

# Journal critical essay

Media



Headquartered in Los Angeles, California, the company offers consumers over 250 quality and affordable arsenal care products. The Product Dry. Fresh makes Bianca brand nativity fluoride toothpaste. We offer a peppermint flavor which is preferable to our target audience and offers cavity protection, fresh breath and strengthens teeth. Active ingredient is sodium nonprofessionals (0. 76%) is an nativity with a series of inactive ingredients. The Market Target market includes low income individuals, students, head of household, and elderly.

The projected loss for our product in the current fiscal year is predicted \$50, 000 net loss. Variable costs to obtain a product and store in our warehouse is \$0. 50 per unit. This variable cost cannot be reduced any further and will remain constant for the next two years regardless of volume. We have a unique advantage that our production can instantly vary to any output without increasing fixed costs or inventory costs. Our annual fixed costs are \$250, 000 annually including salaries, benefits, office supplies, warehouse space and our other product related expenses.

This does not include any promotion like advertising, public relations or personal selling. Company overview Our mission is to provide innovative, high quality and affordable personal care products that exceed consumer expectations. The mission includes being the leader in the oral care category through fully understanding and addressing consumer needs. Our companies' SOOT Analysis includes our strength to offer a low price, have an effective product, and a good price to feature ratio.

We offer multiple oral healthcare products which increase customer susceptibility to our product. Bianca has had previous advertising in movies, and television which help our product recognition. Our weaknesses include lack of brand recognition and are unknown, lack of features including whitening, tartar control, sensitivity and also fluoride, low promotion edged, subpart quality and we offer smaller quantities than competitors for the of our product through retailers. Company opportunities include easy sales to wholesalers because of price.

We can offer to convenience stores and also vending machines to increase sales without extra cost. We also have the opportunity to advertise to dentist offices and to get support. Threats include name brand competitors, other low cost entrants, supplier power, buyer power, rivalry between other low cost competitors, and also threat of substitute products affect our business. 95% of our sales are at the price point of \$1. 15 through wholesalers. The wholesalers sell to retailers, who sell our product at \$1. 61 per unit.

The other 5% of sales occur over the internet at \$1. 49 each. We show a fixed cost of 250, 000 + (. 50 per unit PVC \*units). We are selling at this price and are estimated to lose \$50, 000 this year. In order to market this toothpaste, and achieve a goal of \$50, 000 profitability a year we must sell 400, 000 units. In order to hit this strategic goal we must attain more market share. The overall oral healthcare market is worth 10. 9 billion. Colgate holds 52% of the overall market. HULL holds 22%. Dabber has 14% We hold . 05% with other brands with 1 1. 5%. Current market trends it indicate whitening is a strong factor in increasing sales. Market Segments We have broken our market down into the following segments: Students (Students are on tight  
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budgets, but still need to clean their teeth effectively because their diets are typically not conducive to oral health in the first place. ) Low Income Families (Lower income families need to buy lots of toothpaste, but can't afford expensive name brands. ) Value Shoppers (Some individuals/families simply look to get the most value for their money. Each of our market segments have similar characteristics. Most of all, they are looking to get the best oral care product on a limited budget. They are typically value driven, and will buy a specific brand out of habit and convenience rather than any specific medical desires in their product. Their needs in a toothpaste include cleaning their teeth, preventing tooth decay, freshening breath, and preventing plaque and tartar build up in their mouth. Primary Target Market Our primary target market is value shoppers.

Our customers in rural areas are looking for a combination of features and convenience. Customers entail value shoppers, low income shoppers, students, households, low cost value proposition. We segment through Geographic (Rural and Urban), Behavioral ( Normal use, Whitening, Complete Care), Demographic (customer type) and other methods. Company Analysis Our goals include selling the best toothpaste at the best price. Through aggressive price techniques we offer a quality product at a low price. We sell most of our product to retailers and a slim margin over the internet.

Company culture includes giving employees fair chance to speak their mind and voice concerns to management. Through respecting catheter and fostering innovation we have been able to sell our other products very successfully. Internal strengths we have include our differentiation of products. We offer Bianca mouth freshening spray, toothbrushes, floss and <https://assignbuster.com/journal-critical-essay/>

other oral health products. A weakness we have internally is that we do not currently offer any whitening products, and with the current trend it is hurting our growth.

Opportunities that we have include a whitening pre brush rinse solution. We also can develop mouthwash and produce different flavors of our breath freshening spray. The oral healthcare market is increasing due to people's reliance on vanity. Threats from other companies are hurting our sales due to competitor capitalization in the whitening, and feature/ luxury branding. Our low price toothpaste formula is not going to make your teeth any brighter, or remove layers of plaque that cause yellowing.

Our product simply removes surface bacteria and doesn't get in deep like other competitor products. Market share is a growing concern for us, we hold half a percent of the total market, and our competitor Colgate holds 52% of the overall market. We have a lot of room for growth inside our current market and huge incentives. Overall we are going to suffer a loss this quarter. We are going through some changes currently in our marketing and management staff and are predicting a rise next year. We have more than adequate production methods and inventory warehousing.

We anticipate being able to handle sales at a much higher volume. We are coming up with a new marketing scheme to make our product more appealing to our target market. We need to think creatively and bring in some fresh ideas and interns. Stock price 2.50 BASE (August 1st 2013)  
Competitor Analysis Our top three competitors are The Procter and Gamble Company Philips Oral Healthcare Inc I. Market position The consumer product

conglomerate focused on toothpaste, toothbrushes and other oral care products. The position of the quality toothpaste could be niche or mainstream.

The decision to position the new toothpaste on retail shelves is another important aspect of our sales positioning. Colgate toothpaste places the toothpaste in between one of the existing products and a competitor's product. It. Strengths - Colgate Optic white and Colgate sensitive pro- Relief toothpastes and the re launch of Colgate total toothpaste contributed to their strength in the oral care market. - Collage's strength in manual toothbrushes also continued in the U. S, driven by the success of Colgate 360 degree optic white, Colgate 360 degree Sensitive Pro- Relief ND Colgate 360 degree Surround. '. Weaknesses Colgate brand directly compete with P Oral-B company toothpastes which are globally known for their high functional properties, including sensitivity and teeth whitening. The company also increased its advertising expenditures by 31% in the two quarters of 2013. It has resulted in an overall market share gain in toothpaste and has growth from 52% in 2012 to 56% presently. Colgate has to worry about the innovative new products that could compete with their current quality toothpaste. Iii.

Market Shares Colgate has been able to stay ahead of the market; it has one of the widest networks, caching 4. 5 million retail outlets in India. Collage's sustained distribution strength, coupled with product innovation and creation of sub-categories such as mouthwash and sensitive oral care have helped it drive growth aggressively. They are always coming up with new ideas to push the barrier and capture new market shares. Promoting healthier lives, <https://assignbuster.com/journal-critical-essay/>

improving community oral health care, expanding their current "Bright Smile, Bright Futures" program all ATA low cost.

They ensure that ingredients continue to meet safety, quality and environmental compliance and biodegradability. They have also been environmentally responsible through reducing the environmental impact of Colgate products and packages by 20% increasing the use of sustainable materials and recycled content. Value Chain Partners Supply chain partners consist of primarily a manufacturing company (Dry. Fresh) in India. The factory produces the toothpaste, packages the paste into tubes, and seals and prints the tubes and boxes the final product.

Large shipments leave the factory by means of distribution. A distributor moves the product from the factory to Wholesalers Warehouses Shipping yards Wholesaler's mark up the product and sell the product in bulk to tillers. Wholesalers are responsible for distribution of the product after they purchase the product from the factory. Warehouses store the product until demand for the toothpaste is reached. At this point the product is removed and sold to different partners Shipping yards are usually located where a sea port meets a railroad.

The trucks can drop off product for easy transportation over 1) ocean through massive commercial ships and 2) railway where trains transport goods efficiently 3) Trucks drop off their trailers and are easily navigated to new locations by other drivers. Once the goods are delivered to their final location it is usually at a retailer. Retailers purchase the goods from the wholesaler, offer a markup on the product and arrange the product on the

shelves where it is ultimately bought by customers. When the product is sold directly over the internet a lot of the process is cut down.

The internet protocol is much more simple. A supply chain partner is through the website design and maintenance teams in order to process orders and receive accurate shipping information, as well as process payment. When an order is paid for and set up for delivery, the company uses a mail company such as FedEx or USPS to deliver the final package to the customer. Climate Reducing global impact on the climate and environment plays an important role in associated with the manufacture and distribution of products it plays a large role in our manufacturing process.

We try to reduce waste sent to landfills as well as request that all of our key suppliers measure and disclose the climate change information. Through the economic climate we are reducing the amount of water consumed in the manufacture and consumption of our products. Reducing the amount of water associated with our products saves a lot of money. Through working with local and global organizations to promote access to clean water we promote water conservation awareness across the world. We reduce our environmental impact of products and packages by up to 20% by increasing the use of sustainable materials and recycled content.

Social and cultural environment includes the increase of sustainability profile in our new products and in the balance of our portfolio. We ensure ingredients meet or exceed all recognized standards for safety, quality, and environmental compliance and biodegradability. Political and legal environment is included in promoting health and wellness and to reduce



employee employee health risks. We have achieved a 5% reduction in costs and improvements in early diagnosis of chronic and treatable disease. We are focusing on safety to achieve the goal of zero lost time incidents.

Other political impacts are the standards set to monitor our product and ensure public health. Technological environment by reducing our waste through technological upgrades we have been able to increase effectiveness and efficiency with lower waste. New methods allow for the reduction of water used in production and distributing so that we can control costs and provide the best product available. Insight driven innovation provides value added products and our marketing strategy shows that in order to ensure high standards we must have the essential technology to make it happen.