

A Report Identifying Global Market Entry Opportunities, and market entry strategies for Vedang

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MODULE CODE:	M3X9086
NAME:	Heather Jackson
STUDENT NUMBER:	1704024

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1. EXECUTIVE SUMMARY

The remit of this report is to identify a potential global market and a market entry opportunity for Vedang. Vedang is a successful fast food restaurant operating out of Berlin that sells plant-based fast food alternatives, such as burgers, chicken nuggets and ice cream. Vedang is looking to expand and is currently seeking franchisees. Global marketing is simply identifying the customers' needs in a global environment and fulfilling them better than your competitors, entering a global market takes careful planning, it would be essential for Vedang to use the information available at their headquarters and modify their model to work in different regions.

KFC, Burger King and Subway are amongst the British fast food restaurants that have recently and successfully launched plant-based alternatives, this is evidence that there is a demand in the British fast food market for plant-based products such as those Vedang has to offer. Vedang's marketing mix fulfils that of the 'demand ecosystem' which seeks to meet more than just the needs of a consumer on face value. Meaning that most of their marketing mix will not need to change. However, Vedang should be careful with their pricing strategy not to put the customer off by a 'cheap' product or price themselves out of the market. Place should also be considered carefully with emphasis on the channels that can be made available dependent on place, such as drive through locations. A market entry option deemed suitable for Vedang is that of franchising, the risks are limited for an organisation such as Vedang when using the franchising method, it has also proven successful for organisations such as McDonald's and Starbucks when entering new global markets.

It would be recommended that Vedang attempt to enter the British fast food market, while maintaining most elements of their marketing mix using the franchising method. It is crucial that Vedang look for innovative channels that are available to them by the careful selection of their location, such as Deliveroo in city centres.

2. INTRODUCTION

2.1 REPORT REMIT

The remit of this report is to identify potential markets for Vedang – Plant based Burger to move into as well as critically analyse in order to justify the market entry opportunities available to them.

2.2 BACKGROUND OF ORGANISATION

Vedang (2020a) is a relatively new plant-based fast food chain operating out of Berlin, Vedang specialise in plant-based burgers, as well as offering plant-based chicken nuggets, 'loaded' fries, and ice cream. Vedang (2020a) self-declared themselves the future of fast food, their business model is enthusiastic and innovative for their industry, they pride themselves on not only their products but the quality of the overall customer experience. Vedang (2020b) have now successfully established themselves in several locations across Berlin and are looking for a method of more rapid growth in the form of franchisees. View Appendix A and B for a depiction of their success locally.

2.3 INTRODUCTION TO GLOBAL MARKETS

Mullins (2013) emphasizes the changing world in which we live, how rapidly change has taken place within the 20th century, now more than ever factors such as globalisation, a 24/7 society and changing labour markets are of concern to any organisation regardless of its size. Hollensen (2008, p.10) defines the global marketing concept as: *'Finding and satisfying global customer needs better than the competition, and if coordinating marketing activities within the constraints of the global environment.'* Hollensen (2008) identifies that the world is split into regions, regions such as: Europe, Asia and the Middle East, that an organisation's marketing strategy should be created and controlled within regions and not across them. Hollensen (2008) finishes his theory on global markets stating that a firm should be able to: based on similarity and differences within a market build a strategy, transfer its best practices and knowledge between international markets and implement them effectively, and use the information available at its 'home headquarters' to learn and adapt for specific global markets.

3. GLOBAL MARKET'S AND ENTRY OPPORTUNITIES

3.1 MARKET OPPORTUNITIES

Slack et al., (2013) identifies the optimisation of opportunities to be that of the planning and control over the demand. Meaning that for an opportunity to be worth an organisations while the organisation must identify the demand for their product within the market, once the demand has been identified then the organisation must carefully decide how to plan and control their operations to successfully meet the market demand. Therefore, it is crucial to identify the demand for Vedang's products in the British fast food market. In MarketLine's (2020) case study of Iceland's 'No Bull Burger' which has been described as a new 'breed of burger', the burger is made entirely of plant based products and as the name would suggest containing no beef at all, the 'No Bull Burger' was identified as the supermarkets top seller. MarketLine (2020) also acknowledge that the demand for the product was so high in the summer of 2018 when it was first released the supermarket has since brought out an entire range of items, such as 'No Bull Meatballs' and 'No Porkies Sausages'. The success of this range is evidence that there is demand within the British market for the products Vedang plant-based burger provide, additionally to this Rogers (2020) identifies a dramatic increase of 100% plant-based alternatives within fast food chains across the UK in 2020, with KfC (2020) launching their original recipe vegan burger, Burger King (2020) launching the 100% plant-based Rebel Whopper, and Subway (2020) launching their Meatless Meatball Marinara. What Vedang (2020a) have to offer is more than just a plant-based product on sale in your average meat orientated fast food restaurant, they are selling a sustainable plant-based experience. Joachimsthaler and Pfeiffer (2010) highlight the ecosystem of demand, the ecosystem of demand looks at the who, why, what, where, when, and how of consumer behaviour, that there is more to what consumers want and how an organisation can give it to them than surface value. Joachimsthaler and Pfeiffer (2010) continue by using Apple and their creation of the iPod as a clear example of the demand ecosystem model, after studying the societal shift in

how people listened to music and creating a product that offered their customers more than just the ability to listen to music, they created a user experience and it saw their brand take off. Vedang (2020 a) are somewhat appealing to the demand echo system of their consumers in a better way than their meat orientated fast food competitors in the United Kingdom.

3.2 THE MARKETING MIX FOR VEDANG

Güler et al., (2012) states how important it is for an organisation attempting to enter a new global market to have a clear and strong strategy that has already had its threats and weaknesses analysed and evaluated in depth. To help identify a clear and strong strategy for Vedang entering the United Kingdom's fast food market the 7p's will be used. Enache (2011) highlights the importance of not only the four traditional P's: product, price, place and promotion but the importance of the three additional P's: people, process and Physical evidence's role in the marketing mix as. Blythe (2014, p.755) defines the four P's as; Product: *'A bundle of benefits'*; Price: *'the exchange a customer makes in order to obtain a product'*, Place *'The location where the exchange takes place'*, and Promotion: *'Marketing communications'*. These four or sometimes seven P's make up what is known as the marketing mix. For Vedang when entering a new global market, the marketing mix needs to be considered, after analysing the market demand it become evident that most of Vedang's marketing mix should stay the same for entry into the UK market. However, place and price will be looked at in depth as part of their market entry strategy.

Shah (2013) identifies place to be not only the location at which a transaction takes place but to be the channel used to do so. Hammet (2019) identifies innovative channels such as Deliveroo, and the advantage using a delivery service has to a fast food organisation, Deliveroo would allow Vedang to target a different segment of the market, customers that are less likely to visit a physical restaurant. Baker (2011) highlights the use of drive-thru stores for fast food organisations using Starbucks as an example, Starbucks significantly expanded their reach at the beginning of the decade by opening over 300 drive-thru restaurants. Vedang's

DISCUSSION

(2020a) success in Berlin is partly due to the convenience of their locations, being located in the centre of busy shopping centres in the city, this can be directly transferred to the UK. Looking for locations inside major shopping centres across the whole of the UK, as well as when available partnering with a company such as Deliveroo, and or providing a drive through alternative at motorway service stations or out of town locations.

Gburova and Bacik (2018) refer to price as the strongest marketing mix tool from the consumer perspective; that if a product is too inexpensive it will put customers off, however if the consumer deems the product overpriced they are unlikely to purchase, or repeat purchase. Continuing Gburova and Bacik (2018) state that the pricing of a product should be the most critical point considered when entering a new market, that the organisation should not try to significantly undercut their competitors nor price themselves out of the market. Shah (2013) states that if fast food restaurants get their pricing strategy right to start with, it will help to form a loyal customer following, that if a raise in prices is essential in the future then the customers will continue to purchase.

3.3 SWOT ANALYSIS FOR ENTRY TO THE UK

Fifield (2010) identifies a SWOT analysis to be an in-depth analysis of a business's strengths, weaknesses, opportunities, and threats, with strengths and weaknesses being internal factors and opportunities and threats being external factors. Continuing Fifield (2010) states that a SWOT analysis can be carried out in an organisation's current market or a potential market, and if done properly can promote positive change, help turn threats into opportunities and weaknesses into strengths. Kotler (2003) identifies a SWOT analysis to be a type of situational analysis, that can prove useful to any organisation. For these reasons a brief SWOT analysis will be applied to Vedang entering the fast food market in the UK.

Kotler (2003) states that the strengths of a business are the internal positive factors an organisation has, for Vedang (2020a) the strengths have been identified as: Passionate about

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product, innovative, looking for expansion, and a proven successful product. Fifield (2010) identifies weaknesses to be the internal downfalls an organisation has, without being on the inside of an organisation these can sometimes be hard to identify undoubtedly, however the assumption can be made for Vedang that: their marketing materials are not currently in English, Vedang would have to train new staff, and resources may be limited to national initially. Kotler (2003) identifies the opportunities to be the external positive powers that are available for an organisation to take advantage of, for Vedang these would be: Few direct plant-based food chain, entering a fast growing market within the UK and the demand for their products is not currently met within the British fast food market. Kotler (2003) highlights the threats to an organisation to be the external negative powers that effect an organisation, the threats identified to Vedang entering the British fast food market are: competitors have recently brought out plant-based products, as well their competitors being already well established.

3.4 MARKET ENTRY OPPORTUNITIES

Hollensen (2008) identifies a variety of ways in which an organisation can enter a new global market such as: Joint ventures, direct import/export, and franchising. Vedang (2020b) have already stated that they are seeking franchisees, for this reason the franchise route for global market entry will be evaluated in depth for Vedang . Baldwin, Cave and Lodge (2011, p1) defines franchising as *'franchising is known as a form of marketing or distribution in which one party, the franchiser, allows another, the franchisee, to exploit a trade name, trademark, process, or other resource in return for a fee.'* In the instance of Vedang, Vedang would allow individuals to buy rights to their name, process, products, brand, and suppliers in return for a fee or percentage of their profits. Baldwin, Cave and Lodge (2011) continue to state that there are a multitude of advantages as well as disadvantages to both the franchiser and the franchisee when franchising, for the purpose of this report the advantages and the disadvantages to the franchiser Vedang will be discussed. Baldwin, Cave and Lodge (2011) identify some of the advantages of franchising to be: increased revenue, builds brand awareness, franchisee takes responsibility, and Less Liability. Baldwin, Cave and Lodge

DISCUSSION

(2011) continue to identify the disadvantages of franchising to be: less control, legal regulations and restraints, can be time consuming, substantial upfront costs, and only work for a certain type of business. Despite the disadvantages some fast food businesses such as McDonalds (2020) and Starbucks (2020) have prospered using the franchising model when entering global markets. This is evidence that the category of business that Vedang falls into can successfully use the franchising model. Therefore, coupled with the fact Vedang are currently looking for franchisees and the demand for their products in the British market the franchise model could prove a successful model for vedang to explore as part of their market entry strategies. Based on Hollesens (2008) global market theory, Vedang should apply the information they have at their headquarters in relation to their success in berlin, to the customers, the competitors and the demand for their product. Using this information as well as the new information collected relating to the British market Vedang should then adapt their model where necessary and create the terms and conditions for their British franchisees.

4. CONCLUSION

4.1 RECOMMENDATION

It would be recommended for Vedang to take advantage of the demand within the UK fast food market for their products, the best way identified for Vedang to do this is via a franchising method.

4.2 CONCLUSION

To conclude vedang is a successful plant based fast food restaurant based in berlin that is looking to expand, this report has looked at its global market opportunities, focussing specifically on the UK market. When analysed it became evident that the demand for the products a business such as Vedang has to offer is high in the UK fast food market, however there is a increasing amount of competition with meat based chains bringing out plant based alternatives in the last few years. The best method for entering the UK market be identified, it was identified that Vedang themselves are currently looking for franchisees this was then looked at and applied on a global scale. The success of other global fast food brands using franchises was evidence that franchising could be a successful method for Vedang to enter the British market. Due to the limitations of this report only one market opportunity, and entry stratagy could be looked at it would be recommended that future reports identify and analyse additional market opportunities as well as entry strategies available to Vedang.

5. REFERENCES

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6. APPENDICES

Appendix A

Vedang - plant burger (Mall of Berlin)

Claimed

483 reviews #31 of 6,925 Restaurants in Berlin E, American, Fast food, European

Leipziger Platz 12 | Mall of Berlin, 10117 Berlin, Germany +493022002727 Website Menu Open Now: 11:00 - 21:00

Save Share

Order Online

Lieferando.de

Order Online



All photos (186)



Ratings and reviews

5.0 483 reviews

#31 of 6,362 Restaurants in Berlin

RATINGS

Food	5.0
Service	5.0
Value	5.0

Details

PRICE RANGE
£4 - £9

CUISINES
American, Fast food, European, Deli, Healthy, Street Food

SPECIAL DIETS
Vegetarian Friendly, Vegan Options, Gluten Free Options

View all details
Menu, Features, About

Location and contact



Leipziger Platz 12 Mall of Berlin, 10117 Berlin Germany

0.4 miles from Potsdamer Platz

Website Email

+493022002727

Improve this listing

Does this restaurant have a playground inside or outside? ☐ Yes ☐ No ☐ Unsure

Reviews (483)

Write a review

Traveller rating: ☐ Excellent ☒ Very good ☐ Good ☐ Fair ☐ Poor

Traveller type: ☐ Solo ☐ Couple ☐ Family ☐ Friends

Time of year: ☐ All year ☐ Spring ☐ Summer ☐ Autumn ☐ Winter

Language: ☐ All languages ☐ English ☐ German ☐ French ☐ Italian ☐ Spanish ☐ Dutch ☐ Russian ☐ Chinese ☐ Japanese ☐ Korean ☐ Hindi ☐ Arabic ☐ Portuguese ☐ Swedish ☐ Norwegian ☐ Danish ☐ Finnish ☐ Polish ☐ Czech ☐ Slovak ☐ Hungarian ☐ Romanian ☐ Bulgarian ☐ Greek ☐ Turkish ☐ Hebrew ☐ Persian ☐ Urdu ☐ Punjabi ☐ Bengali ☐ Tamil ☐ Telugu ☐ Malayalam ☐ Kannada ☐ Malay ☐ Vietnamese ☐ Thai ☐ Lao ☐ Burmese ☐ Indonesian ☐ Javanese ☐ Tagalog ☐ Filipino ☐ Vietnamese ☐ Thai ☐ Lao ☐ Burmese ☐ Indonesian ☐ Javanese ☐ Tagalog ☐ Filipino

LATEST ACCOMMODATION DEALS

Australia's Northern Territory



APPENDICES

Appendix B

Vedang - plant burger (Alexa)

Claimed

243 reviews #3 of 162 Quick Bites in Berlin E, Quick Bites, Fast food, Vegetarian Friendly

Grünerstr. 20 | Alexa Foodcourt 2. OG, 10179 Berlin, Germany +493021454713 Website Menu Open Now: 11:00 - 21:00

Save Share

Order Online

Lieferando.de

Order Online



Ratings and reviews

5.0 243 reviews

#3 of 158 Quick Bites in Berlin

RATINGS

Food	5.0
Service	5.0
Value	5.0

Details

PRICE RANGE

£4 - £9

CUISINES

Fast food

SPECIAL DIETS

Vegetarian Friendly, Vegan Options

View all details

Media, Features, About

Location and contact



Grünerstr. 20 | Alexa Foodcourt 2. OG, 10179 Berlin, Germany

0.3 miles from Alexanderplatz

Website Email

+493021454713

Improve this listing

Can a gluten free person get a good meal at this restaurant? ☐ Yes ☐ No ☐ Unsure

Reviews (243)

Write a review

Traveller rating	Traveller type	Time of year	Language
☐ Excellent 100	☐ Families	☐ Mar-May	☐ All languages
☐ Very good 8	☐ Couples	☐ Jun-Aug	☒ English (100)

