

Wendy citrarasa



PT. WENDY CITRARASA Alexandre Richard Arief Putratama Said Ryandiaz
ACCOUNTING - 4 [pic] Campus BSD - City Bumi Serpong Damai - 15321
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ACKNOWLEDGEMENTS First of all, we would like to thank God Almighty for His blessing during the process from the start until the end of the interview at PT. Wendy Citrarasa. Our group would also like to thank PT. Wendy Citrarasa, who managed to spare us some time for the interview and provide resources in order to finish the project. Especially to Mr.

Ipeng Widjojo, the owner of Wendy's for this opportunity. The knowledge came from this project has been a great opportunity on a real business example on a corporate marketing. Author also thank to Mr. Bernadus Agus Finardi (Swiss German University Marketing lecturer) for his assistance towards the project. In the end, we would like to apologize if there is any unintentional mistakes. It is our deepest expectation that this project paper may broaden up the knowledge of the readers and we appreciate any feedbacks. Thank you. BSD City, 2011 abstract PT. WENDY CITRARASA his paper are a compilation of what the student had learn during in class session with Mr. Bernardus Agus Finardi, and the interview with Mr. Ipeng Widjojo as the Head of PT. Wendy Citrarasa. The purpose of this paper is to make student able to understand more about marketing theory, and the marketing behind PT. Wendy Citrarasa. The interview was held on 26th may 2011 by Mr. Ipeng Widjojo himself. This project is expected to be submitted on 10th june 2011. The group are expected to analyze the real case in indonesia from the perspective of Customer Driven Marketing Strategy.

The extends of the topic includes some chapter in the Principle of Marketing book which are Company General Overview, Marketing Environment and Analysis, Marketing Strategy, Marketing Mix, Customer Driven Marketing Strategy, New-Products Development, Pricing Products: Understanding and Capturing Customer Value, and Advertising & Public Relations. a. Background

1. TOPIC'S BACKGROUND Fast food refers to food that can be prepared and served quickly. Fast food restaurants usually have a walk up counter or drive-thru window where you order and pick up your food.

There is a lot of international fast food restaurants in Indonesia such as McDonalds, KFC, Burger King, and many more. Wendy's Old Fashioned Hamburgers (simply known as Wendy's) is an international fast food restaurant founded by Dave Thomas on November 15, 1969, in Columbus, Ohio, United States. The company decided to move its headquarters to Dublin, Ohio, on January 29, 2006. As of March 2010, Wendy's was the world's third largest hamburger fast food chain with approximately 6, 650 locations, following McDonald's 31, 000+ locations and Burger King's 12, 000+ locations.

On April 24, 2008, the company announced a merger with Triarc, the parent company of Arby's. Despite the new ownership, Wendy's headquarters remained in Dublin. Previously, Wendy's had rejected more than two buyout offers from Triarc Companies Inc. Following the merger, Triarc became known as Wendy's/Arby's Group, a publicly traded company. (RUPSLB), which was held on August 10, 2010. PT Wendy Citrarasa is the firm that covers all the Wendy's franchise in Indonesia. Currently, it is owned by Ipeng

Widjojo, who had studied in the Boston University back in the early 1990s 2.

Interview Purpose

The purpose of the interview is to make student understand about marketing in reality and to make student learn about the process in the company. Added on, it will give student experience which be useful for student's future. 3. methodology This report is a combination from what the writer has learned from university and during the interview period with Mr. Ipeng Widjojo 1. 4 Theory review According to some reliable references, Marketing is " the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing is a product or service selling related overall activities. It generates the strategy that underlies sales techniques, businesscommunication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. Marketing is used to identify the customer, satisfy the customer, and keep the customer. With the customer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management.

Marketing evolved to meet the stasis in developing new markets caused by mature markets and overcapacities in the last 2-3 centuries The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable. Marketing is used to identify the customer, satisfy the customer, and keep the customer. With the customer as the focus of its activities, it

can be concluded that marketing management is one of the major components of business management. 1. 5 company general overview

Wendy's/Arby's Group, Inc. is the nation's third largest quick service restaurant company and is comprised of the Wendy's and Arby's brands, two companies distinguished by traditions of quality food and service. The company, with approximately \$12 billion in system-wide sales, owns or franchises over 10, 000 restaurants. Approximately 77% of Wendy's restaurants are franchised, the majority of which are located in North America. Wendy's and its affiliates employ more than 46, 000 people in its global operations. In fiscal year 2006, the firm had \$2. 469 billion (USD) in total sales.

While Wendy's sets standards for exterior store appearance, food quality and menu, individual owners have control over hours of operations, interior decor, pricing and staff uniforms and wages. Wendy's arrived in Indonesia back in 1992. In 1997, Wendy's Indonesia franchise was bought by PT Sirat. Back in year 2006, PT Wendy Citrarasa bought the franchise from PT Sirat. Currently, it has 26 outlets, which covers some major cities in Indonesia such as Jakarta, Bandung, Jogjakarta, and Surabaya. [pic] Wendy's current logo

[pic][pic] 1. 5. 1 vision of WENDY'S

To continuously grow stakeholder value by leveraging the strengths of our vibrant, independent restaurant brands 1. 5. 2 mission of wendy's People Maintain aligned, people-driven culture and values. ? Attract, retain, and develop top talent. ? Offer performance-driven compensation and rewards. Brands Support independent, relevant, and healthy brands focused on sales growth and profitability. Select and support excellent brand leadership (CEO,

President, CMO, etc.). Profitability Set metrics for performance in sales and profits (EBITDA). ? Maintain a lean and efficient support organization.

Growth Provide strategies and resources for growth initiatives (new units, remodels, day part expansion, other new platforms, international expansion, refranchising, etc.).? Seek acquisitions of other brands and opportunities for growth. Value Establish metrics for creating shareholder value. Provide attractive franchisee ROI/value and competitive business models. Demonstrate community-minded citizenship, and giving back by sharing the wealth. 1. 5. 3 WENDY'S CORE VALUE Integrity We pledge honesty, integrity and ethical behavior in everything we do. Accountability

We hold ourselves and our teams accountable to deliver positive results. RespectWe treat people the way we would like to be treated. ResponsibilityWe believe in giving back to improve the quality of life in our communities. Innovation We strive to become better every day, both personally and in the services and products we produce. Teamwork We are willing to put the team and the team's needs before our own needs. Opportunity We believe in creating opportunity for our people to reach their full potential. B. Marketing Environment & Analysis 1. Microeconomics - The company

Talking about interrelated groups such as top management, finance, research & development (R&D), purchasing, operations, and accounting, Wendy's Restaurant have the internal environment as follow : [pic] From above, we can see that Wendy's restaurant has five departments, which are marketing, operational, bussiness development, supply chain, and finance. Especially for the marketing department, they work closely with other

departments in making decision in marketing strategies, and all of the interrelated departments have an impact on the marketing department's plan and action.

They work to achieve goals which is customer value and satisfaction. Supplier Talking about the supplier of Wendy's Restaurant, it will be closely to the material of the foods & drinks and others properties. Generally, 20% of food materials is still imported. For the basic material of the recipe, like cheese, seasoning (chili, tomato), etc, it is imported from the international supplier. The reason is due to the taste of those imported material is different from the local material, and if Wendy's use the local material, it causes the different original recipe of Wendy's menu.

Similarly, Wendy's also imported beef from the international supplier, and the reason is same, which is the different taste. While, they use local supplier for the chicken. Marketing Intermediaries They have no marketing intermediaries because they only sale their product by their own store. Customer The customer of Wendy's is consumer market which consist of individual and household that buy foods and drinks for personal consumption. Competitor They said that the competitor of Wendy's is all the fast food restaurant such as McDonalds, A&W, Burger King, etc.

They claim that they have the superiority in some menu like burger, baked potatoes compare to their competitor. Public General public which is Wendy's need to be concern about general public attitude toward its product and activities because the public image of the Wendy's will affect its buying.

2. Macroenvironment Demographic Environment Based on survey, Wendy's menu can attract all gender, but for the age they said that old people prefer

some less oil menu like baked potato, salad and soup while the younger people prefer the menu like burger, fried chicken, and french fries. Economic Environment

Talking about economic condition of their consumer especially in Indonesia Wendy's has segmentation to reach middle up class. Natural Environment Is natural resources that are needed as inputs by Wendy's such as meat, vegetables, and seasoning food material. Technological Environment Is a forces that create new technologies, creating new product and market oportunities. As a fast food restaurant, Wendy's has use sometechlogythat supported its operating process. For example: when customer order the food, the waitress directly tell to the other part of kitchen using mic which relates him to the staff in the kitchen.

So, kitchen staff can make the food order faster. Political Environment Is laws, government agencies, and pressure groups that influence and limit various organization and individuals in a given society. Especially in Indonesia, the laws that closely related to the food business is about " Halal". So, in implementing their business, Wendy's sale the halal product to attract their customer in Indonesia. Cultural environment Is made up institution and other forces that affect society's basic values, perseption, preferences, and behaviour.

Wendy's as a branch of West culture restaurant has been sucessful bringing its own culture to Indonesia. We can see that condition from many Indonesian people like the western food including Wendy's restaurant. Generally the influence of microenvironment and macroenvironment for the company is about how Wendy's restaurant can research, plan, and

implement their marketing strategy by considering both of the environment in order to achieve customer value and satisfaction. While, the obstacle of microenvironment and macro environment for Wendy's restaurant is:

(Competitor

Wendy's must compete to many fast food restaurant in Indonesia. Such as McDonald, KFC, Burger King, CFC, A&W, etc which has their own specialty. So, Wendy's has to improve their quality and promotion to achieve customer value and satisfaction. (Political Wendy's has to face many rules and laws in Indonesia which can limit the freedom to make the creativity of their own menu. C. Marketing Mix Chapter 3 Marketing Environment The microenvironment in Wendy's will help Wendy's to build relationship with customers. Because all of the streams of company's environment will connect with the marketing team.

The company's has all interrelated groups of people. The company has suppliers from Indonesia and foreign countries. They still need the US for the burgers because the taste of beef is very elastic in accordance of geographical side. These suppliers are very different in behavior, needs, interests, and everything. The marketing intermediaries help to promote, sell, and distribute its products to final buyers. They include resellers, physical distribution firms, marketing service agencies, and financial intermediaries. In Wendy's they only have physical distribution firms marketing service agencies, and financial intermediaries.

Marketing service agencies is fully controlled and walk solely with other division. And also banks is in company's important role. The customers hold a very important role in the life of the company. The company will surely

give the customers best service, quality and everything that counts into account to make the customers loyal to the company. Mr. Widjojo says that quality that is the one thing that attracts customers. The competitors of Wendy's are the other fast food companies like Kentucky Fried Chicken, A&W, McDonald's, and other domestic food channels like Hoka-Hoka Bento, and so on.

Chapter 4 Wendy's have its own marketing information system to support the daily operations of Wendy's. Because of the many division Wendy's have, they need its own marketing information system to help the. Information system will create better information for the marketing team and in the end, the marketers will have better target, and win the goal of company's challenge. Wendy's keep daily sales and transfer the data to the headquarters. So they can budget and give approximation for the stocks of food in the store. So, internal database is very crucial in the company's aim to have better service.

In other words, Wendy's does market research on the design, collection, analysis, and reporting of data in marketing to improve the effectiveness of selling. When Wendy's wants to launch a new product, they always start it with doing market research and take information from customers. Usually Wendy's does survey research. And take sample from it, which is their customer. After that the information is given to the market researchers. And make something out of the research. Chapter 5 Consumer Markets and Consumer Buyer Behavior The customer's cultural factors aren't applied in Wendy's.

Because everybody's with middle - middle-upper economic power will buy their product. Do not affect about occupation, gender, age, lifestyles, personality, everybody is willing to buy Wendy's because Wendy's is very for everybody. Wendy's does not take segmented markets for limited buyer, for example, bacons, pork, and something like that. And that helps the market to feel that it's for everybody. There's no limitation of buyers. Chapter 7 Customer Driven Marketing Strategy Wendy's market segmentation is for middle - middle-upper segment. And people will buy if they have the power of buying.

And for big middle-up families that want to gather around. Wendy's position itself in the market different than the other fast food competitors like Kentucky Fried Chicken, McDonald's, A&W, etc. quality is their pinpoint of marketing. Most middle-upper consumers are smart buyers. They can choose what's good and not. So, Wendy's does not want to deceive the customers by reducing the quality. So, Wendy's set the customers as their exemplary. Value that Wendy's given to customers are value in a way. People does not think about the " a little bit pricey" price, because consumers believe that the price is okay with the quality they give to them.

Chapter 8 Branding Strategy The brand is well-known in the world and it has been in Indonesia since 1980s. And every part of the world is held by one franchisee. So it is not so difficult to market the product. But every part of country has its unique product by geographical side. Chapter 10 Pricing Products: Pricing Strategies The price set by Wendy's Citra Rasa is based on research, and the value they give in the service, food and everything else they put into their food. Factors to consider when setting prices were very

vast. There is value based pricing; good value pricing and value added pricing.

Value based pricing uses buyers' perception of value, not the sellers' cost as the key to pricing. Value-based pricing means that the marketer cannot design / make a product and marketing program and set the price. Price is considered along with other marketing mix variables before the marketing program is set. [pic] Good value pricing offers the right combination and quality and good service at a fair price. For example, Burger King offers value meal for less than the total of the selected food. In other words, good value pricing give the consumers more quality for the same price or more quality for even less.

Value added pricing is a way to build pricing power, to escape the price competition and to justify higher prices and margins without losing market share. It's better not to cut prices to challenge competitors, but to give value added services and then, support higher prices. Even nowadays it is not always about price, but to keep customers loyal by giving them service that others do not give to them So, in this company's case, all of the above strategies is used by Wendy's Citra Rasa. They give customers what they want, and give them service and quality customers do not get anywhere else.

Mr. Ipeng said that in Wendy's everything is different than the other restaurant in Indonesia. " It is all about timing. " everything was timed and very precise. The timing is the quality Wendy's give into service to customers. It promises the customer what is the goodness and healthiness of the food they eat. Also, Wendy's marketing team uses a strategy they called,

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Customer Testing Profile. This strategy is used to give random customers a free sample of new product to test. They compiled customer's opinion and give report to the headquarters.

And the headquarters give commands to other division, say, operational division, and then, the decision is taken whether the new product should be launched or not. All the sales daily report is given to the headquarters. In that case, they can decide when to raise the price. Wendy's can raise the price by monthly sales journal, and check which are the bestseller products in every stores. When they know it, usually they raise the price Rp 1000 - Rp 5000. Chapter 15 Advertising & Public Relation Wendy's Citrarasa has its own marketing and advertising division.

This division controls all the design, public relations, and everything that is connected to communicating to customers. The main advertising objective is to make people interested in the product they create. Strategies Wendy's have applied to their advertising method is • The advertising strategy that they have done up to now is always below the line. They haven't ever tried above the line (TV ads). Unlike any other fast food rivals, that have tried above the line and getting mediocre response, Wendy's always does below the line but it has gain some serious markets in it. Routine type of adverts that they have applied to their stores is for example, when people come to their store, the waiter / cashier always ask and give customers recommendation of new products so they can try their new products. And Wendy's store manager tried to ask the customers' feedback by asking how good is the food today, etc. • Promotional, they applied some method in

running their business also, for example, free upsize for drinks and French fries for buying the new mushroom cheese burger.

It is promotional because it is only for a limited time, and soon the promotion terminated. In the ads problem, Wendy's has never encountered any problem. The downside is, sometimes the advertising is so good until the stock of food they run is empty. And they cannot serve customers no more.

It happens when new products has been launched. D. Marketing Strategies 1. Managing Marketing Information to Gain Customer Inside Before implementing their marketing strategies / information to customer, Wendy's do the research of what their customers like, especialy in Western menu.

Then they also compare their menu to the competitor, so what the competitor sale will be considered by Wendy's. Wendy's also implement their marketing research by looking for the problem that appears (among their stores, their customers, their suppliers, their own managements, and other things) that can hamper their operation. Information system is very important for Wendy's which can provide the actual data happened. For examples: the complete data of sales which consist of what product sold, kind of product sold, highest sales among 26 stores.

One of terminology that Wendy's has is " If you fail to plan, you plan to fail". That terminology always remember by their company before doing marketing research. That words means that the marketing strategy and plan are the main basic for implementing the marketing action because if Company's makes a mistake in doing the marketing planing, it will make the bad effects of marketing action which cause the failure. For detail the ways

that Wendy's do marketing research as follow: - Defining the problem and research objectives

Marketing research projects might have one of 3 types of objectives which are : to gather preliminary information that will help defines problems and suggest hypoteses (exploratory research); to better describe marketing problems, situation, or markets, such as the market potential for a product or demographic and attitudes of consumers (descriptive research); to test hypotesis about cause-and-effect relationship (causal research) - Developing the research plan Research objectives must be translated into spesific information needs. The research plan should be presented in written proposal.

A written proposal is especially important when the research project is large and complex or when an outside firm carries it out. The proposal should cover the management problem adressed and the research objective, the information to be obtain, and the way the result will help management decision making. The proposal also should include research cost. - Gathering secondary data Secondary data is information that already exist somewhere, having been collected for another purpose. For example: Wendy's use the data of population demographic in Indonesia. - Primary data collection

Primary data is information collected for spesific purpose at hand. Some research approach of primary data collection are observational research, ethnographicresearch, survey research, experimental research. Wendy's use survey research which is gathering primary data by asking people question about their knowledge, attitudes, preferences, and buying behavior. - Implementing the research plan The researcher puts the marketing research

plan into action. This involve collecting, processing, and analysing the information. Researcher should watch closely to make sure that the plan is implemented correctly.

Researcher must also process and analysis the collected data to isolate important information and findings. - Interpreting and reporting the finding
Researcher must interpret the findings, draw conclusion, and report them to management. Researcher should present important findings that are useful in the major decision faced by management. Managers and researcher must work together closely when interpreting research result, and both must share responsibility for the research process and resulting decision, 2. Consumer Markets and Consumer Buyer Behaviour. The kinds of characteristic that affecting consumer behaviour is: - Age

Younge people prefer menu like burger, fried chicken, french fries, and softdrink while the older customer prefer some food which has less oil like salad, baked potatoes and soup. It is because the age influence the physical andhealthcondition of people. So, older people prefer some food that can bring the healthiness for them. But, whatever the product is both of them are prioritizing the quality. - Economic The consumer market of Wendy's is middle up class because comparing to the other Indonesia food restaurant the price of Wendy's restaurant is higher than them.

The motives of the buyer that affect the willingness to buy the Wendy's product is psychological needs which is hunger and thirst. Especially the drive or motive of customer to fulfill physical need through Wendy's is a quality offered and the kind of the menu that the competitor don't have it. The process going before customer going to buy Wendy's product is: - Need

recognition Is the first state of the buyer decision process, in which the consumer recognizes a problem or need, in this case hunger and thirst. -

Information search

Is the stages of a buyer decision process in which the consumer is aroused to search for more information; the consumer may simply have heightened attention or may go into active information search. In this case the consumer of Wendy's have decide to find the food and drink which can satisfy them from hunger and thirsst, so they will pay more attention to the advertising of restaurant through website, brochure, and also the location of restaurant. - Evaluation of alternatives Is the stages of buyer decision process in which the consumer use information to evaluate alternatives brand in the choise sets.

Consumer swill face some choise of restaurant that can fulfill their needs, generally they will evaluate the kind of western food or Indonesian food or other kind food. And then after they choose Western food, they will evaluate again some brands of the similar food which is the competitors of Wendys such as McDonald, KFC, A&W, Burger King, CFC, etc. - Purchase decision Is the buyer decision about which brand to purchase. Generally, the consumer purchase decision will be to buy the most preffered brand, but 2 factors can come between the purchase intention and purchase decision.

The first action is the attitude of others. In this case if the customer's friends think that he should buy the special menu at Wendy's then the chances of his buying at other restaurant are reduce. The second factor is unexpected situational factor. The consumer may form a purchase intention based on factor such expected income, expected price, and expected program benefit.

In this case if the consumer friend promote or tell him that there are discount at Wendy's then he will have the intention to buy Wendy's product. -

Postpurchase Behaviour

Is the stages of the buyer decision process in which the consumer takes further action after purchase based on their satisfaction or dissatisfaction. The answer lies in the relationship between the consumer expectation and the product perceived performance. If the products fall short of expectation, the consumer is disappointed; if it meets expectation the consumer is satisfied; if it exceeds expectation, the consumer is delighted. The management of Wendy's says that almost consumer of Wendy's will be satisfied even more delighted because they guarantee that Wendy's give the best quality to their consumer.

So, they're sure that their customer will be satisfied and doing the repeat consumption. 3. Customer-Driven Marketing Strategy - Market segmentation

Dividing a market into smaller groups with distinct needs, characteristics, or behaviours who might require separate products or marketing mix. a.

Demographic The demographic segmentation consists of gender (male and female), age (range of ages), etc. b. Geographic The geographic

segmentation consists of America, Africa, Europe, Asia and Australia. - Market

targeting Now Wendy's must evaluate the various segments and decide how many and which segment it can serve best. . Demographic Wendy's has a

segmentation of universal gender (male and female), all ages. b. Geographic

Wendy's restaurant covers the America, Europe and Asia region. -

Differentiation and positioning Product position is the way the product is defined by consumers on important attributes, the places the products

occupies in consumers minds relative to competing product. Wendy's has the position of their product in quality and has various menu which common competitor did not have. Such as baked potato. 4. Product, services, and branding strategy. - Product

The product that offer by Wendy's is consumer product which is product bought by final consumer for personal consumption. The type of consumer product is convenience product that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort. In this case the product is fast food which often placed in many location to make customer Wendy's readily available when customer needs them. - Branding Brand equity is the positive differential that knowing the brand name has on customer's respond to the product or service.

Wendy's Indonesia is a franchise of international Wendy's so the the brand name just follow the original brand. The choose of the brand name "Wendy's" base on the reason of simple word (only using one word) to make the customer remember the brand easily. E. Role as an Accountant to help Wendy's Accounting division in wendy's is under finance division. Wendy's finance division is straight under mr. Ipeng's supervision. The directed division creates the division to be one of the high leveled side of company. They collaborate with all division to create budgets and all of the financial matters of the company.

Not only in sales problems but also in company's staff welfare. All the company's incentives, fee, and wages is hed by this important division The finance and accounting will help the marketing to plan the budget and give the funding to the respective division that needs it. All the funding are

checked and revised by the accounting and finance division. All flow of monetary streams are going in one way, It's finance division In order to create good environment for the company to run its business, the company must have all the resources needed to create it.

Accountants must have the authority to give consents to other division. So there is no fraud or collusion around the company. Accounting division must have everything that happens in the company for all Inventory, slips, checks, everything that goes into the action important to the company. Accountants must have the authority to take all proves and bank slips in order to have lower control risk as well as to lower inherent risks. Every loans, borrowings, charity in and out to the company always have to report it to finance and accounting division. It is needed to have credibility to run the company.

F. Summary & Recommendation Wendy's has been one of the biggest fast food restaurants all over the world. It arrived in Jakarta back in 1992 and PT Sirat bought it in 1997. PT Wendy Citrarasa took over Wendy's Indonesia in 2006. Wendy's restaurant has five departments, which are marketing, operational, bussiness development, supply chain, and finance. Esspecially for the marketing department, they work closely with other departments in making decision in marketing strategies, and all of the interrelated departments have an impact on the marketing department's plan and action.

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Wendy's Pacific Place, Jakarta Wendy's Braga, Bandung Marketing Director
Finance Director Owner Supply Chain Director Operational Director Bussiness
Development Director Marketing Comm. Manager Graphic Designer District

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