

Introduction:

BizCafe will be a specialty coffee restaurant that will specialize in selling different types of high-quality coffee and other beverages. Our restaurant aspires to expand and evolve into a profitable business while placing customer satisfaction at the core of each of its business decisions.



1. Our main goals are as follows:

- Our first goal is to be located along a busy street or within a college environment to easily reach the right demographic for our restaurant.
- To make a net profit of more than \$20,000 in 2 years
- To be able to provide affordable products to our clients while making enough money to run the company.
- To have minimal operational costs; We aim to have efficiently managed production, spending moderately in advertisements and promotions, and minimally investing in decisions that seem frivolous within the first year of operation.
- To have a consistent customer base who will love to have coffee at our BizCafe on a regular basis.

- To attain a five-star ambiance within the **first year of operation**.
- To be able to **perform delivery services** within the first six months of operation.

2. Developing a Strategy:

Cost leadership strategy,

We intend to establish a **cost leadership** strategy approach for our restaurant. We chose the cost-leadership strategy because we want to achieve the lowest possible pricing and the smallest feasible cost structure. This involves choosing a lower pricing point for items, reducing service time, or exploiting location to give more convenience for customers (*Cost Leadership Strategy and Experience Curves - Amit - 1986 - Strategic Management Journal - Wiley Online Library*, n.d.). **Rather than competing on price, BizCafe may earn a share of the market by providing a unique product or service, therefore distinguishing themselves as a credible alternative to rivals.**

Advantages include having a higher-quality product, a more valuable brand image, or additional services. Differentiation tactics in the coffee business might include a higher grade of beverage, a higher degree of social responsibility, or a one-of-a-kind café. We believe it is simpler to cut manufacturing costs than it is to distinguish ourselves from competitors or provide distinct benefits (*Market Size, Trade, and Productivity | The Review of Economic Studies | Oxford Academic*, n.d.).

Segmentation is the second strategy. Segmentation is the process of reducing a huge market into smaller parts based on common demands (*Market Segmentation Using Models of Multidimensional Purchasing Behavior: A New Segmentation Strategy Designed to Provide*

Better Information to the Marketing Decision Maker - Robert C. Blattberg, Subrata K. Sen, 1974, n.d.). This may be done by segmenting a market by economic class, geographic location, or age. Successful segmentation plans must fulfill various requirements, such as a large enough market, measurement, and market stability. A café that offers only soy drinks is adopting a Segmentation strategy, which involves focusing on a certain segment of the wider market. We intend to focus on college student for our clientele.

Differentiation strategists are usually found at coffee shops, cafés, and carts that operate in the independent business. This is defined by a business approach that aims to generate value for all coffee users by improving their advantages. There are two distinct and beneficial features that exist throughout the sector as compared to franchise alternatives. A higher-quality product and a greater commitment to social responsibility are two of them. A stronger competitive advantage is associated with higher levels of each. Finally, the amount to which these traits' competitive worth is realized is determined by the precision with which customers perceive them (Mootee, 2013). Consideration of perceived worth is necessary for a better comprehension of this process.

Establishing customer relationships: Building customer relationships will be a crucial component of running our business because improving customer satisfaction is a key factor to consider when building brand recognition and branding. We will ensure to take note of clients' special events, like birthdays and significant anniversaries and issue discount coupons for these days. We also intend in issuing a free serving every weekend for a client who makes a purchase every consecutive day during the week. Providing faster service and higher-quality beans would have a major influence on the quantity of sales. This is to make clients are more eager to return for another visit. We also plan on having different coffee prices depending on quality of coffee

beans used in the serving. In order to achieve a better ambiance environment, we will install a high-speed internet Wi-Fi and urge workers to maintain high standards of cleanliness.



3. Implementing our strategy:

1. Number of servers

- Only qualified individuals will be employed.
- Since the scope of the business and finances are minimal, we will start with two servers, working in shifts, at the restaurant with an aim of expanding.
- Number of servers will be increased if customer base increases and there is need for faster services.

2. Wages

- There will be a low fixed monthly salary but increases significantly with commission based on how many sales we make in a specific month.
- There will be bonus wages if clients complement a server.
- All tips from customers will belong to the specific server who served the customer.
- Weekly meetings will be held with customers to discuss pay and well-being.

3. Coffee quality

- All staff will receive initial training and assessment.
- A high-quality coffee machine will be bought.
- The quality of coffee will be assessed every week.
- There will be two grades of coffee served at different prices depending on the quality of coffee beans used.
- Customer comments on quality will be highly regarded.
- A suggestion box will be placed near the exit.

4. Coffee price

- We will have a low-priced coffee and a higher priced one depending on the grade bought.
- Discount coupons will be issued for regular customers and on special occasions.

5. Hours open

- We will be open from 6:00 am to 7:00 pm from Monday to Friday.
- On weekends we will be open from 9:00 am to 4:00 pm.
- We will close on Tuesday's from 10:00am to 12:00 am for cleanliness checkup.

6. Advertising and promotion

- We will provide high-quality live entertainment without requiring a cover charge.
- We will distribute fliers to nearby college student with various first-time discounts.

- We will have a rule in the first two months of operation that anyone who brings two friends for the first time will have his/her drink for free.
- Servers will always ask whether the diner would like anything else.
- We will advertise in local publications after a month of operation.



Evaluating results:

- I will survey number of visits to our café as compared to other cafes in various locations.
- I will examine the financial statements of my company and extrapolate whether I would be able to attain \$20,000 within the two years.
- I will compare my coffee prices with other local coffee shops and monitor my revenue ranking on the dashboard.
- I will track the expenditure report to identify whether there are unproductive expenses.
- I will observe whether we have a consistent customer base and how often various customers revisit the café.
- I will monitor my ambience ranking on the Dashboard and request for customer feedback on the general café environment.
- I will track our coffee delivery services and how we will be able to deliver to different office buildings and institutions.

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