

D. Detailed guidance

I. Introduction

- You should follow this flow:

Nature of company (when & where it was established) → industry introduction, main products → primary target market → major rivals → market share/sales

Example: LaRoche Posay

Nature of the company:

- + Year of establishment: 1975
- + Location: A small village of La Roche-Posay
- + History: Nestled in the heart of France, the distinctive Thermal Spring Water of La Roche-Posay has gained recognition within the scientific community for its curative and protective qualities, owing to its abundant Selenium content, a potent natural antioxidant.
- + → This remarkable spring water serves as a fundamental component in the formulation of all La Roche-Posay skincare products, and its attributes are expertly harnessed at the La Roche-Posay Thermal Center – Europe's pioneering hub for thermal dermatology. Here, it is instrumental in the treatment of various skin conditions such as atopic dermatitis, psoriasis, severe burns, and post-cancer therapy.

Key products:



LRP's history

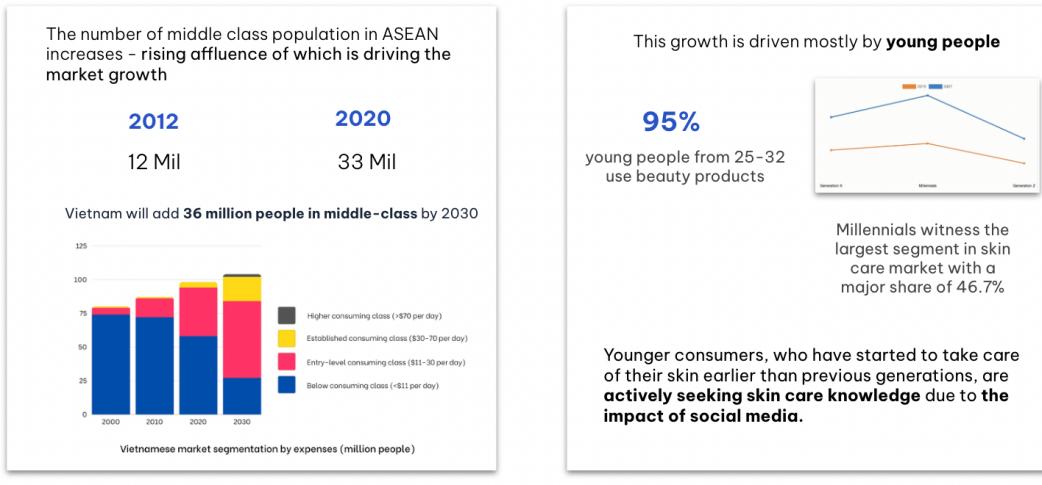
- **14th century:** Bertrand Du Guesclin - a French nobleman - discovered the thermal springs of La Roche-Posay. His horse's eczema was completely cured after submerging in the water.
- **17th century:** Pierre Milin (known for treating both Henry IV and Louis XIII) concluded that the water in La Roche-Posay was actually thermal water which was rich in selenium.
- **19th century:** Napoleon Bonaparte had a hospital built at La Roche-Posay to treat his soldier's skin diseases.
- **1897:** La Roche-Posay was officially recognised by the French Academy of Medicine.
- **1905:** The first Thermal Centre was opened for the management of skin disorders.
- **1912:** French Academy of Medicine declared the town La Roche-Posay and recognised the unique skincare properties of the Thermal Spring water.
- **1975:** La Roche-Posay Laboratoire Dermatologique was founded with the mission of developing skincare products using the unique thermal water from Thermal Spring Water of La Roche-Posay
- **2006:** The company created their innovative sunscreen, Anthelios that contained the only sun filter to protect against both short and long UVA rays, revolutionizing the sunscreen market
- **2008:** La Roche-Posay created Anthelios sunscreens with Cell-Ox Shield with the ability to protect users from not only UVA and UVB rays, but also from free radicals caused by the sun.

Market analysis:

a, Brief analysis of the cosmetics market

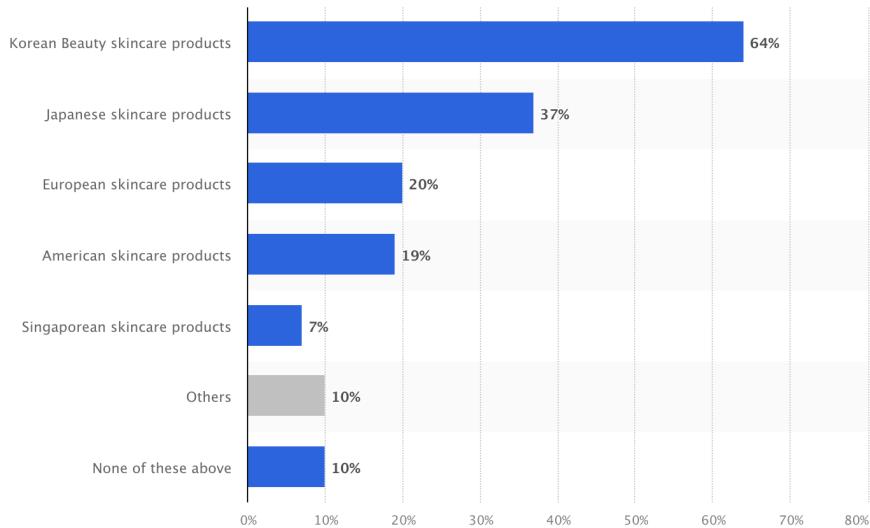
Why is it?

The growth of the Vietnam's skincare market is driven by **increase in middle-class population** in ASEAN and **Vietnam & the increasing knowledge about skin health** of young people



Source: Report Linker
Allied Market Research
Q&M Market Research

- 90% of the cosmetics in Vietnam are imported, since many local consumers believe that **foreign products offer better quality** than local alternatives. Furthermore, They tend to be **willing to pay higher prices** for the perceived higher quality of international skin care brands.



b, Brand's values, purpose & positioning:

- Purpose: Life-changing skincare prescribed by dermatologists
- Values: Effective, safety, innovation, dermatology
- Positioning: LRP is the No 1. Dermatologist Recommended Skincare worldwide (recommended by 90,000 dermatologists worldwide)

c, Brand's share

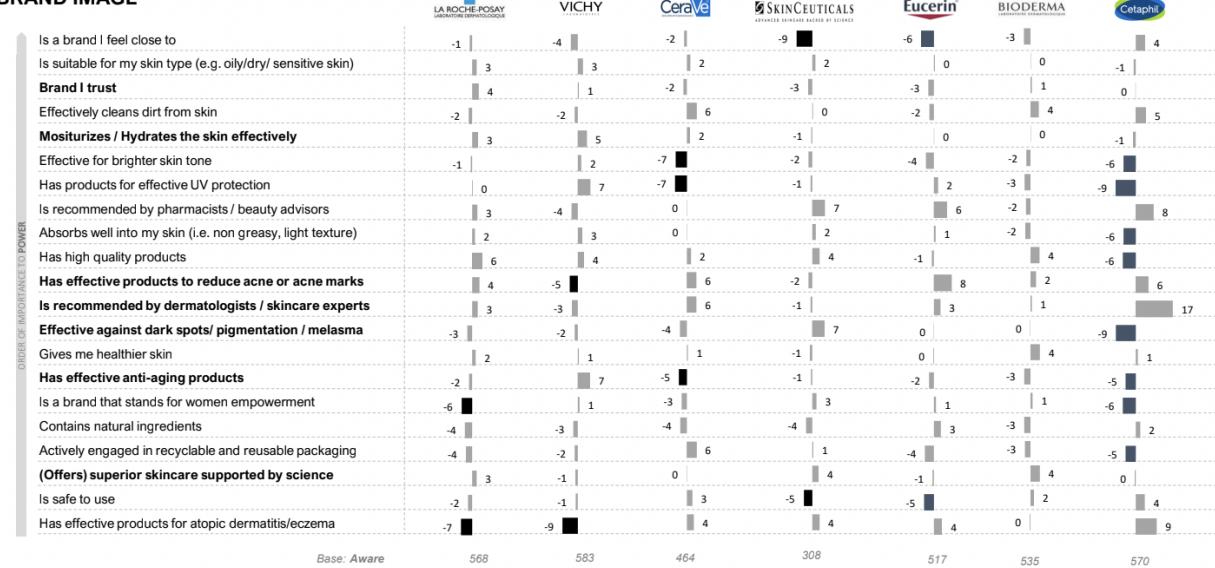
Table 4 LBN Brand Shares of Skin Care: % Value 2019-2022

% retail value rsp Brand (GBO)	Company (NBO)	2019	2020	2021	2022
Shiseido (Shiseido Co Ltd)	Shiseido Cosmetics Vietnam Co Ltd	11.7	11.1	10.6	10.1
Pond's (Unilever Group)	Unilever Vietnam International Co Ltd	7.0	6.9	6.8	6.7
Lancôme (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	3.0	3.0	3.0	2.9
Vichy (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	2.0	2.4	2.7	2.8
The Face Shop (LG Household & Health Care Ltd)	LG Vina Cosmetics Co Ltd	1.8	2.1	2.2	2.3
La Roche Posay (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	1.3	1.6	1.8	1.9
Nivea (Beiersdorf AG)	Beiersdorf Vietnam Ltd Co	2.1	1.9	1.8	1.7
Estée Lauder (Estée Lauder Cos Inc)	Estée Lauder Vietnam Co Ltd	2.0	1.9	1.7	1.7
Laneige (AmorePacific Corp)	AmorePacific Vietnam JSC	1.1	1.2	1.4	1.4
Innisfree (AmorePacific Corp)	AmorePacific Vietnam JSC	0.7	1.0	1.2	1.3
L'Oréal Paris Demo-Expertise (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	1.2	1.2	1.2	1.2
Sulwhasoo (AmorePacific Corp)	AmorePacific Vietnam JSC	1.0	1.1	1.2	1.2
Paula's Choice (Unilever Group)	Hanoi International Friendship Hospital JSC	-	-	1.1	1.1
The History of Who (LG Household & Health Care Ltd)	LG Vina Cosmetics Co Ltd	1.6	1.1	1.1	1.1
Clinique (Estée Lauder Cos Inc)	Estée Lauder Vietnam Co Ltd	1.4	1.1	1.0	1.0
Avène	Pierre Fabre SA, Laboratoires Beiersdorf Vietnam Ltd Co	0.8	0.9	1.0	1.0
Nivea Men (Beiersdorf AG)	Beiersdorf Vietnam Ltd Co	1.1	1.1	1.0	1.0
Olay (Procter & Gamble Co, The)	Procter & Gamble Vietnam Ltd	1.1	1.1	1.0	1.0
Cetaphil (Galderma SA)	Nestlé SA	0.9	1.0	1.0	1.0
Menard	Nippon Menard Cosmetic Co Ltd	1.1	1.0	0.9	0.9
Kiehl's (L'Oréal Groupe)	L'Oréal Vietnam Co Ltd	0.8	0.8	0.8	0.8
Vaseline Intensive Care (Unilever Group)	Unilever Vietnam International Co Ltd	0.8	0.7	0.7	0.7
Eucerin (Beiersdorf AG)	Beiersdorf Vietnam Ltd Co	0.5	0.6	0.6	0.6
Acnes (Rohto Pharmaceutical Co Ltd)	Rohto-Mentholatum Vietnam Co Ltd	0.6	0.6	0.6	0.6
Lip Ice (Rohto Pharmaceutical Co Ltd)	Rohto-Mentholatum Vietnam Co Ltd	0.6	0.6	0.6	0.6

LOREAL ranked #2 in the company share in Vietnam, becoming the key player coming after Shiseido Group. La Roche Posay has witnessed a relatively high brand share, both in Loreal Group and VN market overall

d, Brand's performance

BRAND IMAGE



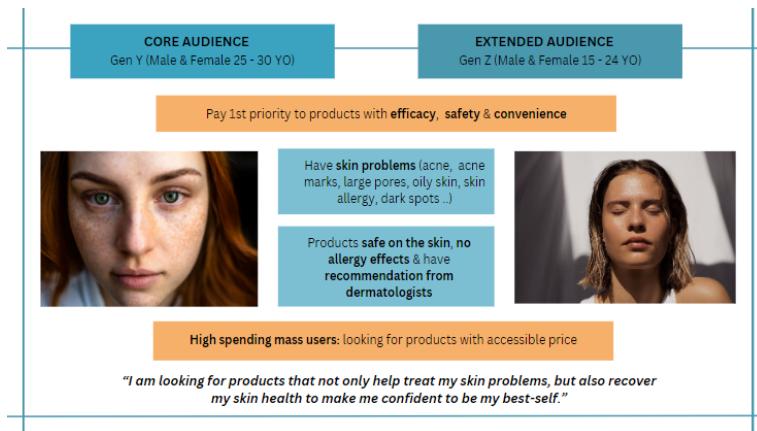
(Source: Brand Health Track Vietnam, Dip 1 June 2023)

e, Key Target:

Segment		Target customers
Demographic	Age	
	Income	
	Gender	
	Occupation	
Psychographic	Personality traits	
	Lifestyles	
	Social class	
Behavioral	Occasions	
	Benefit sought	
	User status	

Geographic	Density	
	Area	

→ **Target customer:**



→ **Target market:** In major cities (HN, HCM, DN), you can easily find LRP products in clinic-spa or department stores (Guardian, etc)

f, Market Rivals

- Brand's rivals: Bioderma, Vichy, Cerave, SkinCeuticals, Eucerin, Cetaphil
- Mother group rivals: LOREAL Group, Estee Lauder Companies, Unilever

II. Internal influences

1. Learning

a, Conditional Learning

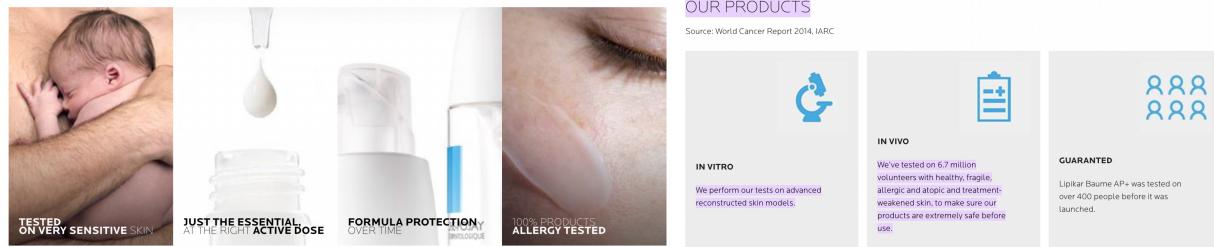
Example:

- Classical Conditioning:
 - Visual Identity: LRP uses its signature of dermatologists, lab innovation, active ingredients and close-up skin texture;
 - Consistent color scheme: Blue & White color code
 - Slogan: A better life for sensitive skin
- Operant Conditioning:
 - **Consistent quality of products:** LRP commits to maintain the safety standards, adhere to the strictest product test to make sure that their

customers will fully feel confident when purchase (*Ensuring a consistent level of product quality plays a pivotal role in fostering customer contentment. Achieving product satisfaction is deemed as the most potent means to influence future buying decisions, as asserted by Quester et al. in 2013*)

OUR SAFETY COMMITMENTS

Safety standards beyond international cosmetics regulations.



HOW DO WE TEST OUR PRODUCTS

Source: World Cancer Report 2014, IARC



IN VITRO

We perform our tests on advanced reconstructed skin models.



IN VIVO

We've tested on 6.7 million volunteers with healthy, fragile, allergic and atopic and treatment-weakened skin, to make sure our products are extremely safe before use.



GUARANTEED

Lipikar Baume AP+ was tested on over 400 people before it was launched.

- **Evaluation of the products:** LRP has reinforced its reputation through compliments from both customers & reviewers
- **Product education:** Let the customers scan to detect their skin issue, then suggest a suitable product and a skincare routine customized for their skin problems



- **Extra reinforcement:** A gifted purchase is favored by 60% of Vietnamese consumers (Deloitte 2020).
- Encouraging them to buy more because of those incentives



(Vouchers and gifts)

Evaluation:



b, Cognitive Learning

Example:

- Iconic Rote Learning: McDonald's iconic "I'm lovin' it" slogan is recognized globally even without conditioning.
- Vicarious Learning: KOL strategy (Both KOLs that are famous & expert in the industry and the dermatologist)



(Hana Olala & Beauty Blogger Chloe Nguyen, with a high influence on social media and well-known for their expertise in skincare, which fits the imagery of LRP)



(Dermatologist Imagery to strengthen the brand image of LRP as a trusted brand)

→ Evaluation: Reliable confirmation of product quality which then influences consumer learning

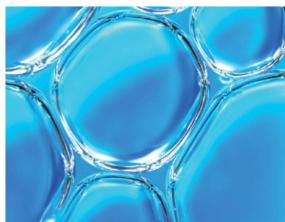
(Quester et al. 2013)

- **Reasoning Learning:** Educate consumers & advertise the active ingredients used in the product (61% of women are more inclined to purchase products that have substances they understand or recognize (Cision 2017).



SHEA BUTTER

Sustainably sourced in Burkina Faso. Formulas with shea butter help restore the skin's hydrolipidic film and help skin feel soothed.



GLYCERIN

Derived from vegetable sources, it's an excellent humectant. It helps hydrate skin by absorbing water from the surrounding environment.



NIACINAMIDE

A form of vitamin B3, niacinamide is a water soluble vitamin. It is widely used in dermatology for its soothing properties, helping restore skin's moisture barrier, and visibly fading skin discolorations.



VITAMIN B5

Panthenol (provitamin B5) is a key ingredient used in some La Roche-Posay formulas to help the skin feel soothed and moisturized.

The history and heritage of Thermal Water in France has been used as an advertising strategy, attracting hundreds of tourists to France to visit the village and try the Thermal Water

⇒ FINAL EVALUATION:

- Effectively shape consumer behaviors by reinforcements & offering incentives
- Received a bunch of compliments from both consumers and experts
- Still lacks various Iconic Rote learning: TVC, video advertisements on Tiktok, challenges,... for consumers to engage with brands and remember the core values/message

2. Motivation: (Maslow's Hierarchy)

a, Safety & Self-esteem

- **Safety:** LRP confirms that they provide products for the most sensitive skin, even safe for children's baby skin and people with cancer

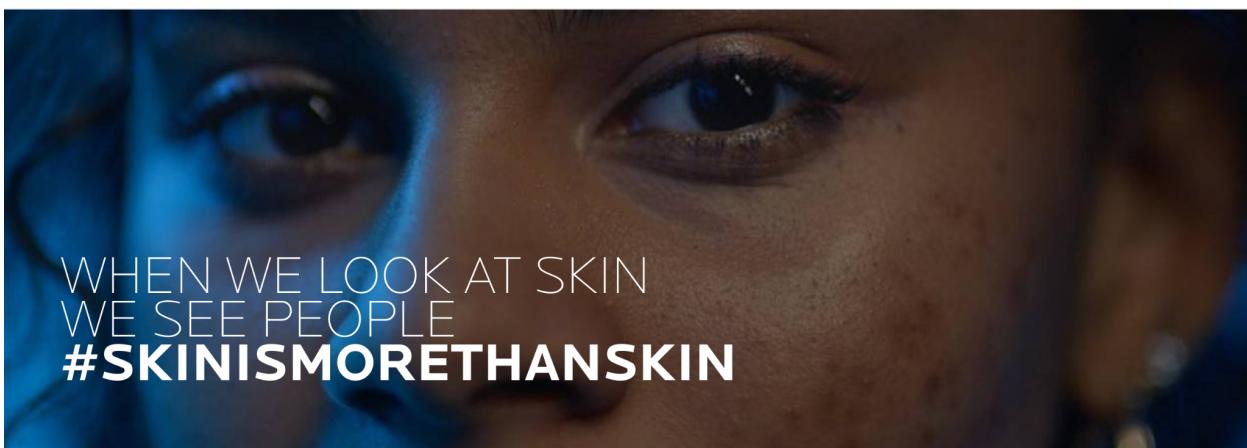


SUPPORTING PATIENTS THROUGH CANCER TREATMENT

In 2021, there will be an estimated 1.9 million new cancer cases diagnosed in the United States. We are committed to providing educational resources for patients and their caregivers throughout the cancer journey. We created this comprehensive guide in partnership with the American Cancer Society to promote proper skincare during treatment and optimize quality of life while living with cancer.

[LEARN MORE](#)

- **Self-esteem:** LRP has launched a new brand platform "SKIN HEROS", staying consistent with the message: "When we look at skin, we see people". LRP believes that skin is more than skin, it is a matter of public health



- The SKIN HEROS platform empowers individuals grappling with skin issues to share their personal journeys, becoming the heroes of their own skin. Our dedicated dermatologists stand ready to rescue and support the most sensitive skin. It's a space where courage meets the opportunity to confront challenges and share stories of triumph over skin concerns.

REAL SKIN STORIES

Because we hear you, we work hard behind the scenes every day. We fight for you and develop the solutions that give you hope for your skin. That remind you to never give up.



MEET MAEVA

34 yo, France
has a very sensitive skin



MEET SABINE

25 yo, United States
Suffers from acne-prone skin



“
Because I have so many age spots.
I don't like my skin.

SABINE



“
Because I have so many age spots.
I don't like my skin.

MAEVA

TAKE A STAND WITH US AND HELP OTHERS

Do your skin issues impact your everyday life and how you feel? How have dermatological solutions made a difference to your life? Share your Real Skin Story on Instagram with #skinismorethanskin

> SHARE YOUR STORY

MARINA

Feels like everyone is staring at her pimples



PELAJARI LEBIH LANJUT

ANNIE

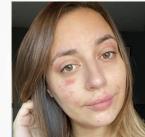
Loves surfing but her skin is sensitive to sun



PELAJARI LEBIH LANJUT

JOEL

Prefers to miss work because of her eczema



PELAJARI LEBIH LANJUT

→ **It not only contributes to skin health but also boosts customers' confidence in their skin's beauty, elevating their self-esteem.**

→ **LRP could meet both safety standards and self-esteem**

c, Attitude

There are 3 components: Cognitive, Behavioral & Affective

Cognitive Component: Altering people's beliefs regarding the attributes of a product.

LRP is only for those who have severe skin issues: Acne, sensitivity, etc. When thinking about taking care of smoother, less pigmented skin, no one thinks of LRP.

→ LRP is perceived as a brand with limited function: cure and protect damaged skin

→ **Add belief:** LRP provides early protection for all types of skin.

Insight: In Vietnam, people only treat their skin when they have severe issues, without realizing that there are always hidden risks for their skin. Because their skin remains voiceless, showing only the mildest symptoms, almost everyone tends to overlook it. That's why LRP offers early protection for all skin types, including those with the fewest issues, as they also need early care and protection.

LRP is well-known for its high effectiveness, but the main ingredients are active acids, making consumers worry if it might cause irritation.

→ **Change belief:** LRP has been tested and proven safe for the most sensitive skin types: baby skin and the skin of cancer patients.



Behavioral Component: Change consumers' behaviors

It is anticipated that Vietnam's E-commerce will expand rapidly over the next few years to rank third in the Southeast Asia (VietnamPlus 2022)

- LRP initiated online platforms on Lazada, Shopee, and Tiki to adjust to the trend of using online platform & strengthen relationship with customers through promotions
- Online compliments serve as a strong recommendation for consumers → increase purchase intention



III. External influences

1. Cultural value

a, Environment-oriented:

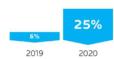
- Theory: In a recent survey conducted by McKinsey & Company (2020) on Vietnamese consumer trends, a significant 91% of participants expressed their inclination towards products labeled as green, eco-friendly, and clean.

→ **LRP Mission:** La Roche-Posay's mission has always been to do good to people thanks to life-changing dermatology. Today, no one should have to choose between products that are safe, efficient or sustainable. And this is exactly LRP's ambition: offer life-changing dermatology that is both good for people and for the planet.

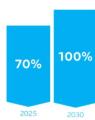
OUR ROADMAP

TOWARDS 100% RECYCLED PLASTIC

BESIDES STRIVING FOR MORE ECO-COŃCIOUS PACKAGING INNOVATIONS, WE AIM TO REPLACE VIRGIN PLASTIC BY RECYCLED PLASTIC WHEREVER WE STILL USE PLASTIC. **OUR GOAL IS TO REACH 100% RECYCLED PLASTIC BY 2030.**



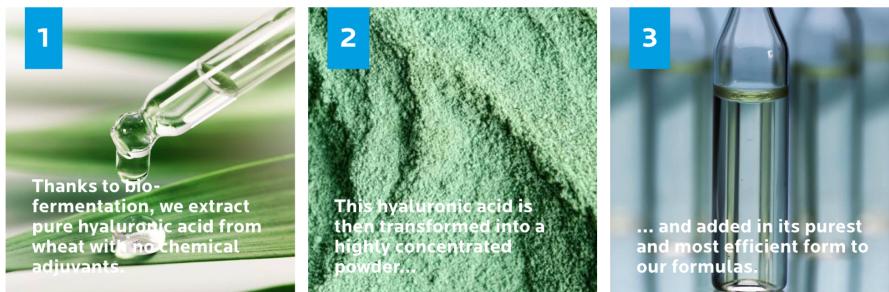
In 2020, **25%** of our packaging was **made of recycled plastic**.



While our end-goal is to reach 100% recycled plastic by 2030, we are committed to achieving **-70% by 2025**.

This will already allow us to **save 10.000 tons of virgin plastic**.

100% OF OUR HYALURONIC ACID IS DERIVED FROM GREEN SCIENCE TECHNOLOGIES



→ **Evaluation:** LRP not only managed to capture customer attention and align with their concerns but also succeeded in shaping its brand image. LRP is at the forefront of driving sustainability in Vietnam's beauty industry

b, Cultural value

Other oriented value: Collectivism

- Theory: Vietnam has one of the world's most collective cultures (Koslowski, 2021).
- Theory: Social responsibility is a significant factor as it not only builds trust but also distinguishes the brand in the eyes of customers (Heyward 2022). Vietnamese culture, known for its collectivist values, places great importance on unity (Hofstede Insights 2020).

→ LRP:

FROM FACTORIES TO FIELDS, **WE SUPPORT THE PEOPLE IN OUR SUPPLY CHAIN**

As part of our Solidarity Sourcing program, we support 26.000 women in vulnerable communities with an equitable income. For example, 100% of the shea butter in our Lipikar Baume AP+M is sustainably sourced in Burkina Faso. Our program is FAIR FOR LIFE™ certified.



→ **Evaluation:** The result of the campaign or the CSR Activities (You should provide specific data such as revenue growth, brand health, etc)

3. Demographics

- Age group
 - Geography
 - Channel
- What has LRP done to attract these people?

Example:

LRP targets the Millenial Group (25-30), who pays first priority to products with efficacy, safety and convenience. They are eager to find a product to solve their skin issue with no irritation.

Why: Vietnam has witnessed rapid growth in its middle-class population, with 40% of this demographic being under the age of 40 (thetalentconsultant.com). This ascending middle class currently makes up 13% of the total population and is projected to double by 2026 (The World Bank, 2020)

What LRP has done: LRP offers a range of products tailored to different skin types and specific skin issues. Additionally, LRP provides knowledge about various skin concerns and offers free workshops with dermatologists to assist customers in identifying the root causes of their skin problems and finding the most suitable products.

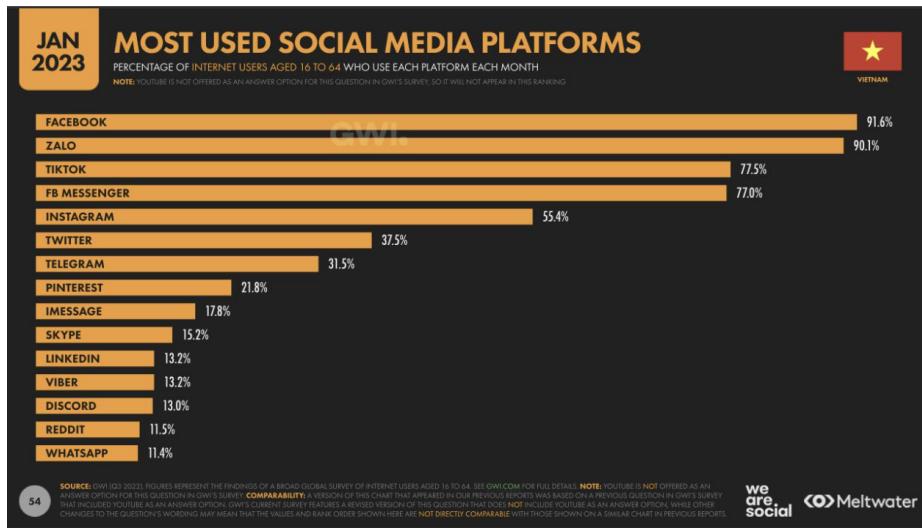
SKIN CONCERN	PRODUCT LINE
Acne Prone	Anthelios
Anti-Aging	Cicaplast
Eczema	Effaclar
Dry Skin	Lipikar
Dark Spots	Toleriane
Oily Skin	Pigmentclar
Visible Redness	
Sensitive Skin	



Geography: The number of offline stores, the targeted market (Hanoi, HCM, Danang,...)

Channel: E-commerce

Why: 91.6% of VN people are using Facebook and 77.5% are using Tiktok



What LRP has done: Kiehls has successfully applied KOL strategy on their official Facebook account through their periodic events

4. Group Influences:

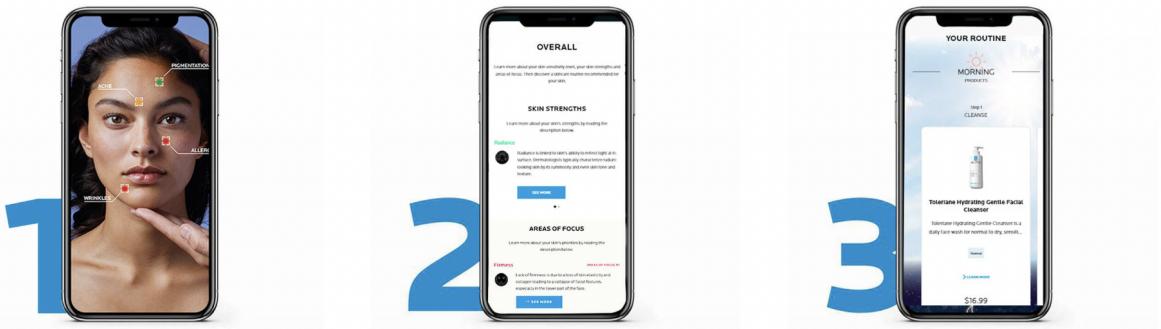
a, Informational Influence: MYROUTINE AI assist customers in identifying their skin type and emphasize the significance of using products tailored to their specific skin needs, suggest suitable routine

YOUR PERSONAL SKIN ANALYSIS IN THREE EASY STEPS

UPLOAD OR TAKE A SELFIE

COMPLETE YOUR ANALYSIS

DISCOVER YOUR ROUTINE



Complete your profile in less than a minute and let technology help define your skincare priorities.

Our skin analysis technology scans your photo to reveal your skin's individual strengths and target areas across 7 key concerns.

Receive a recommended skincare routine to target your primary focus.

b, Identification Influence

Theory 1: As consumers' purchasing power strengthens, they also become more discerning about what they buy and the products they support - with quality being on top of their demands (Alpuerto 2022)

→ **LRP: High-quality skincare product with safety standard and high efficacy:**

- + The mother group being the top cosmetic group worldwide
 - + Well-established and long-standing in cosmetic industry, with 48 years of establishment
 - + Well-known around the world for the innovation and researches, being recommended by over 90,000 dermatologists globally
 - + Meet the strictest beauty standard, provide solutions for the most sensitive skin
 - + Put the sustainability and environmental factor as the core value
- You should find the specific campaign and sources to support the arguments above,
- **Evaluation:** Increase purchase intention

Theory 2: Consumers are highly affected by the influencers on social media, who give their reviews, both compliments and complaints about the product.

→ LRP has used the image of dermatologists and reputed beauty bloggers, who are well-known for their expertise in skin care

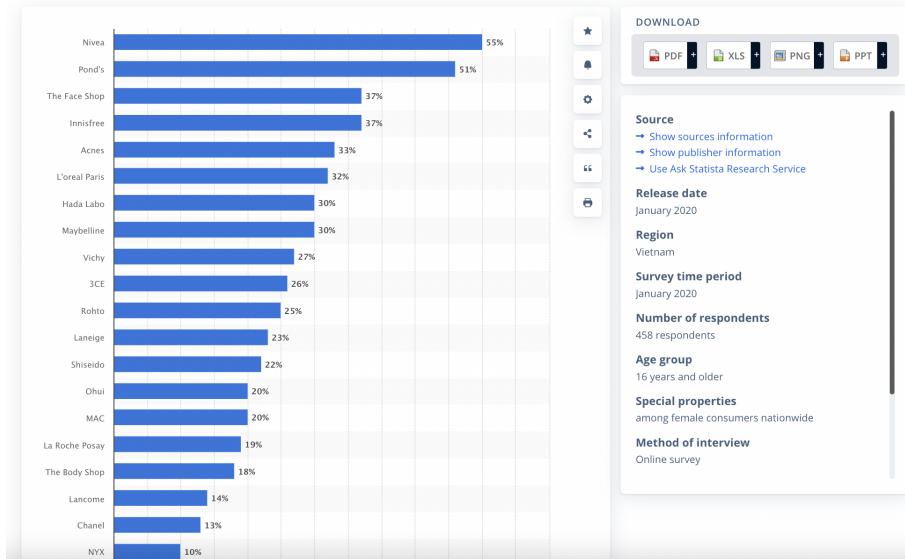
→ **Evaluation:** Increase brand trust & purchase intention

→ However, the market is a total chaos influencers might review falsely to make money

→ Consumers become more skeptical when following reviews on social media

IV. Recommendations

Most popular beauty brands used among female consumers in Vietnam as of January 2020



- LRP ranked quite low in the perception of VN female about their favorite beauty brand
- Objective: Increase brand awareness and satisfaction by Strengthening LRP's core value: **The #1 Brand Recommended by Derm**, associated with scientific research & laboratory innovation