

Situation analysis

Business



We reach collectively goals that we cannot reach separately. Situation Analysis 1 . Aggregate market Category Size Based on competitor press releases, toothpaste category size is reaching up to 1 5 billion pesos, 50 percent for Close-up and 20 percent for Happen. Category Growth The additional investments made by the company for the expansion of market in he Southeast Asia, would improve the company's market share in the local toothpaste market 20th percent from the present 10 to 15 percent market share.

Product Life Cycle Introductory and growth level For Happen was not so easy.

It was hard to be competing with two multinational brands especially when plastic tube became popular in 1985. Due to the invention of plastic tubes, from growth, Happen almost reached decline stage. But Happen made their way out and survived the declining business by the help from a Japanese company. Happen is currently in the maturity stage. It has gained awareness back in 1996 when they came up with the right trceries to be known as the toothpaste which is 100 percent Piano made.

Sales Cyclist Toothpaste industry is not greatly affected by Gross Development Product variations because it has been priced below the premium brands.

The intensity of the capital for toothpaste industry is not that high compared to other products. Seasonality Toothpaste industry does not have yearly cycles in sales. Toothpaste is now being considered as a necessity and is to be used it at least twice a day. Profits I estimate using the customer data, 60

out of 90 million Filipinos brush average of xx per day using ml toothpaste which cost 50 centavos per brushing.

It will indicate for about 22 billion pesos profit in the industry.

2. Category Factors Threats of new entrants/exits Economies of scale

Laywoman Corporation has their own factory and has equipment's of their own which makes the threat of new entrants high. In the oral care industry in the Philippines, there are three well-known brands that a new entrant will have to worry, namely Colgate, Close-up and Happen. Colgate is much known locally and internationally. Matter of fact, the brand is no strong that some consumers have already associated the product toothpaste as Colgate.

As for Close- p, it's a strong brand towards the teens while Happen is for the masses and kids.

Having these strong brands in the market will be a threat to new entrants.

Capital requirements The toothpaste industry requires large capital requirements due to manufacturing equipment's facilities, locations, distributions, marketing programs and other expenses to put up the same business. As we all know, manufacturing companies need large spaces for production and it would be hard for a new entrant to keep up with its competitors.

Switching costs Unfortunately, this barrier is not present in the toothpaste industry since toothpaste goes with any other toothbrush. With so many alternatives available in the market, and with a kind of product such as toothpaste, switching costs is not visible.

Distribution It would be hard for new entrants to obtain shelf space in supermarkets and other drugstores for the leading brands, with many varieties, occupies the spaces. Slotting allowances will be too much for new entrants and would be impractical for them to spend too much when their brands are not yet that recognized by the market.

If you have been in the supermarkets and sari-sari stores, you'd often see the three brands mentioned earlier. They occupy the spaces where people can visibly see them. Placing them in between these brands will not guarantee them purchase right away. Bargaining power of buyers So far, the bargaining power of buyers for Happen toothpaste is low since it's already sold at a lower price than the well-swoon brands.

If the two brands lower their prices then it will then influence the bargaining power of buyers for Happen.

Pressure from Substitutes The awareness for the need of oral care increased substitutes in the toothpaste industry. Many other brands, products and variations are being introduced to the market which pressures the toothpaste industry especially Happen. As Colgate launch different oral care products such as toothpaste, toothbrush, and mouthwashes, Happen will be left behind if it doesn't construct strategies to keep up with this pressure.

Category capacity Happen is expanding to the Southeast Asia market. The company has already raised capacity tool, OHO metric tons from 6, 000 metric tons with the IOP million investments.

The additional P1 50 million investment for the next two years to further increases its capacity as the company gears up for the exports market.

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Current category rivalry Happens major competitors are Colgate and Close-up. The minor competitors are intense. This is why it is hard for Happen to gain much differentiation because the two brands have been doing the same thing as what Happen does, However, as stated in Happens history, even through the product has survived from the two multinational brands, there is an increasing demand for oral care which will gain more competitors that may affect Happen. 3.

Environmental Technological Economic Political Social C. Company and Competitor Analysis About the company Colgate Mission: As the company strives to be the best truly global consumer products company, we are committed to doing business with integrity and respect for all people and for the world around us. Vision: " As we plan our strategies to sustain growth for the years to come, our core values of caring, global teamwork and continuous improvement will continue to drive our future initiatives. " Close-up Vision: To help people feel good look and get more out of life with brands and services that are good for them and good for others.

We will inspire people to take small everyday actions, that can add up to a big difference for the world.

We will develop new ways of doing business that will allow us to double the size of our country while reducing our environment impact. Unique Vision: To be the most value-innovative, cost efficient, and reliable manufacturer and marketer of high quality branded laundry detergents, household and personal care products that enrich the lives of Philippine consumers. Happen Mission of the common people.

The cabled throws light on the innovative media strategy adopted by HAL for the re-launch of its toothpaste brand Close up. The corselets describes the media mix used for the new marketing communication campaign by HALL. The corselets also provides an overview of the carrier communications initiatives undertaken by HALL for Close U Unique toothpaste aims to continually improve manufacturing processes and products to give mutual benefit for consumer.

Happy have set in motion our strategy to become a major player in the oral care with our vision of having a Happy toothpaste in every home, we continue to develop quality. Its products that are essential and beneficial to our daily lives. But we also believe that quality goes hand. In hand with affordability.

That sissy every new product we introduce is always within the reach of the number of people.

Expected Future Strategies Colgate must considered the lower class on execute . Its rational price range to the market. Move variants much better. To sustain its popularly in the public for its known as the toothpaste for young. Double the positioning and promoting strategy.

More fresh new flavors and variants that suits to the consumer satisfaction. Wide and Effective positioning and developing the toothpaste product for in able to compete with the strong existing brand of toothpaste in the country. Happy toothpaste also believes that quality goes hand in-hand with affordability.

Therefore happen toothpaste will produce cheaper but high in quality toothpaste that suites in consumer's satisfaction. Entering international market and competing with the giants.

Product Brand Strategy Through market penetration and market development, we reach out our new product to the teens and college students. B. Competitor Targets Our competitor target would be Colgate Plan, Oral-B, Astringents and Listener. These Brands, as we all know, offers mouthwashes that are not priced for the down market. Pricing our new product lower than the competitors will give us an edge towards the potential consumers.

C. Product/ service features Mouthwashes have this bitter type of taste.

Some even complains having that estate gone during the day. One of the product features we will be offering is the different cool and sweet flavor which will be according to the target market's preference of taste. D. Core Strategy Value Proposition As stated above, Happen mouthwash is not just a mouthwash but can be toothpaste too.

This will help our consumers save by buying separately the mouthwash and toothpaste. They will also be able to save time when they are in a hurry but gargling and brushing at the same time. With a price that is low against the competitors, and with the global regression happening, consumers will value more on saving money.