



AKP 201 MARKETING

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MARKETING PLAN PROJECT

COMPANY : Cabello Enterprise

PRODUCT : Hairbrush Buddy

GROUP NUMBER : 10

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TABLE OF CONTENTS

List of Tables.....	3
List of Figures.....	3
1.0 Executive Summary.....	4-5
2.0 Company Background.....	6-9
3.0 Situational Market Analysis.....	10-16
3.1 Market Description Analysis	
3.2 Product Review	
3.3 Analysis of Current and Potential Competitors	
3.4 Environmental Analysis	
4.0 SWOT Analysis.....	17-20
5.0 Objective and Issues.....	21-22
5.1 Issues	
5.2 Objectives	
6.0 Marketing Plan.....	23-35
6.1 Positioning Strategy	
6.2 Product Strategy	
6.3 Pricing Strategy	
6.4 Distribution Strategy	
6.5 Marketing Communication and Promotional Strategy Based On 2 Years	
7.0 Financials.....	36-39
7.1 Sales Volume Forecast for 2 Years	
7.2 Profit and Loss Statement	
References.....	40
Appendices.....	41-59

LIST OF TABLES

Table	Page
TABLE 1: Segmentation needs and corresponding features/benefits of Hairbrush Buddy	13
TABLE 2: Company Distribution Costs	29
TABLE 3: Company Sales and Promotional Expenses Costs for First Year	33
TABLE 4: Company Sales and Promotional Expenses Costs for Second Year	34
TABLE 5: Respondents' Gender Distribution	45
TABLE 6: Respondents' Age Distribution	46
TABLE 7: Respondents' Frequency of Hair Styling with Hair Brush/Comb	47
TABLE 8: Respondents' Frequency of Hair Products Usage	48
TABLE 9: Respondents' Biggest Hair Concern	49

LIST OF FIGURES

Figure	Page
FIGURE 1: U.S. hairbrush market by 2012-2022 (Million Units)	11
FIGURE 2: China hairbrush market by 2012-2022 (USD Million)	11
FIGURE 3: Distribution Strategy Used By Company	28
FIGURE 4: Gender Distribution	45
FIGURE 5: Age Group	46
FIGURE 6: Respondents' Frequency of Hair Styling with Hair Brush/Comb	47
FIGURE 7: Frequency of Hair Products Usage	48
FIGURE 8: Respondents Biggest Hair Concern	49
FIGURE 9: Places that consumers would like to purchase their hair products	50
FIGURE 10: Factors influencing customers to buy the hair product	51
FIGURE 11: Sources used to learn about hair care products	52
FIGURE 12: Response on paying more to purchase a hair product	53
FIGURE 13: Response to level of emphasis on hair growth and health	54
FIGURE 14: Response to level of dissatisfaction on hair product usage	55
FIGURE 15: Response to willingness on trying different hair products	56
FIGURE 16: Response to impact of social media influencer on hair product purchase decision	57
FIGURE 17: Respondents' convinced level of buying a hair product of an established brand	58
FIGURE 18: Level of interest to buy Hairbrush Buddy	59

1.0 EXECUTIVE SUMMARY

The purpose of this plan is to provide Cabello Enterprise with a strategic guide to take proactive steps in brand development and marketing of its new product, Hairbrush Buddy. This product is a liquid-dispensing hairbrush which is not available locally in Malaysia, and Hairbrush Buddy is an entirely new product to be introduced and launched. Wide range of marketing opportunities is observed as our product is one of its kind and acts as a trendsetter in the Malaysian market. The product concept emerged from the need to have a reliable and portable hairbrush which could be used for hair combing, frizz taming and hair styling.

In regard to that, Hairbrush Buddy is a 3-in-1 hairbrush which caters to the aforementioned core purposes. The liquid-dispensing feature is made possible due to the mini liquid storage container built in the hairbrush. Relevant hair liquids such as hair shampoo, hair conditioners, hair oil or hair serum can be contained according to consumer preference. Since the hairbrush is portable and light, it could be used anywhere at anytime, be it outdoors or in shower. The product is environmentally-friendly due to the reason that the materials it is made from includes recyclable plastic, silicone bristles and rubber. Hairbrush Buddy is designed to provide an easy solution to hair frizz and hair tangle issues with emphasis but not restricted to consumers aged 13 to 21.

Looking into the positioning strategy used to market our product, we do not segment its market according to gender. Apart from women, it is evident that men emphasize on hair products and hair styling these days. In addition to that, our product prioritise safety usage among consumers while providing a quality multipurpose product to our safety-concern consumers. Thus, we use this positioning strategy to uniquely differentiate our hairbrush from the competitors' product.

On the other hand, the selling price of our product is RM15.00. The estimated cost of production for our product is RM 7.00 which includes the estimated cost of raw materials needed to produce the hairbrush as well as the cost of the complimentary cleaning brush provided together with the hairbrush in the package. This cleaning brush can be used to clean the hair liquid storage container of the hairbrush. We will acquire a profit of RM8.00 when one hairbrush is sold. The product price is made to be affordable and reasonable to cater to all consumer financial needs ranging from young to old aged. The pricing strategy used is penetration strategy since our product is newly

introduced in the Malaysian market, and it is crucial to deliver a product of lower cost and great quality to contend with other competitors and attract the targeted customers.

In order to attract our targeted segments, an appropriate distribution strategy should be used. Distribution strategy is important as it acts as a linkage and bridges the gap between product producers and consumers. Here, Cabello Enterprise uses the indirect distribution channel as its product distribution strategy. Basically, this strategy involves a product being passed through additional steps as it moves from the production business via distributors to wholesalers, and then to retail stores. The consumers can purchase our product in the retail stores. We chose this strategy in our product distribution as the costs to bring the product to our consumers is minimized. The retailers include convenience stores, supermarkets, pharmaceutical stores, as well as personal care stores. Besides, this strategy assists in creating brand awareness and attract potential consumers among the public since our product would be sold in a wide range of retailing stores.

In regards to these, launching a new product into a huge market and marketing it will not be possible without vital promotional programs. Promotions are needed to advertise a company's product to consumers at large. Well-designed marketing and promotional strategies are needed in order to ensure long-term success, attract more customers and ensure business profitability. Taking this into consideration, Cabello Enterprise implemented personal selling and sales promotions to create better awareness among consumers about our product. Our personal selling strategy includes sales program, sales support and incentives while sales promotion includes buy back allowances, social contest and getaways as well as coupons. Apart from that, our product which is still new in Malaysia needs heavy advertising and this could be made possible with least cost via online and mobile marketing.

2.0 COMPANY BACKGROUND

2.1 History

Cabello Enterprise is a startup company pioneering and venturing into a new hair product line in Malaysia. Our company was founded and established in January 2019. The word “Cabello” originates from Spain and is defined as “hair”. Currently, Cabello Enterprise is a company situated in Penang, expecting to establish a few more production and retail branches around Malaysia by the year 2024. The new product being introduced by Cabello Enterprise is Hairbrush Buddy which is the first-ever liquid-dispensing hairbrush in Malaysia. The main idea behind our company product concept is to design a quality and reliable 3-in-1 hairbrush emphasizing on hair combing, frizz taming and hair styling all at a go in a quicker time period. Due to the increasing demand for hair products, Hairbrush Buddy is targeted to hit more sales in the next 5 years among consumers who are appearance and safety conscious.

2.2 Goals of the Company

The main goal of our company is to expand production and hit our target sales by March 2020, which is to double the first-year pioneer sales. To achieve this, vigorous promotion and advertisement are needed due to the fact that consumers are less aware of the new product in the market. In addition to that, our company aims to extend our product line. For instance, apart from Hairbrush Buddy, Cabello Enterprise aims to introduce another new hairbrush of which its purpose is to reduce and prevent dandruff among men and women. In addition to that, Cabello Enterprise aims to establish another 5 production and retail branches across Malaysia by the year 2024 to expand company sales and gain brand recognition. Furthermore, Cabello Enterprise intends to maximize its profits and gain customer satisfaction at the same time.

2.3 Product

2.3.1 *Purpose*

The prime purpose of the product concept is to design a 3-in-1 hairbrush which could be used for hair combing, frizz taming, and hair styling. Hairbrush Buddy comes with a mini

built-in hair liquid storage container. This can store hair liquids such as hair serum, hair shampoo, hair conditioner, hair gel and more. There are a few methods to use this hairbrush. Firstly, Hairbrush Buddy can be used as a normal hairbrush to keep your hair neat and tidy. Next, it can also be used to tame hair frizz or dry hair by filling hair serum or leave-in hair conditioner into the container to restore hair moisture. Besides, this hairbrush could also be used in shower by filling hair shampoo into the container, and when the button on the hairbrush grip is pressed, shampoo is released onto hair. While brushing damp hair with shampoo, hair could be untangled simultaneously. This is an effortless process, which saves lots of time.

Next, Hairbrush Buddy is a unisex product which could be used by everyone. Relating to that, some hairbrushes are not safe and suitable enough to be used by younger people, especially children due to the sharp hairbrush bristles. Thus, Hairbrush Buddy intends to design a hairbrush suitable for consumers of all ages and thus, uses silicone to produce the hairbrush bristles which is finer, softer and much more suitable to be used by children too [1]. This helps reduce damage to scalp due to vigorous hair brushing.

In addition to that, Hairbrush Buddy is designed to save luggage space, especially for travellers. Most hair products are brought separately in different containers and packages, and it is obvious of taking much space in the luggage. Since Hairbrush Buddy is able to store hair liquids, consumers who travel could just refill the liquid storage container with preferred hair liquid. This implies bringing one hair product instead of many. Thus, this hairbrush can be used by those who wish to reduce the hassle of bringing separate hair products.

2.3.2 Usage

Hairbrush Buddy is intended for use of individuals who are appearance conscious as well as safety conscious. The hairbrush is suitable to be used by consumers of all age categories excluding infants. Due to the hairbrush structure which is lightweight and durable, portability is ensured and could be used for a long-term. Consumers' confidence is boosted as they are able to style their hair anywhere, anytime at ease to look good and tidy. In terms

of durability, materials to produce the hairbrush is carefully selected in order to ensure quality and a long-term usage, thus increasing consumer satisfaction.

In terms of safety, consumers are needless to worry as the hairbrush functions based on the concept of a pressure-control valve. The hairbrush handle has a button which releases the tiny valves on the hairbrush bristles. When the valves open, the hair fluid run through the bristles to be applied on hair. This hairbrush is completely free of electronic interventions which prevents electrical hazards such as electric shocks and burns. This is another reason which implies that Hairbrush Buddy is safe to be utilised by young children as well.

In addition to that, avoiding detrimental and hazardous chemicals is another safety concern issue taken into consideration. It is evident that most products use chemicals in their manufacturing process, which is unavoidable. But, chemicals could be selectively used after conducting a detailed research of the chemical and its effects. Relating to that, silicone is one of the chemically-stable compounds proven by scientific research of which it is safe to be used by consumers. Hairbrush Buddy uses silicone for its hairbrush bristles as it is heat resistant and does not harm consumers upon contact with hot water [1]. Adding to that, silicone bristles are finer and softer compared to other materials commonly used for making of hairbrush bristles. This is crucial as scalp damage is reduced due to vigorous hair brushing. Besides, this hairbrush is entirely made from rust proof products which is harmless to be used. This enhances the hairbrush's overall durability too.

Apart from that, the market segment targeted for our product are Generation X (Gen X) and baby boomers. In this era, it has become a common necessity to look good in a quicker time. Consumers prefer to use multi-functional products to solve their problems or issues faster, due to their need to groom quickly in a fast-paced lifestyle [2]. Thus, Hairbrush Buddy works as a 3-in-1 hairbrush emphasizing on hair combing, frizz taming and hair styling. This hairbrush could be used as a normal comb or even used with leave-in hair conditioners or hair serum for hair styling. Hairbrush can also be used in shower along hair shampoo to untangle hair easily and quickly. This is an added advantage as lots of time could be saved.

2.3.3 Advantages

One of the main advantages of utilising Hairbrush Buddy is to save time. Since this is a 3-in-1 hairbrush, hair liquids can be directly stored into the mini built-in hairbrush container and could be applied on-the-go while brushing your hair. In addition to that, Hairbrush Buddy can be a good companion to consumers going for a vacation as it helps save ample luggage space. Instead of bringing along a few hair products in the luggage, this hairbrush is just enough to solve this issue. Furthermore, Hairbrush Buddy is environmental-friendly as the main material for the hairbrush is recyclable plastic and the grip is made using rubber to avoid slippage in contact with water. Since it is made of recyclable plastic, the resulting product is of lightweight structure, and is portable to be carried along anywhere. On the other hand, Hairbrush Buddy is rustproof and safe to be used by all consumers, as the hairbrush bristles are made from silicone, which is a chemically stable compound. It does not decompose to be a hazardous chemical even in contact with hot water. These silicone bristles are also soft and finer, reducing damage to the scalp due to vigorous hair brushing which may cause hair fall and scalp irritation.

3.0 SITUATIONAL MARKET ANALYSIS

3.1 Market Description Analysis

In Malaysia, there are two well-known hairbrush companies. Firstly, Dosca Sdn. Bhd. which was founded in 1993. Dosca is well-known for delivering high quality service and hair care expertise. Dosca produces vast selection of brushes such as nylon bristle, styling brushes and comb because Dosca Sdn Bhd wants to cater to all hair types, length and customer's budget. As for hair brushes, Dosca produced 6 unique types of hairbrushes which uses nylon as the main material of those hairbrushes. Dosca partners with well-established department stores in Malaysia such as Mydin, Jusco, Giant and Eonsave to position their product. The next company is not founded in Malaysia but it was established in Venice, Italy by Hermann Krull since 1869 and is named Acca Kappa. It has become the largest manufacturer of quality and high-end brushes in Italy. Acca Kappa is a family running business which is now run by Krull's great-granddaughter, Elisa Gera. This company wants to establish its products within the ladies segment by partnering with retail giant, Parkson Holdings Bhd. The first Acca Kappa counter opened in the department store at One Utama in the early of year 2013. The hairbrushes marketed by Acca Kappa is higher in price since the production of the company's hairbrushes include technical workmanship and functional design of the brush in order to brush hair while ensuring a healthy scalp and hair. Acca Kappa hairbrush line promotes hair growth and blood circulation. This company believes that keeping their brand identity and product as simple as possible is what makes Acca Kappa excel and stand out in the business world.

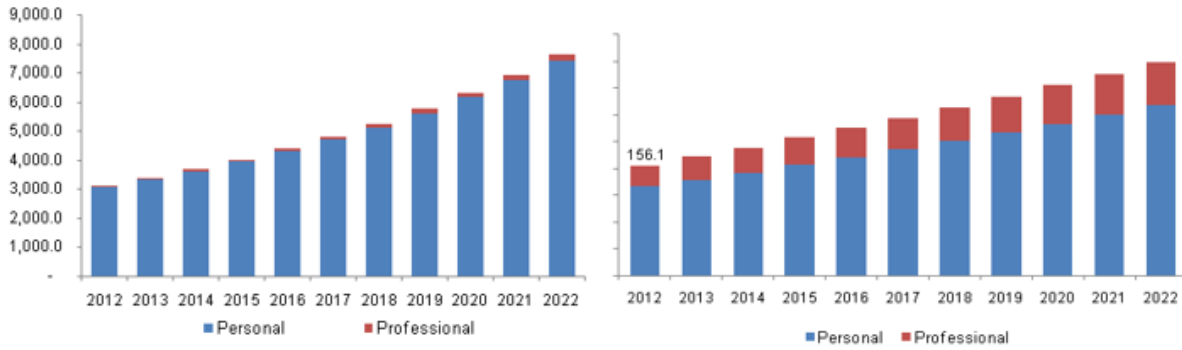


Figure 1 U.S. hairbrush market by application, 2012 - 2022 (Million Units)

Figure 2 China hairbrush market by application, 2012 - 2022 (USD Million)

In order to identify whether Hairbrush Buddy is a good product to be commercialized, market analysis on hairbrush globally need to be observed. There are two reliable charts found from reliable sources which specializes in market research. These charts portray the hairbrush market analysis by consumers' application whether it is for personal, daily or professional use which means brushes that are used in hair salons. These charts includes various types of hairbrushes which are cushion, paddle, facial hair, round, wet and vented, which are made up of synthetic, natural and hybrid bristles [3]. Therefore, it can be concluded that these charts shows the information of all kinds of hairbrush, with the visible difference of the geographical area influenced by demographics and personal care preferences [3]. As shown below, it could be analyzed that the usage of hairbrush increases annually in China. In addition, the market focuses on personal use since the chart below shows significant change yearly. On the other hand, different scenario is observed for United States' collected data whereby both consumers' application, professional and personal, increases yearly. However, the need for product differentiation is crucial to be taken into account since hairbrushes are widely used by almost all age groups including children, teenagers and adults for detangling, styling and smoothing of human hair [4]. In conclusion, the increasing population may raise the need to buy hairbrush as the health and hygiene awareness are growing significantly by time almost anywhere in the world.

3.2 Product Review

Cabello Enterprise's new line of liquid dispensing hairbrush product is known as Hairbrush Buddy. This product offers the following features:

- Reduce the hassle of bringing separate hair products like hair shampoo and hair conditioner as the hairbrush could just contain the preferred hair liquids, so it is suitable for travellers
- Save time by enabling the hairbrush users to apply relevant hair liquids for hair styling at one go
- Tame hair frizz among men and women, thus it is a product for unisex usage
- Enhance portability to be carried anywhere as the hairbrush is made up of light material
- Contribute to green living as the hairbrush is made of eco-friendly materials such as recyclable plastic, rubber and silicone
- Improve scalp blood circulation
- Reduce hair fall and scalp damage issues
- Rustproof, heat resistant and electric proof

Since this product has the aforementioned unique innovative features, thus the possibility to gain interest from various market segments and attract consumers increases, hence widening the product and market opportunity. The selling price of this product is RM15, with a complimentary cleaning brush.

Segmentation approach	Needs by Segment	Segment Potential (Corresponding Features/Benefits)
Psychographic segmentation: Appearance conscious	<ul style="list-style-type: none"> • The need to be socially approachable at all times • Desire to always appear neat and tidy 	<ul style="list-style-type: none"> • Portable comb to be carried anywhere due to its lightweight structure • Extended durability for long-term usage
Demographic segmentation: Gen X and baby boomers	The need to groom quickly in a fast-paced lifestyle	A 3-in-1 hairbrush with utilisation requiring minimum effort
Psychographic segmentation: Safety conscious	<ul style="list-style-type: none"> • Avoid electrical hazards • Avoid detrimental chemicals 	<ul style="list-style-type: none"> • Non-electronic, pressure-control valves to release fluids from hairbrush • Silicone bristles being chemically stable is safe to use • Silicone bristles are finer, reducing scalp damage • Heat resistance and rust proof

TABLE 1 : Segmentation needs and corresponding features/benefits of Hairbrush Buddy

3.3 Analysis of Current and Potential Competitors

Our product, Hairbrush Buddy which is a liquid-dispensing hairbrush, does not have current competitors in the local market. This is because it is a new product concept introduced in the current market. However, it is considered a common product in the international market. The selling prices of these products are relatively higher than ours in the international market since they have more product features compared to ours. For example, Regrolix Liquid-Dispensing Hairbrush found in Amazon.com has graduated scale and slider to control dispensing amount [5]. Some of the hairbrush product in the international market applied ionic technology to their hairbrush product. By the way, we

are aiming to make our product economical and affordable enough for the usage of consumers in the current local market.

The current brand of normal hairbrush or comb such as Acca Kappa and Dosca Sdn.Bhd. might be the potential competitors for our product. If they are going to produce a new product, they have more resources since they are already a hairbrush or comb manufacturer. For example, Acca Kappa is a historical brand of excellent in creating fragrances, professional brushes and body care and wellness products. It started in Italy since 1869. It mainly produces perfumes and a range of products made especially for hair care purposes [6]. Dosca Sdn. Bhd. was established in 1993 and is currently one of the leading personal care product manufacturers in Malaysia. They supply a wide range of products such as hair brushes, combs, two way sponge, cleaning sponge and household plastic products [7]. Hence, to supply a new product, these companies will have more advantage since their financial status may be relatively better than ours and their marketing influence would be higher than our company's marketing influence since they are already an existing brand in the current market.

3.4 Environmental Analysis

3.4.1 *Technology*

Hairbrush is a common thing that act as one of the beauty care products. It is commonly used to manage hair and brushing hair is also a good way to distribute natural oils throughout the hair. Since it is important in our daily life usage, there are some technologies invented to contribute to different needs of a user.

Paddle hairbrush is commonly used for straight hair. It has bristles coming out of an air-filled soft rubber cushion that are great for massaging scalp, detangling and smoothing naturally straight hair. The cushion is designed to bend with user's scalp to lower the damage rate from pulling off the brush from hair.

Besides paddle hairbrush, radial hairbrush was invented. It is designed for the function of smoothing and volumizing. It has rounded pins that prevent users to scratch their scalps while using this type of brush. The bristle is called 'unique boar bristle' which provides

extra control and smoothness when styling. The bristles are short and soft to avoid damaging the hair and scalp.

Other than that, vent brush is also a perfect choice for those who have short to shoulder hair that need a quick blow-dry. Vent brush has spaces between the bristles to let the air flow through it. The bristles are commonly thick stiff nylon or plastic and they are spaced apart. It is designed to allow hair to dry as quick as possible with the help of blow dryer. However, this brush will result in a fuzzy hair because of its design which allows users to have very little control.

In 2017, L'Oreal has launched the world's first smart hairbrush that analyzes users' hair type. This smart hairbrush can also be used to recommend products accordingly. There is a built in sensor in each smart hairbrush that will count strokes, determine whether the hair is dry, wet or having enough moisture. The sensor can also analyze the force used when brushing the hair and scalp.

3.4.2 Society

The earliest U.S. patent for a modern hairbrush was by Hugh Rock in 1854. Then, a brush with elastic wire teeth along with natural bristles, was patented by Samuel Firey in 1870. In 1898, Lyda A. Newman invented an improvement patent of a hairbrush, which allow easy cleaning and had bristles separated wide enough to allow for easily combing. Her hairbrush design included several features for efficiency and hygiene. It had evenly spaced rows of bristles, with open slots to guide debris away from the hair into a recessed compartment and a back that could be opened at the touch of a button for cleaning out the compartment. She modified and patented the hairbrush to include durable synthetic bristles as well as a ventilation chamber that enables easier cleaning, along with a storage place for any debris pulled from the scalp or hair.

Based on the above inventions, society starts to demand better hairbrush which leads to the improvements of patented product. Therefore, it is a must to contribute to the improvement by creating Hairbrush Buddy.

3.4.3 *Industry*

Increasing awareness with respect to hair care and individual grooming has propelled the global hairbrush market growth. Rising number of hairdressing foundations and other hairdressing salons has likewise helped the worldwide market development. Enhancement in per capita salary has additionally contributed a significant job in enlarging the interest for an assortment of hairdressing items including hairbrushes and practices. Likewise, the emergence of novel plans of action of hairdressing works on including mobile dressing and chair renting has affected the worldwide market development in a positive manner. Expanding inclination of better coordinated brushes is additionally foreseen than decidedly sway the worldwide market. Then again, absence of item development is most likely expected to thwart the worldwide hairbrush showcase development. Makers of hairbrush are having an extreme stage in item development. In this way, value rivalries have brought about profit-crunching. Plastic hair brushes are majorly preferred by consumers owing to their light weight and low price.

4.0 SWOT ANALYSIS OF HAIRBRUSH BUDDY

4.1 Strengths

4.1.1 *Healthy Scalp*

Helps to improve blood circulation of the scalp and this contributes to a healthy scalp and healthy hair. The bristles of the brush will work as a massager to the scalp and brings more oxygen and nutrients to your hair's roots. This hairbrush works the shampoo into the scalp and distributes it evenly through your hair, while slightly increasing the lather. This hairbrush helps to reduce dandruff by gently lifting away dead skin cells as you brush and wash your hair in the shower.

4.1.2 *Tames Wild and Frizzy Hair*

How? The hairbrush can untangle and tame your frizzy hair with our soft silicon bristles leaving you with smooth and manageable hair. Instead of using fingertips to work through a conditioner, the bristles can help to distribute it evenly and coat every strand of your hair. This brush tames your hair without causing any pain, additional stress and breakage of hair. Humidity and excess moisture in the air in Malaysia can cause frizziness, hence this hairbrush is perfect for Malaysians.

4.1.3 *3 in 1*

Reduces the hassle of bringing separate hair liquids as hair liquids can be stored together in the container. You can store conditioner and shampoo in the separate compartments of the brush. Working professionals who travel frequently for business trips can bring in the hand carry luggage on a flight as it's liquid content is less than 100ml. This can also help them to save space on their carry on when travelling for a day or two. Besides that, they can get prepared quickly as the hairbrush is easy to use and also functions as a detangler. You can defrizz your hair easily in the shower while lathering shampoo in your hair. In general, Hairbrush Buddy could be used for 3 main purposes that is hair combing, frizz taming, and hair styling.

4.2 Weaknesses

4.2.1 *Sensitive Scalp*

This product may not be suitable for people with sensitive scalp. People with tender, inflamed, pain and throbbing scalps typically caused by infections are not recommended to use the Hairbrush Buddy. As it may cause irritations and discomfort. Besides that, the usage is restricted among 7 year olds and above only.

4.2.2 *Lack of Brand Awareness*

Our company has little market presence and reputation. Larger competitors get a majority of the market share and more famous brand name such as L'Oréal and Kerastase and Withings. There are a lot of hair care products already in the market such as the ionic hairbrush. Consumers may not have trust in our product as we are new to the market.

4.2.3 *Maintenance*

Maintenance of the hairbrush may be a little complicated and tedious. You may need another complementary cleaning brush also produced by the company. The brush cleaner comes together when you purchase the Hairbrush Buddy. Possible leakage may happen if not handled or stored properly. Storage for the hairbrush liquid might be limited and insufficient for those with extremely long hair.

4.3 Opportunities

4.3.1 *Low Involvement Product*

The Hairbrush buddy is a low involvement product, meaning that consumers can make their decision to buy it in a short time as they do not need to make difficult decisions because it is not too expensive. The Hairbrush Buddy can be bought with minimal effort and amount of thought.

4.3.2 *More for the Same*

There are a wide range of products for hair care however, we provide a high quality and affordable products . Even though there are other similar products in stores, the price of the Hairbrush Buddy is much affordable compared to other brands. We provide high quality

products while keeping the price affordable. Our bristles are made from medical grade silicone with a comfortable rubber grip. Besides that , the Hairbrush Buddy is also 3 in 1, three benefits in one hairbrush at the price of one.

4.3.3 *Trendsetter*

The Hairbrush Buddy is one of its kind and is new in the Malaysian market. We will be pioneering by starting a new trend with this new product. We will be known for our quick and easy solution to hair problems for the modern generation. Our 3 in 1 hair brush provides more functionality than its competitors do.

4.3.4 *Future Product Line*

In the future, we may be releasing new haircare products to extend our product line such as sulfate free shampoo, anti-dandruff shampoo, hairfall shampoo, conditioner and etc. There is an increase in demand for personal care products such as hair care products hence there will be a high demand in the Hairbrush Buddy and also the extended product line. As people are more open to taking care of themselves and are making an initiative for self care and self love.

4.4 Threats

4.4.1 *Limited Shelf Space*

Our hair care products will have to compete for shelf space in a retail store, especially with well established brands such as L'Oréal, Pantene, Sunsilk and etc. Well known manufacturers also offer incentive designed to induce the retailer to allocate more shelf-space to their brands however since we are a startup company which is new in the industry we cannot afford to pay the incentive for every store that carry our hairbrush. We will have to use the pull strategy by advertising and creating a brand image that is relatable and suitable for the modern lifestyle to attract new customers and encourage them to give the Hairbrush Buddy a try.

4.4.2 *Technology Advancement*

The emergence of new technology like the smart hairbrush that has a microphone to listen to the sound of hair brushing to identify patterns, providing insights into manageability, frizziness, dryness, split ends and breakage, 3-axis load cells that measure the force applied to the hair and scalp when brushing. An accelerometer and a gyroscope which help further analyze brushing patterns and count brush strokes, with haptic feedback signaling if brushing is too vigorous. Conductivity sensors to determine if the brush is being used on dry or wet hair in order to provide an accurate hair measurement. The brush itself is splash proof. These sensors feed data automatically via Wi-Fi or Bluetooth to a dedicated mobile app, which then takes into account weather factors like humidity, temperature, UV and wind, which also impact hair's manageability and quality. By tracking the way a person brushes and factoring in aspects of daily life, the smart brush app provides valuable information including a hair quality score, data on the effectiveness of brushing habits and personalized tips.

4.4.3 *Intellectual Theft*

There are other products similar to the Hairbrush Buddy online and in store. For example, the Grafen Edge finger Hair Brush from Korea that are sold on online shopping platforms such as Shopee and Lazada. There are other products like the ionic hairbrush that can be used to help with frizzy hair. They emit ions into your hair to restore the balance of positive and negative ions and make your hair shiny, smooth, frizz-free, and manageable. The negative ions are activated by heat and are powered by electricity. There might be new law or regulations to any hairbrush designs for safety purposes or patenting purposes. We may need to get a patent for our design to prevent potential theft of design by other companies or brands.

5.0 OBJECTIVE AND ISSUES

General Objectives and Issues

For the first and second year of market entry, Cabello Enterprise set assertive but realistic goals in the selling and marketing processes of Hairbrush Buddy.

5.1 First Year Objectives

We aim to increase public awareness of our new product, the Hairbrush Buddy within the first year on the market. Additionally, by volume unit sales of 238,857 individual units, we will strive for at least 5% share of the hairbrush product market and we need a minimum of 111,466 units of Hairbrush Buddy in annual sales to have a break-even profits.

5.2 Second Year Objectives

Our target for the second year is to secure a 10% share of the hairbrush product market by 477,714 individual units. Hairbrush unit price will remain at RM15. Moreover, we will also introduce new additional of hairbrush buddy series with an upgrade from customer's feedback.

5.3 Issues

Cabello Enterprise will be focusing on overcoming a few important issues in conjunction with the launch of our new product Hairbrush Buddy. The very first issue that will be focusing on is to develop product recognition. Since we are a new brand penetrating the market our customers might have less trust in our product and we will be competing with products such as L'Oreal and Kerasatse and Withings. Therefore, product recognition based on the positioning in which is targeting customer segments is vital. To achieve these targets, we will engage in non- traditional methods of campaigns while using word-of-mouth marketing to attract our target customers.

Secondly, Cabello Enterprise will be taking into consideration about the technology advancement. We will be constantly engaged in research and development (R&D) to keep

our product HairBrush Buddy to be able to compete in the current market trends such as smart hairbrush. Therefore, we might need a constant cash flow to keep our R&D moving.

Thirdly, there are limited space in retail store and if our product HairBrush Buddy could not keep up with the minimum demand from our customers, probably the product will be eliminated from the store. Besides that, incentives are also required for the stores that display our product. So, Cabello Enterprise will be evaluating the product awareness and expertise to improve marketing efforts if required.

Lastly, we will also be crucial in establishing relationships between suppliers and retailers to make our product accessible to our customers as well as provide a point of purchase communication.

6.0 MARKETING PLAN

6.1 Positioning Strategy

A positioning strategy is when a company chooses one or two important key areas to concentrate on and excels in those areas. A firm's positioning strategy focuses on how it will compete in the market. An effective positioning strategy considers the strengths and weaknesses of the organization, the needs of the customers and market and the position of competitors. The purpose of a positioning strategy is that it allows a company to spotlight specific areas where they can outshine and beat their competition. Since our product is related to hair products, we do not segment its market according to gender. Nowadays, men have started to give more attention towards hair products and this product would be something very useful for men and women.

6.2 Product Strategy

6.2.1 *Description of Product*

Our product Hairbrush Buddy is a liquid-dispensing hairbrush to be used by men and women. The size of the hairbrush is 5.5cm x 25.0cm and it weighs 250g approximately. It could store hair products such as hair shampoo, hair conditioner, hair serum or hair gel at one place, so as to reduce the hassle of bringing separate hair products or packages. This is due to the reason that our hairbrush could just contain the preferred hair liquids in its liquid storage container on the hairbrush grip. Hairbrush Buddy saves time by enabling the hairbrush users to apply relevant hair liquids at one go. It can also tame frizzy hair among men and women in a simple manner besides detangling and styling hair. A complimentary cleaning brush for the hairbrush liquid storage container is provided to consumers upon purchase of Hairbrush Buddy.

6.2.2 *Objectives for Product*

The core objective of Hairbrush Buddy is to provide the best solution to hair frizz and hair tangle issues with emphasis but not restricted to consumers aged 13 to 21. The target consumers who could gain full advantage of Hairbrush Buddy are listed as the following:

- Young adults who are prone to insecurities in terms of appearance and constantly in the need to look approachable and welcoming
- Busy adults rushing into their routines but still in need to groom and look well in a quicker time
- Safety-conscious consumers including young children with the mandatory necessity to avoid all electrical hazards by product utilization

6.2.3 *Features and Benefits*

Hairbrush Buddy comprises numerous features and provide an array of benefits to its consumers. First and foremost, our product is a 3-in-1 hairbrush with core functions of hair combing, frizz taming and hair styling. This is made possible due to the liquid-dispensing structure of the hairbrush in which hair liquids could be stored in the mini built-in storage container on the hairbrush. The hairbrush is efficient in terms of reducing the hassle of bringing separate hair products like hair shampoo, hair serum, hair gel and hair conditioner. This help saves luggage space for the travelling consumers. In addition to that, consumers could save their time applying relevant hair liquids or a mixture of them on the go. When used in shower, hairbrush users could tame their frizzy hair while detangling their hair with the hairbrush bristles releasing shampoo. Furthermore, this hairbrush is a unisex product as both men and women can utilise to comb or style their hair to maintain tidiness. Adding to that, Hairbrush Buddy is a 100% nature-friendly product. This is due to the reason that the main material to make the hairbrush is recyclable plastic, rubber for hairbrush grip and silicone for hairbrush bristles. The hairbrush grip is waterproof to prevent slippage in contact with water, silicone bristles are soft to prevent scalp damage, and the overall hairbrush structure is rustproof and electric proof. Due to the hairbrush's light structure, it is portable to be carried around anywhere. Moreover, a cleaning brush is provided in the packaging for hairbrush cleaning purposes.

6.2.4 *Product Quality Strategy*

Product quality is one of the vital aspects of Hairbrush Buddy, as it is important to satisfy our consumers and retain their loyalty to continue using our product. One of the features enhancing our product's quality is the fine and soft silicone hairbrush bristles. This implies

the reduction in hair fall and scalp damage issues due to vigorous hair brushing. Silicone has numerous beneficial properties to be used by our consumers. Silicone is a clean rubber without strong odor and its advantages are not restricted to stability across extreme temperatures and insulation from electricity. In addition to that, the hairbrush is of lightweight and portable due to its main material made of recyclable plastic, which could last long and product rusting is not an issue to be concerned. Besides, recyclable plastic is also environmental-friendly, and could be recycled again to form a new product without harming the environment. Therefore, our product focuses on simultaneously improving the product quality for consumer needs and wants while prioritising consumers' safety and health. Maintaining and constantly improving our product will contribute to long-term revenue apart from profitability.

6.2.5 *Product Service Strategy*

Selling the product to a consumer is a way to achieve target or goals but to maintain a good relationship and ensure consumer satisfaction, after sale service should be provided. A good service provided to a consumer makes the consumer to feel satisfied with the product and might buy the product again without any doubt or recommend it to other consumers. When a consumer comes to us claiming that their hairbrush has a problem, we will have a look at it to see what the problem is whether it is a manufacturing defect or a mechanism malfunction. If the problem is a manufacturing defect, we will replace the hairbrush with a new one and give them a product warranty of two weeks. If the problem is a mechanism malfunction, we will help the consumer by fixing the mechanism and give them back as good as new. We will also receive feedback from consumers to improve the features of the hairbrush and satisfy consumer needs.

6.2.6 *Competitive Positioning of Product*

Hairbrush is a product that is being used by most of the people in their daily life to groom themselves to look smart or pretty. Therefore, it is one of the products that is in demand in the market. Since the product is in demand, product positioning plays an important role in marketing so that consumers will be able to differentiate our product from the competitors' product based on the uniqueness and selling price. Hairbrush Buddy, which is a 3-in-1

hairbrush, has already gained an advantage over its competitors who are selling the similar product by providing three different functions in one hairbrush that is hair combing, frizz taming and hair styling. Besides that, Hairbrush Buddy comes with a built-in mini hair liquid storage container that stores hair liquids such as hair serum, hair shampoo, hair conditioner and hair gel. In addition to that, it helps to save luggage space for consumers who likes to travel a lot by reducing the amount of hair products that need to be carried. On the other hand, the selling price of Hairbrush Buddy is RM 15.00 which is quite reasonable as it has extra features compared to competitors' product and also comes together with a cleaning brush to make consumers' life easier. The uniqueness of the hairbrush and the affordable price value will surely make the hairbrush to stand out in the market and attract more consumers to purchase it.

6.2.7 *Estimated Costs*

The estimated cost for the production of the Hairbrush Buddy is RM 7.00. This estimated cost is based on the estimated cost of raw materials needed to produce the hairbrush. The estimated cost of production includes the cost of the complementary cleaning brush as well as it will be provided together with the hairbrush in the package. This cleaning brush will be used to clean the hair liquid storage container of the hairbrush.

6.3 Pricing Strategy

6.3.1 *Basic Pricing Strategy*

We have chosen the penetration strategy to be applied in the pricing of Hairbrush Buddy. We have chosen this strategy because this is a new product and it is entering a market that is already facing a huge competition. We personally felt that choosing the correct and suitable strategy is essential in competing in the market. Hairbrush Buddy requires blend of lower cost and great quality product to contend with other competitors and pull the targeted customers. The starting selling price of Hairbrush Buddy is RM 15.00. The cost of Hairbrush Buddy is estimated at RM 7.00. We will gain a profit of RM 8.00 for each Hairbrush Buddy sold. Despite the fact that we are implementing the low-cost strategy, we cannot set the value too low since this will influence the impression of Hairbrush Buddy. This is on the grounds that buyers are limited to the outlook that value is equivalent to the

nature of an item. This strategy is utilized to raise the awareness and get individuals to attempt Hairbrush Buddy. After 3 years, the selling cost will increase gradually in order to increase benefits. The increasing price will not influence the business since buyers will in general stick with the items or brands that they know about, so they may keep on utilizing the new item despite the fact that the cost is expanding after some time. Besides that, quantity discount will be given to our customers that buy in a bigger amount to display in their retail stores for selling reasons. This quantity discount can reinforce the business connection between Cabello Enterprise and its customers or retailers. For the repeated customers, they can obtain money rebate or cash discount when they pay earlier. Money rebate is a decrease in cost if the purchaser makes payments inside a specific period.

6.3.2 *Competitor Issues*

The penetration strategy appears to gain the upper hand in the competitive market at an initial stage. It could pull more customers by offering the lower price compared to competitors. Customers are usually attracted by low price and this could be an essential factor in attracting customers. However, the issue shows up when two companies are utilizing the penetration strategy. The price war could happen and it would not be rational when the selling price is beneath the cost price. A very good example would be our competitor selling our same product at a lower price compared to our selling price. We might consider to sell at an even lower price but that pricing will not give us profit or might even incur loss. It will cause predatory pricing which is considered to be illegal under antitrust laws. Predatory pricing will drive the contenders out of the market by setting the selling price beneath the market price at the initial stage. From that point onwards, it enables the company to raise the selling cost higher than the ordinary market price after the contenders are eliminated. Thus, the company becomes the monopolist in the market. The company is able to increase the selling price gradually or even drastically after the competitors are eliminated. On the off chance that the contender has a more grounded monetary foundation, our company will turn into the prey of this challenge and causes Hairbrush Buddy to be eliminated from the market. Therefore, the pricing strategy picked could be an issue when confronting the competition among the contenders or competitors.

6.4 Distribution Strategy

6.4.1 Distribution Strategy

Multichannel marketing takes place when a company establishes two marketing channels. The firm will increase its revenue and market coverage with each new channel. Cabello Enterprise will be using 2 types of distribution channel to distribute Hairbrush Buddy which is indirect distribution channel and intensive channel. Indirect marketing channels contains one or more intermediate stages. Efficient and effective distribution is vital if the firm is to meet its overall marketing objectives. For indirect marketing channel, Cabello Enterprise uses three levels of intermediaries to bring Hairbrush Buddy to final buyer, i.e. from manufacturer to wholesaler to retailer and finally to the consumer. These retailers include:

- (1) Supermarket: Tesco, Giant, AEON
- (2) Pharmaceutical Store: Caring Pharmacy, Aeon Wellness
- (3) Personal care stores: National personal care chains such as Guardian, Watsons



FIGURE 3 : Distribution Strategy Used By Company

The distribution strategy used is an intensive distribution which provides the widest coverage of distribution for the product. Hairbrush Buddy will be sold in as many locations or markets as possible so that consumers can encounter our product virtually everywhere they go like pharmacies and supermarkets. Besides that, it also creates brand awareness and boost sales.

6.4.2 Cost

1st year	RM100,000
2nd year	RM120,000

TABLE 2 : Company Distribution Costs

6.4.3 Competitor Issue

As discussed in section 3.1, Dosca and Acca Kappa have distinct ways of distributing their hair brushes line. Dosca's products are distributed directly through retailers such as Mydin, Jusco and Eonsave after being manufactured by Dosca itself. On the other hand, Acca Kappa has its own shops to market existing products since this company produces high-end products. Issues will arise when the competitors having similar flow of distributing products. When compared to both competitors, Hairbrush Buddy is having similar distribution strategy to Dosca but it is different in terms of which retailers to be chosen, Therefore, the distribution strategy explained above will resolve the issue significantly

6.5 Marketing Communication and Promotional Strategy Based On 2 Years

Overall Promotional Objectives

- Creating brand awareness for our new product.
- Attracting new customers by promising superior value to gain loyal custom.
- Increase our products superior value through accurate brand positioning.

6.5.1 Advertising

Cabello Enterprise will not venture into traditional mass-communication advertising such as broadcasting on televisions or radios or print advertising. One of the reasons we have opted out of these two forms is due to the change of times in our modern society. Due to the introduction to so many smart devices and applications that use the internet, it is clear that the internet has a much wider reach and prospect than print media. Print media requires

a lot of intricate planning, resources, time and rules and regulations to be followed. The process would take us too long and cost us too much. Plus, we would like to go paperless as much as possible to implement a change in our world. Other than that, almost everyone nowadays owns a smart device with access to internet. Therefore, Cabello Enterprise will put our promotional resources into online and mobile marketing to its maximum capability. Our target segments are teenagers and as we all know, teenagers are very much hooked and glued to their smart devices. They are always on social media platforms going through content by social media influencers and famous celebrities. Teenagers at this age have the drive to be equipped with the latest trending accessories and much more. Hence, a core component for our strategy is building web and mobile brand sites and driving traffic to those sites by creating a consistent presence on social media platforms from Facebook, Twitter and especially YouTube. What is more advantageous to us, is that every major social media platform now has a section specially tailored for companies like ours to run our advertisements through a complex algorithm. This algorithm helps us filter out our target groups and not just broadcast it to everyone. It helps out in terms of attracting new customers. Furthermore, in order to attract new customers, the content that we are releasing is also relatable to the current age of teenagers. For example, we will have demo videos that provide instructions on how to use, clean and maintain our product. We will also have digital video advertisements that are funny, unique and peak the curiosity of the viewers. By doing this, our company can establish a very strong fundamental foundation with potential users.

6.5.2 Personal Selling

Hairbrush Buddy can also be promoted by personal selling. This is because personal selling is an important and decisive tool especially for small start-up businesses like ours. We intend to make sure that we keep track of what is trending and the latest updates in the social world. This is so that we are able to not just breakthrough the market but also maintain some consistency on our sales. The key components of personal selling are sales program, incentives and sales support. Further explanation given as below:

- ***Sales Program:*** To perform a sales program, a sales team must be either appointed or formed. The role of the sales team is to identify tactics to sell our Hairbrush Buddy to not just our target segments but also other potential users. They will be the ones to capitalize on the current trends and opportunities to sell the product. They will need to find a way to demonstrate how Hairbrush Buddy will benefit customers.
- ***Incentives:*** To be able to keep the working efficiency higher and motivate the sales team, we need to set certain sales target. It can be divided into weekly and monthly sales target. To further keep their spirits up and recognize their hard work is to review the sales teams' performance based on the sales target they've achieved and reward them for it. This reward is incentives so that it will help them improve their approaches and increase their efficiency of the sales process.
- ***Sales Support:*** Cabello Enterprise will need a sales support personnel who can help our sales team to focus on selling and closing deals. They are the most crucial and important factor in our sales operation. They are important to provide product training and customer service. By doing this, they can read our product specifications and manuals and also reach out to the sales support team if there are any questions. Sales support also will handle active market communications that will help in making the public more aware about our brand. This allows it become much easier to sell our products. Sales support will also have tools to help the sales team. They will be using a comprehensive customer relationship management system also known as CRM system that is integrated with a reliable computer telephony integration systems (CTI system). The CTI system makes the sales support more accessible and responsive to clients. Meanwhile, CRM system can help the team track progress of each lead and close the deal as soon as possible.

6.5.3 Sales Promotions

Sales promotion is so important that it becomes the decisive factor in customers decision making on whether to pick our product or another. This is because sales promotion provides customers a unique offer that would give the advantage to us. Due to this promotion being an independent variable, it could be focused on social surrounding, buying behavior and pattern, free samples, price reduction and discounts in our product. In short, sales promotion encourages potential customers to buy our product compared to other products in the same line. Therefore, Cabello Enterprise will invest in mainly three sale promotion which are buy back allowances, coupons and social contest and giveaways. Further explanation is given as below:

- ***Buy Back Allowances:*** Our company will have membership programs that allow customers who are members to collect points as they buy our products. The more a customer purchases from our company, the more points will be accumulated. Then, if the customer chooses to, they can use these accumulated points to purchase a new product or get a generous discount on their next product. This will encourage new customers to sign up for our membership program and potential secure long term and loyal customers.
- ***Coupons:*** Coupons are the most suitable tool to introduce our new product into the market. It allows us to encourage customers to switch brands and also repeat sales with us. Albeit the benefit does not necessarily come to our company in the long run, it will give us the necessary boost in the initial few months of the sale. Since we plan to go paperless as much as possible, our distribution will be through emails, online magazines, QR codes and social media platforms.
- ***Social Contest And Giveaway:*** As we have mentioned earlier, our focus will be mostly in the prospect of internet that it has to offer. Therefore, we are targeting to work with social media platforms to help our product reach out to our target segments. The cost for promoting our product online can be cheaper and less of a

hassle to manage. Moreover, the potential customer reach is even wider because everyone uses social media for one thing or another. We also plan to work with social media influencers who have the greatest number of teen viewers on their channel or page. We will sponsor their video and hold contests for a giveaways in their content. We can also further progress this relationship in the future by making them our brand ambassador. Once a social media influencer manages to get our product to be trending in their page or channel, our product will spread like wildfire through potential customers outside our target segment. This will bring us magnanimous number of potential customers and build a stronger customer relationship.

6.5.4 Sales And Promotional Expenses Cost

First Year

Strategy	Cost (RM)
Advertising	20 000
Personal Selling	50 000
Buy Back Allowances	20 000
Coupons	50 000
Social Contest & Giveaway	60 000

TABLE 3 : Company Sales and Promotional Expenses Costs for First Year

Total Expenses: RM 200 000

Second Year

Strategy	Cost (RM)
Advertising	40 000
Personal Selling	50 000
Buy Back Allowances	40 000
Coupons	50 000
Social Contest & Giveaway	100 000

TABLE 4 : Company Sales and Promotional Expenses Costs for Second Year

Total Expenses: RM 280 000

6.5.5 Competitors Issue

Being a new competitor in the hair product market which has existed for quite a number of decades already is going to be a big challenge to overcome. Moreover, being a new product in such an industry is going to catch the attention of companies that are already dominating in the hair product market. Although we might not be a competition in the market for them, there is a chance of being bought off due to peer pressure. Since, dominating companies have contacts and influences at big places and names, it will prove to be difficult for us if we got to the bad side of these companies. Therefore, our company aims to promote our product with strong promotional strategies and following all proper guidelines set by the government. Since we are new in this competition, we have the opportunity to actually venture into many ways of promoting our hairbrush using one channel. Hence, explaining our reasons behind choosing the internet to be our main channel due to the public reach and cost.

In our situation, it is probably the best time possible to capitalize on the rise of social media platforms, especially the rise of e-Commerce. Since our product is new, there is a high chance that many drug stores or supermarkets and hypermarkets might not be confident to shelf our product in their stores. To overcome this, social media platforms will help make a name for us. Also, there are some competitors who might already launched a similar approach to selling their product which causes us a slight problem. That's why have planned to approach social media influencers to help promote our product in their pages and channels. It would help reach our primary target segments and sell the product. One after another, we would be able to gain the advantage on competitors as well due to the teenagers' nature of wanting to try something new and keeping up with the trends. Seeing this product reach out to the public will then give confidence to physical store owners to shelf our product in their stores throughout the country. Therefore, we have broken through the market and also found a convenient way to compete with the already well-known products.

Another big issue that we might encounter is the amount of resources that other companies have over us. Since we are new, we would not have enough resources in the sense of funding, contacts, existing customers and much more. Therefore, one way to solve this is through social media advertising that we have already mentioned. Moreover, having competitions and prizes will encourage customers to join and take part in it. It helps with the effort of going to customers and selling our product. Instead, customers come to us and we manage to promote and even sell the products. Of course, our sales team and sales support will be the ones who play the biggest role in this matter to help us close down deals. They can also help us to find collaborators to launch a sales program. It could be any event that relates to our hair product such as hair product launches or even beauty product events and also fashion events. All of this can help promote our product steadily and increasingly. Plus, it helps build friendly relationships with other companies in the same industry. This will eventually expand our resources and give us a strong foothold in the competition so that we are not left out of it just because we are a new company.

7.0 FINANCIALS

7.1 Market Size & Demand Estimation

Facts & Assumptions (Chain Ratio Method)

Q = Total market demand/Targeted Buyers

n = Number of buyers in market

q = Quantity purchased by average buyer in a year

r = Price of an average unit

Cost to make a unit	RM7.00
Markup Price	RM15.00
Markup Percentage	114%

Population in Malaysia Year 2019	32,581,400
Number of targeted buyers (Age from 13-21 years old) - n	4,777,144
Quantity purchased by average buyer in a year - q	1
Cost per unit -r	RM15.00
Total Sales/Total market demand - Q	RM71,657,160

Our market size estimation starts with finding out current total population of our country which are 32,581,400 million people [8]. Since we are targeting customers based on age group who are between 13 to 21 years old, we found out that n = 14.66% (4,777,144) out of total population are our targets. The average quantity purchased by average buyer in a year is estimated to be 1 unit.

Market Demand Formula

$$Q = n \times q \times r$$

The cost per unit of our product is RM15 and the average quantity is 1 so the total sales/total market demand we can expect is Q = RM71,657,160.

7.2 Sales Volume Forecast for 2 Years

Year	2020	2021
Market Penetration (%)	5	10
Volume	238,857	477,714
Sales (RM)	3,582,855	7,165,710
Cost of Good Sales (RM)	1,671,999	3,343,998
Gross Margin (RM)	1,910,856	3,821,712
Marketing Expenses (RM)		
- Sales and Promotional Expenses	200,000	280,000
- Shipping Expenses	100,000	120,000
General and Administrative Expenses (RM)		
- Managerial salaries and expenses	60,000	80,000
- Indirect overhead	100,000	140,000
Net Profit Before Income Tax (RM)	1,450,856	3,201,912
Net Profit After Income Tax (28%) (RM)	1,044,616	2,305,233

For the first year, 5% market penetration is planned, so the units of hairbrush required will be 238,857 that will generate sales that totals up to RM3,582,855. After deducting all the expenses, net profit for the first year is targeted to reach RM1,145,856.

For the second year, 10% market penetration is planned, so the units of hairbrush required will be 477,714 that will generate sales that totals up to RM7,165,710. After deducting all the expenses, net profit for the second year is targeted to reach RM3,201,912.

As our government income tax rule, an annual rate of 28% is imposed onto earnings that are over RM1,000,000 per annum. The net profit after income tax for the first year will be RM1,044,616 and followed by second year RM2,305,233.

7.3 Quarterly Profit and Loss Statement

Year 2020

RM	Quarter 1	Quarter 2
Net Sales	600,000	750,000
Cost of Goods Sold	<u>280,000</u>	<u>350,000</u>
Gross Margin	320,000	400,000
Marketing Expenses		
Sales and promotion expenses	50,000	50,000
Freight	<u>25,000</u>	<u>25,000</u>
	75,000	75,000
General and Administrative Expenses		
Managerial salaries and expenses	15,000	15,000
Indirect overhead	<u>25,000</u>	<u>25,000</u>
	40,000	40,000
Net Profit before Income Tax	<u>205,000</u>	<u>285,000</u>

RM	Quarter 3	Quarter 4
Net Sales	975,000	1,257,855
Cost of Goods Sold	<u>455,000</u>	<u>586,999</u>
Gross Margin	520,000	670,856
Marketing Expenses		
Sales and promotion expenses	50,000	50,000
Freight	<u>25,000</u>	<u>25,000</u>
	75,000	75,000
General and Administrative Expenses		
Managerial salaries and expenses	15,000	15,000
Indirect overhead	<u>25,000</u>	<u>25,000</u>
	40,000	40,000
Net Profit before Income Tax	<u>405,000</u>	<u>555,856</u>

Year 2021

RM	Quarter 1	Quarter 2
Net Sales	1,350,000	1,500,000
Cost of Goods Sold	<u>630,000</u>	<u>700,000</u>
Gross Margin	720,000	800,000
Marketing Expenses		
Sales and promotion expenses	70,000	70,000
Freight	<u>30,000</u>	<u>30,000</u>
	100,000	100,000
General and Administrative Expenses		
Managerial salaries and expenses	20,000	20,000
Indirect overhead	<u>35,000</u>	<u>35,000</u>
	55,000	55,000
Net Profit before Income Tax	<u>565,000</u>	<u>645,000</u>

RM	Quarter 3	Quarter 4
Net Sales	1,950,000	2,365,710
Cost of Goods Sold	<u>910,000</u>	<u>1,103,998</u>
Gross Margin	1,040,000	1,261,712
Marketing Expenses		
Sales and promotion expenses	70,000	70,000
Freight	<u>30,000</u>	<u>30,000</u>
	100,000	100,000
General and Administrative Expenses		
Managerial salaries and expenses	20,000	20,000
Indirect overhead	<u>35,000</u>	<u>35,000</u>
	55,000	55,000
Net Profit before Income Tax	<u>885,000</u>	<u>1,106,712</u>

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APPENDICES

Questionnaire by Cabello Enterprise : Hairbrush Buddy

Hello everyone! We are students from AKP201 Marketing course currently carrying out a survey regarding a new product (hairbrush)that we would like to introduce to the consumers. We truly appreciate your effort in completing this survey!

Hairbrush Buddy is a unisex liquid-dispensing hairbrush that could be used for hair combing, frizz taming and hair styling. All you have to do is pick your preferred hair product and click the product into the brush and press the button to release the hair product via the hairbrush bristles. The hair product will be distributed throughout your hair the second you start brushing, starting from your scalp.

Questions:

1. Gender

- Male
- Female

2. What is your age?

- 10-19
- 20-29
- 30-39
- Above 40

3. How often do you style your hair with a hair brush/comb?

- Never
- Sometimes
- Often
- Always

4. How often do you use hair products in your hair? [Eg: Hair oil, serum, conditioner, gel]
 - Never
 - Sometimes
 - Often
 - Always
5. What is your biggest hair concern?
 - Frizz
 - Dryness
 - Hairstyling takes too long
 - Lack of volume
 - Other
6. Where are you most likely to purchase your hair products?
 - Supermarkets
 - Personal care stores
 - Your hairdresser
 - Other
7. What factors compel you the most to buy hair products from a new supplier?
 - Cost
 - Product benefits
 - Packaging
 - Word of mouth recommendation
 - Discount offers
 - Reviews/Testimonials
 - Convenience
8. Which of the following sources do you use to learn about hair care products?
 - Sales people
 - Family/Friends

- Television/Radio
- Internet sites/Social media
- Magazines
- Other

9. I do not mind paying more to purchase a quality hair product for long-term benefits.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

10. I strongly emphasis on my hair growth and health.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

11. I am often dissatisfied with the hair products I use.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

12. I am willing to try different hair care products.

- Strongly Disagree
- Disagree
- Neutral

- Agree
- Strongly Agree

13. I am very convinced to buy a hair product recommended by a social media influencer, even if it is new to me.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

14. I am very convinced to buy a hair product of a well-established brand.

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

15. Would you be interested in buying this product for yourself or someone else?

- Yes
- No
- Maybe

Questionnaire Data and Findings

1. Respondents' Gender

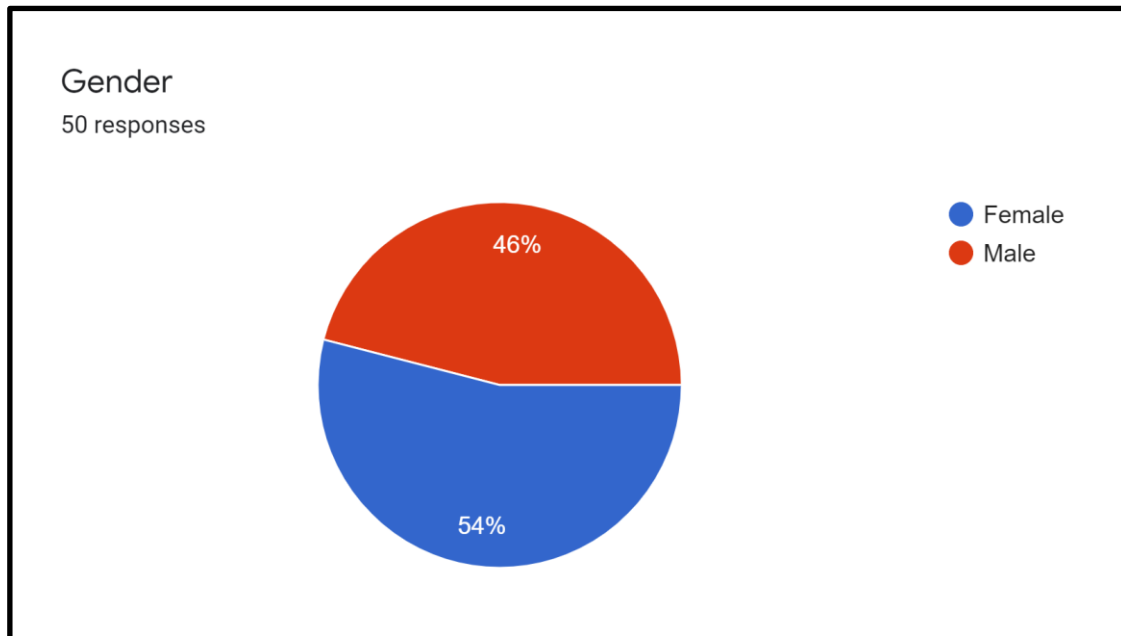


FIGURE 4: Gender Distribution

Based on Figure 4, there were 50 respondents who took part in this online survey questionnaire. From the 50 respondents, 27 was female and 23 was male respondent which are 54% and 46% respectively. In this survey, gender is questioned to classify respondent's demographics.

Gender	No. of Respondents	Percentage (%)
Female	27	54
Male	23	46
Total	50	100

TABLE 5 : Respondents' Gender Distribution

2. Respondents' Age Group

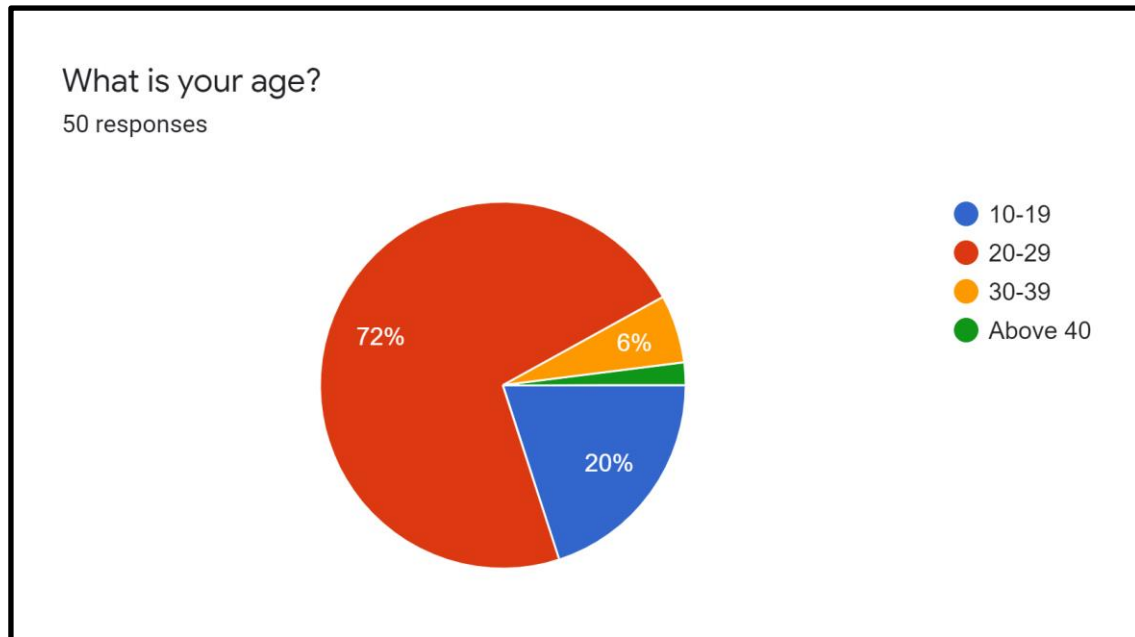


FIGURE 5 : Age Group

From Figure 5, it can be seen that the highest responses are collected from respondents in the age group of 20 -29 years old which is 36 respondents (72%) followed by age group 10-19 years old with 10 respondents (20%). Only 3 (6%) respondents from the age group 30-39 years old responded and the lowest respondent are from age group above 40 years old.

Age Group	No. of Respondents	Percentage (%)
10-19 years old	10	20
20-29 years old	36	72
30-39 years old	3	6
40 above	1	2

TABLE 6 : Respondents' Age Distribution

3. Response To Frequency Of Hair Styling With Hair Brush/Comb

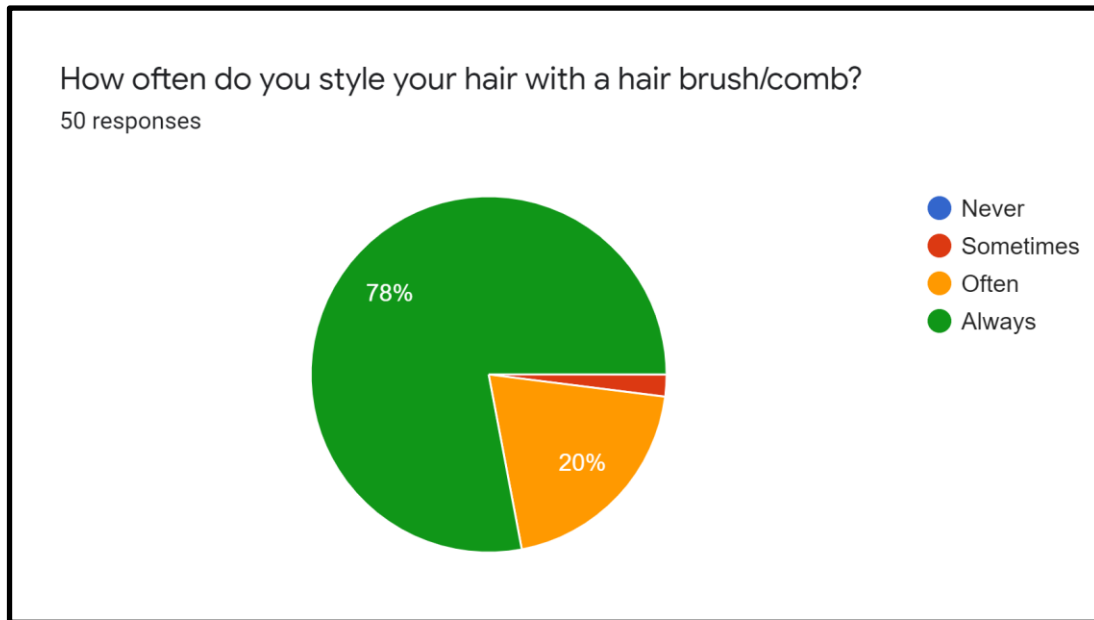


FIGURE 6 : Respondents' Frequency of Hair Styling with Hair Brush/Comb

From Figure 6, it can be seen that 39 (78%) of respondents always uses hairbrush/comb to do their hair styling. Whereas, only 10 (20%) of respondents often uses hairbrush/comb. Therefore, we can assume that customers who are willing to buy Hairbrush Buddy is from the majority group.

Uses Hairbrush/Comb for Hairstyling	No. of Respondents	Percentage (%)
Always	39	78
Often	10	20
Sometimes	1	2
Never	-	-

TABLE 7 : Respondents' Frequency of Hair Styling with Hair Brush/Comb

4. Response To Frequency Of Hair Products Usage

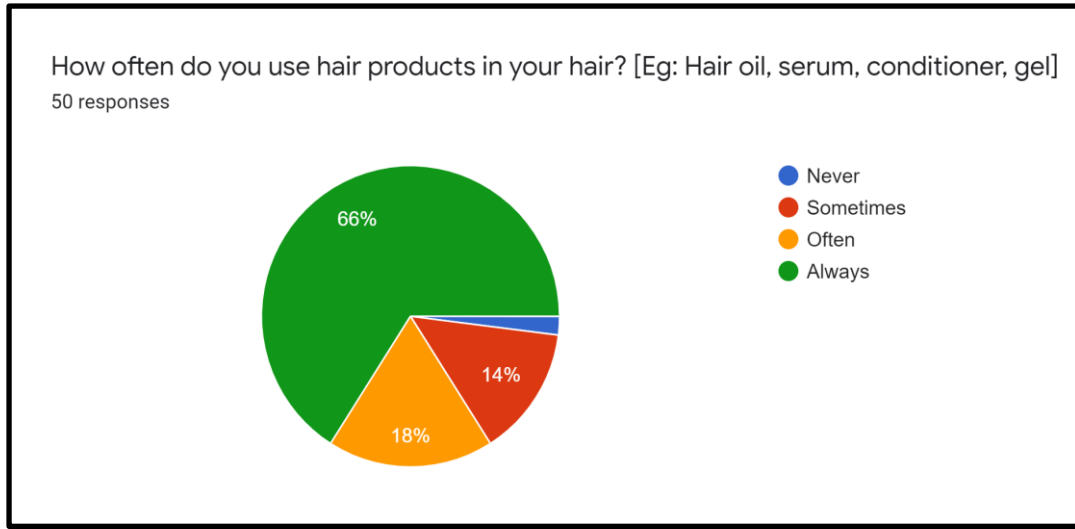


FIGURE 7 : Frequency of Hair Products Usage

Among the 50 respondents, 33 (66%) of them always uses hair products and 9 (18%) often uses hair products. Therefore, it can be seen that usage of hair products is important for many consumers and Hairbrush Buddy could be their choice of purchase as it can be used for hair styling purpose and insert many types of hair products in the cartridge. Only 7 people from the respondent sometimes uses hair products which accounts for 14% from the total number of respondents.

Frequency of Hair Product Usage	No. of respondents	Percentage (%)
Always	33	66
Often	9	18
Sometimes	7	14
Never	1	2

TABLE 8 : Respondents' Frequency of Hair Products Usage

5. Response To Biggest Hair Concern

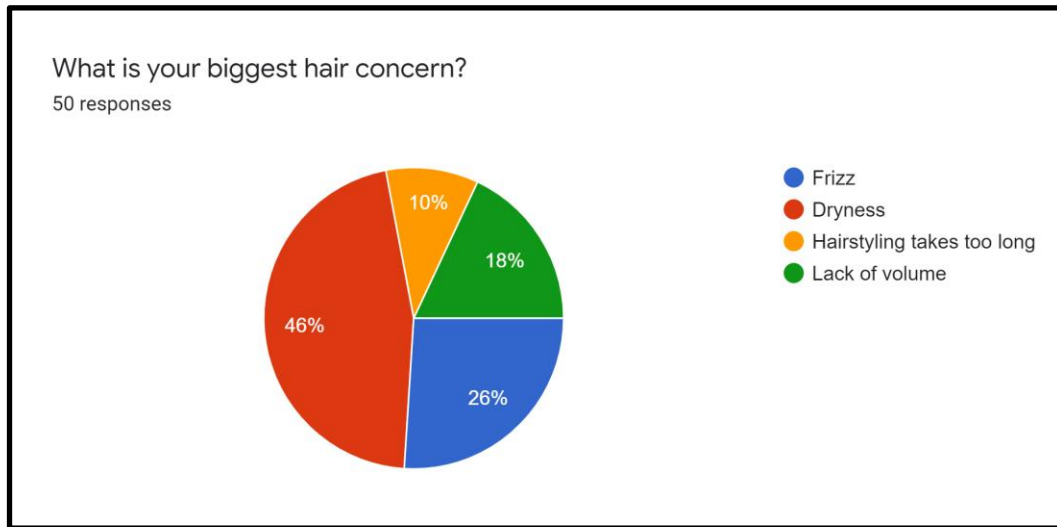


FIGURE 8 : Respondents Biggest Hair Concern

From Figure 8, the biggest hair concern among the respondents is hair dryness. 23 (46%) of the respondents worry about hair dryness, followed by hair frizziness is which 13 (26%) and followed by lack of volume 9 (18%) and only 5 (10%) of respondents worry about the longer time consuming for hairstyling. From this, we can see that our consumers will be using hair conditioner to overcome the hair dryness issue. So, since Hairbrush Buddy has the features of inserting two types of hair products at once, this may attract our customers to purchase the product.

Hair Concern	No. of respondent	Percentage (%)
Dryness	23	46
Frizziness	13	26
Lack of volume	9	18
Hair styling takes too long	5	10

TABLE 9 : Respondents' Biggest Hair Concern

6. Response To Hair Products Purchase Location



FIGURE 9 : Places that consumers would like to purchase their hair products

Figure 9 shows the places that consumers would like to buy their hair products. The data shows that most of the consumers (58%) buy their hair products from supermarket followed by personal care stores (36%) and only 6% buys from their hairdresser. Therefore, we will be focusing on distributing Hairbrush Buddy at supermarkets and personal care stores. This will make our product always reachable by our customers.

7. Response To Factors Of A Hair Product Purchase From New Suppliers

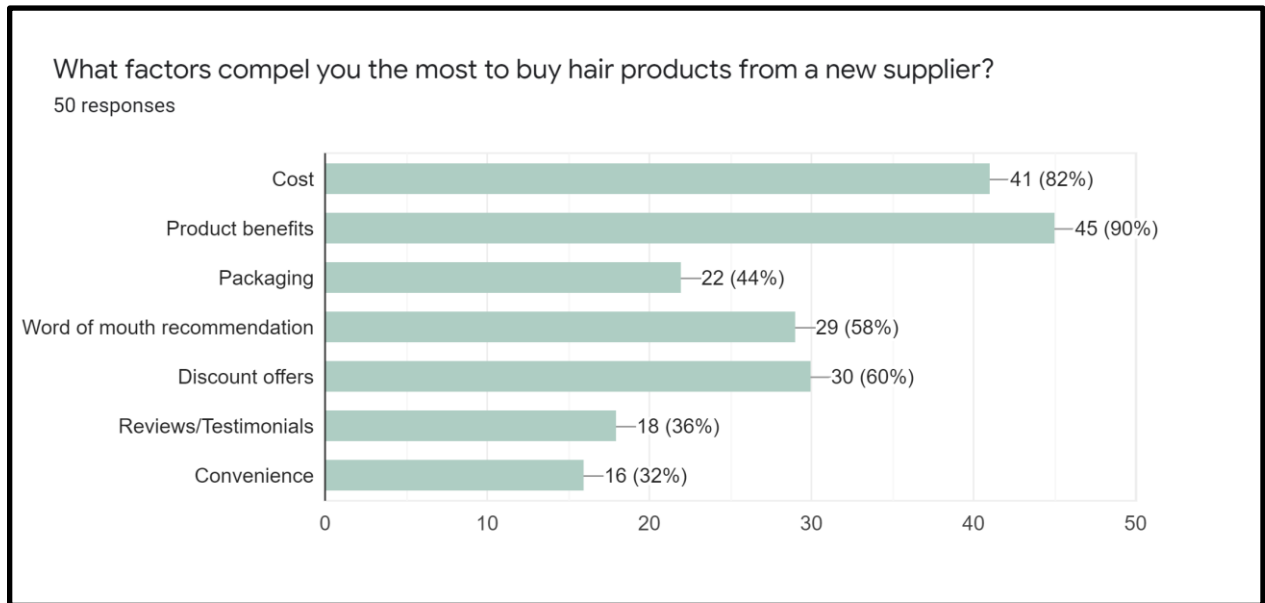


FIGURE 10 : Factors influencing customers to buy the hair product

Figure 10 interprets the factors influencing consumers to purchase a hair product from a new supplier. The highest rate factor is product benefits which is chosen by 45 respondents (90%) and the second most influencing factor is cost shown by 41 respondents (80%). This data shows us that consumers give the most importance for the product's benefit and it is also crucial to make the price of the hair product affordable for most of the consumers. The Hairbrush Buddy is believed to be giving many benefits for the consumers at the same time its price is affordable so that many people could buy it.

8. Response To Learning Sources Of Hair Care Products

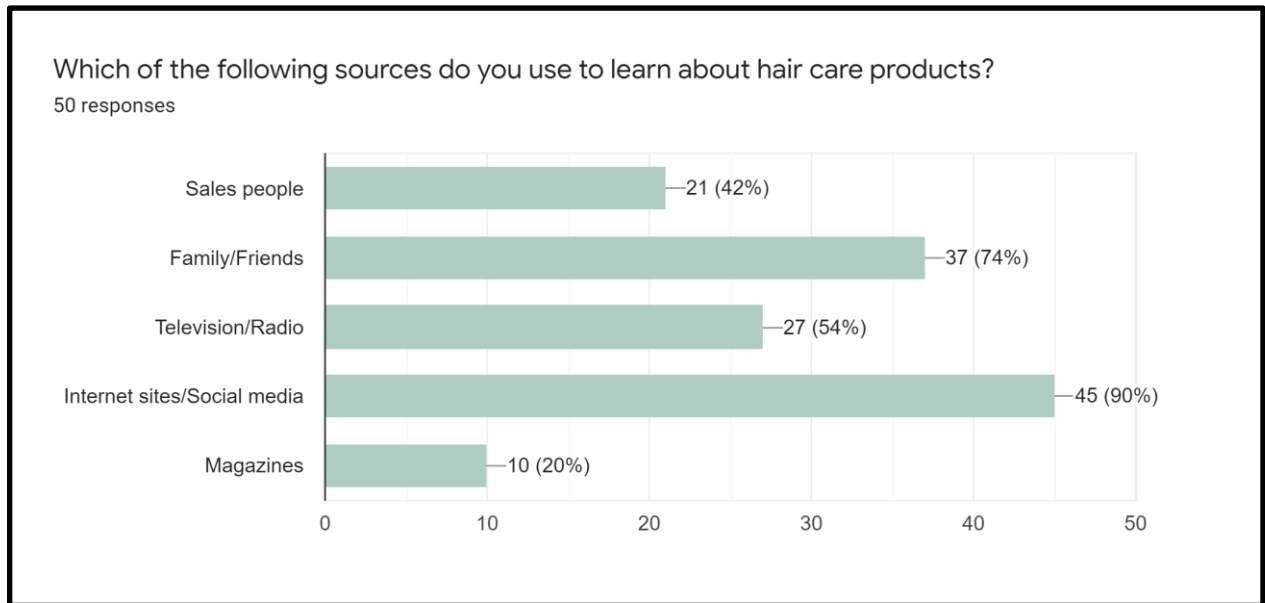


FIGURE 11 : Sources used to learn about hair care products

Figure 11 shows the sources that consumers use to learn about hair care products. The highest rated source is from Internet site or social media which shows 90% of the respondents choice of learning. Secondly, the consumers tend to learn to use hair care products from their friends and family which is 74% followed by television/ radio which shows 54% and learning from sales people shows 42%. The least used source by consumers will be magazines which is 20%. From this, we can see that consumers can learn easily about products via Internet. So, we will be using the internet as the main source to educate our consumers about Hairbrush Buddy.

9. Response To “*I do not mind paying more to purchase a quality hair product for long-term benefits*”

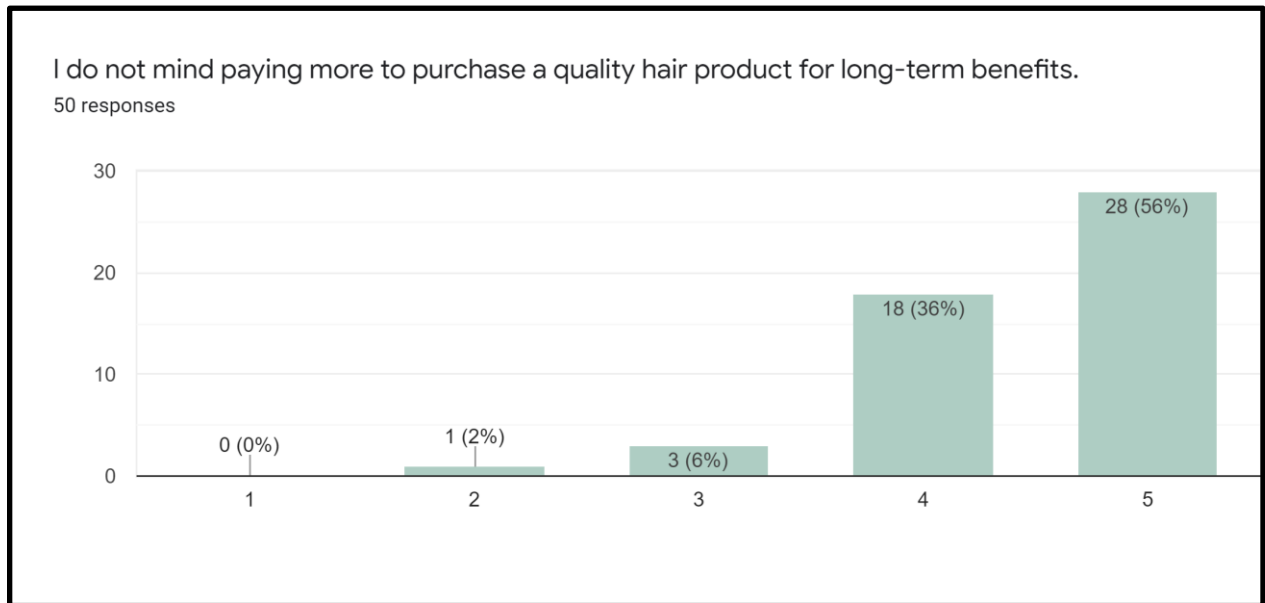


FIGURE 12 : Response on paying more to purchase a hair product

Based on Figure 12, it can be seen that about 28 out of 50 respondents, which is 56% of the total respondents, strongly agree with the statement “I do not mind paying more to purchase a quality hair product for long-term benefits.” Meanwhile, about 18 respondents, which is 36% of the total respondents, agree with that statement. On the other hand, about 3 respondents (6%) responded neutral and 1 respondent (2%) disagrees with that statement. Since the selling price of Hairbrush Buddy is quite reasonable with extra features in it, consumers might be willing to purchase it for long-term use.

10. Response To “*I strongly emphasis on my hair growth and health*”

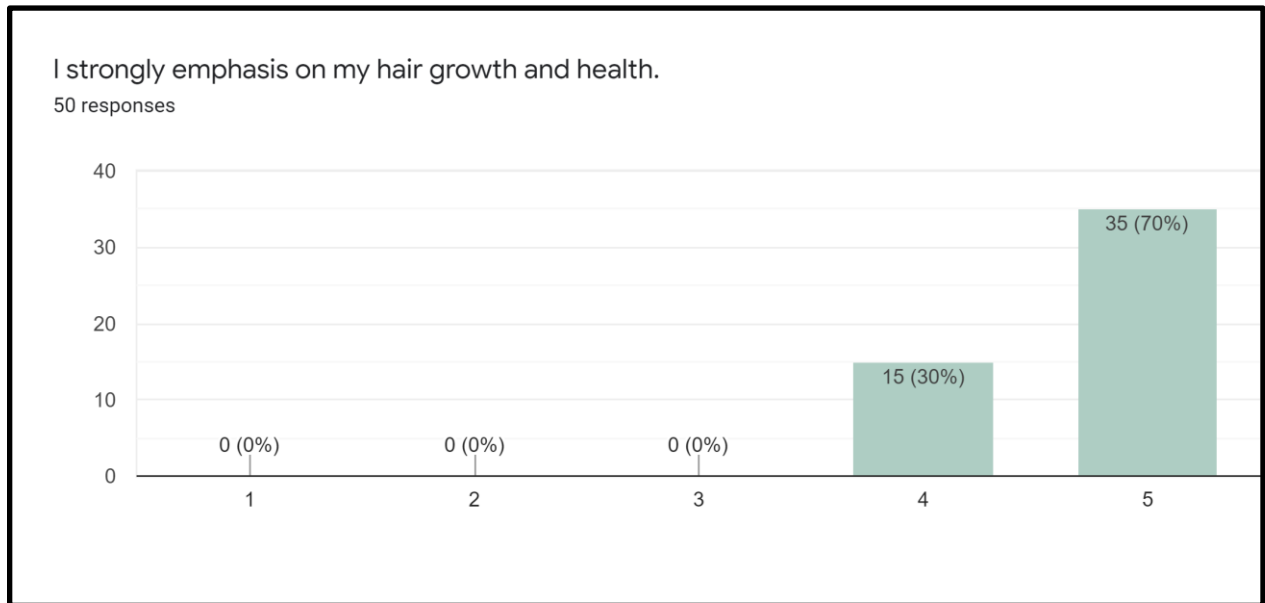


FIGURE 13 : Response to level of emphasis on hair growth and health

From Figure 13, it can be seen that about 35 out of 50 respondents, which is about 70% of the total respondents, strongly agree with the statement “I strongly emphasis on my hair growth and health.” Whereas, about 15 out of 50 respondents, which is about 30% of the total respondents, agree with that statement. Therefore, Hairbrush Buddy can be a good choice for them as it helps to improve blood circulation of the scalp and this contributes to a healthy scalp and healthy hair.

11. Response To “*I am often dissatisfied with the hair products I use*”

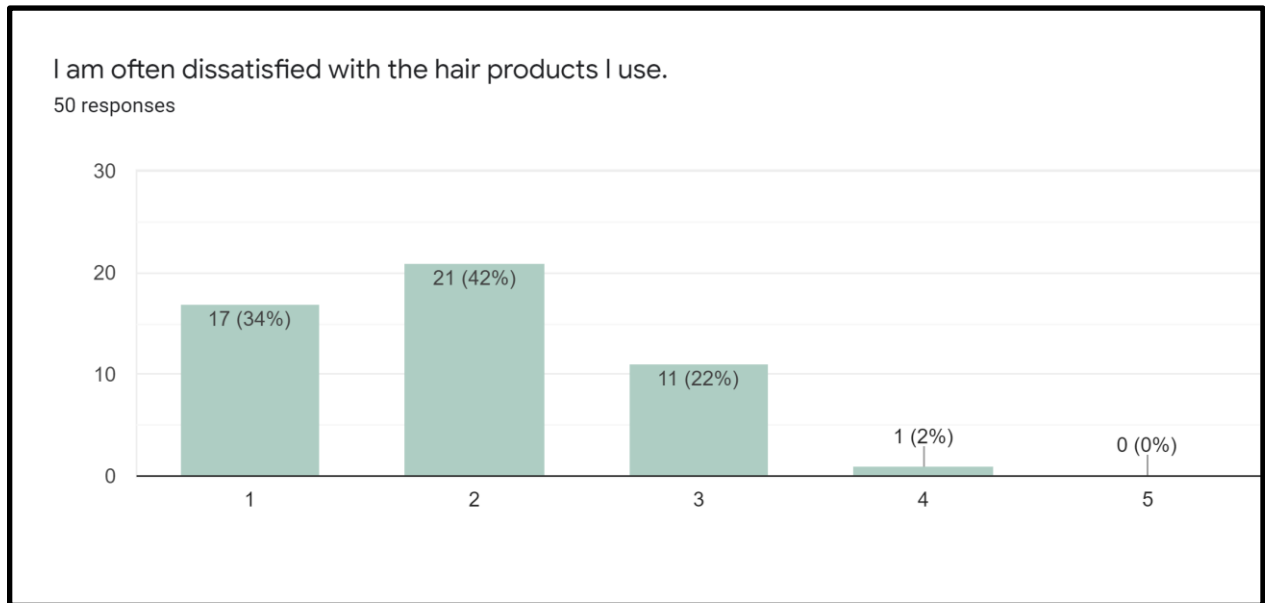


FIGURE 14 : Response to level of dissatisfaction on hair product usage

Based on Figure 14, it can be seen that about 17 out of 50 respondents, which is 34% of the total respondents, strongly disagree with the statement “I am often dissatisfied with the hair products I use.” About 21 respondents (42%), which is the highest, disagree with that statement. About 11 respondents (22%) responded neutral to that statement and 1 respondent (2%) agrees with that statement.

12. Response To “*I am willing to try different hair care products*”

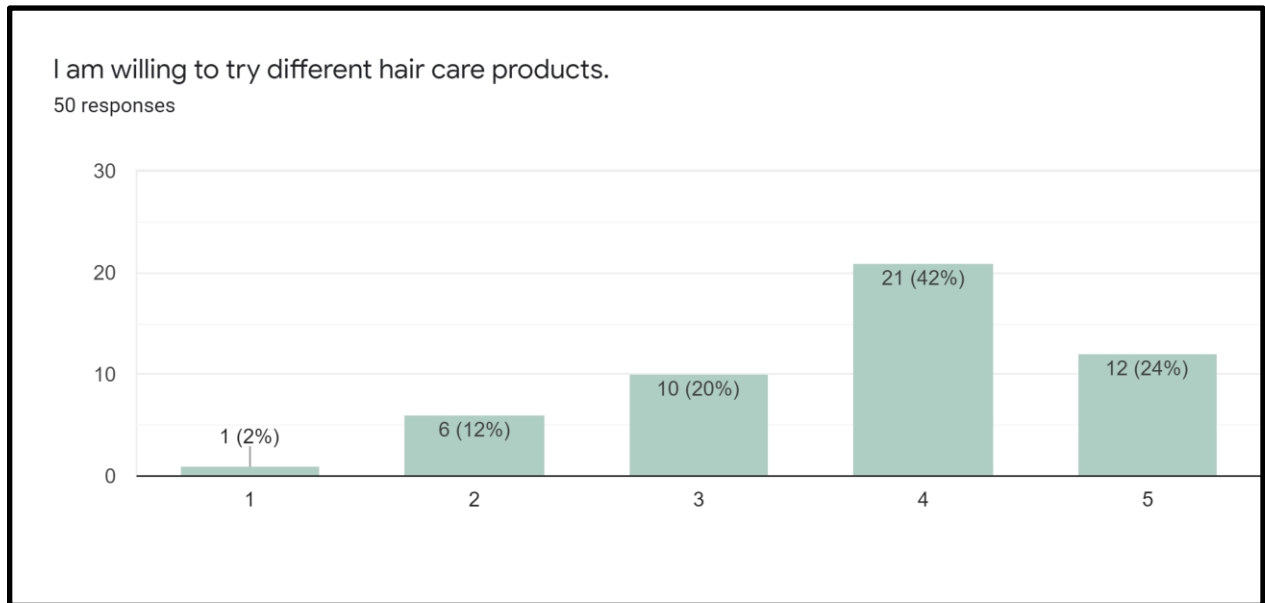


FIGURE 15 : Response to willingness on trying different hair products

Based on Figure 15, it can be seen that about 12 out of 50 respondents, which is 24% of the total respondents, strongly agree with the statement “I am willing to try different hair care products.” About 21 respondents (42%), which is the highest, agree with that statement. About 10 respondents (20%) responded neutral to that statement. 6 respondents (12%) disagree with the statement and 1 respondent (2%) strongly disagrees with the statement. This shows that most of the respondents are willing to try different hair care products than the one they are using currently and Hairbrush Buddy can be in their choice list.

13. Response To “*I am very convinced to buy a hair product recommended by a social media influencer, even if it is new to me*”

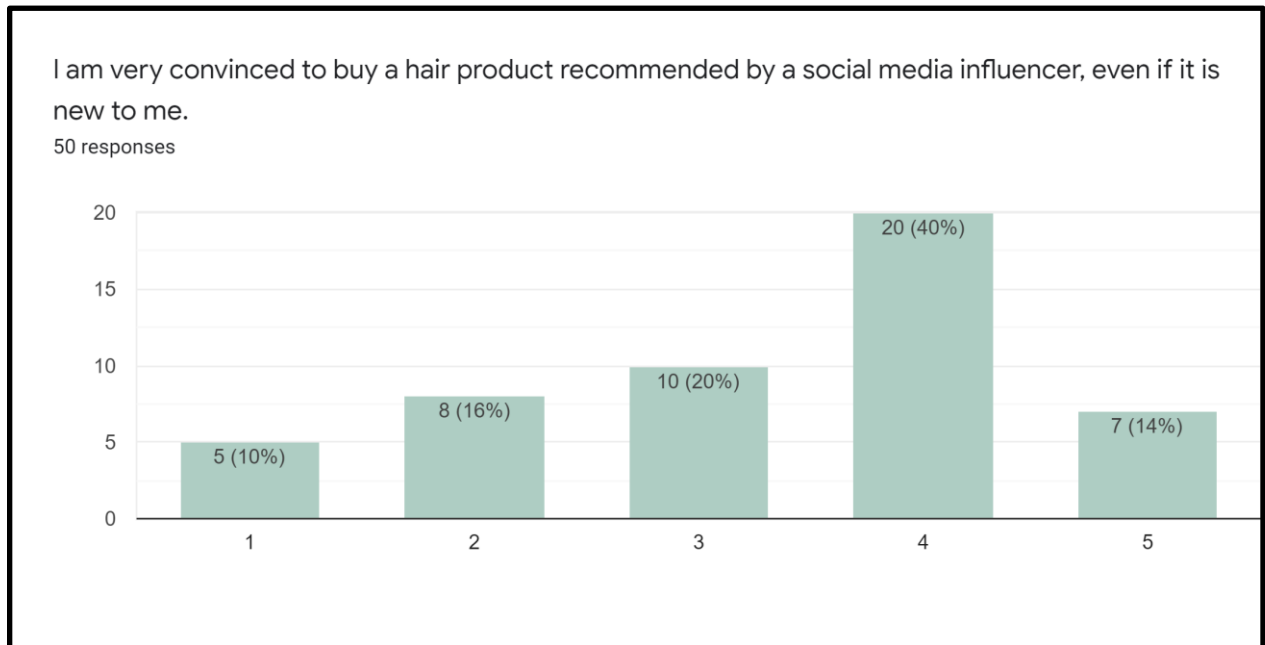


FIGURE 16 : Response to impact of social media influencer on hair product purchase decision

Based on Figure 16, it can be seen that about 7 respondents (14%) strongly agree and 20 respondents (40%) agree with the statement “I am very convinced to buy a hair product recommended by a social media influencer, even if it is new to me.” About 10 respondents (20%) responded neutral to that statement. Meanwhile, about 8 respondents (16%) disagree and 5 respondents (10%) strongly disagree with the statement. It can be concluded that most respondents can be convinced to purchase the Hairbrush Buddy through recommendation by social media influencer or through attractive advertisements.

14. Response To “*I am very convinced to buy a hair product of a well-established brand*”

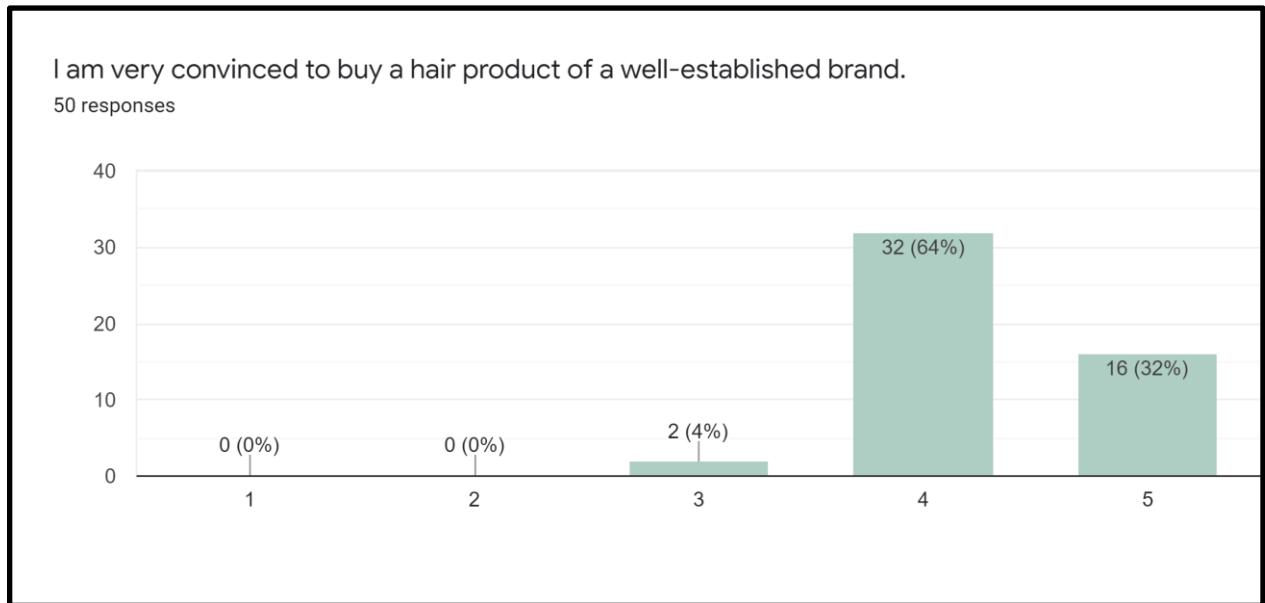


FIGURE 17 : Respondents' convinced level of buying a hair product of an established brand

Based on Figure 17, it can be seen that about 16 out of 50 respondents, which is 32% of the total respondents, strongly agree with the statement “I am very convinced to buy a hair product of a well-established brand.” About 32 respondents (64%), which is the highest, agree with that statement. Whereas, 2 respondents (4%) responded neutral to that statement. Therefore, it is known that most respondents are very convinced to buy a hair product if the brand is well-established.

15. Response To “Would you be interested in buying this product for yourself or someone else?”



FIGURE 18 : Level of interest to buy Hairbrush Buddy

From the pie chart shown in Figure 18, it can be seen that about 14 out of 50 respondents, which is about 28% of the total respondents, are interested in buying the Hairbrush Buddy for themselves or for someone else. Meanwhile, about 6 out of the 50 respondents, which is 12% of the total respondents, are not interested in buying the product for themselves or for someone else. About 30 respondents (60%), which is the highest amount, responded ‘maybe’ to the question “Would you be interested in buying this product for yourself or someone else?”.