Interview: Holger Welters – President Director, Beiersdorf Indonesia



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Holger Welters, President Director at Beiersdorf Indonesia, discusses the ambitious growth plan for emerging markets that is propelling the company to new heights and sheds light on the importance of bringing high quality skincare solutions to Indonesia through Nivea

® and Hansaplast®.

Mr. Welters, you have been President Director of Beiersdorf's Indonesian affiliate since 2012. Would you say that the current positioning of Beiersdorf Indonesia reflects the vision that you had for the company at the time?

Definitely. Since I assumed position, one of my main priorities has been to take the company to the next level, capturing a bigger part of the Indonesian market. In this sense, I dedicated my first year to assessing our local capabilities as well as defining our strategic action plan. Once we had approved a massive investment plan to support our Indonesian strategic guidelines, we started to implement several initiatives with speed that brought positive results and lifted the Indonesian affiliate to its current leading position in the skincare market. Further, Beiersdorf currently exhibits one of the highest growth rates in the skincare category. Our success in Indonesia is a result of a combination of strong investments, a more focused approach on our activities and finally, a solid business vision for the future.

In 2012, Beiersdorf introduced a corporate strategic roadmap: “Blue Agenda”, which aims to strengthen brands, increase innovative power, expand presence in emerging markets, and focus on dedicated employees. How have you implemented these guidelines in Indonesia?

All Beiersdorf employees live and breathe the “Blue Agenda”, which means that these guidelines are reflected in our daily operations. On a more corporate level, the “Blue Agenda” emphasizes that our core business is skincare and that this is the area where we focus our capabilities such as R&D, know-how, and investments. On a local level, Beiersdorf Indonesia is offering skincare solutions through Hansaplast® for injured skin, and Nivea® for beautiful skin.

With regards to expanding presence in emerging markets – we have started investing strongly in Indonesia but also the Philippines since the Blue Agenda was launched in order to seize the immense potential these markets bear.

Given the substantial investments you mentioned, what is the significance of the Indonesian affiliate within the regional context?

Indonesia must deliver aggressive growth for our regional business. Anything less than 15 percent would be below our expectations. Therefore, we are targeting approximately +15 percent CAGR over the foreseeable future, in line with the rate we have been enjoying in the past few years. Naturally, what we started implementing in 2012 has been crucial to driving and delivering this growth. It enabled us to heavily invest in upgrading our manufacturing plant in East Java, which mainly serves the national demand.

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Looking ahead, we have already put in place several actions that will secure our sustainability as well as growth in the future. It has been and continuously is one of my main priorities to ensure that the organization is able to cope with and further drive our objectives through solid commitment of our employees who are strong contributors to our current and future performance in Indonesia.

The right portfolio strategy plays a key role to success in markets like Indonesia. How is your offering designed in Indonesia?

At current, we are solely commercializing the Nivea® and Hansaplast® brands. Our short-term strategy is focused on strengthening these two trademarks while in the long-term, we expect to introduce other Beiersdorf brands, such as Eucerin® for example. However, in order to successfully

launch a new product and guarantee its longevity in Indonesia, many prerequisites need to be fulfilled, including strong market know-how, an accurate strategy, as well as the right team.

On that note, what would you like people to think about when they hear the names Nivea® or Hansaplast®?

The brand equities of Hansaplast® and Nivea® vary greatly for obvious reasons. Concretely, Hansaplast® is about injured skin and I want people to believe that our product is not only the most reliable wound care solution they can get on the market but also that it is their most preferred First Aid brand and we will gradually build the brand into that direction.

On the other side, Nivea® is all about healthy skin and I want people to perceive the brand as the most up-to-date, modern, trustworthy, absolutely reliable skincare solution.

An increase in disposable incomes has resulted in a surge of sales for beauty and personal care products. In fact, Indonesia is expected to enter the top 10 global skincare markets by 2019. How do you plan on tapping into the huge potential of affluent customers that are seeking access to better skincare treatments?

While the potential is there, it is definitely not a reality yet. Even though I do not have any doubts that Indonesia will eventually become one of the largest skincare markets globally, a lot of things need to be done to reach such promising and positive forecast. Thus, we have to be very selective when approaching this opportunity, evaluating these forecasts carefully in order to take the most accurate actions. We have to totally understand the consumer behavior of this rising affluent segment in terms of budget allocation priorities and, properly define an action plan that will help us to create demand for our products and target their needs.

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How do you foster the use of the Beiersdorf brands to encourage an increased personal care mentality among Indonesians?

Providing education about the benefits of our products is crucial to enhance the market penetration of our brands. There is a market but the need by itself needs to be developed by communicating the importance of skincare, the impact of its negligence and the benefits of using our products. For instance, there are certain categories, such as sun care, that are already top of mind in developed countries but are lagging behind in emerging markets like Indonesia.

Beiersdorf is highly active in developing CSR programs around skin- and healthcare. Could you expand on your CSR activities in Indonesia?

I am really proud of the impact as well as results of our Indonesian CSR activities both in our Hansaplast® and Nivea® divisions.

The First Aid on Accidents (P3K) program (Aksi Siaga) – which is in our Hansaplast® division – has run for nearly two years and is currently reaching around 120,000 Indonesian citizens. The purpose behind this program is to promote first aid and spread awareness of the basic first aid kit. Furthermore, it is well known that the government is suffering a shortage of healthcare infrastructure. Developing personal care habits ultimately reduces the number of people going to hospitals, which in turn is translated into capacity liberalization, which is beneficial to patients who need more intensive care.

On the other hand, our “Mom’s touch” (Sentuan Ibu) program – which is in our Nivea® division – is helping mothers with handicapped children or children with disabilities. We help these moms through physiological courses that help them and position them as a crucial underpinning in the development of their children. It is a quite unique CSR activity because with the “Mom’s touch” program we cover not only the physical but also the psychological aspect of a touch.

On a final note, what are the main objectives you would like to accomplish in the upcoming years?

For Beiersdorf Indonesia in particular, we have set in place a very ambitious performance objective for 2018, which is one of my key priorities. In addition, the successful market penetration of our brands is on my daily agenda as president director of Beiersdorf in the country and will equally be moving forward. In fact, while we have already reached a leading positioning in injured skin through Hansaplast®, we are striving to become the leading brand in beautiful, healthy skincare in Indonesia, drawing on our legacy and reputation of Nivea® being the largest skincare brand in the world.

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