



CLIENT STORY | ENTRY STRATEGY IN NUTRI-COSMETICS SEGMENT FOR A LARGE PERSONAL CARE PLAYER

**Region :**  
SOUTHEAST ASIA

**Consulting Services :**  
MARKET ASSESSMENT AND ENTRY STRATEGY

## CLIENT SITUATION

- The client was one of the top 3 personal care companies in Malaysia
- It wanted to extend its popular brand into new product categories
- One of the product categories identified for entry was nutri-cosmetics – a growing market in the country
- The client believed that they were uniquely positioned to grow in this market owing on account of its strong client base, wide presence across retail channels and in-store sales capability
- The client wanted to assess the market opportunity and devise the entry strategy for this category

## OUR APPROACH

- Avalon started with secondary research covering internet searches, internal databases, published news articles, reports to understand the nutri-cosmetics category dynamics in Malaysia
- This was followed by market visits and face to face interviews in the key demand centres in Malaysia.
- Respondents included distributors, 3<sup>rd</sup> party manufacturers, key nutricosmetics players, trade/ pharmacy (both modern and general store) purchase managers, and regulatory authorities
- A top down as well as bottom up approach was adopted to determine overall market size. Future growth estimates were validated by comparing macro economic factors amongst countries
- Store checks were conducted across pharmacies, modern trade outlets, general stores, traditional outlets (both Chinese and Malay) to understand the current product offerings in the market and price dispersion in between brands
- For understanding the customer profiles and behaviour a quantitative research was conducted covering a mix of various demographic, gender and ethnic profiles in Malaysia
- Learnings from other markets were identified based on desk research
- Market Assessment and entry strategy was formulated post synthesis of the market findings

## OUR RECOMMENDATION/ IMPACT

- Avalon started by estimating the overall nutricosmetics market in Malaysia - By segments, benefits, active ingredients, demand centres, and form factors
- Then, a detailed mapping of the value chain, and competition profiling was done in order to understand the business environment
- White spaces in terms of price and form factors were identified with the help of store checks
- Based on the information that was collected, future projections for various market segments were estimated and were then validated using S-curve analysis
- Market findings were corroborated with the consumer insights derived from the quantitative survey to arrive at a high level of recommendation for market entry
- High level entry strategy was developed and presented by Avalon Consulting