



A Ray of Sunlight:

SUNSEI's Segmentation
and Positioning Analysis
for Marketing Success

Team T

Table of Content

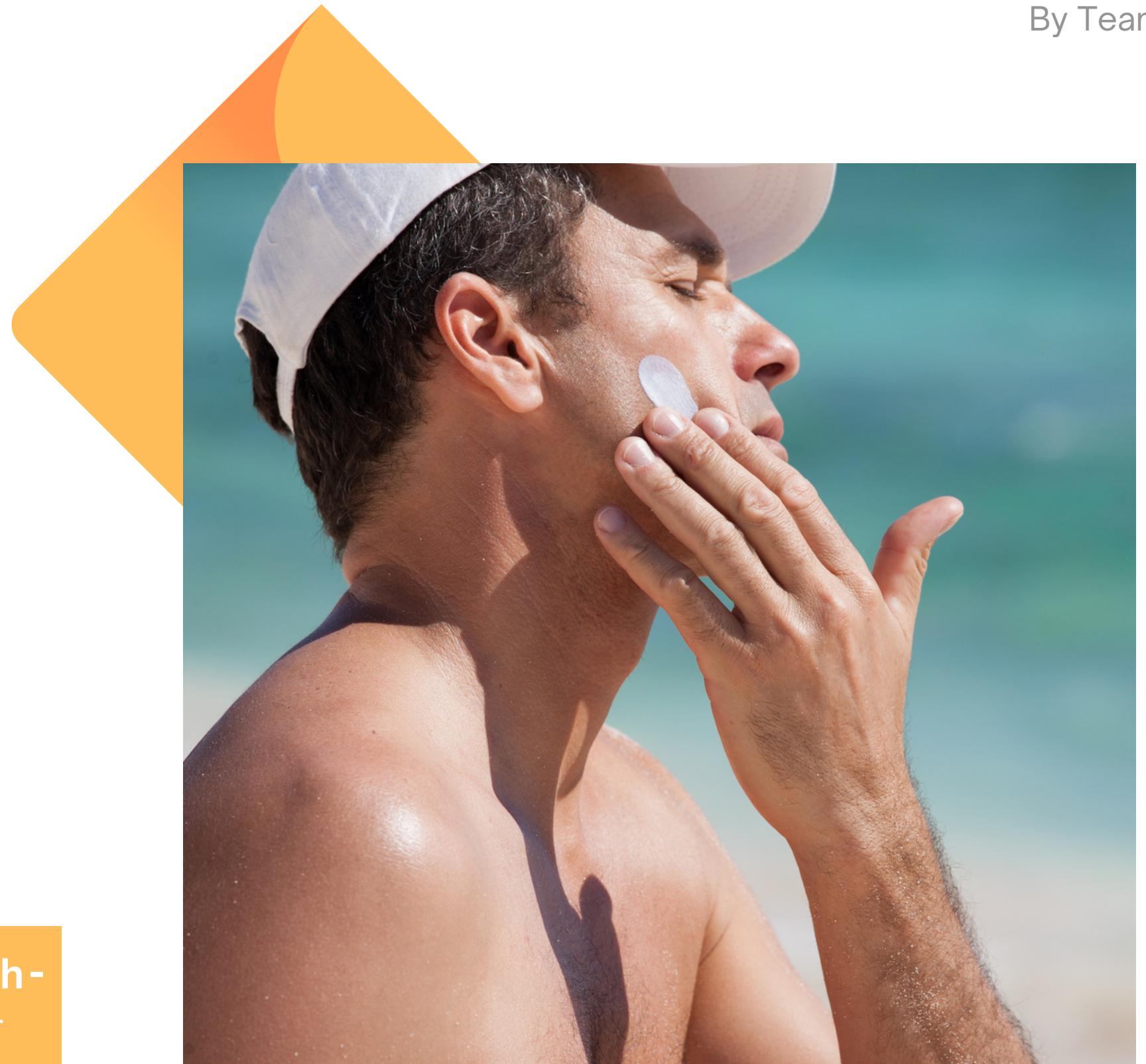
- Brand Origins
- Industry Overview
- Competitors
- Survey Design
- Market Segmentation Analysis
- Positioning Analysis
- Managerial Implications
- Limitations

MOTIVATION

Empowering Sun Safety

- Concerning global **temperatures rise**
- **1 in 5** Americans will develop **skin cancer**
- **4 out of 5** cases of skin cancer could be **prevented**

We believe everyone deserves **access to high-quality sun protection**, regardless of their location or background.



Enjoy the sun safely and with confidence



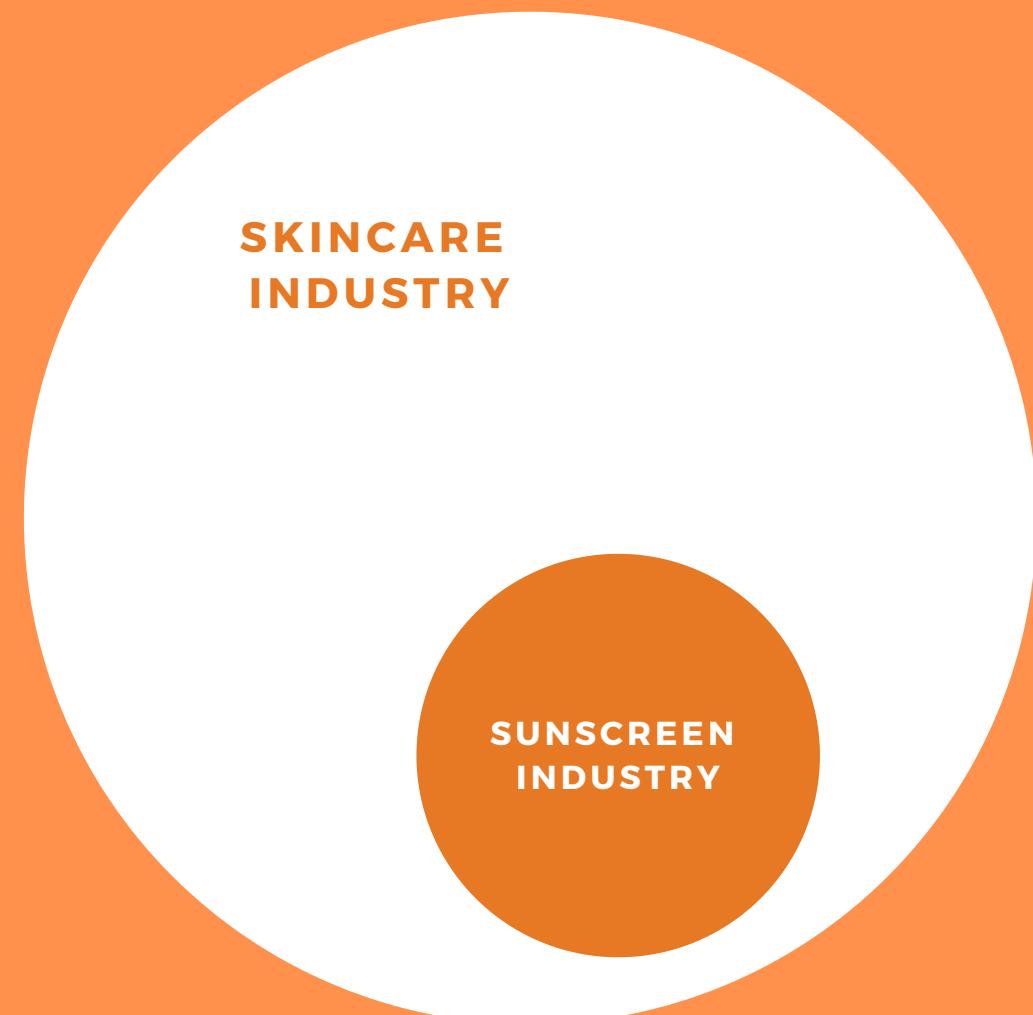
A Brand committed to Skin Health

Our brand name is a combination of "**sun**" and "**sei**," which means "**life**" in Japanese, reflecting our belief that **healthy skin** is a precious and essential aspect of a fulfilling life.

Our effective sun protection solutions help customers enjoy the sun **safely** and **confidently**, while their skin is being cared for with the utmost attention and respect.



Industry Overview



- The global market size was valued at **USD 8.5 billion in 2022**
- **Growth** due to rising temperatures, increased sun exposure, and skin cancer.
- Manufacturing **challenges** in finding ingredients
- **SPF** standards can lead to inadequate protection from harmful UV rays.
- **Testing** and **evaluation** are crucial to ensure effective sun protection.
- Achieving a non-greasy, non-white cast formula requires **extensive trials** and **innovations**.



SUNSEI

QUALTRICS XM

Custom survey

- Designed to collect primary data
 - Run **segmentation** and **positioning** analysis.
 - Questions **1-18** captures:
 - General understanding of the sunscreen market
 - Descriptor information (age, gender, occupation/lifestyle, etc.)
 - Question **19** asks customers to rate competitor's attributes on a **scale of 1-5**
 - 1 = completely disagree
 - 5 = completely agree
 - Userfriendly

Q1. What is your age?

<18 years

18 - 24

25 - 34

35 - 44

45 - 55

Q2. What is your gender?

Male

Female

Non-binary / third gender

Prefer not to say

Q3. Where do you live or spend most of your time?

Coastal area

Q19. Please put in a number for each brand with regards to the statement on the left: 1 is completely disagree, 5 is completely agree.

Beyond the Metrics:

MAKING INFORMED DECISIONS BASED ON CUSTOMER SEGMENTATION

2 vs 3



- Model accuracy was 100%
- Risk oversimplifying their characteristics
- Missing out on important insights
- Oversimplification

3 vs 4



- Segments 2 and 3 had significant overlap.
- Consolidating them, resources, and efforts.
- Shared similar preferences and behaviors.
- Model accuracy is 48%.

Why Segmentation?

1. IDENTIFY TARGET CUSTOMERS
2. TAILOR MARKETING STRATEGY
3. OPTIMIZE PRODUCT FEATURES
4. ENHANCE CUSTOMER SATISFACTION
5. INCREASE SALES AND REVENUE

CONFUSION MATRIX

	Predicted 1	Predicted 2	Predicted 3	Total
Segment 1	43	0	5	48
Segment 2	8	3	0	11
Segment 3	12	0	8	20
Total	63	3	13	79

Confusion matrix (count). The model has correctly classified 54 of the 79 observations. The off-diagonal elements are classification errors.

- Segments 2 and 3 still represent potential sales despite lower accuracy
- Confusion matrix and accuracy measures are just reference points
- Not be solely relied upon.
- Business Context and product strategy
- impactful for target customers.

ACCURATE CLASSIFICATION IS CRUCIAL FOR LAUNCHING A NEW PRODUCT TO THE
RIGHT TARGET AUDIENCE & RIGHT CUSTOMER SEGMENTS, LEADING TO BETTER
SALES AND MARKETING ROI.

Segment 1

RUNNING SPF FANS

- Prefers lotion sunscreen
- High SPF 50-100
- Spends \$21-\$40 on sunscreen
- Prefer physical stores, supermarkets
- Brand reputation is important
- Apply sunscreen regularly.
- Students with combination skin
- Purchase frequency of every 6 months
- Mostly female, aged between 21-22.



Name : Emily
Gender : Female
Age : 21
Location : Inland area
Activity : Likes running, hiking, and spending time outdoors

SHOPPING HABITS:

- Spends between \$20-\$40
- Places high importance on brand reputation
- Values quality
- Prefers to shop at physical stores
- Particularly, supermarkets
- Purchase product every 6 months

SKIN CARE CONCERNS

- Needs a sunscreen that is easy to apply
- Applies sunscreen infrequently
- Is a high-quality seeker
- Skin type: combination with slight oiliness & dryness

Segment 2

PRICE SENSITIVE SWIMMERS

- Price-sensitive segment of swimmers
- Willing to spend under \$20 and apply sunscreen infrequently
- Focus on cost-effective options with basic sun protection
- Mix of students and working professionals
- Moderate skin type
- Average age of 23
- Lotion scores high but still less than other segments
- High spray preference compared to other segments
- Higher proportion of males than females in the segment



Name : Alex
Gender : Male
Age : 23
Location : Inland area
Activity : loves swimming to stay active and unwind after work

SHOPPING HABITS:

- Highly price-sensitive
- Wants to find cost-effective options that provide basic sun protection suitable for swimming and aquatic activities
- Prefers to shop at online store
- Not brand loyal
- Is more likely to purchase sunscreen products that are on sale or offer value for money

SKIN CARE CONCERNS

- Needs a sunscreen that is easy to apply
- Applies sunscreen infrequently
- Is a moderate-quality seeker
- Skin type: combination with oiliness and dryness

Segment 3

DAILY LOTION SUN PROTECTORS

- Daily sunscreen-using students
- Buy SPF 50 lotion sunscreen online
- Price-sensitive
- Care about brand reputation
- Purchase every 2-3 months, apply once daily
- Mostly students, few working professionals
- Predominantly female
- Average age of 20 years old
- Relatively equal distribution of people living in coastal and inland areas
- Combo skin type, less dry compared to other segments



Name : Maya
Gender : Female
Age : 20
Location : Coastal area
Activity : Enjoys indoor activities such as reading, painting, and listening to music.

SHOPPING HABITS:

- Prefers to purchase sunscreen online for convenience and a wider range of options.
- Has a limited budget of under \$20 for sunscreen products.
- Prefers lotion sunscreen over spray.
- Values quality and SPF 50 products, with brand reputation being moderately important.

SKIN CARE CONCERNS

- Has a combination skin type with minimal dryness and oiliness.
- Understands the importance of daily sunscreen application and applies once a day.
- Prefers natural and sustainable sunscreen products due to health-consciousness.



Positioning Analysis

Variance:

- 2 dimensions = 88%, 4 dimensions = 99.9%.

Attributes:

- Positively correlated,
- Almost uncorrelated,
- Well-known in 3rd dimension

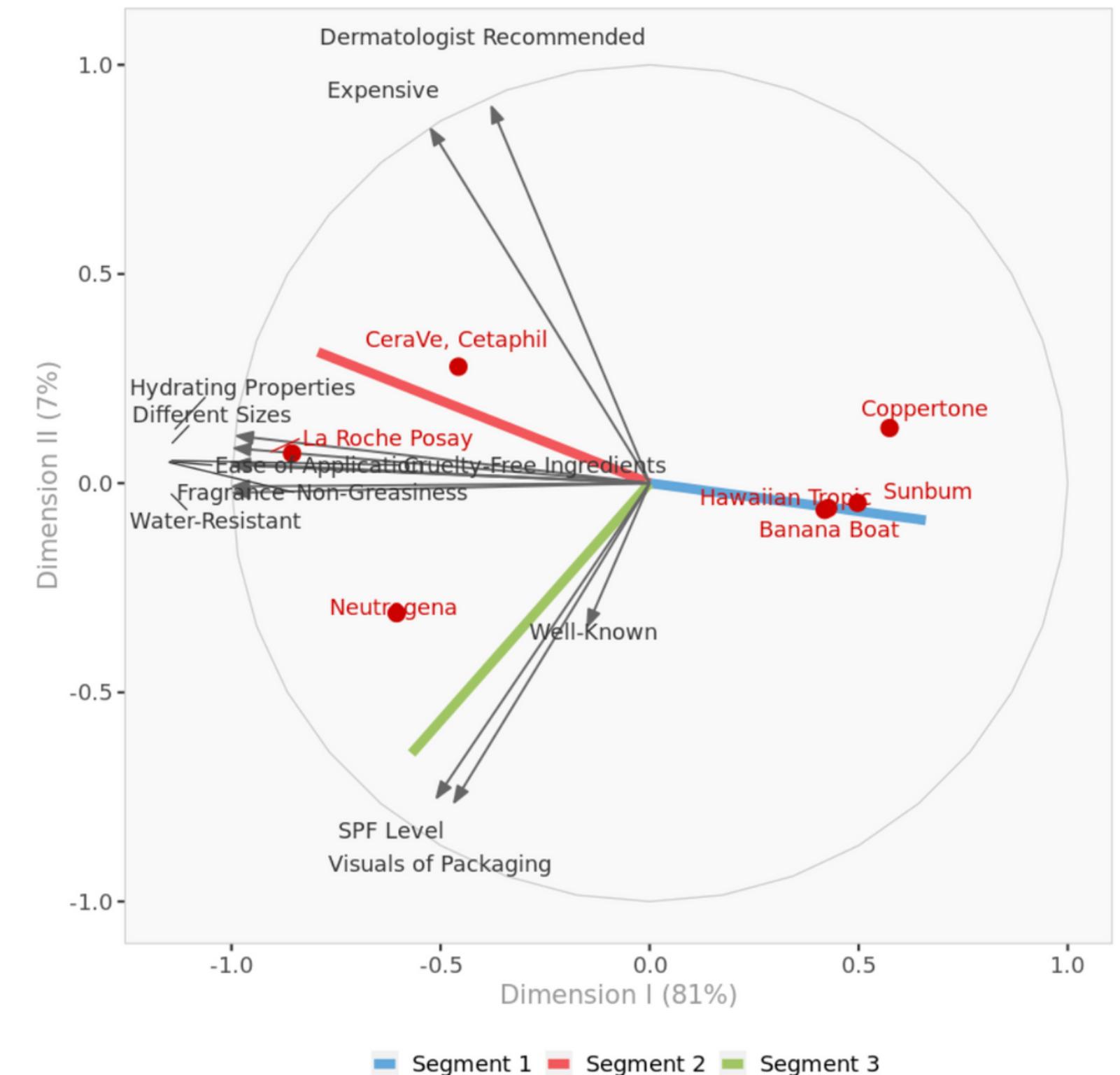
Similarities grouped by brand:

- CeraVe, Cetaphil, La Roche Posay
- Sunbum, Hawaiian Tropic, Banana Boat
- Neutrogena
- Coppertone

Number of segments: 3

- Segments 2 and 3 dominated relevant attributes.

Sunsei to be positioned in an **unmarketed** area.





Positioning Analysis (2)

	CeraVe, Cetaphil	Neutrogena	Sunbum	Coppertone	Hawaiian Tropic	Banana Boat	La Roche Posay
Well-Known	4.2	4.2	4.1	1.9	4.1	4.2	4.3
Different Sizes	4.4	4.4	2.9	3.0	3.0	3.1	4.3
SPF Level	3.2	4.4	2.9	2.9	3.0	3.0	4.5
Non-Greasiness	4.4	4.5	3.1	3.0	3.1	3.1	4.5
Water-Resistant	4.2	4.4	2.9	2.9	3.0	3.0	4.4
Fragrance	4.1	4.3	3.0	3.0	3.2	3.1	4.5
Visuals of Packaging	3.0	4.3	2.9	2.9	3.0	3.0	4.5
Expensive	3.5	3.0	3.0	3.0	3.0	3.0	4.4
Ease of Application	4.3	4.5	3.0	3.0	3.1	3.2	4.6
Cruelty-Free Ingredients	4.2	4.3	3.0	3.0	3.1	3.1	4.4
Hydrating Properties	4.3	4.4	2.9	3.0	3.0	3.1	4.5
Dermatologist Recommended	4.4	3.2	3.0	3.0	3.0	3.0	4.4

AVERAGE PERCEPTUAL DATA OF EACH BRAND



Managerial Implications (1)

- Primary targets:
 - **Price-Sensitive Swimmers**
 - **Daily Lotion Sun Protectors**
- *Sunscreen for everyone, even those who do not know*
- Price penetration strategy starting at \$14.99 and increasing overtime
- Offer several size options
- Color-changing bottles
- Targeted marketing



Managerial Implications (2)

- **Segment 2:**
 - Offer low-cost sunscreen for swimming
 - Emphasize affordability
 - Use in-store displays to promote product
- **Segment 3:**
 - Offer high-quality lotion sunscreen with SPF 50
 - Promote convenience of online purchase
 - Highlight health benefits and natural ingredients
- Launch an **educational campaign** on sunscreen use
- Target all skin types
- Utilize social media, email, and website content
- Utilize packaging color system to reinforce message
- Position the brand as **trusted** and **knowledgeable**
- Emphasize expertise to increase demand for products



Managerial Implications (2)

- **Segment 2:**
 - Offer low-cost sunscreen for swimming
 - Emphasize affordability
 - Use in-store displays to promote product
- **Segment 3:**
 - Offer high-quality lotion sunscreen with SPF 50
 - Promote convenience of online purchase
 - Highlight health benefits and natural ingredients
- Launch an **educational campaign** on sunscreen use
- Target all skin types
- Utilize social media, email, and website content
- Utilize packaging color system to reinforce message
- Position the brand as **trusted** and **knowledgeable**
- Emphasize expertise to increase demand for products





Limitations

- Small sample size: 79 responses
- Non-response bias: 32 missing records (positioning)
- Manipulation of data: Replaced with mode
- Data Accuracy
- Lack of followup
- External factors: market trends, competitor actions, or socio-economic factors
- Missing demographic information: Income Group



Thank You