

Marketing Strategy for Durex Case Study

Yi Hu

Comexposium (Shanghai) Co., Ltd., Shanghai 200082, China.

Abstract: The objective of this paper is to introduce you to the concepts, analyses, and activities that comprise marketing management and to provide practice in assessing and solving marketing problems. The paper is designed to further develop critical thinking skills. Ultimately, it helps to develop improved decision-making skills, including the ability to analyze problems, evaluate alternatives, and make better decisions. If it is successful, you will feel more prepared to approach new situations, make decisions, and develop strategies based on careful analysis. The skills should extend beyond marketing and apply to all areas of business. In addition, this paper incorporates aspects of social responsibility and the relevance for marketing decision making. Social marketing, the use of marketing concepts to influence individuals' behavior to improve their well-being and that of society, is gaining increasing importance due to the shift from transaction based to relationship based marketing.

Keywords: Marketing Concepts; Marketing Research; Segmentation and Positioning; Consumer/Business Buying Behavior; Marketing Mix Variables

1. Introduction

Durex is a global brand has been used by several products, but it is mostly known for being the world's biggest selling condom brand with a global market share of approximately 30%. It sells over 1 billion units per year, produced by 17 facilities around the world.

Durex has been producing condoms since 1929, ever since then it has become the undisputed market leader, partly due to its long series of series of innovations. For instance, in 1957, it invented the world's first lubricated condom.

Its name is designed to three "guiding principles"- "Durability, Reliability and Excellence", which has been Durex's global strategy tie to different markets, it also distinguishes the global brand and its products ever since. As such, it has become a brand intrinsically associated with safe sex. In the 1980s, its products became more widely available as the growing threat of AIDS lead to more open public debate about sex. The Durex brand was made available in supermarkets, convenient stores, bars as well as pharmaceutical chains.

By becoming a sex health ambassador, in terms of both its products and its research, Durex has become intrinsically associated with the issue of safe sex in people's minds and therefore remains a long way ahead of the global market.

The brand has successfully transformed itself from a condom manufacturer into a leading sex authority. Besides condoms the brand also sells related lines such as lubes and vibrators and is always looking for ways to broaden its related products range. Durex has seen a shift in brand positioning over the last few years. From their roots in barrier protection, Durex is moving towards products which allow people to fulfill their individual needs and desires.

Sitting in a boardroom and discussing orgasms, gel and clitoral stimulation intensity is a novel way to plan a brand strategy to say the least! Durex has used the industry in which it operated, as a springboard to innovate and sensationalize it product line and brand strategy. They were the first company to advertise a sex toy on UK terrestrial television. They have broken down archaic barriers and made the word "orgasm" not just socially acceptable but also a readily available phenomenon. Durex seeks not only to promote the use of its product line as having the ability to prevent disease and child birth, but it also seeks to use its brand as having the ability to enhance sex.

1.1 Customers

The end-user. Men and women seeking to have protected sex.

Men and women seeking to have enhanced sex.

Retail distributors such as supermarkets, convenience stores, gas stations, kiosks and vending machine operators and street vendors.

Medical channels such as pharmacies, hospitals and doctor's offices.

Charitable and public policy related organizations such as AIDS relief, UNICEF, NGO's and national governments.

Some of Durex's strongest customers have been its loyal suppliers. Grocery stores and pharmacies have given Durex some of its prime shelf space ahead of any of its competitors. Almost as Coca-Cola has done in the beverage sector, when it comes to condoms, many retailers (depending on the market) have Durex as part of its product portfolio. This provides the end-customer with the Durex brand first and foremost before all other brands.

Durex has always had a strong presence in the family planning market space. It has also generated considerable corporate goodwill by donating advertising and providing money and products to AIDS prevention and population control programs mostly in underprivileged countries. Its consumers in this arena have traditionally been government sponsored agencies.

Moreover, as globalization hits emerging markets, Durex plans to continue to target an expanding group of people who, due to traditional values and/or religious beliefs, would not have otherwise used their products. Many markets like the Middle East, South and Southeast Asia have liberalized their cultural value set in the proverbial 'blink of an eye'.

1.2 Context

Condoms are fast moving consumer goods. The product is sold world-wide but each market has different characteristics. Durex customizes its marketing strategy region by region, dealing with various multi-domestic strategies simultaneously. The company therefore has both a global pin-point multi-domestic strategies.

Durex has spent considerable amounts of R&D moneys in developing novel condom products in the past. However, now the company's considerable R&D moneys are focused mainly on innovative product development. Finding the technology necessary to proliferate its product line to span the entire sex landscape required an R&D investment in 2010 of £125 million. Durex has chosen this product expansion plan in order to support its goal of being more than just protected sex, or even enhanced feeling condom. Rather, these products serve to further the company's intended goal of being a sex enhancement company. For instance, earlier this year, Durex announced that they are ready to produce a condom that has erection-enhancement power (CSD500) and it's expected to reach the market soon.

Durex continues to expand its brand image to inspire feelings that its products can enhance sex and stimulate it, not only protect its consequences. However, the company must always remember that its efforts to penetrate many conservative emerging markets must be very different than those used in traditional markets. Durex's ability to strike this balance will be critical to its ability to hold its position as the world's market leader in sex related products.

1.3 Competition

Major branded condom manufacturers. Lifestyles, Crown, Trojan.

White brand condoms

Birth control pills. (including 'day-after' pills and various forms of prescription pills)

Female condoms.

Diaphragm manufacturers

Spermicide manufacturers

Manufacturers of sex toys

Massage oils and lubricant manufacturers such as KY Jelly.

Although Durex is the world market leader in condoms, there are a number of regions in which the company is not the major player. Trojan's market share in the United States has exceeded 70% while Crown condoms have more than 60% market share in Japan.

Durex is well aware of the fierce competition in the condoms market, and has stated that risk in their annual report as

“The group also encounters challenges to its leadership positions in markets, the defense against which requires significant marketing expenditure and promotional activity.”^[1]

To compete in these markets, Durex has introduced varieties in condom shapes, flavors and colors. It has also introduced a new line of products such as lubricants and sex toys to boost its sales and increase share in otherwise mature markets.

1.4 Brand Positioning

Durex has always attempted to provide safe reliable contraception to its end consumer. Durex is placing its brand across the entire sex landscape. The company seeks to enhance the experience of having sex as well as creating a lifestyle and a feeling of sex as fun, safe, enjoyable and exciting. It must do this without hurting its central brand theme or its effort to enter emerging and sexually conservative markets.

“We all would like to be like Coca-Cola but condoms are a very personal purchase. They are about protection, trust and emotional values, and those qualities need to be translated for different markets. For example, as a contraceptive condoms are about preventing pregnancy, or disease protection. Experienced users might want something more sophisticated. Young males, on the other hand, want protection^[2].”

Durex not only made significant efforts to come up with a new brand position for its global brand, but also re-elaborate the sub-brand slogan for Durex Play in “Come to the Pleasure Zone”. The company insists on the image of sex associated with fun and transmit a sense of curiosity and excitement to its clients.

2. Brand Benefits

Brand benefits may be seen in two different ways such as rational and emotional. The first ones refer to the tangible part of the product while the second ones on the intangibles aspects.

As represented above, we identified as one of the brand tangible benefits the wide variety of condoms the company offer to its customers. The client often associates Durex as a reliable supplier of sex tools, ready to satisfy almost every need in a person sex life. Moreover, the product variety for Durex is combined with the fancy packaging of the products; colorful, in the limelight and trendy.

With regards to the intangible aspects of the brand, Durex is a representation of several sensations such as passion and fun combined with an exciting erotic experience. When we do take into consideration the above brand benefits, the resulting Durex slogan “Life Sex Durex” demonstrates significant coherence with the brand values.

2.1 SWOT Analysis

2.1.1 Strengths

Brand Awareness and Respect- Durex is one of the most famous brands name in the world with a long history and tradition that dates back to 1915. Safety and prevention are foremost in everyone’s minds, and condoms play a crucial role in this case. Awareness about the importance of using condoms is created by adults who speak from experience, as well as via advertising by the different manufacturers of condoms. Gradually, the youth have become more aware and understand that the choice of condoms is important.

Innovation- In terms of product features and quality. Durex has high product quality with various styles and flavors. Distribution Channels- Pervasive in stores, Durex products are available in wide variety of places, such as supermarkets, 24 hours convenient stores, vending machines, pharmacies, department stores, etc. In touch with consumers-Durex have more confidence from consumers than other competitors. They have much more up to date in technology than other competitors.

2.1.2 Weakness

Durex puts huge efforts on promotion of sexual health, which may benefit competitors as well.

Durex price is more expensive than other local competitors depends on different target markets, especially in emerging markets.

Durex products are often purchased in high stress immediate situations.

Does not have much attention from emerging markets.

2.1.3 Opportunities

People are becoming more educated worldwide in the need to protect themselves which represents an increased number of consumers. Using condoms to avoid sexually transmitted disease and control birth is more increasingly accepted.

In countries such as Vietnam, China, India, they are young population countries, thus product demand is high in such emerging markets.

Society is becoming more accepting of sexual promiscuity.

Rapidly advancing technology makes manufacturing much more efficient, less costly, more effort can be placed on distribution.

Local emerging markets' government has many promotion campaigns of using condom in order to protect people's health and control birth.

2.1.4 Threats

Threats from other competitors with lower price, for instance China's condom.

Limited brand loyalty.

Local government restrictions on advertising.

Fake condom will affect bad to Durex's product, especially in China, Southeast Asia.

2.2 The Marketing Mix

2.2.1 Products

Durex is the world's best-selling brand of condoms, and with a large variety of condoms, lubricants, vibrating rings, and other types of sex toys, they are widely used. The standard Durex condom is the Durex Natural feeling condom, which comes with water-based lubricant inside and a reservoir tip to help provide a natural feeling during sex. An alternative to this classic is the Durex Enhanced Pleasure, which has a special contoured shape that creates both more sensitivity and a better fit to help enhance the experience.

Durex offers an intangible product, the consumer benefits of enhancing sexual performance. The company's products seek to enhance the emotions and sensations associated with sex. Consumer's satisfaction of having precious moments in lovemaking is another aspect of the "Durex" experience.

2.2.1.1 Product quality

An important element of the success of Durex condoms its emphasis on quality throughout the manufacturing process starting with the selection of raw materials. "Durex can be filled in with 40 liters of air before busting, it is elastically and last for longer." Its performance quality is higher than other condoms brands which satisfy its consumer's needs or wants.

2.2.1.2 Durex Product Mix

In order to meet the needs of various consumers from several age levels, Durex has introduced to many types of condoms with unique features to the market. Therefore, Durex has several product lines, such as condoms, vibrators (plays) and lubricants. Each line has its dimensions-width, length, depth and consistency.

Product mix consistency- Durex products are closely related with each other because they all provide pleasure and safety with respect to the sexual experience.

Product mix width- Durex has concentrated mostly on producing condoms but has lately added two new product lines- vibrators and lubricants, which means Durex has small-medium product mix width.

Product mix length- Durex main product line, Durex condoms has eleven different products and that means that Durex has relatively big product length. We cannot say the same for Durex lubricants and vibrators because Durex lubricants have three items and Durex vibrators has four items.

Product mix depth- Durex condoms are available in package of 3s, 6s, and 12s respectively.

2.2.2 Price

Durex prices its products at a premium for people to perceive that they provide a better value for consumers. According to the research, the price of a 12 pack condom is between \$5.99 and \$12.99 depends on different types of condoms. While Durex brand of condoms is one of most expensive existing on the market (Table1), it is also the one that meets the greatest number of requirements: the different textures and sensations, colors, shapes, size consumers have at their disposal a wide and complete range that does not, however, lose out on the guaranteed "Durex" reliability. It sets its priorities as the sustainability, reliability, and excellence of its products.

Table1: US pricing structure

Condom Brand	Lowest price (\$/12 pack)	Highest price (\$/12 pack)
Durex	2	11.89
Trojan	3	14.7
Life Styles	1	3.95
Crown	2.17	9.9

As a part of Durex price adjustment strategy, they are offering quantity discounts and various promotional discounts. In some of their distribution centers, they are offering some types of condoms in 12 packs which have smaller price per piece and are offered to the customers that have found their favorite type of condom and are mainly using that type.

2.2.3 Place

Durex is a pan-global operation. It's base brand condoms are sold in 150 countries. (There are currently 236 countries in the world in total). As mentioned above, Durex sells a portfolio of sex related products other than condoms. It sells brands such as lubes, vibrators, massage oils, massage machines and specialty condoms only in channels that tolerate these more sexually liberal product lines.

Durex has several country specific channels for its condoms and sex related products. Mainstream channels such as supermarkets, gas stations, pharmacies, doctor's offices are obvious points of sale. However, Durex also sells through vending machines, night club bathrooms, liquor stores, charitable sex education programs, etc.

3. Conclusion

People often define Marketing as advertising or sales – highly visible activities by which organizations try to persuade consumers to buy products and services. However, marketing is more than advertising and sales – even the most skillful marketing cannot make consumers buy things that they don't want. Rather, marketing involves identifying consumer needs, and then satisfying these needs with the right product, available through the best distribution channels, promoted in ways that motivate purchase as much as possible, and priced at the right level. These decisions – product, place (distribution), promotion, and price – comprise the "Marketing Mix." Together with rigorous and complete analysis of the environment, customers, and competitors, they are the key activities of marketing management, and they are crucial ones: failure to find the right combination of the "Marketing Mix" may result in product (or service) failure.

References

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