

Marketing – Beauty – Community – Technology

Hue.

Aarzu Choudhary
Shine Lee





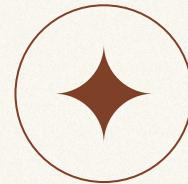
Table of contents

- 01 Problem & solution
- 02 Company overview
- 03 Team
- 04 Business process
- 05 Market & competition
- 06 Impact & risk analyses
- 07 Financials & metrics
- 08 Investment Recommendation



Pt. 1

Overview



Problem

TikTok and Instagram reviews anyone?

88% of shoppers seek out videos of real people wearing products before purchasing.

Interviewed hundreds of customers

- They struggle with
 - ◆ shopping online
 - ◆ products for **their own skin tone, skin type, body and hair type, etc.**

Yet brands haven't fully embraced this **shift** in their own channels.



Solution AI-powered e-commerce platform where shopping is uniquely tailored to you



Shoppable Video

2000+ creators in Hue Community

Increase sales conversions by up to 10% and leads to 127% more time spent on brand sites



Shade Matching & Foundation Finder Quiz

4 million+ beauty customers have taken the Hue AI Quiz

Product recommendations with up to 90% accuracy for complexion products with over 40 shades



User-generated Content (UGC) Community

50+ beauty brands and retailers trust Hue – Diverse Representation & Inclusivity

10K+ UGC assets generated

Hue.

A movement towards **personalized, trustworthy shopping experiences**

- ◆ Technology so anyone, anywhere can find the *perfect products* and feel that they are *represented*
- ◆ Connect with a *community* of people like yourself
- ◆ Easily vet whether products will work from the *comfort* of your own home

Turning real customers into brands' most powerful marketing channel.



The Team

Their journey began at Harvard Business School during their MBA program...

Janvi Shah - Co-founder & CEO

- ◆ Technical product builder who scaled 1B+ monthly active users for photo/video apps
- ◆ Experience: Google Photos



Sylvan Guo - Co-founder & COO

- ◆ Growth expert for some of the fastest-growing startups
- ◆ Experience: Airbnb, Tubi



Nicole Clay - Co-founder & CMO

- ◆ Retail marketer for iconic beauty brands
- ◆ Experience: L'oréal, Kiehl's, Lancôme



Business Process

- ◆ **Step 1:** Hue analyzes your customer demographics, products, and business goals to match brands with creators in the Hue community™
- ◆ **Step 2:** Hue collects and reviews user-generated content (UGC) based on:
 - Product usage and description
 - Visual quality
 - Audio clarity
- ◆ **Step 3:** Hue automatically tags UGC with:
 - Product names
 - Shade descriptions
 - Creator skin characteristics

Likely Pricing Model

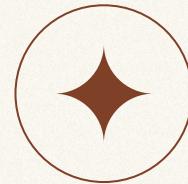
Contracts with brands generating income from:

- * Increased sales conversions
- * Licensing fees
- * Revenue sharing
- * Technology use fees

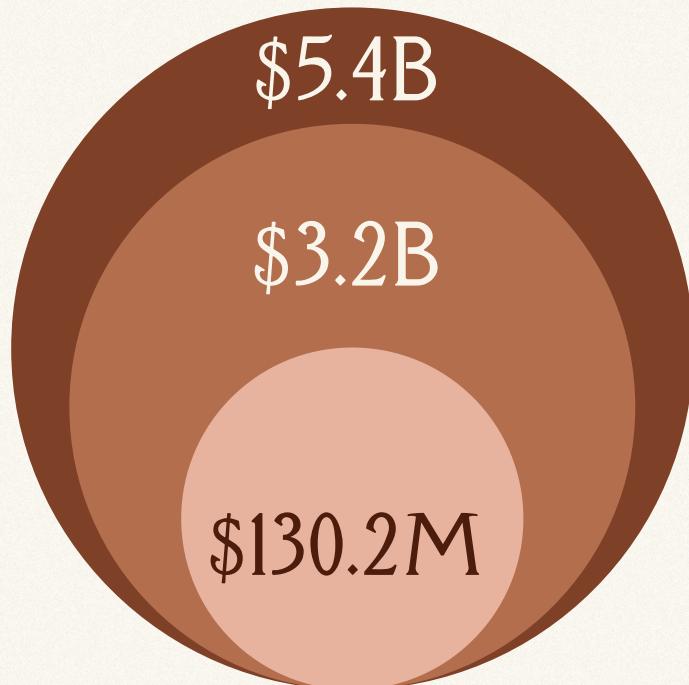


Pt. 2

Analyses



Market Opportunity



CAGR: 20.4%, Projected to reach \$26.12 Billion by 2031



TAM

UGC's global market is rapidly expanding due to the popularity of social media platforms like Instagram and TikTok. Brands are using UGC to improve their marketing strategies by incorporating authentic customer reviews.

SAM

The beauty, fashion, and cosmetic industries take up ~60% of the UGC global market. A large portion of this type of UGC includes product reviews, makeup tutorials, and "try-on" videos.

SOM

Hue has successfully captured this segment of the fashion, beauty, & cosmetic market and will continue to capture more as there is an extremely high growth rate in the UGC market.

Target Markets

- ◆ **Brands** looking to showcase *diversity and inclusivity* in their product offerings
- ◆ *Clean beauty & e-commerce brands*
- ◆ **UGC Creators** who value and drive *representation* in the beauty industry
- ◆ **Consumers** looking for a *wider range* of offerings within their favorite beauty brands
 - For their Skin tone, Skin type, Age, Gender, etc.
 - Name brands like Tatcha, Laura Mercier, Kate Somerville, & Lawless

Competitive Landscape

Strengths

- ◆ Unique AI-powered recommendation engine for beauty
- ◆ Partnered with many notable beauty brands

Weaknesses

- ◆ Limited funding and resources compared to competitors – fairly new company
- ◆ Niche focus: limited expansion to other sectors



Opportunities

- ◆ Significant potential of growth in the e-commerce industry
- ◆ Partner with more e-commerce platforms and big beauty retailers in the future

Threats

- ◆ Competition in the e-commerce space from companies, like Revuze
- ◆ May require constant innovation to stay relevant as AI is ever-evolving

Impact Analysis

- ◆ Enhancing representation: **diverse creator network (2000+ creators)** of all skin tones and types
- ◆ Addresses lack of diversity in the beauty community: **accurate shade recommendations for over 40 different shades** using strong AI-matching technology
- ◆ Facilitating authentic content: **over 10,000 UGC produced** that displays genuine product reviews that consumers can trust
- ◆ Boosts shopper satisfaction: **90% of shoppers report feeling confident** that they found an accurate shade match through Hue

Risk Mitigation

- ◆ Risk: AI algorithms must be kept up to date to remain competitive in the market
 - **Mitigant:** Continuous investment in R&D to regularly update AI algorithms and maintain 90% shade match accuracy
- ◆ Risk: Losing content creators to competing platforms
 - **Mitigant:** Build a strong creator community that involves creator compensation
- ◆ Risk: Increasing competition from established e-commerce platforms
 - **Mitigant:** Focus on current and new brand partnerships to expand reach with a proven ROI

Traction

- ◆ **50+ existing partnerships**
 - Brands (ex. Tatcha)
 - Retailers (ex. Credo Beauty)
 - Creators
- ◆ Revenue generated by partners
 - **5-25% increase in conversion rate**
 - **60-100% increase in time spent on site**
 - **5-10X ROI**
- ◆ User growth and engagement
 - **4.1 million users**
 - **6 million videos played**

\$4.46M

Current Raise Amount

\$4.61M

Total Raised to Date

\$6.5M

Pre-money valuation

\$10.96M

Post-money valuation

\$6M

Investment Recommendation

*Financial
information and
projections could
not be found*



Use of Funds

- ◆ **Technological enhancement**
 - Develop and refine the AI-powered recommendation engine, *maintaining their competitive edge*
- ◆ **Partnerships expansion**
 - Pursue additional partnerships with beauty brands and retailers, *expanding their reach and revenue potential*
- ◆ **Marketing and User acquisition**
 - Boost efforts to attract more users and creators to the platform, *capturing more market share in the beauty tech space*
- ◆ **Operations scaling**
 - Further address the significant market gap in personalized and inclusive e-commerce

Thank You!

