

# Kudler foods – expanding their business towards catering

[Business](#)



Kudler Fine Foods is a rapidly expanding public alimentation business in California. They organize their activity within three retail stores: the first in La Jolla, the second in Del Mar and the third one in Encinitas. Kudler products are mostly fine products, and the customers are being provided with numerous delicatessens. The net advantage that separates Kudler from other competitors is represented by the relatively low prices. Kudler's policy is to insure the best quality of their products at affordable costs.

After having registered impressive success on the market, Kudler is now considering launching into the catering business as well. This means that the producer would have to acquire additional space, employ certified chefs and distribute the food to several social events. Investing in such a business opportunity implies a multitude of risks. Therefore, prior to starting a catering business, marketing specialists need to analyze the market and develop a plan for the business.

### The Marketing Mix

The marketing mix is a combination of four crucial elements, also known as the 4Ps: product, place, price and promotion. In order to insure the success of its strategy, the manager at Kudler Fine Foods needs to base his decisions on the effects that these four elements generate upon the targeted market.

### The Product

The catering product offered by Kudler is a complex one as it is both a product as well as it is service. The product is represented by the actual

food presented to the customer and the services are the making of the food and its delivery to the address requested by the customer.

Regarding the product, the manager has to make several decisions, such as: brand name, functionality, styling, safety, quality, packaging, warranty, accessories and services. (NetMBA, Business Knowledge Center).

The Kudler catering products are mostly designed for two occasions: social events and lunch meals for employees. The main characteristics of both types of products are similar, in the meaning that they are meant to appease one's hunger. However, in the case of employee lunch, the foods would have a simple consistence whereas in the case of social events, the order would be more sophisticated, consisting of numerous delicatessens, rare appetizers and desserts.

The catering products would be distributed under the name and exclusive approval of Kudler Fine Foods Inc. The quality of the products would be in perfect accordance with the repute gained so far by Kudler: high and irreproachable quality.

The packaging of the food would be Kudler's responsibility and they would contract a company specialized in manufacturing packages. These could be personalized for each occasion and they would definitely have written on them the caterer's name and contact details.

The warranty of alimentation products is a sensitive issue within caterers and their clients. Considering that the products are prone to rapidly deteriorate if kept in inappropriate conditions, the supplier has the moral and legal

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obligation to inform the customer of the conditions in which to properly preserve the food. If the customer respects the supplier's indications and the food still goes bad, the caterer will either replace it, either return the customer their money.

Finally, the accessories and services provided by Kudler could include additional spice, pickles and drinks, dishes and table linens or trained personnel to wait on the guests. The additional charge for these accessories and services would be pre approved by both customer and caterer.

The price of the products

When it comes to determining the price of the catering products, the manager needs to decide upon several issues, among which are: pricing strategy, suggested retail price, establishing the volume of discounts and wholesale pricing, cash and early payment discounts, seasonal pricing or price flexibility (NetMBA, Business Knowledge Center).

In order for Kudler Catering to benefit of a successful launch and gain as many customers as possible, they should implement pricing with 5% lower from the prices promoted by their competitors. Such a strategy would not raise significant difficulties for Kudler as the community already acknowledges them as a provider of high quality products at decent cost. Therefore, the catering products would easily offer customers an effective report quality price.

Even if the prices are to be lower than those promoted by competitors, they should be established based on the company's costs. In this order of ideas,

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the price of the products would enable the producer to financially remunerate their staff, pay all fiscal obligations towards the state, repay the supply debts, grant the ability for further material purchase and insure a significant profit.

For a successful promotion of the products, Kudler would also grant their customer several discounts. The usual remuneration method would consist of an advance of 25 to 50%, and a further payment upon the delivery. However, if the customer is willing to allocate the supplier the entire amount of money instead of just the advance, the caterer would grant them a 5 to 10% discount (depending on the amount of the ordered products).

#### Place

Placing the products implies finding appropriate means and channels for successfully distributing them. The Kudler Fine Foods manager has to decide upon the following problems: distribution channels, market coverage, specific channel members, inventory management, warehousing, distribution centers, order processing and transportation (NetMBA, Business Knowledge Center).

The catering products would be manufactured and initially stored within Kudler's space. An hour prior to the event for which the products were ordered, the caterer would have them transported to the customer where they would be prepared for the guests. The order processing and transportation would be entirely the responsibility of the producer.

#### Promotion

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Promoting the catering products on the market implies a constant communication with the target audience and the means of getting their attention and generating a positive attitude towards the products. Among the issues regarding promotion are: promotional strategy, advertising, personal selling and sales force, public relations and publicity (NetMBA, Business Knowledge Center).

Kudler would use most of the available media channels for promoting their new business. They could contract an advertising company to be in charge of their promotional campaign. They could develop commercial advertisements that could be seen on television or radio announcements. Also, they could order spreading out fliers and organize sampling sessions.

Aside from the advertising campaign, the producer would establish a 24 hour PR department in charge of receiving telephone calls from customers. Kudler employees would register all requests and complaints from clients and forward them to their colleagues and superiors.

Target market and technology

The Kudler catering target market is composed of two categories: organizers of social events and company managers who wish to order the products for their employees' lunch. The second category is a less pretentious one and does not require highly specialized production technology.

On the other hand, catering for social events demands hi-tech gadgets and a high quality of the foods served. In order to successfully cater social events, Kudler needs to possess several hi-tech devices such as highly specialized

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kitchen and industrial robots. Not only do these machines improve the overall quality of the final products, but they also save a significant amount of time and energy for the producer.

#### Kudler catering and organic growers

For several years now, the usage of organic growers in cultivating agricultural products has been a widely disputed issue around the globe. Supporters of organic growers argue that the quality of the resulted vegetables is significantly better than the quality of the vegetables grew in the classical method. Moreover, they state that the organically grew vegetables have better chances of developing in unfriendly weather and soil conditions. They say that “ organic crops perform up to 100 percent better in drought and flood years” (The New Farm Research).

On the other hand, disclaimers of the artificial soil fatteners argue that organically grew vegetables generate negative effects upon the consumer's health. They believe that long term exposure to organic growers could lead to incurable diseases and even death.

Given the multitude of arguments in favor and against organic growers, the reactions of Kudler's customers would be diverse: some would agree, some would disagree and some would be indifferent. In order to satisfy their clientèle, the catering company could discuss this issue with the order deponent and allow them the choice of the kinds of products and vegetables to be used for their event.

#### Conclusions

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Kudler Fine Foods is a company that has, in a relatively short time, gained the trust and respect of customers. With their three stores opened in California, they proved their commitment and understanding towards the clients' needs by presenting them with high quality products at decent prices.

Today, Kudler is considering launching their company onto the catering market. By maintaining their effective report of price and quality, aided by their acknowledged reputation and the support of a well trained marketing team, Kudler is prone to register successful outcomes.

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