Indian Case Challenge 2025

THE BODY SHOP

Team: BGT

Sparsh Parashar | Mohammad Saaim | Bhoomi Sharma | Pulkit Soni | Dinesh Sahoo

- **Company Overview & Market and user insights**
  - The Body Shop: Evolution, Challenges, and Commitment to Ethical Beauty
  - Global and Indian Beauty Market Trends: Growth Drivers, Challenges, and Consumer Insights
- **Rebranding**
  - Relaunching with Ethical Products and practices: Smell Good, Do Good
  - Introducing "Original Me AI": Revolutionizing Beauty Try-Ons
  - Financials and Strategic Roadmap for Relaunch and Operational Excellence
- **Expansion**
  - Refill Hub and EcoSwaps Sustainable Solutions with Mobile Vans and Pop-Up Stores
  - Interactive Snap and Shine and Group subscription : Driving Engagement and Footfall
  - Community-Driven Strategies: Influencer Marketing and People as ambassadors
  - Financial Projections and Resource Allocation with strategic roadmap
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- **Distribution**
  - Analyzing the Current Distribution Channels of The Body Shop
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  - Financial Projections and Resource Allocation for Key Initiatives with strategic roadmap
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The Body Shop: Evolution, Challenges, and Commitment to Ethical Beauty

The Body Shop's vision is to redefine beauty by championing sustainability, ethical practices, and social responsibility.

2,500+ stores in over **80 countries** globally



5 main categories **skincare, haircare, body care, makeup, and fragrances.**

Founding Principles

- Natural beauty with **no harmful practices** or false promises.
- **Eco-friendly innovations:** refillable packaging and sustainable sourcing.
- **Ethical products** with a strong stand against animal testing.
- **Fair trade partnerships** supporting communities with fair wages.
- Promoting **human rights** and **environmental conservation**.

Key milestones and ownership changes

1976 — The Body Shop founded in Brighton, UK

1984 — Became a public company; rapid expansion with franchises (138 stores globally)

2006 — Acquired by L'Oréal for £652.3M

2017 — Sold to Natura & Co for £880M, focusing on sustainability-driven growth.

2023 — Acquired by Aurelius Group for £207M; focused on cost-cutting and digital growth.

2024 — Filed for bankruptcy in the US and declared insolvency in Europe.

Reasons of Decline

Loss of Core Identity

- The **2006** acquisition by **L'Oréal alienated** loyal customers due to its association with **animal testing** in China.
- **Compromised its original values** of cruelty-free, ethical beauty, and sustainability.
- Failed to preserve the authenticity that initially set it apart from competitors.

Operational and Adaptation Missteps

Failure to Adapt to Competition

- **Struggled against modern competitors** excelling in transparency and digital marketing.
- **Outdated digital strategies** missed viral and social media opportunities.

Operation and Administration Changes

- Ownership changes caused **strategic inconsistencies**.
- High sustainable material **costs raised** prices, alienating budget-conscious customers.

Customer Trust Erosion

- The **"At Home"** direct-selling initiative **faced backlash**, perceived as an MLM scheme, damaging the brand's reputation.
- **Discontinuation of** beloved **product ranges** like Fuji Green Tea alienated loyal customers.
- **Over-expansion** led to saturation and **loss of exclusivity**, with competitors offering similar products.

Source : Problem Statement

Global and Indian Beauty Market Trends: Growth Drivers, Challenges, and Consumer Insights

Global Market Analysis

- Market Value (2022) : $ 296.83 B
- CAGR : 6.03%
- Natural and Organic Market Value (2022) : $ 642 M
- TikTok Shop : 2 Beauty product sold per second
- Consumer Preference : 40% prioritize natural ingredients

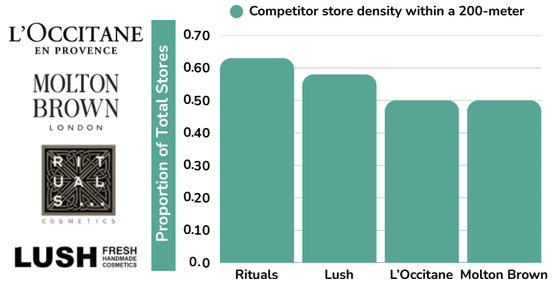
Key Trends Driving the Market

- Sustainability and Ethical Practices
- Digital Commerce and Social Media Influence
- Growth Opportunities in Emerging Markets
- Rise of Natural and Organic Products

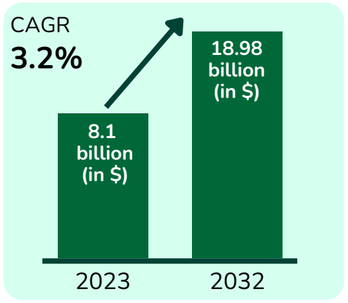
Challenges Facing the Global Market

- Market Saturation
- Erosion of Brand Loyalty
- Economic Slowdowns in Key Markets
- High Costs of Sustainable Transformation

Competitive Landscape



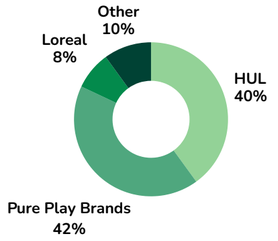
Indian Market Analysis



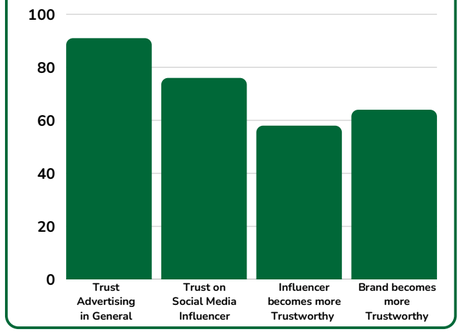
Key drivers

- Male Grooming on the Rise
- Surge in Natural Products
- Digital Influence on Behavior
- Penetration into Tier 2 & Tier 3 Cities
- Price Sensitivity

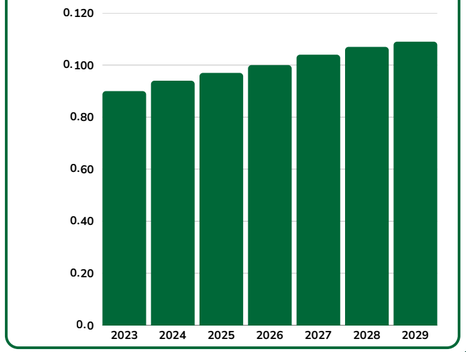
Market share of Pure-Play and FMCG brands



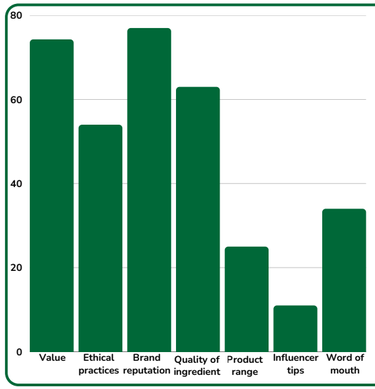
Consumers Perception Regarding Trust on Advertising & Social Media Influencers, in %, India 2023



Revenue Growth of Natural and Organic Products

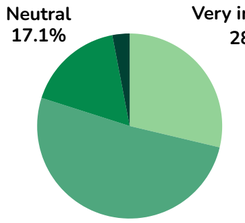


CONSUMER INSIGHTS



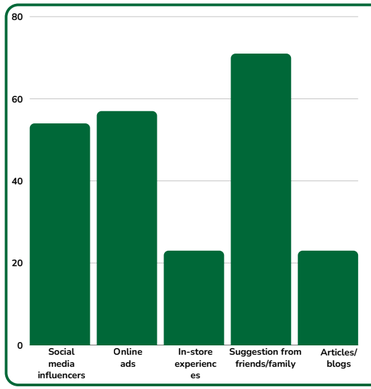
What factors influence your choice of a beauty brand the most?

- Value and Brand Reputation are the most significant factors, with the highest scores.
- Quality of Ingredients also plays a substantial role, slightly lower than Value and Brand Reputation.



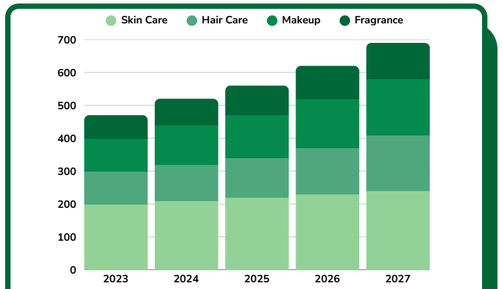
How important is sustainability in your purchasing decision for beauty products?

Nearly 80% prioritize sustainability in their purchases, with 28.7% considering it "very important" and 51.2% "somewhat important," highlighting growing eco-consciousness.



How do you usually discover new beauty brands?

- The majority of purchases (**47.4%**) are made in-store, suggesting that customers still prefer the physical shopping experience.
- Suggestions from friends and family are the most influential, while social media influencers also significantly impact purchase decisions.



- The global beauty market is projected to grow steadily from **2023 to 2027**, led by **fragrances.**

Source : ICC Pre-case | Market Research | The Body Shop 1 | The Body Shop 2

RELAUNCHING THE PERFUMES

"Smell Good, Do Good"





Each bottle sold saves 1 Asiatic Lion.

Unisex

NATURAL 100%

Made with 100% ingredients of indian origin

Scanning the QR code shows natural ingredients and their local sources, promoting sustainability and supporting local communities.



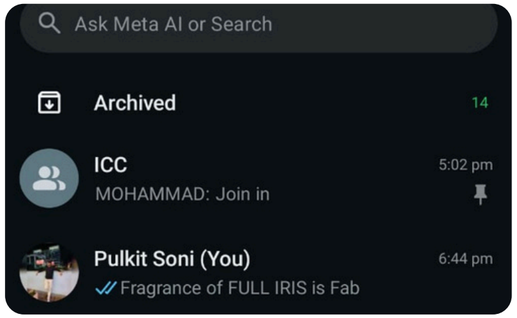
Note: 10% of the revenue from each bottle will be dedicated to saving endangered species on the brink of extinction.

MARKETING CAMPAIGNS

Celebrity Collaborations



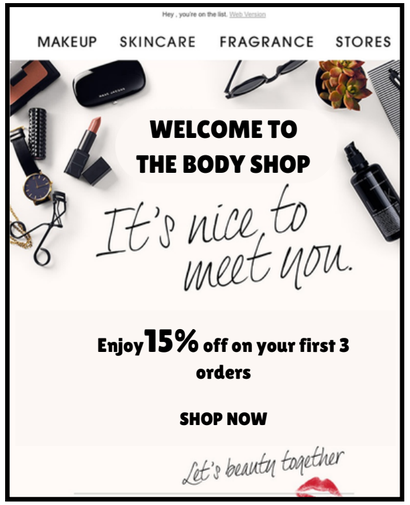
Word-of-mouth Marketing



Stealth Marketing



Email Campaigns



Social Media Campaigns



Introducing "Original Me AI": Revolutionizing Beauty Try-Ons

Original Me AI scans your face to assess your skin tone, texture, and concerns, offering **personalized product recommendations**. With the **Virtual Try-On feature**, you can **instantly try** different beauty products like lipsticks, mascaras, and foundations, etc. and see how various shades and finishes look on your face in real time.

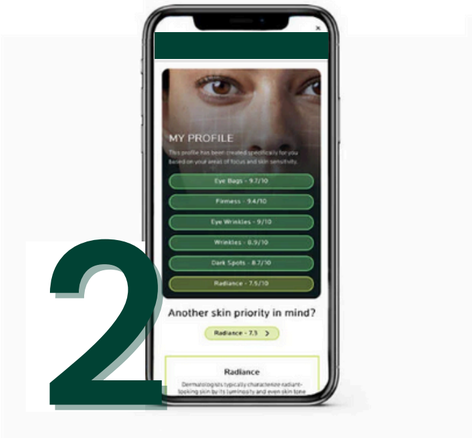
USER FLOW

UPLOAD OR TAKE A SELFIE



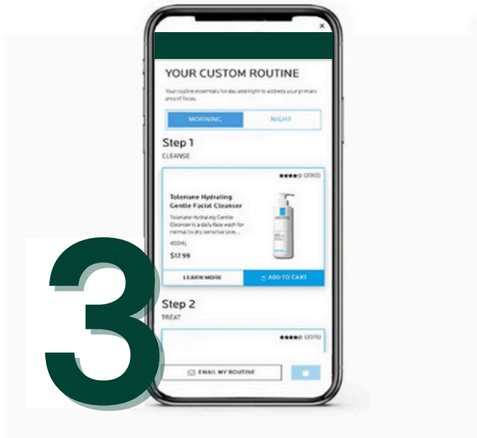
Complete your profile in less than a minute and let technology help define your skincare priorities.

COMPLETE YOUR ANANLYSIS



Our skin analysis technology scans your photo to reveal your skin's individual strengths and target areas across 6 key concerns.

DISCOVER YOUR ROUTINE



Receive a recommended skincare routine to target your primary focus.

VIRTUAL TRY ON



Helps in Trying differnet shades of lipstick & understanding product finsihes like matte, gloss

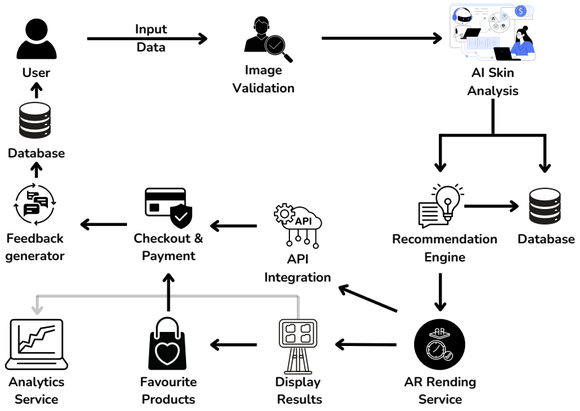
What women say...



Kashish Deora
Age: 24
Followers: **1M+**

"As a fashion influencer, AI skin analysis and virtual try-on tools are game-changers. They help me quickly experiment with different beauty products, find shades and finishes that suit my skin, and recommend tailored options to my audience."

SYSTEM DESIGN



Why adopt Original AI?

Encourages Smarter Food Choices: 49% of customers have purchased **impulse** based on **personalized** product recommendations.

Reducing Product Returns: AI can help reduce e-commerce return rates by **up to 25%** through **improved recommendations**

Boosting Customer Retention: AI-driven personalization increases customer retention by **38% on average.**

How does Original AI help?

- **Accurate Visualizations:** AI can simulate how products look on diverse skin tones, lighting conditions, and facial features.
- Helps users **understand product finishes** (matte, gloss, shimmer) and pigmentation levels before purchasing.
- Saves customers from visiting multiple stores or buying and returning unsuitable products.

Financials and Strategic Roadmap for Relaunch and Operational Excellence

RESOURCE REQUIREMENT

RELAUNCHING

- **₹75,000** Celebrity Colloborations
- **₹1,50,000** Stealth Marketing
- **₹15,000** CRM Integration
- **₹1,50,000** Printing cost

ORIGINAL ME AI

- **₹7,00,000** R&D Costs
- **₹10,50,000** Software & hardware developement
- **₹1,00,000** Cloud Infrastructure
- **₹50,000** Compilance & Legal costs

FINANCIAL PROJECTIONS

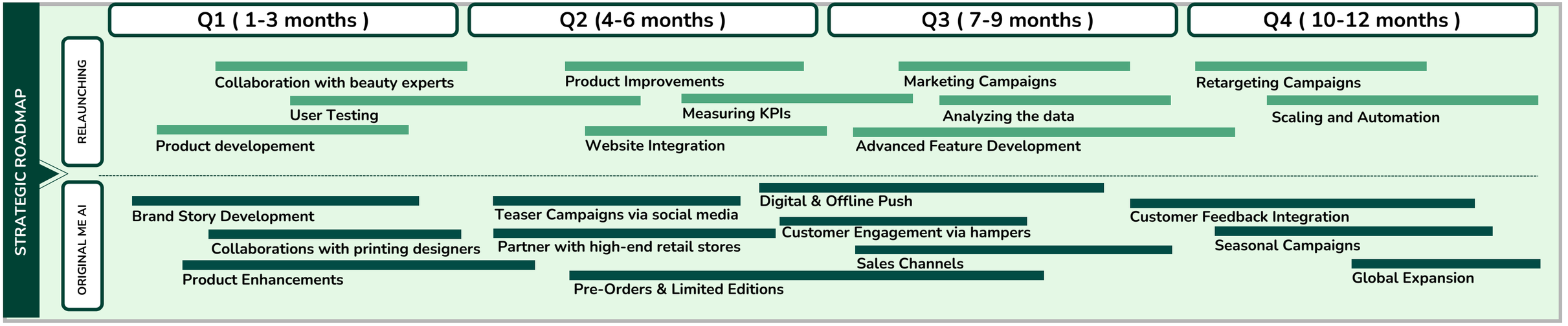
Due to the rebranding efforts (new look, customer experience, etc.), there will be a **5% increase in repeat purchases** from existing customers. Assume that the rebranding will **increase brand awareness by 15% in the first year**.

Break-even Time	Revenue	Profit	Profit Margin
39 Days	₹1,50,00,000	₹31,00,000	20.67%

20% of the total footfall (i.e., customers visiting the store or engaging online) will interact with the AI kiosk. A **10% conversion rate**, where 10% of customers who engage with the AI kiosk make a purchase or act on recommendations.

Break-even Time	Revenue	Profit	ROI (after 5 years)
6 months	₹1,80,00,000	₹36,00,000	847.37%

STRATEGIC ROADMAP



Refill Hub and EcoSwaps Sustainable Solutions with Mobile Vans and Pop-Up Stores

THE BODY SHOP

Refill Hub and EcoSwaps

NEED

- **60%** of emissions from production and transport per product can be **reduced by reusing containers**.
- **74%** of millennials are willing to pay more for **sustainable products**.

FUNCTIONING

- Personalised Refilling centers
- rPET/ PHA based swapping bottles
- Option availability for swapping
- Loyalty points for swapping and refilling

	User Step	Body Shop Benefit	Body Shop Goal
Re-filling center	Customers bring used bottles to refill/swap, guided by personalized recommendations.	Reduces plastic waste, enhances engagement, and strengthens sustainability branding.	Drive loyalty, lower packaging costs, and promote eco-friendly practices
Swapping	Customers swap damaged bottles for eco-friendly alternatives in-store or doorstep services.	Builds convenience and attracts environmentally conscious consumers.	Promote sustainability while upcycling materials and fostering long-term customer relationships.

IMPACT

- **Reduces** packaging waste, cutting environmental impact and aligning with values.
- Makes **products more cost-effective** for customers while reducing production expenses.
- Creates **unique, sustainable shopping experience** that fosters lasting customer relationships.

Mobile Vans and Pop-up stores

NEED

- **80%** of retailers with pop-up shops worldwide deemed them successful, according to a survey.
- **30%** brand recall **improvement** is seen in **areas visited by a mobile van** reaching 5,000–10,000 people daily.

FUNCTIONING

- Strategic Location Flexibility
- Integrated Consultation Booth
- Cost effective market testing
- Enhanced brand awareness

	User Step	Body Shop Benefit	Body Shop Goal
Pop-up stores	Customers explore products and provide feedback at strategic, temporary setups.	Gathers market insights, tests product demand, and builds brand awareness in new regions.	Evaluates potential for permanent presence while driving initial sales and customer engagement.
Mobile Van	Customers access products supported by personalized recommendations.	Expands reach, enhances accessibility, and builds a flexible, mobile brand presence.	Increases sales while leveraging pop-up insights to optimize inventory and routes.

IMPACT

- Bring The Body Shop to tier 2 and 3 cities, **increasing brand presence** and accessibility.
- Delivers **strong sales** while minimizing capital investment.
- **Strengthens eco-conscious branding** with scalable, cost-effective models.

Source : Tontoton Research gate Mobile van advertising

Interactive Snap and Shine and Group subscription : Driving Engagement and Footfall

THE BODY SHOP

Snap & Shine

NEED

- **9.6%** CAGR is driving the global selfie booth market to a projected USD 1,233.62 million by 2032.
- **40%** of total sales in industries like personal care come from the **portable segment**, highlighting its significant market impact.

FUNCTIONING



Customisable and interactive designs



Social Media Interaction



Sustainable and eco-friendly materials



Participation Incentives

	User Step	Body Shop Benefit	Body Shop Goal
 Social Media Integration	Customers interact on selfie booth, backgrounds, AR filters, & share experiences on social media.	Boosts brand visibility and social media engagement, reinforcing eco-conscious values.	Drive footfall to physical stores, increase product awareness, and foster customer engagement.
 In- Store Integration	Customers receive discounts for booth participation, attend in-store events.	Drives footfall to stores, incentivizes purchases, and creates an immersive brand experience.	Increase sales, promote products, and build in-store engagement.

IMPACT

- Selfie booths drive social media engagement via **user content** and **influencer tie-ups.**
- AR filters and offers enhance experiences, **boosting shares** and **repeat visits**.
- Influencer events and exclusive offers **drive foot traffic** and product purchases.

Group subscription

NEED

- **20%** fewer delivery trips reduce logistical complexity, saving 20-30% on transportation costs.
- **30%** larger ticket sizes from group orders boost revenue by 30-50% per transaction.

FUNCTIONING



Group Ordering Rewards



Loyalty Point System



Referral Program Incentives



Community-Driven Shopping

	User Step	Body Shop Benefit	Body Shop Goal
 Group Ordering Strategy	Form a group, place a collective order, and earn discounts and loyalty points.	Boost sales volume and foster community-driven shopping.	Increase average order value and promote collaborative engagement.
 Referral System	Share a referral link, and both referrer and referred earn points on the first purchase.	Cost-effective customer acquisition through word-of-mouth.	Expand the customer base while building customer loyalty.

IMPACT

- Bring The Body Shop to tier 2 and 3 cities, **increasing brand presence** and accessibility.
- Interactive experiences **drive sales** and **provide customer feedback** for future strategy.
- These flexible solutions enable expansion with **lower capital investment.**

Source : Zion Market research Statista Invensis

Regional Influencer Marketing

NEED

- **56%** of consumers admit to purchases inspired by social media influencers.
- **90%** of marketers include influencer marketing in their strategies.

FUNCTIONING



Micro-influencers for local Campaigns



Community-Centric Collaboration



Culturally Tailored Content



Incentive-Driven Campaigns

	User Step	Body Shop Benefit	Body Shop Goal
 User Engagement	Users discover products through influencer recommendations and exclusive promotions.	Increases visibility and attracts new customers through authentic influencer endorsements.	Drive traffic and conversions via engaging, influencer-led campaigns.
 Incentives and Loyalty	Returning customers redeem influencer-discounts and participate in loyalty programs.	Enhances repeat purchases and strengthens customer relationships.	Build a loyal customer base with personalized and value-driven experiences.

IMPACT

- Collaborating with regional influencers **strengthens appeal**, making the brand more relatable.
- Customized content **builds customer trust** and **boosts adoption**.
- Cost-effective partnerships **enhance visibility** and generate customer loyalty with a high ROI.

People as an ambassador

NEED

- **92%** of consumers trust recommendations from people they know, such as local influencers.
- **35%** vaccination rate improvement was achieved by using local health workers as ambassadors in a rural program.

FUNCTIONING



Community-Driven Trust Building



Cost-Effective Grassroots Marketing



Dual Impact Incentive Program



Direct Customer Insights

	User Step	Body Shop Benefit	Body Shop Goal
 The Green Glow Leadesr	Identify community figures, involving them in hosting events, product demos, and promotion	Builds trust in new markets through local ambassadors with strong community ties	Increase brand presence and authenticity by engaging trusted local voices.
 Incentives & Brand Loyalty	Offer opportunities for development, motivating them to engage and promote the brand.	Drives brand loyalty and ensures consistent and passionate promotion from ambassadors.	Foster strong local partnerships, to gather customer feedback, and strengthen brand loyalty.

IMPACT

- Local ambassadors build **strong community trust**, enhancing authenticity in new markets.
- The program offers a high-impact alternative to large-scale campaigns.
- Ambassadors act as a valuable feedback channel, **providing direct insights** into local needs.

Source : Online Library Spice work ResearchGate PMC

Financial Projections and Resource Allocation with strategic roadmap

RESOURCE REQUIREMENT

Refill Hub and EcoSwaps

Operational and Support Costs		Development Costs	
₹3,00,00,000 Refilling Costs	₹3,00,000 Bottle Swapping Costs	₹50,00,000 Store Modifications	₹12,50,000 Technology Integration
₹60,00,000 Loyalty Rewards Costs	₹12,50,000 Store Maintenance Costs	₹5,00,000 Staff Training	₹5,00,000 System Optimization

Mobile Vans and Pop-up stores

Operational and Support Costs		Development Costs	
₹85,00,000 Setup and Maintenance Costs	₹9,45,000 Staff Salaries	₹25,00,000 Infrastructure and Equipment Setup	₹5,00,000 Technology and Software
₹2,00,000 Marketing and Advertising	₹1,00,000 Utilities and Miscellaneous	₹3,00,000 Training and Recruitment	₹60,000 Licensing and Permits

Snap & Shine

Operational and Support Costs		Development Costs	
₹15,00,000 Staff Salaries	₹12,00,000 Maintenance & Upkeep of Booths	₹50,00,000 Selfie Booth Design & Setup	₹10,00,000 AR Filters Development
₹40,00,000 Marketing & Campaigns	₹13,00,000 Event Management & Launch	₹30,00,000 Customizable Backdrops	₹5,00,000 QR Code Integration

FINANCIAL PROJECTIONS

Assumption: **10,000 customers** complete **60** refills annually, **3,000** use bottle swaps, earn **6,000** loyalty points (**₹1/point**), with stable store costs.

- Break-even Time: **1 year**
- Revenue: **9.15 crores anually**
- ROI: **112.5%** over 5 years
- Profit: **4.84 crores**

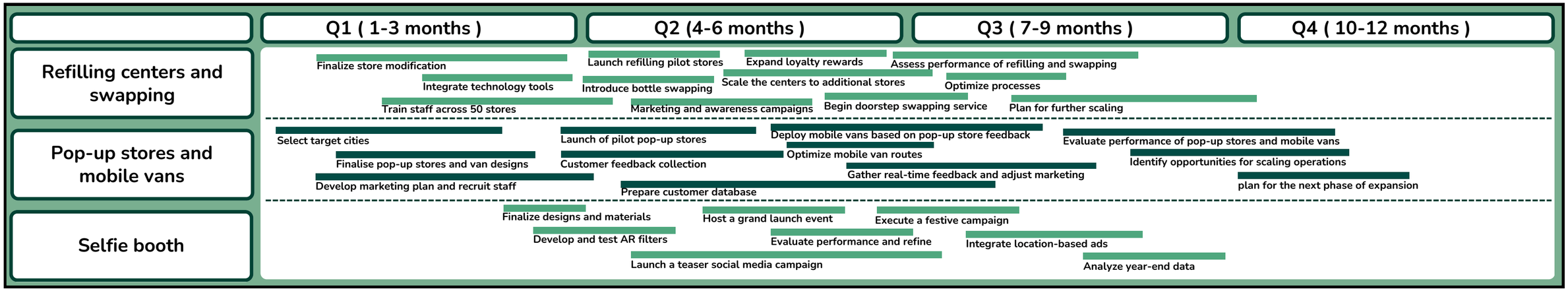
Assumption: Pop-Up Stores generate daily sales of **₹20,000** for **42 days**, while Mobile Vans achieve **₹40,000 daily per van** over **78 days**, with stable costs and sustained demand.

- Break-even Time: **1.2 years**
- Revenue: **1.35 crores anually**
- ROI: **43.5%** over 5 years
- Profit: **41 lakhs**

Assumption: The booth converts **10% of 50,000** customers at **₹1,500 each**, contributing a **5% revenue increase**, with quarterly events boosting footfall and online engagement.

- Break-even Time: **9 months**
- Revenue: **3.25 crores anually**
- ROI: **597%** over 5 years
- Profit: **92 lakhs**

STRATEGIC ROADMAP



Financial Projections and Resource Allocation with strategic roadmap

RESOURCE REQUIREMENT

Regional influencer marketing

Operational and Support Costs		Development Costs	
₹12,50,000 Influencer compensation	₹1,25,000 Product Sampling	₹3,00,000 Campaign Content Production	₹2,00,000 Technology Platforms
₹2,00,000 Marketing and Promotions	₹1,00,000 Logistics	₹1,00,000 Training and Strategy Development	₹2,00,000 Regional Adaptation Costs

People as an ambassador

Operational and Support Costs		Development Costs	
₹20,00,000 Recruitment and Training	₹40,00,000 Incentives	₹5,00,000 Selection Process & Interviews	₹2,00,000 Incentive Program Development
₹15,00,000 Marketing Support	₹10,00,000 Community Engagement	₹2,00,000 Recognition Program	₹5,00,000 Training Materials & Sessions

Group Subscription

Operational and Support Costs		Development Costs	
₹25,00,000 Feature Development	₹10,00,000 Referral Program Setup	₹8,00,000 Customer Support and Management	₹30,00,000 Incentive/Reward Fund
₹15,00,000 Loyalty System Development	₹5,00,000 Promotional Materials for Referral	₹12,00,000 App and Website Maintenance	₹10,00,000 Promotions and Discounts

FINANCIAL PROJECTIONS

Assumption: Each influencer generates **₹30,000 in sales** monthly, with **₹3,00,000** in costs and **10-20%** annual growth through expanded reach.

- Break-even Time: **5.5 months**
- Revenue: **1.43 crores anually**
- ROI: **188.7%** over 5 years
- Profit: **3.86 crores**

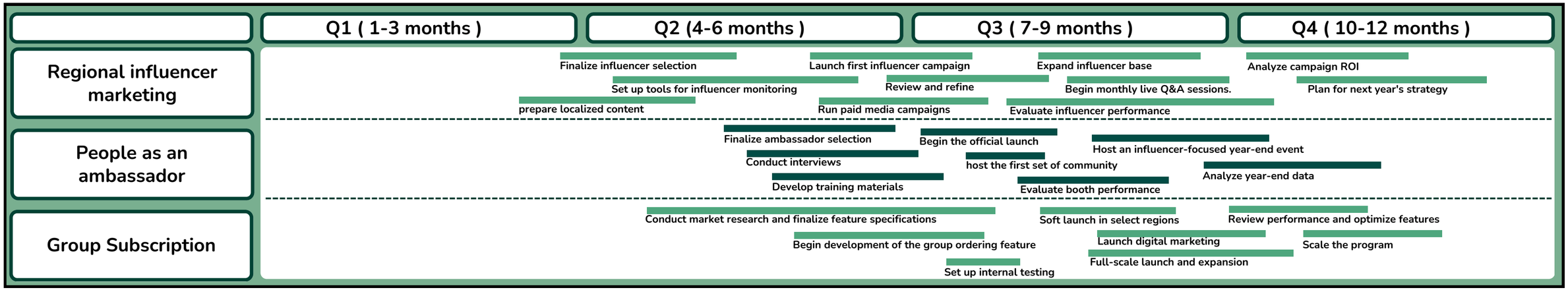
Assumption: The ambassador program will increase sales by **15%**, reach **2,000 individuals**, and drive a **5% revenue** boost, promoting brand loyalty through sustainability.

- Break-even Time: **3 months**
- Revenue: **2 crores anually**
- ROI: **113%** over 5 years
- Profit: **70 lakhs**

Assumption: The program will increase order value by 15%, customer base by 10%, repeat purchases by 25%, and referrals by 15%, with 5% of revenue on discounts and ₹500 per referral.

- Break-even Time: **2 months**
- Revenue: **3 crores anually**
- ROI: **300%** over 5 years
- Profit: **1.85 crores**

STRATEGIC ROADMAP



	Rising costs of sustainable raw materials	Less reach to Tier-2 and Tier-3 cities	Large Unpaid Inventory
Cause	Impact Dependency on Imports ●●●●○ Limited Local Sourcing ●●○○○ Demand-Supply Gap ●●●○○	Impact Lack of Distribution Channels ●●●●○ Limited brand recognition ●○○○○ Cost-driven logistics ●●○○○	Impact Inefficient Inventory Management ●●●●○ Demand Forecasting Errors ●●●○○ Limited Cash Flow Monitoring ●○○○○
Effects	Increased production costs **reduce profit margins**. Price-sensitive markets (like tier 2 and tier 3 cities) may find the products **less affordable.** Difficulty in maintaining competitive pricing while ensuring sustainability.	**Missed revenue opportunities** from emerging markets. **Stagnant customer base** concentrated in tier 1 cities. **Difficulty in scaling operations** due to limited market penetration.	Cash flow issues hinder **operational efficiency** and growth. Resources tied up in unsold inventory **reduce liquidity.** **Risk of stock** obsolescence or waste, especially for perishable or trendy items.
Extent	**Price Increases:** In July 2023, The Body Shop implemented price hikes to counteract rising costs in raw materials, packaging, and transportation.	**Store Closures**: In early 2024, The Body Shop closed 82 of its 196 UK stores, reducing its physical presence and potentially affecting accessibility in smaller cities.	**Supplier Impact**: As of February 2024, suppliers were concerned about being left with over $1 million worth of unpaid and unordered stock due to The Body Shop's financial difficulties.

Value Chain Analysis



Research and Development (R&D)

- Dependency on imported materials increases R&D costs.
- Limited exploration of alternative, locally sourced sustainable materials or synthetic equivalents.



Sourcing and Production



- Suppliers face payment delays creating tension and supply chain instability.
- Over-reliance on fair trade supply chains with high premium costs and limited contracts.

Distribution and Logistics

- Existing distribution hubs are not optimized for smaller cities, leading to increased logistics costs and delays.
- Dependency on traditional store-based distribution limits penetration into remote areas.



Stores and Staff



- Overproduction or misaligned inventory distribution creates a mismatch with sales demand.
- Limited technology adoption for real-time sales tracking and inventory management.

Customer Engagement

- Marketing strategies lack localization, missing the cultural nuances of smaller markets.
- Heavy reliance on global campaigns rather than region-specific ones.



Local Sourcing, Partner Retail and Hyperlocal model: Expanding Reach Sustainably

THE BODY SHOP

Hire a local staff to **communicate** these **regulations** to people

Define quality standards and **working principles** according to fair trade

Conduct Training Workshops For Tribes

Tribes

- Support for local communities
- Eliminate costs due to imports
- Access to unique, organic materials

Local Collection Centres

Raw Material Sourcing

Partner with local transport providers

Regional Contract Manufacturing Hubs

- Reduce logistics costs by being closer to tier 2 and tier 3 cities
- Faster Production
- Adaptability to local preferences

D2C

Partner Retailer Model

- Broader reach
- Eliminate warehouse costs
- Decentralized inventory
- Efficient Demand Supply

Retailers

Live inventory management

Online

Offline

BodyShop Website

Delivery Partners (Solves problem of remote delivery)

Physical Stores

Tired Quality Inspection

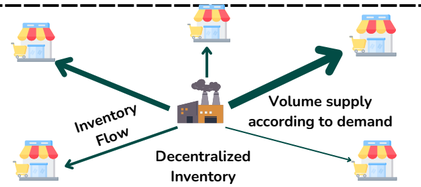
At Source (Trained local representatives)

Before Shipment (BodyShop Staff)

At Manufacturing Hubs By Experts (By Experts)

Avoid overproduction or understocking

Better demand prediction



- Retailers **no** longer **need to maintain** their **own warehouses**.
- Inventory is **distributed** across a **network of local retailers** and **managed** through real-time digital tools.
- This ensures products are **available exactly** when and where needed, **minimizing costs** and **delays**.

Introducing Hyperlocal Model

- **Reduced costs** in storage and transportation.
- **Faster delivery** and **better service** quality.
- Encourage sustainable practices by promoting local businesses.

BodyShop Retailer App: One-Stop Solution For Retailers

	Live Inventory Management Dashboard	AI-Powered Sales Analytics Module	Integrated Online Order Management	Supplier Management Module
What It Solves?	**Unpaid Inventory and Overstocking**	**Rising Costs, Overstocking and Limited Sales Visibility**	**Limited Reach and Customer Accessibility**	**Relationships with suppliers and risk of unpaid inventory.**
What It Does?	• **Real-time inventory updates** with low-stock and overstock alerts. • **Automated reorder suggestions** based on historical sales data. • **Barcode scanning** for easy stock entry and management.	• Visualize **sales trends**, **revenue insights**, and **profit margins**. • **Compare performance** across product categories and time periods. • **Customizable reports** for improved financial decisions.	• Expand reach by **integrating** online and offline sales. • **Centralize** order fulfillment across platforms. • **Automate invoicing and payments** to improve cash flow.	• Create a **centralized supplier record** with contact details, product catalogs, payment terms, and transaction history. • **Track pending invoices and due dates in real-time**, with automated notifications for upcoming and overdue payments

Financial Projections and Resource Allocation for Key Initiatives with strategic roadmap

RESOURCE REQUIREMENT

LOCAL SOURCING		3-P MANUFACTURING HUBS		PARTNER RETAILER MODEL		HYPERLOCAL MODEL	
₹30,00,000 Collaboration with Tribes	₹10,00,000 Logistics	₹1,00,00,000 Partnership Costs	₹24,00,000 Quality Control	₹2,00,000 Training programs	₹50,00,000 Retailer tools for inventory	₹17,00,000 Website Development	₹50,00,000 Last Mile Logistics
₹36,00,000 Staff Costs	**₹76,00,000** Total Resource Requirement	₹30,00,000 Logistics For Transportation	**₹1,54,00,000** Total Resource Requirement	₹35,00,000 **Decentralized Inventory System**	**₹97,00,000** Total Resource Requirement	₹25,00,000 Live Inventory Management	**₹1,42,00,000** Total Resource Requirement

FINANCIAL PROJECTIONS

Assumptions:
3, 3-P Manufacturing Hubs produce **7,20,000 units** annually. Partner Retailer Model handles **30%** of the distribution(tier 2 and tier 3 cities); 2,16,000 units sold annually at ₹500/unit and hyperlocal model handles **20%** of the distribution(urban markets); 1,44,000 units **sold annually at ₹500/unit**.

- **Break-even Time** 6 months
- **Revenue** 18 crores anually
- **Profit** 14.98 crores
- **ROI** 512% over 5 years

STRATEGIC ROADMAP

Q1 (1-3 months)

- Identify and onboard local tribes for collaboration
- Train local representatives
- Set up local collection centers
- Define quality standards and working principles for fair trade.
- Partner with regional contract manufacturing hubs in tier 2 and tier 3 cities.
- Develop partnerships with retailers for urban markets.
- Conduct market research to finalize website and app features.

Q2 (4-6 months)

- Scale partnerships with tribes
- Build logistics pipelines with local transport providers
- Start volume-based supply adjustments according to demand
- Roll out retailer inventory tools
- Conduct training workshops for retail partners.
- Initiate decentralized inventory systems and train retail partners
- Implement tiered quality inspection at manufacturing hubs.
- Begin setting up live inventory management systems.
- Launch the first version of the website and app.

Q3 (7-9 months)

- Expand the network of local collection centers for better material sourcing.
- Monitor the decentralized inventory system for performance.
- Evaluate retailer demand supply processes and make improvements
- Optimize logistics to reduce costs further.
- Begin faster production and ensure adaptability to local preferences
- Test last-mile logistics operations in select areas.
- Scale logistics and delivery infrastructure.

Q4 (10-12 months)

- Plan for next year's expansion or improvements
- Evaluate the impact of tribal collaborations on costs and product quality
- Scale inventory tools to additional retailers.
- Conduct end-of-year reviews to optimize operations for the next phase.
- Analyze production efficiency and logistics costs
- Ensure compliance with quality control standards and conduct periodic evaluations.
- Fully launch the website and app with all features.

Key Risks and Mitigation Strategies for the overall Success

	Key Risks				Mitigation Strategy			
REBRANDING	Public skepticism about the genuineness of efforts	Limited engagement of the "Original Me" AI	Ineffective marketing	Overdependence on digital campaigns	Ensure complete transparency	Conduct UX testing	Pair strategies with measurable KPIs	Diversify marketing channels
EXPANSION	Supply Chain Complexity and Cost Escalation	Resistance from Existing Vendors or Partners	Slow Consumer Behavior Change	Overdependence on Influencers	Demand Forecasting for Inventory Optimization	Incentivizing Partner Alignment with Sustainability	Incentivizing Sustainable Consumer Behavior	Building a Community of Brand Advocates
DISTRIBUTION	Limited Penetration Beyond Tier-1 and Tier-2 Cities	Logistical Challenges in Remote Areas	Lack of Localized Product Offerings	Taxation and Regulatory Complexities	Partner with retailers, use pop-ups in Tier-3 cities.	Partner with local logistics, set up regional hubs.	Introduce region-specific products and conduct market research.	Establish a local compliance team and collaborate with consultants.

Mitigation Strategies Implementation

REBRANDING

- **Establish transparent frameworks** for conservation and publish **regular updates** to maintain public trust.
- Promote **AI kiosks** and **virtual try-on features** via in-store events and influencer marketing to enhance adoption.
- **Blend stealth marketing** with targeted influencer collaborations and customer engagement through **interactive campaigns.**
- **Continuously track** and **optimize campaign** performance while diversifying marketing efforts to maintain customer interest.

EXPANSION

- Set up regional warehouses, partner with eco-friendly suppliers, and invest in demand forecasting technology to **reduce logistics costs and balance inventory.**
- **Offer incentives,** certifications, and training to align vendors with The Body Shop's sustainability goals, transitioning gradually.
- **Launch reward programs and trial products**, and offer discounts to encourage adoption of sustainable and refillable products.
- Develop a loyalty program, host sustainable workshops, and collaborate with vetted influencers to **promote The Body Shop's values**.

DISTRIBUTION

- Establish a **local compliance team** and work with consultants to streamline processes, ensuring adherence to India's regulatory requirements.
- **Introduce India-specific products**, like lightweight skincare for humid climates, and conduct market research to adapt offerings to regional preferences.
- **Partner with regional retailer**s or franchisees and set up mobile pop-up stores or kiosks in Tier-3 and rural markets to increase physical presence.
- **Collaborate with hyperlocal logistics** providers for last-mile delivery and set up regional hubs to reduce delivery times and costs.

Rebranding

Rebranding	
Original Me AI	
Revenue Projections	
Total Revenue	₹15,00,000 × 60 months = ₹9,00,00,000.
Cost Analysis	
R&D (Algorithm + Data)	₹8 lakhs
Software Development	₹4 lakhs
Hardware (GPUs, Devices)	₹4 lakhs
Cloud Infrastructure	₹1 lakhs annually
Compliance and Legal	₹2 lakhs
Total Initial Investment	**₹19,00,000**
Profit	₹15,00,000×20%=**₹3,00,000**
ROI	{(₹19,00,000- ₹1,80,00,000)/ ₹19,00,000}×100=**847.37%**
Break-even Analysis	
Breakeven Time	₹3,00,000₹19,00,000=6.33 months (approx. **6 months and 10 days**).

Assumptions
Average Order Value (AOV): ₹3,000 (value per customer).
Profit Margin Per Sale: 20%
Conversion Rate = 7%.
Sale of 5000 units

Relaunching Perfumes	
Revenue Projections	
Total Revenue	5000(Customers)×₹3000 = **₹1,50,00,000**
Cost Analysis	
Production Costs	₹1030
Marketing and Branding	₹900
Logistics and Distribution	₹450
Profit	5000×₹620=**₹31,00,000**
Profit Margin per bottle	₹3000 - (₹1030 + ₹900 + ₹450) = **₹620**
Break-even Analysis	
Breakeven Time	1.29×30≈**39 days**

XLS Finance Sheets

Expansion - Refill Hub and EcoSwaps

Assumptions
Each of the 10,000 active customers completes 60 refills annually.
Bottle swaps are utilized by 3,000 customers annually.
Loyalty rewards convert consistently at ₹1 per point with all customers earning 6,000 points annually.
Store infrastructure and maintenance costs remain stable.

Refilling centres and Swapping	
Revenue Projections	
Refilling	
Price per Refill	₹150
Revenue	10,000 customers × 60 refills/customer × ₹150/refill = ₹9,00,00,000
Bottle Swaps	
Price per Bottle Swap	₹500
Number of Bottle Swaps per Year	3,000
Revenue	3,000 customers × ₹500/swap = ₹15,00,000
Total Revenue	₹9,00,00,000 (Refilling) + ₹15,00,000 (Bottle Swaps) =₹9,15,00,000

Cost Projections	
Initial Setup Costs	
Store Modifications	
Cost per Store	₹1,00,000
Number of Store	50
Total Cost for Store Modifications	50×₹1,00,000=**₹50,00,000**
Technology Integration	
Cost per Store	₹25,000
Total Cost for Technology Integration	50×₹25,000=**₹12,50,000**
Staff Training	
Training per Store	₹10,000
Total Training Cost	50×₹10,000=**₹5,00,000**
Total Initial Setup Costs	₹50,00,000+₹12,50,000+₹5,00,000=**₹67,50,000**
Operational Costs	
Refilling Costs	
Cost per Refill	₹50
Average Refills per Customer per Year	60
Number of Active Refilling Customers	10,000
Total Refilling Cost per Year	60×₹50×10,000=**₹3,00,00,000**
Bottle Swapping Costs	
Cost per Bottle Swap	₹100
Number of Bottle Swaps per Year	3,000
Total Bottle Swapping Cost per Year	3,000×₹100=**₹3,00,000**
Loyalty Rewards Costs	
Cost per Loyalty Point	₹1 per point
Loyalty Points Earned per Refilling	100 points per refill
Loyalty Points Earned per Custome	100×60=6,000 points annually per customer
Loyalty Points for 10,000 Customers	10,000×6,000=60,00,000 points annual
Total Cost for Loyalty Points	60,00,000×₹1=**₹60,00,000**
Total Operating Costs	₹3,00,00,000 (refilling costs)+₹3,00,000 (bottle swapping costs)+₹60,00,000 (loyalty rewards)=₹3,63,00,000

Net Profit
₹9,15,00,000 (Revenue)−₹4,30,50,000 (Costs)=₹4,84,50,000
ROI Calculation
ROI: (₹4,84,50,000/₹67,50,000)×100=112.5%

Expansion - Mobile Vans and Pop-up stores

Assumptions
Daily sales for Pop-Up Stores: ₹20,000 over 42 days.
Daily sales for Mobile Vans: ₹40,000 per van over 78 days (3 months).
Initial setup and operational costs remain constant without significant inflation or unforeseen expenses.
Customer demand sustains the projected sales figures.

Pop-up stores and mobile van	
Revenue Projections	
Pop-Up Stores	
Revenue per store	₹20,000/day × 42 days = **₹8,40,000**
Total revenue (5 stores)	₹8,40,000 × 5 = **₹42,00,000**
Mobile Vans Revenue	
Revenue per van	₹40,000/day × 26 days/month × 3 months = **₹31,20,000**
Total revenue (3 vans)	₹31,20,000 × 3 = **₹93,60,000**
Total Revenue	₹42,00,000 (Pop-Up Stores) + ₹93,60,000 (Mobile Vans) = ₹1,35,60,000

Cost Analysis	
Operational and Support Costs	₹31,00,000 (stores)
	₹54,00,000 (vans)
	₹9,45,000 (salaries)
	₹2,00,000 (marketing)
	₹1,00,000 (miscellaneous)
Total	**₹97,45,000**
Development Costs	₹25,00,000 (infrastructure)
	₹5,00,000 (technology)
	₹3,00,000 (training)
	₹60,000 (licensing)
Total	**₹33,60,000**
Total Cost	₹97,45,000 + ₹33,60,000 = **₹1,31,05,000**
Profit	₹1,35,60,000 (revenue) - ₹1,31,05,000 (costs) = **₹4,55,000**
ROI	(₹4,55,000 / ₹1,31,05,000) × 100 ≈ **3.47%**
Break-even Analysis	
Pop-Up Stores	
Breakeven Sales = Total Costs / (Number of Stores × Days)	
₹1,31,05,000 / (5 × 42) ≈ **₹62,405/day**	
Pop-Up Stores	
Breakeven Sales = Total Costs / (Number of Vans × Days × Months)	
₹1,31,05,000 / (3 × 26 × 3) ≈ **₹56,004/day**	

XLS **Finance Sheets**

Expansion - Snap & Shine

Snap & Shine	
Revenue Projections	
Annual Revenue from Booth Engagement	
Direct Revenue from booth engagement	₹75,00,000
Indirect Revenue from brand awareness	₹2,50,00,000
Total Annual Revenue	₹75,00,000+₹2,50,00,000=₹3,25,00,000

Assumptions
Average Conversion Rate: 10% of customers engaging with the booth will make a purchase.
Average Purchase Value per Customer: ₹1,500.
Growth in Brand Awareness: The campaign will contribute a 5% increase in total annual revenue.
Customer Engagement: 50,000 customers will engage with the booth in the first year.
Event Frequency: Quarterly workshops and launch events.
Footfall Increase: The booth's presence will lead to a measurable increase in footfall and online engagement.

Cost Projections	
Operational & Support Costs	
Staff Salaries for Booth Management	50 stores×₹30,000 per store=₹15,00,000 annually
Maintenance & Upkeep of Booths	₹24,000 per booth×50 booths=₹12,00,000 annually
Marketing & Advertising Campaigns	₹40,00,000 annually for ads, campaigns, and content creation
Event Management for Workshops & Laur	₹3,25,000 per event×4 events (launch + 4 workshops)=₹13,00,000 annually
Total Operational Costs	₹15,00,000 (Staff Salaries)+₹12,00,000 (Booth Maintenance)+₹40,00,000 (Marketing)+₹13,00,000 (Event Management)=₹80,00,000 annually
Development Costs (One-time Costs)	
Selfie Booth Design & Setup	₹50,00,000
AR Filters Development	₹10,00,000
Customizable Backdrops	₹30,00,000
QR Code Integration & Developmen	₹5,00,000
ROI (Return on Investment) Over 5 Years	
Total Revenue over 5 Years	₹3,25,00,000×5=₹16,25,00,000
Total Investment Over 5 Years:	Development Costs (One-time): ₹95,00,000
	Annual Operational Costs for 5 years:
	₹80,00,000×5=₹4,00,00,000
Total Investment over 5 years:	Total Investment over 5 years:
ROI Calculation	ROI=Total InvestmentTotal Revenue−1 ≈**5.97**
Breakeven Time	
Total Initial Investment	₹2,33,00,000
Annual Revenue	₹3,25,00,000
Breakeven Time	2,33,00,000≈**0.72years ≈9months**

Expansion - Group subscription

Assumptions
Average Group Order Size: Customers place orders averaging ₹10,000 per group, resulting in a 15% increase in order value.
Referral Conversion Rate: 20% of referred individuals will make a purchase, contributing to a 10% increase in the customer base in the first year.
Customer Retention Rate: The program increases repeat purchases by 25% per customer due to loyalty points and referral benefits.
Growth in Participation: The number of group orders and successful referrals will grow by 15% each year.

Group Subscription	
Cost Projections	
Resource Requirement Cost	
Group Ordering Feature Development (One-time)	₹25,00,000
Referral Program Setup (One-time)	₹10,00,000
Loyalty Point System Development (One-time)	₹15,00,000
Total Development Costs (One-time)	**₹50,00,000**
Annual Operational Costs	
Marketing & Promotional Materials for Referral Program	₹5,00,000
Customer Support and Management	₹8,00,000
Incentive/Reward Fund for Group Ordering & Referrals	₹30,00,000
App and Website Maintenance for New Features	₹12,00,000
Promotions and Discounts for Group Ordering	₹10,00,000
Total Annual Operational Cost	₹65,00,000

Breakeven time calculation		
Total Initial Investment (Development Costs)	₹50,00,000	
Annual Revenue Impact	₹3,00,00,000	
Breakeven Time Formula	(Total Initial Investment/Annual Revenue Impact) = 0.17years=2months	
Revenue anually		
Increased Sales from Group Orders	₹1,50,00,000	
Revenue from New Customers via Referral Program	₹1,00,00,000	
Increased Repeat Business from Loyalty Points	₹50,00,000	
Total Annual Revenue	**₹3,00,00,000**	
ROI (Return on Investment) Over 5 Years		
Total Revenue Over 5 Years	₹3,00,00,000 × 5 = ₹15,00,00,000	
Total Investment Over 5 Years	Initial Investment	₹50,00,000
	Annual Operational Costs	₹65,00,000 × 5 = ₹3,25,00,000
	Total Investment	₹50,00,000 + ₹3,25,00,000 = ₹3,75,00,000
ROI Calculation	300% or 3 times the initial investment.	

XLS **Finance Sheets**

Expansion - Regional Influencer Marketing

Regional Influencer Marketing	
Revenue Projections	
Revenue Breakdown (Monthly and Annually)	
Average Order Value (AOV)	₹600
Units Sold per Influencer (Monthly)	50 units
Sales per Influencer	50 units×₹600=₹30,000
Total Sales from 25 Influencers	₹30,000×25=₹7,50,000
Year 1:	₹7,50,000×12=₹90,00,000
Year 2 (20% growth)	₹90,00,000×1.20=₹1,08,00,000
Year 3 (10% growth)	₹1,08,00,000×1.10=₹1,18,80,000
Year 4 (10% growth)	₹1,18,80,000×1.10=₹1,30,68,000
Year 5 (10% growth)	₹1,30,68,000×1.10=₹1,43,74,800

Cost Projections	
Operational and Support Costs	
Influencer Compensation	₹50,000 per influencer × 25 influencers = ₹12,50,000
Product Sampling	₹5,000 per influencer × 25 influencers = ₹1,25,000
Marketing and Promotions	₹2,00,000 (Paid campaigns)
Logistics	₹1,00,000 (Shipping products and campaign kits)
Total Operational and Support Costs	₹12,50,000+₹1,25,000+₹2,00,000+₹1,00,000=₹16,75,000
Development Costs	
Campaign Content Production	₹3,00,000 (High-quality reels, tutorials, cultural tie-ins)
Technology Platforms	₹2,00,000 (Subscription tools like CreatorIQ, Upfluence)
Training and Strategy Development	₹1,00,000 (Workshops and influencer training)
Regional Adaptation Costs	₹2,00,000 (Localization for different regions)
Total Development Costs	₹3,00,000+₹2,00,000+₹1,00,000+₹2,00,000=₹8,00,000
Total Resource Requirement Cost	₹16,75,000(Operational Costs)+₹8,00,000(Development Costs)=₹24,75,000
ROI (Return on Investment)	
Initial Investment	₹24,75,000
Monthly Ongoing Costs	₹3,00,000 × 60 months = ₹1,80,00,000
Total Investment Over 5 Years	₹24,75,000+₹1,80,00,000=₹2,04,75,000
Revenue Over 5 Years	₹90,00,000+₹1,08,00,000+₹1,18,80,000+₹1,30,68,000+₹1,43,74,800=₹5,91,22,800
Net Profit Over 5 Years	₹5,91,22,800−₹2,04,75,000=₹3,86,47,800
ROI Calculation	(₹3,86,47,800/₹2,04,75,000) ×100≈188.7%
Break-even time	
Initial Investment	₹24,75,000
Net Monthly Profit	₹4,50,000 (calculated as Total Revenue from Influencers - Monthly Costs)
Breakeven Time	(₹24,75,000/₹4,50,000)=5.5months

XLS **Finance Sheets**

Expansion - People as an ambassador

Assumptions
Average Conversion Rate: 15% increase in sales due to the ambassador program.
Ambassador Reach: Each ambassador engages with at least 2,000 individuals, with 10% engaging with the products.
Event Frequency: Each ambassador hosts at least 6 events/workshops per year.
Sales Impact: 5% increase in sales in targeted regions.
Sustainability & Values: Strong alignment with The Body Shop's sustainability values.

People as an ambassador	
Cost Analysis	
Operational & Support Costs	
Ambassador Recruitment and Training	₹20,00,000
Incentives for Ambassadors	₹40,00,000
Marketing Support for Ambassadors	₹15,00,000
Community Engagement and Event Costs	₹10,00,000
Total Operational & Support Costs	**₹85,00,000**
Development Costs (One-time)	
Ambassador Selection Process & Interviews	₹5,00,000
Incentive Program Development	₹3,00,000
Ambassador Recognition Program	₹2,00,000
Training Materials & Sessions	₹5,00,000
Total Development Costs	₹15,00,000

Total Initial Investment (Development Costs)	₹45,00,000 (₹5,00,000 + ₹3,00,000 + ₹2,00,000 + ₹5,00,000)	
Annual Revenue Impact	₹2,00,00,000 (Direct and indirect revenue from the program)	
Direct Revenue from Ambassador Sales	₹1,50,00,000	
Indirect Revenue from Increased Brand Trust & Engagement	₹50,00,000	
Total Annual Revenue	₹2,00,00,000	
Breakeven Time Calculation		
Breakeven Time	Total Initial Investment/Annual Revenue Impact = 0.225years=3months	
ROI (Return on Investment) Over 5 Years		
ROI (Return on Investment) Over 5 Years	₹2,00,00,000 × 5 = ₹10,00,00,000	
Total Investment Over 5 Years	Initial Investment	₹45,00,000
	Annual Operational Costs	₹85,00,000 × 5 = ₹4,25,00,000
	Total Investment	₹45,00,000 + ₹4,25,00,000 = ₹4,70,00,000
ROI=(Total Revenue/Total Investment)−1		
ROI=(₹10,00,00,000/₹4,70,00,000)−1≈1.13 or 113%		

Distribution Channel

Distribution channel	
Revenue Projections	
Annual Revenue from Distribution Channel	
Revenue from Partner Retailer Model	₹500 x 0.3 x 7,20,000 = **₹10,80,00,000**
Revenue from Hyperlocal Model	₹500 x 0.2 x 7,20,000 = **₹7,20,00,000**
Total Annual Revenue	₹10,80,000+₹7,20,00,000=**₹18,00,00,000**

ROI (Return on Investment) Over 5 Years	
Total Revenue over 5 Years	₹18,00,00,000×5=**₹90,00,00,000**
Total Investment Over 5 Years:	Initial Setup Costs (One-time): ₹1,35,00,000
	Annual Operational Costs for 5 years:
	₹2,67,00,000×5=₹13,35,00,000
Total Investment Over 5 Years	₹1,35,00,000 + ₹13,35,00,000 = **₹14,70,00,000**
ROI Calculation	((₹90,00,00,000-₹14,70,00,000) / ₹14,70,00,000) x 100 = **512.24 %**

Cost Projections			
Initial Setup Costs			
Local collection center setup (per center)	10 centers × ₹2,50,000 per center = **₹25,00,000**		
Retailer tools for inventory management	₹50,000 per retailer × 100 retailers = **₹50,00,000**		
Software and digital tools setup costs	**₹40,00,000** for custom software development, software licenses, BodyShop website, cloud infrastructure and user training		
Live Inventory Management Setup costs	**₹20,00,000** for app and database development and user training		
Total One-time Setup Costs	₹25,00,000 + ₹50,00,000 + ₹40,00,000 + ₹20,00,000 = **₹1,35,00,000**		
Operational Costs (Annual)			
3-P Manufacturing Partnership Costs	₹33,00,000 (each 3-P manufacturing hub) x 3 hubs = **₹1,00,00,000**		
Staff Costs	₹15,000/month/person x 12 x 20 people (trained local representatives) + ₹20,000/month/person x 12 x 10 people (Trained Quality Inspectors (in-house staff)) = **₹60,00,000**		
Logistics Partnership Costs	₹8,00,000 (local transport providers at source) + ₹30,00,000 (transportation to retailers) + ₹45,00,000 annually (Delivery Partners) = **₹83,00,000**		
Software Maintenance Costs	₹10,00,000 (decentralized inventory system) + ₹2,00,000 (Website) + ₹5,00,000 (Live Inventory Management) = **₹17,00,000**		
Training Workshops	₹5,00,000 (Tribals) + ₹2,00,000 (Retailers) = **₹7,00,000**		
Total Operational Costs	₹1,00,00,000 + ₹60,00,000 + ₹83,00,000 + ₹17,00,000 + ₹7,00,000 = **₹2,67,00,000**		

Assumptions
3-P Manufacturing Hubs produce 7,20,000 units anually
Each unit is sold at an average price of ₹500
Partner Retailer Model Contributes to 30% of total sales
Hyperlocal Model Contributes to 20% of total sales

Sources: Link Link Link Link Link Link Link Link

XLS **Finance Sheets**