

Starbucks Coffee Creamer



Marketing Plan

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Table of Contents

1.0 Executive Summary	P. 3
2.0 Situational Analysis	P. 3
2.1 Market Summary	P. 4
2.1.1 Market Demographics	P. 6
2.1.2 Market Needs	P. 7
2.1.3 Market Trends	P. 7
2.1.4 Market Growth	P. 8
2.2 SWOT Analysis	P. 9
2.2.1 Strengths	P. 9
2.2.2 Weaknesses	P. 9
2.2.3 Opportunities	P. 9
2.2.4 Threats	P. 10
2.3 Competition	P. 10
2.4 Product Offering	P. 11
2.5 Keys to Success	P. 12
2.6 Critical Issues	P. 13
2.7 Historical Results	P. 13
2.8 Macroenvironment	P. 14
2.9 Channels	P. 14
3.0 Marketing Strategy	P. 15
3.1 Mission	P. 16
3.2 Marketing Objectives	P. 16

3.3 Financial Objectives	P. 16
3.4 Target Markets	P. 17
3.5 Positioning	P. 18
3.6 Marketing Mix	P. 18
3.6.1 Product Marketing	P. 19
3.6.2 Promotion	P. 19
3.6.3 Service	P. 19
3.6.4 Channels of Distribution	P. 20
3.7 Marketing Research	P. 20
4.0 Financials	P. 21
4.1 Break Even Analysis	P. 21
4.2 Sales Forecast	P. 23
4.3 Expense Forecast	P. 26
4.4 Linking Expenses to Strategy and Tactics	P. 28
4.5 Contribution Margins	P. 29
5.0 Controls	P. 31
5.1 Implementation	P. 31
5.2 Marketing Organization	P. 33
5.3 Contingency Planning	P. 33
6.0 References	P. 35

1.0 Executive Summary

Starbucks Corporation has been increasing at a very steady rate over the past 10 years. We are constantly building new locations and adding new flavors to the array that we to offer. However, we are missing out on a very large sector of the coffee world. 67% of coffee drinkers add creamer to their coffee, and we currently offer no type of creamer. It's important for us to expand into this market to better satisfy our customer needs.

We believe by targeting the high end coffee drinker with a coffee creamer product, as would be consistent with current practices; we could reach a whole new segment of coffee consumers. With implementation of the plan we will outline for you, we expect that our company could grow another 5% from this venture, which will continue to impact our ability to provide a high value-high quality coffee experience to consumers for many more years to come.

2.0 Situation Analysis

Starbucks Corporation focuses on the high class consumer who values a quality cup of coffee. This customer has an appreciation for natural ingredients that come from trusted sources and are dedicated to giving back to the community and protecting the environment. Our market segments within the coffee creamer industry include students, middle aged adults, and current Starbucks loyalists of all ages. We will target these markets through a variety of media including TV ads, print ads, and social media.

Because Starbucks offers its products to a certain consumer who values high quality even at a high cost level, we do not need to saturate many media forms with our ads. Our product and brand name will speak for themselves. Therefore, the majority of our ads that are not social media based will be offered in connection with Target Corporation, one of our main channels of distribution for this new product.

Starbucks Corporation targets a certain consumer. Because of this, even if our competition offers comparable products, they lack the combination of high value-high quality ingredients, taste, and level of prestige that our customers crave. Our nearest competitors are Dean Foods Company, Nestle SA, and TreeHouse Foods. These companies distribute their products through channels such as grocery stores and department stores. In contrast, Starbucks coffee creamers will be provided to costumers exclusively through our specific Starbucks locations as well as Target Corporation's stores.

2.1 Market Summary

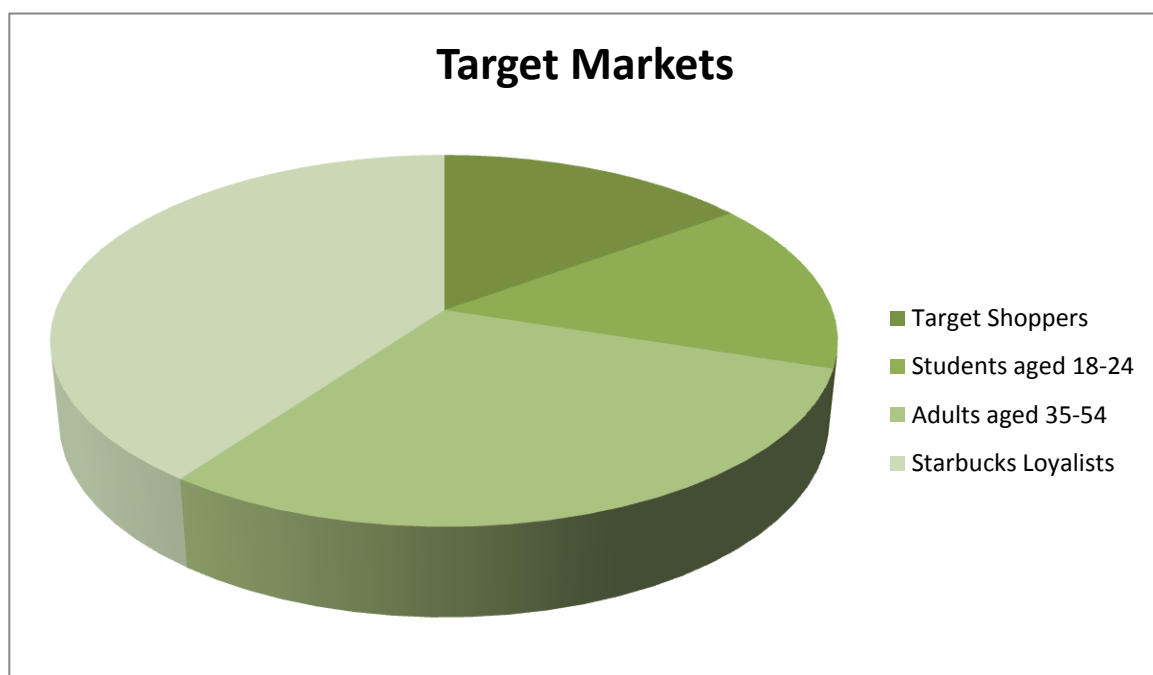
Our product is positioned to be a high end coffee creamer that is readily accessible to consumers. It is for the consumer who values quality and is willing to spend money on the best. Unlike other coffee creamers, the Starbucks brand holds to a higher quality of ingredients.

Our marketing strategy is based on focusing on the consumer most likely to buy our product. We believe this is a product for brand loyalists. It is our goal to offer a

higher class product that allows for the consumer to have the Starbucks experience in the comfort of their own home.

The marketing must display the quality and convenience of Starbucks Coffee Creamers through publications such as print ads, television, social media, and word of mouth. We feel that the best way to achieve this would be to offer the product exclusively to Target Corporation shoppers and our own customers that frequent the Starbucks Café. By doing this, we reach the brand loyalist who prefers made-to-order lattes on a regular basis, as well as those who typically favor our take home beans and single serve packs.

The target market is a person who wants Starbucks quality coffee creamer. We believe that these groups would include Starbucks loyalists, adults aged 35-54, students aged 18-24, and Target shoppers. All of these target markets have an appreciation for the superiority and prestige of the Starbucks brand and the capacity to purchase the item at a higher price than some competitor brands.



2.1.1 Market Demographics

We focus our marketing on four types of target consumers:

1. **Starbucks Loyalists:** According to IBISWorld, 73% of coffee drinkers make coffee at home. Starbucks holds 15% of this industry. Of the 15% buying our beans for home use, 67% of these coffee drinkers are adding creamer (New York Times). Based on these statistics, just by targeting this segment, we have the ability to reach 7.3% of the coffee industry.
2. **Adults aged 35-54:** This demographic makes up 42% of the total coffee market. Because many of these consumers work 40+ hours a week, coffee is a part of their daily routine. They not only have a high demand for both coffee beans and creamer, but they also have the necessary means to purchase a more expensive product.
3. **Students aged 18-24:** According to the National Coffee Association, in the past two years there has been a 10% increase in students drinking coffee on a daily basis, bringing the total number to 40%. 76% of adult coffee drinkers say they began drinking coffee during this time frame. Because this target market has no previous coffee brand loyalties, we have the opportunity to gain a large market share. Younger coffee drinkers are also the most likely to add flavored creamers to their coffee drinks.
4. **Target Shoppers:** The Target Corporation shopper is a discerning consumer who cares more about the value of a product than price. According to the Target website, people shop at Target for the competitive prices and value in

addition to selection. Our product will seamlessly fit in to the upscale, trendy array of products that Target has to offer and is sure to be a hit within this demographic.

2.1.2 Market Needs

According to the New York Times, 67% of coffee drinkers use creamer. This number is constantly increasing. In our more health-conscious society, as demand for coffee creamer grows, so does the demand for healthier products and organic options. According to the Organic Trade Association, U.S. sales of organic food and beverages have grown from \$1 billion in 1990 to \$26.7 billion in 2010. As consumers become more health conscious, they look for organic, healthy and flavorful coffee flavor additives; as opposed to the cheap, gritty, and processed powder coffee creamers that still hold so much of the market today.

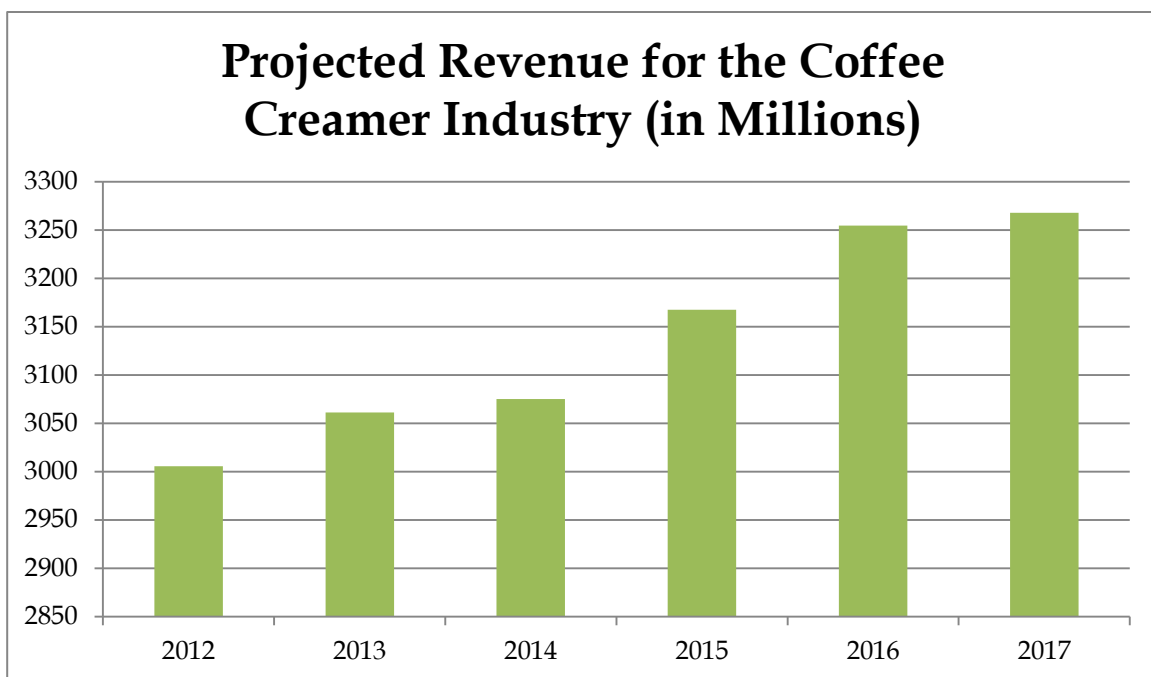
2.1.3 Market Trends

Our market has grown to recognize the higher quality standard that the Starbucks brand upholds as opposed to normal market standards. The development in desire of high class coffee products, as well as natural and safe ingredients, is an important trend for us. The new consumer culture places a high emphasis on the need for organic and high quality natural products.

Today's health-conscious shopper and coffee fanatic set the stage for growth in the area of high quality coffee products, specifically coffee creamers. Similarly, consumers continue to demand more convenience. This product can be brought in to the home for daily use as opposed to taking numerous trips to a coffee shop during the week. Starbucks brand coffee creamer meets these requirements because it offers consumers a blend of healthy, high quality ingredients that can be used from the comfort of your own home.

2.1.4 Market Growth

According to IBISWorld, the market for coffee creamer is growing at 1.88% per year. There is an expected 9.4% increase of revenue for the coffee industry from 2012 to 2017. It is projected to be \$3,267.9 million by 2017. Recently, there has been a sharp increase in the demand for organic products. The demands for these two products go hand in hand since the goal of Starbucks Coffee Creamers seeks to provide natural and organic coffee creamers to its consumers.



2.2 SWOT Analysis

Starbucks is on the brink of a major opportunity. We have the strength of the Starbucks brand name and its loyalists, as well as the opportunity to enter a market that is growing yearly. We have the weakness of having a higher price based on our brand name, and the threat of existing competition.

2.2.1 Strengths

- Starbucks is already an established brand with many loyal customers.
- Coffee creamer is a sought after product that is experiencing growth within the market.
- The organic and natural ingredients are popular among many segments of the population.

2.2.2 Weaknesses

- The higher price of the Starbucks brand may deter some consumers.
- Starbucks Coffee Creamer will only be available for Target and Starbucks customers.
- The coffee creamer line will have limited amount of flavors.

2.2.3 Opportunities

- The ability to reach a new market segment – for example, seasonal flavor lovers, as one of our main selling points is the constantly changing seasonal offerings.
- The ability to entice new consumers with a new type of product.

- Continual increase in brand awareness for Starbucks.
- Entice consumers with the convenience of the Starbucks coffee flavor from the comfort of your own home.

2.2.4 Threats

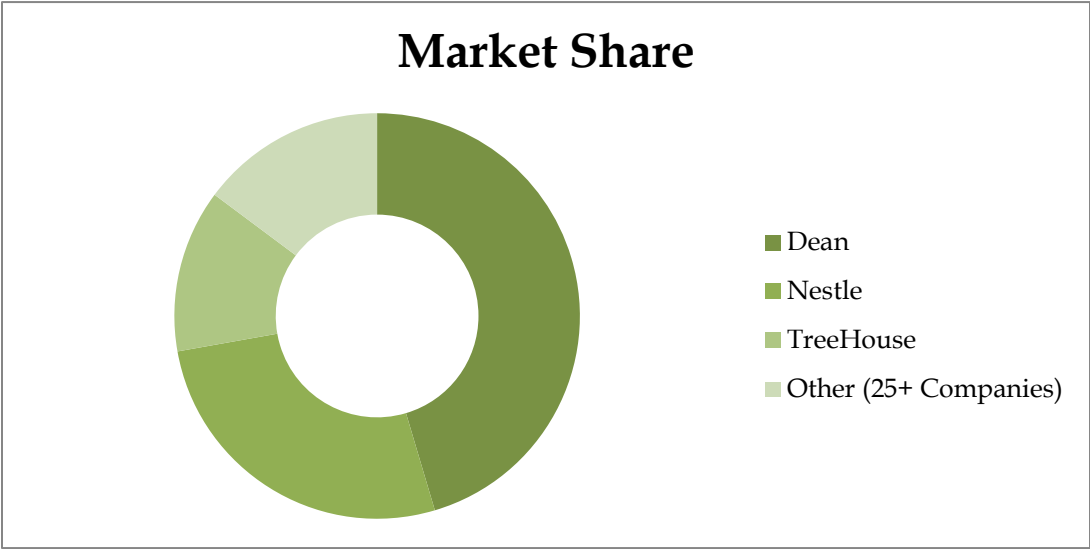
- There is a lot of existing competition in the market from established coffee creamer brands.
- The high price would mean missing out on the segment of the population that can't afford it.
- Previously established brand loyalty to other creamer brands.
- Lack of mass retailing.

2.3 Competition

With this new product, we have three significant competitors: Dean Foods Company (offering Coffee-Mate brand), Nestle SA (with its line of International Delight creamers), and TreeHouse Foods. Dean Foods Company is our major competition with 45.4% market share. They are also the only major company that produces organic coffee creamer. Nestle SA produces both powdered and liquid creamer, while TreeHouse Foods is the largest producer of powdered creamer in the nation.

In general, however, our competition is not targeting the same markets. Though we are all targeting coffee creamer consumers, we are specifically focused on brand loyalists. It is not that people will choose our competition's offerings instead of our

own coffee creamers, but it is that they choose a lesser quality generic coffee creamer instead of the higher quality and superior taste that we offer.



Market and Share Competitor	Market Share (%)	Growth Rate (%)
Dean Foods Company	45.4%	8%
Nestle SA	26.8%	1.5%
TreeHouse Foods	13%	8.7%

2.4 Product Offering

Starbucks will offer a high quality natural coffee creamer that takes the average cup of coffee to the next level. The key to the coffee creamer line is to provide a Starbucks experience with the convenience of never leaving the home. The coffee creamers will be released based on seasonal preferences along with some traditional year round flavors.

1. Our first traditional flavor is Vanilla Bean Latte. Most consumers will appreciate the simplicity of this classic flavor.

2. Caramel Macchiato is the bestselling drink at our Starbucks locations. We are sure that this coffee creamer will be quite popular.
3. We will also release some flavors based on season. These will include Pumpkin Spice and Peppermint Mocha. Historically, these are very popular flavors in our cafes and our customers look forward to purchasing them every year. Providing them in an easy-to-use at home coffee creamer, we have the ability to reach more coffee lovers.

In fall of 2014, we plan to introduce Starbucks Coffee Creamers to the world in all of our Starbucks locations as well as Target stores. To accommodate our consumers, our coffee creamers will come in a variety of sizes and packages - individual portion cups, 16 ounce bottles, and 32 ounce bottles. In the future, we hope to expand our flavor offerings and potentially market to other shopping centers such as Kroger or Meijer.

2.5 Keys to Success

Starbucks is a leader within the coffee market and trusted by many coffee enthusiasts. Starbucks currently has 13,279 locations within the United States. This company is continuing to see growth and gathers more and more brand loyalists every day.

We have an uncompromising commitment to quality products, quality ingredients, and high customer satisfaction. By using only the best of ingredients, we are able to achieve a product far superior to what the rest of the market has to offer.

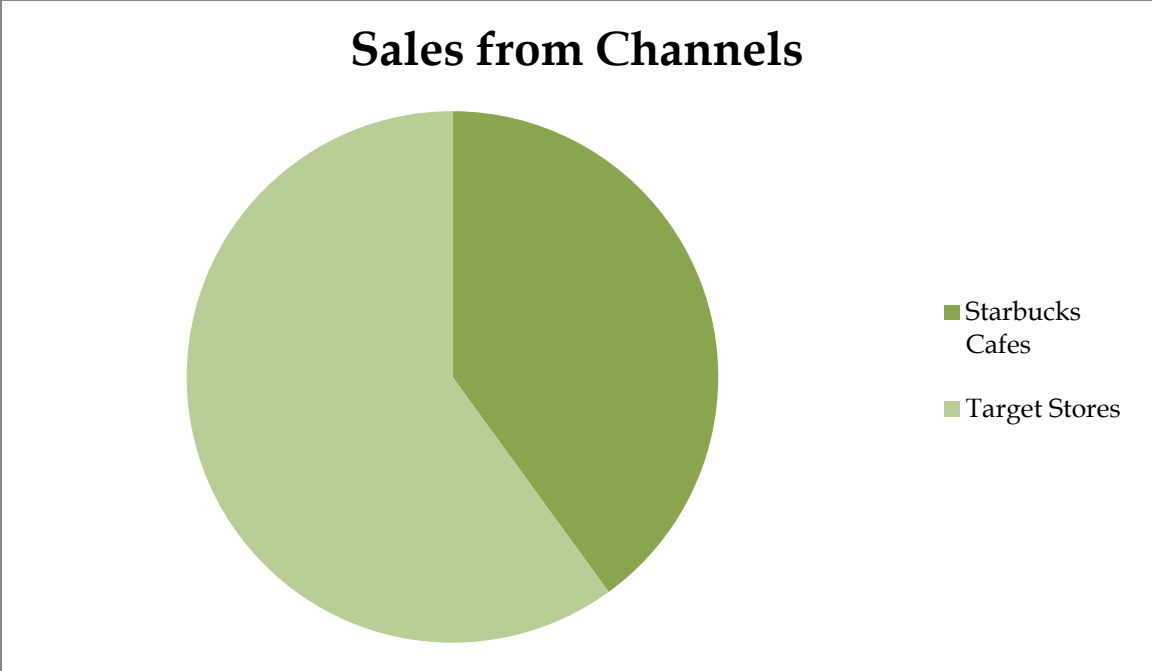
2.6 Critical Issues

The critical issues emerged from the SWOT analysis:

- How do we get consumers to buy our product at a higher price?
- How do we get consumers to purchase a product that is only being sold at two retail locations with lots of competition?
- Are we going to be able to make a profit with our high quality ingredients while maintaining a price that consumers are willing to pay?

2.7 Historical Results

1. We used IBISWorld to estimate the coffee creamer industry. The total market in the United States was estimated at \$3 billion.
2. We estimated growth would be 1.6% per year, based off of total industry growth.
3. We estimated an average of \$2.50 per 16 oz bottle of coffee creamer to calculate unit numbers from market numbers.



2.8 Macroenvironment

Many factors in the environment cannot be controlled. Competition affects our new product because Starbucks is attempting to penetrate a previously established industry. Research shows that this industry is showing continual growth throughout the previous years. Numbers of students pursuing higher education are increasing every year which is positive for this product because the demand for coffee and coffee products, specifically coffee creamers, will continue to increase in this demographic. For the frugal consumer who is conscious about saving money, purchasing Starbucks Coffee Creamer will save them money by having the Starbucks experience in their own homes as opposed to in coffee cafes.

2.9 Channels

We have chosen to place our product in only the best locations that value the Starbucks quality brand. Our current marketing strategy includes offering products at Starbucks locations as well as Target Stores. We are catering to a consumer market valuing high quality at reasonable prices. By positioning our products in these select locations, consumers will find the quality they are looking for while maintaining a reasonable price.

3.0 Marketing Strategy

Starbucks Corporation is moving towards internal marketing control by limiting channels that we are utilizing to in store and select grocers. Our target markets present great opportunities for company growth as this industry is experiencing increase. We currently hold a majority of the coffee market and are confident in our ability to dominate the coffee creamer market as well. We will accomplish this by stressing quality, simplicity in design, and natural ingredients. Starbucks loyalists, adults aged 35-54, students aged 18-24, and Target shoppers will benefit from our product in terms of quality and convenience. The key to reaching our target markets is to make them aware of the accessibility of our product. Due to the brand awareness and with the correct marketing, we expect our product to practically sell itself.

3.1 Mission

Starbucks Corporation's mission is, "To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time." We are sensitive to the need for a good cup of coffee under any circumstances which is why we feel passionately about providing a Starbucks coffee creamer for our consumers. We always do our best to provide a superior product and we value our customers who care about having quality coffee. We strive to make our customers' dollar go as far as it can. We work hard to create a unique and comfortable environment within our Starbucks stores and we hope that this new product will provide that same experience in consumers' homes. We seek fair and responsible profit, enough to stay financially healthy for the future and to fairly compensate our workers.

3.2 Marketing Objectives

Our marketing strategy would aim to make Starbucks Coffee Creamer available to a wide range of consumers. To accomplish this, we would promote the affordability and convenience in the take home package. Continuing to build upon our strong working relationship with Target Corporation, we would offer our product exclusively to their shoppers. Our product will also be available in Starbucks stores. We have positioned our product at the highest quality offering status at affordable pricing.

Our presence in these select retailers will increase awareness and accessibility of our product to our specific market segments that we wish to target. Because Starbucks

product offerings concentrate on quality at affordable pricing, Target is a natural selection in reaching appropriate potential customers.

3.3 Financial Objectives

1. To gain 10% of the coffee creamer market share within the first year.
2. To raise corporate net revenue by 2.5% specifically from the introduction of the coffee creamers and increase corporate revenue by \$30 million to \$13,030,000,000.
3. To raise net revenue by an additional 2.5%, for a total of 5% over the next five years.

3.4 Target Markets

Our segment definition is planned very strategically. It is not our goal to meet the needs of every coffee creamer user, but rather those who value the Starbucks brand. We are definitely out to meet the needs of the high class coffee drinker who is willing to pay more for quality and prestige in an exceptional coffee creamer. In this particular market, we desire a customer who appreciates the quality of the coffee creamer and the simplicity in the natural ingredients.

- **Starbucks Loyalists:** According to our Annual Report, Starbucks served 60 million customers per week in 2011. Of those, we estimate 2 million

were Starbucks Gold Card Members. That 2 million would be our target demographic as they are the most loyal to our brand.

- **Adults (35-54):** Adults aged 35-54 account for 42% of the total coffee market. Due to the 40+ hour work week, coffee is a part of their daily routine.
- **Students (18-24):** The number of students who drink coffee has increased 10% in the last two years. This brings a total of 40% of students who drink coffee daily. This is typically the age when individuals begin to drink coffee which provides us with the opportunity to gain new brand loyalty with students who are image conscious.
- **Target Corporation Shoppers:** These shoppers care more about the value of a product than price. According to the Target website, people shop at Target for the competitive prices and value, in addition to selection. Our product will seamlessly fit in to the upscale, trendy array of products that Target has to offer.

3.5 Positioning

Our competitive edge is our brand awareness and brand loyalty within the coffee industry. Although there are many different coffee creamer brands, we feel that coffee fanatics will select our coffee creamer with its superior quality and the prestige associated with our brand. We focus on the customer that values and desires the

prestige of the Starbucks brand and the unique taste of our flavored drinks. What is important to our customer is high-value, high-quality products.

3.6 Marketing Mix

Our marketing mix depends mainly on our new product and marketing techniques. We are placing more emphasis within our channels since we already have a trusted brand. Utilizing these channels is the key to seeing growth within this new market.

3.6.1 Product Marketing

Our product marketing has to focus on the endless possibilities of bringing the Starbucks experience in to your own home. We need to sell the experience and prestige that is offered with our brand name and packaged in a coffee creamer.

Our product's most important challenge is the problem of getting prominent displays among competitors selling the same product. With so many brands competing for the same prime shelf space, it is important that we get the most prominent spot to maintain our image.

3.6.2 Promotion

Our promotion strategy is based on getting the word out to the right people. We won't waste our budget on people who don't appreciate what we have to offer. Our focus is to make sure those who appreciate our product know how to find our product.

The marketing has to convey a sense of quality and accessibility in every promotion we choose to display. We strive to appear as top of the line within these industries.

3.6.3 Service

We strive to be accessible; therefore, customer service has to be top priority. We aim to maintain the good working relationship we have with Target Corporation. By assuring that shipments arrive on time and making sure shelves are stocked at all times with Starbucks products, our customers can always find what they're looking for. Keeping the establishment of a quality working relationship is always an ongoing process. We here at Starbucks Corporation plan to continue honoring these working relationships to provide a quality product to our customers.

3.6.4 Channels of Distribution

If a consumer would like to purchase Starbucks Coffee Creamer, they are only able to purchase it at select locations. We have chosen two main outlets for distribution: Target stores and Starbucks cafes. The quality and value of the product are shown through these channels. By selling our product at these select stores, we show the sophistication of our product in comparison to more common grocery store brands.

When selecting a coffee creamer, many consumers look at price, quality, and taste. For the frugal minded consumer, to purchase a bottle of coffee creamer once a

week is much cheaper than buying a daily latte from a coffee house. This allows for the bargain hunter to save money while still experiencing the prestige of Starbucks' taste.

3.7 Marketing Research

Due to the market segmentation Starbucks has established for its coffee creamers, we will require frequent updates of purchasing patterns and changing demands from customer needs. By being mindful of what is being said in regards to our new coffee creamer line on social media and online reviews, we will be diligent to track our consumers' response to the new product.

4.0 Financials

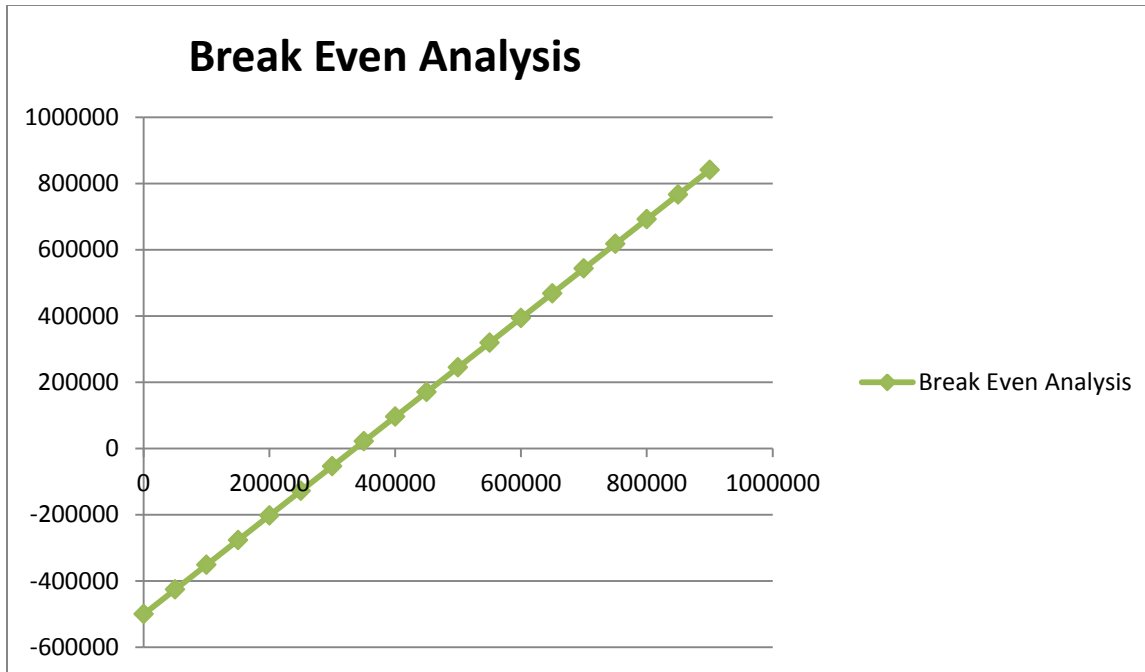
The financial picture looks great for this new product. Because of the high demand for coffee creamers during this season, we can expect to see incredible growth. Coupled with the brand awareness and high demand that Starbucks Corporation already commands, this new product is sure to perform as good as or better than projected.

4.1 Break-Even Analysis

Our break-even analysis is based on the average price of units and profits needed to break-even. All of our calculations will be based on the sale of the 16 oz bottle. Research on cost of production in this industry is very difficult to make relevant for our unique venture. For the sake of this analysis, we have estimated that our fixed costs will be \$500,000. We recognize that this may be a lower number than reality would likely show, but the concepts are still the same and calculations can be easily adjusted once we know actual fixed costs. That \$500,000 would include a budgeted \$100,000 for marketing and promotional concerns. We also estimate that the total cost per bottle to produce will be around \$2.00. By selling our product at \$3.49 per bottle, we would make \$1.49 profit. According to our calculations, we need to sell 335,570 bottles a month in order to break even.

Pricing Break-down per 16oz bottle:

Ingredients	Estimated Cost
2% Milk	.15
Heavy Cream	.35
Flavoring Ingredients	.50
Packaging and Production	1.00
Total Cost:	\$2.00



Break Even Point = where line intersect with 0 (335,570 units)

Monthly units to break even	335,570.00
Monthly revenue to break even	\$1,171,130.93
Assumptions:	
Average per-unit revenue	\$3.49
Average per-unit variable cost	\$2.00
Estimated monthly fixed costs	\$500,000.00

4.2 Sales Forecast

Our sales forecast assumes no change in cost, as we are operating on an average cost rather than specific month to month basis. For the sake of these calculations, an

average will give us similar results and is close enough to get a good picture of what our financial picture will end up like.

We are expecting to gain \$30,000,000 in revenue over the next year to reach our targeted sales goals. The growth forecast is in line with market trends and should definitely be reachable given our current level of brand awareness. We expect that this will grow the company as a whole 2.5% during the first year of the product life.

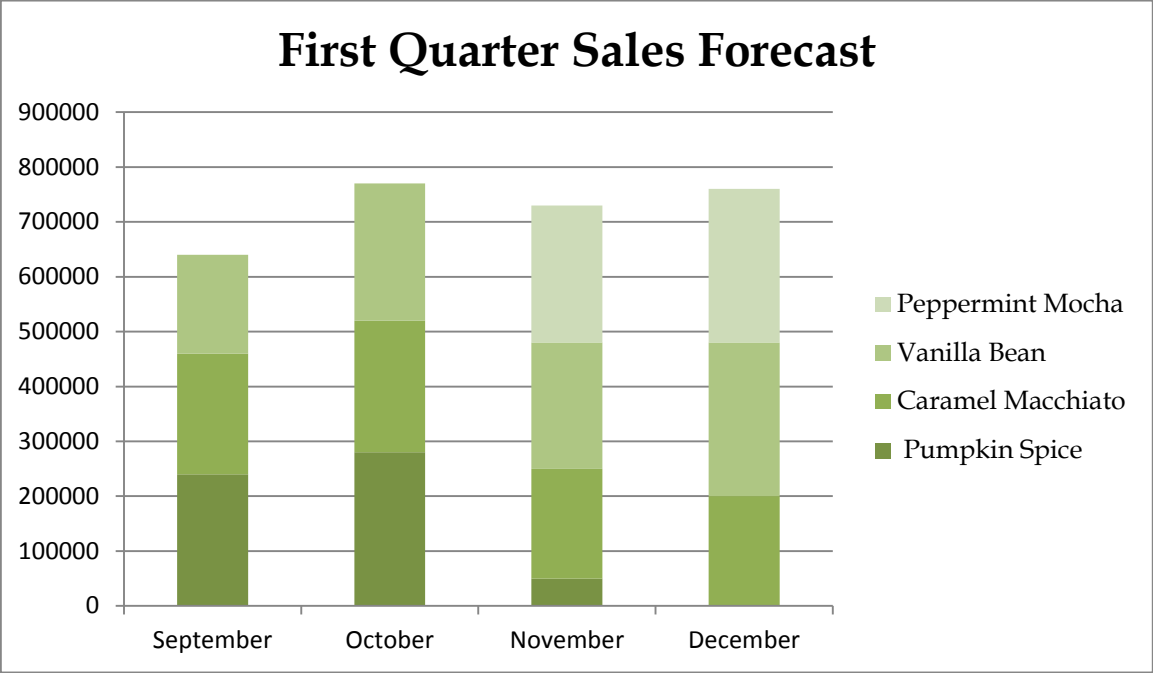
In September, we plan to run a TV ad featuring the pumpkin spice flavor. This will help raise awareness about the new product line and will boost sales of the pumpkin spice flavor higher than the rest of the flavors that we will be offering at first.

October is projected to be a good month for us. We will be continuing the fall TV ad as well as placing ads in Target's print ads. We will also be doing a lot of advertising and PR via social media outlets. With an increased awareness of our new product, as well as a high demand for fall flavor offerings, we expect to sell an estimated 770,000 units, up from 640,000 in the previous month.

As November hits, we will be releasing the peppermint mocha flavor and ceasing production of the pumpkin spice flavor offering. We will also add a new push in advertising for the winter theme flavor. However, we recognize that this is no longer a brand new product to the market, and after the initial buzz period, there may be dip in sales before things start to level out. With these things in mind and because of the combined sales of the remaining pumpkin spice flavors, as well as the new boost in sales from the peppermint mocha offering, we expect sales to reach 730,000 units.

We do expect a slight increase in sales during the December month. The demand will increase as Christmas approaches and consumers will be flocking to purchase the peppermint mocha flavor specifically. The cold weather and the numerous holiday parties are sure to help push our numbers up. We estimate that unit sales during this month would be 740,000.

This quarter will be the highest in sales every year, as the winter months are when the majority of hot drink products are purchased. We expect the surplus in sales during this time to carry us throughout the rest of the year so we can continue to thrive and see our product grow throughout the years to come.

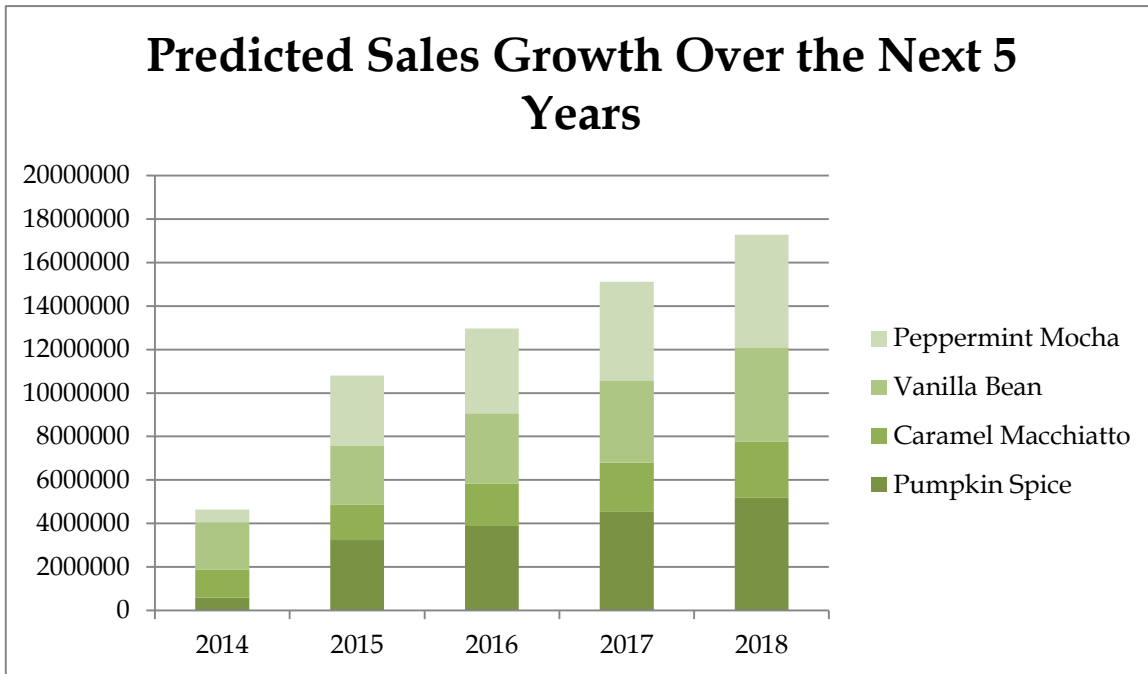


Sales Forecast for First Quarter

Unit Sales	September	October	November	December
Pumpkin Spice	240,000	280,000	50,000	0
Caramel Macchiato	220,000	240,000	200,000	200,000
Vanilla Bean	180,000	250,000	230,000	260,000
Peppermint Mocha	0	0	250,000	280,000
Total Units Sold	640,000	770,000	730,000	740,000

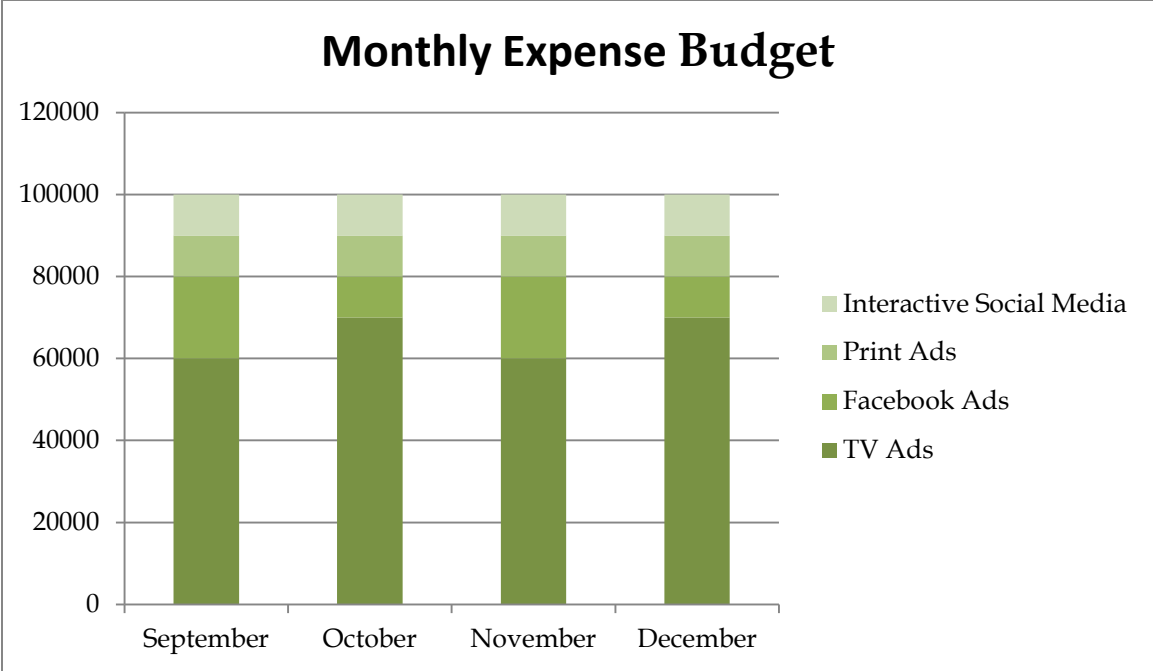
We predict that we will sell over 8,000,000 units in the first year alone. After the initial year, we will work to increase the number of channels that our product would be available through. We are looking to gain one or more major retailer a year, with the hope of being in every major grocery retailer by the year 2018. It is expected that these sales will amount to approximately \$60,000,000, or 5% of total company revenue. Once we reach this point, marketing objectives would simply be to maintain this level, and to maintain a 20% share of the total coffee creamer industry.

Sales Forecast for the Next 5 Years					
Unit Sales	2014	2015	2016	2017	2018
Pumpkin Spice	2,592,000	3,240,000	3,888,000	4,536,000	5,184,000
Caramel Macchiato	1,296,000	1,620,000	1,944,000	2,268,000	2,592,000
Vanilla Bean	2,160,000	2,700,000	3,240,000	3,780,000	4,320,000
Peppermint Mocha	2,592,000	3,240,000	3,888,000	4,536,000	5,184,000
Total Units Sold	8,640,000	10,800,000	12,960,000	15,120,000	17,280,000

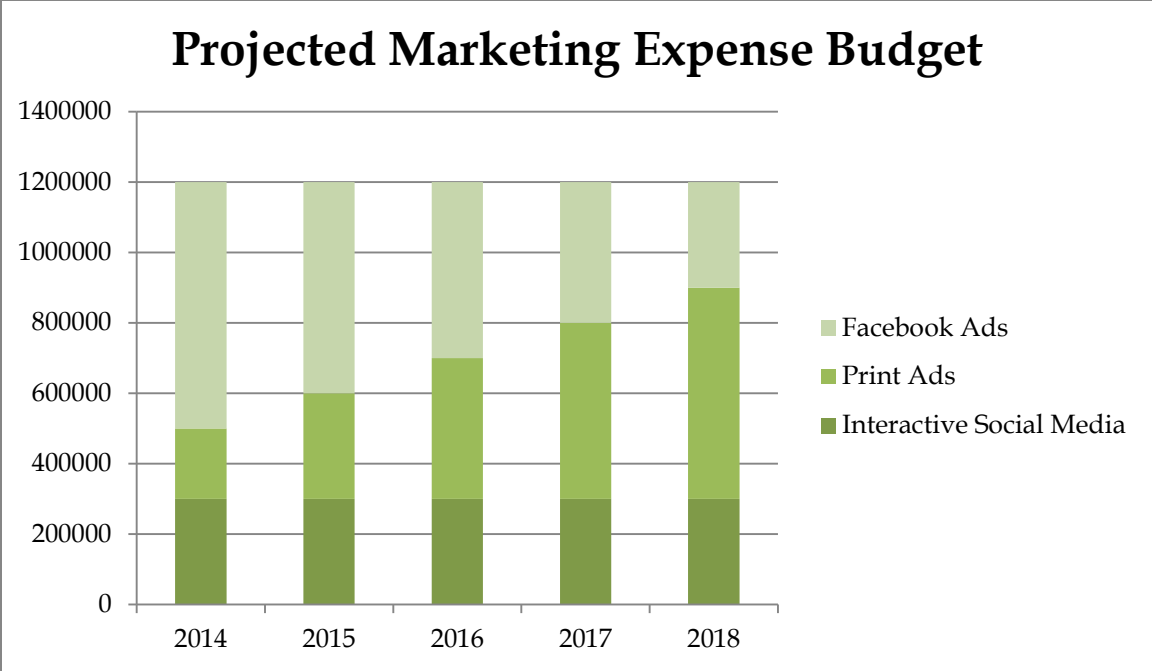


4.3 Expense Forecast

Our expense forecast is based on initially high emphasis on getting the word out about our products. Since our product is so young, we feel that we must first inform consumers about the product. We feel that the most successful way for us to do this will be through TV ads. The majority of our marketing budget, at least in the first quarter, will go to TV ads. As we place emphasis on TV, we will place less emphasis on social media ads. As our product becomes more well known, we will place more emphasis on reminding consumers about the product via social media and print ads, both of which are cheaper means of advertising. Social media ads will increase as we use TV ads less frequently.



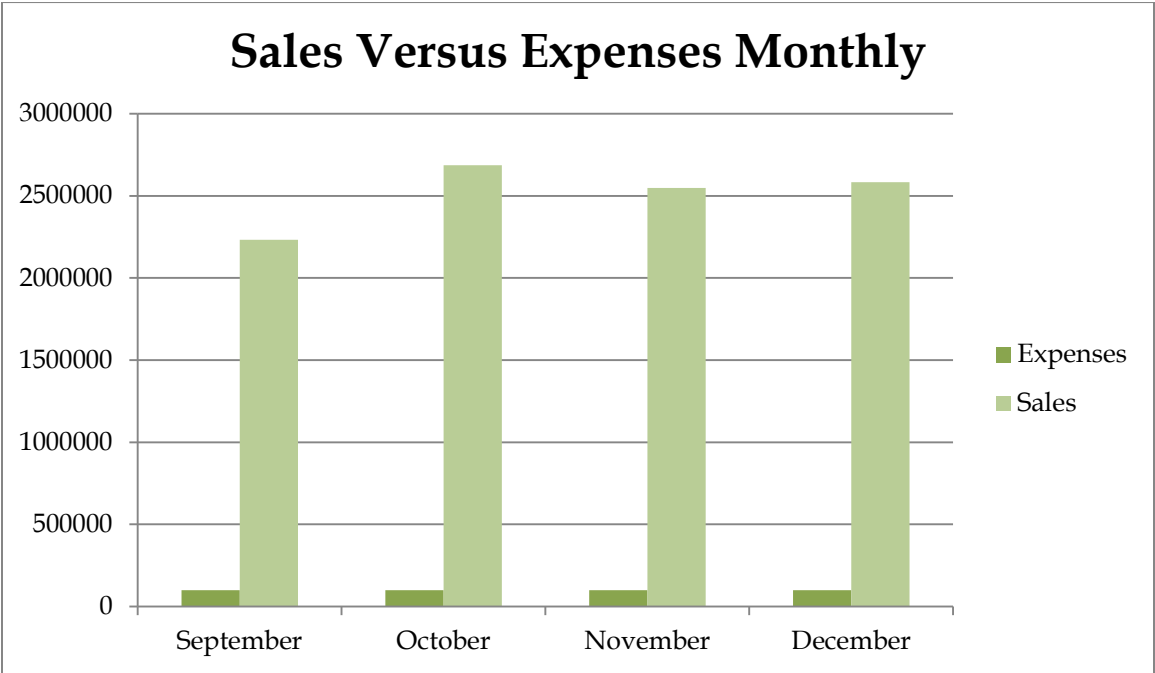
After the first year, marketing would stop targeting TV ads altogether and instead focus on placing ads in grocery store circulars as we enter into new channels of distribution. We would also focus on keeping a heavy presence in the social media world, including Facebook ads and maintaining our own profiles on outlets such as Twitter, Facebook, and Instagram. The allotted monthly \$100,000 marketing budget would remain the same, for a total of \$1,200,000 for the entire year.



4.4 Linking Expenses to Strategy and tactics

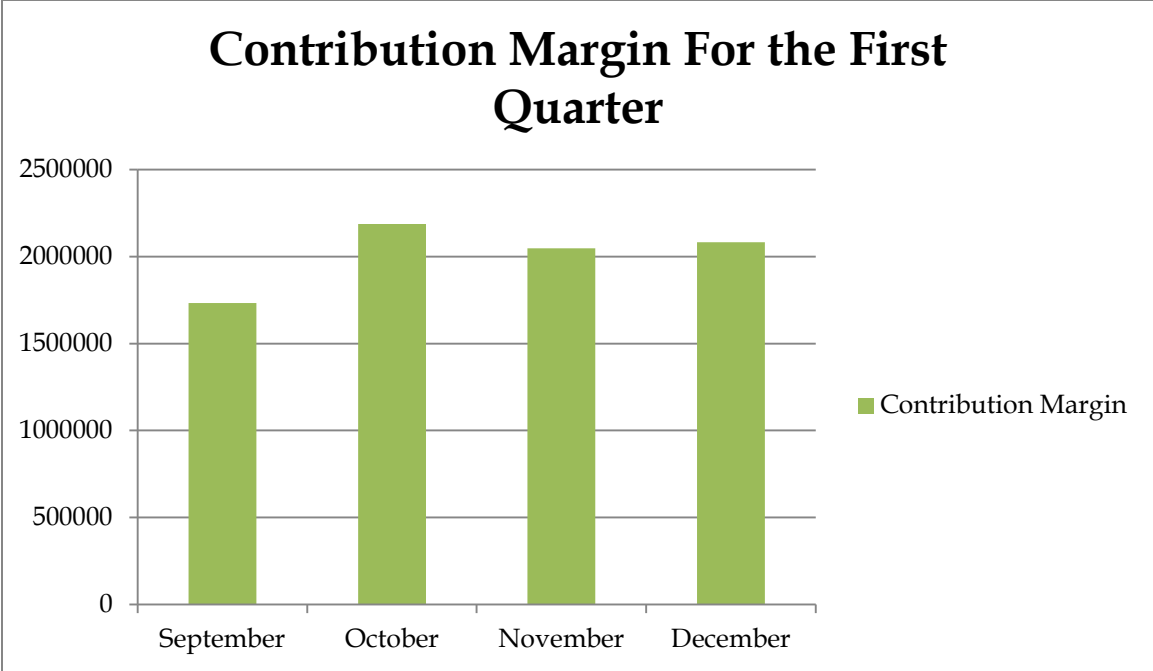
Our revenue predictions are based off of the previously established brand awareness that the Starbucks name already possesses. Our marketing expenses will be relatively low compared to our revenue because the Starbucks Corporation has already invested millions of dollars to get us to where we are today. All that will be required of us is maintenance. We won't have to flood media outlets with information about our brand, because our target markets are already familiar with our brand. Through everything we are doing on social media, Starbucks loyalists will become aware of our new product and rush to stores to pick up a bottle for themselves. Since we already have established "fans" on social media sites and a long list of consumers already receiving our daily email reminders, we won't have to spend as much capital on

building up these resources, it will simply come down to utilizing what the brand already has in place.

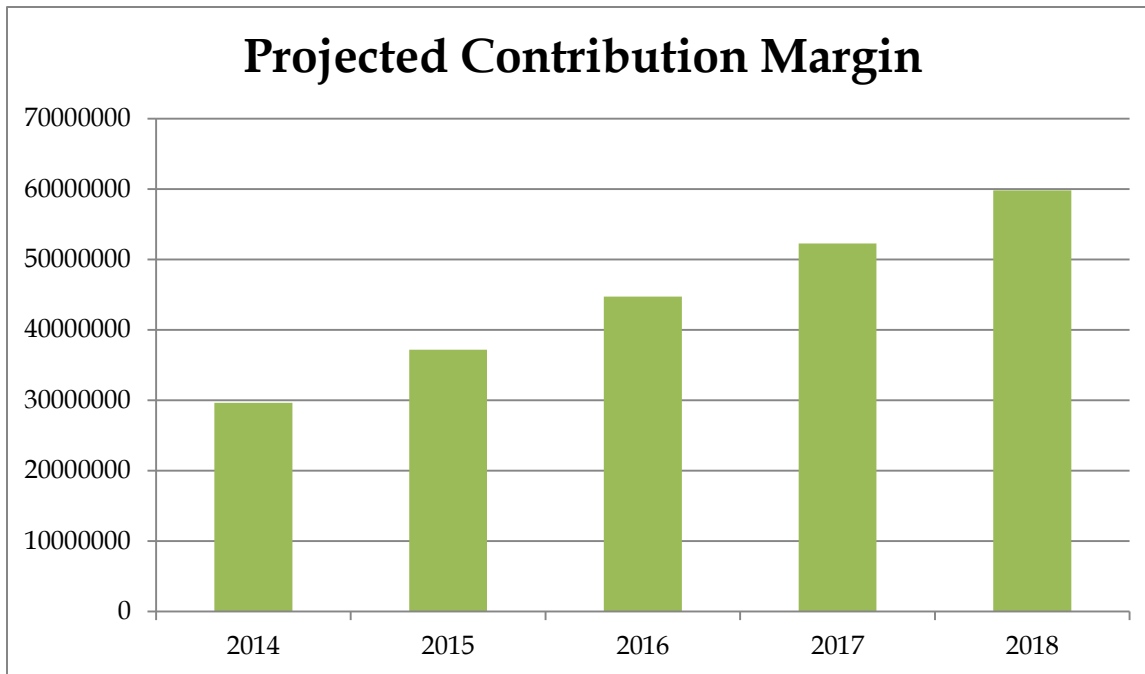


4.5 Contribution Margin

We expect our contribution margin to increase from September to October as awareness for our new product grows. After the initial jump, we do expect to see a small dip after the newness of the product wears off. December should make up for this dip, as demand for flavored coffee creamers is always at its highest in December. Overall, we can see that the contribution margin will put us on target with both our goal to increase company revenue by 3% and our goal to take over 10% of the coffee creamer industry in one year's time.



As the channels and revenue grow over the next 5 years, so will our contribution margin. We project that this number will grow almost 8% annually. These numbers are all based on the assumption that cost of production will not go up in that time. In order to maintain these levels of profit, we must have consistent pricing to consumers and maintain consistent cost to produce and market this product. Based on these numbers, we will reach our 5% company growth in five years' time, right on schedule with our current financial goals.



5.0 Controls

The coffee creamer industry is steadily growing at a calculated average of 1.68% annually. With this in mind, part of our marketing program would be to wait a year and then seek to expand our line into places such as Meijer or Kroger. As we expand, we expect sales to expand as well. Our numerous franchise locations, along with the frequency of Target stores combine to ensure that our product will always be accessible to the markets we wish to target.

5.1 Implementation

Starbucks will begin summer of 2014 by continuing to strengthen the working relationship we already have with Target Corporation. Currently, we have mini

Starbucks cafes within many Target superstore locations. This has been fruitful throughout the years for both parties and we are excited for the opportunity to continue this relationship through advertising for our new product line. This would include many forms of collaborative ads, featuring both Target Corporation and the Starbucks coffee creamer line, specifically TV and Target’s weekly print ads with modified pages featuring ads for our product.

Project	Start Date	End Date	Budget	Department
First TV AD	September 10 th	October 31 st	\$130,000	Ads
Second TV ad	November 10 th	December 31 st	\$130,000	Ads
Fall Facebook Ad campaign	September 1 st	October 31 st	\$30,000	Ads
Winter Facebook Ad campaign	November 10 th	December 31 st	\$30,000	Ads
Interactive Social Media	September 1 st	December 31 st	\$40,000	PR
Print Advertisements (in coordination with Target)	September 1 st	December 31 st	\$40,000	Ads

After the initial push to gain awareness about the new product, our marketing focus will move to raising awareness as we release the product into other channels of the market, such as Meijer and Kroger. Our budget will be diverted mainly to placing ads in grocery store circulars, so that the shoppers of these grocery chains will be aware of the product and will seek to purchase it at their home grocery stores. We cannot fully predict what these may be, as it will depend on what major grocery store brands show interest in selling our product. The two grocery chains that we would first focus on

would specifically be Kroger and Meijer as they are the most consistent with the market segments that we wish to target.

5.2 Marketing Organization

Howard Schultz is the chairman, president and chief executive of Starbucks. He is in charge of everything that happens within the company. Shultz oversees everything that goes on in Starbucks including the marketing, operations, financing, creating company culture, and human resources, to say a few. Schultz was a manager at another coffee shop before he had an idea that led him to break away from his current job and create the international growing restaurant known as Starbucks.

One of Schultz's accomplishments that he has done for Starbucks was to turn it into a café. Before Schultz, Starbucks sold only the beans and items that people would need in order to create their own coffee. The whole business changed when Schultz bought it out.

Sales have increased at an astounding rate since Schultz bought the company. Schultz took a company that had only four locations and built it into the empire it is today. We currently cover 61 different countries with 17,651 store locations. Our CEO created a new way for coffee houses to operate. Today, it's the most successful coffee chain in the world.

5.3 Contingency Planning

Starbucks coffee is unique in its use of high quality products and reputation of luxury. Our coffee creamers will stand out on the market because of these things and also because of the organic ingredients we are choosing to use. A possible challenge would be the emergence of a coffee creamer with similar flavors and organic ingredients at a lower price. However, since we are choosing to use this higher price as a marketing strategy, we don't feel that a lower priced product will be a large threat. We also have fewer flavors to offer the market than many of our competitors offer at this time. Those consumers seeking complicated and exotic flavors will be turned off from our product. Since our flavors are trademarks of our brand, we will not choose to release flavors that are not directly associated with the Starbucks Café experience. Even though we are late in entering this market, we feel that the Starbucks name is so well established and associated with so much quality that our products will virtually sell themselves.

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