

TPrint Marketing Plan

Our innovative business concept strives to open an unexplored territory for entertainment and advertising. We strive to use printed toilet paper to facilitate firms in advertising to the masses. Our strategic intent is to redefine a mundane experience by providing stimulating entertainment in the bathroom. Our two lines of printed toilet paper, commercial and premium, will be initially introduced in the Northeastern United States. We plan to achieve the top three in market share in the toilet paper industry within the US for households in the middle and high social strata. The company expects to reach this performance within 4 years of launching the product. Our product will redefine both the bathroom experience and the advertisement industry.

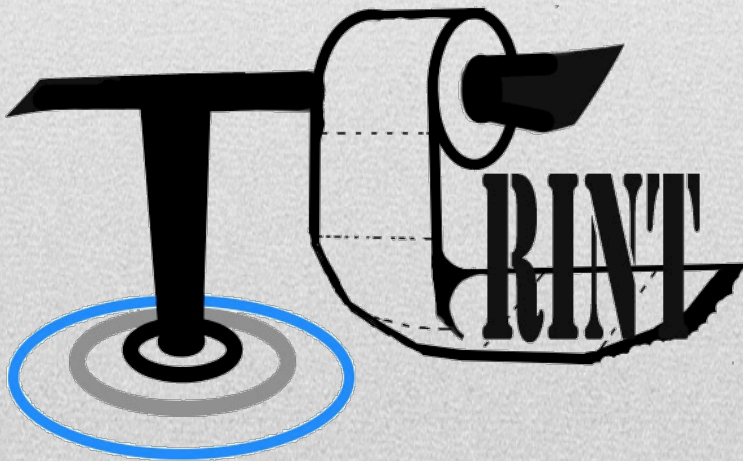


Table of Contents

I.	Introduction.....	2
II.	Situational Analysis.....	4
	a. Situation Assessment.....	5
	b. Neutral Environment.....	6
	c. Company Environment and Competitive Analysis.....	6
	d. Competitive Advantage.....	11
III.	Marketing Objectives and Goals.....	12
IV.	Target Market and Marketing Strategy.....	14
V.	Marketing Tactics.....	17
VI.	Problems, Threats, and Opportunities.....	23
VII.	Appendices.....	27
	a. Financial Statements.....	
	b. Additional Charts and Tables	
	c. Promotional Media	
VIII.	Bibliography.....	36

I. INTRODUCTION

The average person goes to the bathroom 6 times a day. Regardless of our nationality, location or social status, an average human spends 30 minutes in the bathroom each day¹. Over the course of a lifetime, this amounts to three years. Although we see advertisements in all other facets of our life, why hasn't advertising been integrated into the bathroom?

Our marketing plan is simple: print advertisements on toilet paper. We believe there is a huge potential for advertising on toilet paper. It not only reaches the masses, but it is also an indispensable good in modern society.

We have two means that will provide incentives for businesses to invest in this idea. First, we will have a line of premium quality, use-at-home toilet paper. To do this, we will use the money from companies that will sponsor fun facts, jokes, and quotes. By doing so, this will lower our costs of production so that this line of premium printed toilet paper will be competitively priced. This will invigorate a mundane experience, as well as provide educational entertainment during a necessary part of the day.

On the other hand, the second line will be solely based on advertising to the masses. This line will consist of an economic quality toilet paper, with costs of production financed with money from ads to create a competitively cheap toilet paper. This would be used in public restrooms in parks, restaurants, factories, schools, or just by people with financial concerns. This toilet paper will be much cheaper for these institutions, so it will help them cut costs as well.

Thus, the basic idea is to make companies interested in advertising in toilet paper in order to reduce our costs of producing it. We believe certain companies would want to advertise on toilet paper because of the pervasiveness of the product—even if people don't read the ads, they will at least see the company's brand or logo multiple times a day. Thus, this innovative way to market will be the most widespread and successful method to date. No other type of marketing is guaranteed to reach the masses attention, especially because the bathroom is an unexplored territory for advertising.

Our proposal is as follows: to become a brand inside of an existing company such as Kimberly Clark or Procter & Gamble. Thus, we would sell our idea and complete marketing project to take advantage of the factories, distribution channels and the productive and capital power of the firm. Once the idea is adapted by the umbrella company, we will proceed to launch our product in our two different lines. Initially we will penetrate the northeastern market in the

¹ Penton Media. (01, 10, 2008). *Contractor*. Retrieved 10 24, 2011, from http://contractormag.com/bathkitchen/bathroom_habits_survey/

United States to prove the profitability of our brand, and later expand to other areas in the U.S. The premium line will go through a similar process to the other high quality products made by the umbrella firm. The differentiation will come from the printing that will take place in the process. This first line will have quotes and jokes sponsored by companies that would pay to get their brand in print. In the commercial line, only advertisements will be printed, and the money will be used as a subsidy to reduce our production costs. In this way, our company has a dual role in the market. First we are selling the product to consumers (premium, B2C) and other businesses (commercial, B2B), and on the other hand we are providing a service to other companies to advertise in this unique medium.

II. SITUATIONAL ANALYSIS

A. Situation Assessment

On average, consumers use 8.6 sheets per trip – a total of 57 sheets per day². This amounts to a total of 20,805 sheets per year, showing that there are certain immutable aspects of the modern American lifestyle, including a copious amount of toilet paper. Toilet paper is an income inelastic good: regardless of changes in income, you will still need to purchase it. The same immutability applies to the state of the economy, income changes, and other exogenous factors.

i. Toilet Paper Industry and Impending Changes

The \$9 billion toilet paper industry is very concentrated, with about 65% of toilet paper production controlled by the big brands of Procter & Gamble, Kimberly-Clark and Georgia-Pacific. According to RISI, industry-wide tissue production is up 13%, after plunging in late 2008 and early 2009. This is attributed to increased demand following the 2008 economic downturn.

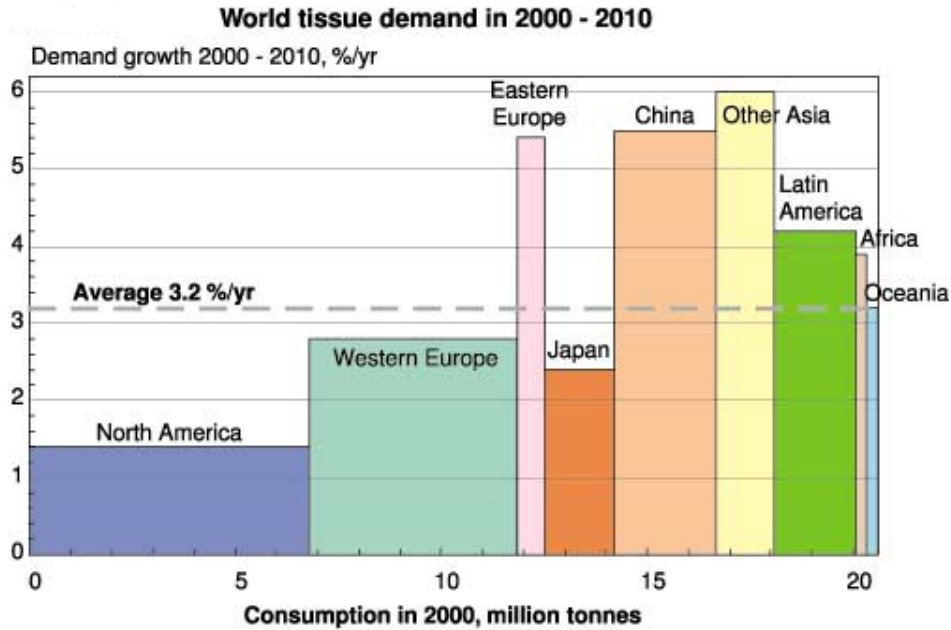
Currently, the forest and paper products industry generates \$200 billion in sales annually³. This industry is a chief exporter for the United States. Overall, bath tissue has been the fastest-growing paper sector in North America for the past 15 years. This shows that there is indeed a lot of opportunity to innovate and expand this sector with our products.

According to the American Forest and Paper Association, approximately 5.8 million tons of tissue grades³, (consisting of toilet and facial tissue, paper napkins, towels, diapers, and various other sanitary products) are produced in the U.S. annually. Across the food, drug and mass merchandiser outlets, bathroom tissue is ranked third among all non-food product categories. Mass merchandisers have promoted larger package sizes of leading premium brands to capture a larger share of the \$4.1 billion bath tissue category.

Nonetheless, the steadily increasing demand for toilet paper is driven by the increasing world population, as well as the adaptation of Western lifestyles and sanitation habits in developing countries. This can be seen in the Graph 1. Growth prospects are best in China and other Asia, where economic growth, rising standards of living, rapid growth of travel, hotel businesses and fast food chains all contribute to the demand growth. The eastern European market is also likely to grow clearly above average during the next 10 years.

² Jaffe, C. (12, 11, 2007). *MarketWatch*. Retrieved 10 22, 2011, from <http://articles.moneycentral.msn.com/SavingandDebt/SaveMoney/TheEconomicsOfToiletPaper.aspx>

³ The Toilet Paper Encyclopedia. <http://encyclopedia.toiletpaperworld.com/toilet-paper-facts/toilet-paper-quick-facts>



Graph 1: World Tissue Demand. Source: RSSI

As a result, the forests around the world are threatened by toilet paper companies who are pushing to meet consumer demand. Regardless if it is manufactured from virgin pulp or recycled paper, toilet paper will continue to be an important part of daily life in Western countries, as well as in developing countries that are emphasizing improved sanitation to mitigate health concerns.

ii. Printed Toilet Paper Existing Market

In 1998, Cristian Poincheval introduced a new monthly toilet paper in France for those readers who were shy to bring a newspaper with them to a bathroom. In this way, he invented a brand of toilet paper, Petit Lutin (“Little Pixie”), which had printings on every single sheet. The readings consisted of French cultural affairs, small artistic images, sayings, trivia, and geographical facts. This toilet paper sold over three times more than the regular toilet paper. The newspaper *The Nation* (1998), exposes the fact the people were very surprised at first, but that then they would just grab a bunch of packages to take home.

There is also an industry of customized toilet paper, solely found on the Internet. They all offer the same product, but at different prices. The prints come on every single sheet, and consumers have the opportunity to customize their own designs on the toilet paper.

B. Neutral Environment

One of the main factors that will impinge on this product's success is the aspect of sustainability. Toilet paper has long been the target for environmentalists due to the high usage of virgin pulp. Greenpeace, the international conservation organization, contends that Kimberly Clark has gotten as much as 22% of its wood pulp from producers who cut millions of trees from Latin American countries and North America, including rare trees in old-growth Canadian boreal forests.

Although toilet tissue can be made at similar cost from recycled material, it is the fiber taken from standing trees that help give it that soft and plush feel. Customers demand this soft and comfortable toilet paper, so manufacturers rely on the trees. Currently, 98% of U.S. tissue paper comes virgin wood, while 40% in Europe and Latin America comes from recycled products. Additionally, Americans use 50% more paper than Europeans⁴. The impact of this issue will be addressed in more detail in the *Threats, Opportunities, and Problems* section.

C. Company Environment & Competitive Analysis

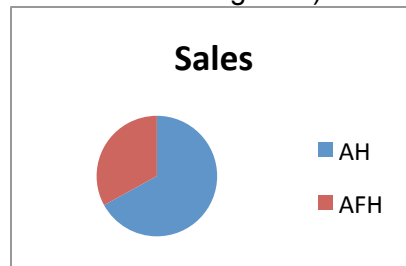
i) U.S. Tissue Paper Market Division

The tissue paper market is normally divided into two main segments: AH (At Home or consumer segment) and AFH (Away-from-Home or institutional segment).

The Bath Tissue Market	Percentage (%)
AH	67
AFH	33

Table 1. Tissue Market Divisions.

Source: Clearwater Paper Corporation



The AH market is what the "Premium Line" will mainly focus on. The major players in AH market in the United States are Kimberly Clark, Georgia Pacific, Procter & Gamble, and some other small competitors.

Top U.S. Grocery Tissue Suppliers	2009 Market Share
Georgia-Pacific	20.6%
Procter & Gamble	26.0%
Kimberly-Clark	22.3%
TOTAL BATH TISSUE MARKET SHARE	68.9%

Table 2. Top U.S. Grocery Tissue Suppliers

Source: Clearwater Paper Corporation

⁴ Penton Media. (01, 10, 2008). Retrieved 10, 24, 2011, from http://contractormag.com/bathkitchen/bathroom_habits_survey/

PREMIUM LINE

We chose our competitors based on information of the U.S. consumer bath tissue market, which shows that the primary competitors (brands own by Georgia-Pacific, Procter & Gamble, Kimberly-Clark, and Georgia-Pacific) are taking about 68.9% out of the total market share in the consumer market while the remaining 31.1% are taken by the other small companies. In this case, the primary competitors are the “STRONG” competitors, and it’s comparatively harder to taking over their market shares. On the other hand, the other small companies are the “WEAK” competitors, and it’s easier to take over their market shares. Therefore, we set our goal to take over 2.06% of the market share, which are currently held by the “STRONG” competitors; and 3.26% of the market shares, which are currently hold by the “WEAK” competitors. Then, we will increase our market participation in the following 5 years: 6.89% from the “STRONG” competitors, 10.62% from the “WEAK” competitors. In 10 years: 10.34% from the “STRONG” competitors, 15.94% from the “WEAK” competitors.

in the USA	Market Share From “STRONG” competitors	Market Share From “WEAK” competitors	Total Market Share
Year 1	$(68.9\% \times 3\%) = 2.06\%$	$(31.1\% \times 4\%) = 1.2\%$	3.26%
Year 5	$(68.9\% \times 10\%) = 6.89\%$	$(31.1\% \times 12\%) = 3.73\%$	10.62%
Year 10	$(68.9\% \times 15\%) = 10.34\%$	$(31.1\% \times 18\%) = 5.6\%$	15.94%

Table 3. TPrint Market Share Goals

Based on the market shares of the biggest tissue paper companies, our primary research showed that our main competitors would be existing brand names of toilet paper: Charmin, Cottonelle, Scott, and Angel Soft.

Business Strategy

TPrint	<ul style="list-style-type: none"> • Prints with jokes, quotes or kid entertainment which will provide an advantage for the brand.
Charmin (P&G)	<ul style="list-style-type: none"> • Online Shopping. • iPhone App For Advertisement.
Cottonelle (Kimberly-Clark)	<ul style="list-style-type: none"> • Online Survey to gather information from the customers. • Online Introduction about their products.
Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • Printable online Coupons, in order to analyze the population of people for who actually log on to their website.
Angel Soft (Georgia-Pacific)	<ul style="list-style-type: none"> • Angel Soft sales its products in the stores of the market place, and their main targets are households.

Positioning

TPrint	<ul style="list-style-type: none"> • Presents itself based on the ideology of integrating an educational and entertaining experience in the bathroom.
Charmin (P&G)	<ul style="list-style-type: none"> • Created a cute bear (Mr. Whipple) as the image of the company and its brand to attract customers (especially for children) to buy their toilet paper.
Cottonelle (Kimberly-Clark)	<ul style="list-style-type: none"> • Cottonelle's mascot was originally a woman. At the time, the commercials usually consisted of how soft the roll was by showing a cotton ball and comparing it to the product itself. • Cottonelle devised an extensive advertising campaign featuring a large "Comfort Haven Bus" decorated to resemble a dog.
Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • Scott presents an Eco-friendly ideology to its products
Angel Soft (Georgia-Pacific)	<ul style="list-style-type: none"> • "The new Angel Soft® Bath Tissue is now the thickest ever. Angel Soft continues to bring you the ideal balance of softness and strength at a great value, and with so many different sizes, you can find the Angel Soft Bath Tissue that's right for you and your family."⁵

⁵ From the AngelSoft.com, ANGEL SOFT® PRODUCTS: Comfort, available in different sizes and designs.

Product	
TPrint	<ul style="list-style-type: none"> • Premium Line (two divisions): TPrint & TPrint Kids • Commercial Line
Charmin (P&G)	<ul style="list-style-type: none"> • Variety of Choices. (Ultra Strong, Ultra Soft, Basic, Sensitive)
Cottonelle (Kimberly-Clark)	<ul style="list-style-type: none"> • The company has made several different toilet paper types, (such as Cottonelle Two-ply, Cottonelle Ultra, Cottonelle Aloe & E)
Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • The company has made several different toilet paper types, (such as Scott® Extra Soft, Scott® 1000 Tissue, Scott Naturals™ Tissue, Scott® Rapid Dissolving Tissue)
Angel Soft (Georgia-Pacific)	<ul style="list-style-type: none"> • Toilet paper types: Regular Roll, Double Roll, Big Roll, and Premium.

Price	
TPrint	<ul style="list-style-type: none"> • TPrint: \$0.9/ Roll • TPrint Kid: \$0.9/ Roll • Average: \$0.9/ Roll
Charmin (P&G)	<ul style="list-style-type: none"> • Ultra Strong: \$0.3477/ Roll • Ultra Soft: \$0.3477/ Roll • Basic: \$0.30375/ Roll • Sensitive: \$0.74917/ Roll • Average: \$0.43708/ Roll
Cottonelle (Kimberly-Clark)	<ul style="list-style-type: none"> • Cottonelle Two-ply: \$0.6642 • Cottonelle Ultra: \$0.6225 • Cottonelle Aloe & E: \$1.57425 • Average: \$0.95365/ Roll
Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • Scott® Extra Soft: \$1.25 • Scott® 1000 Tissue: \$0.9385 • Scott Naturals™ Tissue: \$0.74 • Scott® Rapid Dissolving Tissue: \$0.89 • Average: \$0.954625/ Roll
Angel Soft (Georgia-Pacific)	<ul style="list-style-type: none"> • Regular Roll: \$0.37 • Double Roll: \$0.524 • Big Roll: \$0.7029 • Premium: \$0.8368 • Average: \$0.608429/ Roll

*Our price is based off of the price of the premium quality toilet paper line of our competitors

Place

TPrint	<ul style="list-style-type: none"> • Premium Line: US Northeast Region, retail stores • Commercial Line: USA, Direct Sales
Charmin (P&G)	<ul style="list-style-type: none"> • P&G products are available almost all over the world. P&G distributes the products in about 140 countries to approximate five billion consumers. • DHL courier is a service provider to the company through which it ensures its logistical efficiency.
Cottonelle & Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • Kimberly Clark provides products and services to 11 countries all over the world (such as USA, China, Taiwan, Thailand, Australia, Greece, South Africa, Brazil, Mexico, etc.) with various brand name.⁶
Angel Soft (Georgia-Pacific)	<ul style="list-style-type: none"> • Georgia-Pacific have about 300 manufacturing facilities across North America, South America and Europe, ranging from large pulp, paper and tissue operations to gypsum plants, box plants and building products complexes.[#]

Promotion

TPrint	<ul style="list-style-type: none"> • The main revenue gain from basic line is for the advertisement for other companies.
Charmin (P&G)	<ul style="list-style-type: none"> • This era is an era of advertising. Companies have to do huge advertising to sell their products to the consumers. • P&G has an effective promotions strategy with an advertising budget of approximately \$8.68 billion dollar in 2009 which makes it world's number one advertiser (Mikkelson, Barbara and David, 2005). • P&G received Advertising Hall of Fame Award in 2010. The company uses television mass advertising in particular, Internet marketing and other marketing mediums to promote its brands.
Cottonelle (Kimberly-Clark)	<ul style="list-style-type: none"> • According to Ad Rants, the "Comfort Haven Bus" would travel cross-country to "offer visitors access to "relaxation stations" where people can see first-hand—and hopefully in privacy—how soft and comforting Cottonelle can be."⁷
Scott (Kimberly-Clark)	<ul style="list-style-type: none"> • Scott adopts the Ads statement, "If we all used Scott Naturals™ paper products for 4 weeks, we'd save over 2 million trees" to promote its product with the concept of "Eco-friendly Product" and sustainability.

⁶ Kimberly-Clark® Products, About Uline, Locations

⁷ Georgia-Pacific Company Overview.

Service Delivery	<ul style="list-style-type: none"> • The efficiency of service delivery among these companies is basically the same, since they are responsible to delivery their product to their retailers, and the retailers are responsible of approaching the public customers.
Human Resources	<ul style="list-style-type: none"> • This is not a significant factor for the industrial of toilet paper, since the companies are directly selling their products to their local retailers. The production of toilet paper is mainly by machines.

D. Competitive Advantage

Since we will assure selling our product at the market competitive price, we will be able to have an overall competitive advantage with providing entertainment, together with providing the basic service of our competitors. The distinction solely relies on the fact that we will offer a unique and stylish way of promoting a new experience in the bathroom, offering the same price and quality as products from our competitors. Furthermore, we'd be opening a path to an unexplored advertising territory; a territory that covers a basic need of every single human on Earth: getting rid of waste.

Within the opportunity of developing a new way of advertising, we will also be able to provide educational proposals to the community, but especially to kids. Once we achieve a good level of customer attraction, we will also be able to promote sanitary facts in public areas, as well as incentivize kids to faster learn the practice of using the bathroom.

Finally, a main strength is the surprise factor/atmosphere that we'll be creating by not printing on every single square, as other customized printed toilet papers companies do. This could create a positive psychological stimulus during a mundane experience.

III. MARKETING OBJECTIVES AND GOALS

The business idea involves two main lines, as previously mentioned. The first one is the “premium line,” a high quality product designed to reach specific people in households. We plan to do this using two divisions: an adult and kids design. The second line is the “commercial line,” with which we will try to penetrate a business to business market. The target will be consist mostly of, but not restricted to, public places such as malls, fast food restaurants, high schools, universities and other wholesale markets.

Due to the difference in the two lines, the company is in need to differentiate its objectives and goals for each of them. Nevertheless, this section will start with the long term main goal which applies to both lines and then proceed to narrow down the goals and objectives for each line.

Our long term goal is to position our two products (premium line and commercial line) in the top of the American market, revolutionizing the experience of millions of going to the bathroom at reasonable prices.

We understand the previous as our ultimate goal for the company that may take us a few years to reach. We are estimating at most six years in order to get our product to set the standard and get established as the main product available.

PREMIUM LINE GOALS

Long Term Goals:

- Provide a unique way of bathroom entertainment giving households a quality product and a new bathroom experience.
- Use our kids division to bring kids the opportunity to enjoy fun designs helping them improve the bathroom experience and facilitating toilet training.

Long Term Objectives:

- Achieve the top 3 in market share in the toilet paper industry within the US for houses in the middle and high social strata. The company expects to reach this performance within 4 years of launching the product.
- Expand the company to other states and areas within the US.
- Get up to 80% of the extra cost from printing subsidized by companies interested in advertise.

Short term Goals:

- Introduce the premium line satisfactorily into the US north east market highlighting the uniqueness and novelty of the product.
- Advertise and promote the product to produce a positive first impact in consumers and public opinion.

Short Term Objectives:

- Increase the production a 30% to expand and reach other markets in the NY area within the first 6 months.
- Get 50% of the extra production costs due to printing subsidized by companies interested in advertise in the premium line toilet paper.
- Get up to 15% of the household market.

COMMERCIAL LINE GOALS

Long Term Goals:

- Provide the cheapest toilet paper in the north east market with the help of advertisements subsidies to be the number 1 provider of toilet paper for other businesses such as malls, fast food restaurants, high schools and other public places.
- Provide to other important companies the possibility of advertise massively in public places through our printed toilet paper.

Long Term Objectives:

- To get 40% of the market share in the business to business toilet paper market in the north east.
- Get 50% or more of the production cost subsidized by companies interested in advertise in our printed toilet paper.

Short term Goals and Objectives:

- Expand the network to promote our advertising service to other businesses.
- Get an initial 33% of the total costs for the basic line subsidized
- Lock-up a contract with an umbrella company.

IV. TARGET MARKET AND MARKETING STRATEGY

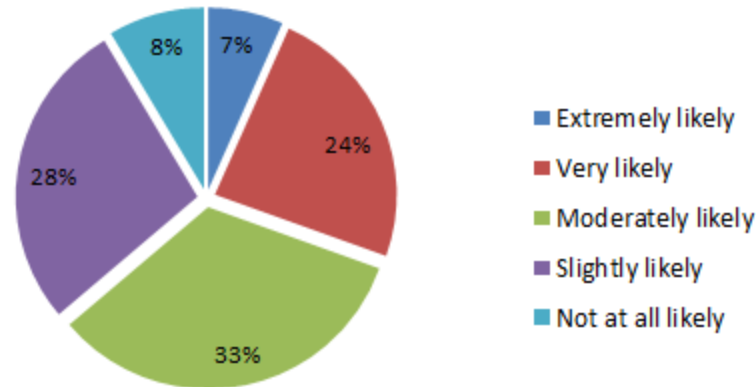
Our target market will vary depending on the line that we are selling, because each line targets different consumers. Using our primary market data that we collected through an online survey (see appendices), we've formed the following:

	Commercial Line	Premium Line
Segment Targeted	Public Restrooms <ul style="list-style-type: none"> • Malls • Fast Food Restaurant • Universities and Colleges • Rest stops 	Households (though it will also be available to any firm which would like to buy it)
Geographics	United States	Northeast United States
Psychographics	Cost efficient institution with disposition to advertisements in their bathrooms.	Open minded households that would be willing to experience innovative products. They must be willing to have company brands at home.
Demographics	USA public institutions	<ul style="list-style-type: none"> • Northeast US households • Families containing at least one child • Middle to high income rang • Kids Line: Age 8 and under • Adults Line
Position	Segmentation based on cheaper price of our product that will be subsidized through advertisements	We differentiate TPrint by printing fun facts, jokes, quotes, and kid entertainment which will revolutionize the product and its uses.

Since most of our survey results came from people currently living in the Northeast region, we will use this data as a proxy to our starting marketing target. With this in mind, we can use as our advantage the fact that the Northeast region has the highest median income per household (see appendix 2), thus widening our possibilities to sell at a high quality competitive price.

Furthermore, we will also take into consideration the distribution of the likeliness of buying TPrint for the targeted area. We will focus towards growing loyalty and trust within the top three groups of likeliness, moderately likely, very likely, and extremely likely.

Distribution of Likeliness in the US Northeast Region

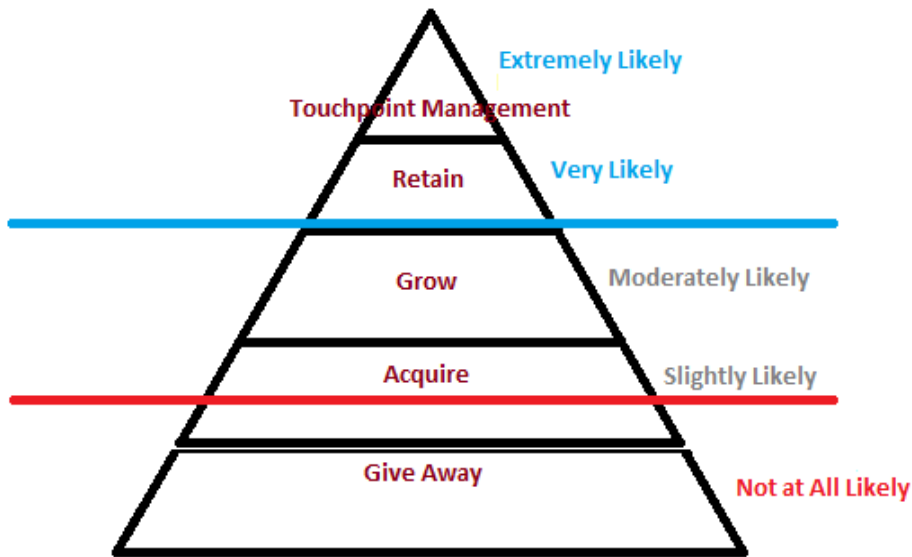


Note: It is important to address that this survey is not a representation of our Commercial Line since most of the contestants, if not all of them, are consumers and not businesses. As a result, we use the results of our survey as a proxy for our Premium Line.

Graph 2: Primary Research Results

We will commit to convince the first group to incorporate TPrint in their shopping list, as well as prove to these customers that we pursue a combination of both quality and fun. This will emphasize our comparative advantage over the toilet paper they usually buy. Since the second group is consistent towards very likely buying TPrint, we will emphasize on grabbing a hold on them. Finally, we will probably not be concerned about those customers who are *extremely likely* to buy our product, but instead we will assume that they will become part of the TPrint culture and that they will spread the word. We focus on these groups because it will be very costly to increase the level of likeliness of those customers who are either *slightly likely* and *not at all likely* to buy our product, though we will also strive to acquire “slightly likely to buy” customers. This way we would be able to find and service the “right” customers in order to build

relationships. This analysis can be seen on our CRM customer segmentation version model:



PREMIUM LINE

TPrint will be introduced as a new concept of toilet paper. The premium line will penetrate homes as a unique product in the market. We will focus our marketing efforts to create the idea that TPrint is a synonym of fun in the bathroom.

The premium line will be divided into two divisions (TPrint & “TPrint Kids”). This will allow us to target these two groups easily. On the other hand, the separation will serve as a diversification of the product in case of an unsuccessful design. Toilet paper is traditionally viewed as a commodity with little differentiation. However, our product will be differentiated with prints with jokes, quotes or kid entertainment which will revolutionize the product and its uses. We will concentrate on getting the attention of the middle to high class household of the northeast area open to new experiences in entertainment in the bathroom.

COMMERCIAL LINE

The TPrint commercial line will be introduced in the business to business market as the cheapest option in toilet paper with decent quality. The line will include simple advertisements printed but the price will be the main attraction and the differentiation from other brands.

V. MARKETING TACTICS

Product

Our product will be printed toilet paper. This product branches off into two lines: the commercial line and the premium line.

PREMIUM LINE

- High quality roll: two-ply paper with specifications for softness and resistance.
- Jokes, quotes and facts every 8 squares (if technology allows it, we will incorporate randomization between 6 and 12 squares to add surprise element)
- Each quote, joke or fact will be sponsored by a company that would pay us for the space. (Standard Division)
- Fun kid facts, jokes, cartoon designs, also sponsored by companies. (the variety of the design will be subject to technological availability)
- Rolls will bring 188 feet (500 squares of 4.5x4.5 inches).
- Packaging: Rolls will come in packages of 12. The package will be made out of plastic and will include our logo and different color paint splattered.

COMMERCIAL LINE

- Rolls will be commercial quality: single-ply.
- Advertisements and logos of interested companies would be print in a constant length ratio.
- The rolls will contain 1000 to 2000 according to the specification of the umbrella company or the equipment availability. (*Note: calculations in the finance section are estimated using simple rolls or 188 feet*)
- Rolls can be purchase in cases of 12 or 24 rolls.

Price

PREMIUM LINE

Price Objectives: The premium line is going to be introduced as a high quality product aimed towards middle and high income householders. This, in addition to the elevated costs of printing and designing, will allow us to charge high prices. However, as an introduction to the market, the prices would have to be competitive with other high quality brands.

Estimated demand: Since the introduction will take place in the Northeast United States the demand was estimated in our financial statements as follows. The total population in the north east is approximately 55,283,679. Based on some statistics, the average person uses 3.4 rolls per month. Multiplying these two gives us an idea of the total amount of demanded rolls in the northeast. since the premium line targets the AH (At Home) segment (62% of the total). The result is the total demand for AH in the north east. Considering an objective of 6.46% market share, our estimated demand would be around 7.5 million rolls that will have to be produced and sold.

Calculating costs: Costs of production of the plain rolls will be close to the production costs for other high quality rolls, which means around \$0.08 per roll. Furthermore, the addition of design and prints will add an extra \$0.03 to the cost per roll. Multiplying this by the estimated production gives us expected monthly costs of around \$828,118.

Competition: The competition retail price for a high quality toilet paper is around \$0.9 per roll. This assuming that the retail charges around \$0.2 making a \$0.7 the competitive price for that quality. Furthermore, according to our survey, we would be able to charge at most an extra expected value of \$0.15. Nevertheless, we will only use this spread deeper into time, considering that we want to start at a competitive retail price for a high quality toilet paper (see appendix 1).

Setting the Price: at \$0.7 we would be competitive in the high quality market. Meanwhile the design and the prints will then differentiate our product as the price is not an issue. This pricing will allow us to have an estimated net income of \$2,800,000 approximately (see appendix 1).

COMMERCIAL LINE

Price objectives: For this line, price is probably the most important characteristic of our product. We are seeking to have the cheapest product in the market with the help of the advertising revenue.

Calculation costs: Costs of producing this type of roll is assume to be constant and part of the umbrella company costs. We are expecting to collect more extra revenue from the ads than the extra costs of providing the prints in such way that our initial cost of production is reduced.

Estimated demand: Total demand is calculated similarly as for AH line but multiplying the total demand of toilet paper by 0.38 (market proportion for AFH lines). We expect an initial 12% of the market share for AFH.

Price: The average price of the competition is around \$0.5 dollars per roll (or equivalent of 180 feet). We want to be profitable but setting our price below the competition, setting it at \$0.35 per roll and charging \$0.02 per roll to get the advertises published.

Promotion

Marketing Communications Mix

In promoting our product, we focus on the one differentiating feature: Redefining the bathroom experience with printing. This is an extremely tangible differentiation that sets us apart from our competitors, in that there does not exist a toilet paper that focuses specifically on the customer's mental experience.

We will utilize both an informational and transformational appeal in our message. Our informational appeal will emphasize the educational aspect of our product; not only is our toilet paper different and more fun than plain white toilet paper, but our product also revolutionizes the everyday experience. Our marketing campaign will emphasize that all humans must use the bathroom, and all humans spend quite a lot of time in the bathroom-- why not take advantage of the time and learn something every time?

Because we have two types of the premium line, the transformational appeal will involve commercials that appeal to parents of young children. Our ad campaign will include a series of commercials that pull on positive emotional appeals using humor and borrowed interest devices, mainly cute children, popular music, and relateable familial situations. An example of our

commercial ad can be found at this link:

http://www.youtube.com/watch?v=Tim37ZbvKI0&feature=youtube_gdata

Again, we will emphasize the educational value, as well as entertainment value, made possible by the printing. This will differentiate our product beyond all other existing toilet paper.

We plan to promote our **premium line** product through the following ways:

	Intro	Growth	Maturity	Decline
Advertising	Aggressive Commercial policy in TV. Ads in Newspapers and Magazines	Enough ads in tv to keep the product in the consumers mind.	Advertisement should show innovation.	Reduce costs in advertising.
Public Relations	Leverage our umbrella company in public relations: news, articles	Continue leveraging scope of umbrella company	Maintain positive public relations, but do not introduce any new efforts	Same as previous stage
Sales Promotion	Use of introductory discounts and coupons (3 coupons per roll). Coupons may be printed in our rolls. Increase loyalty.	Decrease frequency of coupons and discounts.	Increase discount and special promotions. Extra rolls may be included per package.	Keep price incentives unless demand increases in maturity.
Direct Marketing (Only applicable Commercial Line)	Use in person meetings with businesses to advertise product	Email companies directly to advertise product	Continue to be open to new businesses that want our service	Same as previous stage
Personal Selling (Only applicable to Commercial Line)	Establish contracts with several companies to advertise product	Acquire more businesses to advertise on our toilet paper	Continue personalizing plans for companies	Same as previous stage
Word of Mouth	We will use social media: Facebook and Twitter	Continue with social media campaign	Same as previous stage	Same as previous stage

For public relations, we hope to use the existing scope of our parent company to promote organizational image and protect our product. Depending on our umbrella company, we will adjust our public relations strategy accordingly to put us in the best light.

In terms of Sales Promotion, we plan to use tools like coupons both in print ads and within our product to promote ourselves. We plan to include a certain number of coupons printed onto each roll, which will not only grab the attention of the customer, but it will also incentivize customers to purchase more of our product. We will advertise our product in both the Commercial Line and the Premium Line itself, in order to use the product as a means to self-advertise.

Direct Marketing and Personal Selling will only be used to promote the commercial line. These tactics will bring us closer to firms that want to utilize our service. By meeting with potential customers face to face, we can personalize exactly where they would like their ads to be placed and how much they are willing to purchase. Certain businesses may want to advertise only in certain geographical locations or to particular demographics. Our commercial line allows very streamlined and specific advertising to the masses.

The last element in our marketing mix is Word of Mouth. Our product provides advertising that reaches geographically dispersed buyers, as well as across a range of demographics. Positive Word of Mouth is important for this line of our product because there are existing competitors that launch intensive advertising campaigns in the media. We plan to utilize social media such as Facebook and Twitter to promote, encourage, and spread our product.

We believe that a combination of these elements will provide an extremely successful marketing strategy, especially because there is a duality in our business that allows us to fully utilize multiple forms of promotion and simultaneously attract both firms and consumers.

Place

PREMIUM LINE

Our goal is to adapt the umbrella company distribution channels and logistics. Thus, our product should be transported from the company's warehouse to the retail stores. The retail stores selected will initially be located in the northeast of the US and should be prestigious firms characterized by the sell of high quality and innovative products. Our business idea basically proposes a tangible product with little service characteristics. However, it is in our plans to create a web page with information about the brand, the production process and a service to contact the company

COMMERCIAL LINE

The commercial line will be distribute by us directly to the company that requires it. Again networking through the umbrella company will help to locate and distribute our product. The storage and the distribution means should be provided by the umbrella company.

VII. PROBLEMS, THREATS, OPPORTUNITIES

Problems

Taking into consideration that we have two different product lines, the worst case scenario would address the possibility of negative reactions from businesses or customers. On one hand, businesses could dislike the idea of having their logos/bands printed on toilet paper given what it is used for. Since one of our main objectives is to achieve a subsidized premium line, under the latter circumstances, we would not be able to make up for the extra costs of printing. Thus, we would not be able to sell the premium line at a lower or equivalent price as our competitors. As a result, we would not be able to produce/sell for masses, and we would end up offering a customized product at a higher price. This would fail to our goals since there are already businesses that sell customized printed TP on the Internet.

On the other hand, consumers could also dislike seeing printed images, quotes, fun facts, and others, on TP given the cultural characteristics with which it has been characterized for the last 40 years, such as its whiteness. Under this circumstance, we would be unable to sell the premium line. Nevertheless, our survey supports the argument of positivism towards our product in the way that only 30% of the contestants are slightly/not-at-all likely to buy our product.

Another issue which we must address is the availability of a machine which will allow us to print on random pattern of squares. This is of important nature because we do not want to overwhelm the TP with printings, but instead we want to address a surprise factor (this is based on a stimulus-and-response model). Furthermore, this technology must also provide the opportunity to massively print different models on a same roll. This is due to the fact that we want a mix of printings. Otherwise, our product will stagnate at the point when consumers realize that these are repetitive, and consequently, we would fail to provide an entertainment scenario. The latter also exposes that we would need a very large data base of quotes, fun facts, jokes, etc. in order to provide a diverted portfolio of entertainment.

In addition, it is important to consider other problems regarding the use of the ink, for example, it must be non-toxic, non-smearing, biodegradable, it must stay, be flush-able, waterproof, and non-allergic. Nevertheless, these issues can be easily addressed considering that there are other industries, like the tissue/kitchenette paper industries, that already deal with these sorts of problems. As a result, the technology is available and we can make use of it.

Finally, we believe that the orientation of the toilet paper is also a problem to our product. This issue is important because we want to make sure that people actually see the prints. Furthermore, the orientation makes a difference because we would have to consider the possibility of printing on both sides of every square, which will make our product more expensive.

There are two different ways of placing TP in a bathroom dispenser: over and under (see appendix 3). According to various surveys and studies, approximately 70% of consumers use the over approach. This means that in the scenario that technology only allow us to print on one face of each square, we would lose at least 30% of “sight-seeing.”

Threats

The closest threats/substitutes of our product, but of TP in general, are the “bidet” and the “washlets,” which are electronic toilets that wash the user after using the bathroom. The former, invented in the 18th century, are common fixtures in many southern European countries, while the latter (a combination of toilets and bidets invented in 1980) are very popular in Japan and South Korea (used in about 60% of households). Their prices range between \$10-300 and \$200-5,000 respectively.⁸

Taking the previous into consideration, we believe that these products will not commit a real threat to our marketing strategy and future expansion (besides Japan and South Korea). On one hand, time placements demonstrates that there is a low demand for bidets and washlets, since they have both been into circulation for very long periods, more than 2 centuries and 30 years respectively. Furthermore, we focus our marketing strategy towards the Western Culture, and evidence demonstrates that people in the USA have a cultural trend of using toilet paper. As a result, we do not see these products entering the USA market because it would require changing the way, and thus a cultural trend, of how westerns use the bathroom. Furthermore, the prices are very high, and we assume that people and companies are not willing to buy bidets or washlets overof toilet papers. Or at least not yet given that a change of mentality, and with it a whole cultural trend, will be necessary.

⁸ Reuters, Tokyo, Chris (September 28, 2003). "US, Europe unready for super-toilets, but Japan is patient". *Taipei Times*.

Environment

Production of TP involves, without a doubt, various environmental effects. On one hand, producing enough toilet paper just to cover its demand in the USA requires to cut down more than seven million trees per year. On the other hand, both virgin and recycled paper require chlorine based chemicals to be whitened, and after the manufacturing processes these release certain toxic compounds that are both dangerous to the environment and to people (the scientific terms for these toxic chemicals are dioxins and BPA, respectively).⁹

With the previous in mind, it is necessary to address the environmental concerns that the production of our product could create in order to prevent possible costly negative advertising from world organizations like Greenpeace. In an effort to market its sustainability efforts, TP will work to provide relevant information to its customers regarding the environmental footprint of its products. It will aim to help customers understand the life-cycle of all its products in order to empower them to make educated choices. On a personal level, TP will help consumers understand the functionality and affordability of various material options, the feasibility of recovering and preparing items for recycling, and the availability of recycling, composting and incineration facilities in their area. One specific way to achieve this level of consciousness is by obtaining the ISO 12625-1:2011 certification, which establishes general principles for the use of terms in the entire working field of tissue paper and tissue products, and with it claim certified sustainable forestry practices. We would also commit to: i) “manage timberlands,” a program that provides tax incentives for forest landowners (which is usually the case for tissue paper manufacturers) who practice sustainable forestry on their nonindustrial, privately owned forestland; ii) replace cut down trees.

In addition to the issues previously addressed, environmentalists are also concerned about the type of ink used on paper. In the 1960s and 1970s, colored TP was sold in the USA so that it would match the decorations in the bathrooms. Nevertheless, by the late 70s, environmentalists became more concerned and consequently, consumers became aware of the damage that the use of ink could produce towards the environment, where in principle, the dyes used for this purpose came from vegetables that were harmless to the environment. Even though our product is not completely colored, we must make sure that the ink we use is not dangerous for the environment or bad for the customers. In order to address this, we assume

⁹ BioRelief. (11, 10, 2011). *BioRelief*. Retrieved 12, 1, 2011, from <http://biorelief.com/blog/post/view/identifier/toilet-paper-environment-bidets-sove-problem/>

that if there exists such product as colored TP, we should be able to integrate the same technique used for this purpose into our manufacturing process.

We believe the company in our industry that resets the landscape in terms of environmental stewardship and sustainability will win with customers, employees, communities, and the public at large. This shows that TP reflects not only the company's devotion to sustainability, but also their motivation for producing the good.

APPENDICES

Appendix 1. TPrint Finances

	Premium Line	Commercial Line
Cost per unit:	0.08	0.04
Additional for Prints	0.03	0.02
Total additional costs for prints	297,803.68	131,655.03
Total cost per unit	0.11	0.06
Total cost per month	1,091,946.83	394,965.09
Cost of plain rolls	794,143.15	263,310.06
Market population (northeast)	55,317,240.00	
Market division (65/35) house vs PP.	122,251,100.40	65,827,515.60
Total market demand per month	188,078,616.00	
Expected share of the market	0.0812	0.10
Estimated sales units	9,926,789.35	6,582,751.56
Expected Ads Total Subsidies	148,901.84	131,655.03
Ads Subsidies per unit	0.015	0.02
Price (non retail)	0.70	0.35
Price (competition)	0.95	
Selling, General Admin. Expense	325,000.00	175,000.00
Total Selling, General, Adm. Exp		500,000.00
Tax rate	0.34	0.34
Tax expense	2,362,575.87	783,347.44
Sales revenue	6,948,752.55	2,303,963.05
Net Income	3,318,131.69	1,082,305.55
Net profit margin	0.477514729	

** fixed costs and operation costs are going to be*

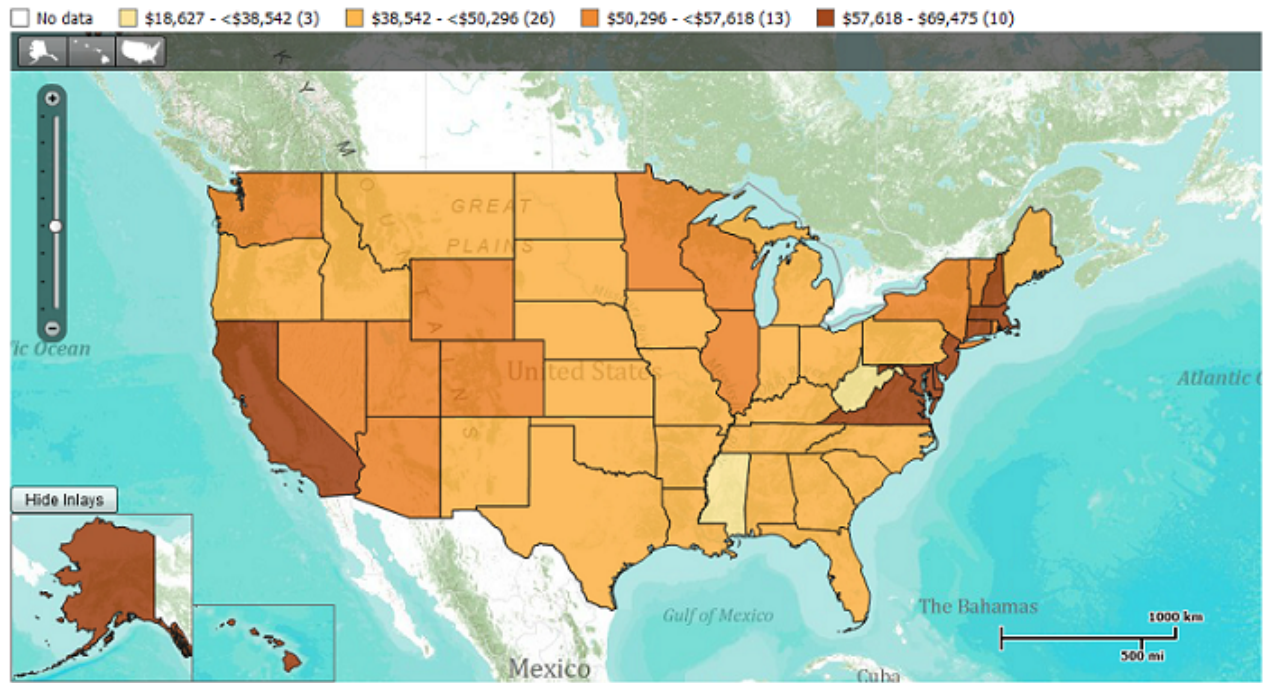
*** 3.4 as the avg amount of rolls per person*

1 roll = 187 feet

Income Statement for TPrint

	Premium Line	Commercial Line
Sales Revenue	6,948,752.55	2,303,963.05
Advertisements Revenue	148,901.84	131,655.03
Total Revenues	7,097,654.39	2,435,618.08
Cost of plain rolls production	794,143.15	263,310.06
Extra cost for printing	297,803.68	131,655.03
Cost of goods sold	1,091,946.83	394,965.09
Selling Admin. Expenses	325,000.00	175,000.00
Total Expenses	1,416,946.83	569,965.09
Pretax Income	5,680,707.56	1,865,652.98
Income Tax Expense (35% and 25%)	1,931,440.57	634,322.01
Net Income	3,749,266.99	1,231,330.97

Appendix 2.



Source: U.S. Census Bureau, American Community Survey, Geographic Comparison Tables

Notes: Data are subject to both sampling and nonsampling error. A hyphen (-) indicates data are not available.

Appendix 3.

OVER

① Easier to tear off desired number of tiles.

② Less chance of scraping wall with knuckles/gathering germs.

③ Easier to locate and grab end.

Advantages

70% of people

Celebrity Endorsement:
Jay Leno

Personality Traits:
Likes to take charge
Over-achiever
Stays organized

$F_f \leq \mu F_n$
Normal force of wall on roll results in kinetic friction with coefficient $\mu > 0$ which may be sufficient for accidental tearing.

UNDER

① Less chance of unravelling in an RV or during an earthquake.

② Less chance of cat or small child unravelling roll.

③ Tidier appearance.

One Ply: 1000 total sheets
Two Ply: 500 total sheets

Advantages

30% of people

Celebrity Endorsement:
Ann Landers

Personality Traits:
Laid back
Artistic
Dependable

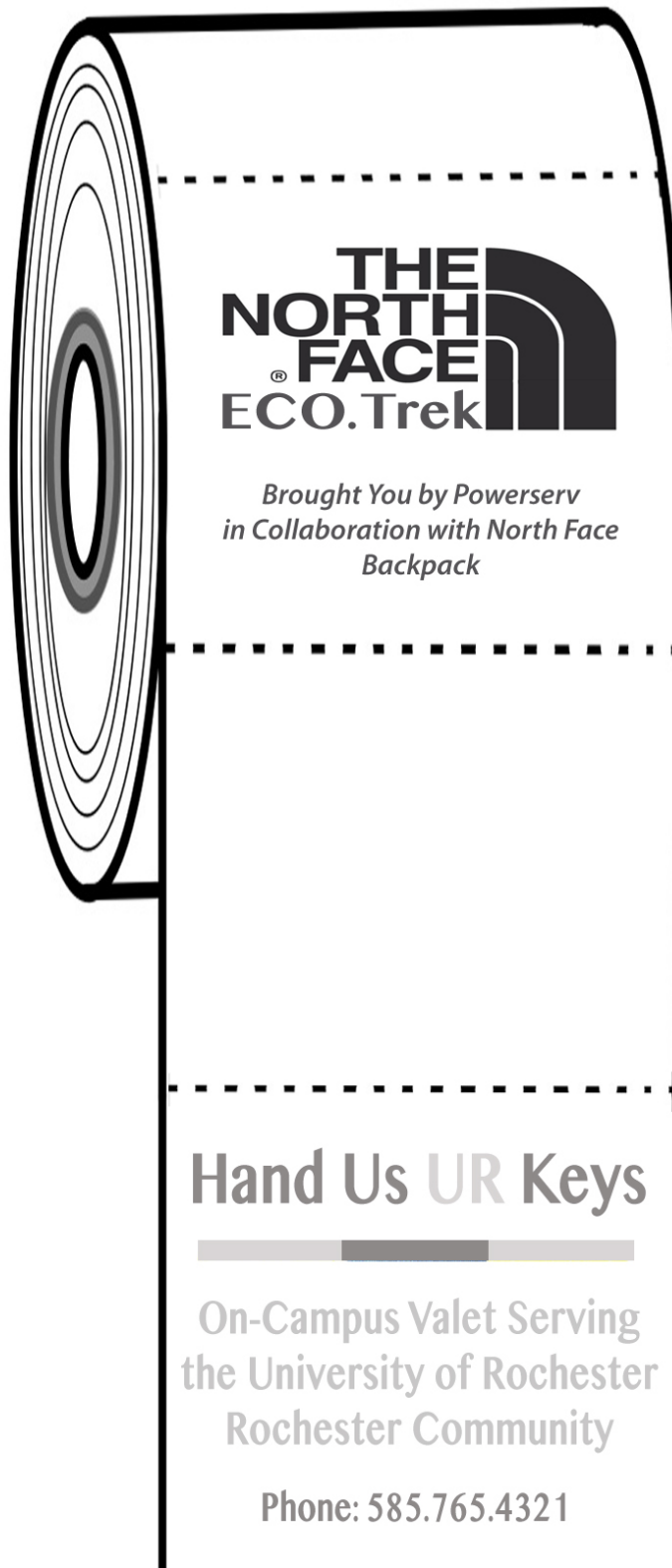
$F_f = 0$
No contact between roll and wall. No kinetic friction occurs and roll spins freely.

Appendix 4.

Promotions



	Your in-store coupon!
	\$3
<p>Offer valid from 7/12/11 through 1/2/11 at market place in the United States. Not valid online. Discount is allocated specifically for the T-Print (12-Pack) Toilet Paper.</p>	Off your purchase of \$10 or more
	 T-PRINT



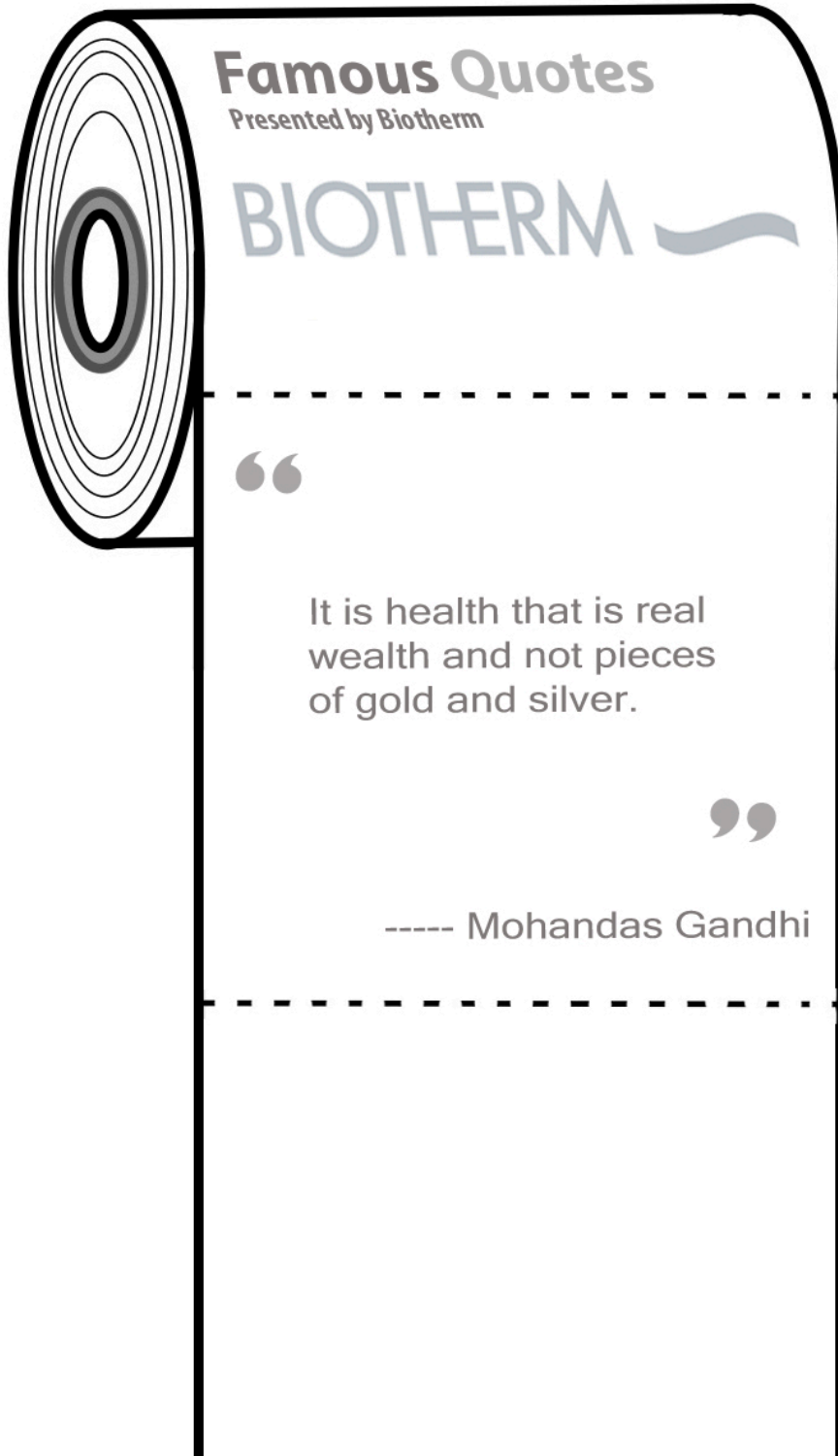
**THE
NORTH
FACE**
ECO.Trek

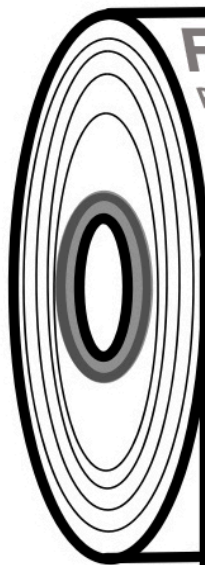
*Brought You by Powerserv
in Collaboration with North Face
Backpack*

Hand Us UR Keys

On-Campus Valet Serving
the University of Rochester
Rochester Community

Phone: 585.765.4321





Fun Facts

Presented by The Body Shop



"I just want The Body Shop to be the best, most breathlessly exciting company - and one that changes the way business is carried out. That is my vision."

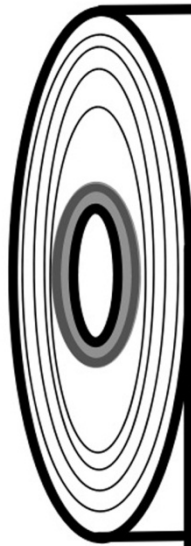
-Dame Anita Roddick. Human Rights Activist. Founder of The Body Shop.

“

The toilet is flushed more times during the super bowl halftime than at any time during the year.

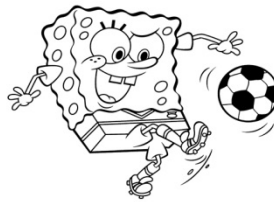
”

SPONSORED BY



A B C D

E F G H



I J

K L

Bibliography

- Avameg, Inc. (n.d.). *How products are made. Vol. 6*. Retrieved 11 26, 2011, from <http://www.madehow.com/Volume-6/Toilet-Paper.html>
- BioRelief. (2011, 10 11). *BioRelief*. Retrieved 12 1, 2011, from <http://biorelief.com/blog/post/view/identifier/toilet-paper-environment-bidets-sove-problem/>
- Braun, D. (2010, 05 16). *National Geographic*. Retrieved 12 01, 2011, from <http://blogs.nationalgeographic.com/blogs/thegreenguide/2010/04/27000-trees-a-day-used-for-toilet-tissue.html>
- Business Opportunity & Engineering Group. (n.d.). *Zhauns*. Retrieved 11 24, 2011, from http://www.zhauns.com/pdf/TOILET_ROLL_MAKING_MACHINES.pdf
- Consumers Alliance for Global Prosperity. (2011). *Consumers Alliance for Global Prosperity*. Retrieved 11 15, 2011, from Pulp Wars: http://pulpwars.com/empires_of_collusion/s/13
- Consumers Union of US. (2009, 05). *ConsumerReports.org*. Retrieved 11 15, 2011, from <http://www.consumerreports.org/cro/magazine-archive/may-2009/home-garden/toilet-paper/overview/toilet-paper-ov.htm>
- Georgia-Pacific. (n.d.). *Angel Soft*. Retrieved 11 28, 2011, from <http://www.angelsoft.com/products.html>
- Intera. (1991). *Equipment for toilet paper production*. Retrieved 12 2, 2011, from <http://intera.dp.ua/eng/business.html>
- Jaffe, C. (2007, 11 12). *MarketWatch*. Retrieved 10 22, 2011, from <http://articles.moneycentral.msn.com/SavingandDebt/SaveMoney/TheEconomicsOfToiletPaper.aspx>
- Just Toilet Paper. (n.d.). *JustToiletPaper.com*. Retrieved 09 11, 2011, from Just Toilet Paper
- KAUFMAN, L. (2009, 25 02). *The New York Times*. Retrieved 10 29, 2011, from <http://www.nytimes.com/2009/02/26/science/earth/26charmin.html?em>
- Kimberly-Clark. (2001). *Kimberly-Clark*. Retrieved 12 01, 2011, from <http://www.kimberly-clark.com/>
- Mirhaydari, A. (2010, 9 6). *MSN Money*. Retrieved 12 1, 2011, from <http://articles.moneycentral.msn.com/learn-how-to-invest/your-toilet-paper-and-the-recovery.aspx?page=1>
- Penton Media. (2008, 10 01). *Contractor*. Retrieved 10 24, 2011, from http://contractormag.com/bathkitchen/bathroom_habits_survey/
- Pulp&Paper International. (2002). *PPi*. Retrieved 11 29, 2011, from http://www.risiinfo.com/db_area/archive/ppi_mag/2002/0203/ppi1.htm

Reuteurs, T. (2008, 10 28). *Taipei Times*. Retrieved 12 01, 2011, from <http://www.taipetimes.com/News/biz/archives/2003/09/28/2003069604>

The Toilet Paper Encyclopedia. (2008). *Toilet Paper World*. Retrieved 12 01, 2011, from <http://encyclopedia.toiletpaperworld.com>

U.S. Census Bureau. (n.d.). *U.S. Census Bureau*. Retrieved 11 24, 2011, from <http://www.census.gov/>

Premier U.S. Private Label Tissue Producer. (March 3, 2010) *Clearwater Paper Corp*. Retrieved 12/7/2011, from http://www.faqs.org/sec-filings/100303/Clearwater-Paper-Corp_8-K/dex991.htm/