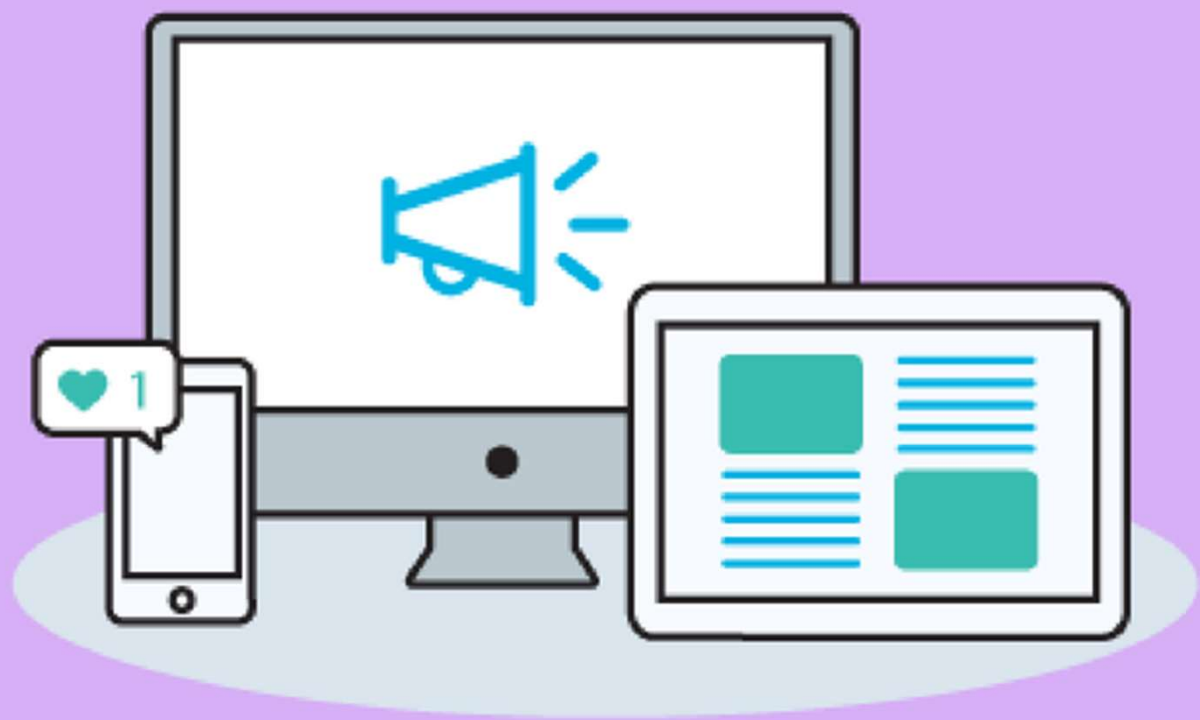


Project 1

Prepare to Market





MAGNOLIA COFFEE COMPANY



Marketing Challenge Option 1

Magnolia Coffee Company

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.

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:

- Marketing Overview
- Ideal Customer Profile
- Competitor Profile
- SMART Marketing Objectives and associated KPI
- Competitor Analysis
- S.W.O.T.
- Interview
- Empathy Map
- Customer Personas
- Customer Journey Map
- Snapshot summary of the Marketing Plan
- Value Proposition
- Marketing Strategy

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:

Getting Started

Target Market: Magnolia Coffee Company

Magnolia Coffee company primarily focuses on middle-class professionals, in the southeast US, ages 21-55yrs, making over \$40,000/year who drink coffee or eat out, and live or work within a ten mile radius of its retail locations.

Ideal Customer Profile:

Magnolia Coffee Company

Magnolia Company's customer persona is "Busy Eliot", a business professional ages 21 – 55yrs who is single and has a very busy schedule, works or lives within a 10km radius, regularly drinks coffee and eats out. Grabbing a bite for him is out of necessity to keep him strong and energetic while going through his busy schedule.

Competitor Profile: Magnolia Coffee Company

Starbucks Corporation is an American multinational known to have the world's largest coffeehouse chain. It was founded in 1971 and has since grown to be a staple in many countries. The company has about 15,444 outlets in the United States. Starbucks' products include Drinks(hot and cold beverages), Food (Breakfast, lunch, snacks, sweets treats, At Home Coffee, Merchandise and Gift Cards). They have great customer loyalty rewards , Starbucks Mobile App:10M+ downloads, Receive offers and promotions.

Starbucks interacts with customers using various marketing channels such as Website, Email, Social media platforms - Spotify, Pinterest, Facebook, Instagram, YouTube, Twitter. They also make a social impact by organising programs to build people and the community.

Competitor Profile: Magnolia Coffee Company

Dunkin' Donuts LLC is an American multinational coffee and donut company, as well as a quick service restaurant. It was founded in 1950 and was later rebranded to become a beverage led company now known as Dunkin. The company has over 11,300 Locations worldwide (USA- 8,500 locations; 36 countries- about 3,200 locations). Its products are at home Coffee, donuts, bagels, coffee, "Munchkins" donut holes and breakfast sandwiches.

The company uses various marketing channels such as website, email and social media platforms - Facebook, Instagram, YouTube, Twitter, TikTok, Pinterest to reach out to their customers. Dunkin promotes customer loyalty through various measures: DD Perks Rewards loyalty program (over 2M members) , DD Mobile App: , Gift cards Receive Offers and promotions.

Competitor Analysis:

Magnolia Coffee Company

STARBUCKS CORPORATION

Starbucks has a global market with about 32,660 Locations worldwide (USA- about 15,000 locations; 36 Countries- about 17,000 locations) . According to [US Industry trends](#), in the US Starbucks has the largest market share in the Coffee & Snack Shops industry, where they account for an estimated 39.3% of total industry revenue.

Starbucks' value proposition is that they're focussed on building people while serving coffee. They invest in their community, employees and are continually focussed on their customer experience. Though, Starbucks is the largest coffee brand globally however, it relies heavily on the US market.

Competitor Analysis:

Magnolia Coffee Company

DUNKIN' DONUTS LLC

Dunkin is a global company with Over 11,300 Locations worldwide (USA- 8,500 locations; 36 countries- about 3,200 locations). According to [US Industry trends](#) , In the US, Dunkin' has a notable market share of about 15.5% of total industry revenue in the retail market for Coffee.

Dunkin's value proposition is a promise of fresh food, offering a wide variety of choices, served quickly with quality. Nonetheless, Dunkin is considered a Laggard because they display lower market share alongside slower profit and revenue growth than their peers.

SMART Marketing Objective: Magnolia Coffee Company

The Magnolia Coffee Company will focus its marketing efforts on two key marketing objectives. The first will be to build brand awareness of their products to increase website traffic by 50% within a 6-month period and the second will be to increase overall sales by 30% within that 6-month period.

KPI: Magnolia Coffee Company

The KPI for Magnolia Coffee Company's marketing objective would be the number of new unique traffic to their website and total sales for the 6month period.

SWOT Analysis: Magnolia Coffee Company

Strengths

- Company has a good brand reputation
- Offer loyal customer rewards

Weaknesses

- No charity donations
- Limited social media presence (Facebook and instagram)

Opportunities

- Invests in structured and targetted marketing
- Expand to other US locations

Threats

- There are bigger competitors with more locations
- Don't offer gift cards to the cusotmers



Step 2:

Customer Persona

Interview: Magnolia Coffee Company

Interview Questions and Answers

| | TOM | NWANDO | ARIF |
|---|--------------------------|------------------------|------------------------------------|
| Personal Background | | | |
| 1. Describe your personal demographics. | | | |
| Are they married? | No | Yes | Yes |
| What's their annual household income? | \$60/yr | \$170/yr | \$120/yr |
| Where do they live? | Suburbs | Suburbs | Suburbs |
| How old are they? | 28yrs | 39yrs | 45yrs |
| Do they have children? | No | Yes | Yes |
| 2. Describe your educational background. | | | |
| What level of education did they complete? | B.Sc | M.Sc | B.Sc |
| Which schools did they attend? | University of Ottawa | Cambridge University | Bangladesh University |
| What did they study? Get specific here. | Business Administration | Computer Science | Biochemistry |
| 3. What is your job role? Your title? | Real Estate Entrepreneur | Product Design Analyst | Driving Instructor Entrepreneur |
| 4. How long have you had this role and title? | 5 yrs | 3yrs | 8yrs |
| Hobbies | | | |
| 1. What do you like to do in your free time? | Watch football | Taking walks | Watch soccer |
| 2. What are you interested in? | Investments | Hiking | Swimming |


Interview: Magnolia Coffee Company

| Challenges/Barriers | | | |
|--|--|---|---|
| 1. What are your biggest challenges professionally/personally? | Setting a structure for my business | Personally, its spending more time with my children | I have a large family and they depend on me |
| 2. Is price or time a concern for the goals you want to achieve? | I have so much to accomplish within a short amount of time | Managing my time is more of a concern | More time means more money |
| 3. What setbacks prevent you from achieving your goals? | Trying to figure out how to grow my business | I want to go back to school but I have gotten used to the idea of earning an income | I have a lot of responsibilities |
| Do you feel like you don't have enough information? | I know what I need to do but don't know how to go about it | I do | No |
| Are you not sure where to start? | I don't know how to start but I'm presently getting mentorship | I know where to start | No |
| Have you started researching at all? | Yes, I have been reserach | Yes | No |
| Goals | | | |
| 1. What are your professional/personal goals? | Setting a background structure to generate leads for my business | Get a Ph.D | My goal is to have a structured bsuiness so that I can expand |
| How is your work/life balance? | It is fine at the moment, I don't have too many family responsibilites | Not great. My work is quite demanding | Not great. I work a lot |
| 2. Where do you see yourself in the next five years? | Still in the real estate industry | Going back to get my Ph.D | Expand my bsuiness and employ people |
| A new role in the same industry? | Yes | New role, in the same industry | No |
| A completely new role in an entirely different industry? | No | No | No |
| 3. How have your goals changed in the past 3 years? | They have gotten more ambitious | Not much | It hasn't changed |

Empathy Map: Magnolia Coffee Company

| THINKING | SEEING |
|---|---|
| <ul style="list-style-type: none">• Need to stay awake• Have a meal• Have a lot of work to do• Where can I meet with my client• Grab a bite• Falling behind my target• Time constrained | <ul style="list-style-type: none">• Receives gift cards from company• Coffee shop close to my office• Get coupons in mail• See ads |
| DOING | FEELING |
| <ul style="list-style-type: none">• Have meetings• Enjoys hiking• Leader in her organization• Self employed• Taking care of a family• Loves traveling• Investing | <ul style="list-style-type: none">• Busy• Tired• Hungry• Overwhelmed with responsibilities• I need to achieve more |

Customer Persona: Magnolia Coffee Company

| Background and Demographics (at least 3) | Customer Persona Name | Psychographics (at least two) |
|--|--|---|
| A university graduate between the ages 21 – 55yrs, who is a manager and has a minimum income of \$40,000/yr. | Elliot | <ul style="list-style-type: none">• Likes to be in control in making decisions• Wants to be successful |
| Hobbies (at least two) | Barriers (at least one) | Image |
| <ul style="list-style-type: none">• Watches Football• Enjoys travelling | <ul style="list-style-type: none">• Time constrained |  |



Step 3:

Customer Journey Map

Purpose of the Customer Journey: Magnolia Coffee Company

The customer journey map shows the general path a customer can take from their first encounter to their purchase and post-sale customer care to improve the quality of the customer experience at all touchpoints and across all channels.

For the Magnolia Coffee company, the customer journey map will show the path the customer will take from the point of awareness to making a purchase.

Customer Stage (1 of 3): [Awareness Stage]

The marketing goal for the Magnolia Coffee Company at this stage is for new customers to find the company. The customer will have some touchpoints with the company when they see our search engine marketing ad online, our digital display ads online or when they see promotional posts on our social media platforms (Instagram and Facebook) .

The most appropriate channel for this awareness stage is using a broadcast channel so that potential customers will see our ads online and promotional posts on our social media page.

During this stage, our target customer persona should feel enticed and intrigued by the images imprinted in their mind about what they can potentially get from our restaurant. This should make them want more information about the Magnolia Coffee Company's product.

Customer Stage (2 of 3): [Interest Stage]

The marketing goal at this stage is for the customer persona to seek more information about the Coffee company's products and services. The target customer will have a touch point when they visit our website and social media page to get more information about our products and services.

The most appropriate channel for this stage is using the social channels to see various products offered by the company and a one-to-one channel where the customer visits the company's website to get more information.

At this stage, the target customer should be informed about the company's products and services so that they can make an informed decision when they are ready to make a purchase.

Customer Stage(3 of 3): [Desire Stage]

The goal here is for the customer to try to get an experience through other people's perspective. They should seek to know how others have perceived products and services offered by the Coffee company. A touchpoint for our target customer at this stage will be online reviews about the Magnolia Coffee Company's products and services. The customers will view ratings and read about previous customers' experiences to decide.

The best channel for this stage is the social channel where customers can find out what people are saying about the company's product and search channels where they can read reviews. At this stage, the customer should feel knowledgeable about the company's products, services and have a positive impression so that they can take the necessary step to make a purchase.

Customer Stages

Points of friction or resistance your Target Customer Persona has within the customer experience.

The Magnolia Coffee Company's Customer Persona comes into the restaurant because they are swayed by the images on the online ad. On getting to the store there are so many options on the menu board and the customer feels anxious about placing an order because nothing looks familiar. The customer cannot remember the name of the meal they had seen during the ad campaign.

One way to prevent this situation is by ensuring that marketing is congruent online and, in the restaurant, so that there is uniformity and clarity in communicating to the customer. A menu board that shows marketing images and price will be helpful to provide a better experience to the customer.



Step 4:

Summary

Marketing Plan Summary:

Magnolia Coffee Company

Magnolia Coffee Company is a quick service restaurant that provides products such as drinks (hot and cold beverages) and food (breakfast, lunch, snacks, sweets treat) at over 200 retail locations across the Southeast United States.

In the last 2 years, growth in the Magnolia Coffee Company has been stagnant. The company has never implemented a structured marketing plan but rather relied on a haphazard approach to marketing. To promote growth, the company has decided to invest in structured marketing.

The proposed marketing strategy will use a marketing mix of Social media, SEM/SEO, Email and direct mail, to primarily target business professionals between the ages 21 – 55yrs with a minimum income of \$40,000/yr. This will help potential customer become aware of the company and its products to attract new customers. Using Email/Direct mail will nurture relationship with existing customers, keeping them informed and constantly ensuring that the company remains at the fore of their minds. All these efforts will help the Magnolia Coffee Company retain and increase their customers while increasing sales.

Value Proposition

The Magnolia Coffee Company business is designed for customers that are business professionals between ages 21-55yrs who earn at least \$40,000/yr and need to grab a bite or coffee during their busy schedule. Our food and beverage products offer delicious and great quality food. Unlike quick serve restaurants like Dunkin and Starbucks; we provide a menu with our local hometown flavor which helps foster community relationships.

Value Proposition & Marketing Strategy: Magnolia Coffee Company

The Magnolia Coffee Company, a quick serve restaurant, provides delicious and great quality food and beverage products with local hometown flavours.

The marketing strategy will be to implement a Social Engine Marketing (SEM) campaign and Digital Display Ads by broadcasting to the customer persona within the southeast US location to drive the target customer to their website. This will be a multiple ad design multiple schedule campaign that runs based on the time of day. This will target customer's interest based on the type of meal or beverage they might be interested in having at the time. While this campaign is running online, Instagram and Facebook media will be used to post breakfast, lunch and evening options to create awareness and encourage existing customers to come in and make a purchase. Utilizing this diverse marketing approach will be a key strategy to growth in customers and sales.