

Most important factors in choosing your toothpaste

[Business](#), [Marketing](#)



1. In terms of toothpaste needs what are the priorities of consumers today? Conduct a straw poll to determine how important the following factors are: cavity prevention, fighting plaque, fighting tarter, freshening breath, whitening teeth, and fighting gingivitis. Add in any other benefit you can think of. The poll will help you assess the product needs of Crest.

2. Are all elements of the marketing mix equally important to the success of Crest toothpaste? Assess the role and importance of each element of the marketing mix.

3. The toothpaste market is dominated by two brand leaders and a host of followers. How would you describe this market? Is it monopoly, oligopoly, monopolistic competition or pure competition? This market consists of a few sellers (two brand leaders and a host of followers) who are highly sensitive to each other's pricing and marketing strategies. The market is highly concentrated especially with these two brand leaders on the market which informally sets the prices to which other producers respond! Because there are few sellers, each seller is alert and responsive to competitors' pricing strategies and moves. The toothpaste market has high barriers to entry.

This means that new competitors face to different obstacles in entering this market, as a result these existing leaders frequently maintain their position of dominance in a market. Some barriers that these new sellers may face are: high set-up cost, high R&D cost, limits in pricing, inferior knowledge about the market, customers and production comparing to their predecessors, advertising and loyalty of existing customers. In this market when competing, the sellers prefer non-price competition in order to avoid

price war. Reducing the price in this market leads to little or no gain, but can lead to falling revenues and profits.

Hence, a far more beneficial strategy may be to undertake non-price competition. Crest, Colgate and their followers decided to compete more on their toothpaste advantages by introducing new products with more benefits for customers instead of reducing their price. These are all the definitions of the oligopolistic competition comparing to pure competition, monopolistic competition or pure monopoly. So by definition, oligopoly is a market structure in which a few firms dominate (Crest and Colgate) but it is possible that some small firms (Aquafresh, Arm & Hammer, Mentadent, Sensodyne ...) also operate in this market.

4. The toothpaste market is a mature market. Should be the marketing emphasis be on attracting new customers or retaining current customers? How important is customer relationship management to a brand like Crest toothpaste?

5. What external influences will continue to influence the direction of Crest's marketing strategy? Identify and briefly discuss the impact of those trends over the next few years.

6. What marketing strategies can you recommend to build market share for Crest toothpaste