



CHIPMUNK COFFEE & TEA

Coffee Shop



Paul Dougall
93 West Campbell Road
Schenectady, NY 12306
www.chipmunkcoffee.com
(518)608-9028

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Element 4: Identify Your Target Market

Target Market Selection and Evidence of Demand

Segment 1

Demographic Geographic	People in Schenectady County aged 35-54
Psychographic Lifestyle	Somewhere to relax, talk with a friend, and get work done.
Spending Behavior	Spend money on dining out and enjoy drinking specialty coffee.
Method to Reach	Social Media, Catering Service, Selling products with our logo/name on them

Our first target market segment will consist of people within Schenectady County that are 35-54 years old. The reason for this is because, according to the U. S. Small Business Administration, this age group makes up 42% of specialty coffee drinkers and we are located in Schenectady County and should focus our attention on a local customer base.

This market segment is looking for somewhere they can go to relax and either talk with a friend, get some work done, or maybe even meet someone new. This segment also largely consists of the working class. According to OCED, 78.2% of people ages 24-54 have jobs in the United States. If you combine this with the fact that, according to Mintel, 38% of people prefer to spend their “extra money” (money people have after paying their monthly bills) on dining out, you realize that this market segment is quite likely to come in and spend their money in our coffee shop.

Peter Baskerville, founder of 20 different cafes and food businesses, states that coffee should only consist of 40% of sales. The U. S. Small Business Administration states that 60% of coffee is consumed at breakfast. Combining these statistics, customers are likely to buy coffee in the morning and, if we wish to succeed, we should try to sell other products to these customers to accompany their coffee purchases.

Although social media is much more common in people ages 18-29 than it is in people ages 30-49 and 50-64, it still would be a good way to reach this market. Another great way to reach people in this age group would be through our catering services. If we cater an event and do a great job, people will be more willing to come check out our shop or tell their friends and co-workers about us. Another way to reach people would be to sell or give away products with our name on them. For example, selling stylish coffee mugs or even our home ground coffee would bring us into our customer’s homes and could likely spark conversation among the customer and a friend or family member of theirs about where they got the cool mug or great coffee.

Segment 2

Demographic Geographic	Students in Schenectady County
Psychographic Lifestyle	Somewhere to relax, talk with a friend, get coffee for studying, and a place to study.
Spending Behavior	Spend money on snacks and drink caffeine when studying.
Method to Reach	Social Media

Our second target market would be local students. Many students enjoy going to coffee shops for both the product and thee ambiance. Within Schenectady county there are numerous High Schools, including Mohonasen, Schalmont, Niskayuna, Schenectady, Scotia-Glenville, Duaneburg and Notre Dame-Bishop Gibbons and there is also Schenectady County Community College.

According to a study done by the Follet Higher Education Group, 40% of students drink coffee or caffeine when they study. Many students enjoy coffee shops for less intense work that does not require immense amounts of concentration. According to an infographic made by Zaarly, U.S. students spend \$11 billion dollars on snacks every year.

The best way to reach students would be through social media usage. Tweens are the largest users of social media and $\frac{3}{4}$ of Facebook users, $\frac{1}{2}$ of Instagram users and 40% of twitter users check their social media at least once a day. Having an account on each of these social media sites would make it easy for our customers to: see what we have to offer, inspire them to come purchase products, or even tell their friends about how great we are.

Element 5: Marketing Mix

Product

Specialty Coffee – We have our own coffee roaster and roast the coffee we serve ourselves. We plan on eventually selling our coffee grinds for customers to purchase and make at home. We have various flavorings, creams, and milks which can be mixed with our coffee to create the various different drinks we offer such as mochas, frappes, and cappuccinos.

Pastries – We have ovens in which we make all of our own pastries which include cakes, muffins, cookies, brownies, macaroons, pies, and Turkish delights. All of our pastries can also be ordered through our catering service and we will work with the customer if there are any requests they have in regards to the recipe, appearance, or product that maybe we do not currently offer.

Tea – We offer a large selection of teas including chamomile, mint, passion fruit, orange, green, black, lemon, and chai.

Smoothies – Our smoothies are made using fresh fruit and either milk, orange juice, or yogurt.

Salads, Sandwiches, & Soups – We offer a selection of salads and the option for customer to make their own from our selection of vegetables, meats, nuts, dressings, fruits, and types of lettuce. Depending on the day we offer a number of options for breakfast sandwiches and traditional sandwiches which can be served on croissants, bagels, breads, and flat breads. Everyday, we make a homemade soup and we offer varying selections form day to day.

Perry's Ice Cream – We serve a number of flavors of Perry's ice cream which can be served alone, in sundaes, or in shakes or floats.

Italian Ice – Mango, Lemon, Watermelon, and Blue Raspberry.

Place

Products will be served at our shop at 93 West Campbell Road and at events that use our catering service.

Price

Specialty Coffee – We offer coffees in two different sizes and the prices range from \$2-6.

Pastries - \$0.50 for macaroons, \$0.75 for cookies, \$1.25 for brownies and croissants, \$3.15 for a slice of pie, and \$3.35 for a slice of cake.

Tea – Tea comes in two sizes the smaller costs \$1.50 and the larger \$2.00.

Smoothies – Smoothies come in only one size and will cost \$4.25.

Salads, Sandwiches & Soups – Our salads cost \$5.00, sandwiches cost \$7.50 and soups cost \$3.25 for a cup and \$4.00 for a bowl.

Perry's Ice Cream – First scoop costs \$2.75 and each additional scoop costs \$1.25. A milkshake costs \$4.00 for a small and \$5.25 for a large. A float costs \$4.50 and a sundae costs \$5.50.

Italian Ice – An Italian ice costs \$2.00.

Pasty, salad, sandwich, soup and ice cream prices are all priced slightly under the prices offered at Villa Italia to help beat out our main competitor. Coffee prices are placed slightly higher than the prices of other local coffee shops to make our coffee appear to be of a higher quality. Ice cream prices are similar to those of local ice cream shops. We figure since we offer more than just ice

cream, people will be more willing to buy our ice cream for the same price because they can purchase other drinks and food with it.

Promotion

Advertising

Advertising will not be our main source of promotion; however, we think it would be worthwhile to use some especially in the early stages of the business. Newspaper ads would be a great way to reach locals and a coupon could be placed in the ad to keep track of how well it is at obtaining new customers. Online advertising on a site such as Facebook is something we are considering looking into in the future, but first we wish to see how the newspaper ads pan out.

Publicity

Publicity is a great way to get our name out to more customers. If we could convince a news channel to run a story on us or our catering service it would be a great way for us to get our name out there at no cost to us.

Promotions & Events

A great way to get our name out there with no cost to us is through our catering services. If other businesses use our catering service and are satisfied they can recommend us to other businesses. People at the event will also obviously be more likely to visit our shop if they are satisfied with the food we provide at the event. We could also place promotional deals on our Facebook page and website once we create one to convince customers to come in and follow us on social media.

Product/Company Marketing Materials

We wish to design some coffee mugs with our name and/or logo on it to sell at our shop. We will eventually also be packaging and selling our own coffee grinds in the near future.

Website/Social Media

We plan to have a website designed in the near future. We will have a tab that has our menu on it and any promotional offers we are currently offering such as daily deals or sales. There will be a tab for information about the owners, how long our business has been around, and what we offer and believe in as a business. There will be another tab that will be a gallery consisting of pictures of our products and our location. There will be a tab for contacting us with any suggestions, comments, or concerns. This tab will also have our address, phone number, and e-mail address. We currently have a Facebook page on which we try to post at least twice a week. We post lots of pictures and people leave lots of reviews on our page when they are satisfied with their experience. We would like to get a Instagram page in the near future as another way to get pictures out to customers and show people what we have to offer.

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