

# HAPPY FAMILY<sup>®</sup>

## ICE CREAM MACHINES



SOFT SERVE ICE CREAM MACHINES FROM CHINA  
COST LESS WHEN YOU BUY FROM  
**MAGPIE TRADING COMPANY**

An Integrated Marketing Communication Plan  
For Startup And First Year

PREPARED FOR HAPPY FAMILY ICE CREAM MACHINES

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## **Dugan, MarCom Plan Assignment, Final**

Group Member: Lonnn Dugan

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**Project Proposal:**

The purpose of this project will be to develop a Marketing Communications Plan for a startup company, the Magpie Trading Company. The company is owned by client Li Yong, a Chinese entrepreneur who is now a Naturalized Citizen of the USA. The client wants to start a company selling Chinese made commercial soft serve ice cream machines and other commercial food service machines to Chinese American buyers who own or manage a Convenience Store.

The market advantage for the client will be the ability to knowledgably source quality products from China and offer marketing copy, reviews, ratings, sales, support, installation, and customer service in the native language of both Chinese manufacturers and Chinese American customers. There will be a focus on building trust around Chinese brands with assurances that high quality goods will be stocked.

The market need/gap is that buyers want to buy commercial soft serve ice cream machines for less than the price of those being sold in the USA. Equipment made and sold in China costs much less. However, potential customers may not be familiar with importing, commercial language, or business customs in the USA, or may have a hard time with time zones and language barriers when reaching out to sales, support, and customer service people. An online store offering turnkey service in either language with a single point of contact would solve that problem. It will also be promoted as an Amazon.com Seller and an Ebay.com store. These big name partnerships will help create trust and loyalty for repeat business when this market segment is shopping online.

The new online store will mimic the customer experience of online shoppers using Amazon.com, with the assumption that customers will appreciate the reasonable cost, high quality, and safety of secure online shopping. Amazon was chosen as the model for best practices because it is a multinational company and the largest Internet company in the United States.

Competitors will include other online sellers of commercial food service equipment at using Amazon.com and Ebay.com stores. Sam's club is another online competitor which also has brick and mortar outlets that cater to business owners. Finally, regional distributors of food service equipment such as Burkett Restaurant Equipment may also compete in this category.

The Machine Brand will be **Happy Family Ice Cream®**

## Dugan, MarCom Plan Project Part One Assignment

### Executive Summary

Magpie Trading Company is a startup company owned by Mr. Yong, a Chinese immigrant who has become a naturalized citizen of the U.S. He has an international business degree, has experienced many years of American culture, and has an interest in the food service industry.

The company name was chosen because the Magpie is a powerful symbol of joy, happiness, and success in Chinese Culture. "Magpies are regarded as a good-omen bird in Chinese society" according to a Vision Times Chinese article on Fengshui titled "*5 Surprising Auspicious Chinese Symbols*". This branding will help create trust and establish a key competitive advantage over other online sellers. With an integrated and bi-lingual marketing communication plan, the company is positioned to communicate deep understanding of both Chinese and American business and culture that desires to provide happy customer experiences while helping customers save money.

The company intends to create an online store to sell Chinese made commercial soft serve ice cream machines designed for moderate volume as in convenience stores to U.S. based small businesses in the convenience store category which are owned by Chinese Americans or Americans who trust Chinese products and want quality machines at lower prices than offered in the U.S. market at present.

A market need gap exists in that ice cream machines from China cost less than the ones generally sold in the USA. However, it can be a complex undertaking to buy and import these machines. Business practices and customs in China and the United States are very different. Chinese manufacturers of these machines generally do not provide a bi-lingual single point of contact to assist with Chinese or English language as needed during the buying cycle and afterward. Chinese sellers also tend to be unfamiliar with U.S. business practices and customs. Time zone issues become a problem as well if the customer needs to speak to somebody by telephone.

Competitive analysis indicates that other US based sellers of these machines are not providing bi-lingual marketing nor focusing on Convenience Stores, which are a growth market. Further, the target market made up of Chinese American Owners of Convenience Stores is not being addressed.

An opportunity exists to solve this market need gap by importing ice cream machines, launching a bi-lingual integrated marketing communication plan, and offering single point of contact during the buying cycle, transportation, delivery, setup, and customer service after the sale. This paper will detail that opportunity.

## Part I: Situation and SWOT Analyses

### Situation Analysis

At startup, Magpie Trading Company will market Chinese made commercial soft serve ice cream machines to U.S. Convenience Stores owned by Chinese Americans.

In the future the company will add other commercial food service equipment such as Microwave Ovens, Coffee Machines, French Fry Machines and Deep Fat Fryers that are related to fast food offerings typically produced in convenience stores, food trucks, or small specialty restaurants.

The commercial food service category was chosen because Chinese manufacturers produce quality commercial food service machines at about 1/3 the cost of the same types of machines made elsewhere in the world providing a pricing advantage in the U.S. Market. Current distribution of these products is not well organized in the U.S.A. due to differences in Chinese and U.S. business customs, practices, and culture.

Traditional manufacturers and distribution channel members in China need help to obtain market share in the U.S. By providing products at a lower price than current offerings in the U.S. and being able to communicate with vendors and customers in native Mandarin Chinese when needed, Magpie can function as a facilitator, manufacturer's agent or distributor as well as a business supplier to the buyers. Magpie expects to earn a 50% markup while selling a product at about a 25% to 35% discount compared to competing products currently offered in the U.S.

### Competitive Brands Analysis

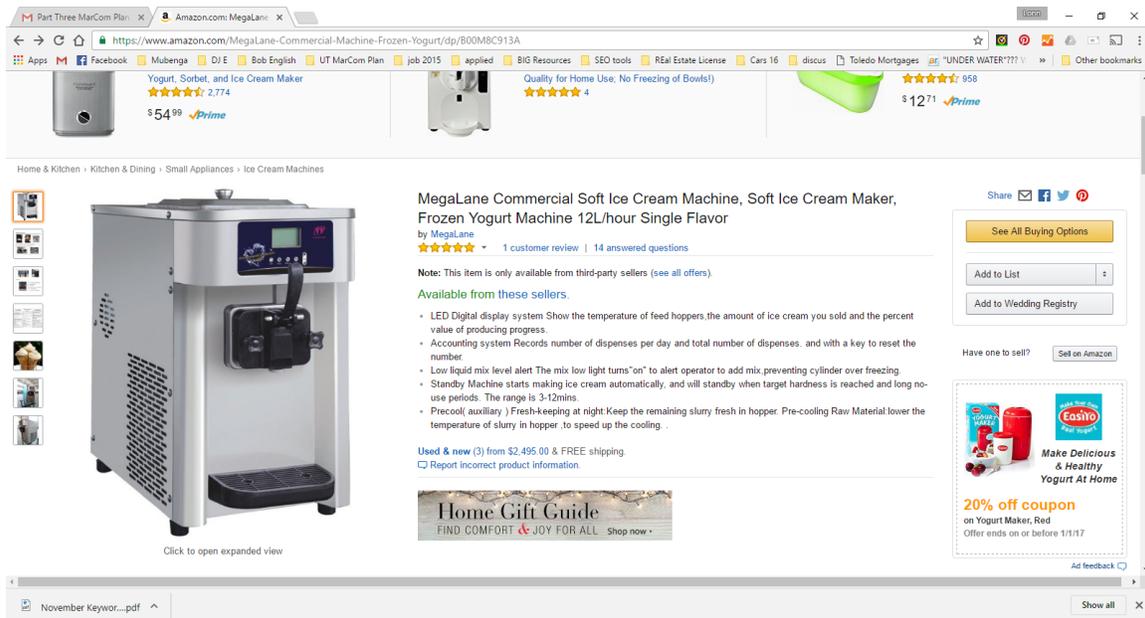
A recent search for moderate volume Chinese made commercial soft serve ice cream machines revealed 10 products by 7 sellers on Amazon.com ranging in price from \$2,495. to \$5,000. Only one stood out.

**Megalane** <https://www.amazon.com/MegaLane-Commercial-Machine-Frozen-Yogurt/dp/B00M8C913A>

Megalane sells machines imported from China under their own brand name on Amazon.com. The company is small and privately owned, meaning very little data is available. Buyer satisfaction seems high, so quality must be good. Seller messaging does not include a promise of Chinese language communication. The strategy is to sell on price and customer satisfaction reviews. Very little information exists about their marketing mix beyond depending on Amazon.com seller tools such as customer newsletters, reviews, ratings, search engine remarketing banner ads, and the like for all their marketing communication efforts. This company does not seem to have a website.

## Integrated Marketing Communications Plan For Happy Family Ice Cream Machines

Another search for moderate volume Chinese made commercial soft serve ice cream machines designed for moderate volume as in convenience stores revealed 15 results on eBay, ranging in price from \$1,500 to \$5,000. There is no Chinese language messaging. The most popular machines, as ranked by the number of bidders watching the auction, seem to be in the \$2,000 to \$4,000 price range. Only one stood out.



Yogurt, Sorbet, and Ice Cream Maker  
★★★★★ 2,774  
\$54.99 Prime

Quality for Home Use, No Freezing of Bowls!  
★★★★★ 4

Quality for Home Use, No Freezing of Bowls!  
★★★★★ 958  
\$127.1 Prime

Home & Kitchen > Kitchen & Dining > Small Appliances > Ice Cream Machines

MegaLane Commercial Soft Ice Cream Machine, Soft Ice Cream Maker, Frozen Yogurt Machine 12L/hour Single Flavor  
by MegaLane  
★★★★★ 1 customer review | 14 answered questions

Note: This item is only available from third-party sellers (see all offers).

Available from these sellers.

- LED Digital display system Show the temperature of feed hoppers, the amount of ice cream you sold and the percent value of producing progress.
- Accounting system Records number of dispenses per day and total number of dispenses. and with a key to reset the number.
- Low liquid mix level alert The mix low light turns "on" to alert operator to add mix, preventing cylinder over freezing.
- Standby Machine starts making ice cream automatically, and will standby when target hardness is reached and long no-use periods. The range is 3-12mins.
- Precool( auxiliary ) Fresh-keeping at night.Keep the remaining slurry fresh in hopper. Pre-cooling Raw Material lower the temperature of slurry in hopper. to speed up the cooling.

Used & new (3) from \$2,495.00 & FREE shipping  
 Report incorrect product information.

Home Gift Guide  
FIND COMFORT & JOY FOR ALL Shop now

Share

See All Buying Options

Add to List

Add to Wedding Registry

Have one to sell? Sell on Amazon

20% off coupon  
on Yogurt Maker, Red  
Offer ends on or before 1/11/17

**Rolling Cold** <http://stores.ebay.com/Rolling-Cold/i.html?nkw=ice+cream+machine&submit=Search&sid=64246615>

Rolling Cold is a successful seller of Chinese soft serve ice cream machines on eBay.com under the manufacturers name.

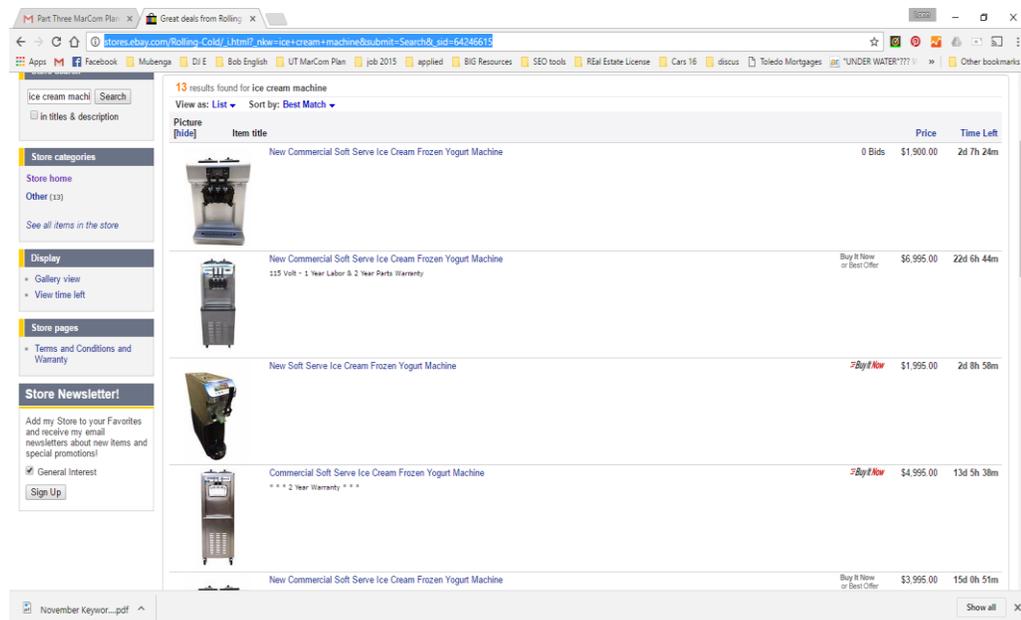
The company is small and privately owned, meaning very little data is available. The strategy is to sell on price and a good reputation for quality and customer service.

The marketing mix is use of an eBay Store, and an email newsletter sent to those who like or follow the seller.

This seller appears to have no other online presence or marketing effort.

The strategy is to sell on price and a good reputation for quality and customer service.

## Integrated Marketing Communications Plan For Happy Family Ice Cream Machines



### Sam's Club

<http://www.samsclub.com/sams/search/searchResults.jsp?searchCategoryId=all&searchTerm=commercial%20ice%20cream%20machine%22&fromHome=no&requestid=818173>

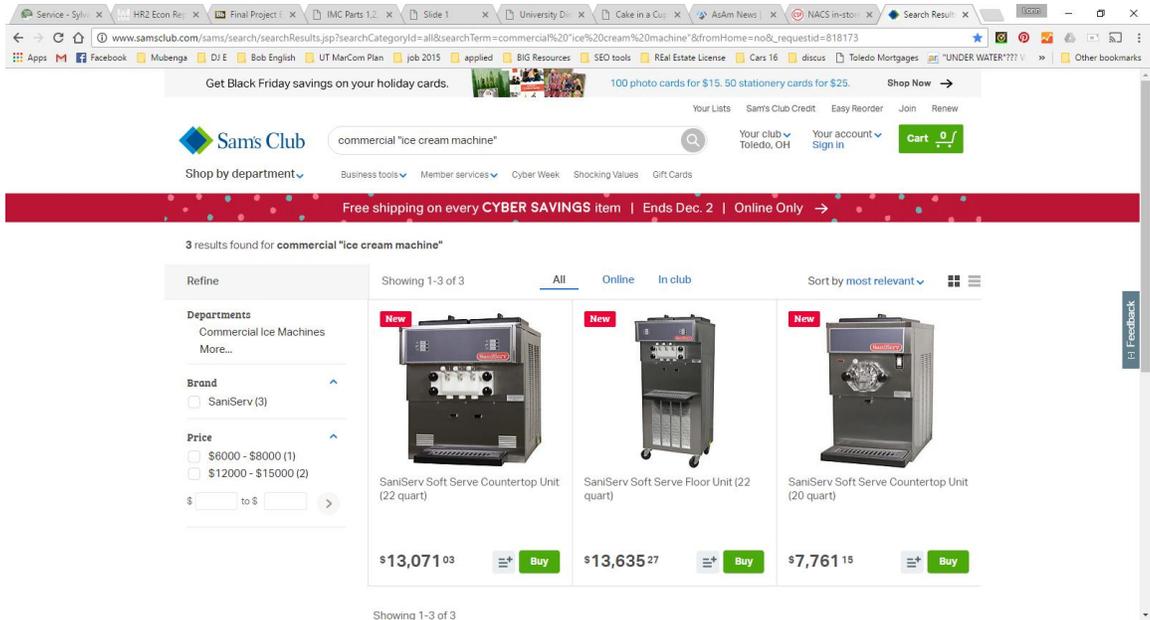
Sam's Club is an American chain of membership-only retail warehouse clubs owned and operated by Walmart, founded in 1983 and named after Walmart founder Sam Walton. Because of the size of this company, data is readily available. The strategy was to offer high quality and low cost merchandise, especially in bulk quantities, with an important market segment being business owners.

As of 2012, Sam's Club chain serves 47 million U.S. (including Puerto Rico) members and is the 8th largest U.S. retailer.[3]As of January 31, 2008, Sam's Club ranks second in sales volume among warehouse clubs with \$56.828 billion in sales[2] (in fiscal year 2016) behind Costco, despite the fact that Sam's has more retail locations (Wikipedia.com, 2016).

The overall marketing mix is extensive including television, direct mail, print newspaper inserts, magazines, internet, social media, and more. The company website lists 3 results for commercial ice cream machines. Prices seem to run \$5,000 to \$15,000.

None of the machines appear to be from China. This is curious because many Chinese American business owners shop at Walmart, motivated by a culturally founded interest in high quality and low prices. The local store carries none of these machines in stock, but they can be ordered online and shipped to the store.

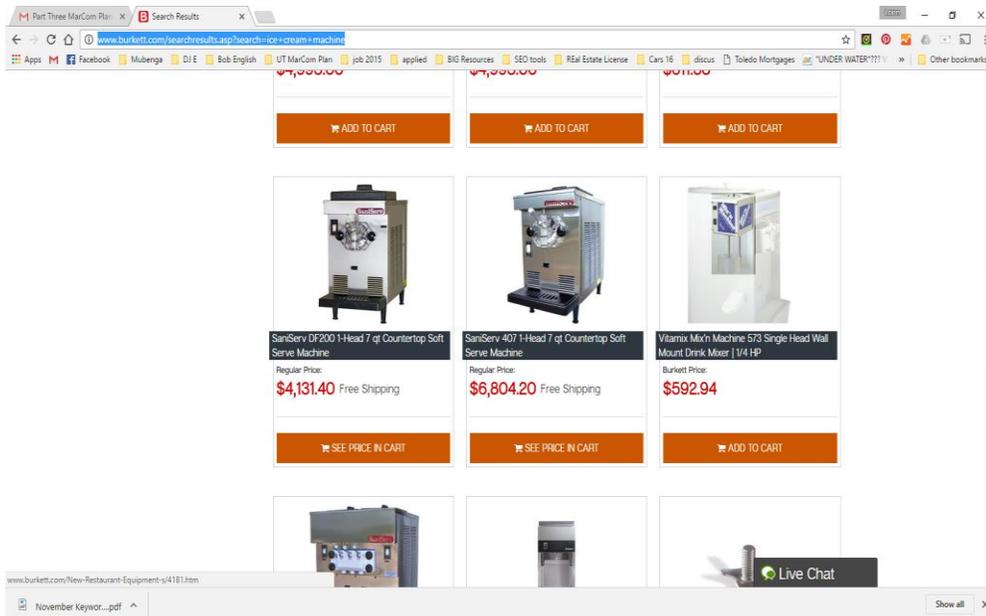
# Integrated Marketing Communications Plan For Happy Family Ice Cream Machines



## Burkett Restaurant Equipment

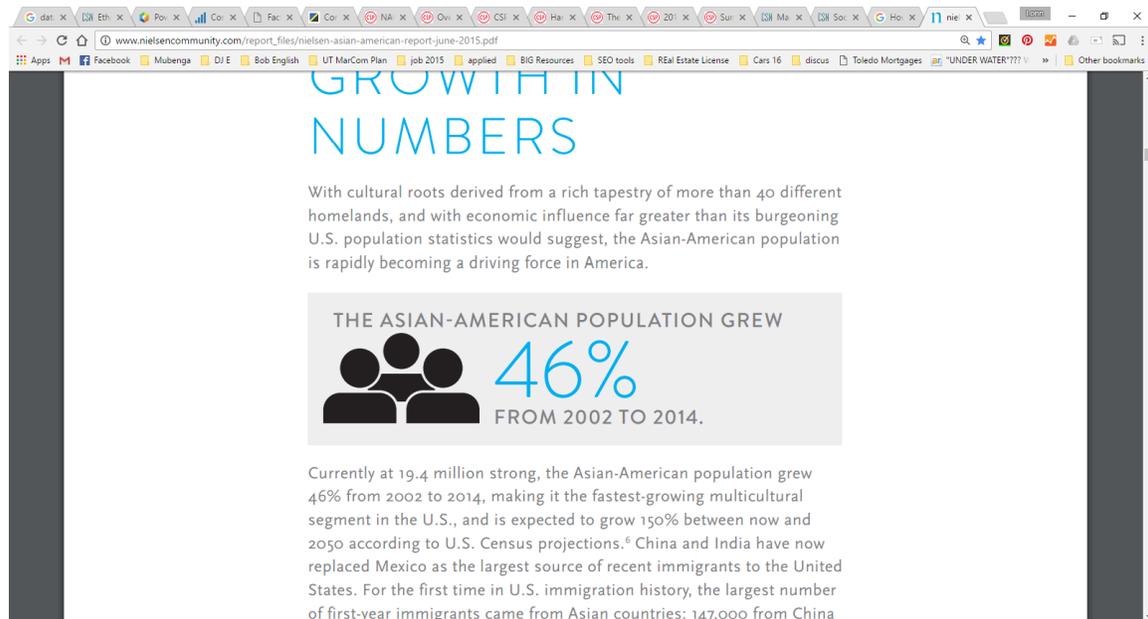
<http://www.burkett.com/searchresults.asp?search=ice+cream+machine>

Burkett Restaurant Equipment and Supplies is a leading regional brick and mortar restaurant supply company with a strong online presence based in Toledo Ohio. It is a privately held company and does not report sales or earnings. A search of the company website lists 7 used commercial soft serve ice cream machines ranging in price from \$3,700 to \$6,000 and up. The marketing mix for Burkett is very broad, with personal sales leading the effort as well as direct mail, trade promotion, website, print, social media and more.



### Customer Analysis

It is expected that the Chinese American Convenience Store owners will prove to be the most likely market segment to purchase from Magpie. The Asian American population is growing quickly.



(NielsenCommunity.com, 2015)

There are several other reasons for targeting this segment.

According to a Nielsen Ratings Community Report:

- Asian Americans are the fastest-growing (up 46% from 2002 to 2014) and most culturally diverse segment of what will be a multicultural majority U.S. population by the year 2043.1 Recent arrivals to the United States have fueled much of this growth, as China and India have replaced Mexico as the largest source of recent immigrants (those arriving within the last year).
- Fully 79% of Asian American adults are immigrants or foreign-born, bringing with them cultural traditions that continue to influence and guide their personal choices and consumer habits.
- China and India became the number one and number two countries for recent immigration in 2013...

- The growing number of successful Asian entrepreneurs contributes to the increases in Asian-American household income and buying power. The most recent U.S. Census Survey of Business Owners shows that the number of Asian-owned companies increased by 40% during the five-year period, which is more than double the 18% increase in the number of all U.S. companies.<sup>17</sup> There are 1.6 million Asian-American-owned businesses, accounting for more than \$500 billion in annual economic output and nearly 3 million jobs. One in every 10 Asian-Americans owns a business (NielsonCommunity.com, 2015).
  - Initial Geographic Targeting for Magpie will begin regionally centered in Toledo Ohio and serving neighboring states, then expand nationwide.
  - Market potential is high due to the number of small businesses in the U.S. Anyone in the convenience store or food service industry can be a customer if they want support that goes beyond ordering direct from China by themselves.
  - Small business owners need price advantages such as buying Chinese machines because they cannot get volume discounts that are available to large corporate chains. The small business must keep costs low to remain competitive.
  - While some people may not believe the quality of “made in China” goods, Chinese Americans are more likely to trust them.
  - The characteristics of our customer could be middle class small business owners.
  - According to a report, there are 6 Million Asian at median income ([William 2006](#)), and 60% of them are Chinese, which means 3.6 Million Chinese people are median income.
  - There are over 530,000 Chinese-American owned businesses in the USA (Census Bureau 2012)

In addition to convenience store owners, marketing efforts may also reach grocers, food trucks, and specialty restaurant owners in resort areas where Soft Serve Ice Cream or fried foods such as Chicken, Pork, Shrimp, Crab, french-fries, and deep fried pastry products such as "Elephant Ears" or donuts are popular.

Amusement parks, sports or entertainment venues with food service vendors may also be good niches to explore later.

Customers will most likely be independently owned small businesses, although the products may also be right for partnerships, local chains, and nationwide chains or franchises who are willing to do business with small minority owned companies.

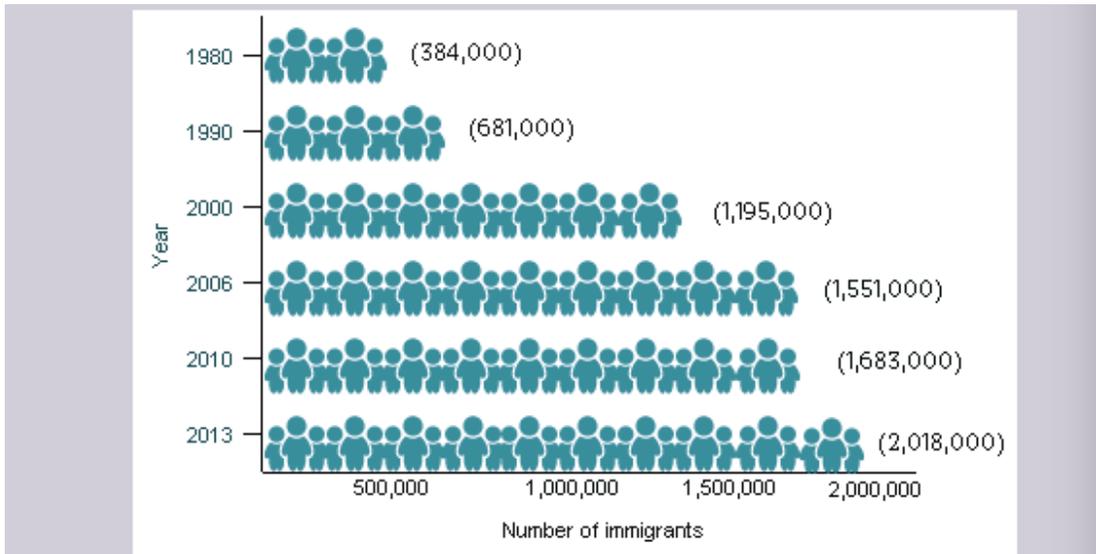
**Environmental Factors**

Most Asian Americans are Chinese Americans.



Source: 2013 American Community Survey 1-Year Estimates, Asian Alone or in Any Combination Regional groupings are based on geographic representation.

According to the U.S. Census Bureau, the Chinese are the largest ethnic group in America, and are the mostly highly educated.



Sources: Data from U.S. Census Bureau 2006, 2010, and 2013 American Community Surveys (ACS), and 1980, 1990, and 2000 Decennial Census.

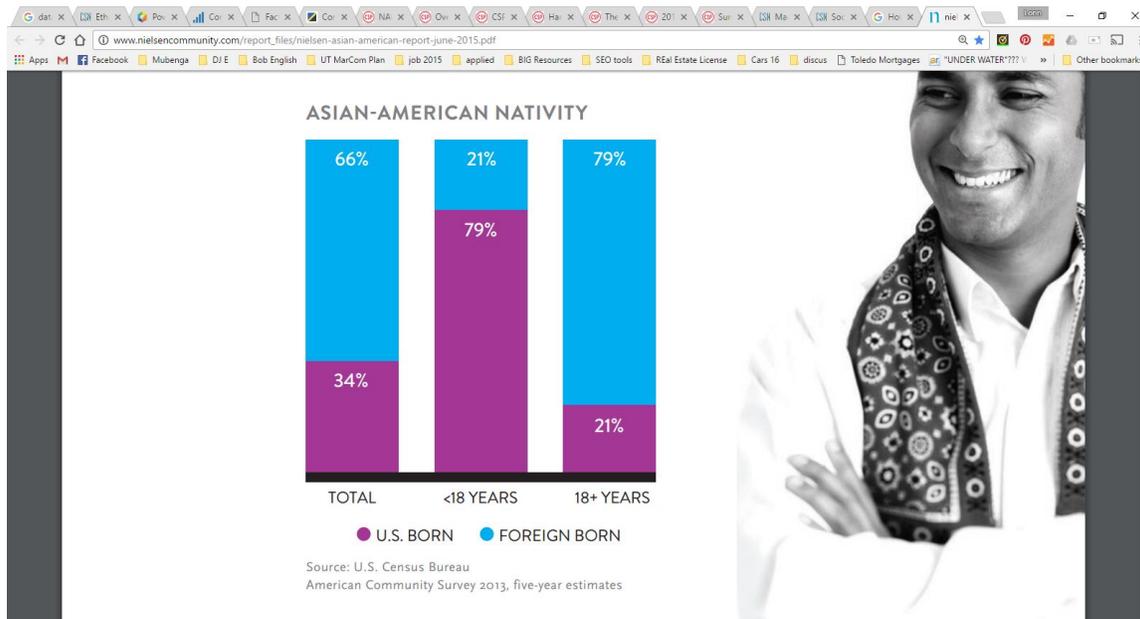
## Integrated Marketing Communications Plan For Happy Family Ice Cream Machines

The Census Bureau also reports on business ownership by country of origin. Chinese American Business Owners provides a large market size. If the numbers are reliable then as many as 532,000 American businesses are owned by Chinese Americans.

The Census Bureau's Survey of Business Owners: Asian-Owned Firms: 2012 (released in Dec. 2015) provides a very comprehensive examination of the basic demographic and economic characteristics of Asian-owned small businesses in the U.S Specifically, the summary report points out that as of 2012, there were 1.9 million Asian American-owned businesses. This number is up 40% from 2002. These Asian American-owned businesses also generated \$699.4 billion in revenue (up 148% from 2002), employed more than 3.6 million people, and supported payrolls totaling \$110.5 billion.

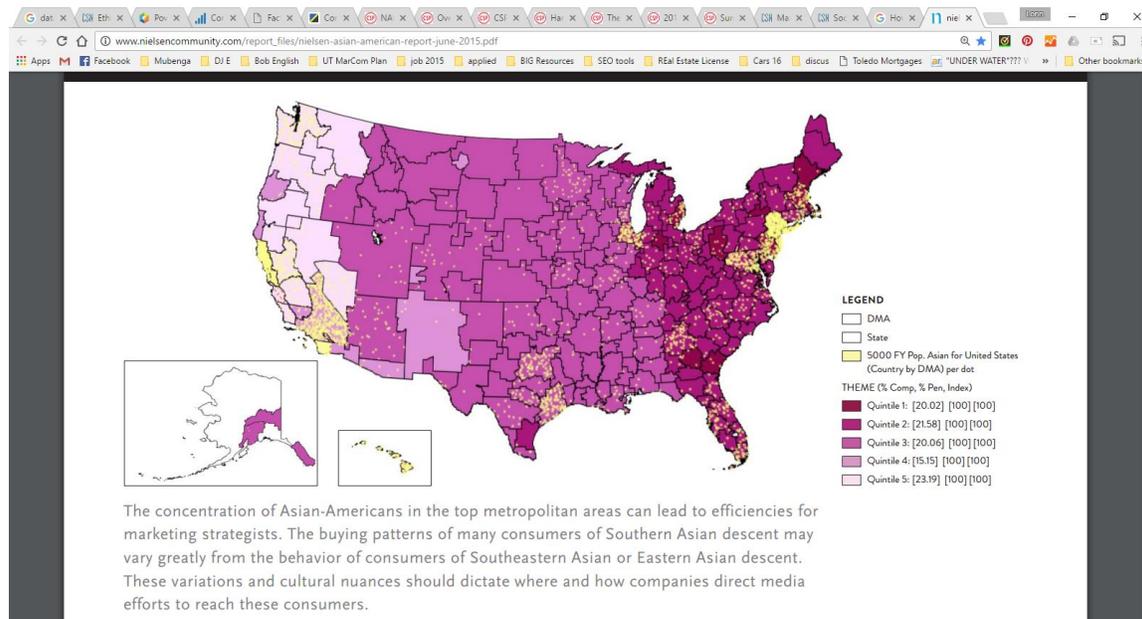
...Regarding specific ethnicities, Chinese small business owners made up 28% of all Asian-owned small business owners in 2012... (Census Bureau, 2012).

A disproportionate number of Asian Americans over the age of 18 were foreign born. This indicates the importance of Bi-Lingual Marketing.



Source: U.S. Census Bureau American Community Survey 2013, five-year estimates

Regional Asian American population density is favorable for Midwestern location of Happy Family Ice Cream.



(NielsonCommunity.com, 2016)

Other favorable environmental factors include trends over the last 20 years favoring trade liberalization, and the growth of global capital markets.

## **SWOT Analysis**

### **Strengths**

Competitive advantages for Magpie are organized around category familiarity, experience, and the ability to build a brand based on trust and a reputation based on service, price and quality.

Magpie is well acquainted with both Chinese and U.S. products, producers, languages, and business customs as well as food service industries in both countries. The ability to build bridges between cultures and nations to create trust with vendors, prospects, and clients will be an important strength.

The Chinese culture is rich with business and social customs that only a native Chinese business owner can understand. Business relationships often take years to develop and may last for generations. These practices work in China, a country with a large population where many people need to be involved in and supported by each sale. However, most of these customs and practices are not used in the U.S. market where shorter term goals and faster moving markets can allow faster market penetration.

Familiarity with both Chinese and U.S. International Business and regulatory practices will provide the ability to guide vendors and customers regarding laws and regulations related to selling and buying commercial food service machines as another strength. Chinese manufacturers may not fully understand various U.S. laws, licensing of commercial kitchens, and health department food service regulation as is practiced in the U.S.

Chinese producers may also not understand general business practices, terminology, distribution and customer service expectations in the U.S. market for their products. To illustrate, in China, a resident may open a "restaurant" in their living room and cook for neighbors who don't want to prepare their own meals. There are no health department rules or inspections. This would violate many laws in the U.S.

Providing a single point of contact to customers will be another strength for Magpie. Chinese distribution channels tend to be very deep, with several middlemen. Some things take more time than they should because so many people are involved. Magpie Trading Company will have significant advantages in all these areas due to being smaller and faster and focused on one niche without ties to tradition or history.

U.S. market acceptance and trust of Chinese industrial products is growing. Although some buyers, both Chinese and American, still prefer goods that are "Made in America", these can be difficult to find.

The niche market of Chinese Convenience Store owners is large enough to be viable, but probably not large enough to inspire difficult competitive efforts at this time.

### **Weaknesses**

Brands new to any market are harder to sell than established brands. Being a startup business the company does not have the financial or physical capacity to absorb too many orders at once.

Many Chinese electrical goods do not carry safety certifications from recognized national testing laboratories. Some prospects will have reservations about the ability to locate replacement parts or obtain repair service.

Wealthier customers may choose competitive brands because of a fear of imported machinery. The low price marketing model may lead some buyers not to trust the products.

Others prospects may choose American brands, out of national loyalty to their new country.

## Opportunities

One opportunity that exists is a strong market need gap. Chinese American buyers of Chinese commercial food service products generally do not have a single manufacturer provided contact to assist with transportation, delivery, setup, and customer service after the sale. Customers may have a difficult time understand who they need to speak to during various stages of the buy cycle. Once ordered from China direct, and paid for, the machine is shipped to a U.S. Port and that is the end of the Chinese company involvement. Magpie Trading Company will assure a delightful customer experience with high levels of service and communication in either Mandarin Chinese or English. This value proposition and positioning is not currently available to buyers of this type of equipment.

Another opportunity is to support intrinsic national loyalties which are strong in Chinese culture. Chinese business owners are highly value conscious, want to save money on their food service equipment, and also honor their cultural roots by buying Chinese made goods from Chinese owned businesses.

Asian-Americans will look for brands and services that make an extra effort to address their needs and aspirations. Asian-American consumers index high in specific spending categories. Brand strategists must understand these preferences to maximize the opportunity.  
(NielsonCommunity.com, 2015)

An opportunity also exists to provide partnership to Chinese Producers will be in the regulatory compliance arena. U.S. regulations cover safe installation and operation of commercial electrical equipment as well as separate commercial kitchens regulations and health department regulations.

According to **Wikipedia**, "Underwriters Laboratories (UL) is one of several companies approved to perform safety testing by the US federal agency [Occupational Safety and Health Administration](#)(OSHA). OSHA maintains a list of approved testing laboratories, which are known as [Nationally Recognized Testing Laboratories](#)." **Specifically, UL 197 covers Commercial Electrical Cooking Appliances. A competing testing laboratory is [ETL SEMKO](#), part of [Intertek](#); based in London, England, UK.**

Food service machines sold in the USA that carry a recognized seal of testing can command higher levels of trust and higher prices. Magpie will help manufacturers obtain these approvals if necessary, and provide information to buyers to help them become familiar with pertinent regulations.

Finally, a focus on customer satisfaction will create brand loyalty within the target markets. This focus will be evident when the shopping website is reliable, quality assurance is trusted, mode of payment is safe, delivery is quick, and quality is proven over time.

### **Threats**

Unlike trade in automobiles, technology products, and electronic products, the chosen category is free from undue regulatory restriction or tariffs in both the U.S. and China. If the U.S. were to enact trade restrictions for this category of products, then sales volume and profits could be reduced. In addition, changes in monetary policy or currency trading values could change market dynamics considerably if either of these become unstable. Magpie does not have the resources to address these issues at startup, but will likely participate in supporting trade associations that can do so.

Another threat might take place if larger and more established food service equipment distributors increased investment and effort in importing Chinese equipment and staffing a division with Chinese Speaking managers, purchasing agents, sales and customer service reps, etc.

### **Part II: MarCom Strategy: The Fundamental Decisions**

Magpie Trading Company will begin by importing and marketing moderate volume Chinese made commercial food service machines for Chinese American owned Convenience Stores with emphasis on reaching upwardly mobile, entrepreneurial, tech savvy and affluent market.

The Asian-American population is not only the fastest-growing population demographic in the U.S. and the one with the largest percentage increase in buying power. Asian-Americans as a group are also the most highly educated. They are much more likely to have a college degree (49%) than the total U.S. population (28%). The average Asian-American household spends 57% more on average for college tuition than non-Hispanic white households. This higher education level, coupled with the presence of more wage earners due to the greater presence of multigenerational households, contributes to an Asian-American median household income of \$72,472, which is 39% higher than the U.S. national average of \$52,250. 16 (NielsonCommunity.com, 2015)

In addition, according to Nielson, Chinese American populations are "...Concentrated in states and metro areas in the West and Northeast, (but) Asian-Americans are making gains in the suburbs and much of the Midwest..." (NielsonCommunity.com, 2015)

## Targeting Criteria

For all the reasons listed in the preceding section, above, Chinese Americans with the following demographic, geographic, psychographic, lifestyle, motivations, values and socio economic status are most likely to become customers:

### Demographic

- Chinese American Convenience Store Owners
  - Race is Asian
  - Country of Origin is China
  - Between Ages of 25-65

### Geographic

- Physically located in the USA
  - Most likely early sales will be to those located in Ohio, Michigan, Indiana, Illinois, Pennsylvania, and New York.

### Psychographic

- Feel loyalty to their Chinese roots
  - Trusts the quality of Chinese Made Food Service Machines
  - Frugal in nature

### Lifestyle

- Chinese Americans tend to live in close knit communities and support each other's businesses
- Chinese Americans tend to live in multigenerational households where Chinese is the primary spoken language.
- Cultural traditions influence brand attitudes and shopping preferences across a wide range of products and services.
- Older Chinese Americans prefer Chinese language media and have access to it.
- Younger members of the household tend to work in the family business
- Younger members of Chinese American households are tech savvy and can influence older members in the multi-generational households.

### Motivations

- Chinese Americans are very motivated by a culturally instilled value consciousness. "These savvy savers are more likely to use coupons than other shoppers (NielsonCommunity.com, 2016).

### Socio Economic Status

- Educated upwardly mobile owners or managers of convenience stores, grocery stores, or food service businesses identify with Middle Class to Upper Middle Class society.

Target Market Segment Details			
Race is Asian			100%
Country of Origin is China			80%
Geographic Location is Midwest to East Coast			100%
Age is 24-64			100%
Above Average Annual Household Income			100%
Above Average Education			100%
Internet Usage			85%
Mobile Device / Smartphone Usage			75%
Comfortable with Online Shopping			65%

Additional reasons for these decisions will become clear from the industry data as reported in the next section.

### Industry Data

#### Market Size

According to the National Association of Convenience Stores, The U.S. convenience store industry has 154,000-plus stores that account for \$575 billion in sales (NACS, 2016).

#### Market Definition

The NAICS Industry Code for Convenience Stores is 445120. Information Resources Inc. defines convenience stores as stores that tends to share the following characteristics (Information Resources, Inc. (IRI), [www.iriworldwide.com](http://www.iriworldwide.com), 2013).

- Footprint of less than 5,000 square feet
- Off-street parking and/or convenient pedestrian access
- Extended hours
- Stock of at least 500 SKUs
- A product mix of grocery items, including beverages, snacks and confections, and tobacco

Foodservice sales in Convenience Stores is a growing market, providing important sales and profits in the Convenience Store industry.

In 2012, Mintel estimated the U.S. convenience store foodservice market to be worth about \$25.5 billion, with a forecast for 28% growth by 2017. And, in a Mintel survey representative of the U.S. population, 70% of respondents indicated that they buy prepared food at convenience stores.

The channel is benefitting from an expanding store population and its ability to accommodate consumers’ desires for quick and easy on-the-run food and beverage options, often with the added benefit of fueling up the automobile at the same time. (Information Resources, Inc. (IRI), www.iriworldwide.com, 2013)

“In the next five years, increasing demand for convenience, improving per capita disposable income and industry consolidation are expected to boost sales and lower costs (Convenience Stores Market Research Report | NAICS 44512 | Jun 2016). Further, Foodservice sales provide a 19% share of gross sales for Convenience Stores, and provide the highest profit margin in any category according to National Association of Convenience Stores (NACS).

**In Store Gross Sales Share By Category**

<b>Category</b>	<b>Share</b>
Tobacco	35.9%
Foodservice	19.4%
Packaged beverages	15.4%
Center store	10.6%
Beer	7.3%
Other	11.4%

Source: NACS; preliminary data. Final data to appear in the NACS® State of the Industry Report of 2014 Data.

**In-Store Gross-Profit-Dollar Contribution**

<b>Category</b>	<b>Share</b>
Foodservice	33.5%
Packaged beverages	18.5%
Tobacco	17.3%
Center store	12.8%
Beer	3.9%
Other	14.0%

Source: NACS; preliminary data. Final data to appear in the NACS® State of the Industry Report of 2014 Data.

By gross margin, foodservice was the top earner for convenience stores in 2014, supplying more than one-third of in-store gross-profit dollars. All food service Categories in the center store—candy, salty snacks, general merchandise—all saw growth in sales. (NACS; preliminary data 2015, [www.cspdailynews.com](http://www.cspdailynews.com)).

**Industry Analysis & Industry Trends**

Convenience stores have grown in popularity over the current five-year period, as more Americans returned to work and decreased their leisure time.

**CSP Special Issue (SOI 2105) May 2015**

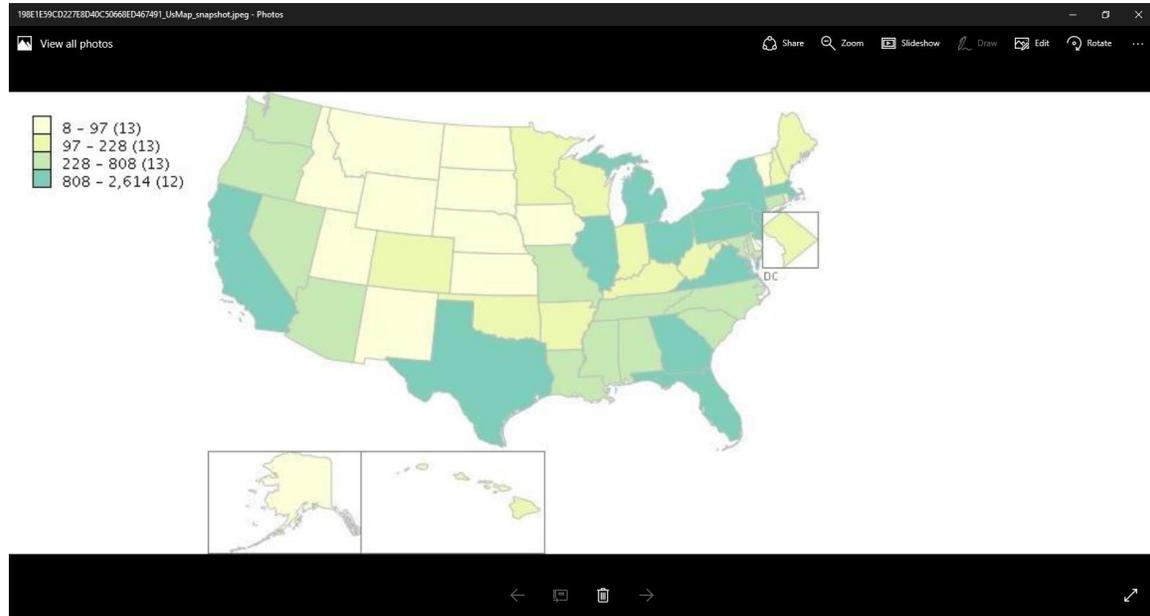
**Data: Total Industry 2015**

YEAR	INSIDE SALES (\$ BILLIONS)	FUEL SALES (\$ BILLIONS)
2000	\$104.1	\$165.3
2001	\$112.0	\$171.0
2002	\$109.3	\$181.3
2003	\$116.2	\$220.8
2004	\$132.1	\$262.6
2005	\$151.1	\$344.2
2006	\$163.6	\$405.8
2007	\$168.5	\$408.9
2008	\$173.9	\$450.2
2009	\$182.4	\$328.7
2010	\$190.4	\$385.2
2011	\$195.0	\$486.9
2012	\$199.3	\$501.0
2013	\$204.0	\$491.5
2014	\$213.5	\$482.6

(NACS; preliminary data 2015, [www.cspdailynews.com](http://www.cspdailynews.com)).

## Geographic Distribution of Convenience Stores

The target market region of the Midwest contains a high number of convenience stores.



US Census Data, 2012, [www.thedataweb.rm.census.gov](http://www.thedataweb.rm.census.gov),

### Consumer Behavior / Lifestyle Issues Support Continued Growth

In response to growing demand for convenience and timesaving options, industry operators have opened additional stores, expanded into new markets and readily adapted to changing consumer tastes to increase sales.

### Traditional and Digital / Interactive Media Consumption By Chinese Americans

Most Chinese households have access to Chinese language television programming. This will be an important consideration in the future, but this channel will be too costly during startup.

Digital media is both very affordable and popular among Chinese Americans.

Chinese Americans make up the largest part of the Asian American population. "87% of Asian Americans use smart phones, more than any other ethnicity. Asian-Americans spend more time on twitter and tumblr than any other group. (NielsonCommunity.com 2015)

### **Online Shopping Behavior:**

Asian Americans are very comfortable shopping online.

Compared to all other non-Hispanic whites, Asian-Americans are 14% MORE LIKELY TO AGREE THE INTERNET IS A GREAT WAY TO BUY PRODUCTS compared to responses from non-Hispanic. Younger and highly tech savvy, Asian-American consumers lead the way in online shopping behaviors. They visit digital apparel/merchandise stores (such as Amazon, Overstock, and eBay) 37% more frequently than non-Hispanic whites (2.6 times versus 1.9) and spend 22% more on a monthly basis (\$61 versus \$50) (GfK MRI, Attitudinal Insights, August 2013–September 2014)”

Outdoor advertising is very effective for Convenience Store owners.

a key to luring shoppers into the store. In fact, analysis of outside advertising of key convenience channel categories, including carbonated beverages and bottled water, reveals that product growth rate is twice as high when outdoor causal advertising is used compared to when it absent (IRI Worldwide, 2016).

For this reason, Happy Family Ice Cream Machines are delivered with an outdoor banner promoting ice cream sales.

### **Positioning**

Competitive positioning for Magpie will be that it is a Chinese American trading company leader for Chinese American Business Owners because it provides trusted products with the most complete service from a single point of contact.

Positioning refers to how a company wants its customers to perceive its products to gain a competitive advantage over other potential competitors. It is important to offer products or services which occupy a unique position in the customer's mind in relation to other competitor's products.

Since most Chinese Americans living in the U.S.A. are generally not conversant with the nuances of language and business customs of their new country. Chinese manufacturers struggle with these issues as well. Magpie will offer outstanding communication, sales, and customer service support in Chinese, or English, as needed.

To come up with a suitable support for the unique brand position, Magpie will build messaging around competitive advantages such as:

- Providing a single Point of Contact for manufacturers or customers, using the English or Chinese language as needed
- Providing a unique and complete one stop source for locating low cost, high quality Chinese food service machines
- Provide financing assistance through finance and leasing industry partners
- Provide Import and shipping assistance
- Arrange delivery and setup
- Locate repair parts and arrange service if needed
- Ability to follow up any problem customers might face without any complications based on understanding of business customs in the USA

### **Objective Setting**

The objective of the Marketing Communications Plan will be to create a 1-year Marketing Communication campaign for the launch of Magpie Trading Company designed to accomplish \$100,000 in sales. The Internet and Social Media have been selected as the best way to reach the target market on a limited startup budget.

In addition to convenience store owners, marketing efforts are likely to reach grocers, food truck and specialty restaurant owners in tourist or resort areas where Soft Serve Ice Cream is popular.

Future considerations would include adding commercial french-fry machines or commercial deep fat fryers for preparation of fried foods such as Chicken, Pork, Shrimp, Crab, french-fries, and deep fried pastry products such as "Elephant Ears" or donuts are popular. Amusement parks, sports or entertainment venues with food service vendors operated by Chinese Americans may also be good niches to explore later.

### **Budgeting**

Proposed 12 Month Budget		
Sales:	\$100,000	100%
COGS	35,000	80%
Warehouse	10,000	100%
Delivery, Setup	20,000	100%
MarCom Expense	11,000	100%
<u>Other</u>	<u>10,000</u>	100%
Profit	<u>29,000</u>	85%

**Integrated Marketing Communications Plan For Happy Family Ice Cream Machines**

MarCom Budget Line Items	
Website Design and Web / Email Hosting	\$2,000
Content / Copy For Web and Social Media	2,000
Social Media Manager, Part Time	2,000
Paid Placement On Search Engines	2,000
Paid Ads on Social Media, Facebook & Twitter	2,000

Marcom Expenditure Per Month (\$)												
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
1,000	1,000	2,000	2,000	1,000	1,000	500	500	500	500	500	500	

**Part III: Marcom Strategy: Media and Creative Decisions**

Chinese Americans watch less TV and consume more digital media than average for any other consumer group.

MONTHLY TIME SPENT ON MEDIUM (TIME = HOURS:MINUTES)	ASIAN-AMERICANS	TOTAL CONSUMERS
ON TRADITIONAL TV	89:14	149:14
WATCHING TIME-SHIFTED TV	9:54	15:26
USING A DVD/BLU-RAY DEVICE	4:27	5:22
USING A GAME CONSOLE	6:07	8:19
USING A MULTIMEDIA DEVICE	8:36	3:38
USING THE INTERNET ON A COMPUTER	41:23	29:44
WATCHING VIDEO ON INTERNET	12:15	10:29
USING ANY APP/WEB ON A SMARTPHONE	43:22	43:14
WATCHING VIDEO ON A SMARTPHONE	2:25	1:42

Nielsen Total Audience Report, Q4 2014

For this reason, the Marcom Strategy for Magpie will be to create simple inviting web pages, Amazon, and EBay stores and social media accounts featuring the primary branding, imaging, positioning and value proposition.

### **MarCom Channels**

#### **Mobile First Website Design with SEO**

The first step in the execution of a MarCom plan for Magpie will be to create a mobile device friendly official Magpie Trading Company website with Search Engine Optimization to obtain high ranked listings at famous search engine like Google, Bing and Yahoo etc.

#### **Paid Online Advertising**

Other early efforts will go into paid placement on Google AdWords, Facebook, and Twitter. to increase brand awareness, positioning, frequency, repetition, share of market voice, and lead generation.

#### **Social Media**

Further, Social Media pages and accounts such as Facebook.com and Twitter.com to build awareness, elicit conversations, build emailing lists or databases that support various methods of reaching prospects and customers with useful news and product offers as well as engaging content. Customers will be invited to send photos of the machines in their stores, and to share stories about their experience with the company and market segment.

#### **Email Marketing**

An email mailing list will be built from inquiries arriving from various online sources so that an email newsletter can be sent regularly.

#### **Bi-Lingual MarCom List Building**

Both the website and social media efforts will include both Chinese and English language messaging. If people subscribe to blogs or newsletters on the website, or like or follow social media pages or efforts they will be added to the prospect list with an automated private message with a short introduction about the company and website. Prospects will be enticed to join our lists with an offer of a discount code which they can use on a future purpose.

#### **Blogs and Articles**

Magpie will post to other popular blog and social media accounts with a focus on those owned or frequented by Chinese-Americans in order to increase market reach and build relationships with potential referral sources.

### **Other Internet Marketing**

Magpie Trading Company will create an Amazon Store, and EBay Store, using integrated marketing communication strategy.

### **Visual Communication and Messaging**

Images such as Chinese-American owned Convenience Stores, happy store owners, happy families eating ice cream, cash flying around, and messaging detailed below:

#### **Messages for Website and Blog:**

- Soft Serve Ice Cream Machines From China Cost Less,
- 战略将是创建简单的销售网页
- Improve Your Sales and Profit!
- 提高您的销售和利润!
- Buy from a trusted Chinese American business owner.
- 从可信的中国美国企业主购买
- Learn More
- 了解更多
- Speak directly with Chinese-American Business Owner.
- 直接与中美企业主说话
- Ask Any Question
- 问任何问题
- We make it easy to buy from China because you will have a U.S. based single point of contact familiar with business customs and languages in both China and The USA.
- 我们很容易从中国购买，因为您将有一个美国的单一联系人熟悉中国和美国的商业习俗和语言。
- We make buying them simple, taking care of the import, delivery, and setup.
- 我们使他们购买简单，照顾进口，交货和设置
- Visit our website and check our prices before you pay too much.
- 访问我们的网站并检查我们的价格之前，你付出太多
- Sign Up for our newsletter to learn more about how you can add \$2,000 per month in Soft Serve Ice Cream Sales to your Convenience Store.
- 注册我们的通讯，了解更多如何如何添加\$ 2,000 每月软冰淇淋销售到您的便利店

#### **Additional Messages for Social Media:**

- See convenience store owners' reviews, ratings and success stories with our products!
- 看到便利店老板的评论，评分和成功案例与我们的产品！

**Additional Message for Email Newsletter:**

- See customer success stories with pictures, reviews, and ratings for Soft Ice Cream sales in Convenience Stores
- 在便利店查看客户的软冰淇淋销售的图片，评论和评分的成功案例
- Read Chinese American Convenience Store Newsletter
- 阅读中国美国便利商店通讯

**Additional Message for general use and cross posting on other blogs:**

- Have you thought about adding Ice Cream to your Convenience Store?
- 你有想过在你的便利店里加冰淇淋吗？
- Sweet Profit Item, Fun For All  
甜利项目，所有的乐趣
- Improve Your Sales and Profit!
- 提高您的销售和利润！
- Add \$24,000 A Year Extra Sales At Your Store!
- 在您的商店添加\$ 24,000 一年额外的销售！
- Sales, Customer Support, and Service available in Chinese or American
- 销售，客户支持和服务中文或美国语言
- Request More Information Now
- 现在可以索取更多的信息
- Join Our Newsletter for Chinese American Owned Convenience Store Owners
- 加入我们的通讯，为了所有的美国华人便利店的店主们
- Familiar with business customs and languages in both China and The USA.
- 熟悉中国和美国的商业习俗和语言

**Part IV: Marcom Implementation**

See Facebook Page at link below:

[https://www.facebook.com/pg/HappyFamilyIceCream/about/?tab=page\\_info&edited=topics](https://www.facebook.com/pg/HappyFamilyIceCream/about/?tab=page_info&edited=topics)

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**Integrated Marketing Communications Plan For Happy Family Ice Cream Machines**

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