



America's largest made-to-order bubble tea brand

More than 320 locations with nearly 70 more in build out mode

14% of transactions & 20% of sales come from the brand's mobile application



History

Bubble tea—often referred to as boba tea, a slang term for the tapioca balls at the bottom of the drink—is a tea-based beverage with Taiwanese origins. While there are dozens of bubble tea flavor combinations, it typically consists of a blend of tea with milk and fruit juices. Round tapioca pearls complete the beverage, resembling bubbles in clusters at the bottom of cups.

Surprisingly little is known about the official start of the tea-based drink, but the culture surrounding the tea has been traced back to the late 80s. In 2010, social media really started playing a large role in the rise in popularity of bubble tea as people began to post their aesthetic, colorful drinks. By 2019, the bubble tea market was valued at \$2.4 billion and is estimated to reach \$4.3 billion by 2027.

Today, **Kung Fu Tea** is America's largest bubble tea chain and is on a mission to elevate the world of made-to-order beverages. With over 350 locations in the U.S. —and over 67 stores in build out as of September, 2022—the innovative beverage brand is showing no signs of slowing down.

Read on to learn how placing technology—and quality ingredients—at the center of their operations has enabled this quick-service beverage franchise to scale, all while remaining authentic to their roots.

The Business Challenge

Meeting the Customer Where They Are

Kung Fu Tea Franchise Performance Manager Julian Cabezas works directly with franchisees to ensure they have the support and resources they need to operate at a high level. A big part of his role is to relay feedback from operators to the corporate team so that the brand can stay on top of trends and customer demands seen at the store level.

In August of 2022, Kung Fu Tea worked with Revel Integrated Partner **LevelUp** to create a **brand new mobile app** built to accommodate the large proportion of their customer base seeking out mobile ordering platforms. Prioritizing a frictionless user experience, the mobile app incorporates order ahead functionality, a robust loyalty program, and product recommendations and deals.

Julian also credits **Revel's self-service kiosks** with helping to elevate the in-store customer experience at Kung Fu Tea locations. Kiosks offers operators a fully branded self-service ordering option for customers, freeing their employees to focus on service-oriented tasks.

Today, the franchise has kiosks in about 7% of their stores, and are continually testing the technology in new markets.

“Stores do really well with kiosks. You have the product visuals right there on the screen, and we’re seeing higher average tickets with them,” says Julian.

Between a best-in-class mobile app and built-in customer convenience through in-store self-service kiosks, the right technology certainly factors into the reasons bubble tea lovers flock to Kung Fu Tea locations.

“Today, we have 1.5 million app users. Over 14% of all transactions come through the mobile app, 20% of total sales come through the mobile app, and on average, our mobile app users generate \$108 in revenue per user.”

Julian Cabezas,
Franchise Performance Manager,
Kung Fu Tea

Robust Reporting

For enterprises on legacy point of sale solutions, one challenge is the ability to effectively leverage store sales and consumer behavior data to make informed decisions for their businesses. The data is often not available in real time, or collectively at the enterprise level. Revel's cloud-native platform means operators at the store level, and executives at the corporate level, have access to actionable data. The team behind Kung Fu Tea takes full advantage of Revel's suite of cloud reporting tools.

“When we first started, operators only looked at transactions and average sales,” Julian explains. “We’re now leveraging core reporting and product mix, among other things, and we’re starting to see the positive impact that it’s having on analytical decisions. It’s making a difference in day-to-day operations.”

Today, Julian notes that operators are really able to understand where their orders are driven, and that intel is driving major decisions at the corporate level when it comes to adopting new technologies for the franchise.

Delivery Made Easy with Direct Integrations

With customer convenience always top of mind, the Kung Fu Tea team is constantly seeking ways to offer customers convenience when it comes to consuming their favorite bubble tea.

“A couple years ago, delivery really took off. Initially we had bolted-on integrations that worked with the point of sale. Today we have direct integrations through Revel, which has really made a difference,” says Julian.

Kung Fu Tea is also participating in Revel’s early adopter program (EAP) for Revel Driver XTTM powered by DoorDash Drive, which offers Revel clients a third-party driver dispatch solution for delivery orders. Today, delivery comprises about 10% of sales for the brand, and solutions like Driver XT help them reduce staffing burdens while still offering a convenient experience for customers.

“We ultimately want to work with a partner that understands our needs at the moment, but is really going to grow with us. We have that with Revel,” Julian notes.

According to Julian, these direct integrations make things much easier not only for their operators, but also their corporate office because success metrics are stored in a singular, cloud-based management console.

“If you’re a growing quick service company operating in the beverage space, your leadership team needs to understand technology. Ultimately, that’s going to help them make data-driven decisions. This will allow you to scale your business, course correct when needed, and innovate even faster.”

Julian Cabezas,
Franchise Performance Manager,
Kung Fu Tea



Staying Agile for the Future

Revel and Kung Fu Tea have so much in common, but what tops the list of commonalities is that they both fully embrace innovation. In fact, the bubble tea brand is currently preparing to pilot a drive thru location in Texas using Revel’s platform, which is a new format for the brand.

The successful franchise will apply lessons and best practices from the pilot at other locations, and will continue to explore new options for better serving the thirsty public.

With a passion for innovation and technology in its DNA, Kung Fu Tea shows no signs of losing its title as America’s largest bubble tea brand anytime soon.



For more information, please visit revelsystems.com or call +1 (833) 437-3835