



A Feasibility Study of a Fruit Juice Business

by

Mr. Amornsak Rattanamanee

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

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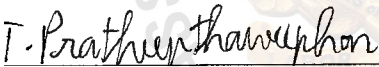
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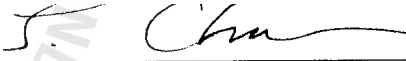
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The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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ABSTRACT

This project is a feasibility study of fruit juice business in Bangkok. The objectives of this study are to apply all theoretical knowledge to do feasibility in market plan and finance projection and to suggest a good business opportunity to the new investors.

The capital budgeting analysis is used to analyze the feasibility of this investment and after studying this feasibility, it shows that this is a good investment as it gives positive NPV, and higher internal rate of return (IRR). Moreover, the financial ratios analysis can support the investor that this project has the opportunity in returning a high worth with not much investment.

In addition, people nowadays are more concerned about their health so this kind of business can provide a good opportunity for them. And as we set the business into fruit juice industry, it can gain competitive advantage by serving high quality goods with quite good price to face the current economic condition and both direct and indirect competitors.

The results of the project were obtained by gathering full information, preparing both marketing plan and financial projection based on the assumption at current time and the solution that we got from this project that it is worth investing in this business and it would be beneficial to the investors.

ACKNOWLEDGEMENTS

This final report is partial fulfillment in Master of Computer and Engineering Management talking about people's attitude towards healthy beverage. The main topic is about the perception and behavior of consumers in 100% and 30-60% fruit juice I highly hope that reader will get the some benefit from reading this thesis.

I would like to say "Thank you very much" to the following people and organizations. If it were not for these people, this project would not be completed at this time.

I would like to express my deep appreciation to Dr. Thanatphong Pratheepthaweephon, my advisor, for his guidance, invaluable advice, supervision and encouragement through the research.

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Special appreciation for my family, my friends and my colleagues for continuous encouragement. And I am grateful to my parents who give the best opportunity of my life.

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I. INTRODUCTION

1.1 Significance of the Project

Nowadays the economic situation isn't good, many corporate businesses had to be downed as small & medium business are still growing in the market. And the number of consumers in the market is still the same as buying power slowdown. When buying goods, people have to be concerned with their needs that have the result in consumer behavior for them. However, the business about the beverage still has the market demand.

Economic situation in Thailand has shown that it has little impact for healthy beverage business as water is a must of human's life. The health business is very popular in the metropolis because of its benefits and convenience.

Nowadays people have to be concerned with their health very much so, the healthy beverage that is made from fruit can give good things to the customer under this economic status. At the same time, it provides a good quality beverage and can be set up with a small starting capital when compared to other types of healthy beverage business.

At present, health business is more popular than in the past since it is developed in convenience stores, wholesale stores, retail stores, vending machines and supermarkets, so it provides a wide variety of health beverages and provides a good business opportunity for the new investor.

This project is to study the feasibility of SME business focusing on health business, whether it can be economically feasible. It includes marketing study, financial study and operational study.

In the case of this study, we will distribute the products via the convenience stores, wholesale stores, retail stores, vending machines and supermarkets in Thailand. We have to decide whether we should sell via these channels by doing the distribution channel analysis. Whenever the product starts selling health beverage products, we will know whether it is a worthy investment or not. This feasibility study can help the investor to decide whether it is worth the investment.

1.2 The Objective of the Project

This brief introduction chapter is to draw attention to the major purposes and objectives of the study of the perception towards healthy beverages.

The study is not specific as neither individuals nor groups had undertaken the study of the organization as a whole.

- (1) To conduct the feasibility study; comprising marketing, financial, and operational feasibility; to operate healthy beverage (fruit juice) business.
- (2) To develop the marketing plan for the business.
- (3) To study and understand what influences encourages the people to be concerned about healthy beverage.
- (4) To review overall the human motivation related to healthy beverage and their health consciousness.
- (5) To observe and understand the consumers' expectation and perception toward healthy beverage.

1.3 The Scope of the Project

The group's research questionnaires are widely distributed amongst all the people, not specifically to any industry or any organization. The total number of the research is based on one hundred samples, as it is an adequate figure in conducting analysis and

recommendation effectively in this initial stage. The scope is to study the possibility of operating a healthy beverage in Thailand.

1.4 Deliverables

- (1) The result of marketing feasibility study for this investment.
- (2) The result of financial feasibility study of this investment.
- (3) The project report.



II. LITERATURE REVIEW

In conducting feasibility study, there are three areas to be considered whether they are feasible or not. Those three areas are marketing study, operational study and financial study.

2.1 Marketing Study

Nowadays business has to face three majors of challenges and opportunities like globalization, technology in advance and deregulation. Marketing is seen like the task of creating, promoting and delivering goods and services to customer. Marketing that has effectiveness, can take many forms like an entrepreneurial, formulated and entrepreneurial marketing.

And marketers are involved in many types of marketing entities such as goods, services, experiences, events, persons, properties, organizations, information, ideas and etc. They have more skills in managing demand: They will seek the influence of level, timing and composition of demand. And they will be faced with a host of decisions and others such as what is the feature of new product, what is the color of packaging. They have to operate in different marketplaces such as consumer, business, global and nonprofit.

For the selection of target market, the firm has to develop the market offer that is positioned in the mind of customers. The marketer must know and understand what is needed, wanted and demanded by the target market. For the product, it will be successful if the target market appreciates after receiving it. The market has to cover various groups of customers such as physical marketplaces, digital marketplaces and metamarkets.

The marketer has to reach the market by using many channels such as communication, distribution and selling. The marketer must have to operate about task environment & broad environment. They must have to face competitions from actual and potential rivals offering substitutes. They must have to set tools for using to elicit the desired responses from their target markets that are called that marketing mix.

However the marketing concepts be set that the key to achieve the goal of organization that consist of determining the needs and wants of target markets including delivering the desire of satisfaction that are more effective & efficient than the competitors. It begins with the definition of market as well, focus on the customer's need, coordinate with all activities that will have an effect to customers, and produce the profit by satisfying customers.

The market-oriented strategic planning is the managerial process of developing and maintaining a suitable niche between the organization's objectives, skills, and resources and its changing market opportunities, the aim of strategic planning is to shape the business of company and products so they will have the target profits and growth. The strategic planning takes place at 4 levels such as corporate, division, business unit, and product.

The strategic planning for individual businesses consists of the activities as follows; defining the business mission, analyzing the external of opportunities and threats, analyzing the internal of the strength and weakness, formulating goals to achieve of business, formulating the strategies to achieve of goal, formulating the supporting of programs, implementing the programs and gathering the feedback and the exercise of control.

To take the responsibilities, marketing manager- at the corporate, division, business, and product level — follow a marketing process. It has to work within plan that is set by the level above them; product manager comes up with a marketing plan for individual products, lines, or brands.

The marketing process consists of analyzing the marketing opportunities, researching and selecting the target markets, designing the marketing strategies, planning the marketing programs and organizing, implementing and controlling the market effort.

The evaluation about various opportunities, it needs to manage the marketing research as a reliable and information system. Marketing research is a must marketing tool to reach customers' wants and behaviors to reach to the market size. The marketer can research the secondary source, set the focus group and conduct telephone, mail and personal survey. About analyzing the data that is collected, it will get the best picture of market's opportunity.

After the market opportunities are analyzed, it is ready to select the target market. The modern marketing practice calls for dividing the market into major market segments, evaluating each segment and targeting those market segments that the company can serve as well.

The target marketing involves three activities: market segmentation, market targeting and market positioning. The target markets are four levels: segment, niches, local areas and individuals. The market segments are large identifiable group within a market. A niche is a more narrowly defined group. The marketers are localizing campaigns for trading areas, neighborhoods, and even individual stores. Finally more companies are practicing individual and mass customization. The future likes to see

more self-marketing; a form of individual marketing in which individual customer takes more initiative in designing their products and brands.

The major segmentation variables for consumers markets are geographical demographic, psychographic and behavioral. These variables can be used separately in combination. Business markets use all these variables along with operating variables, purchasing approaches and situational factors. To be useful, market segments must be measurable, substantial, accessible, differentiable and actionable.

The firm has identified its market-segment opportunities, it has to evaluate the various segments and decide how many (segments) and which ones to target. In evaluating the segmentation, it must look at the segment's attractiveness indicators and the company's objectives and resources. In choosing which segments to target, the company can select a single segment, several segments, a specific product, a specific market to the full market to focus on. If it decides to serve the full market, it must choose either differentiated or undifferentiated marketing.

The marketers must select the target markets in a socially responsible manner. The marketers must also monitor the segment of interrelationships, seeking out economies of scale and the potential for marketing to super level of segmentation. The marketers should develop the segment by segment invasion plans. Finally, the market segmentation should be prepared to cooperate in the interest of overall company performance.

For developing the marketing strategies, the products strategy will need to modify at the different stages in the product life cycle: introduction, growth, maturity and decline. Furthermore, the strategy's choice will depend on whether the firm is a market leader, challenger, follower, or new comer. Finally, the changing of opportunities of global and challenges will have to be taken into account.

In transformation of the marketing strategies into marketing programs, marketing managers must basically decision making on the marketing expenditures, marketing mix and marketing allocation.

In controlling the marketing effort, there are three types of marketing control as follows;

- (1) The annual plan control: it is the task of ensuring that the company is achieving the current sales volume, profits and other goals.
- (2) The profitability control: it is the task of measuring the actual profitability products, customer groups, trade channels and order sizes.
- (3) The strategic control: it is the task of evaluating whether the company's marketing strategy is appropriate to market conditions. Because of rapid changes in the marketing environment, each company needs to reasons its marketing effectiveness periodically through a control instrument known as marketing audit.

The firm has specified the opportunity of market segmentation, it has to evaluate the many segments and decide the many segments which are the target. In evaluating segments, it must be concerned on the segment's attractiveness and the company's objectives and resources. In selecting which segment to be the target, the company can select a single market, several segments, a specific product, a specific market. If it decides to serve the specific market, it must select the target markets in a socially responsible manner. The marketer must also monitor an interrelationship of segmentation, concerning economies of scale and the potential for marketing to segmentation as well. The marketer should develop the segment by segment invasion plans. Finally, market segment managers should be prepared to co-operate in the interest of overall performance of company.

For the development of marketing strategies, the product strategy will need to modify each stage in the product life cycle such as introduction, growth, maturity and decline. Furthermore, strategy choice will depend on whether the firm is a market leader, challenger, follower, nicher. Finally, the changing of the opportunities of global and challenges will have to be taken into account.

However, each product level within a business unit must develop a marketing plan to achieve the goals by itself. The marketing plan is one of the most important outputs of the marketing process. It should contain the following elements:

- (a) An executive summary a table of contents.
- (b) An overview of the current marketing situation.
- (c) An analysis of the opportunities and issues facing the product.
- (d) A summary of the plan's financial at marketing objectives.
- (e) An overview of the marketing strategy to be used to achieve the plan's objectives.
- (f) A projected profit-and-loss statement.
- (g) A summary of the control to be used in monitoring the plan's progress.

2.1.1 SWOT Analysis

The overall evaluation of a company's strengths, weaknesses, opportunities and threats is called SWOT analysis.

(a) External Environment Analysis

(Opportunities and Threat Analysis)

For each trend or development, management needs to identify the associated opportunities and threats.

A marketing opportunity is an area of buyer's need in which a company can perform profitably.

Opportunities can be classified according to their attractiveness and their success probability. The company's success probability depends on whether the strengths of business not only match the key success requirements for operating in target market but also exceed those of its competitors. Mere competence does not constitute a competitive advantage. The best performing company will be the one that can generate the greatest customer value and sustain it over time. Some developments in the external environment represent threats.

An environment threat is a challenge posed by an unfavorable trend or development that would lead, in the absence of defensive marketing action, to deterioration in sales or profit.

Threats should be classified according to seriousness and probability of occurrence. To deal with these threats, the company needs to prepare contingency plan that be details about changing of company, can make before or during the threat.

The management has identified the major threats and opportunities that faced a business unit as a specific; it can characterize that overall attractiveness of business. Four outcomes are possible:

- (1) About an ideal business is high in major opportunities and low in major threats.
- (2) About a speculative business is high in both major opportunities and threats.

(3) About a mature business is low in major opportunities and low in threats.

(4) About a trouble business is low in opportunities and high in threats.

(b) Internal Environment Analysis

(Strengths/weaknesses analysis)

It is one thing to concern on attractive opportunities and another to have the competencies to succeed in these opportunities. Each business needs to evaluate its internal strengths and weaknesses periodically.

The business does not have to correct all its weaknesses, nor should it consider the strengths. The important question is whether the business should limit itself to opportunities that are posed by strengths of requirement. And it should consider better opportunities where it might have to acquire or develop certain strengths. Sometimes a business runs poorly not because the departments lack the strengths that are required but because they don't work together as a team. It is critically important to assess cross department with working relationships as part of the internal environment audit.

2.1.2 Marketing Research

Marketing research calls for developing the most efficient plan to gather the needed information. The marketing manager needs to know the cost of the research plan before approving it. If the research would lead to an improved pricing and promotional plan and a long term profit, it is worth doing.

In collecting marketing information, entrepreneurs can make marketing decisions based on intuition alone, or they can use their judgment on sound marketing information.

Marketing managers often commission formal marketing information studies of specific problems and opportunities. They may request a market survey, a product preference test, a sales forecast by region, or an advertising evaluation.

Marketing research is the design system, collection, analysis, and reporting of data and findings relevant to a specific marketing situation the company is facing.

Companies can conduct their own marketing research or hire other companies to do it for them. Good marketing research is characterized by scientific methods, creative, multiple research methods, an accurate model building, cost benefit analysis, healthy skepticism and an ethical focus.

The process consists of defining the problems and research objectives, developing the research plan, collecting information, analyzing the information and presenting the finding to management.

In conducting research, firms must decide whether to collect their own data or use data that already exist. The researcher can gather primary data, secondary data, or both. They must also decide which research approach and which research tool to use. In addition, they must decide on a sampling plan (must be surveyed), sample size (how many people should be surveyed), sampling procedure (how the respondents should be selected) and contact method (how the subject should be contacted) such as telephone, mail personal and online interview.

Research approaches are as follows:

- (a) Observational — gather by observing the relevant actors and setting.
- (b) Focus group — gather six to ten people who are invited to spend a few hours with a skilled moderator, who needs to be objective, knowledgeable on the

issue and skilled in group dynamics, to discuss a product, service, organization, or other marketing entity.

- (c) Survey — is best suited for descriptive research.
- (d) Behavioral data — customers leave traces of their purchasing behavior in store scanning data, catalog purchase records and customer database.
- (e) Experimental — to capture cause and effect relationship by eliminating competing explanations of the observed findings.

Two main research tools in collecting primary data are as follows:

- (1) Questionnaires: A questionnaire consists of a set of questions presented to respondents for their answers. It needs to be carefully developed, tested and debugged before they are administered on a large scale. Questions should be simple, direct with unbiased wordings and should be pre-tested with sample of respondents before it is used. And it should flow in logical order.
- (2) Mechanical Instruments: They are occasionally used in marketing research for examples; Galvanometers measure the interest or emotions aroused by exposure to a specific picture. An audiometer is attached to television sets in participating homes to record when the set is on and to which channel it is tuned.

One major reason for undertaking marketing research is to discover market opportunities. Once the research is complete, the company must carefully evaluate its opportunities and decide which markets to enter. Once in the market, it must prepare sales forecasts based on estimates of demand.

There are two types of demands: market and company demand. To estimate current demand, companies attempt to determine total market potential (the maximum amount of sales that might be available to all firms in an industry during a given period under a given level of industry marketing effort and given

environmental conditions), area market potential (market potential of different cities, states, and nations), industry sales, and market share. To estimate future demand, companies' survey buyers' intentions, solicit their sale force input, gather expert opinions, or engage in market testing. Mathematical models, advanced statistical techniques, and computerized data in collection procedures, they are essential to all types of demand and sales forecasting.

2.1.3 Marketing Plan

After - preliminary marketing analysis is completed — such as market research, market analysis and sales forecast — it is ready to construct the formal marketing plan. It is important to remember that each business venture is different and therefore each marketing plan will be unique. The marketing plan should include sections on marketing analysis, competition and marketing strategy.

(a) Market Analysis

For market analysis, the marketing managers should discuss target market customer. The description of potential customers is commonly called that a customer profile. Information complied with market research — both secondary and primary data — can be used to construct this profile.

The details for discussion of major customer benefits, characterizing the new product or service should be included. Another major element of market analysis is the sales forecast. It is usually desirable to include more than such one sales forecast as — "most likely", "pessimistic" and "optimistic". This provides investors and the entrepreneurs with three sales scenarios upon which to base on their evaluation.

(b) Competition

The existing competitive companies should be studied carefully. A brief discussion of competitors' overall strengths and weaknesses should be a part of this section. Managers need to conduct a customer value analysis to reveal the company's strengths and weaknesses which are related to competitors. The objective of this analysis is to determine the benefits that customers want and how they perceive the relative value of competitors' offers.

Michael Porter identified 5 forces that determine the intrinsic in long run profit, attractiveness of the market or market segment: industry competitors, potential entrants, substitutes, buyers and suppliers. For these threats are as follow:

- (1) Threat of intense segment rivalry: A segment is unattractive if it already contains numerous, strong or aggressive competitors. It is more unattractive if the segment is stable or declining, if the additional capacity of plant are done in large increments, if fixed costs are high, if the existing barriers are high, or if competitors have high stakes in staying in the segment. These conditions will lead to frequent price wars, advertising battles and new product introductions will make it expensive to compete in the market.
- (2) Threat of new entrants: A segment's attractiveness varies with the height of entry and exit barriers of itself. The most attractive segment is the one in which entry barriers are high and exit barriers are low. Few new companies can enter the industry and poor performing companies can easily exit. When both entry and exit barriers are high,

profit potential is high, but companies face more risk because poorer performing firms stay in and fight it out. When entry and exit barriers are both low, firms easily enter and leave the industry and the returns are stable and low. The worst case is when entry barriers are low and exit barriers are high: Here companies enter during good times but find it hard to leave during bad times. The result is chronic over capacity.

- (3) Threat of substitute products: A segment is unattractive when there are actual or potential substitutes for the product. The substitute places a limit on prices and on the profits that a segment can earn. The company has to monitor the price trends in the substitute places closely. If the technology advances or increases in competition of these substitute industries, prices and profits in the segment are likely to fall.
- (4) Threat of buyers' growing of bargaining power: A segment is unattractive if the buyers possess strong or growing bargaining power. The buyer will try to force prices down, demand more quality or services, and set the competitors against each other all at the expense of the seller's profitability. The buyers' bargaining power grows when they become more concentrated or organized, when the product represents a significant fraction of the cost of the buyer, when the product is undifferentiated, when the buyers' switching costs are low, when buyers are price sensitive because of low profits, or when buyers can integrate upstream. To protect themselves, sellers might select buyers who have the least power to negotiate or switch suppliers. A

better defense consists of developing superior offers that strong buyers can not refuse.

- (5) Threat of supplier's growing of bargain power: A segment is unattractive if the suppliers of company are able to raise prices or reduce the quantity of supply. The suppliers tend to be powerful when they are concentrated or organized, when there are few substitutes, when the supplied product is an important input, when the costs of switching suppliers are high, and when the suppliers can integrate downstream. The best defenses are to build win-win relations with suppliers or use multiple supply sources.
- (6) Today, competition is not only rife but growing more intense every year, because the markets have more competitive, not understand customers enough. The companies must start paying keen attention to their competitions. The company who is successful, must have to design and operate the systems for gathering intelligence continuously about competitors.

(c) Marketing Strategy

The well preparedness about the market analysis and a discussion of competition are important to the formal marketing plan. There are 4 areas of marketing strategy called the 4 Ps of marketing or marketing mix that should be addressed within the marketing plan. First, the plan about marketing decisions that transform the basic product or service idea into a "total product" (product). Second, the plan about promotional decisions that will communicate the necessary information to target markets (promotion). Third, there are decisions regarding the distribution of a product to

customers (place). Finally, there are pricing decisions that will set an acceptable value on the total product or service (price).

(1) Marketing mix

The marketers use numerous tools to elicit desired responses from their target markets. These tools constitute a marketing mix.

The marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

The marketing mix decisions must be made to influence the trade channels as well as the final consumers. The company prepares an offering mix of products, services and prices and utilizes a promotion mix of sales promotion, advertising, sales force, public relations, direct mail, telemarketing and internet to reach the trade channels and the target customers.

Typically, the firm can change its price, sales force size and advertising expenditures in the short run. It can develop the new products and modify its distribution channels in the long run only. So the firm typically makes fewer period-to-period marketing-mix changes in the short run than the number that marketing mix decision variables might suggest.

Note that the 4 Ps represent the seller's view of the marketing tools available for influencing buyers. From buyers' point of view, each marketing tool is designed to deliver a customer benefit. It suggested that the sellers' 4 Ps correspond to the customers' 4 Cs.

The 4Ps are product, price, place and promotion.

The 4Cs are customer solution, customer cost, convenience and communication.

The most basic of marketing-mix tool is product — the firm's tangible offering to the market, which includes the product quality, design, features, branding and packaging. As part of product quality of itself that is offered, the company may provide various services such as leasing, delivery, repair and training. The support services can provide a competitive advantage in the globally competitive marketplace.

The critical marketing mix tool is price. The company has to decide about wholesale and retail prices, discounts, allowances and credit terms. The price itself should commensurate with the offer's perceived value. Otherwise, buyers will turn to competitors' products.

Place; about the various activities the company must undertake to make the product accessible and available to target customers. The company must identify, recruit, and link various marketing facilitators to supply its products and services efficiently to the target market. It must understand the various types of retailers, wholesalers and physical distribution companies.

Promotion; about all the activities the company must undertake to communicate and promote its products to the target market. The company has to hire, train and motivate the salespeople. **It has to set up** communication and promotion programs consisting of advertising, sales promotion, public relations and direct & on-line marketing.

The companies who are the winner in the market can meet the customers' needs economically and conveniently and with effective communication.

(a) Product and the Product Mix

The product is anything that can be offered to a market to satisfy about wants or needs. Products that are marketed include physical good, services, experiences, events, persons, places, properties, organizations, information and ideas.

Product is the first and most important element of the marketing mix. Product strategy calls for making coordinated decisions on product mixes, product lines, brands, packaging and labeling.

About planning of its market offering, the marketer needs to think the 5 levels of the product through:

The first level, the core benefit is the fundamental benefit or service the customer is really buying.

The second level, the marketer has to turn the core benefit into a basic product.

The third level, the marketer prepares an expected product, a set of attributes that buyers normally expect and agree to when they buy the product.

The fourth level, the marketer prepares an augmented product that includes additional services and benefits that distinguish the company's offer from that of competitors.

The fifth and final level, the marketer prepares a potential product, which encompasses all the augmentations and transformations the product might ultimately undergo.

Products can be classified in several ways. In terms of durability and reliability, products can be nondurable goods, durable goods, or services. In the consumer- goods category, products are either convenience goods (impulse goods, emergency goods), shopping goods (homogeneous and heterogeneous), specialty goods or unsought goods. In the industrial goods category, products fall into one of three categories: materials and parts (raw materials and manufactured materials and parts), capital items (installations and equipment), or supplies and business services (operating supplies, maintenance and repair items, maintenance and re-services, business advisory services).

Most companies sell more than their product. A product mix can be classified according to width, length, depth and consistency. These 4 dimensions are the tools for developing the company's marketing strategy and deciding which product lines to grow, maintain, harvest and divest. To analyze a product line and decide how many resources should be invested in that line product-line managers need to look at sales and profits and market profile.

The company can change the product component of its market mix by lengthening its product via line stretching (down-market, up-market or both) or line filling, by modernizing its products, by featuring certain products and by pruning its products to eliminate the least profitable.

(b) Pricing

Despite the increased role of non-price factors in modern marketing, price remains a critical element of the marketing mix offers. Price is the only one of the 4 Ps that produces revenue: the other 3 Ps produce costs. About setting of pricing policy, a company has 6 steps as follows;

First, it selects the price objective (survival, maximum current profit, maximum market share, maximum market skimming, or product — quality leadership).

Second, it estimates the demand curve, the probable quantities that will sell at each possible price.

Third, it estimates how its costs vary at different levels of output, at different levels of accumulated production experience, and for differentiated marketing offers.

Fourth, it examines competitors' costs, prices and offers.

Fifth, it selects a pricing method.

Finally, it selects the final price, taking account of psychological pricing, the influence of other marketing mix elements on price, company pricing policies and the impact of price on other parties.

The company does not usually set a single price, but rather set a pricing structure that reflects variations in geographical demand and costs, market segment requirements, purchase timing, order levels and other factors. Several price adaptation strategies are available;

- (1) geographical pricing
- (2) price discounts and allowances

- (3) promotional pricing
- (4) discriminatory pricing (the company sells a product at different prices to different market segments).
- (5) product-mix pricing (about setting of prices for product lines, optional features, captive products, two part items, by products and product bundles.

After developing the pricing strategies, the firm often faces the situations in which they need to change prices.

The price decrease might be brought about by excess plant capacity, declining market share, desire to dominate the market through lower costs or an economic recession.

The price increase might be brought about by cost inflation or over demand.

There are several alternatives to increase price, including shrinking the amount of product instead of raising the price, substituting less expensive materials or ingredients, and reducing or removing product features.

The firm facing a competitor's price change must try to understand the competitor's intent and the likely duration of the change. The firm's strategy often depends on whether it is producing homogeneous or nonhomogeneous products. Market leaders who are attacked by lower-priced competitors can choose whether to maintain price, or raise the perceived quality of their product, or reduce price, or increase price and improve quality, or launch a low-price fighter line.

(c) Marketing channels (Place)

Most producers do not sell their goods directly to final users. Between producers and final users stands one or more marketing channel, a host of marketing intermediaries performing a variety of functions. Marketing-channel decisions are among the most critical decisions facing management. The company's chosen channel(s) intimately affect all other marketing decisions.

Companies use intermediaries when they lack financial resources to carry out direct marketing, when direct marketing is not feasible, and when they can earn more by doing so. The use of intermediaries largely boils down to their superior efficiency in marketing goods widely available and accessible to target markets. The most important functions performed by intermediaries and information, promotion, negotiation, ordering, financing, risk taking, physical possession, payment, and title.

Manufacturers have many alternatives to reach a market. They can sell direct or use one-two, or three-level channels. Deciding which type(s) of channel to use calls for analyzing customer needs, establishing channel objectives, and identifying and evaluating the major alternatives, including the types and numbers of intermediaries involved in the channel. The company must determine whether to distribute its product exclusively, selectively, or intensively, and it must clearly spell out the terms and responsibilities of each channel member.

Effective channel management calls for selecting intermediaries and training and motivating them. The goal is to build a long-term partnership that will be profitable for all channel members. Individual members must be periodically evaluated against pre-established standards. Channel arrangements may need to be modified when market conditions change.

Marketing channels are characterized by a continuous and sometimes erratic change. Three of the most important trends are the growth of vertical marketing systems, horizontal marketing systems, and multichannel marketing systems.

All marketing channels have the potential for conflict and competition resulting from such sources as goal incompatibility, poorly defined roles and rights, perceptual differences, and interdependent relationships. Companies can manage conflicts by striving for superordinate goals, exchanging people among two or more channel levels, coopting the support of leaders in different parts of the channel, and encouraging joint membership in and between trade associations.

Channel arrangements are up to the company, but there are certain legal and ethical issues to be considered with regard to practices such as exclusive dealings or territories, tying agreements, and dealers' rights.

(d) Managing Advertising, Sales Promotion, Public Relation

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

Advertisers include not only business firms but also charitable, nonprofit, and government agencies that advertise to various publics.

Developing an advertising program is a five-step process:

- (1) Set advertising objectives.
- (2) Establish a budget that takes into account stage in product life cycle, market share, consumer base, competition and clutter, advertising frequency, and product substitutability.
- (3) Choose the advertising messages, determine how the message is to be generated, evaluate alternative message for desirability, exclusiveness, and believability; and execute the message with the most appropriate style, tone, words, and format and in a socially responsible manner.
- (4) Decide the media by establishing the ad's desired reach, frequency, and then choose the media that will deliver the desired results in terms of circulation, audience, effective audience, and effective ad-exposed audience.
- (5) Evaluate the communication and sales effects of advertising.

Sales promotions consist of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of-purchase displays, and demonstrations); and business- and

sales force promotion (trade shows and conventions, contests for sales reps, and specialty advertising).

In using sales promotion, a company must establish its objectives, select the tools, develop the program, pretest the program, implement and control it and evaluate the results. Most people agree that sales promotion worked about increasing sale volume and market share in the short run but does not have much impact in the long run. In addition, the marketer face a series of challenges in most forms of sales promotion, especially high costs in supporting them.

The public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. The public relations (PR) involves a variety of programs designed to promote or protect the image of company or its individual products. Many companies today, have to use the marketing public relation (MRP) to support their marketing departments in corporate or product promotion and image making. The marketing public relation (MRP) can effect the public awareness at a fraction of the cost of advertising and it is more credible. The main tools of PR are publications, events, news, speeches, public service activities, and identify media.

In considering when and how to use MPR, management must establish the marketing objectives, choose the PR messages and vehicles, implement the plan carefully, and evaluate the results. The results are usually evaluated in terms of numbers of exposures and cost savings, awareness, comprehension or attitude changes and sales and profit contribution.

2.2 Technical Study

Technical study has to involve the study of the availability of technology, raw materials and skilled laborers that are necessary for doing business. Technical study will give an idea whether the investors have enough capacity to fulfill the market demand or not.

2.3 Financial Study

Financial study has to involve the study of the economy and the competitors in order to make the assumption of the estimated cost, how to raise funds and how money is generated. The project balance sheet, income statement and cash flow must be made based on the assumption that is set.

2.3.1 The Income Statement

It shows the profit or loss from a firm's operation over a period of time.

2.3.2 The Balance Sheet

As the income statement reports the results from operating the business for a period of time such as a year, the balance sheet provides a snapshot of the firm's financial position at a specific point in time.

So the balance sheet captures the cumulative effect of prior decisions down to a single point in time. The basic ingredients of a balance sheet are assets, liabilities and equity.

2.3.3 The Cash Flow Statement

It shows the change in the firm's cash position over period of time that is given.

The cash flows generated are divided into three main areas;

- (a) Cash flows from operations
- (b) Investments made by the firm
- (c) Financial transactions (such as issuing stock, borrowing or repaying debt)

The data that is needed to construct a cash flow statement comes from 2 sources;

- (1) The two balance sheets of the firm
- (2) The income statement

(A) Capital Budgeting

The capital budgeting analysis will help the manager make a decision about long term investments. The 3 techniques for making the capital budgeting decision are considered. They all attempt to answer one general question;

"Do the future benefits from an investment exceed the cost of making the investment?" However, each of the 3 techniques has its own specific question to answer.

The techniques and the specific question each addresses can be stated as follows:

- (1) Accounting return on investment: it means "how many dollars in average profits are generated per dollar of an average investment?"
- (2) Payback period: it means "how long will it take to recover the original investment outlay?"
- (3) Discounted cash flow technique: it means "how does the present value of future benefits form the investment compare to the investment outlay?"

There are 3 simple rules to be used in judging the merits of an investment. As they may seem trite, they state in terms of the best thinking about the attractiveness of an investment as follows:

- (1) Business prefer more cash rather than less.
- (2) Business prefer cash sooner rather than later.
- (3) Business prefer less risk rather than more.

Accounting Return on Investment: A Profit Criterion

The small firm invests because it intends to earn profits. The accounting return on investment technique compares the average annual after tax profits it expects to receive with the dollars it expects to invest like:

Accounting return on investment = Average annual profits / Average book value of the investment.

The average annual profits can be estimated by adding the after-tax profits expected over the life of the project and dividing by the number of years. The average book investment equals the average of the initial outlay and the estimated ending project salvage value.

Payback Period — A Nondiscounted Cash Flow Criterion

Payback period measures how long it will take to recover the initial cash outlay of the investment. The merits of any project are judged on whether it recovers the initial investment outlay in lesser time than some maximum acceptable payback period.

Discounted Cash Flow Techniques

It takes into consideration the fact that cash today is more valuable than cash received one year from now. The discounted cash flow techniques compare the present value of the future cash flows with the initial investment outlay. The analysis may take the form of (a) The net present value method (b) The internal rate of return method

(a) The Net Present Value

To measure the project's net present value, we estimate today's value of the dollars flowing in from the project in the future and deduct the amount of the investment being made. It means that we discount the future after tax cash flows back to their present value and then subtracts the initial investment outlay. The computation may be represented as follows:

Net present value = Present value of future after tax cash flows — Initial investment outlay

If the net present value of the investment is positive, it means that the present value of future cash flows exceeds the initial outlay. We would accept the project, otherwise, we would reject the investment.

(b) Internal Rate of Return

It provides the answer by measuring the rate of return we expect to earn from the project. To calculate the internal rate of return, we must find the discount rate that gives us a zero net present value. To find the discount rate or IRR is as follows:

Present value of future after tax cash flows — Initial investment outlay = 0

,Or

Present value of future after tax cash flows = Initial investment outlay

To compute the internal rate of return, we have a bit of a problem. We can't solve the problem directly. Either we must try different rates until we discover the rate that gives us a zero net present value, or we can use a financial calculator and let it derive the answer for us.

The decision criteria, when the IRR is used in making accept — reject decision, is as follows: If the IRR is greater than the cost of capital, accept the project; if the IRR is less than the cost of capital, reject the project. This criteria guarantees that the firm earns at least its required return. Such an outcome should enhance the market value of the firm and therefore the wealth of its owners.

(1) Comparing NPV and IRR techniques

The better approach for evaluating the capital expenditures is difficult to determine because the theoretical and practical strengths of the approaches differ. It is therefore wise to view both NPV and IRR techniques in light of each of the following dimensions.

(a) Theoretical View

On a purely theoretical basis, NPV is the better approach to capital budgeting. The most important is the fact that the use of NPV implicitly assumes that any intermediate cash inflows generated by an investment are reinvested at the firm's cost of capital. Since the cost of capital tends to be estimate of the rate at which the firm could actually reinvest intermediate cash inflows, the use of NPV with its more conservative and realistic reinvestment rate is in theory preferable. In addition, certain mathematical properties may cause a project with non - conventional cash flows to have zero or more than one IRR; this problem doesn't occur in the NPV approach.

(b) Practical view

In spite of the theoretical superiority of NPV, the financial manager prefers to use IRR. The preference for IRR is attributable to the general disposition of business people toward rates of return rather than actual dollar returns. Because interest rates, profitability, and so on are most often expressed as annual rates of return, the use of IRR makes sense to financial decision

makers. They tend to find NPV more difficult to use because it doesn't really measure benefits relative to the amount invested.

When we check the feasibility of many projects that are independent, we are considering each project individually. We don't make a comparison among the projects. The evaluation of the feasibility of one project or many projects that are independent, can be done by either method as it gives the same answer, which is called " Logical Relationship " as follows:

If NPV more than or equal 0 \div IRR more than or equal the actual cost of capital
→ MIRR more than or equal the actual cost of capital PI more than or equal 1

The evaluation of the feasibility of many projects that are mutually exclusive, meaning that we have to choose the most feasible from many alternatives; the NPV comparison is the most suitable method by selecting the project that has the highest NPV. We cannot select the project that has the highest IRR in comparisons as it is meaningless to do comparison on the IRR because it doesn't represent the rate of return of the project and it does not exist. Nevertheless, NPV method is used under the assumptions that the capital isn't limited and all projects have the same time horizon and the cost of capital should be the same.

(B) Breakeven Analysis

For breakeven analysis, the number of units produced or percentage utilization of plant capacity is computed using relations for revenue and cost estimates for each alternative.

It is often necessary to determine the quantity of a variable at which revenues and costs are equal in order to estimate the amount of profit or loss. This quantity is called the breakeven point, QBE, is determined using relations for revenue and cost estimation as a function of different quantities "Q" of a particular variable. The size of Q may be

expressed in units per year, percentage of capacity, hours per month, and many other dimensions, so we shall use units per year for illustration.

Both revenue and cost may be linear or non-linear and costs are usually comprised of two components — fixed and variable.

Fixed costs (FC) include costs such as buildings, insurance, fixed overhead or indirect costs, some minimum level of labor, and capital recovery.

Variable costs (VC) include costs such as direct labor, materials, indirect and support labor, contractors, marketing, advertisement, and warranty.

The fixed cost component is usually constant for all values of the variable, so it does not vary with different production levels or workforce sizes. Even if no units are produced, fixed costs are incurred, because the plant must be maintained and some employees paid. Surely, this situation could not last for long before the plant would have to shut down to reduce fixed costs. The fixed cost are reduced through improved equipment, information system and workforce utilization, less costly fringe-benefit packages, subcontracting some functions and so on.

The variable costs change with the production level, workforce size and other variables. It is usually possible to decrease the variable costs through better the product design, manufacturing efficiency and sales volume.

When FC and VC are added, they form the total — cost relation.

At some quantity of the variable the revenue and total — cost relations will intersect to identify the breakeven point, Q_{BE} . If $Q > Q_{BE}$, there is a predictable profit, but if $Q < Q_{BE}$, there is loss, provided the relations continue to estimate correctly as Q changes in value. If the variable cost per unit is reduced, the TC line will also be lowered and the breakeven point will decrease in amount; it means that it will take less to breakeven. This is an advantage because the smaller the value of Q_{BE} , the greater the profit for a

given amount of revenue. For linear models of R and VC, the greater the actual quantity sold, the larger the profit.

If nonlinear R or TC models are used, there may be more than one breakeven point. In fact, no static R and TC relations — linear or nonlinear — are able to estimate exactly the revenue and cost amounts for a product or service over an extended period of time. But it is possible to estimate breakeven points which may be excellent target points for planning purposes.

To find breakeven point is as follows:

$$TC = FC + VC \text{ or } rQ = FC + vQ$$

$$\text{So } Q_{BE} = FC / (r-v)$$

Where as; TC = Total cost

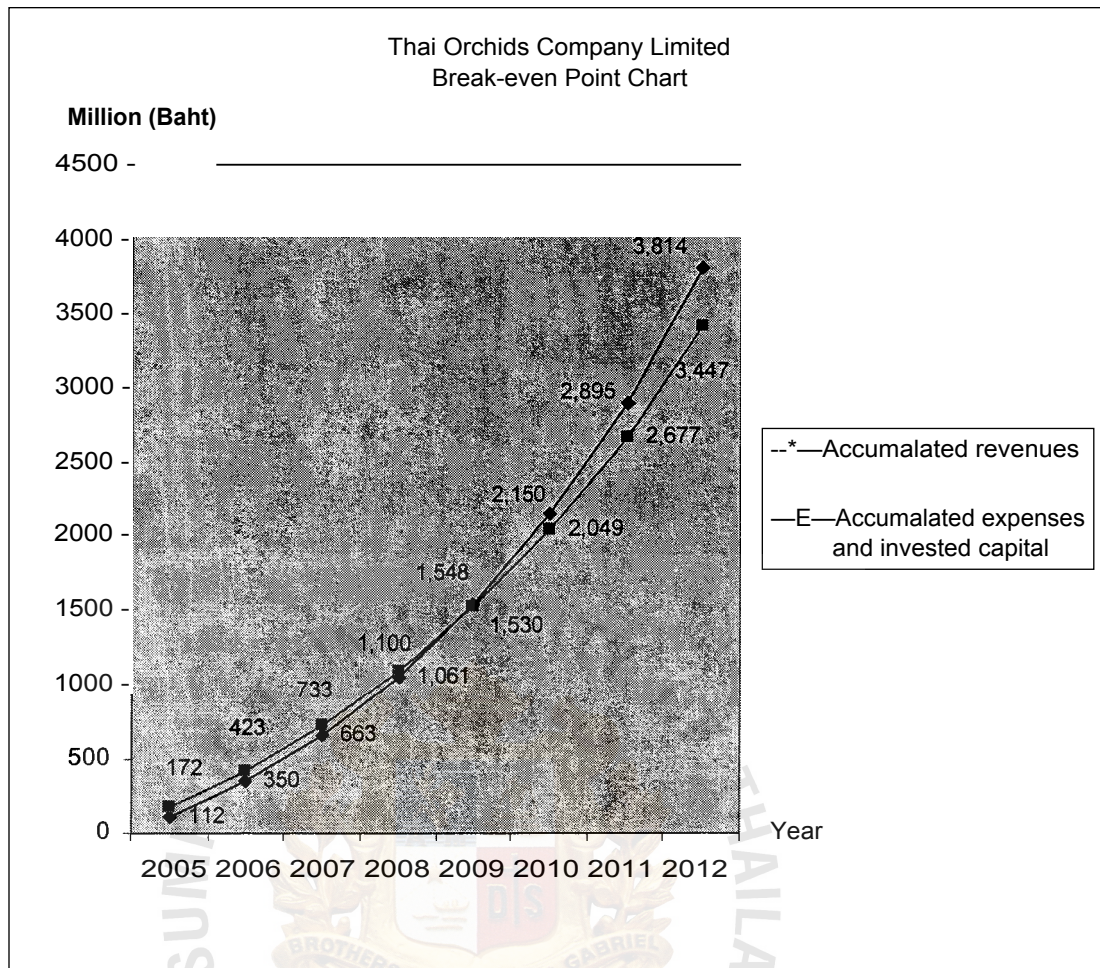
FC = Total Fixed cost

VC = Total Variable cost

Q_{BE} = Break even point
Revenue price

Variable cost

The below figure is an example of breakeven chart of one company showing the fixed cost, total costs, and total revenue at different levels of unit sales.



Remark: Break-even Point of the company will be covered by year 2010 (5th year). Besides the total expenses, the invested capital is also the important factor to calculate break-even point, because it use in part of working capital of the company.

Figure 2.1. The Example of Breakeven Point Analysis.

III. RESEARCH METHODOLOGY

Research Methodology consisted of five sections. First section is about the research design to describe the characteristics of a certain group. Second section shows the methods of research used for the collection of primary and secondary data. Third section is about the sampling population, sampling frame, sampling technique and the sample size. The fourth section is about data collection and data analysis. The last section is to clarify the statistical treatment of the data collection.

3.1 Research design

The choice of research design depends on how much is known about the problem. For this research, we use Descriptive research in order to determine the frequency with which something occurs or the relationship between two variables. It is typically guided by an initial hypothesis.

The purpose of this research design is to describe the characteristics of certain groups and to estimate the proportion of people in a specified population who behave in a certain way. Moreover, it also helps to make a specific representatives.

3.2 Data Collection Method

In doing this research, we collect information from 2 sources, which are Secondary data and Primary data.

Secondary data is data that have already been collected for some purpose other than the question at hand. We have searched for the secondary data from library and internet. It is information that is already published in text book and journal that is related to the fruit juice market and other related topics. Discernable facts have been established and proposed with the support of well-recognized and accepted theories.

Primary data is data that is collected from doing a survey from consumers in various companies and organizations. We use Structured Questionnaires in which questions are presented with exactly the same wording and in exactly the same order to all respondents when collecting data. The reason for standardizing is to ensure that all respondents are replying to the same question. The responses as well as the questions are standardized. Fixed-alternative questions, in which the responses are limited to the stated alternatives, are used.

3.3 Sampling

3.3.1 Target Population

The target populations in this research are the people who are fruit juice consumers.

(a) Sampling Frame

The sampling frame was built consisting of 100 people.

Elements male and female consumers

Sampling unit consumers

Time July 2004

(b) Sampling Technique

According to the purpose of this research, we use Non-probability sampling method as a sample-selection process as we select only the respondents who ever and drink 100% and 30-60% fruit juice. Non-probability sampling is known as a sample selection method that is a sample in which each population element is unknown, nonzero chance of being included in the sample. A simple random sample of elements is chosen independently from each group.

(c) Sample size

We have distributed our questionnaires to 100 prospect people.

Questionnaires are distributed to general consumers randomly.

3.4 Data Analysis & Data Collection

According to our research objective, we would like to find the relationship between each independent variable with dependent variable. So, we decide to use "Correlation coefficient analysis" as it is used to measure the closeness of the linear relationship between two or more interval scaled variables. Once we finished finding the relationship between each pair of variables, we will compare the result between each of various independent and one dependent variable in order to compare and find difference in motivating factor.

The researcher will distribute questionnaires to the respondents and the time to collect filled questionnaire will take around 2 weeks.

3.5 Statistic Treatment of the Data

After completion of data collection, the data will be interpreted by Statistical Package of Social Science (SPSS). The form of data presentation from these procedures is presented in easily interpretable formats. All processes are convenient and minimize cost.

IV. DATA ANALYSIS

4.1 Personal Data of the respondents of 100% fruit juice

Frequencies

Statistics

Gender

N	Valid	100
	Missing	0

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	46	46.0	46.0	46.0
	Female	54	54.0	54.0	100.0
	Total	100	100.0	100.0	

Gender



From the table and graph shows that 46% of our respondents were male and 54% were female.

Frequencies

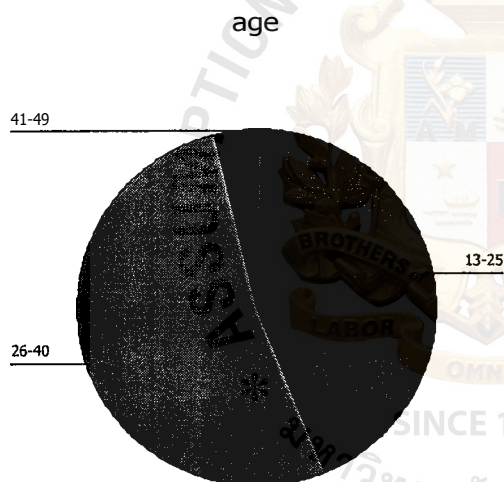
Statistics

age

N	Valid	100
	Missing	0

age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	13-25	44	44.0	44.0	44.0
	26-40	52	52.0	52.0	96.0
	41-49	4	4.0	4.0	100.0
	Total	100	100.0	100.0	



From table and graph, it indicates that 44% of the respondents are in the age between 13-25 years, 52% in the range of 26-40 years, and 4% in the range of 41-49 years.

Frequencies

Statistics

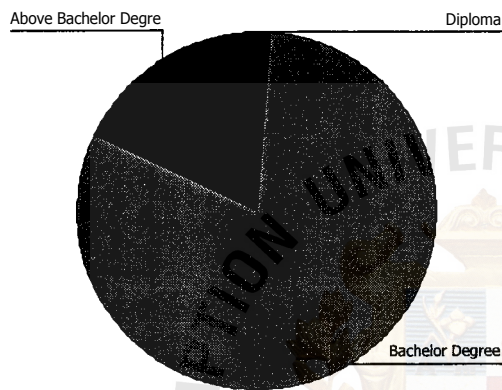
education background

N	Valid	100
	Missing	0

education background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	1	1.0	1.0	1.0
	Bachelor Degree	81	81.0	81.0	82.0
	Above Bachelor Degree	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

education background



From table and graph, it represents the education level of respondents that 4% are in Diploma Degree, 81% are educated at Bachelor's Degree and 18% are educated at higher level of Bachelor Degree.

Frequencies

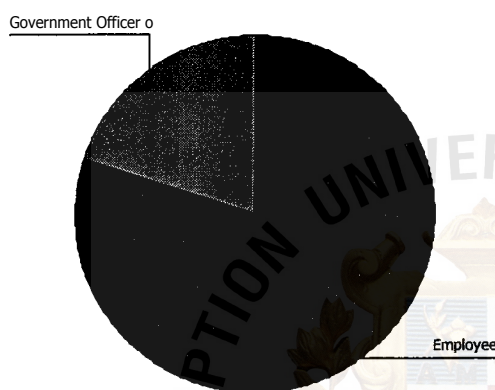
Statistics

Occupation	
N Valid	100
Missing	0

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employee	80	80.0	80.0	80.0
	Government Officer or State Enterprise Officer	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Occupation



From table and graph, it represents the occupation of respondents that 80% are Employees of company and 20% are Government Officers or State Enterprise Office.

Frequencies

Statistics

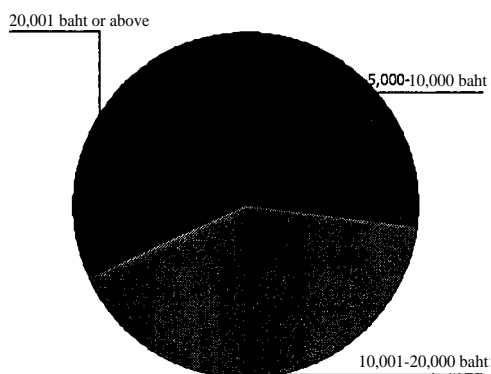
income

N Valid	100
Missing	0

income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5,000-10,000 baht	27	27.0	27.0	27.0
	10,001-20,000 baht	41	41.0	41.0	68.0
	20,001 baht or above	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

income



From table and graph, it indicates that 27% of the respondents earn income 5,000-10,000 baht, 41% earn income between 10,001-20,000 baht, 32% earn income between 20,001 or above.

4.2 Data Analysis of the respondents of 100% fruit juice

Crosstabs

Gender * Drink or not Crosstabulation

			Drink or not	
			Yes	Total
Gender	Male	Count	46	46
		% of Total	46,0%	46,0%
	Female	Count	54	54
		% of Total	54,0%	54,0%
Total		Count	100	100
		% of Total	100,0%	100,0%

From the above table, 46% of respondents who prefer to drink 100% fruit juice are male and 54% of respondents are female.

Crosstabs

age * Drink or not Crosstabulation

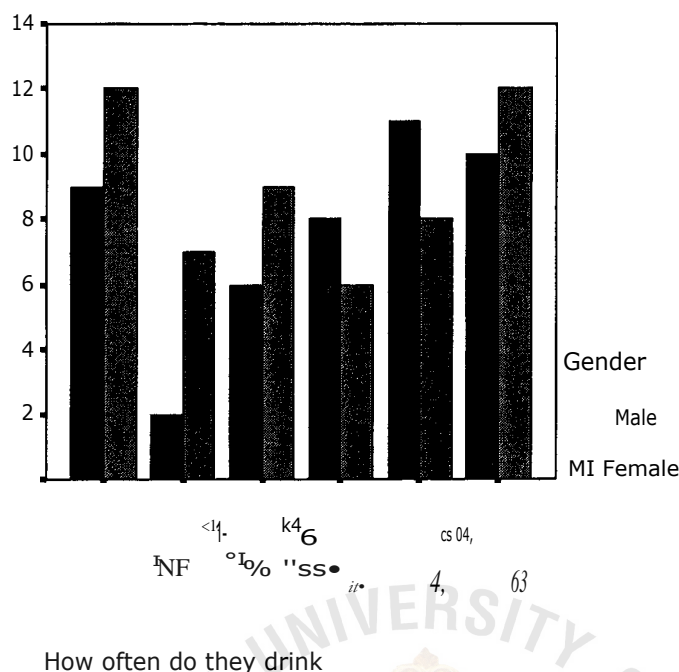
			Drink or not	Total
			Yes	
age	13-25	Count	44	44
		% of Total	44,0%	44,0%
	26-40	Count	52	52
		% of Total	52,0%	52,0%
	41-49	Count	4	4
		% of Total	4,0%	4,0%
Total	Count	100	100	
	% of Total	100,0%	100,0%	

The age group of respondent who drink 100% fruit juice: 44% are of age between 13-25 years old, 52% are of age between 26-40 years old and 4% are of age between 41-49 years old.

Crosstabs

How often do they drink * Gender Crosstabulation

			Gender		Total
			Male	Female	
How often do they drink	once a week	Count	9	12	21
		% of Total	9,0%	12,0%	21,0%
	twicw a week	Count	2	7	9
		% of Total	2,0%	7,0%	9,0%
	three times a week	Count	6	9	15
		% of Total	6,0%	9,0%	15,0%
	once in a month	Count	8	6	14
		% of Total	8,0%	6,0%	14,0%
	twice in a month	Count	11	8	19
		% of Total	11,0%	8,0%	19,0%
	others	Count	10	12	22
		% of Total	10,0%	12,0%	22,0%
Total	Count	46	54	100	
	% of Total	46,0%	54,0%	100,0%	



From table and chart we perceive how often the respondents drink 100% fruit juice. We will separate it into 2 genders that are male and female. In male group, 9.0% drink once a week, 2.0 % drink twice a week, 6% drink three times a month, 8.0% once in a month, 11.0% drink twice a month and 10.0% not a specific time for consuming fruit juice.

For female group, 12.0% drink once a week, 7.0 % drink twice a week, 9% drink three times a month, 6.0% once in a month, 8.0% drink twice in a month and 12.0% not specific time for consuming fruit juice.

Crosstabs

Drink or not * How often do they drink * Why do they drink Crosstabulation

Why do they drink			How often do they drink						Total
			once a week	twice a week	three times a week	once in a month	twice in a month	others	
Health Concious	Drink or not Yes	Count	16	8	13	5	15	16	73
		% of Total	21,9%	11,0%	17,8%	6,8%	20,5%	21,9%	100,0%
Total		Count	16	8	13	5	15	16	73
		% of Total	21,9%	11,0%	17,8%	6,8%	20,5%	21,9%	100,0%
Cleaness	Drink or not Yes	Count				1			1
		% of Total				100,0%			100,0%
Total		Count				1			1
		% of Total				100,0%			100,0%
Taste	Drink or not Yes	Count	3	1	2	7	4	3	20
		% of Total	15,0%	5,0%	10,0%	35,0%	20,0%	15,0%	100,0%
Total		Count	3	1	2	7	4	3	20
		% of Total	15,0%	5,0%	10,0%	35,0%	20,0%	15,0%	100,0%
Fashion	Drink or not Yes	Count	2						2
		% of Total	100,0%						100,0%
Total		Count	2						2
		% of Total	100,0%						100,0%
others	Drink or not Yes	Count				1		3	4
		% of Total				25,0%		75,0%	100,0%
Total		Count				1		3	4
		% of Total				25,0%		75,0%	100,0%

From the above table, we can conclude that the reason for respondents who drink 100% fruit juice is separated into 4 reasons that are: the first, respondents who are concerned about Health conscious drink fruit juice once a week 21.9%, twice a week 11.0%, three times a week 17.8%, once in a month 6.8%, twice a month 20.5% and others 21.9%.

The second reason is respondents who concern about the cleanness which is 100% drink fruit juice once a week.

The third reason is respondents who concern about the taste that persuade them to drink fruit juice are as follows: 15.0% drink once a week, 5.0% drink twice a week, 10.0% drink three times a week, 35.0% drink once a month, 20.0% drink twice a month and others 15.0%.

The fourth reason that 100% respondent drink fruit juice once a week is because of fashion consuming. And the rest are from other reasons who drink fruit juice once a month is equal to 25%.

Crosstabs

Drink or not * Why do they drink Crosstabulation

Count		Why do they drink					Total
		Health Conscious	Cleaness	Taste	Fashion	others	
Drink or not	Yes	73	1	20	2	4	100
Total		73	1	20	2	4	100



From graph and table, most of respondents decide to drink 100% fruit juice because of various factors; 73.0% concern about Health consciousness, 1.0% concern about Cleanliness, 20.0% concern about Taste, 2.0% concern about Fashion and 4.0% concern about other factors.

Crosstabs

Gender * Why do they drink * age Crosstabulation

age				Why do they drink					Total
				Health Conscious	Cleaness	Taste	Fashion	others	
13-25	Gender	Male	Count	12		4		0	16
			% within Gender	75,0%		25,0%		,0%	100,0%
		Female	Count	21		6		1	28
			% within Gender	75,0%		21,4%		3,6%	100,0%
	Total		Count	33		10		1	44
			% within Gender	75,0%		22,7%		2,3%	100,0%
26-40	Gender	Male	Count	18		6	1	1	26
			% within Gender	69,2%		23,1%	3,8%	3,8%	100,0%
		Female	Count	19		4	1	2	26
			% within Gender	73,1%		15,4%	3,8%	7,7%	100,0%
	Total		Count	37		10	2	3	52
			% within Gender	71,2%		19,2%	3,8%	5,8%	100,0%
41-49	Gender	Male	Count	3	1				4
			% within Gender	75,0%	25,0%				100,0%
	Total		Count	3	1				4
			% within Gender	75,0%	25,0%				100,0%

The age of respondent between 13 - 25 years old who are male, would concern about Health consciousness : 75.0% and Taste : 25.0% respectively.

The age between 13 - 25 years of respondent who are female, would concern about Health consciousness : 75.0%, Taste : 21.4% and other : 3.6% respectively.

The age between 26 - 40 years of respondent who are male, would concern about Health consciousness : 69.2%, Taste : 23.1%, Fashion : 3.8% and other : 3.8% respectively.

The age between 26 - 40 years of respondent who are female, would concern about Health consciousness : 73.1%, Taste : 15.4%, Fashion : 3.8% and other : 7.7% respectively.

The age between 41 — 49 years of respondent who are male, would concern about Health consciousness : 75.0% and Cleanness : 25.0% respectively.

4.3 Personal Data of the respondents of 30-60% fruit juice

Frequencies

Statistics

Gender

N	Valid	100
	Missing	0

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	46	46.0	46.0	46.0
	Female	54	54.0	54.0	100.0
	Total	100	100.0	100.0	

Gender



From the table and graph shows that 46% of our respondents were male and 54% were female.

Frequencies

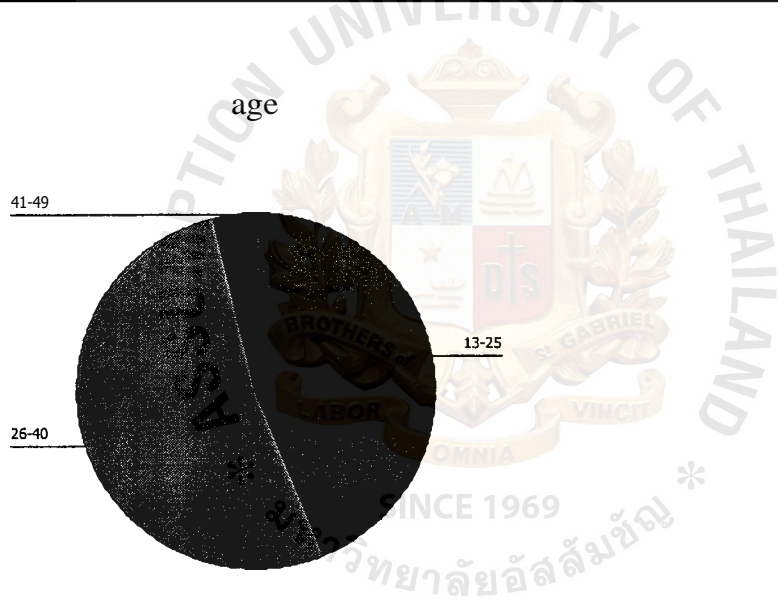
Statistics

age

N	Valid	100
	Missing	0

age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	13-25	44	44.0	44.0	44.0
	26-40	52	52.0	52.0	96.0
	41-49	4	4.0	4.0	100.0
	Total	100	100.0	100.0	



From table and graph, it indicates that 44% of the respondents are in the age between 13-25 years, 52% in the range of 26-40 years, and 4% in the range of 41-49 years.

Frequencies

Statistics

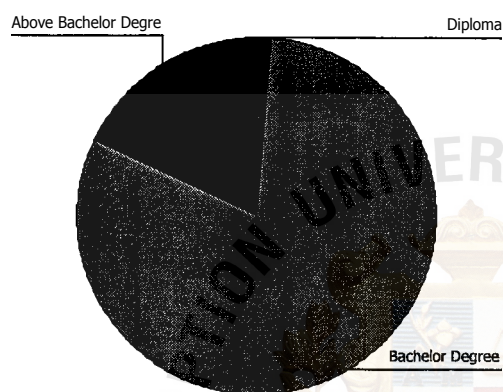
education back round

N	Valid	100
	Missing	0

education background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	1	1.0	1.0	1.0
	Bachelor Degree	81	81.0	81.0	82.0
	Above Bachelor Degree	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

education background



From table and graph, it represents the education level of respondents that 4% are in Diploma Degree, 81% are educated at Bachelor's Degree and 18% are educated at higher level of Bachelor Degree.

Frequencies

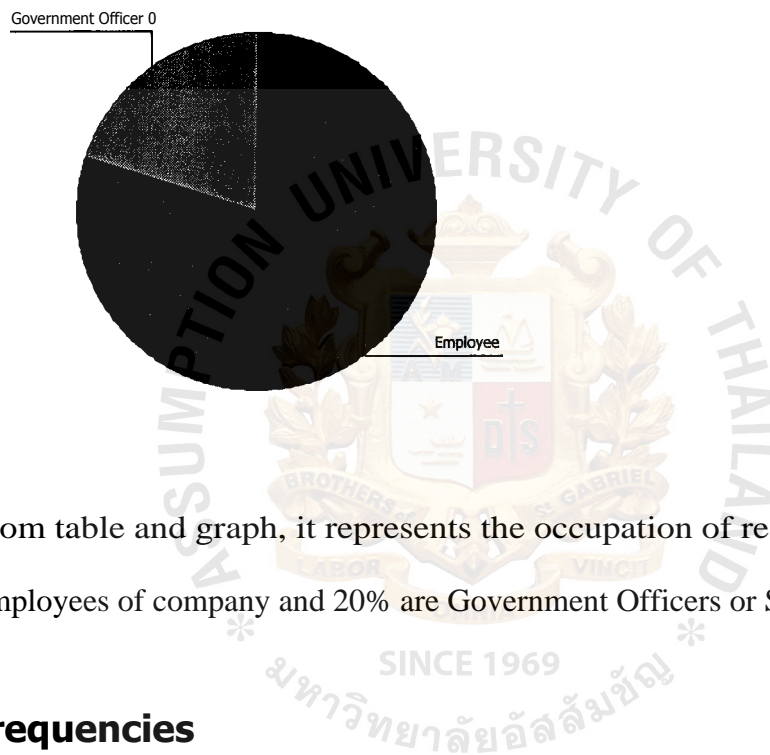
Statistics

Occupation	
N Valid	100
Missing	0

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employee	80	80.0	80.0	80.0
	Government Officer or State Enterprise Officer	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Occupation



From table and graph, it represents the occupation of respondents that 80% are Employees of company and 20% are Government Officers or State Enterprise Office.

Frequencies

Statistics

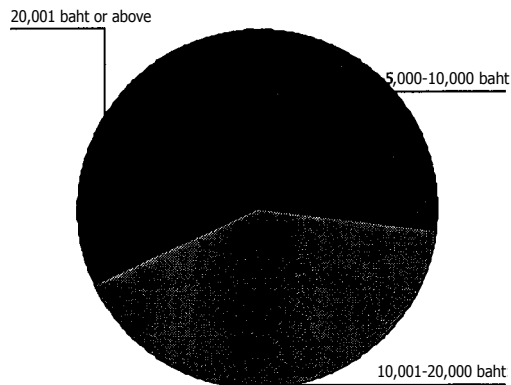
income

N	Valid	100
	Missing	0

income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5,000-10,000 baht	27	27.0	27.0	27.0
	10,001-20,000 baht	41	41.0	41.0	68.0
	20,001 baht or above	32	32.0	32.0	100.0
	Total	100	100.0	100.0	

income



From table and graph, it indicates that 27% of the respondents earn income 5,000-10,000 baht, 41% earn income between 10,001-20,000 baht, 32% earn income between 20,001 or above.

4.4 Data Analysis of the respondents of 30-60% fruit juice

Crosstabs

Gender * Drink or not Crosstabulation

			Drink or not		Total
			No	Yes	
Gender	Male	Count	18	28	46
		% of Total	18,0%	28,0%	46,0%
	Female	Count	16	38	54
		% of Total	16,0%	38,0%	54,0%
Total		Count	34	66	100
		% of Total	34,0%	66,0%	100,0%

From the table, the respondents who are male prefer to drink 30 — 60% fruit juice around 28% and do not prefer to drink around 18%.

For the respondents who are female, 38% prefer to drink 30 — 60% fruit juice and 16% do not prefer to drink.

Crosstabs

age * Drink or not Crosstabulation

Count		Drink or not		Total
		0	Yes	
age	13-25	11	33	44
	26-40	19	33	52
	41-49	4	0	4
Total		34	66	100

The age group of respondents who drink 30 — 60% fruit juice: 33.0% are between 13-25 years old and 33.0% are between 26 — 40 years old.

Crosstabs

Gender * Why do they drink Crosstabulation

Count		Why do they drink				Total
		Health Concious	Taste	Fashion	others	
Gender	Male	20	8	0	0	46
	Female	20	9	2	7	54
Total		40	17	2	7	100

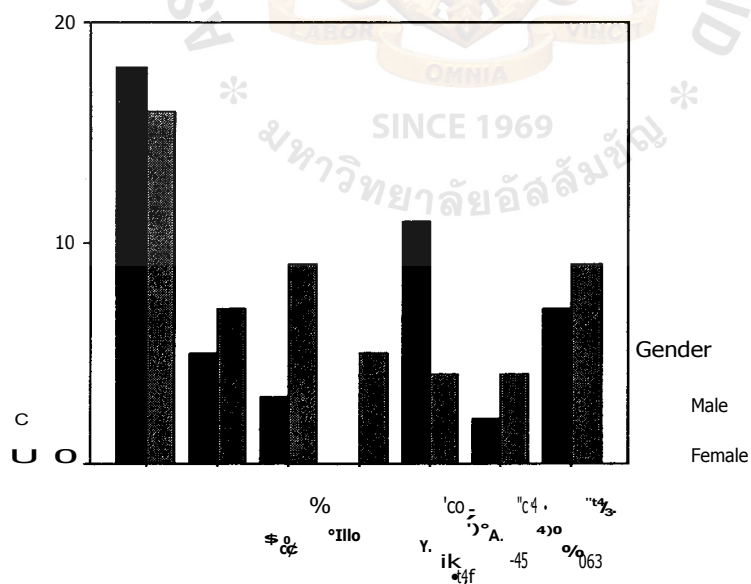
From table, the reason that male respondents like to drink 30 — 60% fruit juice come from 20.0% concern about health consciousness and 8% concern about taste.

About female prefer to drink 30 — 60% fruit juice are shown as 20.0% concern about health consciousness, 9.0% concern about taste, 2.0% concern about fashion and 7% concern about other reasons.

Crosstabs

How often do they drink * Gender Crosstabulation

Count		Gender		Total
		Male	Female	
How often do they drink	0	18	16	34
	once a week	5	7	12
	twicw a week	3	9	12
	three times a week	0	5	5
	once in a month	11	4	15
	twice in a month	2	4	6
	others	7	9	16
Total		46	54	100



How often do they drink

From table and chart we can perceive how often the respondents drink 30-60% fruit juice. We will separate it into 2 genders that are male and female. In male group, 5.0% drink once a week, 3.0 % drink twice a week, there are no respondents who drink three times a month, 11.0% once a month, 2.0% drink twice in a month and 7.0% not specific time for consuming fruit juice.

For the female group, there are 7.0% drink once a week, 9.0% drink twice a week, 5.0% drink three times a week, 4.0% drink once a month, 4.0% drink twice a month and 9.0% not specific time for consuming fruit juice.

Drink or not * How often do they drink * Why do they drink Crosstabulation										
Why do they drink				How often do they drink						
				0	once a week	twicw a week	three times a week	once in a month	twice in a month	others
0	Drink or not	0	Count	34						34
			% of Total	100,0%						100,0%
	Total		Count	34						34
			% of Total	100,0%						100,0%
Health Concious	Drink or not	Yes	Count		7	9	3	8	3	10
			% of Total		17,5%	22,5%	7,5%	20,0%	7,5%	25,0%
	Total		Count		7	9	3	8	3	10
			% of Total		17,5%	22,5%	7,5%	20,0%	7,5%	25,0%
Taste	Drink or not	Yes	Count		3	3	2	7	1	1
			% of Total		17,6%	17,6%	11,8%	41,2%	5,9%	5,9%
	Total		Count		3	3	2	7	1	1
			% of Total		17,6%	17,6%	11,8%	41,2%	5,9%	5,9%
Fashion	Drink or not	Yes	Count		1				1	
			% of Total		50,0%				50,0%	
	Total		Count		1				1	
			% of Total		50,0%				50,0%	
others	Drink or not	Yes	Count		1				1	5
			% of Total		14,3%				14,3%	71,4%
	Total		Count		1				1	5
			% of Total		14,3%				14,3%	71,4%

From the above table, we can conclude that the reason of respondents who drink 30-60% fruit juice are separated into 4 reasons that are: the first one, respondents who are concerned about Health consciousness drink fruit juice once a week 17.5%, twice a week 22.5%, three times a week 7.5%, once a month 20%, twice a month 7.5% and others 25%.

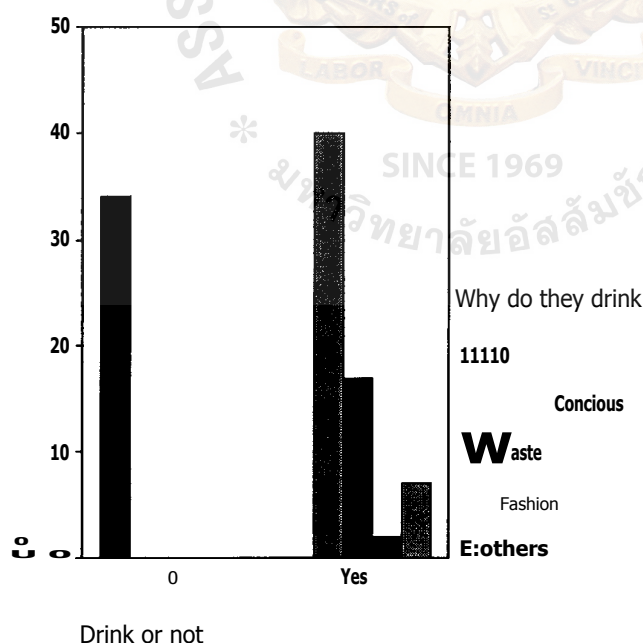
The second reason is respondents who are concern about the taste that persuade them to drink fruit juice are as follows: 17.6% drink once a week, 17.6% drink twice a week, 11.8% drink three times a week, 41.2% drink once a month, 5.9% drink twice a month and other 5.9%.

The third reason that 50% respondent drink fruit juice once a week is because of fashion. And the rest from other reasons drink fruit juice twice a month is equal 50%.

Crossta bs

Drink or not * Why do they drink Crosstabulation

Count		Why do they drink					Total
		0	Health Concious	Taste	Fashion	others	
Drink or not	0	34	0	0	0	0	34
	Yes	0	40	17	2	7	66
Total		34	40	17	2	7	100



From graph and table, most respondents decide to drink 30-60% fruit juice because of various factors; 40.0% concern about Health consciousness, 17.0% concern about Taste,

2.0% concern about Fashion and 7.0% concern about other factors. There are 34% of respondents do not drink 30-60% fruit juice.

Crosstabs

Gender * Why do they drink * age Crosstabulation

				Why do they chink					Total
				0	Health Concious	Taste	Fashion	others	
13-25	Gender	Male	Count	4	7	5	0		16
			% of Total	9,1%	15,9%	11,4%	,0%		36,4%
		Female	Count	7	14	5	2		28
			% of Total	15,9%	31,8%	11,4%	4,5%		63,6%
	Total		Count	11	21	10	2		44
			% of Total	25,0%	47,7%	22,7%	4,5%		100,0%
26-40	Gender	Male	Count	10	13	3		0	26
			% of Total	19,2%	25,0%	5,8%		,0%	50,0%
		Female	Count	9	6	4		7	26
			% of Total	17,3%	11,5%	7,7%		13,5%	50,0%
	Total		Count	19	19	7		7	52
			% of Total	36,5%	36,5%	13,5%		13,5%	100,0%
41-49	Gender	Male	Count	4					4
			% of Total	100,0%					100,0%
	Total		Count	4					4
			% of Total	100,0%					100,0%

The age of respondent between 13 - 25 years old who are male, are concerned about Health consciousness : 15.9% and Taste : 11.4% respectively.

The age between 13 - 25 years of respondent who are female, are concerned about Health consciousness : 31.89%, Taste : 11.4% and fashion : 4.5% respectively.

The age between 26 - 40 years of respondent who are male, are concerned about Health consciousness : 25.0% and Taste : 5.8%.

The age between 26 - 40 years of respondent who are female, are concerned about Health consciousness : 11.5%, and Taste : 7.7% respectively.

The age between 41 - 49 years of respondent who are male, are concerned about Health consciousness : 100.0%.

V. FEASIBILITY ANALYSIS

5.1 Marketing Feasibility

Since marketing analysis is one of the important parts in doing feasibility study, it is the part that is direct to the sales revenue. Doing a good marketing plan will help increase the sales revenue which is important for the company to survive in the business.

5.1.1 An Overview of the Industry Analysis

The strength of Thai economy has increased disposable income of Thai families on an average 10 percent for almost 10 years. The increased purchasing power and growing middle class are effecting a change in Thai social and cultural behavior and preferred life styles. The urbanized and industrial life of a two-income family have replaced the traditional life style.

Fruit juice industries or markets are famous among consumers period by period. During the economic crisis on 1996-1998, many businesses slow down but the needs of fruit juice in the long-run are stable both of import and export. The reason is because the health conscious of consumers. The domestic sales growth will increase 4.2% from the previous year (value of 4,615 billion baht). The export growth rate will increase 68.2% from the previous year (value of 7,240 billion baht). Main competitors of export market are Indonesia and Philippines which are facing the economic crisis and political problems.

Nowadays, there are 103 fruit juice manufacturers in Thailand. Most manufacturers are small and medium factories. The 91 factories are located in the Northeastern, Northern, and Southern parts of Thailand respectively (Prachuabkirikhan, Nakornpathom, Bangkok, Samut Songkram, Samut Sakorn,

Samut Prakarn, and the rest of the factories are located in other provinces. The products are distributed to the customers through various channels such as the manufacturers themselves and the intermediaries (distributors and modern trade).

Major raw materials for producing fruit juice are definitely a bundle of fruits which are easily found in Thailand such as orange, grape, pineapple, apple, banana, coconut, etc. Therefore, logistics considerations are particularly crucial in the fruit beverage processing industry, since perishability is a factor in moving raw materials to processing plants and in transporting finished goods to market. Demand for faster, more frequent delivery of smaller stock units, coupled with the need for special packaging to fulfill promotional requirements increases the need for supply chain improvements.

(A) Market Analysis and Forecast Through 2012

(a) Production and Supply Chain Initiatives Drive Investment

This study analyzes the status of the healthy beverage industry and its business dynamics. Included are detailed descriptions of industry spending, spending forecasts, market segmentations, and leading supplier profiles. In addition, the study explores key issues that will influence the healthy beverage industry in the future.

Most healthy beverage companies have their IT systems up and running but supplier-manufacturer-customer supply chain pin points need to be addressed. Healthy beverage companies have already invested huge sums in IT infrastructures. Increased emphasis on manufacturing agility and maximizing asset utilization, however, is placing existing production and supply chain systems under an inordinate strain.

(b) Strategic Issues

Product innovation and time-to-market concerns are probably the most important issues facing healthy beverage companies today. Other key issues the industry must address include:

- (1) Demand increases for innovative and value add foods
- (2) Food safety and brand risk avoidance
- (3) Product and supply chain efficiency
- (4) Regulatory compliance fuels capital expenditures
- (5) Mergers and acquisitions increase the need for collaborative architectures

(B) SWOT analysis

Strengths:

- (1) For the products, we have reliable suppliers providing us high quality of raw materials in the same time use new and standardized equipment to serve high quality and hygienic products to the customers.
- (2) Compared to the other fruit beverage businesses, we use lower capital cost than others so we can gain competitive advantage in our products' price while providing the varieties of the products.
- (3) There are various tastes or flavors of fruit juice to serve the satisfaction of customers who have different needs and wants.

Weaknesses:

- (1) As we are a new entrant to this business, our brand name is unknown to the customers
- (2) The price is quite high because the product was made from real fruit.

Opportunities:

- (1) Nowadays people are concerned more on health conscious are aware of what they are consuming. Therefore, fruit beverage business trend has increased because it is one product that can provide good health to the consumer.
- (2) Product life cycle of fruit beverage is now in the growth stage so it can generate more profitability for the business.
- (3) As the population in Thailand has increased year by year, the needs of fruit beverage industry also increase.

Threats:

- (1) There are many existing competitors in the market.
- (2) There are many substitute products such as other beverages like soft drink, coffee, tea, liquor, etc.
- (3) The quality and quantity of raw materials which are agricultural products are up to the environment and other factors. Those are under control and affect the price or inadequacy of raw materials.

(C) Competition Situation

At present, we can see that many fruit juice (healthy beverage) companies are selling the product covering all the country compared to the past as there were only a few provinces.

These indicate that this type of business is in the growth rate, however the competition situation is high and marketing strategy is brought to use as it is necessary by concerning the location analysis, quality control, cleanliness and variety of products.

In conclusion, the comparison among at least 6 identified companies are:

(a) Direct Competitor Analysis

- (1) Malee
- (2) UFC
- (3) Tipco
- (4) Unif
- (5) Cha-ba
- (6) Others

(b) Indirect competition analysis

Beverages that consumers in Bangkok and boundaries prefer are:

Table 5.1. Market Segmentation of Beverage.

Type of Beverage	Percent (%)
Soft drink	26
Milk	25
Fruit and Vegetable juice	22
Coffee	14
Tea	13

(Source: Business Thai [4-12-2003])

Most of the indirect competitors of fruit juice will be in other beverage business which can be classified into 5 groups as follows:

- (1) Soft drink group (Pepsi, Coca Cola, Fanta, Sprite)
- (2) Coffee & Tea group (Nestle, Berdy)
- (3) Fresh milk group (Formost, Nestle, Dutch milk)
- (4) Beer & Whisky group (Hineken, Singha, Chang)

(5) Mineral water group (Aura, Minera, IO)

In conclusion, the strengths & weaknesses of all the above indirect competitors are as follows;

Strengths:

- (1) Reputation: as they have started for many years, their products are well known to the world and get full promotion support.
- (2) Economies of scale: they can achieve economies of scale producing large quantities.
- (3) Distribution channel: It is high.
- (4) Support: they gain full support in advertisement, sales promotion and public relation.

Weakness:

- (1) High cost of investment.
- (2) The price is quite high.

However, there are four key attributes that affect buyers' decision making in buying the product.

- (a) Place: The location of retailing stores itself will affect buyers' decision making. The customers will use services at stores where they can commute conveniently.
- (b) Price: The customers will buy products at a reasonable price, so, retailing stores where products are sold with lower price will be at an advantage.
- (c) Promotion: The most common-used strategy to increase sales volume is price reduction strategy.
- (d) Product: The retailing stores should provide a full service and a variety of products to customers.

The convenience store & supermarket in department stores can gain advantages from these attributes that affect buyers' decision. First, its location covers all areas of the country where customers can commute very conveniently. And then the vendors in the convenience store and supermarket offer the products with reasonable prices and customers can compare the price until they are satisfied. Finally, the convenience store and supermarket in department store provides a variety of products and full service.

The fact that modern trade has expanded very rapidly due to a high demand of low priced products such as supermarkets, convenience stores and G-store.

However, convenience store and supermarket offers not only a variety of products and services. The key customers of convenience store are expected to buy products. In addition, convenience store has been renovated both inside and outside the store with excellent facilities and exceptional security service. Consequently, the number of customers who like shopping at convenience stores is increasing with no boundary.

(D) Target Market and Market Potential

Target Market

(a) Demographic

Gender : Male and Female

Age : 13-50 Years old

Income : Not specific

(b) Geographic : People who living all areas in Thailand

(c) Psycho graphic

Lifestyle : Prefer product from natural resources and health conscious.

(d) Behavioral

Occasion : Convenience — for people who have time limitation and would like to drink fruit juice or add some freshness when they tired.

(E) Marketing Mix

(a) Products

Our products contain various favour ie. Apple, grape, orange, pineapple, carrot, chinese pair, peace, prune, star fruit, cantaloupe, banana.

Fruit juice 100%

- (1) The product has various tastes for first time, has the choice of consumer around 15 tastes and will increase many tastes in the future including the new fruit juice that don't have to sell in market such as peach juice 100%, Chinese pear juice 100%, pomelo juice 100% and so on.
- (2) Adding the vitamin & calcium in fruit juice 100% for consumer to get the benefit and it will be the selling point of product.
- (3) In case of vegetable juice and multi — vegetable juice we have the proportion more than other brands in market.
- (4) About the design of product's package, it will be unique from others such as the new model of package

Fruit juice 30 -60% (nectar)

- (1) The product in fruit juice 30 — 60%, the company will concentrate on fruit juice 30 — 60%, as other competitors on fruit juice 25 — 50 % but retail selling price is the same in the market.
- (2) The fruit juice's taste is suitable for consumer for Thai people and has various tastes for c onsumer in selecting to buy the product. At first time, the product has 12 tastes and it will be increased next.
- (3) The design of product's package will be designed to be unique from others.

Concept: The main concerns for the variety of products are freshness and cleanliness including convenience.

In increasing new products, we will launch 2-3 new products in every quarter depending on the appropriate situation. However, if we find that the new product can not reach 5% of the sales volume in that quarter, we will cut it off.

For the packaging, we will use a unique design and concentrate on cleanliness, freshness, high quality and good taste for our products. In addition, we will have work standard provide good services to meet our customer's satisfaction.

(b) Price

Objectives:

- (1) To achieve a target return — based on either target return on sales or on investments, adding an amount to the cost of the product to yield desired return.
- (2) To maximize long-run profit

The company has set the retail selling price in various groups as follows,

Fruit juice 100% size 1000 ml. 70 — 75 per case

size 200 ml. 13 — 16 per case

Fruit juice 30 — 60% size 240 ml. 11 — 13 per case

The price of product is at the same level with the competitors so for the first time in the market, the company may decrease product's price a little bit for introducing the product and helping it to enter the market easily.

Methods:

Our company selected Cost-Plus Pricing Method to set the selling price. We choose Markup on Selling price to calculate the selling price.

Cost-Plus Pricing = Total cost + Desired profit

$$\text{Selling Price} = \frac{\text{Total Cost}}{(1 - \text{Expected profit})}$$

Therefore, the price for each size of product are:

100%, 200 ml.

$$\text{Total cost / price} = 10.9527$$

$$\text{Expected Profit} = 15.75\%$$

$$= \frac{10.9527}{(1 - 0.1575)} = 13$$

100%, 1,000 ml.

$$\text{Total cost / price} = 49.9968$$

$$\text{Expected Profit} = 28.58\%$$

$$= \frac{49.9968}{(1 - 0.2858)} = 70$$

30-60%, 240 ml.

$$\text{Total cost / price} = 5.7806$$

$$\text{Expected Profit} = 55.53\%$$

$$= \frac{5.7806}{(1 - 0.5553)} = 13$$

The Final Price:

Our company sets the expected price of 100% fruit juice 200 ml., 1,000 ml. and 30-60% fruit juice that are 15.75%, 28.58% and 55.53% and the selling price are 13, 70 and 13 baht per set respectively. Our company can charge low markup in 100% fruit juice and high markup in 30-60% fruit juice. We use high quality raw materials with low cost and have an average price compared to the competitors.

(c) Place

The company plans to distribute the product via many channels as follows:

- (1) Top store (e.g. department store, supermarket, hypermarket)
- (2) Convenience store & Mini-mart (e.g. convenience store, general mini-mart, G-store, cooperation store, welfare store throughout the country)
- (3) Wholesaler (e.g. dealer throughout the country)
- (4) Retailer (e.g. other merchants)

From these channels, the company can cover the stores throughout the country, especially merchants in Bangkok & boundary area.

(d) Promotion

Advertising plan:

- (1) Television: the company plans to use the television like a medium to promote the product to sell in the market. Because television channel is a medium in wide areas and can convey the information about marketing to consumer rapidly & effectively.

(a) Using the budget around 3 million baht, making a miniseries for advertising on television. By objective, it makes advertising in total fruit juice group for consumers to know the product & remind brand.

(b) After launching the product throughout the country, reserve the spot of advertising on television in prime time, around 2 months by using the total budget around 6 million baht, the expenditure of advertising on television is as follows:

Normal price per spot in prime time (1 minute):

Cost 200,000 — 300,000 baht

Normal price per spot in normal time (1 minute):

Cost 40,000 — 200,000 baht

(c) After the product is already known to consumer, Orchids Brand will join to promote the advertising in Game Show & Variety Show and other shows continuously (e.g. a signboard by selecting a suitable way to customer group) for reminding the brand of product (brand awareness & brand loyalty), by the company will use the budget in advertising around 2 million baht in 3 months.

(2) Printed matter : the company will use the budget for advertising in printed matter around 1 million baht, and the medium that will be used:

- (a) To make a brochure, leaflet by distributing to consumer in period of the product.
- (b) To make a supplement in newspaper for introducing the product and the brand for first time to sell the product in market.
- (c) To make advertising in magazines by selecting magazine's brand to match the customer group.
- (d) To support the advertising in other printed matter about charity, so it will help to support the image of product's brand.

(F) Sales Promotion

The type of market that will launch the activities about sales promotion in each product group is as follows,

Fruit juice 100% group

To concern in modern trade because the new target group is modern family.

Fruit juice 30 — 60% group

To concern on Convenience store, Minimart, G-store because it is the product that we can buy & drink anytime.

For the activities in sales promotion of fruit juice of Orchids brand as follows,

(1) In-store activity : the company plans to join the activity with department / store for promoting the selling of product at the point of purchase, especially in modern trade such as:

- (a) To make the advertisement in brochure, leaflet of modern trade (e.g. Tesco Lotus, Makro and etc.)
- (b) To pile for displaying the product in modern trade.

- (c) To advertise in medium of modern trade (e.g. Billboard)
- (d) To join the special sales promotion with modern trade in various festivals
(e.g. Happy New Year)
- (2) To make a product demonstration : the company plans to distribute the product in modern trade and hold a fair in other stores to consumers for testing fruit juice's taste by concentrating on product demonstration continuously at first period of product in market.
- (3) To make a product sampling: the company plans to bring the product to distribute to consumer target group.
- (4) To make a trade promotion campaign: the company plans to join the stores throughout the country for promoting to sell the product in traditional channels (e.g. Premium)
- (5) To join the booth: the company plans to show the product of company and will promote the image of product's brand.

For advertising & promotion, it will launch at first period, the company must do the product to reach goal in market as soon as possible by using cost effectively. By the medium that is used in sales promotion such as television, printed matter and the activity plan for doing sales promotion next, the company will use other medias for helping the sales promotion also such as radio, billboard, bus side, bus body and etc.

(G) Marketing goals

Fruit juice 100% (Orchids Brand)

Need to segment the market 9% within 1 year

Need to segment the market 25% within 5 years

Need to be a leader in fruit juice market 100% within 8 years

Fruit juice 30-60% (Orchids Brand)

Need to segment the market 8% within 1 year

Need to segment the market 19% within 5 years

Need to be a leader in fruit juice market 30-60% within 8 years

(H) Market Segmentation

Fruit juice 100% (Orchids Brand)

The company expects that should have the segment in market around 9% in first year:

Malee - 2%

UFC - 2%

Tipco - 2%

Unif - 1%

Other - 2%

For these reasons, the company expects to share the market segmentation from competitors according to the above due to;

- (1) Fruit juice 100% Orchids brand, it has the new shape of package so will be the tool for persuading the consumer to buy a product.
- (2) There are many tastes that most of them are liked so much by consumers such as orange 100%, red apple 100%, grape 100% and etc. And the company has value added by adding vitamin and element. So, it is the selling point for Orchids brand.
- (3) When compared with the leader in market (Malee brand) which has only 7 tastes but they can get the market share in fruit juice 100% more than 17% so the company has around 15 tastes, it makes the company expect to reach to goal by sharing market around 20%

For the weakness of competitor's product;

Malee : there are only 7 tastes, have to support the selling activities down at this time, the brand of product is not up to date.

UFC : they had not been doing marketing in a long time; the product is not unique including using Malee to be a producer.

Tipco : the advantage of the company for sharing market, comes from "Tipco Plus" because it is a perfect product such as "Tipco" but the cheaper retailing price than others in fruit juice 100% market.

Unif : the company is concentrating on vegetable juice more than fruit juice.

Other : other brands of products have a small size in market share, consumers have a brand awareness for their brand of product is low in market share.

Fruit juice 30 — 60% (nectar) of Orchids Brand

The company has a market share around 8% for first year, so 8% of market share as mentioned come from,

Malee - 3%

Unif - 2%

UFC -2%

Other - 1%

For these reasons expected market share from the competitors as above is due to;

- (1) Fruit juice 30 — 60% of Orchids Brand, has the percentage of fruit juice more than the product of competitors in the market. Therefore, the percentage of fruit juice of competitor is around 25— 50 % and the retail selling price is lower than competitor.

The retail selling price of Orchids Brand 13 baht / box

The retail selling price of competitors' product 14 -16 baht / box

(2) The package of fruit juice 30 — 60% of Orchids Brand, is designed with multi — color, in trend and convenient for consumer

For the weakness of competitors' product,

Malee : It has the retail selling price of product more than other brands because the company has set the product in premium grade as percentage of their fruit juice lower than 30 — 60% fruit juice of Orchids Brand.

Unif : The market segmentation that is expected from Unif is fruit juice because Unif is the strongest in vegetable juice than fruit juice and Unif has the percentage of fruit juice lower than 30 — 60% fruit juice of Orchids Brand.

UFC : The company has not launched the product in market for along time, it makes the consumer decrease in brand loyalty of their product. And the fruit juice has a percentage around 30 — 60% less than fruit juice of Orchids Brand.

Other : The fruit juice market in type 30 — 60 % (nectar) has many brands, but the products have no point of selling clearly, it makes the consumer to change brand loyalty easily. So it is the most important thing for using the marketing strategy to increase market segmentation of 30 — 60% fruit juice of Orchids Brand.

(I) Marketing Strategies

Because the fruit juice of Orchids brand is a new product in modern trade, the company will have the cost of product's entry at first year as follows:

Fruit juice 100% and fruit juice 30 — 60% of Orchids brand around 42 SKU, the company has the cost at first time around 3 million baht, by the cost at first time of each modern trade group as follows;

Table 5.2. Modern Trade Group.

Modern Trade Group	The normal cost	The negotiable cost for Orchids company
Tops supermarket	30,000 baht / sku / any branches	10,000 baht / sku / any branches
Lotus	5,000 baht / sku / branch	2,000 baht / sku / branch
Big C	10,000 baht / sku / any branches	3,000 baht / sku / any branches
The Mall	5,000 baht / sku / any branches	No cost
Jusco	5,000 baht / sku / any branches	No cost
Food Lion	5,000 baht / sku / any branches	2,000 baht / sku /any branches
Makro	15,000 baht / month / year	10,000 baht / month / year
Carrefour	100 baht / sku / month	100 baht / sku / month

The expenditure of product's entry

In marketing plan of modern trade, the company will have the expenditure at first period around 16 sku, total 1.2 million baht. By the expenditure of product's entry at first period, it is in the same level like fruit juice group.

Marketing Evaluation

Objectives:

- (1) To examine the sales volume.
- (2) To check whether the marketing plan is successful or not.

Procedure:

- (1) To collect the sales volume each week.
- (2) To collect customer's feedback each month
- (3) To set a meeting of all staffs each month to solve the problems and meet the customers' satisfaction.

5.2 Financial Feasibility

The financial analysis includes revenue, expenditure analysis including fixed assets payment, pre-operation payment and other expenses to prepare a projected income statement, balance sheet and cash flow statement. In case of return analysis, we have to analyze the internal rate of return, the net present value and payback period.

5.2.1 The Assumptions in Preparing a Financial Statement

(a) Sales Revenue Projection

Sales Revenue will be forecasted from market potential analysis as we find that there will be market potential of 100 customers consuming fruit juice, and we expect the sales revenue will increase by 30% per year according to the growth rate of this industry.

(b) Account Receivable

As we expect that the account receivable of our company should be 30% of Sales Revenue we have wholesaler selling for the customers who are interested in buying in large quantity and give them credit terms of 75 days.

(c) Utility Expenses

Utility Expenses are composed of electrical and water expense, telephone expense and public utility expense which are expected to be 464,000 Baht in the first year and increase by 4.9% per year according to the sales volume.

(d) Office Expenses

This part slightly increased only by 2% or in other words we perceive that it is not different in each single year. It might be because the company tried to control this type of expenses.

(e) Salary Expenses

There are many levels of employees in the company, 5 Managing Directors will get salary of 200,000 baht per month, 20 officers get the salary of approximately 15,000-20,000 baht and others are temporary workers consisting of two shifts working hours. In addition, we will pay bonus for 2 months each year and we will increase the salary by 5% per year.

(f) Distribution Expenses

This expense cost lots of money approximately 20 million baht per year and grow by 25% from each previous year. The major factor which impacts the distribution expense is the price of gasoline that is increasing everyday and it could not be controlled by the company since it is an external factor.

(g) Advertising Expenses

Advertising expenses are expected to be 258,000 baht per month and will increased by 5.5% every year. These include the print advertising (magazines, newspaper), spot radio, public relation and publicity.

(h) Doubtful Expenses

We are going to set up approximately 1.5 million baht and it is expected to increase 27% every year to cover doubtful expenses that may occur each year. The expenses that we consider as unforeseen are maintenance expenses.

(i) Depreciation Expenses

We will use straight-line method to calculate depreciation expenses which are about 10 million baht per year. Although this method is not useful to postpone a tax payment at the beginning of useful life, it will totally depreciate the cost assets, so there is no loss in tax saving at the end of useful life. In order to calculate the depreciation expenses, 5-year useful life is used.

(j) Account Payable

We will get a credit term from the suppliers 30 days for box and raw materials of ingredient, credit terms at 60 days for carton and credit terms at 90 days for raw materials of concentrate.

(k) Corporate Income Tax

In corporate income tax calculation, we roughly estimate the corporate income tax from 30% of the net profit for the year after deductible loss is carried forward from accounting deficits.

(1) Cost of Goods Sold

The total cost is estimated from the raw materials purchased for selling.

5.2.2 Proforma Financial Statements

From all the above financial assumptions, we can make projected financial statements for 8 years as shown in the following graph:

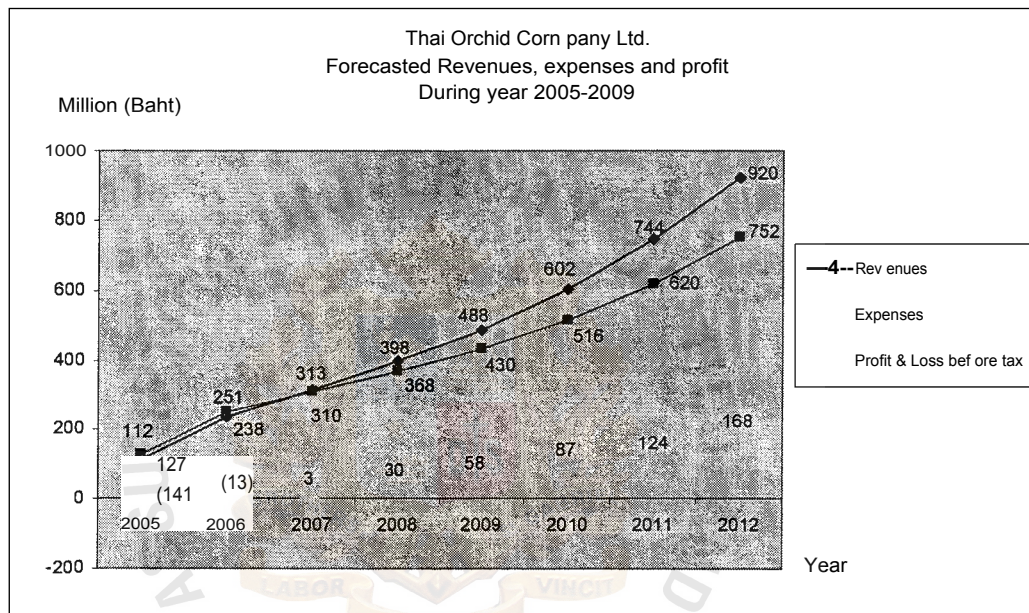


Figure 5.1 . Forecasted Revenues, expenses and profit.

5.2.3 Capital Budgeting

This following information can be implemented and evaluated as follows:

(a) Net Present Value (NPV)

$$NPV = \frac{EB_t}{(1+i)^t} - \text{Initial Investment}$$

Where: B_t : Cash flow at the indicated time

i : Discount rate, or required rate of return for the project

t : Life of the project measured in the number of time periods

Therefore NPV of this project is about THB 128,495,570

A positive NPV means that the firm's value will increase if the project is adopted because the new project's estimated return exceeds the firm's required rate of return.

(b) Internal Rate of Return (IRR)

IRR is the estimated rate of return for a proposed project, given for the project's incremental cash flows. (IRR is defined as that rate of discount at which the sum of the present value of a series of expected future cash flow is equal to the amount required to produce them).

When NPV equals zero, the required rate of return, or discount rate used in the NPV calculation, is the projected rate of return.

After calculate with a financial calculator, IRR of this project is 26.53%

Since we compared the IRR with other interest rates of investment such as deposit rate of the bank, bond, etc., it is found that this project gives higher rate of return.

(c) Payback Period (PB)

The payback period is the number of time periods which will be taken before the cash inflows of a proposed project equals the amount of the amount of the initial project investment (a cash flow).

This project gives the payback period in year 5 (or 5.15 years).

From the above analysis, this project gives positive NPV and higher rate of return although the payback period is 5 years. This is due to the fact that we have to pay principal and interest expense to the bank each year and invest more on fixed assets to recover faster and this project is worth the investment.

(d) Financial Ratio Analysis

From the collected information in the financial plan, we can evaluate our project as the financial ratio analysis by the table which analyzes the financial ratios, consists of profitability ratios, liquidity ratios, operating ratios and leverage ratios.

(1) Profitability Ratio

Table 5.3. Profitability Ratio.

(Unit : Thousand Baht)

Year	2005	2006	2007	2008	2009	2010	2011	2012
Sales Revenue	112,247	237,999	312,736	397,678	487,566	602,243	744,146	919,794
Gross Profit	48,683	104,515	137,550	176,245	271,549	269,215	333,253	412,648
Operating Income (EBIT)	(4,155)	5,508	23,755	52,441	79,472	108,784	147,540	194,751
Net Income	(14,318)	(13,350)	3,105	29,792	57,860	86,515	123,663	168,012
Cost of Interest	3,470	8,676	10,468	12,467	11,430	12,087	13,695	16,556
Total Asset	138,617	148,163	158,204	170,029	182,167	201,949	231,315	327,617
Shareholder Equity	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Gross Profit Margin (%)	43.37	43.91	43.98	44.32	55.69	44.70	44.78	44.86
Operating Profit Margin (%)	(3.70)	2.31	7.60	13.19	16.30	18.06	19.83	21.17
Net Profit Margin (%)	(12.76)	(5.61)	0.99	7.49	11.87	14.37	16.62	18.27

Gross Profit Margin (Gross profit/Sales)

This ratio measures the company's profitability at the most basic level. The total gross profit (which is net sales - cost of goods sold) compared to net sales. A ratio less

than one means the company is selling its products for less than it costs to produce. If this ratio remains less than one, the company will not achieve profitability regardless of its volume or the efficiency of the rest of its business.

Operating Profit Margin (Operating Incomes/Sales)

This ratio measures the profitability based on earnings before interest and tax (EBIT). This measure is used to gauge the efficiency of the business before taking any financing means into account (such as debt financing and tax considerations). This ratio is often used to compare the operating efficiency between similar businesses.

Net Profit Margin (Net Income/Sales)

Often referred to as the bottom line, this ratio takes all expenses into account including interest.

(2) Liquidity Ratio

Table 5.4. Liquidity Ratio.

(Unit : Thousand Baht)

Year	2005	2006	2007	2008	2009	2010	2011	2012
Current Asset	44,911	63,219	83,442	105,449	127,769	157,732	197,280	303,764
Current Liability	47,260	77,111	96,943	122,978	98,596	63,143	12,906	-
Inventory	20,364	27,883	36,643	46,506	57,128	70,565	87,192	107,772
Account Receivable	23,064	34,228	44,982	57,200	70,129	86,624	107,035	132,299
Account Payable	13,260	28,111	36,943	46,978	57,596	43,143	7,906	-
Total Debt	60,676	53,720	40,824	5,761	1,778	7778	-	-
Current Ratio	0.95	0.82	0.87	0.86	1.30	2.50	15.29	N/A
Quick Ratio	0.52	0.47	0.50	0.50	0.76	1.38	8.53	N/A

Current Ratio (Current Assets/Current Liabilities)

Current ratio helps the company determine if they have enough working capital to meet their short term financial obligations. A general rule of thumb is to have a current ratio of 2.0. Although this will vary by business and industry, a number above two may indicate a poor use of capital. A current ratio under two may indicate an inability to pay current financial obligations with a measure of safety.

Quick Ratio (Current Assets - Inventory/ Current Liabilities)

Also known as the "Acid Test", Quick Ratio helps the company gauge immediate ability to pay their financial obligations. Quick Ratios below 0.50 indicate a risk of running out of working capital and a risk of not meeting their current obligations. While industries and businesses vary widely, 0.50 to 1.0 are generally considered acceptable Quick Ratios.

(3) Operating Ratio

Table 5.5. Operating Ratio.

(Unit : Thousand Baht)

Year	2005	2006	2007	2008	2009	2010	2011	2012
Sales Revenue	112,247	237,999	312,736	397,678	487,566	602,243	744,146	919,794
Inventory	20,364	27,883	36,643	46,596	57,128	70,565	87,192	107,772
Cost of Goods Sold	63,563	133,485	175,187	221,433	270,018	333,029	410,893	507,146
Total Asset	138,617	148,163	158,204	170,029	182,167	201,949	231,315	327,617
Operating Income (EBIT)	(4,155)	5,508	23,755	52,441	79,472	108,784	147,540	194,751
Inventory Turnover	3.12	4.79	4.78	4.75	4.72	4.72	4.71	4.70
Return on Assets	(0.03)	0.04	0.15	0.31	0.43	0.53	0.64	0.60

Inventory Turnover Ratio (Cost of Goods Sold/Inventory)

This ratio measures the number of times the company's inventory "turned-over" during a time period. Generally, the higher this ratio the better use of inventory. Low numbers indicate a large amount of capital tied up in inventory that may be more efficiency used elsewhere.

Return on Assets (Net Income Before Taxes/Total Assets)

This ratio helps show how assets are being used to generate profits. One of the most common financial measures, it can be an effective tool to compare the profitability of two companies. If the return on assets is lower than a competitor, it may be an indication that they have found a more efficient means to operate through financing, technology, quality control or inventory management.

(4) Leverage Ratio

Table 5.6. Leverage Ratio.

(Unit : Thousand Baht)

Year	2005	2006	2007	2008	2009	2010	2011	2012
Current Assets	44,911	63,219	83,442	105,449	127,769	157,732	197,280	303,764
Current Liabilities	47,260	77,111	96,943	122,978	98,596	63,143	12,906	-
Total Liabilities	107,935	130,832	137,768	128,738	100,374	63,921	12,906	-
Total Equity	30,682	17,332	20,436	41,291	81,793	138,028	218,409	327,617
Working Capital	(2,349)	(13,892)	(13,532)	(17,529)	29,172	94,589	184,374	303,764
Debt to Equity	3.52	7.55	6.74	3.12	12.27	0.46	0.06	0.00

Working Capital (Current Assets - Current Liabilities)

Working capital is used by a lender to help gauge the ability of a company to weather difficult financial periods. Working capital is calculated by subtracting current

liabilities from current assets. Due to differences in businesses and the fact that working capital is not a ratio but an absolute amount, it is difficult to predict the ideal amount of working capital for your business without making use of other financial measures. (Including the Quick Ratio and the Current Ratio).

Debt to Equity (Total Liabilities/Total Equity)

Also called the leverage ratio, it is used to help describe how much debt is used to finance the business. While some debt may be prudent, depending on too much debt financing can increase risk.

Concerning the financial ratios, every ratio in this study can identify that this project should be invested because of high ability in loan repayment, high return for investors, high net profit, and low risk. These ratios can support the investor that this project has the opportunity of gaining high worth with not much investment.

For recommendation, this project study is just a guidance for new investors to decide whether it is worth investing or not. There are many factors which can change the result of the operation such as cost may be reduced due to the economic situation.

In marketing part, we should make more marketing plans in case of the sales change due to seasonal factors. We suggest that for the marketing mix, we should increase the depth and width of product in high season. For example, we should increase the flavor of fruit juice or launch other beverage such tea, lemon tea and green tea.

Some marketing strategies need to be changed to fit in the current situation and the marketing plan should be improved to meet the market share. For the sales promotions, we may have co-promotion with Modern Trade such as Gourmet (The Emporium), Tops Supermarket (Central), Home Fresh Mart (The Mall). Customers will get sample drink from the kiosk, get discount or free product like buy 3 get 1 free.

5.3 Operational Feasibility

We can divide the part of operation of company into 2 sides as follows:

(1) Production Plant (Nakornprathom)

In side of factory at Nakornprathom province, we have to set up there to be a place for manufacturing the products and distribute it to the market. Most of machines that is used in factory have been purchased from abroad (e.g. Japan, United States and Europe). It makes the company have too much costs about these, because the machine that should be used in production and operation process of this business has many kinds of machines (e.g. Food Engineering, Computer & Printer, Laboratory Room, other equipments). At the same time, we must do the recruitment process for hiring new workers. The workers must have experiences and skills in this business for working in the factory. Prior to starting the work, we should set up a training course for them. The details of training program are about the product knowledge of company. The method of using machines in the factory that many models and the production and operation process of company. For the reason the company must recruit the workers who have more experiences in this business to join work with the company, because they have more skills in this field and can teach the new workers who haven't experience in this business as well. At the same time, the company will pay salary for those people higher than other workers.

According to the investment, there are other expenses like fuel and utilities fee in production and operation process that would be costly in operating the business. Therefore, it makes the company have an idea to be the manufacturer for other brands in this business or other businesses that are related to this

field. Because it should make the machines that we have to invest for the first period, it has more values and also benefits from this new idea.

(2) Back Office (Phutthamonthon)

The company has 5 Managing Directors, 20 Permanent Officers and Contract Staffs who work in the shift (day/night), around 10 people. The company can divide the Job Description for many departments as follows:

- (a) Human Resource & Training Department
- (b) Marketing Department
- (c) Sales Department
- (d) Buying & Purchasing Department
- (e) Logistic Department
- (f) Financial & Accounting Department
- (g) Security & Administrative Department

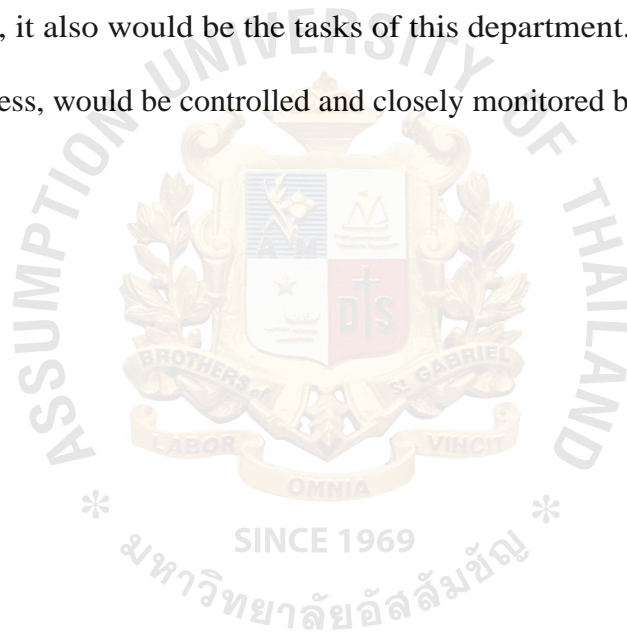
For the operational side of producing the products within factory area: we have to co-operate with them by using a fax machine & fixed phone line in operating ordering about the production process.

For Marketing team and Sales team, they would have to do work together, Sales team would have to find the customer for increasing sale volume (wholesaler, retailer and etc.) both inside and outside the office. Sales team would have to find the customer by fixed phone, then they would go out with Marketing team to see the customer for presenting the feature of products and explaining another condition about selling products.

For Financing & Accounting team, they would be responsible in credit terms that are offered to customer who need to obtain the products in selling in their place. In Accounting team, would be responsible to control the

budget of company, and the company must send the whole accounts of company to an Outsource Accounting Auditor for proving it and signing like evidence or certification; it must have the expenditure / cost for this process.

For Transportation process, it would be the duty of Security and Administrative Department, whenever the company has to obtain order from customers (wholesaler, retailer, etc.). The company would have the service to deliver the products to customer. In the same way, whenever the company have an appointment for receiving the products within the factory area, it also would be the tasks of this department. Everything about this process, would be controlled and closely monitored by Logistic Department.



VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

After studying the marketing plan, this project provides a good opportunity for new investors to gain competitive advantage as there are few brands and use lower capital investment compared to other beverage business. From the marketing study, we have obtained information from consumers who are respondents in Project, by using the questionnaire (around 100 people). It makes us know the consumer's need & satisfaction as well, we can respond and serve the consumer in the right way. At the same time, we obtained information from secondary data in many sources, it would help us to know the background of this business and also characteristics of consumers who like this product. We can conclude that there is market potential for this business while the breakeven point is in the fifth year.

From the survey, it made us know the information of consumers in each product group (100% & 30 — 60% fruit juice) briefly as follows:

100% Fruit juice:

For the product in this group, most respondents are Male & Female who like to drink 100% fruit juice around 46% and 54% respectively. And they are in the group of working man / woman (age between 26-40 years) who are concerned in Health Consciousness, Cleanliness, Taste and Fashion respectively.

30-60% Fruit juice:

For the product in this group, most respondents are Male & Female who like to drink 30-60% fruit juice around 28% and 38% respectively. And they are in the group of teenager & working man / woman (age between 13-40 years), but are concerned in different points like Male group would be concerned on Health Consciousness and

Taste respectively, and Female group would be concerned on Health Consciousness, Taste, Fashion and Others respectively.

And the preference of consumers who need to obtain from the company, is the creative ideas for producing new tastes of fruit juice that has never been sold in the market. In the same way, they need to purchase products from company with low price & high quality.

For the financial part, we make the capital budgeting to analyze that this project is feasible worth for investment in this business. It shows that this project has positive NPV and higher internal rate of return. Although we have 5 years for payback period, it doesn't mean that this is not a good project. Since we do not use the whole capital, we have to pay principal and interest expenses every year and we invest more on fixed assets. If we do not borrow money, the payback period will be lower. When calculating the financial ratios, every ratio indicates that this investment has high ability to pay debt, high return to investor, high net profit, and low risk so this project is worth the investment as it has the opportunity of gaining high worth with not much investment.

6.2 Recommendations

For recommendation, this project study is just guidance for new investors to decide whether it is worth or not for investment.

In Marketing part, we should make more marketing plans in case of changing sales volume due to consumers need to drink new tastes of fruit juice that have never been sold in the market before or changing their lifestyle to drink other beverages instead. We suggest that for marketing mix, we should increase the new tastes that have not been sold in the market for serving the consumer to drink fruit juice afterwards, including some marketing strategies need to be changed to fit in the current situation

and the marketing plan should be improved to meet the market share. For example, price reduction, substitute product and etc.

For the sales promotions, we may have co-promotion with convenience stores in many places e.g. G-store, mini-marts and so on. And we may increase a sales promotion in supermarket, wholesalers and retailers more than routine time.

For extending the market channel, we can create the website of company for consumer who needs to know more about our company, including needs to order the product. Furthermore, we can increase brand awareness by launch catering service (e.g. hotel, restaurant, bakery store, and manufacturer) and golf course, institution for education, medical institution throughout the country. In the future, we might have an opportunity to export the products to sell abroad like other brands. In first step, we may concentrate on the countries which have Thai people living in, then expand to selling around the world afterwards.



APPENDIX A
QUESTIONNAIRE

Questionnaire

This questionnaire is conducted for survey the opinion of consumer of Fruit juice 100% and 30-40% . This research is partial fulfillment the Thesis of student in Master of Computer and Engineering Management, Assumption University

Part 1 General Information about 100% Fruit Juice UHT

1. Have you ever drink 100% Fruit Juice?

ri Yes 7 No (If Yes, skip to Q.No 3 / If No, answer Q.No 2)

2. What are the reasons why you do not prefer to drink 100% Fruit Juice?

_____ (Skip to Personal Data)

3. Why do you drink 100% Fruit Juice?

7 Health Conscious n Clean 7 Taste
7 Fashion ri Others (Please specify) _____

4. How often do you drink 100% Fruit Juice?

Once a week
Twice a week
Three times a week
Once in a month
Two or Three times in a month
7 Others (Please specify) _____

5. Which taste(s) of 100% Fruit Juice do you like most? (Choose more than 1 chioce)

<u>7</u> Orange	<u>n</u> Prune	<u>r7</u> Cantaloup
<u>7</u> Red Grave	<u>7</u> Mix Vegetable&Fruit	<u>7</u> Star Fruit
<u>7</u> Apple	<u>7</u> Pomelo with meat	<u>ri</u> Banana
<u>7</u> Pineapple	<u>7</u> Chinese Pear with meat	<u>7</u> Carot
<u>7</u> Tomato	<u>7</u> Peach with Chinese Pear meat	<u>7</u> Peach with meat

6. Which brand(s) of 100% Fruit Juice do you prefer?

<u>7</u> Tipco	Unif
Malee	Cha-Ba
UFC	Others (Please specify) _____

7. What are the reasons that you prefer those brands? (Choose more than 1 choice)

ri Taste
n Nutrient
Price
ri Brand
n Package
Others (Please specify)_____

8. Which is the most suitable size of 100% Fruit Juice?

ri 200 ml.
ri 240 ml.
500 ml.
ri 750 ml.
ri 1,000 ml.

9. What is the most suitable price for 100% Fruit Juice (200 ml.)?

13 Baht
7 14 Baht
15 Baht
16 Baht
ri Others (Please specify)_____

10. What is the most suitable price for 100% Fruit Juice (1,000 ml.)

7 70 Baht
7 73 Baht
75 Baht
80 Baht
7 Others (Please specify)_____

11. Do you think that good packaging of Fruit Juice has influence on decision making?

ri Yes because_____
n No because_____

12. Where are the places that you usually purchase Fruit Juice? (Choose more than 1 choice)

Convenience Store
Wholesale Store
7 Retail Store
Automatic Vending Machine
Others (Please specify)_____

13. What is the reason that you purchase product from those stores?

- ☐ Convenience
- ☐ Clean
- ☐ Sales Promotion
- ☐ Variety of Products
- ☐ Open 24 hours

14. What are medias that you have ever seen Fruit Juice advertisement? (Choose more than 1 choice)

- ☐ Television
- ☐ Radio
- ☐ Media Printing
- ☐ Brochure
- ☐ Newspaper
- ☐ Magazine
- ☐ Others (Please specify) _____

15. What are the time that you mostly see Fruit Juice advertisement? (Choose more than 1 choice)

- ☐ 09.00 — 12.00
- ☐ 12.00 — 15.00
- ☐ 15.00 — 18.00
- ☐ 18.00 — 21.00
- ☐ 21.00 — 24.00

16. Please give any recommendations about 100% Fruit Juice

Part 2 General Information about 30-40% Fruit Juice

1. Have you ever drink 30-40% Fruit Juice?

☒ Yes ☐ No (If Yes, skip to Q.No 3 / If No, answer Q.No 2)

2. What are the reasons why you do not prefer to drink 30-40% Fruit Juice?

_____ (Skip to Personal Data)

3. Why do you drink 30-40% Fruit Juice?

☒ Health Conscious ☐ Clean ☒ Taste
 Fashion Others (Please specify) _____

4. How often do you drink 30-40% Fruit Juice?

☒ Once a week
 Twice a week
☒ Three times a week
 Once in a month
 Two or Three times in a month
 Others (Please specify) _____

5. Which taste(s) of 30-40% Fruit Juice do you like most? (Choose more than 1 choice)

☒ Orange with meat (30%) ☒ Guava (30%) ☒ n Bai Bua Bok
☒ Red Grave (30%) ☒ Mango (30%) ☐ Grass Jelly
☒ Apple (30%) ☒ Longan ☒ Chrysanthemum
 Pineapple (40%) Lichee (30%) Coconut with meat

6. Which brand(s) of 30-40% Fruit Juice do you prefer?

☐ Tipco ☐ Unif
☐ Malee ☐ Cha-Ba
☐ UFC Others (Please specify) _____

7. What are the reasons that you prefer those brands? (Choose more than 1 choice)

☒ Taste | ☐ Nutrient
☒ Price | ☐ Package
☐ Brand | Others (Please specify) _____

8. Which is the most suitable size of 30-40% Fruit Juice?

- ri 200 ml. r7 750 ml.
ri 240 ml. ri 1,000 ml.
ri 500 ml.

9. What is the most suitable price for 100% Fruit Juice (200 ml.)?

- 17 13 Baht
7 14 Baht
15 Baht
7 16 Baht
7 Others (Please specify) _____

10. Do you think that good packaging of Fruit Juice has influence on decision making?

- 7 Yes because _____
7 No because _____

12. Where are the places that you usually purchase Fruit Juice? (Choose more than 1 choice)

- Convenience Store
Wholesale Store
Retail Store
7 Automatic Vending Machine
Others (Please specify) _____

13. What is the reason that you purchase product from those stores?

- 7 Convenience
Clean
7 Sales Promotion
Variety of Products
7 Open 24 hours

14. What are medias that you have ever seen Fruit Juice advertisement? (Choose more than 1 choice)

- 7 Television
7 Radio
Media Printing
Brochure
Newspaper
pi Magazine
Others (Please specify) _____

15. What are the time that you mostly see Fruit Juice advertisement? (Choose more than 1 choice)

☐ 09.00 —12.00

☐ 12.00 —15.00

☐ 15.00 —18.00

☐ 18.00—21.00

☐ 21.00 —24.00

16. Please give any recommendations about 30-40% Fruit Juice



Part 3 Personal Data

1. Sex

☐ Male ☐ Female

2. Age

☐ Below 13 years old

☐ 13 — 25 years old

☐ 26 — 40 years old

☐ 41 — 49 years old

☐ 50 years old or above

3. Education

☐ below Primary School

☐ High School

☐ Commerce

☐ Diploma

☐ Bachelor Degree

☐ Above Bachelor Degree

4. Occupation

☐ Students

☐ Employees

☐ Government Officer / State of Enterprise Officer

☐ Housewife

☐ Business Owner

☐ Others _____

5. Monthly Income

☐ Below 5,000 Baht

☐ 5,000 — 10,000 Baht

☐ 10,001 — 20,000 Baht

☐ 20,001 Baht or above

Computer and Engineering Management

1. iimindina-matirilauiJ 100% UHT li1D11.1

2. 011fluulwc1 11;tvse7 in 100% UHT

Illarfurrivi arzainn-militulni
41-umntimln '6'141 (Iihnval)

☐ สัปดาห์ละ 1 ครั้ง

☐ สัปดาห์ละ 2 ครั้ง

☐ สัปดาห์ละ 3 ครั้ง

☐ เดือนละ 1 ครั้ง

☐ เดือนละ 2-3 ครั้ง

☐ อื่นๆ (โปรดระบุ)

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(Malee)
gtarli (UFC)

ri₀₁₄ (Unif)
91111 (Cha-Ba)

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240 11aii411 1,000 iiniSon
500 li 11S

9. 1411-1f̃1411il̃ilFI 1111^1NIJOIJ 100% UHT (200 10.) Il̃d11.1411f̃ 111111.11L'Vart.ii

- ☐ 13 บาท
☐ 14 บาท
☐ 15 บาท
☐ 16 บาท
☐ อื่นๆ (โปรดระบุ) _____

10. 1411A0il̃il̃ilNallyY11101141.1 100% (1000 3.M.) 51f̃111Y11191111111.11g,'ValA

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75 hill
80 hill

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I. li114fl4241FM1211^1101.1;1.1 30% - 60% Necstar 1110111

tflu 1161E1 (ti1f1E19111.1111ATIID 3 / t11111F10 vilfViID 2)

2. 11^111d.1101 YITLIE411ilfV1.111J1ilF1061101411 30% - 60% Necstar

3. rIL1491411+1111441J1V11114111f1Pi11S101.141J 30% - 60% Necstar

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nmplztralleth **n**DUI athfiva_____

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- ☐ สัปดาห์ละ 1 ครั้ง
- ☐ สัปดาห์ละ 2 ครั้ง
- ☐ สัปดาห์ละ 3 ครั้ง
- ☐ เดือนละ 1 ครั้ง
- ☐ เดือนละ 2-3 ครั้ง
- ☐ อื่นๆ (โปรดระบุ)

5. iildlilfiii1141101101J111F1&111 30% - 60% Necstar 1V1f11.11f1il 141 (15Of191V11141.11flfr71 1 40)

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| sta`mittitm (30%) | <input type="checkbox"/> น้ำมะม่วง (30%) |
| mItiatto4 (30%) | <input type="checkbox"/> น้ำลำไย |
| l.Fii1.1dr.701 (60%) | <input type="checkbox"/> น้ำลิ้นจี่ (30%) |

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1 9.%)

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☐ 13 บาท

☐ 14 บาท

☐ 15 บาท

☐ 16 บาท

☐ อื่นๆ (โปรดระบุ)

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☐ ร้านสะดวกซื้อ

☐ ร้านค้าส่ง

☐ ร้านค้าปลีกทั่วไป

☐ ตู้แช่อัตโนมัติ

☐ อื่นๆ (โปรดระบุ)

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3. การศึกษา

- ☐ มัธยมศึกษาตอนต้นหรือต่ำกว่า
- ☐ มัธยมศึกษาตอนปลาย
- ☐ ปวช./ ปวส.
- ☐ อนุปริญญา
- ☐ ปริญญาตรี
- ☐ สูงกว่าปริญญาตรี

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APPENDIX B
FINANCIAL STATEMENT

THAI ORCHIDS COMPANY LIMITED

ESTIMATED BALANCE SHEETS

For Eight Years 2005 - 2012

(Annunts:Baht)

	2005	2006	2007	2008	2009	2010	2011	2012
ASSETS								
CUPENT ASSETS								
Cash and cash equivalents	1,482,522	1,107,544	1,816,267	1,652,816	511,122	558,479	6,869,055	2463,360
Account Receivable	23,064,354	34,228,471	44,982,471	57,200,196	70,129,401	86,624,022	107,034,752	132,299,110
Inventories	20,364,196	27,882,855	36,643,171	46,595,851	57,128,111	70,564,794	87,191,579	107,772,178
Total Current Assets	44,911,072	63,218,870	83,441,909	105,448,863	127,768,634	157,747,295	201,095,386	242,534,648
NON-CURRENT ASSETS								
Property, plant and equipment								
-Vehicles	18,011,132	18,011,132	18,011,132	18,011,132	18,011,132	18,011,132	18,011,132	18,011,132
-Machines	65,216,068	65,216,068	65,216,068	65,216,068	65,216,068	65,216,068	65,216,068	65,216,068
-Office appliance	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
-Equipment	2,422,000	2,422,000	2,422,000	2,422,000	2,422,000	2,422,000	2,422,000	2,422,000
-Investments in fixed assets	13,050,000	14,470,000	14,470,000	14,470,000	14,470,000	43,470,000	94,470,000	194,470,000
Total non-current assets	100,399,200	101,819,200	101,819,200	101,819,200	101,819,200	130,819,200	181,819,200	281,819,200
Less Accumulated depreciation	6,693,280	16,875,200	27,057,120	37,239,040	47,420,960	60,502,880	78,664,800	106,866,720
Total Non-Current Assets	93,705,920	84,944,000	74,762,080	64,580,160	54,398,240	70,316,320	103,134,400	174,952,480
TOTAL ASSETS	138,616,992	148,162,870	158,203,989	170,029,023	182,166,874	228,063,615	304,229,786	417,487,128
LIABILITIES AND SHAREHOLDERS EQUITY								
CURFEW LIA/3ILMES								
Overdrafts and bills payable	34,000,000	49,000,000	60,000,000	76,000,000	41,000,000	20,000,000	5,000,000	
Account payable	13,259,690	28,111,341	36,943,443	46,977,681	57,596,247	71,143,037	87,906,070	108,655,316
Total Current Uadl16es	47,259,690	77,111,341	96,943,443	122,977,681	98,596,247	91,143,037	92,906,070	108,655,316
NON-CUR.E4T UABILMES								
TETRAPAK-Payable	35,460,000	35,460,000	29,520,000					
Leasing-Vehictes	9,215,562	5,815,379	2,415,197	427,268				
Long-term loan payable	16,000,030	12,444,444	8,888,889	5,333,333	1,777,778	777,778		
Total hbn-Curer4 Uandities	60,675,562	53,719,823	40,824,086	5,760,601	1,777,778	777,778		
Total Liabttlies	107,935,252	130,831,164	137,767,529	128,738,282	100,374,025	91,920,815	92,906,070	108,655,316
SFLAREHOLCEFTS Eaurv								
Paid-in sham capital	45,000,090	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Accumulated profit or loss	(14,318,260)	(27,668,294)	(24,563,540)	(3,709,259)	36,792,849	91,142,800	166,323,716	263,831,812
Total Shareholders' Equity	30,681,740	17,331,706	20,436,460	41,290,741	81,792,849	136,142,800	211,323,716	308,831,812

11-1A1 ORCHIDS COMPANY LAVED
EST1NRIED PRCV1T & Lass Accculr

Fa Bp yeas 216-2312

(Artiotrits:Baht)

	2105	2106	2007	ME	2009	2010	2011	2112
FEEVOSJES								
Sdes Vclure-UHT 200 ni.	27,034,230	55005,925	71,893,488	89,021,890	106,512,066	127,814,479	158377,375	184,052,850
Sdes Volurre-Uffr 1C00 ni.	85,212,292	182993,544	240,842,485	308,655,671	381,054,246	474,428,721	590,768,997	735,740,963
Total % venues	112,245521	237,995370	312,735974	337,677,551	487,566,311	602,243200	744,146,372	919793,812
BFENSES								
Less Cost of Goods Sold								
IIIHT 2C0 frt. Gimp	16,525699	33,182381	43,293,180	53,125,969	63,020899	7564066	90,755(60	108,900,095
#1.IHT ICCO rd. Group	47,036,544	100,302,132	131,893,720	168,306,728	206,996,797	257,403,466	320,143,297	398,245,877
Total Cost d Goods Sold	63,561243	138484,513	175196,900	221,432697	270,017,685	333,028531	410,833,376	507,145972
Goss Pick	45683,279	104,514,857	137,549,074	176,244,854	217,545626	939214,669	133,257 9%	412647,840
%cf Gres F4dit	4337	4891	43.93	44.32	44.62	44.70	44.78	44.86
Less # Peraral f p s	19,042,910	41,94891	45,283,734	48,934,032	52,780,831	57,225,844	62322,957	68,207,907
# Utility Ecenses	464,000	183,003	192150	201,758	211,845	222,437	233,559	245,237
# Office Ecenses	5,587,580	9,543,643	9,656,825	9,127,666	10,384,449	10,751,471	10,889,045	11,273,497
# Ntentalnce Expenses	460,000	931,030	1,013,803	1,095490	1,185,165	1,273,923	1,364,869	1,458,112
# DshituVon Expenses	5722326	14,229,469	15084,314	22,453,805	27,076,739	32945,505	40,182,331	49,113,454
# Pdwrting & Fromoten E>iences	20,000,000	31,000,C00	38,000,000	40,000,300	44,000,000	55000,000	67,003,000	83,030,000
#Cbuiffif Deli	561,233	1,189,997	1,563,690	1,988,388	2437,832	3,011,216	3,720,732	4,598,969
Tatel Saihng and Afffiristrlive Bcp.	52,836049	93,00203	113,794,503	123,804,133	136076,861	165430,396	185,713,493	217,837,176
Prcfit Ptter Selling ad Pcirtinistrdrcn Bp.	(4,154,770)	5,507,857	23,754,571	52,449715	79,471,7E6	108,784,273	147,539,503	194,753,664
Less Depreciation	6,693,280	10,181,920	10,181,920	10,181,920	10,181,920	13,081,920	18,181,920	28,181,920
Interest Paid	3,475210	5675,971	15467,997	12465965	11,44692	12,087,044	13,694,635	15556289
Prcfit 94cntl Tax	(14,319230)	(11,311,034)	3,104,754	29,791,820	57=154	e3,615,333	115,662,948	159012455
Income Tax		-	-	8,937,549	17,355046	29,265,358	40,482,032	52504,359
Nat Prcfit Ater Tac	(14,31926))	(13,391034)	3,104,754	29854281	49502,108	54,349951	75180,916	97,6090E6
%cf Net P:fit	(1276)	(5.61)	0.93	5.24	8.31	902	1910	10.80

THAI ORCHID COMPANY LIMITED
ESTIMATED STATEMENTS OF CASH FLOWS
For Eight Years 2005 - 2012

(Amounts:Baht)

	2505	2506	2507	2508	2509	2510	2511	2512
OPERATING ACTIVITIES								
Net profit	(14,318,260)	(13,350,034)	3,104,754	20,854,281	40,517,108	54,349,951	75,180,916	97,626,096
Amortization of leasehold	6,693,280	10,181,920	10,181,920	10,181,920	10,181,920	13,031,920	18,181,923	28,181,920
Change in assets and liabilities								
Receivables	(23,064,354)	(11,164,117)	(10,754,000)	(12,217,725)	(12,929,205)	(16,494,621)	(20,410,730)	(25,264,358)
Change in inventories	(20,364,196)	(7,518,659)	(8,763,316)	(9,952,680)	(10,532,200)	(13,436,683)	(18,626,785)	(20,580,598)
Change in accounts payable	13,259,690	14,851,651	8,832,102	10,034,238	10,618,565	13,546,790	16,763,133	23,749,246
Provided by Operating Activities	(37,793,840)	(6,996,239)	2,604,460	18,900,034	37,841,129	51,047,357	73,088,354	100,594,305
INVESTING ACTIVITIES								
Payments of fixed assets	(103,399,200)	(1,420,000)				(20,030,000)	(51,000,000)	(100,000,000)
Received in Investing Activities	(103,399,200)	(1,420,000)				(29,000,000)	(51,000,000)	(100,000,000)
FINANCING ACTIVITIES								
Change in TETRAPAK payable	35,460,000		(5,940,000)	(29,520,000)				
Change in Leasing-Vehicles	9,215,562	(3,400,183)	(3,400,182)	(1,987,929)	(427,268)			
Change in short-term loans payable	34,000,000	15,000,000	11,000,000	16,000,000	(35,000,000)	(21,000,000)	(15,000,000)	(5,000,000)
Change in long-term loans payable	16,000,000	(3,555,556)	(3,555,555)	(3,555,556)	(3,555,555)	(1,000,000)	(777,778)	
Reissue of share capital	45,000,000							
Received by Financing Activities	139,675,562	8,044,261	(1,895,737)	(19,063,485)	(38,982,823)	(22,000,000)	(15,777,778)	(5,000,000)
Ind cash equivalents	1,482,522	(374,978)	709,723	(163,451)	(1,141,694)	47,357	6,310,576	(4,405,695)
Balance at the beginning of the years		1,482,522	1,107,544	1,816,257	1,652,816	511,122	556,479	6,869,055
Balance at the end of the years	1,482,522	1,107,544	1,816,267	1,652,816	511,122	558,479	6,869,055	2,463,360
CLOSURES OF CASH FLOW INFORMATION:								
At the years:								
	3,470,210	8,675,971	10,467,897	12,466,965	11,429,692	12,037,044	13,694,635	16,556,289
				8,937,549	17,358,046	29,265,358	40,482,000	52,504,359

Thai Orchids Group

SALES FORECASTED During 2005-2012

		2005	2006	2007	2008	2009	2010	2011	2012
	BAHT	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Total Market Value - 100% Fruit Juice	1,411 million	1,500	1,725	1,984	2,281	2,509	2,760	3,036	3,339
Estimated Growth Rate	%	15%	15%	15%	10%	10%	10%	10%	10%
Market Share-ORCHID	%	9%	17%	19%	22%	25%	25%	25%	25%
Retail Sales Value	Million	131	288	381	495	618	690	759	835
(Not Including Vat)	Million	122	269	354	460	575	642	706	776
Deducted 28% GP of Retail	Million	88	194	255	331	414	462	508	559
Growth Rate-ORCHID	%		120%	32%	30%	25%	12%	10%	10%
Total Market Value - 30-60% Fruit Juice	Mon	450	486	535	551	579	637	701	771
Estimated Growth Rate	%	8%	8%	5%	5%	5%	5%	5%	5%
Market Share-ORCHID	%	8%	14%	17%	18%	19%	20%	20%	20%
Retail Sales Value	Million	37	68	88	101	111	127	140	154
(Not Including Vat)	Million	34	63	82	94	103	118	130	143
Deducted 28% GP of Retail	Million	24	45	59	68	74	85	94	103
Growth Rate-ORCHID	%	-	84%	28%	15%	11%	15%	10%	10%
Total Sales (Fruit Juice Market)-ORCHID	Million	112	239	314	399	488	547	602	662
Sales Promotion Budgeting	%	18%	13%	12%	10%	9%	8%	7%	6%
	Million	20	31	38	40	44	44	48	53

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