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A Review of the Requirements for Generating Proper Advertising Claims

Empirical Optimisation of Advertising Claims

Using the Example of an Active Ingredient for Mature Skin

G. Tagliaferri, B. Obermayer, S. Bänziger*

abstract

Objective: One of the first steps in product development is the selection of an active ingredient that has a convincing mode of action. The purchaser of the active ingredient then has the challenge of translating the scientific and technical properties of the active ingredient into a winning product concept. Modern suppliers of raw materials know how to support their customers in this process. This analysis examines how to conduct a targeted and effective advertising campaign for the 55+ age group for a finished product that contains a specific anti-ageing active ingredient.

Methods: Twenty-four concrete advertising claims were created and empirically and systematically tested by means of an on-line survey and Rule Development Experimentation (RDE). RDE makes it possible to determine general interest in a product and to calculate the contribution of advertising claims to the overall assessment. In addition, sub-groups with the same mentality can be identified.

Findings: Approximately 40 % of the 55+ target group showed a general interest in an anti-ageing product for mature skin. If the product was incorrectly advertised, interest declined to only 27 %. With the right advertising message, however, the product was able to convince 47 %. Finally, if subgroups were targeted appropriately, interest would increase to as much as 58 %.

Conclusion: The older generation should be addressed precisely and sensitively, and advertising should be tailored to them. Knowing which messages do and do not act as purchasing stimuli can help to create advertising claims that more specifically and successfully address target groups.

From the Mode of Action to the Product Concept

There is a general trend away from simply offering effective active ingredients to selling complete solutions from a single source. Modern suppliers of raw materials offer their customers not only innovative and effective active ingredients, but also scientific and technical competence, marketing know-how and regulatory expertise. Using the example of the cosmetic ingredient REFORCYL®, we aim to show how skillful linking of these success factors can contribute to successful product development.

The selection of an appropriate active ingredient with a convincing mode of action is one of the first steps in product development. REFORCYL® contains, inter alia, an extract of *Gynostemma pentaphyllum* and *Cistus incanus* and represents a specific concept of action for mature skin. Aged skin is associated with disorders of the skin barrier: the corneocytes of the stratum corneum show morphological changes and the synthesis of epidermal lipids is reduced. *Gynostemma* contains enriching gynosaponins and activates the liver X receptor in skin cells, whereby corneocytes are strengthened and epidermal lipid synthesis is stimulated. Ultimately, REFORCYL® strengthens the skin barrier from the inside and has a seven-fold effect against the signs of ageing in mature skin [1-3]. The purchaser of active ingredients now faces the challenge of translating scientific and technical information from the supplier of active ingredients into a targeted product concept. The path to commercially successful products can be eased if

the raw materials supplier can provide competent support in this area to the cosmetics manufacturer.

The work cited here [4] had the following objectives:

1. To develop concrete advertising claims – for finished cosmetic products intended for the 55+ target group and containing the active ingredient REFORCYL®;
2. To use RDE to empirically test the influence of these advertising claims on purchasing decisions;
3. To identify winning and losing claims for the 55+ segment;
4. To make recommendations as to how advertising claims for products that contain REFORCYL® and are intended for mature skin can be optimised for specific subgroups.

The 55+ Target Group – a Growth Market

The previously neglected senior market has become an important growth market. This is due to demographic trends (i.e., increasing life expectancy, declining birth rate, the baby boomer generation reaching retirement age), increasing purchasing power and changes in attitude.

By 2035, Germany will have the oldest population in the world, with every other person over the age of 50. The over-

50s population is also growing noticeably in the rest of the world. For example, before long, the over-60s population will double worldwide: in 2005, there were only 670 million people over 60 years of age, compared with 840 million in 2013 and a projection of more than 2 billion in 2050 [5, 6].

However, it is not only the number of over-50s that is growing, but also their purchasing power. The over-50s in Europe have net assets of EUR 3 trillion, which enable this generation to buy 50 percent of all cosmetic products, among other things [7]. People in Europe who have reached their fifties live for an average of a further 33 years [7].

Members of today's 55+ generation feel 10 to 15 years younger than they actually are [8] and also lead an independent, active life instead of "retreating into retirement".

In brief, the formula is "grey = purchasing power"; gaining a 55-year-old customer as a fan today creates the chance to generate about 30 years of substantial business [7]. In the social consciousness, age is no longer considered synonymous with disease, poverty and isolation, but represents maturity and wisdom. Accordingly, there are now several terms for the 55+ target audience: Best Agers, Silver Generation, Golden Oldies, Selpies (Second Life people), Woopies (well-off older people), Master Consumers or the Golden Market Segment.

55+ – Hit the Right Note

People in the 55+ age group have a fastidious consumer profile and can draw on years of purchasing experience. They are fully involved in life, enjoy their freedom, pay attention to their well-being and cannot be described as social outsiders [8]. Therefore, it is important to avoid a direct classification as a "senior" or "elderly person" and to advertise more sensitively to "the Silver Generation." Fundamentally, people in the 55+ age group want a simple, individual and personal approach, respectful manners and humorous, natural and honest advertising. They prefer solutions and would rather be addressed on a rational than emotional level. A product should also be presented with a certain exclusivity, though arrogance should be avoided. The key message should be highlighted and presented concisely [6].

Formulating advertising texts is similar to a creative, artistic process. Experienced copywriters are generally relatively good at intuitively creating effective advertising messages. When it subsequently comes to making a quantitative forecast of the effect of different advertising messages, however, traditional market research tools such as surveys, consumer tests or focus groups soon reach their limits. As a result, the messages that are chosen are all too often those that the person in charge believes will reach the target group, rather than those that systematic testing proved to be successful. Thus, when choosing the final packaging text, the challenge is to create a decision-making structure based on empirical evidence rather than conjecture.

Designing Advertising Claims

For this analysis, different advertising claims were systematically tested using the software-supported conjoint methodology RDE [9, 10] as follows:

The first step is to identify the feature categories that characterise the target product. Research on the advertising language used in presentations of anti-ageing products identified four typical claim categories:

1. Information on ingredients (What is it?)
2. Description of the effect (What can it do?)
3. Description of the practical benefits (What problem does it solve?)
4. Description of the emotional benefits (Why should I buy it?)

The second step is to populate the categories with concept ideas. This is the most difficult part, because there are hardly any rules; experience and expertise are required. Thus, a brainstorming session (for finished cosmetic products containing REFORCYL® and intended for the 55+ target group) yielded many potentially successful advertising claims. Even crazy ideas were not rejected, because an empirical investigation can unearth some surprising, counterintuitive results. The best 24 ideas were assigned to the four previously mentioned categories (Tab. 1) to be systematically evaluated by consumers as the next step.

Ingredients	Effect	Practical Benefit	Emotional Benefit
Contains <i>Gynostemma pentaphyllum</i>	7-fold effect	Prevention of skin ageing	Anti-ageing care for people aged 55+
Contains herbal ingredients	Activates the skin barrier	For glowing, smooth skin	Developed specially for you
Contains Jiaogulan	Slows the ageing process	Combats sallow and uneven skin	For the wellbeing of your skin
Contains award-winning medicinal plants	Scientifically confirmed	Improvement of skin condition	There is no better anti-ageing product
Contains rockrose	Combats oxidative stress	Improves cellular cohesion	Does not promise eternal youth
Contains miracle plants	Regenerates	Strengthens the skin barrier	Optimal solution for sensitive skin

Tab. 1 Which advertising claim best addresses the 55+ target group? Which claims are actually counterproductive? These questions were answered by a systematic survey. The table shows claim categories with different claim ideas for a hypothetical finished product that contains REFORCYL®. For clarity, the claims are shown here in abbreviated form.

Systematic Testing

The next step consisted of a Web survey involving 227 women over the age of 55 from German-speaking countries. For each given concept prototype, the survey compiled two to four advertising claims to be evaluated. For a better understanding, here are two examples of concept prototypes:

Example 1

How attractive do you find this cosmetic anti-ageing product on a scale of 1-9?

- Contains *Gynostemma pentaphyllum*
- Developed specially for you

Example 2

How attractive do you find this cosmetic anti-ageing product on a scale of 1-9?

- Contains herbal ingredients
- Anti-ageing care for people aged 55+

Statistically based compilation of advertising claims for concept prototypes is an automated and systematic process [9]. No participant received the same survey. Each participant rated 40 concept prototypes, resulting in almost 10,000 rated concept prototypes. Based on the systematic approach and the large amount of data, it is then possible to determine the influence of a single advertising claim on the purchasing interest of customers.

Advertising Messages for Anti-Ageing Products are Important

The processing of the raw data by regression analysis is automated and allows the determination of two key figures, namely additive constant and utility value.

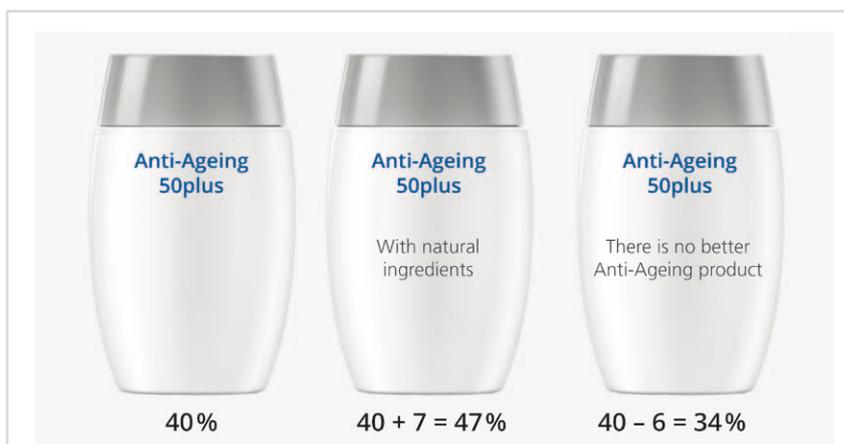


Fig. 1 Examples of winning and losing concepts. The analysis revealed that about 40% of the 55+ target group generally found a 55+ anti-ageing product interesting (left). Systematic testing of 24 advertising claims demonstrated that the packaging text shown on the middle product can win over an additional 7% of the target group. In contrast, the text shown on the right reduces the general interest in the product and puts off 6% of the potentially interested people. The formula shows additive constant plus utility value.

The additive constant, with a scale from 0 to 100, represents participants' fundamental interest in the product. Low values imply that the basic idea of a product is not attractive per se, and there is generally no interest in such products – for example, credit cards. Sophisticated advertising messages are often a forlorn hope here, because they are simply ignored. On the other hand, very high values indicate a strong interest in the product, in which case, the importance of advertising messages also decreases because the target group has an interest in purchasing regardless of how the product is advertised – for example, a Rolling Stones concert.

The fundamental interest of our participants in a 55+ anti-ageing product was rather moderate, with an additive constant of 40. This means that, without any additional information, only about 40% of the participants are interested in an anti-ageing product for mature skin. With such values, it is worth investing in clever advertising, because appealing advertising messages have a particularly great influence on the urge to buy here (**Fig. 1**).

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Picture: sekundator/fotolia.com

Advertisement

Robin Jung
 Tel: +49 8281 79940-41
 Fax: +49 8281 79940-50
 ✉ robin.jung@sofw.com

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Promotional Messages Can Increase or Reduce the Urge to Buy

The utility value, which is calculated for each individual advertising claim, represents the percentage change in fundamental interest if a particular advertising claim is integrated into the anti-ageing product, and shows whether a given advertising claim increases (positive values) or decreases (negative value) the level of interest.

The range of utility values for the advertising claims examined ranged from +7 to -13 (Tab. 2). A utility value of +7 means that an additional 7% of women over the age of 55 would be interested in the specific anti-ageing product if such a message were printed on the packaging (Fig. 1). In other words, by using the winning claim, an innovative formulation with high-quality, herbal and natural ingredients, fundamental interest increases and approximately every other person within the target group can be won over to the product (fundamental interest 40% + utility value 7% = 47%). In contrast, using the losing claim “contains miracle plants” reduces the fundamental interest, and not even every third person would find such a product interesting (fundamental interest 40% - utility value 13% = 27%).

Not Everyone Wants to Be Addressed the Same Way

It is striking that the top-rated claims generate only an additional 4-7% of interested over-55s, and that none of the claims is really successful. This suggests that different customer segments have different mentalities that neutralize each other. Indeed, if participants’ responses are clustered according to their assessments, three different segments/subgroups are discernible. The statistical process can certainly identify attitudinal or mentality-related consumer segments, but it cannot name them – this requires marketing experience.

Based on their response patterns, we designated the three subgroups of our 55+ target group as critical performers, fact-oriented realists and pessimistic botanists (Tab. 3). We assume that the users within a segment think and react roughly the same because they have the same mentality. Now we can consider how to address these subgroups more effectively.

- **Critical performers:** with 50% of the participants, this is the largest group. Moreover, with an additive constant of 45, this group has the highest fundamental interest in anti-ageing products for the 55+ target group. This group seems to respond primarily to effect and mode of action. They like claims such as “7-fold effect: improvement in skin moisture, wrinkles, regeneration, firmness ...” (utility value + 10%) or “scientifically confirmed effect” (+ 6%).
- **Fact-oriented realists:** with an additive constant of 36, this group (40% of participants) had the least interest in anti-ageing products. They look for rational benefits and do not believe in miracles. They favour claims such as “for elastic, glowing and smooth skin” (+ 13%), but clearly reject “contains miracle plants” (-18%).
- **Pessimistic botanists:** This minority (10%) responds negatively to virtually all advertising promises and seems to believe only in the power of plants: “Contains only the best – the award-winning medicinal plant *Cistus incanus*” (+ 14%). This segment may represent users who find natural cosmetics appealing.

Thus, a uniform approach is not what is required. Each of the three groups finds certain advertising claims attractive. The best messages for each form the basis for a new product that is optimally tailored to the subgroup. This approach maximises the urge to buy for each group.

Ingredients	Effect	Practical Benefit	Emotional Benefit
-5 Contains <i>Gynostemma pentaphyllum</i>	+5 7-fold effect	-4 Prevention of skin ageing	Anti-ageing care for people aged 55+
+7 Contains herbal ingredients	Activates the skin barrier	+5 For glowing, smooth skin	Developed specially for you
Contains Jiaogulan	Slows the ageing process	Combats sallow and uneven skin	For the wellbeing of your skin
Contains award-winning medicinal plants	Scientifically confirmed	+4 Improvement of skin condition	-6 There is no better anti-ageing product
Contains rockrose	-4 Combats oxidative stress	Improves cellular cohesion	-2 Does not promise eternal youth
-13 Contains miracle plants	Regenerates	Strengthens the skin barrier	Optimal solution for sensitive skin

Tab. 2 Which advertising claims increase interest? Messages that increase the urge to buy are highlighted in green, and should be built upon. Messages that could stop the urge to purchase are highlighted in red, and should be avoided if at all possible. The specified value (utility value) shows the approximate percentage change in the level of fundamental interest. Values between -1 and +3 affect the urge to buy neither positively nor negatively and are considered neutral – they can be disregarded.

Subgroup-specific advertising messages increased maximal interest from 47 % (see Fig. 1) to 57 %, 49 % and 58 % (Tab. 3). The aim is therefore to develop first-class products for selected target groups – instead of slightly improved products that would be satisfactory to as many customers as possible.

Segmentation of the 55+ Group: Age or Lifestyle

A clear differentiation of the 55+ target group is necessary because their needs and interests will change over the next 30 years. Accordingly, the classical approach segments the 55+ target group according to their age (Tab. 4).

		Critical Performers	Fact-Oriented Realists	Pessimistic Botanists
Share of sample		50 %	40 %	10 %
Additive constant (fundamental interest)		45	36	43
Category	Advertising Claim	Utility Value		
Ingredients	Contains <i>Gynostemma pentaphyllum</i>	-9	0	-1
	Contains herbal ingredients	+12	+8	+15
	Contains Jiaogulan	-3	-11	+1
	Contains award-winning medicinal plants	-3	-3	+14
	Contains rockrose	-2	-2	+10
	Contains miracle plants	-9	-18	-2
Effect	7-fold effect	+10	-1	-1
	Activates the skin barrier	+2	+5	-15
	Slows the ageing process	+5	+1	-8
	Scientifically confirmed	+6	+1	-13
	Combats oxidative stress	-4	-4	-14
	Regenerates	+3	+3	-5
Practical benefit	Prevention of skin ageing	-7	+1	-6
	For glowing, smooth skin	+3	+13	+6
	Combats sallow and uneven skin	-1	+1	-12
	Improvement of skin condition	+6	+8	-4
	Improves cellular cohesion	+2	+6	-8
	Strengthens the skin barrier	0	+2	+4
Emotional benefit	Anti-ageing care for people aged 55+	+4	-2	+4
	Developed specially for you	+6	-8	-4
	For the wellbeing of your skin	+2	-1	-6
	There is no better anti-ageing product	-6	-11	-7
	Does not promise eternal youth	-1	-7	-7
	Optimal solution for sensitive skin	+4	-3	-8
Losing concept		45-9 = 36 %	36-18 = 18 %	43-15 = 28 %
Winning concept		45+12 = 57 %	36+13 = 49 %	43+15 = 58 %

Tab. 3 Segmentation of the 55+ target group by statistical analysis. The 55+ group consists of three subgroups that are primarily distinguished not by their age, but above all by their attitude and mentality. If each group is addressed optimally, the chances of success can be maximised. Winning and losing claims for each group are shown in bold.

Interpretation example (blue numbers): 45 % of the subgroup critical performers have a fundamental interest in an anti-ageing product for mature skin. By enhancing this with the claim “7-fold effect ...,” the product is perceived as interesting by 55 % (fundamental interest 45 + utility value 10). In the group of fact-oriented realists, however, the same product would be of interest to only 35 % (fundamental interest 36 + utility value -1).

Empty Nester Master Consumer	Best Ager Maintainer	Seniors Simplifier
Focus: 50-59 years	Focus: 60-69 years	Focus: 70+
29 % share of 50+	36 % share of 50+	35 % share of 50+
46 % share of net household income	31 % of net household income	23 % of net household income
<ul style="list-style-type: none"> • Free-spending • Active/mobile • Focused on experiences • High level of education • Open-minded • Adventurous • Conscious enjoyment • Rejection of “cliché of the elderly” 	<ul style="list-style-type: none"> • Financially secure • Enjoy Status Quo • Affluent • Ample freedom/free time • New orientations • Good health • Rejection of traditional role relationships 	<ul style="list-style-type: none"> • Tendency towards a more withdrawn lifestyle • Traditional, conservative values • In some cases, seeking a new partner again • Still “feels young” • Traditional, conservative values • In some cases, seeking a new partner again • Still “feels young”

Tab. 4 Classical age segmentation. In contrast, our data support segmentation by lifestyle and attitude. Data from Germany [6].

Our data suggest, however, that a classification according to lifestyle could be more meaningful and pertinent. Over the years, consumers develop a specific attitude to cosmetic products, and we believe this is influenced more by their lifestyles than just by their age. Critical performers, for example, look for a convincing effect on account of their mentality, rather than their age.

General Recommendation

What should now be the concrete advertising strategy for the 55+ generation? Through systematic, empirical testing of 24 potential advertising messages for an anti-ageing product containing REFORCYL®, we were able to identify those claims that demonstrably increase the urge to buy – but also filter out those that would significantly reduce sales. In general, there was a clear dislike of foreign words and technical terms, as well as provocative profiles and exaggerations: inappropriate claims put off one third of interested people (across the entire target group; for utility values, see **Tab. 2**).

Thus it seems that the 55+ generation does not want to read gimmicks and unrealistic claims, and should therefore be addressed clearly and realistically. Indeed, the right claim could win over an additional 7 % of customers (**Tab. 2**).

By segmenting the 55+ target group into specific subgroups with the same mentality, and then addressing these subgroups in a targeted way, interest can be increased by a further 10 % (**Tab. 3**). Segmentation by lifestyle thus seems far more promising than segmentation by age.

Conclusion

Our analysis shows that the fundamental interest of the 55+ target group in an anti-ageing product for mature skin is moderate, because only 40 % find such a product generally attractive. Therefore, it is not enough merely to mention “55+ anti-ageing” on a product. However, if the product is supplemented with an anti-ageing active ingredient and promoted with the right advertising claim, it may appeal to some additional customers and increase the interest from a moderate 40 % to a winning 58 %.

Based on the findings presented here, future anti-ageing products containing REFORCYL® can be promoted more specifically to target groups – and more successfully.

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contact

Stefan Bänziger, PhD
RAHN AG
Dörflistrasse 120
8050 Zürich | Switzerland
Email: BaenzigerS@rahn-group.com

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