

## ***ImmUnity*: The Alcoholic Wellness Shot**

### **Executive Summary**

*immUnity* is proposed to be a commercial health supplement made of whiskey and natural flavorings to help ease sore throats. Its demand has been illustrated through desire for health supplements during the pandemic and the prevalent use of alcoholic shots as traditional means to soothe a sore throat internationally. The product comes as individualized shot bottles (purchased as a package of 6) and is a flavorful combination of whiskey and one of the following flavors: Citrus, Ginger, and Peppermint. There are minimum capital requirements due to established partnerships with local whiskey manufacturers and retailers. Success factors for this product are:

- Unserved demand for effective cough syrups/sore throat treatments that taste good
- COVID pandemic bringing higher demand for health products
- Unique product offering not found anywhere in the United States nor abroad
- General 21st century trends in health and wellness as well as recent dark spirit trend
- Ubiquitous traditions of alcohol providing relief from cold symptoms (ie Hot Toddy)

### **I. Product History**

When Gabriella Senderov was little, her Russian mother would give her a shot of vodka to ease her sore throat and warm her up, as is common in many Eastern European countries when children are ill. Similarly, in Curacao, inhabitants take a shot of Blue Curacao if they feel ill.

The pandemic has transformed life, affecting change in social behaviors and collective mentality regarding health. This once in a lifetime event brings forth opportunities in the health and wellness sector with increased demand in supplements and cold symptom treatments. But, many of these remedies are not pleasurable in taste or are targeted towards parents for children.

As a result, the product name, *immUnity*, speaks to its health purpose and that we must be united against COVID–imm–“unity.” *immUnity* Co. has derived a wellness shot-like alcoholic beverage with a smooth taste to reach a modern audience that seeks to ease a sore throat.

### **II. Market Overview and Business Opportunity**

In light of COVID, interest in immunity boosting products, like wellness shots, among consumers is growing and presents promising business opportunities. Prior to COVID, the health shot market size was valued at \$369.9 million in 2019 and was expected to have a compound annual growth rate of 13.4% from 2020 to 2027, cited by Grand View Research. With the effects of COVID initially unforeseen, COVID has spurred game-changing conditions in this market.

Regarding differentiation, competition and their product offerings only differ on their ingredients like ginger root, echinacea, cayenne pepper, etc. *immUnity* would come in three flavors: ginger root, citrus, and peppermint. Ginger root is said to be anti-inflammatory. Citrus is high in Vitamin C, playing an important role in immune health. Peppermint relaxes the muscles and decongests. Referencing the benefits of these natural ingredients, *immUnity* would attract consumers who desire functional wellness shots as a means of soothing symptoms.

However, within this market, there is not a single product that taps into the soothing effects of alcohol on a sore throat. Originating as customary in Eastern Europe, shots of hard spirits have been used as home cold remedies like the scottish-originating Hot Toddy, made of whiskey, honey, and lemon juice. With caution that any alcoholic beverage should be drunk moderately when ill, the Hot Toddy has still been regarded as a means for relief. Given that there are no wellness shots that use alcohol, *immUnity* can enter the market as a niche product.

Furthermore, there has been a trend in purchases of dark spirits, like whiskey, within the last 6 months, as cited by an online survey of internet users by Mintel Reports. 50% of respondents agreed that “health drives my drink choices,” also confirming that taste and flavor are main contributors to their purchase of dark spirits, regardless of brand loyalty. With this trend, *immUnity* can fulfill a simultaneous need for a whiskey that has an enjoyable taste.

### **III. Competition and Risks**

#### Risks

Due to our product’s inherent association with healthcare, our consumer may misconstrue *immUnity* products to be a replacement for cold medications like Nyquil. Thus, we will clarify that our product does not claim to cure viruses, only soothes mild symptoms of a sore throat. Another risk stems from our ingredients. Our products use whiskey, and alcohol has been critiqued in its use as a health treatment. If our customers drink several shots in excess, they may be at risk for worsening their cold. To address this, we will specify on the bottle that *immUnity* products are meant to be consumed in moderation, no more than 1 bottle in one sitting. A potential supplier risk could be that the COVID pandemic and social distancing regulations have disrupted production lines. *immUnity* is packaged as individual shots rather than as full bottles. As such, consumers may perceive our product as less value than a full bottle of whiskey.

#### Positioning and Competition

Though *immUnity* has some risks, our research of competing products in the industry has added to our confidence that there is a need in this industry. Our most direct competitors are vitality shots such as KOR Shots, which is a cold-pressed immunity shot company based out of Malibu. Though this company does use organic, natural products similar to ImmUnity, their product does not contain any alcohol, differentiating our product from KOR. Our most direct alcohol competitor is Dr. Schulze’s vitality “shot,” an herbal supplement that uses organic grain alcohol. Unlike our product, this is a supplement for increased energy. Another indirect competitor in our industry is More Labs’ Morning Recovery shot. This shot is a blend of electrolytes. However, this product is a hangover-prohibiting shot. No other company is currently producing a whiskey-based symptom supplement similar to ours, making us confident that our product will stand out while fulfilling a need in the market.

### **IV. Operations and Manufacturing**

One retail package will be produced: a 6-pack of *immUnity* bottles (Appendix D). Each individual *immUnity* bottle will be glass with a plastic cap. The bottles will be 10cm tall and 5cm wide (with the plastic cap having a diameter of 4 cm) and will contain 2 fl.oz of equal parts whiskey and respective flavorings. Nutrition facts will be listed on the back as well as a disclaimer. After production and labeling, our product will be shipped to our distributor and proposed retail stores: Whole Foods, Walgreens, Safeway, and Target.

The *immUnity* scotch whiskey will be mass-produced by **Treecraft Distillery** located in Treasure Island, San Francisco. The process for developing *immUnity* whiskey is extensive, but partnering with Treecraft will streamline the whiskey distilling process (malting, mashing, fermentation, distillation, etc). The whiskey will then be combined with either our peppermint, citrus, or ginger concoctions. Our peppermint mixture will be a combination of peppermint extract, water, and sugar. Our ginger mixture will be made by boiling peeled ginger root, water and sugar together until a syrup forms. Our citrus mixture will begin by squeezing lemons and oranges with the peels removed from orchards in Napa County. Once the orange and lemon juice has been strained, the peels, juice, and sugar will all be boiled together until a syrup forms. The mixtures will all be set to rest and then strained. After straining, they will then each be mixed with the scotch whiskey in equal parts in metal vats to then be bottled in 2 oz bottles and labeled.

Our *immUnity* shots will then be moved to our distributor, **Bay Area Beverage Company**. BABC “is a leading Northern California distributor for Contra Costa and Alameda counties for some of the most important and exciting domestic, international and craft brands; including Coors, Miller, Heineken, Corona.” Having BABC carry *immUnity* will legitimize the brand and allow us to promote better rapport with our proposed retailers.

## **V. Sales and Marketing Plan**

### **Staff Structure & Customer Service**

One of the primary reasons we chose the Bay Area to serve as *immUnity*'s headquarters is that the Bay Area has a significant homeless or formerly incarcerated population. As such, 50% of *immUnity*'s staff will be hired from these communities. We will implement an apprenticeship training program for our second-chance staff members to gain expertise in *immUnity*'s business while also interacting with our consumer base. Our apprenticeship program will be in charge of resolving concerns related to product orders, while *immUnity* provides 24 hour customer service related to our website. One owner will also rotate on call after hours for retailers, who can request support and assistance through email or our customer service line. Along with requesting support, our team also values feedback from our customers. Individuals can contact us with comments through our website or social media, as well as review sites like Yelp and Reddit.

### **Promotion and Social Media**

For the promotion of our product, we will be focused on digital marketing in order to stay true to our brand as a health conscious product due to current social distancing regulations, taking a three pronged approach for launch: social media, partnerships, and ambassadorship.

With respect to social media, our website will contain videos promoting health. One ad video that will be featured is our “Unity Starts with You” campaign in which our team will be shown ‘passing’ an immunity shot across the screen to the next person. *immUnity* will also be active on Instagram, Facebook, Snapchat, and TikTok to engage with our modern customer base as well as post content related to our production process and the *immUnity* community.

Regarding conducting partnerships with local Berkeley businesses and the greater Bay Area (location of our headquarters and production facility), we will reach out to local WholeFoods, Walgreens, Safeway, and Target to feature our product as well as promote the *immUnity* apprenticeship program. All of the stores listed above have simple vendor forms and/or potential pitch interviews that we will initiate to engage with these brands sustainably.

The brand ambassadorship program will consist of local college undergraduate (21+) and graduate students. We will reach out to these individuals through Instagram and Facebook groups, offering them a chance to sample our product and be brand representatives. An official form to become a brand ambassador will also be featured on our website. The ambassadors will all be able to connect with one another through a slack channel where they can coordinate opportunities to promote and share the brand on their respective college campuses wherever they see fit. These ambassadors will submit a sharing proposal form, and once approved and collect cases of *immUnity* to share from our warehouse located in Berkeley. These ambassadors will also be able to aid in the production of content for our social media platforms, as we really want the ambassadors to connect and engage with our community and customer base.

#### Pricing and Packaging

*immUnity* shots will be sold in packages of 6 shots. The launch locations (Whole Foods, Walgreens, Safeway, and Target) will retail the 1.5 lb package at suggested retail price of \$24.99.

The San Fernando Bar Association graphic design team has designed and produced our first packaging designs. The label for the bottles will wrap around, featuring the *immUnity* logo, slogan, flavor, and nutrition label. The brand design features a trendy and modern feel, including symbols of an immunity shield cross to evoke ideas of health. Further details of packaging and concept design can be found in our Appendix B. Our brand design can be found in Appendix C.

#### Production Economics:

The products are composed of three flavors: citrus, ginger, and peppermint. The citrus drink includes orange juice and lemon juice which costs \$.69 to produce. The ginger drink is created by making our own ginger syrup which includes water, sugar, and, ginger root, which costs \$1.42 to produce. Lastly, for our peppermint drink, which is made of our own extract by a single infusion process between peppermint herb and whiskey which ferments for a week. Once the peppermint herb has been used, we toss it, and buy more herb, costing \$.33 to produce. Each of these ingredients is bought from wholesale suppliers. Oranges and lemons are in bulk for \$50 and \$70 a barrel. Ginger root costs \$60 a box, while peppermint herb costs about \$20 a box.

#### Distribution and 5 Year Expansion

We have already begun production of our ImmUnity products in small quantities for sales and quality approval purposes. In January 2021, we will begin distribution in the Bay Area and Northern California, where the temperatures constantly change and may lead many individuals to struggle with mild cough/cold symptoms. We will utilize the Sale through Retailer distribution channel, and sell our product at Whole Foods, Target, and Safeway. We are in a contract with each distributor to begin with a presence in 20 stores each, and increase by 20 stores each month.

After our first year, we will monitor sales trends through our website and retailers to then expand into East Coast states where our product will be in demand with changing weather patterns. We plan to expand into the greater New England Area, which includes the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont between 2022-2025. In these states, we will continue our relationship with our current distributors, but also form relationships with more local shops. By 2025, we hope to be one of the top five distributors in our product sector, and begin expansion into the Northwest and Midwest region where there are colder weather patterns for a majority of the year. By 2027, we project our product to be available in all 50 states. Production will remain primarily in Oakland, CA, but we will remain open to potential opportunities for production in other parts of the United States such as the midwest if they greatly lower our shipping and distribution costs.

## VI. Capital Requirements and Investors

### Proposed plan to meet capital needs

Estimated startup costs for Immunity are \$300,000, with further capital required to expand. The four partners will each contribute \$2,000 of personal savings capital towards the startup (\$8,000). Their family and friends will also contribute \$12,000 towards the startup after hearing the plan. A loan of **\$280,000** will be paid back in 5 years at a **6% interest rate** (about \$65,000 a year). After that, profits will be circulated through the business to help upgrade.

### Immunity's Pricing Model per Unit to the Consumer

50% cost of goods, meaning whenever we sell a package for \$24.99 to a consumer, it costs us \$12.50 to produce it.

Immunity's Pricing Model		Per six pack of Wellness Whiskey Shot Cocktails
Price per unit to the consumer	\$	24.99
Equates to price per case (10 packs of six per box sent to Distributor)		
	\$	249.90
32% retailer gross margin	\$	79.97
Price from Distributor		
	\$	169.93
30% Distributor gross margin	\$	50.98
Sales price to distributor		
	\$	118.98
Alcohol Taxes federal and state	\$	75.60
Net Sales to Producer per case	\$	43.38

C. Projected income statements month by month for the first year's operation (sales, expenses, profit/loss)

Expected Income Statements Month by Month for the First Fiscal Year of Immunity:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
Revenues													
Sales	79,968	87,465	93,292	75,244	94,966	88,567	116,960	79,992	94,387	86,365	97,465	133,455	1,128,126
Expenses													
Rent	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
Utility	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Phone/ Internet Lines	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Machine Insur.	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Office Insur.	170	170	170	170	170	170	170	170	160	160	160	160	2,000
Advertis ing	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Emp. Salaries	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
Owner Salaries	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
Licenses	2500	0	0	100	2000	100	100	100	100	0	0	0	4,000
State/Fe d Taxes	9,000	11,000	10,000	10,000	10,000	10,000	15,000	9,000	11,000	10,000	14,000	17,000	136,000
Software	800	700	1000	600	1000	800	0	500	600	600	600	800	8,000
Web Services	1,000	1,000	1,200	1,000	1,100	900	600	800	800	800	800	800	10,000
Machine Mainten ance	0	200	200	800	800	500	200	400	700	400	300	500	20,000
Misc Expense	500	300	200	300	200	200	300	300	200	100	100	100	3,000

Loan Repayt	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,000
Total Expense	73,137	71,537	70,937	71,137	73,437	70,837	74,437	70,737	71,727	70,227	74,127	77,527	869,804
Net Profit	7,831	15,928	22,355	4,107	21,529	17,730	42,523	9,255	22,660	16,138	23,338	54,928	<b>258,322</b>

D. Projected cash flow for the first year

Pro Forma Statement of Cash Flow for Fiscal Year ending January 1, 2021

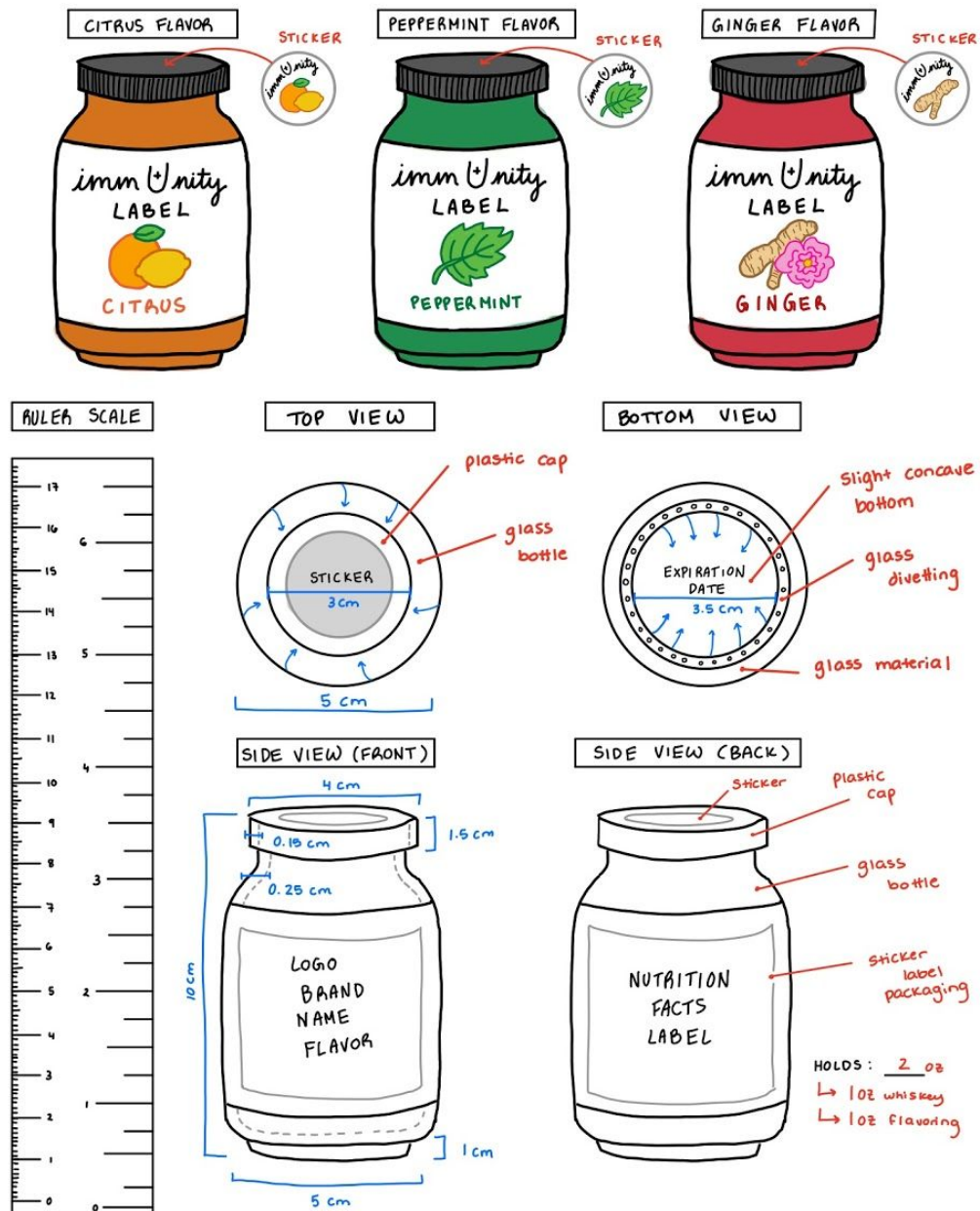
Sources of Cash	YEAR 1
Gross Sales	\$1,128,126
Uses of Cash	
Rent	\$66,000
Utilities	\$2,500
Phone and Internet Lines	\$1,500
Machine Insurance	\$3,000
Office Insurance	\$2,000
Advertising	\$50,000
Employee Salaries	\$210,000
Owner Salaries	\$300,000
Business Licenses	\$4,000
State and Federal Taxes	\$136,000
Software, Server, and Databases	\$8,000
App and Web Services	\$10,000
Machine Maintenance and Upgrades	\$20,000
Miscellaneous Expenses	\$3,000
Loan Repayment	\$65,000
<b>Net Increase in Cash</b>	<b>\$258,322</b>

A positive cash flow of **\$258,322** is expected at the end of the fiscal year.

## VII. Appendices

### Appendix A: Concept and Product Design

# IMMUNITY CONCEPT DESIGN



### Appendix B: Logo

*immUnity*  
UNITY STARTS WITH YOU



## Appendix C: Screenshot of Website (<https://www.cans4food.com/immunity>)

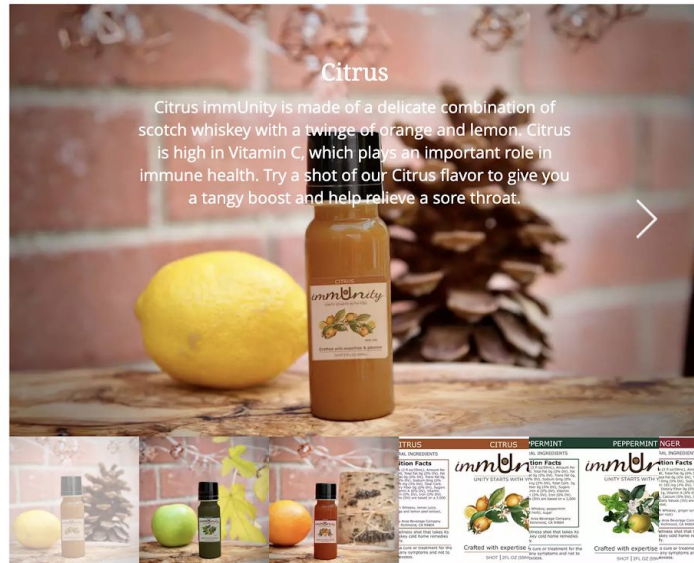


### immUnity's History

When Gabriella Senderov was little, her Russian mother would give her a shot of vodka to ease her sore throat and warm her up. As is common in many Eastern European countries, when children are ill, parents often give them a shot of alcohol. For instance, in areas like Curacao, inhabitants often take a shot of Blue Curacao if they feel ill as well. The scottish-originating Hot Toddy, consisting of whiskey, honey and lemon juice, has also long been used as a cold home remedy as well.

The COVID pandemic has transformed countless aspects of life, affecting significant change in how we need to care for our health and wellbeing. This once in a lifetime event brings forth new challenges as well as opportunities for those looking to take better care of themselves. immUnity is unique in that it is both pleasurable in taste and is for a refined audience that seeks cold relief.

As a result, our product name, immUnity, speaks to both the health-targeted purposes of the product along with the idea that we must be united against COVID—hence, imm-“unity.” Our wellness shot-like alcoholic beverage that has a smooth, warm taste is for a modern audience that seeks to ease the cold symptom of a sore throat.



## Appendix D: Unity Starts with You (immUnity Advertisement)

<https://www.youtube.com/watch?v=WutznBaXqp4&feature=youtu.be>

## Appendix E: Bottle Packaging

**CITRUS**

ALL NATURAL INGREDIENTS

**Nutrition Facts**  
Serv. Size: 1 bottle (2 fl oz/59mL), Amount Per Serving: Calories 90, Total Fat 0g (0% DV), Fat Cal. 0, Saturated Fat 0g (0% DV), Trans Fat 0g, Cholesterol 0mg (0% DV), Sodium 0mg (0% DV), Potassium 165 mg (4% DV), Total Carb. 5g (1% DV), Dietary Fiber 0g (0% DV), Sugars 4g, Protein 1g, Vitamin A (0% DV), Vitamin C (5% DV), Calcium (0% DV), Iron (0% DV). Percent Daily Values (DV) are based on a 2,000 calorie diet.  
  
Ingredients: Scotch Whiskey, lemon juice, orange juice, orange and lemon peel extract, sugar  
  
Distributed by: Bay Area Beverage Company  
700 National Court Richmond, CA 94804

**CITRUS**

40% VOL

Crafted with expertise & passion

SHOT | 2FL OZ (59ML.)

ImmUnity is a wellness shot that takes its origins from whiskey cold home remedies like the Hot Toddy.

Immunity is not a cure or treatment for the common cold or any symptoms and not to be consumed in excess.

## GINGER

ALL NATURAL INGREDIENTS

### Nutrition Facts

Serv. Size: 1 bottle (2 fl oz/59mL), Amount Per Serving: Calories 90, Total Fat 0g (0% DV), Fat Cal. 0, Saturated Fat 0g (0% DV), Trans Fat 0g, Cholesterol 0mg (0% DV), Sodium 0mg (0% DV), Potassium 165 mg (4% DV), Total Carb. 5g (1% DV), Dietary Fiber 0g (0% DV), Sugars 4g, Protein 1g, Vitamin A (0% DV), Vitamin C (0% DV), Calcium (0% DV), Iron (0% DV). Percent Daily Values (DV) are based on a 2,000 calorie diet.

Ingredients: Scotch Whiskey, ginger syrup (sugar, water, ginger root)

Distributed by: Bay Area Beverage Company  
700 National Court Richmond, CA 94804

ImmUnity is a wellness shot that takes its origins from whiskey cold home remedies like the Hot Toddy.

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## GINGER

*immUnity*  
UNITY STARTS WITH YOU



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Crafted with expertise & passion

SHOT | 2FL OZ (59ML.)

## PEPPERMINT

ALL NATURAL INGREDIENTS

### Nutrition Facts

Serv. Size: 1 bottle (2 fl oz/59mL), Amount Per Serving: Calories 90, Total Fat 0g (0% DV), Fat Cal. 0, Saturated Fat 0g (0% DV), Trans Fat 0g, Cholesterol 0mg (0% DV), Sodium 0mg (0% DV), Potassium 15 mg (2% DV), Total Carb. 5g (1% DV), Dietary Fiber 0g (0% DV), Sugars 5g, Protein 0g, Vitamin A (0% DV), Vitamin C (0% DV), Calcium (0% DV), Iron (0% DV). Percent Daily Values (DV) are based on a 2,000 calorie diet.

Ingredients: Scotch Whiskey, peppermint extract (peppermint herb), sugar

Distributed by: Bay Area Beverage Company  
700 National Court Richmond, CA 94804

ImmUnity is a wellness shot that takes its origins from whiskey cold home remedies like the Hot Toddy.

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## PEPPERMINT

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40% VOL

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SHOT | 2FL OZ (59ML.)



**Appendix F: Promotional  
Pictures**

