



*Presenting a line of  
footcare products designed just for women.*

*Your Secret Weapon  
for Style & Comfort*

## 2007 – 2008 Marketing Plan for Dr. Scholl's® for Her™ Insoles

Presented to Dr. Scholl's® Executive Management  
on August 16, 2007

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## **Executive Summary**

Dr. Scholl's® For Her™ Insoles is a new foot comfort addition to the traditional Dr. Scholl's® line offering a multitude of advantages over our previously introduced products. The entire For Her™ line is designed to attract the younger female demographic (ages 18-50) who may have previously not found the line to fit their lifestyle. The insoles will also pave the way for expansion of the line to include other "luxury" foot care products such as foot creams and scrubs, and pedicure tools. We believe that by targeting this market, we can successfully occupy this growing market of professional, fashion conscious women. In addition, we will be able to target those women who have certain medical conditions, like obesity, pregnancy, and diabetes, but still want to wear the latest fashions in foot wear. Using our existing high profile positioning in the foot care market will allow us to quickly grow market share in this very important demographic group. With excellent channels of distribution, and name recognition, this addition to the Dr. Scholl's® line should show immediate results to the revenues profits of the company.

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## Introduction

Dr. Scholl's® is a division of Schering-Plough, "a global science-based health care company with leading prescription, consumer and animal health products." The Dr. Scholl's® brand specializes in foot care products since William Mathias Scholl invented his first product, the "Foot Eazer," in 1903.

According to the Schering-Plough 2006 Financial Report, "Global net sales of Consumer Health Care products, which include OTC, foot care and sun care products, increased 3% of \$30 million as compared to 2005 reflecting an increase in sales of sun care products and Dr. Scholl's® and other foot care products," showing the positive contribution this brand adds to its parent company.

According to the Dr. Scholl's® website this brand, "leads the way by utilizing the latest podiatric medicine and research to revolutionize the way Americans think of, and care for, their feet." The overall product offerings are centered around solving foot problems like pain, sweaty feet, and other conditions, plus products to promote comfort, like inserts and insoles, as well as woman's shoes.

Although Dr. Scholl's® first introduced gel insoles in 1996, the Dr. Scholl's® For Her™ line of footcare products, designed and marketed specifically to women, first hit the market in 2005 with Dr. Scholl's® For Her™ Open Shoe® Insoles. The For Her™ line has expanded in 2006 with For Her™ Comfort Insoles and For Her™ Ball of Foot Cushions, and in 2007 with For Her™ Sole Expressions™, For Her™ Heel Liner and other grooming products. Although similar products are offered by Dr. Scholl's® under other lines, the For Her™ line, which include inserts, foot creams & scrubs, pedicure tools, are designed just for women and help them to "look and feel crazy good."

Currently the Dr. Scholl's® brand has high market share and awareness, but low trial. The following plan will be focused specifically on the For Her™ line inserts, trying to increase trial in the 2008-2009 fiscal year while continuing to expand market share and awareness.

## Situational Analysis

Dr Scholl's®, a division of Schering Plough, offers the best of foot care and comfort products available. The company has a loyal and solid customer base, and has seen constant, but slow growth over the past few years.

From 2006 annual report, the following chart shows net sales in millions for the Footcare Division:

2006	2005	2004
\$343	\$333	\$332

The company is looking to penetrate the younger female market, appealing to the women who will no longer need to sacrifice comfort for fashion. This will enable the company to capture a segment of the population who in the past had no need to purchase Dr. Scholl's® foot care products.

## **Market Needs**

The introduction of For Her™ insoles will provide all day comfort, absorb shock and impact on the heel, and protect the sensitive ball of the foot area using a discreet clear gel. The number of females in the workforce has increase dramatically since the 1950's, as has the ability of women to obtain jobs in what was a previously male dominated arena. This has fostered an increase in sales of business attire, as well as a greater disposable income. The new products will allow women to enjoy the fashion and look they desire, without the discomfort. In addition, those women with medical conditions like pregnancy, obesity, and diabetes plus those with poor foot health in general may benefit from these products.

## **The Market**

According to the US Census Bureau in 2006, <http://www.census.gov/popest/national/asrh/NC-EST2006-sa.html>, there are more than 78 million women in the US between the ages of 20-59. Within that demographic highlights from The American Podiatric Medical Association (APMA) High Heels Survey, [http://www.apma.org/s\\_apma/doc.asp?CID=1109&DID=17112](http://www.apma.org/s_apma/doc.asp?CID=1109&DID=17112), site that 72% of women wear high heel shoes and 42% of these women admitted to wearing uncomfortable shoes. These women wear these heels in many scenarios including as part of their participation in the workforce which has increased from 45% in 1993 to 47% in 2005. The sale of women's apparel has also increased. High heels, including sling back, sandals, slides, and open shoes are the predominate style of the day.

*See Figure 1 – Market Details in Appendix*

## **Market Analysis**

A report dated May 22, 2006 from Packaged Facts titled Foot Care Products in the US, <http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=109&STORY=/www/story/05-22-2007/0004593764&EDATE>, reported that the foot care market had a 5.7% sales increase, with sales reaching \$793 million in over the counter medication and device sales. Sales

are expected to continue at a conservative pace and exceed \$900 million by 2011. Foot care devices increased sales by 9% in 2006, catching medication sales for the first time since 2003. The shift toward niche categories and emphasis on increasing household penetration will continue to gain momentum in the coming years as marketers race to change the definition of foot care with spa and beauty products.

## ***Market Trends***

Private label or store brand sales accounted for 44% of the \$43 million dollar increase in sales for 2006. These products have taken a step forward in the market as consumer demand for both premium and value-priced products increased, and consumers become increasingly loyal to store brands.

## ***Macroenvironment***

The following issues may impact the acceptance and success of For Her™ Insoles:

- Consumer Trends - A return to a more casual look would allow more comfortable shoe to be worn, thus diminishing the need for the product.
- Economic Changes - The eventual return of a recession, and resulting unemployment would have an obvious effect on sales. This would be the result of fewer women in the workplace, and less disposable income.
- Competitive Activity - Store brands or private labels are taking a larger share of the market, and pose a threat to existing market share. Other competitors like Airplus Foot Care, offers competing products at a reduced price thus quality is of the utmost importance.

*See Figure 2 – Highlights from Competitive Analysis in Appendix*

## ***SWOT Analysis***

### **Strengths**

- Number one brand in the foot care market sector
- Very strong customer loyalty and name brand recognition among repeat purchase customers
- Product placement in high visibility areas in multiple types of retailers
- Excellent and stable sales staff
- Multiple advertising vehicles, and a substantial advertising budget
- Part of a larger For Her™ line of products
- Established distribution channels

### **Weaknesses**

- Historically the products have been marketed to an older demographic
- Confusion due to multiple product offerings

- Products similar to those offered by competitors
- Higher price point compared to other company products

#### Opportunities

- Larger percentage of females in the workplace requiring to be dressed professionally for business
- Females have a much greater selection of footwear in their wardrobe, thus enhancing the number of unit sales
- New technology allowing for much greater comfort
- Introduction of the brand to a new client base

#### Threats

- Traditionally brand not appealing to the younger market
- Non branded versions of the product taking market share
- Price competition
- Changes in styles of dress
- Economic downturn resulting in decrease sales of dress shoes

## Marketing Objectives and Strategies

Dr. Scholl is a global company that produces health products. The company is focused on delivering the turnaround phase of its five-step “Action Agenda.” The basic overall marketing strategy is to achieve the marketing objectives. This fundamental transformation began in 2003.

In the beginning of this decade Schering-Plough, the parent company of Dr. Scholl’s®, experienced a number of business regulatory and legal challenges. The Board of Directors decided to bring in Fred Hassan as their new CEO. Mr. Hassan, with the help of the Board, recruited a new senior executive team and together initiated the company’s new “Objective Plan.”

The main goal of the Objective Plan is to stabilize, repair, and turn the company around by increasing sales by 11% (\$377M), raising the stock value to \$34, thereby boosting the company’s cash flow by 9% (\$710M).

Through the Objective Plan, Dr. Scholl’s® continued to build its base phase. By the end of 2006, Dr. Scholl’s® Board announced that it had entered the fourth phase of the Action Agenda, and that the company’s objectives are being met, including:

### ***Product Objectives***

Dr. Scholl’s® is applying science to meet unmet medical needs. The company is investing heavily in scientific research with the goal of creating treatment with important medical and commercial value.



Science notwithstanding, Dr. Scholl has also made great strides in the area of style. The company has developed and maintained an acute awareness of current fashion trends. They are successfully marrying science and fashion and have incorporated that union into their new and existing products.

- Expanding and improving existing products – Earlier this year, Dr. Scholl's® launched their For Her™ Sole Expressions™, a stylish series of insoles for high heels that feature fashionable colors and animal prints. They also launched an improved version of their Massaging Gel Insoles.
- Discovering, developing, or acquiring new products – Also this year, Dr. Scholl's® introduced For Her™ Heel Liner and other grooming products. Back Pain Relief Orthotics and Arch Pain Relief Orthotics were also introduced.

## ***Financial Objectives***

Since Dr. Scholl's® launched their six-year to eight-year strategic Action Agenda in the spring of 2003, they have completed the Stabilize, Repair, and Turnaround phases. Last October, they announced the start of the next of their Action Agenda's five phases: the Build the Base phase. In the words of CEO Fred Hassan, Dr. Scholl's® has now "clearly moved from a survive mode to a thrive mode."

The Company's 2006 Award Report confirms their upward trajectory:

- *Net income* available to common shareholders in 2006 was \$343 Million, as compared to \$81 Million in 2005
- *Net sales* for Dr. Scholl totaled \$343 Million and they want to increase that by 11% this year.
- *Cash flow* from operating activities was \$679M. Dr. Scholl's® Board wants this number to increase by 9% this year.

Dr. Scholl is also strengthening its objectives by:

- **Enhancing infrastructure, upgrading processes and systems** – In March of 2006, the UK-based SSL International, PLC, owners of the Dr. Scholl brand in Europe and Asia, inaugurated its new manufacturing and distribution facility for Scholl footcare in Chennai, India. This facility produces 40 per cent of the company's global requirement. The Chennai plant should boost productivity, which would, in turn, save money.

- **Strengthening talent, both by recruiting new, talented individuals and developing current key employees** - In April of 2007, CEO Fred Hassan announced the nomination of Antonio M. Perez (Chairman of the Board and Chief Executive Officer of Eastman Kodak Company) and Jack L. Stahl (retired President and Chief Executive Officer of Revlon, Inc.) to the Schering-Plough Board of Directors. Shush high profile and esteemed members will strengthen the credibility of the Dr. Scholl brand.

Sales and marketing have grown due to the need to reinvest in order to launch new products as well as stabilize market shares.

## ***Marketing Objectives***

1. Sales of \$35 million in this coming year. The continuation, and additional promotion of the product will result in a large initial amount of dollar sales. The first quarter will amount to approximately 40% of the first year's annual sales.
2. 75% awareness of the identified demographic market by the end of 2008. The product is targeted to the age group most likely to be early adopters of new and innovative products. In addition, this group accounts for the majority of fashion footwear purchases.
3. 10% increase in new trial, brand new purchases by new customers who, once they try Dr. Scholl's® For Her™ products will become repeat buyers.
4. Increase sales, which were \$343 million dollars in 2006 by 11% in fiscal year 2008. The huge percentage of store brand sales in this category has cut the annual grow of this growth category.
5. Position Dr. Scholl's® as a company geared toward young women. The introduction of the For Her™ Insoles will be supplemented by a full line of foot creams, scrubs, and pedicure products will allow women to "put your best foot forward." The promotion of the products, and the excitement generated will allow the company to have back-to-back introductions of these products.
6. These products will allow us to regain at least 5% of market share from the store brand and generic competitors in this market, which will bring \$35 million dollars to the top line in 2008.
7. Increase our market share in new EU nations and in the rest of the world by 8%.
8. Increase rate of sales by new and existing customers by 7-10%.
9. Allow the parent company to increase free cash flow, and create positive shareholder equity.

## ***Marketing Strategies***

1. Although there are many insole type products on the market, there are none geared exclusively to the female fashion shoe-wearing population. Other insole products are quite visible when wearing today's fashions. The discreet nature of

- the product, and the fact that it is for the young and sexy will make it quite appealing.
2. The fact that the product will allow women to be comfortable while wearing the latest fashions will appeal to the desired demographic population.
  3. The marketing of this product has a multitude of segments. The product is not only for those who are seeking just comfort and fashion, but also those who have foot problems. Those who have foot conditions such as diabetics and women who are pregnant will appreciate the comfort provided by this product.
  4. The introduction of the complete line of products, accompanied by print, radio, TV, and internet advertising will generate a buzz that these are the must have foot products.
  5. Strategic celebrity endorsements, like Sarah Jessica Parker, due to her shoe obsession on *Sex and the City* and in real life, will be utilized, which would likely boost sales. A diverse range of celebrities, from musicians to actresses to politicians, would be approached for a creative series of ads. By featuring these prominent women, Dr. Scholl's® would further enhance its market appeal and would convey to the buying public that its products are not only high quality, but also stylish and hip.

*See Figure 3 – Objectives and Strategies Highlights in Appendix*

## **Action Plan**

### ***Target Market***

Although Dr. Scholl's® has a substantial product mix that serves different needs, like work and sports, after analyzing the current situation the For Her™ line of products was created for a very specific niche. Only a small percentage of the population is actually born with foot problems. However, many women tend to suffer from problems due mostly to ill fitting shoes that are worn to stay in fashion, neglect and lack of awareness of proper care. These women need products that will help them be able to wear the shoes that they want comfortably. This line currently carries inserts, foot creams and scrubs, as well as pedicure tools.

The inserts of this line satisfy women customers that have:

- open-style shoes and need hidden comfort and cushioning
- pumps, loafers, and dress boot who need discreet cushioning that fits comfortably in their shoes
- shoes in different styles and colors and who want to add some fun and pizzazz to their shoes
- shoes that slip and rub heels and need improved shoe fit for better comfort

- sensitivity in the ball of foot area and need gel cushioning that fits comfortably in their shoes

To satisfy these needs the For Her™ inserts need to have:

- a consistency that will cushion feet
- be an appropriate size to fit in different types of women's shoes
- stay in place
- close to invisible or correct color for certain styles of shoes

The women who will purchase these products are ones that may sacrifice shoe comfort for style and will need these inserts in order to get the most pain free usage of their shoes. In addition, some women may have shoes that are constructed comfortably, but due to their lifestyle, if on their feet all day, or current situation, if pregnant or overweight, will need the For Her™ insoles and inserts. The items, since they have adhesive and are affixed to the shoe, will be purchased for each pair of shoes that needs the extra comfort.

Women who wear stylish shoes, are on their feet all day, and are pregnant or overweight make up a huge percent of the overall population, which makes these segments measurable, meaningful, and marketable. This segment can use these products in any situation: working, casual, and formal. These women watch TV, like the networks and Oxygen, and read magazines, like Oprah and Cosmopolitan.

When it comes to product positioning the For Her™ inserts, these products are superior to other products and will be priced higher than others with The Dr. Scholl's® Guarantee of a refund if the customer is not completely satisfied with the purchase. In addition, each product in the line is specific to a particular use or application, like For Her™ Open Shoe Insoles.

The segmentation strategy is based on a few specific niches in the women segment, but the overall message will be the same with slight differentiation depending on the exact product.

## ***Marketing Mix***

### **Product**

Dr. Scholl's® has a large product width and product depth, which focuses on foot problems and comfort, as well as women's shoes. The For Her™ line of products specifically is created for women and consists of inserts, foot creams and scrubs, and pedicure tools. The inserts depth consists of the following products (*See Figure 4 – Product Details in Appendix*):

- Dr. Scholl's® For Her™ Comfort Insoles
- Dr. Scholl's® For Her™ Open Shoe Insoles
- Dr. Scholl's® For Her™ Sole Expressions™ Insoles
- Dr. Scholl's® For Her™ Ball of Foot Cushions
- Dr. Scholl's® For Her™ Heel Liners

These current products will satisfy the need women have to wear stylish and necessary shoes comfortably. The products are a shopping product so will need a more targeted promotion. The quality of each of these products is the highest in the market using Dr. Scholl's® newest technologies and years of expertise. Overall customers will find the products have value since the quality and need fulfillment is worth the higher price.

The brand is separated from the other Dr. Scholl's® products by having its own section of the website, distinctive packaging, and promotional plan. The name For Her™ is trademarked and added to the registered Dr. Scholl's® name. Dr. Scholl's® For Her™ “present(s) a line of footcare products designed just for women,” and allows women to “look and feel crazy good.” The inserts specifically are “your secret weapon for style and comfort.” The packaging incorporates the traditional Dr. Scholl's® classic coloring scheme of yellow and blue, with a blend of purples to distinguish the For Her™ line from the other Dr. Scholl products. Currently only the Open Shoe Insoles and the Comfort Insoles prominently show on the packaging that they are made with massaging gel and clear massaging gel. All the packaging in the line currently contains the haves, wants, and needs displayed on the back. In addition, all products have The Dr. Scholl's® Guarantee of a refund if not completely satisfied.

Changes to packaging to be made in 2008-2009:

- The differentiation of massaging gel needs to be added to the other three products in order to emphasize our advanced technology and combat Airplus for her's claim that they are made with invisigel
- Change “Try me!” which appears on packaging where the customer can actually feel the product to, “Feel how we keep feet feeling great for over 12 hours!” which will further highlight Dr. Scholl's® superiority in the market place
- The symbol for the Susan G. Komen Race for the Cure® will be added to show our sponsorship for publicity purposes and in response to Airplus For Her™ having their sponsorship for Avon Walk for Breast Cancer on their packaging.

Dr. Scholl's® brand equity will help to promote brand loyalty, name awareness, and perceived quality and will differentiate these products from store or private label and other brands. Although the market for insoles has been around for years, the segmentation of products for this niche is moving from its introduction to the growth stage. The For Her™ product line will continue to establish a market for the product type by persuading early adopters to buy, as well as continuing to build sales, market share and preference for the brand.

Starting this year some new marketing research will be done in order help evaluate if new products should be added to this line to satisfy other foot needs or to satisfy a specific niche like pregnant or obese women.

## **Price**

Dr. Scholl's® For Her™ line of inserts price is based on sound research that analyzed demand influences, factors like demographic, psychological, consumption, and an analysis of historical data to estimate price elasticity; supply influences, like covering the cost of production, promotion, distribution, plus profit; and environmental influences like our competitors prices. We will continually monitor pricing in these areas, not just annually, in order to see if changes need to be made.

The decision is to continue to be the high, “odd priced” based on our superior product and brand. We believe that the statistics from last year, showing that our market share was not adversely affected by our higher price, will continue into 2008-2009. An example of our price difference can be seen when comparing Dr. Scholl's® For Her™ Ball of Foot Cushions, one pair at a suggested retail price of \$6.99 to Airplus For Her™ Ball of Foot cushions, two pairs at a suggested retail price of \$4.99. Since customers evaluate prices comparatively when buying a shopping item, we need to continue to promote our superiority and separate the product from its competitor physically by using other types of displays (details to follow in Promotion section). To increase trial we will use promotion strategies, described in corresponding section, to capture more first time buyers.

*Please see Figure 5 – Highlights from Price Comparison in Appendix for a comparison of some of the prices for Dr. Scholl's® For Her™ Open Shoe Insoles with Massaging Gel, across distribution channels.*

## **Place/Distribution**

An efficient channel is one that delivers the product when and where it is wanted at a minimum total cost. To meet this goal Dr. Scholl's® uses an indirect channel and sells its products directly to retailers using an intensive distribution to have as much coverage as possible. This expansive distribution channel has been traditionally managed by relationship building. This strategy will continue and be evaluated by the Sales Department.

Currently products are placed in mass merchandiser stores like supermarkets, drug stores and warehouse stores, like COSTCO. In the future we will be adding other mass merchandisers like the shoe section of department stores. In addition, Dr. Scholl's® For Her™ products will appear in specialty shoe stores, like Payless and DSW. Also, in order to reach one of the other specific segments of our target market, like nurses or waitresses, who stand on their feet all day, and pregnant women, whose feet tend to swell, Dr.

Scholl's® For Her™ will begin to be available via special store displays in specialty stores that sell uniforms, like Dr. Uniforms, and clothing for pregnancy, like Motherhood Maternity.

To differentiate Dr. Scholl's® For Her™ from other brands the products will be available at retailers on regular shelf space, when available, and more prominently using special displays that will include a tie-in to current and future promotions that will be described below. Again, it is very important for Dr. Scholl's® For Her™ inserts to be positioned for its superiority, to capitalize on the Dr. Scholl's® brand equity, and to place the product so that direct comparisons between store brands or competition are minimized.

Selling over the Internet has many benefits including that the complete line can be offered 24 hours a day, 365 days a year and will increase sales, consequently the Dr. Scholl's® product line is also available for electronic exchange at many websites, including the following:

- [www.walgreens.com](http://www.walgreens.com)
- [www.drugstore.com](http://www.drugstore.com)
- [www.amazon.com](http://www.amazon.com)

*See Figure 6 – Sample List of Distribution Outlets in Appendix*

## **Promotion**

The specific strategic goals for the promotion of Dr. Scholl's® For Her™ Insoles include:

- Create awareness which is important for new products and brands to stimulate trial purchases
- Build positive images to promote value by adding meaning
- Build on successes from last year and implement new strategies to meet overall strategies of marketing plan
- Communicate consistent messages to places where our target market will see them
- Since product is in growth stage our promotional campaign will be aimed at a wider audience, have messages focused on brand benefits, with an emphasis on advertising

Advertising, due to its efficiency for reaching many buyers simultaneously and its effective way to create image of a brand, will be used heavily this year:

- Television – the current commercial, with “Feeling Good from My Head to My Toes”, will continue to play and a new commercial will be added, starring Sarah Jessica Parker, to emphasize that “finally your heels will feel so good, you won’t want to take them off.” These spots will appear during programming that has been shown to reach our target market plus a mass audience, like Oprah, Grey’s

- Anatomy, and the new ABC show Fat March, as well as on the “female” networks like Oxygen and Lifetime.
- Magazines – chosen based on demographic selectivity and pass along readership at doctor’s offices for current and new print ad, featuring Ms. Parker
    - Fashion, like Vogue
    - Plus sized, like AmaZe
    - Maternity, like FitPregnancy
  - Internet – due to its favorable medium will be expanded to include banner advertising, again targeted at our prime segments, on the websites associated with the television and magazine selections above. In addition, the current Dr. Scholl’s® For Her™ website <http://www.drscholls.com/forher/home.aspx> will be modified to include our sponsorship of the Susan G. Komen Race for the Cure®.

New sales promotions, specifically targeted to increase trial of new buyers or inducing purchasing of the products and to combat competition from private label and others, will be instituted this coming year:

- Self talkers will be added in store aisles to explain more about product and dispense coupons for \$2.00 off insoles for six months after installed supporting short-term price reduction designed to stimulate demand
- Aisle displays, coinciding with the television and print ads, will be added in order to position the product in a more self-contained way and to physically separate the items from potential competition and price comparisons
- The Dr. Scholl’s® Guarantee will continue to refund customers not completely satisfied with their purchase
- Research and planning will begin for a sweepstakes that will send the winner shopping at a place like Rodeo Drive with a budget to purchase shoes

Public relations, an important way to influence attitudes, feelings, and opinions will be continued and expanded upon this coming year through sponsorship and Footnotes For Her™:

- Dr. Scholl’s® For Her™ will again be involved in the American Podiatric Medical Association, APMA, annual, scientific meeting in September 2008 as a sponsor at the bronze level and an exhibitor with a corner premium booth. At the booth and in the welcome bag we will be giving away product samples from foot creams & scrubs, pedicure products, and a coupon for \$2.00 off any For Her™ inserts since we cannot give away product samples for an insole without giving away a whole product for free.
- Sponsorship will be expanded to the Susan G. Komen Race for the Cure® in the National Race category



- Footnotes For Her™, a free guide to foot fashion and comfort, which includes expert commentary from America's favorite Shoe Maven, Meghan Cleary will still be offered on the website and “will feed your sole.” Research will begin to see if it will be cost effective to expand this initial guide to a series of articles or booklets.

*See Figure 7 – Promotion and Budgeting Details*

## **Budget**

The overall budget that has been allocated for fulfillment of the 2007-2008 Marketing Plan is \$7 million, which was calculated using a hybrid of percent of sales and the task approach.

Packaging	See Production Department Budget
Research	\$30,000
Advertising	\$5,191,500
Sales Promotions	\$1,730,500
Public Relations	\$48,000
TOTAL	\$7 million

*See Figure 7 – Promotion and Budgeting Details*

## **Implementation, Control and Evaluation**

The following list shows the timeline of activities, those responsible, and where acceptable, when and how the evaluation will take place.

- January 2008 – Begin For Her™ Ad Campaign – Parker Commercial on Oxygen, Lifetime, print ads in Vogue, AmaZe, Maternity, FitPregnancy
- February 2008 – Banner advertising on websites for aforementioned shows and magazines.
- March 2008 – Begin adding mass merchandisers in the shoe section of department stores and products to specialty stores Payless and DSW, Dr. Uniforms, and clothing for pregnancy, like Motherhood Maternity. Analyze 1st quarter earnings & results.
- April 2008 – Add Self talkers in store aisles to explain more about product and dispense coupons for \$2.00 off insoles for six months after installed supporting short-term price reduction designed to stimulate demand

- May 2008 - Sponsorship will be expanded to the Susan G. Komen Race for the Cure® for in the National Race category. Race for the Cure sponsorship added to Dr. Scholl website and add Race for the Cure logo to packaging
- June 2008 - Analyze 2nd quarter earnings & results.
- July 2008 - Footnotes For Her™, begin analysis of cost effectiveness of expanding and printing this guide.
- August 2008 - New sales promotions, specifically targeted to increase trial of new buyers or inducing purchasing of the products and to combat competition from private label and others.
- September 2008 - Print and distribute Footnotes for Her™, if cost-effective. Analyze 3rd quarter earnings & results. Exhibit and be a bronze level sponsor Podiatric Medical Association, APMA, annual, scientific meeting.
- October 2008 - Expanding and improving existing products based on 3rd quarter results.
- November 2008 - Add massaging gel differentiation to the other three products. Change packaging to “Feel how we keep feet feeling great for over 12 hours!”
- December 2008 – Deadline for 9% cash flow increase, stock value to \$34

*See Figure 8 – Highlights from Implementation, Control, and Evaluation*

## **Brief Summary of Tactical Plan and Conclusions**

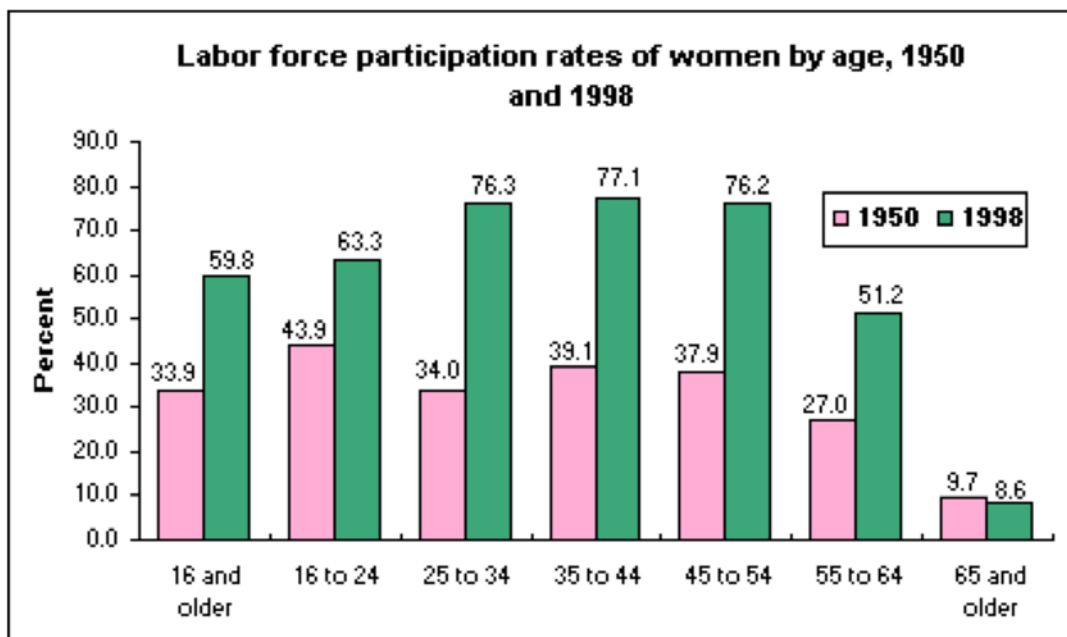
The growing number of women in the work force, and the trend toward more style and fashion conscious foot wear makes the Dr. Scholl's® For Her™ line of Insoles a viable and exciting piece to the product line. The demographic target market will provide a much-needed boost to the growth and profitability of the company. We will use a multitude of marketing communications to create awareness, build positive images, identify prospects, build channel relationships, and retain loyal customers. Advertising will include newspapers, television, magazines, radio, Internet, and sponsorships. Our intention is to increase sales of the Dr. Scholl's® division by 11% in the first fiscal year after launch, and ramp up the entire For Her™ line. This will add a new and significant market segment to our existing strong customer base and improve brand awareness.

## Appendix

**Figure 1 - Market Details**

According to the US Census Bureau in 2006:	<a href="http://www.census.gov/popest/national/asrh/NC-EST2006-sa.html">http://www.census.gov/popest/national/asrh/NC-EST2006-sa.html</a>
<ul style="list-style-type: none"> <li>more than 78 million women in the US between the ages of 20-59</li> </ul>	

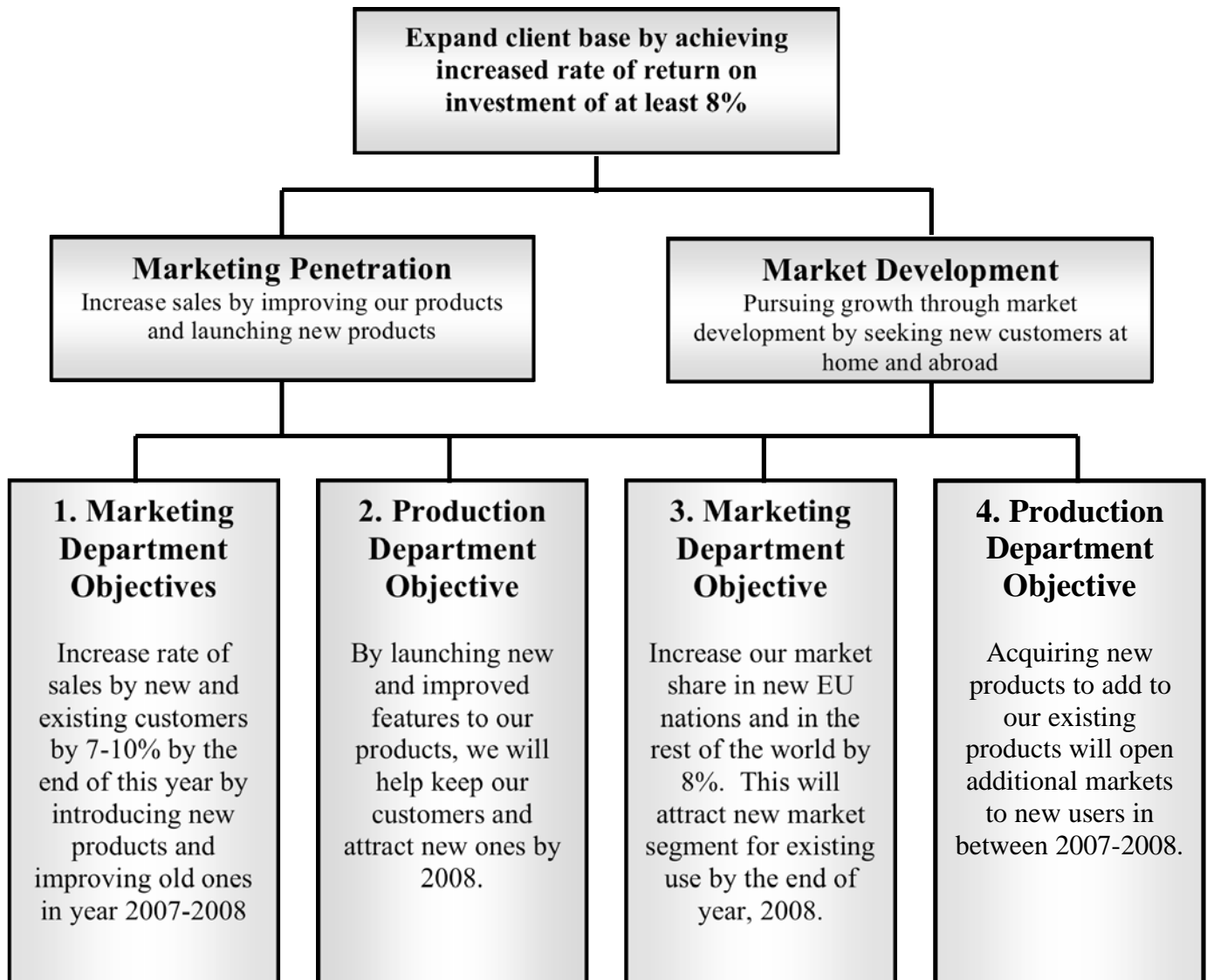
American Podiatric Medical Association (APMA) High Heels Survey:	<a href="http://www.apma.org/s_apma/doc.asp?CID=1109&amp;DID=17112">http://www.apma.org/s_apma/doc.asp?CID=1109&amp;DID=17112</a>
<ul style="list-style-type: none"> <li>72% of women surveyed wear high heel shoes</li> <li>39% wear high heels daily</li> <li>42% of women admitted to wearing uncomfortable shoes <ul style="list-style-type: none"> <li>72% for style</li> <li>61% to look more attractive</li> </ul> </li> <li>31% wear uncomfortable shoes to work <ul style="list-style-type: none"> <li>24% wear uncomfortable shoes to change their height</li> <li>22% wear them because of the cost</li> </ul> </li> <li>38% use insoles, cushions or other OTC products</li> </ul>	
<ul style="list-style-type: none"> <li>"I love shoes even if they hurt" (18-24 year old)</li> <li>"I love high heels; I would wear them more often if I could. [But] they are starting to hurt my feet" (35-49 year old)</li> </ul>	



**Figure 2 - Highlights from Competitive Analysis**

Airplus and Airplus for her	<a href="http://www.airplusfootcare.com/">http://www.airplusfootcare.com/</a>	“Luxury. Style. Comfort. Everyday.” Pretty comprehensive line of foot care products with very similar packaging and marketing mix.
foot petals	<a href="http://www.footpetals.com/cgi-bin/footpetals/index.html">http://www.footpetals.com/cgi-bin/footpetals/index.html</a>	“Your feet don’t have to suffer to be beautiful.” Very pretty and diverse options like, Strappy Strips.
ProFoot	<a href="http://www.profoot.co.uk/products/triad.htm">http://www.profoot.co.uk/products/triad.htm</a>	“feet have never felt so good” Some products are created specifically for women, but all aspects of the marketing mix are not targeted to this segment.
Walgreens	<a href="http://www.walgreens.com/store/product.jsp?CATID=100252&amp;navAction=jump&amp;navCount=7&amp;id=prod3200633#">http://www.walgreens.com/store/product.jsp?CATID=100252&amp;navAction=jump&amp;navCount=7&amp;id=prod3200633#</a>	The packaging is so similar there is a specific statement that says, “Compare to Dr. Scholl's - This product is not manufactured or distributed by Schering-Plough HealthCare Products, Inc., owners of the registered trademark Dr. Scholl's.
Spenco	<a href="http://www.spenco.com">http://www.spenco.com</a>	Positioned towards the athlete. The Q Factor™, for women, is specifically designed to take into consideration the increased quadriceps angle (Q-angle) which causes a lot of injuries.
MPRO	<a href="http://www.mitchellace.com/insoles.htm">http://www.mitchellace.com/insoles.htm</a>	Products by activity, like dress and hiking. Generic products for both men and women.
Aetna Foot Products	<a href="http://www.aetnafootproducts.com/">http://www.aetnafootproducts.com/</a>	Producers of private label insoles

**Figure 3 - Objectives and Strategies Highlights**



**Figure 4 - Product Details**

Dr. Scholl's® ® For Her™ Comfort Insoles	Discreet cushioning uniquely designed to fit closed-style women's shoes such as pumps, boots, and loafers	<ul style="list-style-type: none"> <li>▪ Ultra-slim 3/4 length design won't crowd toes</li> <li>▪ Cushioning comfort of clear massaging gel</li> <li>▪ Provides all-day comfort</li> <li>▪ Absorbs shock and impact on heel</li> <li>▪ Protects the sensitive ball-of-foot area</li> <li>▪ Massages foot with every step</li> <li>▪ Discreet clear gel</li> </ul>
Dr. Scholl's® ® For Her™ Open Shoe Insoles	Women no longer have to sacrifice comfort for fashion in their open-style shoes...	<ul style="list-style-type: none"> <li>▪ Ultra slim and discreet cushioning for open-style shoes</li> <li>▪ Dr. Scholl's® Massaging Gel cushioning at the heel and sensitive ball of foot area</li> <li>▪ 3/4 length design is virtually invisible beneath the foot</li> <li>▪ Soft lining feels great on bare feet</li> <li>▪ Uniquely designed to fit a variety of open shoes, including sandals, strappy dress shoes, sling back and slides</li> </ul>
Dr. Scholl's® ® For Her™ Sole Expressions™ Insoles	Style and comfort for all women's shoes	<ul style="list-style-type: none"> <li>▪ A soft foam absorbs shock in your heel and cushions the sensitive ball of foot area</li> </ul>
Dr. Scholl's® ® For Her™ Ball of Foot Cushions	Discreet Ball-of-Foot Cushioning uniquely designed to fit everything from your sexy stilettos to your office heels	<ul style="list-style-type: none"> <li>▪ Cushioning comfort of clear massaging gel</li> <li>▪ Gel waves cushion the sensitive ball-of-foot area</li> <li>▪ Instant Comfort</li> <li>▪ Massages foot with every step</li> <li>▪ Ultra-slim and discreet</li> <li>▪ Stays in place</li> <li>▪ Unique gel keeps cushion firmly in place yet allows it to be removed without damage to shoe</li> <li>▪ Versatile</li> <li>▪ Fits discreetly in both open- and closed-style shoes</li> </ul>
Dr. Scholl's® ® For Her™ Heel Liners	Discrete protection for women's heels.	<ul style="list-style-type: none"> <li>▪ Designed to prevent shoes from rubbing the sensitive heel area</li> </ul>

**Figure 5 - Highlights from Pricing Comparison**

Amazon	Dr. Scholl's® For Her™ Open Shoe Insoles with Massaging Gel, Women's Size 6-10, 1-Pair Packages (Pack of 3)	List Price: \$25.47 Price: \$19.17 & eligible for FREE Super Saver Shipping on orders over \$25. Details You Save: \$6.30 (25%) Subscribe & Save: Subscribe and get it for \$16.29 (save 15%)
Drugstore.com	Dr. Scholl's® Open Shoe Insoles with Massaging Gel, Women's size 6-10 - 1 pair	Suggested: \$9.85 Our price: \$8.99 Save 9%
Walgreens.com	Dr. Scholl's® For Her™ Open Shoe Insoles with Massaging Gel, Women's Sizes 6-10 – 1 pair	Reg. \$9.99

**Figure 6 - Sample List of Distribution Outlets**

Online Stores	Retail Stores
Amazon.com	Albertsons
Drugstore.com	CVS
CVS.com	Eckerd
Eckerd.com	Kmart
Netgrocer.com	Kroger
Savon.com	Meijer
Walgreens.com	Rite Aid
Longs.com	Safeway
TheSportsAuthority.com	Target
DrSchollsShoes.com	Walgreens
Shoes.com	Wal-Mart

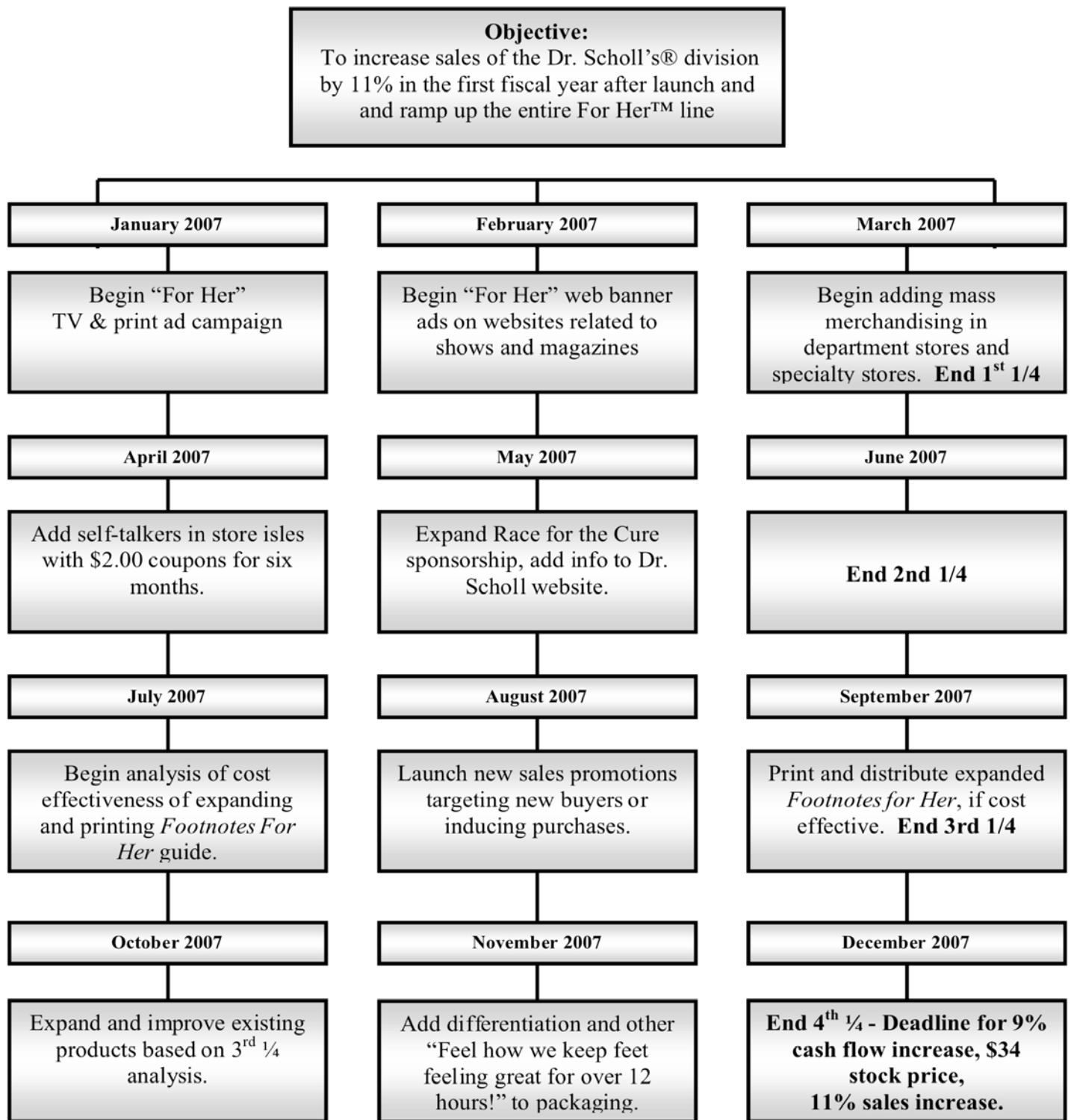


**Figure 7 - Promotion and Budgeting Details**

<b>Packaging:</b>	
<ul style="list-style-type: none"> <li>▪ The differentiation of massaging gel needs to be added to the other three products in order to emphasize our advanced technology</li> <li>▪ Change “Try me!” which appears on packaging where the customer can actually feel the product to, “Feel how we keep feet feeling great for over 12 hours!” which will further highlight Dr. Scholl’s® superiority in the market place</li> <li>▪ The symbol for the Susan G. Komen Race for the Cure® will be added to show our sponsorship for publicity purposes</li> </ul>	Cost will be absorbed by Production Department budget
<b>Marketing Research:</b>	
<ul style="list-style-type: none"> <li>▪ Starting this year some new marketing research will be done in order help evaluate if new products should be added to this line to satisfy other foot needs or to satisfy a specific niche like pregnant or obese women.</li> <li>▪ Research and planning will begin for a sweepstakes that will send the winner shopping at a place like Rodeo Drive with a set budget to purchase shoes</li> <li>▪ Footnotes For Her™, a guide to foot fashion and comfort, which includes expert commentary from America’s favorite Shoe Maven, Meghan Cleary. This free booklet can be ordered on the website and “will feed your sole.” Research will begin to see if it will be cost effective to expand this initial guide to a series of articles or booklets.</li> </ul>	\$30,000
<b>Promotion - Advertising:</b>	
<ul style="list-style-type: none"> <li>▪ Television – the current commercial, with “Feeling Good from My Head to My Toes”, will continue to play and a new commercial will be added, starring Sarah Jessica Parker, to emphasize that “finally your heels will feel so good, you won’t want to take them off.” These spots will appear during programming that has been shown to reach our target market plus a mass audience, like Oprah, Grey’s Anatomy, and the New ABC show Fat March, as well as on the “female” networks like Oxygen and Lifetime.</li> <li>▪ Magazines – chosen based on demographic selectivity and pass along readership at doctor’s offices for current and new print ad, featuring Ms. Parker <ul style="list-style-type: none"> <li>○ Fashion, like Vogue</li> <li>○ Plus sized, like AmaZe</li> <li>○ Maternity, like FitPregnancy</li> </ul> </li> <li>▪ Internet – due to its new favorable medium will be expanded to include banner advertising, again targeted at our prime segments, on the websites associated with the television and magazine selections above.</li> </ul>	\$5,191,500

Sales Promotions:	
<ul style="list-style-type: none"> <li>▪ Self talkers will be added in store aisles to explain more about product and dispense coupons for \$2.00 off insoles for six months after installed supporting short-term price reduction designed to stimulate demand</li> <li>▪ Aisle displays, coinciding with the television and print ads, will be added in order to position the product in a more self-contained way and to physically separate the items from potential competition and price comparisons</li> <li>▪ At the booth and in the welcome bag we will be giving away product samples from foot creams &amp; scrubs, pedicure and a coupon for \$2.00 off any For Her inserts since we cannot give away product samples for an insole without giving away a whole product for free.</li> <li>▪ Also same as above at Race for the Cures across US</li> </ul>	\$1,730,500

Public Relations:	
American Podiatric Medical Association, APMA, annual, scientific meeting in September 2008	
<ul style="list-style-type: none"> <li>▪ sponsor at the bronze level</li> <li>▪ exhibitor with a corner premium booth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bronze Sponsorship - \$15,000</li> <li>▪ Corner Premium Booth - \$3,000</li> </ul>
Susan G. Komen Race for the Cure®	
<ul style="list-style-type: none"> <li>▪ National Race category sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>▪ Presenting Sponsorship - \$30,000</li> </ul>
TOTAL: \$48,000	



**Figure 8 - Highlights from Implementation, Control, and Evaluation**