

COFFEE BRAND PROJECT

Buon Giorno — Business Plan & Feasibility Study

Italian-style coffee brand launch in Thailand — Market entry, growth and social impact

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Executive Summary

This project entails creating an Italian-style coffee brand in Thailand, developed across four phases: (1) Brand launch with roasting facility and product line, (2) Opening of flagship/demonstration stores, (3) Franchise expansion across Thailand and Asia, (4) Direct coffee cultivation. The partnership with School for Life will provide a strong social impact, training staff from disadvantaged backgrounds.

Thailand's coffee market is rapidly growing: currently valued at 65 billion THB (approx. €1.7 billion), with per capita consumption almost doubling from 180 to over 340 cups per year. Nearly half of the Thai population drinks coffee daily. The Asian coffee market, valued at \$54.5 billion in 2024, is projected to reach \$85.6 billion by 2033 at a 5.16% CAGR.

1 · Market Analysis

Thai Market

- Current value: 65 billion THB
- Projected growth: 1.4 to 1.7 billion USD by 2031 (4% CAGR)
- Domestic production: 16,575 tons (48.2% Arabica, 51.8% Robusta)
- Domestic demand consistently exceeds supply, creating a procurement gap
- 415 new coffee-related businesses registered in H1 2025 (+8.92% YoY), with Bangkok as the main hub

Asian Market

- 2024 value: \$54.52 billion
- 2033 forecast: \$85.57 billion
- Growth rate: 5.16% CAGR (2026–2033)

- Asian consumption: 45 million bags in 2025, equaling 25.7% of global consumption
- Specialty chain growth: projected 12% CAGR in China, 9% in Singapore, 13% in Malaysia (2026–2030)

Key Trends & Opportunities

- Rising demand for specialty and premium coffee
- Expanding urban middle class and coffee culture
- Growing Arabica segment (4.72% CAGR)
- Asia-Pacific ready-to-drink coffee market: \$15.93 billion in 2025, growing at 5.26% CAGR

2 · Phase 1: Brand Creation & Production Line

Objectives

- Develop a brand with an elegant, professional visual identity
- Exclusive, shelf-standing packaging
- Blends with authentic Italian coffee aroma
- Accessory line: moka pots, professional machines, branded cups, thermoses

Estimated Costs (THB)

Item	Cost (THB)
Brand identity & packaging design	500,000 – 1,000,000
Trademark registration (Thailand & ASEAN)	150,000 – 300,000
Roasting equipment (small/medium scale)	2,000,000 – 5,000,000
Packaging machinery	1,000,000 – 2,500,000
Raw materials (initial green coffee stock)	1,500,000 – 3,000,000
Accessory line development	1,000,000 – 2,000,000
Licenses & permits	200,000 – 500,000
Phase 1 Total	6,350,000 – 14,300,000

Estimated Revenue (Year 1)

- Roasted coffee sales (B2B & retail): 3,000,000 – 6,000,000 THB
- Accessories & merchandise: 1,000,000 – 2,500,000 THB
- Total Year 1 Revenue: 4,000,000 – 8,500,000 THB

Note: Thailand imposes customs duties of up to 40% on unroasted imported coffee to protect the local market. We recommend sourcing primarily from local suppliers or using ASEAN import agreements for tariff relief.

3 · Phase 2: Demonstration Stores & Staff Training

Objectives

- Open 2–3 demonstration coffee shops in high-density areas (Bangkok, Chiang Mai, Phuket)
- Train staff, prioritizing School for Life students
- Serve as brand showrooms and market testbeds

Cost per Store (THB)

Item	Cost (THB)
Rent (first 12 months, prime area)	300,000 – 1,800,000
Renovation & furnishing	500,000 – 1,500,000
Professional equipment	400,000 – 1,000,000
F&B licenses, signage, music	100,000 – 300,000
Staff (6–8 people × 12 months)	720,000 – 1,080,000
Marketing & launch	200,000 – 500,000
Total per store	2,220,000 – 6,180,000

Industry sources indicate startup costs for a coffee shop in Thailand start at 700,000 THB for small shops, while flagship stores can exceed 3 million THB. Rent ranges from 20,000 to 150,000 THB/month depending on location and size.

Revenue per Store (Year 1)

- Average sales: 150 cups/day at 75 THB

- Daily revenue: 11,250 THB
- Monthly revenue: 337,500 THB
- Annual revenue per store: ~4,000,000 THB
- Gross margin: 60–70% (~2,400,000 – 2,800,000 THB/year)
- Break-even: 12–18 months

School for Life Training

- Training cost per student: 30,000 – 60,000 THB
- 30–50 students trained in first 2 years
- Staff from School for Life: 70–80% of store workforce
- Advantage: socially responsible image, competitive labor costs, community impact

4 · Phase 3: Franchising in Thailand & Asia

Objectives

- Develop the franchising model
- Expand across Thailand (3–5 years)
- Open satellite hubs at major airports
- Expand into Asia (Singapore, Malaysia, Vietnam, China)

Franchise Regulatory Framework in Thailand

- No specific franchise law: governed by contract law, intellectual property, and trade secrets
- Trademark registration essential before granting franchises
- Foreign ownership: maximum 49% in retail/F&B businesses; at least 51% Thai shareholding required
- Paid-up capital for foreign work permit: minimum 2 million THB
- Staff ratio: at least 4 Thais for every 1 foreigner

Franchise Development Costs (THB)

Item	Cost (THB)
Operations manual development	500,000 – 1,000,000

Item	Cost (THB)
Legal & contract consulting	300,000 – 800,000
Franchise management platform	500,000 – 1,500,000
National marketing & brand awareness	1,000,000 – 3,000,000
Total Development	2,300,000 – 6,300,000

Proposed Franchise Structure

Item	Amount
Initial franchise fee	500,000 – 1,000,000 THB
Royalties	5–8% of monthly turnover
Franchisee initial investment	2,000,000 – 3,500,000 THB
Contract guarantee deposit	100,000 THB

Expansion Projection

Year	Thailand Stores	Asia Stores	Estimated Royalty Revenue (THB)
Year 3	5	0	2,000,000 – 4,000,000
Year 4	10	2	6,000,000 – 12,000,000
Year 5	20	5	15,000,000 – 30,000,000
Year 6	35	10	30,000,000 – 60,000,000

Airport Opportunities

- Major airports: Suvarnabhumi (BKK), Don Mueang (DMK), Phuket (HKT), Chiang Mai (CNX)
- Growing passenger traffic and demand for premium coffee in transit
- “Satellite” model with compact format and highly skilled staff

5 • Phase 4: Coffee Cultivation

Objectives

- Acquire or develop coffee plantations (priority: Chiang Mai, Chiang Rai for Arabica)
- Achieve vertical integration
- Sell surplus production to other roasters

Thai Agricultural Context

- 2023 production: 16,575 tons
- Arabica growing mainly in the north (Chiang Mai, Chiang Rai)
- Robusta in the south (Chumphon, Surat Thani)
- Domestic demand exceeds supply
- Rising coffee prices due to scarcity

Cost per Plantation (10 Rai = 1.6 hectares)

Item	Cost (THB)
Land purchase/lease (10 Rai)	500,000 – 2,000,000
Land preparation & planting	300,000 – 600,000
Seedlings & fertilizers	200,000 – 400,000
Irrigation system	150,000 – 300,000
Equipment & structures	200,000 – 500,000
Labor (first 3 years)	600,000 – 1,200,000
Total	1,950,000 – 5,000,000

Note: Production begins 3–4 years after planting. Average yield is about 1.5–2 tons per Rai.

Cultivation Projection

Year	Area (Rai)	Production (tons)	Destination
Year 3	10	0 (growing)	–

Year	Area (Rai)	Production (tons)	Destination
Year 4	20	5–8	Own roasting
Year 5	30	15–20	Own roasting + surplus sales
Year 6	50	30–40	Covers 30–50% of total needs

6 • Consolidated Financial Plan

Total Investment (First 3 Years)

Phase	Investment (THB)
Phase 1 – Brand & Production	6,350,000 – 14,300,000
Phase 2 – 3 Demo Stores	6,660,000 – 18,540,000
Phase 3 – Franchise Development	2,300,000 – 6,300,000
Phase 4 – Cultivation (10–20 Rai)	1,950,000 – 5,000,000
Total	17,260,000 – 44,140,000

Total in Euro: €430,000 – €1,100,000 (exchange rate: 1 EUR ≈ 40 THB)

Revenue Projection (THB)

Year	Phase 1	Phase 2	Phase 3	Phase 4	Total
Year 1	4–8.5M	–	–	–	4–8.5M
Year 2	6–12M	8–12M	–	–	14–24M
Year 3	8–16M	15–24M	2–4M	–	25–44M
Year 4	10–20M	24–36M	6–12M	1–2M	41–70M
Year 5	12–25M	36–54M	15–30M	3–5M	66–114M

Estimated Margins

Segment	Gross Margin	Net Margin
Roasting (B2B)	30–40%	10–15%
Roasting (Retail)	50–65%	20–25%
Coffee Shops	60–70%	15–20%
Franchising (Royalties)	90–95%	50–60%
Cultivation	40–50%	20–30%

7 • Risk Analysis

Risk	Probability	Impact	Mitigation
Green coffee price volatility	High	Medium	Long-term contracts, supplier diversification
Growing competition	High	High	Brand differentiation, Italian quality, premium positioning
Thai coffee supply/demand gap	High	Medium	Mixed sourcing (local + import)
Franchise regulations	Medium	Medium	Specialized legal counsel
Licensing delays (2–6 months)	Medium	Medium	Early planning
Currency fluctuations	Medium	Low	Partial currency hedging

8 • Key Success Factors

- “Italian Coffee” Positioning: differentiation in an increasingly competitive market
- Vertical Integration: from cultivation to store, full quality control
- Social Impact: School for Life collaboration as a brand differentiator
- Quality Training: highly skilled staff as a competitive advantage

- Gradual Expansion: demonstration model before franchising
- Diversified Channels: retail, B2B, franchising, airports

9 • Suggested Timeline

Period	Activity
Months 1–6	Phase 1: Brand identity, registration, roasting facility setup
Months 7–12	Phase 1: Production, initial retail launch, accessory lines
Months 13–24	Phase 2: First demo store opening + training
Months 25–36	Phase 2: 2–3 stores, start Phase 3 (franchising)
Months 37–48	Phase 3: Franchise expansion in Thailand; Phase 4: cultivation
Months 49–72	Phase 3: Asia expansion; consolidate cultivation

10 • Recommendations

- Start with local sourcing to reduce import costs (40% duties)
- Prioritize B2B channels (hotels, restaurants, offices) to stabilize initial revenue
- Invest in certified training (baristas, roasters) to ensure quality standards
- Develop School for Life partnerships to build a social competitive advantage
- Plan Asian expansion starting with Singapore and Malaysia (9–13% CAGR)
- Monitor raw material prices and exchange rates continuously

This business plan is a preliminary estimate based on market data available for 2025–2026. We strongly recommend validation with local legal, property, and franchise specialists before operational launch.