Canadian Advertising Success Stories 1999

Dove

Agency: Ogilvy & Mather
Authors: E. Lern, E. Oliver, A. Silverberg; J. Kestin, N. Vonk, D. Heffernan, J. Ross, P. George

---

EXECUTIVE SUMMARY

In its first thirty three years, Dove bar was a great success. It had a superior cleansing and moisturizing formula, and displaced established and well–loved brands on its rise to number one.

In 1996, competition became a severe threat. P&G had launched Oil of Olay and Ivory Moisture Care bars, and these matched Dove for cleansing and moisturizing. In addition, the new body washes revolutionized showering with superior moisturizing. After spectacular growth across 1991–1995 Dove lost shipments and share in 1996. Then, in 1997, Dove struck back with new advertising in television and print.

Shipments increased a cumulative 20% across 1997–1998. Dollar share jumped 5 points —from 23.9% in 1996 to 29.3% in the first four months of 1999. Meanwhile, Oil of Olay bar only reached 4.2%, and Ivory Moisture Care languished at 0.5%, despite heavy advertising by both brands. (see Figure 1)

Dove's advertising had turned the tide, with all other marketing elements constant.

SITUATION ANALYSIS

When Dove launched in 1964, its formulation and 1/4 moisturizing cream made it superior to all competition. For the next 25+ years, mainly on TV, we told consumers 'Dove can't dry your skin the way soap can.' By the end of 1990, Dove was the #1 bar in Canada, with a 15.3% dollar share, just ahead of its archrival Ivory.

In 1991, to pre–empt the expected launch of P&G's Oil of Olay bar, Dove made a radical change from the tried and true. We shifted strategy from 'non–drying' to mildness, and we shifted execution from testimonials to the 'litmus' campaign. Over the next five years (with various TV and print executions on mildness) Dove's dollar sales grew 73%—astonishing in a slow–moving category—and dollar share grew to the 25% range. Meanwhile, Ivory, which had previously staked out the mildness positioning, saw its dollar share drop to roughly half of Dove's. [1] (see Figure 2)

However, like death and taxes, competition is inevitable. In late 1995, P&G finally launched Oil of Olay, not only as a bar with performance very similar to Dove, but also as a moisturizing body wash. The body wash was significantly milder than bar soaps, with an abundance of fragrant lather produced by a nylon puff—leaving the skin clean and moisturized. And as if this weren't enough, P&G also launched a similar bar and body wash under the name Ivory Moisture Care.

So Dove, after 30+ years with product superiority, now found itself facing two bars just as good, and the whole new category of body washes.

Dove responded by launching a body wash of its own. This needed heavy advertising dollars, and to fund it, the 1996 support for Dove bar was cut by over 30% compared to historical levels.

The new body washes became the priority. In 1996, they spent over $7 million dollars in advertising (compared to only $5 million on bars). In terms of penetration, Lever Pond's estimated every home in Canada got at least two 'puffs' from heavy home sampling and in–store marketing. (2)

By the time the smoke cleared, body washes had a 17% dollar share of personal wash. As the brand first in, Olay body wash had a 52% dollar share of the new segment. Dove had a 25% share. Ivory was doing less well.

What about bars? Olay had a 4.2% dollar share—well below Dove, but a foothold nonetheless. As in body wash, Ivory Moisture Care was doing less well. But, and it was a big but, Dove bar shipments were down 12% compared to 1995.

For a brand as important as Dove, this was unacceptable. It was time to strike back.

STRATEGY AND EXECUTION

The marketing objective was simple: reverse the 1996 decline in Dove bar shipments and share. This needed a two–pronged strategy:

1. Entrench Dove as the preferred moisturizing bar with its most loyal users.

2. Convince occasional Dove bar users—and others drifting back from body washes—to choose Dove bar.

But how? We could no longer claim superior mildness or moisturizing—and Dove wasn't 'new and improved'. We had to find an advertising answer. But in strategy or execution? Focus groups showed that consumers didn't want the same old messages. Dove moisturized, but so did the new products. Dove was mild, but five years of demonstrations—the ones that had built the brand through 1995—seemed to be losing potency. We decided the strategy (moisturizing and mildness) was still right. We needed a new way to bring it to life. (3)

Television

The creative team met consumers and discovered that the relationship with Dove went beyond moisturizing and mildness, even past emotional feelings about skin. Everyone had a story. But this led to a dilemma. Dove had used testimonials for years leading up to 1991, and consumers had told us they didn't want same–old, same–old.

The answer was to shake up the rules for a Dove testimonial. (4) We recruited hundreds of users. We didn't pre–select by age, income, or even women versus men. We just wanted good Dove stories. The users did not realize they were 'auditioning.' They thought they were helping with research. However by using a studio, we got broadcast quality recordings.

In the end, we got five 'new testimonial' stories. There were no actors or models, just Dove users telling their stories in their own words—Karen, Rachel, Diane, Sophie and yes, a man, Gord. All ads were :30s, with Karen, Rachel and Gord in English; Diane and Sophie in French.

Print

The testimonial campaign reinforced loyal users, but we needed to convince occasional and non–users. We knew from Dove's 1991–1995 results that a strong mildness story could persuade them to switch. But from what? We decided that Ivory remained Dove's best target. It had the second largest dollar share, and a big consumer base. As in 1991, this meant confronting Ivory on mildness—one of its strengths—but Dove could still claim superiority over the unchanged Ivory bar.

Dove had overwhelming support from the medical community, but research showed that consumers were mostly unaware of this. Not surprisingly, when told, they found the news compelling. This was our hook.

Regulatory constraints prevented a direct medical endorsement. Undeterred, we commissioned a booklet on skin care. Women posed questions to four respected dermatologists. Their unprompted answers could not have been more complimentary to Dove. This booklet ran as in insert in women's magazines in June 1998.

We built on this in fall 1998. New research showed that when dermatologists and pediatricians were asked which brand of bar soap they recommended for mildness, they named Dove most—by a wide margin over all other brands, including Ivory.

We ran this news in national newspapers in January–February 1999, and again in national magazines in March–April 1999.

Results

For the second time in the 90s, Dove's business took off. From a decline of 12% in 1996, shipments were up 5% in 1997, and a further 14% in 1998—in a market up just 4% over the period.

As already noted, Dove's dollar share of bars grew from 23.9% in 1996 to an all time high 29.3% in the first four months of 1999—while the competitors stagnated. (see Figure 3)

ISOLATING ADVERTISING AS THE VARIABLE

Over the two years and four months of the case other marketing elements remained essentially constant.

Promotional and Trade Activity

To defend short–term against Oil of Olay and Ivory, Dove did increase retail activity in the first three months of 1997. However, this could not have been the main reason for the turnaround, because Dove grew strongly throughout the entire case period. In 1998, there was no increased trade activity on the business.

Pricing

Dove trades at a significant premium to Ivory and traditional soaps, and we examined this premium to make sure there was no narrowing of the gap. AC Nielsen reported that Dove retained its position relative to key competition. There were no significant decreases in Dove's price. In fact, Dove took a 4% annualized price increase on the bar in 1998 with average price per 100 grams rising from $1.12 in 1997 to $1.17 in 1998. Although this contributed to dollar share, the 14% increase in 1998 bar shipments proves consumers were buying more Dove despite the marginally higher price.

Media Spending

This was complicated by the introduction of the body washes, but it is clear that Dove bar did not buy the business with media spending. In 1996, Dove's bar spending reached a long–term low, as money was siphoned off to help launch Dove body wash. In 1997, with the new advertising, Dove's bar spending (though up versus 1996) was still below historical levels. In 1998, encouraged by the growing business, spending was increased. On the bar chart, this might look like a significant gain, but it was only returning Dove (after inflation) to historical levels. (see Figure 4)

We also need to consider the effect of body washes. Could there be a 'halo' helping Dove bar. This is hardly likely, for two reasons: First, the new products (including Dove body wash) sourced at least some of their volume by cannibalizing bars. Second, competitive advertising specifically encouraged people to throw away their bars in favour of body washes. (Editor's note: the case supported this argument with additional data.)

In summary this is an excellent example of how market leaders must guard their hard fought positions.

After spectacular growth in the first half of the decade, market changes in 1996 left Dove vulnerable. Rather than lose control of the bar segment, or abandon it in favour of the new, more enticing body washes, Dove fought back. And once again, Dove used advertising to win the battle for market supremacy.

CROSSOVER NOTES

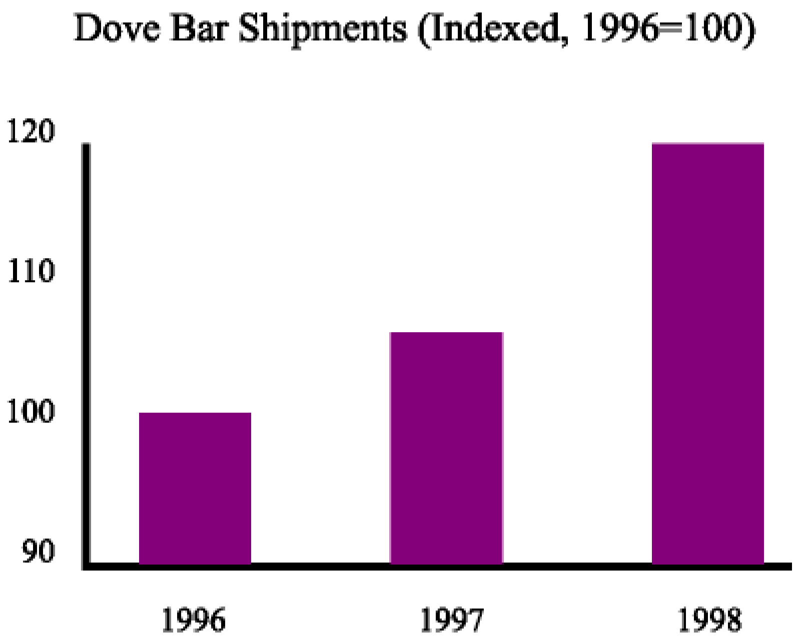
1. Pre–empting a competitive launch. For the full story, see CASSIES III. Note that in 1991 Dove switched strategy to fight on Ivory's territory (mildness). See also Crossover Note 3 in the Sunlight case.
2. Deciding Where to Focus. This is a difficult decision. History would show that the body wash category would not take off as much as some had predicted. For similar dilemmas see Philadelphia Cream Cheese and Molson's in CASSIES III. All three cases discuss decisions to divert investment from a core brand, in order to support entries in new segment(s).

3. Strategy versus Execution. It is tempting (and, of course, sometimes right) to change strategy when business is bad. Bear in mind that Dove's 1996 business was down, after five years of specatacular growth. The key was to examine the causes of the downturn: (1) Oil of Olay bar (2) body washes (3) to a small extent, Ivory Moisture Care (4) all this at exactly the time that there was reduced investment against Dove bar. Consumers still wanted Moisturizing + Mildness, so the strategy was kept. The solution had to be found in execution.

4. Problem versus Opportunity. Sometimes this kind of change is resisted by those (often at a senior level) who have a conviction about what the 'right' advertising looks like. The spectacularly successful Pepsi Challenge campaign is a case in point. Apparently, senior US Pepsi people rejected this campaign when they first saw it because 'it wasn't Pepsi'. For more on this topic see Crossover Note 5 under Richmond Savings in CASSIES III.

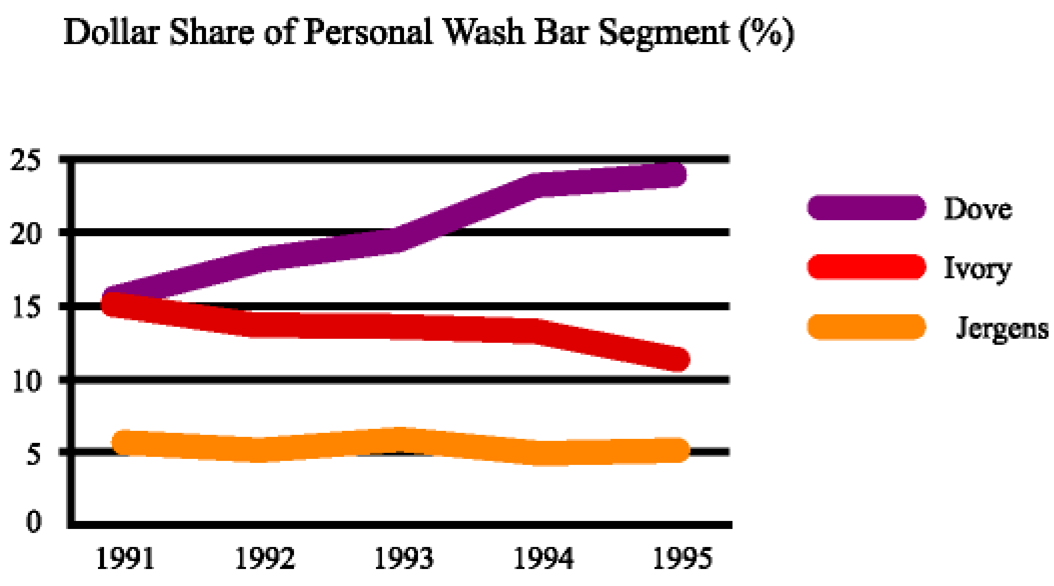
NOTES & EXHIBITS

FIGURE 1



Source: Lever Ponds

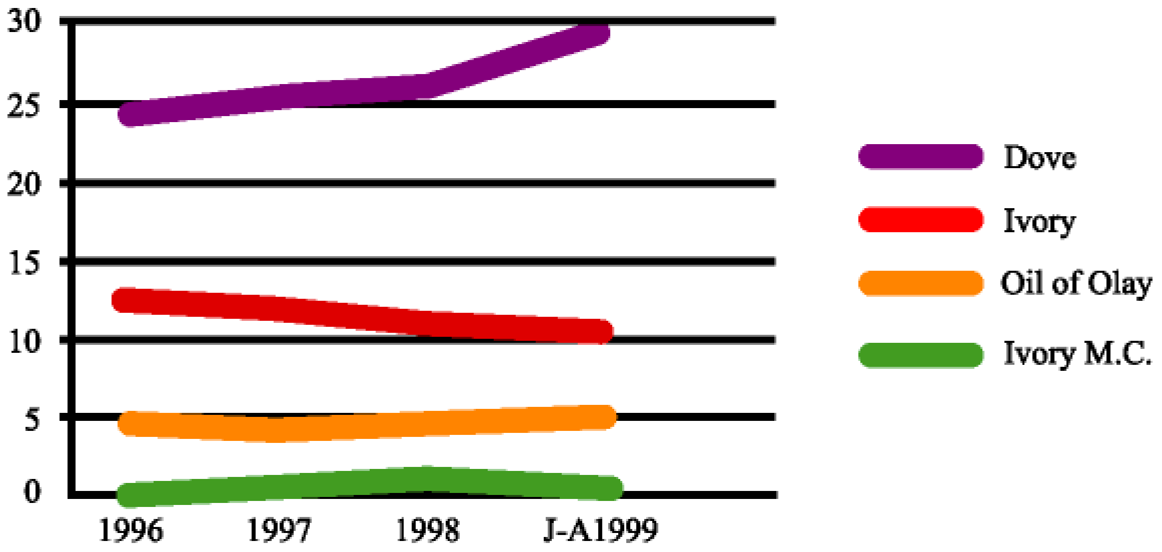
FIGURE 2



Source: ISL Personal Wash Share Report

FIGURE 3

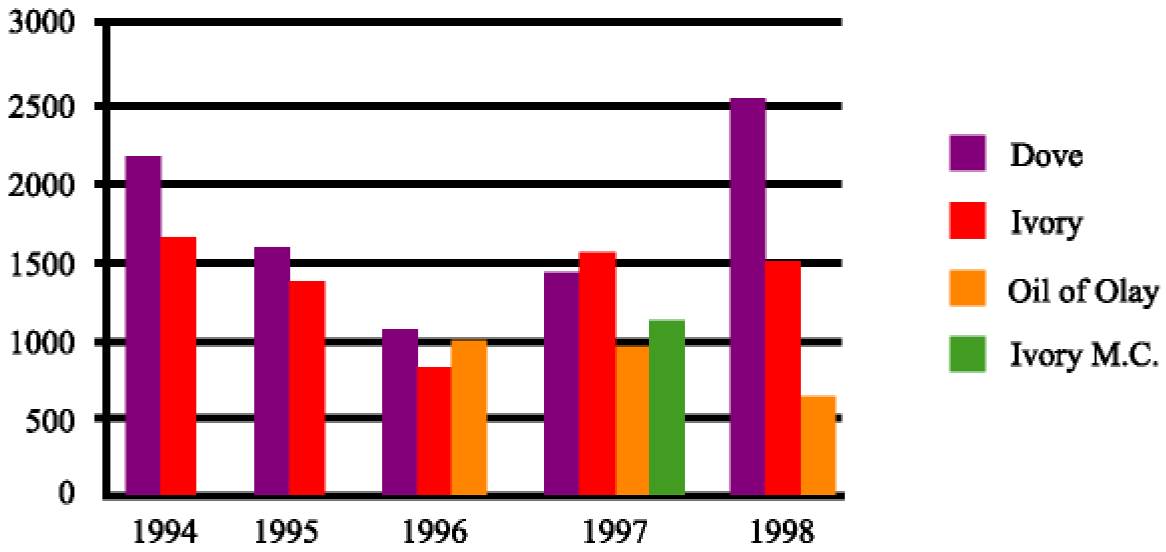
Competitive Dollar Share of Bar Segment (%)



Source: AC Nielsen

FIGURE 4

Competitive Advertising Spending
in the Bar Segment (Dollars in 000's)



Source: AC Nielsen