

**BUSINESS PLAN**

**MUSCLEBOX: FITNESS FOOD SERVICE**



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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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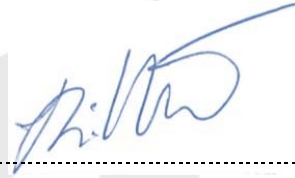
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## **Executive summary**

MuscleBox is a company that envisions itself to solve the difficulty of eating right for fitness enthusiasts in the current situation that rarely finds the fitness food, which significantly boosts muscle growth and metabolism in order to get in shape effectively. To achieve that, the company cooperates with Fitness First and Virgin Active, who are the biggest player in the fitness industry in Thailand, in order to offer the fitness food in the form of lunch box at the available fitness centers. This makes the company approach the best profitability by reducing the unnecessary operating expenses and widely reaching the target customer.

Moreover, this business concept is supported by the positive environmental scanning. It includes the encouragement from the government, the fast expansion of the fitness industry, the increase of Thai fitness enthusiasts, the behavior of eating outside, and the emerging of the new technology. However, there are some negative signs such as the possibility of political crisis, the aging society, and the frequent occurrences of flood and drought.

To make the MuscleBox become successful, the company is run by the diverse management team that covers the skills of management, marketing, cooking, and nutrition, which all are the required skills to run this business. It will concentrate on the expansion after the company is established. There are 4 fitness centers selling the MuscleBox's products in the first year, 16 for the second, and 30 for the third. With this implementation plan, the fitness food will be available at all the fitness centers of Fitness First and Virgin Active in Bangkok in 3 years.

With the product price at 79 bahts following the odd pricing strategy and the 20 percent of total revenue in return of the cooperation, the company requires 2,220,000 bahts for start-up cost and it will reach the break even in 10 months after the company is established. If the actual sales meet the sale forecast, the return of investment in the 1<sup>st</sup> year is -0.4%, 2<sup>nd</sup> year is 68.1% and 3<sup>rd</sup> year is 65.2%.

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# CHAPTER 1

## INTRODUCTION

When talking about getting in shape whether for losing weight or building the body, most of the people may imagine themselves spending hour and hour in a fitness center using the cardio machine or lifting weights. This make them strongly believe that workout is the most important thing for getting in shape. However, the fitness enthusiasts who regularly attend the gym for workouts all know this believe is not true. The most important thing to get in shape is diet as the phrase of “You are what you eat”. To build the body, the diet must be high protein and low carbohydrate. To get lean, Fad diets, which is a diet that promises quick weight loss, is essential (Drasin, 2017). Furthermore, the diet should provide sufficient energy for workouts. Without eating right, getting in shape is very challenging.

In the current situation of Thailand, there are more and more people who want to get in shape reflected by the rapidly increasing number of fitness enthusiasts. This makes the fitness industry expand the business very fast in order to support the demand of the place to work out. In contrast, the demand of the fitness food, the food for getting in shape, hasn't been served well. There are a few restaurants and food services focusing on serving the fitness food for the fitness enthusiasts, in consequence, most of them are facing the difficulty of eating right.

Therefore, to help the fitness enthusiasts get in shape more effectively, MuscleBox is established to reduce the gap between the demand and supply of the fitness food market. The company truly offers the fitness food for the fitness enthusiasts in the large areas of Bangkok in order to increase the availability of the fitness food in the market. To achieve this, the cooperation with the fitness center is a part of the business. It makes the company widely reach the fitness enthusiasts and it is a way the company can achieve the most profitability as described in this business plan.

## **CHAPTER 2**

### **EVALUATION AND SELECTION OF PLAN AND ANALYSIS TOOLS**

#### **2.1 Business Plan**

A business plan is defined as a written narrative that purposes to describe the questions of what a new business intends to accomplish and how to reach that accomplishment supported by the evidences such as feasibility analysis, which is the process of determining whether a business idea is viable and worth pursuing by the evaluation of the 4 different aspects: product, industry, organizational, and financial feasibility (Barringer, 2012).

Nowadays, the purposes of writing the business plan can be divided into two groups. The first group is internally focused business plan. It is conducted for the personal or internal usage to estimate the possibility of the business and to approach the best result of the business goal through the evaluation process, which requires an organization and entrepreneur to gather and analyze information in order to identify the current business situation (Shelton, 2014). Thus, it is usually used in the case of starting a new business, growing an existing business through new products and markets, and acquiring a business or franchising an existing business. In these cases, writing the business plan forces an entrepreneur and organization to review the overall business projects before going through the further process that requires the investment of resources. On the other hand, the second group, externally focused business plan, focuses on the external purpose that there is the involvement of the external parties, for example, building the confidence of external shareholders, acquiring an approval from government agencies, and funding from the financial institutions (Shelton, 2014). In this condition, the business plan is a tool to vision those parties to be on the same page with the business in exchange of some benefits.

However, whether writing internally or externally focused business plan, the plan should incorporate the six topics as following (Shelton, 2014).

- Executive Summary

It is a brief outline of the plan that points out only the highlights of the plan, including only the most critical points and neglects the less important issues and factors. A reader can read it quickly and envision the overall business concept. Thus, it should comprise of the value proposition, market potential, competitive advantage, business model, team management, summary of financial projection, and the potential investor return (Zwilling, 2015).

- General Company Description

This is the section of the plan that is written into greater details about the proposed business. It should give a clear explanation of what kind of the business is in, what the business will do, and what is the most important for the business along with the vision and mission statement (Rockford University), which are the foundation of doing the business that states the direction and details the primary purpose in order to be a guideline of the decision-making (Kokemuller).

- Product and Service

This section should provide the detailed information of the product and service. In the case of product, the information should detail what kind of product is, what raw materials are used, where they are located, and who is a supplier for the business. In contrast, the service business should write this section to answer the question of what the service is all about, how it is provided, who will be doing the service and where the service will be performed. Nevertheless, whether the product or service, it has to come along with the explanation of its uniqueness (Pinson & Jinnett, HOW TO WRITE A BUSINESS PLAN, 1993).

- Marketing

The marketing is one of the major section of the business because it is an essential part of the successful business development. Thus, the marketing section requires the huge research, data collection and involvement of many business analytic tools in order to provide the exact information about total market with emphasis on the target market

(Pinson & Jinnett, HOW TO WRITE A BUSINESS PLAN, 1993). Then, the marketing strategy, which is a process or model to allow a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage (Lees, 2014), is developed.

- Management team and Organization

For externally focused business plan, the external parties usually look into the background of the key people in order to estimate the possibility of the plan. They deeply consider the past career, achievement and technical qualification (Blackwell, 2011). Thus, this section should describe it clearly. Furthermore, summarizing the information about the business organizational structure, including job specification and job description, and ownership information, the percentage of ownership, are necessary for this section (Duermyer, 2016).

- Financials

This is one of the most essential components of the business plan. It will show whether the business will be viable or failure (Pinson, Anatomy of a Business Plan, 2008). Writing the financial section starts with a sales forecast, a spreadsheet projecting sales over the period of time. It is usually compared with the standard industry ratios but educated guess is necessary for a new products or business. Then, creating an expense budget, developing a cash-flow statement, income projections, asset and liabilities, and breakeven analysis will be followed respectively (Wasserman, n.d.).

To complete all of these sections, the proposed business will be reviewed all the required aspects and it helps the business get the most out from the business plan. Consequently, an entrepreneur or organization can decide whether to go on the plan or to reject it.

## 2.2 PESTEL Analysis

PESTEL analysis is an analytic tool for macro external environment analysis or environmental scanning, which is a process of surveying and interpreting relevant data to identify external opportunities and threats (Downey, 2007). It is used to make a business understand the big picture of the environment the business is operating in in order to maximize benefits from the opportunities and minimize the impact from the threats (Rapidbi, 2007). As represented in the name of PESTEL, there are 6 different aspects the business should consider as follows.

- Political factor

Management of a government, including public institutions and related non-public institutions, can influence the business by policies, structure, and situation. Theoretically, the consequence of government management can be divided into macro and micro political factor (Pachpande, 2012). The macro political factor is a factor that broadly affects all businesses and industries in the country such as wars and change in leadership. On the other hand, micro political factors affect only the specific area of business and industry such as specific regulations of some type of business. However, political factor should cover all the factor possibly intervening the business by the government.

- Economic factor

This represents the economic situation that directly or indirectly affects the business. It can be divided into macro and micro scope as same as the political factor (Downey, 2007). The macro economical factor is the overall of the economic situation, which refers to the management of the total demand and supply in the large scale. It includes factors such as interest rates, taxation changes, economic growth, inflation and exchange rates. On the other hand, micro economic factor looks into the details of each sector or industry such as the production of agriculture segment, the overall income of automobile industry, and etc.

- Social factor

Social factor is how culture and people affect the business. It concentrates on the population, social trends, consciousness, attitude, and behavior and describes them as demographic, psychographic, and behavioral or people in the society. Moreover, the business should much more focus on the availability and cost of skilled labor, age distribution, labor strike, and crime statistics that are significant factors affecting in operation process (Pachpande, 2012).

- Technological factor

Technology can help organization increase productivity, efficiency, or effectiveness. Moreover, customers can get some benefits from the technological usage such as internet banking, mobile communication, and information access. Thus, nowadays, technology is a major driving force behind both of industry and service segment and it can have a great impact on both the organization itself and customer. On the other hand, lacking the technology is a huge barrier for the business to compete with the competitors in the market (Dcosta & Mcdonough, 2017). Normally, the technological factor is considered in the area of research and development activities, automation, and technological shifts.

- Environmental factor

It is all about ecological and environmental aspects including weather, climate, and natural disasters, which they all affect the businesses especially for agriculture, tourism, and insurance segment. Normally, the environmental factors are threats for business because it usually diminishes or destroys things. But, sometimes, it can be the opportunities by opening the new market or increasing the need of specific products. For example, more people are willing to buy the boat in the situation of the flood, the increase of water price occurs during the drought. Thus, the business should know the environmental factors in order to aware the possible risk and opportunity in the future.

- Legal factor

A business should much more focus on this factor because legal factor involves the law and regulation, which is the command the business can't avoid and it has to follow on every step (Pachpande, 2012). If only one mistake occurs, there is no chance for the business to continue. In general, the organization should take a look on distribution laws, health laws, employment law, customer protection, tax payment, and the related regulation on the field the business operates in.

With all of these factors, an organization or entrepreneur can understand the external situation, which is uncontrollable but it affects the business on somehow, and it exposes the significant factor the business should carefully take a look in order to get the most out from the opportunities or avoid the existing threats. However, to complete PESTEL analysis require a lot of data and information from many reliable sources to pretend missing some important details. Moreover, it should be up to date (Dcosta & Mcdonough, 2017).

### **2.3 Porter's Five Force Analysis**

In 1979, Michael E. Porter developed a tool to determine the competitive intensity and attractiveness in term of profitability of the industry in which the business is operating (Porter, 2008). It is simple but powerful for understanding the strength of the current competitive position and the strength of a position a business is considering to move into (Pachpande, 2012). Moreover, the business can develop the strategy to lie on the competitive position in order to earn the sustainable competitive advantage. With this reason, this tool has become one of the most important business strategy tools in the name of Porter's five force Analysis. However, to complete the Porter's five force analysis, it is necessary to understand that there are 5 forces driving all businesses and industries and these forces make up the competitive environment in the market. The 5 forces comprise of the force from customers, suppliers, potential entrants, substitutes, and the rivalry in the industry as described below.

- Threat of new entrants

It is very common that the more profitable an industry is, the more people are willing to enter the industry, in consequence, the more competition will be (Wilkinson, 2013). Thus, the threat of new entrants considers how easy it is for entering the industry. If it isn't difficult, there will be more and more competitors in the industry. Eventually, the ability of existing business to achieve profitability is threatened by the new competitors. According to Porter, there are seven factors to consider when a business wants to evaluate the threat of new entrants. They are supply-side economies of scale, accessibility of resources and costs of product development, product differentiation, the required capital, switching cost, accessibility of distribution channels, and absolute cost advantage (PUIU, 2010).

- Threat of substitutes

Substitutes mean another industry that offers the similar benefits for the consumers even the product is different (Wilkinson, 2013). Consequently, the consumers can purchase the product from substitutes instead of the business in the industry in order to achieve their purpose. This reduces the attractiveness of the industry and increases the competition. Thus, the threat of substitutes can be determined by the availability of substitutes, the price and quality they offer, switching cost, price elasticity. With consideration of these factors industry by industry, the business can understand the situation of the threat caused by substitutes.

- Bargaining power of buyer

In some industries, buyers is a significant factor to influence the profitability of the industry. They are powerful to force the business to lower the price or improve the quality of the product and service as they wish. Thus, it is necessary for a business to understand the bargaining power of buyers in the industry in which the business is operating. To evaluate the power of buyers, the business should consider the factors of

the number of buyers in the industry, the demand of customers, and switching cost of the product and service. As a result, the less of these factors will be, the more power the buyers have in their hand and, in consequence, they will use their power to ask the price as cheap as possible (Porter, 2008).

- Bargaining power of supplier

It is opposite with the bargaining power of buyers that directly affect the product's price. In contrast, the product's cost is influenced by the bargaining power of suppliers and it changes profitability of the industry (Wilkinson, 2013). For example, it is unavoidable for a business to carry the high cost of goods sold when it deals the business with powerful suppliers. Consequently, the business has a lower margin or it need to increase the product's price in order to make enough profit. In general, the high bargaining power of suppliers usually occurs in the industry that hardly finds materials, has high switching cost of supplier, has less suppliers providing the materials, and has a right to set the price and quality

- Competitive rivalry

This is the major concern for a business because it directly affects the competitive environment of the industry. Normally, the competitive rivalry is considered from the number of competitors in the industry and similarities and difference of the product they offer to customers. In conclusion, the small number of competitors in the industry and high difference of the product make the competitive rivalry low. On the other hand, the industry that has a large number of competitors and high similarities is determined as high competitive rivalry, in consequence, the business is necessary to create differentiation in order to be different with the others in the industry.

After analyzing Porter's five force analysis, the business will have a better understanding of the situation of the industry in which the business is operating. It will see how much potential the industry have in term of profitability and then make the

decision based on it. Moreover, the business can develop a strategy to match with the strengths and weakness of the industry the business is going to enter.

## 2.4 SWOT Analysis

SWOT stands for strengths, weaknesses, opportunities, and threats. Therefore, SWOT analysis is a framework that identifies and analyzes those factors in order to truly understand the situation of the business which helps both of strategic planning and decision making (Weberience, 2014). There are 2 sections for SWOT analysis. The first one is internal factors including strengths and weaknesses. It is the factors that occur from inside the business and it can be controlled. On the other hand, opportunities and threats are the external factors, which is an event outside the company but they still make the impact.

In general, to identify strengths and weakness, a business should consider on following areas (Renault, n.d.).

- Human resources – staff, volunteers, board members, and target population.
- Physical resources – location, building, and equipment.
- Financial – grants, funding agencies, and other sources of income.
- Activities and processes – programs a business run, and a system it employs.
- Past experiences – building blocks for learning and success, and the reputation in the community.

After considering all of these areas, the business can analyze the strengths and weakness by evaluating whether the factor is competitive advantage or disadvantage. If it causes the disadvantage for the business, it will be the weakness. On the other hand, the competitive advantage is the strengths for the business.

For identifying opportunities and threats, the method is as same as identification of strengths and weakness but considering on the different areas that focus on the external environment as following (Renault, n.d.).

- Future trends in the industry or the culture.
- The economy – local, national, or international.
- Funding sources – foundations, donors, legislatures.

- Demographics – changes in the age, race, gender, culture of target customers.
- The physical environment
- Legislation
- Local, national or international events

After all, a business will know what is its strengths, weaknesses, opportunities, and threats. Then, it can use this analysis in a part of strategic planning in order to put the business in a better position for action.

## **2.5 Gantt's Chart**

Whatever a plan a business want to complete, there are many tasks, activities, and people involved. Thus, the management is really important in order to organize these things correctly. If it fails, there is no chance the business can achieve the plan on time. In term of the management, there are 3 significant factors that must be considered. They are time, cost, and performance. If the business completes the plan on time within the budget and performance requirement, it will be successful in the meaning of management. Therefore, to help the business organizing effectively and efficiently, Harry Gantt created a project management tools in 1916 and then it was named Gantt's chart. This chart visualizes the view of the task schedule over time with the following information as shown below (Projectmanager.com, n.d.).

- The start date of the plan
- What the tasks are
- Who is working on each task
- When tasks start and finish
- How long each task will take
- How task group together, overlap and link with each other
- The finish date of the project

Anyway, the business can customize the information in order to approach the best based on its objective and organizational culture. However, the core value of Gantt's chart is simple and easy to use. It shows each task in a view of bar chart, which the

beginning of the bar refers when a task starts, when it finish represents by the end of the bar, and the duration of the task is defined by how long the bar is, as shown in the figure 2.1. With this method, the business can see the overview of the complex plan by organizing the thoughts through simple picture as a timeline bar. Moreover, this chart really increases the efficiency and effectiveness because it reminds the business where it is now, what it should do, and what it has to prepare (Projectmanager.com, n.d.). After all, Gantt's chart is essential for a business especially for the one who wants to start it up.



**Figure 1** An example of Gantt's chart **Source** (Gantt.com, n.d.)

## **CHAPTER 3**

### **BUSINESS DESCRIPTION**

#### **3.1 Vision Statement**

To become a leading fitness food provider in Thailand and be a part of fitness enthusiast's life by providing outstanding quality fitness food that fuel the body to get the most from workout.

#### **3.2 Mission Statement**

Solving the difficulty of finding fitness food, which contains the right nutrition to extremely boost muscle growth and metabolism, for fitness enthusiasts in Bangkok by serving the quality fitness food through fitness centers and delivery service in the form of lunch box.

#### **3.3 Goals and Objectives**

##### **3.3.1 Goals**

To be well-known of fitness food service provider among fitness enthusiasts in Bangkok by serving the quality products through the available fitness centers.

##### **3.3.2 Objectives**

- To generate profits and breakeven in the first year.
- To achieve 20 percent sale of total members of fitness center during pilot run.
- Selling the products at 4 fitness centers in Bangkok in the first years.
- To transform the business type from lean start-up to limited company in the first year.

### 3.4 Company Summary



**Figure 3.1** Company's Logo

MuscleBox is founded from the idea generated by one of the founders, Mr. Sakonnat Anantsupasak. When he intended to have a good shape, he found out that there are 3 significant factors required to get in shape, which comprise of adequate rest, progressive training, and proper diet. If fitness enthusiasts succeed in all of these factors, they will surprisingly get in shape in a short period of time. On the other hand, fail to stand by these factors, they will never build any noticeable muscle and super slowly lose their weight. These are the 3 iron rules for fitness enthusiasts whether they are a beginner or an expert. However, on the current situation of the fitness industry in Thailand, there are many training equipment providers as we know as fitness centers or gyms but only a few restaurants are serving fitness foods, which are the most effective food for fitness enthusiasts to get in shape by providing sufficient nutrition in term of energy and protein. Consequently, fitness enthusiasts are facing the difficulty of finding fitness foods in order to reach the maximum effectiveness. Instead, they are consuming an alternative meal, which are almost similar with fitness food, along with dietary supplements to solve the problem of insufficient nutrition as seen in the usual life of fitness enthusiasts that eat healthy foods and protein powdered supplement. Unfortunately, consuming protein powdered supplement in the long period or exceeding the body required will cause diseases such as lactose intolerance, intestinal irritation, ketosis, bloating, and kidney failure (Cristian, 2014). With this reason, the fitness food is the best choice and it is needed for fitness enthusiasts who want to avoid the side effects of dietary supplement but, nevertheless, it is rarely founded in the current market. After all, Mr. Sakonnat realized that finding fitness food is a huge problem for fitness enthusiasts and it is a huge opportunity at the same time. Then, he founded MuscleBox in order to solve the difficulty of finding fitness food for fitness enthusiasts in Bangkok.

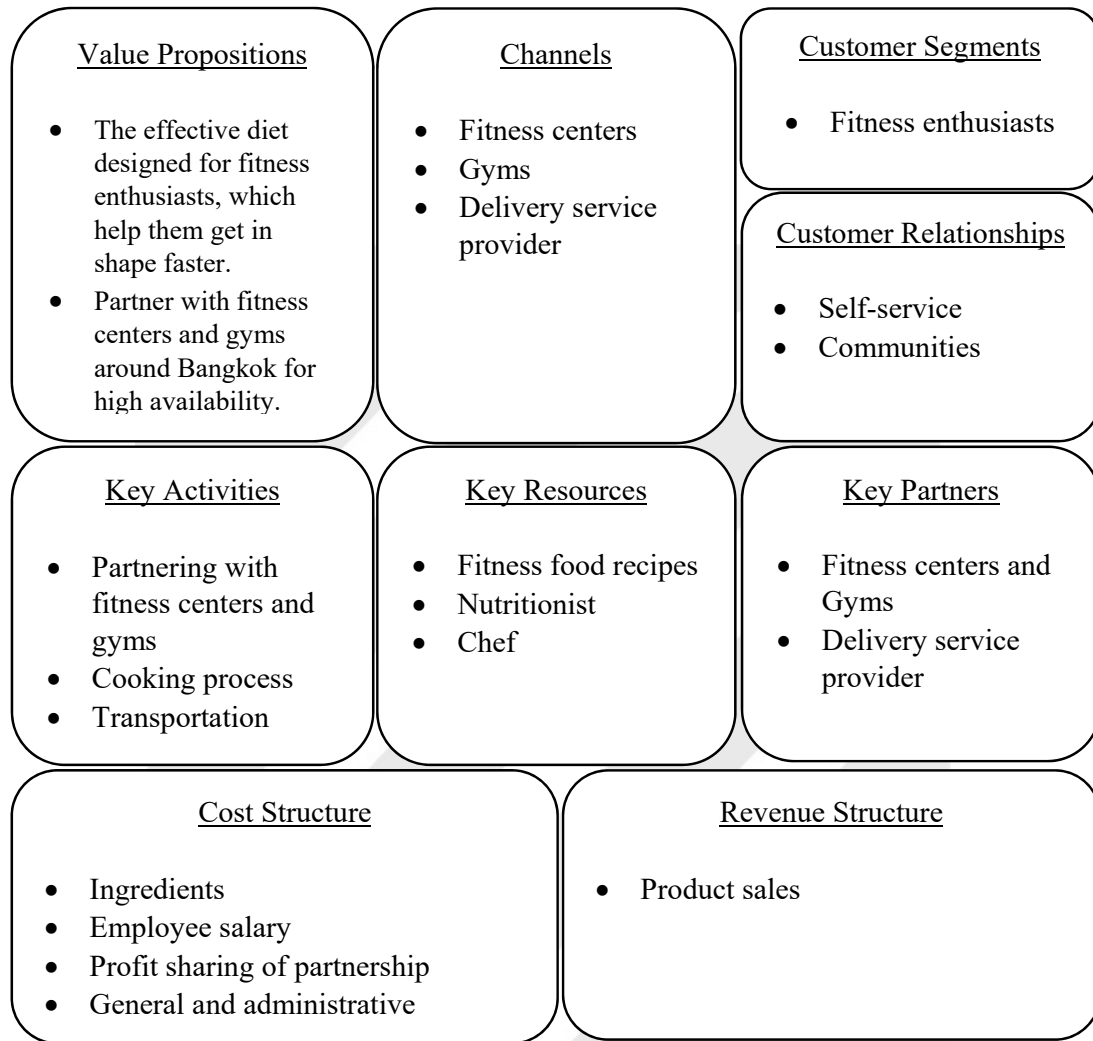


**Figure 2** Company's product

MuscleBox is a company that offers the effective diet for fitness enthusiasts in Bangkok and sells it at the place where they work out. The company intends to collect the finest fitness food recipe from around the world which significantly boost muscle growth and metabolism in order to get in shape effectively and then cook it through the professional method to get the most nutrients out of food and tasty result through the collaboration between nutritionist, fitness trainer, and chef. With this collaboration, the fitness enthusiasts can ensure that MuscleBox will serve the quality fitness food that helps them get in shape faster. Moreover, the company also coordinates with fitness centers to serve it at the gyms in a form of packed food. The fitness enthusiasts don't need to walk around to find the fitness food but it is available at the place where they work out. This coordination not only fulfills the fitness enthusiast need, but also the gyms itself. The gyms will be the one stop service for fitness enthusiasts by providing the training equipment and the effective diet, which are the two most significant factors to get in shape. With offering the quality fitness food and coordinating with the gyms, the company can make sure that the diet of fitness enthusiast around Bangkok will be improved in the way it should be.

With this intention to make fitness food available in greater areas of Bangkok, there are 3 persons as the founders of MuscleBox. Mr. Sakonnat Anantsupasak, he is visionary and intentional to lead MuscleBox to become a successful company. Mrs. Kanokphat Anantsupasak, she will lead nutritionist and marketing team with her 5 years' experience as a marketer at Samitivej Hospital, founder of Whatdidsheeat.in.th, and the bachelor's degree in science of nutrition at Chulalongkorn University. Lastly, Mr. Panupong Tangjitwatthanakul who has a passion of cooking, he will take in charge as an operation manager of MuscleBox with his expertise of cooking and the founder of Pangland bakery. With this combination, MuscleBox guarantees that the fitness enthusiasts in Bangkok will be served the quality fitness food as the company promised.

### 3.5 Business Model



**Figure 3** MuscleBox's Business Model

### 3.6 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Truly food for fitness enthusiasts</li> <li>• Low operating cost</li> <li>• Nutritionist involvement</li> <li>• Partnership with fitness centers and gyms</li> </ul>	<ul style="list-style-type: none"> <li>• No reputation</li> <li>• Low start-up capital</li> <li>• High account receivable</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The growth of fitness industry and health consciousness</li> <li>• The government encouragement</li> <li>• Low competition</li> <li>• Introduction state of fitness food industry</li> </ul>	<ul style="list-style-type: none"> <li>• the greater number of competitors</li> <li>• Breaking down of the relationship with fitness centers</li> <li>• Many substitutes</li> </ul>

**Figure 4** SWOT Analysis

#### 3.6.1 Strengths

Fitness enthusiasts are the only one segment MuscleBox targets on so the company has much more focus on offering the food for this segment by providing the fitness food, which is the food a consumer can get the most from workouts. Moreover, to ensure that fitness enthusiasts can get the contribution from the food, the company assigns a nutritionist to get involved in the menu development process in order to control the quantity of the nutrition to approach the most effectiveness for fitness enthusiast

In term of business model, fitness center is a chosen channel to earn the highest advantages which are to reach the high number of target customers, to reduce the operational cost, and to represent the position the company stands for. Thus, the company will be partnership with fitness center to strengthen the core business of the company itself and fitness centers.

### **3.6.2 Weaknesses**

MuscleBox is very new whether for the food or fitness industry. There is no history and relevant business to increase the creditability of the company before establishment. Thus, nobody knows what the company offers and how it is good comparing with the competitors that are running the business for a while. This will be the first barrier after the products launch to the market.

In addition, low capital in the beginning is another weakness of the company. Due to the founders' intention to initially run the business without an investor, it makes the company have limited capital based on the founders' contribution. Consequently, the company doesn't have much space in term of the business mobility, which the company can't invest on something it doesn't plan before. Moreover, the company will struggle on the high account receivable that requires the good practice of financial management.

### **3.6.3 Opportunities**

The growth of fitness industry, health consciousness, and government encouragement are significant factors that make the segment of fitness enthusiasts become potential. 10 percent is the number fitness industry growing up each year and this reflects the market size of the fitness food market, which targets on the same customer of fitness industry (Positioning Magazine, 2016). Moreover, the fitness food business in Thailand is currently in the introduction state of industry life cycle, which there are a few competitors and no major player in the business yet. Therefore, it is a huge opportunity for the company that is willing to approach fitness food business.

### **3.6.4 Threats**

Currently, the competition of fitness food business is relatively low. The business rarely competes with the other competitors in the market due to the low number of competitors and high growth of fitness industry. In contrast, it much more competes with the substitutes, especially for Thai street food that is very well-known across the world. They usually offer the lower price or the special promotions in order to lure the consumers to get into. Thus, the high number of substitutes sometimes is the obstacle for the business in fitness food industry. Nevertheless, the increase in the

number of competitors is the major concern for MuscleBox. As mentioned before, there are a few competitors in the current market because the market is still questionable for many people. However, it will be attractive if someone proves it is potential and can make a lot of money. Consequently, the number of competitors will be increased and it will reduce the opportunities of this business eventually.

Another threat of MuscleBox is the breaking down of the relationship with fitness centers. They are the essential part for MuscleBox to run the business effectively because the company sells the product through their channels and take many advantages from it. Therefore, based on this business model, the company can't run the business without it.

## CHAPTER 4

### INDUSTRY ANALYSIS

#### 4.1 PESTEL Analysis

##### 4.1.1 Political

Thailand was in the political crisis for many years and it caused the conflict between Thai people. In that moment, there were the two major groups of protesters, supported by Thai politicians in order to take the political power into their hands. These two groups are well-known in the name of red-shirt, Democracy Against Dictatorship (UDD), and yellow-shirt, People's Alliance for Democracy (PAD). The consequence of this conflict is the economic failure. The country lost more than \$15 billion and the confidence level from investor was enormously decreased (Banyan, 2014). Even though it ended up by military coup in 2014 and Thai politics is more stable today, there is no guarantee that the conflict won't occur after the powerlessness of the current military government on the election day in 2018. Unfortunately, Thailand is the country that has had more coup than any other country. As shown in figure 5, the total number of the coup in Thailand is 13 times but this number doesn't include the unsuccessful coup that occurred 12 times. Based on this information, the coup in Thailand occurs every 6 years and 8 months (Kharrarit, 2012) and this number can represent the period of Thai economic failure as well.

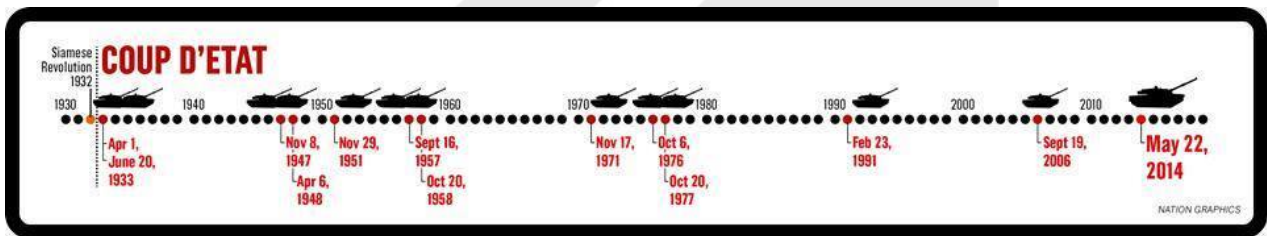


Figure 5 Thai coup statistics Source (Inquirer, 2014)

However, no matter what political party takes in charge as government, improving the health of Thai people always is on the top list. Especially for the current government led by Prayut Chanocha as prime minister of Thailand, obesity of the people is being talked. According to The Nation, Thailand is determined as an obese country and it has reached alarming level, 32 percent of the population is overweight and its number ranks on the second place in ASEAN (LALANDE, 2016). The government aware about this issue and try to solve it through many campaigns launched to encourage Thai people to have better shape. They include Wednesday exercise activity for government officer, the advertisement of the easily exercise pose, deploying the content to increase the awareness of health, financial contribution for healthcare business and etc (ThaiHealth, 2017).

Therefore, based on the contribution and encouragement by the government, the campaigns and activities are increasing the number of people who want to exercise and, consequently, the market size of the fitness industry is increased as well. This is an opportunity for the MuscleBox that supplies the food for the one who exercises for getting the better shape as the government mentioned.

#### 4.1.2 Economic



**Figure 6** Thailand's GDP Source (Trading Economics, 2017)

According to the Thailand's GDP, Thai economy is recovering after the political conflict and the effect of the global financial crisis in the late 2013. The Office of The

National Economic and Social Development Board (NESDB) reported that Thai economy in the first quarter of 2017 expanded 3.3 percent and it boosted from the previous quarter at 0.3 percent. The major driven factors of Thai economic growth is from the private consumption, exports of goods and service, and the continued expansion of total investment. Moreover, NESDB stated that the economic outlook for 2017 is still positive with the expectation of growth rate at 3.3 – 3.8 percent all the year supported by the recovery of export, the public investment, the acceleration of the agricultural production, the expansion of the tourism sector, and the improvement of domestic car market (NESDB, 2017). Furthermore, Thailand consumer spending has grown since January 2015 and it touched 1,280,000 million baths in the beginning of 2017. It shows that Thai people are potential to spend the money and this spending will be increased year by year based on the tendency. Therefore, the overall economy in Thailand is still positive for the business in Thailand and there still is no negative sign in the current situation.



**Figure 7** Thailand consumption spending **Source** (Trading Economics, 2017)

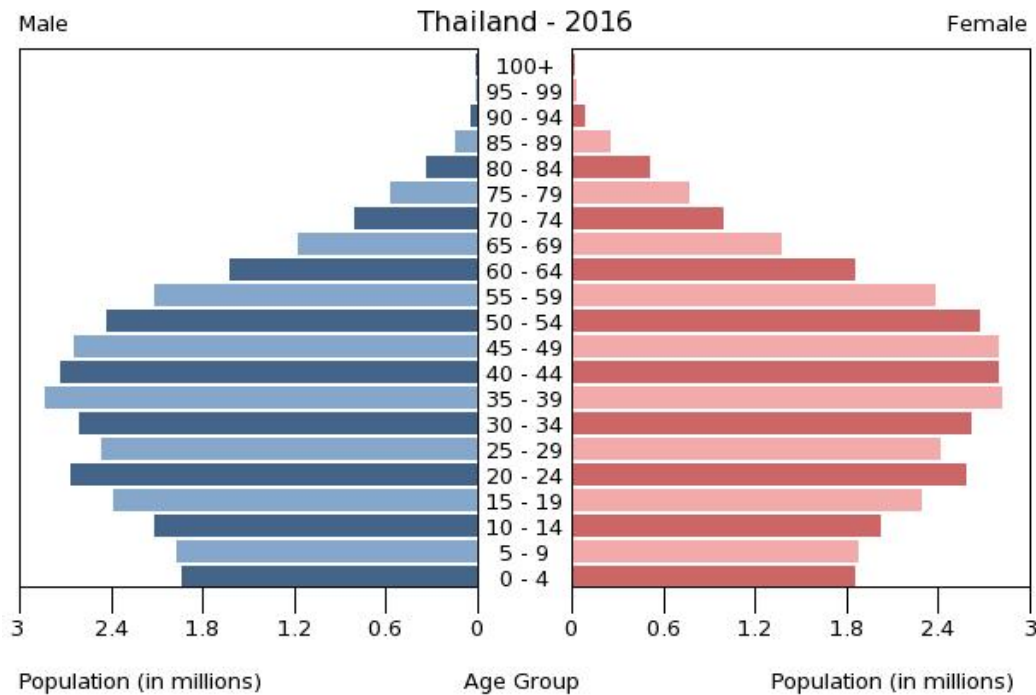
For the situation of the fitness industry in Thailand, the business in the past few years has grown up rapidly at an average annual rate of 10 percent each year. Currently, the market valuation is around 9,000 million bath and it is expected to be 10,000 million baths in the end of this year (Paksrikumkamtorn, 2017). Moreover, it still has a huge room for this business growing up. According to the report of International Health

Racquet & Sports Club Association, it estimated only 0.6 percent of Thai population is in this business. The number is very small comparing with the other countries in ASIA, which an average number of people in the fitness industry is 8 percent (Paksrikumkamtorn, 2017). At this growth rate and a huge space, it is a bright future for the fitness industry.

However, there is a negative sign in this year for the food industry. The total production of raw material and ingredient is decreasing 4.91%, from 31,324,551 tons in 2015 to 29,785,234 tons in 2016, because of the drought, flood and new regulation of fishery (Photijitti, 2017). Consequently, the restaurant has to carry the higher cost of materials and ingredients.

#### **4.1.3 Social**

Currently, Thailand is already considered as an aging society. According to the Central Intelligence Agent (CIA), it reported that 6,962,008 people or 10.21 percent of the population are age above 64 years old and this number will rise to 25 percent in 2030 (CIA, 2016). On the other hand, the number of workforce in the labor market is decreasing year by year and it makes the Thai labor cost very high comparing with the other countries around Thailand. Nowadays, many companies, especially for manufacturers, try to avoid the high cost of Thai labor by hiring an alien worker for the low skilled position. In 2016, there are 1,445,575 alien workers in Thailand, which are majorly consisted of 992,983 Burmese, 210,207 Cambodian, and 67,980 Laotian (MSDHS, 2016), so they are significant for driving Thai industry today. Moreover, the figure 8 shows that the number of females slightly outnumbers male at the proportion of 0.97 (CIA, 2016). Therefore, whether male or female is the potential market for doing the business in Thailand with the number of around 34 million people for each gender. For another aspect, Thai people are provided the quality education, various type of social protection and welfare, but their ethical and moral values have declined for many years (Royal Thai Embassy, 2012).



**Figure 8** Thai population pyramid **Source** (CIA, 2016)

In addition to becoming aging society, Thailand is also an obese country by ranking on the second highest number of obese people among ASEAN region. 32 percent of the population is considered as fat person, who the Body Mass Index (BMI) is over 24.9 (LALANDE, 2016), due to lacking an exercise and frequently eating snack, soft drink, and junk food (Karaman, 2014). In contrast, there are only 0.6 percent of the population in Thailand that are in fitness market (Paksrikumkamtorn, 2017). This number can reflect how much Thai people really care their shape. However, the expectation of fitness market is to reach at the average level of ASIA people at 8 percent of the population working out at fitness centers and, now, getting in shape is becoming the new trend for Thai people, especially for teenagers. The growth rate of fitness market is very impressive at an average 10 percent per year (Positioning Magazine, 2016). Currently, the majority of fitness customer is under the age of 35 years old and the number of teenagers is significantly increased (Insuwan, 2014). Most of them have the main purpose to get in shape and spend 8 times a month in fitness centers (Paksrikumkamtorn, 2017).

In term of the food consumption, the behavior of the people in Bangkok usually eat outside. According to Kasikorn research, 13 meals is the number people in Bangkok eat outside in a week (Manager Online, 2008). It means almost the half of the meal is eaten at restaurants.

In conclusion, all statistics above except the tendency of aging society benefit MuscleBox because it shows that the fitness food business is potential. A lot of people haven't entered in the fitness business yet and the purchased customer go to the fitness gyms more often than the other countries, which the rate is 4 times a month. Furthermore, Bangkok as a target area is the place that the people eat outside the most. Therefore, the social factor is positive for MuscleBox.

#### **4.1.4 Technology**

Thailand is investing a lot on infrastructure, especially for transportation in Bangkok. Metropolitan Rapid Transit Chaloem (MRT) and Bangkok Mass Transit System (BTS), which are the two major rapid transit serving the people in Bangkok, is constructing the extension routes to service on the greater area in Bangkok and it is expected the extension will be fully finished in 2020 (BK, 2016). Moreover, the government cooperates with China to construct a high speed rail routing from the south to the north of Thailand and its stations are located in the economic cities such as Bangkok, Ayutthaya, Chonburi, Pitsanulok, Chiang Mai, and etc. With all of these investments on infrastructure, Thailand will have the better logistic system leading to increase the efficiency of supply chain.

Moreover, the National Science Technology and Innovation Policy Office (STI) is pushing forward Thai food innovation in order to increase the competitiveness in the global food market. In 2016, STI established global food innovation hub called Food Innopolis, which is the location offers the privileges, services, facilities, and expertise for the one who wants to do research and development (R&D) for the food industry. Currently, there are 16 private companies, 23 universities, and 12 public organizations that are the member of Food Innopolis and they are running on 214 food innovation projects (Khanchanaohpat, 2017). This hub not only increases the knowledge of food processing but also the number of skilled people for food innovation in Thailand.

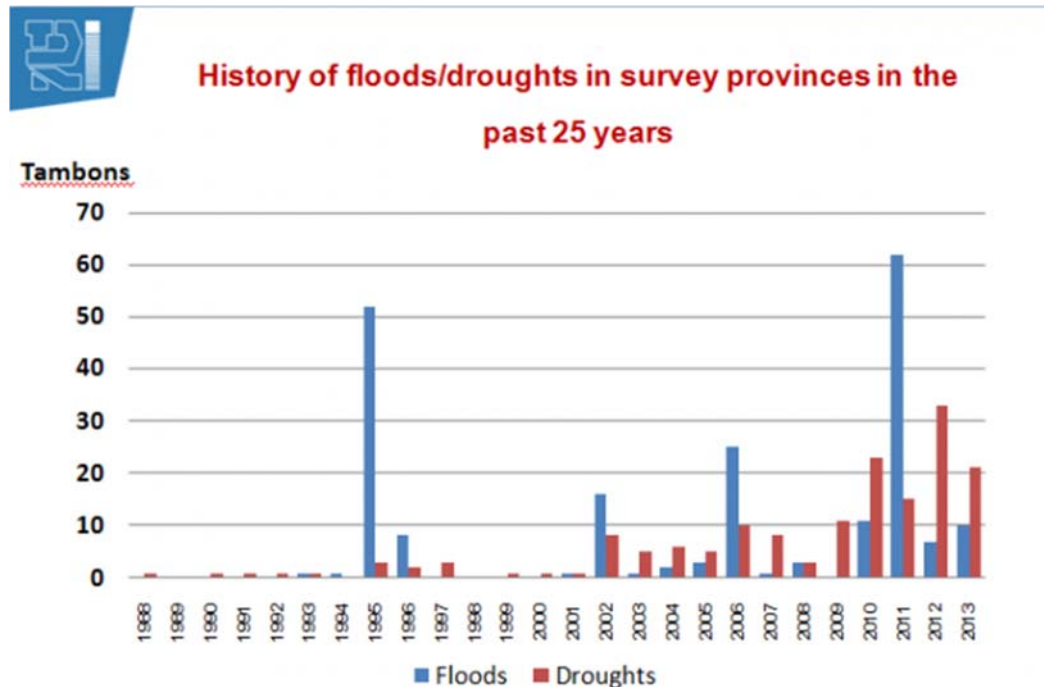
Another technology factor that revolutionizes the food industry in Thailand is delivery service through mobile application platform. In the past, delivery service was something that needed a huge investment and a good management so, in a view of a restaurant, it wasn't worth. In contrast, the advanced technology in this generation changes the way of delivery service. It is touchable by every kind of restaurant from small to the big one. A restaurant doesn't need a vehicle and storefront selling the product but it can sell it through an application providing the delivery service system. Today, there are three famous application servicing delivery, Food Panda, Line Man, and Uber Eat. By cooperation with them, it will increase the potential of the distribution channel to the area a restaurant doesn't exist.

#### **4.1.5 Environment**

Flood, the most frequent occurrences disaster in Thailand, is a major concern for the business. In 2011, Thailand experienced the worst flood in half a century. 65 provinces, over 20,000 square kilometers, was flooded and the government declared them as flood disaster zone longer than 7 months. Consequently, on the record by World Bank, Thailand was damaged and lost 1,425 trillion baths during the flood in 2011 (Haraguchi, 2014). Moreover, many manufacturers reconsidered the risk of the flood. Some of them still stay the production in Thailand but some started moving the production into the nearby country (Forbes, 2011). This affected Thai economy and it caused the economic recession in that time.

In addition to the flood, drought is very common disaster in Thailand. Almost every year, Thailand experiences drought and it always affect the agricultural sector by damaging an agricultural crops. According to data from the TDRI, the drought causes the fall of agricultural production and its damage is estimated 20 billion baht loss in purchasing power among farmers, resulting in more than 60 billion loss in the country's overall purchasing power each year (Thaiturapaisan, 2016).

These are the two major concerns for doing the food business in Thailand. The cost of the food material and ingredient vary on the environmental situation each year. Sometimes, a restaurant can take an advantage from the over production but, in the occurrence of flood and drought, the restaurant has to prepare the situation of higher cost and limited resource.



**Figure 9** History of floods/droughts in survey provinces **Source** (TDRI, 2013)

#### 4.1.6 Legal

In order to sell a food in Thailand, a company must follow the food regulation as known in the name of Food Act A.D. 1979, which purpose to set up standard and specification for food, packaging material, and advertisement. Currently, Ministry of Public Health and Ministry of Agriculture are responsible to inspect whether restaurant, food manufacturer, and importer are following the regulation. In the case that the company neglects this regulation, the public organizations are able to take legal action such as seizure, products recalls, prosecution. In addition to the Food Act A.D. 1979, the company that is running production process must be qualified by Good Manufacturing Practice (GMP) standard, which is the guidelines to ensure that the finished products won't cause any risk to the consumer. Moreover, the advertisement launched to the market must not be false, deceptive, or mislead the consumer, especially do not claim to cure any diseases (Department of Science Service , 2014). To ensure that there is no unintentionally fail on Food Act A.D. 1979 and any regulation related,

the company can ask the approval from Thai Food and Drug Administration (FDA) to acquire the certification in order to run the business properly in Thailand.

Another law the company should concern for doing the business in Thailand is Thai Labour Law consisting of the Civil and Commercial Code, Hire of Services, the Labour Protection Act 1998, the Labour Protection Act (No.2) 2008, the Labour Protection Act (No.3) 2008, the Labour Relation Act 1975, the Act on Establishment of Labour Courts and Labour Court Procedure 1979, the Social Security Act 1990, and the Compensation Act 1994. In general, it specifies the minimum wages per day depending on the location such as 310 baths for Bangkok area (Thai Lawyers Ltd, 2017). The working hours must not exceed 8 hours a day and 48 hours a week in total. The number of holiday is at least 13 days per year. The rate of compensation in order to terminate an employee depends on the condition, for example, 30 days' wages where the employment period is at least 120 days but is less than one year (Thai Lawyers Ltd, 2017). Moreover, there are some specific jobs that are prohibited by female and alien workers. For example, a female worker can't apply on the mining or constructing job that must work in underground. The alien worker can't work on agriculture, transportation, fabric weaving, and etc (Ministry of Labour, n.d.).

Therefore, to run the business in Thailand without the legal problem, the company has to ensure its activities is in the line of the related regulation in order to prevent the prosecution, which damages the company in terms of money, time, and reputation.

## 4.2 Porter's Five Force Analysis

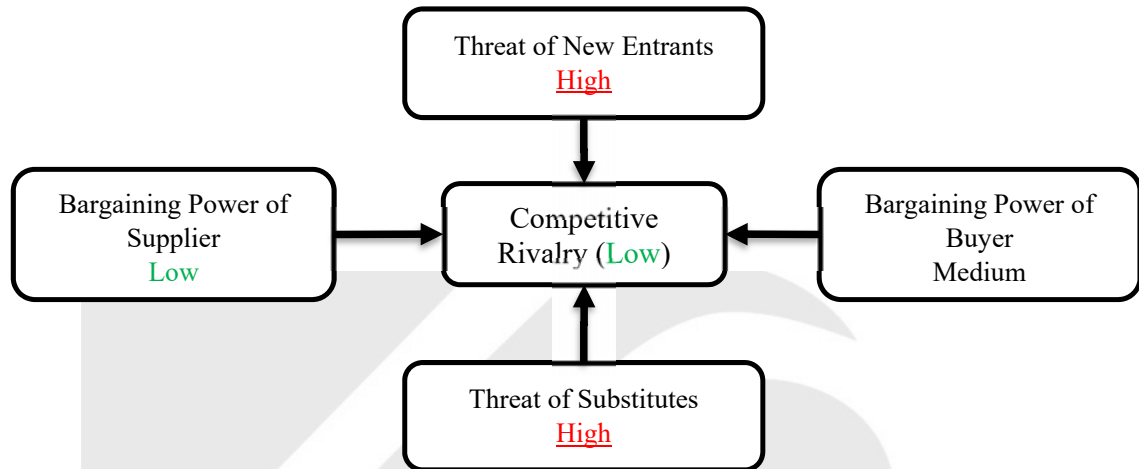


Figure 10 Porter's Five Force Summary.

### 4.2.1 Bargaining Power of Supplier

Running fitness food business in Thailand requires items that are necessary for producing the products such as ingredients, package, and cooking supplies. Therefore, to acquire them, the business is essential to cooperate with suppliers who are able to provide the items with quality and quantity. Fortunately, Thailand has an abundance of natural resource especially for food ingredients such as agriculture, fishery, and livestock. Combined with technology and international quality standard, it makes Thailand become one of the largest food producers in the world (DITP, n.d.). So, there are many food suppliers that are available to provide quality ingredients in the large quantities, in other words, the business has an alternative for choosing its suppliers (Thailand Board of Investment, 2016). With this reason, the bargaining power of supplier is low.

### 4.2.2 Bargaining Power of Buyer

The bargaining power of buyer is currently medium. Fitness food industry in Thailand is considered as a niche market, which is small but highly specialized. According to the International Health Racquet & Sports Club Association, it reported that there is only 0.6 percent of the population in Thailand, in other word, around

536,000 people working out at fitness gyms (Paksrikumkamtorn, 2017). On this condition, the business is highly relative to the customers. They altogether can bring pressure to the business in order to lower prices or increase quality as they wish. However, in the current situation that there is a few business providing fitness food, the customers, who want to have effective diet, are forced to purchase the products from the only one available in the area they are living. This is the reduction of bargaining power of buyer.

#### **4.2.3 Threat of New Entrants**

The threat of new entrants is high, as low entry barriers are presented. Even though fitness foods differ from another kind of the foods in the market. It requires skills and knowledge from different aspects to provide the most effective meal extremely boosting muscle growth and metabolism, the new entrants can enter the market by imitating the products. Especially in Thailand that is renowned as the kitchen of the world, many restaurants have much knowledge about cooking so they can easily imitate the menus in order to enable fitness food market (Thailand Board of Investment, 2016). Moreover, the capital required to open fitness food business is low. These are strong force of threat of new entrants in fitness food industry.

#### **4.2.4 Threat of Substitutes**

A fitness food is one kind of foods that help fuel the body to get the most from workouts and to aid recovery. It should provide high quality protein, sufficient calories, and avoid some ingredient. Alternatively, fitness enthusiasts can have a meal of healthy food, which provides the nutrients for non-exercise person, along with protein supplement in order to get the same quality of fitness food. Furthermore, some regular foods in the market are acceptable for the fitness enthusiast even they are less effective. Therefore, fitness enthusiasts have a large choice of alternative to get the same result as fitness food without switching cost, in consequence, the threat of substitutes is high.

#### **4.2.5 Competitive Rivalry**

Currently, the industry life cycle of fitness food industry in Thailand is in the growth state, which consumers have come to understand the value of offering and

demand grows rapidly. 10 percent a year is an average growth rate of the fitness industry, in consequence, the fitness food market is growing at the same number (Positioning Magazine, 2016). At this high growth rate, there is plenty of room for companies that are doing business in this industry. Moreover, the number of competitors in the market is small. These are the reasons why the competitive rivalry of fitness food industry in Thailand is low.

### 4.3 Competitive Analysis

Due to the size of the market that is too small, there are a few direct competitors who targets on the same segment, fitness enthusiasts, and provide them the effective diet which contributes their workouts to get in shape faster. Currently, the major players of fitness food business in Thailand comprises of Calories Project, Fitup Clean Food, Absolute Fit Food, and DJPoom Menu. They all are well-known among fitness enthusiasts in the area they are located. Thus, the competitive advantage of MuscleBox must be analyzed by the comparison between the company and these competitors to show up how the company differentiates from the others in the current market.

	Distribution Channels			Products		Target Segments	
	Restaurant	Delivery	Fitness gyms	Price (exclude delivery fee)	Quality	Fitness enthusiasts	Healthy person
Calories Project	✓	✓		Medium	High	✓	✓
Fitup Clean Food		✓		Low	High	✓	
Absolute Fit Food	✓	✓		High	Very High	✓	✓
DJPoom Menu	✓	✓		Medium	High	✓	✓
MuscleBox		✓	✓	Low	High	✓	

**Table 1** The table of comparison between MuscleBox and competitors

According to the table 1, most of the competitors are running the business in the form of restaurant, which is located on only specific area and has a seat for their customer to have a meal. This business form requires a huge investment and high fix cost from the large number of employees, rental fee, and the decoration. So, they can't afford all the expenses if they target on only fitness enthusiast segment due to the small size of the market. This is the main reason why fitness food business in the form of restaurant not only serves the food for fitness enthusiasts but also healthy person, who want to have the meals benefits his health. In consequence, their position in the market isn't clear and they can't truly design the food to match fitness enthusiast need in term of nutrition. Moreover, the big expense forces the business to sell the foods at the medium to high price based on the location they are established. On the other hand, there are some competitors that avoid the limitation of running the business in the form of restaurant. Delivery service is a chosen channel for them to reach the customers. They don't need a space, a large number of employees, a huge capital, in consequence, the expense of this business type is low. Thus, they can sell the food at the cheaper price but keep the equal quality. However, in the current situation that is full of advanced technology, the fitness food restaurant tries to reach the customer as much as possible, including the customers in the area the restaurant doesn't exist, through the delivery service provider, especially for a mobile application. Therefore, delivery service is the norm for doing the fitness food business in Thailand today.

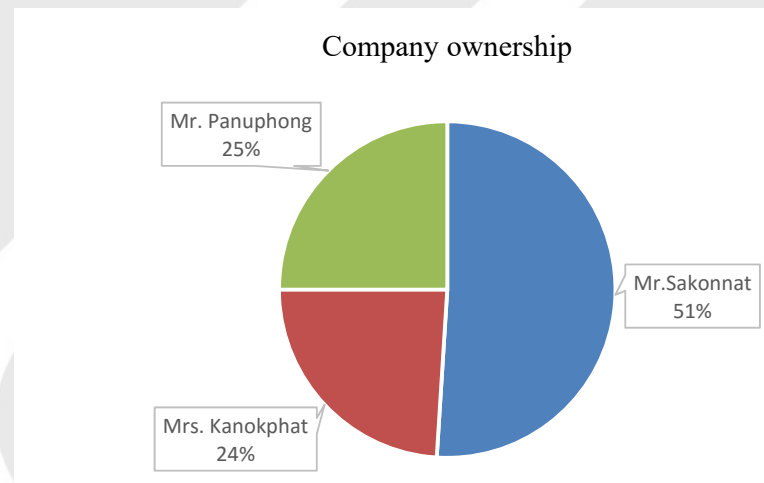
From this table, it shows that MuscleBox does the business on the different distribution channel by selling the fitness food in the form of lunch box at the fitness centers. The company can take many advantages from this channel. Firstly, fitness centers are the place that is full of fitness enthusiasts, who are the target customer of the company. Secondly, it helps the company reach the customers widely because the food can be served at any place the fitness centers are located. Lastly, it cuts some expenditure such as the decorations and the large number of employees so the company can sell the food at the cheaper price comparing to the other fitness food restaurant. With all of these advantages, the company is in the better position comparing with the other competitors in the current market.

## CHAPTER 5

### MANAGEMENT PLAN

#### 5.1 Ownership Structure

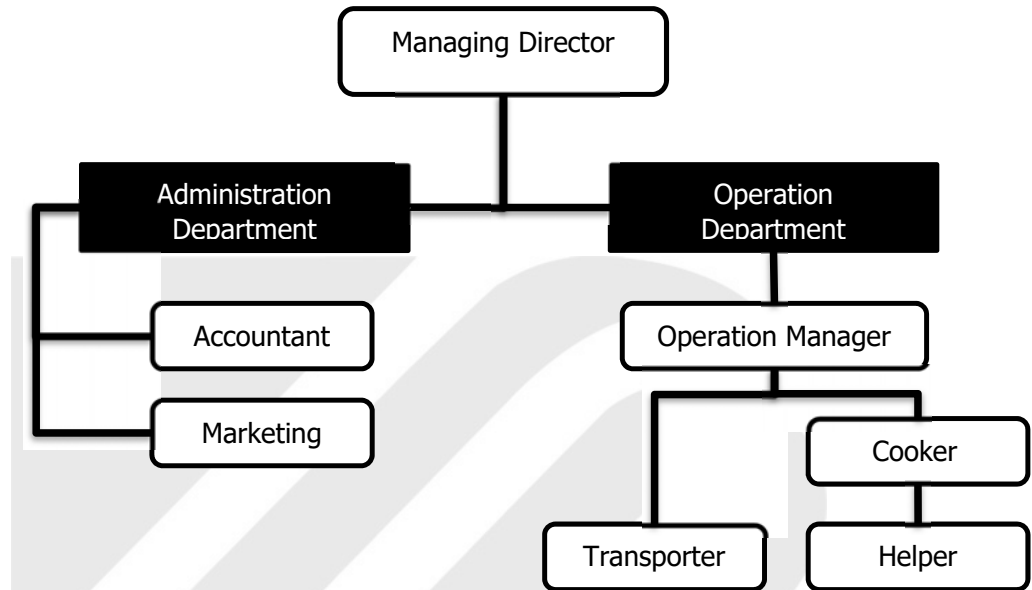
According to the Civil and Commercial Code Thailand, the company limited must have at least 3 persons signing together in order to prepare Memorandum and then register with the Department of Business Development. Moreover, it defines that the equity shares of the company must be divided and reserved by those persons (DBD, 2017). Fortunately, MuscleBox has 3 founders as the minimum requirement of the regulation so the company doesn't need to find more shareholders, in consequence, the equity shares will be reserved among the founders and the proportion is shown below.



**Figure 11** Composition of Company Ownership

As an initial investor and managing director of the company, Mr. Sakonnat will take 51% of the total shares. He will initially invest all of the money in order to start the business and also be the managing director of the company. Thus, he requires the decision power to control the company to the direction that he will earn the highest return and avoid losing his investment. With 51% equity shares, he will have the right to fully control the MuscleBox. For the rest of the founders, Mr. Panuphong will take 25% of the total shares as an operation manager who is a key person to control the cooking process in order to produce the quality fitness food. And, Mrs. Kanokphat will take the rest of the share, 24%, as the marketer and nutritionist who make the company significantly grow with her knowledge and experience.

## 5.2 Management and Organization



**Figure 12** Organization Chart of MuscleBox

According to the organization chart of MuscleBox, managing director is a head of the company and his responsibility is to lead the company to approach the best performance. In order to achieve that he must have a right to fully control the whole organization including duties delegation, human resource management, strategic planning, and etc. However, the primary function of a MuscleBox's managing director is negotiating with fitness centers to become partnership. He should be attractive and be able to build confidence between partners to ensure that the company can achieve what it promises. Therefore, managing director is a key role for MuscleBox in order to grow up the business and survive in the market.

In addition, there are two departments working under managing director. They are administration and operation department. For the operation department, it is responsible to create the highest level of efficiency within operational activities such as production and transportation. Operation manager is the highest level in this department. His responsibility is to ensure that the department can operate activities as well as it possible through managing his subordinates. A cooker and helper take in charge the production process. Cooking a fitness food and packing it in the plastic box

are the major tasks of these positions. A transporter handles a delivery process. It comprises of planning the route of transportation and delivering the product to the place it is sold. These are all the main functions and positions of the operation department. On the other hand, administration department is different from the operation department that involves about primary activities, the administration operates support activities, which is the activities not directly involving the products but it help the company to run the business at the best performance and legality. In a case of MuscleBox, there are two subordinates in administration department. The first one is an accountant. He is the one who deals with the tax and regulatory paperwork that the company need to fill out as the business expands. The other one is a marketer who is an expert on marketing philosophy to create brand awareness and attract the attention from the customer. Moreover, he will provide significant information through a market research in order to achieve the goal effectively. These are all the functions and positions the administration department of MuscleBox has.

As mentioned in company summary, there are 3 MuscleBox's founders and they will play a key role in the company. Mr. Sakonatt will take in charge the head of the company as a managing director. Mr. Phanuphong will be an operation manager. And, Mrs. Kanokphat will be responsible as a marketer of the company. For the other positions, the company will hire a talented person who matches with the job specification and is able to follow the work described in job description as shown in the table below

Position	Name	Profile	Job description
Managing Director	Mr. Sakonnat Anantsupasak	<ul style="list-style-type: none"> <li>• Master's degree of business administration</li> <li>• Bachelor's degree of engineering</li> <li>• 2 years of experience on new product development.</li> </ul>	<ul style="list-style-type: none"> <li>• Business development</li> <li>• Human resource management</li> <li>• Strategic planning</li> <li>• Duties delegation</li> <li>• Monitoring performance</li> </ul>
Operation Manager	Mr. Phanuphong Tangitwatthanakul	<ul style="list-style-type: none"> <li>• Bachelor's degree of business administration</li> <li>• Founder of Pangland Bakery</li> <li>• Over 10 years of cooking experience</li> </ul>	<ul style="list-style-type: none"> <li>• Quality control</li> <li>• Managing operational performance</li> <li>• Inventory management</li> <li>• Procurement</li> <li>• Developing the new menus</li> </ul>
Marketing	Mrs. Kanokphat Anantsupasak	<ul style="list-style-type: none"> <li>• Bachelor's degree in science of nutrition</li> <li>• Founder of Whatdidsheat.in.th</li> <li>• 5 years of experience on marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities</li> <li>• Market research</li> <li>• Nutrition consultation</li> </ul>

**Table 2** Management team's profile

Position	Salary	Job specification	Job description
Cooker	15,000	<ul style="list-style-type: none"> <li>• At least 1 year experience</li> </ul>	<ul style="list-style-type: none"> <li>• Cooking process</li> </ul>
Helper	9,000	<ul style="list-style-type: none"> <li>• Work permit in the case of alien worker</li> </ul>	<ul style="list-style-type: none"> <li>• Packing the foods</li> <li>• Helping the cooker</li> </ul>
Transporter	15,000	<ul style="list-style-type: none"> <li>• Driving License</li> </ul>	<ul style="list-style-type: none"> <li>• Inbound and outbound logistics</li> <li>• Route planning</li> </ul>
Accountant	25,000	<ul style="list-style-type: none"> <li>• Bachelor degree in Accounting</li> <li>• At least 2 year experience</li> </ul>	<ul style="list-style-type: none"> <li>• Handling overall accounting activities</li> <li>• Documenting financial reports</li> <li>• Managing process of taxation</li> </ul>

**Table 3** Staff's job description and job specification

## CHAPTER 6

### MARKETING AND SALES PLAN

#### 6.1 Marketing Objective

“To expand the business to 4 fitness centers in Bangkok in the first year and increase the sale up to 20 percent of the members of fitness centers during the pilot run”

#### 6.2 Segmentation, Targeting, Positioning

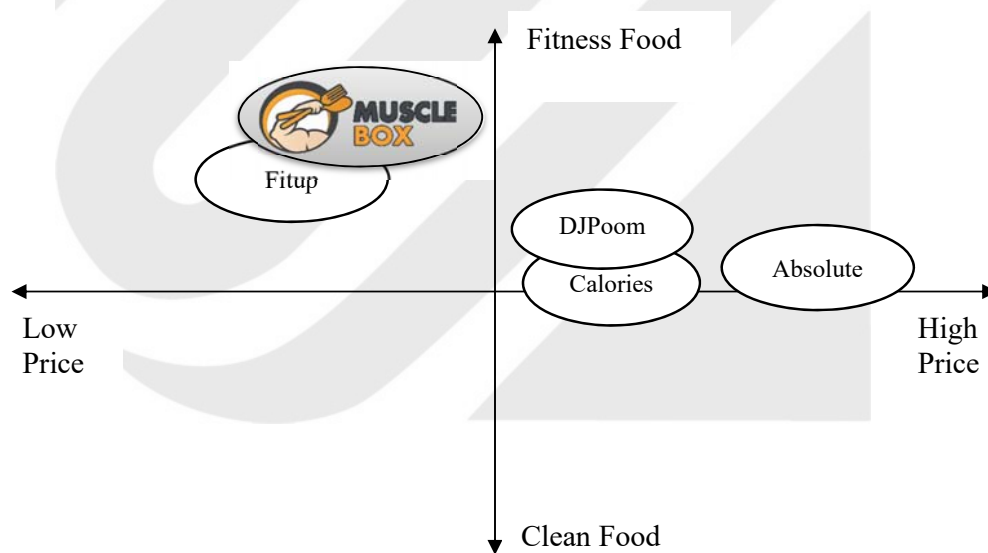
Since MuscleBox sells the product at the fitness gyms, the customers are the people being the member of the gyms, fitness consumers. They can be clustered into five different market segments by perceived value, as follows.

- Making friends: These consumers are probably moderately fit and enjoy some of the fitness activities but their motivation is to fulfill their social needs.
- Getting lean: The intention of this group of the consumers is to lose fat in the body so they usually do the cardio exercises and much more focusing on the diet.
- Building muscle: This segment is interested in improving the look of their body. They are highly disciplined and self-motivated and highly focused on achieving the bigger muscle.
- Health approach: This kind of consumers doesn't care much about their shape but they much more care on their health so they usually work out in the activities that improve the health.
- Sports focus: They are heavily in sport and use a fitness gym to improve their strength in order to be better in the chosen sport.

Because fitness food is kind of the food that helps the consumers get in shape more effectively, MuscleBox has mainly targeted the fitness enthusiasts who have exercised in order to have the better shape whether for building or leaning the body. Thus, the fitness enthusiasts in the segment of getting lean and building muscle are the MuscleBox's target customer. Furthermore, these segments are the majority of the people who are the member of fitness center at the rate of 83.23 percent combining the 49.09 percent of members leaning the body and 32.03 percent of members building the

body. For the other segments, they are altogether 16.77 percent according to the data survey in the figure 28.

In term of the positioning, MuscleBox wants to become the chosen diet for fitness enthusiasts, the one who wants to get in shape, by offering the effective meal to help them get the most from workouts. To achieve that, the company need to design the menu to match with their body required during the exercise program so the nutrition designed for fitness enthusiasts is the key component that makes the menu different from the clean food, which most of the competitors in the market are serving. Moreover, the company prices the products at the low level comparing with the competitors. The purpose is not only to increase the competitiveness but the company also want the products to be touchable for fitness enthusiasts whether they are wealthy or middle class. In conclusion, the company position its products in the category of fitness food at the low level price in order to achieve the company vision, which is stated to become a part of fitness enthusiast's life.



**Figure 13** Positioning map

## 6.3 Marketing Mix

### 6.3.1 Product



**Figure 14** MuscleBox's products

MuscleBox's products are the variety of packed fitness food, which helps fitness enthusiasts get the most from workouts. According to the survey data, the majority of the respondents, 62 percent, who are the member of fitness centers ranked the nutrition to be the number one concern among the influential factors affecting the consumer buying decision making and it is followed by the taste in the second place (see in Figure 37). Thus, to reflect the influential factors, the company will produce the nutrients- rich and tasty food through the cooperation between chef and nutritionist. With this cooperation, the company can guarantee the designed menus will provide fitness enthusiasts the most suitable nutrition for the specific purpose such as getting lean and building muscle. Moreover, the company also pays attention to the gender of the consumers by offering the men's meal and women's meal, which are different in term of the nutrition required.

In conclusion, the company will have the only one product line, the packed fitness foods, and 3 product types classified by the packaging color as follows.

- The green package is the food for a man who want to build muscle.
- The orange package is the food for a man who want to get lean.
- The pink package is the food for a woman who want to get lean.

### 6.3.2 Price

MuscleBox will sell the product based on odd pricing strategy, which is a psychological pricing tactic in which numeric value is utilized to affect the customer's perception of product value. This strategy is explained that the customers usually read only the first digit of the price when they make the purchasing decision so the company

can reduce the first digit of the price and maximize the following digit in order to make the customer perceive the price is lower than it actually is. Moreover, the company also set the price based on the consumer's budget. According to the survey data, the 35 percent of the respondents have the budget at 61 – 80 baths, followed by the 81 – 100 baths at 32 percent, lower 60 baths at 17 percent, 101 – 120 baths at 9 percent, and over 120 baths at 7 percent (see in Figure 38). After all, MuscleBox prices the product at 79 baths, which take the advantage of odd pricing strategy and covers the 83 percent of the consumer's budget, including the budget of 61 -80, 81 -100, 101 – 120 and above 120 baths.

### **6.3.3 Place**

There are two distribution channel using for selling the products. The first channel is fitness centers and gyms. Selling the fitness food at the gyms, the company can take a lot of advantage. Firstly, it is a place that is full of target customers. There are 546,000 people being a fitness member in Thailand (FERNQUEST, 2011), who is the same target customer of MuscleBox. Moreover, this number is increased 10 percent each year (Positioning Magazine, 2016). Secondly, there is no competitor at the gyms. Nowadays, the leading fitness chains in Thailand haven't provided any kind of the food at their gyms and there is no business filling this gap yet. In other words, MuscleBox will be the first and only one in Thailand selling the food at the gyms if the company can negotiate with the fitness chains. Lastly, selling the food at the gyms reflects the brand image of the company. The target customer will firstly perceive that the company products are the specific food for fitness enthusiasts without any marketing message. With all of these reasons, MuscleBox will sell the products at the fitness chains in Thailand in order to take the advantages mentioned above.

According to the ministry of commerce, the fitness chains in Thailand can be classified into 3 level: small, medium, large. Even though there are only two fitness chains including Fitness First and Virgin Active that are considered as the large company, they have altogether taken 92.30 percent of the market share (Brandinside, 2017). This number reflects the huge gap between the large chains and the others. Therefore, MuscleBox must cooperate with the large chains in order to approach the

most profitability and competitiveness. In conclusion, Fitness First and Virgin Active are the chosen fitness chains to deal the business with.

For the second channel, it is delivery service provider. Due to delivery service is the norm of fitness food business in Thailand, MuscleBox has to provide this service in order to earn the competitiveness. However, the company doesn't have much resources and it lacks the experience of logistic management. Thus, selling the product through Food Panda, one of the most famous delivery service provider in Thailand that is full of resources and expertise of logistic, is a good choice for the company.

#### **6.3.4 Promotion**

Awareness is really important for fitness food business because the result of eating fitness food doesn't occur in the short time, on the other hand, it takes a month before the consumers know how different it is. Thus, to be the leader of fitness food provider, MuscleBox has to make fitness enthusiasts believe that the company is really expert in designing the fitness food menu to help them get the most from workouts. To make them believe that, content marketing strategies, which is strategic approach focusing on creating, distributing, and sharing contents in order to attract and retain defined audience, is used through social media channel.

In addition, the variety techniques of promotion mix are necessary to boost the sales in order to achieve the marketing objective as described below.

- **Sales Promotion**

It is a marketing technique that lures the new customer and rewards purchased customer by offering discounts in order to drive up short term sales of the company. MuscleBox will attach the discount coupons in the sales promotion of fitness center, which is the method the fitness center attracts the new customer. In consequence, this will let the new customers of fitness center know the existence of the MuscleBox's product and they will try it for the first time. In addition, the company will arrange the discounts for marketing event such as birthday promotion, 1<sup>st</sup> year exercise anniversary promotion, body building contests, and etc.

- Advertising

It is a method to convey the marketing message to the target customers in a form of non-personal presentation. Fortunately, the advertising doesn't cost much today and it is more effective and efficient. Social media, especially for Facebook, is the main channel for MuscleBox to advertise the products. The company can match the advertisement with the users who have the passion of exercising or define themselves as fitness enthusiasts. Moreover, the advertising on social media can concentrate on the fitness enthusiast's community, which is the reliable source for fitness enthusiasts and they usually collect the information from this source. Nevertheless, the advertising at the fitness center is indispensable.

- Personal Selling

The personal selling is one of the most effective technique because it can lead the customers by the seller's attitude, appearance, and specialist product knowledge. Fortunately, MuscleBox's marketer and nutritionist are the same person, so she can visit the fitness centers as a nutrition consultant who provides the deep knowledge of how to eat the food for getting in shape. At the same time, she can offer the company products and answer the question for increasing the customer's awareness. Moreover, the company can hire the staffs of [Whatdidsheat.in.th](http://Whatdidsheat.in.th), which is created by the group of nutritionists in Thailand and Mrs. Kanokphat is one of the founders of this website, in order to run this activity on the large scale.

- Public Relation

It is the important technique for the company to achieve the position of a leading fitness food provider as stated in vision statement. The public relation is the way the company communicates with the target customer through the public and media with an aim to create and maintain a positive image. In the beginning, MuscleBox will do the public relation on the internet including social media and website, in which the company will provide the knowledge of fitness diet and show

the vision and the quality of the products in term of cooking, nutrition, and the involvement of nutritionist. Moreover, on the website, there is the testimonial page, which presents the previous success and the praise of the customer, and feedback channel, which makes the customer feel taken care and it helps the company to continually improve on the ways the customers want it to be. After the company becomes successful, the public relation will be expanded to the area of public events, media, and magazine.

All above is all about the marketing promotion to approach the target customer but in the case of MuscleBox that run the business at fitness centers, the company must have the promotion mix to approach fitness center as described below.

- Direct Marketing

MuscleBox will do direct marketing with the fitness centers in Bangkok to open up the opportunity for the business. The company will contact the fitness centers by the phone, email, or direct walk-in in order to provide the initial information leading to appoint the meeting later on. In the meeting, the company can give the fitness centers the clear picture of what the company wants to do and how they take the benefits from it. Moreover, the company can build the relationship and immediately receive the feedback from the fitness center during the meeting. This method will lead the company to acquire the contract with fitness centers, which is the core business of MuscleBox.

#### **6.4 The Strategy to Acquire Distribution Channels**

As seen in the business model and marketing mix, the distribution channels are fitness centers and food delivery service providers. They aren't owned by MuslceBox so the company has to deal the business with them in order to sell the products through their channels.

Fortunately, Food Panda, a leading food delivery service company in Thailand, is welcome the restaurant and food services to become its partner. The company only fill the registration form on the website and wait for the response from the Food Panda's

staff. Then, the process of becoming the partner with Food Panda will be completed. Moreover, Food Panda also provide its partner with the user pool and online marketing tools in order to increase the potential of the partner. In return, Food Panda charges the company 15 percent of the total bill amount (Sathe, 2015).

On the other hand, the process of becoming partner with fitness centers and Virgin Active is totally different because they haven't been partner with anyone before, in consequence, they can't imagine what benefits they will earn. Therefore, direct marketing is the best choice in this case. The company can explain the detail and negotiation will take place later on. To make the fitness centers interested in this partnership, MuscleBox will point out 4 topics during the meeting. Firstly, it is the way company does the business after partnership. MuscleBox wants to sell the packed fitness food at the fitness centers and the company requires space for its food cabinets to show the available food at the time. Secondly, the advantages the fitness center will earn when they agrees on this partnership will be explained. This partnership is the cooperation of the two company that are different expertise. The fitness centers are good at providing the exercise and MuscleBox is good at providing the effective diet. With this cooperation, the most two important factors of getting in shape, exercise and diet, will be offered in one place. Thus, it increases the overall value of the fitness center itself. Moreover, they can earn much more money at the 20 percent rate of total bill amount without doing anything. Thirdly, the company will show the success of the previous partner to increase credibility. And, the last topic is why this partnership will become successful. MuscleBox will explain that this business model is win-win situation of the three parties. The customers of fitness centers don't need to walk around and face the difficulty of finding effective diet, which helps get the most from workouts leading to get in shape faster. For the fitness centers, the more successful MuscleBox is, the more money they earn the money. On the other hand, the more customers in the fitness centers, the more possibility MuscleBox can sell the products. With this win-win situation of three parties, MuscleBox can ensure that the partnership will become successful eventually.

These are the marketing strategy to acquire the distribution channels, which is one of the core values of the company. Without it, the company will face the difficulty of doing the fitness food business effectively.

## CHAPTER 7

### OPERATION AND IMPLEMENTATION PLAN

#### 7.1 Resources, Facilities and Equipment

MuscleBox is in the process of beginning the business in anticipation of looking for a contact with the fitness gyms across Bangkok. In the first stage that the company provides the products at a few gyms, the office is at Sakonnat's house where is located at 877/70 Nirvana Beyond 1, Thavornthawat road, Suan Luang, Bangkok 10250. The location is near the 5 big department stores which there are the gyms inside such as The Mall Bangkapi, The Mall Ramkham Hang, Seacon Square, Paradise Park, and A-link Square. Moreover, it is also near the entrance of Sirat Toll Road which is the main road toward the center of Bangkok.

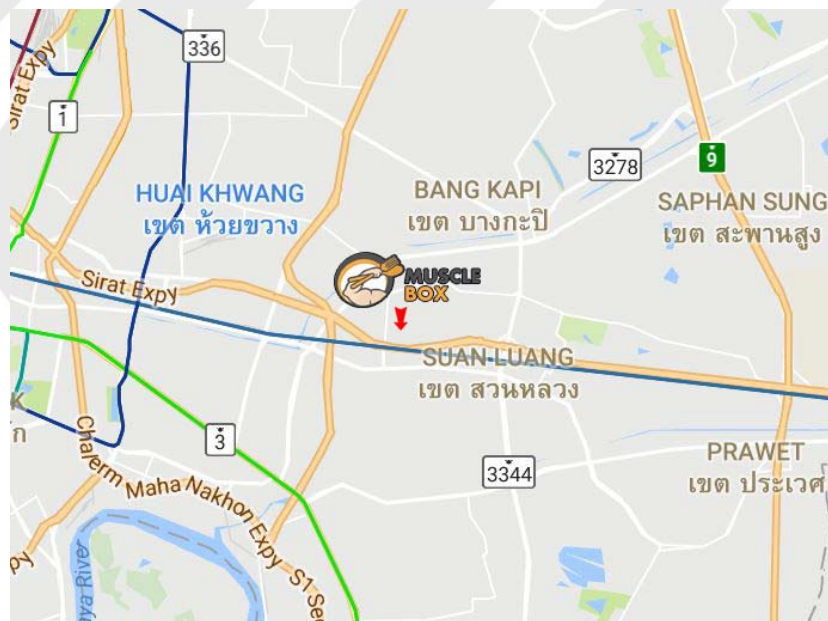


Figure 15 Location



**Figure 16** Sakonnat's house

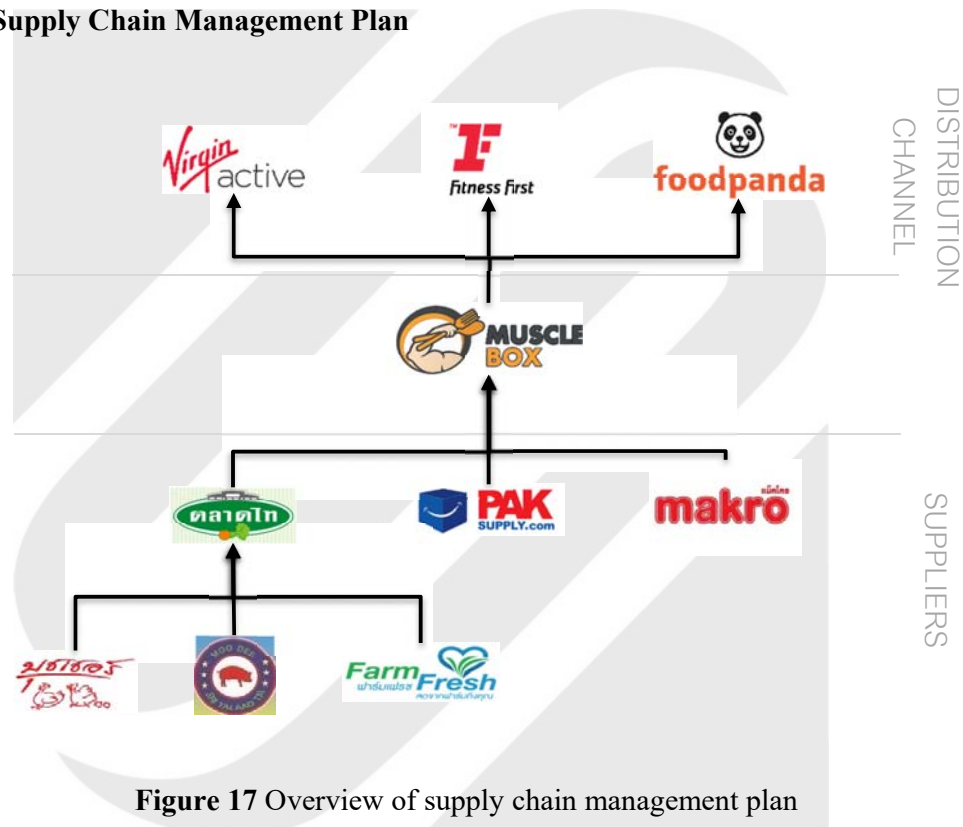
In addition to the benefit of the location, Mr. Sakonnat allows the company to use the existing equipment in the house. It offers office equipment for administration department such as desks, chairs, printer, and computers. And, it also includes the kitchen equipment used for cooking, which is the process to produce the products, such as ovens, stoves, rice steamer, refrigerator, and etc. With this permission, the company doesn't need to invest much money on these things as long as the business can operate effectively. The company can prepare packed food from here and delivers it to the place where it is sold, the gyms.

In term of the transportation, the company needs vehicles to carry the products from Sakonnat's house to the gyms where the company provides the product with. Fortunately, there are 3 available cars belonging to the founders so the company can use them as the corporate vehicle in the first stage. Even though all of the things mentioned above are supported by the founders, they appreciate reducing the risk by using what they have instead of investing all of the things.

However, there is something that the company must invest to operate the business. It is a food cabinet used to show what packed fitness food is available at the gyms at the time. It also requires the cooling and warming system to preserve the food and maintain the taste. As a result, there is at least two cabinets at each gym. One is a food cooling cabinet to store the food like salad. The other is a food warming cabinet to keep the food warm. Therefore, the initial cost of MuscleBox depends on the number of gyms the company provides the products with.

These are all the essential equipment and facility of MuscleBox for the operation in the first stage. As mentioned above, the company doesn't need a lot of initial investment due to the availability of the existing equipment. So, the founders can spend their own money as the investment in the first stage of operation and then the company will find an interested investor when it requires a huge capital to boost the business growth.

## 7.2 Supply Chain Management Plan



**Figure 17** Overview of supply chain management plan

MuscleBox is a company producing a variety of packed fitness foods so the company requires a lot of material types based on the menus the company provides to the customer in each period. However, there are two type of core materials used in every menus. It comprises of the protein, which can be the chicken or pork, and vegetable. Therefore, the company sources all of these core materials from the 3 different suppliers as follows.

- *Butcher Kai Sod* – The Butcher Kai Sod is located at Talaad Thai, which is the largest wholesale food market in South East Asia. It mainly sells the raw chicken, duck and seafood at the wholesale

price. Moreover, the company claims that “With over ten year experience, we are confident to be able to meet the needs of customers in term of the quality and price”.

- *Moo Dee Sri Talaad Thai* – This is a shop selling the pork at Talaad Thai. Its products include both of raw and frozen all parts of the pork. Moreover, the shop also have the processed pork such as pork ball, pork slices, and etc. The shop can provide the large quantity of order with the quality and specific form and size as the customers want.
- *Farm Fresh* – “Fresh from the farm” is the company slogan that want to provide the variety of the fresh vegetable and fruit to the customer. The company also have the vegetable planted from the hydroponic and soil system. Moreover, the company is potential to export the products as the customer order.

In addition to the quality and quantity that all of these suppliers can provide their materials for the customer at the wholesale price, they also have a delivery service, which transports its product directly to the customer location. This will save a lot of money and time for the MuscleBox. Therefore, the company can monthly order the required materials and they will daily transport the materials on the morning.

However, to produce the packed fitness food not only requires the core materials but it also need some seasoning, sources and the other ingredients that the three suppliers above can't provide. In general, all of these things will be used a small quantity in the menu but it requires the various items. Therefore, a suppliers who provide those things must be the company who is selling the various item at the cheap price. After all, the chosen supplier for those items is the Makro.

- *Makro* – Siam Makro or Makro is a public company to operate the member based wholesale center. The company provides a wide range and assortment of product, to its member and business operators nationwide including retailers, restaurants, hotel, service business operators, government agencies, and other business operator to follow his vision as “to be number one food solution provider for professional customers in ASEAN”. Moreover, the

company developed the Makro Food Service in order to specifically provide the various type of the food materials.

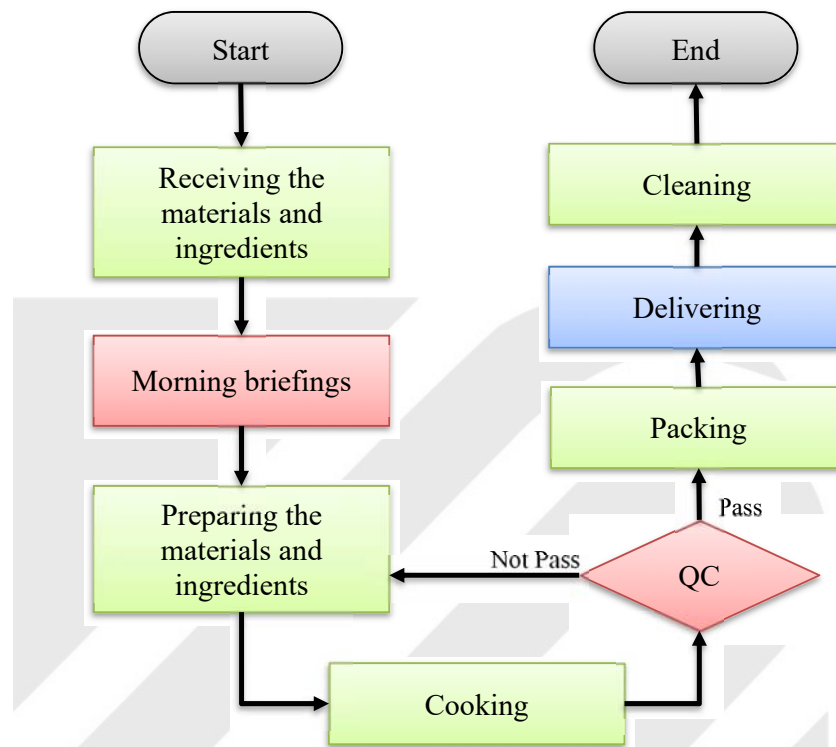
Currently, Makro is selling the products in the two different format. The first format is for the retailers, who buy the items in the small quantity. The customer can buy it directly at the shop with the price on the tag. On the other hand, the customer can buy the items at the wholesale price, which are cheaper but it requires the order over the minimum order quantity. Therefore, Makro can be the MuscleBox's supplier to provide the things the company need at the wholesale price. Moreover, Makro also have a delivery service for its customer as same as the 3 suppliers mentioned above.

In addition to the food suppliers, MuscleBox can't complete the product without the packages. Therefore, the company selected the PAK Supply to supply the package that include printing the brand logo.

- *PAK Supply* – PAK Supply is a part of the C.A.P. Intertrade Co., Ltd. It has been a distributor of various packages and labeling products since 1997. The company also have the potential to manufacture the custom package for the customers in order to follow the commitment the company stated that “our intention is to satisfy the customer by providing the quality packages at reasonable price to achieve the specific purpose of the customer”.

All of the companies above are the MuscleBox's suppliers that supply the required items including the pork, chicken, seafood, vegetable, fruit, seasoning, sources, packages and the others. Fortunately, all of them have the delivery service so the company doesn't need to waste the money and time on the transportation. After they all supply the items to MuscleBox, the company will run the cooking process as mentioned in the standard operation procedure and then deliver the finished products, packed fitness foods, to the distribution channels such as Virgin Active and Fitness First through the MuscleBox's transporter. In contrast, the Food Panda doesn't require the transportation and it is the made to order production.

### 7.3 Standard Operation Procedure

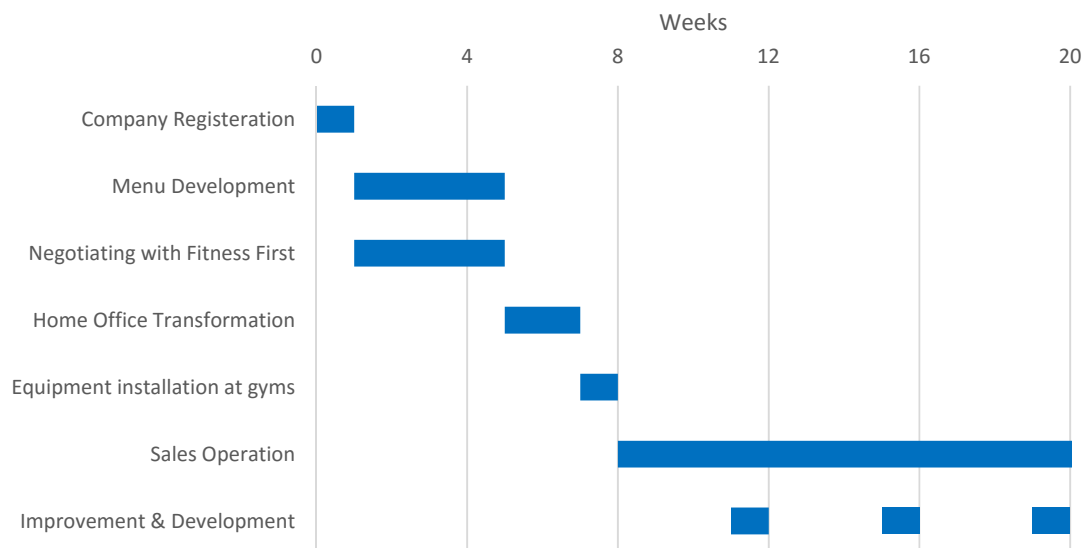


**Figure 18** Standard operation procedure

The standard operation of MuscleBox comprises of the 8 processes. It starts with the receiving the materials and ingredients. This is a process that the operation manager and helpers take care the materials and ingredients after they are delivered by suppliers on the morning. It includes the tasks of checking and moving them into the arranged place such as refrigerator and warehouse. After that, the morning briefing occurs, which the operation manager explains today work to his subordinates in order to achieve the most effective by making everyone's on the same page and identifying their individual task. Then, the cookers and helpers start preparing the materials and ingredients. This process consists of several steps depending on the type of materials and ingredients such as getting rid of unwanted stuff, material cleaning, washing, peeling, sorting, sizing, grading, size reduction, and blanching. After that, the cookers mainly concentrate on cooking along with the assistance of helpers. At the same time, the process is inspected by the operation manager in order to avoid mistakes, which is

caused by human error. At the end, the operation manager conducts the quality control to maintain the standard of the foods to have the same quality in term of taste and nutrition. If they pass, the helpers will pack them into the packaging. After all, the packed fitness foods as the company's products are ready to deliver to the fitness centers where are the place the company sells the products. While the transporters deliver the products, the helpers clean all the used equipment and prepare the place for the tomorrow.

#### 7.4 Implementation Plan

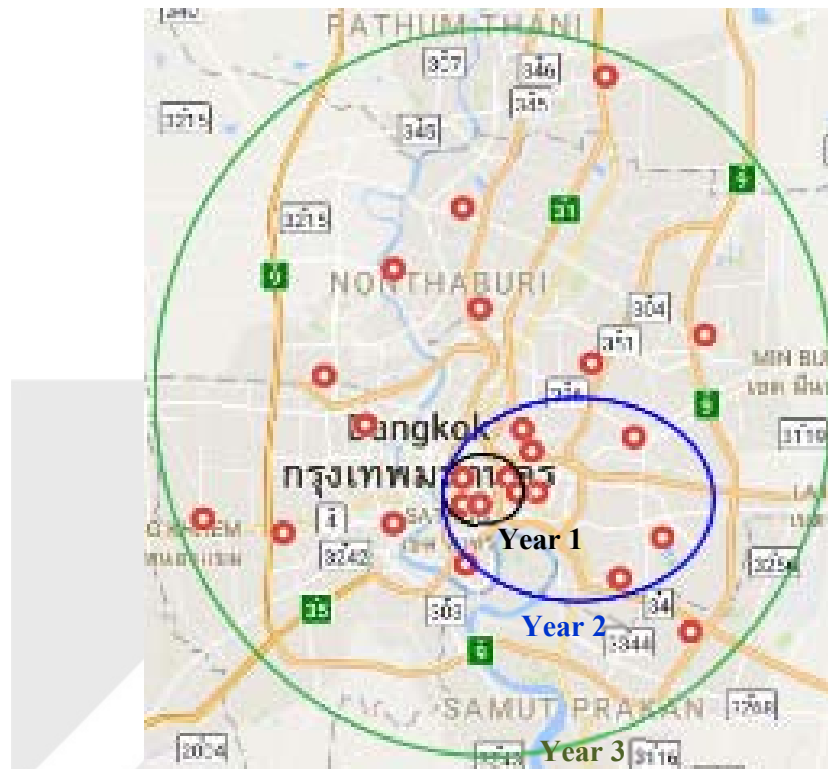


**Figure 19** Implementation timetable during a pilot run

The figure 19 shows all the necessary tasks and activities after the business is established. Firstly, the company needs to register as company limited at the Department of Business Development. It is spent about 5 days to complete all the processes of the registration, 3 days for the company name reservation and 2 days for submitting the registration form. Afterward, there will be 2 processes running in parallel. The menu development is the process that the company research and develop fitness food recipes so Mrs. Kanokphat, who is a nutritionist, and Mr. Phanuphong, the one who can cook, are responsible for this task. At the same time, Mr. Sakonnat try to

negotiate the contract with the Fitness First and Virgin Active in order to become the partnership. After the company already has the contract, the process of home office transformation begins. It is a process to rearrange the stuff in the house and transforms the home environment into office environment. Therefore, the company needs to buy some office supplies and equipment in order to prepare the office operations and the production process. It will take 2 weeks. Then, the company will spend a week to install the equipment at the fitness center. It includes the food cabinet installation and the decoration. Until this point, MuscleBox is ready to start both of office operation and production process.

Because MuscleBox wants to avoid the situation of ineffectiveness and inefficiency when it scales up the business, the company will operate the pilot run in the next 3 months after the process of equipment installation. The pilot run is a state that the business tests and improves the operation, production, and marketing in the small scale of the business in order to approach the best performance. Therefore, in the end of the month, the company will have a meeting for improvement and development process, which is a process to brainstorm how to solve the problem, increase sales, and improve performance. Consequently, the company should achieve total sale at 20 percent of the members of fitness centers during the pilot run as stated in marketing objective.



**Figure 20** the target area tMuscleBox sells the product in the first three years.

After 3 months of the pilot run, MuscleBox will have a model how to do the business effectively and efficiently so the company will concentrate on the expansion by increasing the number of fitness centers, at which the company sells the products. In the first year, the company will target the branches of the Fitness First that are located in center of Bangkok. It covers the areas of Pathum Wan, Ratchathewi, and Silom, which altogether have 4 branches of the Fitness First. In the second year, the expansion will cover 12 branches of the Fitness First as shown in the blue circle of the figure 20 and starting to run the pilot at the Virgin Active. Then, the company will sell the products on every branch of Fitness First and Virgin Active in Bangkok in the third year. For the detail, the company will quarterly expand the business as shown in the table 4.

Year	Quarter	Target Expansion
1 <sup>sts</sup>	1	-
	2	Fitness First Platinum Siam Paragon
	3	Fitness First Platinum Landmark Plaza
	4	Fitness First Sathorn Square Fitness First Q House Lumpini
2 <sup>nd</sup>	1	Fitness First Club 39 Fitness First Terminal 21 Virgin Active Emquartier
	2	Fitness First Central Plaza Grand Rama 9 Fitness First AIA Capital Center Virgin Active Siam Discovery
	3	Fitness First The Mall Bangkokkapi Virgin Active Wireless Road
	4	Fitness First Central Plaza Bangna Fitness First Seacon Square Fitness First Mega Bangna Virgin Active Empire Tower
3 <sup>rd</sup>	1	Fitness First Central Plaza Rama 3 Virgin Active Eastville
	2	Fitness First The Crystal Ratchapruerk Fitness First The Mall Bangkokkhae Fitness First The Mall Thapra Fitness First Home Pro Petchakasem Fitness First Central Plaza PinKlao Virgin Active Westgate
	3	Fitness First Future Park Rangsit Fitness First The Promenade Fitness First The Crystal Ramindra
	4	Fitness First Central Plaza Chaengwattana Fitness First The Mall Ngamwongwan

		Fitness First Central Plaza Rattana Thibet
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**Table 4** Target fitness centers during the expansion

MuscleBox decided to deal the business at Fitness First before the Virgin Active because the Fitness First have much more potential in term of the number of customer and number of branches. Currently, Fitness First have 78,000 members and 28 branches across Thailand (Dailynews, 2017) but Virgin Active have only 20,000 members and 7 branches (StockWatch, 2017). Furthermore, Muscle doesn't want to deal the business with Virgin Active in the first year because the company has to concentrate on running the business with only one partner in order to approach the best performance and show them what the opportunity they can take from the company.

## CHAPTER 8

### FINANCIAL PLAN

Because of the availability of the facility and some equipment, MuscleBox doesn't need to invest much money at the beginning. However, MuscleBox's business model, which is high account receivable and requires the investment during the expansion, needs a lot of working capital in order to prevent the cash out of the business. Therefore, the estimation of start-up cost of MuscleBox is 2,220,000 baths with the majority of the working capital, which will be spent for the fast expansion.

#### 8.1 Required Start-Up Funds for a New Business

##### MuscleBox

##### Required Start-Up Funds for a New Business or Opening Balance Sheet for an Existing Business

Required Start-Up Funds	Amount	Totals	Depreciation
<b>Fixed Assets</b>			
Equipment	150,000		7.00 years
Furniture and Fixtures	50,000		5.00 years
<b>Total Fixed Assets</b>		200,000	
 <b>Operating Capital</b>			
Legal and Accounting Fees	10,000		
Office supplies	10,000		
Working Capital	2,000,000		
<b>Total Operating Capital</b>		2,020,000	
 <b>Total Required Funds</b>		\$ 2,220,000	
 <b>Sources of Funding</b>	<b>Amount</b>	<b>Totals</b>	
Owner's Equity	100.00%	2,220,000	
<b>Total Sources of Funding</b>	100.00%	\$ 2,220,000	

Table 5 Required start-up funds

## 8.2 Salaries and Wages

According to the management and organization, the company comprises of the 3 founders and 4 positions of employee including an accountant, cooker, helper, and transporter. In conclusion, the company intends to hire the employees and rise the salary at the rate that is shown below.

	Year 1	Year 2	Year 3
Founders	15,000	22,500	33,750

**Table 6** Founders' monthly salary

Position	Year 1	Year 2	Year 3
			4%
Accountant	25,000	26,000	27,040
Cooker	15,000	15,600	16,224
Helper	9,000	9,360	9,734
Transporter	15,000	15,600	16,224

**Table 7** Staff's monthly salary

Because the MuscleBox will rapidly expand the business in the first three years, the company essentially increases the number of the employees in order to complete the standard operation on time. Therefore, the cookers, helpers and transporters will be continually hired based on the required output of the production and the number of fitness centers that the company has to deliver the products.

The estimation of the cooker's productivity is 500 units for a day and the helper's productivity is 250 units for a day. It means the company will hire 1 cooker and 2 helpers every time the required output increases 500 units per day. In the case of transporter, the MuscleBox will hire one more transporter when the expansion reach the 4 new fitness centers. Thus, the number of employee can be calculated by divided the projected sales forecast with the productivity. As a result, the number of employee will be shown in the table 8, 9, and 10.

However, MuscleBox doesn't require cookers and transporter during the pilot run because the founders can handle the tasks by themselves.

Cooks												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	-	-	-	-	-	1	1	1	1	1	2	2
2	2	2	2	3	3	3	4	4	4	5	5	5
3	5	6	6	7	7	7	8	8	8	9	9	9

**Table 8** The number of cooks in the company by month

Helpers												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	-	-	1	1	1	1	1	2	2	2	3	3
2	4	4	4	6	6	6	7	7	7	9	9	10
3	10	11	11	13	14	14	16	16	16	17	17	18

**Table 9** The number of helpers in the company by month

Transporters												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	-	-	-	-	-	1	1	1	1	1	1	1
2	2	2	2	3	3	3	3	3	3	4	4	4
3	5	5	5	6	6	6	7	7	7	8	8	8

**Table 10** The number of transporters in the company by month

Based on all of these information, which includes the numbers of the employees and how much they can earn, the salary and wages can be calculated and it is showed below.

MuscleBox  
Salaries and Wages

Salaries	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Salaries and Wages			
Owner's Compensation	540,000	810,000	1,215,000
Salaries	616,000	2,137,200	4,419,418
Total Salaries and Wages	<u>1,156,000</u>	<u>2,947,200</u>	<u>5,634,418</u>

**Table 11** Salaries and wages

### 8.3 Operating Expenses

According to the implementation plan, MuscleBox will have low operating expense and it accumulates to 899,544 baths for the first years. After that, most of the expenses are quadruple and it altogether is 3,739,760 baths in the second year. Then, these expenses will be double again for the third year. All of this estimation is based on how growth the company is for each year. For example, there are 4 fitness centers selling the products in the first years and then 16 fitness centers available in the second year. Therefore, the expense is quadruple for the second year. However, the car and truck expense is not based on the company growth but it's estimated by the numbers of the transporters. Each transporter will have 12,500\$ monthly budget including the fuel and installment payment. For the marketing budget is calculated by the percentage of total sales conducted by the projection. MuscleBox will spend 7 percent of total sales for marketing activities in the first year and 5 percent for second year and 3 percent for the third year.

MuscleBox			
Fixed Operating Expenses			
Fixed Operating Expenses	Year One	Year Two	Year Three
Expenses			
Car and Truck Expenses	110,000	450,000	975,000
Miscellaneous	60,000	240,000	480,000
Office Expenses & Supplies	120,000	480,000	960,000
Sales & Marketing	422,115	1,914,557	2,565,311
Telephone and Communications	36,000	144,000	288,000
Utilities	120,000	480,000	960,000
Total Expenses	868,115	3,708,331	6,300,892
Other Expenses			
Depreciation	31,429	31,429	31,429
Total Other Expenses	31,429	31,429	31,429
Total Fixed Operating Expenses	899,544	3,739,986	6,259,740

**Table 12** Fixed operating expenses

#### 8.4 Projected Sales Forecast

Based on the information collected through the research, the total members of Fitness First are 78,000 people (Dailynews, 2017) and 20,000 members for Virgin Active (StockWatch, 2017). Furthermore, the Fitness First has 28 branches across Thailand and Virgin Active have 7 branches. Thus, average numbers of the members for a branch are 2,786 members for Fitness First and 2,857 members for Virgin Active.

According to the social factor in PESTEL analysis, Thai fitness enthusiasts usually go to the fitness center 8 times a month (Paksrikumkamtorn, 2017) so total numbers of the arriving the fitness center at one braches can be calculate by multiplying the average number of the members and the frequency of usage. In consequence, the total number of the arriving the fitness center at one braches in a month is 18,528 times for Fitness First and 19,000 times for Virgin Active. These number can represent that the total market of selling the products at Fitness First is 18,528 units per month per branch and 19,000 units per month per branches for the Virgin Active.

However, these number are not the target market because MuscleBox targets only people who want to get lean and build muscle. According to the questionnaires, 49.09 percent of respondents works out at the fitness center for getting lean, followed by 34.03 percent working for building the muscle, 15.58 percent working out for their health, and 1.3 percent working out for improving sport ability. Therefore, the target market is altogether at the rate of 83.12 percent of total market. Therefore, the capability of the target market can be calculated by multiplying the percentage of target market with the total market. Then, the total target market of Fitness First is 15,400 units per month per branch and the total target market of Virgin Active is 15,793 units per month per branches.

Based on the marketing objective that MuscleBox want to increase the sale up to 20 percent of total target market. After the calculation, the company can sells the products at 3,706 units per month per branch of Fitness First and 3,159 units per month per branch of Virgin Active.

However, MuscleBox has the 3 product types as mentioned in the marketing mix. Thus, this number will be classified into 3 product types. According to the questionnaire, there are the 53 respondents who are a man focusing on getting lean, 122 respondents who are a man focusing on building the body, and 136 respondents who a

woman focusing on getting lean. Based on this information, it can interpret to 17 percent is matched with the orange packaging product, 39 percent is matched with the green packaging product, and 44 percent is matched with the pink packaging product. After all the target sales can be calculated as showing in the table below. Nevertheless, MuscleBox will spend 3 months at each branch in order to achieve the objective.

Projected Sales Forecast of The Green Packaging Products(men, building muscle)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	0	0	1,084	1,301	1,445	1,445	2,530	2,746	2,891	5,058	5,492	5,781
2	9,033	9,683	10,116	13,368	14,018	14,451	16,619	17,053	17,342	21,678	22,545	23,123
3	25,291	25,725	26,014	32,517	33,818	34,685	37,936	38,586	39,020	42,272	42,922	43,355

**Table 13** Projected Sales Forecast of the Green Packaging Products

Projected Sales Forecast of The Orange Packaging Products(men, getting lean)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	0	0	473	567	630	630	1,102	1,197	1,260	2,205	2,394	2,520
2	3,937	4,221	4,410	5,827	6,111	6,300	7,245	7,434	7,560	9,449	9,827	10,079
3	11,024	11,213	11,339	14,174	14,741	15,119	16,536	16,820	17,009	18,426	18,710	18,899

**Table 14** Projected Sales Forecast of the Orange Packaging Products

Projected Sales Forecast of The Pink Packaging Products(men, getting lean)												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	0	0	1,223	1,468	1,631	1,631	2,853	3,098	3,261	5,707	6,196	6,522
2	10,190	10,924	11,414	15,082	15,816	16,305	18,751	19,240	19,566	24,457	25,436	26,088
3	28,533	29,022	29,348	36,685	38,153	39,131	42,800	43,534	44,023	47,691	48,425	48,914

**Table 15** Projected Sales Forecast of the Pink Packaging Products

### 8.5 Cost Breakdown Analysis

Since there are many menus and they are different in each period, it is impossible to show the cost of all the menus. Thus, the cost breakdown analysis will be analyze based on the example menu as shown in the table below.

Material cost of “Fried Chicken with Potatoes”			
Items	Quantity	Price	Cost(฿)
Chicken breast	300 g	50 ฿/Kg	15
Potatoes	200 g	20 ฿/Kg	4
Rice	100 g	27 ฿/Kg	2.7
Carrots	15 g	50 ฿/Kg	0.75
Shitakes	15 g	163 ฿/ Kg	2.445
The others(including seasoning and sources)	-	-	2
Package	1	4 ฿/ unit	4
Plastic spoon, fork, tissue paper	1	1.46 ฿/ set	1.46
Total			32.355

**Table 16** Material cost of “Fried Chicken with Potatoes”

According to the table 16, to produce the one product unit costs the MuscleBox 32.355 baths in term of the materials. Furthermore, MuscleBox has to pay the profit sharing to the fitness chains at the rate of 20 percent of the total revenue. Thus, the cost break down analysis in the first month will be shown in the table 17.

## Costs Breakdown Analysis, March 2017

Materials	32.355 ₱	38.97 %
Pay to fitness centers	15.80 ₱	19.03 %
Labour cost	12 ₱	14.69 %
Transportation cost	6.01 ₱	7.35 %
Overhead	16.58 ₱	19.97 %
Total	83.03 ₱	100 %

**Table 17** Cost Breakdown analysis

## 8.6 Cash Receipts and Disbursements

MuscleBOx's business model is high account receivable because the company can earn the revenue from the fitness center in the following month. On the other word, the company has to pay the materials before collecting the revenue. Thus, the Account receivable collection is between 31 to 61 days. In contrast, account payable disbursement has to be classified into 2 periods. The first period is between 0 to 30 days. It includes the variable cost of materials, which MuscleBox has to pay during the month. This will be the 67.19 percent of the total variable cost calculated by the ratio between the materials and total variable cost as shown in the table 17. The second period is between 31 – 60 days which the fitness centers will deduct the profit sharing from the revenue. This will be the 32.81 percent of the total variable cost.

### MuscleBox Cash Receipts and Disbursements

#### Accounts Receivable Collections

Percent of Collections	
0 to 30 days	0.00%
31 to 60 days	100.00%
More than 60 days	<u>0.00%</u>
Total Collections Percentage	<u>100.00%</u>

#### Accounts Payable Disbursements

Number of Days to Pay Suppliers	
0 to 30 days	67.19%
31 to 60 days	32.81%
More than 60 days	<u>0.00%</u>
Total Disbursements Percentage	<u>100.00%</u>

**Table 18** Cash Receipts and Disbursements

### **8.7 Year One Projection**

At this point, the income statement, cash flow statement, and balance sheet can be conducted based on the previous information including salaries and wages, operating expenses, projected sales forecast, cost breakdown analysis, and cash receipts and disbursements.

However, the first two months that the company is in the period of the establishment doesn't have any employment and marketing activities based on the implementation plan. Furthermore, 4,500 baths of the car and truck expense in the first five month is the transportation budget for the founder in order to accomplish the business activities.

The addition information is MuscleBox has to invest 50,000 baths for the equipment and decoration for the new branches. Moreover, every transporter requires the car so the company has to pay the down payment at the rate of 80,000 baths when increasing the number of the transporters. These information will affect the cash flow statement in the entity of new fixed asset purchase.

Furthermore, the safety stock is at 15 percent so the company will produce the product over the projected sales at the rate of 15 percent. In contrast, this will damage the company in term of the variable cost because the products can't be sold and they are spoiled in the end of the day. This will be calculated in the financial statement too.

**Muscle Box  
Projected Income Statement - Year One**

	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Totals</b>
<b>Total Income</b>	-	-	219,620	263,544	292,774	292,774	512,315	556,239	585,548	1,024,630	1,112,478	1,171,017	6,030,939
<b>Total Cost of Sales</b>	-	-	147,363	176,855	196,452	196,452	343,767	373,259	392,904	687,533	746,485	785,759	4,046,827
<b>Gross Margin</b>	-	-	72,257	86,689	96,322	96,322	168,548	182,980	192,644	337,097	365,993	385,258	1,984,112
<b>Total Salary and Wages</b>	45,000	45,000	79,000	79,000	79,000	106,000	106,000	115,000	115,000	115,000	136,000	136,000	1,156,000
<b>Fixed Business Expenses</b>													
<b>Car and Truck Expenses</b>	4,500	4,500	4,500	4,500	4,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	110,000
<b>Miscellaneous</b>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
<b>Office Expenses &amp; Supplies</b>	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
<b>Sales &amp; Marketing</b>	-	-	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	351,800
<b>Telephone and Communicatio</b>	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
<b>Utilities</b>	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
<b>Total Fixed Business Expenses</b>	32,500	32,500	67,680	67,680	67,680	75,680	75,680	75,680	75,680	75,680	75,680	75,680	797,800
<b>Total Other Expenses</b>	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	38,095
<b>Net Income</b>	(80,675)	(80,675)	(77,598)	(63,166)	(53,532)	(88,532)	(16,306)	(10,874)	(1,210)	143,242	151,139	170,403	(7,784)

**Table 19** Year one income statement

**MuscleBox**  
**Projected Cash Flow Statement - Year One**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Beginning Cash Balance</b>	2,000,000	1,922,500	1,845,000	1,594,881	1,499,757	1,426,010	1,260,652	1,021,889	979,056	957,567	652,721	736,758	
<b>Cash Inflows</b>													
Income from Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	219,620	263,544	292,774	292,774	512,315	556,239	585,548	1,024,630	1,112,478	4,859,922
<b>Total Cash Inflows</b>	-	-	-	219,620	263,544	292,774	292,774	512,315	556,239	585,548	1,024,630	1,112,478	4,859,922
<b>Cash Outflows</b>													
<b>Investing Activities</b>													
New Fixed Assets Purchas	-	-	-	-	-	80,000	50,000	-	-	100,000	-	-	230,000
Inventory Addition to Bal.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	-	-	103,439	168,064	190,611	196,452	299,857	364,468	387,048	599,714	728,913	774,053	3,812,619
<b>Operating Activities</b>													
Salaries and Wages	45,000	45,000	79,000	79,000	79,000	106,000	106,000	115,000	115,000	115,000	136,000	136,000	1,156,000
Fixed Business Expenses	32,500	32,500	67,680	67,680	67,680	75,680	75,680	75,680	75,680	75,680	75,680	75,680	797,800
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Outflows</b>	77,500	77,500	250,119	314,744	337,291	458,132	531,537	555,148	577,728	890,394	940,593	985,733	5,996,419
<b>Cash Flow</b>	(77,500)	(77,500)	(250,119)	(95,124)	(73,747)	(165,358)	(238,763)	(42,833)	(21,489)	(304,846)	84,037	126,745	(1,136,497)
<b>Operating Cash Balance</b>	1,922,500	1,845,000	1,594,881	1,499,757	1,426,010	1,260,652	1,021,889	979,056	957,567	652,721	736,758	863,503	
<b>Line of Credit Drawdowns</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance</b>	1,922,500	1,845,000	1,594,881	1,499,757	1,426,010	1,260,652	1,021,889	979,056	957,567	652,721	736,758	863,503	
<b>Line of Credit Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

**Table 20** Year one cash flow statement

**MuscleBox**  
**Balance Sheet - Year One**

	<u>Base Period</u>	<u>End of Year One</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	2,000,000	863,503
Accounts Receivable	-	1,171,017
Inventory	-	-
Prepaid Expenses	20,000	13,333
Other Current	-	-
<b>Total Current Assets</b>	<u>2,020,000</u>	<u>2,047,854</u>
<b>Fixed Assets</b>		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	150,000	150,000
Furniture and Fixtures	50,000	50,000
Vehicles	-	-
Other Fixed Assets	-	230,000
<b>Total Fixed Assets</b>	<u>200,000</u>	<u>430,000</u>
<b>Less: Accumulated Depreciation</b>	-	31,429
<b>Total Assets</b>	<u><u>2,220,000</u></u>	<u><u>2,446,425</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	-	234,209
Loan Payable	-	-
Mortgage Payable	-	-
Credit Card Debt	-	-
Vehicle Loans	-	-
Other Bank Debt	-	-
Line of Credit Balance	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>234,209</u>
<b>Owner's Equity</b>		
Common Stock	2,220,000	2,220,000
Retained Earnings	-	(7,784)
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>2,220,000</u>	<u>2,212,216</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>2,220,000</u></u>	<u><u>2,446,425</u></u>

**Table 21** Year one balance sheet

## 8.8 Year Two Projection

### MuscleBox

#### Projected Income Statement - Year Two

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Total Income</b>	1,829,640	1,961,412	2,049,260	2,707,883	2,839,655	2,927,424	3,366,585	3,454,433	3,512,972	4,391,136	4,566,832	4,683,910	38,291,142
<b>Total Cost of Sales</b>	1,227,671	1,316,115	1,375,034	1,816,978	1,905,390	1,964,293	2,258,971	2,317,922	2,357,197	2,946,424	3,064,327	3,142,875	25,693,197
<b>Gross Margin</b>	601,969	645,297	674,226	890,905	934,265	963,131	1,107,614	1,136,511	1,155,775	1,444,712	1,502,505	1,541,035	12,597,945
<b>Total Salary and Wages</b>	187,100	187,100	187,100	233,900	233,900	233,900	255,740	255,740	255,740	302,540	302,540	311,900	2,947,200
<b>Fixed Business Expenses</b>													
<b>Car and Truck Expenses</b>	25,000	25,000	25,000	37,500	37,500	37,500	37,500	37,500	37,500	50,000	50,000	50,000	450,000
<b>Miscellaneous</b>	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
<b>Office Expenses &amp; Supplies</b>	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
<b>Sales &amp; Marketing</b>	159,546	159,546	159,546	159,546	159,546	159,546	159,546	159,546	159,546	159,546	159,546	159,546	1,914,557
<b>Telephone and Communications</b>	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
<b>Utilities</b>	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
<b>Total Fixed Business Expenses</b>	296,546	296,546	296,546	309,046	309,046	309,046	309,046	309,046	309,046	321,546	321,546	321,546	3,708,557
<b>Total Other Expenses</b>	26,315	34,981	40,767	72,242	80,915	86,688	111,216	116,996	120,849	166,776	178,335	184,169	1,220,248
<b>Net Income</b>	92,007	126,670	149,813	275,716	310,404	333,497	431,611	454,728	470,140	653,850	700,084	723,420	4,721,940

Table 22 Year two income statement

**MuscleBox**  
**Projected Cash Flow Statement - Year Two**

	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Totals</b>
<b>Beginning Cash Balance</b>	863,503	274,922	331,163	358,917	-	285,899	405,551	547,051	1,048,499	1,253,118	1,141,209	1,879,075	
<b>Cash Inflows</b>													
<b>Income from Sales</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accounts Receivable</b>	1,171,017	1,829,640	1,961,412	2,049,260	2,707,883	2,839,655	2,927,424	3,366,585	3,454,433	3,512,972	4,391,136	4,566,832	34,778,249
<b>Total Cash Inflows</b>	1,171,017	1,829,640	1,961,412	2,049,260	2,707,883	2,839,655	2,927,424	3,366,585	3,454,433	3,512,972	4,391,136	4,566,832	34,778,249
<b>Cash Outflows</b>													
<b>Investing Activities</b>													
<b>New Fixed Assets Purchas</b>	180,000	-	-	180,000	-	-	50,000	-	-	230,000	-	-	640,000
<b>Inventory Addition to Bal.</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost of Sales</b>	1,095,952	1,289,753	1,357,472	1,685,249	1,879,037	1,946,736	2,171,137	2,300,351	2,345,490	2,770,795	3,029,184	3,119,463	24,990,618
<b>Operating Activities</b>													
<b>Salaries and Wages</b>	187,100	187,100	187,100	233,900	233,900	233,900	255,740	255,740	255,740	302,540	302,540	311,900	2,947,200
<b>Fixed Business Expenses</b>	296,546	296,546	296,546	309,046	309,046	309,046	309,046	309,046	309,046	321,546	321,546	321,546	3,708,557
<b>Taxes</b>	-	-	92,539	-	-	230,321	-	-	339,537	-	-	519,755	1,182,152
<b>Total Cash Outflows</b>	1,759,598	1,773,399	1,933,658	2,408,196	2,421,984	2,720,003	2,785,924	2,865,137	3,249,814	3,624,881	3,653,270	4,272,664	33,468,528
<b>Cash Flow</b>	(588,581)	56,241	27,754	(358,936)	285,899	119,652	141,500	501,448	204,619	(111,909)	737,866	294,168	1,309,721
<b>Operating Cash Balance</b>	274,922	331,163	358,917	(18)	285,899	405,551	547,051	1,048,499	1,253,118	1,141,209	1,879,075	2,173,243	
<b>Line of Credit Drawdowns</b>	-	-	-	18	-	-	-	-	-	-	-	-	18
<b>Ending Cash Balance</b>	274,922	331,163	358,917	-	285,899	405,551	547,051	1,048,499	1,253,118	1,141,209	1,879,075	2,173,243	
<b>Line of Credit Balance</b>	-	-	-	18	18	18	18	18	18	18	18	18	

**Table 23** Year two cash flow statement

**MuscleBox**  
**Balance Sheet - Year Two**

	<u>End of Year One</u>	<u>End of Year Two</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	863,503	2,173,243
Accounts Receivable	1,171,017	4,683,910
Inventory	-	-
Prepaid Expenses	13,333	6,667
Other Current	-	-
<b>Total Current Assets</b>	<u>2,047,854</u>	<u>6,863,819</u>
<b>Fixed Assets</b>		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	150,000	150,000
Furniture and Fixtures	50,000	50,000
Vehicles	-	-
Other Fixed Assets	<u>230,000</u>	<u>870,000</u>
<b>Total Fixed Assets</b>	<u>430,000</u>	<u>1,070,000</u>
<b>Less: Accumulated Depreciation</b>	31,429	62,857
<b>Total Assets</b>	<u><u>2,446,425</u></u>	<u><u>7,870,962</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	234,209	936,787
Notes Payable	-	-
Mortgage Payable	-	-
Credit Card Debt	-	-
Vehicle Loans	-	-
Other Bank Debt	-	-
Line of Credit Balance	-	18
<b>Total Liabilities</b>	<u>234,209</u>	<u>936,805</u>
<b>Owner's Equity</b>		
Common Stock	2,220,000	2,220,000
Retained Earnings	(7,784)	4,714,157
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>2,212,216</u>	<u>6,934,157</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>2,446,425</u></u>	<u><u>7,870,962</u></u>

**Table 24** Year two balance sheet

### 8.9 Year Three Projection

#### MuscleBox

#### Projected Income Statement - Year Three

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Total Income</b>	5,122,992	5,210,840	5,269,379	6,586,704	6,850,248	7,025,865	7,684,488	7,816,260	7,904,108	8,562,731	8,694,503	8,782,272	85,510,390
<b>Total Cost of Sales</b>	3,437,505	3,496,424	3,535,731	4,419,635	4,596,458	4,714,313	5,156,225	5,244,636	5,303,588	5,745,532	5,833,944	5,892,847	57,376,838
<b>Gross Margin</b>	1,685,487	1,714,416	1,733,648	2,167,069	2,253,790	2,311,552	2,528,263	2,571,624	2,600,520	2,817,199	2,860,559	2,889,425	28,133,552
<b>Total Salary and Wages</b>	371,650	394,364	394,364	443,036	452,770	452,770	491,708	501,442	501,442	540,380	540,380	550,114	5,634,418
<b>Fixed Business Expenses</b>													
<b>Car and Truck Expenses</b>	62,500	62,500	62,500	75,000	75,000	75,000	87,500	87,500	87,500	100,000	100,000	100,000	975,000
<b>Miscellaneous</b>	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
<b>Office Expenses &amp; Supplies</b>	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	960,000
<b>Sales &amp; Marketing</b>	213,776	213,776	213,776	213,776	213,776	213,776	213,776	213,776	213,776	213,776	213,776	213,776	2,565,311
<b>Telephone and Communication</b>	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	288,000
<b>Utilities</b>	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	960,000
<b>Total Fixed Business Expenses</b>	500,276	500,276	500,276	512,776	512,776	512,776	525,276	525,276	525,276	537,776	537,776	537,776	6,228,311
<b>Total Other Expenses</b>	165,363	166,606	170,453	244,902	260,300	271,852	304,907	311,632	317,411	350,460	359,132	362,958	3,285,975
<b>Net Income</b>	648,198	653,170	668,556	966,355	1,027,944	1,074,154	1,206,373	1,233,274	1,256,391	1,388,584	1,423,272	1,438,577	12,984,848

Table 25 Year three income statement

**MuscleBox**  
**Projected Cash Flow Statement - Year Three**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Beginning Cash Balance</b>	2,173,243	2,505,541	3,255,031	3,554,319	3,381,713	4,459,119	4,897,106	5,651,482	7,090,968	7,670,068	8,652,217	10,329,201	
<b>Cash Inflows</b>													
<b>Income from Sales</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accounts Receivable</b>	4,683,910	5,122,992	5,210,840	5,269,379	6,586,704	6,850,248	7,025,865	7,684,488	7,816,260	7,904,108	8,562,731	8,694,503	81,412,028
<b>Total Cash Inflows</b>	4,683,910	5,122,992	5,210,840	5,269,379	6,586,704	6,850,248	7,025,865	7,684,488	7,816,260	7,904,108	8,562,731	8,694,503	81,412,028
<b>Cash Outflows</b>													
<b>Investing Activities</b>													
<b>New Fixed Assets Purchas</b>	130,000	-	-	330,000	-	-	230,000	-	-	230,000	-	-	920,000
<b>Inventory Addition to Bal.!</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost of Sales</b>	3,349,686	3,478,862	3,524,015	4,156,173	4,543,753	4,679,184	5,024,506	5,218,284	5,286,016	5,613,803	5,807,591	5,875,290	56,557,163
<b>Operating Activities</b>													
<b>Salaries and Wages</b>	371,650	394,364	394,364	443,036	452,770	452,770	491,708	501,442	501,442	540,380	540,380	550,114	5,634,418
<b>Fixed Business Expenses</b>	500,276	500,276	500,276	512,776	512,776	512,776	525,276	525,276	525,276	537,776	537,776	537,776	6,228,311
<b>Taxes</b>	-	-	492,898	-	-	767,530	-	-	924,426	-	-	1,063,025	3,247,879
<b>Total Cash Outflows</b>	4,351,612	4,373,502	4,911,552	5,441,984	5,509,299	6,412,260	6,271,489	6,245,002	7,237,160	6,921,959	6,885,747	8,026,205	72,587,771
<b>Cash Flow</b>	332,298	749,490	299,288	(172,605)	1,077,405	437,988	754,376	1,439,486	579,100	982,149	1,676,984	668,298	8,824,257
<b>Operating Cash Balance</b>	2,505,541	3,255,031	3,554,319	3,381,713	4,459,119	4,897,106	5,651,482	7,090,968	7,670,068	8,652,217	10,329,201	10,997,499	
<b>Line of Credit Drawdowns</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance</b>	2,505,541	3,255,031	3,554,319	3,381,713	4,459,119	4,897,106	5,651,482	7,090,968	7,670,068	8,652,217	10,329,201	10,997,499	
<b>Line of Credit Balance</b>	18	18	18	18	18	18	18	18	18	18	18	18	

**Table 26** Year three cash flow statement

**MuscleBox**  
**Balance Sheet - Year Three**

	<u>End of Year Two</u>	<u>End of Year Three</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	2,173,243	10,997,499
Accounts Receivable	4,683,910	8,782,272
Inventory	-	-
Prepaid Expenses	6,667	(0)
Other Current	-	-
<b>Total Current Assets</b>	<u>6,863,819</u>	<u>19,779,771</u>
<b>Fixed Assets</b>		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	150,000	150,000
Furniture and Fixtures	50,000	50,000
Vehicles	-	-
Other Fixed Assets	870,000	1,790,000
<b>Total Fixed Assets</b>	<u>1,070,000</u>	<u>1,990,000</u>
<b>Less: Accumulated Depreciation</b>	62,857	94,286
<b>Total Assets</b>	<u><u>7,870,962</u></u>	<u><u>21,675,485</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	936,787	1,756,462
Notes Payable	-	-
Mortgage Payable	-	-
Credit Card Debt	-	-
Vehicle Loans	-	-
Other Bank Debt	-	-
Line of Credit Balance	18	18
<b>Total Liabilities</b>	<u>936,805</u>	<u>1,756,481</u>
<b>Owner's Equity</b>		
Common Stock	2,220,000	2,220,000
Retained Earnings	4,714,157	17,699,005
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>6,934,157</u>	<u>19,919,005</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>7,870,962</u></u>	<u><u>21,675,485</u></u>

**Table 27** Year three balance sheet

## 8.10 Year End Summary

### MuscleBox Year End Summary

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
<b>Income</b>						
Packed Fitness Food	6,030,939		38,291,142		85,510,390	
-	-		-		-	
-	-		-		-	
<b>Total Income</b>	<u>6,030,939</u>	100.00%	<u>38,291,142</u>	100.00%	<u>85,510,390</u>	100.00%
<b>Cost of Sales</b>						
Packed Fitness Food	4,046,827		25,693,197		57,376,838	
-	-		-		-	
-	-		-		-	
<b>Total Cost of Sales</b>	<u>4,046,827</u>	67.10%	<u>25,693,197</u>	67.10%	<u>57,376,838</u>	67.10%
<b>Gross Margin</b>	<u>1,984,112</u>	32.90%	<u>12,597,945</u>	32.90%	<u>28,133,552</u>	32.90%
<b>Total Salary and Wages</b>	1,156,000	19.17%	2,947,200	7.70%	5,634,418	6.59%
<b>Fixed Business Expenses</b>						
Advertising	-		-		-	
Car and Truck Expenses	110,000		450,000		975,000	
Bank & Merchant Fees	-		-		-	
Contract Labor	-		-		-	
Conferences & Seminars	-		-		-	
Customer Discounts and Refunds	-		-		-	
Dues and Subscriptions	-		-		-	
Miscellaneous	60,000		240,000		480,000	
Insurance (Liability and Property)	-		-		-	
Licenses/Fees/Permits	-		-		-	
Legal and Professional Fees	-		-		-	
Office Expenses & Supplies	120,000		480,000		960,000	
Postage and Delivery	-		-		-	
Rent (on business property)	-		-		-	
Rent of Vehicles and Equipment	-		-		-	
Sales & Marketing	351,800		1,914,557		2,565,311	
Taxes-Other	-		-		-	
Telephone and Communications	36,000		144,000		288,000	
Travel	-		-		-	
Utilities	120,000		480,000		960,000	
<b>Total Fixed Business Expenses</b>	<u>797,800</u>	13.23%	<u>3,708,557</u>	9.69%	<u>6,228,311</u>	7.28%
<b>Operating Income (before Other Expense [EBITDA])</b>	30,312	0.50%	5,942,188	15.52%	16,270,824	19.03%
<b>Other Expenses</b>						
Amortized Start-up Expenses	6,667		6,667		6,667	
Depreciation	31,429		31,429		31,429	
Interest						
Commercial Loan	-		-		-	
Commercial Mortgage	-		-		-	
Line of Credit	-		1	-	1	
Credit Card Debt	-		-		-	
Vehicle Loans	-		-		-	
Other Bank Debt	-		-		-	
Taxes	-		1,182,152		3,247,879	
<b>Total Other Expenses</b>	<u>38,095</u>	0.63%	<u>1,220,248</u>	3.19%	<u>3,285,975</u>	3.84%
<b>Net Income</b>	<u>(7,784)</u>	-0.13%	<u>4,721,940</u>	12.33%	<u>12,984,848</u>	15.19%

**Table 28** Year end summary

### 8.11 Break Even Analysis

According to the year one income statement in the table 19, MuscleBox will firstly make the profit in October so the company will reach the breakeven in 10 months after starting the business activities.

#### MuscleBox

#### Breakeven Analysis

Breakeven Analysis	Dollars	Percent
Annual Sales Revenue	\$ 6,030,939	100.00%
Cost of Sales	4,046,827	67.10%
Gross Margin	<u>1,984,112</u>	<u>32.90%</u>
Salaries and Wages	1,156,000	
Fixed Operating Expenses	<u>899,594</u>	
Total Fixed Business Expenses	2,055,594	
Breakeven Sales Calculation	<u>2,055,594</u>	
	32.90%	
Breakeven Sales in Dollars	<u>\$ 6,248,217</u>	

**Table 29** Breakeven analysis

## 8.12 Financial Ratio

### MuscleBox Financial Ratios

Ratio	Year One	Year Two	Year Three
<b>Liquidity</b>			
Current Ratio	8.7	7.3	11.3
Quick Ratio	8.7	7.3	11.3
<b>Safety</b>			
Debt to Equity Ratio	0.1	0.1	0.1
Debt to Coverage Ratio	0.1	5.1	7.4
<b>Profitability</b>			
Sales Growth	0.0%	534.9%	123.3%
COGS to Sales	67.1%	67.1%	67.1%
Gross Profit Margin	32.9%	32.9%	32.9%
SG&A to Sales	32.4%	17.4%	13.9%
Net Profit Margin	-0.1%	12.3%	15.2%
Return on Equity	-0.4%	68.1%	65.2%
Return on Assets	-0.3%	60.0%	59.9%
Owner's Compensation to Sales	9.0%	2.1%	1.4%
<b>Efficiency</b>			
Days in Receivables	69.9	44.0	37.0
Accounts Receivable Turnover	5.2	8.2	9.7
Days in Inventory	0.0	0.0	0.0
Inventory Turnover	0.0	0.0	0.0
Sales to Total Assets	2.5	4.9	3.9

Table 30 Financial ratios

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**BIOGRAPHY**

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<b>POSITION</b>	-
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**APPENDIX A**  
**SURVEY QUESTIONNAIRES (ENGLISH VERSION)**

In this survey will be consisted of 3 parts in the following;

Part 1 General Information of your personal background

Part 2 Consumer Behavior

Part 3 Customers' attitude toward the conducted business.

**Part 1: General Information of respondents**

Please complete all questions truthfully by marking “✓” in the  given below.

1. What is your gender?

Male       Female

2. How old are you?

Under 21     21 - 30     31 - 40     41-50     51-60     Above 60

3. Marital Status

Single       Married     Widow/Separate/Divorce

4. What is your occupation?

Student                       Employee                       Employer

5. What is your income per month?

Under 15,000 THB       15,001- 30,000 THB  
 30,001- 45,000 THB     45,001 - 60000 THB       Above 60,000 THB

6. What is your education level?

High school                       Undergraduate school       Graduate school

**Part 2: Consumer Behavior**

Please complete all questions truthfully by marking “✓” in the  given below.

7. Do you work out at any fitness centers or gyms?

Yes       No



18. Do you know the fitness food?

Yes       No

19. How often do you eat the fitness food?

Never       Sometimes       Often       Always

20. Do you think fitness foods rarely to find?

Yes       No

### Part 3: Perception toward Marketing Mix

Marketing Mix	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
21. I really care the nutrition of the food.					
22. I really care the calories of the food.					
23. I want the fitness food to have the taste as same as the general food.					
24. The package design influences me to buy the food.					
25. I can pay more for the fitness food.					
26. If the fitness food is available in the fitness centers, I'm going to buy it.					
27. I usually use the food delivery service.					
28. The advertisement affects my buying decision.					
29. If the food is certified by the nutritionist, I will be confident to buy it.					
30. The sale promotion influences me to buy the food.					

**APPENDIX B**  
**SURVEY QUESTIONNAIRES (THAI VERSION)**

แบบสอบถามประกอบด้วยกันทั้งหมด 3 ส่วน

ส่วนที่ 1 ข้อมูลทั่วไปเกี่ยวกับผู้ตอบแบบสอบถาม

ส่วนที่ 2 พฤติกรรมผู้บริโภค

ส่วนที่ 3 ทศนคติต่อภาพรวมธุรกิจ

ส่วนที่ 1 ข้อมูลทั่วไปเกี่ยวกับผู้ตอบแบบสอบถาม

คำชี้แจง ✓ โปรดใส่เครื่องหมาย : ลงในช่อง  เกี่ยวกับข้อมูลของตัวเอง

1. เพศ?

ชาย  หญิง

2. อายุ?

ต่ำกว่า 21 ปี  21 - 30  31 - 40  41-50  51-60  สูงกว่า 60

3. สถานภาพสมรส

โสด  แต่งงาน  หย่าร้าง

4. อาชีพ?

นักเรียน/นักศึกษา  พนักงานบริษัท  เจ้าของธุรกิจ

5. รายได้เฉลี่ยต่อเดือน?

ต่ำกว่า 15,000 บาท  15,001- 30,000 บาท  
 30,001- 45,000 บาท  45,001 - 60,000 บาท  สูงกว่า 60,000 บาท

6. ระดับการศึกษา?

- มัธยมศึกษา  ปริญญาตรี  ปริญญาโท/เอก

## ส่วนที่ 2 พฤติกรรมผู้บริโภค

คำชี้แจง ✓ โปรดใส่เครื่องหมาย : ลงในช่อง  เกี่ยวกับข้อมูลของตัวเอง

7. คุณออกกำลังกายที่ฟิตเนสใช่หรือไม่?

- ใช่  ไม่ใช่

8. ข้อใดคือจุดประสงค์หลักในการเข้าฟิตเนส?

- เข้าสังคมผู้ออกกำลังกาย  กระชับสัดส่วน  สร้างกล้ามเนื้อ  
 สุขภาพ  พัฒนาศักยภาพทางกีฬา

9. คุณออกกำลังกายมานานแค่ไหน?

- น้อยกว่า 3 เดือน  3 - 12 เดือน  1 - 3 ปี  มากกว่า 3 ปี

10. คุณเข้าฟิตเนสกี่วันต่อหนึ่งสัปดาห์?

- 1-2 วัน  3 - 4 วัน  5 - 6 วัน  ทุกวัน

11. คุณเข้าฟิตเนสช่วงเวลาใด?

- 5.00 - 9.00 AM  9.01 AM - 12.00 PM  12.01 - 4.00 PM  
 3.01 - 7.00 PM  7.01 - 11.00 PM

12. คุณรับประทานอาหารก่อนหรือหลังเข้าใช้บริการฟิตเนส?

- ก่อน  หลัง

13. คุณกินอาหารประเภทไหนก่อน/หลังเข้ารับบริการฟิตเนส?

- เมนูอาหารเน้นสร้างกล้ามเนื้อ  เมนูอาหารแคลอรีต่ำ  อาหารสุขภาพ  
 อาหารทั่วไป

14. คุณซื้ออาหารจากสถานที่ใด ก่อน/หลังเข้ารับบริการฟิตเนส?

- ร้านอาหารในห้างสรรพสินค้า  ร้านอาหารทั่วไป  ร้านสะดวกซื้อ  
 ทำอาหารเอง  อื่นๆ .....

15. โปรดเรียงลำดับ ปัจจัยที่ส่งผลต่อการตัดสินใจในการเลือกซื้ออาหาร?

\* ใส่หมายเลข 1 (มีอิทธิพลเป็นลำดับที่ 1) – 5 (มีอิทธิพลเป็นลำดับที่ 5) ในช่องสี่เหลี่ยม.

- คุณค่าทางโภชนาการ  รสชาติ  รูปร่างหน้าตา  ราคา  แบรินด์  
 ปริมาณ

16. งบประมาณในการรับประทานอาหารเช้า ต่อ 1 มื้อ (ทั่วๆ ไป)?

- ต่ำกว่า 60 บาท  61-80 บาท  81-100 บาท  101 - 120 บาท  
 สูงกว่า 120 บาท

17. คุณคิดว่าอาหารมีความสำคัญต่อการออกกำลังกายมากน้อยแค่ไหน?

- ไม่สำคัญ  สำคัญน้อย  สำคัญ  สำคัญที่สุด

18. รู้จักอาหารสำหรับผู้ออกกำลังกายหรือไม่?

- รู้  ไม่รู้จัก

19. คุณรับประทานอาหารเช้าสำหรับผู้ออกกำลังกายบ่อยเพียงใด?

- ไม่เคย  บางครั้ง  บ่อย  ตลอด

20. คุณคิดว่าอาหารสำหรับผู้ออกกำลังกายหาซื้อได้ยากในท้องตลาด?

- ใช่  ไม่ใช่

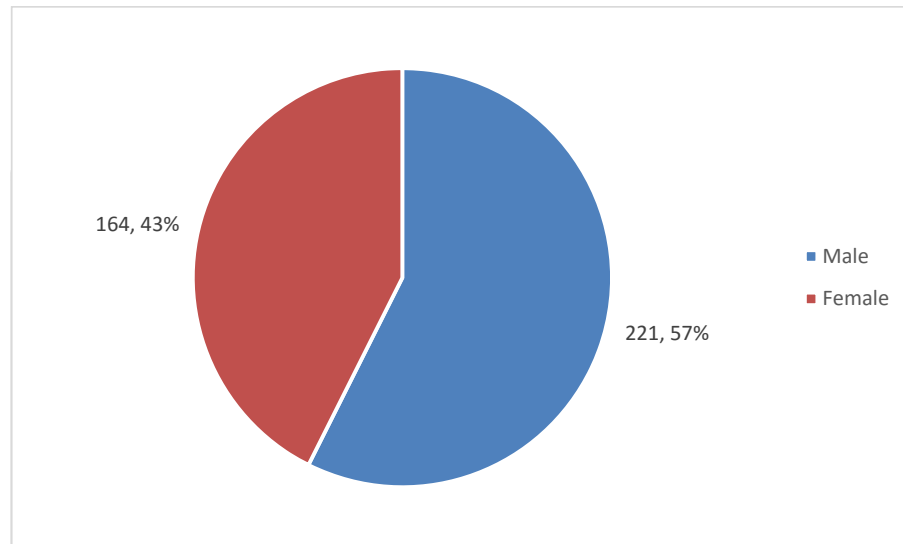
## ส่วนที่ 3 ทักษะคิดต่อภาพรวมธุรกิจ

Marketing Mix	เห็นด้วย ที่สุด	เห็นด้วย	เฉยๆ	ไม่เห็นด้วย	ไม่เห็นด้วย ที่สุด
21. ฉันใส่ใจต่อคุณค่าทางโภชนาการของอาหารที่ฉันรับประทาน					
22. ฉันใส่ใจต่อปริมาณแคลลอรีในอาหาร					
23. ฉันต้องการรับประทานอาหารสำหรับผู้ออกกำลังกายที่มีรสชาติใกล้เคียงกับอาหารทั่วไป					
24. บรรจุกินที่มีอิทธิพลต่อการซื้ออาหารของฉัน					
25. ฉันสามารถจ่ายอาหารสำหรับผู้ออกกำลังกายในราคาที่สูงกว่า					
26. ถ้ามีอาหารสำหรับผู้ออกกำลังกายขายในฟิตเนส ฉันจะเลือกซื้อ					
27. ฉันใช้บริการส่งอาหารบ่อยครั้ง					
28. การโฆษณาส่งผลต่อการซื้ออาหารของฉัน					
29. การรับรองอาหารโดยนักโภชนาการ ทำให้ฉันมั่นใจที่จะซื้ออาหารมากยิ่งขึ้น					
30. การสนับสนุนการขายส่งผลต่อการตัดสินใจซื้ออาหารของฉัน					

**APPENDIX C**  
**SURVEY DATA**

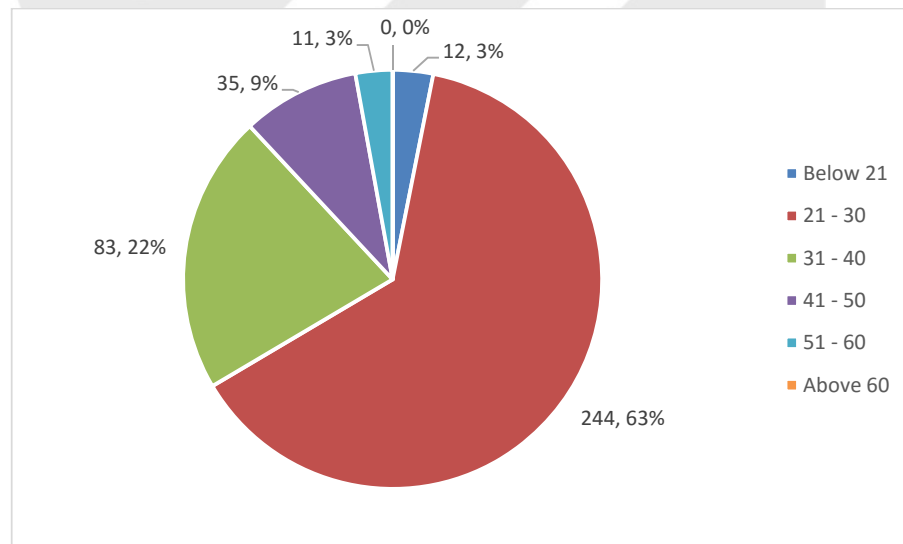
**Number of respondents = 385**

**Question 1: Demographic Data**

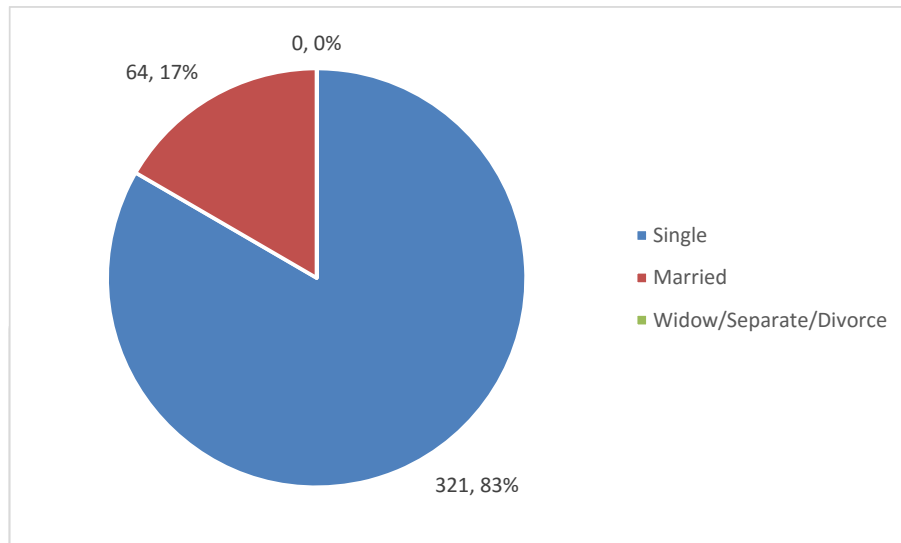
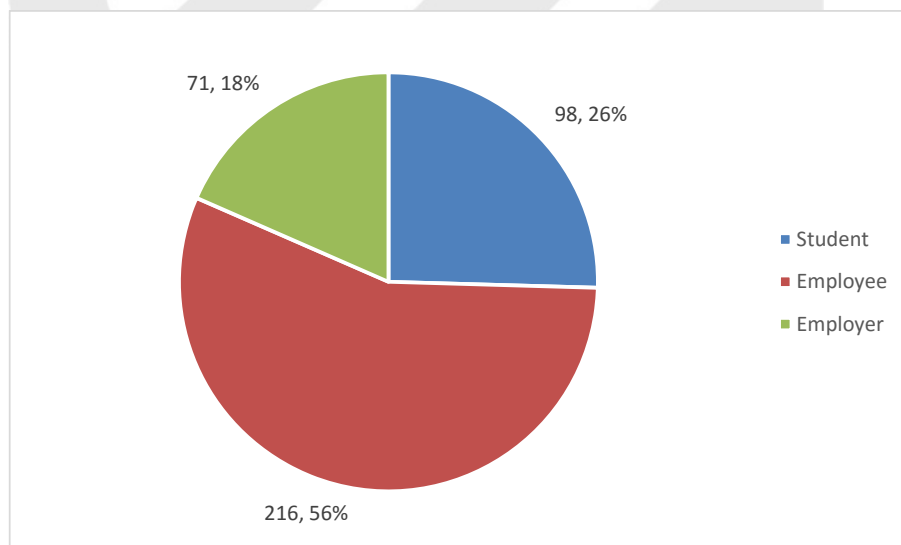


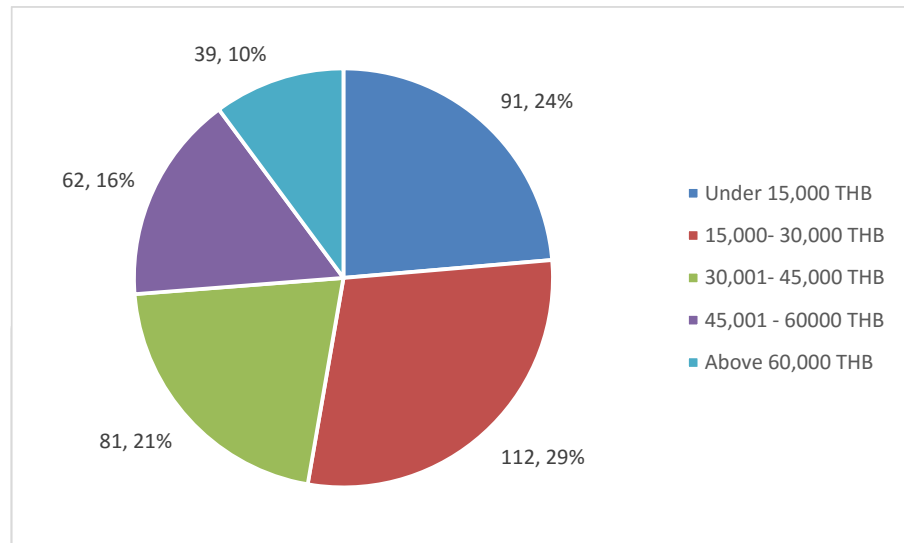
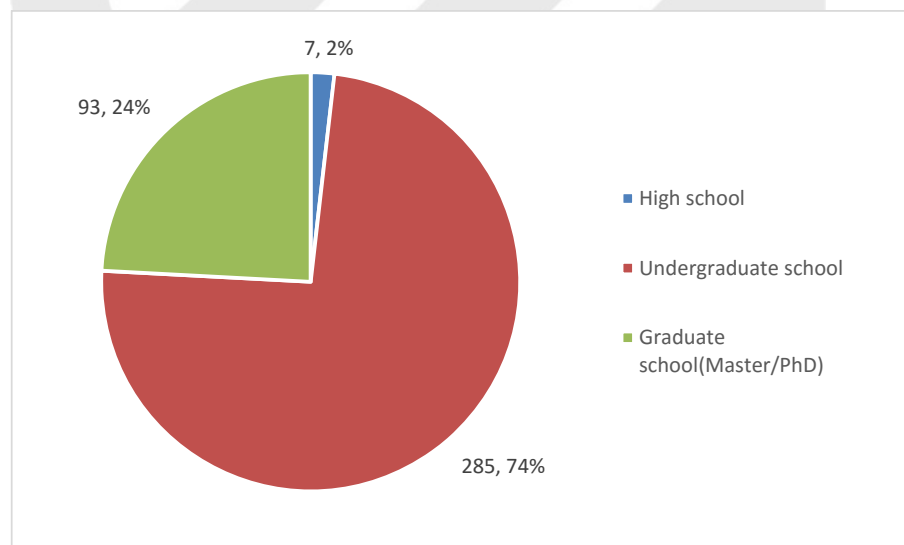
**Figure 21** Respondents gender

**Question 2: Age**

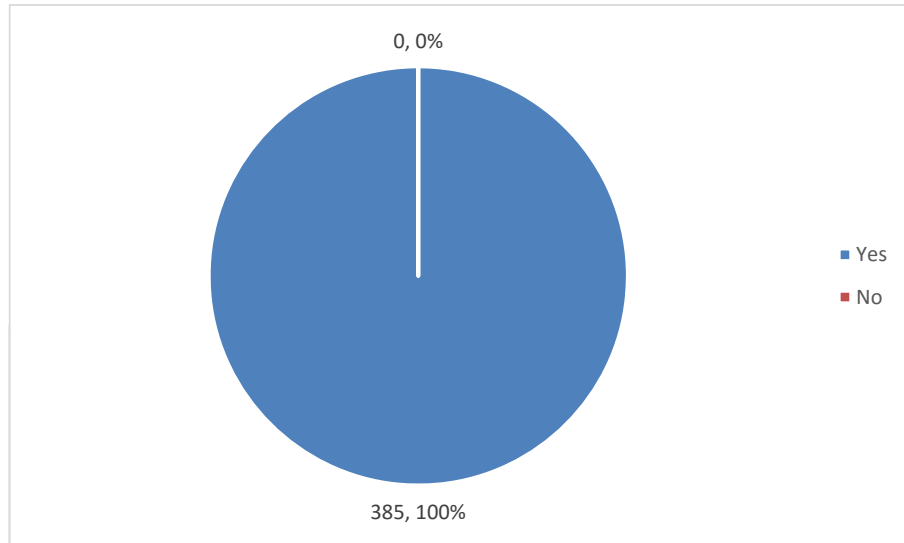


**Figure 22** Respondents age

**Question 3: Marital Status****Figure 23** Respondents marital status**Question 4: Occupation****Figure 24** Respondents occupation

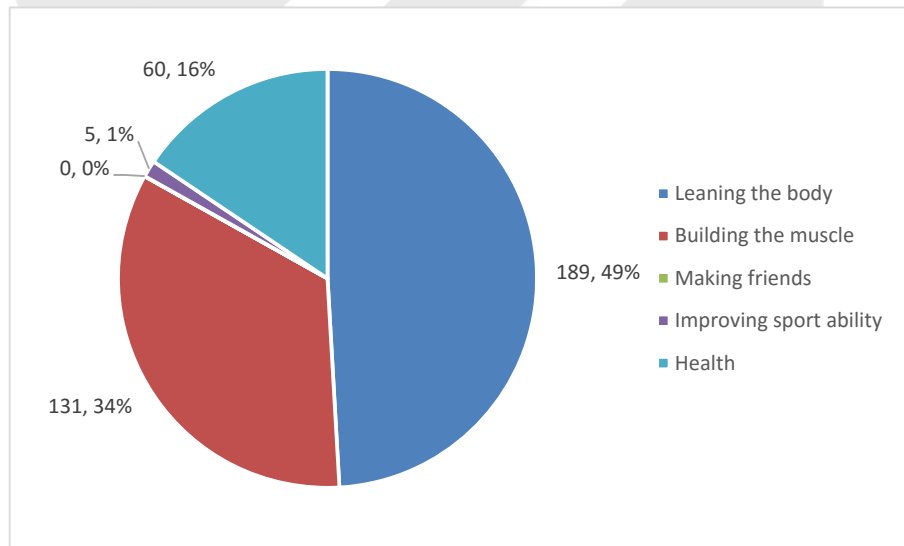
**Question 5: Income Level****Figure 25** Respondents income level**Question 6: Educational Level****Figure 26** Respondents educational level

**Question 7:** Do you work out at any fitness centers or gyms?

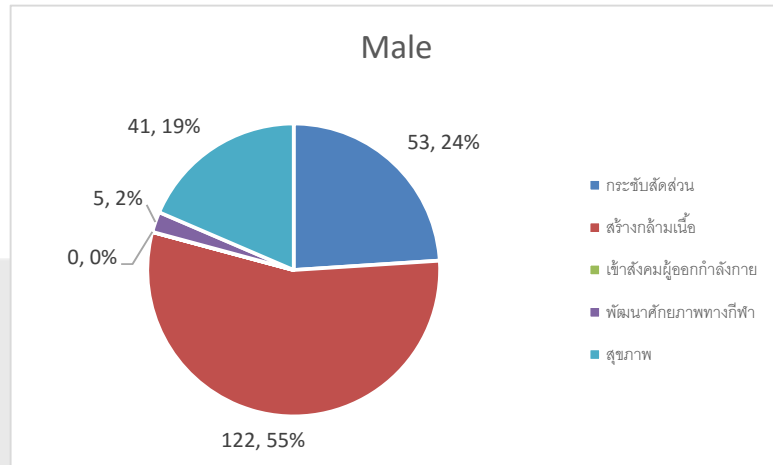


**Figure 27** The number of respondents working out at fitness center

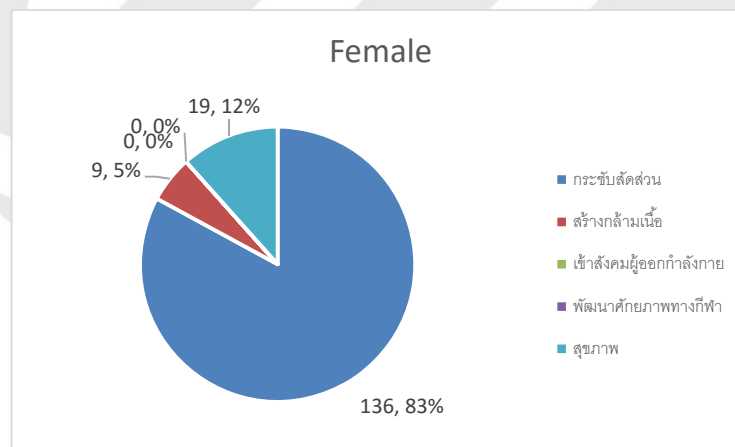
**Question 8:** What is your primary purpose of working out at fitness center?



**Figure 28** Respondent's purpose of working out at fitness centers

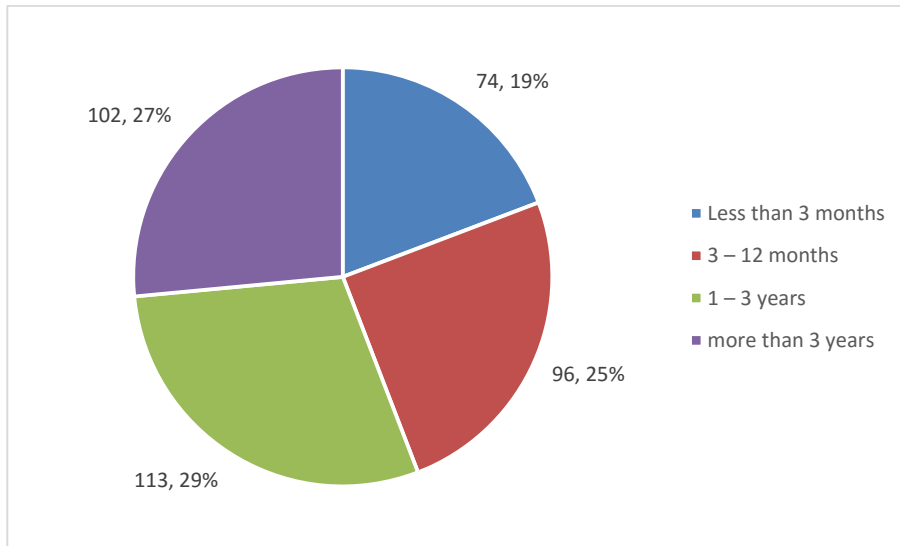


**Figure 29** Male respondent's purpose of working out at fitness centers



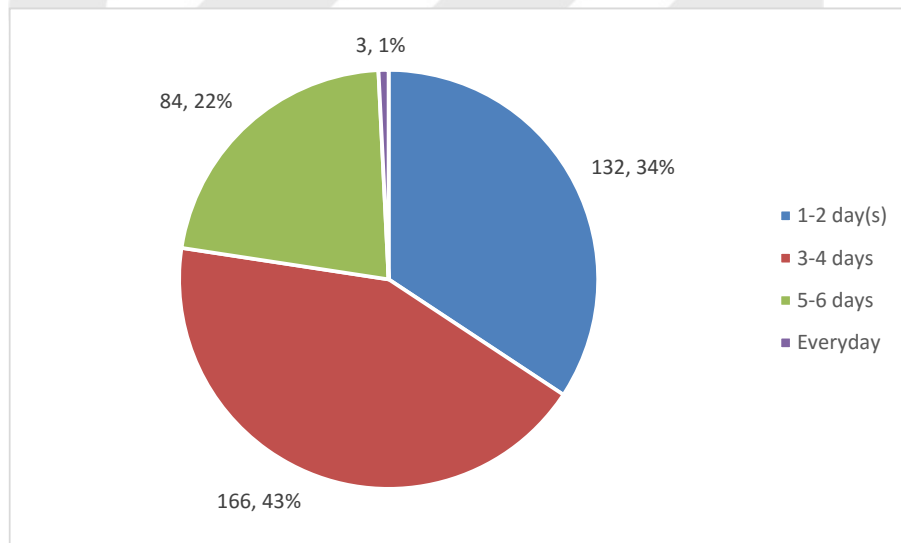
**Figure 30** Female respondent's purpose of working out at fitness centers

**Question 9:** How long have you been working out?



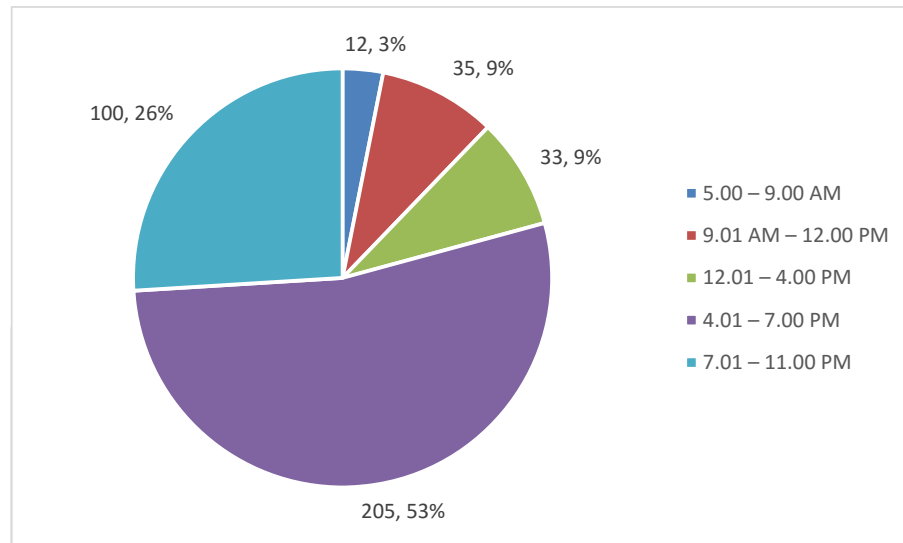
**Figure 31** Time length of respondent’s workout

**Question 10:** How often do you go to the fitness center/gym per week?



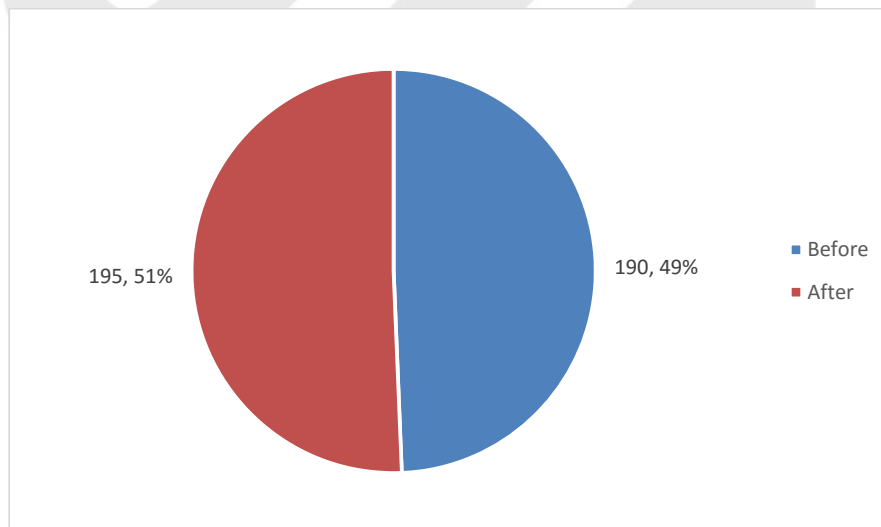
**Figure 32** The frequency of respondent’s workout at the gyms

**Question 11:** What time do you usually go to the fitness center/gym?



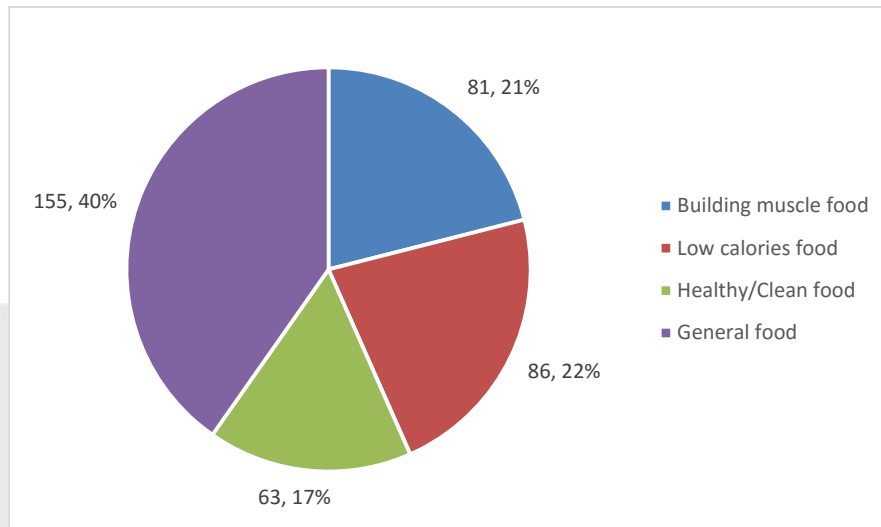
**Figure 33** The time of respondent's workout

**Question 12:** Do you eat a food before or after workout?



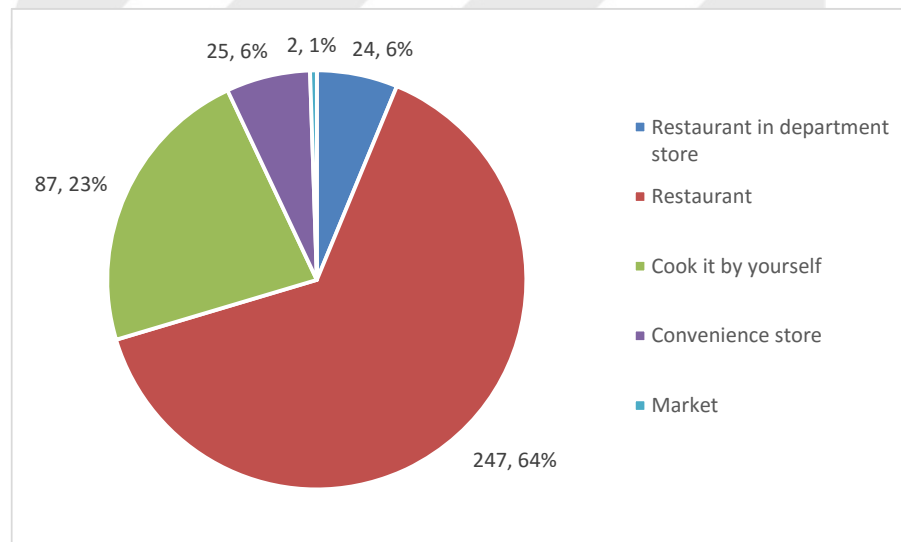
**Figure 34** The number of respondent who eat the food before or after workout

**Question 13:** What kind of the food do you eat before/after going to the gyms?



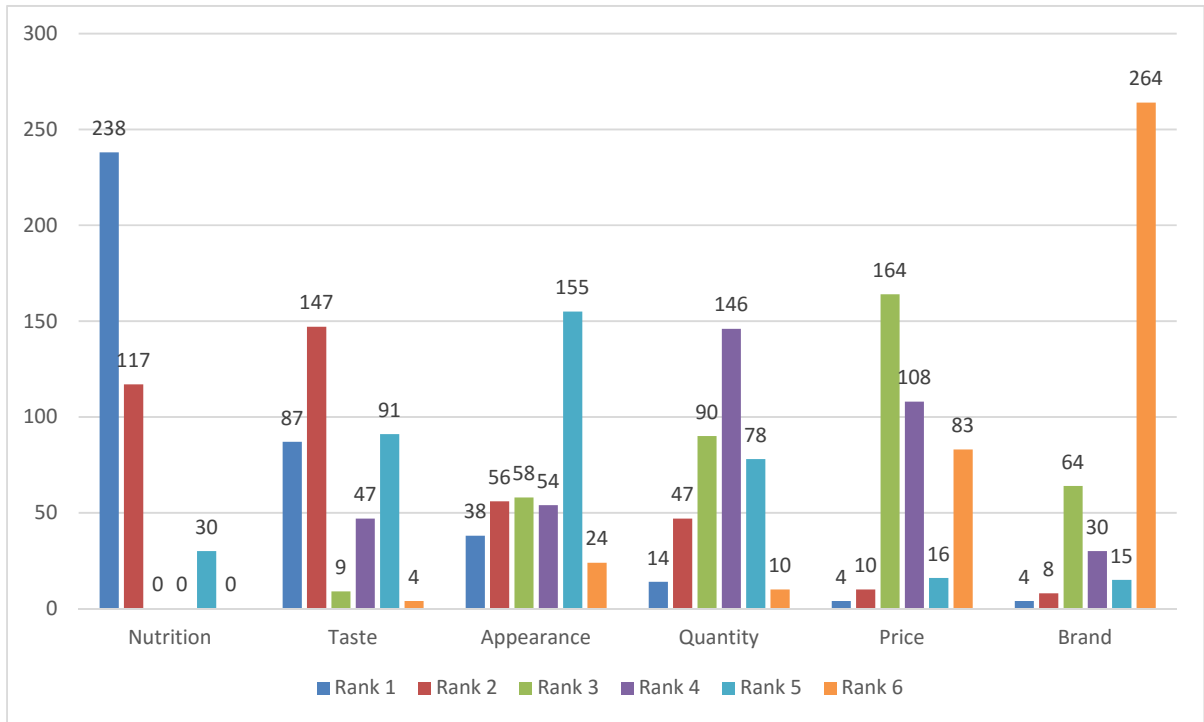
**Figure 35** The food respondents eat before/after

**Question 14:** Where do you buy the food before/after going to the gyms?



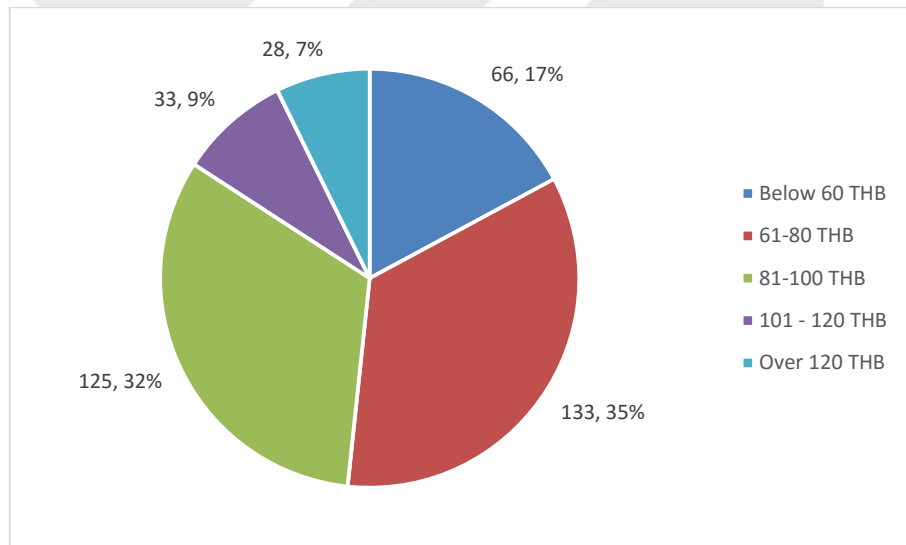
**Figure 36** The place where the respondents buy the food

**Question 15:** Please rank the factor affecting your decision of buying the food?



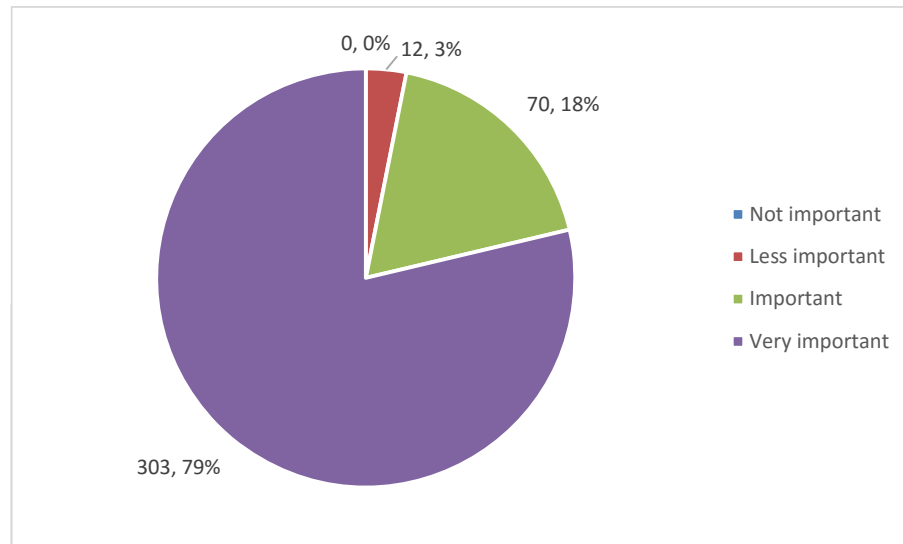
**Figure 37** The ranking result of buying decision factors.

**Question 16:** How much is your budget for having a meal in general?



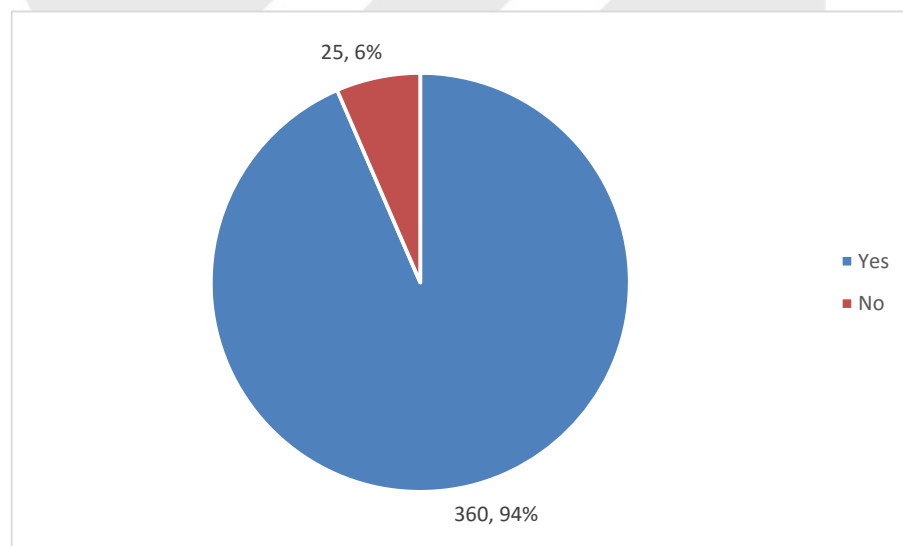
**Figure 38** Respondent's budget for a meal

**Question 17:** Do you think the food is important for the workout?



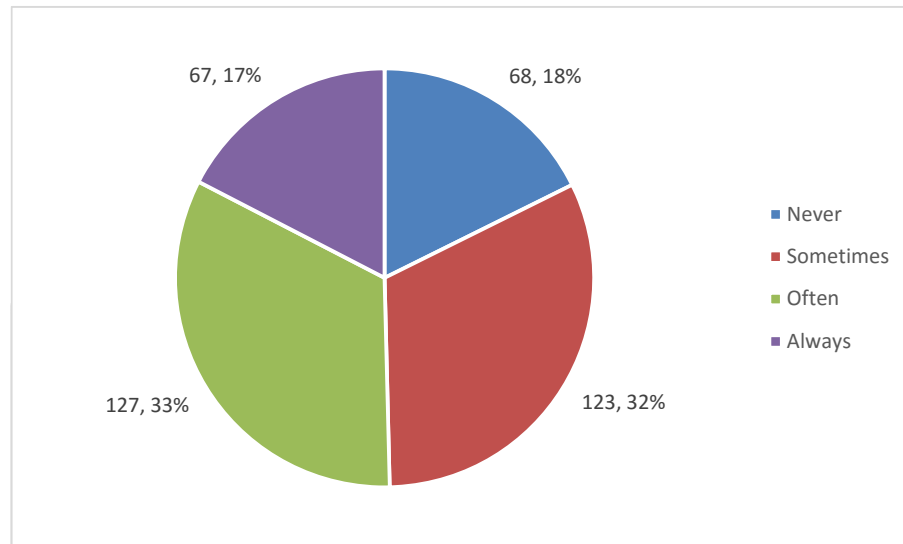
**Figure 39** The respondent's opinion to the importance of the food

**Question 18:** Do you know the fitness food?



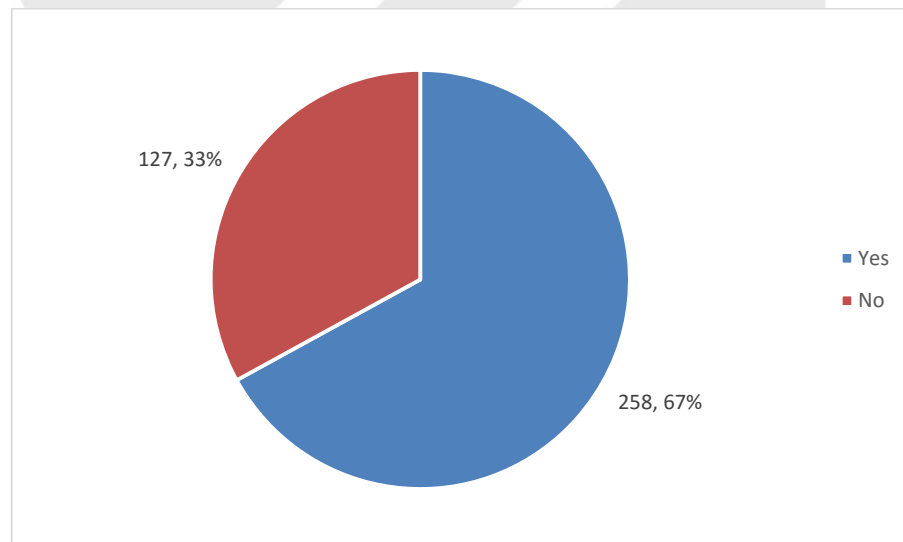
**Figure 40** Respondent's awareness to the fitness food

**Question 19:** How often do you eat the fitness food?



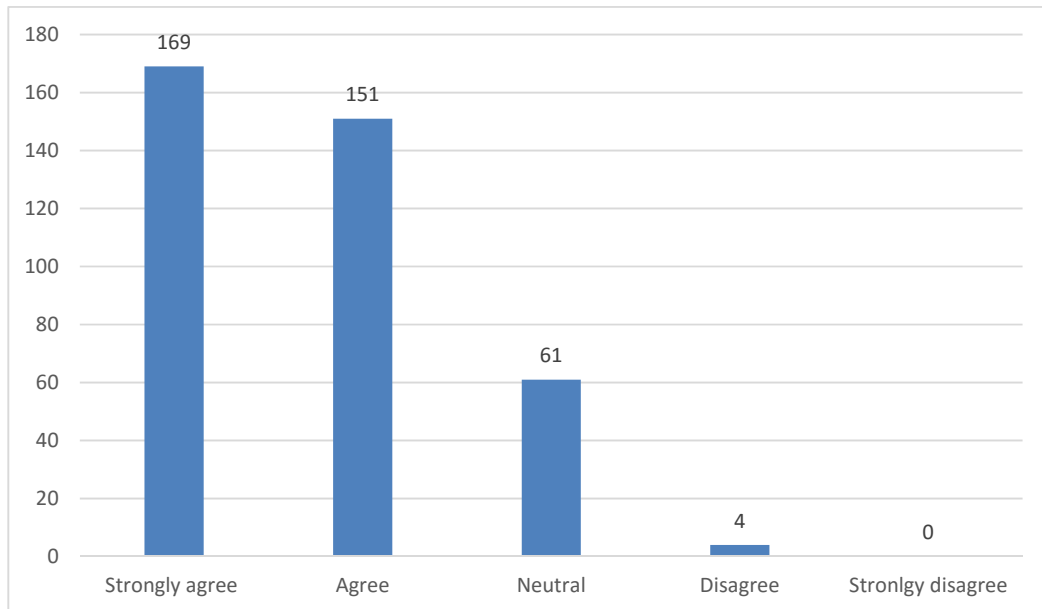
**Figure 41** The frequency of eating fitness food

**Question 20:** Do you think fitness foods rarely to find?



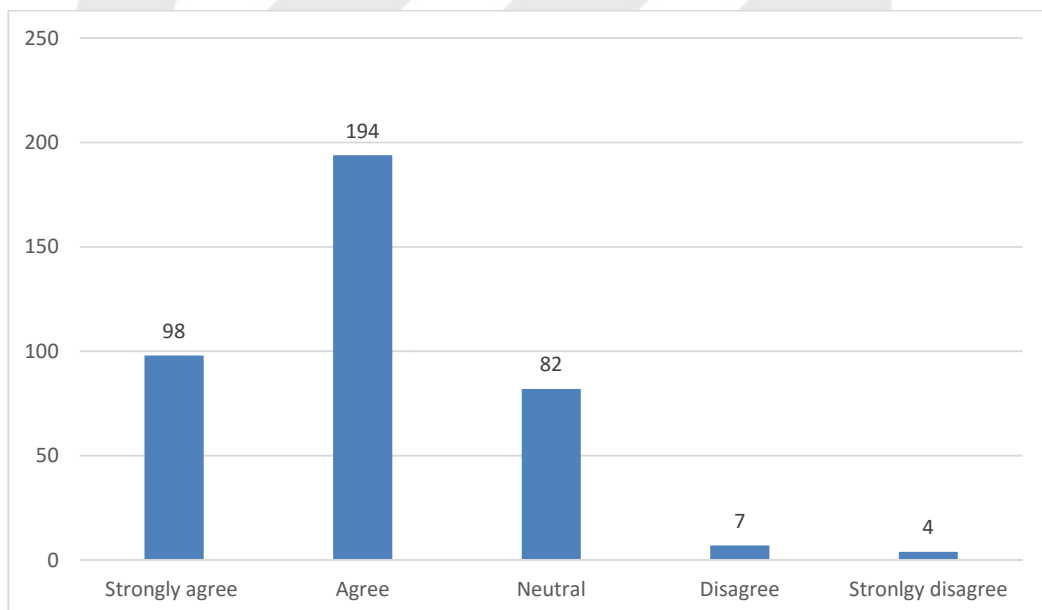
**Figure 42** Respondent's opinion of how difficult to find fitness food

**Question 21:** I really care the nutrition of the food.



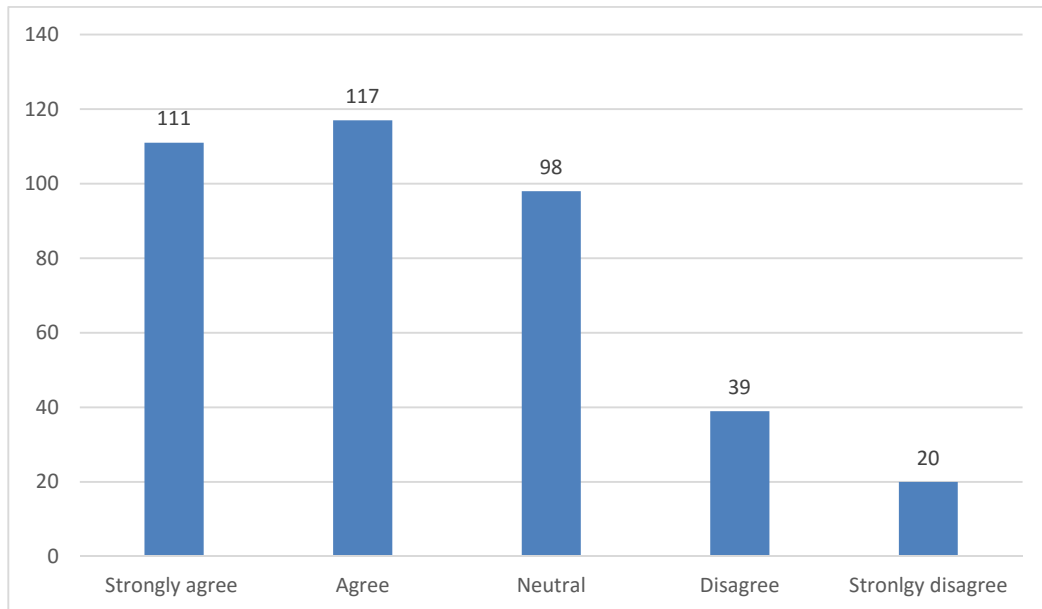
**Figure 43** Respondent's attention to the nutrition

**Question 22:** I really care the calories of the food.



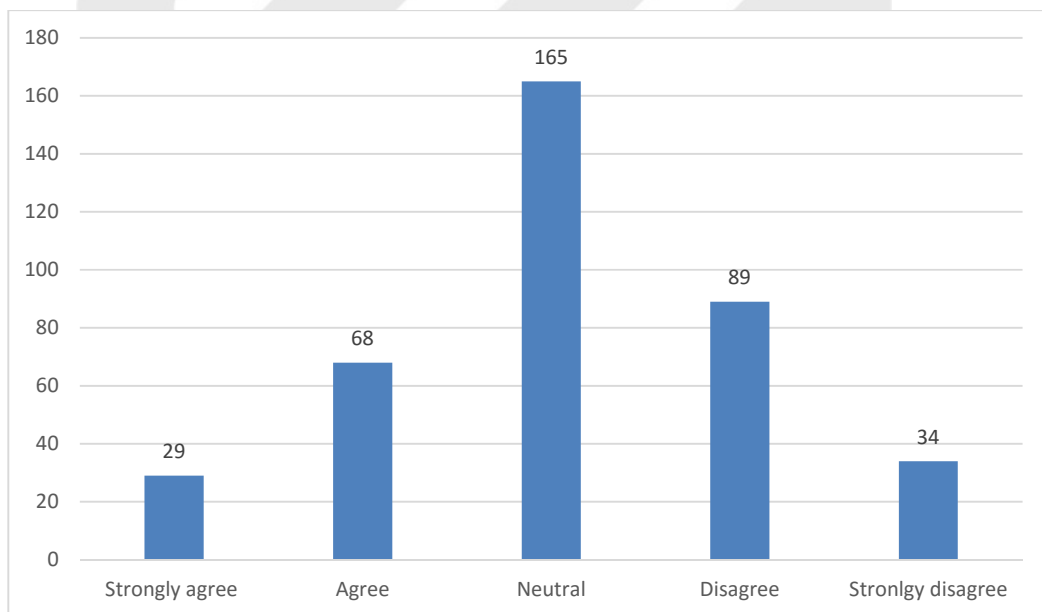
**Figure 44** Respondent's attention to the calories

**Question 23:** I want the fitness food to have the taste as same as the general food.



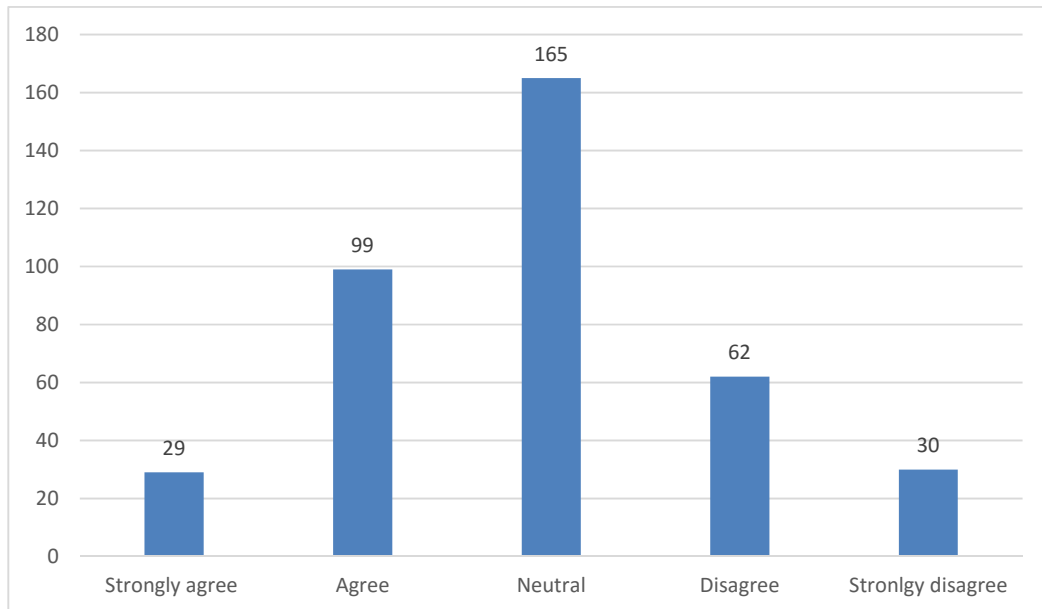
**Figure 45** Respondent's attention to the taste

**Question 24:** The package design influences me to buy the food.



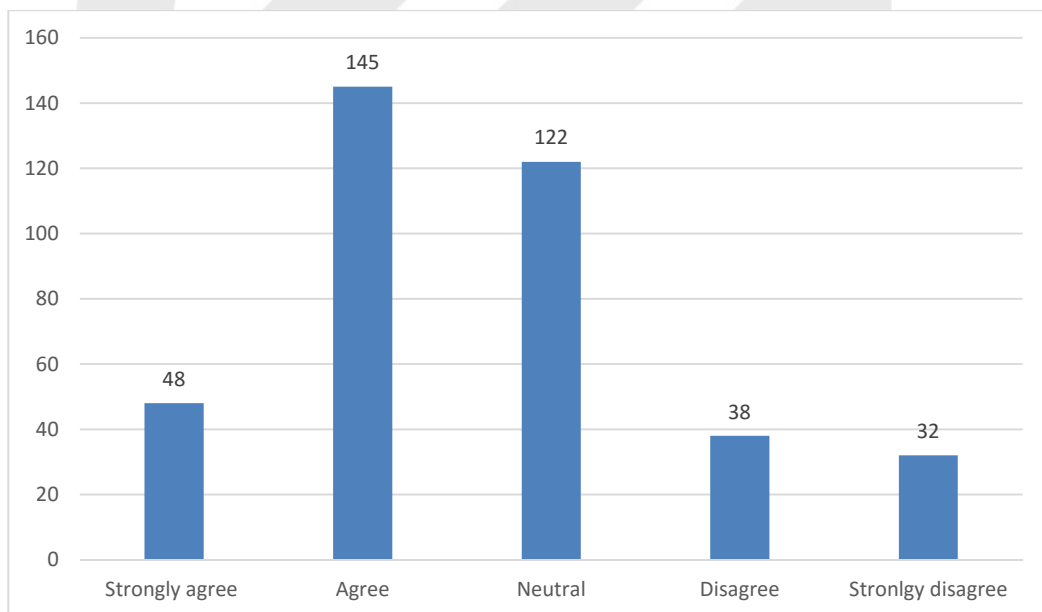
**Figure 46** Respondent's emphasis to the package

**Question 25:** I can pay more for the fitness food.



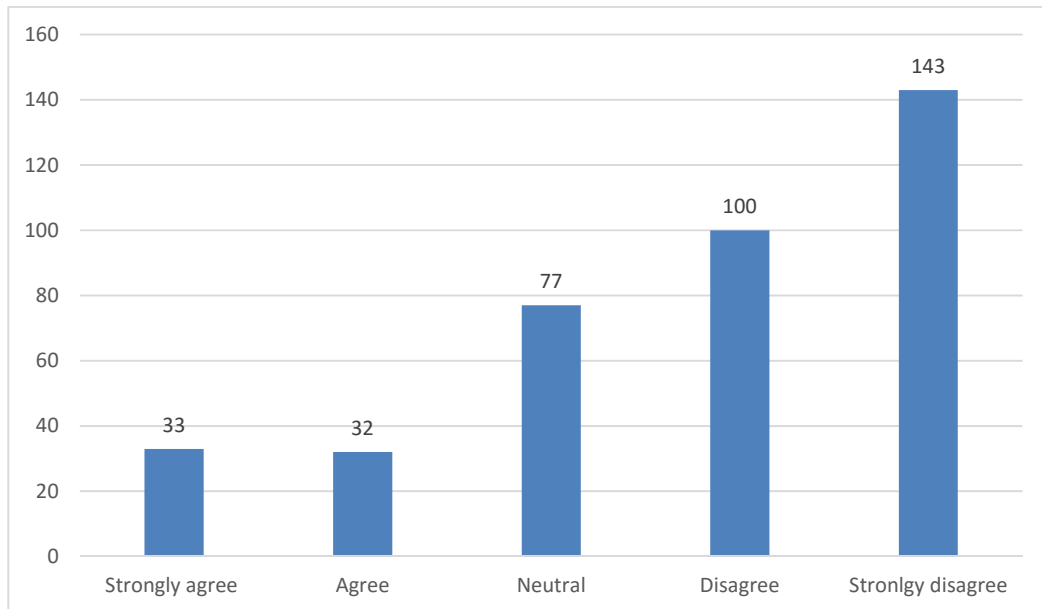
**Figure 47** Respondent's opinion to pay more for fitness food

**Question 26:** If the fitness food is available in the fitness centers, I'm going to buy it.



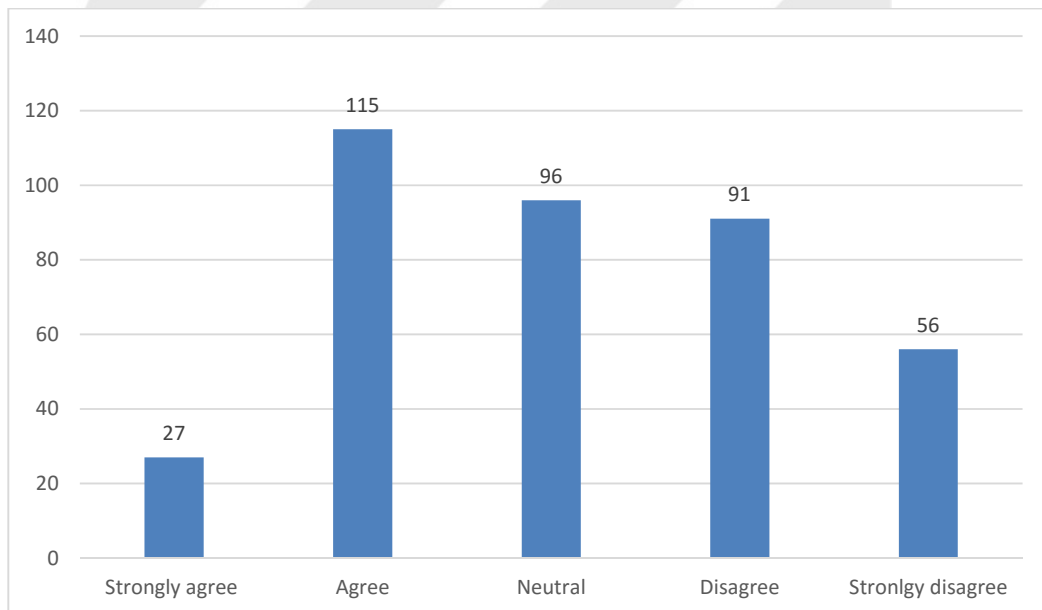
**Figure 48** Respondent's attention to the food sold at the gyms

**Question 27:** I usually use the food delivery service.



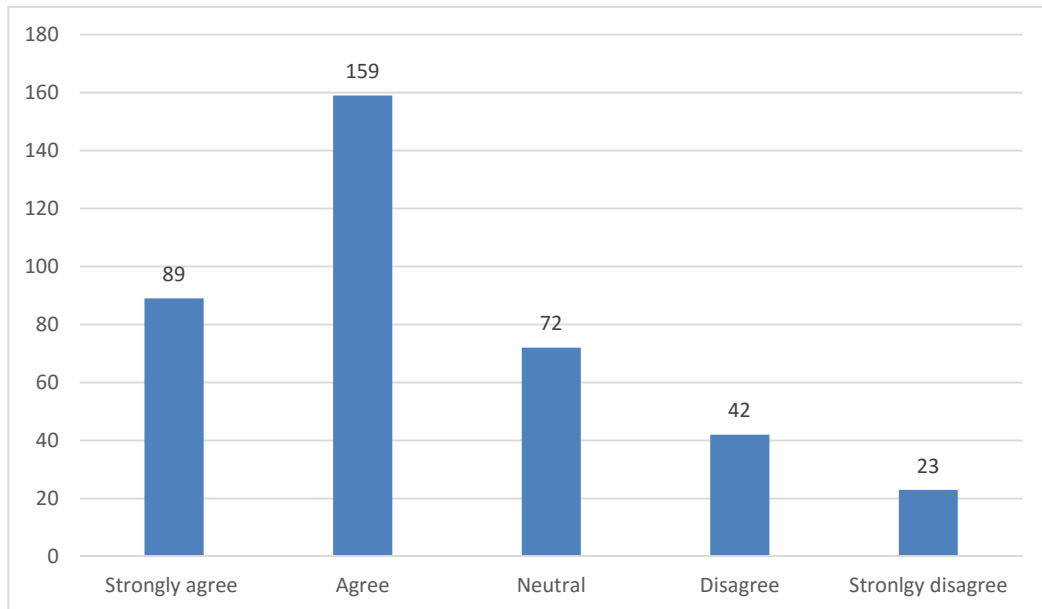
**Figure 49** Respondent's preference to delivery service

**Question 28:** The advertisement affects my buying decision.



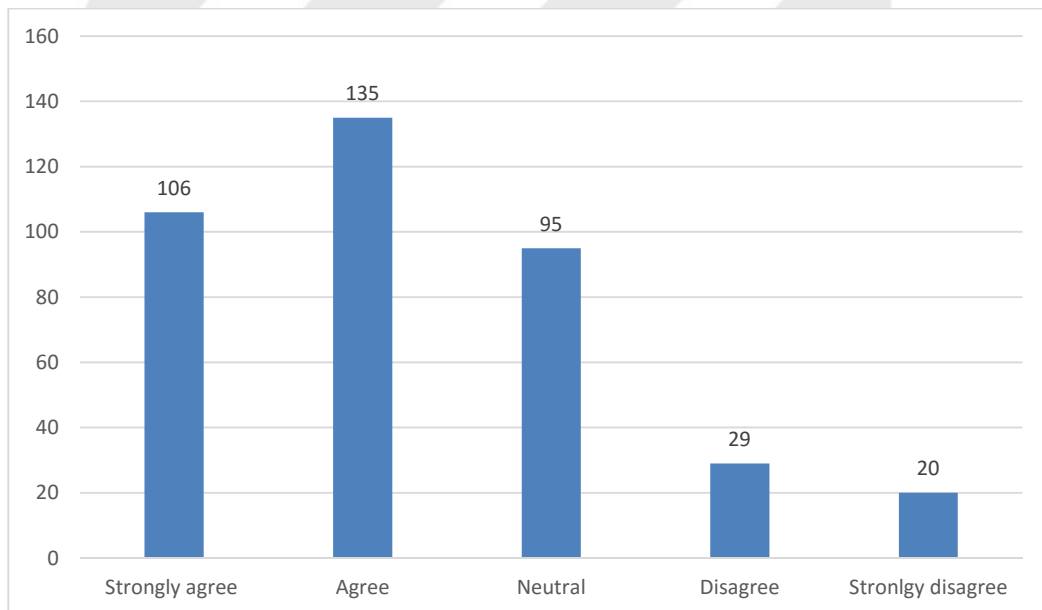
**Figure 50** Respondent's opinion to the advertising

**Question 29:** If the food is certified by the nutritionist, I will be confident to buy it.



**Figure 51** Respondent's opinion to the food qualified by nutritionist

**Question 30:** The sale promotion influences me to buy the food.



**Figure 52** Respondent's opinion to the sale promotion