

Cafe coffee days: marketing mix



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Cafe Coffee Day aims at satisfying and surpassing its customers' expectations better than its competitors, through the implementation of the marketing mix which is made up mainly, of the 4 P's; Product, Pricing, Place and Promotion. Its face to face interaction with customers has also enabled it consider the additional 3 P's; Process, Physical Evidence and People. All these have positive and negative impacts on the Cafe's business as a whole.

PRODUCTS

The product decision is the initial decision Cafe Coffee Day makes to produce its standard marketing mix. It offers products as well as services to customers. Its after-sales service is appreciated during the export of the coffee produced on its farms. The tables below show the be-spoke meals and beverages the Cafe has developed to satisfy its customers;

Food

SMALL CHOPS

BIG CHOPS

Chicken Hot Dog Puff

Choco Brownie

Choco doughnuts

Cookies

Mocha Muffin Surprise

Veg Samosa

Chicken Burger

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Cheese Salad

Garden Salad

Zingy Pizza

Veg Burger

Spinach Corn

SUNDAES

SWEET CHOPS

Choc Hola

Chocolate Ice Cream

Cookie Medley

Dark-Passion

Fruity Bliss

Mocha Choco Delight

Vanilla Ice Cream

Carrot Nut Cake

Choco Black Forest

Chocolate fantasy

Mystery Mousse

Sizzle Dazzle Brownie

Table 1. 0

Beverages

HOT COFFEES

COLD COFFEES

FRUITEAZERS

Cafe Latte

Cafe Mocha

Cappuccino

Ethiopian

Irish Coffee

Macchiato

Solar Eclipse

Aztec

Black Coffee

Espresso

All day Refresh

Double Iceberg

Chill O Coffee

Devils Own

Kaapi Nirvana

Cafe Frappe

Mochachillo

Cool Blue

Blackcurrant Blast

Mango shake

Lychee Chill

Strawberry Shake

Green Apple Soda

Strawberry Blush

HOTEAS

FROSTEAS

CHOCO-LATTES

Darjeeling-Divine

Assam Express

Lemon Demon

Masala Garam

Lemon Tea

Strawbrrrrrry

Choco Rocks

Hot Choco Latte

Table 1. 1

POSITIVE IMPACT OF THE CAFE’S PRODUCTS

Freshness and Hygiene

Customers cannot help but visit this cafe because of its freshly brewed coffee. They enjoy the art of the visible coffee preparation process.

Management also ensures that coffee is prepared and served under hygienic conditions to satisfy their customers and promote a beneficial relationship.

Menu Variety

Cafe Coffee Day offers 32 beverages and 25 food options, in all its outlets.

This menu cuts across all diet types, including vegetarian and ‘ low calorie’ options. It understands that every customer is unique and continues to improve on this menu based on research and customer feedback.

Take-home Equipments

There is a stand at every outlet which offers take-home equipments such as coffee makers, branded tea cups, mugs etc. at affordable rates. Customers are delighted because they do not need to get to the market to purchase such products.

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Availability

Customers are able to demand for whatever they require on the menu at any point in time. The Cafe avoids running out of orders.

Quality

Cafe Coffee Day ensures that it gives customers value for their money based on the quality of the products they offer, notwithstanding its low cost.

Exportation

The Europe and Middle East purchase the good quality coffee, Cafe Coffee Day produces and exports, and as a result, increases profit for the Cafe. It also offers after-sales service as well as quality packaging and branding for the customer. Hollenson (2004)

PRICING

Cafe Coffee Day understands that pricing is an important factor in a customer's purchase decision. Their strategy is to charge lower than their competitors, to possess a greater market share. Pricing, as an element of the marketing mix, is a proof of the goods and services rendered to a customer by the Cafe. Jobber (2007)

POSITIVE IMPACT OF THE CAFE'S PRICING

Affordable

Cafe Coffee Day attracts a large number of customers due to the affordable prices of its products. Over the years, there have been minor increases due to the effects of the macro environment. The fact that it targets customers between the ages of 15 and 29 overemphasizes the reason for its affordable prices. In this Cafe, the price of coffee ranges from Rs. 17 to Rs. 54.

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Discounts

In order to promote sales, customers are encouraged to purchase a 'Cafe Citizen Card'. It entitles them to 10% discount on products purchased and seasonal gifts.

Higher Market Share

With reference to their focus on 'The young at heart', they attract a large number of youths daily, who are particularly keen on saving money and not spending. The average number of customers in an outlet per day ranges from 400 to 800, depending on the size of the outlet.

Competitive Advantage

Cafe Coffee Day has acquired a higher market share than its competitors due to its low priced, quality products.

PLACE

Cafe outlet location, means of transportation of products, and product distributors, all make up the distribution channel (Place). An effective distribution channel ensures that goods and services are delivered to an agreed location at an agreed time and in agreed quantities. Jobber (2007)

POSITIVE IMPACT OF THE CAFE'S DISTRIBUTION CHANNEL

Easy accessibility

There is a Cafe Coffee Day outlet in every major city in India and are easily accessible.

Rural area locations

Customers in the smaller communities also enjoy good quality coffee and snacks at affordable costs because the Cafe has set up outlets in the rural areas in India.

Distributors

The coffee produced on the Cafe's farms, are distributed through wholesalers and retailers to customers who wish to use the coffee at home.

PROMOTION

Promotional mix is the means by which customers are made aware of the available products and services Cafe Coffee Day offers. Advertising is an important aspect of this mix.

POSITIVE IMPACT OF THE CAFE'S PROMOTION

Movie Industry Involvement

The Cafe has a favourable business relationship with Bollywood. Scenes from movies like; Main Hoon Na, Bas Yun Hi and Khakee were shot within some of its outlets. Since it targets 'the young at heart', customers enjoy this new addition.

Fun Venue

In recent times, Cafe Coffee Day has introduced 'Sheesha' to its outlets. It is a fruity flavoured pipe that emits different flavours of fruit in form of smoke, when sucked.

It also offers 'free fancy calendar downloads' and 'Educative Coffee Information' on its website

Invitation Sales

Cafe Coffee Day acts as a venue where invitation cards for major events are sold.

Blog

A blog has been set up to receive customer feedback on its products and services to consider areas of improvement. Customers express their true feelings about the products offered and services rendered.

Internet Advertisements

The different menu options and services offered at Cafe Coffee Day are advertised on the internet to create further awareness to customers.

Partnership with other brands

In the course of promoting the services of HDFC bank, through its outlets, it attracts customers who visit Cafe Coffee Day, to use the HDFC's 'Automated Teller Machines' (ATM).

Text Messaging / Mailing list

The Cafe collates a database of customers by handing out forms from time to time as customers come to purchase their products. As a result, they send out frequent newsletters, text messages and emails, informing customers of recent developments.

Press Releases

Press releases are sent to customers and also published on the Cafe's website to communicate the latest events it has been associated with in recent times.

PEOPLE, PHYSICAL EVIDENCE AND PROCESS has been incorporated in the marketing mix, due to the increase in the direct interaction between the Cafe and its customers. These three elements make up the services rendered by the Cafe.

PROCESS

This involves the daily operations of Cafe Coffee Day. The manner in which the Cafe is run from its coffee farms to its distributors, outlets and finally to customers.

POSITIVE IMPACT OF THE CAFE'S PROCESS

Innovative

Cafe Coffee Day considers Research and Development (R & D) a compulsory part of its business success. From time to time, it enquires about customer needs and requirements in order for it to arrive at a product decision. In 2009, it introduced 'Combo carnival' a five course meal, comprising of; starters, mains, accompaniments, coffee and sweets.

First mover Advantage

The cafe continually works hard at retaining its position as the market leader in the coffee industry in India by targeting new customers penetrating the towns further as well as maintaining affordable prices.

Order Duration

Customers are happy with the service at Cafe Coffee Day outlets. The order time to the delivery time is reasonable. Customers do not need to seat idle for too long a time before their order is delivered.

Delivery

Customer orders are delivered to their table after preparation. The customers are not required to go to the counter to pick up their orders.

PHYSICAL EVIDENCE

Customers will patronize the Cafe based on what they see and perceive of it. The appearance of a brand stands out as a determinant of whether customers will be interested in their services.

POSITIVE IMPACT OF THE CAFE'S PHYSICAL EVIDENCE

Coffee Bean Farms

Cafe Coffee Day produces its own coffee beans on privately owned farms in India. It does not need to import coffee beans from overseas like its competitors do.

Ambience

The 'look and feel' in a Cafe Coffee Day outlet is comfortable. The decoration and wall images are inviting.

Literature Visibility

The words on its menu and phrases in its outlets are visible and customers are able to comprehend the message being passed across.

PEOPLE

The employees at the Cafe can either make or break the business. They are in direct contact with the customers and their effectiveness and efficiency will determine if a customer will return to the Cafe.

POSITIVE IMPACT OF THE CAFE’S PEOPLE

Professional Service

The people at Cafe Coffee Day believe that the customer is always right. They are attentive to detail and attend to customers professionally. Their priority is to ensure that they exceed their customers’ expectations at all times.

Educative

Cafe Coffee Day crew comprises of staff with the ability to educate customers on the products and services they offer with the assurance of future patronage. They are also able to communicate what each item is made up of.

Behaviour, manners, helpfulness, service

Mannerisms

Employees in Cafe Coffee Day are courteous and polite to customers. They are particularly taught to smile at customers during communication.

Assistance

Employees are helpful to customers when they visit the cafe to make enquiries. This boosts the customers’ perception about Cafe Coffee Day.

Neatness

The staffs at the Cafe are neat and the environment is kept clean at all times. This contributes in welcoming customers to its outlets.