



## Keio Business School

### Marketing Competition in Men's Hair Styling Market

5

In the mid-1990s the streets were packed with women sporting loose, flowing hair. Around this time, the trend in women's hair styles was changing from "one length" and "sauvage" styles to those known as "layer cuts." The layer cut is a hair style which, through varying the overall length of the hair, creates movement in the unevenness of the trim.

10

Shortly after this era, in 1998, the trend in men's hair styles also began to change, from the previously fashionable long hair look to styles created with the hair spiked up, or bunched up together to allow the ends to move. It was what was referred to as the "unproduced look" (**Figure 1**). The unproduced look was popular with a lot of men. At the time, the leading manufacturer of men's cosmetics, Mandom Co. Ltd. (hereafter, "Mandom") launched a hair wax brand, GATSBY (**Figure 2**). In addition to GATSBY, Shiseido Co. Ltd. (hereafter, "Shiseido") introduced GERAID into the market, with the catchphrase "I'll go with the unproduced look." Through promoting the usefulness of the product in the unproduced look at the forefront of its advertising copy, and with Kinki Kids idol 'Tsuyoshi DOMOTO' on board, GERAID quickly became well known among male consumers. With hair wax, a hair style may be rearranged many times without making the hair stiff, and it allows subtle nuances to be displayed in the hair tips, which is why it has become a mainstay in men's hair styling products.

15

20

25

In 2002 the World Cup was held for the first time in Asia, jointly hosted by Japan and South Korea. During this time, the "Fauxhawk" worn by English team member David Beckham was hugely popular amongst young men, and hair wax reached the height of its popularity in the men's hair styling market (**Figure 3**). In that year hair foam – hitherto the number one hair styling product – was finally knocked off its perch and hair wax took its place, with market growth to ¥8.4 billion.

30

.....  
This case has been compiled by Associate Professor Akihiro Nishimoto of the Otaru University of Commerce, and Professor Akihiro Inoue of Graduate School of Business Administration, Keio University, based on published materials and interviews. It was created as a basic material for class discussions, and is not intended to illustrate appropriate or inappropriate conduct within management. We would like to express our thanks to Mandom Co. Ltd.'s Senior Managing Executive Officer for R&D, Masayoshi Momota, its Executive Officer and Director of 1st & 2nd Product Development, Yasuaki Kameda, and its 1st Product Development Department Head, Hiroshi Ito, who greatly helped in the production of this case study.

This case is published by Keio Business School. Inquiries about reproducing it should be referred to Keio Business School (4-1-1 Hiyoshi Kouhoku-ku Yokohama Kanagawa JAPAN 223-8526, TEL: 045-564-2444, EMAIL: case@kbs.keio.ac.jp). To order copies of the case, go to <http://www.kbs.keio.ac.jp/>. No part of this case may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the permission of Keio Business School.

Copyright © Akihiro Nishimoto and Akihiro Inoue (April 2011).

Time went by and in August 2005, it was completely natural for men to view hair wax as an everyday hair styling product, and Mandom had taken the number one spot in terms of market share for hair wax. At this point, a sudden shock hit the men's hair styling market. From that point onwards a period of marketing rivalries developed, right through to August 2009. Little did anybody know that a new shock was about to hit the men's hair styling market at that time. After this shock, Mandom's marketing team began to consider its target market segment from a variety of perspectives, and think about what type of marketing strategy to adopt from that point on.

Figure 1: The Unproduced Look



Figure 2: GATSBY Wax in 1998



Figure 3 GATSBY Wax in 2002



## The Men's Grooming Market

It is said that the men's cosmetics market, worth around ¥120-130 billion, makes up just under 10% of the ¥1.4 trillion Japanese cosmetics market. The men's cosmetic market as a whole slightly increases year-on-year. As well as hair styling and coloring products, the market has recently come to include skin care – such as face care and body care – so it has come to be called the men's grooming market. In the men's grooming market, it has become common to see items that may seem intended for female use now redesigned and provided to meet the hygiene and style-consciousness of men

### The Men's Hair Styling Market

The men's hair styling market can be defined by the market forces arising from the vicissitudes in hair styling product format demanded in each particular era. These vicissitudes in the men's hair styling market can be traced all the way back to the time of Mandom's previous incarnation, Kintsuru Perfume, when TANCHO TIQUE was released into the world in 1933. At that time, greasy hair styling products such as stick pomade and pomade were the mainstream trend. In 1962, after the Second World War had ended, Vitalis, a liquid-type hair styling product, was introduced and the men's hair styling market at once became dominated by liquid products.

In 1970, through the Mandom Series introduced to the market from TANCHO, hair styling methods such as hair sprays and hair creams were born. From that point onwards, hair spray has had a stable and well-established presence in the men's hair styling market.

In the 1980s, light hair styles started to become popular. This saw a shift back to styling products such as blow-dry lotions, due to the demand for light hair styles among men. After some time slightly more “produced” looking hair, rather than lighter styles, became the trend. In response to this, hair foams and hair gels came onto the scene. These two types of hair styling product are still being used by the middle-aged men who started using them during that period, but the number of men using them is decreasing over time, and their market volume declines year on year.

Around 15 years ago, in 1996, the solid type of product known as hair wax, which is now becoming part of the mainstream of hair styling products, made its entry. As hair wax is the most suitable hair styling product for the currently trendy unproduced look, it has enjoyed a great deal of popularity through to the present day. In the current men's hair styling market, hair wax is overwhelmingly the top styling product type.

The men's hair styling market is on a downward trend year on year, taken as a whole. Hair foam was last the number one styling product type in terms of market share in the year 2000, in large part having been overtaken by hair wax. Because of this, hair foam and hair gel have also seen a declining trend in terms of market share. Hair wax has seen stable growth ever since that year.

### **The Men's Hair Coloring Market**

The men's hair coloring market continues to be influenced by trends in the women's hair coloring market, and reached its apogee at the time of the Japan/South Korea World Cup in 2002. It is currently in a downward trend, year on year. The hair coloring market, including women's products, is worth approximately ¥3 billion; of this, around 60% is taken by Mandom.

Originally, the desire to change hair color started to take off in the 1990s. This desire grew gradually, and in 1995 bleach became a big hit. At that time, making one's hair appear lighter by brightening the color was highly valued, and was particularly popular with women. At the same time, the desire for hair coloring also flourished. During the height of bleach's popularity, there was a sense that coloring one's hair meant changing it to brown. The streets were overflowing with people with the same hair color, and gradually the desire to be able to change the color of one's hair to something other than brown started to emerge.

With the coming of the 2000s, the girls known as "Gals" started to dye their hair in ashen colors. Among these girls, dying one's hair an ashen color was seen to be stylish and cool, and it became extremely popular. Influenced by this, the trend in men's hair coloring also transferred from brown to ash. Before feeling the effects of the trend in women's hair coloring towards ash colors, between 2002 and 2005, men's hair coloring had seen a move towards lighter colors, to match the fashion for "wolf" and "fauxhawk" styles.

### **Men's Body/Face Care Market**

The men's body/face care market has three categories: the face care category, incorporating mostly face washes and skin care products; the body care category, incorporating antiperspirant deodorants and so on; and the paper category, incorporating grease-absorbing tissues and so on. The paper category is currently rather small compared to the other categories, but it is clearly growing, and the market is gradually expanding with high school and university students as its core targets. The men's body/face care market is currently enjoying extremely marked growth, and manufacturers are entering this market thick and fast.

Originally, this skin care market was, prior to 2004, impossible for outsiders to enter, due to "the manufacturers of price-controlled goods" such as Shiseido and Kanebo setting up fixtures in shop fronts and selling from there. However, since 2004, with the introduction of relatively reasonably priced skin care products other than those produced by the manufacturers of price-controlled goods, companies such as Rohto Pharmaceuticals and Otsuka Pharmaceuticals, which hitherto could not have been imagined entering the market, are now doing so in some numbers.



## Mandom Co. Ltd.

Mandom, headquartered in Osaka, is a firm with sales of ¥54.34 billion (consolidated), an operating profit of ¥5.368 billion (consolidated), and 534 employees (2,269 on a consolidated basis), as of March 2010. The name “Mandom” comes from “Man Domain,” though since 1984, when it entered the women’s cosmetics market, it has taken on the meaning of “Human & Freedom.” As can also be seen from the name, it is generally perceived as a men’s cosmetics company, and its main brands are GATSBY (targeting young men), LUDICO (targeting middle-aged men) and LUCIDO L (targeting young women). Mandom is currently establishing three main business fields (**Figure 5**).

The first business field is Mandom’s core business – the men’s grooming business (**Figure 6**). The men’s grooming business takes up 60% of Mandom’s total sales (consolidated), and its continued stable growth as Mandom’s flagship is considered critical. The brand which bears the responsibility for this is the number one men’s cosmetic brand, GATSBY. GATSBY renews itself continuously in line with the times, and never allows its freshness as a brand to wane. There is one other brand with some weight in the men’s grooming field. This is LUCIDO, which debuted in 1989 and is built around a simple fragrance-free concept. LUCIDO targets middle-aged men, in their 30s and 40s, who are beginning to feel the effects of advancing age; through presenting high value-added products, it contributes to the stable growth of Mandom’s men’s grooming business.

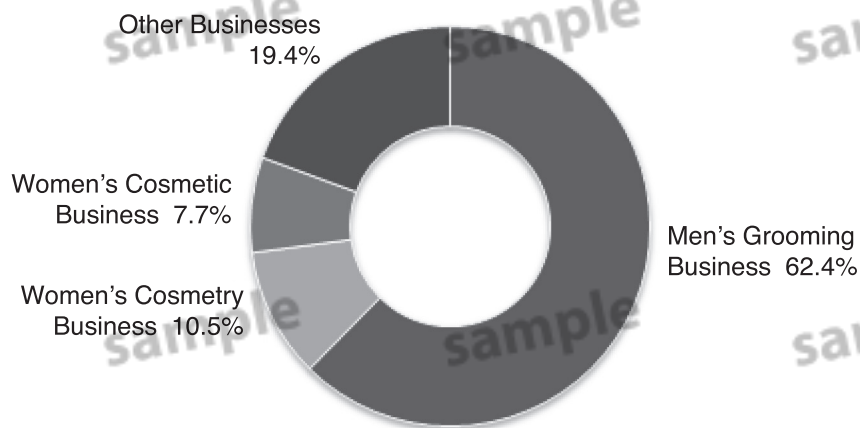
The second business field is the women’s cosmetry (cosmetics-toiletry) business (**Figure 7**). The women’s cosmetry business revolves around the LUCIDO L brand, which debuted in 1993 and grew from LUCIDO - being based on the same fragrance-free concept. In addition to this, there is a brand of dye for gray hair targeting middle aged women, Produce; a brand in the “season etiquette” category called Simplicity, for sweat-removal sheets and so on; and an overseas brand, Pucelle; these are the basis for this business field.

The third business field is the women’s cosmetics business (**Figure 8**). The women’s cosmetics business, focusing on brands such as Barrier Repair (aimed at the skin care category, which has been a high-growth market since 2004) and Vanity Freak (a mascara and gloss brand whose appeal is functionality), is the basis for growth in Mandom’s current mid-term management plan, and is a business field being developed through promotion of the company’s own brands.

**Figure 4: Mandom's Financial Highlights (Consolidated) (as of March 2010)**  
(from Mandom: Annual Review, 2010)

		(in millions of JPY)		
		10/3	09/3	08/3
5	Net Sales	54,304	55,178	56,289
	Operating Profit	5,368	4,926	6,837
	Current Net Profit	2,802	3,011	3,499
	Total Assets	54,182	49,078	54,218
	Net Assets	45,058	42,379	45,868
10	Return on Equity (%)	6.9	7.4	8.4
	Earnings per Share (in JPY)	119.40	126.60	147.13
	Dividend Payout Ratio (%)	50.3	47.4	54.4
	Dividends per Share (in JPY)	60.00	60.00	80.00

**Figure 5: Composition Ratio of Mandom's Business Net Sales (as of March 2010)**  
(from Mandom: Annual Review 2010)



**Figure 6: Men's Grooming Business (as of March 2010)**



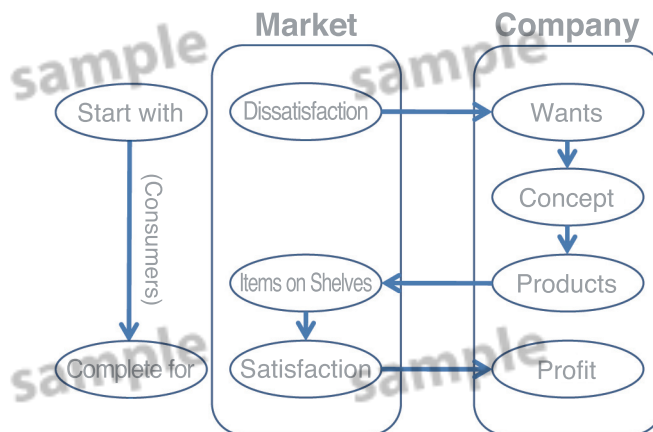
**Figure 7: Women’s Cosmetry Business (as of March 2010)**



**Figure 8: Women’s Cosmetics Business (as of March 2010)**



**Figure 9: Mandom’s Marketing Philosophy**



**Mandom’s Marketing**

All “KohDoh” goes on at the root of marketing in these three business fields, and it is Mandom’s most distinctive characteristic (“KohDoh” is a term invented by Mandom to refer to thinking (Koh) and working (Doh) simultaneously). All “KohDoh” going on within Mandom occurs within the roots of the “Creating Lifestyle Value With Consumers, For Consumers” marketing philosophy (Figure 9). “Creating Lifestyle Value With Consumers, For Consumers” is based on the idea that, when taking a

consumer standpoint (that of market) rather than a supplier standpoint (that of the company), the “genuine helpfulness for consumers” included within the corporate philosophy can only be achieved through searching for what consumers “really want.” Because of this, the expression “the needs of consumers” is never mentioned at Mandom. Indeed, it believes that by always gleaning “consumers’ wants” it can make its “Creating Lifestyle Value With Consumers, For Consumers” philosophy a reality. Mandom’s marketing situates itself on the principle of “securing sales and profit through helpful “KohDoh,” and capturing the satisfaction of stakeholders.”

This marketing philosophy is of course also used in driving home product development. Firstly, Mandom’s product development draws out the wants of consumers from their problems and difficulties, and commits to realizing the development of products and services “Creating Lifestyle Value With Consumers, For Consumers” that will solve these problems and difficulties, thus providing satisfaction to consumers. In order to satisfy consumers, it never neglects research (market studies and group interviews), product design, and post-launch analyses (of product movements on shop floors and in the market) conducted from the standpoint of consumers, so as to respond to their changing trends and lifestyle.

Secondly, within Mandom’s product development processes, it has set in place a product development philosophy and eight marketing principles as a matter of policy, based on this marketing philosophy of “Creating Lifestyle Value With Consumers, For Consumers.” The product development philosophy aims to provide something new and different in responding to consumers’ wants, and the eight marketing principles are set in place to realize this development philosophy. They are as follows:

1. Does the product embody the function, quality and benefits expressed in the concept? <**Product**>
2. Does the brand provide functional and emotional values appropriate for a trusted brand? <**Brand**>
3. Does research identify changes and indications of change in the market and among ordinary people, and are its conclusions based on verification of hypotheses? <**Research**>
4. Is the price a fair value for satisfying consumers and providing a competitive advantage? <**Price**>
5. Does the advertising accurately and attractively express the product and brand concepts, and does it use the most effective medium? <**Advertising**>
6. Is promotion directly connected to store-front procurement, vitalization, and purchasing facilitation, on the basis of “performance by cost”? <**Promotion**>
7. Is distribution carried out choosing the best channels to directly reach customers and the best business categories, and does it culminate in the creation of trading opportunities? <**Place**>
8. Are sales conducted as a unique activity transforming costs into revenue through proposals for negotiations and point-of-sale-embodiment “KohDoh”? <**Sales**>

Mandom has made it a rule that if there is a large defect in any of these eight marketing principles it



will cancel a launch, and has set it as standard that its products should be original and “Mandom-like” through fulfilling them.

And thirdly, Mandom’s product development retains a unique product identity. The company’s basic product line-up is comprised of cosmetics (make-up), and toiletries such as soap, shampoo and so on. It is generally known as a men’s cosmetics manufacturer, but as a manufacturer of men’s cosmetics, especially one focusing on hair products, there is a sense in which the company does not locate itself as purely a cosmetics maker. Rather, Mandom locates its own product development in “cosmetries.” “Cosmetries” are products which, while being chiefly cosmetics, also incorporate elements of toiletries. This perspective of “cosmetry” product development allows the development of products outside of pre-existing categories. The development of the new product categories of facial paper, antiperspirant paper, and grease-absorbing tissue-sheets in 1995, bleach-based products in 1996, shaving products in 1997, and hair coloring products in 2001 came successfully from this perspective.

Within Mandom’s product development, the cosmetry product development philosophy is being effectively realized through the eight marketing principles based on the standardization of the “Creating Lifestyle Value With Consumers, For Consumers” marketing philosophy.

## **GATSBY**

GATSBY, one of Mandom’s men’s cosmetics brands, is the top men’s cosmetics brand. It currently (as of March 2010) has 122 items in the market, in six categories (hair styling, hair coloring, face care, body care, shaving, and fragrance). The brand concept is “standard men’s grooming cosmetics whatever the era.” The core image is one of reliability, familiarity, youth, activeness, and fun. It is a brand with sales of ¥21.78 billion within Japan, and ¥9.316 billion overseas (as of March 2008). Its current “Moving Rubber,” released on August 23, 2006, became GATSBY’s seventh iteration, and SMAP’s Takuya KIMURA has successively been used as the face of its marketing. Pitting itself against its competitors, this Moving Rubber, the “7th generation GATSBY,” is based on the “Fun to Groom” concept, and has given GATSBY a totally different world image. In the 2007 business year it gathered domestic sales of ¥20 billion, making GATSBY a brand with a truly legendary history.

GATSBY first came into the world as a men’s cosmetics brand in 1978 (Figure 10). Its original iteration targeted men of 25 and over, who were already adults, with the deployment of 14 hair care and skin care items. In 1981, it revamped its image and created its second generation – “Light” GATSBY. Using Kenichi HAGIWARA in its advertisements, and introducing products like Shower Fresh (a light cologne), “Light” GATSBY shifted the target to younger men. GATSBY’s third generation came with the “High-Function” GATSBY revamp of 1985. Through using Yusaku MATSUDA in its advertising and its launch of the first ever men’s styling foam, “High-Function” GATSBY expanded its pursuit of functionality and its market categories. At the zenith of the bubble era in 1988, GATSBY again renewed itself in a fourth generation – “High-Fit” GATSBY. This pursued the organization of the categories it had

expanded during its third generation, and employed *a-ha* in its advertising campaign. After the collapse of the bubble, in 1993, its fifth generation was launched under the name “High-Value” GATSBY. Using Eisaku YOSHIDA and Kenji MORIWAKI in its advertisements, “High-Value” GATSBY saw a first foray into toiletries with the deployment of products such as antiperspirant deodorant powder sprays. GATSBY then strengthened its hair care series with the launch of men’s bleach and others, from 1996, as its sixth generation – “Simple and Casual” GATSBY – which used Masahiro MOTOKI in its advertising. Finally came the summer of 2006. This saw the seventh generation of GATSBY emerge, as “Grooming Fantasia,” employing Takuya KIMURA in its advertising, saw the launch of “Moving Rubber” (a hair wax); at the same time the brand strengthened its face care and body care lines, and continued the company’s growth transforming itself from a men’s grooming brand to a men’s cosmetics one (Figure 11).

**Figure 10: The History of the GATSBY Brand**



**Figure 11: Moving Rubber (Hair Wax)**



**Shiseido Co. Ltd.**

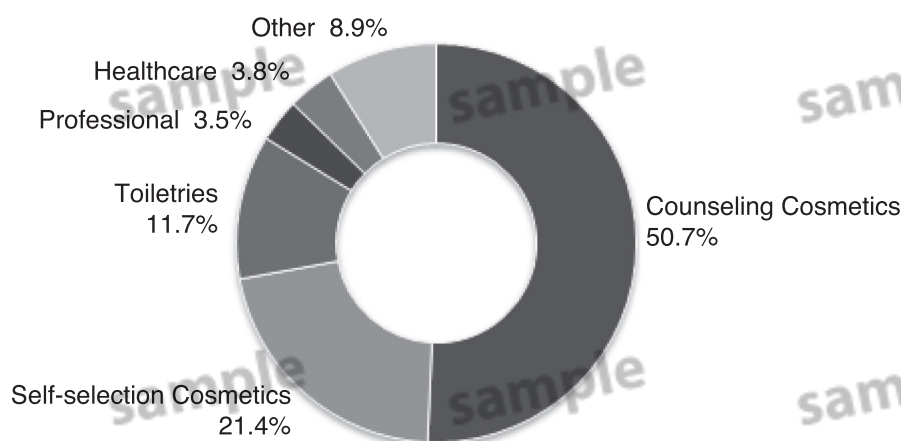
Shiseido, headquartered in Ginza, Tokyo, is a firm with sales of ¥644.21 billion (consolidated), an operating profit of ¥50.351 billion (consolidated), and 3,573 employees (28,968 on a consolidated basis), as of March 2010 (Figure 12). The name “Shiseido” comes from a line in the classical Chinese text the I Ching: “Praise the virtues of the great Earth, which nurtures new life and brings forth new values.” The company is the biggest domestic cosmetics manufacturer, and is the fifth largest in the world. Its operating departments are broadly divided into the domestic operating department, with 61.7% of net sales, and the overseas operating department, with 36.7% of net sales. Within this, the sales composition ratio for cosmetics is 83.8% (Figure 13); the sales composition ratios within that are counseling cosmetics at 50.7%, self-selection cosmetics at 21.4%, and toiletries at 11.7%. The major brands

in the domestic cosmetics department are the six megabrands of MAQuillage, TSUBAKI, UNO, AQUALABEL, ELIXIR SUPERIEUR, and INTEGRATE. Along with five relational brands as well as ANESSA and HAKU, in total there are 21 brands being cultivated within Shiseido.

**Figure 12: Shiseido's Financial Highlights (Consolidated) (as of March 2010)  
(from Shiseido: Annual Review, 2010)**

	(in millions of JPY)		
	10/3	09/3	08/3
Net Sales	644,201	690,256	723,485
Operating Profit	50,351	49,914	63,465
Current Net Profit	33,671	19,373	35,460
Total Assets	775,446	606,569	675,864
Net Assets	365,208	351,951	399,739
Return on Equity (%)	9.8	5.4	9.2
Earnings per Share (in JPY)	84.60	48.00	86.10
Dividend Payout Ratio (%)	59.1	104.1	39.5
Dividends per Share (in JPY)	50.00	50.00	34.00

**Figure 13: Composition Ratio of Shiseido's Business Net Sales (as of March 2010)  
(from Shiseido: Annual Review 2010)**



### Shiseido's Marketing

Since the inauguration of the current chief executive, Mr. Maeda, in April 2005, Shiseido's marketing strategy has undergone big changes. In that year the company began its three year operational reform plan, "Growth and Breakthrough." The beginning of these reforms has its origin in the plethora of brands created by Shiseido in the 1980s. From the perspective of consumers, it was difficult to distinguish between the many different brands encompassed within the company, the corporate brand was weak, and

the anatomy of the company was becoming of a high-cost character due to the proliferation of brands. As a result, Shiseido's marketing was in a negative spiral whereby each brand had lower and lower sales, which led to a dispersal of selling power, which led to stagnant sales, which led to a constricting of the marketing budget, which led to even lower sales, and so on. In response to this threat to the company, Maeda set out three visions. The first was "Rebirth as a 100% Customer-Oriented Company"; the second was "Brighten Our Brand, a Valuable Management Resource"; and the third was "Fill the Shiseido Organization with People with Their Own Appeal." These visions have exercised a large effect on Shiseido's marketing, and are linked to its megabrand strategy.

Shiseido's megabrand strategy, in the future Shiseido brand formulation set out by Maeda, is built on "earning huge support from customers and creating a brand with new value," and is based on the Widened Point-of-Contact Strategy. The Widened Point-of-Contact Strategy covers a wide brand family, not limited by the ordinary distribution channels of self-selection cosmetics, toiletries, and so on. The brands created within this strategy were TSUBAKI and MaQuillage. Right from the start, in steering the megabrand strategy course, Shiseido needed to select suitable brands from within its own brands. First, the 100 or more brands existing prior to 2005 were whittled down to 35, and then these were reduced to six brands through radical selection and assimilation, on the basis that the categories with the smallest number of brands would be the easiest in which to root a "main brand" consciousness. These brands were introduced above, but they included the make-up brands MaQuillage and INTEGRATE, the skincare brands ELIXIR SUPERIEUR and AQUALAVEL, the hair care brand TSUBAKI, and the men's brand UNO.

The top priority for each of these six brands is to be the number one brand in their category. The management resources (people, things, money) previously dispersed in the promotion and advertising areas became focused and invested in these six brands. The first wave in the megabrand strategy was MaQuillage. In its first year, MaQuillage had the greatest investment in advertising since Shiseido's inception at that time, at ¥4 billion, and in its first year after launch it aimed to have sales of ¥50 billion. The second wave, which followed, was the men's brand, UNO.

## **UNO**

UNO is Shiseido's main cosmetic brand for men. Like Mandom's GATSBY, it currently mostly targets young men in the teenage to 20s range. Hitting the streets in post-bubble 1992, when the environment was moving towards frugality and austerity, it offered simple functional products at that time, with non-fragrant and non-oily appeal; the brand name was taken from the Italian word for 1, "Uno." Its product packaging was based on simple monochrome designs, to fit the societal values of the time. In that era it targeted the so-called "new breed" of 33-42 year old consumer. In 1996 GERAID was launched, with hair wax as its main item, for the young men who were the stronghold of GATSBY and who were not targeted by UNO; until 2002 this maintained its place as the biggest men's cosmetics brand. Currently,



as the second wave in the megabrand strategy after MaQuillage, GERAID and UNO have merged together, creating a brand which retains its thirty-something user base while also targeting young men in the teenage to 20s range.

## Marketing Competition in Men's Hair Styling Market

5

### UNO's Megabrand Strategy: 2005

In August 2005, when GATSBY had the biggest market share in the hair wax market, there was a sudden new appearance, in five types of colorfully designed packages, with an unfamiliar phrase – “Fiber.” The kicker was the 52-person strong team of comedians appearing in its huge advertising campaign. On August 26th, 54 different TV commercials starring these comedians flooded Asahi TV (only available in the Kanto region) between 6pm and midnight, setting a new Guinness world record for the number of TV commercials for the same product in one night. UNO, the second wave of Shiseido's megabrand strategy, was making a serious play to dislodge GATSBY from its spot as the number one brand in the category, with the release of its “Fiber Wax Series.” With its piling on of commercial after commercial, its high occupation rate in shop floors, and its lively packaging designed to capture the attention of young people at all costs combined with its surprising transformation of these comedians into something genuinely ‘cool’, it was perfectly timed to capture the mood of the times and was a complete sensation. GATSBY, which had been the number one brand in the category, lost 10% of its market share almost overnight, and by the following month UNO had attained an increase in its market share of more than 10%, to 34%, far greater than GATSBY's 27%. It had become the biggest brand in the category.

10

15

20

25

### GATSBY's Response: 2006

However, although GATSBY may have been knocked off its perch, it could not be said that this reversal was due to any particular problem with the brand itself. Its hard, wild, impactful image was being properly communicated to consumers, and met their needs well; it had enjoyed a stable market share at the top of the category. But that was the problem. For GATSBY, which had not changed at all, the perspective of customers had changed with the passage of time. In short, a latent and large gap had been opening up between the brand and consumers. What was ‘cool’ had changed from the high-impact to the stylish and cute; it was not hardness or wildness that was being valued, but a sense and feel for style. In fact, not even the consumers themselves had noticed this – it had taken the release of UNO's Fiber Series to bring it to light.

30

35

At the time, there was a genuine feeling of danger within Mandom that its GATSBY brand would be destroyed and the company's operations would face serious difficulties. It began an exhaustive consultation with current consumers. Through this, it discovered that the GATSBY brand concept, which had been so strong, had changed into something weak. In addition, it understood that where the hair had been the absolute marker for men's stylishness, grooming was becoming more and more important, and within

40

men's style-consciousness and hygiene-consciousness, the hair was becoming relatively more integral. By identifying each gap between GATSBY and current consumers, it searched for the new concept the brand required. Within this, new core targets became identified. These were the following types of person:

5 **Person A, 19: Profile**

A is a 19 year-old student at University X. He commutes to university on a fold-up bike. He likes to be stylish, and he is known for having good fashion sense. He almost exclusively buys clothes from BEAMS and JOURNAL STANDARD. Of course, he wears boxer briefs, and on his wrist he wears a slightly eccentric watch. He likes to surround himself with simple, well-designed items. His friends are very fond of him, and likewise his friends – both men and women – are very important to him. He likes hanging out with his friends doing whatever is in vogue at the time.

15 **Person B, 18: Profile**

B, 18, is a freshman at University Y as of this spring. When he was at high school, he and all his friends had short, spiky hair. By having the same hair style as everybody else, he could just about keep up with the trend. However, on becoming a university student he wanted to have a defiant, individualistic hair style befitting a student, and he decided he would change his personal image. He just didn't know which hair style would suit him the most. The asymmetrical look; the wolf style, short on top and long at the front and back; the techno-cut with shaved sides; B investigated a lot of different styles. However, at the time a TV soap opera about a group of university students was extremely popular, and amongst students the hair style exhibited by the actor playing the hero in this show – a casual, unproduced look – was the height of fashion. So finally B, who had graduated with short hair, took his first step towards being a university student by changing his hair style to this casual, unproduced look.

A few months after GATSBY began consulting current consumers, in August 2006, a new commercial began playing in the ad breaks, showing SMAP's Takuya KIMURA twirling his hair in his fingertips and dancing against a completely white background. It was followed with a very simply teaser appearing on the screen: the line "GATSBY Moving Rubber...coming soon." Then on August 23, GATSBY launched "Moving Rubber," its new polymer-based hair wax. The concept behind this new Moving Rubber-focused GATSBY brand was "Fun to Groom." The new hair wax was housed in six colored, lively, and nice-to-touch packages, each with a different use. Nobody had ever seen or felt a hair wax like it.

After the release of Moving Rubber, UNO's market share declined by over 10%, and GATSBY took a share of over 60%. In the following month, with a market share of over 55%, it was overwhelmingly the top brand in the category. UNO, which had once against lost the top spot, shot a tie-in commercial with the film *Kisarazu Cat's Eye World Series* in the second half of 2006, and in the first half of 2007 shot a second wave of advertisements with martial arts fighters and comedians following its previous 52-comedian TV commercials; and, from May 2007, through a tie-in with Kodansha's *Miss Magazine*,

began marketing communication for a new deodorant spray with a big television commercial campaign designed to appeal to men. It tried other major tie-in campaigns, and major product endorsements, such as a story-based series of commercials starring the actor Orlando Bloom. But nevertheless, GATSBY was not knocked from its spot as the biggest brand in the category. In June 2009 UNO's market share was 28.7%, as opposed to GATSBY's 57.7%.

5

### **UNO's Response: 2009**

The market was rocked again two months later, in August 2009. A commercial showing a group of flamboyant actors – Satoshi Tsumabuki, Shun Oguri, Eita, and Haruma Miura, all hugely popular with the young people of the day – walking rakishly around London began showing in the ad breaks. The four of them used only the word “Shh.” Then, at the end of the ad, the words “Sayonara WAX (Good-bye WAX)” appeared. UNO, which had been humbled by playing second fiddle in the category since Moving Rubber's launch in August 2006, had launched FOGBAR, a new mist-based hair-styling product, which was designed to create an entirely new trend. It may have constituted an admission of defeat as far as the hair wax market went, but Shiseido, through the vast management resources under its megabrand strategy, committed around ¥1.5 billion in advertising expenditure and tried once again to flood the ad breaks with FOGBAR TV commercials. FOGBAR attained its original sales target of 2.4 million bars in the first month, and by the second month after launch had sold 3.4 million bars; it had sales of around ¥2 billion. With the launch in December of that year of refill packs, in no time at all the men's hair styling market had become FOGBAR colored.

10

15

20

25

### **GATSBY's Response: 2010**

GATSBY did not withdraw from its position that hair wax was the number one format for the hair styling market. Even if a certain portion of market share was lost to FOGBAR, Moving Rubber would still be the main centerpiece of GATSBY's 7th generation. In response to FOGBAR itself, in February 2010 it launched its “Quick Moving Mist.”

30

### **The Future**

After that, in August 2010 UNO introduced the Barikata (Extremely Solid) Series under the FOGBAR brand, which lets the hair be made to stick up as with the mist while also allowing it to create more extreme shapes. Ten days later GATSBY released WATER WAX, which very quickly blends in and allows the hair to be shaped and set in place. After a while, it seems that the men's hair styling market had returned to a calmer state of play, but in the current climate one never knows when to expect another movement in the rivalry. Within this situation Mandom's marketing team continued to examine its target segment from all perspectives, and ruminate over the marketing strategy it will employ next.

35

40

## References

Mandom: 2010 Company Profile.

Mandom: 2010 Annual Report.

5 Mandom: GATSBY's 30th Anniversary Brand History.

Mandom: Men's Hair Styling Products – Forecasting Trends in Product Formats.

Mandom: GATSBY – Strengthening the Color Series – Product Plan.

Mandom: Overseas Businesses and Ingredients for Success.

10 GATSBY homepage (<http://www.gatsby.jp/index.html>).

Chiharu HIRABAYASHI (2004), *Only One Marketing on the 365th Innovative DNA Management of Mandom*. (Diamond).

UNO homepage (<http://www.shiseido.co.jp/uno/>).

15 Yoko KAWASHIMA (2007), *The Shiseido Brand*. (Aspect).

20

25

30

35

40



sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

---

**Unauthorized  
Reproduction Prohibited.**

---

Keio Business School

---