Hi, everyone here. We will begin the presentation of the IT Investment Analysis team project for the second semester of 2022. Our team consists of Lee Jeong-yun, Oh Se-yeon, and Lee In-sun. The name of the service we made is "Co-sub". We will proceed with our presentation in the order of EA analysis, BC analysis, AHP analysis, and conclusion. Let's start the final presentation of "Co-sub". I'm Lee Jung-yoon, who will present Environmental Analysis.

Prior to the announcement of Environmental Analysis, this is the table of contents of Environmental Analysis. After explaining our item, "Co-sub," we will talk about the environment that "Co-sub" will face.

Before I explain "Co-sub," do you know about personal colors? Personal color is a set of colors that best match an individual's skin tone.

If you look at the three pictures, you can see that even the same person has different images depending on the makeup. Personal colors help people better match their makeup.

According to Beauty Nuri, 89.1 percent of people who wear makeup think lip color is the most important. Also, the media said that on average, 5.2 lip products are consumed by people in their 20s, 3.8 lip products by people in their 30s, and 3.1 lip products by people in their 40s for a year.

In this environment, "Co-sub" aims to provide three main functions. First, there is "personal color hunting by AI analysis." AI provided by "Cosub" makes it easy for users to diagnose their personal colors. Second, "Experience recommended products based on the results." It provides a customized cosmetics recommendation system according to individual colors diagnosed by AI. "We offer a variety of cosmetics until we find the colors and textures that users prefer. Until consumers find the cosmetics they want, they try to satisfy their needs by providing various cosmetics through subscription services.

Who is the target audience for our service? We have set the target layer of "Co-sub" as people who have yet to find the right lip color and texture for them. We determined that those who could not find the right lip product for them, regardless of age or gender, had sufficient motivation to use "Co-sub."

The basic mechanism by which "Co-sub" works. Users upload pictures of themselves. AI analyzes the uploaded picture and informs you of the personal color. Based on the analysis results, cosmetics are recommended, and the user selects the desired cosmetics and orders them. "Co-sub" delivers the order to the user. Subscribe to allow users to select and receive products on a regular basis.

We assumed and analyzed a virtual company called "Co-sub." In addition, the analysis considered partner companies and users who will grow with "Co-sub".

"Co-sub" will use AI analysis and big data analysis to implement and provide the functions described above to users.

According to Cosin Korea, lip products are the most likely to grow among color cosmetics.

Also, according to a study conducted by Raon Square, personal colors help consumers choose cosmetics.

However, we found out from this graph and the average value that personal colors cost a lot of money to receive from experts face-to-face.

Considering the growth potential of the lip product, the usefulness of personal color, and the price burden of personal color, it can be concluded that the main selling item of "Co-sub" has high growth potential and can lower the price barrier for hunting personal color.

Let's present an analysis of the market in which "Co-sub" will enter.

Consumer analysis. There were three main objectives of the survey. First, we wanted to find out the number of people diagnosed with Personal Color through a survey. Second, I wanted to find out the number of people who failed by purchasing cosmetics online. Third, we wanted to understand the user needs of "Co-sub".

76.9 percent of the respondents said they had been diagnosed with personal color.

74.4 percent of the respondents said they had failed to purchase cosmetics online.

84.6 percent of respondents said they were willing to use "Co-sub" if it was launched.

We analyzed the competitors that you will meet if you enter the market. "Co-sub" has been judged to be more competitive than other companies in price, regular delivery, and personal color.

This is shown in the positioning map. Intuitively, "Co-sub" has a relative advantage in price competitiveness and personal color.

Next, I will explain Michael Potter's five forces model that we wrote.

From the perspective of Competitive Rivalry, "Co-sub" is very different from other companies in the current cosmetics market, so I think competition will be low.

Threats of new entry. Agreements with various cosmetics brands, personal color data, and personal color diagnosis AI create high barriers to entry in creating services similar to "Co-sub."

In the supplier power sector, supplier engagement is high because suppliers can use "Co-sub" to promote brands and products. In addition, it is very unlikely that suppliers will arbitrarily change the unit price of cosmetics because the price of cosmetics is almost constant except for inflation.

A method of experiencing products directly at offline stores can be an alternative. However, no company offers exactly the same service as "Co-sub."

From the perspective of buyer power, "Co-sub" is irreplaceable. Also, it is worth paying the price because you can experience various colors through subscription.

Next, I will introduce the result of SWOT analysis. Our strengths are the price competitiveness of cosmetics and personal color diagnosis, and the personal color-based recommendation system. Weaknesses include low recognition, availability of various products, and other needs except lip products. Opportunities include the great development of the cosmetics industry, the trend of personalized makeup, and the popularization of subscription services. Finally, threats include the presence of similar services, increased distribution costs, and pressure on existing retailers.

There were legal regulations in launching "Co-sub." According to the documentation of 'ministry of food and drug safety' called 'Cosmetics Regulatory Framework in Korea', these safety regulations and related laws must be followed.

This is the end of the Environmental Analysis presentation.