

poppi

INTERNATIONAL BUSINESS PLAN

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Cypress Bay
High School
April 10th,
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“Be Gut Healthy”

I. Executive Summary

How It All Started

From kitchen experiments to a booming business, founders **Allison and Stephen Ellsworth** discovered a winning formula by combining fruit juice with apple cider vinegar. Their soda not only tasted amazing but also provided **real health benefits**. Their journey included overcoming chronic health issues, selling out at farmer's markets, and securing a **Shark Tank investment**. Now known as Poppi, (previously sold as "Mother Beverages") their delicious **prebiotic, probiotic, and "gut healthy"** soda makes it easier to drink your way to better health.



Co-Founders

Description of Poppi Soda



Poppi is a **prebiotic soda** which contains **5 grams of sugar** and **25 calories**. Poppi has a variety **health benefits** which come from its ingredient of apple cider vinegar, stevia, and natural properties. Poppi offers a variety of fruity flavors such as Strawberry Lemon, Watermelon, Orange, and more. Along with this, Poppi also offers a classic line of healthy sodas like Doc Pop, Root Beer, and Cola which appeal to **traditional soda consumers**. Poppi can be bought in packs of 12 for \$29.99 or individually for \$2.49. Poppi aims to **"contribute to a healthy and safe society with fair drug policies."**

Problem

Rise In Digestive Issues

Nearly **half of Canadians** (49%) report experiencing **one or more symptoms** related to abdominal pain in the past year. This percentage will **continue to rise** at a **rapid pace**.

High Sugar Intake

The average **intake of sugar** per adult in Canada is an alarming **85 grams**, the recommended amount of sugar is 25 grams or less. This increase in sugar causes a **wide variety of health issues**.

Lack of Trendy Products

The beverage market in Canada has been **overtaken by major corporations** like Coca Cola and Pepsi; these brands have **lost their appealing** marketing strategies because of their high sales.

Solution

Poppi is "Gut Healthy"

Poppi contains many ingredients that aid in digestive issues and help **boost gut immunity**. These **ingredients** consist of apple cider vinegar, natural extracts, and stevia.

Low in Sugar/Calories

Poppi is one of the **healthiest sodas** on the market. With each can containing **only 25 calories** and 5 grams of sugar, this soda is a **healthy alternative** for traditional sodas like Coke.

Poppi Stands Out

Poppi has been impressing the American market through its **bright and colorful ads**, billboard signs, and other **marketing tactics**. Poppi would bring the long awaited pop of color to **Canadian markets**.

Why Expand Poppi to Canada?

Canada's economy is **highly developed** and the **ninth largest** in the world. The majority of Canada's economy consists of international trade specifically its exports and imports of goods and services totaling to be **one-third of the GDP**. Currently, Canada's largest trading partners are the U.S., China, and the U.K.. This means that trade with Canada will be easier for Poppi which is based in the U.S. Sequentially, the Canadian government is divided into **three structures**: constitutional monarchy, federation, and parliamentary democracy. The system put in place currently is a **parliamentary democracy**, a system where it values its own social and political institutions. **Significant trade laws** that can affect Poppi's imports and exports include the Canada Labour Code, the Employment Standards Act, and the Occupational Health and Safety Act.

Soft drinks are ranked **#1 "Most Imported Beverage"** in Canada

The Canadian beverage market has a lack of innovative brands

Toronto is filled with young consumers, our primary target market

Customer Segments

DEMOGRAPHIC

- Gen-Z & Millennial
- Ages 10-31
- Women
- Canadian
- Middle Income (\$75K-\$90K)

GEOGRAPHIC

- Bustling City Environment
- Vast Population
- Large Workforce
- North American Regions

PSYCHOGRAPHIC

- Interested in Improving Gut Health
- Looking for Healthy Products
- Work out Often

BEHAVIORAL

- Follows Trends
- Interested in Next Best Product
- Appreciate Brand Commitment for Using Natural Ing.

Sample Consumer Profile

MARGOT



- Gen-Z
- Age 22
- Woman
- Canadian
- Income: \$53,359
- Part of the Workforce
- Interested in Buying the Next Best Thing

Poppi's customer segments consist of **Gen-Z and Millennials**, specifically **ages 10-31**, because of Poppi's fun and young marketing approach. Geographically, Poppi wants to expand to **Canadians** that are **a part of the workforce**. Our target market is interested in improving their gut health and either wants to or already leads a **healthy lifestyle**. Their behaviors include **following trends**, interested in the next best product, and will appreciate brands for **environmentally safe** products.

Unique Value Proposition

Health Benefits

Poppi is **not only** great for your gut, but it also has **health benefits** which help reduce inflammation, improves skin pH balance, helps digestion, detoxifies the gut, and even stabilizes blood sugar.

Poppi's Brand Image

Poppi creates its fun and **relatable brand image** by handpicking the influencers that sponsor it, making sure our audience can relate to them, along with its **fun marketing approach**.

Variety of Products

Poppi has a **variety of soda flavors**, 13, for consumers to choose from. This includes a **fruity flavor line** and a **classic flavor line**, this ensures all soda enthusiasts are sure to enjoy our product.

Possible Expansion of Poppi Product Line



As co-researchers for Poppi Beverages, we have found an opportunity to expand the Poppi soda line during our expansion to Canada. Therefore, we have decided to introduce **"Maple Crisp."** This new soda has a **maple infusion** with the main component being apples because of the love of wild fruit in Canada. In order to maintain the **Canadian touch** we have also decided to switch from our regular cane sugar to **maple syrup sugar**. Maple syrup sugar has **more health benefits** such as **less calories** and inflammation reducing oxidants. We are foreseeing this new addition in the year 2026, approximately 2 years after the initial expansion. This is due to us wanting to increase Poppi's brand awareness and release the product once Poppi has a **higher consumption rate** in Canada.

Channels

DISTRIBUTION CHANNELS

BRICK-AND-MORTAR

Poppi wants to **expand** to brick-and-mortar stores such as Target, Whole Foods, and so much more.

E-COMMERCE

Poppi has it's own website, drinkpoppi.com, where it displays the **variety of products** it has to offer.

Vending Machines

Poppi plans to **build brand affinity** by being placed into specialty drink vending machines.

MARKETING CHANNELS

RISE: Reach



RISE: Integrate



RISE: Show



RISE: Expand



Our Ask

**INVESTMENT OF
\$300,000
FOR 7% EQUITY**

Poppi Beverages is asking for a **\$300,000 investment** to expand internationally to Canada, and in return Poppi will give the investor **7% equity of Poppi Canada**, therefore 7% of its profits monthly. These \$300,000 will be put towards hiring our new employees, employee training and payroll, marketing Poppi through operation "Rise", and the acquiring of licenses and permits.

Profits & Expenses

According to our Detailed Financials (page 15), Poppi's total expenses of year 1 are **\$1,580,915**, which will be going towards our cost of goods sold, market research, payroll, licensing and permits, and distributions fees. Poppi's gross revenue for the first year would be **\$1,830,600.00** which will be earned through the selling of Poppi merchandise and cans, therefore making our net income for the first year **\$249,685**. This means that Poppi will have a positive net income in the first year; this is possible as the Canadian market will thrive with Poppi's product adaptation and marketing tactics. Poppi is projected to become one of the **first multi-billion dollar businesses from Shark Tank** by many investors and business owners.

poppi

II. Analysis of the International Business Situation

A. Economic, Governmental, & Legal Analysis of Trading Country

I. Economic State of Canada

Canada's economy is **highly developed** and the **ninth largest** in the world. The economy of Canada is highly dependent on international trade with exports along with imports of goods and services each consisting of about **one-third of the GDP**. Currently, Canada's biggest trading partners are the U.S, China, and the U.K. This is crucial regarding how Canada's beverage economy is such a significant contributor to the country's overall healthy economy. A **major exporter and importer** in Canada is the extensive beverage industry. In 2021, Canada **exported over \$60 billion** worth of beverages and **imported over \$50 billion**. The top import countries for Canadian beverages are the United States, Mexico, and the European Union. Since Poppi's headquarters and main manufacturing is in the U.S., the shift of products to Canada would be the most accessible. In addition, Canada's beverage industry is **well-** positioned to continue to grow in the year to come, driven by the need for healthier products. The industry overall has a record of innovation and is well-connected to global markets.

TOP BEVERAGE IMPORTS IN CANADA

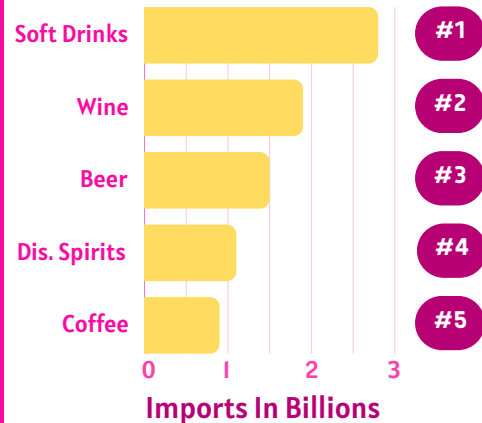


FIGURE I.01

2. Canada's Governmental Analysis

The Canadian government is split into **three structures**: constitutional monarchy, federation, and parliamentary democracy. The system put in place currently is a **parliamentary democracy**, a system of government in which people elect representatives to a parliament to make laws, with its own social and political institutions. The **overall structure** and stability of Canada is notorious on a global scale as it is ranked 17th out of 193 countries in the World Bank's Political Stability and Absence of Violence/Terrorism Index.

3. Canadian Trade Regulations



Trade Laws

Trade agreements are common in Canada such as trade agreements with the U.S.A, Mexico and the European Union (EU). For instance, Canada is involved in the **United States-Mexico-Canada Agreement** (USMCA) which **encourages trade**, opens up markets, and boosts the Canadian economy; This trade agreement allows for the expansion of Poppi to be **more feasible** as it is **less expensive** due to the tariffs having a lower quota, compared to other companies not based in the United States that wish to trade in Canada.

Canada Labour Code

This code creates regulations on **minimum standards for wages**, hours of work, and time of leave. This creates the need for Poppi to keep in check with their employee standards, ensure that employees are **treated fairly**, do not work more than their paid hours, and that the **minimum amount** of vacation days are provided.

Employment Standards Act

This act builds further requirements for issues such as **overtime pay and leaves of absence**. This creates the topic of **complying** with all of the requirements of this act, Poppi needs to follow the overtime rates for 40 hours per week and also **provide unpaid leave** for extreme situations such as family illness.

Occupational Health & Safety Act

This act **protects workers** from health and **safety hazards** in the workplace. Entailing that Poppi needs to ensure that their Canadian workplace, such as factories, meet appropriate safety measures and that they provide training on **health/safety procedures** for all employees.

B. Trade Area and Cultural Analysis

I. Geographic and Demographic Analysis

Canada has **traditional drinks** specifically tied to its **French roots**; particularly Quebec with popular drinks such as Apéro used for social gatherings. Canadians are famously known for their deep ties with their maple syrup and even have beverages centered around it as they have a deep appreciation for it. This includes maple syrup beer, **maple syrup soda**, and maple syrup tea. Canadians also enjoy beverages made from **wild berries**, recognizing their unique flavors and **nutritional benefits**. Wild berries are very common in Canada's forests, often used to make jams, syrups, and especially beverages.

2. Analysis of Toronto, Canada



Canada, **specifically Toronto**, is similar demographically to that of the United States, where Poppi has already been notorious for its **rapid success**. Toronto has a pop culture that focuses on its vibrant scene which is an ideal platform for Poppi's international takeoff. For the initial expansion of Poppi in Canada, our products are expected to be bought by **health-conscious consumers** looking for alternative soda options. In fact **over 70%** of Canadians have reported being more health conscious. Hence drinking and eating nutritional foods like the berries found in Canadian forests. As sales begin to increase so does brand awareness, allowing Poppi to takeoff in Toronto. Poppi's unique variety of flavors, health benefits, and alignment with consumer trends in Canada enables an astonishing success in Canada, especially in Toronto.

III. Problem

Rise In Digestive Issues

In Canada, the progression of **bad gut health** is growing, creating various health issues such as bloating, constipation, and diarrhea. In fact, according to a study by the Canadian Digestive Health Foundation, **almost half of Canadians** (47%) reported having at least one digestive issue in the past year alone. Aside from this, **one in five** Canadians were diagnosed with a digestive condition: such as irritable bowel syndrome (IBS), acid reflux, or inflammatory bowel disease (IBD). Additionally, Canada has the highest rates of inflammatory bowel disease in children. In fact, **over 7,000 children** and citizens 18 and under are diagnosed **with IBD** in Canada. Along with, 600-650 children aged 16 and under are diagnosed with IBD every year. There is **no shown decline** according to physicians if a solution isn't found.

DIGESTIVE ISSUES IN CANADA

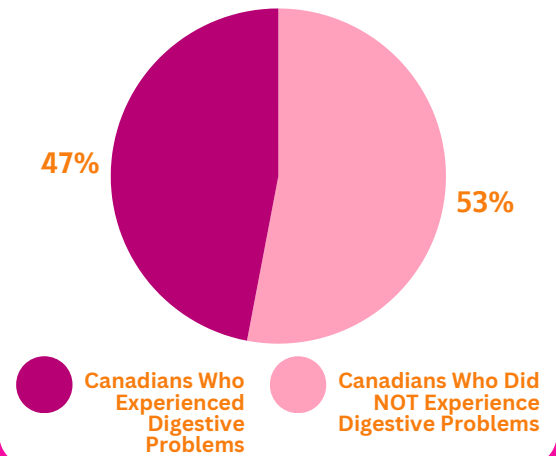


FIGURE I.02

High Sugar Intake Through Beverages

Approximately 13% of added sugar intake was recorded in 2019 as a part of the average Canadian diet and a major reason for this was **sugary drinks**. For reference, a 12-ounce bottle of a regular soft drink has 32 grams of sugar, a 12-ounce bottle sports drink has approximately 21 grams of sugar, a 12-ounce energy drink has approximately 27 grams of sugar, and a 12-ounce sweetened tea has approximately 20 grams of sugar. The accounted average intake of total daily sugars for Canadian adults is **85 grams**; with the recommendation being "**25 grams or less** of added sugar daily for adults." This leads to show that the **high sugar intake levels** in Canada are very **alarming**, and are even being taken as a **public health concern**. A high sugar intake could result in numerous health risks such as being **overweight and having obesity**, these then can cause a number of chronic health diseases, including heart disease, stroke, type 2 diabetes, and some types of cancer.

Lack of Innovative Products in Canada

The **lack** of innovative products in Canada is an issue that prohibits many **consumer and business options**. Canada's beverage market is **dominated by companies** like Coca-Cola, which have lost their trend appeal and

rely on brand recognition rather than creating innovative marketing campaigns. For instance, when is the last time you have seen a creative Coca-Cola ad? These consumers are stripped from the creativity brands like Poppi have to offer. This is a recurring issue as big brands have been struggling significantly to stay in the touch with the **latest trends** in the beverage market. This then leads to Canadians not having the ability to keep up with the rest of the world and choose fun, healthier options.



IV. Customer Segments

Example of Target Market

Sample Consumer Profile

MARGOT



- Gen-Z
- Age 22
- Woman
- Canadian
- Income: \$53,359
- Has a Part-Time Job
- Interested in Buying the Next Best Thing

Sample Consumer Profile

DEVIN



- Millennial
- Age 27
- Male
- Canadian
- Income: \$106,717
- Has a Full-Time Job
- Leads a Healthy Lifestyle

Why This Target Market?

DEMOGRAPHIC

- Gen-Z & Millennial
- Ages 10-31
- Women
- Canadian
- Middle Income

GEOGRAPHIC

- Bustling City Environment
- Vast Population
- Large Workforce
- North American Regions

PSYCHOGRAPHIC

- Interested in Improving Gut Health
- Looking for Healthy Products
- Workout Often

BEHAVIORAL

- Follows Trends
- Interested in Next Best Product
- Appreciate Brand Commitment for Using Natural Ing.

Since Toronto is a **growing city** with a strong economy and has such a young and diverse population, Poppi would thrive in this environment with its new and upcoming marketing approach, especially since **Gen-Z** and **Millennials** are roughly 49% of Toronto's population. Poppi wants to market to Gen-Z and Millennials (ages 10-31) because they will **appreciate Poppi's brand** the most. This age group will have a stronger connection with Poppi's marketing strategies and overall brand image. Additionally, this age range makes up 45% of the **Canadian workforce**, meaning that they will have the funds and ability to buy our products. When it comes down to gender, **women** are more likely than men to be interested in their mental & physical health, a recent survey found that 77% of women are **interested in learning more** about their gut health when compared to men. Therefore, women may be more inclined to buy Poppi products. Initially expanding to Toronto is the key to reach these specific consumers for three specific reasons. First, Toronto has a **large population** of health-conscious people, specifically 70% of Canadians are worried about the health of their gut and are actively searching for ways to improve it. Secondly, Toronto is a hub for social media allowing Poppi to attract its target market through social media campaigns. This is perfect since Poppi builds a majority of its brand awareness and connects with its consumer base through social media campaigns, polls, and posts. Lastly, Toronto is a major city in Canada; this means that there is a **growing demand** for products and services that promote health and wellness. Market research has shown that a consumer who is interested in maintaining a healthy lifestyle, are more likely to be interested in Poppi's many health benefits.

V. Unique Value Proposition

Why is Our Product Different?

“POPPI COMBINES REAL FRUIT, PREBIOTICS, AND LESS THAN 5 GRAMS OF SUGAR AND 25 CALORIES OR LESS TO CREATE A DELICIOUS, REFRESHING SODA THAT IMPROVES GUT HEALTH.”

Top 3 Unique Selling Factors



Poppi is known for its “Gut Healthy” motto, but not only is our product great for your gut, but it also has **healthier ingredients** which have a multitude of benefits such as **reducing inflammation**, improving skin pH balance, helping digestion, detoxifying the gut, and even **stabilizing blood sugar**. Poppi is certified vegan and gluten-free, all flavors of Poppi are Non-GMO Project Verified and OU Kosher. No other brand on the market has health benefits like Poppi does, which is **popularly agreed upon** among various news articles. For instance, forbes.com claims “Poppi has so many great benefits for you, and has an amazing taste, so I really see no reason for people not to buy Poppi.”



Poppi's brand is **recognized** for its well created brand image, this has been accomplished through various methods. First, Poppi handpicks influencers to help represent Poppi's fun image, this means influencers which align with our brand values, culture, and target market. Hiring these types of celebrities allows millennials and Gen-Z consumers to **relate with our company**, and feel more compelled to buy our products. Secondly, Poppi uses a **young and fun marketing style** to promote their products, for instance Poppi uses bright colors and attention grabbing designs in order to “pop off the shelves” in stores. Poppi even won packaging awards at BevNet, Dieline and beverage industry events.



Poppi has an accumulation of **unique soda flavors**, ranging from sweet to sour, and classic to playful designs. Poppi's newest flavor line highlights the **classic soda flavors** everyone knows and loves such as Doc Pop, Root Beer, and Classic Cola. Having these original flavors be apart of our brand, gives the public a healthier soda option that tastes just like their favorite brands. Along with this, Poppi has its own **fruity line**, with flavors such as Raspberry Rose, Orange, Strawberry Limeade, Grape, and so much more. Having this variety of flavors allows consumers to have a **wide range of selection** when buying from the brand, and ensures they will never get bored.

V. Solution

Poppi's Pre & Probiotics

Poppi's sodas contain prebiotics, a form of fiber that serves as food for the **beneficial bacteria** in the gut. This enables the ability to create the number of good bacteria in the gut, which can help **improve digestion**, boost the immune system, and reduce inflammation. Apple cider vinegar (ACV), an ingredient in Poppi, is ideal due to the various of health benefits, especially **improving gut health**. Aside from this, ACV contains probiotics which is a live bacteria that has various benefits for your health, probiotics have the ability to improve your digestive system and also **balances the good and bad bacteria**. ACV also consists of some other gut healthy nutrients Poppi's sodas contain are **vitamin C, potassium, and magnesium**.

PREBIOTICS:

- REDUCES INFLAMMATION
- FORM OF FIBER
- FOOD SOURCE FOR PROBIOTICS
- BOOSTS THE IMMUNE SYSTEM
- REGULATES BLOOD SUGAR LEVELS

PROBIOTICS:

- USUALLY A YEAST OR BACTERIA
- AIDS DIGESTION AND NUTRIENT ABSORPTION
- BENEFICIAL LIVE BACTERIA
- BENEFITS SKIN HEALTH
- HELPS WITH LACTOSE ISSUES

Low Sugar Alternative

| Nutrition Facts | |
|--|------------------|
| Serving Size | 1 Can (12 fl oz) |
| Amount per serving | |
| Calories | 20 |
| | % Daily Value* |
| Total Fat 0g | 0% |
| Sodium 0mg | 0% |
| Total Carbohydrate 5g | 2% |
| Total Sugars 5g | |
| Includes 4g Added Sugars | 8% |
| Protein 0g | 0% |
| Not a significant source of other nutrients. | |
| *Percent Daily Values are based on a 2,000 calorie diet. | |

Poppi's goal is to aid to the increasing obesity rates in Canada by offering the public a healthier, less sugary beverage alternative. Poppi is a low sugar beverage with only **20 calories per can** and a total of **5 grams of sugar**, compared to a direct competitor like Coca-Cola which has 39 grams. Poppi is a great option for patients with obesity, people who want to prevent weight gain, and for athletes who are trying to cut on calories and sugars for future tournaments. News articles like shape.com and signos.com have released several articles **advising** diabetics and individuals who want to lose weight to consider the brand Poppi. An article by medium.com states "**Unlike regular sodas** that are laden with excessive amounts of sugar, Poppi Soda contains only a fraction of the sugar while still offering a **satisfying taste**."

Poppi Stands Out



“BEHIND THE RISE OF POPPI—A GUT HEALTH SODA TAKING ON COKE AND PEPSI”

A 'Shark Tank' deal accelerated its maturity; social media helps sales and marketing

By Zon Springer, Published on August 01, 2023.

Unlike other companies who are dominating the Canadian beverage market, Poppi's main focus is on its **marketing strategies** and tactics. Established companies like Coke and Pepsi have been taking their high social media base for granted. Since Poppi is an **up-and-coming beverage company** they have been taking these last few years to market themselves and establish a **well-known brand image** along with growing their following on **social media** platforms such as Instagram and Twitter, using catchy hashtags like **"#sodasback"**. Poppi has also taken advantage of their appeal to younger markets by using viral marketing. Poppi hires influencers such as Larray to **appeal** to the younger generations like Gen-Z.

VII. Channels

Distribution Channel Analysis

Beverage Market Size By Channels

FIGURE I.03



According to the Canadian beverage market size growth through channels, Poppi is expected to **highly succeed** when expanding to Canada. Poppi has both online and offline channels; in the Canadian market it shows that online channels are **heavily preferred** over physical ones. In 2022, there were "over 27 million E-commerce users in Canada, accounting for 75% of the Canadian population." This number is also expected to **grow to 77.6%** in 2025, meaning that Poppi should focus on using e-commerce.

Not only will e-commerce give Poppi **instant access** to consumers who might not buy at the larger stores, but will also facilitate Poppi's ability to **establish connections** with smaller Canadian companies. Additionally, Poppi would have substantial success collaborating with retail and health food stores in Canada because of it's multiple health benefits and environmentally protective materials.

Distribution Channels



Convenience Stores

Currently, Poppi's soda cans are sold in **large chains**, such as Whole Foods Market, Kroger, and Target, we want to expand to new Canadian brick and mortar and convenience stores that are associated with **natural and beneficial** food items. These stores include Loblaws, Food Boy, Choices Market, Longo's, and Sobey's. We also plan on expanding to regular stores and placing our product in health sections. Poppi will reach these stores using a **third party company** to deliver our products, we want to ship our products in bulk so we can implement economies of scale.



E-Commerce

Poppi's most **profitable distribution channel** is e-commerce markets. In fact, **56% of Gen Z report** a preference for online shopping in comparison to in-store shopping. Poppi has it's own website called **drinkpoppi.com** where it displays Poppi's most popular products, joint ventures with brands like InBeauty & Essie, and their own line of merchandise items like hoodies, sweatpants, and shirts. For this expansion we will create a new website by the name of **canadadrinkspoppi.com** and base it off of our original website with an option to have it translated to French.



Vending Machines

In this new Canada expansion we plan to place Poppi soda cans into **specialty drink vending machines**. Accompanied by the merchandise, vending machines holding Poppi beverages would be found in trendy clothing stores like Garage and Urban Outfitters. This strategy would allow us to reach new sales, **boost brand loyalty**, and fill the market need for a new brand like Poppi.

Marketing Channels

REACH INTEGRATE SHOW EXPAND

In order to **successfully integrate** Poppi into the Canadian market place, we have carefully curated and designed **"Operation: Rise."** Through this **integrated marketing campaign**, Poppi will not only be able to expand its consumer base but also work towards **building brand awareness** and affinity. Operation: Rise is organized into four categories: in-person events, guerrilla marketing, billboard marketing, and viral marketing. Through these components, Operation: Rise, will work towards **reaching potential consumers** with fun spaces for photos, through **"Reach"**, integrating billboards in Canada, through **"Integrate"**, showing potential consumers Poppi through viral marketing with **"Show"**, and lastly expanding Poppi's brand awareness through in-person events, with **"Expand."**

Guerilla Marketing

Goal: Reach

Poppi wants to use Guerilla marketing strategies to capitalize off of **word of mouth** in Canada. We specifically plan on achieving this by creating fun spaces around Canada where citizens can use to take fun photos with and **post on social media** also using fun hashtags like **#PoppilovesCA** and **#sodasback!** We plan on starting this in September of 2024, focusing our efforts in Toronto.



Billboard Marketing

Goal: Integrate



Poppi can **place its billboards** to target specific demographics, such as students, health-conscious consumers, or Gen-Z. For example, Poppi will place billboards near universities and colleges to target students, & near gyms and health food stores to target health-conscious consumers. Furthermore, Poppi will place its billboards in high-traffic areas, such as highways, city streets, and near shopping malls. Placing billboards in these areas would also **expose Poppi to possible consumers** out of its **target market range**.

Viral Marketing

Goal: Show

Poppi will use viral marketing by creating **eye-catching** social media ads that showcase Poppi's uniqueness, promoting fun hashtags, such as **#PoppiLovesCanada**, and by hiring celebrities to review the product. Another aspect to **viral marketing** would be to implement **social media challenges** that encourage individuals to buy popular Poppi flavors and post a video drinking it, Poppi can pick winners and give out special prizes.



In-person Events

Goal: Expand

Sponsored Events



In the United States, Poppi has hosted a **variety of physical events** to not only create a **stronger consumer base**, but also to partner with other brands and **spread awareness** on different kinds of health issues. This is exactly what we plan on implementing in our Canada expansion. Poppi will host events such as community runs where we hand out Poppi cans, spreading awareness about **gut health issues**, and possibly renting out a space to hold socials where important social figures speak on the **importance** of living a healthy lifestyle.

poppi



VIII. Revenue Streams

Revenue Model

Poppi's **primary source of revenue** is the sale of its **prebiotic soda** cans through consumers. The company sells its products through a variety of channels including: **convenience stores**, (typically sold in individual cans or in twelve-packs), **Poppi's e-store** (free shipping on orders over \$35), and **e-commerce**. Poppi has also **partnered with TikTok Shop**, a unique selling platform where most products have certain discount codes, making consumers more inclined to test out Poppi products. Along with this, Poppi accepts a variety of payment methods; cash, all major credit/debit cards, and PayPal. Poppi can be purchased for a rate of a **singular can CA\$4.08** (US\$2.49) or buying a **12-pack at CA\$28.64** (US\$29.99). Poppi's revenue majorly consists of direct-to-consumer (DTC) sales, but also includes retail partnerships and licensing agreements. For example, Poppi has partnered with IAMBEAUTY, a makeup company well known for its lip gloss products, and created a **joint-venture** consisting of a lipgloss line with Poppi flavored products. This allows Poppi to expand to a further customer base. Additionally, Poppi has a very successful clothing line, despite only a few clothing items having been released. Even though Poppi is only 4 years old, its revenue model has shown **rapid growth** due to several reasons such as its **dedication to quality**, innovation, and customer engagement, all positioning the company as a strong competitor in the functional beverage market. Apart from this, Poppi will also be expanding its membership program to Canada. The pricing for this will be \$19.99 allowing for individuals subscribed to receive stickers and a 12 pack of Poppi's soda cans to them monthly capitalizing on the growing trends in the industry.

3 Main Revenue Sources



Lifetime Values

Lifetime Value = \$4,606.50

$S \times T \times R$

| | | |
|---|----------------------|----------|
| S | Avg. Value of Sales | \$2.49 |
| T | # of Transactions | 185 |
| R | Retention Time (yrs) | 10 years |

Customer Lifetime Value = \$727.36

Lifetime Value x Profit Margin

| | | |
|-----|----------------|------------|
| PM | Profit Margin | 15.79% |
| LVT | Lifetime Value | \$4,606.50 |

Poppi's estimated lifetime value (LTV) is **\$4,606.50**, indicating an average revenue generation from each customer over their relationship with the company to be **\$88.31**. Poppi's **high LTV** is due to its product differentiation, brand loyalty, and repeat business. Poppi can use this metric to make decisions about customer acquisition and retention and grow its business profitably. With access to the LTV data, Poppi **can aim to improve** customer satisfaction, by weighing the extraneous situations that contribute to high LTV, Poppi can **modify their products**, and customer interactions for **long-term productivity**.

poppi

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IX. Cost Structure

Customer Acquisition Costs

Poppi will invest **\$84,900** in the marketing strategy to acquire **38,000 new customers** in its international launch in Canada. This results in an **average customer acquisition cost of \$2.22**. Billboards and pop-up shops though expensive, provide moderate revenue gains that will generate generous profits in the long-term. Ultimately these efforts create a **base of brand affinity** through positive customer experiences that **enhance customer lifetime value (CLTV)**. To maximize the marketing efforts, Poppi will continue using Tik Tok ads, improving giveaway strategies, and regularly track **marketing ROI**.

| Customer Acquisition Cost (YR I) | Cost Per Unit | Units | Total |
|------------------------------------|------------------|-------|----------|
| Giveaways | \$400 | 50 | \$20,000 |
| In-person events | \$2,000 | 15 | \$30,000 |
| Partnership with influencers | \$500 | 10 | \$5,000 |
| E-blasts | \$0.50/per click | 200 | \$100 |
| Billboard Ads | \$2,500 | 10 | \$25,000 |
| Instagram Ads | \$0.25/per click | 3600 | \$900 |
| Tik Tok Ads | \$0.75/per click | 1200 | \$900 |
| Business Discounts (Tik Tok Shops) | | | \$3,000 |
| Gross Acquisition Costs | | | \$84,900 |
| Total Number of Customers Acquired | | | 38,000 |
| Customer Acquisition Cost | | | \$2.22 |

Human Resource Costs

The total estimated human resource costs for Poppis' expansion to Canada is approximately **\$425,000**. This includes salaries for crucial positions in sales and marketing, operations and logistics, finance and accounting, human resources, customer service, and legal and regulatory. With a **total of 9 employees** to oversee the expansion, these employees will implement a **hybrid work schedule**. Employees with a **full-time contract** would rotate weekly from working remotely three days a week and working in the office three days a week, **ensuring that costs are minimized**. Meanwhile our part-time workers would be on a more flexible schedule. Poppi is specifically looking for 3 part-time workers and 6 full-time workers for the office space.

MONDAY
-Home Day-

TUESDAY
-Office Day-

WEDNESDAY
-Office Day-

THURSDAY
-Office Day-

FRIDAY
-Home Day-

SATURDAY
-Home Day-



Ana Mayo & Natalia Osorio

Aside from these 9 employees, Canada Poppi will have **2 International Branch Heads** for Poppi's international expansion: Ana Mayo and Natalia Osorio. As the International Branch Heads, we will **overlook all aspects of operations, marketing, and finance** to make sure everything is running smoothly and all Canadian regulations are being followed. Payroll will consist of 75k a year for the **first 2 years** and will gradually increase as larger amounts of revenue flow into Canada Poppi.



FIGURE 1.04

As shown in Figure 1.04, the International Branch Heads will be at the top of the **hierarchical structure** in Poppi's Canadian workforce. There will be **four levels** with the Marketing Specialist, Warehouse Manager, (manager for **mass distribution**) and Accountant.

Distribution Costs

Poppi will hire a **third party company** that will transport the soda cans in packages to convenience stores, pop-up shops, and speciality stores. We will also allocate costs for specifically for a **26 foot truck** with a rental fee of **\$1,250 per month**. This results in overall rental fee of **\$15,000** for the first year excluding the fuel super charges which are **\$24,000** for the entire year. Poppi will also be paying for the driver expenses consisting of **\$1,000 on a monthly basis** (e.g., meals, lodging, per diem). These costs **total to be \$51,000** for the company Poppi, this weighs in for only a portion of the distribution costs. Poppi also needs to consider the costs for a warehouse where Poppi's products can be stored in Canada. Considering FTZs, designated areas where imported goods can be stored, assembled, or repackaged duty-free or at reduced duty rates, would **minimize costs substantially**. Poppi would have the ability to store **100,000 soda cans** maximum in the allocated ware house, this space would cost us **\$60,000 for the first year**, we also plan on implementing **JIC inventory** for our cans, this will allow us to be prepared for sudden spikes in demand. Poppi also has to consider import costs such as packing and labeling; using standardized packaging and labeling for the soda cans will **reduce our costs**. All the packaging and labeling has to be cohesive but also be in line with the **Canadians guidelines** and regulations for international goods. Obtaining a **CBSB license** will allow Poppi to manage its shipments throughout customs allowing costs to be minimized in brokerage fees. Canada's Goods and **Services Tax (GST)**, will be coming from the soda cans total value as currently the **GST rate is 5%**. Poppi will **incur costs** for costs for transportation, warehousing, packaging, labeling, and taxes when distributing the imported goods in Canada.

Cost Structure Organized

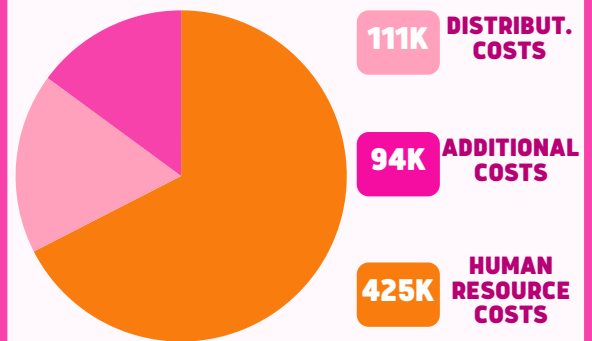


FIGURE 1.05

Poppi will hire a **third party company** that will transport the soda cans in packages to convenience stores, pop-up shops, and speciality stores. We will also allocate costs for specifically for a **26 foot truck** with a rental fee of **\$1,250 per month**. This results in overall rental fee of **\$15,000** for the first year excluding the fuel super charges which are **\$24,000** for the entire year. Poppi will also be paying for the driver expenses consisting of **\$1,000 on a monthly basis** (e.g., meals, lodging, per diem). These costs **total to be \$51,000** for the company Poppi, this weighs in for only a portion of the distribution costs. Poppi also needs to consider the costs for a warehouse where Poppi's products can be stored in Canada. Considering FTZs, designated areas where imported goods can be stored, assembled, or repackaged duty-free or at reduced duty rates, would **minimize costs substantially**. Poppi would have the ability to store **100,000 soda cans** maximum in the allocated ware house, this space would cost us **\$60,000 for the first year**, we also plan on implementing **JIC inventory** for our cans, this will allow us to be prepared for sudden spikes in demand. Poppi also has to consider import costs such as packing and labeling; using standardized packaging and labeling for the soda cans will **reduce our costs**. All the packaging and labeling has to be cohesive but also be in line with the **Canadians guidelines** and regulations for international goods. Obtaining a **CBSB license** will allow Poppi to manage its shipments throughout customs allowing costs to be minimized in brokerage fees. Canada's Goods and **Services Tax (GST)**, will be coming from the soda cans total value as currently the **GST rate is 5%**. Poppi will **incur costs** for costs for transportation, warehousing, packaging, labeling, and taxes when distributing the imported goods in Canada.

Additional Costs

| Breakdown expenses for the first year | Cost |
|---------------------------------------|----------|
| Legal & Regulatory Fees | \$5,000 |
| Business Registration & licensing | \$2,000 |
| Market Research & Analysis | \$6,500 |
| Branding & Marketing Materials | \$15,400 |
| Office Space | \$40,000 |
| Inventory & Supplies | \$17,000 |
| Utilities | \$8,100 |
| <hr/> | |
| Additional Costs Total | \$94,000 |

Poppi's additional costs will add up to **\$94,000**, this includes legal & regulatory fees, business registration & licensing, market research & analysis, branding & marketing materials, office space & utilities, and inventory & supplies. Poppi needs to **consider these costs** to accommodate to it's new Canadian market by paying for **research methods**, and in order to provide the necessary office space and materials to it's new workers so that work can be **completed efficiently**.

X. Detailed Financials

A. Projected Income and Expenses

Annual Income Statement

| Revenue | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Retail sales | \$25,000.00 | \$31,000.00 | \$37,000.00 | \$48,000.00 | \$58,000.00 | \$70,000.00 | \$83,000.00 | \$97,000.00 | \$109,000.00 | \$124,000.00 | \$133,000.00 | \$155,000.00 | \$850,300.00 |
| Membership sales | \$20,000.00 | \$29,000.00 | \$37,500.00 | \$42,000.00 | \$49,000.00 | \$54,500.00 | \$62,000.00 | \$68,000.00 | \$76,500.00 | \$83,000.00 | \$91,000.00 | \$88,750.00 | \$321,750.00 |
| Merchandise sales | \$40,000.00 | \$35,000.00 | \$45,000.00 | \$38,000.00 | \$50,000.00 | \$60,000.00 | \$55,000.00 | \$48,000.00 | \$52,000.00 | \$70,000.00 | \$75,000.00 | \$40,500.00 | \$658,550.00 |
| Gross Revenue | \$85,000.00 | \$95,000.00 | \$119,500.00 | \$128,000.00 | \$157,000.00 | \$184,500.00 | \$200,000.00 | \$213,000.00 | \$237,500.00 | \$277,000.00 | \$299,000.00 | \$284,250.00 | \$1,830,600.00 |
| Expenses | | | | | | | | | | | | | |
| Insurance | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$60,000.00 |
| Marketing | \$7,000.00 | \$6,500.00 | \$8,000.00 | \$7,500.00 | \$9,000.00 | \$10,500.00 | \$9,000.00 | \$8,500.00 | \$9,500.00 | \$12,000.00 | \$13,000.00 | \$9,400.00 | \$91,400.00 |
| Shipping & Fees | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$110,000.00 |
| License & Permits | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$23,500.00 |
| Staffing | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$35,416.67 | \$450,000.00 |
| COGS | \$36,046.67 | \$41,662.65 | \$48,550.78 | \$52,675.87 | \$55,245.00 | \$58,843.37 | \$59,980.65 | \$62,540.75 | \$79,600.25 | \$95,645.00 | \$100,875.87 | \$114,349.65 | \$806,015.00 |
| Rent | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$3,333.33 | \$40,000.00 |
| Total Expenses | \$67,170.33 | \$68,549.84 | \$71,929.36 | \$74,875.14 | \$79,507.67 | \$84,766.11 | \$87,339.00 | \$94,674.54 | \$95,983.58 | \$103,182.37 | \$107,001.65 | \$110,284.22 | \$1,580,915.00 |
| Net Income | \$17,829.67 | \$26,450.16 | \$47,570.64 | \$53,124.86 | \$77,492.33 | \$99,733.89 | \$112,661.00 | \$118,325.46 | \$141,516.42 | \$173,817.63 | \$191,998.35 | \$173,965.78 | \$249,685.00 |

Cash Flow Projections- Yr I.

| Months | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Beginning Cash Balance | | | | | | | | | | | | | |
| Gross Revenue | \$85,000.00 | \$95,000.00 | \$119,500.00 | \$128,000.00 | \$157,000.00 | \$184,500.00 | \$200,000.00 | \$213,000.00 | \$237,500.00 | \$277,000.00 | \$299,000.00 | \$284,250.00 | \$1,830,600.00 |
| Net Investment | \$300,000.00 | | | | | | | | | | | | \$300,000.00 |
| Total Cash Inflow | \$385,000.00 | \$95,000.00 | \$119,500.00 | \$128,000.00 | \$157,000.00 | \$184,500.00 | \$200,000.00 | \$213,000.00 | \$237,500.00 | \$277,000.00 | \$299,000.00 | \$284,250.00 | \$2,130,600.00 |
| Available Cash Balance | | | | | | | | | | | | | |
| Start-Up Purchases | \$55,000.00 | | | | | | | | | | | | \$55,000.00 |
| Inventory | \$5,000.00 | \$6,000.00 | \$7,000.00 | \$8,000.00 | \$9,000.00 | \$10,000.00 | \$11,000.00 | \$10,000.00 | \$9,000.00 | \$8,000.00 | \$7,000.00 | \$5,000.00 | \$80,000.00 |
| Payroll Expenses | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$37,500.00 | \$450,000.00 |
| Licenses & Permits | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$1,958.33 | \$23,500.00 |
| Insurance | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$60,000.00 |
| Shipping & Fees | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$9,166.67 | \$110,000.00 |
| CAC | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$7,075.00 | \$84,900.00 |
| Depreciation | | | | | \$548.00 | \$562.00 | \$576.00 | \$590.00 | \$604.00 | \$618.00 | \$632.00 | \$646.00 | \$7,000.00 |
| Cash Outflows | \$120,700.00 | \$66,700.00 | \$66,700.00 | \$66,700.00 | \$67,248.00 | \$67,262.00 | \$67,276.00 | \$67,290.00 | \$67,304.00 | \$67,318.00 | \$67,332.00 | \$67,346.00 | \$870,400.00 |
| Loan and Investor Cash Flows | | | | | | | | | | | | | |
| Loan Principal | | | | | | | | | | | | | |
| Loan Interest | | | | | | | | | | | | | |
| Investors Dividends | \$1,248.08 | \$1,851.51 | \$2,097.59 | \$3,329.94 | \$5,420.05 | \$5,933.63 | \$6,113.73 | \$6,627.21 | \$6,718.85 | \$7,222.76 | \$7,490.12 | \$7,719.90 | \$61,772.47 |
| Other Cash Outflows | \$1,248.08 | \$1,851.51 | \$2,097.59 | \$3,329.94 | \$5,420.05 | \$5,933.63 | \$6,113.73 | \$6,627.21 | \$6,718.85 | \$7,222.76 | \$7,490.12 | \$7,719.90 | \$61,772.47 |
| Total Cash Outflows | \$117,973.46 | \$64,579.89 | \$65,825.97 | \$68,058.32 | \$71,696.43 | \$73,224.01 | \$74,418.11 | \$74,973.92 | \$73,051.23 | \$72,596.14 | \$74,850.50 | \$70,094.28 | \$932,172.47 |
| Ending Cash Balance | \$467,026.54 | \$30,420.11 | \$53,674.03 | \$59,941.68 | \$83,303.57 | \$111,275.99 | \$125,581.89 | \$138,026.08 | \$164,448.77 | \$204,403.86 | \$224,149.50 | \$214,155.72 | \$1,198,427.53 |

Projected 3 Year Plan & Planned Business Growth Summary

Poppi Canada will manage & focus on different aspects of its business in each of the three years. In the first year our main goal will be to have **extensive market research, specifically testing Poppi reactions & studying consumer surveys**, and also product adaptation as we will be entering into new international grounds, hence we need to ensure **alignment with local tastes** while still complying with Canadian regulations. In the second

year, Poppi will focus on its overall position in the **soft beverage industry** by engaging with customers, expanding distribution channels, and maximizing its effort in its profit margin. Additionally, Poppi will prioritize its efforts in managing its operations, specifically its inventory turnover and increasing its online presence. Ultimately, increasing our efforts on online presence in Canada will allow for an increase in Poppi's brand awareness by approximately **46% by the second year**. Poppi will introduce its new product, Maple Crisp, by the end of the 2 year of expansion; we project Maple Crisp to be the top selling flavor by the 5th year (in Canada). In the third year, our focus will shift towards **increasing profitability by 17%** and growing Poppi by perfecting its marketing strategies in the Canadian market. Throughout this three-year plan, Poppi Canada aims not only to establish a loyal customer base in the Canadian market but also to **cultivate a profitable business** for future investors and achieve long-term success in Canada.

POPPI YEAR 1

Focus on marketing reactions & adaptation of products

POPPI YEAR 2

Increase brand awareness, online presence, & release Berry Bliss

POPPI YEAR 3

Perfect marketing strategies and increase profits by 17%.

B. Proposed Plan to Meet Capital Needs

Internal Sources

Poppi's main revenue comes from its soda cans, selling a large amount per year (exact numbers not disclosed) However, also earning income through their new merchandise line, and subscriptions. Poppi's revenue **increased by 148%** last year and online sales **grew by 250%**, meaning that Poppi is a highly successful and fast growing company. Poppi generates its sales from e-commerce and convenience stores like Walmart, Target, Whole Foods, Costco, and so many others. Poppi cans are also available on Amazon, where it currently holds the title of **"top-selling soft drink"** on the site, dominating over long-established brands such as Canada Dry, Pepsi, and even Coca-Cola.



External Sources



Poppi has raised **\$38.9M in 4+ rounds of stock investments**, while additionally having **17 current investors**. Poppi received a **\$400,000** investment from Shark Tank investor Rohan Oza for **25%** of the company, and has celebrities like the Chainsmokers and Ellie Goulding being apart of the **\$13.5 million Series A2** investment round in 2021, with another **\$25 million being raised** in the Series B financing round. Other relevant investors include Miley Cyrus, Billie Eilish, Ashton Kutcher, Halsey, Kevin Love, Olivia Munn, and Justin Timberlake. Poppi's personal source of investment came from the founders: Allison and Stephen Ellsworth, investing **\$15,000** of their life savings into their own start-up company, Poppi.

Return on Investment

Poppi will be repaying the \$300,000 investment to the investor by offering them **7% equity of Poppi Canada**. Therefore, the investor will be earning 7% of Poppi's total profits every month. This includes earnings on the amount of cans sold, stock prices rising, dividends, and any other additional sources of revenue.

XL. Key Metrics

Poppi's Measured Activities

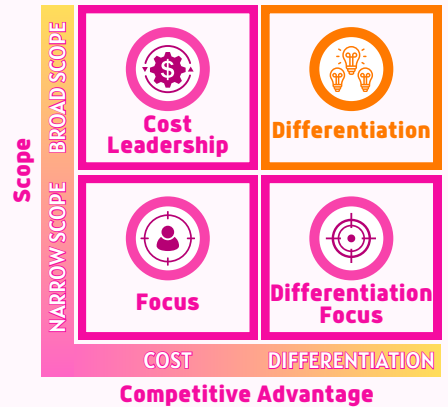
The specific key metrics in Poppi's international expansion to Canada will determine the level/state of growth if any is occurring in the venture, the ability to foresee the **7 metrics** that will account to the success and overall **longevity** of the **expansion**. Poppi will measure revenue growth projections, brand recognition, customer base, and the efficiency of employees are measured to all determine that **Poppi** will be a **successful** corporation in Canadas soft beverage industry. The benchmarks measure the key metrics for the first year.

| METRIC | EQUATION | BENCHMARK | HOW TO ACHIEVE |
|---------------------|--|------------------------|---|
| Market Share | $\frac{\text{total sales of Poppi in CA}}{\text{total sales of all brands in CA}}$ | 20% of market share | <ul style="list-style-type: none"> Promotional offers Strategic partnerships Highlight health benefits |
| Brand Awareness | $\frac{\text{\# of consumers who are aware of Poppi}}{\text{total \# of consumers in CA}}$ | 8% of CA population | <ul style="list-style-type: none"> Hands-on events Community engagement Graffiti areas in Canada |
| Revenue Growth | $\frac{\text{\#sales in current period- \#sales in the previous period}}{\text{\#sales in the previous period}}$ | 19% increase per month | <ul style="list-style-type: none"> Develop a new flavor Locate in major chains Subscription services |
| Customer Satisfact. | average of customer satisfaction scores | 87% enjoyed poppi | <ul style="list-style-type: none"> Personalized offers Customer survey forms Seasonal promotions |
| Inventory Turnover | $\frac{\text{costs of goods sold}}{\text{average inventory}}$ | x6 restocked per year | <ul style="list-style-type: none"> Identify best-selling products in poppi line Implement JIC system |
| Operating Margins | $\frac{\text{profit before taxes}}{\text{revenue}}$ | 28% of rev. is profit | <ul style="list-style-type: none"> Reduce total expenses Decrease external economies of scales |
| Labour Product. | $\frac{\text{total output in specified time period}}{\text{total staff employed}}$ | 73% time spent working | <ul style="list-style-type: none"> Monthly motivational seminars for workers Special benefits for employees |

XII. Competitive Advantage

Poppi's Competitive Strategy

When analyzing Poppi's **competitive strategies** and **relative position** in the soft beverage industry, specifically the prebiotic soda category, we observed Poppi's **profitability** and **unique selling points** in contrast to the well established industry standards. While determining Poppi's **competitive stance**, we utilized Porter's competitive strategies, which show Poppi's position in the **"differentiation" quadrant**. This entails that Poppi strives to be a unique company within its industry along with **other dimensions** that are valued by consumers. In this quadrant companies often pick an attribute that buyers **perceive as important**.



Poppi's 6 Additional Advantages



Poppi's Unique Design:

Poppi's cans are brightly colored and feature **fun/innovative designs** that are both eye-catching and artistic. This makes them essentially **pop out** on shelves and helps to **attract affinity** from potential customers. Ultimately, allowing Poppi to create a **strong brand identity**.



Loyal Consumer Base:

Poppi has developed a **loyal** customer and consumer base who are enthusiastic about the brand image. This loyal customer base is projected to stay apart of Poppi's beverage revenue source, **even if** competitors enter the market with similar offerings.



Green Tea Caffeine:

Green tea caffeine is a **natural source** of caffeine and is different from the caffeine found in coffee and other caffeinated beverages which cause health issues. In comparison, this is absorbed slower into the bloodstream, which results in your **energy boost to be sustained**.



Stevia:

Poppi contains stevia, a **natural sweetener** that is **calorie-free** and does not raise blood sugar levels. Stevia is actually a popular choice for people who are looking for a **healthy alternative**. According to WebMD, "Stevia is about 200 to 400 times sweeter than table sugar and is a non-nutritive sweetener, which means it has no carbohydrates, calories, or artificial ingredients."



Seasonal Flavors:

Poppi's habit of creating **seasonal drinks differentiates** it from its competitors. For instance, the seasonal cranberry fizz flavor offers a unique and refreshing taste experience that is perfect for the **holiday seasons**. This can help give Christmas lovers a healthier alternative for the holidays.

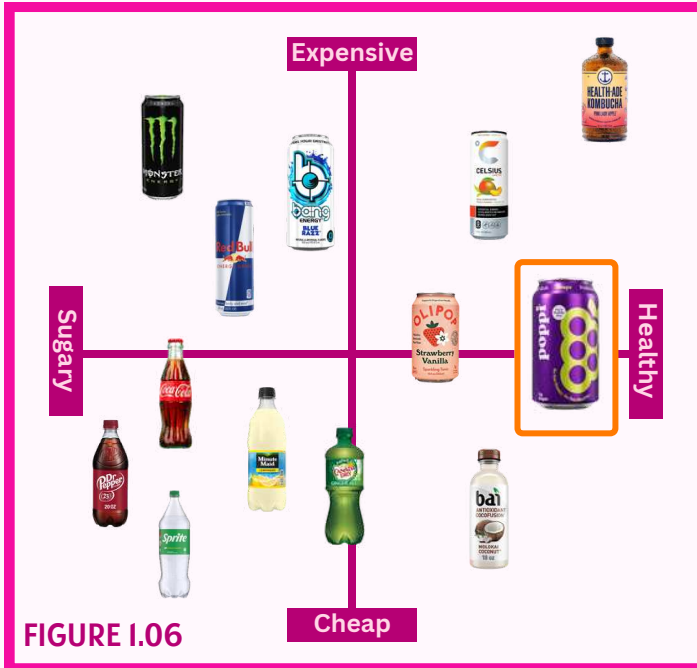


High Quality Materials:

Poppi's cans are made from **high-quality materials** that give them a premium feel. This helps to display the **brand's mission** to quality and ensure that consumers have this. Along with this, Poppi's cans are also **100% recyclable**, making it more appealing to environmentalists!

Competitor Analysis

Competitive Analysis Chart:



After extensive research on Poppi's competitors, we have made a Competitive Analysis Chart. Poppi is located on the **healthier side** of the chart in the middle ground between expensive and cheap products. Poppi has 25 calories and a total of 5 grams of sugar, Poppi's price per individual can is \$2.49. Poppi's **top competitors** would be Celsius, Olipop, and Bai in Canada. This is because these products lay close to Poppi on the health and cost side of the chart. However, Poppi has **stronger marketing strategies** than these beverages and is made with **real fruit juice** and has **no artificial ingredients** or sweeteners. Additionally, Poppi is carbonated, which gives it a refreshing taste which only Celsius and Olipop has to offer. But with Poppi's **fast growing market share** it will overcome Olipop in the following years according to *The Beverage Industry*.

XIII. Conclusion

Our Ask

Poppi Beverages is asking for a **\$300,000 investment** to expand internationally to Canada, and in return, Poppi will pay the investor **7% of Poppi's equity monthly**. These \$300,000 will be put towards hiring employees, employee training and payroll, marketing Poppi through operation "Rise", and acquiring licenses and permits. Poppi has the potential to not only be successful in an international expansion to Canada but also prosper; with the needed investment of \$300,000 this will be possible as international branch heads (Ana Mayo and Natalia Osorio) will seek this through with our intended methods. We plan to begin our expansion in Toronto with test marketing due to the high population census of Gen-Z and Millennials and the pop culture of the lively city environment that Toronto has to offer. In fact, Poppi consumer Amanda Onyx reiterates this in her statement "It's like a piece of art. We literally think of this as a fashion statement that people want to be seen drinking." We plan to **begin expanding Poppi to other provinces/cities** through commercialization in Canada based on Poppi's market research on consumer bases and rate of success. For instance, if we see positive customer feedback from a specific city for a 3-month period we will officially expand to more major chains in that province. In Year 2 of our international expansion to Canada, Poppi will begin to promote the launch of its new product **"Maple Crisp"** using this as an opportunity to expand the Poppi soda line during our expansion to Canada.

**300K INVESTMENT
FOR 7%
36 MONTH
PAYBACK PERIOD**

XIV. Bibliography

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XV. Appendix

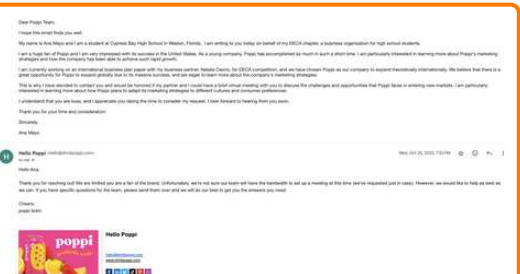
Expansion of Product Line



Poppi's growth is high compared to its competitors; Poppi is only 4 years old and the amount of growth and rapid brand awareness it has gathered is highly recognized. In 2022, Poppi's revenue **grew by 148%**, and its online sales **increased by 250%**. The company also raised **\$25 million** in the Series B round in December 2022, which suggests that investors are confident in Poppi's **future growth**, which is a huge accomplishment for its stage of maturity. Based off this information it shows how much **consumers love the products**. When expanding to Canada we want to expand the product line further and introduce "**Maple Crisp**", this new soda has a maple infusion with the main component being apples. In order to keep the **Canadian touch** we have also decided to switch from cane sugar to **maple syrup sugar**. Maple syrup sugar has more health benefits such as less calories and inflammation reducing oxidants. We are foreseeing this new addition in the year 2026 approximately 2 years after the initial expansion.

Our Communication with Poppi

While writing this business proposal we were in **constant contact** with the Poppi team. Having conducted various emails to gain more information so that all of our research was at its highest **level of credibility**. This enabled us to **create a relationship** with Poppi's team, for instance, we had virtual meetings with them and were even **put on their PR list for merchandise**.



poppi