

Hair oil marketing plan assignment

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Situation Overview The hair care industry has grown a lot in the recent years. The reason can be attributed to the fact that a large portion of our Indian population is using higher quality branded products. Of the estimated Rs. 1, 611 billion FMCG market in India, hair care products make up approximately Rs. 91. 5 billion, or 8%, of the total according the Nielsen Retail Audit Report.

The 14% growth rate in the hair care industry is also slightly higher than the overall industry average of 13. 4%. Shampoo and hair oils, including coconut oils, continue to be the key components of this segment. The marketing startegy of rural distribution campaigns adopted by the hair oil manufacturers and dealers have helped to greatly expand the geographic coverage of hair oil products into the rural parts of the country. In addition, average prices for hair oil products have risen from Rs. 22. 25 per 100 ml in

2008 to Rs. 23. 74 per 100 ml in 2009 according to the Nielsen Retail Audit Report.

Hair Oil Categories There are three main categories of hair oil in India: The light hair oil segment has experienced significant growth in recent years as consumers opt for lighter, more modern hair oil products. The light hair oil segment recorded sales of Rs. 6, 828 million in 2009 according to the Nielsen Retail Audit Report. Light hair oil is an urban dominated segment primarily due to its comparatively high cost & is more geographically concentrated, in the northern states of Punjab, Delhi, Uttar Pradesh and Rajasthan, due to higher disposable incomes and the propensity of consumers to try new products.

The northern regions accounted for approximately 52% of sales volumes and grew by 10% (volume growth) in FY 2009-10 according to the Nielsen Retail Audit Report. The heavy amla hair oil segment has seen strong growth in recent years. The heavy amla hair oil market is primarily an urban driven market and tends to be geographically concentrated in the northern parts of the country. The heavy amla hair oil segment recorded sales of Rs. 7, 370 million in FY 2009-10, representing a growth rate of 4. 7% from FY 2008-09, according to the Nielsen Retail Audit Report.

Cooling Oils have emerged as an important segment in the Indian hair oil market. Cooling oils are hair oils meant for cooling the scalp during the harsh summer months. The ingredients in the cooling oils cause immediate relief by cooling the scalp. The CAGR of the category has been 20% over the last 5 years. The cooling oil category is now nearly Rs. 7, 000 million in the

financial year ended March 31, 2010. 3 1. 2 Target Audience Everyone uses hair oils. But, the product we will be launching is ‘ a perfumed light hair oil with nourishments’.

We will be targeting the urban market with this product. It will have two different versions for men and women. The target age group will be 15 to 35.

1. 3 Positioning It will be a premium / high-end product. It will be a unique product which will have a great fragrance along with all the nourishments that the existing players provide. 1. 4 ??? ??? ??? ??? ??? ??? Key Benefits

Long and Strong Hairs Dandruff protection Fragranced hair oil Vitamins and other nourishments Protection from sun rays Shiny hairs 1. 5 Objectives The

target would be to achieve a revenue of Rs. 00 million, which contributes to

around 10% of the light hair oil market in India. 1. 6 Schedule The product

will be launched on the occasion of new year. The schedule will be as follows:

1. December 31, 2011: Product Launch in Mumbai 2. January 1, 2012:

Launch of the advertising campaign 3. January 1, 2012: Product available in six metro cities of India 4. April 1, 2012: Launch the product in Tier II cities 5.

August 1, 2012: Launch of new varieties 4 1. 7 Budget All figures in Rs. Crore

Personnel Salaries, wages Benefits Payroll taxes Commissions and bonuses

10 1 2 1 14

Market Research Primary research Secondary research Library management

Market Research Total Marketing Communications Branding Advertising Web sites Direct marketing Internet marketing Collateral Press relations Public

relations Analyst relations Events Marketing Communications Total Channels

Channel communications and training Channel promotions and incentives

Channel commissions/bonuses Channels Total Customer Acquisition &

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Retention (CAR) Lead generation 15 5 2 22 30 40 1 2 2 1 1 1 1 3 82 2 2 1 5 5
 5 Customer loyalty CAR Total Other Postage Telephone Travel Computers
 and office equipment Other Total Total Marketing Budget 5 10 0. 3 0. 0. 2 0.

3 1 134 1. 8 International For now, the product will only be launched in India.

1. 9 Risks & Mitigations The major risks involved are as follows: ? ? ? ? The market already has large number of existing players. The competition can also come up with a similar product. Economies of scale will not be existing in the beginning. Tier II city penetration is challenging. 2 Marketing Launch Strategies 2. 1 Objective 1 Launch the product in metro cities of India.

Strategy The product launch will be organized in a five-star hotel with the presence of celebrities from Bollywood. A high media coverage will help the launch to become successful. . 2 Objective 2 Generate sales of around Rs. 50 crore in metros within a month. Strategy Increase the visibility of product by occupying the shelves of all the leading departmental stores. The massive ad campaign will create awareness among consumers. 6 2. 3 Objective 3

Occupy 10% of the light hair oil segment within a year. Strategy Keep the ad campaign running throughout the year. Launch the product in as many tier II cities as possible. Collaborate with other leading beauty products to get noticed by customers. Collaboration with Clubs/Gyms will also help to increase the sales.

Introduce new categories of the product depending upon the consumer demand. 7 3 Plans & Deliverables by Department/Function 3. 1 Public Relations A very important method for PR would be the use of social media given the age group of our target consumers. Various events can also be organized like street shows, etc. Talk shows and blogs can help generate

goodwill about the product. 3. 2 Advertising Very important for creating awareness on a local level. Use radio, newspaper ads, and flyers in next four launch locations to inform customers, build excitement about using the new service, and to incent them to try the new services.

Evaluate the effectiveness of the individual ads and make adjustments for new launch areas as needed. Adjust the advertising in the other areas as needed (both content, placement, and timing) to maintain consumer interest. ? ? Target audience in the 15-35 year old range Run radio commercials on one soft rock and one talk radio station ? During morning and afternoon commute (every 20 minutes during commute) ? To drive new customers to web site for promotion specials, movie reviews and trailers (provide URL) ? Rotate two commercials: ??? Friends enjoying videos together ??? Family video night ?

Measure and evaluate: ??? Use special buttons on web home page for ad response ??? Count click-throughs on special buttons ??? Change content and placement as needed for next launch area and current locations ?

During launch, run ads weekdays for three months: ? Ongoing advertising efforts: ??? Weekdays morning and evening commute 3. 3 Trade Shows

Trade shows will be a good platform for a B2C communication. It will help the consumers to understand the product better and distinguish it from its competition. 3. 4 Direct Marketing Direct marketing can be used in many forms. Emails and SMS can be used as technical ways of direct marketing.

Coupons can also be used to make people aware and increase the sells. We can also have sales persons at various selling locations to talk to customers

directly. 8 3. 5 Events For a hair oil, this can be a little different way of marketing. But, street events can be organized where we can give free samples as well. The events can also help build the image of the product. 3. 6 Web marketing Advertising through some online advertisers like google will surely help the promotions of the product. People nowadays spend more time on internet. 3. 7 Web sales The use of e-commerce is increasing.

Thus, online sales system should also be provided to the customers. Special discounts can be offered to attract customers. A collaboration can be established between some leading online stores and our company to facilitate the sales. 3. 8 Channel/partner marketing The major channel used will be modern trade. Thus, we can associate with some of the leading retail chains to sell our product. The profits can be shared with the chain in some ratio and in return they will provide space and visibility in their stores. 4

Pricing Price Rs. 70 Rs. 110 Rs. 130 Rs. 200 Rs. 250 Rs 10 SKU 50 ml 80 ml 100 ml 150 ml 200 ml Sachet (5 ml) International For now, the product will only be launched in India. 6 Technical Support, Customer Service The

product being a FMCG product, it do not require any technical support or customer service. 9 7 Risk Analysis 7. 1 Risk 1 Large number of existing

players Mitigation Plan We will have to try to distinguish our product and prove it to be unique of its kind. The USP of our product has to be

communicated successfully to the consumers. 7. 2 Risk 2 The competition can come up with a similar product. Mitigation Plan We should patent the formula of our product as soon as possible.

This will prevent anyone from copying the product. 7. 3 Risk 3 Economies of scale won't exist. Mitigation Plan The product will be a high end product.

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Thus, this factor will not generate much risk and can thus be ignored. 7. 4 Risk 4 Tier II city penetration is challenging. Mitigation Plan People in tier II cities are not willing to spend much on such products. Thus, to increase sales in such cities is difficult. 8 Glossary The product will be ‘perfumed light hair oil with nourishments’. It will be targeted towards the higher income group, for both men and women within the age range of 15 to 35.

It will be mostly sold through the modern trade channel. A massive ad campaign will be run to promote the product. The objective is to earn 10% market share in the light hair oil segment within one year. 10 9 Appendix: Consumer Behaviour Survey: Hair Oil Do you use hair oil? * Yes. I use it regularly. Yes. But, only once in three days. Yes. But, only once a week. No. I use some other product. What type of hair oil / hair care product do you use? * Light Hair Oil, Non-fragranced Light Hair Oil, Fragranced Heavy Amla Hair Oil Cooling Hair Oil Hair Gel Other: Please mention the name of the product below. Have you consulted any professional / doctor before using your current product? * No. I do not feel that is necessary. No. But, I think I should consult a professional / a doctor. Yes. But, long time ago. Yes. I consult him / her regularly. How much is your monthly usage of the product? * 50 ml 100 ml 150 ml 250 ml more than 250 ml 11 How much do you spend on the product per month? * less than Rs. 30 Rs. 30 – Rs. 50 Rs. 50 – Rs. 100 Rs. 100 – Rs. 200 more than Rs. 200 From where do you buy the hair care products? * Super Market Shopping Mall Kirana Stores Door to door selling agent Other: What do you think is a problem with your hairs? Hair Fall Dry hairs Dandruff Bad looks No shine Get damaged due to sun rays Other: 12 What do you expect from the hair care product? *1: least important – 5: most

important 1 Nourishment Long and Strong hairs Shiny Hairs Silky hairs
Dandruff removal Fragrance Looks Sun ray protection How much are you
willing to spend per month if you get a better product than the one you are
currently using? * I won't spend any extra money. I can empty my pockets
for a better product. Rs. 100 - Rs. 150 Rs. 150 - Rs. 250 more than Rs. 250 2
3 4 5 13