



Christian Dior

&

Shoppers Drug Mart Campaign

Integrated Marketing Communications

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MKTG 27545

Sales Promotion Assignment

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Dior Sales Promotion Case

Executive Summary

Brand Introduction:

For 40 years, *Dior* has been pushing the scientific bounds of innovation.¹ The brand's skin care objective is to "protect and repair"² the skin while maintaining its natural balance and beauty.

Dior's mission is to not only make women more beautiful, but to also make them happier.³ Upon application of *Dior* skincare, the skin becomes radiant and youthful. As time passes, the active ingredients within *Dior* products penetrate the skin leaving lasting results.⁴ As part of *Dior's* dedication to its "ethno botanical"⁵ approach to beauty, the flowers selected are cultivated in areas that are prime for their growth. These botanicals are then used within *Dior* products for their natural and unique properties. *Dior* science focuses on the scientific advances that nurture the beauty and youth of your skin that lasts.⁶ The effectiveness of the product paired with the irresistible scent is *Dior's* signature.

Competition:

The sales of super-premium beauty and personal care products is expected to increase by 2% and will reach \$273 million within the next few years.⁷ With this in mind, it is no wonder why the industry has become so competitive. Many health and beauty brands are tapping into wellness and personal care trends with science as a driving force behind innovative personal care products.⁸ Taking the lead in prestige cosmetics is Chanel and Armani.⁹ Both brands focus heavily on the quality and prestigious reputation that is associated with each premium cosmetics line.¹⁰ With a value share of 34%, L'Oréal Canada takes the lead in colour cosmetics.¹¹

¹Dior Science (2014, September 22). Accessed from http://www.dior.com/beauty/en_int/fragrance-and-beauty/skincare/ds-dior_science.html.

² Ibid

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Euromonitor. (2014, August 4). Colour Cosmetics in Canada. Accessed October 6, 2014 from <http://www.euromonitor.com/canada>.

⁸ Ibid

⁹ Ibid

¹⁰ Euromonitor. (2014, February 11). Super Premium Beauty and Personal Care in Canada. Accessed October 6, 2014 from <http://www.euromonitor.com/canada>

¹¹ Euromonitor. (2014, August 4). Colour Cosmetics in Canada. Accessed October 6, 2014 from <http://www.euromonitor.com/canada>

Statement of the Problem:

Dior faces a two-sided problem with their new products *Hydra Life BB Crème* and *Dior Addict Lip Glow*. Those problems are the competition in price as well as the product and brand value.

Purpose:

The purpose of this report is to create consumer and trade strategies that address the brand's problem with price and value.

Objectives

Consumer Objectives:

To increase awareness and to encourage trial purchase of *Dior Addict Lip Glow* and *Hydra Life BB Crème* by 25% amongst females age 25 – 40 years old who promote a youthful, active lifestyle within 3 months.

Trade Objectives:

To encourage co-operative advertising of *Dior Addict Lip Glow* and *Hydra Life BB Crème* by 25% amongst Shoppers Drug Mart marketing department personnel in Canada within 6 months.

To increase product recommendation of *Dior Addict Lip Glow* and *Hydra Life BB Crème* by 25% amongst Shoppers Drug Mart cosmeticians in Canada within 6 months.

Target Audience

Consumer Target:

Psychographics – Young, working, female professionals that promote a youthful lifestyle, such as practicing yoga. These individuals live in the suburbs and drive a hybrid vehicle, possibly a Fiat or Honda.

Also, these individuals are eco-friendly and live 'green'. They are constantly maintaining their appearance and are fashion forward. They read the latest beauty magazines, both traditional and digital versions, such as *Vogue*, *Vanity Fair*, and *Cosmopolitan*. Their time online is spent searching the web for the newest tutorials and blogs on make-up applications.

Demographics – Females, age 25–40 years old, with a post-secondary degree or diploma, newly wed and, possibly, have a young family. They have a personal income of \$35,000 - \$55,000 a year and a household income of \$75,000 - \$100,000. They are Loyals and Competitive Loyals. Switchers are also a possible target consumer.

Trade Target:

Marketers – Co-operative advertising with Shoppers Drug Mart for *Dior's* new product lines *Addict Lip Glow* and *Hydra Life BB Crème*.

Personal Sellers (Cosmeticians) – Cosmeticians within Shoppers Drug Mart are to attend *Dior's* training workshops and have the opportunity to earn a certification from *Dior*.

Attitudes

Consumer

Consumers believe that prestige brands offer better quality than generic brands and will achieve better results.¹²

Dior is a premium brand that is known and well established. Consumers are more likely to purchase *Dior* for this perceived benefit in hopes they will receive the best results from the prestigious brand product.

Some thoughts that might appear in a Consumer's mind when purchasing *Dior Addict Lip Glow* and *Hydra Life BB Crème*:

- Will this product work?
- How often should I use it?
- Is *Dior* a better prestige product than others?
- How often should I use this product?
- Will I get faster results?
- Will I get my money worth?

Trade - Marketers

The younger, upcoming generation sees the importance of high quality products believing that quality and prestige branding are closely related. These consumers are willing to pay the premium.¹³

Marketers believe they will be successful with reaching their target audience through co-operative advertising to promote *Dior's Addict Lip* and *Hydra Life BB Crème*.

¹² Euromonitor, Super Premium Beauty and Personal Care in Canada retrieved from <<http://www.portal.euromonitor.com.library.sheridanc.on.ca/Portal/Pages/Search/SearchResultsList.aspx>> Accessed on October 6th, 2014.

¹³ Euromonitor, Super Premium Beauty and Personal Care in Canada retrieved from <<http://www.portal.euromonitor.com.library.sheridanc.on.ca/Portal/Pages/Search/SearchResultsList.aspx>> Accessed on October 6th, 2014.

Some thoughts that might appear in a Marketer's mind during co-operative advertising for *Dior's Addict Lip Glow* and *Hydra Life BB Crème*:

- How much will *Dior* contribute to co-operative advertising?
- How long will the co-operative advertising run?
- What geography does our target audience live?
- Will co-operative advertising draw interest in our target audience?
- Will co-operative advertising create a demand for the products?

Personal Seller - Cosmeticians

Shoppers Drug Mart is the leading drugstore for selling luxury skincare, featuring a fully separate in-store department for prestige brands.¹⁴

Cosmeticians are familiar with selling different prestige beauty and skin care brands. *Dior's* new products would be a welcome addition to the prestigious product mix already available at Shoppers Drug Mart. Cosmeticians are confident that they can sell *Dior's Lip Addict* and *Hydra Life BB Cream* to customers within their Shoppers Drug Mart.

Some thoughts that might appear in Cosmetician's (Personal Seller's) mind during product recommendations for *Dior's Addict Lip Glow* and *Hydra Life BB Crème*:

- What makes *Dior* different from the other prestige products we sell?
- Do I get an incentive for selling *Dior's* new products?
- How much would I need to sell to receive a spiff?
- Will I get any free *Dior* products?
- Will consumers trust my recommendation?

Key Messages

Consumers

When you incorporate *Dior Addict Lip Glow* and *Hydra Life BB Crème* into your daily routine, the active ingredients will result in immediate youthful, hydrating results.

Trade - Marketer:

Cross-promotional advertising offers the opportunity for greater sales outcome as well as more cost-effective pricing for creative production.

Trade - Personal Seller/Cosmetician:

By promoting *Dior* products over competing brands, you gain greater insight into selling the experience of higher prestige products.

¹⁴ Euromonitor, Super Premium Beauty and Personal Care in Canada retrieved from <<http://www.portal.euromonitor.com.library.sheridanc.on.ca/Portal/Pages/Search/SearchResultsList.aspx>> Accessed on October 6th, 2014.

Proof

Consumer

Dior Hydra Life BB Crème – Key Benefits and Support Claims:

Similar to a foundation; however, lighter in texture, *Dior Hydra Life BB Crème* provides the necessary hydration and protection that is recommended in keeping skin smooth and supple. Its correcting pigments subtly conceal skin imperfections and smoothen the surface, revealing a youthful and radiant complexion. Its unique formulation is paraben-free and offers UVA/UVB protection with SPF 30 keeping skin young and beautiful everyday.¹⁵

Dior Addict Lip Glow – Key Benefits and Support Claims:

Dior Addict Lip Glow enhances the natural colour of lips while offering protection and hydration to its surface. With its innovative Colour Reviver Technology, the Lip Glow heats to the temperature of the skin and changes colour to match its tone that last all day. Hydrating mango butter and loofah extract nurture lips, while SPF 10 protects the skin from the sun keeping your pout beautiful and lush.¹⁶

Trade

Younger generations see value and an importance in high-quality products. It is believed that prestige and quality are correlated and consumers are willing to pay a premium for that status.¹⁷ There is a rise in premium skin care due to a growing trend in anti-aging and anti-wrinkle beauty regimes.¹⁸ Consumers are driven by maintaining and protecting their skin to ensure its youthfulness and hydration.¹⁹

It is believed among consumers that prestige brands offer better quality than generic brands, with successful results.²⁰ Natural colour palettes for lips are currently trending in fashion and on the runways, while BB crème is in demand for its lightweight and natural look.²¹

¹⁵ Dior Hydra Life BB Crème (2014, September 22). Accessed from http://www.sephora.com/hydra-life-bb-creme-broad-spectrum-spf-30-P308100?icid=Dior_Bestselling_Makeup_Carousel_P308100_link

¹⁶ Dior Addict Lip Glow (2014, September 22). Accessed from http://www.sephora.com/dior-addict-lip-glow-P236816?country_switch=ca&skuld=1572916&om_mmc=ppc-GG&mkwid=DzSPG7g4&pcrid=50725946285&pdv=c&site=ca_search&country_switch=ca&lang=en.

¹⁷ . Euromonitor. (2014, February 11). Super Premium Beauty and Personal Care in Canada. Accessed October 6, 2014 from <http://www.euromonitor.com/canada>.

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

²¹ Euromonitor. (2014, August 4). Colour Cosmetics in Canada. Accessed October 6, 2014 from <http://www.euromonitor.com/canada>.

Desired Response

Consumer Action

Dior's consumer action is to make trial purchase as well as to be the preferred brand of choice in daily beauty regimes.

Trade Action

Dior's trade action is to encourage trial purchase and become knowledgeable of the brand's products' that benefit consumer's daily beauty regimes.

Creative Strategy

Tone of Campaign:

Dior's tone for their Shoppers Drug Mart campaign will be contemporary, sensual, youthful and fashion forward.

Manner of Campaign:

Dior's manner for their Shoppers Drug Mart campaign will be sophisticated, sensual, and minimalist.

Central Theme/Big Idea of Campaign

Dior's central theme for their Shoppers Drug Mart campaign is youthful sophistication coupled with natural beauty.

Positioning Strategy of Dior & Shoppers Drug Mart Campaign

Dior's positioning strategy for Shopper's Drug Mart campaign is Brand Leadership and Lifestyle.

Consumer Objectives

To increase awareness and to encourage trial purchase of Dior Addict Lip Glow and Hydra Life BB Crème by 25% amongst females age 25 – 40 years old who promote a youthful, active lifestyle within 3 months.

Consumer Strategies:

- 1) **Dior BB Crème Advertisement Medium:** Magazine, Double-Page, 4 Colour

IMC Strategy: Free Sampling with \$25.00 Coupon

Call to Action: "For one day only, receive a free sample of Dior Hydra Life BB Crème with a coupon valued at \$25.00 with purchase. Visit your local Shoppers Drug Mart on November 1, 2014. For Optimum Rewards Loyalty Members, receive 20x the Optimum Points. Rewards will be added at check-out."

Fine Print: "Offer valid on this date only, while quantities last. Limit 1 coupon per customer."



With purchase of
Dior Addict Lip Glow
You receive...



+



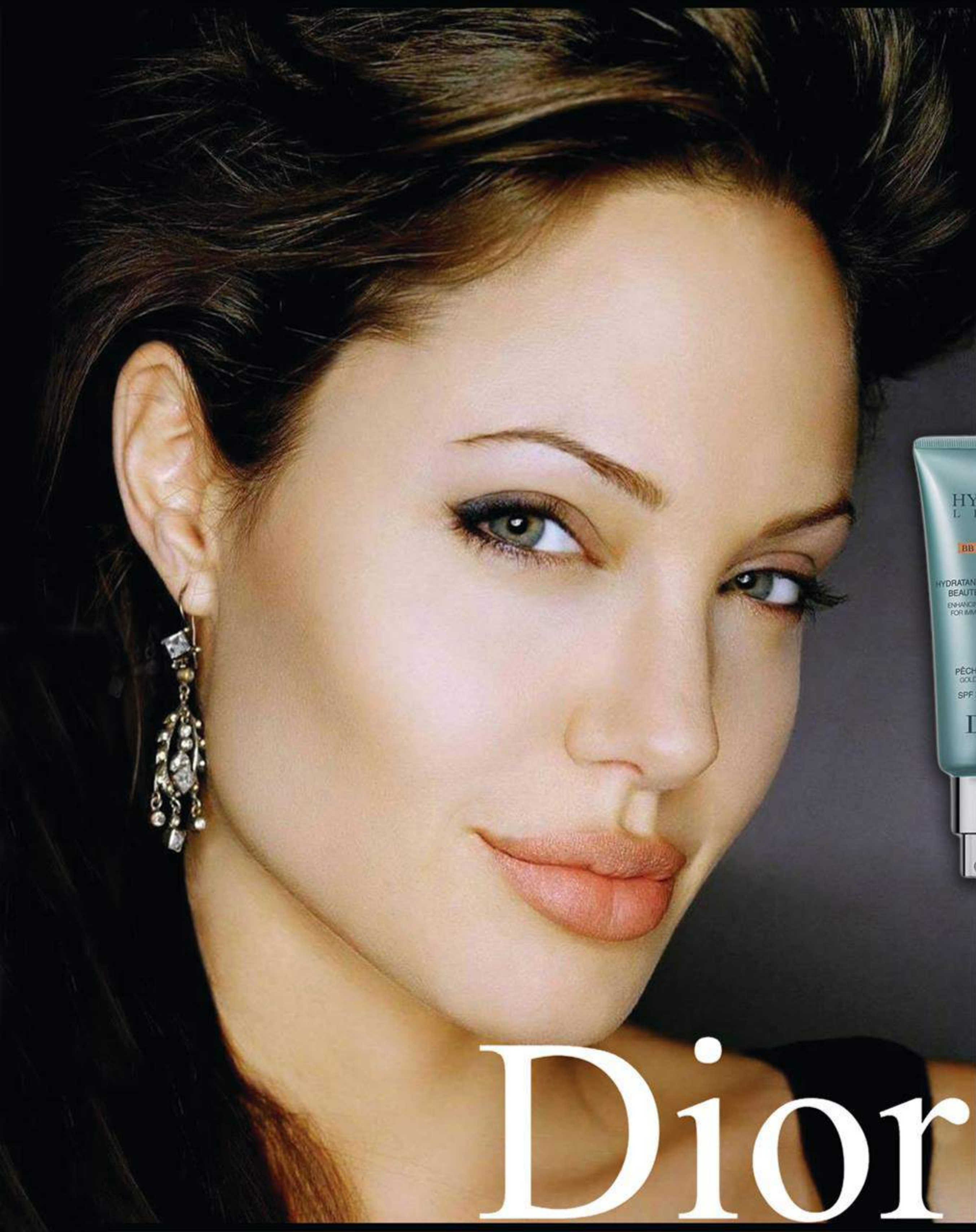
With purchase of **Dior Addict Lip Glow**
from Shoppers Drugmart receive
a complimentary Dior compact mirror.
Shopper Drug Mart also offers
20x the Bonus Points at check-out for
Optimum Memers.

**Offer only available:
October 20-October 27, 2014**

-  <https://www.facebook.com/Dior>
-  <http://www.pinterest.com/dior/>
-  <https://twitter.com/dior>

Available at
SHOPPERS
DRUG MART

* Offer valid on specified dates only. While quantities last. Limit 1 coupon per customer.



Dior



With purchase of
Hydra Life BB Creme
You will receive...



+



When you purchase Dior Hydra Life BB Creme
from Shoppers Drug Mart you will receive...

Free BB Creme Sample

+

\$25.00 Dior Voucher

with purchase of this product. In addition you will receive

20x Optimum Points

at check-out for Shoppers Optimum Members.

Offer only available:

November 1. 2014

Available at
**SHOPPERS
DRUG MART**



<http://www.facebook.com/dior>



<http://www.twitter.com/dior>



<http://www.pinterest.com/Dior>

Offer valid on specified date only. While quantities last. Limit 1 coupon per customer.

Dior

What Dior has to offer:



- + Leaves complexion smooth & velvety soft
- + Immediate complexion-enhancing
- + Protects youthful appearance
- + Moisturizes and protects skin
- + Corrects complexion
- + Skin balance

- + Reacts with lips to create a unique shade
- + SPF10 protects against the sun
- + Enhances natural lip colour
- + Moisturizes & protects skin
- + Colour reviver technology
- + All day protection

What Dior offers Shoppers Drug Mart

- + In-store makeup application tutorials
- + Co-operative Advertising opportunities
- + Spiffs for store staff who effeciently sell Dior products
(including \$\$ compensation, Gifts & Trips)
- + Training/Workshops for cosmeticians with Dior certification

Dior's Exclusive Promotion Offering Ends Soon! Call or Email If Interested!
Offer Valid Until October 31,2014

Contact Information

phone: +44 (0)20 7216 02 16

fax: 647-131-1337

web: http://www.dior.com/home/en_int

2) Dior Addict Lip Glow Advertisement Medium: Online; Facebook

IMC Strategy: Interactive

Incentive: Premium/Branded Compact Mirror

Call to Action: "From October 20 – October 27, 2014, visit your local Shoppers Drug Mart and receive a complimentary Dior compact mirror with the purchase of Dior Addict Lip Glow. For Optimum Rewards loyalty members, receive 20x the Optimum Points. Points will be added at check-out."

Fine Print: "Offered valid on these dates only. While quantities last. Limit 1 compact mirror per customer."

Trade Objectives:

To encourage co-operative advertising of Dior Addict Lip Glow and Hydra Life BB Crème by 25% amongst Shoppers Drug Mart marketing department personnel in Canada within 6 months.

To increase product recommendation of Dior Addict Lip Glow and Hydra Life BB Crème by 25% amongst Shoppers Drug Mart cosmeticians in Canada within 6 months.

Trade Strategies:

1) Dior BB Crème and Dior Addict Lip Glow Advertisement Medium: Trade Ad

IMC Strategy: Co-operative Advertising (Marketer); Training and workshops, plus Dior Certification upon completion. Spiffs offered when Monthly targets are successful.

Call to Action: Contact *Dior* if interested. Offer expires October 31, 2014.

Creative Development

Consumer Ad

The advertisement is to promote *Dior's Hydra Life BB Crème* and *Dior Addict Lip Glow* to consumers. The concept will focus on the prestige of the established brand. Its manner will express simplicity and elegance of the product and its relation to youth and wealth. The advertisements will have little to no copy with focus on the model and the product. In addition, the advertisement will promote the products' benefits gained from daily use.

Trade Ad

The advertisement is to promote *Dior Hydra Life BB Crème* and *Dior Addict Lip Glow* to the trade and its focus, similar to the consumer ad, will be on brand prestige; however, the trade ad will include an emphasis on co-op advertising opportunities and the workshops offered for personal sellers to better understand the products and their benefits. In addition, since *Dior* products are premium and are higher in cost compared to competing generic brands, the profit margin is greater if sales are executed efficiently.

Summary

Dior will target consumers that are young and who are currently driving the prestige beauty trend for personal care products. Shoppers Drug Mart has dedicated space for the display of luxury cosmetics and has a “store-within-a-store concept”. Shoppers Drug Mart is the leading drug store for luxury skin care sales.²²

In 2013, Shoppers Drug Mart continued to lead brand sales totalling \$11.4 billion with 28% of all sales in the health and beauty category, over 1300 locations across Canada.²³ Recently acquired by Loblaws for \$12.4 billion in 2013, helping with targeted sales from expansion; offering consumers greater product selection at their locations.²⁴

Multichannel advertising strategies are becoming an important role in aiding online sales growth. This is where consumers can interact and engage with the brand prior to purchase.²⁵ Social media plays a key role in the driving of sales of prestige beauty and personal care products. This also allows consumers to interact and engage with the brand and other fellow brand ambassadors.²⁶

L'Oréal Canada is the leader in colour cosmetics with a value share of 34% in 2013.²⁷ Natural colours are on the rise in fashion and on the runways. BB Cream in demand for its benefits and natural look.²⁸

Dior will encourage trial purchase among consumers through their marketing and advertising strategies. *Dior* will encourage trial purchase by introducing a premium and by offering bonus Optimum points to loyal consumers when they visit Shoppers Drug Marts and make a purchase with either *Dior* product. *Dior* will communicate this sales promotion and incentive to its target audience by placing advertisements on websites and Social Media that are most visited by the demographic.

Dior will also influence purchase trial by introducing a coupon with bonus Optimum points to consumers when they visit their local Shoppers Drug Marts for *Dior's Hydra Life BB Cream*. *Dior* will communicate this incentive to their target audience by placing advertisements in Fashion and Beauty Magazines.

²² Super Premium Beauty and Personal Care in Canada, Accessed October 6, 2014. Euromonitor)

²³ Ibid

²⁴ Ibid

²⁵ Health and Beauty Specialist Retailers in Canada
Accessed on September 28, 2014. Euromonitor))

²⁶ Super Premium Beauty and Personal Care in Canada. Accessed September 28, 2014. Euromonitor.)

²⁷ Colour Cosmetics in Canada, Accessed September 28, 2014. Euromonitor.)

²⁸ Ibid

Dior will target marketers and cosmeticians who are currently working at local Shoppers Drug Mart. *Dior* will encourage co-operative advertising and product recommendations for *Dior's Addict Lip Glow* and *Hydra Life BB Crème*. *Dior* will encourage cosmeticians by offering training and in-store workshops that result in a certificate upon completion. Spiffs will also be offered as incentive when target sales goals have been met and exceeded. *Dior* will communicate this incentive to the trade by placing advertisements inside industrial magazines.

Dior will measure their campaign for consumers by counting how many premiums are given away during October 20th – October 27th based on their online advertisement. Since it is an online advertisement it is really measurable to see how many consumers viewed the promotion as opposed to how many actually made the purchase. It is suggested that *Dior* consider new and potential consumers for their next campaign by targeting Switchers.

As for *Dior's* magazine campaign, they could count how many coupons were used at all participating Shoppers Drug Mart locations. Although magazines are not as measurable as online, there is a high circulation rate among magazines that creates brand awareness among loyal and competitive loyal consumers.