

Paradise Tea Station



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**Undergraduate Entrepreneurship Association
Business Plan Competition**

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Agenda

- ✦ Business Overview
- ✦ Product Information
- ✦ Business Operations
- ✦ Marketing Strategy
- ✦ Financial Estimates



Business Overview

Short-term goals for the first 12 months

- Initiate bubble tea craze on the **CMU** campus
- Fulfill bubble tea crave among Asian-American / Asian students
- Achieve sales of 200 cups of bubble tea daily
- Offer 10 flavors in both black and green tea



Product Information

Main ingredients

- Tapioca Pearls
- Black and Green Tea
- Sweetened Milk

Serving suggestion

- 16-ounce clear plastic cup
- Jumbo-sized straw



Business Operations

- ★ Location: Tech Street by Posner Hall
- ★ Station: Mobile food truck
- ★ Hours: 11AM to 8PM on weekdays
- ★ Staffing: 3



Market Analysis

Within CMU

- ✓ No bubble tea shops
- ✓ Existing vendors do not offer bubble tea

Beyond CMU

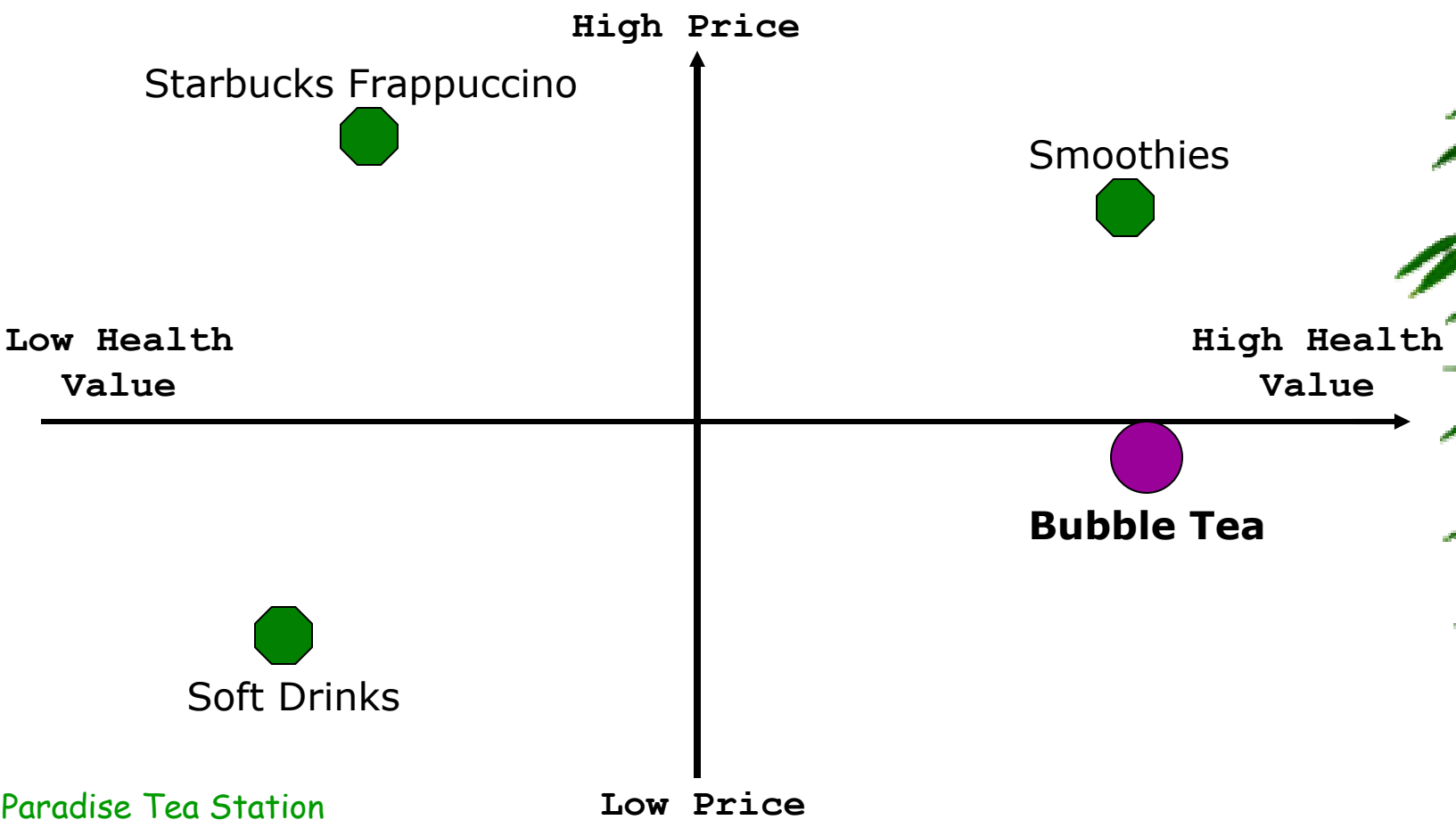
- ✓ Only one bubble tea shop near to **CMU**
- ✓ Price range \$2.75 - \$4.50
- ✓ Bubble tea supplies
 - Strip District – expensive
 - Online retailers – bulk purchases



got bubble tea?

Market Positioning Perceptual Map

Cold Beverage Industry in CMU



Paradise Tea Station



Target Market

- ★ Initial Target Market
 - Asian-American / Asian population in **CMU**
- ★ Continuous review
- ★ Product line extension
 - Expand target market



Product Mix

- ★ 2 sizes
 - Regular (16-ounce)
 - Small (12-ounce)
- ★ 2 varieties : black tea, green tea
- ★ 10 flavors : regular, almond, cantaloupe, coconut, green apple, watermelon, honeydew, kiwifruit, passion fruit, taro



Pricing Strategy

- ★ \$3.00/cup for regular size drink
- ★ \$2.50/cup for small size drink
- ★ \$0.50 for additional serving of tapioca pearls



SWOT Analysis

<p><u>Strengths</u></p> <ol style="list-style-type: none">1. Product familiarity2. Customer value3. Responsive	<p><u>Opportunities</u></p> <ol style="list-style-type: none">1. Huge market2. Health property3. Trendy product
<p><u>Weaknesses</u></p> <ol style="list-style-type: none">1. Forecast demand2. Cash flow	<p><u>Threats</u></p> <ol style="list-style-type: none">1. Seasonal demand2. Existing food trucks



Sales and Advertising Strategy

1. Sales Promotion

– Buy 10 get 1 free

2. Advertising campaign

- * The Tartan
- * Posters
- * Paint food truck

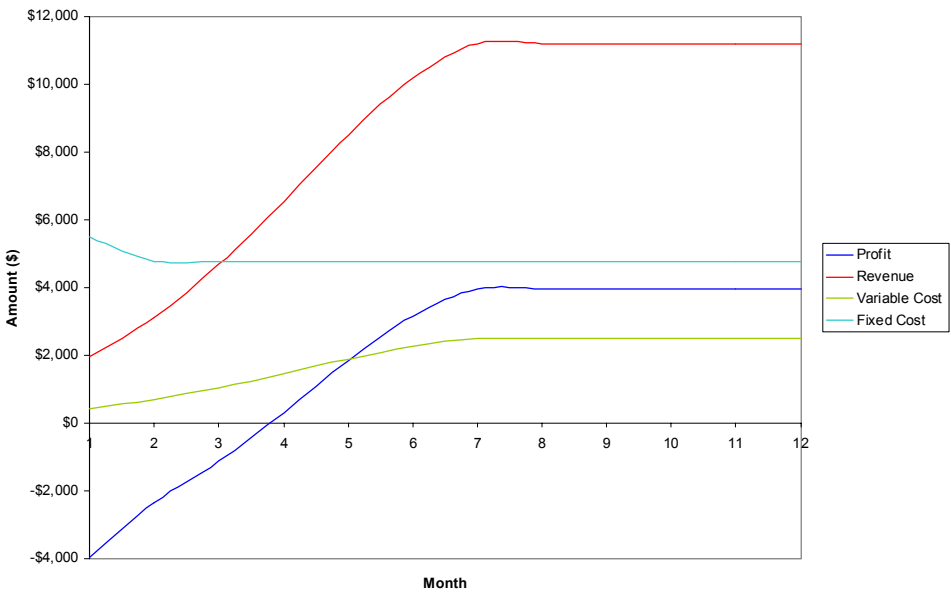
Allocation of Advertising Budget

Tartan Ads	\$400 (4x\$100/wk)
Posters	\$80 (2x\$40/card)
Paint truck	\$20
Total	\$500



First Year Revenue Estimates

First Year Projected Profit and Loss for Bubble Tea



- * Expect to be in the red for first 3 months
- * Expect to be profitable in 4 months

* **Revenue** = Unit_price X Num_of_cups_sold

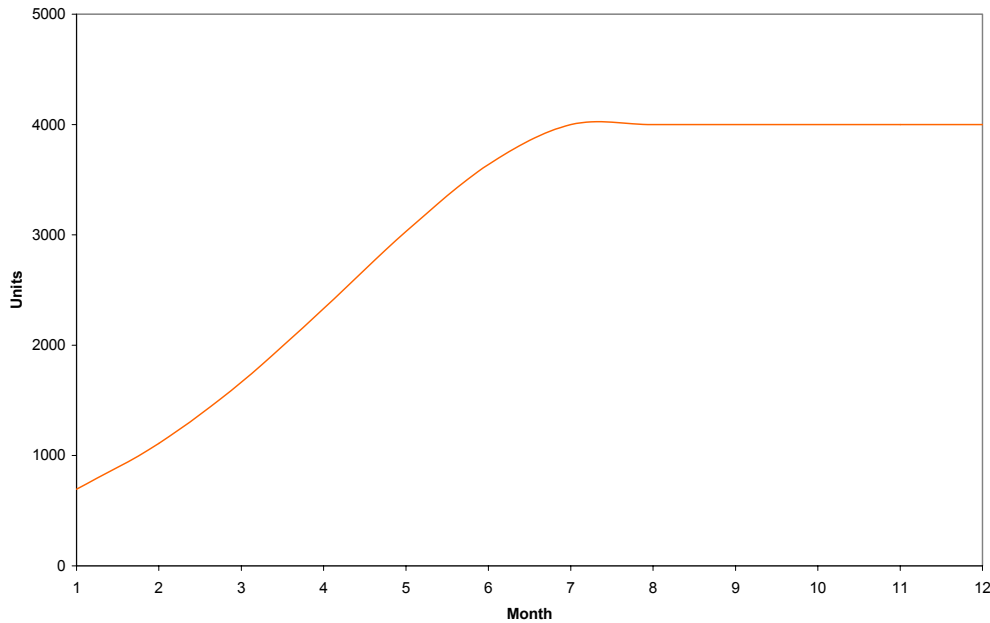
* **Cost** = Fixed_cost + Unit_cost X Num_of_cups_sold

* **Profit** = Revenue - Cost



First Year Sales Estimates

First Year Projected Sales for Bubble Tea



- * Expect average 26.7% monthly growth for first 6 months
- * Expect to achieve sales goal of 200 daily in 7 months



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Q & A

