

ASSESSMENT 2 SPECIFICATION

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Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 40%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission, you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		
Work over the word limit:	To support fairness and good academic writing, each assessment has a set word limit. It's important that you stay within this limit. The word limit helps ensure: - You write clearly and concisely. - All students complete the assessment on an equal basis. If You Go Over the Word Limit If your work exceeds the word limit, the following penalties will normally apply. These		

			deductions cannot take your mark below the pass mark for the module.
	Amount Over Limit	Penalty Applied	
	Up to 10% over	No penalty	
	10%–25% over	5 mark deduction <i>or</i> reduction to the capped mark (whichever is the smaller penalty)	
	25%–50% over	10 mark deduction <i>or</i> reduction to the capped mark (whichever is the smaller penalty)	
	Over 50%	Mark capped at the pass mark	
			Examples (Undergraduate):
			- A mark of 44% would be reduced to the pass mark of 40% if the work is 10–25% over. - A mark of 49% at 10-25% over would be reduced by 5 marks to 44%. - A mark of 47% at 25–50% over would be reduced to 40%. - A mark of 55% at 25–50% over would be reduced by 10 marks to 45%. - A mark of 68% at over 50% would be capped at 40%
			If You Are Under the Word Limit
			If your work is significantly under the word limit, you may lose marks because your submission may not contain enough detail to meet the learning outcomes.
			Feedback
			If a word-limit penalty is applied, this will be stated clearly in your feedback, along with the reason.
Module Learning Outcomes (from module syllabus)			
Upon the successful completion of this assessment, the student should be able to demonstrate the ability to: - Develop an innovative strategic marketing plan which fulfills organisational objectives as well as utilises key resources and capabilities. - Monitor, measure and adapt the marketing plan for continuous improvement.			

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1 Introduction

The Report sets up a comprehensive marketing plan for Costa Coffee to demonstrate actions, strategies, and actions that the company will have to implement within the next 12 months to improve its marketing. A marketing audit conducted and reported in assessment one reveals that Costa Coffee has successfully built a strong brand in the beverage industry and offers a diverse product range in the United Kingdom, but it faces limitations such as a perception of high prices and limited integration of digital practices in its operations (Lestari et al. 2024). The brand also has a strong market position based on opportunities at its disposal, such as digital transformation, product innovation, and expansion into international markets.

In order to effectively develop the marketing plan for Costa Coffee, the report will encompass five major sections that include a section depicting the opportunity identified, followed by marketing objectives and Segmentation, Targeting and Positioning. The fourth section will entail the marketing mix, while the last section will capture implementation and control. The analysis will therefore fit the SOSTAC framework.

2 Situation Analysis

Strength • Strong brand recognition in the UK market. • Strong, loyal customer base consisting of over 20 million consumers. • Market leadership with over 2,800 stores spread across the UK.	Weaknesses • Overreliance on the UK market. • Expensive products • High operational costs • Poor quality control negatively impacts brand consistency.
Opportunities • Pursue sustainability practices through product packaging	Threats • Intense direct and indirect competition, local and international

• Expand into ready-to-drink products. • Integrate digital practices such as loyalty programs.	- brands. • Disruption in the supply chain.
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Costa Coffee operates in a highly competitive market characterized by numerous players offering similar or competing products to the same market. The brand has relied heavily on its strong brand recognition to survive the onslaught by rivals. The market enjoys a global reputation and recognition, whereas it is exclusively operating in the UK market. Arguably, brand recognition proves impactful in the market as it boosts consumer trust and can be effective for brands in their quest to develop a competitive advantage in the market (Raffaelli et al. 2024). However, the competitive nature of the UK market and the general perception of customers have exposed the brand's limitations in terms of service quality and practices. The negative perception has implications for the brand reputation in a market that is highly competitive. For instance, Matchett (2026) observes that Cost Coffee has been struggling to deal with cheaper rivals in the market, resulting in a reported loss of £13.5m from 2024. The article further acknowledges that the outlet is really struggling to keep up with rivals offering low-cost products in the market. Recently, customers accused Costa Coffee franchises of ripping off customers by the outlet allegedly charging more large sized coffee-cup only for the content to fit into regular coffee cups (Johnston 2021). Such acts are reputation-damaging and unethical practices that are unwarranted in the competitive market.

3 Marketing Objectives

Based on the situational analysis, the brand will seek to achieve the following marketing objectives in a period of one-year.

- Introduce Ready-to-Drink (RTD) Product in order to increase revenue by 25 percent in the next 12 months.

- Increase digital engagement across all social media platforms by 20 percent in the next 12 months.

4 Segmentation, Targeting and Positioning

4.1 Segmentation

Costa Coffee is largely concentrated in the UK market, a fact that determines its strategies. The desire to introduce a ready-to-drink product in the market will influence and shape the target audience in terms of their segmentation. First, a consideration of demographic segmentation is informed by the need to develop a personalized marketing strategy that will be able to appeal to the right audience (Tavo, Gonen and Spiegel 2023). Age is an aspect of demographic segmentation and brands will have to consider people aged between 18 and 40 years because they are driven by the desire for convenience or access to premium grab-and-go products based on their schedule. Zhou et al. (2025) suggest that there is a higher intake of soft beverages among young people as compared middle age adults and seniors. In terms of income, the brand will have to target middle and upper-income earners in society based on the existing perception that the brand is expensive or highly priced. This will align with the occupation consideration, where the brand will seek to appeal to college students and young professionals.

Secondly, geographical considerations will be a key consideration in the marketing of the ready-to-drink products. As a result, market segmentation on the basis of urban setting will favor the new products in that pressure in the cities of London, Manchester and Birmingham, among others, attracts demand for ready-to-drink products as compared to rural or suburban regions.

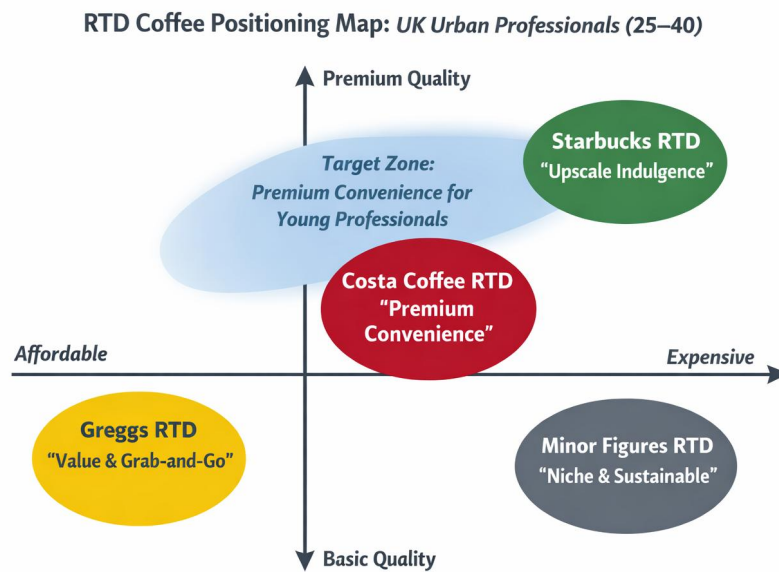
The third segmentation consideration is the psychographic segmentation, where lifestyle and values inform customer purchase decisions (Mora Cortez et al. 2025). For instance, the brand will target to reach customers with strong value for quality, trust in the brand and sustainability and have the lifestyle determined on the basis of seeking utility because of work pressure arising from their profession.

The final segmentation basis is behavioral and Costa Coffee will seek to attract customers with behaviors such as working in the office and needing to take away, or heavily traveling from place to place. This creates the necessity and the behavioral pattern of always having a soft beverage to add energy in the process of travel or work. For instance, it is estimated that about 12.5 million people across the United Kingdom travel to work daily by driving their cars or vans, which constitutes about 45 percent (Garlick 2022).

4.2 Targeting

The choice of an effective targeting strategy determines, to a greater extent, the ability of a firm to increase its revenue and improve the conversion rate. Based on the marketing plan set for Costa Coffee and the marketing segmentation, the following targeting approach will be appropriate. The primary target segment for Costa Coffee will involve young urban professional dwellers residing in cities across the United Kingdom. The consideration of this target audience is informed by the segment that enjoys high demand for the Ready-to-Drink (RTD) because of their high disposable income and potentially high population. For instance, in the UK's almost 70 million population, people aged between 15 and 40 years constitute about 33.6 percent of the population (Statista 2025). Secondly, the consideration of this segment is also hinged on the high disposable income among the segment that creates the likelihood to achieve conversion. The United Kingdom's financial reporting of 2024 recognized that people aged between 25 and 34 registered the highest median annual disposable income of £43,552, which is higher than any other age group in the country (UK Department for Work & Pensions 2025).

4.3 Positioning



The Ready-to-Drink (RTD) product will be positioned in the market on the basis of convenience, where the target audience will have to pick up to consume at their expediency. This will appeal to the target segment, considering that professionals are sometimes pressed for time working in the office to the extent that they cannot excuse themselves for some decent meals. Arguably, expediency as a positioning strategy guarantees time saving, increases customer satisfaction and creates a chance of loyalty, which allows customers to enjoy a sense of control and flexibility (Kumar and Agrawal 2024). Secondly, the brand will also position the new product on the basis of product quality, basing its assertion on the historical brand recognition and reputation for high-quality coffee, which appeals to professionals.

5 Tactics

The plan for developing and launching the Ready-to-Drink (RTD) product by Costa Coffee will depend on the strategy implemented. The best strategy to consider will be anchored on Porter's generic strategy of niche strategy, where the focus is on offering a unique product in the market that fits the needs of customers. The focus of the approach will be to appeal to the young, educated professional residing in the urban setting in the United Kingdom. Niche strategy will involve a differentiation focus to

provide customers with highly specialized products that meet their needs. Navaia, Moreira and Ribau (2023) note that a differentiation strategy helps in positioning in order to overcome intense market competition, which can add value in order to improve competitive advantage. For instance, the Ready-to-Drink (RTD) is made of unsweetened Brew Cold Coffee, which can be attractive for customers with commuter or professional needs. Secondly, the Ready-to-Drink (RTD) product will focus on product development, with a focus on offering new products to the existing market (Gallouj and Abdelwahed 2025). Costa Coffee has, over the years, served the professional group in the market, which can be served well with the new product.

6 Marketing Mix Strategy

In order to realize the set marketing objectives, the 7Ps will be essential in developing a comprehensive strategy that will be important in enhancing customer experience and gaining a competitive advantage.

6.1 Product needs of the target customers.

A product refers to the tangible or intangible commodity offered by a brand to the market, primarily to satisfy the needs of customers in the market. Costa Coffee will be developing the Ready-to-Drink (RTD) product aimed at satisfying the needs of young urban professionals residing in the UK market. Kotler's product level model provides three levels of product analysis to further understand the product and its relation to customers. The core product depicts the essential or primary functions of the product. The Ready-to-Drink (RTD) product satisfies the quench for a drink as it contains coffee, which professionals normally take to increase their mental alertness and improve their concentration (Emadi and Kamangar 2025). Secondly, Kotler provides that the need to understand the actual product based on knowledge of the features and design of a product. It is based on this aspect that brands will gain a competitive edge over their rivals. For instance, Cost Coffee can design the packaging for ready-to-use sustainable products to accommodate various quantities. The brand can also consider a type of coffee that cold brew coffee which allow customers to enjoy it at their

convenient. Finally, the third level in the Kotler model entails the augmented product which is concerned with the additional services and benefits that allow brands to stand out in the competitive market. Costa Coffee can consider present customers with customization options where they are able to dictate the sugar levels they prefer for their ordered cakes. Customers will also benefit from the home delivery options while also having a chance to earn loyalty points from every purchase, with the purchase of low-sugar cakes attracting double points for each purchase.

6.2 Price

Costa Coffee has struggled with increased competition that has seen its rivals outdo it in the market by offering affordable products. While the brand has relied heavily on the use of a premium pricing model, it needs to shift towards a value-based pricing approach to price its new product in the market. Helmold (2022) argues that the use of value-based pricing provides greater advantages over premium pricing as it guarantees high profit margins and cultivates stronger customer loyalty, as customers are allowed to pay based on the perceived quality and value.

6.3 Place

Place constitutes the interaction point between customers and the business. The marketing objectives set demands for an increased customer touchpoint to ensure more sales and revenues are achieved. Costa Coffee will need to set up physical stores and a digital platform, such as a website. The pursuit of physical and digital presence in the interaction with customers provides a hybrid model that guarantees a superior and seamless customer experience, which guarantees efficiency in operations while also increasing revenue and sales (Biswas et al. 2024).

6.4 Promotion

The competitive nature of the food and drink industry demands an aggressive promotional strategy that will ensure that the new product is accepted in the market and high sales are achieved to guarantee high revenue. Costa Coffee needs to advertise with the use of celebrities to popularize the new product. Jun et al. (2023) insist that celebrity advertisement best fits the brand, considering that it enhances

brand visibility, which is essential when introducing new products, boosts credibility, and enhances sales in the market.

6.5 People

In introducing a new product in the market and also seeking to increase revenue, the people within the organization matter. Costa Coffee will need to train its staff to maintain product visibility, which is integral to appealing to customers. The firm will need to introduce brand ambassadors on both physical streets and digital platforms to promote the product among young professionals in the urban setting. Brand ambassadors are integral in increasing brand awareness, driving product sales and building strong brand credibility in the market (Malangke 2025).

6.6 Process

The essential process will involve customer experience, in which the firm will focus on offering a seamless purchase experience from the physical store or via digital platforms. The firm will create a shorter customer journey where their shopping is brief to align with their needs for efficiency and utility. A shorter customer journey is beneficial to the firm as it increases the conversion rates, enhances customer experience and improves return on investment (Reitsamer and Becker 2024).

6.7 Physical Evidence

Every firm seeks to create a positive or good customer perception of its brand in the market for the purpose of attracting customers. Physical evidence, which entails the tangible and visible, plays a crucial role in shaping customer perception. The firm can occasionally share behind-the-scenes videos and pictures to create perception online and also trigger an engagement with social media users.

7 Implementation and Control

7.1 Gantt Chart

Marketing Mix	Activities	Department Responsible	Performance Metrics	Year 1			
				Q1	Q2	Q3	Q4

Product	Research and development	sales	25% Innovation rate								
Product	design & manufacture	Production	43% NPS								
Price	Setting price strategy	Corporate s.	n/a								
Price	Price review	Corporate	n/a								
Price	Price discount	Corporate	n/a								
Place	Design of the store	Maintenance	85% Customer satisfaction								
Place	Website design	IT	85% Customer satisfaction								
Promotion	Dev. Promotion strategy	Marketing	5%ROI								
Promotion	Implementation	Marketing	5% ROI								
Physical Evidence	Design product packaging	Production	65% Customer satisfaction								
Physical Evidence	Online engagement	PR	55% Customer satisfaction								
People	Training	HR	100% Knowledge								

			retention rate								
People	Appraisal	HR	92% Efficiency								
Processes	Customer engagement	PR	44% NPS								

7.2 Performance for Metric

The marketing objectives focused on achieving a 25 percent increase in revenue. The performance metric will involve the revenue growth rate, where percentage growth is measured over time in the course of the 12-month. This will assess the revenue progress over time. The use of the Revenue Growth Rate as a KPI is important for Costa Coffee as it helps in performance tracking and can be effective in determining the performance of its new products in the market (Vuković et al. 2022). Secondly, the digital engagement will be measured using engagement rate as its KPI. The engagement will assess the total interactions and divide by the total number of followers. This will help in understanding the audience activity.

7.3 Adaptation

The plan will be adapted for continuous improvement through a feedback loop process characterized by a quest to achieve optimal performance. The process will take place on a quarterly basis with the aim of integrating lessons drawn from the monitoring of KPI to ensure the realization of overall marketing objectives.

8 Conclusion

Costa Coffee can realize its marketing objectives of achieving 25 percent revenue and increasing digital engagement by 20 percent by introducing a Ready-to-Drink (RTD) product focused on young professional urban dwellers residing in the UK. Achieving the objective demands that Costa Coffee advertise using celebrities while also selling through brick-and-mortar and its website.

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