

# “HEARTBEAT” FRUIT WINE BUSINESS

Yahui Chen<sup>1</sup>, Poramet Eamurai<sup>2</sup>

<sup>1,2</sup> Graduate School, Southeast Asia University, Bangkok, Thailand  
E-mail: PorametE@sau.ac.th

## ABSTRACT

The project uses a lot of first-hand and secondary data, through questionnaires and industry research reports issued by professional institutions combined with various management analysis tools such as: STP, SWOT, PEST, Porter's five forces analysis, 7p, etc. It is found that China's fruit wine market has a lot of room for development, and there is a huge market in low wine, especially fruit wine. According to the contemporary young people's consumption habits, consumption level, consumption concept, consumption preference, as well as the technology, resources, contacts and other factors that we have. Contemporary young people are under considerable pressure at all levels of life, emotions, work, and society. Micro-drinking is an important way for young people to release their stress. At present, it is difficult to find a fruit wine suitable for individual tastes in all major liquors such as white wine, foreign wine and beer, so we want to create a wine brand that truly belongs to young people and to the new generation of young people. We will create a new fashionable fruit consumption concept, integrate fruit wine culture in fresh fruit supermarkets, create a fruit wine brand, and combine our own advantages to create surplus fruit processing products, give fruit a variety of sales forms, while innovating product procurement, sales models, etc., to attract customer consumption with low prices, convenience, fashion and other elements. While adapting to market demand, we enrich the diversity of fruit products and create surplus value of fruits. We hope to seize the opportunity of the times, increase innovation and develop fashionable fruit wine brands. In terms of production mode, we can adopt the form of DIY for customers to make fruit wine personally, so as to bring extraordinary experience to each customer on the basis of revenue.

**Keywords:** Heartbeat, Fruit Wine

## Executive summary

China has a long history of winemaking, and fruit wines are no stranger to us. The current rate of growth in low-proof wine is significant, and fruit wine flavors are diversifying. Our wine culture has evolved to the point where some modern consumers prefer lower fruit wines, and they have certain requirements for sweetness, quality assurance, quality, and reputation. Therefore, we at Heart Fruit Wine aim to improve a really young people's high quality and good wine. We mainly sell fresh fruits and fruit wine, supplemented by secondary processed products such as fruit juice, jam and dried fruit, to meet market demand while enriching the diversity of fruit products and creating the residual value of fruits. Based on our questionnaire survey, data released by professional organizations such as Insight Research Report and Ariadne Consulting, we found that fruit wine has great prospects for development. We positioned our main consumer group in the young group aged 18-28, and we adopted a combined online + offline sales model to attract traffic with low-cost fruit, and firmly lock customers in with a core of customized fruit wine. We have created a new model based on customized fruit wines, using seasonal fruits as raw materials to produce a variety of organic fruit wines. It is worth mentioning that we commissioned Snow Mountain Place Winery to use high-quality raw materials from Xinjiang (fruits with high sugar, rich nutritional value and high-quality snow water) to make each wine fresh and delicious with the unique fragrance of fruits, making it taste fragrant, fruity and bright and endless. As for the project team, our members are not only highly educated, but also have professional fruit wine brewers and a consulting team with rich experience in company management. The team structure is complementary and reasonable, and the overall strength is strong.

## I. Introduction to the company

Fujian Heartbeat Food Partnership Co. Ltd. was founded in 2022 by a group of highly educated entrepreneurial team dedicated to creating a young fruit wine brand - "Heartbeat Fruit Wine" team was formed to create a new fashionable fruit consumption concept, combined with its own advantages in the fresh fruit supermarket to create fruit processing products, give fruit a variety of forms of sale, while innovative product procurement, sales and other modes, to establish a low-cost, convenient, fashionable, honest and high-quality corporate culture.

The main products of Fujian Heartbeat Food Co., Ltd. are divided into 4 categories, fruit wine, fresh fruit, fruit products (jam, juice, and dried fruit).

## **II. Industry Analysis**

In 2020, China will consume 366 million tons of fruit (including fruit processing), with a CAGR of 4.54% from 2018 to 2020. From the perspective of per capita consumption level, China still has a big gap from the world average. 2015 China's fruit per capita annual consumption is 32kg (only ready-to-eat fresh fruit), the General Office of the State Council issued the "China Food and Nutrition Development Program (2017-2023)" predicts that China's fruit per capita consumption will reach 60kg in 2020. However, at the current level, there is still a big gap compared with the health standard of 70kg, which is less than half of the per capita fruit consumption of 105kg in developed countries. The emergence of fruit wine industry and the freshly squeezed juice market is yet to be developed.

In recent years, with the development of China's economy, the improvement of people's living standard and quality, as well as the change of people's consumption concept and drinking habits, the bulk of alcohol consumption is changing from grain to fruit wine and beer, and the consumption of domestic fruit wine, especially dry fruit wine, is increasing year by year, with an annual sales volume of nearly 300,000 tons, and the market potential is huge. And, the competitive dynamics are more intense; also, there is not a rich variety of fruit wine unicorn enterprises.

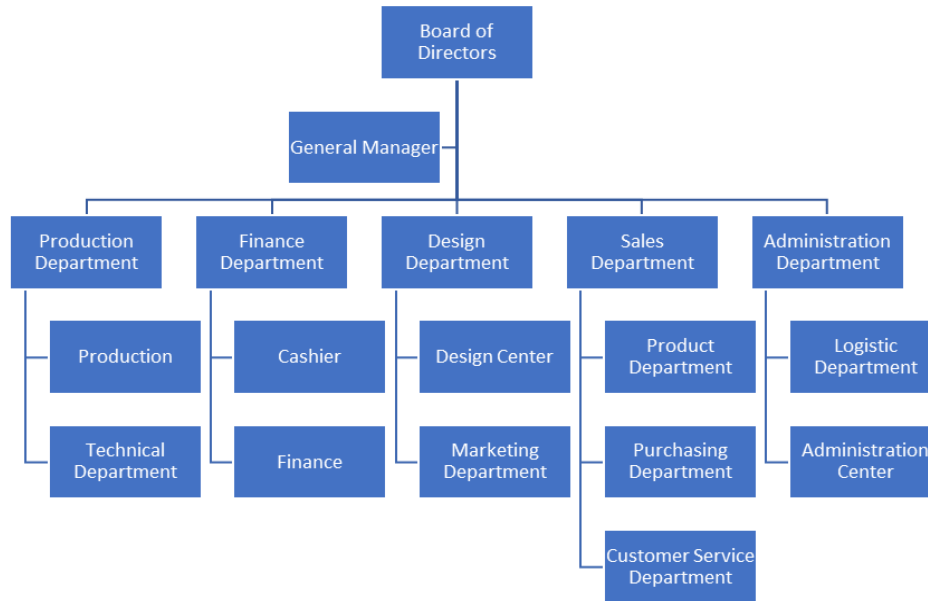
## **III. Market analysis and marketing plan**

Through questionnaire analysis and actual operation data of the store, we will refine the consumer groups. Provide secondary processed fruit products (freshly squeezed juice, delicious jam, dried fruit, freshly brewed fruit wine, fruit salad, nutritious fruit diet, etc.) to precisely analyze the consumer groups and provide to different individuals to meet different consumption needs. Through data analysis to grasp the high-frequency consumption crowd, increase the product discount for the high-frequency consumption crowd. Create a good customer environment to build a good customer relationship.

The target market selection we adopt the differentiation strategy. The company will focus on fresh fruit and fruit processing category gradually increasing demand for young female and male consumers. As we do is based on the sale of fresh fruits and based on the joint launch of fruit processing products with a number of enterprises, products and services tend to be diversified, for different products and services we will have different positioning.

Before this product officially enters the market, through new media such as WeChat public number, WeChat Friend Circle, QQ space, Sina, Weibo, or hiring agents, through these ways to deliver relevant fruit sales information to target customers, attract their attention, stimulate the desire to buy and promote their purchase, such as message lucky person reward, first single half price, full 10 free, etc. We deliver leaflets in bed, event promotions (half price for the second order, referral discount, etc.), holiday promotions (10% discount sales, 12% discount sales, etc.). Through word-of-mouth marketing we have established a good brand image on campus, impressing consumers and forming repeat customers. Utilizing the high quality fruit resources of 'Meicai' and surrounding farms to provide fresh and high quality fruit products to customers.

#### IV. Management Team and Corporate Structure



Company management system

People System	<ul style="list-style-type: none"> <li>① Establish and improve the Group's staff recruitment and deployment, training and development management system.</li> <li>② Formulate the Group's recruitment work plan and organize the implementation of internal and external recruitment according to the manpower needs of the Group and its subsidiaries.</li> <li>③ Formulate the Group's annual staff training plan and organize its implementation.</li> <li>④ Management of staff deployment within the Group.</li> <li>⑤ Management of the posting (promotion and appointment and removal) of employees in various departments of the Group.</li> </ul>
Compensation and Benefits	<ul style="list-style-type: none"> <li>① Establishing and improving the remuneration and benefit system of the Group and its subsidiaries.</li> <li>② Organizing the formulation of the remuneration budget of the Group and each subsidiary.</li> <li>③ Organizing job value assessment, labor cost analysis, social salary survey, etc. to provide the basis for the formulation and adjustment of the Group's salary and benefit policies.</li> <li>④ Daily management of the Group's staff salary scale formulation, salary accounting and salary changes in each department</li> </ul>
Labor Management	<ul style="list-style-type: none"> <li>① Establish and improve the labor quota index management system and guide the subsidiaries to standardize management.</li> <li>② Organize the preparation and revision of product production assessment output value, and supervise and inspect the statistical report of production assessment output value and its decomposition.</li> </ul>
Culture construction	<ul style="list-style-type: none"> <li>① Drawing up the annual work plan of enterprise culture construction and organizing and coordinating the implementation of relevant departments.</li> <li>② Prepare and improve the &lt;'Mu Lei' Enterprise Culture Manual&gt;.</li> <li>③ Organize and implement "corporate culture" education work</li> </ul>

#### V. Operation plan, production design, development plan

Based on the current market demand and the company's development strategy, our fresh fruits are provided by the strong Meicai network and the surrounding high-quality farms with rich varieties of fresh and healthy fruits to solve the supply of fruit raw materials. The production of fruit wine is entrusted to Xinjiang Xueshuifang Company, which makes use of Xinjiang's high-quality fruit resources to produce high-quality fruit wine. The

production of freshly squeezed juice and nutritious jam is done in stores. Fresh fruit and secondary processed fruit products have lower standardized standards and access permits using the advantages of the scale of the Meicai network, the advantages of the surrounding farms, you can get relatively low prices can reduce the cost as a way to carry out our project.

We will create a new type of fruit supermarket that not only provides fresh fruit for sale but also fruit wine, juice, fruit platter, fruit salad, etc. Create a leisure place where you can work, study and party in the store during the day, and a light bar in the evening, offering drinks. Meet the needs of young college students in every aspect.

At present, we will focus on creating special fruit wine as the focus of fruit processing products, and at the same time develop with fruit juice, jam, dried fruit, etc. In the future, according to market demand, we will continuously expand other types of fruit processing products (such as vinegar, canned fruit, etc.) to expand the industry chain and promote synergistic development so as to ensure sustainable profit. After we reach a certain stage of development, we can also develop an app to upgrade our industry, and we can also develop the current popular farming carnival, etc.

## VI. Financial projections

### Ratio Analysis

Year	First year	Second year	Third year	Fourth year	Fifth year
Current Ratio	264%	278%	242%	210%	193%
Current Ratio	105%	149%	117%	145%	171%
Year	2022	2023	2024	2025	2026
Sales growth	100.00%	87.34%	17.57%	17.82%	21.95%
Gross margin	69.62%	69.62%	69.62%	69.62%	69.62%
total current assets	81.07%	84.39%	88.35%	90.66%	93.53%
Return on Equity	17.82%	105.02%	125.49%	145.23%	184.17%
Operating Cash Ratio	-21.27%	164.57%	90.52%	122.12%	116.46%
Gearing Ratio	30.69%	31.39%	37.35%	43.96%	49.22%
Equity Debt Ratio	44.29%	45.74%	59.61%	78.43%	96.92%
Net Present Value	54.72	24.58	22.37	72.05	82.71
Return on Investment Period	First Year				
Year	2022	2023	2024	2025	2026
EBIT	20.00	85.75	102.57	118.36	150.38
Average EBIT	95.41				
Total Investment	150				
ROI	64%				

The initial planned investment for the Heartbeat Fruit Wine project is \$1.5 million, and the average profit is expected to be \$954,100 per year for the next 5 years, with a total return of \$4,770,570,000 and a calculated RoI of 64%, this project has a good level of return on investment.

### References

- Liang Yan-Ling, Chen Qi, Wu Yan-Hua, & Lin Y-Xiong. (2020). Current status of research and development of fruit wines. *China Brewing*, 39(12), 5.
- Ding, Y., Li, YH., Pu Q., Liu, XJ., & Liang, Y. (2019). Analysis of the development status and prospects of China's fruit wine industry. *Brewery Technology*, 000(004), 104-107.
- Zhang, C. C. (2002). Characteristics and trends of contemporary college students' consumption. *China Youth Studies*, (5), 4.
- Shi Yingling. (1998). Survey and Analysis of College Students' Consumption Psychology and Behavior. *Journal of North China Electric Power University: Social Science Edition* (4), 3.
- Peng Huirong, & Zhong Shangbao. (2004). Analysis of modernity and postmodernity of college students' consumption patterns. *Economist*(7), 2.
- Wu Yan. A study of college students' consumption. (Doctoral dissertation, Inner Mongolia University of Science and Technology).

- Xie, Lopeng, & Zhang, Qiangguo. (2005). A study of college students' consumption psychology and behavior. *Mall Modernization*, 000(031), 243-244.
- Liu, T. E. (2007). The characteristics of college students' consumption and thinking about consumer education. *Journal of Chongqing Vocational Institute of Industry and Trade* (4), 3.
- Yang, Navy. (2022). It's time to consume fruit wine. *Food Safety Guide* (10), 1.
- Chen Xiaorong & Li C. Q. (2016). Fruit wine will become a new trend in consumption! *New Food*(8),1.