

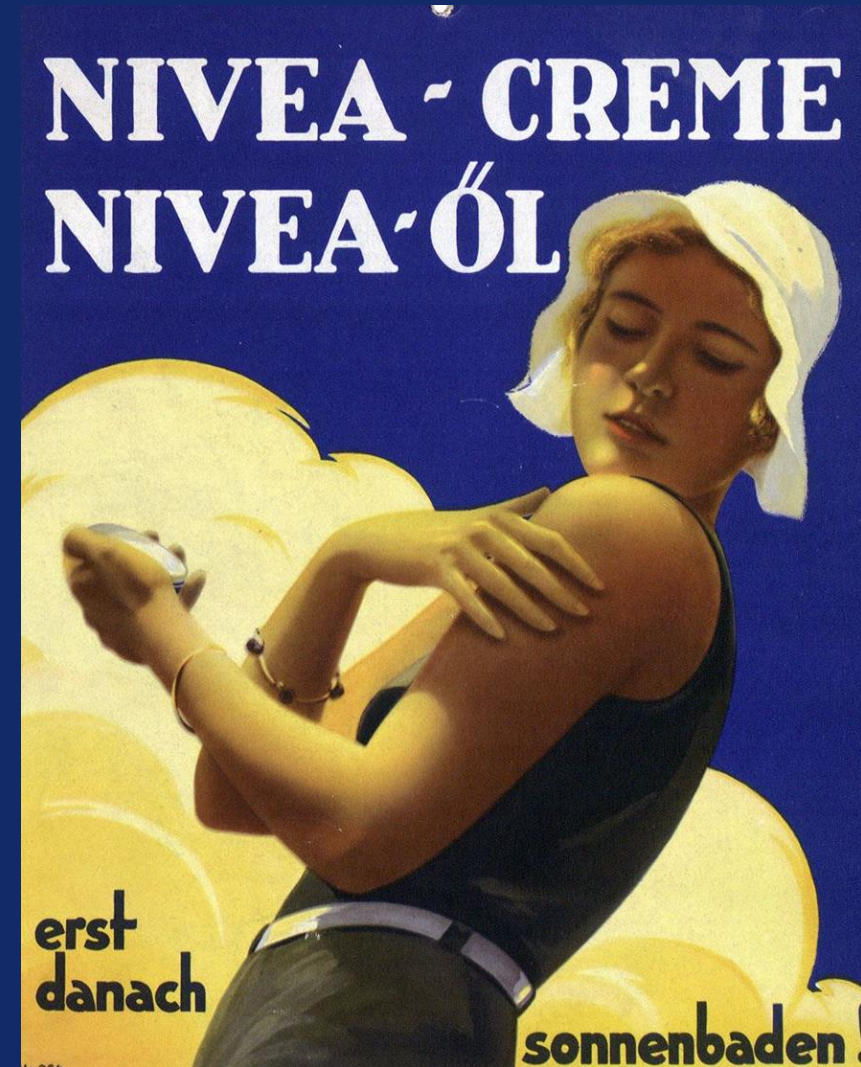
The image shows the exterior of a NIVEA store. The building has a grey stone facade with large arched windows. A blue banner with the NIVEA logo is visible above the windows. A large blue text box is overlaid on the image, containing a quote. Below the quote, the names of the Monmouth Group members are listed. The store's interior is visible through the windows, showing various NIVEA products and promotional displays.

“When it comes to creativity, we recognize that good ideas can come from anywhere. So we’re reaching outside of our normal approach to creative development and are involving the very communities who use our products to tell us what we should do” – Matt Marlow (Head of Global Digital Activation at Beiersdorf for NIVEA - (Beiersdorf, 2018).

Monmouth Group Presentation: Jo Edwards, Lois Harris, Joshua Evans, Gary Arrell, James Scorgie

Nivea Background

- Founded in 1911 as a Beiersdorf brand
- Since then, they have created over 500 skincare products
- Currently Nivea have over 600 R&D employees



**New Product Development; driven
by open innovation.**

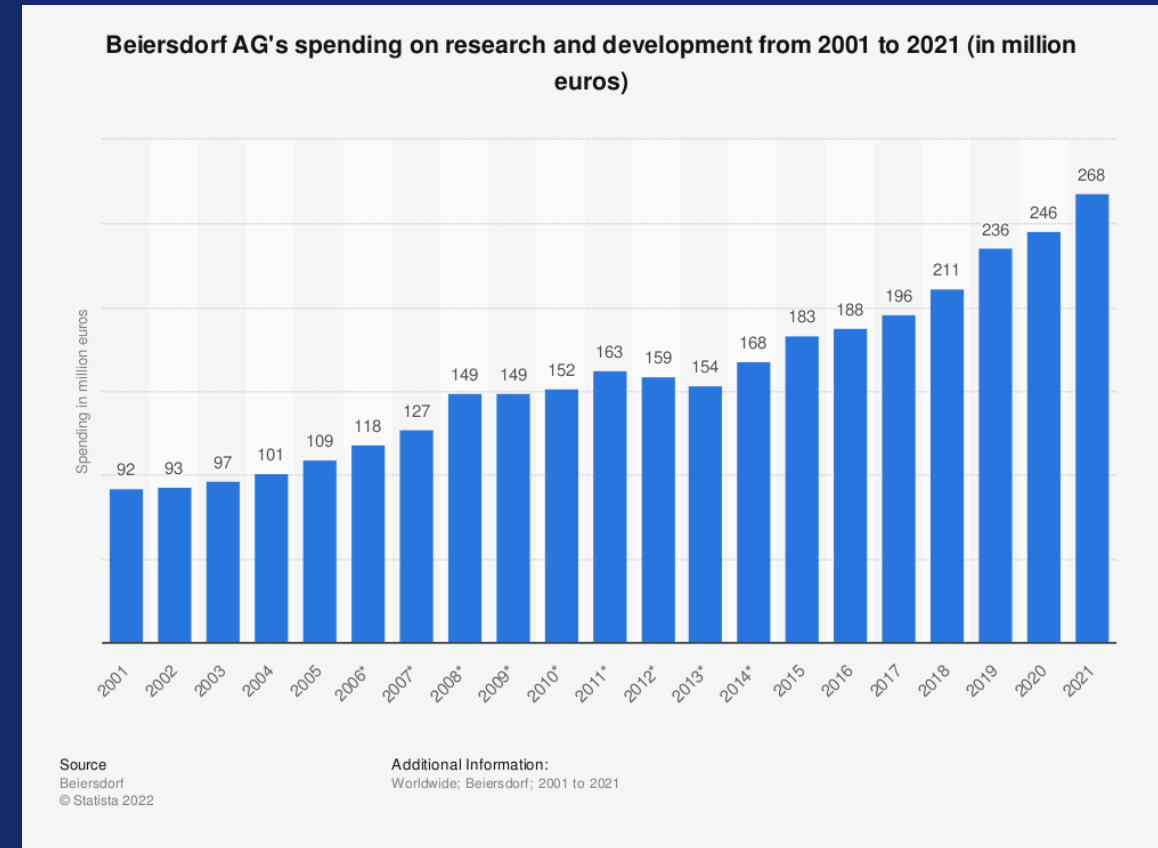
An unexpected co-creation

Black & White Deodorant



Why did Nivea choose a change in approach

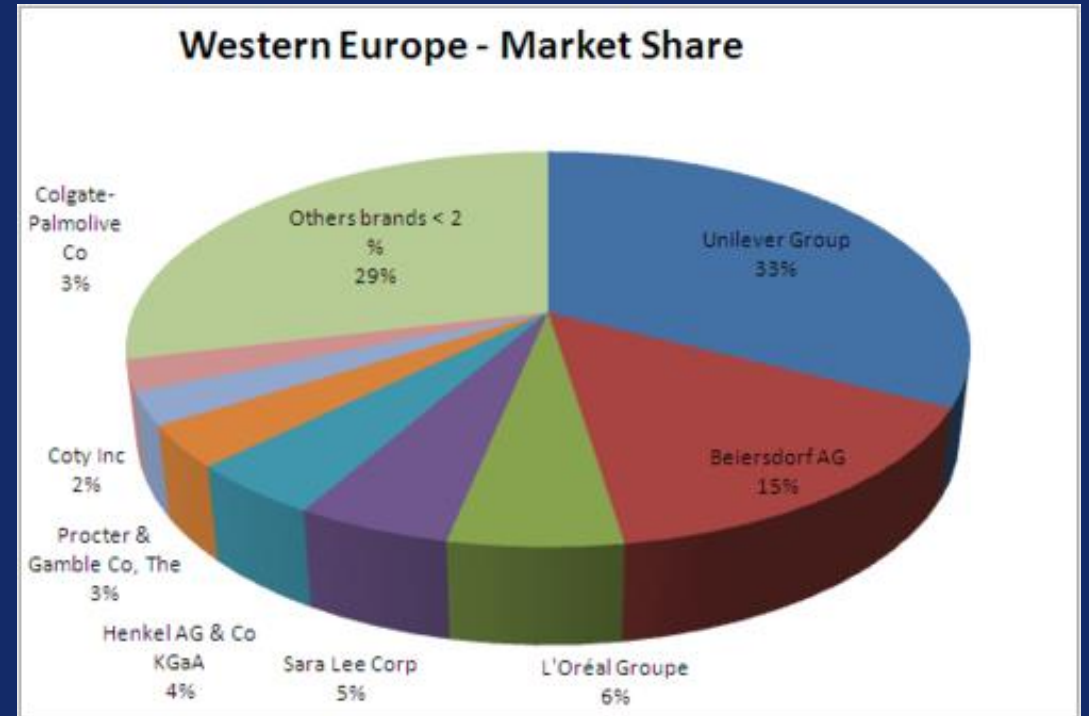
“Expenditure on R&D has had to double every 13 years just to maintain the same level of growth in the economy as a whole, With no industry managing to innovate in a cost-effective manner,” Gaskell (2017)



R&D spending by Beiersdorf (Nivea) since 2001 (Statistica, 2022).

Nivea Pains ?

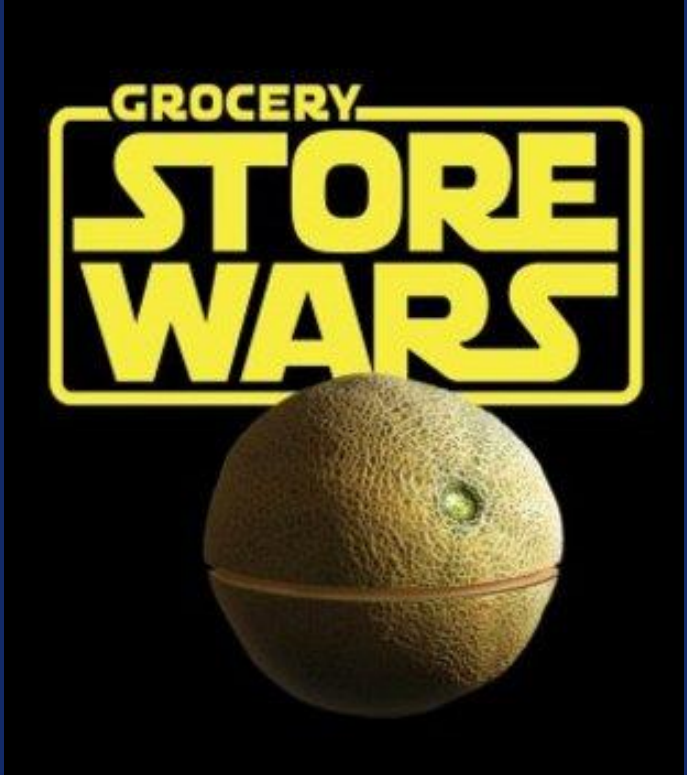
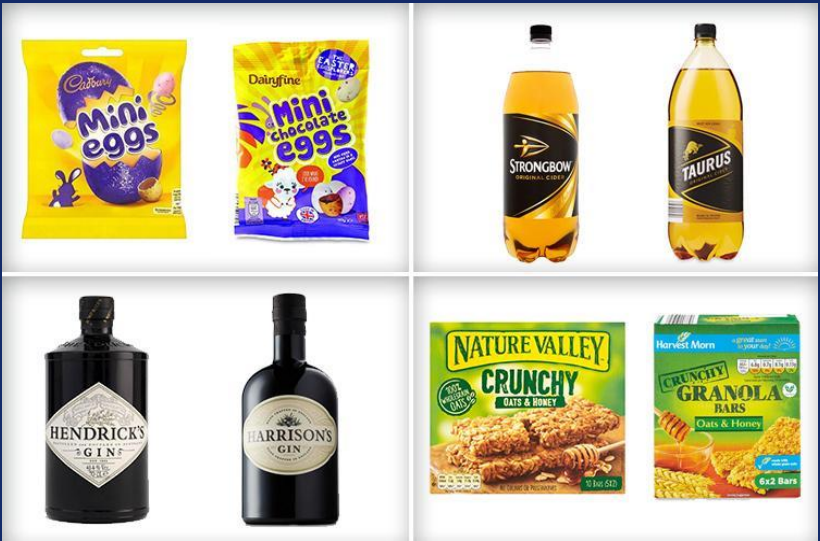
- High research and development costs
- Short new product life cycle about 4 years from launch
- Highly competitive market space
- Premium major competitors P&G, Unilever
- Pressure from 'own' brands



Market share of personal cosmetic products (PCPs) in 2010 for Western Europe - note Beiersdorf is the parent of the Nivea brand (Dolcera, 2011).

**So why buy a branded product if there are
cheaper similar?**





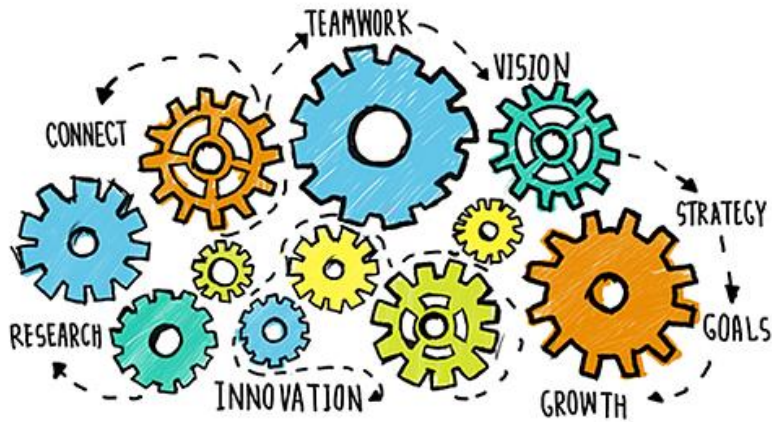
Why develop a product to be copied?

Nivea's Solution; Co-Creation Innovation:



- Why use co-creation?
- Can co-creation be effective?
- Are there any alternatives?

What is co-creation?

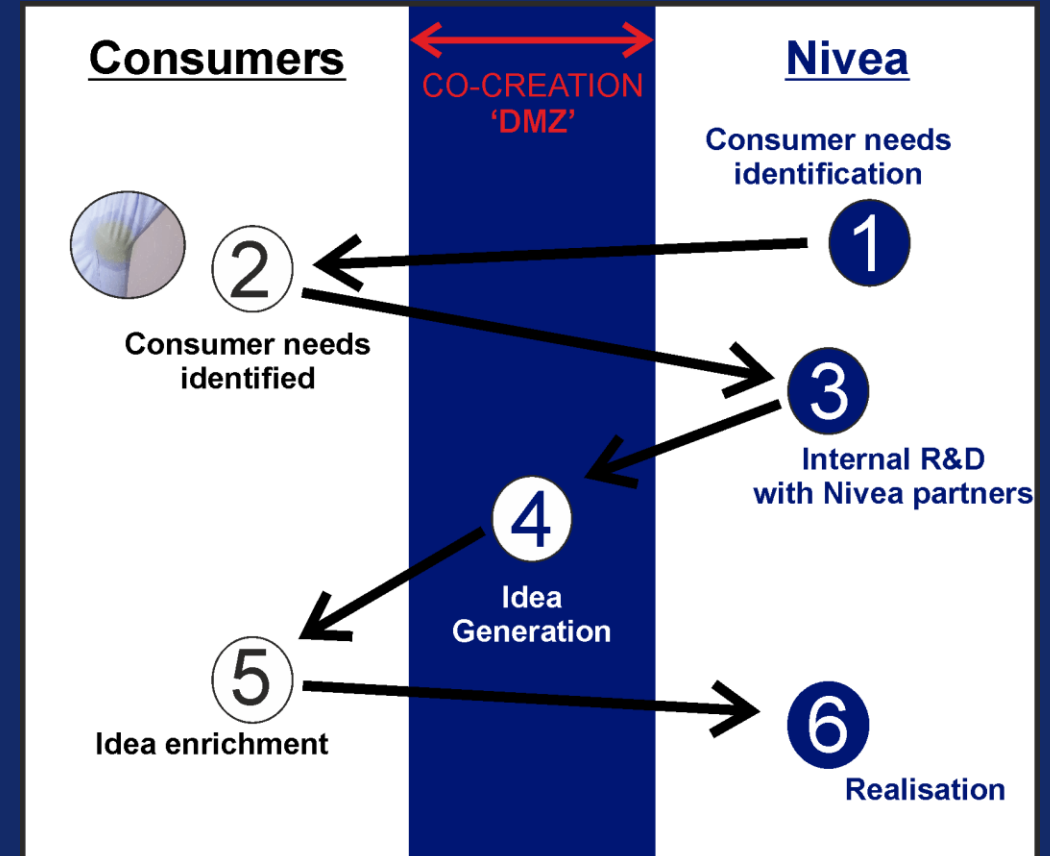


“ Co-creation is a collaborative process that transforms visions and requirements into high-potential innovation concepts. ”

- Leverages the needs of the consumer to inform development
- Doesn't have to just include consumers (JVs/research partnerships, NGOs, Governments)

Nivea Innovation Process

- to adopt robust co-creation process to encourage consumer led R&D
- to aspire to be industry leaders in co-creation of products



Simplified diagram of Nivea's co-creation pathway. The 'DMZ' is a fine line between consumer and company that need to be crossed (after Bilgram 2011).

“You can’t just ask customers what they want and then try to give that to them. By the time you get it built, they’ll want something new”

– Steve Jobs

“Prepare to plan, prepare to fail!” – Benjamin Franklin

- What came from consumer dialogue
 - discovered using **Netnography** !

Outcome

- "Pain of the Stain"
- Steer towards customer led R&D

Unanticipated rewards and punishments

- Indirect results (cheap marketing + -, brand engagement?)



Netnography needs to capture a diverse demographic, otherwise it can mislead you!

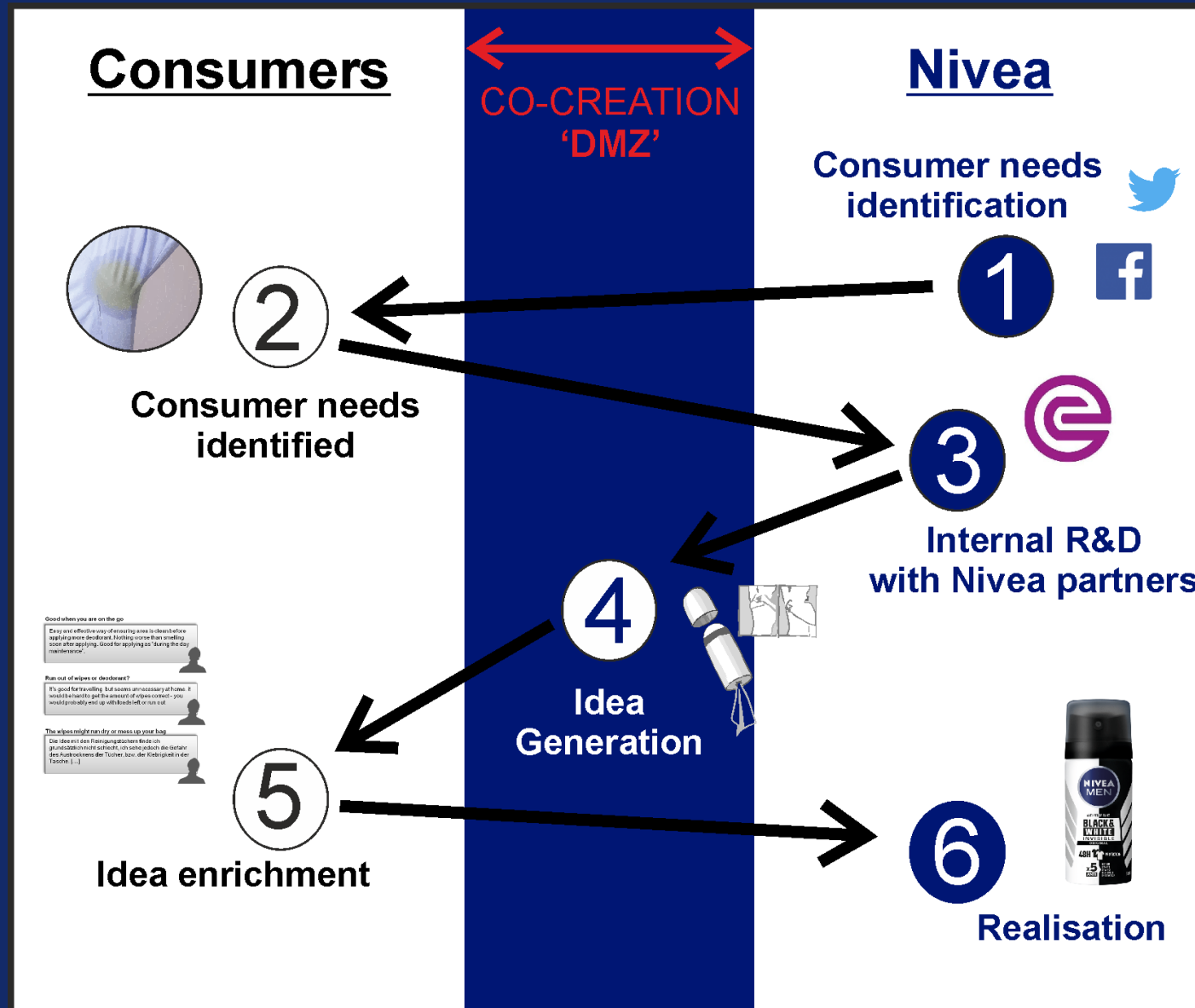


Nivea Black and White hurdle

- Internal R&D struggled to remedy the issue

Answer

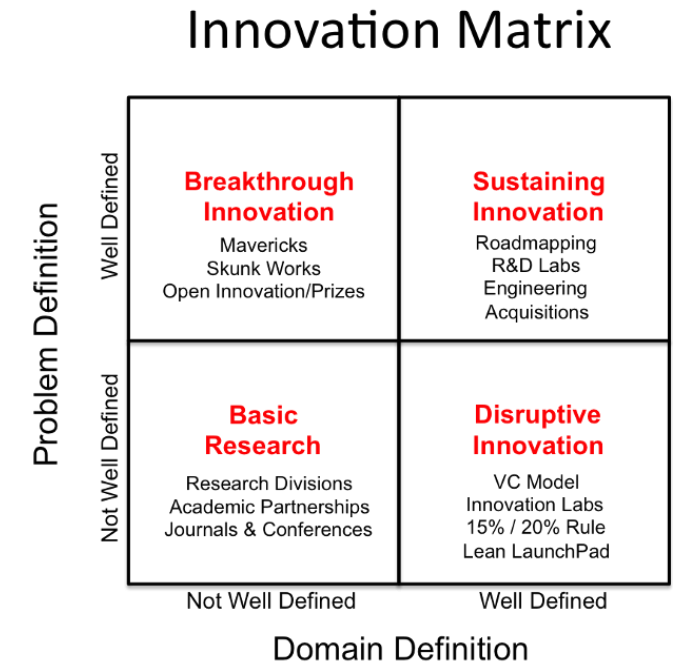
- Consumer hacks? &
- Return to internal R&D



Nivea's Black and White co-creation pathway (after Bilgram 2011).

What quadrant ?

- Nivea subject matter experts in PCP market
 - well defined innovation?
- Outside engagement with partners & consumers
 - breakthrough?
- Improvement of internal R&D processes
 - sustaining?



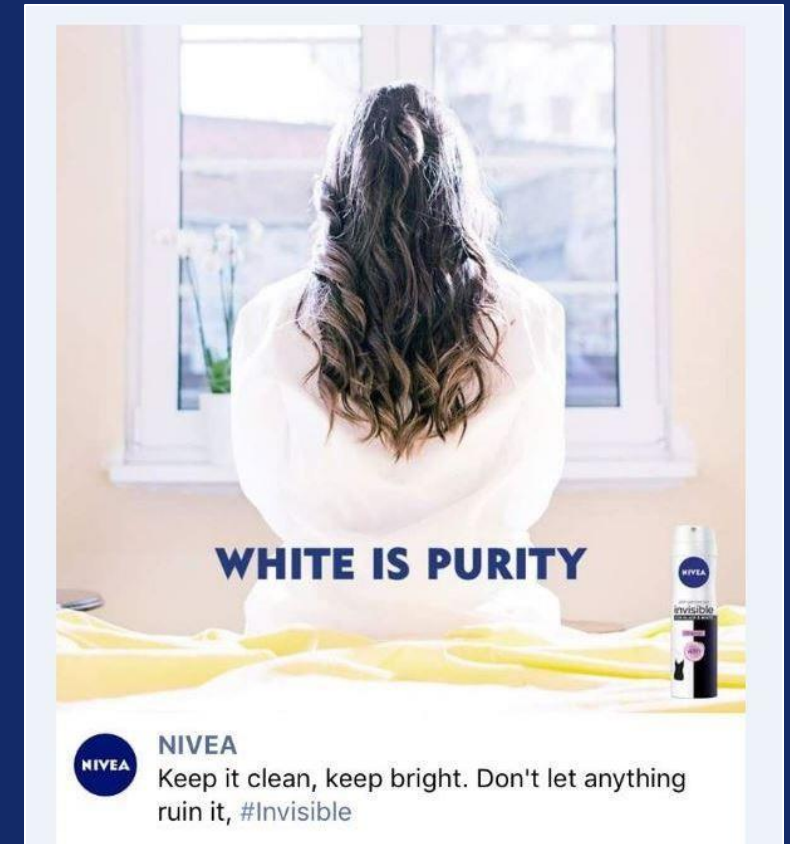
Innovation matrix (Satell, 2017)

“70% of your value is going to come from sustaining innovations, and that’s where you want to play most of the time”

– Satell interview

The free negative marketing?

- Great product idea
- Engagement with consumers
- Terrible marketing decision
- Too much focus on R&D?
- Loss of wider perspective



*Nivea's ill-fated Twitter ad campaign...
Good intentions, poor execution?*

Lessons learned

- Netnography is a useful technique to engage with your consumer market (this is a two-way street)
- Companies can already have the necessary skills/expertise to solve problems, awareness is key!
- See beyond the product being marketed



Trusted Network

- The Black & White campaign was more than a product innovation exercise
- Change in a pivotal change in innovation culture resulting in Beiersdorf adopting an inclusive co-creation strategy, their Trusted Platform, inviting ideas and solutions from diverse skills and experiences.



**“Innovation Is The Only True
Way To Create Value”**

– Greg Satell



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