



Simplifeye

By Simplify Cosmetics, Inc.

Cortney Cox, Founder & CEO

(908) 399-8687

cortney@simplifycosmetics.com

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II. Executive Summary

A cateye style of eyeliner has been around for generations. Celebrities such as Twiggy and Audrey Hepburn wore them in the 50's and 60's, and women still wear cateyes today. Despite the popularity and longevity of the cateye eyeliner, it is still the most difficult style to apply. The amount of precision required to draw both wings the same size, at the same angle, with sharp lines, makes it nearly impossible for many women and takes up a tremendous amount of time.

Women spend too much time already on their daily beauty regime. The average woman spends 55 minutes getting ready, with ten minutes of that time spent on eye makeup. Simplifeye stencils cut ten minutes down to ten seconds.

Simplifeye is a minimally adhesive stencil that lines up with the corner of the eye and is adhered to the face. Users line the product with the corner of their eye, to create the perfect eyeliner application, while fitting virtually every eye shape. Simplifeye's unique design allows for previous makeup to remain untouched while, at the same time, providing a seal so any type of eyeliner can be used.

Simplify Cosmetics, Inc. was created for the purpose of designing innovative products to ease the application of makeup. We will start with Simplifeye, and will grow the brand to launch products to help with other aspects of the beauty routine. Simplify Cosmetics will disrupt the cosmetics industry and change the way that women get ready in the morning. We will save women time and level the field, so regardless of skill, all women will have their makeup looking flawless.

III. General Company Description

Simplify Cosmetics is a cosmetics company that will be launching a line of innovative products to help ease the process of applying makeup. Our first product is called Simplifeye, a minimally adhesive eyeliner stencil to help with the application of a cateye style of eyeliner.

Mission Statement: Simplify Cosmetics is a brand that promotes and celebrates women. We are at a time in society where women's voices are being heard and women can do anything. Our company strives to make the lives of women easier, so women can spend less time in the bathroom on their beauty routine, and more time on living their lives to the fullest.

IV. Products and Services

Simplifeye is a minimally adhesive stencil that lines up with the corner of the eye and is adhered to the face. Users line the product with the corner of their eye, to create the perfect eyeliner application, while fitting virtually every eye shape. Simplifeye's minimal adhesiveness also allows for previous makeup to remain untouched while providing a seal so any type of eyeliner can be used. By using Simplifeye, eyeliner may be applied perfectly, expeditiously, and in a stress-free matter. After eyeliner is applied, the stencil is disposed of.



1. Shows no eyeliner being worn. User can apply with or without any previously applied makeup.
2. The user lines the stencil with the outer corner of the eye and adheres the stencil to the face.
3. The user paints in the void space of the stencil with choice of eyeliner. She may either choose to remove the stencil before continuing the line or leave it adhered until the line is fully drawn.
4. The user removes the stencil by pulling the outer corner of the stencil inward towards the eye, revealing the perfect cateye in seconds.

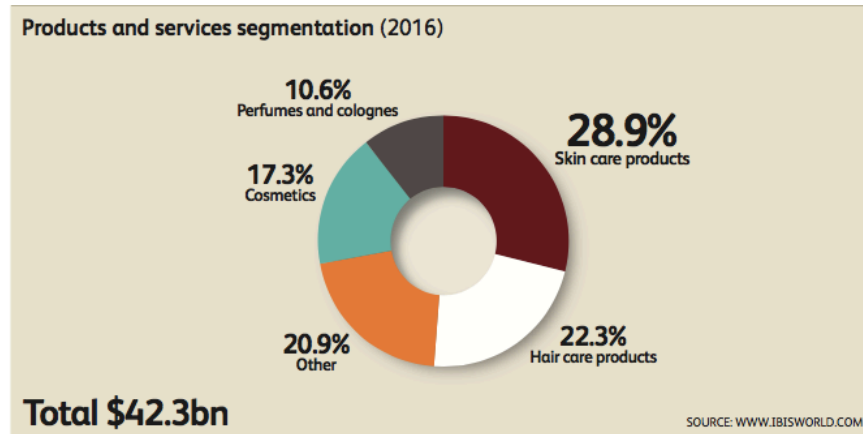
Competitive Advantage:

Our main competitive advantage is that we are patent pending. We filed for a utility patent for the functionality of our unique design. Our minimally adhesive design allows users to apply Simplifeye without removing previously applied make up, while providing enough of a seal that any type of makeup can be used. Simplifeye also offers versatility to our customers by lining up with the outer corner of the eye. This position allows for anyone, regardless of eye shape or size, to use our product. We will be launching four unique designs to cater to different styles.

V. Marketing Plan

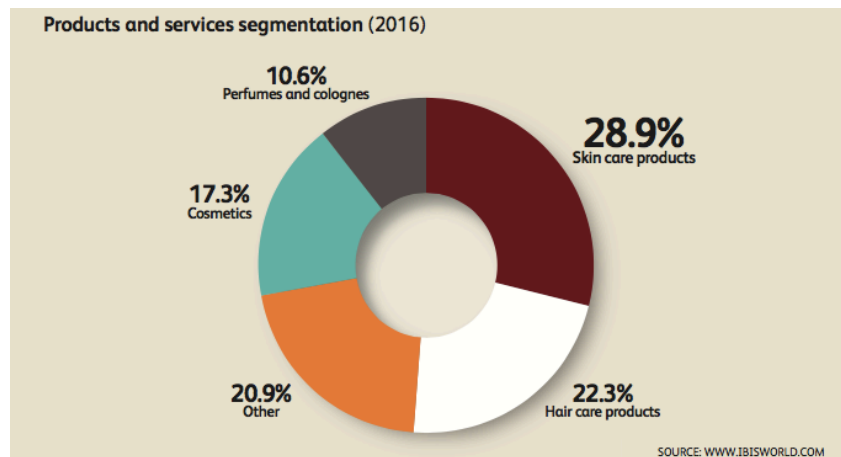
Economics:

An analyst at Goldman Sachs detailed that the industry is growing upwards of 7% a year, more than twice the rate of the developed world's GDP. Through IBIS World's industry analysis, we see that in 2016, the industry was valued at \$42.3 billion. Cosmetics make up 17.3 percent of the total market, worth \$7.2 billion annual.



Our target consists of middle-to-upper class. These are the women who typically shop at beauty supply stores such as Ulta and Sephora. The reason we are targeting this income level is that they make up the majority of cosmetic purchasing power.

IBIS World did an analysis of money being spent on cosmetics based off income. They broke the results down into fifths, and by targeting the two largest sections (or the two highest income categories), we capture the largest portion of the purchasing power at 48.4 percent.



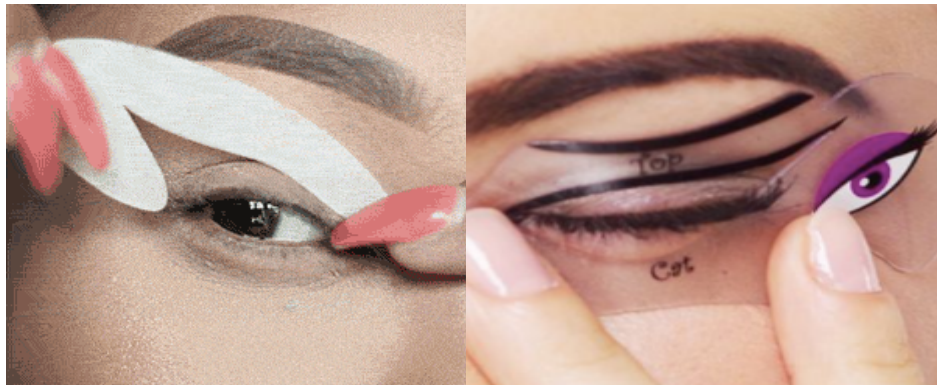
We are targeting women with enough disposable income, as they are the ones shopping at high-end beauty supply stores such as Ulta and Sephora. The average price of an eyeliner pen at Sephora is \$20. In general, we found through various focus groups that women who are spending \$20 on eyeliner will be much more willing to spend money on supplemental products, versus those spending \$5 at stores such as Wal-Mart or Target. We manufacture and package the product for \$0.37. We will wholesale each package for \$4 with an MSRP of \$10. Through our focus groups, we found that the average price that women were willing to spend on Simplifeye was \$10.

Demographics:

We are targeting women ages 15-35 that wear makeup on a regular basis. We are specifically targeting those who wear eyeliner in a cateye or winged style. We have chosen this age group, as they are the most likely to be wearing this style of eye makeup. Additionally, they are more willing to try new products on the market. We also are targeting women who fall in the middle-to-upper class income status, as they have more disposable income to spend on makeup accessories and premium products. Lastly, targeting women who apply eyeliner frequently. 37 percent of women apply eyeliner on a daily basis, and 18 percent apply it 2-3 times a week. This means that 55 percent of women apply eyeliner on an almost daily basis. With these three factors (age, income, and usage) we have a target market of approximately 12 million women.

Competitors:

Beth Bender Beauty is our only competitor, selling both adhesive and non-adhesive eyeliner stencil. The non-adhesive stencil is made of a thick plastic that must be held over the entire eye. The adhesive stencil also goes over the entire eye. For both products there is only one design.



(Adhesive)

(Non-adhesive)

Promotional Strategy

We will hire brand ambassadors to help promote our products through demonstrations, free sampling, and use of their own social media following to create customer loyalty. By

giving the ambassadors promotional codes, we encourage their loyal followers to try our product and make the initial sale.

Online Marketing Strategy

The majority of marketing will be done online via social media. One site that is often used by women for beauty tips and “how-to” videos is YouTube. There are numerous how-to tutorials done by makeup bloggers, which teach women how to draw a better cateye.

The following three are popular makeup bloggers have posted a cateye tutorial video on YouTube: Elmea McElheron with 14.1 million views, Michelle Phan with 11 million views, and Jaclyn Hill with 14.8 million views.

These viewership numbers truly shows how much women struggle when applying this style of makeup. By having beauty bloggers with immense followings in makeup tutorials use our product in a tutorial video, we will be able to reach our target market in a very efficient matter.

Another social media platform that we will utilize is Instagram. Many women use Instagram for fashion and beauty inspiration. By promoting our own Instagram page, as well as contacting established beauty pages, we will be able to not only advertise but also interact with our customers. Similar to YouTube, there are bloggers on Instagram that are often paid to promote products. In this scenario, we would give the blogger a code to encourage for their followers to use at the time of sale. Then, we will give the blogger a percentage of a previously negotiated of the profit off of their promoted sales.

Snapchat Geofilters are another great way to demonstrate to our customers how the product is used. Through the facial recognition technology, we can show the stencil on the users’ eye. Next, they cue the filter to change by raising their eyebrows and the stencil will be removed, revealing the perfect cateye in seconds (just as if they had used our product). We can promote Simplifeye to everyone in an 81,000-square-foot radius for over 24 hours for \$30. Snapchat filters of this size and duration provide around 90,000 views on average. These filters are a great way for our product to get exposure and to add a fun demonstration of the product for our customers to share with their friends.

VI. Distribution Plan

Our main distribution will be through online sales. We will sell a package of 10 stencil pairs for \$10 on simplifycosmetics.com.

We found that 37% of women are applying eyeliner on a daily basis; meaning 4.4 million women in our target market would be great candidates for a subscription program. We will set up subscriptions through our website that will allow our customers to have monthly supplies sent to their homes at a discounted rate.

We will also establish loyalty programs for customers and promotional code program to be used for the marketing done by the social media bloggers. Those purchasing through one of those methods (subscription, loyalty, promo code) will be able to purchase at a discounted rate.

In addition to our online sales, in our first year we will be selling through local salons and boutiques. We already have several boutiques interested, and we are currently scheduling trunk shows with them. For the local salons and boutiques, we will wholesale each package for \$4. After year one, we will approach big box beauty supply stores such as Ulta and Sephora. The first store we intend to approach is Ulta. Ulta is the number one beauty supply store, growing at an astonishing 21 percent annually. Through our network, we have contacts with two key board members at Ulta, who we will approach once we have proof of concept through our year one sales. For big box beauty supply stores, we will wholesale each package for \$2.

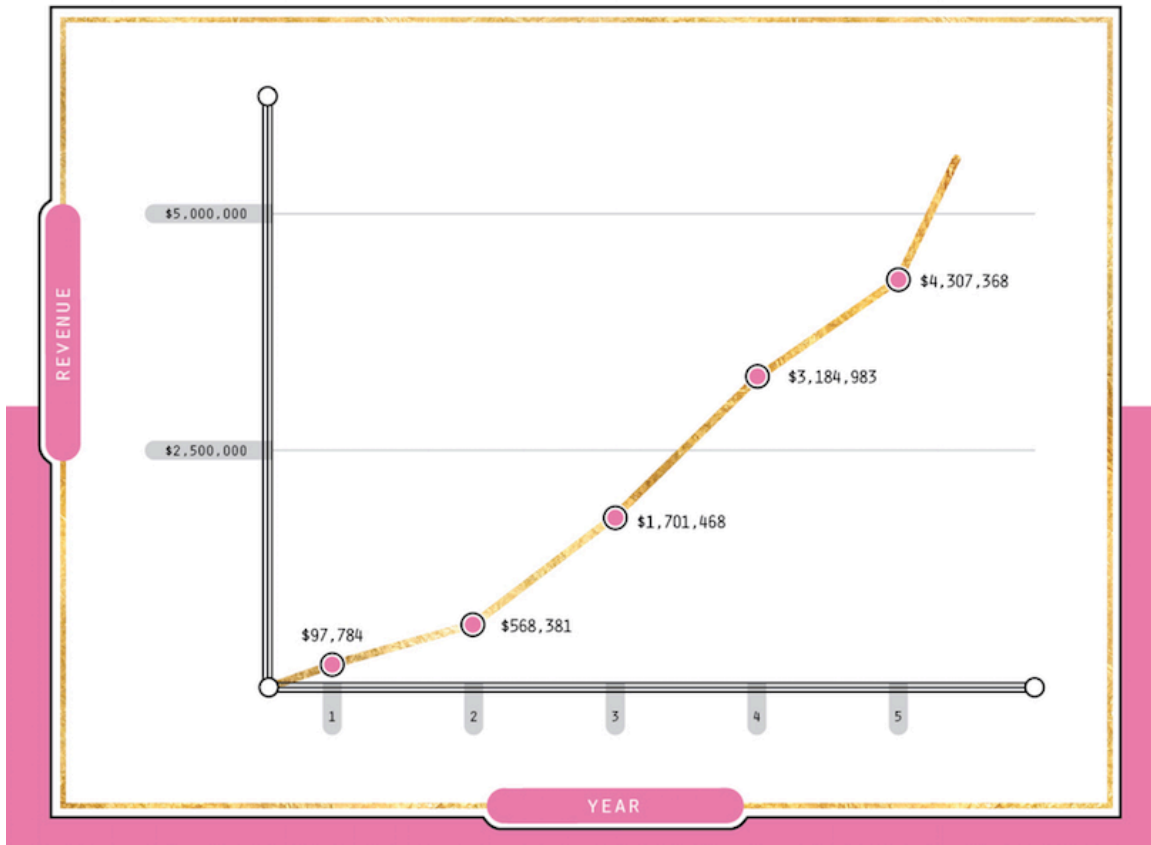
VII. Financial Plan

We are currently raising capital through pitching contests and angel investors. During our first round of fundraising, we are seeking to raise \$100,000. The funds will go towards are digital marketing campaign, purchasing inventory, and hiring brand ambassadors. We have received \$20,000 from a launch accelerator through North Carolina State University's entrepreneurship program, and \$2,500 from an undergraduate pitching competition.



(Use of funds for the first round of fund raising)

We project that starting in month four we will sell 15 units a day online, increasing at a growth rate of 7 percent. Around this time we also begin our subscription program. By month six, after showing the success of online sales, we will begin to sell in local salons and boutiques. Starting in year one, we will begin to sell in big box retailers, such as Ulta and Sephora. We assume that we will acquire a new location each month, and that the stores will reorder 50 units monthly.



This graph depicts the revenue projections for the next five years. By the end of year one, we project that we will drive approximately \$97,000 in revenue. The revenue generated in year one is through online sales, both individual and through the subscription, and through wholesale to local salons and boutiques. By year two, exponential growth due to the partnerships with big box beauty stores such as Ulta and Sephora. We will pick up one big box retailer per year, while maintaining our online presence. This graph only depicts the revenue from Simplifeye. In year two, Simplify Cosmetics, Inc. will launch new products to its line and further expand the brand.