

GHANDOUR COSMETICS

CORPORATE BROCHURE



Making an impact

Ghandour Cosmetics is bringing glamour to Ghana and beyond. Founder Tanal Ghandour, who acts as managing director, talks to Jayne Alverca about the impact the company is making on African markets



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ince the dawn of history, one of the quickest ways for women to make a physical impact has been to reach for the cosmetics box—the earliest examples discovered date back to the time of the Ancient Egyptians. For many years, cosmetics have accounted for a significant portion of the personal spending of women in affluent, developed states; now it is the turn of the developing world. Africa, with its rich mineral resources, has some of the world’s fastest growing economies and beauty is high on the agenda for the continent’s women.

Ghandour Cosmetics was established in 1996 by Tanal Ghandour and his family. The company now employs 600 people and is unequivocally placed as Ghana’s leading player in the sector.

“In Ghana there are few well developed cosmetics companies,” explains Tanal Ghandour. “Big international cosmetics companies do have a presence here, but they typically rely on internationally standardised pricing structures which tends to make their products very expensive for consumers here.



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“Most competition comes from the Ivory Coast, which has a well-established cosmetics manufacturing sector,” he continues. “We differentiate our brands through our attention to quality and distinctive packaging which gives our products an added appeal. We also consider the whole experience of using our products. Colour, texture and even perfume are all very important and we pay a lot of attention to these details.”

Against this backdrop, knowing what the market wants and delivering the right products at the right time and at the right price has been a winning recipe for success. “We do not manufacture or sell high-end products because they are too expensive. It is the mass market that interests us rather than specific segments of the market and we try to cater for all age groups,” he says.

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EFF is a leading fragrance supplier in West Africa and has been associated with Ghandour Cosmetics for many years. We are proud to regard them as one of our key clients. We wish them continued growth and success.



As a local company, Ghandour is able to study and follow market trends in a way that is not possible for external competitors. A finger pressed to the market’s pulse has resulted in a strategy in Ghana that centres on providing affordable alternatives to established, but more expensive brands. “We

are always on the lookout for gaps that we can fill with a less expensive version of a popular imported product,” Ghandour adds. He believes that the quality of his company’s portfolio of brands is easily superior to competitive offerings within the same price



process is now very accurate. There are 15 different brands that we hold with around 10 product lines to each brand, but they come in many different sizes so it is quite a complicated process to schedule output in line with demand."

Over the last five years, there has been ongoing investment in the plant. In the early years, most investment went towards improving the site's infrastructure and buildings, but more recently the focus has gone towards equipping a state-of-the-art manufacturing facility. "Each year we add new machines to deal with the packaging side of the business, as well as production equipment for the

range and all products are exhaustively tested and trialled before being placed on the market.

The business is centred around an extensive manufacturing site at Accra which offers an unusually high degree of integration. All domestic deliveries are handled by the company's own fleet and the plant has its own plastic injection and blow-moulding machinery.

"When it comes to packaging, we believe that we are better placed to serve our own needs than any local supplier. We did try to subcontract the packaging element, but no local supplier was in a position to make the necessary investment to meet our exacting quality demands. There is also a cost advantage as we are not tied to taking set volumes of packaging. This means that we can be very flexible on quantities and scale up and down very easily," he comments.

Flexibility is also central to the manufacturing operation. "We are especially proud of the flexibility we have created within our manufacturing facility," he continues. "We can manufacture a range of many different products simultaneously and our planning

actual cosmetics which must be mixed, compressed, pumped and labelled," Ghandour says. This improves the quality of the product, enabling higher standards to be achieved on an ongoing basis.

A lean efficient manufacturing operation is complemented by an aggressive approach to marketing and the company makes use of all available advertising media, including TV, billboards, radio and magazines, as well as sponsoring events such as fashion shows. However, he points out that to date the name of Ghandour has had a fairly low profile: it is the actual cosmetics brands that are promoted, not the company that drives them.

BO-16 is one of the most popular brands—it encompasses a range of hair relaxant products. To promote the brand, Ghandour sponsored the 2010 Miss Ghana beauty pageant competition, with winner Stephanie Karikari becoming the new face of the brand and leading most of the company's other marketing campaigns. So far, it has proved to be a winning move. Miss Ghana is a nationally acclaimed spectacle and part of a cultural heritage that the whole of the country can relate to. The use of Ms Karikari's beautiful face has sent sales soaring and the sponsorship will be repeated again this year.

Such a sense of national pride is very important to

a company that cites Ghana's accessible business environment as one of the key factors behind its achievements to date. "Without Ghana and its people we would not be where we are today," Ghandour asserts. The country is politically and economically stable, offering an attractive platform from which to conduct business and helping to propel companies such as Ghandour Cosmetics towards success.

Ghandour believes that there is still scope for the company to gain market share in Ghana, but the opportunities are becoming more challenging as, one by one, gaps are identified and filled by the company's brands. In neighbouring countries, it is a different story and he sees huge potential to grow the already successful export business. "We already export to all our neighbours and to sub-Saharan Africa, but next year we will begin to do business

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in new markets. Africa overall is a very fast growing market for cosmetics and many other consumer products. To put it simply, there is no more exciting place to be in business at the moment," he concludes. ■

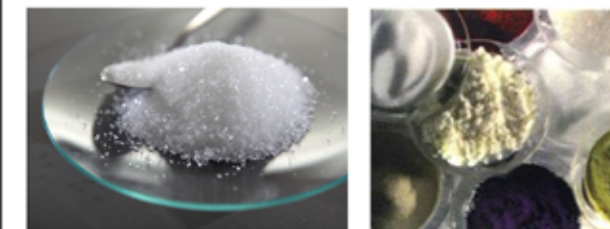
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