

Mktg 522 marketing plan

Business



Pepper Lunch: Marketing Plan| Final Draft| | 8/25/2012| | 1.

0 Executive Summary Pepper Lunch is an affordable DIY fast food steakhouse with more than 200 outlets in Japan and other Asian countries as well as in Australia. Pepper Lunch promises a dynamic and fresh culinary experience for everyone by presenting the novel concept of a sizzling steak. Pepper Lunch is the new wave of fast food style. Our original iron dish and technology of heating is sure to generate a revolution in the fast food business in the USA. We are able to provide a sizzling steak as fast food items only with this technique. The revolutionary concept is that although it is fast food, customers can cook their meal by themselves.

You can enjoy juicy steak with a sizzle, at affordable prices. In Japan, Pepper Lunch is one of the fastest growing F& B franchises. Its quality food and sizzling concept made Pepper Lunch a successful business model and now they would like to bring this exquisite concept and model to USA. 2. 0

Situation Analysis Pepper Lunch is starting to consider expanding their business in USA.

Because the concept is brand new for USA; they believe the more diverse the population, the better success they will have and marketing will play an important role in achieving that.

2. 1 Market Summary Pepper Lunch's international operations are managed by Suntory F; amp; B International, based in Singapore. They have already successfully expanded the franchise into countries like, South Korea, China, Taiwan, Malaysia, Australia, Indonesia, Thailand, Singapore, Macau, and the Philippines. They possess fair amount of information about different types of

markets and understand the customer needs and wants in these different markets. 2. 1.

1 Market Demographics The profile for the typical Pegasus customer consists of the following geographic, demographic, and behavior factors: Geographics Pepper Lunch plans to initially open restaurants in Los Angeles, CA and New York City due to the diversity in the populations in these cities.

Demographics * There is an almost equal ratio between male and female consumers. * Age group is between 15-72, with majority of the consumers in the range of 18- 48. The regular office going crowd who looks for a quick meal few times a week.

Because the food will be a little bit more than what one would expect to pay for fast food, the average consumer will have to be earning a steady income.

Behavior Factors * Consumers who enjoy healthy fast food and are looking to try something other than a burger or sandwich for a meal. * Consumers who are willing to spend a few extra bucks for a great Japanese style steak without paying the hefty price. 2. 1. 2 Market Needs Pepper Lunch is providing American consumers with another place to enjoy their meal fast and fresh.

2. 1. 3 Market Trends

Pepper Lunch will distinguish themselves by marketing products that have not been offered to consumers in the USA yet. In the USA, when we think about Japanese steakhouse we think about a sit-down restaurant, so by marketing the concept of do-it-yourself steaks, Pepper Lunch is sure to attract the crowd. 2.

1. 4 Market Growth With so much competition in the fast-food industry and the lack of variety you can get, Pepper Lunch provides a unique concept as well as a filling meal at a reasonable cost. They have already established their brand in many of the Asian countries as well as Australia and roven to be very successful. With the highest demand for fast-food in the world, USA is a great market to bring Pepper Lunch into. 2.

2 SWOT Analysis The following SWOT analysis captures the key strengths and weaknesses within the company and describes the opportunities and threats facing Pepper Lunch. 2. 2. 1 Strengths * Knowledge of the product * Recognized expertise in the business across the globe * A unique concept for a nation that welcomes innovation * Well-established business plan 2. 2. 2 Weaknesses * Introducing new product in a new country * Unknown customer need for the product Long distance import transit (initially) * Dealing with the FDA regulations of USA which are new to the company * The difficulty of developing brand awareness as a start-up food chain in the country 2.

2. 3 Opportunities * Participation in a growing fast food industry * Ability to explore a new concept not yet found in the USA * Ability to expand the franchise across the nation and collecting franchisee fees * Catering to the taste of a new customer base and innovating products accordingly 2. 2. 4 Threats * Future/potential competition from an already established market participant with an lready established brand. * Change in economic situations of people * Unwillingness of the US population to cater to this new concept and the taste of the food * The hot iron plates may potentially cause injuries to customers if they do not follow the given instructions. 2.

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3 Competition Currently in the USA, this is brand new concept so there is very little direct competition. One can however compare it to an actual Japanese Steakhouse but that will not be a threat because Pepper Lunch is selling the concept of Fast-Steak and Do-It-Yourself Steaks. If we talk about fast food there will be competition from local favorites like, McDonald's, Taco Bell, Subway, to name a few. 2. 4 Product (Service) Offering Some of the items on the Menu will be: * Beef Pepper Rice * Chicken Pepper Rice * Pepper Steak * Rib Eye Steak * Double Hamburger Steak * Teriyaki Pepper Chicken More items to be added... 2.

5 Keys to Success The keys to success are providing consumers with something unique that will satisfy their appetite. Pepper Lunch must change their menu as per customer demands and market needs. In addition, Pepper Lunch must ensure total customer satisfaction.

If these keys to success are achieved, it will surely become a profitable, sustainable franchise in the USA. 2.

6 Critical Issues As a brand new franchise establishing itself in the USA, they will face challenges when it comes to recognizing customer tastes and needs. Also, dealing with the FDA which is the toughest here in the USA, will be quite challenging. Because the food is served on a hot plate, Pepper Lunch will have to come up with way to ensure their customer safety when serving food to them. 3. 0 Marketing Strategy The marketing strategy will be to develop brand awareness, and establish a customer base in the US market.

Use the original iron dish and technology of heating to generate a revolution in the fast food business.

The revolutionary concept is that although it is fast food, customers can cook their meal by themselves. 3. 1 Mission Pepper Lunch's mission is to bring the piping hot goodness of fresh meat and vegetables to all who appreciate fine quality steak at a great value. Using a specially designed and patented hotplate and electromagnetic cooker, Pepper Lunch will give the customers total control over their meal by serving the meal in its most natural raw state and encouraging them to make their own decisions. . 2 Marketing Objectives

* Maintain positive, strong growth each quarter through customer acquisition.

* Gradually achieve a steady increase in market penetration. * Increase customer acquisition steadily. 3. 3 Financial Objectives * Increase sale by 20% on yearly basis, as it is done in other countries * Maintain a significant research and development budget (as a percentage relative to sales) to spur future expansion. * Achieve a double- to triple-digit growth rate for the first three years of coming in the US. 3.

4 Target Markets

With food loving population of almost 36 million and growing just in California, it can be said that California is the opt place to launch this concept. According an article by Palo Alto Medical Foundation, more than 25 percent Americans consume fast food on a daily basis. The age varies from 6 to 72. No longer will you need to have professional chefs prepare your stakes. All you need to do is to lay out the ingredients following our

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preparation instructions given to you. Without having to compromise on material, the innovative short cooking time makes labor cost lower.

Therefore we can still provide high quality products with a very competitive price. 3. 5 Positioning Because of the uniqueness of the product, it would be wise to initially position ourselves in diverse markets, like, California, New York City, or Atlanta. Because the product is already an established name in Asia and Australia, it will be helpful also to establish ourselves in an area with higher Asian population. 3.

6 Strategies The single objective is to position Pepper Lunch as the premier Do It Yourself fast food steaks franchise, now catering to the US market.

The marketing strategy will seek to first create customer awareness concerning the offered food products and then develop the customer base. The message that Pepper Lunch will seek to communicate is that it offers a new wave to the fast food style. This message will be communicated through a variety of methods. We will air TV commercials, have a website for the US, and also spread the word on the success of the brand in other countries. Our biggest strategy will be to market the original and patented iron dish used to cook the steaks with the advance technology used, which can heat up an iron dish to 260 degrees within 1 minute; it can then last for more than 15 minutes.

Therefore we can serve a searing steak as fast food and have the customer cooking it to their liking. 3. 7 Marketing Mix Pepper Lunch's marketing mix is comprised of the following approaches to pricing, product, advertising and

promotion, * Pricing. This will range from USD 8-USD 16, depending on the type of meat and sides chosen. * Product.

Pepper Lunch give our guests total control over their meal by serving the meal in its most natural raw state and encouraging them to make their own decisions. Whether it is Beef Pepper Rice with Garlic Soy Sauce, medium rare Tenderloin Steak or beautifully browned Hamburger Steak, you can sizzle your way, only at Pepper Lunch. * Advertising and promotion. Several different methods will be used for the advertising effort. We will also give promotions at college campuses or at malls initially to establish our brand. The promotions will continue to pop-up even after the franchise is established and well recognized in the US.

. 8 Marketing Research Pepper Lunch already has an established business model; they have more than 200 stores in Japan, other Asian countries, and Australia. With an already existing research and business development departments, Pepper Lunch will prove to be a successful franchise in the US just as it has in many other countries. 4. 0 Controls The purpose of Pepper Lunch's marketing plan is to serve as a guide for the expansion into the US market.

The following areas will be monitored to gauge performance: * Revenue: monthly and annual * Expenses: monthly and annual * Customer satisfaction New-product development The sales of Pepper Lunch have increased 10% in sales in the past 3 years in one location in Sydney. Here's a chart representing the growth: Here is another look at the graph of Pepper Lunch's growth in the past. 4. 1 Implementation The following milestones identify the

key marketing programs. It is important to accomplish each one on time and on budget. 4.

2 Marketing Organization Janki Shah will be responsible for handling the marketing in the USA. The following table shows the approximate marketing budget that Janki will follow for the next 3 years. . 3 Contingency Planning Difficulties and Risks * Problems generating a customer base, as it is an international company and the items offered are new to USA * An entry into the market where there is already a tough competition from many other fast food providers Worst-Case Risks * Determining that the business cannot support itself on an ongoing basis because of concept failure * Having to liquidate equipment or intellectual capital to cover liabilities 5. 0 Conclusion Pepper Lunch is the new wave of fast food type of food around the world.

It has its own unique style of cooking and branding. Pepper Lunch offers fast healthy cuisine at affordable prices. After being a successful fast food franchise in more than 9 countries around the world, it now plans to open them in USA. They have a proven sales record and profits margins in every country they have been in and hope to achieve the same success in the USA.

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