

PRODUCTS

SCA: tuning up the consumer tissue brands

Aiming to build truly Pan-European brands, SCA is streamlining its European consumer tissue brand portfolio based on two distinct end uses, Personal Hygiene (PH) and Object Hygiene (OH). And the major focus for the future will be on two main consumer brands: 'Plenty' for household towel and 'Tempo' for toilet, hankies and facial tissue.

Perini Journal

As everyone in the tissue sector knows, SCA is very big, ranking number 1 in Europe and number 3 worldwide in terms of tonnage, and having leading market positions in many countries. In the away-from-home segment, its TORK brand is a truly global brand, being the market leader in many regions. However, consumer tissue in Europe is a different story, with SCA's consumer tissue brands making up, until recently, only about 40% of its European tissue sales and the remainder being retailer brands.

Aiming to strengthen its position on the consumer tissue side and build more brand and market leadership in Europe, SCA has been working creatively over the past year or so to streamline its consumer tissue brand portfolio.

A driving force, though certainly not the only reason for doing so, was the acquisition in late 2007 of Procter & Gamble's tissue business in Europe, which included the outright purchase of the strong Tempo hankie and facial brand, as well as rights to use the famous Bounty household towel and Charmin toilet paper brand names for a limited, but never publicly specified, time period.

FRAGMENTED ASSORTMENT NEEDED STREAMLINING. Through numerous earlier acquisitions which had been made over several decades, SCA in Europe had a rather large number of consumer tissue brands in its possession. For various reasons, there were national brands and regional brands and the whole situation was a bit complicated, to say the least, even before the Tempo, Bounty and Charmin brands were dropped into the soup.

Aiming to streamline things, explains Lesley Cordial, SCA's Vice President for the Consumer Tissue Category in their Global Hygiene Business, the company in 2007 undertook a total review of its consumer tissue portfolio and positioning. "We took a very detailed look at our businesses and the consumers we are serving, as well as the end-user requirements of the tissue products. We saw an opportunity to position toilet paper, household towel and facial tissue in a unique new way. Just because these three are based on tissue paper doesn't mean they are really all that close when it comes to end uses and properties. Toilet and facial are quite similar in what the consumers are looking for in product quality and the characteristics they seek, but household towels are really on their own."

"Our analysis led us to an entirely new way of thinking. We decided to break consumer tissue into two categories: Personal Hygiene (PH), meaning toilet and facial, and Object Hygiene (OH), for cleaning and polishing of objects. Personal Hygiene products make skin contact, where consumers are looking for a soft, caring feel. For Object Hygiene, however, there is a more 'rough, tough' aspect that consumers want for cleaning up. Based on these PH and OH designations, we started looking at our products in a new way, which has allowed us to streamline our brand portfolio structure in a manner better suited to consumer needs."

'BOUNTY' MIGRATES TO 'PLENTY' IN EUROPE. Looking back to that point in late 2007, SCA Consumer Tissue in Europe had a fragmented brand portfolio that included Zewa and Edet in regional variations covering the three main products, toilet tissue, facial tissue and household towel, as well as the monobrands (meaning only in one category) Velvet, Tempo, Bounty and Charmin. There were also a number of other smaller brands in various markets. With the awareness that the Bounty and Charmin names would have to be phased out of Europe at some time, it was decided to migrate Bounty over a phased transition to a new brand, Plenty. This was primarily aimed at the UK market.

So beginning in late 2008 SCA started a phased transition, working very closely with Procter & Gamble, which still

has incredible brand equity in the Bounty name in North America and other markets. “Especially with regards to the logo transition,” says Cordial, “we needed to have a very close cooperation and communication with P&G to make sure we were both comfortable with the brand migration process.” When you think about it, as you can be sure SCA did, the words ‘bounty’ and ‘plenty’ are quite closely related. While perhaps not being direct synonyms, they are not far from each other. Bounty can be thought of as an abundance of something or a great amount or supply, which leads very closely to Plenty. Also, in addition to having very similar meanings, they are each 6-letter, 2-syllable words ending in -nty, so the choice of Plenty can be seen as a very smart and logical one.

TEMPO GETS A HEAD START. As the owner of the Tempo brand SCA looked at ways to integrate it into its portfolio and, at the same time, leverage the most value out of its strong brand equity. Tempo has had very strong brand awareness as the leading hankie and facial tissue in central Europe for many decades, and SCA reasoned that it made good sense to carry out an extension of the Tempo brand to the toilet tissue line as well.

“On the Personal Hygiene side we had a complex portfolio that included strong regional brands such as Zewa in Central and East Europe as bath tissue, Velvet in the UK and Ireland as bath tissue, and Edet in the Nordic and Benelux regions as bath and facial tissue. After much analysis, and following our objective to consolidate the platform in a time-efficient and cost-effective way, we believe that Tempo is the name we can see growing into a real pan-European brand, both by market and by product group.”

An interesting insight that SCA uncovered when it started doing consumer focus groups on the possibility of launching Tempo as a toilet tissue, was that a majority of consumers already perceived it to be in the toilet tissue category, even though it was only a hankie and facial product before that. So this, clearly, was a very strong position from which to initiate the brand extension and led to a campaign that played on this impression that it already was a toilet tissue product. The key promotional campaign was run on a jingle that said ‘Finally... Tempo IS a toilet tissue.’

CHARMIN MIGRATED TO TEMPO IN GERMAN SPEAKING COUNTRIES. As part of the launch of Tempo toilet paper, in the German speaking or DACH (for Germany D, Austria A and Switzerland CH) markets Charmin toilet paper is being replaced by Tempo, and is showing solid progress in the market. The switch is still in progress, especially in Switzerland. It should be added that the market share of branded toilet paper in the DACH countries is very small, since PL is so large, so it wasn’t a giant volume that was at stake. Nonetheless, SCA is planning to keep two toipa brands in the DACH countries, Tempo and Zewa.

“I think it is fair to say,” explains Cordial, “that the Plenty and Tempo brands are our key pan-European brands for the future, although we will continue to have other important brands like Zewa, Velvet, Edet and others locally within the consumer tissue portfolio. These are heritage brands that are still very valuable to us and trusted by consumers. They have a history and profitability that we are not comfortable to part with at the present time.”

PLENTRY OF SUCCESS IN UK. In the UK, the migration from Bounty to Plenty has been outstanding says Cordial, with no loss of volume at all. In fact, she continues, “Plenty is at the highest share we have ever had in the UK. Of course, we were a little nervous when undertaking such a migration and we had actually looked at a worst case scenario involving a quite significant volume loss. However, everything went smoothly and our results for 2009 are very good.”

“Now we have a clear vision of where we want to go in the Personal Hygiene and Object Hygiene sectors, and how we will get there using our nicely developing brands Plenty and Tempo.” Depending on the continued success of Plenty, this complex brand migration case history could be one for business and marketing students to analyze in the future. And if all goes according to plan, the Tempo brand migration and extension could be one for the books as well. •