

Marketing Plan Project: KUNG FU TEA

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## I EXECUTIVE SUMMARY

Kung Fu Tea Shop is a beverage chain store. It replaces fructose with natural honey, uses fresh fruit juice and top quality ingredients, targeting consumers' demands on Lifestyles of Health and Sustainability (LOHAS) and a healthy lifestyle. It is well received by the market and has won the title the "tea that touches the heart". Because Kung Fu Tea check on strictly every aspect. Kung Fu Tea Shop's business concept is "no fear of hard work". With its three professional adherences and five health claims, it sincerely welcomes all to taste its great tea. It broke away from the traditional marketing strategy, and provides the most practical business plan to help its franchisees to fulfill their entrepreneurial dreams.

Kung Fu Tea is a unique bubble tea store. "Bubble tea (also known as pearl milk tea, Boba juice, Boba milk tea or simply Boba) is a Taiwanese tea-based drink invented in Taichung, Taiwan in the 1980s." The goal of this marketing plan is to outline the strategies, tactics and programs that will change the face of the store.

Since marketing will play a dynamic role in the success of Kung Fu Tea. It is our dream to introduce the Kung Fu Tea brand to consumers all around the world, as well as creating a more refined bubble tea culture. To achieve our plan, we must build a brand awareness around our products by promoting itself through social medias such as Facebook, Twitter, YouTube, Instagram and many more. From the ingredients for our products to the customer service at our stores, we keep a strict and high standard, setting the bar for our competitors.

Our Current Target Market Includes:

- Students
- Business Workers
- Families
- Tourists
- Athletes

## II SITUATION ANALYSIS

Kung Fu Teas' focus is to keep the products fresh. We have business ventures in Taiwan and in North America. Our corporate headquarters are currently located in New York, and the market itself is very diverse and is in many different areas throughout the world. But we need to focus our efforts on implementing the strategies, programs, and tactics outlined in the original business plan.

Differentiating ourselves from other traditional cafes and coffee/tea we make our bubbles every 2 hours, brew our tea every 3 hours, so we are proud to say each drink is made-to-order freshly on the spot. Our time is dedicated to providing an authentic taste in every cup!

The technology services have been increasing and playing a major role in every business. With help of internet services and other useful demographics, we will try to focus on the purpose of our marketing plan which is to (1) expand and introduce the awareness of the Kung Fu Tea brand to consumers all around the world, as well as consumers who are non-Asian and (2) plan to attract more customers to choose the Kung Fu Tea brand.

### a. Mission

Join us in the revolution as we reinvent tea and change the face of the beverage industry – Fresh. Innovative. Fearless.

### b. Objectives/Goals

- A plan can help to improve brand awareness of Kung Fu Tea among non-Asian
- Brand ambassador plan to attract more people to choose Kung Fu Tea instead of other bubble tea brands
- Their plan is to keep an authentic taste and consistency in every tea. They would keep every cup of tea fresh by making bubbles every 2 hour and brewing tea every 3 hours. They would also purchase tea leaves that are handpicked from the mountains in Taiwan, using natural ingredients and a special handcraft process.

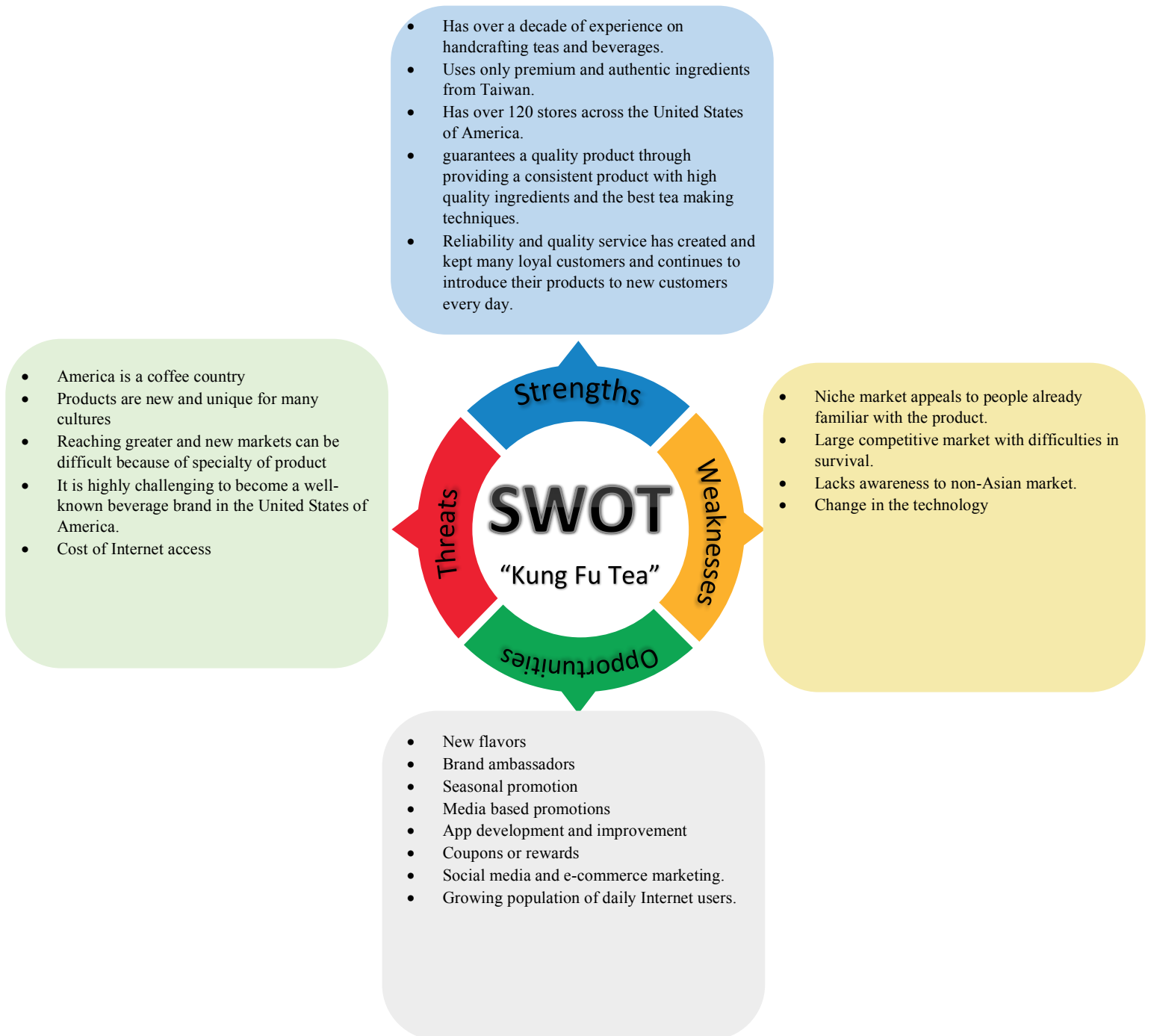
## III MARKET SUMMARY

Reading the information, provided on the website, Kung Fu Tea's founder used a lot of time and patience when preparing to open this store. They used their time testing the different type of teas, milk and yogurt. Their main reason of creating a Bubble tea shop was because they thought the type they drank in Queens was not the authentic flavor, type they like. They try to keep all the stores have the same flavor bubble milk tea. In the stores, they also try to keep their stores cozy and relaxing for their customers.

The idea of creating Kung Fu Tea was when the Co-founders of Kung Fu Tea, Michael, Allen, and Ray came back from a trip to Taiwan. They were walking around Flushing, Queens and was looking to purchase Bubble tea but the results were that when they tasted it, they felt that the bubble tea is not authentic and did not taste like the tea they drink in Taiwan. They then tried to get Sean the Kung Fu Tea Master to work with them in creating authentic bubble tea. In the process of creating the bubble tea of their taste, they tasted numerous different type of milk, yogurt, and tea leaves with the recipe of their teas.

#### IV SWOT ANALYSIS

The SWOT Analysis provides us with an opportunity to examine the internal strength and weakness Kung Fu Tea must address. It also allows us to examine the opportunities presented to Kung Fu Tea as well as potential threats.



## V MARKETING STRATEGY

### 1. *Market Segmentation:*

A more diverse market segment is desired. This includes young diverse Americans. Asian market is important but the company feels fulfilled in this quota. The current market consists of Asians, multiple economic backgrounds, and multiple age groups, most notably the teen and young adult age group.

### 2. *Target Market:*

18-35 years old and to expand target market especially among non-Asian community. This age group and segment is important because capturing it can increase profitability and increase the market demand if they are reached. Part of being able to reach a greater market will be aided by a brand ambassador. This ambassador can hand out promotional fliers and spread the word. They will also represent the company's brand by being clean, happy, and driven by quality.

### 3. *Differentiation:*

New flavors are offered and should continue to be offered. The newest flavors are Creme de Banana, and Caribbean Breeze. In our marketing plan, we offer to add more frozen coffee flavors, and diet options. This will help expand the market by introducing new flavors of the same quality product. Seasonal and Promotional flavors test well in the past and are being marketed currently. The Brand ambassador program will also expand the market by reaching further areas.

### 4. *Positioning:*

Kung Fu Tea already had a strong presence on the internet but could stand from more exposure by both staff and customers. Positioning themselves in the media more aggressively will help with exposure and will act as advertising as well. The Instagram page is a huge tool for the target consumer group. The company is positioned as moderately priced and with great and high quality products.

## VI MARKETING MIX

### 1. *Product/Service:*

1.1. **Product:** Handcrafted Teas, Premium Ingredients, Unrivaled Quality. Service: Purest Perfection, Utmost Attention, Kung Fu Master

1.2. **Type (good, service, idea, etc.):** Bubble Tea

1.2.1. There are many variations of bubble tea with a wide range of ingredients. Most recipes contain a base of tea which is mixed or shaken with fruit or milk. Ice-blended versions of the tea are usually mixed with fruit or syrup, resulting in a slushy consistency. Chewy tapioca balls - also known as bubbles/Boba - are often added, hence the name: bubble tea. While there are many other toppings, like Nata jelly, pudding, herbal jelly, the bubbles remain the crowd favorite.

1.3. **Identification (brand name, label, and packaging):** When it comes to bubble tea, though, not every recipe maintains the same original flavor first created in Taiwan. Our

Kung Fu Tea-cinques on the other hand attempt to maintain every aspect of the authentic taste. We use tea leaves from the mountains of Taiwan in our tea, which is brewed fresh every three hours. Where other companies hurriedly chill their tea, our Kung Fu Masters do this by hand, with time and care. This dedication to our tea is in line with our embodiment of the Kung Fu spirit. It is passed along to our bubbles which are made from an all-natural combination of tapioca, brown sugar and honey. They are made every two hours to preserve their fresh, chewy textures. Bubble tea has evolved since its creation and, though we try to uphold the tradition, we are fearless in the face of change.

2. **Place:** A New York-based brand, Kung Fu Tea has 20 unique locations throughout the United States and more than 250 worldwide. With a decade of market experience, the bubble tea chain is focused on maintaining its exceptionally high ingredient quality and customer satisfaction standards.

- 2.1. **Product location:**

KUNG FU TEA

Address: 136-20 38th Ave, Flushing, NY 11354

Phone: 718-395-8297

- 2.2. **Hours Open:**

Mon: 11:00 am - 10:00 pm

Tues: 11:00 am - 10:00 pm

Wed: 11:00 am - 10:00 pm

Thurs: 11:00 am - 10:00 pm

Fri: 11:00 am - 10:30 pm

Sat: 11:00 am - 11:00 pm

Sun: 11:00 am - 11:00 pm

3. **Price:**

- 3.1. **Pricing strategy**

- 3.1.1. Profit-oriented

- 3.1.2. Sales-oriented

- 3.1.3. Status quo

- 3.2. **Cost**

- 3.2.1. Production

- 3.2.2. Distribution

- 3.2.3. Overhead

- 3.2.4. Sales

- 3.2.5. Marketing

- 3.3. **Markup**

- 3.3.1. Suggested selling price

- 3.3.2. Profit margin

- 3.3.3. Price and quality relationship – perceived value

4. **Promotion:** Served either hot or cold, bubble tea is a Taiwanese drink, traditionally made with a tea base, fruit or milk, and chewy tapioca pearls. At Kung Fu Tea, the flavor varieties are nearly endless, ranging from green and black tea-based beverages to fruit slushes and

even coffee options. Customers can customize their drinks, choosing ingredient add-ins, as well as different levels of sugar and ice.

**4.1. Personal selling**

**4.2. Advertising**

4.2.1. Direct mail

4.2.2. Internet

4.2.3. Telemarketing

4.2.4. Television

4.2.5. Radio

4.2.6. Others

**4.3. Sales promotion – sale prices, discounts, coupons, contests, sweepstakes, tradeshows, etc.**

**4.4. Public relations**

**4.5. Web site: <https://www.kfteausa.com>**





## VII APPENDIX

*The final section(s) offers additional information that might be of benefit, such as a list of key personnel, data limitations that may influence the findings, and suggestions of the plan, relevant legislation, and so forth.*

### Interview Questions

1. How would you describe Kung Fu Tea's mission statement?
2. What are some marketing challenges that Kung Fu Tea faces today?
3. How do you go about creating your market plans? What types of marketing tools does Kung Fu Tea use? Facebook, Twitter, etc.?
4. Who is your target market? Would you consider expanding target audience over the course of Kung Fu Tea's establishment?
5. Please briefly describe your experience as a marketing professional in the hospitality industry.
6. What is your most recent marketing plan? What part of the market is Kung Fu Tea currently expanding on?
7. Kung Fu Tea has been very successful: how do you stay competitive?
8. How do you measure how effective your marketing is? (Surveys? Customer Cards?)
9. What times during the year is Kung Fu Tea the busiest? Slowest? During these times, do you actively go about marketing to attract your customers?
10. Do you have any suggestions or advices for us in creating a marketing plan for Kung Fu Tea?

### Interview Answers

1. Join us in the revolution as we reinvent tea and change the face of the beverage industry – Fresh. Innovative. Fearless.
2. Not enough brand awareness of our scale. We have 120 stores in the U.S but still many people haven't heard of our brand or bubble tea.
3. Yes, from social media. To create marketing plans, we based on industry trend research and work with our product team to come up with strategy.
4. 18-35 years old. Yes, we want to expand especially among non-Asian community.
5. Very exciting and diverse, and a lot of areas to research and needs to learn all the time, keep updated with the latest trends.
6. Influencer marketing plan and focus on brand ambassadors. We will focus on expanding on west coast.
7. Product always comes first. To guarantee the product quality, all bubble is freshly made every 2 hours, tea is freshly brewed every 3 hours. And always trying to think of differentiators separate ourselves from other brands.
8. Surveys.
9. Summer is busier. Winter is less busy. We do have different marketing strategies towards different seasons and create the marketing plan accordingly. For example, we had a hot drink special for winter times.
10. I would say below are the two major struggles, create a marketing plan target towards these specific goals, and then develop tactics based on the goals.
  1. A plan can help to improve brand awareness of Kung Fu Tea among non-Asian.
  2. Brand ambassador plan to attract more people to choose Kung Fu Tea instead of other bubble tea brands.

### **Summary of the Interview**

As students enrolled in HMGT-2405 Hospitality Marketing course we were required to create the Marketing Plan Project. As one of the objectives of this project was for us to meet with a professional marketing person in the hospitality industry for an informational interview. With our group, we decided to create a marketing plan for Kung Fu Tea as our chosen company to provide marketing strategies based from what we have learned in class. Kung Fu Tea is a beverage store who expertise in bubble tea and other drinks. As students majoring in Hospitality Management at New York City College of Technology, we admire Kung Fu Tea's accomplishments throughout their years of service and expansion. Therefore, we wanted to arrange an interview with the marketing manager from Kung Fu Tea to help us with our project.

Unfortunately, we were not able to schedule in-person appointment to meet with a marketing manager. However, with the help of our group member who is a current employee at one of the locations of Kung Fu Tea located at 136-20 38th Ave, Flushing, we were able to send a professional email to Mai Shi, a manager of the marketing team. Mai Shi considered our request to answer our interview questions which helped us to create a marketing plan project. The interview was extremely helpful and proficient. Mai Shi gave us good feedback with very informative facts. In addition, she was kind to provide us with some suggestions for our marketing plan project. Ms. Mai was also very supportive of our project and where we were so thankful and appreciative of her time and the opportunity that we have granted.

Overall, throughout the interview we have learned a lot of information about Kung Fu Tea; such as their marketing strategies, target market, strengths, weaknesses, opportunities and threats, as well as their confidence with their own brand. To conclude, from the interview we had with a marketing manager as a representative of the Kung Fu Tea, she was proud to say how prosperous Kung Fu Tea is and that the company is still on its way to grow to a higher level of success in the future.