

# **Teance Media Plan**

Carrie Buchwalter  
& Jessica Zerillo

Audience Research  
04 May 2007

*TABLE OF CONTENTS*

Executive Summary .....	3
Product & Industry Analysis .....	4
Competition Analysis: Strengths and Weaknesses .....	8
Competition Analysis .....	9
Company Current Marketing .....	11
Competition Current Marketing .....	12
Audience Analysis .....	15
Marketing Objectives .....	21
Justification of Costs .....	25
Measuring Marketing Objectives .....	33
Alternative Plans .....	35
Bibliography .....	37
Appendixes .....	42

## *Executive Summary*

- Although it has been open for five years, Teance has never really marketed its services
  - Press coverage and word-of-mouth is not enough
  - Relatively known in Berkeley and the California Bay Area
- Main competitors are Harney & Sons and Adagio
  - Both have a number of strengths and weaknesses
  - Neither do a lot of marketing, though H&S is considered to be of a high quality
- Audience is the 18-24 age group, primarily college students
  - Considered by marketers to be “their own luxury group.” (Cioletti)
  - Utilize a number of traditional media and multitask while doing so
  - Listen to their peers for advice
- Marketing Objectives:
  - Increase Brand Awareness, Better Perception
    - must be done in a positive manner
    - Internet marketing, specifically Google and Yahoo! keywords
  - Increase Market Share
    - creating a relationship with the customer
    - raising consumer interest to cause them to switch tea brands to Teance
  - Increase Sales
    - focus on current customers
    - implement loyalty programs

## *Product and Industry Analysis*

“Tea” is defined by the American Heritage Dictionary as “an aromatic, slightly bitter beverage made by steeping the leaves of an eastern Asian evergreen shrub (*Camellia sinensis*) in boiling water.” In recent years, however, tea has become much more. Americans currently drink about .75 pounds annually and it is listed among the top ten most popular drinks in the country <<http://www.teausa.com>>. The tea industry is rapidly growing. In 2005 wholesale tea sales grew to \$6.16 billion, up from \$1.84 billion in 2001. By 2010 that number is expected to reach \$10 billion (Montalvo).

The Teance Tea Room, formerly known as Celadon Fine Teas, first opened its doors in January 2002. Their mission is “to promote tea connoisseurship” through introducing “to the consumer the enjoyment, health benefits, and the serenity that comes with drinking tea” <<http://www.teance.com>>. The company imports directly from boutique farms and farming collectives. All of Teance’s teas are high quality and handpicked. In 2003, *Organic Style* listed two Teance (then Celadon) brews in their 10 best teas list. In the same year, the company was featured in *Sunset Magazine*’s Best of the West issue. In 2005, *East Bay Express* listed the Teance Tea Room as the Best of the Easy Bay. Teance’s mission “is to introduce and revive the art of drinking, preparing, and appreciating traditional, whole leaf teas” <<http://www.teance.com>>. However, Teance is not the only company attempting to bring back the benefits and enjoyment of tea.

Brian Keating, founder of Sage Group International, LLC, said, “Tea is going mainstream” (qtd. in Montalvo). When looking at the numbers of tea sales and changes within the

industry, this is certainly an understandable opinion. The industry is rapidly growing. The most heavily sold tea in the country has always been Black teas, but Green tea has recently become more popular than in the past. Roobios, or Red tea, is also popular – even though this brew is made from herbs and not the tea plant. Yerba Mate has also jumped in sales, accounting for 5% of the market. Pu-erh, an extremely strong tea that takes time for new drinkers to get used to, is also steadily increasing sales. The next trend, though, seems to be White tea – possibly because of the added health benefits in the young buds. Of the top five teas sold at Teance, one is White tea, two are Green tea, and one is a Green/Oolong blend.

The Tea and Coffee Trade Journal magazine recently released their “2007 Tea & Coffee Industry Forecase” in which “several key players of the industry” discuss their thoughts on upcoming trends in the tea and coffee markets. A common theme running through many of the statements deal with consumers’ increased awareness of their food and beverage intake. Because of this, it is predicted beverages with EGCG will become more popular. Green and White teas are both high in ECGC, which is probably the marketing perspective that will be big in the next year or two. EGCG has been proved to raise metabolism and burn calories. There are a small number of nutrition bars available that are positioned as containing green tea. LUNA, a company known for female-oriented healthy meal bars, recently paired with The Republic of Tea to create both snack bars and a new line of organic bottled tea called “Nutritional Ice Tea for Women.” Both product lines are organic and natural, featuring the health benefits found in both tea and general LUNA products. The iced tea “includes many of the essential nutrients women need everyday for overall health and wellness [*sic*]... along with the reported values of tea itself” (“For Ladies’ Night, Women’s Tea”).

“The tea industry is uniquely positioned to offer many varieties, and play an active role in a healthy and good tasting diet,” says one industry executive (“2007 Tea & Coffee Industry Forecast”). Consumers will lean towards tea that tastes good and has real, concrete health benefits – which is found in all tea. Specialty infusions and exotic brews will probably be popularized as consumers’ tastes expand and cutting empty calories becomes more important.

Tea is not just being introduced as a healthier energy drink. In the February 2007 issue of *Fresh Cup*, Kennedy Smith discusses the spirituality associated with drinking tea. For centuries, tea has been a vital part of various ceremonies – the most famous being the Japanese Tea Ceremony and Chinese Tea Ritual. The article focuses mainly on rituals surrounding tea, from reading tea leaves to ancient religious tea usage. However it also discusses modern uses of tea; mainly tea as a form of personal spirituality. Tea companies have certainly caught onto this, Smith writes, as seen in Tazo brand tea’s *Awake*, *Zen* and *Om* blends. (Smith).

Another trend in the tea industry is a renewed focus on specialty loose teas over the traditional tea bag. “[Loose-leaf tea] is where the growth is. Tea bag sales in the US are flat, at best. Specialty loose-leaf teas are on a very healthy upward trend” (Waddington). This focus is causing the industry to rethink the shape of tea bags. Crushed tea leaves in bags are no longer the way to sell tea. More and more restaurants are serving their tea loose, complete with infusion balls and strainers. For the at-home consumer, products are being supplied in pyramid packaging and satchels, allowing the loose-tea leaf purists to be satisfied and have less cleanup. The benefit of these higher grade, pyramid-shaped tea bags, made from materials such as silky nylon, is that there is more room for real tea. Tatsuya Hayashida of NASA Corporation, a Japanese-based tea company, explains that through this bagging process, “the tea leaf expands and circulates inside

the bag... So there is no need to cut the leaves down into small pieces, and one can enjoy the real taste and flavor of full tea leaves” (qtd. in Levy). A common complaint of tea connoisseurs has always been that, although tea bags leave less to clean up, there is no way to know exactly what is in the bags; In the past, mass-produced tea in bags have been filled with low-grade tea looking like a “dark powdery substance” and unknown tea blends (Levy). With this new trend of loose-leaf tea being combined with high grade tea bags, this is no longer a real issue.

In the past, tea may have been considered just a drink, but in today’s market tea is being raised to much more. Marketers are wise to consumers’ need for more than just a drink. The industry is starting to examine ways to expand on this idea. With the release of new packaging methods allowing loose tea to be used in easy-cleanup bags and new exotic forms of tea which “bloom” in hot water providing both a visual treat and a tasty one, tea is coming into its own. Tea is healthy. Tea is comforting. Tea is an experience in itself, and that’s what consumers are looking for. Miriam Novalle, the owner of the tea salon in New York City, explains, “[People] want a relaxed, centered moment, and tea gives you that soothing and sensual experience. Tea is more than a product – it’s a state of mind” (Friedman).

*Competition Analysis: Strengths and Weaknesses*

**Adagio**

**Strengths**

- Considered gourmet
- Has a variety of teas from India, Sri Lanka, China, Taiwan and Japan
- Health benefits of tea
- Strong, interactive website allowing consumers to “chat with the tea expert”
- Winner of Bizrate’s 2006 Circle of Excellence Award
- Offers iced tea
- Free shipping with orders over \$50

**Weaknesses**

- Stored in opaque containers, reducing visual
- Complicated preparation
- Claim their tea should be prepared only with certain types of food
- Website promotes tearooms that do not necessarily stock Adagio teas
- Higher shipping costs to rural areas, Alaska, Hawaii and PO Boxes

**Harney & Sons**

**Strengths**

- Offer kosher teas
- Wider product line variety, including hot chocolate
- Strong variety of tea
- Offers staff training and training videos for clients
- Sells holiday-specific merchandise for gifts
- Unique packaging
- Family owned company; very hand-on ownership
- Free shipping with orders over \$75
- Prestige of having tea used in one of London’s finest hotels, The Dorchester
- Sold in a variety of outlets

**Weaknesses**

- One tearoom, located in Millerton, NY
- Complicated brewing and preparation packaging
- Specific storage instructions – closed container, out of sight
- Relatively expensive

## *Competition Analysis*

### **Adagio**

Adagio first opened in 1999 when Russian immigrant Michael Cramer became disappointed with the tea selection available in the United States. Seeing the success of Starbucks Coffee Company, he believed he could create a similar image of a company focused on tea.

Compared to Harney & Sons, Adagio is a very young company. However, Cramer has succeeded in making Adagio stand out in the crowd. Rather than solely promote Adagio teas, the website lists 1,871 tearooms across the U.S. – not all of which stock Adagio tea all the time. Because of this, Adagio has a fairly limited reach. For those who are Adagio customers, the company is very good at retention; however, they do not seem to have the resources to attract a large number of new customers.

### **Harney & Sons**

Harney & Sons is a medium-sized tea company that began as a small family business in Connecticut in 1983. By 2000 the company reached the landmark of having raised five million dollars in revenue. Recently, it moved across state borders to relocate the tea room in Millerton, New York.

The company has a fairly strong presence, both online and tangible in form. Its extensive variety of teas include herbal teas, floral teas and artsy teas as well as the more familiar black, green and white teas. For the niche consumer, Harney & Sons sells organic and kosher teas. Additionally, the company offers food items for suggested accompaniment to tea and books focused on using tea in various manners.

All of these items can be found online as well as in their Millerton Tasting Room. However, Harney & Sons also distributes to a wide range of supermarkets and stores so that those outside of Millerton can appreciate the tangible aspect of tea as well.

## *Current Company Marketing*

\_\_\_\_\_Teance has spent very little money on marketing and advertising their services and products. They have been extremely reliant on organic word of mouth, which means they strive to have good customer relations. Organic word of mouth is a great resource; it truly is the voice of the customer. It is “the most honest form of marketing, building upon people’s natural desire to share their experiences with family, friends, and colleagues” (WOMMA). In fact, consumers are up to fifty percent more likely to be influence by word-of-mouth marketing from a friend than any type of traditional media (“Consumer-Generated Media...”). The problem with word-of-mouth, though effective when it does occur, it is difficult to measure both in terms of success and occurrence.

Additionally, they have been featured in various news articles, which serves as a form of free advertising for the company. They have been awarded a number of accolades, including being named the Best of the East Bay by the East Bay Express, which mentions in the San Francisco Chronicle, Organic Style, Sunset, East Bay Monthly, Bon Appetit and Diablo. While all of these are very positive for the company, it unfortunately means they are relying on others to send their message.

With this reliance on press mentions and customer word of mouth, it is very difficult for potential customers to gather information about the company. This is a definitely weakness of Teance. However, this means that *any* information we put out via our media plan will immensely increase what Teance puts out for customers.

## *Competition Marketing Analysis*

Tea companies in general do a limited amount of marketing in the United States. The beverage is only recently gaining in popularity and the majority of tea drinkers have chosen their brand. As it is very expensive to persuade a consumer to switch brands, companies tend to focus their efforts on retaining existing buyers. They do this by collecting data and sending information to clients about them, as well as utilizing the more recent trend of gift packages. If a customer has a friend who likes tea, but is not sure of the precise type of tea, then chances are they will merely search for the most visually pleasing gift set. For these reasons, there is limited traditional marketing in the industry.

### **Adagio**

Adagio tea is sold in airtight, UV-blocking tins. While this is a great way to package tea, it prevents possible customers from really getting a look at what they're buying. Because most new tea consumers are unaware of the benefits of selling tea in this manner it is possible Adagio's packaging has a detrimental effect.

Adagio sells a number of products relating to tea, from a starter package, to a guide to tea, to a "tea of the month" club in which customers can choose the amount and type of tea they want. Additionally, Adagio keeps their brand on the top of customers' minds via a strong online presence. They publish an online newsletter, "TeaMuse," as well as providing online tea classes and, for those who prefer learning about tea in person, a directory of tea rooms around the country. The company also hosts a "tea timer" available for download on their website. While this

could be used for any brand of tea, it is clearly branded with the Adagio name so that the user is looking directly at the logo with a link attached. It also includes all teas available from Adagio with the water temperature needed and a brief description of the flavors associated with the brew. Before downloading the tea timer, the user is prompted to provide his or her email address as well as favorite teas.

### **Harney & Sons**

Harney & Sons has a very prestigious image, yet somehow manages to remain very approachable. Harney & Sons was able to get its product used in one of the most well-known hotels in London, called The Dorchester. This raised its brand image to a very high level.

Another way Harney & Sons has raised its brand image is via B2B marketing. They provide staff training and training videos for clients, following the Tea Council of Canada's announcement that 60% of tea drinkers refuse to order tea in restaurants due to poor preparation. With Harney & Son's training, there is a guarantee that more people will order tea – and, beyond that, more people will order *their* tea.

Harney & Sons also goes above and beyond in making sure their customers are aware of the levels of loyalty the owners. On their website is a Travelogue, which dictates the Harney family's travels around the world in search of tea leaves. Not only does this give the consumer an opportunity to see pictures of the tea being picked, but it allows them to cultivate a relationship with the CEO and owners of the company.

Additionally, the tea company sells holiday gift packages and merchandise with unique packaging. They use “large, flat, printed foil satchets, which then go into a presentation box”

perfect for display (Pettigrew). Their products can be found online, in their tasting room, and in various supermarkets around the country, making it much simpler to find their product than either Teance or Adagio.

## *Audience Analysis*

Teance Fine Full Leaf Tea Company is both a tea distributor and a place for individuals to purchase tea. The company declares its audience to be those with “a contemporary lifestyle.” It offers two places to purchase tea; there is a website for consumers to order from the comfort of their home as well as a Tea Room for consumers to come visit and drink flights of tea while discussing the benefits of various teas with trained staff members. Because access to a website is difficult to gauge, a key to discovering its consumers is by looking at the location of their Tea Room, which is in Berkeley, CA.

The US Census Bureau’s 2000 Demographic Profile of US zip code 94710 – Berkeley, CA – shows that a significant portion of the population is well-educated. Forty-four percent of residents hold at least a Bachelor’s Degree. The amount of people throughout the country who fall into that same statistic are significantly less at only 25%. The average age of residents is 34, compared to the national average of 38.

Interestingly enough, according to the same source, Teance’s area of Berkeley is not among the more cosmopolitan places in the United States. The median household income in the zip code is \$7,000 less than the United States average. Seventeen percent of families fall below the poverty line, while the US average for the same statistic is only 9%.

Another source of information on Berkeley residents is the Claritas Market Segmentation website. According to this, the main types of people residing in the city fall into the categories of: American Dream; Bohemian Mix; Close-In Couples; Multi-Culti Mosaic; and Urban Achievers. They are split fairly evenly between the Urban Uptown and Midtown Mix social groups. The

Urban Uptown are “the nation’s wealthiest urban consumers. Members... tend to be affluent to middle class, college educated and ethnically diverse... [C]onsumers tend to frequent the arts, shop at exclusive retailers, drive luxury imports, travel abroad and spend heavily on computer and wireless technology” (Claritas). The Midtown Mix is “the most ethnically diverse social group... containing a mix of singles and couples, homeowners and renters, college alumnae and highschool graduates... who pursue active social lives – frequenting bars, health clubs and restaurants at high rates – listen to progressive music, drive small imports and acquire the latest consumer electronics” (Claritas).

Additionally, two of the Claritas categories listed above fall into the Lifestyle Stage of Young Achievers. “[T]here’s a decidedly progressive sensibility in their tastes as reflected in the group’s liberal politics, alternative music and lively nightlife... [T]wice as likely as the general population to include college students living in group quarters” (Claritas). Another Lifestyle Stage segment found in Berkeley is Cautious Couples, who “pursue sedate lifestyles” and enjoy home-based, relaxing hobbies (Claritas).

It is also important to note that the Teance Tea Room, being just outside of Los Angeles, is located near a number of colleges. College students, as they are not permanent residents, are not included in the Census or Claritas surveys. However, there is a lot of information regarding college students, particularly when researching their generation as a whole. Generation Y is a term referring to the last generation born entirely in the twentieth century. It is a huge group comprised of over sixty million sons and daughters of Baby Boomers. They are looking for personal connections with both people and brands (Dinnell). When they find a place or brand they

enjoy, Generation-Yers are unafraid to utilize their spending power; Thirty-three percent of college students currently own a credit card (Burst Media Corporation).

The college-aged members of Generation Y have a number of specific characteristics that tend not to apply to others. The college campus is filled with students who are trading up and discovering new luxuries. Students may have a reputation for being self-focused and fickle about their companies, but they are also highly-educated and ambitious (Dinnell). “Almost paradoxically, [the collegiate set] comprise a luxury market unto themselves, as they tend to be the early adopters on all things hip and socially conscious” (Cioletti).

Eighteen to twenty-four year old students are looking for a number of characteristics in their chosen product. Many college students are looking for items that are both quick and healthy. Beverages that are easy to make and have health benefits are always a plus. Forums frequented by college students often showcase complaints of weight gain followed by recommendations of how to lose the added pounds. For the first time in a long time, weight is a loudly voiced concern of students.

A desire for organic items stems from students’ health awareness. James Ponds, Editor-in-Chief of *Food and Service Director Magazine*, notes, “There are students out there who are demanding that their food service providers serve them organic milk... [though] you’ll find it on the West Coast and the East Coast more than you will out in Middle America” (qtd. in Cioletti). The fact that this trend occurs predominately along the coasts is important, as the majority of colleges – along with the Teance Tea Room – are not located in Middle America. With tea being a predominantly organic beverage with a high number of health benefits, college students should be extremely open to the drink.

Health benefits are not the only important factor to students. Generation Y is socially aware, and the 18-24 age range is not an exception. College students are “activist in nature,” concerned with the way food was made and who is profiting (Cioletti). Fair-trade and organic items tend to sell better with this set.

Understanding the basic interests of the collegiate set is only a small portion of understanding the group. Multitasking is extremely common. Sixty-three percent of members of this age group watch television while using a computer – and 35% claim this as a frequent occurrence. Sixty percent use a computer while listening to the radio. (Burst Media Corporation). Additionally, 68.5% of Generation Y-ers prefer getting their information online, and only 1.5% read direct mail. This is a huge change from just the previous generation, in which 59.6% preferred the internet and 3% used direct mail for obtaining information (McGeer).

The technologically-savvy children of the Baby Boomer generation “prefer a computer to a television and an iPod to a radio” (Hearn). YouTube’s users are mostly comprised of those hardest to reach via television advertising: males 18-24. Seventy-six percent of this group has been to YouTube, and 41% say they are frequent visitors (Harris Interactive). Seventy-three percent of females have been to the website at least once to watch a video. However, if advertisements were included before YouTube video clips, 31% of users said they would visit the site a lot less, and 42% said they would visit a little less frequently as a result (Harris Interactive).

The Internet is an enormously viable way to reach this market. According to Mediamark Reporter, 52% of 18-24 year olds have Internet access at home and 34.4% can get online at work. Although the report was published in 2005, many of its numbers probably still hold it. The survey company reports that over half of Yahoo.com visitors and 45% of Google.com visitors fall

into the 18-24 age range. These two sites are the best places to reach this age range, though Hotmail.com and Weather.com are also strong choices, with approximately 20% of their audience being comprised of adults ages 18-24. AOL is the fifth best website to use, with 15% of their audience falling into that age range. (Mediamark Reporter).

Traditional media, namely television and magazines are also options for reaching this group. As of 2005, the top television channel to reach 18-24 year olds was MTV, with 36% of their audience in that range. Comedy Central with 33% of their audience belonging to that group and TBS with an audience consisting of 29.5% of that age range are the next two channels to reach the college students. TNT and VH1 are also good choices to reach students, with 28% and 27.3% of their audience being 18-24, respectively.

Magazine numbers are slightly lower, but still appropriate for reaching the consumer. Just under twenty-four percent of the Cosmopolitan audience is aged 18-24. Twenty-one percent of People readers and 19.8% of Maxim readers are also in that age group. Glamour, Sports Illustrated and Rolling Stone are the next magazines that reach the student market, with each of them having about 13% of their audience falling into the target group.

The best way to reach this group seems to be through word of mouth, though there is no way to ensure this is positive. Collegiate consumers are demanding rapid results and “fancy flavors” (Brooks). They are ethnically diverse and as such have a much more experimental palate. Their knowledge and awareness of their food is more cultural and broader than any other generation. Additionally, this age group is hyper-aware of their surroundings and pay close attention to products that appeal to their peers. The majority of college students cite their friends as one of the top three ways they are influenced (Burst Media Corporation).

While the information given on the residents of Berkeley may be viewed as contradictory, especially when combining survey information with the collegiate demographic, it can all easily be applied to widening Teance's appeal, opening the company to college students. The fact that the Tea Room in Berkeley is thriving shows that Teance appeals to the various demographics found nearby. The variety of information available boils down to a few commonalities: Berkeley residents tend to be hip and aware of trends while at the same time requiring some element of relaxation.

## *Marketing Objectives*

- Increasing Brand Awareness and Bettering Brand Perception
  - Brand Awareness is increased mainly by getting the Teance company name into the eyesight of the target. Brand Perception is bettered by raising awareness in a positive manner. This is done in a variety of ways. If the customer is made aware of the brand in a manner that does not negatively interfere with their routine, they will have a positive perception of the brand. This is also done via hosting events to raise awareness and form a relationship between buyer and seller. An event such as hosting “relaxation” events around college campuses teaching the art of preparing and drinking tea – complete with product samples – both raises awareness and gets the consumer involved in the brand. Another way to positively raise awareness of Teance is by sponsoring a time block of college radio, complete with “tea trivia” and product giveaways.
  - Guerilla marketing is one of the best ways to raise brand awareness. This form of marketing is attractive because it reaches the consumer where he or she would naturally spend time. Campus dining halls are frequented by a large majority of college students at some point. Marketing around this part of the customers’ life and hosting events allows Teance to reach them in a slightly different manner than the more common forms of media.
  - Related to spending money to reach consumers in unexpected manners in the dining hall is spending money on B2B endeavors. College students rely on food

provided by their campus for a large portion of their time at school. Advertising to college food distributors will induce them to buy Teance. College students will be repeatedly drinking tea and looking at the company name, raising their awareness.

- Awareness of Teance will also be raised by spending money on advertising in more traditional outlets. College students spend a lot of time reading magazines, so advertising multiple times in popular publications allows for repeated exposure to Teance and, therefore, more of a chance for Teance to remain on consumers' minds. The same is true for online advertisement and Google keyword buys; the collegiate market spends a lot of time on the internet, and Google is the most used search engine. By buying keywords on the search engine for queries related to tea, Teance will force its name onto the returned website for the user to view as he or she is searching for a related item. This will tie Teance and the query together in the consumer's mind.
  
- Increasing Market Share
  - To increase Market Share, Teance must strive to both gain new consumers and persuade users of other tea brands to switch to Teance. This is a rather costly endeavor but is worth it in the long run.
  - The best way to increase share is by causing the consumer to create a relationship with the company. This will create desire for Teance in the customer's mind. There are a number of ways to do this; the most powerful way of doing this is by hosting events. The relaxation event on a campus would teach college students the benefits

of drinking tea while at the same time providing a link in their minds between the beneficial aspects of tea in general, and Teance as supplying that benefit.

- Guerilla marketing could also be a way to increase market share; by reaching the consumer in a variety of ways, their interest will be piqued. This should cause them to search for Teance and buy the tea rather than “settling” for another brand.
  - B2B spending is also a way to increase market share. If food distribution companies and campus dining halls are buying from Teance, chances are high they are not buying from another tea company.
- Increasing Sales
    - The best way to increase sales is by focusing on current customers. It is very expensive to gain new customers, up to five times the cost of persuading customers to return.
    - Customers are willing to return to a company when they feel they have a true reason to come back. For this reason, Teance will implement a customer rewards system, in which consumers receive a discounted 2oz. container of tea for every 18oz. of tea they purchase. Sixteen ounces of tea sounds like a fairly small number, but yields a bare minimum of 250 cups. The individual consumer will take a good period of time to go through that much tea; the benefit here will far outweigh the cost.
    - Excellent front- and back-end customer service is another way to increase sales. Establishing a relationship with a salesperson in-store causes the customer to feel

as if, by leaving the store, he or she is leaving a friend. Back-end customer service, such as email queries and return policies should be strengthened. At the moment it is very difficult to find information about Teance from the company itself. This needs to be improved to make customers feel more comfortable with buying from Teance. These positive associations with a company will induce repeat purchases.

- Additionally, providing small samples with purchases over \$25 will induce the customer to come back to Teance and perhaps purchase a tin of the sample product.
- Marketing towards food distributors and college dining halls, should they be persuaded to carry Teance tea, will also increase sales. This increase will come both from the sale of tea to the distributor, but also from college students themselves. Many students rely on campus dining halls for their meals; should the dining hall carry Teance, they will become accustomed to drinking the brand and will become a regular customer.
- In the vein of gaining new consumers, traditional media will also work. A person who is new to the beverage may see an advertisement in a magazine or product placement on their favorite show and be induced to buy Teance.

## *Justification of Costs*

The collegiate market is varied and eclectic. There are certain facts we can ascertain about them: Cosmopolitan is the top selling magazine across college campuses nationwide (Cosmopolitan). This market prefers using a computer and an iPod to a television and a radio (Hearn). Seventy-six percent have been to video upload site YouTube (Harris Interactive). Mediamark Reporter shows 45% of all Google visitors and 50% of Yahoo! users are in the 18-24 age range.

### ► **Magazines**

Spending just over \$11 million on magazines is a very viable way to reach our audience. Cosmopolitan is the highest selling magazine on campus, so we plan to buy advertising space in every issue for the full year of our campaign. Eight of these will be full page advertisements. To increase the amount of times people see our advertisement, we will be running a fourth cover advertisement for the other four months: May, June, September and October. We chose these months because May and June are the start of summer, when students are winding down and spending more time at the beach. Teance is all about relaxation, so the timing of this plays into that. September and December are also key months for us because the average student is starting and ending his or her semester. Stress levels are high, so the reminder of the benefits of tea may be a plus for reaching students.

Glamour has a fairly similar audience composition as Cosmopolitan with a slightly older readership. We can still reach our target in this monthly magazine, but to a lesser extent, as only

thirteen percent of their readers are 18-24 (Mediamark Reporter). Having eight ads, one each month outside of April, May, November and December, will achieve this. We chose to exclude these months because 18-24 year olds tend to read Glamour less in those months (Glamour).

People is a weekly magazine with a large circulation – twenty-one percent of whom fall into our target (Mediamark Reporter). Out of the 52 editions each year, we chose to run a 1/3 page ad in every other issue for a year to keep Teance in readers' minds. Additionally, we will run a full page ad in 12 issues of the magazine. Rather than do a full page ad once a month, we chose to focus the full page ads mainly in May, June and July to kick off the campaign. These are months in which college students are winding down and traveling. We believe at this time of the year they are more apt to really slow down and peruse the magazine and take more time to look at the ads. People releases a special issue in the fourth week of December every year called *Half Their Size*. The readership for this is 150,000 greater than the regular weekly edition. *Half Their Size* focuses on healthy eating patterns and beneficial food items. Readers can be assumed to already have an interest in this topic, explaining the larger circulation. For this reason, we will have both a half page advertisement and the third cover in this issue to provide further emphasize the healthful aspect of tea.

Entertainment Weekly is another great resource for reaching the college market. Although they have a relatively small circulation, their readers are interested in pop culture and upcoming trends. By positioning tea in this manner, and reinforcing it with an advertisement every month, we will effectively pique the interest of the college market.

► **Newspapers**

For the purposes of this plan, we chose to avoid running national advertisements in newspapers. Readership of this form of media by our target has sharply declined over the past few years. However, we have opted to do a localized plan around Berkeley to focus on the Teance Tea Room itself, rather than the company in general. We chose Berkeley Voice because it is directly based in Berkeley, surrounding the Tea Room. The San Francisco Chronicle appeals to a wide audience, with a circulation of approximately 1.5 million. We added in SF Weekly because it is a weekly paper picked up by most people to read while they are in transport. This allows them time to fully see our advertisement.

The benefits of doing a locally-focused newspaper campaign are twofold. First, Teance already has a small following in the area based on its mentions on yelp.com, a consumer review site. Second, as these are localized newspapers, people peruse them in search of local businesses. Although Teance is an online company, their tea room in Berkeley provides a tangible place for interested newspaper readers to find them.

► **Television**

In general, television is considered an appropriate way to reach college students. However, we chose to stray from the traditional manner of advertising in this media. MTV, Comedy Central and TBS are the channels with the highest percentage of audience composition in the 18-24 range: Each have 30-30% of their audience in this category (Mediamark Reporter). Nonetheless, we opted not to advertise here. There is little, if any, programming on these channels that we feel our audience would watch. MTV is very popular but tends to focus on reality shows

and already known celebrities. Both MTV and Comedy Central are too fast-paced and, in a sense, too raucous for our target. Our customer bucks the mainstream and goes for the up-and-coming.

For television marketing, we will be doing product placement on Grey's Anatomy and Ugly Betty and a time block on Lifetime and E!. All of these are popular among the collegiate crowd, with a specific skew towards females.

Many shows these days have a high level of interest at the start of the season, with interest tapering down through the episodes. Grey's Anatomy has always been able to pick up people throughout the season, however. For this reason we chose to have Teance product placement in the first and last four episodes of the season, making eight episodes total. Ugly Betty, on the other hand, does not manage to do this; we chose to have product placement on the first four episodes, because the audience moves on to other shows, as they did last season.

Lifetime Television is one of the highest rated basic cable television networks. It reaches approximately 91 million households nationwide. The network airs a host of female-oriented shows and, starting earlier this year, added Grey's Anatomy to the mix. By airing repeats of this popular show, Lifetime is guaranteed an extra dose of our target watching the channel. Fifteen percent of their audience falls into our target market (Lifetime). Lifetime is considered a family channel, so we chose to sponsor time blocks both during the summer and during the holidays, when more people are in the "holiday mood" and tune into the channel. They have many shows that appeal to our target; by airing a special episode of a show during the summer and winter months when students are home with no commercials, sponsored by Teance, we will raise awareness of our brand.

E! has a reach of over 80 million cable subscribers, all of whom are interested in style, fashion and beauty. The E! viewer may seem to be an unlikely source of potential Teance customers, but with the recent heightened awareness of health combined with beauty, they are in the right frame of mind to pay attention to our product. Our target is likely to watch E! during the summer months, so we will be hosting a time-block sponsorship similar to our plan for Lifetime, specifically in the summer.

► **Internet**

College students are creatures of habit with extremely social tendencies. With nineteen million Facebook users and profiles on MySpace numbering well over 100 million, these are sites that strongly appeal to the college market. We chose fifty colleges and universities Facebook is open to, focusing on the east and west coasts. We also picked, at random, a few schools such as Ole Miss and Toledo University who are not on the coasts. Some of these schools are liberal arts-focused; others are more technical. Some have students who are upper-class; others are middle- and lower-middle class. Because Facebook is a low-cost and effective way to advertise, we believe it would be safe and at little cost to open the campaign to areas that are not guaranteed to impact the outcome of our campaign, if only to test the market in these locations.

Half of the massive number of visitors to Google and Yahoo! are 18-24. (Mediamark Reporter). These are two of the top three websites in terms of traffic (Alexa). Put together, these two facts speak for themselves to explain why we plan to do a large campaign on the search engines throughout the course of our plan.

CNN.com is a different website than the others we choose to market on, but for this site, we looked at psychographics. The CNN user is consistently either in college or a college graduate. He is intelligent and aware, both traits also found in members of Generation Y. More importantly, he is an influential product user and can spread news of our product onto friends, and is more likely to make online purchases – important for a web-based company. (CNN). However, because it is so expensive, we chose to run four advertisements, all at various times during the school year.

► **Radio**

Our target far prefers using an iPod to listening to the radio (Hearst). For this reason, though we will be utilizing radio to advertise, it will be to a limited extent. During the school year, students tend to listen to their own music collection. When they are home, however, they are more likely to use the radio. The summer vacation months are the best examples of this. Our target can be found at the beach – possibly listening to a stereo – or driving – listening to the car radio. At these times, about 92% of listeners remain on the same stations during the commercials (“Radio Holds More Than...”). This shows that radio is a viable choice for us; however, we feel that spending any more money on the radio media would result in a waste of money. We chose to focus on the New York, Los Angeles, San Francisco, Dallas-Ft. Worth, Boston, Philadelphia, Washington, D.C. and Pittsburgh markets because they are large markets with a high volume of college students.

► **Other/Guerilla Marketing**

As members of Generation Y, college students are known for being fickle in terms of brands. Because we want to increase our awareness and sales while bettering consumers' perceptions of Teance, we must actively incorporate the customer with the brand.

Tea is beneficial in a number of ways. We plan to take advantage of this and the trend of having healthy attitudes about food consumption by hosting events at college campuses. These events will be held early on in the school year as stress levels rise but before students become too overwhelmed with assignments to enjoy our events. We will focus the events on relaxation methods and how to stay healthy by drinking as little as a cup of tea each day. Samples of Teance will be provided to students and there will be a yoga instructor on hand to promote proper breathing. Because schools in the east start their semesters earlier than those in the west, we will start in the east and stagger the campaign into the west. Additionally, we will have a small followup event at the same schools when the second semester starts to both remind them of Teance and see if there is a change in audience. Some schools we choose will have a large campus body; others will have a smaller student body. We will be focusing the events on campuses on which we advertised via Facebook; however, it is too expensive to host an event on all fifty campuses at this point in our campaign. We will choose, at random, 8 schools on the west coast and 12 on the east coast. Teance already has a small presence on the west coast, so we feel we can focus this part of our campaign in the east – particularly because there is no tangible Teance presence in the east.

We also plan to attend “Food Frenzy” fairs at 15 campuses across the nation. These fairs are held once each year at no cost to participating companies other than paying wages and the

number of \$1 samples. We assumed an average wage of ten dollars per hour for two workers for four hours (including setting up, event time, and closing down), and an average of fifteen thousand students at the various campuses.

“Food Frenzy” fairs are held at a number of college campuses in order to gain student response to various food items. Essentially, these fairs allow students and college employees to sample different products. The school is able to gauge their reactions and will choose some items for inclusion in shops around campus. Because so many college students live on their schools’ campus, they are very reliant on food served by the school. By putting our product directly in the face of our target, we will ensure greater brand awareness and usage. We will choose fifteen campuses nationwide as a starting point for this.

## *Measuring Marketing Objectives*

Marketing objectives can be measured in a number of ways. Brand awareness and brand perception can be measured in similar manners. Performing a survey before and after implementing the media plan will explain whether or not the plan has impacted consumers' knowledge and image of Teance. Related to this is holding a focus group; this is more expensive but allows for more in-depth commentary about the brand.

Another way to measure brand awareness and perception is through online searches. Looking through photo upload sites such as Flickr and Snapfish are ways to see if consumers are posting pictures of themselves with tea or at a Teance event – specifically, if they are having a good time at the event, which would give a positive perception of the brand. Technorati and Blogsearch.Google. also provide online ways to measure brand awareness. Both sites are tools through which weblogs can be searched. Awareness can be measured by seeing how many weblogs mention Teance before and after applying the media plan; perception and image is measure by reading blog entries and comments to the entries. Measuring website traffic before and after all events and the campaign as a whole is another way of measuring brand awareness.

Brand perception can also be measured by watching the consumer at Teance events. Watching what a consumer does with a sample and listening to conversations are two examples of seeing firsthand a potential customer's interaction with the brand. Preceding and following the event, any media coverage in the college newspaper or the local community's website would show brand awareness.

Sales and market share are measured differently. Both of these are based specifically on numbers, not consumer perceptions. Measuring sales is done solely by keeping track of tea sales before, during and after the campaign. If the number steadily increases, then sales of Teance products is increasing. Similarly, if sales peak at a certain time, then we know to go back and review what caused the spike in sales and, hopefully, redo that action.

Many tea companies are privately owned, and as such it is very difficult to get a true reading of one company's market share over all others. However, if a company is spending a lot of money on advertising while in the past they have spent very little, it is fair to say they have increased revenue and, presumably, their market share. Analyzing advertising trends of various tea companies is the most likely way of measuring market share.

### *Alternative Budget Plans*

Although we feel all parts of our plan are equally important, should there be a decrease in our budget, there are a few concessions we could make. We are spending a significant amount on radio advertising, even though our target market does not spend a lot of time listening to the radio during the year. The number of radio increases significantly during the summer months, which is why we focused our campaign during this time. Should we have a budget decrease, it would be tolerable to cut a fair amount of radio. Furthermore, reducing the number of episodes we appear in on television – *without* cutting out all shows we have chosen – would cut spending while allowing us to retain presence in our audience’s favorite shows. We also could conceivably cut advertising in Glamour Magazine because, though it is a distinct audience, there is enough overlap with the Cosmopolitan Magazine audience to not be a terrible loss.

On the other hand, with more money in our budget, there are a number of additions we would like to make to our plan. Ideally, we would like to build on our campus events by setting up mini courses at various campuses on the history of tea and how to properly brew the beverage. We would also add in additional spending on a variety of products with our name on it, such as water bottles with fresh water labeled with the Teance name, relating to the necessity of using pure, fresh water for tea.

College students spend a lot of time in social centers and dining halls on campus, so we would emphasize our brand name in these areas with branded napkins, napkin dispensers, cups and “GoZarfs” (GoGorillaMedia). We would also utilize GoGorillaMedia’s services for their GoPost signs around campuses and general college towns as a low-key form of marketing.

Additionally, GoGorillaMedia is able to put up GoPosters which we would use in “walking towns and cities” populated by our target – such as New York City and Philadelphia.

The last item we would add to our plan is budgeting in college newspapers. We chose to not advertise this way because in our experience, college students do not often take the time to look at these advertisements. Instead, they read articles in the paper while waiting for a class, allowing them little time to read the ads. For the students who truly do read the whole newspaper, looking at all the ads, it could potentially be worth the cost if we had extra money.

## *Bibliography*

“2007 Tea & Coffee Industry Forecast.” Online. *Tea & Coffee Trade Online*. December 2006.

Accessed 12 February 2007. <<http://teaandcoffee.net/1206/special.htm>>

Adagio Teas. Online. Accessed 22 April 2007. <<http://www.adagio.com>>.

Alexa. Alexa Web Information Traffic Rankings. Accessed 29 April 2007.

Burst Media Corporation. *Online Insights*. Vol. 09. September 2006.

Brooks, Steve. “What’s So Special About Echo Boomers?” *Restaurant Business*. November 1, 2005. Vol. 104, Iss. 15; pgs 34-36.

Cioletti, Jeff. “It’s Academic.” *Beverage World*. January 15, 2007.

Claritas. *Prizm NE Market Segmentation*. 14 Mar. 2007 <<http://www.claritas.com/>

[MyBestSegments/Default.jsp?ID=0&SubID=&pageName=Home](http://www.claritas.com/MyBestSegments/Default.jsp?ID=0&SubID=&pageName=Home)>.

“Consumer-Generated Media Exceeds Traditional Advertising for Influencing Consumer Behavior, Finds Intelliseek Study.” Nielsen Buzzmetrics Press Release. 26 September 2005. <<http://www.nielsenbuzzmetrics.com/release.asp?id=141>>.

*Cosmopolitan*. Cosmopolitan Magazine Media Kit. 2007.

*CNN*. CNN.com Media Kit. 2007.

Dinnell, Stephanie. "Understanding Generation Y." *Manufacturers' Monthly*. February 1, 2007.

Pg 14.

"For Ladies' Night, Women's Tea." *Tea and Coffee Trade Journal*. Vol. 179, Iss. 3, March 2007.

Friedman, Susan. "Take Stock for Holiday Merchandising Now" *Tea and Coffee Trade Journal*.

Vol. 179., No. 7. July 2004.

Friedman, Susan. "The Gourmet Tea Renaissance." *Tea and Coffee Trade Journal*. May 1994.

*Glamour*. *Glamour Media Kit*. 2006

Go Gorilla Media. <<http://www.gogorillamedia.com/gogorillamedia.html>>.

Harney & Sons Fine Tea. Online. Accessed 22 April 2007. <<http://www.harney.com>>.

Hearn, Ted. "Cox Chief: Heed the 'Echo Boomers.'" *Multinational News*. Vol. 27, Iss. 13; pg 24.

March 27, 2006.

The Harris Poll #8, “One-Third of Frequent YouTube Users are Watching Less TV to Watch Videos Online.” Harris Interactive Inc. January 29, 2007.

Komancheck, Wendy. “Finding Tea Online. *Tea and Coffee Trade Journal*. Vol. 177., No. 1. January 2005.

Levy, Amelia C. “Gourmet Restaurant, Gourmet Tea” *Tea and Coffee Trade Journal*. Vol. 177., No. 3. December 2004.

Levy, Amelia C. “The New Shape of Teabags.” *Tea and Coffee Trade Journal*. Vol. 177, No. 3. March/April, 2005.

*Lifetime*. Lifetime Media Kit. 2005.

McGeer, Bonnie. “Podcasts, Debit Cards Good Youth ‘Strategy.’” *American Banker*. October 17, 2006. Vol. 171, Iss. 199; pgs 10-15.

MediaMark Reporter, “Fall 2005 Media; Demographics – Head of Household; Age – Summery; 18-24; Total Adults.” Fall 2005.

Montalvo, Kristin V. "The Tea Tempest." Online. *Gourmet Retailer Magazine*. 01 February 2007. Accessed 12 February 2007. <[http://www.gourmetretailer.com/gourmetretailer/magazine/article\\_di](http://www.gourmetretailer.com/gourmetretailer/magazine/article_di)

People Weekly. *People Weekly Magazine Media Kit*. 2007.

Pettigrew, Jane. "It's in the Bag" *Tea and Coffee Trade Journal*. Vol. 179., Iss. 3. March 2007.

"Radio Holds More Than 92 Percent of its Lead-in Audience During the Average Commercial Break." Arbitron, Media Monitors and Coleman Press Release. 21 September 2006.

Smith, Kennedy. "Rituals, Rites and the Religion of Tea." Online. *Fresh Cup: Specialty Coffee & Tea Trade Magazine*. February 2007. Accessed 12 February 2007. <[http://www.freshcup.com/back-issues/2007/2007-02/religion\\_of\\_tea.htm](http://www.freshcup.com/back-issues/2007/2007-02/religion_of_tea.htm)>.

"Tea." Def.2. *The American Heritage Dictionary of the English Language*. 4th ed. 2006.

Tea Association of the United States of America. Online. Accessed 12 February 2007. <<http://www.teausa.com>>.

Teance Fine Full Leaf Tea Distributors. Online. Accessed 13 March 2007. <<http://www.teance.com>>.

United States. Census Bureau. *American FactFinder*. 14 Mar. 2007

<[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)>.

Waddington, Bill. "Get Loose: The Benefits of Loose Tea." *Tea and Coffee Trade Journal*. Vol. 178, No. 7. July/August 2006.

WOMMA: Word of Mouth Marketing Association. Accessed 29 April 2007.

<<http://www.womma.org>>.

"Teance." *Yelp.com: Real People. Real Reviews*. Online. Accessed 29 April 2007.

<[http://www.yelp.com/biz/5i\\_vY3774jJzE5b1vYUMrg](http://www.yelp.com/biz/5i_vY3774jJzE5b1vYUMrg)>.