



### Abstract

River and Rail is a local café and bake shop owned and operated by Kim Baker in Huntington, West Virginia. The bakery is facing problems such as generating foot traffic, a small marketing budget, and an unknown route for growth. The primary decision the owner must make is how they should grow their business and how they should distribute their products to target customers.

The objective is to find ways to generate more revenue using a \$1,000 maximum advertising budget. The aim is to enhance services already offered by the cafe' while making them more visible to potential customers through small changes to their current marketing processes and low-budget marketing techniques.

### Introduction

Kim Baker, owner and operator of River and Rail Bakery has realized customer growth since opening in March 2011 through menu item expansion from pastries to breakfast foods and coffee and the inclusion of a lunch menu consisting of soups, salads and sandwiches. She has also began catering in-house and outside events with foods from her catering menu and with foods specially requested by customers. As this is a small business, finances are limited, so she is currently looking for ways to increase revenue and make the bakery less "invisible" to the public on a very small advertising and marketing investment budget. Kim Baker was recognized as the 2018 West Virginia Woman-Owned Small Business of the Year. She was recognized as a woman business owner who has continued to support the community, grow her business and contribute economically to the local economy.

### Method

The methodology for this qualitative and quantitative study was conducted through on-site personal semi-structured interviews with the owner. Outside interviews were done with current customers and potential customers of the cafe'. These interviews were performed to obtain relevant case study information. Business records and electronic databases, along with government websites were used for statistical information gathering purposes and to verify the accuracy of the case study problems and facts.

### Discussion

- **Challenges**
- Uncertain direction
- Inconsistent product pricing
- Business management inexperience
- Small marketing budget
- High waste and high labor costs

#### Competitive Advantages

- **Mission:** We were able to capitalize on Kim's mission to provide locally sourced café products to community conscious consumers and provide her with a strong mission statement of "Nourishing Huntington's Spirit and Soul"
- **Brand:** friendly, hospitable, community conscious, skillful
- **Core competencies:** location, experience, low rent, scratch made products
- **Value proposition:** She is welcoming and community centric. Her business improves the city by shopping for local products, supporting other local businesses

#### Client Goals

- Maximize visibility
- Increase foot traffic
- Create a plan of action to grow revenue

#### Market Position

- The consumers most likely to choose River and Rail are college students, business professionals, stay at home parents, and retirees
- Her target market is Huntington locals and Heritage Station visitors. The areas gradual decreasing population is a threat to her success
- These consumers desire high quality, reasonably priced foods, and have many comparable options in the area

#### Recommended Marketing Mix

- **Product:** Penetration strategy for both catering and café items is already being offered
- **Price:** A consistent pricing structure that is understandable to the consumer and is proportionate to the high quality raw materials she sources



- **Place:** River and Rail should utilize a direct distribution strategy with extensive distribution through café sales and outside catering
- **Promotion:** The recommended promotions to communicate their products are: Social Media (Facebook, Instagram, Twitter), an enhanced company website, customer word-of-mouth, increased community public event marketing, more significant signage at the restaurant and distribution of paper flyers to local businesses

### Results

- Posted more dining and catering pictures to the website to promote products and services
- Optimized website layout and hyperlink
- Changed the wording of their name to River and Rail to avoid being recognized as solely a bakery.
- Added a bar in the café for single seating option
- Implemented more noticeable signage
- Simplified menu choices with descriptions of offerings, creating a better visual effect
  - *Local eggs & cream with cheeses, scallions, & spinach in a flaky pastry crust. Served with a side of fresh fruit \$6.48*
- Adopted and advertised a new mission statement **"Nourishing Huntington's Spirit and Soul"**
- Revised their vision based on **FLOW**  
Freshly-prepared artisan products  
Locally owned, community focused  
Open to all, caring  
Warm, casual atmosphere

### Implications

Entrepreneurs can be reluctant to take advice from others about changing their business practices. Kim Baker of River and Rail accepted her lack of business training as a weakness for finding solutions to her revenue and customer growth problems. She openly sought help and was very receptive to new ideas. Our suggestions were welcomed and discussed in detail as she offered feedback and questioned their viability. This open mindset can help any business to recognize optimal performance.