

Business Plan

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Executive Summary

- Our company is about beauty. Our starting point is to help women become more confident and beautiful.
- Our specialty is the theme of ancient China. Our decoration, clothing, and food are all based on ancient China.
- Nowadays, women really like to take pictures. Our company's features can attract guests to our store and enjoy the service.
- Our target customers are 21-50 age women

Industry Analysis

- In the past 20 years, the beauty industry from the simplest vanishing cream moistens the skin, Vaseline skin care.
- Gradually developed to present beauty, bath foot, medical beauty, health care cosmetology, these integrated production and service parallel a huge industrial chain.
- Today's beauty industry continues to develop and innovate



Industry Analysis

- China's economic level is getting higher in this 10 years, the public's ability to consume is thus enhanced. They advocate that high-quality lifestyle. So, they began to pursue beauty. Especially young Chinese people.



Industry Analysis

- **Beauty Project Profit Percentage:**
 - Slimming and Autologous Fat Graft Breast Augmentation: 32.8%
 - Pale Spot and Whitening: 27.2%
 - Eliminates Wrinkles and Improves Skin: 21%
 - Basic Nursing: 15%
 - Others: 4%
- **Beauty Salon Introduce Beauty Equipment Project Prioritize:**
 - Lose Weight and Get in Shape > Pale Spot and Whitening > Eliminates Wrinkles > Moisturize > Others



Industry Analysis



China's Beauty Industry Market Capacity in 2011-2015

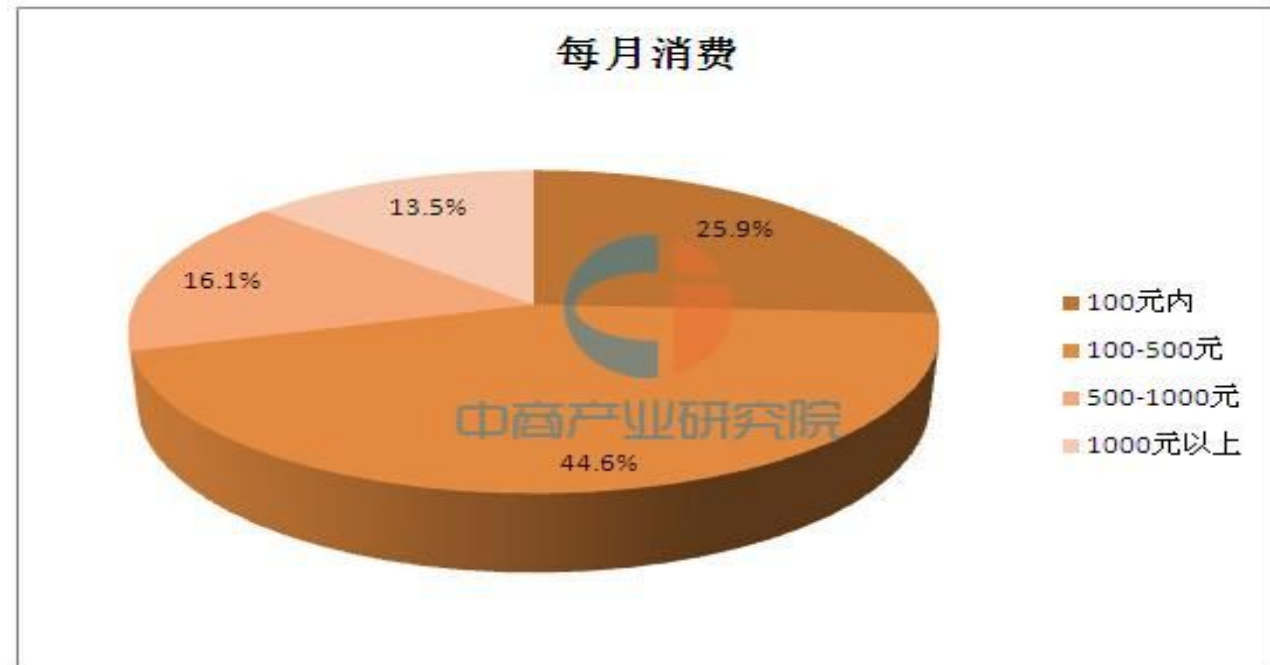
- In 2015, China's medical beauty market to achieve output value breakthrough 600 billion, and expected in 2020 China's medical beauty market will break 1 trillion.
- More than 300 million people have been involved in beauty the last 2 years. In the last 5 years, the total number if new stores accounted for 78%.
- In the next 5 years, China's beauty consumption will be doubled, the annual rate will be increased by 15%

2011-2015年中国美容行业市场容量（亿元）



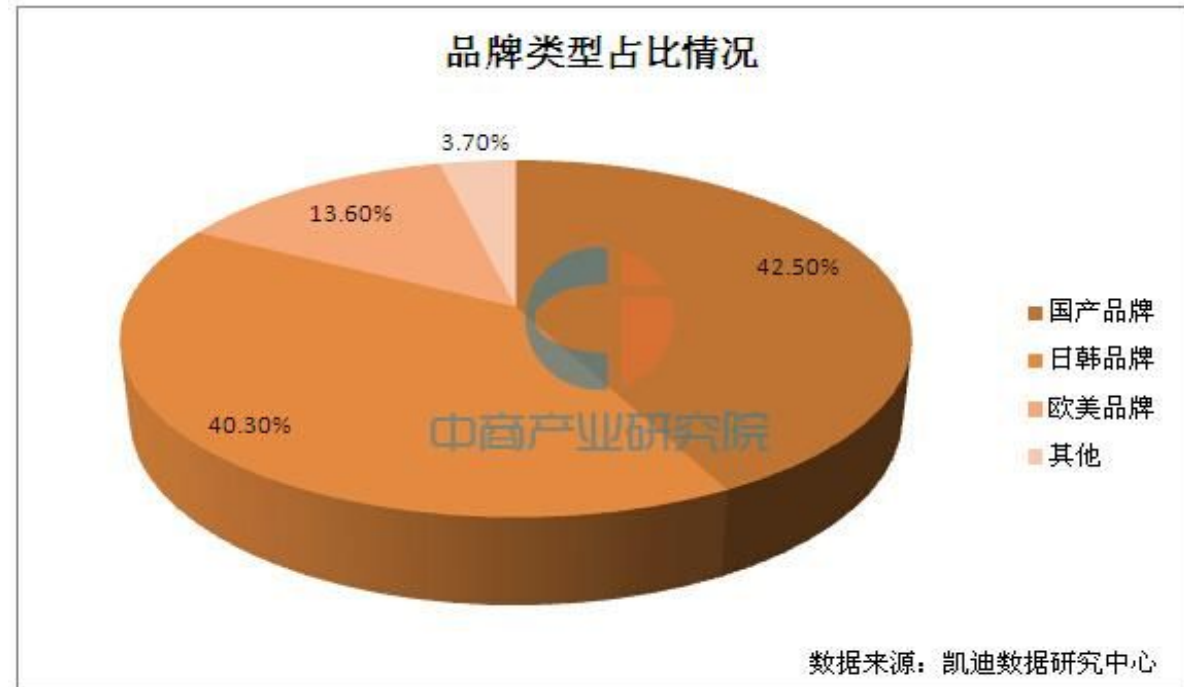
Industry Analysis

- **2016 China Women's Skin and Beauty Consumption Survey Report**
- On September 20th, 2016, kdnet.net Data Research Center of kdnet.net first released the "2016 China Women's Skin and Beauty Consumption Survey Report", which show sample collection and analysis.
 - The consumption of the main beauty is between 100-500 RMB per month, it is 44.6%. In terms of geographical distribution, the coastal provinces have higher beauty consumption than the mainland, and the higher the income and education, they are willing to consumption. Only 13.5% of the beauty consumption of 1,000 RMB or more.



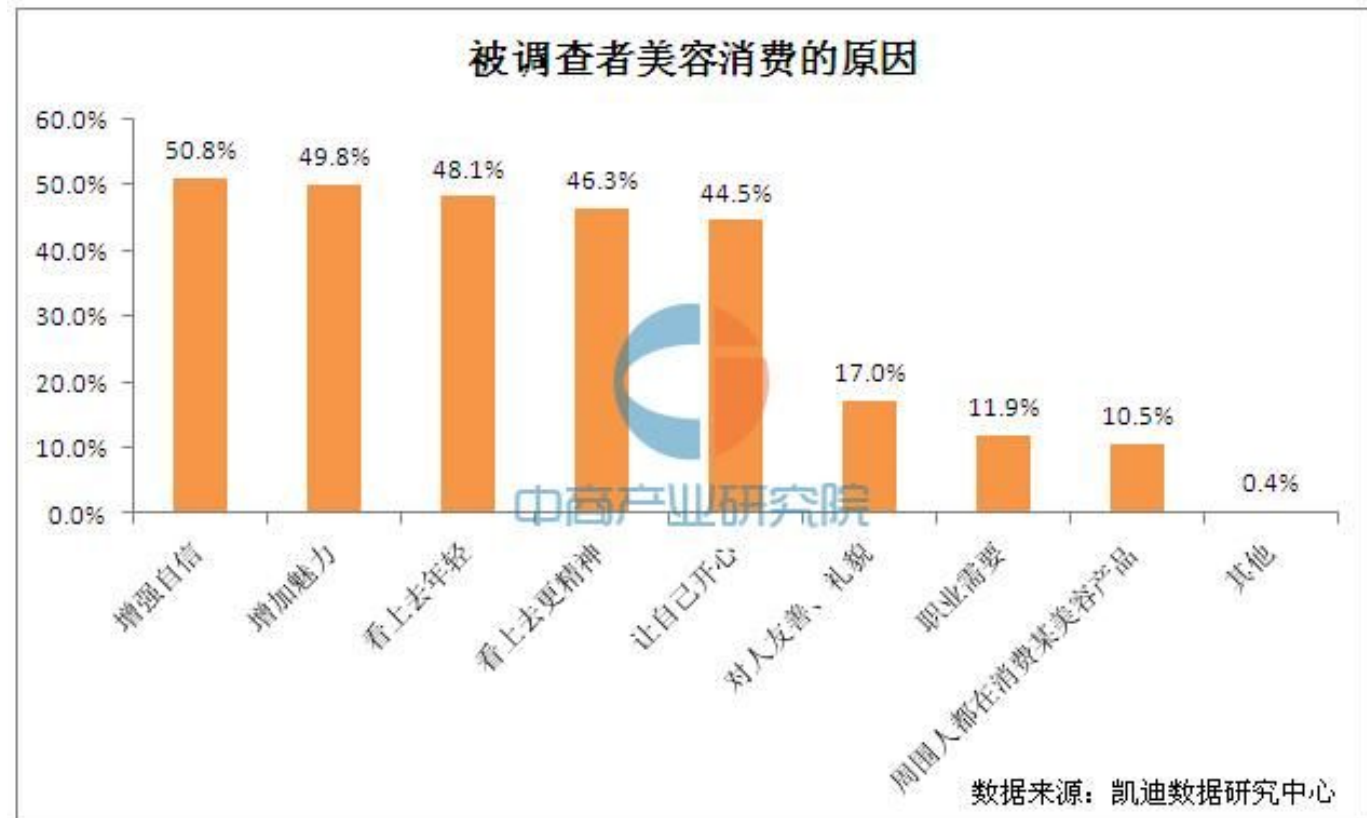
Industry Analysis

- Report shows domestic brands accounted for 42.5%, is the largest. The second is the Japanese and Korean brands, the percentage close to domestic brands, these brands accounted for 40.3%.
- In the choice of brands, domestic brands, Japanese and Korean brands are the most popular skincare brands. In addition to advertising and channel reach, brands price reasonable with good effect is the most important factor for consumers.



Industry Analysis

- In 50.8% of the respondents' to the beauty consumption reason is to enhance self-confidence(50.8%). Second is to enhance the charm(49.8%), to look younger(48.1%), in order to look more energetic(46.3%) and make themselves happy(44.5%).
- To enhance self-confidence > To enhance the charm > To look younger > To look more energetic > make themselves happy



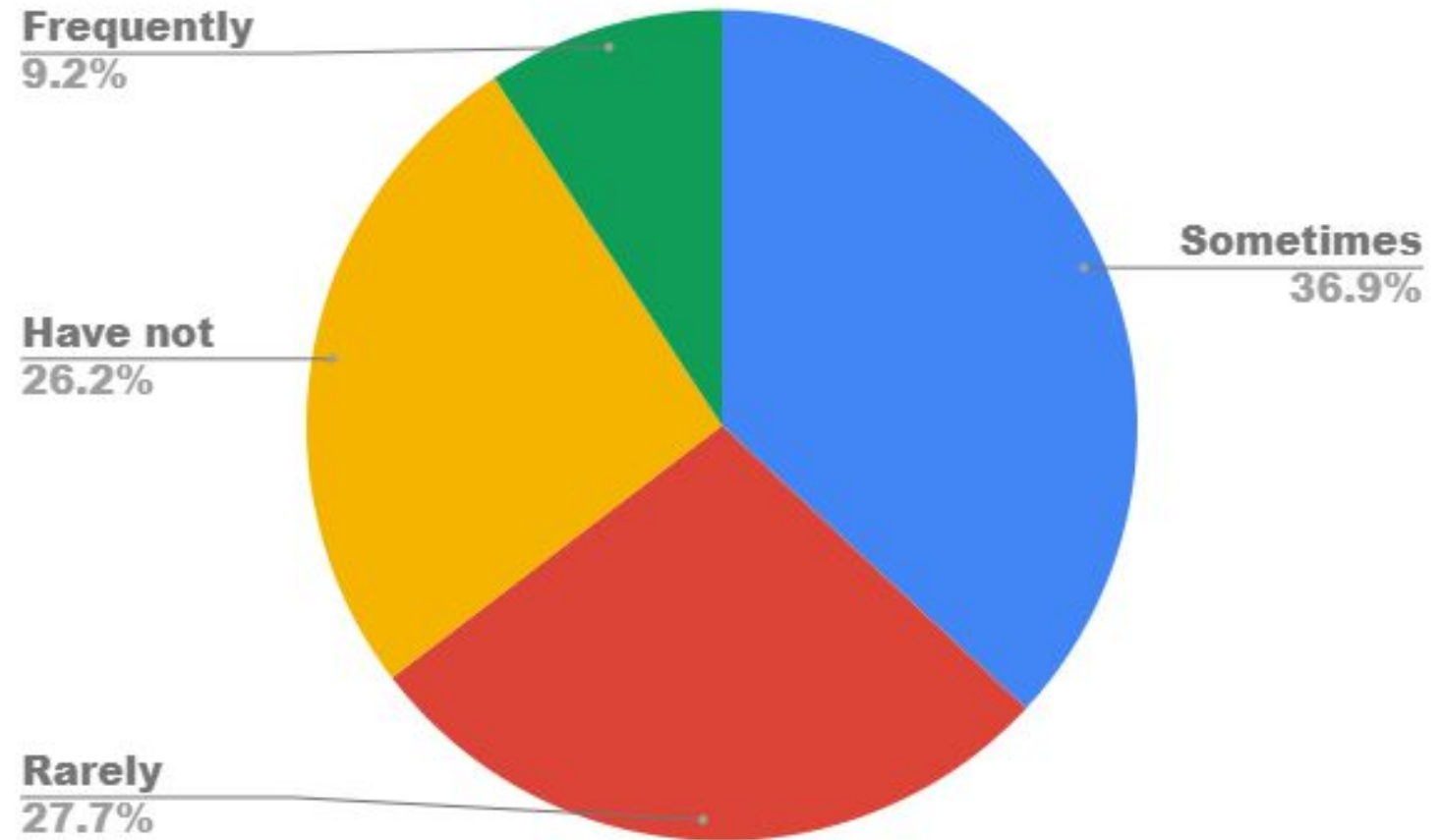
Questionnaire of Mainland Chinese people's consumption habits in beauty



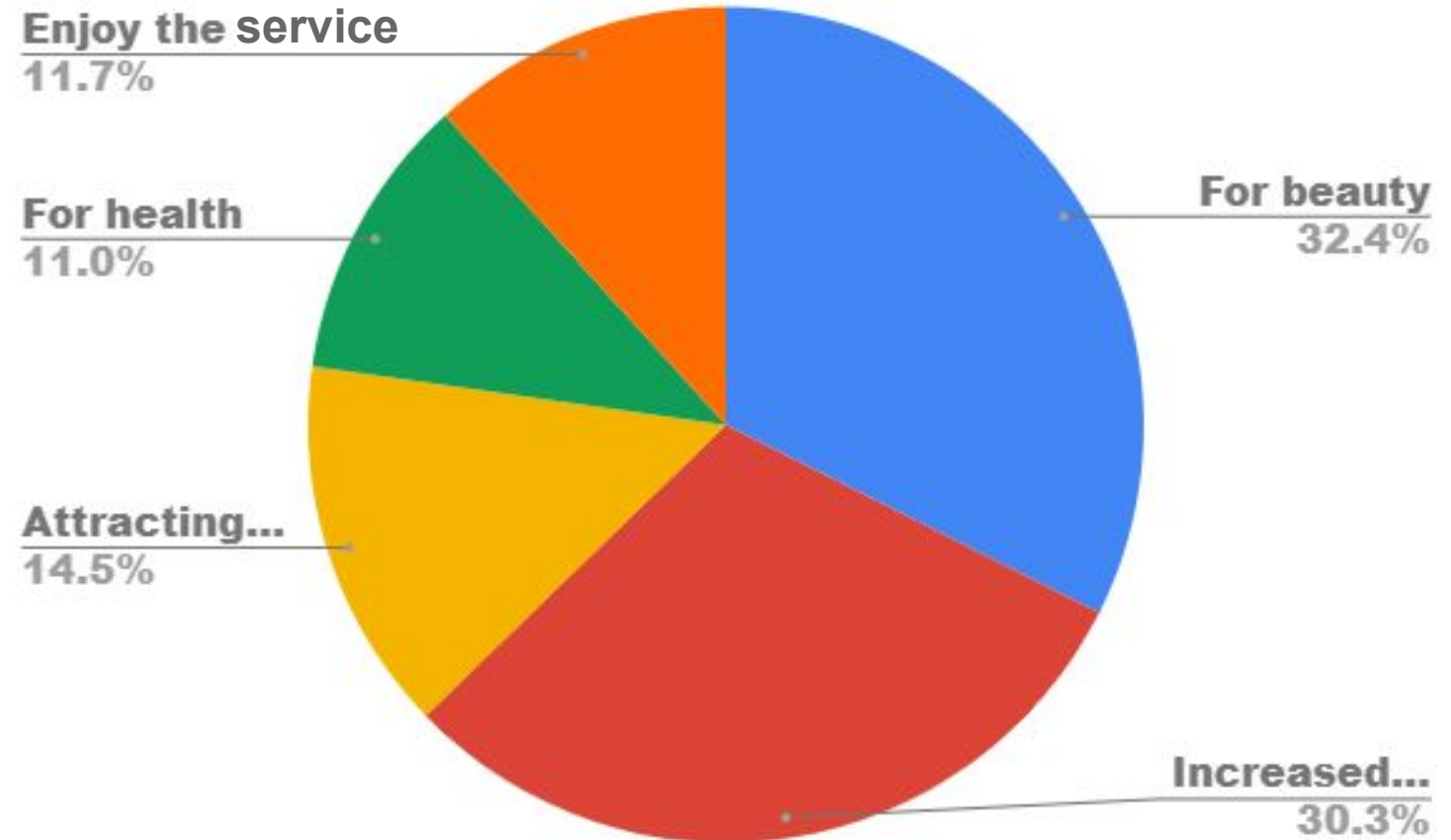
- In order to know Chinese people how to spend their money on beauty. We collect some information to discuss and set up our direction.



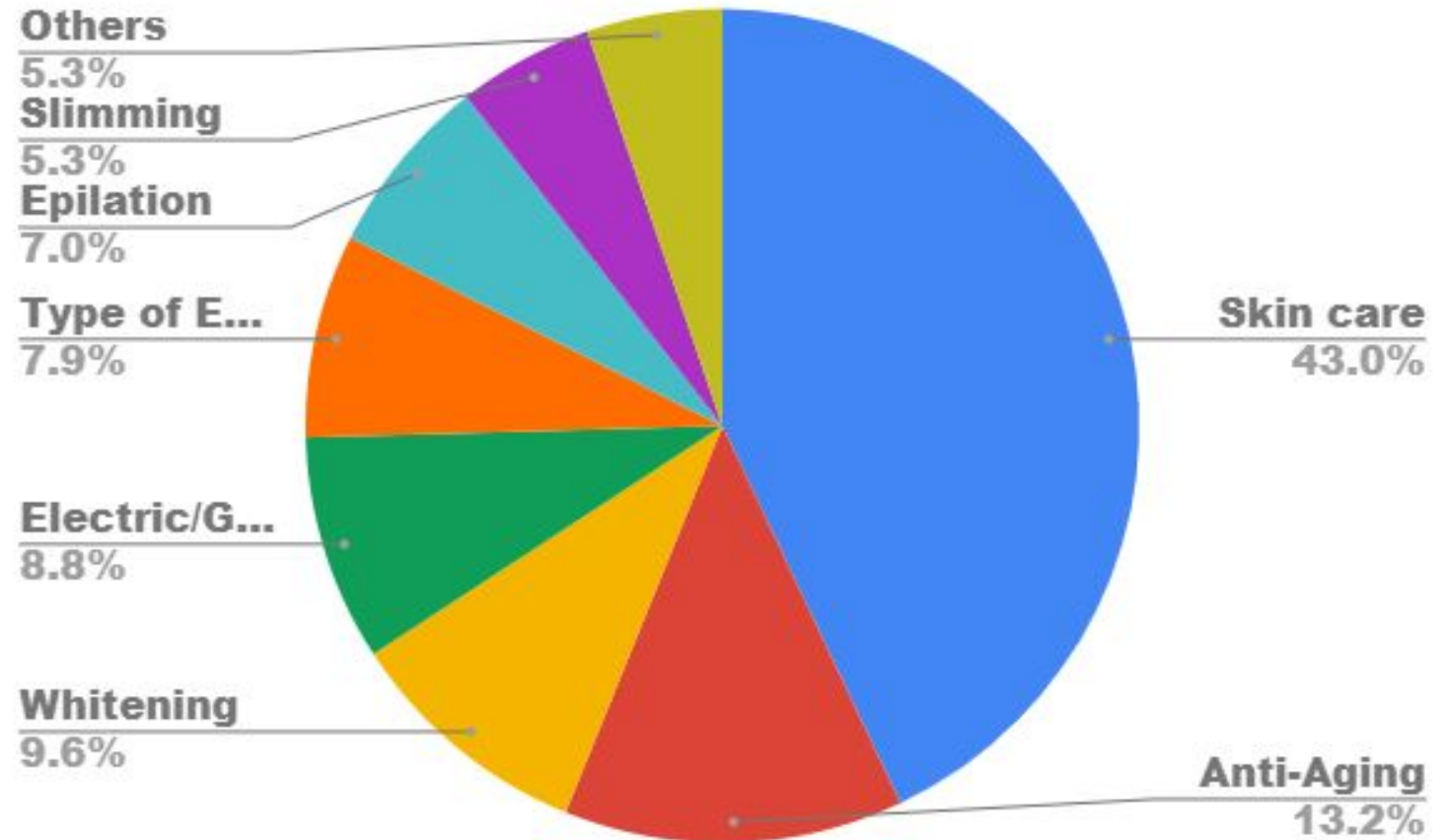
1. Have you ever done cosmetic therapy at a beauty salon?



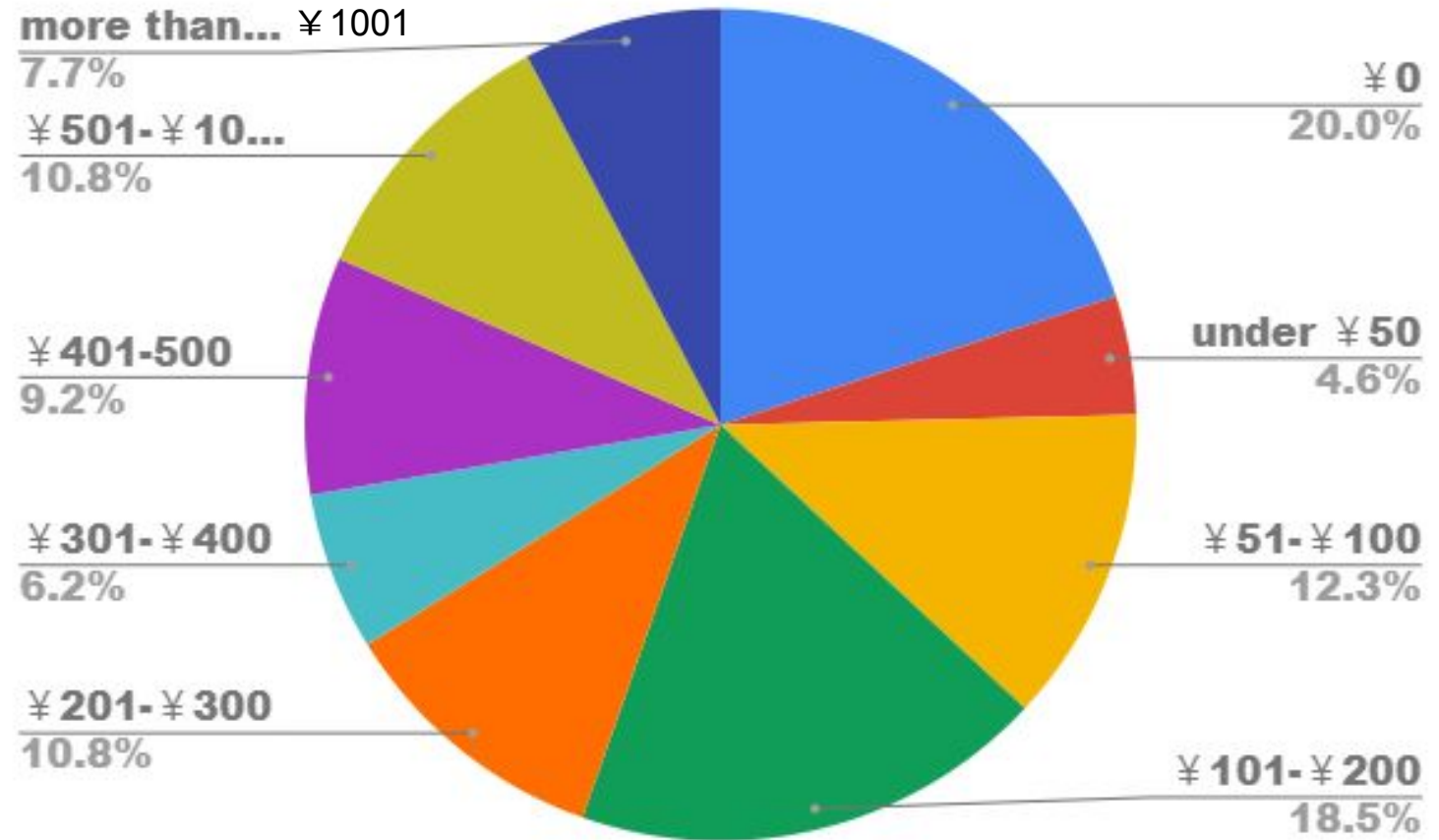
2. Why do you think
female/male/
you are going
to do beauty?



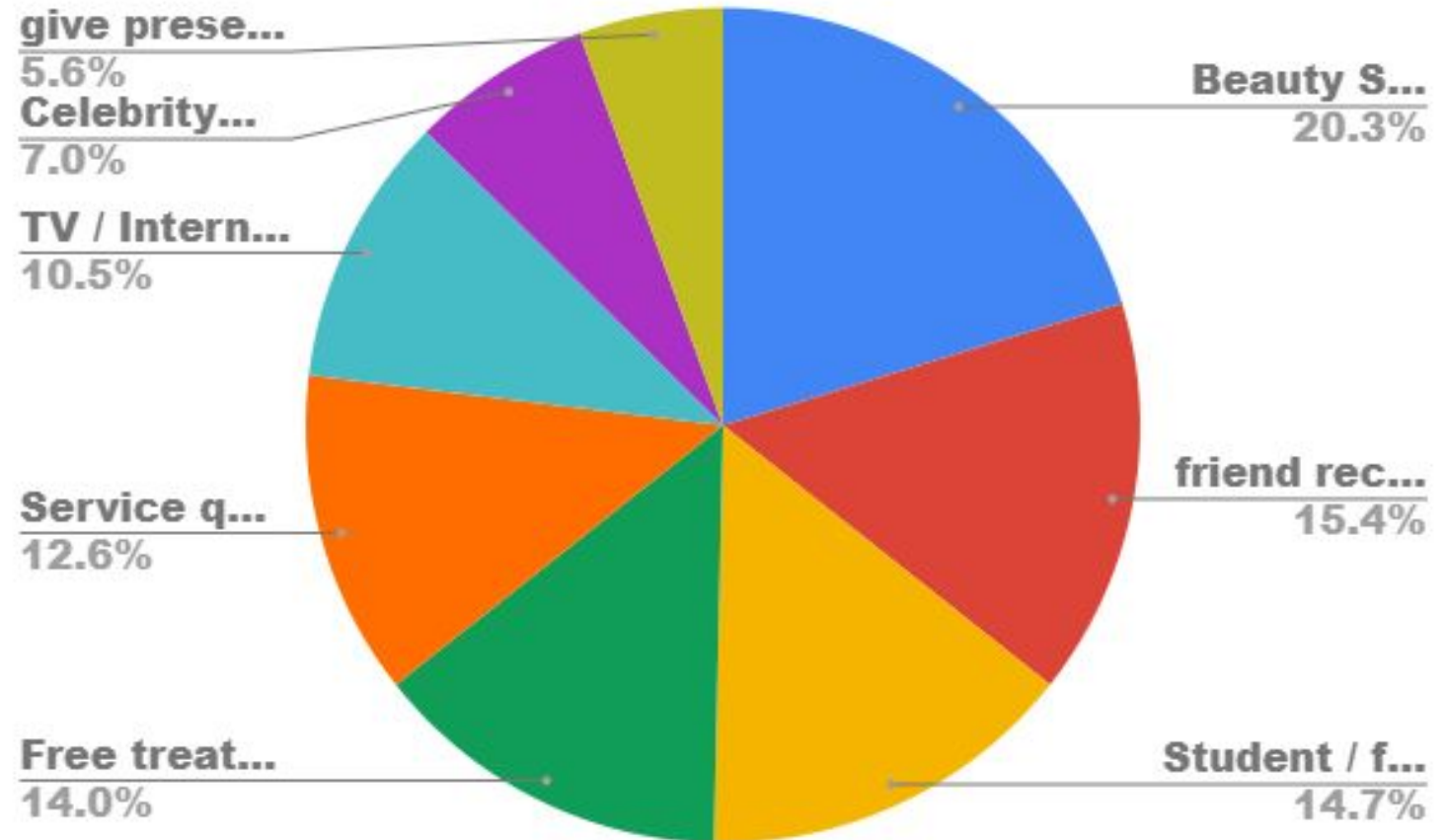
3. What kind of beauty service do you usually do?



4. How much is the monthly consumption of beauty?

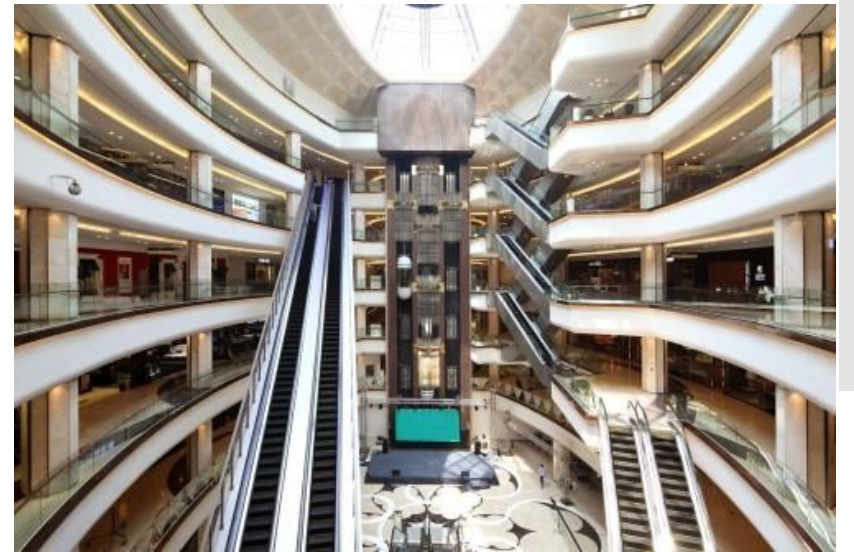


5. What kind of publicity will attract you to the new beauty salon?



6. Which area do you usually shop in? Why?

- Shop near home
- Shopping mall near home
 - Convenience
 - Safety



7. If additional /special services can be added, what additional/special services would you like to add? Why?



- provide food
- massage
- cupping therapy
- Bath



Company Description



- The name of shop : **凝緻閣 (Ning Zhi Ge)**
- Beauty industry
- The main customers are women
- The shop will set in Shenzhen
- The style is Ancient Chinese style



Company Description



➤ According to our questionnaire, we knew our customers who like additional / free service:

- Cupping Therapy
- Food
- free trial
- Cosplay





Business Environment (PESTLE)

Political	➤ 2018 Shenzhen Account Application Conditions: Foreigners' Household Policy
Economic	➤ China's economic level is getting higher
Social	➤ People start to pursue beauty
Techological	➤ Beauty Machine ➤ Network propaganda
Legal	➤ Business license ➤ Application
Environmental	➤ The shop near residential area ➤ More people who live in there

Marketing Analysis



- **SanMoon (圣梦美容护肤品有限公司)**
 - Founded in 1996
 - They advocate that beauty is a concept of life, not a luxury
 - There are more than 3000 employees
 - They have an international level of large-scale research and development production of the integrated production base in Xi'an
 - They have branches of store in more than 20 cities nationwide
 - Including Beijing, Shanghai, Xi'an, Chengdu, Guangzhou
 - **Weakness:** no clear price and no member club join
 - -customer feedback blocked

Marketing Analysis



- **SanMoon (圣梦美容护肤品有限公司)**
 - Booking service - Initiative to call or wait for a call or after beauty care
 - The manager personally arranges the nursing staff for customers
 - Professional skills of massage
 - The service personnel wear a mask when doing care
 - Recruitment can use Online application or submit resume to have Interview Invitation
 - Great Integrity Management Plan - have the good image encouragement from the beauty management organization

Marketing Analysis



- **MyLike Cosmetic Hospital (美萊醫療美容(連鎖)醫院集團)**
 - Founded in 1999
 - There are 120 patented technologies
 - Also, There are 32 chain hospitals :
 - Distributed in Shanghai, Beijing, Hangzhou, Guangzhou, Shenzhen.
These front-line cities
 - They would invite a lot of different celebrities to attend their events

Marketing Plan (4Ps)



Product

- Whitening
- Face care
- Anti-Aging
- Slimming
- Epilation
- Type of embroidery eyebrow
- Electric / Grafting eyelashes
- Massage
- Cupping therapy
- Bath
- Foot bath
- Fragrant smoked
- Makeup service



Marketing Plan (4Ps)



Price

- ¥10 for eyebrows plucking
- ¥10 for cleaning comedones
- ¥ 50 for Massage
- ¥ 58 for Face care
- ¥ 150 for Cupping therapy
- ¥ 288 for Whitening
- ¥ 288 for Slimming
- ¥ 488 for Anti-Aging
- ¥ 10-588 for Epilation
- ¥ 188-588 for type of embroidery eyebrow
- ¥ 88-588 Electric / Grafting eyelashes
- ¥ 50-588 for Bath
- ¥ 50-100 for Foot bath
- ¥ 88-388 for Fragrant smoked
- ¥ 50 for Makeup service

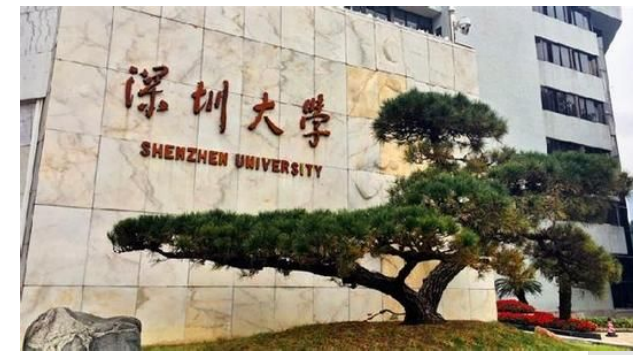


Marketing Plan (4Ps)



Place :

- Shenzhen Nanshan
- Nanshan qu chuang ye lu bei
- Yi Hai Guang Chang
- There are many high income people live at Nanshan
- There are Shenzhen University at Nanshan
- MTR ₂
- Area 1250 m
- ¥190000/month



Marketing Plan (4Ps)



Promotion

- Spend more than ¥ 5000 can join members
- Opening Sales :
 - First week
 - Eyebrows plucking and clearing blackheads for free
 - A half price of Electric eye lashes, type of embroidery eyebrows slimming eliminates wrinkles
 - Beauty package only for five day
 - Each package can only be used once, our customers needs to register name and telephone number
 - Set A: ¥188 have eyebrows plucking, cleaning up comedones, face care and eliminates wrinkles for once
 - Set B: ¥288 for exfoliating and electronic eyelash for once
- Student Discount 90% off

Development Plan (SWOT Analysis)

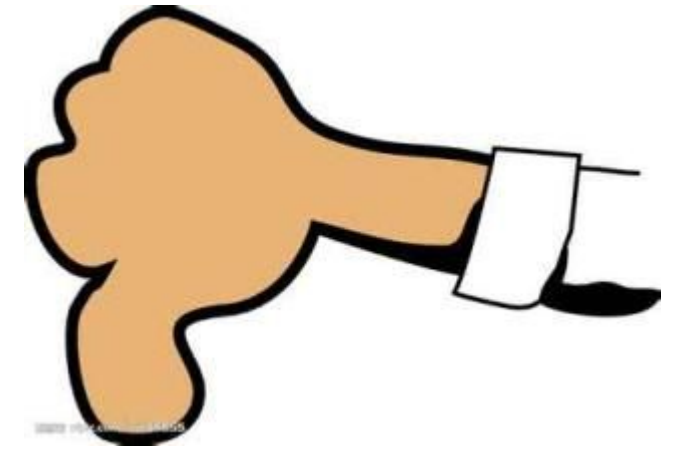


➤ Strength:

- We will provide ancient clothes for guests to wear
 - Young people like to take pictures and upload to the internet to share their life ,It will attract young people
- We will use HONG KONG BEAUTY technique
 - This style is very rare in Shenzhen
- Natural cosmetics
- Makeup service



Development Plan (SWOT Analysis)



Weakness:

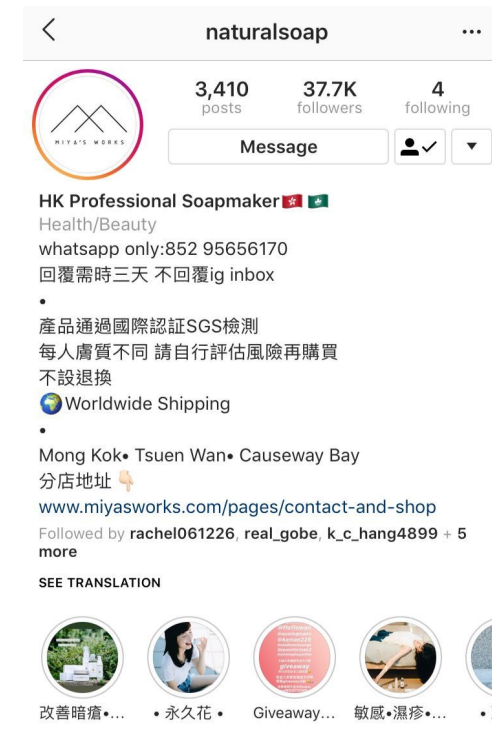
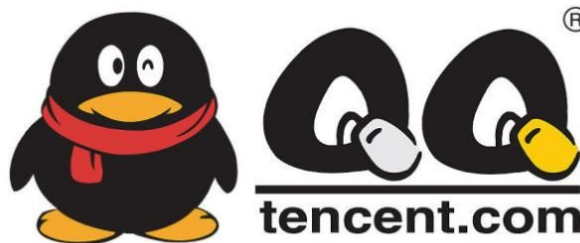
- Popularity Low
- No experience
- Competing with other well-known beauty companies
- Competitive

Development Plan (SWOT Analysis)



Opportunity:

- Use the network for sales
 - WeChat Baidu QQ Weibo .etc.
- We can work with natural product companies (naturalsoap)



Development Plan (SWOT Analysis)

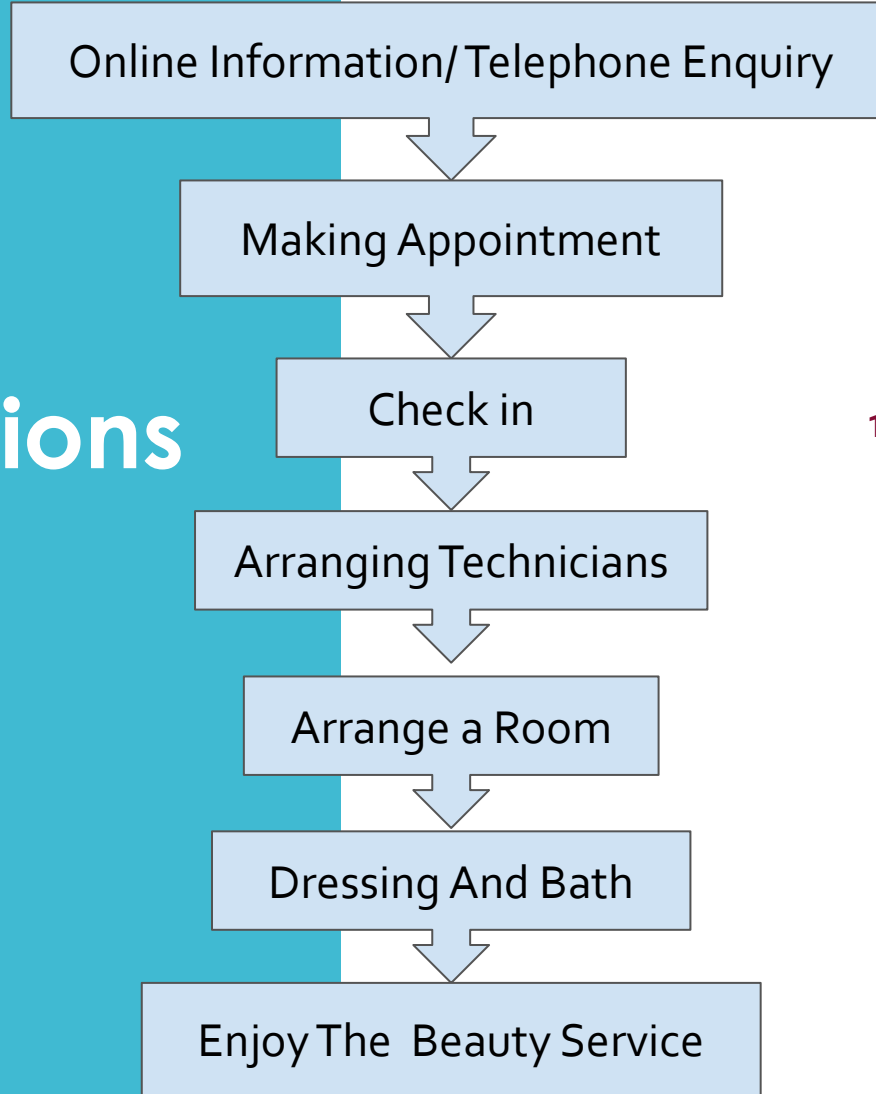


Threaten:

- Competing with other well-known beauty companies
 - MyLike Cosmetic Hospital
 - SanMoon
- Other beauty companies suppress
- 47 beauty companies in Nanshan



Operations Plan



Open Shop Steps

9:00-9:30a.m.

Cleaning the Shop

e.g. Bathroom, Floor, Bed, Dressing Room, Tools, Furniture

10:00a.m.

Open the Shop

10:00a.m.-1:00p.m

Business Hours

1:00-3:00p.m.

Lurch Time (shift)

3:00-10:00p.m.

Business Hours

10:00-11:00p.m.

Cleaning the Shop

&

Calculate the amount of Today's Business

11:00p.m.

Close

Management Team and Company Structure

Daisy	→	Promotional Planner
Hedy	→	Contact
Lindra	→	Accounting
Cindra	→	Promotional Planner

Overall Schedule

- Half a year to return costs
- The second year of rising popularity
- Opened the first branch in the 5th year
- In the 6th year became China's top 100 beauty company
- Entering the Hong Kong market in the 7th year
- Opened 5 stores in the 10th year

Financial Projections

Employee salary

10 Beauticians

$\$8000/\text{month} \times 10 = 80000$

2 Cleaner full time

$\$4000/\text{month} \times 2 = 8000$

2 Cleaner part time

$\$40/2 \times 2 = \$160/\text{day} \times 30 = 4800$

2 Service personnel

$\$4500/\text{month} \times 2 = \9000

2 security guard

$\$3500/\text{month} \times 2 = \7000

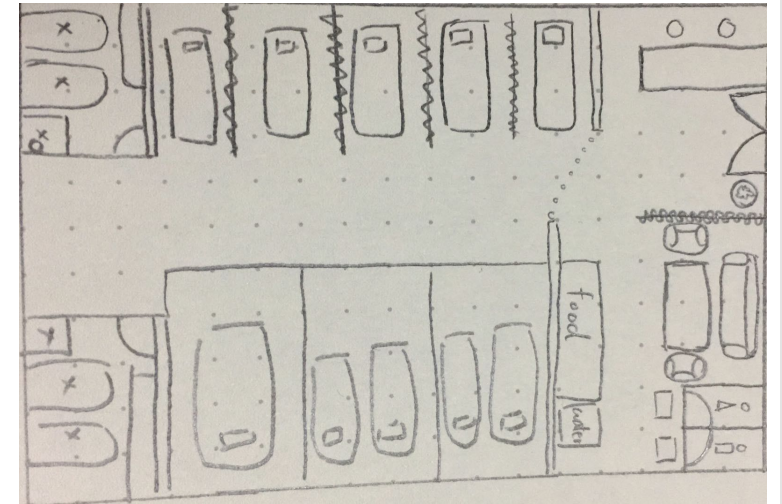
Total: ¥108,800/month

Financial Projections

- Furniture
- costume
- Shop rent
- Beauty equipment
- Decoration fee

Total: ¥1,207,472

(just for first month)





Q&A