

Viability of product or service



Viability of Product or Service: Earlier this summer, one of my good friends and colleague partnered up with a couple of enterprising individuals and started a U-Swirl and Rocky Mountain Chocolate Factory franchise. This fast food restaurant, located in Issaquah, WA, being a franchise, has the backing and support of the parent entities of “ U-Swirl Frozen Yogurt” and the gourmet chocolatier “ Rocky Mountain Chocolate Factory”.

In keeping with the U-Swirl Frozen Yogurt Issaquah (2013) marketing tagline: “ Worth the Weight” this fast food restaurant offer it’s guests up to 12 flavors of low fat and non-fat frozen yogurt at any time with more than 60 toppings that include seasonal fresh fruit, candy, sauces and granola . Guests serve themselves in cup sizes of their choice and pay per ounce rather than by the size of the cup chosen.

Although this franchise is primarily a frozen yogurt fast food restaurant, it also carries the whole Rocky Mountain Chocolate Factory (2013) product line which boasts of chocolate treats that are made from only the freshest and most wholesome ingredients such as fresh roasted nuts, real butter and whole cream. Some of the delectable treats include chocolate dipped fruits, bulk and boxed hand-made chocolates amongst other chocolate dipped items, such as pretzels, marshmallows and graham crackers.

Given the kind of food served at this fast food restaurant, the number of patrons varies seasonally. The shelf life of all the food choices served here range from a week to a few weeks. Hence, similar to any business of this type, the goal is keep operating costs low while moving inventory and maximizing sales. To this end, having a strong online presence would be

highly advantageous to growing this business in a few different ways. Since this is a relatively new frozen yogurt restaurant there isn't much public awareness of the existence of this place.

With the right online marketing strategy, there can be increased awareness of the existence of this relatively new restaurant in downtown Issaquah, thereby substantially increasing the foot traffic in the store. In today's fast paced world there is an ever increasing need and desire to never have to wait to be served as well as the preference to shop online and with a few clicks of a mouse to have items delivered to any given address. Also, there is an increasing trend of buying gifts online and having them delivered to the gift recipient.

If this restaurant had its full Rocky Mountain Chocolate menu offered online with an option for online ordering for in-store pick-up or delivery, this would contribute in a large way in moving inventory. However for this to be a reality there would need to be additional capital expenditure to put in infrastructure to automate inventory management, order processing, and order delivery as needed. A2. Current Online Competitor Assessment: If one looked for "frozen yogurt" in Issaquah, WA, you would find as the top choice "Yum-e Yogurt".

This local family owned and operated establishment can be considered a direct competitor and is geographically less than a mile away. Yum-e Yogurt is both a coffee house and frozen yogurt restaurant all in one, founded in 2012 when the first store opened in Maple Valley, WA. The Yum-e Yogurt location in Issaquah that is barely two months old is just the second Yum-e

Yogurt store of this entrepreneurial frozen yogurt restaurant chain. Their website is simple and easy to navigate.

They emphasize in a big way their core family beliefs in their mission statement as well as pride in the quality of the coffee, frozen yogurt and smoothies that they offer in their store (Yum-e Yogurt, n. d.). They have links directly from their webpage to their social media content on Facebook and Twitter where they have a comparatively larger following than our U-Swirl store. They have 4.5 stars out of 5 stars rating from an average of 16 customer reviews on Yelp.

They however do not have a setup for a loyalty program to serve as an incentive for repeat customers and do not have the option to purchase anything from their website. They also do not appear to have any kind of Customer Relationship Management (CRM) component online that could further enhance their business relationship with their loyal customers.

Another popular competitor that can be found in an online search for “ frozen yogurt” in Issaquah, WA is “ Peaks Frozen Yogurt Bar” that is just over a mile away and is one of three Peaks franchises within a 10 mile radius.

They too can be considered a direct competitor since their primary business is selling frozen yogurt as well. They have a pretty simple website which lists out their frozen yogurt flavors and toppings (Peaks Frozen Yogurt Bar, 2013). They are missing a full readout of their menu including pricing information and any relevant nutritional information on their products.

They have however made substantial use of social media and have links to their respective Social Media pages on YouTube, Google+, Facebook

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(<https://www.facebook.com/peaksfrozenyogurtbar>), Twitter (<https://twitter.com/PeaksFroYo>), Flickr (<http://www.flickr.com/photos/peaksfrozenyogurt>), and Yelp right from their home page. They appear to be pretty successful through their online social media content in getting the word out that Peaks is the place to socially meet and have a party! They have 4.5 stars out of 5 stars rating from an average of 5 customer reviews on Yelp (<http://www.yelp.com/biz/peaks-frozen-yogurt-bar-issaquah>). They do not have the option to purchase anything from their website. They however, appear to be doing well in regards to their CRM through their loyalty program “ Summit Club”.

As part of the “ Summit Club” membership, Peaks offers their customers an option to subscribe to their favorite frozen yogurt flavors so that they can be notified when they are available. Another option offered to registered members is an option to save their Birthday and the birthdays for up to three family members with a special birthday treat offered to registered members. The current birthday special that is offered to registered “ Summit Club” is for a free frozen yogurt of up to 12 ounces. One more popular competitor would be the TCBY franchise that is geographically less than 3 miles away.

TCBY (2013) has more than 360 franchises in the country dating all the way back to 1981 when the first TCBY frozen yogurt shop opened in Arkansas. They could be considered a competitor in the same category of “ cold desserts” since one of the products they sell is soft serve frozen yogurt. They sell all kinds of cold treats such as hand scooped yogurt cups/cones, fruit and yogurt smoothies and other frozen yogurt based specialty treats. They also boast of having the world’s first frozen yogurt made of almond milk (TCBY, <https://assignbuster.com/viability-of-product-or-service/>

2013). In comparison, they have an extremely comprehensive, engaging and intuitive website.

They have a complete readout of their menu with complete nutritional information of all their treats without exception including special mention of gluten free options. They are the only one of all websites that are being discussed here to include nutritional information not just for the soft serve yogurt but for the toppings as well. TCBY has a tremendously large following on Facebook (<https://www.facebook.com/tcby>) with the Issaquah TCBY location's Facebook page (<https://www.facebook.com/tcbystarpointsshops>) currently totaling less than ten percent of the number of followers as our U-Swirl franchise.

TCBY Nationwide has the largest following on Twitter of all business being discussed here, although the local Issaquah TCBY store is lacking a presence on Twitter. The Issaquah TCBY store also has 4.5 stars out of 5 stars rating from an average of 3 customer reviews on Yelp (<http://www.yelp.com/biz/tcby-issaquah-3>). They appear to be doing well in regards to their CRM through their loyalty program “myTCBY eClub” where customers could register an email address and a phone number to receive special offers and promotions every month (TCBY Issaquah, n. d.).

Online Marketing Suggestions & Strategies: The frozen yogurt and the chocolate treats sold by the U-Swirl and Rocky Mountain Chocolate Factory can realistically be consumed and enjoyed by customers from all walks of life and all ages. However, before we find ways of marketing the sweet treats from this store, it would be prudent and critical to first finalize who we are

marketing to or in other words who our target audience is. Often when decisions are made in regards to choosing a place to eat during “ lunch hour” or for a short break, generally the closest options are chosen when the time available is in short supply.

This is especially true when the choices of places to eat are similar in regards to type of food served or quality of food served. This said, we know that the U-Swirl and Rocky Mountain Chocolate Factory store falls within a one mile radius of two high schools, one middle school, one elementary school, the local library, the Issaquah community center, and whole slew of local businesses. Ideally, the target market for our store would be the students and teachers of the local schools, as well as the patrons and employees of all the local businesses.

The goal is to become the preferred option of choice for anyone in the above mentioned target market when they would like to enjoy an occasional sweet treat or a cup of frozen yogurt. Once enhancements to the U-Swirl Frozen Yogurt and Rocky Mountain Chocolate Factory website are complete, the goal would be to get as much traffic to the website to get the word out and eventually into the store. More traffic to the new and improved website would mean more opportunities for customers to order Rocky Mountain chocolates online for pickup in the store which would mean they could also sample the frozen yogurt when they pick up their order.

This is the only store of its kind in the neighborhood. It is the only frozen yogurt store to also offer gourmet chocolates among other chocolate covered treats from Rocky Mountain Chocolate Factory. As part of effort to

determine the clear brand message, an option that can be used effectively to reach a broader customer base is Online Advertising. Since the targeted potential customers are all students and employees of the four surrounding schools within the one mile radius including the patrons of the library, local community center and the local businesses, there are bound to be many opportunities for creative online advertising.

The content of the message could focus on the “ brand differentiation” message that this is the only soft serve yogurt store in the neighborhood which also offers patrons a whole selection of Rocky Mountain Chocolate Factory’s delectable goodies. Today advances in technology allow for different types of advertisements in different shapes and sizes as wallpapers or banners to be presented intelligently and as appropriately as possible when potential customers perform relevant web searches or visit local sites which offer the options of advertisements.

Today, technology such as Flash, JavaScript and other interactive technologies allow for user interaction to engage the customer and pique their interest about the content presented in the advertisement. Also, technological advancements in “ geo-targeting” allow for the enhancements that are made to the store website and brand enhancements be communicated via online advertisements to targeted audiences in the surrounding vicinity narrowed down to even the range of public IP addresses used by computers and other web enabled devices in the schools, library and surrounding businesses.

In addition to the above method of online advertisement targeting, another very effective method of intelligently targeting specific audience with online advertisements is referred to as “behavioral targeting”, where advertisements that popup are based on recent user behavior. This increases the overall user response to these advertisements and makes the advertising campaign more effective and increases the overall “return on investment” for the advertising campaign costs.

All things considered, the payment model of CPM (cost per mille or cost per thousand impressions) also offers an option to try and keep advertising costs relatively low. Another online strategy that could be used to get the word out to existing customers and potential customers of the newly improved store website is Search Engine Marketing. Research has shown that the items that appear in the first screen of search results are the ones which enjoy the majority of all the clicks and additional hits to their webpage.

The goal would be to appear in the top half of the page of search results for web searches such as “froyo issaquah” or “frozen yogurt issaquah”.

Currently, U-Swirl Frozen Yogurt’s direct competitors—Yum-e Yogurt and Peaks Frozen Yogurt Bar and their respective pages on Yelp take top spots in the search results that are returned. As part of the strategy in using Search Engine Marketing to increase awareness and potentially increase the customer base, the goal is to adjust content on the website to get as many relevant words indexed by the search engine web crawlers to appear prominently in the above mentioned web searches.

The newly increased and detailed nutritional online menu content in the store website for both the U-Swirl and Rocky Mountain Chocolate Factory product lines should immediately improve the website relevancy in online web searches. However, in addition to increasing organic store related web content it always helps when satisfied and happy customers rave about the wonderful experience that they have recently had in the store. In-store incentives such as up to a 50% discount on any single item during their next visit could be offered for those who have shared their in-store experience on Yelp.