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Executive Summary

Fiji’s economy heavily depends on Tourism, it is the largest exporter. Thus, the beaches, oceans and marine life are essential in everyday incomes for many. On 1st August, 2017 under the Environment and Climate Adaptation Levy (ECAL) Act, businesses are now required to charge a levy of 10 cents per plastic bag provided (Fiji First, n.d.). Our team has found an opportunity in this niche market. Viti Bags would be pioneers in establishing a reusable bag business.

The focus of this project are the unemployed women in villages. We will start with Narewa Village, a small community about 1km away from Denarau Island where most international hotels, resorts and restaurants are located. This particular village is also another kilometre away from Nadi Town which has a number of local cafes, restaurants and supermarkets. As part of Corporate Social Responsibility, we will build a partnership with these companies to provide us with potato sacks, flour sacks and sugar sacks which will then be provided to the ladies that have mastered the art of making reusable bags with the help of the National Sewing Centre, FRIEND Fiji (Foundation for Rural Integrated Enterprises & Development) and video tutorials.

The initial capital requirement of Viti Bag is mainly for the purchase of equipment such as sewing machines, needles, crafts and so forth. Our strategy is all about setting a trend in the society so that our brand grows and there is a steady economic growth for women in this model village. We would like to take this plan and adopt it in other villages in the next phases of the project.

Business Overview

Our business will take pride in producing trendy reusable bags that will be sold and distributed by major retail outlets in the Lautoka to Nadi corridor. As these are status ‘Made in Fiji’ bags, the customers are tourists who would be compelled to take a little something from their stay in Fiji. The key people that will be involved in the business are women from the village, NGO partner FRIEND Fiji, volunteer project coordinators and the wider business community. From the business community we will be targeting mainly handicraft centres, hotels and resorts that will not only provide raw materials to make our product but also showcase and sell these products. The production facility will be located in Narewa Village hall. It is well known that Fijian women are naturally gifted in weaving and crafting. Hence this skill set is an added bonus to sewing reusable bags.

We aim to provide both the people of Fiji and abroad a product that is both sustainable and economical to the environment. It is a perfect opportunity for women to give back to the community and at the same time for tourists to give back to the local economy.

Business Objectives

Our mission is to aspire and create self-employment opportunities for women by providing a platform on which they are able to produce and sell reusable bags both locally and internationally. Our materials are of recyclable nature, environmentally friendly which is sourced and produced ethically. The end product will be of high quality and craftsmanship, with each designer’s imprint on it.
Marketing Analysis

Macro Environment
Below we have done a PEST Analysis on important factors that need to be considered. Economic, Social and Technological are the key external forces.

Economic
- Since Fiji’s reliance on tourism industry is substantial, there is a niche market for potential customers.
- Our product price is reasonable, it is more affordable than similar products in the international market scene.
- Reusable bags are in demand as there are no comparable products in the local market.

Social
- Shopping bags or baskets are daily essentials for most of people, and plastic bags is neither environment friendly nor economical.
- Nowadays, the society is paying more and more attention to environment protection and sustainable business practices. Majority of individuals are willing to buy reusable bags as they realize the importance of protecting the environment.

Technological
- Reusable bags are easy to make.
- Learning how to use a sewing machine is a skill that women can grasp from the National Sewing Centre.

Outlined below is also a SWOT analysis:

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>No other similar company in Fiji (Niche Market)</td>
<td>No other competition.</td>
</tr>
<tr>
<td>Raw materials readily available from partners.</td>
<td>About 850,000 visitor arrivals into Fiji (Devi, 2018).</td>
</tr>
<tr>
<td>Bags can be reused, environmentally friendly and saves money in the long run.</td>
<td>Able to establish a sustainable business because of the new Environment levy.</td>
</tr>
<tr>
<td>The bag itself has a lot of uses.</td>
<td>Partners are already onboard or are highly likely to be part of the initiative.</td>
</tr>
<tr>
<td></td>
<td>Can be adopted by other villages as next part of the project with new fashionable designs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>New company in the market.</td>
<td>Competition from new companies.</td>
</tr>
<tr>
<td></td>
<td>Would need time for recruiting women and teaching them the work processes.</td>
</tr>
</tbody>
</table>

Competitor Analysis
The market competition research suggests there are no present competition for the reusable bags we would like to produce. The closest similar product was produced out of cotton material for the launch of 10 cents levy on plastic bags mentioned before. Thus, we have a niche market available for us to explore and take advantage of.

Target market
Fiji is an attractive tourist destination and one of the facets that attract them to the country is the Fijian culture. Our reusable bags will specifically be aimed at these tourists as the bags promote Fijian culture and sustainability. It would be emotionally appealing in the sense, the visitors will feel closer to the locals with the help of our tags “Made with love, ‘Person’s name’, Narewa Village”. Also, it will provide a satisfying feeling of taking home something that can make them feel good about. These individuals value the environment, understand shared responsibility towards economic growth and enjoy being part of a local experience.
People Involved
The key people involved in this venture are the participating women of Narewa Village, business partners hotels and resorts, retail outlet Jacks of Fiji, restaurants in Denarau and Nadi Town, supermarkets in the area, FRIEND Fiji, National Sewing Centre and most importantly our customers.

Production
A thesis report by Jones & Warwick (2012) talked about real economic problems Pacific Nations face. These include low number of investments, tyranny to distance markets and lack of economies of scale. Niche production model particularly with craft products based on island’s unique imagery is a means of achieving a distinct market position.

Existing Skills
Fijians are traditional weavers, they are known for weaving baskets made of pandanus or coconut leaves. The patterns can be detailed, artistic, highly decorated borders with brightly coloured wool traditionally called ‘Kula’. Women have the natural talent of craftsmanship however the initial process would involve teaching these women to do cuttings for the bags upon which will be sewn using machines and hand sewing.

Crafts and Materials
A wide range of crafts would be used to make the bag look trendy, fashionable and a must have. We will incorporate brightly coloured wool, buttons, embroidery as well as minimal art of neutral colours. Traditional crafts such as shells, tapa prints, screen printing, floral patterns and dip dye would also be used. These skills are inherently present in the community.

Designs

![Figure 4 Our beautiful bag designs made of floral patterns, stripes and screen-printing.](image1)

Operations
Our company, Viti Bags, will be registered and located in Narewa Village, Fiji, due to its proximity to Denarau Island. The village will hold a central facility which will contain the equipment that will assist the women to produce the bags and a storage facility for the raw materials and the final product. The raw materials i.e. the flour, potatoes and sugar sacks, will be sourced from our partner resorts, restaurants and supermarkets in Denarau island as well as major supermarkets in Nadi Town.

Prior to commencing production of the reusable bags, we will first provide training to the women on creating sewing patterns mainly for bags. The Ministry of Social Welfare, Women and Poverty Alleviation has a national sewing centre in Suva (“48 Sew their way to success”, 2013). Through partnering with the Ministry and FRIEND Fiji we will opt for specialized training that teaches them to sew and design bags from sacks that are not only attractive to look at but are strong and of durable nature. Trainings will be ongoing and will enable the women to tap into their creativity to uniquely design their bags. Once the women master the art of creating durable and reusable bags, production will commence.
From the time the sacks are brought into the main facility, the women will follow the below steps in ensuring maximum quality:

1. Collecting the bags.
2. Sorting them out according to material.
3. Hygienically cleaning and drying them.
4. Cutting them according to design.
5. Stitching
6. Crafting

The final product will be packaged, stored overnight and shipped the following day to our partner retail outlets such as Jack’s Handicraft.

**Market Overview**

Viti Bag will use a mix of marketing strategies to ensure that our product gains competitive advantage over other substitute products.

**Partners**

We will list and contact all the available restaurants, hotels, supermarket and tourist centres and give them the sample of our products. Where possible we shall use them as distribution agent where we will give them our products to sell at a great price.

**Government**

We will contact relevant government agencies and let them know about our initiative, how it is helpful in combating unemployment and environmental concerns. We therefore will seek help in promoting the product.

**Social Media**

Our company will take full advantage of social media especially Facebook. We will have a business page updated with regular product posts, stories of our working women and tagging our happy customers. In addition, we shall use platforms such as Pinterest and Twitter to showcase photographs of our handmade items and encourage feedback. The project coordinator will also update an online blog on where our customers can subscribe to view updated news and information on new and existing line of products.

**Promotions**

As part of our promotional strategy we will print business cards and flyers that advertise our handmade products which shall include contact information and attractive photos of some of our best-selling items, as well as details of social media accounts.

**Trade Shows**

Our company will take part in the Tourism Expo that happens annually in Fiji. We shall showcase our product in addition to holding live presentations during the expedition and also run a competition to win one of our products. In the process, we will be collecting names and email addresses of the visitors that come to our booth, add them to our mailing list and send out regular newsletters with details and photos of our latest range of handmade items.

**Physical Distribution Networks**

Our project coordinators will take orders from the retailers and in the same instance collect the sacks as part of their volunteering work.

**E-commerce**

Initially, we will not go into direct sales. We will instead distribute to the existing retail firms in the tourism industry such as hotels and handicraft stores. However after careful consideration, eventually we will start selling our bags via Instagram after the current business plan is in full swing. In this way we will be reaching a much wider international market and it gives us time to carefully work out logistics especially a marketing plan for an Instagram Business page.
be introducing a ‘DWYW’ approach, acronym for ‘do what you want’. Customers will get the opportunity to customise their bags. They would be able to design their own bags and send in special requests. We will also open seller accounts on sites such as Etsy, Zibbet, Big Cartel and ArtFire. These are well-known online arts and crafts stores, install a shopping cart application and create a PayPal account to enable buyers to place orders and make payments online. We will also invite buyers to post reviews of our products and rate our quality and service.

Strategy
We would distinguish ourselves as pioneer makers of reusable bags. This will be possible through our top designs and a strong sales strategy. We will maintain an outstanding relationship with our wholesalers as the bags will be sold in heavy tourist’s destinations. Consumers will be leaving Fiji with a “memorable item”. We will promote that these bags are helping women make a living for themselves and we hope that this will empower other women.

Economic Analysis
The following section contains the economic analysis for Viti Bag. All currencies expressed below are in Fijian Dollar (FJD).

Initial Investment Costs
Fundamental costs include company registration and the equipment necessary for the start up. The cost of equipment are at current market price in Fiji.

<table>
<thead>
<tr>
<th>Initial Investment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Registration</td>
<td>109</td>
</tr>
<tr>
<td>Equipment Cost</td>
<td></td>
</tr>
<tr>
<td>Sewing Machine</td>
<td>1520</td>
</tr>
<tr>
<td>Total</td>
<td>1629</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Cost</th>
<th>Utilities</th>
<th>Transport</th>
<th>Wages</th>
<th>Craft Supplies</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>27.5</td>
<td>60</td>
<td>968</td>
<td>55</td>
<td>37.5</td>
<td>1148</td>
</tr>
<tr>
<td>Annually</td>
<td>1430</td>
<td>3120</td>
<td>50336</td>
<td>2860</td>
<td>1950</td>
<td>59696</td>
</tr>
</tbody>
</table>

There will not be any rent as the company will be using the community hall as a base for production. We will have a total of 10 workers, out of which 8 will be full time and another 2 part time. The full time workers will work for 8 hours a day, 5 days for a wage of $22 per day. The other 2 part-time workers will work for 8 hours a day, 2 days at the same rate. On one hand, full time workers will be involved in designing, cutting, sewing and crafting the bags. Whereas part time workers would do the cleaning and drying of the sacks. The wages are above the minimum wage of $2.68.
We note that equipment will primarily be sewing machines and as the number of women working in the company increases, equipment will increase accordingly, that is, for every 5 women we expect approximately 3 sewing machines to be utilized. Whilst it is difficult to ascertain future annual costs of the aforementioned variables, we used the current rate of inflation in Fiji which is 3% as guide amongst other estimates. We also took into account increase in variable costs relative to increase in number of women and subsequently increase in scale of production.

**Future Outlook**

The aim for the venture is to empower women in village communities. With the success of Narewa Village, the current business plan can be adopted to another chiefly village of Viseisei. This village again is located right next to a tourist spot Vuda Marina which hosts several restaurants, hotels, flea markets and the yacht harbour. Together with current partnerships, Sai Organisation of Fiji is another connection that can show interest in this venture as they already have an established building that houses Viseisei Sai Health Centre and a community hall. We have also upon research shortlisted other villages of interest such as Matawalu and Navala Village. We will also not just limit our materials to sacks but expand it to crochet, ropes, foil packaging, straws, rafias and would also include more traditional weaving into our designs like the one illustrated.
References


