

I - BROAD OVERVIEW:

1. ABOUT THE INDUSTRY:

The food and drink service industry can be understood as preparing meals, snacks, and beverages for customers. Depending on the premise consumption and level of services provided, a wide range of sub-sectors can be established, including full-service restaurants; quick-service restaurants, limited-service restaurants; mobile food services; drinking places such as cafes, bars; canteens, etc.[1]. For example, some restaurants provide food and beverages as quick service - fast food restaurants, while others offer full-service restaurants with seating space, entertainment, and so on.

Among those sub-sectors, it can be said that the U.S. quick service restaurant (QSR) is the leader of the food and drink service industry. As ranked by Forbes in its "Global 2000" list of largest companies worldwide by sales in 2023 [2], it can be seen that there are 6 top restaurants among the top 10 coming from the U.S. In detail, Starbucks generated sales of approximately 34 billion U.S. dollars, making it the most prominent company; the world-famous QSR chain - McDonald's came with 4th ranking (23.4 billion U.S. dollars); Aramark as 5th ranking (17 billion U.S. dollars); Darden Restaurants, Inc. as 6th ranking (10.3 billion U.S. dollars); Chipotle Mexican Grill, Inc. as 8th ranking (9 billion U.S. dollars); and YUM! Brands, Inc. as 9th ranking (6.9 billion U.S. dollars). Coming from the same Forbes list, the top 3 leading companies in 2023 by market value are all from the U.S. McDonald's came as 1st position with a market value of approximately 216.5 billion U.S. dollars in 2023; Starbucks came as 2nd, with a market value of

122.9 billion U.S. dollars; Chipotle Mexican Grill, Inc. came as 3rd, with a market share of 56 billion U.S. dollars [3].

Despite the negative impact of Covid-19 in 2020, the QSR sector is now booming with the upward trend of franchising establishments in the U.S. In 2023, there could be expected to be 196,858 QSR franchises established in the country [4]. This positive trend could lead to a positive slope in the revenue of this sector, which is anticipated to be 289.6 billion U.S. dollars in 2023 [5]. The pandemic also shifts the trend of dining behaviors among restaurant-goers in the U.S. The social distancing measures in 2020 have increased online food takeout and delivery ordering demands from a restaurant's website or third-party delivery service providers (such as DoorDash, Grubhub, and UberEats). In 2020, the online restaurant delivery sector's share of the restaurant market was 13 percent. This figure was forecast at 9 percent before COVID-19 and is expected to rise as much as 21 percent [6] with 405.8 billion U.S. dollars of revenue [7] in 2025.

Overall, it could be seen that QSR is still the most potential sector in the food and drink service industry for firms to invest in due to its feasibility and accessibility for both in-person and online methods.

2. ABOUT THE CUSTOMERS:

Since VegEdge and Chipotle both operate similarly, it may be claimed that their respective consumer bases are comparable. Following is a list of the VegEdge customer profile based on the U.S. target demographic for restaurants and QSR users [8][9]:

	Restaurant & food delivery users in the United States
Targeted brand	VegEdge
GEOGRAPHIC	
New Jersey, but mainly in Camden city	
DEMOGRAPHIC	
Age	Millennials (born 1981 - 1996) as main customers (40%), Gen Z (born 1997 - 2012) as potential customers (20%)
Gender	Female (53%) - Male (48%)
Income	Have high annual household income (37%)
Occupation	Middle-upper class jobs (businessman, doctor, lawyer, senior officer, teacher, etc.)
Household	Nuclear family (28%), couple household (18%), single household (17%)
PSYCHOGRAPHIC	
Needs	<ul style="list-style-type: none"> - Prefer to organize lifestyle through smartphones - Gladly pay for services that make life more convenient - Relatively affordable Priceline is the most significant factor to make purchasing decision
BEHAVIORAL	
Usage rate	Moderate (once a week) - High (more than twice a week)
Ordering Method	Via phone call (36%), restaurant website/mobile app (29%), in person takeout (20%)
Marketing touchpoints	<ul style="list-style-type: none"> - Digital advertising touchpoints: Social Media (55%) - Search Engines (47%) - Video portals (47%) - Online stores (39%) - Device: Smartphone (93%) - Laptop (66%)

II. MARKETING STRATEGY FOR VEDEGE:

1. CURRENT SITUATION ANALYSIS:

Factor	Definition [10][11]	VegEdge's situation
Website Bounce Rate (85%)	The bounce rate represents the percentage of visitors who leave the website (less than five seconds) without interacting with any other page or taking action.	<p>- An 85% bounce rate indicates that many website visitors need to engage further with the site after landing on a page. This high bounce rate could be due to various factors, such as slow loading times, unappealing design, irrelevant content, or navigation difficulties.</p> <p>→ The website may need help to properly engage visitors or entice them to explore more, which may result in lost opportunities for conversions and sales.</p>
Click-through Rate (CTR) for Google Display Ads (hovering around 0.01% and never above 0.1%)	<p>The CTR is the percentage of customers who click through on a link via Google Ads.</p> <p>CTR = $\frac{\text{Number of Clicks}}{\text{Number of Impressions (Ads Served)}}$</p>	<p>- A CTR below 0.1% indicates that a tiny proportion of people who view the Google Display ads are clicking on them.</p> <p>→ Campaign must improve the search and web sides since this affects cost. The ads may need to be compelling or relevant to capture the target audience's attention, possibly due to ineffective ad design, poor targeting, or lack of enticing offers or information.</p>

Click-through Rate (CTR) for Facebook Ads (2.4%)	<p>The CTR is the percentage of customers who click through on a link via Facebook Ads.</p> <p>CTR =</p> $\frac{\text{Number of Clicks}}{\text{Number of Impressions (Ads Served)}}$	<p>- A 2.4% CTR suggests that a relatively higher proportion of Facebook users find the ads appealing and engaging enough to click on them.</p> <ul style="list-style-type: none"> ➔ Compared to Google Display ads, Facebook ads seem to perform better in generating clicks. ➔ Still, the performance needs to be compared with benchmarks of industry standards and competitors to evaluate its effectiveness.
Customer Retention Rate (15%)	<p>The CRR represents the percentage of customers who tend to return to a site to buy again over a given period, typically a month or a year; or, it can be understood as the probability the customers will stay with the business.</p>	<p>- A 15% customer retention rate means that only 15% of the customers who engaged with VegEdge during the recent month returned for repeat visits.</p> <ul style="list-style-type: none"> ➔ VegEdge faces challenges in building long-term customer loyalty and repeat business. ➔ A low retention rate can be resulted in a high customer acquisition cost (CAC), as acquiring new customers is generally more expensive than retaining existing ones.

Together, these numbers show VegEdge's areas of concern. The high bounce rate indicates the need for website upgrades to pique visitors' interest and entice them to stay and browse longer. The poor CTR for Google Display advertisements shows that more persuasive ad content and targeting are required. Although Facebook advertising performs somewhat better, more optimization and competitor research

may be necessary. The customer retention rate stresses the significance of implementing tactics to improve client loyalty and spur more return business.

2. DIGITAL MARKETING STRATEGY:

The objective as a consultant for VegEdge would be to assess the present situation, pinpoint areas that may be improved, and suggest tactics to boost sales and raise consumer involvement. Here is a step-by-step strategy for dealing with the issues:

Factors	Current Situation	Suggested Solution [12]
Website Analysis	Website Bounce Rate (85%)	<ul style="list-style-type: none"> - Assess the navigation, user experience, and design of the website (mobile-friendly, aesthetically pleasing, and simple to use) - Determine what is causing the high bounce rate (sluggish website loading times, irrelevant material, or a poorly designed website). - Use web analytics software, such as Google Analytics, to monitor user behavior, spot pages with high bounce rates, and come to data-driven judgments about how to improve.
Search Engine Advertising	CTR for Google Display Ads (hovering around 0.01% and never above 0.1%)	<ul style="list-style-type: none"> - Examine the ongoing Google Display ad campaigns and determine their efficacy using Google Analytics. - Improve ad placement and targeting to the relevant demographic interested in vegetarian and healthy food options. - Ensure that ad creatives are more attractive, pertinent, and showcase VegEdge's distinctive selling qualities. - Track campaign success metrics and adjust to increase CTR.

Social Media Marketing	CTR for Facebook Ads (2.4%)	<ul style="list-style-type: none"> - Thoroughly assess the Facebook and Instagram accounts for VegEdge by social listening tools (Hootsuite, Facebook Audience Insights). - Evaluate each platform's performance, and pinpoint the most effective content and interaction techniques. - Gauge the degree of audience interaction, and analyze the engagement metrics (likes, comments, and shares). - Create a content plan that offers informative and interesting information on vegetarianism, healthy eating, behind-the-scenes peeks, and client testimonials.
Customer Retention and Average Customer Spending	Customer Retention Rate (15%)	<ul style="list-style-type: none"> - Implement a customer relationship management (CRM) system to track customer behavior, purchases, and lifetime value. - Analyze customer data to identify patterns and segment the customer base. - Develop personalized email marketing campaigns to encourage repeat visits and increase customer loyalty. - Implement a loyalty program or incentives to reward frequent customers and encourage them to spend more.
Performance Tracking and Reporting	Lack of information on the typical amount a consumer spends with them during a transaction or client retention budget.	<ul style="list-style-type: none"> - Create key performance indicators (KPIs) to gauge the success of marketing initiatives, such as website traffic, conversion rates, social media engagement, and client retention. - Send VegEdge management regular reports to monitor progress, pinpoint problem areas, and modify strategy as necessary.

Ongoing Optimization	Lacks information about how well their website or social media performs outside of a few fundamental measures.	<ul style="list-style-type: none"> - Continuously monitor and optimize marketing campaigns based on data-driven insights. - Conduct A/B testing for advertisements, website elements, and social media content to identify what resonates best with the target audience. - Stay updated with industry trends and customer preferences to ensure VegEdge remains competitive in the healthy eating market.
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By using this all-encompassing strategy, VegEdge may enhance its online presence, engage customers in meaningful ways, boost sales, and develop a following of devoted customers. To achieve long-term success, it is essential to continually assess the tactics that have been put into practice and make improvements.

III. REFERENCES:

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