Marketing Plan

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Marketing Principles
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Executive Summary

Cup of Cake Café will be a small entrepreneurial bakery located in Granby, Colorado. Cupcakes will be offered with a variety of flavors, frostings, sizes, styles, toppings, and decorations. This bakery will contain a comfortable seating area, allowing customers to stop in and sit down. Cup of Cake Café will also include a catering service to deliver large orders for big events, providing greater convenience for consumers. As a bakery, Cup of Cake Café will have an extensive target market. People of all ages enjoy delicious cupcakes, and will therefore be included in the target market. Cupcakes are a low-priced item; they are obtainable by nearly anyone, despite varying incomes, again keeping the target market large. Between the numerous product options, convenient services, and a broad target market, this bakery will be able to meet the needs of a wide spectrum of consumers.

Product quality is critical in the food industry. For that reason, Cup of Cake Café will ensure product quality through the use of fresh ingredients, sale of only fresh cupcakes, and a focus on cleanliness. Innovations are also a goal of the company. One way which this will be accomplished is through creating new flavors of cupcakes and frostings each month and offering them for a limited time. This will allow the business to test new products and determine which ones are preferred by consumers. Similarly, Cup of Cake Café will provide seasonal cupcakes with flavors corresponding to the seasons. These treats will also only be available for a limited time each year. Product quality and innovations will be a major focus of the business.

Though Cup of Cake Café will open as a single, small bakery, over time the business will strive to expand. Once the bakery proves to be a success, the business will open more stores in areas nearby the original. As the success of the overall business increases, Cup of Cake Café will slowly expand to a wider range of locations. A company website will allow consumers to view everything offered by the bakery, as well as grant the option for customers to place orders. These expansions will allow Cup of Cake Café to be accessed by a larger quantity of consumers.

Prices at Cup of Cake Café will strive to be competitive with the industry. Costs and expenses will be calculated to provide the business with a minimum price option, preventing any losses. The company will also research the prices of comparable products of other similar businesses in the area to know the price requirements to remain competitive. As long as the industry prices are high enough to cover the calculated costs, Cup of Cake Café will choose prices similar to its competitors.

When Cup of Cake Café first opens, it will host a grand opening to gain consumer awareness. The event will offer free samples of a variety of products offered by the business to achieve consumer interest and desire, which in turn will increase consumer purchases. Community involvement will also greatly promote Cup of Cake Café as the company shows its participation and intent to contribute to the community. Such involvement will also increase consumer awareness as community members are frequently exposed to the business name.

These plans for Cup of Cake Café are intended to help the business grow more successful and profitable. However, through the use of financial analysis, customer surveys, and market share comparisons, the company will be capable of determining which of these strategies truly are productive to help the business thrive. Evaluating the effectiveness of different methods of marketing, Cup of Cake Café will learn what is needed for the company to be an absolute success.
Product Description

Cup of Cake Café will be a small bakery located in Granby, Colorado, offering all things cupcake. The business will be entrepreneurial with enough employees to help the business run smoothly. A couple of employees will be designated bakers, preparing the delights in the kitchen, while the remaining employees take orders and fulfill the needs of customers.

The product of focus for this business will be cupcakes. A variety of flavors, frostings, sizes, styles, toppings, and decorations will all be available at Cup of Cake Café. To rise above competitors, Cup of Cake Café will offer numerous options to satisfy common health and diet needs of consumers. Whether it is required by allergies or simply a choice, a desire for gluten-free, organic, naturally sweetened, reduced-fat, and vegan foods has recently grown. By offering cupcakes which meet these requests, more consumers will feel welcome to this bakery because their needs will be recognized and satisfied.

The bakery will contain a comfortable lounge area open to customers, allowing them to stop in and sit down. Cup of Cake Café will also provide a catering service designated for deliveries of large orders for events such as birthdays and weddings. This service will provide significant convenience for customers. The location of Cup of Cake Café will be another advantage of the company. This bakery will be the first, and therefore the only, cupcake shop in the town of Granby; without similar businesses nearby, the competition for this bakery will be minimal. The business will work out of a store front on the town’s main street, making it extremely visible for all consumers. Being centrally located in Grand County, Cup of Cake Café will be easily accessible by all members of the area. Given the varieties of cupcakes, convenience, and accessibility, Cup of Cake Café will be capable of standing above its competitors.

Target Market/Consumer Profile

As a bakery, Cup of Cake Café will have a broad target market. People of all ages, children through adults, enjoy delicious treats, and therefore will be incorporated in the target market. This product is not a high-priced item and, as a result, will be available to nearly all people regardless of varying incomes. Located in an area with a high tourism rate, the target market of this company will include tourists; however, many locals will also indulge in the delights. The catering service will be especially utilized by locals for large events and celebrations. Cup of Cake Café will be able to rely on locals for more year-round business whereas the tourists will only frequent during the summer and winter months. The products of Cup of Cake Café will be appreciated by all consumers who simply enjoy a decadent treat. Whether consumers are looking for plain, simple cupcakes, or intricately designed treats, this bakery will be able to meet their needs. For consumers who are looking to come in and sit down, Cup of Cake Café will be preferred by customers who enjoy a calm, modern, comfortable atmosphere. Locals and visiting tourists in Grand County, with varying ages and differing income levels, will all be included in the target market of Cup of Cake Café.
Market/Industry Indicators

Although Cup of Cake Café will be the only cupcake shop in Grand County, other bakeries and cake decorating businesses will offer competition. Two other locally owned bakeries are in the same town along with a City Market that contains a bakery. A couple of other bakeries and cake decorators also exist in the neighboring towns, plus a Safeway bakery.

Despite the similar businesses in the area, Cup of Cake Café will contain a few beneficial strengths to make it more desirable than its competitors. Cup of Cake Café will be capable of meeting the needs of consumers requesting specific modifications to satisfy particular health and diet needs, including gluten-free, organic, naturally sweetened, reduced-fat, and vegan. The central location of Cup of Cake Café will be an additional valuable aspect of the company, allowing it to be accessible to a large market. Finally, the convenient catering service and the comfortable lounge for customers to relax in as they indulge in their delicious delights will be major advantages of Cup of Cake Café.

Part of the target market of Cup of Cake Café includes tourists. Unfortunately, these consumers are only present during part of the year, decreasing the company’s business during the off seasons. Another weakness of this bakery will possibly include its competition with businesses which have been open for many years. Locals often choose to support the local businesses. With these habits created, it may be difficult for Cup of Cake Café to receive the business of locals who already have a favorite or preferred bakery.

The growth of Cup of Cake Café may be limited based on the location of the business. Being in a small town, the market size is much lower than if the business were located in a large city. Likewise, although it is in a tourist area, the town in which it will be located has fewer tourist attractions, and therefore a smaller tourism rate, than the nearby towns. However, the growing cupcake trend is very promising for the success of Cup of Cake Café.

Marketing Mix
Product:
Cupcakes are the key product of Cup of Cake Café, and product quality is essential for the success of the business. In order to ensure product quality, this bakery will emphasize cleanliness and sanitation, use quality ingredients, and will always be sure all cupcakes are properly baked. Innovations are also an important factor in the growth and success of the company. This bakery will start by offering a variety of options, from simple flavors like chocolate and vanilla, to more decadent ones such as red velvet and German chocolate cake as well as different kinds of frostings, and numerous decoration styles for all types of occasions. However, to grow as a business, it is important for Cup of Cake Café to innovate their product. To do so, the bakery will continually work to develop and test new recipes for new flavors of cupcakes and icings. Doing so will allow the company to have more variety to offer and possibly attract new customers. Along with this, Cup of Cake Café will create a couple of seasonal cupcakes, such as pumpkin during the months of autumn or coconut lime throughout the summer, which will only be available during certain times of the year. Doing this will give consumers something to look forward to in upcoming months, as well as increase business as customers splurge on cupcakes they enjoy that are only around for a limited time. By creating
new product flavors, Cup of Cake Café will not only grow as a business, but will also increase sales.

Place:
Cup of Cake Café will open as a single bakery, along with a catering service, in the town of Granby, Colorado, the heart of Grand County. Although the company is beginning as a little bakery in a small town, the objective of the business is to continually grow. In order to do this, the company will slowly open more of the same bakeries starting in nearby towns, and gradually expand to larger areas. Likewise, the catering service will grow as more bakeries are opened and perhaps the ability to cater multiple events at one time will be reached.

The internet is an extremely efficient way to expand the business to a wider range of areas; therefore, Cup of Cake Café will develop a website on which customers can place orders. Customers will then pick up their order at a nearby bakery, or, if they are not located near one, Cup of Cake Café will find an appropriate way to safely ship the cupcakes. Doing so will not only increase the number of consumers that will be able to access the business, but will also allow Cup of Cake Café to determine appropriate locations for opening more successful bakeries, based on the areas from which the most orders are placed.

Price:
After Cup of Cake Café first opens, its key objectives will include strong market share, survival, and return on investments. Achieving these aspirations will eventually allow the business to become profitable. Keeping these goals in mind, the company will choose prices which are competitive with the industry. Doing so will help Cup of Cake Café stay in business with prices that are not high over competitors, which would likely turn customers away. Yet by not being immensely below the market price, the business will still be able to receive as much possible income while remaining competitive. As these prices result in the strong market share and survival of Cup of Cake Café, the company will then be able to use income to pay returns on investments, and in time, receive profits.

Promotion:
Promotion objectives of Cup of Cake Café will consist of creating consumer awareness, generating interest and desire, and moving the customer to make the purchase. Strategies for making consumers aware of the bakery will include advertising and hosting a grand opening. Offering free samples of the tasty treats at the grand opening may lead to both consumer interest and desire. As customers try the delicious delights, they will be less hesitant about making a purchase. By simply building customer awareness, interest, and desire, consumer purchases will increase, raising company sales.

Being located in a small town, public relations will also be important for the business. Community involvement will be an extremely valuable method of addressing this. Doing so will not only help Cup of Cake Café receive more business from locals, but will also increase the company’s chance of referrals in the community. A few ways Cup of Cake Café will utilize public relations is through community involvement such as taking part in community activities, sponsoring local events, or donating gift certificates or baked goods for fundraisers. This will show the company’s desire to be involved and help out the community, which is extremely
appealing to community members. It will also provide positive exposure for the company. Public relations will be essential for Cup of Cake Café to be successful.

Action Plan

Product:

Product quality is critical in the food industry. For that reason, Cup of Cake Café will use multiple methods to ensure product quality. All cupcakes will be made from scratch with fresh ingredients. The cupcakes will also all be baked the proper amount of time, and any expired cupcakes will be disposed of. The company will also focus on cleanliness and sanitation. Bakers will be required to wash their hands frequently and clean the kitchen regularly.

Innovations will also be a goal of Cup of Cake Café. One way in which this will be conquered is through creating new flavors of cupcakes and frostings. Each month, Cup of Cake Café will offer a new cupcake as the cupcake of the month. Each month will offer a novel cupcake flavor for a limited time. This will allow the business to test new products and determine whether or not they are liked by consumers. The bakers will be responsible for trying new recipes for the featured products.

Similar to the cupcake-of-the-month proposal, Cup of Cake Café will also provide seasonal cupcakes which will only be available for a limited time. The bakers will formulate possible flavors for each month and once the business determines which cupcakes are liked by consumers, it will choose two or three cupcake flavors, matching the season, to be available for that time. For example, a cupcake flavor that may be offered throughout the summer months would be coconut lime. Likewise, a cupcake only available in the autumn months may be pumpkin. Each year the same seasonal cupcake flavors will be offered, providing consistency and giving consumers something to look forward to.

Place:

Cup of Cake Café will open as a small business with just a single bakery; however, over time the business will strive to expand. Expansion will begin in neighboring towns of the original bakery. As the success of the overall business increases, Cup of Cake Café will slowly open more bakeries in other, larger areas, perhaps in a city location.

The internet is an extremely efficient method of expanding a business. Through online publicity, a company becomes accessible to a much wider range of consumers. For that reason, Cup of Cake Café will create a company website which will allow customers to view everything offered by the bakery, as well as place orders. Consumers will then be able to pick up their order at a nearby Cup of Cake Café, or, for consumers not near a bakery, cupcakes will be shipped. In order to safely ship the cupcakes and keep their integrity, the company will use packaging designed to secure each individual treat and ensure the cupcakes will arrive at their destination looking exactly as they do when they are sent. Each cupcake will be freshly baked, fully decorated, and flash frozen for optimal shipping results. Cup of Cake Café will ship the cupcakes with ice packs to keep them frozen along their journey. This shipping method will allow the business to successfully make Cup of Cake Café’s products available all across the country.
Price:

Price is a major contributing factor to the overall success of a company. Before Cup of Cake Café can open, it will first have to make multiple investments including the building in which it will work out of, equipment and supplies for baking, furniture for the seating area, and a vehicle for the catering service. Likewise, the bakery will have continuous costs of supplies for baking, employee wages, and any upgrades or repairs that may be needed. In order to return investments and eventually earn profits, all these things must be considered when determining the price. The business owner will first calculate the cost of simply making each individual cupcake, based on supplies used. The owner will also look into the expenses of employee wages as well as how much income is needed to return investments. Based on all these calculations, the business will develop an idea of a minimum price option. Then, the company will research the prices of comparable products of other similar businesses in the area. As long as the prices of competitors are high enough to cover the costs calculated for this bakery, Cup of Cake Café will choose prices that are competitive with the industry.

Promotion:

Customer awareness is the first step in promoting a new business. Cup of Cake Café will achieve this through a grand opening. The event will be promoted through flyers around the local area, an advertisement in the newspaper, and hopefully through word of mouth. At the grand opening, Cup of Cake Café will offer free samples to give consumers a risk-free trial of the tasty treats. Consumer interest and desire are also important factors for business success. The grand opening will assist the company in these sections through the free samples provided. Consumers will be able to taste an assortment of what Cup of Cake Café has to offer, allowing them to discover the delicious delights to indulge in. These free samples will also contribute to the final aspect of successful promotion, moving the customer to make a purchase. By trying the products at no cost, consumers will feel more confident when making purchases because they will know exactly what they will receive.

Cup of Cake Café will also utilize public relations for promoting the business. Being part of a small town, community involvement will greatly contribute to successful promotion of the business. Doing so will not only help Cup of Cake Café receive more business from locals, but will also increase their chance of being referred by others in the community. One way Cup of Cake Café will demonstrate public relations is through community involvement, such as sponsoring and taking part in local events such as parades and rodeos. This will not only show the business’s participation in community events, but will also be an excellent form of advertisement to increase consumer awareness. Donating gift certificates or baked goods for fundraisers will also be a way Cup of Cake Café can promote itself. This will show the company’s desire to be involved and help out the community which is exceptionally appreciated by community members. Community sponsorship, participation, and contribution will also provide beneficial exposure for the business. Public relations will be essential for Cup of Cake Café to be successful.
Measurement/Monitoring

In order for Cup of Cake Café to continually progress, it will have to develop methods to determine which factors of the marketing plan work and which prove to be unsuccessful. Product innovation is one goal set by the company. To measure the effectiveness of the innovations, the company will pay close attention to the sales of featured products. By doing so, Cup of Cake Café will know how successful each special flavor is simply by the number of sales of that particular product. This method will allow the business to monitor the success of the product of the month and the seasonal flavor proposals. This form of financial analysis will help the company determine which products increase sales. Through financial analysis, Cup of Cake Café will also be capable of observing income from the catering service to decide if it is beneficial to the company or not. By reviewing sales, Cup of Cake Café will be able to determine which products and services lead the business to success.

Customer surveys will also benefit the business, as consumers provide opinions about which products they prefer. Including such surveys on the company website will be a simple way to receive consumer feedback and increase customer satisfaction. The surveys will incorporate information about customer service in the bakery as well as through the catering service. Knowing the opinions of customers will allow Cup of Cake Café to modify any products or services in order to optimize customer satisfaction.

Market share comparisons will help the company find ways to improve and maximize success. Cup of Cake Café will evaluate its success based on sales and compare it to the success of its competitors. If the success of the company shows to be less than its competitors, the business will analyze and compare the quality, prices, and service of similar businesses. Doing so will allow Cup of Cake Café to discover which of these factors are insufficient in comparison to its competitors. This will then reveal any necessary changes to be made in order for the company to grow more successful.

Through the use of financial analysis, customer surveys, and market share comparisons, Cup of Cake Café will be able to find improvements to be made to ensure company success. Financial analysis will reveal which products and services benefit the company based on the income for each particular product and service. Customer surveys will expose the level of product quality and customer service based on the opinions of consumers. These reviews will show the business which aspects need improvement and which are adequate. Market share comparisons will allow the business to evaluate its success in relation to its competitors and determine what modifications need to be made in order to surpass the competition. Evaluating the company’s marketing plan through these methods will allow the business to make necessary changes to guarantee the success of Cup of Cake Café.