

Hansson private label, inc.: evaluating an expansion in investment Harvard Case Solution & Analysis

TheCaseSolution.com



Hansson private label, inc.: evaluating an expansion in investment Harvard Case Solution & Analysis

TheCaseSolution.com

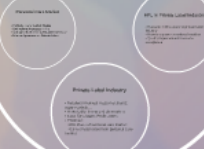
Team Members

- Yang Zhang
yzhang171@fordham.edu
- Xueying Zhao
xzha028@fordham.edu
- Junxiao Zhao
jzha037@fordham.edu

Agenda

- Private Label Personal Care Industry
- Company Background and the New Situation
- The Investment Proposal
- Concerns about WACC

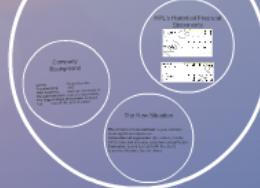
Private Label Personal Care Industry



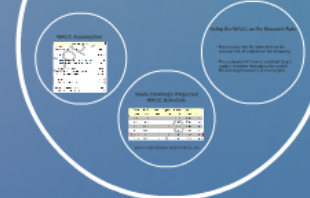
The Investment Proposal



Company Background and the New Situation



Concerns About WACC



Q & A

Thank you!

Team Members

- Yang Zhang
yzhang171@fordham.edu
- Xueying Zhao
xzhao28@fordham.edu
- Junxiao Zhao
jzhao37@fordham.edu

Agenda

- Private Label Personal Care Industry
- Company Background and the New Situation
- The Investment Proposal
- Concerns about WACC

Private Label Personal Care Industry

Personal Care Market

- Personal Care Market: Stable
- Unit volume increases: <1%
- Sale growth determined by price increase
- Branded products vs. Private labels

HPL in Private Label Industry

- Hansson: >28% share of private label industry
- Heavily depend on national retailers
- Quality improvements increase acceptance

Private Label Industry

- Retailers involved: mass merchants; supermarkets...
- Historically: low-priced alternatives
- Cost: 50% lower; Profit: 200%
- Potential:
 - 20% share of personal care market
 - <19% of total sales from personal care market

Personal Care Market

- Personal Care Market: Stable
- Unit volume increases: <1%
- Sale growth determined by price increase
- Branded products vs. Private labels

Private Label Industry

- Retailers involved: mass merchants; supermarkets...
- Historically: low-priced alternatives
- Cost: 50% lower; Profit: 200%
- Potential:
 - 20% share of personal care market
 - <19% of total sales from personal care market

HPL in Private Label Industry

- Hansson: >28% share of private label industry
- Heavily depend on national retailers
- Quality improvements increase acceptance