



zealong

US Entry Strategy

Why LA?

Opinion leading City

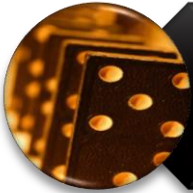
Premium tea market estimated at \$US60m (GMID)

High average income (approx \$US50,000)

Health issues – growing market

Significant Asian population and general population density

Entry Issues



Established competitors



Costing issues

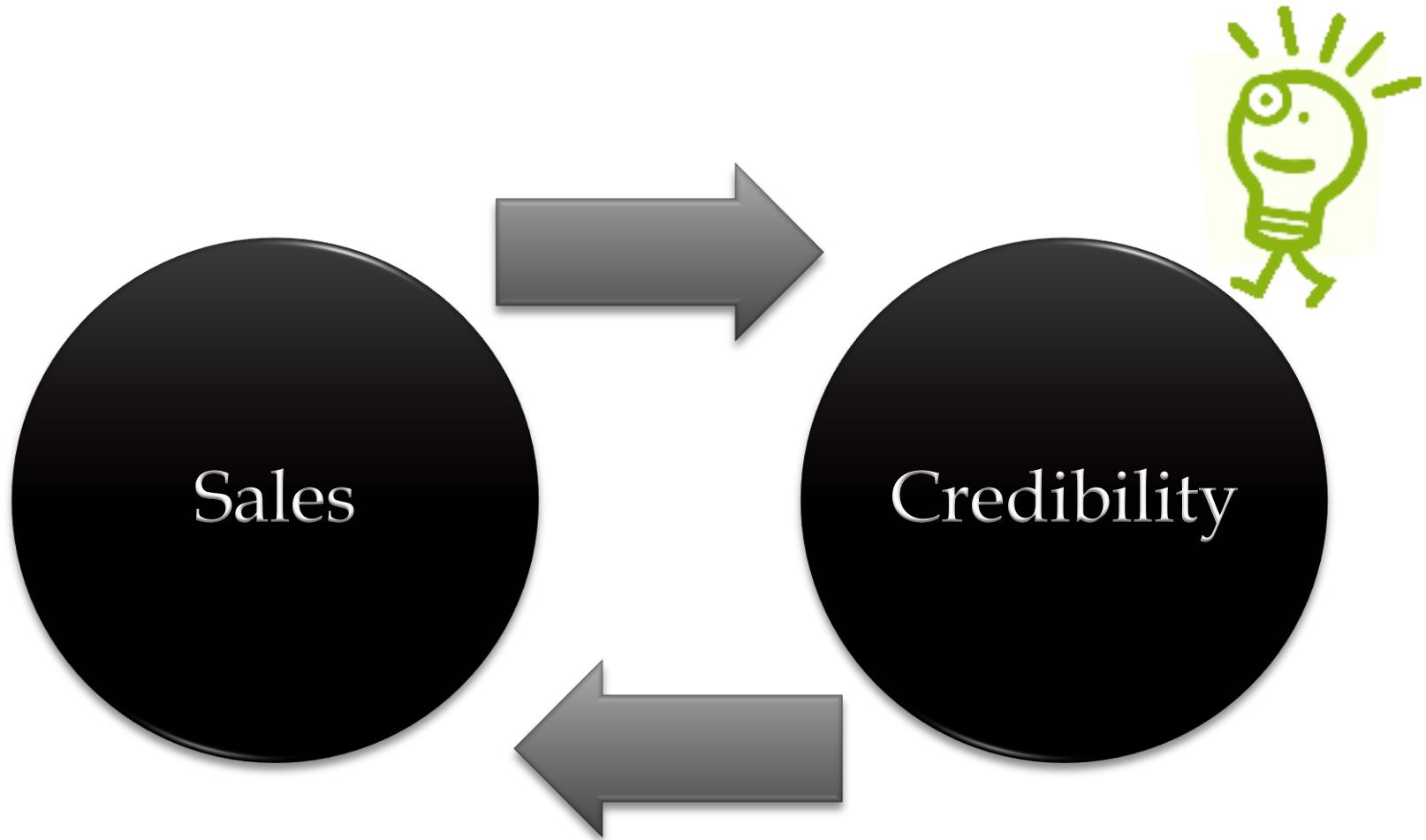


Bargaining power of retailers



Brand Credibility

The Credibility Problem in the US



Target Market



Experiential
consumers – brand
switching opinion
leaders with high
disposable income



Tea Lovers



Business people
looking for healthy
alternatives to Red
Bull and Coffee



Niche Growth Strategy

PHASE 1 Tea Merchants

- Small Specialised Retailers
- Build Relationships (Credibility)
- Strong Brand image and loyalty
- Certification with the US Tea Association

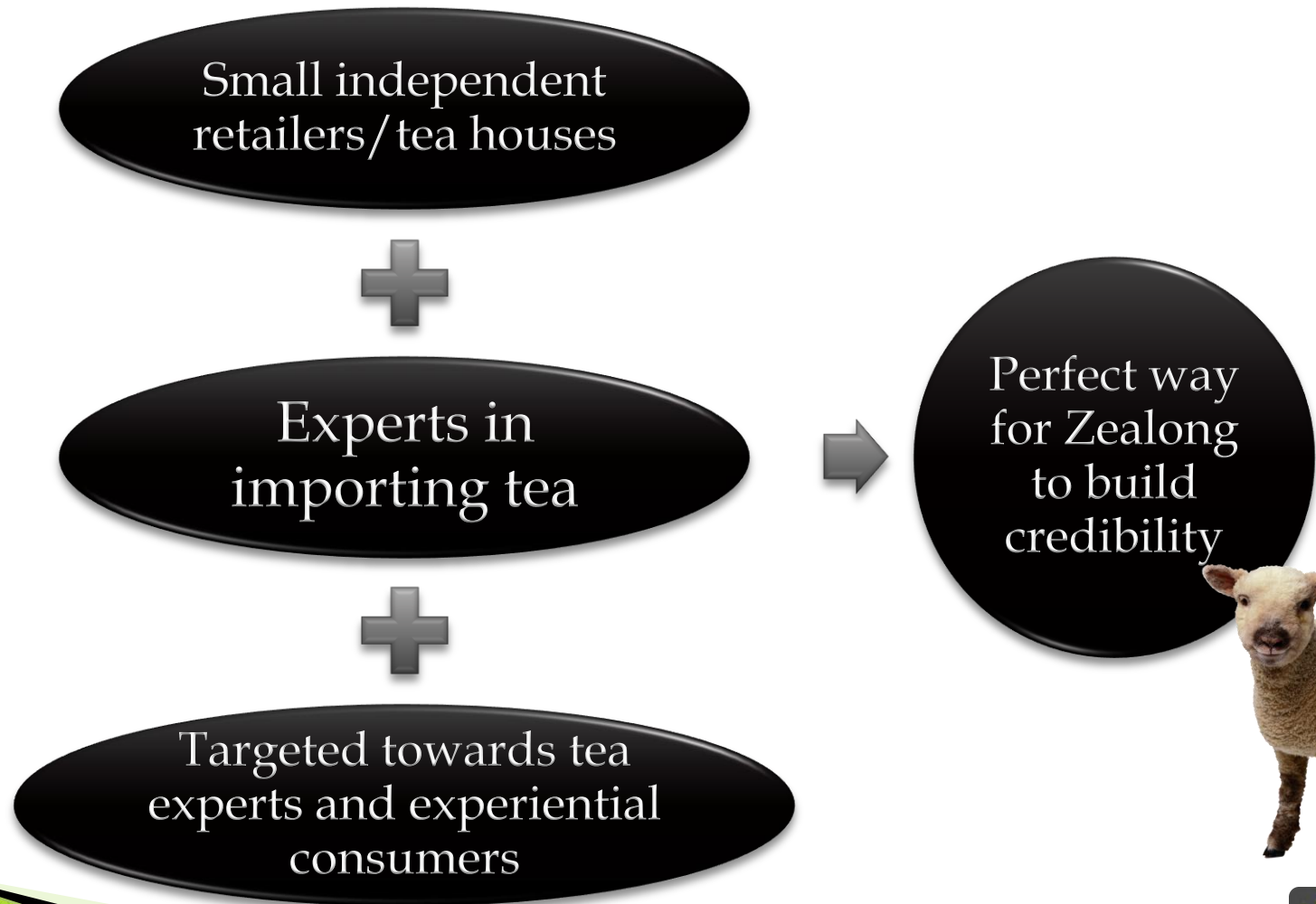
PHASE 2 Niche Gourmet Retailers

- Diverse distribution and customers
- Covers a highly targeted demographic (Premium food)
- Health conscious
- Role of Trade Shows

PHASE 3 Future Expansion

- San Francisco - Home of Oolong Tea in U.S
- Other Californian Cities
- Role of Trade Shows

Tea Merchants



Chado

Independently
owned:
4 locations

Wide variety of tea

Problem: Being left on
the shelf

Supplies hotels, restaurants and
spas



In-store Promotion



*Unmistakeable **quality** tea
from an **untouched** land*



*Experience the first organic oolong tea, grown,
processed and packaged in **New Zealand**,
making it amongst the purest in the world.*



Phase 1 - Follow up

Phase 1 should last 6 – 9 months

Will give Zealong experience within the U.S market with low risk and good control

What would success look like???

Zealong can extend the marketing towards gourmet retail stores

Can apply to be an associate member of the U.S Tea Association

Niche gourmet retail stores



Californian Phenomenon



Based in high income suburbs/No overlap with Chado

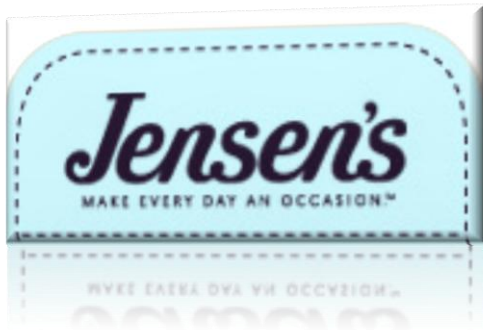


Focus on quality & health conscious consumers



Good for targeting high-switch consumers and a wider client base

Niche gourmet retail stores

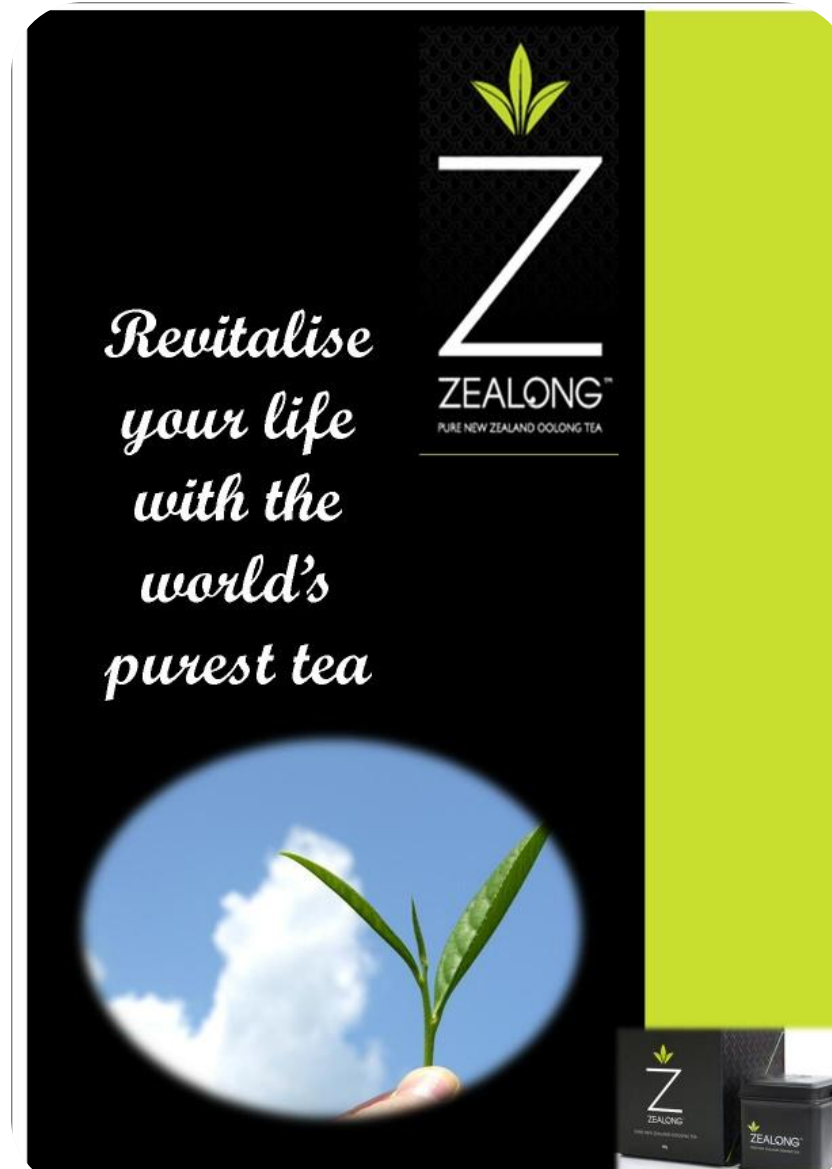


Jensen's 9 stores across southern California, supplier to restaurants

Provides expansion path into local restaurants and other retailers

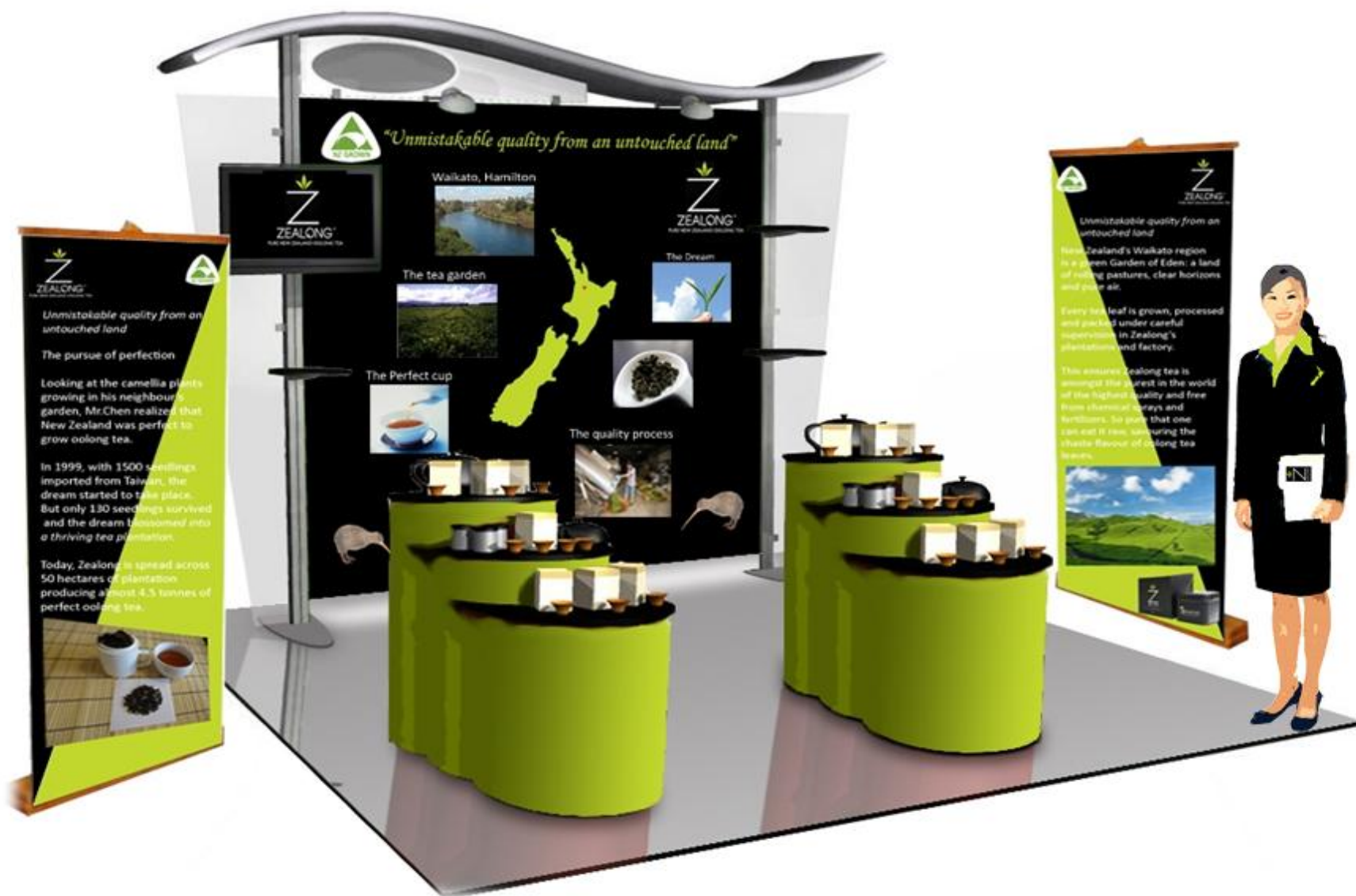
This is essentially the main market for Zealong

Promotion



Promotion





Unmistakable quality from an untouched land

The pursue of perfection

Looking at the camellia plants growing in his neighbour's garden, Mr.Chen realized that New Zealand was perfect to grow oolong tea.

In 1999, with 1500 seedlings imported from Taiwan, the dream started to take place. But only 130 seedlings survived and the dream blossomed into a thriving tea plantation.

Today, Zealong is spread across 50 hectares of plantation producing almost 4.5 tonnes of perfect oolong tea.



"Unmistakable quality from an untouched land"



Waikato, Hamilton



The tea garden



The Perfect cup



The quality process



The Dream



Unmistakable quality from an untouched land

New Zealand's Waikato region is a Green Garden of Eden: a land of rolling pastures, clear horizons and pure air.

Every tea leaf is grown, processed and packed under careful supervision in Zealong's plantations and factory.

This ensures Zealong tea is amongst the purest in the world of the highest quality and free from chemical sprays and fertilisers. So pure that one can eat it raw, ensuring the classic flavour of oolong tea leaves.



PURE NEW ZEALAND OOLONG TEA



Phase 2 – Follow up

Phase 2 should last 9 – 24 months



Will give Zealong a solid foundation in the market



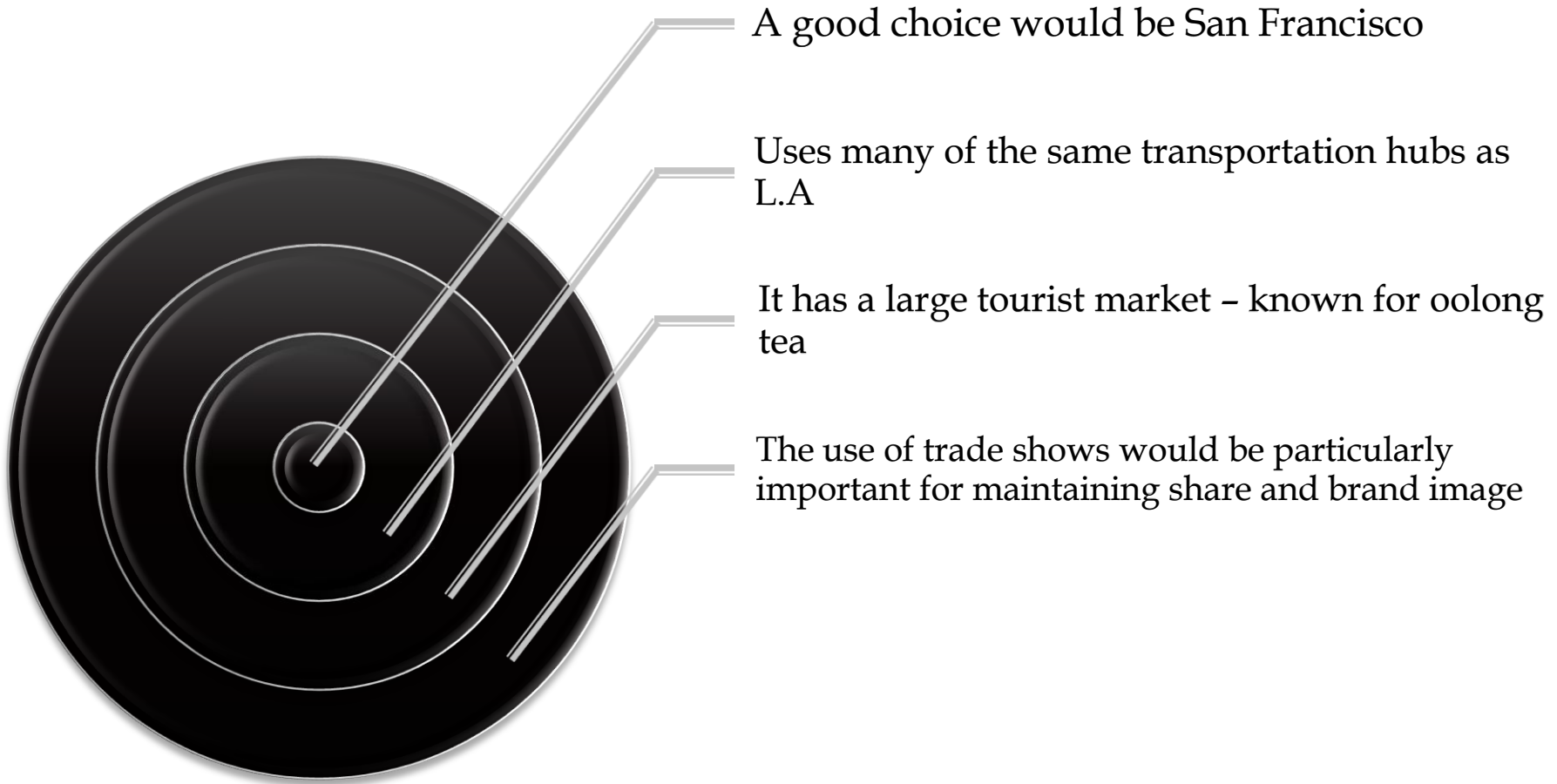
What would success look like???



Zealong will have a good foundation to expand into other areas in the *Californian* and U.S market



Future Expansion



San Francisco Expansion

Online Tea
Importers

Imperial
Tea Court

Samovar

Draeger's

SAMOVAR®

Practice Peace. Drink Tea.
Practice Peace. Drink Tea.

Draeger's
MARKET

Imperial Tea Court
Experience the Tradition...



International Tea Importers | "Source of Premium Teas"



Maintaining Control



At each stage Zealong needs to be aware of the benefits as well as the costs



Larger retailers will seek lower margins and will need greater security in delivery and quality



Overall Zealong needs to keep a measured approach to growth to ensure that control and quality is maintained.

