

HOW EMOTIONALLY APPROACHED MARKETING STRATEGY AFFECTS CUSTOMER LOYALTY FOR A CAFE

Nerdy Bean Coffee Haus

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Submitted for Partial Fulfillment of the Requirements for the degree of
Bachelors of Business Administration



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Internship Report Approval Form

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INTERNSHIP/PROJECT INFORMATION

Internship

Organization: Nerdy Bean Coffee Haus

Internship /Project Report Topic: Emotionally approached marketing strategy affect customer loyalty for a cafe

Term (Tick one):

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SUPERVISOR APPROVAL

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☐ Full

Remarks (For Not Approved): _____



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Acknowledgement

With great gratification, I would like to acknowledge the contributors of my internship report on “How emotionally approached marketing strategy affects customer loyalty for a cafe” at Nerdy Bean Coffee Haus.

First and foremost, I would like to extend my gratitude towards my internship supervisor [Ms. Rumana Liza Anam](#), who guided me through my internship experience and report writing, without her direction the report would not have retained relevant and appropriate information.

Secondly, my organizational Supervisor, Masru Hasan Kamol, not only taught me the functions and history of his organization but also the etiquette of formal communication in the workplace. He has been an influential contributor to my report and a generous guide of my internship experience.

Thirdly, I would like to thank my colleagues who have spent a lot of time teaching me and guiding me in an unfamiliar environment.

Lastly, I would like to express my gratitude towards all my teachers who taught me valuable lessons throughout my time at the university, and my family members who cultivated an inspiring environment to chase my dreams.

16 January 2022

Rumana Liza Anam

Assistant Professor | School of Business

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Dear Madam:

Subject: Submission of Internship Report

I would like to present my internship report based on the topic “How Emotionally approached marketing strategy affects customer loyalty for a cafe”. This report is an imperative part of my internship experience. I have put considerable effort into this report to make it informative and relevant to the experience I have gained at a business organization.

I have prepared and put the best of my skills into this report to make it formal and complete. If you need clarification on any parts, please let me know.

Sincerely yours,

Subah Salsabil; ID 173011029

School of Business; Marketing

Executive Summary

This report attempts to look at the relationship between emotional marketing strategy and customer loyalty as a response. The internship program was done at “Nerdy Bean Coffee Haus”, a growing start-up cafe business.

The report is divided into two parts, Internship Experience, and Research Project.

Part A: The internship experience has three chapters. The first chapter explains the organization’s profile and analysis of the organization’s competitive forces and threats and opportunities of the organization’s internal and external environment.

The second chapter describes the role and responsibilities of me as an intern and what I have experienced during my internship program.

The third chapter concludes with recommendations based on observations of daily operations done during the internship.

Part B: The Research Project has four chapters.

Chapter one defines the research proposal and the objective behind the research proposal. Chapter two discloses the literature review of existing research which are closely related to the research proposal. Chapter three unravels research methodology and findings, while the last chapter provides recommendations based on the research findings.

The research discovers that establishing emotional connections with customers often result in revisiting/repurchasing from a brand, which in turn can influence loyalty in customers but not necessarily that they will give up other options (other cafes) in their list.

There are also other aspects of customer loyalty and one of them is customer relationship strategy.

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Part A: Internship Experience

Chapter 1:

1.1 General Information of internship:

Organization name and tagline:	Nerdy Bean Coffee Haus - <u>Let's Brew Stories</u> 35 Rd No. 2, Dhanmondi, Dhaka 1205
Department of internship:	Operations Department
Internship Supervisor at the Organisation:	Masru Hasan Kamol; Managing Director Phone: +8801933-321112 Email: kamol.vantage@gmail.com
Internship Supervisor at the Business Administration program	Rumana Liza Anam School of Business Bachelor of Business Administration (BBA) Master of Business Administration (MBA) Executive Master of Business Administration (EMBA) University of Liberal Arts Bangladesh
Duration of internship:	12 weeks

1.2 Organization's Background:

Nerdy Bean Coffee Haus is the first-ever library coffee shop in Dhaka, Bangladesh. It's 30 - 40 people accommodating space, including a smoking zone with seating arrangements, located in the underground of a high rise, Dhanmondi building. It was founded on 1st December 2018, with four store employees, one accountant, two managing directors.

Now it has a total of 11 employees, 6 of them are trained baristas. The organization has a steady income and its sales to cost ratio is decent. It is one of the hotspots in Dhaka for the younger generation (Gen Z).

Nerdy Bean started promoting books and coffee cultures right at the start. It is a hub for Independent young artists, writers, and musicians, as well as an aesthetic spot for a first date.

1.3 SWOT Analysis

SWOT analysis is a strategic management tool that indicates a businesses' strengths, weaknesses, opportunities, and threats. A business entity is constantly being influenced by its inside and outside environments and not all can be controlled or manipulated in the favor of more profit and less loss. SWOT analysis provides direction and purpose to business strategies. SWOT analysis increases awareness about the capabilities of a business and helps pinpoint where its weaknesses lie. Strengths and weaknesses mostly indicate the internal environment of an organization so they can be altered using strategies and tactics. Opportunities and threats come from an external environment where an organization singularly has no manipulative power. By identifying these, it can take advantage of the opportunities and set up protection against threats.

A list of appropriate strategic actions can be drawn up from the result of the analysis.

Strength

- Nerdy Bean has a range of homemade desserts that are very popular among its customers. Its authentic recipes differentiate it from other competitors.
- Nerdy Bean makes homemade condiments to use in their food items which is a great cost-effective and quality ensuring method
- Nerdy Bean offers the most affordable price range for coffee drinks after spending considerable time researching competitors pricing strategies
- The staff members are trained to create a comfortable and friendly atmosphere for the customers. Customer loyalty has a strong relationship with how customers are treated at the cafe. The staff members remember the faces of the regular customers, while they warmly welcome the newcomers as well.
- Nerdy Bean offers a wide collection of books to read at the cafe. Being a library cafe sets it apart from other coffee shops because this attracts the demography of people who are creative and geeky. Nerdy inspires a lot of art culture through their cafe. Famous local artists have had the opportunity to show off their work at the cafe.
- There are a good number of loyal customers who purchase at the cafe regularly. They are loyal to the brand and engage in word of mouth to popularize the cafe
- Nerdy Bean arranges live music events for local artists, which has a huge impact on Nerdy Bean's brand image and sales.
- Nerdy Bean has well-established networks with its competitors, other business entities, artists, and celebrities through its music and art events

Weakness

- Nerdy Bean has a lack of financial resources which limits its ability to expand to new branches, switch to higher quality raw materials, and a much-needed renovation

- It needs to increase its advertisement activity to boost brand awareness and create attraction. The social media graphical contents fail to capture and engage the audience's attention
- The range of drinks and desserts are smaller compared to competitors
- The difference in the quality of coffee is easily distinguishable with competitors
- Location of the cafe results in inadequate natural light. Besides the cafe cannot be seen from outside of the building, as it is on the basement floor
- Inventory management is neither structured nor properly supervised

Opportunity

- The cafe market is growing and the need is not declining with time. The extremely busy lifestyle of people creates a vacuum for more relaxing activities during their free time.
- There are opportunities to increase sales through online orders. There are tons of food delivery apps out there that provide home delivery services on behalf of restaurants.
- A new branch in Dhaka-North might increase brand image and sales. A new branch in the busiest commercial area will open new possibilities for Nerdy Bean
- Nostalgia will be one of the most valued trends for teenagers and young adults in 2022, which is in tune with the ambiance and brand personality of Nerdy Bean
- As online classes have come to a halt, Nerdy Bean has this opportunity to appeal to school and college students through digital banners, billboards, and leaflets
- Increase advertisement and selling through Instagram as it is becoming one of the popular platforms for placing online orders and socially engaging
- Networking with social media influencers will reach more audiences and influence preferences than traditional media or traditional advertisement

Threat

- There is a lack of alternative suppliers for imported raw materials in times of emergencies. Sometimes the cafe cannot provide certain items from the menu due to low inventory
- Employee turnover is high. After 4 years of business, only 2 employees have been consistent since the business commenced. Each time it costs time and resources to train new employees every so often
- The needs of younger consumers' demography keep shifting and trends change very fast for them. Their tastes and preferences are difficult to predict without directly communicating with them
- Cheaper coffee carts on the streets are becoming rising competitors in the market. They sell instant coffee drinks, provide limited seating in front of universities and offices. Even though the quality is compromised, it saves time and offers much affordable pricing.
- Existing competitors like North End Coffee Roasters or CrimsonCup have a great many loyal customers and a better ambiance to provide them. They have more than one branch in the competitive area, providing wider and more comfortable seating arrangements.
- Coffee addicts started brewing their own coffee at home since user-friendly and affordable coffee makers hit the market. People who visit coffee shops for authentic coffee choose to stay home as they have made it available to themselves.

Nerdy Bean Coffee Haus

SWOT Analysis

S Strengths	W Weakness	O Opportunities	T Threats
<ul style="list-style-type: none"> • authentic recipe • price advantage • trendy • strong network • loyal customers 	<ul style="list-style-type: none"> • financial aid • online presence • operational structure • product range • location 	<ul style="list-style-type: none"> • growing market • social media promotion • branching out • trend prediction 	<ul style="list-style-type: none"> • supplier scarcity • Strong competitors • affordable substitute products • home brewer • unpredictable trends

From the analysis, the strength of this business lies in its authentic recipes and providing a satisfactory service experience. Nerdy Bean has a price advantage over its competitors and Its ambiance is very on-trend. It has made a strong network with other local entrepreneurs and commands a circle of loyal customers.

Where Nerdy Bean lacks most is productive financial investments and aids. Sourcing finance would result in better quality products as well as better ambiance to attract more customers. The online presence has to be more engaging and sincere to captivate loyalty and goodwill. The operations workflow at the cafe should be more structured and supervised closely. The range of bakery goods and beverages is small and the quality of raw materials has room for improvement. Finding the cafe can be a hassle due to its unusual location.

As its cafe industry is a growing market, Nerdy has excellent opportunities up for grabs. There is huge potential in social media promotional and selling campaigns. The brand name is popular enough to have more than one store in Dhaka. Nerdy Bean always appealed to the younger generation and the new upcoming trends will open new doors to connect with them.

Nerdy has always struggled to keep up with the supplier negotiations. With time, more small business importers entered the market that saturated the suppliers' industry. Collaborating with new businesses to

keep them as backup suppliers will help the business during emergencies. To fight off the cheap substitutes, Nerdy needs to become more available to its consumers. Strategic techniques like opening a drive-through or stalls in universities or corporate cafeterias can help fight off substitutes. While the competition is getting strong with international brands, people are choosing to try at-home gastronomy more and more. Nerdy Bean must offer more than just coffee and desserts if they want people to continue visiting the cafe; good ambiance, excellent service, satisfactory socializing experience are factors that can bring people out of their regular comfort zone and become a part of the cafe trend.

1.4 Five forces model (Porter's Model) analysis of Nerdy Bean Coffee Haus

Michael E. Porter's Model analysis worked wonders in understanding the competitive force the cafe is facing in the hospitality industry. The number of their competitive forces and the power they hold over their market says a lot about what the cafe needs to overcome to stay competitive and relevant to the market. Other than the competitors, Nerdy Bean Coffee Haus's suppliers, buyers, and potential competitors pack a lot of impact on the competition. Last but not least, the threat of substitute products can dominate the market against the cafe as well. An attractive industry would have high barriers at market entrance, weak bargaining power of buyers and suppliers, few substitute products, and fewer competitors. On the other hand, an unattractive industry would present high competitive forces, more substitute products, easier entrance to the market, and strong bargaining power of buyers and suppliers. In other words, industry rivals, threats of market entrance, threats of substitute products, and the bargaining powers of suppliers and buyers cumulatively have heavy repercussions on the competitive field of the cafe industry. Through identifying the industry's advantages and vulnerabilities, strategies can be made to exploit the advantages and overcome the vulnerabilities. The five aspects of Porter's competitive forces are described below:

The threat of New Entrants

When a market is highly profitable, it easily attracts new business opportunities, which in time renders the market highly competitive. If the market has high barriers to entry, the competitiveness will be moderate whereas low barriers to entry create intense competition.

Components of market barrier	Levels
Capital required	Low
Business operation cost	Low
Existing competition	High
Brand reputation/Patent Rights	High

Government Regulations	High
Switching cost of brands	Low
Customer Loyalty	High
The uniqueness of product/service	Low
The practice of “Economies of Scale”	High

The capital required for a start-up cafe is low and also easily manageable. Two partners can round up around 10 Lakh taka and open a cafe. The monthly operations cost can vary depending on the location and supplier, but it is amiable enough to inspire new entrants into the market. The market already has existing competition. There are more than five famous cafe brands, with a flock of regular and loyal consumers to each their own. The switching costs of brands are low and limited to conveyance fare. The cafes sell products that are economy of scale friendly, which means more production results in less cost; the products vary in slight changes in recipes, not on the raw materials, implying all the products across all competitors are similar. Each brand has strong patent rights and government regulations about health and food are very strict.

The market barriers for new entrants are mostly weak.

Bargaining power of suppliers

If suppliers hold more power in the market, continuing in that market can be highly risky. Suppliers can demand higher prices, withhold product supply chain or start their venture in the market and become a competitor.

For a cafe business, the primary suppliers can be categorized into three types: fresh grocery, dry/frozen grocery, and imported goods. Fresh groceries include tomatoes, lettuce, eggs, milk, chicken, fish, and vegetables. The suppliers for fresh groceries vary from Supershop Meena Bazaar to New Market fresh groceries. Dry groceries like sugar, oil, bread, etc. come from super shops and general stores. Imported goods like flavored syrup, coffee beans, chocolate, cheese, etc. are supplied to the market by a limited number of importers and super shops.

Power of fresh grocery suppliers

Components of suppliers bargain power	Level
Number of Suppliers	High
Possibilities of Forward Integration	Low
Number of Substitutes	High
Scarcity of resources	Low
Switching cost of changing supplier	Low

The bargaining power of fresh grocery suppliers is low. The market for fresh groceries is huge and competitive. There are substitutes for most of the fresh grocery products. The market is brimming with supply and the switching cost of suppliers is zero. Some of the suppliers are large enough to become a competitor but the jump between the two industries is too wide for it to come true.

Power of dry/frozen grocery suppliers

Components of suppliers bargain power	Level
Number of Suppliers	High
Possibilities of Forward Integration	Low
Number of Substitutes	High
Scarcity of resources	Low
Switching cost of changing supplier	Low

The bargaining power of dry/frozen grocery suppliers is low. They come from super shops and large general stores to maintain quality. There are plenty of other suppliers, and substitute goods available. Supplier switching cost is very low. Suppliers are unlikely to open cafes of their own.

Power of imported goods suppliers

Components of suppliers bargain power	Level
Number of Suppliers	Low
Possibilities of Forward Integration	High
Number of Substitutes	Low
Scarcity of resources	High
Switching cost of changing supplier	Low

The specialty beverages and desserts are made from certain imported groceries. For example, Caramel Mocha will require caramel syrup, brownies need to be made from rich chocolate, etc. The number of importers who can also be cost-effective wholesalers is limited. They have enough supplies and connections to enter the market as a competitor. The only way of substituting these products are either acquiring from local brands, which compromises the quality greatly or using homemade condiment. In the end, coffee beans have to be imported and there are no substitutes for them. The imported goods are hard to find at a sustainable cost in the market. Switching the supplier might cost nothing but the scarcity of the existing suppliers might make it difficult to switch at all. The bargaining power of the supplier of the imported goods is very high.

Paper cups, plastic lids, sugar packs, straws, paper carry-on bags, and tissue papers with logos are essential supplies for cafe operations and provide added value to the service. These secondary supplies are delivered by a selected distributor. The market for the operations supplies is similar to the fresh grocery or dry groceries market, highly saturated, and a lot of competition. The bargaining power of the secondary suppliers is low.

As coffee and desserts are the main features of a cafe, the power of imported goods suppliers holds the most importance. Their bargaining power, as concluded previously, is very high.

Bargaining power of Buyers

The bargaining power of buyers translates into how much buyers can demand in terms of price and quality and how much of that needs to be met to stay competitive. Buyers can ask for lower prices which means cutting down on the revenues; buyers can also ask for higher quality products at current prices, which will mean rising production costs. In both scenarios, profit is difficult to maximize. Factors that affect the bargaining power of buyers are explained below:

Influencing factors	Level
Number of buyers	High
Size of each order	Low
Switching cost for buyers	Low
Number of a substitute product	Low
Price sensitivity	Low
Possibility of background integration	Low

The average visitor of the cafe is 50 people daily. On special occasions and holidays the average number of buyers increases as well as on weekends there is a huge increase in buyers in the cafe. The size of orders does not often cross 3000 tk, which means one buyer's purchase decision does not have a mentionable impact on the business. Even though there are plenty of competitors, making the switching cost almost none, there is a lack of substitute products in the market. Buyers are not sensitive to price changes and the possibility of buyers joining the competition is very low. The demography of the buyers mostly includes students, artists, service holders. There are also entrepreneurs, who are already in a healthy competition with the cafe visiting as a buyer.

The bargaining power of buyers is low.

Threat of substitutes

If the substitute is close enough to the original product and found at a better price and quality, it poses a great threat to the industry as a whole. Besides, if buyers can easily switch to substitute without incurring any cost or effort, the industry will have to struggle to keep loyal buyers. In reality, the threat of substitutes can change the face of an industry.

Influencing Factors	Level
Number of substitutes	Low
Performance of substitutes	High
Switching cost	Low

The substitutes for cafe beverages are mainly instant coffee drinks, bubble tea, flavored smoothies, matcha tea, milk tea, apple cider vinegar, etc. The switching cost from coffee to tea is none and the performance or quality of substitutes is high. Although the availability is not very high and the popularity of coffee substitutes is poor, which indicates that the threat of substitutes is not very high.

Rivalry among existing competitors

The level of competition in an industry is the primary indicator of how difficult or easy it would be to enter a market and grab shares from it. Intense rivalry means acquiring and holding market shares is difficult. Comfortable competition means more opportunities and better hold in market shares for each competitor.

Influencing Factors	Level
Number of competitors	Low
Exit barrier	High
Industry growth rate	High
Product differentiation	Low
Competitors size	High
Customer loyalty	High
Threat to horizontal integration	Low
Advertising expense	Low

The cost of leaving the market would mean selling the machines at a very low price and finding the buyer would be difficult. Not more than 5 competitors dominate the cafe market. The products across these cafes are not very different from each other, because all cafes must carry some basic coffee drinks and desserts. The size of these competitors is very big. The most competition comes from Crimson Cup, North End Coffee Roasters, Gloria Jeans Coffees, they are internationally renowned cafe brands, which also have numerous branches throughout the city, and bands of loyal customers. The rivalry from the competition is intimidating.

NERDY BEAN COFFEE HAUS

Porter's Five Forces Analysis

**BUYER'S
BARGAINING
POWER**

- weak

**SUPPLIER'S
BARGAINING
POWER**

- strong

COMPETITIVE RIVALRY

- strong

**THREAT OF
NEW
ENTRANTS**

- high

**THREAT OF
SUBSTITUTES**

- low

On a positive note, the growth of the market is very high and the market is expanding fast. The cafe trend is becoming a more popular lifestyle trend and the market has huge growth potential. Customers are loyal and regular to the cafe they choose and the competitors do not have any records of horizontal integration since most of them are still working on their brand recognition and brand identity in the Bangladeshi market rather than focusing on mergers. Lastly, most of the advertisements are done on location and social media which incurs low cost. But occasional PR campaigns like celebrity endorsement reviews and event management on special holidays make considerable expenses.

The stronger the competitive force, the less profitable the industry becomes from either adapting pricing strategies to attract customers or raising the cost of production for better quality. The analysis above tells that the bargaining power of buyers and threat of substitutes is low while the market entry barriers are weak, suppliers have higher bargaining power, and rivalry among the competitors are intense. The analysis reveals that the competitive environment of the cafe industry is very intense and it is not an attractive market to be in.

Even so, the growth opportunity of the market and creating a new trend that integrates into consumers' lifestyles is lucrative enough to continue operating in the market. As it is a service industry, the experience provided by a cafe also should be part of the product's value. Creating a welcoming

environment and providing a well-managed service can stand out as a unique brand in the market to battle with high competition.

Chapter 2:

2.1 Intern's Roles and Responsibilities

I have completed a three-month internship at Nerdy Bean Coffee Haus. I have initially worked at the cash register and coffee counter for two weeks, then I worked at the operations department, being supervised by the managing director of the cafe for the rest of my internship. As it is a small business, my scope of learning did not stay limited to one single department. I have closely observed customer relationships, marketing planning, graphical content creation, budget making, inventory count, and employee management. My list of responsibilities was:

- Taking orders at the cash register and waiting on the tables
- Learning about coffee brewing with commercial coffee maker machines
- Cleaning tables after the customers leave
- Providing book recommendations to customers from the cafe's book collection
- Corresponding with the media manager and helping plan the social media contents
- Maintaining a checklist for cafe cleaning and maintaining health standards
- Keeping track of raw materials and making a list of weekly kitchen requirements
- Input transaction receipts from suppliers, debtors, and media partners digitally
- Placing orders over letters and telephone calls to suppliers
- Calculating employee salary from a biometric attendance system
- Providing guidance for the design of the membership card of Nerdy Bean loyalty program

Chapter 3:

3.1 Observations:

1. Work environment: The work environment is very friendly at the cafe as all staff members are eager to help and teach. The operational responsibilities are structured and well distributed among different levels of staff and they studiously do their part of the job and help others if they can.
2. Digital mode of work: Most of the cafe's transactions, paperwork, and correspondence are stored and run digitally. Employee attendance and overtime are recorded through a biometric fingerprint system. Employees are comfortable using POS systems to take orders, food delivery apps to track and prepare online orders, and write Excel sheets for inventory tracking. All staff are connected with the Managing Director through social media. Besides this, the previous official documents are slowly being converted into digital files.
3. Customer relationship: Customers are greeted with sincere warmth by the cafe staff. Customers are closely observed by stand-by staff who look to fulfill the need of a customer before they can ask, for instance, cleaning the table right after they are done with the food, providing matches at the smoking zone to customers who do not bring lighters with them. This is why loyal and regular customers have close and friendly relationships with the staff and the owner.

4. Professional etiquette: The staff and the management have a professional relationship between them. Everyone maintains a standardized chain of command and employee conflict is handled systematically. Team leaders periodically make rounds in the cafe to make sure everything is running smoothly. All staff members are at their best behavior during office hours as their behavior and personality influence the ambiance of the cafe
5. Specialized customer demography: Nerdy Bean attracts a lot of creators as their customer base. There are several hand-drawn artworks at the cafe done by its customers. Figure 1.0 is an example of the artworks. Musicians can bring their musical instruments and sing at the cafe. There are a lot of introverted book readers, who socialize with other introverted readers and writers at the cafe. The cafe provides an innovative and safe space for creatively talented people.

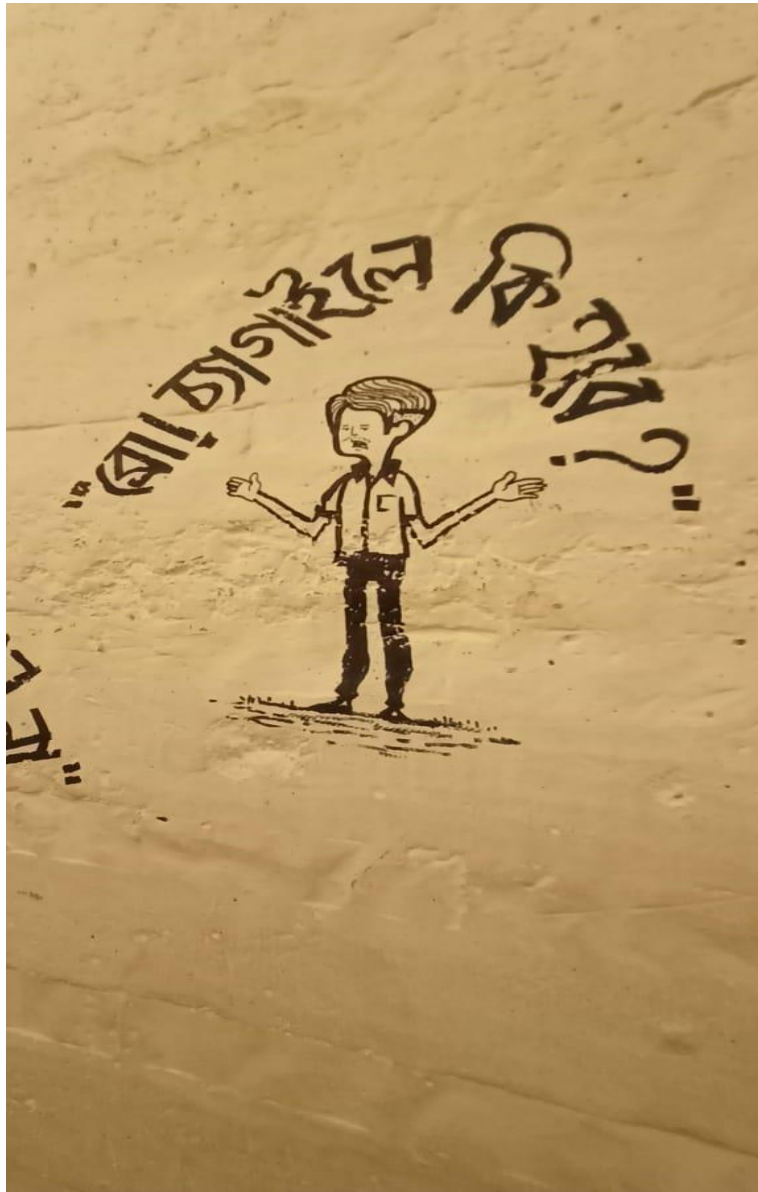


Figure 1.0

3.2 Recommendation

It has only been 4 years since this business started its operation. There is a lot of room for growth and modifications for this cafe. Based on the observations and experience from my internship, there are certain things I would like to recommend to the management as they move forward:

- The cafe should arrange for a renovation that suits new trends
- It should source better quality coffee beans to combat its competitors
- It should provide better benefits to the employees to minimize frequent turnover
- The online presence of the cafe should be more consistent and engaging, especially on Instagram and TikTok platforms as they are becoming more popular in recent years.
- Online orders from the cafe are only available on the Foodpanda delivery app. Online purchasing should be encouraged through affiliating with more popular food delivery services, as Pathao, HungryNaki, Shohoz, etc.
- Marketing strategies should be more consistent with the cafe's brand personality. Digital contents should be made keeping the target demography of the cafe in mind.
- The business can give out free samples to students and service holders near their universities and workplaces to encourage brand reputation and popularity
- Nerdy Bean can form a private social media group especially for its customers and incite networking through discussion of books and art culture. This way people can have a personal connection with the business.
- The cafe should hire a research team to predict success in opening new branches across Dhaka city
- The cafe can collaborate with popular local bakers who operate online and provide shelf space for their desserts and baked goods. This will broaden the target customers as the followers of the entrepreneurship will also become interested in purchasing from the cafe.

3.3 Conclusion

The internship experience was necessary for me to draw the bridge between academic theories and practical experience. Theoretical techniques have multiple forms of practical implementation that can only be experienced by being at a workplace. Customers are unpredictable and unique, at the same time they belong to a demographic group based on common behavior and emotions. A business organically utilizes the knowledge of their targeted groups' wants and needs using the resources available to them. A business organization must have unique aspects to attract customers, but only that cannot cultivate brand loyalty in the long term. It must maintain a consistent brand image and long-term excellent customer relationships to establish loyalty from customers. There will be a lack of resources and unpredictable threats from both inside and outside of an organization. In the service sector, the skills of personnel are, Attention-grabbing and face-to-face conduct are two of the most significant influential factors; the uniqueness of providing the service experience makes competition very difficult. Even so, Nerdy Bean Coffee Haus has the potential to grow in the market and create a popular brand image for itself, given they keep up with their target customers' emotional and recreational needs.

Part B: Research Proposal

Chapter 1:

1.1 Internship Proposal:

How Emotionally approached marketing strategy affects customer loyalty for a cafe

1.2 The objective of the study:

Cafe culture originated in Turkey and became popular in Western Europe and Eastern Mediterranean in the 16th century. For the past years, it has become an integral part of the city lifestyle in Bangladesh as well. Emotional marketing is said to be the most successful in the sub-continent areas; The objective of this project is to understand the relationship between the attempts of emotional marketing done by a business and the customer loyalty to said business. This project should open doors to accept emotional marketing as a successful technique to gain customer loyalty. Similar marketing techniques can be applied to integrate brand loyalty for other businesses as well. Bangladesh is a fairly new country compared to the rest of the world, it needs diverse businesses to grow to flourish the economy and create jobs. Currently, the entrepreneurs are more inspired by unique business ideas and trends, as they are connected with the entire world. Their ideas are new and bold, but their intention to start a new business is genuine. Letting these small, independent businesses grow and become stable, is a timesaving approach to achieving economic equilibrium for a country.

1.3 Emotional Marketing Approach of Nerdy Bean Coffee Haus

Besides traditional marketing channels like social media, Nerdy Bean enhanced its marketing strategy by integrating specialized service experience to ensure the loyalty of the customers.

- The cafe has an authentic and retro interior design and carries a lot of popular books. In 2017, the trend of young adults going to different restaurants and taking pictures for social media was peaking and Nerdy Bean provided a beautiful spot to take pictures and meet up with friends (See Figure 2.1 and 2.2). Slowly, the crowd subsided but the consumers who truly appreciate a nostalgic image stayed behind as loyal customers.
- Nerdy Bean is designed to host both small and large groups. The purpose behind the design is to create an inviting space where groups of people can come together, exchanging thoughts and ideas. This strategy can manifest an attachment to the place where beautiful ideas were born.
- How the staff interacted with customers is one of the primary marketing strategies of the business. For example, the barista will exchange names with the customers at the cash register and call them out by their name when serving them. Name exchanging is the first step in making personal connections with another person. Also, it creates a window for future interactions.
- The tagline of Nerdy Bean Coffee haus is “Let’s Brew Stories”. The brand’s image represents nostalgia and emotions of their target consumers as they create memories.



Figure 2.1



Figure 2.2

- On the more traditional aspect of its marketing efforts, the social media graphical content rouses positive emotion (See Figure 3.1 and 3.2). The emotions behind the contents are inspirational. It focuses less on the quality of the product and more emphasis on the experience consumers will retain when they visit Nerdy Bean cafe.

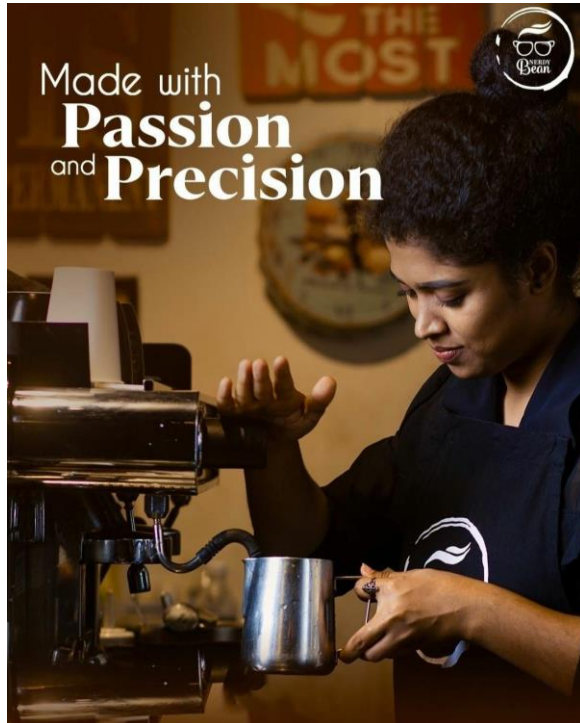


Figure 3.1



Figure 3.2

- Lastly, the brand has also implemented celebrity endorsement. The managing director has excellent connections with famous local celebrities like artists (Morshed Mishu, Rongon, Arko_draws) musicians (Arekta Band, Black, Zuri Zulfiquir, The Hookies), and social media influencers (_greeho_, book_o_noia, Nazzcat_furball, Zarif Kabir). Their presence at the cafe and their online activities mentioning the cafe generate a lot of exposure.

1.4 Sampling Method :

The target population was approximately 15,000 people of all genders and some different races, based on the organization's social media followers.

In the two weeks of the interview, 50 - 60 customers come to the cafe per day, 20 of them are regular customers.

The sample size targeted was 100 online questionnaires and 5 face-to-face interviews. On the online survey, random sampling was used, while face to face interviews was done by Purposive Sampling, as by the end of the 4th week of observing the customers, volunteers could be approached in a way that at least one person from a different all age group, occupation, and spending capacity can be interviewed.

1.5 Methodology:

The online questionnaire was done using Google Forms. The data from the face-to-face interview was written by hand as the interview progresses. Later they were compiled into a spreadsheet for analyzing and producing reports.

The research contains primary data from the internship experience and interviews, secondary data from research articles and social media. The source of data are the customers visiting the business premises, people who follow and interact with the business online, employees, and the organization supervisor. The method of qualitative data collection mostly included close observation of the marketing strategy and the business operations. Quantitative/statistical data was collected via questionnaires and interviews.

Chapter 2:

2.1 Literature Review

Customer loyalty is related to satisfaction and subjective well-being. Customer satisfaction is of paramount importance in the service industry. The meaning of customer satisfaction is a comparison between the customer's perception and expectation of a business and to what extent their expectations are measured up to reality. Satisfaction itself is not quantitative and subjective to all. Luckily, consumers can be unified globally into groups based on their purchase behavior and food habits (Maciejewski; Kita; Ozimek; Szlachciuk, 2021). Therefore there should be certain aspects and factors that are significant in customer satisfaction of the service industry. Simultaneously, subjective well-being gives the customers a sense that, by seeking service from a service they have had a relaxing, satisfying, and quality experience that impacts their psychological well-being. This is another branch of customer satisfaction from a broader perspective.

Satisfaction influences a customer to become loyal to a brand (Seong-Soo; Ji-Soo; Dong-Hwi, 2018). The aspects of customer satisfaction have been prodded in many works of literature, discussing from different perspectives. The significantly influential factors range from store atmosphere to consumer demography; Which drives customers to make the final purchase decision. Some factors make very little difference in customer satisfaction. When customers find a consistent satisfactory experience with a certain brand, in time they become regular and loyal customers who also become a source of word of mouth.

Overall, it paints a picture of customer satisfaction building into customer loyalty, translating as making purchasing decisions from a certain brand bound by emotional attachment.

Customer's demography can help predict their purchasing decision. Whereas people from the better financial condition have satisfactory and balanced food consumption, a financially unstable population has different consuming habits. The number of family members, head of the family, philosophical views, personal choice, etc. will differentiate among different types of consumers and their food habits (Maciejewski; Kita; Ozimek; Szlachciuk, 2021). This means some demographic groups can afford to make regular purchasing decisions to become loyal to a brand, they belong from a social class where they have to maintain a certain level of living standard, which is reflected in their purchasing behavior, they are looking for a specific type of lifestyle that is most suitable to them. To connect to them emotionally, a brand needs to reflect their target consumer's philosophical views and personal choices through marketing management.

People who do have the lifestyle of going to coffee shops or dessert cafes have a scale to evaluate their visits. A cafe offers a place to hang out with friends, take pictures, finish up leftover work or studies, and a spot for a romantic evening. Loyal customers become part of a community, united by the same brand. A cafe does not just cater to hunger but also offers a hedonic (experience relating to entertainment and fun) and subjective well-being value proposition. If the entire experience of going to a dessert cafe makes customers feel happy and helps relieve stress, a customer's hedonic need is fulfilled. Other than hedonic needs, regular visits to a dessert shop also increase life satisfaction, life quality, and psychological well-being, which in short caters to customers' subjective well-being. A cafe is a great outlet to meet like-minded people and socialize. In short, hedonic value propositions and subjective well-being out of one experience can create customer satisfaction and loyalty towards the brand (Seong-Soo; Ji-Soo; Dong-Hwi, 2018).

Store atmosphere plays an important role in the overall cafe experience. To create the perfect atmosphere for a cafe, one must know what their customers expect from them. The cleanliness of a store, the layout, the background music, lighting, temperature, and level of the crowd, all work together to create a store's atmosphere. High school and college students who frequently visit cafes to finish up their school work or meet with their friends need a friendly atmosphere to be able to do so. Other than school-goers, women aged from 21 to 25 frequent cafes to take pictures and maintain an outgoing lifestyle; they also need a safe and comfortable environment to be able to attain their goals (Prawati and Yasa, 2019).

A store's interior can drive in or drive out customers. But, the interior, lighting, and music are one part of the store's atmosphere. Employees who directly provide the services to customers can set the mood of a store experience. For a cafe, employees' positive attitude towards customers, intention to help the customers with their needs, and creating a welcoming environment for them will significantly contribute to the store's atmosphere. It is very important that employees who have direct contact with the customers are satisfied with their job enough to create a comfortable environment for their customers and improve on the service quality. Good quality of service ensures customer loyalty and results in the repurchase. (Devie; Tarigan; Widjaja, 2012). Generally, employees who are satisfied with their job, perform their duty passionately. When they deliver high performance, it automatically results in customer satisfaction or at least puts a positive perspective of the business in customers' minds. Employees at a cafe usually have an understanding relationship with loyal customers as they meet frequently.

Frequent customers who become part of the cafe-culture create a social identification relating to the cafe, in other words visiting the cafe creates a symbolic value for customers (Seong-Soo; Ji-Soo; Dong-Hwi, 2018). A brand name attached to a lifestyle can add value to one's life. As they become a member of a social group, they aspire to have a unique self-identity, which rotates around their social identity. Self-identity receives validation from social interaction thus binding a customer as a part of the cafe as it becomes part of their lives (Bilotti, 2011).

One of the prominent traits of cafe culture is socially interacting with peers and strangers in a common meeting place. Cafe-goers are connected through their favorite cafe and form social connections.

Customers can also connect to a business now through social media. High school students are heavily influenced by social media activities and trends; social media marketing tools can create influential content by asking their customers to be more active and inviting them to maintain a lifestyle full of activities, interests, and opinion sharing in a relaxing environment. (Prawati and Yasa, 2019). Social media posts that are endorsed by celebrities and incite attention and emotional appeal, can even influence

a customer's purchase intention (Sriram; Namitha; Kamath, 2021). Social media is currently the most popular platform for digitized marketing campaigns. It can create buzz for upcoming deals and events, make customers actively participate and comment on their platform, and even persuade them to visit the store. In-store marketing campaigns are advertised on social media to engage more customers.

To keep the customer engaged with a brand that turns to loyalty, the brand should hold an emotional place in customers' minds. Emotional appeal or emotional attachment towards a brand creates a relationship between the consumer and the brand. Emotional brand attachment causes people to create a positive long-lasting feeling and influence towards repurchasing from a brand. People are likely to be emotionally attached to a brand if the product engagement is high, using a certain brand raises self-esteem and creates a better public image for them (Bilotti, 2011). There can be a lot of layers to a product that actively engages the customers through the consuming process. Sometimes availing of a brand's service can make a customer feel important and boost their self-esteem. It also provides them with a sense of belonging to that part of the public, who also are loyal to the brand or at least have good things to say about the brand. It reflects on their persona as it creates an emotional attachment with the brand. The emotional attachment in turn becomes loyalty to a particular brand.

However, the purchase decisions of a customer are driven by other factors. Store atmosphere creates a positive emotional response and consumer's prospect of the store. The outlook of a store makes such an impact that consumers become customers. Same is true about social media marketing management. Attention-grabbing media content, emotionally appealing media campaigns, and celebrity endorsements arranged by marketing management can ensure influencing customers' intention to purchase. If/when purchasing from a certain brand increases their lifestyle, they will repurchase from the brand (Prawati and Yasa, 2019). Celebrity endorsement often appeals to customers' emotions as celebrities can hold a certain power over the hearts of their followers. A celebrity's seal of approval can immediately change a customer's purchase decisions.

What do not influence neither purchase intention nor customer satisfaction are, aesthetics or plating of food (Seong-Soo; Ji-Soo; Dong-Hwi, 2018), artfully creative content on social media (Sriram; Namitha; Kamath, 2021), and symbolic value proposition (Seong-Soo; Ji-Soo; Dong-Hwi, 2018). Customers are delighted when they have a beautiful latte art or a delicately decorated dessert but, it would not matter if the other influential factors do not match the expected standard. Secondly, creative content makes a stir on social media but that does not necessarily result in purchase intention or customer loyalty. Thirdly, attracting attention or representation of dignity plays a very little role in purchase intention or brand attachment/loyalty (Seong-Soo; Ji-Soo; Dong-Hwi, 2018). Symbolic value propositions can certainly become an average influential factor to satisfaction even though it is more likely that customers enjoy the symbolic value after they have become loyal to a brand.

Customer satisfaction and loyalty are directly related to how a business can appeal to their needs according to their demographic consumption behaviors, where financial condition, the structure of the household, age, and gender are aspects to consider. Providing customers an overall stress relieving and entertaining experience as they socialize and feel a sense of psychological well-being. Customers prefer a clean and comfortable interior with a friendly as well as cozy atmosphere inside the store, as well as a good relationship with the service providing employees. As the customers become regular at a cafe, they create a self-identification, make social interactions that add value to their life. As for influential marketing campaign techniques that can convince customers to become loyal are emotional appeal and

celebrity endorsement. Customers become more emotionally involved with a brand when they get to engage with both the product/service and the brand itself.

Chapter 3:

3.1 Questionnaire:

The questionnaire is set in a way to understand the level of brand loyalty of the customers towards Nerdy Bean Coffee Haus; also to understand the demographic profile, impact of emotional marketing, level of customer satisfaction, and emotional attachment that in turn lead to brand loyalty or brand attachment.

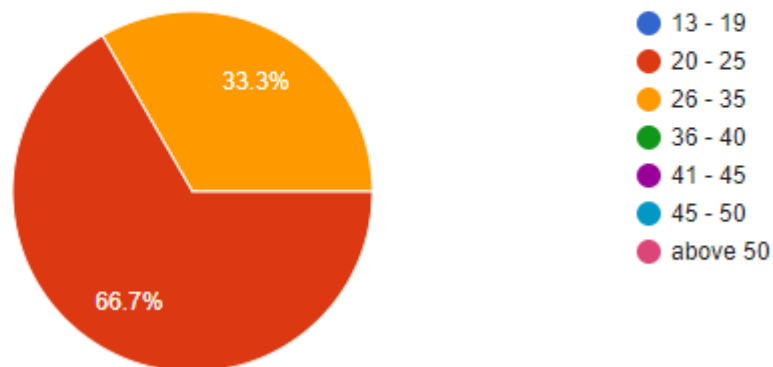
The questions can produce qualitative results using demographic questions, multiple-choice questions, Likert scale questions, and open-ended questions.

3.2 Findings and Analysis:

18 online surveys were filled up and 4 face-to-face interviews have been conducted. The results are discussed below.

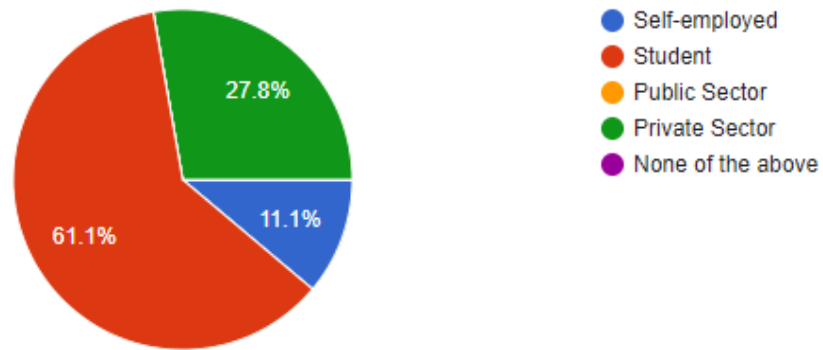
Please select the age group you belong to:

18 responses



Please check the box of your occupation

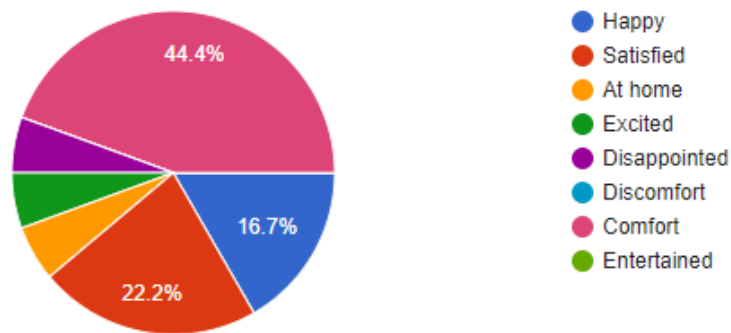
18 responses



Both online survey and interview respondents are aged between 23 - 35. Most of the respondents are students, the rest work in private sectors or are self-employed.

What emotion do you feel, considering your customer experience when you think of the brand “Nerdy Bean Coffee Haus”

18 responses



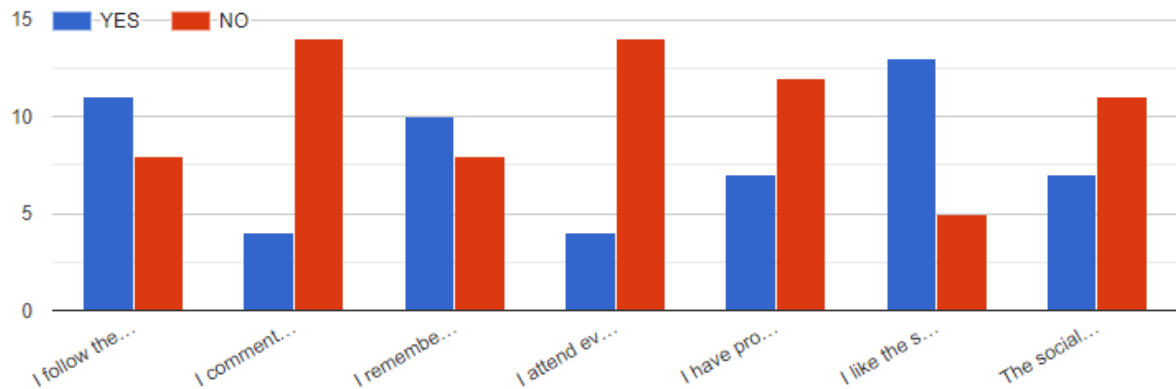
Please indicate your satisfaction level towards the following factors about Nerdy Bean Coffee Haus



This section of the survey looks into the level of satisfaction towards the cafe, and the influencing factors of satisfaction. The purpose of evaluating the satisfaction level of customers is to know whether customers are close to becoming loyal to the brand.

Both online survey and interview respondents indicated that they feel comfortable, happy, and satisfied with the brand. The ambience, staff behavior, food, and service quality are satisfactory while there is room for improvement in its online presence.

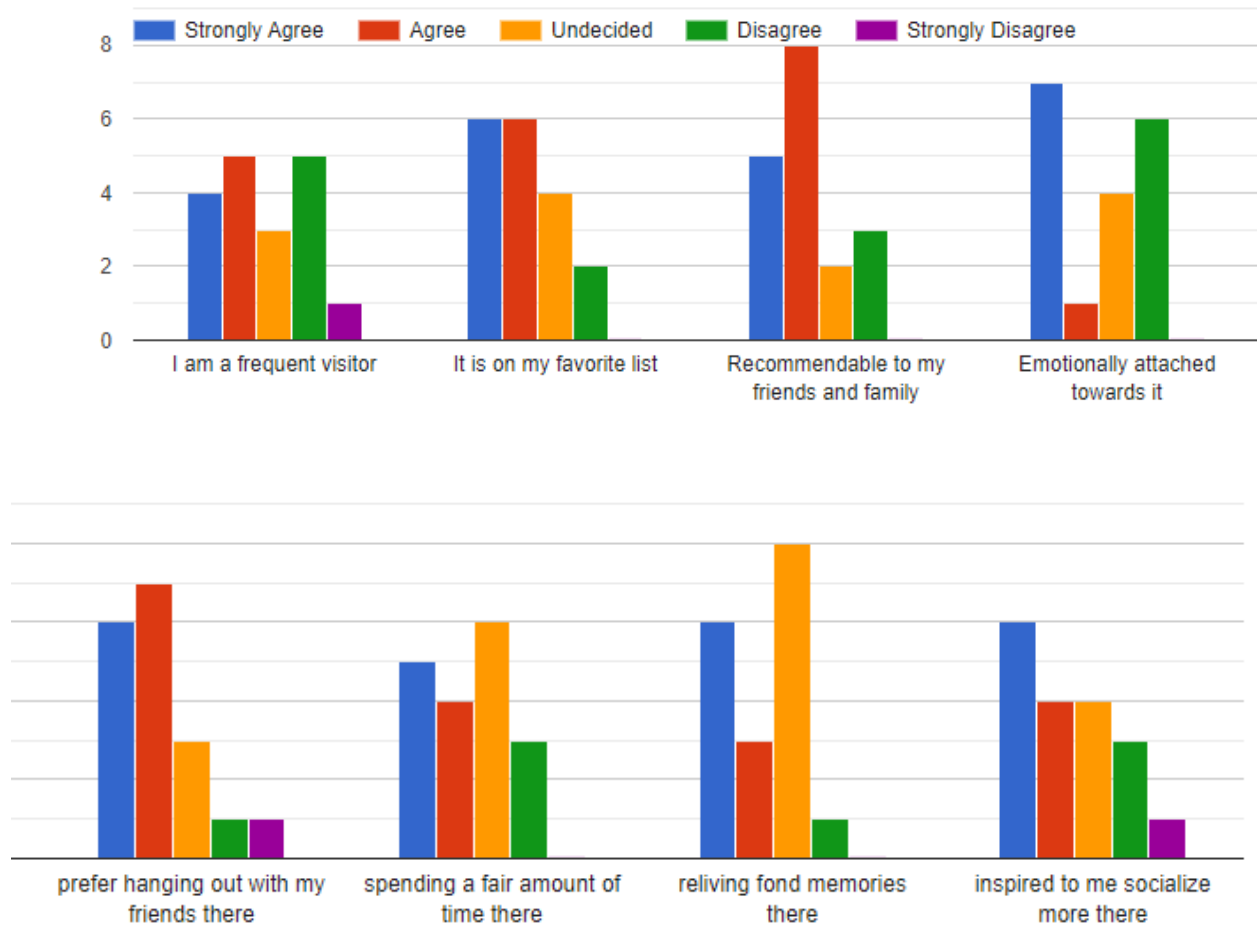
Please respond to either YES or NO to the following statements about Nerdy Bean Coffee Haus:



This sector of the questionnaire looks into the response of marketing efforts of the cafe on social media platforms (Q5, Appendix I). Actively communicating on a brand's social media platform is also another indication of brand attachments, which leads to brand loyalty.

Even though the respondents follow the social media platform of the brand, they are not actively engaging with the brand and are unaware of its online presence.

Please indicate, to what degree do you agree with the statements below about Nerdy Bean Coffee Haus



Please respond to either TRUE or False about the following statements about Nerdy Bean Coffee Haus:



The last segment of the questionnaire relates indicators of brand loyalty and if the respondents are checking the list of being loyal to the brand. Both online survey and interview respondents frequently visit the cafe, it is one of their favorite places to be, they bring friends and recommend it to others, it inspires them to socialize and it adds value to their life. Meanwhile, respondents also say that they have not built an emotional attachment towards the brand, their purchasing behavior is inconsistent, the familiarity with staff is not achieving as successfully as hoped and all the respondents would like to have other options (other cafes) in their list.

Chapter 4:

4.1 Recommendations

Based on the result of the survey, new aspects to achieve loyalty have been identified while current efforts should improve.

1. The online/social media presence of the cafe should be more bold and active. Other popular social media can be used like Instagram and Tiktok as mentioned earlier. It should understand the preferences of its target audience to catch their attention.
2. Customers should feel like they can communicate with a brand regarding their needs and feedbacks easily, preferably online. The brand has to open a channel of engagement by focusing on communicative social media content, something that incites comments, shares, and conversation.
3. Customers cannot have brand loyalty if they don't understand the personality. The brand needs to create a consistent brand image. Their offline experience and online experience need to be the same. The brand should focus on its missions, vision, and philosophy and correctly communicate it with its customers.
4. The products can be improved to inspire more purchase decisions. The new menu should be done based on thorough research on what the customers are looking for.
5. To create better staff-customer relationships, an online PR campaign can be arranged where customers get to know their baristas slightly better, while respecting their need for privacy (if so required by the barista), remember their names, and look forward to meeting them.

4.2 Conclusion

At the end of the research, it can be concluded that even if customers repurchase from a brand or provide references they still might not be loyal to a brand.

Emotionally approached marketing has a moderate influence on customer loyalty. Other factors work together to achieve customer loyalty, marketing efforts on emotions are only one of them.

The brand has strong resources to compete in the market, the customers have a positive attitude towards the brand. Given the resources and improvements, it can grow into a strong brand competing with internationally known brands in the market.

Appendix I

Questionnaire

1. Please select the age group you belong to:

13 - 19

20 - 25

26 - 35

36 - 40

41 - 45

45 - 50

above 50

2. Please check the box of your occupation

Self-employed

Student

Public Sector

Private Sector

None of the above

3. What emotion do you feel, considering your customer experience when you think of the brand “Nerdy Bean Coffee Haus”

Happy

Satisfied

At home

Excited

Disappointed

Discomfort

Comfort

Entertained

4. Please indicate your satisfaction level towards the following factors about Nerdy Bean Coffee Haus

	Disappointed	Moderately Satisfied	Satisfied	Highly Satisfied
The ambiance				
Food and Beverage				
Service quality and consistency				
Staff behavior				
Online presence				

5. Please respond to either YES or NO to the following statements about Nerdy Bean Coffee Haus:

I follow the brand on social media

I comment on the brand's social media

I remember the logo and slogan of this brand

I attend events based on their social media announcements posts

I have provided a review of this cafe

I like the social media contents of the brand

The social media contents inspire me to visit the cafe

6. Please indicate, to what degree do you agree with the statements below about Nerdy Bean Coffee Haus

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I am a frequent visitor					
It is on my favorite list					
Recommendable to my friends and family					
Emotionally attached towards it					
prefer hanging out with my friends there					
spending a fair amount of time there					
reliving fond memories there					
inspired to me socialize more there					

7. Please respond to either TRUE or False about the following statements about Nerdy Bean Coffee Haus:

The cafe added something new and exciting to my life

I want to try all the products of this cafe

I order regularly at this cafe

The staff at this cafe are familiar with me

I don't feel the need to go to another cafe

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