Business Plan for the introduce of a Relaxation Beverage in the Greek Market

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Abstract

This dissertation was written as part of the Executive MBA at the International Hellenic University.

The purpose of this business plan is the exploration of the beverage market and the feasibility of the new business idea (innovating new product-relaxation drink) in an objective, critical, and unemotional way. My goal is to communicate this business plan to an existing Greek company, attract their interest and see the product to be produced. I hope my work, to be the beginning of a new category in the Greek beverage market which will be profitable.

My sincere appreciation to the following people for their assistance:

- Pr. Vangelis Souitaris for his patience and professionalism in the supervision of this report.
- My colleagues and friends for their help and motivation.
- The participants in this research.

Polychronis Karalis
28/02/2017
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1. Introduction

1.1. Problem Description/Preface

The demand for fresh and healthy products is constantly increasing nowadays as consumers are becoming more demanding, conscious and selective. The beverage market follows this flow and needs to provide products with a purpose, either to restore vitamins, either to provide an energy boost, to relief stress or to relax.

As mentioned in a research in Braintonique “This trend created a new class of drinks meaning the functional beverages. This new category of drinks includes energy drinks (Red Bull, Monster), sports and performance drinks (Gatorade, Isostar, Powerade), enhanced fruit drinks, soy beverages, enhanced vitamin water (VitaminWater) and recently relaxation drinks (Tranqini).

According to Datamonitor (an international well-known company providing market intelligence and data analysis (www.datamonitor.com), the global soft drink market is valued at $840.6 billion worldwide, with Europe accounting for the largest portion at $189 billion.

The main benefits of functional beverages are very clear and appealing to the end consumer and consist in:

- Intense hydration
- A boost in energy
- General Rejuvenation
- Health support and wellness

There is a lot of space for innovation on this market and many products started to emerge as the consumers got more and more educated about the features of this new beverages category”.1

Considering this context and the general increasing trend still to mature in the next 10-15 years, I came-up with the idea of launching a functional beverage in Greece.

1Drinkpreneur, Braintonique, 2014,
So, I tried to examine what could be a very common problem for most people nowadays. It made me realize that for most people it is important to have fun and enjoy themselves, but more important is to relax and enjoy a quality sleep. Though sleeping and relaxation disorders are more common than ever before.

As a result, these questions should be answered:
- Could I create exactly an opposite drink to energy drink?
- Is this a good opportunity?
- What is the business plan which should be followed in order to market launch it in the Greek market?

These questions, will be examined in this paper to present an entrepreneurial new product with a high growth potential in the Greek market.

In our everyday life caffeine is the big ruler, in coffee, tea and energy drinks to stay energetic, focused and productive in a level that becomes addiction. Any addiction need a medicine which cure it and it was only a matter of time before an antidote appears.

This so-called medicine is a new category of beverage: relaxation drinks, also called anti-energy drinks, or calm drinks. I am planning to look at what is in these drinks, see whether they are a good way to de-stress and what are their benefits.

My Suggestion = Pasithea

As mentioned in Wikipedia “In Greek mythology, Pasithea (Ancient Greek: Πασιθέα, "relaxation"), or Pasithea, was one of the Charites (Graces), and the personification of relaxation, meditation. The Charites are usually said to be the daughters of Zeus and Eurynome, but Pasithea's parentage is given (by the poet Nonnus) as Hera and Dionysus. She was married to Hypnos, the god of sleep.”

Pasithea will be an alternative to traditional existing beverages in Greece, being a quality product but at the same time affordable. It is a natural, non-alcohol, preservatives free and with a pleasant taste beverage containing local herbs, vitamin, natural sweetness ingredient intended to relieve stress, reduce anxiety and keep consumers focused.

2https://en.wikipedia.org/wiki/Pasithea
1.2. Objectives

The target of this research the Greek Market Launch Plan for Pasithea through the network of an existing company which already sells beverages and which we will call it for our research as Pasithea SA.

We will research the above subjects in our research:

- Market situation (competition, products)
- Company analysis (USP analysis etc.)
- Marketing plans
- Financial analysis

Formulating the best way to introduce Pasithea into the Greek market will be the result of the research.

1.3. Structure of work

Chapter 2 describes the Literature review of our research. Details on the economic situation in Greece, its social impact and information on the current industry trend is included.

Chapter 3 explains the research methodology used, accompanied with a small explanation of the methods of analysis which will be used and details about the questionnaire which will be used.

Chapter 4 follows the market analysis combining demographics, trends and growth. It continues with review of market needs, describes our product characteristics. Additionally, it analyzes the producing company with the help of 5 Forces Analysis. Finally, it investigates the current competition environment of Greek market.

Chapter 5 focuses on the adopted marketing strategy and describes the value proposition, the USP (unique selling proposition) and the positioning statement.
Financial and marketing objectives are also examined. Finally, describes the target market strategy and the strategy of pyramids.

Chapter 6 deals with the marketing mix which purpose is to control its marketing plan. It describes the 4 Ps which include product, price, place and promotion. In addition, a plan on the web, which should be used, is including. A small description of the Channels which should be used completes the chapter.

Chapter 7 explains in details the financial details of the plan. It includes a break-even analysis, a sales forecasts and risk management cases.

Chapter 8 suggests future actions of the company in the aspect of control and make suggestion of using a specific tool.

Chapter 9 makes the conclusion and resumes the main points of the research of the Greek market launch plan, to ensure the successful market entry. Finally, my personal opinion is outlined after the examination.
2. Literature Review

In this chapter, we will examine the economic and social condition in Greek economy and society.

2.1. The Greek crisis & dramatic fall in living standards

As mentioned from Matsaganis M, “Greece made the headlines in 2009 when its fiscal crisis turned rapidly into a sovereign debt crisis, which finally mutated into a full-blown recession. Based on the latest official figures, by the end of 2013 the size of the economy will have contracted by 23.5 per cent in real terms relative to 2007. This is far greater than the equivalent contraction in other southern European economies – Spain: –5.5 per cent; Portugal: –7.4 per cent; Italy: –7.8 per cent or Ireland –5.0 per cent – over the same period. So deep and drawn out a recession has simply no precedent in the peacetime economic history of most advanced economies.3

Figure 1: Gross domestic product at market prices, 2007-2014 (Eurostat statistics database)

The GDP per capita (in purchasing power standards) is the mean to realize the huge Greek setback in contrast with the Western European average. The following Figure 2 is very representative of the situation. After 2009, in the 4 countries, the Gross domestic product at market prices was decreasing but in Greece was the higher decrease with the most unstable route. From 2009 recession characterizes Greece.

![GDP per capita graph](image)

*Source: Statistical Annex of European Economy (Spring 2013), Table 9, pp. 46–47.*

**Figure 2: Gross domestic product at market prices, 2007-2014 (Eurostat statistics database)**

### 2.2. Social Impact

In the current Greek economic and social crisis, the most important feature is the high rise in joblessness. As seen in Figure 3, from 2009 it started to rise. In May 2013, unemployed workers were almost 1.4 million and the unemployment rate at 27.5 per cent, the highest among all other countries.

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The problem is even higher in long-term unemployment, from the second quarter of 2008 to the first quarter of 2013. From 184,000 and 3.7 per cent of the labour force to 889,000 workers or 18 per cent.5

According to a study from Linköping University, “young adults in Greece suffer more from stress and mental health problems and are less optimistic about the future than Swedes of the same age (24% of the Greeks had no hope for the future, a view shared by just 5% of the Swedes). The grave financial problems in Greece have brought on a social crisis that has probably affected people’s health.” 6

“This should not be interpreted as saying that the students in Athens were less stressed than those in Linköping. We know from other studies that people who are depressed or are ‘burned out’, or suffer from chronic stress syndrome actually have lower cortisol levels. People can handle shorter periods of stress quite well, but after some time the body cannot manage the high stress levels and the cortisol levels start to fall. If the stress factors remain, it can also lead a weakened immune system”, says Tomas Faresjö, professor of medical sociology and chief investigator for the study.


6http://liu.se/forskning/forskningsnyheter/1.509208?l=en
“The study shows that the health of young Greeks is considerably worse than that of young Swedes. One can suspect that the social crisis in Greece is beginning to have biological effects on the residents of the country”, says Dr Faresjö.¹⁷

For people is important to have fun and enjoy themselves, but more important is to distress, relax and enjoy a quality sleep. Though sleeping and relaxation disorders is more common than ever before. This stress disorder is the opportunity we could take the advantage and base our new product.

2.3. Industry Trend

In an article on the just-drinks webpage is mentioned that “Estimates for the size of the market in any country are not easy to come by, both because of the newness of the category and the aforementioned blurry definitional lines. Industry sources estimate the worldwide market to be at least US$200m. Business Insider estimated the size of the US market to be $153m in 2014, probably including large amounts of sleep-inducing drinks, with the market size of focus-enhancing drinks likely being much lower. In Germany, where estimates restricted to focus-enhancing drinks are available, the market is probably only about EUR1m (US$1.1m). At any rate, it can be said with certainty that relaxation drink sales are minuscule compared to energy drinks, retail sales of which were over US$30bn in 2015.”²⁸

¹⁷http://liu.se/forskning/forskningsnyheter/1.509208?l=en
Additionally, that people are having trouble relaxing is a common truth. A recent study from the University of Queensland estimated that “one in 13 people worldwide suffers from an anxiety disorder. The American Psychological Association found recently that Americans rate their stress at an average of 4.9 on a 10-point scale (anything over 3.7 is considered unhealthy). In the same study, 37% of American women and 27% of American men reported that stress has made them feel fatigued in the last month. This is exactly the sort of space that these relaxation drinks are targeting. Sales of over-the-counter sleep aids are also increasing worldwide.”

Figure 4: Energy drink growth (Euromonitor International)

Figure 5: OTC sleep aid sales in many major markets (Euromonitor International).

3. Research Methodology

In this chapter, small details about the research methodology used and some details about the questionnaire will be given.

3.1. Preface

As described by the American Marketing Association, a situation analysis is "the systematic collection and study of past and present data to identify trends, forces, and conditions potentially to influence the performance of the business and to choose the appropriate strategies."

The situation analysis consists of several methods of analysis: The 5Cs, SWOT and Porter's five forces analyses.10

This work will be based in a variety of tools. First of all, a questionnaire with its restrictions will be used, which will lead us to very important conclusions. In next chapter, all the details and the results will be demonstrated.

Secondly, according to Porter "5 forces analysis model will be used and adjusted to my research. The structural analysis of industries goes back to Porter, where he identified that an industry depends on five basic competitive forces. The goal of this analysis is to help a business unit identify the best position in the market to defend itself against these competitive forces." 11 The figure below shows those five forces.


Finally, Swot Analysis will be used. The as-is-situation analysis includes dissecting the company’s 4 characteristics as represented in Figure 7. It is often used to identify important strategic risk factors.\(^\text{13}\)

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\(^{12}\)ESSENTIAL TOOLS FOR MANAGEMENT ACCOUNTANTS, CGMA, pp.51


The analysis of Pasithea’s characteristics and its market surroundings can help us create a SWOT matrix and demonstrate the strengths, weaknesses, opportunities and threats.

3.2. Sample of the questionnaire

The characteristics of the sample will be the above:
- The sample of the questionnaire consists of persons who live in Greece or are from Greece but live abroad (question 1 of the questionnaire).
- The sample mainly (42%) will be from Ioannina in Greece, since the researcher is from Ioannina and will be easier and more convenient to gather answers for the questionnaire from individuals who know the researcher and agree to participate in it. Figure 8 presents the different cities of the participants.

![Figure 8: Q2. Greek participant’s location. (questionnaire)](image)

- The respondents were taken from 102 individuals in total, 50% men (51) and 50% woman (51), as seen in figure 9, from different ages and different occupations. By
this way, I will obtain information needed from the most profitable to the least profitable.

![Pie chart showing gender distribution with 50% male and 50% female]

Figure 9: Q1. Gender (questionnaire)

- Finally, the answers of the questionnaire are going to be indicative for the whole Greece, since we are going to compare them with the conclusions made by the literature. This occurs since the literature is indicative for the functional beverages sector and relaxation beverages sector specifically in Greece.

3.3. Data

The data will be collected by means of questionnaire which combine a prepared list of questions. Two types of questionnaires exist, self-administrated and interview-administrated which are divided into subcategories (Saunders, Lewis, Thornhill, 2009). Our questionnaire Internet-mediated questionnaire which belongs to self-administrated questionnaire.
Figure 10: Types of questionnaire (Research Methods for Business Students)

Internet and intranet-mediated questionnaires, and in particular those administered in conjunction with email, offer great control because most users read and respond to their own mail at their personal computer (Witmer et al., 1994).

In order the questionnaire to be more easy distributed through internet social networks such as Facebook and Twitter and have access to a large number of individuals, it was constructed through the webpage www.surveyplanet.com and distributed electronically with a use of a single web address given by surveyplanet.

3.4. Designing the questionnaire

The process followed in designing the questionnaire is the following:
1. Work out the aims of the questionnaire/survey, area of study, issues to be addressed (since the information provided by the public literature is limited, the use of a questionnaire is obligatory).
2. Determine population/sampling
3. Select question styles, design the questions
4. Structure the questionnaire
5. Revise the questionnaire
6. Administer the questionnaire


See Chapter 4.2. Sample
7. Follow-up for non-response as necessary
8. Analyze results.

3.5. About the questionnaire

It is an internet-mediated questionnaire. All questions do not appear in Belson’s sixteen categories list of difficult questions (Fody W., 1994). A descriptive research is used to describe a situation as it exists and does not intend to determine a cause-effect relationship (Leely and Ormrod, 2005, p.179)

Pilot testing was also used since friends were asked whether they have any difficulties with understanding or answering the questions and if the instructions were clear. Most of the friends asked, also studied in an MBA level, so they could give me a more detailed enquiries or suggestions. Additionally, the initial questionnaire was also sent to Pr. Andreas Souitaris, who is the supervisor of this research, in order to test my questionnaire and after some recommendations it was corrected.

3.6. Limitations

The questionnaire has the following important limitation:

➢ It must be underlined that this number of sample might not be the best one for making conclusions, but the factor time enables us from gathering information from a higher number of Greek persons. Based on Greek demographics the total number of people between 25-54 years in 2016 are 42.71% of the total population (male 2,291,355/female 2,309,664).17 A 5% sample means 230,051 people needed, so the 102 questionnaires answered won’t be a representative for the whole Greece. (time factor difficulty). – 5% is the representative sample according to Sanders (1990). But with the assistant of articles and researches made we can strengthen the power of answers.

http://www.indexmundi.com/Greece/demographics_profile.html
3.7. Analysis

To analyze qualitative data there is no correct method, since qualitative data is interpretive. In this research, data will be gathered through the answers on the questionnaires and through the literature which will be used. The answers will be first put into a centralized table where percentages of each answers will be shown on each question. After that, comments will be made on the grouped answers and the percentages seen. Finally, based on the findings from the questionnaires and the literature will form a conclusion.

The researcher will consider the possibility of inherent bias in the data and will carefully look for in the analysis performed. Bias can exist in many forms in data and needs to be identified when any conclusion on the results are offered (Leedy and Ormrod 2005).

3.8. Timeline of the research

The research will be conducted over the period July 2016 to February 2017. The following table demonstrates the research timeline:

Table 1: Research Timeline

<table>
<thead>
<tr>
<th>Description of activities</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft and finalize Business Consultancy Proposal outline</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Approval of the Business Consultancy Proposal outline</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Form questionnaire</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Pilot test the survey and revise</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Distribute questionnaire in social networks</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Collect data</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Analyse the data and write research</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Finalize the research</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Submit research</td>
<td>2016</td>
<td>2017</td>
</tr>
</tbody>
</table>
4. Situational Analysis

4.1. Preface

A situation analysis defines and interprets the state of the environment of a person or organization. A situation analysis provides the context and knowledge for planning. A situation analysis describes an organization's competitive position, operating and financial condition and general state of internal and external affairs.\(^\text{18}\)

We will focus on the following three analysis instruments:

❖ Market analysis
❖ Product analysis
❖ Industry & competitor’s analysis.

4.2. Market Needs

Coca Cola company represents the development of the worldwide beverage market through years. The first servings of Coca-Cola were sold for 5 cents per glass. During the first year, sales averaged a modest nine servings per day in Atlanta. Today, after 131 years, daily servings of Coca-Cola beverages are estimated at 1.9 billion globally.\(^\text{19}\)

The market need for refreshing drinks and the high brand awareness trend in the beverage sector is profound.

This statement can also be strengthened by question 8 of the questionnaire “why participants drink beverages”, where the 2 most popular answers are refreshment and taste as seen in figure 11.

\(^{18}\)http://planningskills.com/askdan/20.php

\(^{19}\)http://www.worldofcoca-cola.com/about-us/coca-cola-history/
Therefore, Pasithea SA focuses on the following sub-groups:

- The group Lohas. Lohas is an acronym for Lifestyles of Health and Sustainability and is based on the work of US sociologist Paul H. Ray. LOHAS describes a type of consumer that actively seeks out healthier and more sustainable lifestyle, product and service options and also the market for the products and services they buy.\textsuperscript{20}

- The group of busy professionals with an average income and aged between 25 and 54 years which have stressful lives. The conclusion to this group is based on the questionnaire where among the 102 participants, 85 were busy professionals (75\% of the total sample) \textsuperscript{21} and for 52 of them \textsuperscript{22}(51\% of participants & 61\% of busy professionals) “stress relief” as a characteristic of a relaxation drink is very important or important.

\textsuperscript{20}http://www.lohas.com.au/what-lohas

\textsuperscript{21}Mentioned on question 4 of the questionnaire “Which group do you belong to among busy professionals, athletes, active students, unemployed)

\textsuperscript{22}Based on the total answers of the questionnaire, through filters came this answer.
4.3. The Market

The global beverages industry generated total revenues of 1,759.5 billion EUR in 2013\(^23\); Greek beverage industry generated 611 million EUR in 2013, with an increase of 1,4% in 2014 at 620 million EUR.\(^24\)

Breaking down into sub-sectors the drink market will help us to better understand the market. Alcoholic and nonalcoholic beverages is the first cluster. We will concentrate on the non-alcoholic beverages segment. Figure 7 presents the sub-segments of non-alcohol beverages in the Greek market.

![Sales of non alcohol beverages in Greece (percentages %)](image)

**Figure 12: Non-Alcohol Beverages Segmentation\(^{25}\) (Foundation for Economic & Industrial Research)**

Beverages in 2015 is the biggest among the three subcategories with 69,5% share and 0,7% increase from 2008 to 2015. Juices is the second with 23,1% share and a 2,2% decrease from 2008 to 2015. The smaller share has it the other subcategory with a 7,4% share and an increase of 1,4% from 2008 to 2015. The above mentioned

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\(^{25}\)FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH (2016), [http://iobe.gr/docs/research/RES_05_B_04082016_REP_GR.pdf](http://iobe.gr/docs/research/RES_05_B_04082016_REP_GR.pdf)
"other" cluster represent energy drinks, iced tea, sport drink and relaxation drink where Pasithea belongs. Especially the share for the cluster “other”, in contrast to the other two categories was showing the highest increase from 2008 to 2015 at 1.4% which represents the dynamic of the subcategories during a period of economic crisis.

From the perspective of future sales planning, the food and non-alcoholic beverage prices are increasing as the non-alcoholic beverage prices also do.

![Figure 13: Food & Non-Alcohol Beverages Prices; 2009 = 100](http://www.naftemporiki.gr/cmsutils/downloadpdf.aspx?id=640901)

![Figure 14: Beverages Prices; 2009 = 100%](http://www.naftemporiki.gr/cmsutils/downloadpdf.aspx?id=640901)

Based on figure 14, the market for non-alcoholic beverages seems mature. Though taking into consideration that the stated ‘other’ subcategory is increasing its share this could mean further share increase and potential higher sales.

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4.3.1. Market Demographic Segmentation

In order to examine the market potential, the following target groups must be analyzed. As will explained later, Pasithea will focus on individuals from 25 – 54 years old target group. Figure 10 shows the target markets demography.

![Demographic Allocation – Greece 2014](image)

In question 3 of the questionnaire “Which of the following group indicates your age”, 82% of our sample is 26-30 years old & 31-40 years old as seen in the figure 11, proves as that our sample is a representative one.

![Q.8 Which of the following group indicates your age?](image)

---

Since most of this part of Greek population is usually working\textsuperscript{29} and have income, this age-target group appears more attractive for placing Pasithea in contrast with the other.

Table 2: Income of 2015 and number of citizens in Greece\textsuperscript{30}

<table>
<thead>
<tr>
<th>Income</th>
<th>Number of citizens in Greece</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 1.000€</td>
<td>279,913</td>
</tr>
<tr>
<td>1.001€ - 5.000€</td>
<td>1,165,650</td>
</tr>
<tr>
<td>5.001€ - 10.000€</td>
<td>1,608,859</td>
</tr>
<tr>
<td>10.001€ - 15.000€</td>
<td>1,023,317</td>
</tr>
<tr>
<td>15.001€ - 20.000€</td>
<td>788,812</td>
</tr>
<tr>
<td>20.001€ - 50.000€</td>
<td>476,416</td>
</tr>
<tr>
<td>50.001€ - 100.000€</td>
<td>- 21,380</td>
</tr>
<tr>
<td>100.001€ - 500.000€</td>
<td>- 6,119</td>
</tr>
<tr>
<td>&gt;500.001€</td>
<td>211</td>
</tr>
<tr>
<td>Total</td>
<td>5,370,677</td>
</tr>
</tbody>
</table>

The colored numbers indicate the above-average income target group which has a profound potential.

Finally, based on the 10th question “How health conscious are you?” we see that 81\%(83 out 102 participants) of the people participated in the questionnaire are very or extremely health conscious, while at the same time on question 17 about the reasons to buy a beverage, the 5th most popular answer was “I like to eat healthy”. The target group called Lohas. This group has to be analyzed. Lohas in our sample consists of 53\% female and 47\% male individuals.

\textsuperscript{29}http://tvxs.gr/news/ellada/ayta-einai-ta-eisodimata-poy-dilosan-oi-ellines
\textsuperscript{30}http://tvxs.gr/news/ellada/ayta-einai-ta-eisodimata-poy-dilosan-oi-ellines
As seen in figure 16 the majority in age structure of Lohas is older individuals. 82% of the Lohas target group belongs to the target group profile of Pasithea (age range between 25 and 54 years).

Having an income between 417€ and 1,250€ the target group is medium funded and capable to follow a reasonable product price.

Consequently, this target group might worth to target. Accordingly, we lead to the decision to enter the Greek market with Pasithea.

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31Based on the Table 1 Income of 2015 and number of citizens in Greece, that most citizens have income between 5,000€ and 15,000€ per year.
4.3.2. Market Trends Identification

The Greek drinks market growth is a clear indication of the future. It is characterized by intense competition and the effort to cover consumers’ needs with products, which leads the operating companies into constantly presenting innovating new products to differentiate themselves from the other ones.

Drinking does no more satisfies just the need of thirst. Lohas industry has taken serious steps to stabilize its position in today’s market based on the modern individual life.

Healthy drinks demand is constantly increasing in Europe and in Greece in our case. Personal day care and health-consciousness is becoming important for mature individuals. Men try to adopt try to live as a professional with athletic and healthy appearance and spend an important part of their salary for that.

Functional drinks market and especially relaxation drink market is, at the moment, in an infantry level and most consumers have a limited knowledge of similar products that are beneficial for them.

In question 12 of the questionnaire “Have you heard of Relaxation drinks” 71% of the participants are unaware of this category, as seen in the next figure.

![Figure 19: Q.12 Relaxation drink awareness. (questionnaire)](image)

Though as seen in question 11 “Are you willing to try a new type of beverage”, 77% of the participants are positive to a try, as seen in the following figure.
Additionally question 14 “Would you try a Relaxation Drink?” 75% of the participants answered positive as seen above.

Consequently, in order functional drinks to be successful, a certain level of education is needed.

### 4.4. Product Analysis

#### 4.4.1. Product Offering

As previously mentioned, Pasithea is a natural, non-alcohol, preservatives free and with a pleasant taste beverage containing local herbs, vitamin, natural sweetness ingredient intended to relieve stress, reduce anxiety and keep consumers focused.
The combination of blissful ingredients in this product will be distinctly unique from any other product on the market. One important ingredient is the natural mineral water from our local spring in Epirus-Greece which is known worldwide for its quality and the fact its suitable for a diet low in sodium and salt.

Another important ingredient is L-Theanine. It is a relaxing and nondietary amino acid found pretty much exclusively in teas from Camellia sinensis (alongside Green Tea Catechins and Caffeine) and is known to promote relaxation without sedation.\(^{32}\) It appears to be effective at this as well as reducing stress at standard dosages. Research shows that L-theanine neutralizes the speedy, jagged, bad effects of caffeine without reducing its mind-energizing, fat-burning features. L-theanine’s effect on the brain can be visualized on an EEG. Brain waves are actually smoothed out—but not flattened out—by supplemental L-theanine. The body is relaxed, the mind is calmed, but no drowsiness occurs\(^{33}\).

Finally, after speaking with the owner of a local herb store, the following herbs play a very important role in Pasithea.

Linden (Tiliaeuropea) is a popular herbal remedy for colds, flu, and other respiratory problems. Moreover, Linden flower tea benefits the digestive and nervous systems as well, being recommended to calm an upset stomach and reduce

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\(^{32}\) [https://examine.com/supplements/theanine/](https://examine.com/supplements/theanine/)

anxiety and stress due to its mildly sedative properties. It has also been shown to naturally dilate blood vessels, helping reduce blood pressure levels.\[34\] 3 among the 40 species of Linden can be gathered from the forests in Epirus.

Chamomile (MatricariaRecutita), relieves restlessness, promotes general relaxation and relieves stress, controls insomnia (Chamomiles mildly sedating and muscle-relaxing effects may help those who suffer from insomnia to fall asleep more easily).\[35\] It can be gathered from the area of Dilofo in Epirus.

Greek fruits with their high quality and proven high standard of taste is the final ingredient for Pasithea.

### 4.4.2. Five Forces Analysis

In this chapter, we will examine Porter's five forces analysis which as mentioned before is a framework that attempts to analyze the level of competition within an industry and business strategy development.\[36\] These 5 forces will be analyzed for functional beverages industry in general and will be summarized in the end. We will examine functional beverages industry because it is more representative category, since only one relaxation drink company exists today in the Greek market and can gives as a clear image of what will happen in the future, while in functional drink industry (relaxation drinks included) is also rising and more competitors exist.

#### 4.4.2.1. Supplier Power

The suppliers provide ingredients and equipment to produce relaxation drinks. Farmers are the main suppliers of fresh ingredients such as fruit or herbs. Compared to

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\[34\] https://www.natureword.com/tag/tilia-europaea/

\[35\] http://www.herbwisdom.com/herb-chamomile.html

\[36\] https://en.wikipedia.org/wiki/Porter's_five_forces_analysis
manufacturers, these suppliers are usually small in size and thus supplier power is reduced.

Some essential commodities are available from several sources, although, like every product, they are subject to price fluctuations. The market of raw materials can be described as a polypoly. Some ingredients such as aspartame are produced from few companies. Though usually substitutes exist and in case ingredients are expensive for example can be replaced by cheaper substitutes. For example, instead of aspartame we could use instead saccharine or stevia. Therefore, all competitors have nearly the same base of operations in satisfying their raw material needs.

Suppliers power is strengthened by the fact that in packaging some players sign long-term contracts with their supplier.

In some cases, suppliers include packaging providing advertising services. A recognizable brand image secures success in this market.

**Supplier power is assessed as moderate.**

![Supplier Power chart](image)

**Figure 23: Supplier Power chart**

### 4.4.2.2. Threat of Substitutes

To reach the quality and to suit the customer’s requirements today, there are some substitutes within the market of healthcare-drinks. Although they have different production processes and product attributes there are still some, that indirectly compete to Pasithea as substitutes. For example, simple tea made from herbs.
Overall, threat of substitutes is assessed as moderate.

4.4.2.3. Buyer Power

Based on our question 5 of the questionnaire, supermarkets and hypermarkets with a 62% of the total market are the most important distribution channels for beverages, which strengthens the buyer power. Switching costs for retailers are not that high.

However, some stores stock functional drinks of some type because of the consumers high demand.
A main characteristic of the market is product differentiation. Different flavors and nutrition characteristics of products in stores, proves it and weakens the buyer power. Additionally, as mentioned in an article in the article functional drinks in United States “the "health and wellness" trend is becoming increasingly popular among consumers who look for new ways to balance their diet. The manufacturers must meet the increasing demand of consumers for whom health and well-being is important. To meet the new trend in the functional food market buyers stock the so-called life-style products, which are adapted to the style of life Lohas, diminishing buyer power to some extent.” 37The example here may be our suggested product, relaxation drink Pasithea.

Key big retailers such as Lidl and AB Vasilopoulos supermarkets offer private-label versions of different type of beverages. The high sales of low price private label beverages indicate the price play a more important role in the purchase than the recognized branded products.

**Overall buyer power in this market is assessed as moderate.**

![Figure 26: Buyer Power](http://www.doc88.com/p-1436191190921.html)
4.4.2.4. Potential New Entrants

Potential new entrants are a real risk within the drinks market. They can be found especially in the low-price segments and unfortunately, parts of them have a sufficient level of comfort.

The relaxation drink market is in an infantry level and will only be rising, both in value and volume and will encourage new entrants. Small start-up companies or existing companys can entry the market. Beverage manufacturers such as Vikos or Loux have the capability to enter this market, since they already possess equipment and only a little investment might be needed for equipment. A new company could enter the market on a small level and operate a single integrated retail outlet. Though, to satisfy the consumer market, a company should be large economically and in facilities, to obtain scale economies as far as production is concerned. For a new company were to succeed in this market, brand recognition would be important factor.

A respectful market growth is expected since healthy products composition will improve and new innovative drinks will appear.

The likelihood of new entrants is assessed as moderate.

Figure 27: Potential New Entrants
4.4.2.5. Degree of Rivalry

The Greek functional drinks market is very limited. Differences in ingredients, beverages targeting various age groups, and special occasions represent the diversity of relaxation beverages. Competition is very low at the moment in Greek market.

Because of the medium differentiation of products, the level of rivalry is increasing and forces competitors to spend more on advertising. The method which production is outsourced determines the exit costs for relaxation drinks business. Higher exit barriers can occur when more business functions are gained by the manufacturer. Though for big businesses aborting the relaxation drinks Greek market, while remaining in the beverage business, would not be costly, since in the production process only the ingredients would change.

Overall rivalry in this market is moderate.

![Degree of Rivalry](image)

4.4.2.6. Summary

Food retailers are the main buyers, and possess high buyer power, especially if they belong in large chains. Though, they stock some functional drinks due to end-user demand.

For this market, key ingredients are fruit and herbal extracts. The size of manufacturers might be larger than the supplier’s companies. The reliance between most suppliers and relaxation drinks manufacturers might not be that important for their revenues, increasing consequently their power.
Constant growth of the market supports new entrants.

There are a few companies in the Greek market and are very diverse companies, which ease rivalry.

![Figure 29: 5 Porters Analysis Summary](image)

### 4.4.3. SWOT Summary

The SWOT analysis helps organizations assess issues within and outside the organization. The SWOT analysis, made up of an assessment of strengths, weaknesses, external opportunities and threats from competition, provides an outline for strategic decision-making. This chapter summarizes the SWOT analysis, mentioning the most important observations, as mentioned above:

The main Strengths and Weaknesses, Opportunities and Threats are selected and shortly will be explained.

4.4.3.1. Strengths

- Reputation & potential
  
The company which I will provide my business plan must have already a good reputation and be well known within the established Greek market.

  The development of Pasithea has a huge potential both for the Greek market and the potential European expansion.

- Coverage of the complete value chain

  The company which will materialize my business plan covers the complete value chain from product design, material procurement, and production to sales.

- High quality standards

  On the Greek market Pasithea will be seen as high-end product with leading quality and reputation.
• **Competitive edge by value-add**

  Due to high-end local ingredients and a better product quality Pasithea will establish a competitive edge in contrast to other suppliers of healthy energy and wellness drinks such as Tranquini. This market position will offer Pasithea similar potential in other foreign markets also.

• **Distribution effectiveness**

  With a product range of only one healthy drink the company which will decide to produce it, will logically be able to fulfil all orders in time. Consequently, distribution effectiveness will be another advantage.

### 4.4.3.2. Weaknesses

- **Lack of capital**

  The availability of capital, for the Greek company which will produce Pasithea, especially in the middle of economic crisis which occurs in Greece might be, especially compared to potential future competitors like Coca-Cola, rather limited.

### 4.4.3.3. Opportunities

- **Market growth**

  The responsible company may benefit from market growth due to positive market perception, lifestyle changes or a further growing LOHAS-trend towards health-consciousness and lifestyle.

- **Internet marketing**

  The responsible company could improve their internet activities, both at social networks like Facebook or Twitter and on their own website with a shop for direct offering to consumers in Greece and mostly in Europe.
- International Expansion -

As the company, which will produce Pasithea, might have or not international footprint Pasithea can strongly increase sales through internationalization, especially into the European markets.

- 4.4.3.4. Threats -

❖ Direct competition

The company’s direct competition Foodrinco which distributes Tranquini belongs to Vytogiannis Group has a long experience in the Food & Beverage industry, through the bottling of soft drinks, the production of packaging materials and the distribution of wines, edible oils, cheese and beverages. Its activities are spread nationally as well as internationally, including the regions of Europe, N. Africa, Middle East and Far East. Vytogiannis Group seems to be strong, healthy and well-funded. The distribution channels that are covered by the company’s sales force are the National and International Retailers, Specialized Wholesalers, Mini Markets and HO.RE.CA. ³⁹

❖ Indirect competition

A shift in consumer behavior towards the less-funded lifestyles than LOHAS may lead to sales reductions. Especially when thinking of the well-funded companies active in the beverage market – and their marketing budgets.

❖ Possible future legal restrictions

The past showed that especially in Greece legal restrictions in the food and drink markets often lead to several burdens for producers of food and drinks. This represents certain risk because Pasithea is staggered with nutrition additives.

³⁹www.foodrinco.gr
4.5. **Competition**

Knowing the competitors, is the only way to anticipate their moves.

As outlined, the drink market and mainly functional beverages, can be broken down into the sports and performance drinks, energy drinks, teas, fruit drinks and enhanced water. Some of those include accordingly Pasithea’s direct and indirect competitors:

<table>
<thead>
<tr>
<th>Direct competitors</th>
<th>Indirect competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitor</strong></td>
<td><strong>Brand</strong></td>
</tr>
<tr>
<td>Foodrinco distributor</td>
<td>Tranquini</td>
</tr>
<tr>
<td>The Chill Group Inc.</td>
<td>Just Chill</td>
</tr>
<tr>
<td>Dewmar International Brand Management Company, Inc.</td>
<td>Lean</td>
</tr>
<tr>
<td>iChill Beverages, LLC</td>
<td>ichill</td>
</tr>
<tr>
<td>SkyWater Beverage Company, LLC</td>
<td>Serenity</td>
</tr>
</tbody>
</table>

In the following subchapter, the competitors are analyzed in case of their individual impact for the company’s, which will produce Pasithea, market entry in Greece and possible barriers.

### 4.5.1. Direct Competition

Due to the fact that the only distributed relaxation drink in Greece is Tranquini, Foodrinco distributor is identified as the major competitor. Foodrinco competes to the Pasithea SA with one single product which is Tranquini, Tranquini is an alternative refreshing soft drink inspired by nature. It contains carbonated water from the Austrian Alps, chosen herbs like green tea, chamomile, lemon balm and lavender and blackberry juice and carrot. It belongs to functional drinks’ category, it doesn’t have sugar but fructose, so it is low in calories, having only 27kcal per 100ml. It is sold at the price of 1.30€. As it can be clearly seen from question 13 findings of the questionnaire, only 14% knew the product, which shows us how weak is product’s reputation in the Greek market.

40[^1]

[^1]: [http://www.foodrinco.gr/Products/RelaxationDrink.aspx](http://www.foodrinco.gr/Products/RelaxationDrink.aspx)
The direct competitor has to be considered as a factor, but it does not cause an insuperable obstacle for Pasithea to enter the Greek market.

4.5.2. Indirect Competition

Indirect competitors it is to constitute that those can be viewed as suppliers of product substitutes. An indirect competitor does not offer products that differentiate by the brand of a specific value-add, they rather offer products that are used by consumers who want to use a different product but for the same or similar occasion.

The first brand Tuvunu could be perceived as a competitor due to fact that the main ingredient is a herb that relaxes. Though the Tuvunu company launches the product as a natural refreshment and not as a relaxation beverage. Consequently, is not a direct competitor. The 7 rest products are sold only through online stores and do not exist in the Greek stores.

Corresponding to the concept of offering specific drinks for individual moments at a logical price level and with special ingredients, Pasithea offers especially its target group the suitable possibility to fulfil their wants for healthy, stress relief and lifestyle-oriented beverage.
4.6. Summary

We analyzed Pasithea’s current situation through the detection of market needs and a market analysis with emphasis on its potential, growth, demographics and trends. The conclusions of these was a straightforward description of our target group and an estimation of Pasithea’s potential in the beverage market. Finally, the product Pasithea was introduced accompanied by the competitors’ and industry analysis.

The following chapter will continue this marketing plan by creating a marketing strategy for Pasithea.
5. Marketing Strategy

In this chapter, we will continue this marketing plan by creating a marketing strategy for Pasithea.

5.1. Preface

Planning a market launch of Pasithea on the Greek market, a dynamic marketing strategy is a priority. When introducing an innovative product to the customer and the market, the possible threats are to be detected and fitting strategies to deal with them are to be developed.

In the following sections, we will focus on the main value proposition of Pasithea including the Unique Selling Proposition and positioning of the product.

Finally, the market launch, the further market penetration process and the financial objectives will be formed in order to end with Pasithea’s target market strategy.

5.2. Value Proposition

The benefits gained by the customer are described by the value proposition. The aim of a product should be to create value and satisfy the customer’s needs. When we determine the needs needed to be covered, the value proposition also determines the activities which are not exercised by the company. This is a critical for a products success and company’s success at the same time.

Pasithea proposes a product which covers important needs for a customer, which provides special Value-add.
### Table 4 Value Proposition

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
<th>Need served/ Main Value-add</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasithea</td>
<td>Improves mental functioning: better memory, concentration. Relieves stress and reduces anxiety. Contains Greek fruits with their high quality and proven high standard of taste. It's main ingredient is the natural mineral water from our local spring in Epirus-Greece which is known worldwide for its quality and the fact its suitable for a diet low in sodium and salt.</td>
<td>Mental focus Serenity&amp;peace Pleasant taste Hydration &amp; Diet suitable/Healthy lifestyle</td>
</tr>
</tbody>
</table>

Question 17 of the questionnaire describes the reasons to buy a beverage and level of agreement of the participant. According to the answers, among the agreement level are the highlighted:

1. "Flavour options are important"
2. "I like to eat healthy"  
3. “I like to keep focused”  
4. "Brand image influences my buying decision"
5. "It is a habit"
6. "It relaxes me" (Costumers unawareness of Relaxation Drink category)
7. " I only consume sports or energy drinks with the same rate."
8. "Energy drinks are my first buying choice"
9. "Caffeine addicted"
The 1\textsuperscript{st}, 2\textsuperscript{nd} and 3\textsuperscript{rd} most important needs are served by Pasithea as described on Table 4.

Question 18 of the questionnaire describes relaxation drink features and their importance rate. According the answers:

1\textsuperscript{st}. "Tastes good"
2\textsuperscript{nd}. "Are alcohol free"
3\textsuperscript{rd}. "Are stress relief"
4\textsuperscript{th}. "Keeps me focused"
5\textsuperscript{th}. "Provides caffeine-free focus boost"
6\textsuperscript{th}. "Helps me to sleep".

Except the last one, all other features where lower than the neutral level and are important for the participants in a lower or higher level.
All these features are served by Pasithea as described on Table 4.

Table 5 presents the suggested consuming occurrence and according possible activity.

Table 5: Consuming occurrence

<table>
<thead>
<tr>
<th>Product</th>
<th>Assumed consumption occurrence</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasithea</td>
<td>1x - 2x per week/4x - 8x per month</td>
<td>In stressful periods when a high level of focus &amp; concentration is needed.</td>
</tr>
<tr>
<td></td>
<td>2x - 4x per week/8x - 10x per month</td>
<td>When relaxation, rest is needed.</td>
</tr>
</tbody>
</table>

In question 6 “How often do you consume a beverage?” the first answer is in a monthly basis and secondly in a weekly basis as seen in figure 33.
In question 7 “On average, how many times do you visit stores to purchase beverages?” the highest answer was 1-2 per month and 3-5 per month was second as seen in figure 34.

In question 15 "how many times would you purchase a relaxation drink" 80% of the participants would buy a relaxation drink 1x – 2x per month, 3x - 5x per month only 13% and 6+ per month only 7% as seen in figure 35.
Clearly there is a big difference on the consumer perception of the need to drink a relaxation drink frequency and the frequency the drink a beverage. The fact that it is a new and for most unknown category of beverage and consumers so far, is the reason consumers haven’t realized that could cover the needs, mentioned previously by table 3, by a beverage.

### 5.3. Unique Selling Proposition

A unique selling proposition (USP) refers to the unique benefit exhibited by a company, service, product or brand that enables it to stand out from competitors. The unique selling proposition must be a feature that highlights product benefits that are meaningful to consumers.

As described by Dr. James Blythe, Professor of Marketing at the University of Westminster and writer of many textbooks on marketing, “the USP contains the one feature of the product that most stands out as different from the competition, and is usually a feature that conveys unique benefits to the consumer. Communicating the USP is a key element of branding.”

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Pasithea’s concept indicate a characteristic of a USP. The main advantages of Pasithea are:

- Need for health-consciousness (Lohas) and stress relief is served.
- Natural and local ingredients support the movement for truly Greek products, Greek consumers seek.
- Will be constituted by minerals and herbs at specific dosages and will be created after a scientific research.
- One product which will offer a fulfillment of a variety of customer’s needs.
- Consumer will save time and money since they have to buy only one product in a supermarket instead of buying numerous products.

Consequently, bearing all these in mind the advantage of Pasithea in contrast with the competition is obvious. An innovating product which serves the need for healthy-lifestyle and relaxation, gives Pasithea the collateral for success.

5.4. Position Statement

A statement used to create an image in customers. It is how you want them to visualize your product in relation to the market and competition, so it must be clear and specific.

Based on Porter’s generic model (see figure 36) of competitive strategies is clear that in our case the differentiation strategy is the most proper.
Pasithea’s main differences from the competitors are its design, image and quality. To determine a clear product position the following statements can be made:

Pasithea is designed for the target groups (as mentioned in Section 2.2) who are 25-54, busy professionals who want to be stress relieved. They need a product which points out their health-consciousness and mental fitness.

Pasithea is a non-alcoholic beverage that provide the key benefits (as mentioned in Section 3.3) like health-orientation. Unlike the main competitor Tranquini, Pasithea will offer a local character of Greece with local herbs combined with a modern and innovative bottle design.

Pasitheas’ distinct positioning statement is based on the idea of health-oriented beverage with an innovative image, providing the consumer the feeling of doing something positive for his body, mind and soul.

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Figure 37: Porter’s Generic Strategies\(^2\) (Wikipedia)

5.5. Financial Objectives

Coming to the financial planning, a goal must be defined to have a measurable aspect and aim to head to. The target during a market launch of Pasithea has two aspects:

- The new brand has to be introduced to the customer, so an image has to be created and developed while the first period of market entry. The product has to convince the customer to (test) purchase the drink and to realize the value add.

- The above said has to lead to product sales. Referring to the consuming occurrence and the following sales strategy, a specific and suitable sales target has to be defined.

The sales strategy and its success highly depend on the starting investment for the marketing activities and results in sales.

On 2014 total litters of beverages sold was 430 million. On Figure 12 7,6% were other beverages including energy drinks, iced tea, sport drink and relaxation drinks. We don’t have the specific percentage of relaxation drink sold so believing in the outstanding initial situation due to the USP an average sales level of supposedly a 5% share among the 7,6% share. It would give us a target of 1,634 million lt or 4,9 million bottles (330ml) per year, or with a lower approximation 9 million bottles within 2 years. Additionally, a compound annual growth rate of 30-40% can be intended.

5.6. Marketing Objectives

The marketing objectives are very important since they form the path which the marketing plan will take. To conclude if they were successful it is also important to measure if each target has been achieved. The marketing objectives are the following:

43Marketing week webpage, http://www.marketingweek.gr/default.asp?pid=9&la=1&arId=58757
44We give a low estimation due to the economic crisis factor
45330 ml are the quantity for most beverages packages in Greece.
1. Establish and increase the brand recognition

Specific characteristics should equip the product either visual (logo, colour of the bottle and the logo) either design of the product (in our case a unique shape of the bottle).

"Building a strong brand is the goal of many organizations. Building a strong brand with significant equity is seen as providing a host of possible benefits, such as greater customer loyalty and less vulnerability to competitive marketing actions or marketing crises; larger margins as well as more favorable customer response to price increases and decreases; greater trade or intermediary cooperation and support; increased marketing communication effectiveness; and licensing and brand extension opportunities."46

To measure the success of this marketing objective can be done in two ways. Firstly, to observe the sales. It is logical that in the future new antagonists will appear. If we have stable sales it might mean that we have a strong brand recognition. Though other factors that could influence the sales are the price, the distribution channels and the product quality. Secondly surveys could have organized to find out what is the customers opinion about the brand.

2. Secure a high internet presence

As it will be demonstrated in Chapter 4.5 a high internet presence is very important. A strong internet presence could help to establish the brand recognition so it must a big portion of the marketing activities. This could happen either through the official webpage of the company who will produces Pasithea but also through social media such as Facebook, Twitter, Instagram etc.

To measure the success of this objective we should count the clicks in internet and analyze them with software programs.

Another method to secure a high internet presence is by search engines and through Google which is the most popular. Optimization of the search engines is very

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important. Today if we search in Google for keywords like: relaxation drinks in Greece Tranquini will be in most of the webpages results. The target should be, when someone search for keywords like relaxation drink, serenity, drinks which helps focus and similar keywords, Pasithea based webpages to be the result.

Depending on the position Pasithea web presence searching for the previous mentioned keywords can be the measure instrument of this objective success. In chapter 4.5.1. Website goals it will be examined more extensively of how can high internet presence is by search engines and through Google be achieved.

3. Have a strong retailer network.

A strong retailer network is very important in order the launch of product to succeed and have a strong presence in the Greek market. A high number of distributors in the whole country is the key to success.

To measure the success of this objective we should observe the supply reaction timeframes of the distributors in every region of Greece.

5.7. Target Market Strategy

The target groups as mentioned in Section 2.2 are the group Lohas who actively seeks out healthier and more sustainable lifestyle and the group of busy professionals with an average income, aged between 25 and 54 years, which have stressful lives.

The main approach to the target groups may be by carrying out promotion campaigns during sports events in Greece such as soccer, basketball or running festivals which are very popular nowadays. Could also be sponsors in basketball and soccer leagues for professionals from different business sectors who compete to each other. Selected famous players or VIPS could participate in promoting the product in events like the previously mentioned. Very important is also tv commercials which could assist the previous actions.

The results from question 9 of questionnaire “What is the most effective advertising that makes you want to drink a beverage” supports are approach since 64% prefer commercials and 15% web advertising (social media etc.).
Figure 38: Q.9 Most effective advertising that makes to drink a beverage (questionnaire)

5.8. **Strategy Pyramids**

“The Strategy Pyramid emphasizes the practical importance of building a solid marketing plan structure. Most marketing plans are developed from the top-level strategy first.”
Strategy, at the top of the pyramid, is a matter of focusing on specific markets, market needs, and product or service offerings. Tactics follow and set the marketing message and the way it should be transmitted. Programmes, at the base of the pyramid, provide the specifics of implementation. Programmes include specific milestone dates, expense budgets, and projected sales results.\(^47\)

In Pasithea case the basic strategy is to have a successful product launch in Greece which lead to the specific marketing strategy “Pasithea to be known and established as a healthy and stress relieve beverage with local natural ingredients on Greek market.”

\(^47\)http://articles.bplans.co.uk/marketing-a-business/the-strategy-pyramid/310
Tactic 1
Pasithea become ideally a daily habit of consumers.

➢ Program 1.1): Promotion actions (will be described in Section 4.4)
➢ Program 1.2): Creating an intense internet presence (will be described in Section 4.5)

Tactic 2
Taking a high market share, by securing a high sales/turnover rate.

➢ Program 2.1): The method could be used to secure this is by having a high availability of the product as will be described in Section 4.6, the sales system has to be organized in different distribution ways. Direct and indirect distribution guarantees the highest possible market share.
➢ Program 2.2): Suitable pricing model is the key for Pasithea to attract even more customers beside the target group (will be described in Section 4.9).

These are the main strategy, tactics and programs that form our strategy pyramid.
6. Marketing Mix

6.1. Preface

“Marketing Mix, a term coined by Neil Borden, are the ingredients that combine to capture and promote a brand or product’s unique selling points, those that differentiate it from its competitors. The ideas behind Borden’s model were refined over the years until E. Jerome McCarthy reduced them to 4 elements called “The Four Ps.” By 4P’s we mean product, price, place and promotion.”

![The 4 Ps of Marketing](http://www.purelybranded.com/insights/the-four-ps-of-marketing/)

This chapter ends with an extension strategy and sales plan

6.2. Product

It is important Pasithea except from the basic value to provide an added value which will help the product to succeed. Pasithea’s basic value is it relaxation characteristic. The added value origins from the two herbs that are used and which are popular herbal remedies for colds, flu, and other respiratory problems. Consequently, they help the immune system to restore after sickness and protect it at the same time.

![The 4 Ps of Marketing](http://www.purelybranded.com/insights/the-four-ps-of-marketing/)
A short product description and overview of the impacts are already given in subsection 4.4.1. The following table indicates the special ingredients.

Table 6: Pasithea’s Ingredients and their Effects

<table>
<thead>
<tr>
<th>Product</th>
<th>Special Ingredients</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pasithea</td>
<td>- L-Theanine</td>
<td>- Improves mental functioning: better memory and concentration.</td>
</tr>
<tr>
<td></td>
<td>- Natural mineral water, diet low in sodium and salt suitable</td>
<td>- Relieves stress and reduces anxiety and nervous tension.</td>
</tr>
<tr>
<td></td>
<td>- Linden (Tiliaeuropea) herb</td>
<td>- Protects the immune system.</td>
</tr>
<tr>
<td></td>
<td>- Chamomile (MatricariaRecutita) herb</td>
<td>- Promotes weight loss</td>
</tr>
</tbody>
</table>

All these effects are benefits for the consumers. For Pasithea, flavor is not the most important since what distinguish Pasithea from the other products is that its main focus is to cover and help everyday mental and physical problems.

6.3. Pricing

Penetration pricing and price skimming are marketing strategies commonly implemented when companies launch new products or services. Both approaches have worked for businesses, but you have to understand how your price relates to your overall marketing and promotions strategies. Penetration pricing relies on a low upfront price to attract customers, while skimming is the use of high upfront prices to maximize short-term profits from the most eager and interested customers.50

Since there is only one direct competitor at the time in Greek market and the fact that last year’s people are looking for a different lifestyle, amore healthy-orientated, we will choose price skimming for our case.

In the introduction phase, we will set a little high price to attract customers who will pay a prestige value, are not price sensitive. So, in the beginning we will establish a brand based on quality or status. Decreases in the price will follow in the product's life cycle or when competition begins to enter the market. Additionally, through two decreases we will attract more customers, the first reduction attracts the upper mid-class customers and the second reduction the average customers.

The current sales price in Greece for Tranquini is 1.3 € per bottle of 250ml. Changing this price for 330ml, which is our bottles ml, we get a price of around 1.59€ per bottle. This price is used to have an idea for the final price. We suggest a stepwise decrease as the following graph shows.

![Figure 42: Price Development - Skimming Strategy](image)

In this graph shows we can see a price reduction in 2 steps after a certain period of time. We have to take into consideration though that any reduction is depended on the products popularity and acceptance. It is suggested a start into the market with a price of EUR 2.09 per bottle. In the first year Pasithea should attrreac VIPS and other prestigious people. After 12 months, the first reduction to EUR 1.79 shall take place.

This reduction occurs to attract the following two target groups:

---

51 p = price
i. Busy professionals with an average income which have stressful lives.

ii. Lohas.

The second and last reduction is advised for 24 months after entry to EUR 1.49. The aim of this reduction is the attracting of people with lower income which might also belong to the previous 2 target groups mentioned.

Question 16 of the questionnaire “How much would you be willing to pay for a 330ml relaxation drink?”, can support the suggested price policy. The results are 2% for 2€-3€, 29% for 1.5€-2€ and 69% for 1€-1.5€. Consequently, with the first two prices we cover 31% of the sample and with the third price we will attract the 69% of the sample.

![Figure 43: Q16. How much would you be willing to pay for a 330ml relaxation drink? (questionnaire)](image)

6.4. Promotion

Since this research will be provided to an already existing company which will produce Pasithea, the product will be connected with a company whose identity shall reflect a long-term stable company personality. So, next to the brand which already exists we will use the name of our product, Pasithea.

To promote the product the company should make promotion on sports events and use Greek VIP’s and athletes of different genres, as mentioned in chapter 5.7. With VIP’s and athletes from different genres (such as entertainment, music, sport, business etc.) we are able to achieve a higher range of potential customers.
From the relationship of person to a specific drink, the customer can correlate the person’s success or behavior with the drink. Consequently, a target orientated promotion is achieved.

Finally, there should be an attempt to correlate specific annual events, such as Annual Thessaloniki cinema festival, with the product, through sponsorships. Additionally, advertising in lifestyle magazines like Men’s Health would be beneficial.

6.5. Web Plan

We live in the period of Internet with a continuously increasing presence in our everyday lives, as a result a website for businesses is very important. The main reason is how people are likely to find you. These days most people will go online and research products and companies before they make a purchase, if you don’t have a website you are missing out on all of this potential business. A website is also important because it helps you establish credibility as a business. Most people just assume that you have a website since the vast majority of businesses do, at least the vast majority of big companies do. \(^{52}\) In our case, all existing beverage companies do have webpages and the only thing, the potential company who will produce Pasithea, will have to add Pasithea and its description in their webpage.

6.5.1. Web Plan

For our website, we targeted 4 main goals:

1. Search engine optimization
2. Clarity and navigation
3. Contact support
4. Customer analysis

\(^{52}\)http://www.superwebanalyst.net/Importance-of-Having-a-Website-for-Any-Business.php
6.5.2. Social & Business Networks

Pasithea will have to use social networks like Facebook and twitter which are famous for the Greek people. The use of business networks like LinkedIn is also important. 7,072 million people in Greece are Internet users. Penetration of population: 64.8 %53. According to annual research conducted by the Economic University of Athens (ELTRUN) on social media and digital marketing, Greeks spend on average 80 minutes per day networking.54

Facebook is the leader in terms of activity by far, with 4,7 million users logging on at least once a month. In fact, 81% of Facebook subscribers in Greece (3,8 million) log on at least once each day. The penetration rate of Facebook users is 44.4%.55

All these networks should be used in the maximum level in order firstly the product launch to success and sales improve year by year.

6.6. Channels

The distribution policy followed in our case should be focused only in indirect sales. The indirect sellers work with sales channel partners and third parties who sell the product to the end customer, like supermarkets.56

So, either through wholesalers either direct from the company (in very specific cases) the product should be distributed to:
- Supermarkets (AB Vasilopoulos, Metro, My market etc..) but not discounter like Lidl
- Drugstores
- Health centers like Spa and Gyms

and conclude to consumers.

6.7. Summary

According to Kotler K. “Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.”

Pasithea is a unique product with local ingredients which provide protection and relaxation of physical and mental health and this distinguishes from its competitors. The price strategy shows that the target group is grows step by step. To support the product launch a target oriented promotion is needed. A proper website presence will attract even more customers. Indirect sales channels are the basis for reaching many consumers.

---

7. Financials

7.1. Preface

In this chapter the financial forecasts will be demonstrated on 3-years-forecast. This forecast has though some assumptions which have to be made:

1\textsuperscript{st} Assumption:

Following chapter 4.3.1. and 10\textsuperscript{th} and 11\textsuperscript{th} question of questionnaire, the minimum consumers which will constitute our target group will be calculated based on the following factors.
- The colored income cluster which is the aspired above-average income target group consumers are 3.925.114 &
- Among them and based on question 10\textsuperscript{th} and 11\textsuperscript{th} of the questionnaire, Lohas with age range between 25 and 54 years are (82% of 81% of the sample, equals 66.42% of the sample) 2.6 million citizens of Greece.

2\textsuperscript{nd} Assumption:

The target group Utilization rate begins with 5% and increases by 2.5% each year. As the Pasithea becomes acknowledgeable by consumers, the consumption rate will rise continuously.

3\textsuperscript{rd} Assumption:

After including transportation costs and after excluding marketing costs the production costs are assumed with about EUR 1.00 per piece. In a second stage and after Pasithea becomes known in the market, a production costs optimization could be feasible by reducing cost of logistics. A reduction of EUR 0.1 should be set as a goal.

Assumption 4:

As described in Section 6.3. the price is going to reduced.
Assumption 5:
The marketing costs (Social media networks, advertising, VIP pay etc.) will be mostly stable in the first 3 years and can be slightly reduced for some of them. As advertising in Greece play the most important factor of the products success as far as marketing is concerned only small reductions are recommended.

7.2. Break Even Analysis

Following the previously mentioned assumptions we will form the next break even analysis:

Table 7: Pasithea’s Financial forecast

<table>
<thead>
<tr>
<th>Unit</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Group Size</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>2.600.000</td>
<td>2.600.000</td>
<td>2.600.000</td>
</tr>
<tr>
<td>Utilization Rate</td>
<td>%</td>
<td>5,0%</td>
<td>7,5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>130.000</td>
<td>195.000</td>
<td>260.000</td>
</tr>
<tr>
<td>Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption Occurrence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Week</td>
<td>0,5</td>
<td>0,8</td>
<td>1,1</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pieces/Week</td>
<td>65.000</td>
<td>156.000</td>
<td>286.000</td>
</tr>
<tr>
<td>Marginal Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production costs</td>
<td>EUR</td>
<td>1,20</td>
<td>1,10</td>
</tr>
<tr>
<td>Retail price</td>
<td>EUR</td>
<td>2,09</td>
<td>1,79</td>
</tr>
<tr>
<td>Margin</td>
<td>EUR</td>
<td>0,89</td>
<td>0,69</td>
</tr>
<tr>
<td>Profit annual (Before Marketing)</td>
<td>EUR</td>
<td>3.008.200</td>
<td>5.597.280</td>
</tr>
<tr>
<td>Marketing Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Media</td>
<td>EUR</td>
<td>100.000</td>
<td>100.000</td>
</tr>
<tr>
<td>Adverts (Promotion equipment)</td>
<td>EUR</td>
<td>2.000.000</td>
<td>1.500.000</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>EUR</td>
<td>400.000</td>
<td>400.000</td>
</tr>
<tr>
<td>VIPS</td>
<td>EUR</td>
<td>200.000</td>
<td>150.000</td>
</tr>
<tr>
<td>Various (Administration/Office)</td>
<td>EUR</td>
<td>1.500.000</td>
<td>1.500.000</td>
</tr>
<tr>
<td>Total Marketing Costs</td>
<td>EUR</td>
<td>4.200.000</td>
<td>3.650.000</td>
</tr>
<tr>
<td>Profit of Period</td>
<td>EUR</td>
<td>-1.191.800</td>
<td>1.947.280</td>
</tr>
</tbody>
</table>

To better understand the results of Table 7 the following figure will help us.
As seen above the break-even point can be occurred after the year (2).

7.3. Sales Forecast

In Figure 44 the sales along with consumption occurrence and utilization rate are increasing during these 3 years. Since the publicity of Pasithea and the consumption occurrence increases, the utilization rate increases. The skimming strategy followed play an important role in these increases.
7.4. Risk Management Cases

In order to have a safer prediction, two opposite cases were calculated, the worst-case scenario and the best-case scenario.

7.4.1 Best Case Scenario

In this scenario, we suppose a higher utilization rate at 8% the first year and an annual increase of 2.5%. In this case profits occur from the first year.

Table 8: Pasithea’s Financial forecast – Best scenario

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Group Size</td>
<td>Consumer</td>
<td>2.600.000</td>
<td>2.600.000</td>
<td>2.600.000</td>
</tr>
<tr>
<td>Utilization Rate</td>
<td>%</td>
<td>8,0%</td>
<td>11,5%</td>
<td>13,5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>Consumer</td>
<td>208.000</td>
<td>299.000</td>
<td>351.000</td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption Occurrence</td>
<td>Per Week</td>
<td>0,5</td>
<td>0,8</td>
<td>1,1</td>
</tr>
<tr>
<td>Sales</td>
<td>Pieces/Week</td>
<td>104.000</td>
<td>239.200</td>
<td>386.100</td>
</tr>
<tr>
<td><strong>Marginal Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production costs</td>
<td>EUR</td>
<td>1,20</td>
<td>1,10</td>
<td>1,00</td>
</tr>
<tr>
<td>Retail price</td>
<td>EUR</td>
<td>2,09</td>
<td>1,79</td>
<td>1,49</td>
</tr>
<tr>
<td>Margin</td>
<td>EUR</td>
<td>0,89</td>
<td>0,69</td>
<td>0,49</td>
</tr>
<tr>
<td><strong>Profit annual (Before Marketing)</strong></td>
<td>EUR</td>
<td>4.813.120</td>
<td>8.582.496</td>
<td>9.837.828</td>
</tr>
<tr>
<td><strong>Marketing Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Media</td>
<td>EUR</td>
<td>100.000</td>
<td>100.000</td>
<td>100.000</td>
</tr>
<tr>
<td>Adverts (Promotion equipment)</td>
<td>EUR</td>
<td>2.000.000</td>
<td>1.500.000</td>
<td>1.000.000</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>EUR</td>
<td>400.000</td>
<td>400.000</td>
<td>300.000</td>
</tr>
<tr>
<td>VIPS</td>
<td>EUR</td>
<td>200.000</td>
<td>150.000</td>
<td>100.000</td>
</tr>
<tr>
<td>Various (Administration/Office)</td>
<td>EUR</td>
<td>1.500.000</td>
<td>1.500.000</td>
<td>1.500.000</td>
</tr>
<tr>
<td><strong>Total Marketing Costs</strong></td>
<td>EUR</td>
<td>4.200.000</td>
<td>3.650.000</td>
<td>3.000.000</td>
</tr>
<tr>
<td><strong>Profit of Period</strong></td>
<td>EUR</td>
<td>613.120</td>
<td>4.932.496</td>
<td>6.837.828</td>
</tr>
</tbody>
</table>

The breakeven point is achieved after the first period.
In this case the strategy followed was very successful and taking into consideration the skimming strategy, the first price decrease could be scheduled later on future controlled by the profits and the market share.

7.4.2. Worst Case Scenario

In this scenario, we suppose a lower utilization rate at 2% the first year and an annual increase of 2,5%, a less successful product launch in the market. In this case profits occur from the third year.

Table 9: Pasithea’s Financial forecast – Worst scenario

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Group Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>2.600.000</td>
<td>2.600.000</td>
<td>2.600.000</td>
<td></td>
</tr>
<tr>
<td>Utilization Rate</td>
<td>%</td>
<td>2,0%</td>
<td>4,5%</td>
<td>7,0%</td>
</tr>
<tr>
<td>Total</td>
<td>Consumer</td>
<td>52.000</td>
<td>117.000</td>
<td>182.000</td>
</tr>
</tbody>
</table>

**Consumption**

<table>
<thead>
<tr>
<th>Consumption Occurrence</th>
<th>Per Week</th>
<th>0,5</th>
<th>0,8</th>
<th>1,1</th>
</tr>
</thead>
</table>

| Sales                  | Pieces/Week | 26.000 | 93.600 | 200.200 |

**Marginal Income**

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production costs</td>
<td>1,20</td>
<td>1,10</td>
<td>1,00</td>
<td></td>
</tr>
<tr>
<td>Retail price</td>
<td>2,09</td>
<td>1,79</td>
<td>1,49</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>0,89</td>
<td>0,69</td>
<td>0,49</td>
<td></td>
</tr>
<tr>
<td>Profit annual (Before Marketing)</td>
<td>EUR</td>
<td>1.203.280</td>
<td>3.358.368</td>
<td>5.101.096</td>
</tr>
</tbody>
</table>

**Marketing Costs**

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>100.000</td>
<td>100.000</td>
<td>100.000</td>
<td></td>
</tr>
<tr>
<td>Adverts (Promotion equipment)</td>
<td>EUR</td>
<td>2.000.000</td>
<td>1.500.000</td>
<td>1.000.000</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>400.000</td>
<td>400.000</td>
<td>300.000</td>
<td></td>
</tr>
<tr>
<td>VIPS</td>
<td>200.000</td>
<td>150.000</td>
<td>100.000</td>
<td></td>
</tr>
<tr>
<td>Various (Administration/Office)</td>
<td>EUR</td>
<td>1.500.000</td>
<td>1.500.000</td>
<td>1.500.000</td>
</tr>
<tr>
<td>Total Marketing Costs</td>
<td>EUR</td>
<td>4.200.000</td>
<td>3.650.000</td>
<td>3.000.000</td>
</tr>
</tbody>
</table>

**Profit of Period**

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>Year(1)</th>
<th>Year(2)</th>
<th>Year(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-2.996.720</td>
<td>-291.632</td>
<td>2.101.096</td>
<td></td>
</tr>
</tbody>
</table>

The breakeven is reached after the third period.
In this scenario, we must revise the strategy since consumers are not responding as anticipated. There might be needed an increase in the adverts or promotion costs.

7.5. Summary

Three cases for Pasithea launch on Greek market were presented. The break-even point can be reached in the first period. Pasithea by using the skimming strategy can increase its market share which results in a rising turnover in the forecasted period.

Marketing costs play a crucial role in the products launch success and consequently are high, but can be reduced when the marketing objectives are successful from in early time.
8. Future Actions

Customer’s satisfaction, competitor’s reactions, society and business connect with the success of the Product. So, a market and business observation can help a company to do the proper adjustments in their strategy, when needed and response in time in changes. The most important is customer’s satisfaction, so the producing after a period from Pasithea launch, the producing company should focus on control. Many tools could be used but in this chapter, we will suggest and explain the CRM tool.

8.1. CRM Tool

Customer relationship management (CRM) helps businesses to gain an insight into the behavior of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognize the value of its customers and to capitalize on improved customer relations. The better you understand your customers, the more responsive you can be to their needs.

CRM can be achieved by:
- finding out about your customers' purchasing habits, opinions and preferences
- profiling individuals and groups to market more effectively and increase sales
- changing the way you operate to improve customer service and marketing

CRM main benefits is the development of better relations with your existing customers, which can lead to:
- increased sales through better timing due to anticipating needs based on historic trends
- identifying needs more effectively by understanding specific customer requirements
- cross-selling of other products by highlighting and suggesting alternatives or enhancements
- identifying which of your customers are profitable and which are not

This tool can lead to better marketing of the products or services by focusing on:
- effective targeted marketing communications aimed specifically at customer needs
- a more personal approach and the development of new or improved products and services in order to win more business in the future.

Ultimately this could lead to:
- enhanced customer satisfaction and retention, ensuring that your good reputation in the marketplace continues to grow
- increased value from your existing customers and reduced cost associated with supporting and servicing them, increasing your overall efficiency and reducing total cost of sales
- improved profitability by focusing on the most profitable customers and dealing with the unprofitable in more cost-effective ways.  

In order consumers to tell their opinion for Pasithea we could do the following:
- Via the company’s homepage
- Surveys
- Small questionnaires which will available in gyms, health centers or events.

The best result of the relationship between Pasithea and consumers is consumers to Pasithea to others.

8.1. Visualization of Results

Through surveys and questionnaires which rank level of loyalty and level of satisfaction we can visualize the consumer’s opinion.

The concept of the zone of loyalty, zone of indifference and zone of defection as suggested by the three Harvard professors (JL Heskett, The Service Profit Chain; The Free Press; New York 1997) is illustrated below in Figure 45.⁵⁹

![Figure 45: Zone of loyalty, zone of indifference, zone of defection](https://www.b2binternational.com/publications/customer-satisfaction-survey/)

The goal is the highest area, **zone of loyalty**.

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9. Conclusion

9.1. Research Findings

The company which will produce Pasithea is going to invest money to enter Greek market. Based on the answered questionnaire findings and the literature findings, it might be a risky investment, due to Pasithea’s nature. As a product and category is new for Greece and don’t know how successful the launch could be, but on the other hand a high market exists in Greece for healthy and lifestyle-targeted beverage products and the potential for Pasithea as an innovative and healthy product is very high.

9.2. Research Recommendations

To minimize the risks as possible some measurements must be taken. A major increase in internet website traffic and the importance of website marketing are very important factors of the success.

Pasithea should keep a close eye on website developments and, if needed, increase their focus on website marketing.

Plans do not always work out and the producing company has to be ready to deal with the likelihood that Pasithea will not make good first impression on consumers. Contingency plans have to be made for the following unexpected developments:

Difficulties and Risks:

• Slow sales resulting in less-than-projected cash flow.
• Unexpected and excessive cost increases compared to the forecasted sales.
• Overly aggressive and debilitating actions by competitors.
• A parallel entry by a new competitor.

Worst case risks might include:

➢ Determining the business cannot support itself on an ongoing basis.
➢ Having liquid reserves to cover liabilities.
Consequently, Pasithea market launch, comes with risks but worth to take because of the profits of the sales and the prestige that offers to the producing company as an innovative with health orientated concerns, which will make the company one that makes the difference in Greek beverage market.

9.3. Timeline deliverables

The following figure demonstrates the timeline of deliverables after the submission of the research.

<table>
<thead>
<tr>
<th>Description of activities</th>
<th>February</th>
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<th>April</th>
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<td>Provision of a draft of the research in existing Greek beverage companies</td>
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</table>

Figure 47: Timeline of deliverables

9.4. Further research opportunities

Based on the research which was conducted some further researches could be conducted. The following are some of these areas that could be examined.

1. Market Launch of a relaxation product in the Greek market.

The same subject with our original research question could be examined by other researchers in a more extensive way. The big difference should be on the number of the answered questionnaires and the number of the different cities that the

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60 In Appendix 11.2. the 3 stages will be more extensive.
questionnaire would be given. A higher number of these clues would ensure more efficient results for the Greece and not be so much limited as in our research.

2. Marketing plan of the product launch and connection with the selling processes.

In order to examine if our marketing plan is successful we should also focus in the future on the sales processes of the company and more specifically the performance of sales activities, which should be evaluated. For example, testing the connection with the usage of Sales-Performance-Measurement-System (SPMS).\textsuperscript{61}

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11. Appendix

11.1. Questionnaire

This questionnaire is used for personal research. All information provided would be kept confidential and it is for statistical purpose only.

1. Gender:
   - Male
   - Female

2. Where are you from?

3. Which of the following best describes your age?
   - 16-25
   - 26-30
   - 31-40

4. Which group of the above do you belong? (You can choose more than one options)
   - Busy Professional
   - Athletes
   - Active Students
   - Unemployed

5. Where is the most common place that you purchase or might purchase beverages?
   - Convenience stores
   - Restaurants
   - Grocery stores
   - Super Markets & Hypermarkets (AB, Lidl etc...)
6. How often do you consume a beverage?
   - Daily
   - Weekly basis
   - Monthly basis
   - Never

7. On average, how many times do you visit stores to purchase beverages?
   - 1-2 per month
   - 3-5 per month
   - 6+ per month
   - Never

8. Why do you drink beverages? (You can choose more than one options)
   - Taste
   - Caffeine
   - Refreshment
   - Brand loyalty
   - I do not drink beverages

9. What is the most effective advertising that makes you want to drink a beverage?
   - Commercials
   - Web advertising (social media, official website, etc.)
   - Other*

*The following answers were given:
- Suggestion from a friend
- Novelty Value
- Everything that is positioned in the store in the height of the eye
- Greek product or not
- Package
- Not answered
10. How health conscious are you?
   - Extremely
   - Very
   - Somewhat
   - Not at all

11. Are you willing to try new type of beverages?
   - Yes
   - No

12. Have you heard of Relaxation drinks (they help people relax, unwind and focus without the use of alcohol)?
   - Yes
   - No

13. Have you heard of Tranquini?
   - Yes
   - No

14. Would you try a relaxation drink?
   - Yes
   - No

15. Let’s suppose you would try, on average, how many times would you drink a relaxation drink?
   - 1-2 per month
   - 3-5 per month
   - 6+ per month
16. How much would you be willing to pay for a 330ml relaxation drink?
- 1€-1.5€
- 1.5€-2€
- 2€-3€

17. I am going to read you some statements that have been described as reasons for beverages. Please indicate to what extent you agree or disagree with them, where 1 represents Strongly Agree and 5 is Strongly Disagree.
- "Flavor options are important"
- "I like to keep focused"
- "I like to eat healthy"
- "It relaxes me"
- "I only consume sports or energy drinks when I'm physically active"
- "Brand image influences my buying decision"
- "Energy drinks are my first buying choice"
- "It is a habit"
- "Caffeine addicted"

18. Below are relaxation drink features for you to rate in terms of importance for you, where 1 is Very Important and 5 is Very Unimportant.
- "Are stress relief"
- "Tastes good"
- "Provides caffeine-free focus boost"
- "Are alcohol free"
- "Helps me to sleep"
- "Keeps me focused"
11.2. Product Development Timeline

The following sub stages analyze the 3 stages.

- **Stage (1):**
  - Develop Commercialization Time Line
  - Assess competition and market share
  - Assess Customer Needs and Preferences
  - Identify Target market
  - Develop product mock up
  - Hold focus groups
  - Develop product definition
  - Assess technical feasibility of project
  - Assess management capabilities for project
  - Recruit Project Team
  - Determine project costs
  - Assess regulatory environment etc.
  - Build business case
  - Obtain initial round of financing
  - Other tasks required

- **Stage (2):**
  - Detail the product development plan
  - Develop the prototype
  - Get end-user feedback
  - Refine product based on feedback
  - Carry out in-house testing
  - Do Field trials
  - Obtain regulatory approvals
  - Apply for patents
  - Update business plan
  - Develop marketing plan
  - Secure final stage financing
  - Other tasks required

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➢ Stage (3):
- Develop Production Plan
- Purchase and set up equipment
- Train Production Staff
- Conduct trial production run
- Quality Assurance Plan
- Obtain & Equip Administration Facility
- Develop Administrative Systems
- Develop Distribution Systems
- Develop Packaging Designs
- Develop Logistical Systems
- Establish Prices & Terms of Sale
- Develop the New Product Brand Program
- Develop Trade Names & Trademarks
- Develop Marketing Messages
- Develop the Graphics Identification
- Develop the Publicity Program
- Develop the Advertising Program
- Develop the Trade Show Program
- Develop the Company Brochure
- Develop the Product Brochure
- Develop the Customer Relations Program
- Develop the Technical Support Program
- Develop the User Training Program
- Develop the Supplies & Parts Program
- Develop the Internet Site
- Set up Board of Directors
- Establish Mentors and business advisors
- Establish Human Resource Strategy
- Production Launch
- Market Launch
- Other tasks required: