

# [Famous amos cookies | overview and analysis](https://assignbuster.com/famous-amos-cookies-overview-and-analysis/)

Wallace “ Wally” Amos, Jr. (born July 1, 1936) is an American actor and writer from Tallahassee, Florida. He is the founder of the “ Famous Amos” chocolate chip cookie brand. He later co-founded Uncle Wally’s muffins. He currently resides in Kailua, Hawaii and also Long Island, New York, where he runs the Chip & Cookie gourmet cookie brand and stores.

Wally Amos showed interest in cooking from a very young age, and it was from his aunt, who would bake cookies for him, that Amos would develop his chocolate chip cookies recipe. Amos would improve on his aunt’s recipe, which was already common because it included several ingredients not generally associated with chocolate chip cookies.

Over the years, millions have slaved over the hot stoves trying to recapture the sensational taste created on that glorious day in Lowell, Massachusetts. But not until 1970, when Wally Amos started to bake his secret recipe, has any chocolate chip cookie been so thoroughly authentic and delicious at the same time.

The face that launched a thousand chips, Wally Amos is the father of the gourmet cookie industry. As inventor of “ Famous Amos” cookies, his story is the quintessential American success story.

Originally, Wally Amos, a true cookies lover, baked his cookies to share with his friends. The “ Famous Amos” cookie tale began when he began using his bite-sized cookies as calling cards and thank-you gifts. As Wally made his rounds in his entertainment business, more and more of his friends and clients asked for another bag of Wally Amos Cookies. Finally, with the backing of several Hollywood personalities, Wally launched The Famous Amos Cookies Company in 1975.

Famous Amos is one of the most recognizable cookie brands in the world and its products are positioned as premium quality. This idea was initiated by Wally Amos in 1975, while the brand currently belongs to the Kellogg Company and is available in most parts of the world. Its products include bite-sized chocolate cookies, sandwiched cookies and muffins that come in various flavors. Apart from that, it offers customized wrapping services at its specialty stores.

## Famous Amos Malaysia

Famous Amos was incorporated in Malaysia as a private limited company, acquired by DKSH Holdings (Malaysia) Berhad (formerly known as Diethelm Holdings (Malaysia) Berhad) in January 1997. DKSH Holdings (Malaysia) Berhad is an investment holding company listed on the Kuala Lumpur Stock Exchange since 1994 under the Companies Act, 1965 on 9 November 1983. It is the franchise holder of the “ Famous Amos” chocolate chip cookie in Malaysia.

The Famous Amos Chocolate Chip Cookie Corporation (M) Sdn Bhd currently operates over 50 successful Hot-baked stores in shopping malls and airports in West and East Malaysia and sells chocolate chip cookies as well as muffins, drinks, ice cream and an extensive range of confectionery items. The chain is constantly expanding and has outlets at Kuala Lumpur International Airport and the airports of Kuching, Miri and Kota Kinabalu. The Food Ingredients unit caters to manufacturers of beverage, confectionery and biscuits as well as to fast food establishments. In addition, a dedicated team provides customers with expert advice and technical training.

## Mission Statement

Kellogg company’s vision and mission statements define their focus upon sustainable growth, broadened definition of social responsibility and the true strength of their company – our people and our brands. Parallel with the goals of its parent company, Famous Amos is focused on achieving sustainable growth through the expansion of its operations.

## Corporate Social Responsibility

Famous Amos also involving in corporate social responsibility by donating and do charity to help people. For example, Famous Amos managed to raise RM7, 000 during their charity sale at Sunway Pyramid last December 2010 and all funds was donated to Rumah Hope. On top of that, kids were each given a goodie bag while caregivers received a hamper as a gesture of appreciation for their effort.

## The Management

The management team of Famous Amos is form by managing director, general manager, senior operations manager, business development and promotions manager, finance and administration manager, human resource manager, and area manager.

Each of the management team members will do according to their post to make sure the product can be reach to the customers in an easier way and bring satisfaction to them.

For instance, managing director will be responsible to develop and deliver on the company’s strategic plan in the most effective and efficient manner. Besides, they will also accountable for the overall performance of the company and for the day-to-day running and management of the company’s business, under delegated authority from the Board. While for finance and administrative manager, they will be doing records and accounts for daily transactions, ensuring accuracy and completeness of required files and supporting documentation serving as evidence of transactions and responsible for all matters related to the operations and administration of the office.

## Segentation

Segmentation is the process of dividing a market into smaller segments with distinct needs, characteristics, or behaviours that might require separate marketing strategies or mixes. There are four basic market segmentation strategies: behavior segmentation, demographic segmentation, geographic segmentation, and physiographic segmentation.

Geographic segmentation is market segmentation strategy whereby the intended audience for a given product is divided according to geographic units, such as nations, states, regions, counties, cities, or neighborhoods. Famous Amos opened all around the world such as Los Angeles, Singapore, Malaysia and so on . In Malaysia, almost the shops or stores are opened in the hypermarket, malls and airport such as Queensbay and Gurney Plaza at Pulau Pinang. This is because both of the location have higher density of higher level income of population and foreigners.

Behavior segmentation is market segmentation strategy whereby the division of the target market is made according to the patterns in which the people in the market live and spend their time and money. Buyers in a market will differ in their wants, resources, locations, buying attitudes, and buying practices, and any of these variables can be used to divide a market. For example, Famous Amos has offered some gifts such as cookies in gift packs, hampers, chocolates, hamlets, brownies and muffins, gummies and candies for any of the festivals or occassions. This is very convenience for customers when have any festivals or friends’ birthday, thay can buy Famous Amos products as the gift or presents.

Demographic segmentation is market segmentation strategy whereby the intended audience for a given product is divided into categories based on demographic variables (demographics). Demographic segmentation is the most popular basis for dividing groups, primarily because consumer usage and wants or needs usually match demographic categories, but also because demographic variables are easy to measure and obtain. Age and life cycle segmentation is a form of demographic segmentation. The Famous Amos cookies is focusing on children, younger, foreigner or office staff. Their customers almost are higher income level and have a well occupations. Their cookies attracts the children so much as it is munchable, crunchy and sweet. It is suitable for the taste of children and younger. Besides, it also offered some kinds of muffins and brownie to this kinds of lovers.

Psychographic segmentation is market segmentation strategy whereby the intended audience for a given product is divided according to social class, lifestyle, or personality characteristics. Famous Amos segment markets by consumer lifestyles, promoting their cookies and products as expressions of those lifestyles, such as chocolate chip cookies and sandwich cookies which offered by Famous Amos are favor of the chocolate, sweety and cookies lovers. The chocolate cookies is one part of their lives.

## Targeting

Next step is market targeting. It is the process of choosing an appropriate market for a given product. Famous Amos need to evaluate the different market segments and decide which and how many to serve. To do this effectively, they must examine three general factors: (1) segment attractiveness (i. e., the impact of competitors, substitute products, etc.); (2) segment size and growth; (3) company objectives and resources. Besides, they also have to outline four basic strategies to satisfy target markets: undifferentiated marketing or mass marketing, differentiated marketing, concentrated(niche) marketing, and micromarketing.

Target market of Famous Amos are concentrated marketing which is targeting one or a couple small segments. For example, this segment should be the lovers of chocolate such as chocolate cookies, chocolate muffins and brownies, candies and gummies and so on. Chocolate is part of their life. They would like to have them oftenly or everyday. Famous Amos will categories their cookies, muffin and brownies, candies and gummies for the children and younger who like to taste sweet and chocolate flavour. Besides, the hamper gifts, occassions gift or cookies in packs is targeting the customers who want to give so present to somebodies when have any festivals or occassions such as birthday’s gift, Valentine Day, Chinese New Year and Christmas Day.

## Positioning

Finally, the last step is positioning. It is the way the products is defined by consumers on important distributes that is the place the place the product occupies in consumers’ minds relative to competing products. Perceptual positioning maps can help define a brand’s position relative to competitors.

Famous Amos have differentiate their product such as provide their cookies that are fresh and homemade taste. By using the best ingredients, like semi-sweet chocolate chips and flavorful nuts, these homemade tasting cookies became famous just by word of mouth. The ” Free Smell ” from Famous Amos Hot-baked store has been an irresistible aroma of our freshly baked cookies to be enjoyed by true cookie lovers everywhere. Customers could decide themselves the amount of cookies they want and they can even mix the different types but same price of cookies together in a pack when buying at Hot-baked stores. This increases the satisfaction of customers.

Besides, channel differentiation is implemented by setting their own website, where customers can find the store location nearest them, browse cookie varieties, order treats or even learn how to start a franchise of the company. In addition, Famous Amos also found primarily on supermarket shelves. There have nine varieties of chocolate chip cookies which are freshly baked throughout the day in each of this Hot-baked store. This is convenience to customers when they want to eat the cookies, they can online surfing the nearest store location or buy at shopping mall.

Moreover, Famous Amos also differentiate their services by offering certain goods and services to keep their customers satisfied. It has expanded their repertoire to include personalized baked goods on order for all private and corporate functions for occasions such as parties, picnics, dinners and social gatherings of all kinds. Therefore, when there have any parties or social gatherings, consumers will have a perception that Famous Amos has provide this kind of orderings.

Furthermore, Famous Amos differentiate their consumers to a higher level income people or families and younger. Children are also their target consumers as they will affect their parents to buy the cookies or candies of Famous Amos products for them.

At last, Famous Amos differentiate their brand image by setting the name ‘ Famous amos’. Besides, they also have their positioning statement “ special recipe for fresh, homemade taste” . They have set the possible value proposition of ‘ Famous amos’ is more for more which mean that provides the most upscale service and charge a higher price. They will provide consumers with the higher quality of cookies with the higher price.

## Marketing mix

## Product

The product is the physical product or service offered to customer. In the case of physical product, it also refers to any services or conveniences that are part of the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty, etc.

There are nine varieties of chocolate chip cookies for example chocolate chip with pecans, chocolate chip no nut with extra chips, butterscotch chip with pecans, oatmeal with cinnamon and raisins and others which are freshly baked throughout the day in each of this Hot-baked store. By using the best ingredients, like semi-sweet chocolate chips and flavorful nuts, these homemade tasting cookies became famous just by word of mouth. The “ Free Smell “ from Hot-baked store has been an irresistible aroma of freshly baked cookies to be enjoyed by true cookie lovers everywhere.

Besides, Famous Amos has also introduced “ soft & chewy cookies” with variety of flavor for cookies lovers who indulge in freshly baked soft cookies. Muffins, brownies, chocolate, confectionery pick and mix are complementary products commonly found in Famous Amos outlets. Readily packed and customized gifts hampers are also ever available.

Famous Amos has been transformed to a cookies boutique with a selected range of cookies gift tins and wide variety of gift packaging. All gift packaging are also complimented with selected imported chocolates and premium mugs which are creatively packed into unique gifts. Exclusive hampers are always available throughout the year and festival hampers for example Chinese New Year, Hari Raya, Deepavali, Christmas and others. In addition, Famous Amos also caters for all private and corporate functions for occasions such as parties, picnics, dinners and social gatherings of all kinds.

## Cookies

## Soft cookies

Chocolate Chip with Pecans

Chocolate Chip No Nut with Extra Chips

Butterscotch Chip with Pecans

Oatmeal with Cinnamon and Raisins

Chocolate Chip with Macadamia Nuts

White Chip with Macadamia Nuts

Double Chocolate Chip with Pecans

Chocolate and White Chocolate Chips

Macadamia Cookie

White choc toffee caramel

Triple choc chunk

Double choc caramel coconut

## Muffin

## Brownie

Muffin top

Muffin orange pineapple

Choc chip brownie

Baked brownie

## Price

Price is the amount of money charged for a product or service. It can also be define through a more broadly way which price is the sum of all of the values that consumers give up in order to gain the benefits of having or using the product or service.

There are two ways for a company to set the price which is cost-based pricing and value-based pricing. Cost-based pricing is set price based on the cost of producing, distributing and selling product at a fair rate of return while for value-based is set price based on buyers’ perceptions of value rather than the seller’s cost. In this case, Famous Amos is using value-based pricing because it creates value to their customers based on their qualities. Although price of products of Famous Amos are relatively high but they have its values. Its values will satisfy consumer needs and wants.

The price charge is based on its weight of the cookies. For example, 100g of chocolate chips with pecans is RM7. 90. Different kinds of cookies might charge in a different price. For example, with the same weight of 100g, double chocolate chips with pecans are RM8. 90. While for other products like soft cookies and muffins is charge RM4. 30 and RM3. 90 per piece respectively. Muffins top will cost RM3. 90 and muffins orange pineapple is RM5. 50.

The cookies are tasty. Therefore, Famous Amos has a good feedback from customers after they had tasted. The reason behind of the tasty cookies is they still carry on the traditions of their founder-baker and use the original recipes and the finest ingredients to bake the cookies.

Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing and other options such as leasing. Price is the amount of money consumers pay to a product. It is only element of the marketing mix that produces revenue; all other represent costs.

## Place

Place decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical, and facilitating function.

Place or distribution, encompasses all the activities that move a firm’s product from its place of origin to the customer. A distribution channel is the route a product takes from the place it is made to the customer who is the end user. The first choice a firm has to make regarding distribution is whether to sell its products directly to consumers or through intermediaries such as wholesalers and retailers.

Famous Amos is one of the well known retail shops in the world. It sells products to the customers to fulfill their needs and wants. Famous Amos is a selective distribution where the target customers can get the product from Famous Amos kiosk located in shopping mall and airport. The retail shops will mostly situated at the place that customers will easily buy it. For example, Penang’s outlets are located at shopping mall which is Gurney Plaza and Queensbay Mall.

Besides, Famous Amos is using direct marketing channels. There have no intermediaries between Famous Amos and the customers as their cookies is baked fresh daily in their hot-baked store. Therefore, they can directly provide cookies to their customers to achieve highest value of their customers. In addition, they are also using indirect marketing channels. This is because Famous Amos also sells cookies in selected supermarket like Cold Storage, Tesco, and Jusco.

Direct marketing channels

Indirect marketing channels

## Promotion

Promotion refers to activities the firm takes to communicate the merits of its product to its target market. Ultimately, the goal of these activities is to persuade people to buy the product. The two most common activities to promote their firms are advertising and public relation.

Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them.

Famous Amos is using kiosk marketing where this is convenient to the customers and they can get the products easily. Besides, by using kiosk marketing, Famous Amos can obtain immediate response from the customers and it is an effective way to build customer relationships. Most of Famous Amos kiosk is located in shopping mall and airports. For example, kiosk located in Gurney Plaza.

In addition, Famous Amos is also using business-to-consumer (B2C) online marketing which businesses selling goods and services online to final consumers. It is a more convenient way for consumers to purchase the products through online service. Once customers transact through pay pal the goods will delivery within the period of time they promise. B2C benefits to consumers as it is a ready access to wealth of comparative information and it is immediate and interactive. Furthermore, Famous Amos also has created an online social network through Facebook. They have created a fans page in Facebook and they will regularly update the page and share the latest information with their customers.

On the other way, Famous Amos promotes their products through sampling test. They will first let the consumers try out their cookies and convince customers to purchase their goods. As the ingredients using by Famous Amos is the best, therefore people tend to introduce their products to their friends and family. With the word of mouth marketing, more and more people will try on Famous Amos’s products. Word of mouth marketing is one of the most powerful promotion strategies as customers will only introduce the products to their friends and family if they are satisfies with that product. Therefore, this is the reason that Famous Amos became so famous.

Besides, Famous Amos also promotes their brand through sponsors a movie “ Burlesque”. This not only can increase the brand name of Famous Amos, it will also raise customer awareness of their product. Last but not least, Famous Amos also will do charity by donate money and give cookies to the orphanage home. This is the way of public relation, building good relation with the firm’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.