
Determining the Right Market Segmentation and Marketing Tactic to Increase Sales at Teguk Indonesia

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ABSTRACT

This study aims to identify the problems and challenges faced by TEGUK Indonesia, a company experiencing growth in the contemporary Indonesian boba drinks market but currently facing a decline in sales and profit margins. Although overall market demand for boba beverages has increased, TEGUK's performance is hindered by inadequate market segmentation and ineffective marketing strategies, resulting in financial underperformance. This research adopts a quantitative research design, utilizing a structured survey distributed to over 500 respondents in key regions such as Jabodetabek and West Java. The study analyzes customer demographics, consumption behaviors, and consumer preferences to identify effective market segmentation and to provide actionable marketing management solutions. Data analysis employs descriptive statistics, reliability and validity testing, and ANOVA to ensure the robustness and relevance of the findings. Results indicate that TEGUK's current marketing initiatives are not effectively reaching its target market, highlighting the need for an improved segmentation model that incorporates demographic, psychographic, and behavioral variables. The recommended marketing strategies are designed to enhance TEGUK's internal marketing capabilities, attract a broader customer base, and increase sales by implementing targeted promotions, focusing on selected product lines, optimizing sales channels, and strengthening brand presence. The analysis concludes with a strategic roadmap and implementation plan, guiding TEGUK in aligning its marketing management strategies with customer expectations to ensure improved sales performance and sustainable long-term growth in a competitive market.

KEYWORDS

market segmentation, marketing strategy, TEGUK Indonesia, boba beverages, consumer behavior, quantitative research



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INTRODUCTION

The Indonesian beverage market, particularly the *bubble tea* segment, has experienced significant growth in recent years, propelled by rising consumer demand for trendy and affordable drinks. In 2021, the value of the *bubble tea* market

in Indonesia reached USD 1.6 billion, accounting for nearly 44% of the total *bubble tea* market in Southeast Asia, which was valued at USD 3.66 billion. With over 268 million registered consumers, Indonesia has the largest customer base in the region, indicating that approximately 97% of the population has consumed this beverage.

The *boba* drink itself originated in Taiwan and has been around since the 1980s, initially emerging as a popular urban beverage by adding white tapioca balls to tea, known as *zhen zhu nai cha*—which translates to “pearl milk tea” in Indonesian, or more commonly referred to as *boba* milk tea or *bubble tea* (Awalia Safitri et al., 2021; Ayu Wulandari et al., 2023; Chia et al., 2023; Liu et al., 2021; Sari & Nasution, 2022; Stefanie, 2023). This drink gained international popularity and was first introduced to Indonesia by the multinational beverage brand Quickly in 2001, before being adopted by other brands.

The *boba* drink has evolved for more than a decade and reached its peak in Indonesia in 2018. However, the onset of Covid-19 in 2019 posed challenges for all businesses, including the *boba* drink sector, resulting in a temporary decline in sales. Despite these rapid and significant changes in market trends, interest in *boba* drinks remains stable and is even predicted to continue increasing.

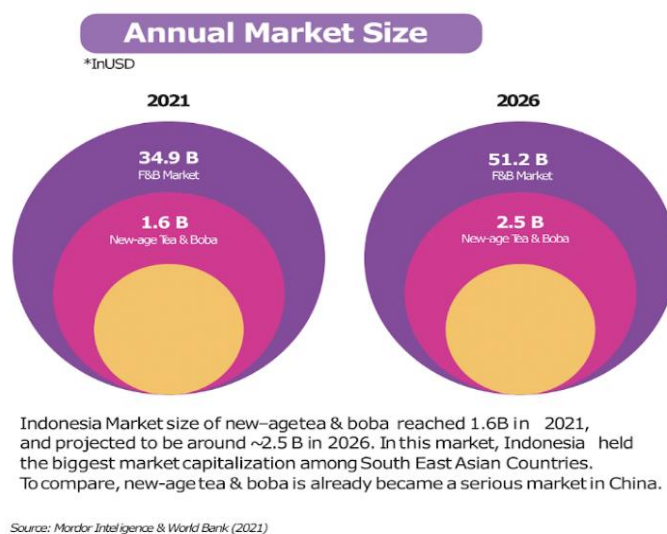


Figure 1. Annual Indonesia Market Size of Boba

The market size for *new-age tea* and *boba* in Indonesia reached **USD 1.6 billion in 2021** and is projected to grow to around **USD 2.5 billion by 2026** (Mordor Intelligence, 2021). This substantial growth underscores the rising popularity of tea-based beverages, including *new-age tea* and *boba*, among Indonesian consumers. The expansion of this market is driven by several key factors: shifting consumer preferences toward innovative flavors, the influence of social media in positioning these beverages as lifestyle products, and the rapid proliferation of *boba* and tea chains throughout the country.

As disposable income continues to rise and urbanization advances in Indonesia, the *tea* and *boba* market is expected to sustain its growth, presenting opportunities for new entrants and challenges for existing players to remain relevant in a highly dynamic market.

The graph in Figure 1-3 illustrates the number of *boba* drink outlets over the last decade (2012–2022) compared to other beverage types, showing that *boba* outlets have remained stable and tend to grow, reflecting the segment’s resilience and ongoing consumer demand.

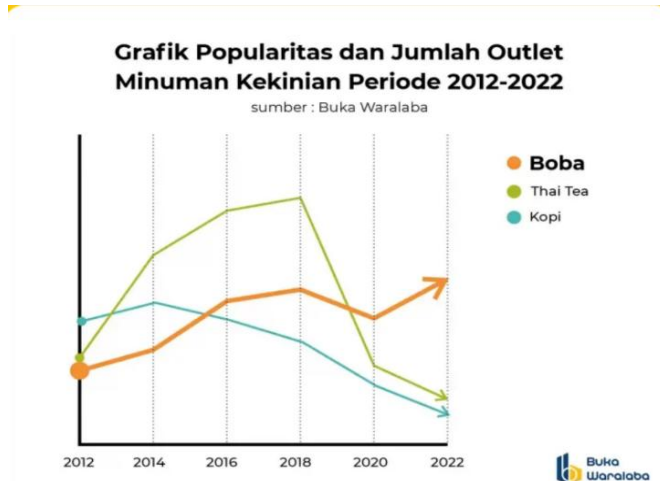


Figure 2. Population Graph of Number of Outlet

In addition, a report from Statista shows that drinking trends in Indonesia are strongly influenced by young demographics, where 64% of the population is under 35 years old. This group tends to have greater purchasing power for products that are visually appealing and have a strong presence on social media (Statista, 2023).

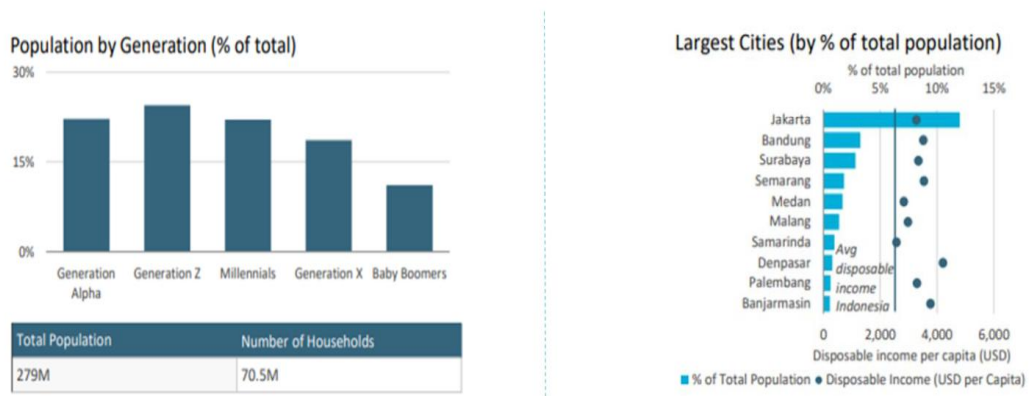


Figure 3. Population by Generation and Largest Cities

Based on data from Badan Pusat Statistik (BPS) Indonesia In 2023, the distribution of Indonesia's population based on age range will be majority filled by

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Gen Y (millennials) and Gen Z, where the Gen Y contributes around 31% of total Indonesian population and the Gen Z contributes around 24% of total Indonesia population. Both Gen Y and Gen Z contributes more than 50% of total Indonesia population.

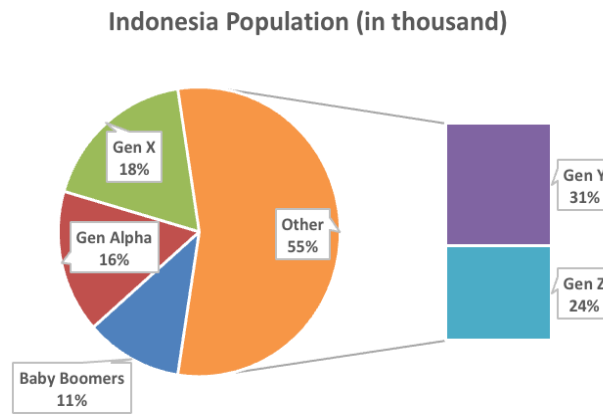


Figure 4. Indonesian Population by Generation

Conditions that are not too different can also be seen from the population distribution in Jakarta province, which is the main location and main market for this boba drink as well as the location where TEGUK outlets operate. Gen Y and Gen Z account for 55% of the total population which is also the main market for this drink

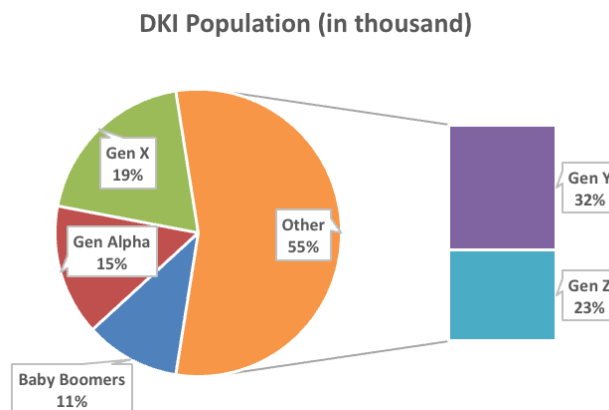


Figure 5. DKI Population by Generation

Generation Y, also known as Millennials, refers to individuals born between 1981 and 1996. This generation grew up during the digital transition era, marked by the rapid development of the internet and social media. Their purchasing behavior is heavily influenced by technology, with Millennials more likely to shop online via *e-commerce* platforms due to the convenience and speed these channels offer (García-Salirrosas & Rondon-Eusebio, 2022; Gu et al., 2021; Lee & Lim, 2020; Soyer & Dittrich, 2021). Additionally, they prioritize shopping experiences and are attracted to products or services that provide added value, such as ease of access, flexibility, and innovative features (IMARC Group, 2020). Millennials are also

highly influenced by online reviews and user testimonials before making purchasing decisions. Social media serves as their primary channel for discovering product information and engaging with brands.

Meanwhile, Generation Z, born between 1997 and 2012, is recognized as a digital native generation, having been immersed in technology from an early age (Agárdi & Alt, 2024; Chang & Chang, 2023; “Developing Nationalism Character among the Digital Native Generation through Formal Education in Indonesia,” 2023; Kim, 2023; Muchsini & Siswandari, 2020). They are highly familiar with smartphones, applications, and social media platforms such as TikTok and Instagram (imarcgroup.com). Generation Z tends to seek information instantly and values speed and convenience in transactions. They prefer products that reflect personal identity and social values, including sustainability and social justice. Furthermore, Generation Z is strongly influenced by trends and engaging visual content, making marketing strategies that utilize short videos or creative content particularly effective for this demographic.

While these generational insights are crucial for marketing management, they must be considered alongside Indonesia’s economic context in 2024. The country experienced five consecutive months of deflation, from May through September (0.12%), and the middle-class population declined by 17.13%, from 57.73 million in 2019 to 47.85 million in 2024 (Badan Pusat Statistik (BPS), 2023). According to Special Economic Advisor to the President, Bambang Brodjonegoro, this combination signals a decrease in community purchasing power. However, the Indonesian government, in its press release *Siaran Pers HM.4.6/393/SET.M.EKON.3/11/2014*, reported that the economy grew by 4.95% (year-on-year) and 1.5% (quarter-to-quarter) in the third quarter of 2024, with projections to surpass 5% growth by year-end. Finance Minister Sri Mulyani indicated that this growth suggests Indonesian purchasing power remains relatively stable (*Tumbuh 4,95% (yoy) di Q3-2024, Pemerintah Optimis Ekonomi Indonesia Mampu Tumbuh diatas 5% Sepanjang Tahun 2024*, 2024).

TEGUK Indonesia was established with the mission to make high-quality, made-to-order drinks accessible to the masses at affordable prices. The company began with a single outlet in 2018 and has since expanded to operate over 150 outlets across Jakarta, Banten, and West Java provinces. TEGUK’s product portfolio features popular items such as *boba* tea, palm sugar coffee, and, more recently, ice cream under the *Es Grim* brand, in partnership with AICE Group. This strategic collaboration has enabled TEGUK to broaden its product offerings and tap into new revenue streams from the ice cream market.

By adopting the tagline “accompany your day in every taste,” TEGUK initially received a positive market response. The company achieved significant financial success, with revenue reaching 132 billion rupiah in 2023. Additionally, TEGUK successfully listed its shares on the Indonesian Stock Exchange, becoming the first small-medium enterprise to enter the public company category.

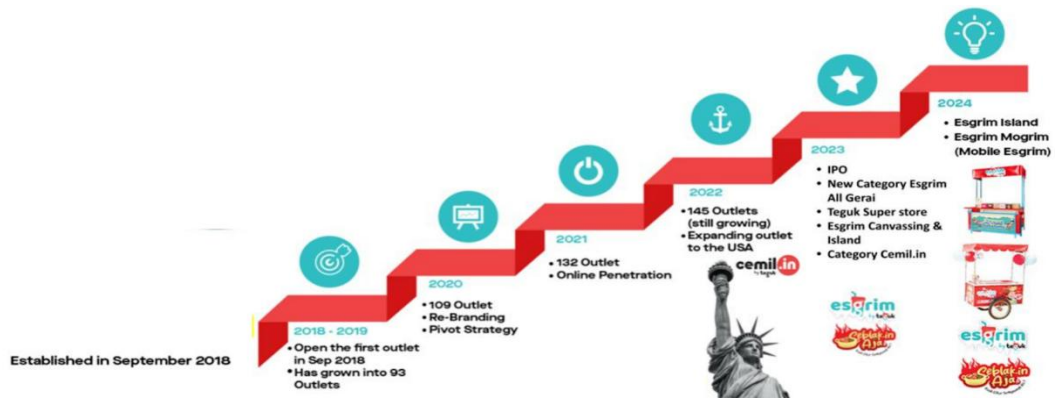


Figure 6. TEGUK Milestone

TEGUK's operations are supported by an efficient in-house supply chain, with distribution hubs in Tangerang, East Jakarta, and Bandung. This allows the company to maintain a strong cost-management approach, ensuring competitive pricing while delivering quality products. Additionally, TEGUK collaborates with major FMCG brands like Ovaltine, Milo, KitKat, Nestea, Frisian Flag, and others to secure premium ingredients at lower costs, further enhancing its price competitiveness. TEGUK has also ventured into international markets with its first outlet in New York City, marking the beginning of its global expansion strategy.

In selling their products, TEGUK uses all type of formats, offline (kiosks, containers, bicycle, motorbikes and food trucks) and online to capture the lower middle mass markets. TEGUK adopt low cost-low price strategy to maintain price advantage and economic of scale.

Company Products

TEGUK has 4 (four) types of products that offered to the market. The product line is divided into Beverages, Snack, Dessert and Foods. All the product is delivered to the market through self-owned channel distributions.



Figure 7. Varieties of Company Products

The first products sold were the boba series and Thai tea which received an extraordinary response from the public. From one taste, it developed into several flavors and variants of boba drinks. Apart from that, in the following years, TEGUK released non-beverage products, namely the bread series, ice cream and ready-to-eat food.

Some of these products are made in-house, such as boba powder and bread, as well as collaborating with several MSMEs and suppliers for other main products, such as drink powder, milk, ice cream and toppings on each menu. Although market of boba drink predict continues to grow and has positive potential market growth, TEGUK – local boba drink brand – faces serious challenges in keeping its revenue and profit margin. In the last three years, declining profit have become major problem that need to be addressed, apart from the fact that in the last year, there has been a significant decline in sales. The financial performance of company demonstrates a downturn condition starting in 2023.

Despite maintaining high revenue level of IDR 132.5 billion, net income drops to 1 billion and the Net Profit Margin Ratio drop to 2% (two percent) from 4.5% (Four-point Five percent) in previous year. During 2004, TEGUK's financial performance based on company income statement report audited year 2022 and year 2023 and un-audited year 2024, experienced a drastic decline in terms of both revenue and profit margin ratio. It can be seen in the table below, after successfully increasing sales from 2022 to 2023, TEGUK's sales performance will decline in 2024 by almost 50% (fifty percent). In terms of net income and net profit margin from year to year it has decreased and reached -18% (eighteen percent) in 2024 to the period September 2024 (TEGUK, 2024).

The research method used in the problem experiment includes analytical methods. Contains the type of method, time, place and tools of research materials. Picture captions are placed as part of the picture title (figure caption) not part of the picture. The methods used in completing the research are listed in this section

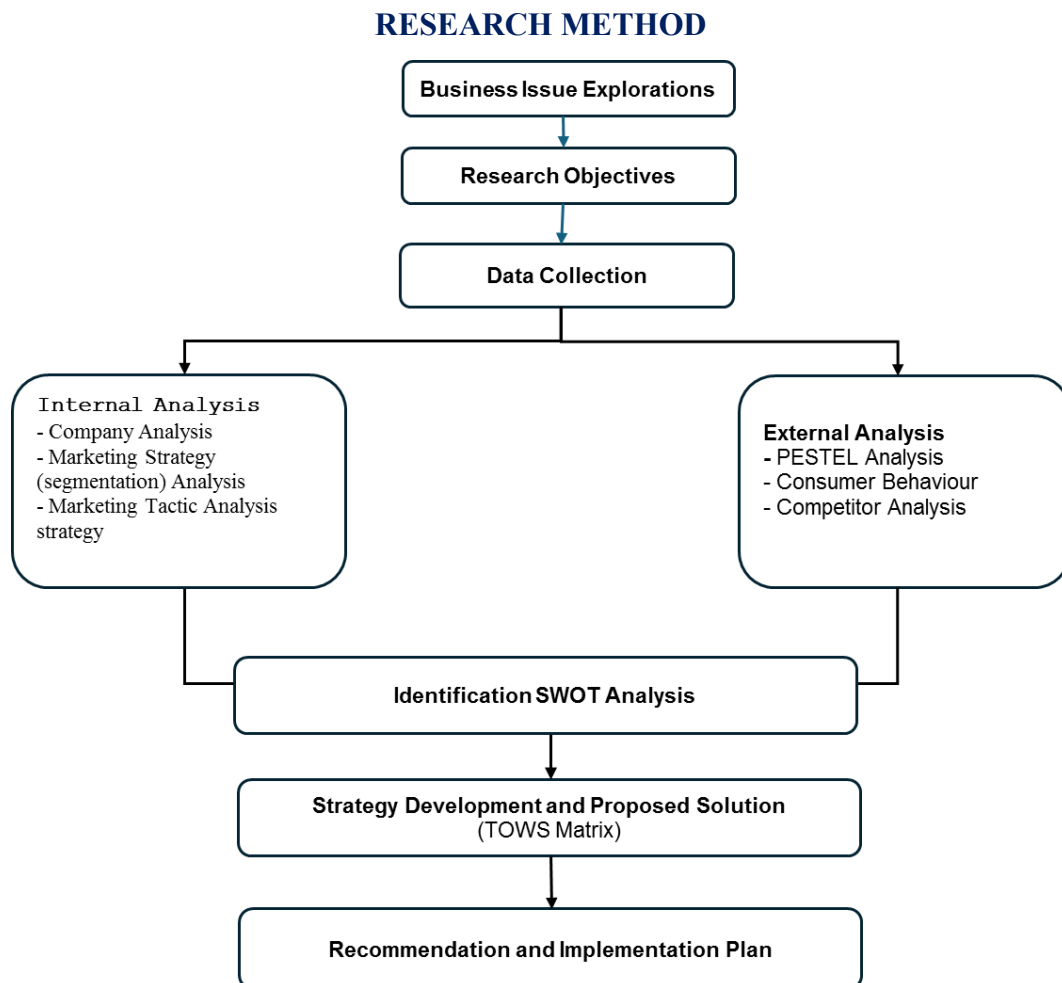


Figure 8. Research Design

The process outlined in the diagram begins with exploring the business issues at the company. By identifying the key challenges or opportunities a business is facing, a clearer picture of what needs to be addressed is formed. This initial exploration is essential for understanding the context in which the company operates and the areas that need improvement or change. Once the business issues are understood, the next step is to establish research objectives to provide focus and direction for the subsequent analysis.

This study covers internal analysis and external analysis to gain a comprehensive understanding of the business situation. Internal analysis is a process that involves marketing strategies especially in segmentation areas and the marketing tactics strategy as well as current conditions of the company looking at conditions in operations, finance and people. External analysis is a process to understand the competitive environment and the customer behaviour that influences TEGUK product sales.

To carry out these two analyses, the author used primary and secondary data. Primary data is data obtained directly from the field using a quantitative questionnaire. Quantitative methods are used to evaluate key variables such as

demographics, consumer behavior, and preferences for sales channels. Data is collected through structured surveys and analyzed using basic statistical techniques to identify and provide measurable indicators while secondary data is data obtained from other sources to support the research carried out. This study employs the TOWS Matrix to align internal strengths and external opportunities and threats, as indicated by the results. This method is designed to propose a solution for the company and a recommendation that provides SMART (specific, measurable, achievable, relevant, and team-bound) aspects.

This research aims to determine the right market segmentation and design an effective tactical marketing strategy to increase the company's sales. To achieve this goal, the study uses data collection methods consisting of primary data and secondary data as a comprehensive approach. Primary data was collected through a quantitative survey conducted by distributing questionnaires to the Jabodetabek and West Java areas. The minimum target for the questionnaire is 500-700 respondents selected based on certain criteria, such as demographics, geographic location, and consumption behaviour, to ensure relevance to the TEGUK market. This survey was designed to gain insight into consumer profiles, brand perceptions, and the effectiveness of communication and promotional channels used by TEGUK. In addition, secondary data is also used to support the analysis and provide broader context to the findings from the primary data. Secondary data is taken from various sources, including:

Social media (such as Instagram, TikTok, GrabFood, and GoFood) to assess customer engagement, sentiment, and communication trends. Industry reports from trusted data providers such as Statista and Mordor Intelligence, which provide insights into current beverage market trends and TEGUK's position in the market. TEGUK's internal sales data from 2022–2024 to identify sales patterns, outlet performance, and effectiveness of previous promotions.

Data analysis is a systematic process of organizing, interpreting, and evaluating data to produce meaningful and relevant information for the purpose of the study. This process involves a series of techniques and methods used to answer research questions, identify patterns or relationships, and support data-based decision making (Zikmund, Babin, Carr, & Griffin, 2013). In this study, primary data collected through questionnaires were analysed using three main methods: reliability and validity testing, descriptive analysis, and ANOVA (Analysis of Variance) analysis.

RESULT AND DISCUSSION

Analysis

Prior to engaging in the discussion of internal and external analysis, it is crucial to guarantee that the data utilized in this research is of sufficient reliability and validity. To assess the reliability of the research instrument, data were collected using a quantitative questionnaire, which was subsequently assessed using the Cronbach's Alpha method. The Cronbach's Alpha value of 0.857, which exceeds the threshold of 0.7, was demonstrated by the test results. This suggests that the instrument in question has an exceptionally high level of internal consistency and

can be trusted to provide support for additional analysis. Furthermore, the validity test demonstrated that all Corrected Item-Total Correlation values exceeded the 0.1 threshold, with a total of 121 question items demonstrating satisfactory internal consistency. This guarantees that each item in the research instrument is capable of accurately measuring the variables in accordance with the study's objectives.

Table 1. Reliability Test Result

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.857	.920	120

Cronbach's Alpha value ranges from 0 to 1:

- < 0.6: Low reliability (instrument is less consistent).
- 0.6 - 0.7: Sufficient reliability (acceptable for initial research).
- 0.7 - 0.8: Good reliability (instrument is quite consistent).
- 0.8 - 0.9: Very good reliability (instrument is very consistent).
- > 0.9: High reliability (there may be redundancy or items are too similar)

The detail of reliability and validity test will be provided on the appendices.

The total number of respondents who completed the questionnaire was 789. After cleaning and checking the completeness of the data and the suitability of its contents, the subsequent analysis process can use 509 of the 789 data entries as a reference.

Business Solution

In its operation, TEGUK has identified its strength and weaknesses through internal analysis. At the same time, external analysis has been used to recognized opportunities and threats that may impact the company's condition. Internal factor, strength and weaknesses, and external factors, opportunities and threats, play a crucial factor in influencing the business processes. By thoroughly analysing these factors, the company can pinpoint the challenges or issues it is facing. This analysis serves as a foundation for developing effective strategies to enhance and strengthen the company's overall position.

A successful business strategy integrates internal and external factor through TOWS analysis. Before executing the strategy, it is essential to identify the appropriate market segmentation and targeting that align to intend positioning. This ensures the strategy leverages the company's strength and opportunities while effectively addressing its weakness and minimizing risks.

Implementation Plan & Justification

This subchapter explains the propose of the implementation plan to be adopted by TEGUK. The framework 5W+1H (What, When, Where, Who, and How will be applied on the implementation plan. Furthermore, to make it follow SMART criteria (Specific, Measurable, Actionable, Relevance and Time bound), the

required resources should be supported by the company. The table 4.3 and 4.4 show the implementation plan design for the strategies identified to the aim of solving the company's problem. The implementation will be based on sequence of priority based on QSOM result.

The implementation plan consists six strategic pillars: Market Development, Product Development, Customer Engagement, Promotion, Pricing, and Distribution. Among these, Market Development, Product Development, and Customer Engagement are the primary focus areas, supported by Promotion, Pricing, and Distribution as enabling strategies. This hierarchical approach ensures that foundational priorities are established before tactical actions are executed. Market Development emphasizes expansion into untapped geographical areas and customer segments, leveraging analytics and targeted campaigns to broaden the brand's reach. Simultaneously, Product Development focuses on refining product quality and launching variations tailored to customer preferences, ensuring relevance in a competitive landscape. Customer Engagement underpins both efforts by building stronger relationships with existing customers through feedback mechanisms, loyalty programs, and personalized communications, fostering trust and long-term loyalty.

The secondary strategies of Promotion, Pricing, and Distribution provide critical support to the core pillars. Promotion emphasizes enhancing visibility and awareness through digital advertising and seasonal campaigns, ensuring alignment with cultural moments such as Ramadan. The Pricing strategy focuses on balancing affordability with profitability, using bundling, discounts, and research-driven pricing mechanisms to attract price-sensitive customers. Lastly, the Distribution strategy ensures seamless product availability by optimizing logistics and deploying innovative solutions like mobile food trucks. The timeline, outlined in the third image, integrates these strategies into a cohesive plan. It begins in January 2025 with Distribution optimization, followed by the launch of promotional campaigns in February for Ramadan and the rollout of pricing adjustments in Q1 2025. This phased approach ensures a steady buildup of momentum, it helps the organization to effectively capture market opportunities and achieve sustainable growth.

Table 2. Implementation Plan (1)

No	What						No	What									
	Proposed Strategy	Description	Resource (s) required	Why	Who	When		Where	How	Proposed Strategy	Description	Resource (s) required	Why	Who	When	Where	How
1	Market Development Strategy	Define clear market segmentation to expand and reach potential market by leveraging and aligning the sales channel (online or offline) to the target population (S3-O3, W3-O3)	Sales & Marketing team, Market research tools, Digital marketing platforms, Sales channel management tools	The company needs to target new customer segments to improve visibility and reach urban markets where Gen Z and Gen Y are concentrated. This helps to overcome the challenge of declining sales.	Sales & Marketing Director, Marketing Manager, Brand Manager	Q1 2025 (Jan - March 2025)	Focus on high-density urban areas, particularly in Jakarta and West Java.	1. Analyze current market trends and segments. 2. Define key target demographics. 3. Align online/offline sales channels. 4. Design targeted promotions. 5. Execute campaigns in selected markets.	4	Promotional Strategy	Improve advertising efficiency and connect with the priority segment market by leveraging customer insight gathered from sales channels and feedback system and highlight product freshness and originality during campaign to avoid profit –eroding discount wars (S1-O3, W3-W4, S2-T1, T2)	Advertising budget, Social media platforms (Instagram, TikTok), Offline retail presence, Market insights tools.	To improve advertising efficiency and better align promotions with consumer preferences.	Sales & Marketing Director, Marketing Manager	Feb 2025 (Ramadan Seasonal) and continuous to following months. In the short term, focusing on high-impact digital campaigns.	Online platforms (Instagram, TikTok) and physical outlets in key urban locations.	1. Develop targeted ads based on consumer insights. 2. Use influencers to drive engagement. 3. Focus on post-features (freshness, originality). 4. Monitor response and engagement. 5. Adjust strategies based on data.
2	Product Development Strategy	Leveraging TEGUK's innovation ability to create unique flavors that cater to the preferences of Gen Z and Gen Y, offering low-sugar, plant-based, or functional beverages to align with the increasing demand for health-conscious products (S1-O1, S1-O2)	Research & Development team, Product development team, Marketing team, Suppliers of raw materials, Testing tools.	To align with health-conscious trends and cater to the evolving preferences of Gen Z and Gen Y consumers.	Sales & Marketing Director, Operations Director, Product Manager, Marketing Manager, Purchasing Manager	Feb 2025 Launch new products in phases, beginning with health-conscious offerings like low-sugar drinks.	Available at both physical outlets and through online platforms.	1. Eliminate Low Performance Product. 2. Develop new low-sugar/plant-based products. 3. Align flavors with Gen Z and Gen Y preferences. 4. Run pilot tests for product feedback. 5. Roll out successful products across the market.	5	Pricing Strategy	Value bundling and premium pricing and negotiating supplier terms to combine into one strategy (S3-T1, W2-T4)	Pricing analysis tools, Supplier negotiation resources, Marketing team, Sales team, Partnership Manager.	To ensure competitive pricing while maintaining profitability, especially for price-sensitive consumers.	Sales & Marketing Director, Partnership Manager, Finance Director, Finance and Accounting Manager, Purchasing Manager	Q1 2025 and evaluate throughout the year, adjusting for promotional campaigns.	Both online and offline sales channels, ensuring pricing consistency across platforms.	1. Conduct market research. 2. Develop pricing tiers based on competition and consumer expectations. 3. Negotiate supplier terms for better cost efficiency. 4. Bundle products for strategic offers. 5. Roll out new pricing in targeted locations.
3	Customer Engagement and Loyalty Strategy	Implement creative campaign that highlight TEGUK's innovative offering to engage the audience by leveraging customer insight gathered from sales channels and feedback system, (S1-O3, S1-W3, S1-W4, S2-T1, S2-T2)	Marketing budget, Social media platforms (Instagram, TikTok), Campaign tools, Customer feedback system.	To build long-term relationships and increase retention rates by enhancing customer engagement.	Sales & Marketing Director, Brand Manager	Continuously, with targeted campaigns throughout the year.	Engage through digital channels like Instagram and TikTok, and in-store experiences.	1. Collect customer feedback via surveys. 2. Analyze customer behavior. 3. Design promotional materials based on insights. 4. Launch engagement campaigns across social media. 5. Monitor campaign performance and adjust.	6	(Place) Distribution Strategy	Direct engagement through offline channels and select focus using hawkers to appeal price sensitive Gen Z customer and optimize distribution hub to enhance supply chain efficiency (S4-T3, S3-O5)	Logistics team, Distribution network, Hawkers, Food trucks, Supply chain optimization tools.	To increase reach and ensure efficient supply chains that can handle the growing demand, particularly for price-sensitive Gen Z customers.	Operations Director, Purchasing Manager, Warehouse Manager	Immediately (Jan 2025), to ensure efficient distribution during peak demand periods.	Focus on urban areas with strong offline presence in housing complexes and office areas.	1. Optimize distribution networks for efficiency. 2. Deploy hawkers and food trucks in high-demand areas. 3. Use supply chain tools to improve product flow. 4. Monitor performance of hawkers and optimize placement. 5. Adjust based on feedback and sales performance.

Table 3. Implementation Plan (2)

No	What						No	What							
	Proposed Strategy	Description	Resource (s) required	Why	Who	When		Where	How	Proposed Strategy	Description	Resource (s) required	Why	Who	When
4	Promotional Strategy	Improve advertising efficiency and connect with the priority segment market by leveraging customer insight gathered from sales channels and feedback system and highlight product freshness and originality during campaign to avoid profit –eroding discount wars (S1-O3, W3-W4, S2-T1, T2)	Advertising budget, Social media platforms (Instagram, TikTok), Offline retail presence, Market insights tools.	To improve advertising efficiency and better align promotions with consumer preferences.	Sales & Marketing Director, Marketing Manager	Feb 2025 (Ramadan Seasonal) and continuous to following months. In the short term, focusing on high-impact digital campaigns.	Online platforms (Instagram, TikTok) and physical outlets in key urban locations.	1. Develop targeted digital ads based on consumer insights. 2. Use influencers to drive engagement. 3. Focus on product features (freshness, originality). 4. Monitor response and engagement. 5. Adjust strategies based on data.							
5	Pricing Strategy	Value bundling and premium pricing and negotiating supplier terms to combine into one strategy (S3-T1, W2-T4)	Pricing analysis tools, Supplier negotiation resources, Marketing team, Sales team, Partnership Manager.	To ensure competitive pricing while maintaining profitability, especially for price-sensitive consumers.	Sales & Marketing Director, Partnership Manager, Finance Director, Finance and Accounting Manager, Purchasing Manager	Q1 2025 and evaluate throughout the year, adjusting for promotional campaigns.	Both online and offline sales channels, ensuring pricing consistency across platforms.	1. Conduct market pricing research. 2. Develop pricing tiers based on competition and consumer expectations. 3. Negotiate supplier terms for better cost efficiency. 4. Bundle products for strategic offers. 5. Roll out new pricing in targeted locations.							
6	(Place) Distribution Strategy	Direct engagement through offline channels and select focus using hawkers to appeal price sensitive Gen Z customer and optimize distribution hub to enhance supply chain efficiency (S4-T3, S3-O5)	Logistics team, Distribution network, Hawkers, Food trucks, Supply chain optimization tools.	To increase reach and ensure efficient supply chains that can handle the growing demand, particularly for price-sensitive Gen Z customers.	Operations Director, Purchasing Manager, Warehouse Manager	Immediately (Jan 2025), to ensure efficient distribution during peak demand periods.	Focus on urban areas with strong offline presence in housing complexes and office areas.	1. Optimize distribution networks for efficiency. 2. Deploy hawkers and food trucks in high-demand areas. 3. Use supply chain tools to improve product flow. 4. Monitor performance of hawkers and optimize placement. 5. Adjust based on feedback and sales performance.							

No	What						No	What									
	Proposed Strategy	Description	Resource (s) required	Why	Who	When		Where	How	Proposed Strategy	Description	Resource (s) required	Why	Who	When	Where	How
1	Market Development Strategy	Define clear market segmentation to expand and reach potential market by leveraging and aligning the sales channel (online or offline) to the target population (S3-O3, W3-O3)	Sales & Marketing team, Market research tools, Digital marketing platforms, Sales channel management tools	The company needs to target new customer segments to improve visibility and reach urban markets where Gen Z and Gen Y are concentrated. This helps to overcome the challenge of declining sales.	Sales & Marketing Director, Marketing Manager, Brand Manager	Q1 2025 (Jan - March 2025)	Focus on high-density urban areas, particularly in Jakarta and West Java.	1. Analyze current market trends and segments. 2. Define key target demographics. 3. Align online/offline sales channels. 4. Design targeted promotions. 5. Execute campaigns in selected markets.	4	Promotional Strategy	Improve advertising efficiency and connect with the priority segment market by leveraging customer insight gathered from sales channels and feedback system and highlight product freshness and originality during campaign to avoid profit –eroding discount wars (S1-O3, W3-W4, S2-T1, T2)	Advertising budget, Social media platforms (Instagram, TikTok), Offline retail presence, Market insights tools.	To improve advertising efficiency and better align promotions with consumer preferences.	Sales & Marketing Director, Marketing Manager	Feb 2025 (Ramadan Seasonal) and continuous to following months. In the short term, focusing on high-impact digital campaigns.	Online platforms (Instagram, TikTok) and physical outlets in key urban locations.	1. Develop targeted digital ads based on consumer insights. 2. Use influencers to drive engagement. 3. Focus on post-features (freshness, originality). 4. Monitor response and engagement. 5. Adjust strategies based on data.

Table 4. Strategy Time Plan

Proposed Strategy	Action Plan	Q1			Q2			Q3			Q4		
		1	2	3	4	5	6	7	8	9	10	11	12
Market Development Strategy	1. Analyze current market trends and segments												
	2. Define key target demographics												
	3. Align online/offline sales channels												
	4. Design targeted promotions												
	5. Execute campaigns in selected markets												
Product Development Strategy	1. Eliminate Low Performance Product												
	2. Develop new low-sugar/plant-based products												
	3. Align flavors with Gen Z and Gen Y preferences												
	4. Run pilot tests for product feedback												
	5. Roll out successful products across the market												
Customer Engagement and Loyalty Strategy	1. Collect customer feedback via surveys												
	2. Analyze customer behavior												
	3. Design promotional materials based on insights												
	4. Launch engagement campaigns across social media												
	5. Monitor campaign performance and adjust												
Promotional Strategy	1. Develop targeted digital ads based on consumer insights												
	2. Use influencers to drive engagement												
	3. Focus on product features (freshness, originality)												
	4. Monitor response and engagement												
	5. Adjust strategies based on data												
Pricing Strategy	1. Conduct market pricing research, competition and consumer expectations												
	2. Develop pricing tiers based on segmentation												
	3. Negotiate supplier terms for better cost efficiency												
	4. Bundle products for strategic offers												
	5. Roll out new pricing in targeted locations												
(Place) Distribution Strategy	1. Optimize distribution networks for efficiency												
	2. Deploy hawkers and food trucks in high-demand areas												
	3. Use supply chain tools to improve product flow												
	4. Monitor performance of hawkers and optimize placement												
	5. Adjust based on feedback and sales performance												

CONCLUSION

Teguk Indonesia is facing significant challenges in sustaining revenue and profit margins amid the rapid growth and intensifying competition of the *boba* beverage market, driven by globalization and the aggressive expansion of major players. Positioned in the middle-to-low pricing segment, Teguk struggles with inefficient market segmentation, escalating operational costs, and declining engagement among its key demographics—Gen Z and Millennials. The research underscores the urgent need for refined segmentation, cost-effective promotional strategies, and operational enhancements to boost competitiveness. Teguk’s primary target market is price-sensitive Gen Z females who prefer offline purchases, while its secondary market comprises promo-driven Gen Y consumers who favor online channels. To address these issues, the company should implement six strategic categories, with priority on Market Development, Product Development, and Customer Engagement & Loyalty, supported by robust Promotional, Pricing, and Distribution strategies. Realigning segmentation, optimizing marketing spend, and leveraging data-driven insights are essential for improving customer engagement, with implementation starting in early 2025—focusing first on short-term segmentation and cost efficiency, followed by medium-term product launches and sustainable growth initiatives. For future research, it is recommended to explore long-term consumer behavior trends, the application of AI-driven customer engagement tools, and comprehensive competitor benchmarking to further strengthen Teguk’s market position.

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