



Activity 1

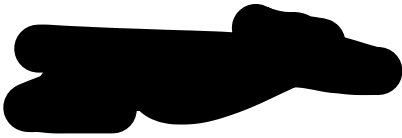
Marketing Campaign

Introduction

Bean Street Distro is an upcoming coffee shop in the heart of the UK, located in a busy city centre. Bean Street Distro thrive on independence and aim to increase market share whilst already creating a solid foundation, attracting a loyal customer base with its top quality coffee and heartwarming atmosphere, inviting all customers to socialise and work. However, the business owners of Bean Street Distro have recognised the need to expand their market and attract different groups of customers to ensure that they stay successful within the coffee industry. This marketing campaign will include a detailed strategy to increase Bean Streets market share, ensuring that they maximise growth whilst in this competitive environment. This campaign will address vital areas such as marketing and promotion, customer service, range of products, and the businesses operational efficiency. By implementing this plan, Bean Street Distro aims to attract new customers, improve customer loyalty and maintain its position as a leading coffee shop in the city centre.

Marketing Aims and Objectives


Bean Street Distro as a business should implement new marketing aims and objectives to reach their goal of increasing marketing share. Having a solid objective can ensure that the business maximises its reach and successfully fulfills its goals, allowing them to maintain a strong competitive advantage against other coffee shops within the area. One SMART objective Bean Street Distro should carry out is increasing customer loyalty by 10% within 10 months. A 10% increase in customer loyalty will allow the business to increase customer satisfaction, essentially leading to long-term revenue. Bean Street Distro will therefore need to track repeat customers ensuring that those customers are satisfied, pushing them to come back. Loyalty programs for customers should be put in place, by implementing a strategy where customers can earn points with every purchase. By collecting a certain amount of points, customers will be entitled to a luxury such as free coffee or any sort of discounts. By implementing a realistic and achievable goal, Bean Street Distro can offer excellent customer service and show initiative, knowing that they are not in a rush and are in a position to achieve this goal. This objective is relevant as it allows further expansion for the business if they are able to retain a loyal customer base, which can lead to reviews about the business being shared around, resulting in more customers. This can allow Bean Street Distro to expand beyond the city centre and possibly go nationwide. By setting a time frame of 10 months, the business is able to plan this out strategically leaving enough time to carry this objective out. Another way for Bean Street to carry this out is through personalised promotions. Gathering information about customers such as emails and preferences, can encourage the business to send promotional offers such as birthday or anniversary offers. By engaging with customer feedback, Bean Street can respond quickly and correctly to customer inquiries and complaints, through surveys or real-life interactions, ensuring



that all customers are left satisfied. This can also be achieved through training staff to provide a friendly and effective service. However, loyalty programs may not be attractive to certain customers due to not enough rewards or a complicated process to redeem them. As a result, customers may switch to competitors if the loyalty program is not carried out properly, alongside if customer service is not on point due to it being hard to remain consistent. The research can indicate that loyalty programs are effective and an efficient way to gain customer loyalty, suggesting that they can increase the amount of customers coming back.

Another SMART objective is to increase foot traffic by 15% within 6 months. By tracking foot traffic in the city centre and using door counters when consumers walk past, Bean Street Distro can successfully increase foot traffic by their specific aim which is 15%. Due to marketing efforts and data, tracking foot traffic is an achievable goal as it is realistic and a simple way to get more customers to visit. As more customers come through the door, this essentially leads to a higher market share and revenue due to the fact more purchases are being made. When customers come in for the first time, offering discounts for first time customers and maintaining good customer service will encourage those customers to come back and spread the word. To achieve this goal, Bean Street Distro can create targeted social media advertising by running personalised location based advertisements on platforms such as Instagram and Facebook, targeting users within a 1 mile radius. Attractive promotions such as a “lunchtime deal” can retain customers as during work hours and afternoons city centres are most likely to be busy, therefore customers who want a quick snack can dine in at their own comfort. Bean Street Distro can implement a “happy hour” deal where during a certain time of day, customers can come in and have a coffee at a discounted price. Another way to achieve this goal is by creating in store events such as “live music nights” or “coffee tasting workshops”. The creation of in store events can create a sense of excitement for customers, whilst enjoying their beverage. In store events are also another way to retain customers as customers may be encouraged to come back on certain occasions where there is live music or a workshop. Alongside this, customers may feel the urge to bring family and friends who may also be interested, therefore leading to more customers and the business creating a valuable reputation. However, campaigns may not reach the intended audience due to ineffective targeting, therefore the business will be wasting time and possibly losing profit. Promotions may not be appealing to customers due to incorrect pricing, therefore it is vital to carry out these operations effectively and efficiently. The market research shows that people visit coffee shops for various reasons such as work breaks, lunch breaks, and relaxation. Therefore, creating promotions and events to satisfy these specific needs can effectively drive foot traffic within 6 months.

Lastly, increasing brand awareness on social media by 20% within 3 months is another SMART objective, tailoring to the needs of customers and the business. Bean Street Distro should aim to track follower growth and engagement rates such as likes, comments, shares, and website clicks, through social media analytic tools. By engaging with this, Bean Street can view how well their social media is doing and analyse which videos are reaching the target audience. Consistent high quality content and strategic advert campaigns can engage customers, therefore wanting them to come and try their coffee. By using social media, Bean Street can




build brand recognition and an online presence allowing customers to view the business as a whole before making the trip. The business can also create behind the scenes content to build a personal relationship with followers and showcase how their high quality coffee is made and tailored to customer needs. Bean Street Distro can run polls and quizzes to increase engagement with followers, with the idea of polls to let customers voice their opinions and what they want the business to produce. Targeted social media adverts is another effective way to reach potential customers by producing interest based targeting on platforms such as Instagram and Tiktok. Images and video advertisements can be more appealing to customers, leading to higher engagement. Additionally, collaborating with influencers and local food bloggers can promote the coffee shop to their followers and increase their brand recognition. This can be achieved through offering free food in exchange for reviews, as it also benefits the business. However, personalised adverts may not always target the audience due to lack of quality or relevance. Competition for social media is high, therefore it is important to ensure the business is correctly tailoring and engaging with customer needs. The data on social media usage shows that platforms such as Instagram and Tiktok are popular amongst different segments, making them an effective way to build brand awareness.

Market Research

The UK coffee shop market is valued at approximately £10.1 billion, showcasing how big the market is. A large market indicates that there is availability for growth and revenue as it is a quick developing market. However, highly competitive markets indicate that Bean Street Distro must have a unique selling point from other competitors. This points out that the business must differentiate from other coffee shops to capture a wider portion of the market. Prices range from £3 - £4 for various coffee drinks, providing a foundation for pricing strategies. This also allows the business to price their products due to competitor prices. However, it will also require Bean Street Distro to carefully consider how much they are spending and making back, ensuring they create a strong profit margin. A significant amount of adults within the UK consume coffee, with coffee lovers consuming up to 2-3 cups per day, highlighting consistent demand. High consumption rates indicate a strong demand for coffee and a reliable customer base. This also requires Bean Street to create coffee based on customer taste and preferences. With the primary goal to increase market share, Bean Street Distro must showcase targeted efforts. The business must focus on building a unique brand identity to stand out. There are a number of businesses within this industry that indicate a fast paced environment. With the opportunity to differentiate as an independent coffee shop, Bean Street Distro can increase market share as they are able to provide something other businesses do not.

Target Market

Based on market research data, we can see there is a higher frequency of coffee shop visits from individuals ages 26-45. With there being slightly more female customers, Bean Street Distro targets both genders equally. Professionals and individuals with disposable income who value quality coffee, are most likely to walk through the door as the coffee shops are able to



match their demands. This includes office workers, residents in the surrounding area, and construction workers. Individuals who enjoy socializing, working remotely, or relaxing are the target market to approach as they are most likely to visit, making up the majority of coffee shop customers. This market segment is most likely to visit for work breaks, lunch, and meetings making them a valuable segment. The business can also market by creating zones within the shop with WiFi, comfortable seating, and power outlets. Bean Street can offer student discounts to those with student IDs, creating a study-friendly environment with dim lighting and quiet areas. Maintaining an active presence on social media apps such as Instagram and Tiktok by posting engaging content and running targeted ads, is crucial for the businesses success. By collecting email addresses, Bean Street Distro can send out newsletters with promotions, updates and events to keep customers informed. The business can also carry out local marketing by distributing flyers and leaflets around the local area, targeting residents and office buildings. Bean Street can also participate in local festivals and events by creating a stand to sell coffee. Alongside this, supporting local businesses and charities can increase Bean Street's brand awareness and make them known to more target audiences.

Primary and secondary research considerations

Conducting surveys and analysing competitor prices, can help Bean Street to determine a price range that the target market is willing to pay for. By carrying out this research, the business can understand how often the chosen target markets will purchase from them and what they won't. Gathering information such as customer feedback through surveys, online reviews, and in person reactions allows the business to identify the features which the target market would like to see brought to the coffee shop. Analysing sales data and conducting surveys is essential for Beans Street to determine where the target market is most likely to buy from, whether it's in store, online or through a mobile app. Experimentation with different offers such as discounts, loyalty schemes and deals can track the businesses performance, identifying the most appealing option to customers. By conducting market research, Bean Street can identify areas for improvement and ensure customer satisfaction.

Competition

The main competitors within the coffee industry consist of Costa Coffee, Starbucks, Caffe Nero, Tim Hortons, and Black Sheep Coffee. It is important for Bean Street Distro to analyse how their competitors market their products, including their marketing and advertising strategies, promotional offers, loyalty programs, and social media presences. Costa for example has launched a "Made A Little Better" campaign which focuses on lifting individuals' spirits by showcasing times where someone may have needed a break. Black Sheep Coffee aims to be environmentally friendly and reduce their carbon footprint, as well as being a retail brand that offers coffee at home, such as ground coffee and coffee pods. It is important for Bean Street to identify these competitive advantages and aim to leverage these within their marketing campaign.



Trends


A positive trend is that there is expected to be continuous growth within the coffee sector. This allows Bean Street Distro to thrive in a competitive market as there is always demand for coffee and sourced beans. There has been a growing popularity of plant-based milk and an emphasis on environmentally friendly practices. Bean Street could successfully improvise on this and stand out due to the fact that other coffee shops within the area are still not up to date. However, the cost of living crisis can impact consumer spending and disposable income, therefore leading to a decrease in profit for the business. There is also increased competition due to the sector being highly successful, from both established and independent coffee chains. With technology taking over, there is an increased use of technology for ordering, payment, and loyalty programs. Growing demand for personalised coffee allows Bean Street to focus on meeting these demands and also creating social spaces for customers to hang out.

SWOT

Due to Bean Street Distro operating in a busy centre, there is a high amount of foot traffic. This allows the business to potentially create unique offerings for all customers and a distinctive atmosphere. This gives Bean Street Distro the opportunity to build strong relationships with local customers, ensuring a loyal customer base. However due to this fact, Bean Distro has limited brand recognition compared to larger chains such as Starbucks and Costa Coffee. This means that the marketing budget they have is smaller, only allowing them to access limited resources. As a result of this, the business may struggle with staff due to staff size and not having enough resources to pay them. As the coffee industry continues to grow, there is demand for independent coffee shops and specialty coffee. This opportunity allows the business to attract potential customers, remote workers, and students with targeted discounts. This leads to the opportunity to collaborate with local businesses and organisations, allowing Bean Street to create a more valuable recognition within the area. However, a threat is that there is intense competition from other chains and independent coffee shops. Therefore, consumers may decide to go to competitors due to them being closer or cheaper. Due to cost of living, consumer spending is impacted, alongside the cost of goods and supply chain disruptions. Due to this, the business is at a risk of spending too much on goods but not making enough from customers spending, which will impact the businesses profit margin.

PESTLE

The Government has now created regulations on food safety, hygiene, and business operations which means the business will now have to be extra careful on what goes into their products. Changes in tax policies have also affected many businesses due to tariffs, which means businesses have to pay a fee to import goods into the country. Bean Street, as a result, may be entitled to pay a tariff fee if they import their goods from other countries. The cost of living crisis has majorly affected everyone including spenders and businesses. Due to living standards, inflation and rising cost of goods/services has made it difficult for businesses, as if they are not



able to make enough profit they will not be able to increase their market share and may be forced to shut down. This is because if a business is not able to make enough profit to repurchase goods, they will simply have no stock and will carry on having to pay rent on the shop whilst not making a passive income. Interest rates have risen, therefore the business will have to pay extra to suppliers or the bank if they have borrowed money or haven't paid off the stock they purchased. A social factor is change in consumer preferences and taste. Bean Street Distro will have to tailor to these needs not knowing when they can change. As a result, the business will keep on needing to create new products to keep up with demand. Growing awareness on health may influence consumers to stop drinking coffee, which can lead to the business experiencing less sales. The importance of ethical practices means that the business will now have to focus on being sustainable and environmentally friendly, even if it means having to break even. Due to technological factors, ordering online has become more popular due to delivery platforms such as Deliveroo and Uber Eats. Mobile payment systems means that the business will have to keep up with this change and create ways for customers to pay online whilst at the shop. Employment laws and minimum wage regulations means that all employees are entitled to earn what they work for. Being a small business, Bean Street may struggle to pay all employees, therefore will need to cut back on the number of employees which can affect their operation and how efficient they are. With sustainability and waste management concerns, regulations on energy consumption and carbon emissions grow. There is also a growing demand for environmentally friendly products and packaging, meaning that Bean Street will need to invest into environmentally friendly products to keep up with customer needs.

Justification of the Campaign

This campaign is strong as it is based on market research and targets a clearly defined audience. This campaign also utilises multiple marketing strategies to match current trends within the market. To ensure success, Bean Street Distro need to create a realistic budget to match these demands. The business must adapt this campaign based on results, feedback, and changing marketing conditions. Alongside this, Bean Street must focus on customer satisfaction and loyalty to ensure success and increase market share.