create positive associations with a brand. Also, five over eight respondents have mentioned the mascot of *Robijn*

when talking about their brand equity, which is a small bear appearing in some of their advertising. However, according to the same persons, this would not be the best strategy to apply for *Lenor* as the equity of the brand is more around a refined and sophisticated proposition, as opposed to *Robijn* which owns a funnier image that could even please children, making the use of the mascot perfectly consistent with this equity. Online, the brand is present on a Facebook page where since the change in March 2017 the publications are exclusively linked to detergents and their softeners' counterparts, always pictured next to each other and consistent with their one copy strategy. Finally, on billboards the consistent communication with the detergents and their matching softeners is maintained, with the pair items advertised close to each other, and directly referred to as the "Perfect Match".

Unilever complement their above-the-line strategy with below-the-line elements. At *bol.com*, the biggest online retailer in the Netherlands, *Robijn* softeners are suggested in the description of their matching detergents, and the other way around. They also invest on sponsored content to increase the visibility of their products, and particularly on one of their key proposition, a physical bundle where three detergents are combined with two matching softeners. Thanks to this strategy, these bundles promoting perfectly the Megabrand have been a success, as they appear on top of the searched products, and are ranked amongst the ten best sellers of the famous Dutch online retailer.

During the interviews, the perfect consistency of *Robijn* strategy between what they offer and what they advertise, i.e. a scent proposition, has been highlighted several times, showing how *Robijn* communication has been coherent across all different media channels and how through this they have been able to achieve a strong brand awareness on consumers' mind, confirmed by the word of two Procter & Gamble Dutch team's members: "*Everybody knows Robijn in the Netherlands*".

Robijn today's leading position seems to come from a well-coordinated marketing mix driven by several elements. First, they own a diverse product proposition spanning across several benefit spaces but always with a very attractive and harmonized artwork, combined then with a varying pricing strategy reaching different type of price segments. On top of this, they have also successfully stretched the distribution of their products to all the key Dutch retailers and have even initiate a change in diverse stores' shelving favouring their *Robijn* Megabrand. Finally, to support all this strategy, they have created a strong and consistent communication perfectly in line with all their Megabrand concept. In the end, they have developed distinctive factors for every level of their marketing mix, so that when combined constitute an optimal receipt for success.

4.2. *Lenor* Megabrand Context

Following the identification of the diverse *Robijn* key success factors based on their marketing mix, this section will consist in diagnosing *Lenor* problems in order to further build recommendations for Procter & Gamble to improve their Megabrand strategy.

Procter & Gamble originally launched the brand *Downy* in 1960 in the United States, and three years later in 1963, they launched the European version of this label, called *Lenor*. Originally introduced as a softener brand, Procter & Gamble came out in 2011 with their first Megabrand proposition through the introduction of a *Lenor* detergent in Germany. Later, they expanded to other countries such as Greece, Hungary, Czech Republic, Austria and the Netherlands.

4.2.1. *Lenor* Diagnosis

Based on Procter & Gamble internal data on Brand Health, in key countries as Germany the average repeat rate for *Lenor* detergents in the last twelve months was very close to those of *Ariel*, one of the key prospering brands from the company. Also, *Lenor* score is well above the measures for other key competitors. In terms of purchase frequency, the average index for *Lenor* lies again above

the key competitors and even above *Ariel*. But despite all these good metrics, the average unaided brand awareness for *Lenor* detergent was below *Lenor* softeners, *Ariel* and the other competitors' brands scores. As mentioned during the interviews by half of the respondents, *Lenor* detergents' recognition seems to be one of the key problems Procter & Gamble is facing with their sensorial brand and could also be an explanation for the low value share of 7.0% *Lenor* owns in the Netherlands, being more than four times less than their main competitor *Robijn*.

But this insufficient recognition does not seem to be the only issue that Procter & Gamble is encountering with the Megabrand. In fact, in September 2018, the well-known German *Stiftung Warentest* that provides consumers with information based on comparative tests conducted on goods and services, published poor results on *Lenor* liquid tablet detergent, qualifying it as the “loser” in this test involving twenty-three products, and damaging significantly consumers' confidence on *Lenor* cleaning performance.

Moreover, when looking at the artwork consistency between *Lenor* softeners and the extension on detergents, some problems can be highlighted. In fact, in their purple or gold proposition, whereas the softener bottle is entirely purple or gold and with a rectangular shape, the detergent bottle is white, curved, with a handle, and having only

Figure 3: *Lenor* Gold detergent and softener. Source: P&G internal data.



a small purple or gold sticker on it, creating an inconsistency in the artwork of the Megabrand (Figure 3). This is particularly noticeable when comparing with *Robijn* products that all have very consistent and harmonious artwork. In fact, when a variant is gold, all the propositions are gold, using for this the already mentioned shrink sleeved bottles on both softeners and detergents. Even with matching pairs having different names, the detergent called “*Orange*” and its softener counterpart called “*Passiebloem & Bergamot*” for instance, the match is physically evident as both

bottles are curved, with no handle and with the same orange colour. As highlighted in several researches, the fit of the parent brand and its extension are crucial (Aaker, 1990), and the risk in Procter & Gamble's case is for the consumer to not understand their matching proposition as their artwork consistency is not evident, despite all matching pairs having a common name. This has effectively been highlighted by eight respondents in the interviews, the lack of consistency in the artworks of the matching pairs of detergents and softeners being a key issue for them. Also, during the stores' checks the poor consistency was clear as by stepping into consumers shoes it was not obvious that the products were matching pairs, even if aided by the scent-line shelving with the detergent right next to its softener counterpart. In one of the *Albert Heijn* stores, the possibility of discussing with one consumer arose, adding an additional point of view confirming this difficulty of understanding the matching propositions of *Lenor*, as opposed to *Robijn*'s.

Lenor is encountering today several issues, from the poor brand awareness of their detergents worsened by the low consumer confidence on their cleaning performance, to a strong inconsistency in their artwork. Procter & Gamble seem then to have some points to work on if they want to improve their offer and achieve a leader's position with their Megabrand strategy in Europe.

5. Proposed solution

In this section, recommendations will be suggested for Procter & Gamble to further enhance their Megabrand strategy across Europe based on both key success factors from Unilever's Megabrand *Robijn* and on the literature learnings to address the issues highlighted in the previous part.

Relying on the elements discussed in the literature section, the most important factors to improve the chances of success of a brand extension involve having a good fit between it and the parent line, a strong awareness of the brand, a positive image of it, and a good marketing support for the extension. According to this, the first step for Procter & Gamble to improve their *Lenor* Megabrand

should be to further work the fit of their products, not only to have a more consistent proposition, but also to address the problem of low cleaning performance perception induced in 2018 by the German *Stiftung Warentest* and build therefore a better image of the brand. In fact, positive consumers' beliefs on *Lenor* softeners, the parent line, could be transmitted to the extension but only if the similarity between the parent brand and its stretch is high (Aaker, 1990). This is also in line with the results from the competitive analysis section in the interviews, where some highlighted that the harmony across the matching *Robijn* detergents and softeners is undeniable, allowing then consumers to easily understand the message on how the two propositions complement each other. Procter & Gamble should then use Unilever products as an example, to have in the end all the matching SKUs looking the same and removing the inconsistency that can be actually seen in *Lenor* line-up. Illustrating the complementarity of the two products only with a similar sticker while having white handled and curved detergents' bottles proposed as the matching pairs of non-handled transparent and rectangular softeners' bottles might not be sufficient, especially when looking at *Robijn* bottles which are both on detergents and softeners non handled, curved, and shrink-sleeved with a similar artwork.

The second step to further improve the chances of succeeding would be to support the Megabrand strategy by a strong and consistent marketing campaign, as the current operation is not delivering the expected positive outcome. In line with the literature, a good marketing program would create favourable brand associations in consumers' mind leading the individuals to believe that *Lenor* detergents have benefits able to fulfil their needs (Keller, 1993), allowing then to build a stronger brand awareness on *Lenor* detergents and even helping to address the issue of the poor cleaning image together with the first step (i.e. the improved fit between the extension and the parent brand). This has also been illustrated in the competitive analysis, where *Robijn*'s appealing marketing

strategy has been mentioned by six respondents in the meetings as one of the key factors potentially at the origin of their success. Also, *Lenor* Megabrand current TV communication is made exclusively through short tags-on, with the matching detergent mentioned only at the end of the softener publicity in a five to ten seconds apparition. Across other media channels, the Megabrand is not really emphasized, with no online bundles at *bol.com*, nor suggestions on the items' description pages to use the matching counterpart. Only on static media as billboards, the corresponding pairs appear next to each other. As shown and as opposed to *Lenor*, *Robijn* products are always advertised together across all media channels, and on TV ads the pairs appear together during the entire spot, with a clear emphasis on the match. A good solution for Procter & Gamble would be to create a stronger highlight for their Megabrand through a more consistent marketing strategy *à la Robijn*, taking also through this advantage of the high brand awareness on *Lenor* softeners to leverage the detergents' recognition.

Then, coming only from the competitive analysis, the third step for Procter & Gamble to improve their Megabrand strategy would be to convince the retailers of the countries where they play the Megabrand to change their shelving for a scent-line one, enabling consumers to recognize the match to further drive cross sales on their softeners and to grow their Megabrand. In fact, as mentioned during the interviews, having detergents and softeners sold far from each other makes no sense as it will be difficult for the consumers to realize that some products are matching, even with the same artwork. On top of this, Procter & Gamble should build up their distribution, especially on detergents as only 48.0% of *Lenor* products are available in the Dutch retailers (Nielsen Panel Data, 2018). Also, taking the successful bundle box that *Robijn* are selling online at *bol.com* including detergents and their matching softeners as an example, they could offer online packs promoting the matching pairs and turning the Megabrand concept even more evident.

Finally, the last step for the American company to achieve a successful Megabrand strategy would be to extend their line-up with premium variants and bundles, playing in different prices depending on the proposition, as *Robijn* actually do. This could enable *Lenor* to stretch the proposition to achieve different benefit spaces and to serve various consumers' needs.

In the end, the strategy for Procter & Gamble to transfer the equity from the parent brand to the extension will come in four steps: 1. Improve the packaging of the bottles, 2. Support it with a consistent communication, 3. Change stores' shelving, and 4. Extend the line-up with premium variants while playing with different prices and offering bundles combining the matching pairs.

6. Limitations Concluding Remarks

Throughout this work, it has been shown that being a famous company as Procter & Gamble renowned for high-quality products is sometimes not sufficient to successfully introduce new propositions. It seems that Unilever have better understood that with *Robijn*, building their detergent extension bearing in mind all potential threats that could influence the success of their strategy. But this analysis comprises also some limitations, the first one coming through the fact that consumers' perspectives on both brands have not been captured, as the insights from the managers have been favoured, being more appropriate to provide enough expertise across all the marketing mix's elements. Another limitation comes from the interviews, as only Procter & Gamble's managers have been interviewed. In the end, this could constitute a subject for further market researches to understand how both brands are perceived both from the consumer and from the *Robijn* side, conducting similar in-depth interviews with managers from Unilever and testing within consumers if the current *Lenor* Megabrand packaging is indeed perceived as not clear for them. Such research could then complement the present analysis to bring on more tools for Procter & Gamble to scale up their *Lenor* Megabrand strategy across Europe.

7. References

- Aaker, David A. & Keller, Kevin L.** 1990. "Consumer Evaluations of Brand Extensions". *Journal of Marketing*, 54: 27-41.
- Ambler, Tim & Styles, Chris.** 1996. "Brand Development versus New Product Development: Towards a Process Model of Extension Decisions". *Marketing Intelligence & Planning*, 14: 10-19.
- Aaker, David A. & Joachimsthaler, Erich.** 2000. "The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge". *California Management Review*, 42(4).
- Broniarczyk, Susan M. & Alba, Joseph W.** 1994. "The Importance of the Brand in Brand Extension". *Journal of Marketing*, 31(2): 214-228.
- Keller, Kevin L.** 1993. "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity". *Journal of Marketing*, 57(1): 1-22.
- Martinez, Eva. & Pina, José M.** 2003. "The Negative Impact of Brand Extensions on Parent Brand Image". *Journal of Product Brand Management*, 12(7): 432-448.
- Nijssen, Edwin J.** 1999. "Success Factors of Line Extensions of Fast-Moving Consumer Goods". *European Journal of Marketing*, 33(5/6): 450-474.
- Park, C. Whan, Milberg, Sandra & Lawson, Robert.** 1991. "Evaluation of Brand Extensions: The Role of Product Feature Similarity and Brand Concept Consistency". *Journal of Consumer Research*, 18: 185-93.
- Petrornilli, Michael, Morrision, Dan & Million, Michael.** 2002. "Brand Architecture: Building Brand Portfolio Value". *Strategy & Leadership*, 30(5): 22-28.
- Pitta, Dennis A. & Katsanis, Lea P.** 1995. "Understanding Brand Equity for Successful Brand Extension". *Journal of Consumer Marketing*, 12(4): 51-64.
- Reddy, Srinivas K., Holak, Susan & Bhat, Subodh.** 1994. "To Extend or Not to Extend: Success Determinants of Line Extensions". *Journal of Marketing*, 31(2): 243-262.

- Sharp, Byron M.** 1993. “Managing Brand Extension”. *Journal of Marketing*, 10(3): 11-17.
- Unilever.** 2018. “Robijn Website”. Accessed September 12. <https://www.robijndoetdewas.nl>.
- Wood, Lisa.** 2000. “Brands and Brand Equity: Definition and Management”. *Management Decision*, 38(9): 662-669.
- Yasir, Rashid.** 2016. “Brand Extension Success Elements: A Conceptual Framework”. *Journal of Business Administration and Education*, 8(1): 23-35.

8. Appendixes

Appendix 1 – One-to-one interview discussion guide

The following questions were used as a general discussion guide for the interviews conducted during this analysis. Some modifications were made for each specific case and according to the progress of the different conversations.

Key questions on *Lenor*:

- What are the different benefit spaces for *Lenor*?
- What is the profile of consumers that Procter & Gamble are targeting with *Lenor*?
- What are the objectives with the launch of a *Lenor* Megabrand?
- What are the key issues Procter & Gamble is facing with their *Lenor* Megabrand?
- What could Procter & Gamble do to further drive *Lenor* Megabrand?

Key questions on *Robijn*:

- What are the different benefit spaces for *Robijn*?
- What is the profile of consumers that Unilever are targeting with *Robijn*?
- In your opinion, where could *Robijn* success come from? Is there anything in particular that they are doing differently from *Lenor* that could explain such success?
- What do you think *Lenor* can learn from *Robijn* to improve the Megabrand strategy?

Appendix 2 – Observation Matrix from Stores’ Visits

Examples for *Robijn* and *Lenor* were taken to illustrate the information gathered in the visits.

Observation Matrix		
Brand	<i>Robijn</i>	<i>Lenor</i>
SKU	<i>Detergent “Klein&Krachtig” (Base for colour)</i>	<i>Softener “Spring Awakening” (Base)</i>
Store	<i>Albert Heijn</i>	<i>Action</i>
Type of shelf	<i>Scent-line</i>	<i>Regular</i>
Placement of product on shelf	<i>Eye-level</i>	<i>Bottom left</i>
Price	7.99	3.36
Number of products from this SKU	21	12
Matching detergent/softener available?	Yes	No

Appendix 3 – Stores’ Visits Pictures

Picture 1: *Robijn* matching SKUs for the variant “Caribbean Dream”. Source: in store visit at Albert Heijn.



Picture 2: *Lenor* matching SKUs for the variant “Spring Awakening”. Source: in store visit at Albert Heijn.



Picture 3, 4 and 5: Respectively Albert Heijn, Jumbo, and Dirk scent-lines’ shelving. Source: in store visits.



Picture 6, 7 and 8: Respectively OP=OP, Plus, and Action regular shelving. Source: in store visits.



Appendix 4 – Robijn Communication



Picture 9 and 10: Robijn TV ad with the celebrities Winston and Renate Gerschtanowitz. Source: www.youtube.com.

*Translation Picture 10: Together for the best result.

On this example of a recent *Robijn* TV ad, the matching pairs appear always together during the entire TV spot (Picture 9 and 10). On the other hand, in a recent *Lenor* advertising, the softener is advertised alone along the entire spot, and the matching detergent appears next to its counterpart only at the end of the ad, during a short tag-on of approximately ten seconds (Picture 11).

Picture 11: *Lenor* TV ad for the new Megabrand. Source: www.youtube.com.

