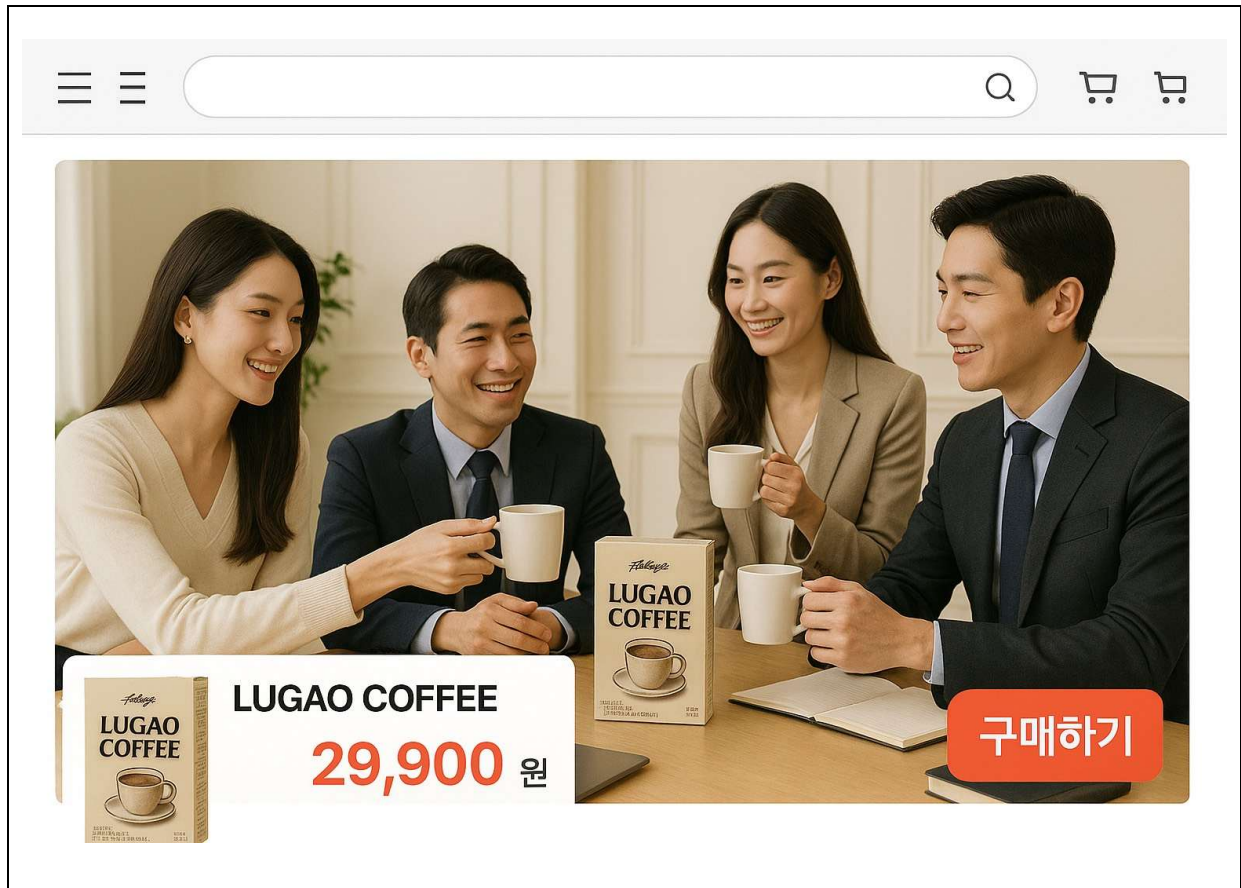


What should the file name be?

Lugao Coffee Marketing Strategy



G10- Group Chill Guys

企管二 S1263060 Penny

企管二 S1263061 Yuki 2

企管二 S1263062 Rina

國四甲 S1042037 Hayley

英語四 S1041056 Ian

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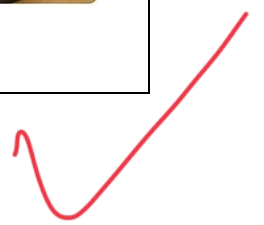


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I. Introduction

Lugao coffee is grown in Yuchi Township, Nantou, in central Taiwan. With the mild climate and well-drained soil, the region provides an ideal environment for growing both coffee trees and black tea. The coffee is classified into five distinct flavors, all featuring a medium roast. It offers a fragrant of floral and fruity aromas, delivering a smooth and balanced taste. Our report

focuses on the economic and cultural environment of South Korea, providing valuable insights to help us position and promote this drip coffee to our target market. ✓

II. The target segment

Segment

Benefit Segmentation : Functional Benefits / Emotional Benefits

Behavior : Brand Seeker, Utility-Oriented, Frequency (everyday / often / never), Online shopping

Psychographic : Self-image Conscious, Achievement-oriented, K-culture Enthusiasts

Geographic : Urban / Countryside

Demographic : Age 22-42, older than 65

Education : High school / above college

Occupation : Entertainment / Manufacture / Agriculture

Target segment (Seoul)

age : women, 25-35 years old, office workers, aesthetic lifestyle seekers

Behavioral :

1. Drink coffee for energy in the morning and afternoon
2. Value convenience daily ritual
3. Share lifestyle product finds
4. Interested in nice overseas brands (self-expression)

III. The product

Our coffee bursts with fruity aroma and offers a rich, full-bodied mouthfeel. With a moderate caffeine level, it's perfect for an afternoon cup without disrupting your evening rest. Each package is thoughtfully designed and features uplifting short quotes to brighten your day. Let your morning begin with the comforting ritual of brewing a cup of coffee. ✓

Our product is incredibly convenient — all you need is hot water and a cup to quickly brew your coffee. During this simple ritual, you can immerse yourself in the rich aroma while revisiting the inspiring quotes printed on the packaging. It's a delightful way to bring intention and calm to the start of your day. ✓

We also offer beautifully packaged coffee gift sets — perfect for friends or supervisors who love coffee. Our products emphasize both high quality and a sense of ritual, making them an ideal and thoughtful gift choice. Unlike ordinary instant coffee, our brews are crafted through hand-pouring, allowing the recipient to fully immerse themselves in the aroma and the moment. The simple act of brewing becomes a mindful escape — washing away fatigue and recharging energy for the day ahead. With their refined presentation and premium quality, our gift sets never feel generic, and are sure to convey genuine care and intention.

Our coffee beans are carefully handpicked at full ripeness to ensure consistent maturity and optimal flavor development. We practice weed-free, natural grass cultivation to protect the soil's microbial ecosystem and support long-term environmental health. Using the natural sun-dried whole-cherry method, our beans are ideal for medium to dark roasts with enhanced sweetness. The resulting cup offers more than just a rich floral and fruity aroma — it delivers a smooth acidity that is bright but never sharp, perfectly tailored to the gentle taste preferences of many Asian coffee drinkers.

IV. Pricing

Pricing Strategy: Cost-Plus Pricing

The market price range for drip bag coffee in South Korea generally falls between **KRW 10,000 (price floor)** and **KRW 50,000 (price ceiling)**. We adopt a mid-to-high-end specialty coffee pricing approach, setting the price of each box of Lugao Coffee at **KRW 29,900 (approximately NT\$660)**. Each box contains **5 individual drip bags**. In the initial phase, we plan to export **500 boxes** to South Korea.

OK But
how to adapt
for the market -
if at all?

The unit cost per box is approximately **NT\$549**, which includes:

- NT\$300 for coffee beans and packaging
- NT\$20 for sea freight (CIF terms)
- NT\$58 for import duties
- NT\$24 for KOMOJU payment gateway fee
- NT\$4 for monthly cost allocation from the Cafe24 e-commerce platform
- NT\$130 allocated social media advertising expense
- NT\$13 reserved for currency exchange losses (2%)

The **gross profit per box** is NT\$111, resulting in a **gross profit margin** of approximately 17%.

V. Position

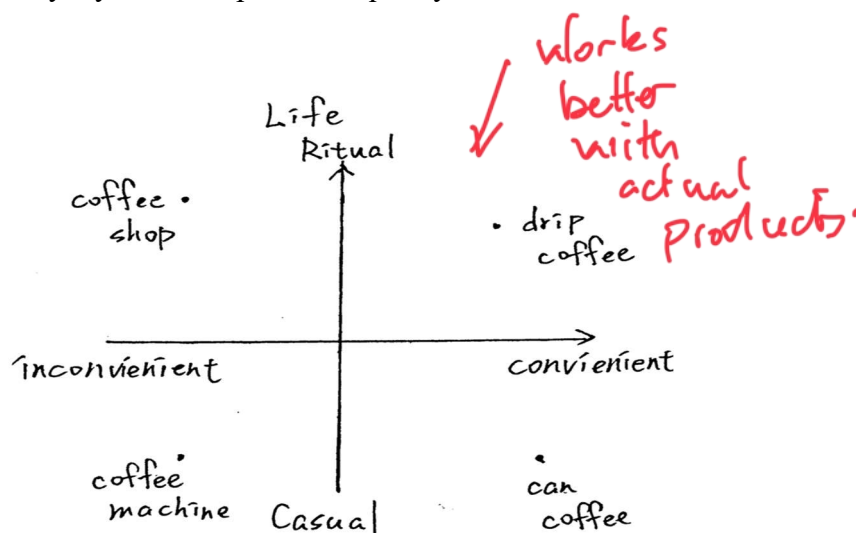
Product Positioning

Lugao Drip Coffee Bags focus on “ritual within convenience”, offering young Korean

professionals a stylish and expressive way to enjoy specialty coffee.

Market Positioning

Positioned between life ritual and convenience : More tasteful than canned coffee, more practical than hand-drip or café coffee the ideal balance of everyday ease and premium quality.



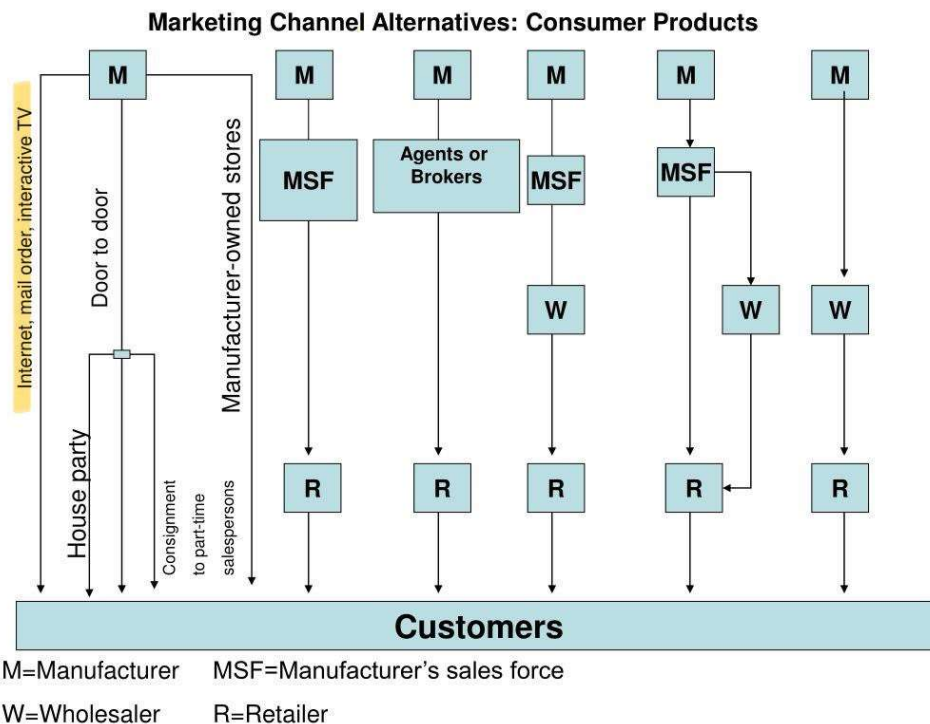
Brand Belief

“Every coffee bean is ground with care, just to give you a better day.

Lugao Coffee turns your everyday cup into a statement of style and lifestyle.

VI. Promotion

Marketing Channel



To successfully promote Taiwanese LUGAO Coffee in Korea, we plan to use both online marketing channels and e-commerce platforms. However, we discovered that we cannot directly upload our products to Korean platforms like **Naver Smart Store** or **Lotte Mart** without local business registration. Therefore, we need to collaborate with a Korean e-commerce integration platform. ✓ good

Sales Channel

Taiwan Export ⇨ Cafe24 (e-commerce integrator) ⇨ Naver Smart Store / Lotte Mart ✓ good yes

Cafe24 is Korea's leading e-commerce integration platform that provides comprehensive service for online businesses. It enables foreign brands without a Korean business license to legally list their products on major e-commerce platforms such as Naver Smart Store and Lotte Mart. Key services include product listing support, cross-border logistics, and local market access assistance.

Strategies

Customer Review Incentive

Customers who leave a product review will receive free shipping on their next order, encouraging engagement and repeat purchases.

Holiday Promotion Campaign

Special limited-time discounts and gift sets will be launched during International Coffee Day (October 1) to drive seasonal demand.

Social Media Giveaway

Users who share product photos or unboxing videos on Instagram or TikTok and tag our brand will enter a giveaway for a Surprise drip coffee, helping clear excess inventory while boosting brand exposure.

VII. Service Support- 3Ps

People:

At **LUGAO Coffee**, the "People" element plays a crucial role in building strong customer relationships and delivering both professionalism and warmth. To enhance customer experience and strengthen our brand identity, we have implemented the following three strategies:

- **AI Chatbot Customer Service**

To improve efficiency and satisfaction during the shopping journey, LUGAO Coffee has implemented a 24/7 AI-powered chatbot available through our official website and social media channels. This intelligent service can provide product information and brewing suggestions, track order status, and answer frequently asked questions (FAQs). This strategy not only reduces labor costs but also ensures consistent and fast responses, catering especially to younger consumers who prefer self-service interactions.

- **Live Customer Support with Coffee Expertise**

For customers seeking in-depth information about coffee flavors, origins, or brewing methods, LUGAO Coffee offers live customer service representatives with professional coffee knowledge. These team members are: trained in coffee tasting and brewing techniques, familiar with our product lineup including flavor profiles, processing methods, and roast levels. They are also able to recommend products or brewing tips based on individual customer needs. This service reinforces our brand identity of professional craftsmanship, and fosters a deeper sense of trust between the brand and our customers.

rituals rituals?

- **User-Generated Content Representative (UGC Representative)**

Instead of investing in high-cost celebrity endorsements, we adopt a more relatable and budget-friendly approach through User-Generated Content (UGC). LUGAO Coffee encourages loyal customers to become brand content representatives by sharing their own coffee moments online. This includes posting unboxing or brewing photos/stories on Instagram, creating short-form videos about taste experiences or brewing routines and using designated hashtags (e.g., #MyLUGAOcoffeeMoment). Moreover, the selected participants will have the opportunity to be featured on LUGAO Coffee's official social media channels, receive exclusive product samples or unreleased flavor of the new coffee and act as authentic brand connectors between LUGAO and the broader community. This approach enhances social engagement and authenticity, empowering customers to become an organic part of the brand story.

Process:

LUGAO Coffee has built a streamlined and thoughtful process from purchase to after-sales service. By standardizing steps such as order placement, packaging, delivery, and customer support, we ensure a consistent, efficient, and enjoyable customer experience. These internal processes support our brand promise of quality and care, while also reinforcing trust and satisfaction.

- **Ordering Process Design**

To minimize friction in the purchasing journey, LUGAO Coffee supports a wide range of popular mobile and digital payment methods, including Samsung Pay, Apple Pay, Kakao Pay and Major credit cards. These options are integrated across our website and social media shopfronts (e.g., Instagram Shop), making it easy for tech-savvy Korean consumers to complete purchases with speed and convenience.

- **After-Sales and Support**

To handle inquiries or issues after purchase, LUGAO Coffee provides online FAQ and refund application forms. These digital forms streamline the complaint-handling process and reduce the time and effort customers need to resolve issues. This self-

service model empowers customers while reducing response time and improving satisfaction.

- **Consistent Brand Experience**

less critical market on entry.

It maintains high consistency in customer interactions by training customer service teams and logistics partners on brand tone, service standards, and response speed. Besides, standardizing workflows for social campaigns, such as: UGC submission, review and approval, official reposting and reward distribution. This ensures that every touchpoint reinforces our brand identity of warmth, professionalism, and trust.

Physical Evidence:

LUGAO Coffee carefully designs every customer touchpoint to build trust, convey quality, and reinforce brand identity. Our physical evidence strategy focuses on visual consistency, tangible service elements, and meaningful brand storytelling.

- **Consistent Visual Identity Across Packaging**

✓ To reflect the brand's origin in the misty mountain forests of Nantou, our packaging design incorporates natural elements such as forest landscapes, deer motifs, and a minimalist yet elegant style. These design choices reinforce LUGAO's connection to nature and express the refined simplicity we bring to each cup.

- **Tangible Elements at Key Customer Touchpoints**

Every shipment from LUGAO Coffee is designed to leave a lasting impression. Our branded shipping boxes feature the logo and slogan, while each package includes a thoughtfully crafted thank-you card and a clear, beautifully designed brewing guide. These tangible items build emotional value and enhance the overall customer experience. Our slogan, "A cup of elegance, your daily gift," encapsulates our mission: to offer more than just coffee, but a daily moment of serenity, beauty, and care. This message appears on all major touchpoints, including packaging, digital platforms, and print materials.

make part of your target

- **A Brand Story Rooted in Community and Resilience**

Our identity is also shaped by the women behind our coffee. **LUGAO's story is not only about coffee, but about people.** (Real Story from Lugao's Instagram)

The Women of Lugao

Before the LUGAO Coffee Estate became known across Taiwan, it was already home to three refined coffee farms. Each farm is led by a female farmer—women who manage the entire process from planting to processing to brewing, without outsourcing a single step. These women arrived at LUGAO during different phases of their lives, eventually becoming part of a close-knit community. Nurtured by the land and bonded by their shared dedication, they support one another while promoting the spirit of LUGAO Coffee. Together, they represent strength, care, and the quiet power of collaboration.

This authentic narrative is presented on our website, packaging materials, and social media, reminding customers that each cup carries a story—of the land, of resilience, and of women who pour their hearts into every bean.