

BLUELAND

SUSTAINABILITY IS (IN) OUR DNA

JOHN MOLSON MBA INTERNATIONAL CASE COMPETITION – CASE 2

2023

OUR TEAM

CORVINUS UNIVERSITY OF BUDAPEST
HUNGARY



BALÁZS BOGA
Public Policy
and Management



BORÓKA BRIGLOVICS
Management and
Leadership



HELÉNA MANJI
Management and
Leadership



JÓZSEF DÉKÁNY
Accounting

EXECUTIVE SUMMARY

Executive summary with the most important elements of the solution.

ANALYSIS

QUAN: INTENSE COMPETITION, BUT THERE IS THE ABILITY TO GROW.

QUAL: SOLID GROWTH IN THE US BEAUTY MARKET – FOCUS ON THIS.

ALTERNATIVES

GROWTH OPPORTUNITIES IN THE **CLEANING** PRODUCT INDUSTRY

GROWTH OPPORTUNITIES IN THE **BEAUTY** PRODUCT INDUSTRY

RECOMMENDATIONS & IMPLEMENTATION

CLEANING PRODUCT INDUSTRY

Blueland products for cars

Blueland products for hotels & offices

Retail plans for Blueland

BEAUTY PRODUCT INDUSTRY

Beautyland

(go-to-market selling strategy

with target group and distribution channels)

IMPACT

SALES OF 44.6 MILLION USD IN FY26.

ADJUSTED GROWTH PROFIT OF 38.3 MILLION USD IN FY26.



STRUCTURE

01 ANALYSIS

**02 DEVELOPMENT OF
ALTERNATIVES**

**03 RECOMMENDATIONS
& IMPLEMENTATION**

04 IMPACT

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01 ANALYSIS

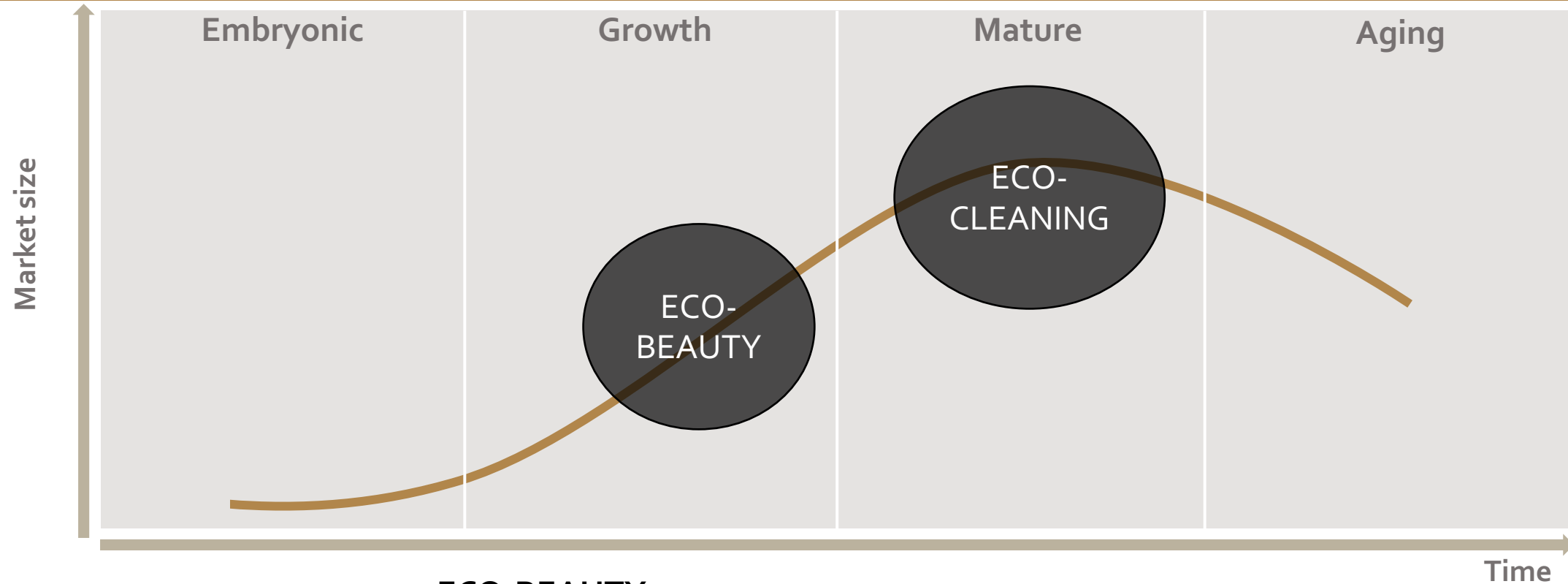
**02 DEVELOPMENT OF
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MARKET MATURITY

Intense competition, but there is the ability to grow.



ECO-BEAUTY

ECO-CLEANING

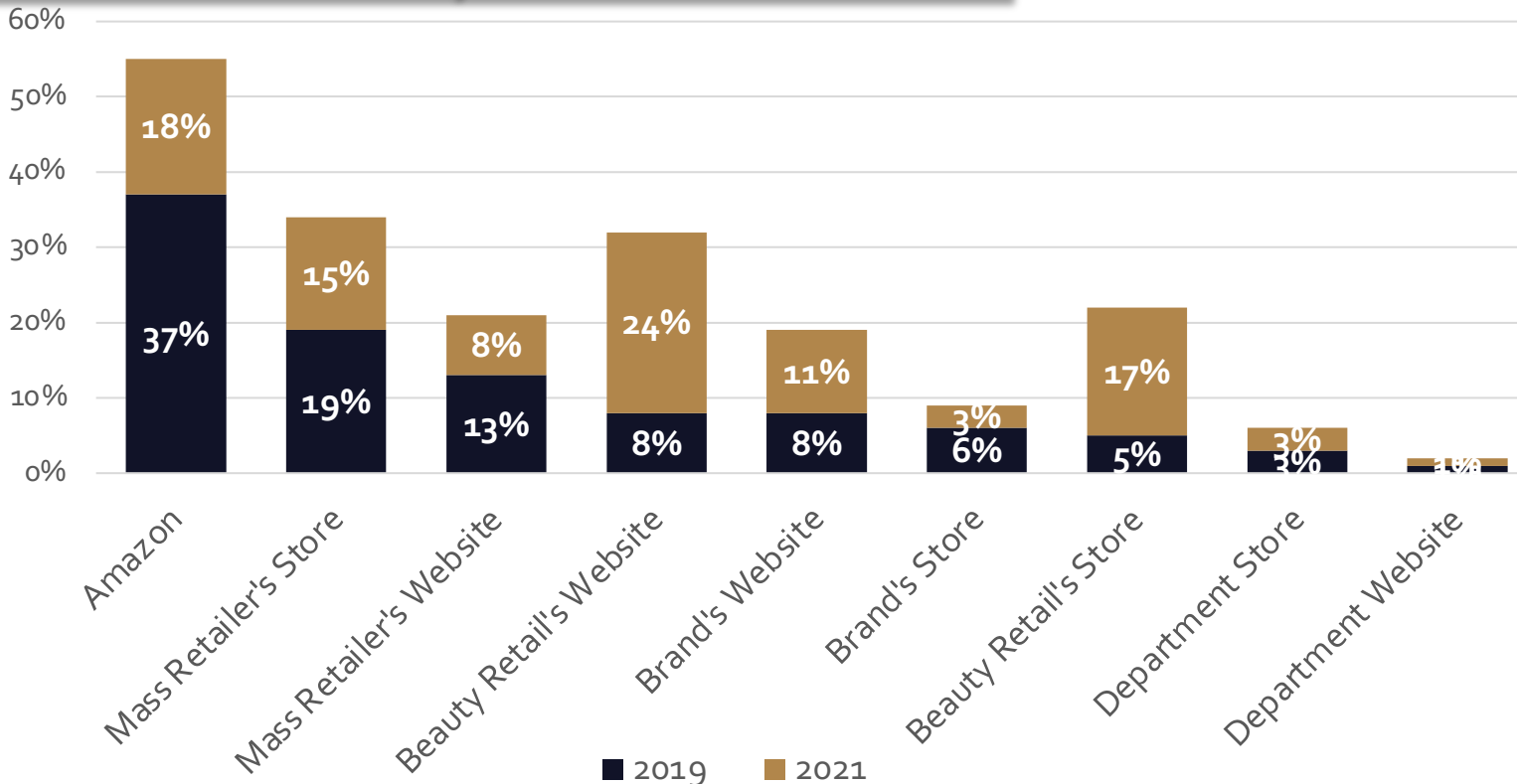
INDICATORS	Fragmentation	High concentration, mature industry
RIVALRY	Increasing	Intense
FOCUS	Ability to grow	Market share and lower costs



SHOPPING HABITS IN THE BEAUTY INDUSTRY

The consumers prefer the online channels after Covid19.

Where do Consumers shop New-to-Them Beauty Product?



CONCLUSION 1

In the D2C market, the company should focus on Amazon

CONCLUSION 2

The other major channels are the: Beauty Retail's Website and Store

CONCLUSION 3

The target consumers should be Gen Z and Millennials

86% of Gen Z and 80% of Millennials will seek out sustainable products



THE US BEAUTY MARKET

The US beauty and personal care industry shows an increasing trend.

CONCLUSION 1

Market size expected to show a solid increase

CONCLUSION 2

Growth is driven by chemical-free products

CONCLUSION 3

Marginal proportion of Company's revenue is generated by beauty products

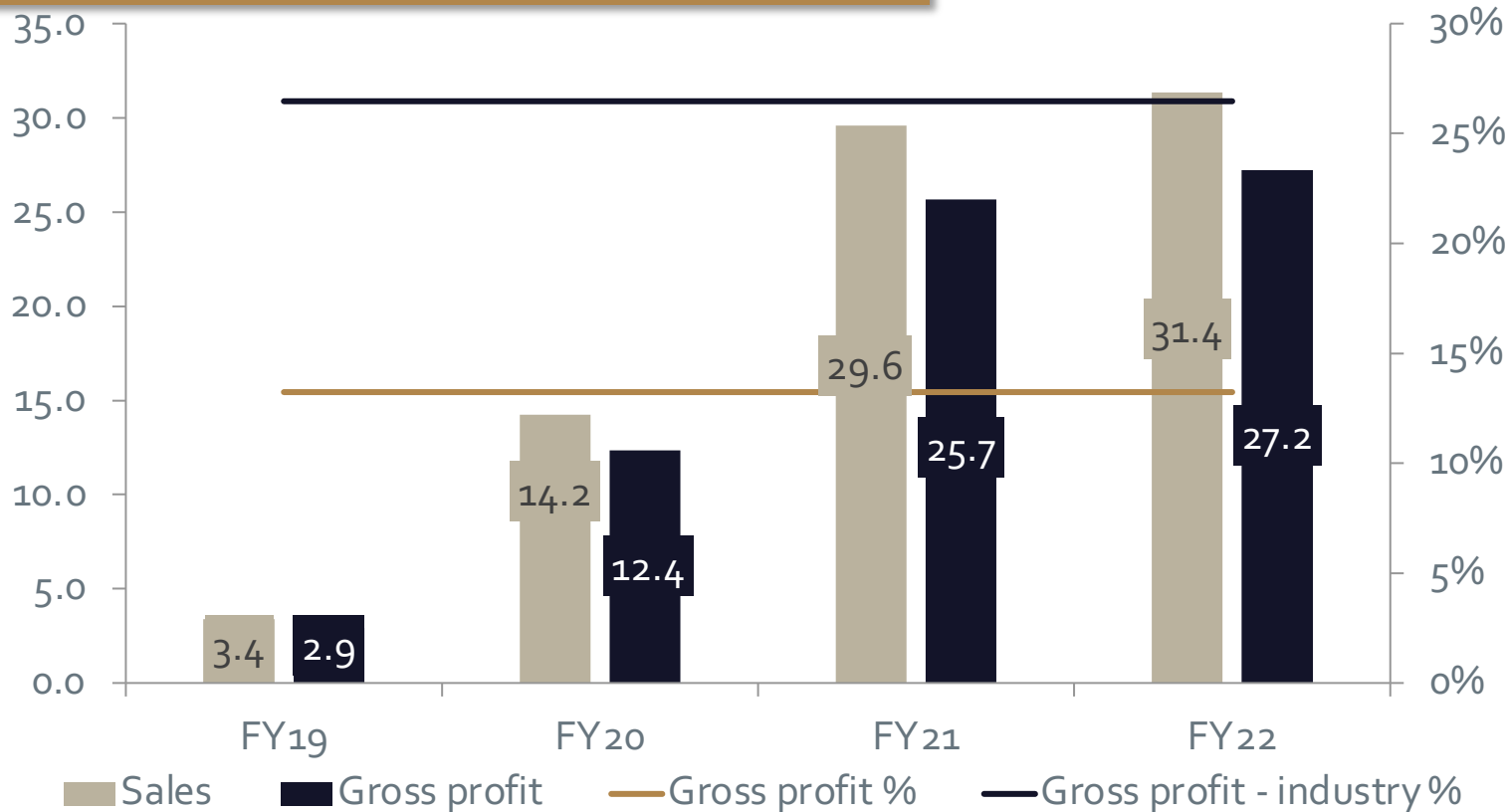
In order to exploit the growing market Blueland has to focus on its beauty products.



ANALYSIS OF HISTORICAL PERFORMANCE

The Company showed a significant growth between FY19 and FY22 supported by COVID-19 effects.

BLUELAND'S HISTORICAL PERFORMANCE



CONCLUSION 1

Between FY19 and YTD Feb 22 more than 50 million USD revenue

CONCLUSION 2

Dynamic growth due to COVID-19

CONCLUSION 3

COGS per product is 30% - 60% less than industry average

Company's gross profit % is way above the industrial average.



STRUCTURE

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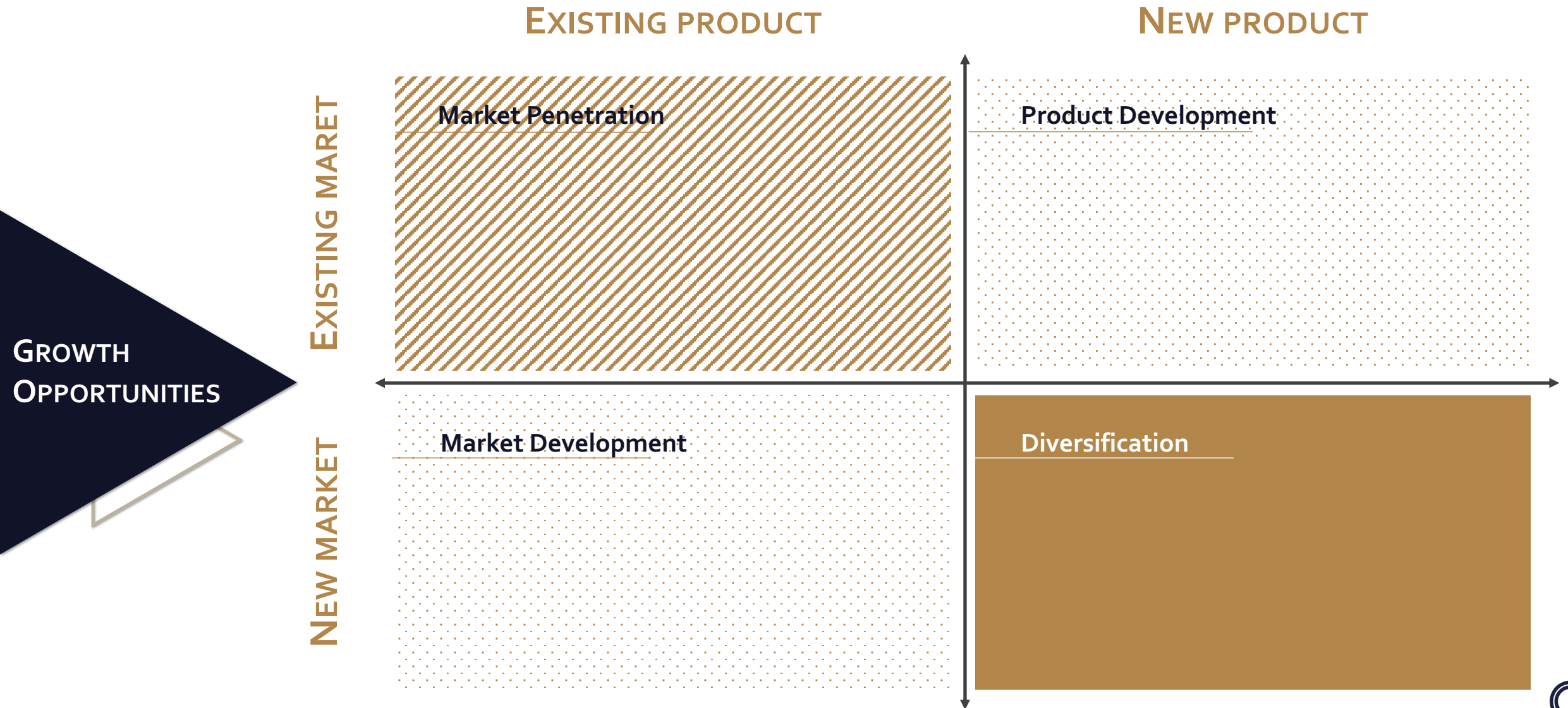
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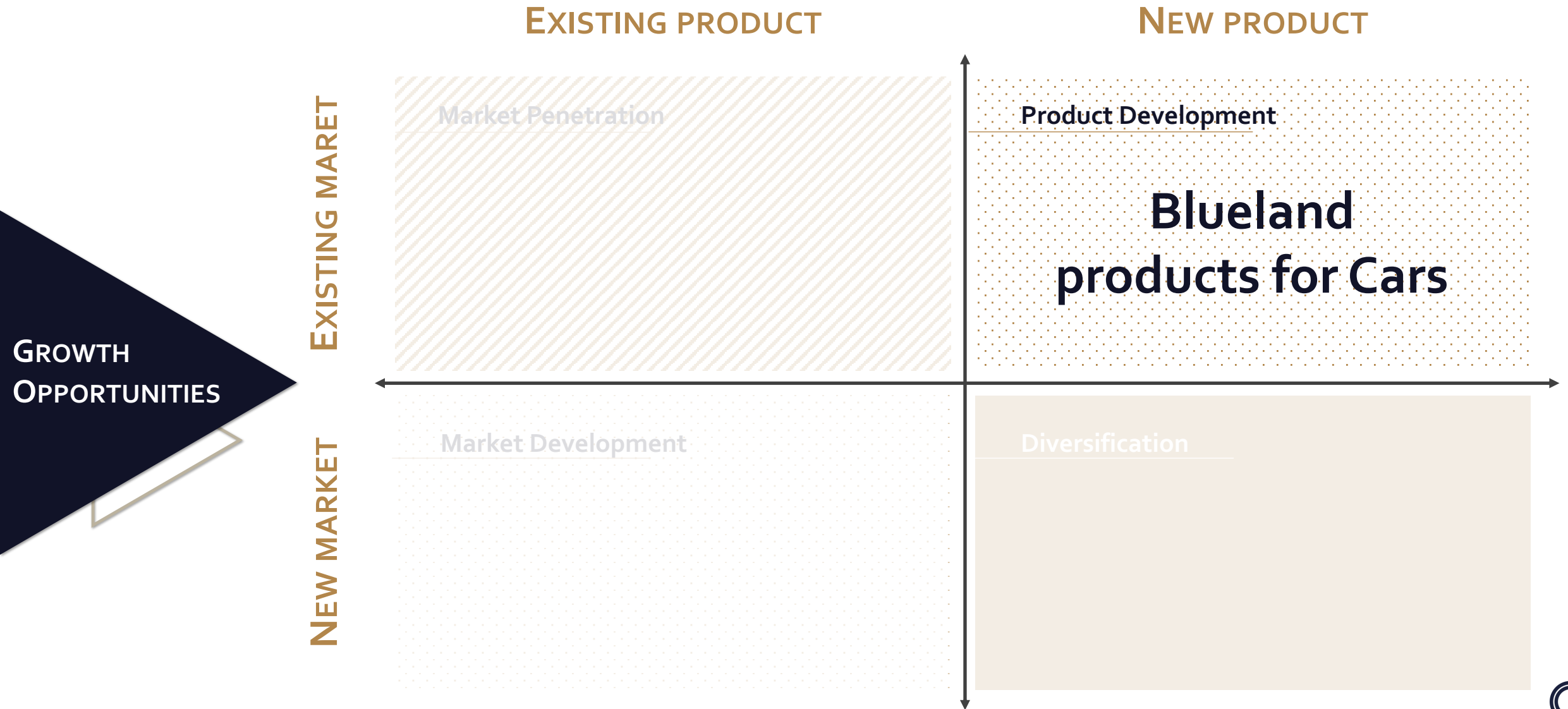
DEVELOPMENT OF ALTERNATIVES

Based on the growth opportunities according to products and markets.



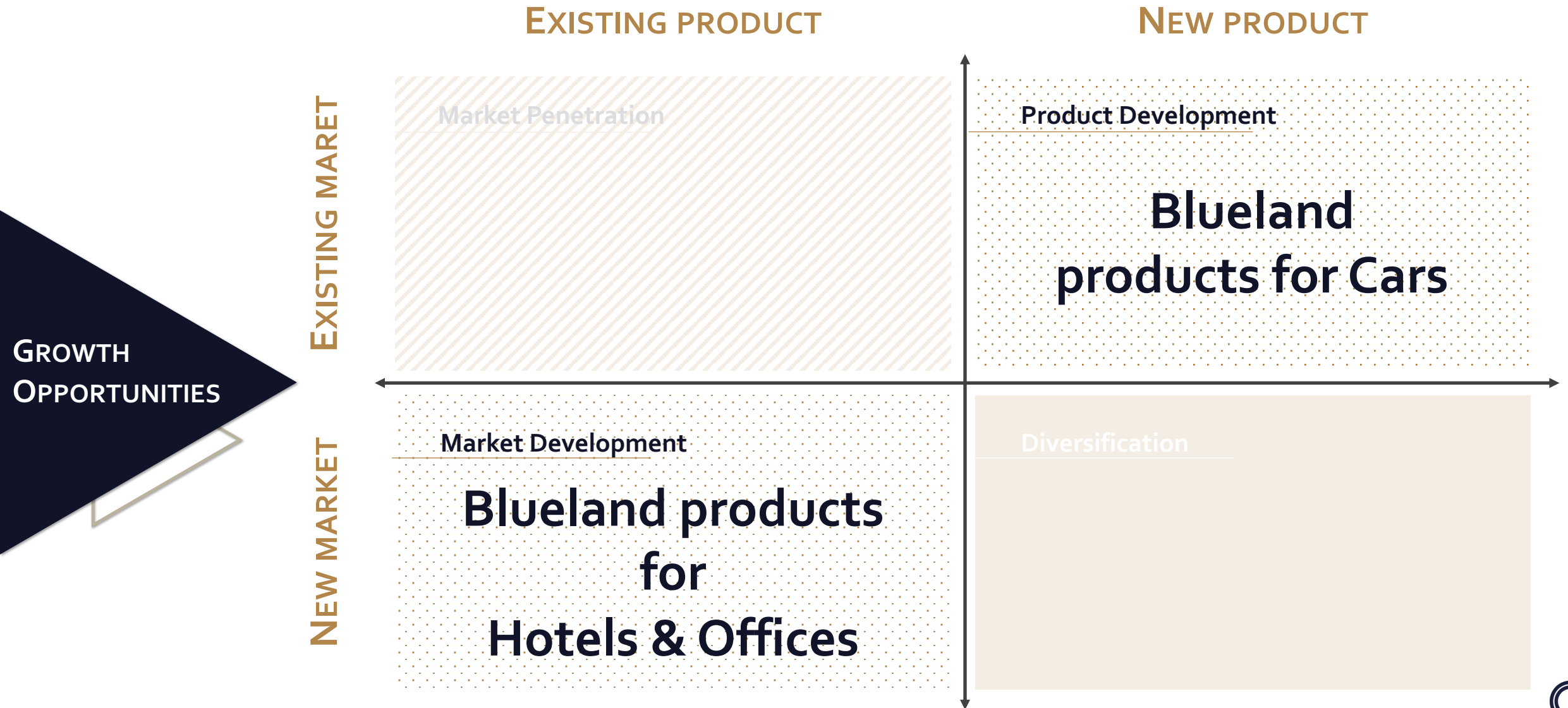
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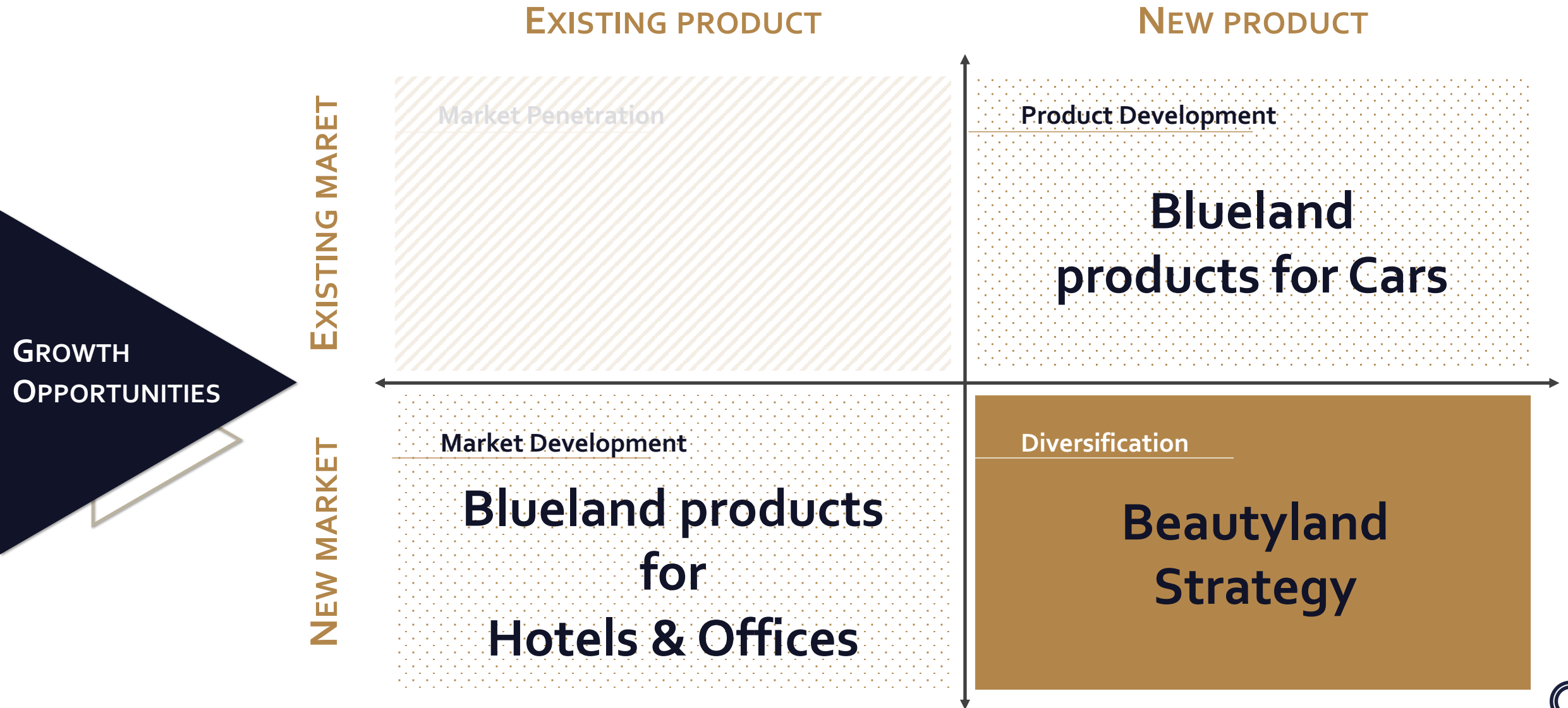
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CLEANING PRODUCT INDUSTRY

03

RECOMMENDATIONS
& IMPLEMENTATION

BLUELAND PRODUCTS FOR CARS

By entering into the car cleaning segment, Blueland will target the male costumers.

NEW ADDITIONS BASED ON CURRENT PRODUCTS



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(best-practice: Blueland's Multi-Surface Cleaner)

GLASS CLEANERS FOR CARS

(best-practice: Blueland's Glass + Mirror cleaner)

minor R+D is
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(best-practice: Quitamanca from ES)

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(best-practice: none)

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(optional)



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new segment: environmentally
conscious male customers



BLUELAND PRODUCTS FOR HOTELS & OFFICES

By targeting hotels and offices, Bluealand will improve in the cleaning product industry.

WHAT?

- 1 **Bluealand Cleaners**
- 2 **Bluealand Laundry essentials**
- 3 **Bluealand Toilet cleaners**
- 4 **Bluealand Hand soaps**



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HOW?

- 1 Targeting hotels and offices
- 2 Larger Q from the same products*
- 3 But smaller P (economy of scale)
- 4 Receiving the Bluealand Bedge

**these products already work in the B2C segment > focus on them*



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**NEW GROWTH OPPORTUNITIES
CONSOLIDATION OF BLUELAND'S POSITION
NEW WAYS TO FACE COMPETITION**



RETAIL PLANS FOR BLUELAND

In the case of the retail, Blueland will focus on mass retailers, both online and offline.

**SMALLER BRAND LOYALTY IN
THE CASE OF THE CLEANING
PRODUCTS**

**MALE CUSTOMERS HAVE TO
ALSO BE INCLUDED IN THE
DISTRIBUTION**



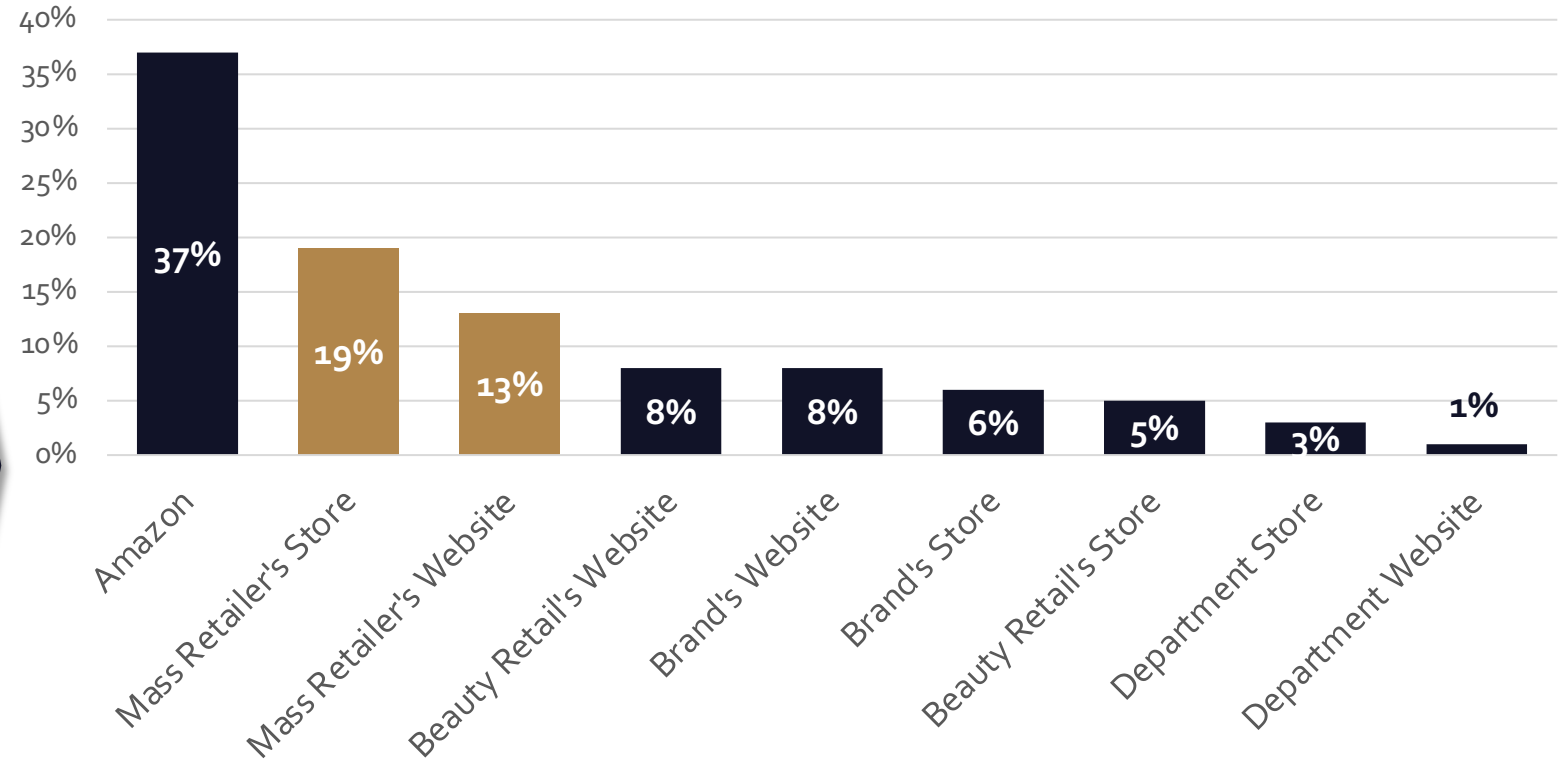
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Consumer shopping preferences – new-to-them beauty products, 2019 (%)



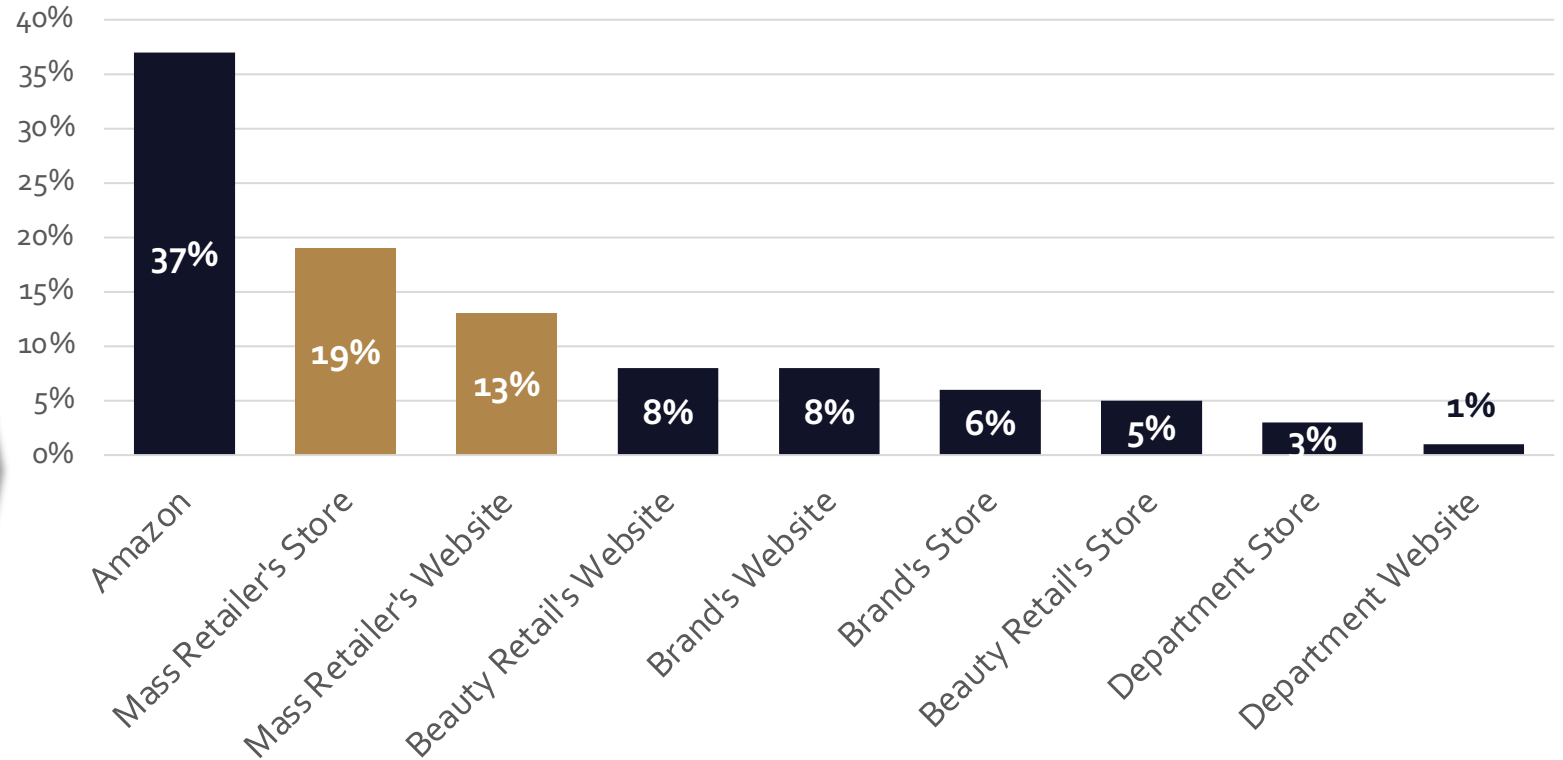
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B2B SEGMENT (HOTELS & OFFICES)

Possibility to order in larger quantities directly (optional)



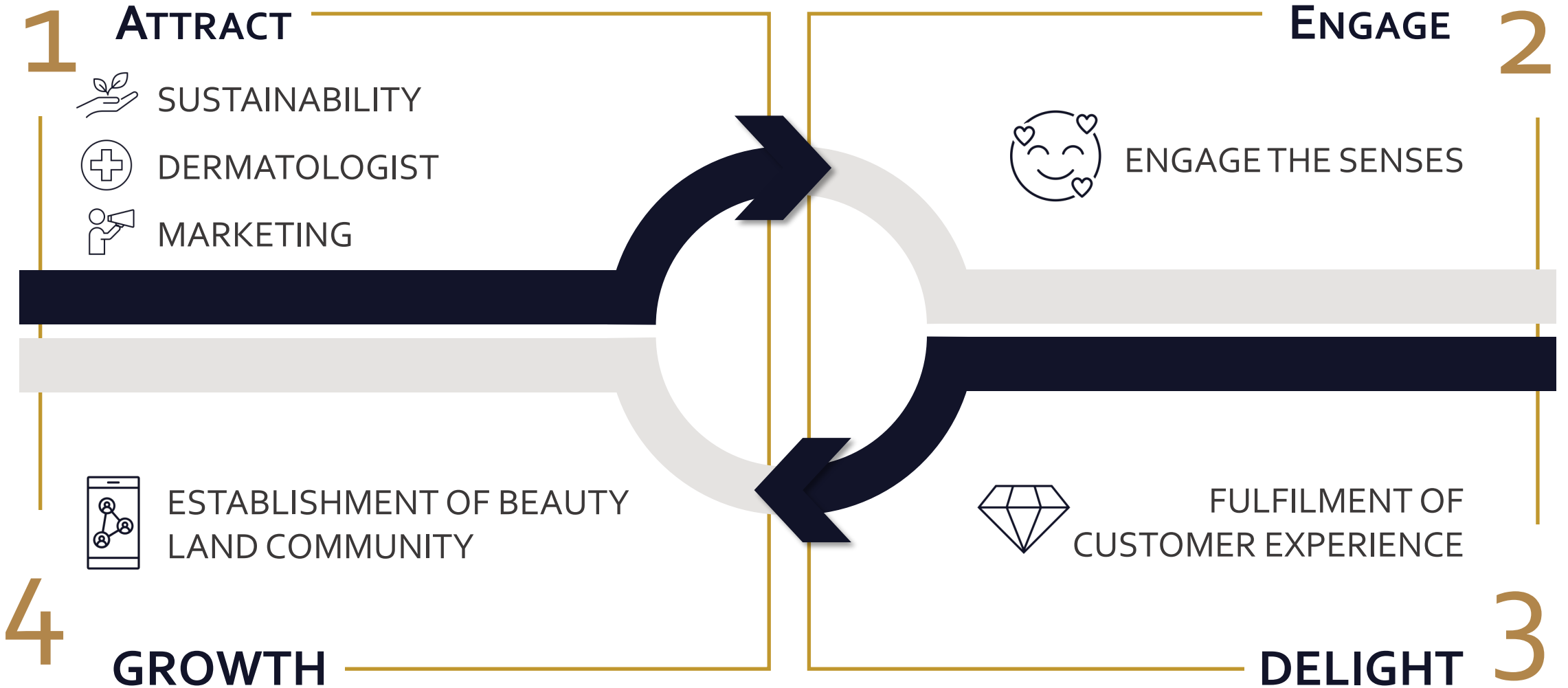
BEAUTY PRODUCT INDUSTRY

03

RECOMMENDATIONS
& IMPLEMENTATION

GO-TO MARKET SELLING STRATEGY

Four steps of attracting, engaging and delight customers for organic growth.



ATTRACT

The three elements that You need to attract the right customers.

TARGET SEGMENT

18-25 YEARS OLD

ENVIRONMENTALLY
CONSCIOUS

FEMALE

WORKING OR YOUNG
MOTHER

USING INTERNET AND
SOCIAL MEDIA

MARKETING

ONLINE

Tik Tok DIY videos

Influencer marketing

Instagram Reels

TRADITIONAL

In-person in retail stores

Product Sample

Product Testing

SUSTAINABILITY

PACKAGING

INGREDIENTS

CRUELTY FREE

POSITIVE SOCIAL
IMPACT



ENGAGE

To gain engagement in beauty industry we must focus on the 5 senses.

ENGAGEMENT OF THE 5 SENSES BASED ON THE EXPERIENCE ECONOMY OF JOHN PILMOLE



Colorful packaging

Grabs the eye

Get their attention



Sound of melting

Sound of bubbles

Sound of scrub



Clean smell

Available in
natural smells

No bad smell



No grease

Soft

Silky



Why would you
put something
on your skin that
you would not
eat?

DELIGHT

Opportunities in retail stores compared to DTC selling.

1. IN BEAUTY RETAIL SHOPS

SAMPLE PRODUCTS

PRODUCT TESTING

2. DIRECT TO CUSTOMERS

AMAZON

Gifts

Samples

OWN WEBSHOP

Subscription-based model

Short delivery

Gifts

Discounts

OWN IN-PERSON SHOP

Dermatological testing

Discounts

GROWTH

With establishing an online community customers can share their experiences.

ONLINE COMMUNITY

INSTAGRAM

Creation of
#beautyland
Hashtag to
upload videos and photos.

Using the power of the
WORD-OF-MOUTH
in the beauty segments

Share experience

Share DIY videos

Share before-after pictures



CONCLUSION

03

RECOMMENDATIONS
& IMPLEMENTATION

QUESTIONS & ANSWERS

The strategic pillars give answers to all of the questions faced by Blueland.

BLUELAND'S NEW ADDITION IN THE CLEANING PRODUCT SEGMENT? **BLUELAND PRODUCTS FOR CARS.**

HOW TO CONSOLIDATE THE POSITION & HOW TO GROW? **BLUELAND PRODUCTS FOR HOTELS & OFFICES.**

HOW TO GET AHEAD OF THE COMPETITION? **BLUELAND PRODUCTS FOR HOTELS & OFFICES (& CARS).**

RETAIL PLANS FOR BLUELAND? **MASS RETAILERS.**

HOW TO SELL THE PRODUCTS? **GO-TO-MARKET SELLING STRATEGY FOR BEAUTYLAND.**

WHOM TO TARGET? **18-35-YEAR-OLD WOMEN.**

DISTRIBUTION CHANNELS FOR BEAUTYLAND? **IN BEAUTY RETAIL SHOPS AND DIRECT TO CUSTOMERS.**



TIMETABLE

The timetable covers a period of 2 years.

#	ACTIVITY	2023		2024	
		H1	H2	H1	H2
1.	DEVELOP NEW FORMULAS FOR CAR CLEANING	■	■	■	■
2.	LAUNCHING OF THE CAR CLEANING PRODUCTS	■	■	■	■
3.	BIGGER PACKAGING AND TABLETS	■	■	■	■
4.	MAKE NEW DEALS WITH HOTELS AND OFFICES	■	■	■	■
5.	NEW ENGAGEMENT CAMPAIGN FOR BEUTYLAND	■	■	■	■
6.	DEVELOP NEW BEAUTY PRODUCTS	■	■	■	■
7.	EVALUATION OF THE FEEDBACKS	■	■	■	■


Blueland products for cars

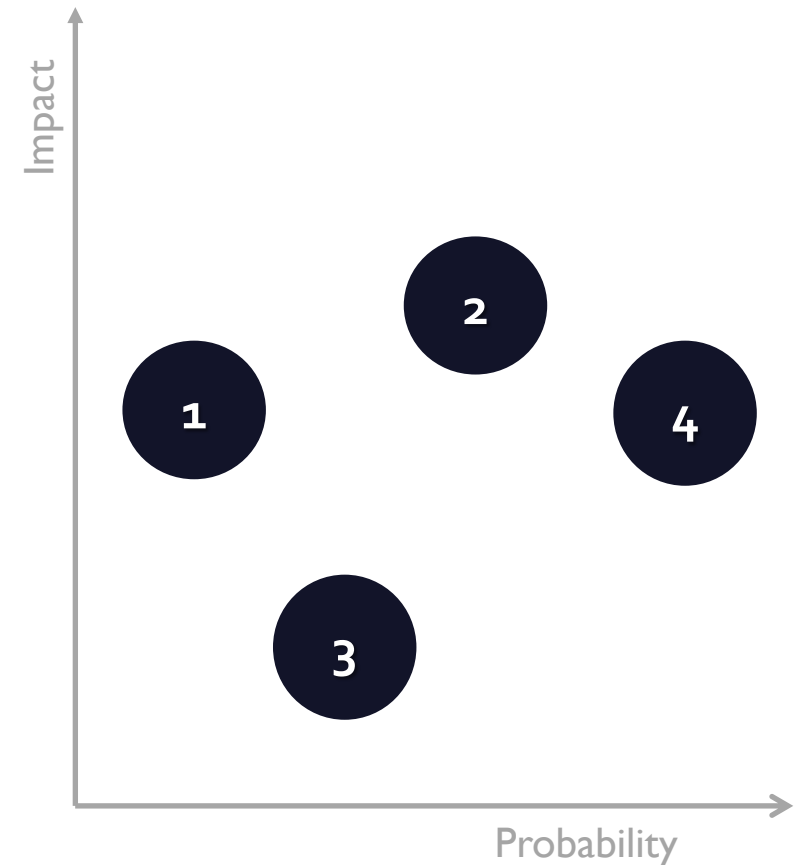
Blueland products for hotels & offices

Beautyland



CONTINGENCY PLAN

	RISKS	MITIGATION	SOLUTION
1	The company cannot reach customers effectively.		New sales channels (retail)
2	Association of cleansing and personal care products.		Rebrand for personal care products.
3	Competitors can copy our business model.		Innovation in technology.
4	Customers are not willing to change their preferences.		Marketing campaign, samples, product testing.



CAPEX

In order to implement the strategy, the company has to invest c. 399.3 – 474.3 thousand USD.

TITLE

R&D investment

Sales process

Influencer marketing

Product samples



TITLE

1

The estimated CAPEX of the new additions (for cars) is c. **84.3 – 89.3 thousand USD**

2

Product selling to hotels: the expected cost on a yearly basis is c. **95 – 105 thousand USD**

3

Influencer marketing: in order to build up Beautyland's awareness c. **45 – 55 thousand USD**

4

Product samples: expected cost in a yearly basis: c. **175 – 225 thousand USD**

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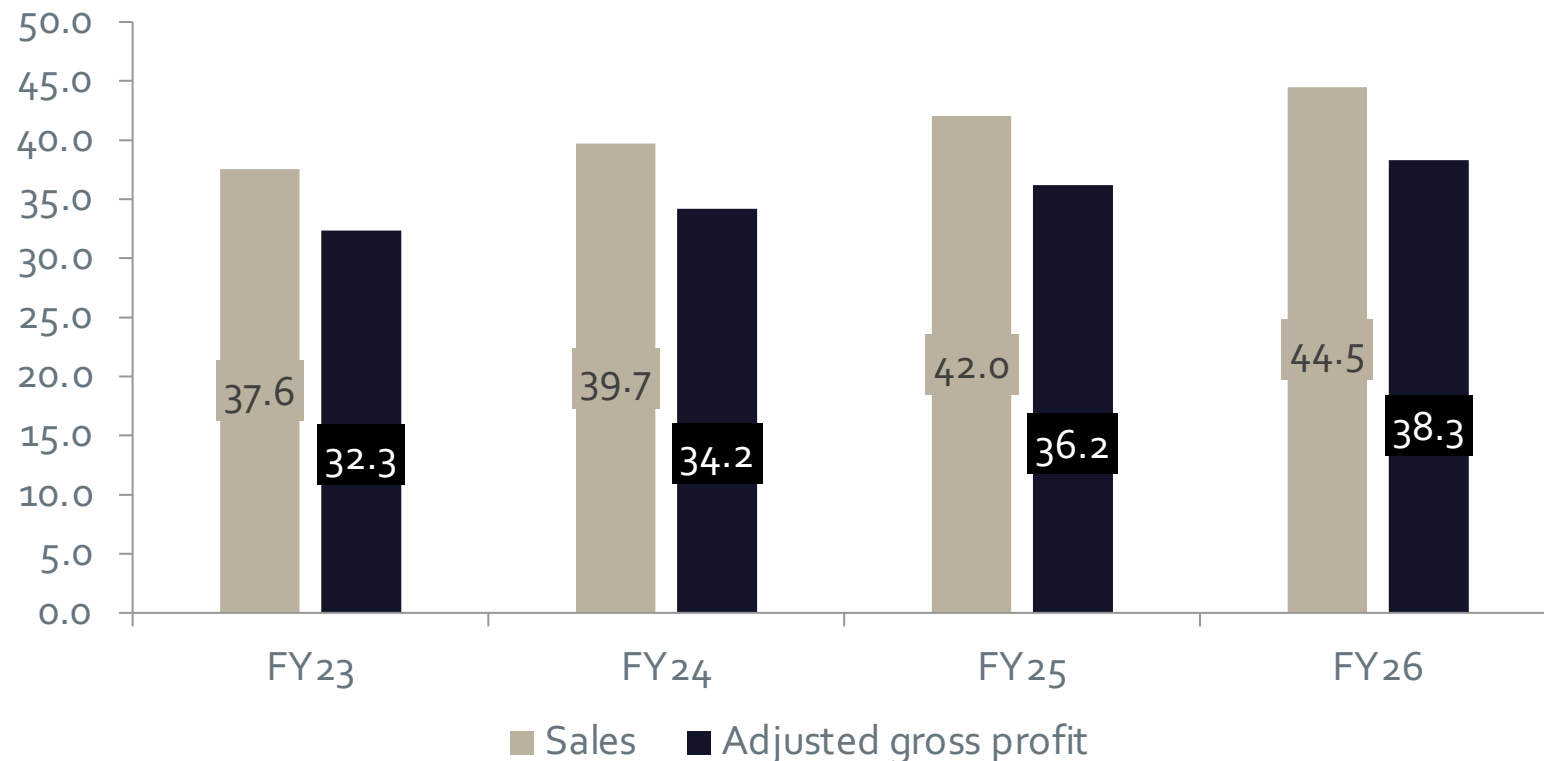
**03 RECOMMENDATIONS
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04 IMPACT

FORECAST OF FINANCIALS

Company's revenue is expected to reach 44.6 million USD in FY26.

FORECAST OF FINANCIALS



CONCLUSION 1

Revenue will growth dynamically due to new segments

CONCLUSION 2

Different marketing costs are expected to decrease the gross profit

CONCLUSION 3

Beautyland will generate 3.7 million USD in FY26

Company can manage successfully entering into a new market and strengthen its position on the current one.



EXECUTIVE SUMMARY

Executive summary with the most important elements of the solution.

ANALYSIS

QUAN: INTENSE COMPETITION, BUT THERE IS THE ABILITY TO GROW.

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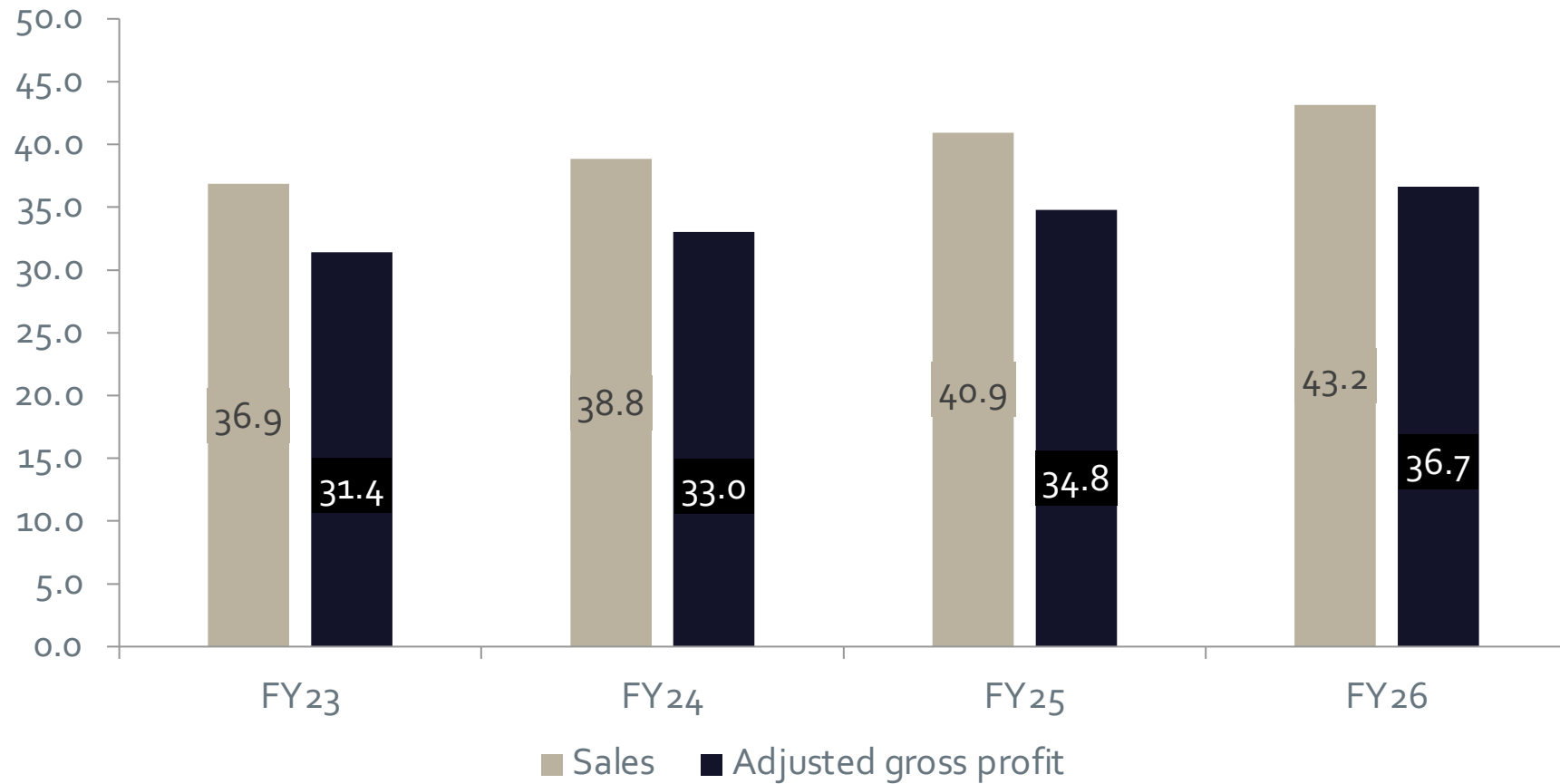
2023

PRODUCT LIST

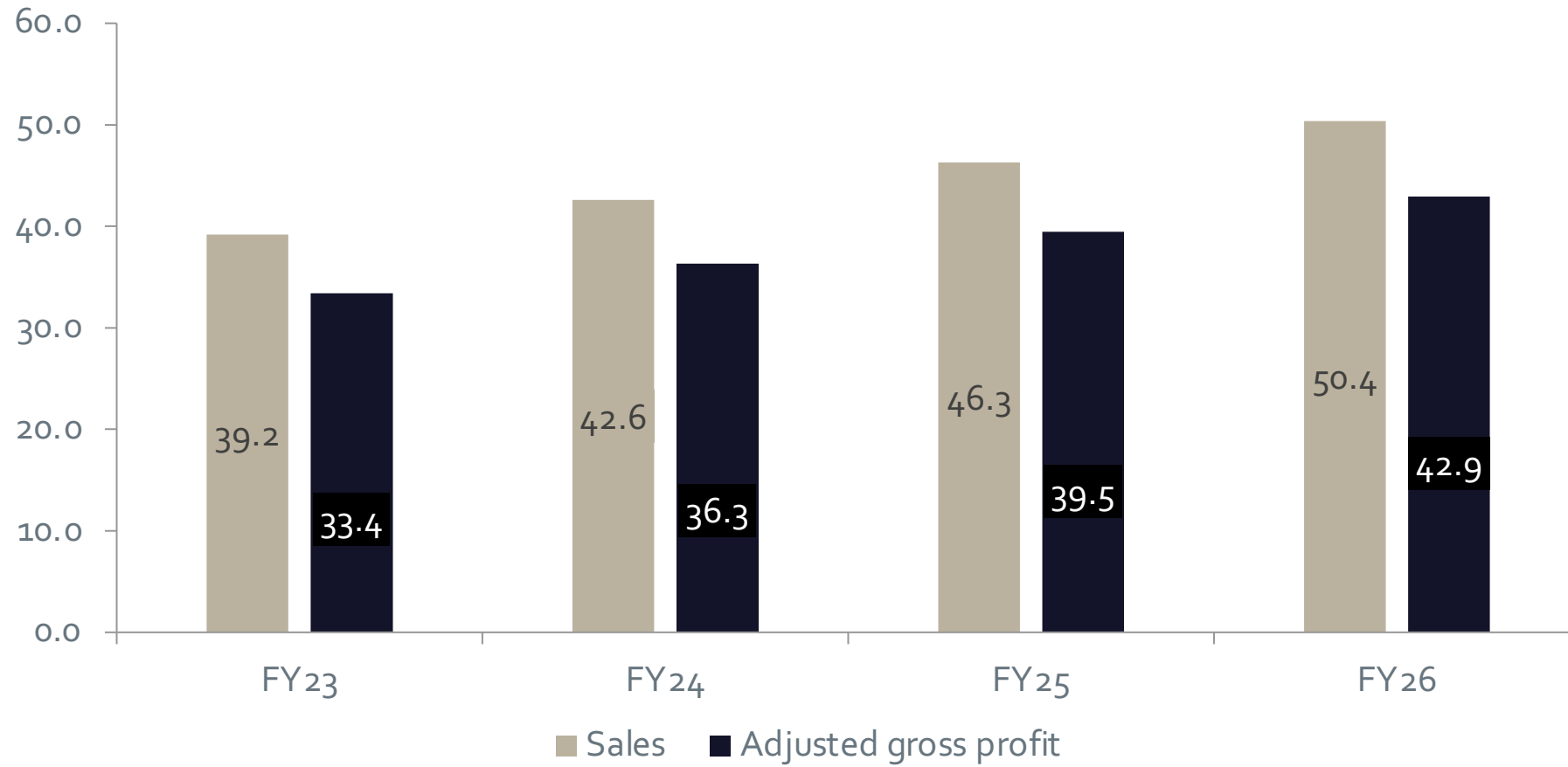
<i>In USD</i>	Price
Multi-Surface Cleaner	18
Bathroom Cleaner	18
Glass + Mirror Cleaner	18
Laundry Essentials	25
Oxi Laundry Booster	25
Laundry dryer balls	18
Hand soaps - big	34
Hand soaps - small	18
Mickey and friends Hand Soap kit	54
Mickey Agave tablets	18
Body wash	16
Facial Cleaner	16
Median price	18
Average price	23



FINANCIAL FORECAST – PESSIMISTIC CASE



FINANCIAL FORECAST – OPTIMISTIC CASE



HISTORICAL FINANCIAL PERFORMANCE

<i>In million USD</i>	Parameter	FY19	FY20	FY21	YTDFeb22	FY22
Sales	2	3.4	14.2	29.6	5.2	31.4
Monthly	12	0.3	1.2	2.5	2.6	
Growth	250%					
Sales (4month)	4	1	4			
Inflation in USA	6.0%					
Median price	18	15	16	17	18	
COGS - Blueland	2	(0.4)	(1.9)	(3.9)	(0.7)	(4.2)
COGS %	13.2%					
COGS - Industry%	26.5%					
COGS - Industry	4	(0.9)	(3.8)	(7.8)	(1.4)	(8.3)



FINANCIAL FORECAST

<i>In million USD</i>	Parameter 1	Parameter 2	FY23	FY24	FY25	FY26
Current product portfolio	8.0%	5.0%	33.9	35.6	37.3	39.2
New products for cars	0.5	8.0%	0.5	0.5	0.6	0.6
Products for hotels and offices	0.9	8.5%	0.9	1.0	1.1	1.1
Beautyland	2.4	15.0%	2.4	2.8	3.2	3.7
Sales			37.7	39.8	42.2	44.6
COGS	13.2%		(5.0)	(5.3)	(5.6)	(5.9)
Gross profit			32.7	34.6	36.6	38.7
Sales process	(0.1)	8.0%	(0.1)	(0.1)	(0.1)	(0.1)
Influencer marketing	(0.1)	8.0%	(0.1)	(0.1)	(0.1)	(0.1)
Product samples	(0.2)	8.0%	(0.2)	(0.2)	(0.2)	(0.3)
Marketing costs			(0.4)	(0.4)	(0.4)	(0.4)
Adjusted gross profit			32.3	34.2	36.2	38.3

