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L'Oréal: Global Brand, Local Knowledge

You need a global brand, which is then adapted to the key markets on the key continents in order to offer consumers the right and relevant products, which is what universalization is all about.¹

— Jean-Paul Agon, CEO, 2010

Since its founding in 1909, L'Oréal tightly coupled innovation and speed to market with expansion of its geographic and consumer base.² L'Oréal believed that launching new innovative products on a regular basis was key; the company typically outspent competitors on research and development (R&D). In 2010, L'Oréal spent 3.5% of revenue on R&D, while Procter & Gamble (P&G) spent 2.7% and Revlon 1.7%.³ While Revlon founder Charles Revson was credited with the claim that the beauty industry sold “hope in a jar,” L'Oréal aimed to sell the “science of beauty in a jar,”⁴ and in 2010, held 612 patents. L'Oréal, a leading player in the beauty and skin-care market with 2010 sales of €19.5 billion (half outside of Europe), had been pushing

the boundaries of science to invent beauty and meet the aspirations of millions of women and men. Its vocation [was] universal: to offer everyone, all over the world, the best of cosmetics in terms of quality, efficacy and safety, to give everyone access to beauty by offering products in harmony with their needs, culture and expectations.⁵

The company's 66,600 employees supported and managed 23 global brands across 130 countries. Its 38 factories produced 5.7 billion units in 2010. L'Oréal brands offered hair coloring and hairstyling products, cosmetics, skin-care products, and fragrances across professional salon brands, mass-retail brands, and luxury brands.⁶ L'Oréal sold cosmetics through a variety of channels, including department stores and other retail locations, duty-free shops, the Internet, and direct marketing to professionals in the beauty industry.⁷

Selling the Science of Beauty around the World

In 1907, L'Oréal started with an innovation when French chemist Eugène Schueller developed a hair-color formula known then as *Aureole* (“halo” in French). He formulated and manufactured his own synthetic hair-dye products which he sold to Parisian hairdressers. François Dalle, who took over at Schueller's death in 1957, was widely credited with initiating the concept of selling beauty through several channels that corresponded to consumers' psychographic and psychological profiles in addition to their perceived purchasing power. However, L'Oréal's international reach was hampered by the perception of Parisian beauty products as being expensive and out of reach.

Professor Rebecca M. Henderson and Research Associate Ryan Johnson of the Global Research Group prepared this case. This case was developed from published sources. Unless otherwise noted, information in this case comes from the company's official website. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Upon becoming CEO in 1988, Lindsay Owen-Jones focused on five core businesses and technologies (hair color, hair care, skin care, color cosmetics, and fragrances) and drove to make them global.⁸ To be a truly global company, Owen-Jones noted at the time, the firm had to promote its various national brands to the rest of world

. . . because that was the other great alternative in the beauty industry. And so we did something that was basically unthinkable for most multinational companies. We didn't just accept to have local brands. We tried to put our brands everywhere. We sell the United States to Americans, the United States to the Chinese, Italian elegance to the Japanese, French beauty to Africans, and Japanese chic to Brazilians.⁹

In 1996 L'Oréal acquired Maybelline in the U.S., the Chilean company Unisa, and the German company Jade, making L'Oréal the leading producer of mass-market makeup at the time. By the late 1990s, L'Oréal and Maybelline were the two fastest-growing brands in the U.S.: L'Oréal was perceived as the supremely elegant, high-priced luxury brand, while Maybelline was viewed as a high-quality/low-price value brand.¹⁰

Historically aimed at women, L'Oréal began targeting men in 1999 when it introduced L'Oréal Feria for Men and Casting ColorSpa for Men in 2000. That same year, underscoring its commitment to multicultural markets,¹¹ L'Oréal acquired two ethnic hair-care marketers in the U.S.: Soft Sheen Products (a manufacturer of products for individuals of African origin), and Carson Products Co., which had a presence in over 60 countries and sales of \$200 million.¹² L'Oréal's strength in high-end and middle-range cosmetics in China was made more secure when it acquired Mininurse in 2003, one of the top skin-care brands in China, and Chinese makeup and skin-care brand Yue-Sai in 2004. A new manufacturing plant in Pune, India, further secured L'Oréal's Asia presence.¹³

Organization

L'Oréal was organized into three major groups: Cosmetics, The Body Shop, and the dermatology branch,¹⁴ Galderma Laboratories, a joint venture with Nestlé.¹⁵ In 2010, Cosmetics generated more than 93% of the company's revenue.¹⁶ L'Oréal's operations were further broken down into four divisions.

- Its **Consumer Product Division** comprised brands such as Garnier, L'Oréal, Maybelline, and Soft Sheen/Carson, distributed through mass-market channels and generating over half of the company's cosmetic sales.¹⁷
- The **Luxury Products Division** oversaw the prestigious international brands selectively distributed through perfumeries, department stores, and duty-free shops.¹⁸
- The **Professional Products Division** offered specific hair-care products for use by professional hairdressers and products sold exclusively through hair salons.
- Finally, the **Active Cosmetics Department** created and marketed products for selective distribution through pharmacies and specialty health and beauty outlets.

Each division had its own marketing team, structured around individual brands to ensure brand integrity. Regional teams had significant marketing and development responsibility. These teams developed products and were responsible for the integrity of each brand's positioning. "Imagine that each brand is a box. Each box is really very precisely defined, in that it occupies a very distinct

market position," L'Oréal CEO Jean-Paul Agon explained. "It is sold to a particular type of customer through a particular distribution channel. Our managers around the world know that they can't play with the position of the brands. We don't play with the boxes. The trick is to do innovative things inside of each box."¹⁹

Local Consumer Understanding

Worldwide, and particularly in the U.S. marketplace, the French cachet of L'Oréal was one of the firm's most powerful marketing tools.²⁰ However, as emerging markets opened, L'Oréal focused increasingly on catering to diverse populations; this included "teams enriched by their cultural diversity, a portfolio of international brands present in the different distribution channels, and research that is capable of grasping the world's complexity," said the firm's website.²¹ It continued: "The exploration of new scientific and technological territories is being enriched by this global dimension. Knowledge of different cultures and rituals worldwide enables the laboratories to anticipate and invent the products of the future."²² Agon contended that "globalization [was] a thing of the past, especially in beauty. It is clear that people on different continents have their own specific needs, habits, dreams, and desires—so one product, or even one formula, does not fit all."²³ L'Oréal aimed to have a global brand that could then be adapted to regions and markets to address the specific needs of those consumers. (See **Exhibit 1** for cosmetics consumption versus GDP, **Exhibit 2** for regional product sales, and **Exhibit 3** for examples of adapted brands.) The firm's 3,100 research employees in 18 research and 12 evaluation centers worked in research fields including chemistry, biology, medicine, physics, and toxicology, among others.

To understand consumers at a local level, L'Oréal created "geocosmetics" to study the beauty trends around the world and deliver the best products for that region. In 2003, L'Oréal created L'Oréal Institute for Ethnic Hair and Skin Research in Chicago and in 2005, opened a research center in Pudong, China, to gain insight into the structure and behavior of Chinese skin and hair.²⁴ These facilities complemented an existing center in Japan and 12 evaluation centers around the world that invited consumers in so researchers could study their behaviors and reactions to L'Oréal products, and the results of using them. Geocosmetics aimed to deliver actionable consumer research results to help regional teams tweak products. By 2010, L'Oréal researchers at the Pudong facility had developed more than 300 cosmetic and hair products designed specifically for Chinese consumers.²⁵

L'Oréal varied the practice of adapting global products to local markets by developing local innovations to roll out regionally or globally where appropriate. Garnier Men, for example, was developed in India, launched there in 2009, and subsequently rolled out to the rest of Asia.²⁶

Brand Diversity

In order to ensure that it was covering a wide range of consumers and channels, L'Oréal developed brands in the low-, mid- and high-ends,²⁷ with a portfolio that comprehensively covered price points and distribution channels. (See **Exhibit 4**.) As part of its disciplined marketing efforts, L'Oréal adopted a strict brand policy that did not allow brands to be sold outside of specific, designated channels. For example, its premium brands, such as Yves Saint Laurent and Lancôme, were sold in department stores; its higher-end mass-range, notably made up of L'Oréal Paris, was sold through retail outlets but with restrictions on product placements, shelf space, and displays to maintain its higher-end feel; while its low-end brand, notably Garnier, was available in nearly all mass-channel retail outlets.²⁸

L'Oréal focused on Garnier, its leading low- to mid-priced brand, as a growth engine as it looked to expand rapidly in lower-income emerging markets. In emerging markets such as Pakistan and India, the company found that many towns and villages lacked retail infrastructure and relied on kiosks. Not wanting to devalue its higher-end brands, L'Oréal felt comfortable selling Garnier in kiosks.²⁹

Another way to give a broader consumer base access to prestige was to develop and sell products in the category known as “masstige” (a combination of mass and prestige) or *prestige for the masses*.^a Masstige products were defined as “premium but attainable,” and reflected two key tenets: (1) they were considered luxury or premium products; and (2) they had price points that filled the gap between mid-market and super-premium products.³⁰ L'Oréal Paris was L'Oréal's leading “masstige” brand and one of the first brands globally to offer high quality at an affordable price. The brand generated nearly 50% of the company's total sales in Western Europe and 20% in the U.S., and had over 3% of the global beauty and personal care market.³¹

Lancôme was L'Oréal's largest and best-known premium brand and held 5% of the global premium beauty and personal care market.³² Lancôme was high-priced and served as the channel for L'Oréal's most costly and intensive R&D projects.³³ One example was Genifique, a youth activating concentrate, which helped revive the Lancôme brand in 2009. Genifique, which claimed to boost “gene activity and brings your skin back to the protein levels of a younger skin,”³⁴ targeted genes and proteins in the skin that shifted the way skin reacted; it was based on 10 years of research and multiple patents.

*Maybe It's Marketing*³⁵

L'Oréal had become known for its ability to give acquired brands a makeover, shift their image, and roll them out globally. Examples included Ralph Lauren Fragrances (acquired in 1984), Redken (acquired in 1993), and Kiehl's (acquired 2000).³⁶ However, perhaps the best example of L'Oréal's ability to shift images and find new ways to expand old brands was with Maybelline.

L'Oréal acquired Maybelline in 1996 for \$758 million. At the time, analysts felt that Maybelline had lost focus, was losing brand equity, and struggled to keep up with the rest of the market. Before the acquisition, Maybelline marketers had dropped the famous Maybelline tagline, “Maybe she's born with it. Maybe it's Maybelline.” One L'Oréal insider commented, “It was sort of a sleeping, almost a stale brand. I recall consumers in focus groups saying, ‘Maybelline? That's my mother's pink nail polish.’”³⁷ L'Oréal's executives were confident that its marketing team could modify and reinvigorate the brand and they valued Maybelline's potential with younger and less affluent consumers; one executive noted, “We can apply our expertise and technology to improve Maybelline's products, its marketing, its brand image, and increase its share of U.S. sales.”³⁸

Almost immediately, L'Oréal undertook a major overhaul of Maybelline's operations, brand and advertising. The firm moved Maybelline's headquarters to New York, boosted ad spending by 30% to \$70 million, and brought back Maybelline's famous tagline. One marketing insider commented:

We modernized the advertising. We added an urban flair, with Christy [Turlington, the Maybelline spokesperson] in lifestyle situations. It was very important for the 1990s working women to have efficient products. Speed was a concern. We launched technologically advanced products like Express Finish fast-dry nail enamel and Great Wear makeup. In the

^a The term was popularized by Michael Silverstein and Neil Fiske in their book *Trading Up* (Portfolio Hardcover, 2003) and the *Harvard Business Review* article by the same authors, “Luxury for the Masses,” April 1, 2003.

advertising, we showed her in and around New York. Everything from the choice of fashion to the music—all those details were quickly upgraded. So the advertising was completely refreshed.³⁹

Additionally, Maybelline released a new makeup collection that featured bright colors, its largest color collection in 10 years, called Miami Chill. The ads for Miami Chill featured Turlington in South Beach, Florida, a destination for fun and fashion. A L'Oréal insider noted, "Miami Chill was important for two reasons. For our consumer, it was, 'Wow, is this Maybelline?' And for our retailers, it was a signal that the company was changing."⁴⁰

The marketing overhaul was a huge success. Maybelline was in 70 countries by 1999, and sales grew 93% from 1996 to 2002.⁴¹ As one manager noted, "Maybelline has become L'Oréal's passport to the conquest of new, emerging markets."⁴²

Regionally Focused Rollout

In 2008, L'Oréal's president of consumer products said that a key focus of his group would be to "accelerat[e] the geographic rollout of its brands in new high-growth markets by tailoring product performance and price to local needs."⁴³

In emerging markets, the firm had to experiment to fight strong domestic incumbents. For example, the firm had largely missed Brazilian women, top beauty spenders who historically bought cosmetics from door-to-door sales representatives, a segment dominated by a major local player and U.S. cosmetics company Avon. While L'Oréal did not use the direct-sales approach, it had hired personal beauty advisers at department stores. "Our big bet here is to create a makeup business in retail from scratch," said Agon. "The more the market develops, the less relevant direct sales will be."⁴⁴ Observers believed that this type of challenge reflected the rising competition that global consumer-goods companies faced from local rivals, which typically had a better understanding of their markets.⁴⁵

With Redken, L'Oréal innovated a different kind of marketing approach. A highly successful American premium brand, Redken was launched in Latin America in the late 1990s and was in 13 Latin American countries by 2008, with sales growth of over 20% from 2005 to 2008.⁴⁶ L'Oréal drove the brand's success by combining an education program aimed at top hairdressers with products tailored to Latin Americans. By 2008, over 4,000 luxury salons in Latin America had adopted Redken.⁴⁷

L'Oréal's rollout and marketing reach in more traditional markets was exemplified by the 2009 Western European launch of Inoa, a hair colorant in the L'Oréal Professional line. In just three months, 36,000 salons had adopted Inoa. While certainly aided by a strong product with measurable differences from the competition, this rapid growth was driven by 3,500 training sessions provided to over 80,000 hairdressers.⁴⁸ Additionally, L'Oréal invested in a strong advertising campaign on the Internet and in women's magazines to drive word of mouth and have consumers generate demand for the product at salons.⁴⁹

Telling the Story

L'Oréal had to cater to a diverse customer base: an aging population in the West, ethnic groups around the globe, aspiring customers in the East, emerging markets, and growing interest in health and beauty care among men all over the world. "We are in transition," Agon explained. "We have

come from a world where the choices were limited, to one where the number of options is infinite. That transition is bound to be a little difficult, but I think in time people will become used to this new world and be more able to use the right tools of communication for the right purpose.”⁵⁰

To manage this transition, L'Oréal invested heavily in advertising, which swelled to \$4.56 billion in spending worldwide in 2009, the third-largest advertising spend in the world behind P&G and Unilever. L'Oréal reported \$7 billion in marketing outlays in 2009, a number that reflected a considerable amount of promotional money in addition to advertising spend. (See **Exhibit 5** for global ad spending.) Approximately 75% of the company's ad budget went toward television, 20% toward print, and the rest to billboards. In 2007, the company decided to spend 2% of its ad budget on online initiatives. In 2006 in France, the men's fragrance, *Amor pour Homme*, was very successful, largely due to the buzz on the blogosphere. According to head of consumer products Patrick Rabain, “We will move away from the traditional media spending, but we are being careful because you have to be sure you are being efficient. But it's quite clear [. . .] things are changing.”⁵¹ During the height of the recession, L'Oréal focused on cost cutting but resumed investments in 2010. The company aimed to attract a bigger customer base, especially in the U.S. and emerging markets. L'Oréal was one of China's largest and fastest-growing advertisers; it spent more than 10% of its 2009 media spend in China, and industry rumor had it that the firm planned to spend more than 10%, or approximately \$1 billion, in advertising there in 2010. (See **Exhibit 6** for ad spending in China.)

Fame by Association

L'Oréal often used A-list celebrity endorsers in highly successful ad campaigns to push products to a wide range of age brackets, ethnicities, and genders. In 2000, *Sex and the City* star Sarah Jessica Parker was chosen as the spokesmodel for Garnier Nutrisse because of her fun, lively image, which appealed to younger adults and middle-aged women.⁵² Well-known actresses, including Eva Longoria, Diane Keaton, and Scarlet Johansson, and singer Beyoncé Knowles, were also tapped as spokesmodels. L'Oréal's Yves St. Laurent *Beauté* fragrance *Parisienne* was promoted by supermodel Kate Moss in 2009. Patrick Dempsey and Gerard Butler were both the face of L'Oréal Paris Men's Expert line. Butler represented Hydra Energetic, the top-selling men's skin-care line in many countries, with over 23 million products sold per year.⁵³

L'Oréal was also a major sponsor of the Cannes Film Festival and prepared the actors and actresses with L'Oréal makeup before they walked the red carpet. Spokesmodels for the brand at Cannes included Aishwarya Rai, Diane Kruger, Jane Fonda, Gwen Stefani, and Sonam Kapoor. L'Oréal also sponsored the festival's dinner and after-party, which benefited AmFar (The American Foundation for AIDS Research). In 2011, L'Oréal launched a Cannes-inspired line of makeup, *L'Or, L'Or, L'Or*. The line included three shades of golden eye shadow to enhance other shades or to stand on its own, as well as nail polish with shades from copper to bronze.⁵⁴

Other L'Oréal spokespeople included Jessica Alba, Elizabeth Banks, Evangeline Lilly, Freida Pinto, Andie MacDowell, Cheryl Cole, Penelope Cruz, Jennifer Anniston, Kate del Castillo, Jessica Biel, and Julia Roberts, as well as Pierce Brosnan and Matthew Fox. As one industry insider noted, “L'Oréal associates itself with brand ambassadors who tap into all ages, races, and sexes, and the portfolio leaves no stone unturned.”⁵⁵

Additionally, L'Oréal worked with film producers and studios to place its products into the story lines of films and television. However, L'Oréal was careful to instruct producers to keep the references subtle and classy; one executive said, “It's not meant to scream L'Oréal. If it becomes too blatant, it becomes sort of a turnoff.”⁵⁶

Marketing as Recruiting: L'Oréal Brandstorm

L'Oréal Brandstorm, a competition that challenged students to come up with a new marketing concept for a series of L'Oréal brands, had involved over 43,000 students from 285 universities in 43 countries since the competition's 1992 launch. The challenge in 2010 was for student teams to come up with a beauty-product range for the men's brand Diesel. In 2011, the challenge involved designing a new advertising concept to attract men to professional salons. The contest was open to marketing majors in their last two years of college. According to an international recruiting manager, Brandstorm was essential. "It allows us, through a very concrete approach, to continue sharing our passion for the cosmetics industry and for careers at L'Oréal with students. Thanks to this game, we are able to identify the talent that will allow us to continue to excel in the marketing of tomorrow."⁵⁷

From Print to Digital

L'Oréal had a strong reputation as a leading print media advertiser with a consistent presence in almost every fashion magazine. The firm believed that print would continue to be important to its marketing efforts, but, noting a changing advertising landscape, L'Oréal acknowledged that it needed to spend smarter on digital advertising, including working with traditional print publishers on their efforts to move toward iPads and other tablets.⁵⁸ The company gradually reduced some of its ad spending on traditional media and shifted toward the Internet. "The big revolution is digital, and [. . .] it's a great revolution, because it has changed completely the way we communicate about our brands, which I'm very happy about," Agon noted, then continued: "Beauty is all about imagery, emotions, aspiration, and education, and for many years we were really constrained by the communication tools available: billboards, print, and TV which, if anything, reduced the content of the message."⁵⁹ With the Internet, he explained, "you can really dive into the world of the brand, and experience all its aspects. It has changed completely the nature of the contact between us and our customers."⁶⁰

For example, in 2007 the Garnier *Fructis* hair-care brand began using social media to reach out to customers and provide a new type of brand experience. Garnier Fructis launched a user-generated website that was the focus of a major campaign. The website asked users for input and views on certain styles and allowed them to submit their own ideas and suggestions. Users had the ability to upload their own samples of how they styled hair using Garnier Fructis products, and they could win cash prizes or vacation packages. Content on the site included information about the Garnier products and a series of "how-to" videos with celebrity stylists using the products.⁶¹

Additionally, L'Oréal used digital marketing innovation to address changing realities in the retail space. One example was its creation of the virtual personal stylist, in collaboration with *ELLE* magazine and Bloomingdale's.⁶² To use the program, a shopper created an avatar at an in-store 3D scanning booth. The avatar was then stored on the Internet and accessible at participating retail stores. Shoppers used the avatar to try on makeup and clothes, eliminating the hassle of changing-room lines and multiple applications of skin-care products and cosmetics.⁶³

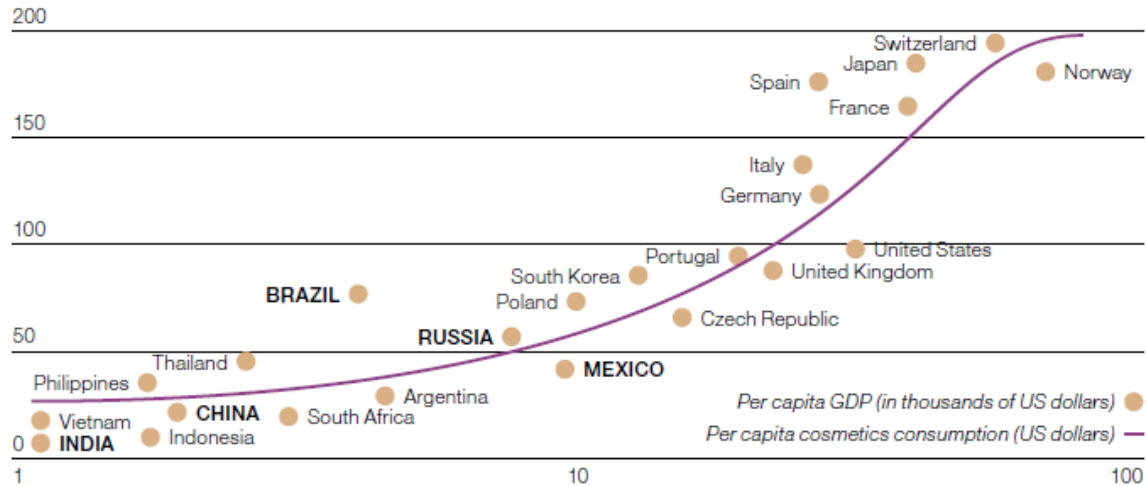
Another retail-based digital marketing initiative was L'Oréal's grassroots campaign to help more than 4,000 salons build Facebook pages for their business.⁶⁴ L'Oréal offered instructional videos, and training and advertising credits, to the salons. The Facebook pages that L'Oréal helped build included a customizable tab that displayed products and how-to videos for beauty product applications.⁶⁵

In 2010, L'Oréal launched its YouTube channel, "Destination Beauty," which contained how-to videos filmed by beauty bloggers who provided hair and makeup tips. Destination Beauty allowed

L'Oréal to engage viewers at home and established a sense of community.⁶⁶ L'Oréal also used established web personalities to pitch products, such as makeup artist and blogger Michelle Phan. L'Oréal's chief marketing officer noted, "It's the new way of leveraging an endorser. This is a 23-year-old Vietnamese-American blogger who's talking about how she is using the product, and it's very authentic in a very approachable way that reaches a whole new set of consumers."⁶⁷ Lois Johnson, the former beauty and fashion director of *More* magazine, remarked, "L'Oréal has quickly moved away from the generic websites many giant brands maintain, and has personalized the experience and provided tips from experts that are actually useful and not just accessorizing the site."⁶⁸

Reaching the Next Billion Customers

L'Oréal aimed to double its customer base to two billion people by 2020 and increase its share of sales from emerging markets from 30% to 50% during that time.⁶⁹ Getting this scale was fraught with risk, however. "Many requirements for survival in the next century are going to be size-related," then-CEO Owen-Jones had explained in 1999. "[Yet] the imperative for size is balanced by the need for genuine innovation, creativity, flair, intuition, imagination, taste, a sense of what is cool and what is not, and those are not qualities [that] go with huge companies."⁷⁰

Exhibit 1 GDP Growth and Per Capita Cosmetics Consumption

Source: L'Oréal 2010 annual report.

Exhibit 2a Professional Products Division Sales by Region (in € millions)

	2006	2007	2008	2009	2010	% of 2010 Sales
Western Europe	980.3	1,017.8	1,002.6	930.7	965.1	35.5%
North America	635.5	802.0	830.3	825.2	982.7	36.2%
New Markets	510.0	572.1	638.8	632.6	769.3	28.3%
Total	2,125.9	2,391.9	2,471.7	2,388.5	2,717.1	100.0%

Source: L'Oréal 2006, 2008, and 2010 annual reports.

Exhibit 2b Consumer Products Division Sales by Region (in € millions)

	2006	2007	2008	2009	2010	% of 2010 Sales
Western Europe	3,640.9	3,729.5	3,686.4	3,583.5	3,664.9	38.5%
North America	2,130.9	2,043.2	1,851.6	1,943.1	2,167.4	22.7%
New Markets	2,131.6	2,507.5	2,816.9	3,028.6	2,697.6	38.8%
Total	7,903.5	8,280.2	8,354.9	8,555.2	9,529.9	100.0%

Source: L'Oréal 2006, 2008, and 2010 annual reports.

Exhibit 2c Luxury Products Division Sales by Region (in € millions)

	2006	2007	2008	2009	2010	% of 2010 Sales
Western Europe	1,627.3	1,734.7	1,929.6	1,758.4	1,798.7	39.9%
North America	1,087.6	1,053.2	954.2	933.7	1,016.4	22.6%
New Markets	1,058.2	1,140.0	1,285.9	1,349.3	1,691.4	37.5%
Total	3,773.1	3,927.9	4,169.6	4,041.4	4,506.6	100.0%

Source: L'Oréal 2006, 2008, and 2010 annual reports.

Exhibit 2d Active Cosmetics Division Sales by Region (in € millions)

	2006	2007	2008	2009	2010	% of 2010 Sales
Western Europe	688.0	727.5	716.7	725.5	752.3	54.3%
North America	99.7	105.1	103.3	111.3	125.0	9.0%
New Markets	340.2	415.4	469.4	435.3	508.3	36.6%
Total	1,127.9	1,248.1	1,289.3	1,272.00	1,385.60	100.0%

Source: L'Oréal 2006, 2008, and 2010 annual reports.

Exhibit 3 Garnier Products Worldwide

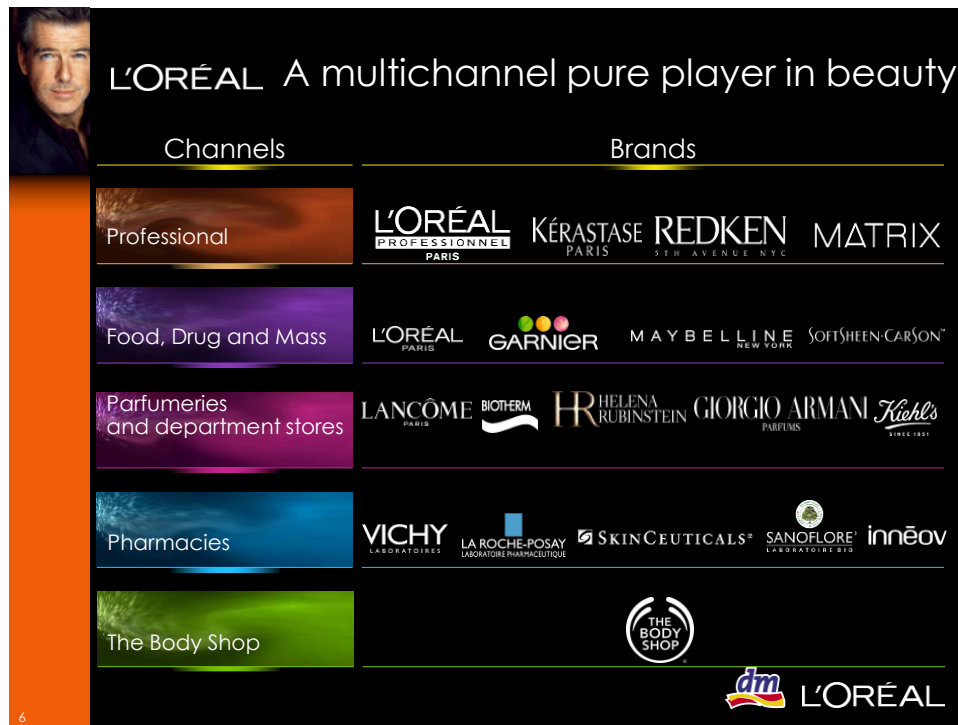
Products tailored to each region of the world

GARNIER designs ranges of products inspired by the specific needs of consumers in each region of the world.



1/ Fructis Stop Caída haircare in Mexico 2/ Ultra Doux, with its new recipe for colour treated hair in Western Europe 3/ Mineral Deodorant launched in Eastern Europe 4/ Caffeine Eye Roll-on in Asia 5/ Garnier Men, a new men's skincare range in India

Source: L'Oréal 2009 annual report.

Exhibit 4 L'Oréal Portfolio of Brands

Source: Casewriter research.

Exhibit 5 Total Global Ad Spending (in \$ millions)

	2005	2006	2007	2008	2009
L'Oréal	2,773	3,060	3,426	4,040	4,560
Procter & Gamble	8,190	8,419	9,358	9,730	8,680
Unilever	4,272	4,535	5,295	5,720	6,030

Source: "Global Marketers Index," *Advertising Age*, accessed June 2011.**Exhibit 6** Total Ad Spending in China (in \$ millions)

	2005	2006	2007	2008	2009
L'Oréal	75.4	132.5	196.5	333.3	576.8

Source: "Global Marketers Index," *Advertising Age*, accessed June 2011.

Endnotes

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⁸ Edmonson, "L'Oréal's Owen-Jones."

⁹ Jones et al., "Globalization of American Beauty."

¹⁰ Edmonson, "L'Oréal's Owen-Jones."

¹¹ Christina Passariello, "To L'Oreal, Brazil's Women Need Fresh Style of Shopping," *The Wall Street Journal*, January 21, 2011, via Factiva, accessed May 2011.

¹² "Packaged Facts Market Profile: The U.S. Hair Care Market Report."

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