

# **The Marketing Plan**

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# Marketing Plan

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# Marketing Plan

**Brand Name - dUo**

**Slogan - live Unique**

## 1. Summary of the plan:

### **1.1. Product or Service**

*The new product we are producing is a hypoallergenic two-sided lipstick, one end being the color and the other side being the remover. Also, the color is durable and does not wear off until the user wishes to remove it using the gel side of the lipstick. Currently, there are no other products like this being sold on the market. The lipsticks and lip glosses will come in a variety of different colors, flavors, and seasonal editions. Ingredients will include agave and sugar in order to prevent drying and to keep lips moisturized.*

### **1.2. Market Need and Potential**

*This new line of lipsticks are innovative and convenient because it can easily fit in a purse or a pocket and whenever you want to remove, there is little mess and little time taken out of one's day. Also, people are looking for a product that does not wear off within an hour and does not dry out one's lips. Along with being innovative, we are offering special editions during the holidays such as black and orange for Halloween, and red and green sparkles for Christmas (also candy cane!).*

### **1.3. Marketing Strategy**

*Price: The price range will encompass \$8.00 to \$15.00 depending on the type and edition of the lipstick. Therefore, it is a tad more expensive than drugstore brands, but still affordable for the average customer-- and makes a great gift!*

*Product: Restate that the product is a two-sided lipstick with color on one end and the remover on the other end.*

*Place: The product will originate in New York City and eventually sweep across the nation. The ultimate goal of the product is to be in international markets in several different countries, such as England.*

*New York City is a prime starting location because it is in close proximity to where we live and the city has strong influence in other major cities, such as Los Angeles.*

*Promotion: Before promoting the product, we will fundraise and attend new product showcases in order to interest investors who will help start up our company. Also, we will first start by producing smaller-sized prototypes so to minimize costs and debt.*

*\*SHOWCASES\* In order to be successful, this product will have several campaigns and promotions to raise general interest. One of the first strategies we will implement is advertising on social media via Snapchat, Instagram, Twitter, YouTube, Pinterest, and Facebook to gain traction. Once we have a large following, we will reach out to The Ellen Show in hopes of joining forces with Covergirl and the newest face of Covergirl, James Charles. In addition, we would like to find our way into Birchbox and Ipsy so people can try our products before purchasing the actual versions.*

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## 1.4. Financial Projects

<http://www.cosmeticindex.com/the-start-up-cost-for-a-lipstick-company>

We anticipate to spend about \$3.00 per pound of product, so our margins are still strong to make a profit. During the first year of business, we would hope to at least break even, but will probably generate a profit.

## 2. The Product or Service

### 2.1. Market Need

- <http://www.careergirldaily.com/common-lipstick-problems-fix/>
  - i. This article explains how people are looking for a product that is not overly priced, does not dry out lips, does not fade quickly, and does not bleed onto your skin around mouth like some other top-selling brands. Although there are other common fixes, our product eliminates inconvenience, does not break the bank, and moisturizes lips.
- <https://www.bustle.com/articles/143132-how-to-remove-your-kylie-lip-kit-because-these-babies-dont-budge>
  - i. There are several articles and forums from angry customers who harshly have to remove their lip products and need to buy extra removal kits, which can be pretty costly.
- <http://www.revelist.com/beauty-news-/jeffree-star-holiday-2016/5750>
  - i. Jeffree Star may have a seasonal lipstick line coming out, however, our brand is still drastically different because we offer several unique combinations in one lipstick tube. We expect that one of our top sellers this holiday season will be a candy cane lipstick swirl-- perfect for parties and events.

### 2.2. Initial Attributes

#### A. Key Market Strategy Attributes:

1. Co Branding: Covergirl and The Ellen Show
2. Earned media/PR: Use of social media-- Twitter, Instagram, Facebook, Snapchat, Pinterest, YouTube
3. Point of purchase: Eventually when we make it into stores (Macy's, Kohl's, Target, Sears, JC Penney)
4. Internet marketing: paid advertisements on Facebook and sponsored ads on Twitter and Instagram
5. Commercials: QVC, TLC, HGTV, ABC, Freeform, Lifetime, CW

#### B. Descriptive Attributes:

In the cardboard box that the lipstick comes in, there will be a small instruction set wrapped around the tube. It will simply include 3-4 steps on how to apply and remove the lipstick. In terms of

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warranties, if a product is damaged, then the returns and exchanges are free and a refund will be granted if requested. If the customer decides on another color or receives the wrong product, then he or she has 14 days to exchange as long as the product is unopened. Also, we will offer three types of customer service: a phone number, an email, and a live chat on the website for quick questions. On the website, we will run contests and suggestions to whoever can come up with the most creative lipstick combination for special editions!

### 2.3. Market and Product Development (Subsequent Attributes)

Once we establish our brand and begin seeing a steady flow in income, we will use that money for paid advertisements, such as sponsored ads on social media platforms and TV channels. Then, as we gain traction and popularity with our primary and secondary target markets, we could introduce new, yet similar products including chapsticks and lip glosses.

### 2.4. User Comparison

Our major competition includes other beauty/cosmetic brands that offer specialty lipsticks or similar products. Also, we are trying to sell confidence and are promoting uniqueness. Therefore, the other brands who are focusing helping women and men interested in makeup build their self esteem are other competitors.

	Company A: Jeffree Star	Company B: ColourPop	Company C: Revlon
A. Product Attributes	Sleek packaging, various colors not commonly seen, vegan ingredients, cruelty free, attributes are similar to our lipsticks, yet we offer more variety.	Different types of product ie) matte, glossy, metallic, and satin finishes, claim products are long-wearing, cruelty free, gluten free, lippie liners and lippie stix are vegan, many eyeshadows are vegan, but not all. Our product attributes are better than ColourPop.	Different flavors, lots of classic colors, large variety of pink shades, SPF, controversy around being cruelty free and vegan, offer many different beauty products-- not just lipsticks. Our product attributes have a leg-up on Revlon.

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B. Distribution	Currently, Jeffree Star only distributes his makeup via e-commerce methods and products can only be purchased online.	As of now, ColourPop only sells online from Los Angeles.	Revlon products can be found in any major store such as Target, Walmart, Rite Aid, Walgreens, etc. Products are not exclusive, but they reach a wide variety of customers and many different target markets.
C. Promotion	Jeffree Star's central method of promotion is his YouTube videos that have hundreds of thousands of views. Also, he is active on Instagram in particularly. dUo also plans to be on YouTube, but it will not be our primary focus.	ColourPop relies on word of mouth marketing more than anything. The company also uses social media, Instagram especially, to reach women.	Sponsor many events to raise aware women's health issues, they donate millions of dollars to women's health causes, invest in TV commercials.
D. Pricing	Jeffree Star, although not as expensive as Bobbi Brown or Yves St. Laurent, is still retailed at a high price that an average	ColourPop is inexpensive compared to other brands. An average lipstick user would be able to afford the products. Our prices are approximately the same as	Revlon products are inexpensive and can be purchased by several types of consumers. However, the quality of its lipsticks tends to be lacking when compared

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	lipstick-user might not be able to afford. Products typically range from \$18.00+ depending on the popularity and demand. Therefore, our prices are more competitive than this company.	ColourPop, whose lip products range from \$5.00-\$11.00.	to other brands. Therefore, prices are technically better than dUo, but we make up for good quality and uniqueness.
E. Target Market	Jeffree Star has two major target markets-- young women (around 20 years old) and male makeup artists (such as himself). He often works with other makeup artists to make his YouTube videos.	Because Colour Pop is relatively inexpensive, the main target market includes high school and college aged females who do not have a high paying job.	Revlon's target market is directed towards women who are on a budget, mothers, and senior women. Its prices are low and therefore affordable to many without facing buyer's remorse. Also, Revlon's commercials often feature women aged around 30.
F. Psychology	Jeffree Star has created a safe-space for those who traditionally would not wear makeup if it were not	ColourPop promotes fun. Just looking at the website you can tell that the lipsticks are meant for when you want to go	Revlon focuses on supporting women and empowering females' strength, which explains the company's large

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	for a role model. Many look up to Jeffree Star and is revered for not being afraid to speak his mind and truly express himself.	out and have a good time, such as at a party or a special event.	target market, affordability, and donations. Women feel as though they are contributing to a larger cause when they purchase Revlon brand.
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### 3. The Market

#### 3.1. Overall Market

##### A. Market Life Cycle Stage

*In order to prevent reaching maturity too quickly, we are going to pay attention to styles, trends, and fads in order to adapt to consumers' wants and desires. To keep renewing our brand, we will continue to create new products aside from lipsticks as we generate revenue and can hire new employees. Although the introduction of the products may be rocky and difficult due to the hefty competition, we aim to prolong our growth stage for as long as possible so that we remain profitable.*

##### B. Life Cycle Length

*Product Development: We hope to develop our product very quickly. We have already created our plan to manufacture and introduce our product to the world, now we just need to create it, once we have the necessary tools to create our product we plan for the development to take approximately six months.*

*Introduction: We plan to be in the introduction stage for about a year and a half, give or take a few months. This stage could last shorter or longer depending on how much competition affects us. We are obviously hopeful that people will enjoy our product from the get-go, but our allowing time for the effect of competition.*

*Growth: We hope to stay in the growth stage for the majority of our product life cycle. We hope our product is in the growth stage for approximately two to three years, even longer if possible. We will constantly be working to create new products and to improve our old products during this time.*

*Maturity: The maturity stage will last the longest out of all the stages. We plan to stay in this stage for approximately five years.*

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*During this stage we will not make many drastic changes, however we will work to satisfy customer needs so that we do not enter the decline stage too quickly.*

*Decline: We hope that the decline stage will not happen for a while after creating the product. We will do everything in our power prevent us from reaching this stage too quickly, such as creating new products or modifying old ones. However, once we do meet this stage we will work to keep our product on the market for as long as is financially possible. If the product begins to cost too much to manufacture and we are not generating the necessary profit to continue we will unfortunately take the product off the market.*

### C. Degree of Saturation

*To avoid market saturation for at least a few decades, we will need to hang onto our patent, watch compete with other companies while remaining innovative, and hire more scientists to our team to create new products that follow the long-lasting, easy removal pattern of our products.*

### 3.2. Initial Target Market

- A. *The initial and primary target market includes women between the ages of 16-30. These women enjoy standing apart from the crowd, are adventurous, like trying new styles, enjoy dressing up, and care about animal rights (products are cruelty free). Also, the target market can often afford most of our lipsticks, with the exception of the special edition lipsticks, which may cost \$15 per tube.*

#### (1) Demographics

*(a) Demographics for our primary target market include:*

- (i) Gender: Female*
- (ii) Age: 16-30*
- (iii) Income: Lower to upper middle class*
- (iv) Interests: Dressing up, wearing full-face makeup, taking photos, watching TLC, going to the mall, shopping online, watching YouTube makeup tutorials, probably subscribed to Ipsy or Birchbox.*
- (v) Marital status: single or in a relationship*
- (vi) Occupation: Student, stepping stone jobs, or full-time careers. Our target market encompasses several different stages of life.*
- (vii) Education: High school and college*

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## (2) Psychographic

- a. *If we launch our products around the holiday season, we expect our diffusion rate to be high and widely accepted by our target markets. People will be able to afford our lipsticks and either gift or keep them for personal use. Also, lipsticks are in high demand now that there are a variety of different styles and consistencies so consumers are familiar with our type of product and will feel comfortable to purchase. In order to make sure customers continue to buy and strengthen our diffusion rate at the introduction stage, they need to develop trust in our brand and see that our products stick to our promise that they do not fade and are easily removed with the other end of the tube.*
- b. **Personality Types**
  - *Extroversion/Introversion- Our products are more directed towards extroverts who are stimulated by being around others and like being the center of attention because many of our colors are bright and eye-catching. However, we will offer more subdued and natural-looking colors for those who are more introverted*
  - *Sensing/Intuition- dUo products meet the needs of both personality traits. Those who have high sensing tend to remember exactly what they see, hear, smell, etc. Therefore, sensing women will enjoy seeing the lipstick's vibrancy and help them feel confident in their smile and that the color will not fade. Those with high intuition usually tend to remember impressions or patterns. Thus, women will know that they are making a good, confident impression on others while they wear dUo and will not have to worry about sloppy-looking smudging.*
  - *Thinking/Feeling- Our products satisfy women who like to plan their outfits ahead of time and also the ladies who like to "go with the flow" and wear colors that express how they feel at a*

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*certain point in time. The wide variety of colors and lipstick styles allow us to reach both organized and spontaneous women.*

- *Judgement/Perception- Women who wear dUo want to be perceived as confident and also want to feel self-assured.*

### B. Size

**Table 1. Target Market Size**

<b>Demographic/Psychographic</b>	<b>Percent of Population</b>	<b>Target Market Size</b>
Population	100%	318.9 million
Sex - Female	50.4%	160.7 million
Poverty	13.4 %	17 millio
Innovators	23.7%	75.6 million
Intuitive/Feeling Types	12.5%	107,023

### **3.3. Potential Secondary Target Markets (Subsequent)**

#### *a. Older women and seniors who have grandchildren*

##### *i. Demographics include:*

- 1. Gender: Mostly female grandmothers, but also male grandfathers who have granddaughters*
- 2. Age: 60+*
- 3. Income: around 30 to 40k a year (generally fixed income)*
- 4. Interests: Spending time with grandchildren, shopping, buying gifts, watching TV*
- 5. Marital status: Married or divorced*
- 6. Occupation: Retired*
- 7. Education: At least high school*

#### *b. Male makeup artists*

##### *li. Demographics include:*

- 1. Gender: Male*
- 2. Sexual orientation: Straight or LGBTQ*
- 3. Age: 16-30*
- 4. Income: Lower to upper middle class*

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5. *Interests: Clothes shopping, reading magazines, YouTube makeup tutorials, making YouTube videos, using social media*
6. *Marital Status: Single or in a relationship*
7. *Occupation: Student, stepping stone jobs, or full-time careers. These men could possibly be studying/have studied fashion or design.*
8. *Education: High school and college*

### 4. Environmental Analysis

#### 4.1. Market Strategy

- a. *Because of all the competition involved with producing makeup (especially lipsticks), we will adopt a marketing challenger strategy to begin with. We want to become an industry leader, and thus we will target the biggest brand names in order to compete with them. We are not content with remaining a follower throughout the duration of the company's existence.*

#### 4.2. Competitors

**Table 2. Competitive Environment**

Competitor Name	Market Share	Strengths	Weaknesses
Hair Care	24%	It is expected that there will be a 10% opportunity growth by 2024 for barbers, hair stylists, and cosmetologists. Hair care is an expansive field that is employing individuals at a steady increasing rate.	There is a lot of room for human error within the hair care industry. Lack of training and skills can severely impact salons and creating actual products.
Skin Care	23.7%	Skin care products increase people's confidence because some clear acne, lighten dark circles, smooth out wrinkles, and brighten skin. There	Advanced skin care products can be extremely costly, which limits the target market in several cases. Also, skin care products have had bad

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		are opportunities for salespeople, chemists, and skin care experts in this field.	reputations for conducting animal testing, a method that is now under heavy scrutiny.
Perfumes and Colognes	9.5%	There are lots of opportunities in marketing positions especially now that nearly every major perfume brand relies on tv commercials to increase sales.	Perfumes and colognes have a vast competition. Since many scents smell similar to others, lots of customers are constantly on the hunt for the lowest price. In addition, perfumes can be expensive depending on the brand and demand for a certain product.

### 4.3. Economic Conditions

- a. *Currently, the economy is stagnant. There has not been anywhere near the projected amount of growth expected after the recession because the government is gridlocked and cannot effectively use fiscal and monetary policy together due to dissonance amongst Congress members. However, the beauty industry always fares well, even when the economy was experiencing the recession. Hair care, skin care, and cosmetics respectively are the top three market shareholders and are projected to remain that way.*  
[\(https://www.franchisehelp.com/industry-reports/beauty-industry-report/\)](https://www.franchisehelp.com/industry-reports/beauty-industry-report/) Therefore, we are not concerned with the impending uncertainty of the economy as of now.

### 4.4. Restrictions

- a. *We need to make it explicitly clear that dUo is not responsible for any misuse of our lipsticks or other products. Though our ingredients are are vegan and good for the skin, they are not meant to be ingested in small or large quantities. Therefore, we are not liable if someone poisons themselves. In order to try to make the company sustainable once we are established, we will try to use*

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*less plastic and more recyclable resources to help our environment and lessen the concern about plastic regulations.*

### **4.5. Technology**

- a. *Today technology is rapidly growing. We will take advantage of this by using the latest technology to create and advertise our products. We plan to manufacture dUo by using the technology that creates the least waste and makes the most products in a given time. We will also use the new technology to our advantage by looking at new social media platforms or new devices for marketing. As more social media platforms come out, we can expand where we advertise and how.*

### **4.6. Societal**

- a. *The biggest societal factor we might face could occur if women start wearing less makeup or no makeup at all. Alicia Keys, a famous singer, has started a makeup-free movement. If celebrities and other icons begin to follow suit, we could experience an extreme loss in sales and popularity like many other cosmetic companies would, too.*

### **4.7. Environmental Concerns**

- a. *Companies are becoming more and more environmentally aware of the amount of waste they produce. If we are not at least competitive if not better at preserving resources, our brand could suffer and receive negative reviews. Therefore, we will monitor the amount of plastic we use for making the lipstick tubes and how much energy our factories/plants use. If we reach a point where we can invest in renewable energy, we will do so.*

## **5. Marketing Strategy**

### **5.1. Promotion**

#### **A. Initial Approach**

##### **(1) Strategy**

- a. **Positional Blueprint:**  
*Promised quality of lipsticks 30%; Affordability 15%; Advertising 40%; Vegan and no animal testing 25%*
- b. **Promotional Blueprint:**  
*Social media accounts 40%; TV commercials 20%; Display and samples 20%; Sponsorships 20%*

##### **(2) Tactics**

- a. **Message**

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*The ad message is focusing on promoting confidence and expressing oneself via our lipsticks, which brighten your smile and your mood simultaneously.*

### b. Media:

- i. TV Shows: TLC, CW, Lifetime, ABC, Freeform, MTV, etc. 50%
- ii. Magazines: People, Women's Day, Cosmopolitan, InStyle, Health, Vanity Fair, Allure, 20%
- iii. Newspapers: NYTimes, Local/State newspapers, etc. 10%
- iv. Radio programs: Z100, Fresh, Amp Radio, iHeartRadio, Pandora commercials, Spotify commercials 20%

## B. Subsequent Approach

### (1) Strategy

#### a. Positional Blueprint

*Environmentally friendly 40%; Expanding price range 25%; Charity and volunteerism 25%; Reputation 10%*

#### b. Promotional Blueprint

*Social media accounts 40%; TV commercials 20%; Display and samples 20%; Sponsorships 20%*

### (2) Tactics

#### a. Message

*The ad message will stay the same as our initial approach, we will still promote confidence and expressing oneself via our lipsticks.*

#### b. Media:

- i. TV Shows: TLC, CW, LifeTime, ABC, Freeform, MTV, etc. 40%
- ii. Magazines: People, Women's Day, Cosmopolitan, InStyle, Health, Vanity Fair, Allure, Seventeen, etc. 20%
- iii. Newspapers: NYTimes, Local/State newspapers, etc. 10%
- iv. Radio programs: Z100, Fresh, Amp Radio, iHeartRadio, Pandora commercials, Spotify commercials, etc. 20%
- v. Word of Mouth: 10%

## 5.2. Distribution (Place)

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### A. Initial Approach

#### **(1) Strategy**

*We plan to begin selling our product in the greater New York Area. We will display our product at showcases and begin by handing out a small sample size of our product to potential customers. Our sample size will include information about where to buy a full product (on our online store) and what our social media handles are so they can follow us more information.*

#### **(2) Tactics**

*We will advertise our products available and our special sales and promotions on our social media pages and our online store. We will also hand out information brochures to potential customers at our showcases.*

### B. Subsequent Approach

#### **(1) Strategy**

*After gaining a large following in New York, we will expand our sales. We will begin selling across the United States, and then to other countries. We plan to sell our product in larger department stores such as Macy's, Kohl's, Target, Sears, and JCPenney. We also plan to allow BirchBox to distribute samples of our product and then sell a full size portion on their website.*

#### **(2) Tactics**

*We will continue to advertise our products available and our special sales and promotions on our social media pages and our online store. Once we gain enough followers and customers, we will advertise on billboards, in other stores, and on other websites.*

## 5.3. Pricing

### A. Initial Approach

#### **(1) Strategy**

*The initial pricing for our product will be between \$8.00 and \$15.00. Our lipsticks that are meant for everyday wear will be priced around \$8.00, while our limited edition/seasonal lipsticks will be priced closer to \$15.*

#### **(2) Tactic**

*Our product is relatively inexpensive compared to some brands. While it is not the least expensive brand out there, we will make sure to advertise to the customers that our*

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*product is worth what they are paying for it. We will advertise that our product and our company is reliable, and that our lipsticks are vegan, hypoallergenic, and cruelty-free, all while being safe to use.*

### B. Subsequent Approach

#### (1) Strategy

*Our pricing as our company grows will stay relatively the same. However, if it becomes cheaper or more expensive to manufacture our product, we will have to adjust our prices accordingly. Should we create more products in our company, those prices will be set relative to our current prices. In order to attract more customers and generate more sales, we will occasionally offer special sales or discounts on our products.*

#### (2) Tactic

*Our subsequent tactic will be the same as our initial tactic. We plan to keep our prices the same, and don't expect much of a change in other companies pricing. Should there be a change, however, we will have to modify our marketing and advertising tactic for the pricing.*

### 5.4. Psychology

#### A. Initial Approach

##### (1) Strategy

*Because our product is meant for people who want to express themselves, we will focus our attention on extroverts and their needs and wants. The majority of our colors will be bright colors that pop, however, in order to satisfy those who do not want a bright or bold lip color, we will provide more neutral options as well. We plan to make sure women feel confident in how they look.*

##### (2) Tactic

*We will market towards extroverts and women who want to feel confident by creating bold, eye-catching designs. We will make commercials that show confident women having fun while wearing our lipstick.*

#### B. Subsequent Approach

##### (1) Strategy

*We will continue to market towards the same groups of women. This time around, however, we will work harder to*

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*bring in introverts and those who do not want as bright or as bold of a color.*

### **(2) Tactic**

*Our ads towards extroverts will continue to have the same theme, however, we will also create calmer ads for introverts. These ads will still show women who are confident and having fun.*

## **6. Consumer Decision Process**

### **6.1. Problem Recognition**

- a. *The problem our product is solving is that we are eliminating the need for an additional lipstick remover purchase as well as offering something that is durable while healthy for your lips. It is a new concept that has been added onto a timeless product, therefore grabbing attention of previous and prospective lipstick buyers.*

### **6.2. Information Gathering**

- a. *Prospective and returning customers will be able to find information about our company online via our website, through social media, and also by advertisements.*

### **6.3. Evaluation**

- a. *Once a potential buyer has become informed about our product, we are confident that they will choose dUo lipsticks over other brands. Consumers will notice that we are cruelty-free, lipsticks contain moisturizing ingredients, and that no other brand can compete with our durability and easy color removal.*

### **6.4. Choice**

- a. *After choosing our product, consumers will begin to compare dUo lipsticks to others that they own and realize that we offer more variety and convenience.*

### **6.5. Outcome**

- a. *We anticipate that customers will return to purchase more dUo products, spread the word about dUo (word-of-mouth marketing), and be pleased with our customer service if there is a problem.*

## **7. Sales Projection**

### **7.1. Initial Sales**

- A. *We intend to sell around 30,000 to 40,000 lipsticks in the first year of business, which would generate a total of around \$350,000 in sales. We expect the most active purchasing times to be around the holiday seasons, including Halloween, Thanksgiving, Christmas, and the Fourth of July.*

### **(1) Percent Market Penetration**

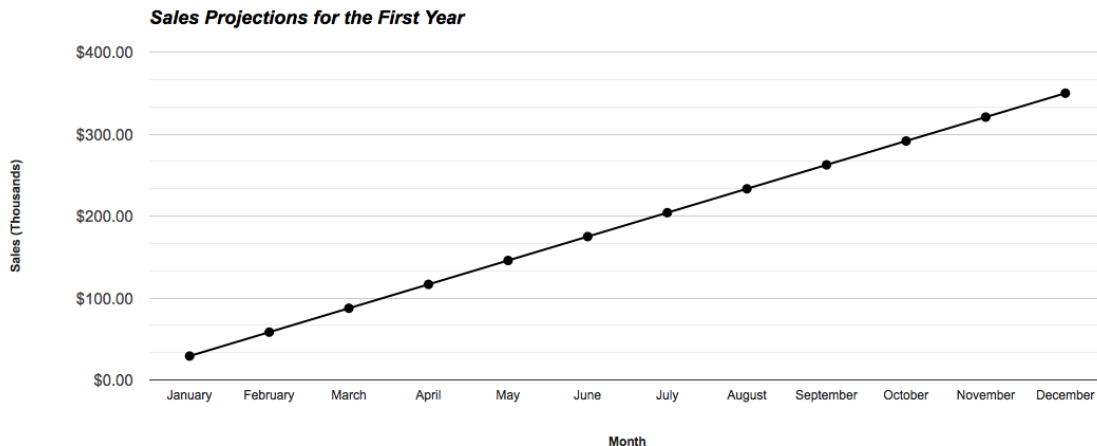
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- Percent Initial Purchases (I)  
*35% so sales estimate is \$350,000*
- Percent Repeat Purchases (R)  
*(#customers shopped twice/target market)  
100mil/318.9mil=31%*
- Average Number of Repeat Purchases (N)  
*(Total orders within 1yr/unique customers in 1yr)  
100mil/218.9mil = 45% of 318.9mil = 143.5mil*
- Estimate Target Market Size (T)  
*318.9 million*
- Initial Sales Estimate=  
*\$105,000 during the holiday season months*

### 7.2. Sales Growth after Initial Year

*This product is already predicted to drive growth in the lipstick market. After the initial year, we intend to grow sales by about 10-15% in the following year because we will see more returning customers. Also, most of our revenue will go towards marketing and, thus, reaching new potential customers. We will see an upward trend in growth especially around the holiday seasons.*

### 7.3. Graph of Unit Sales over Planning Horizon



## 9. Plan of Operation

Tasks	Description of Work	Responsibility	Target Week
Phase I - Development	<i>We came up with our product idea then decided our</i>	<i>Dedicated time to get the product up and running, so it</i>	<i>Get our product manufactured by week 10.</i>

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	<i>target market.</i>	<i>was ready for the holiday season.</i>	
Product Development	<i>We designed our product and worked with a manufacturing company at the best value.</i>	<i>Make sure the product is done in time and is at high quality.</i>	<i>Communicate with manufacturing company to make sure there are no defects and products are consistent by week 15.</i>
Advertising	<i>Design stand-out advertisements such as YouTube videos, online flyers, and sponsorships.</i>	<i>Continue to build our following community in order to expand and reach more customers.</i>	<i>Establish social media accounts by week 20.</i>
Phase II - Sales and profit	<i>Make sure our product is being sold in the right places to generate sales.</i>	<i>dUo will decide that the product is ready to be sold once all the tests and regulations have been completed.</i>	<i>Begin generating revenue and seeing profits by week 30.</i>
Phase III- Working with other companies	<i>Stay in touch with retail locations and begin cobranding.</i>	<i>Research companies that would be a good fit to our product.</i>	<i>Compose cobranding contracts by week 35.</i>
How to generate sales	<i>Making sure the price is competitive and making sure our product is enticing to potential consumers.</i>	<i>Continue researching our target market and refining our advertisements to appeal to customers' needs and wants.</i>	<i>Continue adjusting advertisements by week 40.</i>

## 10. Capital Requirements

### 10.1. Intended Use of Capital

*For the start-up, we mainly need the capital to purchase ingredients and hire a scientific expert. The money will also be intended to purchase advertisements on social media to promote our brand.*

### 10.2. Amount of Capital

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*We will need \$100,000 to produce the proper amount of lipsticks for the first few months as well as to keep the scientist for a short period of time.*

### **10.3. Source**

*dUo founders will invest their own money into the start-up. Also, we will be searching for passionate investors who share our vision and want to become an active part of our company. Therefore, we are willing to give up some equity.*

### **10.4. Return of Investment**

*dUo expects that investors who gave \$20,000-\$25,000 will have their money back within the first year and a half of profitable revenue and continue making money from there on out.*

## **11. Equity**

### **11.1. Founders**

*Because there are three founders of the company, we will each own 24%, this amounts to a total of 72% of the company being held by the founders. The equity held by the founders will stay relatively static as the company grows larger, once we become a well-known and established company, the amount of equity held by founders will reach 25%. The founders will hold the largest portion of the company because we are the creators of the product, and we are in it for the long run. We plan to innovate new products as the company expands, and with more funds will make this possible.*

### **11.2. Management**

*Management will have 13% of the company's equity. As our company becomes bigger and more successful, management will have a more difficult task and therefore will hold 15% of the company's equity.*

### **11.3. Investors**

*In order to fund our product, in the beginning stages the investors will hold 15% of the equity. As we become a bigger company and we have more finances, the investor's equity will go down and eventually hold only 10%*

## **12. Control system**

### **12.1. Measurements**

*We will keep track of all of our orders and sales on an excel document. Each separate item will have its own sheet that is connected to a master sheet for proper organization and completeness of our records. To determine satisfaction with the product, an online survey will be sent out to all of our customers asking them what they like, what they do not like, and what they would like to see changed. We will take these comments into mind and work to make the product desirable for all of our customers. We will also take note of our followers on social media, measuring how many*

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*we gain/lose throughout a month and comparing the follower interactions to previous months.*

### 12.2. Milestones

- Although slightly unconventional, we will launch our products with holiday editions in the beginning of November just in time for gifts and Black Friday/Cyber Monday deals.
- In two months, we expect to generate around \$30,000 within those two months.
- Around six months, we hope to contact Ellen Degeneres and perhaps appear on her talk show.
- After a year,
- Also at twelve months, we plan to be profitable enough to expand the variety of colors offered in order to stay relevant and keep our customers coming back.
- After two years, we plan to have cobranded with others and become a household name. We expect net profits to be at least \$800,000.

### 12.3. Reporting

*Everyone involved in our company will receive a generic report of our progress. In this report we will include our past sales, our current sales, and our projected sales for the next period. As we move higher up towards the management level, the reports will be more detailed including the amount of customers we gained or lost, the amount of followers we have gained or lost on the social media, and what the overall satisfaction of our customers is.*

## 13. Contingency Plan

### 13.1. Problems

*A few problems exist involving the use of our product. Because dUo is intended to be used on lips only, breakouts or other reactions may occur if used anywhere else. dUo is designed to be hypoallergenic, although unforeseen reactions may occur. DO NOT INGEST THE LIPSTICK. dUo is a beauty product and is not designed to be ingested in any way. Our packaging may cause suffocation, or may contain small parts that can pose a choking hazard.*

### 13.2. Remedies

*dUo is not responsible the incorrect use of the product. However, should allergic reactions on the lips occur, please contact customer support and we will refund the order and work to fix the product to make it safe for all of our users. dUo is not responsible for any effects that come from ingesting*

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*the product, or if the packaging harms anyone. Keep the product away from children under the age of eight.*

### 14. Supporting Documents



#### 14.1. Product

*The one side is used to put on the lipstick, while the other is used to remove it.*

#### 14.2. Research Supporting Market Need

<http://www.careergirlldaily.com/common-lipstick-problems-fix/>

*This article explains how people are looking for a product that is not overly priced, does not dry out lips, does not fade quickly, and does not bleed onto your skin around mouth like some other top-selling brands. Although there are other common fixes, our product eliminates inconvenience, does not break the bank, and moisturizes lips.*

<https://www.bustle.com/articles/143132-how-to-remove-your-kylie-lip-kit-because-these-babies-dont-budge>

*There are several articles and forums from angry customers who harshly have to remove their lip products and need to buy extra removal kits, which can be pretty costly.*

<http://www.revelist.com/beauty-news-/jeffree-star-holiday-2016/5750>

*Jeffree Star may have a seasonal lipstick line coming out, however, our brand is still drastically different because we offer several unique combinations in one lipstick tube. We expect that one of our top sellers this holiday season will be a candy cane lipstick swirl-- perfect for parties and events.*

#### 14.3. Target Market Size and Saturation

*Our target market size will come from the demographics of who we are reaching. Considering we are promoting a lipstick brand, our targeted primary audience are females. Our sample size and degree of saturation for primary customers will start domestically. We will begin to market our product around the holidays and put our products in nearby stores. Once sales increase, we will expand our product based on demand.*

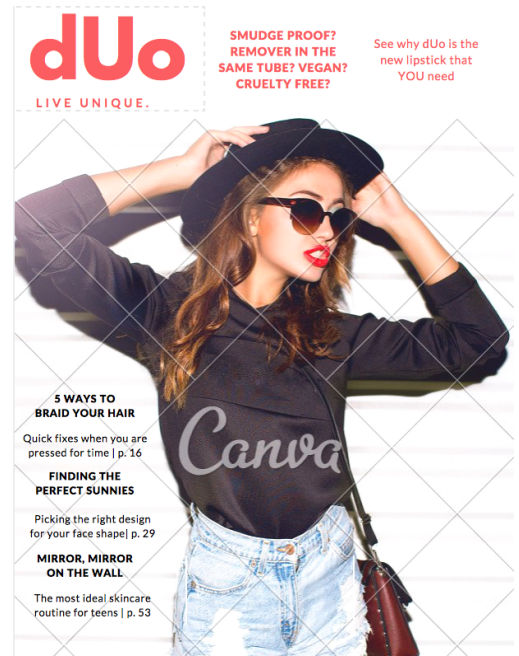
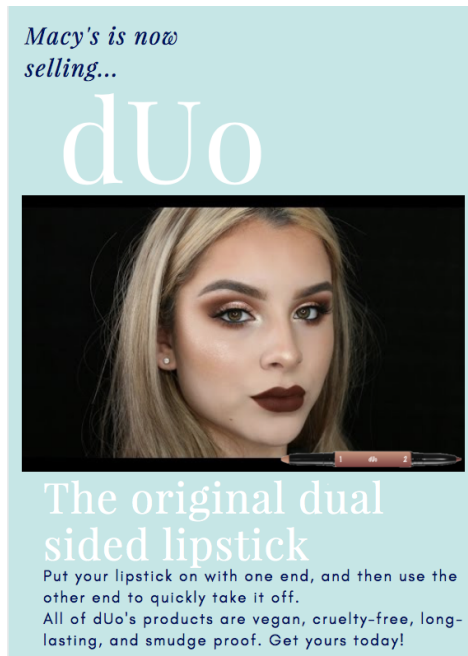
#### 14.4. Support Data for Competitors Market Share

*There are several other products in the market that can be a prime competitor to the dUo lip pen. When thinking about market share it will be important to promote our differences and make sure that we gain share and decrease share from our competitors.*

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### 14.5. Advertising Message

*Flyers and Magazine Covers:*



*Social Media Posts:*



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## 14.6. Media Rates and Audience

- *Social Media*
  - *Instagram*
  - *Twitter*
  - *Facebook*
  - *Snapchat*
  - *Pinterest*
- *Size of the audience will be based off of our followers on each social channel. However, we believe that the most prominent sources of social media to distribute our product will be Facebook and Twitter. These two social channels have easy sharing features and ability to get feedback and analytics quickly.*

## 14.7. Pricing

- Duo travel size = \$8*
- Duo regular size = \$10*
- Duo seasonal editions = \$15*
- Urban Decay = \$17*
- Too Faced = \$21*
- Clinique = \$20*
- Jeffree Star = \$18*

## 14.8. Sales Projections

