



Marketing Analytics Interim Report Sunsei Sunscreen

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Sunsei: A Brand committed to Skin Health

As global temperatures continue to rise at an alarming rate, the need for effective sun protection has become more important than ever. Research shows one in five Americans will develop skin cancer before the age of 70 (Patlola et al., 2023). As a company with roots in hot climates where sunscreen application is not always a cultural norm, we understand the importance of promoting safe sun practices. Studies indicate that four out of five cases of skin cancer could be prevented by reducing UV radiation exposure and practicing simple protective measures such as applying sunscreen (Merten et al., 2016). At "Sunsei," we believe that everyone deserves access to high-quality sun protection that prioritizes the health and well-being of their skin, regardless of their location or background. Our mission is to provide effective and accessible solutions that empower our customers to live their lives to the fullest without worrying about the harmful effects of UV radiation. We are committed to promoting skin health and helping to prevent skin cancer, so that our customers can enjoy the sun safely and with confidence.

"Sunsei" is a unique brand name that reflects our commitment to preserving the health and vitality of our customers' skin. By combining the words "sun" and "sei," which means "life" in Japanese, we aim to evoke the idea of safeguarding and cherishing one's skin as a precious and essential aspect of a healthy and fulfilling life. We believe that by providing effective sun protection solutions, we can help our customers enjoy the sun safely and confidently, knowing that their skin is being cared for with the utmost attention and respect.

- **Executive Summary**
- **Motivation and Context**

Our company operates in the skincare industry, with a focus on sun protection. Specifically, we are interested in the market for sunscreen products, which is a subset of the larger skincare industry. The sunscreen market has seen steady growth in recent years, as more and more people become aware of the dangers of UV radiation and the importance of protecting their skin from the sun's harmful rays. According to the report on the sun care cosmetics market by Grand View Research, the global market size was valued at USD 8.5 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 8.3% from 2023 to 2030. This growth is expected to continue in the coming years, as rising temperatures and increased sun exposure due to outdoor activities and travel further drive demand for effective sun protection products.

Sunscreen is a highly versatile product that offers opportunities for companies like Sunsei operating in the skincare industry. With various ingredients and types of sunscreens sold at different price points, there is a vast market for sun protection products that cater to the diverse needs and preferences of customers. Users may look for a sunscreen product that not only protects their skin from harmful UV rays but also offers additional benefits, such as skincare ingredients like niacinamide and hyaluronic acid. Additionally, customers may prefer different types of sunscreens, such as gel-based, water-based, or mineral-based, depending on their skin

type and personal preferences. For example, men may be looking for a sunscreen that is stronger for sports and outdoor activities, while others may be interested in starting a skincare routine without unnecessary frills. These factors create niches within the sunscreen market that companies like Sunsei can tap into to offer targeted products and expand their customer base.

However, the sunscreen market also faces several challenges. One of the biggest challenges is the misconception that sunscreen is only necessary during the summer months or when spending extended periods of time in direct sunlight. The truth is UV radiation is present year-round and can cause damage even on cloudy or overcast days. Additionally, many people do not apply sunscreen correctly, failing to use enough or reapply frequently enough to provide adequate protection. This highlights the importance of education and awareness campaigns to promote safe sun practices and the proper use of sunscreen.

The industry also sees challenges from a manufacturing point of view – many industry leaders still struggle with finding the correct ingredients which will meet the requirements. They need to ensure specific SPF standards and testing and evaluation for the same may lead to results where the sunscreen is not adequate. The innovations in this industry go through tremendous trials, to get a sunscreen which “isn’t greasy, doesn’t have a white cast, effectively protects from rays”, etc. Different sunscreen formulations attract different segments of customers, and it starts at the formula and its effectiveness.

As with any industry, the sunscreen market is not without its competition. Several established players compete in the market, and new entrants continue to emerge.

Neutrogena: Neutrogena is a well-established brand in the skincare industry, and their sunscreen line is one of their popular products. They are known for their wide range of sunscreen products, including those for sensitive skin and anti-aging formulas. Neutrogena's marketing emphasizes their brand's dermatologist-recommended, and tested products. Neutrogena targets a broad customer base that includes individuals with different skin types and ages. They offer a wide range of products, including those for sensitive skin, anti-aging formulas, and products that cater to different sun protection needs. Their target customers are individuals who value dermatologist-tested and recommended products.

Sunbum: Sunbum is another well-known brand in the sunscreen industry. They offer a variety of products that cater to different skin types and sunscreen requirements. Sunbum's marketing is geared towards outdoor enthusiasts and travelers, highlighting the need for sunscreen in a fun and exciting way. Sunbum targets outdoor enthusiasts, travelers, and those who are active and enjoy spending time in the sun. Their marketing focuses on the idea of adventure and fun, and their products are designed to cater to the needs of individuals who are exposed to the sun for extended periods.

Coppertone: Coppertone is a long-standing brand in the sunscreen industry. They are known for their wide range of products, including those for children, sports enthusiasts, and those with sensitive skin. Coppertone's marketing emphasizes their brand's reliability and effectiveness in protecting against harmful sun rays. Coppertone's target customers are individuals who value reliability and effectiveness in sun protection. They offer products for children, sports

enthusiasts, and those with sensitive skin. Coppertone's marketing emphasizes the importance of protecting skin against harmful sun rays.

Hawaiian Tropic: Hawaiian Tropic is a well-known brand in the sunscreen industry and has a reputation for offering products with unique and exotic fragrances. Their products are also formulated with natural ingredients like coconut oil and aloe vera. Hawaiian Tropic's marketing often highlights the brand's connection to tropical locations and the idea of beach vacations. Hawaiian Tropic targets customers who value the idea of beach vacations and tropical destinations. They offer products with unique and exotic fragrances, which appeal to individuals who are looking for an indulgent and luxurious sunscreen experience.

Banana Boat: Banana Boat is a popular brand in the sunscreen industry and offers a variety of products catering to different skin types and needs. They are known for their water-resistant formulas and offer products with high SPF ratings. Banana Boat's marketing is geared towards outdoor enthusiasts and highlights the brand's association with fun and adventure. Banana Boat targets outdoor enthusiasts, sports enthusiasts, and individuals who enjoy spending time in the sun. They offer products with high SPF ratings and water-resistant formulas, which cater to the needs of individuals who are exposed to the sun for extended periods.

La Roche Posay: La Roche Posay is a French skincare brand that is known for its dermatologist-recommended products. Their sunscreen line offers products for various skin types and sun protection needs. La Roche Posay's marketing emphasizes the brand's connection to dermatology and their commitment to developing products that are effective and gentle on the skin. La Roche Posay's target customers are individuals who prioritize dermatologist-recommended and tested products. They offer products for different skin types and sun protection needs, including those with sensitive skin.

Cetaphil: Cetaphil is a brand that is primarily known for its gentle skincare products. Their sunscreen line offers products that are designed for sensitive skin and those with conditions like eczema. Cetaphil's marketing emphasizes the brand's connection to dermatology and their commitment to developing products that are gentle and effective. Cetaphil's target customers are individuals with sensitive skin or skin conditions like eczema. Their products are designed to be gentle and effective, and their marketing emphasizes their connection to dermatology.

Cerave: Cerave is another brand that is known for its gentle skincare products. Their sunscreen line offers products that cater to different skin types and offer different levels of sun protection. Cerave's marketing emphasizes the brand's commitment to developing products that are effective, yet gentle on the skin. Cerave's target customers are individuals who prioritize gentle and effective skincare products. They offer products for different skin types and sun protection needs, including those with sensitive skin.

From this research, we are looking forward to understanding the various characteristics that drive everyday users towards and away from different sunscreens, as well as which niche is not tapped into for daily users of sunscreen. We hope to learn the characteristics of what will make a sunscreen “perfect” for that niche, so more people start wearing daily protection from the sun.

- **Study Design**

For our project, we decided to create a survey to capture primary data rather than using publicly available data. The proposed questions will allow us to run segmentation and positioning analyses and guide us to potential market segments and how to differentiate ourselves from competitors.

Segmentation: With our survey, we will be creating different personas to understand what kind of users are currently out there. The survey will allow us to get a real insight into the users and we will be able to choose a niche we plan to target with our product with the help of segmentation.

Positioning: Understanding our competitors on different characteristics such as “greasy”, “non greasy”, “light weight”, “tinted”, “heavy duty”, etc and understanding where our survey answers place preferences, combined with our personas will allow us to effectively choose a market area with characteristics that have not been tapped in yet, and which persona would use it so that we can effectively market it to them.

Survey Design – Segmentation & Positioning (*Appendix 1*)

Segmentation:

Questions 1-7 (Appendix 1) capture descriptor information. The responses to these questions will help us characterize and describe our segments. We collected the following descriptor information: age, gender, occupation/lifestyle, proximity to the water, skin type, and typical outdoor activities.

Questions 8-18 (Appendix 1) give us a general understanding of the sunscreen market and the types of benefits customers seek. Questions in our survey revolving around basis variables allow us to group customers with similar wants and needs into multiple segments. This information will allow us to consider which target segment(s) we want to market a new product to, thus satisfying their needs based on their values.

Positioning:

Question 19 (Appendix 1) asks customers to rate our competitor’s attributes on a scale of 1-5; 1 means you completely disagree, and 5 means you agree. We intend to use this information to organize a strategy to create a new product that satisfies the consumers’ needs and includes attributes that are distinctly different from our competitors.

- **Analytical Results**

Observations based on the survey results so far –

Demographics:

- Most of the survey takers were from age 18-34, with 45% being from the 25-34 age group and 40% from the 18-24 age group.
- 70% of them were female, and 30% were male.
- Most of the survey takers stay in inland areas, with 60.87% residing there.

Skin Type:

- Most of the survey takers described their skin type as a combination of oily and dry (48%), with 19% stating that their skin type is dry and 15.94% stating that their skin type is oily.
- 13% stated their skin type as sensitive.

Occupation/Lifestyle:

- 69% of the survey takers are students, and 30% are working professionals.
- Only 1.45% of the survey takers identified themselves as athletes when asked about their occupation or lifestyle.

Outdoor Activities:

- 90% of the survey takers spend time outdoors, with running, hiking, and picnicking being the top three activities.

Sunscreen Usage:

- 80% of the survey takers stated that they wear sunscreen, while 20% said they do not.
- Most of the survey takers (37%) said they apply sunscreen every day, while 15% said often, 30% said occasionally, 13% said rarely, and 6% said never.
- 65% of the survey takers prefer SPF50 sunscreen, while 25% prefer SPF30.
- The preferred type of sunscreen for the survey takers is in the form of lotion (78%), with a few preferring sprays (15%) and a very small percentage preferring stick.
- Approximately 50% of the survey takers apply sunscreen once a day, and 32% said it is needed.
- 35% of the people said they buy sunscreen every 6 months, 32% said every 2-3 months, and 16% said every year.
- 53% of the survey takers recalled Neutrogena as the brand they buy the most, while Lakme was number two.
- 53% of the survey takers are ready to spend 10-20\$ on sunscreen, and 17% want to spend below \$10 on sunscreen.
- 36% of the audience said sunscreen quality is extremely important to them, and 47% said it is important for them.
- Most of the people answered that sunscreen brand names are moderately important to them.

- **Managerial Implications**

- **Appendices**

Appendix 1: Sunscreen Survey Design

https://qfreeaccountssjc1.az1.qualtrics.com/jfe/form/SV_4PeQlSnnQDCbJga

Introduction:

Hello! We are a “Sun-sei” a sunscreen brand dedicated to providing high-quality protection for our customers’ skin health in the sun. We are conducting a market segmentation survey to gain a better understanding of our target market's preferences and needs. Your feedback will help us tailor our products to better meet your specific needs and preferences. We appreciate your time and input!

Privacy policy: all responses to this survey will remain anonymous and confidential. We will not collect any personally identifiable information, and your responses will only be used for research purposes. Your feedback will be aggregated with other responses and analyzed in the aggregate. Your individual responses will not be shared with any third parties or used for any other purposes without your explicit consent.

Part 1.

Segmentation Questions:

1. What is your age range? (Under 18, 18-24, 25-34, 35-44, 45-54, 55-64, 65 or older)
2. What is your gender? (Male, Female, Other)
3. Where do you live or spend most of your time? (Coastal area, Inland area, Lakefront property, Riverfront property, Other (please specify))
4. Which of the following best describes your skin type? (Dry, oily, combination, sensitive, other (please specify))
5. Occupation/Lifestyle: What best describes your occupation or lifestyle? (Student, working professional, athlete, retired, unemployed, other (please specify))
6. Do you spend time outdoors? (Yes/No)
7. Typical outdoor activities or hobbies: What are some of your typical outdoor activities or hobbies? (Hiking, picnicking, Swimming, or surfing, playing beach volleyball or frisbee, Running or jogging Biking or cycling, Snowboarding or skiing)
8. Do you wear sunscreen? (Yes/No)
9. How often do you wear sunscreen? (Every day, often, occasionally, rarely, never)
10. What level of SPF do you prefer? (15, 30, 50, 100, no preference)
11. What is your preferred type of sunscreen (lotion, stick or spray)? (Lotion, stick, spray, no preference)
12. How often do you apply sunscreen? (Every 2 hours, every 4 hours, once a day, as needed, rarely)
13. How often do you buy sunscreen? (Every month, every 2-3 months, every 6 months, once a year, rarely)
14. Where do you purchase sunscreen? (Drugstore, supermarket, online, specialty store, other)
15. What is your preferred sunscreen brand? (Open-ended question)

16. How much are you willing to spend on sunscreen? (Less than \$10, \$10-\$20, \$20-\$30, more than \$30)
17. How important is sunscreen quality? (Very important, somewhat important, not very important, not at all important)
18. How important is brand recognition? (Very important, somewhat important, not very important, not at all important)

Part 2.

Positioning questions:

| Perceptual Data & Perceptual Data(Mangement) Attibutes | | | | | | | |
|--|-------------|------------|---------|-----------------|------------|-------------|----------------|
| Attributes | Store Brand | Neutrogena | Sum Bum | Hawaiian Tropic | Coppertone | Banana Boat | La roche posay |
| This brand is well known | | | | | | | |
| This brand has a good reputation | | | | | | | |
| This sunscreen is of premium quality | | | | | | | |
| This brand offers the product in different sizes | | | | | | | |
| I like the SPF Level of this sunscreen | | | | | | | |
| I like the non-greasy or non-sticky formulation | | | | | | | |
| I like that the product is water resistant | | | | | | | |
| I like the scent or fragrance of the product | | | | | | | |
| I like the packaging design and visual appeal | | | | | | | |
| I consider this sunscreen to be expensive | | | | | | | |
| I like how easy it is to apply | | | | | | | |
| I like how the brand uses cruelty-free ingredients | | | | | | | |
| I like how the product has hydrating properties | | | | | | | |
| This brand is recommended by a dermatologist | | | | | | | |
| Unit Price | | | | | | | |
| Market Share | | | | | | | |

(Scale: 1=Completely Disagree; 5=Completely agree).
The last two rows represent objective data that are included to enhance the interpretation of perceptual maps.

• Sources

Patlola, M., Shah, A.A., Stead, T., & Thomas, R. K. (2023). *Sunscreen use amongst US adults: a national survey*. Archives of Dermatological Research. Advance online publication. <https://doi.org/10.1007/s00403-023-02603-8>

Merten, J. W., King, J. L., Vilaro, M. J., & Largo-Wight, E. (2016). *Lifestyle factors associated with sunscreen use among young adults*. American Journal of Lifestyle Medicine, 12(4), 331-339. <https://doi.org/10.1177/1559827616661472>

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