

MARKETING APPROACHES TO INCREASE SALES IN A COFFEE SHOP

Case Company: Frappua

LAB University of Applied Sciences
Bachelor of Business Administration
Degree Programme in International Business
Spring 2022
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Abstract

Author(s) RAMAZANOV, SAMAT	Publication type Bachelor's thesis, UAS	Published Spring 2022
	Number of pages 54	2 pages of appendices
Title of Publication MARKETING APPROACHES TO INCREASE SALES IN A COFFEE SHOP Case Company: Frappua		
Degree and field of study Bachelor's Degree Programme in International Business		
Abstract <p>There are different ways to increase sales. Market analysis includes the study of two large forces: the microenvironment (SWOT Analysis) and the macroenvironment (Porter's Five Forces Analysis). This becomes the starting point for defining and developing a marketing strategy and tactics, as well as the resulting marketing approach for sales growth.</p> <p>Frappua coffee shop is a company that is a simple form of retail business. The purpose of this work is to define, to analyse and to develop a coffee house development strategy that helps to identify and justify the use of effective marketing approaches and steps to increase sales, leading to stable income and business profitability.</p> <p>In this thesis, both quantitative and qualitative research methods, analysis methods, the deductive method in combination with the inductive one are consistently applied. SWOT Analysis, Porter's Five Forces Analysis, STP model are used to identify and develop a strategy, a portrait of an ideal buyer is drawn up. A marketing approach has been developed for sales growth based on the definition of a marketing strategy. To develop marketing tactics, such a marketing tool as 4P is used in combination with digital marketing. The priority position is given to the interests, preferences of customers and their satisfaction.</p> <p>The results of the study show that the main target audience of the coffee house are potential customers in the middle age category with a low but stable purchasing power. The competitiveness of the company has also become evident. The coffee shop focused on the needs and desires of the Finnish consumers, even during economic crises, and pandemic, with a clear trend towards sustainable development.</p>		
Keywords Marketing, marketing strategy and tactics, marketing approach, sales growth, profit, market, coffee shop, needs, customer satisfaction, marketing steps, digital marketing		

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1 Introduction

1.1 Background

Eternal questions: “How to increase sales? How to make a profit? Why do some companies succeed while others fail?” have been and remain constant for the retail business. As the history of the development of marketing shows in different ways to solve the problem of sales, there are three stages in the development of marketing:

The development began with sales marketing. The problem arose due to the excess of the number of goods over demand. Thus, there was a difficulty with the sale of goods. According to Kotler, when companies have excess capacity, they try to sell what they make rather than make what the market wants (Kotler & Keller 2016, 43).

The next stage is managerial marketing. This means that the company is trying to meet the needs of customers.

From the end of the twentieth century to the present day it has been complex system marketing. A new phase in the evolution of marketing implies that communication between the company and the consumer is in great demand. Referring to Kotler, Levitt drew a perspective contrast between the selling and marketing concepts:

Selling focuses on the needs of the seller; marketing on the needs of the buyer. Selling is preoccupied with the seller's need to convert their product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering, and finally consuming it. (Kotler & Keller 2016, 43.)

Many factors influence the sales process, resulting in a variety of creative solutions for applying marketing to sales. And this means that this topic will always be in demand for both companies and customers. Therefore, regular marketing research is necessary to obtain complete information about the business. This applies to various forms of business.

“Frappua” is a subspecies of the coffee shop, namely a modern model of a mobile cafe. Despite its compactness and structure, small footprint, this company complies with all sales requirements. A product such as coffee in Finland is in special demand and is very common among the population. And even though the drink plays the role of customer preference, most often it uses consumer interests in other coffee products. The attitude to leisure time and the behaviour of consumers during the day are changing. Studying the marketing activities of Frappua, especially sales marketing, understanding the sales process in the

retail business becomes a practical starting point for understanding marketing in larger companies.

The purpose of this thesis is to create an effective marketing approach to increase sales in a coffee shop. The results of the marketing research of the coffee shop are reflected in marketing tactics focused on maximizing profit from sales growth.

1.2 Thesis Objectives, Research Questions and Limitations

The aim of this thesis is to define and develop an effective marketing approach to increase sales in a coffee shop. The following tasks are intended to achieve the goal: to study the theoretical provisions and definitions of the fundamentals of marketing research and marketing analysis, to conduct marketing research of a coffee shop, to analyze the information obtained during the research, to find out which marketing strategy will be a successful marketing approach for increasing sales in a company, to diagnose the best recommendations and offers to increase sales in a coffee shop.

The goal and objectives are solved with the help of correctly posed questions. The importance of research questions is that they become the direction and basis of the study. Research questions influence the collection and analysis of data, the number of respondents and the choice of research methodology. (Bouchrika 2021.)

In the thesis, the main question is defined as follows:

“What is the most successful marketing approach for increasing sales in a coffee shop?”

To answer this question, the following additional questions are posed:

- What interests a customer to buy in a coffee shop?
- How often does a customer buy in a coffee shop?
- When are the sales active, when are they low?
- What influences a customer's decision to buy a product?
- Why is the number of purchased products growing?
- How does the customer learn about the products of the coffee shop?
- What is the level of customer satisfaction and loyalty?

Answering sequentially to each auxiliary question, it is easier to understand the main question of the thesis.

Naturally, this thesis has limitation. Conducting and analyzing marketing research concerns a coffee shop located in a small average city in Finland. The buyers of the coffee shop are

mostly representatives of the local - Finns, considering all the features and preferences of the indigenous population, established traditional habits and tastes. Therefore, similar coffee shops located in other countries were not considered in this study.

1.3 Theoretical Framework

Any marketing research begins with the study of the theoretical foundations, functions, and knowledge about the problem of interest. Theoretical definitions and considerations are necessary for better understand what one must deal with, to perceive a problem that meets a wide range of views in a deeper and more versatile way. Since there can be many theories on a topic, the theoretical framework should also include a process of analysis, comparison, and selection of the most appropriate ones (Vinz 2020). Therefore, theory processing is considered as a secondary source of information. The selection of secondary data is carried out in accordance with the purpose of the thesis.

In this thesis, the theoretical review is headed by the concept of marketing research, namely, classical marketing tool such as Five Forces of Porter Analysis is considered, without which a thorough study of the situation of company is indispensable. The following are explanations of marketing strategy and sales marketing strategy of the company, followed by a marketing approach for sales growth. For this, such concepts as SWOT analysis, STP models, a user profile, and the necessary elements of sales marketing are covered. The final part of the theory presents a marketing tactic that involves the use of practical marketing activities: the 4P model and digital marketing.

1.4 Research Methods and Data Collection

The activity of gathering and acquiring information relevant to assist in the decision-making process is known as marketing research (Ronald 2007, 5). Research methodology is a way of finding a solution to a problem. It makes it easy to determine what data to collect, which method to choose, and how to analyze the information. (Mehta 2020.)

Marketing research as one of the types of scientific knowledge has its own approaches and methods, principles, and directions, as well as tools. There are three main approaches to research: deductive, inductive, and abductive. Deductive research is a study directed from general to specific reasoning. The inductive in the construction of inferences is the opposite of the deductive: the movement from particular situations to general ones. Inductive reasoning extracts a likely (but not certain) assumption from particular and limited observations, whereas deductive reasoning starts with a premise that is confirmed by observations (Bradford & Weisberger 2021). The abductive approach involves a way of thinking from empirical

fact to hypothesis, with moments of intuition and imagination. In this thesis, the deductive method of reasoning was applied.

Dividing by the methods, there are two most common types of research: qualitative and quantitative. Both methods mean a way to collect the informative base necessary to make a marketing decision on a problem. Qualitative marketing research is driven by the desire to collect and analyze data relating to the opinions, preferences, interests, and behaviors of consumers. For this task, such types of information collection as interviews, focus groups, observations, case studies are used. A qualitative method and analysis contribute to the formulation of a hypothesis. According to Jotform Education (2021), the qualitative method entails data collecting, analysis, and management, as well as a focus on the opinions and feelings of survey respondents. The quantitative method is intended for statistical processing of information obtained during qualitative research. The quantitative method is used to collect and analyze numerical data and to make predictions (Rangaiah 2021). The form of the quantitative method are surveys, observations.

This marketing research used two methods, from the qualitative, interviews in the form of a focus group and case analysis of the Frappua, and from the quantitative method - a survey. Thus, both qualitative and quantitative methods were important and are in demand for the study.

Marketing research is divided into primary and secondary data collection. A primary source provides researchers with direct access to the research topic, whereas a secondary source summarizes, interprets, or synthesizes primary materials (Streefkerk 2021).

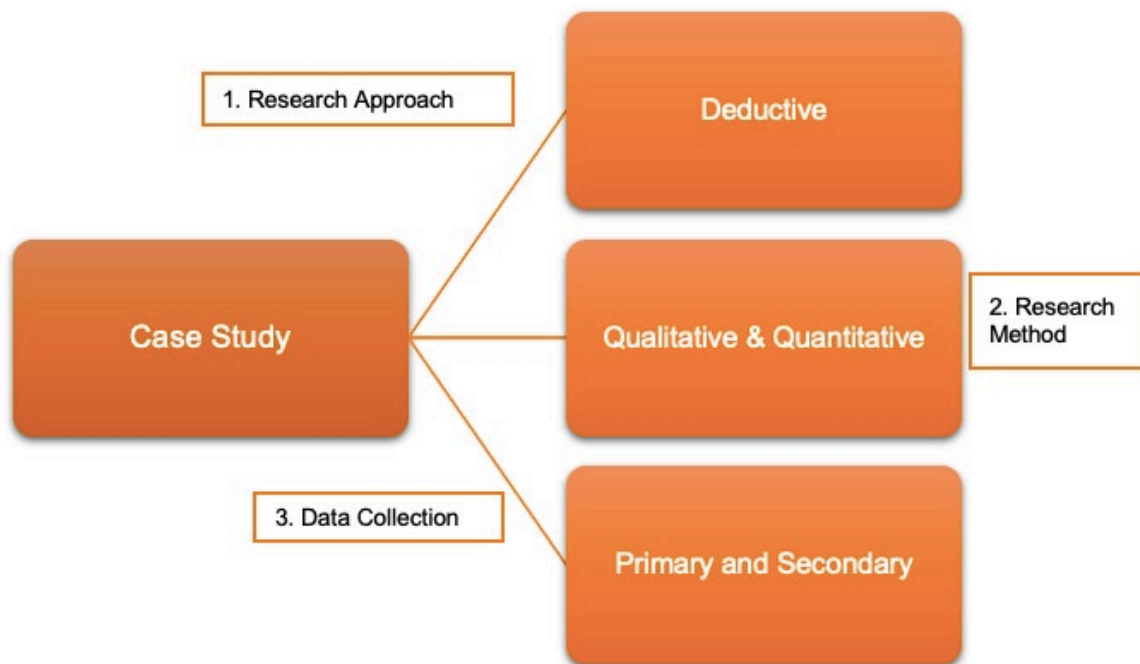


Figure 1 Research Methodology

After a thorough study and analysis of secondary information, the most necessary data for verification and supplementation were selected. Primary information appeared as a result of a survey of potential customers of the coffee shop and discussion of various issues with them in a focus group.

1.5 The Structure of the Study

This work consists of seven parts, empirical and theoretical sections. The first chapter is an introduction. The last and the one preceding it are the final chapters. The main part is in the center of the table of contents and is designated as the second, third, fourth and fifth chapters.



Figure 2 Thesis Structure

The first part "Introduction" contains the purpose, questions, theoretical background, methodology, data collection. The second part reflects the theoretical definitions of the main marketing factors, concepts, everything that creates a support for secondary material. The purpose of this part is to study and analyze relevant sources - literature, articles, websites. The third part is "Case company", which contains image of the company, based on which marketing research and market analysis were carried out, concerning the choice of marketing strategy and approach for sales growth. The fourth part is listed as "Empirical", performing the role of collecting data during the survey and discussion with potential coffee customers, based on its primary information. Data analysis becomes especially important in matters of marketing strategy of sales. The fifth part presents the developed marketing strategy and, as a result, an effective marketing approach for sales growth. Also planned marketing tactics to increase sales. In the sixth part, the answers to all questions of the thesis are marked to the main question and sub-questions. Furthermore, justifies the validity and reliability of the work and explains further research suggestions.

The last part is a brief argumentation of practical conclusions and the main ideas of the research, summarizing and highlighting the prospects for the development of the company.

2 Theoretical Material

This chapter of the thesis is devoted to the main theoretical definitions of marketing and its components, as well as sales and market analysis. Attention is focused on such concepts as marketing research, market research, marketing analysis, marketing strategy, marketing approach, marketing tactics.

2.1 Marketing

Marketing is the process of getting others to notice a product or service in a good manner. Today, marketing entails getting to know customers on a personal level. (Brenner 2018.)

Customers are at the centre of marketing. This process focuses on discovering, generating, and developing a product or service that meets the needs, wants, and demands of customers while also assisting the company in sustaining and growing. (Pahwa 2021.)

For this paper, a suitable definition of marketing is the following:

Marketing is engaging customers and managing profitable customer relationships. The-two-fold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering value and satisfaction. (Kotler & Armstrong 2018, 28.)

Marketing is made up of strategy, tactics, and value. The strategy is divided into segmentation, targeting, positioning. Tactics include factors such as differentiation, marketing mix, sales. Values highlight branding, service, process.

2.1.1 Marketing Mix

The marketing mix is one of the key factors in product marketing. The classical formula of the marketing complex consists of a quartet of elements: product (goods), price, place of sale, promotion (advertising). It is important and effective when applying to consider all four elements in close interaction. The fulfillment of such a condition contributes to a greater likelihood of determining the desired marketing strategy.

A marketing mix is the set of those factors which a company can leverage to make the consumer purchase its products (Nguyen 2021).

Experts established and developed the 4Ps overtime to ensure that an effective marketing plan is created and executed. It is hoped that by using this tool, both the customer and the merchant would be satisfied. (Luenendonk 2022.)

The 4Ps must work together in a single marketing plan to satisfy the customer's needs and allow the firm to make a reasonable profit. Marketing mix elements are often viewed as controllable variables because they can be changed. They also describe the result of the management's efforts to creatively combine marketing activities. (Zineldin & Philipson 2007.)

2.1.2 Sales

Sales in the retail business is a process of direct contact between the seller and the client. The main function of sales is to attract customers to the product.

The act of persuading someone to buy from the holder of the company is known as sales. It frequently entails some level of interpersonal connection to persuade a prospect to become a customer. Most of the time, these leads have come as a result of marketing activities. (Lake 2019.)

The main differences between marketing and sales:

- The sales process is one-to-one, individualistic, whereas marketing is media-driven and targets the entire segment;
- Sales are concerned with the needs of the organization, whereas marketing is concerned with the needs of the market;
- Sales satisfy the need, whereas marketing makes an advanced need. While sales involves persuasion and verbal skills, marketing necessitates analytical abilities;
- Marketing is concerned with getting a product from the manufacturer to the market (through product introductions and public awareness campaigns), whereas sales is concerned with getting a product from the market to the client. (Indeed Editorial Team 2021.)

Marketing is a sales tool, it suggests what and how to sell, connects and works before sales. It is very important for businesses to understand these differences. Since an approach to sales is built on understanding the sales and marketing process, it will be sales or marketing.

The key sales indicators are conversion, average sales receipt, total sales volume, which must be monitored regularly. Conversion is the ratio of real buyers to the total number of potential customers, expressed as a percentage and allows to evaluate the effectiveness of interaction with customers, the average check suggests the need to adjust the sales marketing plan depending on its changes, and the total sales volume is a forecasting and planning factor, expressed in the number of goods sold or the monetary equivalent.

2.1.3 Marketing Funnel

A sales funnel is a marketing model aimed at a marketing and sales system that will first inform a potential customers about a product, attract their attention, and then turn them into an actual buyers.

The marketing funnel is a visualization for understanding the process of turning leads into customers, as understood from a marketing (and sales) perspective (Skyword Staff, 2020).

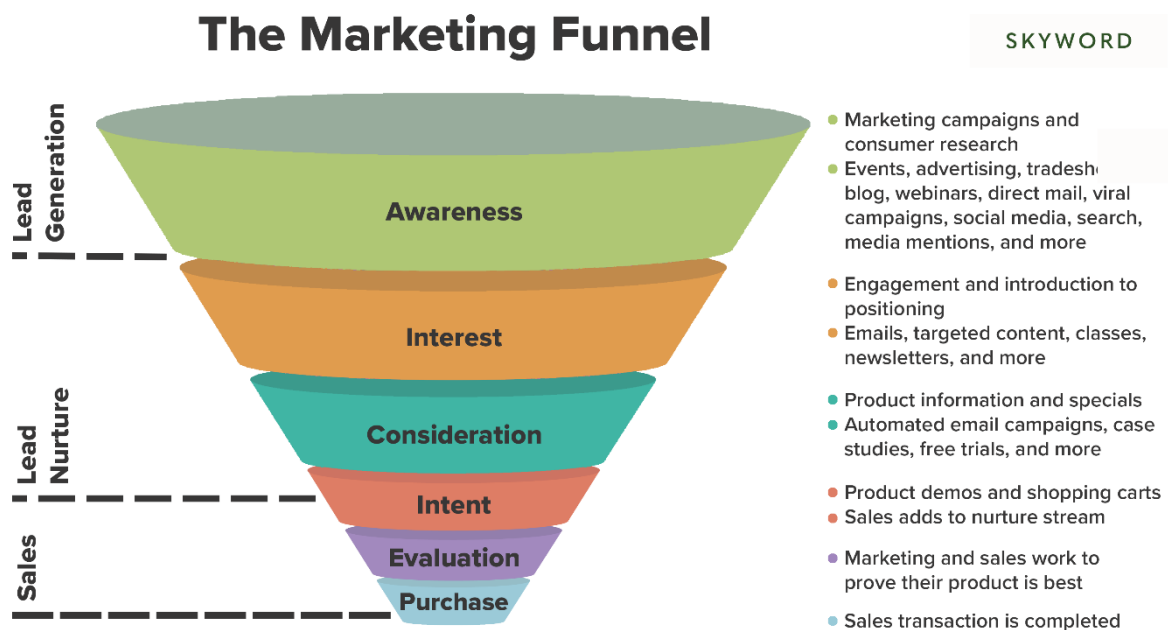


Figure 3 The Marketing Funnel (Skyword 2020).

There is a marketing funnel and a sales funnel.

A simple sales funnel contains four stages: awareness, interest, desire, action. The marketing funnel consists of the first two stages - awareness and interest, that is, it brings the client to the desire to buy. Marketing funnels vary in the number of stages. Each company has its own individual funnel, considering the marketing plan. All components of digital marketing help to develop a marketing funnel.

Using a sales funnel, it is possible to predict and control the dynamics of sales volume, build further plans for the development of the company.

2.1.4 Relationship Marketing

The acquisition of new customers, as well as sales, will always be essential for company and its success. Through relationship marketing, it is possible to turn potential customers

into real ones who will buy again and again and recommend the product to their friends. The advantage of relationship marketing is that there is no need to have to constantly look for new customers. Instead, it is important to keep the regular customers and increase their lifetime value (Edmondson 2019).

2.1.5 Digital Marketing

According to Barone (2021), Digital marketing is interactive and targeted to a certain segment of the customer base. Therefore,

Digital marketing is a broad field, including attracting customers via email, content marketing, search platforms, social media, and more (Barone 2021).

Digital marketing is designed not only to attract customers, but also to understand the behavior of customers and establish feedback with them. Digital marketing covers internet marketing and search marketing. Search marketing consists of SEO (Search Engine Optimization) and PPC (Pay-Per-Click).

Internet marketing is:

- Social Media
- Content Marketing
- Banner Ads
- Email Marketing
- Mobile Applications

Digital marketing includes:

- TV
- SMS
- Radio
- Billboards

2.2 Marketing Plan

A well-designed marketing plan is of paramount importance for the successful development of a business. The marketing plan is part of the company's business plan.

Your marketing plan is all about knowing your target market and making sure those customers know where they can find you. However, before you can start reaching out to your public, you need to have a marketing strategy that defines what you are selling,

at what price(s), from where, and how you are going to spread the word. To simplify, you can use the four Ps of marketing: product, price, place, and promotion. (The Staff of Entrepreneur Media 2015, 163–164.)

2.3 Marketing Research

Marketing research helps marketers learn more about their customers' requirements, expectations, perceptions, and satisfaction levels. This deeper understanding provides a foundation for building competitive advantage through well-informed segmenting, targeting, and positioning decisions. Thus, the marketing plan should outline what marketing research will be conducted and how the findings will be applied. (Kotler & Armstrong 2018, 627.)

Marketing research is a process that takes place in a certain sequence. The study starts with the formulation and definition of the vision, mission, and goals of the company.

A mission statement is a statement of the organization's purpose - what it wants to accomplish in the larger environment. A clear mission statement acts as an "invisible hand" that guides people in the organization. But mission statements should be "market orientated" and defined in terms of satisfying basic customer needs. (Kotler & Armstrong 2018, 65.)

According to Harappa Diaries (2021), A vision creates an imaginative picture of how an organization can be seen in the future. Goals are long-term objectives that must be met for the 'vision' to be realized. They also determine the effectiveness of the mission statement.

Next is to study the marketing market, which is the total number of potential and existing customers. One of the main indicators of the marketing market is the needs of customers.

Market research is a way of investigating and answering questions about human behavior (Hamersveld & Bont 2007, 37).

The key role of the market research function in an organization is to provide reliable evidence which will help managers take better decisions.

Finally, a good researcher finds a way to communicate the research findings in a manner which makes it possible for the organisation to engage with them and use them to take better decisions. (Hamersveld & Bont 2007, 38.)

Basically, it is believed that isolated pieces of market information will allow us to develop a valid and full market understanding which in turn should allow us to make better business decisions than our competitors (Hamersveld & Bont 2007, 99).

Market assessment will determine and develop the marketing strategy of the company and in particular the sales strategy. And the strategy will help determine the marketing approach for sales growth. On the other hand, market analysis helps to evaluate internal and external factors in the market, namely, to determine the target audience and study competitors.

2.4 Marketing Analysis

An important part of the marketing plan is marketing analysis.

Marketing analysis is the process of monitoring and evaluating market trends. In fact, marketing analysis is one of the key methods of improving customer satisfaction and knowing what factors affect your marketing strategies. Here is a list of most notably reasons for conducting a marketing analysis:

- Understanding of the market and customers
- Understanding of the value proposition of the product being offered
- To understand consumer needs for the company's product and price settings
- Knowing the promotional ad or message to be used
- Knowing the channel of distribution
- Knowing what opportunities exist within the market. (Mbachu 2018.)

Marketing analysis is a broader and deeper concept than market analysis. Market analysis is an integral part of marketing analysis. Properly conducted analysis allows to present a portrait of the target audience and competitors in more detail. It facilitates the understanding and development of an objective made marketing strategy. The most common characteristic of marketing analysis is SWOT analysis. This analysis is a micro-analytical tool, it is carried out to check the current situation. SWOT analysis helps to choose the strategy of behaviour of the company in the market.

According to Kenton (2021), SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential. A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry.

A SWOT analysis should be used to help an entity, whether it is an organization or an individual, to gain insight into its current and future position in the marketplace or against a stated goal (Pratt & Tucci 2020).

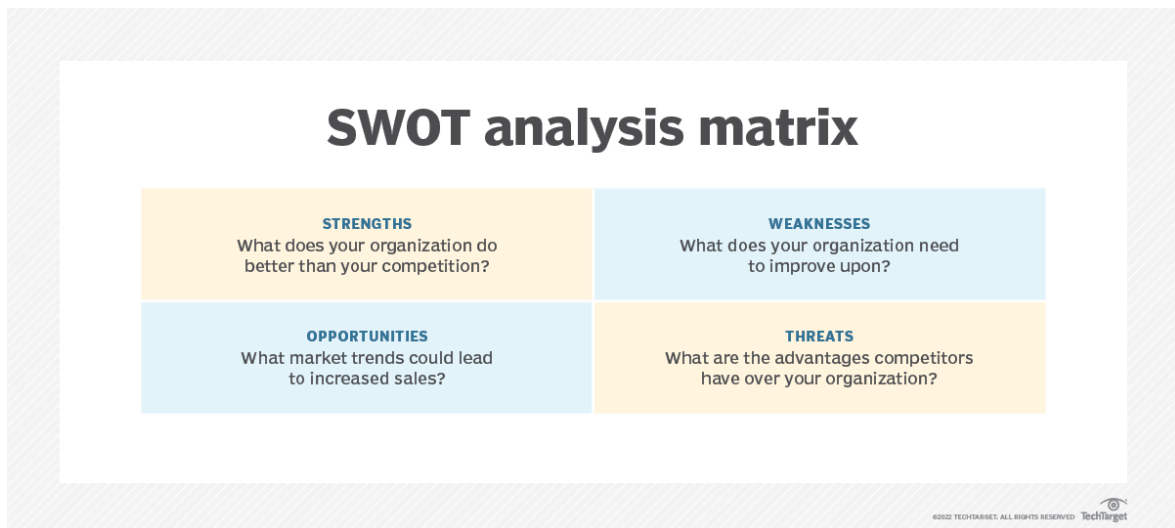


Figure 4 SWOT Analysis Matrix (Pratt & Tucci 2022).

A macro-analytical marketing tool for company valuation is Porter's 5 Forces. One of the methods for evaluating a company's position and analyzing its competitiveness is to use Porter's Five Forces Model (Martin 2021).

This theory provides for five forces:

1. *The first force is called "competitive rivalry"*

This force examines how intense the competition is in the marketplace. It considers the number of existing competitors and what each one can do.

2. *The second force is the "market power of suppliers"*

This force analyses how much power a business's supplier has and how much control it has over the potential to raise its prices, which, in turn, lowers a business's profitability.

3. *The third force is "the market power of customers"*

This force examines the power of the consumer, and their effect on pricing and quality.

4. *The fourth force is the "threat of new entrants"*

This force considers how easy or difficult it is for competitors to join the marketplace.

5. *Fifth Force - "the threat of substitution of goods or services"*

This force studies how easy it is for consumers to switch from a business's product or service to that of a competitor. (Martin 2021.)

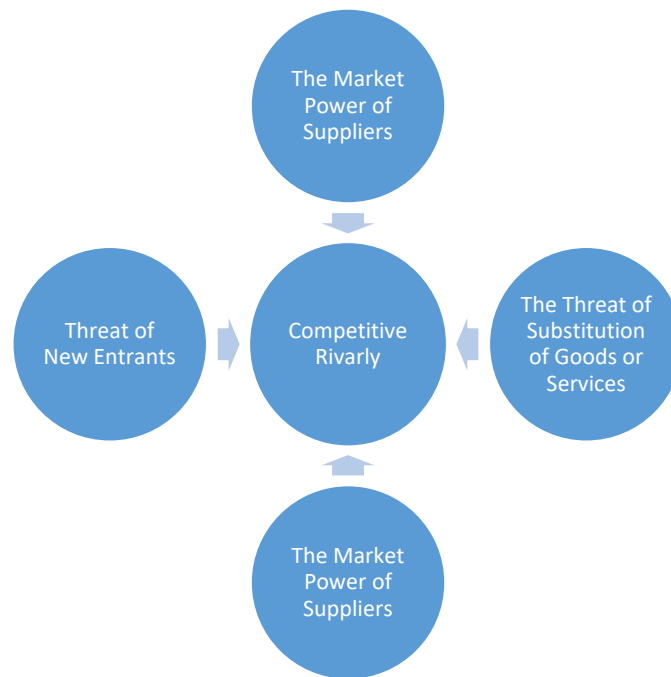


Figure 5 Porter's Five Forces Analysis Model

SWOT analysis and Porter's 5 Forces are analytical tools for strategic planning, used to develop not only strategy and tactics, but also to predict the development of the company. The market as a highly organized system is constantly changing over time, which means that the chosen marketing strategy and plan must have such properties as flexibility and smoothness.

2.5 Marketing Strategy

Marketing developments consist of a marketing strategy and marketing tactics. In marketing, strategy comes first, tactics come second. Also, tactics can be considered as an effective part of the strategy.

There are many definitions and understanding of the concept of marketing strategy. Most scholars accept a marketing strategy as an idea or direction for a company to achieve goals. In any case, the marketing strategy has its own structure and content. And its main components are: analysis of the target market and segments, customer segmentation by interests, positioning and marketing mix.

To form and develop a marketing strategy, following four steps must be taken:

- Study the market, the company, the needs of the target audience and competitors
- Carefully consider supply and demand
- Develop a marketing plan based on the data obtained during the study
- Analysis of the results, considering customer satisfaction and company profits.

Marketing strategies are divided into types by market orientation, by means, by levels. There are marketing strategies for development growth: concentrated growth strategy, vertical development strategy, diversified growth strategy.

Any marketing strategy is part of the overall strategy of the company, aimed at increasing sales and increasing profits of the company.

A marketing strategy differs from a marketing plan in that it establishes the overarching direction and goals for your marketing (Queensland Government 2021).

A marketing strategy is a broad strategy that encompasses everything from how a company positions itself, to the creative, the strategic partners, the media relations, the marketing mix, and the channels and tactics (Farkash 2022)

Marketing strategy includes another concept as a sales growth strategy, which also includes elements of sales organization. These include such sales strategies: attracting new customers, focusing on quality service, interaction with the target audience.

Marketing strategy as a planning process covers various aspects: mission and vision, study, and analysis of the portrait of a potential client, description, and definition of digital marketing functions. These factors are fully and comprehensively reflected in the sales marketing strategy only if the four principles are observed: specialization, differentiation, segmentation, and focus.

Key sales strategies:

- New products, also includes expansion or reduction of the range
- New consumer and geographic markets
- New positioning
- Unique Selling Proposition (USP)
- Activation of types and formats of advertising, communication.

2.5.1 STP

One of the marketing models that are considered the basis of a marketing strategy is the STP model. STP (SEGMENTATION – TARGETING – POSITIONING) model is a type of marketing approach that is focused on the client and their needs, which is also the basis of the marketing strategy.

STP stands for “segmentation, targeting, and positioning”. In simpler terms, it’s the process of combining three separate marketing approaches into one model. In

practical application, STP means creating market segmentation, targeting the selected segments, and adjusting product or service position accordingly. (Venckus 2021.)

This model involves first studying and analyzing the target audience, clarifying questions such as: “For whom is the product and why?” Then the development of product positioning for each specific segment.

As with any type of marketing, the model is a single process and consists of segmentation, targeting and positioning.

SEGMENTATION

Segmentation, which will be the first stage of the model, selects criteria and describes each segment in the market according to characteristics that reflect its behavior and needs. In other words, segmentation is used to identify niches with specific needs and desires.

TARGETING

The second stage of marketing will be targeting, which involves the evaluation of each segment. Particular attention is paid to differences between segments in terms of benefits and volumes, and also takes into account the expected income, which must exceed costs and expenses.

POSITIONING

The final stage of the model is positioning, meaning the development of a personalized offer for each segment based on the preferences of the buyer.



Figure 6 STP Model (Venckus 2021).

2.5.2 Buyer Persona Profile

The concept of the target audience is more general and not specific. It is obvious that each potential client is considered as an individual person, with characteristic features of character, behavior, interests, preferences. Personas differ in social, demographic, economic, and other characteristics. It is important for marketing to divide all persons into groups, into segments, to purposefully provide information about the product and study the desires of customers. To this end, the idea of creating a portrait of the ideal buyer was born.

A buyer persona is a semi-fictional character that represents your ideal customer (Curi 2022).

As a dreamy image, the consumer is endowed with a certain set of properties of a real buyer. But the image of the client is relative, which should be taken into account when building relationships with them. The goal of building a buyer persona is to make public segmentation easier so that the company can focus its marketing and communication efforts on those who are likely to become customers (Curi 2022).

The buyer persona helps to reach the right segment in the target audience. It is based on digital marketing.



Image 1 Buyer Persona Profile (Curi 2022)

2.5.3 USP (Unique Selling Proposition)

The USP is what is one of the options for decision making about branding and marketing. The offer must be different and stand out from offers of other competitors. Uniqueness means the value and necessity of the product of the company that the client chooses.

A Unique Selling Proposition, also known as the Unique Selling Point, or the Unique Value Proposition (UVP), is that one thing that makes your business better than your competition. It's basically that specific benefit that makes your business stand out while the others are blending in it. (Gleditsch 2021.)

The USP should be quick to respond to the immediate question of a prospect, capitalize on the strengths of a company, and be based on what makes the product valuable to customers (Gleditsch 2021).

2.6 Marketing Approach

The basics of marketing are to reach and engage with the target market to increase sales (Garces 2020).

There are two main approaches to sales: sales and marketing. In this paper marketing approaches for sales growth are considered.

In the marketing approach to sales, the sales process is taken as a communication process to extract mutual interest from two parties. The seller makes a profit, and the buyer satisfy the desire in the short term. As marketing is constantly changing, so are the approaches to sales marketing. Namely in the management and organization of sales. The marketing approach to sales management is based on the principle of customer orientation. Provides actions aimed at the target audience.

The application and development of the following marketing approaches leads to sales growth: an increase in sales by existing customers and an increase in the number of customers due to the emergence of new ones. Possible different forms and combinations of these approaches.

According to Kaufman (2020) there are only four ways to increase the revenue:

1. *Increase the number of customers.*
2. *Increase the average transaction size.*
3. *Increase the frequency of transactions per customer.*

4. *Raise your prices. (Kaufman 2020, 184-185.)*

This leads to the appearance of other marketing approaches depending on the goals, objectives, and type of business. Each marketing approach is aimed at the long-term development of the relationship between the company and the client.

Sales promotion, according to Chron Contributor, may be achieved through generating new and enhanced items as well as luring clients with an existing product. For short term prospects, it is recommended to use of various promotions, integrated marketing communications, increased control of customer service. (Chron Contributor 2020.)

The best results are achieved by those companies that focus not just on how to influence the client, but on joint actions. At the same time, the emphasis is on establishing strong trusting constant feedback with the buyer.

The marketing approach stems from the marketing strategy. So, the development of the right strategy will determine the best marketing approach and plan to increase sales.

One strategy that's beneficial to a company is a marketing strategy, which helps promote products, reach customers, and build brand loyalty. Another strategy is a sales strategy, which takes place after the marketing strategy and is a plan that helps a company gain a competitive advantage by selling goods to customers. A marketing strategy involves long-term objectives for a company, whereas the sales strategy is more short-term. A marketing strategy involves how a company promotes and distributes the product, but the sales strategy includes how to get the particular customer to buy a product or service. (Kennedy, 2021.)

In the retail business, sales must be based on a variety of customer information and analysis. In other words, the object of analysis becomes the information about the client and the target audience, their interests, preferences and desires, emotions, and satisfactions. The seller receives the very first objective information through direct contact with the buyer. Predictive analytics and digital marketing help assess risks and opportunities, make connections between different factors, and predict customer behavior, which will ultimately lead to a deeper, more comprehensive, and accurate understanding of its own customers.

When it becomes necessary to apply a marketing approach to increase sales in a short time, it is advisable to use a sales funnel and "Inbound Marketing" is such marketing that builds trust, increases loyalty, attracts new customers, and helps to increase them.

The use of Customer Relationship Management (CRM) marketing contributes to the establishment and development of relations between the company and consumers, which

involves the creation of customer databases, including individual characteristics of customers. Thus, a new type of marketing appears to replace the classic one, "One - To - One Marketing". The concept of individual marketing allows, predicting changes in the needs and preferences of customers, to be one step ahead of competitors. This marketing approach contributes to the effective conduct of business, and consequently the growth of sales and profit.

2.7 Marketing Tactics

Marketing tactics is an important part of the marketing strategy, responsible for specific actions. And it must be fully consistent with the company's development strategy.

Marketing tactics are activities that are used to market a brand or product to a specific audience. The strategy and company goals will determine the purpose of marketing tactics. (Taylor 2020.)

Strategy dictates the marketing activity needed to achieve your business goals and vision, whereas tactics, the 'detail of the strategy', answer how exactly that will happen (Chaffey 2021).

Marketing tactics drive marketing. This means that it determines the ways and means, forms and methods of marketing activities that are effective and appropriate in a specific market situation at a certain point in time. Marketing tactics are based on the marketing strategy, must be consistent with it, and are developed in constant motion.

3 Case Company

Like any company, the coffee shop (Frappua) has its own history of origin. In August 2016, it was registered as a mobile coffee car selling hot and cold drinks in Lahti. The coffee car on wheels was a car equipped with a refrigerator, an electric stove, containers with clean cold water. A cup of coffee could be obtained using a coffee machine and was sold in crowded places. The idea of creating a coffee shop appeared after a certain category of potential and loyal customers appeared who prefer to drink coffee on the move. The mission of such a coffee house on wheels sounded like "the pleasure of coffee movement." As customers liked coffee and its first target audience was determined, the vision, mission and purpose of the coffee shop began to change.



Figure 7 Frappua Coffee Car (Facebook 2016).

At the very beginning of the opening of the coffee shop as a mobile business model, the owner was limited in workers. He worked together with his assistant. After the number of buyers grew every month, it became necessary to use a stationary form of a coffee shop, to hire a sales staff. Thus, in December 2017, a coffee shop was opened on the central square, the first team of the company consisting of 5 people, including the owner, was formed, which, in addition to coffee and tea, offered an expanded range of products for sale.

Starting from autumn 2018, the coffee shop offers the following range of products:

- Coffee – 1,50€ / 2,30€ / 3€ / 4€, tea – 1,80€
- Cakes – 3,90€, cookies – 2,50€, baked goods – 1€ / 1,50€ / 1,60€
- Hot cacao – 2€ / 3€ / 4€
- Hot sausages with potato fries (makkaraperunat) – 5,50€
- Soft ice cream – 2,90€
- Various soft drinks – 1€ / 2€ / 3€
- Non-alcoholic or low-alcoholic beers – 3€

3.1 Vision, Mission, and Aim of the Coffee Shop

Without a mission and vision, it is difficult to clearly imagine and comprehend the purpose of the company. It is these components that help determine the marketing strategy, marketing approach, planning, developing the right tactics, and therefore making the right marketing decision on business issues.

A vision is a dream, an owner's idea of a coffee shop in the future, the so-called ideal that the company is striving for. The basis of the vision is the goal that the company sets for itself, it is more specific, measurable in time.

The mission is part of the vision and shows how the company will act to achieve the vision.



Figure 8 Frappua Coffee Shop (Facebook 2017).

The vision of the coffee shop is to always give pleasure, joy, and comfort to the visitors of the coffee house. The mission of the coffee shop is to offer the visitors unique and affordable products that consider and satisfy their desires, tastes, evoking feelings of surprise and convenience. The aim of the coffee shop is to quickly meet the needs of loyal and new customers, focusing on their preferences for affordable prices and product variety, effectively expanding opportunities.

To find out what is the demand for products, it is necessary to conduct a market analysis. This chapter presents data from market research conducted using SWOT analysis and examines the company's competitors via Porter's Five Forces Analysis.

3.2 Competitors of the Coffee Shop

Competition every year becomes a powerful incentive for business development, the leverage that requires new creative approaches from entrepreneurs to increase sales of goods, testing various business models. According to the concept of marketing, companies achieve

competitive advantage by developing offers that satisfy the desires of the target audience more than the products of competitors. To do this, it is necessary to consider and comprehend the strengths and weaknesses of competitors to find out in which direction the company should work. Information on the competitors of company was obtained partly from the internet, partly as a result of a survey of potential customers of the coffee shop and personal observations of the author of this thesis.

This coffee shop located in the central part of the city. Close to the coffee shop there are four business models that are the main competitors. Two of them are large local companies, with a very wide range of goods of exclusive quality, high prices, with their own target audience. Nearby are two foreign coffee houses of a higher class, distinguished by a specific range of products, the price offer of one of them is above average, designed for a certain group of consumers.

The first "Espresso House" company, which is located at Aleksanterinkatu 10, in the building. The interior of the room is stylishly decorated. The coffee house has a hygienic room. Visitors can also relax and eat outside, comfortably sitting on a furnished area during spring, summer, and an early autumn. Working days are from Monday to Saturday. Sunday is a day off. The coffee house is well-known, popular with the population of the city, has its own extensive customer base. The predominant contingent of the coffee shop are customers with an average and above average income. High reputation and quality of service. The offered products belong to the category "homemade pastries", the offered assortments of pastries and sweets are high – 23 types. The choice of hot drinks – 29 and cold drinks – 36 is also varied. There are 14 types of sandwiches for every taste. The cheapest sandwich is three euro 90 cents. The cost of coffee starts from three euro 60 cents. Various discounts, promotions, subscription programs are constantly held. Marketing activities are up and running. Financial support is strong. Advertising company and digital marketing is very developed.

The second company "Burger King" is a large profitable and popular fast-food chain, located at Aleksanterinkatu 16. The range of products offered is designed for different social strata of the population. Open from eight am to 22.00 pm, two days a week open at night. Burger King is a well-known brand among Finnish consumers with many fans of this type of food. It has a various menu and prices. The main product is a burger, the total number of types is 35, with a democratic varying price, from five euro to 12 euro, nine types of burger supplements, nine types of other snacks, two types of French fries, six types of hot drinks, eight types of cold drinks, five types of milkshakes and smoothies, one type of ice cream at a budget price of one euro 80 cents, but small variety of sweets. The financial position of the

company is stable. The marketing campaign is carried out regularly, social networks and advertising, maintenance services are activated.

The third company is a Chinese sushi cafe “Royal Sushi”. It is located at Vapaudenkatu 12. The rooms are furnished in a classic calm style. The place has many lavatories. It does not belong to the type of a coffee house for a quick cooked hot dish, it is focused on lovers of spicy food, both fish and meat with a specific taste. The contingent of visitors is limited due to the specifics of the dishes. There is no type of coffee, familiar and preferred by the Finns. There are only two hot drinks. They are offered as part of a complex food intake. Of the sweets, there are only cookies and fruits in sugar. All products are presented in the form of a buffet, self-service. The price is not fixed at the entrance to the cafe, different for everyone for one visit – from nine euro 90 cents to 11,90 euro. It works from 11 am, without a lunch break, until eight pm. The entrance ticket depends on the time of day, before 16.00 pm it is cheaper, after 16.00 pm higher price. Financial status, social networks, and advertising at an average level.

The fourth group of coffee serving place is so-called R-kioski, located at the following address: Aleksanterinkatu 11. R-kioski is open from 8 am, without a break until 21.30 pm. There are couple of seats and one long table close to the window looking at the street. The range of offered products consists of two types of cold snacks and two types of hot snacks – hot dogs and rolls-sausages, three types of sandwiches, five types of coffee, tea, more than 10 types of soft drinks, five types of pastries, more than five types of ice creams, as well as different chocolates and sweets. The choice is limited, but the prices for products are above the average. The most demanded products are coffee and hot snacks. There are discounts on coffee and snacks for students. All products recommended for customers are displayed on web site of the company. The target audience of the R-kioski is varied, designed for a middle-income buyer. The service is qualified. Marketing works at the appropriate level.

3.3 SWOT Analysis

SWOT analysis allows to describe the position of the company in the market, helps, in combination with other analytical tools, and to develop a marketing strategy for a coffee shop.

According to the theoretical definitions of the essence of analysis, the strengths and weaknesses of the company, its opportunities and threats are shown in the following table:

Table 1 SWOT Analysis of Frappua

Strengths	Weaknesses
<ul style="list-style-type: none"> • Convenient Location • Expansion of the product range • Low price of goods • Night hours work • Availability of products • Delivery of the joy of meetings and leisure to customers • Low-cost promotional activities 	<ul style="list-style-type: none"> • No delivery options • Strong competitors • Lack of communication with clients
Opportunities	Threats
<ul style="list-style-type: none"> • New product launch 	<ul style="list-style-type: none"> • Restrictions due to the pandemic

Based on the foregoing, it can be concluded that the most appropriate for solving the weaknesses of the company is the strategy of strengthening and developing feedback from regular customers, taking into account the strengths and capabilities of the coffee shop to focus on attracting new customers by introducing new products.

3.4 Porter's Five Forces Analysis

Porter's five forces analysis consists in evaluating possible adverse events that could affect the business in the future, the so-called potential risks posed by competition.

Table 2 Porter's Five Forces Analysis for a Case Company Frappua

FORCE	RATING	REASONING
COMPETITIVE RIVARLY	Low	Non-competitive.
SUPPLIER POWER	Low	There are companies supplying hot dishes.
BUYER POWER	High	Specific, limited number of regular customers.

THREAT OF NEW ENTRY	High	Cost-effective option of investing, advantageous location of a coffee shop, effective work schedule of Frappua.
THREAT OF SUBSTITUTION	Low	The target audience will not buy a different product instead of the desired one.

The following picture of the position of the coffee shop was obtained after the author's analysis of Porter's Five Forces:

Firstly, the rivalry between companies has a medium to low impact on the coffee shop business, as there is no coffee shop in Lahti that provides just such a hot instant snack - sausages and potato fries. The product is very popular among people who finish a very late working day. These are drivers and buses, taxis, as well as business travelers, students and just visitors to other restaurants and cafes who find themselves in a difficult situation when all other coffee shops and restaurants in the city are closed at night or very early in the morning.

Secondly, the coffee shop has practically no work with suppliers. The only problematic moment may be a large-scale disruption in the supply and importation of sugar, meat products or vegetables into the country.

Thirdly, the preferences of potential clients are changing. But if to take control of the situation, show flexibility and establish permanent long-term trusting relationships with the target audience, it can be possible to respond in time to changes in customer desires. So, the main thing for a coffee shop is such a concept as to value and appreciate the opinion of each client, to emphasize and consider its importance and individuality. Buying power and influence are high.

Fourthly, the threat of new players entering the market is naturally high, since the costs to produce sausages and potato fries are minimal compared to other costs of marketing activities, and there is also the possibility of revising the schedule and mode of operation by any company.

Fifthly, the threat of replacing coffee house products with other goods of other companies is always present, but given the loyalty and preferences of customers, the uniqueness of the product and the possibility of purchasing it at a time of the day when it is not possible to buy elsewhere and quickly satisfy the need of customer, immediately reduces this rating to a negligible level.

4 Empirical Research

4.1 Research and Data Collection

In this thesis qualitative and quantitative research methods were used, namely, a survey of potential customers of the coffee shop was conducted in the form of an interview. A focus group discussion was also organized. The work on the survey was done manually according to pre-prepared questions of the questionnaire.



Image 2 Primary Data Collection (Pollfish 2021)

Survey

Potential customers of a coffee shop can be and are people of different ages, genders, professions, habits and character, tastes, and preferences.

The total number of people who agreed to participate in the survey was 30, of which 18 were men and 12 were women. The survey was conducted in the form of an oral dialogue with each research participant individually, at different times. The answers are written down in a notebook by the author. Thus, the participants were not burdened by filling out the questionnaire, they were in a comfortable and free environment with a cup of coffee. The interviewer could see the natural reaction of the interlocutor to any survey question.

Focus-Group

The focus group discussion took place on the territory of the coffee shop, under a canopy, in a relaxed and calm atmosphere, customers coming and going did not distract from the task. The number of people who took part in the focus group were five. The owner of the coffee shop also took an active part in the conversation, mostly observing the direction of the ongoing communication from the outside. The author of the thesis slowly and clearly asked questions, patiently listening to the answers of each guest present. The participants respectfully treated each other and to the person expressing their opinion and made a

generally unanimous decision on the answer. Key points and general answers are recorded in the form of a summary by hand. Five questions were considered and discussed.

4.2 Survey Analysis

The survey includes 10 questions. The first two questions are of a general nature, the average age of the participants is 38 years old, 60% of them are regular visitors to the coffee shop, which means they are loyal customers. Therefore, their opinion is valuable, necessary, and useful.

So, the questions considered are shown in detail below:

Question 1. What interests you in a coffee shop?

The task of such a question is to find out what the client is most interested in: products or process when visiting a coffee shop.

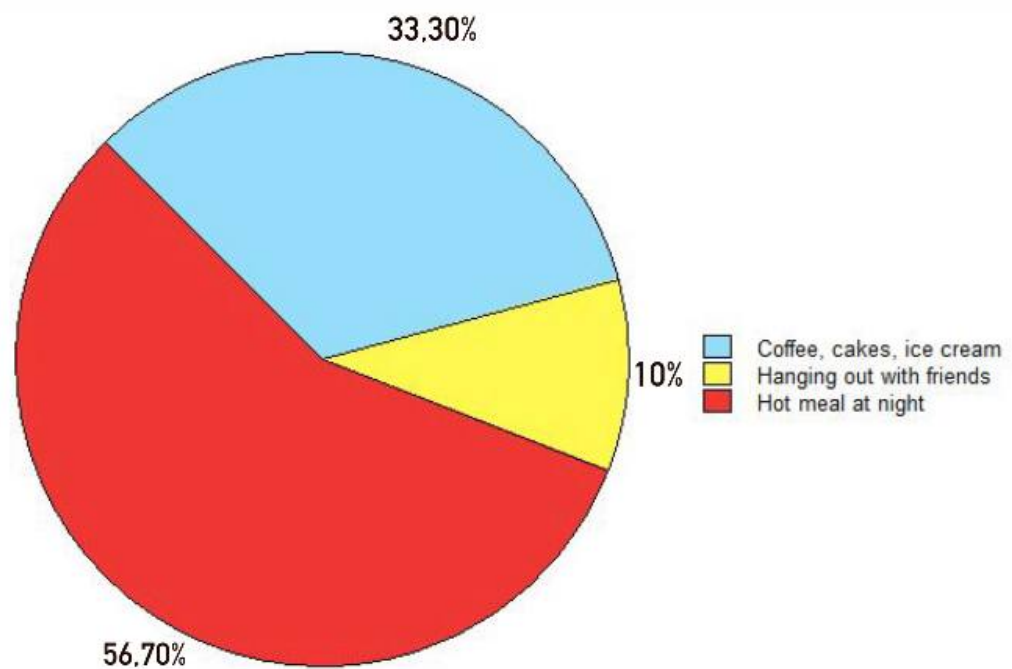


Figure 9 Interests of Frappua customers

According to the results of the survey, it turned out that sausages, a new product, became dominant in the choice of answers, they accounted for 56,70% of the total number of respondents. In second place is coffee – 33,30%, in third place - communication - 10%.

Question 2. What is your gender?

This is a demographic question. It helps to explain who the buyer is, the initial acquaintance with the client, which is necessary for segmentation and targeting. The survey included people of different genders, but for the result considered the vast majority answered to all 10 questions – the first two showings of men - 60%, women - 40%.

Question 3. What is your income level?

The absence of this question makes it difficult to draw up a portrait of an ideal customer, as well as to determine the target audience and its possibilities, and it affects the pricing policy of the coffee shop. According to the survey, 10% indicated their income level was above average, 70% - average, and 20% - below average.

Question 4. What matters to you when buying a product?

Answers of choice, only two:

- *Product availability (the speed)*
- *Price*
- *Taste preferences*
- *Discounts and promotions*

It was necessary to choose only two answers from 4 options. On this issue, for some, the decisive factor was "speed and price", their number is -30%. Other respondents - 30% chose "price and taste preference". The remaining -40% indicated "taste preferences and discounts".

Question 5. At what time of the day do you usually visit the coffee shop?

It is advisable to take this issue into account when planning the mode of operation of a coffee shop.

Of the respondents, 1/3 part said that they buy the product on the way, they can conveniently and quickly get hot coffee and a snack early in the morning and during break hours. And of the remaining 3/5 of consumers indicated that they could buy a hot snack at night, and the other 2/5 emphasized that they prefer to drink coffee during the day, 3 people noted that they prefer to chat and have a snack.

Question 6. How often do you buy at Frappua?

Answers to such a question provide information on how to interest the client so that he moves from the group of rarely visiting to the group of frequent ones. Thus, an increase in the number of visits with purchases will lead to an increase in sales.

According to the results of the survey, it turned out that they visit and buy daily - 40%, 3 times a week -26,70%, 1 time per week -20%, 2 times a decade – 13,30%. Naturally, the best option for increasing sales is to increase the number of daily visits and purchases.

Question 7. Do you visit other coffee shops?

The answers of customers were distributed as follows: 53,30% visit other coffee shops in the city, 23,30% visit Frappua, 16,70% of consumers sometimes visit other coffee shops, and not visiting – 6,70%. Such indicators have their own positive aspects, especially for the sale of a new product at night.

Question 8. What did you not find in the offered assortment of the coffee shop?

The results of this question showed that 40% of customers wanted hot appetizers, 20% wanted cold appetizers, 30% new confectionery and 10% indicated milkshakes. Usefulness of these answers on the one hand, a variety of customer interests, and on the other hand, good ideas for expanding the range of products.

Question 9. Why buying products in Frappua?

This question is designed to understand what the customer expects and wants when visiting a coffee shop. Customer responses:

23,30% for "habit and satisfaction of my desires", 36,70% for "convenience of location, atmosphere and service", 40% noted - "atmosphere and service, satisfaction of my desires".

Question 10. Would you like to recommend Frappua to your friends and acquaintances?

- Yes
- I don't know
- No

According to the results of the answers, it turns out that 50% of the respondents would recommend a coffee shop to their friends, 30% answered - I do not know, and 20% refused to recommend it.

As a result, the Net Promoter Score (NPS) is $50\% - 20\% = 30\%$

The indicator is positive, it is considered good for the activity of a coffee shop. But of those surveyed, 30% marked their position as neutral. This means that in the future it is necessary to actively work out such a level of satisfaction so that they are among acceptable buyers. Also, 20% of those who categorically stated point to shortcomings in the work of the coffee shop. Although the number of respondents is small for a customer satisfaction survey, it already provides a rough indication of customer loyalty.

The data from the last question from the customer survey are preliminary steps for studying customer satisfaction and loyalty. The vector that directs marketing activities in the right direction for sales growth.

4.3 Focus-Group Discussion Analysis

The focus group discussed five questions, the first of which is: "What is your opinion about the products of the coffee shop?"

Most of the participants spoke positively about the coffee shop, its products, and service. Especially noted the presence of varieties of coffee and tea. They also emphasized that the moment of buying a hot snack at night is very important, when other coffee houses are closed on the eve of the weekend and even on weekends. Clients noted that this approach to their interests and needs creates a fertile ground for trust and loyalty.

During the discussion, the following question was raised: "How do you find out about us?"

The importance and value of the information received was that customers highly appreciated the timeliness of the launched advertising about new products, the daily release on Instagram, especially the news about the proposed discounts, promotions and offers. Also, some participants added that they are often informed about the events of the coffee shop through its partners.

While focusing on the coffee shop's various online and digital marketing activities, consumers have noticed that they are very interested in reading various historical notes about the products consumed on social networks, such as "did you know..."

The group members noted that lately it is not always easy to just spend time with friends, more often because of the need for business meetings. Influenced by the high pace and demands of life. But at the same time, it was noted that with the further development of the impending pandemic, the situation will change.

Two participants emphasized that the coffee house has a privilege compared to other indoor coffee houses that outdoor socializing is possible. In the psychological aspect, communication in an outdoor coffee shop is of great importance for customers during restrictions and quarantines. In this regard, interest has consistently been expressed in the prospect of such a service as the delivery of a product and the sale of goods online. The interlocutors also showed keen interest in the frequency and regularity of discounts and promotions by season, the possibilities and likelihood of launching a new product line during the pandemic.

The questions asked indicates that the target audience is concerned about the position of the coffee house in the market, its development, and prospects. During the discussion, the primacy and importance of advertising, its systematic release, completeness of information about products, as well as videos and photos of products in social networks were once again emphasized. Customers stated that they are satisfied with the attention that the coffee house shows to their needs and desires, takes into account interests and habits and, in turn, are ready for long-term contacts with the coffee house.

5 Marketing Strategy For Sales Growth in “Frappua” Coffee Shop

After theoretical and empirical research, a coffee shop strategy is developed that focuses on increasing sales.

The STP model for a coffee shop consists of three factors:

- segmentation
- targeting
- positioning

5.1 Segmentation And Targeting

The coffee house potential customer market is divided into the following segments:

The first is the largest segment, according to the collected data, these are men and women, aged 25-35, employed, with an average income, who are the most likely potential customers. The segment includes shoppers shopping at a coffee shop very late in the day, usually on the eve of weekends and holidays. Their preferences are hot sausages, coffee, cold drinks. The social status of buyers: office workers, service workers, students.

The second segment is women, aged 25-35, with children, married, unmarried, employed, at an average income level.

This category of visitors purchases coffee shop products during the day, more often in the afternoon. They buy coffee, cake, ice cream for themselves and for their children during spring, summer, and an early autumn. Also juice drinks. They often make repeated purchases, so they stay on the territory of the coffee shop for a long time, appoint a meeting place for friends and business meetings. Depending on the season, the average check and check positions change. In winter - hot drinks and hot snacks, in summertime - soft drinks and ice cream.

The third segment is male and female clients, aged 45-55, employed, moderately well off, regularly buying coffee, tea, and sweets. Visit the coffee shop until 24 hours. They prefer to drink a cup of coffee in a calm atmosphere, relax, chat with friends. They buy hot snacks from time to time.

The fourth segment is men and women, aged 25-45, who buy coffee every morning from eight a.m. to nine a.m., preferring to drink it on the go, on their way to work. And students buying coffee after lunch time.

As soon as the market is divided into segments, we get among these customers the most profitable for buyers. This indicates that a targeted approach has been applied in marketing segmentation.

5.2 Customer's Profile

The leading force of the target audience are men and women aged 25-35 and 35-55.

To understand the ideal potential customer better and deeper, a profile of the personality of the coffee shop buyer is created.

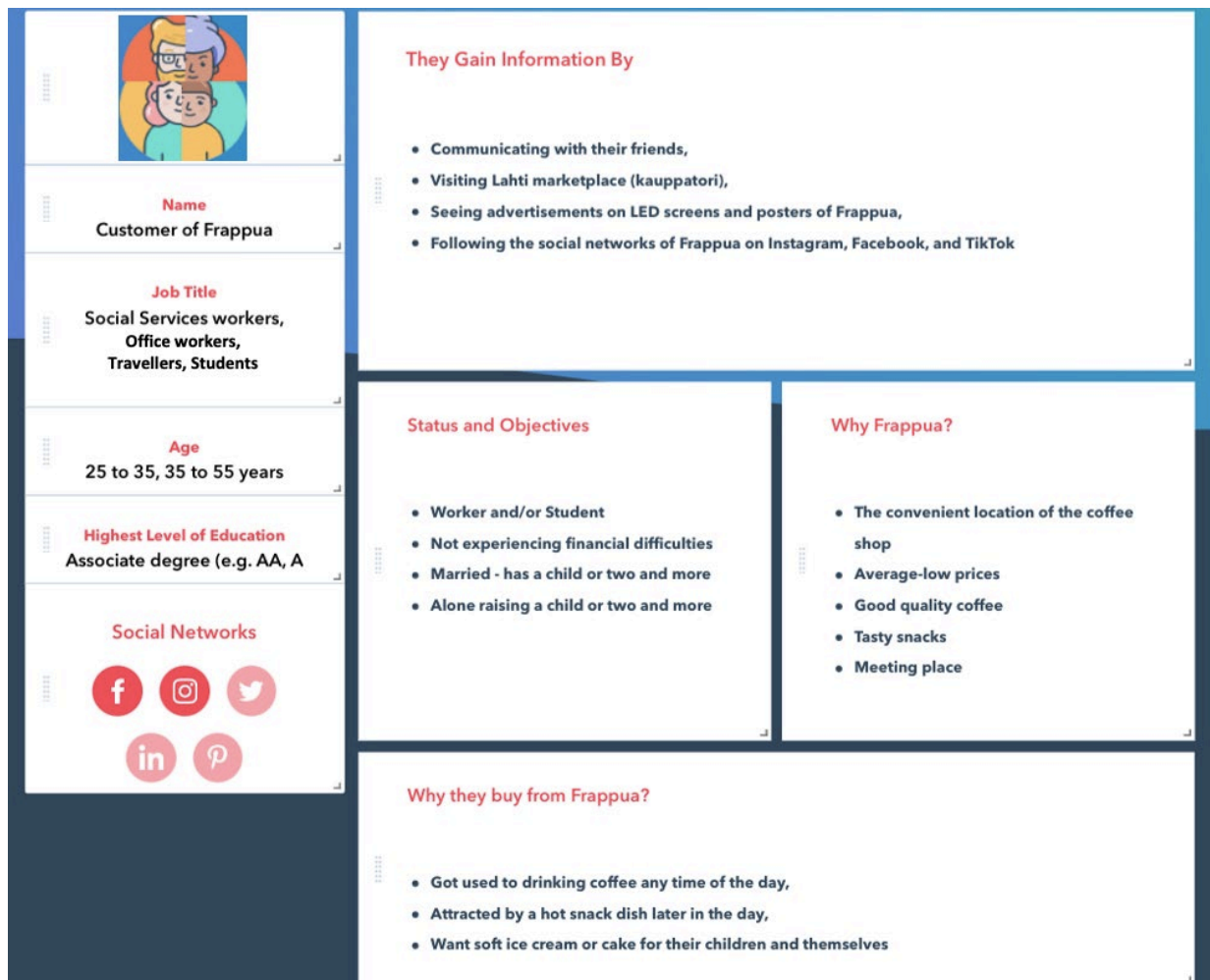


Figure 10 Customer's Profile

The figure shows a portrait of an ideal potential buyer.

The portrait of a potential client of a coffee shop turns out to be many-faced, but the main thing is its constancy and correspondence to reality.

According to the results of the survey, the first portrait of the buyer looks like this: a 30-year-old man, an office worker who often travels on business trips or a bus driver, a taxi driver.

Marital status married, has a child. Got used to drinking coffee in the morning. Also, in a coffee shop, he is attracted by a hot snack later in the day, especially on the eve of weekends and holidays. The location of the coffee shop is convenient, in the city center, close to any mode of transport within walking distance. The client is interested in the information posted on social networks and on partner sites of the coffee shop.

The second portrait of a potential client is a woman aged 25-40 who has at least a child aged 10. Married or raising a child alone, works in a social service, stable, average salary. She also prefers to sit in a coffee shop with a child who is interested in ice cream and cakes. A woman also does not deny herself the pleasure of eating cake or ice cream in her free time, meeting with her acquaintances. In this case, the products of the coffee house meet the desires of two customers at once - a parent and a child.

The third portrait of a potential client is regular and casual customers of a coffee shop buying hot coffee early in the morning. Age ranges from 25 to 45 years old, employed, businesslike, not experiencing financial difficulties, with diverse interests, preferring coffee on the go.

All customers are important for sales growth, so the look of an adult buyer and the look of a student are also relevant. Adult clients prefer communication in a coffee shop over a cup of coffee, and students are interested in coffee, soft drinks in the morning and evening. They are interested in hot sausages periodically before the weekend at night. Both categories of customers are solvent, due to the constant social benefits and salaries received. The coffee shop is considered as a meeting place. Especially often they visit a coffee shop during periods of discounts and promotions.

5.3 Unique Selling Point (USP)

The Unique Selling Point (USP) is a factor that helps to stand out from the competition, win the attention of the target audience, get ahead of the rivals, and thus increase the sales.

The new product is hot sausages with potato fries, a preferred and sought-after dish of the locals. The main value of the product lies in its availability and taste preferences of local residents. The manifestation of increased interest in a hot snack at night, caused after drinking in nearby bars or late at the end of the working day. Popular not only among potential customers, but also attracts new consumers, in the face of tourists, business travelers and just passers-by.

The products meet the needs of different segments of the population, the privilege is that it works around the clock, which is very beneficial for competition and profitable for the company.

5.4 Positioning

The final factor in STP is positioning.

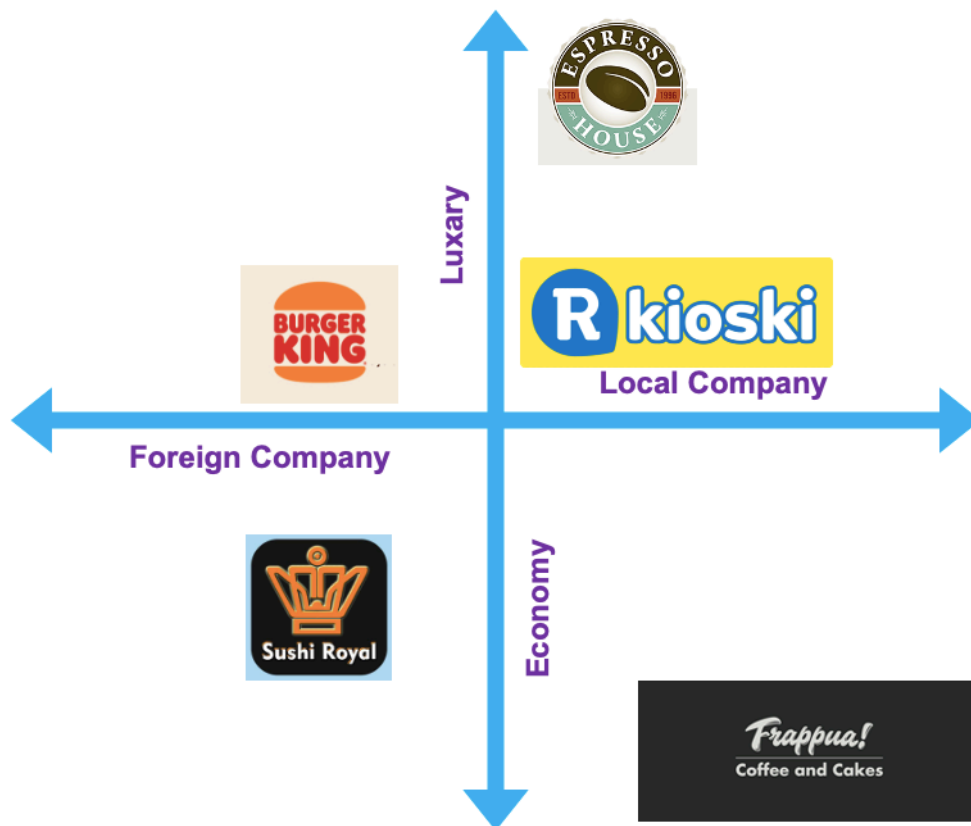


Figure 11 Positioning Graph

The figure shows the positioning map of the coffee shop. As a result of positioning, the strengths and weaknesses of the company were identified, a successful marketing strategy was created, acceptable marketing approaches were identified, considering competition.

The upper part of the vertical axis shows large companies with luxury products, the lower part shows budget companies. On the left side of the horizontal axis, foreign companies are marked, and on the right horizontal axis, Finnish companies.

This coffee shop belongs to the retail business and is shown as a company providing economical Finnish products. As can be seen from the positioning map, the lower right corner is occupied only by it. Consequently, the coffee house has prospects for growth and development since there are practically no competitors. This is a truly encouraging fact.

5.5 Marketing Approaches for Sales Growth

The selection and application of marketing approaches that are consistent with the marketing strategy is possible only based on the results of a thorough and comprehensive study of the marketing environment. To do this, a strategic analysis of the coffee shop environment was carried out in the following areas:

- market analysis
- competitor analysis
- analysis of customer demand and desires
- analysis of macro and microenvironment of the company.

Based on the results of the study and analysis, it becomes obvious that the dialogue between coffee shop employees and customers is in the first place, which means that the emphasis is shifting towards research and modeling of customer behavior. The main thing in the approach to the client is not just customer focus, but the establishment of mutually beneficial trusting relationships with consumers, considering their desires, preferences, interests, behavior.

An important trend is also determined in comparison with classical marketing approaches - this is the mandatory timely identification of new customer needs, creating a new target audience based on this, assessing the perception of new products by regular customers and new ones.

Thus, the orientation of the company to the client, product and service is considered from the point of view of the consumer. Regarding service, it is necessary to develop the skills and abilities to listen to the potential client, to strive to become an authoritative expert on various issues. Do not lose sight of and be extremely attentive to regular customers and regularly check the completeness of the information they receive about products and other activities of the coffee shop.

In the course of the work done, the most effective marketing approach for growing sales in a coffee shop was identified and developed. This is a simultaneous communication and interaction with existing, regular customers and attracting new customers. Positive results were achieved by expanding the range of products, creating a unique coffee house product, considering the wishes of customers, studying their satisfaction and demand. This approach only works when doing regular survey, monitoring customers, and controlling sales volume.

5.6 Marketing Tactics

Once the marketing strategy of the company is determined, the next step is to plan the marketing tactics. According to theoretical studies, the marketing tactic tool is Marketing Mix. For the selected target audience of the coffee shop, the marketing strategy looks like this:

- Strategy – strengthening and developing feedback from regular customers, attracting new customers by introducing new products
- Price – low prices
- Product – variety of products to taste
- Promotion – through partners, personalized, by segments, advertisement in social networks.

Strategy means that products are created for four segments of potential customers: those who want coffee in the morning, daytime buyers, customers with children and people who prefer hot food late at night. Information about the uniqueness and novelty of the product is distributed through social networks, billboards, and partners of the coffee shop. This helps to attract the attention and interest of both the target audience and new customers.

The price of products is below average, acceptable for any segment of regular and new customers, budget compared to the offers of hot types of dishes from other coffee houses.

The availability of the product makes it easier to buy the product being sold - a hot dish at different times of the day, especially if the offer is in combination with various discounts and promotions.

The new product, the hot sausage with potato fries, also gives the customer the anticipation of satisfying hunger and enjoyment and comfort at night. When all coffee shops and other food outlets are closed, at such a moment the product becomes significant and unique.

Place of sales - the company works in contact, through direct off-line sales. The location of the coffee shop is convenient and profitable from any point of view: safety, territorial and environmental friendliness.

Promotion. The main focus is on its own media, which include websites, pages on social networks: Instagram, Facebook, contacts, TikTok.

The sites state:

- Coffee house homepage
- Place of products sold, always with photos or promotional videos of products
- Links to social media pages

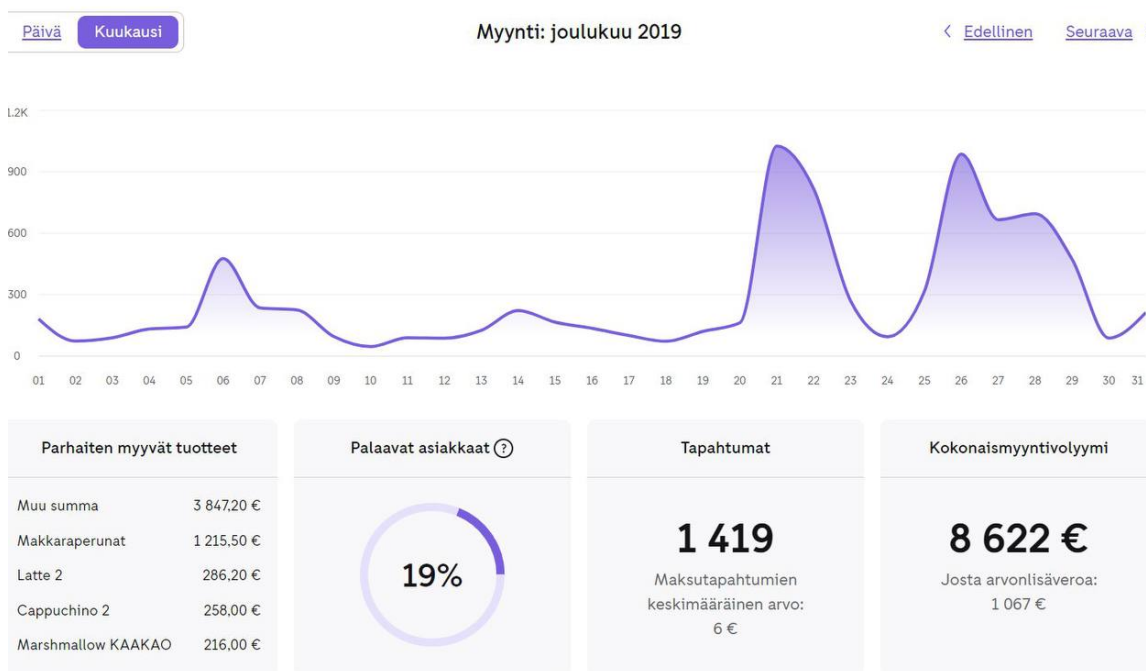
- Remarks and wishes.

Instagram, Facebook and TikTok include content such as "new in the coffee shop", "deals of the day", "service".

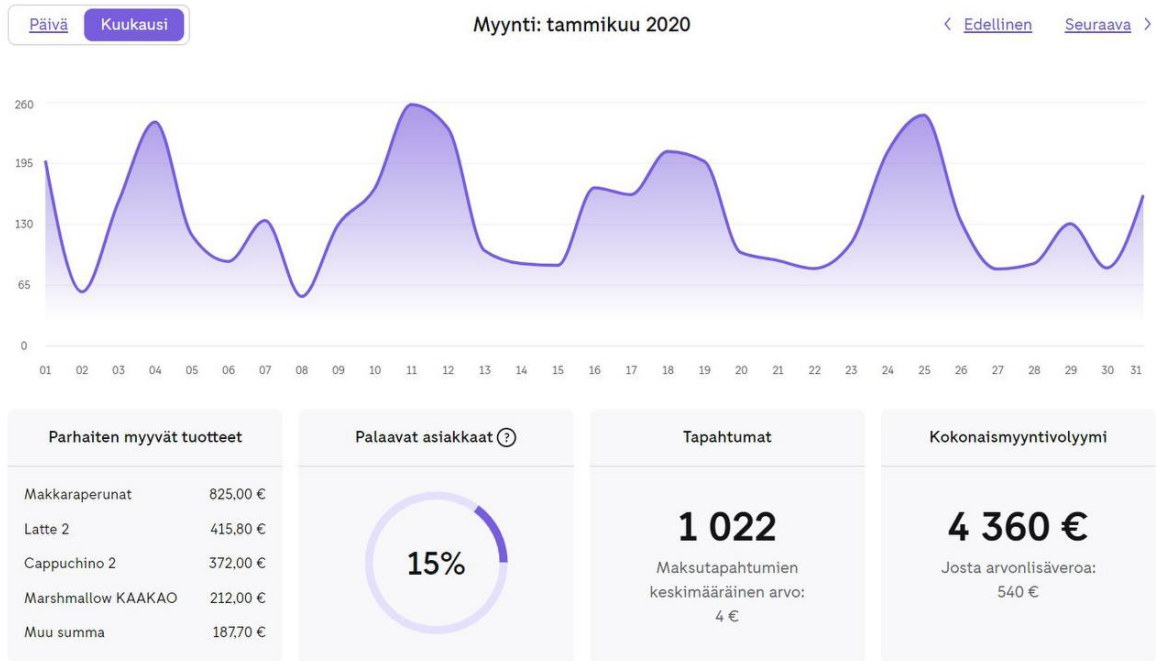
In this way, long-term relationships with potential clients are built, based on trust and mutual interest. Ultimately, this led to an increase in sales in the coffee shop, as it allowed to control any changes in customer preferences and desires, satisfaction, and loyalty.

The marketing funnel is included in the report, which shows the following metrics: top selling coffee shop products, loyal customer engagement, total sales, and sales volume.

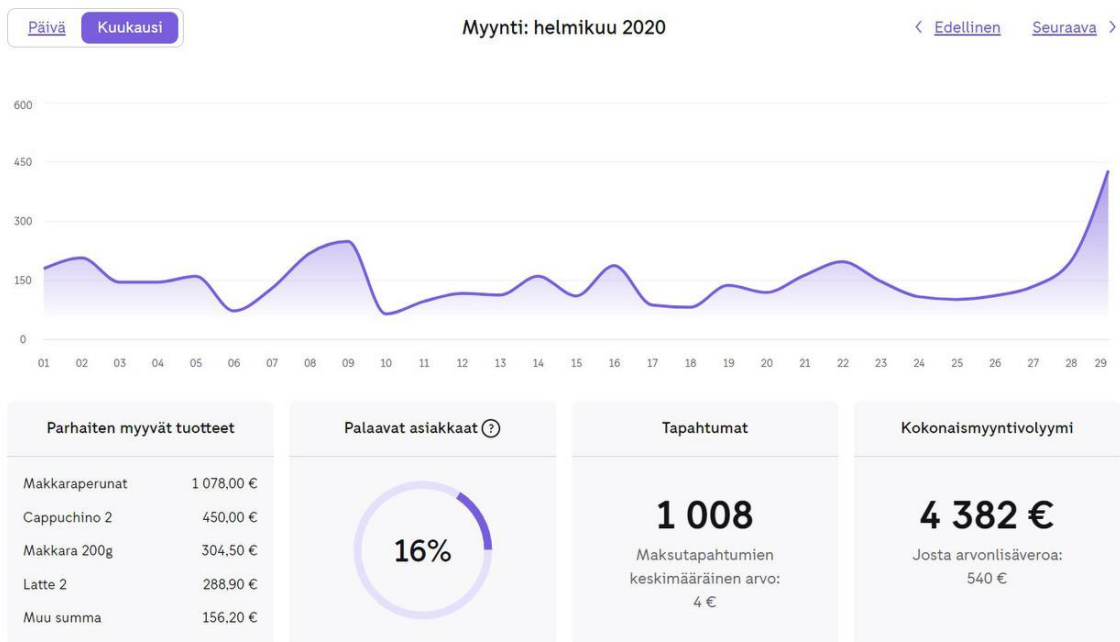
The application is compiled monthly and allows to control the sales process. The program helps to respond in a timely manner to a decrease in the number of sales, the participation of regular customers. According to the data, the average check of the buyer changes every month, this is clearly seen in the graph.



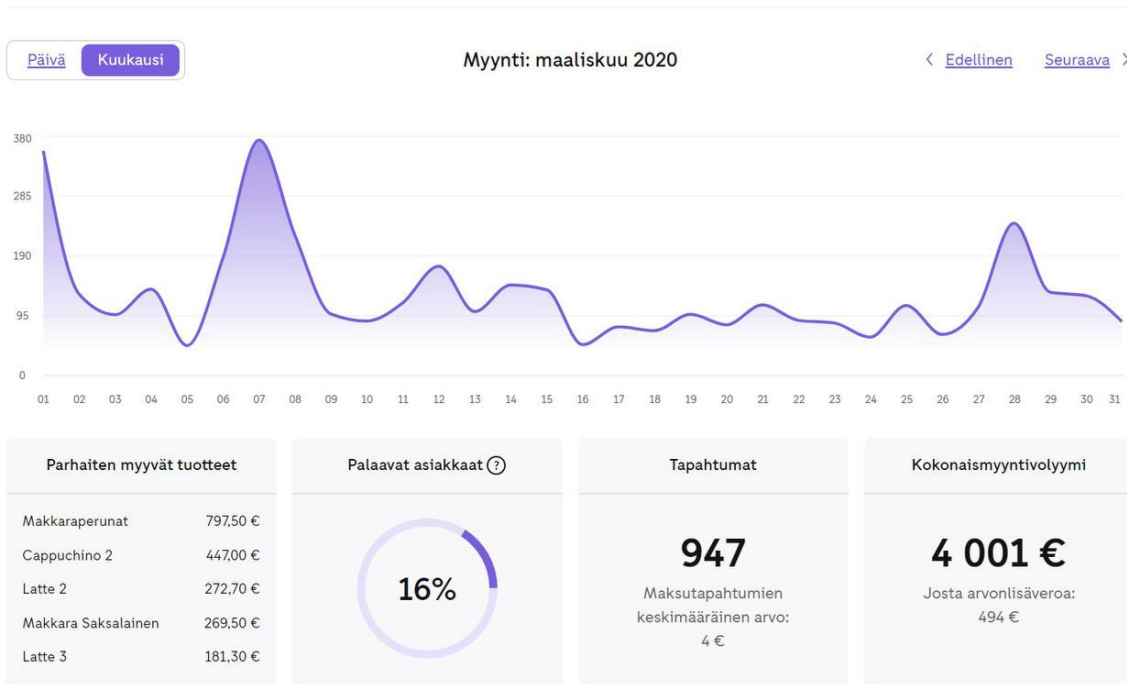
Graph 1 December 2019



Graph 2 January 2020



Graph 3 February 2020



Graph 4 March 2020

With these graphs, it is possible to determine and to see the conversion, the average sales receipt, and the total sales volume, which must be monitored regularly.

6 Conclusion

This is the final part of the work. It includes answers to the main research question and sub-questions, verification of validity and reliability, and further research suggestions for the coffee shop.

6.1 Answers and Questions

This thesis is about the activities of a young company - a coffee shop (Frappua), producing products such as various types of coffee, potato fries, fried sausages, preparing different types of hot drinks, cocoa, and tea, offering low-alcohol drinks - beer and soft drinks, cookies, bakery, cakes and ice cream.

The aim of the work was to develop the best marketing approach based on the chosen marketing strategy for the growth of coffee house sales. Before starting work on the topic, questions were asked that play the role of factors influencing sales growth.

Sub-questions help answer the main question of the thesis, so they are considered first. Consistent disclosure of the essence of sub-questions will lead to an answer to the main question of the thesis.

The first sub-question: What interests a customer to buy in a coffee shop?

According to the survey data and focus group discussions, it became clear that potential customers of the coffee shop are primarily interested in hot sausages. This group is the largest and makes up 56,70%. The second group of clients chose coffee and determined exactly the type of coffee they liked, the time of taking it, and the condition under which it gives them pleasure. The number of such clients is 33,30%. The remaining clients distributed 10% as communication and meetings.

Second sub-question: How often does a customer buy in a coffee shop?

The frequency of visits to most coffee shops varies from 3 times a week to 1 time, the reason for visiting is different - from the desire to buy a product while on the move, sometimes for meetings, as well as for urgent need. Peak time for buyers is morning, afternoon, night.

The third sub-question: When are the sales active, when are they low?

According to customers, they begin to actively buy products early in the morning at the beginning of the working day, after work and after 20 pm on weekends, they also emphasized that the desire to purchase decreases when climatic conditions change - the season of the year, the presence of rain, wind, heat.

Sales are also activated during various discounts and promotions held jointly with partners, bonus programs for regular customers.

Fourth sub-question: What influences a customer's decision to buy a product?

The main factors influencing the desire of customers to buy the product are the usual and convenient location of the coffee shop, the availability of the product, the preferred taste of the products, the price, and discounts. The main focus is the price and the second is availability.

Fifth sub-question: Why is the number of purchased products growing?

Many customers noted that they regularly buy familiar products, as they are confident in their availability, taste, and price. Another part of the buyers stressed that promotions, discounts, and other attractive offers are of great importance for them.

Sixth sub-question: How does the customer learn about the products of the coffee shop?

Based on the results of a survey and discussion with customers, it turned out that those consumers who constantly keep in touch with the coffee house through social networks benefit greatly in terms of information about discounts, promotions and other marketing activities conducted by both the company and its partners.

The value and attractiveness of this coffee shop in the eyes of the clients lies in the product features and the possibility of buying any product at any time of the day. Some potential customers emphasized that the coffee house, like other types of retail business, offers a hot snack, but unlike others at night, at an affordable price, affordable for all segments of the population.

Seventh question: What is the level of customer satisfaction and loyalty?

The answers of respondents during the survey and discussion in the focus group indicated the level of NPS (Net Promoter Score) is average at the level of stability, therefore, there are conditions for further growth and development of the company. Most of the customers turned out to be acceptable to the coffee shop, they are satisfied with the range of products, price, and service. The wishes of new interests of both regular and new customers were also considered.

6.2 Validity and Reliability

The main goal of the thesis was to achieve research goals by asking research questions and finding answers to them. The thesis material includes a theoretical review, empirical research, developments, and proposals. The basis of primary sources is a survey of 30

potential customers in Finland, a discussion in a focus group of 5 people. Secondary data were obtained as a result of studying and reviewing theoretical scientific literature, books, publications, articles, websites. All collected data was used to obtain the conclusion of the marketing research. Therefore, it can be considered that the above factors make the research trustworthy and reliable.

6.3 Suggestions

This study only concerns a company located in Finland. And since there are similar coffee shops all over the world, there is an opportunity to consider the application of these marketing approaches in an international framework. In the future, there are opportunities to develop new products and solve the issue of product delivery, as well as the functioning of the coffee shop not only offline. But also online, as one of the countermeasures during the pandemic, which provides for a furthermore detailed marketing study of the strategies and tactics of similar companies.

7 Summary

The main goal of this work is to define and justify the use of effective marketing approaches to increase sales in a coffee shop. The goal is feasible when studying the theoretical foundations of a complex of marketing activities, company analysis. Its potential market, identifying and clarifying the target audience. The definition of marketing approaches involves the development and specification of a marketing strategy and tactics. To this end, a SWOT analysis of the coffee shop was carried out, taking into account the mission and vision of the company. According to the requirements of marketing analysis, the company's competitors were also studied, and the potential market was analyzed using Porter's Five Forces Analysis.

In the empirical part of the work, primary data were collected and analyzed. To do this, a survey was conducted with 30 potential customers and a discussion of questions in a focus group of five participants. The results obtained helped to understand the desires and preferences, behavior and interests of customers, factors influencing the decision to purchase a product. The results of the study showed that such decisive factors are the uniqueness of the product and availability, the possibility of buying them at any time of the day.

Essentially, the foregoing has determined an effective marketing approach, which is a combination of two approaches into one single one. Namely, regular interaction with regular customers and attracting new customers by expanding the assortment of coffee shop products. The priority in relations with existing and new customers is to study the interests and preferences of customers, their significance. Only mutually beneficial cooperation, observance of the interests of both parties "seller - buyer" will lead to an increase in sales.

Thus, the prospects for further development and profitability of the coffee house are obvious.

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Appendices

Appendix 1. Survey

Question 1. What interests you in a coffee shop?

Answers of choice:

- Coffee, cakes, ice cream
- Just hanging out with friends
- Hot meal at night

Question 2. What is your gender?

Answers of choice:

- Male
- Female
- Non-binary
- Rather not to answer

Question 3. What is your income level?

Answers of choice:

- Below the average
- Middle
- Above the average

Question 4. What matters to you when buying a product?

Answers of choice, only two:

- Product availability (the speed)
- Price
- Taste preferences
- Discounts and promotions

Question 5. At what time of the day do you usually visit the coffee shop?

Answers of choice:

- In the morning
- During daytime
- In the evening
- At night

Question 6. How often do you buy at Frappua?

Answers of choice:

- Daily
- Three times in a week
- Once in a week
- Two times in 10 days

Question 7. Do you visit other coffee shops?

Answers of choice:

- Yes
- No
- Sometimes
- Very rarely

Question 8. What did you not find in the offered assortment of the coffee shop?

Answers of choice:

- Cold snacks, sandwiches
- Variety of hot snacks
- Milkshakes
- Other sweets, desserts

Question 9. Why buying products in Frappua?

- Out of habit
- Convenient coffee shop location
- Atmosphere and service
- Satisfaction of my desires

Question 10. Would you like to recommend Frappua to your friends and acquaintances?

- Yes
- I don't know
- No

Appendix 2. Focus-Group Questions

- What is your opinion about coffee shop products?
- How do you find out about us?
- What is the importance of a coffee shop for socializing in an open space?
- In your opinion, are discounts and promotions regularly and often held?
- How do you see the new perspectives of the coffee shop?