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UNIVERSITI
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ADMINISTRATION (HONS) HUMAN RESOURCES MANAGEMENT**

WRITTEN REPORT ON CASE STUDY: COMPANY ANALYSIS TEALIVE

tealive

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EXECUTIVE SUMMARY

The beverage industry produces beverages and goods ready to drink, with high standards for hygiene and technologies. There are two main categories in the industry: alcoholic beverages and non-alcoholic beverages. The food and beverage market in Malaysia is expected to develop rapidly due to rising disposable incomes, population expansion, and new products and trends. Tealive is a trusted brand with over 800 outlets around the world. This case study will discuss their marketing and operational strategies, financial achievement, and recommendations for deficiency. Tealive is a popular Malaysian tea chain founded in 2017. It is known for its wide range of tea-based beverages, including milk teas, fruit teas, and herbal teas. It has won the backing of Creador, a leading private equity group, and has grown rapidly since its founding. Its success is due to its innovative marketing campaigns and strong brand identity, which have helped to distinguish it from other tea chains in the region.

Through this case study, we gain a lot of information about Tealive's company. Using Business Model Canvas (BMC), we know that Tealive emphasizes its commitment to quality, customization, brand experience, convenience, and customer engagement to drive revenue and maintain a competitive edge in the bubble tea market. Tealive collaborates with Touch N Go, Duck Cosmetic, Nestle, Biscoff and Mamees to ensure a consistent supply of high-quality ingredients, manage franchise operations, and implement effective promotional campaigns. Tealive focuses on branding, production and service and delivery to continuously innovate, maintain product quality, support franchisees, build brand awareness, and deliver excellent customer experiences. Next, Tealive relies on physical resources, intellectual resources, financial and skilled human resources to produce beverages, differentiate itself, manage operations efficiently, and provide excellent service. Tealive offers affordable price, halal products and strategic location access to its products, catering to bubble tea enthusiasts, trend-conscious consumers, students, and young professionals. Tealive also strives to provide personalized service and engages customers through loyalty rewards to enhance satisfaction and loyalty. Tealive operates physical outlets, offers online ordering through its website and app, social media and partners with delivery services to reach customers. Tealive targets bubble tea enthusiasts, trend-conscious consumers, and students/young professionals seeking a vibrant and social atmosphere. Lastly, Tealive generates revenue through beverage sales, with varying prices based on customization.

Moreover, from this case study we could see the findings and discussion that need to be highlighted. Thus, from our findings, Tealive still has flaws or problems such as unhealthy drinks, pricey, uncomfortable straws, and lack of workers. However, problems that arise can be resolved so that this business can continue to operate for a long period. In this case study, possible solutions to the problem will also be presented, as well as how BMC may be used to develop the business, limit the focus, and prioritize the target clients. According to recommendations gained when analyzing this business, we decided to set up our own beverage company that sells non-alcoholic products such as teas, coffees, soft drinks, health drinks and other side menus. We have decided to open a factory in order to manage our business.

1.0 INTRODUCTION

1.1 Background of the Study

The beverage industry, commonly referred to as the drink industry, produces beverages and goods that are ready to drink. Examples include alcohol, carbonated beverages, soft drinks, energy drinks, milk products, coffee- and tea-based goods, and bottled water. The beverage sector has long had very high standards for hygiene and the technologies that support it. Whether it's mineral or drinking water, lemonade, fruit juice, beer, wine, or (sparkling) wine, the end product's high-quality standards and shelf life must be maintained with exquisite sanitation. The product being produced determines how different beverages are produced. There are two main categories in the beverage industry:

1. Industry of alcoholic beverages:

This sector produces distilled spirits, sparkling wine, cider, and beer.

2. Industry of non-alcoholic beverages:

The industry of non-alcoholic beverages includes the production of soft drinks (or soft beverage industry), syrup, bottling, canning, and packaging of fruit juices, coffee, and tea.

The size of the food and beverage market in Malaysia is expected to develop rapidly over the course of the projection period as a result of rising disposable incomes, population expansion, and the introduction of new products and trends. On the other hand, stringent government restrictions and variations in the price of raw materials might have a detrimental effect on the market's expansion.

One of the most vital sectors of many economies throughout the world is the food and beverage sector. The main trends in the worldwide market include shifting consumer lifestyles and tastes, rising demand for organic food items, and altering buying and selling habits. Improved cold chain infrastructure and simplified production procedures are also fostering market expansion.

The reason why we choose Tealive for case study is because Tealive is one of the most trusted brands where they have over 800 outlets around the world. Tealive has ensured that its business practices are creative. For instance, they made the decision to set up little booths everywhere. You can easily locate a Tealive seller whether you go to a mall or are simply strolling along the street. Tealive's innovative strategy has been successful, and they were able to quickly enter the

market because of their innovative strategy.

In this case study, we are going to discuss about Tealive brand, how it first started and what strategy they are using to maintain the brand. Since Tealive is the largest lifestyle tea brand in Southeast Asia, surely, they have been using some effective marketing and smooth operational strategy in the journey of expanding their brand. We are going to discuss about those marketing and operational strategies in this case study. Not only that, financial achievement made by Tealive also increased throughout the year. In this case study, we are going to explain every detail about specific revenue that Tealive gained. Even though Tealive has been an established brand, we also found deficiency through finding, and we have sort out some recommendations for the deficiency.

1.2 Purpose of the Study

Case studies are a proven and well-established technique. The general purposes of a case study are to describe an individual situation such as person, business, organization or institution. In this context, a case study is required to identify the issue or problem that the firm or the consumer is facing. As a result, case studies are used to explore business challenges and situations, as well as to propose and recommend solutions based on analysis and theory. In certain situations, companies are also already providing solutions to their own problem, thus case studies are able to describe the solution provided by the company.

Furthermore, the purpose of conducting this case study is to examine the factors that contribute to the success of entrepreneurs in their businesses, particularly how they operate and address challenges. The study will specifically focus on Tealive's entrepreneurs and their ability to overcome problems. Besides, to illustrate the measurable results gained from using the service or product from the business and also to demonstrate how the product has been implemented in a way that truly benefits the readers, who are the customers. Additionally, the study aims to identify effective problem-solving strategies that entrepreneurs can utilise to achieve better results as business owners.

2.0 COMPANY INFORMATION

2.1 Background

Tealive is a popular Malaysian tea chain that was founded in 2017. It was previously known as "Chatime Malaysia" but was rebranded as "Tealive" after its partnership with La Kaffa International Co. Ltd., the parent company of Chatime, was terminated. Tealive has become known for its wide range of tea-based beverages, including milk teas, fruit teas, and herbal teas. They use high-quality tea leaves sourced from all around the world and have developed unique blends and flavors to appeal to their customers.

In addition to its signature teas, Tealive also offers snacks, such as popcorn chicken and egg tarts, to complement their beverages. Born in Malaysia in 2017 with a mission to always bring joyful experiences through tea, it has won the backing of Creador, a leading private equity group with deep market knowledge and operational expertise to help grow world-class businesses. Since its founding, Tealive has grown rapidly and now has over 250 outlets in Malaysia, as well as branches in other countries such as Vietnam, Australia, and the United Kingdom. Tealive's success is due in part to its innovative marketing campaigns and strong brand identity, which have helped to distinguish it from other tea chains in the region. With plans to continue spreading the "Joy of Tea" through strategic expansion and product innovation, Tealive has its eyes on the world.



Figure 1: Tealive's menu

2.2 Organization Structure

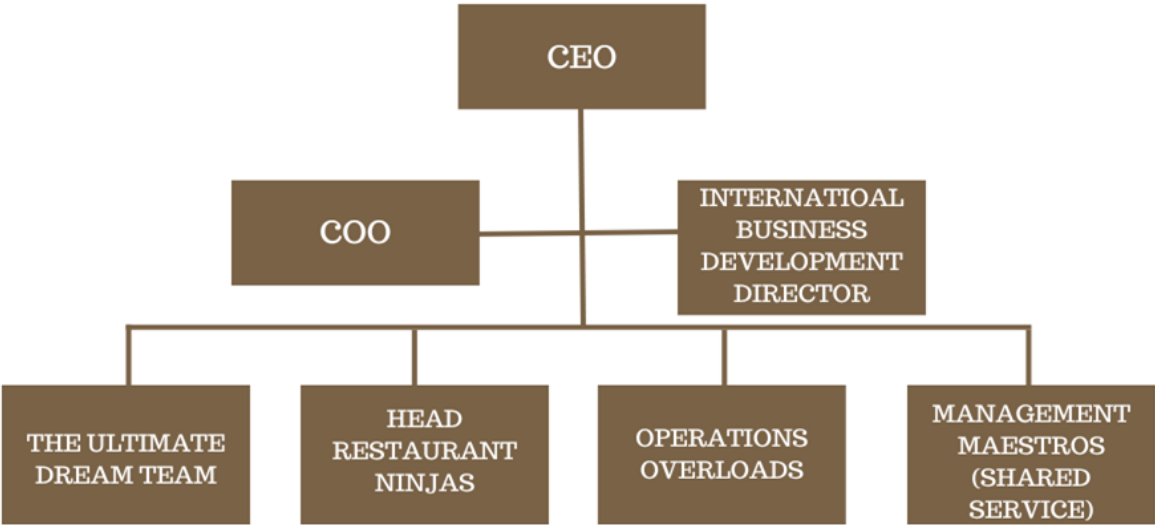


Table 1: Organizational Structure of Tealive

Tealive's company organizational structure consists of the chief executive officer (**CEO**) which is Bryan Loo, followed by the chief operating officer (**COO**), namely Cheng Leng Loo. In addition, followed by the position of **International Business Development Director** Bryan Yeow, Restaurant Director Malcolm Goh and Ryan Yeoh (GM, Full-Service Restaurant), **Operations Overlord** Tan Boon Keng, Master of Management (Shared Services) Jessica Lee and Dassy Chan. Tealive is an organizational structure that works. Tealive's structural design can easily organize the overall structure of the company, which is also the structure used to organize the distribution of employees.

2.3 Products/Services

Tealive is a lifestyle tea product. It offers coffee and smoothies, as well as its signature brown sugar pearl milk tea and hand-crafted teas. For example, hazelnut milk tea, malty milk tea Horlick, original pearl milk tea and many other types of tea. However, the most popular and best-selling menu so far is the original pearl milk tea. In addition, Tealive also sells non-tea drinks such as coffee and cocoa.

2.4 Business, Marketing and Operational Strategy

Business Strategy

Business strategy refers to the strategic activities that a firm does in order to produce value for the organization and its stakeholders while also gaining a competitive advantage in the market. This strategy is critical to a company's success and must be implemented prior to the production or delivery of any goods or services.

The Tealive company's business goal is to open more Tealive branches across the country. According to a 2018 article, Loob Holding Sdn Bhd (Loob Holding), the founder of the tea drink brand Tealive, plans to have 500 branches in Malaysia within a decade of its existence. Bryan Loo, the company's Chief Executive Officer, stated that he has a structured business strategy in place to ensure that all of the company's plans for the tea drink brand are completed within the time frame. He stated that he hopes to open 40 Tealive stores each year for branches that are typically located in shopping malls. Furthermore, they seek to enter the petrol station industry, and they currently operate 30 Tealive outlets in numerous major petrol stations around the country. Their current goal is to capture 10 to 15% of Tealive's market share for petrol station operations, which have the potential to become a more strategic business form.

Tealive's business is more flexible, and they can change it according to the type and location it operates in so it can create a better Tealive atmosphere and experience for customers. In addition to shops and gas stations, Tealive also wants to focus on strengthening its brand by having a presence in major public transport hubs such as LRT and MRT stations and within three years, Tealive intends to open 50 Tealive branches in several transport hubs that have access to people many Tealive's business strategy to be in LRT and MRT stations is considered appropriate and very coincidental because it can dominate the market from various backgrounds. Drinking tea, particularly 'bubble tea,' is no longer just a trend in today's globe but it has become a culture in this country's society, and this industry is a field with high potential and a promising future, particularly in hot climate countries.

Marketing Strategy

A marketing strategy is a company's plan for reaching out to potential customers and converting them into clients of their products or services. There are several marketing strategies practiced by the Tealive company until now, namely creating options. There are numerous drink options on their menu, but did you know they also sell e-Gift cards and allow you to create your own Boba sets? Developing new items enhances productivity, which in turn increases profitability or sales.

However, we believe that this is not the only reason Tealive is fond of providing options but everytime a new product is introduced, it also has the effect of influencing the thoughts of their admirers, who may gradually learn to think of themselves in a positive light. Tealive is very focused on providing us with a memorable experience. To summarize, if you want to build your brand, focus on delivering an impactful brand experience. Customers are enthusiastic and engaged, and they will recall your brand while making purchasing decisions. Tealive always provides their customers with the most popular options. Tealive appears to research their target market and offer new products that will entice customers to purchase their product. Every time they release a new flavor of drink, it quickly becomes popular and sells out. Yes, the other rival can simply grab the market trend and needs since the drink market is so easy to attract their target clients because they can acquire the same items from other beverage operators. Tealive should consider broadening its product mix in the future as competition in the bubble tea market becomes fiercer.

Furthermore, prioritize design. Design should come first in any brand's success. The appearance of everything, from public advertising and billboards to landing pages, websites, merchandising, and product packaging, is more essential than you might believe. They represent your brand to potential customers and engage them in learning more about what you have to offer, bringing them closer to the stages of evaluation, engagement, and, eventually, purchase. In other words, design, like copy, is vital for branding and generating leads and sales. That is why Tealive entrusted their brand design to branding specialists, who assisted in bringing their brand identity to life using a standard set of brand colors of purple, teal, and yellow, which are utilized across their designs, whether online or in store.

Operational Strategy

An operations strategy is a plan produced by an organization's management team to distribute funding to the business. This plan is formed after the overall business strategy has been developed; consequently, the operations strategy supports the firm's strategic orientation.

Tealive uses the distribution strategy of selling drinks directly to customers. As for Tealive, direct and indirect distribution had been practiced. Tealive practiced direct channel distribution, such as producers selling products or services directly to the final consumers, primarily for direct distribution. This shows that there are more than 150 outlets of Tealive in Malaysia and will continue to grow all over the world.

Furthermore, there is a promotional strategy in place to inform, entice, and influence customers to purchase things. Tealive has introduced a loyalty card that allows members to earn points and use them to purchase discounted drinks. Tealive also offers drink samples so that clients can try the latest drinks on the market. There is also a joint campaign organized with telecommunication companies such as Digi, Celcom, and MAXIS where their customers can buy Tealive products at a low price and also have a chance to win Tealive vouchers, and they always give incentives such as customers receiving a 15% discount when ordering through the application Foodpanda and other applications and uses social media such as Instagram, Facebook, Twitter, and YouTube to introduce its products to us.

2.5 Financial Achievements

Several sources close to the situation indicate that Tealive's holding company, Loob Holding Sdn Bhd, is inclined towards a strategic stake sale. According to the company's statistics, Loob Holdings has been experiencing exceptional growth. The company's revenue increased from RM68.06 million in the fiscal year ending 30 June 2017 (FY2017) to RM86.15 million in FY2018 and to RM180.4 million in FY2019. During the same period, Loob Holdings net income was RM2.36 million in FY2017, RM1.96 million in FY2018, and RM29.88 million in FY2019, according to data from CTOS. FY2019 is the most recent fiscal year for which Loob makes its financial results available to the general public.

Following the announcement in 2020 that the company's planned IPO has been postponed due to market conditions during the Covid-19 pandemic, recent stake sales have increased. Loo was quoted in the media in 2020 as stating that Loob Holding will delay its IPO due to a lackluster

market sentiment. Bloomberg, a financial and media company, first reported in May 2019 that the company was contemplating an IPO to raise up to RM300 million the following year. It was also reported at that time that Loob Holding was considering a valuation of up to RM1 billion.

3.0 COMPANY ANALYSIS

3.1 Business Model Canva (BMC)

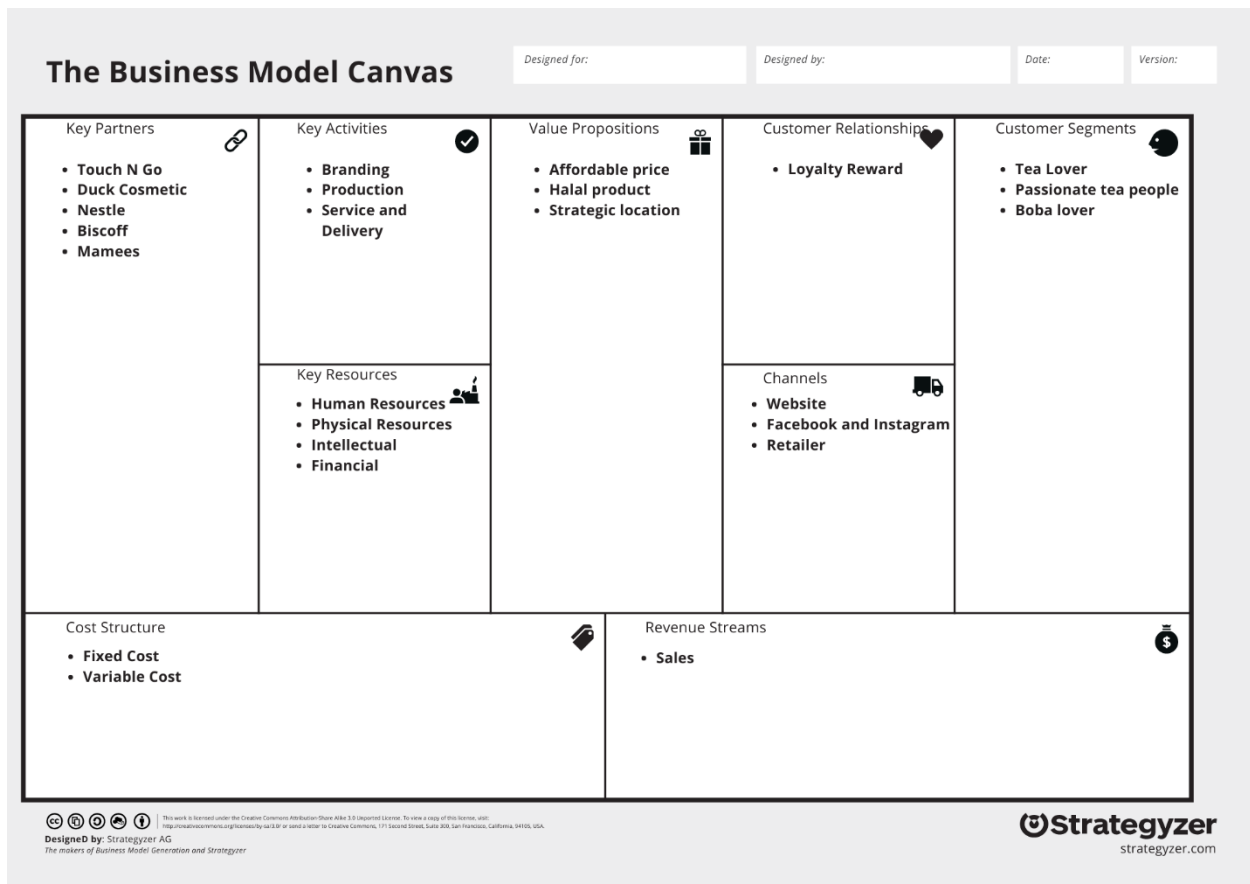


Table 2: Business Model Canvas of Tealive

3.1.1 Key Partners

Touch N Go

The bubble tea company and Touch 'n Go eWallet recently announced a one-year partnership to provide the eWallet's cashless convenience to the brand's devoted patrons. As a result of this cooperation, Tealive drinks will soon be the subject of increasingly alluring promotions that accept Touch 'n Go eWallet payments.

Duck Cosmetic

A limited-edition line of dUCk boba lipsticks with five different colors has been released by Tealive in collaboration with dUCk Cosmetics. The shades are called 70% Sugar, Pudding Please, Brown Sugar, Warm Boba, and Extra Pearls after boba drinks. Customers who buy the lipstick set will also get a lifetime Tealive membership in addition to their beverages in a unique Tealive x dUCk sleeved cup. Online, at some Watsons locations, and FashionValet shops all carry the line. A+M has requested a response from dUCk Cosmetics.

Nestlé

Nestlé and Tealive have launched a partnership to introduce their top collaborations including Kitkat and Milo products. Milo collaboration presents their Coco-Xtreme series, a new range of beverages with three new, unique drinks that add a new twist and are certain to titillate taste buds nationwide. Kitkat on the other hand, presents the Kit Kat Coco Wafer Smoothie, which is prepared with wafer spread with chocolate cookie crumbs, is one of the products in the lineup. A Signature Smoothie (flavored with chocolate) and a Berry Smoothie (flavored with strawberry) are two new beverages that have recently been introduced.

Biscoff

Tealive is capitalizing on the Biscoff craze in Malaysia with their newest Lotus Biscoff Crunch line. For your noon desires, it is reputed to be the ideal cold, crisp drink. The Oat Milk, Mango, and Lotus Biscoff Crunch Smoothie varieties of Tealive Lotus Biscoff Crunch are available.

Mamees

The most recent partnership between two Malaysian companies is an interesting variation of the company's popular instant noodles, using milk tea as the soup's foundation. Even boba is included! True pearls in a cup of quick noodles, indeed! Spicy Mi Boba has just one taste, but it has two different textures depending on whether it is cooked in hot or cold water.

3.1.2 Key Activities

Key activities are one of the nine components that comprise a business model canvas. These actions enable a business to operate at a competitive advantage by contributing value to its markets through the organisation of its operations. In the context of essential activities, value is a significant factor. Value reflects the efficacy of the activities and may reveal why a business fails or triumphs. A business may decide to alter its activities in order to increase the value it provides.

Branding

It is essential for a company to have a strong brand in order to have positive market perceptions and attractive images. Effective branding allows Tealive to cultivate devoted supporters, distinguish itself from competitors, and become instantly recognisable. For instance, Tealive sponsors events, raises awareness, and sells strawless reusable cups in an effort to reduce the number of disposable cups used each month by 500,000. Individuals can be educated to reuse items and help the environment by reducing their daily plastic consumption and substituting it with straw fewer reusable cups using these methods.

Production

Tealive has employed a variety of strategies to deliver and manufacture a quality tea-centric product. Tea culture has existed for a long time in Malaysia, and Tealive is a company that has adapted tea into more appealing and distinctive menus to suit the local palate. Through these inventive ideas, Tealive has created a number of popular menus, including Bang Coffee and Choco Shaka Lava, which have become their signature dishes. Significantly, Tealive's popularity is gaining due to their improvised production styles, which are always current with the consumer target market, and their local menus, which attract a large number of new consumers. Tealive additionally generates menus for fruit smoothies and carbonated beverages. No matter which type of tea you prefer, their menu has something for you.

Service and delivery

In addition to the services that are essential to Tealive's primary activities, since Tealive is a food and beverage company, quality and cleanliness must be maintained at all of their locations. This demonstrates why Tealive is so rigorous and fundamental with their employees' training, so that they can provide superior services such as greeting customers, taking orders, suggesting drinks, promoting, and maintaining the store's cleanliness and product quality. As a result, the business can be conducted efficiently, and consumers will feel at ease. In addition, GrabFood and

Foodpanda offer delivery service for customers who are unable to pick up their beverages; this aids and facilitates the customers. In addition, they provide consumers with a refreshing and unique experience of sipping tea with garnishes such as jelly, pearl, black diamond, and many others. In order to increase customer satisfaction, they then provide customers with their preferred sugar levels, allowing them to customize their beverages to their individual preferences. Because there are so many options to choose from, the menu and services at Tealive are varied.

3.1.3 Key Resources

Your business model cannot function without essential resources, which are any assets that are indispensable to its operation. They outline everything of value that will be required of you to fulfill the promise (or value proposition) made to the clients you wish to attract.

Human Resources

Human resources are required in all endeavors, and the individuals who are hired as employees play a crucial role in the company's ability to advance, acquire more knowledge and ideas, and project a positive image. Human capital or resources refers to the total talent set of an organization's employees. Based on their education, personal, and professional experiences. From this, they can benefit from extensive training and contribute to business profits. To expand their business operations, Tealive companies rely heavily on the experience and skills of their employees. Businesses are able to strengthen their operations and foster positive relationships among their employees, thereby creating a more positive work environment.

Furthermore, Tealive has nearly 3000 employees in total and is constantly recruiting new employees so that it can provide enough staff to accommodate a large caseload. This is because Tealive wants its employees to be able to ensure the sustainability of its products and services in every location. Therefore, employee welfare is regarded seriously, and the importance of employee food is acknowledged. In addition, Tealive always trains their employees to improve their work performance and ensures that no one is left behind, as they are taught to be skilled and flexible in all positions, including Tearista, cashier, and customer service, in order to manage the peak hour. Employees gain new knowledge and improve their cooperation through this method.

Physical resources

Physical resources are an asset for every business organisation because they also serve as a company's survival capital. The physical resources consist of inventory, equipment, distribution networks, and vehicles. From these essential assets, businesses are able to operate and function every day, resolving store-related problems. For instance, Tealive has over 600 stores in Malaysia alone, in addition to almost 650 stores in Brunei, Vietnam, the Philippines, Myanmar, and Australia.

Additionally, Tealive is planning to establish 1,000 stores to incorporate more branded assets in their physical stores, as they desired to explore new opportunities, snuck into petrol station stores and collaborated with Petronas. Additionally, Tealive is renowned for their sophisticated technology and machinery. They offer an elegant tea dispenser, a well-designed kitchen, and a high-tech cup sealer. All the equipment increased efficiency, saved more time, permitted employees to work more quickly, and increased output.

Intellectual

Intellectual resources include patents, brand property, and partnerships, and their establishment requires considerable time. Tealive has developed a very powerful brand name and image, and consequently relies heavily on its brands to market its products to its loyal customer base. This is due to the fact that Tealive had a rocky beginning, as they are truly a sub-franchise of Chatime, but were forced to rebrand as their own company.

Tealive's refined Malaysian essence has allowed it to distinguish itself as a brand over time. For instance, they began Raya and Ramadan sales and promotion by collaborating with a large number of Malaysian collaborators and influencers. From there, Tealive expands its strategy to collaborate with numerous Malaysian companies, including Petronas, as well as Duck Cosmetics, Loucase, and others. This resulted in Tealive gaining a trustworthy reputation, completing its establishment phase, and reaching a large audience of potential customers.

Financial

Finance is a crucial asset for all businesses, but some, like banks, rely solely on the availability of this resource. For instance, Tealive has a stable financial position, as the company reported investments ranging from RM 250 000 to RM 480 000 in a single outlet. And it is a reasonable sum for business franchises with reasonable royalty fees that cover advertising.

3.1.4 Value Propositions

A value proposition is a statement that describes the advantages that a company or product provides to its customers. It provides an answer to the question, "Why should the customer buy our product or service?" It explains the benefits the customer would experience and why the company is the best option for them.

Affordable price

Tealive is a well-known beverage product that offers lower rates while making use of high-quality ingredients. This will result in a high-quality product that they will be able to purchase regardless of social criticism. According to the menu offered by Tealive, they offer pricing starting as cheap as RM7 for one. With the amount created in a lot, it will be worthwhile to purchase it.

Halal product

In this industry, Tealive is also a halal beverage and service. Since the majority of Tealive's clients are Muslim, this will enhance the company's earnings even more. They will be more probable to purchase the drink if it has a halal certification.

Strategic location

The Tealive organization now has seven various types of locations where the retail outlet is located in an area that grabs the public's attention. Shopping malls, street stalls, stalls at transportation hubs such as LRT and MRT stations such as Mass Flow Transit Stations, gas stations, universities, and schools are examples of places where the brand can get closer to becoming a household name.

3.1.5 Customer Relationships

Customer relationship is one of the elements that can greatly impact the overall business. This is because it is critical to create and maintain good relationships with consumers because they are the ones who provide us with profits. Maintaining relationships with clients not only increases the chances of gaining their favor, but it also gives a positive impression of the business to the customers.

Loyalty Reward

Tealive has a few loyalty rewards including birthday treats. The reward can be claimed through walk in. When placing an order at any Tealive location, show the Tearista the voucher by opening it on the "My Active Rewards" tab in the Rewards area of the app. Tearista will then scan the coupon to complete the redemption. You can enjoy a free drink that is only valid on your birthday. Each year you'll receive a birthday token that can be used for a free drink (valued at RM6.60) at their establishment.

Tealive offers you a complimentary beverage when you sign up. You may sign up to be a lifetime Tealive Unitea member for just RM10.35 at any Tealive store, and you'll immediately receive a complimentary drink of your choice (valued at RM6.60).

The third is a "buy 10 get one free" offer. Within six months, if you purchase 10 drinks at any Tealive store using prepaid value on your Unitea card, you'll receive a free drink voucher.

3.1.6 Channels

A business model is incomplete without channels. The movement of commodities from producers to consumers is accomplished through distribution channels. It is important to know the channel that should be used to offer solutions to customers who will buy the product. Tealive uses three channels in delivering products to consumers.

Website

Tealive business uses the delivery apps and the Tealive store picks up websites as the main offered solution to customers who are going to buy the products which can save the customer time. The customers who wish to experience the Tealive menu but are unable to visit the store can also be delivered to the customer because Tealive cooperates with the delivery app that provides the delivery service to the consumer. This method will make purchasing the items easier for our clients. Customers can use the delivery apps to make an order and select the items they want to order. Customers who use the delivery app just select the drinks or snacks they like and the location to which they wish to have them delivered, then complete the payment process. For instance, the delivery apps that would solve customers who want to purchase the products can via grab food and food panda which will deliver the product to the customers. Tealive completely utilizes the delivery app to offer and deliver the product to the consumer wherever they are. Meanwhile, Tealive pick-up websites may make it easier for consumers to get snacks and drinks

via Tealive websites, saving customers time by removing the need to queue and wait for their orders. As a result, this will allow the customers to take the drinks and food on the move quickly.

Facebook and Instagram

Direct marketing is defined as communication established through direct channels without the need of an intermediary. Tealive employs direct marketing to convey information, which saves time and money for the organization. Direct marketing media include social media. Tealive uses social media platforms such as Facebook and Instagram to keep customers up to speed on available promotions, advertise its products, and engage with customers. They are also used to do tasks such as providing amazing material on social media accounts, listening to and engaging followers, assessing outcomes, and conducting social media advertisements.

Retailer

Tealive uses the retailer channel structure as one of their methods for connecting with customers. One of the channels used by retailers to reach consumers is opening retail locations where they may offer their goods. For Tealive, they offer a variety of shops to draw in customers, including Kiosk, In-Line Store, Drive-Thru and Franchise. Tealive also hires other middlemen such as Foodpanda and Grab. It is clear that Tealive's strategy aims to satisfy its customers by giving them a variety of options for purchasing its beverages, including both online and offline options.

3.1.7 Customer Segments

Customer segmentation is the process of categorizing consumers based on similar characteristics so that businesses may promote to each group efficiently and properly. Overall, Tealive is popular among a wide range of age groups. They are passionate consumers of tea with boba in it. They are essentially tea and boba enthusiasts. This boba began to go viral as a result of the latest trend, and this Tealive menu, which is boba tea, became growing in popularity among teenagers. They love to experience something new. Furthermore, this menu might help individuals 'boost' themselves after a long day at work or while studying.

3.1.8 Cost Structure

Fixed Cost

Fixed costs are costs that remain constant regardless of whether sales or production quantities increase or decrease. This is because they are not directly involved in the manufacturing or delivery of a product or service. As a result, fixed costs are categorized as indirect costs. Fixed costs may include property taxes, rent, salary, and the cost of non-sales and management employee perks.

No matter how many things a company produces and sells, it must still pay rent for the space in which it operates. Rent is constant regardless of whether the company's output increases or declines. While fixed costs might alter over time, they are not affected by production, hence they are classified as long-term expenses. So, whether you're stepping into the realm of Food & Beverages for the first time or have done it many times before, you can feel secure and at ease knowing that Tealive will make you feel perfectly at home.

When you work at Tealive, you will be paid a minimum of RM1500 a month, depending on the role you apply for. Tealive also looks after their employees by offering insurance to secure their safety and well-being. If you want to become a franchisee under the Tealive brand, the first investment is RM480,000. This figure includes a 3% royalty charge that pays marketing costs and contributes to the profit fund. You may join a well-established and successful brand in the market by investing in a Tealive franchise.

Variable Cost

Variable costs are expenses that vary in relation to production output or sales. Variable costs rise when production or sales rise and variable costs fall when output or sales fall. Variable costs differ from fixed costs in that they do not alter in response to production or sales volume. Variable costs play an important role in defining a product's contribution margin, which is used to calculate a company's break-even or target profit level. Raw materials, labor, utilities, commission, and distribution charges are examples of variable costs.

Tealive's supplier, Loob Holding Sdn. Bhd, is responsible for delivering all raw and packaging materials, as well as the beverage menus. Tealive distinguishes itself by including Minor Figure's Organic Oat Milk in their menu options, which are not restricted to oat milk. This one-of-a-kind milk substitute is created from organic oats and is entirely plant-based. It comes from the United

Kingdom, making it the world's first organic oat milk. Minor Figures' oat milk is well-known among baristas worldwide for being free of refined sweeteners.

Loob Holding Sdn Bhd created a unique and attractive design for their sealing cups to express their gratitude to Tealive consumers. These cups have a collection of humorous tongue and mouth illustrations that are meant to make people grin. Customers are treated with a funny and hilarious experience when they insert their straws into the open mouths on the cup and take a sip. This basic yet appealing design has turned the act of drinking bubble tea into a source of delight for Tealive drinkers all around the world.

3.1.9 Revenue Streams

Loob was chosen by Creador as its first investment in the quickly expanding food and beverage (F&B) industry since Tealive had become a regional leader with more than 650 locations in less than five years. The remarkable RM307 million in sales and RM58 million in net profitability for Loob's fiscal year that concluded on June 30, 2020, were mentioned by Brahma. (FY20). "This led to a phenomenal three-year CAGR of 56% in revenue and 180% in net income," the statement continued. Because of sound strategy and goals to keep the market in the sector, there has been exceptional revenue or net income. Bryan Loo, the CEO of Tealive, claims that they are now concentrating on their digital strategy and prioritizing consumer convenience across the shop network, offering different cashless and contactless ordering channels, including scan to order, order ahead, and drive-in model.

This demonstrates how quickly Tealive has grown, despite being a small local business. Good strategy and goals to sustain the market in industry have contributed to the amazing revenue or net income. Tealive's CEO, Bryan Loo, claims that the company is now concentrating on its digital strategy and prioritizing consumer convenience throughout their network of stores, featuring a variety of cashless and contactless ordering channels, including scan to order, order ahead, and drive-in models.

4.0 FINDINGS AND DISCUSSION

4.1 FINDINGS

4.1.1 Unhealthy drinks

Based on our observations, Tealive products do not provide many healthy drinks in their menu. The majority of the drinks sold are sweet drinks made from boba, brown sugar, sweet chocolate, and other ingredients. These beverages are now catching the attention of people of all ages, from little infants to the elderly. Young children are unconcerned whether the water provided is unhealthy and high in sugar because they are used to it, but adults such as older people and senior citizens will surely want to restrict their intake of excess sugar or less beneficial ingredients.

4.1.2 The price is too high

The price of bubble tea should be affordable enough without affecting or reducing the quality of the bubble tea. This will enable Tealive to have a competitive advantage over most of its competitors, charging a higher price for the same quality of bubble tea drinks. It will have an impact on low-income purchasers, such as students, who cannot afford to buy. This will result in sales because students are the primary target customers of Tealive. When the price given is too expensive, customers from this segment will switch to other brands that offer lower pricing than Tealive.

4.1.3 Usage of straw

Tealive company should reduce the usage of straws in their business because straws contribute to environmental pollution. By reducing straw usage, these companies can help minimize plastic waste, protect ecosystems, and promote sustainability.

4.1.4 Less of packaging Innovation

Tealive only has one type of packaging in their business, which is a plastic cup with a lid and straws. These cups are usually made of plastic called polypropylene (PP) or polyethylene terephthalate (PET), which are commonly used for food and drinks. However, people are now increasingly using cups made from eco-friendly materials like PLA (polylactic acid) that can break down naturally.

4.1.5 Lack of workers

The weakness of Tealive is the lack of workers for an outlet to serve tea to customer, so the customer must wait for a long time to have their tea. The concerns will undoubtedly have an impact on Tealive company's performance and consumers. Poor performance will eventually result in dissatisfied clients, which means Tealive will get fewer recommendations and more unfavorable internet reviews. This may turn out to be devastating for Tealive brand's reputation and bring about a decline in sales. As a result, Tealive must provide excellent customer service to maintain the company and Tealive brand's reputation.

4.2 DISCUSSION

4.2.1 Healthy drink

Our recommendation to improve Tealive's brand is to create more new items based on healthy sources, such as sugar-free fruit juice, or to replace it with stevia and other healthy ingredients. By adding a modest amount of sweetness, Tealive can also create fewer sweet beverages. They can create a list of options from which buyers can select the best level of sweetness. This is because the target market for Tealive products includes people of all ages which are the elderly and adults preferring less sweet beverages. If Tealive can accomplish this, there is no hesitation that their products will gain greater acceptance.

Solution 1

Advantages: Preventing people from developing chronic diseases like diabetes and other related illnesses

Disadvantages: Customers, particularly young people, have become less interested since they want the sweeter and tastier drinks.

4.2.2 Reduce price

Tealive should set the price low enough to avoid intense competition in the bubble tea market, which can help create a higher barrier to entry of the bubble tea market for new competitors. However, the price should not be too low and should be kept slightly lower, just within the competitor's price level, to ensure that the bubble tea's set profit margin can be achieved. Moreover, the price is volatile and can be changed at any time. Price has a significant effect on

every company as it will affect its sales and profit. So, if the price is too high, customers will not be willing to buy it, same as if the price goes too low, the profit would be less and even causing the company to make losses. It is important for Tealive to carefully consider the potential impact of price adjustments on profitability and customer perception. Striking the right balance between affordability and maintaining product quality will be key to addressing the issue of high prices effectively.

Solution 2

Advantages: Can attract more customers to buy the products from all levels. Customers buy more at low prices because that is human nature, a logical consumer calculation of marginal utility.

Disadvantages: When the price offered is too low, the company's profitability could be diminished, potentially resulting in financial losses.

4.2.3 Strawless Biodegradable plastic cup

Tealive should take the opportunity to sell straw less Biodegradable plastic cup to their customers instead of paper straw to fulfill customer satisfaction.

Solution 3

Advantages: Reducing Ocean pollution

Using biodegradable containers will decrease ocean plastic pollution. Every year, 18 billion pounds of plastic products pollute the oceans, putting all aquatic and marine species at risk of extinction. Using biodegradable containers decreases the amount of plastic that enters the ocean. Obviously, we believe that all trash should be deposited in the proper location. Neither in the natural world nor the waters.

Disadvantages: Limited lifespan

Even though biodegradable cups are designed to decompose faster than traditional plastic cups, they have a limited lifecycle and may not be suitable for long-term use.

4.2.4 Create seal packaging

Seal packaging for beverage companies refers to the protective covering or closure used on beverage containers to ensure product freshness, prevent leakage, and maintain hygiene. It can include various types of seals such as screw caps, snap-on lids, foil seals, or shrink wraps. The

choice of seal packaging depends on factors like the type of beverage, container material, and customer convenience.

Solution 4

Advantages: Seal packaging has the advantage of preserving product freshness and quality for beverage firms. The seals act as a barrier, keeping air, moisture, and pathogens out of the drinking container. This helps to preserve the flavor, aroma, and general integrity of the beverage, ensuring that customers receive a fresh and satisfying product.

Disadvantages: The potential rise in waste creation is one downside of seal packaging for beverage industries. Seals are often made of materials such as plastic or aluminum, which, if not properly disposed of or recycled, can contribute to environmental contamination. The additional packaging materials used for seals might contribute to the waste generated by the beverage sector.

4.2.5 Hire more workers

To improve this issue is to let Tealive have more workers so that the customer will not have to wait for a long time. Not only that, but it will also create a job opportunity for the society.

Solution 5

Advantages: Have a happy customer

Customers did not have to wait for a long time to get their order. This will increase the level of satisfaction for the customer and make them happy to repeat the product again and again. A happy customer will spread the word about the company via social media evaluations or word-of-mouth. As a result, it can help to grow a business, providing excellent customer service helps spread the word about it since happy customers are excellent marketers. More than any other type of advertising, referrals from friends and family are the most trusted by customers. Not only that, customers that are happy are also less inclined to post a bad review. A customer is more inclined to recommend the company to others based on the experience that they gain from that company. Positive reviews, testimonials, and customer referrals may help you somewhat grow your clientele.

Disadvantages: Less Quality Control

Numerous customer-related effects of poor quality are possible. Customers who are not happy with the goods or services they receive might result in lost sales and a decline in customer loyalty. Additionally, poor quality may drive away clients, resulting in employment losses and a decline in corporate productivity. Employee productivity is also impacted by poor quality. Due to a lack of quality assurance, employees working on poor-quality products or services may be less productive and under stress.

5.0 RECOMMENDATION

COMPANY NAME



COMPANY PRODUCT: Tea

REASON TO CHOOSE TEA

One of the reasons Tea4U choose tea as the main menu is that it is a daily ritual for most people who like to drink tea. Regular tea is an excellent beverage to drink in the afternoon or evening to wake you up if you need an energy boost. This is because most teas contain caffeine, with regular black tea containing up to 50mg. In instance, an 8oz cup of drip coffee can have more than 90mg. However, when compared to coffee, the caffeine in our tea will have a distinct effect on the amount of energy you have and concentration. Tea4U provided a healthier tea drink selection. Where our stores are unlikely to exceed extremely high levels of sugar. This is due to the fact that our cafe concept attempts to adopt a healthier beverage menu culture while still producing an enjoyable drink. Sugar consumption raises the risk of heart disease, obesity, high blood pressure, and inflammation. It can also have an effect on the appearance of your skin, deplete your vitality, and even harm your teeth.

COMPARISON TEALIVE AND TEA4U

1. Safety

Tealive is using a plastic cup with a small one at the bottom and a bigger one on top which makes it hard to carry it for a long period of time. Not only that but since the cup is made of plastic, it can be slippery if you carry it with a wet hand. In comparison, our product, on the other hand, is using a unique design of a separate cup and drink. You will not always have a hard time carrying the cup because we have enabled sealed packaging to prevent it to spills.

2. Environmental friendly

Tealive is currently using paper straws and it causes significant levels of paper waste, air and water pollution, global deforestation, and excessive greenhouse gas emissions. Compared to other industries, paper manufacturing utilizes the most water per product. It is the world's fifth-largest energy user. On the hand, Tea4u came up with a solution where they are using the strawless cup that is easy to use. The idea has a beneficial environmental impact by lowering the need for plastic and reducing plastic waste. As a consequence, the strawless lid invention allows Tea4u to be socially responsible by helping to protect the ocean and limit the usage of plastic trash on land and in the sea. We are also changing to biodegradable cups that can be decomposed by living creatures and microorganisms, into water, carbon dioxide, and biomass.

3. Customer has good experience

One of Tealive's problems is that there aren't enough employees to staff every shop, which results in long wait times for customers to receive their tea. In contrast, Tea4u has provided enough worker and make sure all the employees receive proper training to provide and maintain a good taste of our product. As a result, customers will get a good experience with our product compared to Tealive.

FEATURES

In addition, our company uses the biodegradable cup without a straw that is manufactured from renewable resources like corn starch. In contrast to polystyrene, plastic, and paper cups, biodegradable cups decompose in the environment. Biodegradable containers all decompose in nature for 6 months having the proper conditions (temperature, humidity, and the presence of microbes). Biodegradable containers are more durable than paper alternatives. In contrast to paper cups, biodegradable cups are not readily broken. Moreover, these containers are leak-proof. The strength of biodegradable cups is identical to that of plastic cups. In certain instances, it is even stronger. Our company also provides its employees with appropriate training. Globally, employee growth and development programs are essential to the success of enterprises. These programs not only provide employees with the opportunity to hone their skills, but also offer businesses the chance to increase employee productivity and improve workplace culture. Additionally, it can reduce employee attrition. Training programs can also help prepare employees for more senior and responsible positions within an organization. These courses will assist them

in acquiring the skills necessary to perform effectively in their new positions. For instance, they could receive training in leadership techniques or a particular piece of software for their new position. Tea 4 U introduces a new concept: a cup without a straw. An interior chamber in this revolutionary cup holds toppings above the beverage, eliminating the need for a straw by allowing toppings to flow from cup to mouth with each swallow. Customers should consider Tea 4U due to their efforts to reduce pollution for the environment and the world.

HOW TO SET UP THE COMPANY?

The company that we chose comes from the beverage industry. It is made up of a wide range of companies that sell non-alcoholic products such as soft drinks, health drinks, coffees, and teas, as well as alcoholic beverages like beer, wine and liquors. For our company, we chose to set up a beverage company that sells non-alcoholic products such as teas, coffees, soft drinks, health drinks and other side menus. We have decided to open a factory in order to manage our business. We may expand our wings with a factory by supplying our varied drinks to small businesses, marts, restaurants, and other places. In one state, we wish to target many different areas in the hopes that our beverage brand will become famous and widely recognised. So, there are several things that we must do to get this beverage factory up and operating.

1. Research and planning

Establishing a beverage firm from a factory requires careful strategy and execution. The process consists of several important steps, beginning with research and planning. It is essential to determine the type of beverages we want to make, such as carbonated drinks, juices, energy drinks, or bottled water. In order to understand the demand, target audience, and competition in our selected beverage industry, we must conduct extensive market research. This knowledge will assist us in creating a complete business plan that contains our objectives, financial predictions, marketing strategy, and operational details.

2. Legal and Regulatory Requirements

Once we have established a solid strategy, we must address the legal and regulatory requirements. It is important to register our business and choose a suitable legal structure, such as a sole proprietorship, partnership, or limited liability company. Another critical stage is obtaining the proper licenses and permits. Health permits, food safety certifications, and environmental permissions are examples of these permits. Compliance and legal issues can be avoided by

adhering to local and national standards governing food and beverage production, labeling, packaging, and distribution.

3. Location and Facility

After that, we must locate a suitable location for our firm that fits our production requirements. Consider accessibility to transportation, utilities, and adequate room for equipment and storage. The proximity of raw material sources, our target market, and distribution networks should all be considered. After deciding on a location, we can build our manufacturing facility with the necessary infrastructure, such as production lines, storage areas, quality control labs, and packaging facilities.

4. Equipment and Raw Materials

We must obtain the essential equipment and raw ingredients for our beverage production. Purchasing or renting mixing tanks, filtration systems, filling machines, labeling machines, and packaging equipment are all examples of this. To assure the quality and taste of our beverages, it is crucial to source high-quality raw materials such as fruit concentrates, flavorings, sweeteners, carbonation ingredients, and packaging materials such as bottles, cans, and labels.

5. Production Process:

To guarantee consistent taste and quality, each beverage must have a standardized recipe and formulation. It is critical for operational efficiency to establish standard operating procedures (SOPs) for numerous manufacturing processes such as ingredient handling, mixing, carbonation if necessary, filtering, and bottling or canning. Implementing strong quality control procedures, such as regular testing for microbiological contamination, pH levels, and product stability, guarantees that our beverages are safe and of high quality.

6. Packaging and Labeling

Packaging and labeling are crucial in appealing clients. It is crucial for product visibility and consumer appeal to create appealing and informative packaging that is consistent with our brand image. Labeling standards, including ingredient lists, nutritional information, allergen warnings, and correct branding, must be followed in order to meet legal requirements. Choosing proper packing materials while keeping sustainability in mind contributes to environmental stewardship.

7. Supply Chain and Distribution

It is vital to establish a strong supply chain and distribution network. This entails establishing partnerships with dependable raw material and packaging material suppliers. It is critical to develop a distribution plan specific to our target market such as selecting proper distribution channels such as retail stores, supermarkets, or e-commerce platforms, in order to efficiently reach customers. Setting up logistics and transportation arrangements guarantees that our items reach the market on time and in good condition.

8. Marketing and Branding

Marketing and branding operations are essential for raising brand recognition and developing brand identity. Developing a great brand identity entail creating a memorable brand name, logo, and packaging design that appeals to our target audience. A thorough marketing plan that includes online and offline promotional activities, advertising campaigns, social media presence, and collaborations with influencers or shops is essential. Relationships with distributors, retailers, and potential customers can be built through trade exhibitions, industry events, and product samplings, which all can help to increase brand visibility and market penetration.

9. Staffing and Operations

Staffing and operations are crucial components of a successful beverage firm. It is critical to hire skilled staff with experience in beverage production, quality control, packaging, and distribution to ensure smooth operations. It is essential to train our employees on standard operating procedures, safety standards, and quality assurance practices in order to preserve consistency and efficiency. Implementing efficient production scheduling, inventory management, and quality control systems will also help our factory run smoothly.

10. Financial Management

Financial management is vital for our beverage company's success. For successful resource allocation and financial decision-making, a complete financial plan that covers start-up costs, operations expenses, and income projections is required. Another critical part is securing finance

through investments, loans, or grants, if necessary. Having solid accounting systems in place to analyze spending, manage cash flow, and assess profitability ensures financial stability and growth.

Establishing a beverage firm from a factory requires careful consideration of different elements as well as adherence to legal, operational, and financial criteria. You may develop a profitable beverage company that fits consumer wants and flourishes in the market by following these procedures and precisely executing each component.

6.0 CONCLUSION

In conclusion, the BMC (Business Model Canvas) case study of Tealive has identified several challenges and provided solutions to address them despite the fact that it is a well-known beverage firm. Tealive has an abundance of branches and an effective marketing approach. As a consequence, they can target a wide range of people who are interested in Tealive.

Tealive's case studies have provided an improved comprehension of how businesses are conducted and have identified potential issues that can still be solved with effective solutions. Regarding study, Tealive faced issues such as unhealthy drinks due to excessive sugar levels, relatively high costs, unpleasant straws for customers, and a lack of workers. To address this issue, we propose the following solutions: manufacturing drinks with healthy elements such as fruit, lowering the affordable price with quality, using good material for straws, and recruiting more people.

We agree to introduce healthier and more tempting tea products with flavours that vary with trends and customer preferences throughout time. We prioritize quality at reasonable costs for all demographics so that everyone is able to try our products. Furthermore, we ensure that the packaging of our items is distinct from that of other cafes, making it beneficial to customers. Next, we are concerned about the quantity of employees we should have for our cafe because having enough employees who have received adequate training is extremely likely to result in good service to the customers.

So, completely, that is based on our BMC study, where the solutions and suggestions have positioned Tealive to overcome its issues by listening to and improving complaints from its own customers. Accepting complaints will allow Tealive to progress through the innovation change phase faster than before. This will assist their company to improve in terms of both customers and profitability.

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8.0 APPENDICES



Figure 2: Tealive logo



Figure 3: Tealive special offers



Figure 4: One of the Tealive's branch