

Gimme Boba!

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01

OPPORTUNITY



02

PROJECT GOAL



03

DATA OVERVIEW



04

INSIGHTS



05

CONCLUSION



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Opportunity



Popularity of Boba Tea

Increasing popularity of
Boba tea in the US



Bad Boba Shops

Boba tea shops around
USC are all so bad



Not Localization

May not consistent with North
American customers' tastes

Project Goal

Identify important features we should focus on by

Pitfalls
Understand other tea shops' pitfalls

01

02

03

04

Product Combination
Find out best product combination
What are star products?

Taste
Find out customers' taste preferences
Be consistent with the US customer taste

Environment & Service
What is the desired shop environment?
What kind of service we want to provide?

Project Goal

Ultimate Goal

After identifying the important features we've mentioned above. We wish to reach these ultimate goal!

4.5+ stars

Boba tea shop on Yelp

4+ stars

customers' reviews

Data Overview

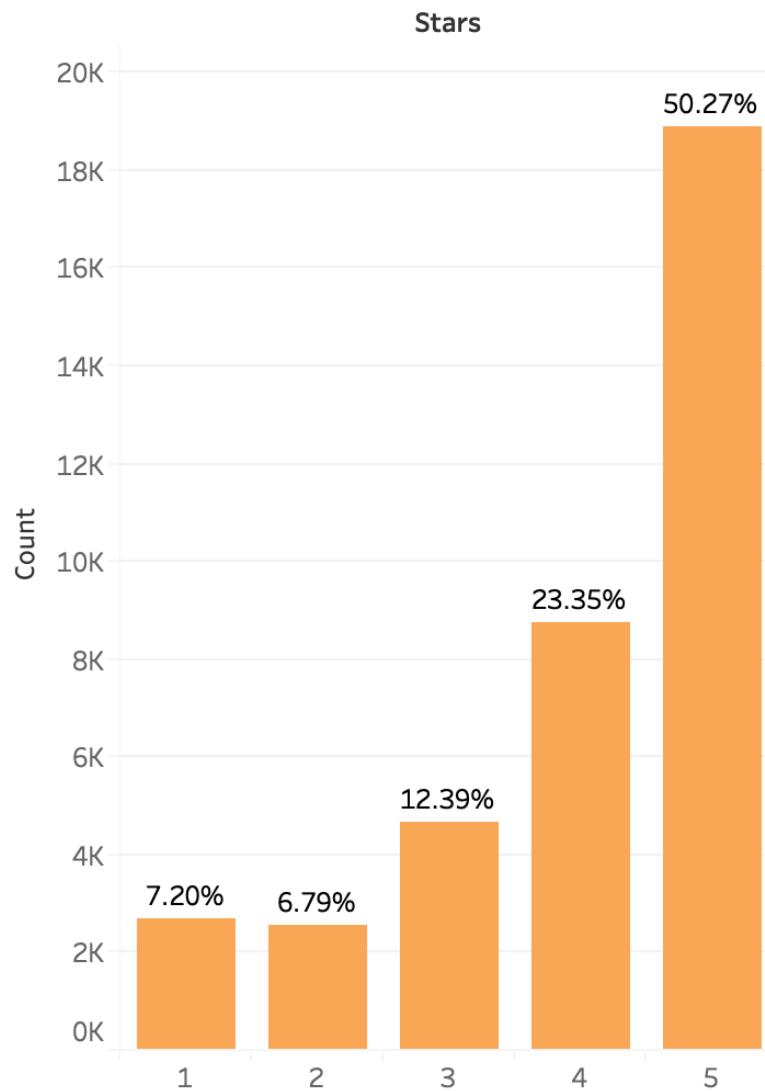


- Business ID
- Boba Shop's Name
- City and State
- Categories - Coffee & Tea / Juice Bars / Donuts ...
- Business Parking - lot / valet / validated ...
- Attributes - CreditCards / WiFi / PriceRange ...



- Ratings
- Review Count
- Reviews

Insights - Product



Good reviews

Bad reviews

TF-IDF

Top products

Product A

Good reviews Bad reviews

Product B

Good reviews Bad reviews

TF-IDF

Features

Good features

Bad features

TF-IDF

Features

Good features

Bad features



Milk Tea

- Sweetness
- Flavors

Boba

- Brown sugar boba
- Chewy

Insights - Product



Sea Salt Cream

- Good with drinks:
winter melon tea /
Hokkaido milk tea /
tiramisu milk tea /
oolong milk tea



Taro Milk Tea

- Use real taro
- Don't use taro powder



Hokkaido Milk Tea

- Don't add pigment
- Promote with
Okinawa milk tea



Jasmine Milk Tea

- Good with toppings:
egg pudding /
grapefruit / grass jelly

Insights - Product



Oolong Milk Tea

- Good with flavors: peach / honey / Oreo
- Don't use artificial flavors



Almond Milk Tea

- Good with pistachio



Matcha Milk Tea

- Good with toppings: tiramisu mousse / strawberry / red bean



Mango Green Tea

- Use real mangos
- Don't use syrup



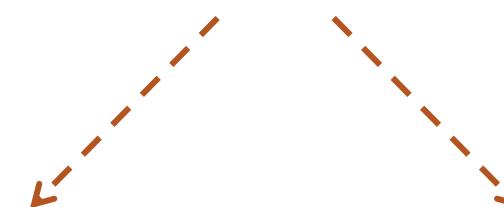
Insights - Environment and Services

Good reviews

Bad reviews

TF-IDF

Non-product
features



Good features

Bad features

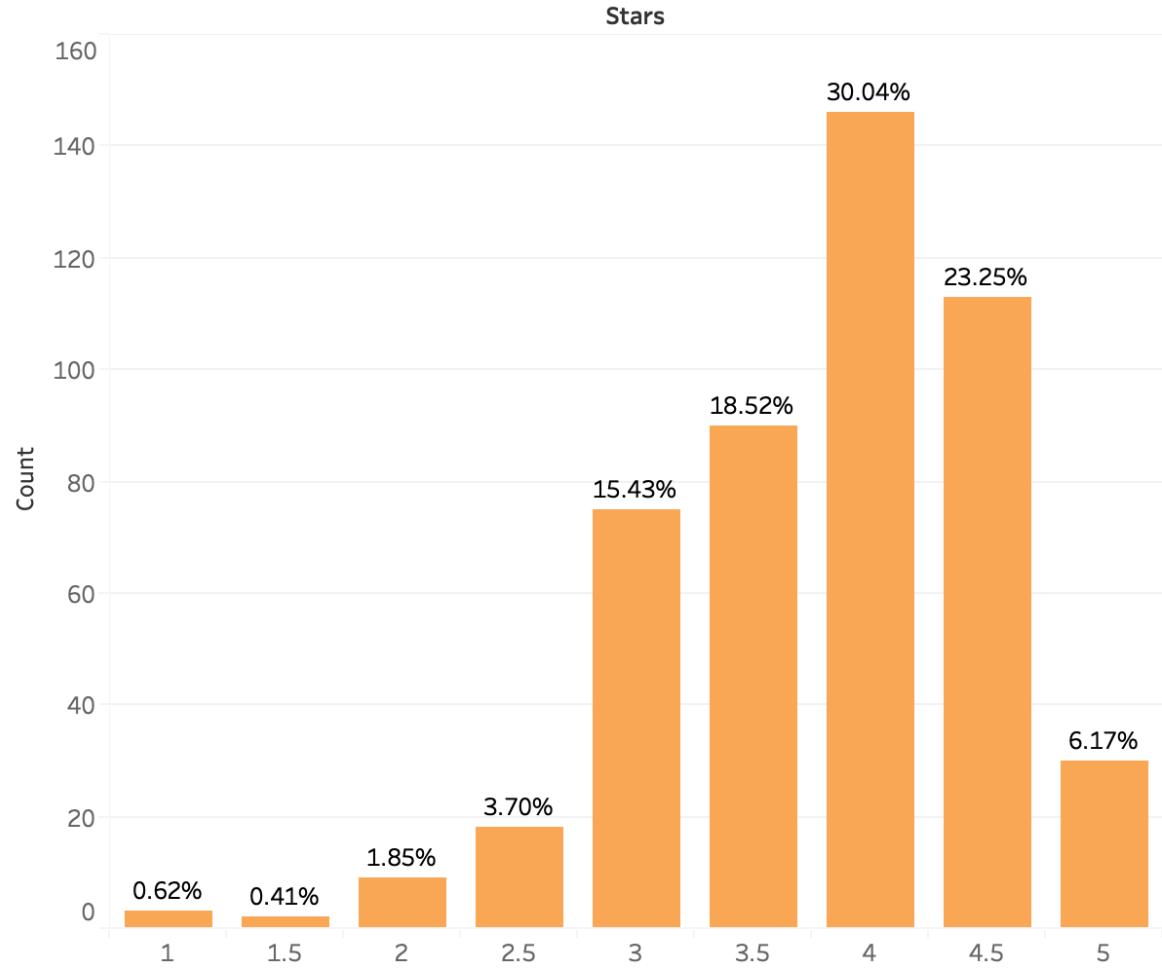
Insights - Environment & Services (Positive)

green thai
different types every drink **huge variety**
tried far places vegas around corner **around town** lactose intolerant
watermelon slush **cute shop** last night keep coming
couple times **stamp card** reasonably priced
happy hour
lot better shaved snow everyone friendly summer day
seating area lot places amazing food games available
vegan options different teas add ons easy find
new places

Insights - Environment & Services (Negative)

needless say
long wait took order grand opening way better
next door **30 minutes** friend ordered two drinks
15 minutes **10 minutes** never coming worst ever
something else **nothing special** behind counter
20 minutes food drinks waste money take order
order wrong making drinks across street somewhere else
ordered drinks **two stars** drinks food told us
late night las vegas

Insights - logit model





Insights - logit model

+



Accept Credit Card

+



Dogs Allowed

-

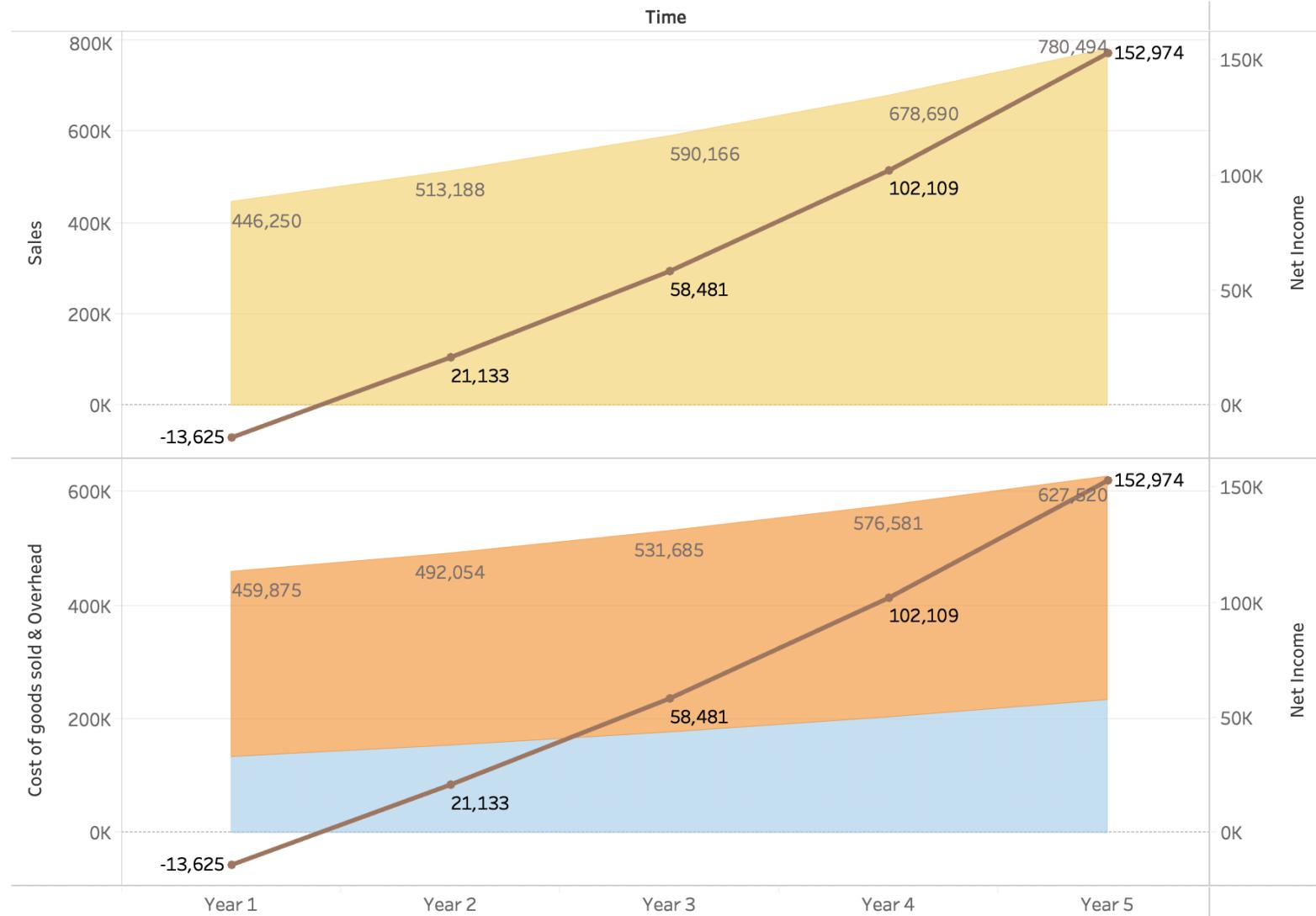


Street Parking

Financial Analysis

Return on Investment

- Breakeven at **Year 2**
- Initial investment **\$100K**
- ROI **187%**

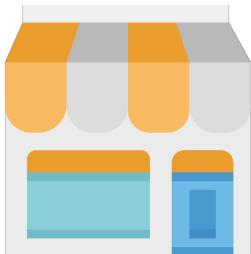


Conclusion



- **Product**

- popular drink & topping combinations
- drinks cater to health-conscious consumers
- variety of choices



- **Service & Environment**

- Explore partnership with app service provider to provide mobile orders
- Loyalty program through stamp card and app
- Provide good customer service through more trainings
- Inviting environment
- Provide delivery service

Q & A

Appendix - Projected Income Statement

Projected Income Statement						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sales	\$ 446,250	\$ 513,188	\$ 590,166	\$ 678,690	\$ 780,494	
COGS	<u>133,875</u>	<u>153,956</u>	<u>177,050</u>	<u>203,607</u>	<u>234,148</u>	
Gross Profit	\$ 312,375	\$ 359,231	\$ 413,116	\$ 475,083	\$ 546,346	
<i>General and Administrative</i>						
Rent + Utility	72,000	73,440	74,909	76,407	77,935	
Wages	<u>252,000</u>	<u>257,040</u>	<u>262,181</u>	<u>267,424</u>	<u>272,773</u>	
Total G&A	\$ 324,000	\$ 330,480	\$ 337,090	\$ 343,831	\$ 350,708	
Depreciation	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	
Operating Income	\$ (13,625)	\$ 26,751	\$ 74,026	\$ 129,252	\$ 193,638	
Tax Expense	-	5,618	15,546	27,143	40,664	
Net Income	\$ (13,625)	\$ 21,133	\$ 58,481	\$ 102,109	\$ 152,974	
Discounted Net Income	<u>\$ (12,165)</u>	<u>\$ 18,869</u>	<u>\$ 52,215</u>	<u>\$ 91,169</u>	<u>\$ 136,584</u>	
Initial Investment	\$ 100,000					
NPV	\$ 186,672					
ROI		187%				