

# Marketing Plan/ Sales Projections

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## Keep Dry Trajectory

**Keep Dry, Corp.** manufacturing facilities are located in Arroyo, Puerto Rico. His owner is Dr. Ribot, who incorporated Keep Dry in 2006. Keep Dry was created to provide an alternative for disposable adult diapers with excellent quality, at the right price. Dr. Ribot's private practice focuses on elderly people. As of result of this, he realized that there was an opportunity in the disposable adult diaper industry. Imported diapers offered in the island are of low quality at a high price, or of a superior quality with an even higher price. Dr. Ribot founded Keep Dry to ensure a quality product with a competitive price.

- In 2008, Keep Dry acquired Italian machinery with the capacity to produce up to 200 diapers per minute
- Manufacturing began in April 2008
- Average sales since its beginning have been 5,000 units per month. The main clients have been American Health Medicare with a monthly average of 2,000 units, Borschow with 2,000 monthly units, and other smaller accounts
- In February 2009, Keep Dry starts to sell their product through a local distributor that had no experience in the industry of disposable adult diaper
- In May 2010 the business relationship with the local distributor is terminated
- In May 2010 Keep Dry changed management. Dr Ribot assumed full control of the business
- In May of 2010 Keep Dry hired a specialist in the development of adult disposable diapers. This specialist has vast experience in product development and machinery handling. This experience offers the opportunity for further product development in adult diapers and other products related to this industry at the best possible price.
- In August 2010, Keep Dry developed three new products:
  - **Value Pack**
    - As opening price point product
    - Started production in September 2010
      - UMECO is the primary customer
  - **Gold Underpad** with a premium heavy absorbent design.

- The underpad has super absorbent design. This makes it a premium underpad
- **Underdry**
  - This is an innovative product in the adult diaper industry
    - It is an underpad with a diaper design
    - Allows Keep Dry to offer a diaper for the light incontinence patient
    - It is the alternative for the hospital surgical divisions
      - The hospital surgical division uses an underpad with tapes without an anatomical form. Underdry is a heavy absorbent underpad that has a convenience anatomical form.

### **Keep Dry Brand Advantages**

- ✓ Keep Dry has sophisticated machinery that enables manufacturing up to 200 diapers per minute.
- ✓ It's the first and unique adult diaper manufactured in Puerto Rico and Caribbean
- ✓ This allows the product placement faster in the point of sale
- ✓ Qualifies for a tax reduction (Law 73)
- ✓ Negotiated to become preferred provider for **UMECO, Universal Health Medicare and MMM**
  - Recognized medical providers for the elderly population
- ✓ Has a competitive price
- ✓ Keep Dry has a product development department that:
  - Continuously seeks to fulfill client's particular needs
  - Applies new technologies in their product development
- ✓ Can customize products as requested by the buyer. This requires only a purchasing agreement minimum of 3,000 boxes
- ✓ Keep Dry large size dimensions are larger than competitors'. This allows an overweight person to use our product. This is a marked advantage when compared with competitors. This will be a new product for January 2011

## Justification

**Table DP-2-PR. Profile of Selected Social Characteristics: 2000**

**Geographic area: Puerto Rico**

**[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]**

<b>Subject</b>	<b>Number</b>	<b>Percent</b>
<b>DISABILITY STATUS OF THE CIVILIAN</b>		
<b>NONINSTITUTIONALIZED POPULATION</b>		
<b>Population 5 to 20 years.....</b>	<b>982,220</b>	<b>100.0</b>
With a disability.....	99,917	10.2
<b>Population 21 to 64 years.....</b>	<b>2,082,609</b>	<b>100.0</b>
With a disability.....	588,234	28.2
Percent employed.....	28.3	(X)
No disability.....	1,494,375	71.8
Percent employed.....	46.7	(X)
<b>Population 65 years and over.....</b>	<b>417,218</b>	<b>100.0</b>
With a disability.....	246,523	59.1

**Table DP-2-PR. Profile of Selected Social Characteristics for Puerto Rico: 1990**

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see source]

Subject	Number	Percent
<b>DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION</b>		
<b>Population 5 to 20 years.....</b>	<b>982,220</b>	<b>100.0</b>
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Percent employed.....	28.3	(X)
No disability.....	1,494,375	71.8
Percent employed.....	46.7	(X)
<b>Population 65 years and over.....</b>	<b>417,218</b>	<b>100.0</b>
With a disability.....	246,523	59.1

✓ **The elderly population growth 23% between 1990-2000**

**Fuente:** Departamento de Salud. (2004). *Informe Anual de Estadísticas Vitales, Puerto Rico.*  
**Tasas por cada 100,000 habitantes**

Según la Encuesta de la Comunidad de Puerto Rico del 2007, habían 529,755 personas de 65 años o más, equivalente al 13.4% del total de la población (3,942,375)<sup>1</sup>. Esta población ha ido en aumento y se proyecta que para el año **2020, represente el 19.1 por ciento del total de la población**<sup>2</sup>. Una característica importante de este grupo de edad es que es predominantemente femenino. Durante el año 2007, habían 76 hombres por cada 100 mujeres del grupo de 65 años o más. A medida que aumenta la edad, la diferencia se vuelve más marcada, pues sólo habían 56 hombres por cada 100 mujeres en el grupo de 85 años o más.

**Figure 1: “Distribución de Por Cientos de las Personas de 65 años por Tipo de Hogar”**



Fuente: Negociado del Censo de los Estados Unidos, Censo de Población y Vivienda de Puerto Rico, 2000

El grupo de personas de 65 años o más, según el Censo del 2000, era de 425,137 habitantes. De este total, 414,593 personas (97.5 por ciento) se encontraban en hogares, de los cuales 314,891 personas, (74.1 por ciento) viven en hogares de familia (Gráfica 9). Un hogar de familia se define como aquel en que habitan dos o más personas relacionadas entre sí por lazos de sangre, adopción o matrimonio. Por otro lado 99,702 personas de 65 años o más o lo mismo el 23.5 por ciento de la población residía en hogares no en familia, lo que significa que reside solo en un hogar o comparte el hogar con una o más personas no relacionadas entre sí. El restante, 10,544 personas, equivalentes al 2.5 por ciento de esta población habitaban en alojamientos de grupo. De las personas ubicadas en alojamiento de grupo hay 7,035 personas en instituciones tales como: instituciones de corrección, hogares de convalecencia, hospitales, pabellones y hospicios para personas con enfermedades crónicas, hospitales o pabellones para enfermos mentales y otras instituciones. Las otras 3,509 personas viven en otros alojamientos de grupo no en instituciones.

### The Products Manufactured by Keep Dry are:

- **Diaper**
  - **Gold (premium)**
    - This product has the four most requested attributes in a premium diaper:
      - **Funnel** allows liquids to pass into the absorbent core quickly. The larger diameters at the top holes allow more absorption and avoid being returned.
      - Clients prefer **Cloth-like material** for the diaper.
      - The **double barrier** prevents leak
      - **Wetness Indicator**
    - Compares with First Quality Premium diaper and Tena
  - New Product: **Value Pack** / Opening price point
    - Although it is an economic product, it has two attributes that highlight its qualities

- Has the following attributes:
  - Funnel
  - Humidity indicator
- Started production in September 2010
  - UMECO is the primary customer
- Compare with Prevail
- New Product: **Gold Underpad**
  - The underpad has a heavy absorbent design. This makes it's a premium underpad. Will be the only retailer brand with a heavy absorbent design.



- New Product **Underdry**
  - This is an innovative product in the adult diaper industry
    - It is an underpad with a diaper design.
  - **Underdry** (100 units master pack)
    - The Underdry allows Keep Dry to enter into another category in the diaper industry: light incontinence
- **Keep Dry Obesity Diapers: New Product launch on January 2011**
  - Keep Dry will provide a diaper for the obese patient
  - According to studies on the island there are more than 100,000 patients with morbid obesity

## Justification

Sonia Amaro, from “Nuevo Amanecer” Support Group at the Menotita Hospital of Cayey Puerto Rico, says that there are more than 100,000 people with morbid obesity in this country. This means that they weigh more than the recommended weight of 50 kg. There are also 25,000 super morbid patients.

### **Puerto Rico House of Representatives**

“There is a serious overweight and obesity problem in Puerto Rico which is affecting between 26.2% to 38.3% of the population of Puerto Rico respectively, according to statistics from the Department of Health. Therefore, it is the duty of the government to ensure that our people have all the tools necessary to help them achieve a better quality of life with better health services”

**P. de la C. 2388, 21 DE ENERO DE 2010**

## Keep Dry Diaper Attributes

- A combination of **perfect pulp** and **super absorbency** that guarantees the absorption of liquids and help protect skin.
- Four **(4) adhesive bands** and frontal tape that provide easy adjustment and appropriate outline. Waterproof outer layer always keep bedding and clothing dry. **Humidity indicator**, to always know when to change diaper.

## **Keep Dry Attributes by Product**

Keep Dry Attributes	Product Line	
	Gold	Value Pack
Adhesive Band	X	X
Double Barrier	X	
Frontal Tape	X	
Cloth like	X	
Plastic Material		X
Funnel	X	X
Humidity Indicator	X	X

## **Keep Dry Sales and Marketing Strategies**

### **Sales Strategies**





Keep Dry is the only adult diaper manufacturer in Puerto Rico and the Caribbean. During the market evaluation, Keep Dry was compared with First Quality, manufactured in the United States. During this assessment we made changes to the diaper in order to position it on the market according to the needs of potential clients.

In the laboratory evaluation, Keep Dry was preferred over competitors for its quality. Taking this into consideration a strategic plan was developed to position Keep Dry in the adult diaper market as the **leader in design and quality at the right price**.

- Developed a price strategy and packaging to ensure the penetration of Keep Dry in the local market:
  - We compared products with mayor competitors
  - Three categories and sub categories with competitive price were established to ensure an aggressive market penetration
    - **Diapers**
      - Gold and Value Pack
    - **Underpad**
    - **Underdry**
  - Product reengineering- diapers modified to better fit customers needs
  - Change product appearance
  - Developed new packaging
    - 12 and 10 pack for the retail industry
      - New art



## Adult Diaper Available through Internet

Name	Prevail Per Fit		At Ease		White Stone		Kendall		Keep Dry Gold		Keep Dry Bronze		Value Pack	
Decription	Pull or tear sides seams and placed between legs to put on without removing any clothing. *silky-soft *Cloth- like outer fabric *Advanced Zoning System		For heavy to complete loss of bowel/bladder control, Maximum absorbency, Re-fit fastening system will adhere anywhere on front of the brief for perfect fit, latex free		Distribuidor Online		WINGS HL™ ULTRA 3D™ featuring DURASOFT™ cloth-like backing and DUAL-AIR™ System Technology has plastic-free nonwoven wings that increase exposure of skin to the air. This brief provides maximum absorbency—an outstanding choice for overnight use. The exclusive "Hook & Loop" fastening system ensures the right size and the right fit, every time.		Has an adhesive band, double barrier, frontal tape, fabric material, funnel, and humidity indicator		Has an adhesive band, frontal tape, fabric material, funnel, and humidity indicator		Has an adhesive band, plastic material, funnel, and humidity indicator	
	Small	96	Medium:	6 bags of 16	96	Small	96	63073 Wings HL™ Ultra 3D Medium 8/12 (96)	Small	96	Small	96	Small	96
	Medium	72	Large:	6 bags of 12	72	Medium	72	63074 Wings HL™ Ultra 3D Large 6/12 (72)	Medium	92	Medium	92	Medium	92
	Large	64	X-Large:	6 bags of 10	60	Large	64	63075 Wings HL™ Ultra 3D XLarge 6/10 (60)	Large	72	Large	72	Large	72
	Pallets are assemble in PR. This increase the cost of the goods.		2X-Large: 4 bags of 12		48	2X-Large:	48	L,XL 40 S,M 36	X-Large:	60	X-Large:	60	X-Large:	60
Pallets Price	25 \$33.15 cs \$828.75 pallets		50 \$ 7.75 per bag \$ 46.50 case \$ 2,325.00 per pallet			\$ 61.95 S,M \$ 59.95 L,XL		\$ 66.99 \$2,679.60 \$2,411.64	\$ 30.50		\$ 25.50		\$ 23.50	
	\$32.90 100+ (\$25) \$3,290.00 4 pallets		\$ 2,225.00 4%			\$ 159.05 3cs + \$ 154.85 3cs +		\$ 55.00 \$2,200.00 \$1,980.00						
Distributor Contact Number	787-703-2205		Kleinstern Online distributor 18004987051			Kendall Web site 1-800-962-9888								
Image									Product compares to White Stone and At Ease		Product compares to Prevail		Products compares to Propero	

## Adult Diaper Available in Retailers



## Adult Diapers Price Comparison

Brand	Units per pack	Average Retail Price	Price per Unit
Keep Dry Gold	12	\$ 9.99	0.73
Keep Dry Gold	24	\$ 17.69	0.73
Keep Dry Gold for Wal-Mart	24	\$ 12.72	0.53
Depend	16	\$ 13.49	0.84
Tena Super Absorbent	8	\$ 7.99	1.00
Per- Fit	16	\$ 17.99	1.12
Assurance/Wal-Mart Private Label	30	\$ 13.11	0.44
Certainty / Walgreens Private Label M	20	\$ 11.99	0.60

Brand	Units per pack	Average Retail Price	Price per Unit
Keep Dry Value Pack	24	\$ 14.39	0.60
Nu-Fit	15	\$ 12.99	0.87
Prospero	12	\$ 7.79	0.65

Brand	Units per pack	Average Retail Price	Price per Unit
<b>Underdry/one fit all/ moderate</b>	<b>48</b>	\$ 57.00	0.55
Premier/Local Distributor	12	\$ 6.49	0.54

- Cesar Castillo a well known distributor in health care industry becomes Keep Dry distributor.
  - Diaper packaging was modified to better fit consumer needs
- Developed business relationship with the leading Medicare service providers for adult disposable diapers
  - MMM
    - In November 2010 Keep Dry will become MMM's sole provider of adult diapers
  - American Health Medicare
    - In November 2010 Keep Dry will become the sole provider for American Health Medicare
  - UMECO
    - In November 2010 Keep Dry will become the sole provider for UMECO

### **Keep Dry Major Distributor Profile**

#### **Medicare and Mucho Más (MMM)**

Medicare and Mucho Más (MMM), is a pioneer plan and leader in the Medicare Advantage in Puerto Rico. Starting January 2011 MMM will offer adult diaper to their members. MMM chose Keep Dry as their exclusive brand.

#### **American Health Medicare**

AHM is a Medicare Advantage product. AHM have federal government approval to offer all Medicare Original services plus additional coverage. AHM provider network includes renowned doctors, specialist, geriatrist, and hospitals all throughout the island. Starting November 2010 AHM will offer Keep Dry as their exclusive brand.

## UMECO

Established in 1951 and is privately held. The company has evolved into a diversified healthcare product distributor. In September 2010 UMECO started offering Keep Dry as their exclusive brand.

## Cesar Castillo Specialties

Established in 1942. Cesar Castillo is the major distributor in the OTC business. Cesar Castillo gives service to Puerto Rico and the Caribbean. CC has a program for independent pharmacy called Botiquin Express. The independent pharmacy represent 62% of the OTC business. CC has a total of 1,713 point of sale. Starting November 2010 CC will offer Keep Dry as their brand for their customers. Keep Dry will be part of the Botiquin Express program.

### Monthly Sales Projections by Customers

2010-2011													
Customers	September	October	November	December	January	February	March	April	May	June	July	August	Total
MMM			800	1,300	1,800	2,500	3,000	3,000	3,000	3,000	3,000	3,000	24,400
American Health	3,070	3,650	4,000	3,775	4,350	4,450	4,650	4,650	4,650	4,650	4,650	4,650	51,195
UMECO		700	1,000	750	1,000	950	1,200	1,000	950	1,200	1,000	950	10,700
Drogueria Betances		270	200	300	300	300	500	500	500	500	500	500	4,370
Other Drugstores		200	200	200	200	200	200	200	200	200	200	200	2,200
Universal Care	17	200	50	50	180	350	350	500	800	900	1,000	1,000	5,397
Sam's -Wal-Mart				500	1,000	1,500	1,500	1,500	2,000	2,500	3,000	3,000	16,500
Cesar Castillo Specialties				1,000	1,000	1,000	2,000	2,000	3,000	3,000	3,000	4,000	20,000
Eduardo Ramirez	265		300		300	300	300	500	500	500	500	500	3,965
Luis Resto				100	100	100	200	200	200	300	300	300	1,800
Export - DR			1,200		1,200		1,200		1,200		1,200		6,000
Export - Others (Med Line)					1,500	1,800	1,500	1,800	1,500	2,000	2,000	2,500	14,600
Retailers	103												103
<b>Total Cases</b>	<b>3,455</b>	<b>5,020</b>	<b>7,750</b>	<b>7,975</b>	<b>12,930</b>	<b>13,450</b>	<b>16,600</b>	<b>15,850</b>	<b>18,500</b>	<b>18,750</b>	<b>20,350</b>	<b>20,600</b>	<b>161,230</b>

2011-2012													
Customers	September	October	November	December	January	February	March	April	May	June	July	August	Total
MMM	3,000	4,000	4,000	5,000	5,000	6,000	6,000	7,000	7,000	8,000	8,000	8,000	71,000
American Health	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	55,800
UMECO	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Drogueria Betances	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Other Drugstores													0
Universal Care	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Sams -Wal-Mart	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Cesar Castillo Specialties	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Eduardo Ramirez	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Luis Resto	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Export - DR	1,200		1,200		1,200		1,200		1,200		1,200		7,200
Export - Other	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	21,000
Retailers													0
New Clients	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
<b>Total Cases</b>	<b>22,150</b>	<b>22,450</b>	<b>23,150</b>	<b>23,450</b>	<b>24,150</b>	<b>24,450</b>	<b>25,150</b>	<b>25,450</b>	<b>26,150</b>	<b>26,450</b>	<b>27,150</b>	<b>26,450</b>	<b>296,600</b>

- Developed business with the leading distributors for pharmacies and hospitals
  - Universal Care

- Droguería Betances
- Multinational chains
  - Developing private branding for multinational chains
    - Started the process with Wal-Mart
  - Started the process of selling Keep Dry Gold for Wal-Mart and Sam's Club
- Export to Florida and the Caribbean
  - The State of Florida is on the top three states with an elderly population
  - Keep Dry is the only adult diapers manufactured in the Caribbean. Keep Dry provides a competitive price compared with competitors with products that have similar attributes

#### **Annual Diapers Sales Projection per Case**

	<b>Sept 2010- Aug 2011</b>	
<b>Mayor Customers</b>	<b>Totals Cases</b>	<b>New or Active Customers</b>
<b>MMM</b>	24,400	<b>New – Attached Purchase Confirmation</b>
<b>American Health Medicare</b>	61,895	<b>New- Attached Purchase Confirmation</b>
<b>UMECO</b>	10,700	<b>Active- Based on Regular Orders</b>
<b>Droguería Betances</b>	4,370	<b>Active- Based on Regular Orders</b>
<b>Other Drugstores</b>	2,200	<b>Active- Based on Regular Orders</b>
<b>Universal Care</b>	5,397	<b>Active- Based on Regular Orders</b>
<b>Sam's Club –Wal-Mart</b>	16,500	<b>New- Buyer Projections</b>
<b>Cesar Castillo Specialties</b>	20,000	<b>New- Distributor's Forecast</b>
<b>Export DR</b>	6,000	<b>Active /Dominican Republic- Based on Regular Orders</b>
<b>Total Boxes</b>	<b>151,462</b>	

## Justification

### **La salud de los adultos de edad mayor en Puerto Rico Informe General 2002-2003**

I would like to present the General report of project PREHCO (major ages in Puerto Rico - Puerto Rican Elderly adult conditions: Health Conditions). This project is the result of collaboration between the University of Wisconsin-Madison and the Graduate School of public health, medical sciences, University of Puerto Rico campus. The study, without precedent in Puerto Rico due to its size, is designed for basic information quality on matters related to the health of Puerto Rican seniors. PREHCO has been funded by the National Institute on Aging (NIA) of the National Institutes of Health (NIH) and has counted with the decisive collaboration of the Pan American Health Organization (PAHO) and, Dr. Martha Pelaez. 6.3% of adults 75 years or older compared to 1.9% cent of those aged 60 to 64 were bedridden. These people require at least a carer for their needs. More than ninety percent of persons 60 years or more have medical health plan. **Proyecto PREHCO es una colaboración entre el Center for Demography and Ecology de la Universidad de Wisconsin-Madison y la Escuela Graduada de Salud Pública del Recinto de Ciencias Médicas de la Universidad de Puerto Rico.**

### **This study shows:**

#### **Average of Bedridden in Puerto rico**

Based on 2002-2003 Survey developed by the PREHCO

Age Group	60-64	65-74	75 and up	Total Bedridden Population
Average population by age group	162,370	244,974	181,244	588,588
Average percentage of bedridden by age group	1.9%	4.1%	6.3%	
Average population of bedridden by age group	3,085	10,044	11,418	<b>24,547</b>

	Male	Female	Total Population with Incontinence Problem
Average population	260,555	328,033	588,588
Average percentage with incontinence problem	19.5%	34.4%	
Average population by gender with incontinence problem	50,808	76,760	<b>127,568</b>

## **Marketing Findings**

During the evaluation of the market we identified the following:

### Diapers

- Adult diapers sold to hospitals and care centers have no packaging that identifies its size
- Identified problem of product availability in Wal-Mart private brand Identified the need of an opening price point for adult diaper
- Keep Dry is recognized by retail and drugstores buyers as a quality product
- Need brand recognition in hospitals and elderly care centers

### Underpad

- Identified the need for a premium underpad

### Underdry

- Identified the opportunity of a new product for the light incontinence patient

## **Action plan**

- New product design was made to compete directly with the imported products
- Designed new packaging to make the product more attractive for retailers point of sale
- Developed new packaging for elderly care centers. This packaging was developed to easily identify the size of the product.
- Participation in events targeting the elderly population
  - MMM elderly events
  - Promote brand in magazines aimed at the elderly
- Developed underpads to enhance the Keep Dry Branding
- Developed a new product, “one size fits all” diaper. This items looks like an underpad with the body of a diaper and has an adhesive band. It’s called Underdry by Keep Dry
  - This is an excellent alternative for hospitals, hospices and export
  - This new product allows an attractive low-cost

## New Product Attributes

### Keep Dry Underpad Advantages **ponerv data by lab**

This underpad is a product with maximum absorbency. Competitor underpads are less absorbent which causes institutions to use more than one underpad at the same time increasing their expenses.

Puerto Rico has an average of 12,085 beds in hospitals. Auxilio Mutuo Hospital, one of the mayor hospitals in the Island, uses a monthly total of 250,000 underpad.

China is the number one provider of underpad. The underpad that we received from China is of poor quality with minimum absorbency. The underpad with minimum absorbency forces hospital to use more than one pad in each bed, increasing their expenses. Human waste material has to be professionally eliminated and the cost is measured per ounce. If the hospital uses more underpads their expenses will be greater. Keep Dry is the alternative for patients with greater possibility of fluid discharge.

### Underpad Market Analysis

Brand	Units per pack	Average	
		Retail Price	Price per Unit
Gold Underpad Heavy Absorbent	125	\$ 50.00	0.40
Gold Underpad Heavy Absorbent for Sams	125	\$ 30.00	0.24
Prevail	15	\$ 5.29	0.35
First Quality Super Absorbent	10	\$ 5.29	0.53
Super Absorbent 65oz	50	\$ 58.95	1.18
Assurance Underpad Super Absorbent Wal-Mart Private Label	18	\$ 7.18	0.40
Sams Member Mark Private Label	120	\$ 28.98	0.24
American Mark Light Absorbent Kmart Private Label	18	\$ 5.99	0.33

### Average consumption of adult underpads in Puerto Rico hospitals

Puerto Rico total Beds in Hospitals	An average of two changes per day	Average of Total changes in one year	% of Error Based on a 10%	Average of 150 units per case
12,085	24,170	8,507,840	7,657,056	51,047



## **Justification**

Puerto Rico has a total of **12,085** beds in hospitals

FUENTE: REGISTRO DE HOSPITALES Y OTRAS FACILIDADES DE SALUD, SECRETARÍA AUXILIAR PARA LA REGLAMENTACIÓN Y CERTIFICACIÓN DE FACILIDADES DE SALUD, BIENO 2006-2008.

## **Keep Dry Underdry Advantages**

An **innovative low cost product**. It's an alternative for exporting to developing countries. Underdry places Keep Dry in the light incontinence diaper market.

## **Private Labels**

**Keep Dry** is an excellent source to develop a private label. The product development department enables Keep Dry to develop new designs as requested by clients. The cost per unit competes with national brands such as:

- Wal-Mart
- Walgreen's 20 and 32 count

## **Export**

Keep Dry is exporting to Dominican Republic, Chile, and Pakistan. To expand the export activity we developed an export department to ensure penetration of the brand in others markets. The objectives markets are:

- Antigua
- Bahamas
- British Virgin Islands
- Aruba
- Jamaica
- Trinidad and Tobago
- Florida
- Expand Dominican Republic
- Central America

The following information supports our export strategies to the State of Florida due to increasing elderly population.

<b>FLORIDIAN PEOPLE STATS:</b>		
	<a href="#">Top Stats</a>	<a href="#">All Stats</a>
<a href="#">Age Dependency Ratio</a>	66.6	[1st of 51]
<a href="#">Demonym (name of state resident)</a>	Floridian	
<a href="#">Estimated number of Illegal Immigrants</a>	337,000	[5th of 43]
<a href="#">Median Age</a>	39.3	[5th of 51]
<a href="#">Percent of Foreign Population Born in Asia</a>	9.2%	[49th of 49]
<a href="#">Percent of Foreign Population Born in Europe</a>	11.3%	[39th of 49]
<a href="#">Percent of Foreign Population Born in Mexico</a>	7.8%	[35th of 49]
<a href="#">Percent of People 21 to 64 Years Old With a Disability</a>	11.9 %	[28th of 51]
<a href="#">Percent of People Who are 85 Years and Over</a>	1.8 %	[4th of 51]
<a href="#">Percent of People Who are Black or African American Alone</a>	15.1 %	[14th of 51]
<a href="#">Percent of People Who are Foreign Born</a>	17.9 %	[6th of 51]
<a href="#">Percent of People Who are White Alone</a>	77.5 %	[31st of 51]
<a href="#">Percent of People Who are White Alone, Not Hispanic or Latino</a>	62.6 %	[39th of 51]
<a href="#">Population</a>	17,789,864	[4th of 56]
<a href="#">Population &gt; Percent change, 2000-2005</a>	11.3%	[3rd of 52]
<a href="#">Population density</a>	296.4	[8th of 50]
<a href="#">Sex Ratio</a>	94.5	[37th of 51]
<a href="#">Total Black Population</a>	2,557,098	[2nd of 51]
<a href="#">Total Hispanic Population</a>	3,300,333	[3rd of 51]
<a href="#">Women (Per 1,000) Who Had a Birth in the Past 12 Months</a>	54	[25th of 51]

#### Percent of People Who are 85 Years and Over (most recent) by state

Rank	<a href="#">States</a>	<a href="#">Amount</a> ▼
= 1	<a href="#">Iowa:</a>	1.8 %
= 1	<a href="#">Pennsylvania:</a>	1.8 %
= 1	<a href="#">South Dakota:</a>	1.8 %
= 1	<a href="#">Florida:</a>	1.8 %

## **Diapers Exports and Imports**

TABLE - 4 SHIPMENTS OF MERCHANDISE FROM PUERTO RICO TO THE UNITED STATES, BY COMMODITY:

FISCAL YEAR 2009

COMM CODE	DESCRIPTION	UNIT	QUANTITY	VALUE - \$
4818404030	DIAPERS & DIAPER LINERS EX PAPER PULP OF PAPER ETC	KG	1,430,574	5,263,314

TABLE - 6 SHIPMENTS OF MERCHANDISE FROM PUERTO RICO TO VIRGIN ISLANDS, BY COMMODITY:

FISCAL YEAR 2009

COMM CODE	DESCRIPTION	UNIT	QUANTITY	VALUE - \$
4818404030	DIAPERS & DIAPER LINERS EX PAPER PULP OF PAPER ETC	KG	2,045	5,072

TABLE - 5 EXPORTS FROM PUERTO RICO TO FOREIGN COUNTRIES, BY COMMODITY AND COUNTRY OF DESTINATION:

FISCAL YEAR 2009

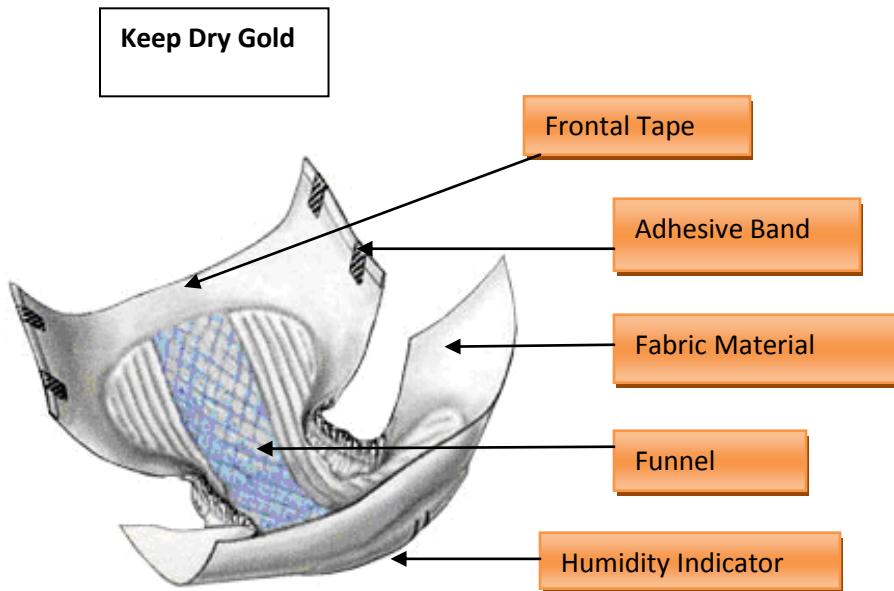
COMM CODE	DESCRIPTION AND COUNTRY	UNIT	QUANTITY	VALUE - \$
4818404030	DIAPERS & DIAPER LINERS EX PAPER PULP OF PAPER ETC	KG	277,014	532,319
	ANTIGUA AND BARBUDA		111,554	117,018
	BAHAMAS		61,212	264,070
	BRITISH VIRGIN ISLANDS		2,608	14,906
	CAYMAN ISLANDS		400	4,000
	CHILE		32,391	26,748
	DOMINICAN REPUBLIC		24,744	56,445
	FRANCE		37,563	33,647
	JAMAICA		800	5,039
	NETHERLAND ANTIL. EXC ARUBA		5,742	10,446

## Keep Dry New Image

### Keep Dry New Design

Keep Dry diapers were re-designed taking into consideration market needs, competitors key attributes and the core value of Keep Dry.

In the new design we integrate features that highlight competitor's attributes to provide increased value to our brand.



## Keep Dry New Image

### Old Label

#### Strengths

- Slogan “Always Keep Dry”
- Convenience- handle pack
- Identified product attributes
- “Hecho en Puerto Rico” logo

#### Weakness

- How the color is perceived
- Too much information on the label



### New Label

#### Strengths

- Slogan “Always Keep Dry”
- Convenience- handle pack
- Identified product attributes
- Highlights is unisex
- Highlights key attributes
- Package reflects joy and hope
- “Hecho en Puerto Rico” logo
- Art will be in English and Spanish. In addition will include instructions in French for export market.



## Promotional Plan

- Keep Dry will support distributors with promotional items. Articles are selected considering the needs of the care center and patient.



## Media Plan

**Dr. Ribot will be the spokesperson for Keep Dry. His experience and education makes him a main figure of the Keep Dry line.**

### **Media Tour**

- Dr. Ribot will visit :
  - TV programs
    - "Día a Día" with Doña Plinia; Raymond Arrieta's personification of an elderly woman.
    - Advertising expenses will be shared with distributors
  - Radio program and written media targeting elderly population
    - "Radio Oro", WKAQ
    - "Edad de Oro" Magazine
  - Spoke person for Wal-Mart elderly event
  - Participation in major retailer's shoppers
- Keep Dry documentary in the following programs:
  - "PR Business" (Telemundo Punto Dos, Tele Sagrado and Wapa América )
  - "Asistencia Médica" (Telemundo Punto Dos, Tele Sagrado and Wapa América )

- TV ads targeting local viewers and Hispanics in the United States. This will support export strategy.

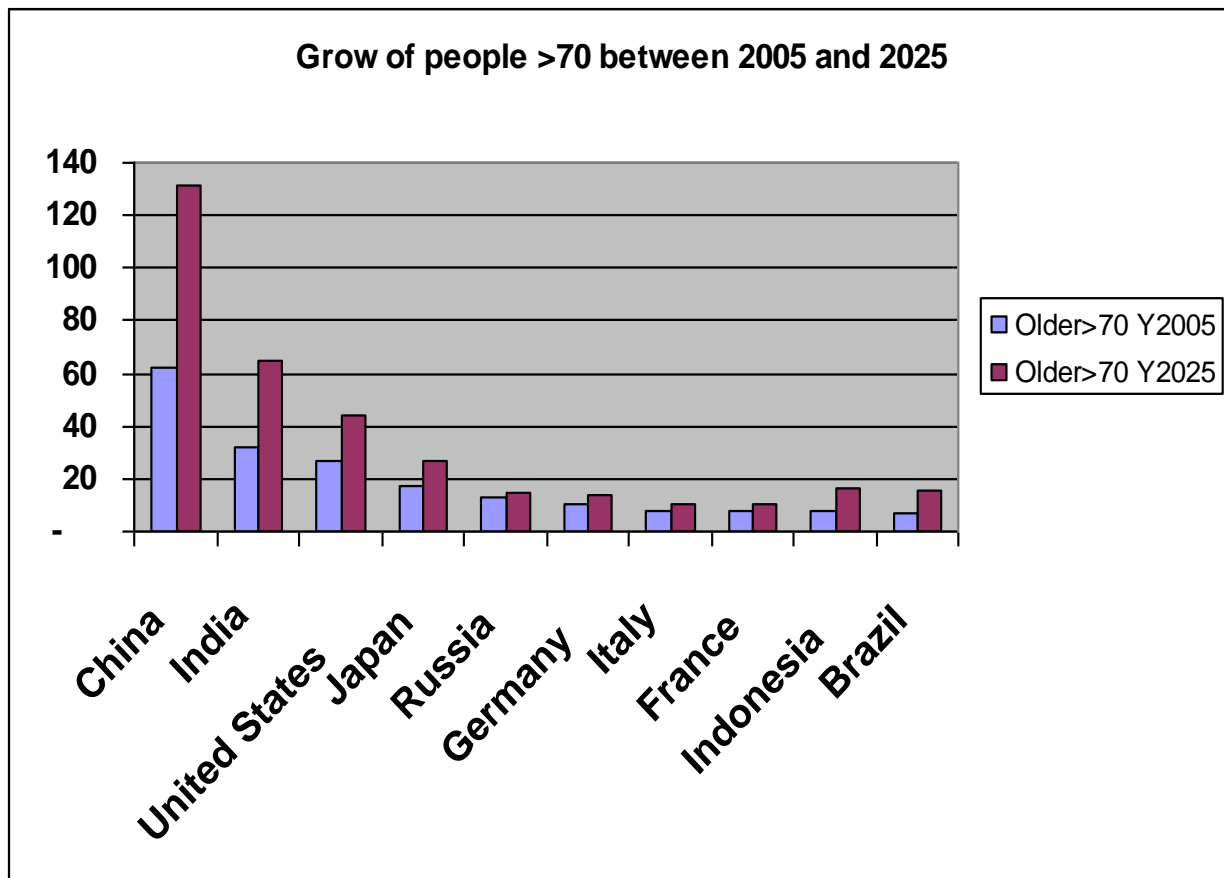
Advertisement & Promotion Detail	Total 2010-2011
Purchase of Promotional Items for Customers	12,300
Samples	4,050
Flyer Development	1,000
Event Participation	7,200
Travel to Expo	4,000
Push Girl/ Product Demonstration in Chain Stores	4,500
Sponsor Events	4,500
Web Improvements and Maintenance	600
Marketing Support to Other Markets/ Travel	4,200
Media Tour	6,650
<b>Total</b>	<b>\$49,000</b>

## **Diaper History**

### **Summary of events in modern diaper history**

- Launch of modern disposable diaper by P&G, 1961
- Invention of Super-absorbent Polymer, 1966
- First use of tapes integrated to a diaper, 1971
- Introduction of fluff instead of creped tissue, 1972
- First use of Super-absorbent in diapers, 1987
- Frontal Tape and Hook and Loop systems, 1987
- Use of leg cuffs for leak prevention, 1989
- Introduction of training pant diapers, 1994
- Use of cloth like back sheets and breathable, 1994

**For year 2025 I expect adult incontinence sales will grow at least 3 times the current volume sales of today.**



#### **What can we learn from the table?**

- China has the largest population of senior citizens and also the biggest growth in the next 20 years.
- India and the USA will also have significant growth.
- European countries have marginal growth, Europe is not the “old continent” only because of its buildings, today it is also old because of its people.
- Indonesia and Brazil will move from positions 9 and 10<sup>th</sup> to position 5<sup>th</sup> and 6<sup>th</sup> in year 2025.

#### **What can be expected from Keep Dry in the future?**

- Landfill volume reduction, use microcapsules.



- Skin protection, microcapsules to control pH.
- Special no woven fabrics (breathable when dry).
- New non-woven (breathable only when its hot).
- Back sheet without the need of laminated film will bring a new generation of extra soft diapers.
- High compression packaging.
- Air laid, pulp or synthetics.
- Better elastic components to improve diaper fit.
- Much better pad integrity with new generation hot melts.

Fabricante de productos higiénicos

# Los fondos de capital riesgo GS Capital Partners y TPG compran Ontex por 1.200 millones

**Ontex**, el principal fabricante europeo de productos higiénicos desechables *private label*, ha anunciado hoy su venta a **GS Capital Partners** y los fondos de inversión gestionados por **TPG Capital** (TPG) por **1.200 millones de euros**, según informa la compañía en un comunicado. Este acuerdo supone la mayor transacción de *private equity* realizada en Bélgica.

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Temas relacionados:  
FONDOS

CincoDías.com - Madrid - 19/07/2010

Se espera que **la transacción** -sujeta a las aprobaciones normativas habituales- **concluya antes de terminar el año**.

**Las ventas de las tres divisiones de Ontex (Retail-Comercio Minorista), Healthcare (Sanidad) y Turkey Regional (Regional de Turquía) alcanzaron la cifra de 1.100 millones de euros en 2009.**

El área de Comercio Minorista suministra principalmente productos *private label* (entre los que se incluyen pañales desechables, productos para la higiene femenina y productos para la incontinencia de adultos) a minoristas. La división de Sanidad vende productos principalmente para el mercado sanitario - hospitales y autoridades sanitarias de toda Europa-. Por su parte, la división Regional de Turquía está centrada en productos de marca para el cuidado del bebé, la incontinencia de adultos y la higiene femenina al mercado minorista turco y a los países de su entorno.

"En los últimos años, Ontex se ha transformado con éxito en uno de los principales fabricantes de productos higiénicos desechables *private label* de Europa. El equipo directivo está ansioso por la perspectiva de mejorar la posición existente de Ontex a través del apoyo, el nuevo capital y los nuevos conocimientos de nuestros nuevos propietarios", explica en la nota difundida hoy por la compañía, **Michael Teacher, consejero delegado de Ontex**.

En opinión de **Richard Butland, de GS Capital Partners**, "Ontex ha hecho avances significativos en los últimos años, y estamos entusiasmados con esta oportunidad de invertir en una empresa con una presencia establecida y un potencial de desarrollo tales".

Asimismo, **Simon Henderson, de TPG**, manifiesta: "La asociación entre TPG, GS Capital Partners y el equipo directivo de Ontex mostrará un abanico de nuevas oportunidades para Ontex. A través de nuestro alcance global y nuestras capacidades operativas, esperamos poder ayudar a impulsar la siguiente fase del crecimiento rentable de la empresa".