

## New Product Development Project – OPI

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## **Executive Summary**

Nail products are an inseparable segment of the beauty industry. While the nail industry has not grown as quickly as the makeup or skincare industries, the market has been consistent and the demand is always increasing. In 2021, the nail industry was estimated to be worth more than \$2 billion USD. According to a forecast by Mintel, the industry will grow to at least \$2.3 billion USD by the end of 2026.<sup>1</sup>

The nail industry has two major subfields: salon services and retail products. After the COVID-19 global pandemic, many customers started to opt for in-house nail services, including DIY nail kits and nail care products. However, as the effects of the pandemic are slowly going away, many customers are switching back to their in-person salon visits. According to research, 39% of customers who are used to getting their nails done at a salon still have the same preference.<sup>1</sup>

Another major trend in the beauty industry are healthy ingredients associated with skincare, including vitamins and essential oils. These types of ingredients also help eliminate the odor of the gel polishes, which is a concern for both nail masters and the customers.

Taking into consideration some of the initial research and secondary data collected, our team has come up with several new product ideas for one of the biggest brands in the nail industry, OPI Products, Inc. All of the product offerings developed are initially for the distribution in the US market. Those offerings were put to test through customer and market research and analysis.

After the summary of the results, we have performed a BASES analysis as well as a profit and loss forecast to make sure that the project is viable from a financial perspective. Furthermore, marketing strategies and contingency plans are listed that will help meet and evaluate the performance of the company after the introduction of the new product.

The final product concept that we decided to move forward with after the analysis of primary data gathered is an odorless gel polish as an extension to OPI's product line Nature Strong. The gel polish solves the problem of the unpleasant smell that customers are often faced with. Furthermore, in order to eliminate the odor, we suggest using 100% natural stone minerals

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<sup>1</sup> Nail Color and Care. (2022). USA. Retrieved from  
<https://reports-mintel-com.libproxy1.usc.edu/sinatra/oxygen/print/id=1132079>

instead of artificial color additives. This attribute also appeals to the secondary target market identified, which are customers who prefer natural and/or organic beauty products.

As a culmination of our research, we have also included an implementation plan, which details the timeline of this project, as well as all of the technicalities and details involved. To make the research complete and multi-faceted, we have also looked into several of OPI's major competitors and their similar product offerings to devise perceptual maps for the company itself and for the final product offering in particular.

## **Product Innovation Charter – PIC**

### **Background:**

While working with her brother-in-law George Schaeffer at a small Los Angeles-based dental supply company in the early 1980s, Suzi Weiss-Fischmann noticed something peculiar about her company Odontorium Products Incorporated (OPI)'s clientele – many of them were nail technicians.<sup>2</sup> After learning how similar the chemical compositions were between artificial nail extensions and dentures, Schaeffer and Weiss-Fischmann recognized a hole in the beauty industry that they could fill and capitalize on: creating safe, high-quality nail products.<sup>3</sup> After spending two years working with a Hollywood special effects professional to perfect the formulation of their product, OPI launched their very successful OPI Traditional Acrylic System in 1981, a three-step acrylic nail building kit that included powder, liquid and primer<sup>3</sup>. Recognizing their success and this exciting opportunity in front of them, the duo made the courageous leap from the dental industry to the beauty industry with a focus on nail products.

It was not until 1989 that Weiss-Fischmann proposed that they take OPI in a bolder, more colorful direction, thus officially repositioning OPI as a nail products company and creating OPI Nail Lacquer. The idea was to produce a high quality product that brought the nail salon experience home and allowed women to express themselves in 30 vivid, high-quality polishes featuring whimsical and inventive names like “Maui Mango”, “St. Tropez Blush” and “Budapest

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<sup>2</sup> This Jewish mom is the mastermind behind OPI nail polish (2019). Retrieved from <https://www.proquest.com/docview/2210975273?accountid=14749&parentSessionId=%2BqzC04Xr5WRKM%2BPTFS9miD%2BCKOnfkbbz597CZGUADiw%3D&pq-origsite=primo>

<sup>3</sup> 35 Things You Didn't Know About OPI (2016). Retrieved from <https://cameronsalon.wordpress.com/2016/06/06/35-things-you-didnt-know-about-opi/>

Paprika”<sup>4</sup>. This product line gained incredible popularity and catapulted OPI into the limelight as the beauty industry’s hot, new brand to watch.

This was just the beginning of OPI’s quest to dominate the nail industry. Building off of the momentum of this success, OPI leveraged their position as a top beauty brand and collaborated with movie franchises like *Legally Blonde 2: Red, White and Blonde*<sup>5</sup>, gaming companies like XBox<sup>6</sup> and other top brands like Ford Motors<sup>7</sup> and Coca-Cola<sup>8</sup>. Alongside being available in over 100 countries and expanding their product mix to include everything from polishes to nail treatments, OPI has implemented philanthropic initiatives that uplift women and improve their native Los Angeles community<sup>9</sup>. In 2010, OPI was acquired by the Coty Group, a multinational beauty company with a net worth of \$6.1 billion dollars<sup>10</sup>, only to be released and made a subsidiary to KKR Shareholders under Wella Operations LLC in 2020<sup>11</sup> where both original co-founders remain active members of the company – Schaeffer remains CEO and Weiss-Fischmann remains the Executive Vice President and Artistic Director<sup>12</sup>.

Throughout the course of their time in the beauty industry, OPI has proven time and again that disruption is in their DNA. Being the first beauty company to bring the nail-salon experience home, popularize the use of creative shade names and collaborate with big brands, OPI has cemented their status as a trend-setting market leader whose influence is still felt across the beauty industry today.

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<sup>4</sup> Weiss-Fischmann, S. (2020). How I Went From Shy Immigrant To Co-Founder of OPI, the World’s #1 Nail Brand. Retrieved from <https://swaay.com/suzi-fischmann-immigrant-founder-opi>

<sup>5</sup> OPI Complete Collection List (2008). Retrieved from <https://opi-addict.livejournal.com/1039.html>

<sup>6</sup> The OPI Spring 2022 Collection: XBox (2022). Retrieved from <https://www.opi.com/color-collections/xbox>

<sup>7</sup> OPI Nail Lacquer. Mustang Monthly (Vol. 28 Issue 8). (2005). Retrieved from [https://go-gale-com.libproxy1.usc.edu/ps/i.do?p=GPS&u=usocal\\_main&id=GALE|A134293671&v=2.1&it=r](https://go-gale-com.libproxy1.usc.edu/ps/i.do?p=GPS&u=usocal_main&id=GALE|A134293671&v=2.1&it=r)

<sup>8</sup> Coca-Cola by OPI nail lacquers: OPI. Retail Merchandiser (Vol. 54 Issue 3). (2014). Retrieved from [https://go-gale-com.libproxy1.usc.edu/ps/i.do?p=ITBC&u=usocal\\_main&id=GALE|A401379840&v=2.1&it=r](https://go-gale-com.libproxy1.usc.edu/ps/i.do?p=ITBC&u=usocal_main&id=GALE|A401379840&v=2.1&it=r)

<sup>9</sup> Giving Back. OPI. Retrieved from <https://www.opi.com/giving-back>

<sup>10</sup> Coty Net Worth 2011-2022. Retrieved from <https://www.macrotrends.net/stocks/charts/COTY/coty/net-worth#:~:text=Coty%20net%20worth%20as%20of%20January%2006%2C%202022%20is%20%246.1B.&text=Coty%20Inc.%2C%20along%20with%20its.and%20distributes%20beauty%20products%20worldwide.>

<sup>11</sup> Utroske, D. (2020). Retrieved from <https://www.cosmeticsdesign.com/Article/2020/05/12/Coty-sells-majority-stake-in-Wella-Clairol-OPI-and-ghd-to-KKR>

<sup>12</sup> Ahssen, S. (2012). OPI gets a new president. Retrieved from <https://in.fashionnetwork.com/news/opi-gets-a-new-president,642316.html>

## **Focus:**

As the global beauty industry trends shift towards consumers desiring safe, high-quality and innovative products and services that are affordable and easily accessible, OPI is prepared to offer their customers exactly what they are seeking. An after-effect of the COVID-19 global pandemic was a large spike in consumer demand for at-home beauty products that were long lasting and that sparked joy<sup>1</sup>. This was easily provided to consumers by OPI with their highly pigmented, chip-resistant, mega-shine formulas, luxe at-home nail care products and bold color range with equally vibrant shade names. With over 70% of nail product and service consumers being over the age of 25 years old, OPI's target market covers a wide range of age groups spanning from Millennials to Baby Boomers<sup>13</sup>.

## **Goals and Objectives:**

Having been a household name in the beauty industry for decades, OPI marches on with their goal to maintain its high caliber of products and company reputation. They plan on achieving this by:

- **Offering Quality Products:** Offering 30 colors of odorless gel polish by the end of 2022 and adding new colors quarterly starting from 2023.
- **Having a Large Product Offering:** Maintaining and expanding their large product portfolio of nail products including over 200 shades of regular and gel polishes, nail treatments, finishing products, lotions, manicure and pedicure products, tools, files, acrylic products, nail art decals and professional education for salon experts<sup>14</sup>
- **Increase in Revenues:** The profit/loss statement of the company for the past two years show that OPI has been registering losses. The objective is to generate profits of \$9 million for 2022 and of \$21 million in 2023.
- **Innovating and Educating:** Persistent innovation, creativity and education in the form of inventive formulas, colors, nail art, informative tutorials and articles on

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<sup>13</sup> Share of consumers in the hair and nail salon services in the U.S. in 2017, by age. (2022). Retrieved from <https://www.statista.com/statistics/857322/us-hair-nail-salon-share-by-consumer-age/>

<sup>14</sup> OPI LinkedIn About us. Retrieved from <https://www.linkedin.com/company/opi-inc>

their company blog The Drop<sup>15</sup> and endless nail inspiration on the #OPIObsessed portion of the company website<sup>16</sup>

- **Collaborating:** Maintaining relevance by frequently collaborating with popular brands across a wide range of industries to appeal to different audiences
- **Being Responsible:** Incorporating products that appeal to the industry shift towards conscious consumption in the form of their new vegan, natural origin and cruelty-free 30 shade nail polish collection OPI “Nature Strong”<sup>17</sup>
- **Giving Back:** Continue to be involved in the various communities they belong to through their various philanthropies pertaining to women’s health, education and anti-violence efforts, their initiatives to improve the Los Angeles community<sup>18</sup> and their promise to provide \$200,000 worth of disaster relief to assist beauty professionals affected by COVID-19<sup>19</sup>.

### **Legal and Regulatory Issues:**

The legal and regulatory concerns OPI must face are primarily those pertaining to regulation by the Food and Drug Administration (FDA) under both the Federal Food, Drug and Cosmetic Act (FD&C Act) and the Fair Packaging and Labeling Act (FPLA)<sup>20</sup>. Any cosmetic product that is marketed or sold in the United States must comply with both of these regulations regardless of where the product was produced.<sup>21</sup> In addition to meeting the requirements necessary to satisfy both acts, OPI faces other regulatory issues such as external pressure to maintain company transparency and make strides towards being a more sustainable business, taking product safety precautions, providing users with honest ingredient lists and label warnings as well as managing issues pertaining to intellectual property and copyright infringements. OPI being a multinational brand that is available in over 100 countries, these issues extend even

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<sup>15</sup> The Drop by OPI. OPI. Retrieved from <https://www.opi.com/blog>

<sup>16</sup> Welcome OPI Obsessed! OPI. Retrieved from <https://www.opi.com/opi-obsessed>

<sup>17</sup> OPI Nature Strong. OPI. Retrieved from [https://www.opi.com/shop-products/nail-polish-powders/natural-origin-nail-polish?cid=usa\\_search\\_google\\_opi%20nail%20polish%20vegan\\_exact&gclid=CjwKCAjwkYGVBhArEiwA4sZLuH95s2nYHymoJ3VsdUyp9Bva84XLyG1TEk2A1--oZK38Aqs5mnb7aRoC-z0QAvD\\_BwE&gclsrc=aw.ds](https://www.opi.com/shop-products/nail-polish-powders/natural-origin-nail-polish?cid=usa_search_google_opi%20nail%20polish%20vegan_exact&gclid=CjwKCAjwkYGVBhArEiwA4sZLuH95s2nYHymoJ3VsdUyp9Bva84XLyG1TEk2A1--oZK38Aqs5mnb7aRoC-z0QAvD_BwE&gclsrc=aw.ds)

<sup>18</sup> Giving Back. OPI. Retrieved from <https://www.opi.com/giving-back>

<sup>19</sup> Support Resources for Nail Professionals in the COVID-19 Crisis. The Drop by OPI. Retrieved from <https://www.opi.com/blog/support-resources-for-nail-professionals-in-the-covid-19-crisis>

<sup>20</sup> Regulatory Requirements for Marketing Cosmetics in the United States. (March 2008). Retrieved from <https://corporate.findlaw.com/law-library/regulatory-requirements-for-marketing-cosmetics-in-the-united.html>

further to include other regulatory relevancies and unique goods and services laws in each respective country OPI does business with.

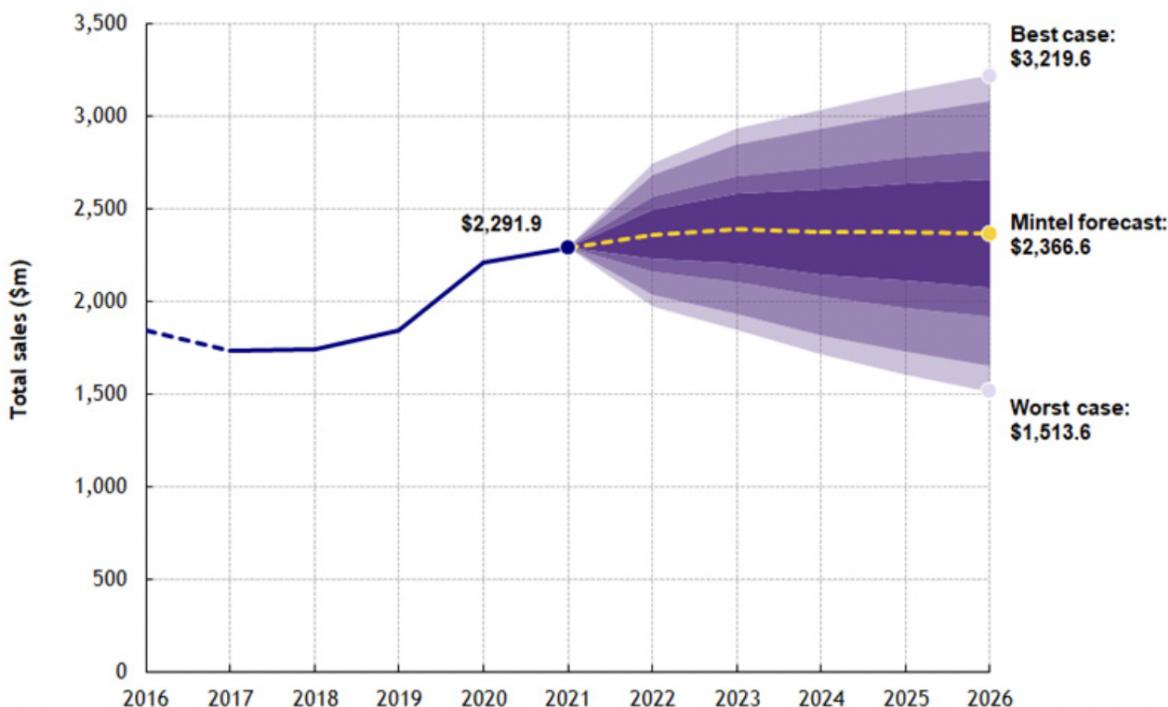
## Industry and Market Analysis

### Industry and Market Size:

The industry size in the US market is estimated to be \$2,291.9 million and is expected to grow on average to \$2,366.6 million by the end of 2026.

Figure 1

*Total U.S. Sales and Fan Chart Forecast of Nail Color and Care, at Current Prices, 2016-26<sup>21</sup>*



Source: based on IRI InfoScan® Reviews; US Census Bureau, Economic Census /Mintel

A major portion of the nail industry's size in the market is attributable to its presence in retail chains and beauty supply stores. One of the main reasons retail chains are investing in the

<sup>21</sup> Total US sales and fan chart forecast of nail color and care, at current prices, 2021-2026. Retrieved from <https://reports-mintel-com.libproxy1.usc.edu/sinatra/oxygen/print/id=1132079>

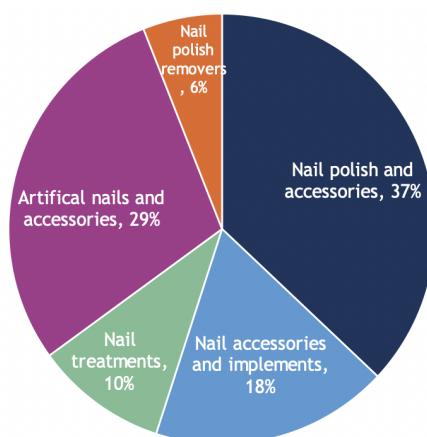
nail industry is because they can “own” nail brands through exclusively representing certain product lines. The diversity of product offerings gives the opportunity to retail stores to find an area for differentiation. One example of this is CVS Pharmacy developing the idea of including nail bars in more than 1,500 of its stores. The exclusive product that CVS Pharmacy chose to feature is Essie Gel Couture, a gel-like nail polish that lasts longer than traditional polish and does not require a UV lamp to cure.<sup>22</sup> Walmart is another major retailer that offers a vast diversity of nail products through both its offline and online marketplaces.

On the other hand, the COVID-19 global pandemic has changed the dynamics of the beauty industry. Many customers prefer to have at-home nail services due to the affordability of those offerings. Moreover, online sales have gained more popularity over the past few years. According to several forecasts, the overall growth of the industry is expected to be slow, yet steady through 2023.<sup>1</sup>

The greatest part of the market share pertains to nail polish and accessories (37%) followed by artificial nails and accessories (29%).<sup>1</sup> Artificial nails are one of the biggest trends, especially among the customers who prefer to go to the salon to get their nails done. According to a Mintel report, the majority of those customers identify themselves as Black and/or Hispanic. Additionally, the same report states that sales of artificial nails have grown with incredible speed from 2019-2021, accounting for an increase of 64.5%.<sup>1</sup>

Figure 2

*Share of Nail Color and Care Products, by Segment, at Current Prices, 2019 and 2021<sup>1</sup>*



<sup>22</sup> Search is on for strategy to revitalize nail care. (2017). *Chain Drug Review*, 39(9), 42.

## Trends:

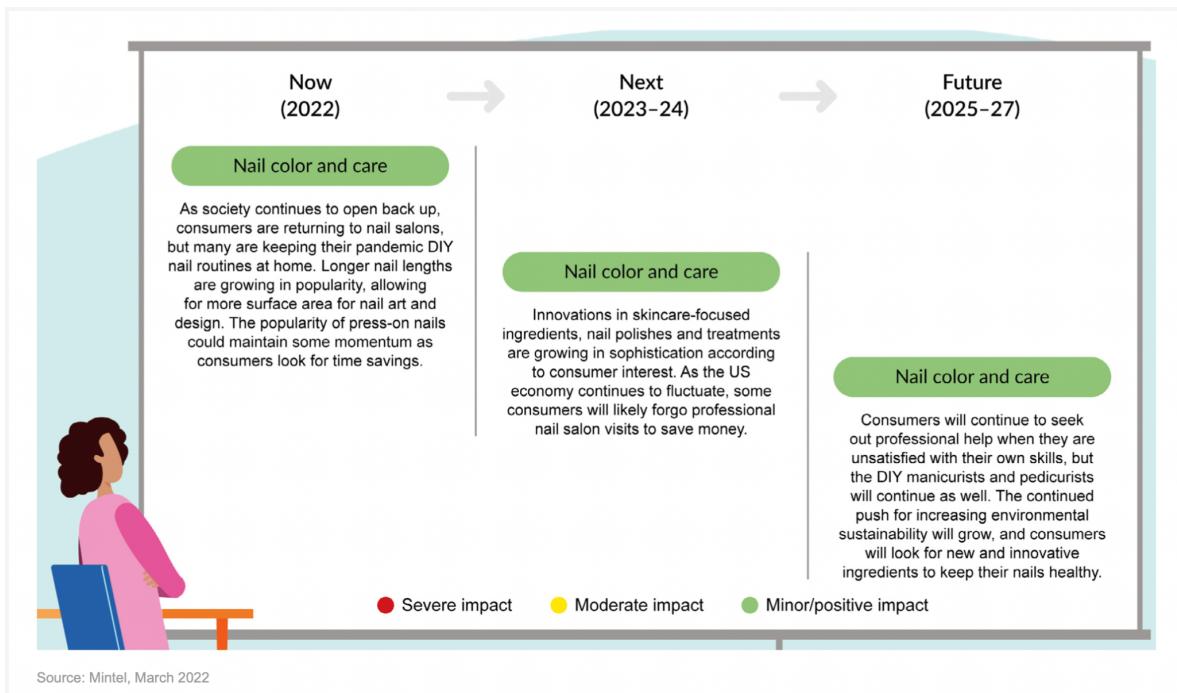
Below are presented some of the major trends of the nail industry, customer behavior over time, as well as product innovations:

- **Personalization:** As the market continues to saturate, customers opt for products that are one of a kind and unique to them. This is one of the reasons why personalization still remains a huge trend in beauty, and more particularly within the nail industry. According to a study for hair care products, 77% of the researched consumers said that they would be willing to buy personalized products from their favorite brands if they were aligned with their preferences.<sup>2</sup> However, any new idea comes with a pitfall as well; if the personalized products are offered on-site, then there may be issues with keeping the inventory.<sup>23</sup> Limited shelf space will not give the opportunity to store hundreds of personalized colors. Hence, the personalization experience is primarily offered online in the case of many brands.
- **Nail Art:** Self-expression is another major trend currently. During the COVID-19 global pandemic, quarantined consumers unable to go outside were left to develop additional hobbies in an effort to preserve their mental health. Nail art took a steep increase in popularity during this time. According to the Mintel report, 35% of customers, who used to practice nail art, are doing it more this year in comparison with the last year.<sup>28</sup> Nail art is also used as a means of self expression and a way to differentiate oneself from others. Gen Z being a demographic that holds expression, individuality and authenticity in such high regard, it is no wonder that nail art is very popular to this segment of the population. Another major hit of DIY nail art are press-on nails that require minimal time and effort.
- **Salons as an Experience:** Though the pandemic made many consumers opt for at-home nail products and services, as soon as beauty businesses reopened, many people rapidly booked appointments at their favorite salons. 53% of researched consumers stated that they prefer the salon experience because it is relaxing.<sup>29</sup> This is a huge target market to pay close attention to as well.

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<sup>23</sup> Personalization may be next frontier in beauty. (2017). *Chain Drug Review*, 39(5), 31.

Figure 3  
*Category Outlook, 2022-17<sup>24</sup>*



- **Sustainability:** Sustainability is a major trend in virtually every industry, including the nail industry. Consumers are looking for ways to make their lives more sustainable. Consequently, the need for cleaner, healthier and less harmful nail products is increasing over time.
- **Loyalty Programs:** It is common knowledge that acquiring new customers costs more than keeping an existing base of loyal consumers. This is why many beauty brands strive to develop their own unique loyalty programs to entice customers and keep them inside their sales funnel as long as possible. According to research, 68% of respondents stated that they belong to a loyalty program.<sup>2</sup> OPI currently does not have a loyalty program, so implementing one would be another potential opportunity for new product development, which we decided to include in our strategy.
- **Men and Nails:** Slowly but surely, the participation of men in the nail industry is steadily increasing. Popular among Gen Z men, nail art is a form of freedom, self-expression and liberated creativity.<sup>1</sup> Luxury beauty brands have begun to appeal to this demographic, a

<sup>24</sup> Category Outlook, 2022-2027. <https://reports-mintel-com.libproxy1.usc.edu/sinatra/oxygen/print/id=1132079>

recent example being Chanel introducing their line of nail polish marketed towards men “Boy Chanel”, which is available in two shades: neutral and black.

- **Smaller Packaging:** Customers like to try new things and sometimes prefer to order sample-size products to test them out before committing to purchasing a full-sized product. However, not many nail polish brands offer the choice of purchasing a sample size. Additionally, many customers are mindful of the expiration dates of their beauty products, which is why they prefer smaller products.<sup>25</sup>

### **Technological Changes:**

As with everything else, the nail industry has undergone some vast technological changes. Some of the most notable are:

- **Customization Through Technology:** Each company tries to meet consumer customization desires at their own pace and method. Many brands utilize technology to make this possible. For example, Shiseido, a luxury cosmetics company, purchased a beauty technology company MatchCo, who developed an app that analyzes a customers' skin tone and produces a personalized foundation.<sup>26</sup>
- **Better Shopping Experiences:** Technology also helps customers have better online shopping experiences. Essie, a leading nail polish producer, collaborated with AR company ModiFace to develop an app that would allow customers to virtually try on nail polishes before buying them. This was done in response to the 17% of US consumers who stated that they struggle to buy nail polish online, as they are unsure whether or not the desired color will complement their skin tone. Other smartphone apps also continue to be developed in order to help consumers try products on virtually before buying them.<sup>26</sup>
- **Robot Manicurists:** Robotic nail technicians, an idea that once seemed impossible, is now a reality due to the skyrocketing advancements in technology. A company called Clockwork designed a robot that gives a perfect manicure in just 10 minutes.<sup>1</sup> All the customer needs to do is place their hand inside the machine for the robot to detect the nail surface and begin painting it with the desired color. No need to wait for the manicure to dry or worry about smudging the polish all over the cuticles. Another example of a

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<sup>25</sup> Jindal, S. (2016). Beauty on the Go: One Size Doesn't Fit All. *Global Cosmetic Industry*, 184(2), 26–27.

<sup>26</sup> Personalization may be next frontier in beauty. (2017). *Chain Drug Review*, 39(5), 31.

similar machine is ManiMe produced by DTC, which uses 3D imaging to make personalized stick-on nails. All that is needed from customers is for them to select a design from the existing gallery of patterns and laser-cut nail sets will be delivered to their homes.

- **NFTs:** Several nail artists and nail companies have developed NFTs. For example, nail artist Gracie J used the platform called Rareable to sell a GIF of a hand with nail art as an NFT. Purchasers of the NFT would also receive press-on nails with the same nail art.<sup>1</sup>
- **Video Games and Nails:** In 2022, OPI partnered up with Xbox to create a line of nail and gel polishes in 12 new colors. This collaboration was based on the available research that stated 10% of women who use makeup get inspiration from video games.

### **Legal and Regulatory Issues of the Nail Industry:**

Nail products and cosmetics in the United States are regulated by the Food and Drug Administration (FDA). However, nail products that are intended for healing nail fungus are considered to be drugs. The main difference between a cosmetic and a drug is the intended use of the product. According to the FDA's definition, drugs are used for the diagnosis, mitigation, treatment or prevention of disease. On the other hand, their definition of a cosmetic states that the intended use pertains to cleansing, beautifying, or altering one's appearance.

One of the issues regarding nail polishes are its harmful ingredients. Although potentially dangerous and present in the formulations of just about every nail brand on the market, the ingredients in these products are only harmful when the products are not used as instructed on the label. This is why labeling guidelines for the cosmetics industry are very strict. For example, if the product is a gel polish, a product normally intended for professional use only, then the package has to clearly state that.

There is also a list of ingredients that need to be approved by the FDA before it can be used in making the final product. Some of these ingredients are pigments, which need to be batch certified in order to meet all safety standards. A list of all color additives must be listed on the official FDA website as well.

Additionally, companies have the option of registering their products under the Voluntary Cosmetic Registration Program (VCRP). As a member of this program, it is the responsibility of each manufacturer and/or distributor to make sure that labels are in compliance to the given

norms and regulations. A company's registration to this program is not mandatory, but being a participant gives the FDA easier and faster access to all information about the composition of the product, in the event they decide to inspect them.

## Competitive Analysis

### Major Players in the Marketplace:

The following table presents some of the major players in the marketplace and their main competitive advantages:

Figure 4

*Major Players in the Nail Industry Marketplace*

**Major Players in the Nail Industry Marketplace**

Company Name	<b>ORLY</b>	<b>NAILS.INC</b> LONDON	<b>essie</b>	<b>Sally Hansen</b>
Company Description	ORLY is a manufacturer of cosmetics. The company product portfolio includes nail polishes, treatments, hands and foot creams, lotions, etc.	Nails Inc. is a British brand, with a high emphasis on fashion trends and developing affordable luxury products. Their extensive product range is available internationally.	Essie claims to be the go-to nail brand for salon professionals and are highly involved in fashion events as well. The brand is also known for their catchy and whimsical nail polish names.	Sally Hansen is an American brand that is most famous for its innovative formulas, wide availability and affordable product offerings.
Mission Statement	It all starts with innovation.	Renowned for first to market product innovation and trend-led premium color quality.	America's nail salon expert, essie aims to inspire a love for the manicure experience with a	Sally Hansen is here to give women everything they need. The products. The know-how. The

			wit and style that touches people everywhere.	inspiration. To be a salon done but better, because we did it all ourselves. The power to feel like our best selves. Every. Single. Day.
<b>Revenue</b>	\$40M (2010)	\$19M (2020)	\$67M (2016)	\$5M (2020)
<b>Market Share*</b>	0.2%	0.5%	1.78%	58.6%
<b>Best Selling Product</b>	ORLY Breathable nail polish line	73% plant power nail polish	“Ballet Slippers” nail polish	Sally Hansen Miracle Gel
<b>Core Competencies</b>	Constant innovation and reliability	Strong social media presence and clever, successful marketing	Consistently high quality products and superior quality control	Affordable prices and innovation
<b>Strengths</b>	Strong portfolio of nail art and nail care products, being the first to implement the custom nail polish idea and innovative product offerings	Strong social media presence through influencer marketing and an established brand name in the fashion industry and luxury target market	Unique packaging, productive and efficient product solutions and an established brand name	Diversification of products and the speed to market with new product offerings
<b>Weaknesses</b>	Lack of strong social media presence and little to no product/brand differentiation throughout the past few years	No new product lines and low product availability on website	No promotions offered to consumers, failed products in the past that caused customers to doubt the brand	Bad reputation after allegations that they stole Korean nail artist Unistella's designs

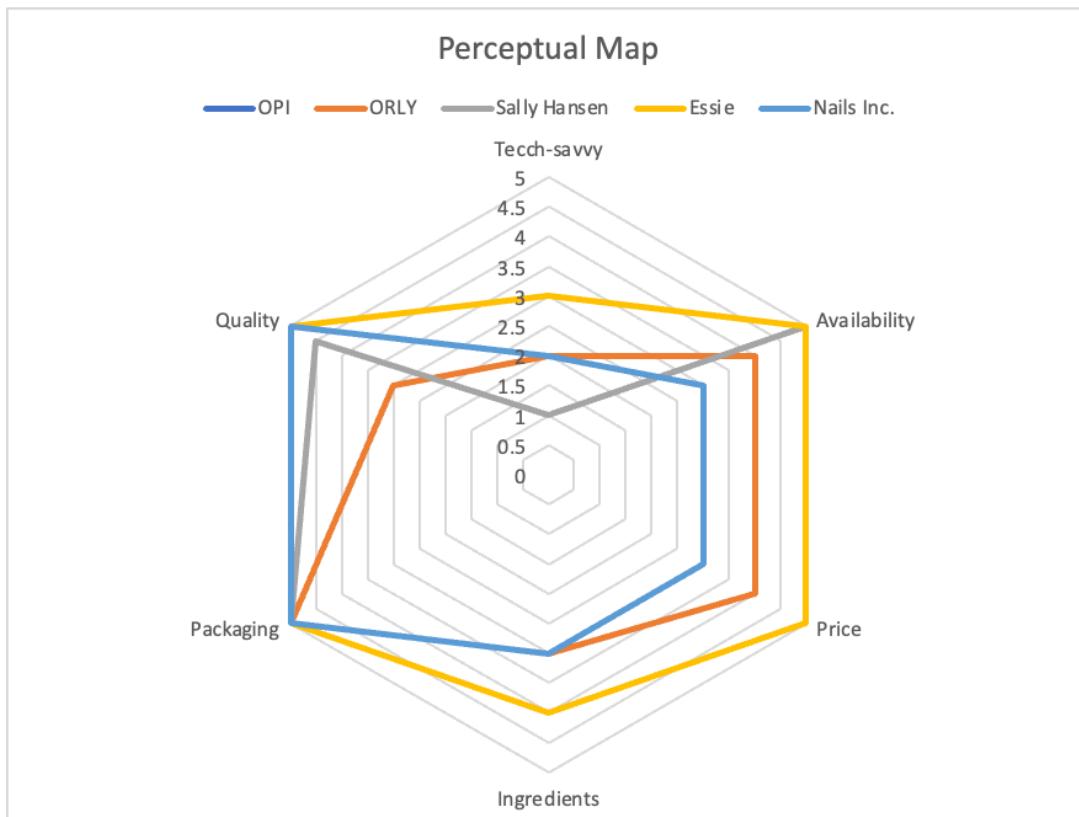
\*The market share information is for the year of 2010 retrieved from the Gale Business Insights: Global.

## Perceptual Map:

According to the competitor analysis, our team has created a perceptual map which summarizes key attributes of several nail products on a scale of 1 to 5; 1 being the lowest and 5 being the highest.

Figure 5

*Perceptual Map featuring OPI, ORLY, Sally Hansen, Essie and Nails Inc.*



As can be seen for certain attributes, different brands perfectly align with one another. In terms of being tech-savvy, none of the listed companies surpassed the mediocre level (rating of 4). This is the area our team identified a niche market for OPI.

## Competitive Strategies:

In this section some of the most common competitive strategies are summarized:

- **Cross-Category Collaborations:** Many nail brands began to collaborate with several companies in and out of the beauty industry in an effort to expand their reach and appeal to more people. Such collaboration examples are Olive & June x Megababe where they created a limited-edition set together. Another example of cross-category collaboration is between nail artist Mei Kawajiri and nail company ManiMe for a Pride themed stick-on nail collection.
- **Celebrity Endorsements and Limited Edition Collections:** OPI is very famous for its celebrity endorsements and collaborations, having worked with stars like Selena Gomez, Nicki Minaj and Kerry Washington in addition to many male celebrities like Machine Gun Kelly and Lil Yachty who have launched their own lines of “unisex” nail polish.
- **Quick Dry Time as a Competitive Advantage:** A common issue with regular nail polish application is that many people do not have the time or willingness to wait to make sure that their freshly applied nail lacquer is fully dried. Nail industry giant Essie noticed this hole in the market and developed their Expressie line, which promises dry nail lacquer that lasts 10 days, just seconds after application.
- **The Concept of Health:** Many brands try to reformulate their products in order to meet the growing need of sustainable, vegan, cruelty free and harmless products. However, a company called SinfulColors, did something more than just developing a harmless formula, the company added the relaxing scent of eucalyptus to its polish formula and positioned itself as the nail brand that is good for its customers’ physical and mental health.
- **Plant-Based Nail Polish:** Nail polish brands try to use as many plant-based ingredients as possible. Such ingredients are: sugar cane, manioc, wheat and a few others. Both Sally Hansen and OPI have launched such product lines, however none of them have yet used naturally sourced pigments in these formulas.

## Market Shares:

Figure 6

*Multi-Outlet Sales of Nail Color and Care Products, by Leading Companies, Rolling 52 Weeks 2019 and 2020<sup>1</sup>*

Company	52 weeks ending November 3, 2019	Market share	52 weeks ending November 1, 2020	Market share	Sales change 2019-20	Share change 2019-20
	\$ million	%	\$ million	%	%	% point
<b>Total</b>	<b>1,398.9</b>	<b>100.0</b>	<b>1,649.2</b>	<b>100.0</b>	<b>17.9</b>	-
KISS Products Inc	297.2	21.2	401.9	24.4	35.2	3.1
JAB Holding Company	346.7	24.8	396.3	24.0	14.3	-0.7
L'Oréal USA	123.1	8.8	164.5	10.0	33.6	1.2
Revlon Inc	93.3	6.7	88.8	5.4	-4.9	-1.3
Subtotal	860.3	61.5	1,051.5	63.8	22.2	2.3
Private label	248.8	17.8	274.8	16.7	10.4	-1.1
Others	289.8	20.7	322.9	19.6	11.4	-1.1

- **KISS Products:** This company is a main player in the artificial nails segment of the beauty industry with Kiss Products and JAB Holding Company holding nearly equal shares of the market
- **JAB Holding Company:** Although they did lose market share, its two largest brands OPI and Sally Hansen managed to increase sales in the nail polish and nail treatment segments
- **L'Oreal:** Saw a 1.2% increase in shares
- **Revlon:** Saw a 1.3% decrease in shares
- **MULO:** Despite losing market share, private label MULO's sales increased by 10.4%

## Future Projections:

Private label brands performed well during the Great Recession and due to the current economic downturn, Mintel expects private labels will continue to perform well and take share from name brands in the longer term.

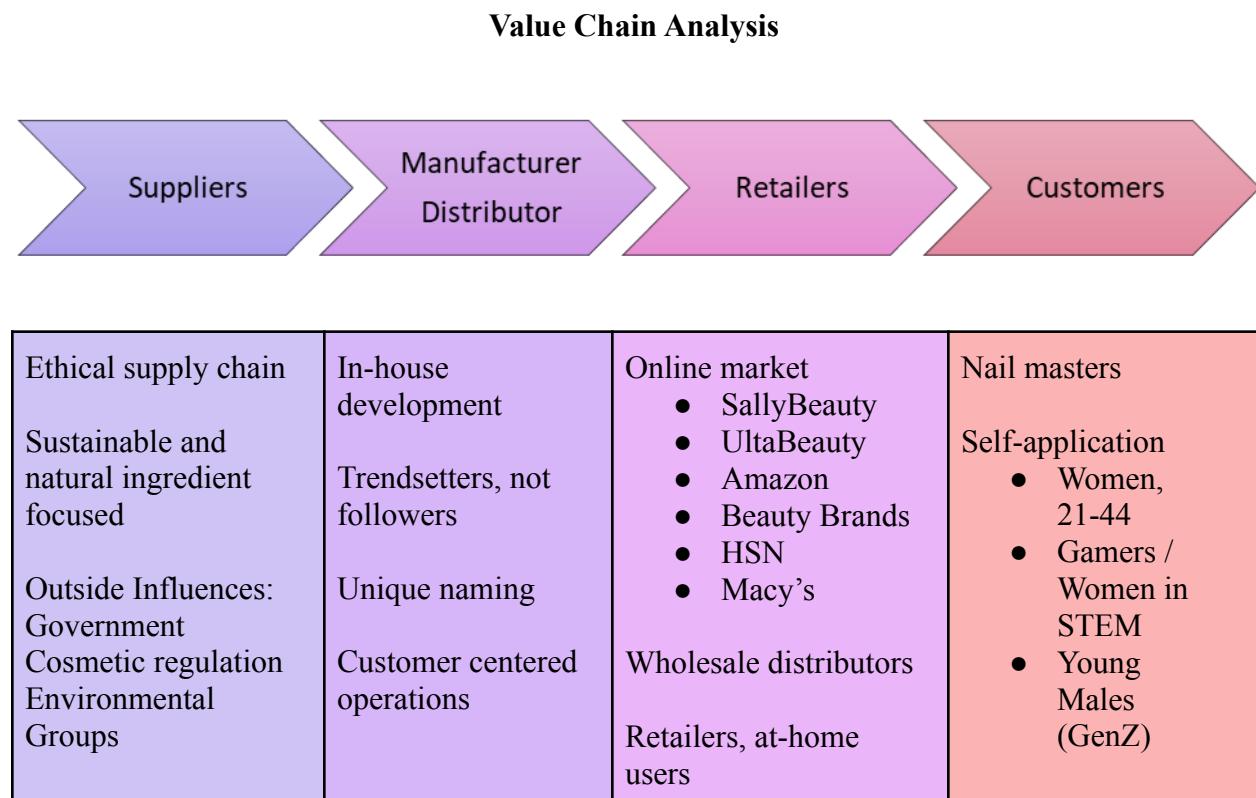
## Value Chain Analysis

OPI's value is derived from its differentiation in the nail market as a prestigious product known for its trend-setting colors and exceptional quality. Through the brand's growth as a

global brand serving over 100 countries, it has retained its family culture and commitment to the co-founder's mission "...to be the consumer's choice in nail lacquer."<sup>27</sup> The following value chain illustrates the brand's partners, operations, and external factors that impact the consumer experience.

Figure 7

*Value Chain Analysis*



**Suppliers:**

OPI and its parent company are committed to maintaining and promoting a supply chain free of human trafficking, slavery, and child labor<sup>28</sup>. Over the years, OPI has focused on research and development to replace toxic ingredients, developing a vegan line, and meeting the needs of

<sup>27</sup> "Inside the OPI Headquarters", Cityline interview with OPI co-founder Suzi Weiss-Fischmann, May 2013.

Retrieved from <https://www.youtube.com/watch?v=iIp9mCMpIZ0>

<sup>28</sup> OPI Supply Chain Statement. Retrieved from <https://www.opi.com/supply-chain>

quicker drying-time and longer-lasting products. There are four major groups of ingredients sourced to produce OPI's nail lacquers: solvents, film-formers, plasticizers, UV absorbers/stabilizers, and colorants. OPI's initial formulation was developed using the ingredients that were originally sources for orthodontics business, and the formula has since adapted to meet the changing needs of regulators, customer needs, and product excellence.

### **Manufacturing / Distribution:**

OPI's manufacturing operation has always been conducted in-house. When the company was initially founded in 1989, manufacturing and distribution were handled from their plant in Los Angeles, California. Upon acquisition by the Coty Group in 2010, operations moved to Coty's plant in North Carolina, and remained there after KKR's majority shareholder purchase in December of 2020. In 2021 it was announced that OPI was being released from the Coty Group and made a subsidiary under KKR's group, Wella Operations LLC. This change in affiliation may include an operation site transfer to one of KKR's four global plants located in Mexico, Thailand, Germany, and Russia,<sup>31</sup> however Wella Operations LLC have recently announced that they will pull all of their operations and business out of Russia in light of their current war with Ukraine.<sup>29</sup>

Co-founder and Brand Ambassador, Suzi Weiss-Fischmann, has remained a steadfast partner in OPI throughout the acquisitions and remains a critical member of the trend development and product naming teams which have differentiated their product lines throughout the years. OPI develops 4 seasonal lines (Spring, Summer, Fall and Holiday) per year<sup>31</sup>, and also partners with other companies, celebrities, and special events to develop themed product lines. The creativity, research and development of the line, and democratic naming process highlights the uniqueness of OPI's brand and product. Additionally, multiple female affinity groups within the company bring the customer into each new product development.

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<sup>29</sup> Wella Company. (2022). Wella Company Announces Decision to Exit Operations in Russia. Retrieved from <https://www.wellacompany.com/news/wella-company-announces-decision-to-exit-operations-in-russia>

## **Retailers:**

There are three major platforms for retail of the OPI product lines: online sales, wholesale distribution sites, and brick and mortar retailers. Of the online retailers, SallyBeauty, Ulta Beauty, Amazon, Beauty Brands, HSN, and Macy's comprise the majority market. Online retailers target both the normal adult population as well as nail masters that provide services to others.

Brick and mortar distribution and wholesale retailers include SallyBeauty, Ulta, Sephora, and Walgreens. Due to the nuanced differences in colors and desire to match skin tones, most customers (81%) made their most recent purchase in-store.<sup>1</sup> This trend is seen across the nail industry and emphasizes an opportunity for OPI to expand technology that can support customer “try-ons” through a virtual experience.

## **Customers:**

OPI serves two major customer segments: nail masters, and self-applying adults. External partnerships with companies and celebrities have expanded the consumer base in the last few years. The OPI x Xbox line promoted the brand’s reputation in the gaming sector as well as for women in STEM. Additionally, an increased trend of young men’s nail color application has been captured through inclusive designs at OPI and will further expand in future lines and marketing campaigns.<sup>1</sup>

The COVID-19 pandemic and lock-downs led to increased sales for at-home nail care. Analysts suggest an increased need for at-home products during a recession, which has been predicted to occur in 2022.

## **External Value Chain Influencers:**

Government Regulators: In the United States, nail lacquer and gel polish is regulated by the Federal Food, Drug, and Cosmetics Act which ensures that products are safe for consumer use. Because cosmetics are not as highly regulated in the United States as they are in other countries such as Canada or the EU, many cosmetics companies with a global market develop products under the most strict regulations. In cosmetics, the European Union has the highest protections of allowable ingredients in cosmetics. One allowable ingredient in the United States is formaldehyde, which is banned in most other countries. Even though OPI has the largest market in the United States, their product development is dictated and guided by laws that promote the safety and protection of cosmetic users across the globe. Using naturally sourced ingredients both meets criteria defined by government regulations as well as provides additional benefits for the customer.

Economy and Global Health Policies: During the COVID-19 pandemic, many nail salons were forced to close and/or vastly reduce the volume of their business in order to minimize transmission of any disease. In addition, the COVID-19 virus caused mass disruptions in the supply chain which delayed the time and quantity to manufacture and deliver. Additionally, the Mintel report indicates that with increasing financial stress such as times of a recession, consumers are more likely to purchase at home nail color and care products over going to get them done at a salon.<sup>21</sup>

Environmental Groups: Environmental groups, such as the Environmental Working Group (EWG)<sup>30</sup>, rate the safety of cosmetic products and provide detailed health guidance to consumers to allow them to make more informed, healthy and environmentally-conscious decisions. OPI has received moderate ratings between 3-5 due its formula that is free of “big 3”<sup>31</sup> toxic ingredients: DBP (dibutyl phthalate), toluene, and formaldehyde.

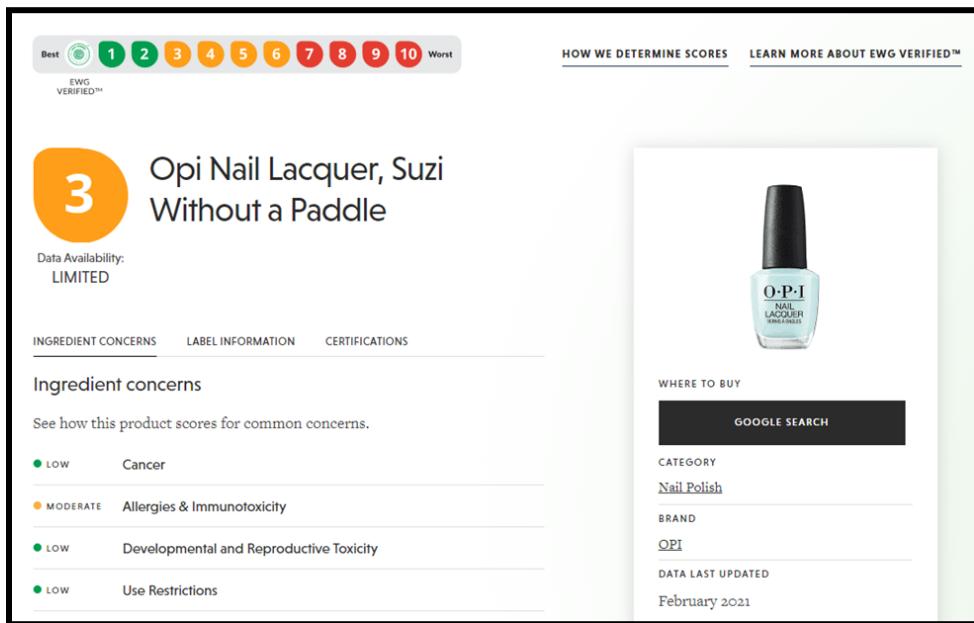
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<sup>30</sup> Environmental Working Group safety rating of OPI Nail Lacquer, “Suzi without a Paddle.” Retrieved from [https://www.google.com/url?q=https://www.ewg.org/skindeep/products/953513-Opi\\_Nail\\_Lacquer\\_Suzi\\_Without\\_a\\_Paddle/&sa=D&source=docs&ust=1654748955199165&usg=AOvVaw1pOEjWb58\\_QH0-OA\\_Uhwyr](https://www.google.com/url?q=https://www.ewg.org/skindeep/products/953513-Opi_Nail_Lacquer_Suzi_Without_a_Paddle/&sa=D&source=docs&ust=1654748955199165&usg=AOvVaw1pOEjWb58_QH0-OA_Uhwyr)

<sup>31</sup> OPI Nail Polish History & Collections. Mari Lumme, Nail polish reviews, nail art and more. Retrieved from <http://www.muxe.net/nail-polishes/opi/>

Figure 8

EWG safety rating of OPI Nail Lacquer, "Suzi without a Paddle"<sup>49</sup>



## Customer Analysis

OPI is one of the go-to nail polish brands for perfectly manicured nails and is number one in the US market. In addition to being the most reliable brand amongst certified nail professionals, OPI is also a leader in the hearts of consumers.

### Customer Needs and Perceptions:

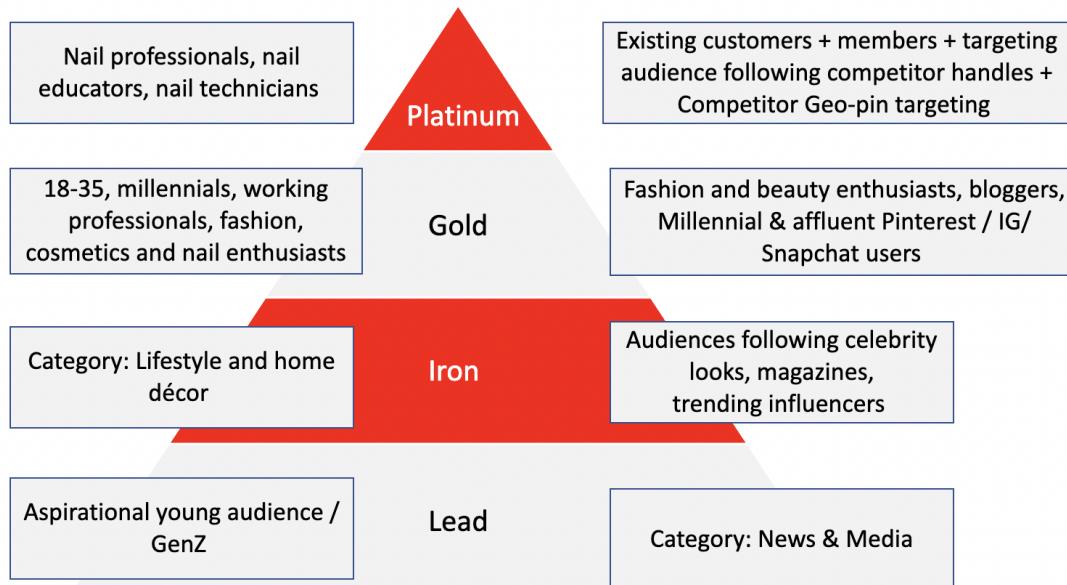
The inception of the nail industry comes from ancient times, originating around 5000 BC. Long ago, the coloration of nails indicated wealth and royalty. For example, historical figure Cleopatra can be considered one of the industry's first customers – a symbol of wealth, power, and beauty<sup>32</sup>. In modern times, nail art and care continues to differentiate individuals by elevating their self-esteem, visual appeal, and fashionability.

<sup>32</sup> Industries, Written by440. "Nail Industry – the Evolution & Trends." *440 Industries – Training For Creative Rockstars*, 17 Jan. 2022, Retrieved from <https://440industries.com/nail-industry-the-evolution-trends/>

Getting your nails done has been associated with both self care and a form of self-expression, many customers utilizing it to demonstrate their mood. Nail salons can also be a safe space to be on your own as well as a place to do an activity with a loved one. Customers value the quality, the brand and how they feel after nail service, more than the price. The act of getting a professional nail service done is rarely for anyone else, but the consumers themselves. It is the classic act of feeling good and expressing one's individuality through different colors, patterns and designs.

The pandemic did not just change where people did their nails, it also changed what they wanted them to look like. During the pandemic, more people began to take care of their nails because it gave them a small sense of power, control and mental escape during an uncertain time. The sentiment was that although people did not have the power to change their circumstances during this time, they at least could change the color of their nails!

Figure 9  
*OPI Customer Pyramid*



### **Current Primary and Secondary Market:**

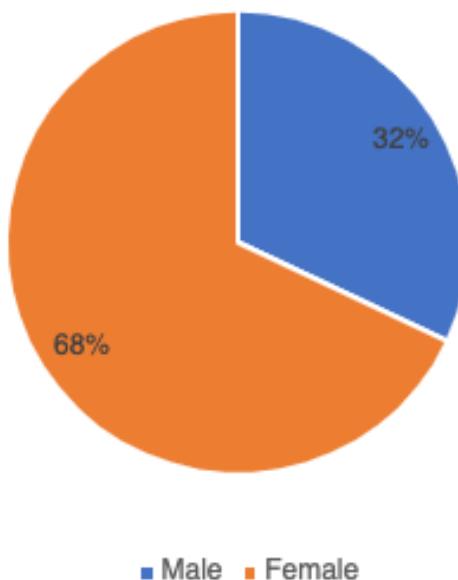
OPI's primary market includes nail professionals, artists, enthusiasts, technicians, educators, beauty & fashion bloggers with existing customers being a key part of the primary market

- **Primary Market Demographics:**

- Sex breakdown: 68% women and 32% towards men (roughly skewed)
- Psychographic: Research has it that about 93% of nail personnel use Pinterest<sup>33</sup>. Many also use popular platforms like Snapchat and Instagram.
- Age: over 58% of the audience is in the bracket of 18-35 years old
- Income: yearly income starting from \$75,000
- Interests: cosmetics, nail art, fashion

Figure 10

*Primary Consumer Biological Sex Distribution* <sup>34</sup>



<sup>33</sup> Industries, Written by440. "Nail Industry – the Evolution & Trends." *440 Industries – Training For Creative Rockstars*, 17 Jan. 2022, <https://440industries.com/nail-industry-the-evolution-trends/>.

<sup>34</sup>Similar Web Data Reports. Retrieved from <https://www.similarweb.com/website/opi.com/#demographics>

Figure 11

*Primary Market Consumer Age Distribution<sup>35</sup>*

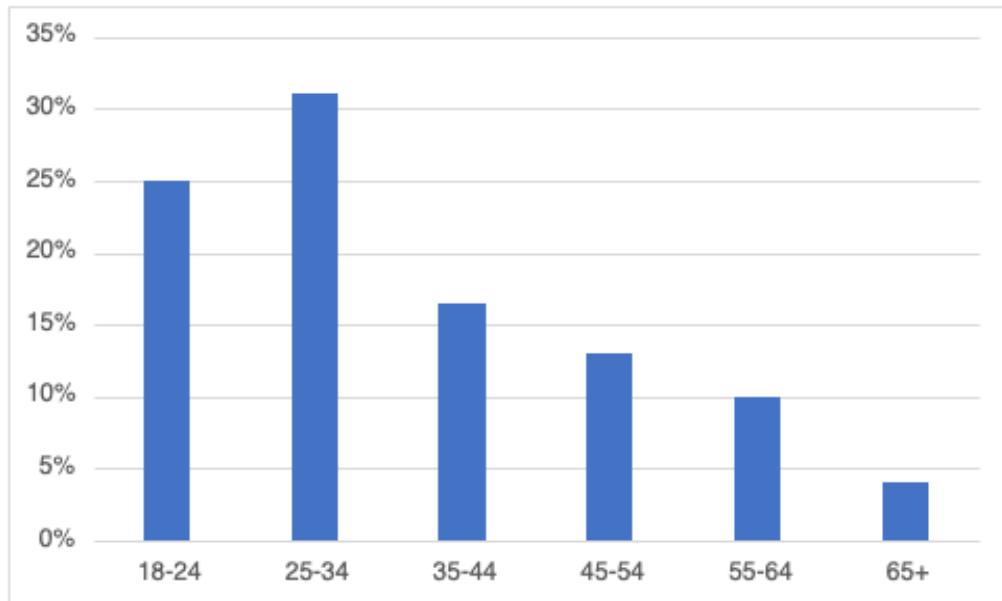
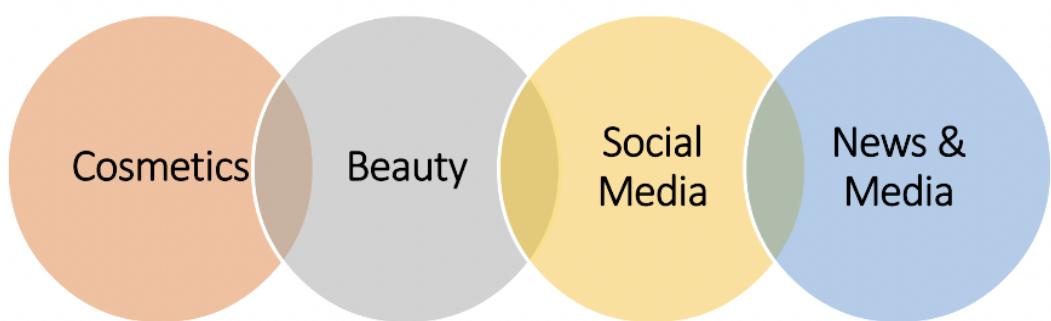


Figure 12

*Interests*



OPI's secondary market is comprised of affluent young professionals, Millennials and social media and fashion enthusiasts with over 5% targeted towards aspirational audiences. Using BASES audiences visiting OPI websites, we have created a lookalike audience for our secondary segment basis:

- **Secondary Market Demographics:**
  - Sex and Age: age for our secondary segment will be between 22-35 years old with over 70% skewed towards females and 30% towards males.
- **Secondary Market Top Interests and Segments:** Harper's Bazaar, Vogue, with fashion and lifestyle magazines being a key segment along with home décor and news.
- **Secondary Market Income:** Annual income of at least \$90,000.
- **Secondary Market Psychographics:** The secondary target market consumers are on par with beauty industry and fashion trends. They enjoy doing their nails on special occasions while getting inspiration from nail artists and bloggers they follow on social media. These consumers also follow celebrity styles and fashion runway trends.
- **Secondary Market Usage:** Secondary consumers visit the OPI store roughly once every quarter, especially during promotional activities or special events.

### **Trends:**

With visual social media platforms like Instagram and TikTok dominating our app libraries, we are seeing, sharing, and creating content more than we ever have. Beauty-related content, especially nail-related content, continues to be one of the most popular categories of content offered on various apps. The following nail industry trends are reflective of both exponential technological advancements and societal cultures and norms:

- **Innovative Collections and Collaborations:** As per a Google trend report,<sup>35</sup> under search terms “OPI”, OPI’s Xbox Collection and OPI Spring Collection were trending searches for 2022. Popular Xbox games Forza Horizon 5 and Halo Infinite inspired this collection of 12 nail polish shades. Purchasing the Xbox-inspired Spring 2022 OPI Collection granted customers to receive access to exclusive in-game Halo Infinite and Forza Horizon 5 content. This collaboration was a huge success in terms of creating buzz. The collaboration between a tech gaming giant like Xbox and nail industry supergiant OPI was truly an out of the box pairing, and demonstrates what can happen if a brand is open and willing to do business with brands outside of their industry.

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<sup>35</sup> Google Trends Report. Retrieved from <https://trends.google.com/trends/explore?geo=US&q=OPI>

- **Artificial Intelligence (AI) Technology:** AI speaks to a larger trend of using algorithms to streamline the traditional manicure experience. This technology incorporates a robotic arm that applies the polish, with software that enables the machine to distinguish one's fingernail from the surrounding skin.
- **Gender Inclusive Manicures:** Nail polish and care has nothing to do with gender anymore, its form of one's identity. The perception that only women do their nails is rapidly changing and evolving. The nail industry reached new heights in 2021, with nails being popular amongst Gen Z and Millennial men. Male celebrities are leading the charge on this trend, a few examples being Harry Styles sporting a bright manicure on the cover of *Vogue* as well as other notable celebrities like A\$AP Rocky, David Bowie and Kurt Cobain embracing this trend. From Mintel's Spring/Summer 2022 report about seasonal makeup trends, it is easy to see that while men's participation in the makeup and nail space is currently limited, it is slowly growing in creative ways<sup>36</sup>.
- **Nail Care:** As the salon industry faced mandated closures during the COVID-19 global pandemic, people began doing their own nails at home as a way to maintain their hygiene as well as utilizing it as a means of self-care. Tool kits, for example nail care sets made by beauty tool brand Tweezerman, were in high demand during this time. DIY kits were great to help with at-home gel removal, cutting, and shaping while professional services were unavailable. Although many people returned to nail salons post-pandemic, many still maintain a nail care routine at home.
- **Product Specifications and Global Impact:** While several of nail company Sally Hanses's products have grown in sales during this period, a highlight is their "Good. Kind. Pure." nail polish collection. This nail polish collection launched in early 2020, and it is the brand's first clean, vegan and plant-based line. 41% of women who receive any nail services say they avoid using certain nail products due to harmful ingredient concerns.<sup>1</sup> With the clean beauty movement growing and impacting nearly all categories

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<sup>36</sup>. Grossman, Avidan. "Here's How (and Why) to Paint Your Nails Right Now." *GQ*, 5 Apr. 2021, <https://www.gq.com/story/how-and-why-to-paint-your-nails>.

in the beauty industry, consumers have become increasingly aware and concerned about the ingredients used in products they buy.

## **Company Analysis**

### **Overview, Core Competencies and Financials:**

OPI Products knows that their customers like to make a statement. The company is well known for whimsical nail polish names, such as “Not So Bora-Bora-ing Pink”, “I'm Not Really A Waitress”, “Got A Date To-Knight!”, and “Who the Shrek Are You?”. The firm offers over 400 nail shades in its product portfolio, and in addition to polishes, OPI also makes and markets nail care and skin care products. The company peddles its products primarily through salons and specialty beauty stores throughout the United States and overseas. The company's brands include Nail Envy, Avoplex, Feet, Garden Party, Avojuice, and Nicole. Once acquired by the Coty Group, OPI is now a subsidiary of KKR Shareholders through Wella Operations LLC. The acquisition of OPI by Wella was strategic due to Wella's affiliation with countless trusted beauty brands. Because of this trust, OPI could penetrate new markets more easily if it is introduced to different salons under the trust of a highly respected corporation like Wella. In terms of OPI's independent financial success, their annual sales average around \$93.34 million USD each year.

### **Positioning:**

As the world leader in the professional nail care industry, OPI is committed to providing high-quality products and services with a focus on industry safety and innovation. Known for its exceptional formula, fashionable colors and iconic names, OPI's heavily-pigmented nail lacquers are super rich, long-lasting, and chip-resistant, offering a luxury experience to consumers at an affordable price.

### **Marketing Mix of Products and Services:**

OPI is available in over 100 countries and offers a full line of professional items, including nail treatments, finishing products, lotions, manicure/pedicure products, files, tools and acrylics.

- Products and Services:**

- OPI offers a full range of nail products including regular nail polishes, Infinite Shine product line, gel polishes, gel system, acrylics, nail treatments, finishing products, lotions, manicure/pedicure spa items, files and tools.

- **Place and Distribution:**

- All production and distribution operations for OPI Products Inc. are being switched to Coty's largest US manufacturing facility located in Sanford, North Carolina.
- Commercial operations for OPI, including marketing and sales remain in North Hollywood, California.

- **Promotion and Integrated Marketing Communications:**

- Through targeted strategic transactions, OPI has strengthened and diversified their presence across various countries, categories and channels they participate in, building a strong multinational presence in the beauty industry.
- The King Kylie and Kim Kardashian West transactions complement their existing portfolio as personality-led Direct-to-Consumer (“DTC”) business models with strong social media engines.
- As they transform the company, OPI continues to make progress in their strategic priorities, which includes stabilizing and growing their Consumer Beauty brands through leading innovation and improved execution.
- Building a comprehensive skincare portfolio leveraging existing brands, enhancing e-commerce and DTC capabilities, expanding their presence in China through Prestige.

- **Pricing:**

- \$11.50 USD for an average bottle of OPI nail polish

## Expanded SWOT Analysis

Figure 13

*SWOT Analysis Table*

**SWOT Analysis Table**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Customer-centered</li> <li>• Trend-setting products</li> <li>• Globally recognized brand</li> <li>• Financial growth with ownership changes</li> <li>• Democratic work-culture</li> <li>• Product quality</li> <li>• Affinity groups to drive innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Restructure tends to unknown organizational changes</li> <li>• Lipstick failure in 1994 <sup>37</sup></li> <li>• Sustainability-emphasis</li> <li>• Product constraints <ul style="list-style-type: none"> <li>◦ Dry-time during application</li> <li>◦ Longevity after application</li> </ul> </li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Technology <ul style="list-style-type: none"> <li>◦ Robot manicures</li> <li>◦ Meta-verse</li> <li>◦ NFT + tangible</li> </ul> </li> <li>• New &amp; innovative ingredients <ul style="list-style-type: none"> <li>◦ Recognizable (Vitamin C)</li> <li>◦ Sustainable</li> </ul> </li> <li>• Capitalize movements <ul style="list-style-type: none"> <li>◦ “Art” for nails</li> <li>◦ self-care</li> </ul> </li> <li>• Expanded customers: young men</li> <li>• Close gap between salon and at home services</li> </ul>	<ul style="list-style-type: none"> <li>• War in Ukraine: disruption to supply chain</li> <li>• Pandemic disruption on channel sales and service market</li> <li>• Competition mimics packaging</li> <li>• Decreasing market share (-0.1%)</li> <li>• ORLY has created first-to-market personalized color experience</li> <li>• Prospective recession impact on salon versus at home product sales</li> </ul>

<sup>37</sup> Weiss-Fischmann, S (2019). *I'm Not Really a Waitress: How One Woman Took Over the Beauty Industry One Color at a Time*. Seal Press.

### **Strategies to Maximize Strengths and Opportunities:**

- **Identify technology advancements to capitalize on the personalization movement:** With the rise of big data, fast fashion, and the desire of consumers to differentiate themselves as an individual, it will be crucial for OPI to move toward products that personalize the experience for the consumer. Given the increased trend of nails as a canvas for art, personalized colors and designs appear to have traction and promise as a method to increase market share.
- **Experiment with more sustainable, good for you and the environment ingredients:** Sustainability is at the forefront of most industries, and the beauty and nail industry is no exception. Following OPI's previous success in launching a fully vegan line as well as eliminating the big-3 chemicals from the traditional product, the company has room for improvement. Integration of natural products, including well-known ingredients such as Vitamin C, may also lead to larger capture of market shares.
- **Expand opportunities for at-home nail care and color application:** With increasing inflation across the United States and already elevated at-home care and application due to COVID-19, continued practice and promotion of at-home products is crucial.
- **Increase digital footprint via phone application or rewards program:** One of the easiest ways a company can obtain data from its customers is to enact an application or introduce a rewards program. Both forms of technology have marketing capture details about the customers, but also give incentive for strengthening the lifetime value of each customer.
- **Expand the customer base by collaborating with niche companies:** OPI was very successful in individual cross company launches (i.e., XBox) which targets a specific subset of customers. Continued collaborations with niche companies and events may expand the customer base.

### **Strategies to Mitigate Weaknesses and Threats:**

- **With a rapidly changing world and market, plan new product development with an omni-channel approach to support both salon and at-home use:** As previously described, the COVID-19 pandemic disrupted the nail industry market, skewing use to at-home application and ease versus salon visits. Recent events such as the company's

decision to pull all operations from Russia as a result of the War in Ukraine, give rise to the need for adaptable retail opportunities and varied forms to access the product.

- **Thoroughly test and retest new products to avoid damaging the company's reputation for excellence:** When considering the company lipstick failure from 1994, there was a major company threat to their reputation and overall brand quality. In future implementations of a new product or service, OPI should spend significant time testing and considering different customer perspectives to best uphold the brand's reputation.
- **Continue to differentiate the product against competition:** OPI is known for its over the top names and quality of product. In the fight to remain in front of the competition, OPI should continue to focus on providing the best quality products rather than pushing out the first-to-market product.
- **Develop a circular system for sustainability:** Even though the company is involved in some sustainability projects, the promotion of those initiatives is not very intensive. It would be better to offer more customer experiences that would help them become a part of those initiatives as well. One example would be offering consumers to exchange their empty OPI bottles in store for new ones at a discounted price.

## Concept Generation

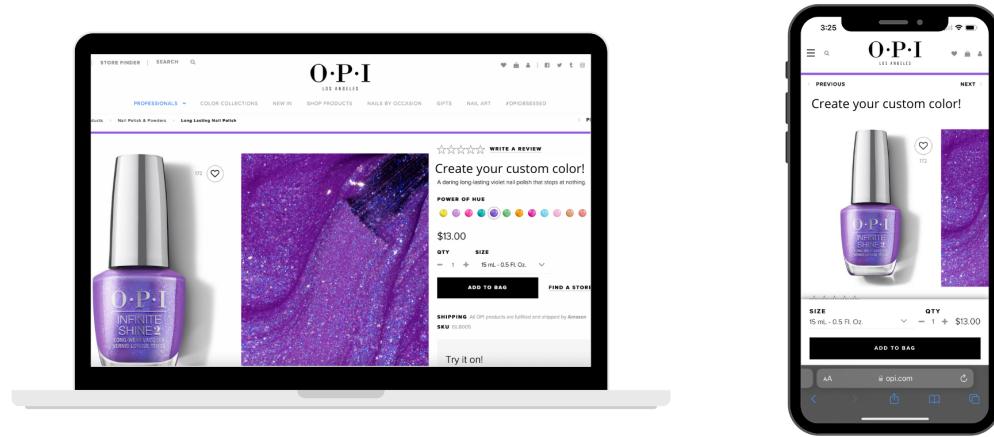
Secondary data collection helped us identify both market and customer trends. The nail industry is one of the fastest growing and evolving industries, that requires companies to continuously evolve and innovate. OPI has been in the market for more than 40 years, and as our research showed, has been the brand of constant innovation and growth. However, with the trends adherent to emerging markets, as well as technological advancements and shifts in customer needs, OPI still has potential to earn a bigger market share in the USA. One of the recent shifts in beauty is concentration on healthy and natural ingredients of products, especially those related with skin. Even though nails seem to be a secondary market in the beauty industry, when it comes to consumption rates and frequency, the exact same trend is spreading there as well. Therefore, it is essential to start offering new products that meet all of the criterias of the current market. To achieve this goal, we have devised 4 concept ideas, all of which are based on the customer and competitor analysis.

## Product Concept Statements:

### Concept 1: OPI Custom Nail Polish Color Technology

Figure 14

*OPI Custom Nail Polish Color Technology Concept Rendering*



Design a custom OPI nail lacquer name and color using OPI's Custom Nail Polish Color Technology! Nail enthusiasts will have the choice to visit either the OPI company website or the newly developed OPI phone application to create a nail lacquer shade containing a custom blend of pigments and finishes of their choosing. Alternatively, customers can take a short quiz on color preferences, skin-tone and personality indicators that will provide a short list of existing OPI shades. OPI has also implemented newly developed AI technology that will allow customers to virtually try on their custom shade and make any edits necessary before finalizing the purchase. Each bottle is then finished with your selected lacquer name of choice and mailed right to your door.

## Concept 2: OPI Pop-Up Salon and Shop

Figure 15

*OPI Pop-Up Salon and Shop Concept Image*



Calling all nail enthusiasts! Immerse yourself in the opulence, variety and technical skill, the beauty industry's #1 nail brand has to offer at OPI's Pop-Up Salon and Shop! This is an experiential concept store that takes customers into the bold and colorful world of OPI – complete with the opportunity to purchase over 240 shades, create custom polishes and mix and match over polishes to create custom boxes. In addition to being able to shop OPI's wide range of products, customers can also experience the technical expertise of OPI-certified nail masters by being able to receive top-of-the-line manicures and pedicures. OPI's standard for excellent products and services are of the highest caliber, and we cannot wait to serve all your nail needs!

### **Concept 3: OPI Odorless Gel Polish**

Figure 16

*OPI Odorless Gel Polish Concept Image*



Every nail enthusiast knows the literal headache that comes with the nail polish application process. Harsh odors can cause headaches and a generally unpleasant experience, but not with OPI's new Odorless Gel Polish! Imagine the quality of an OPI nail lacquer without any of the harsh chemicals or smells. OPI's Odorless Gel Polish uses natural pigments derived from stone minerals to eliminate the odor typically associated with traditional gel lacquers. This line will be an extension and reformulation of OPI's existing Nature Strong line which is 9-free, cruelty-free, vegan and natural origin.

## Concept 4: OPI Nail Polish and Care Subscription Service

Figure 17

*OPI Nail Polish and Care Subscription Service Concept Image*

### Nail Polish and Care Subscription Service



Have you ever wanted to experience a top nail salon experience right in the comfort of your own home? With OPI's Nail Polish and Care Subscription Service, customers receive products and services that are personalized, limited edition and based on your personal OPI profile. Subscription boxes are scheduled to be delivered 4 times per year at the start of each season, but can be adjusted to fit the customer's specific needs. When subscribed, customers receive unlimited access to exclusive nail art and care tutorials by OPI nail masters and technicians from all over the globe. In addition to all these wonderful products and online services, customers will also receive in-store and online coupon codes redeemable for all OPI products and services including all home-use products, professional products, nail care kits and OPI ProSpa services. Wanting the best for its subscribers, OPI allows the option for customers to mix and match the contents of their subscription boxes based on their individual needs.

### Research Methodology:

To test and evaluate each concept idea, we have conducted three means of research and evaluation: one focus group, three experiential interviews, and a quantitative survey with a sample size of 157 respondents. The methodology and results of each evaluation method are described below:

## **Focus Group Methodology:**

To initiate our concept evaluation, we conducted a focus group with 4 participants who were nail masters, or professionals that shape and style a person's nails. The purpose of this study was to talk with one of our primary target markets of interest: nail masters. We managed to invite 4 nail masters on a 30 minute Zoom call. The overall profile of participants is presented below:

- Female: 100%
- Age: 23-37
- Experience in the industry: 0-5 years
- Familiarity with OPI: All of them were users

We prepared 10 questions in total. Some of the most insightful questions that were taken into consideration while making the final decision are as follows:

1. What is the most important aspect that you pay close attention to while choosing a gel polish?
2. Do you read the list of ingredients before trying a new brand of gel polish?
3. Did you or your customers ever notice the smell of gel polishes? And if yes, did it bother you at all?
4. Do you offer any personalized service/product to your customers? If yes, please elaborate.
5. Would you like to have the option of developing your own custom gel polish color? If yes, would you like it to be online, or would you like to visit a physical store to do that?
6. Do you prioritize the existence of natural ingredients in nail products that you buy? If yes, did you ever meet nail or gel polishes that had naturally sourced ingredients in their contents. If not, what is more important than the ingredients list?

## **Focus Group Results:**

The results of focus group analysis were somewhat similar to the ones we generated from the survey. Even though the target audience in this case was quite specific, we consider nail masters to be the main consumers of our product offerings for OPI. Some of the interesting insights that this focus group provided us with was the willingness to pay for each product

offering. Our initial assumption was that nail masters would most probably like to pay less for the products and charge more for the service, especially when they have a loyal customer base, who trust their opinions and advice. However, the average willingness to pay for all concepts was \$30-\$40.

Another key takeaway from this analysis is that nail masters get information about product novelties from beauty supply stores mostly. Surely, social media plays a huge role in keeping up with the trends. However, not all nail masters like to do everything online. Some of them prefer visiting their favorite beauty supply stores once or twice a month to familiarize themselves with new products or just make their regular purchase. Therefore, we decided to include active and strategic collaboration with beauty supply stores in the marketing mix for our final offering. Below feedback for each concept is provided:

- **Concept 1: OPI Custom Nail Polish Color Technology**

- Despite the fact that some nail masters involved in the study would like to have custom gel polishes on their shelves, which would also feature their preferred names, it was not a priority for them as of now. Additionally, the color selection of OPI and many other brands is quite rich. However, whenever they don't have the exact hue that the customer wants, nail masters mix two colors together to get it. Therefore, they somewhat consider that they create their own, custom colors.
- Willingness to pay for this product: \$20-\$30

- **Concept 2: OPI Pop-Up Salon and Shop**

- The salon idea was the least appealing to the participants, as the experience is offered mainly for customers who want to get their nails done with a personalized gel or nail polish shade. However, all 4 participants were not totally negative toward the idea. They were most likely to experience the pop-up store once. However, they would not want to go back there each time they needed to buy a new OPI product.
- Willingness to pay for the experience and a custom color: \$20-\$30

- **Concept 3: OPI Odorless Gel Polish**

- When we presented this idea, we immediately received lots of feedback and questions from all 4 participants. Apparently, all of them have been faced with the bad odor of gel polishes previously. One of the participants even mentioned that

once one of her customers had to go near the window after applying the product on each nail just to breathe fresh air, as the odor was extremely unpleasant for her. Therefore, given the opportunity of working with an odorless gel polish, which is also made with natural stone pigments appealed to all of the participants.

- Willingness to pay for this product: \$20-\$25

- **Concept 4: OPI Nail Polish and Care Subscription Service**

- The subscription box idea was again mainly for the end customers, who love to take care of their nails on their own. However, we offered our participants a subscription box with the trendiest gel polish shades of the season shipped right to their door. As convenient as it may sound at first, all of them said that they would rather visit the supply stores, check the new shades themselves, apply the testers in-store and then choose the colors that they think may be trendy among their customers.
- Willingness to pay for this product: \$20-\$30

### **Experiential Interview Methodology**

In addition to the survey and the focus group study, we also allocated some time to meet up with 3 beauty supply store owners, who sell professional nail products, including OPI gel polishes, for quite a long time. The supply stores that we talked with were BeautyMark, Inc., Starlight Nails & Beauty Supply, Inc. and Skyline Beauty Supply. We summarized some of the main points of conversation below:

- According to the CEO of Starlight Nails and Beauty Supply, Inc., nail masters mostly tend to look at a popular nail magazine, called NailPro, in order to find out about new product offerings. They read the magazine, call the supply stores to check the availability, and beauty supply stores learn that way whether there is a demand for a particular product.
- Another interesting insight that we received was about the willingness of nail masters to visit the stores physically. Surely Amazon has done a great job in terms of delivery, and many gel polishes can be found on the platform with very different prices. However, a certain group of nail masters prefers to visit the stores physically instead of ordering online.

- The CEO of Skyline Beauty Supply, Mr. David Ngo, confirmed the need for an odorless gel polish. He even opened several gel polishes, including OPI, ORLY and Gelish, to show us the bad odor that those gel polishes had. Therefore, if there is an odorless gel polish in the market, that would definitely be the way to go.
- Last, but not least, we noticed that all 3 of the supply stores sold the best selling colors of gel polishes, instead of the complete color range. When asked this question, all 3 representatives confirmed our assumption and told us that they update the placement of colors, as well as the variety 1-2 times a month.

### **Survey Methodology:**

A quantitative survey was programmed and distributed on Qualtrics. Participants were invited to participate via text and social media (Twitter, LinkedIn) posts which invited prospective respondents to participate in a 4-minute voluntary survey opportunity. A single Amazon gift-card was raffled as incentive for respondent time. There were no exclusionary criteria for participation. Survey collection was discontinued once the total responses exceeded our threshold of 150 entries. All data was collected anonymously.

Each respondent received the same set of questions and responded to product concept ideas one at a time, with a randomized order of concept appearance for each respondent. This randomization was programmed to mitigate unconscious bias related to the presentation order.

### **Survey Demographics:**

Respondent demographics are summarized in figure 18. The majority of survey respondents identified as female between the ages of 25-34 years old. 67% of respondents worked full-time versus students (15%), part-time workers (13%). This profile is very close to the primary market that OPI wishes to reach for each of the four new product concepts.

Figure 18

*Survey Demographics (n=157)*

Age	#	%
Under 18	2	1
18-24	60	38
25-34	85	54
35-44	9	6
45-54	2	1

Gender Identity	#	%
Female	103	66
Male	5	33
Non-binary/third gender	1	1
Prefer not to say	1	1

<b>Employment Status</b>	#	%
Work full-time	105	67
Student	24	15
Work part-time	20	13
Unemployed, looking for work	3	2
Homemaker or stay-at-home parent	3	2
Other	2	1

<b>Marital Status</b>	#	%
Married	6	39
Never been married	61	39
Living with a partner	28	18
Widowed	6	4
Divorced/Separated	1	1

## **Survey Overall Findings:**

All four concept ideas were received positively by the majority of respondents, with Concept 3, “Odorless Gel Polish”, producing the most positive results as defined by having the highest rate of responses for being extremely likely to purchase (36%). For all survey questions, there were seldom responses (<4%) in the extremely negative categorical choices.

## **Concept Testing Results**

### **Concept Likes and Dislikes:**

Participant's initial reaction is overwhelmingly positive for all four concepts with each retaining over 70% frequency for somewhat or extremely positive. Concept 3 received the highest positive marks across the board for initial reaction, appeal, and like of the concept. The concepts were also rated as “different” from internal company and external market products by about 50% of respondents for all concepts. These initial results provide insight to understand the available market and niche of the products.

Figure 19

*Survey Results Assessing Concept Likeability*

<b>What is your initial reaction to this concept?</b>	<b>Concept 1</b>	<b>Concept 2</b>	<b>Concept 3</b>	<b>Concept 4</b>
Extremely Positive	36%	38%	43%	31%
Somewhat Positive	47%	41%	38%	48%
Neither positive nor negative	15%	17%	17%	17%
Somewhat negative	1%	3%	3%	3%
Extremely negative	0%	0%	0%	0%

<b>How different is this concept from other products currently available by OPI?</b>	<b>Concept 1</b>	<b>Concept 2</b>	<b>Concept 3</b>	<b>Concept 4</b>
Very different	26%	25%	21%	20%
Different	47%	39%	48%	40%
A little different	21%	27%	25%	34%
Not very different	5%	8%	5%	6%
Not at all different	1%	1%	1%	1%

<b>How appealing is this concept to other products currently available?</b>	<b>Concept 1</b>	<b>Concept 2</b>	<b>Concept 3</b>	<b>Concept 4</b>
Very appealing	33%	29%	35%	25%
Appealing	32%	34%	30%	27%
A little appealing	25%	25%	24%	39%
Not very appealing	9%	11%	10%	8%
Not at all appealing	1%	0%	1%	0%

<b>How much do you like or dislike this concept?</b>	<b>Concept 1</b>	<b>Concept 2</b>	<b>Concept 3</b>	<b>Concept 4</b>
Like a great deal	37%	30%	38%	27%
Like somewhat	38%	45%	34%	41%
Neither like nor dislike	24%	22%	25%	27%
Dislike somewhat	1%	3%	3%	3%
Dislike a great deal	0%	1%	1%	1%

### **Concept Relevance and Need:**

About 25% of all respondents found the four concepts extremely relevant to themselves. The subscription service concept (Concept 4) was rated less positively than the other three

concepts for both relevance and need. Approximately 25-30% of respondents felt that the concepts were neither relevant nor irrelevant. This result provides impetus to conduct further segmentation studies to dissect the sentiments of consumers based on their self-rated relationship to the market and products.

Figure 20

*Survey Results Assessing Concept Relevance and Need*

How relevant is this concept to you personally?	Concept 1	Concept 2	Concept 3	Concept 4
Extremely relevant	22%	23%	25%	15%
Somewhat relevant	46%	41%	38%	47%
Neither relevant nor irrelevant	25%	31%	29%	29%
Somewhat irrelevant	4%	4%	6%	6%
Extremely irrelevant	2%	1%	2%	3%

From the list below, which best describes your need for this concept?	Concept 1	Concept 2	Concept 3	Concept 4
I need it because nothing else solves this problem	22%	22%	25%	15%
This would be slightly better than what I am currently using	53%	54%	55%	57%
This is essentially the same as what I am currently using	12%	14%	8%	13%
I don't see any reason to use this	8%	6%	8%	10%
What I am currently using is better than this	5%	4%	4%	5%

**Purchase Intentions:**

Self-reports of purchase intentions are favored toward Concept 3, Odorless Gel Polish, with 36% frequency of being extremely likely to purchase the product followed by Concept 1's

29%. To assess the statistical significance of the purchase intentions, a two-way ANOVA model was run with alpha level 0,05, and there was no significant difference between the groups ( $F=0.79$ ,  $p=0.498$ ). While we cannot statistically prove that Concept 3 has greater likelihood of purchase, this difference may expand with increased survey collection.

Figure 21

*Survey Results Assessing Concept Purchase Intentions*

How likely would you be to buy the product shown here?	Concep t 1	Concep t 2	Concep t 3	Concep t 4
Extremely likely	29%	27%	36%	27%
Somewhat likely	47%	45%	39%	46%
Neither likely nor unlikely	15%	20%	17%	14%
Somewhat unlikely	6%	4%	5%	9%
Extremely unlikely	1%	3%	3%	3%

**Pricing:**

The median price across all concepts landed at \$20 per product. Similarly, the interquartile range for price was identical for all projects with a lower bound of \$10-15 dollars and an upper bound of \$20-30. The survey pricing ranges also meet the current range of OPI's retail and professional product lines. It should be noted that the Pop-up shop/Salon was perceived to be costly by some respondents with the \$50+ price selected by 6% of respondents.

Figure 22

*Survey Results Assessing Concept Categorical Pricing*

How much would you expect to pay for this product?	Concept 1	Concept 2	Concept 3	Concept 4
\$5-10	15%	15%	15%	15%
\$10-15	30%	20%	27%	20%
\$15-20	24%	20%	27%	23%
\$20-30	17%	21%	20%	24%
\$30-40	6%	12%	4%	11%
\$40-50	4%	5%	3%	2%
\$50+	3%	6%	3%	4%

**Concept Testing Discussion & Conclusion:**

According to the results of the survey, as well as the insights from the focus group analysis and experiential interviews, we decided to move forward with the concept of developing an odorless gel polish with natural pigments derived from stone minerals for OPI. The concept's feasibility is put to test in the upcoming sections.

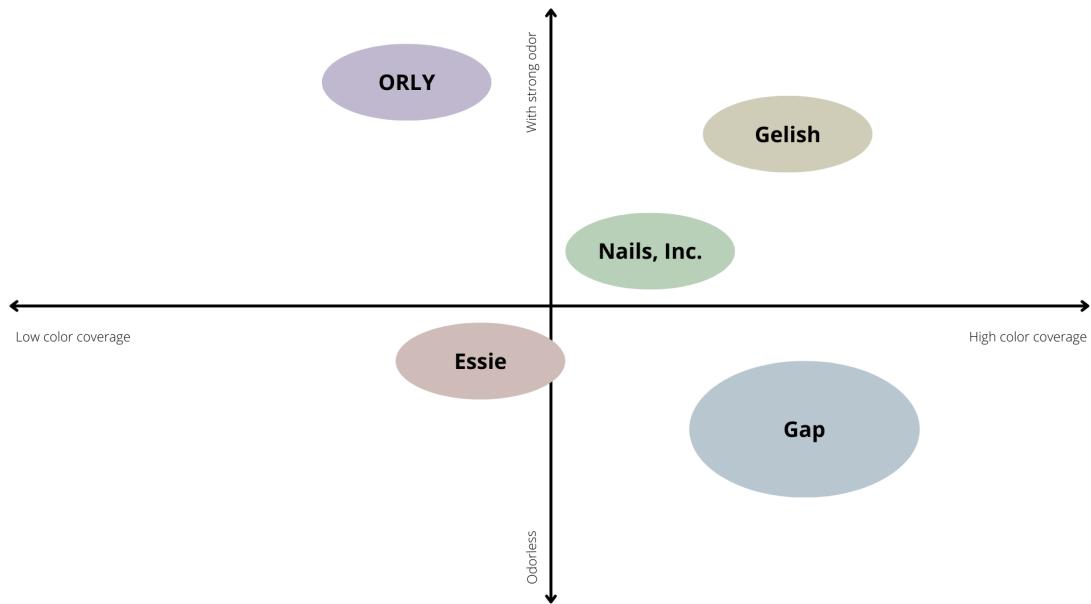
**Development and Strategy Soundness Evaluation**

**Gap Analysis:**

A gap analysis was performed to assess the competition in the market for our product offering. Based on our previous research, as well as the insights that we gathered from the focus group study and the experiential interviews, we decided to choose color coverage and odor as two of the most important qualities for a gel polish. Afterwards, we researched further some of the major competitors of OPI and their respective products. As a final result, we have devised the following gap analysis.

Figure 23

*Gap analysis for product focus and differentiation*

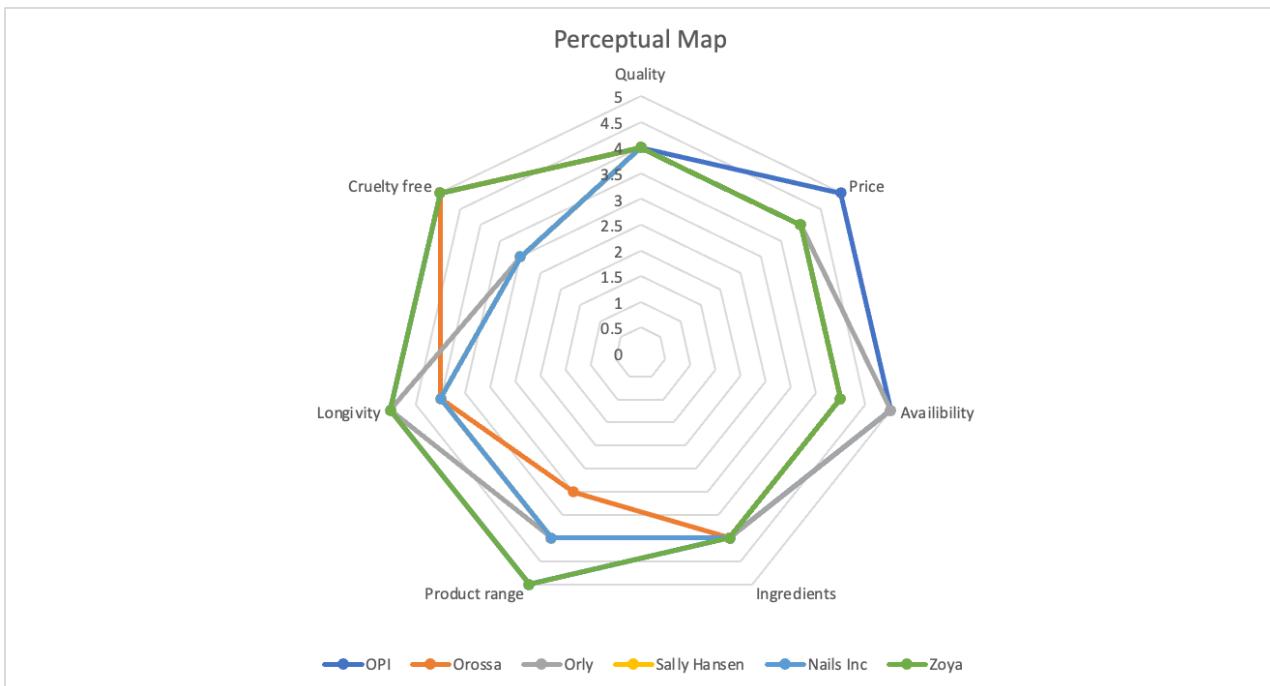


High coverage of the gel polish refers to the ability of the product to cover the nail surface with 2-3 layers. It is a vital point for many nail masters. After performing the gap analysis, we realized that there are almost no brands that offer gel polishes without odor, which also cover well. Butyl acetate and ethyl acetate are the two ingredients that give the gel or nail polish its specific smell. However, those ingredients cannot be completely removed, as they work with nitrocellulose to acquire the gel-like substance, which we refer to as the gel polish. Hence, the odor has to be removed via other means, which will also help increase the color coverage of the product. The solution would be to use natural stone pigments, which are thicker than artificial ones. Due to their natural origin, those pigments do not have any kind of smell. Moreover, they eliminate the unpleasant smell of butyl and ethyl acetates. Additionally, the thickness of these pigments provides the gel polish with better color coverage.

## Perceptual Map:

Figure 24

*Perceptual map of OPI versus competitors*



*Brands are rated from 1 to 5 with 1 being the lowest and 5 being the highest. The competitors for OPI are taken into consideration with respect to the odorless category.*

This perceptual map is built on the assumption that OPI's odorless product is launched into the market. It can be seen that the brands align with each other on most aspects. However, OPI's odorless gel product will offer high quality ingredients with a longer product shelf life that shall also come in a wide range of shades, be sustainable and cruelty free, and also remain easily available.

Figure 25

*Feasibility Analysis*

**Feasibility Analysis:**

Factor	Scale	Weight (1-5)	Concept 1 - Custom Color		Concept 2 - Salon		Concept 3 - Odorless gel		Concept 4 - Subscription	
			Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score
			1 2 3 4 5							
<b>Technical Accomplishment - Internal</b>										
Technical task difficulty	Very difficult Easy		4 4	16 2	8 4	16 4	4 16	4 4	16 16	
Research skills required	None required fit		3 4	12 3	9 4	12 12	2 2	6 6		
Development skills required	None required fit		4 4	16 4	16 16	3 3	12 12	3 3	12 12	
Dollar investment required	\$20 million+ million		5 5	20 1	5 5	25 25	4 4	20 20		
Vendor cooperation available	None relationship		3 5	15 4	12 12	5 5	15 15	5 5	15 15	
Likelihood of speed to market	2+ years months		2 2	8 3	6 6	5 5	10 10	5 5	10 10	
Technical equipment/processes	None required them		3 3	9 2	6 6	3 3	9 9	4 4	12 12	
Product differentiation	Similar different		5 3	15 3	15 15	4 4	20 20	2 2	10 10	
<b>Subtotal</b>				31	111	22	77	33	119	29
										101

<b>Commercial Accomplishment - External</b>											
Market volatility	High/erratic stable	Very	4	4	16	3	12	3	12	3	12
Probable market share	Fourth at best 1	Number	3	4	12	4	12	4	12	3	9
Similarity to product life of other products	No relationship close	Very	2	3	6	2	4	5	10	5	10
Target customer	Perfectly stranger Current		4	4	16	3	12	4	16	5	20
Competition to be faced	Tough Weak		4	3	12	4	16	3	12	1	4
Degree of unmet needs	None unmet	Totally	4	4	16	3	12	2	8	1	4
Sales force requirements	Have no experience familiar	Very	3	3	9	4	12	5	15	5	15
Promotion force required	Have no experience familiar	Very	4	4	16	5	20	5	20	5	20
Probable profits	Break even <40%	ROI	5	4	20	2	10	4	20	2	10
<b>Subtotal</b>			33	<b>123</b>	30	<b>110</b>	35	<b>125</b>	30	<b>104</b>	

This feasibility analysis was conducted to provide additional proof that the concept we chose is the right one. The weights for each attribute were assigned according to the feedback that we received from the participants of our research, as well as our judgment based on a business perspective. Some of the attributes that were assigned the highest weights are dollar investment needed, product differentiation, and probable profits. Like any new product concept, the ones we developed need a certain amount of investment too. Therefore, we tried to include as many precise calculations as possible can moving forward.

As can be seen from the table above, for both internal and external factors, the third concept idea (odorless gel polish) scored the highest. To better visualize the results of the analysis, we have created separate profile sheets for each concept.

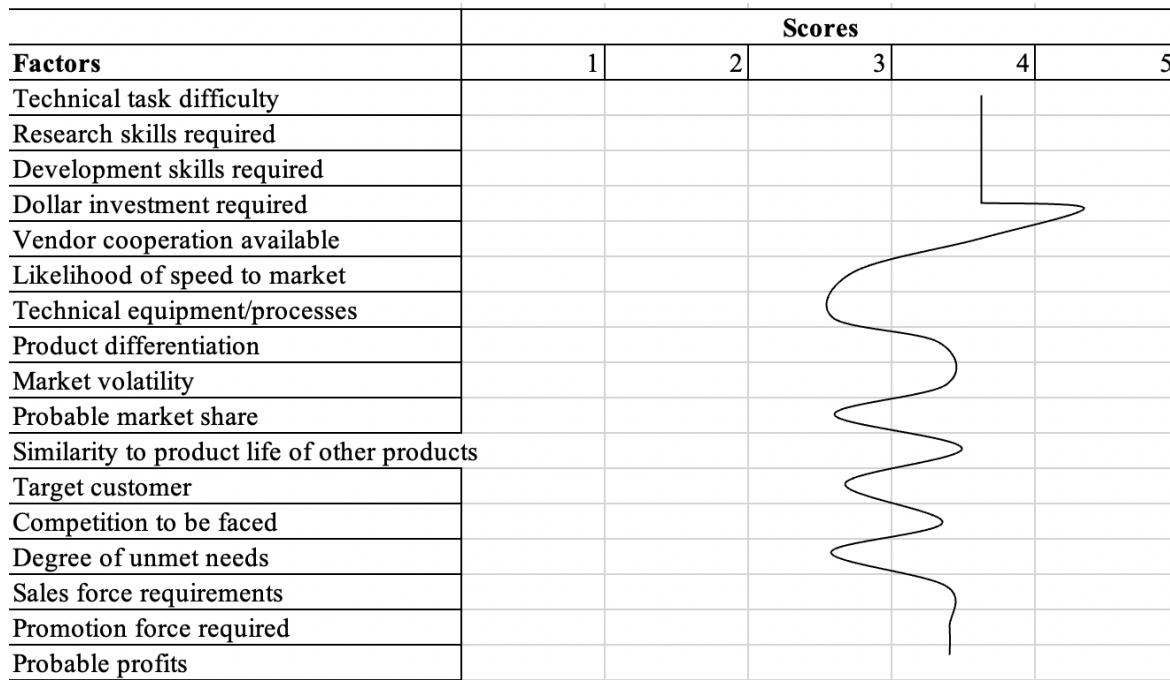
### **Profile Sheets:**

According to the profile sheets, the concept that shifts more toward the right-end of the scale is the third one, which represents the odorless gel polish. The subscription box idea, which is the fourth concept, also skewed to the right. However, in comparison to the third concept, the fourth concept varies significantly. For example, it goes from a score of 5 to 1 then comes back to 5 again. Therefore, we were assured once more that the odorless gel polish concept is the one with which to move forward.

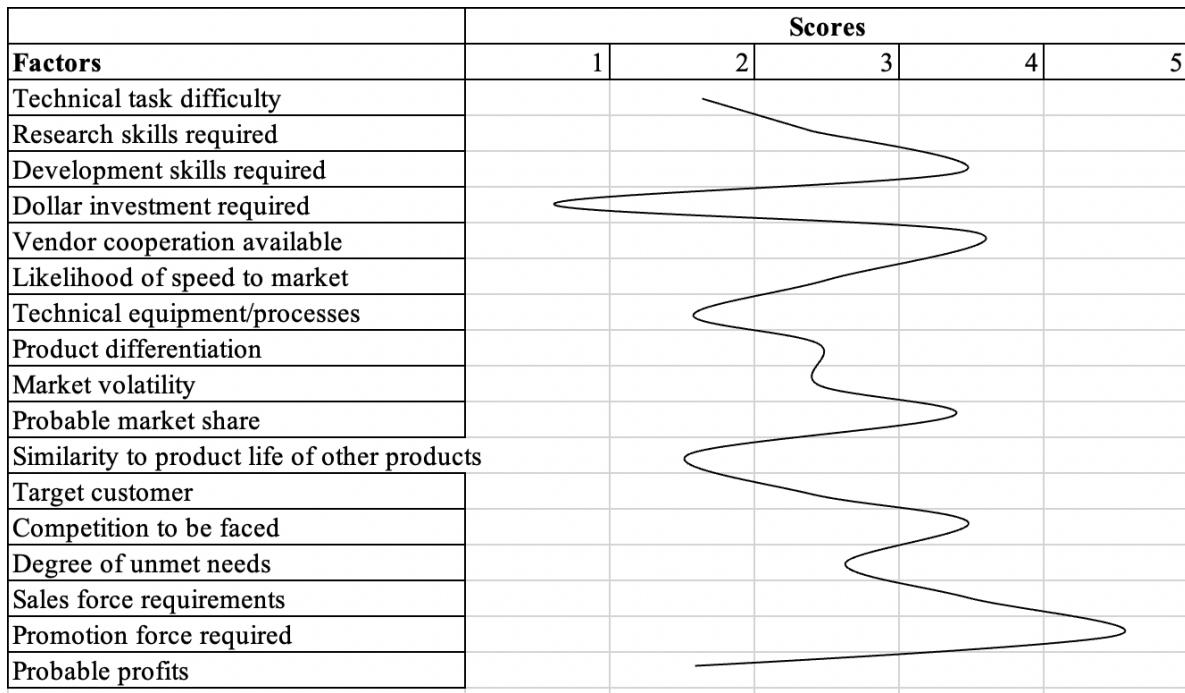
Figure 26

#### *Concept Profile Sheets*

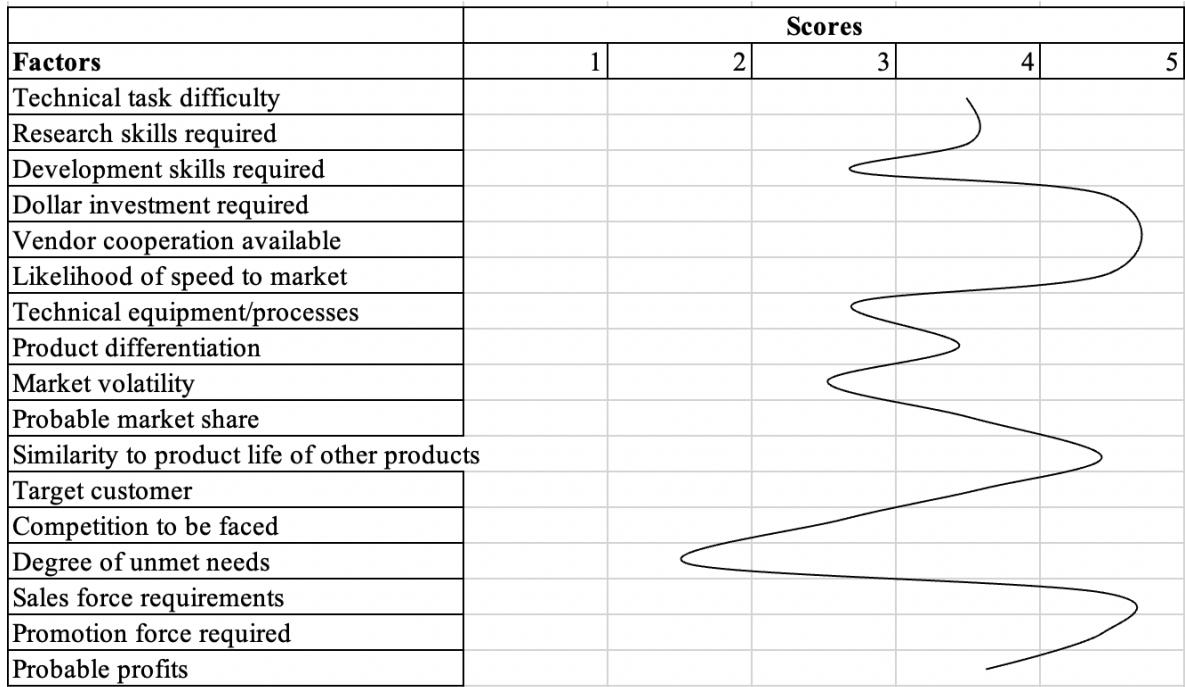
#### **Concept 1: OPI Custom Nail Polish Color Technology**



## Concept 2: OPI Pop-Up Salon and Shop



## Concept 3: OPI Odorless Gel Polish



## Concept 4: OPI Nail Polish and Care Subscription Service

Factors	Scores				
	1	2	3	4	5
Technical task difficulty					
Research skills required					
Development skills required					
Dollar investment required					
Vendor cooperation available					
Likelihood of speed to market					
Technical equipment/processes					
Product differentiation					
Market volatility					
Probable market share					
Similarity to product life of other products					
Target customer					
Competition to be faced					
Degree of unmet needs					
Sales force requirements					
Promotion force required					
Probable profits					

The figure consists of a table with 18 rows and 6 columns. The first column is labeled 'Factors' and the second through sixth columns are labeled 'Scores' with numerical values 1, 2, 3, 4, and 5 respectively. Hand-drawn wavy lines connect each factor to its corresponding score. For example, 'Technical task difficulty' has a line connecting it to score 4, while 'Probable profits' has a line connecting it to score 5.

## BASES

After evaluation of the concepts and summarizing the results of the customer research conducted, the BASES model was run to understand whether the hurdle rate was met or not. The defined hurdle rate was determined based on the previous revenues reported by Coty, Inc., the owner of OPI Products, Inc. According to the financial reports of 2021, OPI has generated \$321.5 million in revenue.<sup>38</sup> We would like to add to the revenue of OPI and generate a ROI of more than 30% after the first year of the product launch. We think that these expectations are realistic, as the development of the product will not cost a lot. The hurdle rate defined is \$335 million.

<sup>38</sup> Coty, Inc. (2022). Complete book of financial information. Retrieved from [https://orbis-bvdinfo-com.libproxy1.usc.edu/version-2022620/orbis/1/Companies/report/Index?backLabel=Back%20to%20Complete%20book&refreshTopPos=85&WorkSheetSection=PROFIT\\_LOSS\\_ACCOUNT&format=\\_workSheet&seq=0&sl=1656349742915](https://orbis-bvdinfo-com.libproxy1.usc.edu/version-2022620/orbis/1/Companies/report/Index?backLabel=Back%20to%20Complete%20book&refreshTopPos=85&WorkSheetSection=PROFIT_LOSS_ACCOUNT&format=_workSheet&seq=0&sl=1656349742915)

Figure 27  
*BASES Model*

<b>OPI Forecasted Sales</b>	
Definitely would buy	31%
% of "Definites" who actually buy	80%
"Definite" Purchases	25%
Probably would buy	43%
% of "Probables" who actually buy	30%
"Probable" Purchases	13%
<b>Trial Rate ("Definite" + "Probable")</b>	<b>37.7%</b>
Households	110
Penetration, % of households	80%
Awareness	27%
ACV	80%
<b>Total Trial Households (MM)</b>	<b>7.17</b>
% of households repurchasing	33%
Repeat purchase occasions	5.0
<b>Total Repeat Purchases (MM)</b>	<b>11.8</b>
<b>Total Purchases (Trial + Repeat) (MM)</b>	<b>19.0</b>
Retail selling price	\$20.00
Retail sales volume (MM)	\$379.8
Retailer gross margin	20%
<b>OPI Sales Volume (MM)</b>	<b>\$303.8</b>

The percentages for “definitely would buy” and “probably would buy” scenarios were acquired from the survey that was conducted. The number of households, penetration rate, and the ACV distribution percentages were retrieved from the same market research study.<sup>39</sup> The percentage of households repurchasing is our own initial assumption. In order for the BASES analysis to be complete, we have also conducted sensitivity analysis before making the final

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<sup>39</sup> Total US sales and fan chart forecast of nail color and care, at current prices, 2021-2026. Retrieved from <https://reports-mintel-com.libproxy1.usc.edu/sinatra/oxygen/print/id=1132079>

judgment. For the analysis, three different rates of awareness were taken into consideration, which we also retrieved from the survey that was conducted.

Figure 28

*Forecasted Sales*

OPI Forecasted Sales with Sensitivity Analysis									
Awareness and ACV	Mediocre Product			Average Product			Excellent Product		
	Low	Medium	High	Low	Mediu m	High	Low	Medium	High
Definitely would buy	31%	31%	31%	31%	31%	31%	31%	31%	31%
% of "Definites" who actually buy	80%	80%	80%	80%	80%	80%	80%	80%	80%
"Definite" Purchases	25%	25%	25%	25%	25%	25%	25%	25%	25%
Probably would buy	43%	43%	43%	43%	43%	43%	43%	43%	43%
% of "Probables" who actually buy	30%	30%	30%	30%	30%	30%	30%	30%	30%
"Probable" Purchases	13%	13%	13%	13%	13%	13%	13%	13%	13%
Trial Rate ("Definite" + "Probable")	38%	38%	38%	38%	38%	38%	38%	38%	38%
Households (Millions)	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.0
Penetration, % of households	80%	80%	80%	80%	80%	80%	80%	80%	80%
Awareness	27%	30%	34%	27%	30%	34%	27%	30%	34%
ACV distribution	80%	80%	80%	80%	80%	80%	80%	80%	80%
<b>Trial Household Purchases</b>	<b>7.2</b>	<b>8.0</b>	<b>9.0</b>	<b>7.2</b>	<b>8.0</b>	<b>9.0</b>	<b>7.2</b>	<b>8.0</b>	<b>9.0</b>

(Millions)									
% of households repurchasing	33%	33%	33%	33%	33%	33%	33%	33%	33%
Repeat purchase occasions	5	5	5	5	5	5	5	5	5
<b>Repeat Purchases (Millions)</b>	12	13	15	12	13	15	12	13	15
<b>Total Purchases - Trial + Repeat (Millions)</b>	<b>19.0</b>	<b>21.1</b>	<b>23.9</b>	<b>19.0</b>	<b>21.1</b>	<b>23.9</b>	<b>19.0</b>	<b>21.1</b>	<b>23.9</b>
Retail selling price	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
<b>Retail Sales (\$ Millions)</b>	<b>\$379.8M</b>	<b>\$422.0M</b>	<b>\$478.3M</b>	<b>\$379.8M</b>	<b>\$422.0M</b>	<b>\$478.3M</b>	<b>\$379.8M</b>	<b>\$422.0M</b>	<b>\$478.3M</b>
Retailer gross margin*	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Company Sales (\$ Millions)</b>	<b>\$303.8M</b>	<b>\$337.6M</b>	<b>\$382.6M</b>	<b>\$303.8M</b>	<b>\$337.6M</b>	<b>\$382.6M</b>	<b>\$303.8M</b>	<b>\$337.6M</b>	<b>\$382.6M</b>

### Key Takeaways:

- From the initial BASES analysis conducted, we can conclude that the hurdle rate was not met. This means that according to these initial results, the project needs to undergo some changes before launching.
- According to the sensitivity analysis, in the case of awareness of both 30% and 34%, the hurdle rate of \$335 million is surpassed.
- After carefully analyzing the results, as well as calculating the costs for the development of the new product line, we decided to launch the product. Further forecasts, including production and promotion costs, are performed in the *Projected Profit/Loss Statement* section of this report. Those statements serve as a solid ground for the validity and profitability of this project.

## Recommendations

### Target Markets:

- **Primary Target Market<sup>40</sup>**
- **Demographics:** The primary target market for OPI's odorless gel polish are nail professionals and technicians who are primarily between the ages of 25-40 and have household incomes of up to \$40,000 annually. They are single or married, and at par with the latest beauty and fashion trends from the industry. They are either educated from college or licensed through a special course focusing on the nail industry.
- **Psychographics:** The nail technicians have their own styles as well as product and brand preferences. They work at salons or professional nail studios full time, but also maintain an active social media presence to either grow their page or venture into small businesses. Their go-to social media apps are Pinterest or Instagram. They are brand loyalists and are very well researched with all new products in the industry. They value the quality and longevity of the product, as they believe it represents them, and they also thrive highly on customer feedback and expectations. They prefer products made from natural ingredients which are chemical free.
- **Geography:** They are from first tier U.S. metropolitan areas or cities.
- **Positioning Statement:** Among Nail professionals and nail enthusiasts, aged 25-40, with a decent household income, OPI offers a high quality, long-lasting, and cost effective odorless gel polish that is made of natural ingredients, guarantees to be non toxic, cruelty free, and sustainable to the environment.

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<sup>40</sup> "Nail Technician Demographics and Statistics [2022]: Number of Nail Technicians in the US." *Nail Technician Demographics and Statistics [2022]: Number Of Nail Technicians In The US*, 18 Apr. 2022, <https://www.zippia.com/nail-technician-jobs/demographics/>.

Figure 29

*Primary Target Market Persona*

## Primary Target Market Persona



### Lucy

Gender: Female  
Age: 31  
Education: Secondary Education - Cosmetology School  
Occupation: Professional Nail Master  
Income: \$40,000 annually  
Marital Status: Single  
Location: Los Angeles, CA

**Description:** Lucy is a bold, creative nail master living in sunny Los Angeles, California. She is educated, single and self-sufficient. Apart from growing her business, Lucy loves maintaining her social media presence and experimenting with her personal style. She is a true professional with a personal passion for nail artistry. She is always keeping up with new nail products and trends and loves when clients ask for funky nail art that expresses their personal style.

- **Secondary Target Market**

- **Demographics:** The secondary target market for OPI's odorless gel polish are millennials in the age group of 22-35 who are working professionals and who have household incomes of up to \$90,000 annually. They are mostly single or recently married and are nail, beauty, and fashion enthusiasts. They are college graduates who are now either working professionals or pursuing a double degree.
- **Geography:** They are from first tier U.S. metropolitan areas or cities.
- **Psychographics:** They follow celebrity and influencer trends and are active social media users or influencers. Their go-to apps are Snapchat or Instagram. They value sustainable fashion and prefer opting for cruelty free products which are easily accessible, as well as cost efficient. They are open to new products or brands with price, variety, and quality being a deal breaker.

- **Positioning Statement:** Among nail and beauty enthusiasts aged 22-35, with a good household income, OPI offers a high quality, long-lasting odorless gel polish that is made of natural ingredients, offers a wide range of shades, and is cruelty free.

Figure 30

*Secondary Target Market Persona*

## Secondary Target Market Persona



**Stella**

Gender: Female

Age: 24

Education: Secondary Education - Bachelor's Degree

Occupation: Social Media Marketing Specialist

Income: \$81,000 annually

Marital Status: Single, but recently engaged

Location: Chicago, Illinois

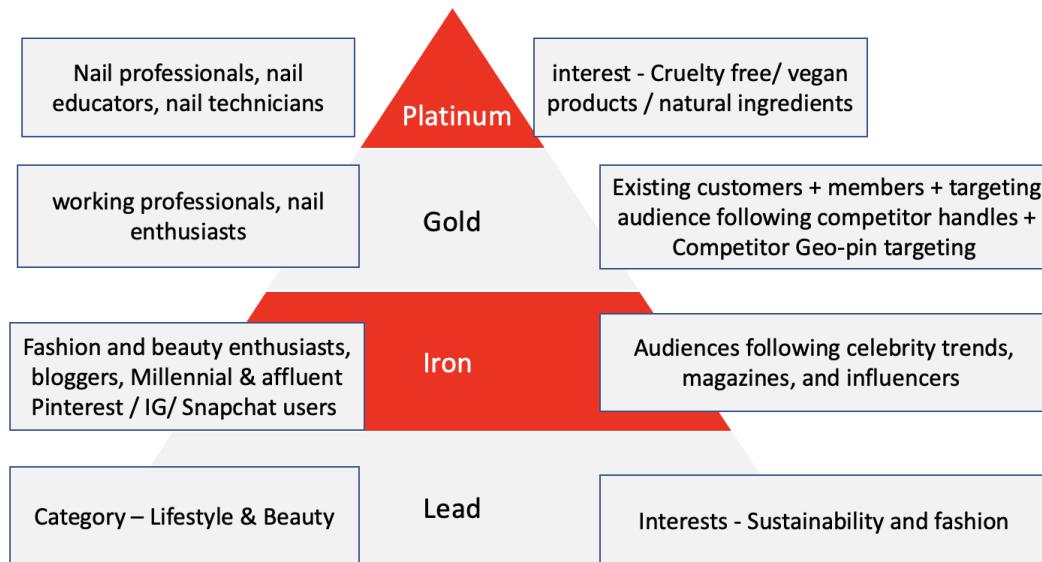


**Description:** Stella is a beauty-obsessed working professional living in the hustle and bustle of Chicago, Illinois. She is educated, recently engaged and very happy in her current position. Apart from her work and her fiance, Stella loves keeping up with influencers, tending to her social media and shopping sustainably at vintage stores in the city. Sustainability and quality are very important to Stella and she considers herself a conscious consumer.

## Customer Pyramid:

Figure 31

*Customer Pyramid*



- Primary market (70%) - Nail professionals, educators, nail technicians, artists and enthusiasts, primarily in the age group of 25-40 who also value products that are made from natural ingredients and are cruelty free.
- Secondary market (20%) - Working professionals, nail enthusiasts, existing audiences, as well as competitor audiences.
- Secondary market (10%) - Interests : Lifestyle, beauty, sustainability and fashion

## Objectives:

- **Revenue:** The revenue objective for 2022 is \$337 million, and for 2023 it is \$343 million.
- **Profitability:** We expect OPI to be profitable both in 2022 and 2023. The forecasted profits for 2022 is \$9 million, and for 2023 the number is \$21 million.

- **Market share:** We expect OPI to maintain the market share of 24%. In the gel polish market specifically, we aim for 1st place in terms of sales in the US market by the end of 2023.

## **Marketing Strategies:**

- **Product/Service to Include Positioning**
  - The new generation product to be introduced to the market is odorless gel polish by OPI. The brand largely strives to offer a product which is made of natural ingredients, is non toxic, and is completely environmentally friendly. The product aims to please consumers through its long-lasting and solvent free formulas which are odorless with properties that make the gel more shiny. The product is high quality, efficient, and at par with consumer expectations through the variety it offers. The product is likely to be popular with both nail technicians and nail enthusiasts/consumers due to its innovative features and safe formulas. Since the product is odorless and made of natural ingredients, it is expected to be free of toluene, formaldehyde, and dibutyl phthalate which are known as disruptors due to the harmful effects they have on nails. While OPI's competitors do have nail polishes that are odorless, they do not offer it in the gel range or in a wide range of colors. OPI's odorless gel polish aids to combat that with a high quality, vegan product which is water based, durable, fast-drying, and suitable for both home use as well as professional salons. The product comes at an effective price of \$20 with sustainable packaging. Depending on the demand and adoption of the product, mini variants can be looked at as well.
- **Place**
  - **Online Channels:** The product should be promoted through online channels such as Facebook, Google Ads, and content marketing ads. The objective of the campaigns can be a mix of awareness, video views, and conversions. The ads can be a mix of video ads and carousels/displays. The video length should not exceed more than 15 seconds as the average view time for videos is up to 6-10 seconds.

The brand can work upon rich visuals for display ads and promote through mediums of storytelling.

- **Organic Presence:** The brand should work on its organic presence and google ranking for the product. It would need to work upon more SEO based strategies. This can be done by inculcating more keywords on websites about the product's attributes which are its odorless and chemical free formulas, its wide range of shades, and its shelf life.
- **Social Media Presence:** A social media presence and strategy plays a huge role in the product placement. Since the majority of the target audience is active on social media (nail technicians and enthusiasts alike) the brand should be active and vocal about the new product and its offering on social media. It can further drive engagement through social media collaborations, contests, and Instagram/Facebook live.
- **Wholesale Nail suppliers:** Nail suppliers offer professional as well as personal salon and nail supplies from small businesses as well as top brands. The primary market for wholesale nail suppliers are nail technicians and artists which is also the primary market for OPI's new product. Nail artists are often researching and looking for better deals on most products, hence suppliers act as a great means to build relationships with the end consumers.
- **Offline channels - Salons and stores :** Salons and stores are the direct ways of making the product reach the target market. Customers who visit the salon occasionally and nail technicians who work there on a daily basis become more accustomed to the products that are easily available to them. It keeps the product on top of mind, and also goes on to build brand awareness and loyalty.
- **Promotion**
  - Price at \$20 for regular price, but provide coupons to loyal customers
  - Bulk pricing for salons
  - Provide a free sample with purchase of regular gel polish products
  - **Constant quality control and recording the process:** Quality control is a vital point both before and after the launch of the product to make sure that the promised product features are still relevant. However, OPI has to think of a way

to make the information about all their laboratory tests and processes more accessible to the end customer. While looking through the social media accounts of the company, we could not find many behind-the-scenes footages of tests conducted or colors developed. Therefore, we suggest concentrating more on this type of content and distributing across all media platforms to generate better customer engagement.

- **Connecting with relevant industry influencers:** Influencer marketing is still a very relevant trend when it comes to promoting almost any type of product, especially in the beauty industry. There are many nail masters, who also run their own blog on Instagram or YouTube. Those nail masters have great influence on both beginner and experienced professionals in the field. One content type that could be generated in collaboration with those influencers are videos straight from the OPI labs. The influencer can even try to make their desired color of odorless gel polish and naturally tell about why they opt for OPI. This video can be put into several formats and get distributed through various social media channels, as well as outdoor video banners near the locations of most popular beauty supply stores.
- **Organization of online and offline masterclasses:** Masterclasses and informative seminars are one of the most effective ways to connect with nail masters directly. Industry professionals always look for events to master new techniques that are relevant to the recent trends. Holding an educational seminar would be a very effective and direct way of introducing the odorless gel polish to end customers directly. Additionally, a one-time coupon code or a limited offer can be communicated beforehand to lure more participants and foster sales.
- **Using the base of OPI educators to spread the word:** OPI educators are professionals from all over the world who teach everything about nails and new techniques of the market. Besides having a loyal following, these educators also have students that come back constantly when a new course is introduced. Those courses could be another promotional channel for the introduction and sales of the odorless gel polish.

- **Hold exclusive events with selected salons:** Last, but not least, we suggest working with specific salons to organize customer events. These events are aimed to appeal to the secondary target market that we identified, which are people who love to get their nails done at a salon. Moreover, they pay close attention to the ingredients of the nail products and opt for those that include natural components. The events could include a special nail care product as a gift from OPI, or a special drink serving sponsored by OPI during a limited period of time.
- **Pricing**
  - Between \$20-\$25 per bottle as supported by the focus group results & survey results
- **Projected Profit/Loss Statement**
  - The profit and loss statements presented below forecast the sales of OPI Products, Inc. for the year of 2023. The data for analysis has been acquired from the official financial reports of Coty, Inc., which acquired OPI in 2010.<sup>41</sup> The revenue share of OPI in the total revenues of Coty for 2021 was roughly 7%. We took that percentage as a basis for our forecasts.

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<sup>41</sup> Coty, Inc. (2022). Complete book of financial information. Retrieved from [https://orbis-bvdinfo-com.libproxy1.usc.edu/version-2022620/orbis/1/Companies/report/Index?backLabel=Back%20to%20Complete%20book&refreshTopPos=85&WorkSheetSection=PROFIT\\_LOSS\\_ACCOUNT&format=\\_workSheet&seq=0&sl=1656349742915](https://orbis-bvdinfo-com.libproxy1.usc.edu/version-2022620/orbis/1/Companies/report/Index?backLabel=Back%20to%20Complete%20book&refreshTopPos=85&WorkSheetSection=PROFIT_LOSS_ACCOUNT&format=_workSheet&seq=0&sl=1656349742915)

- **Worst Case Scenario**

Figure 32

*Worst Case Scenario Table*

<b>Worst Case Scenario</b>	<b>30/06/2018</b>	<b>30/06/2019</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2022</b>	<b>30/06/2023</b>
	m USD 12 months					
	Unqualified US GAAP 10-K					
Operating revenue (Turnover)	479	440	330	324	304	315
Sales	479	440	330	324	304	315
Costs of goods sold	152	140	105	106	107	107
Gross profit	327	300	226	218	197	208
Other operating expenses	211	216	244	208	224	209
Advertising/promotions	100	120	135	130	140	130
Research and development	60	60	75	60	65	60
Salaries	2	3	2	2	2	2
Inventory	49	34	32	16	17	17

P/L before tax	116	84	-18	10	-27	-1
Taxation	15	6	31	17	17	17
P/L after tax	101	78	-49	-7	-44	-18

- **Most Likely Scenario**

Figure 33

*Most Likely Scenario Table*

<b>Most Likely Case Scenario</b>	<b>30/06/2018</b>	<b>30/06/2019</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2022</b>	<b>30/06/2023</b>
	m USD					
	12 months					
	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
US GAAP		US GAAP				
10-K		10-K	10-K	10-K	10-K	10-K
Operating revenue (Turnover)	479	440	330	324	337	343
Sales	479	440	330	324	337	343
Costs of goods sold	152	140	105	106	107	110
Gross profit	327	300	226	218	230	233
Other operating expenses	211	216	244	208	204	195
Advertising/promotions	100	120	135	130	120	115

Research and development	60	60	75	60	65	60
Salaries	2	3	2	2	2	2
Inventory	49	34	32	16	17	18
P/L before tax	116	84	-18	10	26	38
Taxation	15	6	31	17	17	17
P/L after tax	101	78	-49	-7	9	21

- **Best Case Scenario**

Figure 34

*Best Case Scenario Table*

<b>Best Case Scenario</b>	<b>30/06/2018</b>	<b>30/06/2019</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2022</b>	<b>30/06/2023</b>
	m USD					
	12 months					
	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	US GAAP					
	10-K	10-K	10-K	10-K	10-K	10-K
Operating revenue (Turnover)	479	440	330	324	382	386
Sales	479	440	330	324	382	386
Costs of goods sold	152	140	105	106	107	110

Gross profit	327	300	226	218	275	276
Other operating expenses	211	216	244	208	224	195
Advertising/promotions	100	120	135	130	140	115
Research and development	60	60	75	60	65	60
Salaries	2	3	2	2	2	2
Inventory	49	34	32	16	17	18
P/L before tax	116	84	-18	10	51	81
Taxation	15	6	31	17	17	17
P/L after tax	101	78	-49	-7	34	64

### Key Assumptions:

- The revenue calculations were based on the BASES analysis. The most likely case that we calculated the profit/loss for, was in the case of 30% customer awareness. Taking into account all of that information, the forecasted results for the upcoming two years are positive.
- We have to develop marketing strategies to raise existing custom awareness in order to reach the forecasted results of the most likely or best case scenarios.
- The research and development costs were cut down in 2023 for all of the scenarios as the formula for the odorless gel polish needs to be developed once. For the future product line, only new colors need to be introduced to the market. The existing formula just needs to be supervised for quality maintenance.

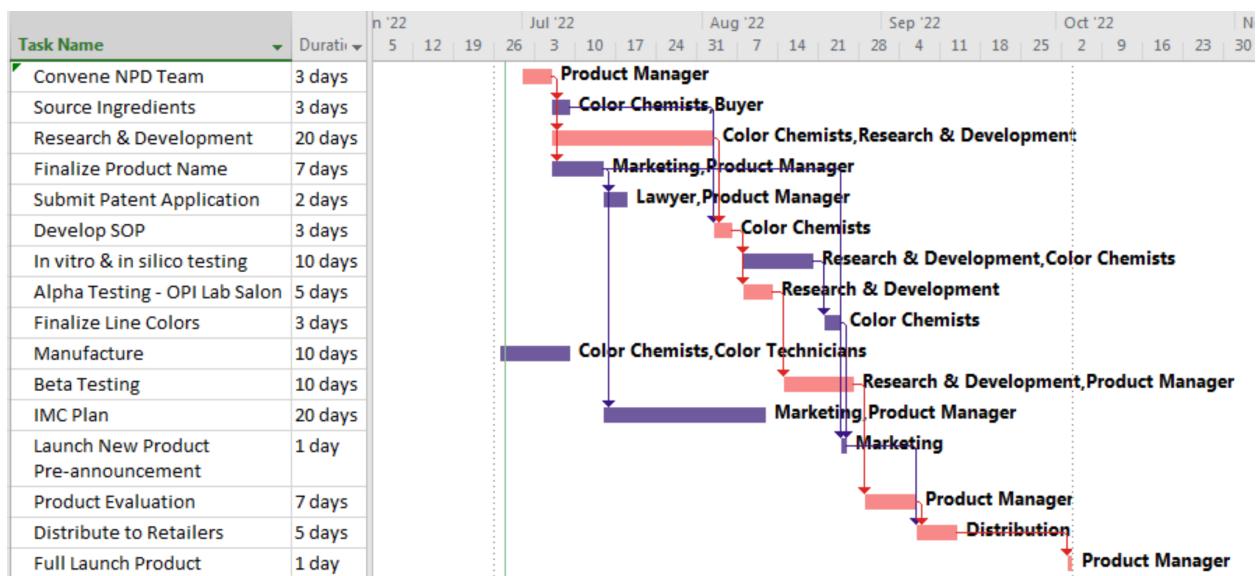
- Advertising costs vary as well based on the awareness level. Additionally, we believe that for 2023 some of the advertising costs can be cut down, because the product will have already been introduced to the market for a year. Also, we took into account the fact that OPI is already one of the most established, trusted, and popular brands among nail masters in the USA.

## Implementation Plan:

To move our new product onto the market, the following implementation plan has been prepared to ensure that the product's development, testing, regulation, distribution, and eventual launch are within a 3-4 month time frame. The Gantt chart presented in Figure X identifies the critical path that has the most influence on the project's timely completion.

Figure 35

*Gantt Chart for New Product Development Implementation Plan*



- **Convene New Product Development (NPD) Team - 3 days (Product Manager):** OPI's product development teams are structured in a matrix, which includes experts from various functional departments<sup>42</sup>. For this new product, OPI will appoint a senior color chemist with prior experience in new product development as the product manager. The team will also include personnel from the financial department (buyer, distribution leads), legal team (lawyer, contracts writers), marketing department, and the research and development teams. In the matrix format, the new product development team will work on tasks in addition to their regular work responsibilities.
- **Source Ingredients - 3 days (Color Chemists, Buyer):** Color chemists and buyers will work together to identify the latest shade trends as well as naturally sourced pigments that can be used to replace the traditional pigments that are more caustic in smell. Ingredient sourcing will take into consideration pricing, quality, supply chain accessibility, longevity, sustainability, and feasibility. The initial search for suppliers and ingredients is estimated to take around 3 days. This process will include searching for FDA exempt or pre-approved natural pigments.
- **Research and Development - 20 days (Color Chemists, Research & Development):** Through collaboration of the color chemists, color technicians, and research and development team, OPI will explore the use of newly sourced ingredients in developing a new chemical composition that produces odorless gel-polish.
- **Finalize Product Name - 7 days (Marketing, Color Chemist, Product Manager):** While the research and chemist teams begin initial research and development of the new product, marketing will work on branding and naming to boost interest and clarity of the product's capability and reach the primary and secondary target markets. OPI's tradition of group-think naming will be brought into the naming of this particular new product.
- **Submit Patent Application - 2 days (Lawyer, Product Manager):** To protect the company's intellectual property and the product's placement on the market, the lawyer and product manager will file a United States patent. Once this paperwork is filed, other companies that obtain or replicate OPI's formulation can incur legal penalties. Ongoing approval and intellectual property will continue to be patented over the course of the

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<sup>42</sup> Wella/OPI Job Description of the team structures within the company. Retrieved from [https://careers.wella.com/job/Los-Angeles-Sr\\_-Color-Chemist%2C-OPI-Color-Collections-CA/754426755/](https://careers.wella.com/job/Los-Angeles-Sr_-Color-Chemist%2C-OPI-Color-Collections-CA/754426755/)

product's development and launch. Most products will not receive full patent notification until 1-3 years after submission.

- **Develop Standard Operating Procedures - 3 days (Color Chemists):** Once research and development and chemistry teams develop a formulation that is acceptable to test and potentially market, the teams will need to document the standard operating procedures to ensure reproducibility and quality control for all future batches.
- **In vitro and in silico testing - 10 days (Research & Development):** As identified in the perceptual map, OPI has a lot of work that can be done to match their competitor's work toward producing cruelty free products. Because this line will be marketed as an extension of the vegan nature strong line, the testing should also follow suit and be conducted without animals.
- **Alpha testing - 5 days (Research & Development):** Utilizing the company's Los Angeles test salon, OPI can begin initial testing of the odorless gel polish on its own color chemists and other human participants that volunteer their nails for the sake of research. Legal is involved in ensuring the company's protection in case of any harm due to unknown side effects of the product formulation's interactions with the tester's nails and skin. Participants will be given free services as a benefit to offering their hands as a test canvas for the new odorless gel product.

Figure 36

*OPI Test Lab participant recruitment on website<sup>43</sup>*

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<sup>43</sup> OPI Test Salon. Retrieved from <https://www.opi.com/opi-test-salon>



**How Do I Get Involved?**

Want to try OPI's newest products in development and future nail colors for free? To become an OPI Insider and try this exclusive experience, all you need is:

- A love of OPI aka a nail polish obsession
- Your nails must be in healthy condition
- You need to be over 18
- The ability to attend regular, free salon appointments
- A love of trying new things

[SIGN UP NOW ▶](#)

- **Finalize Line Colors - 3 days (Color Chemists, Marketing, Product Manager):** After analyzing fashion and color trends, the team will decide on a final set of colors to promote and launch in the initial group.
- **Beta Testing - 10 days (Research & Development, Product Manager):** During beta testing, OPI will open up research opportunities to local nail salons that are interested in testing the new odorless gel products. During beta testing, participants will be required to log their use of the product and respond to a set of questions that facilitates an understanding of the product's strengths, weaknesses, opportunities, and threats. Beta testing will assume the following structure:
  1. Salon owners and nail masters that have a positive ongoing relationship with OPI will be invited to participate in beta testing via email, mail, and phone invitation.
  2. Participants will be shipped samples of the odorless gel polish to be used in their salon and are promoted to offer the product to their usual customers.
  3. Weekly web-conference office hours will be established to support testers with any concerns or questions they have during their testing period.
- **Integrated Marketing Communication Plan - 20 day (Marketing, Product Manager):** A comprehensive plan reflective of the product, price, promotion, and place recommendations are integrated to best increase awareness and likelihood of purchase.
- **Launch New-Product Pre-Announcement - 1 day (Marketing)**

- **Product Evaluation - 7 days (Product Manager)**
- **Distribute to Retailers - 5 days (Distribution):** Shipments of the product are sent to retailers that have purchased or requested samples of the product.
- **Full Product Launch - 1 day (Product Manager):** Press “go” on market launch depending on each functional member’s contributions and work that led up to this milestone. After launch, the product will be transferred to the production line with color technicians and chemists for regular manufacture and distribution.

### **Contingency Plan:**

The following metrics will be used to monitor the performance of the company after the introduction of the new product to the market:

- Monthly sales
- The ratio of odorless gel lacquers sales volume to the total monthly sales volume
- Website traffic
- Views of the video campaign
- Time to market
- ROI
- Net profit margin
- Cost of customer acquisition
- Change in customer lifetime value, if any
- Conversion rate

Figure 37

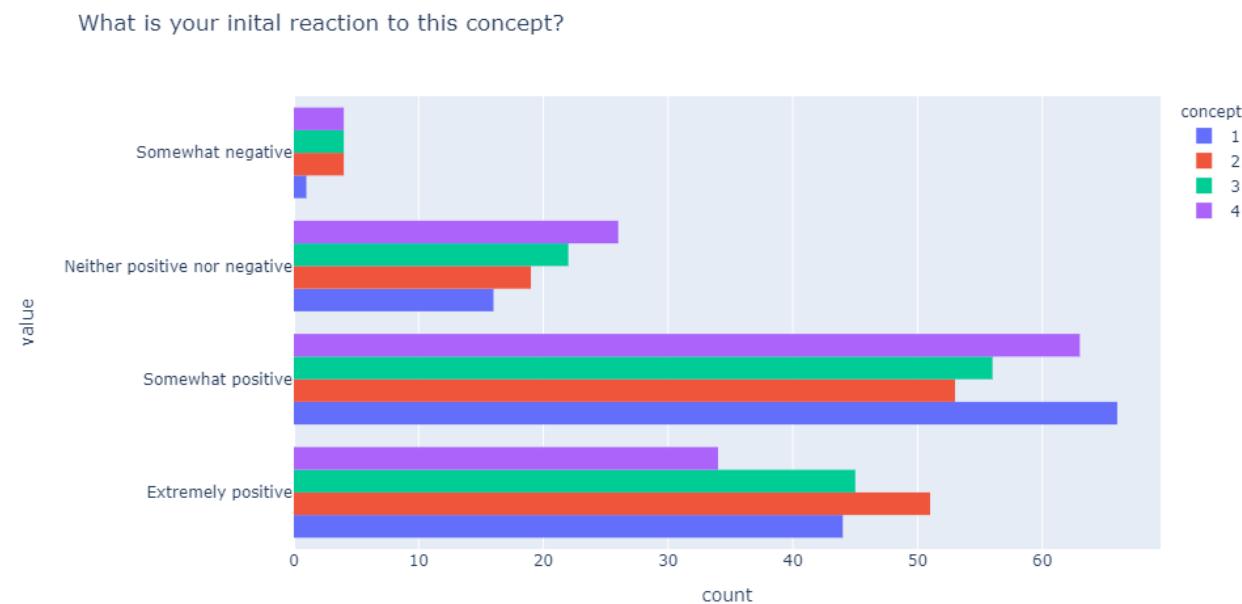
*Performance Measuring Metrics*

	<b>-10% projected sales</b>	<b>100% sales revenue reached</b>	<b>+10% projected sales</b>
	<b>Underperforming</b>	<b>On target</b>	<b>Overperforming</b>
<b>Conclusions</b>	Possibility of low customer awareness/inability to meet the demand	Everything goes as planned	Opportunity to develop new products
<b>Actions to be taken</b>	<ul style="list-style-type: none"> <li>-Increase the budget for advertising and promotion</li> <li>-Concentrate on exclusive offers for beauty supply stores to cut the inventory costs</li> <li>-Consider influencer marketing integration in the strategy</li> <li>-Add automation to the production process to make sure that the demand is satisfied</li> </ul>	<ul style="list-style-type: none"> <li>-Maintain the results by preparing monthly financial reports of the company</li> <li>-Integrate analytics 2.0. to generate real-time customer behavior data and stay on top of the recent market trends</li> </ul>	<ul style="list-style-type: none"> <li>-Consider launching a new color collection of odorless gel lacquers</li> <li>-Conduct concise calculations to make sure that the production has the continuous ability to meet the demand</li> <li>-Plan expanding into new markets. We suggest starting from online sales.</li> </ul>

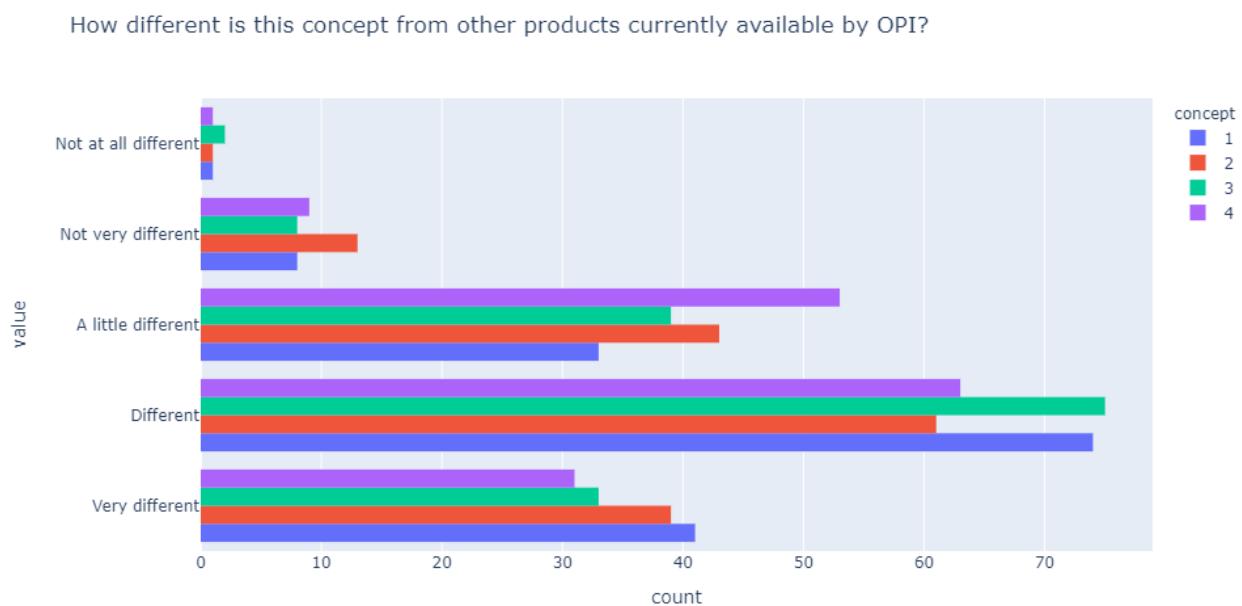
## Appendix

### Quantitative Survey - Exploratory Data Analysis:

Question 1: What is your initial reaction to this concept?

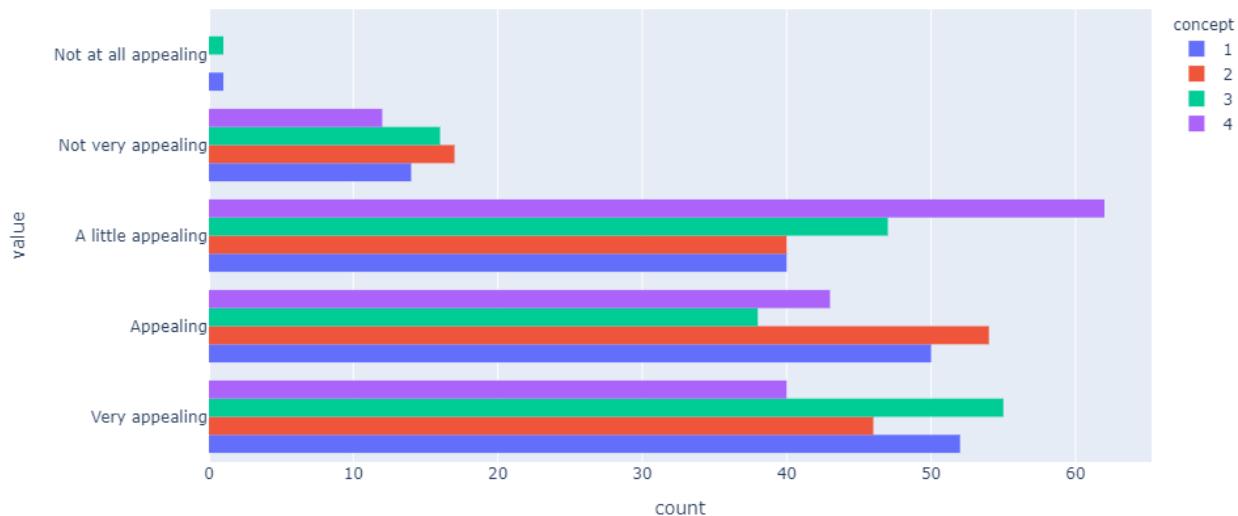


Question 2: How different is this concept from other products currently available by OPI?



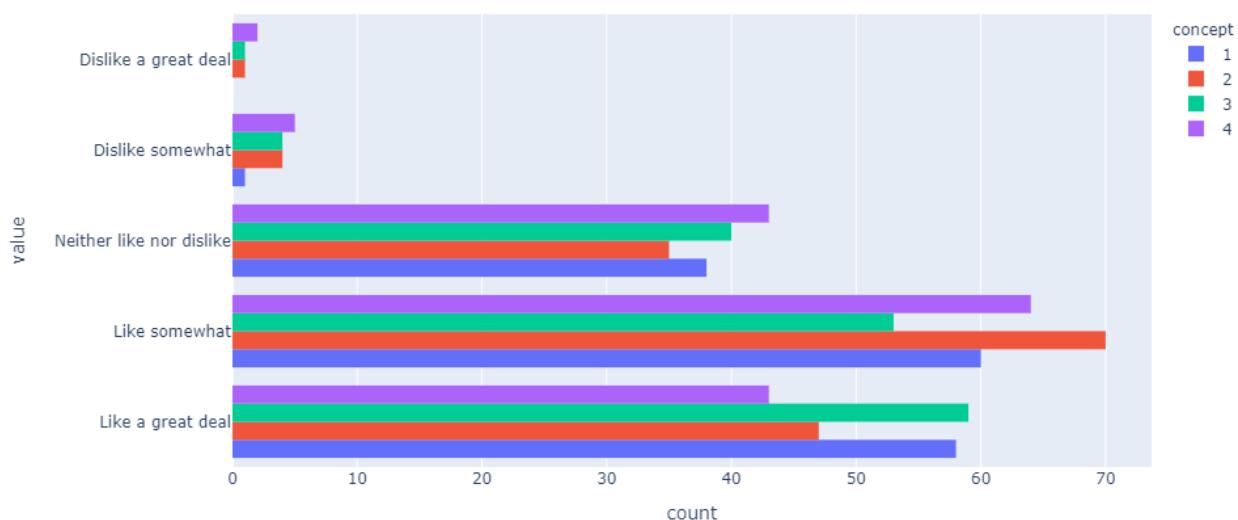
Question 3: How appealing is this concept compared to other products currently available?

How appealing is this concept compared to other products currently available?



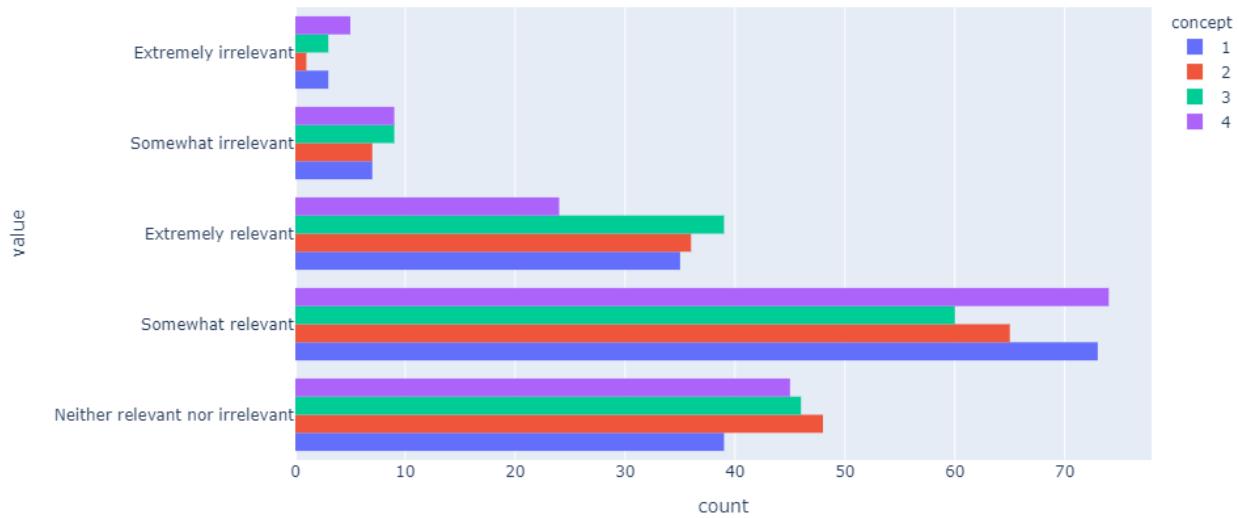
Question 4: How much do you like or dislike this concept?

How much do you like or dislike this concept?



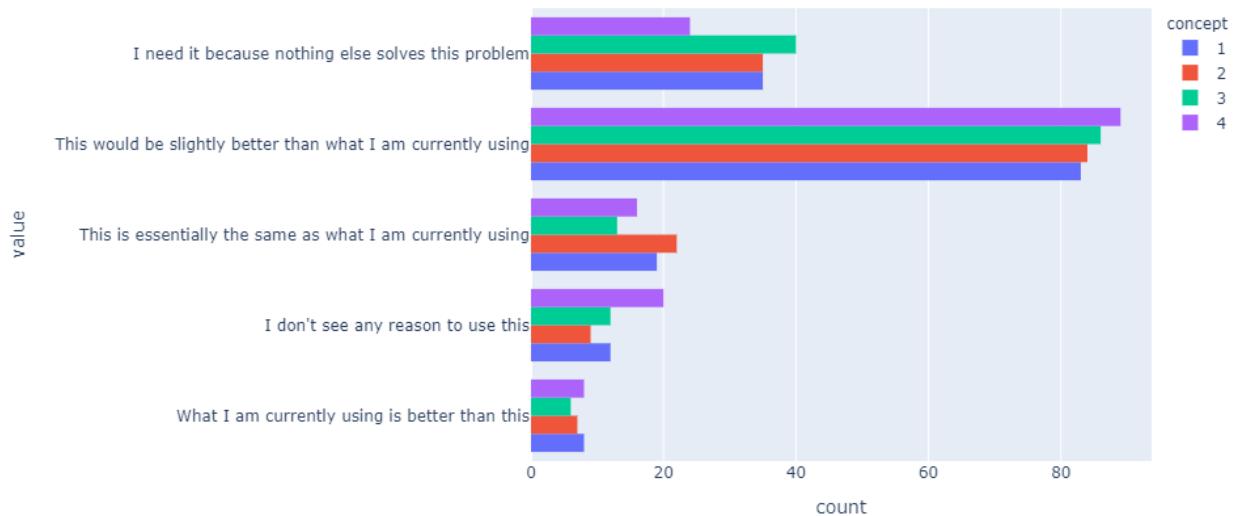
## Question 5: How relevant is this concept to you personally?

How relevant is this concept to you personally?

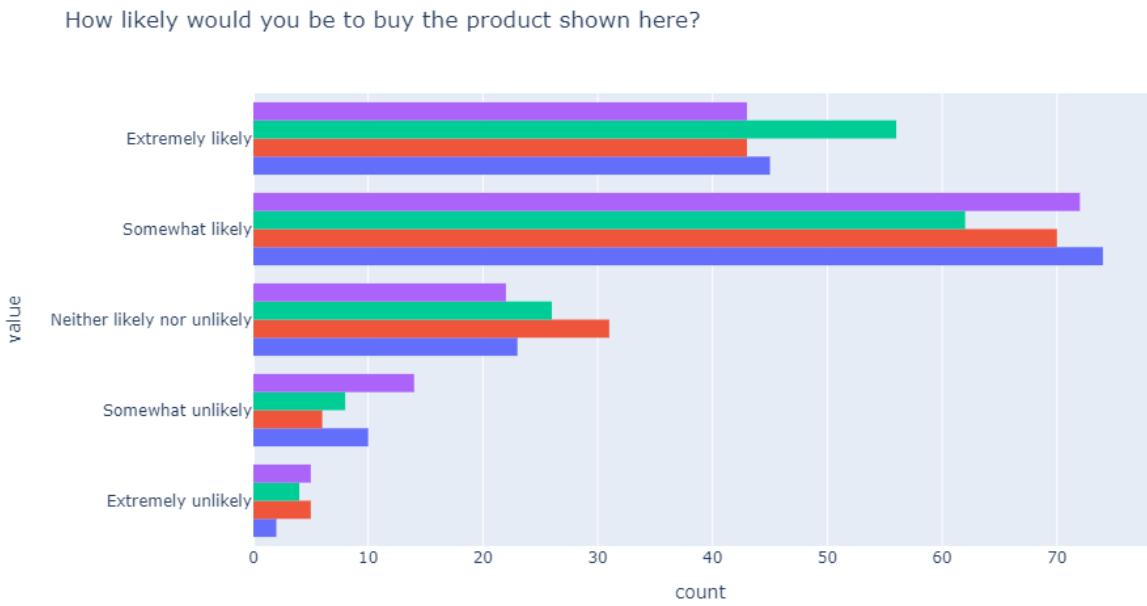


## Question 6: From the list below, which best describes your need for this concept?

From the list below, which best describes your need for this concept?



### Question 7: How likely would you be to buy the product shown here?



### Question 8: How much would you expect to pay for this product?

