

Mohammad Essam Hejazi

Introduction to Entrepreneurship,

04/17/2014

Product Feasibility Study

Project Idea

The idea of developing and offering *Sweet Drinking Refresher* to customers is important because it targets a wide range of customers. In the process, the company will generate enough revenue from the sales of the products. Similarly, through the provision of the proposed product, it will help in keeping in touch with customers, as most of the sales will be done through online services. Therefore, customers will have the opportunity to order these products online and even be able to do online transaction. Moreover, since the product is new in the market, better strategies will be adopted towards ensuring a better survival within the competitive market. In the process, best prices will be offered on these products to ensure certain threats from the competitors are addressed. For any customers to be served, the products will be distributed in the different branches to ease the access of the products.

Executive Summary

The proposed product is an energy drink known as *Sweet Drinking Refresher*, an energy drink that is recommended for people who have involved in doing heavy activities. Although the drink is recommended for people who need to refresh themselves after performing burdensome tasks, *Sweet Drinking Refresher* is also for young children, the youth, and even older people. The drink can be taken any time of the day because it is manufactured to provide energy to the users. Therefore, the product targets a wide range of customers in the market. As a new product in the

market, diverse marketing strategies have been put in place in marketing the product. For instance, in the process of introducing the *Sweet Drinking Refresher* into the market, the main marketing channel of marketing the product is by using social networking sites and varying Internet services such as emails. Some of the preferred public media that will be used in introducing and marketing the product include Facebook, Twitter, and YouTube among other mostly used social sites.

The use social sites are considered the best tool for marketing *Sweet Drinking Refresher*. Most of the target groups have access to the Internet and use it to interact and communicate with their friends and other service providers. Therefore, the organization will come up with a Facebook page, Twitter handle, and YouTube pages that will be used as a communication link with the target customers. In order to ensure that an effective marketing approach is achieved through the use of the recommended social sites, the organization will ensure that accurate information concerning the product is provided to their clients.

Moreover, the use of social sites in introducing and advertising *Sweet Drinking Refresher* will help in generating information from customers concerning the products. This information is essential in making vital decision on the product development. In the process of introducing *Sweet Drinking Refresher* into the market, the organization is targeting approximately three million customers locally. Apart from using social in adverting *Sweet Drinking Refresher*, other advertising that will also be used in introducing the product to customers is through the use of radio and television advertisements, through exhibitions, use of billboards, road shows, and leaflets.

Description of the Product

Sweet Drinking Refresher is manufactured using caffeine and other stimulants like ginseng. The amount of caffeine in the manufacture of *Sweet Drinking Refresher* stands at 75 milligrams, including other recommended ratios for the additional ingredients like sugar. The proposed product will be produced in different colors in order to suit customers as far as taste and preferences are concerned. Similarly, the products will be packaged in different sizes with different prices. This is also important because it targets customers within the three classes, high, middle, and low class. Additionally, the packaging of the *Sweet Drinking Refresher* will be in plastic containers as well as special packets. The product will also have a unique branding that will be used to identify the products by its customers. For instance, the plastic containers will be wrapped with colored paper with a picture of a running man and woman who show how energetic they are even after running for a distance of 42 kilometers. This will show how powerful *Sweet Drinking Refresher* will be for the heavy task. The product will also have a trademark represented by the world map with nine signs across the map.

Break Even Cost

In the process of producing the *Sweet Drinking Refresher*, the cost of manufacturing one liter of the product will be amounted to \$0.57. Therefore, in selling the product of the same quantity, the best price for the drink will be \$1 per liter. This means that the break even cost, a situation where the expenses and revenue are the same, is at \$0.57.

Expected Biggest Expenses

During the introduction of *Sweet Drinking Refresher* into the market, various expenses will be incurred. The biggest expense that is expected in the process of introducing a product in the market is product advertisement and promotion. The process of promoting and advertising

the proposed product will involve a number of activities such as product samples. Manufacturing the product samples will incur material expenses, product-testing costs, and payment for the workers involved in the process. However, these products will be offered to customers free of charge as an approach of product promotion. Therefore, there will be no gain from the products' samples. Similarly, a larger amount of costs will incur in storing the product samples because they will be stored before they are delivered to target customers. Likewise, bigger expenses will be realized during the promotion process. The possible costs incurred during the promotion period include traveling expenses and other related expenses. Other bigger expenses will also be realized through the use of social media, billboards, radio, and televisions in advertising the *Sweet Drinking Refresher*.

Project Survival

There are measures instituted to ensure for the survival of the production and promotion of *Sweet Drinking Refresher* into the market. Therefore, the project will survive until it starts generating money towards the organization. The major challenge for the survival of the proposed project relates to the availability of funds. Various measures have been adopted to ensure that enough money is generated towards the project. For instance, the organization will ensure that money is borrowed from the willing banking institutions that offer low interest rates. Apart from getting loans from banking institutions, another way through which funds will be generating is through fund raising programs. Moreover, other funds will be generated through friends and relatives. Through the successful generation of funds, the proposed product promotion will be possible. The establishment of emergency fund kitty and contingency plans will ensure that they

are protected from possible and unforeseen market dynamics. Since it is a new product, the company is well aware that challenges are many and is ready to deal with them appropriately.