

Example of business plan on retsept

[Business](#), [Company](#)



Executive Summary

Retsept is an online skincare company. It makes hand made products with no machine intervention using only natural ingredients. Company sells products online and delivers it. Retsept is scheduled to debut in 2014 and is a United Kingdom sole trader enterprise that offers organic skincare products throughout the United Kingdom and Europe. Currently Retsept is poised to become a national leader in the skincare industry offering affordable natural treatments in a compelling online setting. Retsept seeks to expand its competitive advantage by challenging the position of skincare producers in the United Kingdom and throughout Europe.

Despite confident positioning, Retsept seeks to fill a niche market and therefore the marketing strategies will access a wider demographic than simply the skincare industry. Retsept is an online skincare company. It makes hand made products with no machine intervention using only natural ingredients. Company sells products online and delivers it by post. The purpose of the business is to identify the importance of natural skin care as a necessity for women. Because Retsept skin care products are handmade and based on all natural ingredients they will appeal to people who are devoted to upholding sustainability.

As crafters of handmade skin care products, Retsept will focus primarily on increasing their online presence during the first year of business. Having a professionally designed web site will be the priority. Besides the main website, the owners will issue press releases, blog, and post YouTube videos.

Retsept products will not contain toxic chemicals such as artificial dyes,

butylene glycol, pesticides, petroleum, or sodium lauryl sulfates. Retsept will never test on animals.

Business Analysis

The company will be located in the United Kingdom and will begin operation in 2014. The product sold will be organic non-manufactured skincare solutions. This company will operate as an online business serving Europe. The business will operate as a Sole Trader. Because the owners are running their own business, they will be responsible for the taxes, business profits, and losses. The owners will keep records for all expenses including stock, equipment, and other spending. The business will register with HM Revenue & Customs (HMRC). Mission statement/vision: “ Retsept” mission is to offer an opportunity for both men and women to take part in experiencing the beauty of natural ingredients and its brilliant results for skin.

Our vision recognizes that beauty inspires multiple generations, thus our intention to treat every customer as part of the Retsept family.

According to a 2014 market survey by Business Source Complete during 2012 the skincare marketplace in Europe produced a total of \$26. 0bn in revenues. The growth rate annually for a 5-year period between 2008 and 2012 was 2. 8%. The compound annual growth rate rose by 2. 0% during the same period. Projections indicate that businesses can expect this rate of market growth to remain steady through 2017. Predicted revenues for 2017 would therefore be 29. 8bn. In Europe, the skincare marketplace offers high-end products that capture the majority of the marketplace. The same companies tend to dominate the marketplace yearly. In Europe, the most

frequently purchased types of skincare include products for the body, hands, face. Specifically this entails depilatories, sun protection, and make-up remover (2014). In the 2013 Proctor & Gamble (USA) held the lead position in market shares; followed by Unilever (United Kingdom) and then L'Oreal (France). Of the top ten spots six were held by United States companies; two by France based companies, and two by companies in the United Kingdom (Hunt Executive Search, 2013).

Face care is the most in demand products in the United Kingdom marketplace making up approximately 63% of purchases and accounting for 76% of profits. This phenomenon is accounted for by two factors. 1) Face care products are the most expensive products overall. 2) Consumers use more of their buying budget on face care products. Female consumers make up the majority of skincare buyers overall (Market Watch 2013).

Marketing strategy

Because Retsept is a new company it will be necessary to develop a range of products that are easily introduced to consumers. As noted in this business plan, there are quite a few companies in the United Kingdom that have been offering handmade skincare products. Therefore using the four P's of the marketing mix will be one way that Retsept can enter this busy market (Yorkshire International, 1995). The marketing mix four 'four P's are:.

- Product
- Place
- Price
- Promotion

It is crucial that Retsept use all four components appropriately so that a

Retsept products can become known in the United Kingdom and Europe (Yorkshire International, 1995).

One of Retsept's strengths is that the company springs from a creative culture. Retsept marketing initiatives aim at distinctive products. This will result in customer loyalty. There will be an accurate perception that Retsept type products are not widely available and where they are available they are in a much higher price range. The most promising opportunity is the marketing of Retsept as a homemade unadulterated healthy alternative to commercially manufactured skincare products.

Mature consumers who are female make up approximately one quarter of the purchasers of skincare products in the United Kingdom. The reason for this percentage is the aging baby boomer population in the United Kingdom, which constitutes approximately 29% of the total United Kingdom population. Approximately 90% of the skincare market in all classes is dominated by branded products. The remaining 10% is controlled by private labels. This indicates that skincare product consumers tend to be brand loyal. Private label products are overall more expensive than regular brand label products. This indicates that approximately 10% of consumers are willing to pay more for the perception of buying a higher quality product that is not mass-produced. In the end these consumers subscribe to the philosophy that they are getting better value for their expenditures (Market Watch 2013).

Urban dwellers spend more money on skincare products than rural dwellers. A survey of the depilatory market reveals that urbanites account for 74% of those purchases (Market Watch 2013)

Retsept is a startup company and as yet does not have a recognizable brand

name among private labels in the United Kingdom and Europe. The Retsept business plan includes the goals of making the name familiar and identifying it with handmade high quality products at affordable prices. The web site campaign is the primary vehicle for this pursuit (Investopedia 2013). As time passes and Retsept becomes more well known the company will expand its product line. In doing so, Retsept will compound the probability that consumers will purchase Retsept products because they have had good experiences with other Retsept products (Investopedia 2013).

It is rare for a start-up company such as Retsept to post a profit the first year. This applies especially in the situation of Retsept because the launch of the company is mid-year. Retsept has the advantage of reduced start-up costs due to no payroll. However, it will be a requirement that the owners invest their personal savings in the company. Additional financing will be obtained through loans.

Management Plan

The production cost of 1 unit is £7.50 + (133% markup) = £17.50 selling price. Product delivery will be accomplished by regular post, Amazon, and eBay. Initial product offerings will include body, face, and hand creams as well as cleaning milk. The startup production estimate is 10 units per week. The main product ingredients will be essential oils, extracts, waxes, herbs, vitamins and minerals. Retsept will be owner operated and managed therefore there will not be an investment in employees and employee related expenses.

Financial Plan

Business feasibility/ Risk Management

One of the risks as with any business is that competitors may temporarily lower their prices in order to drive customer purchases. Even though Retsept may reach a large number of clients there is always the vagaries of internet sales to be dealt with. Because face care is the most essential aspect of a woman's beauty regime and therefore purchases it is vital that the Retsept face care products be top notch. These products will therefore command a larger portion of the investment. Face care product purchases are a " results-driven category, [therefore] consumers are very demanding of their facial skincare products and brands tread a fine line between igniting interest and the ability to deliver on promises" (Mintel International Group Ltd., 2000).

Consumers of face care products in particular want to make " healthy choices" (Byers, D., & Byers, D., 2001). Because of the demand for face care products consumers are " inundated with ads" that represent the idea that " naturally beautiful skin" can be obtained with certain brand products, generally at great expense (Byers & Byers, 2001).

Before débating the Retsept skins care line it is important to examine the competition. Because the skin care business is so competitive with new startups entering on a regular basis and established companies introducing new products annually it behooves Retsept to examine some of its closest competitors. These would be companies with private label skin care products that focus on the benefits of home beauty regimes. Eventually it would benefit Retsept to find a non-competitive business mentor, however in lieu of

that an analysis of three private label competitors and their products was conducted.

Two United Kingdom competitors in the private label skincare field that offer online products:

Handmade Naturals

68F Chapel Mews, Crewe Road,

Alsager Cheshire ST7 2HA,

United Kingdom

Major Relevant Products: Cleansers and Toners, Face Creams, Creams with SPF, Eye Care, Face Masks, Lip Balm.

Handmade Naturals offers handmade products made in the United Kingdom using cold pressed unrefined vegetable oils. Additional ingredients are certified as fair trade and their packaging uses recycled bottles and containers. Their products are certified cruelty free.

Pringle & Fairweather Natural Skin Care² Woodside Farm Cottage Brougham, Cumbria CA10 2AP

Major Relevant Products: Bergamot, Lime & Black Pepper Olive Oil Soap , Geranium, Ylang Ylang & Rose Bath Spa, Bergamot, Lime & Black Pepper Really Rich Hand Cream, and Intensive Hand Balm. Additionally they offer a Dog Shampoo Bar that is one of their top selling items.

Pringle & Fairweather sell their products through their online store. However, they garner new customers by travelling to events and shows at which customers can test, smell, and become acquainted with product line.

The market for Retsept skincare products will be women with average to above average disposable income who would rather buy handmade products

online that are of high quality rather than commercially produced skincare products. Those women in the middle and middle-upper income categories are Retsept target customers. People in the upper income brackets favor private salon and skincare services.

Retsept is targeting female clients via mailings to specific zip codes and website advertising. Retsept is positioned to service geographic locations in the United Kingdom and throughout Europe. The Retsept pricing strategy does not vary geographically.

There is a huge interest in natural skin care made with essential oils and other non-manufactured products. Books, courses, and distillation kits are available online and at retail stores to assist beauty devotees in their pursuit of a more natural skin care regime. While making skincare products at home may be gratifying, it is not necessarily feasible for working women. Because Retsept will be producing its products by hand it will be able to fill the needs of consumers who want to enjoy “fresh, unadulterated and organic” skincare regimes (Croaten, 2006). Recommendations

There is the possibility that in the future Retsept will target salon and spa services personnel who may want to use natural homemade skincare products at their establishments. Retsept views its future as being competitive with skincare lines not only in homes but also in holistic spas and skin care salons. Eventually Retsept will expand its brand to include a wider array of skincare treatments. Home and salon/spa skincare treatments are believed to be the best positioning strategy for future development. Male use is likely to increase in the future with men becoming more aware of

personal grooming and male targeted products becoming more available” (Market Watch 2013).

Some questions Retsept is considering:

- “ How will an ageing population affect the facial skincare market?”
- “ Which product attribute is most important to consumers?”
- “ How can men be encouraged to use facial skincare products more frequently?”
- “ How can consumer trust be reignited in product claims?” (Mintel International Group Ltd. (2000).

Conclusion

Retsept plans to execute a standardized marketing plan that will include promotional activities:

- Mid-January through mid-February is the Valentine’s Day campaign aimed at Skin Care Gift Cards.
- Mid-February to early April is the Retsept wellness campaign aimed at new prospects.
- April through Mid-May is the Mothers Days gift card campaign.
- Mid-June is the Father’s Day gift card campaign, which will focus on attracting male customers.
- The June Solstice will focus on a wellness campaign aimed at new prospects.

Retsept will develop additional holiday campaigns annually. Adding the male skincare dimension to product strategy will require new advertising slogan development. Implementation of that promotion strategy may require hiring

extra Public Relations personnel. A more detailed implementation plan can be elaborated on after consultations with professional marketers and Public Relations representatives. Retsept anticipates that its operations will endure in long-term and therefore aims at increasing its presence at the market. The firm will use evaluation metrics and controls to assess the marketing plan's recommendations and results. The marketing plan therefore must indicate the methods for undertaking this assessment, whether quantitatively or qualitatively. Over a five-year implementation period new products and promotion tools can be introduced on a systematic basis. The stages of implementation should be conducted by thoroughly monitoring their influence on the company's meeting of consumer needs, as well as its internal environment and financial projections.

All indicators reveal that skincare will continue to be a strong market sector and will increase in the foreseeable future. Customers will continue to demand anti-aging skin care results not only from spa and salon facilities but also from their home beauty regime.

Because consumers want the options of spa visits and comforting in-home beauty treatments Retsept will market its brand to both personal consumers and professional consumers. By offering skincare products that are homemade Retsept joins the private label competition for customers who seek the benefits of a holistic approach to their beauty regime.

As a startup skincare company, Retsept will need to position itself by creating a relationship between spa and salon treatments and home treatments. Product positioning for Retsept skin care brand will highlight the importance of healthy natural beauty products.

As is common to many startup companies of this kind, Retsept will retain its product inventory in-house. The Retsept store concept is online; therefore a majority of the start-up budget is slated to go to website design because it is imperative to have a highly functional website. The virtual catalog and the secure credit card order function is vital to Retsept's success. Retsept customers do not have the ability to try out products as they would in retail stores, salons, and spas therefore online security and expediency are essential to the point of sale.

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