

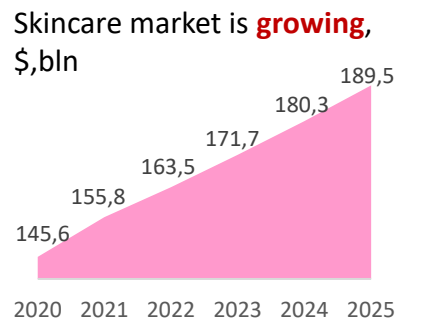
Executive summary

By implementing the proposed initiatives in **sunscreen market** in **Asia** L'Oréal Group will introduce **digital technologies** in physical stores and increase sales by **7,66%** during **2021-2025**

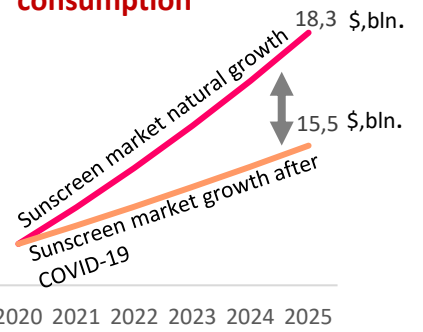
1 Developed project aimed at digitalization of L'Oréal while maintaining the flow of customers both in the physical and digital space ...

2 ...will generate a profit of **142 € ml.** during 2021

Market

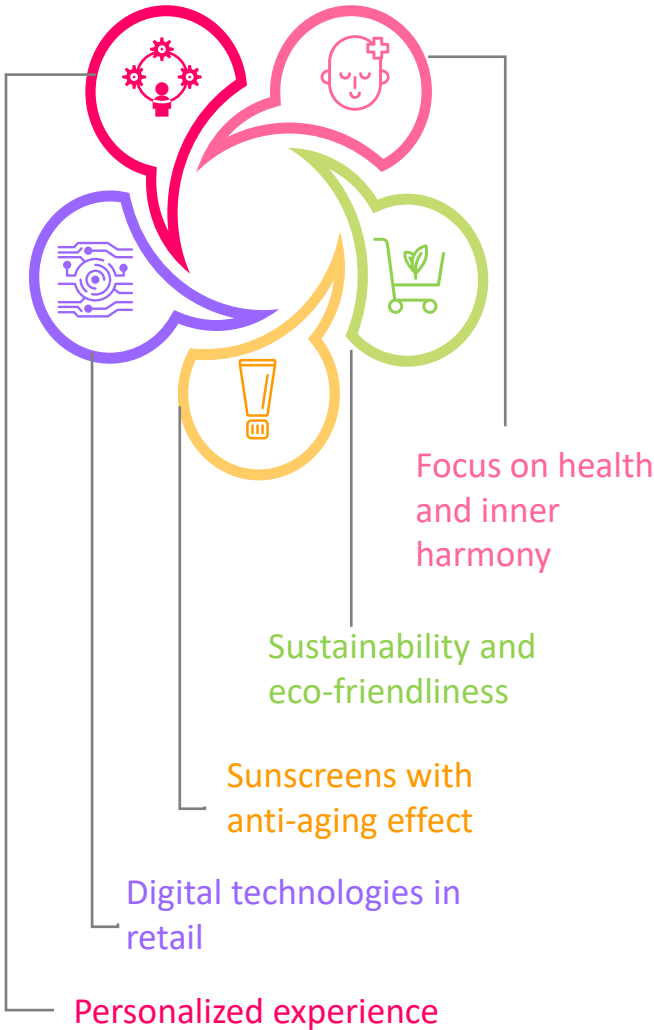


The gap due to Covid-19 in **sunscreen** market opens an opportunity to **stimulate consumption**



Asia is the most attractive region due to **8.4% CAGR** and market size

Trends



Initiatives

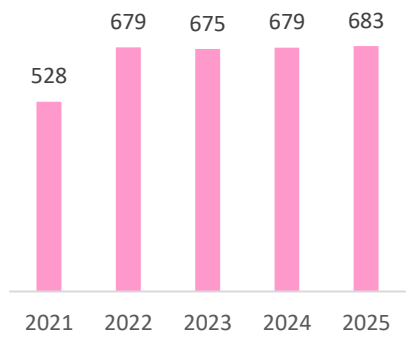
- Implement the **VR experience**, the **AI** selects the product **individually**
- Create **custom packaging** via the interactive panel and print it on a **3D printer**
- Focus on **sports activities**, **collaborations** with famous athletes and sports stores
- Aquariums with corals** to demonstrate the eco-friendliness of products
- Distribute "**UV sense**" sensors and **raise awareness** of them among the audience

KPI

- Innovation rate
- Compound annual sales growth rate
- EBITDA
- ROI

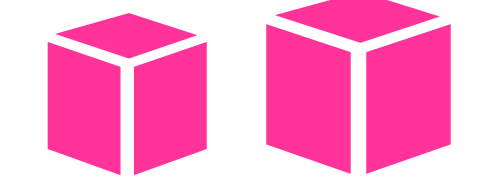
Innovation rate will be **39%**

EBITDA growth throughout the project, € ml.



Average sales over 5 years of project implementation

548,693 € ml 682,411 € ml



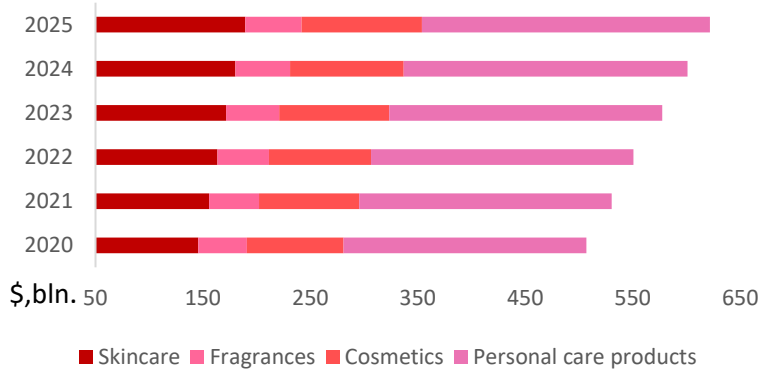
Sales before launching the project Sales after launching the project

Sources: Statista(2021), L'Oréal (2021), PwC (2020)

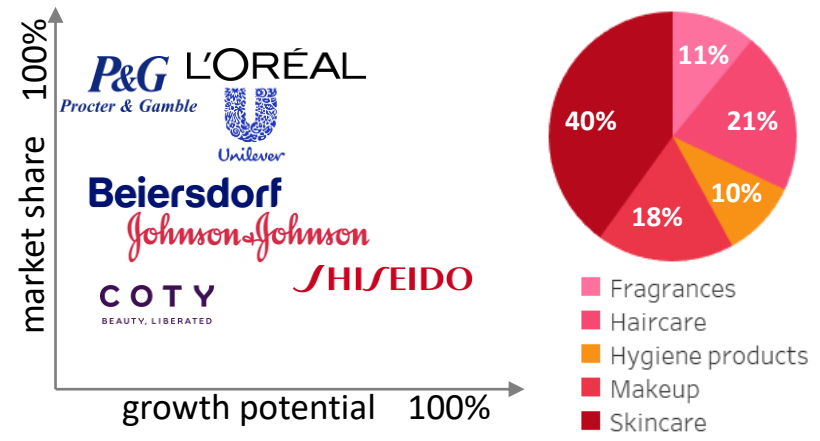
Market & target audience

The active dynamics of the **sunscreen** market in the **Asia-Pacific** region and the stable demand provide an opportunity to identify the **target consumer and its core values**

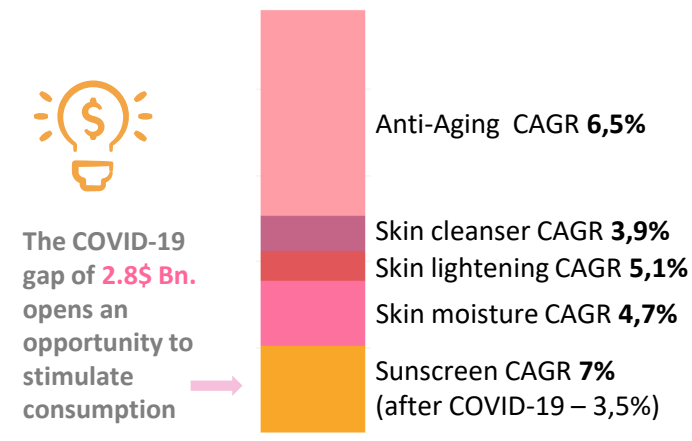
1 Since skincare market has a **5% CAGR** and is the **2nd** segment in the beauty industry...



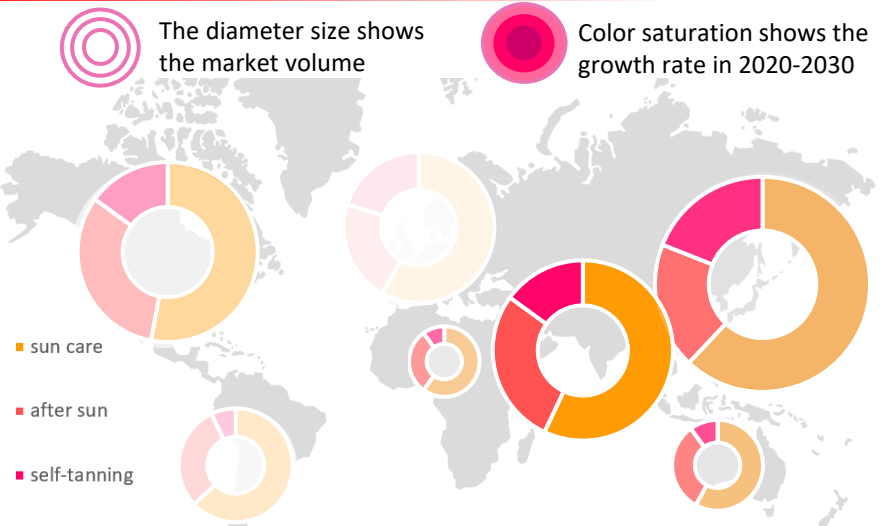
2 ... and L'Oréal successfully **compete** in skincare, which accounts for **40%** of its performance...



3 ... **suncare** market is a great opportunity due to tourism recovery and a **7% CAGR**



4 The most attractive region is **Asia** because of **steady** demand, market size (**3 \$ Bn.**) and CAGR (**8,4%**)....



5 ...and company should **adapt** to consumer **trends** in Asia-Pacific market...

- Digitalization**: 55% of shoppers use at least one shopping app
- Health is wealth**: 87% of Chinese consumers are focused on health
- Company's social responsibility matter**: 63% of consumers find it vital
- Organic and natural ingredients**: 55% of consumers in APAC buy sustainable products

6 ...and understand the **common features** of the target audience

AGE: 16-35 y.o.

LIFESTYLE: Active and heathy

VALUES: Porcelain skin as a standard of beauty, Outdoor activities

TRAITS: Curious, Conscious, Trendy, Digitalized

1 Studying the consumer interests and company needs ...

 **65%** of Millennials still prefer to buy skincare products in store

+ Necessity to return customers to **physical stores** after the pandemic

Customers in APAC region pay **attention** to **sport**

2014	2017	2025
33,9	41,3	45,3

Share of engaged in exercising, %

+ **70%** of consumers believe the company's awareness of **individual needs** increases their **loyalty**

40% of **VR** and **3D** market is in Asia

- Asia-Pacific
- North America
- Latin America
- Europe
- Middle East and Africa

+ **71%** of customers buy goods after **VR** and **3D** experience

92% of customers value **personalized** experience

The importance of **CSR** in Asia is more than **70%**

South Korea	71
Indonesia	72
China	73
India	77
Vietnam	80

+ **77%** of consumers are willing to pay more for **eco-friendly** product


2 ...make it possible to implement the developed initiatives by using technologies ...


 Sample products can be **tested** in a **trendy showroom** with attractive **3D projection** mapping at the entrance


 Provide **omnichannel** experience


 Providing opportunities for **sports areas** to feel the sunscreen effect **in action** with a **full range of fun, fresh air and sun**

 Collaboration with **sports stores** and promotion from **famous athletes**

 **VR goggles** simulate chosen location, skin tone, type, SPF level and desired tanning result. **AI** chooses perfect **personalized** sunscreen

 Interactive device for designing and creating **individual packaging** using a **3D printer**

 Selling **"UV sense"** from La Roche-Posay with mobile app to increase **awareness** of UV danger

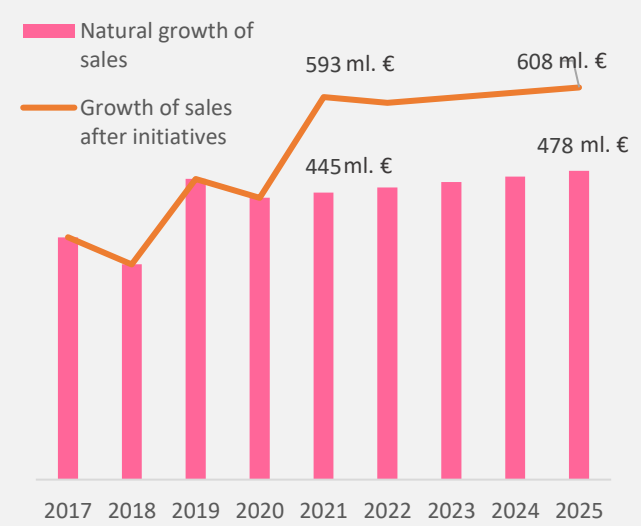
 **Installation-aquariums** demonstrate the **harm for corals** from mediocre products and the safety of **biodegradable sunscreens** from L'Oréal Group

3 ...to gain EBITDA in the amount of 528 € ml. within 1 year

The cost of implementing the initiatives will be **210 ml. €**

The average revenue of the project will amount to **595 ml. €**

The proposed initiatives will increase sales by an average of **7,66%** during **2021-2025**



NPV	ROI	PP
896,03	21,68%	2 year