

# Marketing management dermavescent



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In 2005, their sales were \$258 million and \$3. 724 million came from their Soft and Silky Shaving Gel. Soft and Silky is promoted as a premium product; therefore the cost is higher than its competitors. Since the product has a unique niche, it has been profitable since its inception and has a vast brand loyal following. The company is looking at whether or not to add to their product line of shaving gels with a shaving cream. The existing production line has been maxed out, and no plan to modify existing machines or add to the production line to increase capacity.

Therefore, the idea of outsourcing the new product line makes sense. The only issue is that if they continue to overburden the production line and cause the gel to be out of stock, the new product may usurp the old product line. Some cannibalism is expected, but not enough to obliterate the old product completely. Translucent should also consider going into the aerosol can business because it sounds like they have enough unique product identifiers to launch it, thereby setting themselves apart from their competitors.

They were successful with the launch of their Soft and Silky Shaving Gel; they should have every expectation that they would be able to market this product as well. Continued use of rack Jobbers would be necessary to place their products effectively in the stores. Alternative Courses of Action Masters' first option would be to keep the peace between herself and Courting, and her test-marketed recommendation. This option would mean introducing the new packaging in a test market situation where they would separate the 5. 5 ounce can and 10 ounce can into different stores to see which sold better. Exhibit 7) Considering the finding from the test market analysis, only 45

percent of current Soft and Silky customers would consider switching to the new packaging. The analysis means that the other 55 percent would still purchase the original packaging. Additionally, only 25 percent of the non-customers said that they would switch to Soft and Silky with the introduction of new packaging. (Kerri, 2009) Masters will need to look at the alternative options in order to determine if implementing in the test market is in the best interest of the product line.

Alternatively, either Masters could decide against doing the test marketing research altogether and instead introduce the 5.5 ounce can or the 10 ounce can while continuing to produce the 5.5 ounce tube of the Soft and Silky gel. The 70/30 probability forecast analysis from the market search study indicates the following: Should Masters decide to introduce, the 5.5 ounce can while continuing to produce the 5.5 ounce tubes she could expect an decided to introduce the 10 ounce can while continuing to produce the 5.5 ounce tube of gel she could expect an approximate net financial increase of \$86,244.67. (Exhibit 4) Lastly, Masters could choose to change nothing and continue to maintain production on their original packaging and leave the option to introduce new packaging for a later time. The anticipated gross profit is over \$2.9 million. (Exhibit 5) Courtship's proposal has been summarized in Exhibit 7. Recommendation and Discussion There are many factors that go into considering a new or extended product launch. The market research and surveys have provided an excellent indication as to consumer's preferences.

After a review of the alternative courses of action, we recommend the introduction of the of the 10 ounce aerosol can. This option provides the

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highest financial impact with minimal variable costs outlay of \$10, 000 for supplier setup. (Exhibit 6) Once this cost is sunk, and Translucent can monitor demand for the new package and aerosol product, they can gauge introduction of the 5. 5 ounce product within 12 to 18 months. The recommended alternative would require proper product placement, utilizing the rack Jobbers.

Additionally, marketing in female focused magazines and cooperatives with local newspapers would provide a buzz around the new product size and features. The existing Soft and Silky Shaving customers have proven loyal to the brand. While there may be some centralization of those users, the effect would be minimal to the overall profitability of the product line. Tan Soup would recommend the product launch prior to the peak shaving season; further the 10 ounce aerosol provides the highest margin and return on investment for the company. References Kerri, P. R. (2009).