

Introduction

As a group, we have decided to do an 'Enterprise in Action' project. Our business is called 'The Busy Beans', it is a portable coffee truck which sells organic coffee with a simple menu. The truck is set up in different areas to reach our target market. Our unique selling point is that our simple coffee is organic, fairtrade and environmentally friendly.

We want the message of our company to be one of happiness and care-free enjoyment. As our slogan goes: "A busy bean is a happy bean". We wish to live up to our company slogan by spreading the message of an eco-friendly, fairtrade company.

Before conducting this project, we had a set of skills we wished to acquire as a result of our work, as we were all assigned different jobs within the group. We wanted to develop our communication skills, our research techniques and our ability to present our project in a readable, professional manner. We hoped to achieve these skills by the end of our project, along with many more along the way!

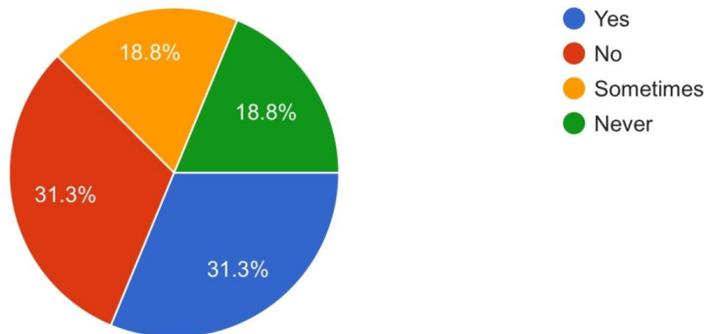
Research page

We used two main types of research. Field research and desk research
-field research

We decided to create a survey that we would distribute to our classmates, we decided that our classmates should complete the survey as they are in the same age range as our target market. We used our desk research to compile the survey. We made 3 drafts of the survey before selecting the finished draft, we did this to ensure that we created the most informative

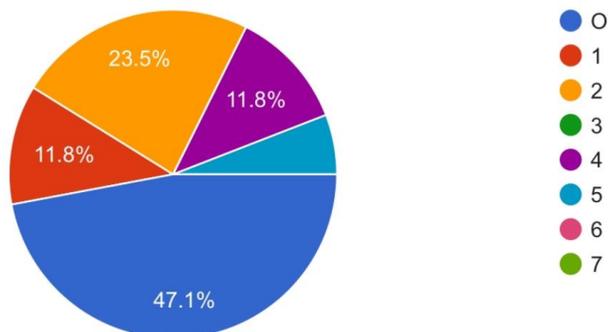
Do you drink coffee?

47 responses



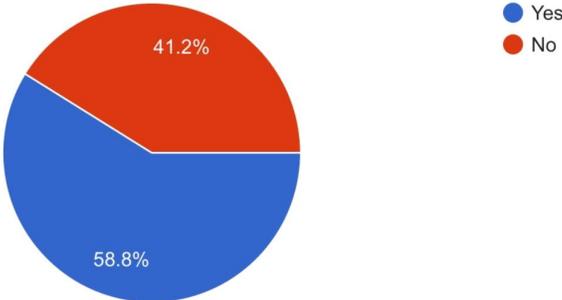
How many days a week do you normally buy coffee from a coffee shop

47 responses



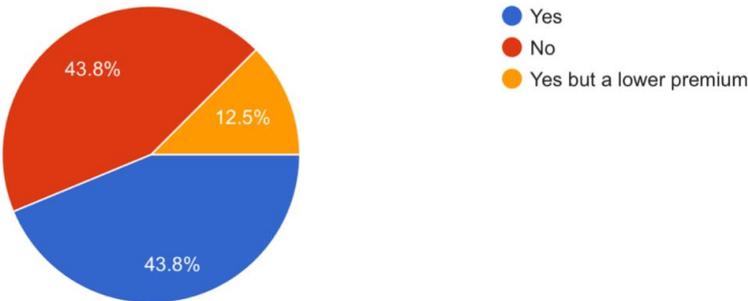
Would you be interested in a coffee van outside the school?

47 responses



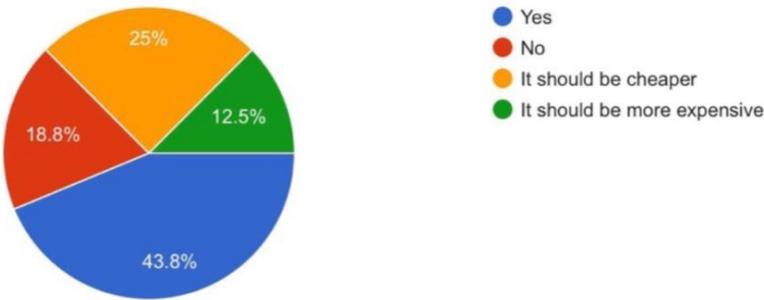
Would you pay a 40c premium for organic coffee?

47 responses



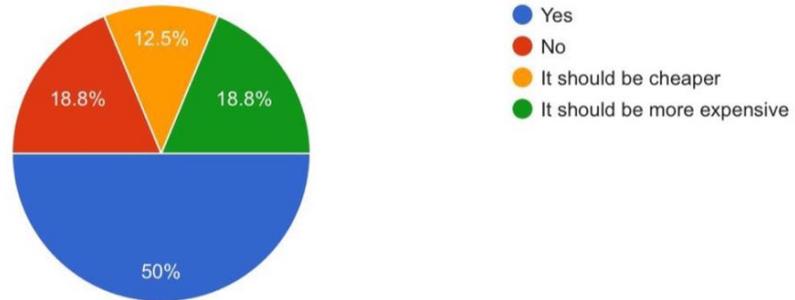
Do you think €3 is an appropriate price for a small coffee?

47 responses



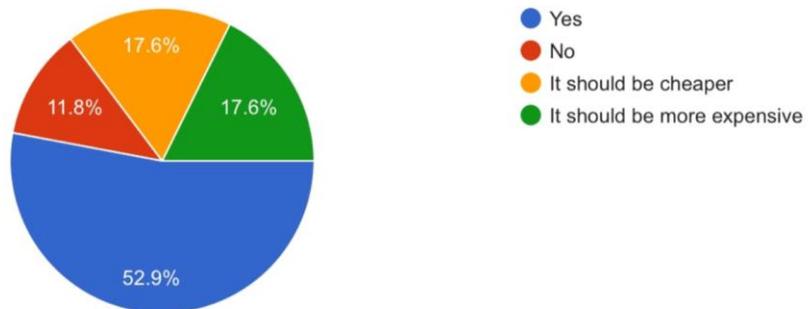
Do you think €3.35 is an appropriate price for a medium coffee?

47 responses



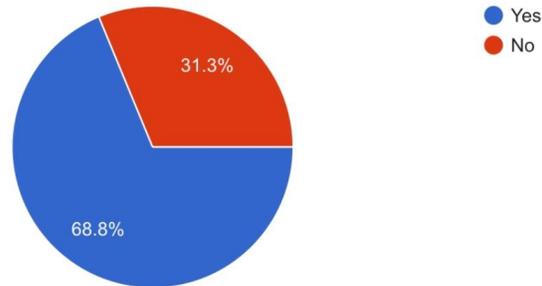
Do you think €3.80 is an appropriate price for a large coffee?

47 responses



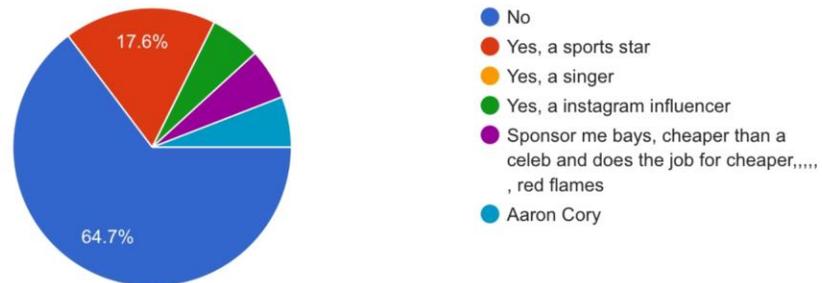
Would colourful,seasonal drinks like flavoured ice tea make you more interested in a coffee shop

47 responses



Do you become more interested in a company that sponsors a celebrity?
If so which type?

47 responses



1. Normal coffee beans - 1kg: [www.discountcoffee.ie]

- €10.99, Pure Roast Coffee
- €20.99, Lavazza Top Class
- €51.98, Nescafé Azera

2. Organic Coffee beans 1kg: [www.nextdaycoffee.co.uk]

- €18.69, Cafedirect Organic Beans
- €11.67, Caffe Roma Coffee
- €16.35, Nairobi Parula Coffee

Or 44kg bulk order of €449.79, Caffe Roma Fairtrade Coffee Beans

3. Flavoured Syrups - 1ltr

- €8.49, Monin Syrups
- €8.49 to €9.49, Sweetbird Syrups
- €7.50, DaVinci Gourmet

4. Fresh Milk - 2ltr

- €1.49, Tesco
- €1.89, Avonmore
- €1.89, Premiere Milk

5. Paper cups [officespot.ie + [cupsnstuff](http://cupsnstuff.com)]

- 6oz mycafe (500) = €21.50
- 6oz 4 aces double wall (200) = €10.20
- 9oz paper vending cup (1000) = €43.39
- 9oz mocha combo pack(100) =€16.50
- 12oz mycafe(50) =€2.69
- 12oz compostable cup(500) =€16.50
- 12oz your own design(1000) =€394.83

6. Competitors pricing index

Costa.	<i>Small</i>	<i>Medium</i>	<i>Large</i>
coffee cooler.	€3.95.	€4.25.	€4.65
Latte.	€3.45.	€3.95.	€4.35

Starbucks

Latte.	€3.45.	€3.95.	€4.45
Iced coffee.	€2.65.	€2.95.	€3.25

Insomnia

Latte.	€2.90.	-	€3.35
Iced coffee.	€3.20.	-	€3.50

Syrup shot =€0.65

AMT coffee

Latte.	€2.70.	-	€3.40
Iced coffee.	€ 2.80	-	€3.50

7. According to a survey 18-24 year olds had the greatest tendency to to fully integrate green behavior into their daily life with 10% of participants saying that they “completely “ incorporated environmentalism into their lives.[burstmedia.ie]

8. millennials (age 18-34) consume 44% of coffee in the United States ,and its growing with daily consumption among 16-24 year olds rising from 34% to 48% this year [Bloomberg commodity index]

9. If we are setting up around Dublin, we need a 'Casual Trading Act License', which is free. I couldn't find anything about restrictions of parking around DunDrum. Different counties have different rules about where you can go and the things you must do to access these places (different permits, applications, etc...). [raleighnc.gov]

10. For insurance , we need to get a quote off a business, which I don't think we can do.

11. For initial food bill, an estimated €500 if we also do food. [shopkeep.com]

12. 90% of instagram users are under the age of 35, 90% of which log in daily. The biggest demographic group are males between 18 – 24 years old, while 60.4% of all users are aged between 18 and 24 [brandwatch.com]

13. Cost of normal printer paper

- €3.45 for 500 sheets 75g (paper quality not specified) [123ink.ie]
- €4.90 for 500 sheets 80gsm [harveynorman.ie]
- €2.99 for 500 sheets 80gsm [vikingdirect.ie]

14. Cost of stamps

- €7.54 - 2 Small Self-Inking Teacher Marking Stamps - Blue Smiling Star and Purple Smiley Face (free shipping) [amazon.co.uk]
- €29.45 - Q-Connect Voucher for Self-Inking Custom Stamp 45x16mm 5 Lines - Black - your own design with text and graphics [huntoffice.ie]

15. We can charge employees from €9.80 to €15 per hour.. The possible candidate requirements could be prior food truck experience or have undergone food safety training and acquire a food handlers certificate. [shopkeep.com]

16.The van will cost €22,000. [adverts.ie]

17. For equipment, an estimated €1100.
[amazon.co.uk]

Research analysis

- We decided on our proposed prices for the survey by researching our competition and finding the cost of producing the coffee. Our survey showed us that these were reasonable prices with some participants even suggesting that the prices were too low.
- Our survey showed us that around half of the participants drink coffee with 50% of the participants saying that they do drink coffee or sometimes drink coffee
- We believe that we successfully identified our target market as our survey proved our research reliable with nearly 60% of participants saying that they would like a coffee van outside the school. They also showed themselves to be environmentally aware with 44% of participants saying that they would pay a 40c premium and 12.5% saying that they would be willing to pay a lower premium
- We decided to include a limited amount of syrups in our menu as nearly 70% of participants said that this would encourage them to purchase our product. we didn't want to include too many flavors as we wanted to keep costs down.
- We decided not to get any type of celebrity endorsement as 65% of the participants said that it would have no effect on their decision to purchase our product. We decided that this would not be a worthwhile investment.
- To decide the price of our coffees we first decided to see how much the coffee would cost to make. We decided to use pure roast coffee as it was the cheapest of our 3 options at only €10.99 per kg, we decided to use tesco milk at €1.49 per 2 liters we then decided to use the mycafe paper cups that cost €0.072 per 6oz cup and 0.043 per 9oz.

Product

We are setting up a coffee van called “The Busy Beans” . This van will sell simple, organic, homemade coffee with the choice of a variety of flavours, such as ice coffee or a latté. We will sell these products out of an electric vintage food truck, as we are an environmentally friendly and organic company. This truck will be available to hire for events, festivals and markets, but it will primarily be set up around our chosen destinations, such as colleges and shopping centers.

Our product and service is designed the way it is to appeal to our target market, which is people between the ages of 16 to 30. Our goal is to reach out to this demographic with our organic product and unique style. Our coffee truck will be stationed around specific destinations, as previously mentioned, to better access the market we are aimed at. We chose this target market from our field research as we visited a number of coffee shops and noticed that most of the people purchasing coffee in areas located beside colleges and shops were in the age range of 16 to 24 year olds.

Our research supported some of the decisions regarding our product by finding the pricing of our coffee, syrups, ingredients, etc... We then chose the definitive prices and how much it would all cost to make. The findings also aided us in areas such as estimated electrical costs for the food truck, estimated insurance costs, permits for parking and selling to the public, and appliance costs. These include coffee machines, refrigerators, etc...

Our packaging will sport our signature “The Busy Beans” logo, with a simple blue and pink fade surrounding it. Our truck will also have this unique style and paintwork.

The unique selling point of our products is the purely unique flavours, extremely organic creation and our simple menu. The image we want our service to project is quality over quantity. We take pride in creating local, organic, fair trade coffees. We want the message of an eco-friendly business develop around our service.

We will also use branding, such as a modern, flamboyant logo and company name. We feel this is necessary as to spread the word of our business and to gain support and admiration from the communities around us. We chose this short, snappy company name as to make it easier to recognize our business.

Price

The menu

	<i>Small</i>	<i>Medium</i>	<i>Large</i>
<i>Latte.</i>	€3	€3.35	€3.80
<i>Iced coffee</i>		€3.85	

Organic beans = 0.40

Extra shot = €0.50

Syrup = €0.40

Small latte

A small latte contains 1 shot of coffee(€0.085) and 120ml of milk(€0.093)
The overall cost came to €0.25.

Medium latte

A medium latte contains 2 shots of coffee(€0.17) and 180ml of milk(€0.14)
The overall cost came to €0.35.

Large latte

A large latte contains 2 shots of coffee(€0.17) and 237ml of milk(0.18)
The overall cost came to €0.40.

Iced coffee

A iced coffee contains two shots of coffee(€0.17)and 280ml of milk (0.14)
The overall cost comes to €0.35

We also need to try and cover the cost of a freezer with the profit this is why we have added a charge of 0.50 to this coffee

Organic beans

We consider organic beans a delux addition to our product as these coffee beans are more expensive the is why we added a €0.40 premium for organic coffees

Syrup

We decided to stock 3 types of syrup

The syrups cost €0.089 per portion and the flavours we will offer are

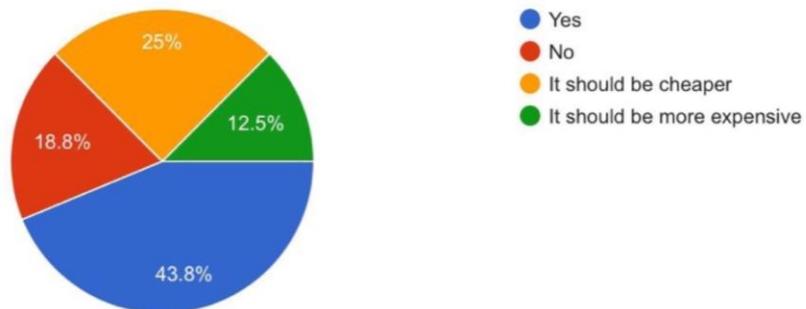
- Vanilla
- Caramel
- Mocha

We also looked at our competitors price index

We asked the following questions about pricing on our survey

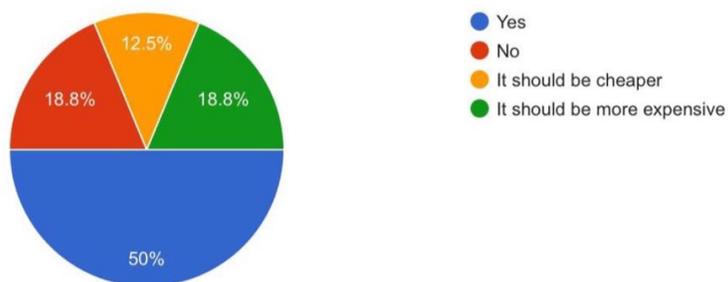
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47 responses



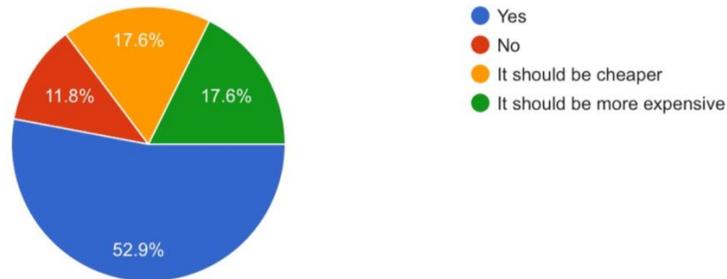
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47 responses



Do you think €3.80 is an appropriate price for a large coffee?

47 responses



Profit margins

Small latte

- $2.75/3.00 \times 100/10 = 91.6\%$

Medium latte

- $3.00/3.35 \times 100/10 = 89.5\%$

Large latte

- $3.40/3.80 \times 100/0 = 89.5\%$

Iced coffee

- $3.50/3.85 \times 100/10 = 90.9\%$

We realize that we have very large profit margins but these margins have to cover our expenses and pay off our business debt.

Loan of €25,000 over 5 years

Bank	Typical APR	Total Repayable	Monthly Repayment
KBC*	6.3% APR(fixed)	€29,086.80	€484.78
Bank of Ireland	6.8% APR(variable)	€29,417.40	€490.29
Ulster Bank*	6.9% APR(fixed)	€29,483.40	€491.39
Avantcard	7.5% APR (fixed)	€29,881.80	€498.03
AIB	8.95% APR(variable)	€30,849	€514.15
Permanent TSB	10.5% APR(variable)	€31,890	€531.50

[bonkers.ie]

If we choose KBC, which has the best value, it would be €5817.36 per year.

We would need to sell either

- 1939 small lattes
- 1736 medium lattes
- 1531 large lattes
- 1511 iced coffees

This does not take into account any additions such as organic beans, extra shots or syrups

Promotion

We will be using the social media site to promote our product.

Factors affecting are

- young target market
 - 90% of instagram users are below 35 and 60% log in daily
- No cost to set up a business-type profile
- Our account will be recommended to customers on a Cookies basis
- Broad reach
- Ability to target certain groups
- Fast and easy

Sales promotion will be handled using our instagram account to promote and provide updates about our business. We will also employ a loyalty card system. The cards will be homemade using a template printed onto regular paper and cut by hand.

- For the fifth drink you purchase a 50% discount will be applied.
- For the tenth drink you purchase you will get it a free medium coffee

To get the loyalty card benefits the card must be present

After the card is filled the customer will be given a new card

Stamps will be used on the loyalty card to ensure they aren't tampered with They can be bought from Amazon for around €7.50 for two pre-inked stamps (no stamp pad required, free shipping) [amazon.co.uk]. We used this opposed to custom stamps as they are far more expensive, costing €19.62, not including the €7.99 shipping [huntoffice.ie]

We will launch our product outside Trinity College in Dublin city. We chose this location as it matches our target market, millennials. People between the ages of 18-34 consume 44% of the coffee supply and therefore a college (varies from 18-33) is well suited for our business' open day. We would have a 10% discount on all products on this day only to encourage potential customers.

We feel that our PR presence is extremely important to our company's image. While handling public relations, we would use our social media presence to connect to our customers and advertise to potential ones. With this media presence, we would be able to address any potential problems that could occur and fix them as quick as possible. We want to make the connection between the business and the consumer a strong one, made of trust and security. We would connect to our consumers by making announcements on our media accounts and organising media events. As a group, we feel that this is the best way to handle our public relations presence as well as to connect with our target market

Problems we foresee with promotion are mainly based around building a client base. Not only as a small business but also as a competitor in the food truck industry. Unlike a cafe or restaurant we cannot provide seating that can be used while enjoying our products. This system doesn't appeal to everyone. We hope to make up for this by connecting with our clientele through our social media and by setting up in places easily accessible to them eg. outside universities.



Instagram provides the option of having a business profile which has proven useful for promoting our product. It has a "promote" option on posts where it will show the post as an advertisement to your selected target market. It also shows how many times your profile is viewed and can be used to monitor the activity and interests of followers (available for accounts with over 100 followers).

Place

Target market

The age range of our target market is 16-24 year olds. We decided to target this market as we want to promote ourselves as an environmentally friendly company and we believed that they were the most environmentally conscious group in society.

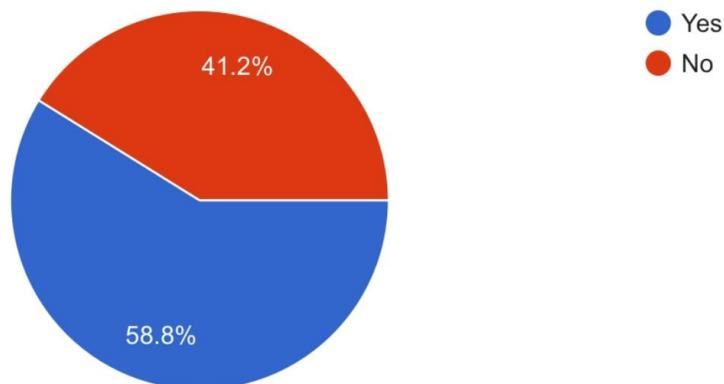
We came to the conclusion that 16-24 year olds were the most environmentally conscious as a survey carried out by Burst Media notes that ages 18-24 had the greatest tendency to to fully integrate green behavior into their daily life with 10% of participants saying that they “completely “ incorporated environmentalism into their lives.

We also decided to target this age group as the Bloomberg commodity index found that millennials (age 18-34) consume 44% of coffee in the United States ,and its growing with daily consumption among 16-24 year olds rising from 34% to 48% this year.

We also included a question about the market for a coffee van in our survey of students and a nearly 60% of participants said that they would be interested in a coffee van outside the school.

Would you be interested in a coffee van outside the school?

47 responses



Taking the above research into consideration we have decided to locate our van in the following areas.

- Near colleges/schools
- By environmentally friendly areas zoos walking trails etc
- Near shopping centers

Channel of distribution

We decided to use a very basic channel of distribution to try to simplify the process and avoid problems in the future.

Manufacturer  Consumer

We believe that the only problem that may arise with distribution is to do with marketing as if we don't market a unique brand we won't stand out from other coffee vans.

Conclusion

After doing this project, we feel that the if we were to do this project again, we would try to avoid the conflict that occurred while making decisions. For example, while choosing a name for our business when came into some difficulties. However, these conflicts were in no way representative to the cooperation and communication that occurred. We all feel that the skills we wished to achieve before we conducted this project were achieved.