

Zipfizz and target



Considering the current market situation, we intend to mass produce Zipfizz and target a larger share in the energy drink industry. This can be a feasible approach since we have details to back out our goal of mass producing Zipfizz. As you can see, for the past two years, Zipfizz sales were at least on the positive trend of increasing trend. For example, from 11 million sales in 2005, the following year averaged at 20 million unit sales for 2006. This is a clear indicator that Zipfizz is picking positively on the market share.

To continue this trend, we will be investing some more on the production of Zipfizz. There will be much of a profit at stake if the production continues as referenced from the previous year performance. This will be very productive since the profit that may be achieved in producing the Zipfizz may well compensate with a very minimal production cost. As a matter of fact, the main components of the finished product are constituted only by three items. The energy drink's components, which is in powder form, the bottle and the sticker labels.

The strategy of mass production is the key to increase profitability. Just as an example, we are to produce 10000 bottles at a cost of 1000 dollars in totality, 12000 sticker labels for 520 dollars while formulating the energy powder wouldn't cost much as a primary factor. If we are to combine the relative costs for bottle and stickers, that would only sum up to 15cents, adding to it the small cost for the ingredient can at least guarantee a less than 30 cents of total production cost for a single unit of Zipfizz.

The company intends to sell it for a minimal consumer amount of only two dollars. In this case, we would get a very high profit rate per bottle of the

product and considering to mass producing them would mean greater profits. Not only that, because if in any case we would still want to maximize the profitability of the production, we can opt to coordinate with some process bidders that can supply lesser costs for bottle and sticker labels. Another possible option is to make some deals with other suppliers of the energy powder raw materials.

If there will be much cheaper and cost effective sources, this can also be considered as a primary step to get the optimum levels of profitability. But in any case, the example that was cited could already do much of the profit generation for the company. An additional approach to complement with the production segment would be in advertising. Since we have achieved a good commercial exposure in the market, dealing with product campaigns will take into a breeze for Zipfizz now that greater number of people recognizes the brand as a very good product.

Moreover, the marketing strategy will play a definite role in increasing the distribution curve for Zipfizz. There will be more retail agreements between the company and resellers to promote and disseminate Zipfizz in their own commercial establishments and stores. Given these feasible scenarios, the goal set up would really mean very serious business profitability for the company in greater market sense. Thus, keeping the upbeat performance of Zipfizz will only be achieved if mass production is to be initiated.