



Chocoa



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Company History

The Company Chocoa was established on November 1st, 2019 within the University of Waterloo, and primarily consists of 4 key members.

The company excels in creating and manufacturing soap surrounding the theme of chocolate. Where Aroma, sensational touch and cleanliness are all met in a single object.

Chocoa follows the rules and regulations regarding fair trade and promotes the equity of income distribution for all ingredients used within our soap. And we hope this influences others within the soap industry as well.

Brand Promise and Vision

We inspire the use of equality as well as equity. Our brand revolved around primarily 4 factors; fairness, quality, environment friendly and consumer satisfaction. Our whole idea of success is if all 4 of those criteria are met above expectations.

For the future and a vision, our company tends to focus on a clear and green production line with maximum efficiency and complete consumer satisfaction.

Why is our soap unique

The uniqueness of our soap is directly related to the foundation of it. By cultivating a mixture of cocoa butter, milk and essential oils, resulted a heavenly outcome specifically engineered for cleanliness. Our soap tends to have a very rich chocolate aroma combined with sensual, fine bubbly lather to increase the overall effectiveness.

Moreover our soap tends to use eco friendly equipment when being constructed, all the apparatus as well as ingredients as well as chemical procedures were carried out in a safe, organized and green environment.

Context

Our main goal was to create a unique product that would be organic and infuse it with chocolate based ingredients. In order to create our product, we had to create soap using cold process. Cold process consists of mixing lye (Sodium Hydroxide) with water and then later mixing it with essential oils/fatty acids. A chemical reaction is formed between lye and the oils called saponification. Saponification is an exothermic reaction due to fatty acids coming in contact with lye. Soapanification can take time occur in the mixture and can depend on what method was chosen for the experiment. **Because of the lack of heat, the essential oils are intact and in better condition to lather.**

Why packaging is IMPORTANT

Packaging can be a great way to build confidence in a customer.

61% of consumers explained that they are more likely to purchase product again if it came in premium packaging(Dotcom Distribution)

Branded products are quickly recognized, so designing a packaging design with the company logo is critical to ensure return customers

A product's packaging has the ability to communicate many things, from what the product can do for your customers to your company's values. The packaging is as important as the product itself because it's a crucial marketing and communication tool for your business.



Our Packaging

Our packaging is **Christmas** themed, consisting of fun and bright colors combos like **green** and **red**.

The packaging gives the impression of something extravagant and the feeling of a high end product. It's design is sleek and simple but at the same time, elegant to look at and hold.

The packaging method that we will use is gift wrap paper wrapped around each individual piece of soap with a clear plastic sheet that will create a carriable bag around the soap. A ribbon and title card is attached to the outer part of the package. The title card will include the information of who its being given to as a gift. The packaging will also include the list of ingredients used in our soap.

Our packaging is 80% recyclable

50% of consumers would recommend a product if it was packaged like a gift or branded packaging. (Dotcom Distribution)

Statistics

Before we get into details, here are some quick points on our marketing strategy and some interesting statistics on Organic Soap

- Our product is will be marketed as a **premium product**. 61% of consumers are prepared to increase their spending on artisan products like handmade soaps. (Stephenson Personal Care)
- Between **2019-2023**, the organic soap market is estimated to increase to **\$340.1 million**. (BusinessWire)
- We will market it as a **organic alternative to commercial soaps** and is overall **GREAT** for the skin. It will also be marketed as a **"cool"** chocolate christmas gift and the annual sales for chocolate sales for Christmas is **\$776 million**. (Statista)

***Sources will be listed at the end of the presentation.**

Marketing Strategy (Game Plan)

We will market our product as **pure soap and a great alternative for commercial soaps**. Consumers are becoming more conscious and are forwarding towards organic made soap. It cleanses and moisturizes naturally without stripping away your skin's natural healthy oil and that it does not contain any preservatives or harsh chemicals that are commonly found in commercial soaps.

As statistics show, the organic soap market is predicted to be valued at \$340.1 million by the year 2023, globally. 61% of consumers are prepared to increase their spending on artisan products like handmade soaps.

Also **55%** of global online consumers across **60 countries** say they are willing to pay more for products and services provided by companies that are committed to positive social and environmental impact, which our company meets.

Our product already has an established market and customer base who will spend their money on our product if only our product meets current trends of what our target customer range wants which is sustainability.

This proves a very important factor which is that people are ready to pay a premium price for our soap. So our soap will be marketed as a premium product and an alternative to commercial soap. Typically custom soap sells in a range from \$5 to \$30 or more per bar. It is expensive because of the usage of natural oils while commercial soaps contain chemical scents of the essential oil. Thus that is why it is more expensive.

Marketing Strategy (Game Plan)

The soap will be sold as a **“christmas chocolate based soap.”** Around Christmas time, people usually gift each other sweets, candy, chocolates etc.

Consumer spending goes up around this time and billions of dollars are spent. It was reported that annually, consumers spend **\$776 million** in North America on chocolate products and sales increase exponentially during Christmas time, as it makes a suitable Christmas gift. Chocolate represents joy and happiness when one is in the presence of it. They are joyful gifts which make people happy.

That being said, customers can purchase our product as a cool christmas present that they can give to to their friends and family. The best part is that study by (Dotcom Distribution) reported **50%** of shoppers will recommend your product if it came in gift-like or branded packaging, increasing the chances of brand awareness and sales

Lastly our soap is a functional christmas gift that can be used in many ways. It can be used for your skin, as an air freshener in your car, or as a decoration.

Our Ingredients

Our soap's oils were selected with properties and health benefits in mind. Below are the oils/fats, in descending order of fraction in oil mix:

Our oil mixture is 1/4 coconut oil; great skin moisturizer, removes dead skin cells, and lathers well.

Mix also included 1/5 cocoa butter;

1. Richness in antioxidants makes it useful for fighting inflammations
2. It smells amazing

Our ingredients (continued)

1/5 olive oil; slows down the sudden jump to trace phase during soapmaking, and for its gentleness and moisturising ability.

15% avocado oil since it is great for conditioning, moisturizing, and creaminess. Helps regenerate dry/flaky skin.

Other ingredients: Ghee (12%,), grapeseed oil (6%,), canola oil (2%)

~Unlike many other groups, we also used milk, because it contributes to creamy lather and makes the soap feel “luxurious”. It is also an exfoliant, and helps combat skin aging, acne, and skin infections, and maintenance of skin’s pH balance.

Soap calculator, our solution

Soap Optimizer			
Oils	Percentage	Quantity (g)	Total Quantity (g)
Coconut Oil, 76 deg	25%	25.00	125.00
Ghee, any bovine	12%	12.00	60.00
Crisco, old	0%	0.00	0.00
Avocado Oil	15%	15.00	75.00
Olive Oil	20%	20.00	100.00
Sesame Oil	0%	0.00	0.00
Corn Oil	0%	0.00	0.00
Grapeseed Oil	6%	6.00	30.00
Sunflower Oil	0%	0.00	0.00
Canola Oil	2%	2.00	10.00
Cocoa Butter	20%	20.00	100.00
Total	100%	100	500

	Mass of NaOH(g)	Mass of KOH (g)	Hardness	Cleansing	Bubbly Lather	Creamy Lather	Conditioning	Cost
Total	75.07	105.39	46.09	18.55	18.55	27.54	46.74	6.40
Recommended Ranges			29 to 54	12 to 54	14 to 46	16 to 48	44 to 69	
Targets			41.5	17	30	32	52	
Objective Function			21.07	2.40	131.10	19.89	27.67	
Sum	243.0558495							

(Bubbly lather being too high is not an issue since it doesn't negatively affect the texture of the lather)

Soap Calculator, alternative solution formulas

Oils	Percentage	Quantity (g)	Total Quantity (g)
Coconut Oil, 76 deg	26%	25.66	128.32
Ghee, any bovine	11%	11.40	57.02
Crisco, old	0%	0.00	0.00
Avocado Oil	14%	13.82	69.12
Olive Oil	19%	18.64	93.18
Sesame Oil	0%	0.20	0.98
Corn Oil	0%	0.22	1.12
Grapeseed Oil	9%	9.33	46.66
Sunflower Oil	1%	0.87	4.35
Canola Oil	0%	0.00	0.00
Cocoa Butter	20%	20.00	100.00
Total	100%	100	500

	Mass of NaOH(g)	Mass of KOH (g)	Hardness	Cleansing	Bubbly Lather	Creamy Lather	Conditioning
Total	75.18	105.55	46.23	18.91	18.91	27.33	46.95
Recommended Ranges			29 to 54	12 to 54	14 to 46	16 to 48	44 to 69
Targets			41.5	17	30	32	52
Objective Function			22.40	3.63	123.08	21.84	25.47
Sum	236.7731961						

(Higher hardness with low cleansing is unfavourable, so we went with the previously displayed solution)

Other Alternative Solution

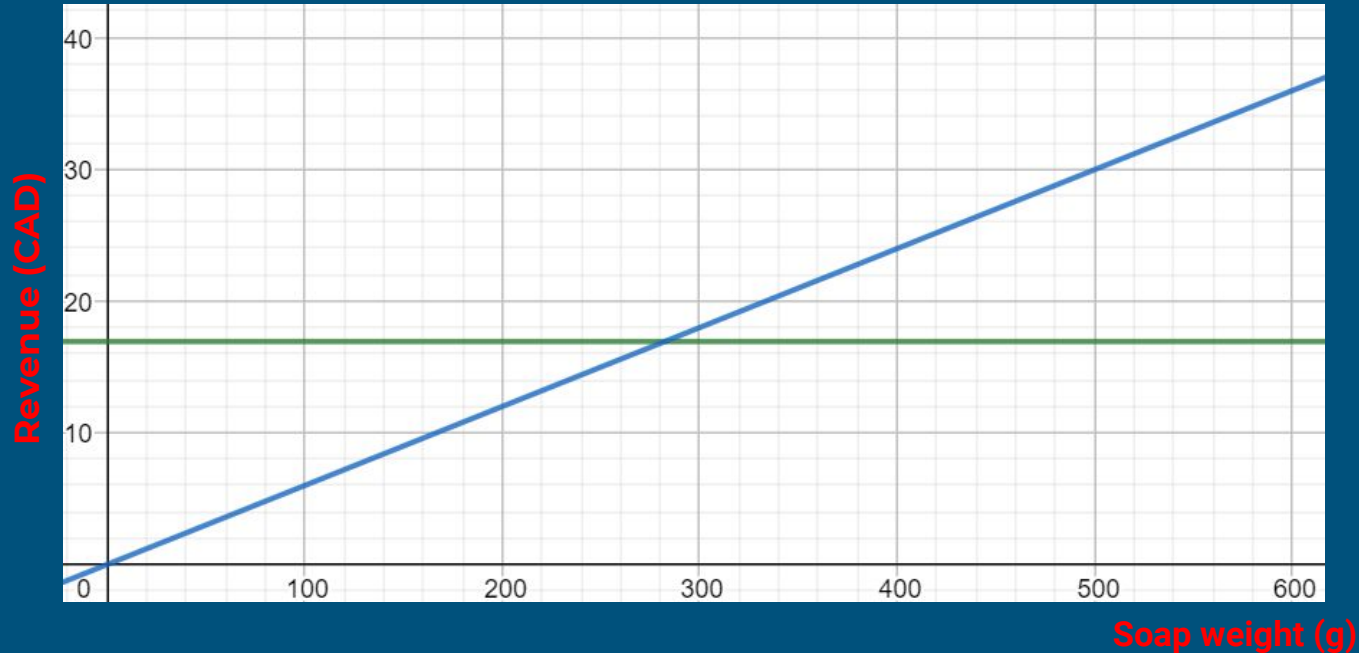
	Mass of NaOH(g)	Mass of KOH (g)	Hardness	Cleansing	Bubbly Lather	Creamy Lather	Conditioning	Cost
Total	75.37	105.95	45.48	20.19	20.19	25.29	49.69	4.80
Recommended Ranges			29 to 54	12 to 54	14 to 46	16 to 48	44 to 69	
Targets			41.5	17	30	32	52	
Objective Function			15.83	10.16	96.30	45.00	5.33	
Sum	195.6282734							

This solution was not used as it had a very high level of bubbly AND creamy lather, and those two together are not ideal since it makes the lather feel unpleasant.

Cost and pricing

We chose the penetrative pricing strategy for our soap, setting its price point at \$5.99/100g, in comparison with the market average pricing handmade soap as a niche (sometimes costing almost \$100/100g bar). The bigger costs come along during the expansion phase where better machinery and equipment is needed. We used cold process for our soap, since hot process would take long to cure and would need heat, which is a serious cost to consider long-term if we were to expand. Our price took in consideration the symposium preparations and materials cost.

Break-even Chart for Batch



As evident by the graph, we need to sell 280g (~3 bars of soap) to break even with our soap cost for this batch.

Bibliography

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