




# Grandma's Tips

THE NATURAL STORE

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# Retail concept



# Retail concept



## Experience



- 🍋 In between a pharmacy and a grocery store
- 🍋 One-stop alternative shopping destination
- 🍋 Herboristerie 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

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# Market Analysis



# Market trends







## *"All Natural" Health Remedies*

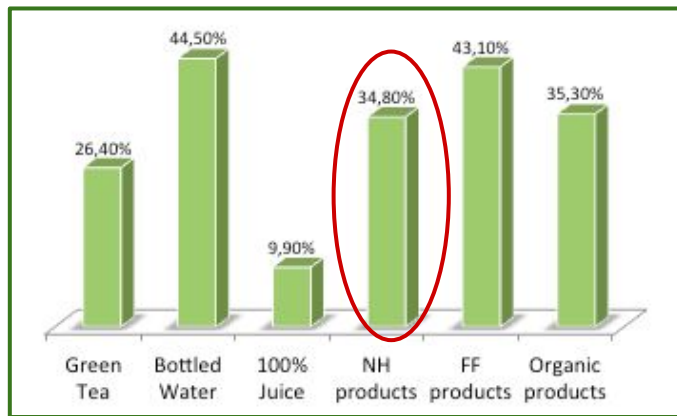


French under 30s attitudes towards health, fitness and well being showed a strong preference for the All natural products.



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        |



# Market trends



## Nutricosmetic

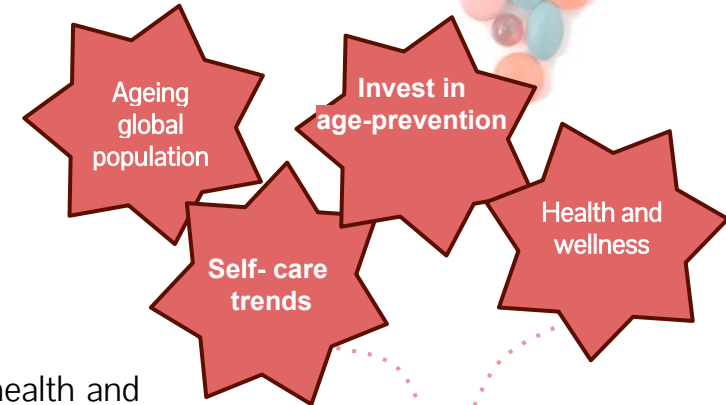
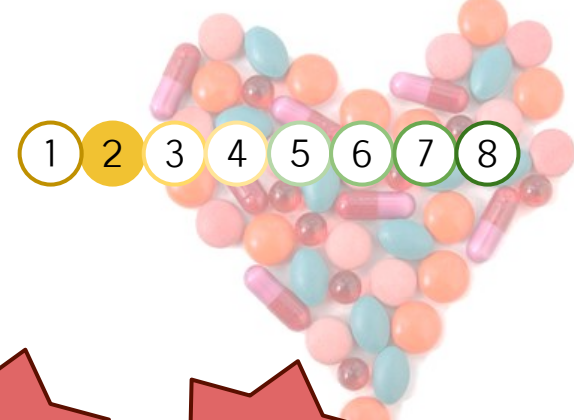
Nutricosmetics are ingestible beauty products – food, drink and supplements – that have been developed to promote healthy skin, nails and hair.



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



***The next biggest market is France***, thanks to the dominance of health and beauty retailers in dietary supplement sales. The channel accounted for a **Value Share of 67% in 2010**. This means that consumers have become accustomed to seeing beauty supplements when making their normal beauty purchases. [Between 2014-2019 the the segment aged 65 and over is expected to register the strongest growth (12%)]



Factors influencing growth of nutricosmetics trend



# Market trends



## *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

**CURIOSITY** - In France, the city of Lille unveiled an innovative plant in 2007, which will transform organic household waste into four million cubic metres of biogas a year – enough to power a fleet of 100 buses.





# SWOT analysis



## *Strengths*

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

## *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



## *Weaknesses*

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

## *Threats*

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

# Target



## *Consumer Profile*

- 🍊 Middle aged professionals (25-40) - educated & active
- 🍊 Middle to high income (around 38 000 €)
- 🍊 Mainly Women
- 🍊 Living in urban areas
- 🍊 Consumers interested in a healthy lifestyle
- 🍊 Busy lifestyles, looking for ready made products
- 🍊 Consumers willing to pay a premium for fresh, organic and quality products

Amount of people responding to the consumer profile:

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

## *Top Priorities*

- ★ Flavor / Taste
- ★ Healthfulness
- ★ Nutrition
- ★ Food Safety
- ★ Ease of preparation

# Target



*Lise*

28 years old  
Consultant  
Health Conscious  
Works more than 60 hours/week  
Lives in the city center  
Suffers from sleeping & stress troubles  
Likes to eat but has no time to cook  
Functional shopper  
Knows what she wants to buy  
Quick visit in the store but on a regular basis



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

- Sleeping tea
- Relaxing facial mask



*Marie*

35 years old  
Designer  
Pregnant  
Wants to support local business  
Lives in the city center with her husband & her son Leo  
Tries to avoid synthetic medicines as much as possible  
Recreational shopper  
Likes to identify what she needs  
Looking for the experience



**Average basket:** 5 products (price TBD)

- 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:



# Positioning Map



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## Offer Definition



# Product categories



We address all common pains that do not necessarily require prescription drug, and offer health treatments that work, by revisiting grandma's' remedies made of edible ingredients:

## *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   | SUMMER   |
| vitamins | mosquito |
| dry lips | bites    |
|          | sunburns |

Additionally, a small assortment of:

DIY *natural cosmetics*  
DIY *cleaning products*  
&  
*essential tools*

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

⇒ In total we sell **50 SKUs**  
(about 5 SKUs per category)



# Products (examples)

1 2 3 4 5 6 7 8

## Products in bottles

Price range  
8 - 14 €



Basic recipes

Limited edition recipes

## Tea assortment

Price range  
6 - 12 €



## Recipe tools

Price range  
15 - 30 €



# Product recipes (examples)

## 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.

## Relaxing Mask

Contains: 1 teaspoon of honey, 1 teaspoon of rye flour, 1 teaspoon of oatmeal, 2 teaspoons of olive oil, yogurt

For 1-2 usages,

Keep in the fridge up to 1 week.

Apply 10' on a clean face & relax



## Detox tea



Contains: mix of herbs and tea

Mix with one teaspoon of honey for a special treat

Also tastes good cold.



All ingredients are:

- fresh & local
- provided by our organic supplier
- assembled with great care in-store (kitchen)




ARCADIE

# DIY Products



- Show customers that we are only using the best natural products
- Give advice on how to make your own products at home!
- Adapt amount to customers' needs





## 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



## Detergent

-  125 ml white vinegar
-  65 ml Bicarbonate of Soda
-  Essential oils

Add 2L of water



# Packaging policy

*"Clean and eco friendly"*

- 🌿 We avoid plastic; instead we use recycled cardboard and refillable glass.
- 🌿 We avoid separate manuals & we reduce the use of stickers.
- 🌿 Because our ingredients are natural, there is little information written on the products.
- 🌿 Prepared in store: ingredients may be handwritten.
- 🌿 We encourage our customers to return the recipients.



+ 10% discount for refills!

*DIY merchandise:*



No waste: choose the amount you really need.



Try & choose ingredients.



*Natural anti-stress potion, 15ml*

Ingredients: Citrus limonum, Corymbia citriodora, Lavandula spica, Almond oil.

DLUO: 08/2017

Tips



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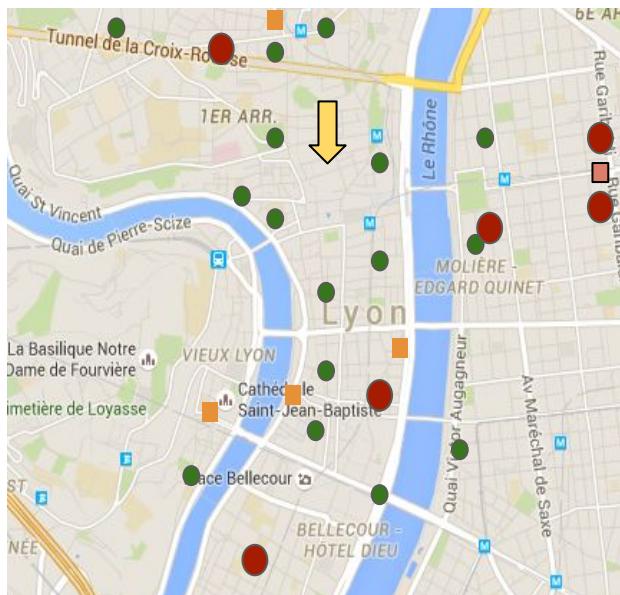
Store



# Location



## Lyon - Pentès de la Croix Rousse



- organic supermarkets
- pharmacies
- herboristerie

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.



# 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





# Store layout

1 2 3 4 5 6 7 8

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

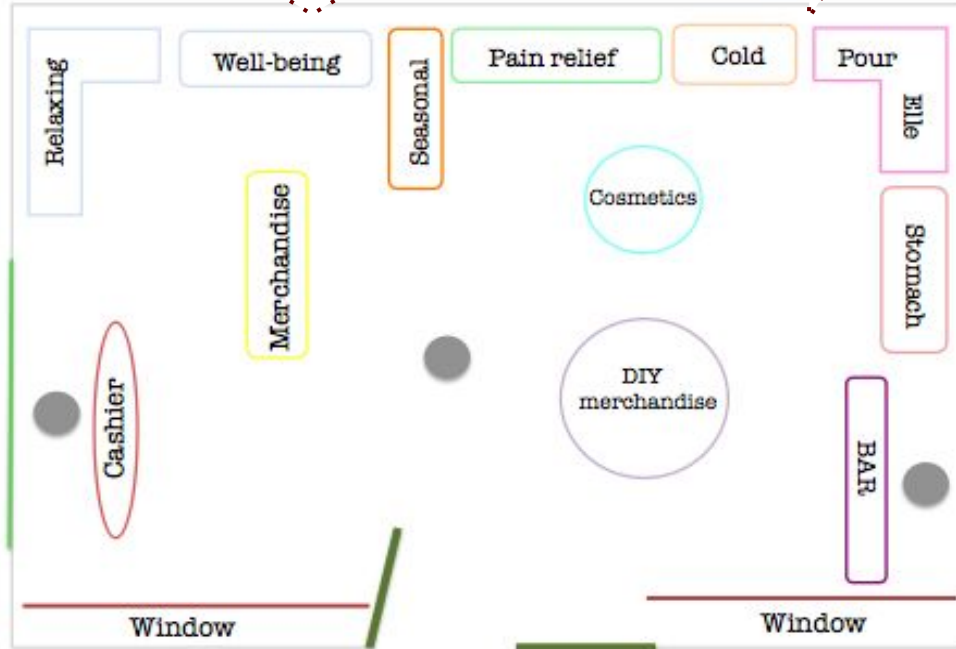
**Most wanted** products  
in the back of (e.g. pain relief)  
to make  
customers walk  
through the whole  
store

Products  
organised **by  
category**  
with different  
colors

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

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

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



# 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



# Internal communication



- 🍓 Communicating a green and natural atmosphere
- 🍓 **Experience** of a **grandma** helping you with your problems, looking credible and wearing **light colors**
- 🍓 No sales pressure, but **effective** and **trustworthy** help
- 🍓 A **homely** feeling, communicating a **lifestyle**
- 🍓 Catch attention with 'green' and **trendy** looking objects in the store
- 🍓 **Inform** the shopper by including ingredients' list and pictures of ingredients or sores





# In-store experience



White, fresh  
and natural  
visuals



Trial and  
tasting bar,  
for  
interaction

## *The 5 Senses Experience*

Soft &  
relaxing  
music,  
though not  
sleepy



Warm, soft  
lighting



A fresh smell,  
like citrus and  
ginger

# External communication



1 2 3 4 5 6 7 8

- Communicating a green, fresh and natural store. Further a homely feeling with a modern touch in line with the indoor environment
- Great windows that gives an overview from the outside
- No advertising outside the store
- Flowers and plants that signal the organic position



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CRM



# Services

## *Special Customer Services*



### In-store events

Exclusive invitations to club events in the store. Special offers, testing of products and participation in workshops. Sometimes in collaborations with farmers and manufacturers.

### "Visit the kitchen"

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.

### Tips and recipes

Access to tips and recipes connected to different seasons

### Share your recipes and tips

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 woman



Middle - High income



High quality-conscious and low price-conscious

## *Features & Services*



### Bonus program

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



### Free samples

When the store is launching new products



### Newsletters

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



### “Return your bottles”

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.

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## Communication



## For the opening

### Aim

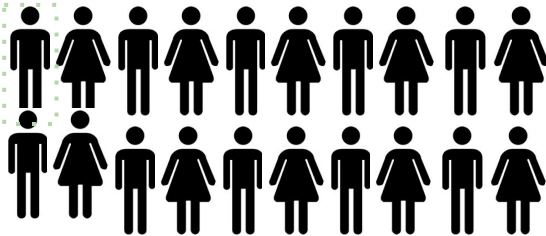


To reach out to potential customers and tell them that the store exists

### 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



Something with pinterest



Advertising in local papers



Advertising on facebook

### Channels

**Owned channels:** Facebook page

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

# Opening event



- During the afternoon
- Social media competition '*Become your own Grandma*'. The customer with most likes, wins the competition.
- Goodie bag with free testing and samples
- Free drinks and snacks from the assortment
- Farmers present and tell about their products
- A car that drives around during the day with information regarding the opening



After....

Aim

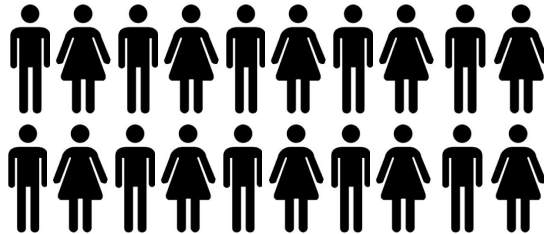


Increase the awareness and loyalty of the store

Goal



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, papers, competitions in social media (Instagram) and word of mouth.



Mainly own channels in order to increase loyalty and communicate with current customers.



# External communication



## *Owned Channels*

Homepage  
Facebook page  
Salespeople



## *Deserved Channels*

Social media competition  
(instagram)  
Word of mouth

## *Bought Channels*

Magazines' ads, both local  
and national specialized in  
health/organic/home





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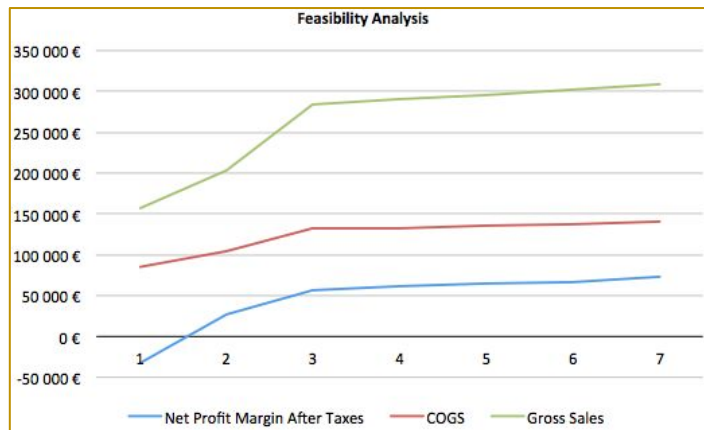
## Feasibility Analysis



# 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%)
- The average selling prices is 12€, with a range of low price products (such as the cosmetic mask for 1 use) that engage customers to try the brand or increase the basket size, as well as more expensive products such as limited editions for gifts.
- Average basket size is 2.7 articles.
- Low communication cost

## Expected growth

- Year 2 & 3: loyalty, increase of basket size.
- In year 7 the store achieves its whole potential: loan is reimbursed, 3 employees, and sales become stable. We start thinking of opening other stores.

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## Future developments



# 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!



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