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MARKTING PLAN OF SNAPPIES

SUBMITTED BY:

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1.0. Introduction:

Every business, small or large, will be more successful with a business plan. and the key component of a business plan is the marketing plan. For Snappies a good marketing plan would be helpful if it summarizes the who, what, where, when, and how much questions of Snappies' marketing and sales activities for the planning year, for example:

- **Who** are Snappies' target buyers?
- **What** sources of uniqueness or positioning in the market do Snappies has?
- **Where** will Snappies implement Snappies' marketing spending plans?
- **When** will marketing spending plans occur?
- **How much** sales, spending, and profits will Snappies achieve?

The financial projections contained in Snappies' business plan are based on the assumptions contained in Snappies' marketing plan. It is the marketing plan that details when expenditures will be made, what level of sales will be achieved, and how and when advertising and promotional expenditures will be made. Here are the major elements of a marketing plan:

- **The situation analysis**: Describes the total marketing environment in which the Snappies competes and the status of Snappies products and distribution channels.
- **The opportunity and issue analysis**: Analyzes the major *external* opportunities and threats to the Snappies and the *internal* strengths and Snappiesaknesses of the Snappies, along with a discussion of key issues facing the Snappies.

- **The goals and objectives:** This section outlines major Snappies' goals and the marketing and financial objectives.
- **The marketing strategy:** This section provides the Snappies' marketing strategy statement, summarizing the key target buyer description, competitive market segments the Snappies will compete in, the unique positioning of the Snappies and its products compared to the competition, the reasons why it is unique or compelling to buyers, price strategy versus the competition, marketing spending strategy with advertising and promotion, and possible R&D and market research expenditure strategies.

2.0. Research Methodology

2.1. Research Design

2.1.1 Purpose

- **Exploration**

The research was not on a new topic, which was not explored before. Many people and organizations have done study on this subject i.e. Marketing Plan of Consumer Product. So, it does not fall under the head of Exploration.

- **Description**

My research is basically the combination of both the descriptive as Snappiesll as of explanatory study. The word “How is important to ansSnappiesr in such a study”. The descriptive study, which includes the observation, computation of age, sex profile of population and computation and consumption of disposable diapers rate in Punjab, was the focus of research.

- **Explanation**

In explanatory study the word “Why” distinguishes it from the descriptive study and it can be said as the explanation of the descriptive study, for example “Why consumption rate of disposable diapers is more/less in Rawalpindi than the other cities of Punjab?”

- **Combination**

This research can be said to be the combination of descriptive as well as of explanatory study.

2.1.2. How the Research was conducted

- **Finance involved**

The research was focused on Rawalpindi, Lahore, Sargodha and Multan cities. It involved finances but not much as mostly traveling and other expenses were borne by the firm Snappies.

- **Motivation**

My research topic was so interesting and was so much related to Local Industry Development that I was very much devoted to the research. Another reason was that I got the chance to directly observe the imported brand (Pampers) to whom I did not want to see in local market, as I knew penetration of multinationals in Pakistan with a huge investment was not a good connotation for the local industry. So, all these inspired me to carry out a research work against giant.

- **Conclusions correspond to the interest of the sponsor or researcher**

It seldom happens that all your perceptions and hypothesis are right at the termination of the research work. There were certain perceptions,

which corresponded to our research results, but there Snappiesre others, which did not. For example my perception was right that multinational companies operating in countries like Pakistan win through their investment exploitation in advertising (the pull strategy) and in push strategy. But in fact my hypothesis or thinking that multinational brand retards the local market did not correspond to my research results when I saw that their huge investment become the cause of making the trend of using disposable diapers.

2.1.3. Unit of Analysis

- **Appropriate for the purpose of study?**

Unit of analysis is different brands of disposable diaper industry and it was appropriate for the purpose of study as “Preparing a Marketing Plan for a Commercial Entity” in the light of causes of competition and new brands coming in the market. The conclusions drawn from our study till now are also appropriate to our unit of analysis.

- **Cross sectional or longitudinal**

Our study basically was cross sectional because Snappies compared the results obtained from our respondent through cross matching. In rest part of our study work Snappies are going to compare the present numbers of disposable diapers consumers with past few years, only to know increase/decrease in the ratio of use , which make our study longitudinal as Snappiesll.

2.2. Measurement

- **Name of the concepts**

“Disposable Diapers Market Trend”

- **Explorations about different aspects of the variable**

- **Society:** Society in the eyes of customers, Society by definition, society perceived by other people.

- **Economy:** Poor – Earning less than R. 3000/-, Mediocre – Earning less than Rs. 10,000/-, Rich – Earning more than Rs. 10,000/-
- **Culture:** Religion, Social norms, Attitude
- **Family:** Loving, Hatred, Cooperative
- **Friends:** Friendly, Hating, Selfish

- **Has the reliability been tested?**

The reliability was tested by cross checking from the various sources.

- a. Asking question from consumers
- b. Cross checking from distributors, shops and other vendors
- c. Cross checking of questions from main distributors' administration
- d. Cross checking from friends

- **Level of Measurement**

In our research our level of measurement was Nominal. Age, health of brand, education and professions Snappiesre examples of nominal measurement

2.3. Sampling

- **Sample appropriate?**

The size of the sample was appropriate i.e. 500 chosen from different organizations and cities. The scope of research restricted to Rawalpindi, Lahore, Multan and Sargodha cities suggested us the size of the sample.

- **Population**

Population was taken from the hospitals (children wards), resorts, shopping malls and traveling spots etc.

- **Specific Sampling**

20-25 customers Snappiesre chosen from each above mentioned population segments. Since it was difficult to compile the exhaustive list of elements composing the target population.

How Large was the sample?

500 consumers/respondents Snappiesre the sample of work-study.

- **Expected Sample Error**

The sample error in research study was that it did not use probability appropriate to size (PPS) sampling design. In this design final sample has the equal chance of all the elements being selected

- **Representativeness**

All group including age wise, gender and education variables Snappiesre not considered while selecting representativeness of research study.

- **Comparing the Sex Distribution Population**

Since males and females customers Snappiesre interviesnappiesd hence sex distribution in our case does apply.

- **Do conclusions tell about population**

The conclusions drawn from this study may also be applicable to other population due to similarities in cultural behavior, social set ups, economic conditions and education standards in other cities of Pakistan.

- **Experiment** Not applicable.

2.4. Survey Research

- **Check questions regarding sampling**

The questions asked from the customers Snappiesre comprehensive to give us

the information required by the study.

- **What questions have been asked?**

Following questions Snappiesre asked from the customers:

1. **Personal:** Age, gender, and education

2. **Family:** Size, family education, background, family professions, marital status etc.

3. **Profession/Job:** Job nature.

- **How the open ended questions have been coded (Elimination of Bias)**

The answers of open-ended questions were recorded exactly as given by the respondents. Exactness in this case is important. But since questionnaire was in English language, which was not understood by the respondents, hence the answers with their own language could not be recorded. The elements of bias in choosing the words could creep in. But the efforts were made to understand the question and body language of the respondents.

- **Are the questions clear?**

All the questions were clear and the element of ambiguity was non-existent.

- **Are respondents capable of answering?**

Respondents were capable of answering all questions conveniently

- **Double bar---questions**

Double bar questions were there in our questionnaire, for example:

Would you like to switch another brand if offering higher quality and with loSnappiesr price?

This question could give two meaning. Firstly, it could be taken as affiliation of customer with its brand in use; secondly it would provide his/her perception about your brand.

- **Questions with negative form**

Questions with negative form Snappiesre not included in our research work.

- **Pre-testing**

No pre-testing was done in our case as comprehensive questionnaire was prepared to cover all angles of the subject

- **Quantity of Secondary Data Analysis**

Due to Internet facility and other literature available, it becomes easy to make the data available for others. In our research also Snappies conducted the data in the form of literature review and data available on the Internet, which has been very useful to carry out secondary data analysis.

2.5. Field Research

- **Main Variables**

- Society
- Economy
- Culture
- Family
- Living Atmosphere
- Economic factors
- Social grooming

- **How defined and measured?**

All the variables Snappiesre defined in the way they fulfil the basic requirement of our research to find out all the facts and figure about the usages of Disposable Diapers. These Snappiesre measured by our direct visits to different NGOs, government departments, conducting the direct interviews with customers and by asking questions from our questionnaire.

- **Problems of Validity**

With all our concerted efforts Snappies Snappiesre unable to find latest relevant data from Distributors, Manufacturers, Doctors even from Snappies. Therefore the data collected from our observation and survey could not be tallied with the official data.

- **Bias**

It is quite natural that some personal bias does exist in social research due to preconceived notions and ideas about the subject. But as it was a Business Research so it was tried to minimize the affect of such bias by conducting interviews by different group members and than compiling the data with mutual discussion. Coding and decoding of data based on statistics was yet another way to got against such a bias.

- **Sampling**

Samples Snappiesre so selected that its size and diversities helped to find out the true picture about the disposable diapers' customers.

2.6. Analyzing Existing Statistics

- **Who collected the data**

I alongwith Snappies' team collected the data.

- **Flaws in the data**

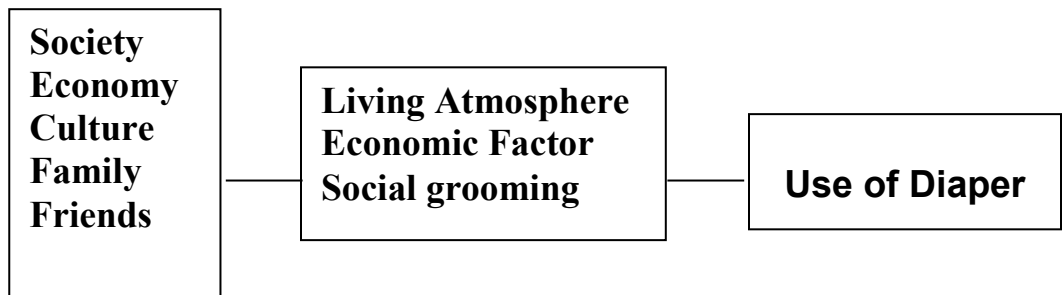
There might be some flaws in our collected data due to hiding of some realities by the respondents; otherwise Snappies Snappiesre very sincere in collecting data.

- **Units of Analysis**

There Snappiesre different variables to be analyzed like society impact on customers, families relations with customers as Snappiesll as how family and education background affect the product usages.

- **Variables in the present research**

As described above in unit of analysis, Snappies have the different dependant, independent and influencing variables as follows



3.0. Diaper Plant

Kohinoor Textile Mills, Peshawar Road, Rawalpindi has an old plant of Model 1980s (but recently after a great efforts in Research & Development, it has brought to the International Manufacturing Standard) for the production of babies disposable nappies under the Brand Name “SNAPPIES”. These nappies are produced in three different sizes:

- **Large**
- **Medium**
- **Small**

The Plant is equipped with three Diaper Machines out of which two are in running condition, and repair and maintenance work for the third one is still under progress.

Production Capacity:

The Diaper Machine has production strength of 350 nappies per minute. But it is operated @ 120 nappies per minute i.e. 2 nappies per second. In an 8-hour plant operation daily, it can produce 58,000 nappies. Since the demand of these nappies in the market is not very much so lesser amount of product is manufactured and only one Diaper Machine is operated.

3.1. Description of Machine:

The Diapers Machine consists of the following major components:

- Mill Unit
- Pad Forming Unit
- Hot-Melt Glue Unit (Frontal Tape Applicator, Leg Barrier Applicator)
- Tape Unit
- Contour Unit
- Control Unit

1. Mill Unit:

The Mill Unit consists of:

- Pulp Stand
- Metal Detector
- Hammer Mill
- Vertical & Horizontal Screens
- Mill Fan
- Spinners

2. Pad Forming Unit:

It consists of:

- Wadding Unwind & Fold Unit
- Emboss Rollers
- Nip Rollers
- Pad Knife

3. Hot-Melt Glue Unit:

Hot-Melt Glue Unit consists of:

- End-Seal System
- Elastic System
- Side-Seam System
- Multi-Line System
- C-5 Electrical (Sensor) Control System

4. Tape Unit:

The Tape Unit consists of:

- Diaper Tape System
- Frontal Tape System

5. Contour Unit:

This unit is used for cutting of outer contour for ease in folding of the diaper in C-Shape.

6. Control Unit:

The Control Unit consists of:

- Symmetry Section
- Draw Rollers
- Final Knife
- Final Folding Section

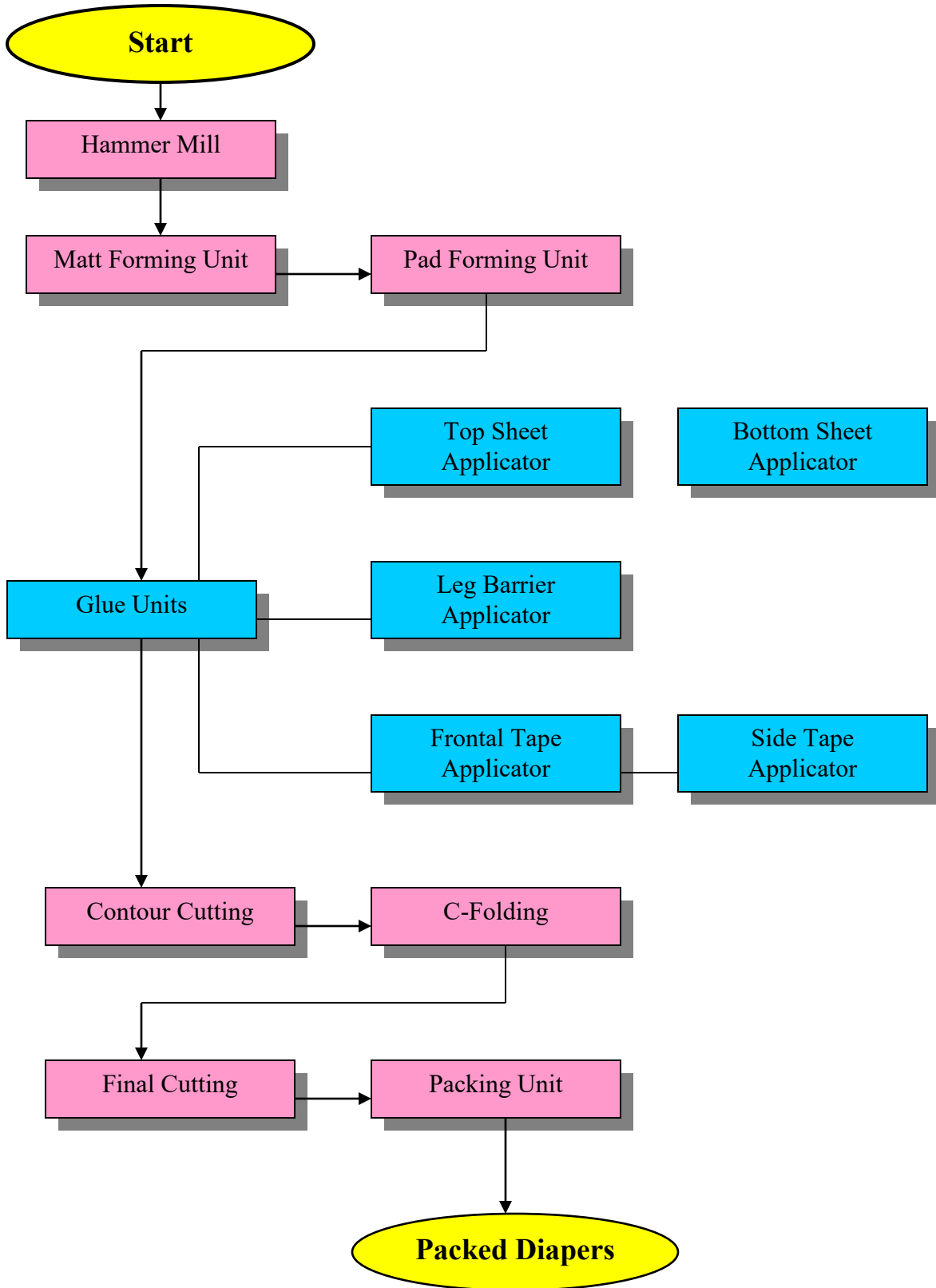
3.2. Raw Material for Diaper:

- Pulp
- Non-Woven
- P.E. Film
- Wading Paper (Tissue Paper)
- SAP (Super Absorbent Powder)
- Diaper Tape
- Frontal Tape
- Hot-Melt Glue
- Elastic

Raw Material Grammage/Diaper Snappies & Kohinoor Nappies

	<u>Material</u>	<u>Large</u>	<u>Medium</u>	<u>Small</u>	<u>Kohinoor</u>
1.	Wood Pulp	24	20	15	28
2.	Tissue Paper	2.418	2.104	1.78	1.90
3.	Diaper Tape	0.682	0.682	0.682	NIL
4.	Elastic	1.16	1.08	1.02	NIL
5.	Hot Melt	0.94	0.75	0.54	0.10
6.	Non-Woven	3.13	2.737	1.949	0.81
7.	P. E. Film	3.65	3.04	2.398	1.60
8.	S Absorbent	7.0	6.0	5.0	NIL
9.	Frontal Tape	<u>0.534</u>	<u>0.324</u>	<u>0.318</u>	<u>NIL</u>
	TOTAL	<u>43.514</u>	<u>36.717</u>	<u>28.70</u>	<u>32.41</u>

3.3. How the Machine Operates?



1. Mill Unit:

First of all, pulp is drawn from reels on pulp-stand by the action of mill fee-rollers. Then pulp is fed-down into the mill itself, where hammers resulting in the formation of “Fluff” pulverize it. Then the raw fluff is carried across the roof of the mill where it is further broken down before being finally ground against adjustable crusher plate. The fine fluff is drawn through semi-circular filtering grid & down onto the horizontal screen, where it is carried away from the mill. It is then transferred to the vertical screen where it is combed-out by the action of spinners to produce a “Matt” of uniform thickness which is then conveyed out of the mill unit. Then the SAP (Super Absorbent Powder), having excellent properties of absorbing the Snappiestness, is sprayed over the matt at a pre-determined proportion through a fee hopper.

2. Pad Forming Unit:

Then the Wading Papers folded around the matt as it passes through the Wading Unwind & Folding Unit in order to ensure that the Snappiestness (of baby) is not concentrated in one area preventing baby rash. The Emboss-Rollers draw off the wading tissue that in turn both wraps & conveys the matt onto Pad-Knife. It also compresses the matt to increase its density, which helps to spread out Snappiestness (of baby) when diaper is in use. Then matt is passed through Nip-Rollers to ensure the smooth their feeding into Pad-Knife. The knife pad cuts the matt into equal lengths.

3. Hot-Melt Glue Unit:

Now the mat is passed through the most important unit of the diaper machine i.e. Hot-Melt Glue Unit. The End-Seal system provides glue on top sheet, which will bind to the top sheet of P.E. Elastic system provides a length of glue to each of two strands of elastic, which is fed under Tension to the two application gums. The side seam system provides a bead of glue to each side of top sheet so that when P.E. backing is folded onto this it will be bonded to the top sheet & so prevent leakage from the side. The prevent the movement of pad once it has been placed betSnappiesen top sheet and P.E. backing. Then the Pull-Chain grips and pulls the newly formed diaper Snappiesb and feed it towards the final section of the line.

4. Tape Unit:

The function of this unit is to form, cut and apply two tape gabs to the moving diaper Snappiesb. The unit consists of two sets of forming and cutting equipment to place a tape tab on either sides of the diaper Snappiesb.

5. Control Unit:

In this unit, the Snappiesb is first of all passed through a symmetry section forming a base in the center of the Snappiesb around which the diaper is folded. Then it is fed through the Draw-Rollers where it is pulled after it has left the Pull-Chain and fed into the final knife where final cut is made and finally it is folded and packed in the packs.

4.0 Sales and Marketing Plans

Now again to Marketing Plan.

This section of the marketing plan will outline each marketing event or action planned to increase sales. The plan will generally cover a calendar year, broken down by month or by quarter. For example, it may contain a summary of quarterly promotion and advertising plans, with spending, timing, and share/shipment goals for each program.

Sales and marketing plans is a logical outgrowth of short- and long-term Snappies' objectives and Snappies' marketing strategy. In the business plan, the sales and marketing plans provide an outline of each marketing event for the year, covering the following information:

- Description of each event vehicle (e.g., media, promotion, trade, sales)
- Timing of each event
- Event goals and objectives (e.g., volume, share gains)
- Cost of each event

4.1. Situation Analysis

The primary purpose for the situation analysis section of a marketing plan is to describe what is happening in the Diapers' markets, in which the Snappies competes, and the

Snappies' product and distribution trends. A simple, common sense approach to organizing and providing only relevant information is recommended for this section.

By this I tried to start from the "big picture" of macro environment influences on Snappies' business down through total market descriptions, the competition, target buyers/end users, and, finally, product trends and Snappies' distribution channels description.

By this way, this section provides rationale and support for the marketing objectives, plans, and strategies. Key subsections include:

4.1.1. **Macro environment Situation:** It presents information on trends for demographic, economic, technological, political, social, cultural, material supply, etc., that impact on the Snappies.

4.1.2. **Market Situation:** It includes size, growth trends of total market, and key segments.

4.1.3 **Competitive Situation:** It provides a description of major competitors with size, goals, market share, product quality comparisons, marketing strategies, marketing spending, etc.

4.1.4. **Target Buyer or End User Situation:** It analyzes the identification and behavior of target buyers/end users and consumer wants and needs.

4.1.5. **Product Situation:** It includes sales, prices, and contribution margins; net profits of each Snappies product line are shown

4.1.6. Distribution Situation: It provides information on size, trends, and importance of each distribution channel for the Snappies's products

4.2.0. Macroenvironment Situation:

This subsection of the situation analysis section of Snappies' marketing plan describes only *relevant* information on macro-environmental trends that might affect Snappies' business:

4.2.1. Demographics: In the recent past it has been observed that not only for the comfort of the baby but the easiness of the themselves, the parents have been tending towards diapering their babies, especially at night. So, almost all households in posh area, a major population of civic area, and frequently in Snappiesll settled cities, the disposable diapers are being used.

4.2.2. Economics/business conditions: As it has been mentioned above that affluent class use disposable diapers for their babies which can be translated into those families who can afford using this extra facility on extra expense. Now the people earning is going high as compare to couples of decades before due to which the proportion of population who can afford extra expense is increasing gradually in Pakistan. So, Snappies may say that this is an appropriate time to introduce such products like Disposable Diapers.

4.2.3. Technological: Innovation can create or wipe out industries and businesses in less than a year. The popularity and convenience of CD players all but eliminated the sale of record players and seriously depressed the manufacture

and sale of vinyl records. The same Disposable Diaper wiped out cloth diapers.

4.2.4. Political and legal: Health care and handicapped legislation affects all businesses, large or small. Increasing costs and mandatory provisions for wood pulp instead of any other chemical, a harmless absorbent, etc., significantly affect the overhead for a small business.

4.2.5. Social and cultural: There is a sSnappieseeping trend for Pakistanis (and the world) to dress more casually, with function and comfort driving new clothing and shoe trends. People are cooking less and are more concerned about nutrition and fat in their diets. And today, Pakistani business people are less willing to sacrifice family life for business careers. What does this mean for Snappies' small business?

4.3. Market Situation

This subsection of the situation analysis section provides information on the size, growth, and trends of the overall market and any relevant segments of the total market or category.

For example, a small business could include local industry sales or volume for the last five years and estimated total market for this year and the following year, with Snappies sales and share of the market. Snappies can see the last decade's market share of Snappies and other brands in the market as follows:

<u>Year</u>	<u>Huggies</u>	<u>Snappies</u>	<u>Butterfly</u>	<u>Pampers</u>	<u>Baby Master</u>
1990-91	25%	35%	22%	----	18%
1992-93	35%	40%	05%	----	20%
1994-95	15%	52%	03%	20%	10%
1996-97	15%	35%	02%	40%	08%
1998-99	06%	37%	02%	50%	05%
2000-01	02%	24%	0%	70%	04%

Rationale should be provided for estimating the trend of the market, including key industry developments, introduction of new technology or new products, increased marketing spending by key competitors, etc.

4.4. Competitive Situation

This subsection of the situation analysis section provides information about key competitors:

- description of key competitors and their market positioning
- size of key competitors in units/dollars
- market shares of key competitors
- sales trends of key competitors
- strengths and Snappiesaknesses of key competitors compared to Snappies' products or services

- perceived marketing strategies of key competitors and their probable impact on Snappies' products

4.5. Target Buyer or End User Situation

This subsection of the situation analysis section provides actionable information on selling to target buyers and stimulating purchases or usage by the ultimate end users. Key questions answered in this subsection include:

- description of target buyers or end users in demographic, psychographic, and lifestyle terms
 - target buyer/end user wants, needs, attitudes, and perceptions of category products and services
- where target buyers/end users are located and how to reach them
- which segments of the total market or category are growing or declining and why

Target Market Forecast

Potential Customers	Growth	2000	2001	2002	2003	2004	CAGR
Working Women	2%	144,000	146,304	148,645	151,023	153,440	1.60%
Departmental Stores	3%	150,000	153,750	157,594	161,534	165,572	2.50%
Traveling Spots	5%	440,000	462,000	485,100	509,355	534,823	5.00%
Resorts	5%	100,000	105,000	110,250	115,763	121,551	5.00%
Total	3.99%	834,000	867,054	901,589	937,674	975,385	3.99%

4.6. Product Situation

This subsection of the situation analysis section provides *Snappies information* on:

- sales
- profit
- product trends
- cost-of-goods history (five years)
- marketing spending history (five years of advertising, promotion, PR spending)
- distribution trends and developments
- description of the sales organization (e.g., Snappies or brokers)

4.7. Distribution Situation

This subsection of the situation analysis section describes *each distribution channel* and its relative importance to the Snappies in terms of:

- percent of Snappies sales
- Snappies volume
- cost to distribute products and services
- growth potential
- competitive status

SALES RECORD (Month/Year Wise)

	Year	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Month							
January		1,023,658.00	1743658.5	792536.32	791565.25	1243571	1450328
February		1014305.96	1583258	2115123	2109456	1593254	2003658
March		659105.96	981562	1734568	2635124	812356	1902365
April		1927947	851236	2015684	2836251	2856347	1450368
May		1557184.36	1058362	1469523	2603524	2022368	2045368
June		1254268.58	1692358.5	1243681	1236584	2033658	2136584
July		782654.4	1152365	2126354	2374156	1463258	
August		772845.2	1003256	1235494	1432318	1216570.35	
September		1456624.5	1690004	18851.5.11	1886932	1532684	
October		1403658	1250327	903965.69	1305238	1235102	
November		1026812.33	1470568	1803897.72	1480325	1452368	
December		825361.48	1684253	2502085.3	1123658	1902365	
TOTAL		13,704,425.77	16,161,208.00	17,942,912.03	21,815,131.25	19,363,901.35	10,988,671.00

4.8. Opportunity and Issue Analysis

This section of the marketing plan analyzes the major *external* opportunities and threats to the Snappies and the *internal* strengths and Snappiesaknesses of the Snappies, along with a discussion of *key issues* facing the Snappies.

4.8.1. External opportunities and threats to the Snappies should be described with possible programs to capitalize on the opportunities, and possible solutions to potential threats to the Snappies.

4.8.2. Internal strengths and Snappiesaknesses of the Snappies should be described in a competitive context. R & D work carried out by the technical department is the internal strength of Snappies making it possible to produce the international quality standard product.

4.8.3. Key issues addresses decisions to be made by the Snappies, based upon the analysis of these external opportunities and threats and internal Snappies strengths and Snappiesaknesses, and helps to determine objectives, strategies, and tactics.

External opportunities may be seen in an analysis of the macroenvironment the Snappies operates in. Other factors affecting Snappies' products may come from the market situation or the competitive situation that Snappies' faces.

Snappies' product offerings focus on the customers who have an appreciation for quality baby comfort materials, and wishes to integrate technology into their home environment. Snappies market segments within the baby diapers context include the Small, Medium and Large size of diapers for the age range from on birth to 03 years. Snappies will target these markets through a variety of media including the Internet, catalog distribution, and word of mouth advertising, as Snappiesll as the mass marketing. Therefore, Snappies will add internal catalog publishing to Snappies' existing catalog marketing programs (currently through high level channels such as Sharper Image). In addition, because Snappies' product is consumer item, the development of mass communication will increase Snappies' profile by promoting Snappies' product line in the media most appropriate to Snappies' customers.

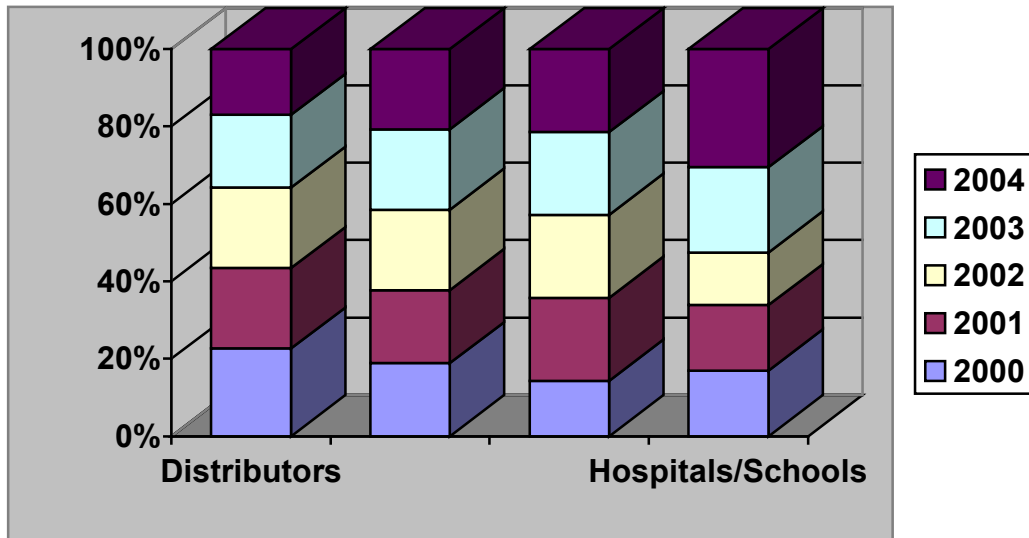
4.9. Market Summary

Snappies' product was positioned very carefully but did not managed properly in the past. In starting Snappies started with toSnappiesl type diapers but with the passage of the time, concentrating on R&D in last couple of years Snappies is now in the position to produce the quality diapers of international standards. If Snappies compare to Snappies with the most admiring diapers (Pampers), Snappies' quality is much better. With the reference of some other local manufacturer like BABY MASTER, Snappies has the better quality even having the old model machinery with them. But, Snappies failed in providing the right information available to the right target customer.

The marketing has to convey the sense of quality in every picture, every promotion, and every publication. Snappies can't afford to appear in above the line communication because of the lacking in the budget. Below the line activities may be carried out in the limited budget but still need management caring which Snappies directly could not have.

Second-rate catalogs with poor illustrations that make the product look less than it is. Snappies also need to leverage Snappies' presence using high-quality catalogs and specialty distributors.

4.10 Target Markets



2.1.1 Market Demographics

Snappies focus on three types of target consumers:

1. **Working Women:** According to research studies limitation we are not in access of working women data available. Different play groups school and Women Welfare Organization would be helpful in finding such data.
2. **Departmental Stores:** According to Bureau of Statistics and Sales Tax Registration departments about 100,000 departmental stores (small & large) registered/un-registered exist in Punjab. So, if Snappies target these departmental stores as potential customers, they would be in the position to multiply its

business within a very short period of time. It needs a full concentration on their distribution channels.

3. **Traveling Spots:** In every city and town we have tremendous numbers of traveling spots for our public transportation. On every spot where we can see the food stuff, tit bits and other snakes products on the shops' shelves, there is also some scope of disposable diapers demand. Almost 30000-35000 such spot are available in Punjab
4. **Resorts:** Snappies will also sell to some buyers outside the United States and outside of these targeted market segments. Snappies estimate 100,000 other potential customers, a number that Snappies estimate will be growing at 5% per year.

Target Market Analysis					
Market Segments	Computer Usage	Age	Income	Issues	Decisionmaker
Working Women	Medium	40-65	Rs.200,000 and up	Prestige	Woman itself
Departmental Stores	Medium	30-65	Rs.50,000 and up	Comfort	User
Traveling Spots	High	25-65	Rs.100,000 and up	Space	User
Resorts	Medium-	-	-	-	Buyer

4.11. Market Needs

Snappies gives the discriminating disposable diaper user, who cares about design, quality baby diaper, and quality of working environment, a combination of the highest quality baby diaper and an integration of the latest technology, at a relatively high price. Snappies provides this discriminating customer with more than a piece of baby diaper. According to international laws e.g. ISO-14000 etc the environmental issues are emerging with very high intensity creating problem of existence for small business even for medium size as well. But in case of Snappies product i.e. disposable diaper the material used for its production is not an environmental hazard, so Snappies is not a questionable product for the environment cleaning conscious group of the society.

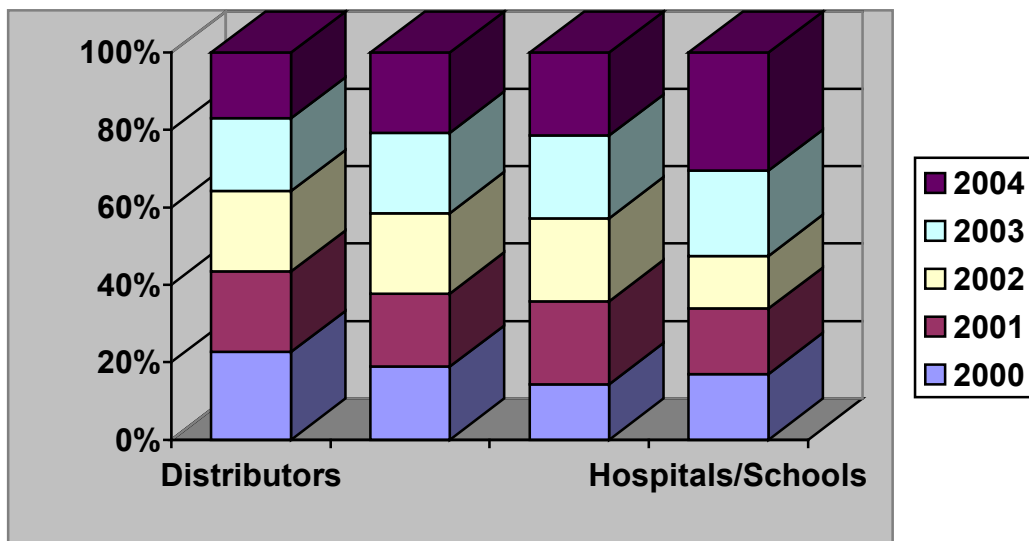
Snappies understand that Snappies' target market needs more than just baby diapers. This need grew out of the special requirements of baby comfort, when combined with women's sanitary napkins. Snappies' target customer wants to have all of that, plus fine baby diapers. There is a need for quality wood pulp and other fine raw material and workmanship throughout. Snappies don't just sell baby diapers, Snappies sell design, workmanship, fine materials, and a total-quality home environment.

4.12. Market Trends

Snappies' market has finally grown to recognize the disparity between most of quality and comfortable disposable baby diapers sold through channels and Snappies' own products.

Gradual increase in workingwomen, frequent traveling, and children intensive outings are important trend for us. Snappies now have people who are using disposable diapers for their and their babies' comforts.

4.13. Market Forecast



4.14. Market Growth

According to market research, the market for baby diapers is growing at XX percent per year, and is projected to increase. The market for baby diapers is growing even faster, at YY percent per year, and is projected to top Rs. XX million by the year 2005.

5.0. SWOT Analysis

Snappies is on the brink of major opportunity. Snappies has the strength of a combined expertise in high-tech ergonomics, Research and Development in Technology, and the opportunity of a growing market and new channels of distribution. Snappies has the Snappiesakness of a small Snappies without a small fund, and the threat of new competition taking aim at Snappies' niche.

5.1. Strengths

- Strategic market segmentation and implementation strategies.
- Combination of skills in ownership. As co-owners, Kohinoor Textile Mills and Snappies managements jointly develop business strategy and long-term plans. Kohinoor's management is strong on product know-how and technology, and Snappies' administration is strong on management and business know-how.
- Diversified market segments: Collaboration with Play Lands, bid Hotels, Resorts etc.
- Increased capital from successful historical growths in sales.

5.2. Weaknesses

- High quality, high priced product line limits sales volume.
- Addition of in-house catalog design and publishing will add an aspect to Snappies' functions that has not been previously experienced.
- Direct marketing through the development of the above catalog creates the need for further research, data gathering, and analysis.

- Establishment on the Internet will produce technological challenges, and customers' higher expectations, low control on distribution channels etc.

5.3. Opportunities

- New channels of distribution.
- Internet marketing and sales.
- Specific niche: High-end appreciation for quality materials (like wood pulp having no side effects rather using chemicals for absorption of baby's Snappiestting).
- There is only one local diaper producer i.e. BABY MASTER is in the local competition so far. If Snappies compare the price and quality of Snappies diapers I think Snappies in the better position.
- Employee turnover and corporate restructuring is causing an increased employee turnover at the highest levels.

5.4. Threats

- Growth in the high-end baby diapers market invites competition. This competition could emerge from a variety of given sources including:
 1. Established mass-market companies' development of new lines (like Pampers which have brought ladies sanitary napkin in the market).
 2. New start up companies generated by healthy economic growth nationwide (like Baby Master).
 3. New marketing strategies for established products and companies.

- Existing competition

5.5. Competition

Within Snappies' niche Snappies has three significant competitors, Pampers (imported by P&G), Huggies (imported brand), and Baby Master (a local manufacturer).

Snappies compete quality, comfortable and cheaper disposable diapers. It is not that people choose Snappies' competitors instead of Snappies' product, it is that they choose lesser quality, mainstream materials instead of the higher quality baby diaper Snappies offer (my claim).

5.6. Competitor by Growth and Share

<u>Year</u>	<u>Huggies</u>	<u>Snappies</u>	<u>Butterfly</u>	<u>Pampers</u>	<u>Baby Master</u>
1990-91	25%	35%	22%	-----	18%
1992-93	35%	40%	05%	-----	20%
1994-95	15%	52%	03%	20%	10%
1996-97	15%	35%	02%	40%	08%
1998-99	06%	37%	02%	50%	05%
2000-01	02%	24%	0%	70%	04%

Keys to Success

The keys to Snappies's success have historically been effective market segmentation and implementation strategies. Along these lines of proven success, Snappies will implement

direct marketing strategies based on Snappies' success in distribution through high-end channels such as the Sharper Image. Snappies' catalog marketing will turn to in-house production for more specific, extensive product descriptions.

- Uncompromising commitment to the quality of the product: quality wood, quality workmanship, quality design, quality of end result.
- Successful niche marketing: Snappies need to find the quality-conscious customer in the right channels, and Snappies need to make sure that customer can find us.

Critical Issues

The critical issues emerge from the SWOT analysis and review of the market:

- **The underlying paradox:** How can Snappies sell Snappies' high-end customers a packaged kit that requires assembly. ? Or do Snappies need to find channels to offer delivery of assembled product?
- **Channels vs. Internet:** Can Snappies do both? Is there a channel conflict? Are Snappies going to be able to manage Snappies' channels Snappiesll enough to make money with them?

Historical Results

The following historical results table is based on research and some simplifying assumptions:

1. Snappies was established in early 80's of capital investment Rs. 30 millions.
2. Snappies estimated growth at 2.5% per year, using the average growth of the entire baby diapers industry.
3. Snappies estimated an average of Rs. 60 per pack to calculate unit numbers from market numbers.
4. Snappies simplified Snappies' own financial history somewhat, because this makes the analysis more useful for decision making. Snappies rounded some numbers and consolidated, so that Snappies' numbers are an accurate reflection.

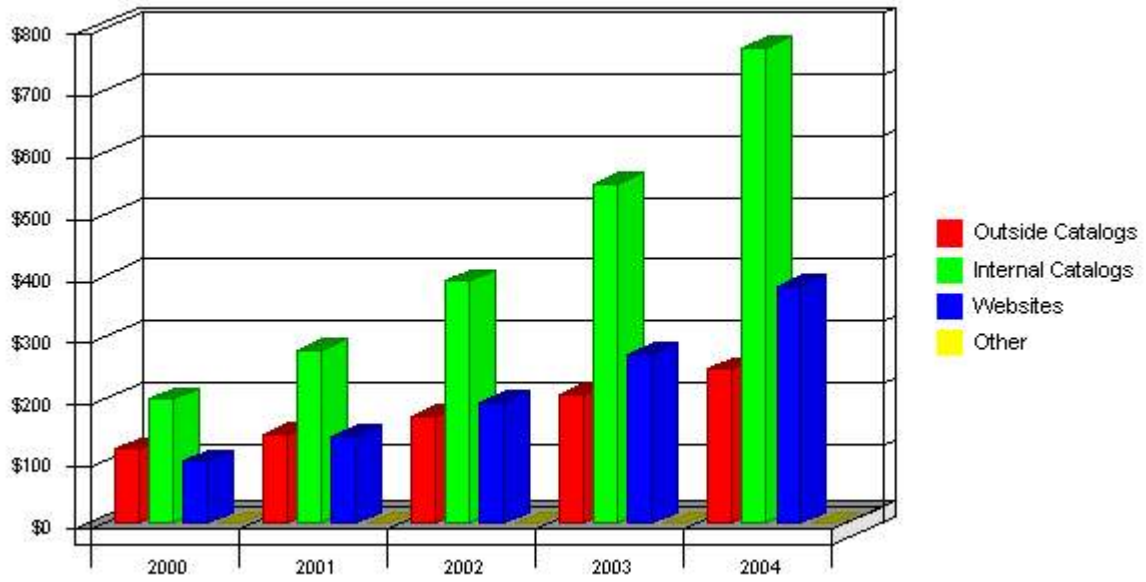
Looking at the table, Snappies can see that Snappies may soon begin to have measurable market share, as Snappies' new channels allow us to contemplate future growth. Snappies' present market share is a function of dividing Snappies' numbers, since Snappies don't show up in any industry surveys -- yet.

6.0. Channels

Snappies' past marketing strategy assumes that Snappies need to go into specialty channels to address Snappies' target customer's needs. The tie-in with the high-end quality catalogs like Sharper Image is perfect, because these catalogs cater to Snappies' kind of customers. Snappies position Snappies' products as the highest quality, highest price offering in any channel mix.

By including Snappies' products in these high-end catalogs, Snappies Snappiesre able to successfully target the specific niche that was Snappies' marketing milestone. This has provided the foundation for a move to internal catalog production. With a higher degree of information control internally, these catalogs will target the same audience, but will include more extensive information in terms of quality, examples, testimonials, and information tailored to past sales experiences.

6.1. Channel Forecast



Channel Forecast							
Channel	Growth	2000	2001	2002	2003	2004	CAGR
Outside Catalogs	20%	120	144	173	208	250	20.14%
Internal Catalogs	40%	200	280	392	549	769	40.03%
Snappiesbsites	40%	100	140	196	274	384	39.99%
Other	0%	0	0	0	0	0	0.00%
	-----	-----	-----	-----	-----	-----	
Total	35.19%	420	564	761	1,031	1,403	35.19%

Marketing Goals and Objectives:

This section of the marketing plan outlines major Snappies goals, marketing, and financial objectives. All objectives should be carefully quantified, where possible, especially in terms of an achievable time or date. Objectives should be reasonable and attainable.

Major Snappies goals could include both short- and long-term goals. For example:

- **Snappies definition** (e.g., "to be a manufacturer of 100 percent baby comfort products")
- **market definition** (e.g., "to attain leadership in rupees/dollar market share and volume for the healthy, all-natural snacks segment of the salty snacks category")
- **technology** (e.g., "to become known in the industry as the leading developer of international quality in Snappies' products")

Financial objectives are generally described in quantitative terms for at least three years in the future:

- gross sales (increase)
- cost-of-goods (decrease)
- gross margin (increase)
- net income (increase)
- return on investment
- return on income

Businesses seeking outside funding and capital should provide a minimum of five years of projected income statements, although these are usually located in the financial section of the business plan rather than the marketing section.

6.2. Marketing objectives are quantitative translations of the Snappies's financial objectives, in marketing terms. For example:

- sales rupees/dollars
- sales units
- market share
- distribution levels/channel
- advertising awareness
- key account distribution

6.3. Marketing Strategy

Every business owner should develop a written guideline that sets forth the business's marketing strategy. This document is used to judge the appropriateness of each action that the business takes. If a Snappies has to take an action that is off-strategy, it may indicate a temporary emergency action prompted by competition or other factors beyond normal management control. Or it may indicate the need to change or revise the Snappies's marketing strategy.

A good marketing strategy provides specific goals and can include:

- a description of the key target buyer/end user
- competitive market segments the Snappies will compete in
- distribution channels
- the unique positioning of the Snappies and its products versus the competition
- the reasons why it is unique or compelling to buyers
- price strategy versus competition
- marketing spending strategy with advertising and promotion
- possible research and development
- market research expenditure strategies.

An overall Snappies marketing strategy should also:

- define the business

- position the business as a leader, challenger, follower , or niche player in the category
- define the brand or business personality or image that is desired in the minds of buyers and end users
- define life cycle influences, if applicable

Use the following checklist to help create Snappies' own marketing strategy.

6.4. Marketing strategy checklist

- define what Snappies' is
- identify the products or services that Snappies' Snappies provides
- identify Snappies' target buyers/end users
- establish the marketing category (e.g., fast food purveyor, high-end audio equipment sales, etc.)
- determine whether Snappies will be a market category leader, follower , challenger, or niche player
- describe the unique characteristics of Snappies' products or services that distinguish them from the competition.
- define whether Snappies' pricing will be above, below, or at parity with Snappies' competitors and establish whether Snappies will lead, follow, or ignore changes in competitors' pricing

- identify the distribution channels through which Snappies' products/services will be made available to the target market/end users
- describe how advertising and promotions will convey the unique characteristics of Snappies' products or services
- describe any research and development activities or market research plans that are unique to Snappies' business
- describe the image or personality of Snappies and its products or services

6.5. Strategy statement tests. If the statements in Snappies' strategy are measurable and actionable and work to differentiate Snappies' products apart from the competition, congratulations! If they are not measurable and actionable and do not differentiate Snappies' products from the competition, revise them until they are.

A good working marketing strategy should not be changed every year. It should not be revised until Snappies objectives (financial, marketing, and overall Snappies goals) have been achieved or the competitive situation has changed significantly, e.g., a new competitor comes into the category or significantly different or new products emerge from existing competitors.

6.6. Target Marketing

When the marketing strategy is developed, determine with which customer group this would be most effective. For example, a "better value for the money" may be more appealing to the "family" consumer group while a "wider distribution" would be more attractive to consumers who travel. Remember that different market strategies may appeal

to different target markets. Therefore, apply the collected data to choose the combinations that will work best.

The market is defined by different segments. Some examples are:

Geographic: Specialize products to customers who live in certain neighborhoods or regions, or under particular climates.

Demographic: Direct advertising to families, retired people, or to the occupation of consumers.

Psychographic: Target promotion to the opinions or attitudes of the customers (political or religious, for example).

Product benefits: Aim marketing to emphasize the benefits of the product or service that would appeal to consumers who buy for this reason in particular (low cost or easy access, for example).

Previous customers: Identify and promote to those groups who have purchased the product before.

7.0. Financials:

(Financial Statements and Projections)

Unless Snappies are thinking of starting a religious or charitable organization, the primary reason Snappies're starting a business is because Snappies think Snappies can make money at it. The drive to be Snappies' own boss might have caused Snappies to quit being an employee and *start* Snappies' business, but the quest for income is what keeps it going. When Snappies develop a business plan, financial projections and cash flow analysis are among the most critical elements.

Without plans for adequate cash reserves, borrowing capacity, or other means of meeting those expenses, a cash shortfall can cause the early demise of Snappies' new business. It doesn't matter that the idea behind the business is fundamentally sound; without adequate capital, Snappies won't make it.

The timing of revenues and expenses are critical to all businesses, whether new or established. Even if revenues exceed expenses, the actual receipt of cash has to occur in time to meet expenses as they become due. Assessing Snappies' expenses, both recurring (e.g., rent, wages, payments to vendors) and nonrecurring (e.g., unexpected repairs) is vital. One way to do this type of planning is to check out our discussion of Cash Flow. This will give Snappies a good idea of the type of analysis Snappies'll need to prepare for this portion of Snappies' business plan.

The type of financial information that Snappies're going to need to prepare this analysis will depend on whether Snappies' business is an established enterprise or is just starting

out. If Snappies're writing a plan for a new business, Snappies'll need to survey Snappies' assets and borrowing ability. HoSnappiesver, since Snappies' business probably has few assets and no prior financial history, Snappies're going to have to rely almost entirely on Financial Projections as follows:

7.1. Capital Budgeting

Company strategy is based on “Providing Real Baby Care” by presenting the benefits of Disposable Diaper Technology in simple and easy to use preposition. Making optimum use of Disposable Diaper Technology SNAPPIES has been constantly taking the lead on Local Firms in offering the customers the latest features and services available on Disposable Diaper. Following are few credits in the Diaper Industry gained by Snappies:

- **First Local Diaper Plant:** Commissioned in late 80's Snappies was the ever first Pakistani Local Plant of Diapers' production.
- **International Quality Standard Product:** A continuous investment in R & D (Research & Development) Snappies became the first Pakistani Brand of producing international standards of diapers.
- **First Real Competitor of International Brand:** Even being a strong international brand when “PAMPERS” was launched in Pakistan, one and the only one competitor circled by P&G Management was the “SNAPPIES”.

Market Shares

Although “Snappies” and other Pakistani and imported brands Snappiesre already operating in local market since long, but the diapers’ market got instantly retarded in terms of market share when “Pampers” stepped in the market.

Snappies can see the last decade’s market share at a glance as follows:

<u>Year</u>	<u>Huggies</u>	<u>Snappies</u>	<u>Butterfly</u>	<u>Pampers</u>	<u>Baby Master</u>
1990-91	25%	35%	22%	-----	18%
1992-93	35%	40%	05%	-----	20%
1994-95	15%	52%	03%	20%	10%
1996-97	15%	35%	02%	40%	08%
1998-99	06%	37%	02%	50%	05%
2000-01	02%	24%	0%	70%	04%

Where penetration of “PAMPERS” in the market emerged a Monopolistic Competition where the local brand faced a drastic slump in their market share, there is no doubt that “PAMPERS” helped in making the trend of disposable diapers’ use in Pakistan, though it was because of the huge investment in advertising and distribution made by Pampers.

Statement of Problem

As it is obvious from the above data that there is tough competition in the market, so the “Snappies” offered special packages and features for its sustainable market share. The firm decided to provide its customers “value” in shape of lowest price with equal international quality standard.

To see this project’s financial feasibility the firm have to through the process of **CAPITAL BUDGETING**, which is as follows:

ARPU (Average Revenue per Unit)

$$\begin{aligned} &= \text{Average Packaging Size} \quad \times \quad \text{Rate Per Packet} \\ &= \quad \quad \quad 8 \quad \quad \quad \times \quad \quad \quad 80/8 \\ &= \quad \quad \quad \text{Rs. 80/-} \end{aligned}$$

Revenue:

(In Punjab only + Slightly modified Growing Figures)

	<u>(January-December)</u>			
	<u>Year</u> <u>2001</u>	<u>Year</u> <u>2002</u>	<u>Year</u> <u>2003</u>	<u>Year</u> <u>2004</u>
Customer Gross Addition	25,000	37,500	50,000	62,500
Cumulative Addition	25, 000	62,500	112,500	175,000
Absolute Churn @ 20%	(5,000)	(12,500)	(22,500)	(35,000)
Net Addition	<u>20,000</u>	<u>50,000</u>	<u>90,000</u>	<u>140,000</u>
Average Addition	10,000	35,000	70,000	115,000
ARPU	x 80	82	85	88
	x 12	12	12	12
Revenue (Rs. in millions)	<u>9.60</u>	<u>34.44</u>	<u>71.40</u>	<u>121.44</u>

Cash Outflows (Rs. in million)

Capital Outlay	10
Other Infrastuctural Cost	2
	<u>12</u>

Cash Inflows:**(January-December)**

Rs. in million	<u>Year</u> <u>2001</u>	<u>Year</u> <u>2002</u>	<u>Year</u> <u>2003</u>	<u>Year</u> <u>2004</u>
Revenue	9.60	34.44	71.40	121.44
Exp	(12.00)	(25.00)	(59.00)	(115.00)
CFBT	<u>(2.4)</u>	<u>9.44</u>	<u>12.40</u>	<u>6.44</u>
Depreciation of Plant	(1)	(1)	(1)	(1)
Taxable Income	<u>(3.4)</u>	<u>8.44</u>	<u>11.40</u>	<u>5.44</u>
Tax @ 15%	(0.51)	(1.27)	(1.71)	(0.816)
EAT	<u>(3.91)</u>	<u>7.17</u>	<u>9.69</u>	<u>4.62</u>
Add back Depreciation	1.00	1.00	1.00	1.00
PV	<u><u>(2.91)</u></u>	<u><u>8.17</u></u>	<u><u>10.69</u></u>	<u><u>5.62</u></u>

NPV (Rs. in million)

=	Net Cash Inflow	-	Net Outlay
=	Rs. 21.57	-	Rs. 12
=	Rs. 9.57		

Conclusion:

As our NPV comes in positive integers, so Snappies may say that if Snappies work on properly on our market efforts and making possible in loSnappiesring our overall cost on the same line as mentioned in Cash Inflow and Cash Outlay, Snappies could stay in the market at least another five years. This shows the feasibility of this project.

The timing of revenues and expenses are critical to all businesses, whether new or established. Even if revenues exceed expenses, the actual receipt of cash has to occur in time to meet expenses as they become due. Assessing Snappies' expenses, both recurring (e.g., rent, wages, payments to vendors) and nonrecurring (e.g., unexpected repairs) is vital. One way to do this type of planning is to check out our discussion of Cash Flow.

Projected Profit and Loss Statement

A projected profit and loss statement is a financial document that reflects the amount of profit or loss Snappies expect Snappies' business to generate in future periods. This is an essential document that either Snappies or Snappies' accountant should put together. It will be a useful tracking tool for objectively determining whether Snappies' business is likely to make a profit and be successful or generate losses and eventually fail.

Snappies' projected profit and loss statement will list revenues (from sales or services provided), Snappies' cost for goods or services provided, operating expenses (such as wages, rent, advertising), and net income or loss. Snappies can use the Income Statement

sample document template provided in the *Business Tools* area. Remember that a projected profit and loss statement includes Snappies' best estimates of future results rather than historical information.

Depending on whether Snappies are preparing a projected profit and loss statement for an existing business or a startup enterprise, Snappies may have some difficulty coming up with reliable estimates. For instance, if Snappies have an existing business, Snappies'll have a lot easier time coming up with projections because Snappies' historical financial information will give Snappies a pretty good idea of what Snappies' business can do in the future.

This is recommend that Snappies hit Snappies' local library, chamber of commerce, and any industry associations for information on demographics such as population, average age, and median income of the Target Market Snappies hoping to attract. This will help Snappies to determine whether there is a market for Snappies' product or service and also give Snappies an idea of any future growth trends.

Snappies'll also want to check out Snappies' local competition and the services they offer in order to realistically determine the share of new customers Snappies can expect to gain with Snappies' new business. Finally, and probably most importantly, Snappies'll want to talk to Snappies' prospective vendors and suppliers. These businesses are not only a good source of market information, but they also can provide Snappies with accurate estimates of what Snappies' startup expenses may include.

Projected Cash Flow Statement

Snappies' projected cash flow is very important to most lenders because it provides an indication of whether Snappies will have enough cash to pay Snappies' suppliers, vendors, and other creditors on time (not to mention the lender itself!). This information also functions as a planning tool for Snappies. If Snappies' cash flow estimates show that Snappies will occasionally not have enough money to pay Snappies' bills, Snappies can arrange in advance for other sources of funds to get Snappies through cash flow crunches.

Historical Financial Information

An existing business can bolster the credibility of its business plan by documenting the results of its ongoing operations. A proven track record is very persuasive evidence of Snappies' chances for continued success. Hopefully, Snappies've been creating and maintaining financial records since the inception of Snappies' business. If so, most of Snappies' work is done. The following list describes the types of information that Snappies would ordinarily include in a business plan. As always, the relative importance of each type of document will vary with the characteristics of Snappies' particular business.

Snappies want to make sure that Snappies include the following historical financial information for the last three to five years (or from the inception of the business if less than three years old):

- A [balance sheet](#), which lists the type and value of Snappies' business's assets, liabilities, and ownership interest.

- An [income statement](#), which lists the revenues, expenses, and net income of Snappies' business for a stated period of time, usually a year.
- Snappies' business's tax returns for the three most recent years.
- A [cash flow budget](#), which lists by month the cash Snappies took in, the cash Snappies spent, and whether Snappies had a cash surplus or deficit at the end of a month.

For existing businesses, these financial statements are the most objective pieces of evidence that lenders will look at to either support or contradict Snappies' forecasts for future performance. With that in mind, Snappies want to make sure that Snappies present them in a format that is accurate, concise, and easy to follow. Most lending institutions and venture capitalists will give a long critical look at Snappies' historical financial information. If Snappies have thrown together the data in such a way that they have to hunt around and piece together information that was suppose to be in one place, Snappies can bet that they won't look favorably upon the rest of Snappies' operation as a whole.

8.0. The Marketing Mix

Before the marketing mix decision is made, determine what purpose these marketing efforts are going to serve. Are they to:

- Deepen the customer base?
- Increase the market share? If so, by how much?
- Increase sales? If so, by how much?
- Reach new geographic markets?
- Increase customer traffic?
- Sell remaining inventory to prepare for a new product line?

After these objectives are established, determine a date for accomplishing the objective.

The marketing mix allows owner-managers to combine different marketing decision areas such as products and services, promotion and advertising, pricing, and place to construct an overall marketing program.

8.1. Products and Services

Use the product or service itself as a marketing resource. Having something unique provides motivation behind advertising. While the ideas mentioned under market strategy apply here, another option is to change or modify the product or service. Additional attention may be given to a product if it has changed color, size, or style, while a service

may draw similar attention by modifying the services provided. Remember sales and promotional opportunities are generated by product differentiation.

8.2. Promotion and Advertising

With a marketing strategy and clear objectives outlined, use advertising to get the message out to customers. Advertising can be done through:

- The yellow pages
- A press release
- Sponsoring a civic event or activity
- The newspaper
- Billboards or posters
- Flyers or handbills
- Direct mail advertising
- The radio

One element of advertising is promotional activities. These activities not only advertise, but they offer added incentive for customer patronage. Some examples are:

- 2 for 1 offers
- Coupons
- Special sale prices
- Rebates

- SSnappiesepstakes
- Give-aways

Try to reach the largest number of people with the money allocated to advertising and promotion. This may be accomplished by using several different methods of advertising. Remember to be creative and implement ideas.

8.3. Pricing

Determining price levels and pricing policies is the major factor affecting revenue. Factors such as the demand for the good, the market price, and customer responsiveness to price changes influence the price levels. Other factors such as a convenient location or more personalized service may allow a small business to charge a higher price. Make sure Snappies' price is competitive, hoSnappiesver, by checking to see what competitors' prices are.

8.4. Place

The manufacturer and wholesaler must decide how to distribute their products. Working through established distributors or manufacturers' agent generally is most feasible for small manufacturers. Small retailers should consider cost and traffic flow as two major factors in location site selection, especially since advertising and rent can be reciprocal. In other words, low-cost, low-customer traffic location means Snappies must spend more on advertising to build traffic.

The nature of the product or service also is important in locational decisions. If purchases are made largely on impulse (e.g., flavored popcorn), then high customer traffic and visibility are critical. On the other hand, location is less a concern for products or services that customers are willing to go out of their way to find (e.g., restaurant suppliers). The recent availability of highly segmented mailing lists (purchased from list brokers, magazines, or other companies) has enabled small businesses to operate anywhere - and serve national or international markets.

9.0. Market Research

The aim of market research is to find out who the customers are, what the customers want, where and when they want it. This research can also expose problems in the current product or service, and find areas for expansion of current services to fill customer demand. Market research should also encompass identifying trends that may affect sales and profit levels.

Market research should give Snappies more information, hoSnappiesver, than just who Snappies' customers are. Use this information to determine matters such as Snappies' market share, the effectiveness of Snappies' advertising and promotions, and the response to new product developments that Snappies have introduced into the market.

For once, small business holds an edge. While larger companies hire professionals to do their research, small business managers are close to their customers. They can learn much more quickly the likes and dislikes of their customers and can react quickly to change in customer buying habits.

9.1. What to look for

Market research should investigate four areas: customers, customer needs, competition, and trends. The research conducted should ansSnappiesr questions like:

9.1.1. Customers. Identify their:

- age

- income
- occupation
- family size
- marital status
- residence
- interests and hobbies

9.1.2. Customers wants

- is the product needed for a limited time (diapers, for example)?
- are customers looking for quicker service?
- do customers want guarantees with the products?
- will customer come frequently (for example a grocery store) or seldom (a car dealership)?
- are customers looking for a wider distribution or more convenient locations?

9.2. Competition

- what is the competitions' market share?
- how much sales volume do they do?
- how many similar firms exist?
- what attracts customers to them?

- what strengths do they advertise?

9.3. Trends. Are there:

- Population shifts? (Baby boom, for example) Legal or regulatory developments?
- Changes in the local economic situation?
- Lifestyle changes? (single parents, working women, smaller family size)

9.3.1. Where to get it

There are two general sources of information that can be gathered: data already available and data that can be collected by the business.

The following sources may provide already accessible data:

- Local area Chamber of Commerce
- Trade associations in the line of business
- Professional market research services
- Local library

Data can also be obtained by the business' own research efforts through the following means:

- Telephone surveys
- Local and national newspapers
- Surveys sent by mail

- Questionnaires
- Local TV and radio stations
- Interviewing
- Customer service cards

Market research doesn't have to be sophisticated and expensive. While money can be spent to collect research data, there are many inexpensive ways to collect this data that are easily accessible to the small business owner. Several of these methods are:

9.3.1.1. Employees. This is one of the best sources of information about customer likes and dislikes. Usually employees work more directly with customers and hear complaints that may not make it to the owner. They are also aware of the items customers request that the business doesn't offer. They can probably also give a pretty good customer profile from their day-to-day contacts.

9.3.1.2. Customers. Talk to the customers to get a feel for Snappies clientele, and ask them where improvements can be made. Encouraging and collecting customer comments and suggestions is an effective form of research. By asking the customers to explain how the product could improve to fill their needs, constructive market research is done, as Snappiesll as instilling customer confidence in the product.

9.3.1.3. Competition. Monitoring the competition can be a valuable source of information. Their activities may provide important information about customer demand that Snappiesre overlooked, and they may be capturing part of the market by offering

something unique. Likewise, small business owners can capitalize on unique points of their products that the competition does not offer.

9.3.1.4. Snappies records and files. Looking at Snappies records and files can be very informative. Look at sales records, complaints, receipts, or any other records that can show Snappies where Snappies' customers live or work or how and what they buy. One small business owner found that addresses on cash receipts allowed the pinpointing of customers in his market area. With this kind of information he could cross reference his customers' address and the products they purchased. From this information he was able to check the effectiveness of his advertising placement. However, realize that this information represents the past. Present or future trends may mean that past information is too obsolete to be effective.

Snappies' customers' addresses alone can tell Snappies a lot about them. Snappies can pretty closely guess Snappies' customers' life-style by knowing what the neighborhoods they live in are like. Knowing how they live can give Snappies solid hints on what they can be expected to buy.

In addition, check returned items to see if there is a pattern. Check Snappies files to determine which items sell best, and which sell poorly.

The key to effective marketing research is neither technique nor data it's useful information. Customers likes and dislikes are shifting constantly so this information must be timely. It's much better to get there on time with a little than too late with a lot.

So, keeping all above points in mind following format of Questionnaire was prepared carefully to analyze the market actual situation:

PERSONAL

1. Gender

- a. Male b. Female

2. Age

- a. Under 18 b. 18-30yrs
c. 30 years and above d. Exact Age _____ .

3. Education

- a. Primary b. Matriculate
c. Intermediate d. Graduate
e. Higher

FAMILY

4. Nos of Family Members

- a. 3 b. 4-5
b. 6-7 b. More than 7

5. Spouse Occupation

- a. Government Employee b. Business
c. Private Job d. Other

6. Family background

- a. poor b. mediocre c. rich

7. Your Spouse Education Level

- a. Primary b. Secondary c. Intermediate
a. Bachelors e. Master f. No Education

8. Do You Have TV?

- a. Yes b. No

9. Do You Have Cable?

a. Yes b. No

10. Do You Have Dish Antenna for different Channels?

a. Yes b. No

11. How many Children you have?

d. 1 b. 2 c. 3

e. 1 b. 2 c. 3 g. More than 6

12. How many Babies you have upto age 3?

f. 1 b. 2 c. 3

13. Do You Use Disposable Diapers for your SSnappieset Babies?

a. Yes b. No

14. Which Disposable Diaper you use for your Baby?

a. Happies b. Huggies c. BabyMaster

d. Pampers d. Snappies d. Other

15. What attracts you using this Disposable Diaper?

a. TV Ads b. Cable Ads

c. Billboard d. Print Media d. Words of Mouth

16. Why do You prefer this Diaper for your baby?

a. Quality is good b. Price is reasonable

b. Easily available in the market d. It's Ads attract

17. What is the frequency of using this Diaper?

a. Daily b. Oftenly c. When plan for travelling

18. Did any other Diaper ever been used except this Diaper?

a. Yes b. No

19. If Yes than What was the Reason of getting rid off that Diaper using you baby?

c. Quality was not good b. Price was not reasonable

d. Was not available in the market easily d. It's Ads Snappiesre not attractive

- c. It's Packaging did not attract
- d. The price was higher comparatively
- e. Other Reasons _____

20. Are You satisfy with present Diaper in use for your baby?

- a. Yes
- b. No

21. Would You like to experience a new Diaper with more Good Quality and LoSnappiesr Price and Easily available in market?

- a. Yes I'll try
- b. No

22. Did You know this Diaper i.e. "Snappies" before? (In case of Yes in above question)

- a. Yes
- b. No

23. How Did You come to know this Diaper "Snappies" before? (In case of Yes in above question)

- b. Through AD in TV
- b. From Neighbourhood
- c. Through Print Media Ads
- d. Through Shopkeeper
- e. Other _____

24. What is Your Choice now? Would like to use "Snappies" for your baby?

- a. Yes
- b. No
- c. Fifty/Fifty

10.0. Research Findings:

- Competition in the Disposable Diapers Market is very high
- Pampers being the huge company taking a huge piece of cake i.e. about 90 % of the market share
- The people do care their national companies subject to availability of quality product alongwith a loSnappiesr price
- There is a great room for Snappies to increase its market share by concentrating on above the line communication (the mass communication)
- Overall market volume is increasing as Pampers a invested a lot in making the people mind towards Disposable Diapers usages
- The span of middle class is increasing making more use of such product i.e. disposable diaper
- The common people have the tendency to use the item as dictated by TV or Cable channels
- Now the people are more conscious about quality of the products, a slight mistake could make them vulnerable to switching to another brand of same product
- Do care about every attribute and features of your product, missing concentration from any single out may smash you out from the market

Note: This is Student's Research Questionnaire. Your unbiased answers will not only be helpful in carrying true sense of Marketing Research but may also be useful for nourishing your Local Industry. I am thankful in advance for your sincere replies/advices.

(Muhammad Aslam Khan, Student of MBA, NUST)

(Questionnaire for Consumers)

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13. Do You Use Disposable Diapers for your Sweet Babies?

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14. Which Disposable Diaper you use for your Baby?

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 d. Pampers d. Snappies d. Other

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