



HOLLYWOOD, CALIFORNIA

GLAMGLOW

February 2013 Situation Analysis by Chelsie Sanchez

HOLLYWOOD, CALIFORNIA

GLAMGLOW®



ABOUT

What is GLAMGLOW™?

This revolutionary mud mask is taking the world by storm. GLAMGLOW™ is crafted for men and women of all ages and skin types, is made in California, and is available in 52 countries.

- ★ *GLAMGLOW's mud base is from the south of France in the Mediterranean Sea*
- ★ *Provides gentle resurfacing exfoliation and leaves skin noticeably radiant and glowing.*
- ★ *Absorbs impurities without removing natural oils. Helps to protect against free radical damage.*
- ★ *Patent-pending TEAOXI™ time-release technology delivers antioxidants to the mud from green tea leaves, and is the "magic" behind the anti-aging results.*

Founded in 2010 by Glenn & Shannon Dellimore, GLAMGLOW® has been a favorite beauty secret amid the entertainment industry for years. Originally sold exclusively for behind-the-scenes entertainment, music and fashion award industries, GLAMGLOW® gained popularity with women around the world after its 2011 retail launch.

After realizing with the help from some of their actor friends, that there was no easy-to-use, immediately effective product on the market for instant camera-ready skin, the Dellimores (after much research) started formulating a product in their own home. Shortly, after a few samples were tried by their friends, executives from major studios and other A list actors were requesting more of the no-name product.

A year later, this no-name, plainly packaged "miracle mud" was being used on sets all over Hollywood. Eventually, the V.P. of a major luxury retailer contacted the couple to express interest in retailing their mud, and this was the birth of GLAMGLOW™.



YOUTHMUD™

This "TINGLEXFOLIATE" mask is a 10-minute professional 'facial in a jar' and is composed of volcanic rock and green tea & eucalyptus leaves that leave your skin feeling and looking amazing.



SUPERMUD™ CLEARING

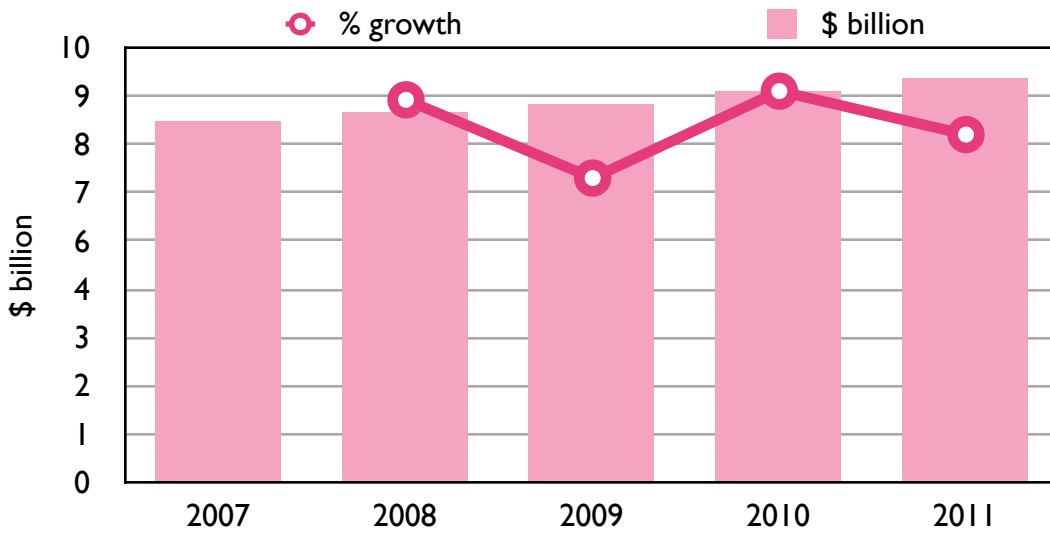
A step up from the original, the world's most scientifically advanced clearing mud treatment provides you with deep pore vacuum extraction and seemingly poreless skin.



LIMITED EDITION: CURE SEXY

A special edition of our original YOUTHMUD™ was sold from October-December 2012 and proceeds were donated to the Pink Ribbon Foundation.

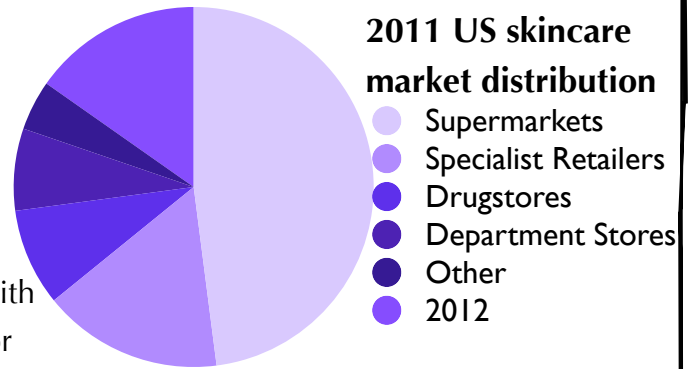
SKINCARE MARKET ANALYSIS



US skincare market value
\$ billion, 2007-2011

CURRENT MARKET

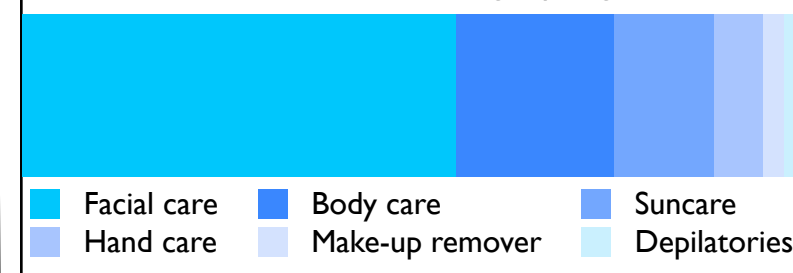
- The US skincare market has been continuously expanding at a moderate rate since 2007, with a compound annual growth rate (CAGR) of 2.9% from 2007-2011.
- Total revenues approximated \$9.3 billion in 2011, with **facial skin care** being the most lucrative accounting for revenues of \$5.2 billion, or 55.7% of the market.
- The skincare market CAGR is forecasted to marginally decelerate to about 2.6% from 2011-2016, bringing total revenues to about \$10.6 billion.
- Currently, the market is dominated by four leading companies: Unilever, Johnson & Johnson, Proctor & Gamble and L’Oreal. However, these brands are not leading providers of facial masks in particular.



NEW ENTRANTS

- Brand loyalty causes most retailers to stock products of well-known brands, which may make it harder for emerging companies to persuade stores to sell their new products.
- New brands and/or products that use natural materials in production will likely have an easier time entering the market due to health scares about the possible dangers from using synthetic materials.
- Because the leading players in this market invest heavily in product innovation and building brand equity, new entrants face considerable competition- yet the diverse range of products offered by these brands allows more room for rivals in skincare.

2011 US skincare market category segmentation



0%

100%

DEMOGRAPHICS PRIMARY

Age: 22-49

Sex: Women

Income and Social Class:
\$50,000K+ | mid-high class

Occupation: Business and entertainment industry professionals

Race/Ethnicity: Open

Education: High school and college graduates, business professionals, those involved in the entertainment industry

Family Size: Single & married, possibly with young children

Geographic Location: Southern California and Northeast Coast

SECONDARY

Our secondary audience includes those not categorized by the demographics above—particularly individuals who may be influenced by the primary audience to try our product. This includes both men and women of all ages who are possible future buyers, but are not aware of the product at this time; also those who may buy GLAMGLOW™ as a gift for others, but are not high-volume consumers of skincare themselves.

TARGET AUDIENCE



PSYCHOGRAPHICS- WHAT ARE THEY LIKE?

Our consumers

- Healthy, active and social
- Follow trends
- Shop for fashion and beauty products consistently
- Read fashion magazines and blogs and are up-to-date with the industry
- Eco-conscious and influential
- Hip, trendy and “cool”

They like our product because:

- It shows amazing results—providing them with radiant, young-looking skin
- It is endorsed by celebrities
- It is made with many natural ingredients
- It is available at their favorite stores, and also E-commerce websites like Amazon



Who has purchased in the past?

We acquired an important fan base as our product was originally sold exclusively for professionals in the entertainment industry. We have gained much popularity since our product is now offered at department and beauty specialty stores.

Who are the heavy users?

Aside from entertainment industry professionals, the heaviest users are women who shop for high-quality beauty products at high-end department and specialty beauty stores, such as Neiman Marcus and Sephora, and prefer to invest in top-quality beauty products rather than “settling” for a drugstore brand.

What about the rest?

Although this campaign will focus on marketing to consumers who already purchase a high volume of skincare products, we are also hoping to raise awareness about GLAMGLOW™ to those who do not currently use masks and are potential future buyers.

CONSUMER MEDIA

While we have a broad variety of consumers, ranging in age from young women in college to some approaching their 50s, there are many media choices they have in common. We must analyze each medium efficiently in order to find the most cost-effective means of communicating with them. The below data are top index scores for particular media vehicles, and what that data most likely reveals about the consumers. *-Data collected from MRI+*

MAGAZINES

The magazines most read by our consumers include: Allure, American Baby*, Baby Talk, Bridal Guide*, Brides, Coastal Living, Cooking Light, Cosmopolitan, Elle*, Elle Decor*, Essence, Fit Pregnancy*, Fitness, Fortune, Glamour* Harper's Bazaar*, In Style*, In Touch, Life & Style*, Lucky*, Macworld, Marie Claire*, More*, O, OK!, Parenting, People, Real Simple, Redbook, Self*, Seventeen*, Shape*, Traditional Home, Vanity Fair, Veranda, Vogue*, W**, Women's Health, Working Mother, Yoga Journal*

This data is perhaps the most important. It reveals that not only do our consumers read mainly women's interest and fitness magazines, but that this is their medium of choice when it comes to personal entertainment and information gathering.

*Index reading

of over 200

**Index reading

of over 300



NEWSPAPERS

Many of our consumers' households do receive newspaper subscriptions, but this will not be an effective advertising medium for our product and thus will not be analyzed.

TELEVISION

The most watched networks in our primary consumers' households include: ABC, Disney, E!, HSN, Lifetime, MTV, PBS Kids, Oxygen, SOAPnet, Style, TeenNick, HBO. *This reveals that our consumers most likely have children in the house, but when watching TV themselves, typically choose programs related to shopping, fashion, entertainment and women's interests.*



INTERNET

Some of the most .coms visited by our consumers' households include: ABC, Disney, IMDb, iTunes, iVillage, MSN movies, Moviefone, MTV, About, Superpages, Yahoo! Answers, CareerBuilder, Hotwire. *This reveals that our consumers tend to use the Internet mainly for entertainment purposes, such as music and video streaming, and also for simple information gathering about celebrities, "how-to" and travel.*



GLAMGLOW®
IS RETAILED THROUGHOUT THE WORLD

MAJOR COMPETITION

Leading companies in the skincare market



Although these incredibly established companies currently dominate the skincare market, they are not immediate threats since they offer an immense variety of products other than facial skincare.

Top competing brands who sell similar products

-according to most consumer reviews

Ahava- Purifying Mud Mask, 3.4 oz, \$31

Kiehl's- Rare Earth Pore Cleansing Masque, 5.0 oz, \$23

Aveda- Deep Cleansing Herbal Clay Masque, 4.4 oz, \$22

Queen Helen- Original Mud Pack Masque, 8 oz, \$7

St. Ives'- Mineral Clay Firming Mask, 4.75 oz, \$5



GLAMGLOW™ has proven to be the leading brand in facial mud masks by winning these coveted beauty awards



Popular celebrities like Nina Dobrev, Natalie Portman and Miley Cyrus have all raved about GLAMGLOW™



"MY SKIN LOOKS AMAZING, GLAMGLOW IS MY NEW BEST FRIEND."

★ Nina Dobrev, Lead Actress, Vampire Diaries

SWOT ANALYSIS



STRENGTHS

- A favorite amongst the entertainment industry
- Available at many popular retail stores including: Neiman Marcus, Dillard's and Sephora
- Consistently featured in magazines around the world because of our increasing celebrity following
- Collaboration with luxury hotels and spas to offer specially packaged products not available for retail
- Recent charity involvement
- Only skincare company located on the "Stars Walk of Fame" in Hollywood
- Consistently wins major beauty awards

WEAKNESSES

- High price range: can be seen as overpriced in comparison to other brands that offer a similar product.
- Being sold only in high-end department or beauty specialty stores may cause us to miss out on a large group of consumers
- May be hard to gain competing, established brands' loyal customers since many women do not like switching beauty products if they are currently happy with the products they already use.

OPPORTUNITIES

- More consumers are looking to buy natural products due to recent health scares about the possible dangers of synthetic chemicals used in beauty care products
- Growing trend of mud masks (possibly helped to be established by our celebrity following, but not definitively)
- New media, especially social media, will provide us with many opportunities to market to our target audience
- Improving economy allows for more consumer disposable income

THREATS

- Low priced brands offering similar products at cheaper prices
- Possibility of other companies trying to copy our product's composition due to its recent success
- Recovery from a bad economy can cause our primary (and especially secondary) consumers to still think twice about purchasing a 50 ml mud mask for \$69 retail



fabulous

WHAT DOES ALL OF THIS MEAN?

Based on the conducted research and SWOT analysis, it appears that GLAMGLOW™ is doing quite well in the growing skincare industry. There has also been an increasing amount of celebrity fans, even after the retail launch in 2011. This only helps to raise awareness about our product since most of our primary target audience typically chooses to expose themselves to media that feature these celebrities. With the additional contracts with luxury hotels and spas offering our products (some not available for retail), this should only lead to a further increase in sales and exposure.

We should continue to market our product to entertainment industry professionals, but since that particular environment conveniently tends to spread awareness by word-of-mouth, there is an imperative need to advertise to “everyday” women who are high-volume beauty product consumers. If we can successfully advertise in the indicated media vehicles, we should gain new customers from our primary target audience, and hopefully raise awareness about our product to those who have not heard about it yet. The medium that seems to be the most cost-efficient and effective is women’s interest magazines. Our target consumers largely choose this medium over any other for their personal entertainment and information gathering. With a wide range of possibilities to choose from including: fashion-focused, celebrity gossip, parenting, fitness and bridal magazines, we should have no problem reaching our desired consumers.

If we can also consistently continue to win major beauty awards, this should have a substantial impact on our sales and brand desirability and loyalty.

The main weakness we may have to consider for the upcoming campaign is that our price range may be unaffordable to some consumers we wish to gain. This is something that will have to be addressed with the owners, as they may not be willing to lower prices considering the success they have already experienced with prices as is.

Since GLAMGLOW™ has the advantage of selling only these innovative mud masks in the entire line, there will most likely be little to no competition in the company’s future. Consumer reviews should help influence others who are looking for truly radiant skin from a mud mask made from mostly all-natural ingredients.



REFERENCES

- ★MRI+ database: consumer profiles
- ★Mint Global market and company databases: market analysis
- ★GLAMglowmud.com: company history and general information
- ★Google: top selling, similar products and customer reviews

HOLLYWOOD, CALIFORNIA

GLAMGLOW

