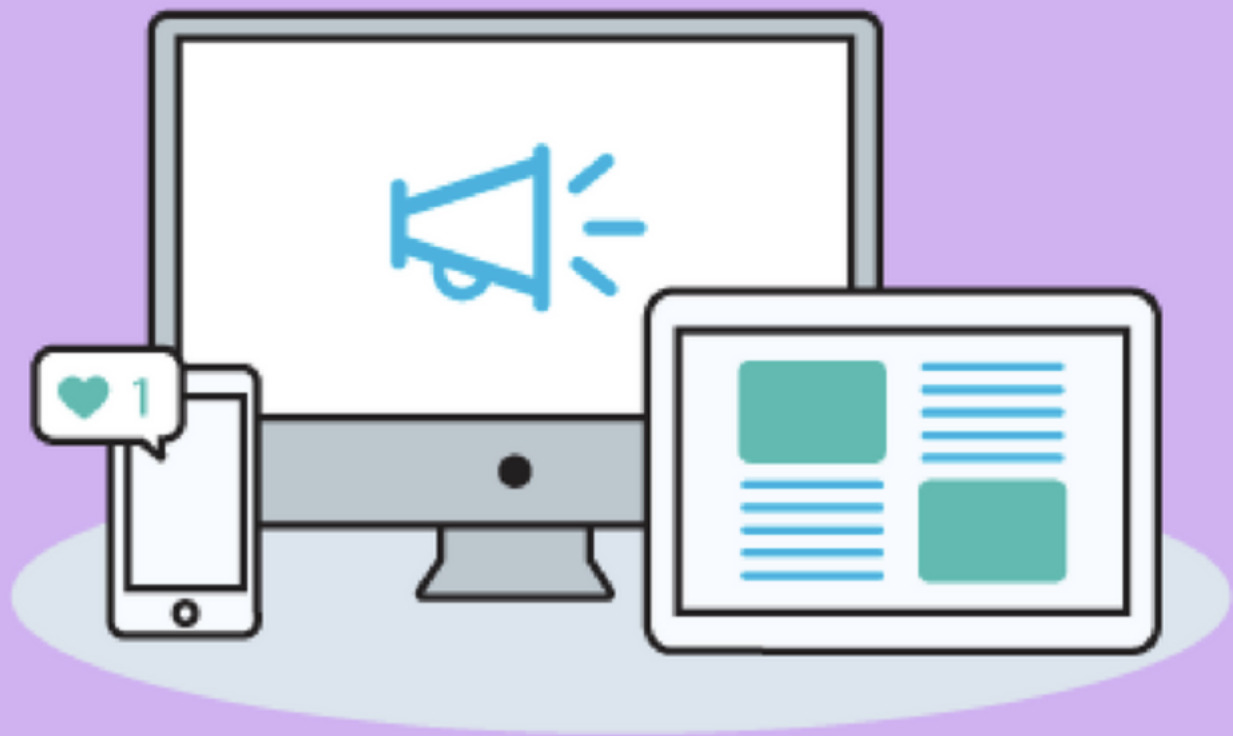


# Project 1

## 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**

**Magnolia Coffee's target market may focus on young workers from the age of 22 with an average income, who need to maintain a daily routine and relax at work. Dynamic people who like discovery, who grow in their lives.**



## **SMART Marketing Objective: Magnolia Coffee Company**

*Over the six next months, Magnolia Coffee Company will increase the brand awareness by 20% .*

*Magnolia Coffee Company will also increase online sale by 30% within six months through online platforms.*

# KPI: Magnolia Coffee Company

*We may measure the brand awareness of Magnolia Coffee Company through surveys or social media engagement.*

*To assess the increase in online orders we can base on total of revenue generated from online orders.*

# 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

- *Sales in physical stores only*
- *Dependence on a limited number of suppliers*

## Opportunities

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

## Threats

- *Failed to figure out an efficient way to use third party delivery providers*
- *Threat of a nationwide boycott*

# SWOT Analysis: Magnolia Coffee Company

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

## Strengths

- *very good product quality, international fair trade coffee*
- *Online order and online presence*

## Weaknesses

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

## Opportunities

- *Reach metropolitan market*
- *Extension to product other than coffee*

## 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 (target customer) who (statement of the need or opportunity) our  
(product/service) is (product category) that (statement of benefit).  
Unlike (closest competitor), our offer (primary differentiation).*

**FOR** young and dynamic people

**WHO** like to explore and who want to relax with a drink

**OUR** coffee

**THAT** offer local hometown flavor and community ties

**UNLIKE** massive multinational like ClamClams

**OUR OFFER** international and fair trade coffees



## **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

- *Need of a structured life with more routine*
- *Think that it's important to enjoy moments at work and in life*
- *Optimistic thoughts*

## Seeing



- *Watching video on youtube*
- *Read about educational books*
- *See and discover new things on outings*



## Doing

- *Working*
- *Doing many activities a day*
- *Make discoveries related to their interests*


## Feeling



- *Feeling overwhelmed*
- *Feeling busy*
- *Hope of an advancement in their career*

# 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)	Maria-Goddess	Needs (At least 2 points)
<ul style="list-style-type: none"><li>• <i>Workers</i></li><li>• <i>Young graduates at least 22 years old</i></li><li>• <i>Middle income people</i></li></ul>		<ul style="list-style-type: none"><li>• <i>Structured life</i></li><li>• <i>Avoid stress</i></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>• <i>Make discovery, playing</i></li><li>• <i>Life family</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Evolving in their activities sector</i></li><li>• <i>Enjoy moment at work and life</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Stress</i></li><li>• <i>Overwhelming feeling</i></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	Interest	Post-action
Goal: Broad objective for this stage	Create awareness about Magnolia Coffee company	<i>Informs the customer about your product or service</i>	<i>Interact with the customer after he has taken the action</i>
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.	<i>The customer searches for the product online. We can interact via our website.</i>	<i>The customer can be anywhere, he needs to be reached. He can be engage by mail, online communities, customer support.</i>
Experience (Thoughts/Feelings): Happy? Stressed? 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.	<i>The customer is interest, curious about the product, after a recommendation or advertising.</i>	<i>The customer is satisfied, he has a positive experience with the product and he his willing to recommend to others.</i>

# 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, during the interest stage may collect limited data from users of its website and explain to them the purpose of this data, where are they stored. Also give them the possssibility to opt-in to the use of their data for marketing purpose.</i>