



## Strategy Category Model

(Luxury Makeup Cosmetics Brand)

Formulated an excel based model to estimate & analyze the Market Share trends on a Product Category/Sub-category level for each Region

# Strategy Category Model for Cosmetics Manufacturer

## ABOUT THE CLIENT

Client is one of the largest **Cosmetics Manufacturer brand** with a global presence



### SITUATION

- Client had to **prepare the Retail Sales strategy** for the next 3 years by analyzing the Market Share trends on a Product Category/Sub-category level for each Region based on the **high-level Client Sales & Market growth projections** with the historical market share data as the reference.
- Merilytics partnered with the client to **build an automated excel model projecting the Market Share & Ranks** for the brand from the next 3 years and provided the flexibility to the client to make changes to the model with minimum effort



### VALUE ADDITION

- **Consolidated huge volume of data** including the historical Market Share data & Client Sales data and extracted the required information for the model
- Built excel macros to calculate the Market & Client Sales projections on a Product Category/Sub-category level for each Region based on the high-level Global Market Growth projections & Client Sales projections
- **Categorized** the Sales projections to new/base products & focus/other products leveraging the historical data and transforming it as per the requirements
- Provided the **flexibility** to update the projections based on the selection of high, medium or low growth scenarios
- Prepared a matrix for Top Brands with their Rank and Market Share for all the product categories across all the regions based on the model



### IMPACT

- Overview of the projected Market Share & Ranks enabled the client to identify and work on focus areas and enhance the strategy to achieve or exceed the future targets, leading to increased Sales & Market share
- Implemented the excel model with linked files and moved to the client environment enabling the client to easily update the source files thereby **reducing effort & turnaround time**

## Methodology/Approach to prepare the data

### DATA INGESTION & CLEANING

- Cleansed & consolidated all the data sources and created intermediate files by linking the appropriate data
- Ingested the applicable information to the excel model using the intermediate files

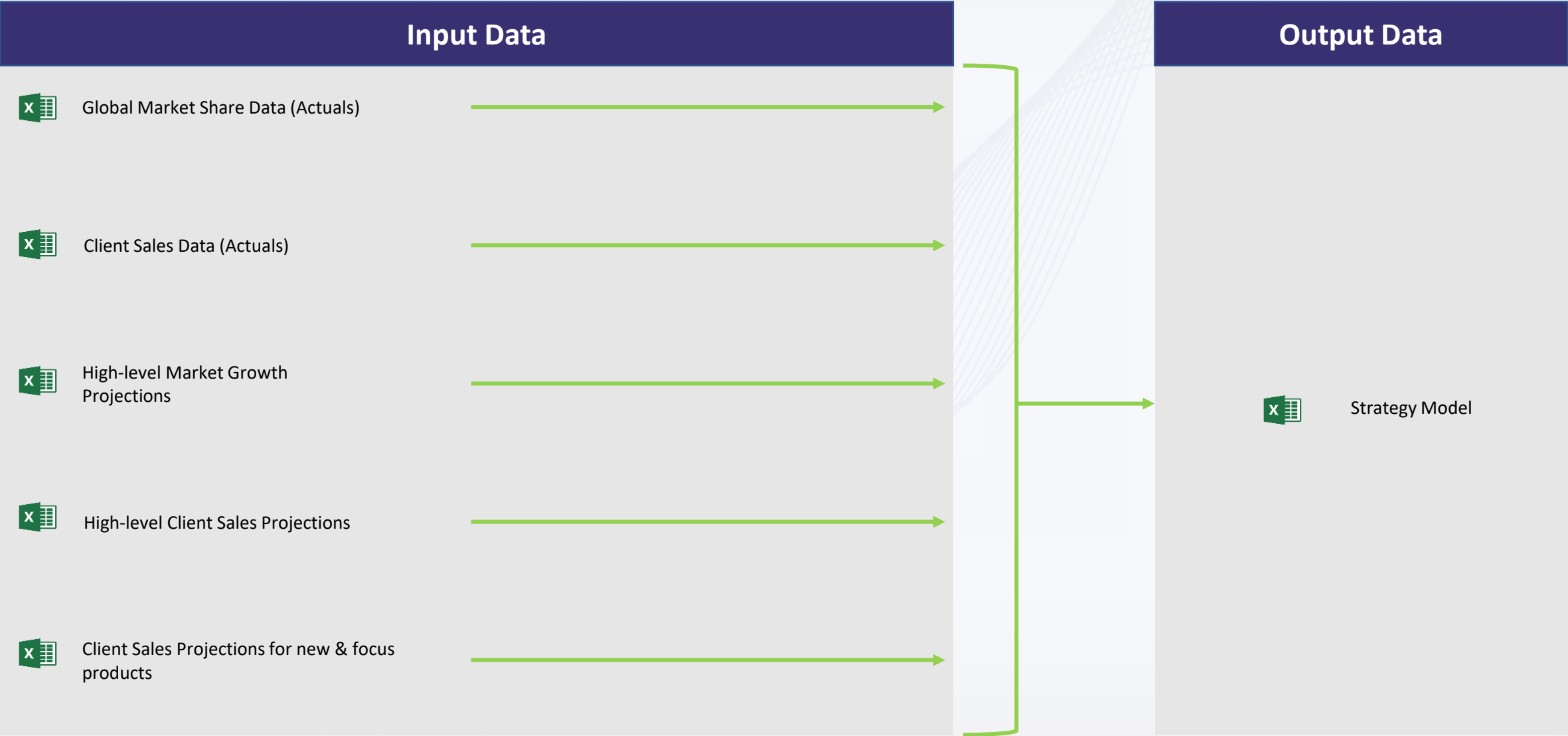
### PREPARATION OF EXCEL MODEL

- Built the structure of the model and linked relevant data
- Projected the Market Share for next 3 years based on the historical data & high-level market growth & sales assumptions
- Calculated the client sales based on the market share across each categories and based on product type
- Involved excel macros to update the projections in case of any changes in the data sources

### MODEL VALIDATION & ENHANCEMENTS

- Validated the projected market share & sales data and modified the calculations for outliers caused due to data anomalies
- Linked the model with all the relevant files

# Architecture Diagram to show the data flow



# Innovation Strategy Model – Summary View

**ILLUSTRATIVE**Market Share and Rank  
-ActualsMarket Share and Rank  
- ProjectionsGlobal Market Growth  
ProjectionsClient Sales  
Projections

Represents Client's Share.

Innovation Model														Market Growth						Sales - Market						Sales - Client											
Region	Major Category	Application	Subcategory	Share	Proj. Rank	Share	Proj. Rank	Share	Proj. Rank	Share	Proj. Rank	Share	Proj. Rank	CAGR	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%	YoY%		
				FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31		FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51	FY52	FY53	FY54
EMEA	Makeup	LIP		9.9%	#4	9.3%	#5	9.5%	#4	9.4%	#6	9.4%	#5	22.6%	10.1%	8.2%	10.4%	9.6%	193	236	260	282	311	19	22	25	26	29	15.1%	12.6%	6.6%	11.0%	107	118	131	138	151
EMEA	Makeup	Face		7.8%	#3	8.2%	#4	8.6%	#2	8.8%	#2	9.2%	#3	10.1%	6.3%	6.8%	7.5%	6.9%	375	413	439	469	504	29	34	38	41	46	17.0%	10.9%	9.8%	11.9%	137	154	171	186	207
EMEA	Makeup	Face Color		7.6%	#3	6.4%	#4	7.0%	#4	6.9%	#4	7.0%	#4	10.9%	6.0%	7.3%	7.5%	6.9%	92	102	108	116	125	7	7	8	8	9	-6.1%	14.5%	6.0%	9.2%	47	45	47	50	54
EMEA	Makeup	EYE		5.4%	#5	7.0%	#4	7.2%	#4	8.1%	#4	8.7%	#4	8.4%	5.7%	6.1%	7.2%	6.3%	358	388	410	435	467	19	27	29	35	41	39.9%	9.1%	20.1%	14.4%	88	121	99	162	191
EMEA	Makeup	Other Makeup		2.5%	#9	1.6%	#13	1.6%	#13	1.6%	#13	1.6%	#13	11.8%	6.7%	6.8%	6.7%	6.7%	160	179	191	204	217	4	3	3	3	3	-28.7%	8.4%	5.2%	6.9%	45	28	17	17	18
EMEA	Makeup	Makeup		6.7%	#5	7.0%	#6	7.3%	#7	7.6%	#9	7.9%	#5	11.9%	6.9%	6.9%	7.8%	7.2%	1,178	1,319	1,409	1,506	1,624	79	93	103	115	128	17.8%	11.0%	11.6%	12.1%	424	466.1	466	553	620
EMEA	Skincare	SKINCARE		0.4%	#30	0.4%	#30	1.4%	#18	1.7%	#16	1.9%	#16	7.0%	6.9%	6.6%	7.8%	7.1%	1,499	1,604	1,714	1,827	1,970	6	7	24	31	37	11.5%	240.2%	29.1%	21.0%	18	21.3	32	42	51
EMEA	Fragrance	Fragrance		0.0%	#56	0.0%	#65	0.0%	#45	0.0%	#34	0.0%	#46	5.9%	6.4%	6.3%	7.9%	6.9%	3,500	3,705	3,943	4,191	4,523	0	0	0	0	0	17.3%	6.4%	6.3%	7.9%	0	0	0	0	0
EMEA	Total			1.4%	#12	1.5%	#14	1.8%	#11	1.9%	#14	2.0%	#11	7.3%	6.6%	6.5%	7.9%	7.0%	6,177	6,627	7,066	7,525	8,117	85	100	127	145	166	17.3%	27.1%	14.9%	14.0%	443	488	498	596	671
EMEA	Makeup	LIP	Lipstick	10.0%	#3	9.6%	#3	9.8%	#3	9.6%	#3	9.7%	#3	10.8%	11.8%	8.3%	10.4%	10.2%	70	78	87	94	104	7	7	9	9	10	6.9%	13.7%	6.4%	10.7%	70	73	81	84	91
EMEA	Makeup	LIP	Lip Liquid	30.0%	#2	27.2%	#3	28.4%	#3	28.1%	#3	28.6%	#2	46.1%	14.4%	15.3%	10.4%	13.3%	5	7	8	10	11	2	2	2	3	3	32.6%	19.4%	14.1%	12.5%	10	13	15	17	19
EMEA	Makeup	LIP	Lip Gloss	2.2%	#11	3.0%	#7	3.3%	#6	3.4%	#6	3.7%	#6	4.9%	8.1%	8.1%	7.9%	8.0%	35	37	40	43	46	1	1	1	1	2	45.4%	17.9%	13.1%	14.9%	7	10	11	13	14
EMEA	Makeup	LIP	Primers (Lip)	25.0%	#2	14.7%	#2	14.8%	#2	14.4%	#2	14.3%	#2	17.6%	15.0%	10.7%	10.0%	11.9%	2	2	3	3	3	1	0	0	0	0	-30.8%	15.8%	7.6%	9.2%	3	2	2	2	3
EMEA	Makeup	Face	Liquid Foundation	3.1%	#10	3.0%	#10	3.8%	#9	4.0%	#9	4.4%	#6	8.1%	3.5%	6.5%	5.1%	5.0%	70	76	78	83	88	2	2	3	3	4	4.6%	29.9%	10.3%	17.5%	50	51	65	70	81
EMEA	Makeup	Face	Cushion Foundation	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	7.9%	5.0%	5.1%	5.8%	5.3%	7	8	8	8	9	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	2	2	-	-	-
EMEA	Makeup	Face	Cream Foundation	18.3%	#1	17.0%	#1	17.1%	#1	16.6%	#1	16.5%	#1	10.9%	6.0%	3.8%	8.7%	6.2%	3	3	4	4	4	1	1	1	1	1	2.6%	6.7%	0.9%	7.9%	1	1	1	1	1
EMEA	Makeup	Face	Other Foundation	5.9%	#6	6.2%	#6	6.3%	#6	6.1%	#6	6.0%	#6	9.1%	4.8%	6.5%	7.3%	6.2%	125	136	143	152	163	7	8	9	9	10	14.4%	5.5%	3.6%	6.5%	7	7	7	7	8
EMEA	Makeup	Face	FACE POWDER	9.8%	#3	10.9%	#2	10.9%	#2	11.1%	#2	11.3%	#2	10.3%	5.0%	4.7%	5.2%	5.0%	45	50	52	55	57	4	5	6	6	6	22.6%	5.7%	6.5%	6.8%	10	12	12	13	13
EMEA	Makeup	Face	CONCEALER	12.7%	#1	13.2%	#1	13.3%	#1	13.9%	#1	14.3%	#1	8.7%	6.8%	4.1%	8.1%	6.3%	55	60	64	67	72	7	8	8	9	10	12.6%	7.6%	8.9%	11.2%	20	22	23	25	27
EMEA	Makeup	Face	Setting Spray	40.0%	#1	40.9%	#1	41.2%	#1	44.4%	#1	46.4%	#1	19.8%	15.6%	13.8%	15.3%	14.9%	10	12	14	16	18	4	5	6	7	8	22.6%	16.4%	22.7%	20.2%	10	12	14	16	19
EMEA	Makeup	Face	Tinted Moisturizer	6.7%	#5	7.8%	#4	8.9%	#4	9.1%	#4	9.8%	#4	30.3%	18.8%	14.5%	12.7%	15.3%	15	20	23	27	30	1	2	2	2	3	52.6%	35.0%	17.6%	21.1%	2	3	4	5	5
EMEA	Makeup	Face Color	Highlighter	57.1%	#1	52.4%	#1	52.8%	#1	51.3%	#1	50.9%	#1	6.9%	11.6%	11.0%	8.7%	10.4%	7	7	8	9	10	4	4	4	5	5	-2.0%	12.4%	8.0%	7.9%	22	21	23	24	26
EMEA	Makeup	Face Color	Blush	6.7%	#3	6.4%	#3	6.5%	#3	6.3%	#3	6.2%	#3	11.9%	7.3%	5.4%	6.8%	6.5%	30	34	36	38	41	2	2	2	2	3	7.6%	8.0%	2.5%	6.0%	20	21	22	22	23
EMEA	Makeup	Face Color	Bronzer	0.0%	-	0.0%	-	0.5%	#27	0.5%	#28	0.7%	#24	8.7%	4.2%	7.5%	7.2%	6.3%	46	50	52	56	60	-	-	0	0	0	0.0%	0.0%	4.5%	60.8%	4	3	-	1	2
EMEA	Makeup	Face Color	Other Face Color	11.1%	#3	4.6%	#8	4.6%	#8	4.5%	#8	4.4%	#8	21.9%	5.9%	9.0%	9.6%	8.2%	9	11	12	13	14	1	1	1	1	1	-50.0%	6.7%	5.9%	8.8%	1	0	3	3	3
EMEA	Makeup	EYE	EYE SHADOW	5.5%	#5	5.4%	#5	5.5%	#5	7.0%	#3	7.9%	#3	12.2%	8.8%	6.7%	8.6%	8.1%	55	62	67	72	78	3	3	4	5	6	12.1%	9.6%	36.8%	21.2%	22	24	26	35	41
EMEA	Makeup	EYE	EYE SHADOW Palette	60.0%	#1	68.9%	#1	70.7%	#1	68.7%	#1	68.9%	#1	11.2%	7.3%	8.6%	9.7%	8.6%	10	11	12	13	14	6	8	8	9	10	27.8%	10.1%	5.6%	10.0%	6	8	8	8	9
EMEA	Makeup	EYE	BROW	8.9%	#2	11.7%	#2	12.5%	#2	12.7%	#2	13.2%	#2	8.5%	4.9%	7.9%	5.3%	6.0%	45	49	51	55	58	4	6	6	7	8	42.6%	12.4%	9.1%	9.7%	10	14	15	16	18
EMEA	Makeup	EYE	MASCARA	0.7%	#20	0.9%	#17	0.1%	#38	1.6%	#15	2.0%	#15	5.8%	3.1%	4.4%	8.1%	5.2%	150	159	163	171	185	1	1	0	3	4	42.6%	-82.8%	1018.5%	32.4%	25	35	5	54	70
EMEA	Makeup	EYE	EYE LINERS	5.2%	#8	8.4%	#4	8.9%	#4	8.9%	#4	9.2%	#2	10.3%	8.0%	6.5%	4.7%	6.4%	77	85	92	98	102	4	7	8	9	9	77.6%	15.2%	6.4%	8.3%	20	35	39	41	43
EMEA	Makeup	EYE	Primers (Eye)	12.5%	#4	16.1%	#2	20.7%	#2	21.6%	#2	24.4%	#1	18.5%	15.0%	16.7%	15.7%	15.8%	8	9	11	13	15	1	2	2	3	4	52.6%	48.2%	21.7%	30.8%	2	3	4	5	7
EMEA	Makeup	Other Makeup	Brushes & Applicators	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	12.5%	5.7%	5.7%	5.9%	5.8%	30	34	36	38	40	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	22	12	-	-	-
EMEA	Makeup	Other Makeup	Accessories	1.4%	#12	1.0%	#16	1.0%	#16	1.0%	#16	1.0%	#16	12.4%	5.8%	5.0%	5.3%	5.4%	70	79	83	87	92	1	1	1	1	1	-22.4%	6.5%	2.1%	4.5%	8	6	6	6	6
EMEA	Makeup	Other Makeup	Cross Category	5.0%	#3	3.1%	#5	3.2%	#5	3.1%	#7	3.0%	#8	10.5%	8.4%	9.3%	8.6%	8.8%	60	66	72	79	85	3	2	2	2	3	-30.8%	9.1%	6.3%	7.8%	15	10	11	11	12
EMEA	SKINCARE	SKINCARE	Moisturizer	0.2%	#44	0.2%	#39	0.2%	#44	0.2%	#45	0.2%	#44	6.9%	6.3%	7.1%	8.2%	7.2%	550	588	625	669	724	1	1	1	1	1	22.2%	-8.0%	-3.5%	21.0%	9	11	10	10	12
EMEA	SKINCARE	SKINCARE	Cleansers / Removers	0.4%	#33	1.5%	#12	1.9%	#12	3.4%	#9	3.8%	#8	4.8%	5.7%	5.7%	5.6%	5.7%	115	120	127	135	142	0	2	2	5	5	300.0%	37.3%	86.7%	21.0%	1	4	5	10	12
EMEA	SKINCARE	SKINCARE	Serums & Essences	1.4%	#20	0.6%	#22	7.5%	#4	8.0%	#4	8.8%	#3	12.9%	10.2%	7.8%	10.0%	9.3%	210	237	261	282	310	3	2	20	23	27	-50.0%	1206.9%	14.8%	21.0%	2	1	13	15	18
EMEA	SKINCARE	SKINCARE																																			



# Innovation Strategy Model – Innovation/Cannibalization

ILLUSTRATIVE

Actual Sales

Projected Sales

Waterfall chart to represent the Source of Sales Growth

