

**Marketing Analytics Report:
The Clorox Problem**

MKTG 612

Table of Contents

Background and Research Objectives	3
Research Method	4
Segmentation Analysis	6
Limitations	7
Strategy for Segment 1	8
Strategy for Segment 2	9
Appendix	10
References	17

Main Content

Background and Research Objectives

The Clorox Company (Clorox) is a publicly traded consumer products manufacturer, founded in 1913 and headquartered in Oakland California. The company has since expanded into foodstuffs like condiments, with its Hidden Valley and KC Masterpiece brands, as well as Kingsford charcoal and water filter brand Brita. However, since its inception the company has always been a major manufacturer of cleaning products, selling the surface cleaners 409, Pine Sol, and Tilex, among others. The company's most recent major cleaning product roll-out was the environmentally friendly Green Works line of cleaning products in 2008.

Clorox's signature product has always been the original one, Clorox Bleach. Liquid bleach is a sodium hypochlorite solution which is a universal disinfectant that kills algae, mildew, bacteria, and viruses on surfaces and in water. It is also an effective stain remover, making white clothes clean. Bleach helps keep water in pools clean, and in very diluted amounts it is the preferred method for many backpackers to purify drinking water. The Clorox Company had a hard time initially introducing the product in the United States in the early 20th century. Once the Spanish Flu swept through the world and science began to better understand bacterial infections, awareness of the importance of sanitary conditions grew and so did the use of Clorox Bleach throughout the United States.

Bleach is not used as much in other parts of the world, compared to the United States. As such, if you did not grow up using bleach, you may be uncomfortable using it and cautious of its use, as it can damage clothes and furniture if used improperly. However, all the data we have on the use of bleach in other cultures is anecdotal. We set out to provide Clorox with hard data on how people currently perceive its product, so it can better identify its potential customers in the 21st century.

To achieve this goal, we constructed a survey that measures how customers perceive bleach in terms of cost, effectiveness, and environmental friendliness. We asked how frequently the participants performed various cleaning tasks, such as doing laundry and cleaning Kitchen surfaces. We also asked the participants to rank how important a cleaning product's effectiveness, eco-friendliness, ingredients, and ease of use are to them.

We will gather and analyze segmentation data from our survey participants' ages, gender identification, household income and size, and their region of origin. Based on our results, we would like to find out more about customers that are unfamiliar with bleach and develop strategies to better reach them.

Research Method

The segmentation and targeting model was used to conduct our research. Segmentation and targeting are analytical techniques used to determine how best to divide an organization's customer-base into smaller groups, or segments, based on various characteristics ("What is Market Segmentation? 5 Focus Areas for Max ROI", 2020). The goal of segmentation is to determine sizeable portions of the population that are heterogenous, accessible, and cost-effective to target an organization's marketing resources toward.

To perform segmentation and targeting, we developed a survey (Appendix I) that looked at customers' attitudes towards cleanliness, purchasing, and bleach. We also included demographic questions to help describe and contact any segments that developed.

As deconstructed in the table below, we had 15 questions that were used to determine our segmentation variables. Question 1 was used to determine whether the respondent actively used bleach (defined here as within the past 3 months). Questions 2-5 were used to assess the general importance of cleanliness to the respondents. Questions 6-9 were used to determine how important the following features were to respondents when making a purchasing decision: environmental-friendliness, effectiveness, ease of use, and non-toxic ingredients. Finally, questions 10-15 were used to determine the respondent's current attitudes towards bleach. That is, whether the respondents perceived bleach to be damaging to their clothes, necessary for overall cleanliness, identical to color-safe bleach, noxious, environmentally-friendly, or cost-effective.

Table X. Survey Appendix I Breakdown

Questions	Describe	Type
Question 1	Bleach-use	Segmentation Questions
Questions 2-5	Cleanliness	Segmentation Questions
Questions 6-9	Purchasing Decisions	Segmentation Questions
Questions 10-15	Attitudes Towards Bleach	Segmentation Questions
Questions 15-20	Demographic	Demographic Questions

We also included five demographic questions (Gender, Household Income, Age Range, Household Size, and Region of Origin) to describe any segments discovered and see how the segments vary based on demographic characteristics.

In total, we had 50 respondents. The survey was primarily answered by North American females aged between 25-34 years old with a household income of \$90,000 - \$99,999 USD, and 2 household members. If any demographic question was not answered, we replaced the resulting blank with “Decline to State”. If any question used to determine our segmentation variables was missing, we replaced it with the median of that section to counter the effects of any outliers present in our data. The responses for questions 2-5 were averaged, and the overall data was standardized before conducting analysis.

Segmentation Analysis

After running the dataset through the Marketing Engineering software in Microsoft Excel, the data and the resulting dendrograms revealed an optimal segmentation into two clusters versus dividing the segments further. The dendrogram in Figure 1 (see appendix), revealed an insufficient distance between groups to warrant the inclusion of additional clusters. Figure 2 (appendix) reveals our chosen format for segmentation, once the segmentation was narrowed appropriately. The dendrogram in figure 2 also reflects the dichotomy present in the data set, when reviewing the responses given to many of the segmentation variable questions.

In our first segment, the respondents indicated a high value placed on the environmental impacts of cleaning products, have a high desire for non-toxic ingredients, and would prefer an environmentally friendly bleach vs. a non-environmentally friendly cleaning product. We named segment 1 “Eco-Friendly,” as this segment ranked on a scale of 1-4 “Eco-Friendly Product” as the most important aspect of cleaning products, and “Natural Ingredients” as the second most

important. Further, the “Eco-Friendly” segment’s data, on a scale of 1 to 6, revealed a stronger tendency to hold a belief that “Bleach is Environmentally Friendly” (2.97 vs. 2.19), when compared to the data gathered from respondents in segment two. The respondents in the “Eco-Friendly” segment reported an average household size of 2.21 and a majority reported an even split in household income between “less than \$10,000” and “more than \$150,000” ranges.

Data gathered from the respondents in segment 2 revealed a population that values easy to use cleaning products that are effective, are frequent cleaners, believe that bleach is an effective product to use when doing laundry. We named segment 2 the “Traditional-Users” of bleach. Segment 2 ranked “Ease of Use” as the primary, and “Effectiveness” as the second-most important aspects of a cleaning product. In comparison to the “Eco-Friendly” segment, on a scale of 1 to 6, respondents in the “Traditional-Users” segment reported a higher frequency in regular cleaning activities (4.13 vs 3.74), and a stronger belief that “Bleach will make my clothes clean,” (4.56 vs. 4.44). The respondents in the “Traditional Users” segment reported an average household size of 2.74 and a majority reported a household income in the \$100,000-\$149,000 range.

Limitations

After conducting our research, and compiling and analyzing the data, some limitations to the research were discovered. We found a tendency towards dichotomous responses, something that propelled us towards the choice to choose 2 segments vs. 3, since the differences in respondent answers did not reveal themselves to create enough distance in our resulting dendrogram to warrant the additional time and costs involved with adding segments to a marketing campaign. Since we had 50 total responses, and 34 of those respondents fell into the “eco-Friendly” segment, we believe that having a far greater number of respondents to the

survey would result in a stronger ability to assert whether the number of segments should remain at 2 or grow into 3 or more.

Strategy for Segment 1 – “Eco-Friendly”

Based on the results of the survey and the preferences of the two segments, we would recommend the bleach for Segment 1 be positioned as a product with natural ingredients. This group of customers place relatively higher importance on going ‘Green’, product being ‘Non-toxic’ and ‘Eco-friendly’. They are sensitive to nature and want to take initiative for eco-friendly products or sustainable products. However, they also place lower importance on “Effectiveness” and “Ease of Use”. These customers are willing to trade the efficiency of the product for the well-being of the environment. The following marketing messages could resonate with this segment:

- All-natural ingredients
- Natural fragrances
- Safe to use for houses with children and pets
- No negative impact on environment
- Packaging with pictures of natural ingredients
- Celebrity climate change activist such as Leonardo Di Caprio as an ambassador
- **Bonus:** Donate some part of the revenue from sales to an organization associated with climate change

The marketing message would resonate best through large campaigns with display advertising, television, radio commercials, and billboards comparing the normal bleach and its impact on the environment side-by-side with Clorox Natural. Additionally, given environmental conscious people are also active on the internet, researching on their products, social media would

also be an effective channel too. Additionally, online contests with followers sharing their best experiences of using Green Works product of Clorox and tagging their friends would increase the awareness of the product followed by giveaways to the winner with best comment.

However, one of the concerns with the above marketing campaign is that bleaches are typically a product with high concentration of chemicals and are known to cause discomfort and pollute the environment. There might be certain product changes that would be required to make it more natural and trade the efficacy of the bleach. The term bleach itself can have a negative connotation for this customer group, requiring a new product name altogether.

Strategy for segment 2 - “Traditional Users”

The second segment from our survey is a customer segment that places higher emphasis on the ease and effectiveness of the product relative to the other segment. This customer segment is looking for a product that is more traditional and gets the job done with ease. This customer segment also places less emphasis on being green and non-toxic, meaning they are willing to use stronger products that can clean better without much consideration for pollutants. The following marketing messages could resonate with this segment:

- The most effective bleach on the market
- Cleans the toughest stains
- Works on all kind of surfaces and stains
- Leaves no traces
- Used by professionals

The marketing campaign for this segment of customers is advertising through more traditional channels, highlighting how this performs compared to the top products on the market.

The challenge with marketing to this segment of customers is that they are looking for a product that is highly commoditized. It is difficult to have a differentiating factor when looking for an ordinary bleach. Price is commonly the main decision factor for this segment. Hence, marketing on pricing basis might be another consideration.


We can use a bundling strategy by combining traditional beach products with high selling household brands owned by Clorox like Glad, Litter, Charcoal. We can suggest providing an additional discounted rate on traditional beach products by combining with household products which will help us to achieve the goal of increasing product selling. This strategy will also ensure the product reaches the specific customer segment. Clorox already launched bleach spray for effortless usage but most of the people don't know about the product. We would recommend experiential marketing and in-store product demonstration strategy though it is more traditional and expensive. TGI figures show that almost 41% customers are likely to buy a product when they see the in-store demonstration of the product which gives them an exact idea about the usage and effectiveness of the product. Our target segment's key attributes like effectiveness and easy to use of product meets the purpose of in-store demonstration of product.

Appendix



Commented [1]: +paulmcd@gmail.com

e.g., Questionnaire

☐ Q1 Have you used bleach in the past 3 months?


 ☐ Yes ☐ No


☐ Q15 How often do you perform these activities?

	Never	Once a month	Twice a month	Once a week	More Than once a week	
Laundry	0	1	2	3	4	5
Clean the kitchen surfaces	0	1	2	3	4	5
Clean Bathroom surfaces	0	1	2	3	4	5
Remove mold	0	1	2	3	4	5

☐ Q14 What is most important to you in a cleaning product? Click and drag to change the ranking.

 Eco-Friendly product 1

 Effectiveness of Product 2

Ease of use 3

Natural ingredients 4

Q18

How much do you agree with the following statments?



	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	
	1	2	3	4	5	6
Bleach will damage my clothes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bleach will make my clothes cleaner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Color safe bleach is the same as regular bleach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The smell of bleach bothers me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bleach is environmentally friendly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
when considering the purchase of bleach cost is important	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q13

What is your gender?



- ☐ Male
- ☐ Female





Q19



How many people are in your household?

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5+



Q20



What region are you from?

- ☐ North America
- ☐ Latin America
- ☐ Middle East
- ☐ Europe
- ☐ South Asia
- ☐ Oceania
- ☐ East Asia
- ☐ Africa

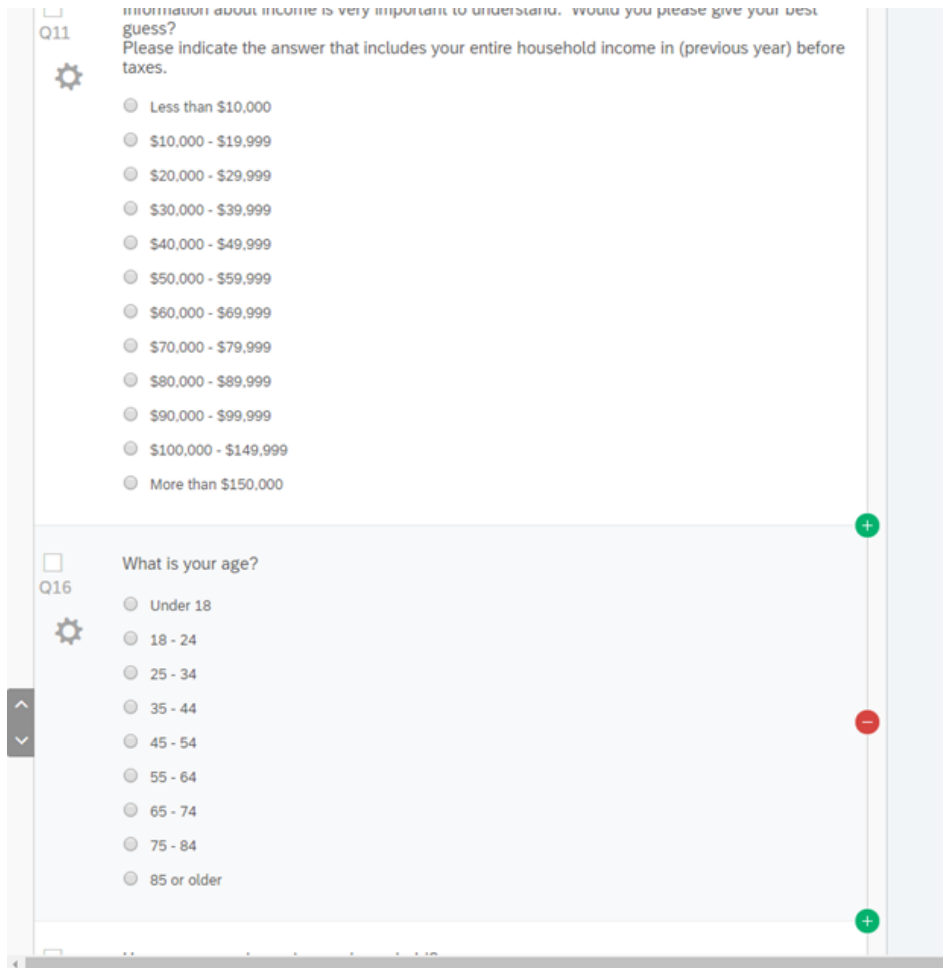


Figure 1: Initial Dendrogram

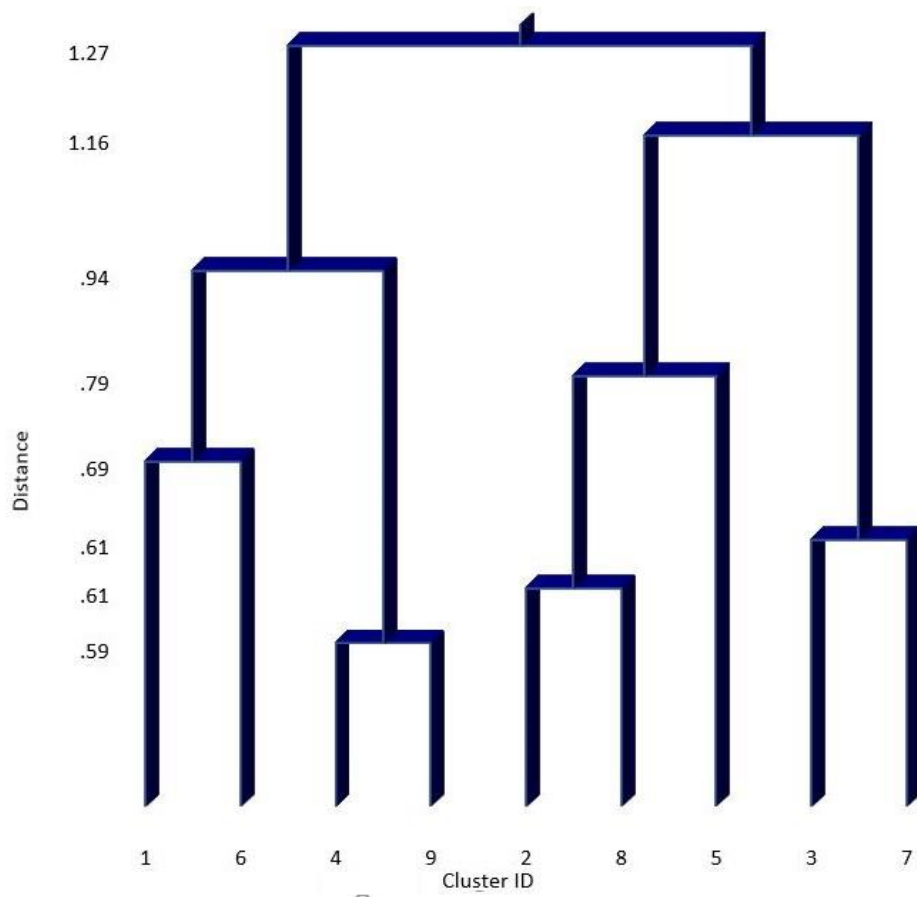
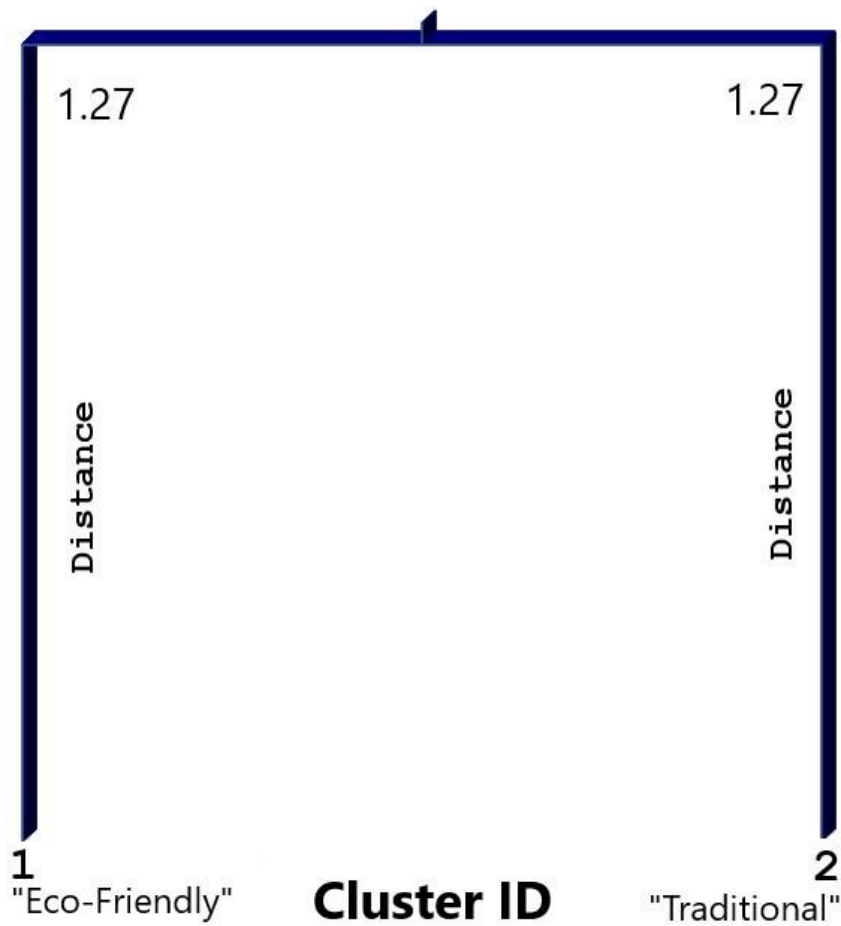


Figure 2: Final Dendrogram



References

“What Is Market Segmentation? 5 Focus Areas for Max ROI.” *Qualtrics*, 10 Feb. 2020,
www.qualtrics.com/experience-management/brand/what-is-market-segmentation/.

<https://www.marketingweek.com/what-product-demonstrations-can-do-for-brands/>