

## ABSTRACT

This paper provides an international marketing plan for Common Man Coffee Roasters (CMCR), a leading boutique coffee shop in Singapore. CMCR was established in 2009 by the iconic Harry Grover, an Australian who is settled in Singapore, and who has been largely instrumental in bringing the signature Melbourne chic coffee culture to urban Singapore. Besides running a signature coffee café, CMCR also has a wholesale arm which specialises on supplying speciality coffee beans as well as coffee machines and barista training. This report discusses the company's strengths, weaknesses, opportunities and threats in relation to CMCR's planned expansion to Mongolia. The macro environment in Mongolia is analysed using the STEEP framework, and the Porter's Five Forces framework is used to conduct a market analysis. In light of the firm's resources and competencies, the report proposes a marketing plan for expanding CMCR into the country of Mongolia, providing several recommendations on corporate and business strategies to pursue for success in this new market.

### VISION


“ Touching hearts and building lives in Mongolia, one great cup of coffee at a time.

### MISSION

“ Create upstream value chain collaboration for positive social and environmental impact.

Poverty alleviation of local communities through profit reinvestment.

Promote sustainable long term coffee industry growth.



COMMON  
MAN  
COFFEE  
ROASTERS

# TABLE OF CONTENTS

<b>ABSTRACT .....</b>	<b>2</b>
<b>TABLE OF CONTENTS .....</b>	<b>3</b>
<b>LIST OF TABLES AND FIGURES .....</b>	<b>5</b>
<b>GLOSSARY .....</b>	<b>6</b>
<b>1.0 EXECUTIVE SUMMARY .....</b>	<b>7</b>
<b>2.0 INTRODUCTION .....</b>	<b>9</b>
2.1 OVERVIEW .....	9
2.2 COMPANY BACKGROUND.....	9
2.3 TARGET COUNTRY .....	11
<b>3.0 EXTERNAL ANALYSIS – GENERAL BUSINESS ENVIRONMENT .....</b>	<b>13</b>
3.1 SOCIOLOGICAL .....	14
3.2 TECHNOLOGICAL.....	14
3.3 ECONOMIC .....	15
3.4 ECOLOGICAL .....	17
3.5 POLITICAL.....	17
<b>4.0 SWOT ANALYSIS.....</b>	<b>19</b>
<b>5.0 MARKET ANALYSIS .....</b>	<b>24</b>
5.1 MARKET SIZE.....	24
5.2 MARKET GROWTH RATE.....	24
5.3 INDUSTRY STRUCTURE.....	25
5.3.1 Intensity of Rivalry Among Competitors: <i>MEDIUM</i> .....	26
5.3.2 Threat of New Entrants: <i>MEDIUM</i> .....	27
5.3.3 Threat of Substitutes: <i>LOW</i> .....	27
5.3.4 Power of Suppliers: <i>HIGH</i> .....	27
5.3.5 Power of Customers: <i>LOW</i> .....	28
5.4 KEY SUCCESS FACTORS .....	28
<b>6.0 MARKETING STRATEGY.....</b>	<b>30</b>
6.1 MODE OF ENTRY .....	30
6.2 TARGET MARKET .....	30
6.2.1 Primary Target Market: <i>Middle/Upper Class Citizens</i> .....	30
6.2.2 Secondary Target Market A: <i>Tourists</i> .....	31
6.2.3 Secondary Target Market B: <i>Expatriates</i> .....	32
6.3 POSITIONING .....	33
6.4 MARKETING OBJECTIVES .....	33
6.5 MARKETING MIX .....	34
<b>7.0 IMPLEMENTATION AND CONTROL .....</b>	<b>39</b>
<b>8.0 CONCLUSION .....</b>	<b>43</b>
<b>APPENDICES.....</b>	<b>45</b>

APPENDIX A-1: TEN STEPS TO COFFEE .....	46
APPENDIX A-2: TYPICAL COFFEE SUPPLY CHAIN .....	51
APPENDIX A-3: PROPOSED CMCR OPERATING STRUCTURE IN MONGOLIA.....	52
APPENDIX A-4: ISSUES AND CHALLENGES IN MONGOLIA AGRICULTURE .....	53
APPENDIX A-5: COFFEE CONSUMPTION DATA IN MONGOLIA.....	54
<b>REFERENCES .....</b>	<b>55</b>

## LIST OF TABLES AND FIGURES

Figure 2-1 : Harry Grover, Coffee Lover and Barista Extraordinaire .....	10
Figure 2-2 : Coffee Consumption in East and .....	12
Figure 3-1 : STEEP Analysis .....	13
Figure 3-2 : Mongolia GDP .....	16
Figure 3-3 : Mongolia GDP Annual Growth.....	16
Table 4-1 : SWOT Analysis on CMCR.....	23
Table 5-1 : Mongolia Population Annual Growth Rate .....	25
Figure 5-2 : Porter’s Five Forces Model .....	26
Figure 6-1 : Tourism Spending in Mongolia .....	32
Figure A-1 : Ten Steps to Coffee.....	50
Figure A-2 : Typical Coffee Supply Chain .....	51
Figure A-3 : Proposed CMCR Operating Structure in Mongolia.....	52
Figure A-4 : Issues and Challenges in Mongolia Agriculture .....	53
Figure A-5 : Coffee Consumption Data in Mongolia.....	54

# GLOSSARY

Term	Definition
CMCR	Common Man Coffee Roasters
F&B	Food & Beverage
GDP	Gross Domestic Product
ICT	Information Communications Technology
LDC	Least Developed Countries
STEEP	Sociological, Technological, Economic, Ecological, Political
SWOT	Strength, Weaknesses, Opportunities, Threats
USD	United States Dollar
WTO	World Trade Organisation

## 1.0 EXECUTIVE SUMMARY

1.	Target Country	Mongolia
2.	Industry Characteristics	<p>Coffee industry in Asia at 19.5 million bags per annum (2012), growing at 3.9% per annum.</p> <p>Mongolia coffee consumption is 25,000 bags per annum (2012) growing at 1.5% per annum.</p>
3.	Target Market Segment	<p><u>Primary:</u></p> <p>Urban workers (aged between 15-64 years old) which make up to 27.45% of the total population of ~3 million.</p> <p><u>Secondary:</u></p> <p>Tourists (450,000 per annum).</p> <p>Expatriates (80,000 per annum).</p>
4.	Market Entry Strategy	<p><u>Phase 1:</u></p> <p>Direct export model, setting up distribution lines. Test the water and seed the market.</p> <p><u>Phase 2:</u></p> <p>Setting up signature cafes to build brand awareness and take over retail.</p> <p><u>Phase 3:</u></p>

		<p>Setup sustainable farming initiative with local farmers for growing specialised Mongolian coffee.</p> <p><u>Phase 4:</u></p> <p>Setup a wholly owned processing and milling facility, taking over logistics and export to become a regional centre for roasting and distributing specialty coffee with an emphasis on the special Mongolian blend.</p>
5.	Product Strategy	Standard CMCR product repackaged for Mongolian market.
6.	Product Life Cycle Stage	<p>In Singapore: Mature</p> <p>In Mongolia: Introduction</p>
7.	Pricing Strategy	Value-based pricing (with regular sales promotion to build customers)
8.	Promotion Strategy	<p>Intense advertising and promotion blitz for first 1 year to build brand image and seed the market.</p> <p>Subsequently, periodic advertising, celebrity presentation, and sales promotions using signature café as the base.</p>
9.	Place Strategy	<p>Ubiquitous presence in all retail/consumption locations.</p> <p>Signature cafés in strategic locations.</p>

## **2.0 INTRODUCTION**

### ***2.1 Overview***

According to popular legend, coffee was first discovered by a goatherd, named Kaldi, in the Ethiopian highlands of Kaffa in the 14<sup>th</sup> century. When coffee's efficacy as a natural stimulant was realised, it quickly became an important social commodity. By the 15<sup>th</sup> century, many early coffee houses had spread throughout the Arabian peninsula, offering wealthy patrons a conducive place to relax, socialise and conduct business (NCA, 2015).

With the rise of world trade in the 16<sup>th</sup> century led by the Dutch and English maritime powers, coffee began to spread throughout Europe and the New World, where it rapidly became the drink of choice in every social circle. Coffee seeds were carried to new lands by traders, colonists and travellers, giving rise to coffee plantations everywhere in the world.

Today, coffee is the second most valuable commodity product in the world, after crude oil and the coffee industry provides jobs for hundreds of millions of people globally. Coffee is traded as a primary commodity on key stock exchanges such as London and New York, and forms an important revenue source for many Least Developed Countries (LDC), typically accounting for more than half their export revenue (ICO, 2015).

### ***2.2 Company Background***

Common Man Coffee Roasters (CMCR) is a leading boutique coffee shop in Singapore. CMCR was established in 2013 by the iconic Harry Grover, who also runs another two very popular cafes in Singapore – 40 Hands, Kiasu Espresso. Harry Grover, an Australian



native who is now settled in Singapore, started his first café, 40 Hands, in 2010, and is credited for being instrumental in bringing the signature Melbourne chic coffee culture to urban Singapore (Lee, 2013; Mah, 2014).



**Figure 2-1 : Harry Grover, Coffee Lover and Barista Extraordinaire**  
(Source: Mah, 2014)

CMCR was formed as a partnership between Harry Grover, Five Senses Coffee (a renowned Australian specialty coffee provider) and the Spa Esprit Group (a reputable Singaporean holding company specialising on premium F&B and beauty outlets). The name CMCR – “common man” – was chosen to reflect Harry’s philosophy that “*good coffee should not be a privilege, but instead should be available for everyone to enjoy*” (Liu, 2013).

Besides running a signature coffee café, CMCR also has a wholesale arm which specialises on supplying speciality coffee beans as well as coffee machines and barista training.

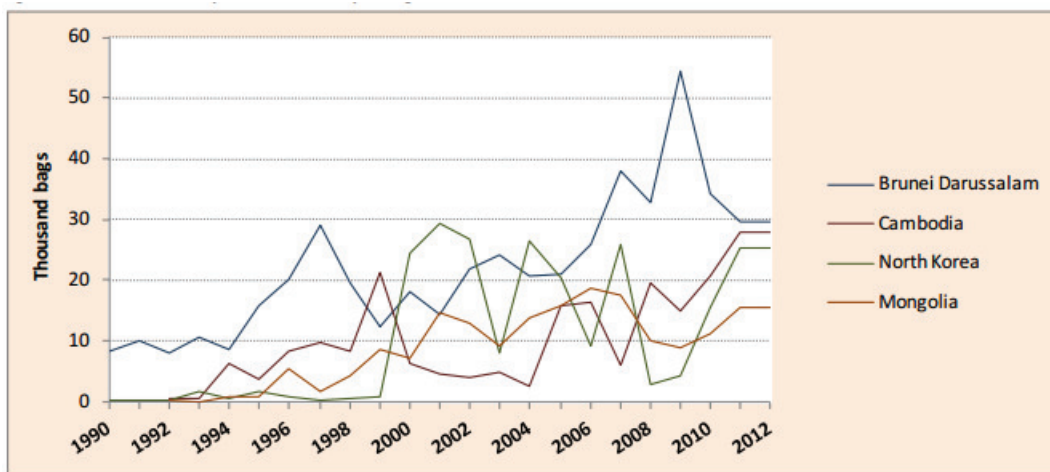
### ***2.3 Target Country***

Mongolia is the second largest landlocked country in the world. It is located in the eastern part of Central Asia and is sandwiched between Russian (in the north), and China (to the south, east and west). Mongolia is ranked 19<sup>th</sup> in terms of land size, but the country is very sparsely populated (only about 2 people for every square kilometre).



More than 30% of Mongolia’s population still live in the steppes following the traditional nomadic life. However, with the country’s transition to democratic government and a free market economy since the 1990s, business and industry have begun to accelerate. This growth has been focused around the capital city of Mongolia – Ulaanbaatar, which is the largest city in the country, and is home to approximately 45% of its population (National Statistical Office of Mongolia, 2010).

Tibetan Buddhism has a strong influence in Mongolia, and the virtues of hospitality are still revered and enshrined as a part of daily life. An important part of the hospitality ritual is to offer the guest a cup of coffee or tea (Mongolian Ways, 2015). Therefore, with easier access to coffee importation since Mongolia joined the World Trade Organisation (WTO) in 1997, coffee consumption in Mongolia has been gradually rising.



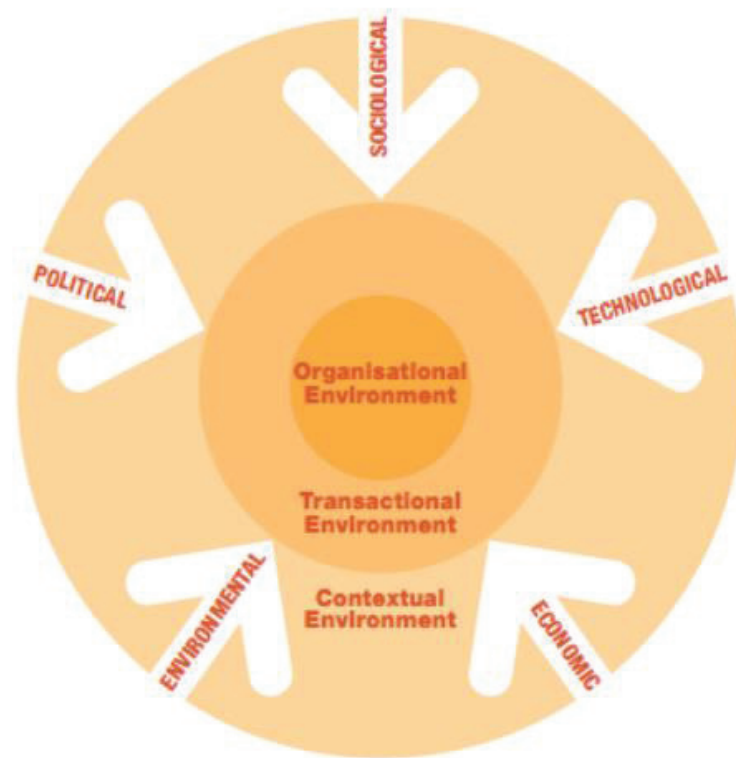
**Figure 2-2 : Coffee Consumption in East and Southeast Asia: 1990 – 2012**

(Source: International Coffee Organisation, 2014)

The average coffee consumption in Mongolia was 13,000 bags in 2000, but this number has already doubled to 26,000 bags by 2012 (giving an average per capita consumption of 300g). With Mongolia’s steady population increase, it is expected that there is a corresponding significant potential for growth for coffee in Mongolia. Coupled with the relative infancy of the coffee industry here, this represents a tremendous business opportunity for CMCR to expand its business to Mongolia.

### 3.0 EXTERNAL ANALYSIS – GENERAL BUSINESS ENVIRONMENT

The general business environment in Mongolia is analysed using the STEEP framework, to examine the organisational, transactional and contextual environment in terms of the country's sociological, technological, economic, ecological and political factors, and determine how these would affect the expansion plan by CMCR.



**Figure 3-1 : STEEP Analysis**

(Source: GCVCore, 2014)

### ***3.1 Sociological***

The entrepreneurial culture in Mongolia only began to exist after the communist era ended in early 1990. This has led to the privatization of government owned enterprises and the growth of the Mongolian private sector businesses, especially in wholesale and retail trade. This opens up a good channel for CMCR to export and distribute its coffee to Mongolia.

At the same time, the Mongolian government has realised the importance a skilled workforce in improving the country's competitiveness. Therefore, an "Education Master Plan (2006-2015)" has been implemented, and which is targeted to improve the Vocational Education and Training (VET) enrolment and produce skilled workers for the private sector. This will also result in a growing pool of people who are exposed, through education, to Western practices such as a premium coffee drinking culture – thus educating and seeding the market for coffee.

A high percentage of the population (61%) is between the ages of 15 to 64, and are still engaged in active work and economic activities. As such, this represent income earners who are potential customers for CMCR.

### ***3.2 Technological***

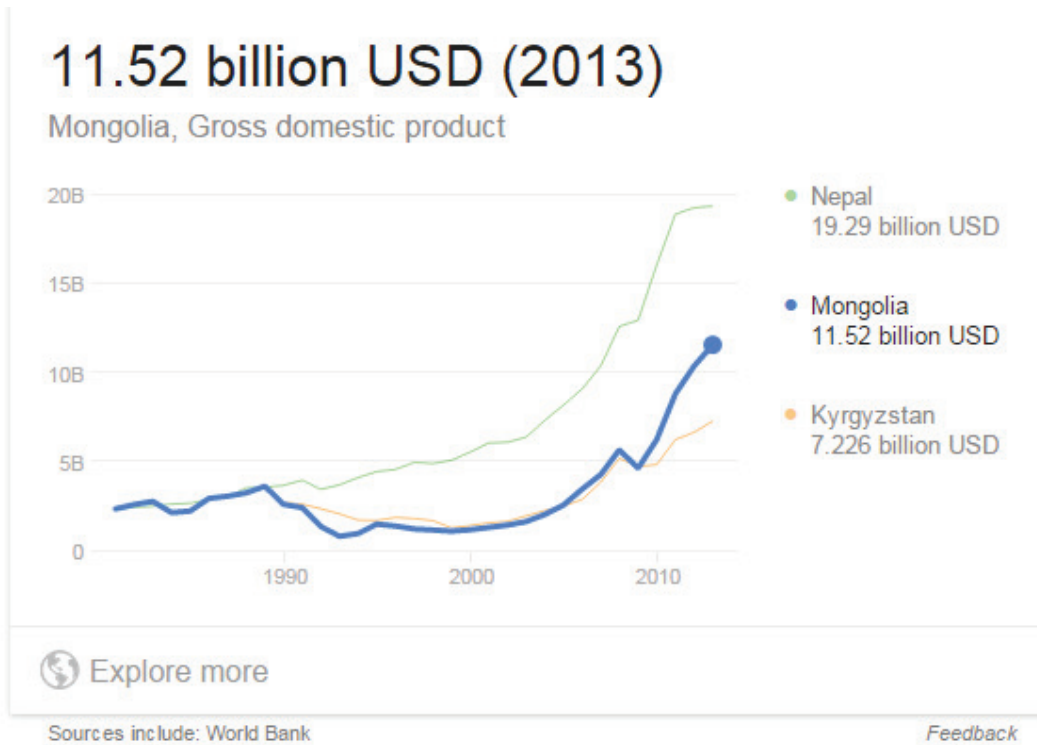
The government of Mongolia has implemented a continuing shift towards knowledge-based economy with a focus on growth in technology. This increases the environment of application of ICT and modern technology in business and leisure. The increase in penetration of technology to Mongolia is clearly shown in important country index figures such as internet, telecommunication and broadband subscriptions.

Basically, the ICT Development Index (IDI) is used as a scale to compare the relative development of information and communication technologies (ICT) in 154 countries over a five-year period from 2002 to 2007. It combines several indicators to a single measure that can then be used to evaluate ICT access, use and skills such as computers and internet users per household. Mongolia scored 2.67 (rank 88) in 2007. The total number of internet user is 12.49 per 100 people as well as, the broadband subscription is 1.37 per 100 people.

This increase in technology penetration has begun to acculturate the young, educated and technology savvy segment with Western values. As such, they have become more receptive to Western practices and familiar with Western establishments such as Starbucks and Coffee Bean, which espouse the premium coffee drinking culture.

### ***3.3 Economic***

One of the most important factors for a successful business environment is economic stability. Mongolia has a stable economic environment and this is a key advantage for foreign businesses like CMCR which target to expand and export their products and services into Mongolia. This economic stability is the result of prudent macroeconomic policies during the time of transition whereby the Mongolian government carefully laid out and successfully implemented the free market-based system.



**Figure 3-2 : Mongolia GDP**

(Source: World Bank, 2013)

An objective measure of the economic stability and success of the government’s policies is shown in the GDP indicator which has been on a sustained upward growth trend since the early 2000s, and has reached a value of US\$ 11.52 billion in 2013.

2010	2011	2012	2013
6.4%	17.5%	12.4%	11.7%

**Figure 3-3 : Mongolia GDP Annual Growth**

(Source: World Bank, 2013)

Furthermore, Mongolia has joined the World Trade Organization (WTO) in 1997, and has liberalised trade by reducing tariff rates and eliminating a number of licensing

requirements. This has helped facilitate a more efficient business flow, thus making it easier for companies to start up and conduct business.

### ***3.4 Ecological***

Mongolia is rich in natural resources – minerals, together with oil reserves, and has huge copper and gold deposits. Approximately 81% of the land is used as pasture land, and farmers rear millions of head of cattle for domestic use and regional export. However, water reserves are scarce in Mongolia and the harsh weather with poor land conditions limit the agricultural activities. As such, mining has become the primary economic engine, and Mongolia faces environmental problems such as pollution from the coal factories, urban expansion and transportation.

The land suffers from degradation, deforestation, desertification, bio-diversity loss and urban air pollution. The absence of enforcement on environment laws and poor management of natural resources are contributing weather and land problems in Mongolia placing it below the rating of Kyrgyzstan and Turkmenistan in terms of environmental preservation. CMCR, with its vision for sustainable business, has an objective to help introduce sustainable coffee farming practices to Mongolia, in order to help preserve the environment.

### ***3.5 Political***

For sustainable business, peace and political stability are basic requirements. Before 1990s, Mongolia was under the influence of Communism and every enterprise was state-



owned. However, Mongolia had a smooth and quick transition to democracy. As a result, the economy has grown rapidly.

However, the current power struggle between the Mongolian People's Revolutionary Party (MPRP) and the Democratic Party (DP) has resulted in frequent trade and business policy changes. It is likely that this volatility will continue to be the trend, and this poses some risk to doing business in Mongolia.

Furthermore, the immense profits from the mining industry could trigger corruption amongst the government thus affecting clean governance. This may be an impediment to business as there is a general lack of transparency in policies due to poor judiciary and law enforcement in Mongolia. However, corruption-related cases are rare in Mongolia, therefore, Mongolia is still very attractive to businesses considering international expansion plans in Central Asia.

## 4.0 SWOT ANALYSIS

The SWOT framework is used to analyse the strengths and weaknesses, and opportunities and threats facing CMCR.

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p><b><u>Experienced Leader and Team</u></b></p> <p>CMCR has a skilled team which has been trained and is led by Harry Grover who has years of experience in the specialty coffee industry in Australia as well as Singapore.</p>	<p><b><u>Higher Cost of Operations</u></b></p> <p>CMCR is a boutique specialty coffee provider. As such, it does not have the economies of scale and volume purchasing power of established franchises such as Starbucks and Coffee Bean and Caffè Bene. Therefore, the product pricing will be higher due to the higher operating and purchasing costs.</p>

<p><b><u>Strong Global Partnerships</u></b></p> <p>CMCR has partnered with Five Senses (Australia) and the Spa Esprit Group (Singapore). Five Senses is a renowned Australian specialty coffee provider which supports CMCR with 14 years experience in all aspects of the coffee business ranging from direct procurement of green beans, to milling/processing/logistics/export, all the way to wholesale of coffee and equipment and training. The Spa Esprit Group is a well-diversified holdings company specialising on premium F&amp;B and beauty, and can provide CMCR with solid financial backing.</p>	<p><b><u>Branding Unknown Outside Singapore</u></b></p> <p>As a local boutique coffee café, CMCR has built a strong brand in Singapore and has gathered a loyal following despite its positioning as specialty coffee with premium pricing. However, the brand is virtually unknown outside of Singapore. As such, when expanding to another country, it will face a disadvantage against other premium priced coffee which are from established and world famous brands such as Starbucks and Coffee Bean and Caffè Bene.</p>
<p><b><u>Direct Access to Coffee Beans</u></b></p> <p>CMCR has forged good relationships with reliable coffee bean growers all over the world from Guatemala to Sumatra, and Costa Rica to Ethiopia. This enables CMCR to procure fresh high quality green beans without going through any middle men, thus reducing procurement costs and increasing quality and transparency all the way up to the source.</p>	

<b>OPPORTUNITIES</b>	<b>THREATS</b>
<p><b><u>Coffee Growth in Asia</u></b></p> <p>The market for coffee in East Asia and Southeast Asia has a tremendous growth potential. In total, the countries in this region (including Mongolia) represent 31% of world population and contribute 29% of world GDP but only 14% of world coffee consumption. However, the coffee consumption is growing and is expected to reach 30 million bags by 2020 (International Coffee Organisation, 2014). This represents a business opportunity for CMCR to capitalise on.</p>	<p><b><u>Coffee Price Volatility</u></b></p> <p>Environmental disasters and changing climate have begun to affect agricultural output and production especially in Least Developed Countries (LDC) where the majority of coffee is being grown. As such, the price of green coffee is becoming increasingly volatile. This poses a risk to boutique operators such as CMCR which source direct and in small quantities (CMCR, 2015).</p>

<p><b><u>Socially Accepted Addiction</u></b></p> <p>Coffee is the only substance addiction (i.e. addiction to caffeine) which is socially accepted worldwide. In fact, coffee is enshrined in the cultures of many nations as an integral part of hospitality. Even in Mongolia, it would be considered rude if a guest is not offered a cup of coffee. With recent research debunking myths about health concerns of caffeine addiction (Templeton, 2015), it can be expected that coffee consumption will continue to rise, and this is an opportunity for CMCR to expand on.</p>	<p><b><u>Increasing Competition</u></b></p> <p>With the growth of the Mongolian market, more players have begun to realise the potential of the coffee industry and are beginning to set up cafes and coffee houses. The most aggressive of these rivals is Caffe Bene, a global chain of coffee cafes from Korea. Caffe Bene has just opened its 6<sup>th</sup> store in Ulaanbaatar and is planning have 20 stores in Mongolia by 2016 (Jung, 2015).</p>
---	--

<b><u>Sustainable Coffee Farming</u></b>	<b><u>Health Conscious Trend</u></b>
<p>Mongolia is a primarily agricultural nation. There is a lot of farming land, though the challenge is availability of sufficient water as well as the harsh climate. However, these difficulties can be addressed using latest agricultural technology such as greenhouses, autopots, hydroponics, and intelligent climate control for agriculture. As such, CMCR can work with local farmers to introduce coffee farming to Mongolia. This will help to build and enrich the lives of the Mongolians, and also improve the coffee industry through sustainable practices. At the same time, CMCR will be able to market a new exotic Mongolian-grown coffee bean in all its outlets.</p>	<p>With the growth of the younger generation of consumers who are educated and health aware, there are some who are beginning to avoid caffeine and to switch to fruit juices as an alternate and healthier beverage choice.</p>

**Table 4-1 : SWOT Analysis on CMCR**

(Source: Author, 2015)

## **5.0 MARKET ANALYSIS**

### ***5.1 Market Size***

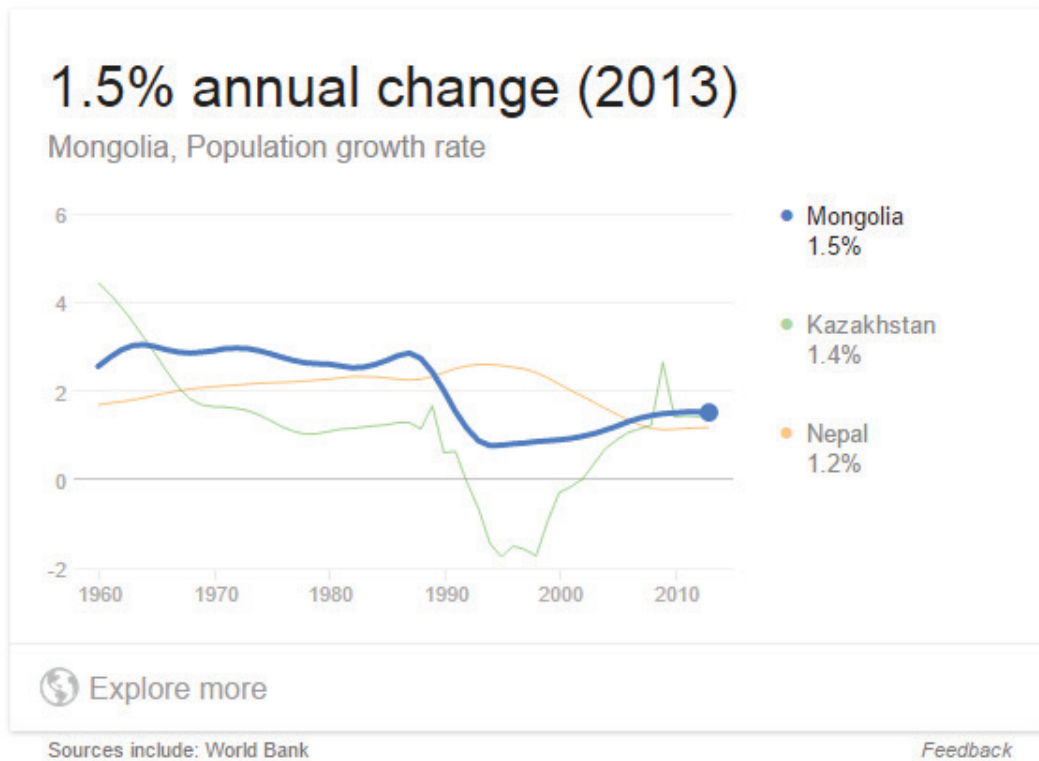
Mongolia has a population of approximately 3 million, of which 45% are staying in the capital city of Ulaanbaatar. This works out to approximately 1,350,000 inhabitants in the capital city. According to the National Statistics Department, there is a primary workforce aged between 15-64 years old which are active in the labour market (i.e. approximately 823,500 workers). These can be considered a mix of “middle class” and “upper class” as they are staying in the urban centre of Mongolia and work in stable jobs earning a reliable income.

As such, the potential addressable market size for CMCR in Mongolia is 823,500 people (or 27.45% of the total population of Mongolia).

### ***5.2 Market Growth Rate***

The annual growth rate of the population of Mongolia is 1.5%.

As such, based on this statistic, it can be extrapolated that the potential addressable market for CMCR will grow by at least 1.5% per year.



**Table 5-1 : Mongolia Population Annual Growth Rate**

(Source: World Bank, 2015)

### ***5.3 Industry Structure***

The Porter's Five Forces framework is used to analyse the industry structure in terms of the competitive forces which influence CMCR's competitive advantage as it seeks to expand into the Mongolian market.





**Figure 5-2 : Porter’s Five Forces Model**

(Source: MindTools, 2015)

### 5.3.1 Intensity of Rivalry Among Competitors: MEDIUM

The coffee market in Mongolia is still very much in its infancy, and there is a lot of room to grow. At the moment, there are only a few major players for premium coffee – Caffè Bene with 6 shops in Ulaanbaatar (and a plan to open 20 by 2016), and Coffee Bean with 4 shops also in Ulaanbaatar. The remainder are small-time and local coffee shops which cannot compete well with the established franchises in terms of quality and branding. As such, there will be significant competition for the customers, though the market still has much growth potential. Therefore, the intensity of rivalry among competitors is medium.

### **5.3.2 Threat of New Entrants: MEDIUM**

Being successful in the market with speciality coffee requires considerable experience and connections. For example, it is not enough to merely open a shopfront for retail, it is necessary for the staff to be properly trained as baristas to roast beans, grind them and brew the coffee in the right way to ensure consistency and quality. Most importantly, it is necessary to have the resources and connections to be able to obtain the best quality beans at the source from the farmers. Therefore, there is a significant entry barrier in terms of economies of scale as well as economies of experience, which deter new entrants. However, with the attractiveness of the growing market in Mongolia, more and more established coffee franchises and experienced specialty boutique players are being drawn here. Therefore, the threat of new entrants is medium.

### **5.3.3 Threat of Substitutes: LOW**

With the gradual improvement of the Mongolian economic situation, the middle class in Mongolia is beginning to demand for imported beverages which better reflect their improved social status and better living standards. However, as the majority of the country is either Buddhist (53%) or Muslim (3%), beer or wine is not a viable choice. As such, the population turns to coffee as a preferred beverage which reflects new middle class values. As there is no other major alternative for customers at this point, the threat of substitutes is low.

### **5.3.4 Power of Suppliers: HIGH**

Good specialty coffee is heavily dependent on a supply of fresh and high quality green beans. As with wine, different soil conditions, climate, and preparation will influence the

green beans and affect the final taste of the coffee. Therefore, the farmers who are fortunate to have the optimal conditions to grow and prepare the coffee beans are able to command high prices for their quality green beans. Because green beans from each location have differences, coffee roasters will always need to buy the beans from a small set of select suppliers in order to maintain consistency in the quality and taste of their coffee. As such, the power of suppliers is high.

### **5.3.5 Power of Customers: LOW**

The coffee industry in Mongolia is still very much in its infancy. The market in Mongolia has not yet been much exposed to the subtleties of specialty coffee and the customers are still relatively unsophisticated. At the same time there are not many premium specialty coffee houses in Mongolia yet, therefore customers do not have much choice in terms of coffee. As such, the power of customers is low.

## **5.4 Key Success Factors**

Based on the SWOT analysis, despite a number of threats/risks, the SWOT alignment is Strength-Opportunities.

At the same time, the industry structure and competitive landscape is conducive for the proposed business, with manageable competitive rivalry, entry barriers against new entrants, coupled with low threat of substitutes and low power of customers.

The key success factors can be summarised as follows:

1. Leverage financial strength from partnership with Spa Esprit Group, and economies of scale and economies of experience of the CMCR team in partnership with Five Senses to develop the growth market in Mongolia.
2. Quickly establish branding and image of CMCR in Mongolia with positioning as a premium coffee which reflects social status.
3. Move up the value chain by working with farmers to set up sustainable coffee farming as a pilot sustainability initiative (with grant funding from suitable sustainability fund or development bank). Eventual objective will be to build and operate a processing and milling facility, thereby becoming a regional centre for logistics and export of exotic specialty Mongolian coffee beans.

## **6.0 MARKETING STRATEGY**

### ***6.1 Mode of Entry***

It is proposed for CMCR to enter the Mongolian market using the Direct Export Method. In this way, CMCR can test the market and build relationships with intermediaries, distributors and retailers. At the same time, the CMCR brand image can be gradually built up and customers will be made aware of the brand.

After a year, when the market has been seeded, CMCR will be able to leverage on the connections that it has built and the local experience it has learnt to proceed with opening up the signature cafes in various strategic locations in Ulaanbaatar.

Finally, CMCR will start to work with the local government to identify farmers to begin the pilot initiative for sustainable coffee farming with the help and funding of development bank and sustainability fund. This will firmly entrench CMCR as part of the Mongolian economy and will help to vitalise the coffee industry in a sustainable manner.

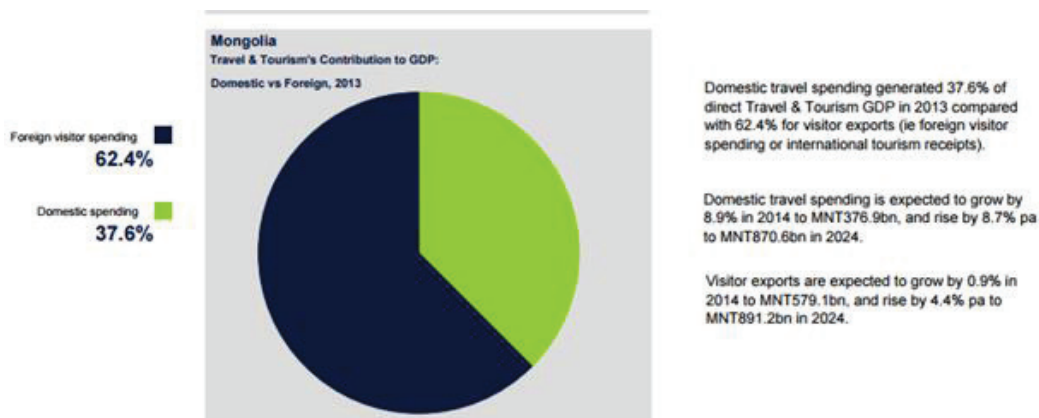
### ***6.2 Target Market***

#### **6.2.1 Primary Target Market: Middle/Upper Class Citizens**

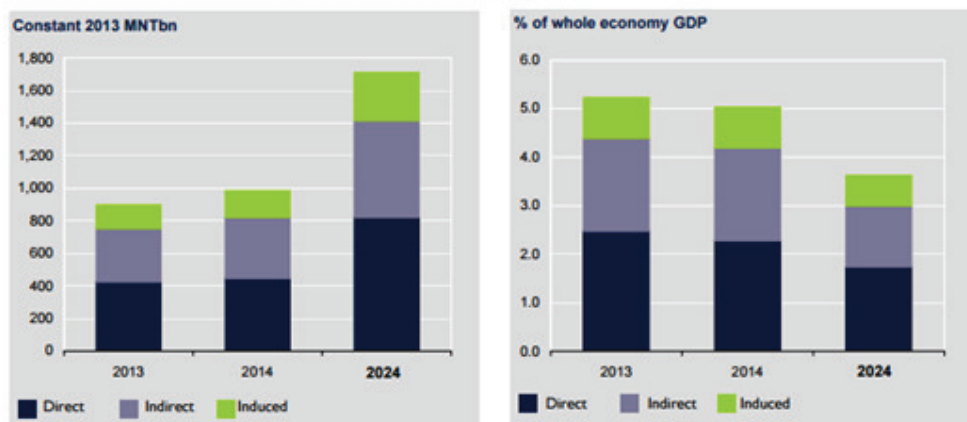
As described previously, the primary target market will be the urban workers in Ulaanbaatar who are actively working and earning a stable income. These number approximately 823,500 people and represent 27.45% of the population of Mongolia. These are predominantly educated and can be categorised as either middle class or upper class.

## 6.2.2 Secondary Target Market A: Tourists

After the fall of Communism in Mongolia, the country became open to trade and travel. Tourists began to realise that Mongolia is a unique and unexplored tourist destination due to its spectacular natural landscapes, nomadic life style and culture as well as its glorious history. In order to draw more Foreign Direct Investment in Mongolia, the government granted special tax exemptions of up to 10% of total investment for construction of hotels and tourist complexes. Currently, Mongolia has 403 travel agencies, 320 hotels and 317 resorts and tourist camps – and the tourists spending comprises 62.4% of exports revenue (basically contributing more than 5% of the total country GDP).



### MONGOLIA: TOTAL CONTRIBUTION OF TRAVEL & TOURISM TO GDP



<sup>1</sup> All values are in constant 2013 prices & exchange rates

WTTC Travel & Tourism Economic Impact 2014

### **Figure 6-1 : Tourism Spending in Mongolia**

(Source: WTTC, 2014)

With the successful tourism drive supported by the Mongolian government, there are more than 450,000 tourists who visit the country annually (this amounts to 15% of the total country population). All the tourists are middle/upper class foreigners who are willing and able to spend, and for whom specialty coffee in a premium environment will be familiar to them and a taste of home.

Therefore, these tourists are an important secondary target market for CMCR.

#### **6.2.3 Secondary Target Market B: Expatriates**

The mining industry accounts for nearly 90% of the Mongolia's exports and the foreign direct investment from this sector is nearly 50% of government revenues. As part of the operations, there are significant number of expatriates which are brought into the country by the mining MNCs to manage the operations, either on a long-term basis or as business travellers on corporate business. It is estimated that there are typically up to 80,000 expatriate workers in Mongolia at any one time.

Nearly all of these can be classified as upper class for whom spending on food and subsistence is covered by the companies they work for. Therefore, they will be happy to indulge themselves in premium food and specialty coffee.

Therefore, these expatriates also represent an important target segment for CMCR to capture.

### **6.3 Positioning**

After understanding the target markets, CMCR will focus on building its brand in Mongolia and positioning itself as a premium coffee house offering speciality coffee and high quality Western/fusion food. CMCR differentiates itself from other mainstream brands by emphasising on sustainability through local CSR programmes and its sustainable farming initiative.

Besides that, CMCR also integrates upwards and downwards along the value chain by providing:

<ul style="list-style-type: none"><li>• Coffee beans – wholesale of green beans and roasted beans</li></ul>
<ul style="list-style-type: none"><li>• Coffee education – conducting barista training and coffee talks/workshops</li></ul>
<ul style="list-style-type: none"><li>• Coffee machinery – sales, set-up, servicing, and maintenance</li></ul>
<ul style="list-style-type: none"><li>• Franchise business set-up – working with interested partners on a programme that suits their needs. Helping in retail set-ups and operations for café owners.</li></ul>

### **6.4 Marketing Objectives**

CMCR has the following immediate marketing objectives for Mongolia:

<ul style="list-style-type: none"><li>• Develop brand awareness through a steady, month to month increase of new customers.</li></ul>
<ul style="list-style-type: none"><li>• Achieve sales of USD250, 000 in direct sales from Mongolia.</li></ul>



<ul style="list-style-type: none"> <li>• Gain an additional 10 distributors, restaurants &amp; café owners and hotel purchase departments each quarter.</li> </ul>
<ul style="list-style-type: none"> <li>• Achieved 40 new business partners by 2016.</li> </ul>
<ul style="list-style-type: none"> <li>• Achieve profit by the end of 2017. (Break-even point)</li> </ul>
<ul style="list-style-type: none"> <li>• Set up two wholly owned signature cafés in Ulaanbaatar by end of 2017.</li> </ul>

### 6.5 Marketing Mix

The following table shows the marketing mix of product, price, place and promotion planned for CMCR in Mongolia.

PRODUCT
<ul style="list-style-type: none"> <li>• CMCR coffee is distinctive in that it is a blend of three special coffees: YIRGZero from the YirgaCheffe region of Ethiopia, Tiga Raja from Simalungun, Sumatra and Acacia Hills from Tanzania. The result is an excellent blend which displays lots of character, is rich in intense flavours and is easily recognizable. The tastings could be defined as “Candy sweet, bubblegum, lavender, silky body, herbal complexity and a lingering dark cocoa finish”.</li> <li>• Another trademark under Common Man Coffee is “22 Martin Blend” in which two components are vital to the blend. The most impressive component comes from Santo Antonio of Brazil which serves their generations of best regarded quality beans. Secondly, the blend comprises the essence of coffee beans from Merthi Mountain, India. It is much lighter &amp; delicate in taste with heavenly floral notes and sweet silky mouthfeel. What make this product superior to other</li> </ul>

kinds is that they are selectively picked, wet processed and dried on raised beds for premium quality brew. This is a perfect blend and nothing comes in par with them in terms of quality, taste and delights to consumers. To summarize, this blend offers “Dark chocolate, heavy body, molasses, intense flavours, lingering aftertaste.”

- These specialty coffees are available in quantities as small as a 250g bag. Amazingly, customers are allowed to pick and mix, customizing the blend further for their unique taste and ideas. It is not just coffee beans, it is the essence of indulgence, happiness and love.
- Associated product “Grinders” are also introduced as part of the family of CMCR products such as BARATZA Forte, BARATZA PRECISO, BARATZA VIRTUOSO.

## PRICE

- In the Mongolia market, being one of the Least Developed Countries (LDC), it is undeniable that price plays the major part in the product acceptance by the market. However, CMCR positions its product at the high value for its exceptional quality & taste using value-based pricing. Basically, it is not just the price of the product; it is an indication of the quality that customers perceive in their mind.
- For the wholesales division, the price will be adjusted accordingly to ensure fair profits and win-win situation for both CMCR and the distributors. Without compromising the quality, the price will be kept to reasonable levels so that the product will reach to consumers horizontally as well as vertically.

- In the tourism as well as the expatriate market, the pricing will not be a major issue as this target segment is financially capable and mentally prepared for spending on luxury items. The good time and good taste will more than compensate for the price they have to pay. Nevertheless, it is proposed not to over-price the items so that the launching of CMCR (as a new player in the market) and its products would be perceived high value premium products, but fairly priced based on its perceived value. In order to achieve this, CMCR pricing must always be benchmarked against competitors in Mongolia as well as overseas.
- Nevertheless, the pricing will not be artificially lowered further than the fair price to ensure that the quality is exactly the same wherever it goes. Any variations in pricing is only done to recover taxes and inflation and the cost of distribution channels. To share the good taste and satisfy all of the customers, the pricing will take account of the atmosphere and cost of setting up the signature cafés. Coffee-break time, business in-sight sharing and meeting new people becomes enjoyable over the great coffee during their leisure or business activities. All these will help to justify the price and support the product value positioning in the market.

#### **PLACE**

- In order to maximise people traffic, the signature cafes should be located in strategic locations which are frequented by the target market segment.
- For example, tourists would spend their time around landmarks and national heritage sites. Therefore, it would be strategic to choose locations near

museums such as Natural History Museum, Museum of National History and Bogd Khan Palace Museum in Ulaanbaatar, Mongolia.

- Another strategic place for signature café would be close to 5-star hotels to associate with the social class and high quality of coffee. For example, a good location would be near the luxurious Kempinski Hotel Khan Palace whose patrons have the high spending power and this matches the firm's positioning. In this way, CMCR could become the coffee house of choice for business traveller and expatriates who could discuss business with their partners over good coffee.
- Another strategic location would be nearby the National University of Mongolia, Embassy of People's Republic of China, US Embassy, and German Embassy which are all located in the same vicinity. Thus, there could be a lot of customers from among the students who would study and discuss over food and coffee, and also Westerners and diplomats who value high quality food and good coffee.
- Besides that, other good locations are airports, shopping malls, and the central business district in Ulaanbaatar.

## **PROMOTION**


- It is important to engage in promotional activities to increase the customer awareness and encourage purchasing. For the mode of entry as Direct Exports through distribution channels, the promotion should be focused on Business to Business promotion for the 1st year. This allows customers to become loyal to CMCR coffee whilst it is considering options in terms of long term business goals.

- The promotion for distributors will include Dealer incentives plan to drive sales growth while supporting them with Sales Training Programs, Trade Allowances and co-operative advertising. In this way, they will support CMCR products, stocking up more goods so it will lead to clear stock, thus can produce more coffee and coffee machines. Enhancing more sales means popularity to consumers. Therefore, according to the plan, when there is enough encouraging sales figures and customer awareness in Mongolia, it is easier for the firm to engage with the final consumers.
- When it comes down to promotion, nothing beats the price off. However, for the value-based products in CMCR, this price off tactic will be avoided as much as possible since it could affect the brand in negative ways over time. Therefore, samples and patronage rewards could be the best solutions for the promotion. Combined with Tie-in promotion, it is certain that the brand will leave a positive impression on the consumers.
- Internet would be most convenient and cost-friendly mode of communication with the customers in Mongolia, and it could also reach large numbers of customers in short time. However, this will be used judiciously and in targeted manner, since there is little internet penetration in the country except for certain segments (such as businesses, government, diplomats, and universities).
- Participating in consumer goods tradeshows, and letting the customer have sampling will be the most directed and could show off the quality products, fulfilling the marketing objectives.



## 7.0 IMPLEMENTATION AND CONTROL

Whilst a comprehensive marketing plan has been designed, it is crucial to ensure that it is implemented correctly and effectively. In order to make this happen the team assigned to run the new venture in Mongolia is also the team which participated in building and creating the overall plan. This is an important consideration to ensure that there is buy-in from the implementation team – because the team would not be able to effectively implement a plan that they do not believe in themselves.

Accordingly, the team has been formed as follows:

	ROLE	PERSON IN CHARGE
1	<b><u>Country Manager</u></b> Responsible for overall planning, strategy, engagement, and to craft the details of the implementation plan and enforce the control mechanism which will ensure the success of this venture.	TAN JUN MIN 

<p><b>2</b></p>	<p><b><u>Creative Manager</u></b></p> <p>Responsible to craft the advertisements, promotions and other marketing activities involved to launch and execute the plan.</p>	<p><b>KYAW SOE HEIN</b></p> 
<p><b>3</b></p>	<p><b><u>Public Relations Manager</u></b></p> <p>Responsible to build the brand image, manage publicity and all corporate communications with public as well as stakeholders. She will be the public face of the company in Mongolia.</p>	<p><b>ONG LILIN LINLINA</b></p> 

4	<p><b><u>Implementation Manager</u></b></p> <p>Responsible for implementing the plan and delivering the key milestones and objectives to meet the benchmarks and performance indicators.</p>	<p><b>ALOYSIOUS TAN</b></p> 
5	<p><b><u>Product Manager</u></b></p> <p>Responsible for the creation, management and quality of the product (i.e. coffee, equipment, sales &amp; services, and training).</p>	<p><b>JACKY TAN KAH HOE</b></p> 

In order to ensure a proper control mechanism is enforced, the following review and feedback tools will be implemented:

Type	Used By	Purpose	Tool
------	---------	---------	------



Strategy control	Country Manager	To analyse if the plans serves the company's strategic interests	Marketing audit Financial audit Sustainability audit Strategy review
Annual budget control	Creative Manager Implementation Manager Public Relations Manager Product Manager	To analyse if the plan is being executed well and obtaining expected results	Market share review Operations review Sales vs budget share review Profit vs loss review
Financial profitability control	Implementation Manager	To analyse operating profitability and improvement	Profitability analysis (by product, location, customer type, market segment, trade channel)
Efficiency control	Creative Manager Public Relations Manager Product Manager	To analyse the effectiveness and impact of the execution	Impact and effectiveness analysis (product, promotion, advertising, sales, distribution)

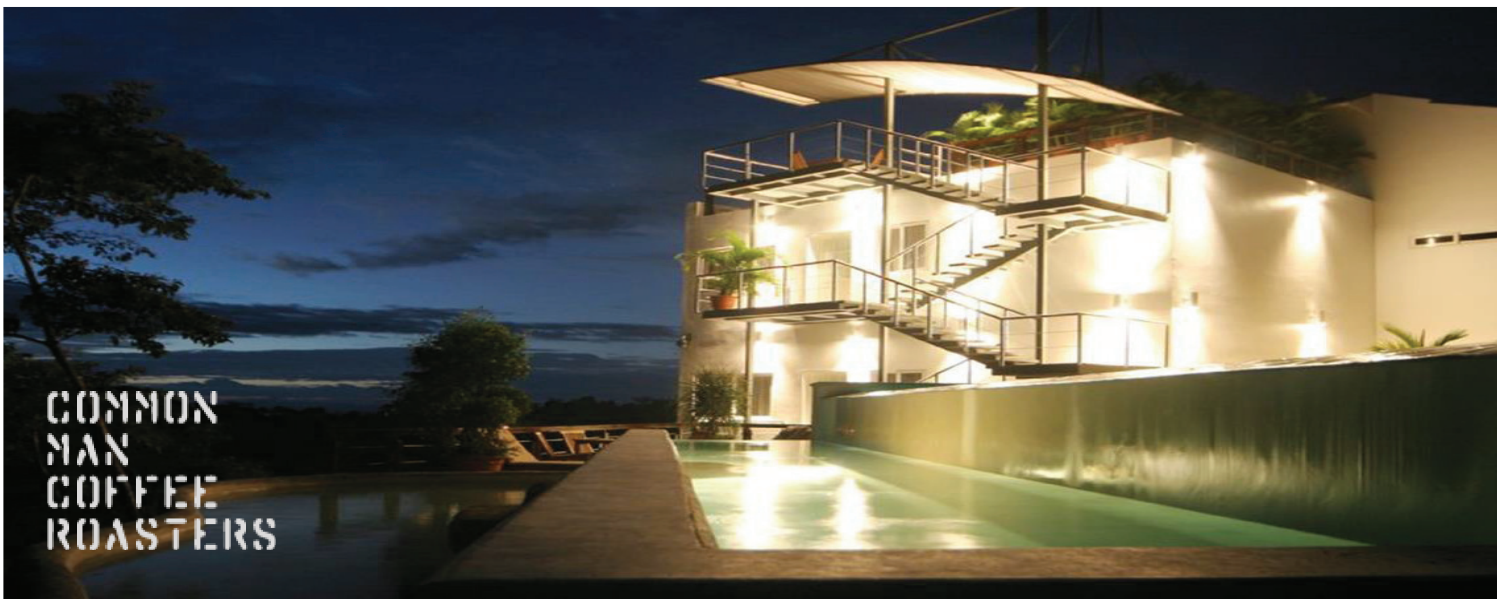
## 8.0 CONCLUSION

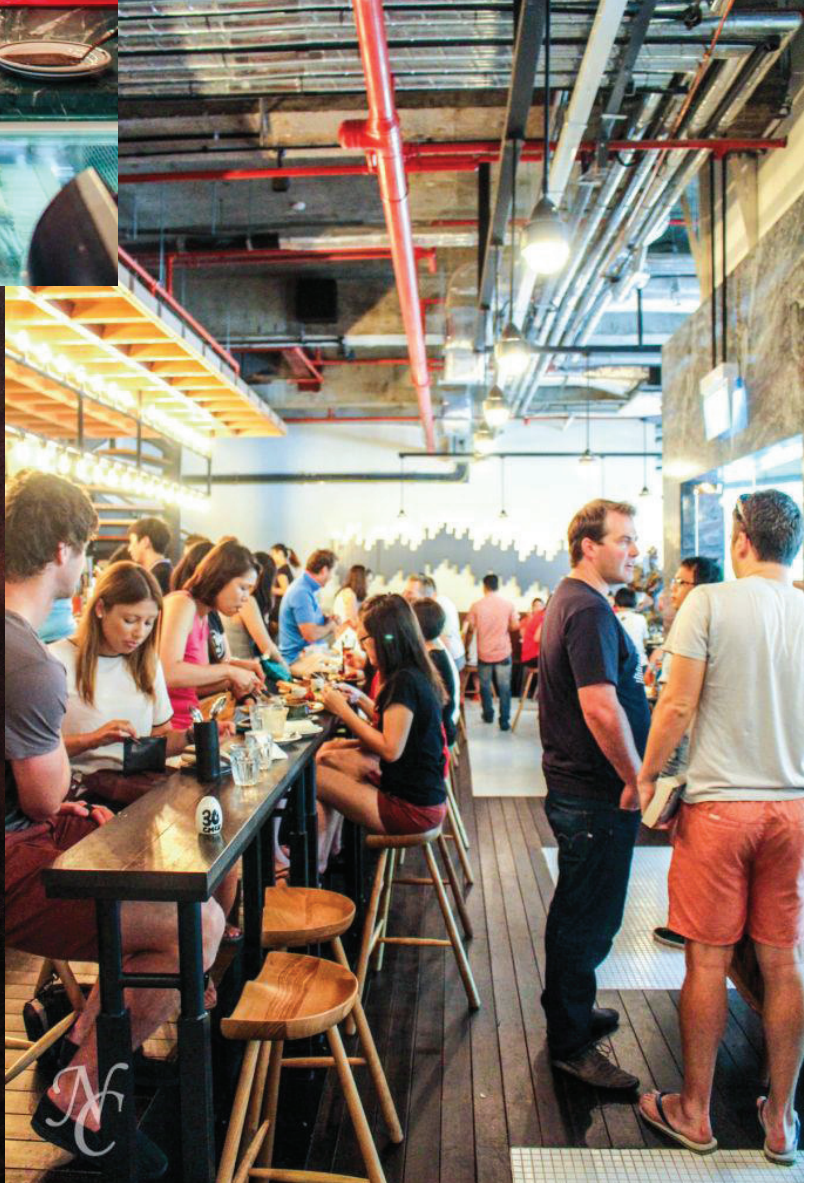
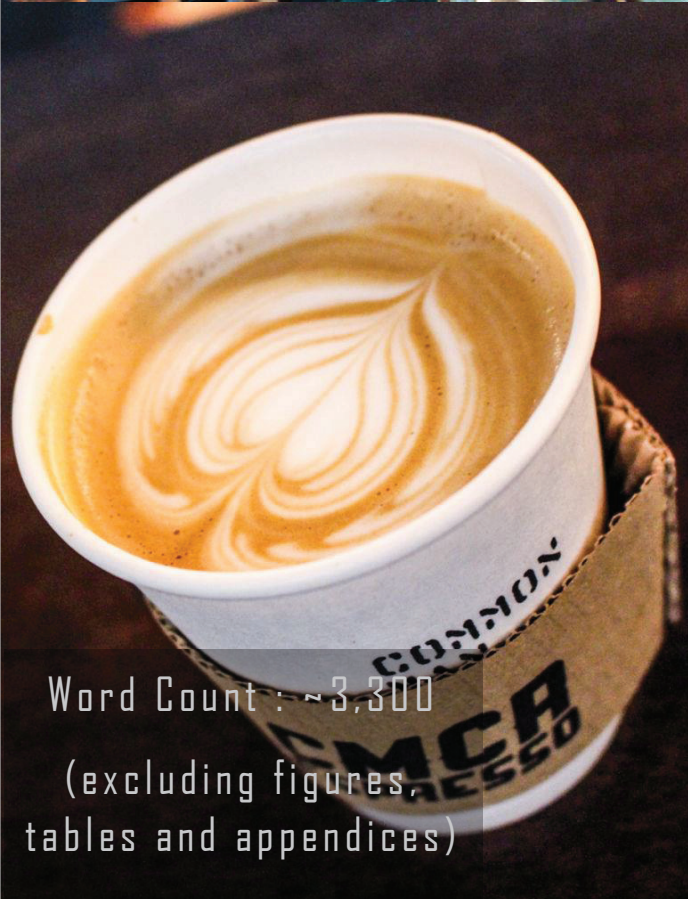
With coffee consumption worldwide reaching record heights, and supporting medical research showing health benefits of drinking coffee, there has been no better time for the coffee industry which is growing by leaps and bounds consumers grow more discerning and demanding for the best coffee.

This market growth is mirrored in once remote countries all over the world like Mongolia, where people of all ethnicities, religions and castes discover the civilising and socialising influence of coffee.

Mongolia with its new free market economy, growing GDP, rising standard of living and a rapidly increasing middle class of sophisticated consumers is just the right audience for the type of coffee experience that CMCR is specialised in bringing.

With the implementation of the marketing plan, we are confident that the CMCR brand will break out from Singapore and become renowned, firstly in Mongolia, and thereafter throughout the world as not only the best coffee, but also the most socially engaged and environmentally sustainable brand – truly living up to the promise in its vision to *“touch hearts and build lives, one great cup of coffee at a time”*.





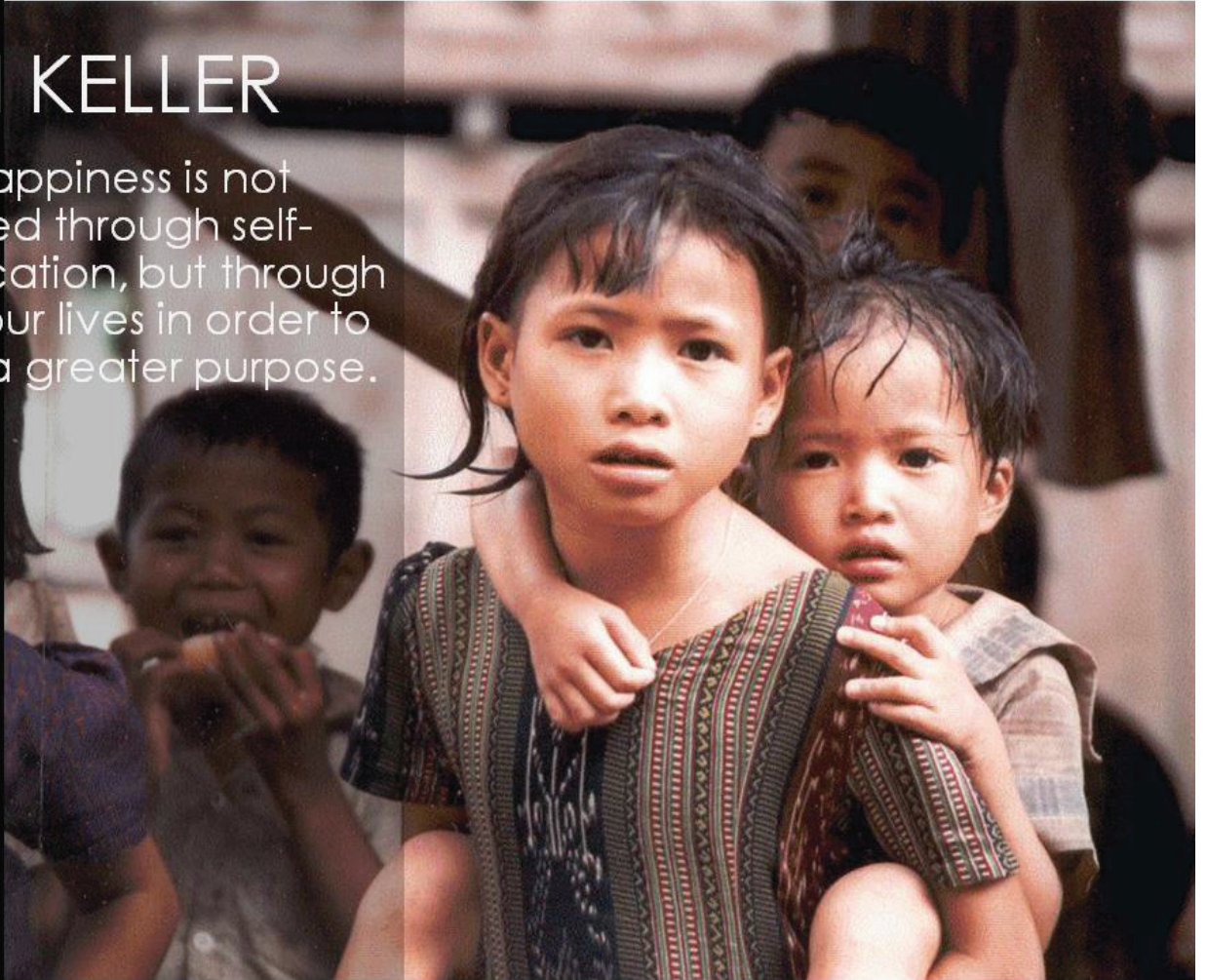
Word Count : ~ 3,300

(excluding figures, tables and appendices)

## APPENDICES

### HELEN KELLER

“ True happiness is not attained through self-gratification, but through living our lives in order to serve a greater purpose.



## APPENDIX A-1: TEN STEPS TO COFFEE

### From the Seed to the Cup



High on a lush, steep hillside covered with coffee trees, a picker carries a heavy bag filled with a long day's work. The bag contains ripe, red coffee cherries. Months from now, the beans from that day's harvest might be the very ones you purchase at your favorite store. Between the time that he picked them and you purchase them, the beans went through a series of steps very much like this.

#### 1. Planting

A coffee bean is actually a seed. When dried, roasted and ground, it is used to brew coffee. But if the seed is not processed, it can be planted and will grow into a coffee tree.

Coffee seeds are generally planted in large beds in shaded nurseries. After sprouting, the seedlings are removed from the seed bed to be planted in individual pots in carefully formulated soils. They will be watered frequently and shaded from bright sunlight until they are hearty enough to be permanently planted. Planting often takes place during the wet season, so that the soil around the young trees remains moist while the roots become firmly established.



A coffee nursery

#### 2. Harvesting the Cherries

Depending on the variety, it will take approximately 3 or 4 years for the newly planted coffee trees to begin to bear fruit. The fruit, called the coffee cherry, turns a bright, deep red when it is ripe and ready to be harvested. In most countries, the coffee crop is picked by hand, a labor-intensive and difficult process, though in places like Brazil, where the landscape is relatively flat and the coffee fields immense, the process has been mechanized. Whether picked by hand or by machine, all coffee is harvested in one of two ways:

**Strip Picked** - the entire crop is harvested at one time. This can either be done by machine or by hand. In either case, all of the cherries are stripped off of the branch at one time.



Coffee cherries

**Selectively Picked** - only the ripe cherries are harvested and they are picked individually by hand. Pickers rotate among the trees every 8 - 10 days, choosing only the cherries which are at the peak of ripeness. Because this kind of harvest is labor intensive, and thus more costly, it is used primarily to harvest the finer arabica beans.

In most coffee-growing countries, there is one major harvest a year; though in countries like Colombia, where there are two flowerings a year, there is a main and secondary crop. A good picker averages approximately 100 to 200 pounds of coffee cherry a day, which will produce 20 to 40 pounds of coffee beans. At the end of a day of picking, each worker's harvest is carefully weighed and each picker is paid on the merit of his or her work. The day's harvest is then combined and transported to the processing plant.



Coffee transported in bags in Ethiopia

---

### 3. Processing the Cherries

Once the coffee has been picked, processing must begin as quickly as possible to prevent spoilage. Depending on location and local resources, coffee is processed in one of two ways.

#### The Dry Method

This is the age-old method of processing coffee and is still used in many countries where water resources are limited. The freshly picked cherries are simply spread out on huge surfaces to dry in the sun. In order to prevent the cherries from spoiling, they are raked and turned throughout the day, then covered at night, or if it rains, to prevent them from getting wet. Depending on the weather, this process might continue for several weeks for each batch of coffee. When the moisture content of the cherries drops to 11 percent, the dried cherries are moved to warehouses where they are stored



Coffee drying on a mat

### The Wet Method

In wet method processing, the pulp is removed from the coffee cherry after harvesting and the bean is dried with only the parchment skin left on. There are several actual steps involved. First, the freshly harvested cherries are passed through a pulping machine where the skin and pulp is separated from the bean. The pulp is washed away with water, usually to be dried and used as mulch. The beans are separated by weight as they are conveyed through water channels, the lighter beans floating to the top, while the heavier, ripe beans sink to the bottom.

Next they are passed through a series of rotating drums which separate them by size.



Wet method processing

After separation, the beans are transported to large, water-filled fermentation tanks. Depending on a combination of factors -- such as the condition of the beans, the climate and the altitude -- they will remain in these tanks for anywhere from 12 to 48 hours. The purpose of this process is to remove the slick layer of mucilage (called the parenchyma) that is still attached to the parchment; while resting in the tanks, naturally occurring enzymes will cause this layer to dissolve. When fermentation is complete the beans will feel rough, rather than slick, to the touch. At that precise moment, the beans are rinsed by being sent through additional water channels. They are then ready for drying.

---

### 4. Drying the Beans

If the beans have been processed by the wet method, the pulped and fermented beans must now be dried to approximately 11 percent moisture to properly prepare them for storage. These beans, still encased inside the parchment envelope (the endocarp), can be sun dried by spreading them on drying tables or floors, where they are turned regularly, or they can be machine dried in large tumblers. Once dried, these beans, referred to as 'parchment coffee,' are warehoused in sisal or jute bags until they are readied for export.



Drying beans in the sun

### 5. Milling the Beans

Before it is exported, parchment coffee is processed in the following manner:

## 5. Milling the Beans

Before it is exported, parchment coffee is processed in the following manner:

### Hulling

Machines are used to remove the parchment layer (endocarp) from wet processed coffee. Hulling dry processed coffee refers to removing the entire dried husk -- the exocarp, mesocarp & endocarp -- of the dried cherries.

### Polishing

This is an optional process in which any silver skin that remains on the beans after hulling is removed in a polishing machine. While polished beans are considered superior to unpolished ones, in reality there is little difference between the two.

### Grading & Sorting

Before being exported, the coffee beans will be even more precisely sorted by size and weight. They will also be closely evaluated for color flaws or other imperfections.

Typically, the bean size is represented on a scale of 10 to 20. The number represents the size of a round hole's diameter in terms of 1/64's of an inch. A number 10 bean would be the approximate size of a hole in a diameter of 10/64 of an inch and a number 15 bean, 15/64 of an inch. Beans are sized by being passed through a series of different sized screens. They are also sorted pneumatically by using an air jet to separate heavy from light beans.

Next defective beans are removed. Though this process can be accomplished by sophisticated machines, in many countries, it is done by hand while the beans move along an electronic conveyor belt. Beans of unsatisfactory size, color, or that are otherwise unacceptable, are removed. This might include over-fermented beans, those with insect damage or that are unhulled. In many countries, this process is done both by machine and hand, insuring that only the finest quality coffee beans are exported

---

## 6. Exporting the Beans

The milled beans, now referred to as 'green coffee,' are ready to be loaded onto ships for transport to the importing country. Green coffee is shipped in either jute or sisal bags which are loaded into shipping containers, or it is bulk shipped inside plastic-lined containers. Approximately seven million tons of green coffee is produced worldwide each year.

---





## 7. Tasting the Coffee

At every stage of its production, coffee is repeatedly tested for quality and taste.

This process is referred to as 'cupping' and usually takes place in a room specifically designed to facilitate the process. First, the taster -- usually called the cupper -- carefully evaluates the beans for their overall visual quality. The beans are then roasted in a small laboratory roaster, immediately ground and infused in boiling water, the temperature of which is carefully controlled. The cupper "noses" the brew to experience its aroma, an integral step in the evaluation of the coffee's quality. After letting the coffee rest for several minutes, the cupper "breaks the crust" by pushing aside the grounds at the top of the cup. Again the coffee is nosed before the tasting begins.

To taste the coffee, the cupper "slurps" a spoonful with a quick inhalation. The objective is to spray the coffee evenly over the cupper's taste buds, and then "weigh" it before spitting it out. Samples from a variety of batches and different beans are tasted daily. Coffees are not only analyzed this way for their inherent characteristics and flaws, but also for the purpose of blending different beans or determining the proper roast. An expert cupper can taste hundreds of samples of coffee a day and still taste the subtle differences between them.



A coffee port: Cartehena, Colombia

## 8. Roasting the Coffee

Roasting transforms green coffee into the aromatic brown beans that we purchase, either whole or already ground, in our favorite stores. Most roasting machines maintain a temperature of about 550 degrees Fahrenheit. The beans are kept moving throughout the entire process to keep them from burning and when they reach an internal temperature of about 400 degrees, they begin to turn brown and the caffeine, or oil, locked inside the beans begins to emerge.

This process, called pyrolysis is at the heart of roasting. It is what produces the flavor and aroma of the coffee we drink. When the beans are removed from the roaster, they are immediately cooled either by air or water. Roasting is generally performed in the importing countries because freshly roasted beans must reach the consumer as quickly as possible.



Roasted beans in Costa Rica

## 9. Grinding Coffee

The objective of a proper grind is to get the most flavor in a cup of coffee. How coarse or fine the coffee is ground depends on the method by which the coffee is to be brewed. Generally, the finer the grind the more quickly the coffee should be prepared. That is why coffee ground for use in an espresso machine is much finer than coffee which will be brewed in a drip system.

## 10. Brewing Coffee

Before you brew your coffee, take a moment to look carefully at the beans. Smell their aroma. Think of the many processes that these beans have gone through since the day they were hand-picked and sorted in their origin country. Consider the long way they have traveled to your kitchen. Prepare your coffee thoughtfully and enjoy it with pleasure. Many people have been instrumental in bringing it to your cup!

# Figure A-1 : Ten Steps to Coffee

(Source: NCA, 2015)

APPENDIX A-2: TYPICAL COFFEE SUPPLY CHAIN

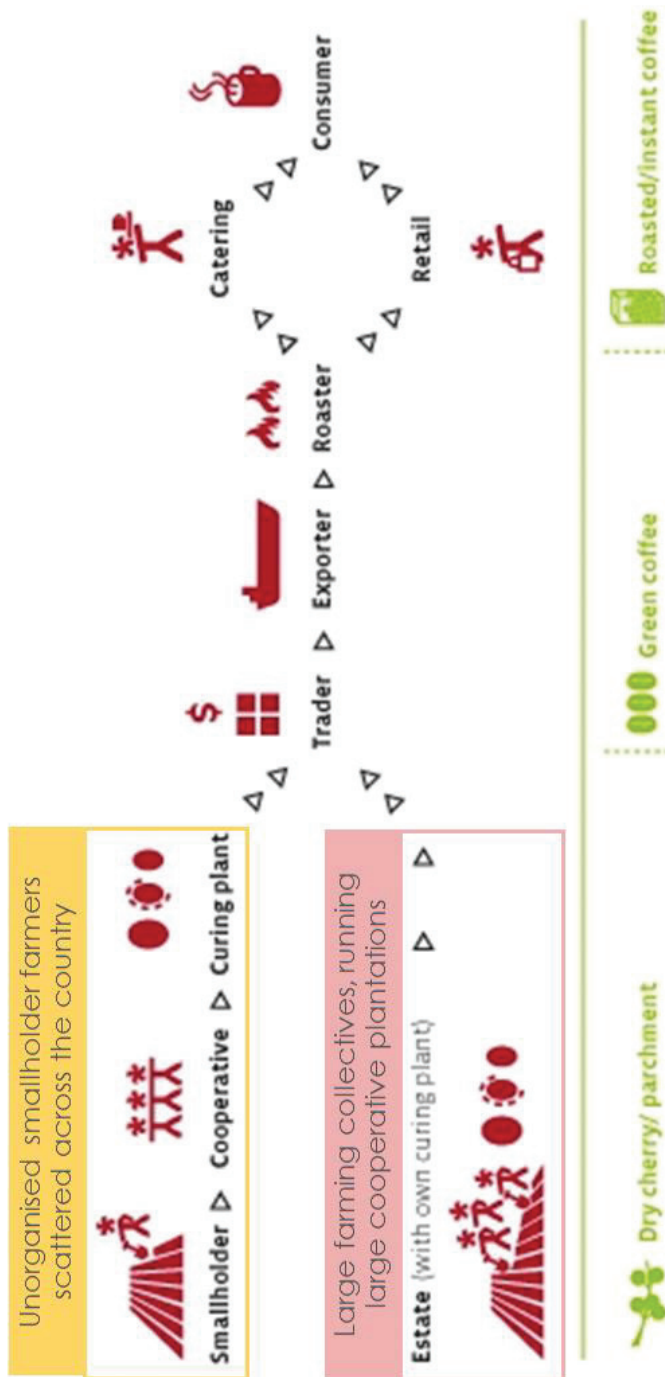
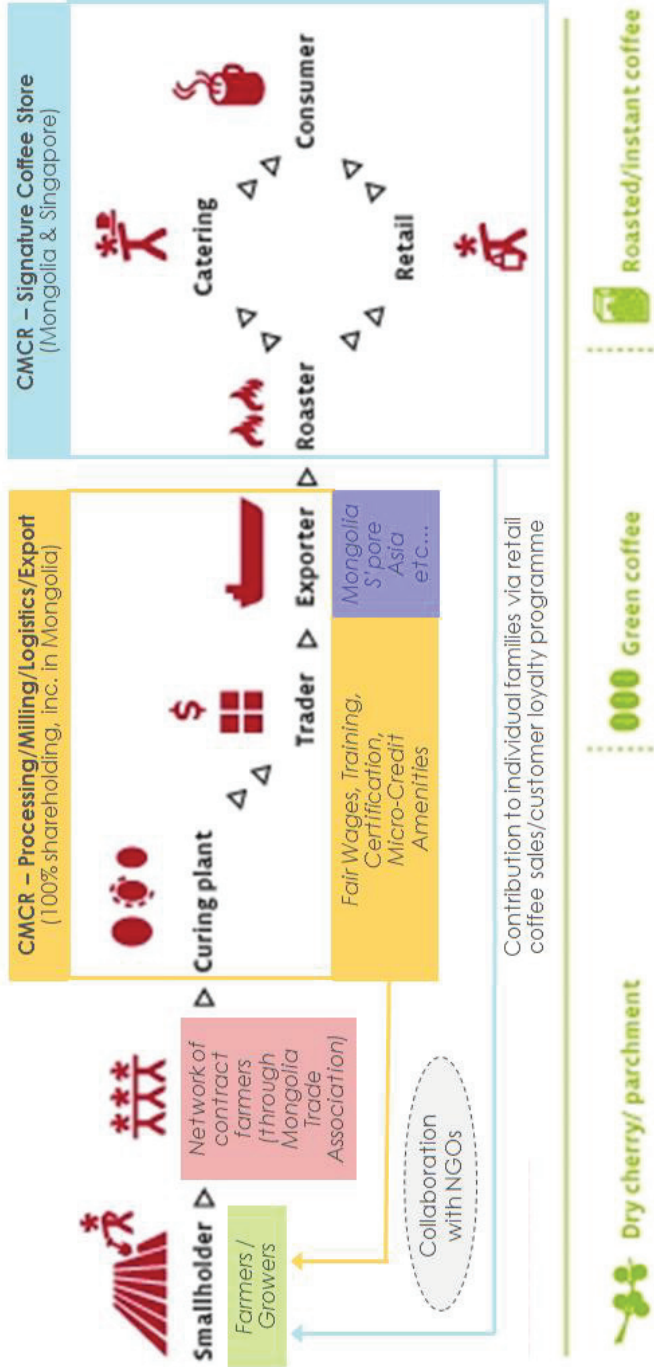


Figure A-2 : Typical Coffee Supply Chain

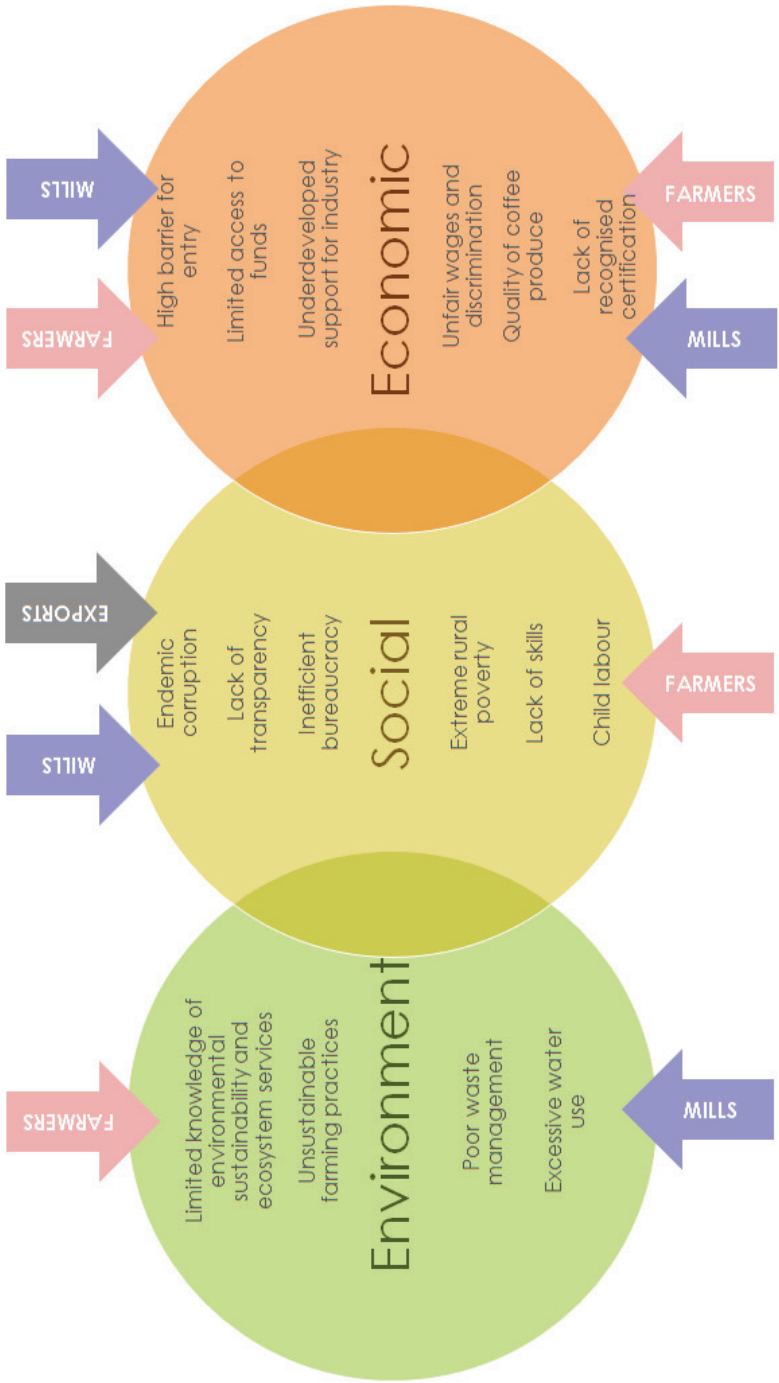
(Source: Author, 2015)

**APPENDIX A-3: PROPOSED CMCR OPERATING STRUCTURE IN MONGOLIA**



**Figure A-3 : Proposed CMCR Operating Structure in Mongolia**  
(Source: Author, 2015)

**APPENDIX A-4: ISSUES AND CHALLENGES IN MONGOLIA AGRICULTURE**



**Figure A-4 : Issues and Challenges in Mongolia Agriculture**  
 (Source: Author, 2015)

## APPENDIX A-5: COFFEE CONSUMPTION DATA IN MONGOLIA

**Table 1: Total coffee consumption**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Brunei	8	10	8	11	9	16	20	29	20	12	18	14	22	24	21	21	26	38	33	55	34	30	30
Cambodia																							
China			0	0	6	4	8	10	8	21	6	5	4	5	3	16	16	6	20	15	21	28	28
India																							
Indonesia	1 236	1 271	1 309	1 349	1 390	1 432	1 475	1 521	1 567	1 614	1 664	1 919	1 834	1 820	1 958	2 375	2 750	3 208	3 333	3 333	3 333	3 333	3 584
Japan	5 060	5 809	5 132	5 740	5 973	6 116	5 838	5 968	6 052	6 273	6 626	6 936	6 875	6 770	7 117	7 138	7 268	7 282	7 065	7 130	7 192	7 015	7 131
Laos																							
Malaysia*	48	64	79	95	111	126	142	158	174	189	205	221	236	252	268	283	299	315	330	346	362	377	393
Mongolia																							
Myanmar	0	0	1	0	1	1	5	2	4	9	7	15	13	9	14	16	19	17	10	9	11	16	16
North Korea	0	0	1	0	1	2	1	0	0	0	0	53	52	57	76	61	81	108	158	194	313	253	253
Philippines	0	0	0	2	1	2	1	0	0	1	25	29	27	8	27	20	9	26	3	4	16	25	25
South Korea	710	735	750	760	780	800	821	842	832	836	841	821	825	873	969	1 030	1 050	1 060	1 390	1 770	1 973	2 150	2 175
Taiwan	842	801	942	975	1 095	1 009	926	1 065	988	1 087	1 246	1 258	1 306	1 305	1 401	1 394	1 437	1 425	1 665	1 551	1 666	1 801	1 714
Thailand*	122	141			108	152	172	216	260	303	376	417	446	459	340	320	290	323	262	295	388	397	396
Timor-Leste	172	196	223	237	258	317	396	347	401	433	450	1 000	535	572	613	655	701	750	803	859	919	984	1 052
Vietnam	113	170	235	254	267	271	286	302	318	336	363	416	475	541	629	722	829	922	959	1 068	1 302	1 583	1 583

\* Estimated

In thousand bags

**Table 2: Per capita consumption**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Brunei	1 938	2 337	1 761	2 258	1 791	3 160	4 002	5 617	3 671	2 218	3 299	2 539	3 736	4 149	3 448	3 424	4 174	5 998	5 459	8 388	5 119	4 354	4 354
Cambodia			3	2	35	19	42	49	41	103	295	213	185	222	121	737	722	259	846	637	862	115	115
China																							
India																							
Indonesia	418	423	429	435	442	449	456	463	471	478	486	553	522	544	540	635	725	833	854	843	839	823	880
Japan	2 464	2 819	2 481	2 764	2 866	2 925	2 785	2 841	2 875	2 975	3 137	3 279	3 245	3 215	3 368	3 369	3 438	3 434	3 329	3 359	3 389	3 358	3 362
Laos																							
Malaysia*	159	205	248	290	329	366	401	434	466	496	525	553	580	607	633	658	681	704	726	747	767	787	806
Mongolia	8	5	2	24	23	140	42	112	220	182	362	315	224	334	376	438	425	228	197	250	338	338	338
Myanmar	0	0	2	0	2	3	1	0	0	0	280	687	656	690	914	733	957	127	185	226	362	290	290
North Korea	0	1	1	4	2	5	2	0	1	2	65	77	69	20	67	51	23	64	7	11	38	61	61
Philippines	682	690	688	681	684	686	689	692	669	659	650	621	613	634	690	721	722	716	923	1 156	1 267	1 357	1 349
South Korea	1 176	1 108	1 293	1 329	1 483	1 355	1 234	1 408	1 296	1 414	1 696	1 616	1 670	1 682	1 796	1 779	1 824	1 798	2 865	1 932	2 633	2 217	2 984
Taiwan	359	410			307	426	341	596	711	823	1 013	1 117	1 188	1 218	900	844	761	844	682	767	1 004	1 025	1 019
Thailand*	183	206	232	245	265	322	399	346	395	422	433	951	503	533	565	600	639	681	728	778	831	886	946
Timor-Leste																							
Vietnam	102	151	204	217	224	223	231	240	250	260	277	313	353	389	449	511	582	639	658	726	878	1 564	1 464

\* Estimated

In grams per capita

**Figure A-5 : Coffee Consumption Data in Mongolia**

(Source: International Coffee Organisation, 2014)

## REFERENCES

- Chilkhaasuren, B. *Population and Economic Activities of Ulaanbaatar*. Ulaanbaatar: Department of Statistics.
- CMCR,. (2015). *Common Man Coffee Roasters*. *Commonmancoffeeroasters.com*. Retrieved 2 April 2015, from <http://www.commonmancoffeeroasters.com/#/cafe>
- ICO,. (2015). *International Coffee Organization - The Story Of Coffee*. *Ico.org*. Retrieved 1 April 2015, from [http://www.ico.org/coffee\\_story.asp](http://www.ico.org/coffee_story.asp)
- International Coffee Organisation,. (2014). *Coffee consumption in East and Southeast Asia: 1990 to 2012*. London: International Coffee Council.
- Jung, Y. (2015). *Caffe Bene Opens 5th, 6th Stores in Ulan Bator, Mongolia*. *BusinessKorea*. Retrieved 1 April 2015, from <http://www.businesskorea.co.kr/article/9712/coffee-mongolia-caffe-bene-opens-5th-6th-stores-ulan-bator-mongolia>
- Lee, G. (2013). *Common Man Coffee Roasters | HungryEpicurean*. *HungryEpicurean*. Retrieved 1 April 2015, from <http://www.hungryepicurean.com/2013/08/common-man-coffee-roasters/>
- Liu, B. (2013). *Common Man Coffee Roasters @ Martin Road*. *Eat | Pray | Fly -ing*. Retrieved 1 April 2015, from <http://www.eatprayflying.com/common-man-coffee-roasters-martin-road/#menuopen>

Mah, K. (2014). *A little coffee empireâ€down south!*. *Themalaymailonline.com*. Retrieved 1 April 2015, from <http://www.themalaymailonline.com/eat-drink/article/a-little-coffee-empire...down-south>

Mongolian Ways,. (2015). *Mongolian Customs - Customs and Culture in Mongolia*. *Mongolian-ways.com*. Retrieved 1 April 2015, from <http://www.mongolian-ways.com/customs.htm>

National Statistical Office of Mongolia,. (2010). *Mongolia National Census 2010 Provision Results*. Ulaanbaatar.

NCA,. (2015). *Ten Steps To Coffee - National Coffee Association*. *Ncausa.org*. Retrieved 1 April 2015, from <http://ncausa.org/i4a/pages/index.cfm?pageid=69>

NCA,. (2015). *The History Of Coffee - National Coffee Association*. *Ncausa.org*. Retrieved 1 April 2015, from <http://ncausa.org/i4a/pages/index.cfm?pageid=68>

Templeton, D. (2015). *Finally, the question if coffee is good for you, answered - Health | The Star Online*. *Thestar.com.my*. Retrieved 1 April 2015, from <http://www.thestar.com.my/Lifestyle/Health/2015/03/31/Finally-the-question-if-coffee-is-good-for-you-answered/>