

# Business plan for men skin care

Business



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Yours Truly, 2. Executive Summary The Retro Skincare is a new business providing high-quality, full service distribution of skincare products specialty in moisturizing skin products and whitening product. Our product supplier is Reuben Skinner Company. Reuben Skinner Company is the sole manufacturer of the skincare product and located in Saba.

In particular, what really sets up apart is that we are the ONLY full service distribution company servicing the skincare products around Slang Valley. In addition, Reuben Skinner Company has an exclusive contract to distribute a new, groundbreaking product that loud enable us to gain immediate access to a majority of the potential customer base. The principal owner is Subheadings, experience brings office management, high levels of customer service, and over 20 years in distribution and sales management.

At this time we are seeking additional equity capital to compliment our own investment and are seeking to arrange a bank line for inventory and receivables financing. Having firm commitments to distribute several high-quality new age skincare products we plan to distribute our first products within 30-60 days of finalizing financial arrangements. Our target customers are men located in urban areas and retailers. Our targeted end user is between the ages of 24 and 65. They are urban professionals with at least some college.

Pricing of our products are ranging from RM 17- RM5 per unit. 3.

Introduction Reuben Skinner Company to customers in Malaysia. This will be accomplished through a combination of company- owned retail outlet and wholesale distribution. The Retro Skincare will purchase product directly from manufacturer to eliminate the middle man and allows us to operate on a 25-30% profit margin, while providing our customers with competitive prices. The proposed location for Retro Skincare is Jalan Marrow, Bangs. The principal owner is Subheadings.

Distinguishing characteristics of our business will be the combination of management experience, sales and distribution experience, high- quality, innovative products and exceptional customer service. 4. Business

Objectives and Mission 4. 1 . Objective To open and operate a successful skincare product distributorship in the Klang Valley market, employing three to five employees the first year. To obtain a minimum of 100 regular customers in the skincare market the first year of operation. Achieve first year sales of RM 40, 000. Maintain an average gross margin of 25 percent.

To produce a net profit of at least RM10, 000 by the end of the third year of operation. 4. 2. Mission The Retro Skincare intends to become a recognized distributor of specialty skincare products and spreading it around Klang Valley. The Retro Skincare plans to develop strong relationships with key customers so we will be viewed as indispensable partners, rather than just another supplier. The Retro Skincare will seek out and work with the manufacturers we represent to deliver the most innovative and exciting products possible to the customers we serve.

We are not only selling product, we are selling service. " 5. 1. Industry Description and Analysis Skincare is one of the largest industry in the world. Technological advancement in the skin care market combined with development of innovative products contributing to the growth of skin care industry. The increasing demand for anti-ageing products and growing concern for the use of natural and organic skin care products are the major factors driving the skin care industry. In estimation, Malaysian annually spend an estimated ARM 3. Million on skincare products and cosmetics. By reason of lath awareness and aggressive product branding, consumers spend large amount of their income in buying skin care products. Malaysian skincare concerns include the heat and humidity of the climate, the drying effect of skin, stressand lightening the skin and areas of hyper pigmentation, acne, and the effect of aging on the skin. These concerns translate into strong prospects for skincare products and remain in broad consumption across all age and income groups in Malaysia.

International brands such as Lance, L'Oreal Paris, Lola, Esteem Lauder, Clique and Sheikdom play a dominant role in the upper-end market of Malaysia. Imported products are highly in demand as most of the middle and high-income earners associate imported products with higher quality than local brands. The cosmetic giants still hold a dominant position in this industry and they will most likely continue to. But they have realized the need to acquire new brands and to keep their affiliation in the background. In recent year, names like Grainier, Dashing men, Naive have been acquired as local skin care products.

This strategy indicates that a few of the traditional big players recognize the benefits, for themselves and the industry, of emerging niche brands. 5. 2. Industry Trend Rapid arbitration in Malaysia resulted in strong demand for skin care products from both men and women. Sales for 2013, the most recent year available, were up to 45 percent, almost double the industry average of 20 percent. Soap is losing popularity as a facial skincare product, with the proportion of female users falling from 58% in 2008 to around (36%) in 2013.

Due to skin dryness, women are attracted with emergence of facial and skin care products such as cleanser and moisturizing cream which make their skin healthy. At earlier, there are no skin care products use facial skincare products than women. Men's reactive approach to their skincare regime is the biggest challenge facing the industry Nowadays, men consumers can find some brand new skincare products of men almost in all grocery shops and supermarkets. An increasing number of consumers exposed to wide variety of skin care products like skin care products enhanced with collagen and other natural ingredients.

Due to increasing disposable incomes and stronger consumer purchasing confidence in 2012, strong demand was seen for skin care products, particularly mass brands, since consumers could afford them to enhance or maintain their skin condition. Malaysian favor nature-inspired products mainly. If current trend play out as expected, the business of skin care products for men will become increasingly consolidated among other industry. The unique properties of men's skin need to be addressed in these new products (smaller sebaceous glands, oily skin, thicker skin etc. So that

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the products work effectively and the user experiences noticeable results more rapidly.

## 6. Market Segmentation Research

### 6. 1 . Market Analysis

**Summary** The demand for man's skin care products are certainly on the rise as men are paying more attention to their appearance. According to research conducted by Retro Skincare, six in 10 (65%) Malaysian men consider their appearance important and almost (48%) admit what they want to look attractive and well groomed. Just 15% of men admit that while it is acceptable for women to use skincare products, it is not acceptable for men to use such products.

Highlighting the growing importance of the men's facial skincare market, today, as many as 7% of men admit to spending a lot of time on their facial skincare routine. Research highlights more than four in ten (42%) men use shaving lotions and almost a quarter (22%) use facial cleanser. 12% of men use eye cream and gels , 17% use anti ageing products and 7% use moisturizer. While many of the nation's men are adopting a regular skincare regime, it remains that a lower proportion of men use facial skincare products than women.

Men's reactive approach to their skincare regime is the biggest challenge facing the industry. Encouraging men to adopt a more preventative approach to their skin's demographic changes in both mature and emerging markets: an increased number of men employed in the sector of services, increased competition in the workplace, ageing baby boomers eager to stay stylish, and the young generation influenced by hanging standards of male beauty. New entrants on the markets, as well as technologically advanced products, expanded lines, and innovative packaging are also stimulating

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sales. . 2. Market Segmentation To keep up with demand, the men's skin care market is becoming more segmented and expanding into new categories and claims. Generally, skin care market for male can be segmented based on four main segments: geographic, demographic, cryptographic and behavior. For the purpose of this analysis we are focusing solely on the male market. New research from Minute reveals that beauty and personal care munches specifically targeted at men have increased globally by 70% over the past six years (2007-2012).

Its stated the market for facial skincare has increased an impressive 20% in the last five years alone, valued at El, I billion in 2012, the market is set to reach a beautiful El, 2 billion in 2017. L. Demographic: Retro Skincare target market is the retailers who have established relationships with consumers and the consumers themselves. We are essentially the distributing arm for these retailers. Our market research indicates about 46 potential retailers within a 1 to 25 mile radius of our location, who currently sell our competitors reduces. Our target retailers are drugstores and pharmacies.

Another target market is men (end user). There are 30, 001 , 710 individuals in Malaysia and 5, 315, 008 are male adults 18 to 65, which are our target consumer market. They are urban professionals with at least some college. This consumer has an active lifestyle. They are concerned about social and environmental issues. Mind and body wellness are important to them. Sales have been sustained as increasing numbers of young men are interested in capturing the stylish looks of media stars while older men have paid more attention to keep their skin younger as their younger days.

Therefore, older men will give more attention to anti-aging products while young men will look for skin whitening products and moisturizer. Some youngsters will opt for acne free skin products. Our products can be used by any group of incoming level. Malaysia's men working under heat weather will buy sun block and skin care product which lighten the skin and areas of hyper pigmentation. Demographic factors such as the rising number of single-occupancy households, as consumers delay committing to marriage and children, have led to a growing number of men doing their own shopping, with ore disposable income to spend on themselves.

Retro Skincare found out that single customers purchase a certain product more frequently than married people. II. Geographic: Men in different climatic conditions and with different skin colors will have with higher moisture content. They also more inclined to whitening function products. High portions of the target market for Retro Skincare products are in urban areas with the population that desire to buy skincare products. Our main target geographic area will be KILL and Clangor because both states hold the largest number of men also have more urban areas.

So our geographically targeted location to market our skincare product is in Bangs, KILL Central, Wants Major, Cubans and Among. We analyses, and came up with a conclusion that these areas will be best place to promote and market our Retro Skincare products. 6. 3. Competitors The skin care market is very broad. It includes products labeled as body cream, shower cream, cleanser, moisturizer, day cream, after shave and etc. Our market positioning will be in the lower price quadrant of high quality natural products.

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While there are other companies that distribute variety of skin care products, there are no main business in Malaysia focuses exclusively on the men's skin care product market as Retro Skincare. This will provide considerable flexibility in pricing and allow for the creation of great deal of customer awareness and brandloyalty, erecting significant barriers to entry for potential competitors. However there are some businesses offering men's skincare products as minor part of their businesses. Our primary competitors for men skincare products are: 7. L'Oreal Paris 8. Grainier 9. Naive 10.

Clean 11. Their shortcoming is that they contain more chemicals than the natural herbs and ingredients of our company Retro Skincare products. Our main wholesale competitors will be power retailers who merge the specialty store concept with the discount store's emphasis on price. These retail warehouses are large stores with products displayed on metal racks in a warehouse setting. There are two distinct types of retail warehouses, the first being a membership and the second a consumer store which is open to the general public. Their shortcoming as with other competitors is service.

Buyers must travel to them to pick up their goods. Some of the power retailers have just begun to offer delivery services, which is helping retailers to appreciate the value of using a distributor like our company Retro Skincare. 7. Competitive Forces, Strategies and Risk Assessment 7. 1.

Competitive Forces There are 5 competitive forces as following and the weak and strong determine how strong each of the competitive forces in our business is: Large amount of capital required High retaliation possible from existing companies, if new entrants would bring innovative products and ideas to the industry.

Therefore we are introducing groundbreaking product 2. Supplier power (Weak): Supplier located in another state Saba. They are not currently available for wholesale distribution in Slang Valley The supplier supply in larger scale Products are widely accessible Supplier do not pose any threat of forward integration There are many suppliers who can supply different brand of skincare products 3.

Buyer power (Strong): There are many skin care products buyers: urban area professionals, skin problematic customers Most of the buyers are individuals that buy one brand of product and can bargain for lower prices Buyers tend to switch to another brand of skincare product or to start using it Buyers can easily choose different skincare reduces based on their skin need Buyers are price and benefit sensitive and their decision is often based on how much does a product will cost them with a benefit of it 4.

Threat of Substitutes (Weak): There are many alternative types of skincare products, such as soap, traditional products (aloe Vera) Substitutes can rarely offer the same convenience Alternative types of skincare products almost always cost less and sometimes are more natural and less chemical 5.

Competitive Rivalry (Very Strong): Moderate number of competitors If a firm would decide to leave an industry it would incur huge losses, so most of the mime it either bankrupts or stays in skincare industry for the lifetime Industry is very large but matured Size of competing firm's vary but they usually compete for different consumer segments Customers are loyal to their brands 7. 2. Strategies for competitive advantage CostLeadershipWe

will improve our business cost to lower than our competitor to sell our skincare products. We have lowest cost of delivery service, cost of staff and staff wages and other.

**Differentiation** We offer and selling only one brand of skincare product. This makes us easier and convenient for us to promote and sell it. Only full service distribution company in skincare market around Slang Valley. Our products are male oriented, which harder to get in market We has strategic location of distributing store Retro skincare products has beautiful design for exterior packaging and promotions Brightening serum for male is unique

**Operational Effectiveness** full delivery service in 24 hour of availability We had implemented good leadership to our staff in order to became successful distributing company in future.

The combined experience of the principal owners brings upper office management skills, high levels of customer service, and over 20 years in distribution and sales management.

**Customer Orientation** Individualized customer service - providing our customers with what they want, when and how they want it. Free samples of new product for the customers Lower cost with quality product Fully integrated programs to help customers increase sales through menu development, creative promotions, advertising, and custom marketing material.

Key personnel will stay in contact with our customers, and will be able to respond to changes in this market much faster than our competitors. 7. 3.

**Risk Assessments** We had analyses that of strategic to sell our skincare product for male is good cause it has less competitor and the market is

growing slowly. Risk from losses will be reduced if our company product sale is increased. Moreover we have good better promotion strategic without reducing our product sale profits.

Based on our current analysis we find out that we has medium or lower than medium risk levels to sell our product in Slang Valley area. 8. Product 8. 1 . Description and Concepts The brand name is " Skinner". The products are natural with less use of chemicals. The products will be delivered to customers or retailers in overnight shipping, on-site revive and 24- hour availability after the purchase is made. Our underlying rationality in choosing products is to select outlines that bring reliable quality, competitive prices and product satisfaction to our customers. We have personally quality we ensure.

The primary products to be distributed through Retro Skincare will be as the following with the price stated: All the products are came in gig except shampoo and conditioner will be 100 ml. 8. 2. Features and Advantages Other service provided for customer and retailers: Free delivery, customer service ND consultation Retro Skincare will make these same products which available through wholesale sellers available through our excellent, full delivery service by sending these products directly to their doorstep at a competitive price Orders in bulk will be sold for customer carryout or delivery.

Easy to use because the directions are written on each of the product itself and small template is provided to let customers know the benefit of these products and how to use it. These products are offered according to men's

different skin type and they can choose to buy the product according to their skin need. For example there are 3 types of cleanser offered by Retro Skincare: Acne free, sensitive skin and Hydra Energetic. All the creams can last long for 2 months of usage.