Example 9

International Oral Care:

New Zealand
Recommendations

Industry Forecast

Competitors
Technological Environment
Political Environment
Health of the Economy
Demographics

Environmental Influences

Sales History

Contents:
<table>
<thead>
<tr>
<th>Exchange Rate</th>
<th>1.4709</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>USA Population</th>
<th>Toothbrush Sales</th>
<th>Total Paste Sales</th>
<th>Est. Brush Sales</th>
<th>Est. Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>28142196 NZD</td>
<td>$1,700,000 NZD</td>
<td>$700,000 NZD</td>
<td>$1,300,000 NZD</td>
<td>$1,700,000 NZD</td>
</tr>
<tr>
<td>1.4709</td>
<td>3864129 NZD</td>
<td>3333.0386.143</td>
<td>5334.342.246</td>
<td>51.5656.720</td>
</tr>
<tr>
<td>$4.564.856</td>
<td>$10.991.864</td>
<td>$963.867</td>
<td>$339.877</td>
<td>1.4709</td>
</tr>
</tbody>
</table>

Estimated Sales of Toothbrushes and Toothpaste in 1999.
Demographics

Age Structure:

- Unemployment Rate: 6.2% (2000)
- Languages: English, Maori
- Pop. Growth Rate: 1.14%
- Population: 3,864,129 (July, 2001)
Economic Overview

- GDP: $67.6 billion (US $143.5 billion)
- GDP per capita: $17,700 (US $37,584)

Currency Exchange Rate

NZ to US dollar: 2.1234
US to NZ dollar: 0.4709

New Zealand has experienced economic growth through the 1990's, however, the trend is slowing. The country is very dependent to the economic success of its trading partners in Asia, Europe, and North America.
Amounts are in NZ$ per week

<table>
<thead>
<tr>
<th></th>
<th>2000/01</th>
<th>1997/98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>739</td>
<td>997</td>
</tr>
<tr>
<td>Other Services</td>
<td>717</td>
<td>727</td>
</tr>
<tr>
<td>Other Goods</td>
<td>83</td>
<td>72</td>
</tr>
<tr>
<td>Transport and Travel</td>
<td>125</td>
<td>121</td>
</tr>
<tr>
<td>Clothing and Footwear</td>
<td>24</td>
<td>97</td>
</tr>
<tr>
<td>Home</td>
<td>81</td>
<td>95</td>
</tr>
<tr>
<td>Running and Equipping the Rent and Home Ownership</td>
<td>125</td>
<td>179</td>
</tr>
<tr>
<td>Food, Dining Out, Takeaways</td>
<td>174</td>
<td>174</td>
</tr>
</tbody>
</table>

Household Spending

Consumer Spending
Change in price of consumer goods: Measures the annual change in price of consumer goods.
Today, 57% of the population is covered.
Flouridation of water supply began in 1954.
US relations with NZ are excellent and stable.
Pharmaceutical trade.
Foreign firms are intellectual property rights and
the British legal system. Areas of concern for
the court system of New Zealand is based on
increases in health care and education.
1999 parliamentary campaigns stressed
Political Environment
New Zealand has the largest number of newspapers in the world.

- No. of internet users: 1.78 million
- No. of radios: 3.75 million
- No. of televisions: 1.926 million

80% of the population live in cities.

Media outlets are abundant.

Technological Environment

120 newspapers
Wilson & Horton Group.
The two major publishing firms are ACP and INL, as well as

<table>
<thead>
<tr>
<th>Publication</th>
<th>% Readershhip</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reader's Digest</td>
<td>21%</td>
<td>$7,400</td>
</tr>
<tr>
<td>NZ Woman's Weekly</td>
<td>32%</td>
<td>$7,100</td>
</tr>
<tr>
<td>Time</td>
<td>7%</td>
<td>$6,920</td>
</tr>
<tr>
<td>TV Guide</td>
<td>26%</td>
<td>$3,590</td>
</tr>
</tbody>
</table>

and its effectiveness for reaching its target markets.

The following rates reflect the cost for a full-page, 4-color advertisement:

Magazine rates:
<table>
<thead>
<tr>
<th>No. of Stations</th>
<th>National Reach</th>
<th>Radio Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>208,700</td>
<td>Classic Hits</td>
</tr>
<tr>
<td>25</td>
<td>264,000</td>
<td>Newstalk ZB</td>
</tr>
<tr>
<td>13</td>
<td>406,800</td>
<td>AZB Network</td>
</tr>
<tr>
<td>51</td>
<td>1,074,300</td>
<td>The Rock</td>
</tr>
</tbody>
</table>

Advertising rates are negotiated one-on-one.

Organizations: The Radio Network and CanWest/RadioWorks

There are 150 stations and two major radio media

Radio Rates:
2% Other
17% SKY (satellite)
2% TV4...
2% TV3...
27% TV2...
38% TV1...
Channel Share Summary

Prices are negotiated through agencies, or on a media shop basis.

Sports range from $200-1,400 for 30 seconds.

Advertising air time can be bought regionally. Television pay channels.

There are four major free-on-air channels, and 41 cable and

Television Rates:
Additional value can be realized by buying advertisements in packages.

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Circulation Cost</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waikato Times (Hamilton)</td>
<td>41,909</td>
<td>$5,211</td>
</tr>
<tr>
<td></td>
<td>(US$ 11,065)</td>
<td></td>
</tr>
<tr>
<td>The Dominion (Wellington)</td>
<td>68,571</td>
<td>$11,513.60</td>
</tr>
<tr>
<td></td>
<td>(US$ 24,446)</td>
<td></td>
</tr>
<tr>
<td>The Christchurch Press</td>
<td>91,024</td>
<td>$5,880</td>
</tr>
<tr>
<td></td>
<td>(US$ 12,485)</td>
<td></td>
</tr>
<tr>
<td>NZ Herald (Auckland)</td>
<td>211,117</td>
<td>$14,342.40</td>
</tr>
<tr>
<td></td>
<td>(US$ 30,453)</td>
<td></td>
</tr>
</tbody>
</table>

The following rates were calculated for a full-page single color newspaper advertisement.
Sales: Unknown
Red Seal (New Zealand)
Sales: $9.70 billion (1996)

Gilette (USA)
Sales: $31.15 billion (2000)

Proctor & Gamble Company (USA)
Sales: $27.47 billion (1999)

Johnson & Johnson (USA)
Sales: $29.5 billion (2001)

Glaxo-SmithKline (United Kingdom)
Sales: $19.12 billion (1999)

Colgate-Palmolive Company (USA)

Competitors
<table>
<thead>
<tr>
<th>Year</th>
<th>Currency</th>
<th>Total</th>
<th>Toothpaste</th>
<th>Toothbrushes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$58.66</td>
<td>80.29</td>
<td>$48.99</td>
<td>$4.99</td>
</tr>
<tr>
<td>2006</td>
<td>$52.41</td>
<td>66.20</td>
<td>$49.53</td>
<td>$4.14</td>
</tr>
<tr>
<td>2005</td>
<td>$48.10</td>
<td>62.63</td>
<td>$49.77</td>
<td>$4.78</td>
</tr>
<tr>
<td>2004</td>
<td>$45.05</td>
<td>57.59</td>
<td>$49.99</td>
<td>$4.99</td>
</tr>
<tr>
<td>2003</td>
<td>$39.86</td>
<td>52.22</td>
<td>$44.22</td>
<td>$4.22</td>
</tr>
</tbody>
</table>

Forecast of New Zealand Purchase Power

Note: The forecast is based on the exchange rate of 1.14 NZD to USD.

Assumptions:
- 2.5 toothpastes per year
- 3 toothbrushes per year
- Average price per toothpaste: $3.99
- Average price per toothbrush: $4.99

On average, the cost of Total will be: $8.23
Recommenadation

For more research

Possible economic growth

Is it too saturated?

Negotiating shelf life costs

Advertising costs

Legal costs

Transportation costs
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