

CHAPTER II

MARKETING PLAN

2.1 Market Size

To understand when the choice for tea is big enough for Noel T-hos, the writer must consider a few steps to prove that healthy drink, namely tea is a good choice. To assess the viability of the writer's tea house business, the writer is considering five steps: Market analyses, Location Selection, Cost Analyses, Marketing Strategy and Financial Projection.

In market analysis, Noel T-Hos has to decide the target audience, that is to identify potential customers interested in specialty teas, focusing on health-conscious individuals and tea enthusiasts and make a competitor analyses, that covers evaluating existing tea houses and cafés to understand their offerings, pricing, and customer base.

Location selection must consider accessibility and demographic. Here Noe T-Hos is choosing to put the products on vendors' kiosk near offices and universities who become the target audience.

In cost analyses, Noel T-Hos calculates the initial investment for providing equipment and initial inventory, also and operational expenses, including monthly expenses like salaries, utilities and supply replenishment.

In marketing strategy, Noel T-Hos has developed a unique brand that reflects the essence of the tea offerings, that is healthy tea drink. Noel T-Hos also is using social media, local events and collaborations to promote the product.

In Financial Projection, Noel T-Hos is calculating the revenue estimates: project potential earnings based on pricing, seating capacity, and expected customer turnout and Break-Even Analysis, that is to determine how many bottles required to cover initial investments and start generating profit.

By thoroughly researching and planning each aspect, the writer wish he can establish a successful tea house that caters to the growing demand for healthful and specialty teas in Indonesia.

Market size for Tea must be taken into account. Especially tea that people drink for health. Tea of this kind attracts not children but office workers or employees, and adults in fitness centre and the like. With many other tea drink suppliers, the writer must understand how many of the people will fit to the T-Hos tea. Therefore, the writer is conducting the survey in the market about the willingness of people drinking tea.

2.1.1. Interview Result

In qualitative research the writer observed or interviewed food sellers or mini market officers that sells packaged tea drink. The writer also find customer who drinks bottled tea. The place for observation is near UMN.

Table 2.1 Qualitative Questions Structure

No	Owner or Manager	Customer
1	Demographic	Demographic
2	Product Interest	Product Interest
3	Opinion	Opinion

The first interviewee is an office employee named Rendy aged 20-30 years old. He claims to like tea, but drinks RTD Tea only 1-2 times a week. His choice is less sugar and taste of the original tea. And most that he likes about tea drink is the flavor. The second and third interviewee are employees at Indomaret and Alfamidi, who both claimed that bottled tea is sold every day. The consumer is 20-30, and 30 – 40 years old. The sweet Ready to Drink tea is most commonly sold.

In the interview, the writer found out that:

- a. Most people who like drinking tea is aged 20 – 30 years old
- b. They prefer less sugar or original taste of tea

- c. They usually buy RTD tea from merchants near home/office
- d. What they like about tea is the flavor of the tea
- e. Teh Sosro is in the mind of the people after Teh Pucuk Harum
- f. When choosing RTD tea they consider the taste, and brand over price

2.1.2. Survey Result

Noel T-Hos make a quantitative survey by sharing google form to find out how many people preferred tea flavor. There are 7 questions that the writer asks the respondents that cover demographic questions (age), geographic questions (place to live); psychographic (taste), and behavioral questions (purchasing habits and brand loyalty).

Demographically, the respondents of the survey cover the age of 20 – 40 years old (75%) and live in their own home/parents. Office workers cover 44.4%, 16.7% self-employed, 19.4% are either students or professionals.

From the survey, the writer got 36 respondents who 44.4% buy RTD tea 1-3 times a week. And if they are to buy RTD tea, they are willing to pay Rp. 5.000,- or Rp. 8.000,-. Although half of the respondents do not buy RTD tea, but if they do 52.8% prefer less sugar, and 36,1% prefer sweet, and only 11,1 % prefer fruity tea.

Although 52.8% claim they do not buy RTD tea, but 88.9 % want to try if there is RTD tea which has the original sweet and astringent taste of the tea itself, and makes the body healthier. This is in line with 52.8% drinks less sugar RTD tea.

2.1.3. Conclusion

From the survey most of the tea drinker comes from people who owns their own house or live with parents. Although 52% do not buy RTD tea regularly but if they do buy 52,8% choose less sugar drink. This shows the healthy choice will be sellable, referring also that 88.9% will try to have RTD tea that has the taste of the original tea without added sugar.

2.2 Competitor Analysis

Competitor analysis is doing research on **one of the competitors to analyze its products, sales, and marketing**. It is important for starting a business to see how the competitors are doing. There are two main competitors, direct and indirect. Direct competitor will likely sell product very similar to owner's product. While the indirect competitors sell something that can substitute Noel T-Hos.

2.2.1 Direct Competitor

Direct Competitor is all tea drinks that is put in bottles or cups. Some of the examples are Nu-Tea, Teh Botol, Teh Kotak. Although they are from common tea leaves. Usually, they taste very sweet. But there are some drinks that is combined with other ingredients like honey or milk. Like Nu-Tea it is mixed with honey. Here, besides RTD Tea, the writer also includes mineral water, as one of the missions is to replace mineral water with Noel T-Hos products in office meetings.

Table 1.2 Direct Competitor Analyses

	Teh PUCUKHARUM 500 ml	NU-TEA with Honey 500 ml	Teh Gelas 500 ml
LOCATION	Indomaret/Alfam art	Indomaret/Alfam art	Indomaret/Alfam art
CORE	Sweet drink comes in bottles	sweet drink comes in bottles	bottled
PRICE RANGE	Rp. 7.300,- - Rp. 7.650	Rp. 6.500,- - Rp 7.200,-	Rp. 7.000,- - Rp. 9.900,-
TARGET CUSTOMER	Students, employees, children, teen and adult	Students, employees, children, teen and adult	Students, employees, children, teen and adult
DISTRIBUTION	Thru outlets	Thru outlets	Thru outlets
SERVICE	Jasmine Tea that is sweet. RTD.	Tea with honey that is sweet. RTD.	Jasmine Tea that is sweet. RTD.
MARKETING	Sell as bonus/special price	Sell as bonus/special price	Sell as bonus/special price

2.2.2 Indirect Competitor

Indirect Competitor is substitute from tea drink. People choose to drink Coconut water that is considered healthy also, then yoghurt although the form is different. It is not a drink, but it can make a substitute.

Table 2.2 Indirect Competitor Analyses

	BUAVITA 240 ml	HYDRO-COCO 500 ml	YOGHURT CIMORI 250 ml
LOCATION	Indomaret/alfamart	Indomaret/alfamart	Indomaret/alfamart
CORE	drink comes in bottles, content fruit juice	drink comes in cartoon box, with coconut flavor	Dairy fermented drink comes in bottle
PRICE RANGE	Rp. 11.000,- - Rp. 12.300,-	Rp. 15.500,- - Rp. 16.500,-	Rp 9.900,- - Rp. 10.400,-
TARGET CUSTOMER	Family	Young people	Children, teenagers
DISTRIBUTION	Thru outlets	Thru outlets	Thru outlets
SERVICE	In cartoon box	In cartoon box	Chilled in pouch/cartoon box
MARKETING	Normal selling from outlet.	Normal selling from outlet.	Normal selling from outlet.

2.2.3 SWOT

To understand what to bring to the market, the writer put SWOT analyses for Noel T-Hos, a company the writer creates to bring tea for healthy living.

The tea that the writer produce is in a bottle, and includes in the group of Ready to Drink (RTD) tea. Now tea as a healthy drink is getting biased because many bottled-tea drinks is sweetened with lots of sugar. The sugar taste is although the choice of many is eliminating the taste of the tea itself, and endangering health in the long run. While from the survey, people of 20 – 40 years of age tend to drink tea with less sugar, and when asked if there is any tea drink that gives sweetness from the tea itself, they want to try the drink, Noel T-hos is confident to make tea as a healthy drink and to make known the knowledge of tea from around the world

Table 2.3 SWOT Analyses

Strength	Weakness
1. Strong flavor 2. Fresh (no preservative, make daily) 3. Healthy Ready to Drink	1. People are not familiar with tea with spices 2. Perhaps children don't like, if they are used to very sweet drink 3. Price of tea is high
Opportunity	Threat
1. Office employees want healthy drink 2. Health is the next mantra	1. Sweetened tea from big company 2. Tea is usually very cheap price 3. Drinks in office meetings usually mineral water or instant brewed tea/coffee

1. Strength: Because it is made fresh, then it is also healthier, moreover it is made without sugar. It can drink directly form bottle. And it has strong flavor. Tea is known for its flavor. Then when it has the flavor still, then it is a good mixture.
2. Weakness: Although tea has its strong point, but because this tea the company produce taste like spices, then perhaps not many people like it. Children most probably don't like because it is not sweet. The tea with spices is also still pricey. So it can be sold only in some places.
3. Threat: many bottled drink is very sweet these days, and sweet is addiction. Then perhaps it is a threat to sell something not sweet.
4. Opportunity: with the trend of healthy living, there is a big opportunity that people will like tea with its original taste without adding sugar or other thing.

Reading the SWOT, the segment cannot be children, but those who are aware of health. Therefore, Noel T-Hos segment is mainly office employees aged 20-40 years, students in universities, and people who are health concerned.

As healthy drink must be pushed forward. In the beginning there is a challenge of educating the market. The social media and brochure are the media where Noel T-Hos can introduce our product.

In the way the products get to the customers is called the customer relationship because the main sales are targeted from made to order, and put the products on display at kiosk near offices and universities, payment can be made cash or transfer.

Our value proposition is a healthy drink, and using premium tea. From the product point of view, the premium tea gives tasty flavor of the tea itself.

The goal of Noel T-Hos activities is to reach targeted sales. Therefore, many activities are involved: in social media, pushing sales thru office contacts and vendors around the offices and university canteen, sponsoring health event, giving bonus to high sales vendor.

The key to recurring orders are consistently good quality product. Good quality product is supported with good ingredients and a standard recipe will ensure this is achieved. Having a responsible tea supplier is important to get good quality ingredients. Noel T-Hos must maintain good relationship with them.

2.3 Sales Goal

Noel T-Hos expect that sales will increase over the time. Over time, Noel T-Hos wish to strengthen the brand reputation. As the channel to get customers are mostly from online promotion, in the first month Noel T-Hos is expecting to reach 50 bottles daily, then 70 bottles in the second month, 85 bottles in the third month, 70 – 120 bottles in the following month to reach 36.000 bottles in one year.

In the beginning, Noel T-Hos expect to sell 60-70 bottles daily in order to reach a break-even point of 58 bottles daily or a sales of Rp. 532.000,-. Noel T-Hos must have averagely same number of sales for each flavor, assuming that all three have different tastes and can be an option to drink alternately.

By using the online promotion and making direct contact with offices, Noel T-Hos is expecting to cover 120 bottles daily in the end. This will be reached in 4 months and forth.

Table 2.4 Sales Goals During the First Months

Sales Goals	Month 1	Month 2	Month 3	Month 4
Customers	1250	500	375	375
Customer Base	1250	1750	2125	2500
Customer Base Growth		40%	21%	18%
Average Sales	11.250.000	15.750.000	19.125.000	22.500.000
Marketing Expenses	806.427	806.427	806.427	806.427
Customer Acquisition Cost	250,000	350,000	425,000	500,000

2.4 Marketing Strategy

The product is tea that comes from various place in the world. For a start, Noel T-Hos is using 3 types of tea: the Oolong tea from China, Masala tea from India and Osmanthus tea from Thailand.

From those three kinds of tea, only oolong tea comes from the real tea leaves. The other two is a mixture of tea leaves and some other spice from plants. The tea sold is already brewed and strained, and is not sweetened with sugar, because the herb itself has sweetness. This makes the tea healthier.

Because this is not a regular sweet tea that is sold on the market, therefore the marketing is thru education. The online promotion must reflect healthy life. And therefore, Noel T-Hos must complement the online promotion with samples given to offices or university students or people in the sports area for marketing gimmicks in the beginning.

In the beginning the writer think that our direct competitor is tea from street vendors that usually sell iced sweet tea in a big cup with cheap price. But because the tagline is healthy drink, the customers of our tea and their tea is different.

In this sense, our direct competitor is actually mineral water and coffee that is usually served in office meetings.

The writer must make sure that this healthy drink really has taste which mineral water does not. Then Noel T-Hos tea will be preferred. Also, because the taste is particular.



Figure 2.1 The Products of Noel T-Hos

2.4.1 Product

The product has 3 types that gives a different taste in tea, because of the ingredients itself. And the product is targeted for healthy living. In this case, there must be description about the benefit of the product to health. The education is given in social media and thru banners and flyers.

Tea is put in a bottle of 500 ml, that is the amount for half day meeting or schooling. To make the drinks look healthy, the packaging must be ensured that it has a clean-look. Plastic bottle with white caps, half covered with a white cover shows an elegant clean look. On the white sticker is the logo and the name of the product along with the tagline *“serves real tea, with sweetness and strength of tea flavor. Our tea actually has taste and support healthy living”*.

2.4.2 Distribution

Customers can get Noel T-Hos product from kiosks or canteen near the office building or university, also in local mini market that looks likes Indomaret or Alfamart.

Another channel of distribution is through online marketing for made to order drinks, for instance for meetings in offices or campuses.

2.4.3 Promotion

Based on the pilot survey from the interview and questionnaire, the competitor analysis, and SWOT analysis. This is going to be Noel T-Hos advertising tools and budget, as followed:

Table 2.5 Advertising Tools and Budget

Advertising Tools	Yearly Budget
Print Advertising (X banner, car stickers)	Rp 4.000.000,-
Samples in store promotions (1500 bottles)	Rp. 5.677.125,-
Total	Rp 9.677,125,-

Promotion in Social-Media is gratis because the management is going to handle it themselves. For meetings or bulk buying can have a discount price or made to order via WhatsApp. On some specific dates, can be made a bundle buying like buy one get one free.

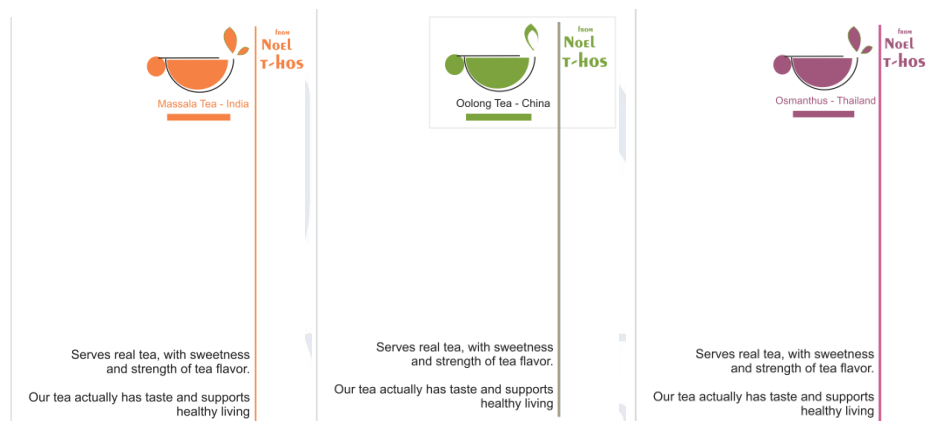


Figure 2.2 Stickers on the bottle

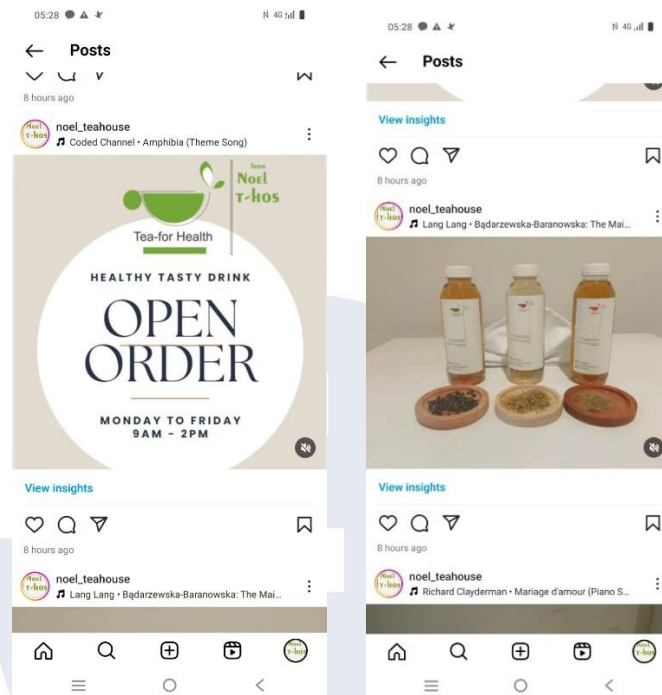


Figure 2.3 Social Media for Promoting Product

2.4.4 Pricing

The price is counted from the cost with margin. The size of the bottle of Noel T-Hos is 500 ml. The oolong tea from China is sold at Rp. 8.500,- for each bottle and sequentially for Osmanthus is Rp. 9.500,- and Masala is Rp. 9.500,-. All the price has included Rp. 1.000,- fee/discount for the seller.

From the survey that the writer was conducting, the reasonable price for bottled tea is Rp. 8.000,-. Noel T-Hos uses this indicator for price with the more benefit, that is healthy living. There is a challenge for the masala and osmanthus, because the price of the ingredients is already pricey. But because their flavor is unique, the education to benefit from the tea drink must be encouraged.

With the price of average Rp 9.000,-, it has covered 41% of Cost of Goods Sold, and leaving Noel T-Hos a gross profit of 59%. This is a good percentage to cover the fixed cost. When fixed cost is efficient the Noel T-Hos will be profitable.