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1. Executive Summary

Marketing Environment

Located only a few blocks from the University of Oregon campus, D.I.Y. Tea and Beyond offers a relaxing study environment and an impressive entertainment center as well. Their drinks and food can vary and are probably considered to be more expensive, but the quality of the product and the atmosphere are the added value to the experience.

Within the coffee and tea market, competition is stiff and with so many strong chain companies, it is vital for small local companies to embody certain criteria to attract their consumers. D.I.Y. needs to compete also with local tea companies as well as Starbucks and Dutch Bros in order to bring in consumers. With their high quality products and superior customer service and atmosphere, D.I.Y. has some room to make an edge in the Eugene market. *Promotional Mix*

S-T-P

Looking at three different layers of segmentation, the target market was identified after inspecting Ethnicity, Lifestyles, and Benefits. We found the target to be domestic students who love speciality drinks and seek unique atmospheres in their coffee shops. D.I.Y. already has a large foothold in the international student population so it would be to their benefit to begin to reach out to new areas of consumers in order to broaden their customer base and maximize their exposure.

IMC Toolbox

D.I.Y. currently has multiple social media accounts, including Facebook, Instagram, and WeChat, that are consistently updated and monitored. In the store, D.I.Y. has weekly promotions and specials for those who come to the store often. D.I.Y. also offers an online loyalty rewards. They have minimal print media published about them and for the most part, their main form of marketing is by word of mouth.

Communications Campaign

To bring an exciting event to campus that will attract domestic students will be the best option for D.I.Y. to reach their target market and bring them into their store to try their products. The Bubble Bash will be held on the Gerlinger lawn and will include prize giveaways, coupons, and free tastings of D.I.Y.'s popular drinks.

Implementation and Measurement

The space and materials for the Bubble Bash event will need to be rented as well as hiring on a local DJ. In preparation before the event, bubbles will be passed out along with flyers that highlight important information about the event. Coupons will be distributed to attendees and the rate of success will be measured based on the amount of coupons they receive back and the change in domestic students served at the store over the following month.

2. Analysis of Marketing Environment

Internal Environment

Situated on the corner of 13th and Patterson Avenue rests D.I.Y. Tea & Beyond overlooking the busy traffic of cars and students making their way to and from class. The entrance is large and modern with the great windows wrapping around the exterior bringing in natural light. The walls are covered with a subtle grey wallpaper with a brick pattern to give the appearance of a vintage styled home with modern color and room to decorate. There are small perks around the cafe including free wifi and umbrellas by the door that could be borrowed on a rainy day making the place feel very welcoming to its patrons. Large tables with comfortable chairs are scattered around the room, filled with students either enjoying a drink with a friend or studying over piles of books with a demolished lunch plate next to them. Looking past the tables is a large entertainment center playing modern tunes or projecting a pokemon rerun episode surrounded by plush couches with games to play and books to read. Whether a customer is coming to study or hang out, D.I.Y. provides everything a consumer will need to enjoy their stay at their cafe.

Their menu is filled with different assortments of drinks and beverages to enjoy as well as a variety of food or snacks their patrons can enjoy with their drinks. With the average drink ranging from \$3.00 to \$6.00, D.I.Y's menu is reasonably priced for the quality product the consumer is receiving. D.I.Y also offers a modest array of snacks and desserts to enjoy with a drink and are freshly prepared in their kitchen ranging in prices of \$5.00- \$7.00. The options of customizations in their drinks allows customers the freedom to try new options and taste all that D.I.Y. has to offer all in an affordable price range in comparison to its competitors. The only

thing that is better than the menu is the friendly staff. If you aren't greeted by a smiling D.I.Y. member, Richard, the owner himself will greet you with a handshake and will personally help you in your purchasing decision if you have never been to their cafe before.

External Environment

The U.S. Coffee Shop Industry Overview and Trends 2016

Companies in this industry operate small restaurants that serve coffee and other beverages as well as simple foods. Even though D.I.Y. serves mainly mixed-tea drinks, it belongs in the coffee shop category in the U.S because of its similarities in patrons and products outside of coffee. The U.S. coffee shop industry includes more than 22,000 stores with total annual revenue of about \$12 billion. Coffee shops are part of the specialty eatery industry, which includes outlets specializing in products such as bagels, donuts, frozen yogurt, and ice cream. With demand being driven primarily by consumer taste and income level, the important aspects of being successful in this industry are to secure prime locations, drive store traffic, and deliver high-quality products. Large companies, such as Starbucks and Dunkin' Donut have advantages in purchasing raw materials, finance, and marketing. Local coffee shop owners must compete with those national brands by using localization strategies, which reinforce their local responsiveness to customer tastes and preferences. Different strategies they could adopt can include offering specialized products that match for local tastes, providing superior customer services, and creating atmosphere that matches local cultures. With the U.S. coffee shop industry generating 70 of its sales in its top 20 companies¹, local businesses will need to adopt these strategies in order to compete.

¹ Data derived from Small Business Development Center Network coffee shop business research report

Continued increases in consumer demand and disposable income have had a positive impact on the Coffee Shop industry in recent years. (Appendix C) Since the economy has continued to recover and disposable income increases, consumers are more willing to spend money at coffee shops. The industry revenue in 2016 is \$39.4 billion that generates a profit of \$2.6 billion, which have increased at annualized rates of 4.3% during 2011-16. Combined with expanding menus, the industry is well positioned for growth. By 2021, the industry revenue is expected to grow at 2.8% annually to reach \$45.3 billion (Appendix A). The industry has seen large increases in growth and therefore, the industry becomes more competitive. Pricing and new product expansion including healthier alternatives for consumers are key factors for competitive success (Appendix B). The coffee shop market is primarily segmented by household income, age and geography. Average consumers spend approximately 5.2% of their annual household expenditures on eating out. The U.S. consumers who have highest income quintile generate 37.8% of the industry's annual revenue.²

Key External Drivers³

Consumer spending is one of the most important drivers for this industry. During the low economic growth periods, consumption at coffee shops declines due to lack of overall disposable income. On the other hand, when consumer spending is high, consumers are more likely to spend money on food and drinks in coffee shops. Looking at current economic trends, consumer spending is expected to increase in 2016, providing a potential growth opportunity for the industry.

² Data derived from IBISworld.com Coffee and Snack Shops in the US Industry Report

³ Data derived from SBDCNet. com Coffee Shop Business 2016 Report

Healthy eating has been an emerging social trend in recent years and consumers are more aware of health issues associated with their diet. The healthy eating trend is expected to increase year after year. Since consumers' diets are progressively improving and changing, their concern about taking too much caffeine and sugary or fatty items increases. To ignore this healthy trend becomes a potential threat to the industry and must be addressed.

Consumer confidence index plays a crucial role in any industry to predict the consumer spending. The Consumer Confidence Index measures consumers' perceptions about their current and future financial prospects, whether their income would increase or decrease. During periods of low consumer confidence, consumers tend to not spend on discretionary items, including products from coffee shops, and save their money. The Consumer Confidence Index has however increased in 2016, predicted to increase in the next few years.

Industry Structure⁴

Life Cycle Stage/Mature: The Coffee Shop industry is in the mature phase of its lifecycle. Industry revenue has grown consistently during the past decade and expected to grow in the next few years with product line expansion toward specialty and gourmet drinks as well as international business expansion. However, in many regions the industry has become saturated as there are fewer new customers. Therefore, companies are all competing for a share of the market and this brings the highest level of competition, it becomes increasingly challenging for companies to maintain their market share.

Technology Change/Moderate: The rate of technological change within the industry is moderate, but the rapid increase in internet penetration and smartphone usage over the past five

⁴ Data derived from /valuationresources.com Coffee Shops Reports

years has presented savvy coffee shop operations, such as provision of online order and payment systems via apps. This opportunity enhances customer services and engagement. The use of online loyalty rewards programs have grown exponentially and are being used at many large coffee chains as well as being adopted into the local cafes as well. Many small coffee shop operators have also utilized online advertising, informative and interactive company websites and social media such as Twitter and Facebook to increase their brand recognition and revenue.

Barrier to Entry/Low: The barrier to enter the industry is low because it is mostly easy to open a single small coffee shop by renting a place, remodeling the place, installing the equipment, and obtaining license as needed. However, there are high entry barriers for the special level or big chain players as a large investment is needed to grow rapidly and significantly. They need to have best distribution systems, such as shops, equipment, and premium locations. In addition, creative marketing strategies must be placed to create brand awareness and brand recognition.

Competition Level/High: There is strong competition within the industry for the market share. Competitors can also be found in other industries, such as convenience stores, gas stations, quick service, fast food restaurants, donut shops, and specialty coffee machines for home use. Competition occurs in diverse situations, such as through special offers, outstanding service/environment (internet, music, comfortable seating areas, short waiting queues), loyalty programs, and for premium locations (retail centers, university campuses, etc.). However, overall the industry is saturated, settled and stable which allows almost all of the competitors to yield good margins.

Major Players and Local Competitors

The industry's major players are Starbucks with 39.8 percent of the national market share and Dunkin' Donuts with 21.9 percent. Both companies are expected to aggressively expand their menus to increase sales and profit margins. They also plan on opening new stores over the next five years while experimenting with different store formats. Especially, Dunkin's Donuts, which are originated in the east coast area, is now trying to expand their business and market share into the west.⁵

In addition to these national brands, there are more than 150 local coffee shops in the Eugene area, including tea houses and similar stores are appearing all around the university area and in the city of Eugene. Within only a few blocks, D.I.Y. has multiple competitors that offer similar products and services. These competitors include Milky Way Tea & Pastry, Townshend's Tea Company, and 221 BCE, a local Chinese restaurant that markets their new partnership with The Rabbit Hole, another tea company that serves a variety of bubble milk teas. (Appendix D) While many of the prices are comparable to D.I.Y., their communications and marketing techniques are different. Townshend's is a larger company with multiple locations and utilizes many different avenues to market their products. They have a website that is easy to navigate and is the first choice on google when searched. The website allows customers to make online purchases to have shipped to the buyer's location no matter where they are ordering from. D.I.Y. is strictly in store purchases and does not have a website, but their facebook page is very well done and almost functions like a website with the frequent constant updates.

⁵ Data derived from statistica.com Statistics and Facts on the Coffeehouse Industry Report

Current IMC Toolbox Decision and Analysis

Social Media

D.I.Y.'s primary and preferred form of marketing communications is the use of social media. In terms of social media accounts, D.I.Y. Tea is currently active on both Instagram and Facebook, as well as WeChat, which will be discussed in greater detail below. D.I.Y uses social media as their main medium for interacting with their target market, the UO Asian international student population. The company's Instagram has 725 followers (as of August 8th, 2016) and is used mainly to display vibrant photos of the shop's various beverage and dessert offerings, as well as to occasionally notify customers of daily or weekly specials and promotions. D.I.Y. generally posts photos to Instagram 2-3 times a week to keep the brand relevant in the minds of consumers. The company's Facebook page, which they use in lieu of a website, provides more in-depth information about the company, including its hours and menu information. D.I.Y. posts much of the same content on Facebook as they do on their Instagram page, though Facebook posts appear to be much more sporadic. As of August 8th, 2016, the D.I.Y Facebook page has 762 'likes' and is rated 5.0/5.0 stars.

WeChat

According to D.I.Y. employee Jen, apart from Instagram and Facebook, the majority of the company's promotional effort is conducted through WeChat, a mobile text and voice messaging service developed in China and released in January 2011⁶. The app, described by Jen as being "like Facebook but for international students", is indeed used primarily among the international student population and is used by D.I.Y. as a tool to provide information about their

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brand and to interact directly with individual consumers in this target market. Both the shop and the manager have their own individual WeChat accounts, which they use to communicate with frequent customers. WeChat allows customers to message one of the two D.I.Y accounts and gather information or answer any questions that they have concerning the company.

Promotions & Coupons

In addition to online communications, D.I.Y. offers various weekly and daily promotions each month (for example, this week D.I.Y is offering customers 20% off their selection of frappe smoothies). Promotions are communicated through in-store signage and through the company's social media platforms, as noted above. D.I.Y. uses these promotions to create goodwill and value for their brand, as well as to encourage customers to try a variety of the brand's beverage offerings.

D.I.Y. also periodically offers its customers \$1-Off coupons, which can be redeemed at any time for any D.I.Y. purchase when in circulation. The example coupon provided by owner Richard Zheng (see Appendix E) provides consumers with information pertinent to the company, such as D.I.Y.'s address, phone number, and store hours. Information about additional benefits offered by D.I.Y., including free Wi-Fi, board games, and movie nights, is also included on the coupon. The example coupon is outdated, however, and needs to be revamped.

Loyalty Rewards Program

D.I.Y. currently runs an online customer loyalty rewards program using the SquareUp app. For every purchase of \$4.25 or more, customers enter their phone number on a tablet at the store's main counter and receive a star sent directly to their smartphone or tablet. Customers who collect a total of ten stars (also called 'points') receive one free drink of their choosing,

redeemable at any time. D.I.Y. uses this loyalty rewards program to both reward customer loyalty and to encourage repeat purchases among existing customers. The rewards program is not heavily promoted, however, so it is unclear how many customers take part in D.I.Y.'s current program.

In-Store Signage

In-store signage is another IMC tool that D.I.Y. uses to alert customers of on-going promotions, events, and specials at the point-of-purchase. Signs are located in the store windows, on the wall behind the counter, as well as directly next to the cash register. In-store signage generally reiterates promotional information provided through the store's social media platforms. *Print Media*

In April 2016, D.I.Y. founder and owner Richard Zheng gave an interview for an article in the local Eugene Weekly newspaper discussing his vision and concept for the company, as well as promoting the myriad of drinks and snacks the store offers⁷. This feature story helped to provide consumers with background information about the company and to generate awareness for the then-new tea and coffee shop.

Word of Mouth Marketing

Although it is not necessarily an IMC tool, it is important to note that word of mouth marketing is vital to D.I.Y.'s success. Since the company currently has a strong hold on the international student market, it relies heavily on its current customers to refer friends and peers and spread awareness of the brand.

⁷ http://www.eugeneweekly.com/chow/boba-bandwagon

SWOC Analysis

Strengths

D.I.Y.'s strengths are their location related to campus. They are located on Patterson street which is three blocks from campus. The shop has free and reliable internet and lots of seating, making a good place to study when Starbucks closes. The hours of operations are another strength. The most well known of their competitors, Starbucks, closes at 9:00 pm as D.I.Y. does not close until 11:00 PM. D.I.Y.'s current social media following is high. They have a large number of followers on Instagram and Facebook as well as a high rating on Yelp. The location is close to a PokeStop making it an attractive place for people to stop and stay for a while.

Weakness

One of D.I.Y.'s weaknesses is the number of competitors between campus and the shop. There are several similar drink locations, Starbucks and Milky Way, on the way to D.I.Y. A large majority of customers have a brand loyalty to Starbucks, whether they be domestic or international, and this may be hard to break when trying to expand market share. D.I.Y. lacks a website and relies only on their Facebook page as way of communicating location, time, and menu options to potential customers.

Opportunities

Milky Way, a competitor of D.I.Y., is currently under construction and closed for business during this time. We see D.I.Y. as having a unique opportunity to seize market share from Milky Way during this time. These two shops are the only providers of bubble tea and other speciality

Asian drinks in a one mile radius of campus. They have a lot of opportunities to expand their brand through advertising as currently they rely on word of mouth through international students. *Challenges*

One of the challenges of D.I.Y. and many other Asian speciality drink shops is the ability to break into the demographic of domestic students. To some, these drinks and other items may seem scary and uncommon to many. It is challenging to introduce this demographic to a new type of drink and generate repeat customers.

Communication Objectives

Moving forward, there are three main objectives that we want to achieve with our IMC plan. The first objective would be to increase awareness of the D.I.Y. brand among our target market of domestic U of O students. Specifically, we want to generate 10,000 new social media impressions during the first week of our campaign. Our second objective would be to increase overall sales by converting domestic U of O students into new and- ideally, over the long-term-repeat customers who return to buy our product in future purchases. Our goal is to increase sales by 15% within the first 3 months following our campaign. Finally, a third objective would be to maintain customer loyalty among current D.I.Y. customers. Measuring this objective using coupon redemption and loyalty rewards program monitoring, we hope to achieve a redemption rate of 10% within 2 weeks of our campaign.

3. IMC Plan

Segmentation

D.I.Y. sells Chinese type of specialty drinks, such as mixed bubble tea beverages which are popular among Asian culture, but not as well known or popular among other ethnic

populations. Given unique nature of this product, we have chosen in the context of our campaign to segment the market on a basic level by *ethnicity/national origin*: international and domestic. We then segmented this market on a secondary level by *lifestyle/social status*, because it demonstrates social traits and characteristics which are likely to relate with the consumption patterns and usage levels at coffee shops. The three submarkets we created on this level are: affluent local residents, local business people, and students. We further segmented it by *benefits*, classified as follows. The first segment is "specialty drink lovers" who enjoy extra ingredients in their tea-based beverage to make it taste better or healthier, and who are willing to pay a premium price to get what they want. The second segment is "atmosphere oriented space lovers" who care about atmosphere of the space to be and want to use the space for multiple purposes, such as for their study or entertainment. The space is located outside of school and home. The last segmented category is "convenience lovers" who want a good tea with affordable prices in a convenient location.

In the affluent local residents, the most effective target for D.I.Y. will be considered as the specialty drink lovers because this lifestyle segment has a large amount of disposable income that allows them to pay a premium for specialty drinks. They also seek more authentic and healthier beverage options that extend their experience in trying new items. Once D.I.Y. is well reached out to this segment, the affluent local residents would be able to be repeat customers given the product's authenticity and its variation that D.I.Y. offers.

For the local business people segment, we will target individuals who fall under two areas of the benefit segmentations, such as the atmosphere oriented space lovers and the convenience lovers since we think business people have to adapt well to their work situations

which fit with these two benefit segmentations. During their work day, they often go out for lunch or short breaks to get refreshed, or even right after their work is done to have space to get relaxed before going home. In this situation, they could be segmented into the atmosphere oriented space lovers. On the other hand, if their day is busy, they want to make a quick stop to grab a good tea, and have it in their office, therefore the working people who are in this situation become to fall under the convenience lovers.

In the student segment, we will target students who belong to the two benefit segmentations: the specialty drink lovers and the atmosphere oriented space lovers. When they study, meet friends, or feel like watching movies on a big screen, D.I.Y. could be a great choice as an atmosphere oriented space lover. D.I.Y. opens until 11pm, provides free Wi-Fi and free movie night every day, and the location is a few blocks from campus. For the specialty drink lovers, the product quality, uniqueness and variations D.I.Y. offers are considered superior to the products that other coffee shops located by campus offer. D.I.Y. products can attract students who have a passion for quality products and an obsession with their preferable drinks to have.

Target Market

Out of these segmented-markets, we have chosen to focus on domestic students who like specialty drinks and seek an alternative place to study and meet with friends. Right now, international students are heavy users who account for the majority of the sales. These devoted consumers can come back to D.I.Y. without being marketed because they already know D.I.Y. and like the products. In the meantime, focusing on international students as a main consumer group could take attention away from those who need to know D.I.Y. and to be motivated to try the products because international student customers differ from domestic student customers in

terms of their approach to an image of D.I.Y. as a brand. D.I.Y. should consider marketing approaches that are more appealing to domestic students to create a brand awareness among the international student population.

This target market is feasible for D.I.Y. because their unique and authentic Asian product line attracts domestic students who look for new items to try more than just a coffee. D.I.Y. products are uniquely developed and bring totally new taste and experience in having freshly-made-Asian-tea beverages to domestic students. In addition, D.I.Y. opens until late night that allows students to study on computer by using free Wi-Fi, and stop by anytime between their going home and school. The shop space is spacious, clean, and bright with big windows. The shop also offers entertainment systems such as a big screen TV and speakers. These resources and services can meet this target market's needs.

Even though domestic students are already targeted by all other coffee shops around campus, this target market is small enough with a unique set of needs and wants. Our target domestic students need opportunity to have high quality, healthy, and authentic tea beverages, again not just a coffee, and want to pay a premium price to get them. By targeting only domestic students, we can reduce too much diversity in the needs and preferences. It also helps concentrate on one culture, language, and values that domestic students uniquely possess, in the other words, these are different from what international students value. In addition, the proportion of the domestic student population at University of Oregon is 70 percent, dominating the entire student population of the university. Every term, the university welcomes new domestic students across the nation, so the domestic student population is stable and still has

⁸ UO Facts, admissions.uoregon.edu website

potential to grow constantly. Therefore, this target market has attractiveness in terms of its segment structure, segment size, and growth potential.

Positioning

D.I.Y.'s tea products are positioned as high quality and affordable price, therefore their competitive advantages are products itself plus its services providing an alternative place to study and have entertainments. The location is near campus, but not too close to the noise and the crowd. This product and service competitive advantage indicates distinctiveness and superiority to other coffee shops in the university area.

The positioning strategies we could use will be product leadership positioning and competitive positioning. The product leadership positioning represents D.I.Y.'s strong product uniqueness and authenticity, which is what the specialty drink lovers actually want. Given the industrial growth that attracts others to enter as well as its maturity stage as an industry lifecycle, competing with other coffee and tea shops is crucial. The competitive positioning allows D.I.Y. to emphasize its differences and superiority to existing competitors, such as Starbucks, Café Roma, Milky Way, and the Rabbit Hole by demonstrating D.I.Y.'s product competitive advantages.

IMC Toolbox

Current IMC Toolbox

D.I.Y. currently uses three things in their IMC toolbox well. The first is their Facebook page. The company has a strong following on their page and utilizes it to share upcoming promotions as well as captivating photos of its various products. The second thing they do well is their use of signage. In-store signage reiterates current promotions at the point of purchase,

providing customers with all of the information they need to make an informed purchased. The third tool that D.I.Y. uses well is WeChat. It is vital that they continue to utilize this in order to retain their current customer base of UO international students. We will keep these things the same moving forward.

We also believe, however, that D.I.Y. is not using Instagram to its fullest potential. We want to slightly tweak the way they use their account. Rather than just posting pretty photos of their various drink and food offerings, we feel D.I.Y. should incorporate more information pertaining to their promotional offerings when relevant, including specific dates for the timeline of promotional offerings. Additionally, D.I.Y. should encourage current consumers and potential consumers to post photos of their experiences with D.I.Y. on Instagram, including tags to the company's account. D.I.Y.'s drinks are vibrant and aesthetically appealing, and can attract interest by standing out and grabbing the attention of consumers scrolling through their Instagram feed. This photo-sharing effort would promote interaction and engagement between the D.I.Y. brand and the company's target market.

Furthermore, there needs to be a greater level of consistency across D.I.Y.'s social media platforms. We would like to tweak D.I.Y's use of social media slightly by first providing links to D.I.Y.'s other social media accounts on all of its platforms, and, second, by carefully monitoring its accounts to ensure that any messages posted to one platform are also posted, at least to some degree, on all other platforms.

Finally, we would like to develop a better system for tracking individual customers through D.I.Y.'s loyalty rewards program. Rather than just a phone number, we would like to request more detailed information about consumers (i.e. name, age, past orders) to provide a base

for building a customer database. We also want D.I.Y. to continue distributing coupons, but would like to tweak the format of those coupons to include a specific timeline or expiration date.

New IMC Toolbox

On-Campus Tabling

To reach our intended target market of domestic college students, we believe D.I.Y. should begin having employees table at various locations on campus. This would help to raise awareness of the brand and its offerings among domestic students by introducing students to, and creating conversation around, the D.I.Y. brand. Tabling would not be used on a regular basis, but rather is a tool that D.I.Y. could use periodically or when necessary to strengthen brand recognition and brand recall in the minds of our target market, or to generate traffic to the store. Tabling dates, locations, and times could be announced on the D.I.Y. website and across all of D.I.Y.'s social media platforms, informing and encouraging consumers to stop by the D.I.Y. table. Tabling could also be integrated into the overall IMC toolbox by having employees pass out flyers, coupons, or hold giveaways during the period in which they are tabling.

Promotional Giveaways

D.I.Y. should also begin using giveaways to promote their overall business and their individual products offerings. Giveaways would aid in establishing goodwill and value for the D.I.Y. brand, as consumers would likely be persuaded by the principle of reciprocity and feel more open to purchasing the D.I.Y. brand. Much like tabling, giveaways would not need to be used on a regular basis but could be done only on occasion, to remind customers of D.I.Y.'s value and encourage customer interaction. Giveaways, which could include samples, gift-cards, or any other form of promotional item, would be announced across D.I.Y.'s online

communications and could be held during periods of tabling, in conjunction with flyer or coupon distribution. Additionally, in order to enter drawings for chances to win various prizes, D.I.Y. could require entrants to provide personal information such as their name, email address and phone number. D.I.Y. could then use this information to begin establishing a database of potential customers, which would help D.I.Y. to deliver more relevant and timely marketing messages to its customers.

Coupons and Flyers

We also feel it would be beneficial for D.I.Y. to start handing out coupons and flyers around campus. Flyers would help to build brand awareness by providing students with pertinent information about D.I.Y., including their location, a brief description of the company, store hours, and any current promotions. Coupons, which could be as simple as, say, \$1 off a specialty D.I.Y. drink, could help incentivize students (who might not otherwise) to stop by the store and try out something from D.I.Y.'s menu. Furthermore, the location of the shop is close enough to campus that it is easily accessible to students after class, but it is too far to make it a common spot like Starbucks or Milky Way, which are less than a block from campus. By using coupons, we give consumers an immediate reminder of D.I.Y.'s location and as well as the incentive to go an extra block to try for the first time or make a return visit to the shop.

Feature in the Emerald

Another way to build awareness of the D.I.Y. brand among domestic students and potentially generate traffic to the store would be for D.I.Y. to pursue having the Daily Emerald put out a feature story on D.I.Y. Partnering with a writer for the Emerald to put out a story highlighting D.I.Y. would benefit the brand by providing background and important information

to domestic students that they may not otherwise have access to. A feature story would not be ongoing but a one-time promotional effort. A small blurb on the company website about D.I.Y.'s upcoming feature story in the Emerald, or a tweet and Facebook post encouraging customers to pick up a copy of the new edition of the paper would help to further integrate D.I.Y.'s toolbox and create publicity for the story.

Twitter

D.I.Y. should also add Twitter to their IMC toolbox. We believe they can use this as another outlet to communicate with, engage, and provide information to customers. D.I.Y. can monitor Twitter replies, hashtags and mentions as a way to start conversations with consumers. Or, by providing followers with links to coupons or promotions, D.I.Y. could encourage engagement with the brand by connecting customers with information about upcoming events, sales or opportunities to win prizes or save money. Twitter is a timely way to interact with consumers because of the straightforward and immediate nature of the platform. Furthermore, in terms of the target market there is a broader audience on Twitter compared to WeChat, so we believe it will help expand D.I.Y.'s customer base, particularly as Twitter seems to be more popular and widely used among the domestic student population.

Website

In addition to the tools discussed above, we also believe it would be beneficial for D.I.Y. to establish a more official online presence for their brand. Namely, D.I.Y. should work on building a legitimate company website and use it as a way to generate interest in their unique product offerings, as well as to share menu information, photos, and some company background and history (for example, an introduction to D.I.Y.'s owner Richard Zheng). D.I.Y. could also use

this website as a way to supplement Twitter and Instagram, which currently provide limited resources for consumers searching for information about the company. Within their website, there would be four main tabs containing information about the company. The first tab would be for the menu. We want to redesign a whole new menu with photos of every item directly next to their descriptions. By including a photo of every item, people who have never tried or experienced some of the more traditional Asian items may feel more comfortable and confident ordering these items. The photos will help customers to visualize the product, so they know what to expect when they order each item. The second tab will be a guide to Asian food. It will be titled "Learn". This is where all of the lesser known items to domestic students will be explained and shown. By doing this, it will demystify a lot of the ingredients in the products. The third tab will be social media accounts, and the fourth tab will be an "About Us" page with information about the history of the shop and owner.

Communications Campaign

In order to raise awareness for D.I.Y. Tea & Beyond, our campaign will culminate in an event held during the Week of Welcome on the UO campus featuring a local DJ, free samples, and giveaways. The event will be held on the Gerlinger Lawn and will be staged as a large public dance party. We will be renting five industrial bubble machines to fill the lawn with clouds of bubbles as well as concert-spec speakers for use by the DJ. The DJ was chosen to be local to cut down on costs as well as create an incentive for them to gain exposure. During the event we will host a giveaway for D.I.Y. gift cards where guests will fill out a small information sheet with their name and email for use in building our database. We will also be handing out coupons worth \$1 off their next purchase, to be used within two weeks of the event, which will help turn

attendance into sales. The location of the event is highly visible and will peak the interest of anyone passing by.

For the event itself, we will begin setting up at 11am when the bubble machines and speaker systems are dropped off by the rental company. Five employees will be present to pass out coupons, facilitate sampling, and coordinate the giveaway information. The DJ will arrive at 12pm to set up what he or she needs and complete a sound check. The event will last for two hours and end at 3pm. Clean up and debriefing will occur, concluding with the rental company picking up their products at 5pm.

Promotion of the event will be during the week leading up to the event, starting Monday September 19, with tabling outside of Erb Memorial Union and Duck Store. The table will have information about both the event and D.I.Y. along with customized bubbles coupled with a small flyers to give away. The flyer will have the date, time and location of the event and the bubble will be in a black container with the D.I.Y. logo printed on a white label. This type of promotion utilizes free giveaways as a means of generating interest from the customer, ultimately leading to further investigation from them. As stated above, the location of the event is an additional form of promotion because anyone interested in seeing what is going on will likely investigate and be able to enjoy the event whether they had prior knowledge of it or not.

The event is meant to spark an interest in incoming and current students at the UO and to inform them of D.I.Y.'s presence near campus. A positive association will be created between fun and D.I.Y. and we will hopefully be remembered as the trendy hangout location that threw the bubble party at the beginning of the year. The campaign fits well with the company because of the play on bubbles. Since D.I.Y.'s specialty is bubble tea it makes sense to throw a party that

is centered around the enjoyment of bubbles. Although the bubbles we use to promote and throw the event are different than the tapioca ones offered in our drinks, there is a strong enough connection that can be established between the two that it makes sense.

Communications Campaign Tools

EMU and Duck Store Tabling

Tabling for this campaign would be held in two locations on campus: the EMU and the Duck Store. Specifically, we feel D.I.Y. would benefit from tabling outside the EMU and the Duck Store for a time period of about a week leading up to the actual Bubble Bash event to kick off the campaign. During this week, employees stationed at the D.I.Y. table would help promote the D.I.Y. brand and its products by playing music, engaging in conversations with passersby, and providing students with information and flyers about the upcoming Bubble Bash event (date, time, description of event, etc). Tabling locations, dates, and times would be announced on all of D.I.Y.'s social media platforms to get the word out about the start of the campaign and encourage consumers to stop by D.I.Y.'s table.

Promotional Giveaways - Bubbles

In addition to distributing flyers to help spread awareness for the Bubble Bash event, bottles of personal bubbles will be distributed by employees at the D.I.Y. tables in front of the EMU and the Duck Store to promote the upcoming event. D.I.Y.'s logo will be printed on the labels of the bottles and will be distributed with slips of paper containing information about the event. The theme of bubbles, as well as information about giveaways, will be integrated and promoted across all of D.I.Y.'s online communications.

Promotional Giveaway - Giftcards

During the event itself, D.I.Y. will hold a drawing for a prize in the form of two \$20 gift cards. This giveaway will establish value for the D.I.Y. brand, reinforcing a positive association with D.I.Y. in the minds of our target customers. Giftcard giveaways will be promoted through online communications (social media & company website), flyers, and through word of mouth from employees working the D.I.Y. tables on campus.

Promotional Giveaways - Samples

Free samples of a selection of D.I.Y. drinks and snacks will also be available for event attendees, allowing potential customers to actually try our products. This will hopefully encourage domestic students who are not as familiar with bubble tea to visit D.I.Y. and purchase drinks or food.

Coupons

In addition to our promotional giveaways, coupons worth \$1 off a customer's next purchase will be handed out at the event to help convert event attendance into sales. The coupons will also be used to measure the success of the event by counting how many are redeemed (rate of redemption).

Feature in the Emerald

Ideally, we would aim to have the Emerald issue containing the D.I.Y. feature story timed in such a way that it's release aligns with the week leading up to our Bubble Bash event. This would help raise awareness of the D.I.Y. brand in the minds of our target market of domestic UO students at a critical time and may help boost event attendance. Of course, we would communicate our event plans to the Emerald writer so that he or she could include information about the event in the article.

Twitter

Twitter would be used before, during, and after our campaign to communicate information about tabling, promotional giveaways, and the Bubble Bash to our domestic student following. Tweets containing such info have the potential to be retweeted and shared, further expanding our reach across our intended target market.

Website

Leading up to the event, the company website's home screen would temporarily be replaced with a promotion for our Bubble Bash campaign, similar to that which would appear on flyers. This promotion would be the first thing visitors see when they enter the site and thus highly visible and hard to avoid.

4. Implementation of the Campaign and Measurement

Actions/Tactics

The first action to be taken is to schedule a meeting to put together a team in charge of seeing the event through. The UO will need to be contacted next to make sure that use of the Gerlinger Lawn will be allowed. EMU services will then be contacted to schedule our promotional tabling followed by the rental company, the bubble customization company, and finally our ingredient supplier for samples. Our giveaway display must be set up next followed by a meeting to finalize everyone's position. The day of the event requires set up, tear down and a debrief.

Financials

Expense Forecast

The Bubble Bash event planned to take place at the beginning of the fall term would cost about \$1,000 total, including expenses for the special tabling campaign held prior to the event. These expenses include rentals of bubble machines, generator, and speakers, printing costs for coupons and flyers, and giveaway costs for bubbles and gift cards. With regard to the direct marketing costs, it would be \$49.95 to purchase an advertising spot in Emerald. We plan to reach out to an editor of Emerald for a feature story as a PR opportunity, and it would not cost anything for D.I.Y. When D.I.Y. creates a website, they should hire a web designer, and it costs between \$2,500 and \$5,000 if it is a basic website creation. Other social media, such as Facebook and Twitter would not physically cost, even though staff time and relevant salaries could be accounted for. Other sampling projects would cost regarding its staff time/hourly salaries and giveaway sample items. D.I.Y. needs to re-print coupons and flyers when it runs out which costs \$23 for every 1,000 units. The total expenses for the IMC plan would be around \$4,000 to \$6,000 a year.

Breakeven Analysis

Since we have estimated the costs for the IMC campaign between \$4,000 and \$6,000 a year, and the average price of beverages that D.I.Y. sells is \$5, D.I.Y. has to sell 1,200 drinks a year, and 100 drinks a month to cover the expenses just for the IMC campaign.

Measurement and Contingency Plans

We will measure the success of the campaign by monitoring and evaluating the outcomes against each campaign/communication objective listed earlier in this paper. In addition, we will count the number of coupons that are redeemed following our event. If the event is unsuccessful, we will assess and reconsider design, distributions, and contents for coupons & flyers, social

media presence, user experience, design, and contents for website, and theme, planning, schedule, and implementation for public events. More importantly, we will closely examine whether each tool from the toolbox reflected each other, then redesign the entire IMC plan while reevaluating the target market.

Appendix A: Action Plans

Communication	Step-by-Step	Resources	Time	Financials
Tool	Tasks	Needed	Frame/Milestones	
A. Public Bubble Event & Special Tabling Promotion	1. Meet to form initial teams responsible for coordinating event, Delegate specific tasks to employees, Create list of needs 2. Contact UO to approve event location 3. Contact EMU and Duck Store for tabling 4. Contact rental company 5. Order promo bubbles 6. Order ingredients for samples 7. Create slips and box for giveaway 8. Meeting to finalize event	1. Employees, meeting room, paper, pens 2. Employee, phone, event details 3. Employee, phone, promo details 4. Phone, list of rental items needed, employee, payment 5. Computer, payment, employee, order details 6. Computer, payment, employee, order details 7. Computer, employee, order details 7. Computer, payment, employee, order details 7. Computer, payment, employee, paper, printer, payment, box,	1. 2 months 2. 2 months 3. 2 months 4. 1 month 5. 1 month 6. 1 month 7. 2 weeks 8. 1 week 9. 1 week 10. day of 11. day of 12. day of 13. day of 14. day of	1. Employee salaries 2. Employee salaries 3. Employee salaries 4. Employee salaries and rental fee 5. Employee salary and order total 6. Employee salary and ingredient total 7. Employee salary and decoration cost 8. Employee salaries 9. Employee

9. Set up	decorations	salaries
promo table	(logo,	10.
10. Receive	wrapping	Employee
rentals	paper)	salaries
11. Set up	8. Meeting	11.
event	space,	Employee
12. Tear down	computer,	salaries
13. Rental	checklist,	12.
pick up	employees	Employee
14. Debrief	9. Table,	Salaries
and recap	employees,	13.
	bubbles,	Employee
	promo slips	salaries
	10.	14.
	Employees	Employee
	11.	salaries
	Employees	
	12.	
	Employees	
	13.	
	Employees	
	14.	
	Employees,	
	computer,	
	meeting place	
	(grass)	

Appendix B: Industry Data

Industry Data

							Consumer
	Revenue	IVA	Establishments	Enterprises	Employment	Wages	spending
	(\$m)	(\$m)	(Units)	(Units)	(Units)	(\$m)	(\$b)
2007	27,864.8	9,393.5	57,886	44,099	505,258	6,829.9	10,041.6
2008	30,589.8	8,856.2	60,301	44,924	562,356	7,510.3	10,007.2
2009	29,690.2	10,300.3	59,842	44,753	542,667	7,301.6	9,847.0
2010	30,533.9	10,269.6	60,485	45,839	515,391	7,521.5	10,036.3
2011	31,874.2	11,179.6	62,050	47,298	532,458	7,864.7	10,263.5
2012	32,693.9	11,938.3	63,914	48,786	549,640	8,080.4	10,413.2
2013	35,187.7	13,130.8	66,746	50,982	589,230	8,837.9	10,590.4
2014	36,296.2	12,528.9	70,266	53,378	624,659	9,334.9	10,875.7
2015	38,183.9	13,761.9	72,055	55,176	651,904	9,797.1	11,210.5
2016	39,375.1	14,266.3	74,267	57,320	676,041	10,159.2	11,542.9
2017	40,661.6	14,812.3	76,801	59,268	702,402	10,474.1	12,009.7
2018	41,548.7	15,213.5	79,551	61,373	723,420	10,762.0	12,370.4
2019	42,629.9	15,526.6	82,352	63,136	745,757	11,036.5	12,653.5
2020	44,021.0	15,928.0	85,335	65,274	771,283	11,413.7	12,945.3
2021	45,277.6	16,518.5	87,823	67,040	793,710	11,765.5	13,270.9

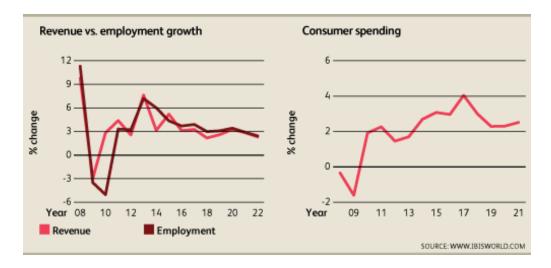
Source: IBISWorld Industry Report

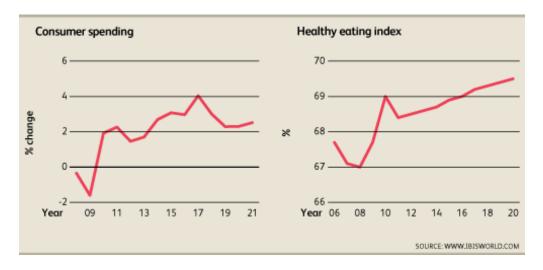
Annual Change

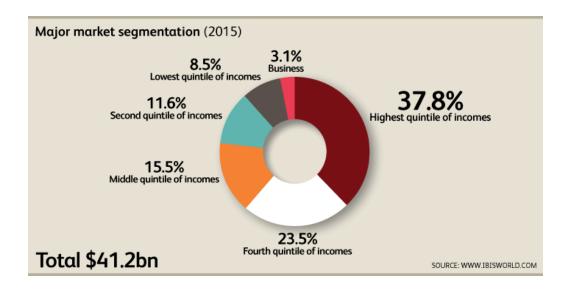
	Revenue (%)	IVA (%)	Establishments (%)	Enterprises (%)	Employment (%)	Wages (%)	Consumer spending (%)
2007	10.5	2.3	7.6	4.1	9.4	7.5	2.2
2008	9.8	-5.7	4.2	1.9	11.3	10.0	-0.4
2009	-3.0	16.3	-0.8	-0.4	-3.5	-2.8	-1.6
2010	2.8	-0.3	1.1	2.4	-5.0	3.0	1.9
2011	4.4	8.9	2.6	3.2	3.3	4.6	2.3
2012	2.6	6.8	3.0	3.1	3.2	2.7	1.5
2013	7.6	10.0	4.4	4.5	7.2	9.4	1.7
2014	3.2	-4.6	5.3	4.7	6.0	5.6	2.7
2015	5.2	9.8	2.5	3.4	4.4	5.0	3.1
2016	3.1	3.7	3.1	3.9	3.7	3.7	3.0
2017	3.3	3.8	3.4	3.4	3.9	3.1	4.0
2018	2.2	2.7	3.6	3.6	3.0	2.7	3.0
2019	2.6	2.1	3.5	2.9	3.1	2.6	2.3
2020	3.3	2.6	3.6	3.4	3.4	3.4	2.3

Source: IBISWorld Industry Report

Appendix C: Industry Trends & Major Market Segmentation by Income





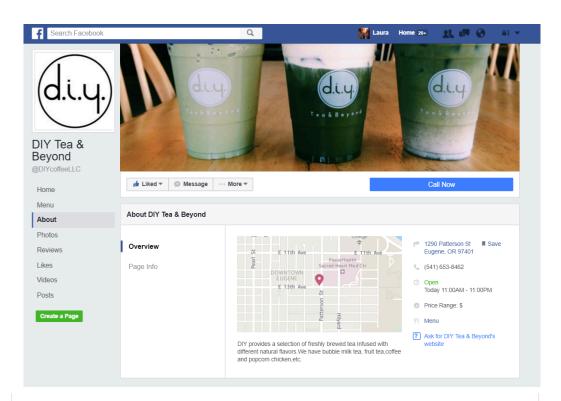


Appendix D: Competitor Comparisons

Company	<u>Strengths</u>	<u>Weaknesses</u>
Starbucks	-well known online loyalty program that is easy to uselocated in very central locations near their target markets.	-do not reach out to create more personal connectionsdoes not offer very many promotions or coupons.
Dunkin Donuts	-well distributed with a variety of promotions and discounts.	-not very well known with students on the west coastdo not reach out to create more personal connections.

Milky Way Tea and Pastry	-close to campus and have on street promotions and signage.	-poor online presence with very little information and images to see.
Townshend's Tea Company	-well established tea house with multiple locationsoffers personalized drinks as well as take home ingredientsstrong online presence.	-does not offer promotions or make personal connections with the surrounding communities.
The Rabbit Hole	-published in local articlesoffer small promotions with the UO student population.	-No online presence

Appendix E: D.I.Y. Facebook Page







Appendix F: D.I.Y. Example Coupon



Smoothies

Snacks

Fruit Tea

Bubble Tea

Coffee





Mon.- Fri. 1PM - 11PM

Sat. 2PM-11PM Sun. 2PM-10PM \$1 Off Coupon

Enjoy your tea everyday

- •Free WI-FI
- Board Games
- Movie Nights

1290 Patterson St. Eugene, OR 97401

541-652-8462

Appendix G: Team Contributions

Proposal:

Emma Fager - Objectives of Marketing Plan, How to Accomplish Objectives, Communication Objectives & Brainstorming

Laura Franklin - D.I.Y. Personal Contact information, final editing/grammar, proposal draft up Brenton Hudak - Business Description, Possible Problems in Communications Plan

Rumi Naito - Current Market Segmentation, Current Market Targeting, Current Market Position

Erik Tasaka - Current Communications Plan, Communication Objectives & Brainstorming

Rough Draft:

Emma Fager - D.I.Y. Current Toolbox Description, Communication Objectives Moving Forward, Campaign IMC Toolbox

Laura Franklin - External Environment

Brenton Hudak - Internal Environment

Rumi Naito - External Environment, IMC Plan S-T-P

Erik Tasaka - D.I.Y. Current Toolbox Analysis

Presentation:

Emma Fager - Current IMC Toolbox slides (Social Media, Promotions, etc.), Campaign Objectives

Laura Franklin - Overall slide aesthetic, Analysis of Marketing Environment

Brenton Hudak - Campaign Overview

Rumi Naito - Analysis of Marketing Environment

Erik Tasaka - IMC Toolbox Campaign Integration

Paper:

Part 1: Executive Summary: Laura Franklin

Part 2: Analysis of the Environment

- Internal Environment: Laura Franklin
- External Environment: Rumi Naito & Laura Franklin
- Current IMC Toolbox Description & Analysis: Emma Fager (Description of current tools) & Erik Tasaka (SWOC)
- Communication Objectives: Emma Fager

Part 3: IMC Plan

- S-T-P: Rumi Naito
- IMC Toolbox: Emma Fager & Erik Tasaka
- Communications Campaign
 - Overall message/event: Brenton Hudak
 - o Communications Toolbox Integration: Emma Fager
 - o Mock-ups/examples: Brenton Hudak

Part 4: Implementation & Measurement

• Action Plan/Tactics: Brenton Hudak

• Financials: Rumi Naito

• Measurement & Contingency Plans: Brenton Hudak, Rumi Naito

Appendices:

Industry data and trends: Rumi Naito

Editing/Grammar:

Emma Fager - Initial editing Laura Franklin - Final editing Brenton Hudak - Final report printing & binding

Other:

Laura Franklin - Initiated contact with D.I.Y. owner Richard Emma Fager - D.I.Y. in-house employee interview discussing current IMC toolbox Rumi Naito - Data collection for Industry Analysis

Appendix H: Works Cited

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