

Avon Products, Inc., is a global manufacturer and marketer of beauty and related products, including cosmetics, toiletries, fragrances, jewelry, gifts, home furnishings, and health and wellness offerings. Unlike most of its rivals, Avon's business is comprised primarily of Internet and direct selling by over 6 million independent contractors worldwide who serve as company representatives. Headquartered in the United States, Avon operates in over 110 countries, including Canada and Mexico, as well as in other parts of Latin America, Europe, and Asia.

Avon was launched in 1916 and later began to emerge as one of the most successful beauty and cosmetic marketers in the world, primarily supported by housewives who sold the products as a means of generating extra income. By 1970, Avon had grown into the undisputed world leader in cosmetics. In the mid-1970s, however, the company suffered as a global recession made its products less affordable and women in the West began to leave home in search of full-time employment. Following this period, Avon began to market more intently to younger women and teenagers and even launched the slogan, "It's not your mother's makeup."

In the late 1980s and early 1990s, Avon expanded its product line considerably, introducing Avon Color cosmetics in 1988, preschool toys and sleepwear in 1989, and apparel in 1994. "Avon calling" has been central to the New York City-based firm's advertising campaigns in recent years.

Lately, however, slow growth in the United States has led to another "makeover" for Avon, as the company began to drop a number of product lines in favor of brands with greater global promise. In 2001, the company revised its website, allowing Avon reps to sell products through their own personal websites with assistance from the youravon.com site. In 2002, Avon announced a \$100 million investment in research and development (R & D) aimed at fostering a greater global presence. In the mid-2000s, Avon launched a new cosmetics line called "mark" targeted to the ages 16 to 24 category. New York Yankees star Derek Jeter has promoted Avon's men's fragrance Driven.

The late 2000s and early 2010s has been a period of change for Avon. The firm has expanded globally, including a significant presence in Brazil, China, Russia, and the United Kingdom. Avon focused on cost-cutting as well, however, including a reduction of more than 10% of its workforce in 2008.

Avon has been promoted as the "company for women" by providing business opportunities for women worldwide and supporting women's charities. Part of the firm's mission is to develop its Avon Foundation into the largest women's foundation in the world. The group actively supports a number of projects associated with economic empowerment and health issues.

Case Challenges

1. How has Avon capitalized on growth outside of the United States? Should Avon continue to focus its growth efforts on international markets?
2. Is Avon's direct selling approach outdated? Why or why not?
3. What can Avon do to attract young consumers in a highly competitive industry?

Internet Sites of Interest

Corporate website: www.avon.com

Website of a key competitor: www.revlon.com

Website of a key competitor: www.thebodyshop.com

Cosmetic, Toiletry, and Fragrance Association: www.ctfa.org

Cosmetic News: www.cosmeticnews.com

Fashionlines: www.fashionlines.com

Case: Avon (Globalization and Cultural Diversity)

Analyze the case from the perspective of cultural diversity in the global environment.

1. Identify the factors involved in the case. Consider Economic, Cultural/Demographic, Legal, Financial, Human Resource Management, Marketing factors and implications on a global level.
2. Analyze Avon's competitive environment using Porter's Five Forces Model. Substantiate with appropriate examples of Avon's global initiatives. Utilize company/competitor websites, and other media/information sources.
3. Based on the information identified above, what strategy would you recommend for Avon to grow its business in culturally diverse markets/environments?

*****Please include the following three distinct sections/headings in your paper: (1) Identification of Factors; (2) Analysis of Current Globally Competitive Environment; (3) Recommendations for International Growth.**

MGT 439 Case Analysis Grading Rubric

	Far Exceeds Standards	Exceeds Standards	Meets Standards	Fails to Meet Standards
<p>1. Identification of Critical Issues and Factors; Depth of Analysis</p> <p>I will consider how detailed your analysis is, how far into depth you go, and whether you address all of the existing and critical issues in the case.</p>	Identifies all of the critical issues. Thoroughly discusses, evaluates, and analyzes each issue, providing convincing and supported arguments.	Identifies most of the critical issues. Discusses, evaluates, and analyzes each managerial issue, providing convincing and supported arguments, but could have gone into more depth.	Identifies some of the critical issues. Discusses, evaluates, and analyzes some of the managerial issues, providing somewhat convincing and supported arguments, but should have gone into much more depth.	Identifies few, if any, critical issues. Fails to discuss, evaluate, and analyze each issue, does not provide convincing or supported arguments, and lacks any significant degree of depth.
<p>Section 1 Score:</p> <p>2. Analysis of the current competitive environment</p>	(17-18)	(15-16)	(13-14)	(12 or Less)
<p>Section 2 Score:</p> <p>3. Generates Alternatives and Recommendations;</p>	Identifies all of the parties impacted by the issue. Thoroughly discusses, evaluates, and analyzes the impact, based on Porter's Five Forces Model: the threat of substitute products/services, established rivals, and new entrants; and the bargaining power of suppliers and of customers.	Identifies most of the parties impacted by the issue. Thoroughly discusses, evaluates, and analyzes the impact, based on Porter's Five Forces Model, but could have gone more into depth.	Identifies some of the parties impacted by the issue. Discusses, evaluates, and analyzes a few of the impacts, based on Porter's Five Forces Model, but should have gone much more into depth.	Identifies few of the parties impacted by the issue. Does not discuss, evaluate, or analyze the impact, based on Porter's Five Forces Model.
<p>Section 3 Score:</p> <p>4: Develops a Plan of Action for Implementing Recommendations</p>	(17-18)	(15-16)	(13-14)	(12 or Less)
<p>Section 4 Score:</p>	(17-18)	(15-16)	(13-14)	(12 or Less)

5: Globalization and Cultural Diversity	Considers many multidisciplinary perspectives employed to address global issues; Describes global interdependence and its impacts very well; and Articulates a complete understanding of cultural differences.	Considers a minimum of 2-3 multidisciplinary perspectives employed to address global issues; Adequately describes global interdependence and its impacts; Articulates an understanding of some of the cultural differences.	Considers only 1 multidisciplinary perspective employed to address global issues; Attempts to describe global interdependence and its impacts; Exhibits a limited understanding of cultural differences.	Does not consider multidisciplinary perspectives to address global issues; Does not adequately describe global interdependence and its impacts; Exhibits no understanding of cultural differences.
Section 5 Score: (17-18)				
Turnitin.com Similarity Rating	Student submits a paper that scores a low similarity rating (below 25%), indicating a high degree of originality of the student's work.	Student submits a paper that scores a mid-range similarity rating (between 25 and 50%).	Student submits a paper that scores a rather high similarity rating (between 50% and 75%). Such papers may be investigated and administrative action may be taken.	Student submits a paper that scores a high similarity rating (above 75%), suggesting that there could be an issue with plagiarism. Such papers will be investigated and administrative action may be taken.
Turnitin Rating: (5)				
Overall Quality of Written Communication	Student presented a well-written, coherent analysis that was free from any grammar and/or spelling errors.	Student presented a well-written, coherent analysis that contained a few minor errors.	Student presented a somewhat coherent, but lacking analysis that contained several minor errors.	Student presented an incoherent analysis that contained several major errors.
Communication Score: (5)				
Total Score (out of 100):				