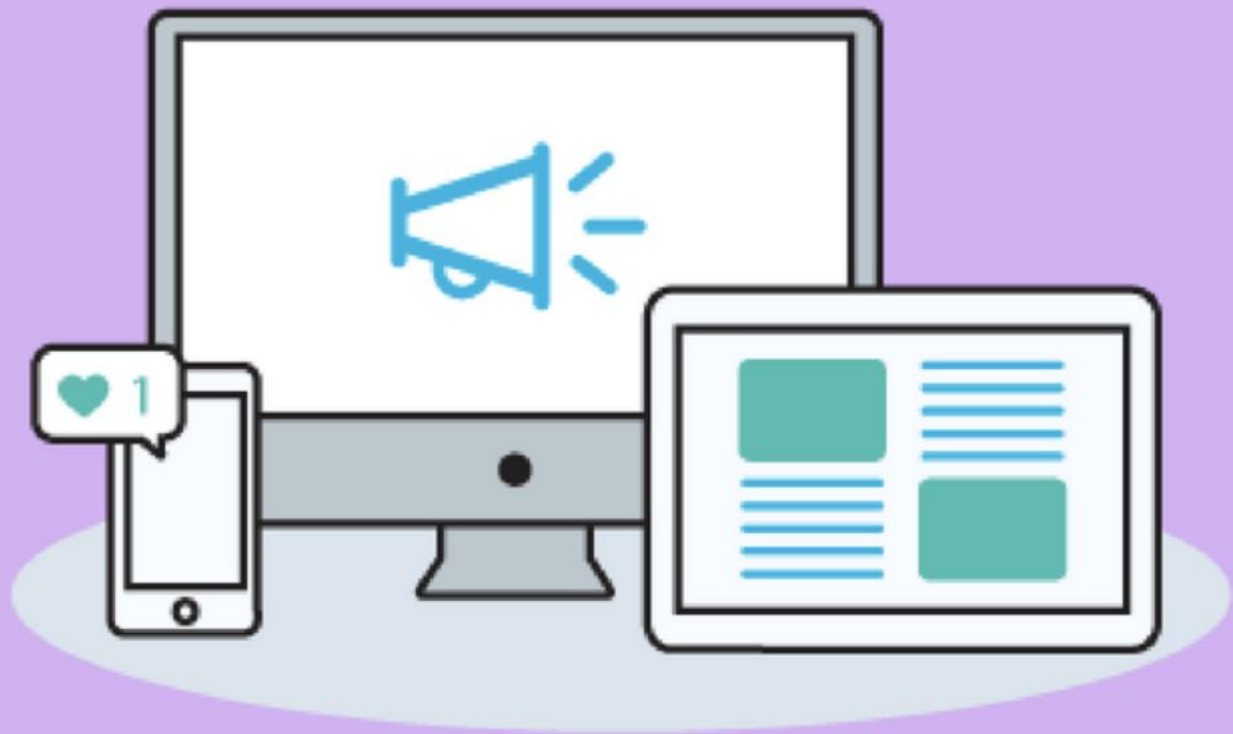


Project 1

Get Ready To Market





Marketing Challenge

Magnolia Coffee Company

Company Profile:

Magnolia Coffee Company

Company Background

The Magnolia Coffee Company was founded in 2009 in Summerville, South Carolina when owner Dan Sumner went looking for a local neighborhood place to meet with friends and clients that was warm, welcoming, and inviting. After years of traveling and working abroad, Dan settled down outside of Charleston with his dog Buddy. Bringing his interest in international, fair trade coffees, he purchased and outfitted his first coffee shop out of what would be the first of over 200 local neighborhood retail locations across the Southeast United States.

Located in suburbs outside of major metropolitan areas with populations of 50-75k people, each Magnolia Coffee Company location is known for its local hometown flavor and community ties. Retail locations are situated near heavily populated office buildings, high traffic retail shopping and eating establishments and next to gym and fitness studios.

Marketing has been more of a buckshot approach without consistent or strategic actions. Dan started building his marketing efforts by marketing to everyone who enjoys coffee. He also created a website, a Facebook page, and even an online app to assist with online ordering and a frequent customer rewards program. While word-of-mouth and some social media posts have gained a dedicated and loyal following, the last two years have seen stagnant growth. Dan is looking for a marketing plan that will help build his customer base and his bottom line.

Competitor Profile:

ClamClams

Company Background

Magnolia's biggest competitor is Clamclams - a massive multinational chain of 10,000+ coffeehouse stores in the US alone. It's known for its wide variety of hot and cold drinks, as well as its selection of pastries, sandwiches, and other foods. Their revenue is almost exclusively derived from physical store sales.

Clamclams branding strategy highlights its commitment to sourcing high-quality coffee beans, as well as its efforts to promote sustainability and social responsibility. The company is known for its seasonal in-out drinks, like the "Cherry Blossom Latte" - its yearly releases have turned into anticipated events that are happily shared on social media among the brand's core users.

Despite its triumphs, ClamClams has experienced a variety of challenges. The company was late to identify the demand for the rise of delivery services for ordering beverages without visiting a physical store. So far, ClamClams failed to figure out an efficient way to use 3rd party delivery providers without a huge impact on gross margins or prices.

Furthermore, Clamclams is heavily dependent on a limited number of suppliers who are able to satisfy its ever-growing demands without compromising quality. Also, like any big brand, Clamclams is under constant scrutiny in the public eye. Every claim made by the company is verified. In a few instances, the company faced the threat of a nationwide boycott when its fair-trade image was put in doubt.

Magnolia Coffee Company

As a marketer, you will want to conduct the interviews to understand the product/service you will be marketing. We provided interviews conducted with two typical Magnolia's customers to help you identify the target audience better.

| | Sara "Social Butterfly" Barnes | Finn "Family-oriented Professional" Parker |
|--|---|---|
| Personal Background | | |
| 1. Describe your personal demographics. <ul style="list-style-type: none">Are they married?What's their annual household income?Where do they live?How old are they?Do they have children? | I'm 22, single, and I rent a flat with two roommates. It's not ideal, but it's cheap and close to my college. I hope to move out soon. I just started my first real job as a social worker and I think it's going really well. It's practically a minimum wage, but I'm pretty serious about becoming an influencer as well. It'll be great to have two sources of income. | I'm 31 and married to my high school sweetheart. Our first kid (Tomas) was born this year. We are tired and a little overwhelmed, but very happy. I really like my job - I'm Q&A Tester in an international company. I don't want to talk about my income, but we are doing ok. Our mortgage was just approved, and we just moved to our first suburban house. |
| 2. Describe your educational background. <ul style="list-style-type: none">What level of | I'll get a degree in Digital Media Design when I graduate from the College of Charleston this year. Hopefully, if everything goes according to | It's a funny story. My degree is not related to what I do. At all. I have a bachelor's degree in Economics. I had trouble finding a job after college, and I take a "temporary" job as a tester. It |

Click [here](#) to access the full interviews.

Magnolia Coffee Company

You are tasked with creating a marketing plan for the Magnolia Coffee Company. More specifically, your objective is to provide the following:

- Target Market
- SMART Marketing Objectives and associated KPI
- Competitor's S.W.O.T.
- Magnolia's S.W.O.T
- Value Proposition
- Empathy Map
- Customer Persona
- Customer Journey Map
- Customer Friction
- Marketing Plan [Optional]

For the purpose of the projects, assume retail beverage products and costs are the same for Magnolia Coffee Company as it is with any competitors.





Step 1:

Market Position

Identify the Target Market for Magnolia Coffee Company

Magnolia Coffee Company's target market consists primarily of suburban professionals and commuters aged 25-45, with a focus on those working in office settings or frequenting nearby retail and fitness establishments. The ideal customers have mid-level incomes ranging from \$40,000 to \$80,000 annually, value high-quality, fair trade coffee, and are interested in supporting local businesses with a community feel. The target demographic includes both individual consumers and small business professionals looking for a welcoming space for informal meetings. Magnolia aims to attract customers within a 3-5 mile radius of each location, particularly in suburban areas outside major metropolitan centers with populations of 50-75k people.

SMART Marketing Objective for Magnolia Coffee Company

Over the next 12 months, Magnolia Coffee Company aims to increase its customer base by 15% in existing locations through targeted digital marketing campaigns and enhanced community engagement initiatives, resulting in a 10% boost in overall sales.

Key Performance Indicator for Magnolia Coffee Company

Customer base growth percentage, measured as a 15% increase in unique customers across existing locations over the 12-month period.

SWOT Analysis Competitor

for ClamClams

Strengths

- Strong brand recognition
- Wide range of products
- Large global presence

Weaknesses

- Late adoption of delivery services.
- Inefficient third-party delivery integration

Opportunities

- Expansion to (yet) untapped markets
- Diversification to non-coffee products
- Cross-marketing with other global brands

Threats

- Supply chain vulnerability
- Public scrutiny and potential boycotts

SWOT Analysis

for Magnolia Coffee Company

Knowing the **Magnolia Coffee Company Weaknesses** and **Threats**, please provide at least two **Strengths** and **Opportunities**.

Strengths

- Established brand presence
- Strategic location choices

Weaknesses

- Limited resources
- Not established brand image
- Quality of service vary depending on staff in given location

Opportunities

- Enhance digital presence
- Expansion into new markets

Threats

- Competitors with bigger marketing budget
- Increasing costs of obtaining new customers
- Differences between locations can create inconsistent brand image

Value Proposition

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FOR suburban coffee enthusiasts and professionals

WHO desire a warm, welcoming local coffee shop with international flair

OUR neighborhood coffee shops

THAT offer fair trade, international coffees in a community-focused setting UNLIKE large corporate coffee chains

OUR OFFER combines the comfort of a local hangout with the quality of globally-sourced coffee, fostering a sense of community in suburban areas



Step 2:

Customer Persona

Empathy Map

Based on the provided interviews, please fill in the **Empathy Map** below. Each quadrant of the empathy map should have at least three points. Feel free to adjust the design or formatting to suit your needs.



Thinking

- "How can I balance work and family?"
- "Is my career future proof?"
- "How can I use my network?"

Seeing



- Parenting resources
- Friends Hanging out
- Coworkers constantly being recruited



Doing

- Taking online courses
- Tasting new dishes
- Caring for a newborn

Feeling



- Optimistic about future
- Guilty about time management
- Uncertain about long term career prospects

Customer Persona

Please provide the **Customer Persona**. Feel free to adjust the design or formatting to suit your needs.

| Background and Demographics (At least 3 points) | Customer Persona Name | Needs (At least 2 points) |
|--|---|--|
| <ul style="list-style-type: none">Age: 26Entry-level job in a growing fieldLives in a suburban area near a major cityAnnual income: \$35,000 - \$45,000 | <div>Image (optional)</div> | <ul style="list-style-type: none">A welcoming space to socialize and networkA place to work or study outside of homeQuick, quality coffee and snacks on-the-go |
| Hobbies or Interests (At least 2 points) | Goals (At least 2 points) | Barriers (At least 2 points) |
| <ul style="list-style-type: none">Traveling and trying new cuisinesMeeting friends | <ul style="list-style-type: none">Advance career and increase incomeBuild a strong | <ul style="list-style-type: none">Limited disposable incomeTime constraints due to work and social commitments |



Step 3:

Customer Journey Map

Customer Journey: Introduction

As you know, the **customer journey** is how marketers explain the process a potential customer goes through to become an actual customer of your business and this helps a marketer decide when to talk to the customer. We've used the **AIDA** framework to **Map** customers experiences and corresponding frictions at each stage of the journey:



Customer Journey Map

| | Awareness | Interest | Action |
|---|--|---|--|
| Goal: Broad objective for this stage | Create awareness about Magnolia Coffee company | Engage potential customers and provide more information about Magnolia Coffee Company's unique offerings | Encourage the customer to visit a Magnolia Coffee Company location and make a purchase |
| TouchPoint (doing): Where is the customer and how can they interact with the brand | At this stage, the potential customer needs to be reached. We can interact online while they browse Social Media or selected websites. | Alex needs to see Magnolia's posts on social media. They may notice ads for local events at Magnolia. Alex can receive an email about coffee tips. They may visit Magnolia's website to learn more. | Alex may visit a local Magnolia store. They may order from the friendly staff. Alex may use the Magnolia app to earn points. |
| Experience (Thoughts/Feelings): | We aim to reach them when they are relaxed but | Alex is curious about Magnolia's | Alex feels nervous trying a new place, yet |

Customer Friction

For this slide please assume that Magnolia’s Customer Rewards Program is performing below expectations.

What steps can be taken to remedy potential friction identified below?

| | Post-Action |
|---|--|
| Potential Gap: What’s point of friction was identified? | Magnolia Coffee aims to acquire more users in its rewards program during the Post-action phase of the customer's journey. However, a potential point of friction may occur with this initiative due to privacy concerns. It seems that customers could be hesitant to provide their personal data for marketing purposes. |
| Solution: What milestone or step can be added to remedy this? | <i>Magnolia Coffee could introduce an anonymous, blockchain-based loyalty system called "Bean Tokens." Customers receive a unique QR code on their first visit, which they can scan for future purchases without sharing personal data. Each scan accumulates Bean Tokens, which can be redeemed for rewards or even traded with other customers. By gamifying this experience, magnolia can create a safe community driven rewards program.</i> |



Step 4:

Optional

Marketing Plan: Content Planning

| | Awareness | Interest | Desire | Action | Post Action |
|--|--|----------|--|--------|--|
| Goal: Broad objective for this stage | Create awareness about Magnolia Coffee company | | Create a strong urge to visit Magnolia Coffee | | Foster loyalty and encourage word-of-mouth marketing |
| TouchPoint (doing): Where is the customer and how can they interact with the brand | At this stage, the potential customer needs to be contacted. We can interact online while they browse Social Media or selected websites. | | Alex imagines themselves enjoying coffee at Magnolia | | Encourage Alex shares their Magnolia experience online with extra reward points. |

Marketing Plan: Content Planning

| | Awareness | Interest | Desire | Action | Post Action |
|---|--|--|---|---|--|
| Experience (Thoughts/Feeling): Describe the state of mind of your customer during interactions with the brand. | We aim to reach them when they are relaxed but open to new experiences. Like when, they're casually browsing the internet. | Alex is curious and excited about the possibility of finding a new favorite coffee spot. They're impressed by Magnolia's commitment to fair trade and community involvement. | Alex imagines themselves enjoying a perfect cup of coffee in a welcoming environment, possibly making new friends or getting work done. They feel a growing urge to experience Magnolia | Alex feels a mix of excitement and slight nervousness as they visit Magnolia for the first time. They're impressed by the friendly staff and inviting atmosphere. | Alex feels satisfied with their Magnolia experience and is considering making it a regular spot. They're thinking about sharing their experience with friends. |

Marketing Plan: Content Planning

| | Awareness | Interest | Desire | Action | Post Action |
|---|---|---|---|---|---|
| Channels (What suits our approach) | Facebook, Instagram, Local Pages | YouTube, Email newsletters, Targeted online ads | Instagram Stories, Influencer partnerships, Local event sponsorships | Mobile app, In-store signage, Local radio ads | Mobile app notifications, Email, User-generated content on social media |
| Message (What we want to communicate at this stage) | "What's the fastest growing coffee chain in your local area?" | "Discover the perfect blend of global flavors and local community at Magnolia Coffee" | "Experience the Magnolia difference: Where every cup tells a story and every visit feels like home" | "Join us at Magnolia Coffee today - Your first drink is on us!" | "Love your Magnolia experience? Share it with friends and earn double Bean Tokens!" |