

Marketing – koi cafe flashcard



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Marketing Principles| (LAUNCH OF KOI SELF-SERVICE BUBBLE TEA MACHINE)|

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It has evolved over time with the wide variety of other mixtures of teas involving Red tea and Oolong Tea. In modern society, bubble tea has also been combined with juices, beverages, jellies, and even ice-blended flavours to cater to the hot and humid countries. Some of the famous categories of bubble teas – “ pearl milk tea” (also known as “ Boba milk tea” in parts of America), which contains small chewy balls made of tapioca starch called “ Pearls” in Chinese. There are many variants of the drink, depending on the types of tea used and ingredients added. KOI cafe was under the distributorship of Ya-Lan Co. Ltd whom was the exclusive green tea retail chain in the central of Taiwan. Miss Avon-Ma, whom developed her own brand of beverages, marketed and is currently selling her drinks in KOI cafe. With thriving and leading the market in hand-shaken tea beverages in Taiwan, the use of its proven products in KOI Cafe ensures the recognition and support of the crowd in Taiwan. Therefore bring success to the first launch of KOI cafe and had a boost of a remarkable fan base. True to the spirit of Avon-Ma's product excellence, she created the brand KOI Cafe in 2006.

In 2008 she personally established KOI Cafe Group(s) Pte Ltd in the thriving estate of Singapore's Toa Payoh. She is able to keep her set-up cost low by importing the bulk of the materials from Taiwan; she also successfully introduced the authentic flavour of Taiwan's famous Milk Tea with Pearls at the same time positioning herself to the market with a healthier choice with the varied sugar level for the bubble tea to those in Singapore. Since then, KOI Cafe has seen burgeoning growth, and in the space of 3 years, it has grown to 9 stores in various parts of Singapore.

KOI cafe differentiates themselves clearly against the usual bubble tea store, from their stylish appearance, and health consciousness on the sugar percentage, the systematic ordering system and their wide variety of choices from their drink menu. Company's Mission Statement Our mission: To evolve traditional concept of tea and allure innovation into a modern lifestyle – a person, a KOI, a society. Our Tea: High quality is our pledge. Our passion, dedication and commitment in serving high quality tea even begins on the land and soil that the tea leaves were grown on. Our Team:

With a bunch of energetic, creative and positive team that we engage, we created and developed a sense of belonging that is conducive, further enhancing everyone's full potential. With mutual respect, dignity we attribute an utmost strength in each. Our Value Customers: The equation of having our customers' smile and satisfactory equates the promise of a perfectly made KOI bubble tea. Our team's warming smile and personal touch we await to render. Our Stores: A constant effort to create an atmosphere that provides our valued customers' feel a sense of belonging and well-being that allow enjoyment at the speed of life.

Always full of humanity. Our Neighbourhood: Each of our stores is part of a community therefore we take charge over the responsibility to be good neighbours. We await invitation wherever we do business. We perceive to be a force for positive action – bringing together our team, customers, and community to contribute daily. The world is looking to KOI to set the new standard, yet again; we will lead. Our Shareholders: All elements and efforts as per deliver and engage the kind of success that rewards our shareholders. We are fully accountable to get each of these elements right so that KOI – can endure and thrive.

Company's Objective Bubble tea was first introduced to the Food & Beverages in 1999 in Singapore and caused a mushrooming effect of the bubble tea trend in 2004. KOI cafe aims to be a worldwide food beverage devoting a lot of resources to create superior and healthier product with the different percentage of sugar level in their drink, thereby contributing to a better global society for a healthier choice. At the same time, the tapioca starch balls namely the pearls are also made by from their own factory back in Taiwan. KOI cafe is aiming to become No. food beverage in the world and bubble tea intend for most easy and convenient for this current social lifestyle. KOI's very first vending machine plan targets to increase the efficiency for the needs of consumers and to solve the long queues being often seen as well as the time wasted yet at the same time, have a better cost saving plan but without compromising the quality and taste of the traditional bubble tea. Our objective is to achieve in additional 5% of the dollar market share in the soft drink market within 12 months of production introduction through B2B approach.

SWOT Analyse Strengths: * Strong brand strength * Effective stride in Taiwan * Good management skills * Low cost of goods with high profits with low wastage * High quality of teas and pearls contributing to innovative menu * House brand specialty (Aiyu & Grass Jelly) and exclusives (Jasmine Green Tea, Assam Red Tea, Alpine Oolong Tea) * Different percentage of sugar level catered * High return on investment * No intensive technical knowledge is required Weakness: * Brand dilution * Constant maintenance of machine is required Lesser variety of drink to be placed on the vending machine * Intensive initial investment Opportunities: * Bubble Tea business lasted 18 years in Taiwan and it should last for next 10 years or more in Singapore * The Bubble Tea's fever is heating up in countries like the US and Japan including the third world countries like Vietnam and Indonesia. Thus chances of going globalization are high. * High profit with low startup capital. (S\$50, 000 as compared to S\$80, 000 or up to S\$120, 000) * Ease of entry level and exit level Threats: Too many bubble tea shops opening within the same buildings. Hence, market share will be distributed among the competitors. * Too high rental cost * Increasing supplier prices * Potential health issues * Sudden stop of bubble tea trend The Marketing Strategy Since 2008 when KOI cafe was first launch, our customer base has been expanding. Current population of Singapore stands at 5. 2 million. Based on the current statistic, age group ranging from 15 to 64 years old took up 45. 3% of the Singapore population. From an online poll, currently, KOI only took 36. 8% of that share.

Age Structure Total (%)	Age group	15-24	13. 5%	25-34	15. 1%	35-44	16. 7%	45-54	16. 6%	55-64	11. 7%
Thus, we conclude that is a potential market out there. With our new launch of the vending machine, entice us with a wider											

coverage in the unreached part of Singapore. Our machine has the benefits of low in labour and cost, yet able to churn out marvellous Koi bubble tea at its highest standard; meaning that every cup is constant in their taste and quality.

By manifesting strategic places in Singapore with KOI's vending machine, we can better penetrate the market. Currently, only 9 shops are available in Singapore. Hence with the introduction of vending machine, we seek to boost KOI's popularity and increase market share. KOI Cafe Seng Kang Compass Point| KOI Cafe Tampines Blk 501 Tampines Central 1 #01-250| KOI Cafe Clementi Blk 442 Clementi Ave 3 #01-101| KOI Cafe Marine Parade Blk 83 Marine Parade Central #01-562| KOI Cafe People's Park 1 Park Road #01-16 People's Park Complex| KOI Cafe Illuma No. 201 Victoria Street #01-15 Illuma At Bugis|

KOI Cafe Bishan Blk 513 Bishan street 13 #01-503| KOI Cafe Toa Payoh Blk 190A Toa Payoh Central #01-562| KOI Cafe Ang Mo Kio Blk 704 Ang Mo Kio Central #01-2545| Target Audience Based on the market research that we have done, the teenager group drinks bubble tea the most often, as to compare to any other age group. It is due to the current market trend that globally sets. It is seen as a hip and cool drink. Based on Singaporeans lifestyle and spending habits, they are most willing to spend on food & beverage as they seen it as the important element.

Our target audience drives between 16-60 years old as our bubble tea is a healthier choice of drink as incorporating with the Singapore Health Promotional Board's less sugar, more fruits and vegetable intake by

increasing the nutrition level. Being able to adjust the sugar level percentage enables a healthier choice, even for people that have diabetes are able to consume the drink. Thus our market share stretches. Figure 1 The percentage of our target audience is 5% to 8% out of 22%. Figure 2 The Marketing mix 1) Product Analysis i) Description KOI's vending machine would be in a size of a standard vending machine.

The vending machine would only require an electrical point and a fresh water supply. The vending machine's menu will only have a few popular basic flavours of KOI's many selections of bubble teas, pearls, "Aiyu" Jelly and grass jelly. The flavours are Milk Tea, Hazelnut Milk Tea, Vanilla Milk Tea, Honey Milk Tea and Chocolate Milk Tea. Consumers will be able to choose which type of tea they like, the amount of ice, the percentage of sugar level and option of having pearls in their bubble tea and also additional toppings of "Aiyu" / Grass Jellies. ii) Comparison

The main competitor of "KOI" is 'Gong Cha (??)' and "Share Tea (???)". The table shown below is the 3 Bubble teas big players that were used for comparison.

	KOI	Gong Cha	Share Tea	Price in outlets
	SGD1. 90 - SGD6. 70	SGD1. 90 - SGD3. 90	SGD1. 90 - SGD6. 10	
Types of tea	45	57	46	
No. of outlets	7	9	3	
Able to choose Sugar level	Yes	Yes	Yes	
Poll chat				

from hardware zone As we can see from the table, Singaporeans prefer KOI over the rest of its competitors even though the variety as to compare to their competitors Gong Cha and Share Tea. iii) Product Features

KOI vending machine allows customers to purchase their favorite bubble tea with shorter queue, more time saving method instead of queuing up at the

KOI outlets. Market Positioning A. Image KOI bubble tea has always a trendy image, and also being tasty. These are the 2 main characteristic that customer will associate KOI Bubble Tea Machine with. Despite only have 9 outlets. We still have a bigger market share than our competitors. 2. Pricing As showing in the table below the prices of KOI bubble teas. But bubble teas which are sold in our machines will be SGD0.50 to SGD1.0 cheaper as it is self-service therefore we save on labor cost and consumers would also save on the drinks.

Price	Milk Tea	Price	Chewing Tea	M	L	M	L			
2.4	3.5	Milk Tea	2.1	2.9	Bubble Green (Black) Tea	2.4	3.5			
Green Milk Tea	2.4	3.5	Bubble Milk (Green) Tea	2.4	3.5	Oolong Milk Tea	2.4	3.5		
Bubble Plum Green Tea	2.9	4.3	Hazelnut Milk Tea (Caramel)	2.4	3.5	Ice Cream Tea	2.9	4.3		
Vanilla Milk Tea	2.9	4.3	Ice Cream Milk Tea	2.9	4.3	Honey Milk Tea	2.9	4.3		
Coconut Jelly Milk Tea	2.9	4.3	Chocolate Milk Tea	2.9	4.3	Bubble Passion Fruit Green Tea	3.5	5.0		
Fresh Milk Tea	3.5	5.0	AI-YU Ice Tea	Price	Hot Coffee	3.5	5.0			
Passion Fruit AI-YU	8oz	12oz	3.5	5.0	Bubble Fresh Milk Tea	1.6	2.1			
Cafe Singapore	3.5	5.0	Grass Jelly Milk Tea	2.8	3.5	KOI Cafe	Price	Flavored Tea	3.3	4.5
Cafe Latte	M	L	3.7	4.9	Cappucino	1.9	2.5			
Assen Black Tea	3.7	4.9	Cafe Mocha	1.9	2.5	Oolong Tea	3.7	4.9		
Caramel Macchiato	2.4	3.5	Plum Green Tea	3.7	4.9	French Vanilla Latte	2.4	3.5		
Plum Black Tea	Price	Iced Coffee	2.9	4.3	Honey Green Tea	M	L			
2.9	4.3	Honey Black Tea	2.4	3.5	Black Coffee	2.9	4.3			
Passion Fruit Green Tea	3.5	5.0	KOI Cafe	2.9	4.3	Lime Green Tea	4.5	6.0		
Cafe Latte	2.9	4.3	Peach Green Tea	4.5	6.0	Ice Cream Coffee	4.9	6.7		
Ice Cream Latte	4.9	6.7	Cafe Mocha	4.9	6.7	Cappucino	4.9	6.7		
Caramel Macchiato	4.9	6.7	French Vanilla Latte	4.9	6.7					

are from teenagers to working adults. We will be placing machines in polytechnics, selected private institute, universities, selected MRT stations, selected neighbourhoods and office towers. . Promotion Message Objective Promotion is important as we need to increase market share for our existing product so as to by deciding the proper required type of promotion each stage of the Product Life-Cycle (PLC). The PLC is a course that a product's sales and profits take over its lifetime. It has four stages: Product Development, Introduction, Growth, Maturity and Decline stage. At different stages, we will be using different advertising channels and marketing communications to maintain our brand image. Introduction Stage

When the product is just launch into the market, customers will not be aware of the product, its features and being sceptical of trying out new inventions, hence resulting in low sales. Therefore, we introduce an aggressive advertising to create product awareness and to get the youths and working adults to be interested in our product. Advertising will be done through the vending machines itself at certain MRT stations. Other than that, we will also make use of the social and media advertisements, road shows as a platform to create awareness of our product. Growth Stage

The growth stage is the period where we get the most rapid revenue growth. When consumers are being exposed to our products and its benefits, there will be a higher chance to generate more sales. At this stage, there will be competitors within the market, resulting in diversified consumers. Hence, we might have to place more advertisements to constantly create awareness and convince customer that our product is better than those of the competitors. Other than road shows and social media platform, we will use

mascots giving out free drinks in the shopping mall, radio to further maximize our market share.

Maturity Stage During maturity stage, Because of the competition we face during the growth stage, there might be a decrease in the market share. So we aim to increase market share by encouraging customer to switch from competitors product to our product or trying to convert non-bubble tea drinkers into trying our product. Our target consumers will be the mainly those majority who will be attracted to our standard and taste of our drinks.

Declining Stage At the Declining stage, the market will be saturated causing the sales to start falling. Our product might not be able to catch up with the advancement of technology or the new invented flavours that our competitors comes out with thus will eventually cause a drop in the demand for our product. In order to maintain the good customer relationship and loyalty, introducing a new and improved product would start the product life cycle again and loyalty card. Such ways would be able to help in having customer retention as our product is constantly re-invented and updated. Cost of

Promotion WHAT? | WHERE? | HOW MUCH? | Growth stage Radio| Mediacorp broadcasting * 91. 3FM * 98. 7FM * 95. FM| \$3, 000 to \$6, 000/week|

Introduction and Decline stage Internet| Search engines * Google ;

Yahoo Social networking sites * Facebook * Youtube| Search engines-Google (\$2000/mth) ; Yahoo (\$500/mth) Social networking sites-Facebook

(\$1000/mth) -Youtube (\$1000/mth)| Introduction and maturity

stage Newspapers| SPH * The Straits Times * The Newspaper| \$11 per

line/day| Introduction and Growth stage Roadshow| Shopping centres at more centralized areas * Orchard Road * Ang Mo Kio Hub * Vivo City * Marina

Square| \$15, 000/mth| Growth stageShopping malls| * 313 @ Somerset * Ion Orchard * Vivo City * Ngee Ann City * Plaza Singapura * Bugis Junction| \$4, 800/week| The Integrated Marketing Communication Mix: Phrase 1:

Advertisement on the new vending machine will be announced over the social media such as Facebook, twitters. This is to create a hype regarding KOI. With this hype, viral marketing- word of mouth marketing will occur. Fans of KOI will start to get excited about the new bubble tea in vending machine concept.

Best of all, it do not occur any cost and has proven to be one of the best and most effective marketing communications around. Phrase 2: Next, we will be conducting several road shows of which one of them will be telecast on channel 5, 8 and channel U. During the road shows, bikini babes will be recruited and deployed around the avenue and distribute free drinks of KOI's bubble tea from the vending machine. This attention grabbing publicity stunt will entice reporters to come and gives us further coverage on the event itself. The whole purpose is to advertise to the public and let them know, KOI will be nearer to them in future. Even though it might be coming from the vending machine, yet the quality of the drink will never be compromise on. Viewers continue to tune into TV for their dose of entertainment with 78% of adults watching terrestrial TV on an average basis in Singapore. Channel 8 holds the fort at 48%, keeping its position as the most watched channel in Singapore, followed by Channel U which retained 31% viewership. Channel 5 and Channel News Asia too remained stable at 27%, and 22% respectively. " As quoted, from the above, with the televised road show airing on the 3 most watched channels, we can easily share the good news to all bubble tea

lovers. Strength of hosting a road show| Weakness of hosting a road show| Large media coverage, high human traffic| High cost of setting a road show| Ability to capture attention of those who watch television, which is a good 78% of the Singapore population. Intensive planning which may take months to organise| Onlookers at event will provide addition word-of-mouth advertisement for us| Specialists required, such as event planner. | Opportunity to deliver their products or brand directly to their target audience. | | Engaging of public through games, lucky draw and sampling of our drinks| | Efficient way of influencing consumers| | Enhance KOI's brand and leave a good lasting experience to customers. | | Strength of television marketing| Weakness of television marketing| Attracting new potential customers to try KOI's bubble tea| High cost of placing the advertisement on television| Helps people to remember KOI as a leading and premium brand for bubble tea| National coverage can be extremely costly for small company like KOI| Creating high level of awareness| |

Leverage on the fact that almost everyone in Singapore has a television| | Evaluation Common perception of consumers' towards bubble tea is an unhealthy drink with high level of syrup and sugar intake. KOI came up with the idea of having lower sugar percentage in the drink, fruit juices, coffee, and flavoured tea. This incorporates with Singapore Health Promotion Board's healthy living, with a healthier choice. KOI Cafe sets up our 9 cafes in the hubs of HDB estates, youth's favourite hangout place. With the innovation of the vending machine, KOI would be able to allocate to areas where a more saturated and unreached – i. e. : office towers, schools etc.

The green boxes seen on the map will be the forecast of the new branches, whereas for the red spots, it will be the locations for placing the vending machines, these places either locates to far, too high of maintaining cost for a shop and consumers are often in rush and would like to grab their favourite drink fast. Data scanning will be conducted, whereby the total number of consumers whom purchase from our vending machine will be recorded after the release on social media platform, advertisements, and road shows on a weekly basis. The total number of customers who actually purchase our bubble tea from the vending machine will determine the effectiveness of our marketing strategies. Investing in constant maintain of the vending machines will ensure that the machines would not always be faulty especially in the CBD areas. Intensive training programmes will be given to technicians to constantly calibrate the drinks correctly.

Also train all event staffs ensuring that they are efficient and well equipped with the product knowledge. Thus, be able to provide better services to the customers allowing them to increase customer satisfaction. Mid-year survey will be conducted to ask customers, whom recently purchased our bubble tea from the vending machine on how they come to know about the products and to obtain feedbacks on the product. This allows us to continue our marketing strategy, revise and make improvements on it. Reference <http://www.bubbleteasupply.com/index.php?page=what.html> <http://www.jorbins.com/food-drink-magazine/articles/bubble-tea-origin.html> http://en.wikipedia.org/wiki/bubble_tea <http://www.docshare.com/doc/131734/Monopolistic-competition-Vs-Perfect-competiti> <http://koicafegroup.com.sg/about-us/> <http://www.starbucks.com>.

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