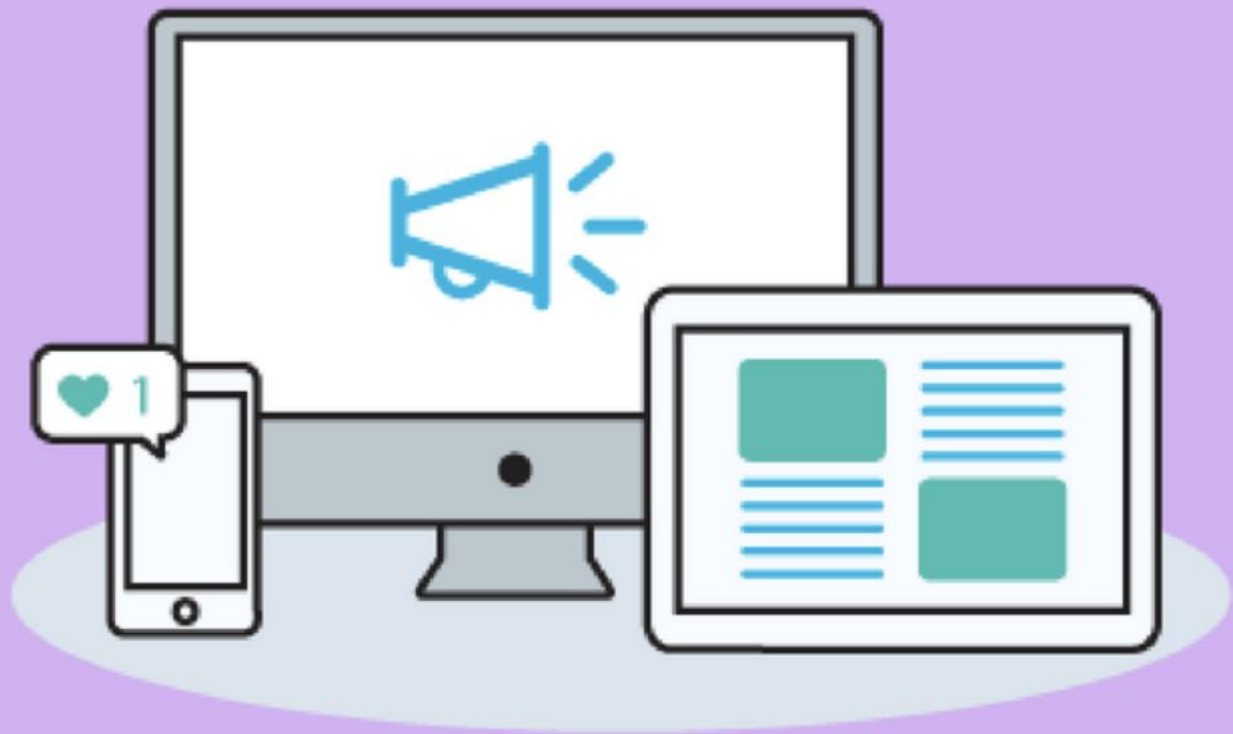


# Project 1

## 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

# 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.***

*A Magnolia Coffee Company's target market may focus on professionals ages 20-35 who live in suburban areas and prefer enjoying coffee in a local community with social settings.*



# 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.***

*The marketing goal for the Magnolia Coffee Company is to increase sales by 10% over the next 6 months.*

# Key Performance Indicator for Magnolia Coffee Company

***What is your primary KPI to measure marketing success?***

*Monthly sales revenue*

# 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

- *Late in the online business*
- *Inefficient online delivery service*

## Opportunities

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

## Threats

- *Constant scrutiny in the public eye*
- *Limited number of supplier to meet the increasing demand*

# SWOT Analysis

## for Magnolia Coffee Company

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

### Strengths

- *More experienced on online business*
- *Brand Positioning: Community ties and local flavor*

### Weaknesses

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

### Opportunities

- *Opening of more physical stores in untapped locations.*
- *Positioning the brand that cares for the community and promotes local authentic taste.*
- *Product diversification*

### 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** *enjoy coffee in a local community*

**OUR** *coffee*

**THAT** *offers quality taste with local flavor*

**UNLIKE** *coffee company like ClamClams*

**OUR OFFER** *focused on serving the local community in a safe and social settings*



## **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

- *Becoming an influencer*
- *Making the two source of income*
- *Living a structure life*
- *Not wasting time and focus on career*
- *Wishing to have more uninterrupted time*



## Doing

- *Hanging out with friends*
- *Books, music*
- *Q&A tester*
- *Social Worker*
- *Watching video games on youtube/twitch*

## Seeing

- *Meeting new people*
- *Searching content about parenting on internet*
- *Looking for books on parenting*




## Feeling

- *Overstimulated*
- *Confusion*
- *Stressed*
- *Happy*
- *worried*



# 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)	Q&A Father Sam	Needs (At least 2 points)
<ul style="list-style-type: none"><li>Male, 31 years old</li><li>Married, 1 kid</li><li>Bachelors in Economics</li><li>Recently had their first kid</li><li>Moving to their first house</li></ul>		<ul style="list-style-type: none"><li>Have more uninterrupted time</li><li>Stable job</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>Watching people playing video games on youtube/twitch</li><li>Parenting</li></ul>	<ul style="list-style-type: none"><li>Learn and enhance skills</li><li>Job Promotion</li></ul>	<ul style="list-style-type: none"><li>Manage both family with newborn baby and job</li><li>No more free time.</li></ul>



# 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)	Social Worker Kate	Needs (At least 2 points)
<ul style="list-style-type: none"><li>Female, 22 years old, Single</li><li>Studying Digital Media Design</li><li>Junior Social Worker (Fresher)</li><li>Earning minimum wage</li></ul>		<ul style="list-style-type: none"><li>Living more expensive lifestyle compared to now</li><li>Have a job that involves travelling</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>Hanging out with friends</li><li>Try new things</li><li>Travel, music, books</li></ul>	<ul style="list-style-type: none"><li>Become an influencer</li><li>Have two source of income</li><li>Finally start her own business</li></ul>	<ul style="list-style-type: none"><li>Unstructured routine</li><li>Low wages</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	Desire
<b>Goal:</b> Broad objective for this stage	Create awareness about Magnolia Coffee company	<i>Make people interested in the product</i>	<i>Create excitement and anticipation of trying products.</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>Clicking on targeted social media ads to visit the website and find relevant information about the product and their reviews.</i>	<i>See offers, promotional deals, and rewards on the website and social media posts. Provide the visuals/image content of people enjoying the coffee in the physical store.</i>
<b>Experience</b> (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>Curiosity to know about the product that company offer</i>	<i>Eagerness and anticipation to try products after confirming the social proof</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
<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?	<ul style="list-style-type: none"><li>● <i>Offer a small immediate perk. For instance, "Sign up now and get 10% off your next order."</i></li><li>● <i>Focus on minimum data collection. Start with only an email/phone number in the physical store. No lengthy, intrusive forms for online customers. Gradually collect data as more trust builds.</i></li><li>● <i>Leverage social proof showing member testimonials regarding rewards.</i></li></ul>



## **Step 4:**

Optional

# Marketing Plan: Content Planning

	Awareness	Interest	Desire
<b>Goal:</b> Broad objective for this stage	Create awareness about Magnolia Coffee company	<i>Make people interested in the product</i>	<i>Create excitement and anticipation of trying products.</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>Clicking on targeted social media ads to visit the website and find relevant information about the product and their reviews.</i>	<i>See offers, promotional deals, and rewards on the website and social media posts. Provide the visuals/image content of people enjoying the coffee in the physical store.</i>

# Marketing Plan: Content Planning

	Action	Post Action
<b>Goal:</b> Broad objective for this stage	Make comfortable to take action	Reassurance that company care about their customer
<b>TouchPoint</b> (doing): Where is the customer and how can they interact with the brand	Customers can interact and take action through the website. To achieve this, we can optimize SEO and implement SEM.	Send them a confirmation email about their purchase and attach the immediate offer, discounts, or any rewards that they can utilize in their next order.



# Marketing Plan: Content Planning

	Awareness	Interest	Desire
<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.	<i>Curiosity to know about the product that company offer</i>	<i>Eagerness and anticipation to try products after confirming the social proof</i>
<b>Frictions and opportunities:</b> Do customers 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.	Focused on product varieties and diversification but maintain the brand theme, which is community ties and local flavor	Ensure the offers, deals, promotions, etc., are easily noticeable to customers on websites.

# Marketing Plan: Content Planning

	Action	Post Action
<b>Experience</b> (Thoughts/Feeling): Describe the state of mind of your customer during interactions with the brand.	Hoping to meet their product expectation and smooth transaction process	Feel reassured and some level of excitement
<b>Frictions and opportunities:</b> Do customer face any obstacles to overcome? Can we help? Are there any opportunities we see?	A bad user interface (UI) of website can negatively impact the brand identity. Better UI with clear direction can improve the user experience (UX) significantly	While the customers are hesitant to join our reward program due to privacy concern, it can be fixed by <ul style="list-style-type: none"><li>● Immediate perks</li><li>● Minimize data collection</li><li>● Leverage social proof</li></ul>

# Marketing Plan: Content Planning

	Awareness	Interest	Desire	Action	Post Action
<b>Channels</b> (What suits our approach)	Facebook, Instagram, Local Pages	Website, Facebook, Instagram, Tiktok	Website, Facebook, Instagram, Tiktok	SEO, SEM	Email
<b>Message</b> (What we want to communicate at this stage)	"What's the fastest growing coffee chain in your local area?"	What do we offer?	What makes us unique?	How we improve our customer experience?	How we value our customers?