

# Mattress Market Entry

---

## Best Rest

- A leading brand of bedding products
- Delivery channels: online and premium home retailers
- Brand recognition, 17% US household experienced one or more products

## Sleep Cool

- New cooling tech-mattress
- Launch strategy: with reputed brand and DCM market

## DCM

- 2018 sales value was \$23.7 billion
- Rapidly growing market
- Top competitors share 61% of market

# Background

---

Best Rest is looking forward to acquire Sleep Cool with their new cooling tech mattress to enter mattress market, through DCM channel

# Executive Summary

---

- Gender & Age does not impact people's propensity to buy online mattress
- Non-Best Rest Customers are less likely to purchase online





A photograph of a bedroom interior. In the foreground, a bed is covered with a light-colored, textured blanket and a dark blue blanket. A book with a black cover and white pages is open and lying on the bed. To the right, a window is covered with white curtains, and bright light is streaming in. The background is a plain, light-colored wall.

# Best Rest Customers

---

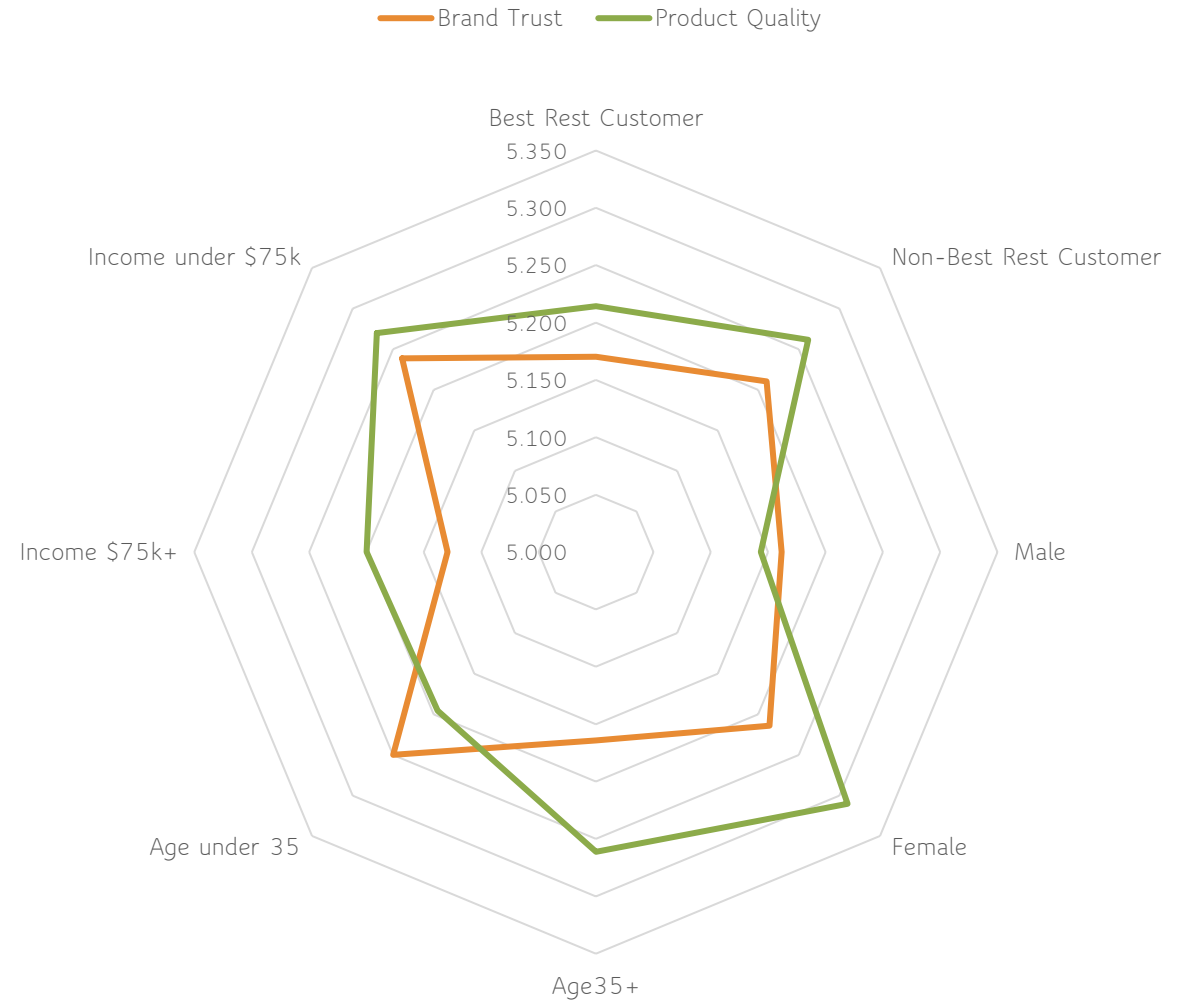
78% of best rest customers are over  
35 years old

54% are high income

70% do not yet own a direct to  
customer mattress

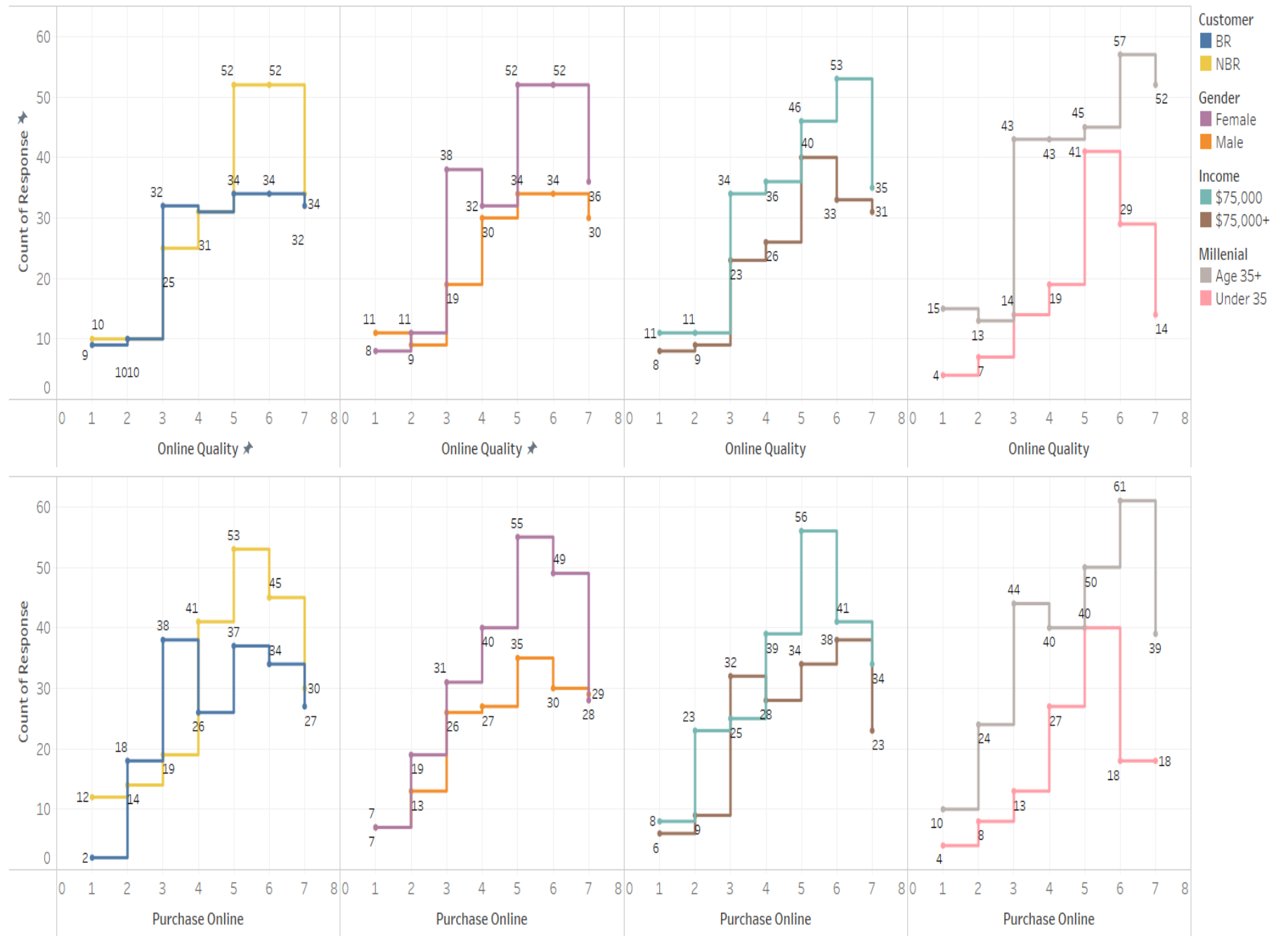
# Best Rest brand attitudes

Female with income under \$75,000, who are not Best Rest regular customers more likely to purchase Best Rest mattress



# Target Customer Segments For DCM

35+ year old Female with income under \$75,000, who are not Best Rest regular customers



CORRELATION BETWEEN PURCHASE ONLINE AND ONLINE QUALITY IS 0.823 AND HENCE WE CAN SEE SIMILAR TREND FOR THEM. THE POSITIVE RESPONSE (>5) IS OUR SELECTED CATEGORY.

# Target Customers

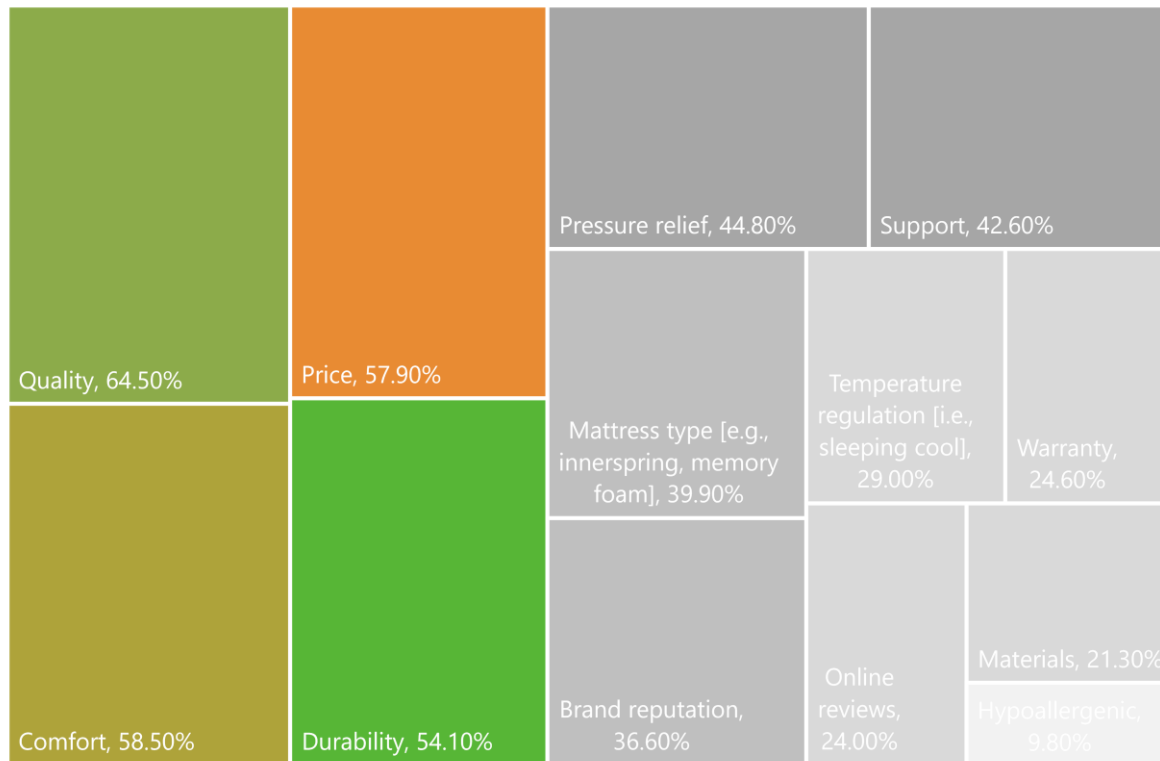
---

Considering Best Rest brand attitudes and Customers who prefer DCM (online purchase), Our target customers should be Women of the age group 35+, with income under \$75,000



# Quality, Price & Comfort

are the top three important factors while purchasing a new mattress, for all customers



Best Rest Customer

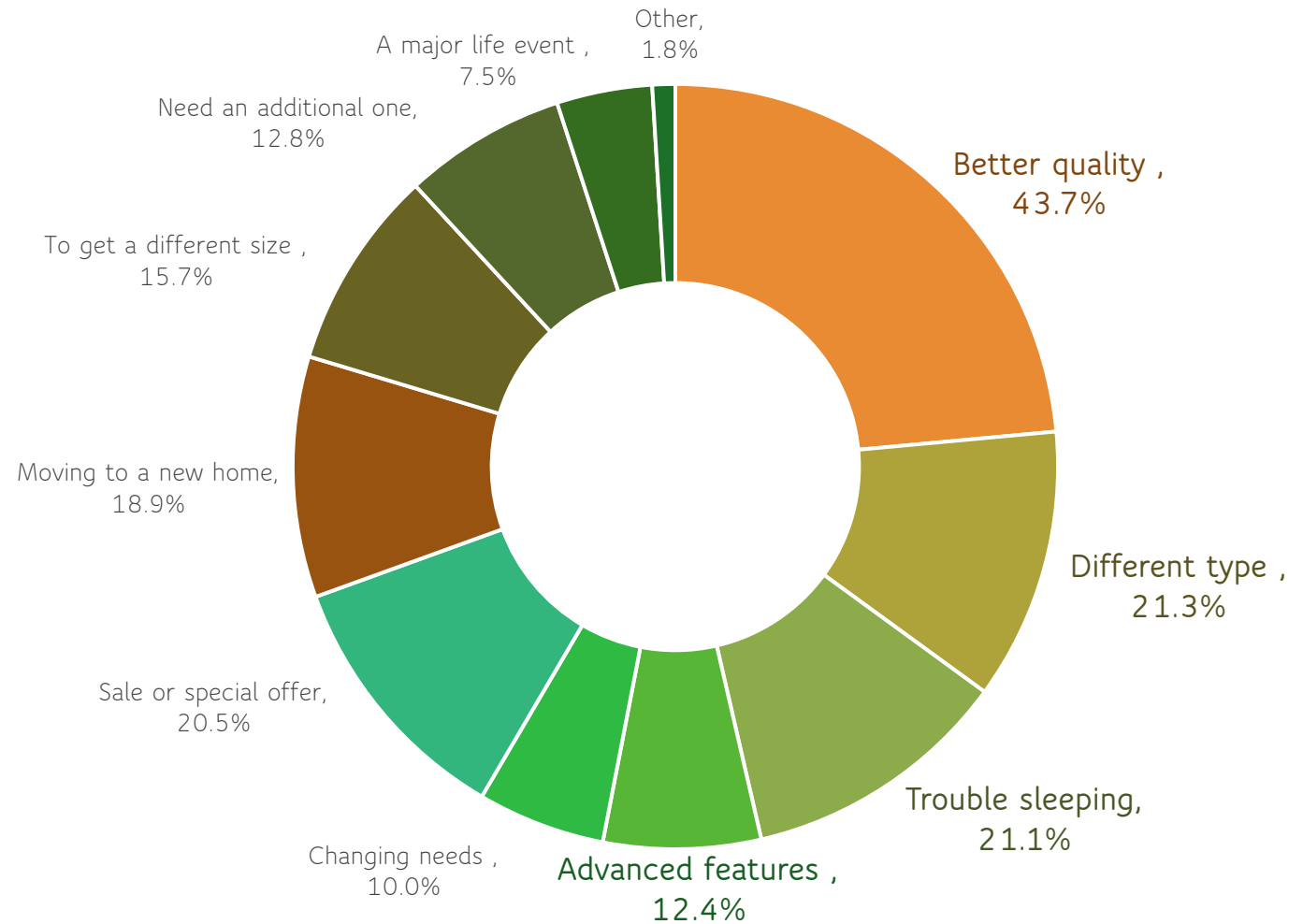


Non-Best Rest Customer



# Reasons for purchase a new mattress

Customers need a mattress with advance features to help them sleep more comfortably

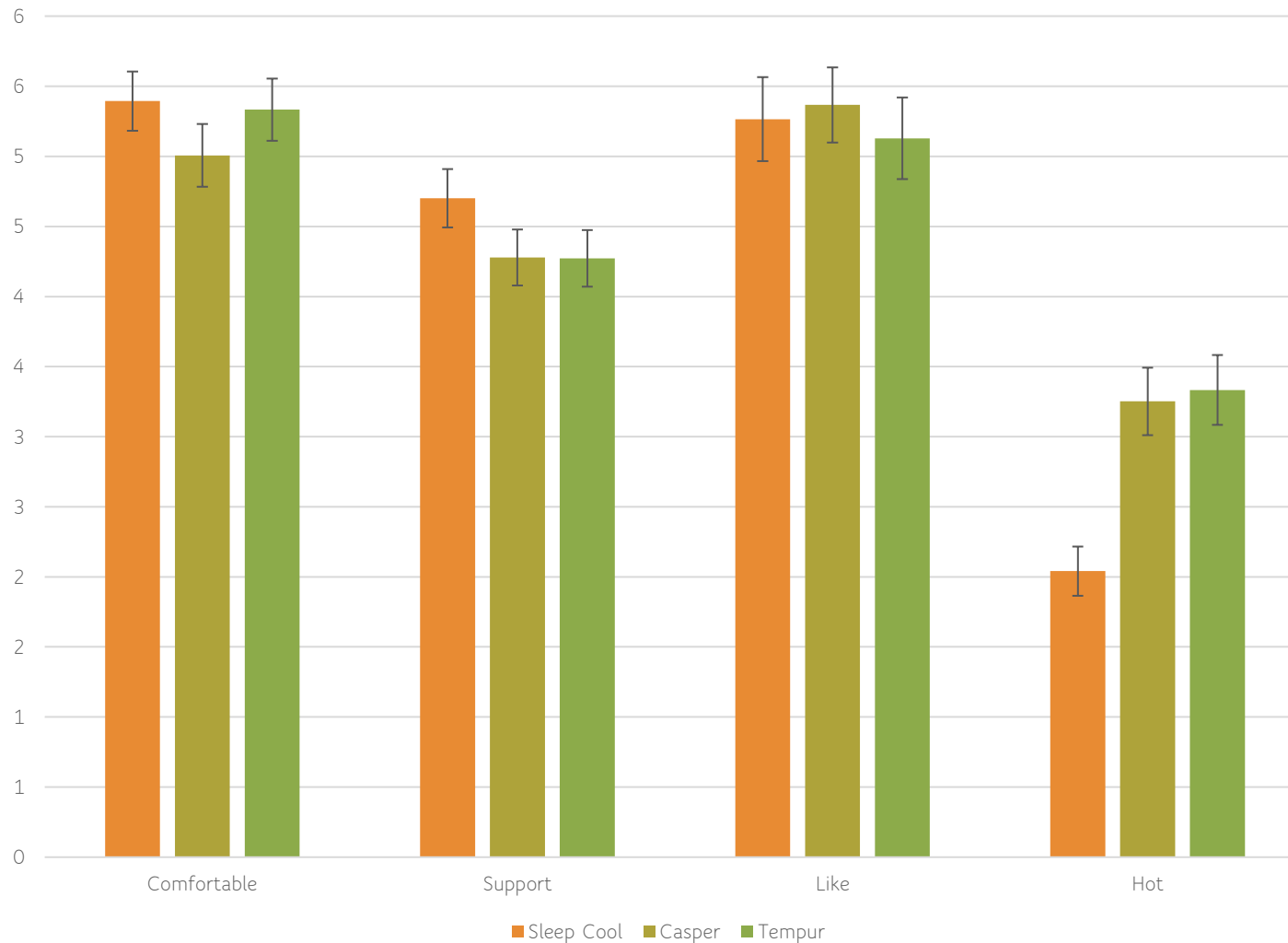


# Customer expectations in a new mattress

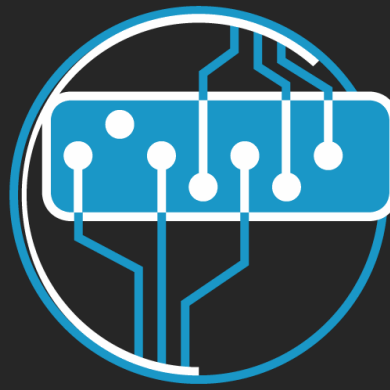
---

1. Quality
2. Price
3. Comfort
4. New Variety with advance features





Comfort,  
Support, Like  
and \*Cooling;  
Four qualities for which  
customer prefer buying  
Sleep Cool mattress  
which shows the best performance with  
respect to the competitors



# Benefits to be used in advertisements

---

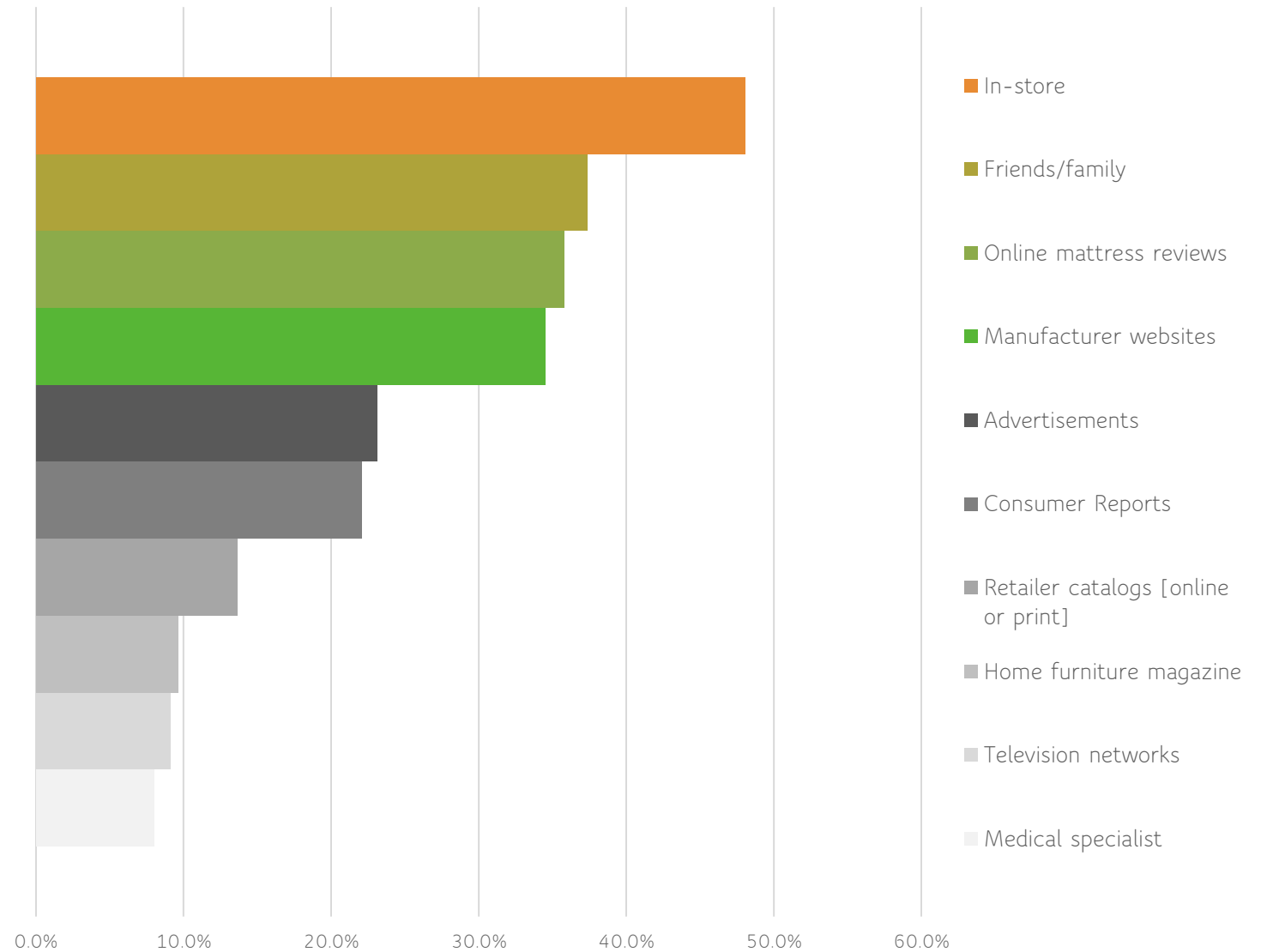
Considering the top four factors' customers looking while purchasing new mattress (Quality, Price, Comfort, and advance feature);

And four qualities for which customer prefer Sleep Cool over other competitors (Comfort, Cooling, Like, and Support);

Three main benefits should be used in advertising are Quality, Comfort, and Advance Cooling Feature

# Advertising mediums

More than 30% times people received information on mattress from in-store advertisements, friends/family connections, online reviews, and manufacturer websites





# Summary

---

- Best Rest should acquire Sleep Cool to enter mattress market through DCM (previous study)
- Based on Best Rest attitudes and Online channel attitudes among customers, they should target Women, age 35+, under \$75,000 income segment. Also, should focus on customers who may not have experienced Best Rest product in past.
- By combining customers needs and what Best Rest can provide through Sleep Cool, they should use Quality, Comfort, and advance cooling feature for advertisement
- Majority of customers gather information regarding mattress through in-store advertisements, family/friends, online reviews, and manufacturer website; they should focus on these platform for information spread



# Benefits & challenges

Benefits

Challenges:  
price



# Appendix

---

Run regression to check the factors which affect brand trust. R-square shows 67% explanation of variations, although individual p-value > 0.05 for all factors.

Regression Statistics								
Multiple R	0.819983408							
R Square	0.67237279							
Adjusted R Square	0.667319414							
Standard Error	0.783794606							
Observations	396							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	6	490.4382215	81.73970358	133.0541784	4.81135E-91			
Residual	389	238.97592	0.614333984					
Total	395	729.4141414						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.856225755	0.186724648	4.585499369	0.0000061	0.489109961	1.22334155	0.489109961	1.22334155
Product Quality	-0.027369635	0.056804067	-0.481825266	0.6302010	-0.139051035	0.084311766	-0.139051035	0.084311766
Brand Quality	0.845308326	0.053635515	15.76023505	0.0000000	0.739856555	0.950760097	0.739856555	0.950760097
Customer	-0.002870165	0.081957227	-0.03502028	0.9720815	-0.164004718	0.158264388	-0.164004718	0.158264388
Gender	-0.00335111	0.080049092	-0.041863189	0.9666292	-0.160734113	0.154031893	-0.160734113	0.154031893
Millenial	0.061988226	0.088514558	0.70031673	0.4841482	-0.112038571	0.236015022	-0.112038571	0.236015022
Income	-0.002693148	0.083715151	-0.032170375	0.9743527	-0.167283921	0.161897625	-0.167283921	0.161897625



# Appendix

Model building using backward elimination; R-square shows 52% explanation of variation.  
-coefficient value for Hot is expected, as reverse (cooling) is desired.

SUMMARY OUTPUT: Best fit		Comfort, Support, Hot and Like : Marketing Benefits						
Regression Statistics								
Multiple R	0.721634063							
R Square	0.520755721							
Adjusted R Square	0.507255882							
Standard Error	1.136131954							
Observations	147							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	4	199.1695791	49.79239477	38.57495827	7.93E-22			
Residual	142	183.293006	1.290795817					
Total	146	382.462585						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.327978736	0.591401	2.245479354	0.02628219	0.158890737	2.497066735	0.158890737	2.497066735
Comfortable	0.448643705	0.092502419	4.850075389	0.0000032	0.265783907	0.631503504	0.265783907	0.631503504
Support	0.175905608	0.083341838	2.110651899	0.03655506	0.011154547	0.340656669	0.011154547	0.340656669
Hot	-0.258374708	0.099662018	-2.592509299	0.01052445	-0.45538768	-0.061361735	-0.45538768	-0.061361735
Like	0.220897034	0.073392704	3.009795547	0.00309443	0.07581353	0.365980539	0.07581353	0.365980539

Thank You

---

