

# [Our concept is smart shower marketing essay](https://assignbuster.com/our-concept-is-smart-shower-marketing-essay/)

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## Executive Summary

This project is about the introducing our new product in market by giving unique and innovative idea. Our concept is " SMART SHOWER". Now what the Smart Shower basically is that it will be a special kind of shower having many features in it. The product or idea we developed will be beneficial for the customer in every sense, it is both ecofriendly and customer friendly it will give a new smartness to your bathroom and will make your shower more desirable to you. Smart Shower is consist of temperature control thermostat for controlling water temperature, a motion sensor shower head detecting body movements, air pressure technology in head which will smoothen the flow of water and save water, LED lights in head of shower which will change its colors according to different temperatures, a touch panel screen consisting of various functions like, timer to save time, MP3 player, recorder for bathroom singers and intercom plug in option used to answer the door bell when someone is in alone in home taking bath. These all features will be in Smart Shower which is totally a new product in market, no other players in sanitary industry has never launched this type of shower before. Sanitary Industry in Pakistan is currently growing industry. People are getting aware of new bathroom designs and many people desire to have different bathroom look by installing innovative sanitary equipment. Pakistan sanitary industry is currently at boom and it will be opportunity for us to grab the market by having competitive edge from Smart Shower. Our main competitors in Pakistan are Sonex, Faisal sanitary, Masters and Ilyas but none of them is providing this type of technology. Our Smart Shower attracts the young generation and upper class people whom prefer innovation and can afford a shower with a price of Rs80, 000. We are also targeting hotels and house constructors (like Eden villas, bahria homes, Pearl Continental, Avari Lahore etc.). According to buyer intention survey we conducted more than 90% of people are ready to accept this type of Shower to be installed in their bathrooms. To successfully run the product in market it is important to have sufficient resources. By conducting feasibility analysis in this report we concluded that we have sufficient resources for initiating new firm because we owned a shop in which 1st floor will consist of lab and a small warehouse. Our distribution channel will be to open our own retail outlet in which manager will be hired from same industry having competence, experience and knowledge related to business idea so he can handle operations of outlet effectively and brings quality in business. In case of getting finances we can contact banks for loans. All these processes will help our business to run smoothly to reach our break even easily.

## Introduction

This project will tell us that how the new concept fits into market and which market we are targeting. The main objective of this business plan is to know the feasibility of our Smart Shower that whether this concept is feasible and easy to introduce in market and if yes then what will be our strategy and how we will launch this product in market. We analyze our costs and analyze that how we going to reach the breakeven point. By looking all these aspects we will came to know our product fitness in market. Our product we are launching in market is called Smart Shower which will be having number of features in one shower. Due to today’s changing environment people prefer innovation and creativity and sanitary industry is also now establishing day by day, people are getting awareness of having new designs and systems to be installed in their bathrooms. Smart Shower is providing the both features of Luxury and Economic friendly which are discussed in product concept in detail. The Smart Shower has various options to have fun in bath including, thermostat, timer, LED lights in head of shower, Air pressure technology in head of shower, mp3 and mp4 player, intercom interface and motion sensor in head. All these features are not being provided by any of our competitors in sanitory industry in Pakistan. Many new products enter market and many of them fail due to not making any future plans. So the basic objective of this project is to give a unique product or service idea which not launched yet and to know its feasibility and how this idea can be entered in market. To know our Smart Shower’s fitness for market we have made this business plan.

## 13006754\_001. jpgImages 6\_0007\_Vector Smart Object. jpg

## Product Concept

The product we are offering is the combination of both luxury and economic friendly features which is known as SMART SHOWER. Luxury and Economic friendly are the two words that stand on opposite ends. There are many products which give luxury and satisfy customers but might not give advantage to society or economy and on other end there are many products which might give benefit to society but not give enough features to user. Our idea is to combine both features of Luxury and Economic friendly into our Smart Shower. It is totally a new concept in market especially in Pakistan, not a single player in sanitary industry of Pakistan is producing this type of shower. This world is moving towards innovation and creativity and young generation in today’s world mostly prefer to have those products which are unique. The Smart Shower basically consists of touch panel having various functions in it. Following are the luxury and economic friendly features of Smart Shower:

## Luxury Features:

## Motion Sensor:

Shower head will move according to body movements. Sometimes people take bath in a specific range and they are bound to stay in a specific range to take shower but Smart Shower is giving the technology of motion sensor which can detect our body movements and shower us where ever we walk in a specific range.

## Temperature Control:

Smart Shower will be having the feature of digital thermostat from which we can set water temperature. This is most important feature because people in Pakistan facing problem of mixing hot and hold water from taps. They no longer to need mix hot and cold water. Whatever the temperature is set, the water will come exactly at that temperature. Mira Digital Control. jpg

## LED lights:

There will be LED lights in the head of shower which will glow full shower head and will give beautiful look to it. The color of lights will change according to the temperature set in thermostat. For example if the temperature is high red light will glow in head of shower which will show the effect of " RED HOT", If the temperature is normal yellow light will glow showing the normal temperature water and if temperature is cold the blue light will glow which will show " Blue Ice Cold" effect. 2010817112036421. jpg

## Mp3 and Mp4 player with recorder:

People can listen songs or watch videos while in bathroom to have luxurious bath. There many bathroom singers, so for them we have also given the option of recording their voice to sing a song in bathroom and they can listen it after.

## https://encrypted-tbn1. gstatic. com/images? q= tbn: ANd9GcTnRxprf5JZygnw1tez4vUhsTuef9RgtRytIJ3F6\_eYY6ePrRCleA

## Intercom connection:

Intercom connection can be given to shower which will be useful when a person is alone in home taking bath, so he can’t listen the door bell, to eliminate this problem a person can answer door bell from bathroom through touch panel of shower.

## Economic Friendly Features:

## Air Pressure Technology:

This concept is new in Pakistan and never before applied in Pakistani market. This technology is in shower head which produce air with flow of water with which water flow becomes smooth and water is saved. The technology is simple the air will mix with the water which will reduce water demand up to 60%, lower consumption of water means energy saving without losing any fun. Picture1. jpg

## Timer:

The common problem in taking shower is time wastage. Most of the people often take bath and enjoys it very long without considering time. Many gets late to schools, offices by enjoying long shower, so there is a feature of timer in it. People sets the time that for how long they wants to take bath, once the time limit is reached the shower will turn off automatically and can be restarted later. This will alert people that now they have to stop showering because of shortage of time. All these functions of luxury and economic friendly can be used and enabled or disabled by using touch panel mounted on shower. The Smart Shower will mainly be operated through electricity but we can also give it a battery backup due to load shedding situation in Pakistan.

## Feasibility Analysis

## Product feasibility Analysis:

In product feasibility analysis there are two things to be discussedProduct desirabilityProduct demandThe Product we are introducing to the customers is innovative; no competitor in the market is giving shower with this kind of feature. So we have a great opportunity with our idea to attract our customers. The product or idea we developed will be beneficial for the customer in every sense, it is both ecofriendly and customer friendly it will give a new smartness to your bathroom and will make your shower more desirable to you. As for as the demand is concern we conducted a survey which really shows that this type of smart shower has never been introduced in Pakistani market, which is an edge for us and will create an increasing demand for our product. Customers really like the concept and are ready to pay the price of the product. The plus point of this product is it’s ‘ features’ its ‘ smartness’ which will really increase its demand. People will defiantly like to get a product built in with bundle of feature and is ecofriendly as well.

## Benefit of our product

There are lots of benefits which you will get with this smart shower, first and foremost is water wastage the air mixing technology and timer will improve your showering pleasure and reduce your water demand up to 60%, benefit of making it easier for you to move the head of a shower with your body movement through infrared sensor, you no longer have to mix hot and cold water manually just enter the temperature in the screen and it’s done, don’t worry if someone is on the gate and you are alone in house taking bath, you can use intercom. Smart Shower is providing other benefits also like mp3 and led lights will give extra pleasure and fun to your bath, and last but not the least is timer and thermostat which will save your time if you are in hurry. So main benefits areReduces the wastage of waterEase for the customerFun and pleasureSave your time

## Positioning:

Our basic motive is to give customer all those features which a customer desires in bathroom. Smart Shower is the combination of both luxury and economic friendly features. We will position our product with the following theme:

## " PLEASURE WITHOUT WASTAGE"

## Industry/ Target Market Feasibility:

Sanitary Industry in Pakistan is currently growing industry. People are getting aware of new bathroom designs and many people desire to have different bathroom look by installing innovative sanitary equipment. Population is increasing fast in Pakistan and numbers of households are increasing in societies. Many families are transferring from rural areas to urban areas and constructing their new homes. It is an opportunity for sanitary industry to grab market. In Pakistan sanitary industry is increasing and currently at boom. We will be competing with the following competitors: SonexFaisalMastersIllyasThese were main competitors other than these there are also many competitors competing with us directly and indirectly. None of these competitors are providing Smart Shower technology but only basic sanitary products.

## Target Market:

It’s obvious that middle or lower class can’t afford such type of features to be in their bathroom so basically we are targeting Upper class whom prefers innovation. According to VALS model in marketing we are targeting innovators and experiencers, those people whom prefer new products and prefer change in their life. We are also targeting hotels and house constructors (like Eden villas, bahria homes, Pearl Continental, Avari Lahore etc.). According to buyer intention survey we conducted more than 90% of people are ready to accept this type of Shower to be installed in their bathrooms.

## Organizational Feasibility:

## Purpose:

The main purpose of conducting organizational feasibility is to determine firm abilities and capabilities their level of competence management skills, technological skills and their non-financial resources in successfully launching a business idea as a new venture. There are two main points on which Organizational Feasibility is focused on are as followed:-

## Management Prowess

## Resource sufficiency

## Management Prowess:

To start our business we will be opening our own retail showroom. New venture will start with the team of five management people working in an outlet who will be the initiators of this new business idea of smart shower. First there will be team of two engineers working in lab on the first floor of the outlet and they will be from mechanical and electrical engineering department. Then there will be one Manager and under him there will be operational staff includes Sales person, installation team and an office boy.

## Resource sufficiency:

This is the analysis used to evaluate that whether an entrepreneur has enough resources to start a business. In our case yes we have sufficient resources for initiating new firm because we owned a shop in which 1st floor will consist of lab and a small warehouse. Manager will be hired from same industry having competence, experience and knowledge related to business idea so he can handle operations of outlet effectively and brings quality in business. In case of getting finances we can contact banks for loans. These processes will help our business to run smoothly.

## Financial Feasibility Analysis:

## Product cost

## Units

## Cost Per unit

## Total cost

Body and head11500015000Infrared sensor and motor130003000Thermostat with tank12100021000Mp3 player, Mic130003000Air power technology160006000Led lights1200200Timer1500500Touch screen panel160006000total product cost

## 54700

## operational cost

salaries120000utility bills15000Rent7000

## 142000 per month

## Furniture and fixtures

Computers21500030000office furniture sets15000050000lighting set11000010000Banners225005000Lab equipment’s30000Others20000

## 145000

## Other Expenses

Display sample of 3 products354700164100advertising and marketing expense90000Internet website1800

## 255900

## Business first Year Cost

## Project Cost

## Units

## Cost in rupees/ PKR per unit

## Total cost

Capital costDisplay product cost354700164100Furniture and Fixture145000

## Total capital cost

## 309100

operating costSalaries120000Rent7000utility bills15000

## Total operating cost

## 142000

## Total Project Cost

## 451100

## Break even Analysis

## fixed cost

operating cost142000 per monthFurniture, fixture & other expense400900

## variable cost

54700

## selling price

80000

## first month break even analysis

22 units

## first year break even analysis

84 units

## Segmentation Targeting and Positioning

## http://www. consumerpsychologist. com/images/cb/STP. png

## Segmentation

As market is too large to target so we have done demographic and psychographic segmentation on the basis social class, income and life style (interest and opinions).

## Targeting

We are using differentiated marketing technique so we are targeting Upper class whom prefer innovation because according to the price of shower, this segment is most profitable segment for us. According to VALS model in marketing we are targeting innovators and experiencers, those people whom prefer new products and prefer change in their life. We are also targeting hotels and house constructors (like Eden villas, bahria homes, Pearl Continental, Avari Lahore etc.).

## Positioning

We are positioning our product on the basis of its unique attributes. Our basic motive is to give customer all those features which a customer desires in bathroom. Smart Shower is the combination of both luxury and economic friendly features. We will make the image of product in customer’s mind that this is for joyful, fun loving and young blood people whom prefer innovation and creativity and they can enjoy without having water wastage. We will position our product with the following theme:

## " PLEASURE WITHOUT WASTAGE"

## Marketing Mix

Designing the right marketing mix the most creative & challenging step in marketing, the marketing mix is the specific collection of actions & associated instruments employed by an organization to stimulate acceptance of its ideas, products & services.

## Product

Our idea is to combine both features of Luxury and Economic friendly into one Shower and attract both type of customers whom like luxury or whom like societal benefits. It is totally a new concept in market especially in Pakistan, not a single player in sanitary industry of Pakistan is producing this type of shower. All the features of it are mentioned above including thermostat, timer, LED lights, motion sensor etc. We are targeting end consumers and also organizations like Avari, PC to install this in their suite rooms, apart from it we are also targeting house building contractors like Bahria Homes etc. The main focus of smart shower is to give customers pleasure without harming or wasting resources.

## Pricing

The price of an item is clearly an important determinant of the value of sales made. In theory, price is really determined by the discovery of what customers perceive is the value of the item on sale. Researching consumers' opinions about pricing is important as it indicates how they value what they are looking for as well as what they want to pay. As for Smart Shower, the price strategy that will be undertaken should consider the following aspects:

## Consumer demand

## The product lifecycle

## Potential substitutes

Customer demand is a crucial factor which is driven by income and availability of others similar products at a different price. For a lot of consumers, value and price are highly related, " the higher the price, the higher the value". After considering every cost and expenses the sale price of smart shower will be around Rs. 80, 000. So basically our pricing strategy is skimming based pricing in which you enter the market with high price

## Placement

The product is for households, hotels and will be sold at our own retail outlet which will be in Model Town C-Block Bank Square Market.

## Promotion

Shop front: We plan to have an exciting, informative, and actively managed display window, there will be a video and sample display showing features and working of shower in a very attractive way. Internet Web site: This is fast becoming a major promotional channel and we believe it will increase in importance over time. Also, it is the most convenient way for us to have a global presence at the outsetThe product will also be promoted using: T. V adsCity Billboards

## Financial Plan:

## Sales

Year 1Year 2Year 3Year 4Year 5Sales in units9085110125130

## Five Year financial Projections

Year 1Year 2Year 3Year 4Year 5Sales7200000680000088000001000000010400000Cost of good sold49230004649500601700068375007111000

## Gross profit

22770002150500278300031625003289000

## Expenses

Display Sample of 3 Product164100advertising and marketing expense9000090000120000120000120000Furniture and fixture145000salaries expense14400001440000144000014400001440000rent8400084000840008400084000utility bills180000180000180000180000180000Internet website18001800180018001800

## total expenses

21049001795800182580018258001825800

## Net operating income before Tax

17210035470095720013367001463200Tax (35%)60235124145335020467845512120

## Net income after Tax

111865230555622180868855951080

## Break up Cost

## Product cost

## Total cost

Body and head15000Infrared sensor and motor3000Thermostat with tank21000Mp3 player, Mic3000Air power technology6000Led lights200Timer500Touch screen panel6000total product cost54700

## operational cost

salaries120000utility bills15000Rent7000

## 142000 per month

## Furniture, fixtures

Computers30000office furniture sets50000lighting set10000Banners5000Lab equipment’s30000Others20000

## 145000

## Other Expenses

advertising and marketing expense90000Internet website1800Display sample of 3 products164100

## 255900

## Total Investment

## Year 1

## Year 2

## Year 3

## Year 4

## Year 5

70279006445300784280086633008936800

## ROI( Return on Investment)

Year 1Year 2Year 3Year 4Year 5

## Investment

70279006445300784280086633008936800

## Net income

111865230555622180868855951080

## ROI

1. 593. 577. 910. 010. 6

## Break even Analysis

## fixed cost

operating cost142000 per monthFurniture, fixture & other expense400900

## variable cost

54700

## selling price

80000

## first month break even analysis

22 units

## first year break even analysis

84 units

## Balance Sheet

## Year 1

## Year 2

## Year 3

## Year 4

## Year 5

## Assets:

Current Assets:

Cash7200000680000088000001000000010400000Inventory49230004649500601700068375007111000Other current assetsTotal Current Assets: 1212300011449500148170001683750017511000Long Term Assets:

sample products164100164100164100164100164100Furniture & Fixture145000145000145000145000145000Total Long Term Assets309100309100309100309100309100

## Total Assets

## 12432100

## 11758600

## 15126100

## 17146600

## 17820100

Liabilities and Capital:

Current Liabilities:

Accounts Payable70279006445300784280086633008936800Tax payable60235124145335020467845512120Long Term Liabilities:

## Total Liabilities

## 7088135

## 6569445

## 8177820

## 9131145

## 9448920

## Owners equity

OI52321004960400632790071484007421900R. E111865230555622180868855951080

## Owners equity

## 5343965

## 5190955

## 6950080

## 8017255

## 8372980

## Total Liabilities and equity

## 12432100

## 11758600

## 15126100

## 17146600

## 17820100

## Cash Flow Statement

## Year 1

## Year 2

## Year 3

## Year 4

## Year 5

## Cash flow from operating activities

Cash received from customers7200000680000088000001000000010400000Cash paid to employees14400001440000144000014400001440000Cash paid to suppliers49230004649500601700068375007111000

## 837000

## 710500

## 1343000

## 1722500

## 1849000

Rent paid8400084000840008400084000Bills paid180000180000180000180000180000tax paid60235124145335020467845512120

## Net cash flow From operating activities

5127653223557439809906551072880

## Cash Flow from investing activities

Sample Products164100Furniture and fixture145000

## Net Cash flow from investing Activities

## -309100

## Cash flow from financing activities

Proceeds from capital53439655190955695008080172558372980

## Net cash flow from financing activities

## 5343965

## 5190955

## 6950080

## 8017255

## 8372980

Net increase/decrease in cash54558305423310757406088879109325860cash at the beginning52321004960400632790071484007421900

## cash at the end

## 10687930

## 10383710

## 13901960

## 16036310

## 16747760

## Exit strategy

If the proposed plan is not successful the owners will implement necessary measures to exit the business endeavor with minimal damage to the owners and investors. All equipment and merchandise will be sold to cover any outstanding debts. Any remaining debt will be paid by the owners in the form of monthly payments until all debts are paid in full. The success of the business will be monitored monthly in the first year and quarterly in subsequent years.  The owners are aware that it usually takes new businesses three years to start turning a profit and that the business could operate at a loss during that time. The owners will keep this in mind when evaluating the state of the business, and make adjustments when possible to keep the business running with a positive cash flow. Acceptable loss has been determined; if the business exceeds this amount and is unable to compensate the owners, we will begin the process of closing the business and paying back debt.