



Magnolia Coffee Company

By Calvin Fields

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.



Step 1:

Market Position

Identify the Target Market

for Magnolia Coffee Company

Magnolia coffee company, is a local coffee franchise with over 200 locations in suburban areas outside of major cities. Our main focus would be the middle to high class working professional man and woman, making an income of \$35k a year and up, ranging in age from 20-45. Magnolia is the ideal choice for the active person on the go, with disposable income.

SMART Marketing Objective

for Magnolia Coffee Company

For the next 12 months, We will focus on generating leads and building engagement with our online customers to increase sales by 15%.

Key Performance Indicator

for Magnolia Coffee Company

primary KPI to measure marketing success:

Increased sales

SWOT Analysis Competitor for ClamClams

Knowing the **ClamClam's Strengths** and **Opportunities**, please provide at least two **Weaknesses** and at least two **Threats**.

Strengths

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

Weaknesses

- *No online sales*
- *Limited number of suppliers*

Opportunities

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

Threats

- *Online based competitors*
- *Supply not meeting demand*

SWOT Analysis

for Magnolia Coffee Company

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

Strengths

- *Loyal Customer base*
- *Hometown flavor and community ties*

Weaknesses

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

Opportunities

- *Expanding products*
- *Online ordering and delivery*

Threats

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

Value Proposition

FOR coffee loving customers

WHO need a coffee store that has a hometown feel

OUR retail coffee stores

THAT offer premium coffee

UNLIKE companies like ClamClams

OUR OFFER dedicated to serving coffee and connecting with our local community while protecting the environment.



Step 2:

Customer Persona

Empathy Map



Thinking

- *Married with newborn*
- *Focused on career and family*
- *Wants to have more time for himself*

Seeing



- *Watches youtube of role playing games*
- *Searches for parenting tips*
- *Reads articles*



Doing

- *Taking care of the family*
- *Q&A Tester for Tech company*
- *Side projects*


Feeling



- *overstimulated*
- *unproductive*
- *Tired but very happy*

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">• 20-45• Middle class professional• MBA in Economics• Husband and father		<ul style="list-style-type: none">• Time for personal projects• Help with work/life balance
Hobbies or Interests (At least 2 points)	Goals (At least 2 points)	Barriers (At least 2 points)
<ul style="list-style-type: none">• Learning about parenting• Role playing video games	<ul style="list-style-type: none">• Get a house• Bigger role in the company	<ul style="list-style-type: none">• Overwhelming responsibilities at home and work• Competitive job field



Step 3:

Customer Journey Map

Customer Journey Map

	Awareness	Interest	Post Action
Goal: Broad objective for this stage	Create awareness about Magnolia Coffee company	Build customer base on social channels	Acquire more users for reward program
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.	At this stage, the potential customer is on one of the social platforms clicking on an ad or link that would take you a landing page that details the brand and what we offer.	At this stage, the customer has already purchased coffee and is inquiring about additional products or services. After all transactions, We will provide a link or landing page to sign up for the rewards program.
Experience 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.	With interest already, we plan to give the customer a easy going, smooth transition thru our channels to move them along the journey.	Customers should be satisfied with service and looking to share their experience and sign up for the rewards program.

Customer Friction

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?	To eliminate the hesitancy that customers could have providing personal information for our rewards program, I believe that the first step is providing detailed information on what info is being collected as well as security parameters should be explained. Highlighting other customer experiences like testimonials and reviews can help build trust.