

Exported Market: South Africa

Nowadays, people feel more and more concerned by their personal well-being. So the cosmetics market is growing very quickly. We can highlight a new trend on this market which evidences that people are more likely to buy natural or organic products. Nuxe Reve De Miel Foaming Bath And Shower Gel answers this tendency because it is formulated with a high concentration of nature-derived soothing and softening ingredients.

Nuxe is a well-known brand in the Beauty care's sector, guaranteeing innovative and efficient products.

Since this company is referenced to the export in 2002, its turn over grew about the double and its staff increased by 50%.

The South African market seems to be interesting for Nuxe because during the last 4 years, in this country, the cosmetics sector recorded an annual growth close to 14 %. The professionals of the sector estimate this market to more than 15 billion rand (1.95 billion euro).



Mix Marketing of Nuxe Reve De Miel Foaming Bath And Shower Gel in France

✓ PRODUCT

The product is a shower gel in the group of care nutrition which is itself in the category of hygiene and beauty.

○ Product formulation:

This product is considered as a soothing care, because it takes daily care of the skin by respecting its hydrolipidic film. It is formulated with a high concentration of nature-derived soothing and softening ingredients (Lime-blossom and Lily Extracts, Honey).

This bath product is adapted for all members of the family because it is created for every type of skins even for children from 36 month old.

○ Packaging:

The packaging is transparent for the customer to be able to see the product. The format of the bottle (only available 200ml) and the font used are smart. The logo in green stands out on the packaging. There are two bottle versions, one contains a normal cork and the second one contains a pump to be easier for all the family to use the gel. The description is both in English and in French.

✓ PRICE

The price depends on where the shower gel is sold. It is about 9.90€ all taxes included in chemistries and a little bit less by e-trade through commercial websites such as cocooncenter.com (9.30€), or monguidesante.com (9.07€). The price is a little bit higher than other shower gel sold in same channels of distribution and much more expensive than other brands which are present in mass market.

This price strategy is called **skim pricing** which attempts to "skim the cream" off the top of the market by setting a high price and selling to those customers who are less price sensitive.

This price position reveals Nuxe's desire to propose a luxury product.

✓ PLACE

Regarding the place, the brand is referenced in more than 2,200 chemistries in France and in commercial websites.

So, a strategy of **selective distribution** is used; it means that only a small number of retail outlets is chosen to distribute the product. That allows Nuxe to maintain more control over the way their products are sold and discourages price competition among sellers of the products. This type of distribution is also used to propose a quite rare product, so Nuxe wants to sell a quality and luxury product.

✓ PROMOTION

Target: this care aims upper class households concerned about their health. More precisely, the audience is all members of this specific type of households.

Message: the slogan is «nature, efficiency, luxury». Nuxe is the contraction of Nature and Luxury.

Means: the product packaging and the logo are the most important methods and an excessive mediatisation harms the product because of an everyday acceptance. So Nuxe promotes this product only on chemistries by posters.

Nuxe Reve De Miel Foaming Bath and Shower Gel is a natural product, with both the scientist seriousness of the chemistry and the charm of the selective distribution network.

PRODUCT

To pretend selling its product in South Africa, Nuxe needs to **transfer or adapt** its product formulation and its packaging to fit local needs and way of life.

	Under category	Decision	Explications	Datas
Product formulation	Skins type	Adapt	The product formulation will be adapted to white and black skins.	As the growing black middle classes trade up in their purchases of cosmetics and toiletries, they are making way for new entrants into the marketplace. Ethnic skin tends to require products that even out pigmentation and lighten the skin.
	General formulation	Transfer	Except the adaptation for black skins, the formulation will use the same natural ingredients that in the French one.	As South Africans become increasingly aware of the ingredients used in their cosmetics products, there has been a notable trend towards products made of natural constituents. Consumers believe that natural ingredients are both more ecologically and environmentally friendly, as well as being better for the user's wellbeing.
Packaging	Bottle's versions	Transfer	The two bottle versions (200 ml), one contains a normal cork and the second one contains a pump, are kept.	Competitors use 250ml packs but for a luxury product, it shows a better image in smaller pack. Moreover, we do not target families anymore in this market but women.
	Logo	Transfer	The same logo (the tree) seems to be in accordance with this attract for natural ingredients.	Consumers believe that natural ingredients are both more ecologically and environmentally friendly, as well as being better for the user's wellbeing.
	Product and brand names	Transfer	The product name is going to stay in French.	France is the first cosmetics supplier of South Africa, so French products seem to be attractive for this population.
	Language	Transfer	On the French packaging, there are French and English languages. It is in accordance with one of the official languages in South Africa: the English.	The official languages of the Republic are Sepedi, Sesotho, Setswana, siSwati, Tshivenda, Xitsonga, Afrikaans, English, isiNdebele, isiXhosa and isiZulu.
	Product's presentation	Adapt	It should be written that this product is for white and black skins. All the other part of the product description (natural formulation) will be the same.	Ethnic skin tends to require products that even out pigmentation and lighten the skin.

PRICE

Due to the cost of exportation, local taxes and competitors prices, but also the purchasing power in South Africa, Nuxe will have to **adapt** its price.

Parts of the decision	Explications	Datas
Exportation's costs	Transport represents an additional cost, to deliver the product on the national territory first, and then to dispatch it. Air transport is the safest, quickest, but also the most expensive.	<ul style="list-style-type: none"> - 1.78 % of the FOB value (taxation maximum: 9000 ZAR by ton or per cubic metre). - Customs duties are about 20%.
Purchasing power	We have to propose a price which would not be the simple conversion into the South African money but which will be appropriate to inhabitant's purchasing power, and to money value.	<ul style="list-style-type: none"> - Luxury food (without drink) is about 200 R (16€) - Special night on a well-known place is about 15 R until 100 R (4-8€)
Competitors prices	We can see that competitors in South Africa apply high prices, that means for shower gel more than 10.50€.	<ul style="list-style-type: none"> - Luxury MG Labs Total Hair & Body Wash - Price R166.90 - Citrus Mint Body Wash 250ml - Price R150
Product image and final consumer price	<p>According to our exportation's costs, the South African's purchasing power (of the target) and competitor's prices, we are going to choose a quite high price for the South African market.</p> <p>In France, it is about 9.90€ all taxes included, that means 8.28€ duty free. We can add 2.00€ for the transport and all taxes for the exportation per product (10.28€), with the 3% of normal distributors margin, our product will be at 10.59€.</p> <p>Then, we have to add the South African VAT (14%), so the price will be 12.07€ (167 ZAR, we can apply a psychological price to 169 ZAR). For the packaging version with the normal cork, we can put a price around 164 ZAR.</p>	<ul style="list-style-type: none"> - Exchange rate to the 26/10/2008: 1 ZAR = 0.0719 EUR, 1 EUR = 13.8992 ZAR 1 ZAR = 0.0914 USD, 1 USD = 10.9417 ZAR - Normal distributors margin in luxury products: 3% - The standard rate of VAT is 14%.

PLACE

As we will be unknown in this new market, we will try to be the most visible than we can, keeping our luxury image. Thus, we are going to **adapt** our place strategy.

Moreover, our targets, white rich women and the growing black middle classes (women too), have to find our product where they are looking for their health, cosmetics and beauty products (high quality and luxury products).

So, we decided to be not only referenced in chemistries (or the similar shops in South Africa), but also in shops which propose high quality products such as Edgars and Stuttafords. These sell points are department stores with dedicated corners and salesmen.

Furthermore, another store chain that could be interested is Woolworths which proposes luxury and high quality products.

Regarding chemistries, Dis-Chem seems to be the most famous chemistry in the country, so we are going to choose this distributor.

All these stores must have many visitors from the growing black middle classes (who spend a large part of its income on cosmetics) and upper white classes which are our targets.

Our product will be proposed on these sell points but only where our target is, that means in big towns and cities. Thus, we will be presented in Pretoria, Johannesburg, Durban, Bloemfontein and in all cities in the South of the country from Cape Town to East London.

Information:

Shops such as Redsquare (strongly inspired by the Sephora's concept), Edgars and Stuttafords (department stores with corner and dedicated salesmen) are the key distributors of up-market cosmetics.

The distributor Woolworths recently inaugurated beauty spaces in some of its stores; it proposes high quality and luxury products and its home brand as well.

Based on the typical Anglo-Saxon model "Boots", chemistries such as Dis-Chem and drugstores such as Clicks and Discount Pharmacy realize a big part of their turnover in cosmetics.

The rural population represents 45 % of the total population. The white community is established at the rate of 43 % in the Johannesburg's region, 64 % of the half-blood population is in the Cape Town's region and 80 % of the Indian population is in Kwazulu-Natal.

Main towns are:

Johannesburg: 9.4 millions

Durban: 9.9 millions

Port-Elizabeth: 6.8 millions

Cape Town: 4.7 millions

Bloemfontein: 2.9 millions



PROMOTION

Once again to be more efficient, Nuxe needs to **adapt or transfer** its communication and the promotion of its shower gel to the target.

	Decision		Explications	Justifications
Target	Adapt		The target is composed by two different types of people: white rich women and black women from the growing middle class.	White population represents 9.3 % of the South African population and has 40 % of the country's available income. As the growing black middle classes trade up in their purchases of cosmetics and toiletries, people say that ethnic products are pulling up the cosmetics market.
Message	Product's presentation	Adapt	The message should be clear : the shower gel is for white and black skins	The target is composed by two different types of people: white rich women and black women from the growing middle class.
	Slogan	Transfer	The slogan is going to stay the same in South Africa: «nature, efficiency, luxury», because of the good image of natural products. Moreover, we are working on a luxury product and it is surely the first characteristic of our product, so it is essential to say that on the slogan.	As South Africans become increasingly aware of the ingredients used in their cosmetics products, there has been a notable trend towards products made of natural constituents. Consumers believe that natural ingredients are both more ecologically and environmentally friendly, as well as being better for the user's wellbeing.
Means	Magazines	Adapt	A very little appearance of Nuxe on papers could make the product and the brand known without being perceived as a mass market brand. So, we could be presented (only during the first month after the launch) in two magazines which have the same target than us such as Pursuit and Elle.	The Pursuit slogan is: "Fashion, Business, Lifestyle". ELLE is one of the planet's most famous women's fashion magazines.
	Saleswomen in shops		We are going to propose to Edgars and Stuttafords (with incomes for them) special formations for their employees to be able to advice customers in sell points.	Edgars and Stuttafords, sell points where we are going to be presented, are department stores with dedicated corners and salesmen.
	Advertising in shops and chemistries	Transfer	Nuxe promotes this product only on chemistries by posters.	An excessive mediatisation harms the product because of an everyday acceptance.