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MARA



CASE STUDY: COMPANY ANALYSIS

CHATIME

PRINCIPLES OF ENTREPRENEURSHIP (ENT530): CASE STUDY

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EXECUTIVE SUMMARY

Although there are many dangers and difficulties when starting a business, Malaysia has a variety of businesses, particularly those that provide food and beverages. So, in learning this subject will learn, practice and relate the theory to a practical situation found in business by using the Business Model Canvas (BMC) in the case study. In this case study, we chose business Chatime in Kangar, Perlis. Chatime is a Taiwanese franchise launched in 2005, with over 1000 retail shops in Taiwan, Malaysia, China, India, Macau, Vietnam, Singapore, Hong Kong, Thailand, Korea, Philippines, Indonesia, Australia, Dubai, Vietnam, Canada, UK, Mexico, and the United States. However, every business must deal with challenges and problems, and Chatime is no exception.

Besides that, in this case study, we explain about company analysis. Inside the company analysis is divided into nine parts. In those nine sections there are key partners, key activities, key resources, value propositions, customer relationships, channels, customer segments, cost structure and revenue streams. Furthermore, in this case study, we can see the findings and solutions about the Chatime business that need to be known and need to be improved. Chatime is a business that is less popular and less bought by the public. It is due to the lack of promotion that can attract people to buy drinks at the store compared to their competitor. Therefore, Chatime can get more collaboration and get involved in the social media marketing by associating with influencers to attract more customers. Furthermore, the Chatime product's packaging is less appealing since it appears gloomy, and the flavor of the beverages offered is less fulfilling due to the less sweet taste for certain drinks or the too sweet taste for some drinks. Other than that, the prices offered by Chatime for its drinks are a little expensive compared to their competitors. So, Chatime needs to review the cost so that the product sold can get a more reasonable price for their target customer.

In addition, for the recommendation we decided to make ice mango for our product after we analysis product from Chatime. As a result, we improved our product to make it appealing for customers to purchase. The packaging for our product is one of the ideas that will be used for our ice mango. We opt to use a large plastic straw. To make it simpler for our customers to sip the drink with toppings like whipping cream, mango slices, and nata de coco, we use plastic spoon straws. Last but not least, we put topping for our drinks with three different kinds of toppings. The topping's main function is to give flavor to our drinks and to make them more appealing to consume.

1.0 INTRODUCTION

1.1 Background of the Study

Today's firms compete with one another to rise to the top of their industries. Protecting client happiness plays a crucial function in the sector as a sign for tracking customer engagement, spotting dissatisfied consumers, reducing turnover, and generating income in order to achieve the level. Furthermore, it's a crucial selling point for drawing new clients to a buzzing office setting.

The Principles of Entrepreneurship course, or ENT530 as it is often known, gives students direction and exposure to the business world. In this course, the case study that they must complete relates to a Small and Medium-sized Enterprises (SME) business or organization. In this case study, students are required to conduct interviews with any firm or business in order to recognize two or more issues that the entity is facing. The next step is for the students to evaluate the scenario and offer a resolution to any problems that may have surfaced. In addition, different companies have diverse business plans to help them achieve their objectives. The promise of a business plan will reflect the skills, expertise, and background of management in operating this business. In addition, to be skilled entrepreneurs, we can enhance the achievement of the company's target and objectives after delving into the problems and concerns the business faces.

My group and I selected on business Chatime in Kangar, Perlis, for our study topic. This project will increase the quality of local brand items to meet consumer demand in Malaysia and around the world by implementing the theories and practices taught while also promoting customer knowledge about promoting local businesses. As a result, a case study will help students gain a better understanding of how businesses operate. It is also a beneficial teaching tool because it will help them learn how to solve problems.

1.2 Purpose of the Study

This case study is intended to teach you about a business. Additionally, it may be quite knowledgeable about a company. Therefore, we must use Business Model Canva (BMC) to examine information about Chatime as we have chosen business Chatime for this case study. BMC is a template that describes the company how every part works with the others. For instance, it is necessary to examine the value proposition, the target audience, and the channels through which they interact together rather than separately. Thus, with the use of BMC, it is possible to discover about the business and solve their problems. This is due to the concerns and of examining a company plan's strengths, flaws, opportunities, researching the findings and discussing the concerns, and coming up with a few feasible solutions.

In addition, students might learn to provide appropriate recommendations for improving business performance. This case study aims to teach students about the workings of the production industry. This approach may help students better comprehend how business or an industry function in the real world. Additionally, numerous educational institutions and government programs now provide entrepreneur courses. This approach can assist students in learning how to be entrepreneurs while improving their abilities.

2. COMPANY INFORMATION

2.1 Background

Chatime Malaysia, one of the top beverage firms in the world, wants to revolutionise the nation's tea drinking culture to become the most popular beverage. In October 2010, Malaysians first experienced the flavour of freshly brewed beverages. Only hand-crafted beverages, including freshly brewed tea, are made at Chatime Malaysia. Based on the company that we have been interviewed, Cha is the Chinese term for tea. Therefore, theoretically, "Chatime" might be translated approximately as "teatime." Consequently, the Chatime store was given the following name and remains successful up to this day. This Chatime located is at 18, Jalan Kangar Jaya 4, Kangar Jaya, 01000 Kangar, Perlis was operating every day except for certain holidays from 10.00 a.m to 10.00 p.m. Next, the owner of Chatime is Min Chew Lin and Chatime is a franchise business. The objectives are all set to revolutionise the tea brewing market as the origins of pearl milk tea beverages by attracting the interest of fashionable tea lovers in a trendy and modern way. Also, according to this job at Chatime, there are four workers at the Kangar branch while 6 workers at the Aman Central branch under Chin Mei Lin manager, which is for the northern state branch which is half of the number of employees are part time while the rest are permanent employees according to Chi Mei Lin as the manager of the Chatime branch.

2.2 Organizational Chart/Structure

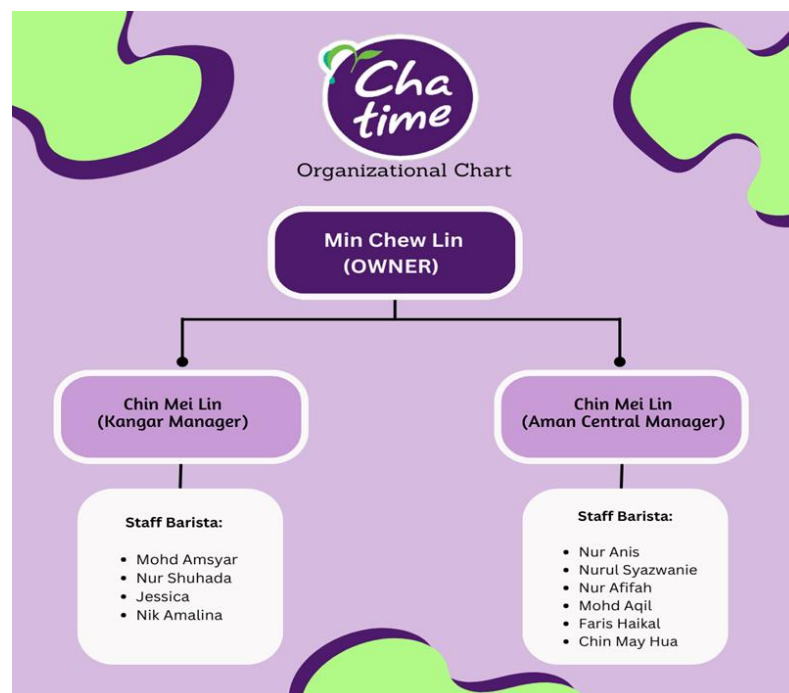


Figure 1: Organizational Chart of Chatime

2.3 Product/Services

Chatime has been available for a year and is also referred to as the popular viral café Kangar, Perlis. The business offers an extensive variety of unique beverages, including tea and coffee. As therefore, it is perfect for those who enjoy drinking tea and coffee to try these beverages at Chatime. On top of that, Chatime has created a drink innovation using fresh, reasonably priced fruit juices. Chatime makes only the best quality beverages using advanced tea and coffee machines to serve a beverage that is enjoyed by everyone. The local population was really interested in trying this special deal because it is available not only in stores but also on online such as FoodPanda and GrabFood.

2.4 Business, marketing, operational strategy

2.4.1 Business Strategy

A business strategy is an outline for the actions and choices the company will make to accomplish its goals and objectives. This is because, a strategy can help with decisions on hiring and resource allocation by outlining what the business must do to accomplish its goals. Therefore, it is crucial to carefully prepare a business strategy so that it tends to profit rather than suffer a loss. Since Chatime offers a variety of beverages, including tea, coffee, fruits, and others, this has helped the company attract more customers to this brand. The vision of business is to provide high quality and various beverages to the worldwide customers anytime, create fashion in oriental tea culture and make it become part of consumers' life. While for the mission of Chatime business is making this world a better place with Tea which to introduce and spread tea drinking fashion to every corner of the world.

Additionally, Chatime employs highly clever strategies to draw customers, such as offering drink discounts during each event. This is carried out to attract customers into trying Chatime drinks at a price that is reasonable and available to everyone, such as on every single month, holiday, or event such as the Independence Day. For customers to benefit when shopping at Chatime, the company launched a member card called the Chatime Thirstea Card. For example, the card can complimentary drink upon registration, receive birthday tokens, monthly promotions, partial redemption, collect Bpoints and non-renewal lifetime membership upon registration.

Also, Chatime has a lot of franchise branch around the world such as Taiwan, China, Malaysia, Canada, New Zealand, and others. With numerous Chatime locations worldwide, this brand is already well-known and gets a lot of favourable reviews from customers. Furthermore, JAKIM has certified that this Chatime beverage is halal. This proves that all Muslims are welcome to indulge in it peacefully because the ingredients are also clean and halal.

2.4.2 Marketing Strategy

Besides that, a business strategic approach for reaching out to potential customers and persuading them into customers of their goods or services is referred to as a marketing strategy. The value proposition of the business, essential brand messages, information on target customer demographics, and other important components are all included in a marketing plan. For the Chatime drink price range is RM1.00-RM20.00 which is worthwhile and affordable for all customers. As a result, the low price can make more customers try to enjoy it without having to spend more.

In addition, Chatime uses social media sites like Facebook and Instagram to combine traditional and digital marketing. Social media is used to advertise new drinks, contests, and promotions, while in-store advertising includes classic posters and free drinks. This is because connectivity is one of the most significant benefits of social media that can link many users anytime, anywhere. For instance, Chatime frequently publishes humorous and fascinating images and videos, which forces users to interact with them. This marketing method allows for the content to be shared internationally through social media and connection, facilitating human interaction very productive.

Also, Chatime previously ran a contest where the winner would receive a year's worth of free drinks. People were tagging their friends in the competition, which brought more visitors to their Facebook page. Therefore, it is crucial for businesses to maintain consistency across all of their social media content and to clearly identify their brand across all platforms. Chatime also will make sure to publish about a promotion on different platforms in along with their personal ones. As a result, Chatime is evidently consistent across all of their social media channels.

2.4.3 Operational Strategy

A company's operations strategy informs all of the planning, analysis, and execution of its operations. Businesses use operations strategies to identify and put into practice effective processes for the production and delivery of goods and services. A company's operations plan works in combined with its overall business strategy to maximize profits. Additionally, it is a decision-making process that affects an organization's long-term plan to accomplish the objectives of its mission statement. Businesses can decide on the intended product quality and then create an operations strategy to make sure that the objective is met throughout the entire process.

Chatime is open every day from 10 a.m. till 10 p.m. As an outcome, the staff's shift was split into two, with the opening shift beginning at 7 am and lasting until 2 pm. The closing shift follows from 3 pm till 10 pm. In a nutshell, each staff member works a total of 7 hours per day, without a break. Besides that, as soon as an employee joins the Chatime family, they will receive thorough training from Chatime team professionals to keep them on the proper track with Chatime business. The training will include topics including tea expertise and knowledge, drinks preparation and process, store administration, people management, equipment operations & maintenance, and inventory management & ordering. As a result, Chatime can function effectively every day to generate strong sales with a predetermined shift plan.

2.5 Financial achievements

Financial achievement is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period. As an outcome, Chatime in Kangar, Perlis, achieved financial success by being able to raise between RM2,500 and RM3,500 in one day when open the store. Meanwhile, they made about RM45,000 in a month. Therefore, they were able to collect for around RM70,000 during a new product's promotion month. As a result, to accomplish the company's objectives, they still must overcome numerous challenges. Therefore, this is required for the business to operate profitably.

3. COMPANY ANALYSIS

3.1 Business Model Canva (BMC)

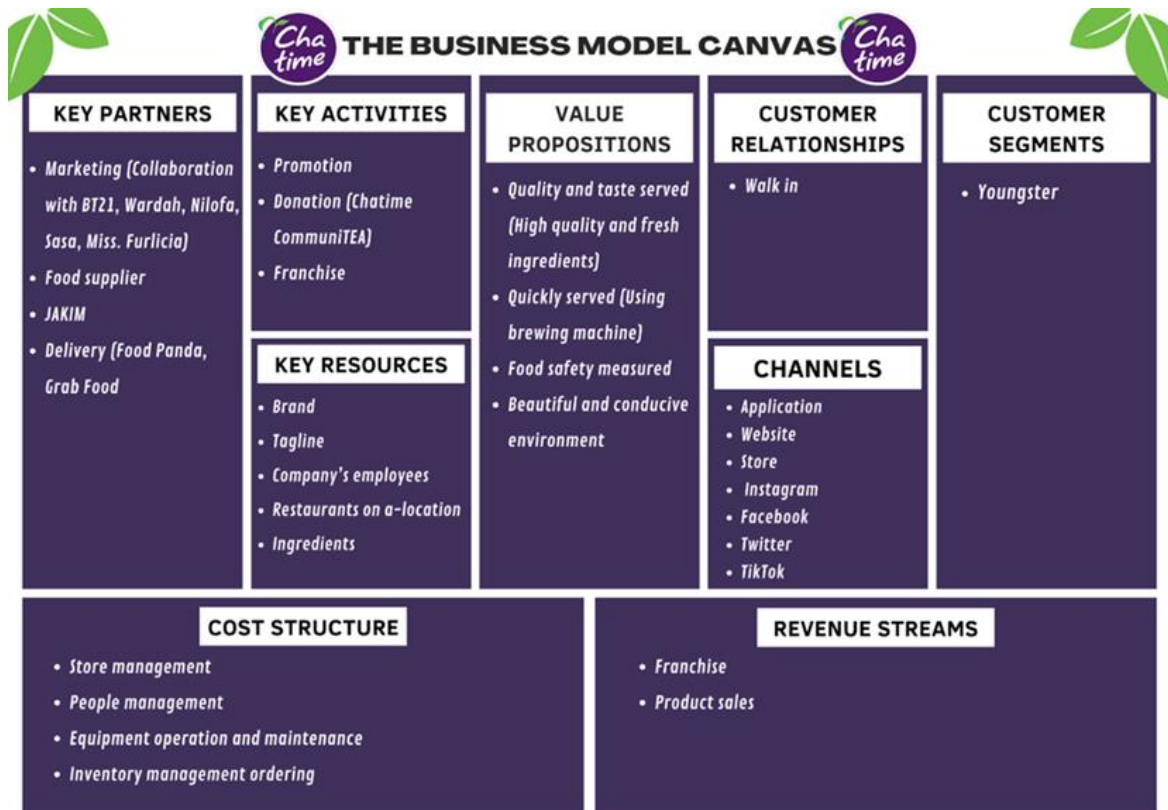


Figure 2: Business Model Canva of Chatime

3.1.1 CUSTOMER SEGMENTS

Customer segmentation refers to the process of dividing customers into groups based on common characteristics. It is because companies can market their products or services to each group effectively and appropriately. In business-to-consumer marketing, companies often segment customers based on demographics like age, gender, marital status, location, and life stage. Chatime already has their target market and knows who they expect to buy their product from. Chatime's customer segmentation is young people aged 16-25 who like to try the many flavour variants of drinks, especially tea. Other than that, the wide selection of menus provided, and the collaboration menus made by Chatime can attract young people's attention and encourage them to try their products. Furthermore, Chatime also considers workers and residents as their target market, as their locations are usually in cities, malls, and places where there are a lot of people. It is easy to find the business.

3.1.2 VALUE PROPOSITIONS

Quality and taste served

All of the menus at Chatime are also made with high quality and fresh ingredients. Chatime committed to maintain the highest levels of quality in all aspect of their operations, to guarantee the flavour and freshness of every drink they produce, and to maintain the highest operating standards in their sector.

Quickly served

Chatime always alert and keep in touch with technological incentives, level of innovation, automation, R&D activity and technological change. The latest brewing machine is used at Chatime, so it will serve quickly and just take a few minutes, unlike other businesses in the food or beverage sector that typically take a long time. Machines used by Chatime make them can served 30 to 90 different teas flavours just on their fingertips. This is done to meet customer satisfaction.

Food safety measured

Chatime always washes their ingredients and cooking utensils before serving the drink. Other than that, they also store their ingredients in the proper place at the right temperature to keep them fresh and maintain their quality. In addition, Chatime cups and lids are made from bioplastic, which is created from plants. Currently, they are only compostable in industrial compost facilities, so Chatime has teamed up with a contractor to collect used cups and lids from T-breweries and send them away to be composted. They also used paper straws to keep the drinks safe and save the environment.

Beautiful and conducive environment

Chatime has beautiful and conducive shop environment. They provide enough tables and chairs and decorated with interesting wall decorations with lamps that further highlights the design of the shop. The table top and counter to prepare their products highlights the minimalist concept and beauty of the shop.

Customized products

Chatime provides more than 50 menus variants of flavours, which makes this product popular among people, especially youngster. In addition, their product can be customized.

Customers can request the percentage of ice, sugar, and choose the additional toppings according to their preferences. This makes the value of this product increase.

3.1.3 CHANNELS

Channel is a method of bringing happiness to customers. It describes the way to physically deliver the value proposition to each customer segment. Chatime uses several media to deliver products and attract customers. The first channel is the official website. They included the history of Chatime, the board of directors, menus, news, promotions, and outlets on their websites. Second, to reach their customers, they also use social media platforms. In today’s globalization era, technology is growing rapidly. Many people rely on technology to make their daily lives easier. Mass media and social media are now essential platforms to deliver and receive information. Because of that, Chatime decided to use this channel to approach their customers. They have their official social media accounts as follows:

Social Media	Username
Instagram	Chatime Malaysia @Chatime.malaysia
Facebook	Chatime Malaysia Chatime Kangar Jaya
Twitter	Chatime Malaysia
TikTok	Chatime Malaysia @Chatime.malaysia @Chatime_kangarjaya

Table 1: Chatime’s social media

They will always update their customers if there are new menus, promotions, new launching activities, or collaborations. People will be more interested in purchasing and trying the products because they receive up-to-date information about the business operation and activities that keep popping up in their social media feeds.

3.1.3 CUSTOMER RELATIONSHIP

Chatime offers walk-in purchases to customers. Customers can make walk-in purchases anytime. Customers can purchase the desired drinks by going directly to the shop. Chatime offers friendly assistance to customers who are having trouble selecting drinks. They will

inquire about the customer's preferences before determining and recommending the best drinks for the customer.

3.1.4 REVENUE STREAMS

Chatime's primary source of income is product sales. They offer a variety of teas and drinks. In addition, they also offer several different tea flavours, such as Pearl Milk Tea, which is their signature milk tea, Brewed Oolong Milk Tea, Lemon Green Tea, Earl Grey Pearl Milk Tea, Plum Green Tea, Peach Black Tea, Honeydew Milk Tea, Vanilla Milk Tea, Dalgona Coffee Brown Sugar Pearl Milk Tea, and many more. Additionally, they offer chocolate, coffee, and fruit drinks. They make the most revenue through franchises and product sales.

3.1.5 KEY RESOURCE

Brand and tagline

Brand is the intellectual resources of Chatime. Chatime has full ownership rights to its own brand, pattern, copyright, partnership, customer database, and recipe for the product. Chatime's tagline is "Good Tea, Good Time". They also have their own way of greeting customers with "Hi, welcome to Chatime".

Company's employees

The employees at Chatime are another key resource. Chatime Kangar Jaya, Perlis, has four employees, whereas Chatime Aman Central has six employees. Kangar Jaya and Aman Central have the same manager. Every employee is important since they also help the business achieve its goals and objectives. Chatime also offer a training and development programme to help their employees increase their knowledge and sharpen their skills to provide excellent customer service. As customers are the main and most important asset of the business, they prepare their workers well to retain and attract new customers. Most of the employees at Chatime are dedicated, knowledgeable, and skilled in production management. Employees scope of work at Chatime is friendly serve their customers, give information about their products, and also manage the store such as cleaning it before the shop opens and closes.

Restaurants on a-location

Chatime has chosen a strategic location for their business. They choose the location based on the potential markets to make their business successful. First, they focus on restaurant visibility and accessibility. The location of their restaurant plays a vital role in their business's

success. The location is easy to find and visible to drive-by and foot traffic without being impeded by heavy traffic or congestion. They also make a website, list their business on Google, and make delivery apps to facilitate customers.

Ingredients

Chatime uses the highest standard of quality in every element of their business. They use high-quality ingredients to ensure that every drink they produce has the best flavour and freshness, which makes their products the best and unmatched in the industry. They promise that the quality means that they are serving their customers the best tea-based drinks in the world.

3.1.6 KEY ACTIVITIES

Promotion

Chatime always does promotions regardless of special days such as opening promotions, new product launches, Mother's Day, Ramadhan and Raya Promotions and many other occasions. Chatime Kangar Jaya, Perlis, has a buy one, free one promotion starting April 30 until May 2, 2022. Chatime also has a promotion get any 2 for RM19.90 on Mother's Day, May 8, 2022. Chatime also make Chinese New Year promotions on January 21, 2023. Customer can buy five Chatime drinks for only RM30. The promotion will attract customers to buy more as the price is reasonable. Besides, Chatime also has a FREE Golden Fresh Mango Pudding Ramadhan and Raya Promotion on April 11, 2023, until April 21, 2023. Chatime made this promotion to add some sweetness to customers' Ramadhan and Hari Raya celebrations. This promotion is available at all outlets except Genting Highland and Jati Langkawi. Furthermore, Chatime also make a Menu Rahmah promotion from February 3 until February 28, 2023. Customers can get Pearl Milk Tea or Grass Jelly Milk Tea for only RM5 each. It is affordable and a great method to attract new customers to try Chatime drinks.

Donation (Chatime CommuniTEA)

Chatime has made a donation named Chatime CommuniTEA as part of International Service Day. Every year on June 6th, Chatime International Service Day is conducted in observance of the organization's international anniversary. In 2021, Chatime began a collaboration with the World Wildlife Fund (WWF), the largest conservation organization in the world. Chatime will serve as an environmental influencer to help generate money and assist international conservation work. The WWF Panda Nation Platform has created a fundraising

page called “201 Chatime CommuniTEA: It’s Eco Time”. This platform is used by Chatime customers around the world to engage with the campaign. Besides, at the end of 2020, Chatime CommuniTEA had run an event called “Christmas at Chatime”. They also made partnered with the Taiwan Blood Services Foundation to hold a blood donation event under the Chatime CommuniTEA CSR programme with the universal world blood donor day slogan “Share Life, Give Blood” to raise awareness.

Franchise

Chatime operates across 60 countries worldwide. Chatime has 113 total outlets in Malaysia. In Perlis, Chatime has opened one outlet at Kangar Jaya, Perlis. Chatime franchise fees in Malaysia can cost between RM500,000 and RM100,000. The RM250,000 franchise fee and the RM250,000 to RM750,000 setup costs for the store are included in the initial investment.

3.1.7 KEY PARTNERS

Marketing (Collaboration)

BTS and LINE FRIENDS collaborated on the character BT21, which was released in 2017. BT21 consists of eight cartoon characters representing the members of BTS. In addition to KOYA (RM), RJ (Jin), SHOOKU (Suga), MANG (J-Hope), CHIMMY (Jimin), TATA (V), COOKY (Jungkook), and VAN, an additional character provides protection. Chatime announced a new menu with items based on BT21 characters. In addition, Chatime offers BT21-related products for sale. Malaysia is having their BT21 Reusable Cup Deal, and the Purple Star Serious menu, which is Purple Star Tea and Purple Star Milk Tea, was inspired by the collaboration made with BT21. Many BTS fans were eager to purchase and try the Chatime products as a result of the collaboration made with BTS because they were looking around for information about Chatime X BT21, including prices, tumblers, and magnets. Besides, Chatime also made collaborations with Wardah, Nilofa, Sasa, Miss Furlicia, and many more.

Food supplier

Chatime has many suppliers to get their raw materials. The largest Taiwanese pearl supplier, TEN EN TAPIOCA FOODS CO., LTD., specializing in pearl production, was acquired by Chatime in 2019. Ten En Pearls has a Halal-certified product with a daily production capability of up to 60 metric tonnes that faces no barriers to distribution to other countries. Besides, Chatime’s supplier is CENTRUE INTERNATIONAL CO., LTD, as an

exporter, manufacturer, ODM, OEM, and trader. They supply bubble tea ingredients such as syrup, sauce, popping boba, powder, tapioca pearls, tea leaves, and many more. All raw materials, such as pearls and tea, and equipment, including sealing machines, syrup dispensers, ice machines, plastic cups, and straws, are imported from Taiwan.

Department of Islamic Development Malaysia (JAKIM)

The Department of Islamic Development Malaysia (JAKIM) has certified Chatime Malaysia Sdn Bhd, the Malaysian master franchisor of Chatime, as a Halal company. The JAKIM accreditation improves protection and enables the company to grow internationally, especially in West Asia.

Delivery

Chatime also collaborated with Food Panda and Grab Food to deliver their products everywhere and anytime through an online platform. Food Panda and Grab Food help save time and energy as customers do not have to come to the store to purchase the products. Food Panda and Grab Food already make it easy for customers by providing all information about the menu and prices, including the price of the delivery service.

3.1.8 COST STRUCTURE

In Malaysia, the cost of franchising Chatime can range from RM500,000 to RM1,000,000. The initial investment includes the franchise fee, which is RM250,000, and the cost of setting up the store, which can range from RM250,000 to RM750,000. Depending on the size and location of their company, franchisees normally need to invest between RM400,000 and RM800,000. The initial operating costs for a Chatime franchise are about RM250,000, which cover both training and equipment but not renovations and rent. The ice-cube maker, which costs RM28,000, is the most expensive piece of equipment and is only being used by franchisees who sell more than a thousand cups a day. They spent RM300,000 on renovations and equipment, including the sealing machine, water filter, tea brewer, mixer, manual shaker, and sugar-dispensing machine.

4. FINDING AND DISCUSSION

4.1 Finding

4.1.1 Limited flavours offer by Chatime

The flavours offered by Chatime are limited as for smoothie and slush drinks there are only 9 current flavours offered for their customers and does not provide any kind of dessert and food. Every customer has a different taste, so they will choose another brand or shop that offers many types and choices of flavour.

4.1.2 Pricey

Pricing is one of the most important components when it comes to creating marketing strategies. The price offered for each Chatime product is quite expensive compared to their business competitors. An expensive price does not guarantee that a product is of good quality. The customer will choose another brand that they can pay low but get the same thing or product like Chatime.

4.1.3 Unattractive packaging

Logos are the first things that potential customers see on products or services before buying. But an impressive logo design can lure people toward a company's business, while a badly created logo can build a wrong impression about an enterprise. So, ensure that your logo is a creative and memorable design. The problem of Chatime is their logo is too simple and has a similar colour to their competitors.

4.1.4 Poor marketing strategy

There are less franchises in Malaysia. Lack of franchises make Chatime not so famous and liked by people. The key to success for a business is a good and systematic marketing strategy. It doesn't matter what size your business is, whether it's a start up or a mega corporation, to ensure your business remains successful, you need a good marketing strategy. Marketing strategy is a long-term and forward-looking approach and overall game plan of an organization or business.

4.2 Discussion

4.2.1 Make improvements to their product

Chatime needs to constantly make improvements to their products. Firstly, they need to add new flavour variations for all their drinks. When they offer more drink options, they will delight and attract their customers. Next, they need to innovate and offer new unique flavours for their menu that other stores don't offer. They also have to create a variety of flavours suitable for each season. This is because everyone has their own favourite taste, and it always changes with the season. In addition, Chatime can follow the way of Starbuck, they offer custom flavours according to the customer's taste. Today's millennials love variety, and they value creativity in their menu choices. Offer them the chance to make their own drinks.

Besides, Chatime needs to offer special and varied types of coffee. These days it seems like a new coffee shop is popping up on every corner. There's no reason your restaurant can't capitalize on this trend. It will definitely delight your customers and keep them coming back. Coffee is no longer just a caffeine delivery system. Specialty coffee is made from beans from a specific region and must meet the standards for green coffee and for roasting, storing and brewing it. Specialty coffee must have a unique quality and distinctive taste that is different and superior to ordinary coffee. All this makes customers happy.

Last but not least, Chatime needs to offer a variety of types of dessert and food. Dessert, the final part of a customer's meal, or the last note that he/she would take back from your restaurant has to be nothing but perfect. Desserts play a crucial role in making your restaurant go from being nice to an extraordinary experience. The aftertaste of an ideal dessert lingers on for longer than you can imagine. This is why deciding your dessert menu is crucial for your brand growth.

Advantage: Delight and attract customer with a variety flavour

Disadvantage: Need more time for innovation and higher cost

4.2.2 Review and minimize overall cost

The price is one of the first things that a consumer notices about a product and is one of the deciding factors when it comes to their decision to buy it or not. Chatime needs to review the overall cost and minimize the cost so that they can market the product at a more reasonable price to their target customers and they need to keep an eye on their competitor's pricing strategy while setting prices to get the much-needed competitive edge in the market. Besides that, Chatime also needs to reduce manufacturing costs to increase their profit. When reducing their manufacturing costs, they can sell their products at a lower price, making more sales and generating more revenue.

The first step to reducing manufacturing costs is to review their manufacturing process. This will help Chatime to identify areas where they can make changes or improvements that will lead to cost savings. Reducing the cost of raw materials also can reduce manufacturing cost. For example, Chatime can do it by negotiating better prices with their suppliers or by using lower-cost materials. Labour costs are often one of the biggest expenses for manufacturers. Several ways to reduce labour costs include automating processes, training employees more efficiently, and reducing overtime hours.

Last but not least, energy costs can be a significant expense for manufacturers. Some ways to reduce energy costs include installing more efficient equipment, improving insulation, and using alternative energy sources. Next, apart from opening a new branch in any building, Chatime can also open a branch using a food truck. This method is not only unique and can attract customer interest but can also save sales costs. This is because, if you run a business using a food truck, you don't need to pay shop rent and you don't need to hire many workers. There are many other advantages if using a food truck, including not requiring a large area and being free to move to any area provided. For example, accept bookings for parties or weddings.

Advantage: Cut cost, improving efficiency, and reducing waste

Disadvantage: Lack of labour worker and work delay

4.2.3 Upgrade packaging and logo

Since Chatime has a similar colour with their competitor, Chatime needs to upgrade their packaging and logo. Product packaging plays an important role. Colours, fonts, and logos reflect your own business identity. Some differences in terms of colour with their competitors for example can also make a difference in the eyes of consumers. Therefore, the form of product packaging must be clear, attractive and easy to remember in the eyes of customers. Therefore, those who use clever design will obtain the target goal in the market world. Besides, a good product packaging design will reflect their business in accordance with the character of their highlight. In addition, the shape of the packaging also needs to be adjusted so that it looks attractive. With that, all 'customers' will understand that the packaging belongs to their business.

Moreover, apart from product quality, packaging is also able to influence customer choice. Usually, the product packaging also contains the ingredient composition and nutritional information of the product. Basically, this information can influence the potential customer's decision to buy your product. For example, those who are on a diet will look for low-calorie foods, or for Muslims, they will look at the ingredient composition and halal label. Product packaging will be more effective if you are able to balance between your brand identity and attractive design.

Advantage: Attract customer and improved safety of the product

Disadvantage: Less interesting and higher cost

4.2.4 Excellent marketing plan

The basic purpose of this marketing strategy is to achieve sustainable competitive advantage by understanding the needs and wants of customers. The first and foremost step to success in business is to have an excellent marketing plan. Chatime needs to change its promotion strategies and marketing dynamic. Chatime can make more collaboration and get involved in social media marketing by associating with influencers from different regions and groups to reach a bigger variety of people such as Facebook, Twitter, Instagram and TikTok.

Moreover, they must make loyalty rewards by giving a card stamp and giving a stamp for every purchase. Therefore, customers will enjoy collecting stamps and often buy and redeem the promised gifts or reward. Other than that, Chatime must provide a membership card to attract new members to join the organization and retain their existing members because when their members see value in the membership, they are more likely to renew and stick to choosing

the business. Next, Chatime needs to make a port aesthetic for taking pictures because their customers are many among teenagers. Teenagers love taking pictures and sharing them on social media. It can be as a marketing strategy because when people see the picture, they will be attracted to come to Chatime.

Last but not least, Chatime needs to add more franchises to increase popularity and be well known around the world. A big benefit that franchisees receive when opening a franchise is brand recognition. By adding the number of franchises, they also can increase their profit to make better or new product development in the future. A new franchise set in a strategic location can attract customers and improve their productivity.

Advantage: Well-known and uniqueness

Disadvantage: Higher cost and limited space for food truck

5. RECOMMENDATION

From the case study above, we decided to start up our new company named D'Sweet Delight. We have decided to make ice mango for our product. Fanmangostic is the name that we created from the combination words of fantastic and mango. The named of Fanmangostic is catchy and easy to remember by customer. The reasons why we choose mango as a main ingredient for our product because mango is one of the tropical fruits that suitable to make a drink. We want something refreshing, delicious and healthy. Other than that, mangoes contain vitamins A and C that benefit health. Meanwhile, we want to create a mango drink that will satisfy mango lovers. We decided to start up our business by set up a outlet

When we analyse the Chatime mango drink, they use mango syrup as a mango flavour for their drink. On top of that, for our ice mango product, we decided to use pure blended mango. The reason we want to use pure-blended mango is to preserve the original taste of the mango fruit itself. We want to ensure that our customers are satisfied with the taste of mango in our drinks. We believe that many people will like the pure and rich taste of mango in their drink. From our observation, we found that the flavour of mango ready-made syrup has a slightly different taste compared with pure mango. Because of that, using pure-blended mango is the right decision for our ice mango product.

Besides the packaging for our product, we choose to use a large plastic straw. The purpose of using plastic spoon straws is to make it easier for our customers to sip the drink with the toppings such as mango slices, whipping cream and nata de coco. On the other hand, we use an 18-ounce cup. This cup size is perfect because it's medium. The reason we did not choose the bigger size is because we needed to add the portion that made it more expensive. We want to ensure that the price we offer is affordable for our target customers.

Last but not least, we like to put four types of toppings on top of our product. The purpose of the topping is to make our drinks more interesting and to add more flavour when drinking. Adding toppings to our drink will make the ice mango look fancy and more presentable. The three toppings are mango slices, whipping cream, nata de coco and mango syrup. The reason for placing mango slices as a topping is to ensure that customers can feel the sensation of the original mango fruit and that they are satisfied with our mango drink products. Meanwhile, whipping cream is the topping for our ice mango to add a creamy taste, and the mango syrup is just for decoration to make it more attractive.

6. CONCLUSION

As a conclusion, in this case study of the Chatime company, using the insights gathered from visiting with and interviewing Chatime Kangar, we discovered their problems and challenges. As a result, we are doing this case study to come up with a solution and recommendations for the company in order to raise revenues. The Business Model Canvas (BMC) was used to analyze the Chatime company; it was an essential component. BMC is a visualization of key business aspects and their connections. The Chatime company has a clear visualization of their BMC to ensure that the company achieves its goals. BMC is useful and significant for a business since it helps users see what is important and drives them to address critical areas. It may also be used by a team to better understand connections and establish agreements.

We can also clearly observe the findings of the problems and issues facing this company throughout this case study. However, problems must never be an excuse for them to give up operating their company. As a result, discussions and solutions are included to provide a suitable solution in an effort to solve the problems.

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8. APPENDICES



Figure 3: Interview session



Figure 4: Chatime's Cashier



Figure 5: Chatime's Loyalty Card



Figure 6: Chatime's Interior



Figure 7: Brewing Area



Figure 8: Menu Rahmah Promotion



Figure 9: Sinar Ramadan Promotion



Figure 10: BT21 Promotion



Figure 11: Chinese New Year Promotion