

REACHING THE UNTAPPED MARKET: THE ANALYSIS OF THE COFFEE BEAN & TEA LEAF USING THE PRODUCT INNOVATION CHARTER AND ATAR MODEL FOR NEW PRODUCT DEVELOPMENT

Celine Clarissa Loren¹

¹International Business Management Program, School of Business and Management, Petra Christian University

Jl. Siwalankerto 121-131, Surabaya

Corresponding author: ¹celineclarissa88@gmail.com

ABSTRACT

The Coffee Bean & Tea Leaf (CBTL), a global leader in specialty beverages, has developed an innovative product, dissolvable tea tabs, for the South Korean market. These tea tabs cater to the growing demand for health-conscious and convenient products, particularly among young professionals and students. With five flavors targeting various wellness aspects, such as immunity and relaxation, the tea tabs align with CBTL's values of sustainability and quality. Market analysis indicates significant potential, driven by trends in health and eco-consciousness. Using the ATAR model, CBTL projects a profit of ~~₩~~84 million in the first year, leveraging an effective market size of 3.4 million individuals and targeting a 7.25% market share. The product launch strategy, branded "Wellness on the Go," employs influencer partnerships, campus campaigns, and social media marketing to maximize awareness and engagement. This product combines health benefits, convenience, and sustainability, differentiating it from competitors in South Korea's health beverage market. By prioritizing eco-friendly packaging and consumer-centric solutions, CBTL aims to strengthen its market presence and build lasting relationships with health-conscious consumers.

Keywords: new product development, atar model, sustainability, dissolvable tea tabs

1. INTRODUCTION

1.1. Executive Summary

The Coffee Bean and Tea Leaf (CBTL), a global leader in specialty coffee and tea, is recognized for its commitment to high quality, sustainability, and innovation. After being founded in Los Angeles in 1963, the company soon expanded its presence across 23 countries with more than 1,100 locations. CBTL is known for its focus on the customer experience, consistently delivering products to cater to diverse tastes and adapting to changing consumer preferences. As part of its ongoing commitment to innovation, CBTL is introducing a new product to the South Korean market: dissolvable tea tabs.

The South Korean market presents a significant opportunity for this new product, as the market for health and wellness beverages is growing rapidly. Especially students and young professionals, which correspond to a market size of 3.4 million individuals, are increasingly demanding products that offer health benefits and convenience and we believe that our product perfectly fits their fast-paced, on-the-go lifestyles. Market trends have also shown an increasing awareness of sustainable products and a high willingness to pay more for them.

The tea tabs will come in five different flavors where each of which supports different health aspects such as immunity, relaxation, energy, and more. They will be sold in both Coffee Bean and Tea Leaf's own stores and convenience stores.

To evaluate our product's market potential, we applied the ATAR model to forecast sales and profitability. For the first year, the model estimates ~~₩~~\$84,195,806 in profit, based on a target market size of 3,464,848 individuals, estimated awareness of 50% after the first year, availability of 90%, trial rates of 30% and repeated purchases of 30%. This demonstrates high commercial viability for our product in the South Korean market.

CBTL will launch this new product by utilizing a multifaceted promotional campaign. The launching strategy, branded as "Wellness on the Go" includes influencer partnerships, in-store sampling, and partnerships with wellness brands. This aims to create awareness around the product, while also emphasizing its health benefits and convenience. Additionally, loyalty programs and subscription models will encourage repeat purchases and build long-term customer relationships.

We are convinced that this product perfectly aligns with the company's values of quality, sustainability, and consumer-focused solutions and expect the launch of this product to strengthen CBTL's presence in the Korean market.

1.2. Company Profile

The Coffee Bean & Tea Leaf (CBTL), founded in 1963 in Los Angeles, California, is a global leader in the specialty coffee and tea retail industry. The company offers a wide variety of high-quality beverages, including espresso drinks, premium teas, and blended ice drinks, alongside a range of freshly baked goods and retail products. The Coffee Bean & Tea Leaf emphasizes quality, sustainability, and innovation in its offerings, sourcing coffee beans and tea leaves from renowned regions including Latin America, Africa, and Asia. The company remains deeply committed to providing an exceptional customer experience and building valuable relationships with its customers. CBTL also promotes environmentally friendly practices, such as using eco-conscious packaging and implementing sustainable sourcing strategies. The company's consistent dedication to high standards has made it a leader in the premium coffee and tea industry.

After opening its first store in Los Angeles in 1963, The Coffee Bean & Tea Leaf opened its first international store in Singapore in 1996 and Malaysia in the following year, which marked the beginning of its global expansion. They later expanded to several other locations both in the United States and internationally. Today, The Coffee Bean and Tea Leaf operates in 23 countries and has more than 1,100 locations. The company-owned stores are located in California, Arizona, Singapore, and Malaysia while their domestically franchised stores are in 9 other states. Their franchised locations outside the United States include regions from the Middle East to India and Southeast Asia.

Their value in innovation is deeply rooted and shown by their slogan "Find Your Flavor." The company is confident in innovating and bringing new flavors to the market that would fit the different preferences of different people. They consistently strive to push the boundaries of flavor.

The Coffee Bean and Tea Leaf uses the seasonal innovation strategy where they release new variations of products according to the season and trends. The company also is fearless in creating innovation beyond its main products, coffee and tea. This is proven by their innovation in other forms like in-store bagels and juice. They have also realized that there is a 'duality in the market' (Anshul Laroia, Chief CPG Growth Officer at The Coffee Bean & Tea Leaf, 2024). On the one hand, there are premium experience seekers who are willing to spend a lot of money on high-quality coffee and tea products, while on the other hand, the demand for convenience, especially after the pandemic has been growing. This is why they are planning on launching easy-to-use tea and coffee products without sacrificing the brand's quality.

2. LITERATURE REVIEW

2.1. The Product Innovation Charter

2.1.1. Background

In the past couple of years especially with the COVID-19 pandemic, the interest of Koreans in health and dietary products and their awareness of physical well-being has significantly increased. According to the '2024 Korea Wellness Report', which was released this September, 65% of Koreans are worried about their physical health. On average, they invest about 220,000won in their health per month and besides regular health checks as the most common health management behavior, almost 60% take food and health supplements (Kim, 2024). This shift in interest is also reflected in the sales of health drinks in Korean convenience stores such as GS25, CU, and SevenEleven. While the sales of health drinks, including protein and vitamin-enriched beverages, have increased from 8.6% to 12.7% from 2020 to 2024, the sales of caffeinated drinks have decreased from 27% to 25.2% (Park & Kim, 2024).

With their busy on-the-go lifestyles, Koreans value products that offer convenience and quality (Lee, 2021). They work long hours, commute extensively, and are engaged in lots of activities. This is why their lifestyle has driven a strong preference for products that offer quick effective solutions without compromising on the quality.

2.1.2. Focus

The Coffee Bean and Tea Leaf specializes in coffee and tea products which will be the basis for our new product. We want to revolutionize the drinking experience of healthy drinks by combining the traditional benefits of healthy drinks with modern convenience, targeting health-conscious consumers who are looking for portable, eco-friendly solutions. Our product will be offered in different flavors and with ingredients that focus on different health aspects.

2.1.3. Goals and Objectives

We want to target the growing health and convenience drink market in Korea with a special focus on people living in busy urban areas, who are always on the go. Our product should be sold in convenience stores and supermarkets, offering a quick and sustainable alternative to already existing products.

2.1.4. Special Guideline

1. Sticking to the company slogan "Find Your Flavor," this innovation should cater to the customers' different preferences.
2. Position our product as an eco-friendly alternative

3. Promote the functional benefits, taste, and portable design

2.2. Market and Trend Analysis

In Korea's rapidly evolving beverage market, the demand for healthy and convenient drinks is growing at a high rate. Consumers are more and more seeking drinks that are not only delicious and convenient but at the same time also support their overall well-being. This shift in consumer behavior is connected to a broader social trend known as one of Faith Popcorn's 17 megatrends: Being Alive. This trend highlights the growing awareness that “good health extends longevity and leads to a new way of life”. It is often paired with the trend of “Atmosfear”, which focuses on the urgent need to salvage the environment with many eco-friendly and sustainable solutions (Popcorn, 1991). These two megatrends present significant opportunities in the Korean beverage industry.

Driven by this growing consumer preference for healthier lifestyles, healthy beverages are gaining popularity in South Korea. Retail sales for health and wellness drinks rose from USD 2.58 billion in 2018 to USD 3.56 billion in 2023, corresponding to an increase of 37.9% (Agriculture and Agri-Food Canada (AAFC)). A continued growth of about 7.1% year-on-year is expected from 2024. The health and wellness beverage market is dominated by naturally healthy drinks such as herbal teas, pure fruit juices, and mineral waters, accounting for more than 75%. Big players in the South Korean NH market are for example Woongjin and Pulmuone. The second biggest category with about 17% of the market share is fortified/ functional beverages. These include drinks designed to target health benefits like immunity, improving digestion, or enhancing energy levels and include drinks such as Yakult, Oronamin C, and Hongcho. Lastly, Better for You beverages account for 7% of the market share and are often healthier alternatives to traditional drinks, like for example Coke Zero (Cabezas, 2024).

The rising demand for health-boosting beverages represents a significant opportunity for a new product by The Coffee Bean and Tea Leaf in the South Korean market. As consumers increasingly become aware and focus on health and wellness, there is a growing need for a drink that provides more than just hydration. We want to tap into this demand by offering drinks with health-enhancing benefits such as immunity support, energy boosting, and stress relief, and all of that while meeting the need for convenience of our modern consumers.

In addition to that, the trend of sustainability offers an even more advanced opportunity for our product. With the increase in environmental awareness, especially among the younger generation, there is a big market for eco-friendly products. By using biodegradable packaging and responsible sourcing, we can appeal to eco-friendly consumers. According to a survey conducted in

December 2023 in South Korea, almost 55% of South Korean consumers are willing to pay more for products that are sustainably produced or environmentally friendly packaged (Jobst, 2024).

Although the market for health drinks is big and very competitive, many drinks focus either just health or taste but fail to combine both with convenience. This is where we see the gap in the market. By offering a product that addresses the growing demand for healthy beverages, and the added benefit of convenience and sustainability, we can position ourselves to meet the evolving needs. We conclude that the Korean market presents a promising opportunity driven by increasing interest in wellness, fast-paced lifestyles, and a shift towards sustainable options.

3. METHODOLOGY

3.1. Idea Generation

Coming up with the concepts and final idea required us to look at how the average Korean customer fulfills their need for both health and convenience. We've established that the main opportunity lies in the creation of a healthy beverage that's easy to drink, which becomes our "need" in the idea generation phase. Benefits to the customer would therefore be composed of three things: health benefits, convenience, and a new experience, with a main focus on the health aspect.

With our company The Coffee Bean and Tea Leaf in mind, this naturally decides the general form for our plausible product concepts: a tea-based product or a coffee-based product. But the typical tea and coffee product comes either in the form of plastic/paper sachets or something that is not conveniently portable. Simply focusing on health as a wow factor was not enough drive to come up with creative, never-seen-before ideas. Hence, the ideal "form" would possess the attributes of 'aesthetic', 'healthy', 'on-the-go', and 'zero waste'.

We considered that the absence of a form that is both convenient and eco-friendly gives way to more creative design in terms of "technology" by forcing these two ideas to connect. To ensure the product's complexity does not go beyond the realms of scientific capability, we thought about taking inspiration from other products that are compact and easily portable, like medicine.

Bearing in mind that health is our main category of interest, we had to think about the type of product that could result from this focal point. As a team of non-Koreans, our research led us to discover the Korean craze for coffee, which fit perfectly with our company. Our ethnographic observations also led us to the conclusion that coffee is an integral part of the Korean lifestyle. So we tried implementing this coffee infatuation into a new product concept, an example being coffee gummies that contained real coffee powder to provide the usual caffeine intake found in actual coffee beverages. This was one of the ideas we came up with that did not fit our initial Product Innovation Charter, since it did not prioritize health as the basis for the concept nor the idea of a healthy beverage, and therefore removed from our final PIC. Other possible product concepts that did not center around the idea of "healthy beverage" were similarly crossed out from our charter.

Most of our ideas were then centered more on this health aspect. We thought back to customer knowledge and whether or not their image of health fit with the concepts we were developing. What kind of healthy beverage are people looking for? How often do people think about health when drinking coffee? How can our product impact the lives of customers? Are there enough benefits being offered to the customer by choosing our product? It's these questions that helped us analyze the problem and decide on which product concept was the most viable and the top

contender in our final PIC. Health, convenience, aesthetics, sustainability, and affordability; by order of importance, these five attributes were what we decided would define our ideas.

Thus, our concept generation stems largely from the needs of the Korean market. This need then makes way for us to come up with a technology to achieve the desired form that can match those needs. Ultimately, we prioritized the importance of creating a product that we ourselves have the intention and desire to consume, putting ourselves in the shoes of the customer. By combining these three inputs, we have managed to come up with several product concepts where we take into account the knowledge of future consumers and what they are really looking for.

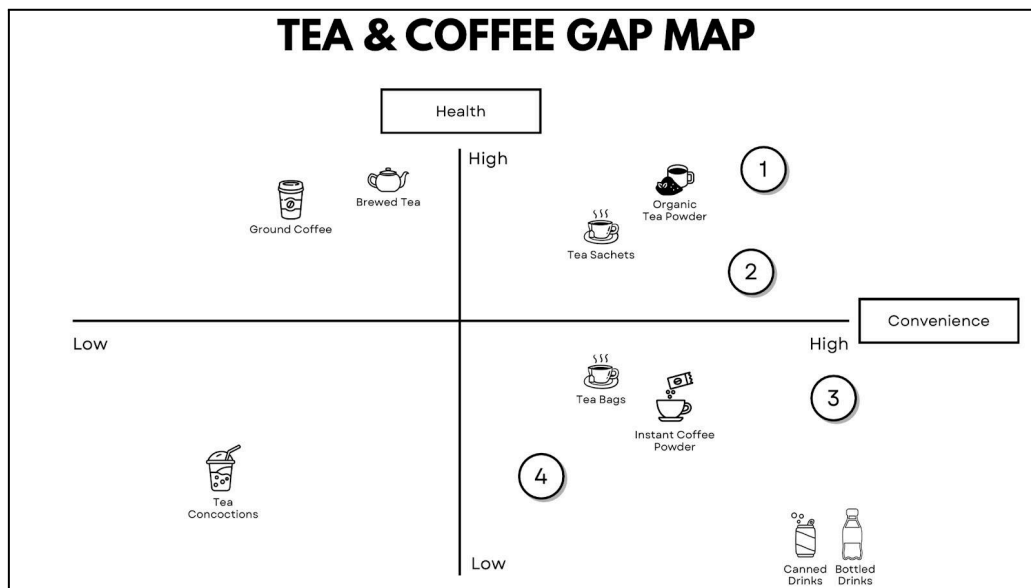


Figure 3.1 - Tea & Coffee Gap Map

The diagram above depicts a gap map of existing products relevant to The Coffee Bean and Tea Leaf, with health and convenience as the top two attributes we’re focusing on. From this, we've deduced that the ideal position for our new product would be position number 1, with a relatively high importance on both health and convenience, our two priority attributes. Position number 2 is less focused on health, in the case where our concept doesn't scream health! as much as we hoped. Position number 3 puts great importance on convenience and considerably less on health, but we figured this could be another iteration of canned or bottled drinks that are comparably healthier than the existing ones. Our worst-case scenario of a product concept would be position number 4, where health is much less important and convenience is only a sparing afterthought. Concept ideas that fit this fourth position would naturally be at the bottom of our concept list, but could still be a viable alternative when all else fails.

4. RESULTS AND DISCUSSIONS

4.1. Product Concept Development

The following product concept ideas follow the guidelines from our PIC, incorporating two of the three inputs needed for a product concept: form, need, and technology.

Ready-to-drink bottled beverages made from organically sourced ingredients (Form). These beverages are packaged in eco-friendly, recyclable bottles and the drinks are enhanced with functional additives like vitamins or probiotics. This product would target health-conscious consumers looking for a more healthy and sustainable beverage option (Need).

Dissolvable coffee tabs that transform water of any temperature into delicious and healthy coffee. Each tab(let) would be a transparent spherical capsule containing organic coffee powder that resembles gashapon (Form). This provides a convenient and fun coffee experience, making them perfect for busy, on-the-go lifestyles. The coffee tabs will come in various flavors and are formulated with multivitamins and ingredients tailored to support different health aspects and wellness goals. The consumer can choose whatever aligns best with their taste and needs from this healthy beverage that is readily available and produces zero waste (Need).

Dissolvable tea tabs that transform water of any temperature into a delicious and healthy tea. Each tab(let) would be a transparent spherical capsule containing natural tea powder that resembles gashapon (Form). This provides a convenient and fun tea experience, making them perfect for busy, on-the-go lifestyles. The tea tabs will come in various flavors and will include ingredients such as green tea extract, and vitamins to reduce stress and enhance immune support and mental clarity. The consumer can choose whatever aligns best with their taste and needs from this healthy beverage that is readily available and produces zero waste (Need).

Tea/Coffee powder in paper sachets containing tea with health-boosting ingredients (Form). The powder in these sachets can just be mixed with hot or cold water to produce an instant beverage (Technology) and offer a portable, functional beverage that supports various health needs such as immunity support or stress relief.

Traditional tea bags containing tea leaves with various vitamin-infused tea selections (Form). This concept merges the traditional tea-drinking experience with the modern demand for functional beverages and therefore is perfect for consumers who want to enjoy the ritual of tea while gaining wellness benefits (Need).

Following the Tea & Coffee Gap Map in the Idea Generation section, we were able to allocate these concept ideas in the numbered positions as shown in the figure above. Idea #1 would fit most in position 3, considering how bottled beverages in convenience stores and supermarkets have a

necessary display shelf life that would require certain preservatives, sacrificing some of the health factors we are targeting.

Idea #2 and Idea #3 would use the same technology to produce an instant drink, but Idea #2 would be around position 2, as coffee products generally don't fit the concept of health as much as tea products. Idea #3 would then be in position 1, being a product that is both healthy and convenient, producing zero waste while resulting in a quick, instant beverage. Our idea for this technology is that the outer capsule will be an edible film made of rice flour and starch that is all-natural and environmentally friendly.

Idea #4 is not something novel that fits in a specified position, considering the existence of other tea sachets with tea powder. Perhaps our fourth concept idea could be placed higher in terms of health, but would still offer the same level of convenience as regular tea sachets. Similarly, Idea #5 also resembles regular tea bags, and will probably have the same level of convenience. The vitamin-infused tea leaves will up its health factor slightly, but certain tea bags do release microplastics that research claims are bad for your health. These tea bags are usually made of nylon or PET, non-biodegradable materials that release microplastics when exposed to heat. Subsequently, having all these concepts fit the gap map will help us during the full-screen process.

4.2. Full Screen

The concept/project evaluation phase requires a full screen to undergo a concept selection procedure, determining the best concept to be further developed. To measure the technical and commercial feasibility and decide the resources needed, the Scoring Model-based full screen is the most appropriate approach for the current project development as it has the lowest level of assumptions in evaluating various alternatives. The process will be based on lists of concept alternatives and criteria, ranked with a 5-point Likert scale.

The first list contains the 5 concepts covered in the PIC:

- a. Ready-to-drink bottled beverages made from organically sourced ingredients.
- b. Dissolvable coffee tabs that transform water of any temperature into delicious and healthy coffee.
- c. Dissolvable tea tabs that transform water of any temperature into a delicious and healthy tea.
- d. Tea powder in paper sachets containing tea with health-boosting ingredients.
- e. Traditional tea bags containing tea leaves with various vitamin-infused tea selections.

The criteria should reflect the main focus of the development. The product should be affordable, ensuring it is cost-effective for consumer purchase. It must be convenient, offering ease of use for on-the-go and providing a seamless experience for busy lifestyles. Additionally, it should prioritize health by including health-promoting ingredients to support physical wellness. Moreover, the aesthetics highlight the importance of visual and branding elements in influencing consumer decisions, including the fun experience incorporated. Lastly, the product should align with sustainability goals, such packaging should be environmentally friendly to minimize environmental impact. These criteria will be ranked according to the 5-point Likert scale:

Affordability	<ol style="list-style-type: none"> 1. Way too expensive (no one will be interested) 2. Quite Expensive (might discourage potential buyers) 3. Acceptable 4. Reasonably priced for most people 5. Most affordable (an absolute bargain)
Convenience	<ol style="list-style-type: none"> 1. Very inconvenient (not ideal for on-the-go) 2. Inconvenient (takes too much effort) 3. Neutral (zero effect) 4. Quite convenient (works well on-the-go) 5. Very convenient (perfect for any situation)
Healthy	<ol style="list-style-type: none"> 1. Might be harmful 2. Not healthy 3. Neutral (zero effect) 4. Quite healthy (noticeable benefits) 5. Healthy (zero harmful effect)
Aesthetics	<ol style="list-style-type: none"> 1. Unattractive (unappealing) 2. Slightly attractive (feels generic) 3. Acceptable (acceptable design) 4. Attractive (appealing) 5. Highly attractive (stand out, exceptional visual appeal)
Sustainability	<ol style="list-style-type: none"> 1. Not eco-friendly (contributes heavily to waste) 2. Quite harmful (contributes quite negatively) 3. Neutral (neither harmful nor great for the environment) 4. Quite eco-friendly (noticeable contribution)

	5. Eco-friendly (contributes positively)
--	--

Table 7.1 Likert scale indicators

	Weighted	Bottled beverages	Dissolvable coffee tabs	Dissolvable tea tabs	Tea powder sachets	Traditional tea bags
Affordability	2	4, 8	2, 4	2, 4	3, 6	5, 10
Convenience	4	5, 20	4, 16	4, 16	2, 8	2, 8
Healthy	5	3, 15	4, 20	5, 25	5, 20	5, 25
Aesthetics	3	2, 6	4, 12	4, 12	3, 9	1, 3
Sustainability	3	1, 3	5, 15	5, 15	4, 12	1, 3
Total		52	67	72	55	49

Table 4.1 Scoring Model Result

Following the scoring model, further screening method requires weighted scores according to the importance level of the criteria. Given both the initial scoring and weighted scores (weighted from its significance; healthiness, convenience, sustainability, aesthetics, and affordability), dissolvable tea tabs appear to be the most appropriate solution. This includes setting the veto factor on health, which is that dissolvable tea tabs hold the same score as traditional tea bags.

4.3. Sales Forecasting

To estimate the potential success of our product in the Korean market, we will be using the A-T-A-R Model for Sales Forecasting. This model allows us to evaluate the product's awareness, trial, availability, and repeat purchase rate.

Sales Forecasting (ATAR Method)		
Stage	Percentage	<i>Target Market: Young Professionals (aged <34)</i>
Awareness (after one year)	50%	

Trial	30%	<i>and Students (Junior College and Undergraduate Level) = 422,000 + 3,042,848 = 3,464,848</i>
Availability (convenience stores and The Coffee Bean and Tea Leaf branches)	90%	
Repeat	30%	

Retail Price	₩800
Product Development and Production Budget	₩400
Profit per Product	₩400
Profit	₩56,130,538

Table 4.2. Profit Calculation

The target market focuses on young professionals aged 25 to 34, and undergraduate-level students, taking into account that they have a packed schedule and are in need of something convenient and healthy to support their lifestyle. The awareness generated by 50% of the Korean population is familiar with healthy drinks, and 30% are willing to try the product. With 422,000 young professionals (Lee, 2024) and 3,042,848 students from junior college and undergraduate level (Ministry of Education, 2023), along with assumption of the A-T-A-R percentage as shown above and ₩400 profit per piece, Tea Tabs is expected to wrap profits of ₩56,130,538.

Sales Forecasting (ATAR Method)		
Stage		Percentage
Awareness		50%
Availability		90%
Trial Rate		30%
Rs	Switch to a new product	65%
Rr	Repeat purchase of the new product	44%
Rt	Long-run repeat purchase	53.7%
Market Share		7.25%

Table 4.3. Market Share Calculation

Continuing to scale the market share, the survey from Food Dive (2021) estimates the number of switching to a new product and repurchasing new products rates of 65% and 44% respectively, generating a 53.7% long-run repeat purchase rate. This results in a 7.25% market share as shown above.

4.4. Product Protocol

The target market of our product is University students and professionals aged 25- 34. People in this segment highly prioritize affordability and convenience and are starting to prioritize health more and more. Our product is a tea that focuses on a certain concern of the consumer, whether that be sleep, energy, beauty, etc, and targets that problem with certain vitamins and supplements that are infused into the tea. The key features are: a dissolvable mento-sized pod, a sleek and aesthetic design, and convenient dispensers at coffee bean locations and convenience stores. The tea will be stored in dissolvable tabs, making them very convenient as you can dissolve them in any water at any place. To make sure this is true, the pods must be small enough to fit through the mouth of a water bottle.

Our products will mainly be sold at convenience stores, like the cups of coffee, but instead of having to drink your beverage right then and there and go back when you want another, you will be able to use a TeaTab whenever, wherever. We will also have dispensers placed by vending machines on college campuses and at coffee bean locations. The price point must also be lower than the bagged drinks at the convenience stores, and be much more health conscious. The same can be said when comparing TeaTab to tea and coffee from cafes. To make the product even more convenient we will sell reusable, pill-case-like containers to put your refills from the convenience store in. These cases must fit eight TeaTabs at a time, so you do not have to refill at the convenience store every day.

We will enter the market with this new product by the start of the second quarter of 2025. To market the product we will target spaces that young adults frequent, both physically and virtually. We will host promotion events on campuses, as well as hang up flyers and posters. We will use the popularity of CBTL's cafes to our benefit by hanging posters in the stores. We will also set up partnerships and promotions with influencers and idols to gain attention online, as well as create social media advertisements. This should be organized for the time of our product launch.

Our product will be sold at 800 won a pod and the reusable cases will be sold at 3,000 – 4,500 won depending on how stylized it is. We will offer a “buy 7 get the 8th free” deal to reward customers for buying to fill the whole case. All pods will have only the ingredients listed and we will have inspectors at our factories to avoid any defective items going to distributors. Corporate needs to overview this and make sure that everything is going according to protocol. They should also

facilitate frequent meetings between all branches to make sure everything is running smoothly and keep every branch informed. This should help prevent, smooth out, and shorten the life cycle of potholes.

4.5. Product Launch Strategy

The Launch Campaign for our new product will consist of social media ads, influencer and idol marketing, and campus-based campaigns and samplings. The campaign will highlight our product's health benefits paired with its convenience, using the tagline "Wellness on the Go".

Around one to two months before the product launch, we will start with influencer and idol marketing via posts and reviews on social media to build anticipation and awareness for the product before release. Teaser campaigns on social media will feature short videos and countdowns to spark curiosity and excitement and influencers can create interactive content to encourage audience engagement. Working with influencers before the launch can also help us to gather feedback about our product.

At this time, Coffee Bean and Tea Leaf locations will start to put up promotional posters for their upcoming new product. Stores can set up displays that highlight its sustainability and align with our commitment to wellness and environmental care to further emphasize the product's eco-friendly features.

In our first month of launch, we will start having university campus-based events, such as sampling tables and pop-ups where students can win tea tabs. We will do this, as students are our main target group and therefore the first ones we want to reach. In addition to that, we will have a weekend pop-up in Seongsu which will allow us to not only reach students but young people in general, including young professionals. This will also give us the chance to feature live demonstrations and provide customers with a relaxing café experience that aligns with the product's image and values. Both of these activities will increase awareness amongst the demographic, as well as offer us an opportunity to gain feedback from our market segment.

Once we have given people an introduction to the product we will begin having ads on social media platforms that are popular amongst our demographic, such as Instagram and Tik Tok. These ads will start about one month after launch, once we start to wean off the pop-ups and campus events. We will use the feedback that we gained from our segment through the pop-up and campus events to fine-tune our marketing.

By integrating all these elements, we aim to create a multi-faceted launch strategy that builds excitement, engages our target before, during, and after the launch, and positions ourselves as the leader in health-conscious and convenient solutions.

5. CONCLUSION

The analysis and development of dissolvable tea tabs for The Coffee Bean & Tea Leaf demonstrate the potential to address the growing demand for health-conscious, convenient, and sustainable beverage solutions in the South Korean market. By leveraging tools like the Product Innovation Charter and the ATAR Model, the study has highlighted a significant opportunity to tap into an untapped market segment, especially among young professionals and students.

The proposed product aligns with modern consumer trends, emphasizing eco-friendliness and wellness. With a clear market strategy branded as “Wellness on the Go,” this innovation promises to capture a substantial market share by providing a unique blend of health benefits, portability, and sustainability. The forecasted profit of ₩84 million in the first year underscores the commercial viability of the product, supported by robust promotional campaigns and strategic partnerships.

Moreover, the comprehensive approach adopted in this thesis—from understanding consumer behavior to employing data-driven sales forecasting—serves as a model for successful new product development. By addressing consumer needs and aligning with company values, the proposed innovation not only strengthens CBTL's market position but also reinforces its commitment to quality, innovation, and environmental stewardship.

This study underscores the importance of aligning product innovation with evolving market demands and provides a roadmap for future endeavors in the competitive health beverage sector.

REFERENCES

- Cabezas, G. (2024, July 9). *Korean Wellness Brews: Navigating Trends and Growth in Health Beverages*. TRIDGE.
<https://www.tridge.com/stories/korean-wellness-brews-navigating-trends-and-growth-in-health-beverages>
- DeathWishCoffee (2022, December 1). *Instant Coffee vs. Ground Coffee: What's the Difference?*
Death Wish Coffee.
https://www.deathwishcoffee.com/blogs/coffee-talk/instant-coffee-vs-ground-coffee?srsId=AfmBOopEq3GFCWaZr1fmdYjb_-S3Jp5SaTdb4t0g5CfQsuYBBL6ZPhKw
- Devenyns, J. (2021, September 14). *Brand loyalty is eroding under supply chain and price pressures, survey finds*. Food Dive.
<https://www.fooddive.com/news/brand-loyalty-is-eroding-under-supply-chain-and-price-pressure-survey-fin/606581/#:~:text=About%2065%25%20of%20consumers%20have,three%20months%2C%20the%20survey%20found>
- Hadjipateras, E. (2023, October 12). *Differences Between Loose-Leaf Tea, Tea Bags, Tea Powders, and Tea Sachets*. Matcha.com.
<https://matcha.com/blogs/news/differences-between-loose-leaf-tea-tea-bags-tea-powders-and-tea-sachets#:~:text=All%20forms%20of%20tea%20have,are%20ingested%20in%20powdered%20form>
- Jobst, N. (2024, June 25). *Willingness to pay more for sustainable and environmentally-friendly products in South Korea as of December 2023*. Statista.
<https://www.statista.com/statistics/1320792/south-korea-willingness-to-pay-more-for-sustainable-products/>
- Kim (2024, September 30). *65% of Koreans are 'worried about physical health'*. THE DONG-A ILBA
<https://www.donga.com/en/article/all/20240930/5198614/1#:~:text=The%20report%20shows%2064.9%20percent,their%20top%20health%20management%20behavior>
- Laroia, A., Chief CPG Growth Officer at The Coffee Bean & Tea Leaf (2024). *How the Coffee Bean & Tea Leaf reimagines its 60-year old brand for the modern market*. QSR MEDIA ASIA.
<https://qsrmedia.asia/executive-insights/in-focus/how-coffee-bean-tea-leaf-reimagines-its-60-year-old-brand-modern-market>

- Lee, I. (2021, August 26). *New Consumption Trends: Opportunities for U.S. Consumer-Oriented Products in South Korea*. Foreign Agricultural Service.
<https://fas.usda.gov/data/new-consumption-trends-opportunities-us-consumer-oriented-products-south-korea>
- Lee, Y. (2024). *Why are young Koreans opting out of workforce?* The Korea Times.
https://www.koreatimes.co.kr/www/biz/2024/12/602_387483.html
- Ministry of Education (2023). *2023 Education in Korea*. Ministry of Education.
<https://english.moe.go.kr/sub/infoRenewal.do?m=050101&page=050101&s=english>
- Park & Kim (2024, April 12). *Sales of health drinks at convenience stores on the rise*. Pulse.
<https://pulse.mk.co.kr/news/english/10988680>
- Popcorn, F. (1991). *TrendBank*. Faith Popcorn's Brain Reserve.
<https://faithpopcorn.com/trendbank/>
- The Coffee Bean and Tea Leaf | CBTL (2024). *Our Story*. The Coffee Bean and Tea Leaf.
<https://coffeebean.com/>
- The Tea Spot (n.d.). *Do your tea bags have plastic in them??* The Tea Spot.
<https://www.theteaspot.com/blogs/steep-it-loose/do-your-tea-bags-have-plastic-in-them#:~:text=As%20we%20mentioned%20earlier%2C%20many,a%20risk%20to%20human%20health>