

Entrepreneurship facing double the risk marketing essay



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The flowering tea shops have market; have a benefit, few competitors, and small investment. Nowadays, entrepreneurship facing double the risk that is from the capital and competition. The flower tea shops have great market potential, such a large potential from women and a developed country such as Singapore.

Woman in Singapore developed countries, daily work quite hard, Whether physical or mental, all have posed immense pressure, in the company have boss and work pressure, while back home, also are not necessarily relaxed, there are a lot of housework or children, If it is a strong devotion to women, Will be more tired, pressure is from the company task, or is by their own psychological pressure. Imperceptibly, life becomes boring at all. Even more frightening is that this pressure is not good channels and ways to relax. Not only need relax the body, mind has also need been relaxed.

Flower tea shop selling not just tea, more of services, is a feeling, is a let the women get double relaxation of body and mind, and even sublimation place. Why girls will spend several hundred dollars to do SPA, these women are not necessarily to do skin maintenance, May be more to enjoy in order to get one supremacy service, let the body relax, relieve work pressure.

Coffee shops and pubs also have a relaxing effect, but women go to the coffee shop is not the best choice, less likely to go to the bar to get a real sense of relaxation, only temporary physical release and catharsis. SPA high grade casual place not everyone can go feel, the price is too high, could only meet part of the population.

Flower tea shop can make consumers to feel at home, comfortable atmosphere, soothing music with fragrance of flower tea, can get real on the body and mind to relax. The store will also carry out a number of limitations, in order to ensure that every customer can enjoy the perfect relaxed atmosphere of flower tea shop. Flower tea with health and beauty effect will be sought after by the female customers.

An enterprise focus on should be the service and standards. GOOD TIME flower tea shop ' form' is flower tea, spirit' is the service, atmosphere and feeling. Flower tea shops are not profit-oriented and customer-oriented. Then will be able to get succeed in the rapidly developing countries of Singapore.

2. 1 Company current status

Flower tea shop belonging to a limited liability partnership (LLP) , the registered capital of only the S \$ 165. Make that choice because it can help reduce the start-up capital of the Company.

2. 2 Company name and logo

The company name is ' GOOD TIME', mean that flowers tea can bring to every consumer good mood. Take away by all day of the fatigue and stress. Get physically and mentally relax.

2. 3 The location of company

The GOOD TIME flowers tea shops will open in city hall areas. One reason the rent is cheaper relative to the Orchard areas, Second reason is a major consumer of flower tea shop white-collar women, Singapore the city hall region relatively more than high-rise buildings and department stores, white

- collar females in this area will be more than other place, the lot more consumers and relatively cheap rents is the best choice for flower tea shop.

(Source: created for this business plan Adapt from Google, 2012.

<http://maps.google.com/>)

2. 4 Mission statement

Vision comes from the old English word witan, means “ to know,” as in the power of anticipating that which will or may come to be. A company’s vision is an expression of the business’s aspirations going forward-what we desire to become. (Thomas, 2009 A)

GOOD TIME flower tea store has an exciting ambition to become Singapore’s largest chain operations flower tea stores, with high-quality service and products, to provide customers with healthy and natural.

In order to achieve this goal, the flowers tea store knows the company needs to nurture great people. The companies want the best talent working at GOOD TIME - no matter who they are. The companies will also positive innovation and development products.

2. 5 Vision statement

Mission comes from the Latin word, mission meaning ‘ sending away’ a group to a foreign country. Company’s mission (or mission statement) describes the fundamental purpose of the organization-why we exist.

(Thomas, 2009 B)

The mission of GOOD TIME flower tea store is to become an extension of the living room of the middle and upper class families, high quality and low overhead social spaces, the third best place to work outside the home.

2. 6 Company management system

In the early stage the operating area is small, small staff, relatively easy to manage. The company has one manager, one technical personnel, one waiter, two waitresses and one cashier.

Requirements:

Employees must work on time every day. If the employee is faced with an emergency or have a specific reason can not to go to work, needed to ask for leave to the consent of the boss agreed.

Work is not allowed to answer personal phone calls, not absent without leave, at least left a staff at the front desk.

Before off duty need to tidy up drinks area of tables, chairs and tea set. after the boss visits, then the staff can leaving.(Tea are glassware, fragile, if any damage to be according to the cost of compensation)

3. Industry Analysis

3. 1 PESTLE analysis

(Source: created for this project adapted from internet)

One of the most common models used to analysis the macro environment is the PEST analysis, which focuses on four elements: Political, Economical, Socio-demographical, and Technological factors. The PEST analysis is

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sometimes expanded with two factors: Legislative and environmental, renaming the PESTLE analysis. (Poul 2010) Completing a PESTLE analysis is very simple and can be undertaken by individuals, or during a team meeting or workshop. Originally referred to as PEST analysis, the legal and environment prompts were added in more recent times. (Stationery Office 2010)

3. 1. 1 Political factor

The Singapore political risk is relatively low, compared to other countries. Singapore is a democratic country, the elected representative of the whole country, Since Singapore's independence, Politics has been relatively stable, Singapore has become a better business opportunities for countries.

In order to adapt to the commercial economic globalization trends, The Singapore government has recognized that in addition to support commercial also need to support entrepreneurship. Therefore, Singapore is one of the countries with the lowest tax of the world's, In addition to the tax rates and tax incentives, Singapore is also widely with 70 countries has a double taxation avoidance agreements . Since 2012 only 17% of the corporate income tax (2012). Tax concessions flexible and less political risk for the development of enterprises in Singapore has a good role in promoting.

3. 1. 2 Economic factor

Singapore's annual economic growth rate is 4. 9% in 2011(2012). However, due to Singapore's trade and financial openness, the continued turmoil in the euro zone debt crisis and other adverse external factors will have a

significant impact on the economic growth of Singapore. Experts predict that, if the euro debt crisis worsens^{1/4}CECoupled with the slow U. S. economic recovery^{1/4}ESingapore this year's economic growth rate has dropped to 1% or less. However, in Singapore the internal environment of low unemployment and low interest rates will be able to support domestic demand.

Singapore has sufficient policy space to mitigate the adverse impact of the global slowdown and financial market turmoil. Although the global economic outlook is not optimistic, although the global economic outlook is not optimistic, Slowdown in external demand, Decline in trade and other adverse factors will impact on the Singapore economy. But Food, beverages and tobacco industry GDP in the first half of 2012 still an increase of 4. 0%; Singapore's economic growth is expected to rebound to 3. 4% in 2013 (2012). So, in this light that Singapore economic turmoil for the food, beverage and tobacco industry will not be too adversely affected.

3. 1. 3 Socio-demographical factor

Population is constitute the market most basic factors, Demographic factors of a country or region, In a certain sense to decide the country's market size and market appeal. According to the 2010 Population Census in Singapore, the total pulsations are 5. 08 million. Citizens and permanent residents is 3. 77 million, a 15. 3% increase over 2000. Sex ratio: 0. 95: 1. 00. In the age group, 13. 8% of 0-14 years old, 77% between 15-64 years of age, 9. 2% for 65 years of age or older.

Singapore citizen is use racial to distinction: Chinese accounted for 74. 1% of the population, 13. 4% of the Malaysian, Indians 9. 2% and Eurasians 3. 3%, the main religions are Buddhism, Taoism, Islam, Christianity and Hinduism (2010).

Singapore's growing population is conducive to the increase in the Singapore market size and market appeal. Due to women, young people and the elderly is a major consumer of herbal tea crowd, the female population is more than male population is conducive to the development of the herbal tea industry. Tea culture originated in China, the Chinese people love tea, Singapore has 74. 1% of the Chinese, and this will bring good prospects for herbal tea sales.

3. 1. 4 Technological factor

Technological factor affecting the competitiveness of the products, technological innovation that can enhance the product vitality, flower tea stores itself is an innovative, in Singapore market the most of the beverage industry are tea stores, coffee stores and there are also have many herbal tea store, but this herbal tea stores is very common and have a long history , flower tea store is all use the flowers as a raw material, flower tea also call herbal tea, health, beauty and other features will attract the attention and love of many consumers.

Followed by the technological innovation is the innovation of the product itself, the company will have a bold innovation for herbal tea tastes, not only ordinary single herbal tea, will also introduce a comprehensive herbal tea, fruit mixed herbal tea and flavor spices herbal tea, each quarter of the

company also will launch a new herbal tea, in order to adapt to market demand progress.

Finally, environmental innovation will bring physical and sensory enjoyment to the customer, the store will set up three different styles of drink tea zone, use of flower, forest and bamboo as the main theme, the chair will only appear on the form of the swing, and strive to allow customers to experience the immersive feel.

3. 1. 5 Legislative factor

Legal factors include consumer law, antitrust law, discrimination law and health and safety law. Singapore law from strict system of is also the world famous. Strict legal system for Businessmen bring protection also brings some constraints. Singapore to amend the Consumer Protection Act in February 2012 and starting at September, The vast majority of legitimate business retailers will not have much effect; there will not be too much of the burden.

Singapore is a small country and has small population, resource scarcity, so Singapore attaches great importance to food safety issues, and has been to strengthen the food safety law, intended to eliminate and reduce the inflow of substandard food.

The company in order to ensure the smooth good development in Singapore, the company will comply with all laws and regulations, not only to protect the company's own interests but also to protect the interests of consumers.

3. 1. 6 Environmental factor

Singapore's population high density, more people and less land, coupled with the perennial high temperatures and rainy and other environmental problems. Just have very few people planting flowers and tea, the tea mainly relied on imports or a small part of the territory of the processing, Not only imports of Chinese tea, but also imported British tea. Therefore, due to the special environment of Singapore, flower tea generally require from Chinese imports, although the tea in China is high quality and reasonable price, However, due to imports still lead to the cost of flower tea increase.

Singapore has relatively long drink herbal tea culture, Singapore is a tropical region, it is easy to heatstroke, and tea can resolve summer heat. Also, because Singapore belongs to the developed countries, the pursuit of a healthy diet is relatively high, more and more people love to drink tea. So comprehensive market environment in Singapore, flower tea for its health features will conquer Singaporeans.

3. 2 Porter's Five Forces

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(Source: created for this project adapted from internet)

Michael Porter is widely recognized as the greatest and most influential thinkers of business theory, praised as the father of competitive strategy. Porter's five forces model in the last two decades is one of the well-known concept of the corporate strategy makers. For the strategy makers, in the implementation of any strategy that may affect a company's strategic

position, these five forces play an indispensable leverage. Collection of five competitive forces can determine the profitability of a company. The five forces energy intensity will be different in different industries, and will change with the development of the industry. (Charles and Gareth 2009)

These five forces are:

Rivalry among competitors

Threat of new entrants

Bargaining power of buyers

Bargaining power of suppliers

The threat of substitute

(Source: created for this business plan)

3. 2. 1 Rivalry among competitors (strong)

The competition will lead to in marketing, research and developments put into or reduce, the results will reduce the company's profits. Factors affecting the intensity of competition: Exit barriers, industry concentration, industry growth rate, degree of product differentiation, brand recognition, opponent's difference degree and so on.

In Singapore market has a dedicated sales flower tea competitiveness is few, But in the entire beverage industry competitors are more¼ Like milk tea store (KOI, Sweat talk), herbal tea stores (the zhengzhongping, Fuhua), coffee(starbucks), teahouse. These beverage outlets are generally chain

operations, strong popularity and have the fixed customer base, deeply by the Singapore people love, so those beverage outlets have strong Competitiveness.

Faced with strong competitors¼Company should actively learn from competitors strategic approach, constantly to change the self strategy and to develop a long-term goal, flower tea stores spirit of health, weight-loss, beauty and other characteristics, must be able to build a new field.

3. 2. 3 Threat of new entrants (weak)

The arrival of new competitors will inevitably break the equilibrium in the market, caused by the reaction of existing competitors compete¼It is inevitable to transferred the new resource used to compete, so make gains reduce. Factors affect of potential entrants: Price advantage, capital investment, government policy is to protect, economies of scale, brand influence, the high cost of conversion, the retaliatory confrontation and exclusive possession of the product.

The flower tea store appear as a relatively new drinks¼It is relatively rare in China, especially in Singapore, flower tea store have a very small threat of new entrants, the biggest threat may come from and teahouse. Since teahouse and flower tea store is a similar type, flower tea belongs to a kind of tea, China is the world's earliest discovered tea tree country, and also is the first national cultivation of tea tree. Chinese tea culture has a long history, the Chinese people in their daily life are inseparable from the tea, and more and more foreigners also had a keen interest in China's tea

culture. Singapore has 74.1% of the Chinese (2010), so flower tea peer competition is from the teahouse.

Flower tea store should actively to face competition from new entrants, and learn from each other, and continue to progress. Of the threat as a motive power, in order to remain invincible in the fierce competitive environment, obtaining the largest gains.

3. 2. 3 Bargaining power of buyers (weak)

If the buyer is have the bargaining power. They will take advantage of it. This will reduce the company's profits and its results are the impact of the rate of return. Factors affecting the buyer's ability to: bargaining power, access to information, brand recognition, price sensitivity, backward integration, the selection of alternatives, incentive systems, such as government subsidies.

The flowers tea industry in different regions will have different results, if in the Chinese market, the tea industry competition is very strong, This means that customers will have more choice, if the Operators want to get more benefits and customers in a competitive environment, It must reduce prices or improve the quality of products and services in order to attract more customers, and thereby gain interest. In this case, the buyer's bargaining power is strong.

However the flowers tea shops in the Singapore market is a fledgling stage, mainly competitors is from the alternatives industry's, Competition in the same industry is relatively small, The flowers tea stores in the spirit of the excellent quality of itself, the product owned health and beauty, slimming

features, Most customers will be attracted by the characteristics of the
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product itself, especially female customers will be interested by the beauty and slimming function. In this case, the buyer's bargaining power is relatively weak.

3. 2. 4 Bargaining power of suppliers (medium)

The bargaining power of suppliers is contrast with the buyer, the suppliers will try to raise prices; its results will also affect the company's rate of return. Factors that influence the ability of suppliers: Concentration of suppliers, the importance of the product of the number of suppliers, invest the difference, investment cost and differentiation, alternative products inputs presence, threat of forward integration, the cost in the purchasing power of the relative industry.

Singapore's population high density, more people and less land, coupled with the perennial high temperatures and rainy and other environmental problems. So flowers tea is mainly dependent on imports, Currently able to supply the flowers tea shops of the products have Chinese¹/₄ Germany, France, UK, Australia, Canada and other countries. Due to the limited cost and China is a country has a long history of tea culture, close to Singapore, can be reduce the cost of imports.

So most import source from China, due to china has many tea suppliers and it's mainly distributed in South China region, however, for a single type flower tea suppliers is relatively less, flower tea in China is in the initial stage, although the development of very fast, but still there is no more tea suppliers, so the bargaining power of suppliers is middle.

3. 2. 5 The threat of substitute ¼^medium¼%

The existence of alternative flowers tea products and services on the market that means that the flowers tea product prices will be limited. Factors affecting the substitutes: conversion costs¼^the preference of the buyer of the alternatives, cost performance of the alternatives and alternative relationship.

With the development of science and technology, appeared a growing number of substitute products. Substitutes is means the two products exists the competing sales relationship¼^That the increase in the sales of a product that will reduce the potential sales of another product.

Flower tea store in the Singapore market substitutes was herbal tea shop, like FuHua. The two stores have the same characteristics, health. Herbal tea shop popular in Singapore for a long time, Herbal tea shops usually provide customers with finished¼^can be drunk directly, cheap and convenient features already have some loyal customers¼^and have strong profitability. So it will bring greater pressure on some of the company's original products¼^Sometimes had to reduce prices in order to increase sales¼^this makes some price constraints on a lower level, the Company in a passive position in the competition. flower tea shop's own start-up capital is relatively small, the conversion costs of the substitutes is small, then the herb tea shop on the pressure brought by the company will be bigger. So can be drawn by said threat of substitutes is relatively medium.

Flower tea stores should be taken to reduce the price of a product, same time vigorously to promote have anti-obesity product, and this will not only

improve the sales of the product, but will also reduce the sales of substitute products. This at the expense of a product, stable development of another product strategy, can improve the popularity of the product and the companies, at the same time leave a good image in the minds of customers.

3. 3 SWOT analysis

The SWOT analysis is a strategic planning tool used to evaluate the Strengths, Weakness, Opportunities and Threats of a company, it provides information that is helpful in matching the company's resources and capabilities to the competitive environment in which it operates . the resulting SWOT matrix contrasts the results of the internal analysis (strengths and weakness) and the external analysis (opportunities and threats) to define strategic fields of action. That application of a SWOT analysis is therefore instrumental in strategy formulation and selection. (Nadine and Anne 2009)

3. 3. 1 Strengths

Health & Beauty

More innovative

Price is moderate

Easy to preserve, quality is relatively stable

Herbal tea is known as health tea, in the West, flowers tea called Herbal Tea, A beverage based on the herb for the preparation of raw materials. Flowers tea market in Singapore is a whole new market. Has the characteristic of the

return to nature, health, health and beauty, is a romantic casual drink. It does not contain caffeine, so avoid the ordinary tea make it difficult to sleep and so on. Edible natural flowers contains a variety of plant extracts and a biologically active substance, possess Nutrition, health and medicinal properties.

Flowers tea join berry after brewing, colorful, overflowing aroma, ratio of traditional drink more innovative, so better able to attract more of the pursuit of female beauty. Herbal tea possess the efficacy of herbal tea, but the sweet smell taste far inferior to Herbal tea, natural majority of young people are choosing the latter.

Price is moderate to possess a wide range of consumption basis, flowers tea is unlike the green tea, oolong tea, Pu'er tea mostly positioned in the ranks the high-end products, flowers tea product positioning in the low-end, easy to form a scale, and has the a wide range of consumption basis.

Flowers tea is easy to save, the quality is relatively stable. Flower tea is relatively the green tea and oolong tea that is relatively easy is saved. The flower tea is reprocessing tea¼in flower tea production process, through the blending¼plastic and other delicate process, processing of the tea quality maintain a relatively stable, easy to formation of scale and brand management.

3. 3. 2 Weakness

Brand awareness is small

Competitor multi

High Manage risk

flower tea shop is an emerging industry in Singapore. Singapore market are mostly packed flower tea. No one tea shop can be provided to the customer a space drinks tea and provide ready-made flower tea drinks. This emerging flower tea shop is relatively not having the brand awareness in Singapore market.

Flower tea shop in beverage market possesses many competitors, such as coffee shops, herbal tea shops and milk tea shop. these drinks for Singapore consumers have a great affection. These drinks shop can attract different sectors of consumer groups and have a fixed customer base. Many shops are chain management, with a strong brand awareness and competitiveness.

Flower tea shop belonging the early start, have strong manage risk, improper management typically include: Arbitrary decision-making, information barrier. Concept is unclear, worry about the outcome. Choosing the wrong people. Ignore the innovation. Eager to succeed. Blindly follow the trend, Weak-willed so on. Especially early start by a single of knowledge, Lack of experience, financial strength and mental quality obviously insufficient, Will increase in management of risk.

3. 3. 3 Opportunities

Huge consumer market

The pursuit of health

Singapore is tropical rainforest climate

In Singapore, the proportion of women and men is 1: 0. 95, people between 15-64 years of age accounted for 77% of the total population of Singapore(2010), and Herbal tea positioned of major consumer group is women and young people. Singapore belongs to the developed countries, the relatively high level of per capita consumption. Therefore, flower tea shop in Singapore has a huge consumer market.

With the continuous development of society, Consumers in pursuit of the simple life while also increasing emphasis on health issues. Consumers in the purchase of product will also pay attention to that product impact on health and the environment, natural without any additives food has become the darling of the modern society. Flowers tea without any additives also has a healthy, weight-loss, beauty and other effects will naturally by the majority of consumers love, especially female consumers. Consumer to the health commodity needs will make the flowers tea with a huge space for development.

The Singapore in equatorial online, so year round in the tropical rain forest climate, hot, rainy natural environment is easy to bring heat stroke and other discomfort. Singapore people for reduce pathogenic drinks have very large demand; flowers tea has a lot of the product itself that owned have Reduce Pathogenic effect, and tasty, beautiful appearance. So the flower tea will be welcomed by the people of Singapore.

3. 3. 4 Threats

Beauty and lose weight method is more and more

Consumers have a certain degree of drinking habits

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In the technological advances of today, beauty and lose weight method is more and more, like skin care products and plastic surgery. People will choose the direct use of skin care products to beauty, the effect is more obvious and more quickly. but want to use the flower tea to achieve weight-loss and beauty effect that must be kept within a period of time to drink tea in every day, the effect and speed was not as good as cosmetics to the better, So this is a threat for flowers tea.

Most consumers already have some drinking habits. Such as tea, milk, coffee, milk, juice, cola, herbal tea and other drinks has been deep into the minds of consumers, and these drinks are widely distributed, easy to buy , each customer will could paying for these drinks, flower tea shop wants to change the habits of the customer will be more difficult. The customer's for drinking habits will generate some threats and obstacles for flowers tea sales.

3. 4 Competitor analysis

There are various forms of commercial competition in the market, these competitions from several competitors and the level of competition is increasingly fierce. In this competitive environment, upper policymakers' main task is the precise positioning of the company, accurately locked resources as well as according to their environment to capitalize on the trend. Therefore, whether skilled business and competitive analysis will determine whether a company has competitiveness and whether it also allowed them to benefit the interests of the partners.

Flower tea stores in Singapore's one of the biggest competitors is KOI Cafe. In fact, the popular for pearl milk tea in Singapore has subsided awaited, but ¼ the 50 LAN from Taiwan with a unique marketing mode that won the favor of the handsome boys & girls.

KOI Cafe bubble tea completely the production of raw materials and methods ¼ Even shaking drinks machine is also from Taiwan. Its greatest feature and selling point is " humane" service. Guests can choose the beverage tastes, requirements according to their individual preferences adding 0%, 25%, 50%, 75% or 100% of the different sugar content. In this way, the beauty of the people does not have to be afraid of fat on the bubble tea " prohibitive". KOI Cafe prices between 1. 40 and 6. 70 Singapore dollars of KOI Cafe Declaration: " uphold service quality, health, and our insistence and attitudes, let 50 LAN in Singapore also dazzling' (2012).

Flower tea shop in Singapore's second largest competitor is Starbucks. Starbucks is the world's leading coffee chain, Established in 1971, Headquartered in Seattle, Washington, United States. Starbucks's retail products, including 30 variety of the world's top coffee beans , handcrafted espresso coffee and a variety of coffee hot and cold drinks, delicious pastries fresh food as well as a variety of coffee machines, coffee mugs and other merchandise.

Starbucks is not just coffee, Coffee only a carrier. It is through the coffee this vector, Starbucks to send a unique style to the customer. Coffee consumption is largely an emotional and cultural level of consumer; cultural

communication needs Coffee shop to create the environment culture capable of infecting customers, and the formation of a good interactive experience.

Starbucks loved by many students and office workers in Singapore. But most Starbucks shops service charge of 17% (2010), higher consumption threshold, store often customers too much, leading to congestion.

3. 5 Competitive Profile Matrix

Table 1¼ŒCompetitive Profile Matrix of GOOD TIME Flower Tea Company

(Source: created for this business plan)

From this CPM matrix can be drawn: the competitive situation in GOOD TIME flower tea store, the company matrix weighted score is 2. 75; its main competitor KOI Cafe and Starbucks weighted score is 3. 2 and 3. 45.

From the matrix of the competitive situation, we can conclude that the strength of the order of the competitive situation in the Flower tea store market from strong to weak order: Starbucks, KOI Cafe, GOOD TIME flower tea store.

This is reflects the GOOD TIME flower tea store in the Singapore market is not very strong and market share is not high. However¼ŒStarbucks the indicators are more than Flower tea store, Flower tae store is in the future development of the Starbucks as the goal, and actively strive to develop.

4. Products and Services Line

The old saying say that man drinking tea, woman drinking herbal tea, flower tea is a natural drink, Rich in vitamins, and does not contain caffeine and

artificial coloring. Herbal tea set tea flavor and flower scent into one. While maintaining the rich refreshing tea flavor and in the same time also have deeply flower scent. The flower tea has a good pharmacological effect, long-term drinking the herbal tea for human body all kind various diseases has a certain improvement, and there also have a lot of benefit for acne, weight-loss, and defecation and so on.

4. 1 Product

GOOD TIME Flower Tea Company is contains four major product, are the single flower tea, comprehensive flower tea, mixed fruit flower tea and spices flower tea.

Single flower tea

(Source: adapted from <http://image.com>)

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