

The background of the entire image is a dense, close-up photograph of roasted coffee beans. The beans are dark brown with some lighter, golden-brown highlights, showing their characteristic oval shape and central crease. They are piled together, creating a textured, organic pattern.

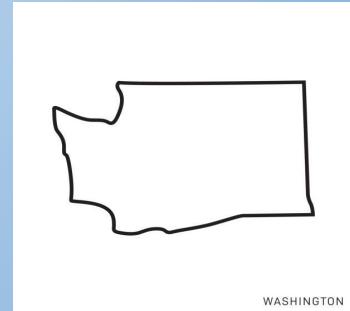
ICONIK

COFFEE ROASTERS

Target States for Online Sales

The Big Three: California, New York, Washington

- Long-established specialty coffee markets
- Online sales would compete with local companies
- Higher shipping costs and tax rates may inhibit price competition



Who else is drinking specialty coffee?

According to the SCA, specialty coffee generates about \$7 to \$8 billion dollars of revenue in the United States. With 65% of that market taken up by the Big Three, how can we effectively target the other 35%?

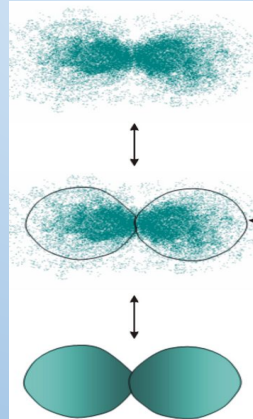
According to a 2024 Coventry Direct survey, the top ten coffee drinking states in the US (self-reported cups consumed per day) are: Delaware, Missouri, Massachusetts, Michigan, Oregon, Virginia, Iowa, Nebraska, North Carolina, and Wisconsin.

Not all coffee is equal

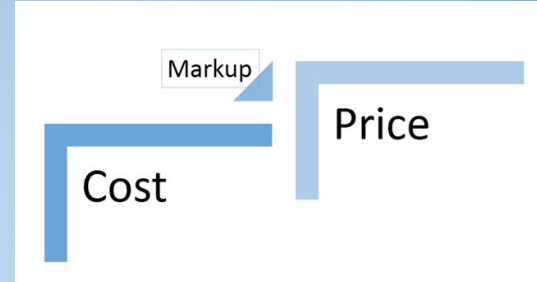
In order to refine our search to potential specialty coffee markets, we looked at three primary metrics:



Proportion of local shops



Coffee shop density

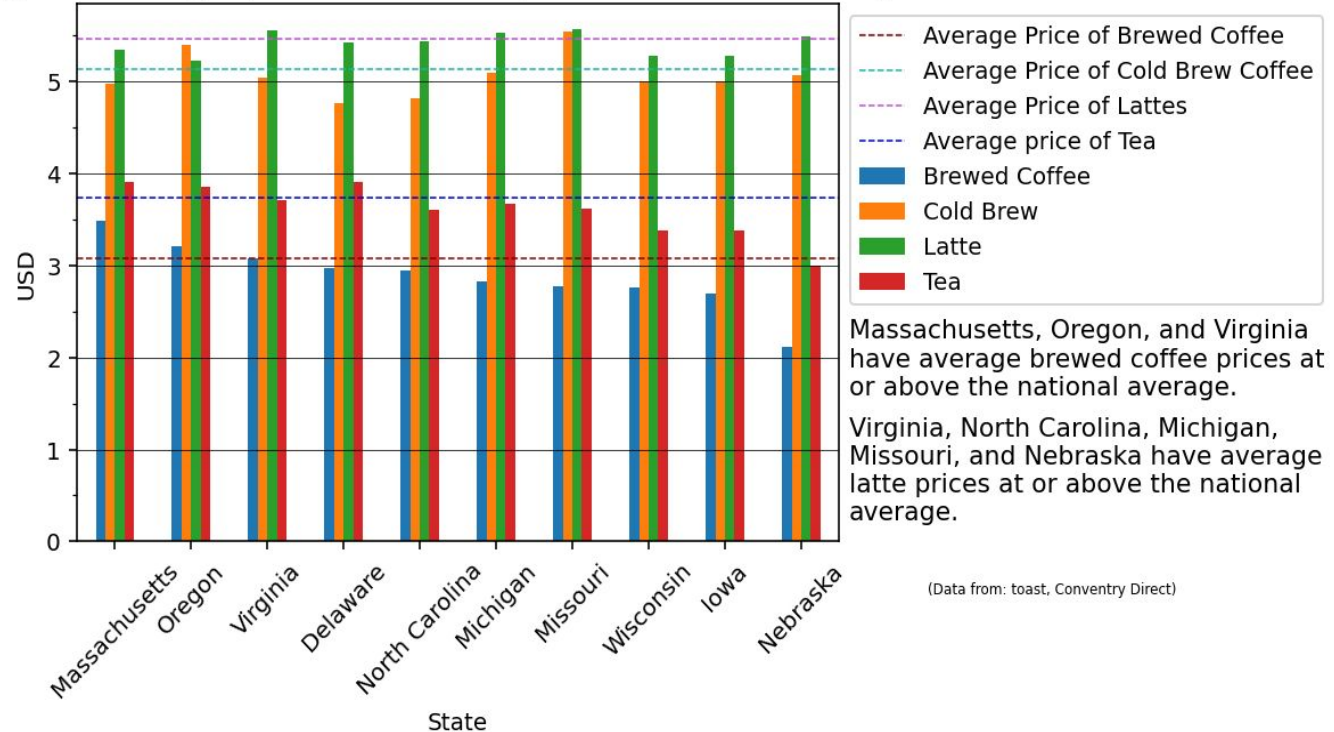


Average beverage price

Price

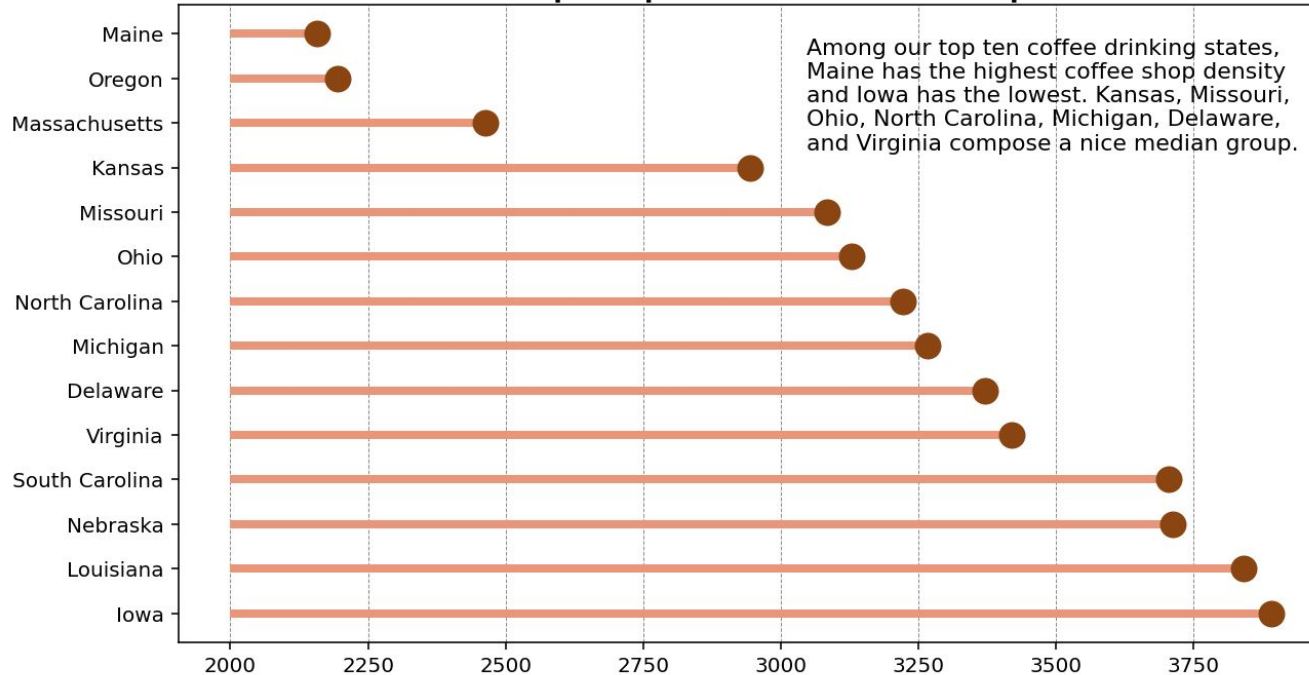
Higher than average prices indicate better market conditions for specialty coffee in both the brewed coffee and latte categories

Average beverage prices in the top ten coffee drinking states



Density

People per Coffee Shop

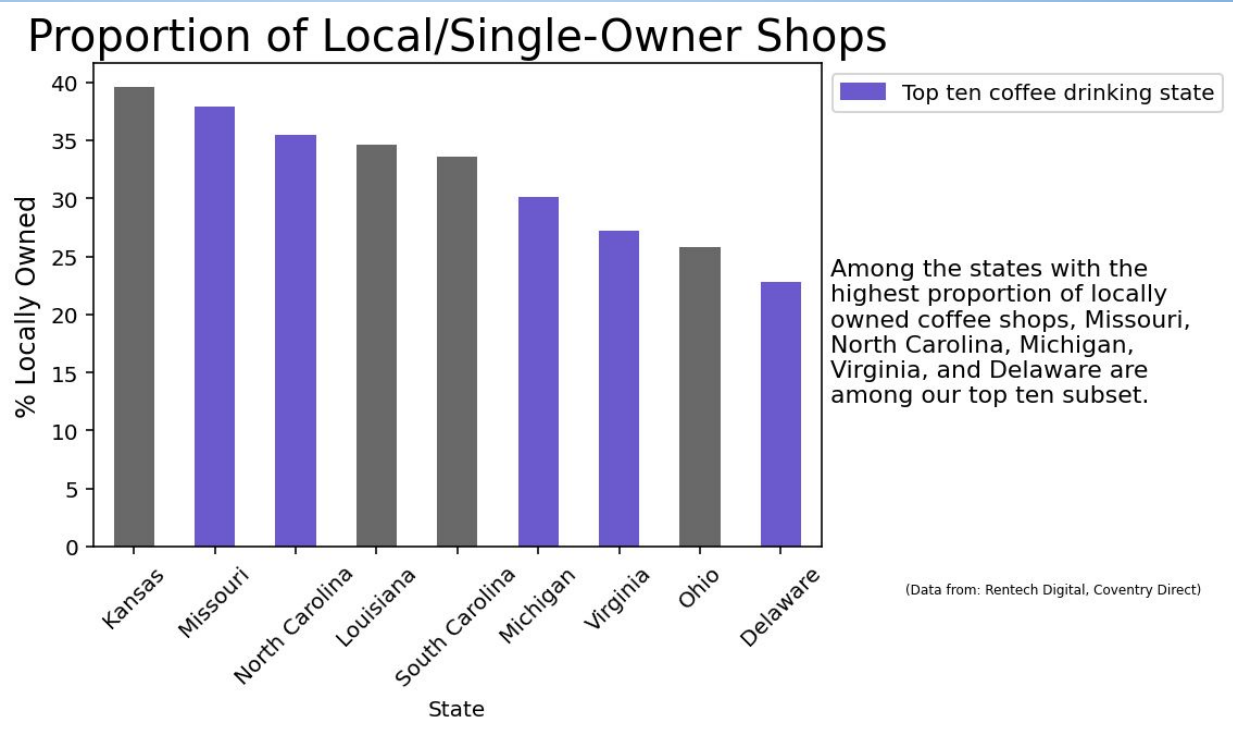


(Data from: IBISWorld, Coventry Direct)

Lower shop density presents hurdles for in-person sales, likely indicating a greater opportunity for online sales

Proportion

A higher proportion of locally owned shops indicates a greater market inclination towards specialty coffee products



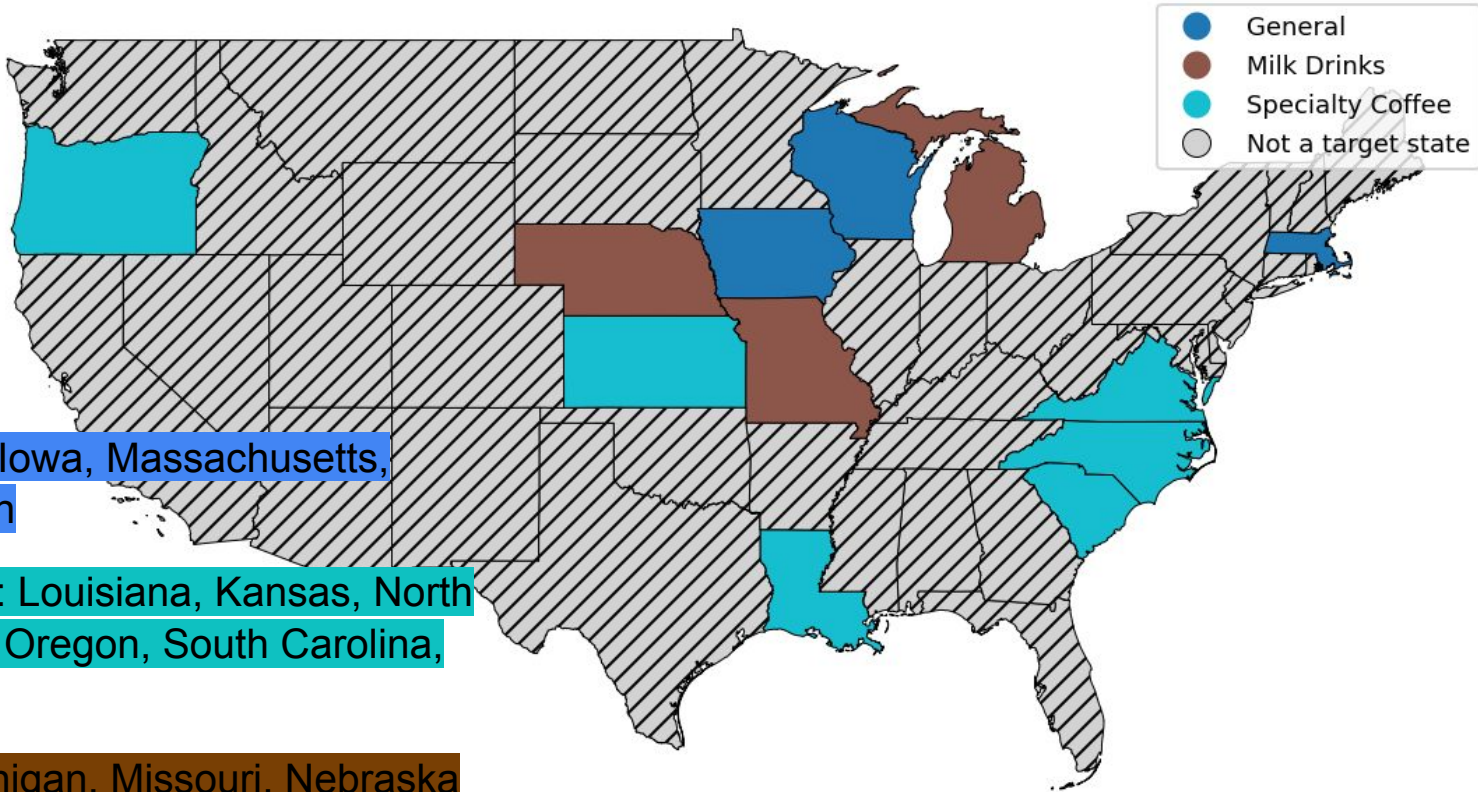
Conclusion

An ideal target state for an online ad campaign featuring Iconik's specialty coffee products would rank among the nation's top coffee drinkers, would pay above national average prices for brewed coffee and lattes, would have a lower than average coffee shop density, and would have a higher than average proportion of locally owned coffee shops.

Cross-referencing these attributes results in twelve top contenders:

- Iowa
- Kansas
- Louisiana
- Massachusetts
- Michigan
- Missouri
- Nebraska
- North Carolina
- Oregon
- South Carolina
- Virginia
- Wisconsin

Preferred Sales Categories for Target States



General: Iowa, Massachusetts, Wisconsin

Specialty: Louisiana, Kansas, North Carolina, Oregon, South Carolina, Virginia

Milk: Michigan, Missouri, Nebraska

Further Research

Four of these target states were particularly unexpected: Iowa, Kansas, Missouri, and Nebraska

Although they do not fit the stereotype of specialty coffee demographics, this may simply mean they are overlooked and underserved markets

Bear in mind that the pandemic caused dramatic shifts in worker locality, pushing coastal and urban customers towards the rural center of the US

In addition, these four have a geographical proximity to New Mexico and an established roadtrip culture that might make them good targets for a campaign aimed at hybridizing their consumption of our products.