



Business Plan

- Punk Health -

Dec 9, 2022



“Punk Health” ?

It is a combination of bad living and health pursuits, generally.

Brewing coffee with goji berry. Making hot pot with green tea.

Using the most luxury mask, burning the longest midnight oil.

External Macro Environment



External Macro Environment



Political

- Less restrictive terms of health food macro-control policy developing.
- Push, promote, regulate from the state.

Economic

- GDP has been stable at around 7%.
- Ideal forecast for the prospect of the health product industry.

Social

- Life is fast-paced and stressful.
- Most of Generation Z is in sub-health state.

Technological

- Development of e-commerce platforms.
- Changes in the way people shop.
- Online payment function.

Market Evaluation



Target Market:

- the overloaded Generation Z group

considering that they have the need to balance stress and health (market demand)

- **Uniqueness of Offer:** Differentiation strategy, focusing on Punk Health group to provide diversified value.
- **Upsell Potential:** Fast Moving Consumer Goods with low unit price and many classifications.



- **Up-Front Investment:** The outsourcing of technical and production departments to bring about high commission fees.
- **Speed to Market:** A long time to build a sound Platform Economics.

Argumentation: promising idea

- The blue ocean market, enough room for growth
- In the early stage, giving up the APP project, while choosing WeChat online platform.

Brand Image



Brand Image



YOLO —— You Only Live Once



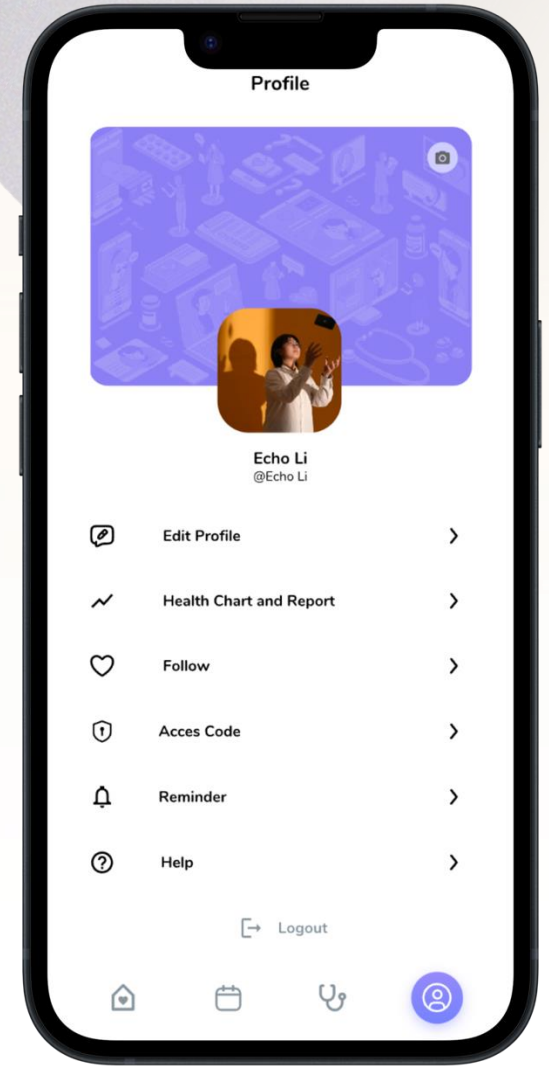
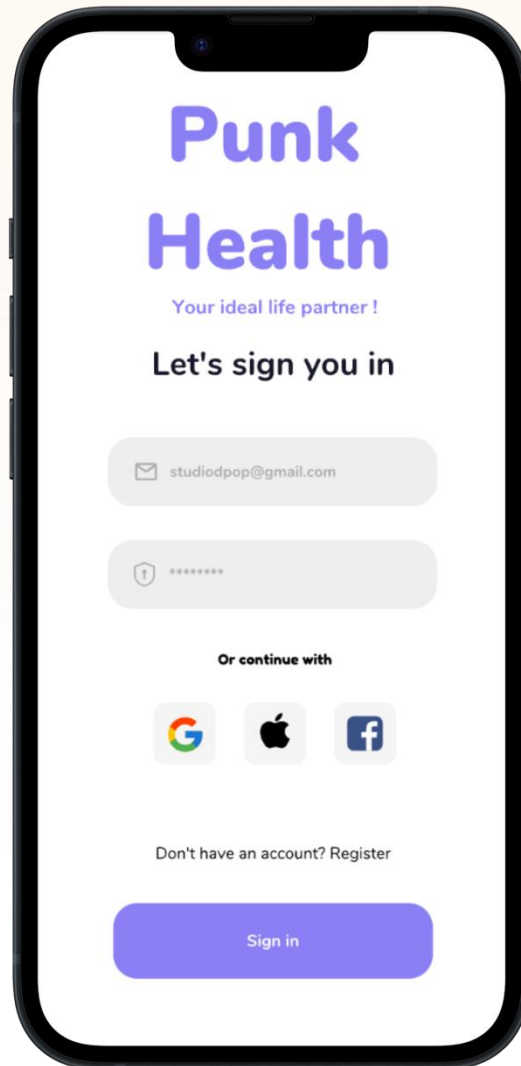
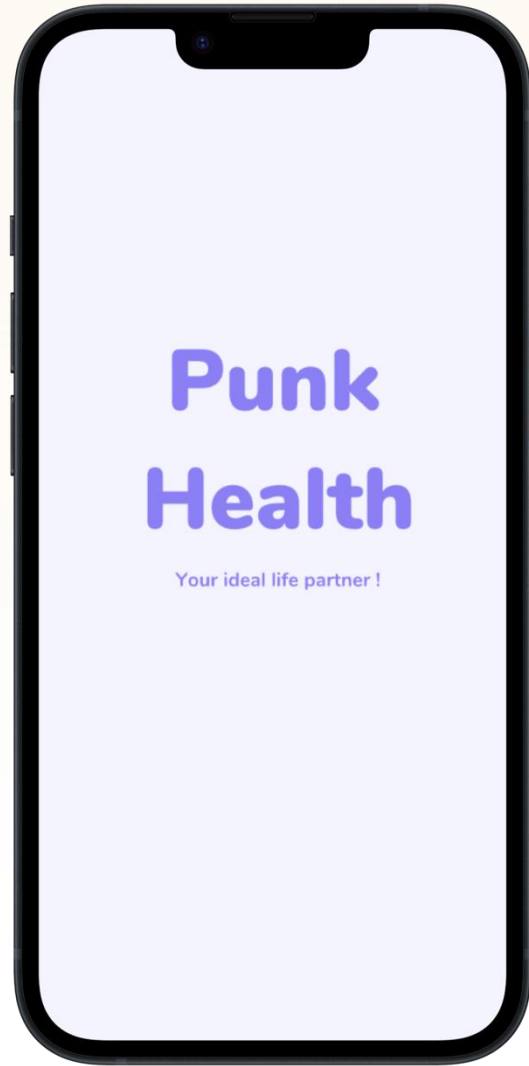
- The Golden Trifecta: appreciation, courtesy and respect.
- Social Status: customer-driven culture.

WeChat Online Platform



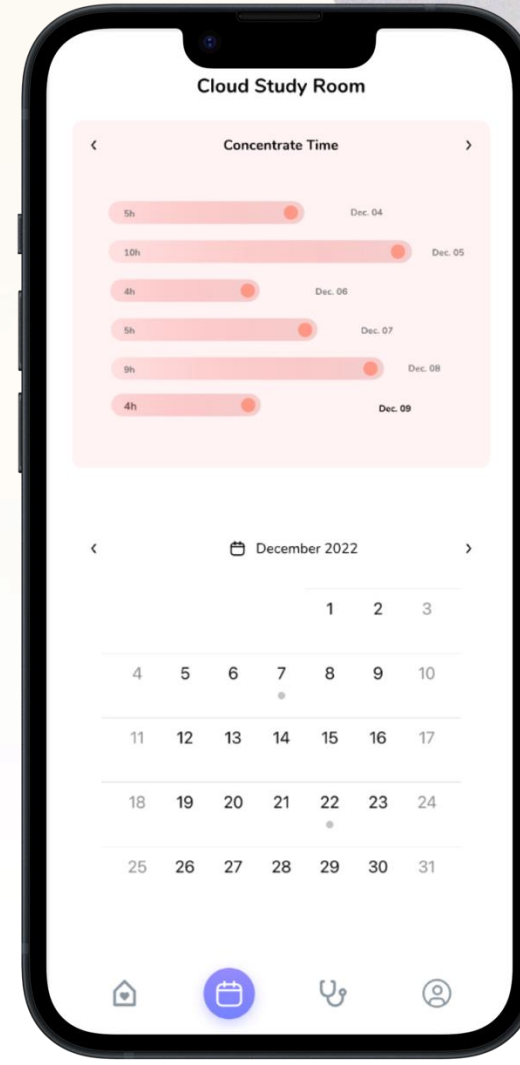
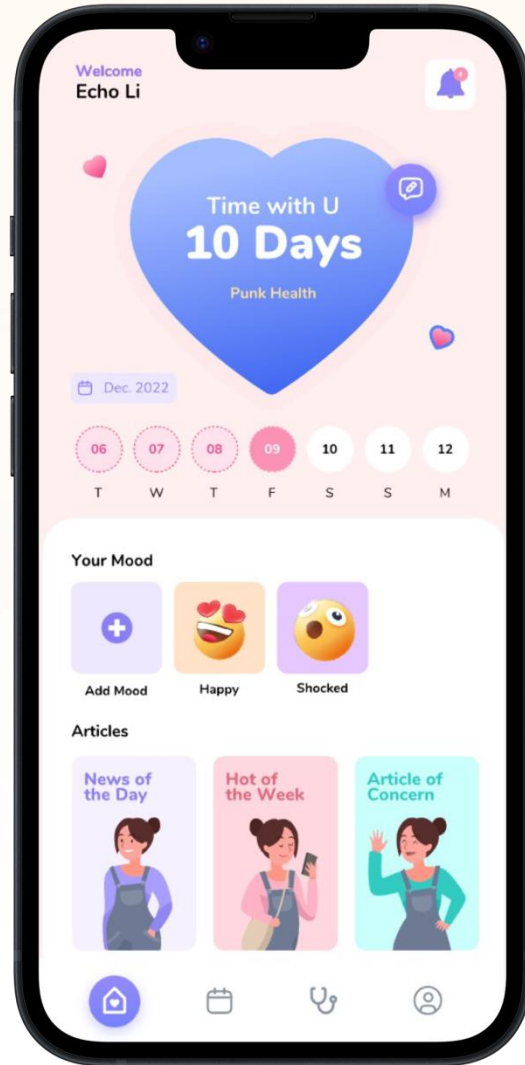


WeChat Online Platform - - Mini Program (layout)





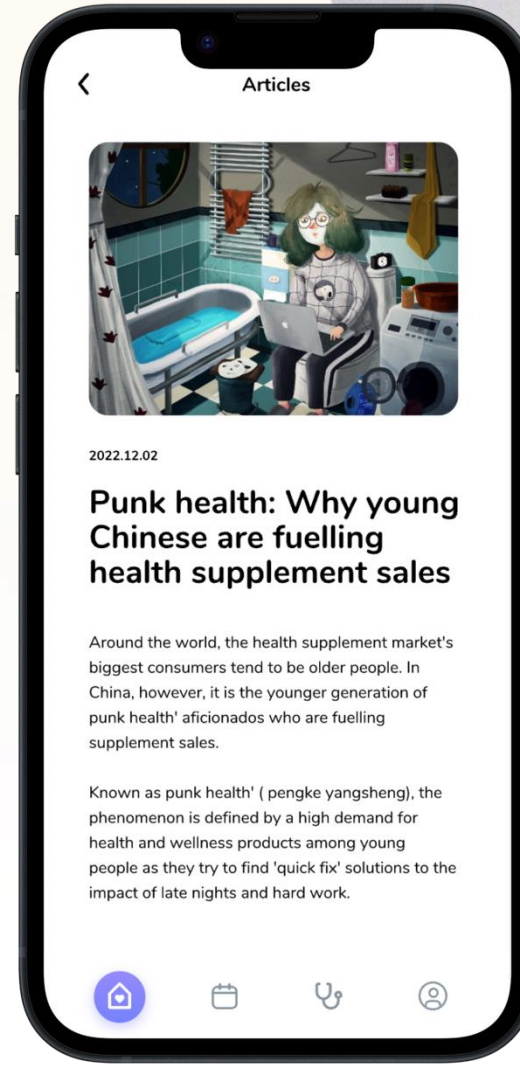
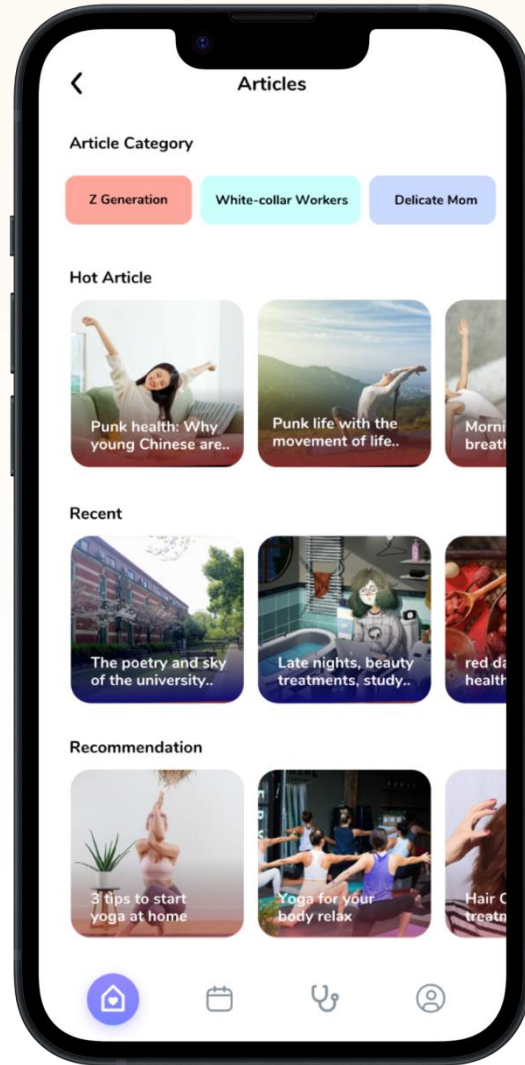
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YOLO —— You Only Live Once

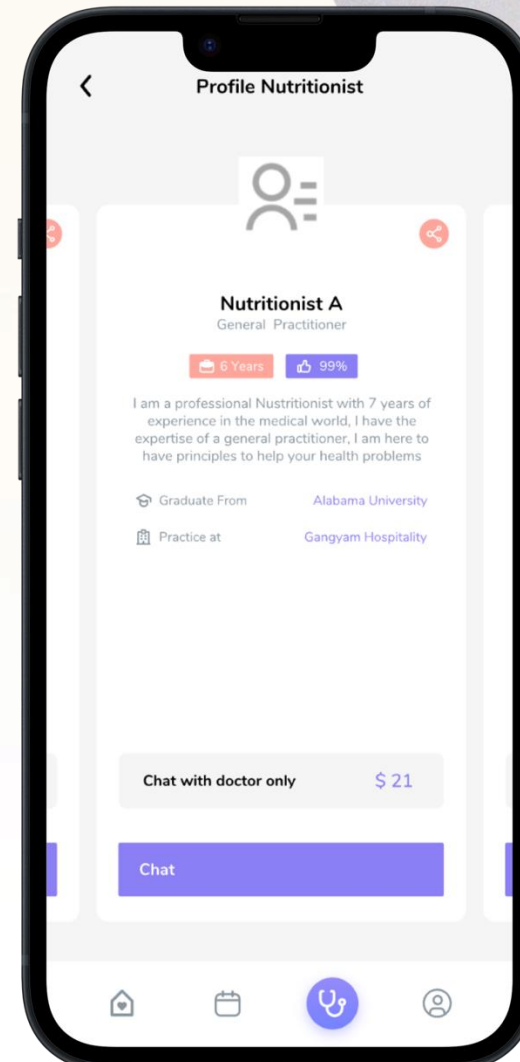
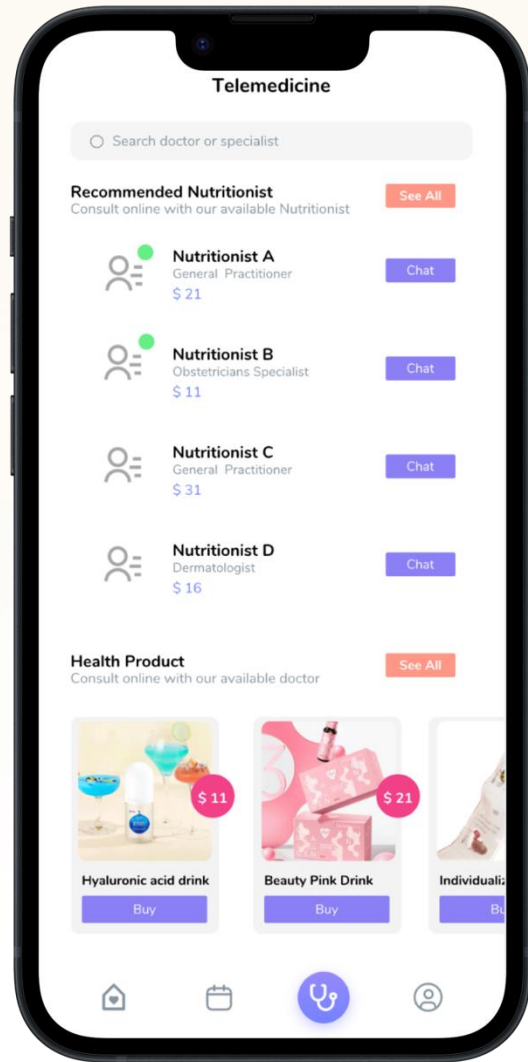


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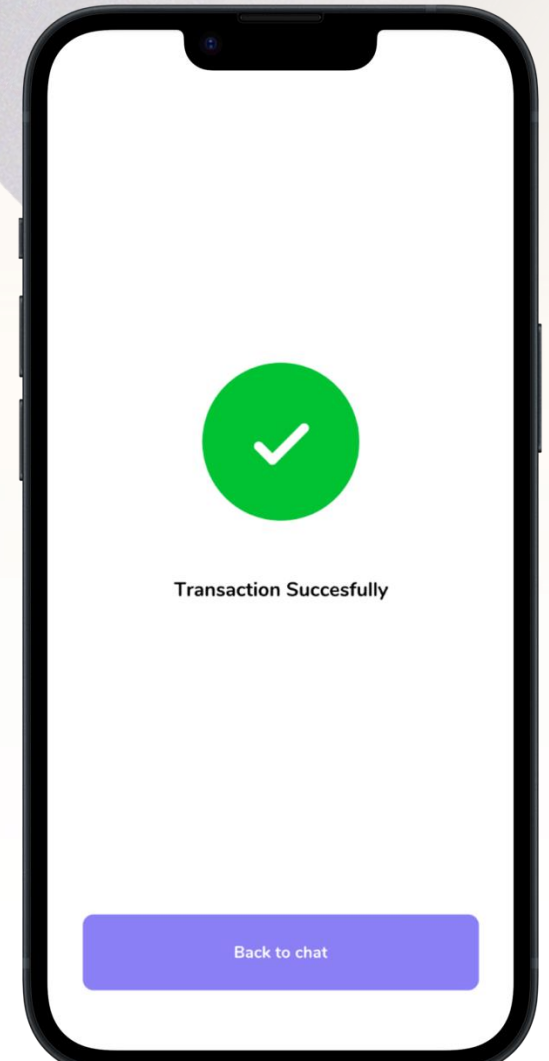
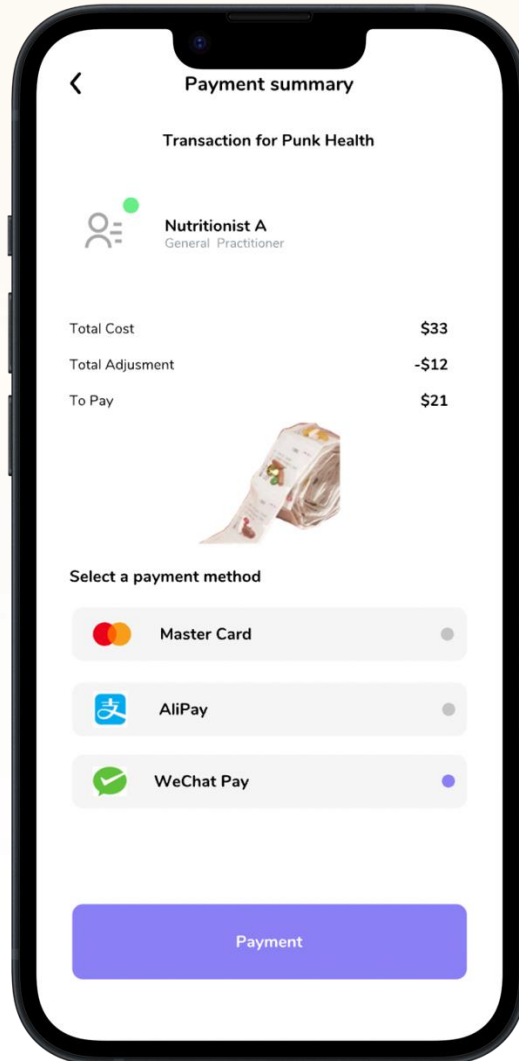
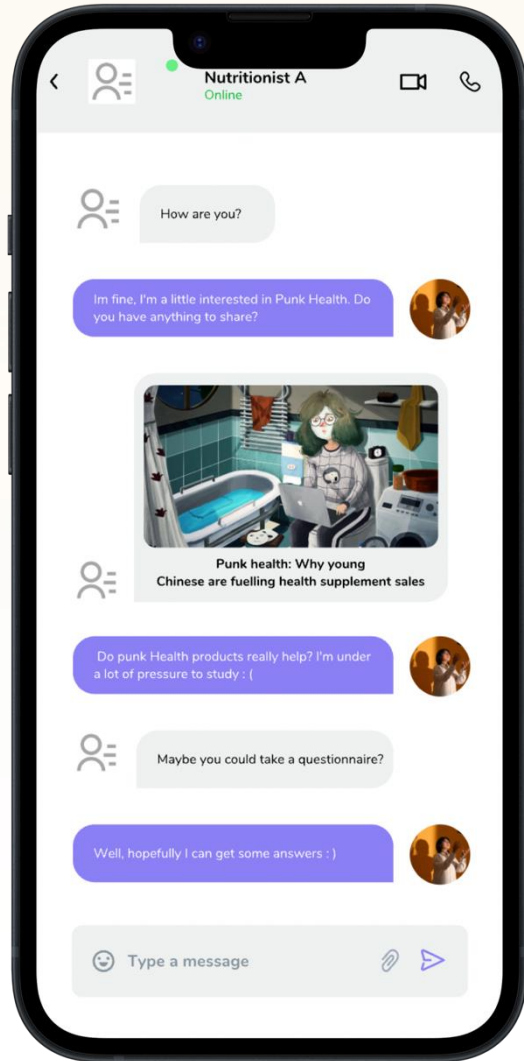
WeChat Online Platform - - Mini Program (layout)



YOLO — You Only Live Once



WeChat Online Platform - - Mini Program (layout)

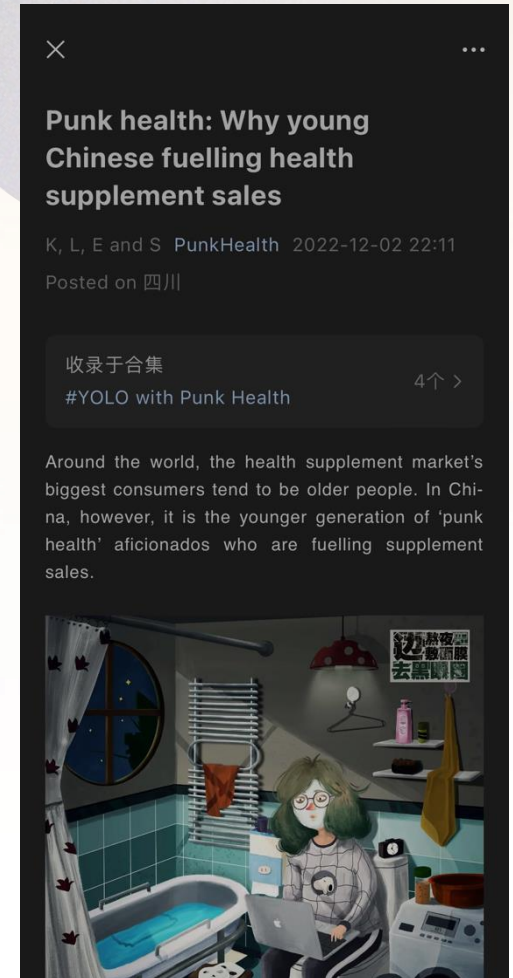
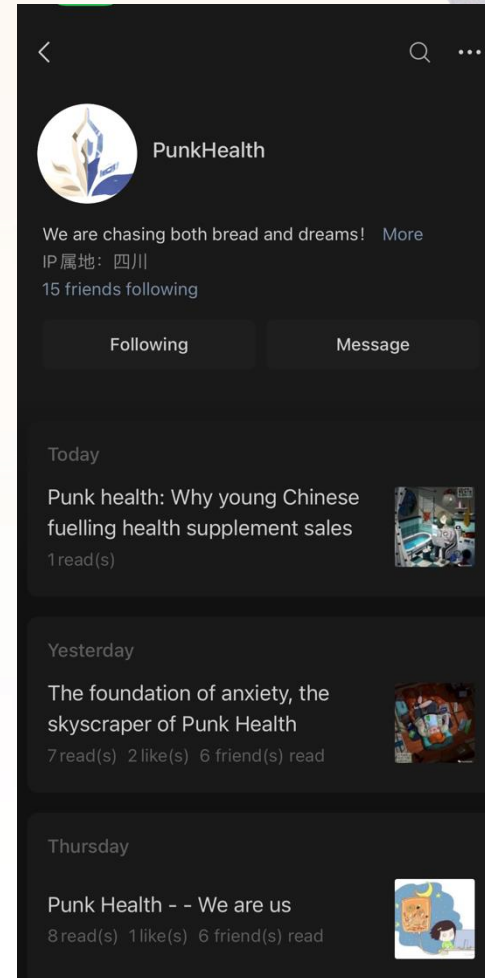




WeChat Online Platform - - Official Account (existence)

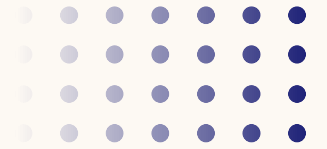


WeChat official account
was released on Nov 27, 2022



YOLO — You Only Live Once

Forms of Value



➤ **Shared resources:** Sharing health Knowledge; Users discussion

【Share health articles every day; users communicate in chat groups】

➤ **Product creation:** Hyaline acid water; Ginseng/Goji berry coffee

【These are our own designed and manufactured products】



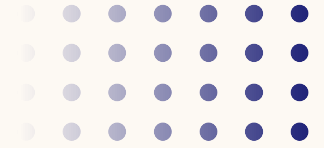
➤ **Resale:** Small medicine pack — — Quantitative packaging

【 Look for upstream manufacturers to get the medicine directly 】

➤ **Agency:** Look for cooperative enterprises and resell their products

【 For example: BY-HEALTH; Seasons Health Esthetics 】

Customer Evaluation



School students

Learn: curious about punk health; eager to get new things.

Bond: make new friend; participate in a discuss room;
study in the cloud study room.

Feel : The unique culture and trends of young people.





School students

Convenience:

- Reliable
- Ease of use
- Low cost

Market Comparison Method:

- hyaluronic acid water **¥10/bottle**
- Goji berry coffee **¥12/bottle**
- Ginseng drinks **¥19/bottle**





White-collar workers

Acquire: Customers use our applet themselves.

Recommend it to colleagues.

Defend : Protect mental and physical health.

Feel : Enrich their knowledge in free time, also it helps to find a balance between work and leisure.





White-collar workers

Fidelity:

- Effectiveness
- Status
- Emotion

Value Comparison Method:

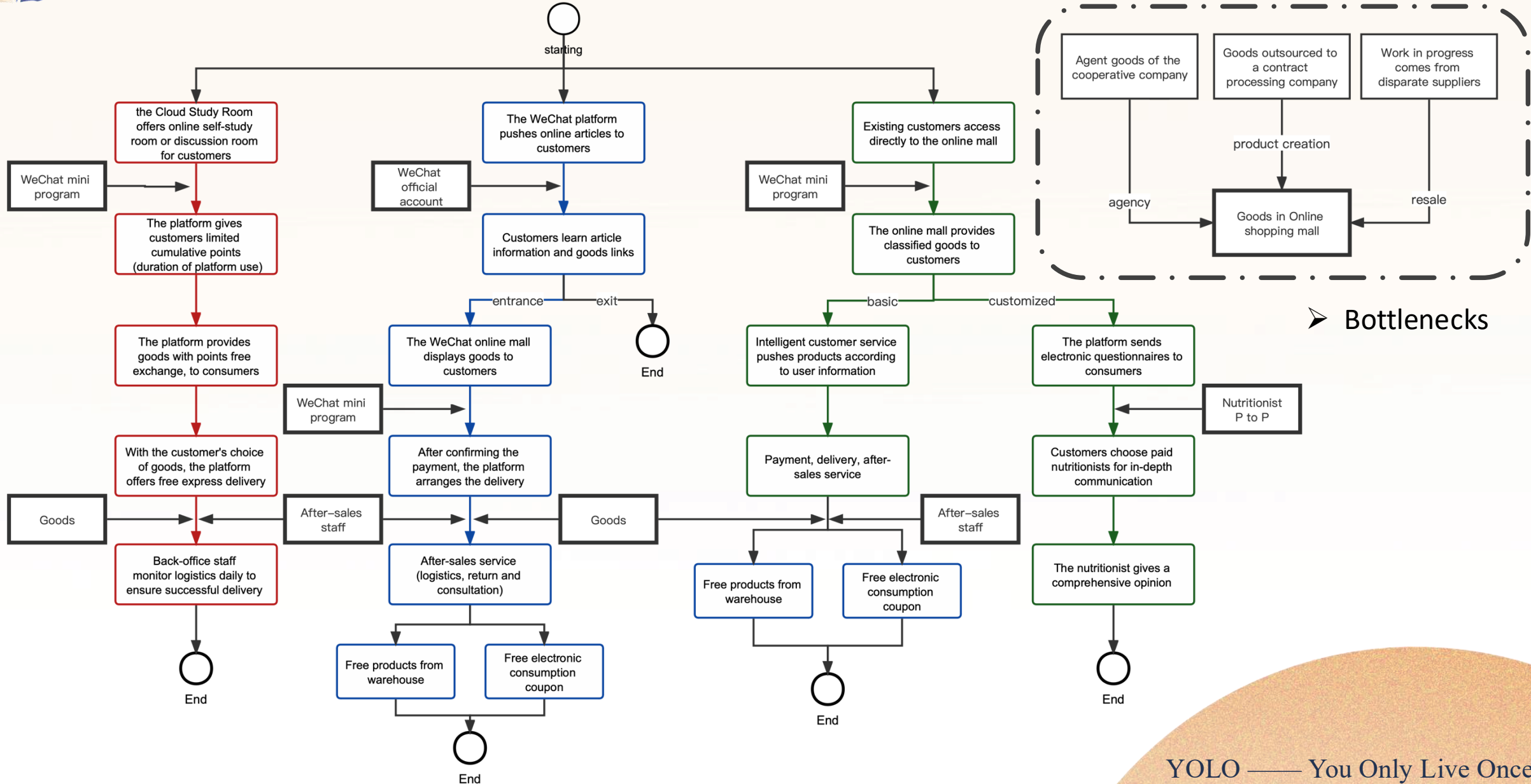
- Health care combination **¥36/day**
- Collagen protein drinks **¥25/bottle**
- Eye support advanced **¥166/bottle**



Value Delivery

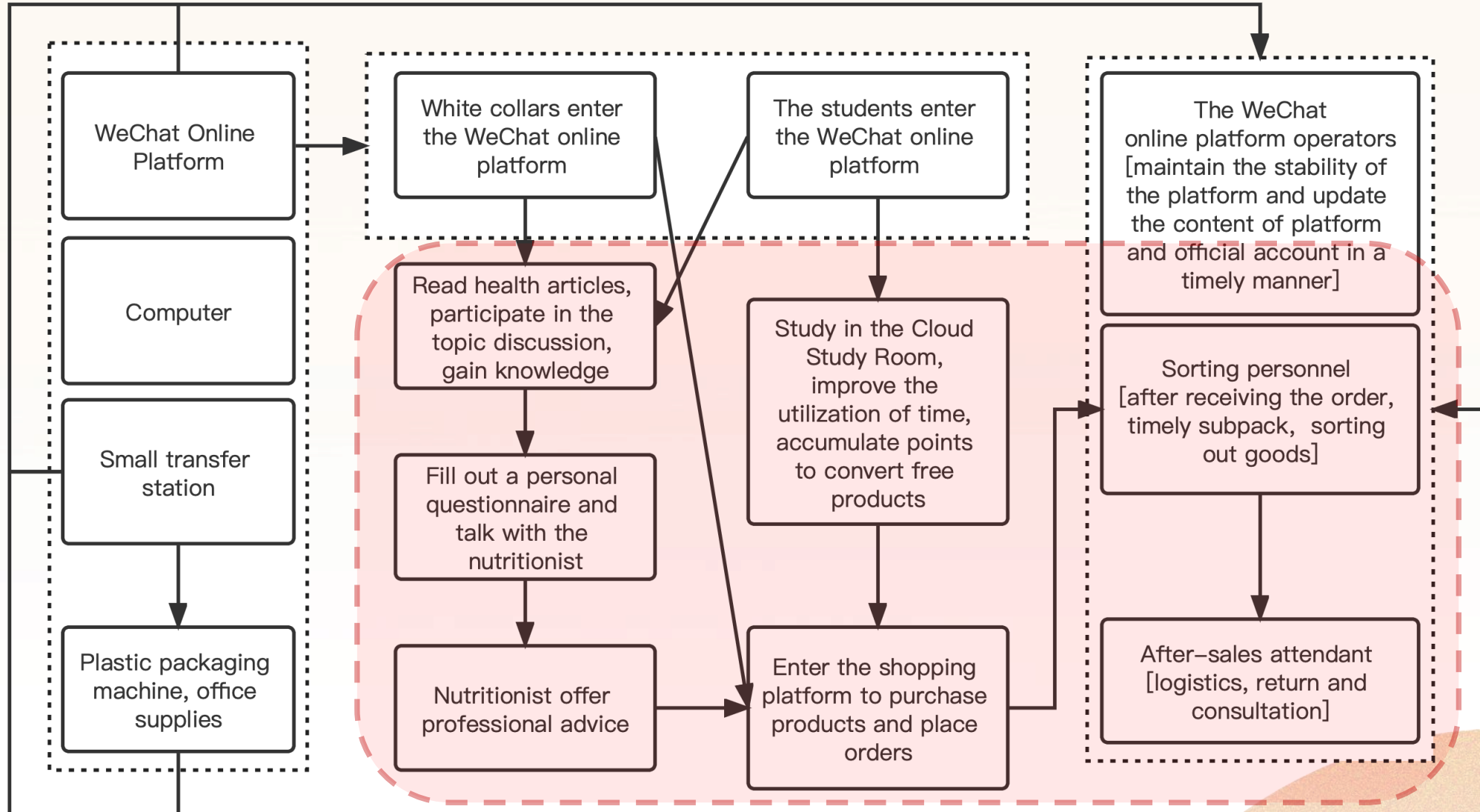


Value Delivery - - Value Stream





Value Delivery - - Value Creation





When the customers have purchased the goods:

- **Direct return** : Giving away our own brand products.
- **Indirect return:** Giving electronic consumption coupon.

Market and Sales



Probable Purchasers with Desired End Results



School students:

This is a unique cultural and fashion trend for young people.

Students are attracted to Punk Health brand culture, after receiving free experiencing products and cultural soft power.



White-collar workers:

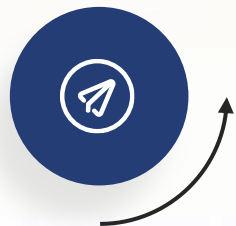
This is a time when work pressure and ideal life are difficult to balance.

Workers satisfy their inner yearning for youth, at the same time can assist beauty and health.



The psychological price of consumers in the market

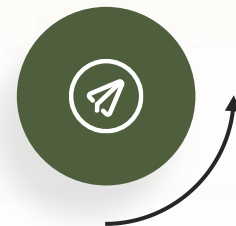
Basic products



Market Comparison

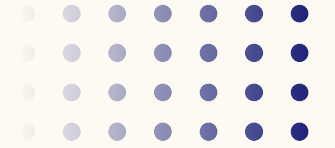
- Hyaline acid water
- Goji berry coffee
- Ginseng drinks

Customized products



Value Comparison

- Health care combination
- Collagen protein drinks
- Eye support advanced



Point of Market Entry — — Demographic



School students:

- Offline campus poster
- Online Bilibili KOL
- Student network promotion



White-collar workers:

- Residential building elevator
- Xiaohongshu KOC
- Co-branding with other brands

Access to the platform to ensure maximum customer convenience



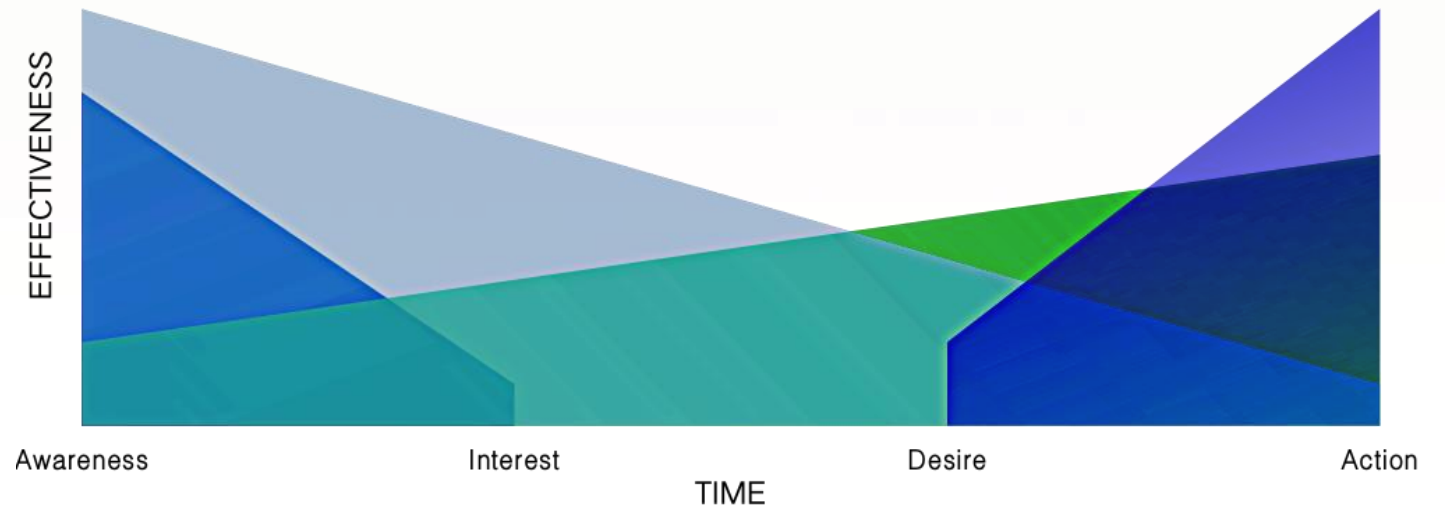
Education-Based Selling

The Generation Z group has a certain awareness of the culture

AIDA Principle

■ Publicity & Public relations ■ Personal Selling ■ Advertising ■ Sales Promotion

- Sending daily articles
- Creating hot topics
- Designing creative products



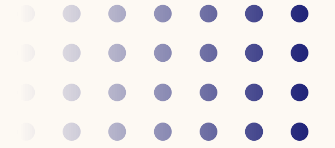
YOLO — You Only Live Once

Finance

FINANCE



Finance - - Main Expenditure



Main Expenditure Table

unit: CNY

Item	Amount
Wages and Salaries	324,000
Advertising	14,400
Rent	29,484
Outside Service	12,000
Design	12,000
Direct Marketing	9,600
total	401,448

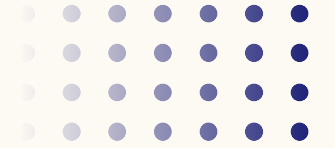


Finance - - Main Profit

Main Profit Table

unit: CNY

Item	Revenue	Cost of sale/Agency	Gross profit
Sales of ginseng drinks	448,400	176,903	271497
Sales of goji berry coffee	410,400	161,911	248489
Sales of hyaluronic acid water	342,000	118,060	22340
Sales of health care combination	205,200	121,433	83767
Commission received of collagen protein drinks	202,692	55,976	146716
Commission received of eye support advanced	88,312	24,388	63923
total			1,038,331



***Financial
Indicator***

Indicator

Financial

Our Gross Margin

61.2%

Business & Consumer Services
Industry Gross Margin

31.8%



Our Return on Sales

32.7%

Good Return on Sales ratio

5%



Organization



Organization - - Functional Structure



- Preventing duplication of effort
- Easily plan and making decisions
- Better control and supervision

External Micro Environment



External Micro Environment

➤ The threat of new entrants **HIGH**

- Low Capital requirements
- Low switching cost (the cost of switching supplier)
- Product differentiation
- The strength of the resistance from existing firms is low

➤ The threat of substitute products & services **LOW**

- The quality of substitute might be better and switching cost is negligible
- The loyalty of customer might be low



External Micro Environment

➤ Competitive rivalry **LOW**

- Lack of competitors with similar integrated business models
- Extremely high market growth rate

➤ The bargaining power of customers **SLIGHTLY HIGH**

- The buyer has a choice of alternative sources of supply and switching cost is low

➤ The bargaining power of suppliers **SLIGHTLY LOW**

- There are very few alternatives that also have a brand culture
- The interactivity of the platform economy, which alternatives do **not** have

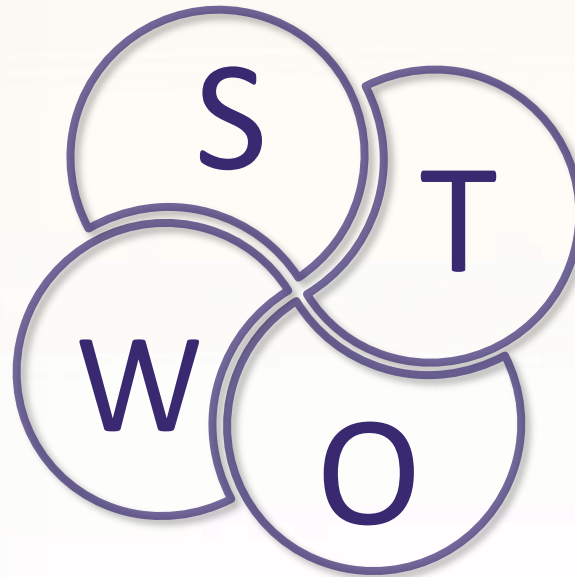
Strategic Planning



Strategic Planning

- Differentiated market positioning
- Clear characterisation of the brand
- Diversified value offering
- Low risk and convenience of the platform economy

- The early investment of limited funds, resulting in low publicity
- The market has less perfect comparable companies, less information to study while more difficult to operate



- The industry has low requirements for technology, low entry barrier and fierce competition in the future
- If Punk Health culture fades, the total size of the market decreases

- The change of consumption habits, from offline to online
- The blue ocean market under the novel cultural trend of Generation Z



Strategic Planning

**Based on the SWOT analysis,
we focus on the W & T strategy to plan the future of
our company:**

For threats:

- **Publishing subscription function, to increase customer loyalty**
- **Keeping differentiation strategies, branding the value of Punk Health**





For weakness:

- Investing more money in R&D and designing more own-branded products, to enhance competitiveness
- Sending out questionnaires to find the latest market changes, create hot spots and look for opportunities





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