

# Challenge 4 Annual Review



# AMORIA

# Executive Summary

## Our Vision

To nourish both you and the Planet.

## Our Mission

Our mission is to provide customers with high-quality Skincare products that are both effective and environmentally friendly, while raising awareness of our ocean's health.

## Company values

- Simplicity
- Impact
- Inclusivity

## Product Description

Our Hydrating Elixir is a versatile skincare solution designed to soothe and nourish your skin. Formulated with natural ingredients, it provides instant relief for sunburn, eczema, and dry skin, while also being gentle enough for daily use, ensuring your skin stays hydrated, healthy, and radiant.

## Company goals

- Make 90 sales by September 31st
- Make \$2000 in revenue by the end of the year
- Create an eco-friendly, all natural product
- Raise awareness for and donate to Pure Ocean
- Promote wellness and authenticity

## Achievements

- Amoria Launch Party
- Press Interview
- The Hits Interview
- Sold 151 Bottles
- Gained 1,161 followers on Instagram
- Worked with the La Quinta hotel for a giveaway



# Innovation

## Unique Value Proposition

There are many products that hydrate, moisturise and benefit skin. What makes ours different is our focus on being ethical, local and sustainable.

- Our ingredients are sourced from a local, ethical company called Pure Nature. These ingredients are all natural, their use won't harm our planet.
- Our packaging is eco-friendly. The bottles and lids are made from recycled plastic, and are both recyclable if disposed of independently.
- The labels on our bottles are also fully recyclable if peeled off of the bottles and thrown away separately.

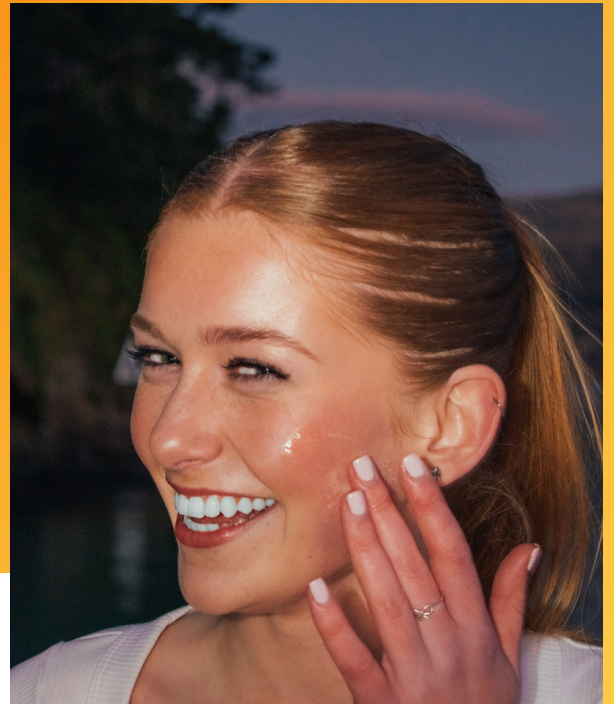
(This sets us apart from other skin care brands as not many companies make their whole bottle recyclable. Meaning that their bottles may not be properly recycled as many consumers don't peel the label off of the bottle before throwing it away.)

- To ensure that customers separate everything before disposal, we have posted instructions on our social media, which is also linked on our website.

## Innovative Business Practice

When conducting our market research, people said that they would love to have an option for a product with no scent.

- After hearing this feedback, we created an option on our website and posted about it on our social media to inform customers that they are able to choose between a vanilla scented bottle and a bottle with no scent.
- At Amoria, we strive to listen to our customers and their feedback as we really wouldn't have a business without customers supporting us and enjoying our products



AMORIA

# Production

## Suppliers



## Production Process



## Health and Safety

We implemented health and safety protocols to ensure product quality.

This included sanitising our environment and workers, carefully measuring and blending ingredients, and labelling bottles after wiping them down with alcohol.

## Success

We implemented new production strategies which increased the quantity of production we could produce each hour. Therefore making the whole process more time efficient. by splitting up tasks into different sections so things were completed quicker. After implementing these strategies, productions moved much quicker and we were able to make and ship out orders much faster than we were able to in the beginning.

## Reflections

In the beginning our productions were slow, but to increase our production we created production strategies by delegating tasks to ensure that things would run smoothly and are complete quickly. We could have chosen better bottles that will ship to customers better and look more professional to customers.





# Marketing

## Market Research

We walked around Christchurch central city, told people our product, asked for their opinion and what they'd pay for it. Everyone we spoke to expressed interest in our product. We also tested our product on ourselves and others who have dry skin and want to hydrate and nourish their skin.

## Target Market

Our market research identified a growing demand in young adults for skincare products that protect and hydrate their skin. These consumers seek effective and affordable solutions, favouring products with natural ingredients. Our business, Amoria, has gained popularity in this demographic due to its focus on natural, hydrating ingredients that nourish the skin.

## Validation

The people that we interviewed liked our product as it is all natural, eco-friendly, and soothing to the skin. We had a few tell us they would love an option for no scent as some found the scent too strong. Many said they were interested in our product due to the high UV levels in New Zealand, as this product would help soothe their sunburn.

Others said it would help them with acne, dry skin, and more. Everyone we interviewed liked the fact that we plan to donate money towards charity.

## TikTok

On TikTok, we utilised trending challenges and creative videos to showcase the unique features of our hydrating elixir in a fun and entertaining way, reaching a younger demographic and increasing brand awareness.

## Selling Price

Our retail price is \$24.99 per 250ml bottle. Feedback from our market research told us that people would pay \$25 for a luxurious product such as ours.

Our price of \$24.99 shows that we are selling a premium skincare product. Sourcing bottles and natural ingredients from local people means we can keep our unit cost low at \$9.10 per unit (including \$1 donation), it also allows us to keep our retail price at a low enough cost to be below the price of our competitors. This pricing strategy will help us attract customers to our business and will help us meet our SMART goal of selling 85 units by September 30th 2023.

## Discounts

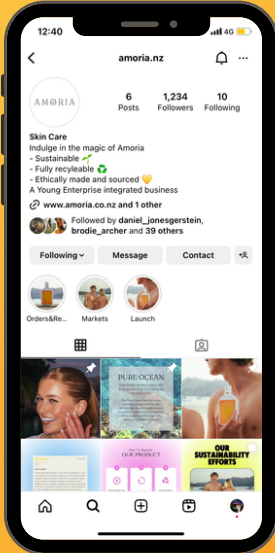
When we first launched our Hydrating Elixir in June, we offered a limited-time promotional discount on our hydrating Elixir 10% off (\$22.49). The aim of this was to incentivize new customers to make a purchase as we wanted to increase the quantity sold, raise brand awareness and develop a good relationship with customers.

## Reflection

Interviewing people in central Christchurch was an efficient way to receive feedback about our product. We were only able to speak to 20 people, if we had been able to reach a wider group of people we would have gotten more reliable feedback. However, everyone we interviewed gave similar responses, which means that we were able to effectively speak to the correct market for our product, regardless of size.



# Marketing Promotional Strategies

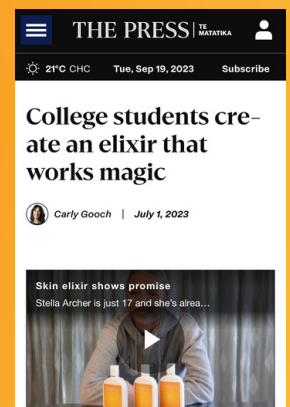


## Instagram

Our target market is eco-minded adults aged 20–40 who prioritise ocean preservation, sustainability, and self-care. Instagram generally has a large user base within this demographic and has proven to be an effective platform for reaching and connecting with our target audience. Additionally, Instagram's photo-based format allows us to showcase our eco-friendly products in a visually appealing way, further resonating with our target market's values and interests. We invested in Instagram advertisements so that our business had the ability to grow and reach a wider audience. Although we found that this method of advertisement was not as effective in comparison to other strategies, only receiving a small number of sales.

## Radio and News

We reached out to The Press about an article being written about Amoria. They expressed interest in our brand and our CEO was interviewed while making a batch of our elixir. Having this article written about our brand was a great success for our business. Our article was released on Saturday the 1st of July 2023 in the Katoitōi section of the paper. Our CEO also managed to get an interview about our brand and upcoming event on The Hits Canterbury.



## Marketing Reflection

All of these promotional strategies effectively brought in new customers, made sales and increased brand awareness..

- At our promotional event, we made \$1,259.45 in revenue. This is more than the amounts that our other promotional strategies brought in. Our event was our most successful promotional strategy as we sold 70 bottles in just 2 hours. It got customers engaged in our brand and created awareness for potential customers and sponsors.
- The newspaper article we had in The Press brought in \$1,201.12 in revenue, coming as a close second to the amount we made from the event. This article was a huge opportunity for us and it created significant brand awareness as The Press has a large average reader count.
- Our Instagram account redirected many customers to our website and from this we made \$687.28 in revenue. This was effective as many people went to our website and made a purchase. It could have been more effective because we had multiple people who were redirected to the website and did not make a purchase.
- Our TikTok account was not very effective, as we only made one sale from it. We had hoped to reach more people through this account, but it isn't our main form of promotion. Putting a 10% off discount on our product during our first launch helped us make more sales as a new business. It got customers engaged and built the awareness of our brand.

# Sales

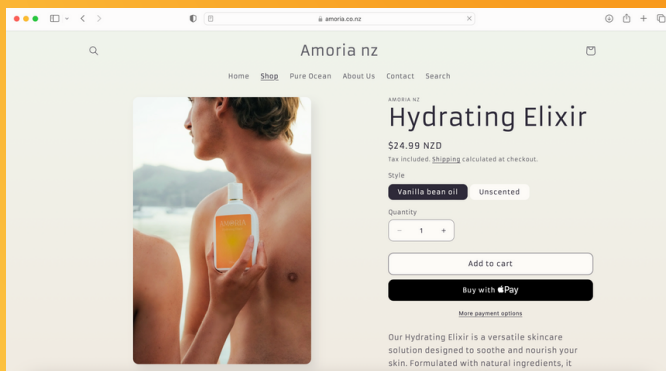


## Sales

- 151 units were sold, versus the 90 units that we forecasted.
- 12 units were sold through the Riccarton Market.
- 76 units were sold through our online website.
- 61 units were sold at our promotional event.

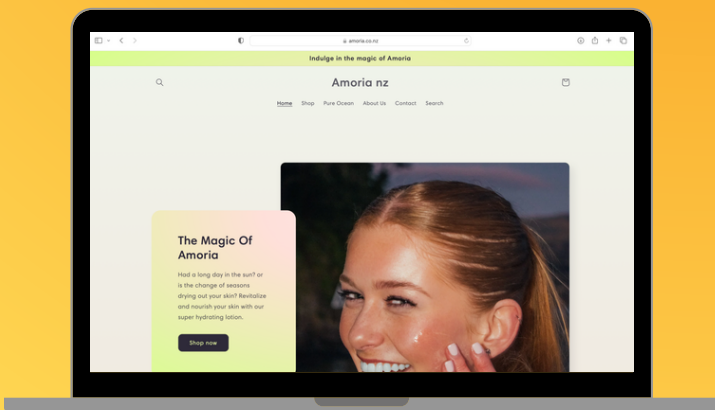
## Riccarton Market

Our experience at the Riccarton market was reasonably successful. We managed to sell 12 bottles in the 4 hours we were there. Halfway through our day at the market, we were low on sales. Here we decided to bring in a 2 for \$40 discount. This helped us sell more bottles and attract more customers. In the end, we generated \$272 in revenue that day.



## Website

Our online store is our most valuable sales channel. We can see this by looking at the amount of revenue that each of our sales channels have made. Our online store made significantly more than both our social media and the local market. This channel is our most effective because it is the easiest way for customers to buy our product as they are able to access it from anywhere, whereas our local market could only reach local customers. Our social media was effective because it reached a wide group of people who were redirected to our website, however not everyone made a purchase due to location.





# Sales

## Amoria - Launch Party

On the 14th of September, we hosted an event to celebrate the success of our first launch, at the Engineers Bar in Christchurch. We invited all Christchurch, Amoria purchasers, Family and friends and Corporate and media companies. The aim of this event was to create a sense of community within our brand, sell more stock, educate our users on our cause and make it a night to remember. We sourced Photographers, DJ's, sponsors and potential investors; meaning this was also a good event for networking.



## Sales Reflection

Our online store is our most valuable sales channel. We can see this by looking at the amount of revenue that each of our sales channels has generated. We have sold a significant number of units through our online store and website in comparison to our social media platforms, the local market, and our promotional event. This channel is the most effective because it is the easiest way for customers to buy our product as they can access it from anywhere, whereas our local market could only reach local customers. Our social media was effective because it reached a wide group of people who were redirected to our website, however, not everyone made a purchase due to location. In addition, our promotional event was successful in creating awareness and generating interest in our product. However, it had limitations in terms of reach as it was limited to a specific time and location. Therefore, the online store and website proved to be the most efficient channel for reaching a larger customer base and driving sales.



Aimee W. **Verified Buyer**  
Christchurch, Canterbury, New Zealand

07/01/2023



### It lasts all day!

Had my bottle for a few weeks and wanted to try it out for awhile before reviewing. It really is amazing, a tiny amount goes a long way and it literally lasts all day keeping my skin hydrated. It's bit greasy when it first goes on but that very quickly disappears leaving skin nicely moisturised. I have tried on my face at night and was not oily at all and not too heavy. Good value for money.!



Chloe A. **Verified Buyer**  
Christchurch, Canterbury, New Zealand

06/14/2023



### It was great

I have absolutely fallen in love with this product. I use it everyday, morning and night as a face serum. Even though I have only been using it for a couple of days it has made incredible changes already! My skin is brighter and is already clearing up my acne. Not only do I love the product itself but also the brand behind it. How everything is sustainable, natural and how they are donating to such a great cause. I will be buying again when I run out, as I know that I am not harming the planet and supporting a good cause!



# Finance

Income Statement				
	Budget	Actual	Variance	Variance %
Revenue	2,209	3,648	1,439	65%
Cost of Goods Sold	1,281	2,157	876	68%
Purchases	1,233	2,088	855	69%
Freight Inwards	48	69	21	43%
Other Income - Fundraising	0	420	420	100%
Gross Profit	928	1,911	2,735	295%
Total Expenses	465	1,120	655	141%
Distribution Costs	375	969	594	158%
Advertising	120	455	335	279%
Sales Fees	87	312	225	259%
Equipment Used		34	34	-%
Website fees	168	168	0	-%
Administrative Costs				
Donation to Pure Ocean	90	151	61	68%
Net Profit Before Tax	462	791	329	71%
Less Tax (25%)	115	198	82	71%
Net Profit after Tax	346	593	247	71%

## Income Statement Reflection

Our Budget vs Actuals figures are reasonably different as our initial goal was to sell 90 bottles in total and didn't plan on running discounts. In reality we received much more media coverage than expected but we also ran multiple discounts to create more of an incentive for customers to buy. Our sales event alone generated over 1.2k in revenue in under 2 hours which was also unexpected. Because of the media coverage we were able to purchase and supply more bottles to more/and repeat customers. In conclusion we believe although our cost of goods sold was much higher we generated 65% more in revenue making our Net profit after tax 71% higher.

## Cashflow Reflection

Our closing bank account is sitting at \$719 compared to our budgeted \$347. We are extremely proud of this increase here as it is a great reflection on the amount of effort we put towards marketing and sales.

Our total payments had an increase of 88% meaning we spent a lot more money to get to this stage, however our total receipts also had an increase of 91%. Therefore our increase in payments were balanced out by our increase in Payments, moreover increasing our closing bank account by 10%.

	Budgeted (%)	Actual (%)	Variance (%)
Gross Profit (%)	42%	47%	5%
Net Profit (%)	21%	19%	-2%

## Cashflow Statement

	Budget	Actual	Variance	Variance %
<b>Cash Receipts</b>				
Sales - Hydrating Elixir	2,209	3,648	1,439	65%
Equity	1000	2,061	1,061	106%
Fundraising		420	420	-%
Total Receipts	3,208	6,128	2,920	91%
<b>Cash Payments</b>				
Purchases	1,233	1,893	660	54%
Freight Inwards	48	69	21	44%
Advertising	120	482	362	302%
Sales Fees	87	312	225	259%
Equipment Used		34	34	-%
Donation to Pure Ocean	90	151	61	68%
Website fees	168	168	0	0%
Owners Equity Payback	1000	2,061	1,061	106%
Total Payments	2,746	5,170	2,424	88%
Surplus of Cash	462	958	496	107%
plus: Opening Bank Account	0	0	0	0%
Closing Bank Account	462	958	103	10%
Less Tax (25%)	115	239	26	10%
Closing Bank Account	347	719	77	10%

# Sustainability

## Cultural outcomes

OUR CULTURAL GOAL WAS TO PROMOTE WELLNESS AND AUTHENTICITY IN OUR FAST-PACED WORLD.

- We aim to create a cultural shift towards self-care, emphasising the importance of nourishing our bodies with pure, natural ingredients. Through our products, we seek to empower individuals to prioritise their health and well-being.
- The outcomes we aspire to achieve include a stronger sense of community among our customers, increased awareness of the benefits of natural ingredients, and a contribution to a culture that values transparency and sustainability in the products we consume.
- Ultimately, our cultural goal is to inspire a healthier, more mindful way of living that resonates with our customers' values and aspirations.

## Environmental outcomes

OUR ENVIRONMENTAL GOAL WAS TO CREATE A PRODUCT THAT HAS ALL NATURAL INGREDIENTS WITH PACKAGING THAT WILL NOT BE AT THE EXPENSE OF THE PLANET.

- Our bottles are made from recycled plastics and are also completely recyclable. This means that our lids, bottles and labels are each individually recyclable as long as they are recycled separately.
- The ingredients in our product are all natural, locally and ethically sourced. We have used Aloe Vera Juice, Grapeseed Oil, Calendula infused Organic Oil, Vitamin E, Pure vanilla bean oil, Xanthan Gum and Sodium Benzoate.
- All of these ingredients are sourced from Pure Nature, a New Zealand owned company who focuses on providing products for everyday people and small businesses.

## Economic outcomes

OUR ECONOMIC GOALS WERE TO MAKE 90 SALES BY SEPTEMBER 31ST AND TO HAVE REVENUE OF \$2000 BY THE END OF YEAR.

- We have not only met but exceeded our economic goals for this year.
- We successfully made 137 sales, showcasing the dedication and hard work of our team. Additionally, we've generated an impressive revenue of \$3647.80, far exceeding our initial target of \$2000.
- This accomplishment reflects our commitment to our company and our ability to promote and market our product.

## Social outcomes

OUR SOCIAL GOAL WAS TO RAISE AWARENESS TO PURE OCEAN AND AID THEM IN THEIR MISSION TO HELP THE OCEAN BY DONATING \$1 PER EVERY BOTTLE THAT WE SELL.

- We want our customers to understand how important nature and the environment is to us, not only as a business but as individuals.
- We all feel very strongly about supporting and helping our environment. However, because we are all young students there is only so much we can do.
- So we decided that donating part of our profits to an organisation that aims to help the ocean is the best option for us.



# Amoria Highlights

