

BIRCHBOX

Universidad Panamericana

Mexico

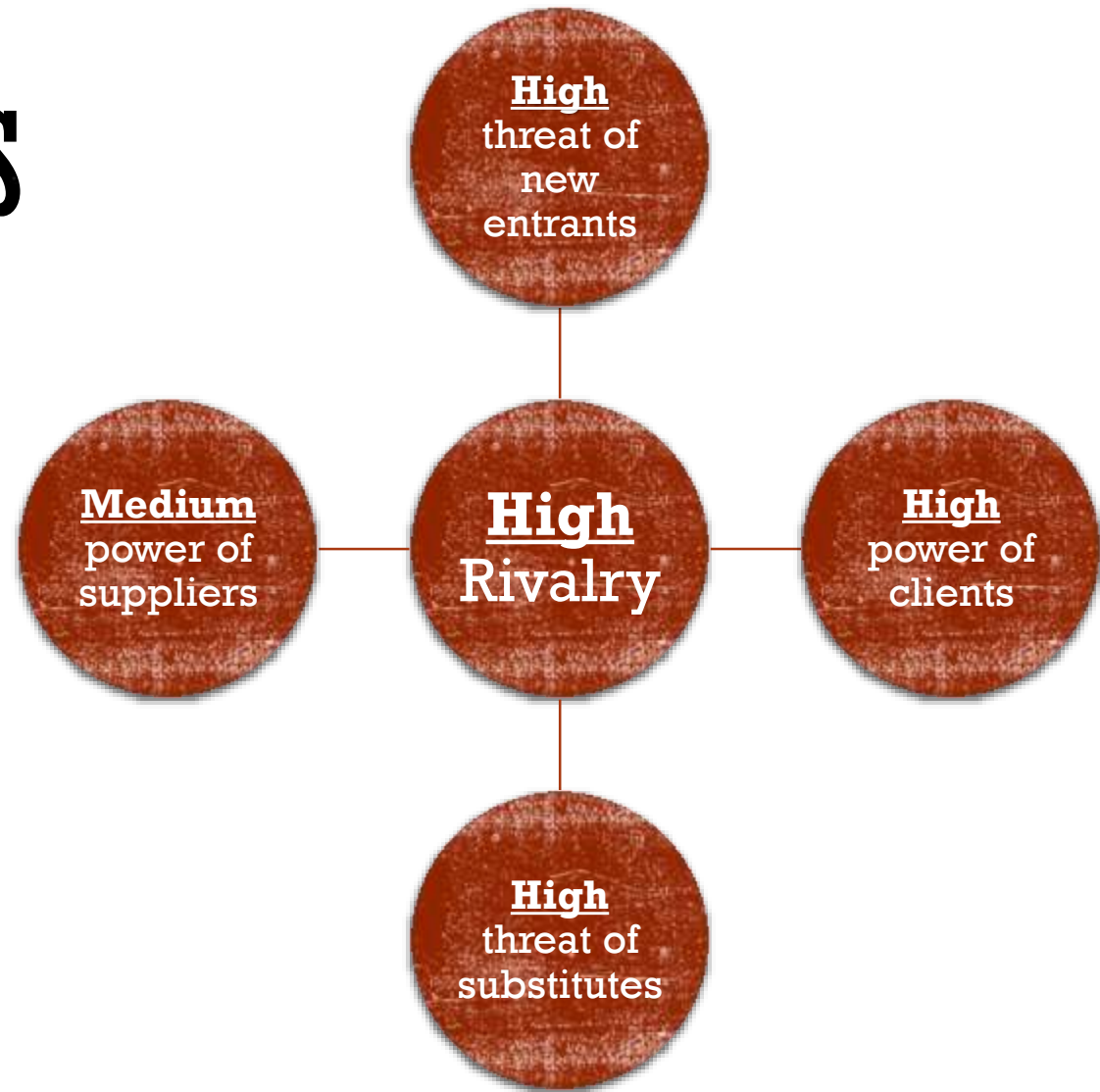


- **Analysis**
- **Problem statement**
- **Alternatives**
- **Solution**
- **Implementation**

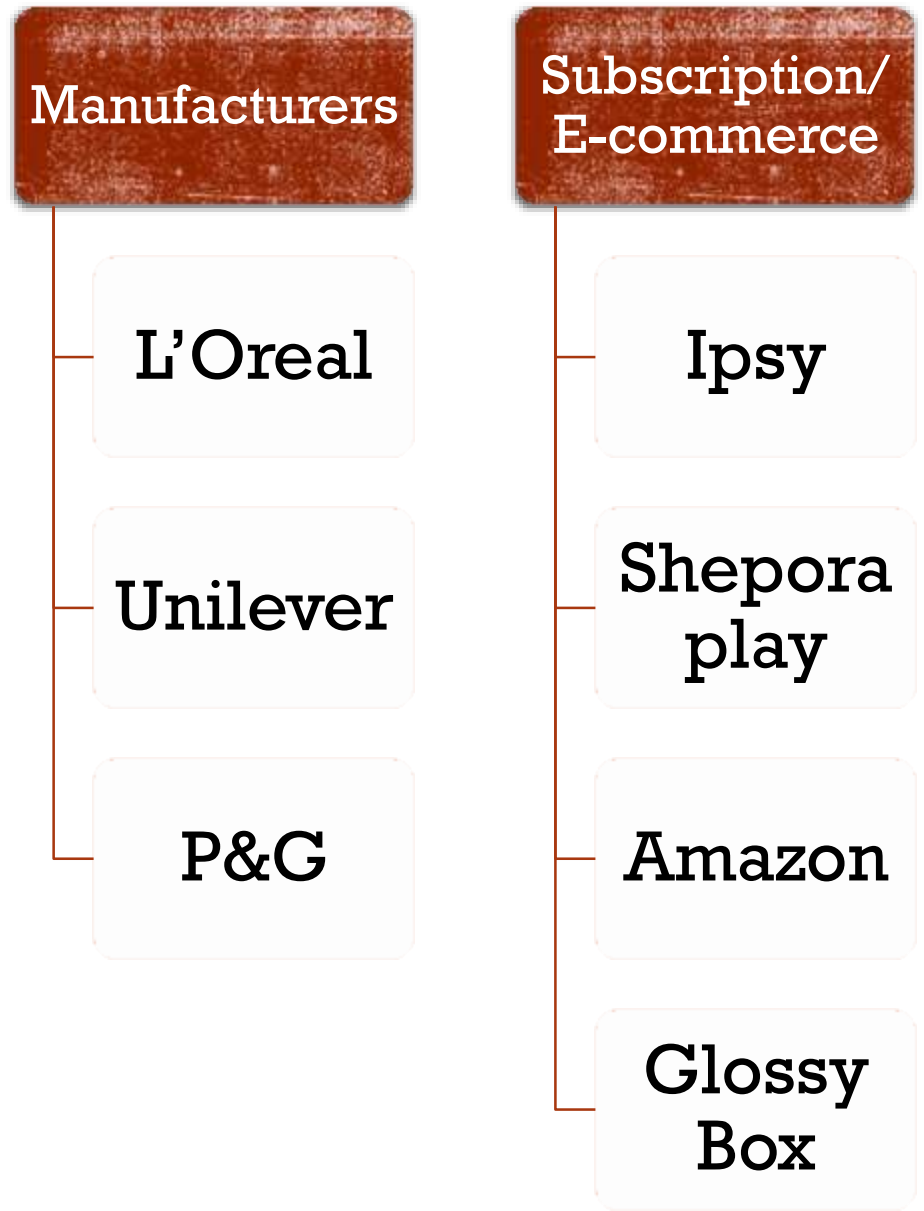
AGENDA



PORTER'S 5 FORCES



COMPETITION



BUSINESS MODEL

Value Proposition

- Careful personalization of the products in accordance with the profiles of the customers who registered for the service

Customers

- 31 years old average
- Annual income \$80,000
- Looking for quick shopping trips
- Looking for personalized products

Revenue Stream

- Subscription (45%)
- Full product sales (e-commerce 20%)
- Physical stores (35%)

Key Activities

- Personalization of the boxes
- Logistics, warehousing and packaging
- Looking for suppliers
- Marketing and content creation
- Site security

Cost structure

- Logistics
- Marketing
- Web page maintenance and development of content

SWOT

Strengths

- Good relationship dealers.
- Well known in the market.
- 1 Million subscriptions.
- Great financial support.
- Big data gathering.

Weaknesses

- Small automatization
- Small variety
- May not match the users preferences.
- Labour Peaks.

Opportunities

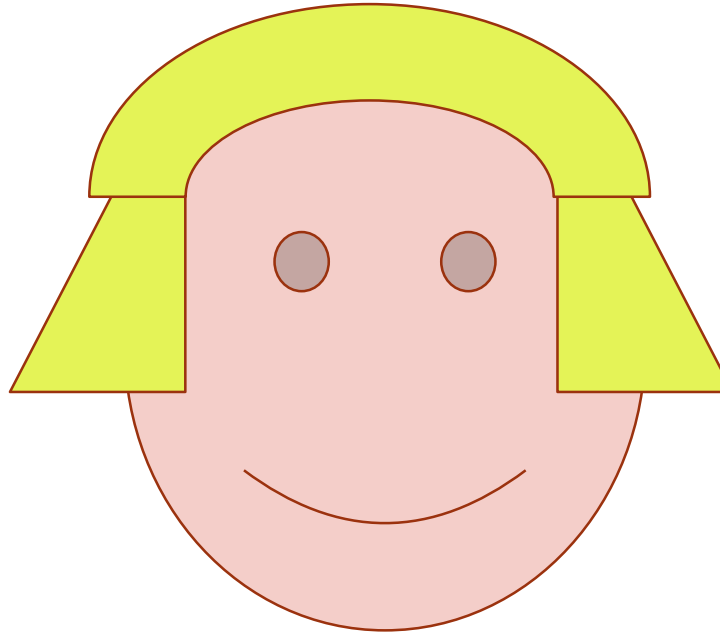
- Develop new markets.
- Increase efficiency.
- Reduce packaging labor.
- Collaboration with influencers

Threats

- Competitors rising.
- Investors support may decline.
- Once sampled it can be bought somewhere else.

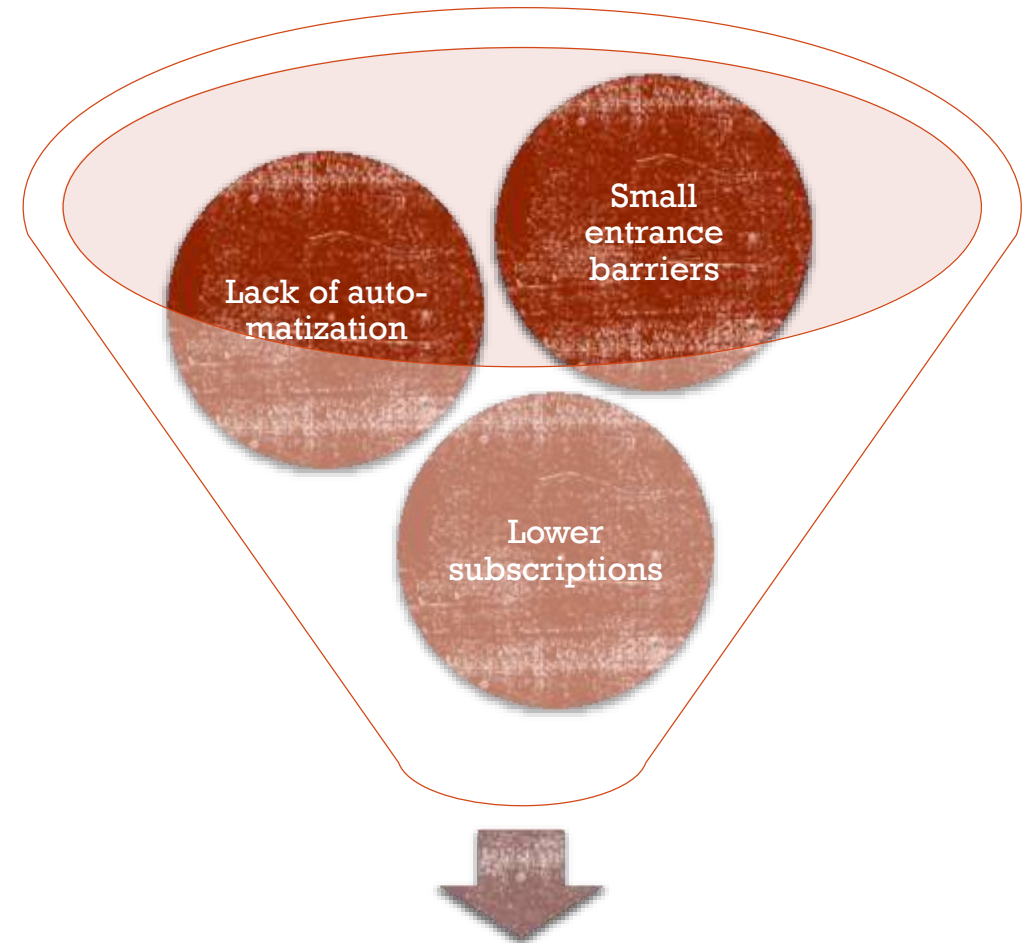
BUYER PERSONA

- Laura.
- 31 years old.
- Married.
- No kids (DINK).
- Household income of \$80,000.
- Growing in her professional career.
- Uses her cellphone a lot.
- Has accounts in Facebook, Instagram and Snapchat and visit YouTube constantly.



- Wishes to have children in a few years.
- Likes to attend social events showing different clothing.
- Get's tired of the routines quite easy.
- Shares comments with her friends about the products she buys.
- Does constant research about new things to acquire.
- Price conscious.

PROBLEM STATEMENT



Business Model

Analysis

Problem statement

Alternatives

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Implementation



ALTERNATIVES

1. Adapt Business Model

Add revenue streams and customers to increase revenues

2. Sell the company

Pay the debt

3. Increase subscriptions

Recover the 7% fall in its subscription

ALTERNATIVES

1. Adapt Business Model

Add revenue streams and customers to increase revenues

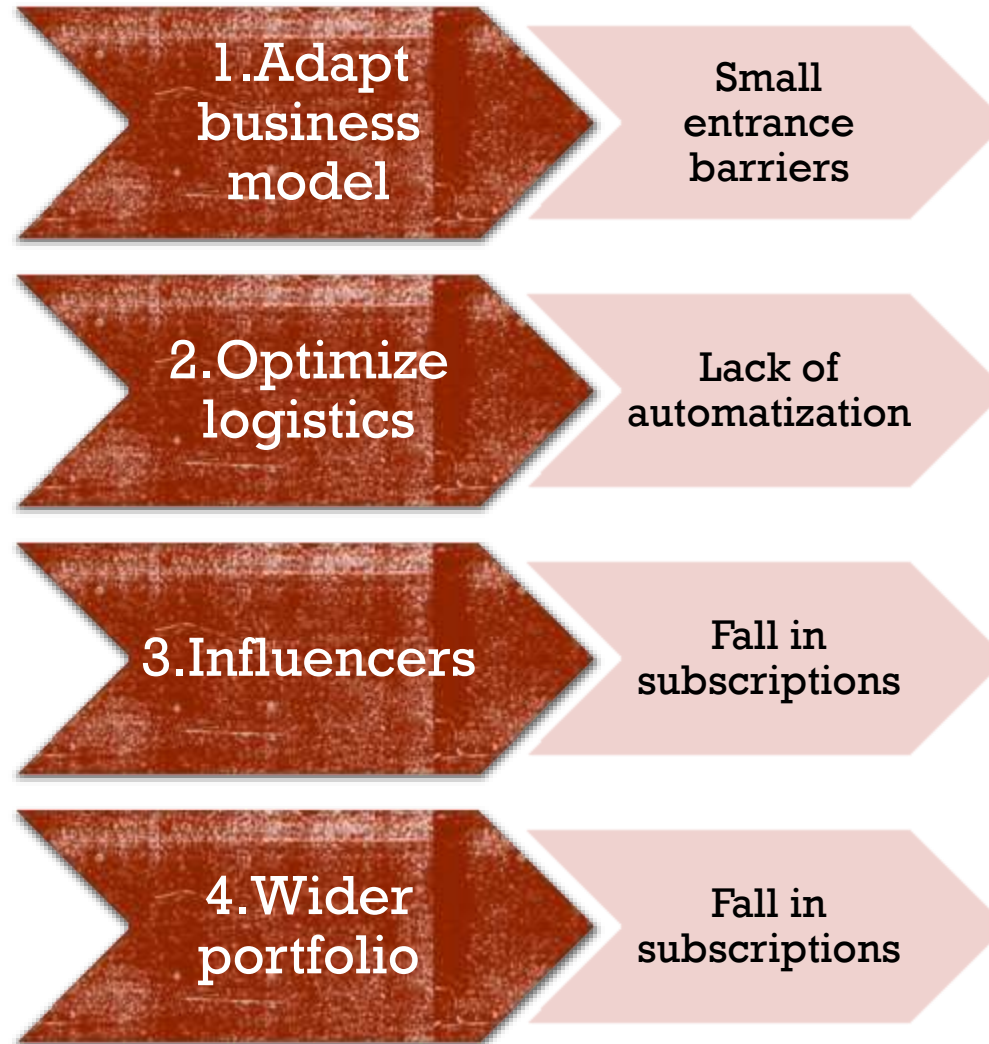
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SOLUTION



WIDER PORTFOLIO

- What?
 - Look for new colour cosmetics suppliers
 - Look for new drugstore price range suppliers
- Why?
 - Colour Cosmetics market has the second highest growth with in the industry
 - Young brands value the market exposure that the box offers
- For whom?
 - Subscribers
- Responsible:
 - Barna and Beauchamp
- Estimated cost: 2%
- Implementation plan: 9 months

Wider portfolio	1st quarter	2nd quarter	3rd quarter	4th quarter
Identify colour brands				
Identify young brands				
Negotiation of partnership				
Demand				
Dates of deliveries				
Products offered				
Sign partnership agreement				

COLLABORATION WITH INFLUENCER

- What?
 - Partnership with an influencer to collaborate with Brichbox own private label of make-up LOC
- Why?
 - Influencers are core to marketing strategies
- For whom?
 - Subscribers
- Responsible:
 - Barna and Beauchamp
- Estimated cost: \$3,000
- Implementation plan: 3 months

Influencers	1st quarter	2nd quarter	3rd quarter	4th quarter
Do bloggers research				
Analyse the opportunities to work with each blogger				
Stablish agreement of collaboration				
Select the products that will be use in				
Design the packaging of the product				

ADAPT BUSINESS MODEL

- What?: Data Mining and Market Research
- Why?: Income is not as high as investors would like and at the moment is easy to compete with Brichbox.
- For whom?: For suppliers and non suppliers.
- Responsible: Marketing and sales (launching the product). IT (developing the workforce).
- Estimated cost: \$20,000
- Implementation time: 1 year

Adapt Business Model	1st quarter	2nd quarter	3rd quarter	4th quarter
Gather and structure the information				
Hire Data Analyst				
Develop sales plan				



OPTIMIZE LOGISTICS

- **What?:** Add delivery charge (0.99 USD) and change order in the accommodation of the products.
- **Why?:** The delivery times are making it hard to have everything on time when automatization is hard to conceive with a custom made box.
 - 68% of the customers are looking for free shipping while buying in the internet.
- **For whom?:** For subscribers.
- **Responsible:** Operations department.
- **Estimated cost:** \$0
- **Implementation time:** 3 months

Optimize Logistics	1st quarter	2nd quarter	3rd quarter	4th quarter
Add delivery charge				
Schedule different delivery times				
Change the accomodation of product				



RISK MATRIX

Chances of happening
0 - 33%
33 - 66%
66 - 100%

IMPACT	1	2	3	3
	Adapting BM	Optimatization	Influencers	Wider portfolio
LOW	Decrease in database size	Customers not willing to pay shipping	Influencers appearing in scandals	Not getting new suppliers
MEDIUM	No interest in the service	Customers will get to know what's inside of the box		Customers not liking the new products
HIGH	Entrance of new competitors	Customers not liking to receive the product in different times		

Analysis

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RISK MITIGATION

Entrance of new competitors

Create long term relationships with customers

Customers not liking different products

Reinforce the need of their comments in order to make better picks.



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THANK YOU

