

## Henkel in figures

Founded in 1876 by Fritz Henkel in his small laundry facility, the business today is a global corporation.

The Düsseldorf-based company currently has 50,000 employees in 125 countries, and is in the global Top 500.

Beside laundry and cleansers, it also counts cosmetics and adhesives among its business divisions. Through established brands like Persil, Loctite, Fa and Pritt, annual sales in 2005 hit more than €11.9 billion.

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[www.henkel.com](http://www.henkel.com)

# Right into the Future

Advertising in periodicals and television alone is yesterday's news.

Today, companies like Global Player, and Persil manufacturer Henkel, are banking on the interactive approach. The top favorites are Internet and location-specific cellphone services.

Whether blonde or brunette: It's not only women who will be looking for advertising posters whose bar code will lead them, via their cellphones, directly to their product preferences

■ "That's the perfect blonde," Silke Weber thinks to herself as she passes by a poster advertising hair color. She whips her cellphone out of her purse and takes a snapshot of the barcode on the poster with her cellphone camera. A "beep" signals that the image was properly captured. One more click of the "OK" button, and the cellphone display shows the product information page for "Poly Live", a hair color rinse from Schwarzkopf – the cosmetics division of the Henkel corporation. She continues walking and a few steps later, the cellphone sends her its own message: There's a store nearby that sells the hair color rinse she just scanned. An integrated street map gives her easy directions to the drug store, which is close by. When she reaches the store's foyer, a terminal greets the customer, and tells her which shelf has the product she's looking for. Shopping couldn't be any easier!

New solutions for the interactive advertising formats of tomorrow were presented early March by T-Systems and other exhibitors at the Henkel IT Innovation Fair in Düsseldorf. Henkel management and members of the Henkel Family (descendants of the company's founder, Fritz Henkel) proudly unveiled their new marketing options. Their motto: "Innovation is the key to success."

### Persil is still Persil

Since its inception, Henkel has known about the importance of combining the traditional with the modern. In 1907, the company revolutionized laundry chores with Persil, the first "self-acting" laundry detergent. For a hundred years, the Persil brand name has represented the epitome of cleanliness. To ensure success, the traditional powder detergent of today had been constantly adapted to changing needs over the course of time. In addition to Persil, other Henkel brands, such as Pril, Spee, and Pritt, likewise set the benchmarks of quality. Yet selling even good products requires the most modern marketing techniques, and Henkel has also invested in these. Germany's consumers have not forgotten Persil's "White Lady" from the 1920s, with her red bow and frequent reprise appearances, as well as the renowned TV advertising jingle: "Persil – something to rely on."

By contrast, the Internet, cellphone, and IP TV of today have relegated the television spot as an advertising form past its prime. "TV advertising is a one-way street. It's tough to figure out if anyone is watching the ad, or if viewers are instead going straight to the fridge during commercial breaks," explained Sibylle Westermann, Global Account Manager for Henkel at T-Systems. The future of advertising is interactive and mobile, especially when it addresses younger target groups. Henkel's own Internet presence at [www.womensnet.com](http://www.womensnet.com) is a testament



PHOTO: PR

### Henkel and T-Systems

At the end of last year, Henkel extended its ICT Framework Agreement with T-Systems by an additional three years. The agreement extends to 2010 a partnership that has been in existence since 1992, when Henkel's orders reached a three-digit million euro volume. Beside existing ICT services like desktop, computing, and network services, innovative technologies in particular will add to Henkel's competitive strength.

to this, as a virtual meeting place for cosmetics, beauty, and lifestyle. And not solely in word and image. Because the site additionally offers downloadable audio and video podcasts that – even for busy listeners on the move – provide tips and tricks on beauty and cosmetics. The movie and audio stories for compatible player devices are dedicated to subjects such as skin care or healthy living. There are other new and mobile communications formats in store for Henkel's future. Top contenders are the "Contigo" and "Qiro" cellphone services, developed by T-Systems in collaboration with T-Laboratories, Deutsche Telekom's own in-house research and development center.

Whether at home or on the road, Contigo easily turns your cellphone into an electronic shopping list. Like Silke Weber searching for perfect blonde hair, the customer takes a picture of the barcode for the desired product – as found on a poster, or in a print ad – with his Internet-compatible mobile phone. He gets immediate access to information, like product descriptions or even movies. One more push of a button, and the desired item lands in a virtual shopping cart. A concept that is the basis for many other ideas, as Sibylle Westermann knows: "With a barcode on the inner side of a laundry

detergent package, you could also offer the latest promotional song exclusively for download." Add-ons, small gifts, or giveaways have always been a well-established means of promoting sales, even if, for the time being, still with actual objects: During last year's World Cup, Henkel in Germany successfully sold "Weißer Riese" (White Giant) detergent with a promotion that included the German flag and the face paints that devoted soccer fans wear to the matches.

And Contigo is even more interesting with the locally-based mobile service, Qiro. Using a street map, Qiro shows stores in the vicinity that carry the scanned product. "The customer is walking around the city and gets a message from her cellphone. At the same time, her cellphone could transmit a coupon to her, which guarantees a rebate if she buys the product that day," says Sibylle Westerman, with an eye to the future. "Couponing" is the technical term for it. In the store, the customer scans the coupon at a terminal, and then gets a printout to take to the register. In addition, she finds out on which shelf the product is located, how much it costs, and what related products are available. This so-called "Instore Communication" – also exhibited at the convention – offers even more options, explains the Account Manager: "Raffles are another possible idea. Or the customer can load a movie onto her cellphone that explains how to best use the product." Other benefits of this customer information, right at the store: Through videos guided by satellite to the terminal screen, an ad campaign could be run simultaneously at all affiliates, thus eliminating the hassle of mass mailing video cassettes. A financial and time-saving boon to the advertiser.

### Visible Future

Henkel was amazed by the communications tools: "The Henkel IT Innovation Fair, with the link between business and technology exhibited there, was a complete success. This is the result of long-term efforts to interlock IT within the Henkel corporate divisions, to which T-Systems had made an enormous contribution through its broad product portfolio," concluded Ulrich Kelm, Innovation Manager at Henkel.

The realization still sounds a little bit like a distant dream. But Contigo may be available as soon as this year. And Qiro is already up and running as a prototype, found at [www.myqiro.de](http://www.myqiro.de). The risk that a customer might not find his way to the store, despite appealing products and enticing advertising, is history. Whether hair color rinse or laundry detergent – once recorded by cellphone, any pertinent advertisement remains in its virtual shopping memory. Westermann confidently explains: "The same thing happened with ring tones. In the past, no one believed in its success. Today, it's a market with sales in the billions."

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