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Bean & Brew Coffee Roasters

Summary

Bean & Brew Coffee Roasters is a small UK business focused on high-quality, ethically sourced coffee. The company's main strengths are its premium products, strong values, and online reach, while challenges include limited resources and high competition. Analysis using tools like SWOT, PESTEL, and Porter's Five Forces shows good opportunities in sustainability and digital growth.

The best strategy for Bean & Brew is focused on differentiation, offering high-value, sustainable coffee for customers who care about quality and ethics. Based on Mendelow's Matrix, key stakeholders such as investors, employees, and customers must be closely managed.

By improving digital tools, promoting sustainability, and training staff, Bean & Brew can grow steadily, build loyalty, and strengthen its position as a trusted ethical coffee brand in the long term.

Introduction

Bean & Brew Coffee Roasters is a small, independent coffee company dedicated to delivering high-quality, ethically sourced coffee. Established with a passion for craft roasting, the business carefully selects premium beans from sustainable farms around the world and roasts them in small batches to highlight their unique flavors.

Bean & Brew operates a few local cafés and an online store, serving both individual customers and wholesale clients. The company prides itself on community engagement, environmental responsibility, and creating a warm, authentic coffee experience for every customer.

What makes Bean & Brew stand out is its focus on ethical sourcing, careful small-batch roasting, and strong community values. The company supports small coffee farmers, promotes sustainable farming, and ensures every batch of coffee is roasted with care to bring out the best flavor. Bean & Brew also builds customer trust by being transparent about its process and offering a more personal and high-quality coffee experience than large commercial chains.

Appraisal of Bean & Brew Coffee Roasters' Strategic Direction and Goals

Bean & Brew Coffee Roasters is a business that focuses on selling high-quality coffee beans sourced from around the world. The company's mission is to give customers excellent coffee experience by offering fresh, carefully selected beans that are both tasty and responsibly sourced. They believe that good coffee comes from the best beans, and they also care about sustainability

and fairness for the farmers who grow the coffee (Bean & Brew, 2024). This mission shows that the company wants to balance quality by doing the right thing for the environment and farming communities.

The strategic direction of Bean & Brew is centered around providing premium coffee to a wide range of customers. The company offers both blends and single-origin coffees, which means they have something for everyone from serious coffee lovers to people who just enjoy a cup now and then. Most of their sales are done online, which allows them to reach customers across the UK easily (Bean & Brew, 2024). Their brand also tells stories about where the coffee comes from, helping customers feel more connected to the product and the people who grow it.

Even though the mission of Bean & Brew is clear, the company's vision, its big goal for the future is not clearly stated. A vision is important because it helps show where the business wants to go in the long term, such as becoming one of the UK's top ethical coffee brands. Without this, it can be harder for customers, staff, and investors to understand the company's direction. Creating a short and inspiring vision statement would help give the company a stronger sense of purpose.

The company also does not have clear, measurable objectives. While Bean & Brew talks about sustainability and quality, it doesn't set specific targets. For example, how much it wants to grow, how it will measure environmental impact, or how much it plans to reduce waste. Setting these goals would make it easier to track progress and show customers that they are serious about their promises.

Internal Environment – SWOT

Strengths

- Bean & Brew emphasizes premium, ethical coffee: they state they “go the extra mile to procure only the finest beans from respected growers” and “stand by practices of sustainability and fair sourcing.”
- A well-defined product range, they offer blends named after Northern Ireland places) and single origin coffees, and additional items like decaf, pods, gift subscriptions.
- Online direct to consumer models across the UK enables decent reach, control of brand experience and flexibility.
- Good niche branding: connecting blends to geography “Northern Ireland inspired blends” gives identity and differentiation.

Weaknesses

- Lack of publicly visible detailed performance metrics or strategic objectives, we don't see published targets for growth, sustainability, scale, which makes tracking difficult.

- Possibly limited physical retail footprint (if mostly online) which may limit local presence or café experience compared to larger roasters with retail space.
- In a crowded market of specialty coffee roasters, differentiation may be harder, many claims ethical sourcing and high quality, so the brand needs to be strong to stand out.

Opportunities

- Growth in at home specialty coffee consumption more people brew at home, and demand for high-quality beans increases.
- Expand subscription or bundle offerings which they already have to some extent and emphasize ethical credentials to attract conscious consumers.
- Increase value-added services. For example, education about brewing, tasting notes, equipment bundles, or even cafés/experiences to deepen customer engagement.
- Leverage sustainability and traceability further as a marketing strength as UK consumers become more ethically minded. This is an advantage.

Threats

- Intense competition: many UK roasters and global ones are offering similar high-quality, ethically sourced coffees.
- Raw-material risks: coffee bean prices fluctuate, supply-chain disruptions, climate change affecting farms. These impact cost and supply.
- Consumer price sensitivity: specialty coffee is higher cost, economic downturns may hit premium segments.
- Differentiation of fatigue: if many players claim the same “ethical + high quality” message, it may be harder to be seen as unique.

Value Chain Analysis

1. **Inbound Logistics:** Sourcing green coffee beans, selecting growers/farms, bringing beans to roastery. Their strength: focusing on respected growers and ethical sourcing.
2. **Operations:** Roasting, blending, packaging. Bean & Brew offers single-origin and themed blends (Northern Ireland inspired) showing value in product development.
3. **Outbound Logistics:** Delivering products to online customers across the UK, subscription fulfilment, shipping, perhaps wholesale. Their online model supports this.

4. **Marketing & Sales:** Branding (ethics + premium + regional story), product range, online store, gift subscriptions.
5. **Service:** After-sales support, subscription renewals, customer engagement (newsletter, social media). Also, potential brewing guides and loyalty programmes.
6. **Support Activities:** Infrastructure (roastery, e-commerce platform), human resources (skilled roasters), technology, procurement of sustainable packaging.

External Environment – PESTEL and Porter’s Five Forces Analysis

Political:

The UK government supports fair trade and environmentally friendly business practices. This is good for Bean & Brew, as it focuses on ethical sourcing and sustainability. However, because the company imports its coffee beans from other countries, changes in trade rules, import taxes, or global politics could increase costs or delay supplies.

Economic:

The UK coffee market is strong, but costs are rising. Global coffee bean prices have increased because of climate change and supply shortages. At the same time, the cost of living in the UK is high, meaning customers might spend less on premium coffee. Bean & Brew must manage its prices carefully to stay attractive to customers while covering its costs.

Social:

More people are drinking high-quality coffee at home, and customers are becoming more aware of sustainability and where their coffee comes from. This is great for Bean & Brew because its brand focuses on ethical sourcing and premium beans. However, customers also expect transparency and honesty, so the company must communicate its values clearly.

Technological:

Technology plays an important role in coffee sales. Online shopping, subscriptions, and social media marketing help coffee brands reach more people. Bean & Brew already sells online, but it could use technology more to improve customer experience and build loyalty.

Environmental:

Climate change affects coffee-growing regions, which can reduce supply and increase prices. Bean & Brew should continue using sustainable packaging and support eco-friendly farms to protect its brand image.

Legal:

The company must follow food safety, labelling, and packaging laws in the UK. Rules about

recycling and packaging waste are becoming stricter, so Bean & Brew must make sure it meets all requirements.

Porter's Five Forces

1. **Competition** – There are many coffee roasters and brands in the UK, so competition is strong.
2. **New Entrants** – It's easy for new coffee businesses to start online, which increases competition.
3. **Suppliers' Power** – Coffee growers and importers have some power because beans are limited, and prices change often.
4. **Buyers' Power** – Customers can easily switch to other brands, giving them strong influence.
5. **Substitutes** – Drinks like tea, instant coffee, and energy drinks are easy alternatives.

Strategic Growth Choices for SMEs

Small and Medium Enterprises (SMEs) like Bean & Brew Coffee Roasters have several growth options available to them. Common strategies include market penetration (selling more to existing customers), market development (reaching new customers or regions), product development (introducing new products), and diversification (entering new markets with new products). These choices can help SMEs expand their customer base, increase revenue, and strengthen their brand.

Another useful model is **Porter's Generic Strategies**, which identifies three main ways a business can compete — **cost leadership**, **differentiation**, and **focus**.

- **Cost leadership** means being the cheapest option, which is difficult for small firms like Bean & Brew because large companies benefit from lower production costs.
- **Differentiation** means offering something unique that customers value, such as high quality, ethical sourcing, or great service.
- **Focus** means targeting a smaller, specific market segment with tailored products or experiences.

Ansoff Matrix:

Ansoff's Matrix is a tool that helps businesses find ways to grow by looking at products and markets. It has four options: Market Penetration, Market Development, Product Development, and Diversification.

1. Market Penetration:

This means selling more of the same products to the same customers. For Bean & Brew, this could involve encouraging existing customers to buy more coffee through loyalty programs, promotions, or subscription plans. For example, offering a discount for monthly subscription renewals can increase repeat purchases.

2. Market Development:

This involves selling existing products to new customers or areas. Bean & Brew could expand its coffee sales to new cities in the UK or start international online sales. They could also target different customer groups, like offices or co-working spaces, who may want premium coffee delivered regularly.

3. Product Development:

This is about creating new products for existing customers. Bean & Brew can launch limited-edition coffee blends, eco-friendly packaging, coffee accessories, or coffee-based snacks. This keeps current customers interested and encourages them to try new offerings.

4. Diversification:

This is the riskiest option: introducing new products to new markets. Bean & Brew can open coffee cafés, start online coffee courses, or sell home coffee brewing equipment. While riskier, diversification could create new revenue streams.

By using Ansoff's Matrix, Bean & Brew can plan growth in a structured way, balancing low-risk strategies like market penetration with higher-risk options like diversification, while staying true to its brand and customer focus.

Bowman's Strategic Clock

Bowman's Strategic Clock is a tool that helps businesses understand different ways to compete based on price and perceived value. It shows eight strategies a company can use, from low price to high value.

1. Differentiation / Hybrid:

This means offering high value at a reasonable price. Bean & Brew can provide ethically sourced, high-quality coffee without charging too much. Customers feel they get good value for the price, which helps build loyalty.

2. Focused Differentiation:

This is high value at a high price. Loyal customers who care about premium quality and sustainability are willing to pay more. Bean & Brew can use this by offering limited-edition coffee blends, subscription services, and eco-friendly packaging.

3. Increased Price / Low Value:

This is what businesses should avoid charging more without adding value. Customers will switch to competitors.

Using Bowman's Clock helps Bean & Brew position itself clearly in the market, showing customers that it is not just another coffee brand but one that delivers quality, sustainability, and a premium experience. This strategy allows the company to maintain profitability and loyalty in the long term while standing out from low-cost competitors.

Proposed Strategy for Bean & Brew Coffee Roasters

A suitable growth strategy for Bean & Brew would be a focused differentiation strategy. This means the company continues targeting a niche group of customers, people who care about ethical, high-quality, and sustainable coffee, but expands its offerings and brand experience to make it stand out even more.

Bean & Brew could do this by:

- Expanding its subscription service with more personalized options, such as monthly flavor themes or exclusive small-batch blends.
- Creating eco-friendly partnerships, for example, with reusable cup brands or local cafés that share their sustainability values.
- Launch educational workshops or online content about coffee brewing, sustainability, and bean origins to strengthen customer loyalty and brand credibility.
- Introducing a "farm-to-cup" traceability feature on their website, showing customers where each bean comes from and how it supports farmers.

Why This Strategy Is Sustainable

This strategy is sustainable because it builds Bean & Brew's existing strengths, quality, ethics, and customer trust, while adapting to long-term market trends. Consumers are increasingly looking for transparency, sustainability, and personal experiences. By focusing on these values, Bean & Brew can build strong emotional connections with customers, which are harder for competitors to copy.

Unlike cost-based strategies, differentiation through quality and purpose allows for premium pricing and customer loyalty, both essential for long-term survival in a competitive market. In short, a focused differentiation strategy allows Bean & Brew to grow sustainably by being authentic, innovative, and responsible.

Stakeholder Analysis for Bean & Brew (Using Mendelow's Matrix)

Bean & Brew is a medium-sized coffee shop chain known for its good quality coffee and friendly service. The company is thinking about three possible strategies: opening new stores in different areas, creating a digital ordering app, and becoming more sustainable. To decide which option is best, it is helpful to look at the company's stakeholders, the people and groups who are affected by its actions and how much power and interest they have. Mendelow's (1991) Power-Interest Matrix is a useful tool for this because it helps managers understand which stakeholders have the most influence and who cares most about the company's decisions (Johnson, Scholes and Whittington, 2017).

Mendelow's Matrix divides stakeholders into four groups. Those with high power and high interest should be managed closely because they can strongly affect the company. Those with high power but low interest should be kept satisfied, so they do not become more concerned. Stakeholders with low power, but high interest should be kept informed, and those with low power and low interest just need to be monitored (Freeman, 1984).

For Bean & Brew, the shareholders and investors have high power and high interest because they provide funding and want to see good profits and brand growth. Regulators and local authorities have high power but lower interest; they mainly care that Bean & Brew follows health, safety, and employment laws. Employees, such as baristas, and customers both have high interest but lower power. Employees care about fair pay, good working conditions, and job security, while customers care about product quality, convenience, and sustainability. Suppliers, such as coffee farmers, want fair prices and reliable contracts, while local communities expect jobs and environmentally friendly practices. Environmental groups (NGOs) have less direct power but can influence public opinion if the company is seen as unsustainable (Mitchell, Agle and Wood, 1997).

Each of the three strategic options affects these stakeholders differently. Expanding new areas supports shareholders' goals for growth but could cause concerns for employees and local communities about overwork or disruption. Launching a digital ordering app would please customers who want convenience and might improve profits, but employees may worry about technology changing their jobs. A sustainability strategy would make customers, communities, and NGOs happy and improve the brand's image but may cost more at first, which could concern investors (Lozano, 2013).

Looking at the stakeholders' power and interest, the best approach for Bean & Brew is to combine digital innovation with sustainability improvements. The digital app is practical and affordable, meeting customer needs, while sustainability efforts improve the brand and attract loyal customers over time. Expansion could then follow once these foundations are strong.

Strategic Recommendations for Bean & Brew

In the future, Bean & Brew should focus on steady growth through digital tools and sustainability. As a small business, it can face challenges like limited money, not enough staff, and difficulty changing to new ways of working. To deal with these challenges, Bean & Brew should take small steps and plan changes carefully.

First, the company should create a digital ordering and loyalty app. This will make it easier for customers to order and collect rewards, while helping the business understand what customers like. It will also improve service and save time for staff.

Second, Bean & Brew should become more sustainable by using fair trade coffee, cutting down on waste, and supporting local suppliers. This will help the environment and attract customers who care about ethical businesses.

To make these changes work, the company should train staff so they feel confident using new technology and understand the importance of sustainability. Working with local partners and investors can also help provide extra funding and support.

By focusing on digital innovation, sustainability, and staff development, Bean & Brew can grow successfully and stay competitive in the long term.

Conclusion

Bean & Brew Coffee Roasters has built a strong reputation for premium, ethically sourced coffee and community values. The company's internal strengths lie in its quality focus, niche branding, and online reach, while its weaknesses include limited strategic targets and visibility in a competitive market. External analysis shows both opportunities in growing home coffee consumption and threats from rising costs and intense competition.

Using strategic tools such as the Ansoff Matrix and Bowman's Strategic Clock, the best route for growth is a focused differentiation strategy, offering high-quality, sustainable coffee and personal customer experiences at a fair price. The stakeholder analysis, using Mendelow's Matrix, shows that investors, customers, and employees are key to implementing this strategy successfully.

Looking ahead, Bean & Brew should invest in digital innovation, sustainability, and staff training to build resilience and brand loyalty. By setting clear goals, maintaining ethical standards, and managing stakeholders effectively, the company can achieve sustainable growth and strengthen its position as a trusted, responsible coffee brand in the UK.

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