

Analysing Vedang's Marketing Mix for Entry into the UK Fast Food Market, with Attention to Cultural Differences.



May 2020

MODULE NAME:

GLOBAL MARKETING STRATEGY

NAME:

HEATHER JACKSON

STUDENT NUMBER:

1704024

CONTENTS

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY.....	3
2. INTRODUCTION	4
2.1 REPORT REMIT	4
2.2 INTRODUCTION TO ORGANISATION.....	4
2.3 INTRODUCTION TO PREVIOUS REPORT	4
2.4 INTRODUCTION TO MARKETING MIX	5
2.5 HOFSTEDE'S CULTURAL DIMENSIONS	5
3. MARKETING MIX	7
3.1 PRODUCT	7
3.2 PRICE	7
3.3 PLACE	8
3.4 PROMOTION	9
3.5 PROCESS	9
3.6 PEOPLE	10
3.7 PHYSICAL EVIDENCE	10
4. CONCLUSION	12
5. REFERENCES	13

1. EXECUTIVE SUMMARY

This report outlines the cultural differences between the fast food market in Berlin and the UK, and advise Vedangs market entry strategy based on the findings. Vedang are a plant-based burger specialised fast food chain, that have successfully established themselves in Berlin, who are now actively looking for franchisees. The previous report looked at global market entry opportunities for Vedang, identifying the UK as a potential market using the franchisee method.

The marketing mix is the seven essential elements needed to be considered by every organisation when attempting to implement a marketing strategy: product, price, place, promotion, people, process, and physical evidence. Vedangs 'product' is not only the food they serve but the all vegan experience in store, it would be recommended they standardise this for entry into the UK. Price is an essential element of the marketing mix, it is recommended that Vedang adapt a competitive price when entering the UK market, however remain cautious not to under value themselves. Vedang currently operate out of shopping centres in Berlin, due to the cultural differences in the UK they should look at adapting a drive-through model in the UK to better meet their customers needs. In terms of promotion it was identified essential that promotional content across all platforms is consistent for any organisation, it would be advised that Vedang standardise their social media content with the only change being made to the language, English for the UK. In terms of process for Vedang, it should be ensured that the quick friendly enthusiastic approach currently used is standardised across the UK. People are often what forms the first impression a customer holds of a business, Vedang should ensure their staff remain well trained, informed, and enthusiastic about their products and the service they are providing. Physical evidence is what creates the atmosphere of a business, Vedang should create a clean, tidy, and welcoming environment for their customers. It became evident that all elements of the marketing mix will be crucial to Vedang's successful entry into the UK market, however due to the limitations of this report not all could be looked at in great depth.

2. INTRODUCTION

2.1 REPORT REMIT

The remit of this report is to outline the implementation of marketing activities for Vedang using the marketing mix based on the recommendation made in the previously written report for Vedang's market entry strategy via the franchising model into the British fast food market. With considerations to the standardisation versus adaption of procedures and key cultural forces.

2.2 INTRODUCTION TO ORGANISATION

Vedang (2020a) are a relatively new plant based fast food chain operating out of Berlin, Vedang specialise in burgers however they have other menu options available such as plant-based chicken nuggets, cheese fries, and ice cream. Vedang (2020) have declared themselves the future of fast food, with an enthusiastic and innovative business model that is represented in all aspects of their business, such as their contactless cash payment machines and 100% biodegradable packaging. Vedang (2020b) have successfully established themselves in several locations across Berlin and are looking to branch out, they are advertising for franchisees to help grow their already successful brand.

2.3 INTRODUCTION TO PREVIOUS REPORT

Jackson's (2020) report sought to identify and critically analyse potential global markets for Vedang to enter, to create justification for the market entry opportunities available to them. The report used Hollensen's (2008, p.10) definition of the global market concept 'Finding and satisfying global customer needs better than the competition, and if coordinating marketing activities within the constraints of the global environment.'

The report identified a gap in the plant based fast food market after identifying the recent success of competitors such as KFC (2020) and Burger King's (2020) recent addition of plant based alternatives, as well as identifying the growth of the plant based market as a whole in the UK; Britain was identified as a strong entry opportunity for Vedang using the franchisee method. The report briefly looked at

Vedang's marketing mix however it was identified that due to the limitations of the report that future research should investigate Vedang's marketing mix in relation to the identified market entry opportunities in further detail.

2.4 INTRODUCTION TO MARKETING MIX

Blythe (2014) recognises the marketing mix to be the essential elements that make a successful marketing campaign, that all elements of the marketing mix need to be effective in order for a product or service to be successfully marketed to its target market.

Blythe (2014, p.755) defines the first 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'. Enache (2011) underlines the particular importance and relevance of the additional three P's Physical evidence, People, and process, Fifiield(2012) states that the 'people' element of the marketing mix refers to two elements, customers, and service staff, highlighting 'Process' to be relating to production and operations, 'how it happens', and 'physical evidence' to be the multitude of elements that are used in facilitating in the purchase and consumption of a product or service., Physical evidence is used to create an atmosphere and environment where the service or product is bought or carried out.

2.5 HOFSTEDE'S CULTURAL DIMENSIONS

Hofstede, Hofstede and Minkov, (2010) identify culture to be the different way in which individuals think, feel and act, that these attributes can vary from individual to individual dependant on where they live around the globe. Hofstede, Hofstede and Minkov, (2010) continue that a person's culture is simply the mental programme of that individual, and that this programming has taken place over time formed from an individual's experiences starting from early childhood.

Hofstede (1981) recognised that culture could be broken down into dimensions, when Hofstede (1981) first identified the cultural dimensions he identified four: Power Distance, Uncertainty Avoidance, Individualism/Collectivism, and Masculinity/Femininity; Hofstede, Hofstede and Minkov, (2010) identify how later he identified the fifth cultural dimension the long term and short term.

Mullins (2006) highlights while Hofstede's work has been extremely influential some authors have criticised for work only taking into consideration culture on a national level, that culture within countries can vary and his model may be somewhat out of date for example the variation in culture across different states in the USA. Mullins (2006) highlights another criticism Hofstede has widely faced is in direct relation to his Masculine/Feminine dimension, that some authors believe that it is in itself stereotypical.

3. MARKETING MIX

3.1 PRODUCT

Vedang's (2020) product is not only the food they are selling, it is also the 'all vegan experience' that goes along with the food. The CIM (2015, p.5) outline the principle that when looking at the 'product' in reference to the 7 P's it is important to understand that the product should provide value for your customer, the value the customer perceives. *The CIM (2015)* continue by highlighting the importance in an organisation's ability to measure the consumer satisfaction of their products, asking themselves 'are your customers happy?' as well as identifying what their product needs are now, and whether their needs are likely to change in the future.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'product' are as follows:

- Standardise the 'all vegan experience' currently offered to customers in Germany, as this will add value in the UK also.
- Once established in the UK market, look to establish a method of feedback collection on products offered by Vedang, to find out if you are currently satisfying your customers' wants and needs and if they are likely to change in the future.

3.2 PRICE

Yoo, Donthu and Lee (2000) identify price to be an essential part of the marketing mix, Baines and Fill (2014) agree with this continuing that price creates a positioning for a product. The CIM (2015) highlight how the positioning created by the price is what allows customers to place you in relation to your competitor, however the higher an organisation prices themselves the more value customers will expect for their money; If a company is selling the most expensive product in their industry, their customers will expect them to provide a better service. The CIM (2015) highlight the importance of consistency with higher quality products, it is important if offering goods for an above average price

that the business consistently maintains the quality of its product, environment, packaging etc, it is also important to note that existing customers are less sensitive to price than new / potential customers.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'price' are as follows:

- Ensure price is appropriate for products being sold, it would be advised to avoid cheap or value pricing as it contradicts the value perception of the product itself.
- With the above in mind avoid overpricing initially, come into the market with a similar price for a meal as competitors such as KFC (2020) averaging between £5 and £7 pound; then increase price if necessary, once customer loyalty is gained.

3.3 PLACE

The CIM (2015) highlight place to be anywhere the product can be purchased, meaning it can be the shop itself, as well as a website where purchase is available; additionally highlighting the organisations responsibility for the delivery performance and service, even if using a third party service.

Currently Vedang (2020) operate out of physical shops inside shopping centres in Berlin, however looking at the success of chains such as McDonalds (2020) and Starbucks (2020) could help shape how Vedang set up in the UK using drive-throughs . Adams (2010) outlines how the 'drive-thru' was established in the late 1940's and is beneficial to customers who are too 'busy' and or too 'lazy' to get out of their cars. In other words, the drive-through is a convenient place for customers to get their fast food, adding value to the product being sold.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'place' are as follows:

- It would be recommended that Vedang adapt their current 'place' to fit into a drive-through model, this will allow them to not only match their competition in the UK but also create added value in the form of convenience for their customers.

3.4 PROMOTION

Blythe (2013) highlight how promotion is an organisations way of communicating with its customers, this can be in the form of, branding, advertising, social media, and special offers. The CIM (2015) highlight how promotion can be used to communicate benefits to the customer as well as creating a brand image. Fleming-Milici and Harris (2020) outline how social media marketing is used widely by food outlets to promote their product, mostly successful when trying to engage the younger demographic. The CIM (2015) highlight how social media marketing when done right can open a new world of opportunities to a business.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'promotion' are as follows:

- Vedang should look to standardise their online presence when entering the UK market, this can be achieved by creating a UK based website, as well as UK social media platforms that follow their current brand image.

3.5 PROCESS

The CIM (2015) highlights how customers no longer purchase just a product, they look to invest in the whole purchase, Kotler (2009) outlines how it is the 'process' that allows for organisations to add value, from before the purchase to long after the initial transaction took place. The CIM (2015) highlights the importance of a good first impression, as well as the efficiency and smooth running of the business, low wait times, effective quick communication, and systems designed to benefit the customer will all help create value through an organisations 'process'.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'process' are as follows:

- When entering the UK market, it will be essential to standardise the 'friendly' and 'enthusiastic' store atmosphere in order to create a good first impression.

- Quick effective communication should be maintained when entering the UK, phones should be answered and online platforms kept up to date, and responsive.
- Food wait times should be reduced, where possible.

3.6 PEOPLE

Blythe (2013) identifies the people element of the marketing mix to incorporate any individual that meets your customers, a lot of customers cannot separate the staff within an organisation from the product or service the organisation is selling. The CIM (2015) explain that employees should be well suited to their roles, as well as appropriately trained, and having the right attitude for the job. The CIM (2015) outline how happy customers can become great advocates for the Band, with the potential of leaving positive reviews on sites.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'people' are as follows:

- Vedang should standardise their current method of employing individuals who believe in their plant-based products when entering the UK market.
- Ensure all staff is adequately trained for their job roll, and ensure they have substantial knowledge of the products being sold, there ingredients and where they are sourced.

3.7 PHYSICAL EVIDENCE

Kotler (2009) states that an organisations 'physical evidence' is that of what is visually represented for the consumer, allowing for a 'visual metaphor' to be created for the organisation, Kotler (2009) continues to outline that physical evidence is what creates the 'enviroment' and 'atmosphere' of a business; therefor physical evidence needs to be managed effectively.

The CIM (2015) highlights how choosing unfamiliar products can be risky for consumers, this is particularly relevant to Vedang when considering entry into the UK, there are measures organisations can take to help the consumer feel more at ease with the risk of buying unfamiliar products such as:

creating a clean and tidy well decorated 'place' (premises) as well as creating a user friendly well designed website.

To put the above into importance for Vedang the recommendations for entry into the UK in relation to their 'physical evidence' are as follows:

- Keep store areas including drive through and car park, clean, tidy, and well maintained
- Decorate instore areas with a consistently branded aesthetic
- Create a set cleanliness standard for all stores, ensure that franchisees maintain the set standard throughout.

4. CONCLUSION

This report identified that no element of the marketing mix could be looked at individually for Vedang, that all elements deserved adequate consideration in relation to Vedang's entry strategy into the UK. However, attention should be paid to their pricing strategy when entering the UK market, not to price themselves out of the market, or de-value their product with too low a price tag. Place is another element that should be given deeper consideration, while the aesthetic of the stores in Berlin should be standardised to the UK market, to meet the cultural needs the locations and store types should be adapted.

Due to the limitations of this report, all aspects of the marketing mix could not be looked at in depth to gain a deep cultural understanding of the differences relating to the fast food market in the UK and Berlin. It would be advised that future research looks at each element in a more exploratory manner.

5. REFERENCES

1. Adams, G., 2010. *Birthplace Of 'Drive-Thru' Turns Its Back On Fast Food*. [online] The Independent. Available at: <<https://www.independent.co.uk/news/world/americas/birthplace-of-drive-thru-turns-its-back-on-fast-food-2019204.html>> [Accessed 21 May 2020].
2. Baines, P. & Fill, C., 2014. *Marketing Third.*, Oxford, United Kingdom ;: Oxford University Press.
3. Blythe, J., 2014. *Principles and practice of marketing* 3rd ed., Los Angeles, California : SAGE
4. Burger King, 2020. Rebel Whopper. [online] BURGER KING®. Available at: <<https://www.burgerking.co.uk/menu-item/rebel-whopper>> [Accessed 11 March 2020].
5. ENACHE, I. (2011). MARKETING HIGHER EDUCATION USING THE 7 PS FRAMEWORK. Bulletin of the Transilvania University of Braşov, [online] 4(1). [Accessed 7th march. 2020]
6. Fifield, P., 2012. *Marketing Strategy* 2nd ed., Hoboken: Taylor and Francis.
7. Fleming-Milici, F. & Harris, J.L., 2020. Adolescents' engagement with unhealthy food and beverage brands on social media. *Appetite*, 146, p.104501.
8. Hofstede, G., Hofstede, G. and Minkov, M., 2010. *Cultures And Organizations: Software Of The Mind*. 3rd ed. New York: Mc Graw Hill.
9. Hofstede, G., 1981. *Cultural Consequences: international Differences in Work-Related Values*, Sage.
10. Jackson, H., 2020. *A Report Identifying Global Market Entry Opportunities, And Market Entry Strategies For Vedang*. Swansea.
11. KFC, 2020. Vegan. [online] Kfc.co.uk. Available at: <<https://www.kfc.co.uk/menu/vegan>> [Accessed 11 March 2020].
12. Kotler, P. 2009. *Marketing management* 14th ed., Global., Harlow: Pearson Education.
13. McDonalds, 2020. *Open Restaurants | Mcdonald's UK*. [online] Mcdonalds.com. Available at: <<https://www.mcdonalds.com/gb/en-gb/latest-updates/open-restaurants.html>> [Accessed 21 May 2020].
14. Mullins, L.J., 2006. *Essentials of organisational behaviour*, 1st ed., Madrid, Pearsons.

REFERENCES

15. Starbucks, 2020. Home. [online] Starbucks Coffee Company. Available at: <<https://www.starbucks.co.uk/>> [Accessed 13 March 2020]
16. The CIM, 2015. Marketing And The 7 P's: A Brief Summary Of Marketing And How It Works. London: The CIM.
17. Vedang , 2020a . Vedang - Future Of Fast Food | About Us | 100% Pflanzlich. [online] Vedang - plant burger. Available at: <<https://vedang.de/franchise/>> [Accessed 9 March 2020].
18. Vedang , 2020b . Vedang - Future Of Fast Food | Franchise | 100% Pflanzlich. [online] Vedang - plant burger. Available at: <<https://vedang.de/franchise/>> [Accessed 9 March 2020]
19. Yoo, B., Donthu, N. and Lee, S., 2000. An examination of selected marketing mix elements and brand equity. *Journal of the academy of marketing science*, 28(2), pp.195-211

APPENDICIES
