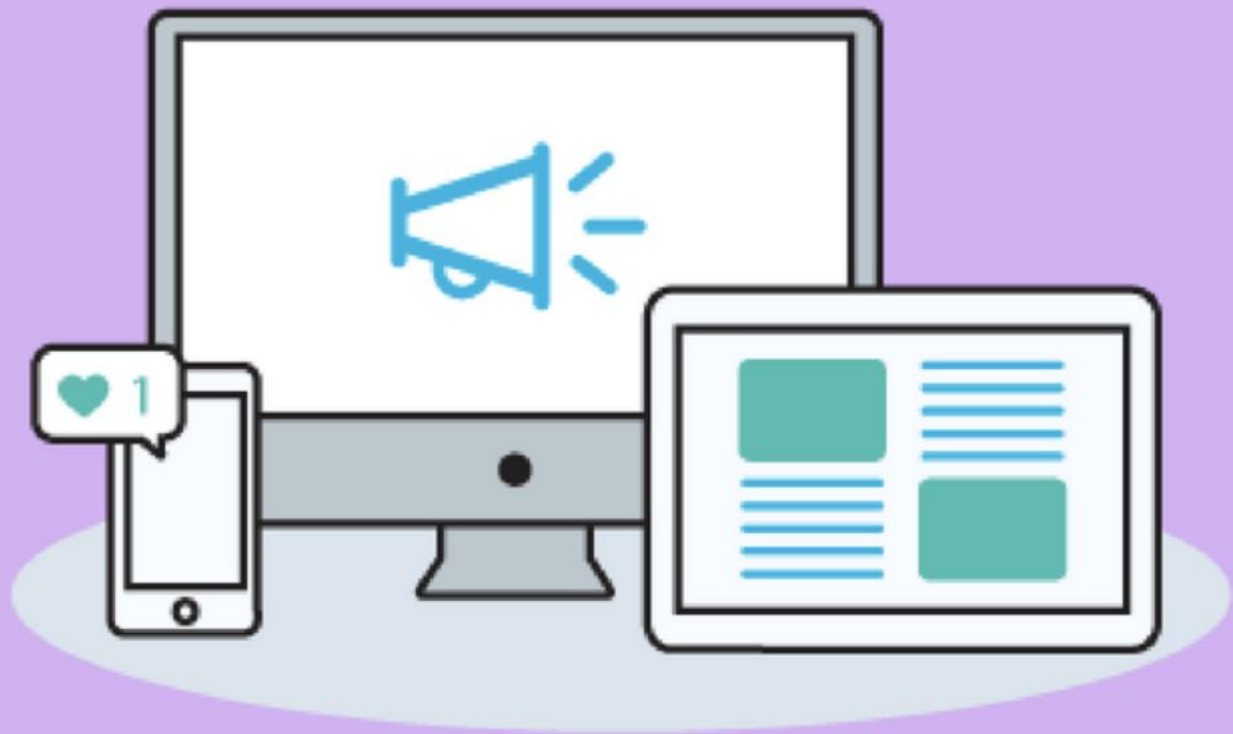


# Project 1

## 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"><li>Are they married?</li><li>What's their annual household income?</li><li>Where do they live?</li><li>How old are they?</li><li>Do they have children?</li></ul>	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"><li>What level of</li></ul>	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

# Target Market: Magnolia Coffee Company

*We are focused on suburbs across the southeast near office buildings, high traffic retail plazas, and fitness centers. Professionals and students aged 21-45. Budget and ethically conscious spenders. As well as trendy social media users that prefer unique spaces.*



# SMART Marketing

## Objective: Magnolia Coffee Company

*Over the next 12 months, The Magnolia Coffee Company will partner with local influencers to generate 1500 new leads.*

# **KPI:** Magnolia Coffee Company

*Our primary KPI is to generate new leads.*

# SWOT Analysis Competitor: 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

- *Limited to in-store sales*
- *Limited number of coffee suppliers*

## Opportunities

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

## Threats

- *Competition from local coffee shops, such as Magnolia Coffee Company*
- *Public Scrutiny*

# SWOT Analysis: Magnolia Coffee Company

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

## Strengths

- *Strong presence in Southeast*
- *Has loyal following due to local community ties*

## Weaknesses

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

## Opportunities

- *Clarify brand image by highlighting differences in locations, making each a unique experience*
- *Partnerships with nearby office buildings, retail stores, and fitness studios.*

## Threats

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

# Value Proposition

Write a value proposition using Geoffrey Moore's template for **Magnolia Coffee Company** :

***For** coffee drinkers **who** seek a unique and local atmosphere **our** coffee shops are a great destination **for** those seeking a warm, welcoming, and inviting place to study or hangout that has authentic local charm. **Unlike** ClamClam's, our **offer** embraces and highlights the unique differences of each different community we serve.*

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## **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

- *Doesn't believe in work/life balance*
- *How awesome would it be to be paid just for having followers*
- *Time is a challenge*

## Seeing



- *Dungeons & Dragons on YouTube and Twitch*
- *Entertainment sources include friends, books, music, and traveling*
- *Apartment with cheap rent that's close to College of Charleston*



## Doing

- *Digital media design student*
- *Q&A tester*
- *Junior social worker*


## Feeling



- *Overstimulated*
- *Anxious about future learning curve*
- *Frustrated with current financial situation*

# 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)	Tech Student Sam	Needs (At least 2 points)
<ul style="list-style-type: none"><li>Lives in Southeast</li><li>22 years old</li><li>Single</li></ul>		<ul style="list-style-type: none"><li>A place to get away and study</li><li>Somewhere to hang out with friends</li></ul>
Hobbies or Interests (At least 2 points)	Goals (At least 2 points)	Barriers (At least 2 points)
<ul style="list-style-type: none"><li>Traveling</li><li>Watching YouTube, Twitch, and other social media</li></ul>	<ul style="list-style-type: none"><li>Get digital media design degree</li><li>Become an influencer</li></ul>	<ul style="list-style-type: none"><li>Unstructured lifestyle</li><li>Overstimulation</li></ul>





## **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	<i>Name the stage you chose</i>	<i>Name the stage you chose</i>
<b>Goal:</b> Broad objective for this stage	Create awareness about Magnolia Coffee company	<i>Increase interest in Magnolia Coffee company</i>	<i>Desire to visit Magnolia Coffee Company</i>
<b>TouchPoint</b> (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.	<i>The potential customer notices a Magnolia Coffee social media trend where people are visiting each shop to collect "stamps" for Magnolia "passports"</i>	<i>The potential customer is a student at local school and a friend suggests they go for coffee at Magnolia Coffee before class starts because they saw the same trend.</i>
<b>Experience</b> (Thoughts/Feelings): Happy? Stressed? Describe the state of mind of your customer during interactions with	We aim to reach them when they are relaxed but open to new experiences. Like when, they're casually browsing the internet.	<i>They are curious about the new trend and wonder if it could help grow their following on social media.</i>	They are anxious about trying a new coffee shop but are excited to join in on the activity and see what the buzz is about.

# 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
<b>Potential Gap:</b> 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.
<b>Solution:</b> What milestone or step can be added to remedy this?	<i>Try to be as clear and upfront about what their information will be used for and limit what information you collect to only what’s necessary, such as name and email or number.</i>



## **Step 4:**

Optional

# Marketing Plan: Content Planning

	Awareness	Interest	Desire	Action	Post Action
<b>Goal:</b> Broad objective for this stage	Create awareness about Magnolia Coffee company	Increase interest in Magnolia Coffee Company	Motivate customer to visit one of our coffee shops or order online	To ensure ease of use and fast delivery for online ordering. Unique ambiance for in-person visits.	Gain more members in company's rewards program
<b>TouchPoint</b> (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.	A professor at the local college notices a hashtag on one of his student's comments while scrolling social media.	He's noticed more students and other teacher's with the cups and checks out the website. He sees they have delivery and a	He decides to order a few cups for the staff meeting he has to attend soon since the shop is nearby.	He signs up for the rewards program for it's convenience and to receive discounts for future orders.

# Marketing Plan: Content Planning

	Awareness	Interest	Desire	Action	Post Action
<b>Experience</b> (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.	He is curious about the location of the shop.	Doesn't feel like having to rush back and forth to coffee shop before his meeting.	Relieved to see delivery as an alternative to going in-person to the shop.	Satisfied with the ability to get coffee delivered and thinks he might order from the shop again.
<b>Frictions and opportunities</b> : Do customer face any obstacles to overcome? Can we help? Are there any opportunities we see?	You make the first impression once. Choosing an intrusive ad format may backfire. We need to present Magnolia without being pushy.	Doesn't have much interest in the social media trend the shop is running .	The delivery service offered would save him the hassle of dealing with the morning rush.	Website is currently the only option to order delivery. We can create an app or allow call-in orders as well.	While the customers are hesitant to join our reward program due to privacy concern, it can be fixed by being upfront

# Marketing Plan: Content Planning

	Awareness	Interest	Desire	Action	Post Action
<b>Channels</b> (What suits our approach)	Facebook, Instagram, Local Pages	Facebook, instagram, website, local pages, word of mouth	Website, email, local pages	Website	Email
<b>Message</b> (What we want to communicate at this stage)	"What's the fastest growing coffee chain in your local area?"	"We have unique hometown charm in every location."	"We offer a great space for relaxing or hanging out as well as delivery services to those nearby who can't or don't wish to visit our shop."	"Whether in store or online we strive to provide quality service that's convenient to you."	"We'd like to provide an even better experience to our loyal and repeat customers"