



Colgate[®]

***Growing our share of
the toothpaste market***

**Marketing Strategy
Group 2**

Executive Summary

- Use \$3M to defend and expand our 32% Canadian hygiene market share
- Leverage preexisting rockstar products
- Deploy innovative dental clinic network and social media promotion strategies
- Place our product through brick & mortars, e-commerce, clinics, and creative travel options
- Win share and boost OMs

Colgate Recap



- Net income: US \$2.3B
- Global leader in the oral care market

Our Situation

30.5%

Market share

Situation

+

\$ 3M

Additional
Marketing Spending

Ask

=

5.2%

Growth rate

Goal

A solid red square is positioned in the top left corner of the slide.

Our Assessment

- Growth Hypothesis: Given our strong position, growth will come from:
 - Winning new customers from competition
 - Increasing consumption of existing customers
- Growth Obstacle: Customer attention in retail is saturated
 - Retailers are investing in brand loyalty and retailer-branded products
 - Concentrated retail market in Canada: top 4 held 70% of sales

Market Landscape

- High price sensitivity and low brand loyalty from end-customer
- High bargaining power of major retailers – top four grocery retailers accounted for 70% sales
- Overall: **HIGH**

- Brand familiarity and dentist recommendations were major purchase influences
- Increased number of store brands
- Overall: **LOW**



- Intense rivalry among major brands – top three competitors held over 75% market share
- Overall: **HIGH**

- As the largest manufacturer with considerable economies of scale, Colgate likely did not face strong bargaining power from suppliers
- Overall: **LOW**

- All major competitors have products in most or all subcategories
- Competitors invested significantly in brand positioning through consumer advertising, retail merchandising, and consumer promotions
- Limited room for differentiation
- Overall: **HIGH**

Our Customers

Health
benefits



Baby Boomers

Age 60+
(Worriers)



Gen X

Age 35-60

Teeth
whitening



Millennials

Age 15-35
(Sociables)



Gen Alpha

Age below 15

Our Plan to Grow Share

Target our focus a few of our same great products



Leverage smart and well-priced promotion



Distribute our products innovatively



Maintain confidence in our pricing methods



Grow our Bottom Line Profitability

Same Great Products

Colgate Total Advanced Health



Health
benefits



Baby Boomers



Colgate
Optic
White

Teeth
whitening



Millennials

Promoting Smiles

Become Dentists' Recommended Brands



Dating Apps

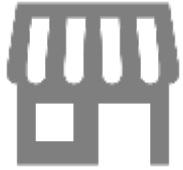


THE league

Social Media Influencers



Effective Placement



Brick and Mortar Retailers



Dental Clinics



E-Commerce



Travel Industry



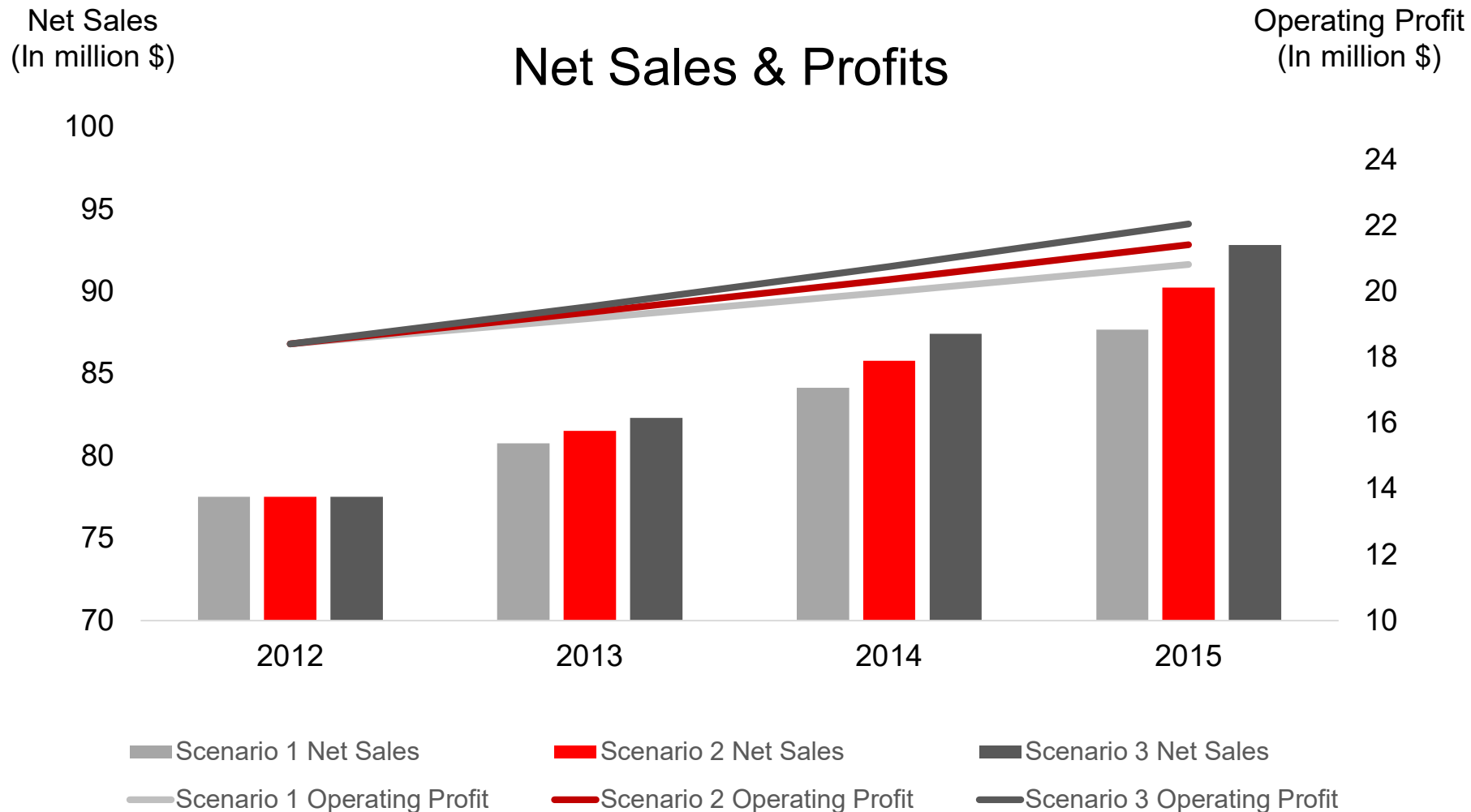
Smart Pricing

Category	Average Retail Unit Price	
	Colgate	Market Average
TL Base	\$1.27	\$1.37
TL Premium	\$1.95	\$2.21
TL Super Premium	\$2.76	\$2.87
TL Mega Premium	\$4.23	\$4.56
TL Toothpaste	\$2.11	\$2.66

The current price should remain the same

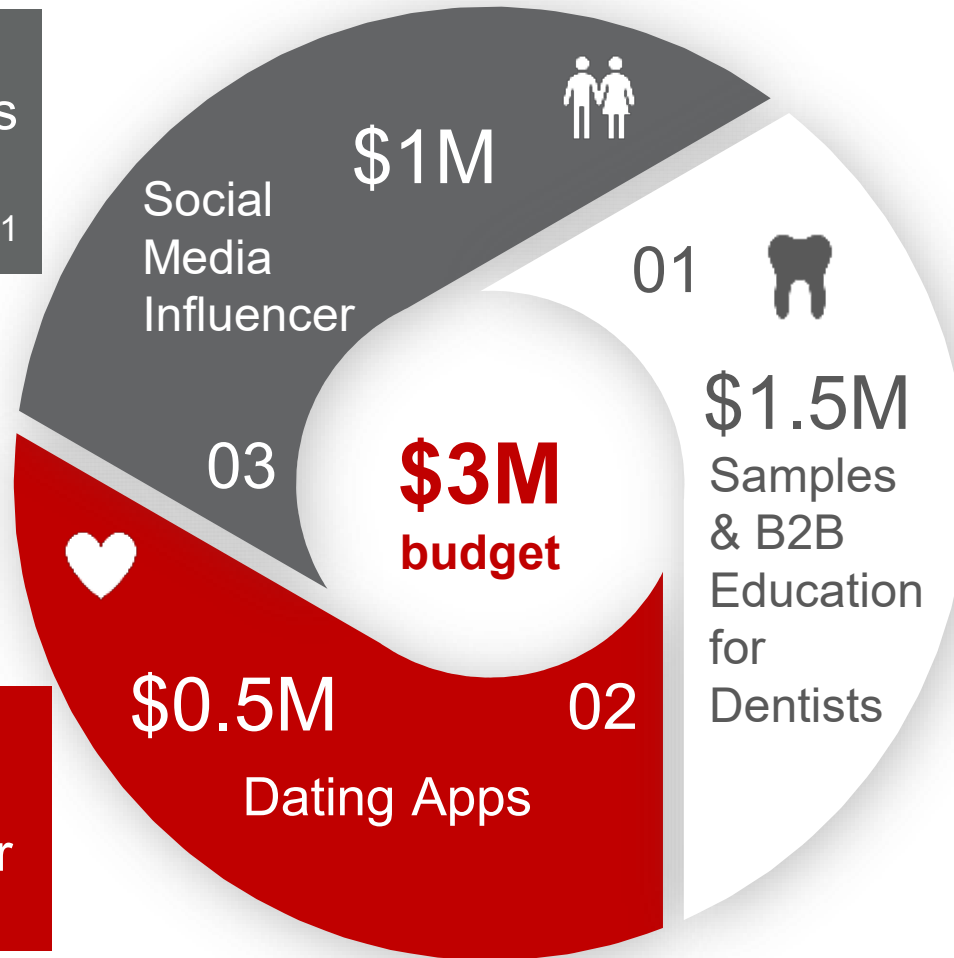
- Colgate already has lower prices on average for each category
- Reducing further the price will not ensure an increase in volume of sales
 - Market share will not increase
 - Profit will be negatively impacted
- There will be some price discounts aligned with our promotion strategy (e.g. bundles, free samples)
- Prices for online sales should be equal to avoid cannibalizing our retail operation

Improved Profitability



Budget Allocation

- ~\$1,000 per lower-middle market lifestyle influencer posts
- Each has 50k - 100k followers
- \$10 dollars per 1,000 followers¹



- \$1 million dental health kits samples in dental clinics

- \$5,000 per campaign²
- 100 campaigns around the year

1. <https://blog.bufferapp.com/influencer-marketing-cost>
 2. <https://marketingdiscussions.wordpress.com/2016/03/05/how-marketers-can-use-tinder/>

Measuring Our Success



Change in Operating Profit



Change in Market share



Revenue Growth



**Y-O-Y Change in
Dental Partnerships**



Eyeball Impressions



Online Purchases Growth



**Customer Journey
Benchmarks**

Thank you!

Colgate[®]





Appendix

Scenario #1

P&L Data

Assumptions		2012	2013	2014	2015	
Colgate Growth Rate	4.2%	Net sales	77.5	80.8	84.1	87.7
Market Growth	4.2%	Operating profit	18.4	19.2	20.0	20.8
Ex-Factory Price	254					

Scenario #2

Assumptions		2012	2013	2014	2015	
Colgate Growth Rate	5.2%	Net sales	77.5	81.5	85.8	90.2
Market Growth	4.2%	Operating profit	18.4	19.4	20.4	21.4
Ex-Factory Price	254					

Scenario #3

Assumptions		2012	2013	2014	2015	
Rev. Growth Rate	6.2%	Net sales	77.5	82.3	87.4	92.8
Market Growth	4.2%	Operating profit	18.4	19.5	20.8	22.0
Ex-Factory Price	254					

Market Share Data

	2012	2013	2014	2015
Toothpast Market	254.0	264.7	275.8	287.4
Colgate Share	30.5%	30.5%	30.5%	30.5%

	2012	2013	2014	2015
Toothpast Market	254	264.7	275.8	287.4
Colgate Share	30.5%	30.8%	31.1%	31.4%

	2012	2013	2014	2015
Toothpast Market	254	264.7	275.8	287.4
Colgate Share	30.5%	31.1%	31.7%	32.3%