MARKETING MANAGEMENT PROJECT GROUP #8

"VeganHub Cafe"

MARKETING PLAN



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Executive Summary

Mission Statement: "To promote a healthy - vegan lifestyle through the use of high quality organic, non-GMO ingredients and give our customers the best foodgasm of their life. OH YEAH!"

Vision statement: "VeganHub desires to be the benchmark of the healthy food industry"

VeganHub will be a reasonably priced 50 seat cafe offering vegan and healthy food service. The cafe will be owned and operated by Ashkan Aminian, Namratha Channabasavaiah, and Sidheswar Venkatachalapathi registered as a partnership agreement within the city of Dallas, Texas. Therefore the cafe will manage and abide by the laws that govern the State of Texas and the United States of America. We will be leasing a 850 square foot space located at Northside Boulevard, a suburb in Richardson, Texas. The outlet is big enough to accommodate the design of the cafe that we intend to launch and is located next to the convenience store 7-Eleven and the University of Texas at Dallas campus.

VeganHub will be a quick service cafe catering to vegans/vegetarians and those interested in healthy alternative to traditional restaurants. It will provide a mouthwatering menu made from fresh organic and non GMO ingredients, complementing the growing demand of healthier meals. With a menu covering multi cuisines like Indian, American, Mexican and Chinese, we will also offer specialty selections including a lighter options and smaller portions for a children's menu. Customers will enjoy warm and inviting ambience with a vibrant decor. The cafe will be open seven days a week from 11AM to 11PM excluding holidays like Thanksgiving and Christmas. With a self - service option, customers will be provided with various secured payment options.

VeganHub at all times will demonstrate commitment to sustainability by actively participating in the communities and integrating business plans wherever possible. A high standard of service will be maintained by meeting our customer's needs and feedback. A healthy working culture and employee satisfaction will be provided.

Situation and Environment Analysis

A. Competitors

A close study of the vegan and health industry reveals that the market has become much more intensely competitive over the past few years. To survive this industry, it is absolutely necessary to be highly creative, customer-centric and proactive.

There are a lot of food outlets based around UT Dallas campus. Although a lot of these restaurants are vegan-friendly, they offer a limited menu and are not vegan-centric restaurants. Some of the on-campus competitors are "Moe's Southwest Grill" who offer southwestern food with a variety of fresh and flavorful ingredients to please any diet including paleo, vegan, vegetarian, gluten-friendly and quesoholic, "Dining Hall West" who have a huge spread of buffet which includes a variety of vegan options with a \$5 lunch every Friday which attracts a lot of students and "Einstein Bros. Bagels" who offer vegan bagels, wraps and salads along with shakes and juices. We also face competition from non-vegan food outlets such as "Starbucks", "Subway", "Chick-Fil-A", "Panda Express", "IHop" and "Jason Deli's".

Around UT Dallas there are a lot of outlets like "Chopped Halal grill" which is known for its healthy yet tasty food, "Fino" is a Kosher restaurant with a full menu of Italian-Mediterranean meals, all kosher dairy & vegetarian and other restaurants such as "Snap Kitchen", "Kabobi Fresh Express", "Bambu Asian Cuisine", "Curry Bliss", "Wholesome Grub" etc.

As a vegan-centric cafe, we are aware of the stiffer competition and are well prepared to compete favorably with the other vegan restaurants and conventional restaurants around the UTD campus.

	Moe's Southwest Grill	Dining Hall West	Einstein Bros. Bagels	Starbucks	Subway	Chick- Fil-A	Panda Express	ІНор	Jason Deli's
# of FB followers	635k	1.6k	693k	36m	24m	7m	3.1k	3.8m	109k
# of Instagram followers	47.6k	1.4k	14.7k	17.2 m	1m	1.2m	141k	667k	-
Yelp Rating (/5 star)	4	2	2	4.5	3	3.5	5	2.5	4
Trip Advisor Rating (/ 5 star)	2.5	1	4	4	3	4.5	3	3.5	4
Google Rating (/ 5 star)	3.9	3.2	3.7	4	3.4	3.9	3.6	2.9	5

Figure 1 : Social media presence of on-campus competitors

	Chopped Halal grill	Fino	Snap Kitchen	Kabobi Fresh Express	Bambu Asian Cuisine	Curry Bliss	Wholesome Grub
# of FB followers	460	5.2k	43.8k	1.3k	890	-	2.5k
# of Instagram followers	85	Ē	43.3k	276	210	589	1.2k
Yelp Rating (/5 star)	4.5	3	4	4.5	4	4.5	4
Trip Advisor Rating (/ 5 star)	5	1	3.6	4.8	4.5	5	4
Google Rating (/ 5 star)	4.6	4	4.1	4.5	4.2	4.1	4.2

Figure 2 : Social media presence of off-campus competitors

B. Economic Factors

The focus of our cafe is to offer a vegan menu covering different cuisines over the week which are healthy yet tasty. The results of a survey conducted showed that approximately 73% of the respondents dine out at least once a week (see Appendix Graph H) and roughly 53% spend around 15-40\$ a week on food (see Appendix graph I). These results suggest that although the respondents would like to dine out more often, they are still looking for an affordable meal.

After studying the current economic trends, VeganHub will be able to offer a reasonable priced menu ranging from 7-12\$ per item. However there are a number of factors that can affect this pricing in the future:

- *Food Inflation:* Food costs are just one of the expense lines that restaurants manage. Inline with the customer's mission of providing quality food, organic and non-GMO products will be used. An increase in the prices of these ingredients can be a challenge to the cafe.
- *Labor costs*: Over the last ten years, restaurant wages and restaurant prices have been highly correlated with one another. Lately, though, wages have been climbing faster than restaurant prices. Although the federal government mandates a nationwide minimum wage of \$7.25 per hour, several states and cities are pushing the legislation to raise wages recently.
- Restaurant traffic: Consumer spending makes up to 70% of the U.S. economy, and restaurants are among some of the most volatile industries. Fortunately, U.S. restaurant sales are growing albeit at the slowest rate of the last three years. Real growth decelerated 37% between the first quarters of 2016 and 2017. Meanwhile, grocery sales grew 2.8 times faster. As a result, consumer are thinking twice before going out for diner.

C. Cultural/Social Trends

In recent times, people are getting more conscious about their health and shifting towards a healthier lifestyle. They are also flexible and ready to try out different diet plans like the paleo diet, vegan diet or the keto diet that would suit their lifestyle and help them stay fit. In a survey conducted by us, approximately 72% of the respondent who are non-vegans said that they would love to try a vegan meal in the future (see Appendix Graph F). Also, the results showed that roughly 75% of the respondents want a healthier spread (see Appendix Graph G). Another requirement observed in the survey result is that about 70% of the respondents said they want an option of home delivery along with dining option (see Appendix Graph J).

D. Impact of technical changes

With multiple ways to pay these days, we will ensure that our café is up to date with Apple Pay, Android Pay, Paypal, Venmo and CashApp. Credit cards and cash will, of course, be used as a preferred way to pay but will still have multiple ways for everyone to process their payments so everyone can come and enjoy the café. Social media is also very popular with twitter, facebook, and Instagram being the main platforms. These platforms can be used to inform people about any discounts, special food changes or any events the restaurant may have.

E. Political/Legal Factors

In order to have a restaurant up and running, there are some permits and licenses that will be needed prior to opening the restaurant. A food service license is needed from the Texas Department State Health Services which ensures that the restaurant is in accordance with food safety regulations. A food establishment permit is required from the City of Dallas in order to have the restaurant running. To get this food establishment permit, a photo ID is needed, an application fee is accessed and a sales tax permit is needed as well. An Employer Identification Number is needed from the IRS (EIN) which is essentially a Tax ID number. A Federal Tax ID is needed as well in order to file taxes for the restaurant. All employees must have a food handler's permit in order to serve food to customers in the restaurant. Health inspections are required at least once every six months and must pass everything according to the DSHS and the Texas Department of State Health Services. A certified food manager needs to be one of the employees at the restaurant in order to ensure that the correct food handling procedures are being done as well as everything else according to DSHS. Every ingredient used in the making of the food will be Non-GMO and Certified USDA organic. All requirements and standards need to be followed according to

the DSHS and the Texas Department of State Health Services in order to ensure a clean and healthy environment in the restaurant, especially by the employees.

F. Natural Environment

The restaurant will use Non-GMO ingredients as well as organic ingredients in the preparation of the food. The restaurant will be LEED Certified which would make it a "Green-Restaurant". In order to be LEED certified the restaurant would need to be built in a location with a sensitivity to its surrounding (wildlife, water, air quality). Technologies and strategies would be used to cut the use of water by 20% and make the restaurant water efficient. Developing an effective waste management procedure as well as using the right materials to build the restaurant would give points to becoming LEED certified.

SWOT Analysis

Introducing a new brand to the food business is not an easy sail. However, at VeganHub, we aim to envision our success by uncovering opportunities that we could exploit with our strengths and identify areas where we could improve to eliminate threats otherwise unseen. In this section, we explore these by performing a SWOT Analysis of our business.

STRENGTHS

- *Differentiation:* There are plenty of vegan restaurants in Dallas. There are few healthy eatery options. But what isn't available is a menu where people could get the best of both worlds. Our unique selling points will be:
 - Vegan delicacies.
 - Healthy Organic foods.
 - Plant-based smoothies and protein shakes.
- *Location:* Proximity to University, offices and public transport will be a key to reaching success when it comes to distribution.
 - o Our research tells that there is no vegan or health conscious restaurants in Richardson area.
- *High Quality:* At VeganHub, we use the highest degree of healthy food substances to prepare our meals. The ingredients would primary be of:
 - o Non-GMO.
 - Organic.
- *Competitive pricing:* Despite using the best quality of food, we can offer a competitive prices for our customers in comparison to any other food chain. The way we do it is very straightforward:
 - Wholesale distribution We procure ingredients from a wholesale channels with no middlemen as vendors, resulting in lower procurement rates.
 - Part-time employees With our location as our advantage, we typically want the student community to work with us. Apart from the cost of training, it will keep the operations cost down, help us promote business among students and boost sales.

- Diversity in Food Options: Based on survey data (see Appendix Graph K), we will have 50+ options ranging on diverse cuisines like:
 - Indian
 - Mexican
 - Chinese
 - American

In addition to the regular menus, we will have a specials board varying on a weekly basis and a kids menu offering lighter and smaller portion.

WEAKNESS

- Expensive Start-up Cost: As in the case of any new restaurant business, the cost of establishment will be high(Average between \$50,000 to \$500,000). This would mean that we will have to rely heavily on loans, self-funding options and the risks associated with it.
 - We aim to tackle this problem by promoting our idea and making reasonable profits in a short span of time that will help us break even, allowing us to scale up the business exponentially.
- Zero Customer base: As a new business, we will not be a known name and hence will start with a low customer base.
 - To increase the customer base, we will maintain excellent customer support and keep our content and food refreshed by asking opinions periodically. This will help to let the customer's mind handle our business and hence increase brand equity.
- *Vegan Centric:* Since our restaurant is a vegan cafe, it might not attract customers who are crazy-meat lovers.
 - We could attract the non-vegetarian community into trying our food through social media and encourage a positive attitude towards vegan food in general.

OPPORTUNITIES

- Demographics: Located at the Northside community, VeganHub will use leverage of the fact that
 potential customers living in student communities would show more health conscious behaviours,
 especially the following:
 - University students.
 - o Professional community.

- Fitness Freaks.
- Senior Citizens.
- *Brand Equity:* One of the potential points that will attract our customers is how they perceive our brand. The theme of our cafe relates to a popularly known adult-content website.
 - Our tagline reads "#Foodporn that'll make you come". It is a huge opportunity where we
 could convert this perceived theme into a monetary value with effective marketing
 strategies.
- Social Media and Technology: Use of technology and an effective digital marketing that supplements our theme would open doors to a wider market.
 - As we grow in popularity, social presence would help us expand our target market and increase market share.
- Online Catering Expansion: As we begin to expand our customer base, one of the key opportunity would be to introduce online delivery services and catering.
 - By exploring catering expansion, we could be known as the first services to do catering services for vegan and healthy options.
 - Scope of this business could quickly expand into a chain of partnerships with gymnasiums around the dallas city to attract potentially interested customers.

THREATS

- *Competitors:* Located around University of Texas at Dallas, we have different kinds of food options available for customers around the campus. These include:
 - On-campus Dining services
 - Restro Bars
 - Brunch spots

However, we have a unique advantage to manage this threat and make it into our opportunity. We are the only Vegan-Healthy food chain in Richardson where food is prepared with all organic ingredients, cutting us distinctly out of the competition.

- Semester breaks: One of the threat we will have to handle is the possibility of lesser crowd during seasonal breaks as per the academic calender of UT Dallas.
 - It is true that our target market is majorly students and hence, the initial leg of the business, their availability in word-of-mouth promotion will play the crux of our success.

In	crease of ingredient prices: If there arises a situation where the economy goes under inf
the	e inflation rate will affect the cost of raw materials and this could potentially impact the p
in 1	those circumstances.

Marketing Objectives

With an increasing number of people shifting towards vegan and healthy mindset, there is a demand for vegan-friendly restaurants. Based on the market survey conducted, we found that 63% of respondents were not satisfied with the vegan/vegetarian options provided by the restaurants around the campus (see Appendix Graph E). VeganHub strives to be a go-to cafe for these segment of people. Keeping this in mind, we have framed our S.M.A.R.T marketing objectives to achieve deep penetration in the food industry:

1. Build brand awareness

• Specific:

- Target all the vegan, vegetarians and health-conscious customers to relate to our brand and gain customer loyalty.
- o Innovative cafe name and logo to reach the maximum audience.

• *Measurable*:

- o share of voice
- direct traffic
- branded search traffic

• Achievable:

- achieve a good word of mouth marketing by providing the best service and customer satisfaction
- A minimum of 500 hits to our website and social media page
- Appear in the top 10 results on a web search for vegan food

• Realistic:

• Since the cafe is easily accessible to the UT Dallas students, a good amount of publicity can be achieved through them.

- The first four months will have the utmost attention given to promoting the cafe and increasing the customer base.
- Newspaper ads for the big opening of the cafe
- o "#VeganHub" to be in the top 10 trending hashtags around the Dallas area by the end of first 4 months.
- We aim to increase our website leads by 30% via Social Media Marketing and Blogging by the end of October 2019.

2. Customer satisfaction and loyalty

• Specific:

- VeganHub's main objective is to ensure customer satisfaction and build a repeat-customer base.
- Increasing revenue from existing happy customers is easier than winning new customers

• Measurable:

- Customer database
- Restaurant traffic
- Social media following
- Feedback system
- Reward system

• Achievable:

- Busier lunchtime and dinner services
- Intensive marketing campaigns using email and social networking pages
- o Monthly or weekly specials, coupons, and gift-card promotions
- Incorporate takeout or delivery services

• Realistic:

 A research by the National Restaurant Association shows that 66% of American adults in 2016 said they would be more likely to patronize the same restaurant if it offered a customer loyalty and reward program.

- Increase in the number of inquiries from our marketing promotions by 15% by the end of the year
- Get a google map listing by the end of 2nd month to make it more locally visible and boost the marketing plan.
- Improve customer satisfaction rating to 5 star within the first six months

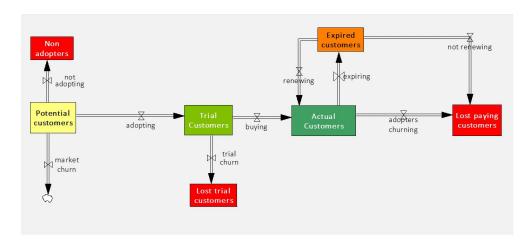


Figure 3: Flow depicting the conversion of potential customers to actual customers

3. Increase sales and profit

Specific:

- To increase the revenue of the restaurant with a moderate expenditure and operational costs.
- Achieve break even point within 2 months of the cafe opening.

• Measurable:

- o Sales
- o Profit
- Return on investment (ROI)
- Market share
- Achievable: A good customer service coupled with extreme marketing, can help us to gain more customers in the first year and keep a steady sale.
- *Realistic:* As a small cafe with minimum employees and operational costs, an average of 200 customers weekly, will help us to achieve a reasonable revenue

- To increase sales by 10% within 15 months by utilizing the power of the web and building customer relationships.
- Improve brand positioning on existing menu by the end of the calendar year to increase the product value so that we may increase the prices of the menu.
- o A solid ROI by the end of the year.

4. Target new customers

• *Specific:* as a vegan cafe with a narrow target market, it is necessary to explore the other segments of the market like non vegetarians to increase our sales and revenue.

• *Measurable*:

- Restaurant traffic
- o Referral system
- Customer feedback
- Achievable: It's not the food preference but the taste and quality of the food that matters.
 With a yummy menu covering multiple cuisines, healthy and reasonable price, new segments of the market can be converted to customers
- *Realistic:* In a survey conducted by us, the respondents who were non vegans were asked to rate how likely they were to try out a vegan dish on a scale of 10 (10 being most likely). Around 74% of the respondents gave a point of 7 or more (see Appendix Graph F).

• Time-bound:

- Test 2 new traffic generation methods every month to increase traffic month over month by 3%
- Implement off-site tactics to acquire 5% more new customers every month by the end of the fiscal year.

5. Launch new products or services

- *Specific:* VeganHub promotes healthy lifestyle and would like to tie up with external agencies, services or products to further fulfil this idea.
- *Measurable:*
 - Customer feedback to new programs
 - Increase in customer traffic
 - Increase in sales

• Achievable:

- Tie up with popular gyms to provide discounts to regular customers
- Organize marathons to support charity and the importance of exercise
- *Realistic:* With a good customer base and response to the cafe, popular gyms and organizations can be approached for sponsorship.

- Within the first 6 months, build a good customer base and approaching the companies to conduct events in partnership.
- Conduct at least 2 such events within an year.

Target Markets

As a restaurant that offers vegan cuisine which is healthy and versatile with flavors and ingredients, our main target will be the vegans and health-conscious customers. However, we still want to increase our customer base by attracting customers with different food preference.

- 1. *Geographic Segmentation:* VeganHub is located next to the University of Texas at Dallas campus and is surrounded by a lot of companies and stores. Our main target market will be the students, professors and staff members of UTD and the working professionals in the Richardson area.
- 2. Demographic Segmentation: UT Dallas is a public research university that has approximately 27,000 students. Hence a large number of customers are expected from the university. According to the survey conducted, 73% of the respondents are students who fit in the age group of 18-30. Also, UT Dallas is a home to large number of asians. This is seen in the survey, where 64% of the respondents are Indians. Adding a Indian cuisine will be major advantage to the cafe.
- 3. Psychographic Segmentation: From the past few years, people have been switching to a healthier diet and there has been increase in the number of vegans over the years. In the survey conducted by us, people were asked about their food preferences. About 40% respondents said they are vegans or vegetarians. A majority of this segment of potential customers can be easily converted into actual customers. However the remaining 60% is what we are concerned about. Further questions were asked to this segment, to understand their interests. Approximately 74% of the respondents mentioned that they would like to switch to a healthier diet. Also, when asked the how likely are they to try a vegan cuisine, around 70% rated over 7 on a scale of 1 to 10, 1 being least likely and 10 being most likely. VeganHub is surrounded by a lot of multinational companies like Lennox, Argo Data etc. In recent times, a lot of working professionals who have desk jobs are finding ways to stay fit and trying out different diet plans to stay fit. VeganHub with a wide variety of healthy food and smoothies will be successful in attracting this customer segments too.

Positioning

The Vegan Hub Cafe will be a pocket friendly option for the UTD students. As of now there are different vegan restaurants around UTD that have specific cuisines or have a couple cuisines. The Vegan Hub cafe will have multiple cuisines such as Indian, Mexican, American and Chinese. This will definitely separate the cafe from the other restaurants around UTD because this can be seen as a one stop shop in regards to the cuisines offered at the cafe.

A. Pricing

The way our pricing model is for our cafe will ensure the customer is getting a good quality vegan meal at a low cost. The use of wholesale distribution will ensure that our final costs will be low to the customer. According to our survey 7.8% of the respondents eat out daily, 34.4% eat out once a week, 38.3% eat out a couple times a week and 19.5% eat out once a month (see Appendix Graph H). Out of these people 53.1% spend between 15 and 40 dollars on food in a week and 16.4% spend over 40 dollars in a week (see Appendix Graph I). Our respondents are already spending a lot of money on food per week and our competitive prices will ensure that the customer is getting the best quality food at a low cost.

B. Advertising

It is very clear how our restaurant is branded with the "Vegan Hub" logo that we have. Many people are familiar with where this logo design is from and the phrase used underneath Vegan Hub is there as a clever way of saying that our food will literally make people "come" to our cafe. The word "Hub" also has a significant meaning in that we are going to be the hub for vegan food since there will be multiple cuisines. It will be branded and advertised as a "one-stop shop" for all sorts of vegan food. So when it is all put together into one piece, it will definitely peak interest and draw attention to our cafe just by our name and logo.



Figure 4: Logo of the VeganHub Cafe

C. Channel Decision

The decision to have a cafe as a way of getting our product out to customers is the best option for our positioning objective since most of our respondents eat out at least once a week. The restaurant would be within a reasonable distance from the campus which gives our customers the option to use their own vehicle, use a bike, use the school transportation system or a cheap uber or lyft. Below is a map of UTD and the Coit and Campbell area is relatively close to the campus and a great potential spot to open up the restaurant and would meet our standards.

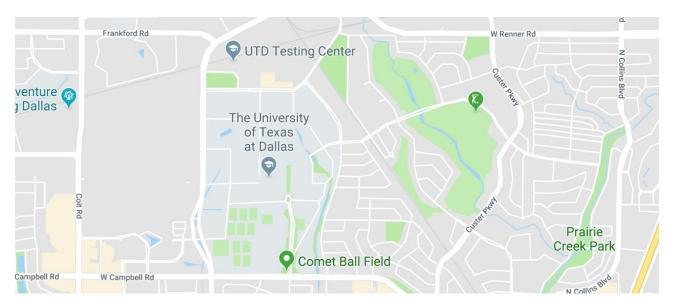


Figure 5: Map of UTD and surrounding areas

In our survey, 63% of our respondents are not satisfied with the vegan options around campus (see Appendix Graph E). This would be a smart decision to have a cafe as our channel of delivery to our customers with multiple cuisines that way more customers would in turn become satisfied with being able to go to a restaurant with multiple vegan options near campus.

Service

There is no cafe or restaurant around UTD that has the kind of branding that we do with our name and where our logo is based from. We are the one-stop shop for the most popular cuisines to our customers. The menu will feature Mexican, Chinese, American and Indian cuisines. This will be a healthy, fresh and delicious option for not only just vegans but anyone that would love to come in and experience what vegan food truly is. Plant based smoothies and protein shakes will be offered in our menu as well. The ingredients that we will be using for our food will be from wholesalers, local farmers markets and will be organic and non-GMO. We will be having a specials board weekly to feature dishes for our customers. We will be offering discounts, having special prices and have events throughout the year for all our customers but being a UTD student will give more benefits. Our focus on the service to the UTD student community will be significant and we will offer more discounts and offers to this select community. Focusing on the UTD student community will be something that will be unique to us as there are no restaurants or cafes that have a specific focus on offering deals and discounts to the student community.

Price

The most important consideration to make a successful and healthy vegan restaurant is to understand the consumer needs and customize the food according to his/her need. The Vegan Hub makes sure that these two needs are satisfied at best with affordable price and at the same time providing a high-quality food comes with a price. The Key factors determining the price of the food is:

Food price = Raw material used + Overhead cost per food + Profit per meal

A. Cost of Materials and Ingredients

The price of our cafe menu is based on preparing the meal. Factors taken to fix the price are: calculating the quantity and cost of ingredients used in each dish and finally adding it to the profit margin will give us the price of our meal.

Spinach Guacamole Recipe

Ingredients	Quantity	Cost
Avocados	2	2\$
Garlic Clove	1	0.05\$
Small Red Onion	1	0.50\$
Salt	½ tea spoon	0.01\$
Baby Spinach Leaves	1 cup	1\$
Small tomato	1	0.40\$
Cilantro Leaves	1 cup	0.30\$
One Lime	2 tea spoons	0.30\$
Roasted Poblano Chili	1	0.10\$

Pepper	1	0.10\$
Total	1	4.62\$

The above table shows investors a cost of appetizer, which is made without compromising the quality and cost. There are other overhead expenses which will determine the price of a dish, such as Rent of the restaurant, Insurance for the premises, Permits and licenses, Appliances and Credit card processing fees that will be taken to consideration in fixing the price.

Overhead Expenses	Cost Per Month
Rent	1500\$
Insurance	300\$
Permits and License	150\$ (Per annum)
Appliances	1000-1500\$ (One-time expense)
Credit Card Processing fees	500\$
Promotion Expenses	500\$ - 1000\$
Wages	8,640\$
Administrative expenses	150\$ - 500\$
Loan Interest	292\$ (50,000\$ with 7% APR)
Total Cost per month	11035\$

B. Target Margin

A profitable restaurant runs with a net margin of 20 to 25% on every sale, we are focusing on net margin around 10 to 15% inside the campus and 30-35% off campus. For e.g. Spinach guacamole comes around 4.62\$ before adding 40% overhead expense. After adding overhead expense, the cost of appetizer is 6.468\$ and adding 15% profit margin to the appetizer makes it 7.4382\$. With 8.25% tax the price will come upto 8.045\$.

C. Competitive Positioning

We have a competitive advantage in Northside, because we don't have any food chain or restaurant's following our principles and we are unique in the market. Our target audience are students who are fitness freaks and who support vegan foods. Being a first-mover business gives us the option of fixing the price. Our food price will vary between 7\$- 12\$ which students are ready to pay for healthy food. The food served here are given an option to customize the order according to their taste. However a major customization will impact the price of the product. Since a major business is generated during buffet, we will also provide Sunday unlimited Buffet, with a variety of 3 appetizers, 3 main course dishes, 2 dessert and 2 smoothies/juices for 14\$. Buffet leads to many benefits such as production in economies of scale leads in reducing cost and also increase in sales.

D. Consumer perception of price and value

Consumer pricing is not the only factor taken into consideration when creating prices for our menu items. We aim to provide a healthy food and tasty food which has not taken life of another living being in the planet and organic non GMO fruits and vegetables for an affordable price for the students. The value derived here is the satisfaction of not killing a living being and being healthy than your peers.

Promotion

MARKETING STRATEGY

New businesses in the restaurant industry are prone to have a 60% failure rate. Surprisingly, this is not because of bad food most of the times. Even a place with an average food but the right mindset of an effective marketing strategy can distinguish their business from its competition. We aim to succeed by bringing the customer to us through our unique service. In other words, we will focus on *pull strategy* by communicating information through public promotions and advertisements. While word-of-mouth will be an important concept in a pull strategy, we aim to go beyond just direct promotions to achieve a brand recognition in our target market. Following sections discuss how we will go about in achieving that.

- Go Social: Of all the most effective ways to market oneself, especially when it comes to food, a strong social presence has proven to be a successful marketing strategy in the business. With more people joining social media everyday and sharing their love for food, using the right hashtags, we could capture the right customers with potentially similar interests on food.
 - o Identifying customers online, interacting with them through posts and generating insights will help to position ourselves better by keeping it fresh and customer friendly. The best part is that all this is at free of cost!

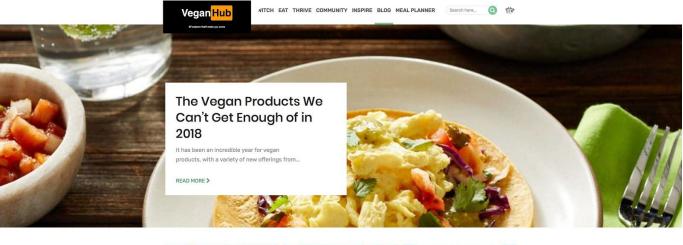
Official Facebook Page: 6 /VeganHub

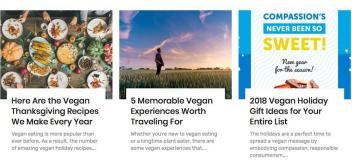
- Bring on the Contests: Challenges always excite people. We use this psychological reason to our
 promotional advantage. What we want to do here is to set a challenge where customers can contest
 and spread the word about our cafe.
 - We intend to begin an hashtag called #20VeganPushupsChallenge where we want to promote a good intention towards building a healthy lifestyle. Our customers will take up the challenge and post a video by tagging us in their stories/Posts/Feeds.
 - o If they successfully complete that, customers get promo codes and furthermore, a lucky draw of 20 people will get t-shirts and other cool goodies that has our brand printed on it.
 - This will exponentially help us grow both in social media as well as in word of mouth.





• Creating Websites and Blogs: A Pen is mightier than a sword. In our case, an online blog and website would be a handy strategy to interact with our customers to increase our web traffic. This will help us reach more audience by appearing constantly on google searches and other blog websites. We would be involved in writing periodic blogs about vegan lifestyle, healthy food tips and maybe give our customers a taste of our recipe books. Websites would also enable us to actively update seasonal promo codes that can be used by customers to get discounts and offers.





- *Promote Photo-friendly environment:* If there is something that the millennials like to do is to click photos and post them on their social media handles. This might look like a simple means of advertising, but in a student community like this, a photo-friendly environment will help us easily capture that customer base that we would need.
 - The goal is to have a friendly environment where people could enjoy food and have a lovely time. We would set up chalkboards where people could write the things they feel about VeganHub and click pictures.
 - We also intend to setup TVs and displays which have the images and videos of Vegan #FoodPorn running over and over on loop. This would subconsciously light up their mood for food! The slogans could be as interesting as "We Veg to Differ!", "Does our food make you come?"

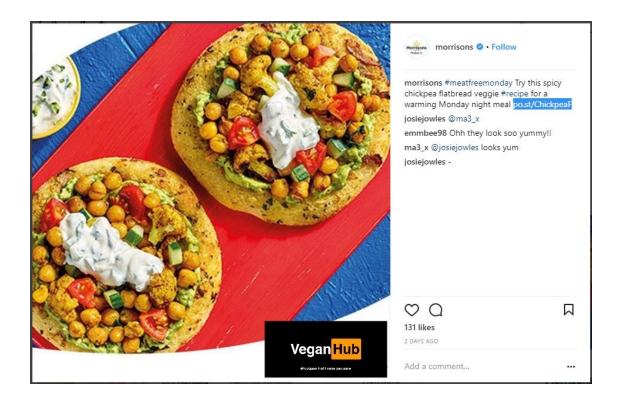


• *Email Marketing:* This is another effective strategy to keep our subscribers buzzed with information about upcoming events and ongoing offers. Email marketing seems to be the best way to "bait" customers and keep them hooked to the business. We could send them newsletters and help them connect to our cafe on a loyalty level.





• Reaching out to vegan and healthy food bloggers: One of the greatest marketing strategies today is leveraging on the network of other businesses. We want to network with these people for paid promotions and give them incentives such as free meals to get them to popularize your brand among their network. Their credibility and trust on our brand will influence the mass in trying VeganHub as their choice for vegan and healthy food.



• Partnerships with Gym: After a few months of our startup, we plan to approach gyms and make tie ups with them to promote our health-friendly restaurant. This would be a paid means of promotion and in return we would get customers and gain popularity. We also plan to approach UT Dallas UREC and conduct promotional workshops by setting up stalls. We would sell smoothies, interact with students and get feedbacks.









PROMOTIONAL BUDGET

VeganHub \$0.00 Fliers \$120

Social media:

Official Facebook page \$0.00 Official Twitter account \$0.00 Official Instagram account \$0.00

T-Shirts and Goodies: \$250.00

Paid Partnerships \$500.00 Business Cards \$10.99

Word of mouth \$0.00 **Total** \$880.99

Place (distribution)

VeganHub is a cafe aimed at providing cheap and vegan-friendly healthy meal options to our customers. Non-GMO and organic ingredients in the preparation of the food will be a highlight of our restaurant. Since the price of these ingredients is bit expensive compared to the normal ingredients, the wholesale channel of distribution will be suitable for the restaurant. A wholesaler is primarily engaged in buying and physically handling goods in large quantities, which are then resold to each retailer, industrial or business users in their desired quantities. This will help us to buy a large number of ingredients on a regular basis at lower rates.

Since it is a small cafe, VeganHub will have complete authority in running the day to day operations of the restaurant. With a fast food look alike setup, the cafe will provide faster food service thus improving customer satisfaction. Since it is located near the UTD campus, the students, professors, and staff members from the campus will have the feasibility to drop in between their class schedules for a quick meal.

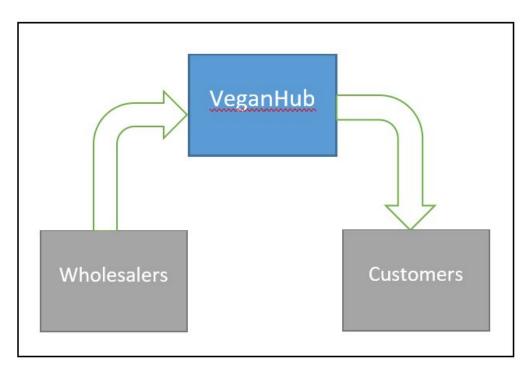


Figure 6: Wholesaler channel of distribution

Also, this cafe will be the only vegan restaurant within 10 mile radius of UT Dallas campus. Although there are a few restaurants like Fino, Subway and others that are near the campus, they are not vegan centric. Hence the location selected is an added advantage to us.



Figure 7: Map of restaurants that offer vegan food around UT Dallas campus

Year One Implementation Plan

June 2019

- Get a bank loan for \$50,000
- Get all the required permits and licences that are needed to open up a cafe in Dallas
- Purchase a place that is within proximity of UT Dallas to open the cafe
- Furnish the cafe and purchase decor
- Purchase any appliances needed for the kitchen along with kitchen supplies (pots and pans etc.)
- Create a website and the social media accounts for the cafe on Facebook, Instagram, Twitter and Snapchat

July 2019

- Get payment processors and registers.
- Get in contact with wholesalers in creating any contracts for the year to receive inventory from them
- Get in contact with any local farmers markets in receiving any additional produce that may be needed
- Create advertisements for hiring employees and start conducting interviews (focusing on UTD students)
- Create promotional posters and flyers for Vegan Hub
- Purchase the cafes inventory for food and any non-perishable items
- Start advertising on social media for next months start
- Order employee shirts and hats

August 2019

- The operations for Vegan Hub will begin
- Training employees on how to make the dishes
- Start promoting the discounts and special offers in order to attract customers
- Implement the use of the hashtag #Foodporn to any customer coming and tagging our cafe on their social media in order to gain more exposure
- Offering a specific discount to those that use the hashtag #Foodporn and tagging our cafe

September 2019

- Run analytics on all social media platforms on the last months opening
- Contact UT Dallas and see if there would be interest for us to be a sponsor for their sports teams
- Continue training employees and perfecting the meal preparations
- Promote a short survey for customers to complete to see the satisfaction after one month of operation

October 2019

- Change the decor in the cafe to have a halloween/fall feeling
- Update social media accounts on any events or offers for the month of October
- Contact any health-conscious, vegan, and multicultural student organizations at UT Dallas and promote our cafe
- Have our first employee meeting and see how everyone is doing personally and if there would need to be any changes
- Contact our food vendors, wholesalers, markets about updating our inventory for the upcoming month

November 2019

- Update the cafe decor to have a fall vibe along with Thanksgiving decor
- Update social media accounts on the months specials and offers
- Start posting more posters, fliers and content on social media and interact more with customers on social media
- Respond to any feedback that has been given to us from customers and implement any suggestions that are suitable and reasonable for us to do
- Contact any local food drives and donate what we can to create a positive image for our cafe by giving back to the community
- Contact the local Turkey Trot and see if we can be a food vendor or sponsor for the 5k
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Conduct an employee meeting

December 2019

- Update the cafe decor to have a winter theme and a christmas theme
- Update social media accounts on the months specials and offers
- Get in touch with any charities or non-profit organizations in giving back to the community

- Have a special offer for those UT Dallas students that are graduating
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Conduct an employee meeting

January 2020

- Promote on social media about the New Years and promoting to start a healthy lifestyle with Vegan Hub
- Create a back to school deal for the start of the new semester
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Conduct an employee meeting

February 2020

- Update cafe decor with a red theme around Valentines Day
- Promote a buy one get one free only on Valentines day for any purchases over \$20
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Update social media accounts for any events going on and any features for the month
- Conduct an employee meeting

March 2020

- Update the cafe with a green decor around the St. Patricks Day theme
- Meet with employees and hear any feedback from them
- Create a poll on all social media accounts for things that customers may want to see change or vegan dishes they may want to have added to the menu
- During spring break, implement the suggestions made from the employees and customers for the upcoming month since students will be away giving us time to focus on improvements
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month

April 2020

- Update the cafe decor around an Easter Theme for the month
- Create a promotion on April Fools Day on social media and engage with customers on social media on this day
- Update all social media on any offers, events or features we may be having
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Conduct an employee meeting

May 2020

- Have a special offer for those UT Dallas students that are graduating
- Update the cafe decor to be patriotic and American themed because of Memorial Day being in May
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Reach out to any non-profit military supporting organizations and donate what we can
- Conduct an employee meeting
- Promote Memorial Day discounts to army veterans

June 2020

- Update the decor to a summer theme
- Contact the wholesaler, food vendor and markets for updating inventory for the upcoming month
- Start promoting more on social media to non-students since students will be on summer break
- Create a promotion for Father's Day
- Conduct an employee meeting

Detailed Financial Projections of Cost and Revenue for the first 12 months

Assumptions:

- 1. Number of customers expected to dine in at our restaurant varies from 500 700 per month.
- 2. Operating hours of the cafe is 12 hours.
- 3. Maximum time taken to serve a dish is between 4 6 minutes.
- 4. First two months are reserved for the business setup and we launch it in August 2019.
- 5. Loan Amount = \$50000 @ROI of 0.584% per month.

TOTAL UNITS SOLD PER MONTH

MONTH	UNITS SOLD
August - 2019	700 - 800
September - 2019	1600 – 2000
October - 2019	2000 – 2100
November - 2019	2000 -2100
December - 2019	700 – 1000
January – 2020	700 – 1800
February- 2020	2000 – 3000
March – 2020	2000 – 3500
April – 2020	2000 – 2200
May - 2020	2000 –2200

VEGAN HUB SALES FORECAST FOR 2018 – 2019

(We have taken our appetizer to project sales for the months below)

MONTH	SALES
August - 2019	\$5,600
September - 2019	\$17,000
October - 2019	\$17,850
November - 2019	\$15,300
December - 2019	\$15,300
January – 2020	\$25,500
February- 2020	\$29,750
March – 2020	\$29,750
April – 2020	\$18,700
May - 2020	\$18,700

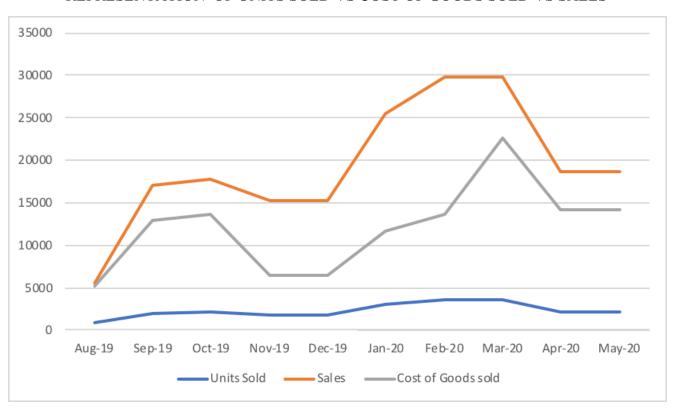
COST OF GOODS SOLD

(We have taken our appetizer to project cost of goods sold for the months below)

MONTH	COST OF GOODS SOLD (including overhead expenses)
August - 2019	\$5,176
September - 2019	\$12,960
October - 2019	\$13,620
November - 2019	\$6,468
December - 2019	\$6,468

January – 2020	\$11,642
February- 2020	\$13,582
March – 2020	\$22,638
April – 2020	\$14,229
May - 2020	\$14,229

REPRESENTATION OF UNITS SOLD VS COST OF GOODS SOLD VS SALES



Profits

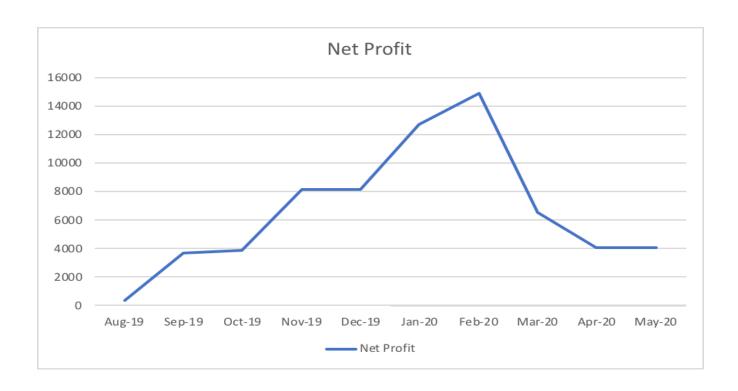
Gross Profit = Sales – Cost of Goods sold

MONTH	GROSS PROFIT
August - 2019	\$424
September - 2019	\$4,040
October - 2019	\$4,230

November - 2019	\$8,832
December - 2019	\$8,832
January – 2020	\$13,858
February- 2020	\$16,168
March – 2020	\$7,112
April – 2020	\$4,471
May - 2020	\$4,471

Net Profit = Gross Profit – EBIT(8.25% on Gross profit)

MONTH	NET PROFIT
August - 2019	\$389.02
September - 2019	\$3706.7
October - 2019	\$3881.025
November - 2019	\$8103.36
December - 2019	\$8103.36
January – 2020	\$12714.715
February- 2020	\$14834.14
March – 2020	\$6525.26
April – 2020	\$4102.1425
May - 2020	\$4102.1425
Total	\$66461.865



A. Break Even Analysis

We attain Break-even point in November 2019 and, will be paying of the loan amount of 50,000\$ by February 2020 and we will start retaining profit and we will be having huge amount in our general reserve to start our new restaurant in the Dallas midtown and we will start expanding our Vegan hub throughout country promoting peace and healthy lifestyle.

Fixed Cost:

Particulars	Amount
Rent	\$1500
Insurance	\$300
Permits & License	\$12.5
Wages	\$8640
Loan Interest	\$292
Credit card processing fees	\$500
Administrative expenses	\$500
Total	\$11,744

Variable Expenses:

Particulars	Amount
Promotion Expenses	1000/1000 = \$1
Cost of making the Dish	\$4.62
Total (variable cost per unit)	\$5.62

Sales price per unit = \$8.045

Break Even Point =
$$11,744/(8.045 - 5.62)$$

= \$4,842.886

Evaluation and Control

In order to reach our standards and our goals it is necessary to have different parameters to measure our progress. Customer satisfaction is the end goal as that will lead to loyal customers returning and an overall progression throughout the existence of the restaurant. Our progress will be measured by the following parameters:

Social Media

Digital marketing is what is hot and trending right now and in many businesses. Having a social media presence is important and can be used to evaluate our progress. We can see what customers are saying about us and this is where a lot of people like to give feedback and reviews. Social media has analytics for us to check how many impressions posts have gotten. How many people have seen the post, how many people have engaged with post along with many other analytics. The social media platforms that we will be on are instagram, facebook, snapchat and twitter. The analytics will be checked on the customer end and see what posts are engaged with the most and what posts are not getting as much attention. We have to have a consistent and persistent social media usage on our end as well in order to even have any customer interaction with our social media posts.

Sales

We have made projections and goals to reach in a 12 month span of the cafe being open. The first couple months will be used to start up the cafe and get it ready to go to open up to the public. Once we open up to the public, we have set projections per month and when we will break even. We have a projection of units sold, expenses, revenue generated and profit on a monthly basis.

Customer Satisfaction

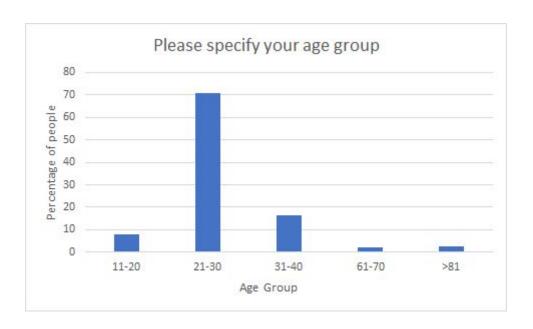
Customer satisfaction is very important and is a key parameter in seeing the progress the cafe has made. Surveys and feedback reports will be very useful in seeing where we are doing things right and where we are doing things wrong. Listening to what the customers want and where we can improve will lead to more people coming back frequently. These are great indicators in telling us how we are doing and these surveys and feedback reports will be open to any customer wanting to leave any feedback on any day of the week.

Employee Satisfaction

Employee satisfaction will be looked at once every month to see if we are making progress in-house. In order to have happy customers, we need to have happy employees. If employees are not satisfied with the working environment, then they will not portray a good image and will not give great service to the customers. This satisfaction will be measured once every month by holding a meeting and hearing out what suggestions or improvements we can implement to better satisfy our employees in order for them to be successful in their roles which in turn would lead to great customer service.

Appendix

Graph A. Results from the marketing research survey regarding the age of the respondents

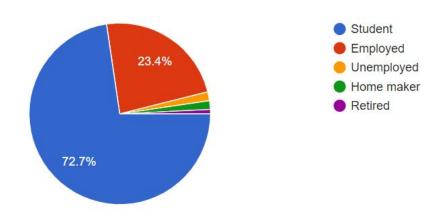


Graph B. Results from the marketing research survey showing the nationality of the respondents



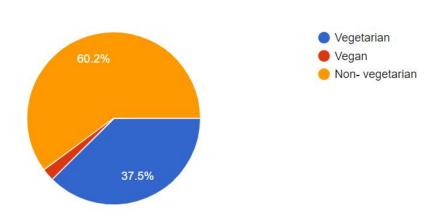
Graph C. Results from the marketing research survey regarding the employment status of the respondents

What is your employment status?



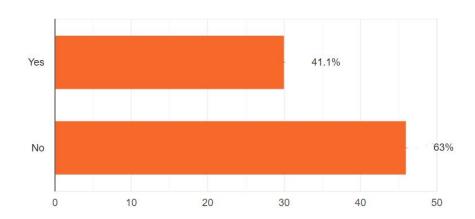
Graph D. Results from the marketing research survey regarding the food preference of the respondents.

I am a



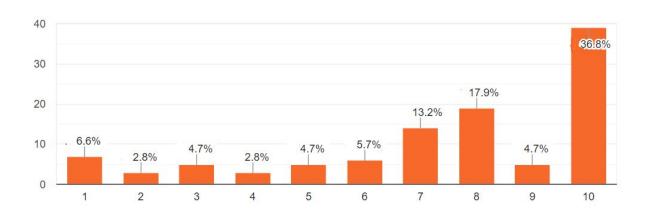
Graph E. Results from the marketing research survey showing the satisfaction level of the vegan options around the respondents

If you are a vegan/vegetarian, are you satisfied with the options around you?



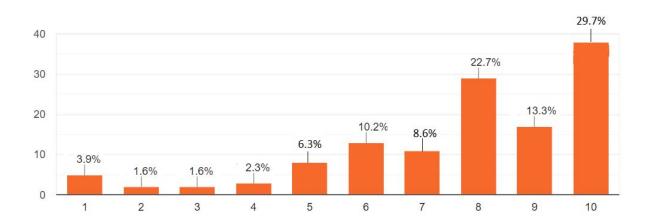
Graph F. Results from the marketing research survey asking the non vegans the rate of likeness of trying a vegan menu

If you are not a vegan, how likely are you to try out a vegan dish in the future?



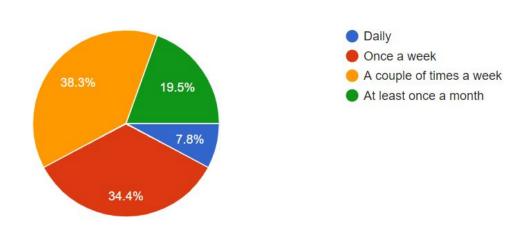
Graph G. Results from the marketing research survey asking the respondent's willingness to switch to a healthy meal

Given an option, how likely are you to eat a healthy meal?



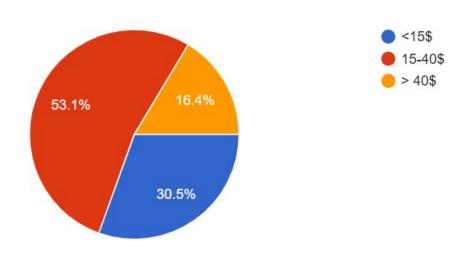
Graph H. Results from the marketing research survey asking the respondents the frequency of dining out.

How often do you eat out?



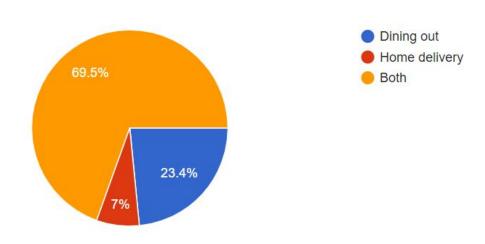
Graph I. Results from the marketing research survey regarding the expenditure of food of the respondents in a week.

How much do you spend on food in a week?

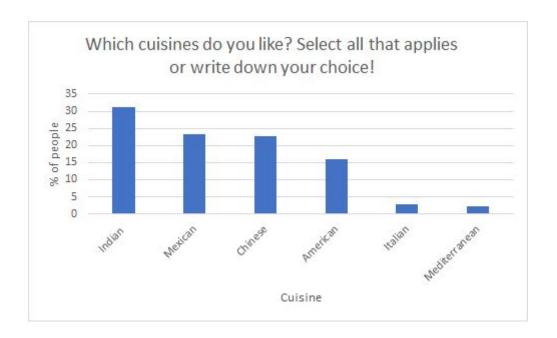


Graph J. Results from the marketing research survey regarding the respondents preference of dining out or home delivery or both

Which of these would you prefer?



Graph K. Results from the marketing research survey regarding the respondents preference of cuisine



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