

CHINESE HERBAL BATHING AND BABY SWIMMING POOL

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ABSTRACT

Infant swimming is a recreational activity that has emerged in recent years to promote the harmonious and healthy growth of infants and toddlers, and involves touching, massaging and assisting them with water activities. Infant and toddler swimming for medical purposes is often carried out in hospitals from 0-14 days after birth. However, due to the limited length of stay in hospital, the distance of most families from the hospital and the health and safety of the hospital, infant swimming in hospitals has not been able to develop further. In order to meet the needs of consumers, the infant swimming industry has grown rapidly over the last decade, with its ease of consumption and safety, and has become a popular form of health care and activity to enhance parent-child interaction. In a market where consumers have a huge choice of companies, the creation of unique intrinsic values and their effective delivery to consumers is an important means of determining consumer action and loyalty. In this paper, we investigate and study the market in Beijing to understand the current operation mode and market competition of infant and toddler swimming pool enterprises, and propose to establish a special aquatic institution which mainly serves infants and toddlers aged 0-6 years old and integrates centralized medical care and infant swimming. Then, using PEST analysis and SWOT analysis, the internal and external environment of the marketing of the baby swimming pool was analysed: finally, combining the results of the survey and the analysis of the marketing environment, a marketing strategy in line with the actual situation of the swimming pool was formulated on the basis of the 4P marketing mix theory. Finally, the financial analysis and feasibility analysis resulted in an initial investment of RMB 900,000 and a payback period of 1.3 years.

Keywords: baby swimming, Chinese medicine and health care, touch and massage.

Executive Summary

"HAPPY DOLL Chinese Medicine Bathing and Infant Swimming Pool (hereinafter referred to as "HAPPY DOLL") is a service company that provides healthy swimming, scientific swimming and Chinese medicine bathing care and health care to the majority of infant and toddler consumers as a business model. The main business includes: infant and child swimming, hairdressing, souvenir production, infant and child herbal bathing and health care massage, and incidental business including the sale of baby growth process necessities, as well as pregnant women in the process of pregnancy to delivery and recovery of health care supplies and other comprehensive projects. Current Status

The application for registration is in progress, the business site has been selected, the rent for the site has been paid, the computer and cashier system have been purchased, the staff has recruited 4 experienced employees and a shop manager, all have been trained and are ready to start work.

Through a questionnaire survey, it was confirmed that the location of HAPPY DOLL Play is at the ground floor of Zhujiang Dongdu International District, West Luyi Road, Tongzhou District, Beijing, with an expected target customer base of around 100.

The initial capital investment in the HAPPY DOLL Play project was ¥900,000, a personal investment with a single shareholder, and according to the profit and loss statement in the text According to the estimates and projections in the profit and loss table, the profit in the first year is ¥707,136, and the profit increases year by year to reach ¥1145,396 in the fifth year. The actual payback period is 1.3 years, which is less than the estimated payback period, so the sub-proposal is feasible.

Section 1: Company Introduction

1.1 Company Profile

"HAPPY DOLL Chinese Medicine Bathing Baby Swimming Pool" (hereinafter referred to as "HAPPY DOLL") is a service company that provides healthy swimming, scientific swimming, Chinese medicine bathing care and health care to the majority of infant and toddler consumers as a business model.

1.2 Products and Services

The main business includes: infant and child swimming, hairdressing, souvenir production, infant and child herbal bathing and health care massage, and incidental business including the sale of baby growth process necessities, as well as pregnant women in the process of pregnancy to delivery and recovery of health care supplies and other comprehensive items.

1.3 Current Status

Application for registration in progress

The premises have been selected, the rent has been paid, the computer and cashier system have been purchased, 4 experienced staff and a shop manager have been recruited and are ready to start work.

1.4 Legal status and ownership

Type of business: Limited liability company

Ownership: Sole proprietorship by natural persons

1.5 Choice of name for the business

The name of the business is: HAPPY DOLL Chinese Herbal Bathing and Baby Swimming Pool.

Section 2: Industry Analysis

Starting in 2006, China entered its fourth population peak, with 20 million new babies being born each year, and the peak will continue until 2015. This means that there will be a steady and growing target consumer base for baby services and care in China over the next 10 to 20 years. The proportion of newborns who are second-born is increasing year on year, making second-born families a key focus of the future maternal and infant market.

The maternal and infant market continues to grow and is projected to reach RMB 3.25 trillion by 2020. In the future, the three-child policy and some supporting measures for childbirth will support a rebound in China's birth

rate, and the market size of the maternal and infant industry is expected to continue to climb, with the market size expected to increase to RMB 7,546 billion by 2024.

Based on the PEST analysis, it can be seen that the infant market is currently in a period of rising market size, while a wide range of infant products and services are emerging and the overall market is highly competitive. For the infant swimming industry, the industry is challenged by the great potential market demand as it is itself in line with the consumer demand for infant and toddler health first. So in the subsequent design of the market repositioning strategy for swimming pools, the current market situation of strong development and fierce competition should be fully considered and developed in line with the trend.

Section 3: Market Analysis and Marketing Plan

Through a questionnaire survey, we identified middle and high income families with an annual household income of over RMB 200,000, those living less than 2km away, consumers aged 30-40 and over 50 (i.e. parents and grandparents), and parents who have certain requirements for product and service quality and are not price sensitive as our target customer group after market segmentation.

Based on the above data, the location of HAPPY DOLL Play is at the ground floor of Zhujiang Dongdu International District, West Luyi Road, Tongzhou District, Beijing.

The number of target customers is expected to be around 100.

HAPPY DOLL Baby & Toddler Swimming Price List

| Number of times | Original Price (RMB) | Discount | Discounted price (RMB) | Period |
|--------------------------|----------------------|----------|------------------------|-----------|
| 100 sessions | 23,800 | 40% off | 9,998 (99/session) | 24 months |
| 50 sessions | 11,900 | 50% off | 5998 (119/session) | 18 months |
| 25 sessions | 5,950 | 60% off | 3,498 (139/session) | 12 months |
| 10 visits | 2,380 | 30% off | 1,666 (166/visit) | 6 months |
| Supreme Semi-Annual Card | 43,435 | 1.6% off | 6,988 (38/visit) | 6 months |
| Supreme Annual Card | 86,870 | 1.3% off | 11,888 (32/visit) | 12 months |
| Single | 238 | None | | |

Paediatric Herbal Bath Price Listt

| Number of times | Original Price (RMB) | Discount | Discounted price (RMB) | Period |
|-----------------|----------------------|----------|------------------------|-----------|
| 100 sessions | 19,800 | 30% off | 5,940 (99/session) | 24 months |
| 50 sessions | 9,900 | 40% off | 3,960 (79/session) | 18 months |
| 30 sessions | 5,940 | 50% off | 2,970 (99/session) | 12 months |
| 15 visits | 2,970 | 60% off | 1,782 (119/visit) | 6 months |
| 7 visits | 1,386 | 70% off | 970 (139/visit) | 3 months |
| Annual Card | 72,270 | 1.2% off | 8.672 (24/visit) | 12 months |
| Single | 198 | None | | |

Based on the analysis of the 4P marketing mix theory, a marketing strategy was developed to meet the actual situation of the HAPPY DOLL music. The pricing strategy is mainly formulated in terms of phased pricing strategy and differentiated pricing strategy, while consolidating offline sales channels as well as online marketing channels.

The above shows the service items and charges of Doll Fun.

Section 4: Management Team and Company Structure

As the shop has not yet started operating and is expected to be of medium size, it will mainly adopt a linear functional company system for the time being, with a shop manager responsible for making decisions on the general direction of the shop and handling important matters, subordinate staff of aquatic teachers, baby swimming teachers, Chinese medicine bath teachers, financial staff, reception and general management staff.

Company Structure

Name of shareholder: Ma Ping

Contribution amount: 900,000

Mode of capital contribution: monetary (cash)

The reason for choosing a single shareholder is that a single shareholder has absolute control over everything, which enhances the operational efficiency of the company and helps to protect trade secrets.

Section 5: Operational Plan, Production Design and Development Plan, and Section Business Model

HAPPY DOLL Chinese Medicine Bathing Baby Swim Center is a water center that specializes in providing swimming, bathing, touching, haircutting and Chinese medicine bathing care for babies and toddlers.

Specific services include: I: baby touch, II: baby swimming and bathing III: Chinese herbal bathing care, IV: baby souvenirs, V: baby haircut

Operation Strategy and Plan

The development strategy of HAPPY DOLL will be divided into three steps in the initial period (one to two years after opening), the middle period (the next three to five years) and the long-term period. In the future, we

can make use of the company's unique talent advantage, brand advantage and service advantage to achieve service diversification, expand the market space, expand the operating envelope and enhance the operating level, such as opening branches, and after the formation of scale, the number of customers is increasing, and we can also conduct activities and competitions in multiple shops at the same time, so that the enterprise can enter the track of benign operation.

One of the special items that distinguish HAPPY DOLL from traditional baby swimming pools is that the business relies on the powerful medicinal effects of Chinese medicine to provide suitable medicated baths for infants and children aged 0~6 years old, in order to play a role in strengthening their bodies and bodies.

The drugs used in the bath are mainly based on the conditions of different babies, and are clearly classified in terms of grade and type, with targeted treatment of different common cases of infants and young children with different efficacy of Chinese medicine and targeted massage techniques, and with professional nursing staff to suggest different drugs for different physical conditions of infants and young children, and at the same time to ensure the safety of the situation according to We also provide different services according to the requirements of our clients.

Section 6: Financial Forecast.

Estimated Profit and Loss Statement for the next 5 years

The initial capital investment in the Doll Fun project is ¥900,000, an individual investment with a single shareholder. Based on the profit and loss statement estimates and projections for the next 5 years in the text, the profit in the first year is ¥707,136, the profit in the second year is ¥819,051 and the profit increases each year to ¥1,145,396 in the fifth year.

The cash flow statement for the next five years shows that HAPPY DOLL has a strong cash flow and the company has a strong ability to immediately draw on its cash and a large cash balance.

| Income Statement | | | | | |
|--------------------------------|-----------|-----------|-----------|--------------|--------------|
| For the year ended 31 December | | | | | |
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| Revenue | | | | | |
| Basic Services | 1,255,200 | 1,380,720 | 1,518,792 | 1,670,671.20 | 1,837,738 |
| Specialty Services | 100,000 | 110,000 | 121,000 | 133,100 | 146,410 |
| Chinese Herbal Bathing | 200,000 | 220,000 | 242,000 | 266,200 | 292,820 |
| Membership Card | 500,000 | 550,000 | 605,000 | 665,500 | 732,050 |
| Total Revenue | 2,055,200 | 2,260,720 | 2,486,792 | 2,735,471.20 | 3,009,018 |
| Cost of Goods Sold | — | — | — | — | — |
| Gross profit margin | — | — | — | — | — |
| Operating Costs | | | | | |
| Salary expenses | 751,200 | 828,320 | 911,952 | 1,003,847.20 | 1,104,831.92 |
| Renovation expenses | 30,000 | 0 | 0 | 0 | 0 |
| Rental expenses | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 |
| Maintenance expenses | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Insurance expenses | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Advertising expenses | 61,200 | 70,380 | 80,937 | 93,077.55 | 107,039 |
| Sales expenses | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Utilities | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Depreciation | 12,502 | 12,502 | 12,502 | 12,502 | 12,502 |
| Miscellaneous expenses | 15,050 | 15,050 | 15,050 | 15,050 | 15,050 |
| Office supplies | 19,200 | 19,200 | 19,200 | 19,200 | 19,200 |
| Total operating expenses | 1,112,352 | 1,168,652 | 1,262,841 | 1,366,877 | 1,481,823 |
| Operating profit (loss) | 942,848 | 1,092,068 | 1,223,951 | 1,368,594 | 1,527,195 |
| Less taxes and fees | 235,712 | 273,017 | 305,988 | 342,149 | 381,799 |
| Net income | 707,136 | 819,051 | 917,963 | 1,026,446 | 1,145,396 |

| Cash Flow Statement | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| For the year ended December 31 | | | | | |
| | 2023 | 2024 | 2025 | 2026 | 2027 |
| Cash balance, beginning of year | 900,000 | 1,557,786 | 2,376,837.00 | 3,294,800.30 | 4,321,246.10 |
| Cash flow from operating activities | | | | | |
| Net income | 2,055,200 | 2,260,720 | 2,486,792 | 2,735,471.20 | 3,009,018.32 |
| Total operating expenses | 1,099,850 | 1,156,150 | 1,250,339 | 1,354,375 | 1,469,321 |
| Taxes and fees | 235,712 | 273,017 | 305,988 | 342,149 | 381,799 |
| Total cash flows from operating activities | 719,638.00 | 831,553.00 | 930,465.30 | 1,038,947.80 | 1,157,898.40 |
| Cash flows from investing activities | | | | | |
| Depreciation costs applied | — | — | — | — | — |
| Property, plant and equipment | 65,800 | — | — | — | — |
| Computers | — | — | — | — | — |
| Printers | — | — | — | — | — |
| Tables and chairs | — | — | — | — | — |
| Washing machines | — | — | — | — | — |
| Total cash flows from investing activities | -65,800 | — | — | — | — |
| Cash flow from financing activities | | | | | |
| Equity contributions | — | — | — | — | — |
| Dividends | — | — | — | — | — |
| Total cash flows from financing activities | — | — | — | — | — |
| Net change in cash balances | 653,838.00 | 831,553.00 | 930,465.30 | 1,038,947.80 | 1,157,898.40 |
| Cash balance, end of year | 1,553,838.00 | 2,385,391.00 | 3,315,856.30 | 4,354,804.10 | 5,512,702.50 |

FEASIBILITY ANALYSIS

Payback period

Payback period (years) = original investment / annual net cash flow

Annual net cash flow = annual cash inflow - annual cash outflow

Annual cash inflow = ¥0.9 million

Annual cash outflow = total cash flow from operating activities - cost of property, plant and equipment (fixed assets)

Table 10.1 Annual net cash flows (in ¥)

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|---------------------------|---------|---------|---------|-----------|-----------|
| Annual cash inflows | 900,000 | — | — | — | — |
| Cash outflow for the year | 653,838 | 831,553 | 930,465 | 1,038,948 | 1,157,898 |
| Annual net cash flow | 246,162 | — | — | — | — |

The resulting table shows that the first year did not pay back the capital. The annual net cash flow is ¥246,162 and the payback period (in years) is calculated according to the formula $= 1 + 246,162/831,553 = 1.3$ years. The actual payback period of 1.3 years is less than the estimated payback period, so the sub-option is feasible.

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