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Working up a Tan

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Working Up A Tan

The Opportunity

Ann McLean looked down again at the brochure on her desk. The blue-eyed, white toothed blond, complete with her glowing tan, stared back at her. She opened the small A4 sized brochure and quickly scanned its contents. It was typical 'Americanese' and was obviously targeted at the beauty saloons and beauticians. It extolled the virtues of a tanning system called 'Sunkissed'. She had promised her friend, Susan, that she would at least give her an indication later that week, of whether she was prepared to invest in a project to launch the tanning system in Ireland, and possibly the UK. As it was coming up to lunchtime, on impulse, she grabbed her bag, stuffed the brochure inside, and walked down the corridor to the office of Derek Whyte, the company's Marketing Manager. Derek had been with the telecoms software company for a year, and she had been impressed with how he had handled the dreadful year of 2001, now almost over. Their company, in which she was Software Development Director, had not been immune from the huge downturn in the sector, but was weathering it better than most. Derek was in his office, pouring over a map. "Our next big project, I hope", he said, jabbing a finger towards what appeared to be China. "Well I won't be here to see it", she replied. "Can I tear you away from it for an hour, and pick the marketing side of your brain, while buying you lunch?"

The Person

Ann McLean was almost 40, and had been in the software industry since leaving college with a computer degree. Five years previously in 1996, with five other colleagues, she had established Rubicon as a telecoms software producer. Three years later, they had been made an unbeatable offer by a Canadian hardware systems company to buy them out. They had accepted the offer which was mostly in stock. All shareholders/directors had agreed to remain with the company and hold shares for a minimum of two years. That earn out period was almost up and Ann had decided to cash in her shares and leave. She was not keen on staying with a large multinational corporation. The shares had dropped considerably in value, and while the family would not be on the breadline, what had looked like a wonderful deal two years earlier was not now so lucrative. However she was determined to follow through on her original intention of taking at least two years off full time work to spend more time with her two children. She expected to undertake some limited project work from home. Because the takeover had received much publicity at the time, friends and family had believed that she was wealthy. They had not followed the fortunes of her new employers on the New York and Toronto Stock Exchanges since the takeover! Several had tried to persuade her to invest in new or existing ventures, but she had not done so. However she was keen to have one or two business interests provided they did not place excessive demands on her time. Her friend Susan had approached her with the 'Sunkissed' project. She had owned a successful hairdressing business which she had sold several years previously. Her children were older than Ann's and she was now interested in again working outside the home. She had been offered the rights to the project in Ireland, and, if successful in the U.K. She would manage the business, but estimated that she needed additional capital of $\notin 60,000$ to get the business established, and had offered Ann a substantial share of the business in return for that level of investment.

The Lunch

"To make it clear, Derek, I'm not expecting instant marketing answers. In fact I'm more interested in marketing questions. I've obviously thought of some of those but would like to be sure that I am covering all the angles. So perhaps I should first explain the product. The essence of the project is a series of solutions which are sprayed onto the body using a machine called an airbrush spray applicator. The machine sells for between ξ 2,500 and ξ 3,000 and is therefore not relevant for home use. In any event, it is best applied by a trained person though it is quick and easy to apply. Apparently it takes 24 hours to take effect and it is recommended that two applications are made 24 hours apart. This provides a good base tan which can then be topped up once a week if the client wishes to maintain a tan. It takes 3/5 minutes to apply. Then the client dries themselves with a blow dryer and dresses themselves. In the U.S they are charging \$50 for the first two applications and a bit less than that for subsequent visits. It competes with sun beds, tanning creams, maybe even a week on the 'Costa Whatever'.

"The product concept itself seems to be relatively new though I am told that some salon in Dublin has a similar product recently introduced, though the 'Sunkissed' people say that it does not give the same results.

"It appears to sell best in sun vacation states such as Florida and California. You will be aware of concerns over skin cancer which have made some sun worshipers more cautious? When you think about it, are sunblock products competitors? I'm not sure.

"There are a number of ways the product can be sold. We could set up our own tanning salons or sell through existing premises such as beauty salons and leisure centers. If we sell through these outlets, we would sell both the applicator and the solutions. We could also consider some type of franchise arrangement though I suspect we would have to push that hard. It is difficult to know who we would promote it to".

"I take it the target market is women?", Derek interjected.

"Yes, probably, though apparently gay men and other groups such as body builders are also potential customers. As to what age groups, again I'm not really sure. Susan has tried it out on women of all ages from 20 to 50 and beyond and the reaction has been very positive. Oh, and before you ask, I have not tried it, not really my scene".

"I know from a company I previously worked with", said Derek, "that the FDA in the U.S are very strict on products such as this. Does it need licensing?"

"Apparently not, the key ingredient, with a big long name, is well established and approved for cosmetic use. What the 'Sunkissed' people claim is that their system has been refined to give an even and deep tan with no blotches or colour variation. Oh God, I'd better stop now, I'm beginning to sound like a used car salesman! But seriously, if you had some thoughts on what marketing issues need to be raised, I would appreciate it".

The Promise

"Well, it could be an interesting test. I have spent the eight years since I qualified far away from consumer marketing. However, my lecturers in D.I.T used to argue that a good marketer should be capable of applying the principles in any situation. I had better go back to worrying about our China project now. This evening I will look at putting together some thoughts on how you might proceed. But you're right; I will probably be coming up with more questions than answers".

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