

# Curology

## Market Segmentation Strategy Pitch

Personalized and custom skincare

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Prepared for Curology executive team.

# The Team



Wilson McDermott



Oluwafemi Fabiyi



Samantha Patil



# Industry Overview

## A quick look at the US healthcare spend from a global perspective

### KEY HIGHLIGHTS

- 1

#### Overview

An assessment of U.S. health care system spending, outcomes, risk factors and prevention, utilization, and quality, relative to 10 other high-income countries
- 2

#### Relative Spending

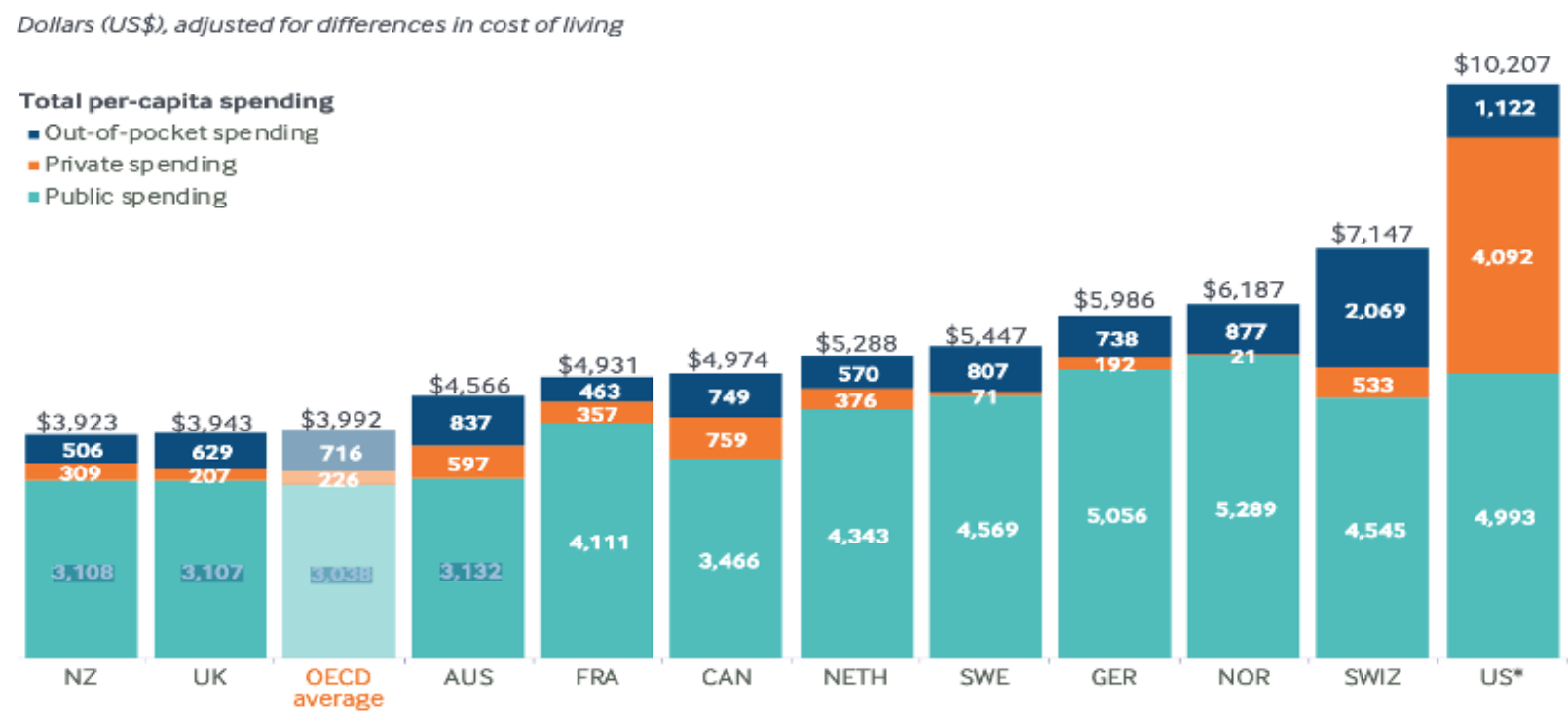
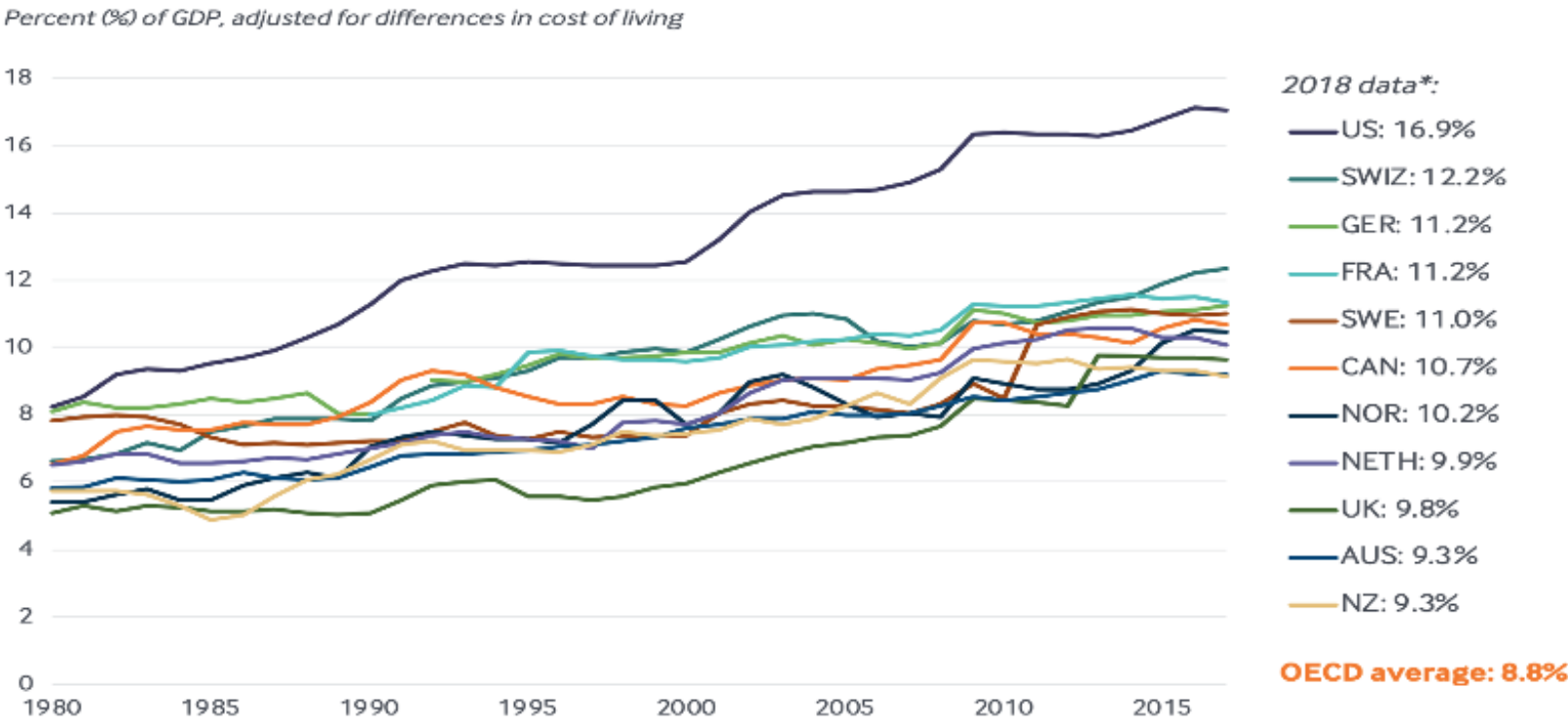
The U.S. spends more on health care as a share of the economy — nearly twice as much as the average OECD country
- 3

#### Physician Visits

Americans had fewer physician visits than peers in most countries, which may be related to a low supply of physicians in the U.S.
- 4

#### Technology Leverage

Americans use some expensive technologies, such as MRIs, and specialized procedures, more often than our peers



The U.S. healthcare payer analytics market size is expected to reach **US\$13.3 B** by 2027. Rising digitization of healthcare data is one of the key factors supporting market growth.

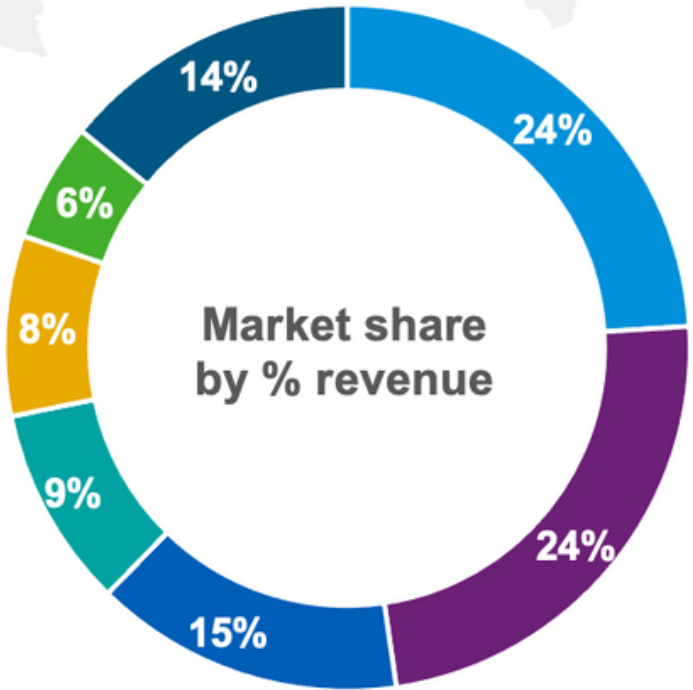
The Global Next-Generation Personalized Beauty market size is expected to reach **US\$ 72.55 billion** by 2028, growing at a CAGR of 7.5% over the forecast period of 2020-2028

# Industry Overview

Next-generation personalized beauty include various tailored products such as skincare , haircare , make-up , fragrances, and others



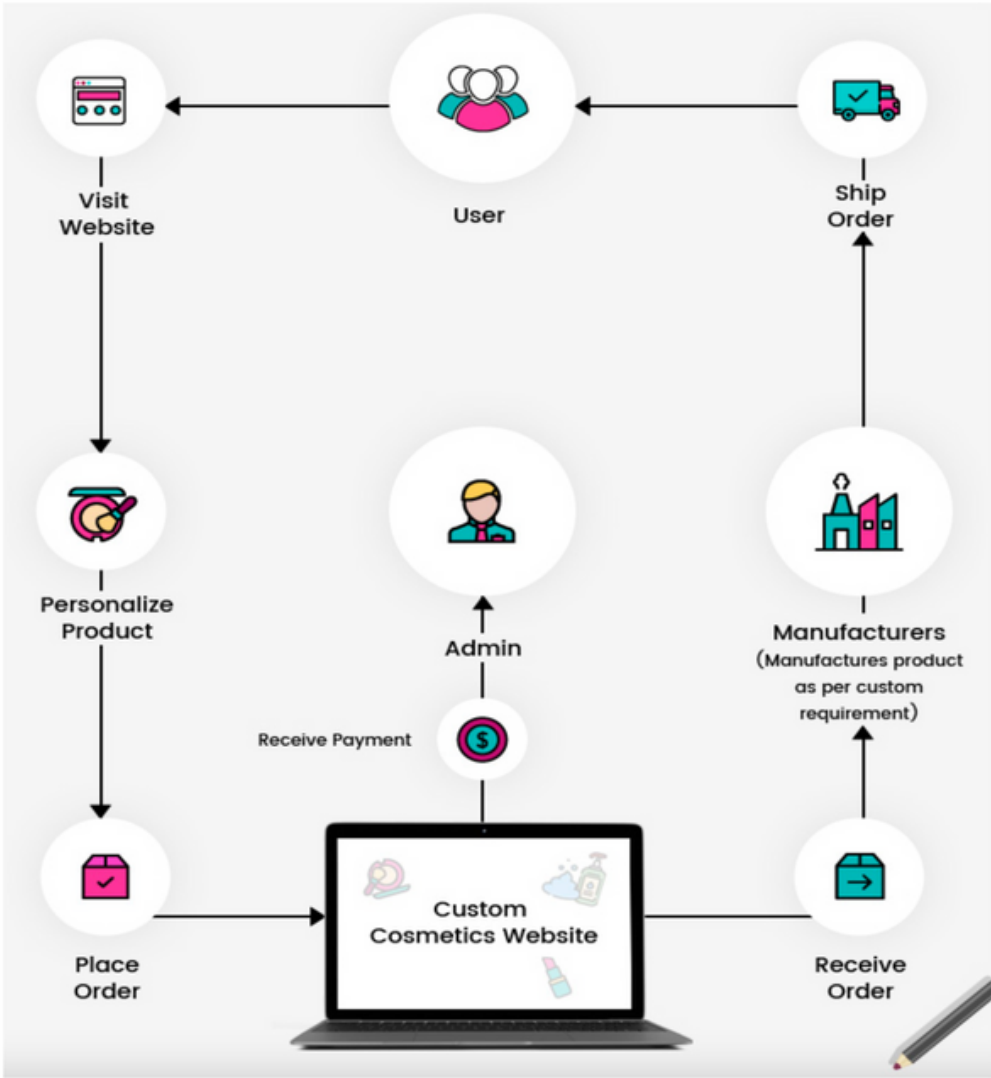
- Haircare
- Skincare
- Cosmetics
- Perfume and Colognes
- Deodorants, antipersperants, feminine cleaning
- Oral hygiene
- Other



<https://www.insightaceanalytic.com/report-details/global-next-generation-personalized-beauty-market-assessment/>

## Success Keys to Direct-To-Customer initiatives

- 1 Digital presence and marketing
- 2 Product innovation
- 3 Channels and distribution
- 4 Pricing strategy



<https://www.bls.gov/ooh/personal-care-and-service/barbers-hairstylists-and-cosmetologists.htm>



# Who we are as Curology ?

## Our journey so far...

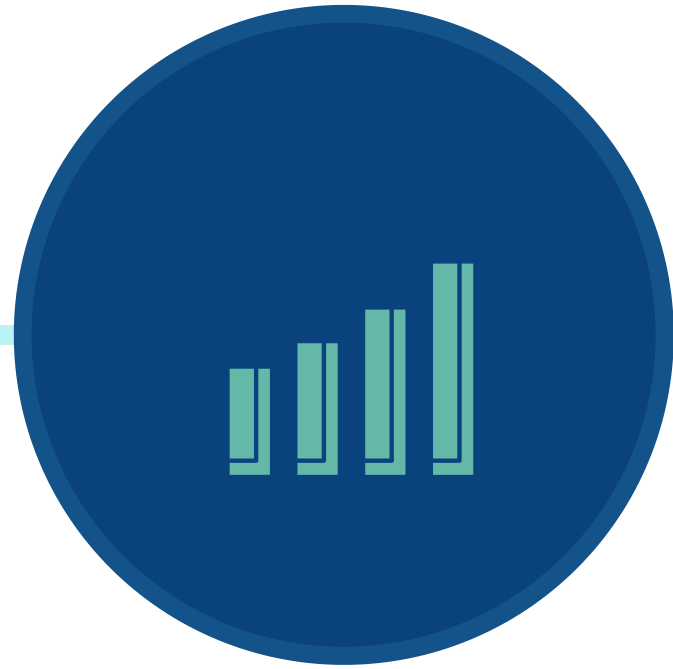
Curology makes custom prescription skincare formulas with up to 3 targeted ingredients for your specific skin confirms. With your subscription Curology ships directly to your door.



<div>Sector/Industry</div> <div>Health-Care</div>	<div>Founded</div> <div>2014, San Francisco, CA</div>	<div>Est. Revenue</div> <div>\$101.5M per year</div>	<div>Employees</div> <div>380</div>
<div>Sub-Industry</div> <div>Biotech and Pharma</div>	<div>Status</div> <div>Private</div>	<div>Total Funding</div> <div>\$ 31.8 Million</div>	<div>Investors</div> <div>10</div>

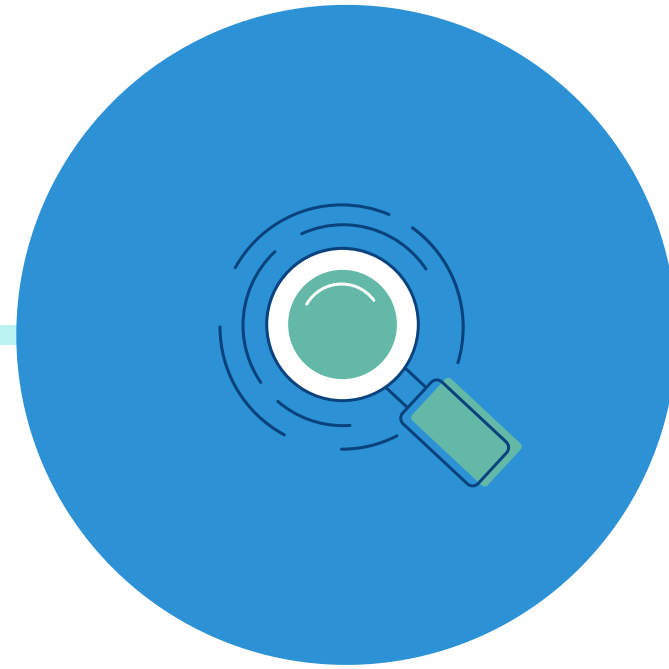
# Who we are as Curology ?

## Finding our competitive positioning



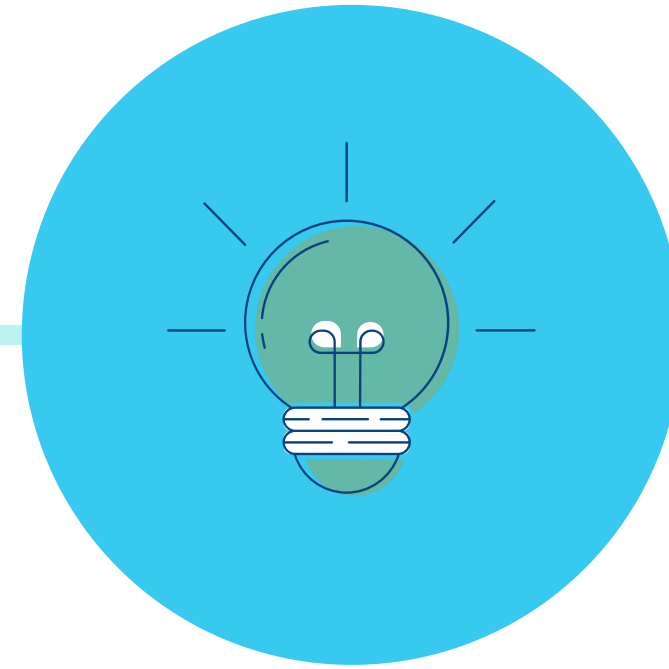
### Strengths

- Customised skincare solution, micro-segmentation possible.
- Strong brand portfolio.
- Great customer experience via omnichannel servicing.



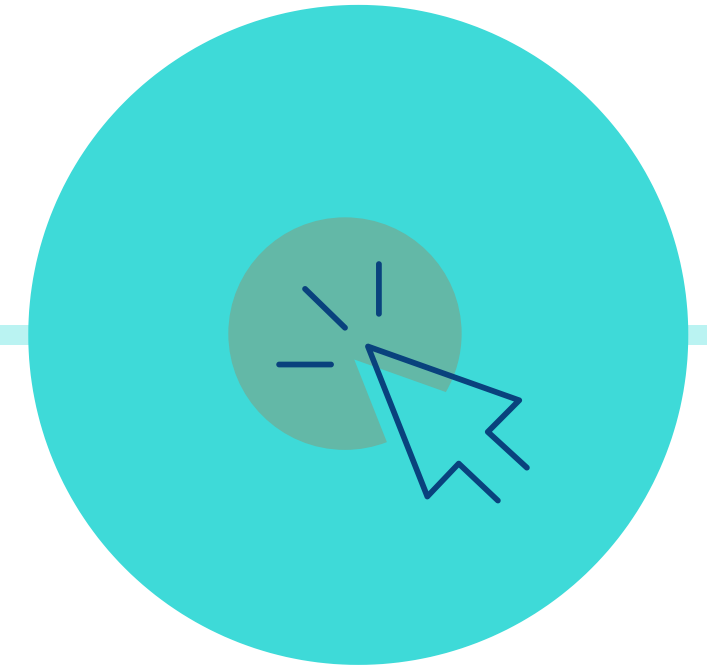
### Weaknesses

- Limited range of products.
- Limited Brand awareness.



### Opportunities

- Leverage technology to target micro-segments.
- New customer acquisition.
- Existing customer retention.



### Threats

- Growing industry competition among exit players.
- New well-funded personalized beauty start-ups.
- Growing data regulations.

**The Future of Marketing Is  
Bespoke Everything...**

# Why segment ?



**Curology is customized but media is not.....**

**Identify key and  
Unique Customer  
patterns**

**Directly reach  
potential  
customers based  
on applicable  
needs and  
reasonable price**

**Provide relevant  
and unique  
messaging**

**Increase  
awareness**

**Ultimately maximize profit**








# How will we segment ?











By personalizing Curology's customer using demographic, geographic, psychographic and behavioral segments across the following attributes...


















<b>Weather &amp; Season</b>	<b>City &amp; Location</b>	<b>Current &amp; Past Browsing</b>	<b>Online Purchase Behaviour</b>
<b>Age &amp; Gender</b>	<b>Time Habits</b>	<b>Likes &amp; Dislikes</b>	<b>Device Behaviour</b>
<b>Google Search Trends</b>	<b>Social Media Consumption</b>	<b>Interests, Opinions</b>	<b>Social Engagement</b>

Identifying segments from a psychographic and behavioral perspective										
	Socialistas		Youthful		Loyalists		Price-Sensitives		Naturalist	
<u>Attractiveness</u>										
Psychographic, Behavioural										
Investment in beauty products	High 69%		High 62%		Med 32%		Med 43%		Med 34%	
Investment in skincare products	Med 35%		High 52%		Med 43%		Low 19%		Low 12%	
Skincare Regime	Med 31%		High 66%		High 56%		Med 28%		Med 35%	
Not Brand Conscious	High 56%		Med 33%		Low 8%		High 61%		Low 6%	
Advocacy	High 66%		Med 34%		High 53%		Low 18%		Low 18%	
Affinity towards Beauty, Skincare, Cosmetic segment	High 71%		High 68%		Med 32%		Med 32%		Med 23%	









# ...and, online attitudes bring the segments to life

	Socialistas	Youthful	Loyalists	Price-Sensitives	Naturalist
<u>Attractiveness</u>					
Psychographic, Behavioural					
Online Attitudinal					
Internet Usage	High 89%	High 87%	High 85%	High 86%	Med 49%
Online Ad Consumption	Med 37%	Med 45%	Med 43%	High 52%	Low 22%
New Channel Adoption	Med 32%	Med 34%	Med 35%	Med 28%	Low 7%
Daily online hours	High 61%	Med 33%	Med 8%	High 54%	Med 6%
Online hours spent per day on social media	High 66%	Med 34%	Med 53%	Med 18%	Low 18%
Online Shopping frequency	Med 71%	Med 68%	Low 32%	Med 32%	Low 23%

...while demographics allow us to put a face to Curology's consumer

<u>Attractiveness</u>	Socialistas	Youthful	Loyalists	Price-Sensitives	Naturalist
Psychographic, Behavioural					
Online Attitudinal					
Demographical					
Age					
Generation Z	49%	6%	7%	45%	12%
Millenials	24%	29%	27%	23%	20%
Generation X	23%	27%	41%	11%	22%
Baby Boomers	4%	38%	35%	21%	46%
Profession	College/Prof/Tech	Prof/Tech	Prof/Tech	College/Prof/Tech	Prof/Retired
College Degree	62%	56%	48%	64%	37%
Regional Distribution	Mid City/W.Coast	Mid City/Suburbs	Suburbs/Rural	Mid City/Suburbs	Suburbs/Rural
Curology's Penetration	1.2%	0.7%	0.25%	0.32%	<0.01%

# 3 segments for best opportunity...

<u>Attractiveness</u>	Socialistas	Youthful	Price-Sensitives
Psychographic, Behavioural			
Online Attitudinal			
Demographical			

## Socialistas

- Consider themselves socially active, high openness towards trying new products.
- Show strong preference towards online channels and internet shopping.
- 62% are college graduates in this highly affluent segment, of which 49% are Gen Z.

## Youthful

- With more than 50% constitute Millennials and GenX who follow strong skincare regime.
- Show highest comfort and experience with online direct channels, ad consumption and high online shopping frequency.
- Highly educated, professional segment and tech-savvy.

## Price-Sensitives

- GenZ and Millenials constitute 65% of this segment, thus highest opportunity with increasing penetration.
- Highest adoption rate to new products that are economical.
- Show high preference and experience with online channels and internet shopping.



# Sample Survey Questions



Demographic & Geographic

- Are you male or female?
- What is your approximate average income?
- What is the highest level of school you have completed or the highest degree you have received?

Psychographic & Behavioral

- I don't care about having a skincare regime, I do the bare minimum to keep my skin healthy.
- It's important for me to be attractive, it shows that I am young.
- I like to use cosmetic skin products, but I want to stay as natural as possible
- I need to be at the top of my beauty to feel confident
- I don'y have the time or will to work on my appearance
- It's important to me that the products are not tested on animals and are cruelty free

Online Attitudinal

- How often, on average, do you spend on social media each day?
- Is the time you spend on social media for personal or business use?
- What social media platform do you use the most?
- Would you say that Social Media Influencers and Celebrity Endorsements play a big part in influencing your purchasing decision?
- In a heavily dominated 'like' society, would you say that you care about the amount of 'likes' you get on your social media content to the extent of deleting it if the content doesn't reach a personal satisfaction?
- In the past 6 months, how many times have you made a purchase decision on a social media site?
- How often do you feel peer-pressured into buying on social media?
- How much on average do you spend for every online purchase on social media?
- What do you dislike most about purchasing on social media platform?
- About how many brands do you currently follow on Facebook?

# Develop Deep Insights About Curology's Customers Using Buyer Personas

Based on our market research, segmentation and data about the target audiences, we have created three detailed buyer personas. These are semi-fictional representations of your target customers.

# Vital Statistics

Age: 27

Education: Undergraduate

Work: Part-time model

Location: Los Angeles

Family: Single

Wealth: \$25k

# Eva



## Attitudes Towards Skincare:

- Maintains regular routine to relieve dry skin
- Focused on skin preservation

## Saving and Investment Behavior:

- Relatively good saving culture
- Risk averse

## Channel/Relationship Preferences:



Segment: Socialista

## Vital Statistics

Age: 40

Education: PHD

Work: Lecturer

Location: Texas

Family: Married

Wealth: \$94K

### Attitudes Towards Skincare:

- Persistent wrinkle management
- Aims to improve skin

### Saving and Investment Behavior:

- Habitual investor
- Risk averse

### Channel/Relationship Preferences:



# Karen



Segment: Youthful



# Vital Statistics

Age: 16

Education: High School

Work: Student

Location: Chicago

Family: Single

Wealth: Still catered to

# Oliver



## Attitudes Towards Skincare:

- Very attentive due to chronic acne
- Wants to reduce visible imperfections

## Saving and Investment Behavior:

- None developed yet
- Risk taker
- Debt not a concern

## Channel/Relationship Preferences:



Segment: Price-Sensitive

**How will this segmentation scheme  
enhance Curology's market leadership,  
revenues, or profit?**

# Marketing Mix

With a tailored marketing plan, Curology will ensure its customer centric products are competitive and readily available

## Product

- Our brand will focus on eco-friendliness
- Products features tailored to customer needs
- Stylish and attractive packaging
- Promise risk-free warranty program

## Price

- Competitive pricing for customers per unit purchase and bundled deals
- Timely and seasonal discounts to drive adoption
- Convenient acquisition opportunities for customers with installment payment options
- Budget optimization based on segment performance - Cost-to-serve/ Revenue

## Promotion

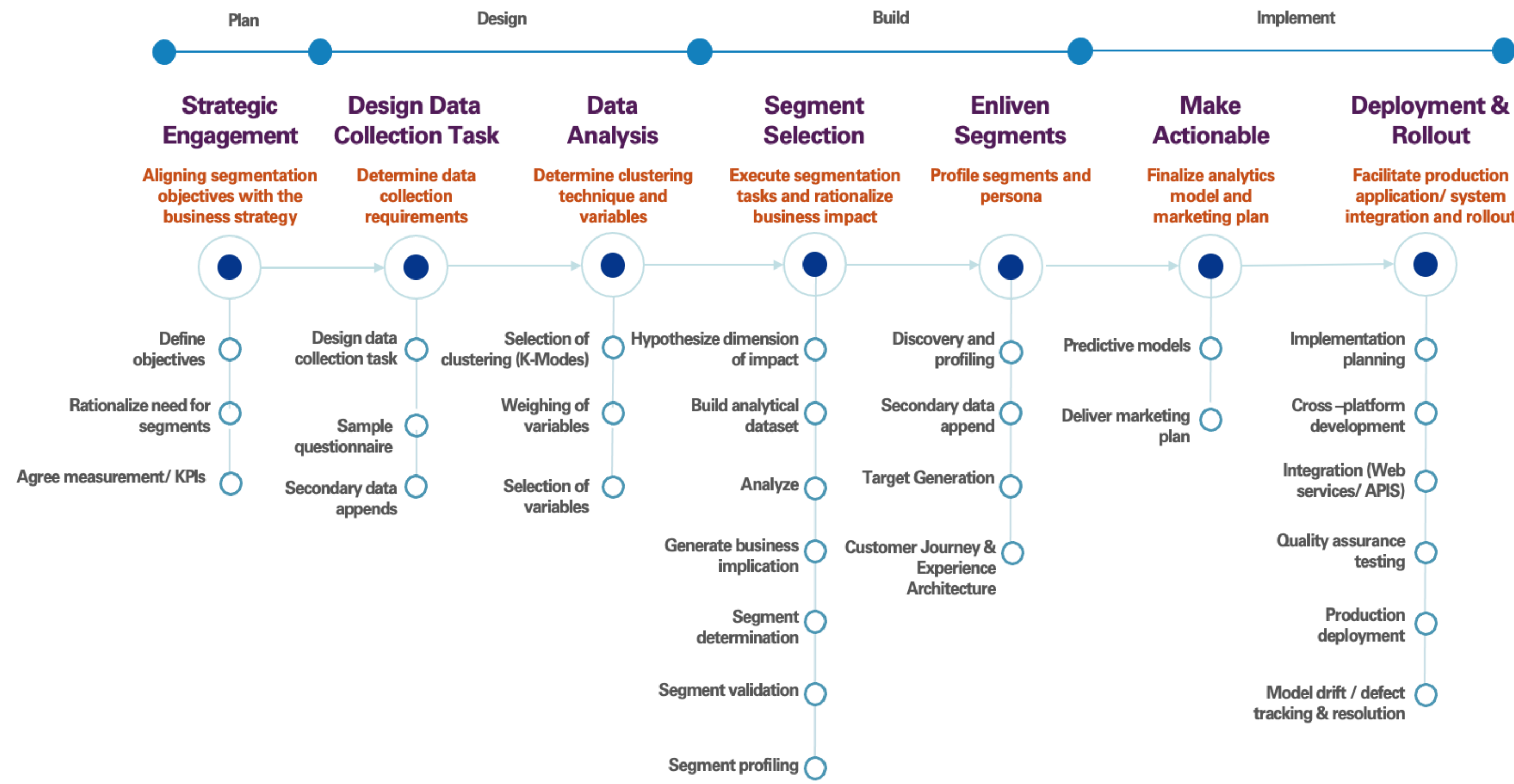
- Sales promotion and giveaways
- Online and social advertising - video, search engine, ads
- Public relations and paid socials

## Place

- Expand digital presence
- Highlight available, fast and responsive website for smooth service delivery
- Ensure e-presence on popular marketplace sites, eg. amazon, facebook and instagram marketplace

# Our Delivery Approach

We will support you through out the journey in delivering valuable insights and initiatives that will improve your bottom line



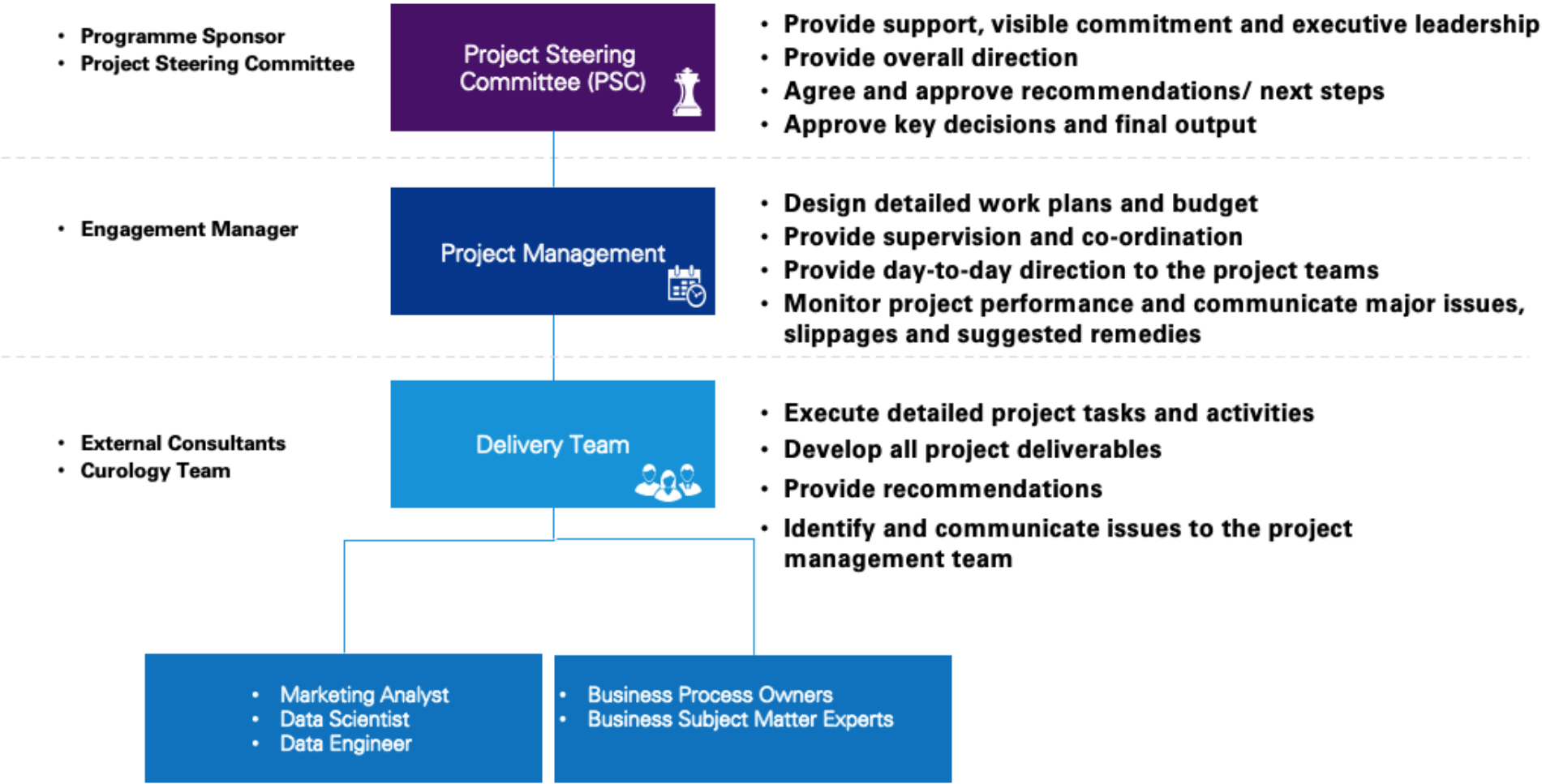
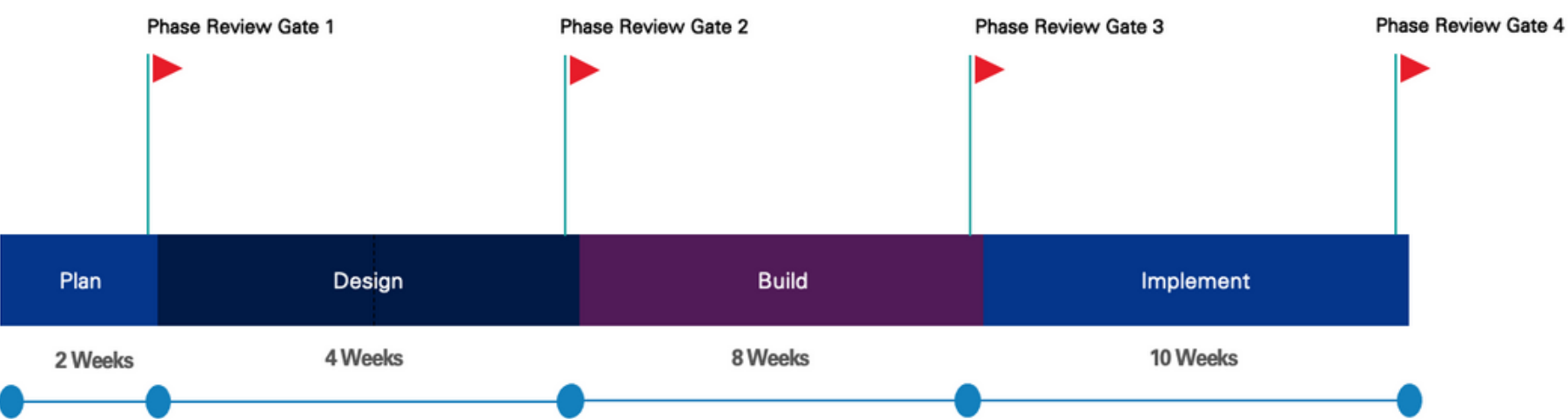


# Project Timelines & Governance

We have identified the team structure critical to delivering this initiative successfully within the estimated timeframe

We estimate the completion of this project within 6 months.

This is however subject to the implementation scope, details and accuracy of requirement/technical specification, continued relevance and support of the business objectives that form the basis for initiating the program.





**Thank You**