

Sunscreen CBC Analysis - MKT Presentation

Draft version

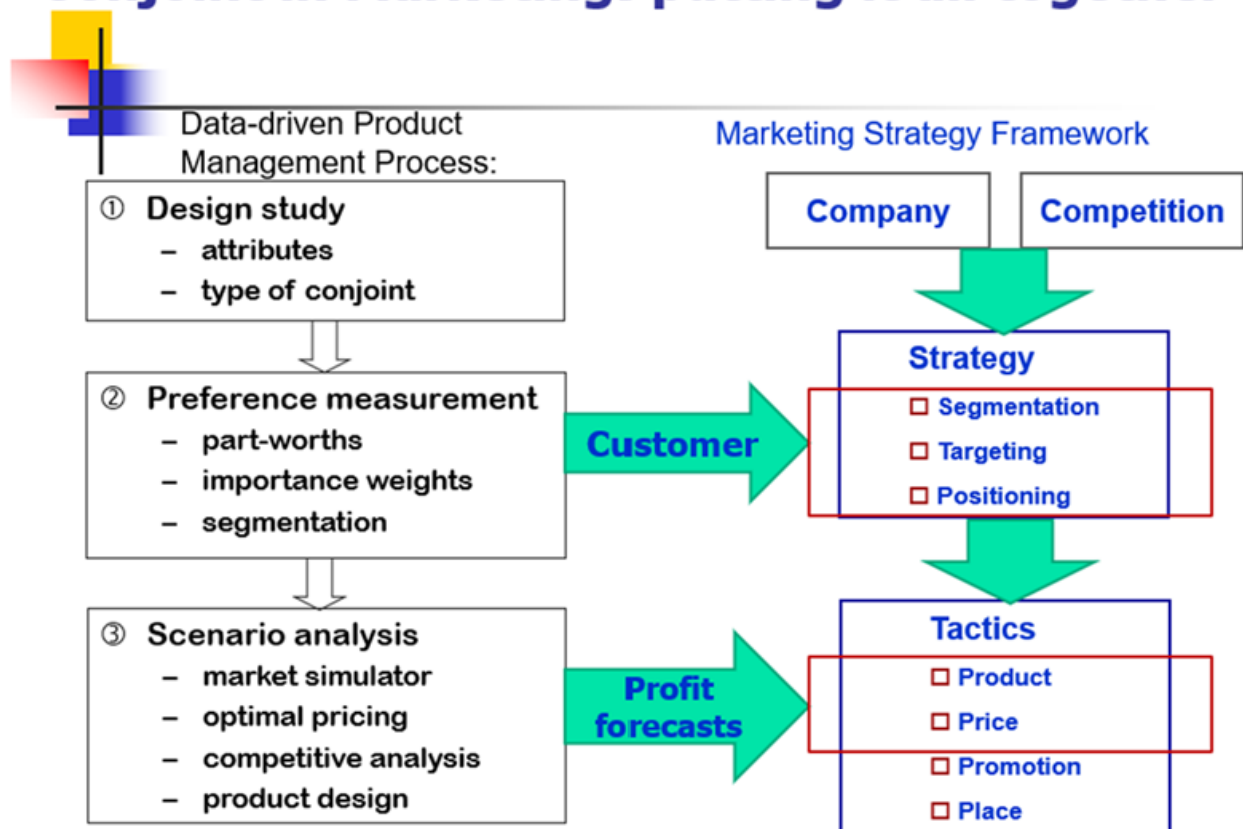
Hi Guys,

I have just tried to put down what could be done once we have our survey results (post data cleaning). So that we are all good to go with our analysis as soon as we have our data ready.

As per our proposal we said that we would be doing a Latent Class Classification (similar to our Power Tool Segmentation Assignment) to analyze different Consumer Segments/Profile them and then choose the best one that could be targeted with the right set of product features. Besides, we also mentioned about the 3C's - Company, Competitor and Consumer.

The **consumer** part will be taken care of by CBC Latent Class Segmentation. However, we need some deeper insights into the company and competition. As I was going through the 'Class PPTs' on Conjoint, I found that we could leverage some of the methods Prof. taught us to make our analysis more robust. And all of this could be done using the results from our Conjoint Analysis/Sawtooth Software like this

Conjoint in Marketing: putting it all together



Here's what I think, like we see in the picture above we could divide our analysis -

Part 1 - Consumer Segmentation

Understand our consumer segments and preference of our consumers segment-wise. Decide on what could be our target segment and what features do people in that segment look for.

Part 2 - Market Forecasts

Once, we have our product configuration (fair idea of configuration from our previous step), we could use the market simulator to understand what would be our market share given those product features.

Challenge - We need to have a fairly realistic idea of what our competitor products look like so that we have a market share estimate. Needs online research..

We probably can get this from our segmentation results itself.

Part 3 - Product configuration / Profit estimates

Now, although market share forecasts will give us a fair idea of whether we are targeting the right people. We can still explore what product configuration could maximize the profit.

Challenge - We need to identify the cost associated with addition of each feature such as Tint/Scent etc.

So the story that we could stitch could be something like

- We are Banana Boat - good penetration in the sunscreen market; want to launch a sunscreen in the market with uncommon/new features
- We first see what features (of sunscreen) our consumers are most interested to see in their sunscreen
- Next we try to identify different consumer segments and their choices. Leverage this to select your product and target consumers
- Understand with the selected target segment/products what does our market share look like?
- Can we increase our market share or maximize our profits by tweaking a few product features? - Company and Competitor Analysis
- Finally, show our target audience, product features + positioning

Note - Please have a look at the appendix for a better understanding of the 3 steps outlined above

APPENDIX

Market Share Simulation

Need to have a configuration of our product and competitor products

See slides 11 onwards - Market Simulation and Product Design



How to forecast market share?



Building blocks:

Customers: USC Marshall students in my Marketing Analytics class

Market = your product + competitors' products

	Competitors			You
Brand	Diamond	Ritz-Carlton	Sheraton	W
Location	secluded	secluded	in town	in town
Watersports	no	yes	no	no
View	yes	yes	no	no
Spa	no	no	no	yes
Price	\$ 2,400	\$ 3,200	\$ 1,600	\$ 2,400

What's your market share forecast of the new "W" hotel entry in Northwest Maui?

Product configuration selection

Challenge - We need to identify the cost associated with addition of each feature such as Tint/Scent etc.

See slides 25-33 - Market Simulation and Product Design



Using conjoint share simulator to select product features

Idea: Record the profit of every product configuration at each price point

Product ID	Location	Watersports	View	Spa	Cost	Price	Share	Profit
1	In town	no	no	no	450	1,000	36.60%	201,300,000
2	In town	no	no	yes	650	1,000	47.20%	165,200,000
3	In town	no	yes	no	850	1,000	62.30%	93,450,000
4	In town	no	yes	yes	1,050	1,000	72.10%	36,050,000
5	In town	yes	no	no	700	1,000	49.50%	148,500,000
6	In town	yes	no	yes	900	1,000	59.70%	59,700,000
7	In town	yes	yes	no	1,300	1,000	76.50%	229,500,000
8	In town	yes	yes	yes	1,300	1,000	83.50%	250,500,000
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40	In town	yes	yes	yes	1,300	2,400	58.20%	640,200,000
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Optimal configuration: In town, offer water sports, ocean view, & spa, \$2400

Consumer Segmentation

Power tool segmentation assignment and [See slides 19 onwards - Consumer Segment](#)