EzMatcha - A business plan

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There is a big coffee drinking culture in Finland. EzMatcha plans on changing people’s coffee drinking habits for a healthier alternative, by offering high-quality matcha green tea easily bought online and delivered straight to your door.

The objective of this thesis is to create a useable business plan for the author to implement in the future, and use for the purpose of creating a profitable eCommerce business selling healthy matcha green tea online. This business plan can also be adapted and used as a template for future business plans.

The business will be named EzMatcha after the 2 things it stands for, which are easy and matcha. The author will develop various different skills while implementing this business plan, the type of practical learning from opening your first business can be extremely beneficial in the future.

The methods that the author has used include things such as questionnaires, SWOT and PEST analysis for detailed market and competition analysis. Observational methods have been used also in scouting other businesses online and retail selling matcha in Finland and around the world. There has also been an advisory board set up to assist in building the business up, where the author can direct any questions or concerns relating to the business activities.

In conclusion, the outcome of all this should result in a business plan for a profitable eCommerce business in the matcha tea market. The author is confident that this product would do very well in the healthy lifestyle-minded world of today, and especially around Finland and the northern region.

Keywords: matcha, eCommerce, business plan.
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Introduction

The purpose of this thesis is to create a business plan for a new eCommerce start-up selling matcha tea online to customers in Finland while continuously looking to expand into other markets internationally. This project will be used in the future as a template and guideline for other entrepreneurial ventures offering different products or services.

The main objective of the online store is to supply the Finnish market with top quality matcha tea straight from Japan that can be purchased with ease. The whole vision is based on simplicity which is an essential concept in today's eCommerce businesses. The purchasing experience is going to be as simple as going to the website, selecting product, and filling in your payment and shipping info. The goal of this project is to create a successful business, as well as a business model template that can be used in the future for different kinds of projects in the eCommerce field. An incremental part of this is designing the website to be viable to use as a template, because it is probably the most important aspect of your eCommerce business.

ECommerce is a field that is growing in popularity quite rapidly at this day and age. Nearly all of today's businesses own an online store, because it no longer is an optional aspect of running your business and more of a necessity. The internet is a market that is much too precious to not operate in. As the world around us evolves, technology is becoming more and more advanced, giving us the ability to shop on basically all of our devices and with a touch of a finger, a purchase can be made. Not using a golden opportunity such as this can lead to the downfall of the company.

This thesis consists of different theory sections based on entrepreneurship, eCommerce, and the steps to creating a business plan. It will also include the objectives and goals, as well as a practical implementation section to plan steps to follow during the startup phase of the company. Various business tools have been used to visualise and make understanding some of the aspects of opening a new business easier.

2 eCommerce

There are many forms of commerce that an individual or a business can conduct. eCommerce is business and transactions that are completed online on the internet. In today's fast evolving world of technology, it is one of the fastest growing forms of commerce worldwide. Today, nearly all businesses have an online store or website to sell and market their products and services. The business has a serious disadvantage if they don't partake in eCommerce for
many reasons such as not being able to compete with basically all competitors. The public is getting more and more used to the fact that they can go online on one of their devices and access a website where they can purchase their needed goods and services delivered straight to their door. Although eCommerce might seem like a walk in the park, it definitely is not. In order to use eCommerce effectively, the entrepreneur must have solid knowledge on how the field works and what it entails. An uneducated first-time entrepreneur might think that its more of a “get rich quick” scheme and therefore jump into the business head first without realizing that it will most probably turn into an expensive, difficult project. The secret to having success in your online business venture as an entrepreneur is to find and determine a niche market. A niche market is a specific market for the product or service being sold. It is small, because it specialised in that market for a set of target customers. Once the niche market has been determined, the entrepreneur can create customized content to appeal to that market. This chapter will discuss various different eCommerce business models and how they differ from conventional business models, steps and tips on designing a website for the business, how logistics work, and how important security is and what steps should be taken to improve the cybersecurity of the business. (Reynolds 2017, 6.)

Formulating a business idea, setting up businesses, and creatively designing them is essentially what entrepreneurship is. It is a career choice which requires a lot of patience, creativity, hard work, courage, and an understanding that failures are inevitable. An aspiring entrepreneur must have the mind-set of one, as the field is all about constant learning and growing from your mistakes as well as your accomplishments. The more experience an entrepreneur possesses, the more willing they become to try things, even if failure is inevitable. Successful entrepreneurs all agree that simply not putting in work, is guaranteed to end badly. The key to success is to understand what the kind of work entails. “To be successful, you need to rely on no one, other than yourself. Everything you need, to be anything you want, lies waiting and within you (Taylor 2017, 7.)

2.1 eCommerce business models

There are various different forms of eCommerce businesses that can be opened for different kinds of purposes. These are all mostly just different forms of stores, on different platforms but nevertheless they all have different business models.

An online store is a classic business model of an eCommerce business. These kinds of stores are also called B2C’s which means business to customer. They include product or service descriptions along with information about them such as price and specifications. Including this information can be the deciding factor that convinces the customer to make the purchase. An online store also includes a payment option for customers to purchase the products then and
there. This is different from advertising websites, which are essentially the same things except they are designed only for advertising purposes and therefore usually do not have a payment feature. When making these payment features available, the systems have to be very secure and use encryption technologies to protect the customers and the company's data. Popular systems include SSL payments (Secure socket layer) and SET payments (Secure electronic transactions). Teaming up with big eCommerce sites such as eBay or Amazon can be a viable way for an entrepreneur to move forward as well, although a personal online store is the best option if the goal is to establish a brand and offer other information as well as the products and services. Big eCommerce sites don't really let you do this so planning on which direction to take should be done in advance, for example by analyzing the pros and cons of each method. (Reynolds 2017, 12-13.)

Subscription sites or more commonly known as membership sites, differ from traditional online stores because instead of offering products and services instantaneously, they offer information, services, or products weekly, monthly, or in some other recurring manner to niche markets. Newsletters, access to scientific articles, music and games are all examples of products and services that this type of sites can offer for a subscription fee. The subscription fees are usually paid monthly or even weekly depending on the type of product or service being offered. There is also a sub-model of the classic subscription site that is a mix between a online store and a subscription site, because it offers downloadable content and products via a subscription. So in order for customers to access these products they have to have subscribed to the site. They can offer this alone, or offer a combination of both downloadable content as well as subscription content. (Memberpress 2018.)

A B2B or "Business to business" are different from B2C's because they are designed solely for the purpose of transactions between businesses, and not individuals. Businesses with a B2B business model can also serve individual customers but these websites are designed to be separate from the B2B's, to better serve the customers. They are often more focused on providing specifications about their products and services rather than ease of purchase. This is because B2B's usually offer bulk transactions, or high-costing products so there is no need for these to be purchased immediately. Of course there are exceptions to this, for example software like Adobe systems can be easily purchased online by offices or schools and all they need to do is download the software on all the devices needed. Alibaba is also an example of a B2B, but individuals can also make purchases on their website. Their business model is however designed to serve businesses, due offers on the website being mostly wholesale offers. (Reynolds 2017, 15.)

An auction site is exactly what the name says. Traditional auctions with a technological twist, everything is done online. Potential buyers can bid on products that they want to purchase
and once the time on the auction runs out, the highest bidder gets the product. Payment and shipping is then arranged by the seller and buyer. Auction sites offer a service, not a product. They offer the service of using their site to sell and buy products from other individuals and organisations, meaning that the auction site is the middleman in all transactions. Online auctions are growing in popularity due to the inexpensiveness of establishing an eCommerce business on one of these sites. The usual expenses for opening up an online store can be intimidating for a start-up so entrepreneurs can use already established auction sites to create a presence for themselves online. Auction sites can be niche-oriented or targeted toward the general public. Niche auction sites specialise in a certain type of product and only process auctions on those types of products which include things like memorabilia, and collectibles. Already established auction sites that offer services to anyone who wants to start selling something include Ebay and Yahoo auctions.

Defining the blog or "weblog" business model is difficult due to the vast amount of diversity between different blogs. However it can be defined as "a web page containing brief, chronologically arranged items of information.

Figure 1: Possible products, services, and information of blogs. (Smartblogger 2017)

A weblog can take the form of a diary, journal, what’s new page, or links to other websites” as is defined by Reynolds on page 16 of complete ecommerce book. Blogs have to contain relevant, useful information and content to the readers. Creating an email-subscription list can help provide quality content for eager customers. Gaining a profit from this kind of eCommerce business is tougher than in other forms because of the sheer amount of work that has to be done in order to achieve a state of profitability. Blogs can sell adspace to companies for
a fee, as well as market their own products and services or of others businesses. In figure 1, all the paths of possible products, information, and services of weblogs have been illustrated.

2.2 Creating online store

When thinking about designing a website, it is important to know what exactly a website is. It can be defined as an endless amount of pages which are all connected by a common theme and purpose. Designing a website is a lot of hard work that can range from programming HTML, databases and payment features, to creating an intuitive theme and of course offering quality products and services. "eCommerce is as much about selling as it is about technology" as Reynolds says on page 19 of his book. Knowing who your target customers are is important even before you start designing your website because it is them who you are designing it for. Different aspects have to be considered and adapted to your target customers. For example, if you are planning on targeting markets internationally, shipping options have to be considered, as well as different forms of payment/issuues with exchange rates and possibly translating the webpage to other major languages. If the target market is in a single country, then these things have to be adapted to maximize customer satisfaction.

A storyboard can be very effective in planning how the website will look like to customers and to map out all the pages that are needed. It is a frame-by-frame illustration of all pages and the links between them. Using this tool can help visualize how the website will look and see all the possible "paths" that customers might take to make sure they all make sense. Creating a storyboard is a long task, but the benefits gained from creating one definitely make it worthwhile. A more advanced version of a storyboard that can be even more beneficial can include "page sketches" to vision each page so they will not need to be designed individually at a later stage. (Techboard 2018.)

When a website is sticky it means that visitors are inclined to stay on the webpage for longer. The more they stay on the website, the more familiar they get and therefore become more likely to make a purchase or at least visit again. So how do you make sure that the website is sticky? The answer is simply to have quality content. When the website is designed with good content it gains interest from more visitors and likely transforms them into customers. Good content comes in many forms, such as graphics, products, ads and basically everything that a website consists of. Good content is a good start to increasing the stickiness, but to create traffic in the first place keywords and terms have to be placed on the website so search engines suggest the store to customers using those terms to search. (Curio Electro 2018.)

If a website takes long to load, many visitors will just close the window and go to another website. The technological advancements in the past years have made people less patient so
the losses from not having a good download time can be devastating for a start-up, since potential customers will just go and buy your competitors products instead. There are some ways to minimize download times even though sometimes nothing can be done due to the problem being the server hosting the website or traffic on the server. If the homepage is less than 200KB in size it should load in less than 20 seconds on a average connection. For graphics the 2 main formats are GIF’s and JPEG’s. JPEG’s are better suitable for photographs and high quality pictures while GIF’s are better for solid colours, simple animations, and graphics. (Reynolds 2017, 28.)

Easy-to-use navigation is key for making sure the visitors find what they are looking for with ease. If the website isn’t intuitive, potential customers will not waste their own time trying to navigate through the site. Links between pages have to be designed with customers kept in mind. Including targeted text links which transport you to another page is an excellent way to help customers navigate through the website. Visitors can’t be given the opportunity to leave the website because the page has no links to go anywhere. When this happens they can either click back, go to another website, or close the window. Most of the time they decide on one of the latter two options. These pages are called “orphan pages” and should be avoided (Treefrog 2018.)

An aspect that is missing from many ecommerce businesses is customer service. In retail stores, customers can walk into a store and ask for service from the staff but when the eCommerce business operates solely online, this service is often overlooked. Providing this service can help increase the visitors trust in the website, and make them more likely to make a purchase. There might be issues with nearly any part of the customers experience on the website so they have to have the chance to express their opinions. Not only does this help in increasing trust, it also gives customers the opportunity to help improve the business by submitting suggestions and criticism.

Logistics are defined as the control and movement of resources and inventory to achieve business goals and objectives. This includes the management involved in shipping of products, product inventory, and the transfer of information. An eCommerce logistics plan is heavily reliant on the services of the shipping and courier companies, as they are the ones who deliver your product. There are different ways of shipping that depend on what kind of agreement there is with the supplier. If the products being offered are created by the entrepreneur, then they will also have to think about what kind of storage plan they will implement, and how they will ship the products. Drop shipping is an excellent choice for start-ups offering products that can be easily shipped to various locations. Drop shipping is when a retailer simply forwards all orders made on the online store to the supplier, who then sends the products directly to them. This takes the middleman out of the equation and can save a lot on
shipping costs. All storage costs are also cut since there is no need to personally keep inventory.

There are numerous reasons why security is becoming increasingly important for eCommerce businesses, the main reason being hacking. Hackers can steal personal customer sensitive data such as credit card details from the site. Setting up a store on a secure eCommerce platform such as Shopify can minimize the risk of these attacks, but not completely. More precautions have to be taken to be safe and keep customer details out of the wrong hands. When the customer is at the checkout page, using SSL (Secure sockets layer) creates a secure connection that confirms that the customer’s street address matches the one on their credit card by checking it with their bank. This protects both the consumer and well as the company. Another precaution is to not store customer sensitive data that is unnecessary, because hackers can get this information too. Only the information needed for refunds should be stored so the money can be given back with ease. (Big Commerce 2018.)

Tracking where your customers came from can be done relatively easily on google analytics. An essential tool for an ecommerce entrepreneur since it allows detailed analyzing of visitors and customers of an online store, including where they saw your ads from, how they got there, and what they were interested in. Knowing this information allows the entrepreneur to specifically design certain aspects of marketing and the webpage to attract more customers and identify the target market in more detail.

When considering starting up an eCommerce business its important to first consider the business model, afterwards the platform on which the website will be built on can be considered. Today, it is much easier to open a website since there are many different applications you can use, you no longer need to know how to program your own website completely from scratch. Entrepreneurs benefit greatly from this as a new start-ups are much easier and cheaper to create. Website such as Wix and Shopify are great options. Shopify is one of the most popular methods of starting your online store since the interface for designing the website is very easy to use and start-up/hosting costs are quite cheap. Shopify offers numerous different themes and templates that can be used and customized to easily brand the store, as well as applications that can be used to automate business functions.

3 Business plan

This chapter will cover what a business plan is and exactly what it entails, as well as how to create a successful plan. All the different steps are essentially tools to use in setting up a new business. The key to a successful plan is to think about all the different aspects and have
them planned out so it can be literally followed step by step. A business plan is essentially just a tool to use in setting up a new business. The key to a successful plan is to think about all the different aspects and have them planned out so it can be literally followed step by step. By doing this, the company knows exactly what to expect during each phase of the business cycle. It includes the goals of the company as well as plans on how they will reach these goals backed up by reasoning.

There is various different kinds of business plans that are suitable for different types and sizes of businesses, but the type of business plan focused on this thesis will be for new startup company, as this is what will be used in the case study later on. The structure of the business plan is usually laid out in this format, according to SBA, 2017.

- Executive summary
- Company description
- Market analysis
- Organization & management
- Product (and service) line
- Marketing & sales
- Funding request
- Financial projections

3.1 Choosing a business structure

A business can take many different forms based on their unique characteristics, capabilities, and plans. Choosing a correct structure for a small business will help in achieving their financial and operational goals. In Finland the various different forms that a start-up company can become include: sole trader (private entrepreneur), general partnership, limited partnership, limited liability company (LLC), and a cooperative. (Yritys-Suomi 2017.)

A sole trader, also known as a private entrepreneur, works completely alone or with their wife or husband. The business is completely operated by the sole entrepreneur, who is also responsible for the losses the company could potentially have. Profits are taxed as both capital income as well as earned income. This means that wages won't be paid but they are instead classified as private withdrawals. In the business type, the decision making is very flexible and the entrepreneurs work ethic has to be excellent. (Crunch 2018.)

General partnerships have at least two partners that are both responsible for the business with their own personal property. There is no need for a minimum investment, the partner’s investments are all that is needed. The taxation for general profits is the same way as for
sole traders, paid after distributed between the partners. This type of business form is suitable for example for SME’s (small and medium sized enterprises) and it goes without saying that trust between the partners is essential. (Yritys-Suomi 2017).

Limited partnerships are quite similar to general partnerships, they both require at least two partners, but the difference is that in a limited partnership one of the partners is the responsible one and one of them is a silent one. The responsible partners are in charge of all business decisions, as well as the company with their personal property. From the profits the responsible partner gets paid wages, can take out private withdrawals, and gets profit shares while the silent partner receives only profit shares.

Limited liability companies can consist of one or more people, and it requires an investment of 2500€ for private limited liability companies and at least 80,000€ for public limited liability companies. Decisions are made based on meetings with the board of directors as well as the managing director. For this type of company the owners are responsible for the amount of share capital they possess. Profits are distributed for shareholders by dividend income which means that they are paid a wage depending on their work efforts. They pay 20% in taxes from their profits. This type of form is suitable for companies that require a large sum of start-up capital, and for bigger, more complex businesses. (Investopedia 2018.)

A cooperative is started by at least one person and is suitable for businesses that seek to provide services to the members rather than seeking the largest amount of profit. Decision are based on democratic decision-making, meaning that they vote on business decisions. They also pay 20% in taxes just like the limited liability companies. Members of the cooperative are paid wages, interest, and returns on surplus. They have participation shares, meaning that when the company grows, the shares grow as well. (Yritys-Suomi 2017.)

3.2 Situational analysis

There are a few ways to assess your situation in the market. Assessing your situation means that you take a look at for example the strengths, weaknesses, opportunities, and threats of your company and others. Conducting situational analysis helps the company make strategic decisions based on the results. Planning the business strategy based on these results will help make competing in the market easier and therefore hopefully more successful. Tools that can be used for situational analysis include SWOT analysis, and PEST analysis. These tools are used to brainstorm all the different aspects of the market that can have an impact in a positive or negative way, in easy to understand categories. These tools can make
SWOT analysis identifies the company’s S (Strengths), W (Weaknesses), O (Opportunities), and T (Threats) (Table 1). The strengths can include what the company has in advantage over anybody else, from the perspective of both the customer as well as the company. Weaknesses include what could be improved, and what disadvantages there are compared to others in the market. The strengths and weaknesses are then looked at together to see the comparison between the two, much like doing a "pro’s and con’s" table. Opportunities are what the company can eventually hope to establish in the future. Knowledge of an emerging trend can also be classified as an opportunity. The threats to the company can usually be the biggest list because of the multitude of risks in entering a new market. They can include obstacles such as financial issues, as well as other competitors in the same market.

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
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<tr>
<td>• What advantages does your business have</td>
<td>• What could you improve</td>
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<tr>
<td>• What do you do better than anyone else</td>
<td>• What factors lose your sales</td>
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<td>• What factors mean you get the sale</td>
<td>• What should you avoid</td>
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<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• What upcoming trends are you aware of</td>
<td>• Who are your potential competitors?</td>
</tr>
<tr>
<td>• Has there been recent market growth</td>
<td>• What are factors beyond your control that could put your company at risk</td>
</tr>
<tr>
<td>• What opportunities exist in the market</td>
<td>• Has there been new products or technologies that make your products obsolete</td>
</tr>
</tbody>
</table>

Table 1: SWOT analysis template (Mindtools 2018).

The PEST analysis focuses more on the opportunities and threats caused by various causes. The name stands for P (Political), E (Economic), S (Socio-cultural), and T (Technological) changes that can affect the opportunities and the threats that can have a direct impact on the company (Table 2).
Table 2: PEST analysis template (Mind tools 2018).

Political factors include all legislative and governmental regulations that might be in place, as well as potential changes in the policies of the government due to for example elections. Economic factors such as changes in interest rates and exchange rates can have a huge impact on the business if they are not expected. All of these factors have to be counted in when making strategic business decisions to avoid running into unforeseen issues (Mind Tools 2018).

3.3 Business vision & strategy

A business idea of a new start-up has to be a unique and fresh. The entrepreneur who is starting the business has to believe in the idea and product. If they don’t, there’s very little chance that anybody else will either. You have to stand out from your competitors in order to have success. Thinking of a new business idea can be a challenging task, but a few ways to think of an idea include finding a niche market, developing an existing product or service further or by making it cheaper, or combining multiple existing products or services into one. A certain risk is involved with all ideas, but most of the time new products and services have a higher risk rate than developing existing products.
Once the business idea has been figured out, it’s time to think of a vision statement. A business’s vision is what direction they see/want to see them in the future. A vision statement includes both short and long term goals, and is an important part of the start-up process because it helps everybody involved understand what they are working towards. An alternative to a vision statement is a mission statement, which is set in the current time frame while the vision statement is in the future.

Strategy is all about planning what kind of decisions and what directions to take, as well as knowing how and why these decisions must be made. Controlling the future of the company is dependant on the quality of the business strategy and choices. Formulating a strategy can include analyzing that market and competitors by using tools like a SWOT analysis, or benchmarking your company against the top competitors. Although many entrepreneurs and organizations believe that there is no universal structure for strategy formulation, which is mostly true due to the differences in complexities of different aspects. Anthony Ulwick introduces a universal strategy formulation model (USFM) in his book the "Business strategy formulation". This is depicted in figure 2.

![Figure 2: The universal strategy formulation model (Ulwick 2017, 40)](image)

This model shows that the optimal solution is the one that best fits all the three categories of honouring internal and external constraints, satisfying the most important external and internal desired outcomes, and achieving the desired competitive position. This one solution
comes from the universe of all possible solutions, concepts, and alternatives. Finding this solution happens when the largest number of potential desirable outcomes are satisfied. (Ulwick 2017, 37-42.)

3.4 Financing

For most new start-ups, very little capital investment is required. The level of initial investment is proportional to the complexity, size, and type of business that is being started. Many people believe that starting your own business requires a great deal of money but that is in fact false. Start-ups are usually miniscule in scale and therefore relatively cheap to start. If however an investment is required, it can be difficult to get. Banks loans are the most typical way of gaining your initial investments, however there are some alternatives.

These alternatives include crowdfunding, which is when you use crowdfunding webpages such as kickstarter.com to pitch your business idea to the public and then people who believe in your business can choose to donate money to you either for free or in return for shares in the company or free products. This is a method that can be useful for low-cost start-ups since it can generate small investments quite quickly, especially if it's a trendy idea.

Another method could be to raise money from family and friends, or to get an angel investor. An angel investor is a person who's interest you can attract to invest in your business idea, they are usually rich individuals who believe in the idea as much as the entrepreneurs themselves and want to help by getting financially involved. To gain an angel investors interest, one should have a very original, clear idea and data to back up their claims. They are also interested in making money so they most likely want a piece of the business in return, so when you grow they gain something from it too. The TV show Shark Tank is an example of angel investing. During the show various different people pitch their ideas to the 4 investors that can then choose to support the businesses or not. These investments are usually quite substantial so business owners gain quite a big investment as well as the expertise of the investors involved. Angel investors are usually very hard to convince though, especially with little to no entrepreneurship experience. You have to make them trust you with their money, and that is usually a difficult task for a single pitch. Giving a concise pitch with concrete evidence is key. (Practical eCommerce 2018.)

4 Matcha

Matcha is a very fine tea powder that is made from green tea leaves that are grown in a specific way. It originates from Japan, where in the 12th century it was used in various monasteries as a ceremonial tea that had energizing as well as healing benefits. In today’s society it
is a new food trend which is starting to gain popularity all over the world. It’s multitude of health benefits, and endless possibilities of use with different dishes are the main reasons why it is recognized internationally. (Matchasource 2017.)

The matcha production method is different to your typical green tea production method. This is what gives matcha its unique health benefits. Green tea plants are covered from direct sunlight a few weeks before harvesting, which slows the growth of the plants. It then turns them to a darker shade of green and stimulating increased chlorophyll levels, as well as producing amino acids. After harvesting the buds and leaves are laid out to dry, and ground using a stone mill.

The health benefits of drinking matcha are actually quite impressive. These benefits range from physical health, to mental and psychological well-being. Matcha is known for boosting metabolism, being rich in antioxidants, fibre and vitamins, as well as lowering your cholesterol, blood sugar and preventing other diseases. Many people also use matcha for their detoxing, since it also boasts high levels of chlorophyll, which is a very effective detoxifier. (Matchasource 2017.)

Matcha was originally meant to be only used as a tea, to be stirred into hot water and enjoyed as it is. In today’s society however, matcha is incorporated into many different recipes for cooking, baking, as well as coffees. Most of these recipes are for sweet dishes, but matcha can also be used in savoury dishes such as soup, porridge, and even noodles.

5 Research and development

This chapter includes research on competitors, how the business could develop to compete against them. Researching competitors includes benchmarking against them and seeing how they run various aspects of their business. (Chron 2017.)

Competition in the ecommerce field is very tough these days as the field has grown exponentially in the past few years due to the oversaturation of third-party applications which assist in creating websites easily. Applications such as Shopify, and Wix, charge very minimal prices for their basic plans of building websites which plays a part in the oversaturation and why a huge amount of people are opening their own online stores.

Even though there are many different ecommerce stores selling various products and services, matcha is still somewhat under the radar for most of them. The stores however that are selling matcha, average a price of 20 USD for 42 grams (1.5 oz.). They offer various different ways of buying matcha, such as tea bags, tins, refills for those tins, and some even offer bulk sales.
6 EzMatcha business plan

6.1 Executive summary

"EzMatcha" is an online store, selling matcha tea as well as offering a monthly subscription, where customers will be delivered a month’s worth of Matcha tea at a time to have as an alternative to their traditional tea or coffee. The store will be set up on the "Shopify" platform, which gives its users a storefront as well as an automated experience in setting up an online store, providing everything needed to launch from organizing products, to setting up payment solutions. The business will be run online and will not have a local retail store. The matcha will be bought wholesale from a China (Alibaba.com) and will be packaged at the authors home in Finland, and then shipped worldwide.

Our mission statement is "EzMatcha provides customers with a service that eases their efforts in living a healthier lifestyle by providing them high-quality matcha from China on a monthly basis. Shareholders are part of the EzMatcha family and share our values of respect for diversity, fairness, and a passion for great tea".

Matcha tea is a type of green tea originating from China, that differs from traditional green tea in many ways. For example, its is a sold as a powder and not in teabags. It is mixed with boiling water and whisked before enjoyed. The production method of matcha also differs from its traditional relative by being more complex. The tea plants are covered by shade to slow down growth, which in turn stimulates the plants to produce more chlorophyll and increases the production of amino acids. This gives matcha its unique flavour and health benefits.

6.2 Company description

**History**

EzMatcha started as an idea for a simple online store that would supply Matcha tea for Finnish customers easily, as Matcha tea is mainly only found in speciality stores and not your day-to-day supermarkets in the country. The idea then transitioned into a retailed-based store, selling Matcha merchandise rather than the actual tea. This was due to the increasing popularity and focus on Matcha in Finland. There was fear that big-time competitors would increase the difficulty of getting recognized too high and too risky for a basic online store, and since the popularity of Matcha was growing, merchandise demand would grow simultaneously. It was after the however that a new type of business was discovered; subscription-boxes. After a
while of trying to find suitable products for a subscription-box type business, the author finally put two and two together and decided that Matcha would be an ideal product. EzMatcha was born. A simple yet practical solution to buy Matcha for tea-lovers and lifestyle enthusiasts alike.

**Mission & Vision**

As stated in the executive summary, the mission of EzMatcha is "EzMatcha provides customers with a service that eases their efforts in living a healthier lifestyle by providing them high-quality matcha from China on a monthly basis. Shareholders are part of the EzMatcha family and share our values of respect for diversity, fairness, and a passion for great tea". This in all aspects is what the company stands for. Simplicity and health for customers, fairness and respect for shareholders. The company’s vision statement is "EzMatcha wants to connect the world and healthy lifestyle." This statement envisions what EzMatcha wants to achieve in the future.

**Goals and objectives**

The difference between goals and objectives is that goals are what you want to reach long-term, while objectives are the steps that the business must take in order to achieve these long-term goals. EzMatcha’s goals include becoming a leading competitor in the subscription-box market, as well as actually becoming the main supplier of Matcha tea in Finland.

**Service-good mix**

EzMatcha will provide customers with a mix of a service and product. The service will be providing them with a Matcha tea delivery straight to their door and the product will henceforth be Matcha green tea. In a service-oriented mix such as this, the quality of service should have the utmost importance followed by the quality of product, especially in this case as customers will want the highest quality of Matcha possible to gain all the healthy benefits.

6.3 Products and services

EzMatcha is providing the customers with a service-good mix, with the product being matcha, and the service being delivering it to them. The product will be ordered from wholesale suppliers in Asia through Alibaba for wholesale prices, packaged in Finland, and then shipped worldwide.
At the planning stage, no producer of matcha has been chosen yet. After sampling different products from different suppliers, two matcha’s will be chosen; one high-quality matcha for tea, and one medium-quality that is cheaper that can be used for tea as well but is more suitable for cooking and baking.

EzMatcha will ship worldwide, so great packaging is a must for the product. There is many different materials and styles that can be used to package a powdered tea, but the packaging that EzMatcha will use has to be eco-friendly as that is one of the core values of the company. It also has to be durable so the tea isn’t spoiled during shipping. It would be great if the packaging was bio-degradable but that is an issue because if the package gets wet during shipping, the product will be ruined. At the beginning stages, regular plastic packaging will be used as the volume of sales is still relatively unknown and investing in expensive packaging isn’t in the company’s best interest.

6.4 Market analysis

Market analysis for a start-up has to include analysis of potential customers based on demographics, as well as consumer research. Research about the strengths, weaknesses, opportunities, and threats should also be done in the form of a SWOT-analysis, to gain an understanding of the position of the company in the market, while comparing it with competitors. To gain an understanding about the company’s potential customer demographics, a survey was conducted. 52 potential customers answered our survey regarding what they think about the concept. Overall, the responses were positive and people seem to like the idea. The survey included questions related to demographics, market research, consumer research, and service feedback.

The 9 questions that were asked were answered as follows. Question 1 (What is your gender?) was a demographic question about the answerers gender. 55.8% (29) of the answerers were female, and 44.2% (23) were male.

Question 2 (What is your age?) was asking another demographic question about the answerers age. Out of the 52 people that filled out the survey, 28 were 18-24 years old, 15 were 25-34 years old, 5 were 35-44 years old, and 4 were over 45 years old.

Question 3 (In what country do you currently reside?) was about the country of residence of the answerers. 10 were from Finland, while the other 42 were residing in other countries, such as UK, Netherlands, UAE, and the USA.

Question 4 (What is your first reaction to the service?) was inquiring answerers about their initial impressions of the service. The answer choices ranged from very positive (4, or 7.8%) ,
somewhat positive (21, or 41.2%), neutral (20, or 39.2%), and somewhat negative (6, or 11.8%). 1 person chose to ignore this question.

Question 5 (How innovative is the service?) was asking how innovative/original the service seems to people who answered. The answers were as follows, 2 or 3.9% thought it was extremely innovative, 10 or 19.6% thought it was very innovative, 22 or 43.1% thought it was somewhat innovative, 16 or 31.4% thought it was not so innovative, and 1 or 1.96% thought it was not at all innovative. 1 person chose to ignore this question.

Question 6 (If the service were available today how likely would you be to use the service?) was asking if people would use the service if it existed already. 2 or 3.9% answered extremely likely, 3 or 5.9% answered very likely, 14 or 27% answered somewhat likely, 11 or 21.6% answered not so likely, and 21 or 41% answered not at all likely. 1 person chose to ignore this question.

Question 7 (Would you be willing to replace a morning cup of coffee with a cup of matcha green tea, knowing its health benefits?) was asking how many answerers would be willing to make the switch from coffee to matcha for their morning beverage of choice. 45% or 23 people said they would be willing. 39% or 20 people said they would not. 15.7% or 8 people said that they don’t drink coffee nor tea. 1 person chose to ignore this question.

Question 8 (In your own words, what are the things you like most about this new service?) didn’t have answer choices so answerers could abstractly say what they like the most. The most prominent answer was the simplicity and ease of use of the service.

Question 9 (If you are not likely to use our new service, why not?) was asking for feedback on why people would not use this service. 42% or 19 people said they do not need a service like this. 13.3% or 6 people said that they do not want a service like this. 4.4% or 2 people said they are satisfied with competing services. 4.4% or 2 people said they cannot pay for a service like this. 13.3% or 6 people said they are not willing to pay for a service like this. 7 people chose to ignore this question.

The next step in the market analysis was to conduct a SWOT and PEST analysis, which highlight the strengths, weaknesses, opportunities, and threats of the company, as well as political, economic, social and technological factors that can have an impact on the performance of EzMatcha. This can be seen in table 3 and 4.
Table 3: EzMatcha SWOT analysis

<table>
<thead>
<tr>
<th>Strengths (Internal)</th>
<th>Weaknesses (Internal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong branding, emphasis on the simplicity for customers.</td>
<td>• Customers may not want tea on a monthly basis, but instead based on how quickly they finish what they order.</td>
</tr>
<tr>
<td>• Location of operations (support from government, taxation, etc.)</td>
<td>• Shipping costs. A dropshipping business model would not be legal in Finland with a product like Matcha.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities (External)</th>
<th>Threats (External)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• An innovative service in the Finnish market.</td>
<td>• In international markets, big companies will steal most customers.</td>
</tr>
<tr>
<td>• Matcha, and subscription-box type businesses are trendy.</td>
<td>• If the matcha is spoiled in the shipping process.</td>
</tr>
</tbody>
</table>

Table 4: EzMatcha PEST analysis.

<table>
<thead>
<tr>
<th>Political</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Evira regulations on food-stuffs.</td>
<td>• Economic growth around the globe.</td>
</tr>
<tr>
<td>• Regulations of wholesale purchases outside EU.</td>
<td>• Number of online eCommerce businesses growing exponentially.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>Technological</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trend of living a healthy lifestyle is rising.</td>
<td>• Easy-to-use payment services on eCommerce stores are improving daily.</td>
</tr>
<tr>
<td>• Customers likely to use service if recommended by friend.</td>
<td>• Hosting websites on platforms such as shopify or wix is getting simpler and more popular.</td>
</tr>
</tbody>
</table>

Another market research method that will be used is benchmarking. Benchmarking by definition is “the continuous process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders” (Stapenhurst 2017, 4). This is an especially important method in the eCommerce industry.
6.5 Marketing strategy

EzMatcha will appeal to the simplicity of use for customers, meaning that the branding will be focused on that, and therefore so will the marketing. In the beginning stages, the company will not use traditional marketing methods such as ads on newspapers, TV, and radio; but will instead focus solely on social media marketing. Understanding customer behaviour is important in marketing decisions, as well as general business ones. (Solomon 2017, 8.)

EzMatcha will start an Instagram page as well as a Facebook page to use for social media marketing, and to building a community for the customers to share their experiences, thoughts, and reviews. They will be focused on posting quality content such as pictures, videos, and blog-posts regularly, including fan/customer submitted pictures, tips, etc. To build an initial following, the author will share the page to relatives and friends.

The main social media platform that EzMatcha will focus on is Instagram. The Instagram page will consist just of pictures and videos of tea, fitness, and things related to a healthy lifestyle. After an initial following is gained, the author will get at least 2 selected (fitness) bloggers to post about the product on Instagram for a small fee (budget is 50€ per blogger). This will get people in our target customer segment to become interested in the business, and hopefully become loyal customers.

The other platform that will be utilized is Facebook. Facebook will include blog posts, links to related articles, as well as all the Instagram posts because some older customer segments don’t use Instagram and can be reached only through this way. Even though Facebook is losing its popularity; it is a platform much too important to not take advantage of. Facebook marketing can be surprisingly effective as it can find exactly the kinds of users you want to be targeting and aim your marketing efforts exactly to them.

After all initial social media marketing campaigns have been started and are rolling smoothly, the company will invest in a Google AdWords campaign that will drive more traffic to the website. Google AdWords is a service developed by Google that especially eCommerce-related businesses can use to great extent for a relatively small fee. The author has also completed a 4-part course on Google analytics which included the fundamentals of AdWords and analytics training that ties in with the service.
6.6 Organizational management

This chapter will cover the ownership, management, and advisory board structure for EzMatcha. EzMatcha will be a sole proprietorship, owned and operated by the author. The author will be in charge of internal and external management in the beginning stages of EzMatcha’s start-up. When EzMatcha becomes increasingly popular, there is a possibility that new staff can be hired to help the author manage the business. The business will have a small but effective advisory board, that will provide the author with expertise in management, as well as the eCommerce and marketing field.

The first member is the owner and general manager of the crop-stop (the-crop-stop.com). The crop-stop is an online retail store selling crop tops, rompers, and various other women’s clothing and accessories. He has experience in all fields of eCommerce and will be able to provide the author with unmatched advice in all areas from setting up a Shopify store, to contacting suppliers.

The second member a social-media expert who owns and runs multiple successful Instagram pages. He will be able to offer his assistance to the author in aspects regarding marketing on Instagram, as well as how to run a successful Instagram page. He will also be able to run advertising campaigns on his accounts.

6.7 Financial plan

Displayed in table 5 is the projected financial cash flow of the first fiscal year of EzMatcha. It displays the incoming funds for the fiscal year in the top of the table, and outgoing funds in the bottom, all separated into monthly sections. Combined value of investment from relatives and author per month is equal to 75e per month, with 50 of that coming from the author and 25 from relatives. The values of funding from relatives are all based on oral contracts. The income from sales is estimated as 350e per month throughout the year. This 350e combines with 50e own funding, and 25e funding from relatives to give a total of 425e coming in per month. Throughout the year this equates to 6,200e.
Table 5: EzMatcha cash flow

The bottom half of the table is depicting the expenses, in monthly estimates. Estimated expenses per month for Instagram, and Facebook marketing totals to 40€. The matcha orders (which is 50€ per month), and the Shopify subscription are added to that value to give the estimated total expenses per month, which is 80. The yearly expenses are added together with the initial expenses from the first column to give a total of 2,676€ as expenses.

According to the table, the total money coming in to the company’s account over the fiscal year is 6,200€, while the money going out is 2,676€. This leaves a projected profit of around 3,524€ over the first fiscal year.

7 Conclusion

To conclude, the ecommerce aspect of selling matcha tea is according to all research, a very good idea. Matcha is an increasingly trendy health-based tea that is gaining popularity around the globe, as is ecommerce. The combination of these two gives the idea an advantage as the markets are still in the growing stage. In Finland matcha is still a relatively unknown product and EzMatcha is looking to use that to their advantage. When milleninals are given the opportunity to order a very affordable healthy drink on the internet which gets delivered straight to their door, they will jump at the opportunity. This paper is a business plan, which essentially helps the author follow step by step what they need to do in order to create a successful ecommerce start-up.
The thesis process has been an interesting one. The author started planning this already 2 years ago in 2016 and has considered many different ideas for the eCommerce business. Countless hours of planning and research has been put in that will hopefully one day be a successful start-up. The author will establish the company in the coming fiscal year, 2019, and will hope to be profitable by the end of the year.
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