



Persil found its Blue Ocean in the gel segment. In a daring marketing move that defined the next generation of laundry detergent, the brand changed the laundry product category in Israel as well as consumers laundry habits

Over 100 years ago, in 1907, Fritz Henkel developed the world's first active laundry detergent, Persil. In those years, the market offered laundry bleaching agents but the clothes were largely cleaned on by constant rubbing and squeezing, a process that was time-and effort-consuming. The new product invented by Henkel offered a genuine innovation: it contained material that dissolved stains and eliminated the need to wring and scrub. As such, it is not surprising that Persil became one of Henkel company's flagship brands.

Over the years, Henkel continued to launch innovating products under the brand, essentially spearheading the technological developments of the laundry detergent market.

In Israel, the Persil brand was imported by independent importer since the 1960s but since 1996, responsibility for marketing the brand transferred to Henkel, which entered the country by acquiring the Soad department of the Shemen company.

The Competitive Environment

The laundry products market in Israel is characterized by fierce competition and a wide range of brands. Retailers frequently use laundry detergent as a Loss Leader to attract consumers into the branches, resulting in an erosion of prices and increased competition.

Until 2008, the laundry detergent market broke down to 96% laundry powder and 4% laundry gel. The laundry powder segment was led by one dominant brand and Persil held a relatively low share of the market, and was ranked in 7th position in the category in terms of sales. Most of its sales were attributed to laundry powder and only a minor portion to gel.

The laundry powder market was characterized by stagnation in terms of growth percentage and in terms of the innovation it offered.

The Marketing Challenge

In 2008, Henkel Soad was looking for the Blue Ocean for Persil. The company wanted to create a breakthrough move that would change the market and would constitute, for Persil, a future growth engine that would help the brand increase its market share.

The Creative Solutions

Henkel Soad identified the gel segment as a future growth engine for the Persil brand and its 'Blue Ocean'. In 2008, the gel segment held only 4% of the laundry powder market in Israel vs. Europe and the United States, where the gel segment at that time held over 50% of the laundry product category.

This significant gap was identified for the brand as a genuine opportunity for growth, particularly because for Persil, there was a real competitive advantage in

gel. Henkel Soad decided to implement an integrated marketing move designed to educate the market to use gel instead of laundry powder, and to change consumer behavior so that they begin to use gel instead of traditional powder.

The marketing strategy that Henkel Soad decided to adopt involved marketing focus and spending most of Persil's marketing budget on reinforcing the gel segment while directly discriminating against laundry powder and presenting the advantages of gel over the powder form. It should be remembered, however, that this is not a trivial move for the brand that until then had generated most of its sales in the category from laundry powder marketed under the Persil brand name.

Once Henkel's regional and global management were convinced to allow the company in Israel to implement this breakthrough strategic move, Henkel Soad launched activities that were primarily designed to position the gel as the "next generation" in laundry products, and to capture ownership of the gel segment while assuming, correctly in retrospect, that the brand that would spearhead this move would be the primary beneficiary from segment growth, and that the growth in sales in the gel segment would compensate for the projected drop in sale of laundry powder.

The selected positioning to spearhead this move was "The Next Generation of Laundry Powder is actually a Gel", and marketing support was implemented primarily



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through tvc's.

Unlike common tvc's for laundry powders, that had principally presented a scientific language, showing how detergents penetrate the cloth's fiber and make the stain disappear, Persil tvc's focused on presenting the advantages of the gel over powder in a humorous manner, eye-level, while avoiding technological demonstrations and use of complicated scientific terms which appears identical with all other brands and that do not create differentiation. In this manner, the advantages of the gel over the powder were emphasized: completely soluble, cleans better, more convenient and does not leave powder residue on the clothes or in the laundry room.

Henkel Soad supported the tvc's with a massive distribution of samples and through such activities as "Trade in your old powder for Persil gel". As part of the campaign, every consumer who agreed to give up his laundry powder would receive a gift package of Persil gel. The brand also cooperated with washing machine manufacturer Siemens, as part of its global collaboration between Henkel and Bosch Siemens. For example, a campaign was launched in which every consumer who purchased a Siemens new generation washing machine, which automatically dosages gel, received a one-year supply of Persil gel.

Persil Perfect Caps

As part of the overall move to transition consumers to laundry gel, in recent years various formats of the gel were launched that are adapted to infants' clothes, people with sensitive skin and black and dark clothes. In September 2012, Persil launched a new segment in the laundry market in Israel – gel capsules for washing

machines known as Persil Perfect Caps, which contain gel with active ingredient at a high concentration and packed in soluble capsules.

Perfect Caps is based on unique Henkel technology of water-soluble capsules which dissolves inside the laundry machine drum, during the washing even at low temperatures. The capsules contain higher concentration gel that is powerfully released directly into the dirty laundry, an action that guarantees clean clothes and highly convenient way to do the laundry.

Results of the Move

After 2008 in which the gel segment comprised only 4% of the laundry product market, in 2012 the segment had grown to 23% of the laundry product market in Israel, in terms of consumer price value and Persil is the leading brand in the segment, with over 40% market share.

In a general perspective of the laundry product market,

Things You Didn't Know About Persil

- In 1907, Fritz Henkel develops the first Self-Acting Detergent in the world and names it Persil.
- The Persil brand name is the initials for the two active ingredients included in the first product's formula PERborate + SILicate.
- Persil launches laundry powder that also includes a softener.
- In 2008, Persil Gel won the International Innovation Award of Product of the Year.

Persil, which had in 2008 held an 11% market share and was ranked 7th in the category in terms of sales, currently holds as of the end of 2011 over 17% of the market, and is ranked second in the category in terms of value.



1907
Fritz Henkel develops Persil Laundry Powder.

1960s
The brand is first launched in Israel.

1970
Brand launches laundry powder for temperatures lower than 40°.

1986
Persil is the first detergent brand to launch a phosphate-free detergent to protect life and eco-systems in rivers, lakes and seas.

1987
Persil launches laundry gel in Germany.

1996
Henkel enters Israel through the acquisition of Soad.

2008
Persil starts changing laundry product category in Israel.

2012
Persil launches Persil Perfect Caps.