

Module Code: LCLM4004

Assignment Title: Component 2 - Individual Report

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**Strengthening Basil's Bakery: A Subscription, Loyalty and Local Partnership
Recovery Plan**

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INTRODUCTION

The report analyses why Basil's Bakery's sales have declined and presents a realistic sales recovery strategy. It develops two possible strategies, analyses them using the PMI technique, selects the optimal strategy, and develops an implementation plan considering KPIs and SMART criteria.

1. CASE STUDY AND PROBLEM ANALYSIS

Basil's Bakery, founded in 2015 and located in a Coventry retail park, is an independent small-scale artisan bakery. Traditionally, sales have shown a steady growth since opening. However, Basil's sales from 2023 to 2025 are estimated to be 25% lower than sales in 2019. This sales decline correlates with significant changes in customer behaviour. Basil's Bakery is currently experiencing reduced traffic from the retail park; customers no longer have a lunch break due to local office employees working from home on a rotational basis, and some of the local employees who used to visit the retail park have been laid off (CIPD, 2025). The UK food and drink industry is bracing for food inflation with estimates predicting food inflation at 5.7% in December 2025 (FDF, 2025).



Figure 1: Basil's Bakery

Source: (Basil's Bakery, 2023)

2. POTENTIAL SOLUTIONS

SOLUTION 1: BASIL'S BAKERY SUBSCRIPTION AND LOYALTY PROGRAM

Basil could offer a subscription and loyalty program to create an advance purchase model. Customers would buy weekly boxes of baked goods and pick up their goods at selected times and locations. There would be a limited drop-off for customers in the surrounding area, and the rest of the customers would pick up their orders. This model creates a more stable revenue stream and lessens the dependence on sporadic purchasing. According to loyalty programs, the reward program builds customer retention and gives a boost to sales in an SME. This is true when the reward program is of real value to the program's regular customers (Bellaali, 2024).

SOLUTION 2: COLLABORATION WITH THE RETAIL PARK'S REMAINING BUSINESSES FOR POP-UP EVENTS

Basil could collaborate with the remaining businesses in the retail park and create promotions and pop-up bakery events. Customers could get a discount from Basil's Bakery after purchasing from the other stores. Basil could make special products to sell during school holiday events and other community events. This would improve business and bring customers back to the retail park. However, for this to be successful and to address the issue of customers not coming back to the business, there would need to be a lot of collaboration and participation from the other businesses.

3A) PMI EVALUATION OF PROPOSED SOLUTIONS

Plus:

The Bakery Club subscription scheme will provide more reliable and predictable income because customers place orders in advance, rather than relying on daily trade walk-ins. This will help Basil predict production and help make the correct volume of bread, pastries, and cakes, and even help reduce waste. This scheme will also help customer loyalty since repeat customers will be purchasing from the bakery every week.

Minus:

The Bakery Club subscription scheme also has some disadvantages, like the fact that customers will be committing to a weekly subscription. This scheme also has a high possibility of adding a lot of additional tasks to Basil because he will be managing subscriptions, payments, and choices of products and collections, and if the scheme becomes popular really quickly, it may overextend him and will affect the service.

Interesting:

The Bakery Club scheme will help improve Basil's knowledge of customers and is good because it is easily removable. This scheme will also help improve Basil's cash flow and open new ideas for Christmas boxes and special occasion boxes, and help make the business better and help reduce the reliance on walk-ins from the retail park.

3B) PREFERRED SOLUTION

Introducing Basil's Bakery Club subscription and loyalty scheme is the best option. It encourages customers to buy often. This is better than having to wait until the retail park is busy again. It also saves Basil the trouble of guessing how many pastries to make. Instead, he can make pastries to the number of orders that have been placed.

This option is the best for small bakeries. It does not require Basil to open a new branch, and he does not have to hire a large delivery staff. Basil can start small with a few subscription boxes, set times for customers to pick up orders, and a simple loyalty card. When researching digital transformation for small to medium food enterprises (SMEs), it is best to implement modular and manageable technologies. This is because small firms often face barriers with finances, limited infrastructure, and unavailable time (Ndiata, Masood and Mehnen, 2025).

4A) IMPLEMENTATION PLAN

Basil should consider a 12-week gradual roll-out for the Bakery Club subscription scheme. The first 2 weeks should involve the analysis of current sales data to determine which products, like bread bundles and pastry selections, should be included as subscription

box offerings. During this stage, products that are challenging to package or are at risk of losing quality should be removed.

Weeks 3-4 should involve the creation of 3 simple subscription offerings and the development of individual small and large subscription boxes, as well as an office subscription box. Pricing should be done to ensure all costs are covered, but still offer value to the customer. The next two weeks(Weeks 5-6) should include the development of a basic subscription sign-up system. This may include a subscription order form located within the shop as well as a basic order form within WhatsApp and other social media accounts.

Weeks 7-8 should include a pilot of the subscription service to a small customer base of 30 people. Feedback should be obtained on the offerings, price and the subscription box collection time. The next 3 weeks(Weeks 9-11) should include the regular marketing and promotion of the subscription service. Basil should evaluate the service at the end of the 12 weeks by analysing sales, customer retention and waste before a service extension.

4B) JUSTIFICATION OF IMPLEMENTATION PLAN

This plan begins with product selection. Subscription items must be convenient to prepare, safe to package, and priced to yield a profit. Price setting must be completed before promotion, as Basil must avoid situations where orders are made, increasing sales, but decreasing profits. The trial is limited to 30 users, as Basil is already required on location for baking. New subscription services must not impair the ability to run existing operations. The limited drop-off option will be available in Weeks 7–8 as subscription model sales need to be proven before this option will be presented. (Lee, Jang and Kim, 2024).

5A) KPI AND SMART OBJECTIVES

Key Performance Indicator:

Main Bakery Club KPI will be the weekly subscription sales as a percentage of total sales. This KPI is relevant because it will show how much additional income is being created through subscriptions as opposed to relying on walk-ins.

SMART Objectives:

Specific: The launch of the Bakery Club subscription and loyalty scheme will help Basil's Bakery to better control income by receiving more repeat purchases.

Measurable: The Bakery Club will help Basil's Bakery obtain a subscription customer base of at least 40 and will result in at least 15% of total weekly sales coming from subscriptions.

Achievable: This goal is attainable since Basil's Bakery will start with only three product box options, set time slots for pickup, and a simple loyalty card.

Relevant: This goal and scheme align with increased sales and more predictable income and will help eliminate longer wait times.

Time-bound: This goal will be achieved within six months of the Bakery Club launch.

5B) MONITORING AND EVALUATION

Basil must track subscription revenue weekly using a basic spreadsheet. Basil must document client name, subscription type, order value, payment date, order frequency, order cancellation, and customer reviews. This will help indicate if the Bakery Club is generating new sales or is only substituting existing sales from walk-in customers.

Basil must also analyse the level of waste pre- and post-Bakery Club. If customers are placing better orders and Basil is able to accurately meet the demand, waste will decrease, and profit will increase. Customer reviews should be weekly, with a completed survey or sent via WhatsApp. If customers are enjoying the product but do not enjoy the time the product is ready for pickup, Basil can easily change the pickup time. If there are cancellations due to a lack of variety, customer boxes can include other items from the seasonal offering.

Basil must analyse if there are at least 25 Bakery Club customers after the first 12 weeks. After the first 26 weeks, Basil must analyse if there are at least 40 Bakery Club customers and if the weekly sales have reached 15%. If goals are reached, Basil can include a line

of snack boxes and seasonal boxes. If goals are not reached, this will require stricter sales efforts, promotions and a better offering.

6 KEY FINDINGS

- Basil has a bigger issue with customer access, not product demand.
- Hybrid work has changed the demand for lunchtime sales.
- Predictable sales are more important with rising food and operating costs.
- The Bakery Club subscription model can improve sales.
- Reduction of waste can be achieved with better demand and advance ordering.
- Retail Park events can help, but provide inconsistent sales.

CONCLUSION

Introducing a Bakery Club subscription and loyalty program makes sense for Basil's Bakery. This option is simple and low-risk for a small artisan business. It leads to regular, repeated purchases and decreases reliance on retail foot traffic. If executed properly, this program will increase sales while preserving the quality of Basil's Bakery.

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APPENDIX A

PMI ELEMENTS

PMI Element	Evaluation
Plus	Wholesale supply would reduce Basil's dependence on retail park footfall by allowing the bakery to sell products through cafés, farm shops and independent retailers. It would also help Basil plan production more effectively because orders would be confirmed in advance.
Minus	Wholesale supply may increase Basil's workload because trade customers may expect regular early deliveries and consistent supply. Profit margins may also decrease if wholesale prices are set too low.
Interesting	Wholesale supply could later be combined with weekend tasting sessions or bakery events. This would help Basil earn regular weekday income while also improving customer engage