

GL TEA TRADING BUSINESS

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ABSTRACT

The purpose of this study was to better establish startups. This project is mainly to conduct in-depth research and understanding on the company's situation, industry market analysis, competitors' understanding, marketing. Financial forecast, etc. through the establishment of the start-up GL Tea Trade Business, It is committed to researching and developing P2 and P3 products of the company, with P2 and P3 products as the main products and P1 as the auxiliary products for sales. As an innovative enterprise in this field, the Company will seize the opportunity. Actively explore the market and generally implement the overall strategic objectives. According to the demand of the consumer market, with the brand development goal of "new product, excellent quality, good service and high value", the company will establish an innovative corporate image, make full use of the marketing advantages, product advantages, R&D advantages and supply chain advantages of the company and its partners to formulate a strategic development plan, and seize the high-end GL tea market at home and abroad.

Keywords: GL tea, the Belt and Road, rural revitalization, cultural tourism, Chinese tea market, Internet, policy, international market, tea culture, etc.

SECTION 1 EXECUTIVE SUMMARY

1.1 Industry Analysis

China's tea industry actively integrates and serves to build a new economic pattern. It has maintained stable development through continuous innovation. While traditional products and business types continue to exert their strength, many economic indicators such as total tea output, total output value, domestic sales volume, domestic sales volume, export volume and export volume have achieved historic breakthroughs.

1.2 Market Analysis.

In 2019, the retail scale of China's GL tea market was 65.5 billion yuan, with a year-on-year growth of 6.8%; In 2020, the retail scale of GL tea market will reach 70.2 billion yuan, with a year-on-year growth of 17.1%. In 2021, the national tea export volume will be 369400 tons, with a year-on-year growth of 5.9%; The export volume was US \$2.299 billion, up 12.8% year on year. From the perspective of market scale, product structure, market distribution, user research and competition pattern, benchmark enterprises and investment opportunities, the market is developing steadily.

1.3 Marketing Plan.

Mainly local market, regional market, domestic market and Asian market, supplemented by international market. The customer groups are mainly the elderly, white-collar workers and obese people. Marketing with products and advertising. The company is divided into three stages: initial stage, middle stage and long term.

1.4 Operations and Production Plan.

The company implements the base production+online and offline operation mode, and carries out the production plan according to six years. The first year is mainly for equipment, R&D and raw materials.

1.5 Management Team and Company Structure.

GL Tea Trading Business will adopt the functional organization form. The Board of Shareholders, the Board of Directors and the CEO serve as the senior executive management, and the CEO uniformly organizes and manages the financial, production, market and product research and development departments

1.6 Financial Projections.

The initial investment is 1 million RMB. Losses in the first three months. The breakeven point should be about 370000 RMB/month based on 90% profit margin.

1.7 Summary

As an innovative enterprise in this field, the Company will seize the opportunity, actively explore the market and generally implement the overall strategic objectives. According to the demand of the consumer market, with the brand development goal of "new products, excellent quality, good service and high value", the company will

establish an innovative corporate image, make full use of the marketing advantages, product advantages, R&D advantages and supply chain advantages of the company and its partners to formulate a strategic development plan, and seize the high-end GL tea market at home and abroad.

Section 2 Company Description

The name of our start-up enterprise is GL Tea Trading Business. The enterprise will focus on the R&D, sales and operation of P series products of GL Tea. At present, the P1 product of Liubao Tea has a good sales volume and response in the local market. At the same time, it has cooperated with farmers and bases to promote the market of GLTea in domestic and foreign markets.

At the same time, the company will research and develop Liubao tea products to form a series of brand products. The company's main products are: GLTea P series products. With the help of Internet big data platform, product traceability system, the company integrates product and customer resources, implements multiple marketing models such as online and offline combination, online promotion of offline experience, overseas purchasing, agency sales, etc., and with the help of Tiktok, Xiaohongshu, Taobao, Jingdong Mall, community group buying, TIKTOK, LAZADA, SHOPEE, Alibaba platform and other platforms, Carry out the sales of GL tea and its by-products.

Finally, the company's GL tea products combine online and offline, as well as the national "the Belt and Road" development strategic goals, and take the company's GL tea culture history as the expansion of the international market. Create the company's GL tea brand culture and story.

Section 3 Industry Analysis

China is the largest tea country in the world, and also the largest country in the world. According to statistics, the tea garden area of the 18 major tea producing provinces (autonomous regions and municipalities directly under the Central Government) reached 47.4769 million mu, an increase of 1.4982 million mu or 3.26% over the same period last year. At present, the tea garden area in Wuzhou has exceeded 200000 mu, with an annual output of 25000 tons of GL tea and a comprehensive output value of 11 billion yuan. By 2033, the comprehensive output value of Wuzhou GL tea industry will reach 20 billion yuan.

National tea industry:In 2020, China's domestic sales of tea reached 2.2016 million tons, an increase of 17.6100 tons or 8.69% year on year. In 2021, the national tea export volume will be 369400 tons, with a year-on-year growth of 5.9%; The export volume was US \$2.299 billion, up 12.8% year on year.

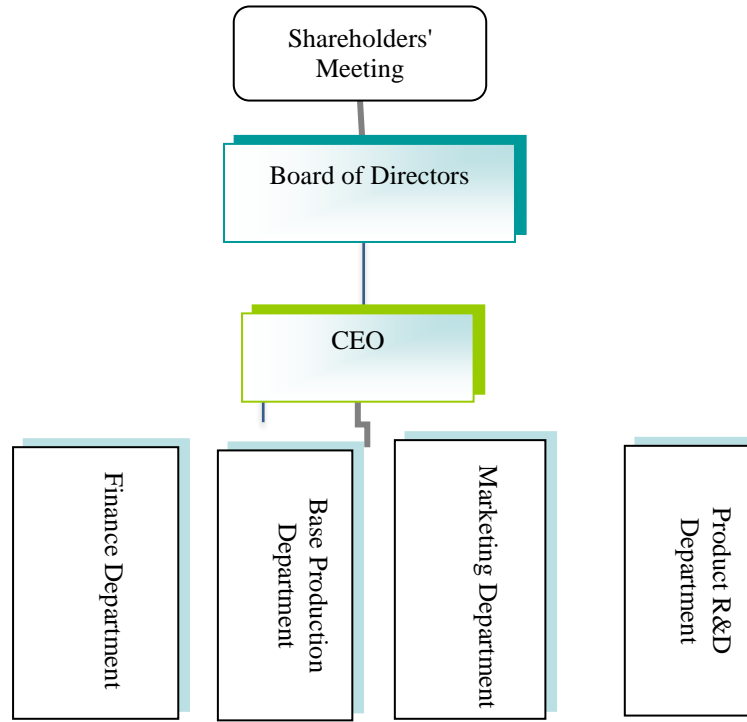
CL tea industry:In 2019, the retail scale of China's GL tea market was 65.5 billion yuan, with a year-on-year growth of 6.8%; In 2020, the retail scale of GL tea market will reach 70.2 billion yuan, with a year-on-year growth of 17.1%.Therefore.our company decided to take the local market and regional market as the main market, and the international market as the secondary market for product sales.

Section 4 Market Analysis and Marketing Plan

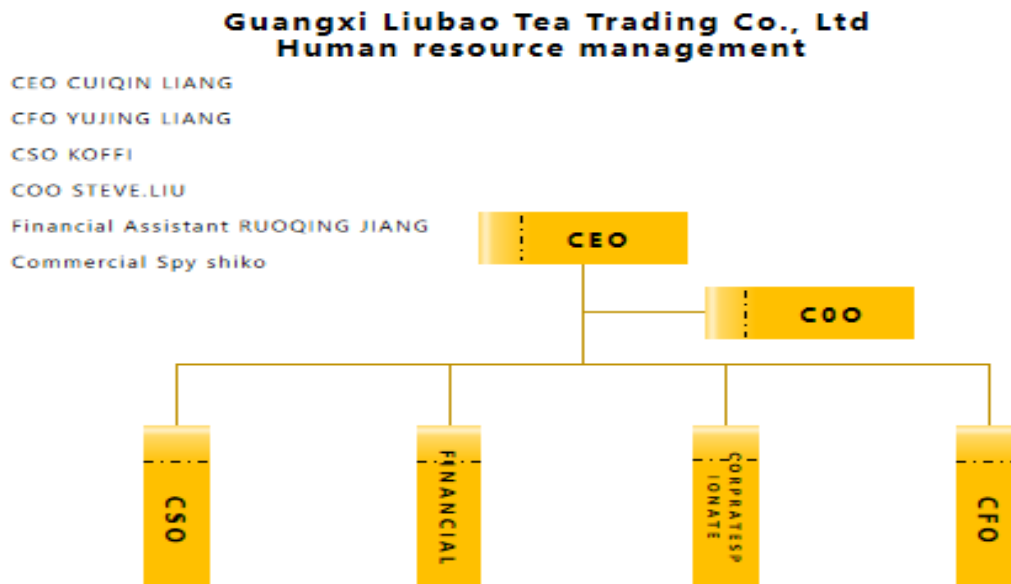
In 2019, the retail scale of China's six treasures tea market was 65.5 billion yuan, with a year-on-year growth of 6.8%; In 2020, the retail scale of Liubao tea market will reach 70.2 billion yuan, with a year-on-year growth of 17.1%. SWOT analysis shows that the market scale of GL tea: through the analysis of the consumption scale and year-on-year growth rate of GL tea industry in China for five consecutive years, we can judge the market potential and growth of Guangxi Liubao tea industry, and predict the growth trend of consumption scale in the next five years. In terms of product structure, market distribution, user research, competition pattern, benchmark enterprises and investment, GL Tea has achieved sustainable development and growth. Therefore, our company will rapidly expand the domestic and foreign markets through the advantages of the Internet, combined with offline and online marketing, and leveraging the national policies of China, ASEAN and the national advantages of the the Belt and Road.As an innovative enterprise in this field, the company takes "new products, excellent quality, good service and high value" as the brand development goal according to the demand of the consumer market, and makes full use of the marketing advantages, product advantages, R&D advantages and supply chain advantages of the company and its partners to formulate a strategic development plan to seize the high-end GL tea market at home and abroad.

Section 5 Management Team and Company Structure

GL Tea Trading Business will adopt the functional organization form. The Board of Shareholders, the Board of Directors and the CEO are the senior executive management, and the CEO uniformly organizes and manages the financial, production, market and product research and development departments. In this way, the division of labor is clear and it is convenient for coordination and organization.



(Guangxi Liubao Tea Trading Co., Ltd. will adopt the functional organization form)



According to the current market situation, our company will be divided into initial, medium and long-term development.

Section 6 Operations Plan, Production Design and Development Plan

Operations Plan:

Initial stage (the first year): Complete the registration of the start-up company (GL Tea Trading Business) and brand trademark registration. Product packaging design; Do a good job of goods source connection; Construction and development of the company team; Develop online purchasing and offline selling merchants, and continue to promote and sell products. Medium term (second to third year):1. Product research and development. On the basis of improving the research and development of GL tea products, we carried out research and development of GL tea and other series of products, registered product patents, registered civil production technology and other related patents.2. Market development. Develop online and offline agents and overseas agents, and open consumer experience stores. Take advantage of the geographical location of the origin, develop rural revitalization, and combine tourism and culture to expand publicity and improve product popularity and sales.3. Build a factory and a base. The site is located in Wuzhou, assisting the government to promote the planting of GL tea, passing ISO-9001 and other international standards certification, and creating a natural Liubao tea brand. Occupy domestic market and expand international market. Long term development: Through the Belt and Road and RCEP, based on the GL tea industry chain, through cooperation with plantations in Malaysia, Thailand and other countries to build overseas production bases, expand foreign markets, reduce product prices through scale effects, create a series of brands, and strive to become a leading enterprise.

Production Design:

Order and private custom design for production.

Development Plan :

1 year: Complete the company registration. Patent and trademark registration. Loss in the first three months of initial investment and profit in the next six months

2-3 years: industrial research and development, market development, factory and base establishment

Long term: develop international market through national policies, China ASEAN and the Belt and Road policies.

Section 7 Financial Projections (feasibility, Financial)

Serial No	Project content	Unit Price	Quantity (month)	Total amount	Note
1	Office rent	RMB10000.00	3 months	RMB30000.00	
2	Warehouse rent	RMB6000.00	3 months	RMB18000.00	
3	Property water and electricity	RMB3000.00	3 months	RMB9000.00	
4	Staff salaries	RMB42000.00	3 months	RMB126000.00	
5	deposit	RMB26000.00		RMB26000.00	
6	Advertising expenses	RMB20000.00	3 months	RMB60000.00	
7	working capital	RMB150000.00	3 months	RMB450000.00	
8	fixed assets			RMB150000.00	
9	Other expenses			RMB131000.00	
	total			RMB1000000.00	
Note: the reference price for market sales. After the packaging is designed, the wholesale price is 500g, 300g and 200g for P1 series. The average price is between 50 and 300 RMB, and the retail price is set at 90% (95-570 RMB).					

For the start-up of the company, the first three months are the investment period (initial stage). According to the above investment, the details are:

Stage III: When the first three companies are established, the operators and investors of the company should be prepared for losses.

The sales volume of the first target is 50% of the original target;

The sales volume of the first target is 40% of the original target;

The third sales volume reached the original target.

The first three enterprises are in a loss period and need to use capital again to make up the loss. That is to say, from the total investment of RMB1000000 in the original plan, the shortage of capital will be paid according to the difference of each capital. In the early stage, the six corporate targets can reach the break even point of enterprise operation, and the company has successfully entered the market. The company opened the market in the second half of the year (the last six years) and achieved a sales of RMB 600000 each, making the company profitable.

The first stage target: based on the performance of the second year, determine the market target for the next year. The more stable sales target is RMB1000000, and the above medium-term target will be reached within the second year. When the current capital at each stage needs to increase, the shareholders shall make additional investment or reinvest the profits as investment.

To sum up, the breakeven point, calculated at a profit margin of 90%, should be about RMB 370000 /month. The initial investment shall be made in three months, and the later investment shall be made according to the original initial, medium-term and long-term plans according to the company's financial revenue.

SECTION 8

Reference.

Malaysian Chinese History, population, Chinese culture, etc

Southeast Asia Studies Wu Xiao'an's English monograph "Chinese Business and the Formation of Malay States, 1882-1941"

Malaysian Chinese History This book is published by Shanghai Jiaotong University Press. The author is Song Yanpeng.

Liubao Tea Grand View Written by Ma Shicheng and others of Wuzhou Liubao Tea Research Institute

Liubao Tea in China. The author is Peng Qingzhong, who is a member of the three monks and a member of the Tea Mountain, and is the international exchange of Liubao Tea.

Du Chaonian] Mr. Du Chao has been engaged in tea production and research for nearly 60 years. Starting from an ordinary worker in the tea factory, he has successively served as the factory director of Wuzhou Tea Factory and Guilin Tea Factory. In 1994, he was rated as the "senior engineer of Chinese tea science". Through continuous study and research on Liubao tea production techniques, he developed the "six fort tea four money cold water pile fermentation process", and is the inheritor of Guangxi Liubao tea technology, True to the name, the "master" of Liubao Tea

Analysis Report on Market Prospect and Investment Strategic Planning of China's Tea Industry] The data refer to Forward looking Industry Research Institute.

2018 China Tea Regional Public Brand Value Ranking List. The brand value of Liubao tea is 2.017 billion yuan, ranking 29th in China's tea regional brand value.

RCEP. A tea company in Wuzhou City applied for the export of a batch of Liubao tea to Malaysia with the tax number of "ID card" for the import and export of black tea. This is the first time for Liubao tea to be exported under a new tariff line after the State Council Tariff Commission adjusted the import and export tariff on December 21, 2020 and added the "black tea" tax category. The RCEP was signed on January 1, 2022, providing tariff policy support for the export of Liubao tea to Southeast Asia.[Li Shizhen. Compendium of Materia Medica

Peng Qingzhong. Six Castle Tea in Chin》

Wei Jingfeng. New Technology of Tea Production Chen Aixun. Guangxi Tea History

The Belt and Road Initiative] Strategies and suggestions for China's tea market development under the background of the "the Belt and Road" strategy.

"Liubao Tea" in Wuzhou, Guangxi, was protected as a geographical indication product in the place of implementation. China Quality News Network