



# Note of Intent



**BUILDING PLASTIC-LESS  
FUTURE IN THE BEAUTY  
INDUSTRY**

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# Summary

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## 1. Presentation of issue

Shampoo, lotion, deodorant etc... They all come swathed in plastic because these products are largely water-based and have unique requirements. In fact, almost 65% of the packaging in the skincare industry is plastic. The material is easy to produce, durable and most importantly, cheap. But out of the huge amount of plastic waste created by humans (around 8.3 billion metric tons) only 9% of all plastic is recycled. Moreover, plastic products are representing a big issue of pollution and are a great threat to the ecosystem taking hundreds of years to break down and decompose. Almost 70% of cosmetics end up in landfill unfinished and many discarded plastics are ending in the ocean being a great threat to the environment.

Globally, the packaging industry for beauty and personal care products represents nearly \$25 billion in business. Therefore, the beauty industry generates enormous plastic waste. For that reason, the excessive use of plastic in the packaging in the skincare industry has to be challenged, and this is what we aim to do - minimise plastic packaging in the skincare industry. Reuse, recycle in order to reduce.

## 2. Proposed concept

To reduce the use of plastic in the skincare industry we propose to implement refill stations for easy-to-use skincare products. On top of that, we would offer consulting services in sustainability development, specifically concerning the packaging of skincare products. Working and exchanging with clients, cosmetic and skin care brands, would allow us to build an effective solution that will satisfy their needs. If the client (e.g. L'Occitane, Kiehls, Aesop) will decide to install the refill stations in its stores, we will deliver all the work needed. Our service will be effective since it offers a tailored solution in form of refill stations (design, materials, bottles, size etc.) specifically for the client. Further, brands will be able to choose which product they want to distribute in these stations: cream-based products like moisturizers, or liquid-based like toners, makeup removers, essences, serums. This means that our services are very flexible: from consultancy until eco-design process and installation.

This project represents an efficient way to reduce or completely eliminate plastic packaging. Additionally, it is logistically quite easy and also very feasible to put in place since it does not require complicated infrastructures. Today, beauty companies are trying to reduce plastic by decreasing the weight and thickness of the packaging. However, this means the continuous production of plastic and plastic waste. Our solution offers partial elimination and focuses on the reuse of good quality, long-lasting packaging that can be refilled which is in conformity with the circular economy.

Repleo Tech is original because a very small amount of companies offer the same services. Refill stations already exist, for example, Thierry Mugler created "*La Source*" to refill perfume bottles, and in some zero-waste grocery stores, similar stations with shampoos or detergent can be found. Our service is original and unique since we offer to guide throughout the sustainable transition and develop a solution to more efficient distribution with smart refill stations. Further, when it comes to skincare products, no brand has launched such a concept in France so far. Moreover, our concept would provide more visibility of the brick and mortar stores, better consumer/brand relationship and loyalty



development which will create more marketing opportunities through a unique turnkey and tailored solution. Also, smart refill station can also lead to digitalization in form of connected mobile application and then proposed delivery services for consumers that don't want to or can't come refill themselves.

In terms of resources, we would need to finance the settling of the distribution and manufacturing process. In terms of manufacturing process, we will need to supply the containers, after having agreed on the design with our clients. This either means having our own factory, capable of manufacturing glass containers, or to work with existing suppliers. We choose the outsourcing solution because it is easier logistically speaking. One challenge would be to find a factory that is located relatively close to the market in which we are entering (for instance, for Paris, we would need a factory located in Ile de France, preferably in the close suburban region). One of the main drawback of glass packaging is its weight and the environmental impact of its transportation. A nearby factory will enable to reduce the CO2 emissions. We can also consider doing deliveries with electric vehicles or bikes. In terms of distribution, we would work with visual merchandisers to design the selling point in the store.

### **3. Expected positive impacts**

The direct benefit is that the packaging would serve not only once but continuously, for the long term, replacing one-use packaging which contributes to the reduction of plastic. This also means reducing the cost of packaging (production but perhaps also transportation). Another direct benefit is the sustainability and eco-friendly aspect that can help brand image, voicing companies values and beliefs and creating adhesion among customers.

An indirect benefit is the opportunity to build a consumer relationship. People coming to refill their beauty product will have to visit frequently specific stores - so the new selling solution will be a drive-to-store. This can help strengthen the relationship between the sales team and customers possibly leading to better customer's loyalty. Moreover, a personalized set of long-lasting recipients is a way to build an advocacy strategy for the brand - it can be a way to reward advocates but also to identify new potential advocates as they will be the one interested in the new selling model. Building a strong community of advocates is crucial to a cosmetic brand, as the recommendation is crucial in this sector.

### **4. Major risk and actions to reduce them**

As mentioned before, one of the main disadvantages of glass would be its weight that automatically induces an increase in CO2 emissions due to transportation. One element of answer brought forward by our team would be to have factories located close to the market in which we are entering. A second risk would be linked with the packaging itself: glass. The reason why plastic is widely used in the beauty industry is not only for its reduced manufacturing cost but also the fact that it can break easily. To avoid the glass packaging to fall, we will be considering designing an adapted glass holder, probably made of bamboo - sustainable material - that will be used as a stable station for our glass bottles.

The main opponents might probably be non-environmentally-aware customers that are not willing to pay extra for the eco-friendly products. The concept is indeed new and needs to be interiorised for customers that are used to throwing the plastic bottle, not even thinking about recycling and always buying new products. We will have to communicate properly about the concept and innovations in the distribution of beauty cosmetics to attract brands. On top of communication, they need to understand that the solution we are offering is the answer to the new expectations of customers, that are converging towards more sustainable and ethical means.

Another issue is the fact that most skincare brands rely on packaging to differentiate themselves. Thus, we have to find a way to create an incentive and convince brands by creating personalization possibilities. Regarding the communication process to convince the clients, the strategy will consist on emphasising on benefits. With a little investment, brands will be able to communicate about their interest in ethical and environmental issues. Brands will also be able to appeal to customers that are concerned about such issues, and that don't necessarily envision this brand as conscious and sustainable. As we have to acknowledge that packaging is important for brands, we can deal with this problem in two ways: either by setting up a design team working with the brands to create their own personalized container or by using a specially-designed container made by the brand itself.

## 5. Deployment strategy and major milestones

- We have to work on a pitch to deliver to investments funds in order to get fundings. This pitch is built on a solid business plan and a first draft of the device's design and engineering.
- Approaching seed investments funds is the next step: we need funds to launch our activity.
- We will have to fund subcontractors in order to build the actual refill stations. As we also outsource the glass supplier, we will need to find one in Ile-de-France to meet our sustainability objectives.
- With the money gathered from various actors (loans, venture capitals, money brought by the founders) we create the actual and feasible solution before starting advertising.
- We seek partnerships with clients: skincare brands. We would like to focus first on the premium market and easy-to-use products to match our concept's values and target "high-income" people who are more environmentally-aware and willing to spend extra money
- Finally, we will target the Parisian market with our first clients, on selected stores in central locations. Marketing and advertising will play a big role during this step.
- As the business grows, consider working with bigger players, to have a larger impact on the beauty market: Sephora, department stores, supermarkets...  
We will also consider launching other services such as the delivery and digitalization or expanding to other cities or countries.

## 6. Return on investment analysis

The costs related to our project are mainly about the development of the device that we are offering. Thus, quite a large amount of money needs to be injected into the business to enable it to design the refill stations and then being able to sell it to the customers.



Another cost item is the proper building of the refill stations and the containers that are made from recycled glass, as it is outsourced, meaning that we would be the subcontractor's client. The salaries of the employees and the offices, bills, insurance, advertising, and outsourced production are the last fixed costs.

Therefore, we are planning to approach seed and pre-seed investment funds in order to deliver them our pitch and convince them to invest in our project (we hope to raise from 500k to 1 million euros at first, as it would roughly be the price to develop and design the stations and pay the fixed cost for the first year). Then, as long as the business grows, we will raise further funds thanks to venture capital investment funds for our series B, C and so forth. Moreover, partnering with well-known funds that will apply their expertise on helping us develop the business in an efficient way, and export it internationally on selected markets.

When the refill station is launched on the market, we will start to be profitable and we will be able to expand ourselves either vertically: with other services such as delivery, or horizontally, going on other brands, markets or cities. We are choosing to go through the regular start-up financing system because its efficiency has been shown. Also, it is a great tool to get good advice from expert investors that have the same interests: growth and profitability.

## 7. Organization

A start-up has a pretty informal organization, and is small at the beginning. At first, we will need to gather multidisciplinary talents in order to keep the team small and avoid expensive human costs. What is the most important thing is that the team works well together, has good insights, is productive and complementary.

Different backgrounds and experiences are thus valorized and even necessary. We would need at first an engineer, people with a business and finance background as well as marketing and communication and graphic design background. Moreover, someone with a law curriculum or of a legal background would be needed. We propose to have a team of 5, coming from different masters and background who would fulfil most of these criteria and be a good fit for our startup plan.

Therefore, we will have one finance employee, one legal employee, a marketing and communications employee (who will find and communicate with brands who wish to be more sustainable), one manager and one engineer who can help design the refill stations and take care of the logistics.

The team will grow at the same pace as the activity, as we will be able to afford to pay more salaries and taxes. Hence, we could create a genuine company-like organization with separate sections that work together.

On the other hand, our startup will only provide the design and “plans” of the refill stations, as well as advisory services and design of the containers. When it comes to the production and the fabrication of such items, it will be provided by subcontractors partners. So we will have this supplier-client dual organization.



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