

Product launch

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Kudler Fine Foods-Product Launch

Kudler Fine Foods, a rising gourmet food store in California, has seen much success through their gourmet foods and products. Founded by Kathy Kudler in 1998, this upscale, gourmet store offers a variety of unique food selections and ingredients at reasonable prices: bakery and pastry products, fresh produce, fresh meat and seafood, condiments and packaged foods, and cheese and specialty dairy products. The success Kudler has found in California and its domestic country of Canada, has influenced Kudler to expand its organization across seas to Italy.

The following paragraphs discuss the product launch for the two markets; Canada and Italy. In addition the product launch plan contains the following elements; product description and positioning, market target and needs, market potential and growth, a SWOT analysis on both countries, domestic and international competition, marketing objectives and strategies, pricing, marketing communications, distribution strategies, financial reports, and the marketing research on the plan.

The Plan

Product Description and Positioning

Kudler is offering catering to its service line. The company will offer catering at all locations in Canada and in Italy. Catering will be available to

businesses and private households for events of all kinds and sizes. The catering will include fresh products from the bakery, deli, meat market, and produce department as well as shelf items within the store. The catering items are made to customer order and the customer will work closely with the catering department to create innovative ideas for parties and events.

Kudler is offering catering, which is classified as a service. Kudler will provide the best service in the catering industry. Catering services face tough challenges because they provide food and servers to many different types of events. These events include birthday parties, weddings, and many other types of events. Also, the size of these events presents a challenge because the larger the event the more pressure on Kudler to provide great service and food.

Kudler believes offering catering will create more marketability of its specialty products to new consumers. A consumer or business that purchases catering products from Kudler helps promote the products to other potential consumers. This word-of-mouth helps Kudler gain new potential customers by increasing the awareness of the specialty products offered. This consumer channel will help link in new customers by letting them taste the specialty products available. People can taste the products at such events without needing to purchase products first. By offering products to new customers, this will hopefully bring in new customers who want to try other products that Kudler has to offer.

Targeting

The launch will mainly target potential customers from various ends and

keep them at bay through competitive intelligence. In this manner, during the launch, they could offer free samples which would attract masses and at the same time, collect information on the customers, competitors, and constituents of the domain for analysis and application in short term and long term planning (Kerin et al., 2006).

The Market

Market Needs

Kudler's operations are set in an environment that exhibits high level of competition. This gourmet grocery store runs alongside other competitive companies that can easily offer similar or alternative products to the consumers. This calls for strategic evaluation and assessment of market needs (Kerin, et al., 2006). Given its base in Canada, entry into Italy would require Kudler to identify market needs in Italy. The addition of catering to the company's product offerings as it enters Italy cannot fail to consider consumer needs, interests, tastes, and preferences in the new market segment. These factors drive market needs, and Kudler should be in a position to meet market needs alongside the operational objective to sell. According to USAID (2012), on a research on specialty food industry outside of the US, it was found that, in average, the consumer of specialty foods is between 25-34 years, and has a total household income of \$100, 000 per annum. When compared to other demographics, this group has a thirty five times more preference in buying this kind of food. The consumers are likely to be on the internet, spend time on TV, and spend time on digital music. This group of customers is fond of watching some shows on food in the TV and would most likely opt to buy food that they believe has been prepared in

a sustainable condition. With a proven research of the availability of this clientele, additional evaluation based on this research would be a plus for Kudler in Italy (USAID (2012)).

Market Potential and Growth

Supply and demand trends highly influence market growth in any given market segment. However, market forces in Canada may differ than Italy. Consumers are the main drivers of market growth, thus necessitating that they be understood in terms of the variables that increase product marketability (Kerin, et al., 2006). For Kudler, market growth in both the domestic and foreign market rests in its strategic planning and execution of market operations. The new market has the potential to grow subject to the implementation of competitive operational strategies. To increase demand and consequently induce market growth, Kudler has to undertake market research and assess consumer expectations in the target market. In accordance with the USAID (2012) survey, the growth potential of the market is dependent on where the customers would want to purchase the product. In this case the preferences vary with 25% of them preferring gourmet food stores.

Euromonitor International indicates that in 2011, home delivery, and other catering services in Italy experienced a growth in terms of value of 2%. This resulted because of the convenience that consumers sought while using these services. This rate of growth shows that catering services are on a rise in the country and Kudler Fine Foods could benefit as a result of this. Such rates of growth can be attributed only to high returns; hence this industry has been very profitable. The consistent growth rate has been achieved

because of the profitability of this industry as companies want to cash in on the high returns guaranteed when venturing to this business.

SWOT Analysis

Kudler's Catering SWOT Analysis (Canada)

Strengths

Weaknesses

1. Qualified chefs and personnel
 2. Excellent food
 3. Convenience
 4. Strong Adaptability
 5. Guaranteed Ingredients
 6. Low overhead
 7. Product innovation and menu modification
1. Lack of experience/employee training
 2. Lack of knowledge of Canada's legal requirements for food preparation.
 3. Menu development to attract the Canadian population
 4. Food quality variations if purchased local
 5. Inexperience on local cultural events

Opportunities

Threats

1. Sales increase from established events
2. Freedom to negotiate price and quality of products
3. Ability to develop contemporary menu inspirations
4. Potential establishment of a total quality management system approach
5. Evaluate operation for expansion throughout Canada

1. Competition of established and new catering companies
2. Economic and political conditions
3. Cost of training, food, hygiene, safety, and first aid
4. Lack of sanitation plan/food poisoning
5. Currency variance from Canadian dollar and U. S. dollar

Kudler's Catering SWOT Analysis (Italy)

Strengths

Weaknesses

1. Qualified chefs and personnel
 2. Excellent food
 3. Convenience
 4. Strong adaptability
 5. Guaranteed ingredients
 6. Low overhead
 7. Product innovation and menu modification
1. Lack of experience/employee training
 2. Lack of knowledge of Italy's legal requirements for food preparation
 3. Menu development to compete with exquisite Italian cuisine
 4. Inexperience on Italian cultural events
 5. Time/cost

Opportunities

Threats

1. Sales increase from established events
2. Freedom to negotiate price and quality of products
3. Ability to develop contemporary menu inspirations

4. Potential establishment of a total quality management system approach
5. Evaluate operations for expansion throughout Italy
1. Competition of established and new catering companies
2. Economic and political conditions
3. Cost of training, food, hygiene, safety, and first aid
4. Lack of sanitation/food poisoning
5. Currency variance from the Euro and U. S. dollar

The Competition

Domestic Competition

Competition in Canada is high and homes about three million entrepreneurs (Pierce, 2011). However, the vast amount of organizations and local businesses provide support to new entrepreneurs. Canada is a diverse country, which helps create excellent business opportunities. Furthermore, Canada's government understands the economic impact small businesses have on the economy. Therefore, the local government provides countless assistance by offering training programs to small business owners, financial assistance, and tax breaks (Pierce, 2011). Kudler has the opportunity of opening a gourmet catering business in Toronto – “ one of the greatest cities in the world to do business, consistently ranked at the top when it comes to global competitiveness, innovation, and quality of life” (Toronto, 2013, par. 1).

According to the Huffton Post, 2012, the top food trends include naturally and locally produced, gluten-free, ethnic, artisanal cheeses, mini-desserts, meats, seafood, organic, spices, wine, and beer. The local catering businesses and restaurants are competitors with a direct impact to Kudler.

These established organizations offer gourmet products at competitive and high prices varying on the quality of the product. Local manufacturing and distributing companies are indirect competitors because they provide similar products to the competition. In addition, Kudler competes with organizations offering online sales to Canada and other countries.

International Competition

Kudler is expanding business using product development strategies to new markets. The exposure to the markets includes Italy. Kudler will expose the business offering catering events to parties, shows, and any other event seeking gourmet meals. Italy is famous for its food and fashion and competing against the traditional Italian cuisine is a challenge. Italy has various shopping venues, including open air markets, and central markets. Italy is well-known for its local open air markets also known as farmers markets, an advantage for Kudler. Competing in open air markets will create recognition and business awareness.

Objectives

Marketing Objectives

Marketing Strategy

The marketing strategies of Kudler Fine Foods will be different in the international country of Italy compared to Canada. For example, different styles of communication and advertising will be more effective in Italy compared to Canada. The communication and advertisements of social media, T. V. commercials, and mobile phone applications will be directed to the specific audience, in this instance the Italian culture, to highlight how the brand of Kudler Fine Foods caters to the family-oriented lifestyle of Italians

(Kotler & Keller, 2007). Another market strategy will be to adjust the pricing of the products and service that Kudler Fine foods offer customers. Due to a possible price escalation problem, pricing Kudler Fine Foods higher may be beneficial to offset costs of transportation, tariffs, importer margin, wholesaler margin, and retailer margin (Kotler & Keller, 2007).

A final marketing strategy that Kudler Fine Foods can implement is determining the geographical locations within Italy compared to Canada. Kudler Fine Foods has already established a stronghold in Canada but must strategically place itself in highly concentrated areas of Italy where most people reside and will be shopping for food in order to help give Kudler the maximum it will need in order to compete (Kotler & Keller, 2007). These are some examples of how the marketing strategies will differ in comparison from the domestic and international markets.

Pricing

In the Italian market, Kudler will use a market-based strategy (Anthony, 2013). This means Kudler will price products according to other food service companies in the area. Kudler will evaluate the prices of similar products on the market (Anthony, 2013). This is the best strategy for Kudler because it will help Kudler stay competitive regardless of the market (Anthony, 2013). Kudler will need to benchmark their prices and strategies from local Italian businesses such as Marco Polo System GEIE and Cadmo Milano Catering to price match the services. If a competitor has a lower price, Kudler will perform a price match to stay competitive while maintaining quality services. The Italian food market will be a great challenge price wise because the competition the organization faces from

local cafés, restaurants, and other catering services.

Marketing Communications

Developing Effective Communications

Kudler wants to create brand awareness and build brand equity. To design effective communications, the message to the public must have a defined strategy. This strategy should identify what will be said, how to say it, and who the source is (Kotler & Keller, 2006). Kudler must determine if a personal channels helps create that rapport with face-to-face communication, or person-to-audience, to name a few. This method provides immediate feedback and is essential to Kudler. Non-personal methods of communication can help create brand awareness using local media, promotions, and publicity. Although these methods do not help build immediate rapport, the method does create brand awareness.

To establish a budget, Kudler must determine how much to spend on the campaign. Kudler has four methods to choose from, “ the affordable method, percentage-of-sales method, competitive-parity method, and objective-and-task-method” (Kotler & Keller, 2006, p. 553). Kudler can benefit from the percentage-of-sales method because the expenditures are based on sales and the funds available. However, this method fluctuates on an annual basis, and the organization cannot plan ahead. A second method is the objective-and-task method. This method helps Kudler develop a budget by defining the objectives and determine the tasks to achieve these by estimating cost. The sum of the objectives and tasks results in the proposed budget (Kotler & Keller, 2006). To decide on the marketing mix, the organization must set aside a budget for advertising, promotions, public relations, events, sales

force, and direct marketing (Kotler & Keller, 2006).

Managing Effective Communications

To manage an effective communications plan, management must measure the results of the investments made. Determining the output and expense is essential to stay within a budget, but Kudler must determine the outcome and revenue earned. To do so, Kudler benefits from integrated marketing communications (IMC). IMC is a concept used to communicate effectively with the customer and helps guide the customer through the buying process while building a rapport. This creates customer loyalty and the information gathered allows the marketing team to develop an effective advertising campaign to boost awareness and influence customer purchases.

Public Relations

Technological trends and media advances have granted organizations the ability to target various groups. Public relations practitioners help develop effective tactics and techniques to deliver an effective message to the public. Kudler must invest in an effective marketing and public relations plan to create business awareness. Public service announcements (PSA's) are a method Kudler will use to have a drop-in ad with the local newspaper and magazines. The PSA will guarantee Kudler a space in their editorials. To prepare a successful ad Kudler will work with a local publicist who is knowledgeable on the statistical and government information of the Canadian and Italian markets. In addition, the publicist will maintain an accurate record of the organizations records, trade data, publicizing special events, publications, pictures of the store and products, media contacts, and timeframes of publications and releases, to name a few (Newsom, Turk, &

Kruckeberg, 2004).

Kudler will use technology to reach an even larger pool of potential customers. Satellite transmissions will result in national and international coverage, an advantage for the organization. In addition, the Internet and Kudler's web page will allow customer feedback and provide input to the consumer of the services the organization provides, available products, and promotions.

Distribution Strategy

Domestic Market

International Market

Financial Information

Marketing Research

Market Sustainability

The Italian market emphasizes the importance of sustainability. Reports have shown that sales of organic food in 2011 increased by 8.9%. This shows that the market is experiencing a shift from the use of inorganic food to organic food. The Italian government has also relaxed its stance on Genetically Modified Organisms (GMOs) as the debate on their use in Italy continues (Sustainability Report, 2012). There has been an additional three-cent levy imposed on soft drinks as the government seeks to discourage junk food consumption through taxation. Italian food companies have introduced the inclusion of carbon dioxide impact statements on their product labels as well as participating in carbon dioxide compensation projects (Sustainability Report, 2012).

Trends

Studies done by Euromonitor International have shown that the most interesting trend in 2011 that was relevant to the consumer food service was the reduction of the number of outlet visits by consumers. This demonstrates recent trends in the country indicate consumers are opting for more conventional methods regarding food services and therefore the use of catering services is on the up.

Market Size

The size of the market in Italy was also a factor of great importance in the selection of a foreign market. Although the fertility rate in the country is one of the lowest in the world, the population has witnessed tremendous growth in recent years (Euromonitor International). This has led to an increase in the demographic of the consumers relevant to Kudler Fine Foods' products and services. The Italian market is of considerable size, given the demands that each target consumer has.

Environmental Factors

Government, Political and Governing Bodies

In Italy, the changing environment is imperative to Kudler and the decisions made. Decisions that the government makes affects the organization (" External Environment Theory," 2013). Italy has a parliamentary government that is perfectly bicameral. This means that their two houses, the Chamber of Deputies and the Senate of the Republic have the same powers. This is unlike the United States and how the government runs. Italy's government can influence Kudler in various ways (" External Environment Theory," 2013). The most common way that a government can influence a company is through taxation and spending. Other ways include new laws, subsidies, and

advice and support for businesses. In addition, Kudler is exposed to new laws and taxation policies (" External Environment Theory," 2013). When taxes increase, businesses have to compensate (" External Environment Theory," 2013).

Economic Factors

After analyzing the implications the government factors have on Kudler, Kudler needs to be aware of the economic factors affecting the company. For Kudler to continue to be successful, Italy's economic factors such as the interest rates, exchange rates, and fiscal policies must be analyzed. For example, Italy uses a different currency compared to the domestic country. Italy's currency is the euro due to Italy's membership in the " Euro Area, an economic monetary union (EMU) of European Union (EU) member states that have adopted the euro (" Trading Economics - Italy Interest Rate," 2013)." The euro is struggling and the instability of the currency creates problems for Italy (Hopkin, 2012).

Current interest rates are lower than previous years but still relatively high compared to other countries outside Europe as they are up at a . 75 percent (" Trading Economics - Italy Interest Rate," 2013). However, the interest rates will likely increase again as the euro continues to remain volatile (Hopkin, 2012). In terms, this affects the exchange rates due to the need to adjust for both interest rates and monetary and fiscal policies. The current exchange rate for the euro to Canadian dollars 1. 3361 to 0. 9990 (Trading Economics). With the slow growth and higher interest rates in place, the monetary and fiscal policies of Italy are currently cutting back on government spending, increasing taxes, and trying to find ways to save

money by tightening the grip on the many privileges it offers small and medium-sized businesses (Hopkin, 2012; " Trading Economics - Italy Interest Rate," 2013). Understanding these economic factors of entering into the Italian market will help Kudler identify risks and opportunities to remain successful.

Innovation and Technology

Key Innovations and Technologies

To achieve full potential, Kudler must implement a holistic business strategy. Therefore, staff must strive to achieve a common goal. To improve quality and speed, Kudler has the option of incorporating Reverse ATM's to allow customers to place and pay for their orders without standing in lines or interacting with staff (Pantelidis, 2009). Training employees is essential and Kudler is currently international. Therefore, Kudler must implement a two way interactive system used for video conferencing. The video conferencing can be held in remote areas with all stores at once.

An integrated information management system, such as the Points of Sale (POS) is essential and centralized in the main office. The system links management to all reports (Pantelidis, 2009). An information management system will help keep track of Kudler's performance, and management will be able to review organizational performance and employee performance records. Kudler will have the opportunity of managing and scheduling meetings, and orientations with new and current staff, and suppliers. In addition, the system facilitates the long-term decision-making process to reduce inventory and warehouse cost. Furthermore, the banquet and catering department of Kudler will be able to customize an event to the

customers wants, base a menu off customer feedback, and set competitive prices.

Benefits of Changing Technologies

New technologies have expedited the work pace in an organization. Kudler benefits from changing technologies because they contribute to cost reduction. They help the organization become leaner. Changing technologies will help Kudler improve in time-saving, quality control, customer satisfaction, health and safety, and security. Globalization helps Kudler maintain communication with all stores in a quick and efficient manner. Information systems help Kudler stay cost-effective by increasing productivity.

Conclusion

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