

The Beiersdorf Company

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Beiersdorf AG is an international company from Hamburg developing, manufacturing and distributing brand-name products in the key competence areas of skincare, wound dressings and sticking tapes.

Beiersdorf profits from its major regional and global brands, such as tesa, Hansaplast and NIVEA, whose success drives the success of the company. Which is why Beiersdorf's work in all business areas is oriented specially to increasing the brand value.

The controlled balance between continuity and innovation in a brand is the company's decisive strategic strength. A strategy Beiersdorf has been pursuing for over 100 years through consistent brand management and brand reinforcement, for example by continually updating its identity, constantly improving its products and range structure as well as through appropriate pricing and advertising.

Beiersdorf offers its customers and consumers products with quality they can depend on, benefits they can relate to and value for money.

Brands live on the trust of consumers. Maintaining this trust and continuing to earning it is what all Beiersdorf employees are committed to, around the clock and throughout the world.

The company has its roots in the Merkur pharmacy in Hamburg, which was owned by Paul Beiersdorf. However, the start of industrial production, and hence the history of the company, can be traced back to a patent awarded to Paul Beiersdorf dated 28 March 1882. It described a new technique developed by him for producing medical plasters containing medication (guttapercha plaster gauze). This 1882 document is considered to be the official foundation date of the Beiersdorf company, and marks the start of a corporate development in the course which numerous high-quality brands would be created.

In 1890, the pharmacist Dr. Oskar Tropolowitz acquired Paul Beiersdorf's laboratory. Tropolowitz, who had an entrepreneurial mind, soon recognised the long-term potential of ingenious products which offered effective solutions to everyday problems or which represented a useful innovation in the eyes of the customer/consumer. Armed with a creative and enquiring mind and excellent eye for profitable applications, he developed a wide range of innovative products in collaboration with the brilliant dermatologist Professor Paul Gerson Unna.

One example of product innovation is the launch of the „Cito“ sports plaster for „cyclists, riders and tourists“ by Dr. Tropolowitz in 1897. Initially, the idea was to transfer plaster technology to other applications. Consequently, „Cito“ became the starting-point for the technical adhesive tapes division, which was marked under the brand name tesa from 1936 onwards.

In 1901, he launched Leukoplast, the world's first self-adhesive plaster, which eliminated skin irritation by incorporating zinc oxide into the adhesive mass. Leukoplast soon became synonymous with adhesive plasters.

As well as a number of new products, such as the lip care stick Labello, the most significant innovation was the development of a revolutionary stable W/O emulsion in 1911, which was to replace traditional grease-based creams: NIVEA.

From the very outset, Beiersdorf was involved in caring for and treating damaged or diseased skin, preserving its beauty and health, and coating woven fabrics and film with adhesive compounds.

Today the most important strategic goal still remains the consistent orientation of all corporate divisions towards the core areas of expertise: cosmetics and body care, wound care and adhesive technology.

- **Cosmetics and body care** is covered by the cosmed division. Within the cosmed division, the focus is on developing and marketing cosmetic products to care for healthy skin.

- Treatment of diseased and damaged skin is one of the principal tasks of the medical division. As well as products for **wound care** by the doctor or end user, other main focuses include orthopaedics/phlebology and dermatology.
- tesa is devoted to problem solutions using **adhesive technology**. For private and industrial clients and users, tesa concentrates on three main applications: fastening systems, masking systems and packaging systems.

Innovative product development is a matter of great strategic importance at Beiersdorf for ensuring competitive strength and group growth. This is why Beiersdorf expenditure on research and development was raised by more than 5% in 1997 compared with the year before. Today more than 600 employees are working in the research and development sector.

Research and development activities made increased use of cross-divisional synergies. Further improvements made products more environmentally friendly, and the core competence areas were strengthened in all divisions. Cooperation with national and international external research and development institutes was also expanded. Improvements in cooperation between research, development, production and marketing resulted in substantially reduced product development times and increased innovation rates.

Beiersdorf, as an international company, has affiliates and production sites in Europe, Asia, Africa, Australia and America. The corporate turnover totals more than DEM 6 billion. Beiersdorf employs more than 17,000 employees all over the world.

Beiersdorf products are sold in well over 100 countries by 68 affiliates (consolidated companies with significant business activities), and via exports and licence.

Most recently, affiliates have been established in Brazil, Colombia, Korea and the Dominican Republic, for example. A focus of activities is the Eastern European region. Following the acquisition of majority interest in Pollena-Lechia, Beiersdorf is to substantially expand its business activities in Poland in particular.

As a branded product company, Beiersdorf produces and markets all its products according to uniform international rules and concepts, in accordance with its corporate principles. However, the company does make allowance for specific conditions in the various markets. This has resulted in brands of international renown.

For over ten years, NIVEA has been ranked the most widely-used body care brand in the world. Most impotent within this range are the sub-brands NIVEA VISAGE, NIVEA Body and NIVEA Creme. The same applies to Hansaplast, both globally and for numerous segments of the range. Tesa ranks second in the world for adhesive tape technology, and top of the league in Europe - particularly in Germany - for many market segments.

The Beiersdorf strategy is aimed at achieving a leading market position in as many sub-segments as possible. A leading market position is seen as more important than expansion into new segments. Beiersdorf firmly believes that only the leading brands in a given segment will be profitable and capable of expansion in the long term. The largest growth potential for the Beiersdorf umbrella brands NIVEA, Hansaplast and tesa lies in the consumer-related sector.

In many counties, products from the cosmed division, which covers all segments of skincare and body care, enjoy significant market positions.

Particular emphasis should be given to the NIVEA brand, now the largest body care in the world, which a high growth rate for over ten years.

Recently the brand has captured even more new market segments, e.g. with hairstyling products and entire line of baby products under the NIVEA brand name, as well as a new range of colour cosmetics (NIVEA Beauté).

An essential element of the cosmed strategy, then as new, is to expand the NIVEA, Labello, 8x4 and atrix brands, and to exploit growth opportunities in the individual countries.

The medical division develops and markets products in the following business segments: dermatology, personal health care (treatment of minor wounds and injuries and physical complaints), professional wound care and orthopaedics/phlebology (study of the diseases of veins).

Recently international business has been expanded significantly via the acquisition of the FUTURO and CURAD brands. CURAD, for example, is the second largest plaster brand in the USA.

The main focus of activities in the medical division will target further development of the major international brands Eucerin, Hansaplast, FUTURO and JOBST. In this respect, Beiersdorf anticipate the largest growth impetus from end-user business.

Tesa is one of the leading world-wide suppliers of self-adhesive products. The division focuses on three areas of application as its principal markets:

- Fastening Systems (fixing and attaching)
- Masking Systems (masking and protection)
- Packaging Systems (inner and outer packaging)

Under the brand name tesa the division manufactures and markets individual and innovative problem-solving packages for major users in the industrial and consumer sectors.

Beiersdorf is an international company based in Hamburg. Customers in all continents of the globe place their trust in Beiersdorf products. The company's expertise in skincare, wound care and adhesive technology has culminated in brands of international renown - NIVEA, Hansaplast and tesa.

Further information about the company and its products can be found on the Internet. The very latest press information in German and English is available at the Beiersdorf homepage address (<http://www.beiersdorf.com>).

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Foreign Subsidiaries (in China):

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- *Beiersdorf (Changzhou) Company Ltd.*, No. 33 Lao Dong Zhong Road, Changzhou 213001, Jiangsu Province, P.R. China. Tel. +86-519-881-3926, Fax. +86-519-881-3639.
- *Four Pillars-Beiersdorf Industrial (Shenzhen) Co., Ltd.*, Zhong Xin Industrial Park, ist Fuyong Industrial Zona, Fuyong Town, Bao An District, Shenzhen 518103, P.R. China.
- *Beiersdorf AG, Branch Office Hong Kong*, Rm. 2601-3 Shui On Centre, 6-8 Harbour Road, Hong Kong. Tel. +852-2583-9980, Fax. +852-2598-9244.

News

Zero Pollution Car

FEVER is a prototype of an electric car powered by a fuel cell consuming only hydrogen and atmospheric oxygen. With a range of 500 km, its top speed is 120 km/h and the only emission is water, so pure that it is safe to drink! The problems of space and cost still remain to be solved prior to commercial production, envisaged in 20-30 years. This is but one example of ongoing European research and development projects.

Universities 2000 (<http://www.bmbf.de/deutsch/veroeff/index.htm>)

The world is in a state of flux from an industrial to a knowledge based society, and educationalists must rethink their strategies to shape the workforce of the future. This report looks at the university reform that will maintain the competitiveness of German universities in the 21st century.

(Dr. Hexin Wang, Carl Zeiss Lithos GmbH)