

ALOHA POWER CUBE

YANFEI QU¹ and NAPAPORN KHANTANAPHA*²

^{1,2}Graduate School, Southeast Asia University, Bangkok, Thailand. *E-mail: NapapornK @sau.ac.th

Abstract

Shanghai Aloha power cube industrial design co., LTD. It is seen that the market demand, in 2012, YiXia lead to the design and development of the power cube socket, upon the market was recognized and loved by the masses of users, in 2016 the company has developed into a scale of 30 people team, products are exported to 82 countries and regions at the same time, with the expansion of the size of the market, Traditional offline sales restrict the promotion efficiency of the brand. Since 2019, the brand has started to enter all major online platforms for sales. In terms of the e-commerce platform of JD Mall, the annual sales volume can reach about 5 million yuan. As the production scale increased, the ROI increased from 200% to 250%

Keywords: Power Cube, Aloha, socket

SECTION 1

EXECUTIVE SUMMARY

Power sockets exist as accessories for electrical products. They can be seen everywhere in our life, ranging from the charging of ordinary small appliances to the power supply of household appliances. Consumers need more interfaces to plug in. With the development of science and technology, the application of smart homes and the proportion of intelligent products in each family have significantly increased. Socket products are no longer only to provide power sockets, intelligent sockets will be favored by consumers.

The brand Aloha power cube was founded by Yixia Jiang and Arthur Limpens, two industrial design graduates at the Delft University of Technology in the Netherlands. With the vision of realizing a Different Standard, Aloha researched and developed a new Power supply Power Cube. Four years later, Aloha set up its headquarters in Shanghai, China, and named it "Aloha".

In 2019, Aloha officially settled in JD Mall, starting a new journey of online marketing.

A good management system must have good execution ability to play its guiding role. In this respect, Aloha adopts scientific customer management methods from downstream sales to upstream production and processing, regularly tracks and visits customers, and listens to market dynamics and demands, to adjust product strategies. These strategies include the optimization of functions and the improvement of product quality. In the production and processing of products, the supply cycle is shortened from two months to less than two weeks now. To reduce the cost of inventory and raw material backlog, the company has achieved zero inventory management to the maximum extent.

Concept

Up to now, Aloha has not only made excellent performance in Power Cube but also increased the number of socket categories from the original 4 to more than 20. In terms of smart homes, relying on the company's excellent design team, Aloha has developed nearly 100 kinds of smart homes and surrounding products, which have been gradually put into the market, and the number is still increasing. Including unique suspended moon night light, multi-functional sliding bar shadowless lamp, folding portable laptop stand, and so on, by the end of 2021, Aloha a turnover has reached 8 million yuan, including JD mall about 2 million, and that figure is four times as much as five years ago, the company employees from five years ago, less than 10 people, also increased to 30 people, With the company's presence in various e-commerce platforms and we-media platforms, the company is also constantly trying new sales channels, including network broadcast and community talent carrying goods, etc. It is expected that by the end of 2022, product sales will reach 9 million yuan.

Based on the sales big data of JD Mall, this article will make a detailed description of the development of the Aloha brand from the aspects of the industry, market, marketing, team, operation, finance, etc., to predict and deploy the future sales planning of the brand.

SECTION 2

COMPANY DESCRIPTION

1. Company profile

Shanghai Aloha Industrial Design Co., Ltd. is a product design company focusing on the design, production, and sales of consumer digital products, relying on first-class industrial design and efficient supply chain management, to provide consumers with high-quality, good user experience and cost-effective consumer electronic products. Aloha has a vision that when people think of a product, they will think of the product we designed first and forget the traditional look of the product.

2. Company culture

Aloha originated in the Netherlands. Aloha was founded in 2010 by Yixia Jiang and Arthur Limpens, two industrial design graduates from the Delvota University of Technology in the Netherlands. Four years later, Aloha established its headquarters in Shanghai, China, and took the name "Aloha ". Up to now, Aloha has set up subsidiaries in the Netherlands, China, the United States, Japan, and other countries to design creative products with a global perspective and looks forward to bringing the brand to the global market.

3. Company vision

A different standard, "We're rethinking everyday objects and making innovative changes to them. Our ultimate goal is to set a different standard."

4. Products and Services

Power Cube socket: Aloha launched the first generation of products. Power Cube socket is a multi-socket that can be freely combined stereo socket. It's compact and makes good use of

each side. Although small, it does not block other plugs even when plugged into a large power adapter, which is often not done in traditional power socket.

In addition to providing four additional Power socket, the Power Cube Socket USB version also offers dual USB charging ports to charge your smartphone or tablet without a dedicated Power adapter.

The Power Cube socket extender also comes with a fixed base that allows consumers to attach it anywhere, even to the bottom of a wall or desktop. You can install a power outlet in the most convenient location.

5. Summary

Aloha is an innovative industrial design company dedicated to reinventing products that haven't changed for years and setting a new standard for them.

- ✧ Each of our products has a unique selling point + multiple features.
- ✧ All of our products are distinctive and innovative
- ✧ We are a fast-growing company in global market share development, product portfolio expansion, optimization, and human capital, Make significant progress and embracing opportunities.

SECTION 3

INDUSTRY ANALYSIS

3.1. Industry Overview

There are many types of electrical socket. Basic socket include wired plugboards and converters, which can be connected to one or more power plugs. The purpose of these socket is to solve the problem of electrical appliances.

Chinese socket industry from the simple assembly before 1995 to the present development and design of fine processing, has nearly 30 years of iteration, 2019 China's power socket industry industrial output value has reached 25 billion yuan, and socket enterprises are mainly concentrated in coastal Guangdong, Zhejiang and Shanghai and other provinces and cities. In terms of the industrial chain, the upstream of the socket mainly includes copper parts, plastic and power lines, fuses, and other raw materials, the middle stream is mainly the production and manufacturing of the socket, and the downstream according to the consumption field can be divided into a residential household field, industrial enterprise field, and office field,

3.1.1. Political environment

In recent years, with the government's emphasis on electrical accessories, 3C compulsory certification of electrical accessories has played an important role in promoting the popularization of safe electrical products. In particular, on June 1, 2010, the state enforced new specifications for power converters.

3.1.2. The economic environment

In terms of economic impact, our country's decoration industry maintained a good trend of rapid growth, the real estate market reform since 1998, the real estate industry's high-speed development, formed a large amount of growing stock of housing, with the family home decoration life gradually maturing, the corresponding renovation requirements gradually released, The office and commercial places with the growing market main body, the corresponding renovation is also more frequent, which has brought important support to the continuous growth of the socket industry but also become an important demand growth point of power sockets and other products. Along with the stable development of the real estate market and the continuous improvement of the urbanization rate, the power socket market is expected to maintain sustained growth.

3.2. The driving force affecting the demand and consumption development trend of the socket industry;

With the development of society, the living and cultural level of consumers compared with the past 10 years has changed drastically, and the demand of consumers for sockets has changed accordingly. They are no longer just staying at the problem-solving level, more consumers are pursuing the safety, intelligence, and personalization of the socket.

3.3. Industry trends

3.3.1. Developed cities are the main force of consumption

Power sockets are relatively durable goods, buy a relatively good quality power outlet to be able to use for more than a few years or even longer, usually only people that rent a house and buy a new home crowd demand is bigger, and this part of consumers tend to be concentrated in the developed urban area, their purchasing power is enough to support their pursuit of a better product, Traditional basic functions of the socket demand growth is limited. And the demand for functional or new sockets has a rapid growth space, such as USB sockets, APP sockets, and other smart sockets, the overall power socket demand is broad, which is also the basis of the development of the whole industry is relatively stable.

3.3.2, Moderate cost performance

With the development of the social economy and the application of new production technology to factories, market competition has entered in a new era. There is not only competition in price but also competition in product quality. The overall market has higher requirements for quality. In the future, power socket enterprises with new functions such as green environmental protection and intelligent applications are expected to occupy a higher market share, and the market concentration will be further improved.

3.3.3. Bring forth the new from the old

The power accessories industry belongs to the necessities of 3 c products, as the growth of the 3 c product market share each year, the resulting demand is growing, so it belongs to the growth in the whole power supply accessories industry growth, at the same time, along with personal

phone and electronic products demand quick charge, new power accessories, orderly will replace traditional power accessories, Bringing out the new will be an inevitable trend in this industry.

3.4. Industry scale, growth rate, and sales forecast

Along with China's per capita disposable income situation and residential electricity use continuing to grow, China's resident socket demand continues to grow. The disposable income of urban residents in China has grown rapidly since 2011 and reached 47,412 yuan in 2021, according to the data. All social power consumption has also rapid growth since 2012, and by 2021 has reached 8.3128 trillion KWH, overall, improving residents' consumption ability leads to resident's living standards improving, household electrical appliances demand growing demand continues to grow, and the wall outlet can meet the use requirements, all conditions such as mobile phone charging, etc., Coupled with the continuous increase in electrical appliances led to the continuous development of the socket industry. (Data source: National Energy Administration, China Economic Industry Research Institute)

3.5. Industry structure, nature of participants, and ratio

The power socket is widely used as a whole and can be divided into the residential family field, industrial enterprise field, and office space according to different uses and needs. In 2021, China's socket market size was 14.571 billion yuan, including 10.15 billion yuan of household demand, 3.391 billion yuan of industrial enterprises, and 1.03 billion yuan of office space and other fields. Accounting for 69.66%, 23.27% and 7.07%, respectively. Mainly domestic households per capita can spend the level of improvement, home appliances, and the number of continued growth, to meet all kinds of electricity demand, and socket demand continues to rise. (Source: Open Data Collation, China Economic Industry Research Institute)

SECTION 4

FINANCIAL ANALYSIS

4.1. Financial forecast and feasibility analysis

Aloha's capital source is self-raised. The financial budget set in the five-year planning period from 2022 will be listed below based on the data of the previous three years. According to the data growth of the previous three years, with the continuous launch of new products into the market, the annual growth is expected to be about 15%.

In terms of fixed costs, the office environment is 200 square meters, the rent will remain the same within five years, and the office cost will be budgeted at 2000 yuan per month, mainly including the purchase of office consumables and basic office supplies and facilities. The basic salary is estimated with the flow of personnel.

| 2022 Financial Projections | | |
|-----------------------------------|--------------|--------------|
| Source of funds | | |
| Personal funds of founders | ¥300,000,000 | |
| Net income (loss) from operations | ¥8,379,367 | |
| Add depreciation | ¥54,822 | |
| Total funds provided | | ¥308,434,189 |
| Application of funds | ¥1,958,100 | |
| Purchase of equipment | ¥27,411,113 | |
| Inventory | ¥5,482,223 | |
| Total funds expended | | ¥32,893,335 |
| Net increase in working capital | | ¥275,540,854 |

| Income Statement | | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| For the Year Ended, Dec., 31 | | | | | |
| | 2022 | 2023 | 2024 | 2025 | 2026 |
| Revenue: | | | | | |
| Power Cube Online | 8,026,425 | 9,230,389 | 10,614,947 | 12,207,189 | 14,088,267 |
| Power Cube Offline | 13,100,800 | 15,065,920 | 17,325,808 | 19,924,679 | 22,913,381 |
| Power Cube abroad | 33,695,000 | 38,749,250 | 44,561,638 | 51,245,883 | 58,932,766 |
| Total Revenue | 54,822,225 | 63,045,559 | 72,502,393 | 83,377,751 | 95,884,414 |
| Cost of Goods Sold | 27,411,113 | 31,522,779 | 36,251,196 | 41,688,876 | 47,942,207 |
| Gross Margin | 20,832,446 | 23,957,312 | 27,550,909 | 31,683,546 | 36,436,077 |
| Operating Expenses: | | | | | |
| Salaries Expenses | 7,539,000 | 8,669,850 | 9,970,328 | 11,465,877 | 13,185,758 |
| Application Expenses | 1,958,100 | 2,251,815 | 2,589,587 | 2,978,025 | 3,424,729 |
| Rent Expenses | 583,200 | 583,200 | 583,200 | 583,200 | 583,200 |
| Repair Expenses | 274,111 | 315,228 | 362,512 | 416,889 | 479,422 |
| Maintenance Expenses | 54,822 | 63,046 | 72,502 | 83,378 | 95,884 |
| Marketing Expenses | 164,467 | 189,137 | 217,507 | 250,133 | 287,653 |
| Delivery Expenses | 109,644 | 126,091 | 145,005 | 166,756 | 191,769 |
| Utilities Expenses | 54,822 | 63,046 | 72,502 | 83,378 | 95,884 |
| Depreciation Expenses | 54,822 | 63,046 | 72,502 | 83,378 | 95,884 |
| Miscellaneous | 384,000 | 384,000 | 384,000 | 384,000 | 384,000 |
| Office Supplies | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 |
| Total Operating Expenses | 11,200,989 | 12,732,457 | 14,493,646 | 16,519,013 | 18,848,185 |
| Operating Profit (Loss) | 9,631,457 | 11,224,855 | 13,057,263 | 15,164,533 | 17,587,893 |
| Less: Taxes | 1,252,089 | 1,459,231 | 1,697,444 | 1,971,389 | 2,286,426 |
| Net Income | 8,379,367 | 9,765,624 | 11,359,819 | 13,193,144 | 15,301,467 |

| Balance Sheet | | | | | |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| For the Year Ended, Dec, 31 | | | | | |
| | 2022 | 2023 | 2024 | 2025 | 2026 |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | 6,703,494 | 7,812,499 | 9,087,855 | 10,554,515 | 12,241,173 |
| Office Supplies | 124,000 | 124,000 | 124,000 | 124,000 | 124,000 |
| Total Current Asset | 6,827,494 | 7,936,499 | 9,211,855 | 10,678,515 | 12,365,173 |
| Nncurrent Asset | | | | | |
| Application | 1,958,100 | 2,251,815 | 2,589,587 | 2,978,025 | 3,424,729 |
| Properties, Plant and Equipments | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Computer | 210,000 | 210,000 | 210,000 | 210,000 | 210,000 |
| Printer | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Table & Chair | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Washer | 50 | 50 | 50 | 50 | 50 |
| Accumulated Depreciation | 54,822 | 63,046 | 72,502 | 83,378 | 95,884 |
| Total Nncurrent Assets | 2,456,472 | 2,758,411 | 3,105,640 | 3,504,953 | 3,964,164 |
| Total Assets | 9,283,966 | 10,694,910 | 12,317,495 | 14,183,468 | 16,329,337 |

4.2. Analysis of financial position

Solvency Analysis of the assets and liabilities structure on solvency and the company's operations. Relevant data of the company's current ratio and asset-liability ratio are as follows:

The current ratio is gradually increasing, while the asset-liability ratio is gradually decreasing, indicating that the company's solvency is enhanced.

The Company's financial advantages

The company's main financial advantages:

The company's accounts receivable at the end of the last three years account for a small proportion of the income of the same period, the asset structure is reasonable, there are no major trading financial assets and other financial investments, and the asset quality is high; The business activities of the company can generate good net cash inflow and good income quality; The company has good corporate credit, no debt cannot pay off the situation of maturity provides favorable conditions for the development of the company; At the end of 2019, the end of 2020, and the end of 2021, the company's return rate on assets was 12.8%, 11.6%, and 11.5% respectively, and it was in a leading position in the industry, indicating that the company had good profitability. In general, the company has maintained a consistent style of stable operation, good asset quality, strong profitability, abundant cash flow, and a strong ability to resist risks.

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