

Marketing plan for newly opened bakery



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With the mission of ‘letting more and more cakes to tell happy stories’, the KÄ“ ki no Hanashi Bakery is trying its best to bring the best and different cakes enjoying experiences to the Johor consumers, in year 2011.

Facing with the changes of political, economical, sociocultural and competitive factors, the KÄ“ ki no Hanashi Bakery believes that it may solve the threats with its sincere services and differentiated products.

As a new comer in the food and beverage industry, the KÄ“ ki no Hanashi Bakery is brave to offer the new and different experiences and services for the consumers by introducing preference records member cards and special hands-on classes.

Besides, as a new business opened in the new era, the KÄ“ ki no Hanashi Bakery is also put in effort to maintain closest relationship with the targeted consumers through online networks and company website.

With the sincerity and brave introducing new and different cake enjoying experiences, the KÄ“ ki no Hanashi Bakery is looking forward a bright future within a short period of time and looking forward to ‘share more happy stories’ with the consumers.

II. MISSION STATEMENT

With the mission of ‘letting more and more cakes to tell happy stories’, the KÄ“ ki no Hanashi (ã,±ãf¼ã,ã)®è©±) Bakery would like to make cakes become a food that may represent the wishes from the senders.

Besides, the vision of the KÄ“ ki no Hanashi Bakery is to make cakes as a popular food which may be consumed on our daily life, instead of limited for special events.

As a social responsible business, the KÄ“ ki no Hanashi Bakery promised to keep on serving the healthier but delicious and quality cakes for the consumers.

III. SITUATION ANALYSIS / SWOT ANALYSIS

a. INTERNAL ENVIRONMENT

i. ORGANISATION BACKGROUND

KÄ“ ki no Hanashi Bakery is a family owned bakery which will be opened on year 2011. ‘ KÄ“ ki no Hanashi’ are Japanese words with the meaning of ‘ Cakes’ Stories’.

Cake is one type of popular food that normally used in several events, such as birthday parties, wedding ceremonies, festivals celebrations, and farewell parties. Thus, the founders of KÄ“ ki no Hanashi Bakery believe that every cake is ‘ telling a unique story about the event’ and ‘ representing the best wishes from the sender’.

With this belief, the founders named the bakery as KÄ“ ki no Hanashi to produce more and more cakes which may ‘ tell more and more happy stories’ and ‘ sending more and more best wishes’ to the world.

The strengths of the KÄ“ ki no Hanashi Bakery are the high quality and delicious products it served and the main weakness of the KÄ“ ki no Hanashi Bakery is the founders who are lack of experience in managing a café.

ii. PRODUCTS

With the mission of ‘letting more and more cakes to tell happy stories’, the main products will be sold in KÄ“ ki no Hanashi Bakery is several cakes that may attract consumers’ appetites.

Besides, KÄ“ ki no Hanashi Bakery is also selling several flower teas, which may perfectly match the sweetness of the cakes served in the shop.

Nowadays, due to the improvement in standard of living in Malaysia, consumers start thinking about selecting and consuming healthier foods. Thus, take a flower teas which may reduce the fats and sweetness from cakes will be a good choice for the consumers.

The following is one sample menu for KÄ“ ki no Hanashi Bakery:

iii. FINANCIAL AND NON-FINANCIAL RESULTS

Facing the competition from several famous bakery and café in Johor, the KÄ“ ki no Hanashi Bakery needs to ensure that it may at least achieve certain level of sales to break even. The following table shows the financial results need to be achieved by KÄ“ ki no Hanashi Bakery in every day:

Start-up Costs

Security Deposit

RM 5, 000

Construction

RM 30, 000

Start-up Inventory

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RM 5, 000

Permits

RM 505 – Registration fees (Suruhanjaya Syarikat Malaysia, 2008)

Total Start-up Costs

RM 40, 505

Monthly Expenses

Rent & Utilities

RM 7, 000 – Rental RM4, 000 (thinkproperty. my, 2010)+ Electricity, Water, Telecommunication, and Internet Fees

Staffing

RM 5, 000

Inventory

RM 5, 000

Insurance

RM 5, 000 (appendix)

Rough Monthly Expenses

RM 22, 000

To break even, the KÄ“ ki no Hanashi Bakery needs to sell at least 150 pieces of cake per day (assuming that the cheapest cake, RM 5 per piece, sold)

To achieve a better future, the KÄ“ ki no Hanashi Bakery cannot depend only on achieving the break even on every day, but also must think about the goodwill for the business. To survive and succeed in the market, the founders of KÄ“ ki no Hanashi Bakery are expecting to own at least 20% of the market share in Johor within the first operating year, and expecting to slowly improve the market share over the next five years.

iv. CHANNELS

In KÄ“ ki no Hanashi Bakery, the following two channels will be used for marketing the business to the market:

Traditional Channel

As a small and newly opened bakery, KÄ“ ki no Hanashi Bakery will focus more on serving the walk-in customers who visit and consume in the café. To ensure all walk-in customers are served with the best cakes and teas, the company put the initiative, inviting the customers to apply for the free member card.

These member cards will record the preference of each customer, and act as the auto system to inform the waiters about the preference of the customers – once the customer enters the café, the system set at the entry will detect the card's information and automatically transfer the preference information to the waiters on-duty, and thus the waiters may give suggestions to the customers according to the customers' preference and previous expenses.

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To attract the consumers to walk-in the café, the KÄ“ ki no Hanashi Bakery will put a special designed banner in front of the store – the banner will be designed with the contrast color – red and yellow. According to Mike Russell (ProQuest Information and Learning Company 2004), ‘ Mood will determine your appetite’ and the warm colors such as red and yellow are the food colors which may increase appetite. Thus, the bakery will use these contrast color on the banner design.

Besides, the founders also understand that the significance of advertisement in attracting consumers. Therefore, the KÄ“ ki no Hanashi Bakery will also spend a budget to distribute the flyers at the nearby housing areas. The reasons for choosing flyers distribution is to build up direct face-to-face interactions with the consumers at the same time reduce the advertisement expenses in the earlier stage of the business life cycle. In the coming future, the bakery may also consider on other types of advertisement such as advertising in food & beverage magazine, television, and newspapers.

Modern Channel

Understood of the increasing significance of internet and the increasing influence power of online communities, the KÄ“ ki no Hanashi Bakery will also launch a website to promote the business. Through the website, the bakery will accept order and arrange delivery service for the customers who spend minimum RM 70 per order.

Furthermore, the KÄ“ ki no Hanashi Bakery will also open accounts in the most popular online social network such as Facebook and Twitter. Through these social networks, the KÄ“ ki no Hanashi Bakery is expecting the

increasing sales through ‘ words of mouth’ by the customers who are satisfied with the products and services provided.

Moreover, E-mail marketing will also be considered by the KÄ“ ki no Hanashi Bakery to update the promotions and newsletters to the customers.

However, this marketing method will only applicable to those customers who registered as KÄ“ ki no Hanashi members and provided the email address to the bakery.

b. EXTERNAL ENVIRONMENT

i. MARKETS

Johor, one of the Malaysia state which connected with the neighbor country, Singapore, is always a strategic location that attracting tourists for looking of nice foods. Based on the matured economic base and skilled workforce in Johor, the high above average standard of living of Johoreans spurred the developing of the food and beverage industry – Johoreans strive for earning at the same time enjoy spending for nice foods. (Johor State Investment Centre 2010)

According to Nielsen (2009), 67% of Malaysians dine at restaurants once a week, and frequently visit restaurant during weekdays. Thus, it shows that Malaysia will be a potential market for the food and beverage industry.

Operating in a state with approximate 3, 385, 000 population (Wikimedia 2010), the KÄ“ ki no Hanashi Bakery is confident with the business future.

ii. COMPETITIVE ENVIRONMENT

Due to the strategic location of the state, restaurants and café are mushrooming in Johor. The main competitors for the KÄ“ ki no Hanashi Bakery includes of:

Secret Recipe Cakes & Café Sdn Bhd. Same as the KÄ“ ki no hanashi, Secret Recipe is serving fine quality cakes for the consumers and thus it is one of the direct competitors for the KÄ“ ki no Hanashi Bakery. Facing such a competitor with more than 100 cafes throughout the region, the KÄ“ ki no Hanashi Bakery is currently in the learning stage to learn from the success story of the Secret Recipe.

Season Cake House and Café. Besides of Secret Recipe, Season is another direct competitor for the KÄ“ ki no hanashi. Season is one of the famous breads, pastries, and cakes producers in the Johor market. Based on its reasonable pricing and high quality products, Season is attracting the consumers with average income. As a newly started bakery, the KÄ“ ki no Hanashi should produce the products according to Season’s strategy to gain the market share within short period of time.

Lavender Bakery & Bistro. With the similar strategies as Season Cake House and Café, Lavender is attracting the average income consumers by providing good quality but reasonable price breads, pastries, and cakes. Thus, Lavender is another direct competitor for the KÄ“ ki no Hanashi to follow with its pricing strategies and product strategies.

Besides of the direct competitors mentioned above, the KÄ“ ki no Hanashi is also facing indirect competition from Station One Café, Coffee Bean and Tea Leaf, and other fast food restaurants such as McDonald, KFC, and PizzaHut.

iii. ECONOMIC ENVIRONMENT

To success in the market, the founders would like to highlight the following recent economic changes that are directly influencing the business:

Price Increased for Essential Goods. It was a serious shock to most of the Malaysian that the government was recently announced that there will be a subsidy cut off for certain essential goods such as sugar, petrol diesel and liquefied petroleum gas. According to Prime Minister (Driving in Malaysia 2010), the slightly price increased in these necessary goods will never affect the life of people, but from the KÄ“ ki no Hanashi Bakery’s point of view, these slightly change will still bring quite big threat to the food and beverage industry, because the price increased in sugar and flour will directly increase the costs of production, and the petrol price increased will also reduce the intention of people to eat outside.

Increased Average Salary for Malaysian. As promised by Malaysian Government, Malaysians are waiting for an increased average salary in the coming future, and this may bring a good opportunity for the KÄ“ ki no Hanashi Bakery, because higher income may reduce the impacts from the subsidy cut off for the necessary goods. According to an annual Employment Outlook and Salary Guide (The Sun 2010), there will be a 4% to 5% increase in the Malaysian workforce’s average salary in year 2010, and this is expected to bring a better standard of living for the benefited group.

Despite the efforts put by Malaysia in the recent years, Malaysia still unable to reach the ranks of the rich nations, and several fundamental social changes are still needed to be taken by Malaysia (Correspondent 2009).

Thus, the KÄ“ ki no Hanashi Bakery must consider about the income level of Malaysians while deciding the pricing strategies. Different from other foreigner investors, KÄ“ ki no Hanashi Bakery must serve good quality cakes with reasonable price to get the customers' loyalty.

iv. DEMOGRAPHIC ENVIRONMENT

The following are the demographic factors which the founders would like to highlight and focus on:

Population of Malaysian. According to the Department of Statistics Malaysia (2010), the current Malaysia population is approximate 28. 25 million. It means that the potential future market is very big for the KÄ“ ki no Hanashi Bakery, if it is planning to operate more than one store over the region.

Population of Johorean. According to Wikimedia (2010), the population of Johorean is approximate 3, 385, 000. This figure shows that the population of Johorean and also showing the market opportunity for the KÄ“ ki no Hanashi Bakery.

Diabetics of Malaysia. Since the KÄ“ ki no Hanashi Bakery is mainly serving cakes in the market, the increasing diabetics in Malaysia might be a threat for the business. According to the International Diabetes Federation (Laura Wood 2010), Malaysia contributed 1. 33 million diabetics, of which only 0. 6 million were diagnosed. Thus, to ensure the products served may consider this group of consumers, the bakery needs to put in efforts in its researches

and developments to produce healthier and lower sugar products in the coming future.

Consumer Price Index. According to the Department of Statistics Malaysia (2010), the Consumer Price Index of Malaysia is increasing and there is a 2.7% increase in the index for Food and Non-Alcoholic Beverages. Thus, it shows the good future for the KÄ“ ki no Hanashi Bakery.

v. SOCIAL AND CULTURAL ENVIRONMENT

Malaysia is a country well-known with its combination of different ethnics and different culture. As a country that encourages religion freedom, most of the Malaysians are strongly respecting each other’s culture and religion. Thus, to success in the market, the founders of KÄ“ ki no Hanashi Bakery must clear about the culture of different ethnics.

Since Islamic is the largest religion in Malaysia, the KÄ“ ki no Hanashi Bakery must pay lots of attention on ensuring the products served in the KÄ“ ki no Hanashi Bakery match with the religion requirements of Muslims. To achieve this, the KÄ“ ki no Hanashi Bakery may need to apply the Halal Food Certification from JAKIM. With the certification, the KÄ“ ki no Hanashi Bakery will have better strengths to compete with those competitors without the certification.

Besides, the changing lifestyles amongst Malaysians, such as preferences for leisure, convenience and eating out (Lee Kum Chee 2008), is another opportunity for the KÄ“ ki no Hanashi Bakery.

As an important part of Malaysian culture and social life, eating is extremely important for the Malaysians (Agriculture and Agri-Food Canada 2010), thus the KÄ“ ki no Hanashi Bakery is expected to be success in the coming future if it may capture the needs and wants of the market.

vi. POLITICAL AND LEGAL ENVIRONMENT

The following are the main legal factors need to be considered by the KÄ“ ki no Hanashi Bakery:

Import License for importing agricultural products from overseas. The KÄ“ ki no Hanashi Bakery needs to consider if there is a need to import any agricultural products as the materials for production. An import license will be needed from the Department of Veterinary Services Malaysia, if the KÄ“ ki no Hanashi Bakery decides to buy in certain materials from overseas.

Halal certification. The KÄ“ ki no Hanashi Bakery must also understand that the major population in Malaysia is Malay and thus to attract this group of consumers, the KÄ“ ki no Hanashi Bakery must get the Halal certification from JAKIM. As a Halal certified business, the KÄ“ ki no Hanashi Bakery needs to follow certain requirements in its producing and operating process.

Safety and Hygiene rules and regulations. Although there is very low hygiene awareness amongst Malaysians, the KÄ“ ki no Hanashi Bakery is required to strictly follow the safety and hygiene rules and regulations as the responsibility to the community.

vii. TECHNOLOGICAL ENVIRONMENT

As a newly started bakery, the KÄ“ ki no Hanashi Bakery will try best to use the technology that is available in Malaysia. Besides of the major technology such as computer system, customized accounting system, and cashier system, the KÄ“ ki no Hanashi Bakery is also need to buy in several production equipment to ensure the production may be proceed.

The following are the main suppliers that the bakery needs to contact with, to get the supply of several production equipments:

LMC Star Sdn Bhd (Kuala Lumpur). LMC Star is a beverage equipment supplier for restaurant, café, food court, and hotel. The KÄ“ ki no Hanashi Bakery will contact LMC Star to get the supply of coffee machine, coffee bean, and tea leaf.

Ikhua Hardware & Machinery Sdn. Bhd. Ikhua is a kitchen equipment supplier, which supplying several bakery equipment, cooling & ice making machine, water boiler and dispenser.

Besides of the equipments, the following is the main materials supplier will be contact by the KÄ“ ki no Hanashi Bakery:

Harvest Bakery Ingredients Sdn Bhd (Selangor). Harvest is a food decorative items supplier for bakery industry. The KÄ“ ki no Hanashi Bakery will contact Harvest to get the supply of several decorative items, such as candle, sugar strand, fruit jam, and nuts.

IV. MARKETIG OBJECTIVES

As a newly opened bakery, the marketing objectives of KÄ“ ki no Hanashi Bakery is to gain 20% of market share in Johor within first operating year and slowly improving its market share in the coming five years.

To achieve these objectives, the KÄ“ ki no Hanashi Bakery is striving to attract consumers to try the products and build up customers' loyalty by making the customers feel respected and different in the market.

V. MARKETING STRATEGIES

a. TARGET MARKETS

As the culture of Asians, Malaysians used to dine out together with family and friends, thus the main target markets focused by the KÄ“ ki no Hanashi Bakery is the group customers including family customers or friends gathering customers. Based on this market target, the KÄ“ ki no Hanashi Bakery needs to consider how to design its store as a suitable and comfortable place for the family and friends to spend a whole afternoon or evening in the store.

Besides, the KÄ“ ki no Hanashi Bakery will also target on serving the teenagers who like spending time by having group studying time with their classmates. To attract this group of consumers, the KÄ“ ki no Hanashi Bakery considers to launch student package to ensure these teenagers would never find the products too expensive.

Furthermore, the KÄ“ ki no Hanashi Bakery will also target on serving the elder group who have retired and would like to find a place for spending time. Since this group of customers may have plenty of free time and <https://assignbuster.com/marketing-plan-for-newly-opened-bakery/>

money, the products price will not be an issue but the ingredients used for production will be a major issue need to be considered because this group of consumers might pay more attention on the food health issues.

b. PRODUCT STRATEGIES

Based on the mission of the company, the KÄ“ ki no Hanashi Bakery’s product strategy is to provide best quality and unique product for the consumers. Thus, the company is following the focus but differentiate product strategies in its operation.

Since the main targeted market for the KÄ“ ki no Hanashi Bakery are family consumers, friends gathering consumers, teenagers, and elder group, the KÄ“ ki no Hanashi Bakery needs to have three different types of product strategies as listed below:

Family consumers and friend gathering consumers. For these type of group consumers, the KÄ“ ki no Hanashi Bakery will encourage the consumers to spend on family package – a full cake with normal price, but free with two pots of flower teas.

Teenage consumers. For this group of consumers, the KÄ“ ki no Hanashi Bakery will introduce student package which serves the products with lower price for these consumers. With this lower price serving, the KÄ“ ki no Hanashi Bakery is expecting a higher loyalty and better words of mouth from these consumers.

Elder Groups. For this group of consumers, the KÄ“ ki no Hanashi Bakery will introduce low sugar cakes and healthy flower teas to encourage the consumers to pay more attention on the healthy issues.

c. PRICING STRATEGIES

As a new business in the market, the KÄ“ ki no Hanashi Bakery will employ the competition-based pricing. To gain the market share in the short period of time, the KÄ“ ki no Hanashi Bakery will analyse the competitors' pricing strategies and set the products' price according to the competitors' price.

According to the analysis did by the KÄ“ ki no Hanashi Bakery, the competitors such as Secret Recipe and Coffee Bean & Tea Leaf are setting the cakes price from RM 5 to RM 7. 90 per piece, and RM70 to RM100 per full cake. Whereas the competitors such as Season and Lavender are setting the price from RM4 to RM 6 per piece, and RM 30 to RM 70 per full cake.

Thus, to success in the market, the KÄ“ ki no Hanashi Bakery will set its cake price from RM 5. 00 to RM 7. 00 per piece, and RM 70 to RM 90 per full cake.

d. PROMOTION STRATEGIES

The following are the promotion strategies will be followed by the KÄ“ ki no Hanashi Bakery:

Launch user-friendly web interface. Today consumers are searching information about the companies from internet after they heard the radio advertisement (RadioCentre Ltd 2009). Thus, a success business should maintain a user-friendly web interface that provide valuable information for

the consumers and preferred if it may provide multi-language that satisfies the needs of global consumers.

Based on research (Paynter and Lim 2001), payment option is one of the reasons that reducing the purchase incentives. Most of the Asians are not so interest in e-shopping because feel insecurity to make the payment through credit card. Thus, in order to attract the consumers from Asian country, today businesses should provide high security system for protecting customers' details, or accept another form of payment, such as cash transfer through bank after purchase.

Improve level of trust between buyers and sellers. To ensure consumers' return, today enterprises must improve the relationship with the consumers and build up trust between buyers and sellers. Provide accurate and open information is one method to build trust with consumers. Besides, companies should also provide just-in-time services through utilise latest technology to gain trust from consumers.

Promoting the business with Members' Card. To ensure the consumers may feel respected by the company, the KÄ“ ki no Hanashi Bakery will introduce a free member card to all customers, the member card is used to record the customers' information and thus the customers' preference may be recorded and reflected to the waiters once the customers enter the entry and pass by the information scanning machine which located at the entry area.

e. DISTRIBUTION STRATEGIES

The following are the distribution strategies will be followed by the KÄ“ ki no Hanashi Bakery:

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Walk in customers. Walk in customers will be served by the waiters. To reduce the impatient of waiting line, the bakery promise to serve each customer within 15 minutes once the customers found a seat in the bakery.

Online order and delivery. Consumers may check the menu of the products from the company website and place online order by credit card. However, only the delivery for minimum expenses RM 70 will be free of charge. The delivery will be handled by the waiters of the store and special packaging will be the strength for this service.

Phone order and delivery. Consumers may call in to place order. However, only the delivery for minimum expenses RM 70 will be free of charge. The delivery will be handled by the waiters of the store and special packaging will be the strength for this service.

Special package customers. The special package service is the special services that we will provide for pre-booking customers. In certain events, the customers may think about sending their best wishes to their beloved with their personal made cakes, and this package is a ‘ hands-on class’ which allow the customers to be involved in the cake making process. However, the price for this service will be varied depends on the requirements of the customers.

VI. RECOMMENDATIONS

With the Strengths of strong and clear mission and vision, and the weaknesses of lack of experience founders, the KÄ“ ki no Hanashi Bakery is facing several opportunities and threats within the market.

The opportunities faced by the KÄ“ ki no Hanashi Bakery includes of the changing lifestyle of Malaysians, increased average salary of Malaysians and increased price index for food and non-alcoholic beverage industry. The KÄ“ ki no Hanashi Bakery should grasp this opportunity to attract more consumers to try the products served by the business. To grasp this opportunity, the KÄ“ ki no Hanashi Bakery needs to capture the appetites of Muslim by producing Halal products, attracting teenagers by provide students package, and serving elders by introducing low sugar cakes. Besides, the launching of website, involve itself in Facebook and Twitter are also the good practice which may bring in more and more customers.

The threats faced by the KÄ“ ki no Hanashi Bakery includes of the increasing price of sugar and flour, reducing subsidy for necessary goods, and high competition from other bakery and café. To survive in the threats, the KÄ“ ki no Hanashi Bakery is suggested to avoid direct compete with the existing competitor by designing its strategies according to focus and differentiate strategy. Instead of selling products to everyone in the market, the KÄ“ ki no Hanashi Bakery should understand its consumers, focus on niches markets and serve the markets with differentiated products and services – the special package with hands-on class and the preference records member card are the sample actions taken by the business to differentiate itself from the competitors.

With the special and differentiate products and services provided, the KÄ“ ki no Hanashi Bakery is looking forward to serve the market with a new and different cakes enjoying experience, which may bring higher revenue and better market share for the KÄ“ ki no Hanashi Bakery.