

ASSIGNMENT

Product Development and Operations
Category Manager Analysis

DUE DATE

Week 3

PRODUCT REPORT FOR ALIKAY NATURALS MOISTURIZING BLACK SOAP SHAMPOO



Product Description:

Finally, a way to get your hair and scalp truly clean with natural ingredients. Traditional cleansers tend to strip your hair of its natural moisture, leaving your scalp dry and itchy. This sulfate-free shampoo cleanses and moisturizes at the same time. Made from natural Raw Black Soap, it gets deep down into the scalp to remove product buildup. The tropically-scented blend contains a natural mix of Coco Seed Powder, Plantain Skins, and Tea Tree Oil to protect and moisturize the hair from scalp to root. No artificial thickening agents have been added, but don't be fooled by the watery texture. This shampoo gets the job done. This product is 100% natural and 100% organic.

Product Background:

The Moisturizing Black Soap Shampoo product was launched in 2014, with the majority of sales coming from national retail stores. The product has not undergone any significant changes or improvements, with the exception of its packaging.

Sales Report:

	2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2
Units Sold	381,009	365,775	366,008	338,990	296,990	275,776
Revenue	\$4,572,108	\$4,389,300	\$4,392,096	\$4,067,880	\$3,563,880	\$3,309,312
Turnover (Avg. days on shelf)	3.1	2.9	3.2	3.6	3.9	4.1

QUICK DEFINITIONS

QUARTERS

The financial world splits the year into four quarters, each 3 months long

Q1: Quarter 1, January – March

Q2: Quarter 2, April – June

Q3: Quarter 3, July – September

Q4: Quarter 4, October – December

UNITS SOLD

The number of total products sold in a given time period

REVENUE

The money received by a business for the sales of its products in a given time period

TURNOVER

The average number of days individual products sat on store shelves waiting to be sold in a given time period

User Survey Summary:

Consumers who purchased the Alikay Naturals Moisturizing Black Soap Shampoo at any one of the national discount retail stores were asked to complete a survey. 2,000 consumers responded.

User Survey Summary (cont'd):

ALIKAY NATURALS MOISTURIZING BLACK SOAP SHAMPOO USERS (%)					
	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
My hair looks and feels better after two weeks of using Moisturizing Black Soap Shampoo	8	10	32	34	16
I like the density and consistency of Moisturizing Black Soap Shampoo relative to other shampoos	22	41	16	12	9
Moisturizing Black Soap Shampoo leaves my hair more hydrated than other shampoos	6	26	18	21	29
Alikay Naturals leaves my hair smelling great relative to other shampoos	22	34	25	18	1
Moisturizing Black Soap Shampoo gives my scalp a deeper clean than other shampoos	2	8	18	43	29
Moisturizing Black Soap Shampoo prevents my scalp from feeling dry and flaky	32	22	15	12	19
Moisturizing Black Soap Shampoo will be the only shampoo in my shower in one month	15	33	8	38	6
I'd be more likely to continue regular use of Moisturizing Black Soap Shampoo if it were available at a lower price point	4	22	44	18	12
What suggestions do you have to improve Moisturizing Black Soap Shampoo?	<p>“Too watery”; “Have to use too much to do the job”; “While I feel like the product works, I’m not a fan of the scent”; “I’d like something I can put on my hand versus directly on my scalp”; “While it cleans effectively and dries out my scalp less than others, I wish it would treat dandruff”; “Seems like the quality has declined since I first tried it”; “I wish it had a more appealing smell”; “This shampoo doesn’t have the same thick consistency as other shampoos”</p>				

NEW PRODUCT PROPOSALS

Alikay Naturals Organic Bloom Shampoo

This custom product is designed to clean and moisturize hair while stimulating significant hair growth without residue buildup. This all-natural, organic blend includes 14 of the best essential oils and herbs that strengthen the hair at its foundation. Hair follicles absorb essential nutrients to promote growth and nurture fresh, new, shiny hair. Our product includes many botanicals, such as *Olea Europaea* (Olive) Fruit Oil, *Simmondsia Chinensis* (Jojoba) Seed Oil, and the rare Emu Oil, which regrows hair by increasing cellular activity at the scalp. This one-of-a-kind product helps customers' hair bloom and flourish, leading to impressive and almost unbelievable results. Some testers have even seen up to four inches of hair growth within ten weeks.

Alikay Naturals Moisturizing Black Soap Shampoo with Dandruff Control

Our original Moisturizing Black Soap Shampoo is renewed and improved to promote a healthy scalp. *Melaleuca alternifolia* (Tea Tree) Oil prevents dandruff by reducing scalp infections, fungus and inflammation. Horsetail Powder, a plant powder, reduces dandruff due to its silica content. These essentials break down undesirable residue at the roots to support a clean and moisturized scalp. This new twist on a classic favorite is bound to revive hair and scalp.

Alikay Naturals Coconut Protein Shampoo and Conditioner

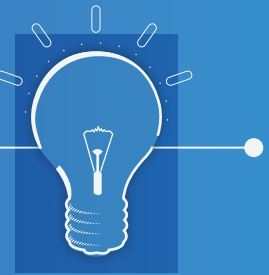
Indulge your senses with this exclusive blend of organic coconut milk to nourish your hair, hydrolyzed keratin to add strength and elasticity, and weightless coconut oils to provide hydration and balance. This thick formula is fortified with *Prunus Amygdalus Dulcis* (Sweet Almond) Oil, a natural protein that envelops your hair shaft to build strength and elasticity, add softness, reduce frizz, and revitalize incredible shine. This tropically-scented shampoo will make your hair look, feel and smell great.

Non-User Survey Summary:

An online survey was conducted asking consumers that 1) frequent any one of the national discount retail stores and 2) have never used the Alikay Naturals Moisturizing Black Soap Shampoo about their shampoo preferences. 4,000 consumers responded.

Non-User Survey Summary (cont'd):

	NON-USERS, IN TARGET MARKET (%)				
	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Having an organic shampoo with all natural ingredients is important to me	2	9	14	52	23
I prefer a thicker shampoo that is heavy on proteins to revitalize my hair	8	9	17	43	23
Most natural shampoos I use are not rich in proteins and don't provide additional nutrition to the scalp	12	16	23	32	17
A daily dose of proteins can strip out the nutrients and therefore is unsafe and unhealthy for the hair	35	29	18	12	6
I use anti-dandruff shampoo only under a doctor's recommendation	16	48	18	12	6
In my opinion, shampoos with protein conditioners can not be used on color-treated hair	14	31	32	11	12
Assuming equal quality, I prefer a shampoo + conditioner in one versus two different products	12	6	34	38	10
The scent of a shampoo is just as important as its effectiveness	12	16	15	37	20
Keratin and soy proteins give a better shine to hair than artificial foaming agents and synthetic colors	3	7	15	45	30
I value an all-natural shampoo that reduces dandruff	3	18	8	40	31



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Turnover (Avg. days on shelf)	3.1	2.9	3.2	3.6	3.9	4.1
Market Share (% of total discount retail store shampoo sales)	3.8%	3.7%	3.7%	3.4%	3.0%	2.8%

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MARKET SHARE

A company's market share is its portion of total sales in relation to the market it operates within. For example, if a company sells \$100 million worth of tractors a year domestically, and the total tractors sold in the United States is \$200 million, the company's US market share for tractors would be 50%.

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Moisturizing Black Soap Shampoo prevents my scalp from feeling dry and flaky	31	14	23	12	19
Moisturizing Black Soap Shampoo will be the only shampoo in my shower in one month	32	14	23	12	19
I'd be more likely to continue regular use of Moisturizing Black Soap Shampoo if it were available at a lower price point	4	22	44	18	12
What suggestions do you have to improve Moisturizing Black Soap Shampoo?	<p>"Too watery"; "Have to use too much to do the job"; "While I feel like the product works, I'm not a fan of the scent"; "I'd like something I can put on my hand versus directly on my scalp"; "While it cleans effectively and dries out my scalp less than other shampoos, I wish it would treat dandruff"; "Seems like the quality has declined since I first tried it"</p>				

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Alikay Naturals Moist Black Soap Shampoo with Dandruff Control

Our original Moist Black Soap Shampoo is renewed and improved to promote a healthy scalp. *Melaleuca alternifolia* (Tea Tree) Oil prevents dandruff by reducing scalp infections, fungus and inflammation, and Horsetail Powder, a plant powder, reduces dandruff due to its silica content. These essentials break down undesirable residue at the roots to support a clean and moisturized scalp. This product may be ordered online with custom scents mixed according to your preference. This new twist on a classic favorite is bound to revive hair and scalp.

Alikay Naturals Coconut Protein Shampoo and Conditioner

Indulge your senses with this exclusive blend of organic coconut milk to nourish your hair, hydrolyzed keratin to add strength and elasticity, and weightless coconut oils to add hydration and balance. This thick formula is fortified with *Prunus Amygdalus Dulcis* (Sweet Almond) Oil, a natural protein that envelops the hair shaft to build strength and elasticity, add softness, reduce frizz, and revitalize incredible shine. This tropically-scented shampoo will make your hair look, feel and smell great.

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I prefer a thicker shampoo that is heavy on proteins to revitalize my hair	8	9	17	43	23
Most natural shampoos I use are not rich in proteins and don't provide additional nutrition to the scalp	12	16	23	32	17
A daily dose of proteins can strip out the nutrients and therefore is unsafe and unhealthy for the hair	33	29	18	12	6
I use anti-dandruff shampoo only under a doctor's recommendation	16	48	18	12	6
Men and women should have different hair-care products	32	22	14	18	14
In my opinion, shampoos with protein conditioners cannot be used on color-treated hair	14	31	32	11	12
Assuming equal quality, I prefer a shampoo + conditioner in one versus two different products	12	6	54	18	10
I'd be willing to pay a premium for a shampoo that stimulates hair growth	6	9	16	34	35

Non-User Survey Summary (cont'd):

	NON-USERS, IN TARGET MARKET (%)				
	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
I feel herbal shampoos tend to be watery and need to be used in large amounts to create a good lather	12	14	28	19	27
I choose my shampoo based on its specific function	12	7	22	30	29
The scent of a shampoo is just as important as its effectiveness	19	22	15	24	20
Keratin and soy proteins give a better shine to hair than artificial foaming agents and synthetic colors	3	7	15	45	30
Dandruff shampoo effectively prevents a dry, itchy scalp and flakes	12	10	9	44	25
The shampoo industry is already flooded with too many effective options	22	32	23	14	9
I am willing to pay more for high-quality, effective hair products	8	18	12	37	25
I value an all-natural shampoo that reduces dandruff	3	18	8	40	31