



ABOUT BEIERSDORF

Beiersdorf AG is a listed German consumer-goods company based in Hamburg with operations all over the world. The company was founded in 1882. Since then it has established many well-known brands in the area of skin care and cosmetics. Among the best known are Nivea, Tesa, Labello, La Prairie, Eucerin and Hansaplast.

More than 150 subsidiaries worldwide represent Beiersdorf today. The Nivea brand is sold in over 200 countries. Now, approximately 100 years after its establishment, it is one of the largest skin care brands in the world. With 58 locations, Europe is Beiersdorf's principal market. At the same time, Beiersdorf is strengthening its presence in global growth markets – primarily Brazil, China and Russia. With new regional development centers, for example, in Wuhan, China, or in Mexico, Beiersdorf is taking steps to meet consumer needs in these important markets of the future.

The Beiersdorf Group generated sales of almost €6.7 billion in 2015 with just over 17,000 employees worldwide.

ABOUT MARTIN WULLE

Martin Wulle has been the Corporate Vice President Global Business Unit Digital & E-Commerce at Beiersdorf since 2013. The expert for digital transformation in fast-moving consumer goods (FMCG) companies studied marketing at the Hamburg School of Business Administration (HSBA).

Martin Wulle held various positions in marketing and sales at Beiersdorf in Hamburg before taking on management positions abroad for Beiersdorf in the USA and Eastern Europe. For example, as Beiersdorf General Manager Mr. Wulle established the business in Ukraine. After two stints in corporate marketing as the Corporate Marketing Director for the brand categories NIVEA Bath Care and NIVEA Deo, he assumed the newly created position of Vice President Digital & E-Commerce in 2013.

THE INTERVIEWERS

Prof. Werner Reinartz and Christine Kittinger-Rosanelli conducted the interview in November 2016.

Nivea and More: Digital Value Added Instead of Buzzword Bingo

*GfK MIR Interview with Martin Wulle,
Corporate Vice President Global Business Unit Digital & E-Commerce
at Beiersdorf*



“In our increasingly digital world, more than ever before, brands must be open to a dialogue with their consumers,” Martin Wulle states in our interview. But in the journey into a digital age, brand promise may not fall by the wayside. The digital transformation is bringing many changes for Beiersdorf. Nevertheless, nothing must disturb the core of the many successful brands, particularly the flagship Nivea. It is very important to Beiersdorf that brand values are accurately translated into a digital format and not simply replaced by digital hyperactivity.

MIR: Beiersdorf is one of the leading companies in the area of skin care. At first glance, the company seems to be more concerned with beauty and a sense of well-being than technology or digitalization. Overall, how much does the topic of digital transformation have to do with you?

MARTIN WULLE: The digital transformation is part of everyday-life at Beiersdorf and a fundamental element of our corporate strategy. Naturally, marketing and sales are affected most of all but so too are areas like the entire supply chain and human resources. We have developed a road map for digitalization within the context of our “Blue Agenda” corporate strategy and set clear targets through 2020.

MIR: Tradition-rich companies of a certain size are not really regarded as the most receptive to change. With its 130-year history and more than 17,000 employees worldwide, how does Beiersdorf deal with the digital age?

MARTIN WULLE: We engage here at several levels in order to involve as many employees as possible. First of all, we want to increase the digital IQ of our employees through very specific educational programs, such as e-learning and our own digital campus. At the same time, we bring external expertise into the company through digital specialists. We have already been successful with employees collaborating in an agile environment in what we call our digital factory.

MIR: Could you describe your digital factory in a bit more detail?

MARTIN WULLE: The digital factory has its own location, physically separated from Beiersdorf. We have a wide range of professionals clustered there for developing digital projects, such as user experience (UX) designers, developers, agencies and marketers. The space looks entirely different from the traditional company, and its mode of operation is completely new. For example, there are no longer any fixed workstations. You see the most important project key figures on enormous live dashboards in real time as well as our paid, owned and earned activities, such as our website analytics and our social media activities, made visible through real-time monitoring. There is a relatively good mix of openness, creativity and traditional brand product thinking.

MIR: Are they all your own people or independent contractors?

MARTIN WULLE: Both. There are Beiersdorf employees assigned to work there. But some are there, for example, only two days per week for special projects. On the other hand, there are also many external parties, such as digital agencies, with which we cooperate openly and flexibly in an agile environment. In any case, the teams are all very interdisciplinary.

MIR: And how do you introduce the projects, themes and applications back into Beiersdorf?

MARTIN WULLE: We imagine it like a bonfire. I pile up all the wood in one place so the fire catches properly. Once the individual pieces of wood are burning well, I can distribute the embers and ignite a fire in the company itself. If in a few years all Beiersdorf has adapted to the digital world, then the outsourced areas can possibly be dissolved.

MIR: And does the digital campus ensure that the embers in the company are not immediately extinguished and that the remaining employees adopt the new topics?

MARTIN WULLE: Yes, we really do address all employees and offer both basic information and specific technical advanced expertise for individual areas. We launched the digital campus in 2013, and this year we are expanding the offering significantly again.

MIR: During recruitment do you attach particular importance to digital skills?

MARTIN WULLE: Naturally, we also search for people with specific expertise, e.g. in e-commerce, UX design or search engine optimization (SEO) – and content experts from media companies. For university graduates we have established our own digital trainee program, and our cross-company trainee program in cooperation with Tchibo has some digital focus areas, for example, on e-commerce. But all these experts are of little use if they do not interact with existing employees. Therefore, we strive to help virtually everyone adapt to the topic.

MIR: Expertise is one thing, but the digital world moves much more quickly. How do you incorporate a fast pace and dynamism into internal and external processes at Beiersdorf?

MARTIN WULLE: This is indeed very difficult for a large company, but we are trying to accomplish this by forming small, agile project teams that can operate and make decisions as independently as possible. You cannot expedite things with existing processes. We scrutinize such processes, suspend them and create a deliberate vacuum that creates space for entrepreneurship. Yet at a company that has been extraordinarily successful for decades the willingness to change cannot be taken for granted. We have to be creative and really fight for it at times.

MIR: Digitalization requires mastering new technologies. Does traditional marketing thinking fall by the wayside and become obsolete?

MARTIN WULLE: No. Brands are and will remain an essential anchor given today's flood of information. I simply must know what my brand stands for, how it is positioned and what its benefits and promises are. Only a brand that delivers reliable, constant quality can stay relevant. These things are often brushed aside by too much technology. Everyone hires influencers or produces some kind of content in order to latch onto digital buzzwords. This often creates things that do not bear any relationship to the brand or have any relevance to the consumer.

MIR: Christof Baron, the long-term Chairman of the GroupM agency Mindshare, recently described the many disappointments in digital marketing with the notion of “digital drunkenness.” Are the opportunities posed by digital transformation being overestimated?

MARTIN WULLE: The fact is that media consumption has already undergone massive changes, and social media are a part of everyday life. I do not regard the fact that companies adjust their communication strategy as “digital drunkenness,” but simply as a necessity. But if digital transformation mutates into pure “buzzword bingo,” as is celebrated particularly at events and conferences, disappointments are unavoidable. The unreflected copying of actions without deeper market analysis does not produce anything good. Many providers are making a lot of money from naive customers in this way.

MIR: Of course, Nivea is the undisputed star in your brand portfolio. Using Nivea as an example, could you explain how you ensure the alignment of digital transformation with the brand and with customer needs?

MARTIN WULLE: Nivea has been nominated a “most-trusted brand” in Europe for years, and, of course, this should last. Therefore, we have converted our branding strategy into a digital strategy, taking into account today’s typical customer journey. We are trying to understand which touchpoints play what role. For example, when it comes to information processes, we are analyzing the role of online reviews and the relevance of blogs, of search or of individual social media platforms.

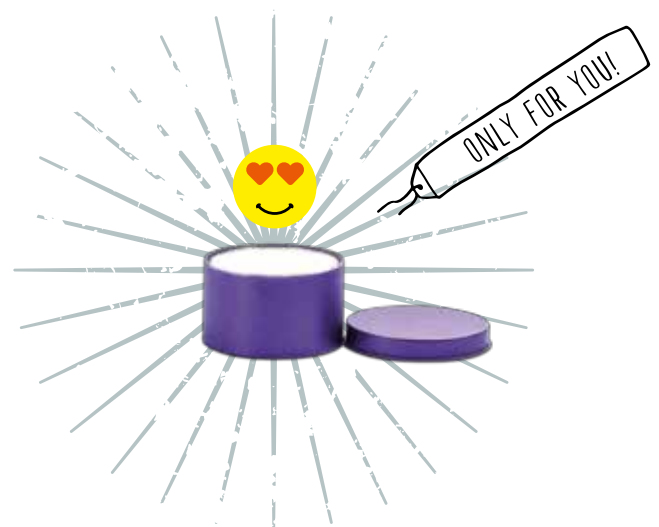
MIR: How do these analyses influence the way clients are approached?

MARTIN WULLE: We are investing much more in Facebook and YouTube, but at the same time we have completely relaunched our website in Europe, for example. We have combined and integrated relevant content and commerce and are trying to develop customer loyalty programs to be closer to the customer. But we are still learning to estimate better how much we should be investing in individual touchpoints.

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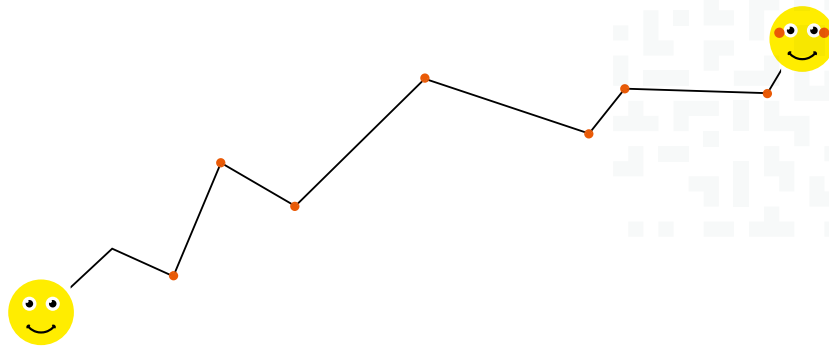
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MIR: Earlier you briefly addressed the topic of influencers. What role do such opinion makers play in social media for Nivea?

MARTIN WULLE: We cooperate in a variety of ways with various influencers across different individual countries. Here we are also trying out different models of cooperation. In any case the most important thing for us is to select influencers who match the brand. This has priority over reach.

MIR: And what about your other brands: Are you developing different digital touchpoints that suit their specific brand identity?

MARTIN WULLE: Our brands are all positioned very differently. For example, Eucerin is sold only in pharmacies, where consulting with a professional is naturally very important. We also embrace this in the digital world. We have launched a video skin consultant on our website, for example. In addition, there is a new app, the Atopi Coach that helps customers with neurodermatitis keep a diary of their respective symptoms in order to improve possible treatments. ... Just to cite a few of the more innovative things we are doing here.

MIR: In conclusion, I would like to return to the topic of e-commerce. Beiersdorf is a traditional producer rather than a retailer. Should that change in the future? Are you placing increased emphasis on your own online sales?

MARTIN WULLE: No. Although we conduct our own online sales for Nivea in Germany and Austria, our retail partners remain extremely important to us. Many of our retail partners are working on their own e-commerce solutions and are becoming multichannel providers. In the process, we provide support to them in the categories relevant to us. We are also working with pure online retailers and actively search for new online marketplaces. For example, China and South Korea are at the forefront of e-commerce development. The universal availability of Nivea is an integral part of its brand. We view our own sales primarily as an opportunity to learn directly from customers and to experience first hand what has appeal and is being used.

MIR: Many thanks for taking us along on this journey into the digital world of Beiersdorf. We wish you excellent continued success in the construction of your digital ecosystem for Nivea and all other brands.

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