

Oregon Public House: Marketing Plan

**Marketing Strategy
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I. Executive Summary

A. Market opportunity

Oregon Public House holds a distinct competitive advantage as it is the only non-profit pub in the nation. It offers a unique experience for consumers to choose a charity to donate to that not even their closest competitor, Ex Novo Brewing Co., is able to provide. Because of this, OPH has the opportunity to capture nearly every drinking-aged individual in the Portland Area who has the desire to give back.

B. Synopsis of the plan

Our three main objectives are brand awareness, customer acquisition, and increasing funds raised. To attain these objectives, we will be implementing a loyalty program focused around incentives and social media, placing a newspaper ad in the Oregonian, and utilizing factors of the Square POS system. The highlight of the newspaper ad is that it's another form of communication to promote OPH and build awareness. The square POS system will allow customers to track their donations and share their goals and contributions on social media platforms. Our goal is centered around the core culture of OPH; giving back and giving to those changing the world. With that, our mission is that these objectives create a feedback loop whereas more customers participate, their brand awareness increases, increasing customer acquisition which will all increase funds raised. A 100% increase to \$64.8K donated between May 2018 and May 2020 is the overall benchmark for funds raised.

C. Resource requirements and return

This plan has a stretch sales goal set at \$518.4K by May 2020 and results in a donation goal at that time of \$64.8K. It is projected that by the end of the first year, the pub is to meet its customer acquisition of 2,091 customers, who frequent the pub at least four times per year contributing their weekly spend amount of \$62. The program expenses include a one time cost of \$95 for the newspaper ad, \$480 per year for the square POS system, and \$1,296 per year for an increase in social media presence and to create the customer incentive. The keys to success for this plan is to ensure that customer acquisition goal being met will establish a foundation to reach the donation goal in the years. Another main key to success for our plan is making sure that our objectives flow together as they should. According to this plan, brand awareness and customer acquisition, will influence one another while directly impacting funds raised.

II. Situation Analysis

The purpose of a situation analysis in the context of a marketing plan is to define the market, define the environmental forces that affect the firm, and give an estimation of market performance based on these factors.

A. Company Analysis

The focus of this analysis is on Oregon Public House's standardized donation per food/beverage item sold service in the NE Portland, OR geographic area. Charitable donations and restaurants have experienced growth across the board. Charitable giving by individuals has increased by 4% over the last year (Giving USA). The restaurant industry saw an average growth rate of 1.5% each year for the past 5 years (Statista 2017). This gives Oregon Public House a favorable foundation for the culture of their business which revolves around donating to charity while purchasing beer/food. One of the first steps in defining the market consists of listing the firm's offerings. Per the OPH website, their product/service offerings include beer, cider, wine, and other non-alcoholic beverages. They serve a full menu of pub-style food offerings which they also make available for off-site catering. Their primary/differentiating service is being a non-profit organization that donates to other non-profit organizations with every purchase. That is their focal service. Their industry scope falls within charity, pub, and restaurant industries. Another facet of defining the market is geographic scope. Although the geographic scope falls within the Portland metro area, tourists do visit from throughout the state and across the country.

B. Industry Analysis

The market size can be discussed in terms of both estimating the market potential and estimating market performance factors. The team has limited the geographic scope of market focus to the ten square mile radius surrounding OPH which falls within what is considered to be NE Portland, OR. Adjusting numbers for scale is unnecessary considering the entire city of Portland has a population of 639,863 as of 2016 that is contained within 145 square miles (United States Census Bureau). This would be roughly 4,413 people per square mile. The entire state of Oregon boasts a population of just 4,093,000 (USCB). Estimates from the restaurant industry show Oregon experienced roughly \$7.8 billion in sales for 2017 (Restaurant.org). That means roughly \$84,094,405 was spent for the estimated portion of the calculated 44,128 individuals within ten square miles (4,413 people per square mile multiplied by ten) which is also called the 'maximum number of consuming units.' (*Appendix C*) Divide this dollar amount by the average estimated ticket price of \$23 and over the average time period of a year, considering the average 'consuming unit' is per individual, the estimated current market demand is roughly 3,656,278 units (Statista 2016). The buying ceiling was estimated to be 75%, which factors in an excluded portion of minors, the elderly, etc., and the purchase rate per

year period was estimated to be 260. This was calculated based on an average rate of a roughly five times a week as about 25% of meals are eaten outside of the home (USDA). When the average quantity per purchase is estimated to be one ticket purchase per person, the market potential is calculated to be 8,604,960 units. The Market Development Index (MDI) was calculated to be 0.425 based on the current demand divided by the total market potential. At an average cost of \$23 per unit the market potential is \$197,914,080 (appendix C).

C. Environmental Analysis

An important tool for situation analysis is completing a PESTEL analysis [a type of external analysis of the business] which is used to examine the political, economic, social, technological, environmental, and legal factors that affect the firm (Appendix D). This will round out the overview of the general business situation/environment that OPH currently faces. Politically, the public tends to view altruistic ventures such as OPH favorably based on an overall growth trend observed in the US of 1.4% for overall charitable donations when adjusted for inflation (Giving USA). Economically, the restaurant industry continues to grow and the restaurant's patronage continues to grow on average each year. Socially, pubs that are managed using sustainable and/or progressive ideals are popular in Portland. (Wristen) Technologically-speaking, OPH has all the means to deliver their products/services efficiently. (OPH) They utilize modern payment systems and have a well-established web presence which puts the firm ahead of much of the competition. Environmentally-speaking, the company literally gives donations to nonprofits that plant trees and give back to the community. OPH composts, hosts community charity events, and is considered environmentally conscious. And finally, the legal challenge happens to be their non-profit status. OPH is in ongoing discussions with the IRS about their non-profit designation. There are concerns about using volunteers for essential operating activities such as bartending. The non-profit laws are complicated, identifying 27 different types of non-profit organizations that can operate legally in the US (IRS). If that status changes due to the IRS disapproving OPH's model and revoking the non-profit designation, it could drastically change how the business would be marketed.

OPH is only a few years old and would still be considered to be in a growth phase. Long-term strategic implications will be difficult to fully define because of the legal challenges that OPH faces. However, we can get an idea of how things might look in the future if we assume everything goes well, and alternatively if things go poorly then the company would have to completely re-evaluate how their products and services are offered in the future. Short-term strategic implications are simpler to define since we have a pretty clear understanding of the current environment. Based on an estimated \$382,000 total revenue, OPH sold roughly 43,657 units for 2017 (OPH, *Appendix E*). Using an estimated industry growth rate of 1.5% based on the average growth rate in the

restaurant industry over the previous five years (2013-2017), we can use this figure as a guide to project future sales over the next five years (Statista, 2017; *Appendix E*). Given no major change to internal or external environment, we can expect conservative consistent growth over this time period. If the IRS requires the business to change the designation of being a non-profit to a for-profit status, it will cause a cascade of change of OPH. The organization would still be able to run the pub, but the model fundamentally changes and so would the way their products/services are offered to the public. If things go well with the IRS and tax issues decrease, a well-thought marketing plan could easily allow OPH to grow significantly faster than the industry average.

III. Market Analysis

“Over the five years to 2022, industry revenue is forecast to increase at an annualized rate of 0.6% to \$25.1 billion” (Alvarez, pp. 4). As stated in the IBISWorld report “Between 2004 and 2016, the price of alcohol purchased at retail stores increased 19.5%, compared with a 47.2% rise on the price of alcohol purchased at bars, according to the Bureau of Labor Statistics” (Alvarez, pp. 7). The industry is experiencing consistent growth in all segments (*Appendix F*).

A. Need-based market segmentation

Oregon Public House should lend itself to the following need-based market segments: the Convenience Class, the Quality Finders, and the Experiencers. These groups may contain needs that are currently being met, but they are also full of untapped potential for the business. The Convenience Class consists of the people who are interested in good food and drinks at a reasonable price. These customers are not as particular with the quality of product, as long as they can conveniently visit the establishment, get what they want, and not break the bank. The Quality Finders are the opposite of the aforementioned group. Unlike the Convenience category, these customers are willing to go out of their way to visit a place for premium food and service at any price. The Quality people notice detail and variety when they are dining. To these consumers, excellence is expected. The last segment is The Experiencers; those who are looking for a unique experience. They are interested in nonprofits and putting their money into something meaningful.

B. Segment identification

Although they may have commonalities, each segment is distinguishable based on a variety of identifying characteristics (appendix A). The Convenience Class is someone who lives in NE Portland and is between the ages of 21-30 years old with a low to working class income. This individual is most likely not married and, out of financial frugality, does not have children. The Convenience customer is either a college student or works at an entry level job. He or she understands the importance of financial security and values a dollar. The simple things in life appeal to this type of person, whether they are hiking or relaxing with friends. As far as usage behaviors, this consumer frequents

neighborhood spots within a one mile radius of their home. Out of convenience, any activities or errands are done on their way home from work. So, they grab drinks routinely after their shift is over. This schedule allows them to take part in Happy Hour, when they can get the same food at a discounted price.

The Quality Finders are men and women between the ages of 30-45 years old. They live in affluent neighborhoods of NE Portland and maintain higher positions in their occupational fields. This group enjoys trying new restaurants to find great meals and is more picky since they have the luxury of comparisons. The physical atmosphere and aesthetic of a restaurant is a factor when making decisions on where to spend their money. Their usage behaviors begin with combing through online reviews to ensure they are not disappointed by their choice. When they visit a restaurant more than once, it is because they have found something that rises up to their standards. The Experiencers are very different from the Quality Finders because their values reach deeper than the type of aioli offered at a pub. These people exist across all ranges of socioeconomic statuses; some of them donate their time to those in need, while others give back in a monetary way. This category is full of caring and outgoing people who enjoy meeting others in their community. In their free time, they volunteer and take part in charity events. Unique business ideas are valuable to them because they like to see new ideas invigorating the young minds of their neighborhoods. They support locally made goods and show their support by spending money at businesses with meaning, like nonprofits.

C. Segment attractiveness

The segment attractiveness varies in several aspects. According to IBISWorld, “This industry is sensitive to factors that affect the growth in household disposable income, because drinking at bars and nightclubs is usually discretionary (as opposed to necessary).” (Alvarez, pp. 15). This information simply helps us recognize the price sensitiveness of this segment and how much it can grow or succumb during hard economic times. Nevertheless, “Over 90.0% percent of the total revenue earned by bars, nightclubs and drinking establishments is derived from households.” (Alvarez, pp. 16) which also tells us the segment is large with moderate profits and it is greatly enhanced by its cost-effective access to its customers.

The industry of Bars/Nightclubs in America has a market size of \$24.4 B in 2017 with an estimated growth rate of 1.8% annually (IBISWorld). A “pub” is a specific type of bar with a menu offering full meals, appetizers, and desserts in addition to their beer and wine selection (Diffen). The market demand for the Convenience Class is a medium market size of 40% because it is a smaller area one mile from the consumers’ homes, while encompassing a broad range of people. NE Portland has the least amount of college graduates in Portland and even though it has a lower amount of poverty than SE, most household incomes fall into the medium to low range (PortlandOnline). The competitive intensity of this segment is fairly high because the convenience customer is not looking for specificity or loyalty, and can switch to a substitute easily. However, the physical area being looked at is smaller, which means less competitors; there are only about three other

pubs within a two mile radius of OPH (Google Maps). Entry into this market requires a business to have decent products at relatively low prices. As far as market access, this customer would be easily familiar with the pub by simply seeing it. Since this segment is only willing to walk to pubs within one mile of their home, the marketing of the business boils down to having a physical location within that distance.

The Quality Finders is a medium size market, with a high level of competitive intensity. This segment holds a larger geographical area and has a wide breadth of consumers in NE Portland with 46,000 residents (PortlandOnline). An assumption that can be made about this market is that many people in Portland are considered “foodies” which means there is a large consumer base whose needs align with this segment. This category has a profit margin that is slightly lower at 30%, compared to the Convenience Class at 35%. The profit margins and retention rates of all three segments were assumed by estimated weekly spending, as well as the amount of opportunities each segment has as far as substitutes (Appendix B). The Quality segment spends more per week than the Convenience Class, but has more options as far as areas where they spend their money; additionally, they frequent the same places less. There are around twenty-six pubs in the NE Portland area (Google Maps). It is assumed that for a business to be considered “quality”, they would need to be operating for a significant amount of time or be talented enough to provide quality products immediately upon opening. Either way, these assumptions imply that competition would be narrowed down to only pubs that fit into a niche level of quality service. As for customer familiarity and market access, high quality businesses are assumed to make relatively higher profits, which means they could have more resources to use for marketing.

The Experiencers is a uniquely small market, with a low competitive intensity and a lower level of market access. The market demand for nonprofit pubs seems to be low, with it being one in only a handful of similar businesses nationwide and very little information showing that consumers are wanting this type of business. However, the entry into the market is early and potential looks very promising. Most of the nonprofit restaurants across the U.S. that are open today, started in the last five years and are increasing quickly (FoodNewsFeed). The only competitor to Oregon Public House in this market would be a bar in NE Portland, called Ex Novo (Ex Novo). Ease of entry can be assumed difficult, because there are so few pubs attempting to be nonprofit and donate their proceeds. Since Oregon Public House was the first nonprofit pub of its kind in the U.S. to open just a few years ago, this market has time to grow and become a strong leader, full of passionate customers whose needs can be met by an already established candidate.

IV. Competitive Analysis

Oregon Public House falls within the hospitality industry and competes directly with establishments that serve alcoholic beverages and prepare and serve food items, i.e. pubs, public houses, bars, and restaurants. Of these, we believe their greatest direct competitors are pubs in

A. Competitive environment

Porter's 5 Forces

One method of analyzing competition in the local environment is via Porter's Five Forces. The following is a summary of all possible aspects of this analysis.

1. Threat of New Entrants: High Pressure

Portland hosts a robust array of restaurants, bars, pubs, clubs, and eateries and hundreds are added each year. It is relatively easy to create a start-up in the area, and these new establishments fight for a portion of the market share. Also, as OPH is the first of its kind, there is high likelihood that another establishment with similar values will open in the area.

2. Buyer Power: Medium Pressure

Customers face minimal switching costs and can easily find another location to satisfy their food and drink needs. This creates a sense of urgency for OPH to establish brand loyalty and create value that will increase customer engagement. The company already operates with a lean budget, and if customers choose to go elsewhere, OPH will suffer financially.

3. Threat of Substitutes: Medium Pressure

Restaurant business is extremely saturated and highly competitive, but consumers seeking the overall pub and donation experience have no other direct options at the moment. There is the possibility for the consumer to visit a competitor and donate to a charity separate from the establishment.

4. Supplier Power: Low Pressure

The iconic part of OPH is their notion of stocking local beers and ciders rather than nationally recognized labels. In Oregon alone, there are 230 independent craft breweries (Oregon Craft Beer), therefore should any of OPH current vendors put pressure on the company, they have the ability to switch suppliers at a relatively low cost.

5. Competitive Rivalry: High Pressure

There are over 4,189 restaurants in the Portland area all competing for the same market share (OpenTable). Fixed costs and overhead for restaurants are difficult to manage, but pubs and places that serve alcohol experience much higher profit margins on drinks. Additionally, OPH differentiates itself as the only non-profit brew pub in the nation- a unique experience for consumers.

As detailed above, the pub industry is highly competitive and vulnerable to external influences, therefore Oregon Public House faces many challenges to remain relevant and profitable. They face high pressure in regards to new entrants, but they hold a distinct advantage by operating as a nonprofit as it is not a standard business model. Additionally, the bar industry seeks to have 80% profit margins for alcohol sales (Lander). Considering this, we do not believe that the food-service industry is attractive, but the alcohol portion of the establish will ensure financial success.

B. Competitive landscape NE Portland (Appendix I)

Northeast Portland hosts a variety of restaurants, clubs, and other food and entertainment related establishments. The following are a compilation of the most direct competitors in each category for OPH. These decisions were based on target demographic for the establishment, proximity to Oregon Public House, services offered, and consumer desire to partake in the activity or purchase services.

Product Form

Northeast Portland hosts a variety of brew-pubs and bars that compete for the same or similar target demographic as OPH. Breakside Brewery- DEKUM is a brew-pub hosts local brews and a full menu much like OPH. They target the same market as OPH as they are located four hundred feet down the road but lack the non-profit aspect. This could allow OPH the strategic opportunity to showcase their non-profit status and benefits with consumers to gain market share. Additionally, the Alberta Street Pub is located 1.5 miles away from OPH, and they target the same demographics as well. Their hours extend from 10am to 1am-ish which is a disadvantage to OPH as they close prior to that (Alberta Street Pub, 2018).

Product Category

The area surrounding OPH also has a variety of other entertainment and food choices, such as clubs, restaurants, and food cards. One competitor is Expatriate, a hip-lounge located 1.8 miles from OPH that hosts upscale drinks and a limited food menu. They seek to capture a younger, more adventurous group of consumers. Good Neighbor Pizzeria is only 300 feet from OPH, and they have a more family-friendly atmosphere with locally sourced ingredients for their pizza, sandwich, and salad menu much as Oregon Public House does. The advantage OPH maintains is that they offer both local food and beer to consumers, which could be used as another point of differentiation.

Generic Competition

Generic competition for our company are establishments that fulfil consumer food and drink needs rather than OPH. Grocery stores offer beer and cider options from the Northwest as well as food items. Should the economy dip, consumers may change

preference from dining and drinking out to staying in and preparing meals and drinks, thus reducing the profitability of OPH. Liquor stores sell spirits for the purpose of intoxication, and consumers can purchase alcohol here rather than frequenting the brewpub.

Budget Competition

Eating and drinking out are considered forms of entertainment and utilize disposable income. Movie theaters are a different mode of entertainment that consumers have the option of visiting rather than going out to eat and will satisfy their need. Dispensaries are also a major form of budget competition as they provide consumers a similar inebriation as drinking would. In 2016, Oregon saw \$900 million in marijuana sales, resulting in consumers reallocating their discretionary entertainment funds (Roberts). OPH must entice customers to visit their establishment rather than these options, often times meaning the consumer will spend more than they would at the other locations.

C. Profile key competitors: the Pub Competitors (Appendix J)

The following pubs and taverns in the Northwest Portland area pose the greatest direct impact on OPH's market share, sales, and ability to attract and retain customers as they all compete for the same target demographic and host local beers and ciders: Breakside Brewery- DEKUM, Alberta Street Pub, Lucky Labrador Tap Room, Concordia Ale House, and Grand Army Tavern.

The most direct competitor to OPH is Ex Novo Brewing Co., located on North Flint Avenue in Portland. This company was founded in 2012 with a similar principle to OPH- to donate all of its profits to charities such as Friends of the Children, Impact Northwest, and MercyCorps. Consumers are not able to choose which charity they would like their donation to go to. Ex Novo has an advantage over OPH in regards to controlling costs on beer as they brew almost all of their offerings in house reducing the distributor and their markup. They have not disclosed the total amount donated to charities, and according to a CBS News article, they have not donated as much as Oregon Public House.

Oregon Public House holds a distinct advantage over the aforementioned pubs. It is the only non-profit pub in the nation, and it allows consumers to choose a charity to donate to. This creates a personal connection to the establishment and the consumer will feel a heightened level of self-esteem, thus influencing them to become repeat patrons after creating a relationship with the establishment. OPH can utilize this in marketing campaigns as no other establishment can compete with it and also creates a differentiation advantage. Additionally, their prices are competitive and as noted on Appendix B, they offer more benefit to consumers than the other competitors (mainly social and esteem benefits from the charity aspect of the business).

V. SWOT Analysis

The following section provides the main strengths, weaknesses, opportunities, and threats for Oregon Public House based on our situation, market, and competitive analyses. The purpose of this analysis is to examine where OPH is in the market and what they can do to grow and enhance its unique company. Our final insights and conclusions from the SWOT will allow us to move forward with our market strategies in the right direction.

A. Significant opportunities and threats in the market

Oregon Public House has the opportunity to increase its brand awareness, its market gain, and grow its average annual charitable donations. According to IBISWorld, the average annual charitable donation given by individuals has been and is predicted to continuously increase in the future.

Although there are many opportunities for OPH, there are many threats given its unique business structure and the industries. As a company that has a non-profit status but also provides services such as food and beverages, it makes it complicated for the Oregon DOJ. The two industries that OPH falls into are charities and the restaurant industry, both of which are extremely saturated, especially in Oregon. This as well as the awareness of this business structure provides the threat of potential new entrants with easy startup costs (Statistica).

B. Key strengths to be leveraged and weaknesses to be overcome

Oregon Public House has a strong support system through its volunteers. The location of OPH provides a great strength with good foot traffic in a friendly and inviting neighborhood. The uniqueness of OPH's structure is also a strength for the company. Given that the board is made up of all volunteers, decisions and factors of the company are made through a group with mutual goals and is focused on increasing charitable donations and not for self-gain.

Main weaknesses to be overcome include the hours of operation, the volunteer program (turnover, slow service, and untrained), and the rapidly changing business model (OPH). Although OPH's hours of operation are similar to that of a normal pub, they are missing a huge customer segment within the neighboring communities.

C. Implications and conclusions for marketing strategy

Highlighting on OPH's opportunities and strengths to leverage its threats and weaknesses, our implications and conclusions for our marketing strategy is to increase customer engagement through a payment system by making it easier to track contributions (S3, O2, W3, T2, T3). Tracking contributions and implementing a social media aspect with the payment system can help build brand awareness and create a platform to show individual donations. By expanding the hours of operation, OPH would be able to increase its market gain in the industry and to have more leverage on new

entrants in an already extremely competitive market. (W1, O1, T2, T3). To increase volunteer engagement and expectations, new membership terms and promotion will help provide quality service and overall structure and functions of the company. (W2, W3, T3). The last strategy for OPH is to build on relationships with other similar businesses [Ex Novo, etc.]. These businesses are going through similar hardships, specifically with the Oregon DOJ, and by growing the support and increasing communications amongst similar companies, each can benefit from each others tools, knowledge, and sustain their charitable donations (S1, O3, T1, T3). All of the following conclusions are growth strategies to build brand awareness, customer acquisition, and increase the amount of funds raised (Appendix K).

VI. Strategic Market Plan Marketing

Oregon Public House holds a distinct advantage over their competition in terms of their donation model. To best capitalize on this strength, the pub will need to develop a focused competitive strategy with success benchmarks ensuring progress is reached. The following is what we believe to be the best methods to do so.

A. Marketing mission and goals

The strategy for our marketing plan is product development according to the Ansoff Matrix. Oregon Public House is in the growth phase of their business plan to attract an already existing target market to gain more of this type of customer. This strategy will also look to find customers that fit into the Experiencers segment, but who have not yet visited the pub. The new product that will be introduced is the new Square POS system enabling a more user-friendly and efficient relationship between the consumer and business. The new software will allow purchasers of food or beverage to track their individual donations easily by entering in their information at the point of sale. Then, the customer will be able to share what their part with their friends through various kinds of social media outlets.

The target customer profile are the Experiencers. This group of people have been selected for the marketing plan because they are a vital part of the company's core mission. OPH started with an idea to "change the world" by giving back to local charities through the purchases of food and beverages, all taking place within the social atmosphere that a pub offers. The Experiencers spend their money at establishments that hold values of this nature. These are curious individuals, always looking for meaning. They search for a local good that supports the community and helps the neighborhoods around them flourish. So, for the societal and unique nature of the business and its objectives, this customer is an important one to invest in. This group of people are predicted to adopt the new tracking app more seamlessly than the other customer segments. This is because they are the people who care about the donating aspect more so than the food or location. So, instead of posting a photo of their meal on their social

media platform, this customer would much rather show off how much they have contributed to their favorite charity. Also, the Experiencers align most with the uniqueness of this company compared to the rest of the pubs in Northeast Portland. Their preferred spots to eat narrow more specifically than just the kind of food, which results in less competition within the evergrowing portland foodie scene. In fact, only one other bar is similar as far as the societal goals of this business.

The key objectives are as follows: customer acquisition, brand awareness, and funds raised. Each objective is complementary to the other, and in various ways. Again, the fundamental purpose of OPH is considered when understanding the significance of the objectives. Funds raised is a goal that speaks to the nature of why this company differentiated itself as the very first nonprofit pub in the entire country. The increase in funds raised directly affects the success of the business. Not only does every nonprofit need profits to run, but this nonprofit specifically needs donations to fulfill its needs.

Goals and Objectives

- Financial Objective: raise \$68,400 donated between May 2018 and May 2019 which will double the current annual donation average of \$32,400.
- Acquisition: Gain brand awareness of 2,840 potential new Experiencers via an advertisement in The Oregonian (See Appendix V). Acquire 2,091 new Experiencers between May 2018 and 2019 that will visit at least once every 90 days for a weekly spend (4 weekly spends per year).

B. Market positioning

What differentiates OPH from their competitors is the unique tracking system for consumer donations and the ability for pub visitors to choose the charity they would like the profits from their purchase to go to. This creates a personal and emotional connection with the brand that the consumer cannot get elsewhere. Ex Novo, their closest competitor, donates profits to charities, but customers are not able to determine where they would like funds to. As referenced in Appendix W, customers perceive OPH to hold more unique experience value than their competitors based on the donation model, although the quality and value of their other services, such as food, lags behind their competitors. OPH attempts to keep operational costs as low as possible in order to maximize donation capability leading to a future opportunity to gain market share for Quality Finders. We do not believe that the Experiencers value food quality as heavily as they do the atmosphere and donation aspect of OPH, therefore this will not be addressed in depth during this report.

Positioning Statement

The product has been made for the NE Portland Experiencers (our target), who want to eat, drink, and donate to charity at their local pub. The product is serving food and

beverage for a standardized cost and donation rate that provides esteem and physiological value to the customer. Unlike other NE Portland pubs, the key point of differentiation is OPH's unique and innovative donation model.

C. Branding strategy

Oregon Public House capitalizes on the thriving pub culture as well as leveraging more non-profits per capita here in Portland (Oregon Public House). As the first non-profit pub, their vision is to integrate benevolent outreach in pub activities that will benefit the local community in a way no other business has done before. The Experiencers connect with business model as it is truly unique, and they cannot encounter this at any other location in the nation. Oregon Public House, through their new donation tracker, will rely on social media engagement to broadcast their brand values and identity to the public. The content shared will showcase OPH and their mission to continue benefiting the local community.

The equity pyramid is summarized in Appendix W and displays how the target demographic views the brand. The most notable viewpoint of this is that consumers feel a heightened self-esteem and enjoy this aspect of the OPH model. According to an Elite Daily article that regardless of income, those who spent money on others are happier than those who do not, and OPH utilizes this aspect to create repeat customers interested in donating. Creating the donation tracking model will allow OPH to leverage the need for intrinsic customer satisfaction by broadening brand awareness.

VII. Marketing Program Strategies

A. Product strategy

Our marketing program goal this year is concentrated in growth by focusing on product development while our key objectives are: customer acquisition, brand awareness, and funds raised. The strategy behind our product is to invest in the Square add-on software, which will allow users to track the amount being donated by the Oregon Public House (OPH) each time a purchase is made. Not only will consumers be able to track their donations, but also share the information provided by the new software system on social media platforms such as Facebook, Twitter, Instagram and Yelp.

Currently, the Oregon Public House has the Square Point of Sales System where they are able to process and track their daily sales transactions. However, this system alone doesn't create brand awareness, or generate new customers. Our new product development integrates their existing Square system with three new products to create brand awareness, customer loyalty and attract new customers, all of which are the goals of our new social media campaign. The first of these three new products is the Square Customer Directory, which is free with an existing square account. This directory will allow us to create and keep customer profiles and information all in one location, and to

better understand our customers by tracking their purchasing behaviors. Second, is the Square Loyalty add-on, which is part of the Square Customer Engagement program, and only costs \$25/mo. This software will allow us to reward our existing customers by tracking how much they spend and donate. Third, and last, is the Square Marketing software, also part of the Square Customer Engagement Program. This costs \$15/mo and it will allow us to promote OPH by sending email notifications and information to each customer about how much they have contributed to the OPH and a link so they can share this information on social media and spread the word. (See Appendix R).

Our decision to move on with this new product development was based on a Google Forms survey to implement one of two different strategies. Strategic option 1 was about improving OPH's existing food menu and hiring an innovative and recognized chef to promote the business and create customer traffic. Strategic Option 2 was a donation tracker with social media interaction with the goal to get people to converse more about donating. Strategic option 2 was the most sought after with a response rate of 63.2% (details on demographics and results in appendices M&N). Subsequently, our team decided to go with option 2 based on the survey's results. From here, we researched three different product development options that could allow us to track customer donations, rewards, and send emails containing this information. The first option was an app that would allow us to integrate all of the features above. Unfortunately, the cost to develop this app was approximately \$54,000, higher than we expected. The second option was paying for a subscription to HubSpot, but the cost was \$200/mo for the Basic Marketing Plan, a \$600 one-time set-up fee, an additional \$100/mo to add 1,000 contacts and if we wanted HubSpot to send relationship-based emails (like automated system messages with engagement tracking across emails and account updates) it would be an additional \$1,000 more per month. This was clearly a more expensive option and not one that would help us keep the costs down to make it a viable strategy. The third and last option was exploring all the features Square had to offer. Fortunately, we found out that Square offers many competitive packages to customers looking for customer engagement and at a cheaper price. The total cost for our new product development implementation alone is \$40 which is easier to sustain as a non-profit business.

B. Pricing strategy

The Oregon Public House depends on its sales not only to be fully operational, but also to make donations to each of the organizations it supports. As part of our pricing strategy, our team researched several options with the intent of choosing a route that was the most effective at tackling our three main objectives without sacrificing quality and without the added costs. (See Appendix Z).

Since May 2013, OPH has approximately donated \$162,000, which is a yearly average of \$32.4K. Even though our marketing plan is set for one-year, we estimate that the total amount spent will occur between May 2019 and May 2020, once the new

customers are acquired and based on a successful social media campaign. Our team has set a goal by May 2019 of \$48.6K, and once the customer acquisition objective has been met, we will set a 100% goal of \$64.8K total donations from May 2019 thru May 2020.

The tactics we used are constructed around a nonprofit business and since all of the profits of the pub after donations are put back into the business operations including contingency, our plan simply strives to keep costs as low as possible. The cost of the Square POS system, including add-ons, will result in \$480 per year. The newspaper ad will require a one-time cost of \$95 (Appendices U & V). The estimated cost to provide a free beer per the loyalty program terms adds up to \$1,296 per year. Overall, these costs result in fairly low added expenses at \$1,872 at the end of the first year. These figures are explained in further detail below under the section titled ‘Implementation and Control.’

C. Distribution strategy

The way the existing and new systems work and integrate into the pub’s daily operations starts when customers visit the Oregon Public House and place their food and beverage order. The following are the expected steps for a typical interaction:

1. An OPH’s employee will ask if this is the first time visiting the Oregon Public House or if they are a returning customer.
2. For new customers, employees will need to explain the donation tracker and the rewards program.
3. Once the customer is ready to pay, the Square point of sale screen will display all the non-profit organizations their donations can go to and ask them to choose one of them (See Appendix P).
4. However, one of the most important steps is having customers enter their email address so that their donations and rewards can be tracked by the new and revamped Square system. Please note that permission to send emails with information about their donations will also be required at the time of payment.
5. After this process is complete, Square Customer Directory gathers customer profiles including names and email addresses. This information is automatically fed to the new Square Loyalty and Square Marketing systems. Then, both systems will track the customer’s rewards and the amount that was donated with each purchase.
6. Finally, an email address with information about the charity chosen and the amount that was donated which is on average 12.5% of the profits, will be sent to the customer with a link helping them post how they contributed to the Oregon Public House so they can share it through all the social media channels (See Appendix R).

D. Promotion strategy

The Oregon Public House (OPH) offers consumers a meaningful atmosphere where they are able to hang out with friends, socialize, and meet people just like them wanting to donate to a good cause. Our target segment, “The Experiencers”, embraces these qualities that traditional bars fail to offer. “Traditional bars that have not updated their concept in years tend to experience the biggest threat, as small, intimate settings that provide a casual ambience have become increasingly popular with consumers. For these reasons, establishment numbers are expected to increase an annualized 1.1% over the five years to 2022 to 70,266.” (Alvarez, pp. 11).

Our promotion strategy will fit perfectly into this new trend as OPH has been the first non-profit in the U.S. where people can have a good time in a small setting while being part of a great cause. To implement our product strategy, all OPH’s employees will be trained on the new features, and how donations and rewards are tracked, but most importantly on the intent and purpose of the application and what it means for OPH and the non-profit organizations they support.

In addition, as part of our product development strategy, the Square Loyalty and Marketing add-ons incentivize customers to keep choosing the OPH as their preferred pub improving our competitive positioning with the loyalty rewards program. Our hope is that by adding this feature, we can improve OPH’s profit margins by an increase in sales from returning customers who want to claim their rewards and get a free beer after \$75 worth of donations.

The social media strategy also allows the Oregon public House to gain traction in Portland every time this information is shared with the hopes of gaining new customers in a one to two-year time frame. In essence, the email will contain information about how much they have contributed to the OPH and a link so they can share it in social media with a message “help us spread the word about OPH”, thus creating brand awareness.

VIII. Implementation and Control

A. Financial projections

This plan has a sales goal set at \$518.4K by May 2020 and results in a donation goal at that time of \$64.8K (appendix Y). Acquiring customers is a process that builds over time and influences further acquisition and brand awareness. This idea, combined with the company’s historical donation growth since their 2013 start, led to the 100% increase in donations goal being spread over two years. By the end of the first year, the pub is projected to meet its customer acquisition of 2,091 customers, who frequent the pub at least four times per year contributing their weekly spend amount of \$62. In addition, half of the donation goal will be reached by the end of the first year, which is \$48.6K. In order to reach the benchmarks of the objectives, the following marketing tactics will be implemented: purchase of a Square POS system, a newspaper ad in the Oregonian, and the updated loyalty program (Appendix Z). Since these tactics are for a

nonprofit business, the marketing budget is nonexistent for the most part; all of the profits of the pub after donations are put back into the business operations. Since the exact numbers are unknown, this plan simply strived to keep costs as low as possible. The cost of the Square POS system, including add-ons, will total in \$480 per year. The newspaper ad will require a one-time cost of \$95 (Appendices U & V). The estimated cost to provide a free beer per the terms of the program adds up to \$1,296 per year. This is calculated using an average cost of \$5 per beer, and per Appendix L we will use the donation rate of 20% to assume the average cost to serve an average single beer is \$4. If the goal of \$48.6K is reached, customers would have to spend a total of \$388,800 for the year. Divide the \$388,800 by \$600 (amount needed for a free beer), and it yields a maximum of 648 free beers to give away if the market was functioning at perfect efficiency for maximum free beer. 648 free beers multiplied by their cost of \$4 per beer is \$2,592. The market will not operate at this perfect efficiency. It is safe to say no more than half of this number could be expected to collect the free beer within the first year, and likely that number is far lower. For now, we will use the \$1,296 figure (half of the cost of the maximum number of free beers possible) as an estimate to account for the cost of the rewards program though in reality the cost of providing the free beer is likely to be far lower. At the projected purchase rate expected for the 2,091 acquired customers, these customers may spend roughly \$248 per person in the first year based on our previous calculations. This is not even 50% of the way to a free beer.

Overall, these costs result in fairly low added expenses at a maximum \$1,872 at the end of the first year. This is roughly .05% of the total \$388,800 total customer spending goal. This amount was compared against the current profits OPH uses to run their business, leading to the determination that the company would need to cut costs elsewhere by 0.5%. As a percentage of the total increase in revenue, it becomes roughly 1.4%. This percentage was derived from subtracting the donations from the revenue of the company to understand the financial obligations that are needed to support basic functions of the business as a nonprofit currently. Conversely, this mean OPH should experience a simple Return on Investment (ROI) of 6,923% on the investment of \$1,872 if it results in the 50% sales increase to \$388,800 total sales for May 2018 through May 2019.

The key assumptions that must be taken into consideration during the implementation process consist widely around key functions of the business that are unknown, especially financially. It can be assumed that the company could cut back in some way, whether it be less of a donation percentage from profits or a lowering of employee's salaries. Similarly, without knowing exactly how much it costs for the pub to serve one free beer for the loyalty program and how many free beers that would end up being, it was estimated based on assumptions. Assuming the cost of a beer to give away for free and that only about half of the customers would be able to reach the level of spend to be rewarded, the cost of the program resulted in \$1,296 per year. Lastly, in order

to measure the success of raising funds through focus on the New Experiencers, it is assumed that every server in the restaurant asks the customer whether it is their first time there, and that every donation came from a purchase.

B. Operational requirement

Since there is already a POS system in place at OPH through the use of iPads, it would not be necessary to add additional employees to maintain the new Square software. The assumption is that there is already an individual currently taking care of the program, so they would replace the time and energy from the old program to the new one. Since Square is a similar user interface to what is currently being used at OPH, there is very little training that will be needed with the new system. The employees and volunteers will need to be educated on the new loyalty program and how it connects to the Square system. This type of training is non-intensive and should be able to be conducted during the hours of the individual’s normal shift.

C. Controls and management

Implementation Schedule

	<i>May 2018</i>	<i>June 2018</i>	<i>July 2018</i>	<i>Aug 2018</i>	<i>Sept 2018</i>	<i>Oct 2018</i>	<i>Nov 2018</i>	<i>Dec 2018</i>	<i>Jan 2019</i>	<i>Feb 2019</i>	<i>Mar 2019</i>	<i>Apr 2019</i>	<i>May 2019</i>
<i>Square</i>	<i>Begin program (\$40 ea mo)</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>	<i>Pay \$40</i>
<i>Ad</i>		<i>Place ad \$95</i>											
<i>Loyalty</i>	<i>Begin program</i>												

The Square software will be put in place within the first month of the marketing plan in May 2018. By the end of the first month, the Square system will be fully rolled out and used by customers. During this time, OPH will also update their loyalty program

to coincide with the new emailing system. During the second month, the newspaper ad will be posted to entice and inform potential customers. This timeframe for the newspaper ad was decided on because by that point, there will already be customers using the tracking system and the loyalty program will have more presence online by that time. Still, the ad will be posted early enough to make sure customers are inquiring about it from the start. In order to measure whether or not the goals were reached from the tactics, the following steps will take place: when the customer is closing their tab at point of sale, the system will ask them to indicate what brought them into the pub and if it was their first time. The customer will need to answer this before completing their transaction. Once this information is entered in, that data will be referred to at the time of benchmarks.

This one-year marketing plan is contingent on the fact that the customer acquisition goal being met will establish a foundation to reach the donation goal in the year following. Most of the preparations required to maintain a business that doubles in sales will be looked at more closely after the first year. These changes that the pub would need to prepare for include additional volunteers and employees, as well as general food preparation processes for more customers. The long-term idea is that since the initial costs of the marketing tactics are low, the company will be able to slightly reduce costs elsewhere until the increase in sales will alleviate those expenses. Then, the cyclical effect of the increase in New Experiencers and their influence, will lead to an increase in donations to fulfill the societally-conscious mission of Oregon Public House.

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X. Appendices

Appendix A: Need-based Segmentation Table

Segment Title	SEGMENT CHARACTERISTICS			SEGMENT ATTRACTIVENESS			SEGMENT VALUE
	Key Needs/Benefits	Usage Behaviors	Identifiable Demographics	Segment Size L/M/S	Profit Margin H/M/L	Company Fit H/M/L	Total Customer Lifetime Value
Convenience Class	Attitudes: simple, straightforward Values: comfort, saving time and money Activities: shopping sales, hiking	Happy Hour, visiting after work for drinks and food alone, routined schedule, location must be convenient	Age: 21-30 YO Income: Low-working class Single w/o kids Occupation: entry level or college student Location: NE Portland	M 40%	M	H	\$2,135.00
Quality Finders	Attitudes: detail-oriented, affluent Values: finer products, materialistic treasures, excellent food and service, good physical atmosphere/surroundings Activities: restaurant hunting, shopping designer	Check online reviews, will go out of their way or pay more for what they believe to be quality product, will not return if restaurant is missing a feature they enjoy, wide selection of food/drinks or favorite items are important,	Age: 30-45 YO Income: Middle to High Occupation: higher position career	M 40%	M	M	\$3,412.50
Experiencers	Attitudes: caring, outgoing, intellectual Values: giving back, local products, innovative ideas, community Activities: spending time with friends and family, photography, activities unique to Portland Interests: volunteering, charity events, startups, supporting local businesses, meeting people	donating to nonprofits is most important, will spend for a good cause, will go out of their way for a unique idea, experience and people are valuable	Income Level: all ranges	S 20%	L	M	\$2,583.33

Appendix B: Market Attractiveness Table

	Convenience	Quality	Experience
Weekly Spend	<ul style="list-style-type: none"> • Two drinks, meal • 3x per week \$61.00	<ul style="list-style-type: none"> • Drinks, meal, dessert, appetizers • Sometimes with spouse or children • 4x per week \$182.00	<ul style="list-style-type: none"> • Two drinks, meal • 3x per week \$62.00
Profit Margin	35%	30%	25%
Retention Rate	60%	30%	80%
Yearly Value Formula	$\$61.00 * 50 \text{ wks} * 35\% =$ \$1067.50	$\$182.00 * 50 \text{ wks} * 30\% =$ \$2730.00	$\$62.00 * 50 \text{ wks} * 25\% =$ \$775.00
Customer Lifetime Value Formula	$\$1067.50 * [1/(1+.1-.6)] =$ \$2135.00	$\$2730.00 * [1/(1+.1-.3)] =$ \$3412.50	$\$775.00 * [1/(1+.1-.8)] =$ \$2583.33

Appendix C: Current Market Demand and Market Potential

Name of Formula	Formula Expressed
Current Market Demand #1 = 3,656,278 units	\$7.8 billion (OR \$ demand)/ 4.093 million people (in OR) = ~\$1,906 \$1,906 * 44,128 (market area pop.) = \$84.094 million (\$ demand for NE) \$84.094 million / \$23 (average purchase amt.) = 3,656,278 units (tickets)
Market Potential (units) #1 = 8,604,960 units	8,604,960 = 44,128 * 75% * 260 [~5 times per week * 52 weeks] * 1 (8,604,960 = Max # of Units * Buying Ceiling % * Purchase Rate * Quantity Per Purchase [# of 'tickets' per individual])
Market Development Index (MDI) #1 = 0.425	0.425 = 3,656,278 / 8,604,960 (0.425 = Current Market Demand / Total Market Potential)
Market Potential (dollars) #1 = \$197,914,080	\$197,914,080 = 8,604,960 * \$23 [based on average of \$16-\$30 per meal from Statista] (\$197,914,080 = Market Potential in Units * Average Price per Unit)
Current Market Demand #2 = 3,656,278 units	\$7.8 billion (OR \$ demand)/ 4.093 million people (in OR) = ~\$1,906 \$1,906 * 44,128 (market area pop.) = \$84.094 million (\$ demand for NE) \$84.094 million / \$23 (average purchase amt.) = 3,656,278 units (tickets)
Market Potential (units) #2 = 9,752,288 units	9,752,288 = 44,128 * 85% * 260 [~5 times per week * 52 weeks] * 1 (9,752,288 = Max # of Units * Buying Ceiling % * Purchase Rate * Quantity Per Purchase [# of 'tickets' per individual])

Market Potential (dollars) #2
= **\$224,302,624**

$\$224,302,624 = 9,752,288 * \23
($\$224,302,624 = \text{Market Potential in Units} * \text{Average Price per Unit}$)

Appendix D: Oregon Public House PESTEL Analysis Table

Factors	Analysis
Political	1. Public tends to view altruistic ventures such as OPH as favorable (Giving USA)
Economic	1. The restaurant industry continues to grow and the restaurant patronage continues to grow (Statista 2017)
Social/Cultural	1. Pubs that are managed using sustainable and/or progressive ideals are popular in Portland (Wristen)
Technology	1. OPH has all the means (\$) to deliver their products/services efficiently (OPH) 2. They utilize modern payment systems (OPH) 3. They have a well-established web presence which puts the firm ahead of much of the competition (OPH)
Environmental	1. Literally gives donations to nonprofits that plant trees and give back to the community in other environmentally responsible ways (OPH) 2. OPH composts their food waste 3. OPH hosts community charity events 4. Considered ‘environmentally conscious’ in terms of business model (OPH)

Legal

1. Non-profit status
2. OPH is in ongoing discussions with the IRS about their non-profit designation
3. If status changes, it could drastically change how the business would be marketed

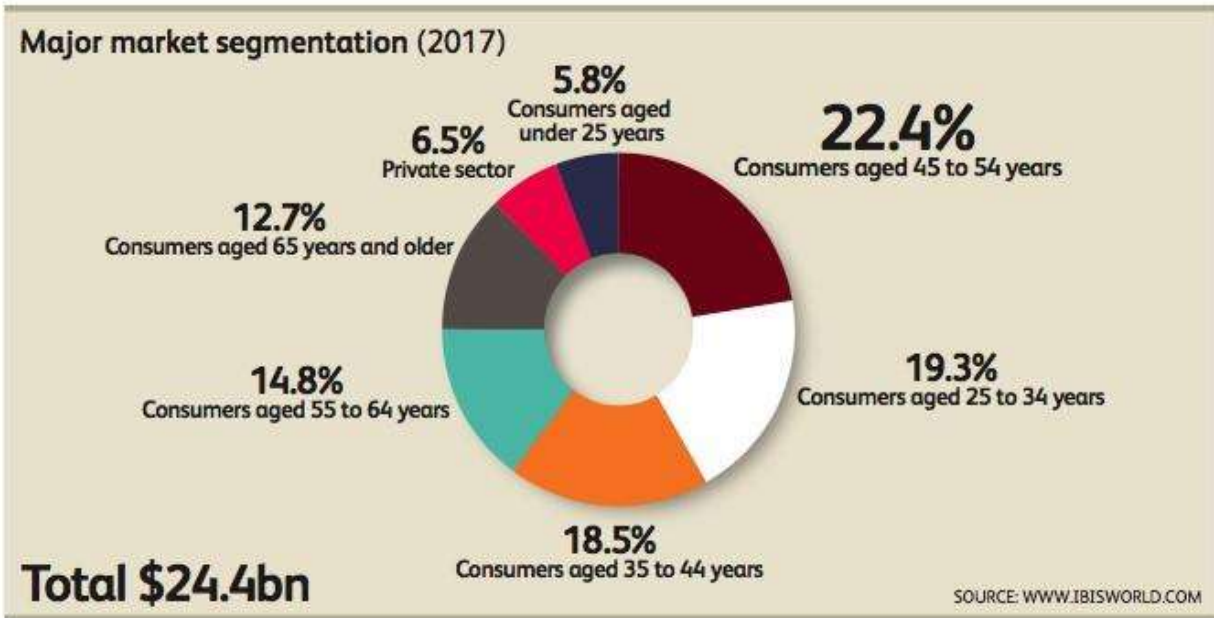
Appendix E: Five-Year Market Demand and Sales for Oregon Public House

Forecasting Market Demand and Sales #2

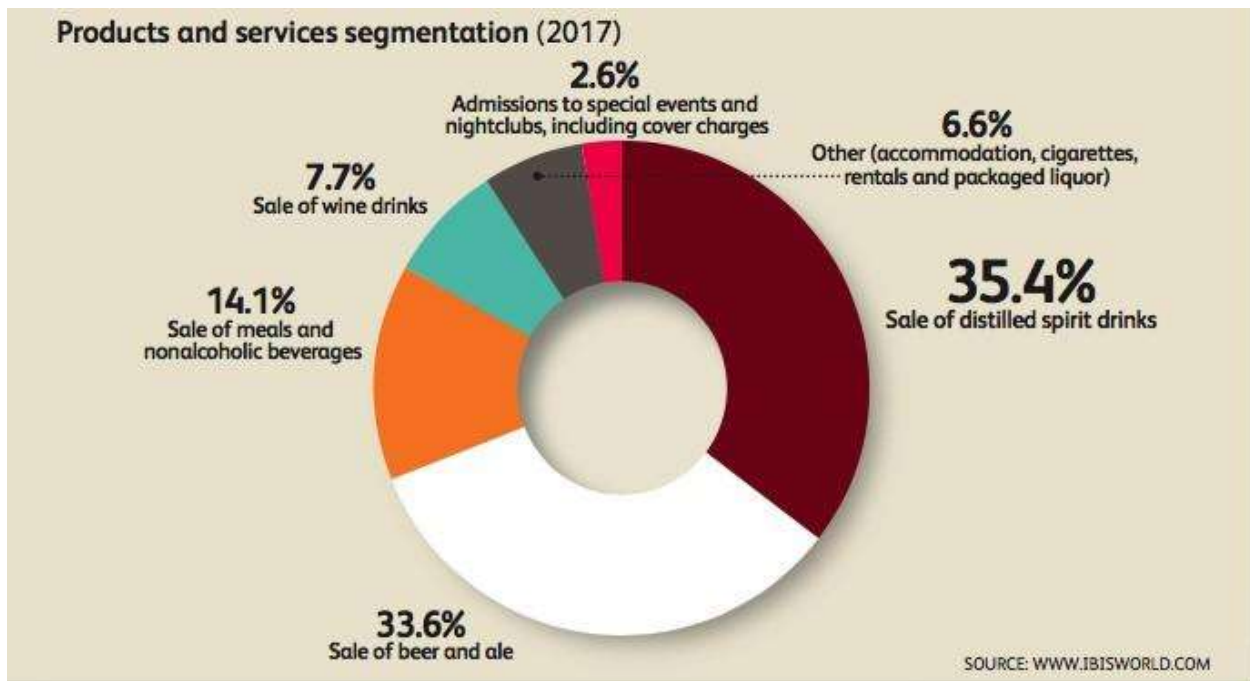
Market Development	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5
Calendar Year	2016	2017	2018	2019	2020	2021
Market Potential (units)	9,752,288	9,898,572	10,047,051	10,197,757	10,350,723	10,505,984
Market Demand (units)	3,656,278	3,711,122	3,766,789	3,823,291	3,880,640	3,938,850
Market Growth Rate		1.50%	1.50%	1.50%	1.50%	1.50%
Market Development Index	37.49%	37.49%	37.49%	37.49%	37.49%	37.49%
Volume Sold (units)	43,657	44,312	44,977	45,651	46,336	47,031
Market Share (percent)	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%



Appendix F: U.S. Industry - Bars & Nightclubs in 2017



& U.S. Industry - Bars & Nightclubs in 2017



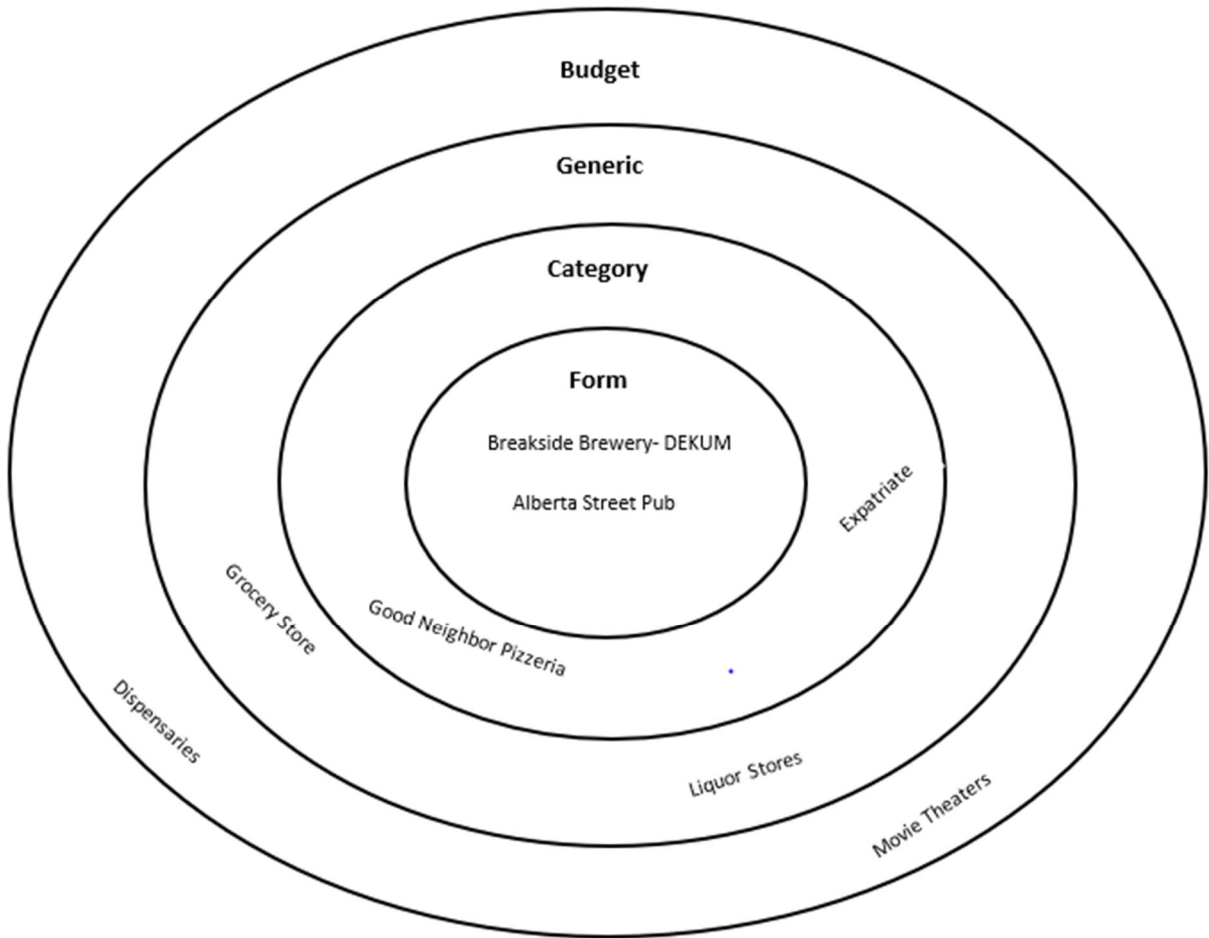
Appendix G: Need-Based Segmentation Table

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Quality Finders	Attitudes: detail-oriented, affluent Values: finer products, materialistic treasures, excellent food and service, good physical atmosphere/surroundings Activities: restaurant hunting, shopping designer	Check online reviews, will go out of their way or pay more for what they believe to be quality product, will not return if restaurant is missing a feature they enjoy, wide selection of food/drinks or favorite items are important.	Age: 30-45 YO Income: Middle to High Occupation: higher position career	M	M	M	\$3,412.50
Experiencers	Attitudes: caring, outgoing, intellectual Values: giving back, local products, innovative ideas, community Activities: spending time with friends and family, photography, activities unique to Portland Interests: volunteering, charity events, startups, supporting local businesses, meeting people	donating to nonprofits is most important, will spend for a good cause, will go out of their way for a unique idea, experience and people are valuable	Income Level: all ranges	S	L	M	\$2,583.33

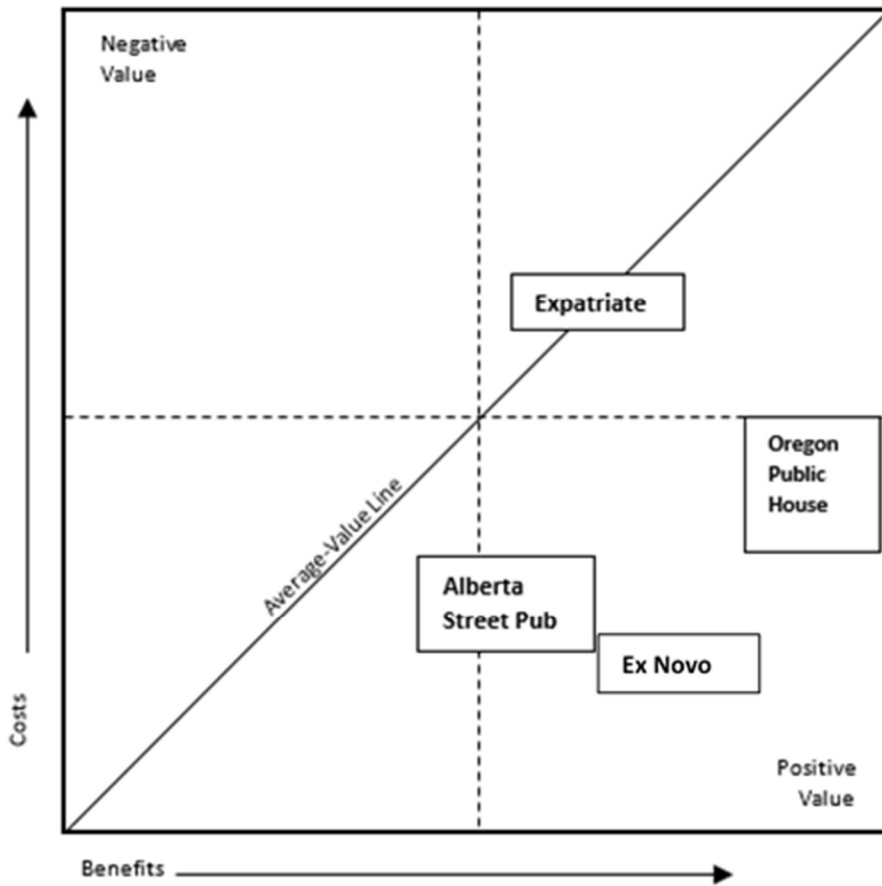
Appendix H: Market Attractiveness Table

	Convenience	Quality	Experience
Weekly Spend	<ul style="list-style-type: none"> • Two drinks, meal • 3x per week \$61.00	<ul style="list-style-type: none"> • Drinks, meal, dessert, appetizers • Sometimes with spouse or children • 4x per week \$182.00	<ul style="list-style-type: none"> • Two drinks, meal • 3x per week \$62.00
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Retention Rate	60%	30%	80%
Yearly Value Formula	$\$61.00 * 50 \text{ wks} * 35\% =$ \$1,067.50	$\$182.00 * 50 \text{ wks} * 30\% =$ \$2,730.00	$\$62.00 * 50 \text{ wks} * 25\% =$ \$775.00
Customer Lifetime Value Formula	$\$1067.50 * [1/(1+.1-.6)] =$ \$2,135.00	$\$2730.00 * [1/(1+.1-.3)] =$ \$3,412.50	$\$775.00 * [1/(1+.1-.8)] =$ \$2,583.33

Appendix I: Competitive Landscape Figure



Appendix J: Customer Value and Perception Map



Appendix K: Oregon Public House SWOT Analysis

<p style="text-align: center;"><u>Strengths</u></p> <p>S1: Volunteer support S2: Location S3: Structure (OPH)</p>	<p style="text-align: center;"><u>Weaknesses</u></p> <p>W1: Hours of operation W2: Volunteers (turnover, slow service, untrained) W3: Rapidly changing business model (OPH)</p>
<p style="text-align: center;"><u>Opportunities</u></p> <p>O1: Market gain O2: Brand awareness O3: Average annual charitable donations increasing (IBISWorld)</p>	<p style="text-align: center;"><u>Threats</u></p> <p>T1: Oregon DOJ (non-profit status) T2: Saturated market T3: Potential new entrants (Statistica)</p>
<p><u>Strategic Options</u></p> <ol style="list-style-type: none"> 1. Increase customer engagement through payment system by making it easier to track contributions (S3, O2, W3, T2, T3) 2. Expand hours of operation (W1, O1, T2, T3) 3. New membership terms and promotion (W2, W3, T3) 4. Build on relationships with other similar businesses [Ex Novo, etc.] (S1, O3, T1, T3) {all are <i>Growth</i> strategies} 	

Appendix L: In-Person Interview w/ Point of Contact

Point of Contact: Scott Baker

Title: General Manager

Interviewers: Matthew Fisher & Alex Orozco

Date of In-Person Interview: 2/10/18

We had a pleasant introduction with Scott on-site at Oregon Public House's (OPH's) bar, and since Scott does not handle marketing operations primarily as a general manager (though he assists and directs), he first gave us an explanation of the how much they are able to donate in profit. He explained that 5-10% is donated on food items and 15-20% on alcohol making a combined donation rate of roughly 12.5% on overall purchases made at OPH.

The conversation quickly drifted to the most significant challenge OPH is currently facing since Scott doesn't do all of the marketing himself. He explained how non-profit organizations that don't pursue tax-exemption could be changing in the future because of interactions with the Oregon Department of Justice (DOJ) about providing goods/services in exchange for donations may not meet their interpretation of the requirements for being a non-profit. We talked about how this became an issue because other businesses such as gas stations also began registering as non-profits (which wouldn't be working in the same spirit as OPH). These odd activities drew attention to current requirements, and therefore OPH. The Oregon DOJ has intervened to make sure no one is using non-profit status illegally, and in doing so there were concerns found with the way OPH was operating because of certain criteria related to exchanging food/beverage for donations.

OPH feels confident they will be able to continue to operate in the same spirit that have since they opened though Scott conceded that their non-profit designation may have to change, and so would their marketing as a non-profit pub if that happens. They have yet to reach a final agreement, so everything discussed here is subject to change. There have been added costs involved in negotiating with the DOJ, as it has been necessary for lawyers to assist in representing OPH. That cost will not be fully quantified until a resolution has been reached, and costs were not discussed during our conversation.

Scott also mentioned that Joel from Ex Novo, another brewing company with a donation model, has been a partner in solving the DOJ issue and that he could also be a good resource for any questions. Scott referred to the Oregon DOJ website for more information about the regulations they working with: <https://www.doj.state.or.us/charitable-activities/>.

Scott intended to provide additional information about the marketing operations of the business, and possibly connect us with an employee named Kyle who handles a significant part of their marketing. He asked we reach out via email and that he would respond that way since email is more convenient for Scott. Upon reaching out, this was the response that was received: "Hey [Team], I finally got a chance to look over this. I'm not comfortable including all of the things about the DOJ since the matter hasn't be resolved 100%. You can reach me at 503-7xx-xxxx if you have any questions. Thanks!"

Unfortunately, after that response, OPH has declined to provide any additional information. OPH wants to avoid any added risk that could be involved with discussing their operations and communications with the Oregon DOJ.

Appendix M: OPH Marketing Strategy Survey Results



Oregon Public House Marketing Survey

PLEASE READ:

Oregon Public House is a non-profit restaurant/pub that serves beer and food while also donating to a charity of your choosing which is all factored into advertised cost.

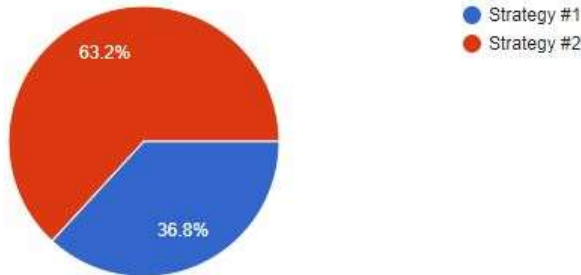
The purpose of this survey is to get feedback on deciding which one of two marketing strategies we will choose to pursue for Oregon Public House.

Strategy #1.) Improve the food! As part of marketing, we will be hiring an innovative chef to deliver donation-inspiring eats that people will love even more than the current offerings. This will be used to promote the business and increase traffic.

Strategy #2.) Donation Tracker w/ Social Media Interaction. At the point of sale (which uses Square), we will offer an email to be sent that shows how much was donated and to whom. If selected during each visit to the restaurant then each email will continue to track and quantify how much you donated over time, and will offer other donation statistics about the business. The customer will have the option to share these insights on social media, and this will help engage the community both on social media and real life. The goal is to get people to converse more about donating.

Which strategy do you think would be best?

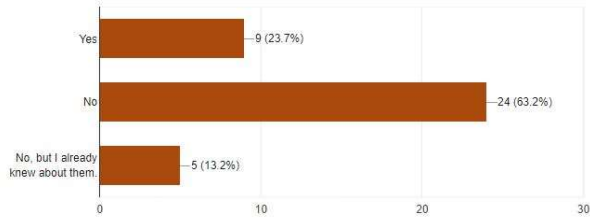
38 responses



Appendix N: OPH Marketing Strategy Survey Results - Demographics

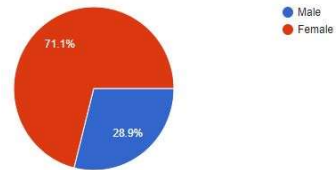
Have you visited Oregon Public House before this survey?

38 responses



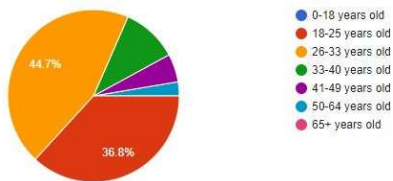
What is your gender?

38 responses



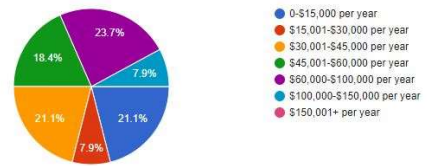
How old are you?

38 responses



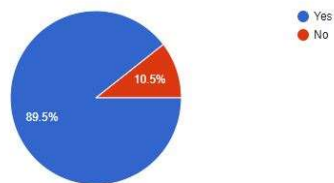
What is your income?

38 responses



Do you currently live/reside in the Pacific Northwest?

38 responses



Appendix O: Product Strategy - Research & Product Comparisons

Estimated Cost of an App

Your app estimate
\$54,500
Hide Breakdown

- Do you need an app icon?
 Yes, I need an app icon [\(Change\)](#)
- How nice should your app look?
 Bare-bones [\(Change\)](#)
- Does your app need to connect with your website?
 Yes [\(Change\)](#)
- Do people rate or review things?
 No [\(Change\)](#)
- How will you make money from your app?
 Free [\(Change\)](#)
- Do people create personal profiles?
 Yes [\(Change\)](#)
- Do people have to login?
 Social [\(Change\)](#)
- What type of app are you building?
 Apple iOS and Android [\(Change\)](#)

Estimated Cost of Zapier - Integrates HubSpot and Square

STARTER
\$20^{USD}
Per Mo / Billed Annually

- Zaps: 20 at a time
- Tasks: 1,000 per month
- Premium Apps:
- Multi-Step Zaps:
- Autoreplay Tasks:

Zaps run every 15 minutes

[Upgrade Plan](#)

Estimated Cost of HubSpot Marketing Hub and other needed features

Pricing Breakdown

Marketing Basic	\$200/month <small>(billed annually)</small>
1,000 Contacts	\$100/month <small>(billed annually)</small>
Transactional Email Add-On	\$1,000/month <small>(billed annually)</small>
Monthly Cost	\$1,300/month <small>(billed annually)</small>
Plan Subtotal	\$15,600/year <small>(months cost x 12)</small>
Basic Onboarding	\$600 <small>(one-time fee)</small>
Estimated Cost to Get Started	\$16,200

We've estimated your monthly cost based on the options you've selected above. Onboarding (one-time) is included for a one-time fee of \$600. Any applicable taxes are not included, and your fees are subject to increase with additional purchases. See the FAQ's below for more details.

[Call to Sales](#)

Appendix P: Product Strategy



“OPH chooses six nonprofit partners at a time for a period of 5 ½ months, during which our customers vote with each of their transactions in the Pub, telling us how to divide our profits amongst these rotating partners” (About, the Oregon Public House)



Square Point of Sale system where customers pay, choose which organizations their donations will go to and have a chance to enter their email address so their donations and rewards can be tracked by Square Customer Directory and emails sent through Square Marketing.

Appendix Q: New Digital Engagement Strategy Customer

Experience Flowchart

New Digital Engagement

Customer Experience

Strategy
Flowchart

Step 1: Customer enters Oregon Public House, approaches bar, and reviews menu.



Step 2: Customer orders food and/or beverage from the bartender.



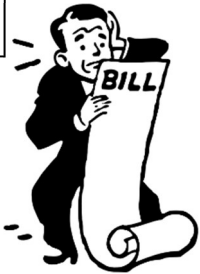
Step 3/4: Customer pays using Square and a tablet as a Point of Sale device. Enters email address and leaves when complete.



Step 5/6: Customer doesn't/unable to respond to email



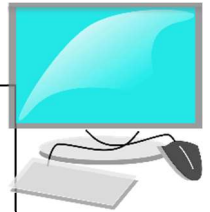
Step 3: OPEN TAB. Customer orders more food and/or beverage from the bartender, and eventually is ready to leave.



Step 4/5: Square feeds the customer email and purchase information to their email marketing add-on that then sends out an automated marketing email to customer.



Step 5/6: Customer receives email and posts about their contribution on social media, inspired to comeback for more and use reward tracking.



Step 6/7: Customer has added equity in rewards and will be recognized for repeat visits by staff, with additional rewards for social media engagement. Free pints used as gifts. Will increase customer engagement & funds raised.



Appendix R: Sample Email Letter to Customers



Dear [Insert Customer Name Here],

Thank you for your recent visit to the Oregon Public House! During your visit, you contributed \$XXX.xx to XYZ charity bringing your total donations to \$XXX.xx.

[Please click here to post your accomplishment to social media!](#)

Upon reaching \$75 in total donations, Oregon Public House would like to honor you with a free pint and cheers on us at the pub.

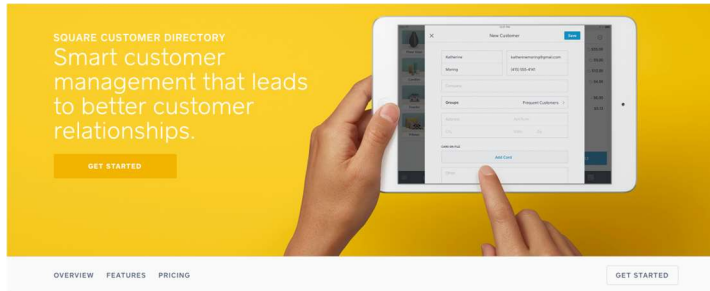


(source: Commons photo)

Thank you for being the best part of the pub.

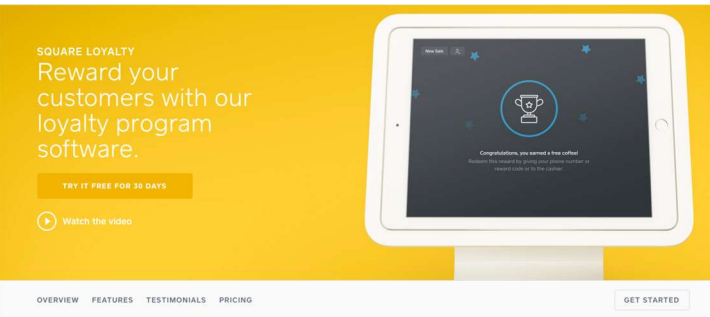
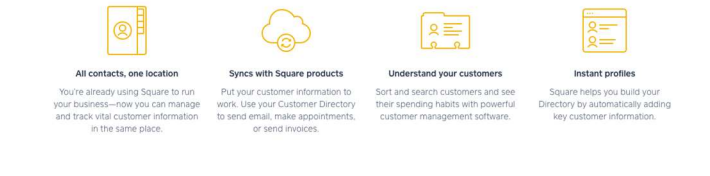
*Sincerely,
Oregon Public House
700 NE Dekum St. Portland, OR 97211
(503) 828-0884*

Appendix S: Product Strategy - New Square Add-ons (Product Development)



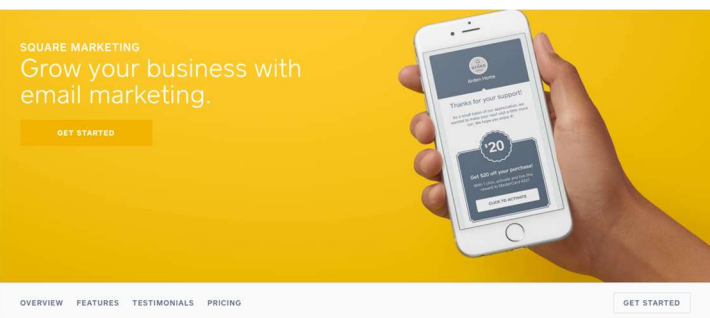
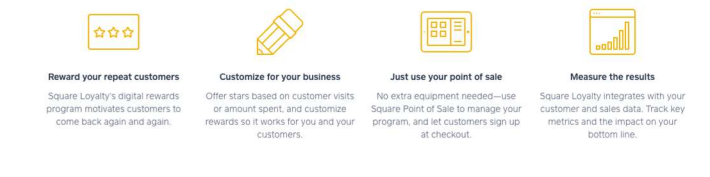
Square Customer Directory: This plan is totally free with an existing square account which will allow us create customer profiles.

<https://squareup.com/pos/customer-directory>



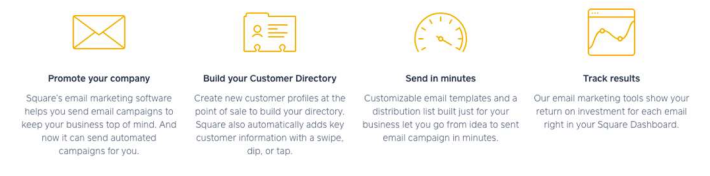
Square Loyalty: This product will be used to track our customer's purchases so that we can track their rewards. **The cost is \$25/mo.**

<https://squareup.com/customer-engagement/loyalty>



Square Marketing: This add-on will also allow us to send emails to customer about their rewards and a link helping them post to social media channels how they contributed to the OPH. **The cost is \$15/mo.**

<https://squareup.com/customer-engagement/email-marketing>



Appendix T: Oregon Public House Total Donations To Date (3/18/18)



<https://oregonpublichouse.com/>

Appendix U: Oregonian and OregonLive.com Packaged Ad Pricing

<http://www.oregonlive.com/placead/>

Package Information ✖

Your Oregonian and OregonLive.com Ad

- 6 lines, 7 days in The Oregonian
- 14 days on OregonLive.com with expanded text, buyer-seller communication
- Additional price per line: \$10.50

Best \$95

Appendix V: The Oregonian Brand Awareness Campaign

For Brand Awareness to help achieve the Customer Acquisition goal of 2,091 new Experiencers between May 2018 and May 2019, we could suggest that to get the new campaign started we could place an ad in the Oregonian for \$95 (<http://www.oregonlive.com/placead/>) for that price you get:

6 lines, 7 days in The Oregonian

14 days on OregonLive.com with expanded text, buyer-seller communication

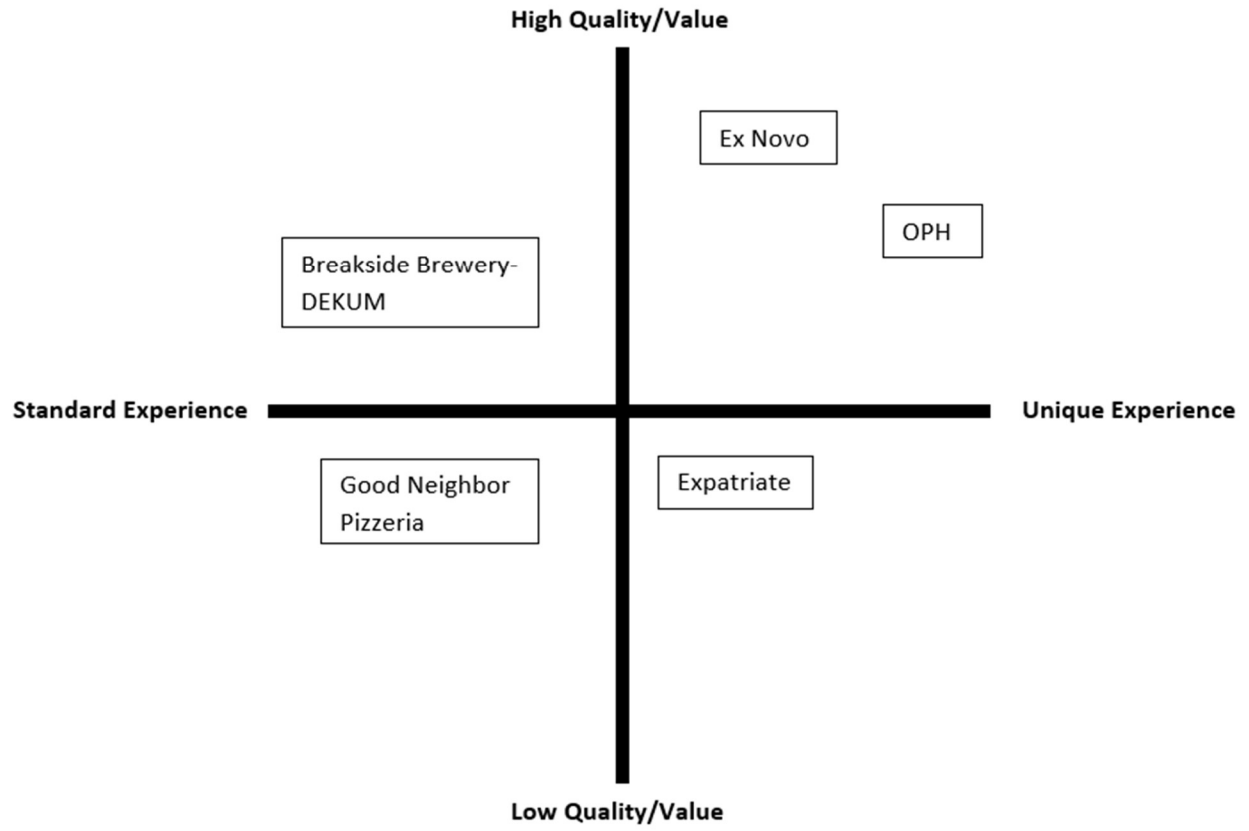
[Additional price per line: \$10.50]

The Oregonian has roughly 710,000 subscribers per Statista.

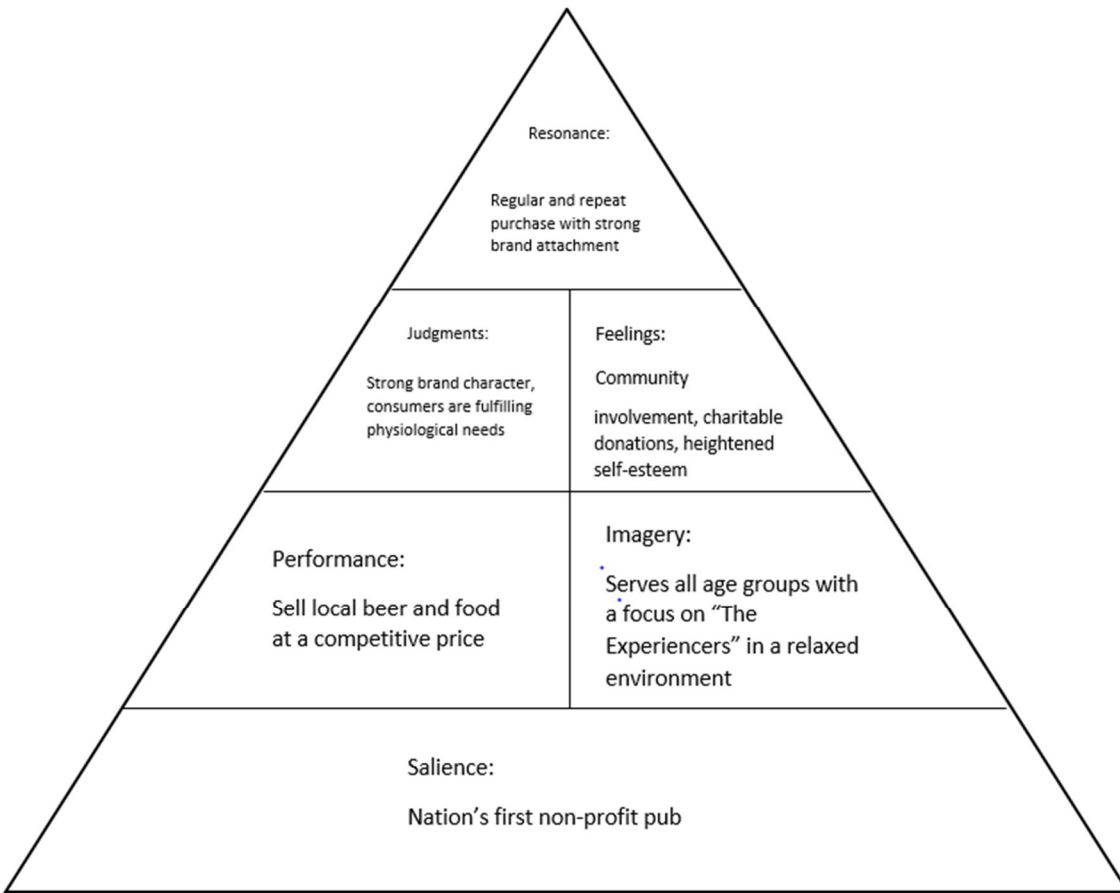
We are calculating response to the Oregonian newspaper ad as their # of subscribers multiplied by an assumed response newspaper response rate of 2% (<http://charltonmarketing.com/how-to-calculate-expected-response-from-a-newspaper-ad/>) equals 14,200 people reached with just the one ad. Experiencers are roughly 20% of total target market population per our Appendix A. 20% of 14,200 is 2,840 potential Experiencers responding to just the one newspaper ad. If 73.63% of those potential new Experiencers respond by engaging in the program within the first year, it would result in the desired 2,091 needed for Customer Acquisition. We are assuming because the response is already just an assumed 2% of subscribers, and only 20% of those being the most highly engaged Experiencers, that it would not be unreasonable to capture 73.63% based on that target audience/segment description/profile in Appendix A.

The Oregonian ad Brand Awareness of 2,840 Experiencers leads to Customer Acquisition of 2,091 Experiencers which leads to a short term goal of 50% growth (\$48.6K donated by May 2019) which will position OPH to achieve 100% growth (\$64.8K) compared to the 2017 average by May 2020.

Appendix W: Customer Perception Map



*Appendix X:
Brand Equity Pyramid*



Appendix Y: Financial Forecast Schedule

	<i>REVENUE</i>	<i>DONATIONS</i>	<i>% INCREASED</i>
<i>CURRENT</i>	\$259,200	\$32,400	<i>NONE</i>
<i>ONE YEAR</i>	\$388,800	\$48,600	50%
<i>TWO YEARS</i>	\$518,400	\$64,800	100%

Appendix Z: Marketing Metrics (Objective-and-Task)

	OBJECTIVE (all lead to <i>Funds Raised</i> objective)	COST	GOAL	TIMEFRAME FOR GOAL
SQUARE SYSTEM	Customer Acquisition	\$480/year	Acquire 2,091 New Experiencers 2,091 customers * \$62 weekly spend *4 times per year= \$518,568 (revenue goal)	May 2018- May 2019
OREGONIAN AD PLACEMENT	Brand Awareness	\$95 one-time fee	Reach 2,840 New Experiencers 14,200*20%= 2,840***	June 2018 for 7 days after release
LOYALTY PROGRAM	Customer Acquisition & Brand Awareness	\$1,296/year	Increase social media presence and create customer incentive	None

*** Oregonian subscriber base is 710,000. Amount of subscribers multiplied by assumed response newspaper response rate of 2% (<http://charltonmarketing.com/how-to-calculate-expected-response-from-a-newspaper-ad/>) equals 14,200. New Experiencers make up approximately 20% of population (appendix A).