

Principles of marketing and product objectives assignment

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This will target the loyal customers of these brands, and bring in hard to each revenue for on-the-go coffee. New Markets- With a recent signing deal with John A Benefices (German consumer products' giant) for Peers branded coffee and tea K-cups, we can expect to see K-cups and Kerri systems reaching around the globe. This will expand Green Mountains retail business by 44 countries and an investment of \$1.1 billion. Retail Service- Retail services are growing with the option of three different brewing systems: single serve brewing, custom serve brewing, and cappuccino & latte brewing.

Each brewing system has their own special brewing cups: K-cup, Eve, and Rive. Increase in Net Income comes to 28% (\$138.2 million), which is a \$47.6 million increase in net sales. New Products- Surge's bringing in a new Mini series and Elite series brewing system, accommodating the needs of a single cup or multiple cup brew. With the expansion of flavored K-cups, and new consumer needs, Kruger can begin to identify and expand on new potential products. Target Markets: Kerri focuses on two main target markets for their products.

These are office users and households. Office users, also called the away-from-home market (FAA), are those who consume coffee daily at work. Surge's single-cup brewing system enables them to get premium, quality coffee in their office, instead of having to go to a coffee shop. The other target market for Kerri is households, known as the at-home (AH) market. This group represents a majority of parents, and those who do not want to drive out of their way for a cup of quality coffee. Saving time and minimal cleanup are two important factors for this target market.

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Points of Difference: There are several main “ points of difference” Kerri offers to 1. High quality coffee. Kerri purchases the highest quality of Arabica beans in the world. They use a roasting process that brings out the best smell and taste in each coffee bean. Kerri distinguishes themselves by their strong passion for coffee and their innovative single-cup brewing system, creating some of the best coffee in the world. 2. Customer Service and Distribution. Kerri, with its parent company, Green Mountain Coffee Inc, are always searching for lifetime customers.

Headquarters are located in Vermont, however, there are distribution centers located in Maine, New York, Massachusetts and Connecticut, and these locations can ship Kerri products to customers nationwide. Also, each customer is provided with the information of a service technician who provides services and maintenance to the product if needed. 3. Surge’s Single-Cup Brewing Technology. Surge’s single-cup brewing system, known as K-cups, shows that they strive to get customers coffee, when or wherever they need it.

No other competitor can offer this advantage and customers have the option to choose from 11 gourmet coffee brands and 130 varieties of coffees and teas. Positioning: Over the past decade, coffee companies have been increasing their products to make it more convenient for coffee users.

Surge’s Single-Cup Brewing as made it easier, quicker, more convenient, and also enjoyable for coffee consumers than any other company on the market at this time. Surge’s Single-Cup has created an easier, more efficient way to

have freshly brewed coffee at anytime and place whenever you desire the taste for great coffee.

They have done this by making their products more readily available to people around the world, and hiring more employees to better serve the consumers at a faster rate, while also extracting naturally grown beans from different locations. Financial Data and Projection: The following is a five year projection for the Kerri product, “ Joe on the Go”. Each product sold is the portable coffee maker, mentioned above. Sales do not include the Kerri coffee cups that are used in the machine. These are purchased separately.

Actual Yearly	Year 2	Year 3	Year 4	Year 5	Year 6
1,000	300	605	779	1,888	1,520
1,520	1,845	2,103	2,625	3,546	4,786
Net sales	\$1,000	4,124	8,314	13,045	19,207
22,804	27,611	32,803	38,000	43,195	48,390
Gross profit	\$1,000	2,300	4,440	6,232	9,072
10,135	13,583	17,031	20,479	23,927	27,375
operating profit	\$1,000	245	951	2103	2625
3,546	4,786	6,026	7,266	8,506	9,746

Organization: Green Mountain Coffee Roasters’ organization appears in the figure below. It shows the Executives who report to the President & CEO. Below this level are both the full- time and part-time employees of the company (The Wall Street Journal).

Implementation: Introducing “ Joe on the Go” into the markets of FAA and AH in various metropolitan markets will require promotional and learning activities to be conducted that raises customer awareness of the product and shows users exactly how to use the new product. Kerri already possesses a strong hold with their other products in these two specific segments of the markets. This will make integrating the new product, “ Joe on the Go”, into

these two segments an easier transition on the outward to additional metropolitan markets each year as shown in the figure below.

The large metropolitan markets chosen will be Eastern markets that Kerri already has a strong hold in and will gradually expand to the West Coast. Year Today(2014) 3 New Markets Added Each Year 2 9 year 3(2017) 12 year 4(2018) 14 year 5(2019) 17 Cumulative Markets 2 year 1(2015) 5 year 2(2016) 4 The diverse interests in coffee drinkers across the two segments of AH and FAA will be monitored closely to see if a shift towards a certain segment may be necessary.

As the roll to new metropolitan areas continues, Kerri will assess manufacturing and distribution trade offs. This is important in determining whether to start new reduction with certain regional contract producers of “ Joe on the Go”. Evaluation and Control Processes: Finally, we are going to explain how we evaluate our actual versus expected performance within our company. We value our customers here at Kerri, and because we value our customers, we also place high value in those that serve our customers: our employees.

As a company we place importance and value in “ innovation, integrity, social responsibility, and dedication to excellence” (McGinnis, D.). These standards are ones we use to evaluate our company, and that we would like to keep. As of now, our company employs about “ 5, 600” (Farrell, peg. 56) people. Green Mountain Coffee Inc, is the company where our coffee is distributed from, and a part of our company’s evaluation and control system is a process that is called “ the after action review’(Farrell, peg. 256).

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While we look to keep and protect our values, a part of this process is us asking the 4 key questions, “ What did we set out to do? What happened? Why did it happen? What are we going to do about it? ” (Farrell, peg. 256) By asking these questions, we can learn from experiences, learn to plan ahead, and learn to succeed from our failures. In our company, we emphasize communication between our employees, and like for them to ice their opinions. When these questions are asked, we want to hear what our employees have to say.