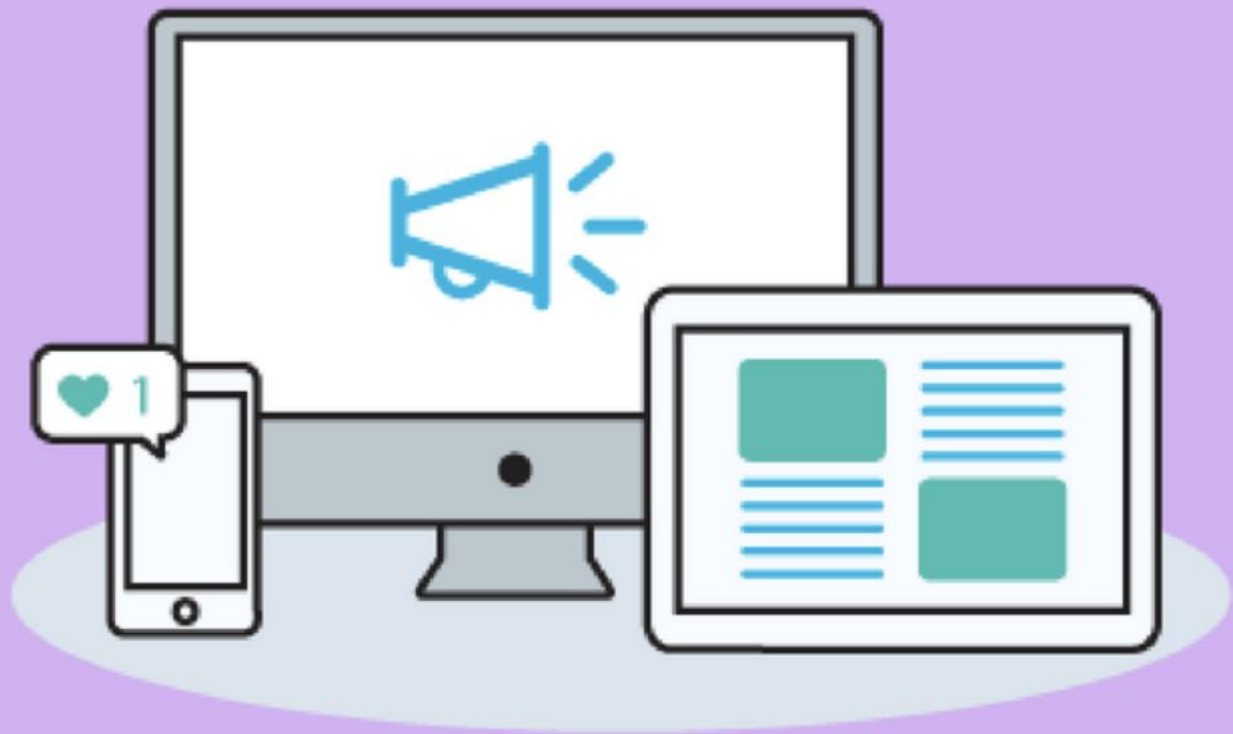


Project 1

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

Identify the Target Market for Magnolia Coffee Company

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.

Our primary target market is busy suburban adults, aged 25-60+, who live or work near our locations, frequent local businesses, and value convenience alongside a warm, community-focused atmosphere. This includes working professionals seeking efficient morning routines or quick meeting spots, as well as local residents looking for a comfortable place to socialize or relax during their day. They appreciate ethically sourced products and the feeling of supporting a local establishment.

SMART Marketing Objective

for Magnolia Coffee Company

Provide a key marketing objective for the company in 1 sentence. Your objective may be to increase sales, build brand awareness of your product or service, or build engagement with online customers using touchpoints of the customer journey.

Over the next 12 months, Magnolia Coffee Company will increase its total unique daily customer count by 15% across all locations to build its customer base and improve the bottom line.

Please make sure that your objective is **Specific, Measurable, Achievable, Realistic, and Timebound.**

Key Performance Indicator for Magnolia Coffee Company

What is your primary KPI to measure marketing success?

Daily Unique Customer Count (tracked via POS system and loyalty program check-ins).

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

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

- Supply chain dependency
- Public scrutiny

Opportunities

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

Threats

- Public skepticism
- Supplier limitations

SWOT Analysis

for Magnolia Coffee Company

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

Strengths

- Established presence and ties to the community
- Strategic location (close to offices)

Weaknesses

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

Opportunities

- Leverage digital infrastructure (app optimization, etc)
- Create local partnerships to build customer base

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 *suburban professionals and community-minded locals*

WHO *need a consistently high-quality experience and a welcoming convenient space to connect and/or recharge*

OUR *Magnolia Coffee Company*

IS *a neighborhood coffee shop chain*

THAT *offers delicious and ethically-sourced coffee beverages with a connection to local community*

UNLIKE *ClamClams*

OUR OFFER *values fair trade, provides a warm, inviting environment, and comes with a robust rewards program.*



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: "I wish that I had a routine I could hold on to"
- Finn: "To get better, I wish I had time to learn at home"
- Sara: "I would love to be able to travel more"

Seeing



- Sara: Current living situation (sharing a flat with two mates)
- Finn: Constant need to acquire and learn new skills
- Finn: More of his time spent doing searches about parenting



Doing

- Sara works as a junior social worker
- Sara is finishing her Digital Media Design degree this year
- Finn is a QA Tester, learning skills to be a junior QA Engineer


Feeling



- Sara feels optimistic about her job, but money is still an issue
- Finn feels a sense of urgency to learn and "not waste time anymore" but doesn't want to miss his son's early first experiences
- Sara loves her social life, but wants more routine and structure

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)	Leo, the Ambitious Integrator	Needs (At least 2 points)
<ul style="list-style-type: none">Leo is 31 years oldLeo is married with a childHe lives in a suburban house he just purchased		<ul style="list-style-type: none">More time to focus and learn new skills to advance his careerMore structure and routine without feeling overwhelmed
Hobbies or Interests (At least 2 points)	Goals (At least 2 points)	Barriers (At least 2 points)
<ul style="list-style-type: none">Loves good music and booksInterested in learning new programming skills	<ul style="list-style-type: none">Obtain programming-oriented role in his industry.Balance his professional ambitions with his family life so that he doesn't miss his son's early experiences.	<ul style="list-style-type: none">Time constraintsWishes to "shut his phone and lock myself somewhere for an hour every day"



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	Desire
Goal: Broad objective for this stage	Create awareness about Magnolia Coffee company	To capture Leo's initial curiosity and provide him with information that aligns with his goal of balancing a busy life.	To convert Leo's positive consideration into a strong desire to try Magnolia Coffee, addressing his need for structure and a break.
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.	Leo browses a blog post about creating a productive routine or a social media ad showcasing the cozy, quiet atmosphere of a Magnolia Coffee shop.	Leo receives a targeted email or mobile app notification (if he's downloaded it) offering a special "Study Break" or "Productivity Hour" discount on his first visit.
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.	Leo thinks, "That looks like a quiet place where I could get some work done without distractions." He feels a positive connection, seeing the brand as a place to help him focus.	Leo thinks that an hour to himself to get some work done and grab a coffee, plus on a discount is the perfect solution.

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?	Magnolia should clearly communicate the value and security of the program. A new milestone could be a transparent, one-click sign-up process that explicitly states what data is collected and how it is used to provide rewards, reassuring the customer and building trust.