

HOSPITALITY AND TOURISM OPERATIONS RESEARCH EVENT

Gahanna Lincoln DECA

Gahanna Lincoln High School

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Chewing is overrated

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I. Executive Summary

Client: Smoothie King- Gahanna Franchise

Smoothie King is a privately held franchise company based in New Orleans, Louisiana that markets nutritional fruit smoothies to its customers. The Smoothie King franchise chosen for this research project is owned and operated by Steve Shepherd, and based in Gahanna, Ohio.

PROBLEM: Competition has increased in the smoothie market while store sales have decreased. We have been asked to develop a social media promotional plan to increase sales.

SOLUTION: We have developed a social media based promotion plan to engage the target market and increase sales.

MARKETING RESEARCH COMPLETED

Secondary Research	Teen Questionnaires
Personal Interviews (4)	Teen Focus Group

KEY FINDINGS:

- ✓ Smoothie King does not have a large amount of money to invest in advertising.
- ✓ The business’s owner is new to social media and uncertain how to most effectively use it to grow his business.
- ✓ Few teens and young adults are using Smoothie King’s existing social media accounts.
- ✓ Teens are heavy users of social media- especially Facebook and Twitter.

ONCLUSIONS & RECOMMENDATIONS

- ✓ Develop a systematic plan that is measurable for a small business owner.
- ✓ Create incentives to increase Facebook fans and Twitter followers.
- ✓ Utilize public relations activities to generate free publicity for the business and increase sales.
- ✓ Adopt social media strategies to help improve their presence in social media and to improve sales.

PROPOSED STRATEGIC GOALS

1. To develop a social media plan realistic for a small business to manage.
2. To increase the long term profitability of Smoothie King.
3. To create goodwill among the community by becoming involved in various charity events.
4. To use social media to increase sales among teens and young adults in Central Ohio.

PLANNED ACTIVITIES

1. Claim Social Profiles at major online sites
2. Create an Online Listening Station to monitor brand mentions
3. Increase Facebook and Twitter followers by offering incentives
4. Sponsor Autism Charity Event at area high schools to create publicity
5. Implement “Don’t Quit, Get Fit Gahanna” 5K race campaign to create publicity

PROPOSED INVESTMENT

The total cost to implement our proposed strategic plan is \$10,444.

The recommendations made by our team have been validated by the franchisee owner and several activities have already been implemented into the business’s promotional mix.



II. Introduction

A. DESCRIPTION OF THE BUSINESS

Smoothie King is a privately held franchise company based in New Orleans, Louisiana that markets nutritional fruit smoothies to its customers. Each Smoothie King franchise also offers healthy retail products such as sports beverages, energy bars, healthy snacks, vitamin supplements, herbs, minerals, and sports nutrition products.



With a mission statement “to relentlessly influence and to help more & more people achieve a healthier lifestyle,” Smoothie King targets teens and young adults to encourage a nutritious way of life. Smoothie King is a premier franchise in its field. Since 1989, Smoothie King has been named the #1 franchise in their category 16 times. It has over 600 locations operating in the continental United States and Seoul, Korea, and is currently developing additional stores across the United States.

The franchise chosen for our research project is located in Gahanna, Ohio. The Smoothie King of



Gahanna was the first franchise to open in Ohio and started a trend for 18 other Smoothie King franchises. Gahanna’s Smoothie King owes much of its success to its location and the community’s thirst for a healthy, nutritious snack. Smoothie King Gahanna makes 200 or more transactions a day, with transactions averaging \$6.50. They have maintained a vision

to become the healthy alternative to unhealthy food choices. Smoothie King provides a consistent and outstanding guest experience, a great tasting nutritional product with the highest quality nutritional ingredients made in a healthy, energetic environment.

RESEARCH PROBLEM: Competition has increased in the smoothie market and store sales have decreased. We have been asked to develop a social media promotional plan to increase sales.



B. DESCRIPTION OF THE COMMUNITY

Economic: Gahanna is the most culturally diverse city in Central Ohio and it has many beautiful traits. It has been claimed the Herb Capital of Ohio since 1972 and in 2008 was ranked one of the *Top 100 Best Places to Live*, according to Money Magazine. It is home to many franchise businesses and close to a thriving attraction, Easton shopping center. The recent recession has impacted many cities, however, Gahanna has been able to maintain an above average household income and remain above the unemployment rate. In April of 2010, a census showed Gahanna with an unemployment rate of 8.0%, compared to the overall 10.7% in Ohio. The estimated median household income for Ohio is \$49,988, while in Gahanna the median household income is \$79,171.



Geographic: Smoothie King is located in Gahanna, off of North Hamilton Road, one of the most trafficked areas in Gahanna. It is across the street from Stoneridge Plaza, where many residents go for food, entertainment, and retail shopping. This location provides easy access to Smoothie King. Smoothie King's most coveted customers are the young adults who frequent their store after exercising at Lifestyle Fitness, a gym located just minutes away. Being the only smoothie franchise in Gahanna, and surrounded by chains of fast food restaurants, Smoothie King has very little competition.

Demographic: As previously mentioned, Gahanna is claimed the most diverse community in Central Ohio. The population in 2005 was 32,245 residents. Of those residents, 48.5% are male, and 51.5% are females. Racial diversity in Gahanna is strong. White residents hold 85.5% of the population, while black races make up 10.2% of the community. The remainder is made up of Asian, 1.8%, 1.6% is two or more races, 0.7% is Hispanic, and 0.3% who qualify as a different race. In the community 7.2% of the people are under 5 years old, and 72.5% are 18 years and over, which the target market for Smoothie King.