

Bottled Cocktails: Executive Summary

Overview

Bottled Cocktails are **premium, pre-mixed, bottled classic cocktails aimed at active, social, health-conscious and young professionals**. For those consumers that don't want to deal with the hassle of bringing large bottles of alcohol, mixers and cups to parties, tailgates, parks and beaches, Bottled Cocktails will offer a great tasting alternative in a portable six pack. Our flagship products will be a **vodka tonic, vodka soda and gin and tonic cocktail**, and there are many options for additional drinks and brand extensions.

We plan to source premium ingredients and combine them to produce great tasting cocktails. Bottling and distribution will be outsourced and we plan to sell in liquor stores and grocery stores, where state laws will permit.

Market Opportunity

The U.S. spirits market is approximately \$63 billion and we estimate that "ready-to-drink" cocktails make up approximately **\$1.2 billion of the total market**.

The concept of pre-mixed, bottled cocktails is not new. Bottled cocktails are very popular in Japan, Australia, Russia, the UK and the Ukraine, which represent 75% of global ready-to-drink volume. The U.S., however, accounts for 2% of global ready-to-drink volume. We believe there is a **need for this product in the U.S. validated by the product's success in international markets**. Bacardi and Jim Beam produce a ready-to-drink rum and coke and whiskey and coke, respectively, and "malternative" beverages such as Mike's Hard Lemonade and Smirnoff Ice have become popular. However, the ready-to-drink market is quite fragmented, which, we believe, presents an excellent opportunity to take share.

Keys to Success

Initially the key to our success is perfecting our product. Consumers rate **great taste** as the most important attribute when evaluating a drink. Some other key factors in our success are:

- Developing a brand appealing to target customer base
- Ability to source quality ingredients
- Scalability of production
- Distributor representation
- Expansion of product line



Financial Projections

We project our initial cost per drink to be \$0.60. This puts our margins initially around 30% increasing up to 35%-40% with economies of scale. We will require roughly \$450,000 in seed capital to complete a "soft" launch and successfully scale.

Founder

Bottled Cocktails was founded by Dwight Keyzor, currently a first-year student at the Tuck School of Business at Dartmouth. Keyzor's previous work experience has focused on real estate development and equity research.