



# Marketing Plan

## Executive Presentation

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# Baby Eczema Relief Body Cream

## Product Description



“The Eucerin approach to research, development, and testing is part of the holistic philosophy for skin science that shows” (Eucerin, 2019).

- Dye Free
- Paraben Free
- Steroid Free
- Pediatrician Recommended
- Dermatologist Recommended

# Marketing Objectives

## Basic Overview

- Introduce newly innovated Baby Eczema Relief Body Cream to new mothers.
- Increase the market share of the products by 4% within the next 24 months.
- Create new “organic” product formula that will enable us to break into the organic market.



# Financial Objectives

## Basic Overview

- Increase overall sales by 5.5% within the next year, increasing estimated sales to \$2.672 million.
- Increase sales by 1.6% each year, over the next three years.
- Reduce operating costs by gradually decreasing the general and administrative expenses by 2.6% over the next three years.

While research and marketing expenses have remained stable (.5% and .3% respectively), general and administrative expenses have grown (7.6%). This will strengthen our overall profitability.



# Market Segmentation

## Primary Target Market

Families with Children under the Age of Four

### Sub-groups

- High Income Households
- Residents in Metropolitan Areas
- Black and Multiracial Households
- Single Children Households
- Single Parent Households



# Primary Target Market

Families with Children under the Age of Four

Niche product intended for use by primary target.

Studies show target market is more likely to suffer from eczema thus increasing likelihood of sales.

Subgroups narrow down target market farther allowing for direct target advertising.



# High Income Households

## Market Overview

### Description

- One or both parents working
- Concerned less with price, more with quality
- Brand loyal
- Children attend daycare

### Needs

- Respond well to science and medical emphasis
- Need to have confidence in product effectiveness
- Convenience

### Positioning

- Positioning in this segment is related to having greater availability of our product in markets that have higher median income levels.

### Competitive Advantage

- Differentiation - With the new packaging and organic materials the competitive advantage of offering a higher quality product will appeal to this target market.

# Residence in Metropolitan Areas

## Market Overview

### Description

- Live in single-family homes
- Well educated
- Low to middle class
- Own or are working towards owning homes.
- Shop at urban department chains.

### Needs

- Quick easy access to product.
- Product distribution in stores they know well.
- Small packaging options for small storage spaces and frequent travel.

### Positioning

- Positioning in targeting this segment is related to pollutants in the air.
- Research has shown that metropolitan areas have higher rates of pollutants in the air.
- Product has shown to not only have moisturizing capabilities but protective capabilities as well.

### Competitive Advantage

- Differentiation - Focus for this target market is to highlight that it is backed by science and pediatricians alike in order to present a product that shows off its distinctive branding to the customer.



# Black and Multiracial Households

## Market Overview

### Description

- Average household size = 2.4
- Millennials and GenXers
- Primarily Female Head of Household
- Highest concentration of eczema patients
- Trendsetters

### Needs

- Product effectiveness
- Longevity of product use
- Relatable to consumer self identifiers
- Will pay extra for name brand items.

### Positioning

- Related to the higher incidence of child eczema found in African American children.
- Product will represent a healthy and affordable remedy for consumers in this segment.

### Competitive Advantage

- Differentiation and Cost Focus - We will offer discounts to increase the competitive advantage in cost when presenting marketing targeted towards this segment.

# Single Children Households

## Market Overview

### Description

- Focused on needs of a single child
- Product not shared amongst siblings
- Higher priority from parents on health factors
- Financial resources only allocated to one child.

### Needs

- Quality product
- Quality packaging
- Product advertising that reflects higher level of quality in product

### Positioning

- We position our product as high quality, having been rated number one baby eczema cream by pediatricians.

### Competitive Advantage

- Differentiation (Focus)
- Creation of distinctive branding will appeal to this target market as will highlighting “backed by dermatologists” stamp on the front of the package.

# Single Parent Households

## Market Overview

### Description

- Uncomfortable with living situation
- 33% or more in poverty
- Minimum wage job prevalence
- Little spare time
- Struggle with work/life balance

### Needs

- Product to save them time and money
- Kid friendly packaging so older kids can understand use for siblings
- Needs to feel judgement free.
- Safe product

### Positioning

- Product offers an affordable solution to consumers in this segment compared to other offerings on the market.
- Single parent households, most on strict budgets, will value the opportunity to save money on a necessary healthcare product.

### Competitive Advantage

- Cost Advantage (Focus) - Bargaining for lower priced organic raw materials and potential to grow our own raw materials in house will lower the price for this segment.

# Marketing Mix

## Product Strategy

- Vision: Revitalize brand image and restart product lifecycle.
- Challenge: Overcome weak packaging and lack of organic ingredients.
- Current State: Product nearing end of lifecycle.
- Target Conditions: Repackaging, new formula, advertising campaigns that reflect these changes.

## Distribution Strategy

- Currently primarily available in pharmacies and department stores.
- Expansion into online markets.
- Monitoring of online sales to increase purchasing options through evaluation.
- Expansion into high eczema prone regions.
- Maintain strong relationships with ecommerce giants.

# Marketing Mix

## Pricing Strategy

- Competitive Pricing Strategy
- Keeping prices in range with competitors.
- Two product variations, Eucerin Baby Eczema Relief Cream in a 2.0 oz package and in a 5.0 oz package.
- Prices for the 2.0 oz package start at \$6.49. Prices for the 5.0 oz package start at \$7.49.
- Encourages consumers to purchase the more economical 5.0 oz package.
- Leaves room to increase incrementally; while still offering competitive pricing compared to the competition.

## Communication Strategy

- Communication goals include introduction of product to target audience alongside company values.
- Current communication channels are primarily through social media outlets.
- Competitors rely heavily on smartphone apps to engage consumers.
- Customer engagement focus moving forward.
- Blog, smartphone applications, and advocacy of effective treatment of eczema.

# Eucerin

## Marketing SWOT Analysis

## Group Two

Kristina Brock  
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Randall Hoyte



- Brand Recognition - Eucerin was patented in 1900 and is a brand that is over 100 years old.
- Backed by Science
- Rated number one baby eczema cream by pediatricians.
- Corporate responsibility- Since 2011 Eucerin has provided counseling services for families of children affected by the incurable condition neurodermatitis.



- Weak packaging. Non-distinguishable from other products.
- Lack of mobile customer engagement.
- Brand Perception as old and not innovative or new. Consumers want to know that the science behind the product is up to date and has been keeping up with the times.



- Identify and increase marketing and brand awareness in regions with high levels of eczema.
- Expand into mobile markets through smartphone applications, social media and organic marketing efforts.
- Use content marketing sites to engage parents with the product.
- Taking advantage of the increased interest from parents in organic to move into the "organic" medical market for babies with our product.



- Changes in consumer choice. Consumers prefer organic made products and packaging that reflects this.
- Increased regulation on natural/organic products.
- Increasing costs for raw materials- As demand for natural/organic materials continues to rise so will the price. This will have an affect on the bottom line.



# Marketing Budget

## Tasks and Responsibilities

Deliverable	Start Date	Completion By	Budget	Responsible Party
R&D Development of Organic Baby Eczema Product	January 1	March 1	\$133,600	R&D Department
Product Packaging Redesign	Jan 1	Feb 15	\$15,000	Marketing Department
Blog Website Completion	Feb 1	April 1	\$10,000	Marketing Department IT Department
Advertisement Campaign (Product Packaging focus)	Feb 15 -28	March 31	\$25,000	Outside Firm
Organic Product Launch	March 1	March 10	\$20,000	All Departments
Advertising Campaign (Organic formula focus)	March 10	Ongoing	\$25,000	Outside Firm
Development and Analysis (Ongoing)	January	December	\$65,000	Marketing Manager Marketing Department
Administrative Costs	January	December	\$203,072	Human Resources Financial Department / Payroll
Total Marketing Budget	January	December	\$496,000	All Departments

# Sales Forecast

## Break Even Analysis

Sales Forecast	2019	2020	2021
Sales (millions)	\$2.672	\$2.715	\$2.758
Units Sold	334,418	339,800	345,181

Break Even Analysis	
Monthly Units (Break Even)	6,377
Monthly Sales (Break Even)	\$50,952

Assumptions	
Average Per-Unit Revenue	\$7.99
Average Per-Unit Variable Cost	\$1.50
Estimated Monthly Fixed Cost	\$41,389



# Contingency Planning

## Difficulties and Risks

- Change in Trends – Newer products cause perception that older products lack innovation. Higher demand for organic and all-natural products.
- Increased regulation – New Organic products could result in stricter regulations.
- Increasing competition – All competitors following current trend. New competitors entering market regularly.

## Contingency Plan

- Proactive monitoring of the market.
- Comparison of product reviews and pricing.
- Acting on information gathered, quickly and efficiently.
- Keep up to date on regulations and laws as applicable to the product.
- Invest in R&D to stay current with trends.

# References

Eucerin. (2019, February 18). Eucerin: Our Research: Understanding skin – skin science that shows. Retrieved July 8, 2019, from <https://www.eucerinus.com/our-research/research-background/skin-research-background>

