

— UBC PRESENTS —

# SALES WEEK 2015

Case Competition Presented by

*Johnson & Johnson*

Household brands such as:

*Polysporin*



**TYLENOL**<sup>®</sup>

Neutrogena<sup>®</sup>

**BAND-AID**<sup>®</sup>  
BRAND ADHESIVE BANDAGES

**LISTERINE**<sup>®</sup>

Aveeno<sup>®</sup>  
ACTIVE NATURALS<sup>®</sup>



Inviting Second & Third Year Students

Teams of Two

One Page Case Submission due January 4<sup>th</sup> at 11:59 PM

The case submission is your ticket to a networking session with the J&J Sales Recruitment team on January 21<sup>st</sup> 2014 at 5:30PM – 7:00PM

## **Introduction**

Walking out of the Johnson & Johnson December monthly Sales Team meeting, Tim and Jane knew something had to be done – over the past year, consumers were spending less time at drug stores, and worse yet, less dollars per trip (\$/Trip -4%, Trip/House Hold -4%). If they were going to have any shot at hitting the 2015 Growth Targets, Tim and Jane needed to leverage a new strategy to support some of the key J&J categories. The brainstorming began, with two weeks to put a proposal together, Tim asked Jane “So, how *do* we convert Pharmacy (Rx) store traffic into center store sales?”

## **Market Opportunity**

At current levels, the Canadian health system is not financially sustainable for the long term. Government officials are turning to untapped resources to ease these financial pressures; for example, expanding the role of pharmacists. Since 2001, pharmaceutical sales in Canada have doubled to \$20 billion, with 11% of sales coming from hospitals, and the rest from pharmacy. The growing number of prescriptions means that Rx is more empowered than ever. Even further, new legislation may allow Pharmacists to prescribe smoking cessation and acne care treatments.

## **Industry Details**

Johnson & Johnson is a global healthcare company with three Canadian business units: Pharmacy, Medical Devices, and Consumers. Within the Consumers group, the sales organization is made up of Account teams to support the largest retailers, which consist of grocery banners, mass merchandisers, and drug stores. Tim and Jane are on the team who supports the largest drug store in Canada. While there are many competitors in every category which J&J competes, J&J’s vast brand portfolio (Exhibit 1) positions them to jointly work with retailers to develop creative growth strategies. Industry wide, inflation is driving dollar sales growth, with units sold suffering in most departments.

Consumer packages goods (CPGs) companies are constantly looking for ways to leverage each retailer’s value proposition to grow sales dollar and unit sales. Promotional activity (Sales, Discounts, Coupons) are effective and commonly used, but do not guarantee success. Two thirds of promotions do not break even, and the focus is now shifting to identify new opportunities to drive loyalty. Drug stores, commonly recognized for their convenience and ease-of-shopping, also have a Pharmacy located in the store (Exhibit 2 presents a sample store lay out).

## **Business Challenge**

Born out of the need to increase consumption and penetration, Tim and Jane have been challenged to build a strategy which will leverage the Pharmacy area within drug stores. They know that the Pharmacy drives store traffic; however, no CPG or retailer has effectively converted this consumer to purchase consumer goods from the center of the store. This trend strikes Jane’s curiosity as she asks, “Isn’t it odd that we have people waiting 15 minutes in store for their prescription, but we still aren’t able to win with them?” Especially thinking about the vast line up of Over-the-Counter products offered by J&J, it becomes evident that this consumer has been a large missed opportunity (Exhibit 3 provides a good example of the potential need-state overlap). But how do you intercept the Rx consumer? Why hasn’t the Rx consumer been won yet? Is there a way to leverage the J&J brand portfolio to win with the Rx consumer?

## **Conclusion**

Tim and Jane both understood this opportunity could be huge for the company, their team, and their own careers. They had 2 weeks to put together a 1 page proposal outlining a new idea or new approach to this problem, to present internally before jointly working with drug stores to implement.

**Exhibit 1 – J&J Major Brand list + Category Details**

<b>Brand</b>	<b>Category</b>	<b>Category Size (in thousands)</b>	<b>J&amp;J Share of Category</b>
Aveeno	Skin Care	\$669,976	18%
Band-Aid	Frist-Aid	\$85,988	46%
Benadryl	Allergy Relief	\$355,603	39%
Benylin	Cough Cold & Flu	\$355,603	39%
Clean & Clear	Acne/Skin Care	\$669,976	18%
Imodium	Anti-Diarrheal	\$30,204	69%
Johnson’s Baby	Baby Toiletries	\$57,422	75%
Listerine	Oral Care	\$93,155	54%
Motrin	Pain Relief	\$323,008	29%
Neutrogena	Skin Care	\$669,976	18%
Nicorette	Anti-Smoking	\$84,875	72%
Polysporin	First-Aid	\$85,988	46%
Reactine	Allergy Relief	\$355,603	39%
Tylenol CCF	Cough Cold & Flu	\$355,603	39%
Tylenol Pain Relief	Pain Relief	\$323,008	29%
Visine	Eye Products	\$58,177	17%
Zantac	Antacids	\$30,204	69%

\*Category size and J&J Share is based on FICTIONAL 52 Weeks \$ Volume

**Exhibit 2 – Sample Drug Store Map**

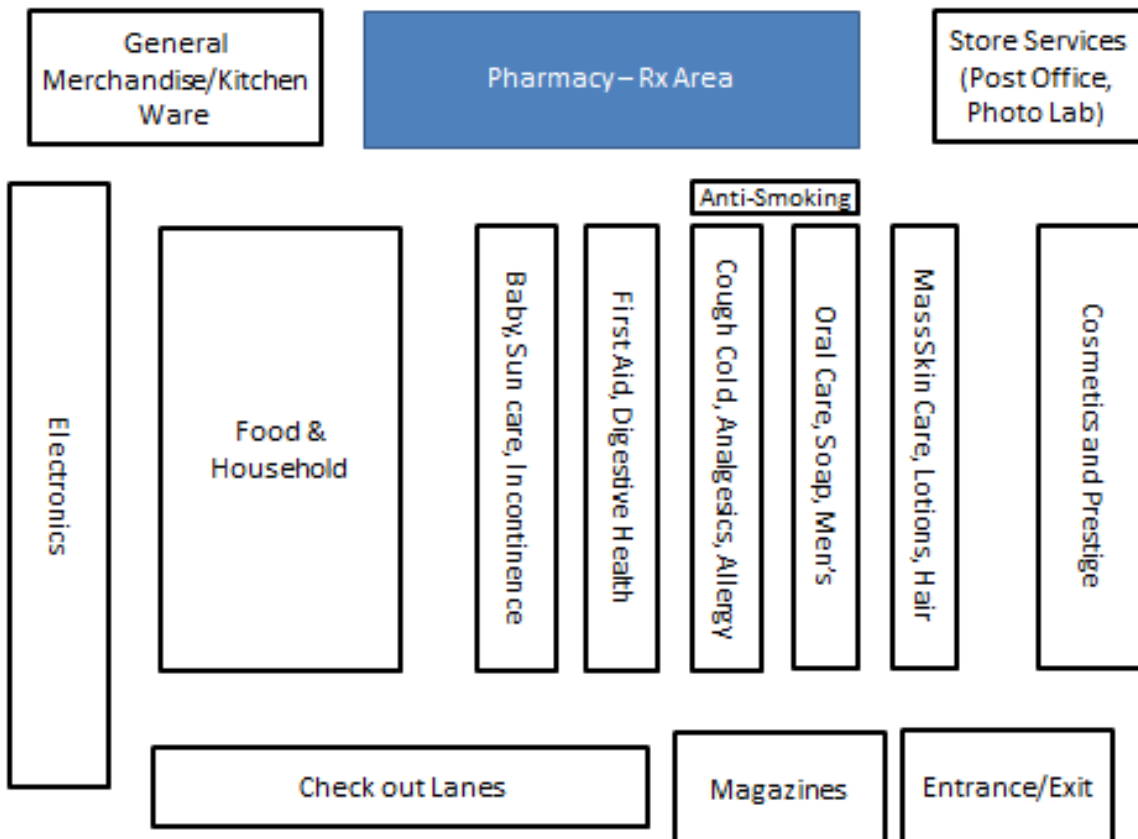


Exhibit 3 – Relationship between common side effects and Johnson & Johnson Products

