



CASE STUDY REPORT

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WHAT IS THE PURPOSE OF THIS REPORT?

This report is intended to show how Sunset Hill Stoneware's mugs and steins can be used as promotional products and merchandise for coffee companies. It details how one coffee roastery, Iron Bean Coffee Company, uses Sunset Hill Stoneware products to drive business and garner continued customer interest with creative designs for their mugs and steins. In turn, the fledgling roastery's revenue increased a projected 53% during its second year in 2018.

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Introduction to the Report



While most coffee companies center their business around the roasts they create, a large portion of their revenue comes from merchandising. Such is the case for Iron Bean Coffee Company.

Iron Bean Coffee Company was established in February 2017 after the owners, husband and wife Fred and Chanell Dedrick, spent over 18 years dreaming of opening their own coffee shop with a more interactive, human experience than traditional coffee houses. However, when a retail space and a food truck format proved to be financially unfeasible initially, they opted to start online, mailing craft-roasted coffee to customers and preparing the beans in their home. The bags of coffee frequently come with merchandise and other gifts, including hand-written notes from Fred and Chanell to drive the human

experience of their business for their customers.

In addition to still preparing some roasts in a cast-iron pan, they have since installed coffee roasting equipment in their home and begun producing new roasts on the machinery. This dedicated roaster allows them to produce 9 lbs. of fresh-roasted coffee every hour. They currently offer 10 different varieties of coffee, plus a Brew It Forward program that provides 4-oz. bags of gourmet coffee to those who either cannot afford a full 1-lb. or 5-lbs. bag, or have not yet been introduced to the brand.

To help promote Iron Bean Coffee Company and drive traffic to the brand's website, the Dedricks established pages on Facebook, Twitter, Instagram and other social media platforms. Iron Bean Coffee Company amassed a loyal following during their first year, with more than 7,500 followers on Facebook and 3,600 on Instagram at time of writing in July 2018. They have used these platforms to tell their brand's narrative story with their owl mascot, Nori, and her love interest, Dylan. They have also been telling these stories through their merchandise, including their mugs and steins.

Executive Summary

- Sunset Hill Stoneware's mugs and steins have helped Iron Bean Coffee Company grow its business since it first began using the products in November 2017. This report illustrates how Iron Bean Coffee Company experienced obstacles in the past with implementing their branding ideas through other promotional products.
- Sunset Hill Stoneware worked with Iron Bean Coffee Company to help bring its branding ideas to life on its mugs and steins, all while Iron Bean's projected revenue for 2018 increased by 53% over that of 2017.
- Since Iron Bean Coffee Company began using Sunset Hill Stoneware mugs and steins in late 2017, every new batch of 250 mugs released has sold out within one day. Fred attributes this success to his customers recognizing the quality of the mugs.



What Problem is Being Addressed

Customer service and creative obstacles got in the way of Iron Bean's goals.

Fred and Chanell promoted their new coffee brand using more common, lower-priced types of merchandise, including hats, travel tumblers and keychains during the company's infancy. Very quickly though, Fred noticed that the hand-feel began to dilute when they chose lower-quality products to support their brand and story. He and Chanell then decided to search for companies producing high-end promotional products for their brand.

The Dedricks tried working with other businesses that produce handmade ceramic mugs back when they were establishing their brand-new business. However, with time those companies were unable to accommodate the creative vision that Fred and Chanell shared using

Iron Bean's owl mascot, Nori. Fred reports that some of their more artistic ideas, including a right- and left-handed mug set with Nori and Dylan for Valentine's Day, were dismissed. Other companies were unable or unwilling to produce stoneware that was not specifically listed in their product catalog.

Fred and Chanell were also unhappy with their previous customer service experiences and said they felt like they were being ignored in favor of larger customers who viewed Iron Bean Coffee Company as competition, with their orders being repeatedly pushed back. With that, they sought out a company that was open to new ideas and willing to treat them more fairly than previous companies had.

The Context of the Report

Iron Bean Coffee Company owners Fred and Chanell Dedrick say that while providing coffee with a unique, human experience is at the core of their business, mugs and steins are a massive part of generating revenue. They also use the stoneware to help their customers feel like they are involved in a wider community.

The Main Problem

Iron Bean Coffee Company encountered many issues with product quality when using the services of other mug vendors. Additionally, the company had noticeable issues in its customer service experiences before switching to ordering most of its mugs and steins from Sunset Hill Stoneware.

Consideration Factors

For the Dedricks, the quality of the merchandise they sell supersedes all other factors. While price was also a consideration in their search for mugs, Fred and Chanell sought first and foremost to have a product with recognizable quality for Iron Bean Coffee Company's customers and fans.

Solution



Fred and Chanell's first encounter with Sunset Hill Stoneware came when they found a mug the company made for the Packers Pro Shop in Green Bay, Wisconsin. They liked what they saw, saying it was a departure from other types of stoneware mugs they had seen.

Afterward, Fred and Chanell browsed through Sunset Hill Stoneware's glaze gallery and contacted the company once they made a final decision. A member of the Customer Care team answered their message at 7:30 p.m., even though it was after hours and well into the evening. After talking with her, the Dedricks visited Sunset Hill Stoneware's facilities in

Neenah to see for themselves how their custom mugs would be made.

According to Fred, Sunset Hill Stoneware treated the Dedricks like they were one of their most important customers, even though they had never done business with them before. Sunset Hill Stoneware was willing to bring their cutting-edge brand story ideas to life. The stoneware company allowed Iron Bean Coffee Company to explore original ideas, which energized Fred and Chanell, engaged their fans and ultimately benefited their business.

For example, when Fred and Chanell developed the idea for a left-handed

and right-handed mug to sell as a set for Valentine's Day, Sunset Hill Stoneware was open to making this possible. Since then, they have developed designs that brought out the best in their creative strengths and Sunset Hill Stoneware's capabilities. Most recently, this has included a special version of our SwirlWare mug, featuring white clay blended with blue for a unique background while Nori and Dylan celebrate Independence Day with fireworks on the medallion with patriotic blue and red accents. Seemingly the only limits for Iron Bean Coffee Company are Fred and Chanell's imaginations.

Discovering Sunset Hill Stoneware

STEP 01

Iron Bean Coffee Company contacted Sunset Hill Stoneware at 7:30 p.m. expressing interest in working with them to make custom stoneware mugs for their company.

STEP 03

Fred and Chanell got on their motorcycles and visited Sunset Hill Stoneware in Neenah, WI to see the process of making the custom mugs for themselves.

STEP 05

Iron Bean Coffee Company's runs of 250 mugs or steins caught on and began to sell out in a matter of 24 hours.

Implementation



The process of developing Iron Bean Coffee Company's mugs began in November 2017 when Sunset Hill Stoneware worked with them on developing some new samples. At the time, Iron Bean Coffee Company wasn't even one year old yet.

Fred and Chanell started working with Sunset Hill Stoneware to develop limited edition steins to be paired with their Thor and Odin coffee blends. The Dedricks began selling their Thor and Odin steins on the company's website in January 2018. Since then, every new batch of 250 mugs they have released has sold out within one day.

Iron Bean Coffee Company has since developed special edition mugs and steins for more of its coffee blends, including the Fierce blend and more

releases that are still in the works. There have also been numerous holiday-themed mugs and steins featuring Nori and Dylan to help tell the brand's story and keep customers and fans wondering what will come next.

Fred says Sunset Hill Stoneware's mugs quickly became huge marketing props for the brand. The mugs and steins now make frequent appearances in Iron Bean's official photos, especially on social media where they attract more coffee lovers to their website.

Despite the fact that mugs and steins don't need to be replaced as quickly as coffee, Fred says that fans kept coming back to collect more mugs after they began sourcing most of their products from Sunset Hill Stoneware. Customers recognize the quality of their Sunset Hill

Stoneware mugs, which is one reason why the mugs sell out so quickly.

While Fred and Chanell do not plan to do mug sets again like they did for their first Valentine's Day run, they are considering offering alternative colors for their mugs. Always prioritizing the well-being of his customers, Fred was concerned that they were taking advantage of them by offering sets.

Fred and Chanell continue to choose Sunset Hill Stoneware whenever they're seeking to experiment with new mug designs with creative elements like accent colors or dual medallions. They are not afraid to approach Sunset Hill Stoneware with questions and are more than willing to pay for new options to give their customers a fresh, new concept to enjoy.

STEP 02

Sunset Hill Stoneware responded to Iron Bean Coffee Company immediately and began developing a relationship with Fred and Chanell.

STEP 04

Iron Bean Coffee Company sent designs to Sunset Hill Stoneware for a series of steins to match their Thor and Odin coffee blends, plus a right- and left-handed mug set for Valentine's Day.

STEP 06

Seeing the mark of their success, Iron Bean Coffee Company began working with Sunset Hill Stoneware to supply more special edition mugs for the future, further boosting their growing revenue.

Finish

IRON BEAN COFFEE COMPANY REVENUE

REVENUE



Results of Using Sun

As Iron Bean Coffee Company gains a larger following and grows its business, its revenue continues to see a meteoric rise. After discussing their business with industry veterans, Fred and Chanell discovered that the company's growth has been rapid compared to most coffee roasters.

Iron Bean Coffee Company's revenue has increased 53% in the year since its inception based on Fred's projections for 2018.

During 2017, Fred states that Iron Bean Coffee Company made \$170,000. It should be noted that since the company was not officially established until February, this number does not reflect a full 12-month fiscal calendar. For 2018, Fred projects with current numbers that the company will make \$260,000 in revenue. Additionally, he anticipates a strong Christmas season that could potentially bring in even more earnings.

Iron Bean's Sunset Hill Stoneware mugs sell out within a matter of hours in many cases, and their number of Facebook followers continues to rise daily. Currently, one of Fred's business goals is to sell out 500 mugs in one day. He and Chanell plan to continue fostering their growth outside the digital realm, too — the couple has converted an old military-grade truck into a coffee truck called The Roost. With it, they plan to hit the streets and sell their coffee, stoneware mugs and other merchandise in a shop on wheels at events to supplement their online revenue.

Despite this goal, Fred stated that he and Chanell do not want to lose sight of everything that is

happening in their online business, so the online store will still come first.

Without using Sunset Hill Stoneware's mugs to garner interest and sell as merchandise, Fred estimates that Iron Bean Coffee Company's revenue would be only half of what it is now. Iron Bean Coffee Company has numerous ideas in the works for producing new mugs to support this continuing revenue increase. Some of the ideas Fred wants to use for his next mug drops include Veteran's Day, Christmas, back to school and other non-holiday mugs. He and Chanell even have more potential roast-themed mugs in the works to build off of Thor and Odin.

Mugs are an important part of drinking coffee for most people, and even though there are cheaper-made mugs available, the high-quality look and feel of Sunset Hill Stoneware's mugs and steins allows Iron Bean Coffee Company to successfully command a \$25-35 price tag for their products while still feeling comfortable about asking these prices of their customers.

Sunset Hill Stoneware Products

ASIDE FROM SEEING RAPID FINANCIAL SUCCESS, IRON BEAN COFFEE COMPANY IS ALSO ACHIEVING THE DREAM IT WAS ORIGINALLY DEVELOPED TO FULFILL: IT'S BRINGING PEOPLE TOGETHER.



IBCC accredits much of its success to its fans.

Fred and Chanell said that Iron Bean Coffee Company relies heavily on its online fans in order to keep its business successful. In addition to the more than 7,500 followers the company has on Facebook, it also has a 1,400-member strong fan group called Iron Bean Nation. Members of the group are extremely loyal to Iron Bean Coffee Company, helping fuel its success even further. Fred says that the company is just the gunpowder — these customers help drive their goals.



Fans are quick to snatch up the mugs.

Fred and Chanell felt like they were initially taking a risk by using Sunset Hill Stoneware instead of its competitors. But, the high-quality mugs won over their fans, who ended up having a very diverse collection of stoneware for their use. Unlike mugs from other companies, Iron Bean Coffee Company's Sunset Hill Stoneware mugs don't become stale because Fred and Chanell are able to stretch their creative boundaries more. Fans notice that, and the speed at which the mugs sell reflects it.



Iron Bean Coffee Company's fans are coming together.

Previously, Fred thought that the members of the mug and stein collector groups on Facebook and other social platforms already knew each other outside of these groups. However, he was surprised to learn that the group members began connecting with each other through Iron Bean Coffee Company.



Conclusion

Iron Bean Coffee Company continues to see high demand for its handmade custom coffee mugs. Fred and Chanell even say that the stoneware is as instrumental to their business as their craft-roasted coffee. Fred continues to predict that their revenue will increase while they are using Sunset Hill Stoneware's mugs and is rapidly learning through trial and error which strategies are best for their business.

Even more, their goal of bringing people together has been realized: People have been connecting over Iron Bean Coffee Company's mugs and roasts in numerous mug collectors' groups on Facebook, Instagram and other social platforms. In July 2018, Iron Bean Coffee Company's fans hosted their first meeting in Michigan, with potentially more to come.

Benefits



Benefit no 1

Sunset Hill Stoneware allowed Iron Bean Coffee Company to display creativity with its brand on handmade, custom stoneware mugs where they had been limited previously.



Benefit no 2

Supplying high-quality stoneware mugs and steins helps drive a significant part of Iron Bean Coffee Company's business, to the extent that the stoneware generates roughly half of its revenue.



Benefit no 3

Sunset Hill Stoneware has a customer care team that goes the extra mile to make sure that every part of the ordering process goes smoothly before the mugs and steins are delivered to Iron Bean Coffee Company's door.

References

Dedrick, Chanell and Fred. Phone interview. May 7, 2018.

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