HOSPITALITY AND TOURISM OPERATIONS RESEARCH EVENT

VOYAGER CRAFT COFFEE

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I. EXECUTIVE SUMMARY

"Consumers' heartstrings are leading their purchase decisions and putting companies' support of social issues at the top of their gift lists." – Forbes

Client: Voyager Craft Coffee, commonly referred to as Voyager, serves coffee and pastries to the diverse target markets of the Santa Clara community in the heart of California’s Silicon Valley. Voyager’s specialty drinks are creatively crafted with globally-inspired flavors and sustainable coffee beans. The store’s managers and employees operate the store with a community-focused approach and aim to help the local community through cause marketing campaigns. Through its craft coffee recipes and exceptional customer service, this locally owned and operated coffee business strives to fulfill its mission of bringing people together over quality coffee.

Cause Marketing Opportunities: In the past two years, Voyager has conducted numerous cause marketing campaigns, such as fundraisers for Northern California wildfires and book drives for the local community. Based on an analysis of Voyager’s five previous cause marketing campaigns, Voyager’s cause marketing campaigns could benefit from increased customer participation through strategic planning. Improved marketing of the campaigns both in-store and online can lead to stronger customer engagement, thereby improving the campaign’s efficacy. Improved strategic planning and research can ensure that partnerships with nonprofits and the causes they work toward are better aligned with Voyager’s mission, and most importantly, the interests of the customers.

Research Methodologies and Design: To assess the execution of Voyager’s past cause marketing campaigns and determine suitable causes for Voyager’s future cause marketing campaigns, I conducted both primary and secondary research using the five main research methods below.

<table>
<thead>
<tr>
<th>In-Store Interviews</th>
<th>External Interviews</th>
<th>Customer Surveys</th>
<th>Experience in Own Shoes</th>
<th>Secondary Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Store Manager Interview</td>
<td>• Nonprofit organizations (NAMI and MHAASF) Interviews</td>
<td>• Voyager Craft Coffee Customer Survey</td>
<td>• Product tasting at Voyager Craft Coffee, Bitter + Sweet, and Chromatic Coffee</td>
<td>• Business reference books</td>
</tr>
<tr>
<td>• Employee Interview</td>
<td>• Bitter + Sweet competitor interview</td>
<td>• Work-life Balance Survey</td>
<td></td>
<td>• TED Talks</td>
</tr>
<tr>
<td>• Four customer interviews</td>
<td>• Caffeinated Letters interview</td>
<td></td>
<td></td>
<td>• Engage for Good webinar</td>
</tr>
</tbody>
</table>

Research Objectives: The diagram below represents the four main research objectives of the plan:

1. Analyze the strength and weaknesses of Voyager’s past campaigns
2. Understand the causes that customers care about most in the local community
3. Explore effective cause marketing campaigns of competitors and other businesses
4. Identify a non-profit organization and present the cause marketing plan

Findings of Research Study: My research yielded five major findings: the importance of mental health and work-life balance, low level of customer participation in campaigns, weak online presence, Voyager’s community-friendly atmosphere and openness to customer input, and lack of in-store events.
To identify internal and external factors affecting Voyager's cause marketing campaigns, a SWOT analysis was conducted as shown below:

![SWOT Matrix]

**Strategic Plan and Objectives:** After summarizing all of the research findings into comprehensive conclusions, the following **three-year objectives** were devised to revitalize Voyager's cause marketing campaigns.

**Conclusions**
1. Implement a campaign that promotes mental health awareness and healthy work-life balance.
2. Partner with a local nonprofit that is aligned with this cause.
3. Utilize both purchase-triggered donations and point-of-sale programs as fundraising methods.
4. Utilize digital marketing to spread awareness of the campaign.
5. Rebrand the store environment and customer engagements to align with the cause.

**Objectives**
1. Donations: Raise $41,600 for partnered charity.
2. Revenue Growth: Increase store revenue by 17%.
3. Brand Recognition and Outreach: Increase total online presence by 20%; increase new customers by 12%.
4. Customer Engagement: Increase social media engagement rate by 30%.
5. Customer Loyalty: Increase customer retention rate by 10%.

Based on primary and secondary research, I determined that Voyager should implement a cause marketing campaign dedicated toward mental health awareness and promoting a healthy work-life balance, named the **Cup of Hope campaign.** To work directly toward the cause, Voyager should partner with the National Alliance of Mental Health (NAMI), a charity that provides mental health resources to Santa Clara’s residents. NAMI is a well-known and impactful nonprofit organization that will create a direct impact with customers’ donations. **Operation CARE,** as outlined below, is an action plan for successfully executing the Cup of Hope cause marketing campaign.

**Proposed Activities:**

**Create Partnership with NAMI**
- **Rationale:** Partner with a suitable charity and directly help the cause
- **Activities:**
  - Partnership establishment
  - Informational kiosk with brochures within store

**Adopt In-Store Fundraising**
- **Rationale:** Effectively raise money for NAMI and gain customer support
- **Activities:**
  - "Voyager Relieve" seasonal menu
  - "Voyager Hope" customer loyalty program

**Rebrand with In-Store Wellness**
- **Rationale:** Change store atmosphere to reflect campaign's values
- **Activities:**
  - Coffee Talks
  - Care Grams

**Expand Marketing Platforms**
- **Rationale:** Increase customer awareness
- **Activities:**
  - Social media marketing
  - Print advertising
  - QR codes
  - WOM marketing
  - Hosting at local events
**Proposed Budget:** The three-year Cup of Hope campaign will commence August 1, 2019. Based on quantitative and qualitative analysis through a data-driven approach, the budget plan below was formulated:

<table>
<thead>
<tr>
<th>Activity:</th>
<th>Budget Amount:</th>
<th>Launch Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Voyager Relieve” menu</td>
<td>$7,875 annual recurring</td>
<td>May 1, 2020</td>
</tr>
<tr>
<td>“Voyager Hope” customer loyalty</td>
<td>$95 monthly recurring</td>
<td>September 1, 2019</td>
</tr>
<tr>
<td>Care Grams</td>
<td>$220 monthly recurring</td>
<td>October 1, 2019</td>
</tr>
<tr>
<td>Digital marketing</td>
<td>$135 upfront, $305 monthly</td>
<td>September 1, 2019</td>
</tr>
<tr>
<td>Print advertising &amp; QR codes</td>
<td>$144 monthly recurring</td>
<td>September 1, 2019</td>
</tr>
<tr>
<td>Hosting at local events</td>
<td>$445 annual recurring for NAMI walk, $130 monthly for seminars</td>
<td>Walk: September 18, 2019 Seminars: October 6, 2019</td>
</tr>
</tbody>
</table>

**Total Budget Amount (August 2019 – July 2022):** $57,279

**Total Costs and Return on Investment:** The Cup of Hope campaign’s three-year plan will cost $57,279 and will yield an anticipated return on investment of 74.63% for Voyager after three years. In addition, Voyager will raise $41,600 to donate to NAMI over the course of three years.

<table>
<thead>
<tr>
<th>Costs</th>
<th>Returns</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$19,183</td>
<td>$(1,039)</td>
</tr>
<tr>
<td>Year 2</td>
<td>$19,048</td>
<td>$6,656</td>
</tr>
<tr>
<td>Year 3</td>
<td>$19,048</td>
<td>$14,216</td>
</tr>
</tbody>
</table>

**Key Metrics:** To monitor the success of the Cup of Hope campaign, Voyager will apply both qualitative and quantitative metrics as shown in the table below:

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Purpose</th>
<th>Calculation</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Rate</td>
<td>Measure the quality or efficiency of social media</td>
<td>Total number of engagements, (i.e. likes or comments) / Total number of followers</td>
<td>• 20% increase in engagement rate within three years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Track monthly</td>
</tr>
<tr>
<td>Donations</td>
<td>Measure the success of in-store fundraising for NAMI</td>
<td>Total amount of donations given to NAMI over three years</td>
<td>• $41,600 in three years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Track quarterly</td>
</tr>
<tr>
<td>Customer Retention Rate</td>
<td>Measure customer loyalty and satisfaction</td>
<td>Total number of returning customers / Total number of all customers</td>
<td>• 10% increase in three years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Track weekly</td>
</tr>
</tbody>
</table>

*Thank you for reviewing this analysis of Voyager’s corporate social responsibility and proposed strategic plan. I look forward to further discussing Voyager’s exciting future with the Cup of Hope Campaign.*