

Allstar Brands Marketing Plan 2020 - 2025

This plan will detail the proposed marketing strategy for AllStar brands from 2020 – 2025. AllStar brands has seen tremendous growth over the last 10 years and has much to learn from and take forward. Allstar will maintain the three products we currently have: Allround, AllroundPlus and Allright. We do not recommend adding any new products into the line over the next 5 years as there is much to be done to maintain and grow the current product line. To begin we will summarize the 5 main goals we set for the next 5 years.

Current Marketing Situation

Allstar brands currently has products that reside in the OTC medicine market. Within this market there are products in both the cold category and the allergy category. There are 5 main players in the OTC market with Allstar being one of the front runners. This market has continued to show growth over the last ten years as well as growth within the categories. There are 5 target markets that we recognize for these products. Allround and Allright have broad markets hitting 4 out of the 5 while AllroundPlus will have a very narrow market seeing as it is a children's medicine and there are only 2 target markets that would be interested in this product. The two largest are young singles and retirees therefore these will be a large focus in advertising and promotional efforts which will be discussed further on in this plan. Currently, Allstar brands is doing very well in the OTC market. Our products in the cold and allergy categories hold majority market share and to consumers are viewed as high quality, effective products. Going forward, we identify allergy as a large area for growth. This category in itself is growing, and we have the only non-drowsy product. In addition, the opportunity to grow our children's product is very large as there is only one other product in the cold category and we are about even in market share. As will be discussed later, effective use of the 4 P's will be vital in growing and dominating this market.

Objectives for 2020 - 2025

Over the next 5 years Allstar brands will make decisions based on one key word: growth. We not only plan to see growth in sales but growth in satisfaction, awareness and all aspects that make Allstar brands what it is. Here are the 4 goals that will lead decision making for 2020 – 2025:

- Increase Cumulative Return on Marketing by \$3M annually for the next 5 periods
- Reach \$2B in Cumulative Net Income over the next 2 years
- Grow Allround market share to 45% within the cold market by the end of 2025
- Increase awareness for AllroundPlus in the children's cold market by 30% in 2020

These goals were chosen as they are the largest areas that we identified opportunities in. In addition, these goals all work together to support and help attain the other goals. Decisions in marketing will affect not only our return but also customer awareness and so on. These goals will be tracked through data and social media feedback. We anticipate social media to be a large factor in helping us understand how we attain each goal. In this plan we will dive deeper into how we plan to attain and track these goals over the next 5 years.

Marketing Strategy

Allround is the market leader within the cold industry and is a well-known brand. The target market for this is broader than normal. The target market includes young singles, young families, mature families and empty nesters. AllroundPlus falls into the cold category as well however when looking

at market selection, it is best to look at the children's cold market. For AllroundPlus we will target young families and retirees. We chose young families as our target market because they will have children under the age of 12. This means their children are young enough to need a different formula as Allround will have too high of dosage for children. Our latest brand release, Allright, is a brand that was implemented to have a positive effect amongst all markets. Unlike our other brand releases, Allright contains no ingredients that are believed my parents to be harmful to children based off dosage which makes this brand highly looked upon by parents. With the allergy market growing every period, targeting all sectors of the market was an easy choice.

Allstar brands has maintained a premium image and we intend to carry that perception forward. We will continue to be priced as a market leader within the cold and allergy categories with the knowledge that our price is indicative of our quality. In addition, we will focus on positioning ourselves as an innovative brand. We aim to review formulas and maintain advertising and promotion that will show our consumers and retail channels that we are constantly looking to provide the highest quality and most effective product on the market. Finally, we will shift focus to bring a stronger sense of family and trust to our brand. With the introduction of a children's product we feel it is important to be viewed as a brand that can provide medication for the entire family without any fear of unsafe products.

Marketing Mix

The Allstar product line is designed to appeal to many different consumers with a multitude of symptoms. We currently stand as a leader in the cold and allergy categories and could potentially move into the cough category in years to come. We will continue to look at our competitors and our past decisions to make the most effective choices for Allstar moving forward.

Our premium pricing is a staple of the Allstar brand. We use premium price tags to showcase our quality and effectiveness, as many consumers attach them. We will continue to use the higher price tags with any new products that are launched in the future to maintain the Allstar brand image.

Distribution is all about having products available where and when customers want them. To ensure proper distribution across channels, Allstar Brands will investigate trends and current market selection to identify exactly where our target markets like young singles, young families, mature families, empty nesters, etc. are purchasing their products and make sure we are present in those channels at the right volume.

With a focus on generating new customers through trial size and benefit promotion, the goal with this strategy is to develop the promotion plan into more of a "lead generating" plan. We will primarily use social media as our promotion platform as this is the most widely used digital media across all target markets. In addition, we will focus promotion timing around the workday as a majority of the markets will function on that time schedule. Maintaining focus on putting ourselves in front of the right consumers, on the right platform, at the right time will ensure effective campaigns that generate sales and trickle-down benefits to all parts of the Allstar brands product line.

Current Marketing Situation

OTC Medicine Market and Allstar Current Situation

The OTC medicine market has 4 main categories: cold, cough, allergy and nasal spray. This market contains 5 main players: AllStar, B & B, Curall, Driscoll and Ethik. In 2019 the OTC market grew by 9.3% and the allergy category is seeing the most growth at 15.2% from 2018 – 2019. However, cold remains the largest category with just over \$2B in manufacturer sales but is seeing a slowdown in growth. In addition, cold has the most competitors with 8 different brands as opposed to cough, allergy and nasal spray who have a combined 8 competitors.

Allstar has a broad reach across different demographics, because of the products we provide. By having a multi-symptom medication, child's medication, and an allergy medication, we have a large pool of potential consumers. Allstar has over 33% market share based on retail sales. Currently, Allstar is sitting with a \$195 stock price that has continuously grown year after year. Product satisfaction for Allright, Allround and AllroundPlus is 53.6%, 64.2%, and 48.5% respectively. We are above many of our competitors when it comes to satisfaction. Thanks to the quality of our products and our brand reputation we are confident this will continue. We are also experiencing increases in net income, revenue, and unit sales.

Target Market Breakdown

- **Young Singles**
 - Young singles fall into the 21 – 31 age range. This target market is among the larger, like retirees, with about 75 million people. This market consists of current college students or recent college grads who do not have any children present in the household. This target market falls in the \$15,000 to \$50,000 salary range as some may be working part time and others may have a full-time job. They have a lower disposable income as compared to other target markets as they likely have student loans, rent payments, etc. but do not have a high annual income therefore, they will be more price sensitive meaning they may just choose the cheapest option on the market. In addition, this market values convenience therefore they can be found shopping at convenience stores or mass merchants. Young singles primarily fall into the millennial generation. With that in mind, it is fair to assume this target market is heavily invested in technology. They receive all their news and advertisements via social media. It is rare that they watch live TV as they primarily use streaming services for entertainment. Young singles also rely on reviews and peer feedback to influence their purchasing decisions.
- **Young Families**
 - Young families fall into the 26 – 36 age range. This target market is medium sized in comparison to the others. It has become more common to have smaller families therefore each household on average will consist of 4 people. Young families have children under the age of 12 in the house. This market can include both single and married parents. Making between \$30,000 and \$75,000 annually, this group is going to have a higher disposable income. This family likely has a household purchaser that is female. This female makes most of the purchasing decisions when it comes to retailer of choice as well as brand of choice. She will shop at grocery stores such as

Hyvee or Kroger or mass merchants like Walmart as she is trying to get all items in one trip. Young families are still very tech savvy however may watch the news on live TV more than young singles. In addition, they listen to radio on their commute. They get most of their news and advertisements through TV ads and radio ads. Social media is also a place they will be getting ads however with children they will not have as much disposable time as a young single. This group is not going to be as price sensitive and will be interested in two product categories: children's medication and adult medication. Their primary concern when purchasing a medicine is safety and side effects for both them and their children regardless of price. Also, group will buy children-based formulas as the children are too young to take adult medication.

- **Mature Families**

- Mature families fall into the 35 – 45 age range. This market is medium sized as they fall into the 'Gen X' bracket which boasts more than 50 million people. This group may have children in the household, but all will be over the age of 12. The average household income will fall in between \$55,000 and \$100,000. This group likely has two working parents therefore the amount of disposable income is significantly higher than other groups. The children in this target market also have a large influence on their family's consumption. This group will primarily shop at places such as Target, Walmart, and other large superstores. They are no longer buying children's medicine as the children are old enough to take adult medicine. This group is very active with various extracurricular activities and minimal downtime. With that in mind, they will get most of their news and advertisements from radio and social media as they listen and scroll on the way to their next activity. They are extremely insensitive to price and look for the most effective product on the market that will allow them to stay active in their busy schedules. They will also be frequent purchasers as there are a lot of people in one household and it is likely they are ill more often with their busy life.

- **Empty Nesters**

- Empty Nesters fall into the 45 – 60 age range. This market is the smallest of these 5 as it has the smallest population. There are no children present in this household and there may be one or two individuals in this household. The average household income will fall between \$60,000 and \$110,000 depending on career stage. Most of this group is still employed with a handful being in early retirement. This group will have the largest disposable income as they are reaching peak salary and have do not have any dependents in the house. They will be saving for retirement at this stage and have a lot of disposable time as they no longer have kids in the house. They are going to be shopping at chain drugstores as well as independent as this is the age where they may be taking more regular prescriptions that they will have to pick up. Purchasing frequency will drop significantly as they are only buying for themselves and one other person. This group is a heavy Facebook user and likely watches the news every night. The most effective way to reach them would be through Facebook ads.

- **Retired**

- Retirees are going to be 50+, with many falling into the 65 and older range. This group is part of the baby boomer's generation which makes it the largest consumer target market with a population of about 76 million. The average salary for this group falls between \$70,000 and \$80,000. They may have a much smaller

disposable income as well depending on how well they saved. This group is likely getting social security and has a fixed income compared to other groups that are still working. This group will be a little more price sensitive than empty nesters but still prioritizes effectiveness and side effects. They will primarily shop at independent or chain drugstores. They will purchase cold medicine when picking up other medications and are brand loyal as they have made this purchase for years. In addition, they may be buying children's medication for their grandchildren.

Industry Analysis

The over-the-counter pharmaceutical industry experienced drastic growth over the course of ten years. The industry grew 83.6% in sum, averaging growth of 7.6% per year. Part of this growth can be explained through a consistent population growth, which was always close to one percent growth each year. The inflation rate ranged between 2.4% growth and 4.9% growth, with most of the growth occurring between three and four percent growth. Most of the time, the actual inflation rate was lower than the forecasted inflation. However, the difference was usually negligible, as it was usually within a tenth of a percent of the forecast. Allstar's four competitors varied in success, and companies fluctuated during the ten years. For example, the only company that finished in the same position in share of manufacturer sales that it started in was Curall, and they were in fourth place for three periods. Furthermore, Driscoll spent close to four periods placed last in manufacturer sales but finished the final year in third place. During the ten-year period, retail channels showed different growth, with the two fastest growing channels being grocery stores and chain drugstores. Independent drugstores struggled the most, growing only \$247M in sales during the entirety of the ten-year period.

The industry's major categories were the cold, cough, and allergy markets. The nasal spray market is a smaller part of the industry, finishing the tenth year with manufacturer sales of \$303M. The largest market, by a wide margin, is the cold market. The cold market grew from \$879.7M in year one manufacturer sales to \$2.143B at the end of year ten. The second and third largest markets were the cough and allergy markets, ending year ten with manufacturer sales of \$443.1M, and \$382.8M, respectively. All of the segments showed fairly flat, or very slight increases in sales period to period besides the cold segment, which showed very explosive growth. Allstar Brands and its four competitors are all in the cold market. Allstar Brands, Curall, Driscoll, and Ethik are the four competitors in the cough market. The only companies competing in the allergy market were Allstar Brands, B & B, and Driscoll. During the entire 10-year period, the symptoms reported changed very little. Aches, chest congestion, and coughing were the top three most reported symptoms, with all three reporting over 60% each year. The fourth and fifth most reported symptoms were nasal congestion and coughing, both reporting around 50% during the ten years. Allergy symptoms were consistently the least frequently reported symptom, being reported about 20% of the time. As a result of the symptoms reported, companies found success with effective cold medicines, and effective multi symptom medicines. All forms of cough medicine experienced relatively significant declines in purchases over the course of the ten-year period. The form of medicine was never very important, but it should be noted that sprays never gained significant popularity. The three companies with an allergy medicine ended up being the three most successful, but it should not be attributed primarily to this fact. In year 10, 12.5% of consumers reported purchasing an allergy medicine.

To summarize, the companies with effective cold medicines succeeded during the ten-year period. Consumers used both cold medicines and multi symptom medicines to improve their health, while allergy medicines had an impact, but were far less important. Companies that priced their medicines close to, or moderately above their perceived effectiveness succeeded, while companies that implemented a linear pricing model, or priced below their effectiveness, declined. Duration and form were less important to consumers, but it should be noted that one-hour sprays performed especially poorly. The differences in decision making among the different segments of the market were almost negligible, with price being the greatest factor that separates families and young people from empty nesters and retired people most. As long as a company had an effective product at a reasonable price, they tended to succeed.

Competitive Analysis

Table one lists the key competitors Allstar Brands has been facing throughout the simulation and where they stood after period 3. When you look at the earlier reports, B & B took the lead early. In period three, B & B has the most success. They had increased their manufacturer sales from \$401.7M to \$490.7M, resulting in an increase in share of manufacturer sales to 24%. This was believed to be in direct relation to the introduction of BesthelpPlus, a 4-hour cold capsule. B & B had already found success with their original brand formulation, Besthelp, but took the product line even further during this period. In table two, results from after period eight and 10 are listed. While they managed to increase their manufacturing sales up to \$674.6M in period 8, and up to \$757.2M after period 10, their share market share decreased to, to 23.8%, and 23.1%, respectively. Without new product releases or reformulations, B & B lost market share to other companies who innovated. After year 10, they were still considered second to Allstar Brands, but were in significantly better position compared to the rest of the competition.

For all other competitors in the early periods, no one was looking to introduce a new product into the market, and it cost them, Allstar Brands included. Instead, companies allocated their money elsewhere in hopes to increase sales. Curall was not able to sustain their early success, losing a tenth of a percentage point in manufacturer sales. Curall did not make any major moves in period three, increasing their expenses in all categories, but never in a notable fashion. The most noticeable move made by Curall was increasing its sales force expense from \$11.7M to 13.5M. Curall also made a splash by decreasing the price of Coldcure from \$5.79 to \$5.39. When observing the changes made by Curall and their movement in the market for that period, it was clear that the decrease in price and their conservative strategy did not pay off for that quarter. Between periods three and eight, Curall decreased its market share from 16.7%, to 11%. This decline continued after period 10, where they finished with a 10.7% market share. Curall introduced CoughcurePlus in period 9, which scored much higher in customer satisfaction compared to Coldcure, but it was too little too late. Curall's consistently linear pricing strategy ended up being a main reason for their loss in sales and market share.

For Driscoll, the company had decreased their share of manufacturing sales for the third period in a row down to 14.2%. They had increased their manufacturing sales from \$280.7M to \$291.2M which is an improvement from their previous quarters. Although, Driscoll has done nothing to increase their sales force expense and it shows, decreasing from \$7.9M to \$7.7M. Similarly, in advertising expense, promotional expense, and digital marketing, they plateaued. At the end of period three, Driscoll was firmly behind the rest of the competition, and consumer satisfaction and purchases was showing little reason to increase. However, Driscoll managed to turn it around. At the end of period eight, they owned 15.6% of the market share. After period 10, Driscoll was third only to B & B and

Allround in market share. One of the reasons for their success was the introduction of DryupPlus, an effective 4-hour multi-symptom liquid. When compared to Allround, the most successful multi-symptom medicine on the market, DryupPlus is close behind in symptom relief on four out of the six reported symptoms. Driscoll could have likely enjoyed greater success had they decreased the price of Defogg and Dryup, which floundered in the latter periods. Additionally, had they increased their salesforce at a greater rate to more competitive levels, they likely could have finished with a market share closer to 20%.

As for Ethik, their early periods were relatively unsuccessful. Decreasing their share of manufacturer sales from 24.4% to 22.9% in the third period. After leading the Industry in sales force in the beginning of the simulation, they were surpassed by both B & B and Curall by increasing their salesforce by a mere \$0.5M. Ethik also fell behind in the advertising sector after B & B increased their advertising budget from \$26.4M to \$28.4M. Ethik made a last ditch effort to increase the price of the "End" product, which is viewed as their greatest product, was later viewed as extremely costly in relation to its effectiveness. Similar to Curall, Ethik's early decisions did not pay off for the company. Ethik would continue to show the greatest losses in market share of any competitor, dropping to 16.4% at the end of period eight, and 15.80% at the end of period 10. To further illustrate, their manufacturing sales decreased \$4.5M to \$464.8M and increased up to \$516.4M by the end of period ten. Ethik failed to invest in their salesforce, advertising, and promotion during the entirety of the ten periods in significant ways and they paid the price for it. Additionally, they maintained their strategy of increasing all of their products by 20 cents per period from periods one through nine, despite two of their products, End and Effective, showing consistent overpricing perceived by consumers. Additionally, Ethik failed to properly allocate its salesforce during the entire ten periods. They were last in in grocery stores, mass merchandisers, indirect salesforce, and independent drugstores. For all of these reasons, Ethik failed to succeed and were passed up by the competition over the course of the ten years.

Table 1

End of Year 3				
Competitors	Man. Sales (\$M)	Market Share	Product Line	# of Products
B & B	490.7	24%	Cold & Allergy	3
Curall	341.5	16.7%	Cold & Cough	2
Driscoll	291.2	14.2%	Cold & Allergy	3
Ethik	468.5	22.90%	Cold & Cough	3

Table 2

End of Year 8				
Competitors	Man. Sales (\$M)	Market Share	Product Line	# of Products
B & B	674.6	23.80%	Cold & Allergy	3
Curall	311.8	11.00%	Cold & Cough	2
Driscoll	440.1	15.60%	Cold & Allergy	4
Ethik	464.8	16.40%	Cold & Cough	3
End of Year 10				
Competitors	Man. Sales (\$M)	Market Share	Product Line	# of Products
B & B	757.2	23.10%	Cold & Allergy	3
Curall	348.6	10.70%	Cold & Cough	3

Driscoll	552.6	16.90%	Cold & Allergy	4
Ethik	516.4	15.80%	Cold & Cough	3

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Reputable brand with great recognition • Products are known for their effectiveness • Majority market share in cold and allergy • Strong Net Income 	<ul style="list-style-type: none"> • Capacity Limitations • High price point may turn away potential customers • Lack of diverse product offerings
Opportunities	Threats
<ul style="list-style-type: none"> • Allergy Market • Cough Market 	<ul style="list-style-type: none"> • Inflation • Innovating competitors • Changes in health and symptoms reported

Allstar Brands' greatest strength, throughout the course of the ten years, is its brand name. Throughout the ten periods, Allstar brands used a proactive approach towards social responsibility. During period two, an expired batch was disposed of, despite taking on costs of \$100,000. In period seven, after a batch was contaminated with poison, we removed the product from the shelves in the area, suspended sales for 30 days, modified the packaging to stop it from happening in the future, and offered assistance and compensation to all the victims of the tampering. As a result of these occurrences, the Allstar Brands name was able to be perceived well by consumers, despite bumps in the road. The Allstar Brands name and its known effective products go hand in hand. From the beginning, Allround was perceived to be close to, or the most effective medicine for all symptoms sans allergy symptoms. As a result, Allround led the market in customer satisfaction by a wide margin for the entirety of the ten-year period. After Allstar Brands entered the allergy market, Allright satisfied 53.6% of its customers, good for fifth among all OTC medicines. These effective products led Allstar brands to a majority market share in the cold and allergy market. Despite a pricing hike that drastically hurt sales in period three, Allstar Brands was able to recover and retake its position as the top brand in the industry. Despite Allright not being introduced until period six, it managed to finish as the top allergy symptom in the market, beating Driscoll's product and B & B's product. All of the previously mentioned strengths ultimately led to increases in net income, which allowed Allstar Brands to scale upwards, and increase its capacity.

Despite its many strengths, Allstar Brands does have some internal shortcomings. Capacity limitations are a problem for almost any company, and Allstar Brands is no exception. Fortunately, more plants were created throughout the ten-year period, which allowed Allstar Brands to scale up. Allstar Brand's high price point was something that likely turned away certain customers, particularly empty nesters and retired consumers. Price is the most important factor in their decision making to 37.4% of these two segments, and Allround was consistently among the top five most highly priced OTC medicines in the market. Before period six, Allstar Brands consisted of multi-symptom liquid medicines. In hindsight, our lack of urgency to diversify our products likely hurt us, and other competitors were able to penetrate different parts of the market interested in other forms of medicine, or with different symptom relief.

Allstar Brands' opportunities are fairly limited, as a result of having a large customer base and high-quality products. The allergy market, with only two competitor products, was an excellent opportunity for Allstar Brands. Because of our reputable brand name, Allstar Brands had the opportunity to release a product with high potential to gain a large share in the allergy market. Another opportunity that Allstar Brands had was the cough market. The cough market has only three products to compete with, and none of the products were especially successful. Because of a history of successful product launches, and a reputable brand name, it is another opportunity for Allstar Brands.

Allstar Brands is vulnerable to a number of threats outside of its control. Economic inflation is one and keeping a close eye on its trends was very important. If inflation is not considered, Allstar Brands' pricing strategy could be jeopardized, or pricing could fall too far behind the competition. Inflation also concerns itself with the cost of salespeople, promotion and advertising, as well. Ensuring reasonable value is being attained throughout these categories is also something that is important to the company's success. Another threat that is worth considering is innovations made by competitors. When competitors develop effective formulations, new pricing strategies, or promotions and advertising strategies, it threatens the market share of Allstar Brands. Allstar Brand's effectiveness is graded on perception by the consumer and is regularly being compared to other competitors. Another threat outside of the control of Allstar Brands is a change in the health of consumers. Our products serve consumers in need of relief from symptoms, and if there are large fluctuations in the frequency of these symptoms reported, Allstar Brands would likely suffer.

Objectives

In the next 5 years, AllStar brands will focus on one word: growth. Whether it be financial growth, customer growth or increased awareness, AllStar decisions should be made with growth at the forefront. With that in mind we have nailed down these 4 goals to help us in our decision making over the next few years and benchmark our performance.

- Increase Cumulative Return on Marketing by \$3M annually for the next 5 periods
- Reach \$2B in Cumulative Net Income over the next 2 years
- Grow Allround market share to 45% within the cold market by the end of 2025
- Increase awareness for AllroundPlus in the children's cold market by 30% in 2020

In looking at cumulative return on marketing, we set a goal to grow this total by \$3M annually over the next 5 years. In looking at the past years we noticed this area has been lacking and has much room for improvement. Cumulative return on marketing will not only help grow our net income but will also ensure our customers are getting the best advertisement possible regarding platform and content. We recommend that prioritizing the role of promotional allowance and learning how the channels use this will be of utmost importance in attaining this goal. In addition, we recommend looking at the promotional report more in depth, so we have a better understanding of what strategy works for each target market. We believe this goal is entirely attainable however if there is a large discrepancy in performance verse goal, we will review the goal and the efforts that have been put in place to reach this goal.

In addition to planning growth in marketing return, we decided a goal surrounding net income was necessary. Growth in return on marketing will increase net income there are also many other factors that will play into our strategy to reach \$2B in cumulative net income by 2022. First, we recommend a price analysis on Allright. We believe there is a lot of room for growth and that we are not currently getting all we can out of Allright. Second, we will focus on getting distribution of sales

force into the right channels, so retailer sales are optimized. Sales force is of very high importance to net income because without them our products would not be on shelves. Optimizing the distribution of our sales force to correspond with consumer purchasing trends will ensure we have the correct amount of product in each channel to match demand. We will track net income quarterly, so we have a good idea of how our efforts are playing into this goal and so we can create projections of where we will be by the end of 2022.

Allround is the cash cow of Allstar brands and we intend to keep it that way. In addition, Allround has maintained majority share of the cold market during the last 10 years. While we have maintained an average of 33%, we believe it is entirely possible to grow this number. With that in mind, we have put a goal in place to grow Allround's market share within the cold market to 45% by the end of 2025. This will be attained by putting heavy focus on two areas: distribution and promotion. First, distribution of this product is very important. We have identified a broad target market for this product therefore distribution is not very specific. Focus will remain on grocery and chain drugstore however more emphasis will be put on getting into independent drugstores as well as increasing promotional allowance to this channel to ensure we get the sales needed to grow market share.

AllroundPlus was introduced 6 years ago and has seen steady growth. This product falls into the cold category however we saw little to no cannibalization as this is a children's product. AllroundPlus has maintained at least 30% product contribution over the last 5 periods therefore we believe a goal to grow awareness of this product to get it to the level of Allround was vital to obtaining other goals. We plan to increase awareness of AllroundPlus by 30% by the end of 2020. We will do this by altering the ad message. We will focus on primary and benefit messaging and increase the total spend so we are getting in front of as many consumers as possible. In addition, we will look at tradeoffs and social media feedback to understand what we are doing well and what we could improve. By doing this we will better understand where we need to alter our efforts so that people know about us and are willing to give us a try. Finally, we will send out trials. We understand that parents are always very cautious of what they give their kids and we believe this will provide a risk-free chance to test our product. Mixed with primary messaging, this trial run will convert to a higher retention rate in addition to an increased brand awareness.

Marketing Strategy 2020 - 2025

Market Selection by Product

- **Allround**
 - Allround is the market leader within the cold industry and is a well-known brand. The target market for this is broader than normal. The target market includes young singles, young families, mature families and empty nesters. We chose these markets for a couple reasons. First, we are a premium brand and are priced as so, with that in mind we knew targeting mature families and empty nesters is necessary as they are at peak salary levels and have the highest levels of disposable income. Second, we have some of the highest consumer ratings for effectiveness and for young singles being healthy and able to go to work is a major priority. While they may not have a ton of disposable income, they are willing to spend a few more dollars on an effective medicine as to make sure their daily work routine is not interrupted. Finally, we are a trustworthy brand that has been around for a couple years, something that

is attractive to young families. Young parents are very conscious of what they put in their bodies and their children. While this medicine isn't considered a children's formula the dose can be adjusted for children over the age of 12. Parents have trust in our brand therefore are willing to spend more money on our product as opposed to our cheaper competition.

- **AllroundPlus**

- AllroundPlus falls into the cold category as well however when looking at market selection, it is best to look at the children's cold market. For AllroundPlus we will target young families and retirees. We chose young families as our target market because they will have children under the age of 12. This means their children are young enough to need a different formula as Allround will have too high of dosage for children. We also believe this is the right target because unlike mature families who may just adjust the dose for their children, this group is especially cautious about what they give their children. They are willing to buy a product for themselves as well as a product for their children in an effort to keep them safe. We will also target retirees as a large majority will have grandchildren under the age of 12. It is becoming increasingly popular to have grandparents watch children more often therefore they will be in the market for a children's formula. As I mentioned for Allround, the trust consumers have in our brand will draw the young families in even at a higher price point.

- **AllRight**

- Allright is a brand that was implemented to have a positive effect amongst all markets. Unlike our other brand releases, Allright contains no ingredients that are believed my parents to be harmful to children. Allright was our first brand release that made the dosage malleable by the individual. For example, if a parent was giving their child an Allright capsule, they could just as easily give their child a full pill as they could a half pill, making Allright a more flexible medicine. Though Allright is good for children, with the allergy market showing a consistent growth of 8% at the time of our release, this product was fair game for everyone.

Positioning

All products in the Allstar brand line up are viewed as premium products with effective formulas. Allround has maintained the company reputation as an effective brand and one that consumers can trust. In addition, we want to be the most innovative brand on the market. We want to enter new markets and bring a product that blows the competition away. We also want our customers to see us as socially and economically responsible. We can achieve this by prioritizing the ecological footprint our products make and ensuring we respond to any incidents in a way that maintains consumer trust and rights whatever wrong has been done, regardless of fault.

A large portion of our competitive advantage is the premium label we have. This premium label allows us to maintain a higher price level than competitors which can return higher net income in the long run. With that in mind, people also perceive that high price tag to equate with quality. While consumers like to save money, it has become evident that consumer's do associate quality of medication with the cost of that medication. With this in mind, Allround will maintain its premium price not only to increase profits, but to maintain the trust consumers have in the quality of our products. In addition, we will focus on positioning ourselves as an innovative brand. We aim to review formulas and maintain advertising and promotion that will show our consumers and retail

channels that we are constantly looking to provide the highest quality and most effective product on the market. Finally, we will shift focus to bring a stronger sense of family and trust to our brand. With the introduction of a children's product we feel it is important to be viewed as a brand that can provide medication for the entire family without any fear of unsafe products.

Marketing mix

Product

Allstar investigated the market and found that we were dominating the cold market and took advantage of the gap in the allergy market. This is how we decided what products to launch. Moving forward, Allstar will continue to grow all three of our current products. Allround is our cash cow, and has a stellar reputation for being effective, even with its premium price. Allround has a satisfaction rate of over 64%, higher than any other OTC medication on the market. Allround also accounts for 44% of Allstar's product contribution, so taking it away would cause big issues for our company. Allround also has a very broad target market, so it is more appealing to more people. We are continuing to grow AllroundPlus, because it accounts for just over 41% of our product contribution, even though it brings in less overall revenue than Allround. AllroundPlus has a 48.5% satisfaction rate as well. We want to focus on growing AllroundPlus and increase the revenue it brings into Allstar. Finally, Allright has a 53.6% satisfaction rate and accounts for 24.6% of Allstar's product contribution. It is also recommended by 34.1% of physicians and pharmacists for allergy sufferers, which is the highest recommendation among allergy medicine. Because Allright is newer to the market, we will continue to grow its brand awareness and continue raising its price to match industry expectations.

At this point, Allstar will not be adding any new products to the brand. We are going to focus on the three products within the brand for at least five years before introducing another product. We brought on multiple new products in the last ten years and want to properly integrate the products into the market before tackling another launch. If we were to launch a new product now it would likely be in the cough category, but we will have to reevaluate in a few years when we are ready for a new launch.

Price

All the Allstar brand products are priced as premium products. We have seen a positive outcome when using premium prices, as consumers associate those prices with higher quality. We introduced Allright at a price that was below the market average, and it resulted in very low revenues. As we have raised the price, Allright has had higher and higher revenues. We will not use that pricing tactic with any of our new product launches in the future. Instead, we will stick with higher prices that have resulted in higher revenues for longer periods of time. This also keeps the perception of the brand high for our consumers. Consumers see lower priced products as lower quality, and we do not want that for the Allstar image.

Distribution

When it comes to the distribution of Allstar brands, the company has investigated trends and market selection to ensure proper distribution, ensuring that products are available when and where the customer wants them. Allround is the market leader within the cold industry and is a well-known brand. The target market for this is broader than normal including young singles, young families,

mature families, and empty nesters. Since Allround is still requested by such a wide array of individuals, the company has decided to distribute the product to a wide array of places. Allround will be distributed to all five categories; independent drug stores, grocery chains, mass merchandisers, indirect and direct.

When Allround Plus entered the market, the company noticed a change in the types of individuals who were purchasing the product. Allround Plus falls into the cold category just as Allround does. However, when looking at market selection, the company had decided to dwell into the children's cold market. Due to our target market, we have decided to move forward with targeting young families and retirees. When targeting young families, Allround has made the decision to be placed in most convenient stores and grocery chains. With young professionals starting a family, balancing work life and kids at home is an everyday process. Allowing the parents to be able to quickly pick up their children's cold medicine either on the way to work or in between daily tasks can allow for more time spent at home. Similarly, young families require frequent trips to the grocery store so having a presence in a familiar brick and mortar is something Allround believes can be beneficial.

Allright was the company's latest brand release, which was catered to the allergy market, different from the previous two medicines made specifically for the cold market. With that being said, Allright is believed to fit in with all markets except the 'retired' sector. This is due to the belief that retired individuals are more concerned about price, and Allstar Brands has built the reputation as that of a premium medicine brand. Convenience Stores lost over 22% of the market share and lost over \$20 million in retail sales. Because of this, Allstar products are not being promoted in convenience stores and we will not provide promotional allowance. All other channels saw increased market share and increased retail sales. Because mass merchandisers, grocery stores, and independent drug stores have been growing steadily, we focused on these channels for every Allstar product. We increased sales force in these channels, and we focused promotions and advertising on these channels

Promotion

For the target markets we have selected the primary communication needs, as it pertains to our product category, is benefit and use information. They need to know why our product is good and how it is going to help them. In addition, it is important that we maintain our brand reputation throughout promotions as that is a large driver in our ability to use a higher price point for our products.

As for audience response, they largely like when they are made part of the brand. The idea of a brand having a personality is very prevalent and our consumers want to know who and what is behind the brand they choose for their families. As for timing, our audience is likely to be most active on social media during lunch time and at night. Whether they have kids or not, most work full time jobs therefore use social media and engage with ads when they have free time.

Also, they respond well to display ads. At the point of purchase, they like to see what the product is and the benefits of it if they didn't have time to research before and must make their evaluation of products right there. Coupons are not largely used by this group and if they are it will be done digitally. Newspaper ads and commercials may not be worth the money either as most of these target markets will obtain their information through social media and website platforms. In addition, this group relies heavily on other consumer feedback. With that in mind, it will be vital that part of our promotion strategy focuses on monitoring social media platforms for both positive and negative feedback. Ultimately, being recognized as an innovative brand means we are present on popular

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platforms and actively engaging with our audience. We will maintain a push strategy as we will push product and then promote to gain sales.

Our promotional efforts will support the growth of financial performance as this is where the "money making" starts. We will use promotion to emphasize a trial of our product. We have a pretty large base of repeat customers and the goal going forward should be to gain new leads for customers that we can convert to brand loyal buyers.