

Report for the promotional plan of hot and chocolate tea coffee of costa coffee

[Business](#), [Branding](#)



REPORT FOR THE PROMOTIONAL PLAN OF HOT AND CHOCOLATE
TEA/COFFEE OF COSTA COFFEE MODULE NAME : MANAGING FINANCE AND
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PORTFOLIO 3 3. SMART OBJECTIVE 3 4.

PROMOTION TITLE 7 5. WHAT WE NEED TO BE DONE? 7 6. BUDJET
CONSIDERATION 7 7. WORKING OF SEVEN P'S 8 8. CLOSE SCRUTINY AND
COST 8 . RETURN OF INVESTMENT 9 10. CONCLUSION 9 11.

BIBLIOGRAPHY 10 1. INTRODUCTION This report is submitted on behalf of the
marketing plan for a franchise branch of Costa Coffee located Ealing
Broadway in West London of United Kingdom Costa coffee has a fabulous
history to be poured in each cup of tea which is served to the customers.
HISTORY Costa coffee was founded and established by Sergio and Bruno in
the year 1971. The first cup of coffee was served in Newport Street, London.
Gradually Costa gained its reputation by providing coffee to local caterers
and delicatessens.

After seven years, Costa brothers opened their first shop and by the end of
1995, Costa coffee was spread into 41 Costa stores. It was in 1995 Costa
Coffee was purchased by Whitbread PLC and from there it has grown into
more and more locations to over 2000 stores world – wide. Over the last 40
years a lot of things had changed but the endless passion for creating great
tasting of coffee still lies in the heart of Costa. VISION Costa Coffee is

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committed to provide the best hospitality experience to its customers with a range of hospitality products which includes hotels, restaurants and leisure clubs. MISSION “ To serve the best coffee in the true Italian style. ” 2

BUSINESS PORTFOLIO Over 40 years of excellence Costa had builded up and inevitable reputation of coffee excellence.

This goodwill is created by a whole control of the entire processes that is from harvesting and selection of coffee beans, the roasting of Italian masteries, the choice of machines and compliance for the various procedures of manufacturing beverages and overall ensuring that the same quality of excellent coffee is served to the customers of Costa coffee all around the world. Three different sizes are there for Costa which will serve the customer in 3 different sizes, Primo, Medio and Massimo and the customer can choose from any of Unique blend of Mocha Italia, or decaf, whole or skim milk and add an extra dose of espresso, flavored syrup, cream, candy or chocolate. 15 factors are combined and help to form the perfect Costa Coffee. On over all of these, in each store all over the world regular controls are imposed to ensure consistent and qualitated Costa products and a Barista Mastero (coffee expert) is there in each Costa Coffee to ensure the excellence of drinks served. MARKET IN UKThe deep rooted heritage and unique quality of coffee had made Costa the market leader here in UK. Over 1, 300 stores are operated by Costa or via its individual and corporate franchises. Costa coffee can be found everywhere the customers need for a great coffee.

Such as high streets, airport & rail stations, shopping centers & retail parks, motorway & forecourts, hotels, cinemas, hospitals & universities, visitor attractions and leisure venues. In addition to the Costa stores, Costa coffee is also available at over 4, 000 premium locations; travel, contract catering, pubs bars & restaurants and hotel & leisure venues. CURRENT MARKET

SITUATION The current macroeconomic market condition was a complex one and regular effort must be required for the right tracking of the same.

PESTEL Analysis Political Costa coffee beans are growing especially in developing countries.

So if taxes imposed on the farmers in those countries increased it will make Costa should pay a higher rate for the coffee they purchase and any of those fluctuations in taxation levels will ultimately be passed over to the customers. Economical The economic recession that was happened in 2008 are still creating challenges in the business of Costa Coffee firmly as a whole. Consumers became more conscious with their discretionary spending due to the high unemployment and debt in person and the situation is still prevailing as the same Social/cultural People are spending considerable amount of money. As per the recent survey of Costa's market experts we found that the annual expenditure of people in London for tea was money on coffee was ? 623million and tea was ? 738 million. Customers are going to coffee shops not only for drinking coffee but also to relax and for even unofficial meeting also. Technological The latest technological advancement is Senseo which is a better and cheaper coffee machine which can be very much helpful for home usage which can be adversely affecting Costa coffee.

Environmental As a part of environmental awareness coffee companies will have to be aware about the way their coffee beans are produced and the way to manufacture and sell their products. Design their supply chain Legal U K, a decade ago pulled out of the ICA (international Coffee Agreement) that set export quotas for producing nations and kept the price of coffee fairly stable. Coffee quotas and price controls ended. Since the deregulation farmers have suffered and their earnings have dropped. Many have struggled to make a living so have given up. International trade regulations/tariffs – Trade issues will affect Costa predominantly when exporting and importing goods.

Target Customers Detailed research and strategic studies have been conducted to identify the class and categories of customers. While evaluating their consumer market the conclusion was that the ideal consumer's economic profile will be; 1. Upper Middle Class: Our recent surveys show that 68% of the total coffee consumers of London were upper middle class people or high economy class people. Hot coffee and hot chocolate coffee was mainly consumed by these class of people. 2. Privileged Class: These classes of people also enjoy the tea more than coffee. Thus we can capture a strong hold on the market of tea and gear up the promotion of hot and chocolate flavor of tea. While the age demographics will be: 1.

Students and Youngsters: Students and youngsters consider coffee shops as a gathering spot rather than consuming the products. Here we can utilize the grouping of these people as a sales boost up 2. Professionals: These

categories of people were both interested in coffee and tea products as well as they utilize their tea or coffee consumption for unofficial meetings. 3.

Families: Families are usually weekend customers and leisure time customers. 4.

Mature Consumers: Matured customer groups are ideal for consumption of Costa products because according to our market study most of the people of these groups are theoretically addicted to tea or coffee. We can blow up their mind towards consuming our targeted product Gender and Ethnic/Religious Background was researched to have minimal or no effect on the choices concerning coffee made by consumers and their patronage of coffeehouses. Competitor Analysis The renowned coffee brands which are prevailed in UK were Starbucks, Caffe Nero, Coffee republic, Green Mountain Coffee Roasters, Coffee Bean Peet's, Caribou Coffee, Cafe Coffee Day, Barista and Mochas. Amongst these we are experiencing a competition with one brand that is Starbucks. Costa Coffee and Starbucks Starbucks is the prime and most intimate competitor of Costa Coffee. Although we are in the prime market position in UK, Starbucks occupies the position of leader in the coffee shop market with an international market of over 50 countries. Costa occupies the second position on the base of international presence in 27 countries.

Both companies had extremely excellent financial performance from 2005 to 2010. However in 2009 Starbucks had made improvements in their cost structure and therefore the liquidity is better than Costa Coffee since it managed its short-term debt payments. An important factor for both

companies is globalization because most leading firms in the food service market expand their operations to other countries. Anyway the future success of both the companies will be based on their operations within UK.

Situation analysis – SWOT Strengths As we look into the strengths of Costa coffee, it is showing continuous growth which pasted up their market leader position. Costa had an excellent brand name and brand visibility. Another strength is the wide range of products and value for the money. Costa has a club card which will focus on customers loyalty.

Another peculiarity is that Costa has its own roastery that ensures quality of coffee. Also they are providing the extra bit of unique taste by training baristas within their own training academy.

Weaknesses The major weakness of Costa is that even though it is operating globally, they are relatively in only few countries worldwide. Another problem is the difficulty to control and maintain brand standard with their franchise store. Limited range of cool drinks available in Costa is another point of weakness.

Opportunities We are finding our own opportunities in global market by developing products or drinks such as organic products/cool drinks etc.

Another merit include s the introduction of online /telephone ordering system . Entry to far East is another opportunity because of the chilled weather hot chocolate tea will help us to boost up regular sales proportion

Threats We are facing major threats from existing coffee chains and fast food outlets. The intense price competition is another threat. As we develop new recipe that means imitating the recipe more quickly .

SMART OBJECTIVE Our SMART

objective is to increase the monthly sales of hot and chocolate tea/coffee in Costa Coffee by 30 % within 7 months of calculated marketing campaign.

4. PROMOTION TITLE A promotion title should always be a suitable caption that can steal the hearts of public which conveys the idea of product/commodity along with our tradition that induces them to consume our product. After a lot of 'inventions and innovation' Costa introduce its promotion title as "Feel the best tea and coffee in the true Italian style."

5. WHAT WE NEED TO BE DONE? For the achievement of our preplanned objective we have decided to open 3 promotional stalls for exclusive sales of hot and chocolate tea/coffee within the circle of Ealing Broadway. Within the same we will introduce a special high street offer to our targeted product. Here we calculate that we can drive revenue through increased consumer awareness about that particular product. Supporting promotion to drive people to the outlets should be done with by leaflet distribution within the area circle and advertisement in selected local newspaper.

. BUDGET CONSIDERATION The table shown below details all about the total cost of the marketing strategy of Costa Coffee of Ealing Broadway within 7 months of calculated period | Marketing Strategy | Costs for Seven Months | | Equipments from ? 800 - ? 1100 + Signage from ? 45 - ? 300. | Maximum ? 1, 400 | | Local Newspaper Advertisement | Maximum ? , 000 | | Leaflet distribution | Maximum ? 1, 500 | | Miscellaneous expenses | Maximum ? 500 | | Total Advertising Costs | Maximum ? 6, 400 |

7. WORKING OF 7 Ps Product

- Our brand name is our signature. The name of Costa signifies luxury, excellence and perfection all over the world.

- The image of Costa is luxury
- The theme of Costa, from the brand logo, the color scheme of the premises, to the entire feel of our business is warm tones ; relaxing colors.
- Costa's reputation for excellence applies not only for the exceptional coffee but also the insistence on perfect service.
- Price
- The prices of all the products are comparatively higher at . But this is offset by the outstanding quality and discerning tastes at . One of the reasons for choosing the privileged and higher middle classes in the target market is the prices.
- Place
- After thorough research, and competitive analysis the perfect locations in terms of exposure, accessibility and competitive edge have been acquired.
- The inventory and easy transport facilities have also been a part of the deciding factors while choosing the appropriate locale.

Promotion

- Brand name is enough to muster the required target market.
- Most of the awareness will be through the word of mouth of people amongst the masses. Hence the reputation is more that counts.

8. CLOSE SCRUTINY AND COST CONTROL

Two methods of evaluation and scrutiny will be done with related to this promotional plan. A weekly review will be conducted by the Area Manager and evaluate the weekly expenditure and progress of the promotion and the same will be reported to our corporate office.

Moreover that a monthly review will also conducted by 2 of our corporate marketing and finance professionals for strict scrutiny of cost control and marketing implementation.

9. RETURN OF INVESTMENT

We are expecting minimum sale of 70 cups of hot and chocolate tea/coffee per day. 70 cups per day @ average RP of ? 3. 50

Gross profit = ? 51450 - Expense of promotional plan = ? 6400

Net profit = 45050

We can expect the Return Of

Investment and calculated sales growth within 7 months of period. 10.

CONCLUSION Costa Coffee has been able to remain one of UK's leading coffee brewing companies for more than a century now primarily because of the execution of the company's branding and positioning strategies to perfection. Add to the mix the company's dedication to high quality of service and the formula for success is at hand.

Moreover, the utilization of the appropriate knowledge management tools is necessary for their products to reach out to people even in different cultures. However, certain points have to be taken into consideration by Costa Coffee regarding knowledge management tools. Since their income is relatively higher than most coffee brewing companies, the time for implementation of their chosen knowledge management tools would take longer than usual, aside from being expensive.

But since the goal of Costa Coffee is towards a long-term dominance and stability in the brewing industry, then the pursuit of this promotional campaign will be beneficial for the company in the long run. BIBLIOGRAPHY

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