Marketing Research Research Objectives

by Group 9: Bhawna Gupta, Sonia Xavier, Ming Ki Toby Cheng, Vaishnavi Kodaganti, Zhu Yao

Organization: Neutrogena

Neutrogena is an American brand for skin care, hair care and cosmetics, headquartered in Los Angeles, California. It is part of the US-based Johnson & Johnson conglomerate. In 2018, Neutrogena was leading the acne treatment brand in the Unites States with a market share of 16.2%.

1a. Managerial Decision Problem:

Neutrogena wants to introduce facial sheet masks with a new feature of ear hooks. Management needs to analyze the credibility of this new feature amongst its target customers. Currently, only a few companies have such sheet masks available. Also, not many popular companies are doing this in the US Market.

Competitors sheet masks-

Sheet mask without ear hooks



Sheet mask with ear hooks



Sheet masks are most often associated with Korean skincare but in recent years they have shown up in more and more American drug stores and cosmetic stores. In 2018 it was estimated that the market value of sheet masks worldwide was around 283 million U.S. dollars, a figure that is expected to nearly double by 2026. https://www.statista.com/topics/4584/us-face-masks-market/

1b. SWOT Analysis

STRENGTHS

- Ear hooks enable convenience, the customers can benefit from multitasking using these sheets which is not seen in the traditional sheet masks
- Provides additional comfort and doesn't slide down under the weight of the serum
- Better fit and thereby prevent evaporation of serum of the mask
- Unique design which reinforces the companies image of launching innovative products

WEAKNESSES

- Inertia in terms of usage of new products by customers who are satisfied with the prevalent sheet masks
- The ear hooks may not be considered as a critical new feature and hence it can be viewed as product which is not so different form the existing masks in the market
- Customers using sheet masks view it as a way of relaxation and thereby do not seek for the benefits of multitasking which the sheet maks with ear hooks provide
- The design of ear hooks is not easily reproducible for normal sheet masks as it requires the mask to be of stretchable quality

OPPORTUNITIES

- •US demand for face masks is growing and there is a high potential for the US market as majority of market value is still in the Asia Pacific region.*
- Lot of catching up to do compared to rival South Korean market which launched 40% of sheet masks between 2016-17 compared to only 2% launches by American companies*
- Only a few US companies have a comparable product and none of them are of same size or popularity.
- Potential to design a silicone mask which is reusable and therefore proves to be cheaper (with respect to total number of uses) and durable.

THREATS

- The design of ear hooks of the facial sheet mask can be easily replicated by competitors
- Pricing of sheet masks with ear hooks is crucial as they can be sold at a lower rate by competitors
- •The customer base might not be loyal to the product for a long term because of competitors' future potential strategies.

*Source: https://www.statista.com/topics/4584/us-face-masks-market/

2. Marketing Research Problems to be addressed with Primary Data

Given Neutrogena wants to assess the potential and credibility of featuring the new design of sheet masks with ear hooks, it is critical that our research report finds of whether there is a market and need for this product. Additionally, we would like to propose viable strategies for the management to take action once we are able to determine the customer preferences and market needs. Some questions that we analyze for this purpose are as follows-

- 1. Are people aware of the presence of facial sheet masks with ear hooks?
- 2. Is there a current need in the market for such a product?
- 3. How different are these masks from existing sheet masks?
- 4. Would the customers be interested in trying it out?
- 5. If they want it:
 - a. How much are they willing to pay for it?
 - b. Do they see it being more convenient to apply?
 - c. Would it make them more productive in terms of multitasking?
 - d. Why do they want it?
 - e. Opinion of current and potential consumers on this innovation for sheet masks.
 - f. Intention to purchase these masks.