



BEAUTY COMPLEX

“The feel good
experience at the tip of
your finger”



The Beauty Complex

LIVE HEALTHY. LIVE BEAUTIFUL.



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+ AGENDA



Presentation of the concept



Targeting/
Positioning



Industry analysis



Store location



Merchandising



Communication



Branding



Customer
Relationship
Management



Financials



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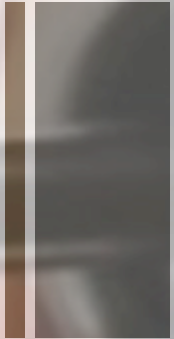


EXPLANATION

OF THE

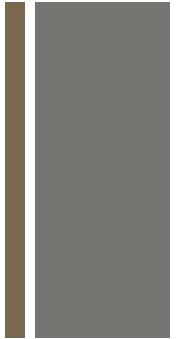
Value proposition

Come and experiment a new manner to shop and to feel good by entering in our Techy Beauty Complex. Discover a connected concept store dedicated to beauty. Because feeling good is not only a question of appearance, we will help you rediscover yourself from the inside and will propose you the best beauty experiences, services and products that fit your own needs. Because all of our customers are unique, we ambition to offer you a real personalized beauty experience. More than just shopping we will experiment a new digital experience that will make you travel in the world of beauty. We are “advancing in the science of beauty”.



When I go to the beauty complex I feel:

- Beautiful inside and outside
- Pampered and privileged
- Creative making my own products
- Lucky to be able to do my cosmetic shopping and take care of myself in the same place
- Happy to attend amazing beauty events
- Trendy using state-of-the art technology



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+ FEEL GOOD ON THE INSIDE TO FEEL GOOD ON THE OUTSIDE

We are promoting more than just physical appearance, **a new way of life and a healthier lifestyle.**

- Selling of food supplements
- Smoothie and fruit bar (detox)
- Yoga and meditation classes

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+ THE TECHNOLOGY

THE beauty complex 3.0



◆ Augmented reality:

- **Skin analysis** to detect the best products according to your skin tone and complexion.
- **Hair analysis** to define what your new haircut will look like and what special treatment you would need.
- **Test of products** that would best suit your needs (test of eye shadows, lipstick...).

◆ Connected Furnitures and Tech tables

- Use of **interactive tech tables** (tables with a bunch of iPads embedded in it), in order to build your own make-up, cream and perfume.
 - Step 1: Make a skin analysis using our augmented reality tools.
 - Step 2: Send the result on the tech tables.
 - Step 3: Go to the tech tables and select the products that you like among a selection of products that would best fit your skin.
 - Step 4: Come back 15 minutes later to pick up your DIY make up product that would have been prepared by one of our sales person.

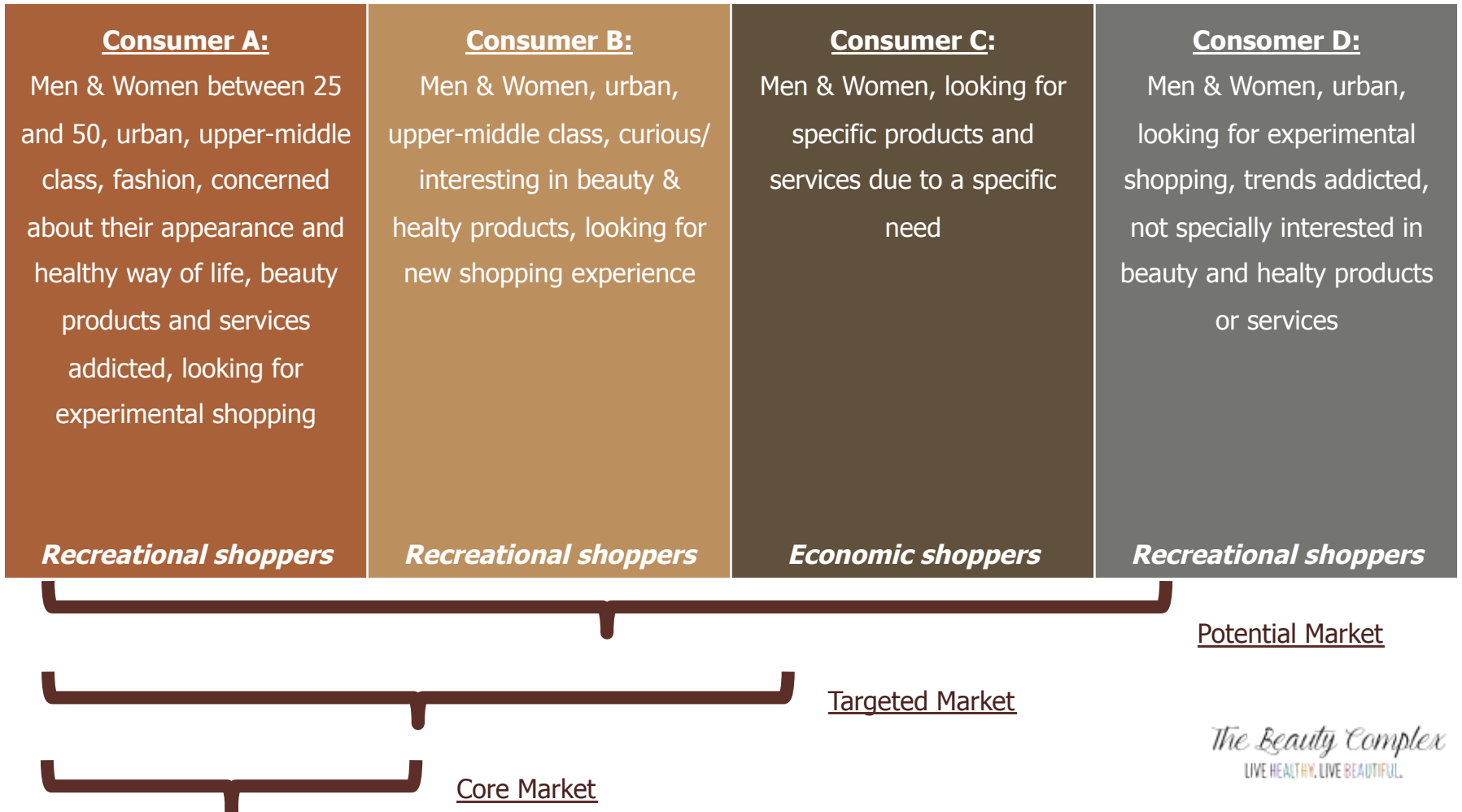
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TARGETING

AND

+ Targeting



OUR CORE MARKET CONSUMER PROFILES



Profile 1 : Working women

Nathalie is 30 and single, she is working at L'Oréal and is doing crazy work hours. During week-ends, she likes to take care of herself, rest and enjoy the beauty of Paris with her friends and family, always hoping to cross the path of a potential soul mate. Nathalie is so excited to discover the new beauty complex that will open in a few days in Saint Germain Des Prés. Apparently, it is a nice place to take care of yourself while meeting new people! It is everything Nathalie is looking for ! Also she is looking for new trends, experiences and originality! She was really pieced last week when she discovered that her colleague working in the office next to her has just bought exactly the same perfume than her! Thus she is very excited to the idea of experimenting “Do It Yourself” make up and perfume bars! She will at least be able to have an unique perfume, that no one will be able to copy!



Profile 2: The metrosexual

Thomas is 30, he loves to take care of himself and cannot leave his flat in the morning without putting on his face the latest moisturizing cream from the new brand that he has just discovered. He is also very careful about his haircut, making sure that everything is in place. He is looking for new experiences and likes to be surprised. Lately, he traveled to London and was amazed by the new Burberry shop, recreating digital experience, that has just opened. Thomas is very enthusiastic to the idea of the opening of the beauty complex store. He would love to go there to socialize, exchange beauty tips with customers. Above all else, he is really excited to try reality augmented tools to be able to choose the haircut that would fit him best! It will allow him to avoid the fashion “faux pas”!



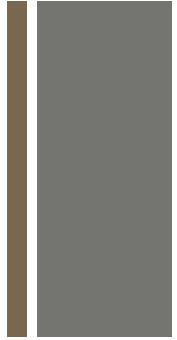
Profile 3: The housewife

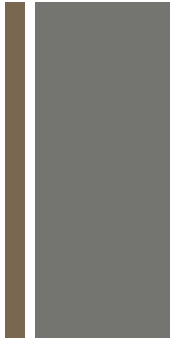
Catherine is 40, she has decided 5 years ago to quit her job to raise her twins, Kevin and Nicolas. It is a full time job and she has little time to take care of herself! It is a pity for her, because she was a real fashionista a few years ago! She has heard about the opening of the beauty complex while reading “Le Parisien” this morning. She was first very curious, and became very enthusiastic when she read that children were taking care of in the store, in order to allow the moms to benefit peacefully from all the services that were offered there. She decided to call her friends Nathalie and Valerie to share the good news. Now their tea time between housewives will transform in beauty sessions! This is so exciting!



Profile 4: the mid-age couple with kids

Lola and Stephan are both 30, they are the happy parents of Benjamin, 3 years old. Since Benjamin’s birth, the couple has little time to party, spend real time together and take care of themselves. The little boy is taking all their strength and attention when they are at home, and they have long work hours at the office. Lola doesn’t feel really good lately. She is very stressed, and feel bad in her skin. Indeed, she has troubles losing the weight she has taken during her pregnancy. Today, Stephan has received in the streets a flyer saying that a new beauty complex to “feel good inside” is opening very soon in Paris. He thought directly that this could be a good solution for Lola, to learn again how to take care of herself. They could also go together to spend some privilege time as a couple. He decided to enroll them both in the Sunday meditation classes. He will talk to Lola during dinner about the “detox program” that the complex is offering. It can be a good solution to their problems.





Profile 5: The student, beauty addict

Pauline is 22, and is studying international law at la Sorbonne. She is also president of the fashion club there, which organizes fashion shows, beauty days etc. She doesn't have a huge buying power but she really loves to take her of herself, especially to make up. She follows closely the fashion news, particularly all the innovations that happen in the world of beauty. She has heard about the beauty complex that is opening in Saint Germain des Prés a long time ago, when it was just a project. She is so into it! It is such an innovative project! She really likes the idea of this huge hybrid store, mixing services and product. She also thought that it can be a good place to socialize and meet people that share her passion for fashion and beauty. Maybe she can meet interesting people there, that would be happy to partner with her and her club! She is looking forward to the opening!





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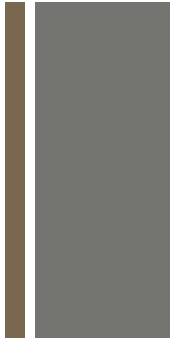


INDUSTRY

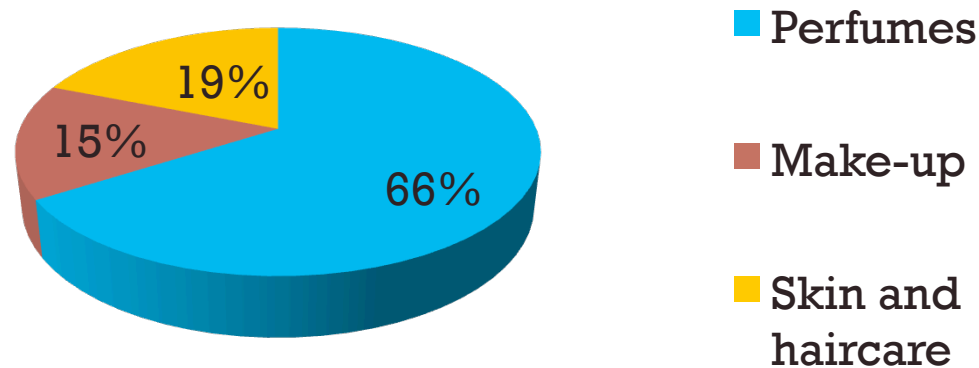
ANALYSIS



Introduction to the French **cosmetics** and **perfume** market



Sales per product category (2013)



- **Main actors:** *Nocibé, Marrionaud, Sephora*
- **5 distribution channels:** specialized stores, pharmacy, department stores, retail stores, online or offline direct selling

+ Key figures on the industry

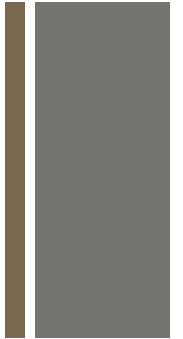
8,25 billion euros of turnover for the French cosmetics and perfume market in 2013 (source: XERFI 2014)

1st France is the place cosmetics are most consumed in Europe (source: loreal-finance.com)

3,5% 2013 growth and 2014 expected growth for the French cosmetics market (source: lefigaro.fr)

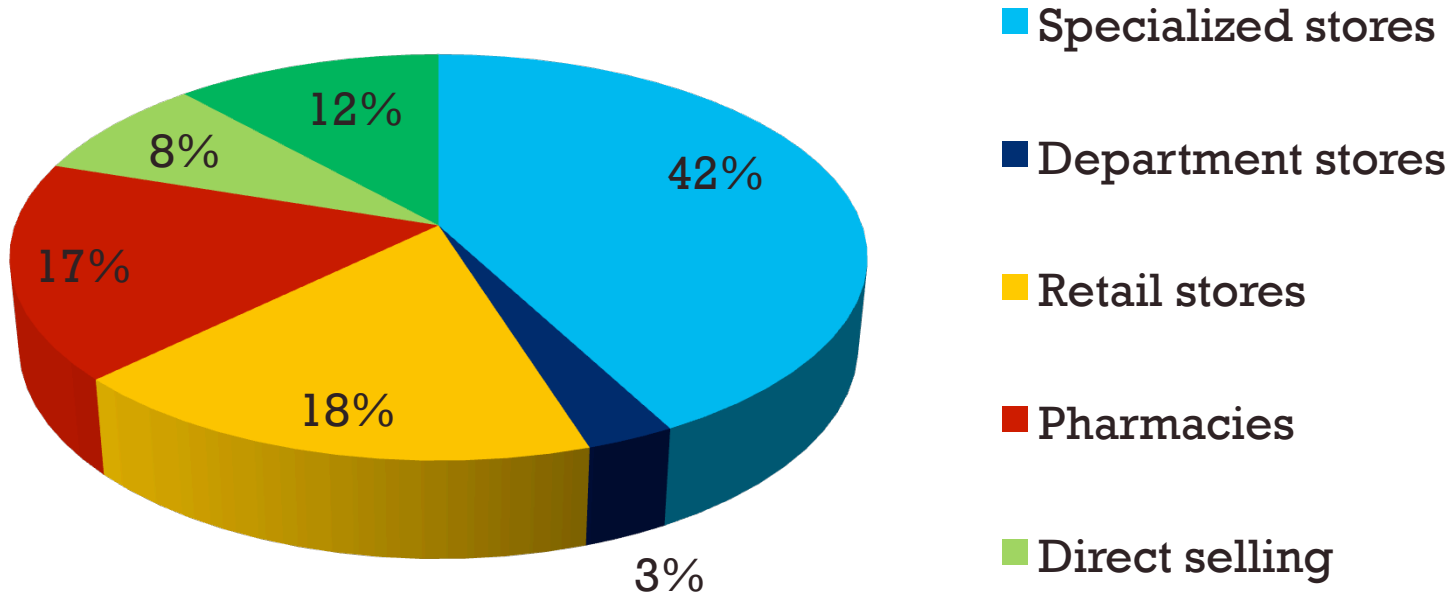
270€ Average annual budget per person for cosmetics and perfumes (source: XERFI 2014)

50% Retailer's branded products represent more than 50% of *Sephora* total sales





Sales per distribution channel (France - 2013)



The Beauty Complex will be a specialized store for beauty and healthy products and services.

As online sales represent about 6% of global sales in cosmetics and perfume industry, we are thinking about developing our own e-commerce website in a few years.

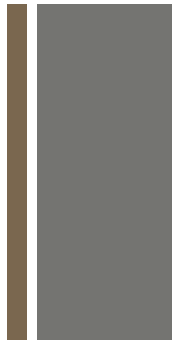


Social environment

Economical environment

Rise of population
+
Growing interest for appearance and wellbeing
+
Ageing of the French population
+
Growing interest of men for cosmetics and perfume
+

Rising prices incite consumers to adjust their budget
-
Significant arbitration of households (spacing out between purchases, descent in product quality ...)
-



Rising demand for cosmetics and perfume in France

High competitiveness with pharmacies
-
Intensification of rivalry with low-cost retailers
-

Sales for specialized stores such as
The Beauty Complex
+1.8%

More and more specialized stores
+
High promotion intensity
-



Strengths and weaknesses of specialized stores regarding competition



Strengths	Weaknesses
<ul style="list-style-type: none">- « Monopole » for perfumes- Wide offer- Loyal customers thanks to powerful loyalty programs- Advice quality- Proximity with customers- Lot of services (nails bar, beauty salon...)	<ul style="list-style-type: none">- Weak differentiation between retailers- High prices due to top of the range positioning (new trend for retailers' branded product)- Women's store concept, difficult to attract men.

What *The Beauty Complex* offers ?

Perfume / loyalty programs / high quality advices and personalization / a beauty service complex / *Beauty Complex* branded products ...



Main specialized stores in France



Brand	Company	Geographical presence	Average number of employees	Average store size (m2)	Kind of implantation			Population area
					Commercial Center	City Center	Suburbs	
Yves Rocher	Yves Rocher	International	6	100	X	X		25 000 - 50 000
Marionnaud	Marionnaud Parfumeries	Europe	6	115	X	X	X	15 000
Nocibé	Groupe Nocibé	France	6	175	X	X		30 000
Sephora	LVMH	International	13	299	X	X		100 000 - 2 000 000
Beauty Success	Beauty Success	International	5	120	X	X		22 000
Douglas	Groupe Douglas	International	8	183	X	X		100 000
Passion Beauté	Groupement d'indépendants	International	4	99	X	X		20 000 - 200 000
L'Occitane en Provence	L'Occitane International	International	2	60	X	X		45 000 - 200 000
Une heure pour soi	E. Leclerc	France	8	187	X			nd
The Body Shop	The Body Shop International	International	4	66	X	X		100 000 - 2 000 000
Simone Malher	Simone Malher	International	2	100		X	X	30 000 - 80 000
Marioannaud Espace	Marionnaud Parfumeries	France	11	428	X	X	X	15 000
Oïa Beauté	Socopar	France	6	146	X	X		nd
A vous de plaire	Namco	France	2	54		X		50 000
Athenais	Parfumerie Athenais	France	3	132	X			nd
Parfumerie Truphème	Parfumerie Truphème	France	4	67		X		50 000
Gisle Delorme Paris	GD International	International	2	40	X	X		10 000 - 100 000
Beauty Monop'	Monoprix	France	6	145		X		nd

+ Direct competitors: Beauty complex in Paris

- **Sephora:** Beauty retailer that sells different brands with 25 stores in Paris.
- **Beauty Success:** Beauty retailer of perfume, makeup, accessories, and also beauty products for men. Selling premium and exclusive brands in addition to their assortment. It has 12 stores in Paris.
- **Skin spa Clarins:** Luxe boutiques where they not only sell Clarins products for face, (makeup, skin care) but also offer a *well being* experience to the customers in a complex where people can relax and and in 6 different spas in Paris.



BEAUTY SUCCESS
Bien-être & belle humeur!



The Clarins Skin Spa
A fusion of science, touch and nature.

CLARINS

Indirect competitors

*We considered these stores, because they are targeting the same market than us

MAKEUP

- **M.A.C Cosmetics:** Makeup store selling their own brand with 19 stores in Paris
- **Make up forever:** Makeup boutique, where the customers can learn how to makeup themselves according to their own specific physical characteristics and needs. They can be found with 2 stores in Paris.



PERFUME

- **Annick Goutal:** Perfume boutique for men and women, in which the customers can choose their own combination of scents, and also they can find the products of the brand. They are focused in offering an unique experience to their customers through the luxe and emotional approach.
- **Guerlain:** Boutique that offers their own brand cosmetic products such as perfumes and makeup. They have 8 boutiques in Paris, in the 1st, 3rd, and 4th arrondissement.



NAIL BARS

- **Culture of color** : Nail bar with a chic and sophisticated style, offering products for nail care and coloring, as well as services such as manicure and pedicure. It has 17 stores in Paris.



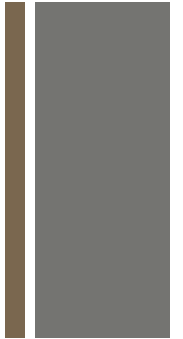
BEAUTY COMBINED WITH TECHNOLOGY

- **Clinique iPad skin diagnostic tool**: Is a tool that Clinique has launched in certain shopping malls. It includes new product testers for foundation and color cosmetics and a smart-screen scanner (iPad) that provides product information and even reviews from other consumers. It's main purpose is to enhance the shopping experience through the integration of new technologies.





Cosmetics and perfume retailers' customers



WOMEN : 90% of customers. Less and less loyal to famous brands. Prefer to spend money carefully in retailer's brands and other products sold in hypermarkets or specialized stores.



MEN : significant growing interest of men for cosmetics as appearance appears to be linked to social success.



+50 YEARS OLD : looking for caring their face. Have more purchasing power than average French households. Because the French population is ageing, such persons will be more and more important for cosmetics retailers.



BABIES AND CHILDREN : products dedicated to them are booming. Most of purchases done in pharmacies (security feeling)



TEENAGERS : specific needs so specific products. *Sephora* is focus on this target.

+ **Arbitration behavior** of consumers in cosmetics and perfume industry

	Adjust quantity	Descent in product quality	Purchase of discount products	Self-made products	Purchases adjournment
Perfume and washing products	++	++	+		+
Beauty and cosmetics products	+	+		+	++

The Beauty Complex will work on :

- **offering adjustable quantity** for consumers for its retail brand.
- **offering cheaper products** thanks to its own retail brand while selling top of the range brands.
- avoiding purchases adjournment **by a strong loyalty program.**



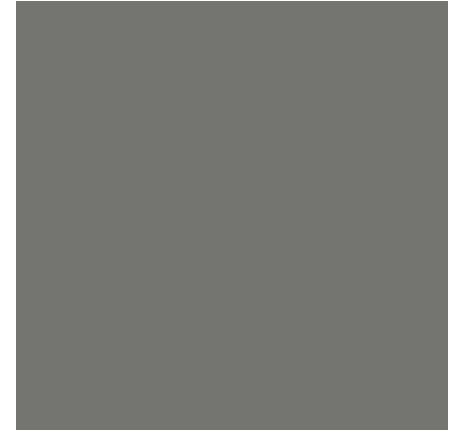
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STORE

LOCATION



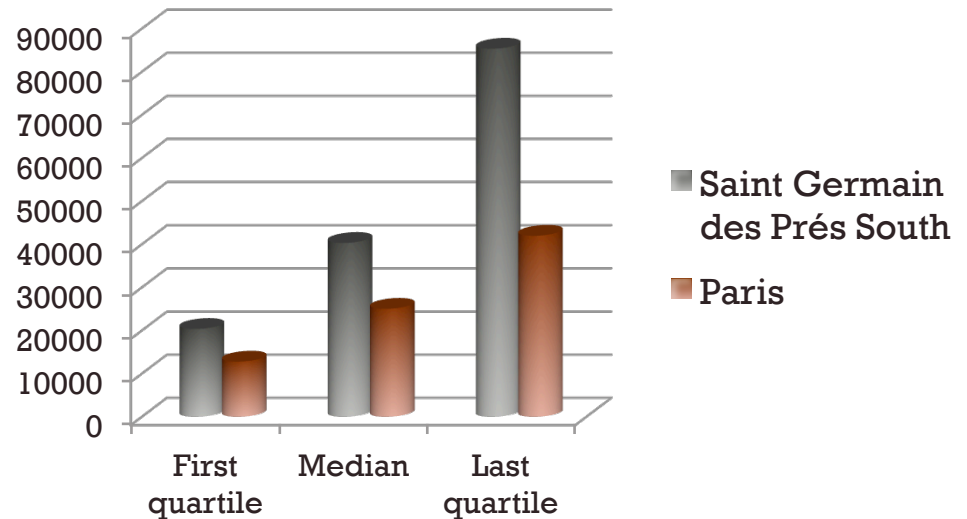
+ Store location: Saint Germain des Près, Paris

- ◆ Finding **the perfect place** to reach our target customers (classy families, wealthy tourists, hip students and Parisians)
- ◆ **Central localization** in Paris: easy for people to reach in their free time
- ◆ Zone of **high purchasing power**
- ◆ A neighborhood whose image fits ours: **classy but not tacky**



Demography of Saint Germain des Prés – South

- SAINT GERMAIN DES PRÉS is located in the center of Paris, close to all touristic sites, as well as all of the most famous universities.
- It is a historical and artistic hub, with many historical sites and galleries.
- It is a very rich neighborhood, but not residential.
 - Very high median revenue per household compared to the average in Paris.
 - → High purchasing power of the immediate customers (inhabitants of the neighborhood).
- It is a strategic place in terms of “people turnover”: centrality makes many people pass through it, there are inhabitants, students, many tourists...

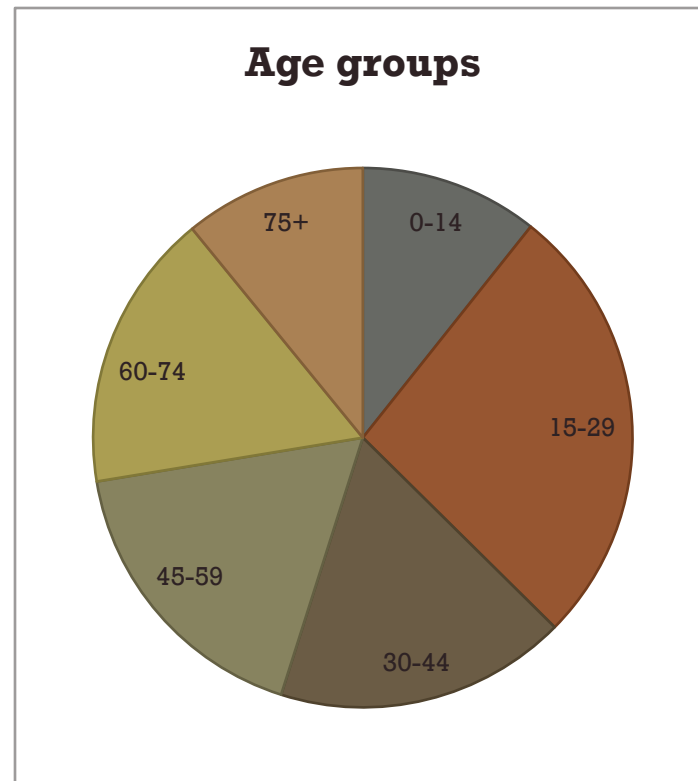


Fiscal revenue in euro, per household

Data: INSEE, 2010

+ Demography of the 6th arrondissement

- Well distributed age groups
- Socio-professional groups:
 - 28,9% of upper management and higher education professions, which is the most represented group
 - This segment raises to 48,1% for the people between 25-54, which is our main target
- Data: INSEE, 2011

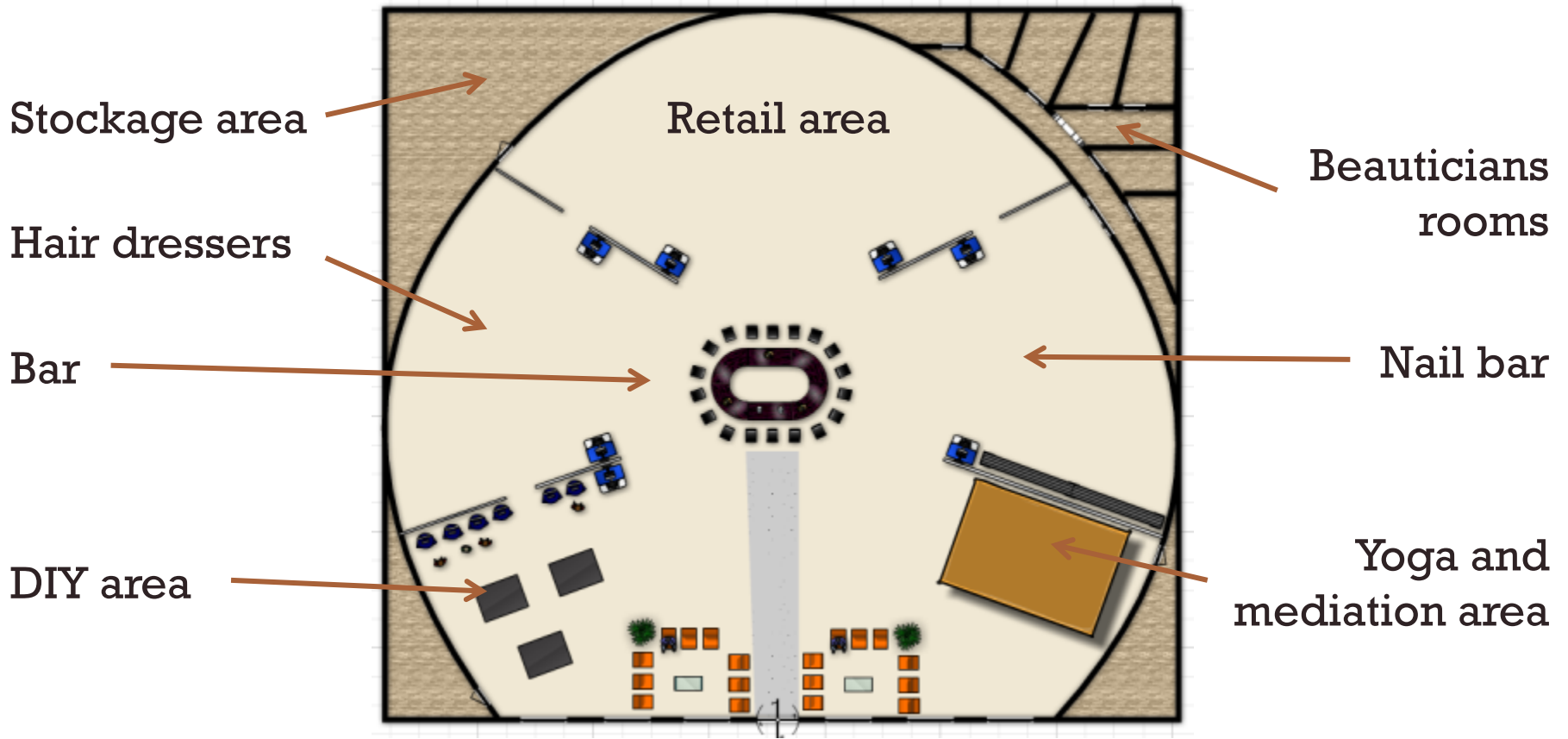
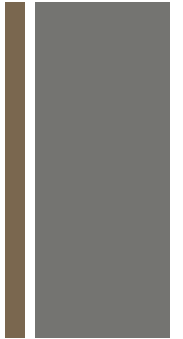


+ State of the economy in the 6th arrondissement

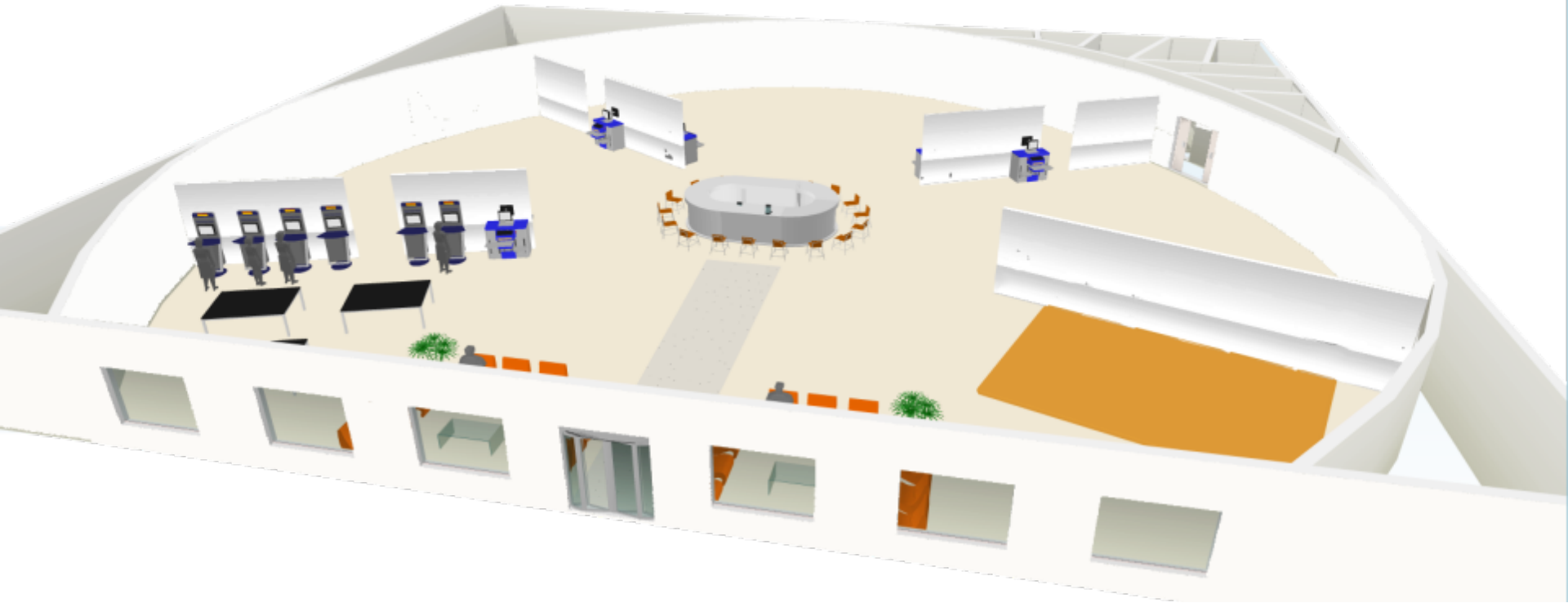
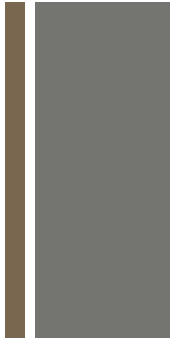


- New creation of companies is done mostly in the commerce, transports and services sector.
- There has been a decrease in the creation of new companies in this zone: 1112 in 2012, 919 in 2013.
- Most companies are well and long established (data INSEE 2013):
 - 9.8% are < 1 year
 - 45,2% have been established for more than 10 years
- Most companies in the sector are small companies
 - In 2011, 31,9% of companies have between 1-9 employees
- → Why it's good for us:
 - Less competition regarding new entrants
 - Disruption in this slow-moving zone
 - Since it's a new concept, built on a new experience, less competition with long established and well-known companies

+ Store Layout – 2D

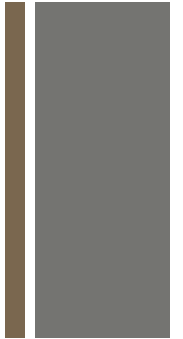


+ Store Layout – 3D





Competition in the neighborhood for the Beauty Complex



- Since the location is so practical and tactical in terms of population, there is still quite a lot of competition in Saint Germain des Prés, in particular shops selling **skincare products, and perfume and cosmetics** shops.
- Some of the most direct competitors in Saint Germain, 6th arrondissement, include:
 - **Skincare, bath and body brands:** Aesop, Perlier, Kiehl's, Oliviers&Co, Crabtree&Evelyn
 - **Perfumes:** Editions de Parfum Frédéric Malle, Parfums Lubin, Marionnaud Parfumerie
 - **More diversified beauty shops:** Natura Brasil, Oh my cream!, Shu Uemura
 - **Men products:** Comptoir de l'Homme:
- The Beauty Complex differentiates from these competitors through its wide range of products and services: for instance, shops like M.A.C. sell only makeup, while Perlier is focused on skincare, bath and body, and the Comptoir de l'Homme on men products, while the **Beauty Complex** is so much more.



The Beauty Complex

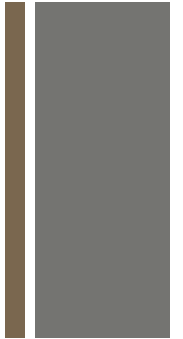
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BRANDING



First step of branding: the store identity



■ **Visualization of the store**

- A depurated space
- Differentiate from typical beauty stores that can become overwhelming
- The place must be serene, inspire relaxation, well being

■ **Materials**

- Noble and raw material: marble, raw wood, steel

■ **Organization of the space**

- Large space, feeling of “freedom”
- Space divided not by walls but by the tech accessories (“tech walls” and tech tables)
- Easily modulated space: ability to move around the tables, to adapt to the customers and be able to organize special events



+ Industrial loft style

No unneeded decoration

Very pure in the aesthetics as well as the material used

Dominance of neutral colors

Lots of space

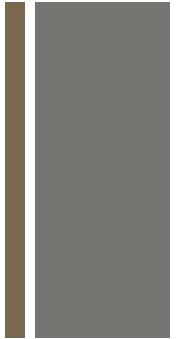
Minimalist

+ A strong visual brand identity





A signature gift and packaging



- Many brands – in many different domains – have had success by offering signature signs of attention to their users: Abercrombie and their photos, Yves Rocher with the monthly gifts, Au Nom de la Rose offering an additional flower in the packaging, Nespresso offering coffees in the store...
- As a branding effort, we could have a similar “signature gift”:
 - A customized product: the tote bag
 - A luxurious, and easily identifiable packaging: the custom box
 - A magazine: *The Beauty Digest*

+ A signature gift bag: The Beauty Complex tote



- **Why a tote bag?**
- It is trendy
- It enhances word to mouth and raises awareness about the brand, as people can reuse it, wear it in the street
- Made out of organic cotton which is in line with our healthy lifestyle image

+ The signature gift box for customized products



- A box made out of **wood**: Quality material enables the customer to actually keep it, and re-use it.
- Luxurious packaging shows our premium positioning.
- Wood gives an “organic” touch to the box, in line with our focus on wellness, and also makes the box more original.
- Neutral aesthetics so that it can appeal to both men and women (having only one type of box will reduce costs).



A Magazine, issued by the store: **The Beauty Digest**

In-store communication

- A magazine focused on beauty, with special tips, presentation of events to come in the shop, or of past events, exclusive interviews with people from the beauty world (makeup artists, hairdressers, designers), as well as of celebrities giving us their own beauty and wellness tips
- One copy handed out to each customer: along with the signature packaging
- Leaving copies to be read in the relaxed areas, at the juice/smoothie bar, etc., making this area one of peacefulness, where one can read and relax

External communication

- The magazine will also be handed out outside the store
- Distributed in places trendy bars and restaurants, clothing stores, designer shops...
- This magazine will also be an opportunity to build partnerships with other businesses: for instance, in exchange of advertising in our magazine, we can increase word of mouth by asking the businesses to promote our shop



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COMMUNICATIO

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- + 1. The opening party



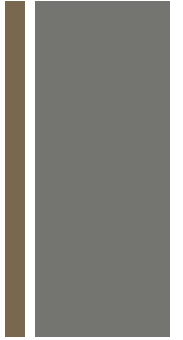
Opening party: *Hosting a big opening party in order to create a buzz and raise brand awareness from the beginning*

- **Public relations efforts:** invite guest people: Bloggers, beauty specialists, fashionistas...
- **Distribution of beauty magazines** in Paris advertising the opening of the store, inside some magazines : hidden invitations for the opening party!
- **Catwalk** with Parisian designers
- **Concert**
- **Free testing** of DIY make up and perfumes
- Free testing of the techy furniture and the augmented reality experience
- **Samples** distribution
- **Smoothie** degustation





A large budget for the opening party



- There is a strong competition in the market we want to enter, yet the Beauty Complex has a real competitive advantage as it is a unique concept.
- To leverage on this advantage, we need to create a buzz and raise awareness as the store opens → don't hesitate to place an important budget on this opening party.
- To balance this big budget, we will offer exclusive in-store deals during the party.



Local advertising

- Wide-reach advertising campaign two weeks before the store opens
- **Print advertising** all around Paris advertising the new opening.
- **Distribution of the magazines** of the shop in the retail stores around.
- **Place advertisements in:**
 - Local newspapers
 - Local radio station
 - In niche magazine aimed at our target audience



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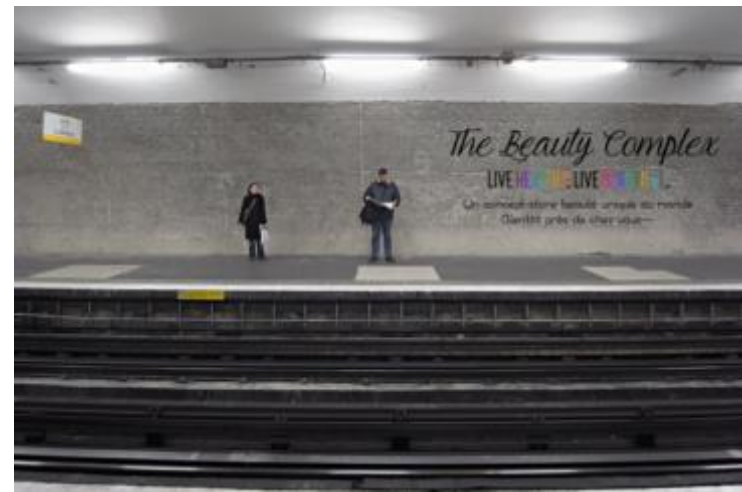
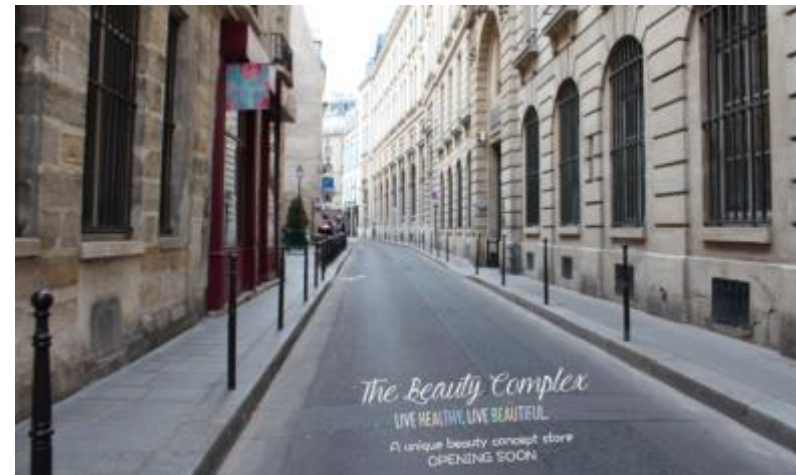
On-Premises advertising.

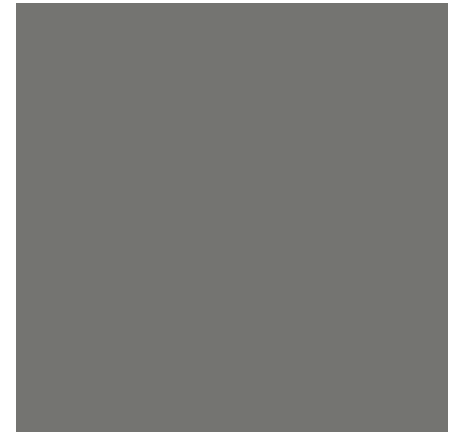
- **“Coming soon” ads** displayed in the windows, on doors, by the road.
- One week before the grand opening: **grand opening ads**, displaying the date when the store will open.
- **Clean tags**
- **Distribution of flyers** in the place we might reach our targets: on college campuses to reach students, in front of schools to reach housewives etc.
- **Play on word of mouth**



Outdoor communication before the opening

- Raising awareness throughout the city with original communication:
 - On stairs
 - In metro stations
 - In the streets





+ 2. Store-based communication

+ Hosting special events

Regular social gatherings

- To make the concept store a **“social” space**, where people can gather and discuss
- **Yoga/meditation class** every Sunday morning
- Bring your kids **to shop days**
 - Special **workshops** for kids (for example, creating presents for their mothers)
- **Kids’ hours**
 - Special hours in the week, during which the staff takes care of kids

Punctual special events

- **Catwalk** shows, showcasing local designers or up-and-coming talent of the fashion industry
- **Extreme do-overs**: stylists reshape your look
- **Mini conferences** with special guests invited, for example famous cosmetics models, makeup designers, etc.
- **Inviting “premium” professionals**: celebrity hairdressers or makeup artists that come specifically for the Beauty Complex customers, for a day only,



Use of an app, and of beacons, inside and outside the store

Beacons inside the store

- To increase customer experience: you get a message as you enter the shop, when you pass next to a shelf on which products are on sale...
- To move from one “workshop” to the other: the beacons physically guide you throughout the shop
- To see what other people have been doing as you pass on a new table
- The application will also record customers’ preferences (for instance, save skin type, favorite smoothie, etc), as well as save lists of favorite products or products they want to try out, so that they can directly order/reorder as they enter the store

The application outside the store

- Use push notifications to keep interacting and engaging with consumers:
 - Sending them notifications when they have not visited the store in a long time
 - Special offers
 - Invitations to special events
 - When they get into other shops, remind them of our existence
 - Link the application to social media platforms so that users can share across platforms their list of favorite products, or photos of what they have done in the Beauty Complex

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+ 3. Market-based communication



+ Localized advertisement



■ Magazine and editorial ads

■ Ads in specialized press

- Fashion (Vogue, L'Officiel, Vanity Fair...)
- Design (AD)
- Lifestyle (Cosmopolitan, GQ...)
- Beauty
- Art? (Artpress, Beaux Arts Magazine, Artforum...)

- Contact bloggers and people of influence to write articles about our store, to raise awareness from the beginning

■ Online presence

■ Blog of the shop

- Intensive presence on social media, in order to create a community and raise awareness
- Play on birthdays: notify of the shop's offers before birthdays
- Seamless experience when moving from one channel to the other: social media linked together, and also linked with in-store experience (for instance, you can find online the perfume/cream you made in store)

+ Direct marketing

One-to-one communication

In the long term: construction and utilization of an important database in order to install personalized and differentiated contacts between the store and the customers.

- **Direct mail (personalized)**

Ex: Special offer for your birthday, greeting of the customer after a purchase and suggestion of other products that might be of interest for him etc...)

- **Coupons** (welcoming coupon, coupon according to what you buy, coupon to discover new services, new products, coupon that incentivize the customer to buy more)

- **Mobile:**

- In the short term: personalized SMS
- In the long term: Mobile app of the store / Push notifications to customers

- **Strong presence on social media/** Creation of a **forum** on which customers and professionals would exchange beauty tips/ Creation of a **community**

- **Insert media:** coupons in fashion magazines, beauty magazines etc..



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EXAMPLE OF

COMMUNICATION

+ Advertising campaign

- Simple campaigns, always in the chic and depurated style of the Beauty Complex, leaving a certain mystery, and making viewers want to discover what is behind the name.



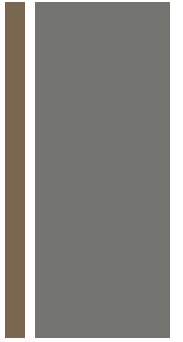
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**A JEWEL OF TECHNOLOGY
FOR A CREATIVE BEAUTY**





**ADD SOME FUN
TO YOUR BEAUTY**

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FEEL GOOD INSIDE
LOOK GOOD OUTSIDE

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A NATURAL BEAUTY FOR A BEAUTIFUL LIFE



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DO IT YOURSELF FOR A UNIQUE BEAUTY



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**ADD SOME COLORS
TO YOUR BEAUTY**



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CUSTOMER

RELATIONSHIP

+

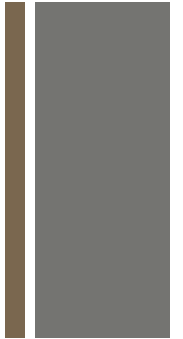
Loyalty card



- The card is given to customers for free upon request whenever they purchase a product or a service in the shop.
- At first, customers are granted a basic fidelity card which enables them to collect points whenever they purchase a service or product. Then at some point (a number of purchase or an amount of point), the card is switched to a “premium” card (gold, etc.) and allows the customer to access extra services like free smoothies/juices at the smoothie bar (or a special juice recipe available only for those who have the “premium card”).



How we reach our loyal customers



Customers owning a card will have to activate it online so we can collect basic data about them, and especially their e-mail address: they will be sent daily offers related to their interests (i.e. depending on what kind of product/service they purchase in the shop). We therefore have a segmentation of these customers: those oriented toward beauty, those more interested by lifestyle and healthy product, etc.



Rewarding the loyal customers



■ **Discounts**

When the customer reaches a certain amount of points, they are offered a discount on whatever product or service they would like in the shop.

■ **Taking part in events**

- These “premium” customers will also be eligible to enter contests for free the events that are planned in the shop: taking part in a fashion show, free makeover, etc.

■ **Being featured in our magazine**

- In each issue of our magazine, a “premium” customer is chosen and interviewed about his “picks of the months”, favorite services, habits, etc. It is a bit of celebrity offered to our most loyal customers.



Sales people: The beauty team

A good media to communicate on the values of the store



- **Connected vendors** especially dedicated to help a customer that is already aware of a lot of things (thanks to the online world)
- Team with a **special name and distinctive attributes** (in line with the universe of the store)
- Can be called at any time by the customer (at a specific point of the store, maybe we can use **beacons**)
- **Dedicated personal assistance:** each member of the beauty team is assigned to answer the needs and questions of a special set of clients.

+ Communities



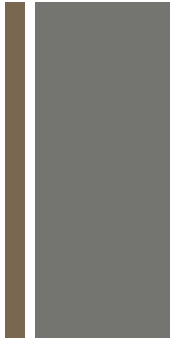
- Creation of a **beauty community** on Twitter/Facebook/Instagram/Tumblr

-”**Open-source**” and “**open data**” Tumblr and Instagram on which people can upload pictures and recipes of their DIY products, but also pictures of their experiences using the tech tables, of the fashion shows, of the yoga classes etc.

- Ability to post and follow **beauty tips** and **best DIY recipes** of the week on Facebook and Twitter
- Follow the activity of the stores 7/7 thanks to Twitter and Facebook.



+ Co-creation process



Personal relationship created **through the customer direct input** in the final products of the company (DIY products).

-The beauty team assists the customer while creating his/her own product.

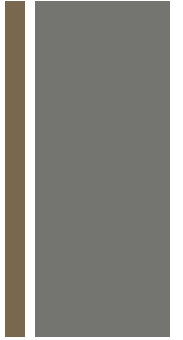
-The beauty team spot best DIY products made by customers, and organize **a monthly contest**. During one month, customer can try and smell recipes created by other customers and elect online the best recipe. The winner sees his product replicated and sold in our store.

→ **Funny games** in order to engage more the customer.

+ Experiential shopping

It's more than shopping

- Use of **beacons** to inform the customer and send him tips and discounts at numerous checkpoints in the store
- Use of **augmented reality** instead of testers: huge screen all around and in the middle of the store with augmented reality experiences
- **Big connected furniture**
- **Specialized experience:** each customer has to be made special by our vendors.
- **Signature gift (Tote bag)**
- **Contactless payment:** like in Apple stores



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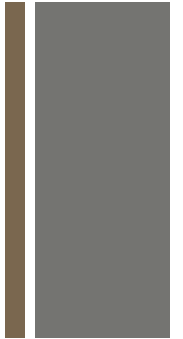
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FINANCIALS



Budget for creating the shop



■ Renting a space

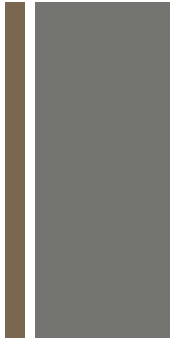
- Based on a study of the price of a dozen currently available shop spaces, the average price in Saint Germain des Prés is 640e/m²/year → for a shop of 1000m²: 640,000€

■ Buying the furniture:

- Shelves and tables
- Tech tables: Digitale-interactive is a retailer selling tech tables. Wide tables are 2999,00€ and smaller ones are 1499,00€ (TTC)
- Tablets: around 200,00€ for an iPad (discounted when bought in batches)
- Smoothie bar: bar and chairs, 6 blenders, 4 juicers, 2 fridges
- Hair dresser: 4 washing stations, chairs and mirrors
- Beautician: waxing stations, chairs and mirrors



Additional sources of cost



■ **Creating the application**

- Fees of hiring a developer for the application: 25,800 euros according to an estimation platform

■ **Hosting the opening party**

- Fees for celebrity agents and musicians for the concert
- Renting a catwalk
- Provide for the free samples
- Extra staff
- Communication about the party

■ **Communication**

- Campaigns: printing posters + renting space to show them: one week in the metro is 16,000€ , 5000€ for 1 large format on 12 months
- Magazine: L’Imprimerie générale = 4954€ for 10,000 issues
- Tote bag: the website Bagart sells customized tote bags for 2,70 each
- The box: the website “box.fr” sells boxes in natural wood, each ranges from 2,42 to 3,79 euros depending on the size

■ **Staff:**

- 10 vendors, 1 store manager, 2 barmen



Estimation of annual revenue streams

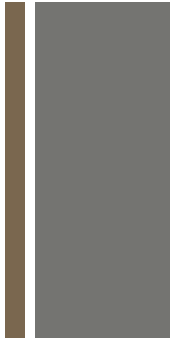
Sale of products

- **Sale of beauty products**
 - We estimate the number of clients based on the total number of inhabitants in Paris that are upper-middle class (upper professions)
 - Within this population, we calculate the 42% that use specialized shops for beauty
 - Then, within this, we estimate that we can attract 5% of men and 12-17% of women (depending on age group)
 - We then multiply this with the average basket of 257€
 - The average margin is 30% (as some products will be less expensive, and our DIY products have a higher margin)

Classes and additional revenue streams

- Renting the hairdresser and beautician spaces, at a higher price than the one we pay
 - Our brand identity will attract customers so we increase the price/m² to 750€
- Revenue from smoothie bar
 - Based on estimations, a smoothie bar franchise like Zumo can yield revenue between 150-300K€
 - For our bar, we believe we can attract up to 3,000 customers per month in the first year, with a 50% margin
- Revenue from yoga classes

+ Estimations for the 2 first years



YEAR 1	
Net sales	4,259,689.14
- Cost of goods sold	2,893,282.40
= Gross margin	1,366,406.74
- Operating costs	1,331,410.64
= EBIT	34,996.10

YEAR 2	
Net sales	4,336,363.54
- Cost of goods sold	2,945,361.48
= Gross margin	1,391,002.06
- Operating costs	1,262,610.64
= EBIT	128,391.42

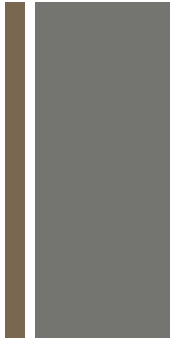
After the first year, we will have less operating costs.

Also, as mentioned, the market is growing at 1,8% a year, which means our revenue will increase in the next few years.

Finally, we also believe that our sales will grow as our reputation becomes more prominent. In particular, we hope to yield additional revenue with tourists shopping in the Beauty Complex.

(In the EBIT calculation, we only took into account for Y2 the 1,8% increase. More details on the excel file in appendix)

+ Financial summary for YEAR 1



Expenses		Revenue	
Special expenses for shop opening	68,800.00	Sale of products	1,201,406.74
Rent	512,000.00	Smoothie bar	90,000.00
Staff	397,200.00	Renting spaces	45,000.00
Communication	350,210.64	Yoga classes	26,800.00
Total	1,328,210.64	Total	1,363,206.74
		TOTAL REVENUE	34,996.10

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MERCHANDISING

G

Assortment

Hair



Other brands

- Shampoo
 - Conditioner
 - Oil
 - Treatments
- Hair care

Private brand

- Shampoo
- Conditioner
- Oil

Depth

- 3 different choices per product

Makeup



- Foundation
- Blush
- Eye shadows
- Mascara
- Eye liner
- Lipstick

- Blush
- Eye shadows
- Body cream

Up to 7 colors to combine
Up to 10 colors to combine

Nails



- Nail polish
- Nail care

Perfume



- Do it yourself according to the scent that you chose
- 15 to 20 different scents

Health



- Vitamins
- Food supplements

+ Introducing private brand



- The private brand is aimed at enhancing the experience inside of the store, being made to let the customer play with the colors, textures, scents, and create their own brand new product according to their personal preferences.

DIY products



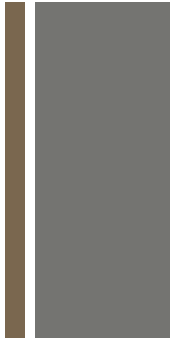
- These products are going to be displayed inside of the store in a “bar style” where the customer feels motivated to experiment and try to develop their own cosmetics with the help of the interactive tech tables, and then take away in our branded containers.

+ Type of shelves

- The shelves of the store are very simple, sophisticated and refined. The objective is to highlight the product.
- They are of a classical, noble color and see through in order not to break the space of store. See example below:



+ Organisation of a shelf: regular brands

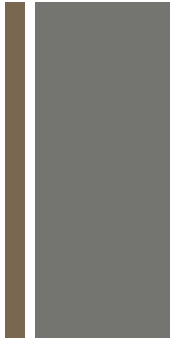


- Each of our shelf has 3 steps as follows:

BRAND NAME
Medium margin products
High margin products
Low margin products

For the regular brands (high-end or high-street), a shelf top to bottom is dedicated to each brand with the merchandising that goes along with it (like a Sephora counter but in the form of a shelf).

+ Organisation of a shelf: private label



- Each of our private label shelf has 3 steps as follows:

BRAND NAME
Medium margin products
High margin products
Low margin products

For our private label brand, a different color can identify the shelf (a color that would go along with the identity of the brand and our packaging for the private label).

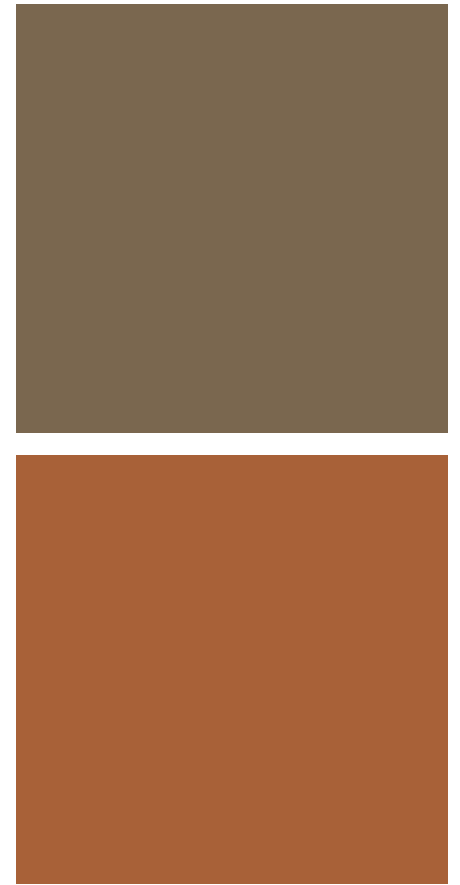
+ Merchandising



- We need several kind of information signs to make customers able to wander around the store easily:
- The juice bar located in the middle of the store is closed by a round glass wall on are indicated each section name in white to keep having this idea of transparency and big wide space.
- Each brand has its merchandising for their counter.

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BUSINESS CANVAS



Key Partners



Key Activities



Value Proposition



Customer Relationships



Customer Segments



- Buyer-supplier relationships with the brands that we are reselling (ex:L'Oréal products)
 -Strategic alliances with young creators and fashion brands that can organize fashion shows in our store

-DIY bars
 -Retailing of other known brands

Come and experiment a new manner to shop and to feel good by entering in our Techy Beauty Complex. Discover a connected concept store dedicated to beauty. Because feeling good is not only a question of appearance, we will help you rediscover yourself from the inside and will propose you the best beauty experiences, services and products that fit your own needs. Because all of our customers are unique, we ambition to offer you a real personalized beauty experience. More than just shopping we will experiment a new digital experience that will make you travel in the world of beauty. We are "advancing in the science of beauty".

-Loyalty program
 -Dedicated personal assistance: beauty-team / customer interaction.
 -Communities
 -Co-creation: personal relationship created through the customer direct input in the final products of the company (DIY products)

-The working woman
 -The metrosexual
 -The housewife
 -The mid-age couple with kids

Key Resources



-Our beauty team
 -Our store, its specific design and its specific assortment
 -Our DIY activities

Channels



We will reach our clients through our own channel, our beauty complex store

Cost Structure



Revenue Streams



-Direct sale
 -Rent of space to hairdresser, beauticians etc
 -Money collected from our events and classes