**Assignment**

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**Marketing Management**

**Marketing Plan for Gloria Jean’s Coffee**



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**Executive Summary**

Gloria Jean's Coffee is an Australian firm established in 1996 by Gloria Jean Kvetko which has managed to establish 1000 coffee houses spanning over 39 countries. Gloria Jean's is ranked amongst the prominent coffee house operator in the world. It caters a friendly and comfortable environment and sells hand-crafted signature cold and hot coffee drinks, specialty teas, variety of single origins, traditional espresso drinks and blended whole-bean coffees. It also serves all these various varieties of coffees with other accessories and pastries as well. Gloria Jean's has made remarkable progress by serving approximately 102 million guests annually in 39 countries worldwide and has acquired the status of a global coffee retailer.

Gloria Jean’s current objectives include aggressively expanding their franchise to significantly increase their presence around the globe. Their regional franchise of Pakistan is owned by the Taraki family who are carrying the mission along and expanding business. They want to increase their presence to not only compete with major coffee competitors but also to be recognized as the most loved and respected coffee company in the world.

**Target Audience**

Gloria Jean’s coffee started with targeting small market segments that compose of a demographic of people between 18 and 25 years of age but now they have designed their strategy such that it covers people from the ages of 15 to 64 years. Not only does the coffee shop focus on age, but they also focus more on the female gender market. Over half of the sales from their coffee products have come from female customers. They have recently opened up shops in Middle Eastern countries that treat coffee bars as pubs. This thoughtful marketing strategy has earned them a considerate amount of profit. Gloria Jean’s also aim to target the business community who plan to have a meeting over a cup of coffee in a nice environment. Similarly employees of different sectors are targeted especially in lunch hours by offering light and healthy meals alongside with refreshing fruit drinks or a cup of coffee for energy revitalization. They also target the students of renowned universities so they can have get together or even group discussions for studying purposes and they promote this by giving a percentage discount on check-ins. Gloria Jean’s also targets the expats in the country as they provide a nice ambience which attracts foreign expats.

**Product Line**

* Breakfast Menu
* Wrap and Sandwiches
* Snacks
* Desserts
* Cakes and cookies
* Coffee Section
* Smoothies
* Iced Teas

The product line shows that they are offering variety of products thus addressing different needs of the customer. On the other hand The Coffee bean and Tea Leaf is also offering snacks such as Pizza’s Sandwiches and other related items but their marketing and promotion is very poor.

**SWOT Analysis**

**Strengths**

* One of the pioneer international coffee shop brands in Pakistan having strong brand image
* Strong brand image
* Offers a variety of products complimenting its core product coffee
* Shops placed at strategic positions leading to maximum customer traffic

**Weaknesses**

* Weak market segmentation has diluted the identified target market for Gloria Jeans
* Business profits are mainly dependent on the sales of the core products only

**Opportunities**

* Due to strong brand image, Gloria Jeans can easily expand its number of outlets in new places
* Co-branding with other products
* Branded bean sales in super markets

**Threats**

* Increased competition due to increase in number of competitors in the market for instance The Coffee bean and Tea leaf
* The change in the type of customer traffic has affected the overall ambience of the company

**Product**

The product of Gloria Jean’s mainly is a very high quality coffee for which it is known for. So, as for their coffee there should be no change as the customers are very happy with the quality and taste of the coffee. However, it can decrease the number of serving option to two from three by offering only small and large cups, the medium cup which is served now should be sold as small and the existing small serving should be discontinued .By doing so it will have a psychological effect on the consumer as the medium cup itself is comparatively larger than the servings provided by the competitors and the consumer will have a curiosity in mind that if a small cup is so large than how large will be the large cup. Another suggestion is to Increase its product variety. As it considers Cinnabon its competitor, it doesn’t focus much on its food items. Cinnabon is known for its famous cinnamon rolls, and it is very tough to come up with a match as good as Cinnabon specialty rolls. But Bubblicious in The Centaurus Mall, which is not even a competitor of Cinnabon because it only sells Bubble Tea, has started selling cinnamon rolls. They have come up with their own cinnamon rolls at a lower price and good taste which is a competition to Cinnabon as people of Pakistan are very price sensitive and they would give it try. So, as Gloria Jean’s is its major competitor it could have thought of doing so what the small shop Bubblicious did. For summers, Gloria Jean’s should come up with new products, as Pakistanis consume less coffee or hot drinks in the summer season.

**Pricing**

The pricing of Gloria Jean’s has no issues as it is a premium coffee brand, so if they lowered their price it would contradict with its high end product. It is well known and has developed its brand name by being a premium coffee brand which it should sustain. The one thing which it can do what they haven’t tried as yet is that it can offer deals. The deals can be at supper time or breakfast time, or at every time of the day with a combination of different products.

**Place**

The Gloria Jeans has chosen its places wisely, where there is a lot of influx and where people from the upper class visit often. Many of their outlets are around business centers and office hubs which keep the coffee shops busy in business hours as well. Mostly those people who are looking only for a good cup of coffee and a place to relax and unwind their mind needs those type of places which are cozy and easily reachable. Gloria Jeans have their own cafes instead of having shops in malls due to which many people enjoy Gloria Jeans because of the fact that they can easily go, park their cars right outside their cafes and chill. Also Gloria Jeans is the first coffee shop in Pakistan to reach out to the tourist locations like Abbottabad, Natia Gali, Murree etc. This is a big blow to the business as people visit these places on vacation and are ready to spend and enjoy and having such nice coffee options in the hills is all they could ever wish for.

**Promotion**

Although, it does have enough variety but we feel that the only little advertising they do is for their coffee and they don’t advertise their other products. As summers are approaching Pakistanis tend to have less coffee and like to have cold chillers. Cold chillers are being introduced by Gloria Jeans in different flavors but again the problem is the same that they are not advertising these chillers as much as they should. They have just posted one picture of those chillers on their Facebook page and that’s it. Other than this they have not done much conventional Above the Line Advertisement, they have only placed a standee in front of every outlet to promote the chillers. Same is the case for their other products like confessionary items including cakes, muffins, sandwiches, brownies etc.

**Competitors**

The coffee business is on the boom globally with many new entries in the market. In Pakistan, there are also a number of options available to the consumers so it becomes really important for a brand to stand out in order to attain customer loyalty. The main competitors of Gloria jeans are The Coffee Bean and Tea Leaf. Similarly Second Cup, The coffee Planet, The screaming bean are also competing in the market. However, Gloria Jean’s has the advantage of being the first in the local market and a few others.

**Competitive Advantage**

Gloria Jeans’ main competitive advantage is its high quality imported beans. It also has a leading edge in the strategic store locations it has outlets in. These locations provide a warm welcoming image to the customers where they can relax and enjoy their time out. Another competitive advantage for Gloria Jeans is the loyal customer base which not only regularly consumes its products but is involved in the purchase of other franchise as well e.g. Spill proof mugs etc.

**Social Media Presence**

Gloria Jeans has created its official web page and a face book and an Instagram page which is kept up to date by the social media marketing team to promote, let the customers know about deals etc. and also cater the comments and views of its customers which is a source of continuous improvements (value addition). Furthermore, the various franchises of Gloria Jeans, around the globe are connected and linked through the internet to keep and update the inventory (coffee beans) and also accumulate the feedback received from people around the globe. Also local pages are made and maintained for instance the page of Gloria Jeans in Pakistan will show the deals in Ramadhan which might not be available internationally.

**Customer Relationship Building**

The following proposed measures should be taken to ensure good customer relationship building.

* Documenting information about clients like birthdays, number of family members, contact details and then using this information to create goodwill and relations [example sending birthday cards to them etc.]
* Giving away merchandise like mugs and shirts
* Getting feedback from customers and identifying and improving areas of dissatisfaction.

**Video Advertisement for Social Media**

The video advertisement prepared for a marketing plan should emphasize on reinforcing the proposed brand positioning. It should show different people being so passionate about what they do in their lives that they want absolute perfection in them. Gloria Jean’s is the perfection they will get every time they think of coffee. The ad should blend well with the tag line and should be used in social media through viral marketing.

**Outlets**

The Gloria Jeans has chosen its places wisely, where there is a lot of influx and where people from the upper class visit often. Many of their outlets are around business centers and office hubs which keep the coffee shops busy in business hours as well. Mostly those people who are looking only for a good cup of coffee and a place to relax and unwind their mind needs those type of places which are cozy and easily reachable. Gloria Jeans have their own cafes instead of having shops in malls due to which many people enjoy Gloria Jeans because of the fact that they can easily go, park their cars right outside their cafes and chill. Also Gloria Jeans is the first coffee shop in Pakistan to reach out to the tourist locations like Abbottabad, Natia Gali, Murree etc. This is a big blow to the business as people visit these places on vacation and are ready to spend and enjoy and having such nice coffee options in the hills is all they could ever wish for.

**Management**

The current management of Gloria is doing a good job by carefully managing all details. The management from the head office, is keeping proper check and balance on the Gloria Jean’s franchises around the world, thus making the policies and procedures uniform. Our proposed strategy doesn’t demand any change in the management structure of Gloria Jean’s. However, changes are required at the staff level; such as the operational managers who are supervising the baristas to ensure standards of perfection at all levels. The regional managers also need to ensure that the strategies they apply in a specific franchise should be in compliance with the company’s code of conduct, values and culture.

**Staffing**

Each barista in Gloria Jean’s is trained to make the perfect cup of coffee. The baristas are well trained on the grounds of how to have exact blend of coffee beans, the milk, the cream and the added flavor. Our proposed strategy would require Gloria Jean’s workers to have the same knowledge of the ingredients for other product line items. This would not only add to the firm’s reputation but would build strong brand name in the minds of the customer. For this purpose, Gloria Jean’s may also hire additional trained, (specialized in making smoothies, doughnuts, brownies etc.) workers.

**Marketing Budgeting**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Marketing Expense** | | | | |
|  | **Cost per Month** | **Time Period** | **Repittions** | **Total Expense** |
| Magazine/Journals | 15,000 | 12 | 3 | 540,000 |
| Social Media Image and Video | 30,000 | 12 | 2 | 720,000 |
| Billboards | 300,000 | 3 | 2 | 1,800,000 |
| Panaflexes | 5,000 | 3 | 50 | 750,000 |
|  |  |  | **Total** | **3,810,000** |

According to our estimation, after an efficient and extensive marketing campaign the total marketing cost will go up but on the other hand it will have the following results.

* Sales will increase by around 30%
* Profits (based on sales minus marketing expenses only) will increase by around 40%
* Increased word of mouth
* Creation of brand image and reinforcement of brand positioning
* Social Media presence
* Awareness about seasonal items like chillers in summers or a date milkshake in Ramadhan

**Financial Forecasting**

|  |  |  |
| --- | --- | --- |
| **Financial Analysis** | | |
| Project Figures | **Coffee** | **Chiller** |
| Daily Sales | 175 | 150 |
| Sale Price | 320 | 380 |
| Daily Sales | 56,000 | 57,000 |
| Weekly | 392,000 | 399,000 |
| Monthly | 1,568,000 | 1,596,000 |
| Semi Annually | 9,408,000 | 9,576,000 |
| Annually | 18,816,000 | 19,152,000 |
| **Annual Sales** | **37968000** |  |
| Marketing Expense | 3810000 |  |
| Gross Profit | 34158000 |  |

In this section of financial forecasting, we have just considered its main offerings of coffee and chillers. However, it provides other products as well like sandwiches, cupcakes and other items. We did not include them in the financial forecasting for ease of understanding and since most of its revenue and advertisements are focused on the above mentioned products.