

A marketing plan for baskin robbins in sri lanka



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Market segmentation is the process of identifying the variety of different groups of consumers or users within a particular market who could be targeted with separate products or marketing programs. (Craft, 1994, p. 1)

With regard to the ice cream industry, it could be segmented on certain bases such as taste and price. Whilst certain individuals would prefer high quality ice cream made with natural sugar and fresh cream because of its taste, others would simply not be able to distinguish the difference in quality and would buy primarily based on price and availability.

We have identified that Baskin Robbins uses certain main segmentation bases for dividing their market, namely demographic and psychographic characteristics. Under demographic segmentation, they focus on the income bracket of consumers. Their products are mainly aimed at the affluent with higher disposable income group to spend on frivolous luxuries such as premium ice cream. Also probably the most important type of segmentation bases which our consultancy considers is the psychographic segmentation. To be attracted to consuming a premium ice cream, consumers need to be part of a particular lifestyle segment. They would be among those who enjoy the luxuries and indulgencies associated with the particular brand.

Using these segmentation means we have conducted a research and identified that, Baskin Robbins has narrowed down its business to cater to specifically two main target markets. Whilst Baskin Robbins portrays the image of targeting all age groups, our research confirmed that their main target market would be the middle and higher upper income group of people, basically the urban professionals and families with toddlers.

And our research identified that young individuals are more involved in socializing mainly in Colombo urban areas. Hence the current location placed in close proximity to two main Universities and schools in one of Colombo's main streets (Galle Road) in a high foot traffic area of Colombo itself (Kolpity). Therefore the secondary target group of Baskin Robbins could be categorized as teenagers, young adults and students who live in the urban area of Colombo.

Primary Target Market

Upper middle and higher income group

The primary target market of Baskin Robbins is comprised of middle (Rs. 150 000 to Rs. 200 000) and higher (Rs. 200 000 above) income professionals and families with toddlers. This market would possess a relatively high disposable income percentage. The lifestyle of such individuals would be high value on family time spent, high focus on child centered activities and they would be individuals who associate a product with brand name, quality over price, hence having ice cream at Baskin Robbins would be aligned with their social class. Also the premium loyalty which is associated with the Baskin Robbins brand name, these individuals with a high profile status class would be subject to a strong attachment to Baskin Robbins and develop a sense of belonging, which is then in turn passed along to the children. As a result, the families are adjudged profitable high volume customers.

Secondary Target Market

Teenagers, young adults and students

The secondary segment of Baskin Robbins target market is composed of teenagers, young adults and students (School and university) within the Colombo city suburbs consisting of both genders and all ethnicities ranging from the ages of 18-24 and 25-30. These individuals would be having active social lives, and it will be an important aspect as per our research suggests that this segment of the market enjoys socializing, leisure and entertainment mainly in Colombo urban areas. While most of this demographic appear to be similar, college students would be the prime segment to focus on. Most college students whilst mostly dependent on their parents also have part time jobs and usually receive an average of Rs. 20 000 monthly. Hence these students could be viewed as marginally profitable low to high volume customers with latent to premium loyalty as they would be spending most of their income on social activities and entertainment. According to our research it was made aware that social class and social life is considered a high priority to this segment of the market. Hence they would feel the need to create a strong relationship or attachment to Baskin Robbins, as it is a premium product and a hot spot for this segment to satisfy their self-esteem needs. Also this market would follow up the potential for positive word of mouth and due to the fact that peer influence is high for this segment of the market, it would undoubtedly result in the growth of the customer base of Baskin Robbins.

Design and Development

Brand Positioning

The brand positioning adopted by Baskin Robbins Sri Lanka has somewhat been altered to its global positioning in order to localize the brand. According

to the manager Mr. Hashan Baskin Robbins attempts to be positioned in the minds of the consumer as a premium product that is not only targeted at individuals/families with toddlers in the upper middle and higher income range, but also to teenagers, young adults who are school/college students. And they attempt to be the “ to-go” place in providing them with a quality and wide range of product, where individuals can come and relax and spend time whilst consuming their ice cream. This is according to our research a much needed necessity for the younger generation of the Colombo urban area.

Also with alignment to its global positioning, Baskin Robbins Sri Lanka also attempts to create an impression in the minds of the customer, that Baskin Robbins is not just a place where u purchase ice cream but where ice cream and fun come together. This is directly synergized with Baskin Robbins’s initial tagline made by its co-founder Irv Robbins, “ We sell fun, not just ice cream” (“ Baskin Robbins, Our History”, n. d.)

Logo

Baskin Robbins logo has evolved though their 65 year long history. Baskin Robbins log was originally with the number 31 in the middle of the words Baskin Robbins. This was done in order to incorporate Baskin Robbins branding of offering 31 flavors and the basic principle behind this being to offer one flavor for each day of the month. (“ Baskin Robbins logo redux”, n. d.)

And in its 60th year of operations Baskin Robbins developed a new logo with adding the number 31 subliminally within the ‘ B’ and ‘ R’ of the Baskin

Robbins logo itself. This was done in intention of creating a more fun outlook to the logo itself, which as mentioned above in Baskin Robbins positioning, it would also align itself with the tagline the co- founder of Baskin Robbins Irv Robbins initially made, “ We sell fun, not just ice cream” (“ Baskin Robbins, Our History”, n. d.) However even with the introduction of the new logo we see that Baskin Robbins still uses its initial logo as a secondary logo. And here at Baskin Robbins Sri Lanka they have adopted the modified logo.

Old logo: New logo:

Packaging

According to our observation at the Baskin Robbins Sri Lanka, store, the Baskin Robbins ice cream is made available for plain view of the customer in a see through display area, giving the customer a clear view of the different flavors made available to them on arrival to the store.

And with regard to the exact packaging of the product, Baskin Robbins adopts using a plastic oriented tubs and ice cream bowls to serve its ice cream, whilst handheld ice cream is delivered using freshly made pancake batter to create that perfect waffle with the Baskin Robbins logo imprinted using a heat pressing machine.

However our consultancy recommends that Baskin Robbins Sri Lanka move away from the environmentally unfriendly plastic tubs and bowls to a more environmentally friendly forms of packaging. A suggestion could be the adoption of corn based ice cream cups which has already been adopted by Cargill's. (“ Corn Based Ice Cream Packaging”, n. d.)

Value Proposition

The basic value proposition which has enabled Baskin Robbins to possess a sustainable competitive advantage has been its offering. At the moment Baskin Robbins globally provides over 2000 + flavors unmatched by most competition. (“ Baskin Robbins, Ice Cream”, n. d.)And at Baskin Robbins Sri Lanka they offer the standard 31 Baskin Robbins flavors, and according to our discussion with the manager at Baskin Robbins Sri Lanka, they are preparing to bring in 9 more delicious flavors to add to the current 31 flavors.

And according to our research at present the improvement that needs to be made at Baskin Robbins Sri Lanka remains the improvement of store ambiance, providing that fun and homely element.

Product Management

Ambiance

According to the outcome of the research it was made evident that customers were not that pleased or attracted to the current ambiance at Baskin Robbins Sri Lanka. It is the quality of the ambiance of the outlet that attracts the customers to enter the outlet and purchase the product. Poor ambiance can result in declining of sales no matter how reputed the brand name is or how good the product is.

Hence we propose that Baskin Robbins Sri Lanka to improve the ambiance firstly by creating a good first impression. Although very distinguished in the color theme, the store logo or signage at the moment is not very visible for vehicles which are moving on Galle Road until close range of the store. It

needs to create an impact, hence our consultancy suggests a relatively large the “ BR” signage with illuminated lights (According to their theme) attached to a tall structure near the store in order for consumers to be aware of the Baskin Robbins outlet from at least a 100 meters distance away. (Similar to the McDonalds “ M” sign)

With regard to the inner store ambiance, Baskin Robbins needs to work on making the store more inviting (homely) and comfortable. Their objective should be to retain the customers in store as long as possible. For the longer the customer tends to linger at the store the more they would usually spend. Hence we suggest that the iron chairs in use at the moment, which tend to get cold due to the inside air conditioning be replaced with more comfortable chairs, such as wooden chairs with a cushion layer to it for added comfort. Also the store atmosphere could be made more homely/welcoming (More Sri Lankan/Asian) if the images of the models used wasn't primarily European or western and add a bit of Asian flavor as well. Also more attractive decor should be utilized in store.

Our research suggests that people enjoy having some form of soft music in the background of the place they use for socializing. Hence we suggest Baskin Robbins use soothing/peppy background music within the store (As the Brand requires). Music themes could be set according to seasons or occasions, such as Christmas, Easter or New Year.

Also our research has shown that 70% of the customer purchase decisions are made in store, and are largely influenced by the arrangement of the product or merchandize, the in store signage, the decor and even the layout

of the product pricing displays. The store signage at Baskin Robbins at present is very dull and not out there loud and clear. It should give out the information the customer is looking for immediately and direct them to the price and product range. Hence we suggest the product and price display boards at Baskin Robbins to be more clearly and creatively put forward separated by different product category so that the customer is able to make a more informative decision.

Also add-ons such as store related kiosks are which Baskin Robbins uses for special occasions such as birthdays, should be made more exclusive and lighting and displays need to be changed to make that particular section of the store more prominent or vibrant than the rest of the store.

However the aroma at Baskin Robbins could be said is excellent, as once you enter the outlet you would get the sensuous smell of fresh ice cream and waffle smell which entices you and acts as a catalyst in the purchase of the product. And our research suggests that the ice cream smell even carries out as the customer leaves the outlet, which would in turn attract more customers due to the attraction. This is known as 'aromatherapy', which is the use of scents and smell to attract the customer and impact on their purchase by playing on their sensory system, primarily smell. ("What is Aromatherapy", n. d.) This technique would be suitable as Baskin Robbins ice cream is considered a low involvement product to the relevant target segment and is more often than not done on impulse.

Future Plans – add nadeesha’s development plan here

Our consultancy believes that Baskin Robbins should introduce its range of coffee and beverage line in addition to the milkshakes made available at the moment. We believe that introducing their signature beverage products such as the Cappuccino Blast, Fruit Blast would be a huge consumer attracter as our research suggests that the market segmentation which Baskin Robbins is focusing on prefers to use their leisure time socializing, hence providing the customers with not only ice cream and milkshakes, but introducing a range of coffee and other fruit and dairy based beverages by Baskin Robbins would be an added attraction to the consumer.

The Pricing Strategy

Baskin Robbins being an international brand which is positioned as a premium product and our research suggests that they adopt a Price Skimming method whilst they concentrate on their Colombo metropolitan market. This is possible due to the fact that they have a unique, high quality product as well as they cater to a less price sensitive market.

This means that Baskin Robbins has estimated its unit price to be positioned in the minds of the consumers as a premium product. Hence consumers would be willing to pay a higher price in return for quality. This is usually seen amongst segments which are social class conscious.

We propose that the regular, loyal customers be awarded special attractive packages designed to give them a sense of belonging and thereby retaining the customer further. For example, loyalty programs awarding gold and platinum cards for frequent customers awarding them with special privileges.

Sales and Distribution

Distribution channel could be defined as the pipeline which is used to flow goods and services from the vendor to the consumer. (“ Business Dictionary, Distribution Channel”, n. d.)

The method of distribution or place adopted by Baskin Robbins is a high foot traffic area in the Colombo suburb of Kolpity, which is based on one of Colombo’s busiest roads. (Galle Road) And the fact that it is uniquely placed in close proximity to several universities and schools as well as several business organizations has made it a high foot fall region. Hence since the trend or behavior pattern of the target market of Baskin Robbins is concerned of social class they would want to be associated and be seen in the main Baskin Robbins outlet by their peers.

Our consultancy recommends Baskin Robbins to embark on moving in to the menus of the major hotels in Sri Lanka, such as Cinemon Hotel Chain, Hilton Hotel, Galle Face Hotel etc. and even open small outlets in high end consumer malls such as, Crescat Boulevard and Odel, all places which are associated with the social class of the target market of Baskin Robbins which pursue social status symbols, and would therefor potentially want to associate Baskin Robbins to represent their social class.

Advertising and Promotions

According to our discussion with the manager we established that at present Baskin Robbins Sri Lanka does not under go much advertising or promotions. Therefore our consultancy decided to make a few suggestions with regard to advertng and promotions.

Baskin Robbins at present is only available in one main outlet in the city of Colombo. Therefore adopting a mass media advertising technique would not be suitable. It could be advised that a more vigorous online and Facebook advertising should be done to build up its online customer community.

However we do recommend advertising in exclusive magazines such as In Vogue or the HI magazine, which are all highly used magazines by Baskin Robbins target market, hence this could be used as a method of creating awareness of the store itself and its promotions.

In addition we suggest Baskin Robbins adopt having the BR signage on light posts from at least 100 meters away from the store to create awareness of the store itself. This is as a result that our research showed that there was still a certain segment of the market which was unaware of the exact location of the store and had more often than not driven passed the outlet.

Also our consultancy suggests Baskin Robbins to adopt a photo wall in a highlighted prominent section of the inner outlet to add the “ Face of the Month” promotion, where one lucky boy and girl would be picked randomly and get the opportunity to get his/her photograph taken and attached on the “ Baskin Robbins Face of the Month Hall of Fame”. This would indeed give a sense of belonging to the customer who enters the outlet.

Our consultancy suggests that Baskin Robbins attempt to give college students with a special discount program. Where after showing their university ID card they would be given a special student discount and create a loyalty program. This would be similar to the discount program awarded to for international students with the international student card.

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Also at present our research has identified that from Monday to Wednesday during the period of 2pm to 6pm is considered the off peak hours of Baskin Robbins Sri Lanka. Hence we suggest that Baskin Robbins adopt a 'Happy Hour' promotion within this period giving customers the opportunity to receive various incentives and promotions during this period.

And with creating loyalty we believe that frequent customers should be given a certain degree of preference. Therefore we suggest the use of a loyalty program where Baskin Robbins offers a Gold and Platinum card for the frequent customers depending on the frequency that they visit the store and purchase their product. (Example: a customer who visits the store 3 times a week would get a Gold Card whilst a customer who visits the store more than 5 times would receive a Platinum Card)

Also the 'Birthday Club' promotion adopted in the US could be also adopted at Baskin Robbins Sri Lanka as to give special benefits, coupons and other promotional offers for the online registered customers and other frequent in store customers on their birthdays. ("Baskin Robbins, Birthday Club", n. d.)

According to our discussion with the manager Mr. Hashan we established that Baskin Robbins Sri Lanka could adopt the 31% Discount on the 31st Promotion scheme. This would be implemented on every 31st of the year and for purchases for above Rs. 500 customers would receive a 31% discount.

In addition our consultancy suggests that Baskin Robbins Sri Lanka also adopt the flavor of the month promotions so that there would be that added bit of excitement. This could be implemented where the consumer would be

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awarded a free taste as they enter the store and special incentives on purchases above Rs. 500 on that particular flavor would be awarded.