

Beauty Inc. Lip Category's Sales by Region and Country

Beauty Inc.		\$ US Million		% Change	
		2020 Q4	2019 Q4	Market Share	
North America	United States	\$ 60	\$ 110	-2.0	%
	Canada	\$ 8.2	\$ 17	-4.8	%
	Sub-Total	\$ 68	\$ 120	-2.4	%
Asia / Pacific Region	China	\$ 100	\$ 150	-9.9	%
	Hong Kong	\$ 3.9	\$ 8.7	-2.7	%
	Indonesia	\$ 0.18	\$ 0.6	-7.4	%
	Japan	\$ 7.2	\$ 17	-3.8	%
	Korea	\$ 7.4	\$ 14	-0.8	%
	Singapore	\$ 0.82	\$ 1.7	-3.9	%
	Taiwan	\$ 4.8	\$ 5.8	-2.1	%
	Thailand	\$ 4.3	\$ 5.4	-6.7	%
	Sub-Total	\$ 130	\$ 200	-7.3	%
NA + APAC	Total	\$ 200	\$ 320	-6.2	%

NA + APAC

In 2020, Beauty Inc's total sales were unfavorably affected by the outbreak of COVID. The company reported a \$200 million in the 4th quarter of 2020. Compare with \$320 million in the prior-year period, Beauty Inc lost a 6.2% market share in North America and Asia / Pacific Regions.

North America

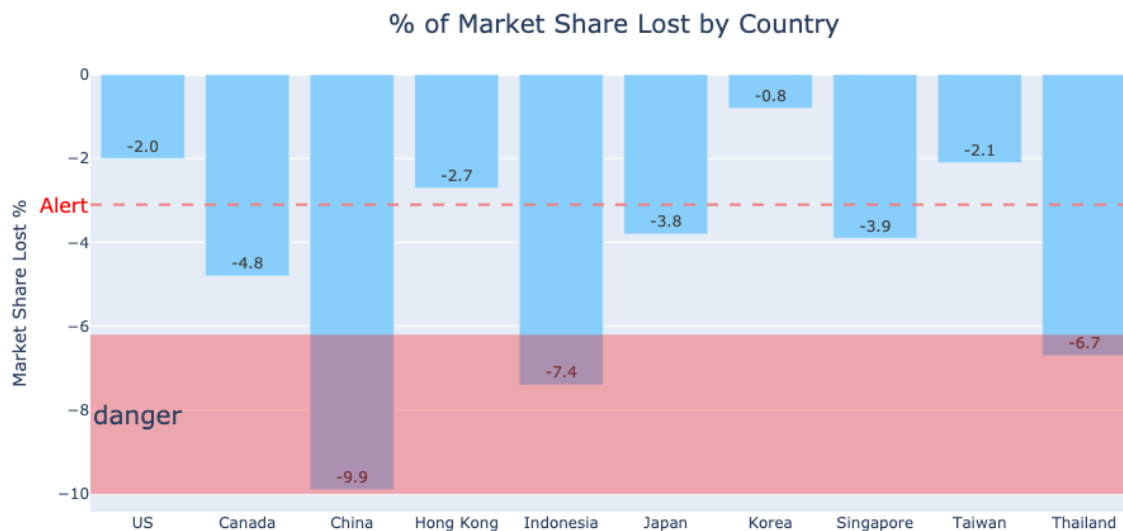
In a COVID-threatening market:

- Compare with the prior-year period, Beauty Inc's lip category's sales declined severely from \$120 million to \$68 million and lost 2.4% market share in the North American region in the 4th quarter of 2020
- The decline is largely reflected in Canada. Beauty Inc's lip category declined from \$17 million to \$8.2 million and lost 4.8% market share in the 4th quarter of 2020

Asia / Pacific Region

In a COVID-threatening market:

- Compare with the prior-year period, Beauty Inc's lip category's sales declined severely from \$200 million to \$130 million and lost 7.3% market share in Asia / Pacific region in the 4th quarter of 2020
- The decline is largely reflected in China. Beauty Inc's lip category declined from \$150 million to \$100 million and lost 9.9% market share in the 4th quarter of 2020
- Total lip category's sales in Indonesia and Thailand's markets were relatively small compared with China's market, yet, both two market share losses had exceeded 5%



Recommendation based on market share loss

- Beauty Inc. should take action in China, Indonesia, and Thailand's markets. Each of those affiliate's market share losses had exceeded over 6.2%. This is a danger sign that indicates that the total lip category sales were lost not only attribute to the negative impact COVID but also indicates that customer loyalty was losing in those markets
- Beauty Inc. should take an eye on Canada, Japan, and Singapore's markets. Each of those affiliate's market share losses was in the range between 3.1% to 6.2%. Especially for Canada's market, the market share loss almost reached 5%

Questions need to be considered for further/deep analysis

- Who are the competitors (based on different countries) in the lip category?
- Why the competitors gained market shares in the lip category? Was due to the:
 - Release of new products?
 - Product price change or promotion sale?
- How to distributed market forces in different countries?
- How to stimulate customers' demands for lip products and how to acquire more efficient feedback for future development?

Further data collection

- In China, Indonesia, and Thailand's markets, analyze the competitors who gained more market share in the lip category in the 4th quarter of 2020

- Additional data may be required for lip products' price and releases of new products (release date, quantity, etc)
- Gather quarterly sale data for Europe region

Customer demand and loyalty

Beauty Inc.'s total lip category sales declined in every market.

- Nearly all retail locations were temporarily closed
- Hundreds of millions of people have lived through lockdown
- Many companies shift to working from home
- Millions have lost jobs

Those effects could cause a decrease in the demand for cosmetic products.

Beauty Inc.'s losing customers' loyalty in the lip category could be due to:

- Shipment delay
- Depletion of inventory
- Product price change due to the increase of material cost

Those effects could cause a loss of the market share for Beauty Inc.

Recommendation on portfolio level

- Reduce spending on retail and office space upgrade
- Invest in the software development company
 - ex. makeup simulation app
- Increase e-commerce capabilities
- Advertisement / Livestreaming on the popular platforms based on different region, country
 - ex. United States: YouTube, Facebook, Instagram
 - ex. China: TikTok, Sina

Presentation Structure

- Beauty Inc. lip category lost market share in the 4th quarter of 2020. Discuss what happened in different regions/country and provide insights based on analysis
- Provide recommendations based on current analysis for Beauty Inc.
- Discuss what caused a decreased demand on cosmetic products and what caused a loss of customer loyalty
- Discuss further data collection and analysis
- Based on the further approach, provide more recommendations for Beauty Inc.