

# Marketing plan "beyond the bean"

[Business](#), [Marketing](#)



## **Executive Summary**

For over a year David Greig and his partner, Angela peck had been working on the idea of opening a board games café called “ Beyond the Bean” in London, Ontario. His business plan is nearly to be complete, only the marketing plan for his proposed venture is still needed. Beyond the Bean is going to be a café that specializes in gourmet coffees and related beverages and at the same time offers the opportunity to rent a table where customers could enjoy the pleasure of playing board games. The partners have no clue about what the most profitable target market, product pricing, and final product offering is. Furthermore, the partners need an excellent promotion plan to familiarize Beyond the Bean with their target market. Goals

The partners have a few goals set. The social goal is to create and maintain a safeenvironmentfor as well as its customers as for its employees. Their financial goal is to have reached at least a turnover of \$240. 000 after 3 years. There are also a few actions that have to be taken by the partners. First of all, the market to target their promotion has to be selected. Next, a suitable promotion plan has to be created to attract its target market. Finally, the product pricing and final product offering need to be decided upon. Plan

The target market will carefully be selected based upon the size of the target group and the expected profitability. The costs of promoting Beyond the Bean have to fit the promotion budget of \$6. 000 which is a relatively small budget, so the promotion plan will mostly be based on the costs of the promotion tools. Moreover, the partners have two possible pricing scenario's

to decide from, the product pricing will again be based upon profitability. The final product offering can differ from also serving alcoholic beverages in the café or only non-alcoholic beverages. The final product offering will be based on suitability, convenience, and costs. External Analysis

## **The market analysis**

By focusing on social interaction “ Beyond the Bean” has effectively implemented a local differentiation strategy. “ Beyond the bean” will be launched as a café that specializes in gourmet coffees and related beverages where customers can also rent tables and play board games. Its target market consists of people between the ages of 18 and 30 years and neither gender nor ethnicity will constitute a basis for segmentation. The ideal atmosphere for the café will be a safe environment where people can enjoy themselves with different (board-) games and a high-quality range of drinks and food. “ Beyond the Bean” wants to maintain a long-term relationship with its customers, this is why the partners want to be able to provide all the necessary information about the (board-) games.

## **The external environment**

Competitive forces

Recent research showed that there is no similar business in the area of “ Beyond the Bean”; this means that the competition in the board games café industry is very strong on a regional basis but somewhat weak locally. Direct competitors are “ Fleetway” and “ Palasad North”, both competitors are offering different games, high-quality food, and beverages. Indirect competitors are “ Tim Hortons”, “ Starbucks”, “ Williams Coffee Pub” and “ CoffeeCultureCafé and Eatery”. The indirect competitors offer different kinds

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of beverages and baked goods, and some of them a relaxed atmosphere with the availability of Wi-Fi. "Beyond the Bean" will differentiate itself by not providing Wi-Fi, because of the idea that Wi-Fi discouraged social interaction.

Economic forces

Also, London's economy was a victim of the worldwide recession triggered in 2008 and is still recovering. Unemployment counted 8.8 percent; this generally led to reduced spending on discretionary expenses, including entertainment. But even though the partners of "Beyond the Bean" are aware

of this unfortunate situation, they are convinced that their business will grow rapidly, especially since specialty coffee had a growth rate of 20 percent annually during the last decade. This is also one of the reasons that the partners decide to serve different kinds of coffees, other beverages, baked goods, and other food. Political forces There are no expected political influences or events that could affect the operations of Beyond the Bean.

1. Political factors include regulatory issues that affect your product line (e. g. ergonomics issues and the current regulatory rulings), legal aspects such as patents and copyrights, or just the current political climate. Political forces are currently no issue for "Beyond the Bean".
2. Legal and regulatory forces.

The partners of "Beyond the Bean" pondered the idea of offering a limited selection of alcoholic beverages, primarily beer and wine. But this would mean that the business's liabilities could increase, resulting in higher annual insurance premiums. The partners decided that in a café as Beyond the Bean

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it would be a better choice to avoid alcoholic beverages. Technological forces. In today's society, technological products are continually improving and developing. These improvements could lead to constant use of mobile devices and this will stop people from talking with each other. The decision of not providing Wi-Fi in Beyond the Bean is then better than its competitors, which do provide free Wi-Fi. Sociocultural forces. To select potential customers beyond the bean, the market will be divided into different segments. Because of the different schools and colleges located near beyond the bean, the best segment will be between the ages of 18 and 30 years and that neither gender nor ethnicity would constitute a basis for segmentation. Internal analysis.

## **Current situation**

### **Current target**

Beyond the Bean is mainly focusing on people between the ages of 15 and 34 years. The company has a target market of four different segments: Western University students, Fanshawe College students, high school students, and young professionals. Our primary target market is going to be the students attending Western University and Fanshawe College. Beyond the Bean is going to be located close by both schools which makes it easier for them to reach the company. This group would also be most likely interested in both drinking coffee and playing board games. Western University Students. Both Greig and Peck attended Western University not too long ago which made them believe that they understood this target the best. Western University has approximately 30, 000 students enrolled and almost 4500 first-year students enrolling every year. University students like

to socialize with friends outside of the school campus for a reasonable price and were looking for an alternative from their usual bars. Most students do not own a car and travel by bike, public transportation or walk. Most of them also live in the area of the university so Beyond the Bean has to be at a close distance from the university. Fanshawe College Students. Fanshawe students have similar characteristics to those from Western and also enjoy an evening out without alcohol. Fanshawe enrolled over 15, 000 students at its campus. Fanshawe is around 10 kilometers away from Western University and the proposed Richmond Row location of Beyond the Bean. Beyond the Bean is coming with a new concept to London, Ontario. There is no other company that has a combination of being able to rent board games and have a cup of coffee at the same time in this area. Board games started to rise in fame again since the early 2000s and their sales have increased 100% in the last 5 years.

### **Current Competitive Advantage**

Beyond the Bean is the only one in the area of London, Ontario they have a big advantage. The company does have some direct and indirect competition. The direct competition is Fleetway and Palasad North and the indirect are the coffee shops in the area. Fleetway and Palasad North are social and recreational companies. They provide a good time for the wholefamily, where you can eat play and socialize. They are in possession of bowling alleys, billiard tables, and arcade games aside from the bar, restaurant and lounges. The indirect competition is Tim Hortons, Starbucks, Williams Coffee Pub, and Coffee Culture Cafe and Eatery. These companies

offer customers a wide selection of coffees and small pastries and snacks. They also provide free Wi-Fi for customers. Current Marketing Mix.

### **Product**

The product that Beyond the Bean wants to offer to its potential customers is a good cup of gourmet coffee while playing a fun board game. Beyond the Bean is not going to offer Wi-Fi to its customers to stimulate more socializing between others. The company has also decided not to sell alcohol to eliminate extra costs and to differentiate itself from the other bars in the area. The pricing of the coffee would have to be comparable with the coffee shops which ranges between \$1.75 to \$4.00. Beyond the Bean is going to charge the customers \$8.00 an hour for one table with a maximum of 6 players. This way potential customers might come with larger groups to divide the costs among each other. The company has several ways to reach out to potential customers. Beyond the Bean wants to spend \$6,000 on marketing but is not yet sure how to promote the company yet. Beyond the Bean is also planning on developing a website and a Facebook page. One of the partners has technical abilities and is going to create the website herself and the company is not planning on using the paid advertisement from Facebook to cut costs. Beyond the bean has decided to place advertisements in both newspapers of Western University and Fanshawe College.

### **Place**

There is not yet a location decided but the location of Beyond the Bean will be in the area of Richmond Row. Which is close to Western University and Fanshawe College.

## SWOT Analysis

### Strengths

1. Both, David Graig and Angela Peck are knowledgeable about a large selection of games; they are able to provide expertise to help patrons understand the rules
2. The partners already have a \$ 60000 start-up capital.
3. The decision to provide no free Wi-Fi, in contrast to other coffee shops and lounges, in order to reach a higher social interaction level.
4. Beyond the bean will be opened every day.
5. The partners followed various seminars and training to know more about their “ soon to be” business environment.

### Weaknesses

1. The decision to provide no free Wi-Fi, potential customers could prefer to go to a competitor.
2. Because of the small start-up capital, there is only a limited amount of employees in the first months.
3. The partners are new in the business, the lack of experience could be a problem.
4. The partners have a low promotion budget, this could interfere with people getting to know “ Beyond the bean”.
5. If the partners can't make enough promotion, this could lead to weak brand awareness.
6. Seasonal customer target, a lot of students will go home during the summer, this means less revenue. They may have to broaden their focus.



## Opportunities

1. There is no similar business in London.
2. There are different ways to promote; Web and Facebook pages, The western gazette, Fanshawe interrobang, The London free press.
3. There will be different kinds of universities and/or colleges; Western University students, Fanshawe college students.
4. The partners can follow engineering courses; full-year university courses "Business for engineers" and the following seminars at the London Small Business Centre (SBC)
5. Board games are becoming increasingly popular.
6. The worldwide Coffee business is a multi-billion dollar business.

## Threats

1. The underemployment in London could result in fewer recreational expenditures.
2. All the coffee shops mentioned besides "Tim Hortons" provide products of comparable quality and they offer the ability to relax in a comfortable environment. They also provide free Wi-Fi.
3. Other facilities are well known for offering successful entertaining and their food menus as well, Palasad North and south. Fleetway focusses on younger children, teenagers, and adults. The target group from Beyond the bean are students.
4. If other facilities decide to provide alcohol and customers prefer to have an alcoholic beverage, Beyond the Bean could lose revenue.

## SWOT conclusion

As mentioned before, board games are becoming increasingly popular which means that Beyond the bean could become a very successful business. Beyond the bean will not provide free Wi-Fi at its location, it means that there will be a higher level of social interaction. Even though there are direct competitors that do provide free Wi-Fi, this will not form a problem because no Wi-Fi means that Beyond the bean differentiates itself from its current competitors. For a new beginning company, brand awareness could be a problem, but it helps that Beyond the bean is opened every day from 11 am till 11 pm, which makes it easier for potential customers to visit Beyond the bean and thus experience the wonderful atmosphere before they will create promotion mouth-to-mouth. Brand awareness will become even stronger if Beyond the bean uses its available promotion budget, the total budget available will be calculated at the ' Budget' section.

## **Confrontation matrix5**

- S1 x O5 = - The partners are knowledgeable about a large selection of (board-) games.
  - Board games are becoming increasingly popular.
- S2 x O2 = - The partners already have a \$60000 start-up capital.
  - There are different ways to promote it.
- S3 x O5 = - The decision to provide no free Wi-Fi; higher social interaction level.
  - Board games are becoming increasingly popular.
- S3 x T2 = - The decision to provide no Wi-Fi; higher social interaction level.
  - Some competitors do provide free Wi-Fi.

- S4 x O3 = - Beyond the bean will be opened every day.
  - There will be different kinds of customers; everyone can visit at their own time.
- S4 x T2 = - Beyond the bean will be opened every day.
  - When are the competitors opened?
- W1 x T2 = - The decision to provide no Wi-Fi; customers could decide to go to a competitor.
  - Some competitors do provide free Wi-Fi.
- W6 x O2 = - Not enough promotion; could lead to weak brand awareness.
  - There are different ways to promote it.
- W7 x T3 = - Seasonal customer target; students will go home during summer, less revenue.
  - Other facilities; competitors at other places.

## Target Market & Segmentation

The owners of Beyond the Bean have decided to start their business in London (Canada). There are four different groups that can be targeted.

### Groups

- Western University Students - 30 000 students, 4500 new students enroll each year
- Fanshawe College Students - 15 000 students

- High school students - 20 000 students, between the age of 14-19. It differs for each student how much money he/she has to spend.
- Young professionals - 15 000 professionals, between the age of 25-35. They have relatively more money to spend compared to other groups.

### **Case information**

Western

University

Students

This is by far, the biggest target group. The majority of the students do not follow classes in the summertime, meaning that seasons are related to the number of students at the University. Fanshawe College Students. The difference between Western and Fanshawe is that both schools are 10 km apart from each other and that Western University has the double amount of students Fanshawe has. The seasonal aspect is the same for both schools. High school students. Some students work part-time, which would provide them with some spending money. However, Beyond the Bean has doubts if the coffee focussed menus will appeal this group. Young professionals The partners think the coffee menus are suitable for this group but they fear the board game aspect will turn this group off.

Ages

- High school students 12-18
- University & College students 18-can go up to 30
- Young professionals 25-35

### **Additional information and research**

College and University students

These students have money to spend. They either acquire it by working or by receiving parental help. The amount of students who have a credit card is increasing every year. This means the amount of money they have to spend is increasing so more spending money. Research has shown that people start drinking coffee at a young age. (13 years). High school students turn out to be vulnerable to caffeine addiction. But the larger part of this group is dependent on transportation. This group will be least likely the best target group. The café plans on opening the doors early in the morning and closing them one hour before midnight. The majority of the high school students will not be able to make use of the time rooster which Beyond the Bean wants to realize.

Young professionals

They have the most amount of money to spend compared to the other target groups. However, young professionals mostly work during the daytime. Also, this group has an average age where most persons start becoming a parent. This would imply that they would even have less time to visit Beyond the Bean.

## **Conclusion target market**

The best target group to focus on is the group of College and University students. This group has been chosen because of its large size and this particular target group will respond best to the board's game café, compared to other groups. College and University Students are the best target group because Beyond the Bean has the possibility to operate from a location, located approximately 5 km from both Western and Fanshawe. From the 50 000 students, from both colleges, there will always be people who have

some spare time. For example, students often have in-between hours, which provide them with spare time. Regarding the spare time topic, young professionals will most likely have no time to visit the time-consuming board game café during day time. This is also one of the reasons why there has been decided to not focus on young professionals. The average high school student has time to visit the café, but many of these students are reliable for transportation. While college and university students mostly travel with public transportation free of charge. The Bean sees this group as the one to target, since this group: Is large in quantity. Has some spending money. Is in the right age sector to appreciate coffee menus. The board game café provides the right form of amusement for a large target who has to study a lot and who favors to relieve some stress from time to time with a fun board game and a tasteful beverage on the side.

### Positioning

By presenting the café as a new alternative for customers. Beyond the Bean will position itself as a unique coffee shop. Many students search for ways to inexpensively socialize with friends. Besides regular bars, the board's game café is a way to socialize with friends but also get to know people from the other colleges. Therefore, Beyond the Bean will position itself as a new café, offering high-quality drinks and providing a place for both colleges to socialize. Beyond the Bean will try to differentiate itself from other coffee shops by making use of certain opening hours. Closing the shop weekly at 11 p. m. and during weekends at midnight. Which might attract other

audiences. The student's target group has free use of public transportation. Therefore, Beyond the Bean will position itself as a place that is easy to get to. Public transport services provide several routes to the café. Beyond the Bean will provide Wi-Fi in the café. Wi-Fi makes it even easier to socialize with your network. During a board game you will still be in touch with the outside world.

## **Corporate strategy**

A corporate-level strategy is all about the question: 'What business are we in?' This question mostly relates to new businesses, such as "Beyond the Bean". To formulate the corporate-level strategy, we have to create a portfolio strategy. A portfolio strategy consists of SBUs, strategic business units; this shows the unique business mission. The unique business mission of "Beyond the Bean" is that the partners want to create a safe and comfortable environment for people to enjoy their selves with (board-) games and friends without the interruption of mobile devices.

## **Goals and Objectives**

In this part of the marketing plan, one can find information about the goals of Beyond the Bean and the objectives to accomplish the goals. Beyond the bean wants to reach the break-even point in 2 years. Objective The company has calculated how much customers would be needed in the first 2 years to be able to pay back the return on investment. (see budget) Beyond the Bean has decided to pay back \$30, 000 in the first year and \$30, 000 in the second year. Beyond the bean wants to achieve a turnover of \$370. 122 in 3 years. If beyond the bean wants to achieve a turnover of \$370. 122 it must realize to have approximately 297 customers per week

that spend an average of \$8, 00. This is concluded by the following expectations, Beyond the Bean expects that each customer has to pay \$2, 00 per hour and expects that customers will play a game for a minimum of 2 hours. Beyond the Bean supposes that each customer buys a minimum of 1 drink. (the drinks are around \$4). So Beyond the bean has to realize 594 customers each week by using the following calculation, average turnover per customer = 2, 00 (p. p. h) + 2, 00 + 4(consumption p. p.) = \$8, 00. To manage the goal of 594 customers beyond the bean need to attract their customers with its promotion plan. See the marketing mix promotion for the details.

### **Social goal**

Create a safe environment for the customers and employees during the company's lifetime Objective

To attain this goal for the customers, beyond the bean must have reliable employees that can lead the company. To reach this goal for the employees, the employees must have to trust each other and the employees have to be chosen properly. Each employee must be professionally tested on his or her social skills and responsibility feeling. This could be tested with physiological tests. In brief, Beyond the Bean wants to achieve a turnover of \$370. 122 in 3 years, to achieve this it has to attain an amount of 594 customers each week. It can attract its customers through its promotion plan. Beyond the Bean also wants to create a safe environment for its customers and employees, Beyond the Bean will do this by providing trustable employees.



## Marketing Mix

### Product

The idea is to launch a cafe that specializes in gourmet coffees and related beverages (espressos, lattes, cappuccinos, teas, etc) where customers can also rent tables and play board games. This isn't a new idea, but it hasn't yet been done in the area we want to do it. It will be a new way of getting together with friends and having a good coffee or tea. Customers will spend an estimated 4\$ on food and drinks. For the board game rentals we will charge 8\$ an hour for a table with a maximum of 6 customers per table.

### Place

Quick research showed that there was no similar business in the area of London, Ontario. So Beyond the Bean will be located along or near the Richmond Row area of London.

### Promotion

We want to promote in 3 different ways. First of all, we want to use Facebook to create free word-of-mouth publicity. When users visit the page and click "like" a link will be added to the user's activity page, so the user's friends will see that they have "liked" the Beyond the Bean page. This way loads of people will see the Beyond the Bean page on their news page. We also want to have our own web page, we will be designing it ourselves to keep costs low. It will have all the information the potential customer needs to find us and background information about us. We also want to use different newspapers to raise awareness about the business. Western University's student paper and Fanshawe College's student paper are two free papers that we can promote the cafe with. This a good way to promote the cafe

because we directly reach our potential customers. It will have a clear and fun text so people will know what we do and where to find us.

## Budget

Beyond the Bean has a startup capital of \$60, 000. The company has decided that they want to be able to break-even at the ending of the 2nd year. Beyond the bean has made a report of what the company expects within 3 years time. Our costs are divided over fixed costs, wages, and promotion. The revenue is based on the consumption of the customers and the fee of renting a table to play a board game. Beyond the Bean based their expectation on that, every customer will pay a minimum of \$8. The customers will spend \$4 dollars on drinks/snacks and an average playtime of 2 hours on the table with 4 players adding up to \$4 fee for renting the table. The cost of placing an advertisement in the Western Gazette for a half-page costs \$963, 20 plus \$180, 00 extra to add color. The cost of placing an advertisement in the Fanshawe Interrobang for a full page is \$625, 00 plus \$80, 00 to add color. Beyond the Bean is going to advertise the first 3 months and after that, the company decided to advertise every other month.

## Advertisement

### Monthly costs (with color)

- Western Gazette  
 $\$963, 20 + 180 = \$1, 143. 20$
- Fanshawe Interrobang  
 $\$625 + 80 = \$705$

- Total promotion per month  
\$1, 143. 20+\$705= \$1, 848. 20

#### Promotion cost

- Year 1 \$1, 848. 20 \* 8 = \$14, 785. 60
- Year 2 \$1, 848. 20 \*5 = \$9, 241
- Year 3 \$1, 848. 20\*5 = \$9, 241
- Total promotion cost \$33, 267. 60

#### Total cost

This is a table which shows the rest of the costs that will be made in the coming 3 years. Wages

Beyond the Bean is planning on hiring its first employee after 3 months of opening. The employee will earn as the country requires \$9, 60 an hour. The company is going to hire a worker for 72 hours per month. In the second year, we are going to hire a second employee for 72 hours per month. But because our first employee ages Beyond the Bean pays the employee \$1 extra per hour. This also counts for the third year. The fixed costs made in the company are \$6, 500 a month.

#### Return on investment

Beyond the Bean has set up a goal to break-even in the first 2 years. Meaning that the company has to be able to cover its daily costs and paying back the \$60, 000 invested in the company. Beyond the Bean wants to pay back \$30, 000 in the first year and then again \$30, 000 in the second year.

#### Year 1

$$\$9,60 * 72 = \$691,20 = \$691,20 * 9 = \$6,220.80 \quad \$6,220.80$$

Year 2

$$\text{Employee 1 } \$10,60 * 72 = \$763,20 \quad \$763,20 * 12 = \$9,158.40$$

$$\text{Employee 2 } \$9,60 * 72 = \$691,20 \quad \$691,20 * 12 = \$8,294.40$$

Total Year 2 \$17,452.80

Year 3

- Employee 1
  - \$11,60 \* 72 = \$835,20
  - \$835,20 \* 12 = \$10,022.40
- Employee 2
  - \$10,60 \* 72 = \$763,20
  - \$763,20 \* 12 = \$9,158.40
- Total year 3 \$19,180.80
- Total wages for 3 years \$42,854.40
- Fixed costs
  - \$6,500
  - \$6,500 \* 12 = \$78,000
- Fixed costs for 3 years \$78,000 \* 3 = \$234,00
- Return on investment
  - Year 1 \$30,000
  - Year 2 \$30,000
  - Total return on investment \$60,000

## Turnover

This shows the turnover needed to be made for the company to achieve its goals. The customers per day are an average that Beyond the Bean is expecting. After 3 months the company is expecting at least 47 customers a day due to the promotion for 3 full months in the school newspapers and through Facebook and Beyond the Beans own website. So that the company can

pay off the first \$30,000 that it used to start up. The second year Beyond the Bean is expecting the same amount of customers a day and in the third year the partners expect a small growth again in customers. See appendices for profit/loss statement.

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