

Copper Pony



BUYING AND MERCHANDISING OPERATIONS RESEARCH EVENT

Sauk Rapids-Rice High School
1835 Osauka Rd NE
Sauk Rapids, MN 56379

Addison Eisenschenk and Riann Mohamud

April 22, 2023

TABLE OF CONTENTS

| | |
|--|-----------|
| I. EXECUTIVE SUMMARY | 1 |
| II. INTRODUCTION | 4 |
| A. Description of the business or organization | |
| B. Description of the target market (demographics and psychographics) | |
| C. Overview of the business or organization's data collection practices for business decision making | |
| III. RESEARCH METHODS USED IN THE STUDY | 7 |
| A. Description and rationale of research methodologies selected to conduct the research study | |
| B. Process used to conduct the selected research methods | |
| IV. FINDINGS AND CONCLUSIONS OF THE STUDY | 10 |
| A. Findings of the research study | |
| B. Conclusions based on the findings | |
| V. PROPOSED STRATEGIC PLAN | 14 |
| A. Objectives and rationale of the proposed strategic plan | |
| B. Proposed activities and timelines | |
| C. Proposed metrics or key performance indicators to measure plan effectiveness | |
| VI. PROPOSED BUDGET | 19 |
| VII. BIBLIOGRAPHY | 20 |

I. EXECUTIVE SUMMARY

Business Overview

Copper Pony is a specialty gift shop located in Sauk Rapids, MN that offers a unique assortment of home decor products. It is also fully equipped with a coffee bar and indoor and outdoor seating areas. The business was opened in 2021 by owners Josh Hoffman and Brandon Johnson. The store has 30 full and part-time employees.



Figure 1.1: Copper Pony Logo

Purpose Statement

The purpose of this following proposal is to develop a strategic plan to adopt a hyper-personalization approach using *Copper Pony's* existing data, while also addressing customer data privacy concerns.

Research Methods

To fully develop a strategic plan, we had to research the business using a **Three-Phase Research Plan**, listed below, along with our research methodology.

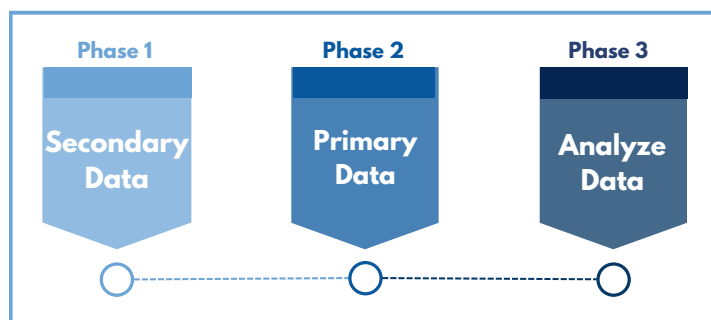


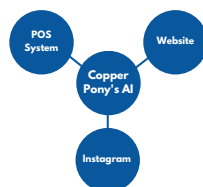
Figure 1.2: Three-Phase Research Plan



Key Findings



Copper Pony utilizes AI through their POS system, website, and Instagram



23.60% of customers say that *Copper Pony* could improve their experience by increasing product availability through the information on the website, online store, and more possible locations



Recent research shows that hyper-personalization creates customer loyalty, with 40% of consumers saying that they'll likely buy from a brand again after a personalized shopping experience



Deloitte states that 90% of consumers say they find personalized marketing appealing.

90%



Research Conclusions & Objectives

After conducting our research and gathering some key findings, we created 5 conclusions based on those findings. We then used our conclusions to create objectives to create our campaign that will lead change at *Copper Pony*.

Conclusions

1. Lack of awareness for *Copper Pony*'s website and online store.
2. *Copper Pony*'s rewards program is underdeveloped.
3. *Copper Pony* needs to continue efforts on customer experience and service.
4. *Copper Pony* needs to adopt a hyper-personalization approach to further improve customer experience.
5. *Copper Pony* needs to maintain a high level of integrity with customer data.



Objectives

1. Increase *Copper Pony*'s online store and website interactions by 30% to expand its geographic reach and increase customer experience.
2. Increase *Copper Pony*'s social media following by 20%.
3. Improve *Copper Pony*'s rewards program to 25,000 members to increase customer engagement.
4. Improve hyper-personalization by monitoring parallel customer journeys from all business platforms.

Proposed Strategic Plan

We created our campaign, titled PONY, to satisfy our conclusions and objectives and achieve our purpose.



P

Point System:

Create an app that gives customers access to their rewards accounts and the ability to view their points. The app also allows customers to buy products on the app. To maintain data privacy, customers are given a push notification asking how they want their data to be used.

O

Online Tours:

Implement virtual tours on *Copper Pony*'s website, through MidJourney. Includes an online shopping experience where customers can view inside the store and purchase items by clicking on them and adding it to their online carts to purchase.

N

Niche Marketing Segmenting:

Launch a continuous series of blogs to the business' website that pertain to commonly searched products in the industry. This will increase website traffic because of Search Engine Optimization and hyperlinks inside the blogs. These links lead back to *Copper Pony's* online store.

Y

Yield Website Traffic:

Use the business' social media accounts to utilize Instagram Shopping ad TikTok Shopping. This allows us to link the online store and give customers the ability to purchase products directly from what they see on social media.

Timeline

May 1st, 2023

- Publish online shopping tours on website
- Introduce and post the first blogs



April 20th, 2023

- Launch Copper Rewards App



June 1st, 2023

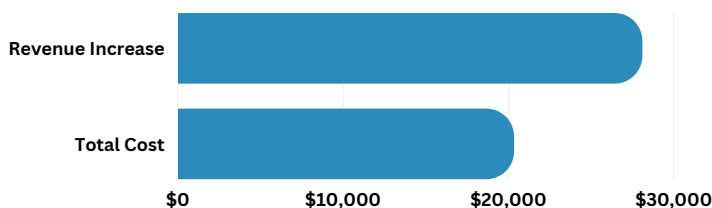
- Begin Instagram Shopping

Key Metrics

After finalizing our campaign, we proposed key metrics to measure the success of our proposed campaign. These included tracking social media engagement, web traffics users, app downloads, NPS, and revenue.

Proposed Budget & ROI

The last step of the process was determining the costs associated with the proposed plan. We added any costs that would come with the activities, shown in the table to the side. We also calculated the Return on Investment or ROI. We used the formula $ROI = [(Gain\ from\ Investment - Cost\ of\ Investment) / Cost\ of\ Investment]$. With a revenue increase of 7% in the first year and 5% in the next two years, the projected ROI will be -1.21% in the first year, 24.26% in the second year, and 38.17% in the third year, shown below.



| | Year 1 Total | Year 2 Total | Year 3 Total |
|-----------------|-----------------|-----------------|-----------------|
| P | \$13,000 | \$1,800 | \$600 |
| O | \$17,280 | \$17,280 | \$17,280 |
| N | \$4,860 | \$2,160 | \$2,160 |
| Y | \$288 | \$288 | \$288 |
| 3-Year Cost: | | | \$77,284 |

II. INTRODUCTION

Copper Pony, a gift shop and café in Sauk Rapids, Minnesota, was opened in 2021 by owners Josh Hoffman and Brandon Johnson. The shop, shown in figure 2.1, hosts a variety of products, including home fragrances, bath and body products, apparel, accessories, and furniture pieces. The café inside the shop also has a fully equipped coffee bar with lunch options and baked goods. Our focus is to expand *Copper Pony's* product personalization while addressing customer concerns about ethics and data privacy



Figure 2.1: Copper Pony

A. Description of the business or organization

Copper Pony began as a small store that worked out of a garage, selling vintage and repurposed items. The shop then moved locations from St. Cloud, Minnesota, to downtown Sauk Rapids where it now resides, with 29 employees, including the two owners. Currently, *Copper Pony* services 150 customers on an average weekday and up to 250 on the weekend. One of the business's long-term goals includes opening more locations and expanding the product selection to include more items.

Copper Pony believes that a home should both feel and look good. They fulfill these values by selling a wide variety of home decor. The business also believes in community involvement and accomplishes this by hosting a different monthly community event partnering with other local businesses or artists. The owners place great emphasis on supporting small businesses in the area, and utilize community partnerships with nearby businesses, including:

- *Backward Breads Company*
- *Artisan Naan Bakery*
- *St. Cloud State Community Gardens*
- *Peet's Coffee*



Figure 2.2: Product Range

The products offered at *Copper Pony* are known for their uniqueness and style consciousness; examples are shown in figure 2.2. The products also vary in price points to serve customers with various income levels. The café offers a full menu of drinks, including tea, coffee, and specialty drinks. Some competitors of *Copper Pony* include *Rock Creek Coffeehouse*, *Near+North*, *Barnes & Noble*, and *Starbucks*. What makes this business different than its competitors is the uniqueness of having a full café inside the store to improve customer experience. Not many other businesses nearby utilize two vastly different product ranges, food, and home decor. In the upcoming section, *Copper Pony's* target market will be fully described.

B. Description of the target market (demographics and psychographics)

Geographics

Copper Pony is located in the St. Cloud Metropolitan Statistical Area (MSA), which consists of 5 cities with populations higher than 5,000 inhabitants: St. Cloud, Sartell, Sauk Rapids, Waite Park, and St. Joseph. *Copper Pony* is located in the downtown area of Sauk Rapids displayed in figure 2.3. According to owner, Josh Hoffman, the business' target geographic location of customers is a 30 mile radius of Sauk Rapids.



Figure 2.3: Location of *Copper Pony* on Google Maps

Demographics

The gender demographic in the St. Cloud MSA is 49% women. The primary target market is women aged 50+ who are retired, while the secondary market is women aged 29-39 and are usually stay-at-home mothers. Both target demographics fit within a large section of the general demographic in the area.



Psychographics

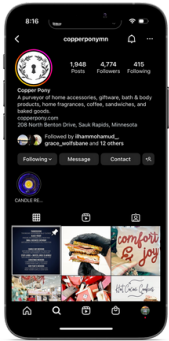
The psychographic profiles of the two target groups are very similar. The majority of the older market segment is looking for speciality gifts and hobby kits for various celebrations and more. The unique layout of the products makes it easier for customers to impulse buy the products they might not need or want. The layout also adds to the entire experience offered at *Copper Pony* including the café and comfortable seating areas. The secondary market is searching more for the individuality of the home decor and other products offered. They know that they will not be able to find products offered at *Copper Pony* anywhere else. They also enjoy the seasonal product offerings, including the drinks and decor, as well as the valuable customer experience they receive.

C. Overview of the business or organization's data collection practices for business decision making



Data Collection:

One way the business collects data is through their loyalty program, the *Copper Pony Rewards Program*. Customers use their phone numbers every time they purchase an item or drink and collect the equivalent amount of points for how much they spend. The points can then be used for discounts and free items. This program gives customers an incentive to continue shopping at *Copper Pony* and therefore creates customer loyalty. They also utilize Instagram, TikTok, and Facebook which collect different data from interactions with their accounts. The data comes from posts, stories, and videos.



Data collected through Social Media:

- Likes
- Comments
- Shares
- Views
- Profile views

Another way that the business collects data is through their customer's transactions every time they buy an item at the store, through LightSpeed. LightSpeed is a retail POS System that offers label printers, cash drawers, barcode scanners, mobile tap, payment terminals, and more. *Copper Pony* uses LightSpeed for all of their checkout locations, both in the retail side and café. This POS System gathers the rest of the customer data including transaction histories, cards being used, and top shoppers.

Data collected through *LightSpeed*:

- Names
- Phone numbers
- Transaction histories
- Credit cards previously used
- Date of transaction
- Time of day of transaction
- Top spenders/shoppers



Business Decision Making:

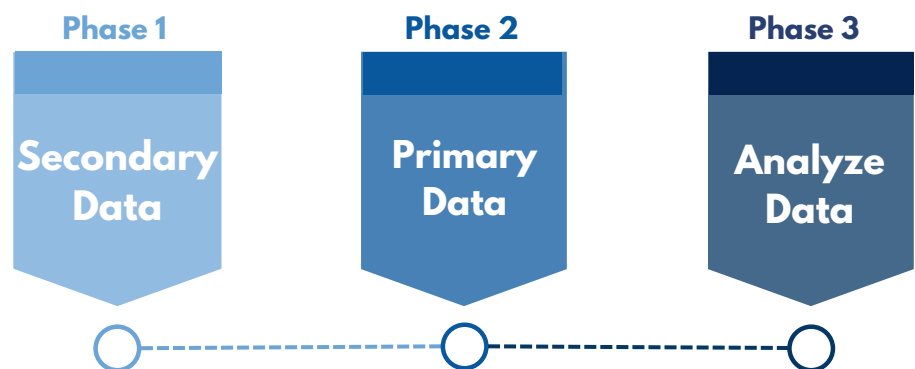
The business uses the data they collect in very minimal ways. Currently, most of the data collected are used to view top product sellers and to decide how much inventory to stock for those products. For instance, if the business sees a product that isn't selling as well, they decide what they need to do to improve sales. Ways that the business improves sales using customer data are adjusting the merchandising, updating the product to keep up with seasonal trends, or changing the product's pricing. They also use the data for social media and understand what products to promote online and which part of the target market will interact with it. For example, the older market segment most likely does not use social media, while the younger market segment does. The business promotes top-selling products from the younger market segment on social media and updates customers on new products, upcoming events, and more.

III. RESEARCH METHODS USED IN THE STUDY

The research study aims to analyze the business' current data collection practices and develop a strategic plan to adopt a hyper-personalization approach without raising customers' concerns about data privacy breaches and ethics. For this purpose, we adopted a **Three-Phase** research plan and three research goals to reach it.

1. Gather information regarding *Copper Pony's* target market and the surrounding community
2. Collect data about the business environment and current strategies to hyper-personalize the customer experience
3. Understand current customer perceptions about *Copper Pony* and how to best personalize their experience while protecting their data privacy

We utilized a **Three-Phase** research plan to collect both qualitative and quantitative data.



A. Description and rationale of research methodologies selected to conduct the research study



Copper Pony Website: We researched the business' website to observe its current data collection practices and what services and products it offers online. We were also able to see what artificial intelligence the business uses to determine patterns within the data they collect to simulate a customer's thought process.



Online Articles via Industry Service: We completed research on hyper-personalization and the marketing trends relating to it using credible sources. This data helped us better understand what personalization with products is and how to use it for the benefit of the business. We also viewed the potential benefits of product personalization for customers and how that might improve customer experience. That said, we also considered the disadvantages of personalization with data privacy and ethics.



Google Reviews/Yelp: We identified common customer responses through online reviews from Google and Yelp. This gave us a general customer perception of *Copper Pony*.



Presentation from Brandon Johnson, Owner of *Copper Pony* and Business Specialist at SCSU: We learned about what Artificial Intelligence (AI) is and what types of AI there are. We also learned about its common uses in business and how it has expanded over recent years.



Interview with Owner Josh Hoffman: A scheduled meeting with Josh Hoffman, one of *Copper Pony*'s two owners, was made to discuss the description and history of the business. We learned what data the business collects and through what channels they do so.



Online customer survey with Survey Monkey: We designed two flyers with a QR code linked to the survey. The flyers were placed throughout the store, and customers were encouraged to give a response. Customers were asked questions about their experience and their thoughts of the business as of now.



Organize survey responses: We filtered and categorized the responses into positive and negative feedback to analyze them further. This helped understand customers' opinions on their data privacy and whether they feel safe with how much data *Copper Pony* collects.



Consult with Hoffman: We then consulted with one of the owners, Josh Hoffman, to discuss and share the survey results. We wanted to see the owner's perspective and their thoughts on what could possibly change for *Copper Pony* to increase product personalization.

Phase 2- Primary Data

Phase 3- Analyze Data

B. Process used to conduct the selected research methods

After using the Three-Phase Plan, in October 2022, we began conducting our secondary research. This research was done before we began developing our project so we could gain a better understanding of hyper-personalization market trends, customer data privacy, and data collection overall. This helped us further understand our business and the industry. We went ahead with secondary research using creditable articles from sources such as *Forbes*, *MBA Research*, and *Retail Touch Points*, as well as the *Copper Pony* website.

For the **primary research**, we attended a presentation from Brandon Johnson on **October 14th, 2022**, about Artificial Intelligence and its benefits regarding hyper-personalization. Our interview with one of the owners of *Copper Pony*, Josh Hoffman, was held on **October 28th, 2022 at 3:30 pm**. It was held at *Copper Pony*. We gathered information on his business and which would be the most effective survey style for the current customers.

We then created a **customer survey**; we used two customized flyers with a QR code link to our survey, shown in Figure 3.1. We placed the flyers throughout the store in November 2022, one by the café and one in the retail section for easy access to everyone. There were five questions, with one question having four Likert Scale prompts, ranging from strongly disagree to agree strongly. We made sure only to use a few questions to prevent survey fatigue or a lack of motivation from continuing an assessment because of the length. This kept our data accurate and consistent throughout all of our questions, which are located below.



Figure 3.1: Survey Flyer

| Questions | Rationale |
|---|---|
| How likely is it that you would recommend <i>Copper Pony</i> to a friend or colleague? | Determined <i>Copper Pony</i> 's Net Promoter Score (NPS). NPS is a indicator of how likely a customer is to promote the business |
| What is the primary reason for your previous score? | Allowed customers to expand on reasoning behind their NPS rating |
| Overall, how would you rate the quality of your customer service experience? | Allowed customers to give feedback on their customer service experiences at <i>Copper Pony</i> |
| To what extent do you agree to the following statements? <ul style="list-style-type: none"> <i>Copper Pony</i> protects my private information. I use the website for <i>Copper Pony</i> often. I can find information I need on <i>Copper Pony</i>'s website. <i>Copper Pony</i> strives for a personalized customer experience. | Using a Likert Scale ranging from strongly agree to strongly disagree, allowed customers to choose how comfortable they feel with <i>Copper Pony</i> 's current data collection and use of their data |
| What is one thing <i>Copper Pony</i> could do to enhance your personal customer experience? | Gave customers the opportunity to think of ways they'd like their customer service experiences to be improved |

After collecting data through out **three-phase research plan**, we created many key findings. The key findings also helped create five main conclusions. These are both described in the next section.

IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. Findings of the research study

Throughout our research, we outlined multiple key findings from the information we found concerning hyper-personalization and data privacy. Listed below are the key findings from the first phase of our plan, **secondary research**.

Secondary Research

Finding 1:

86% of companies report seeing a measurable uptick in business results from hyper-personalization
(Western Governors University)

Finding 2:

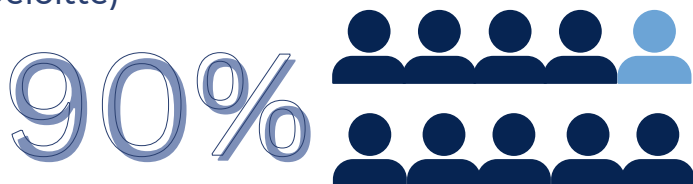
Online shopping offers more convenience than its industry counterparts, it enables consumers to search for specific gifts, order personalized gifts, find bargains and ship to desired recipients
(IBIS World)

Finding 3:

More than 130 million people use Instagram Shopping and the app has more than 1.39 billion users each month
(The Small Business Blog)

Finding 4:

90% of consumers say they find personalized marketing appealing
(Deloitte)



Finding 5:

Three out of four customers say they receive too many email promotions from brands, and 69% have unfollowed brands on social media because of it
(Deloitte)

Finding 6:

Personalization can deliver 8x the return on investment (ROI) on marketing spend, and lift sales by 10% or more
(McKinsey)

Finding 7:

71% of consumers expect companies to deliver personalized interactions. And 76% get frustrated when this doesn't happen
(McKinsey)

Finding 8:

Online sales surged 30.2% in 2020 alone
(IBISWorld)

Primary Research

Interview:

Finding 9:

Copper Pony collects and has access to customer phone numbers, transaction histories, and previous cards that the customers have used through their rewards program and POS System

Finding 11:

Copper Pony services an average of 250 customers on the weekends and 150 customers on weekdays (shown in Figure 4.1)

Finding 12:

There is only a minimal selection of products available in the online store because of limited labor and lack of customer experience

Finding 13:

Josh Hoffman stated that in the future he wishes to personalize customer experience by implementing greetings when customers enter the store and understand personal information about the customers to improve customer service, without breaching customer data privacy

Finding 10:

Copper Pony utilizes AI through their POS system, website, and Instagram

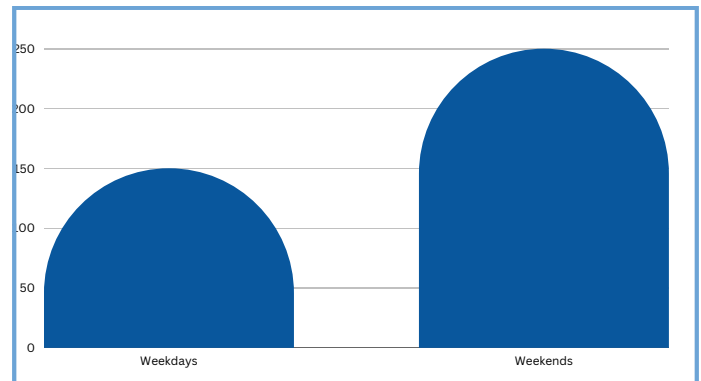
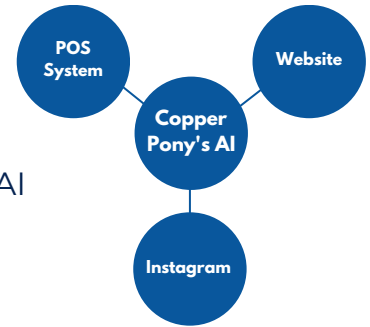


Figure 4.1: Customer Transactions

Customer Survey:

Finding 14:

Copper Pony's net promoter score (NPS), or how likely a customer is to recommend the business to others, is 84. The average NPS in the retail industry is 32.9, according to Qualtrics XM Institute.

Finding 15:

68% of customers say that they appreciate the stores product assortment and variety

Finding 16:

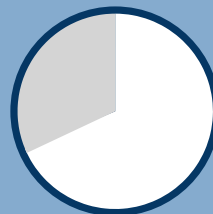
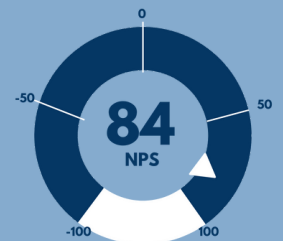
According to 23.60% of the customers, *Copper Pony* could improve their experience by increasing product availability, through the information on the website, online store, and more possible locations

Finding 17:

Only 8% of customers strongly agree that they use the website for *Copper Pony*

Finding 18:

80% of customers disagree that they receive too much information from *Copper Pony*



B. Conclusions based on the findings

Through our findings, both secondary and primary, we determined five main conclusions focusing on hyper-personalization and data privacy. These conclusions, listed below, will help us develop a relevant campaign for *Copper Pony*.

Conclusion 1: There is a lack of awareness for *Copper Pony*'s website and online store.

In the survey, many customers reported that they did not know that *Copper Pony* had a website, while other customers who did know did not use it often. The reasons were usually because the website did not contain much relevant information about the business or the products. The business also has an online store available that is linked to its website, but similar to the website, it is not used often. The online store only carries limited products and does not ship everywhere. In the survey, customers complained that they aren't always able to come in person to shop and can't order online because of the limited inventory and shipping logistics. The business cannot keep up with a full online store because of insufficient labor and time.

Based on findings: 2, 3, 8, 12, 16, 17

Conclusion 2: *Copper Pony*'s rewards program is underdeveloped and underutilized.

Many *Copper Pony* customers use their phone numbers when purchasing products as a part of the business rewards program. Still, not many customers know exactly how many rewards they have and when they can use them. There is no way for customers to see how many rewards they have and what types are available. Some customers do not even know that *Copper Pony* has a rewards program and, therefore, never capitalize off of the possible rewards available to them.

Based on findings: 9, 10

Conclusion 3: *Copper Pony* needs to continue efforts on customer experience and customer service.

Copper Pony's NPS score was extremely high for its industry, which reflects the business's reputation and the way they treat its customers. Many customers also state that they greatly appreciated *Copper Pony*'s customer service and overall store experience. Compliments about the store's merchandising, product assortment, and warm atmosphere were all given in the survey from the majority of customers.

Based on findings: 7, 14, 15

Conclusion 4: *Copper Pony* needs to adopt a hyper-personalization approach to further improve customer experience.

Another way *Copper Pony* can improve customer experience is by adopting a hyper-personalization approach with their products and services. As our secondary findings show, hyper-personalization greatly benefits the business through revenue, sales, and customer loyalty. *Copper Pony* would greatly increase customer satisfaction through this approach as well.

Based on findings: 1, 4, 5, 6, 7

Conclusion 5: *Copper Pony* needs to maintain a high level of integrity with customer data.

As *Copper Pony* develops a new hyper-personalization approach, it needs to maintain high-level customer integrity. The business already has a positive reputation with customers regarding data privacy. As we move forward with our campaign, we want to ensure that the business continues its already functional, current practices to keep the same results from their customers.

Based on findings: 5, 13, 18

In order to better understand and visualize our conclusions listed above, we developed a SWOT analysis of *Copper Pony's* strengths, weaknesses, opportunities, and threats.



V. PROPOSED STRATEGIC PLAN

A. Objectives and rationale of the proposed strategic plan

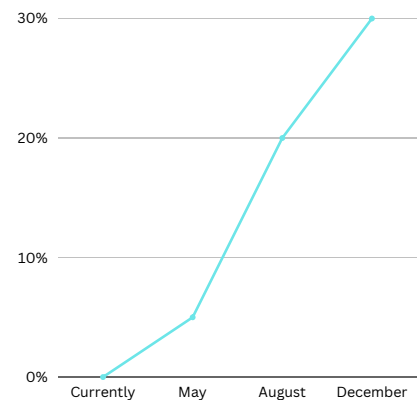
To have an effective and thorough plan, we created 4 objectives based on our conclusions. These will be our primary focus throughout our campaign and ultimately be our main factors when making any decisions.

Objective 1

Increase *Copper Pony's* online store and website interactions by 30% to expand its geographic reach and increase the customer experience.

Currently, *Copper Pony's* existing website has few interactions and is virtually unused. By increasing the number of products sold online, how far products can be shipped, and the promotion of the website, customers will be able to enjoy the business' products without having to come in person every time. This will also help *Copper Pony* capitalize on current technological industry trends and utilize AI and hyper-personalization.

Conclusion(s) Satisfied: 1, 3



Objective 2

Increase *Copper Pony's* social media following by 20%.

Copper Pony has approximately 5,000 followers on Instagram and 10,000 followers on Facebook. Social media is a useful tool for businesses to be able to update customers on seasonal products and activities that are happening. We will increase both followings by 20% by the end of 2023 and still keep customer data from social media private. This could be done in many ways, including linking social media profiles, incorporating their online store into their social media accounts, and promoting the accounts more.

Conclusion(s) Satisfied: 1, 4, 5

Objective 3

Improve *Copper Pony's* rewards program to 25,000 members to increase customer engagement.

Copper Pony's reward program has increased membership by around 6,000 a year since it opened its new location. The program is not well promoted or known within the community or with customers. The rewards program could grow and attract more customers by creating a more centralized and accessible way for customers to see how many points they have earned and what rewards they could redeem. This would also improve customer satisfaction and give them a personalized experience.

Conclusion(s) Satisfied: 2, 3, 4

Objective 4

Improve hyper-personalization by monitoring parallel customer journeys from all business platforms.

One personalization strategy that would benefit *Copper Pony's* multiple platforms is monitoring each customer's multiple omnichannel journeys. An example would be a customer shopping on the business' online store on one device, switching to the website on a different device, and still having the same products in their cart. This is beneficial to both the customer and the business. *Copper Pony* would be able to track customer journeys, and the customers thoroughly would have a more convenient shopping experience.

Conclusion(s) Satisfied: 3, 4

B. Proposed activities and timelines

Using our objectives as guidelines, we developed a campaign that fits *Copper Pony's* need to adopt a hyper-personalized approach without compromising customer data privacy. To further clarify our campaign, we created the PONY campaign.





Point System

Apps have been convenient tools for customers and have gained popularity as technology has developed. Currently, *Copper Pony* does not have an app, and customers cannot see how many points they have earned in the business rewards program and exactly what rewards they can earn with those points. As part of our campaign, we designed a fully functional app called **Copper Rewards**, shown in figure 5.1.

Customers sign up for **Copper Rewards** using an email or phone number. Their information, including the total amount of points earned, will be available to them and collected by the business. Customers can also get free or discounted products from the store using the points they have earned. The app will tell them which product they can get for free or discounted depending on the original price value and how many points the customer has.

One Last Thing!

We would love to give you a personalized experience with the help of your permission!

I authorize Copper Pony to save my preferences for marketing purposes, which will enable Copper Pony to give me personalized products and information. ☐

[Read more about Copper Pony's privacy policy](#)

Submit Preference

The app is also personalized to a customer's experience. For example, customers are greeted with their name when they open the app, as shown in figure 5.1. To protect the customer data we're collecting, we will have a push notification when customers open the app to ask how they want their data to be used. This makes sure to maintain a high level of customer data privacy.



Figure 5.1:
Copper Rewards



Online Tours

Customers of *Copper Pony* talk about how their favorite part of shopping in-store is the experience. This includes the merchandising, the layout of the products, the smell of candles in the store, the music playing, the “warm atmosphere,” and more. Unfortunately, customers who shop online or don't live close to the store can not get the same experience as customers who come in person. By creating a virtual tour of the store, available on *Copper Pony's* website, customers who shop online can experience the uniqueness of *Copper Pony*. We will also be able to collect customer data from the tours and produce content based on consumer interest.

The online tours will be created by one of the most popular AI-based image generators, **MidJourney**. Through **MidJourney**, we can create a virtual tour of *Copper Pony's* merchandise and store layout that will be updated monthly to fit the store's current theme. We will also personalize this tour by having customers start their tour in a section of the store they often frequent, using customer traffic heat maps based on mobile WiFi devices. For example, if a customer's been tracked in the candle section very often, they will begin their tour in the candle section.





Niche Market Segmentation (Through Blogs)

Search Engine Optimization, or SEO, is the process of maximizing the number of visitors to a website by ensuring that the site appears on the top of results returned by a search engine. One SEO technique that *Copper Pony* will benefit from is creating blogs using keywords that fit the business' product selection. In theory, if someone searched, for example, gift ideas on a search engine, a blog from *Copper Pony* about gift ideas would appear at the top of the results page containing a link on the blog page to the business' online store with products relating to gifts. These are also called hyperlinks, or links from any page on a website to another page on the website.



Figure 5.2: Example Blog

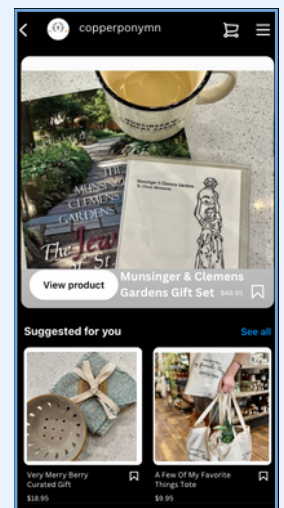
Through these blogs, we can collect customer data on what customers are searching for online by knowing what blogs they are clicking on. This will help us see what products customers are interested in and what content to produce.

Other on-page SEO tactics include identifying the target audience to help guide your blog strategy, conducting keyword research by knowing what content your audience wants to consume, adding visuals and a good title to appeal to search engines like Google, and finally, focusing on the reader experience. Blog SEO will help personalize the online shopping experience for customers and increase Copper Pony's website traffic.



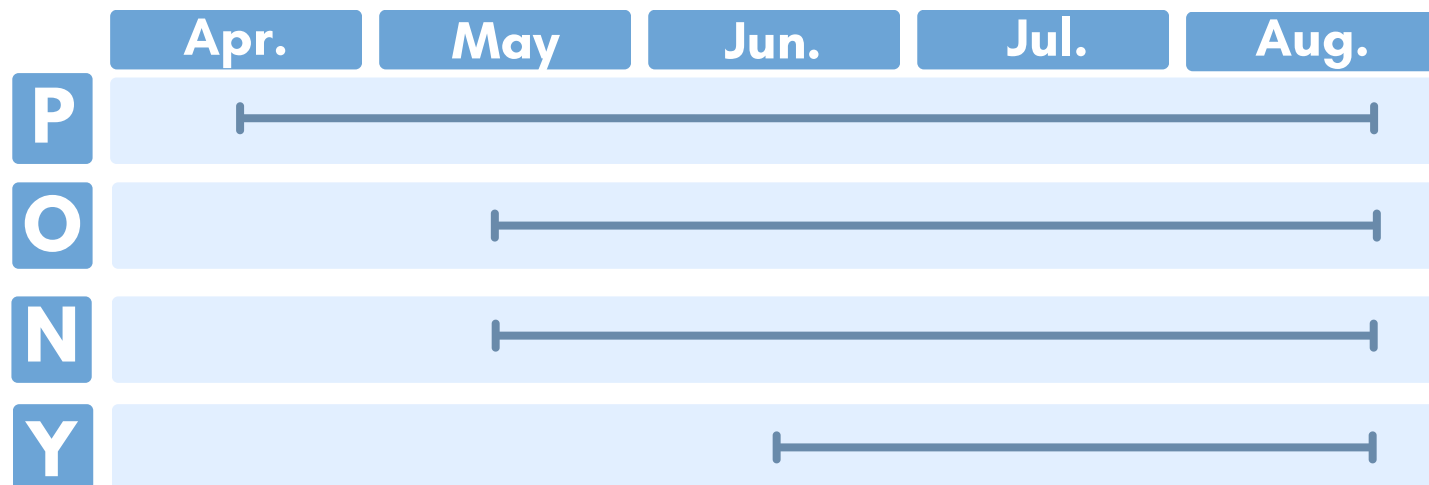
Yield Website Traffic (Through Social Media)

Copper Pony has two main social media accounts, TikTok and Instagram, with relatively high followings, especially Instagram. Our campaign's fourth and final activity uses the business's already active and large social media followings. This is using Instagram Shopping and TikTok Shopping, both new tools for businesses to link products on a post to their online website for customers to buy.



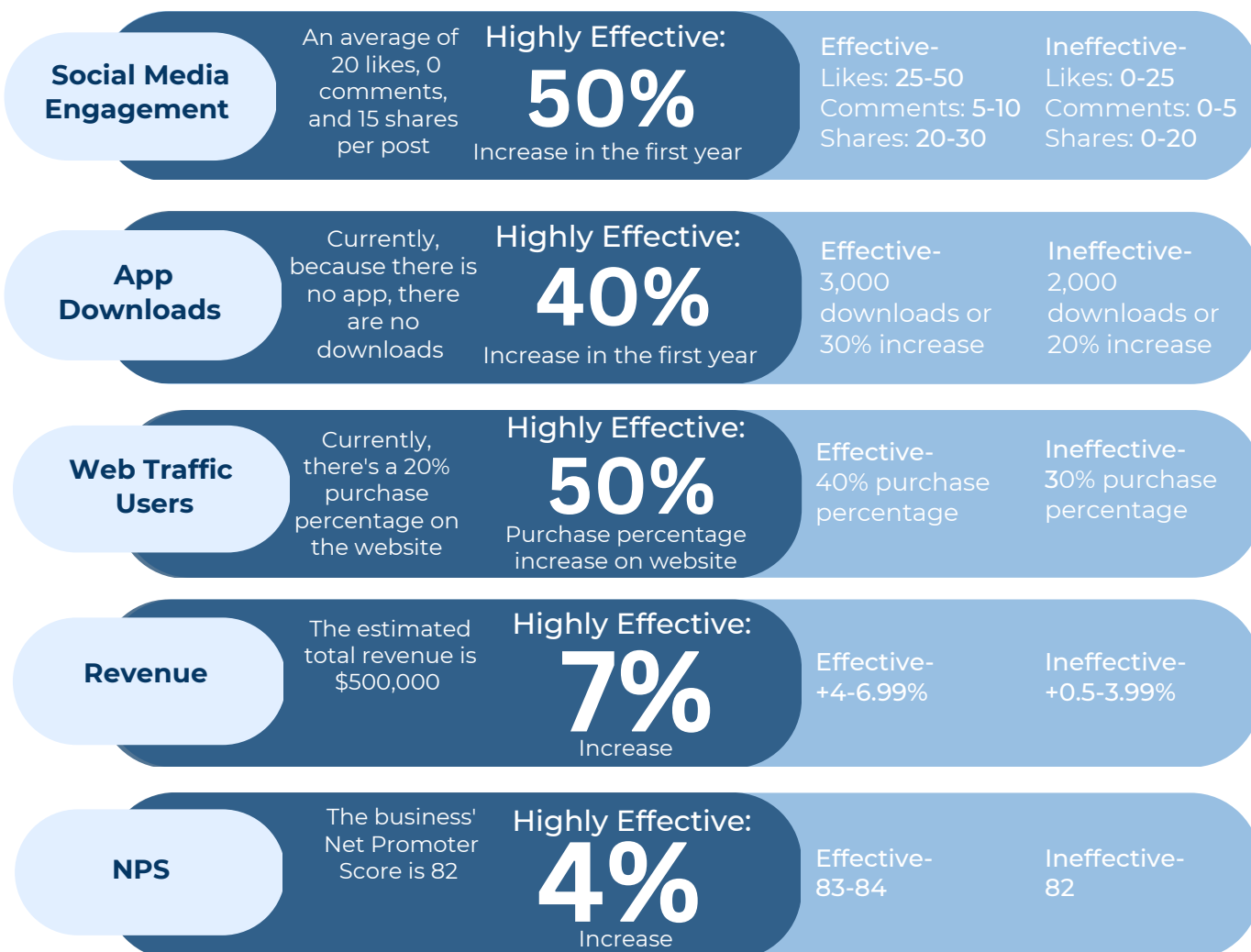
Businesses can also sponsor posts containing their products to be visible to customers on their explore pages and between stories. This is a great way for the business to yield customer traffic to their website from their social media. It also personalizes the experience by allowing customers who prefer to use social media for shopping rather than in-store or going to another site. Customers' data is kept private because it comes from their social media, which controls the information they allow the site to access. In viewing social media analytics, we can collect data about which customers use social media and what products they are viewing.

Timeline of Proposed Activities (from April 2023 to August 2023)



C. Proposed metrics or key performance indicators to measure plan effectiveness

The following section introduces multiple key performance indicators to measure the overall effectiveness of our campaign. We plan to complete a full analysis of all of this data 12 months, or a year, after the campaign begins.



VI. PROPOSED BUDGET

Listed below are the costs associated with our proposed marketing campaign. We recorded the one-time cost, recurring expenses, and total cost a year after launching our campaign. One aspect of the budget includes the salaries for new employees, which we also measured in hourly pay.

| | | Year 1 | Year 2 | Year 3 | |
|---------------------------------------|----------------|--|--|--|--------------|
| Activity | One-Time Costs | Recurring Costs | Recurring Costs | Recurring Costs | 3-Year Total |
| App Design w/ Updates | \$10,000 | \$250/month \$3,000/year | \$150/month \$1,800/year | \$50/month \$600/year | \$15,400 |
| Digital Marketing Specialist | N/A | \$20/hour 16 hours/week \$17,280 | \$17,280 | \$17,280 | \$51,840 |
| Seasonal Social Media Intern | N/A | \$15/hour 16 hours/week \$4,860 | \$15/hour 9 weeks a year \$2,160 | \$15/hour 9 weeks a year \$2,160 | \$9,180 |
| MidJourney Standard Subscription Plan | N/A | \$24/month \$288/year | \$288/year | \$288/year | \$864 |
| Total Costs: | | \$35,428 | \$21,528 | \$20,328 | \$77,284 |

Return on Investment (ROI)

To weigh the effectiveness of this proposed campaign, we estimated the returns from the costs associated with our marketing campaign. We measured this using return on investment, or ROI. We used the formula $ROI = [(Gain\ from\ Investment - Cost\ of\ Investment) / Cost\ of\ Investment]$. We found that with a revenue increase of 7% in the first year and 5% in the second and third years, our plan will result in an ROI of -1.21% in the first year, 24.26% in the second year, and 38.17%. The growth in ROI over the three years is shown in the figures below. The negative ROI to start is because of the high initial costs in the first year that decrease as the revenue increase stabilizes over the next two years.

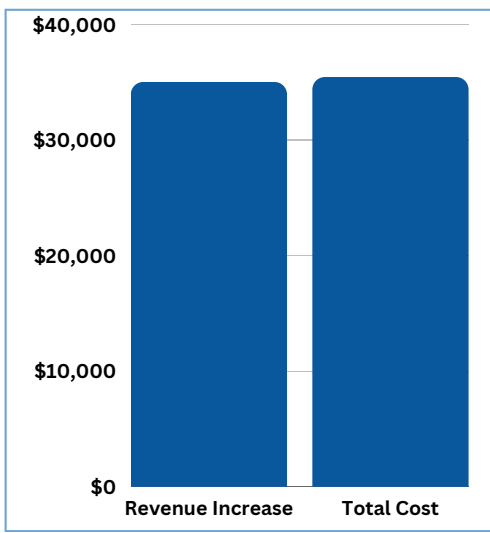


Figure 6.1: Year 1 ROI

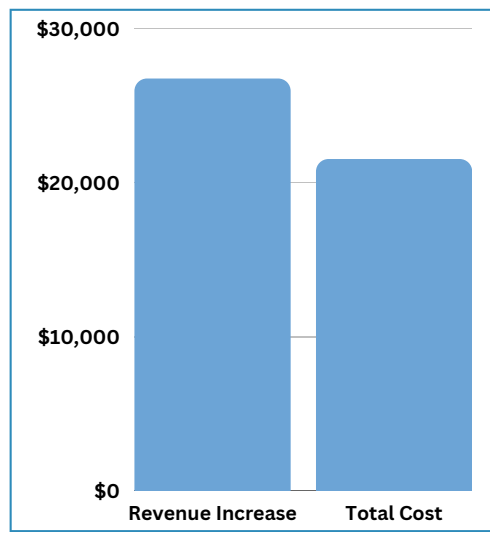


Figure 6.2: Year 2 ROI

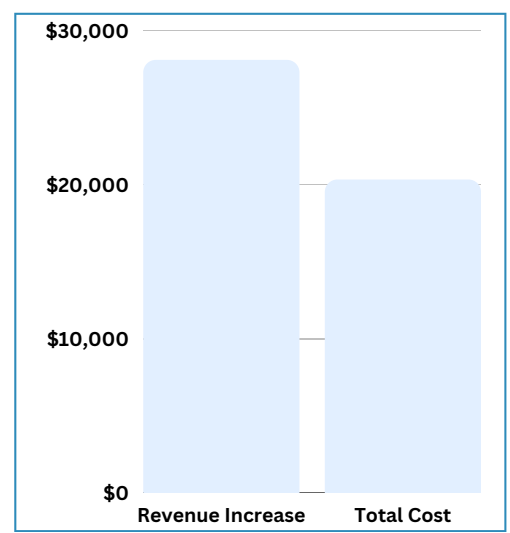


Figure 6.3: Year 3 ROI

By creating **Copper Rewards**, implementing online tours, creating blogs, and using Instagram shopping, *Copper Pony* will be able to hyper-personalize customers' experience and maintain their confidentiality and data privacy. This will increase the business' revenue, increase customer loyalty, and most importantly give customers a better experience at Copper Pony.

VII. BIBLIOGRAPHY

Hoffman, Josh. "Copper Pony Online Store." Copper Pony, Copper Pony Online Store, 1 May 2021, <https://copperpony.com/>

"U.S. Census Bureau Quickfacts: St. Cloud City, Minnesota." Population Estimates, July 1 2022, <https://www.census.gov/quickfacts/stcloudcityminnesota>.

Vell, Mar. "Retail Point of Sale (POS) Hardware: Lightspeed Commerce." Lightspeed, 9 Dec. 2022, <https://www.lightspeedhq.com/pos/retail/hardware/>.

Yokoi, Tomoko. "Getting Started in Hyper Personalization." Forbes, Forbes Magazine, 2 Mar. 2021, <https://www.forbes.com/sites/tomokoyokoi/2021/03/02/getting-started-in-hyper-personalization/?sh=438ef8b62b4d>.

Western Governors University. "Hyper-Personalization in Digital Marketing." Western Governors University, Western Governors University, 24 Nov. 2021, <https://www.wgu.edu/blog/hyper-personalization-digital-marketing2111.html#close>.

Campbell, Stefan. "Instagram Shopping Statistics in 2023: The Rise of Social Commerce." The Small Business Blog, 14 Jan. 2023, <https://thesmallbusinessblog.net/instagram-shopping-statistics/>.

Silva, Carlos. "12 SEO Techniques to Boost Organic Traffic + Rankings." Semrush Blog, 15 Dec. 2022, <https://www.semrush.com/blog/seo-techniques/>.

Ganebnyi, Genadii. "Is AI Capable of Generating a Virtual Tour?" Medium, ViarLive, 7 Dec. 2022, <https://medium.com/viarlive/is-ai-capable-of-generating-a-virtual-tour-c7257c22734>.