

BOBA GUYS

MATCHA

CANNED

BOBA

BOBA GUYS MARKETING

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OVERVIEW



Boba Guys is a trendy and popular bubble tea (also referred to as 'boba') brand with 19 locations concentrated in the San Francisco Bay Area, Los Angeles, and New York City.

The company was founded in 2011 by two software engineers in San Francisco who bonded over their mutual love of boba. Shortly after, they launched their first pop-up in a San Francisco ramen shop. Within two years, the company had opened its first storefront, pivoted to entirely in-house drink production, and attracted a loyal customer base.

As a marketing team for Boba Guys, **we plan to launch the brand's first-ever canned product: a boba matcha green tea.** Given the explosion of relevant markets for this product, it can strengthen Boba Guys' brand recognition and prove to be a high-reward investment in the company's future.



BABAGUYS

COMPANY
PROFILE



19
LOCATIONS

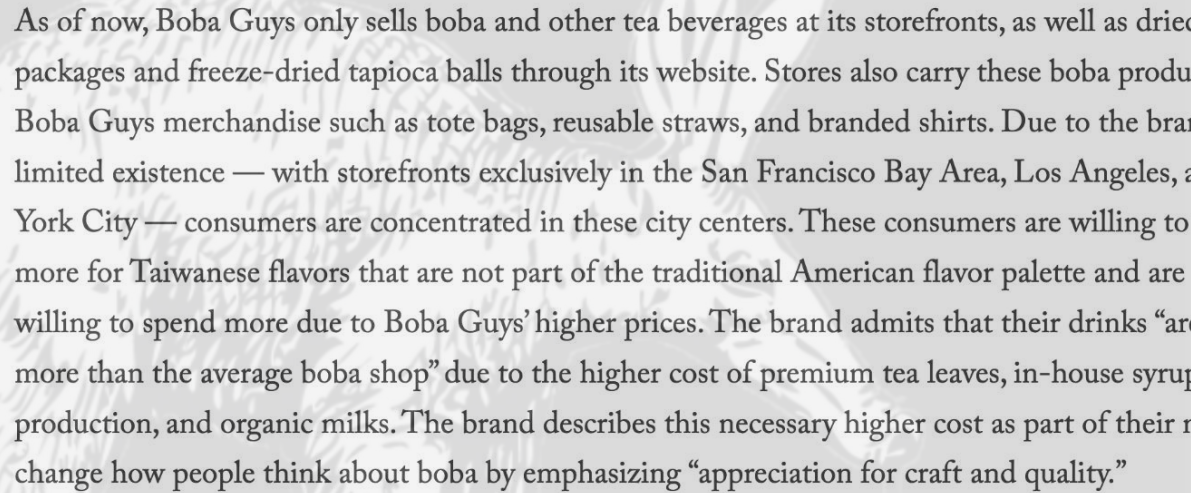
250 VARIETIES OF
FLAVORS AND
CHOICES OF A
BUBBLE TEA DRINK.

COMPANY PROFILE

Boba is still a foreign or unfamiliar food product to many American consumers. According to the Eater Guide to Taipei, boba is a popular drink from Taiwan that consists of varying combinations of tea, condensed milk, ice, and chewy tapioca pearls called boba, which thus lends their name to the drink. Boba drinks are also referred to as “bubble tea” and “pearl milk tea,” based on geographic variations. Created in Taipei in the 1980s, boba exploded in popularity in East Asia before trickling to the United States in the early 2000s. Since then, boba has become a staple of urban snacking culture, but many consumers without access to multicultural food and drink options may still not recognize the term “boba” or may still be hesitant to try the drink.

Boba Guys places cultural exchange at the heart of their mission and operation to combat this hesitancy. **Their mission statement is “to bridge cultures, and change the way people think about boba and tea.”** Beyond this commitment to cultural exchange, Boba Guys’ mission can be broken down into three external components — **“quality, radical candor, and giving a damn”** — and two internal components — **“mindfulness and resilience.”** Overall, these five tenets encompass Boba Guys’ dedication to customer and employee satisfaction over profits.

As of now, Boba Guys only sells boba and other tea beverages at its storefronts, as well as dried tea packages and freeze-dried tapioca balls through its website. Stores also carry these boba products and Boba Guys merchandise such as tote bags, reusable straws, and branded shirts. Due to the brand’s



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As a marketing team for Boba Guys, we plan to launch the brand's first-ever canned product, which will be a matcha green tea boba beverage. Matcha has exploded in popularity in the last few years, largely paralleling the craze over holistic diet culture and organic, all-natural ingredients. Boba Guys has extreme brand recognition — especially associated with their iconic armadillo logo — and the successful launch of this unique product could initiate the entry of Boba Guys into the canned/bottled tea industry. Boba Guys already has the brick-and-mortar and digital infrastructure to market such a product, as well as the necessary recipes and cultural know-how needed to produce a matcha beverage.

**OUR NEW PRODUCT: MATCHA
CANNED BOBA**



ALL-NATURAL

**MATCHA
CANNED
BOBA**



9.5 FL OZ / 280 ML
PERISHABLE / KEEP REFRIGERATED



KEY OBJECTIVES

Our product allows Boba Guys break into a new market, so our main focus for marketing objectives include building brand awareness and boosting demand for initial sales. Social media marketing metrics are our main strategy for measuring the success of our promotional campaigns.

KEY OBJECTIVES

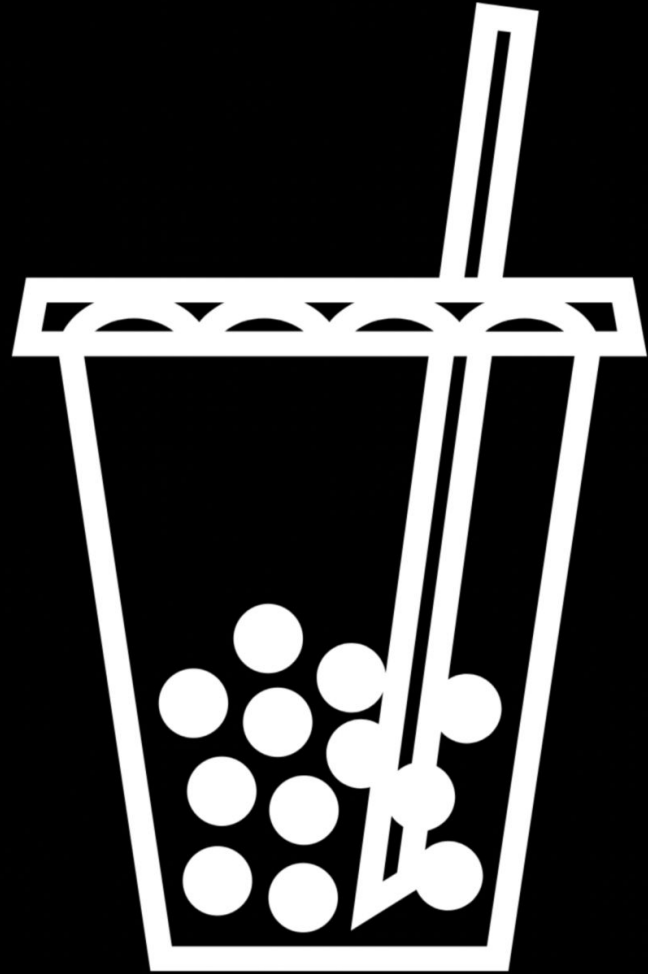
While Boba Guys has developed a strong and impassioned customer base within its niche, the introduction of a canned matcha boba beverage requires a slight adjustment to customer perception, so we focus on brand awareness, which will also help the goals to increase sales and conversion rates for the new product.

1. **Generate \$700M in sales for our new product within the first year of launch.** Boba Guys made an estimated \$3.5M in sales this year (Dun & Bradstreet 2021); we aim for a 20% increase from new product sales given high conversions from our promotional strategy.
2. **Achieve an average .70% engagement rate on Instagram posts about the product launch within three months after product pre-launch.** This objective is easily measured by our digital marketing and social media specialists, calculating the proportion of likes to total followers, or through Instagram Insights. Currently, Boba Guys has an Instagram following of 107K and an overall engagement rate of .38%. But posts promoting in-store limited edition drinks have higher engagement with an average of .66%. Our promotional strategy (see further below) with popular brands/influencers will flood this higher engagement rate.

3. **A 20% increase in Impressions on our IG posts from Explore and Other within this promotional quarter**, which would indicate high redirection from influencer and brand collaborations.
4. **Increasing social share of voice about the brand and its new product in the first quarter. The metric measured is a 20% increase in IG/FB/Twitter mentions about our new beverage campaign activities**, like ambassador events and merchandise sales from collaborations. These metrics suggest that brand awareness is spreading through our customers/promoters' broader social networks, acting like reviews to increase purchases.



THE CURRENT MARKET SITUATION



THE TARGET MARKET

Demographic Characteristics

According to the Decision Lab's Foodservice Monitor, **Gen-Z individuals aged 9 to 24 were six times more likely to consume bubble tea than any other generation** (Linh , 2018). According to another recent survey conducted by the CSLA, 94% of individuals aged 20-29 drink bubble tea every three months, which is an age range that overlaps with the Millennial generation (Ren, 2021). Gen-Z and Millennials comprise the bulk of the present U.S. population(Siegner, 2018). **Millennials alone account for 28% of the whole domestic population and, on average, have more disposable income due to the majority of them living with their parents.** Due to this fact, Millennials have a collective yearly purchasing power of \$200 billion because of their likelihood to spend over saving out of necessity (Woroch, 2020).

Another important focus of Boba Guys' target market segmentation for their new canned drink is the Gen-Z and Millennial behavioral tendency to significantly consume food and beverages away from home. According to Morgan Stanley Research, **Out-of-home represents 47% of the Millennial food spending per year.**(Morgan Stanley Research, 2020). These two generations also drive the bulk of demand for premium and super-premium teas (like boba), gourmet ready-to-drink products, "healthier" beverages over soft drinks(Siegner, 2018).

Psychographic & Geographic Characteristics

Customers that are potentially profitable with the launch of this new product line would unequivocally include college students, who are on the go but also likely to use getting food, or eating off-campus to socialize. While there is at least one boba shop in every state 5/10 top cities for bubble tea consumption are in the Bay Area of California and more than 50% of the top 20 cities are in the state (Bialik, 2018). California alone is home to over 281 universities, and its major cities average a significantly higher Millennial presence (18-24) than other regions nationwide (Bialik, 2018). City populations are also more likely to adapt to new fads and trends, especially surrounding food, than suburban areas where food options are more limited and sprawling. University students are also a perfect target market for the canned boba product due to their in-a-rush lifestyle. These students would appreciate a more efficient way to get their boba for the day through a breakthrough canned product.

Target Customer Profile

Thus, the distinct target customer profile is the "**Socially Invested, Food-Fad-Loving, Busy College student.**" This consumer is ideally 18-24 years old, goes to school in an urban area, and is inclined to make beverage purchases oriented towards "health" and "energy" such as natural teas and cold brews, with fewer artificial sweeteners. This consumer is frequently on the go and socializes by grabbing a quick beverage or bite with a friend in between clubs, classes, and meetings. They have access to money likely through their parents and whatever additional income from jobs, with disposable income typically

through their parents and whatever additional income from jobs, with disposable income typically directed towards eating out and socialization. Based on the industry conditions for Boba Guys and the identified customer profile, the company should focus its marketing efforts towards major cities in California that have large populations of college students.

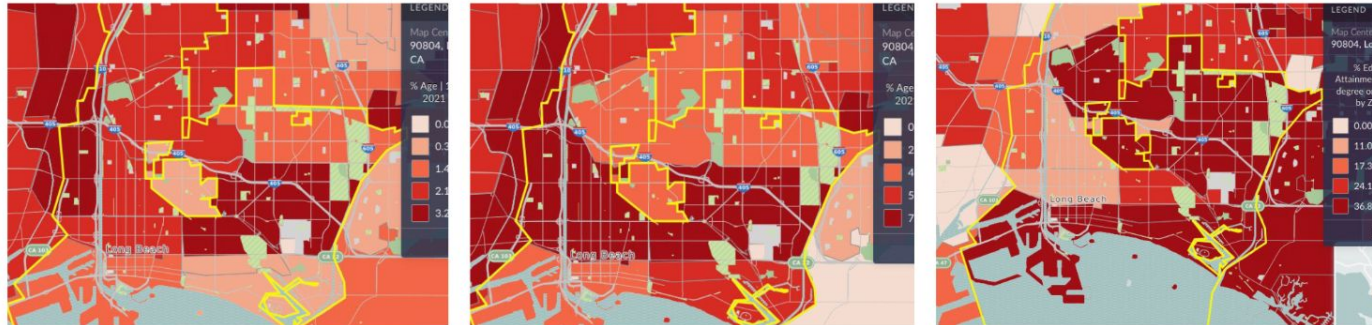
Target Geographic Markets

The Garden Grove neighborhood in California (located in Northern Orange County) is **nicknamed the “Boba Capital of the United States” with 33 boba shops which are equal to one boba shop per every 5,200 residents.** Garden Grove has a population of roughly over 170,000 people and is located in close proximity to the booming city of Los Angeles. There is no Boba Guys store in Garden Grove, and although this may seem like a bad location to open a new store and introduce a new product due to the high number of competitors, placing a store in an area already preconceived to have high-quality boba and a vast amount of daily customers will make for high publicity for the brand.

Long Beach, California, is another one of the cities in Los Angeles with a high population of ~467K. **Long Beach is also a large college town with 11 colleges and is a city with some of the most millennials** as 29% of ages 20-24 and 20% of ages under 18. Long Beach already has a few boba places and does have a Boba Guys in the vicinity. Thus a canned version of Boba guys would sell excellently, with existing market share and lower competition pressures. Furthermore, since the Boba Guys is located on outer Long Beach, selling a canned version in the city would allow more access to the product and increase sales.



Garden Grove, CA demographic characteristics show a high concentration of Gen-Z/Millennial consumers, as well as being an area with moderate number of people in college or familiar/proximate to the college lifestyle.



Long Beach, CA demographic characteristics show an extremely high concentration of Gen-Z/Millennial consumers, as well as a high number of people in college or familiar/proximate to the college lifestyle.

PPOLITICAL

EECONOMIC

SSOCIAL

TTECHNOLOGICAL

COMPREHENSIVE PESTLE
ANALYSIS



POLITICAL

A key political factor affecting matcha tea and boba production is ongoing pressure from U.S. lobbying and special interest groups. **Lobbying efforts to ban soda and sugary drinks** have dominated the U.S. political landscape for the past decade. Numerous lawmakers have proposed legislation to limit soda and sugary drink consumption. In 2012, mayor Mike Bloomberg proposed a ban on sugary drinks that exceed 16 oz. While New York State's highest court struck down the bill in 2014, according to the New York Times, "**Mr. Bloomberg's proposal... set off a global debate over soda consumption.**" (Grynbaum, 2014). In 2017, Philadelphia passed an excise tax of 1.5 cents per oz on sugary drinks and consequently sold significantly fewer taxed beverages (Bleich et al., 2020). The Philadelphia case illustrates that the widespread implementation of taxes like this could also prove useful to the matcha and boba industries as they are inversely proportional to consumption levels-- **as sugary beverage taxes go up, consumption of soda and other sugary drinks decrease, thus leaving a gap in the market that matcha and boba can fill.** However, it is important to note that some **sweetened beverage taxes also apply to tea, which can be detrimental to canned matcha sales.** For instance, a bill that The Rhode Island General Assembly will consider in January 2022 would impose "a tax of 1.5 cents per ounce on beverages such as sodas, sports drinks, sweetened teas and coffees" (Norman 2021). **Government-mandated lockdowns and stoppages due to the COVID-19 pandemic curtailed tea production.** In fact, "According to Indian Tea Association, **tea prices have risen by 25-40% on average due to lockdowns in tea growing regions,** as well as because of irregular movement of cargo and drop in crop size." (Fortune Business Insights: Bubble Tea Market). Moreover, due to the growing global popularity of matcha, the **Japanese government is encouraging farmers to produce certain varieties of "tencha,"** which are green tea leaves of which matcha tea powder is made (Orihara, 2021). The Kyoto government is providing financial incentives and support for local growers who follow their recommendations (Orihara, 2021).

ECONOMIC

An economic factor with significant market ramifications is supply chain issues with key ingredients and materials, such as green tea leaves, cassava, and aluminum cans. According to an IBIS World report on Tea Production in the U.S., "a disruption in global supply chains proved detrimental to the Tea Production industry, as imports comprise nearly one-quarter of domestic demand" (Diment, 2021). This is extremely impactful because most green tea leaves are imported from other countries such as China and Japan (Diment, 2021). Economic conditions resulting from recent trade disputes under the Trump Administration and the coronavirus pandemic have disrupted the typically stable tea trade with China in recent years. This is because The U.S. government targets Chinese tea products for tariffs; as a result, trade disputes have incurred duties that make tea imports more expensive to U.S. consumers (Diment, 2021). The outbreak of the coronavirus pandemic further stalled tea production. As a result, tea imports from China have decreased significantly in recent years; in 2021, Chinese tea imports accounted for about 10.7% of all industry imports, which pales compared to the 21.4% market share represented in 2016 (Diment, 2021). The supply chain has also impacted the ready availability of tapioca balls or "boba." According to Morning Brew, "99% of U.S. boba is imported from overseas" (Wilde, 2021). More specifically, most tapioca is sourced from Taiwan, the drink's origin, while the cassava root, tapioca's main ingredient, is typically imported from Thailand and the Pacific Islands (Browning, 2021). As a result when shipments from East Asian countries are backed up, the U.S. boba supply dries up. Moreover, another unforeseen outcome of the pandemic is the aluminum shortage or aluminum "candemic," which adversely impacts packaging prospects. There is a global metal shortage because China has significantly reduced its aluminum production (Pyzyk, 2021). The decrease in aluminum production is partially attributable to increased regulation by the Chinese government meant to curb coal pollution by targeting the most energy-intensive industries. To put it in economic terms, there is simply not enough supply to meet the growing demand, which has resulted in a 2 million metric ton deficit so far this year. Consequently, the price of both new and recycled grades of aluminum have skyrocketed-- which is bad for the canned boba business (Pyzyk, 2021). Demand is further bolstered by people and businesses increasingly preferring aluminum cans over plastic bottles due to their environmental friendliness.

SOCIAL

A pervasive consumer value is an increased **emphasis on health consciousness**, which is characterized by **consumers purchasing more natural and organic foods**. This trend will prove useful as matcha, which is made from green tea leaves, has numerous health benefits. **Green tea has a host of health benefits in addition to the natural caffeine boost**, including **disease-fighting phenolic antioxidants**, such as, Epigallocatechin (EGCG), which can help fight diabetes, cancer, and cardiovascular disorders. Moreover, a study on the effects of matcha on mood and cognitive performance illustrates that **matcha does have a significant positive effect on cognition**, including “significant improvements in tasks measuring basic attention abilities and psychomotor speed in response to stimuli over a defined period of time” (Dietz 2019). **Demographic changes** are also essential points of analysis. **East Asian immigration to the United States**, most notably Taiwanese immigration, has **increased in recent years**. According to the Migration Policy Institute, “**arrivals from Asia are projected to comprise a greater share of all immigrants, becoming the largest foreign-born group by 2055, according to Pew Research Center estimates**” (Batalova & Hanna, 2021). Asian immigrants tend toward metropolitan locales with high cultural impacts, such as New York and California as over 1/3 of all immigrants from Asia have settled those two states-- California represents about 30% of the population while New York represents about 9%. The increased Asian immigration has undoubtedly, and will continuously, result in the widespread adaptation and appreciation of Asian flavors and recipes-- and both boba and matcha are no exception!

TECHNOLOGICAL

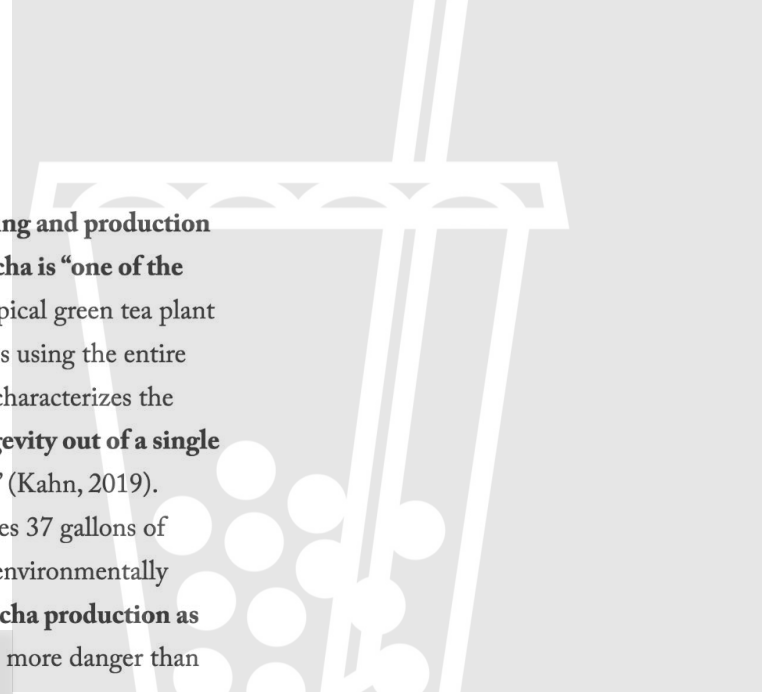
Technological changes affecting the general marketing environment of boba and matcha include **changes in communication technology, including a growing reliance on social media**. Social media marketing and maintaining a strong digital presence are crucial to the successful maintenance of businesses that cater to younger audiences-- such as Boba Guys. According to a report by Future Market Insights, "**growing penetration of social media is also driving the inclination towards bubble tea**. Due to growing popularity and continuous trend on social media, consumers are shifting from conventional beverages to innovative formats" (F.M. Insights). As a result, **it is crucial to effectively convey brand personality and image through social media marketing efforts**, a skill Boba Guys has effectively honed.

LEGAL

The ongoing labor exploitation of the tea farming industry makes tea labor laws and NGO advocacy crucial. Numerous governmental bodies and NGOs have to intervene to **mitigate forced labor, child labor, and trafficking within tea plantations**. For instance, organizations like Ethical Tea Partnership and the Rainforest Alliance educate girls about the ways of trafficking recruiters and force owners to address inhumane labor conditions (Human Trafficking Search). Moreover, the Indian government is currently fighting against trafficking by "working on writing tea workers into **government welfare programs until it can create policies that better enforce minimum living standards on the plantations**" (Human Trafficking Search). However, **law and policy do not always translate to tangible change**. For instance, even though Indian law requires plantation owners to provide humane working and living conditions, "multiple families are often forced to share a single working toilet while other septic tanks overflow into workers' living quarters" (Human Trafficking Search). Legislation, such as the California Transparency in Supply Chains Act that promotes **supply chain transparency** tends to be more effective.

ENVIRONMENTAL

The ongoing environmental degradation of our planet makes sustainable harvesting and production techniques crucial. Green tea leaf production is extremely sustainable; in fact, **matcha is “one of the most sustainable and environmental food crops in existence”** partially because a typical green tea plant can live for over 50 years (Kahn, 2019). Unlike other teas, matcha production involves using the entire tea leaf, which incurs less waste. In addition to producing less waste, a long lifecycle characterizes the crop: “[matcha] tea only requires harvesting a plant's leaves, **growers get a lot of longevity out of a single plant** — making teas of all kinds (but especially matcha!) a pretty sustainable choice” (Kahn, 2019). **Matcha is much more environmentally friendly than coffee**, seeing that coffee “takes 37 gallons of water to produce a single cup” (Kahn, 2019). However, even though matcha is more environmentally friendly than other caffeinated alternatives, **climate change can adversely affect matcha production as “the tea plant is uniquely sensitive to even the slightest changes in climate**, it faces more danger than other crops in the face of continuing global climate disturbances” (Yuki, 2016).

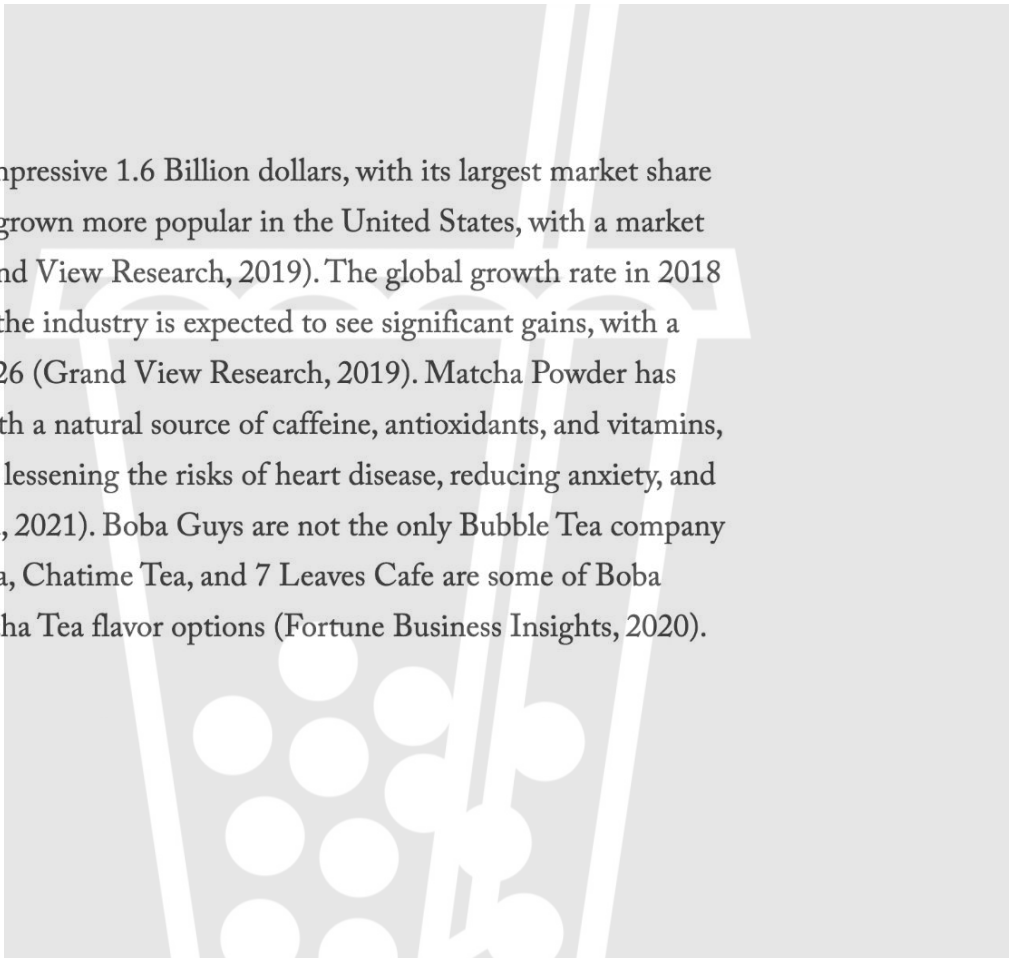


S IRENGTH **W** EAKNESSES **O** PPORTUNITIES **T** HREATS

COMPREHENSIVE SWOT
ANALYSIS

SWOT MARKET INSIGHTS

The Matcha Green Tea industry is worth an impressive 1.6 Billion dollars, with its largest market share in Asia. More recently, matcha beverages have grown more popular in the United States, with a market share valued at USD 750 million in 2019 (Grand View Research, 2019). The global growth rate in 2018 was cited as 4.7%, But within North America, the industry is expected to see significant gains, with a projected CARG of approximately 7.5% by 2026 (Grand View Research, 2019). Matcha Powder has recently been lauded for its health benefits. With a natural source of caffeine, antioxidants, and vitamins, it has been cited as a natural aid in weight loss, lessening the risks of heart disease, reducing anxiety, and acting as a replacement for morning coffee (Xu, 2021). Boba Guys are not the only Bubble Tea company to capitalize on the Matcha trend. Kung Fu Tea, Chatime Tea, and 7 Leaves Cafe are some of Boba Guy's top competitors, and they too have Matcha Tea flavor options (Fortune Business Insights, 2020).



STRENGTH

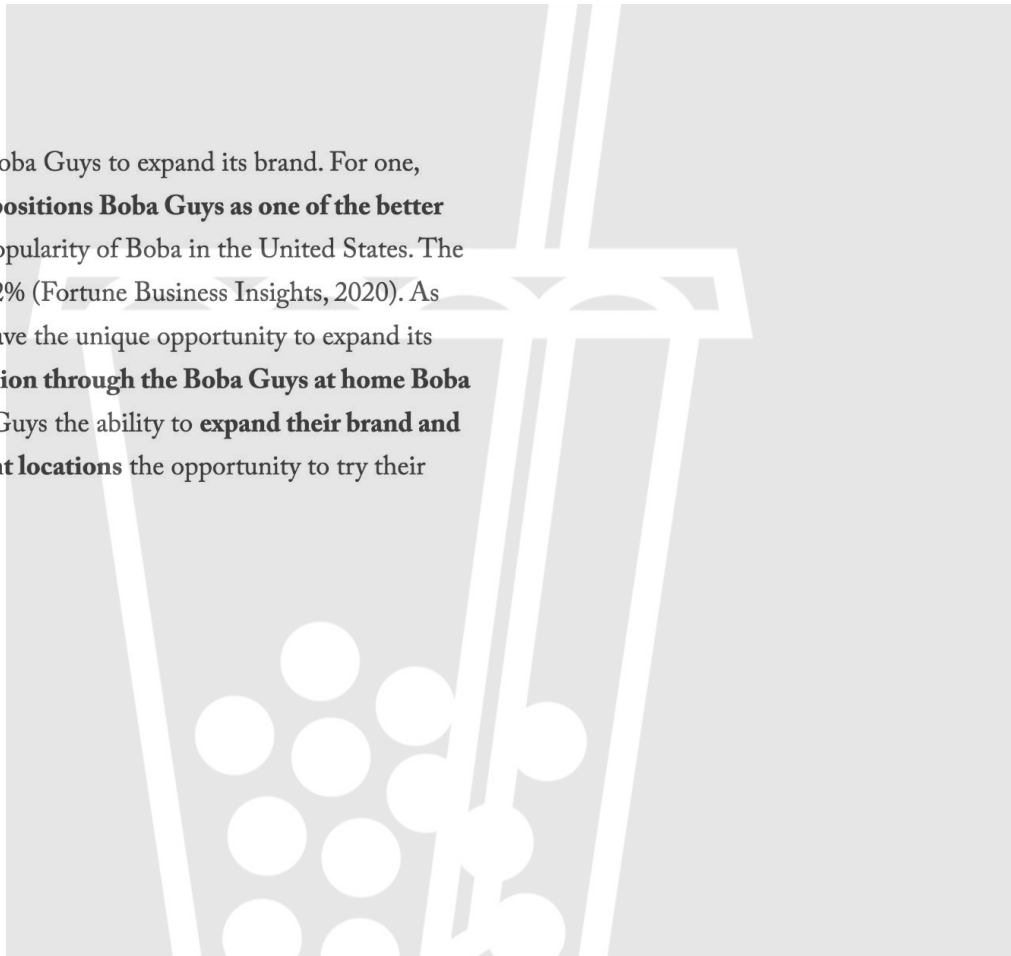
One major strength of Boba Guys is its position as a **market leader**. Taking a **decidedly Californian approach**, Boba Guys is a West Coast brand that makes Boba appealing to market segments that may not be as familiar with Bubble Tea. One of their biggest strengths is their commitment to organic products. Boba Guys **makes tapioca balls and organic teas from their own factory based in Hayward, California** thus making their products more organic and health-conscious (Chau & Chen, 2021). They also **source their own teas through their partner company Tea People**, making their products more ethically sourced and their business practices more transparent (Chau & Chen, 2021). They also have the assurance of higher quality ingredients, thus making the teas more desirable. Another major strength of Boba Guys is the **aesthetic Instagramable quality of the brand**. Not only is the Boba beverage delicious, but using innovative flavor and color combinations, they are also visually pleasing. In trying to capture a younger audience, Boba Guys emphasize the aesthetics of their beverages as well as their other products. Boba Guys also has the strength of innovation. **Rather than sticking to a traditional flavor profile, Boba Guys create new tea recipes**. Having their **own factory gives them more freedom** for creative flavors and products, as well as more room for dietary accommodations (Fan, 2021).

WEAKNESSES

Boba Guys is an impressive company, but it still has some critical weaknesses. For one, even though Bubble Tea has become increasingly popular in the United States, it is still a niche beverage. Boba Guys only has locations in California's major cities like Los Angeles and San Francisco. **Though they have saturated the West Coast market, they have yet to expand successfully into the East Coast.** Their major competitors, ChaTime and Kung Fu Tea, have locations across the United States and thus have a more prominent market presence than Boba Guys. Accompanying the issues of expansion is price. Though Boba Guys have more organic, high-quality products than other Bubble Tea Shops, **the cost of organic ingredients is reflected in the beverage price.** As mentioned on the website, **Boba Guys beverages are 10-30% more expensive than the average boba shop** (Chau & Chen, 2021). Because Boba Guys are based in major cities, there is increased competition, thus making the high-priced beverages less enticing.

OPPORTUNITIES

Despite these weaknesses, there are many opportunities for Boba Guys to expand its brand. For one, **recent health awareness in the food and beverage industry positions Boba Guys as one of the better Bubble Tea options in the market.** There is also the rising popularity of Boba in the United States. The Bubble Tea industry is projected to grow with a CAGR of 7.2% (Fortune Business Insights, 2020). As Bubble Tea continues to become more popular, Boba Guys have the unique opportunity to expand its market. There is also **an opportunity for major brand expansion through the Boba Guys at home Boba Kit.** The introduction of new products like these gives Boba Guys the ability to **expand their brand and provide customers who may not have access to the storefront locations** the opportunity to try their Bubble Teas.



THREATS

Reliance on the Cassava Root, a plant grown internationally, presents a major threat for Boba Guys. In April of 2021, the **massive supply chain crisis caused by the Corona Virus prompted a shortage in Cassava Root distributors**. Fewer employees managing the docks and a shortage of drivers caused massive shipment delays (Danovich, 2021). Boba Guys cannot create their signature tapioca balls without the cassava Root, a signature part of their beverages.

Another threat for Boba Guys is their **competition**. As Bubble Tea grows in popularity, other Boba shops continue to target the same market segment. Since Matcha is such a popular flavor, Boba Guys needs to market its products aggressively to stay ahead of its competition (Fortune Business Insights, 2020). **Finally, another potential threat for Boba Guys is the cut down on sugary beverages in California**. A study performed on Boba Drinks found that one beverage can have as much sugar as a can of regular soda (Lynch, 2021). **Though Boba Guys has decently organic beverages, they still have high sugar content**. For example, a regular matcha drink can be anywhere from 97 - 504 (Boba Guys, 2021). Watching for sugar regulations in California will be an important issue to track. Foreign tariffs also present a large threat for Boba Guys. **Prices like Matcha powder, Cassava root, and certain milk have increased over the last two years forcing Boba Guys to increase their beverage prices** (Boba Guys, 2019). If these **tariffs continue to rise, this could cause Boba Guys a major issue**. Finally, the supply chain crisis caused by the Coronavirus is still a major threat for Boba Guys. With the emergence of the Omicron variant, the potential for another economic downturn could cause more issues for Bubble Tea shops.



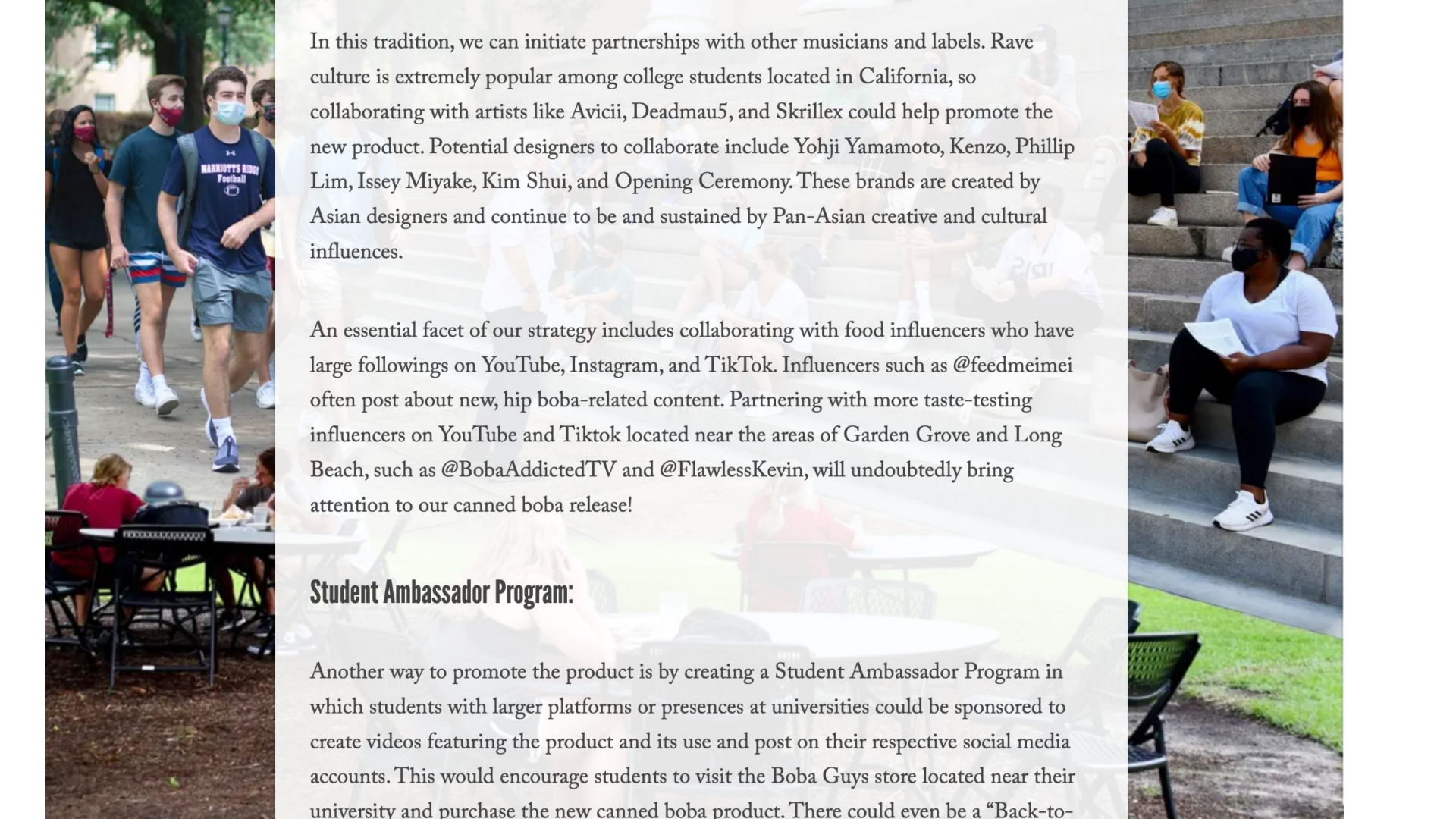
PROMOTION

General Social Media Initiatives:

A strong way Boba Guys could effectively promote their canned boba product is through social media platforms such as TikTok and Instagram. Currently, social media platforms are increasingly adopting video elements such as Instagram, creating the Reels feature, and TikTok increasing the length a user can film a video. Boba Guys should use this growing trend to their advantage as an opportunity to advertise its new product.

Influencer Marketing and Brand Partnerships:

Boba Guys could also launch events with influencer partnerships to promote to a greater non-student audience. Ultimately, a product's successful launch is key to the brand determining its potential success and popularity in new city centers and future customer locations. Boba Guys previously collaborated with artists such as the popular EDM group 88Rising and collaborated with iconic brands like Alexander Wang & Barneys.



In this tradition, we can initiate partnerships with other musicians and labels. Rave culture is extremely popular among college students located in California, so collaborating with artists like Avicii, Deadmau5, and Skrillex could help promote the new product. Potential designers to collaborate include Yohji Yamamoto, Kenzo, Phillip Lim, Issey Miyake, Kim Shui, and Opening Ceremony. These brands are created by Asian designers and continue to be and sustained by Pan-Asian creative and cultural influences.

An essential facet of our strategy includes collaborating with food influencers who have large followings on YouTube, Instagram, and TikTok. Influencers such as @feedmeimei often post about new, hip boba-related content. Partnering with more taste-testing influencers on YouTube and Tiktok located near the areas of Garden Grove and Long Beach, such as @BobaAddictedTV and @FlawlessKevin, will undoubtedly bring attention to our canned boba release!

Student Ambassador Program:

Another way to promote the product is by creating a Student Ambassador Program in which students with larger platforms or presences at universities could be sponsored to create videos featuring the product and its use and post on their respective social media accounts. This would encourage students to visit the Boba Guys store located near their university and purchase the new canned boba product. There could even be a “Back-to-



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ALL-NATURAL

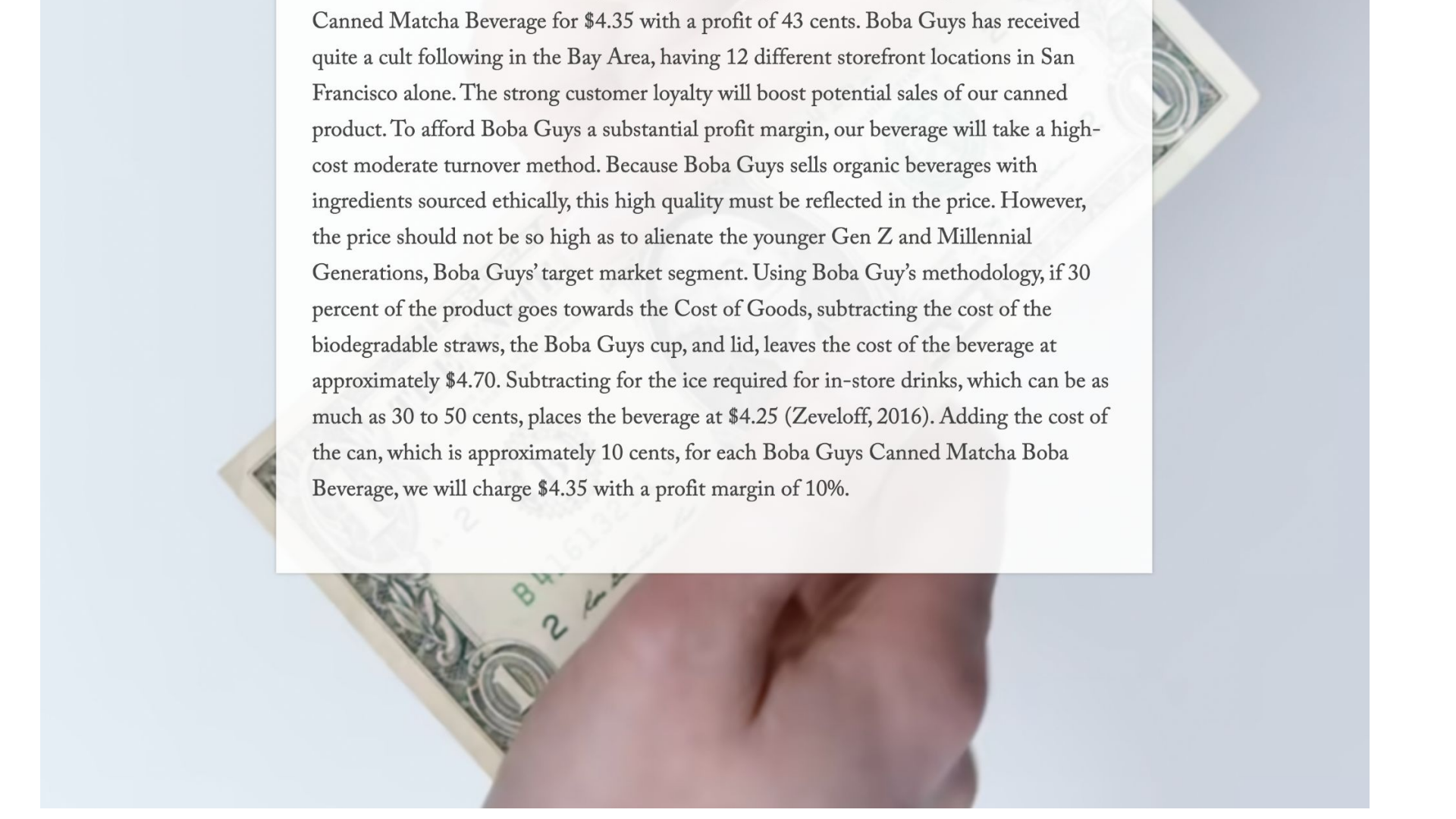
MATCHA
CANNED
BOBA



9.5 FL OZ / 280 ML
PERISHABLE / KEEP REFRIGERATED

THE RIGHT PRICE

Due to the CoronaVirus Pandemic, supply chain shortages make imported goods like Boba, Matcha Tea, and even Aluminum more expensive than original production costs. But despite the recent stall, the demand for matcha beverages and bubble tea is still largely increasing. Due to their organic products, Boba Guy's beverages are already sold at a price 10 to 30 percent higher than other Boba Tea shops (Boba Guys, 2021). Fortunately, all of the products we will be using in our canned beverages are already produced at the Boba Guy's Hayward Factory Location. Competitors usually sell their ready-made canned drinks at lower prices than their in-house drinks. For example, a Starbucks 16oz Latte costs \$3.65; the 16 oz can itself, however, only costs \$2.69 (Starbucks®, 2021). Starbucks, however, is a much larger company that has more opportunities to cut costs. Boba Guys in-store 16oz Iced Matcha Latte is sold at \$5.00, gaining about .50 cents of profit. Therefore we will be selling our cans under the in-store prices of a regular matcha latte. Boba Guys has always maintained the utmost transparency when pricing their products, and keeping with this tradition, the canned Boba Beverage will aim for the same profit margin as their in-store items: 10%. When purchased in bulk, and outsourced to aluminum producers, recyclable aluminum cans cost anywhere from 8 to 10 cents per unit (Flynn, 2021). Eliminating the Costs of Plastic Lids, Plastic Cups, and BioDegradable straws (a cost that adds up to anywhere from 30 to 45 cents) this offset in costs allows for additional revenue. All of these costs taken into consideration, to maintain a 10 percent profit margin, we will be selling the Boba Guys

A hand holding a US dollar bill, with a white text box overlaid on the image. The text box contains a paragraph of text. The background is a light blue gradient with a faint watermark of a dollar bill.

Canned Matcha Beverage for \$4.35 with a profit of 43 cents. Boba Guys has received quite a cult following in the Bay Area, having 12 different storefront locations in San Francisco alone. The strong customer loyalty will boost potential sales of our canned product. To afford Boba Guys a substantial profit margin, our beverage will take a high-cost moderate turnover method. Because Boba Guys sells organic beverages with ingredients sourced ethically, this high quality must be reflected in the price. However, the price should not be so high as to alienate the younger Gen Z and Millennial Generations, Boba Guys' target market segment. Using Boba Guy's methodology, if 30 percent of the product goes towards the Cost of Goods, subtracting the cost of the biodegradable straws, the Boba Guys cup, and lid, leaves the cost of the beverage at approximately \$4.70. Subtracting for the ice required for in-store drinks, which can be as much as 30 to 50 cents, places the beverage at \$4.25 (Zeveloff, 2016). Adding the cost of the can, which is approximately 10 cents, for each Boba Guys Canned Matcha Boba Beverage, we will charge \$4.35 with a profit margin of 10%.

A topographic map is shown with three pushpins. A yellow pushpin is in the upper left, a green pushpin is in the upper right, and a red pushpin is in the lower right. The map features contour lines, roads, and geographical features. The background is slightly blurred.

THE RIGHT PLACE

THE RIGHT PLACE

Boba Guys should sell the canned boba product at supermarkets such as Whole Foods or Asian supermarkets within the Californian cities of Garden Grove and Long Beach. Long Beach, California, has various Asian supermarkets, such as the Dong Mai supermarket, the Kim Long Market, the H mart, and many more, thus making it a good city for Boba Guys to expand its drinks. Garden Grove, California, also has many Asian Supermarkets such as an H mart, Dalat SuperMarket, and others. Since boba is a known Asian beverage, selling it at traditional Asian grocery stores would market the product more effectively. It would seem more appealing to consumers to purchase it there.

Furthermore, boba has increased in popularity as it's known as a healthier beverage made with natural ingredients than other beverages in the market, such as canned soda. Thus selling the product at whole foods in these cities would market the canned boba efficiently. Consumers believe products sold at the Whole Foods supermarket are high-quality and healthy goods. These are the type of consumers that the Boba Guys would want to market their product to, and Long Beach and Garden Grove have sufficient Whole Foods in their cities to reach this goal.

CANNED BOBA MARKETING STRATEGY

General Social Media Initiatives:

A strong way Boba Guys could effectively promote their canned boba product is through social media platforms such as TikTok and Instagram. Currently, social media platforms are increasingly adopting video elements such as Instagram, creating the Reels feature, and Tiktok increasing the length a user can film a video. Boba Guys should use this growing trend to their advantage as an opportunity to advertise its new product.

Influencer Marketing and Brand Partnerships:

Boba Guys could also launch events with influencer partnerships to promote to a greater non-student audience. Ultimately, a product's successful launch is key to the brand determining its potential success and popularity in new city centers and future customer locations. Boba Guys previously collaborated with artists such as the popular EDM group 88Rising and collaborated with iconic brands like Alexander Wang & Barneys. In this tradition, we can initiate partnerships with other musicians and labels. Rave culture is prevalent among college students located in California, so collaborating with artists like Avicii, Deadmau5, and Skrillex could help promote the new product. Potential collaboration designers include Yohji Yamamoto, Kenzo, Philip Lim, Issey Miyake, Kim Shui, and Opening Ceremony. These brands are created by Asian designers and continue to be and sustained by Pan-Asian



Ceremony. These brands are created by Asian designers and continue to be and sustained by Pan-Asian creative and cultural influences. An essential facet of our strategy includes collaborating with food influencers who have large followings on YouTube, Instagram, and TikTok. Influencers such as **@feedmeimei** often post about new, hip boba-related content. Partnering with more taste-testing influencers on YouTube and Tiktok located near the areas of Garden Grove and Long Beach, such as **@BobaAddictedTV** and **@FlawlessKevin**, will undoubtedly bring attention to our canned boba release!

Student Ambassador Program:

Another way to promote the product is through the creation of a Student Ambassador Program in which students with larger platforms or presences at universities could be sponsored into creating videos featuring and trying the product out to post onto their respective social media accounts. This would encourage students to visit the Boba Guys store located near their university and purchase the new canned boba product. There could even be a “Back-to-School Deal” Boba Guys could offer where university students could receive a discount on the canned boba product after showing a student-ID, or student ambassadors could coordinate an on-campus pop-up where they could distribute samples of the product and coupons on canned boba to students walking by. Brands popular with college students, such as Guyaki (the producer of a famous Yerba Mate tea beverage), are renowned for their partnerships with college students. These student ambassador programs understand that by providing free samples to college students, the cost of this investment will pay off significantly when college students become repeated buyers of the sampled product.

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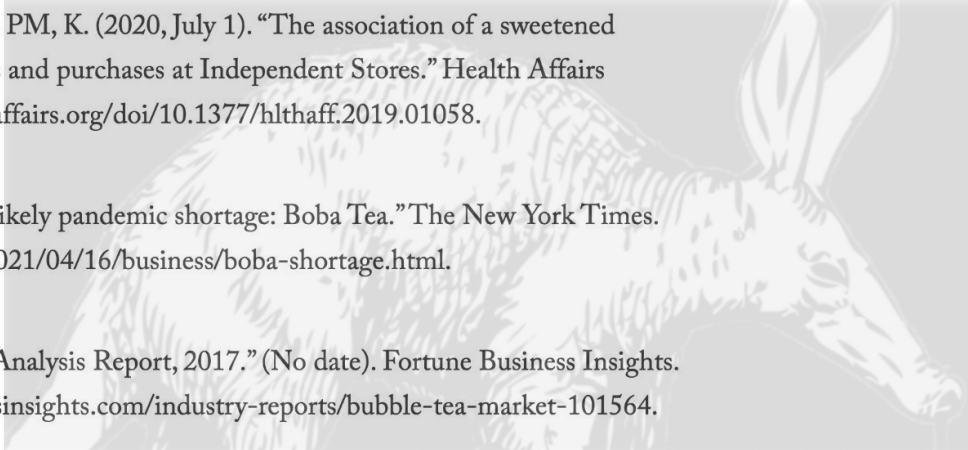
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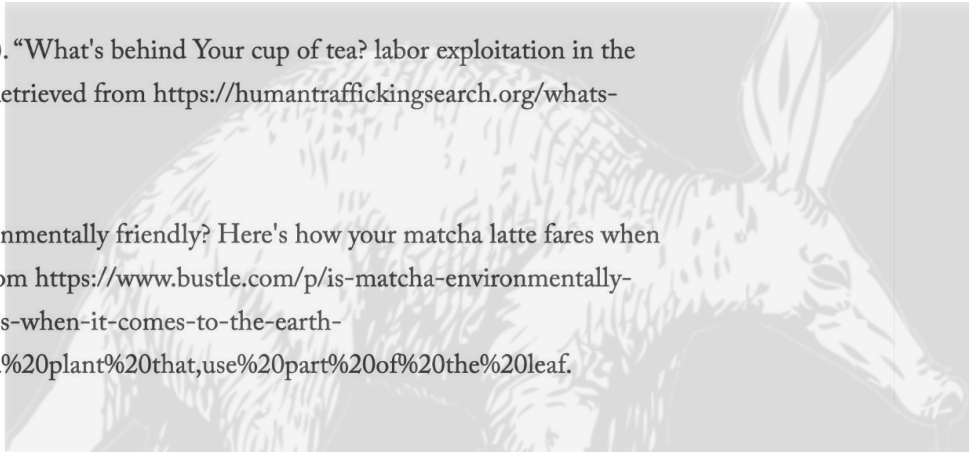
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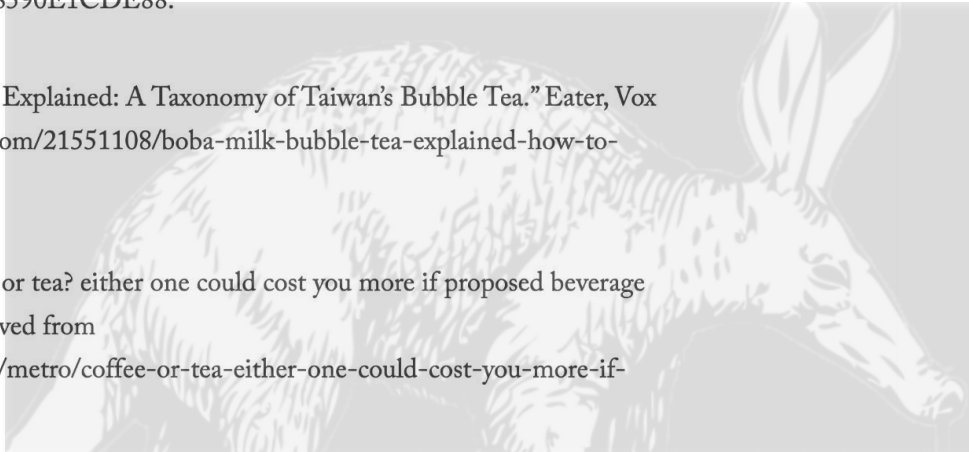
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