

ABC Coffee House: Marketing Plan

Introduction

The growing trend of cafe houses where people from all background and professions can come and love to linger for a longer time is constantly rising in both western and eastern countries. According to the study of Kolk (2013), coffee market has become volatile, and numerable change has occurred since last two decades. This marketing plan is an exquisite and contemporary coffee house which would be located in the most modern, vibrant and dynamic city of the USA that is New York. The location of ABC Coffee House would be 132 Maiden Lane, Brooklyn, NY. As this street is rushed with numerous other coffee houses nearby, ABC coffee house will sketch the most appropriate place in that area for coffee lovers. It is also witty that New Yorkers give considerable importance when it comes to coffee. Our coffee house will serve a range of toothsome coffee to its customers along with a wide variety of tea. Apart from the regular coffee, the coffee house will serve some all-time favorite flavors in coffee such as espresso, caramel, cappuccino, cinnamon, flat white, cold coffee and hot chocolate. This coffee house is being set up with the idea of giving the customers the luxury of enjoying finest pastries, cakes, cookies and donuts. Sandwiches, stuffed with mayonnaise, chicken and cucumber will also be served to those who want to visit ABC Coffee House at morning to enjoy a fine breakfast. As a part of its customer-friendly policy, the ambience of the coffee house will be extremely soothing, and emphasis will be on providing a comfortable environment for the customer where they want to linger and return many times.

Environmental Analysis

As per the study of Yüksel (2012), the most suitable method to assess and gauge the general idea of macro environment for a newly established company is PESTLE analysis. This analysis encircles all the external barriers and aspects of the business. This analysis incorporates following factors:

Competitive

It is quite imperative to study the competition level in the market before launching any new business. Therefore, ABC Coffee House has examined the competitive environment thoroughly and following two cafés are our major competitors:

Starbucks

Originated in 1971, Starbucks serves as the biggest coffee and tea house, grabbing a larger number of customers with over 24,000 retail stores in 70 countries (Starbucks Coffee Company, 2017). Starbucks has established its name with long-lasting prestige and reputation.

Birch Coffee

Started by two young guys Paul and Jeremy in 2003, Birch coffee house stands splendidly in New York coffee market with an extensive range of coffee and tea items. With reasonable prices and a wide number of coffee houses in various locations, Birch Coffee is expanding and enhancing its business operations ("Birch Coffee", 2017).

Economic

The factors of economic conditions include disposable income, employment rate, inflation and interest rates. We can observe that the US is an economically a thriving, affluent and developed country. According to the report of "The Inclusive Growth and Development Report 2017", US is listed in Advanced Economies (Samans, Blanke, Hanouz & Corrigan,

2017). Hence, we can deduce that investing in business in such economy will be a plus point.

The current inflation rate of US is reported as 2.2% in Sept 2017 ("Current US Inflation Rates: 2006-2017", 2017)

See if you can find local statistics, breakdowns for the specific area.

Political

As the USA is a successful politically stable country, the tax policies, business rules and regulations and trade law and order will be feasible to tackle. However, ABC coffee house needs to deal efficiently and properly with the political regulations and employment laws. Moreover, the consumer price index (CPI) of the state is 246.819 ("US Inflation Calculator", 2017).

Legal

Legally, USA is a strong country with effective employment, competitive and patent regulations. It is necessary for ABC coffee house to profoundly understand the legal laws related to health inspection laws, human resource policies, equal employment opportunity regulations and other governmental policies. New York has devised a proper set of policies and management programs like COMSTAT program to maintain effective law and order situation in the city (Tyler, 2011).

Technological

New York is also thriving in technological aspect. Government is actively investing in rising technology in New York. ABC coffee house needs to use and bring new technology into the business operations to stay up front in the market. Also, it can use various social media networks to promote its name.

Sociocultural

New York is highly diverse city having people with multifarious backgrounds, culture, race, color, and social heritage. ABC coffee house is required to fulfill the wide-ranging needs

and desires of its varied customers. It welcomes customers of all classes and cultural backgrounds who just want to relish the joy of luscious beverages (coffees and teas) and other refreshment items.

Target Market

The target market of ABC coffee house is youth, professionals, local business people and students.

4Ps

Our coffee house will offer distinguishing coffee, tea and breakfast items. We will keep our prices reasonable at the initial stage and then may increase according to the economic requirements of the state. Hence, penetration policy will be adopted in setting pricing. The distribution and logistics system will be managed proficiently. We will hire reliable and efficient suppliers with whom we can work for long period. Lastly, effective promotional techniques will be used to grab the larger market. Advertisements in newspapers, magazines, flyers and billboards will be used to eminently boost our sales revenue. Captivating discounts will be given to get more and more customers. Social media nowadays is one of the fastest and growing media networks. We will stay current with industry trends and have a web page, Facebook page and Twitter site.

5Cs

5Cs are Company, Customers, Collaborators, Competitors, and Climate. The company aims to provide delicious beverages and refreshment items to its customers. We will also increase our product line once our business is settled. Our customers are our priority to whom we cater exceptional services to maintain long-term relationships with them. We initiate unique techniques to impulse buying behavior of our customers. In collaborators, we intend to enhance

Can you find population numbers for this segment in this region? size of market?

yes develop this in your plan

our relationships with distributors, suppliers and other alliances. Both actual and potential competitors are in our consideration. Our unparalleled services and competitive advantage to provide supreme products at affordable prices will cope with our competitors efficiently. Finally, as described earlier, *→ tough to do better* all the macro environmental factors will be taken into substantial account to operate the business functions competently in the market.

STP

STP stands for Segmentation, Targeting and Positioning. Segmentation can be made in terms of demographics, psychographics, geography, behavioral aspects, lifestyle and values and beliefs. Our coffee house plans its segmentation policy based on psychographics and lifestyle attributes. Our prime concerns are attitudes, interests, and personality traits of our target market. In this view, we can recruit interviews, surveys and feedbacks from our customers to know their likes and dislikes. Also, we also emphasize to decipher our target market's hobbies, entertainment preferences, recreational pursuits, holidays and other informal activities. This will help us to understand their preferences and taste. In targeting, we would focus on inferring the criteria size, our anticipated profits, measurable differences and other organizational benefits. Besides, we try to reach higher mindshare of our coffee house. The positioning of our company will gradually proliferate once we establish our name, trust, prestige and dignity in the market.

Primary Target Market

The primary target market is New York's youths and professionals. As youth are more attracted to café houses and want to linger there with friends for chats and fun. Professionals and business people need a peaceful atmosphere where they can discuss and share their exceptional ideas and future business plans. Our coffeehouse will be the best place according to their desires and wants.

Starbucks makes this a priority; what would you do better

Secondary Market

The secondary target market is all those passersby who want to relax and enjoy a little time greatly. It also includes shop-a-holics as several malls, and supermarkets are situated there.

Goals

Our mission statement is:

“To be the customers’ priority to have coffee and tea where they would love to come and build lifelong memories.”

Short-Term Goals

Our short-term goals include grabbing more and more customers to our coffee house. We intend to please them and reach higher customer satisfaction by providing distinctive products and services. Additionally, we aim to increase our products by introducing new items in our menu.

Long-Term Goals

Generating higher sales, profit maximization, outstanding positioning in the market, customer retention programs and outclassing our competitors are major long-term goals of our coffee house. We want to attain our expected rate of return in our business by performing wonderfully. We also aim to expand our business operations internationally and launch our coffee houses in several countries.

SWOT Analysis

ABC coffee house will keep itself abreast of with current industry marketing trends. The SWOT analysis of our coffee house is given below:

Strengths

1. Exceptional staff with the can-do attitude.

2. Distinctive products and services.
3. Competitive rates
4. Every age of people can come to enjoy a memorable time at our coffee house.

Weaknesses

1. Recruiting and retaining quality employees.
2. Tight margins
3. Promotional Expenditures
4. Less awareness of our brand name in market

Opportunities

1. Growing market and higher demands
2. Little barriers to entry allow for immediate business opportunities.
3. Offer additional services.
4. Business expansion globally

Threats

1. Government mandates (coffee house operation, beverage safety, worker protection and health, sanitation and safety policies)
2. Rising operating costs.
3. Building/maintaining sales volume.
4. High level of competition in the market

SWOT Conclusion

The SWOT mentioned above analysis explains that although we need to confront our weaknesses and risky threats in the market, we also require considering our strengths and future

opportunities. If we grow and augment our strengths and opportunities with continuous improvement and total quality management, we can tackle our weaknesses and threats.

Conclusion

From all the discussions in this business plan, we can understand that it is a complex process and need careful inspection, supervision and control to run the intended operations. The environmental analysis, target market, goals and objectives and SWOT analysis depict that our business will flourish and prosper once we perform all the roles and activities efficiently.

References

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