

BUSINESS PLAN

OT BEAUTY ACCESSORIES

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BUSINESS PROJECT PLAN

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Business Project Plan prepared APRIL 2024

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We hereby declare that:

- (1) This UBTS3316 Business Project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this Business Project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the Retail Business project.
- (4) The word count of this Business Project is 8795Words.

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1.0 EXECUTIVE SUMMARY

1.1 The Description of the business

OT Beauty Accessories Shop, nestled in the heart of a quaint town in Perak, offers a delightful array of beauty essentials designed to elevate everyday style. From the latest trends to timeless classics, our shop is a treasure trove of hair accessories, jewelry, handbags, and more, carefully curated to cater to the diverse tastes and preferences of our customers. Our shelves are adorned with an exquisite selection of hair clips, from classic designs to trendy embellishments, perfect for adding flair to any hairstyle. There are a lot of different hair accessories such as hair clips which featuring a variety of styles from classic designs to trendy patterns, perfect for everyday waer or special occasions. Scrunchies: Soft, stylish, and gentle on hair, our scrunchies come in various fabrics and colors to match any outfit. Hairbands: From chic headbands to practical hair wraps, we offer options suitable for all hair types and styles. Barrettes: Elegant and functional, our barrettes add a touch of sophistication to any hairstyle. In jewelry, for those seeking a touch of elegance, our crystal bracelets sparkle with sophistication, while our assortment of earrings range from subtle studs to statement pieces, catering to every mood and occasion. Besides, press-on nails discover a spectrum of designs, from classic French tips to bold, artistic patterns. Dive into a world of versatility with our range of scrunchies, hairbands, and barrettes, crafted with care and cute to blend fashion with function seamlessly. Alongside these coveted accessories, we also showcase a curated collection of handbags, each a blend of style and practicality Stylish, Functional and Featuring a curated selection of handbags ranging from crossbody totes to compact clutches, each piece is chosen for its quality and style. At OT Beauty Accessories Shop, we pride ourselves on providing not just products, but the means to express individuality and confidence through each carefully chosen piece.

1.1.1 How the Proposed Business Solves Problems and Fulfills Customers' Needs

One of the primary issues OT Beauty Accessories faces is declining sales due to increased prices, particularly with items like earrings. To address this, the proposed business will implement a pricing strategy that balances affordability with quality. We will introduce a tiered pricing system, offering a range of options in each product category to cater to varying budget levels. This approach ensures that customers can find items that fit their preferences without breaking the bank. One of the cornerstones of OT Beauty Accessories Shop's commitment to customer satisfaction is our dedication to offering a diverse range of earrings at exceptionally affordable prices. We understand the impact of rising costs on our customers. This ensures that our patrons can indulge in their love for accessories without hesitation, finding the perfect pair to complement their style without compromising on quality. Whether it's classic studs, dazzling hoops, or elegant drops, each piece is thoughtfully priced to be accessible to all, allowing our customers to express their individuality with flair and confidence.

Recognizing the challenges posed by overstock, especially during periods such as the Movement Control Order (MCO), we have implemented a streamlined inventory management system. Through data-driven analysis, forecasting, and streamlined inventory systems, we ensure our shelves are always stocked with the latest and most sought-after accessories. This agile and responsive approach enables us to adapt swiftly to market trends, providing our patrons with a diverse selection while avoiding inventory challenges during uncertain times.” This includes closely monitoring sales trends and customer preferences to make informed purchasing decisions. Additionally, we will establish partnerships with local artisans and designers to offer exclusive, limited-edition collections that create a sense of urgency among customers.

1.2 Opportunity of the Business

OT Beauty Accessories Shop can seize the opportunity to introduce a curated line of apparel that perfectly complements its existing range of beauty accessories. By offering matching apparel such as tops, skirts, or dresses, customers are presented with complete outfit solutions. This not only enhances the shopping experience but also provides an incentive for customers to purchase both accessories and apparel, leading to increased sales and average transaction value.

To address the challenge of customer window shopping, the shop can create styling packages or lookbooks that showcase complete outfits incorporating both accessories and apparel. This not only inspires customers with styling ideas but also encourages them to visualize the full potential of their purchases. Styling services or consultations can further enhance this experience, providing personalized recommendations to shoppers.

To tackle the issue of overstock during the MCO or other uncertain times, OT Beauty Accessories Shop can implement efficient inventory management systems. This includes utilizing data-driven analysis and forecasting to optimize stock levels, ensuring a balance between supply and demand. Strategic promotions, seasonal discounts, and clearance sales can also help clear excess inventory while maintaining profitability.

1.3 Description of Business Model Compared to Competitors

OT Beauty Accessories Shop

Although OT Beauty Accessories Shop does not have any direct competitors in Kampar, it has taken a calculated risk by positioning itself alongside MR.DIY, a well-known general retail store. OT Beauty Accessories Shop distinguishes itself with its specialized focus on beauty accessories, whereas MR.DIY provides a wide range of domestic, hardware, and lifestyle products. OT Beauty Accessories Shop sets itself apart with its unique and stylish designs for hair clips, press-on nails, bracelets made of crystals, and other accessories. For those who are interested in beauty and fashion, the shop's dedication to providing individualized styling services, boutique shopping opportunities, and partnerships with regional artists provides a special atmosphere. In contrast to the convenience of purchasing at MR.DIY, OT Beauty Accessories Shop offers a customized location for those looking for striking pieces. This calculated strategy guarantees a well-chosen assortment of superior products and cultivates a feeling of uniqueness and customization with each transaction. By implementing these strategies, OT Beauty Accessories Shop hopes to establish itself as Kampar's top destination for fashionable accessories and provide a unique shopping experience.

MR.DIY

Operating under a highly successful retail business model, MR.DIY offers consumers throughout Malaysia a wide selection of reasonably priced hardware, lifestyle, household, and personal care products. The foundation of MR.DIY's business strategy is its dedication to providing high-quality goods at reasonable costs in order to meet the demands of clients on a tight budget. MR.DIY offers clients looking for everyday necessities and home improvement products a comfortable one-stop shopping experience with its extensive network of stores thoughtfully placed in different neighborhoods, including Kampar. The business strategy places a strong emphasis on bulk purchasing, efficient supply chain management, and operational efficiency to keep product costs low and enable MR.DIY to pass the savings forward to its clients. Furthermore, MR.DIY uses its powerful brand presence, successful marketing initiatives, and loyalty programmed to foster repeat business and consumer loyalty. With easily accessible storefronts, a large range of products, reasonable pricing, and a customer-focused philosophy, MR.DIY has established itself as a prominent player in Malaysia's retail industry, catering to a diverse range of customers who are looking for convenience and good value.

1.4 Target Market

With the intention to open a new shop at Old Town Kampar and targeting Malay customers, OT Beauty Accessories Shop has a specific market in mind that aligns with its unique offerings and strategic location. The specific market for OT Beauty Accessories Shop in Old Town Kampar will focus on catering to the needs and preferences of Malay customers, particularly those seeking trendy and stylish beauty accessories that complement their cultural attire and personal style.

In considering market characteristics, one important aspect to note is the cultural relevance within the Malay community in Kampar. By offering accessories that align with traditional Malay attire such as baju kurung, kebaya, and hijab styles, the shop can meet the preferences of customers who value cultural traditions. Elegant crystal bracelets, intricate hairpins, and statement earrings are examples of accessories that not only complement but also elevate the beauty of these traditional outfits. This approach allows OT Beauty Accessories Shop to provide customers with options that resonate with their cultural heritage, ensuring a meaningful and relevant shopping experience.

In terms of marketing strategy, a culturally sensitive marketing strategy for OT Beauty Accessories Shop involves showcasing how their accessories beautifully complement traditional Malay attire. By focusing on the enhancement these accessories bring to the overall look, the shop can resonate with customers who value their cultural heritage and traditions. This approach ensures that the marketing efforts are respectful, appealing, and relevant to the target market.

1.5 Management Team

The leadership team at OT Beauty Accessories Shop comprises individuals with diverse backgrounds and expertise. Bryan Cheng, the Chief Executive Officer and Co-Founder, is a seasoned entrepreneur with a background in retail management, having previously managed a clothing store. His entrepreneurial mindset and strategic planning skills drive the overall direction of the business. Mark Chan, the Chief Operations Officer and Co-Founder, brings his experience in supply chain and logistics from his previous role at a distribution company. His focus lies in ensuring smooth operations, maintaining inventory control, and fostering strong relationships with suppliers. The Marketing Manager, a recent graduate skilled in digital marketing and social media strategies, oversees marketing campaigns and brand promotion efforts. Each member of the management team contributes unique management experiences and technical expertise to the success of OT Beauty Accessories Shop, leveraging their in-depth knowledge of the beauty accessories industry and trends to deliver exceptional products and services to customers.

1.6 Brief summary of the Financial Projections

When launching a new business, such as OT Beauty Accessories Shop, it is important to carefully assess the funding needed to launch and run the company. The OT Beauty Accessories Shop's startup costs cover a range of expenses, all of which are necessary to establish a strong foundation for the company. These expenses cover both product acquisition and inventories. The majority of the starting funds will go into purchasing an initial stock of fashion accessories, including purses, press-on nails, hair clips, scrunchies, bracelets, and earrings. This involves procuring goods from domestic and foreign vendors to guarantee a varied and appealing assortment of products for clients.

Besides, licence and legal expenses. Legal and administrative costs are incurred when registering the business, obtaining required permissions and licences, and complying to regulatory regulations. The starting budget should account for costs such as legal fees, business registration fees, insurance premiums, and compliance expenses. Funds for working capital and emergencies. Sustaining a sufficient amount of working capital is essential for meeting regular operating costs including rent, utilities, payroll, inventory restocking, and unanticipated events. Setting aside money for working capital guarantees that the company will run smoothly in its early stages.

The regular and recurrent costs associated with managing the day-to-day operations of the business are included in the operating expenses for OT Beauty Accessories Shop. These costs are necessary to keep the store operating smoothly, draw in consumers, control inventory, and guarantee a pleasurable shopping experience. Restocking inventories is one of them. Restocking the store's beauty accessory inventory accounts for a substantial amount of operating expenses. To suit customer tastes, this entails finding new products, replenishing well-liked commodities, and keeping a varied and modern assortment. Other than utilities and rent. One significant running expense is the monthly rent for the Old Town Kampar retail space. In addition, the day-to-day operations of the store depend on utilities like internet, heating, water, and energy.

1.6.1 Sources of Financial and Capital: Previous Gains and Profit Reinvestment

Furthermore, the co-founders plan to leverage any previous gains and profits from their past ventures, business endeavors, or personal investments. These accumulated funds will be reinvested into OT Beauty Accessories Shop, fueling its growth and expansion. This strategic approach not only allows the shop to maintain financial independence but also enables it to capitalize on the successes of previous ventures. By reinvesting profits back into the business, the co-founders aim to strengthen the shop's financial position, fund potential expansions, introduce new product lines, and enhance marketing efforts. This reinvestment strategy reflects a long-term vision for sustainable growth, ensuring that OT Beauty Accessories Shop remains competitive and adaptable in the dynamic fashion market.

1.7 Description of what the Business Needs

OT Beauty Accessories Kampar has a great location near popular food spots like kopitiam and restaurants. This means lots of people walk by, especially students from nearby colleges. These students often look for stylish and affordable beauty items to match their outfits.

Another advantage is the affordable rent in Kampar. This means OT Beauty Accessories Shop can spend more on things like getting more products, better marketing, and making the store nicer for customers. Bryan Cheng and Mark Chan are the main people behind the shop's success. They plan for the future, pick out products, and make sure customers are happy. They also handle everyday stuff like staffing and keeping track of what's in stock.

The shop's location was picked carefully. It's in a busy area with lots of places to eat, and kopitiam so it gets a lot of attention. Plus, it's close to two big universities which is UTAR and TARUMT, so there are always students looking for cool stuff to buy.

Most of the shop's suppliers are in China, which is a big center for beauty accessories. This means the shop has access to lots of different products at good prices. They can keep prices low and still offer a wide range of trendy items. Ordering online helps them keep up with the latest styles and designs.

1.8 Exit strategy of investors

In the event of a merger or acquisition or if another big retail or beauty company wants to join forces with OT Beauty Accessories Shop, they might talk about it with OT's investors. They'll discuss stuff like how much OT is worth, what the deal will involve, and how both sides can benefit. If they agree, OT's investors might get paid for their shares in OT. They could get money, shares in the new company, or both, depending on what they agree on. This gives OT's investors a chance to cash out or stay involved for future growth.

If OT Beauty Accessories Shop runs into problems making money or keeping things going, the investors might decide to close up shop. They'll sell off everything the company owns to get money. This includes stuff like inventory, equipment, and any cash they have. They use the money to pay off debts and investors. The investors get a share of the money based on how much of the company they own. After all the bills are paid, whatever's left gets split among the investors, with the bigger owners getting more.

2.0 THE BUSINESS

2.1 The Description of the Business

2.1.1 The name, logo, and location of the proposed business.

OT Beauty Accessories Kampar



Location: 2298, Jalan Hala Timah 1, Taman Bandar Baru, 31900 Kampar, Perak

2.1.2 Nature of business/ Products or services offer

This shop of beauty accessories provides a range of products that are accented to the enhanced and pretty look of an individual and to keep a normal routine of personal care. The fashion and beauty industry is moving forward in the creation of products like hair styling tools, jewelry accessories, nail care products, makeup organizers, mirrors, and so forth, to suit these fashion trends. Customers will be able to enjoy my array of different options that will give them the satisfaction of meeting their personalized tastes and standards whether they are looking for elegant handbags, fashionable accessories, or everyday necessities. Beauty access stores generally specialize in providing a broad range of outstanding products to ensure that customers can attain their desired look and offer professional advice and tips on how beauty trends should be followed.

2.1.3 Company missions and objectives

The mission and objectives of OT Beauty Accessories Shop are to establish a presence in the Kampar Old Town by opening a beauty accessory store in 2024. While this venture is still in the planning stages, we aim to cater to the predominantly Malay community in the area, reflecting our commitment to inclusivity and cultural diversity. Additionally, we are actively seeking new partners who share our vision and passion for the beauty industry to join us as partners in this endeavor. Furthermore, our objective is to clear out our existing inventory of vintage goods, leveraging our new venture to create space for fresh products and innovative offerings. Through these efforts, we strive to create a thriving business that not only meets the needs of our customers but also contributes positively to the local community and economy.

2.2 The Opportunity

2.2.1 Problem to solve or need to be filled

It was in 2021 during the Movement Control Order (MCO) period. At that time, Mr. Cheng, the owner, found himself with nothing to do at home because everyone was working from home. He and his partner, Mark Chan, started live-streaming sales of earrings on Facebook in June 2021. Later, they gradually introduced various other products like hair accessories. With the increasing purchases, the inventory grew, leading to excess stockpiling. Recognizing this, Mr. Bryan Cheng and his partner, Mark Chan, decided to open a physical store to clear out the **surplus stock**. So, the decision to open the physical store was primarily driven by the need to address the issue of excess inventory.

However, the establishment of the physical store resulted in continuously **rising expenses**, such as rental costs and employee salaries, which posed a threat to profitability. To mitigate this, they decided to **raise the prices**. Unfortunately, the price hike led to a **decline in sales**, as customers hesitated to make purchases, impacting the shop's revenue stream and overall growth potential. Additionally, the **phenomenon of "window shopping"** also presented a challenge, where customers visited the store but did not make purchases. Converting foot traffic into sales was crucial for profitability, and addressing this gap was essential for improving the shop's performance.

2.2.2 How the proposed business solves the problem or fills the need

The business addresses the issue by offering discounts and bundle sales on select products. For instance, they provide discounts ranging from 15% to 50% on certain items to encourage customer purchases. Additionally, they implement value pricing strategies where purchasing more items results in larger discounts. For example, while a single hair clip may be priced at RM3.8, purchasing three hair clips would only cost RM8.8, and four hair clips would be priced at RM9.8. Furthermore, they offer special promotions such as "buy one, get one free," where the first item is priced at RM10.50, and the second item costs only RM8.8. They aim for these strategies to not only attract customers but also encourage them to spend more per transaction, effectively reducing excess inventory and boosting sales.

2.3 Competitive Advantages

2.3.1 Description of the business model

OT Beauty Accessories Shop adopts a business model focused on beauty accessories and carefully selected apparel to differentiate itself from potential competitor MR.DIY. MR.DIY is a well-known general merchandise store that offers a wide range of household, hardware, and lifestyle products. OT Beauty Accessories Shop stands out with its specialization in beauty accessories and curated apparel. Known for its unique and stylish designs, OT Beauty Accessories Shop offers exclusive designs such as press-on nails, hair clips, crystal bracelets, and more. The shop is committed to providing personalized styling services, boutique shopping experiences, and collaborations with local artisans to introduce limited-edition collections. In contrast to MR.DIY's one-stop convenience shopping, OT Beauty Accessories Shop caters to consumers seeking unique accessories and complete styling options. This strategic approach not only ensures a curated selection of high-quality products but also creates a sense of uniqueness and personalization in every purchase. Through these initiatives, OT Beauty Accessories Shop aims to become the preferred destination for fashion and trendy accessories in Kampar, offering a shopping experience beyond the ordinary.

2.3.2 How the business will create sustainable competitive advantages

OT Beauty Accessories Shop distinguishes itself by **focusing on beauty accessories**, offering a wide variety of fashionable items such as press-on nails, hair clips, and crystal bracelets. This

specialization allows the shop to cater to customers seeking trendy and stylish accessories. Additionally, the shop provides **unique and exclusive designs** by collaborating with local artists and designers. Through these partnerships, OT Beauty Accessories Shop introduces limited-edition collections that set it apart from competitors and appeal to fashion-conscious individuals.

Moreover, the shop offers **personalized styling services** to customers, assisting them in creating cohesive looks with clothing and accessories. This personalized approach not only enhances customer satisfaction but also fosters loyalty, giving the shop a competitive advantage in the market. Furthermore, OT Beauty Accessories Shop provides a **boutique shopping experience** characterized by a cozy environment, thoughtfully arranged displays, and friendly staff. This intimate atmosphere allows customers to browse and discover the latest fashion trends with ease, distinguishing the shop from larger, more generalized retailers like MR.DIY.

Overall, these strategies enable OT Beauty Accessories Shop to attract its target customer base and maintain a competitive edge in the market. By focusing on beauty accessories, offering unique designs, providing personalized services, and creating a boutique shopping experience, the shop ensures its long-term sustainability and success.

2.4 Current Status and Requirement

2.4.1 Description of where the business stands today and what the business needs to move forward (Projected milestones is required)

Currently, OT Beauty Accessories Shop finds itself at a critical juncture in its business journey. Initially established as a live-streaming venture during the Movement Control Order period in 2021, the shop has since transitioned into a physical store in Kampar. While this move has helped clear excess inventory accumulated from increased purchases, it has also brought about challenges such as rising expenses and a decline in sales due to implemented price hikes. Additionally, the phenomenon of "window shopping" has emerged, indicating a need for strategic adjustments to enhance profitability and customer engagement.

Moving forward, several key requirements have been identified to address these challenges and propel the business towards sustained success. Firstly, comprehensive market research and analysis are essential to understand customer preferences, market trends, and

competition, allowing for informed decisions regarding product offerings, pricing, and marketing strategies. Furthermore, investing in human resources by hiring and training additional staff will enhance customer service and the overall shopping experience.

Additionally, focusing on efficient inventory management, securing reliable supplier partnerships, and implementing marketing initiatives tailored to the target market are crucial steps in driving growth. Enhancing the physical store's ambiance through renovations and visual merchandising will differentiate OT Beauty Accessories Shop and attract more customers. Simultaneously, establishing an online presence through an e-commerce platform will expand the customer base and provide convenient shopping options.

Financial planning is integral to support these growth initiatives, requiring careful budgeting, pricing strategies, and securing funding if necessary. Finally, exploring expansion opportunities to a second location in Old Town Kampar holds promise for reaching a wider customer base and catering to the Malay community.

By diligently addressing these requirements and meeting the projected milestones within specified timeframes, OT Beauty Accessories Shop can navigate current challenges, strengthen its competitive position, and achieve sustainable growth in the Kampar market.

3.0 INDUSTRY ANALYSIS

3.1 Industry Description

3.1.1 Industry Trends

The global fashion accessories industry is booming, driven by increasing urbanization, rising disposable incomes, and evolving consumer preferences for stylish and trendy accessories. In Malaysia, the apparel and accessories sector are propelled by growing wealth, rising consumer confidence, and a notable surge in spending among women. Euromonitor forecasts a steady 6% annual growth in Malaysia's apparel and accessories retail sales value from 2019 to 2022, reaching MYR53 billion (equivalent to USD 12.4 billion or HKD 96.3 billion), (Ma,Wenda 2020). This growth trajectory highlights the vibrant and thriving nature of the Malaysian market, fueled by improving economic conditions, a positive consumer outlook, and a shift in consumer behavior towards fashion and accessories, particularly among women. Additionally, the rise of internet retailing and the decline of brick-and-mortar shops have led to decreased operational costs, making the pricing of ready-to-wear apparel and accessories increasingly competitive in Malaysia.

3.1.2 Industry Size

The fashion accessories market is poised to exhibit a Compound Annual Growth Rate (CAGR) of 12.30% during the forecast period, signaling robust and sustained growth within the industry. This growth is underpinned by fierce competition, compelling businesses to continuously innovate and enhance their products, especially in terms of design. (Model Intelligence,2018) Fueling this growth are shifting consumer trends, with significant contributions emerging from developing nations like India, where changes in consumer behavior, rising disposable incomes, and urbanization are driving factors. To capture the attention of discerning consumers, major players in the industry are implementing strategies aimed at introducing new and appealing products across diverse market segments globally.

On a global scale, the fashion accessories market is anticipated to maintain a strong CAGR of 12.30% throughout the forecast period. While specific global trade data is unavailable, Malaysia likely serves as an importer of fashion accessories, given the presence of prominent industry giants such as Kering, LVMH, and Hermès, headquartered in Europe. (Statista, 2024).

This growth trajectory is propelled by evolving consumer preferences, particularly evident in developing economies experiencing an uptick in purchasing power.

3.1.3 Industry Attractiveness

The fashion accessories industry is considered an attractive and growing market globally and in Malaysia. The global market was valued at USD 1.24 trillion in 2022 and is projected to reach USD 4.19 trillion by 2031 at a 14.5% CAGR, indicating a robust growth trajectory and making it an attractive industry for potential investors and businesses globally. (Growth Market,2023) In Malaysia, the market's attractiveness stems from the increasing urbanization, evolving fashion trends, and a growing middle class with disposable income for accessories.

3.1.4 Profit Potential

The accessories market generates revenue through online and offline channels globally and in Malaysia. While global revenue figures are not provided, Malaysia's accessories market is forecasted to achieve USD 3.39 billion in revenue in 2024, with a 3.43% annual growth rate until 2028. The Watches & Jewelry segment is the largest within this market, estimated at USD 2.15 billion in 2024. (Statista, 2024) Additionally, online sales are projected to contribute 17.7% to the total revenue of the Accessories market by 2024. The industry contributes to employment in the manufacturing, retail, and e-commerce sectors in Malaysia. (Statista,2024) Specific employment data is not provided, but major players continue expanding to meet consumer demands, likely creating job opportunities. Zooming into OT Beauty Accessories shop, their net profit ranges from RM 60,000 to RM 80,000 annually, with product margins being three times the cost, indicating profit potential in this niche market catering to university students in Kampar.

3.2 Target Market

The fashion accessories industry is chosen as the target market for OT Beauty Accessories Shop based on the analysis in Section 3.1, which highlights the industry's growth potential, attractiveness, and profit potential. The target market for OT Beauty Accessories Shop is primarily university students from UTAR and TARUMT in Kampar. These individuals are known for their keen interest in fashion trends, always seeking stylish ways to express their

unique personalities. They are budget-conscious yet discerning, savvy shoppers who compare prices online to find the best deals. Convenience is a key factor for this target market, appreciating a central location near popular eateries and kopitiam. They are the epitome of modern shoppers, constantly seeking affordable yet trendy beauty accessories to elevate their outfits and stay ahead of the fashion curve.

3.3 Competitive Position within Target Market

Competitive Analysis Grid

Name	OT Beauty Accessories	MR.DIY
Product features	Specialized in beauty accessories such as press-on nails, hair clips, crystal bracelets, handbags, etc.	Offers a broad range of household, hardware, and lifestyle products.
Brand-name recognition	Building recognition through targeted social media campaigns, collaborations with local influencers, and word-of-mouth among university students.	Established brand in the household and lifestyle products sector, recognized for its affordability and variety.
Access to distribution channels	Limited to physical store presence in Kampar, with potential for online expansion in the future.	Extensive distribution network with multiple physical stores nationwide and an online platform.
Quality of products	Focuses on sourcing high-quality materials for beauty accessories, ensuring durability and style.	Provides reliable and decent quality across its diverse range of household and lifestyle products.
Marketing Strategies	Emphasizes exclusive and fashion-forward designs, targeted social media campaigns, collaborations with local influencers.	Utilizes regular promotions, discounts, and brand loyalty programs to attract customers.

4.0 MARKETING PLAN

4.1 Product/Service Feasibility Analysis

4.1.1 Full description of the product or service offer

Handbags for Women: Trendy leather bags that can be matched to different outfits or events, featuring comfortable design and chic look.

Hair Accessories (Hair Clips, Hair Ties): Trendy and multifunctional hair accessories from hair scrunchies and hair bands to add flair and style to any hairstyle.

Accessories (Rings, Keychains, Phone Charms): Assorted accessories like rings, key chains, and phone charms which are also available in different materials and designs according to your preferences.

Backpack Charms: Cute gizmos such as bag charms to accentuate backpacks, that can be used to decorate and add a dash of playfulness.

Nail Art Supplies: A variety of nail art materials such as nail polish, nail stickers & accessories to spice up the unlimited nail looks.

Hair Rollers (Curlers): The presence of a hair roller that is designed to achieve perfect curls and waves offering a convenient and easy-to-use tool for hairdressing.

Poker Cards: Hard-wearing poker cards are perfect for different card games and various entertainment venues, providing reliability and excellent gameplay.

Jewellery (Earrings, Bracelets, Necklaces): Elegant and chic jewellery products such as earrings, rings, and necklaces fashioned from top-notch materials and bearing intricate designs too.

Hair Accessories (Hair Claw Clips, Combs): Fashionable and practical hair pieces, such as combs and claw clips, which make it easy to keep your hair in place while adding a pinch of glitter.

Wallets: Stylish and handy card, cash, and other necessary items holders coming in different sizes, colors, and patterns to provide variety to each person.

Gift Boxes: Customized, adorable gift boxes built for gift delivery or tokens of appreciation, with enticing designs and durable construction.

Miniature Models: Vastly diversified miniature models for avid collectors, while beautifully detailed, come in different themes or subjects.

Perfumes: Extraordinary perfumes with alluring scents and great packaging, giving a level of sensation as well as more luxury.

Skincare Products: Skin care products of premium quality are tailored to bring life back to your skin by offering effective means of reducing different skin issues.

Crystals: Pretty crystals valued for their beauty and mystical traits, various forms, and colors to suit decorative purposes or rituals.

Vanity Mirrors: Attractive vanity mirrors with adjustable light and magnification options, ideal for doing makeup and hair care.

Hairpins (Hair Ornaments): Elegant tweezers or hair accessories decorated with classy and refined designs, accentuating the beauty of the hairstyles.

Jade Bracelets: Real jade bracelets that bring luck, prosperity, and protection, can be obtained now in different sizes and styles, suitable for daily wearing.

Headbands: Funky headbands are made to accompany several hairstyles and give you the freedom of styling and make it an ever-elegant feature.

Socks: Culture socks made from premium materials to be stylish, and comfortable and complement any outfit.

Toothbrushes: Premium toothbrushes that boost dental health and hygiene, with ergonomic handles and soft bristles for soft yet thorough cleaning.

4.2 Pricing Strategy

The pricing strategy for OT Beauty shop has been developed without conducting any market research, as there is minimal competition in Kampar. Initially, the pricing strategy involved increasing the prices of products sold during live streams on Facebook by 50%, as there were no overhead costs such as rent. However, with the establishment of a physical store, rental expenses became a factor. Consequently, the pricing strategy shifted to ensuring that each product's price is three times its cost, to cover expenses and generate profit.

Moreover, a premium pricing strategy is applied to position certain products, such as jade bracelets and crystals, as luxury items, charging a premium to convey exclusivity and quality. Initially, jade bracelets and crystals were sold at wholesale prices, but customers perceived them as too inexpensive and possibly counterfeit. An increase in the price made the customers believe us and give us sales respectively.

Additionally, bundling pricing is utilized to offer bundled packages or complementary products at discounted prices, encouraging customers to purchase more items together, such as nail art (buy 2 free 1, buy 3 free 2), hair ties (1 cost RM3.8, 3 cost RM8), and socks (1 cost RM5, 3 cost RM10).

Also, a type of pricing strategy termed penetration pricing is applied for the new products, featuring the low value to acquire the market quickly and extend the customer base, followed by the price increase, for example, with earrings, that are going to be sold later.

In general, this strategy suits the type of pricing where the price fluctuates based on constituents like cost, added value, and market tendencies, trying to attain the highest profitability.

4.3 Channels of Distribution

Regarding the sales channels, they have three channels in total. The first one is physical retail stores. They chose to open stores in the Kampar area because the rent here is very cheap, and there are no competitors. Additionally, there are quite a few restaurants nearby, and the foot traffic is relatively good. Moreover, opening a store in Kampar has its benefits because there are two universities nearby: University Tunku Abdul Rahman and TARUMT. Since the products being sold are beauty accessories, which are very suitable for young people, and young people are their target audience, opening a store here can indirectly bring many benefits. As for the store layout, they place items such as ladies' handbags, hair ties, and earrings, which are more frequently purchased by women, near the entrance. Towards the back, they display items like crystals and bracelets. The overall feel of the store is good, with a pleasant environment, background music, neatly categorized products, and polite staff, aiming to provide customers with a better experience.

The second channel is online live streaming sales, where they conduct live streams on Facebook to sell products. However, this channel has been suspended for almost a year, and it is uncertain when it will resume. Nevertheless, they used this channel to sell products before.

The final channel is wholesale or collaboration, where they sell products in bulk. For example, some customers may order 500 sets of earrings at once, and they will sell the products in bulk.

4.4 Promotions and Advertising

Based on this part of promotions and advertising, they paid Facebook to help them run advertisements, such as promoting information about certain products with a 50% discount or buy two get one free. However, the boss mentioned that the results were not satisfactory, as no customers were visiting the store due to these advertisements. Additionally, they only used Instagram and Facebook platforms for advertising and did not utilize any other platforms. Initially, the boss planned to offer membership cards to customers, but considering that university students typically only study for four years and may not return to purchase products after graduation, the utility of membership cards seemed limited. Apart from these strategies, they did not use any other methods to promote their store. During the visit, I provided the boss with several suggestions, such as collaborating with university influencers to create promotional content. They could feature these influencers wearing the store's accessories and holding products like handbags to attract attention. Alternatively, the boss could consider expanding to platforms like Xiaohongshu (Little Red Book), a platform commonly used by young people and university students. Since their target audience is university students and young people, they must connect with their target audience, integrate into their lives, and utilize platforms they frequently use. The boss showed great interest in these suggestions and is considering implementing them.

Furthermore, I have another marketing strategy suggestion. Given that the main issue facing the store is its slow pace and relatively low visibility, OT Beauty could consider collaborating with high-traffic stores frequented by college students in the Kampar area. This collaboration entails printing vouchers for OT Beauty and partnering with other establishments such as Chagee, Tealive, Mixue, restaurants, and pool halls. The collaboration model involves offering customers a voucher for OT Beauty when they spend a certain amount at these partner stores. For example, if a customer spends RM25 at Chagee, they will receive an RM5 voucher

for OT Beauty. OT Beauty can establish terms and conditions requiring customers to spend a minimum of RM20 at OT Beauty to use the voucher. This collaboration is mutually beneficial, as partner stores do not need to print their vouchers; OT Beauty will print and provide them. Partner stores only need to ensure that customers meet the spending requirements to receive a voucher. Compared to competitors, these partner stores offer better value. For instance, if a customer is debating between Tealive and Chatto, both with similar drink prices and options, Tealive's collaboration with OT Beauty, offering an RM5 voucher for spending RM25 (equivalent to two drinks), would likely be more enticing.

For OT Beauty, there are numerous benefits to this collaboration. Firstly, it offers increased Brand Awareness. By partnering with popular establishments frequented by university students, OT Beauty can significantly enhance its brand visibility among its target demographics. This heightened exposure can lead to greater recognition and familiarity with the OT Beauty brand. Additionally, the collaboration can result in Enhanced Foot Traffic. As customers visit the partner establishments to redeem their OT Beauty vouchers, there will be an increase in foot traffic to OT Beauty's store. This influx of potential customers provides an opportunity for OT Beauty to showcase its products and services, potentially converting window shoppers into paying customers. Moreover, the partnership facilitates Customer Acquisition. OT Beauty can attract new customers who may not have been aware of the brand previously. By offering enticing vouchers through collaboration, OT Beauty can incentivize individuals to visit its store and experience its offerings firsthand.

5.0 OPERATION PLAN

Option 1

5.1 Sourcing process (from which supplier/manufacturer)

We have decided to launch a new line of beauty tools specifically aimed at the young female consumer group. First, market research is the correct path to follow. This covers tasks such as browsing through the product list of cosmetic toolmakers in professional journals or websites, attending beauty shows that take place annually, building personal relations with companies that produce the devices, and analyzing the brands used by the competitors for competitor study. After this, detailed specifications of product design, materials, and functions should be developed according to the needs of the target customer, while the expected annual purchase volume is assessed to meet the minimum order quantity requirements.

Second, an initial assessment of potential suppliers is crucial. This includes collecting product information and quotes from 3-5 manufacturers and assessing their production scale, quality control systems, and payment/delivery terms. Ideally, visiting their plants to assess overall capabilities can provide valuable insights. Then, based on a comprehensive comparison of product quality, price, service, and other factors, choose 1-2 suppliers that must meet the standards. At this point, it would be good to agree on some specific key terms such as long-term supply contracts, pricing, and payment. For example, Tonymoly in South Korea or Shiseido in Japan and other well-known brands. These companies have strict quality control systems to ensure the high quality of their products.

Lastly, a product shipping plan is a necessary development. Most cosmetic tools in PMD packaging are spherical (square) so that they can be nicely carried. According to the size of the product and departure or delivery time air or sea is the best option. Arranging direct shipments from selected suppliers to designated warehouses in Malaysia is crucial to ensure efficient logistics and timely supply of products.

5.2. Availability of Qualified Labour Pool

To ensure the smooth operation of the new product line, additional manpower needs to be supplemented, with a focus on makeup consultants and sales staff. Ideally, 1-2 makeup

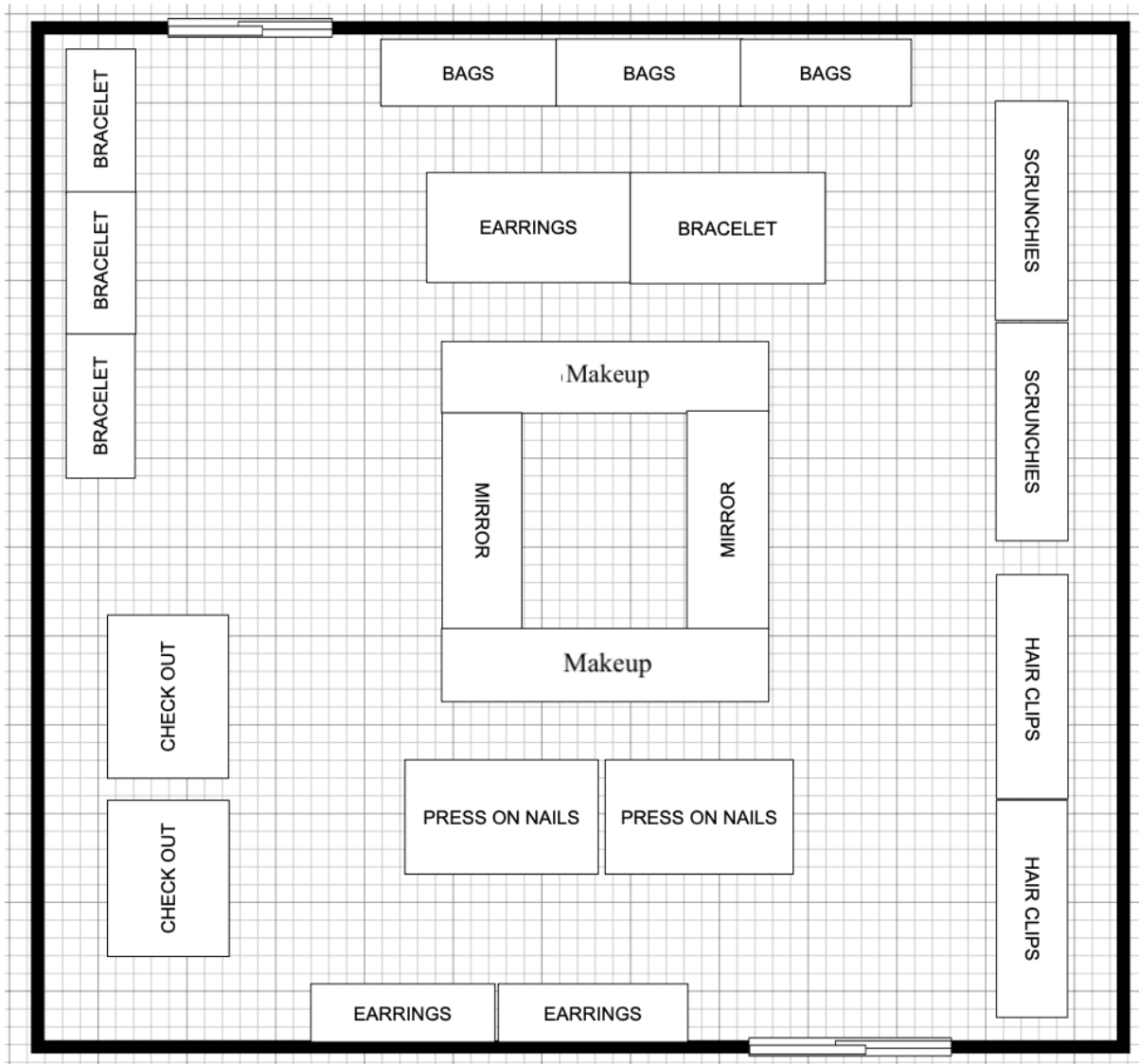
consultants should be recruited, preferably fresh graduates of beauty professional schools, with theoretical knowledge and practical skills in makeup. Their duties are mainly to show and suggest makeup in the makeup experience area of the store, as well as to teach customers the use of various makeup tools.

In addition, 2-3 salespeople should be hired, preferably recent graduates from nearby universities, with some experience in retail services and sales. They will be primarily responsible for product presentation, inventory, and sales in the new product area. Special training on the features and benefits of new products is necessary so that they can communicate effectively with customers.

In terms of recruitment plan, it is recommended to carry out campus recruitment activities 2-3 months in advance. This can be facilitated by working with the career centers of the relevant schools and signing internship agreements with relevant departments in the field. Then you can recruit good interns.

Finally, a compensation and welfare program should be designed. Makeup consultants may be paid slightly more than salespeople, and both positions offer performance bonuses to reflect their contributions. In addition, professional training should be provided for new employees to ensure that they are prepared for their roles.

5.3 Physical Plant



5.4 Machineries and Equipment

To successfully launch the new beauty tools business, the store needs to prepare the following equipment:

1)Product display equipment

- Glass display case 5 meters long
- Solid wood wall cabinet 3 meters long
- Metal mesh display
- Anti-loss velvet stand mat

2)Beauty experience area

- 2 sets of dressing tables (with large mirrors and good light)
- 6 high makeup chairs
- 2 professional makeup lights
- All kinds of beauty tools and accessories (brushes, AIDS, etc.)

3)Cash register system

- 2 high-performance cash registers /POS machines
- Small printer (to print receipts)
- 1 handheld/desktop metering scanner

4)Other supporting facilities

- Anti-theft system (including RF door and anti-theft mirror, etc.)
- Digital camera (take pictures of products)
- Decoration props (such as fake flowers, small display shelves, etc.)

5.5 Names of Suppliers of Raw Materials

If you decide to purchase finished beauty tools, you do not need a raw material supplier. But if you want to build a private-label product line, you need to work with suppliers. First, in the field of makeup brushes, sourcing from suppliers that offer a wide range of hair-brushing materials, including natural and synthetic fibers, becomes crucial. In the case of popular brands

such as Procter & Gamble and Avon, almost all their makeup cosmetic products are from the same brush suppliers. Additionally, the packaging items themselves utilizes many different producers. Some of the enterprise-type who process tasks of printing paper packaging like boxes and manuals, injection molding factories that make plastic containers, and screen processing for printing on usual tools are such companies. The last place the Cosmetic raw materials department must cooperate with the suppliers to give several pigments and additives to ensure the properness of the final article: fillers and lubricants among many.

5.6 Quality Control

The quality standards of beauty tools should be detectable by implementing quality control which is governed by strict procedures. At the forefront is the highly detailed examination of the product that is carried out at the manufacturing and shipping stages when its intactness is precisely verified and issues like inconsistencies or particles are highlighted as well as the quality of the components, such as bristles and handles, are verified.

In addition, random sampling is performed to verify that dimensions and weights meet standards, and the accuracy of packing list quantities is cross-checked. Upon arrival, each product is subjected to a meticulous batch inspection that assesses the integrity and integrity of the individual product, including packaging integrity and coding information. Suspected nonconforming products will be further disassembled for inspection.

Supplier evaluation is another important aspect, including the establishment of an approved list of suppliers and the regular evaluation of their quality management system. Timely feedback of quality problems found to the supplier for necessary correction and consider the implementation of return or claim mechanism.

Keep overall good quality history records, including each batch of inspection records, non-conforming products check register, product certificates, and inspection reports, to ensure the traceability of quality data. The warehouse management implements the principle of first in first out, in the process of receiving and sending goods, there is a special person responsible for the inspection of goods, and regular inventory, and the loss is controlled at a reasonable level.

The company employees such strict quality control to be sure that they send out only the best quality tools for beauty lovers.

5.7 Customer Support

To enhance our customers' experience with beauty tools, we will provide comprehensive customer support services. First, **in-store instruction will be provided**, and makeup consultants will skilfully demonstrate various makeup tool techniques and patiently resolve customer queries. Sales staff will also have the basic product knowledge to assist customers effectively.

Secondly, **each product will have detailed instructions in both Chinese and English**, supplemented by teaching videos on the official website or app. These videos are also played continuously in the store to enhance customers' understanding of how to use the products.

Online interactive support will be established through official social media accounts to regularly share makeup tutorials and beauty knowledge. Customers can also seek an online consultation to quickly respond to their questions.

Robust customer feedback mechanisms, including customer service hotlines and live chat support, will be implemented to collect feedback on the product experience. Free replacement of unqualified products in time to ensure customer satisfaction.

Regular organization of offline makeup-sharing meetings, makeup clinics, professional makeup consultants' visits, and other value-added services. In addition, an online store will be launched to provide customers with more choices.

Through these comprehensive support services, you can not only improve the customer's experience of using beauty tools but also cultivate customer brand loyalty and promote the long-term development of customers.

6.0 MANAGEMENT TEAM & COMPANY STRUCTURE

6.1 Management Team

Roles:

1. Chief Executive Officer & Co-Founder
2. Chief Operations Officer & Co-Founder
3. Marketing Manager

Brief Backgrounds:

1. *Chief Executive Officer & Co-Founder* - Experienced entrepreneur, who started the live-stream business in 2021. Prior retail experience managing a clothing store.
2. *Chief Operations Officer & Co-Founder* - Co-founded the business with Bryan. Background in supply chain and logistics from a previous job at a distribution company.
3. *Marketing Manager* - Recent marketing graduate from a local university. Skilled in digital marketing and social media strategies.

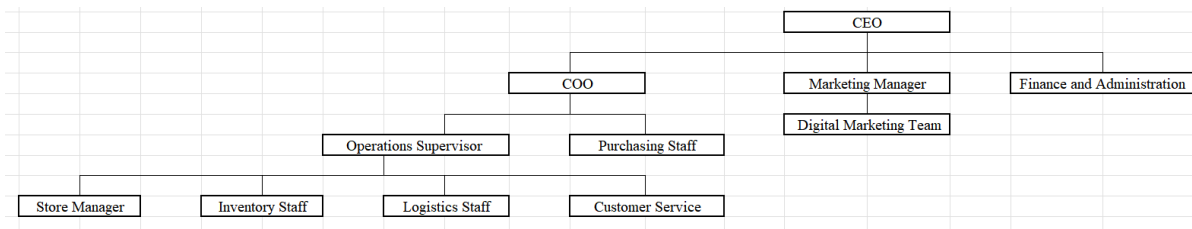
Management Experiences:

1. *Chief Executive Officer & Co-Founder* - Entrepreneurial mindset, strategic planning, business development
2. *Chief Operations Officer & Co-Founder* - Operations management, inventory control, supplier relationships
3. *Marketing Manager* - Marketing campaign management, brand promotion

Technical Expertise:

1. *Chief Executive Officer & Co-Founder* - In-depth knowledge of the beauty accessories industry and trends
2. *Chief Operations Officer & Co-Founder* - In-depth knowledge of the beauty accessories industry and trends
3. *Marketing Manager* - Proficient with digital marketing tools and data analytics

6.2 Organizational Structure



The organizational structure adheres to the functional model, which is a common choice for small businesses. There are several reasons for choosing this model. First, it provides a **simple and clear line of authority**, with the CEO at the helm, followed by department heads such as the COO and marketing manager, establishing a transparent chain of commands and reporting lines. Second, it allows **specialization**, dividing different functions such as operations, marketing, and finance into different departments, making it easier to focus on core areas. **Coordination between departments is streamlined** and overseen by functional heads such as operations chiefs, who manage activities such as inventory and logistics. In addition, the functional structure is **cost-effective**, which is an important consideration for small businesses, and it provides **scalability**, allowing for the consolidation of other positions or departments within the existing framework to accommodate business growth.

Main responsibilities and roles:

1. **CEO:** Overall strategic direction, major decisions, financial oversight.
2. **COO:** Oversees all operations - purchasing, inventory, logistics, stores, customer service.
3. **Marketing Manager:** Leads marketing efforts - branding, promotions, digital marketing.
4. **Finance and Administration:** Accounting, financial reporting, Human resources, administrative support.
5. **Operations Supervisor:** Manage inventory, logistics, and customer service staff. Report to the Chief Operating Officer.
6. **Purchasing staff:** Purchasing products and managing supplier relationships. Report to COO.
7. **Store Manager:** Manages the business of a retail store - sales, visual displays, and employees. Report to operations supervisor.

8. **Inventory staff:** inventory planning, inventory management, coordination of purchasing.
9. **Logistics staff:** transportation, distribution, supplier coordination.
10. **Customer Service:** Handle customer inquiries, complaints, and cross-channel support.
11. **Digital Marketing Team:** Executes online marketing, social media, and events under the leadership of a marketing manager.

6.3 Legal Structure

Legal Form: Partnership

Ownership:

CEO - 60% ownership, responsibilities include overall leadership and financial management.

COO - 40% ownership, responsibilities include operations and supply chain.

No external investors or funding sources currently. The business is fully self-funded by the two partners.

7.0 CRITICAL RISK FACTORS

7.1 Risk Management

In terms of risk management, several key areas require attention. Firstly, there is a **risk of over-reliance on the expertise and decisions of the two co-founders**, which could potentially hinder the organization's ability to adapt and grow effectively. Additionally, there is a **lack of diverse management perspectives and experience**, which may limit the organization's ability to innovate and respond to challenges. To address these risks, it is essential to implement contingency planning measures. This includes expanding the management team by hiring professionals with expertise in areas such as finance, human resources, and strategic planning. By diversifying the management team and implementing a sound decision-making process that incorporates input from department heads, the organization can mitigate the risks associated with over-reliance on a few individuals and a lack of diverse perspectives.

7.2 Marketing Risks

When considering marketing risks, there are specific challenges that need addressing. Firstly, there's the concern of **ineffective marketing strategies and the potential failure to reach target audiences**, which could impede the organization's growth. Additionally, there's a risk of being **unable to differentiate themselves from competitors** and establish a robust brand image. To mitigate these risks, a contingency plan is necessary. This involves conducting thorough market research to gain insights into customer preferences and purchasing behavior. Subsequently, the organization should develop a comprehensive marketing plan that integrates both traditional and digital channels effectively. Emphasizing a unique selling proposition and collaborating with influencers or local artists can help in building a distinctive brand identity that resonates with the target audience, thereby reducing the likelihood of marketing-related setbacks.

7.3 Operational Risks

Operational risks pose significant challenges, particularly in areas such as inventory management and supplier dependency. **Inefficient inventory management practices** can result in either overstock or shortages, affecting the organization's ability to meet customer demands effectively. Moreover, **relying on a limited number of suppliers** increases vulnerability to disruptions in the supply chain. To address these concerns, proactive contingency planning is essential. This includes the implementation of efficient inventory management systems and forecasting techniques to maintain optimal inventory levels. Furthermore, diversifying the supplier base and establishing contingency plans for alternative suppliers can help mitigate the impact of potential supply chain disruptions, ensuring smoother operational processes and enhanced resilience.

7.4 Infringement of intellectual property rights

The infringement of intellectual property rights, including **copyrights, trademarks, or patents**, presents a significant risk for the company, particularly from suppliers or competitors. To mitigate this risk, it is crucial to undertake thorough research and due diligence to ensure that products and designs do not infringe existing intellectual property rights. If necessary, obtaining the appropriate permits or licenses is essential to avoid legal repercussions. Additionally, implementing proactive measures to protect the company's intellectual property, such as registering trademarks or designs, can safeguard against potential infringements and uphold the company's integrity in the market.

7.5 Other Risks

Other risks, such as **economic downturns or shifts in consumer behavior**, as well as **regulatory changes or compliance issues**, pose significant challenges to the company. To address these risks, diversifying the product portfolio and exploring new market segments can help mitigate the impact of economic fluctuations and changes in consumer preferences. Additionally, staying informed about regulatory changes and proactively implementing necessary measures to ensure compliance with relevant laws and regulations are essential steps to safeguard the company's operations and reputation.

7.6 Emergency Plan

The company has formulated an emergency plan aimed at effectively managing risks and ensuring business continuity. This plan includes the development of a comprehensive risk management strategy to systematically identify, assess, and mitigate potential risks. Additionally, maintaining an emergency fund is crucial to address unforeseen expenses or losses that may arise. Regular reviews and updates of contingency plans are conducted to adapt to changing risks and market conditions. Furthermore, fostering a risk-aware culture within the organization encourages employees to actively identify and report potential risks. Effective communication channels are established to facilitate timely responses to risk events and the implementation of contingency measures, ensuring the company's resilience in the face of emergencies.

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