

# Eatveggie: a marketing analysis



“ Eatveggie” is a vegetarian healthy restaurant located in the student center, in the American University of Sharjah. Our target market is vegetarian students at AUS. The restaurant will have a full time to provide its food and services; it will be open 7 days a week, from 10am to 10pm. Our restaurant will be unique among other restaurants in the student center of AUS, because it will be the only restaurant that is focusing mainly on providing vegetarian healthy food. For that reason, the demand from our target market will be high. Although our competitors (Subway, Momento, and Deli Marché) serve salads and sandwiches, they are not aiming all their attention and centering their objectives directly towards vegetarian students at AUS who seek for healthy clean food like we do. Since our location is currently only at AUS, one of our main objectives is to expand to Dubai and Abu Dhabi and later on to all the seven Emirates. Moreover, our other objectives are to gain brand preference among other competitors and to attract other non-vegetarian people to eat at our restaurant. Furthermore, one of our main goals in this marketing plan is to check ROI to ensure that the company is reaching the goal of 5% market share and that we are making profit. In order to achieve those objectives and goals we will focus our plan on the marketing mix (the 4P’s).

## **Table of Contents**

### **Executive Summary.**

.....  
..... 1

### **Current marketing situation analysis**

#### **Market description**

.....  
3

#### **Product review**

.....  
..... 3

#### **Competitive review**

.....3

#### **Distribution review**

.....4

#### **SWOT**

**analysis**.....  
.....4

#### **Objectives and issues**

.....  
5

#### **Marketing strategy**

#### **Positioning**

.....  
.....5

**Marketing research.....5**

**Marketing organization..... 6**

**Product strategy  
..... 6**

**Price strategy..... 6**

**Distribution strategy..... 7**

**Marketing communication strategy.....7**

**Integration of the mix  
.....8**

**Action programmers**

**Action  
..... 8**

**Budgets  
..... 9**

**Controls**.....  
..... 9

**Appendix**  
.....  
.....10

## **Current marketing situation analysis**

### Market Description:

Our restaurant “ Eatveggie” will be located at AUS campus, in the student center building, specifically in the food court area. It is a vegetarian restaurant. Primarily our target market will be vegetarian students at AUS. Our target market is students, who seek a healthy diet and people who aim to be healthy, energetic, and fresh. We will be filling a gap in the market place that is highly demanded for vegetarian students in AUS. Those students seek for vegetarian healthy clean food, that is close to where they live (students who lives on campus) or study (students who live off campus). We aim to be better than our competitors, especially restaurants that are located in the same area like (Subway, Momento, and Deli Marché) who also offer salads and somehow healthy food. We are certain about the high demand for our type of restaurant at AUS, which will hopefully result in gaining profit to keep our business successful.

### Product Review:

At our vegetarian restaurant at the food court in the Student Center of the American University of Sharjah, we mainly offer a variety of fresh high quality salads, sandwiches and warm vegetarian meals with a variety of

fresh vegetables and rice. We also serve drinks like water and freshly squeezed fruit juices to every meal.

Our Salads range from 20 to 30 Dirham, depending on size and ingredients. We offer a variety of healthy sandwiches ranging from 15 to 25 Dirham. The sandwiches are available in two different sizes: regular and large. Further, we offer meals with rice and fresh vegetables meals starting from 20 to 30 Dirham, depending on the ingredients. Freshly squeezed fruit juices start from 5 to 10 Dirham.

Sparkling and non-sparkling water 2 to 10 Dirham, depending on the size of the bottle.

The target market is vegetarian students at the American University of Sharjah who mainly live on campus. However, during lunch and dinner we attract many students who live off campus.

The new product, the vegetarian restaurant fits perfectly into the existing product line, the food court at the AUS student center, because the restaurants there focus mainly on fast food and an overall unhealthy diet. Whereas, our product focuses on a healthy vegetarian diet. Therefore we eliminate all the unhealthy ingredients from the products we produce and sell.

Competitive Review:

## **Major Competitor**

### **General Market Position**

#### **Strategy**

Momento

Very popular restaurant at AUS

Offering a wide assortment of food, salads and sandwiches

Subway

Famous for good quality salads and sandwiches

Offering healthy sandwiches and salads

Deli Marché

Most popular restaurant at AUS

Offering international cuisine

Distribution Review:

We distribute our products through the Restaurant on campus. We offer a comfortable and clean seating area but we also offer take away service and delivery service all over AUS campus especially focusing on the Housing Areas.

## **SWOT analysis**

### **Strengths:**

Providing healthy food in an area that lacks major healthy food restaurants.

<https://assignbuster.com/eatveggie-a-marketing-analysis/>

Offering different kinds of dishes, for example: Italian and Arabian dishes.

### **Weaknesses:**

Since it is a new type of restaurant in the area, we will be needing lots of promotion in order to be known by our target market.

Having limited budget of capital to start our restaurant.

### **Opportunities:**

Advertising for our restaurant at first till it achieves brand recognition and becomes known and familiar by our target market (vegetarian students).

One of our competitive advantages would be our fast high quality delivery service.

### **Threats:**

People are more familiar and used to eat fast food in this region- will meet this threat by advertising for our restaurant and handing out some brochures that points out how to be healthy and why is it important to achieve awareness.

The high cost of fruits and vegetables- will meet this threat by signing a contract with a place that sells fruits and vegetables in a reasonable price to buy from them, of course after making sure it sells only clean fruits and vegetables with high quality.

### **Objectives and Issues**

Objective 1:

Expand to Abu Dhabi and Dubai and later on to all the seven Emirates.

<https://assignbuster.com/eatveggie-a-marketing-analysis/>



Issue 1:

How to achieve competitive advantage in places that already have some vegetarian restaurants?

Objective 2:

Gain brand preference among other competitors.

Issue 2:

How to make our specific target customers choose our restaurant over our competitors?

Objective 3:

Attract other non-vegetarian people to eat at our restaurant.

Issue 3:

How to gain and maintain customer loyalty along with attracting new customers?

## **Marketing Strategy**

Positioning:

We want to position our restaurant as a unique restaurant at AUS campus, since there are no major healthy food restaurants that are specialized to vegetarian people on campus. Our aim is to develop a vegetarian restaurant that will attract our target market (vegetarian students at AUS) with maintaining our target market's loyalty, as well as attracting new non-

vegetarian people to eat at our restaurant. In addition, we will be handing out brochures to build up a higher level of awareness about how important it is to stay healthy and eat healthy. Furthermore, we want to gain brand preference among our competitors (Momento, Subway, and Deli Marché). Moreover, we are planning to have different kinds of dishes, for example: Italian and Arabian dishes in order to satisfy most of our target market's different tastes and preferences. When it comes to pricing, we will have moderate prices; to establish our high quality of food with keeping in mind that our target market is vegetarian students who cannot always afford high prices. Finally, our main motivation of doing all of this is to position our vegetarian restaurant as the unique healthiest restaurant on campus.

#### Marketing Research:

1. We have to find out more about the needs of the vegetarian students at the American University of Sharjah. We need to satisfy the customer needs by offering the most popular and most healthy dishes vegetarian students on campus want. Further we have to improve our whole marketing mix so it meets and exceeds the standard of our competitors.
2. We need to learn about the preferences of the vegetarian students on campus and find out what made them chose Subway, Momento and Deli Marché. So we can develop a better and more satisfying marketing mix, which will be able to beat the competition on campus.
3. What type of promotion would be most effective and attract most customers to the Restaurant?

### Marketing Organization:

The way a company is organized determines the way it is managed and operated. Our vegetarian restaurant is a small company. We only have one branch on the campus of the American University of Sharjah. In the first year we will therefore operate our business from the Student Center on campus. After the first year, we will expand our business and open more branches. First, in Dubai and Abu Dhabi, and later expand to all seven Emirates. Every restaurant will then be operated by a restaurant manager who reports to the regional manager. Each regional manager will be responsible for one Emirate. Our HQ will then be located in Dubai, from where we will operate all our branches. As for the finances, the company will be a limited liability partnership company with two general partners. Each of the two equal partners would hold 50%-50% participation.

### Product Strategy (the P of Product):

Our main focus in the product strategy is the needs of our target market and how to satisfy them by providing healthy high quality of vegetarian food. We will also be providing excellent fast service in the restaurant, for take away, and for delivery in order to gain customer satisfaction. Furthermore, our product will fit perfectly in the product line of other restaurants that are located on campus since they are priced at about the same level. Moreover, as for branding, we chose “ Eatveggie” to be our brand name of the restaurant since it can show and point out clearly the main benefits that our customers can expect, which is eating vegetarian healthy clean food. As for the brand familiarity, for the short run we want to be able to reach brand

preference with our customers against our competitors, and for the long run we are aiming to reach brand insistence especially with our target market. Moreover, as for our packaging strategy, we are going to make sure that our deliveries are sent out in an excellent shape of packaging to achieve efficiency and customer loyalty. As for the product life cycle, we expect to enter the market at the growth stage.

#### Price Strategy (the P of Price):

One of our goals is to create more revenue over time to be able to pay for all the expenses and suppliers we need. Moreover, in order for our restaurant to be in the market and until we achieve awareness among our target market we will not be gaining high profits. However, only for the short run, we should be making enough profit to be able to pay our staff and employees. Furthermore, one of our pricing strategies will be dealing with discounts; we will have discounts on special occasions and major holidays, such as in New Year's Day, National Day, Thanksgiving Day, Christmas, Eid al-Fitr, and Eid al-Adha. Moreover, the specific tactic we will be using in our restaurant will be applying the one-price policy, which is to sell with the same price to everyone. By using this strategy, we will be able to carry on the goodwill with our target market. In addition, to achieve brand preference and customer loyalty among our competitors we will have our food delivery service free of charge.

#### Distribution Strategy (the P of Place):

Since our main goal is to meet the needs of our target market, we will make sure that our product is not disrupted in anyway by any poor distribution

channel. Our specific distribution strategy tactic will be the direct channel system. We will be applying the direct channel system to our restaurant, because it fits perfectly to our situation and our restaurant will benefit a lot from it and will be more productive among our competitors. We chose the most appropriate strategy, because applying the right distribution strategy is considered one of the main reasons behind the success of any business. By using this strategy, we will be working more effectively since we are distributing our product directly to the final consumer. Moreover, we intend to train our salespeople, since their behavior could make some changes in customer attitudes.

Moreover, our restaurant will be located on AUS's campus, in the student center; where it will be easy for our target market to reach to whenever they want in a short period of time; which will increase customer satisfaction. As for our delivery service, we will be following the distribution network system, where our product will reach customers and will help with increasing customer's loyalty.

Furthermore, we will be applying the exclusive distribution strategy in our restaurant, since we are selling through one intermediary in a particular geographic area, which will help us a lot in controlling the prices and the service offered in the channel. Moreover, in the long run, after gaining awareness, our demand will get higher which will make us switch to selective distribution strategy. We could do that by distributing our product to some retailers to sell in minimarts or supermarkets in order to enlarge our market to the potential customers. By switching to selective distribution, our profits will increase.

### Marketing Communications Strategy (the P of Promotion):

For our promotion strategy we will consider a combination of several methods in which we will inform our customers about our product. Our promotion strategy seeks to spark interest and raise awareness about our product. Therefore, we will promote our product on posters attached to bulletin boards and doors across campus. Further, we will launch an advertisement campaign in the student magazine. Additionally, we will distribute coupons in the magazine as well as all over campus and especially in the student dorms. Moreover, we will make use of frequent buyer programs, by keeping a record of phone numbers of our customers. That will enable us to keep in touch with our customers and inform them about special offers and happy hours for example. As for our promotional objectives, we will mainly focus on persuading and reminding. Persuading is necessary as there is fierce competition in the market. For this reason, we need to convince customers that our product and service will satisfy customer needs better than our competitors. Whereas, reminding is also important to keep old customers and making sure they don't prefer a competitor's restaurant.

### Integration of the Mix (how it all works):

As for the integration of the marketing mix, we will be introducing a vegetarian restaurant in a place that lacks major healthy restaurants, which will make us fit perfectly into the product line in the market. The special features that our restaurant will be providing such as different kinds of dishes (Italian and Arabian dishes), our fast excellent service, the high

quality of delivery service, the discounts we are offering on holidays, and our great ways of promotion will put us in a great place where we can gain brand awareness, customer satisfaction, and customer loyalty. All of those characteristics of our restaurant will attract more potential customers.

Moreover, with the brochures we will be handing, the posters we will be hanging on boards across campus, and with the coupons that we will be distributing in the magazines we will be able to attract not only vegetarian students, but also other non-vegetarian students to try our restaurant.

Furthermore, by following the one-price policy we will maintain customer goodwill. Moreover, the other 3P's will be dealing with how to get our product to our specific target market. To get to our target market, we will be following the direct channel system. Besides, we will tutor our salespeople since their behavior has a huge impact on customer's attitude. Furthermore, as for the promotion, our aim is to raise awareness of our product over our competitors. For that reason, we will be launching an advertisement campaign in the student magazine. In addition, our promotional objectives will mainly be centered on persuading and reminding.

## **Action Programmers**

Action:

Currently, our restaurant will focus on expanding promotional strategies in order to gain a loyal customer base. This will be achieved by giving discount coupons in the University magazine and handing them to students in the Student Center as well as to customers after purchasing a meal at the restaurant. But also through special offers such as happy hours.

In 6 months, we want to increase our market share by 5% and increase our profits in order to have enough capital to be able to expand.

After 12 months, we want to expand. This will be done by opening branches in Malls in Dubai and Abu Dhabi. Later we hope to expand across all seven Emirates.

Budgets:

As for the current year of 2011:

### **Promotion Cost**

Brochures DHS 2, 000

Magazines 20, 000

Campus posters 15, 000

Coupons 10, 000

Sales Promotion activities 10, 000

### **Operating Expenses**

Rent 60, 000

Salaries 50, 000

Maintenance 11, 000

Utilities 20, 000



## **Total Costs DHS 198, 000**

### **Income Statement**

Sales revenue DHS 500, 000

Expenses

Operating expenses 141, 000

Promotional Expenses 57, 000

## **Net Income DHS 302, 000**

Controls:

Goal: Check the degree of brand awareness and brand familiarity to ensure that our promotion mix is effective and that we are not losing money.

Goal: Ensure that we have a growing base of loyal customers who are satisfied with our marketing mix and keep coming back.

Goal: Check ROI to ensure that the company is reaching the goal of 5% market share and that we are making profit.