

## Business strategy for the development and marketing of handmade soap.

### *Estrategia empresarial para emprendimiento de elaboración y comercialización de jabón artesanal*

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#### Abstract

This article analyzes the creation of a business dedicated to the production and marketing of children's soaps based on glycerin located in the city of Guayaquil, based on the design of a business plan. The objective of the work is to present an efficient proposal for the idea of a business that provides a quality product and that benefits consumers by creating a culture of hygiene in the minors of the home. In which a qualitative methodology was proposed through exploratory, descriptive and field research, for which a market study was carried out to analyze the tastes and preferences of the target market; establishing marketing mix strategies which allowed us to conclude with a viable and sustainable business, which can be replicated by new entrepreneurs and innovators.

#### key words

Production, Hygiene Culture, Quality, Personal Care, Market

#### Resumen

El presente artículo analiza la creación de un negocio dedicado a la elaboración y comercialización de jabones infantiles a base de glicerina ubicado en la ciudad Guayaquil, en función del diseño de un plan de negocio. El objetivo del trabajo es presentar una propuesta de eficiente para la idea de un negocio que brinde un producto de calidad y que beneficie a los consumidores creando una cultura de higiene en los menores del hogar. En el cual se planteó una metodología cualitativa mediante una investigación exploratoria, descriptiva y de campo, para lo cual se realizó un estudio de mercado para analizar los gustos y preferencias del mercado objetivo; estableciendo estrategias de marketing mix lo que permitió concluir con un negocio viable y sustentable, que puede ser replicado por nuevos emprendedores e innovadores.

**Palabras clave:** Producción, cultura de higiene, calidad, cuidado personal, mercado.

#### 1. Introduction

Being able to instill in children the care of personal hygiene from a very early age allows the consolidation of this habit in daily life into adulthood [1]. Both adults and children need proper and frequent hygiene, but above all frequent; there is no more preventive way to avoid contamination, viruses, parasites, bacteria than by adopting proper hygiene habits. The lack of good hygiene practices could lead to disinterest in self-care, especially in the little ones who absorb all the information that adults impart in the first five years of life [2]

Instructing children in the care of personal hygiene will eventually lighten the burden on the adults responsible for them. So that children are motivated to wash their hands frequently, through a children's soap that allows and helps children to have a culture of personal hygiene from an early age, which will also prevent diseases such as colds, flu, and even more serious diseases such as hepatitis A, salmonellosis, typhoid, and diarrhea that cause dehydration.

It is known that infants tend to pick things up off the floor and put them in their mouths, this could cause an infection, just like at mealtimes, grabbing food with dirty hands and putting it in their mouth [3]. Any situation regarding personal hygiene and disinfection can be

controlled through a product that provides important requirements and benefits to constitute a quality product that participates in the daily motivation of hygiene, health, and disinfection of infants, to which a children's incentive is incorporated to enhance frequent washing [4]

Otero and Pérez [5], indicated that a feasibility study, carried out on the US market on the consumption of disinfection and personal care products, has the clear objective of taking care of people's hygiene in their early years of life. This is the reason why the focus is on this valuable area, and to motivate the consumption of personal hygiene and disinfection products.

Currently the soap market is largely focused on various specialized soaps for adult skin, especially women, without considering that skin care in children and infants is different from that of older people, because their skin type has gone through different environments within a period which makes them mature and need other beneficial characteristics for the skin.

The lack of innovation in personal care products for infants and children, aimed at skin care and hygiene, is a problem that in the future will cause irritation and damage to the skin of the little ones, because it does not meet the correct needs of cleaning and disinfection

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according to the type of early skin that is dealt with, due to this it is considered that there are not enough products that focus on the care of children's skin.

Making a diagnosis of the current situation of personal care and disinfection products in Ecuador, the following causes have been detected: (a) There are few manufacturers of soaps aimed at children, which focus on caring for the needs of their skin and (b) Most soap manufacturers focus on the exterior. To address this existing situation, it is proposed to design a business plan to create a personal care soap in the children's market, which will allow the creation of a company dedicated to the production of exclusive soaps for children, will allow market analysis, know the acceptance of the product in consumers, educate children in hygiene and disinfection products and their importance, in order to implement advertising strategies that demonstrate the benefits of using the product.

Defining the market segment will allow the product to be made enjoyable and with preferred characteristics, which will increase sales and production and thus provide a quality product that can compete with national brands, establishing marketing strategies by proposing the strategy of retaining customers, to position it in the local market.

## 1.1. Business Plans

The justification starts from the relevance of developing a business plan as a relevant option when bringing a business proposal to reality. According to Proinversiones [6] a business plan will help to know in detail a business, since it analyzes its background, the development of strategies to be used, the SWOT analysis that will allow to know the external and internal variables of the business with which success can be established. With this it can be established that proposing in the present investigation the design of a business plan, can strengthen the foundations for a successful, sustainable, and viable business. According to Fleitman [7] a business plan is defined as a key and fundamental instrument for success, through which various related activities are developed to promote and guide the creation or growth of a business through a product or service. On the other hand, García-Pastor [8] describes the business plan as an indispensable tool for the creation of a company that identifies and analyzes a business opportunity in the market. In addition to examining how feasible and profitable it is through administrative, technical, and financial analysis.

The consumption of children's personal care and disinfection products in Ecuador, according to the exports made by Ecuador in 2017, obtained a growth of 11.78%, unlike the years 2018 and 2019 that obtained higher values in soap exports [9]. According to COMEX [9], Ecuador's exports have decreased by 40.31%, which represents the taking advantage of the opportunity for

personal hygiene product consumption, in the domestic production market.

The market study which allows identifying the segment and niche of the market to which the research project is aimed, technical study which consists of analyzing the production process of a product in order to know its specifications, use of marketing strategies that help the brand and the offered product to be welcomed in the market and be promoted in the best way, an administrative study that presents the functions of the staff and their hierarchy scheme, as well as the economic and financial study that supports the costs incurred to carry out the project and also its feasibility.

According to the research developed by Garzón [10] where he designed a business plan for the production and marketing of handcrafted opalized articles in the city of Babahoyo, with favorable results for the business, as well as for consumers, which shows the importance of developing business plans to guarantee sustainability and profitability of a business over time. Design of a business plan for the commercialization of paper straws in the city of Guayaquil, helps through a process of consumer adaptation so that they adhere to both regulations and consumption habits, the market for a paper straw that has the same ease of use and disposal as a plastic straw, but which is environmentally friendly. Which indicates that carrying out the design of a business plan allows the fulfillment of the proposed objectives, carry out the daily activities successfully, without harming the environment [11]

As an example, a business plan designed to produce artisanal toilet soaps, aimed at a segment of women and adult men is developed in order to capture attention and introduce the idea to the market with statistics, surveys and current data. The artisanal soap managed to make a difference by being environmentally friendly and healthy, as well as having quality natural ingredients that captivated the attention of the intended segment [12]

The importance of developing a business plan is to facilitate the analysis of the competition in the way that Andía & Paucara [13] stated that a new company in a collapsed market of competitors with similar products, it is essential to be able to know and identify what are the steps that a business must follow to reduce failure in decision making, to face the market and improve its entry into the markets on which it focuses its sales efforts, from there a question arises that defines how important is it to develop a business plan for the creation of a company?, where clearly most of the start of companies do not have in mind basing their activities on a business strategy, but rather base their activities empirically by intuition; For this reason, in the present research work it is believed that it is important to implement the development of a business plan.

Within the design of the business plan, corporate social

responsibility also plays an important role because every product must also be focused on caring for the environment through packaging, wrapping, product presentation and materials for production. This will also make it possible to offer a hygiene product, which focuses its attention on being able to provide a personalized service in taste and preference of shape, color, and incentive that the soaps contain for infants and children.

Through the results obtained from a global survey on hygiene, it was shown that people who live in or are from Latin American countries tend to bathe very often; it is a custom that is more emphasized in countries such as Mexico, Brazil, Colombia, and Ecuador. Most likely the relationship between climate and bathing is due to heat and humidity, which makes hygiene more appealing [14]

There is a variety of products related to the cleaning and hygiene of infants and children, however Mora [15] clarifies that: "There are many products that we can buy to take care of and clean our skin, but without a doubt those that respect 100% of the pH of the dermis are the healthiest options. And among these, glycerin-based products stand out as the first alternative."

The establishment and growth of the business plan idea proposed in this research work will affirm both the proposed idea and the product to be produced. The business plan uses strategic planning tools including the marketing plan where it reveals the structure of the organization including the mission, vision, values and how to achieve the established objectives; the SWOT analysis that analyzes the macro environment and microenvironment to set strategies that improve the growth of the organization. Emphasizing that the information that will serve as support for this research will be based on surveys.

## 1.2. Strategic Business Planning

The definition of the term strategic planning is considered from the concept of planning [16]. The strategic planning process is a tool that allows obtaining an accurate diagnosis that allows making decisions in accordance with the objectives and policies formulated [17].

Strategic planning is important in companies and over time it has been implemented more frequently in companies, in order to achieve their objectives and goals, because it allows better use of resources (workforce, capital, customers, etc.); taking advantage of the opportunity to obtain better benefits [18].

The main parts of strategic planning are:

- **Vision:** It focuses on defining long-term goals.
- **Mission:** Defines the organization's reason for being.
- **Values:** They are principles that allow defining

employee behavior in the organization and define the culture and priorities as a basis for decision making.

- **Strategies:** They are actions to take in order to achieve a specific objective, the objectives to be met are involved.

In the present research work, the use of the main parts of strategic planning will help to know where the business wants to go, what the business currently represents and what it does to achieve the proposed vision; under what foundations it is structured and how the objectives aimed at fulfilling the vision are raised.

## 1.3. Market analysis

A market analysis according to Lefort & Walke [19] can be defined as a need that can be carried out by any new or old entrepreneur, since regardless of the activity to be engaged in, the entrepreneur needs to know the market to which the product or service is directed, the preferences and purchasing habits of its consumers, the strategies of the competition. These elements help business management make correct decisions about their activity. Hence the importance of using information with real and easy to interpret data, to make successful decisions. On many occasions, wrong decisions can be made because the information is misinterpreted. On the other hand, although techniques such as market research are implemented that help reduce the risk of decision making, business managers can also apply their own experiences and initiatives.

Market research is a technique used to collect data and make use of it, in order to identify opportunity factors for the company, in which the entrepreneur must make decisions and meet consumer needs, in this way Vértice [20] in his book defines market research as that which serves to identify, collect, analyze, and use information; This information allows identifying or defining the research problem or opportunity for market research. Each marketing opportunity translates into a problem that must be investigated. Through the above, the market analysis will allow evaluating the latent characteristics of supply and demand, and in this way determine bases for decision making regarding the development of the business plan and the preference of demand for the offered product.

## 1.4. Technical analysis

The various technological initiatives to produce goods or provide services are analyzed and formulated through the technical study of a project, which also allows verifying the technical feasibility of each process and identifying everything necessary such as machinery, equipment and raw material necessary to start executing the project. It aims to answer questions such as: where, how much, when, with what and how will the desired be produced; Through the technical analysis, the aim is to establish everything related to the operation and operation. In the

same way, as Romero, Hidalgo, & Correa [21], mentioned, this will also allow knowing in advance how to support the costs of the new business.

Therefore, the technical analysis that will be applied in the present research work will allow accessing the necessary information to carry out the project from raw material, machinery to answering questions to produce the correct product that will allow in the short term to know the operation through the support of costs previously analyzed for the implementation.

## 1.5. Administrative analysis

Within the business plan there is this type of analysis where the organization is structured by making an organization chart representing the role played by each collaborator and the existing hierarchical levels, it also includes the human talent area where according to what the company requires vacancies are opened to select the necessary person. As Romero, Hidalgo, & Correa [21] point out, this type of analysis helps to identify the activity of the business both in evolution and in the recovery of the investment. As explained initially, the administrative analysis developed in this research will allow hierarchically developing the role that each person covers within the business, and knowing the process of how the initial investment is gradually recovered in the medium term that will allow measuring the overall stability of income and expenses.

## 1.6. Financial analysis

For Padilla [22] the financial study is a fundamental part of the evaluation of an investment project. Which can analyze a new venture, an ongoing organization, or even a new investment for a company, such as the creation of a new business area, the purchase of another company or an investment in a new production plant. Therefore, the financial analysis that will be developed in the present investigation will allow knowing and clarifying the initial and future projections of the business to have a clear idea of the sources of income and the viability of the business as such.

## 1.7. SWOT analysis

The SWOT analysis is defined as a tool that allows visually diagnosing the internal and external situation of the company and with this develop strategies that allow fulfilling the objectives for the improvement of the performance of the organization. The objective of the SWOT is to know the reality of a business, in addition to also being able to analyze products, functional areas and even the entire company. All this to make effective decisions in the future and develop the most appropriate strategies. When the SWOT analysis is concluded, action can be taken directly on the internal factors since they depend on the organization and are manipulable unlike external factors that do not depend on the organization but on the environment and cannot be manipulated or

controlled.

Based on the previous explanation, the use of SWOT analysis in this research work will be to identify the strengths, weaknesses, opportunities and threats of the business. In order to develop strategies that allow the business to analyze its internal and external position in the market and thus not decline but be prepared to act in the face of any alteration of the environment.

## 1.8. Marketing Plan and Marketing Mix

The marketing plan is aimed at meeting the needs presented by the customer, in which the type of product offered, pricing, defining the market to which the product will be directed and how it will be promoted must be described. The marketing plan will be used to show how the business should establish and maintain relationships with customers, which will allow effectively identifying what kind of needs a customer presents, what their availability is to the product offered by the business and accessibility to promotions that retain them immediately.

The marketing mix is specified as the interaction of actions or events that the organization uses to publicize and promote its product in the market. Within the marketing mix, 4 essential variables are mentioned: price, product, place, and promotion. Next, each of the variables will be detailed:

- **Product:** it is the production that the company prepares to satisfy the needs of the client.
- **Price:** this variable directly affects the profit and income of the company, the price launched in the market helps to position the product within a specific segment.
- **Place or Distribution:** also called point of sale is the variable where components are developed that ensure that the product is available in different places and times when consumers acquire it.
- **Promotion:** are communication strategies with the market that the organization uses to sell the product, advertising, sales promotion, among others are necessary.

The application of the 4 P's of the marketing mix will allow this research work to identify attributes, characteristics, tastes and specific indications of consumers. Therefore, being able to develop price control strategies that are accessible to customers and consumers, as well as the growth of distribution channels, both physical from the business to the client and verbal from client to client.

## 2. Materials and methods

The present investigation carries out a qualitative design when carrying out a descriptive statistical analysis of data



and interpretation of results, for Vega et al. [23], they indicated that the qualitative approach serves as a measurement of the variables that must be considered for the understanding and analysis of the subjective meanings and what happens around the object of study. This allows that, through the analysis of data, assumptions or ideas are established because of the observation and evaluation of these; and these be based on the foundation of the evaluations to clarify, modify or substantiate the ideas or generate others. The analysis of said data provides the researcher with a better interpretation and execution of the objectives of the research work.

Being an investigation with a qualitative approach, exploratory, descriptive and literature review research was carried out. Exploratory research is interested in discovering characteristics that bring the researcher closer to the cause of the problem, it is more general knowledge and is based on an unknown or little studied topic, so its results contribute to the analytical knowledge of the data that contribute to research. The use of exploratory research will help identify valid information for the researcher which is aimed at identifying the formulation of a research problem and planning an assumption. Descriptive research in this research work was used to specify what specific characteristics should be discovered in exploratory research, because the characteristics can be measured more precisely for analysis [24]. Which allowed analyzing the analysis of the surveys carried out and interpreting their results. Finally, the literature review allowed understanding the sources of information collected in order to analyze them to support the realization of the research work through its purpose or meaning.

The population of object of study and analysis are the inhabitants of the city of Guayaquil between 20 and 95 years old, which is 1,424,655 inhabitants, representing 60.6% of the target market since in the city of Guayaquil there are 2,350,915 inhabitants. To determine the sample calculation, the target market will be used, and the following data will be considered:

- Confidence level 95% and margin of error of 0.05%.
- The probability of success will be 50%, which corresponds to the acceptance of the product, and the remaining 50% will be the probability of failure for the product in the target market, people who decide to buy from the competition.

$$n = \frac{N \cdot Z_{\alpha}^2 \cdot p \cdot q}{d^2 \cdot (N-1) + Z_{\alpha}^2 \cdot p \cdot q}$$

$$n = \frac{1,424,655 \cdot 1.96^2 \cdot 0.5 \cdot 0.5}{0.05^2 \cdot (1,424,655-1) + 1.96^2 \cdot 0.5 \cdot 0.5}$$

$$n = \frac{1,368,238.662}{3,562.5954}$$

$$n = 384$$

Which determines that 384 surveys will be conducted with people who meet the specifications of the population and geographic space determined.

### 3. Results

#### 3.1. Market analysis

The market analysis will focus on children between 0 and 12 years old, where guardians of children were surveyed, especially from the city of Guayaquil. Ecuador has a total of 4,333,264 children between 0 and 12 years old according to INEC, with total percentages represented by 51% boys and 49% girls in 2020. Where it was determined that the main competitor in the market is Johnson & Johnson Ecuador, a company with great national prestige. In addition to producing soaps for infants and children, it also produces talcum powder, body oil, cologne, mosquito repellent lotion, bar and liquid soap, wet wipes, body cream, shampoo, petroleum jelly, cotton swabs, among others, which represents many children's products. What differentiates the proposed business is the added value of the incentive that the soap contains inside, which motivates children and infants to make frequent use of the product and cultivate constant personal hygiene, in addition to being a national company with totally Ecuadorian products, which also promotes social responsibility.

#### 3.2. SWOT analysis (of the product and the company)

##### Strengths

- Generate motivation to use the product through an incentive (toy).
- The product made under quality guidelines.
- Customization of the product.
- Satisfaction of needs for early skins because it adapts to all skin types without causing any allergies.

##### Opportunities

- Motivation for children in skin care and personal hygiene to prevent diseases such as COVID 19.
- Government support for small businesses.
- Credit facilities for entrepreneurs.
- Growth of the children's toilet soap market.

##### Weaknesses

- Lack of own capital.
- Lack of production capacity
- Little diversity in product designs, logos and packaging.
- Low brand recognition in the market.

## Threats

- Political instability.
- Emergence of competitor products positioned in the market.
- Non-acceptance of the product in the market due to distrust of being relatively new.
- Indirect competition from other artisanal soaps and their innovative chemical components.

### 3.3. Marketing Mix (4P's of Marketing)

**Product:** Glycerin-based soap will be produced and marketed with natural essences to the tastes and preferences of consumers. The soap presentation will be 125.39 gr, the packaging will be made in kraft paper wrap with adhesive paper label to keep moisture out of reach of the product, it will have quality guidelines where it is guaranteed to the consumer that the product you are acquiring complies with quality guidelines, in order to provide a product that cares about having the proper safety and hygiene measures, as well as the effectiveness of the motivation for children's personal hygiene and disinfection.

Differentiation factors of the glycerin-based children's soap

- It is a personalized personal hygiene product for infants and children's skin.
- Made with pure glycerin
- Antiseptic prevents wound infection, fights dermatitis, prevents skin eruptions, keeps pores clean.
- Promotes corporate social responsibility and consumer responsibility.

From an ecological point of view, cardboard wrappers have the following advantages:

- Lower environmental impact because the degradation time of paper is shorter than a plastic wrap.
- It is 100% recyclable and biodegradable.
- Minimizes waste generation.
- Energy savings.
- Greater flexibility
- And greater encouragement of consumer responsibility for excessive plastic consumption.

**Price:** Establishing the price of the product is of utmost importance, because in this way it will be possible to obtain monetary benefits from which the profits of the business are included, and also the power of persuasion towards consumers that they pay a value for the purchase a product that contains benefits and quality for the user, thus being a competitive product through the setting of its price, without sacrificing the quality of it and the

payment of its costs. To establish the price, the following aspects were considered:

- Production costs
- Competition prices
- Price according to the economic situation of the consumer.
- Price that customers would be willing to pay, for the product it will be \$3.00 per unit and promotions will also be specified for the sale of more units per suggested promotion.

The product will be established with the price of \$3.00 per unit so that it can be accepted by the consumers to whom the offered product is directed. This will allow the sale of the product to deal with the presentation and brand of the product, this being a synonym for a quality product. The price setting is based on maintaining and overcoming the costs incurred and in turn showing a remarkable and affordable price to the consumer unlike other businesses in the local market.

**Plaza:** The place of marketing of children's glycerin soap is in the city of Guayaquil because the market study has been carried out in the city as a starting point, but it is projected that in the future the product can be marketed nationally. The distribution channels that will be considered for the marketing of the product are supermarkets, stores, and social networks such as Instagram and Facebook.

The image and existence of the product will be established in the local market. As a result, it will help generate more spontaneous publicity through word-of-mouth advertising, so that the benefits of the product and its quality are recognized, and potential consumers obtain information about the product and acquire it.

**Promotion:** It is considered one of the most important tools when publicizing the product, which consists of creating means to massively expand the market that causes a short- or medium-term impact that is reflected in sales. It is also used to reach the target market quickly and accurately, through means such as:

- Social networks.
- Word of mouth recommendation.
- Radio
- Flyers, brochures, leaflets, banners, and all types of printed advertising.
- Promotional campaigns at points of sale such as supermarkets and stores.

### 3.4. Financial analysis

The initial investment is given by the assets for the start-up of the company, as initial investment a total of \$2,197.90 is needed.

Table 1. Initial Balance of the business.

SUMMARY OF THE INVESTMENT		
Description	Partial Value	Total Value
<b>Fixed Assets</b>		
Machinery and Equipment	\$ 644.90	
Computer Equipment	\$ 1,040.00	
Furniture and Office Equipment	\$ 13.00	
<b>Total, Fixed Assets</b>		\$ 2,197.90
<b>VARIABLE COSTS</b>		
Raw material	\$ 815.24	
Direct Materials	\$ 496.32	
<b>FIXED COSTS</b>		
Labor	\$ 466.67	
Basic services	\$ 30.00	
Supplies	\$ 30.00	
Other expenses	\$ 250.00	
<b>TOTAL, WORKING CAPITAL PER MONTH</b>		\$ 2,088.23
<b>Total, Of The Investment</b>	<b>\$ 4,286.13</b>	<b>\$ 4,286.13</b>

Table 1 shows the necessary values to start implementing the business, however, it has been proposed to start the business with an own contribution of \$2,088.23 and the difference will be acquired through financing from a credit institution.

The estimate of income is given because of all the operations or activities carried out by the company. To make the projection of the annual income that will be earned from the sale of glycerin soap, we proceeded to determine the percentage of acceptance of the product through the results obtained in the market research on the consumption of children's personal hygiene soaps, being a total of 10,368 soaps to produce in the first year of establishment of the business.

To make the income estimate for 5 years, we proceeded to choose the population growth rate percentage of the city of Guayaquil for the period 2001 - 2010 which was 1.54% for the first year, the following years will be given from 3%, 4%, 5%, 6%.

Table 2. Income Budget

Sales Budget	Year 0	Year 1	Year 2	Year 3	Year 4
Glycerin soap for children 125 gr.	10,368.0	10,679.04	11,106.20	11,106.20	12,361.20
Sale price	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Total income	\$31,104.0	\$32,037.12	\$33,318.60	\$34,984.54	\$37,083.61

### 3.5. Break-even point

The break-even point within the business environment is used to determine the profitability of the project with respect to an offered product or service, where fixed and variable costs intersect, that is, the company neither earns

nor loses. Below is detailed the minimum level of income that the company must have so that there are no losses.

Monthly FC: labor \$466.67; basic services \$30, supplies 30, other expenses (advertising and mobility) 250.

$$Q_e = \frac{CF}{MG} = \frac{776.67}{1.23} = 631.43 \approx 631 \text{ monthly soaps}$$

$$MG = PVP - \text{Cost of soap}(CV)$$

631 units must be sold monthly so as not to incur losses and reach the break-even point, knowing that any unit below the equilibrium quantities would mean a loss, but if the quantities are higher than equilibrium, they would start to represent a profit for the business.

Table 3. Annual cash flow

ANNUAL CASH FLOW						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Income</b>		\$ 31,104.00	\$ 32,037.12	\$ 33,318.60	\$ 34,984.54	\$ 37,083.61
<b>Variable costs</b>		\$ 15,738.73	\$ 15,903.99	\$ 16,070.98	\$ 16,239.73	\$ 16,410.25
<b>Fixed costs</b>		\$ 9,320.04	\$ 9,320.04	\$ 9,516.79	\$ 9,616.71	\$ 9,717.69
<b>Total costs</b>	\$ -4,286.13	\$ 25,058.77	\$ 25,321.89	\$ 25,587.77	\$ 25,856.44	\$ 26,127.94
<b>Benefits</b>	\$ -4,286.13	\$ 6,045.23	\$ 6,715.23	\$ 7,730.83	\$ 9,128.09	\$ 10,955.67

### 3.6. Financial evaluation

The net present value is an important investment criterion, which consists of updating the collections and payments of a project, to thus know how much is going to be earned and lost and see the viability of the project. A discount rate of 12% will be used.

The criteria states: NPV > 0 = the investment is convenient NPV = 0 = Indifferent investment NPV < 0 = Inconvenient investment.

Table 4. Financial analysis

PERIOD	NET FLOW
0	\$ -4,286.13
1	\$ 6,045.23
2	\$ 6,715.23
3	\$ 7,730.83
4	\$ 9,128.09
5	\$ 10,955.67
<b>VAN</b>	<b>\$ 11,967.39</b>
<b>TIR</b>	<b>152%</b>

#### 4. Conclusions

The segment surveyed is willing to consume the offered product, due to this, data were obtained from a high level of possible purchase and consumption of the glycerin soap, which has an incentive inside, which provides benefits and promotions in the simplest way in supermarkets and stores.

The development of marketing strategies made it possible to observe the acceptance, consumption and positioning of the product evidenced through the business plan, where it includes the identification of customer needs, and these allowed establishing the location and size of the company as well as the growth of the venture and increased sales of glycerin-based children's soaps.

The innovation in the way of motivating a child on constant personal hygiene was evidenced through the Marketing Plan since it specified and generated strategies that induce the client that the incentive found inside the soap motivates the frequent hand washing of the child and instills a culture of hygiene from their early years of life. In addition to the quality, the variety of aromas, colors and shapes that can be adapted according to the tastes that the infant and child have of the soap.

The preparation of the financial study for the creation of the company is totally profitable since it produces utility from the first year of start-up, this positive statement is supported through the exercise of the NPV and the IRR. In addition, this project justifies a beneficial investment and is capable of generating indirect employment and activities for the development of society.

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