

THE
CHALLENGER
2021

Namman Muay

Healthcare
products
for **everyday life**

Next Level Consulting

Aoranart Molnakorn Supanita Varinned



Executive summary



Goal

“Achieve its domestic revenue target of 350 million baht by the end of 2023” with sustainable growth to dominant market share and revenue with well entrepreneurial management



Question

Which segment should Namman Muay should prioritize

What product Namman Muay should offer to prioritize segment



Solution

Focusing on Working people 20-55 years old

Liquid products: Launching new product line called “ACHEND”

Other existing products that Namman Muay has already and with **new label design**



Impact

Increase in CAGR of domestic revenue by
25.27%

Achieve **46.84MB** in net profit by 2023

Increase in market share for liquid format to **31%**

How the product will be marketed

Pricing

- Cost-plus Pricing Strategy
- Bundle pricing
- Promotional pricing

Distribution channel

- E-commerce platforms
- Pharmacy
- Convenient stores

With **new perception** of Namman Muay

“Unisex, Aromatic, Portable, Affordable, Modern”
Healthcare products

For **everyone** to use in **everyday life**

Implementing marketing strategies using **3Ps**

Customers **perceive** our brand by

- Inbound marketing: SEO
- Outbound marketing: Online ads.

Customers **participate** our activities by

- Gamification marketing
- Hashtag challenge marketing

Customers **practice** our products and services by

- Product sampling marketing
- Sponsorship marketing
- Having API

Introduction

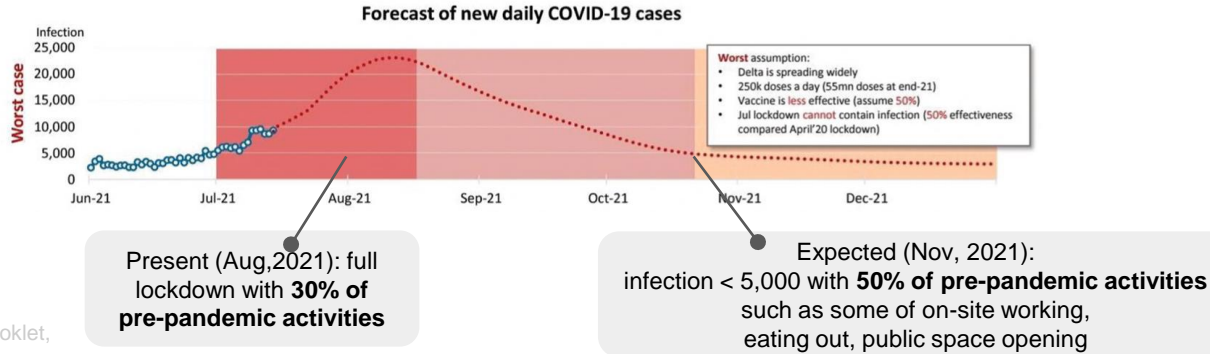
Action

Competitive Position

Impact

Situation analysis

All solutions and assumptions based on Krungsri's **worst case** scenario which expected that..



Source: The Challenger 2021 case booklet, Bangkok Post, Priceza

Due to the long-standing problem of the pandemic...

COVID-19's Impact on The Thai Topical Analgesics Market

- **Reduction in tourist arrival** caused a reduction in overall analgesics sale since it was popular among Chinese tourists
- **Limitation of outdoor activities** and sports competitions reduce domestic consumption of topical analgesics

Demand for analgesics has declined by **over 50%**

Introduction

Action

Competitive Position

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Company analysis

First, we analyze internal and external effects of the company by using SWOT analysis

S

Strengths

- 1) Long well-known history
- 2) Several selling channels; e-commerce platforms, pharmacy, convenience stores
- 3) High quality and uniqueness products
- 4) Accessible Thai web page
- 5) Affordable price
- 6) Wide product range
- 7) Several contact channels; line, facebook, and website

W

Weaknesses

- 1) Antique brand image
- 2) People recognize Namman Muay only as athletes' products
- 3) Some products have a smaller market share
- 4) The product design is not modern to attract younger generation

O

Opportunities

- 1) COVID-19 causing people to lose their job and get lower income. However, we will seek for opportunities other market that have higher demand for workers
- 2) Growth in online selling which is e-commerce

T

Threats

- 1) COVID-19 causes the demand for analgesics to be lower due to less outdoor activities
- 2) Competitors have several forms of product in Analgesics market
- 3) Only elderly attract to the products
- 4) COVID-19 causes a reduction of foreign tourists who take part in sales contribution

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Company analysis: TOWS Matrix

Developing TOWS Matrix from SWOT analysis to create new strategies

	Strengths	Weaknesses
Opportunities	<p>SO: Use strengths to capitalize on opportunities.</p> <p>(S1,S3,S6,O2) Since Namman Muay has been in the market for long time with a good quality, when the company launches a new product through online channels, it can gain the customer's confidence in that product due to the company's reputation.</p>	<p>WO: Improving weaknesses by using opportunities</p> <p>(W3, O2) Since people nowadays are quite familiar with online shopping, we can promote the products that have a lower market share through online channels to reach more engagement.</p>
Threats	<p>ST: Using strengths to prevent threats</p> <p>(S2, S4, T3) Several selling channels and accessible Thai website can gain more customers from every generations. (S1,S2, S3,T4) According to a travel limitation caused a reduction of International customers, Namman Muay should shift to focus and penetrate more on the domestic customers with a long history reputation and good quality products.</p>	<p>WT: avoiding threats and minimizing weaknesses</p> <p>(W1, W4, T3) We should adjust the brand image and the package to be more modern to access everyone in everyday life.</p>

Introduction

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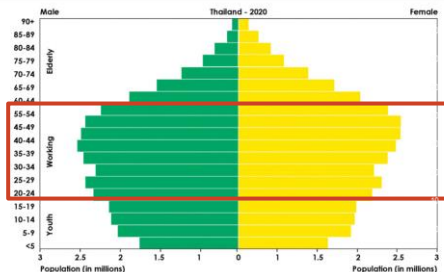
Impact

Therefore, we will focus the strategies from **SO, WT, and WO** to further develop the company

Prioritized segment

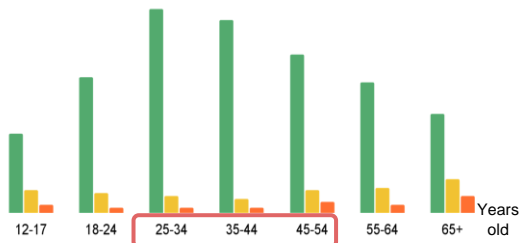
Then, we analyze the market by demographic segmentation in order to select the priority segment

Thailand age structure



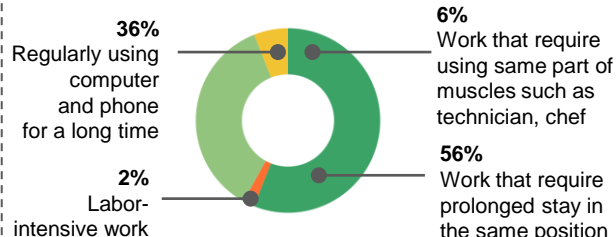
Nowadays, the highest population of Thai citizen is age group **between 20 and 55 years old** which is working generation

Age range and behavior of people risking being office syndrome



Age range and behavior of people risking being office syndrome: People in range of **25-54 years old** have most behavior leading to office syndrome

Work or behavior of people who were office syndrome



Due to high proportion of working people and working behavior that lead to a pain problem

Implication:

Working people is the most generation that need Namman Muay products.
So, our prioritized segment is **“working people”**

Physical Labor



highly physically demanding work leads to pain in the arms, back, waist, and legs

Office Worker



Long hours of poor posture and commuting lead to pain in the neck and shoulder

Introduction

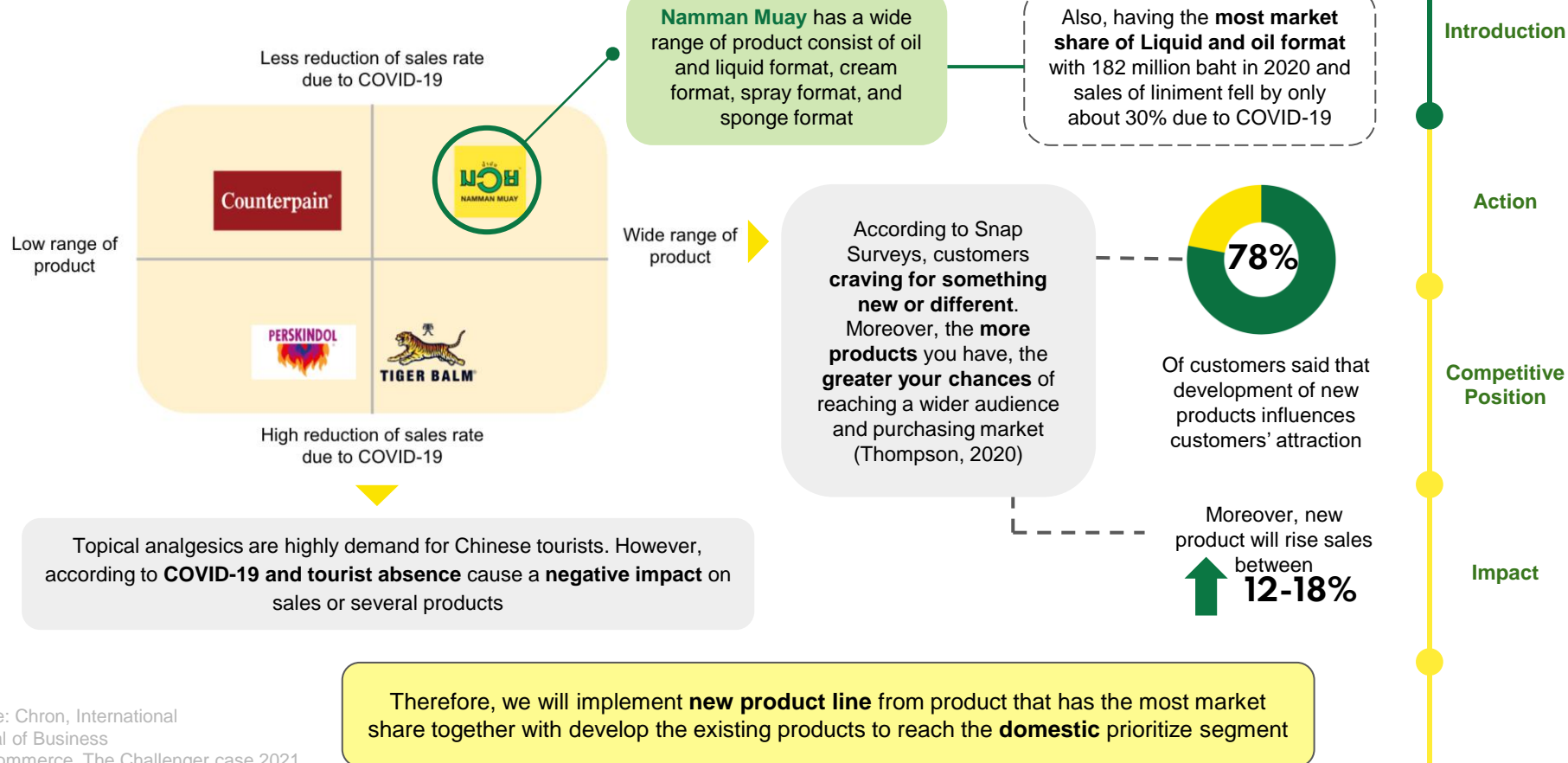
Action

Competitive Position

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Prioritized segment and solutions

Analyze position to fit in with prioritize segment...





Goal

Implement a strategy to achieve domestic **revenue** target of **350 million** baht by the end of 2023

Solution

Launching new product: We launch Achend by Namman Muay to adjust brand image of using in everyday life

We launch “**Achend by Namman Muay**”
which is developed from Namman Muay Spray

Comes with **roll-on packaging** with 20 ml.
Size and having **3 scents** available to choose

Introduction

Why we develop liquid product?

Namman Muay has the most market
share of liquid format

Pain point of cream product
: cream is thicker and harder to absorb
compared to liquid product

Pain point of patch format
: expensive and sharply reduction due
to absence tourists

Thus, we choose to develop the **liquid product**

Why we use roller bottle?

Pain point of spray bottle
→ easy to spill

Why we use scents?

+70%

Pleasing scents drives up to
70 % of consumers’
purchasing decisions.

+30%

Pleasing scents help build
customer’s memory of the
brand leading to be successful
than usual by 30%

Source: Aristo Aroma

**We use roller bottle instead of spray bottle
because...**

- low chance to leakage → **portable** ✓
- easy to applied
- liquid in the roller bottle is directly applied to
the skin while the spray liquid spread all over.

Source: Twinkle Apothecary

Why **ACHEND**?

Ache → Pain
End → Stop

since...

39%

Of Millennials

36%

Of Gen X

Said that their stress
has increased
from the last year

Source: The American Institute of Stress

Essential oils were shown to be
beneficial to people who have
anxiety

Source: The International Journal of Aromatherapy



Brand image of using in
everyday life

Action

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“Unisex
Affo
Healt

F
to use

Solution

The scents of Achend and its implementation plan

ACHEND

Main ingredients

- Methyl Salicylate 17% (Wintergreen Oil)
- Menthol 5% (Peppermint)
- Essential Oils: 0.08% or 0.4 ml. (8 drops)

Since we set the dilution to be at 2% which is proper for leave-on body products, we will use 8 drops or 0.4 ml of essential oils to blend with other ingredients

- ✓ Unisex
- ✓ Aromatic
- ✓ Modern



Splendid blossom

We choose lavender as an essential oil because it can blend well with wintergreen oil and it can reduce the stress level



Autumn wood

Cedarwood scents can bring more calm and reduce the anxiety



Fruity delight

Essential oil from the fruit can blend well with wintergreen oil and it can boost alertness and energy

Introduction

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2021F

2022F

2023F

Q4

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Implementation plan of Achend

R&D/Prototype

Launching the product

Test/Evaluate

Evaluate/Adjustment

After devoting 6 months of research and development, Ascend will be launched in Q2/2022 together with testing the product by in Q2/2022 to Q4/2022. Then, an evaluation and adjustment will start at the beginning of 2023.

In addition, we develop **existing products** to be more convenient and attractive

Pain Point of existing product design

- Purpose of the liniment product might be misled since Namman Muay mentioned on the package that product for "athletes"
- Obsolete product design might not attract some group of people

1

We will develop the package will be more modern by **changing the label design** to attract every generations

2

To adjust brand image and avoid confusing, we will clarify Namman Muay liniment as **"Intense product"**

Namman Muay redesigned products



Namman Muay Liniment



Namman Muay Cream



Namman Muay Spray

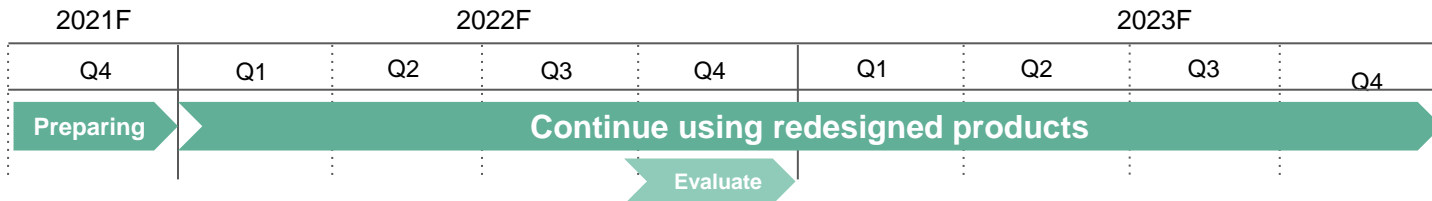
Introduction

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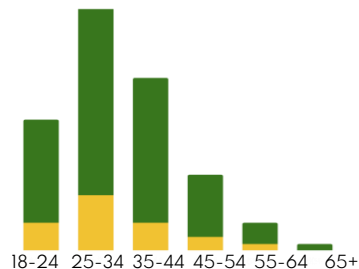
Implementation plan of developing existing products



We will redesign the products during Q4/2021. Then, we will launch a new redesign product at the beginning of 2022 and evaluate in Q4/2022 and Q4/2023 to see further sales growth

Distribution channels

Focus more on E-commerce channels due to COVID-19 restriction...



The highest number of people distribution of social commerce during COVID-19 is between 25 to 34 years old which is also working age



Thailand's e-commerce grows 35% in 2020, driven by the COVID-19 outbreak

We will mainly focus on **e-commerce channels** to distribute both old and new products



Expand to more e-commerce channels



Since e-marketplace is 35% of e-commerce

Introduction

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According to the worst-case scenario, over the next few months, **30% of pre-epidemic activity** will gradually return to a better scale at 50%

Therefore, **offline channels** are still important because people are able to access the products through convenience store, supermarket, and pharmacy

2,158 branches



11 branches



12,225 branches



1,374 branches

Impact

Pricing Strategies

To set the price of Achend we apply cost-plus pricing strategies using...

1

Cost-plus Pricing Strategy

- Approximate roller bottle 5 baht per piece
- Scent oil 0.4 ml. per bottle cost **1.25 baht**
- Plus approximate 6,000,000 piece produced per year with 95m COGS = average cost per piece **21.67 baht**

Cost for each product

28



Targeted profit for each product

47



Price

75 THB



Affordable

For 1 bottle (20 ml.) of Achend

Additional pricing strategies for marketing plan

2

Bundle pricing

Provide wider customer's choice

- mixed product bundle
- selling several individual goods at lower price



from ~~225~~

**Special Offer
200 thb**

"Ascend Set"

(consist of 3 piece; splendid blossom, Autumn wood, Fruity delight)

3

Promotional pricing

Participating in e-commerce campaigns such as **10.10 super sales day** on Shopee

Providing **80 baht discount** coupon for 100 customers to celebrate over 80 years in invented and developed of Namman Muay



Introduction

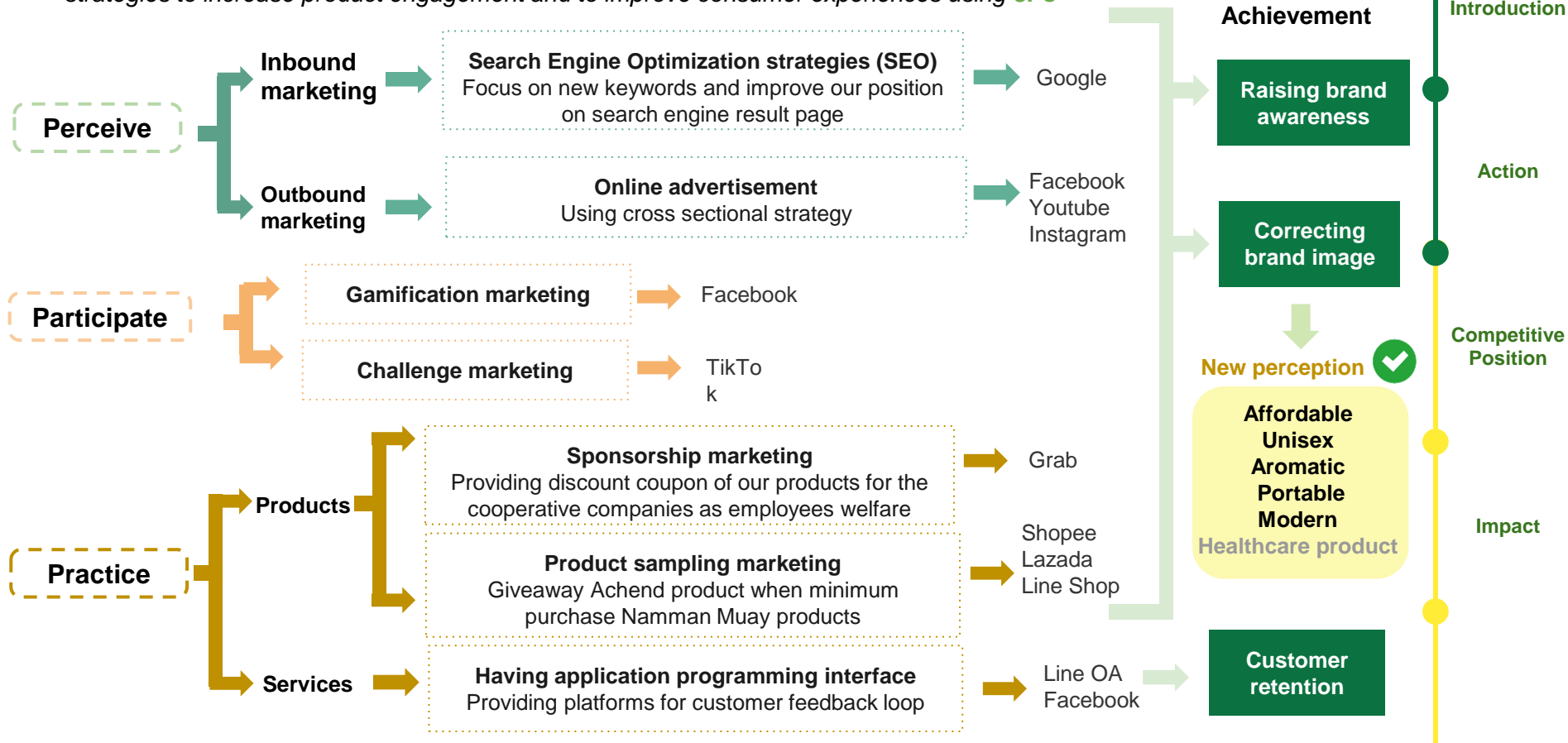
Action

Competitive Position

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Marketing strategies using 3Ps

After we implement our product strategies, new product line, and new label design, we will conduct marketing strategies to increase product engagement and to improve consumer experiences using **3Ps**



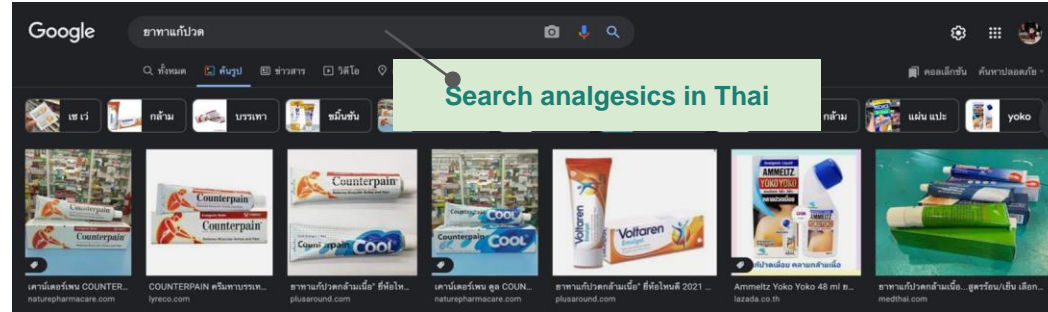
3Ps: Perceive

Customer can **perceive** our brand by inbound marketing using Search Engine Optimization strategies

When we search on google with keywords that are related to our products, we find nothing about Namman Muay

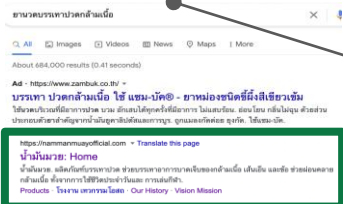
67%

of people click on first page of Google result



Using Search Engine Optimization strategies (SEO)

to improve our position on the search engine results page (SERP)



Searching keywords that are related to our products and it will display our website on a top result

Not only raising brand awareness, but this strategy also gradually correct its brand image...

Conducting SEO including keywords that we want to represent as new perception i.e. affordable analgesics

Gradually shape people minds

New perception ✓

"Modern / Unisex / Aromatic / Portable / Affordable" analgesics

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3Ps: Perceive

Customers can **perceive** our brand by outbound marketing using online advertisement via youtube, facebook and instagram

Under the COVID-19 restriction, people have to work from home and spend time more on online platforms..

Rank of most active-use app in Thailand in 2020

1st Facebook

70%

of instream-ads on facebook are watched until the end



Facebook users can not avoid this ad

Conducting facebook in-stream ad

2nd Youtube

Since Thais increase time spend on youtube workout video by

80%

Conducting Youtube advertising on workout video

4th Instagram

Creator account of Namman Muay can easily promote posts by click "promote" button below each post

Conducting Instagram story advertising with feature that allow us to choose our target segment age range

6th TikTok

1 billion

videos are watched per day on TikTok



We aim to promote Hashtag Challenge

Conducting TikTok unique advertising formats:

- Pre-roll Ads
- In-feed Ads
- Promote Hashtag

Applying cross sectional strategy

We will provide a direct link of our website in the advertisement so that people can easily access our official website

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3Ps: Perceive

Creating and displaying great contents for advertising that can proactively reach customers in our website and social media

We aim to provide customers correct messages with attractive contents...

Improve existing contents

Video Advertising

Currently, the video has only motion without key messages and subtitles



We will **add subtitles** including

benefits, price, and distribution channels

meaningful keywords related to our new perception

Apply on



For people who have difficulties and people who watched video with no sound

Create new contents

Infographic

Since infographics can increase sales by



we will **create additional infographic to transit current promotion visually**

Apply on



Short video

Since customer engagement is decreasing exponential with longer video range,

We will make **15-30 seconds video** length about promotion and workout tips including product tie-in with short caption and related hashtag

Apply on



How we display those contents?

Our goal is to grab people's attention and impression, so we apply

Header banner advertising



We will **put promotion banner as header image of our online web page** which make the current promotion to stand out

Repetition marketing

Due to "The magic number seven", people will be recognized the message after seeing at least seven times

We will **frequently share the same messages on all online advertising platforms** to make sure that people engage our brand and products multiple times

Introduction

Action

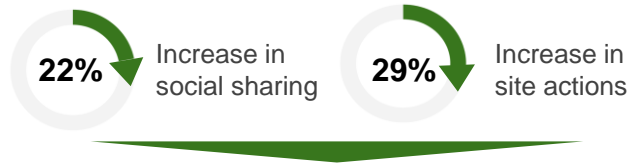
Competitive Position

Impact

3Ps: Participate

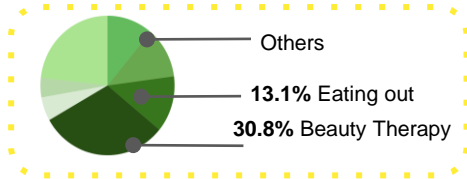
Conducting activities that customers can **participate** using gamification and hashtag challenge marketing

Gamification has a great impact on social media..



Launching game on our Facebook and Instagram with rewards that satisfy people's needs

Analyzing needs of people in the market after the end of COVID-19 to choose rewards...

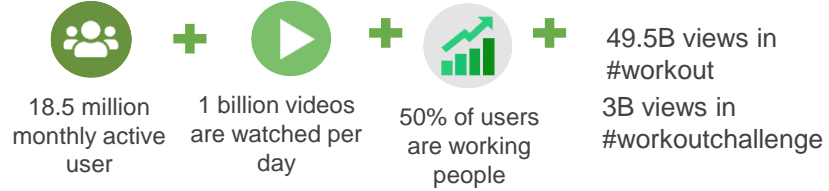


Game: let people guess our new product line scent names (providing them a hint)

+ Tag 3 of their friends, follow, like, and share our post on their social media

People who come up with the first right answer will receive coupon of beauty therapy or eating out free

Since TikTok has..



Conducting workout challenge on TikTok which require Participants to record workout video with our branded effects

- 1 Create Hashtag challenge #workoutchallengeByNammanMuay
- 2 Create branded effects including filters and special stickers that represent our brand and products
- 3 Top 5 most liked participating account earn rewards



Introduction

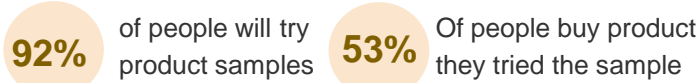
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Competitive Position

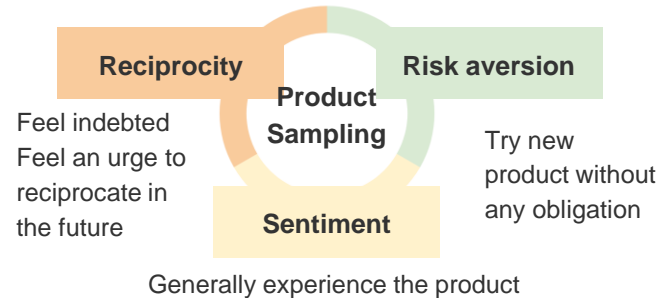
Impact

3Ps: Practice

Increasing customer experience by allowing them to **practice** or use our products before purchase through product sampling and sponsorship marketing



Using product sampling marketing that go along with customer psychology



After we launch Achend, we will **give product samples to customers who buy our products more than 150 baht per bills** via e-commerce platforms with a limitation of **1,000 product samples** per month



Increase in Grab total drivers resulting from COVID-19

See an opportunity in this situation because there is lots of working people working with Grab

Conducting sponsorship marketing by distributing both existing and new product for Grab drivers



providing benefits for Grab drivers in terms of healthcare service since drivers do physical activities during the workday

Distributing both existing and new products for **2,000 Grab drivers per month** for 6 months causing the total cost to be 297,500 baht

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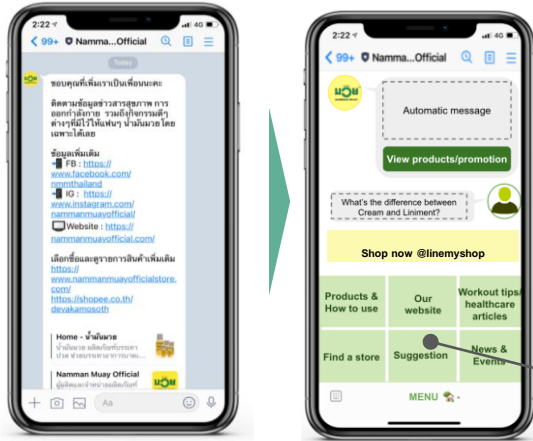
Impact

3Ps: Practice

Increasing customer experience by **developing our services** on social media account by **using application programming interface program (API)**

Since we have already had several platform to interact with customers, we want to improve them for better performance

Developing Line OA



Adding rich menu

Improving Line official layout and function to capture more customer experiences and for customers convenience

Developing Website



Adding chat room function on Namman Muay website to improve customer engagement and convenience

After developing some platforms, **application programming interface program** can be applied to every social platforms to enrich customer experiences

Data of customer feedbacks from social platforms

CRM system
of user using
API



User database

Using this database to improve our operation in order to maintain customer relationship with **customer feedback loop**

Customer retention

Help increase our customer's lifetime value by improving our products and services depends on their feedback

Introduction

Action

Competitive Position

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Analyzing Competitors

We explore competitors' strengths and weaknesses that are related to customer needs

Strengths

Product

Brand image that suit everyone
i.e.

Counterpain[®]

Having discount & promotion
i.e.



75% of customers expect discounts & offers

Service

Provide product warnings
i.e.



Having Promotion announcement
i.e.



customer knows current news and announcements

Marketing

Having a good position in SERP
i.e.

Counterpain[®]

67% of people click on 5 first Google result

Contests marketing
i.e.



41% of customers like opportunity to win something

Weaknesses

Product

Have only one size
i.e.



variety of sizes affects customers' choice

Service

Do not have directly link for purchase on website
i.e.



No e-commerce platform
i.e.



Rapid growth of e-commerce in Thailand due to the COVID-19

No Thai label
i.e.



75% customers prefer to buy product in their native language

No accessible Thai website
i.e.

Counterpain[®]

Marketing

No local ambassador
i.e.



Localization strategy will satisfy local customer's needs more

No line official
i.e.

Counterpain[®]

Having Line Official help engage customer more closely, since Line is the most use messenger app in Thailand.

Introduction

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Competitive Position

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How can the company outstanding from other competitors?

Using **4As** concept to achieve the goal of satisfying customer needs and make Namman Muay outstanding from other competitors

Explore the market

Improvement

1 ANALYZING what competitors in the market do not have

No accessible Thai webpage

2 but Namman Muay has **ALREADY HAD**



having own accessible Thai website

3 Then, we **ADAPT** competitors' strength

Having a good position in SERP

Contests marketing

4 to **ADJUST** what the company has already had for better result

Conducting SEO strategy to make our website shown as a top result on SERP

Conducting contest and games to increase website and product engagement

No e-commerce platform



having official account on Lazada and Shopee



Having discount & promotion

Conducting promotional strategies and participating in e-commerce campaign



Introduction

Action

Competitive Position

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How can the company outstanding from other competitors?

Using **4As** concept to achieve the goal of satisfying customer needs and make Namman Muay outstanding from other competitors

Explore the market

- 1 **ANALYZING** what competitors in the market do not have
- 2 but Namman Muay has **ALREADY HAD**

No line official



having Line Official

- 3 Then, we **ADAPT** competitors' strength

Provide product warnings

Having Promotion announcement

- 4 to **ADJUST** what the company has already had for better result

Adding Line shop and rich menu to our Line official function and provide information including product warnings and promotion via this channel

Introduction

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Competitive Position

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Have only one size



having various sizes for each product

No Thai label



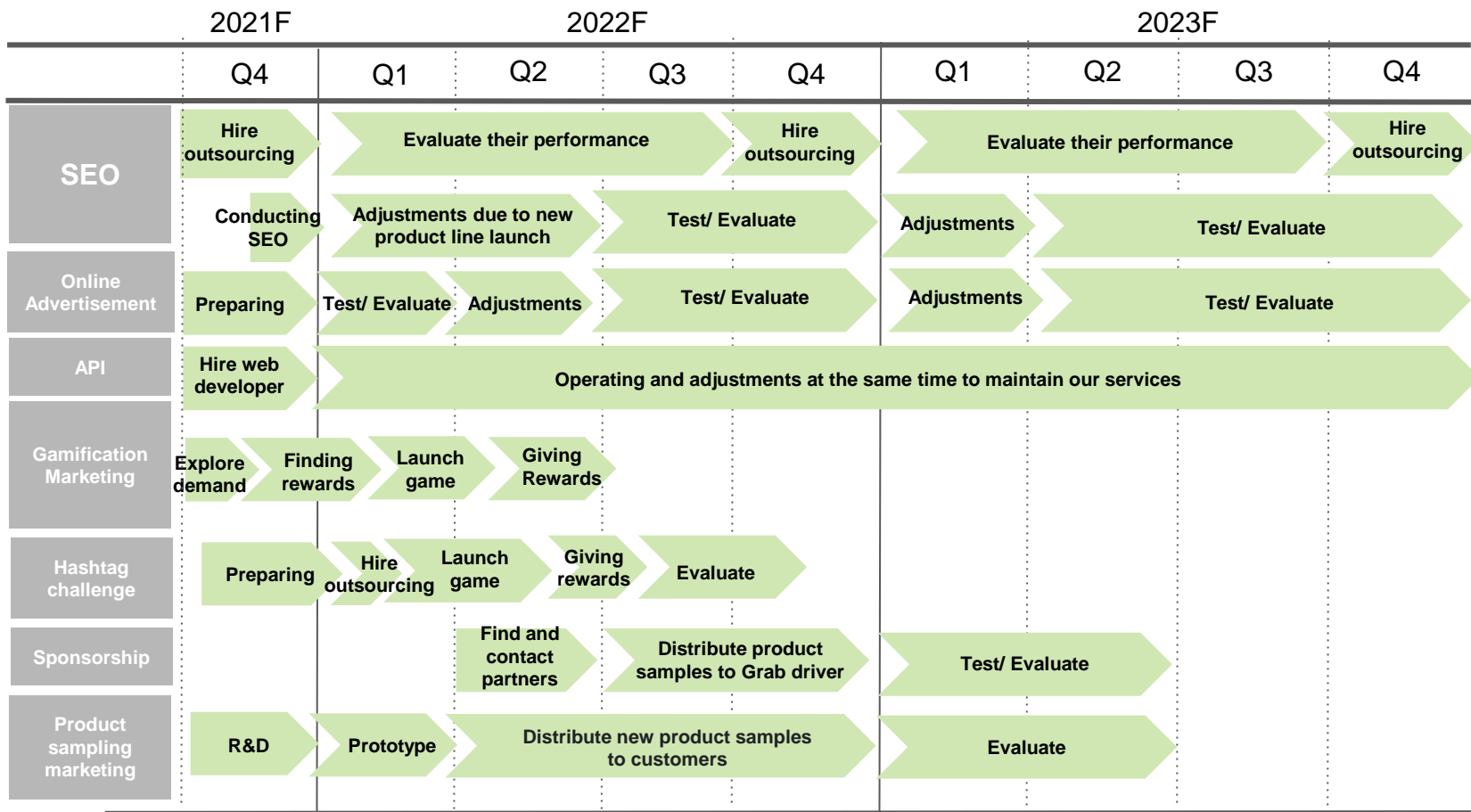
Providing information in Thai on the label

Brand image that suit everyone not only athlete

Launching new label design of our products and new product line

Not only having various sizes, but also have various odors for our new product line to create new perception of our brand that suit everyone which can use in everyday life

Implementation plan for marketing strategies



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Implementation plan for marketing strategies

Search engine optimization	We will outsource suitable SEO company by the end of 2021 with 1 year contract and evaluate the results
Social advertisement	For every platforms, it will be prepared during 2021. After that, we will expose these advertisements while frequently adjust them depending on social trends.
API	We will hire full-time web developer to take a responsibility over API and also web design and functions during 2021.
Gamification marketing	Along with Achend launching, we will find and contact partners to distribute our product samples for 6 months then evaluate the result.
Hashtag challenge	After developing existing product design, we will outsource TikTok advertising agency to conduct all advertising formats for workout challenge for 3 months
Sponsorship	Gamification plan will followed Achend plan by explore demand in the Q1/2022 to prepare for the reward, then launch game to reach engagement in Achend follow by giving a reward after launching the product.
Product sampling marketing	After research and development period, we will distribute new product samples to the customers who purchase Namman Muay product more than 150 baht via e-commerce platforms with a limitation of 1000 samples

Introduction

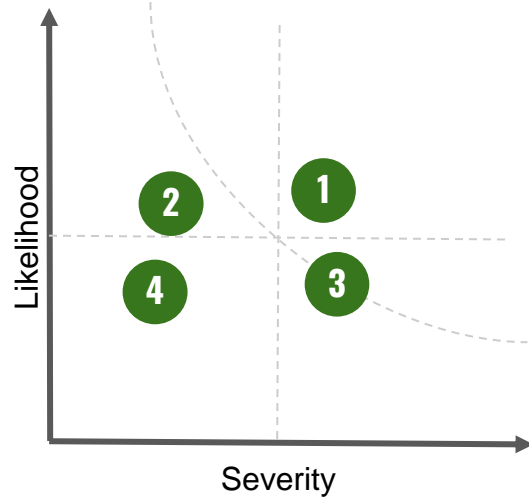
Action

Competitive Position

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Risk and Mitigation

Namman Muay should be able to handle risks with the possible mitigation plans



Type of risks	Impact	Mitigation
1 Uncertainty from COVID-19 recovery	The recovery cause people to start spending more time outside and less time indoor activities which some of our online marketing will be less effective	Using our back up plan which focus on offline marketing, investing more on offline marketing (Appendix 5)
2 Danger from second mover advantage in the market	Since our company is trying to launch new product line, competitors in the market may try to take the second move advantage	Respond quickly to the real change of competitor by implementing new strategies and create lasting advantage
3 People do not respond to the new product line	This strategy may not boost the sale during the implementation phase	Tightening market research to understand more about customer needs and then implementing adjustments to new product line
4 Ineffective marketing strategies	Some of marketing strategies may not boost the sale during the implementation phase	Reanalyze customers' behavior and psychologies to adjust our advertising plan, decreasing an investment in ineffective strategies and invest more in effective strategies.

Introduction

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Key Performance Indicators

How we measure the effectiveness of our strategies

Our strategies are predicted to...

1 Increase in followers on social media accounts



from gamification
strategy



from hashtag
challenge strategy

2 increase in organic click for website



From Search Engine
Optimization strategies (SEO)

3 Increase in click-through rate (CTR)



from cross sectional strategy via
social media advertisement

Key assumptions

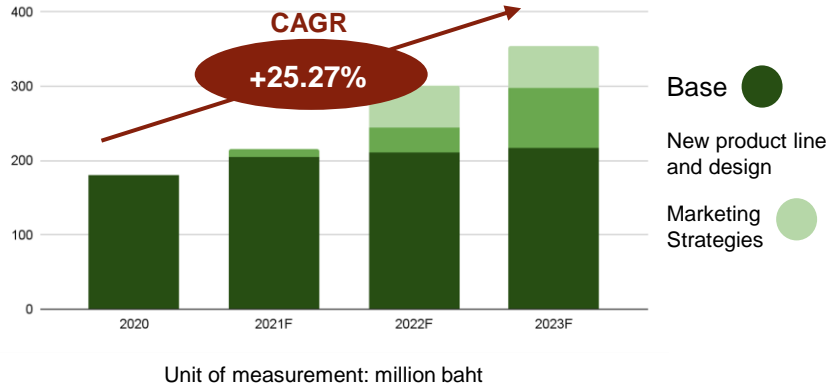
1. Gamification strategy and hashtag workout challenge are expected to boost followers on social media official accounts due to game rules
2. Based on cross sectional strategies, the percentage of organic click for Namman Muay website is expected to increase since 67% of people click on first page of Google result
3. For online advertising, the expected click-through rate for official website increase by
 - 1.25 for Instagram story Ads
 - 16.5 for TikTok pre-roll Ads
 - 1.32 For Facebook in-streaming Ads
 - 0.514 for Youtube Ads

When people **engage more Manman Muay website and product**, these imply that there is a **raise in brand awareness and perceive new perception**

Key Performance Indicator

Key performance indicator ensures success in performance of the company

Achieving positive revenue growth for domestic market



By the end of 2023, revenue from domestic market is expected to reach 353.8801 million baht with 25.27% average YOY growth

Key financial assumption

20121-2023 base revenue is assumed based on CAGR of revenue of previous years from case material and domestic consumption

Base revenue is projected depending on its sensitivity on domestic consumption (appendix 2)

New product line and design are predicted to boost our revenue by 15 percent/annual rate of the first year implementation and rise up to 18 percent/annual rate with further development in 2023

Marketing strategies are predicted to boost the revenue from all products by approximately 20% (Only 5% for 2021 because only few strategies are implemented)

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Action

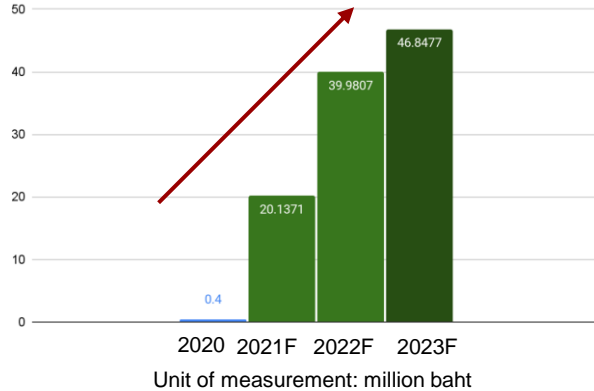
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Key Performance Indicator

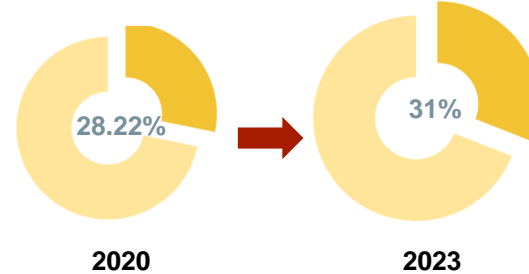
Key performance indicator ensures success in performance of the company

Net profit projection



We achieve a positive margin expansion potential resulting from 46.84 of predicted net profit in 2023 (appendix 1)

Increase in market share of liquid / oil format



With our strategies, we have potential to be Lakeshore's partnered company

- ✓ Sustainable market leadership position with further growth potential
- ✓ Strong operating cash flow and margin expansion potential
- ✓ Strong entrepreneurial management team with growth aspirations

Income statement

	2018A	2019A	2020A	2021F	2022F	2023F
Revenue						
Domestic	175	260	180	215.5575	317.6731	353.8801
International	20	27	22	35	70	150
Total revenue	195	287	202	250.5575	387.6731	503.8801
COGs	100	130	95	104.5092	151.7720	203.4866
Gross profit	95	157	107	146.0483	235.9011	300.3935
Expense						
Distribution fee	0	20	12	15	25	35
Selling expense	10	13	12	12	20	30
A&P expense	20	45	25	30	50	80
General admin expense	50	70	50	50	60	70
R&D	-	-	-	6.149	12.298	6.149
Maintenance	-	-	-	0.1804	0.1804	0.1804
Line OA	-	-	-	0.0015	0.0015	0.0015
Discount allownace	-	-	-	0.0480	0.1920	0.1920
Social advertisement	-	-	-	2.2500	10.6623	12.3026
Gamification marketing	-	-	-	-	0.0060	-
Sponsorship	-	-	-	-	0.2975	-
Product sampling marketing	-	-	-	-	0.2792	-
outsourcing	-	-	-	0.128	0.6484	0.6484
Web developer	-	-	-	0.12	0.36	0.36
Total SG&A expense	80	148	99	115.8769	179.9252	234.8339
EBIT	15	9	8	30.1714	55.9758	65.5596
interest expense	5	5	6	5	6	7
EBT	10	4	2	25.1714	49.9758	58.5596
tax	2	0.8	0.4	5.0343	9.9952	11.7119
Net profit	8	3.2	0.4	20.1371	39.9807	46.8477

Key financial assumption

International revenue, distribution fee, selling expenses, A&P expense, general admin expense, interest expense are projected based on case material

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Appendix 2: cost assumption of our strategies

COGS of our strategies

	2019
COGS	130
production amount	6
initial cost	21.6667

Additional cost for Achend

roller bottle	5
lavender oil	0.4
avg essential oil price	3126.6667
essential oil 0.4 ml	1.2507
Total cost of essential oils	6.2507
cost of Achend	27.9173

Cost of Achend is from new packaging, new ingredients, and existing ingredients. The packaging of Achend will be roller bottle costing for 5 baht per piece. For new ingredients, we use essential oils 0.4 ml. each bottle which cost 1.2507 baht. Since the initial cost of existing product is 21.667, cost of Achend will be sum of new packaging, new ingredients, and existing ingredients which will be 27.9173

Achend

COGS	2018A	2019A	2020A	2021F	2022F	2023F
wage	6.62475		6.62475	6.62475	6.62475	7.9497
production amount		-	6	4.385	4.60425	6.427993425
production cost	93.37525		123.37525	88.37525	97.88441667	137.3497347
COGS		100	130	95	104.5091667	151.7720328
						203.4865954

Key financial assumption

- **Wage** is calculated by from 55 labors multiply with Minimum wage at Chachoengsao (330 baht) multiply with number of day per year causing total of about 6,624,750 baht until 2021. For 2020, we implement Achend together with new marketing strategy causes an increase in sale. Therefore, company have to hire more labor for 20% causing a total wage of 7,949,700 baht for 2022 and 2023.
- **Production amount**, according to Siamrath in 2019, Namman Muay have a production capacity of 500,000 pieces per month which equal to 6,000,000 per year. However, according to COVID-19, there is a reduction of COGS in 2020 from 130 to 95 causing a reduction of 35 million baht divide by 21.6667 which are initial cost of products. Therefore, we have a new product capacity which are 4.385 million pieces in 2020.
- Moreover, our marketing strategies are predicted to boost overall sale products by 5% in 2021, 2.14% in 2022, and 18.6% in 2023 which reflect to increase in production amount by 4.6, 6.428, 8.995 million pieces respectively.
- **Production cost** is the cost without wage for labor
- **COGS** is started to forecast since 2021 due to marketing strategy that we implement in Q4/2021 later on in Q2/2022 with the launch of Achend, it will increase sale for 15% and 18% in 2023 which can be implied that we have to produce more to suit the sale increasing together with increase from our implemented marketing strategy which we expect to boost sale by 5% in 2021, 2.14% in 2022, and 18.6% respectively.

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Appendix 3: cost assumption of our strategies

SG&A expense of our strategies

SG&A	2021F	2022F	2023F
R&D	6.3	10.0293	12.2992
Maintenance	0.1804	0.1804	0.1804
Line OA	0.0015	0.0015	0.0015
Discount allownace	6.149	12.2980	6.149
Social advertisement	2.25	10.6623	12.3026
Gamification marketing	-	0.006	-
Sponsorship	-	0.2975	-
Product sampling marketing	-	0.2792	-
outsourcing	0.128	0.6484	0.6484
Web developer	0.12	0.36	0.36
Total SG&A	9.1210	22.4705	26.0772

Key financial assumption

- **R&D cost** is distributed from revenue to conduct R&D for further development. However, we will distribute money double in 2022 for developing our new product line (Achend)
- **Line OA cost** is calculated by the rate per month (1500/baht) from Line official website
- **Discount allowance** includes discount coupons in e-commerce platforms, Shopee and Lazada, with a limited amount per month (80 baht discount coupons will be provided 100ea for each platforms per month)
- **Social advertisement** can be distributed to 4 platforms, Youtube, Facebook, Instagram, and TikTok, depending on trend of social media at that moment. Since all platforms can set limited budgets to conduct advertising, we distribute 5% of base revenue of previous year for advertising.
- **Outsourcing cost** is separated into 2 parts
 - Outsourcing conducting SEO
 - Outsourcing helping us conduct and analyze youtube advertising performance calculated by the rate per month of hiring
 - Outsourcing for design and developer of Achend
- **Hiring full-time web developer 1 ea** to take a responsibility of API and web development
- **Sponsorship cost** is from the distribution of both existing and new products for 2,000 Grab drivers per month for 6 months causing the total cost to be 297,500 baht
- **Product Sampling cost** is calculated by estimated cost of Achend product (about 28 baht per piece) multiplies with amount of give away (10,000 pieces) causing total about 280,000

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Appendix 4: Revenue projection

Revenue projection

	2020	2021F	2022F	2023F
Base revenue	180	204.9026	211.0497	217.3812
Estimated increased revenue from Achend and new design			33.75	81
Total revenue without marketing strategies	180	204.9026	244.7997	298.3812
Estimated revenue after conducting marketing strategies	180	215.5575	297.1868	353.8801

Assumption of base revenue

Data	2018	2019	2020
Domestic consumption	6714.315234	7155.744086	6726.399441
Domestic consumption growth(%)		6.574	-6
Domestic revenue of Namman Muay: base revenue	175	260	180
Proportion of domestic revenue of Namman Muay to domestic consumption	0.0260637152	0.03633444641	0.02676023058
Average value	0.02971946406		
Projection	2021F	2022F	2023F
Domestic consumption	6894.559427	7101.39621	7314.438096
Domestic consumption growth(%)	2.5	3	3
Domestic revenue of Namman Muay: base revenue	204.9026111	211.0496894	217.3811801

Source: Bank of Thailand

Key financial assumption

Since the number of total produced products per year is 6,000,000 pieces, according to the statistic that new product will rise sales between 12% to 18%, we estimate that we will sell Achend to 15%, average sales growth, of the total products. Therefore, the revenue of Achend in 2022 will be 67,500,000 baht. For the next year, we estimate that we will sell a higher amount than last year. We expected that we will sell Achend by 18% of total products causing the revenue of Achend in 2023 to be 81,000,000 baht

Source: Oxford

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Appendix 5: Back up plan

Outbound marketing by using repetition strategy

Although we are facing the worst case of COVID-19 which allow only 50% of activities pre-pandemic, offline advertising will be prepared in hand in case that the situation is better

Repetition with frequent and approachable advertisement is a significant determinant in helping correcting brand image

Since there are **over 2 million of Thai people** use public transportation per day...

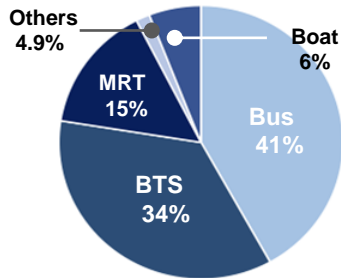
We will conduct **transit advertising** since

69% of consumer find transit advertising is **trustworthy**

Eye-catching in large geographic area

People **cannot evade** our advertisement by changing channels

Pie chart shows percentage use of each type of public transportation



Bus, BTS, and MRT are 3 most percentage use for all types of public transportation respectively

We consider in 3 transit advertising Bus, BTS, and MRT

BTS

Renting the LED screen in the 30 skytrains to display our advertising



MRT

Renting LED screen in the top 5 crowded stations



BUS

Renting advertising space of bus that pick up passengers in 50 different crowded routes



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