

A marketing plan as a marketing management tool

Defined business document	Marketing plan
Brand	Vichy - vichy.com
Market	Skincare retail products
Marketing challenge	Introduce an online beauty treatment booking service
Geographical focus	Paris, France
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Meeting point of the authors with Danny Abramovich	ISG Business School, Paris, France International MBA
Content covered	Chapter 1, Marketing analysis ✓ Chapter 2, Strategy & objectives ✓ Chapter 3, Budgeted action plan ✓ Chapter 4, Control procedures ✓
Methodology used	The MODE - doing your marketing more effectively
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Marketing plan

As of September 2020, the strategy we chose is Service Development because we want to expand our service and offer to our clients a beauty treatment booking platform in Paris.

Company profile



- **Fact and figures**

- ✓ well-known French cosmetics brand
- ✓ products based on the therapeutic properties of Thermal Water
- ✓ Beauty lines: Anti-Aging, Skin care, **Cleansing**&Hygiene, Makeup, Homme, Sun Protection, Dercos Hair Care
- ✓ Operating profit: 5.5 billion euros, an increase of +13% (2019)
- ✓ founded in 1931 by Dr Haller

- **A major signals**

- ✓ In 2020, they launched **Vichy Connect** - a series of livestream talks hosted by our multi-disciplinary medical experts which focus on the latest dermatological topics such as skin Exposome factors, to help women understand how to transform the future of their skin.

- **Vision** - *"Putting efficacy and safety at the forefront of all our formulations, and dedicating our research and innovation to improve women's skin visible healthy markers, at every stage of their life"*

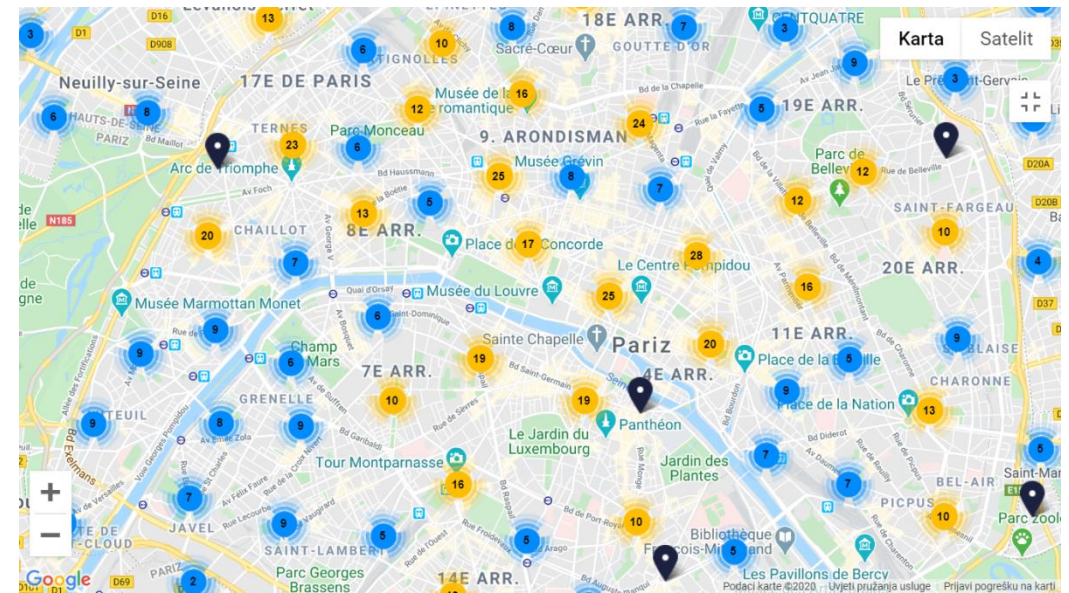
Values - help women to take daily, effective care of their skin, no matter their age or skin type, while protecting the environment and promoting sustainability

- Sources of info:

- ✓ <https://www.caretobeauty.com/en/vichy/>
- ✓ <https://www.loreal.com/en/active-cosmetics-division/vichy/>

Why Paris?

- We chose Paris mainly because most of Vichy's products are located and sold in Paris



Source: <https://www.vichy.fr/pharmacies-vichy/tous-les-departements/sl.aspx>

Strategic planning

1 Analysis of the current situation – past year

1.1. Influential business trends to-date

The trend that has most influenced our business so far is the **technological** one because in the past few years, Vichy invested a lot in technology (in 2018, **SkinConsult AI**, an AI-powered skin diagnosis platform)

1.2 Market analysis to-date


Perfumes, Cosmetics, and other Toilet Preparations is a final level code of the “Manufacturing” Division (**SIC Code 2844**) and Beauty Shops in Paris (**SIC Code 7231**)

1.3 Competitive analysis to-date

La Roche-Posay

Biotherm

Uriage

Our level of competitiveness is **higher** than La Roche-Posay by 7% mainly due to **Brand Experience**.
(see Annex no.1) 

1.4 Current market segmentation to-date

- ✓ Core audience segments of 25-45 year-old women
(career moms, women suffering from stressed and fatigued skin)
- ✓ Income: medium/high income
- ✓ Need: People, who want to take care of their skin, to feel more comfortable in their skin and better in general

1.5 Marketing offer (offer-mix) to-date (See Annex 1.5)



Product (physical features) - unique active ingredient: Vichy Mineralizing water (15 rare minerals), nice and modern designs, packagings

Brand - the brand is equivalent to 80 years of expertise and innovation, a leading French heritage brand

Quality of service - bad customer service (long wait for a reply)

Price - medium price range, great value for money

1.6 Marketing promotion (promotion-mix)

DISTRIBUTION MIX

- **Direct Marketing**

OFFLINE - **TV commercials**,
ONLINE - **corporate website**,
mailing lists for exclusive offers

- **Indirect Marketing**

ONLINE - **social media**
OFFLINE - **magazines** (Marie Claire, May 2017) - affiliate marketing

MARKETING COMMUNICATION

- **Public Relations**

“**Vichy Works for Me**” - they teamed up with Publics Montreal to find 5 brand ambassadors with different lifestyles and skin types

- **Sales promotion**

ONLINE - 4Piece Deluxe Gift Set with Orders \$50+
Bonus Makeup Bag with Orders \$65+ (currently on the website)
AfterPay (Enjoy Now, Pay Later)
Become a Vichy Insider
OFFLINE - in pharmacies

1.7 Emotional strengths & weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none">- Number 2 skin care brand on the french market- Strong brand image- Special product formulation based on Vichy Mineralizing Water- Vichy is able to understand women's needs by listening to them and through its long-standing relationship with its pharmacists (emotional)	<ul style="list-style-type: none">- Research investments are very expensive- Less potential for product innovation- Difficult differentiation from similar pharmacy brands - no clear distinction- the younger consumers did not identify themselves with the brand because they believed it was a brand for their mothers or grandmothers (emotional)

2. Marketing strategy&objectives - next year

2.1 Selected marketing strategy

As of September 2020, the strategy we chose is Service Development because we want to expand our service and offer to our clients a beauty treatment booking platform in Paris.

2.2 Developing a value proposition to back-up the strategy


As of September 2020, we are going to offer beauty treatment booking platform in favor of our clients in Paris.

As an added value, it is going to improve the existing quality of service (15% of the actual importance within the offer-mix - See **Annex 1.5**) while introducing and promoting mainly our range of skin care products to potential clients.

2.3 Targeting next year

Women between 25 and 45 who can afford to pay for regular treatments to beautify themselves and want to feel confident in their skin.


2.4 Revising the marketing offer next year

As of September 2020, we are going to focus on improving the quality of service, mainly online via App, followed by increasing the exposure of the brand and its values (See **Annex 2.4** )

2.5 Revising marketing promotion next year (As of September 2020)

As of September 2020, we focus on PR (press releases, blogs, content), Direct Marketing (DBM, eMails) and Sales promotions (In-Shop display, roll-ups).

2.6 Transforming strengths & weaknesses into objectives

We have extracted the following marketing objectives, based on the SWOT analysis, as follows: convince Spas in Paris of the cooperation of the new platform, create differentiation from other cosmetics booking platforms, create awareness for the new service development and target a younger group and promote Vichy skincare products at the beauty treatments. (See **Annex 2.6** ).

2.8 Conducting yearly sales forecast

Our yearly **sales forecast** for the next year, starting in September 2020 to September 2021, is: **68K€** (See **Annex 2.8** ).

3. Marketing Action Plan & Budget - next year

3.1 To pursue partnerships: 1 + 1 > 2

To collaborate with **La Roche-Posay** (See **Annex 3.1** )



vs.




3.2 To maintain successful marketing activities

To continue with advertising on **social media**, **TV** - offline and online, then start with paid media to grow our application traffic (our beauty booking platform) through **paid advertising (PPC)**. **Email marketing** is also a highly effective and it is measured by open rates and click-through rates. Through our application, there will be real-time interaction via a **chatbot** or live chat gets the right information in front of prospects and customers at the right time, allows them to self-service, and get questions answered immediately.

3.3 To adjust the offer

Quality of service	To use chatbot via our App - our customers can get the necessary information directly on the app and also without any delay because in the past there was a slight delay.
Brand	To increase the exposure of the brand and its values - 80 years of expertise and innovation
Price	Vichy will retain the right to 10% of each treatment booking.
Physical features	To promote the skincare line of products to potential clients.

3.4 To promote marketing activities

Distribution-mix: Direct Marketing Indirect Marketing	3.4.1 Direct Marketing (DBM) To send personalized email to our existing clients To invite loyal clients to the inauguration event
Marketing Communication: Advertising PR	3.4.2 PR To send out press releases To invite bloggers To add content within Instagram
Sales' promotions Sponsorships	3.4.3 Sales' promotion To place flyers in selected spa (x10) To present an eCoupon within our website (homepage) - see Annex 3.4 )

3.5 To manage the marketing action plan projects

What?	When?		How much?	Comments
	from	to		
Email marketing	September 2020	December	1 050€ (350€ per month)	To send personalized emails to our existing clients
Events	September 1st, 2020	September 30th	13 000€	To invite loyal clients to the inauguration event
Instagram ads	October 2020	June 2021	5€/cost per 1000 impressions	To add content within Instagram
Bloggers & Influencers	December 2020	February 2021	12 000€ (10 bloggers per 2 posts a month - 200€ per post)	To invite bloggers to promote our beauty platform
Flyers & eCoupon	September 2020	August 2021	3 000€ (170€ per flyer and eCoupon)	To place flyers in selected spa (x10) To present an eCoupon within our website

3.6 To set periodical marketing budget

Resources			Expenses		
Capital	68 000€	73%	Email marketing	1 050€	1,5%
Cooperation (La Roche-Posay)	25 000€	27%	Events	13 000€	18%
			Instagram ads	1000€	1,5%
			Bloggers & Influencers	12 000€	17%
			Flyers & eCoupon	3 000€	4%
			Marketing Research	20 000€	29%
			Non-allocated	20 000€	29%
TOTAL	93 000€	100%		70 050€	100%

4. Measurable Results - periodically

4.1 The control bodies – who is to control?

The mission and members of the marketing control committee, that will regularly meet are as follows marketing strategy committee (weekly), sales committee (bi-weekly), budget committee (monthly) and IT committee (monthly).

4.2 Main control tools – how to control?

In order to upgrade our understanding of our client behavior as well as to better control our quality of service, we are developing a systematic approach that relies on observations in our partnering spas.

4.3 Control milestones in time - when to control?

- In **October** after launching our beauty booking platform in September
- In **February** after partnership with La Roche-Posay in January
- **Monthly** controls on Instagram (after each post - control and how many impressions were obtained)

4.4 Selected criteria of success - what to measure to thrive improvement?

- Click through rates, % - **Email marketing**
- **True Engagement / Impressions** (true engagement - includes not just likes and comments but also the number of times your posts were saved) - **Instagram**

Annex 1.3:



Level of competitiveness of a brand by using Critical Success Factors

CFS	Weight	Vichy		La Roche-Posay	
		1-10	Result	1-10	Result
Range of products	0.1	9	0.9	9	0.9
Value for money	0.2	8	1.6	8	1.6
Customer retention	0.3	6	1.8	5	1.5
Brand Experience	0.4	8	3.2	7	2.8
Total	1.0		7.5		6.8

Annex 1.5 Marketing offer (offer-mix) to-date



Physical features – 40%

Price – 10%

Quality of service – 15%

Brand – 35%

Annex 2.4: Revising Marketing offer next year



Physical features – 20%

Brand – 30%

Price – 10%

Quality of service – 40%

Annex 2.6: Transforming strengths & weaknesses into objectives

		Past & Present	
		Strengths	Weaknesses
Future	Opportunities	<ul style="list-style-type: none"> ● New platform for Vichy ● Paris as a place to launch our platform 	<ul style="list-style-type: none"> ● Younger customers (as younger group for Vichy wasn't a priority before, more focus on anti-aging products)
	Threats	<ul style="list-style-type: none"> ● Other cosmetics booking platforms 	<ul style="list-style-type: none"> ● Will spas in Paris include Vichy products in their offer?

Annex 2.8: Calculation

Seasonality

- April is an average month
- Thursday is considered as an average day
- 5 days a week
- Daily, 10am to 9pm - 11 hours a day

Facts & assumptions

- 100 Spas in Total in Arrondissement 16th
- 6 Spas work with Vichy products and are agreeing on a partnership with the platform
- 1 appointment per Spa per day

Calculation

$$60\text{€} \times 6 \times 5 \times 50 = 90.000\text{€}$$

Average price per one spa treatment x Average Daily Spa Appointments x Days x Weeks = Average Sales

Because we are optimistic:

$$150.000 / 1.1 = 81.818\text{€}$$

(Average Daily Spa Appointments = 10)

Our yearly sales forecast for the next year, starting in September 2020 to September 2021 is

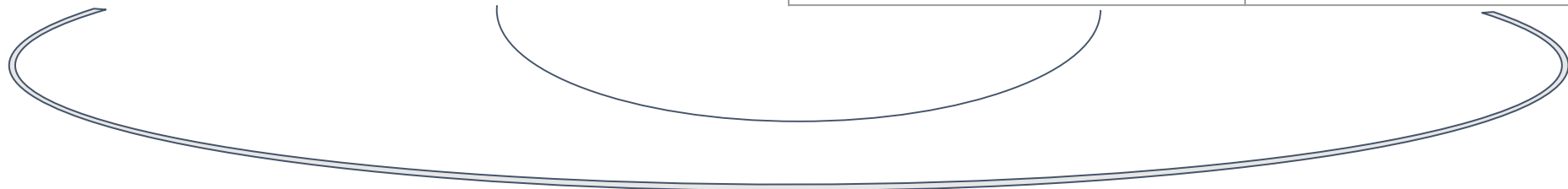
$$81.818\text{€} / 1.2\text{VAT} = 68.182\text{€} \sim 68\text{K€}$$

Annex 3.1: Partnership with La Roche-Posay




VICHY	
STRENGTHS	WEAKNESSES
Strong media channels (social media, TV...)	From customer's point of view, their focus is more on anti-aging products

LA ROCHE-POSAY	
STRENGTHS	WEAKNESSES
Focus on providing solutions for sensitive skin - younger skin	Not enough media channels



Annex 3.4

Vichy Beauty Booking eCoupon



The poster features the Vichy logo in a white circle at the top left. The main title 'Vichy Beauty Booking' is in large white font. Below it is a photograph of three Vichy skincare products: a jar of 'VICHY AQUALIA THERMAL' cream, a bottle of 'VICHY MINERAL 89' serum, and another jar of 'VICHY AQUALIA THERMAL' cream. A hand is shown applying the cream to the face. The text 'SERVICES beauty spas skincare products WHERE? Paris, 16th Arrondissement' is in white. A grey box contains 'Book your Treatment Now www.vichy.fr'. A large '-10% COUPON' is in the bottom right corner. A dashed white line separates the coupon area from the rest of the poster. A small 'Made with PosterMyWall.com' watermark is at the bottom left.

VICHY
LABORATOIRES

Vichy Beauty Booking



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