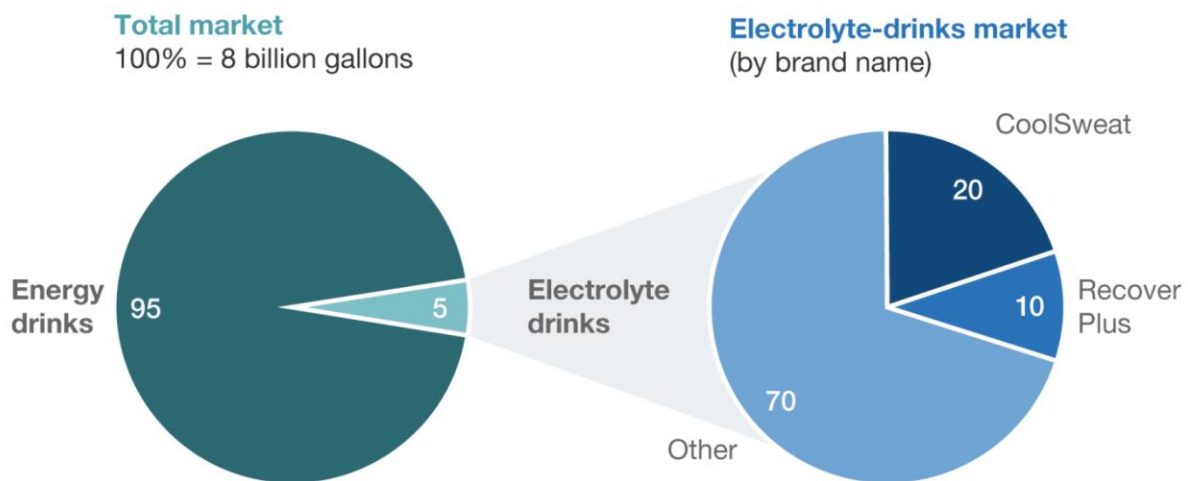


After reviewing the key factors *SuperSoda* should consider in deciding whether to launch *Electro-Light*, your team wants to understand the beverage market and consumer preferences to gauge potential success of *Electro-Light*.

Your team has gathered the following information on the US sports-drink market. The information shows an estimate for the share of electrolyte drinks, as well as the current share for the two main electrolyte products: *CoolSweat* and *RecoverPlus*.

Share of US sports-drink market, %



Based on the target price and up-front fixed costs, what share of the electrolyte drink market would *Electro-Light* need to capture in order to break even? Here is some additional information for you to consider as you form your response:

- *Electro-Light* would launch in a 16-ounce presentation (one-eighth of a gallon) with a price of \$2 to retailers.
- In order to launch *Electro-Light*, *SuperSoda* would need to incur \$40 million as total fixed costs, including marketing expenses as well as increased costs across the production and distribution network.
- The vice president of operations estimates that each bottle would cost \$1.90 to produce and deliver in the newly established process.