

### **Leveraging a Brand Asset**

#### **DOVE**

In 1955, Unilever (then Lever Brothers) introduced Dove, which contained a patented, mild cleansing ingredient, into the soap category. It was positioned—then and now—as a “beauty bar” with one-fourth cleansing cream that moisturizes skin while washing (as opposed to the drying effect of regular soap). Advertisements reinforced the message by showing the cream being poured into the beauty bar. In 1979, the phrase “cleansing cream” was replaced with “moisturizer cream.”

Also in 1979, a University of Pennsylvania dermatologist showed that Dove dried and irritated skin significantly less than ordinary soaps. Based on this study, Unilever began aggressively marketing Dove to doctors. Soon about 25 percent of Dove users said they bought the brand because a doctor recommended it, greatly enhancing the bar’s credibility as a moisturizer. By the mid-1980s, Dove had become the best-selling soap brand and commanded a price premium.

The first effort to extend the Dove brand occurred in 1965. The extension, into dishwashing detergent, survives but has to be regarded as disappointing. Because the leading competitor at the time, Palmolive, promised to “soften hands while you do dishes,” the hope was that the Dove cleansing-cream message would translate into a competitive benefit. Instead, customers felt no reason to change from the well-positioned Palmolive, and since Dove’s reputation for moisturizing and beauty did not imply clean dishes, there was simply no perceived benefit. After receiving weak market acceptance for the extension, Dove lowered the price, creating another source of strain on the brand. Fifteen years after its launch, the brand languished at a rather poor seventh in the U.S. market, with a share of around 3 percent. The dishwashing detergent not only failed to enhance the Dove brand, it also undoubtedly inhibited Dove from extending its franchise further for decades.

In 1990 the Dove soap patent ran out, and arch-competitor P&G was soon testing an Olay beauty bar with moisturizing properties, a product that rolled out in 1993. One year later, Olay body wash appeared and soon garnered over 25 percent of a high-margin product category. Blindsided, the Dove brand team belatedly recognized that theirs was the natural brand to own the moisturizer body wash position. The firm had apparently missed the chance to be a leader in this new subcategory.

In response to Olay, the firm rushed Dove Moisturizing Body Wash into stores. The product did not live up to the Dove promise, however, and a reformulation in 1996 was only a partial improvement. In 1999, though, Dove finally got it right with the innovative Nutrium line, based on a technology that deposited lipids, vitamin E, and other ingredients onto the skin. The advanced skin-nourishing properties provided enough of a lift to allow Dove to charge a 50 percent premium over its regular body wash. Later, Dove introduced a version of Nutrium with antioxidants (which have been linked to reduced signs of aging), which helped Dove to pull even with Olay in the body wash category. By leveraging strong brand equity, pursuing innovative technology, and being persistent, Dove was able to overcome a late entry into the market.

The Dove body wash efforts influenced the brand’s soap business, which was flat until the mid-1990s (and, in fact, declined in 1996). The introduction of the

body wash corresponded to a 30 percent growth surge in Dove soap from the mid-1990s to 2001, evidence that the energy and exposure of the Dove brand helped even though the product was somewhat waning during much of that period. In addition, the Nutrium subbrand, established in the body wash category, was employed to help the soap business. In 2001, Unilever introduced a Dove Nutrium soap (positioned as replenishing skin nutrients) that was priced about 30 percent higher than regular Dove.

Another battlefield, entered in 2000, was the rather mature category of deodorants—even though dryness, the key benefit, seemed contradictory to the Dove promise of moisturizing, and the target segment was younger than the typical Dove customer. Despite these apparent risks, Dove introduced a deodorant line with uncharacteristically bold advertising (for example, one tag line was “Next stop, armpit heaven”). As it turned out, the deodorants were named as one of the top ten nonfood new products in 2001, garnering over \$70 million in sales with close to 5 percent of the market, making Dove the number two brand among female deodorants. The “one-quarter moisturizing lotion” positioning, effectively communicated as protecting sensitive underarm skin, generated a Dove spin on dryness that differentiated the product line.

In spite of this win, P&G’s Olay again beat Dove to a new market in the summer of 2000, this time with disposable face cloths infused with moisturizers. It took Dove about a year to respond with its Dove Daily Hydrating Cleansing Cloths. With the body wash success behind it, however, the Dove brand was well suited to compete in this category.

The next product extension was Dove Hair Care, whose moisturizing qualities were directly responsive to one of the top two unmet needs in the category. The product’s branded differentiator, Weightless Moisturizers, is a set of fifteen ingredients designed to make the hair softer, smoother, and more vibrant without adding any extra weight. After achieving top-selling status in Japan and Taiwan, Dove Hair Care entered the U.S. market in early 2003 with a massive introduction campaign, joining a product family used by nearly one-third of American families. Two years later it introduced Dove Body Nourishers Intensive Firming Lotion, formulated with collagen and seaweed, intended to give the user firmer skin after two weeks.

These extensions contributed to a dramatic sales success. The brand’s business grew from probably around \$200 million in 1990 to over \$3 billion in 2005 (the bar itself was doing \$330 million in 2003) to close to \$4 billion in 2008. Geographic expansion also contributed. Dove had a presence in eighty countries in 2008, far more than in 1990, with particular strength in Europe (where it gained 30 percent of the cosmetics and toiletries market), Asia-Pacific (25 percent), and Latin America (11 percent).

In 2005, with no major geographic expansion or brand extension in sight, Dove looked to another route to add energy. The result was an advertising campaign (first created in the United Kingdom) featuring “real women” with real dress sizes instead of ultra-thin models. Dove branded campaigns to educate and inspire girls to adopt a wider definition of beauty and to achieve a higher self-esteem level supplemented by the advertising. The new direction for the brand was based in part on a global

study involving 3,200 interviews that revealed that only 2 percent of women thought themselves beautiful, 50 percent of women thought their weight was too high (60 percent in the United States), and two-thirds of women felt that the media and advertising set an unrealistic standard of beauty. The campaign received enormous exposure in the media with over a thousand stories, most but not all positive (some felt it would be ineffective, others pointed out that Unilever was still using models for its other products, and still others thought Dove was promoting obesity). It generated a 10 percent sales boost.

In addition, Unilever has a men's product named Axe (called Lynx in some countries), which was introduced into the United States in 2002 as a spray deodorant and now covers shampoo, shower gels, after shave, and other products. The Axe brand was built around the humorous premise that beautiful women would go crazy over a man (or even a male manikin) if the Axe spray had been used. The advertisements and promotions were widely perceived as sexist and even degrading. Some pointed out that Unilever was hypocritical to claim some kind of feminine champion when they have the Axe brand so blatantly being the opposite of the "real women" concept.

### FOR DISCUSSION

1. Why was Dove dormant for so long?
2. What were the keys to the success that Dove achieved in building its brand into a \$4 billion business? What were the roles of success momentum and of branded differentiators?
3. What was the role of a vigorous competitor? Would Dove have gotten there without P&G pushing (or, more accurately, pulling) the brand?
4. Why were Dove soap sales affected by the other Dove successes?
5. What does this case tell you about first-mover advantage?
6. What is your opinion of the "Real Beauty" campaign? Does the existence of the Axe brand affect your views?

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