



# Grandma's Tips

THE NATURAL STORE

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# Retail concept

## *Experience*



In between a pharmacy and a grocery store



One-stop alternative shopping destination



Herbalist's shops inspired

## *Products*



Natural, healthy & organic products



3 categories:

- Functional food (FOSHU)
- Cosmetics
- Household Care

## *Services*



Natural and free tips like in a pharmacy



Pre-packed products with recipes inspired by Grandmas



# Market trends









## "All Natural" Health Remedies



French unders 30s showed a strong preference for the All natural products.



The **worldwide demand** for Natural remedies is increasing especially for NH beverages (Coconut water, Green tea, 100% juice...)

 Green tea	26,4% growth
 Bottled water	44.5% growth
 100% juice	9,9% growth
 <b>NH products</b>	<b>34,8% growth</b>
 FF products	43,1% growth
 Organic Products	35,3% growth

## Nutricosmetic



Nutricosmetics are **ingestible beauty products** – food, drink and supplements – that have been developed to promote healthy skin, nails and hair.



Global French sales of Nutricosmetics in 2011 were > 200US\$



***The next biggest market is France.*** The channel accounted for a **Value Share of 67% in 2010.** Consumers have become accustomed to seeing beauty supplements when making their normal beauty purchases.

## Green Household Care Products



Household care products have become more eco-friendly in recent years, as a result of **government regulations** and **consumer scepticism** regarding the harmful ingredients used in many household care products (chlorine bleach and insecticides)

Many household care products are now **phosphate-free**, and use more **natural "active" ingredients**, such as oxygen and orange oil.



The trend towards eco friendly home cleaning products is at its most pronounced in North America and Western Europe, evidenced by the growth in share and revenue of green brands

# SWOT analysis



## *Strengths*

- Premium quality products
- Localization
- “Feeling at home” store experience
- Home made remedies receipt

## *Weaknesses*

- Premium price
- Organic products’ high costs
- People skepticism especially towards natural household cleaning products.

## *Opportunities*

- Government welfare program<sup>1</sup>
- Growing demand for Organic and Natural health products
- Women under 30s are more likely to seek for “all natural” product



## *Threats*

- Multi-market competitors (NHs, Nutricosmetic and Eco-friendly cleaning products’ companies)

# Target

## Consumer Profile

Amount of people responding to the consumer profile:

in France: **1 635 660**  
in Lyon: **101 396**

- 🍊 Middle aged professionals (25-40) - **educated & active**
- 🍊 Middle to high income (around 38 000 €), **willing to pay a premium price** for quality products
- Mainly Women
- 🍊 Living in urban areas
- 🍊 Healthy lifestyle
- 🍊 Busy lifestyles, mainly looking for ready made products

## Top Priorities

Flavor / Taste  
Healthfulness  
Nutrition  
Food Safety  
Ease of preparation



*Lise*

28 years old's consultant  
Health Conscious  
Works more than 60 hours/week  
Lives in the city center  
Suffers from sleeping & stress troubles  
Functional shopper



**Average basket:** 2 products (price TBD)

- Sleeping tea
- Relaxing facial mask



*Marie*

35 years old's designer  
Wife, Leo's mother and currently pregnant  
Wants to support local business  
Tries to avoid synthetic medicines  
Recreational shopper  
Likes to identify what she needs  
Looking for the experience



**Average basket:** 5 products

- Laundry cleaning
- Detergent
- Daycream
- Something for the child against cold
- Morning sickness



# Positioning



- 🌸 In between a pharmacy and a grocery store
- 🌸 Selling natural products **exclusively**
- 🌸 Premium price segment

## 5 Core values:



### *Essence*

back to basics

### *Hearth*

taking care of  
family and home

### *Earth*

caring about  
environmental  
issues

### *Whole Being*

helping to  
balance between  
body, mind and  
soul

### *Ethics*

Socially  
responsible

# Offer Definition

## Product categories

The shop address all common pains offering natural and healthy treatments by revisiting grandma's' remedies made of edible ingredients

Additionally, a small assortment of:

DIY *natural cosmetics*

DIY *cleaning products*

&

*essential tools*

for customers who want to make their own recipes at home.



### *Relaxing*

Reduce stress,  
Improve sleep  
Increase well-being

### *Cold*

Prevent & fight  
against flu,  
coughing, sore  
throat

### *Stomach*

Digestion &  
transit  
Intestine  
Nausea

### *Pour Elle*

Painful period  
Water infection  
Pregnancy  
related Pain

### *Pain Relief*

Headache  
Joints

### *Seasonal Category*

WINTER

vitamins  
dry lips

SUMMER

mosquito  
bites  
sunburns



# Offer Definition

## Example of product recipes

### *Natural cough syrup*

#### Contains:

*3 squeezed lemons,*

*250 grams of raw honey,*

*60 ml of olive oil*

*Keep in the fridge, up to 3 months.*

*Children: 3 teaspoons a day.*

*Adults: 2 tablespoons a day.*

*Heat and stir this remedy before using it.*



All ingredients are:

- ✦ Fresh and local
- ✦ Provided by our organic supplier
- ✦ Assembled with great care in-store (kitchen) → No waste



## DIY Products

### Homemade Washing powder



- ✦ 150g Savon de Marseille
- ✦ 75 ml Bicarbonate of Soda
- ✦ ½ teaspoon of essential oils (choose your favourite)

How to use: boil 3L of water, and mix the ingredients.

### Honey Mask



- ✦ 1 teaspoon of honey
- ✦ 1 teaspoon of rye flour
- ✦ 1 teaspoon of olive oil
- ✦ 1 egg

Apply 10' on a clean face & relax

- Give advice on how to make your own products at home!
- Adapt to customers' needs.





# Store Location



Not too many competitors, most of them are **indirect competitors** (pharmacies, organic supermarkets, 'herboristerie')



**Residential area**, on the way from work to home and vice versa



**Inner city** but not on the main street, accommodating young professionals that want to have a **quick solution** and do not want to cross the busy street



Organic Supermarkets

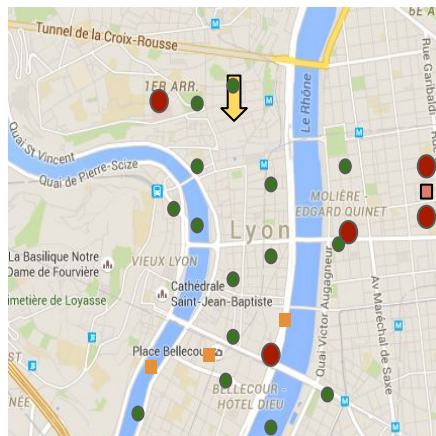


Pharmacies



Herbalist's shops

## Lyon - Pentès de la Croix Rousse



France has 1.5  
times the EU  
purchasing  
power

**Rhone-Alpes** is  
above average  
French  
purchasing  
power

65 449  
Total  
inhabitants in  
Lyon 1st & 4th  
arr.

54%  
women in  
Croix  
Rousse

€38 000  
average income  
(middle-upper  
class)

26 179  
Middle age  
professionals 1st  
& 4th arr.

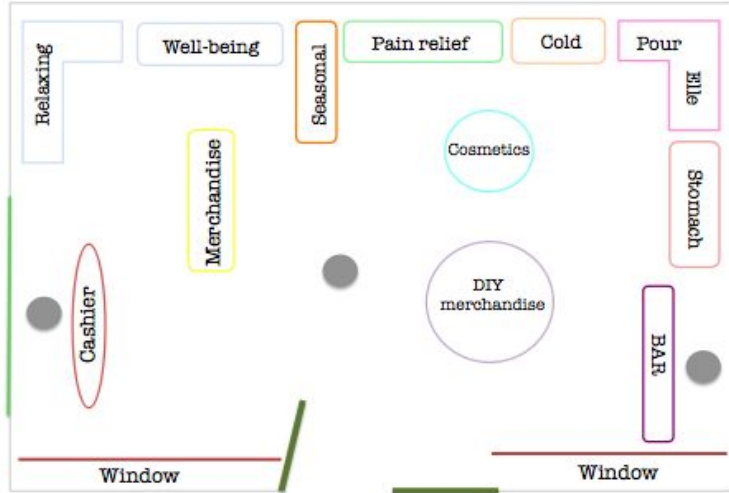


# Store Layout

**Most wanted** products in the back of (e.g. pain relief) to make customers walk through the whole store

Products organised **by category** with different colors

**Higher margin products** (merchandise) to the right of the entrance to meet customers



**Free flow:** stimulating customers to walk around

**Salesperson** (cashier) in the front so the customer can find help quickly

**Bar/ kitchen** to show how products are made

1 2 3 4 5 6 7 8

## Shelves & allocation

- A **natural clean** interior in white and wooden materials, looking **cosy** and **old-fashioned**, yet **professional** to be credible towards customers
- Shelves:** wood, white, light-colored and a bit old-fashioned shapes
- Main treatments located in **larger cabins** at the sides (products customers need) and extra merchandising (higher margin products) placed on **wooden tables** in the middle
- The cabins will be organised by **categories**
- Displays should **inform, be a pleasure for the eyes and make it easy** to find the product the customer is looking for



## *Special Customer Services*

In-store events	Tips and recipes	"Visit the kitchen"	Share your recipes and tips
Exclusive invitations to club events in the store. Special offers, testing of products and participation in workshops. Sometimes in collaborations with farmers and manufacturers.	Access to tips and recipes connected to different seasons	The place where we make our products. Thus, customers can see with their own eyes how we make our product, from our fresh, local and organic ingredients to products.	Customers can take part in the production of the products. In the store there is a blackboard. It's a "win-win" situation, customers are a great source of innovation and they get more engaged

## *Loyalty programs*

Target group → Frequent shoppers



The majority are women



Middle - High income



High - quality and low - price conscious

### Bonus program

Collection of points, where purchases lead to bonus checks. Furthermore, it includes different bonus points campaigns

### Newsletters

Including information about products, farmers, new launches, current offers and campaigns.

### Free samples

When the store is launching new products

### Return your bottle

Customers can return the bottles. The store reuses the bottles. In return, the customers can either get a discount of the next purchase or donate the money to local farmers.

# Communication



## For the opening

### *Aim*

To reach out to potential customers and tell them that the store exists

### *Goal*

To get **5%** of the target group to know about the opening

### *How*

- Hand out flyers in strategic areas
- Invite bloggers that mainly blogs about health, green lifestyle or/and home
- Pinterest social presence
- Advertising in local papers
- Advertising on facebook

### *Channel*

**Owned channels:** Facebook page

**Bought channels:** Paper, Magazines, Blogs and Facebook

## After....

### *Aim*

To increase the awareness and loyalty of the store

### *Goal*

To increase the per cent of the target group that knows the store and brand awareness

### *How*

Through both direct and indirect channels. In order to reach higher awareness advertising in magazines and papers, competitions in social media (Instagram) and word of mouth. In order to reach loyalty and communicate with current customers mainly own channels will be used.



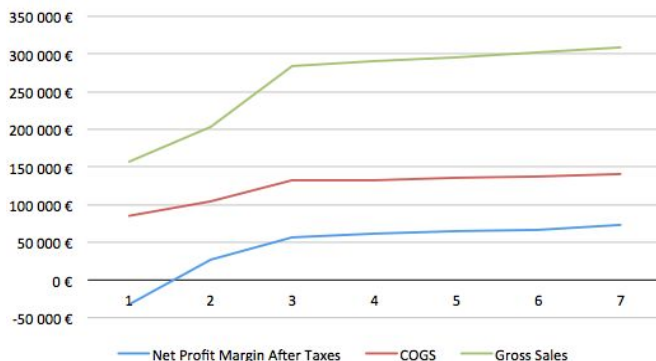
# Feasibility Analysis



	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Gross Sales	156 510 €	203 463 €	284 848 €	290 545 €	296 356 €	302 283 €	308 329 €
Discounts	4 695 €	6 104 €	8 545 €	8 716 €	8 891 €	9 068 €	9 250 €
<b>Net Sales</b>	<b>151 815 €</b>	<b>197 359 €</b>	<b>276 303 €</b>	<b>281 829 €</b>	<b>287 465 €</b>	<b>293 215 €</b>	<b>299 079 €</b>
COGS	85 232 €	105 262 €	132 630 €	132 577 €	135 228 €	137 933 €	140 692 €
<b>Gross margin</b>	<b>66 582 €</b>	<b>92 097 €</b>	<b>143 673 €</b>	<b>149 252 €</b>	<b>152 237 €</b>	<b>155 282 €</b>	<b>158 387 €</b>
Rental expenses	8 400 €	8 400 €	8 400 €	8 400 €	8 400 €	8 400 €	8 400 €
General expenses	3 000 €	3 000 €	3 000 €	3 000 €	3 000 €	3 000 €	3 000 €
Labor cost	29 628 €	29 628 €	39 504 €	39 504 €	39 504 €	39 504 €	59 256 €
Communication expenses	1 000 €	750 €	1 000 €	750 €	750 €	750 €	1 500 €
<b>EBIT</b>	<b>24 554 €</b>	<b>50 319 €</b>	<b>91 769 €</b>	<b>97 598 €</b>	<b>100 583 €</b>	<b>103 628 €</b>	<b>86 231 €</b>

## Strength

- Premium & top quality products
- High margins (55-60%)
- Average Selling Prices: 12€
- Average Basket Size: 2.7 articles
- Low communication cost



## Expected growth

- Year 2 & 3: loyalty, increase of basket size.
- Year 7: the store achieves its whole potential: loan is reimbursed, 3 employees, and sales become stable

→ Time to start thinking opening new stores



# Future developments



## OTHER CITIES

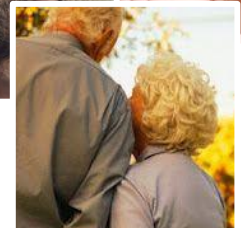
Openings in other french cities and maybe later in European cities

## NEW PRODUCTS

New products, especially for beauty categories

## NEW CATEGORIES

Develop new categories (babycare, men care, older people)



Thank you for your attention!

