

Marketing plan for a herbal company – himalaya herbals.

[Business](#), [Company](#)



Executive Summary The purpose of this document is to analyse the situation of Himalaya Herbals of Oregon and provide forecasts for future market and product innovations. We have developed organizational goals and objectives which stem from their "back to basics" philosophies. After evaluating the strengths, weaknesses, opportunities and threats, we found that competition was the single biggest threat to Himalaya Herbals' success both nationally and internationally.

We concluded that Himalaya Herbals must undertake an intensive advertising campaign to promote brand awareness, gain a greater market share, propel the image of its products, and elevate itself towards a more sophisticated level. Followed up by a number of control procedures and marketing research this would ensure the desired image and sales are achieved.

Situational Analysis Internal Analysis Himalaya Herbals is one of Australia's leading skincare and cosmetics retailers. The corporate culture is one that reflects commitment to the environment and has been described as being "in harmony with ideologies and environmental issues of the BOB'S". Current objectives include establishing the company as a determinant force in the Natural Beauty industry, providing environmentally-friendly, products, sensibly packaged from recycled materials and free from animal testing. Stated future aims are to achieve further growth of: 56 National stores to 70 23 concept bars to 45 70 international outlets to 150-200 Finance is limited in Australia. Capital is currently injected from franchise operations. It is important to finance from Australia so that the company continues its Australian owned and made uniqueness.

External Analysis Marketing Plan for a Herbal Company - Himalaya Herbals.

By Magnet Customers tot Himalaya Herbals p e 12-60 age racket. From this,

three main market segments exist: Women aged between 20-27 years

Women between 12-20 years. The mature male segment Economic

Environment The present economic conditions are promising, they are

characterized by: Low interest rates: increase the discretionary income

consumers and their ability to buy " non necessity" products. Consumer

confidence is strong due to the strong economy, therefore, consumers will be

more inclined to purchase.

The exchange rate may effect overseas ventures, positively in the USA

where the economy is strong, and negatively in Asia, where the economy

has collapsed. Himalaya Herbals should monitor the international economy

to ensure products are affordable and the price remains competitive to other

competitors in the host nation. Social & Cultural Environment Demographic

changes which may impact Himalaya Herbals are: The aging population The

increased incidence of women in the workforce Lifestyles are changing

towards more " empty nesters" and couples having kids later for

dualcareercouples.

The male perception of cosmetics is changing. Males are more inclined to

use cosmetics (up to of pop.). Increased recognition of the benefits of

natural therapy (Appendix 1) Australians are becoming more culturally

diverse, influencing product preferences. Attitudes have changed. Some

sectors of the community refuse to buy products harmful to the environment

or animals and increased importance is placed on buying from socially

conscious organizations. The importance of buying locally made products has increased. Australians identify with Himalaya Herbals' "outback qualities".

Ecological/Natural environment Himalaya Herbals uses all natural ingredients

Seasonal or climatic factors may impact Himalaya Herbals through raw material shortage. (hence shortage of plant extract through drought). The

knowledge gained from late 1980s about Ozone Layer depletion, forest depletion, and sustaining resources. The list of Himalaya Herbals' chief

competitors are as follows: Largest competitor Body Shop 45% Second largest competitor Red Earth 35% Third largest competitor Bodying 15%

Fourth largest competitor Curlicue 5% Other: Body Collection, Nitrogen,

Natures Way, Simple, Pearlier 5-8. Other new entrants Since Himalaya Herbals began, many more Australian skin-care products have jumped on

the "Green Bandwagon", or the Australian made tag. These include:

Freeman's, Australia's, Veda, Blackmore (New Zealand), and Natures Way.

Technological Environment Himalaya Herbals' philosophy indicates

that technology advancements are not really important for product

development. However, they are valuable to manufacturing processes

and communication. The Internet is used for advertising and mail-order.

Telephone, telecommunications, faxes and computers, are a vital link to

Himalaya Herbals International. Comprehensive product manuals are

distributed internationally. Points, both cash and credit facilities, are available

in stores. Deed products (POS, total stockade and stock control). Technology

in recyclable materials, innovations in energy saving through production

recesses. Political/Legal Tariffs/trade agreements affect Himalaya Herbals and need to be considered when opening international stores.

Environmental laws, and special interest groups regarding animal testing have affected the cosmetics industry as a whole. Ways the Trade Practices Act affects, Himalaya Herbage's Trading in Australia: Health and Safety regulations mean Himalaya Herbals must obey hygiene laws. Packaging must not be temperature. Packaging: Labeling required, requirement for disclosure of contents and safety regulations Promotion: Advertising must not be misleading/deceptive. Place/distribution: restrictions on operating hours, location, import/export restrictions. G. The requirement in Canada to have 1/3 package written in French Product: Consumer protection regarding use of certain ingredients (allergies, ammonia, etc) Price: subject to Sales tax regulations. Strengths/Weaknesses/Opportunities/Threats of Himalaya Herbals Strengths Well trained staff Australian owned and made Support for social/environmental causes Reputation for quality Training programs and communication between stores Weaknesses Control of advertising is strict Limited capital in Australia Location: only in metropolitan centers

Pots not in every store Opportunities Economy allows Himalaya Herbals to expand Aging population may be capitalizes on in the future Increase brand awareness Support from many diverse ethnic backgrounds Gain larger share of customers from traditional cosmetics markets Opportunities to innovate, given that suppliers are flexible to Himalaya Herbals Implement more efficient manufacturing processes Gain from tax reforms and tariff changes Threats and factors identified in Porter's 5 Competitive forces: Intense rivalry

Threat of new entrants is high, threat of market saturation Many firms are cashing in on social issues

Threat of substitutes is high and people have enormous choice of prices.

Tariff trade agreement/barriers increase Negative changes in sales tax

Advertising/PR backfires, presents unhealthy image which damages

reputation and sales Segmentation Himalaya Herbals operates in the generic product market of organic health and skincare cosmetics.

The category is disaggregated into the broad product market of aromatherapy skincare, boatyard, bath and shower, hair, sunscreen, fragrance, mother and child, cosmetics and accessories. The specific product markets are listed in Appendix 2 Geographic characteristics defining customers Himalaya Herbals targets metropolitan customers as stores and concept bars are located in large cities. This limits the availability to rural residence.

Locations range from around 60, 000 (Gelling) to 5 million people in Sydney Himalaya Herbals International targets 70 outlets in 10 different countries including: Hong Kong, Japan, Indonesia, Malaysia, Philippines; Canada, New Zealand, Thailand, USA, and Holland Demographic characteristics defining Himalaya Herbals customers are: Income: Target customers in the middle income bracket Sex: The majority is targeted at women (78% products) with a small percentage at en (3% in 1992, to 8% recently) Age: 12-60 years, women predominantly 20-27 girls 12-20 (15-20% of sales), men 15-

45 Family: Singles, newly married couples, (gift market); Empty-nesters (more discretionary income); New Mothers: Specialist gifts from friends.

Occupation: Professional, part-time working students Education: 12-ss's (High School), 20-27 (Tertiary education/TAFT, intelligent), 27-35 (Females, Post-Graduates), 35-50 (older women, well-read) Behavioral: Products need to be economical, be prestigious, be safe for the environmentally the appearances relaxation look good/feel healthy allergy-freeze a cheaper alternative Rates of Use: Heavy Women Used on a daily basis (skincare, hairier, aromatherapy) Light Men Occasional gift, some daily, (shaving, hair, fragrance, acne treatments, seasonal sunscreen) Medium Girls Use daily (acne cream, occasionally make-up 2/3 times per week) Purchase Frequency: Women Purchase most frequently and regularly Men Purchase irregularly, less frequently Girls Use regularly, less loyal. More likely to browse/test products. Brand Familiarity: Women have 'brand preference', however, if it is unavailable they would buy from competitors. Men Level of familiarity is 'non recognition', in that they will not hunt the product out.

Girls have 'recognition/preference' for products, depending on finances Kinds of Shopping: Women Specialist shopping behaviors as they seek prestige Men Convenience - pick whatever, is available Girls Comparison - will try many products before deciding Information Required: Women/girls Ingredients Men Low information required Homogeneous Groups and their qualifying dimensions, in order of importance Market 1 (Women Businesslike, singles, with no kids, sophisticated taste and environmentally conscious Market 2 (Women 27-35) Newly married/attached, very young children,

middle class Market 3(Girls 12-20) Mature tastes, limb unconscious Deed
spendingmoney, environmentally Market 4(Males 20-45) Businesslike, middle
class, possibly students Market 5(Women 35-50) Well established, perhaps
higher discretionary, income.

Determining Dimensions: Features of products that influence consumer
choice Packaging: size, appeal, recyclable benefits Price Animal Testing free
Ingredients: Natural extracts Logo, reputation Smell, fragrance, texture
Range Quality Availability Specials Sales Determine Market size and Growth:
Market Category % market share of Australian Natural Beauty Market Year
2001 projections Market 1 Market 2 22% Market 3 15-20% Market 4 Market 5
*Projections are based on what statistics are available plus estimates based
on demographics Vision/Mission Statement To avoid the hype, inflated prices
and synthetic products offered by mainstream competitors and opt for a
back to basics philosophy at an affordable price. To be environmentally
conscious, using only materials not tested or harmful to animals. To target
the intelligent and discerning male and female buyers and increase market
position. To provide a comfortable/supportive environment for all staff so
that they can provide superior customer service. Company goals and
Objectives

Increase individual store sales Maintain the modern and appealing layout of
all Himalaya Herbals stores Reward individual staff for good service and
commitment to Jobs To maintain integrity on social issues Corporate and
divisional objectives Operate continual staff training programs to maintain
friendly and exceptional service Make every store accessible to the internet

by creating a web site for both national and international outlets Develop an intranet system which will link all Himalaya Herbals stores to enable comparison of information such as sales and stock levels Financial objectives: Increase market-share from 12% to 25% in five years, and 30% in ten years. Increase annual profits nationally and internationally Increase competitiveness via price strategy.

Maintain Long Term stability Marketing objectives: Increase to 1 50 domestic stores and 250 international stores within eight years Increase the awareness and brand familiarity of the Himalaya Herbals range through extensive advertising and promotion Remain selective in market exposure through promotion and advertising to only desired target markets Strategic Options Growth Strategy Options Market Penetration Himalaya Herbals should increase the growth of their present arrest and determine the strength of their competition. Himalaya Herbals should also undertake market penetration to increase brand awareness. Market Development Himalaya Herbals should consider distributing their products through mail-order, expanding geographical distribution. Himalaya Herbals should entice the male market by looking at different advertising strategies.

Product Development Himalaya Herbals should keep their loyal customers happy, by developing products to keep ahead of fashions and trends, by adding new features to present products to make them more appealing, and by expanding the sporting angel and product lines for males. Diversification Himalaya Herbals should consider the feasibility of developing specialized products for specific countries and cultures. Competitive Strategies This

involves Himalaya Herbals distinguishing its products from other suppliers or other substitute products. Differentiation cosmetic products are between the growth stage and maturity stage, competition is intense, sales may still be growing, but are starting to fall. Himalaya Herbals must take this into account. Himalaya Herbals could differentiate their product by looking at mail order.