

The history of socio cultural environment



Big Apple Donuts Coffee is a store that is selling donut and beverage. It has 28 donut flavours and 20 types of beverage. The top 3 favourites of the donut was THE ALLIEN, DUREN DUREN and PINK TWISTER and it is recommended for the customer that are still wondering what's for first tries. The first store of Big Apple Donuts & Coffee is opened in Malaysia 2nd of May in 2007 and Big Apple originated from Malaysia and not the United States. In the mid of year 2008, Big Apple Donuts & Coffee was acknowledge as one of the fastest growing food chains in the history of nation with already 23 stores operating nationwide, just over a year after its birth and in just under 2 years, Big Apple had already opened a record 30 stores across the country. The Big Apple Donuts & Coffee was wholly owned by Big Apple Interasia SdnBhd and it is a parent company with several subsidiaries under its corporate umbrella. The company has totally 58 stores in Malaysia, 12 stores in Thailand and 4 in Indonesia.

Philosophy & Concept

The Big Apple Donuts & Coffee doesn't come with simply from the product and brand. The important thing to success is relationship, the innovation and the diversity. With a good relationship, company can get more customer from another customer, so the company can growth faster if they get more customer. Besides, the innovation is also important, leader with innovation may create new flavours of donut and beverage. The company that is diversity is flexible for customer so customer can make their choice when buying something. To let customer a more enjoyable snack without being overly sweet, the Big Apple donuts are made with low-sugar ingredients to keep calorie levels at the lowest possible. The ingredient included low-sweet

dark chocolate, non-fat milk and 100% vegetable oil shortening. The Big Apple has made a promise to the customer that every bite comes with absolute satisfaction. It is the guiding principle behind the corporate philosophy. Nowadays, we can see the store easily no matter we go to any shopping mall in Malaysia. The all time work of art truly personifies Big Apples's tagline, " Every Piece Is A Masterpiece".

Company Award

The Big Apple company has achieved 7 awards from year 2008 until 2011 :

Asia Pacific Excellence Brand TOP Global Business Magazine – 21st May 2008

Asia Pacific International Entrepreneur Excellence Award – 20th July 2008

SME Rising Star Award – 13th December 2008

The Brand Laureate SMEs Chapter Award 2008 Best Brand Category – Food & beverage – 8th January 2009

The 7th Asia Pacific International Honesty Enterprise Keris Award 2008 – 18th January 2009

SME100 Award 2009 Fast Moving Companies – 10th June 2009

MRCA 2011 Awards " WE ARE THE CHAMPIONS"- 21st October 2011

Marketing segmentation

Marketing segmentation refers to division of the total market into smaller, relatively homogeneous groups. There are four basic requirements to segmenting the market effectively which are the first, and the market

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segment must present measurable purchasing power and size. Secondly, marketers must find a way to effectively promote and serve the market segment. Thirdly, marketers must then identify segments large enough to give them good profit potential. Last but not least, the firm must aim for segments that match its marketing capabilities. By using marketing segmentation, a business can serve their products and services into the market effectively and efficiency. Hence, our company is Big Apple Donuts&Coffee.

This product has franchise in worldwide, such as Thailand, Malaysia, Singapore, China, Vietnam and Middle East. We are going to focus on local franchise because there are 58 stores in Malaysia. There are four common bases for segmenting consumer markets which is geographic segmentation, demographic segmentation, psychographic segmentation, and product-related segmentation.

Geographic segmentation

Geographic segmentation refers to division of an overall market into homogeneous groups based on their location. Big apple focused on three states in Malaysia which is Penang,

Kuala Lumpur and also Johor. The first store of Big Apple Donuts&Coffee was held at The Curve shopping mall, Kuala Lumpur. Big Apple focused its business on these three states is due to the economy and the population rate of these three states is the highest in Malaysia. Besides that, Big Apple realized that there are many people in these three states are lack of time to enjoy their meal because of busy on their work so that they can enjoy donuts

with instant and release their stress when looking on the unique design of donuts at the same time.

Demographic segmentation

Demographic segmentation also known as socioeconomic segmentation refers to the division of an overall market into homogeneous groups based on variable such as gender, age, income, occupation, education, sexual orientation, household size, and stage in the family life cycle. Big Apple donuts are suitable to all gender of donut lovers, it provided low sugar donuts so that elder donut lovers can enjoy their favorite with healthy. It also attracted a lot of children and teenagers due to different name, taste and the unique design of flower and color that apply at the top of different donuts. Besides that, it is also suitable for working classes who are lack of time to enjoy their meal. They can enjoy donuts and coffee for instant. Low-sugar and low-fat produce by Big Apple donuts also full-fill the needs of people who want to maintain their stature of body. Big Apple selling their donuts at RM2.50 every piece, so it is suit for all stages of income group.

Psychographic segmentation

Psychographic segmentation is the division of a population into groups having similar attitudes, social class and lifestyles. Big Apple located all the stores at shopping malls to aims the customers who likes to shopping because shopping is an activity for relax and people who relax they will eat something special and they will purchase something with very nice looking and unique design. Big Apple donuts may full fill customers need in this situation because of the unique and nice looking design at the top of every

different donut. Besides that, Big Apple also aims donut lovers and they design their donuts such as taste and flavor to compete with competitors in the market. The standard price of Big Apple donuts are also suit for all social classes such as upper-upper, upper-lower, upper-middle, lower-middle, working class, as well as lower class.

Product-related segmentation

Product-related segmentation involves dividing a consumer population into homogeneous groups based on their relationship to the product. This segmentation approach can take several forms which are firstly, segmenting based on the benefit people seek when they buy a product. Secondly, segmenting based on usage rates for a product. Last but not least is segmenting according to consumer's brand loyalty toward a product. Segmenting by benefit sought focused on attributes people seek and benefits they expect to receive from a good and service. Consumers who quaff Big Apple donuts are not only looking for dose of donuts. They are also willing to pay extra to savor a pleasant experience, one that markets them feel pampered and appreciated. Women and old folks purchase Big Apple donuts believe it giving them a great tasting and healthy food. Segmenting by usage rates according to the amounts of product they buy and use. Segmenting by brand loyalty segmenting method groups consumers according to the strength of the brand loyalty they feel toward a product. Companies spar for loyalty on just about every front. Recently, Big Apple announced a special promotion “ buy one free one” coinciding with those hours.

Target market

Target market refers to a group of customers or people that the business has decided to aim its marketing effort and ultimately it's merchandise towards.

Big apple Donuts and Coffee are aim to all culture, every generation, and every stages of donuts lover. It provide low-sugar donuts to solve the problem for donut lovers especially female who like to eat donuts but also consider to maintain their stature at the same time. Besides that, the low-sugar donuts are also suit for the elder donut lovers so that the elder customers can enjoy Big Apple donuts with healthy and happiness.

Big Apple are using undifferentiated marketing strategy also called mass marketing strategy for reaching the target markets which is strategy that focuses on producing a single product and marketing it to all customers. Big Apple provided a single product (donuts) to all customers with different culture, generation, stages, ages, and so on. Big apple had success to marketing its product not only local customers but as well as worldwide included China, Thailand, Vietnam, and the Middle East.

Big Apple also using concentrated marketing strategy also known as niche marketing strategy which is focusing marketing efforts on satisfying a single market segment to reach the target markets. It appeals to the donut lovers of the world. Fans can found Big Apple shop at most shopping malls, where they can sample favorites' more than 20 types of donuts such as " Californian Almond", " Teen Queen", " Milky Way" and so on.

Positioning

Positioning places a product in a certain position in the minds of prospective buyers so marketers can create messages that distinguish their offerings from those of competitors. Big Apple used attributes strategy with a tag-line of " Every piece is a Masterpiece". What actually pop out in consumers' minds once we mention about Big Apple donuts? We want customer think of our donuts is more creativity than other competitors' donuts such as Dunkin' Donuts. Big Apple provided some unique donuts have a unique flavor such as durian flavors pecial for durian lovers. Besides that our donut is made in more healthy way, our donuts suit for any gender, ages, stages of people no matter is children, teenagers, old folks, low middle and high income and so on.

MICROENVIRONMENT

The Company

Top manager is at the very top levels of the organizational hierarchy who are ultimately responsible for the entire organization that comes out with a set of procedures for making decisions about the organization's long-term goals and strategies and come out with the detailed act to reach strategic goals. They are the most important role in the company as they are the one who lead the whole company to achieve the goals. Besides that, the company may not be able to run routine activities without the leading of the top managers. So all the department have to cooperate and work closely with each of the departments such as finance, accounting, operating, and others related department for understanding customer needs and creating value and satisfaction for them. For example, the marketing department has to

work with production department to ensure the sales can be made on time and etc.

Competitors

The Krispy Kreme and Dunkin' Donut was the international retailer all over the world. They have done many researches on producing the donut and come out a lot of strategy along the way. Therefore, there is a threat for the Big Apple Donut & Coffee Company which introduced in late to the customer. For instance, Krispy Kreme and Dunkin' Donut have come out with the strategy of designing the love shape of donut to attract the customers from their competitors on valentine days. Therefore, the company has to provide greater customer value and satisfaction than its competitors do because the competitors will have direct effect on the sales of the Big Apple Donut And Coffee Company if the company did not come out with a good offering.

Suppliers

Suppliers form the important link within the company as every supply chain is beginning with the firms or supplier that creates value and deliver the goods and services to the end of the customer. This is because without the supplier, no one will provide them the resources needed to produce the donut. Thus, the Big Apple needed to make a good relationship with their supplier. Assume there have no supplier supply flour for the Big Apple; Big Apple would not be able to use that resource to make the donut and carry out the routine activity. If there is no donut for sale, company will lost the sales and the customers as the results. Thus, the customer will have a bad impression about the Big Apple's company and the goodwill of the company

will be influenced. Furthermore, customer will switch to our competitors and reduce the frequency of the visit on our company.

External Environment

Political Environment

Political environment is refers to the laws, rules and regulations that influence or restrict the business company and individuals when they want to develop their products to the market. There have few types of examples in political factors which are taxation, pricing regulations, trade regulations and tariffs.

Malaysia is a country of combination of 3 main races which are Malay, Chinese and India. As we all know that food is taken by Malay must be halal. Halal means the ingredients that are used do not contain any substances that counted as impure in Islamic law. For example is pork. Muslims cannot eat pork because it is consider as impure in Islamic law. According to Food Regulations 1985 in labelling, the industries must follow the rules and label correctly the ingredients on the packaging. For instance, the food that is target to sell to Muslims, the industries must label halal logo on packaging as a notification for them to know that this food is safety to eat. Even though the food is not bought by Muslims, the industries also need to label. This is because it is one of the rules contains in the Food Regulations 1985.

Therefore, it will be better for the industries to produce or manufacture the products that can be taken by Muslims. This is because will bring much more profits to the industries. Malay is the biggest race among all the races in our country. So if the companies only focus on the Chinese and India, it will bring

lesser revenues when compare focus on the three main races. Besides, the industries also need to label correctly on the packaging. If they do not follow it, the industries will consider as violate the laws. Hence, the political environment will influence the industries.

Economical Environment

Economical environment is the factors that can affect the consumer spending power and spending patterns during business cycle stage no matter is in the domestic or global economy. The factors may include economic growth rate, unemployment rate, exchange rate and so on.

According to the statistics in Malaysia, the Gross Domestic Products (GDP) growth rate in 2011 is from 1.80 per cent increased to 3.32 per cent in 2012. The increase in GDP growth rate is 1.52 per cent. The unemployment rate in January 2012 is from 3.10 per cent increased to 3.30 per cent in January 2013. The rise in unemployment rate is 0.20 per cent. The employed persons of 2011 are from 11776.8 thousand persons increased to 12123 thousand persons in 2012. The increase in employed persons is 346.2 thousand persons. The unemployed persons of 2011 are from 395.8 thousand persons decreased to 382.9 thousand persons in 2012. The decrease of unemployed persons is 12.9 thousand persons. The consumer spending in first quarter of 2012 is RM 90533 million increased to RM 99812 million in third quarter of 2012. The increase of consumer spending is RM 9279 million. So, we can conclude that the economic in Malaysia is recover based on the statistics above.

We can assume that the consumer spending increases is because of the recovering of economic in Malaysia. When the economic is in the recover state, the purchasing power of consumer will be rises. Consumers will spend more when their purchasing power increases so it will affect the profits of industries. The profits of industries increase will bring along the GDP growth rate to rise. Besides, industries will hire more workers to increases productivity for satisfy the demand of consumers. Thus, this is why it will decrease the unemployment rate and make the economic in Malaysia is in the recover state.

Socio-cultural Environment

Socio-cultural environment is refers to social forces that affect society's basic value, opinions, interests and attitudes in many aspects such as demographics, age distribution, education level, distribution of wealth and social classes, living conditions and lifestyle.

Based on the obesity statistics in Malaysia, 43% of Malaysian adults were overweight in 2006 and 38% of overweight children in the child population of Malaysia. The recent World Health Organizations (WHO) results of 2010 showed that 60% of Malaysians aged 18 and above had a BMI over 25 which mean that they are all in the overweight state. Besides, Malaysia is ranked as sixth in Asia with the highest adult obesity rate in the WHO survey of 2010.

Consumers have changed their attitudes towards the lifestyle because of the increases of obesity rate in Malaysia. They will start to prefer the food that is low fat, less sweet, less salty, more fibre and so on. This is to help them to

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practise a healthy lifestyle. Therefore, the industries will make sure their products is can be ingratiated with consumer's favour or demand. Then, this will aid to stimulate the market to produce more healthy products for the consumers and decrease the obesity among Malaysians. Furthermore, it can help to raise the revenues of industries.

Technological Environment

Technological environment is means that the speed of new creation and development of different technology that changes rapidly in the global market which can be bring many opportunities or profits to the whole industries.

Recently, technology has improved a lot when compare to before especially the internet service. The appearance of internet has brought many benefits to us. For example, when students are doing assignments, they need to find a lot of necessary information to finish it so that they can easily find and get any related information from internet. This is because we can access to more information in internet no matter the sources are origin from the online library, newspapers or articles. Besides, we also can obtain the information from global through internet. If not because of internet, we will face many problems when search for the needed information.

The improvement of technology is really brings many advantages to our life. It is not only benefit us and also benefit to the industries. The internet service has allows the companies to promote and sell their products through online. The online service has brings many opportunities to the companies. This is because consumers can easily get to know about the price of

products, types of products, location of shops and any promotions organised by the company through the homepage of company. Besides, consumers also can order and buy their products through online because the company may be is located far away from their house or consumers are lazy to go out buy. Hence, the new technology will assist and affect the profits of industries become higher.

Product

What is product? Product can be determined as a tangible thing that we can see, can touch. Products offered to the market for attention, acquisition, use or consumption that can satisfy consumer's needs or wants. When there is a mixture of services, events, persons, places, organizations, ideas we can call it as products too. Producer usually produces products to earn profits.

Big apple specializes in offering a wide range of donuts and beverages to people who want something different from norm and best of all, Big Apple donuts can be enjoyed by all cultures. There are 3 examples for those popular donuts in Big Apple. These three donuts are chosen to be the " hall of fame" in Big Apple's website.

On average, each Big Apple store churns out $\frac{1}{4}$ million donuts a month. And yet, Big Apple's uses low-sweet dark chocolate, non-fat milk and 100% vegetable oil shortening to produce their donuts regarding to the flavors. Besides, Big Apple donuts have the lowest calories and sweetness level. They are much more concerning on the healthy problems of the consumers. And so on, their donuts are always served fresh, warm and fluffy soft. Even if you preferring to take away their donuts to enjoy at home, these donuts

keep fresh for three days. You just need to microwave them for only 8 seconds, and you have fresh donuts again. This will be the one of the reasons why most of the people are prefer Big Apple. In addition, Big Apple's ingredients and products are imported and of the highest quality, operation and hygiene practices strictly adhere to international standards and procedures. Besides, Big Apple also offers some beverages like Coffee, Tea, Ice Blended, Icy special and others.

Product classification

When people mentioned Big Apple, most of the peoples will know that it's all about donuts. Donut is classified as a consumer product. Consumer products can be defined as the products and services that sell to the final customers directly. Besides, it is a convenience products which mean peoples who are buying consumer products will purchasing frequently and least make comparison with others company.

Brand

What is brand? Brand can be recognized by a name, sign, term, symbol or design. Its' help company to differentiate their product with competitors. For Big Apple, most of the peoples will recognize them by their name more than their sign simply means their logo.

About Big Apple brand was inspired by the American way of life where people take to great ideas in a free spirited fashion while maintaining the standards that are expected, in the same way that Big Apple's concept was born. Big Apple simply Big on everything, from the artistic creation of its

donuts to the tantalizing flavors that are never enough. To epitomize these qualities, we chose the largest city in the United States – the Big Apple, the moniker for New York City. Refers to the picture below, will be the symbol of the Big Apple company.

Packaging

Packaging can be say as a container or the ‘ dressing’ of the products.

Product can have several types of packages like bottles, can or a box.

Packaging plays the most important roles to attract customers. Some of the consumers will actually buy the products just because of the packaging. At the same time, consumers will recognize their products by recognizing their packaging. So, Big Apple was using an interesting packaging just to attract their customers. They divided the packaging into 3 types, 12 pieces a box, 6 pieces a box and 3 pieces a box.

Labelling inside the packaging. jpg

Labeling

Labeling refers to the tags that shown on every packaging. Producers can labels any related information about its products on their packaging like nutrition facts, their pages, email, reward and others. With Big Apple’s packaging, they labels up their logos, web pages, email and also the every outlets of their company.

PRICING DECISION

Price Definition

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Price is one of the important major elements of marketing mix. Setting the price of the product is important as may be able to affect the profit and the revenue of the company. Therefore, management has to set the appropriate price which is the amount of money the customer willing to pay for the products and services.

Pricing Objective

The company set the prices that match the competitors' price which is RM2.50 per piece. This is due to practicing the fairly competition in the donut industry to meet its customers. Besides that, Big Apple Donut And Coffee Company will be able to survive although there are many strong competitors among them. This is due to the cost of the production. Big Apple Donut And Coffee Company offers this price in term to cover the fixed and variable costs of the business. Furthermore, Big Apple Donut And Coffee Company set the price to help the growth of the company. It offers this price for the donut in order to maximize its profits over the short period on the total output. With generating enough profit, company will be able expand its business and open more outlets in the world and position the Big Apple Donut And Coffee Company which are the most popular outlet that sell donut in the mind of consumers. In conclusion, the prices objective of Big Apple Donut And Coffee Company are match the competitors, survival and maximize the profit for company growth and price set are based on the cost, demand and the competitors.

Pricing Strategies

DISCOUNT AND ALLOWANCE PRICING

The tactical managers of the Big Apple have used discount and allowance pricing and market penetration pricing and segmented pricing to achieve business goals. Discounts include cash discount, quantity discount and functional discount. Quantity discount is one of the discounts used by the Big Apple which is the price reduction for the buyer who purchase in a bulk amount. When we are buying six piece of donut, the original price of six pieces donut should be RM15 but Big Apple has offered the price with RM13. 50 for six pieces of the donut, which have help the customer to save up to RM1. 50. When we are buying twelve piece of donut, we will be able to save RM3 compare to buy it piece per piece.

MARKET PENETRATION PRICING

Secondly, the tactical managers use the market penetration pricing which is setting a low price at the beginning in order to penetrate the market quickly and win the share of the market. At the beginning, the Big Apple has set a lower price which is RM2. 30 per donut compared to their competitors to produce more growth as the market is highly sensitive to the price. After Big Apple have established and have the high market share to compete with his competitor, they started to increase their price from RM2. 30 to RM2. 50 per piece of donut. This is set so they may be able to survive for the long-term.

SEGMENTED PRICING

Thirdly, the tactical managers are using the segmented pricing to increase the sales. Big Apple Donut And Coffee Company various the prices by month and hours at the particular location. Big Apple Donut And Coffee Company

has offered the breakfast and tea break special from 7am - 11am and 3pm - 5pm, 1st October 2012 to 31th March 2013 at Skypark Terminal, Subang.

Place

Place is concerned with various methods of transporting and storing goods, and then making them available for the customer. Getting the right product to the right place at the right time involves the distribution system. The choice of distribution method will depend on a variety of circumstances. It will be more convenient for some manufacturers to sell to wholesalers who then sell to retailers, while others will prefer to sell directly to retailers or customers. Besides, it's includes company activities that make the product available to target the consumers.

Big Apple Donuts are enjoyed by fans all over the world and researching out to us as much as they can is one of their top priorities. There are many stores not only in Malaysia. There are also in China and Thailand. There are 58 stores in Malaysia, 12 stores in Thailand and 2 stores in China. Malaysia is a multiracial country, but most of them love big apple donut. It is because there are many choices for the customers. This could attract customer with their special flavor and taste. For example, Being a Malaysian it is only natural for me to be in love with the king of fruits, the durian and Big Apple actually has a durian flavor donut named Duren-Duren. This may satisfy customer's crave easily.

In the month of May 2007, Big Apple Donuts opened its doors for the very first time to Malaysian donut lovers at The Curve. With the customer's walking line spilling beyond the sidewalk, a new world of experience for

donut lovers began emerging. By mid of 2008, Big Apple was acknowledged as one of the faster growing food chains in the history of the nation with already 23 stores operating nationwide, just over a year after its birth. So, Malaysia is the best choice for Big Apple to expand their business.

There are many traveler love to travel to Malaysia. Scenic spot of Malaysia had attract travelers from other country. For example, from Japan , Korea , United Kingdom, United State and so on. They may have Big Apple Donuts for their Tea-Time. In the store, they have also provide free Wi-Fi to the customer who having their food there. Big Apple Donuts is the best place to let their customer to meet up their friends and chilling. They always try to give the best service to their honorable customer and guests come here as if they were returning home.

download. jpg

Big Apple Donut is belong to 3) producer to consumer. Producer is meant that a manufacturer or creator of the goods that are produced for consumers or for a specific target market. Besides, it is also called as maker and Consumer is a person who buys products or services for personal use. A consumer is someone who could make a decision to choose whether or not to purchase an item at the store , and who can be influenced by marketing and advertisement. A person who goes to a store and purchase something is consider as a consumer

Promotion

Promotion is the business of communicating with customers. It will provide information that will assist them in making a decision to purchase a product

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or service. The cost associated with promotion or advertising goods and services often represents a sizeable proportion of the overall cost of producing an item. However, successful promotion increases sales so that advertising and other costs are spread over a larger output. Though increased promotional activity is often a sign of a response to a problem such as competitive activity, it enables an organization to develop and build up a succession of messages and can be extremely cost-effective. Besides, it's refers to activities that communicate the merits of the product and persuade target customers to buy it.

Advertising

The promotion tool used by Big Apple is advertising. Advertising strategy can reach masses of geographically dispersed buyers at a low cost per exposure. The advertising objective of Big Apple is reminder advertising. Big Apple used advertisement to remind their customer about their presence in this market.

For example radio, television, newspaper, magazine and internet. These are the types of advertising method can be used by Big Apple. However, internet is the most common method that we can see in our daily life. Nowadays, information can be search by many people through internet especially teenagers. Big Apple gets this opportunity to promote their product through internet so that more people will share about it easily. We may get into the official website of Big Apple too which provide many information and news. In addition, they also creates website that have the most updated news of Big Apple. The website is [http://www. bigappledonuts. com/](http://www.bigappledonuts.com/)

Sales Promotion

Besides that, Big Apple also use promotion tool such as sales promotion.

Sales promotion is a short-term incentive to encourage the purchase or sale of a product or service.

For example, Big Apple donuts FREE 1 can of Fanta with purchase of 1 box of 6 Donuts OR FREE 2 cans of Fanta with purchase of 1 box of 12 Donuts. This promotion is available at selected outlets while stock last. This may attract Fanta's lover to purchases it. Besides, Big Apple also cooperate with Firefly by present your boarding pass at Big Ap