

COFFEE SHOP BUSINESS PLAN

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essays
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1. Executive summary

This is a business plan of a start-up coffee shop. Toni's Coffee Emporium is a start-up coffee shop that is located in the busy London Borough of Camden. The main activity of the business is selling coffee, sandwiches, tea and home-made cakes. This business plan aims to set a strong market position, as both main competitors - John Young and Toni Taylor - have a vast experience. Toni previously worked at a large hotel in London as a customer services manager, whereas his partner John has experience of marketing, as he previously worked for a chain of Health Clubs as a marketing manager. The partners aim to offer their products at a relatively competitive price so as to meet the demand of both middle and higher income local residents. Other targeted customers are tourists who frequently travel to the area during the summer period (Stutely 2002, p. 17).

1.2. THE BUSINESS

Toni's Coffee Emporium is located in the city of London. The two partners own it. It has one full-time employee who works throughout the week and part-time members of staff who work during the weekends. The staff is very experienced and boasts of many years of experience in working in a similar place under similar conditions. Both partners too have experience of reaching out to new customers. Toni's daughter has knowledge about issues and allergies that can be caused by some foods, which is clearly reflected in the products they offer to customers (Harri 2007, p. 28).

1.3. PRODUCTS AND SERVICES

The coffee shop will offer various services and products to the clients. The Coffee Emporium's range of products includes coffee, tea, homemade cakes and sandwiches. The coffee shop will also offer services, such as

internet.

1.4. THE MARKET

The London based coffee industry has experienced significant growth. Cool climate and moderately cold weather conditions are favourable in London. It is also close to Camden Town Tube Station, which is a pleasant side street that is always busy with people who are going to and from the market. Across the road, there is a small park which is very popular among tourists during the summer. The café too has a small unused garden at the back. There is also a possibility of adding a few tables at the front of the pavement where some customers can be served. The business wishes to establish a regular customer base. The business will concentrate on marketing amongst the local residents. This will be the business's dominant target market. To ensure stability, the business will ensure a healthy and consistent revenue. During summer, tourists are expected to increase the business revenue by about 25% (Pinson 2005, p. 19).

1.5. FINANCIAL PROJECTIONS

Partners Toni and Young have contributed capital to kick start their business. Young has contributed 30000 pounds, whereas Toni has invested 70000 pounds. Friends and relatives have invested 40000 pounds. However, the business still requires 100000 pounds for expansion. The money can be received from an individual investor or a bank in the form of a loan. The partners are confident that in 3 years' time the business will start generating profit. They do not expect any future cash flow problems.

2. Vision and mission statements

Vision: to be the leading coffee shop in the town

Mission Statement: Toni's Coffee Emporium aims to offer high-quality coffee, tea, sandwiches, and cakes at a competitive price to meet the local residents' and tourists' demands.

Keys to success: To be successful, Toni's Coffee Emporium will:

- a. Provide high-quality products emphasizing personal customer service;
- b. Offer competitive pricing.

3. Market and Competitor Analysis

Toni's Coffee Emporium's primary focus is to meet the demand of the residents who are regular visitors as well as tourists who are visiting in large quantities during the summer period.

3.1. MARKET SEGMENTATION

The business will focus on both middle and upper-income markets. The majority of consumers of the business's products are from this market segment.

Local residents: A large regular customer base is to be established. Due to this fact, the business will become stable with a healthy consistent revenue base.

Tourists: Tourists will comprise approximately 25% of the business's revenue.

To ensure this target, the business will invest in high visibility and competitive products in order to capture the touristic market segment.

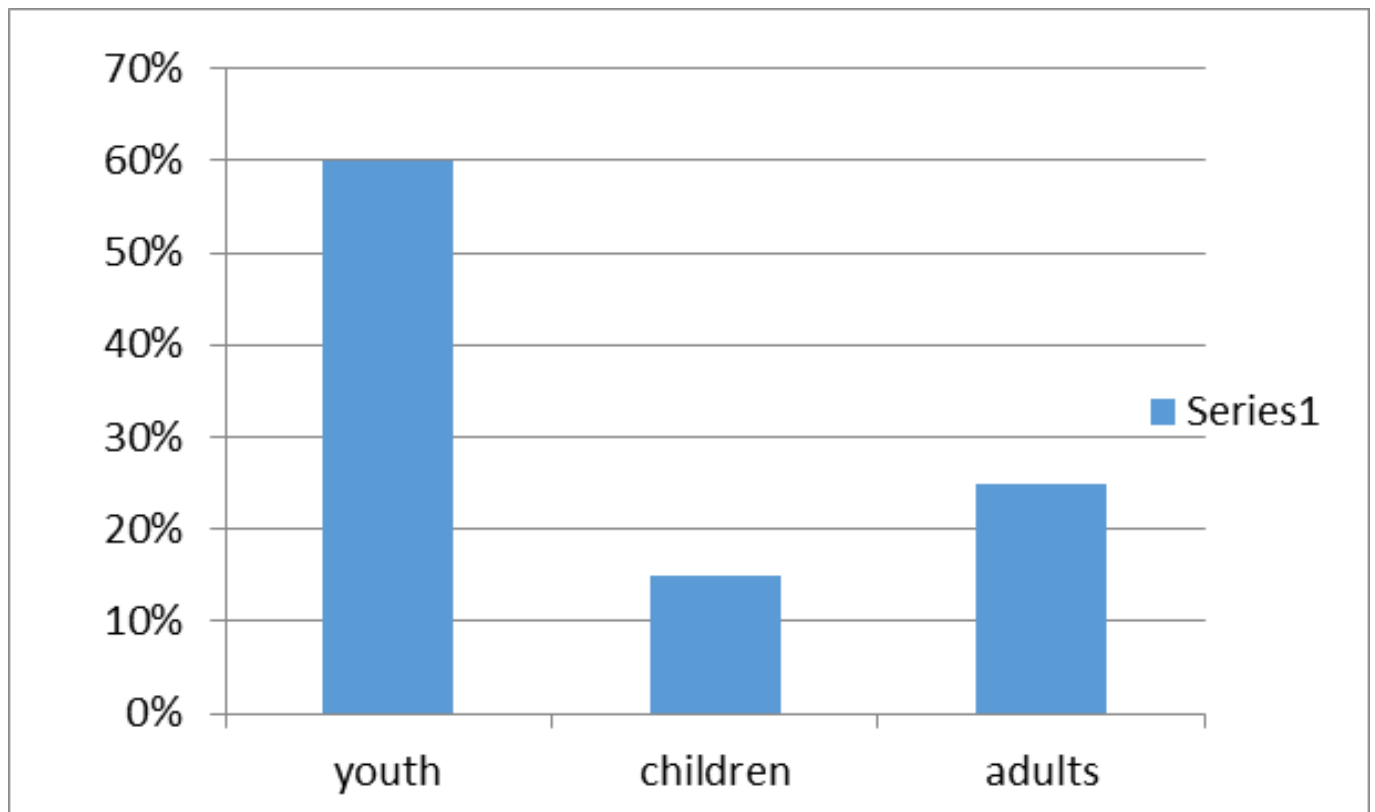
3.2. MARKET ANALYSIS

The table below outlines the market potential of the customer segments.

3.3. TARGET MARKET SEGMENT STRATEGY

Segmentation is a marketing strategy that entails dividing the target market into sets of consumers who have the same characteristics, and designing the products to suit their needs. The coffee shop has a broad target market consisting of different consumers with varying needs. The coffee shop targets all people including children, teenagers, youths and the elders who face health problems. The offered product is crucial to all demographic segments. The product has a diverse segmentation, because the products can suit the needs of various market segments. The primary segment of the coffee shop is the youths who comprise 60% of the market share. 35% of the market share is comprised of the older individuals, while the 5% consists of children. The target people include all genders, and the products are tailored to meet the prevailing trends in the industry. The coffee shop will be designed to satisfy the needs of all people (Harri 2007, p. 38).

Target Market	Percentage
youth	60%
children	5%
adults	35%



3.4. MARKET NEEDS

London has a cold climate during most of the year. Hot coffee and tea as well as confectionary products are always in demand. During warmer periods, in summer, iced beverages, mostly coffee, are high in demand.

3.5. COMPETITION AND BUYING PARTNERS

Competition is sparse in the local area. The products Toni's Coffee Emporium is producing are of high quality. There is a tendency for residents to look for a highly quality product and consume it in a relaxing atmosphere. The Emporium offers a unique and classy experience that attracts a vast number of customers. The leading competitors offer high-quality roasted coffee beans, cold-blended beverages, a variety of pastries and confections and other coffee-related assortments. They also sell their coffee

and tea products by the means of other channels of distribution. Larger chains also have a competitive advantage in that their product mix varies depending on the size of the store and its location (Blackwells 2008, p. 39).

Larger stores have an advantage of carrying a broad selection of coffee beans of various sizes as well as packaging types. They also have an assortment of coffee making equipment and accessories like coffee makers, coffee grinders, coffee filters, espresso machines, travel tumblers, mugs and storage containers. The smaller kiosks and stores sell a full line of coffee beverages, but offer a more limited selection of coffee beans and very few accessories. There are also technologically savvy competitors who make fresh coffee and tea products conveniently and make them available online or through mail orders. More specifically, websites and online stores allow customers to browse and purchase coffee, tea and confectionary products online. The buying patterns of residents include choosing an offering that is cheaper to maximize utility (Abrams 2003, p. 57).

The firm will only succeed if it intends to offer high-quality coffee, tea, sandwiches and cake products at a competitive price combined with personal service. Unfortunately, the business's competitive edge is relatively low. However, there is low competition in Borough of Camden niche market, which creates a great opportunity.

4. Sales and Marketing Plans

For the firm to effectively market its products, four things are very essential to be knowledgeable about. They are product, price, place and promotion. If the 4Ps are not structured well to support each other, the firm's strategy will

be uncoordinated. However, the Emporium's 4Ps are well coordinated to that ensure the firm's sales and marketing plans are achieved with ease. The product being the item that customers will buy and bring in revenue, its design and features will be highly considered. The firm's products' features will appeal to the target market. The firm will take into consideration and will have to know: who the product is aimed at, the benefits the customers will expect from it, the products' potential advantage over the competitors' products, its unique selling point, and, finally, the positioning of the product in the market. The price will also be highly considered. The price will be geared towards maximizing profits, but also with the consideration of the target market and its readiness to pay for the product and its features. Additionally, competitor pricing within the market niche should be considered as well. The place element is also favouring the firm, considering that it is convenient for both the customers and the business, too. Above all, the location is easily accessible by the customers.

The products will be promoted via internet and social media. This approach will raise awareness of the product, because technological advancement has enabled virtually every person have a gadget connected to the internet. The promotion campaign's purpose is not only to create awareness, but also to encourage customers to purchase. The budget for the promotional campaign is minimal, as promoting products online is cheap and sometimes bears no cost in the case of social media. The target market for the product is the middle and upper- middle level of income (Stutely 2002, p. 37). The products are to be sold to any person regardless of gender and age. The environment that the business shall operate in is not highly competitive. The business logo will attract potential customers, as a good logo is a sign of loyalty. It will also enable the business to establish brand identity by providing a professional impression of the firm. The business logo will be "eat healthy, live fit".