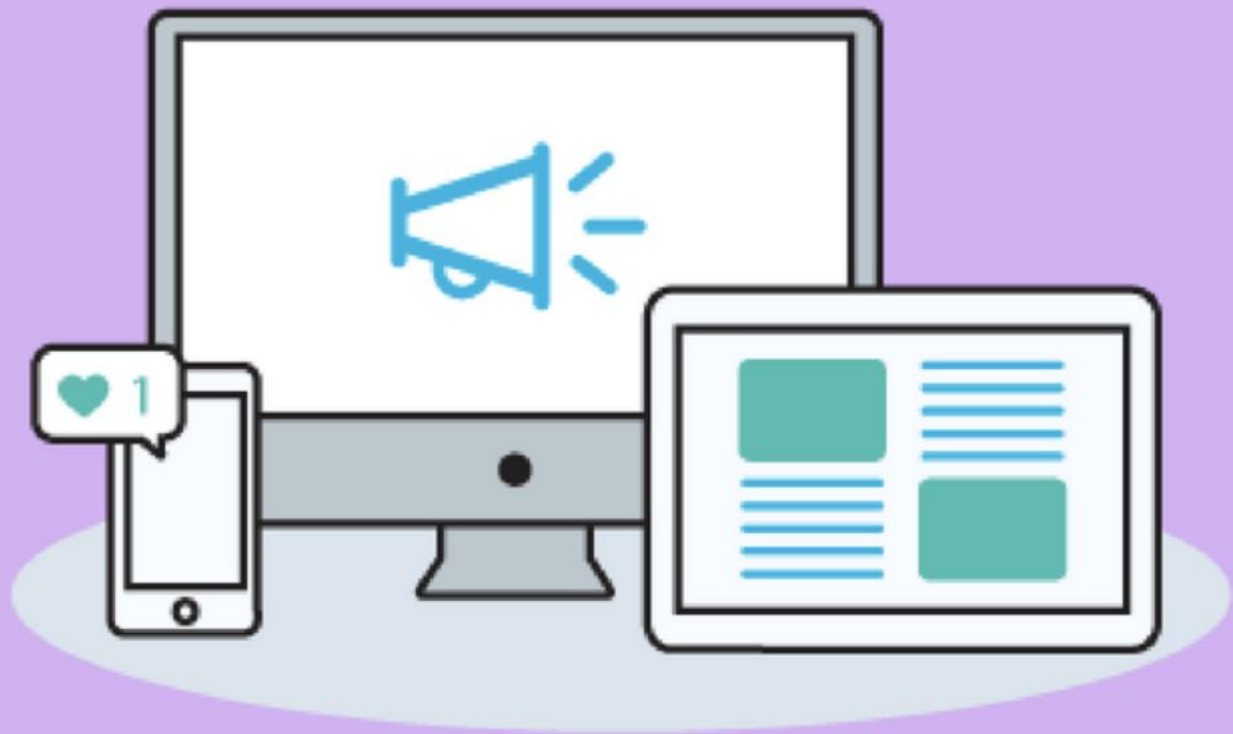


Project 1

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

Target Market: Magnolia Coffee Company

Identify the Target Market

Describe in less than 5 sentences, that covers key statistics for your Magnolia's target market. This may include key demographics, age, gender, income levels, etc.

Coffee Lovers, ages 24-60, who live in the Southeast United States, highly educated and are mostly higher earners working class individuals.

SMART Marketing Objective: Magnolia Coffee Company

In one or two sentences summarize key marketing objectives. Your objectives may be to increase sales, or marketing focused on building brand awareness of your product or service; or online to build engagement with online customers using touchpoints of the customer journey.

Craft Marketing Plan that will help build Magnolia Coffee's Customer base and bottom line in 2 months - i.e. to generate New Customers in 2 Months.

KPI: Magnolia Coffee Company

What is your primary KPI to measure marketing success?

Please include the **main KPI** corresponding to your SMART objective.

- *Total new customer leads*
- *Increase Buyers and sales*

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

- Trust issues by the public
- Nationwide boycott
- Failed in using 3rd party delivery provider
- Limited number of suppliers

Opportunities

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

Threats

- *Seasonal in-out-drink yearly*

SWOT Analysis: Magnolia Coffee Company

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

Strengths

- *Local home made flavour and community ties*
- *Customer reward program and online presence (app)*
- *Physical Stores in metropolitan areas near office buildings, high-traffic and eating areas*
- *Physical stores next to gym and fitness studios*
- *Own a website and has Brand image*

Weaknesses

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

Opportunities

- *Referral program*
- *Fast delivery to office buildings*
- *Discount pricing strategies*
- *Use Facebook ads and promotion to attract new customers*
- *Local SEO & SEM for Gyms and Fitness*
- *Video content marketing and remarketing to stay relevant*

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 *Coffee lovers*

WHO *Want to enhance their productivity and performance*

OUR *Fair trade coffees*

THAT *Boost the energy level and increase brain alertness*

UNLIKE Starbucks that is overcrowded leading to longer waiting time.

OUR OFFER *Flavourful and different recipes of coffee*



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

- *Sara is a goal getter and achiever. Single and carefree*
- *Finn is a family man, He thinks you can be achieve greatness when you are hard working and result oriented*

Seeing



- *Sara thinks connection is everything to life*
- *Finn thinks balancing work and family is essential*



Doing

- *Sara a college student and a social worker*
- *Finn is Q & A tester and a Family person*


Feeling



- *Sara is Excited, Youthful, Comfortable*
- *Tired, overwhelmed raising her first son though happy having his son.*


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)	Sara Barnes	Needs (At least 2 points)
<ul style="list-style-type: none">22 years old college studentSocial workerliving with her roommates		<ul style="list-style-type: none">A good degreeA good jobA good life
Hobbies or Interests (At least 2 points)	Goals (At least 2 points)	Barriers (At least 2 points)
<ul style="list-style-type: none">Hang out with FriendsListen to good musicRead booksTravel	<ul style="list-style-type: none">Be an influencerGraduate with a good gradeDecimate her student debt	<ul style="list-style-type: none">Worried about the futureMoney

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">• 31 year old married Man and a father of one• Working as a Q & A tester• Moving to a new house		<ul style="list-style-type: none">• Time management• balanced work and family life
Hobbies or Interests (At least 2 points)	Goals (At least 2 points)	Barriers (At least 2 points)
<ul style="list-style-type: none">• Video games• Researching Parenting	<ul style="list-style-type: none">• Have time for work and family• Hope to become a Junior Q & A Engineer	<ul style="list-style-type: none">• No time to learn new skills• Balancing family and work life



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	Create Social media posts regularly and remarketing the same on our blog. Use paid ads to generate new leads	Social channels should include images, videos and call-to-action to the website or make prospect download the mobile app or opt-in messages.
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.	Customers are online and digital savvy, they use their mobile device regularly.	Customers may interact with certain keywords like coffee, coffee cup, coffee shop near me etc.
Experience (Thoughts/Feelings):	We aim to reach them when they are relaxed but	Put images and videos of our products on	Buy our coffee at discounted rate 50% off for new

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 should include free delivery for new customers when they order for products above minimum price.</i> <i>Sign -up for a special healthy coffee recipe for free.</i>