

Porto's Bakery & Cafe

NEW BUSINESS OPPORTUNITY

MKT 566 Decision Making Using Marketing Analytics

Jesslyn Noorjono, Teresa Chen, Rania Soetirto, Sherleen Lee,
Stanley Toh, Michelle Lie

December 2, 2024



AGENDA

1

Problem
Statement

2

Pre-survey
Pre-survey Results

3

Conjoint Study
Conjoint Study Results

4

3 C's Analysis
*(Competition, Customers,
Company)*

5

Recommendations and
Managerial Implications

6

Limitations



PROBLEM STATEMENT

The USC area **lacks a diverse selection of freshly baked goods, limiting convenient, high-quality options.**

While places like Trader Joe's, Insomnia Cookies, Starbucks, Target, and Dulce offer snacks and breakfast items, they don't meet the demand for fresh cakes, pastries, and bread.

This gap impacts access to **fresh, on-the-go choices**, especially for those seeking diverse or specialty dietary options. Expanding bakery offerings near USC could better serve the needs of this **busy community**.



PRE - SURVEY

EXECUTED TO DECIDE THE ATTRIBUTES
ON THE CONJOINT ANALYSIS

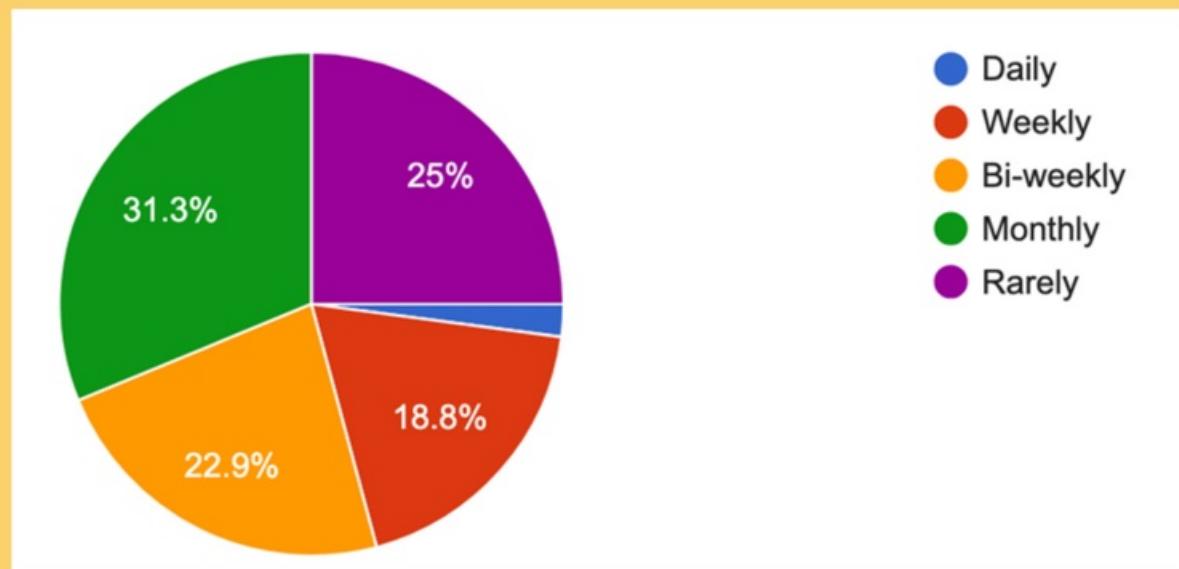


- Section 1: Bakery Visit Frequency**
- Section 2: Preferred Bakeries and Items**
- Section 3: Product Category and Item Preferences**
- Section 4: Store Location Preferences**
- Section 5: Preferred Format and Convenience**
- Section 6: Dietary Options**
- Section 7: Pricing Preferences**
- Section 8: Promotions**

PRE - SURVEY ANALYSIS

Bakery Visit Frequency and Preferred Bakeries & Items

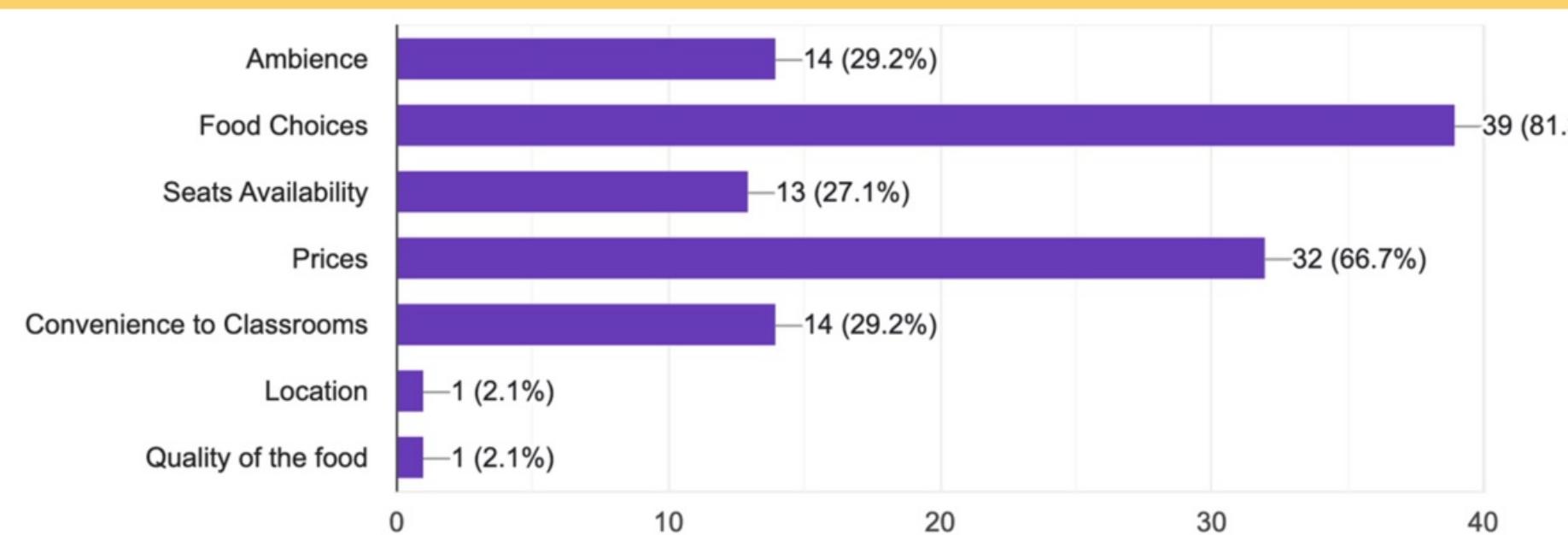
1. How often do you go to bakeries?



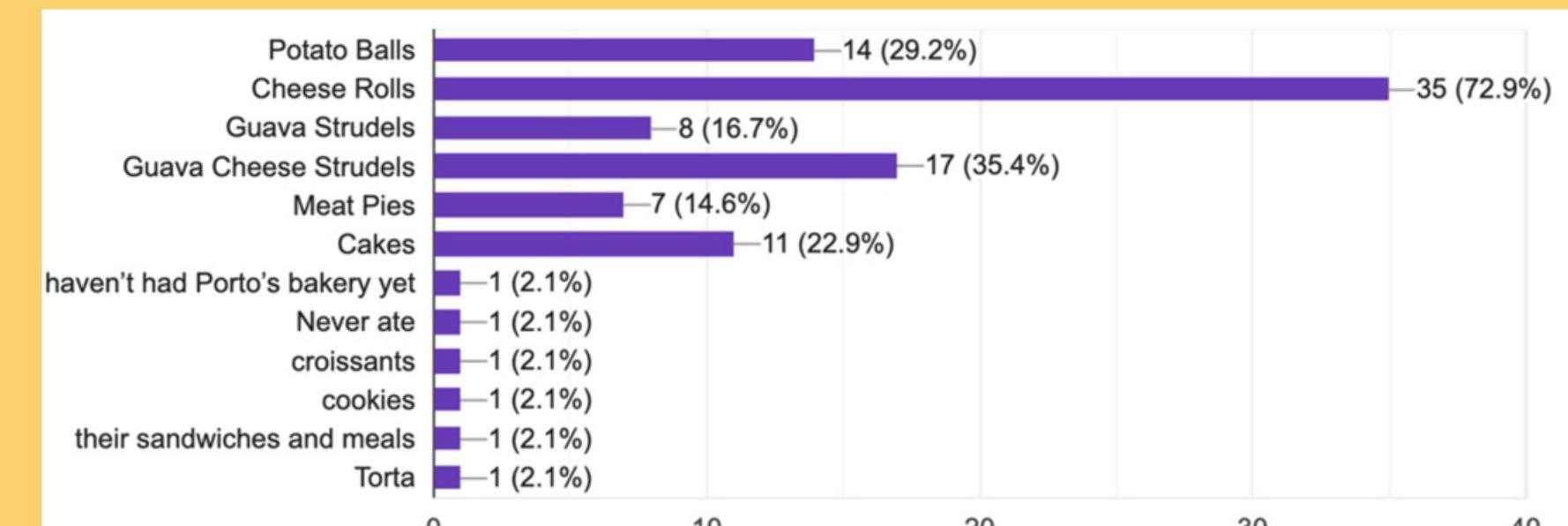
2. What are the bakeries that you usually go to around USC?

- Dulce
- 85 Degree Bakery
- Starbucks

3. Which factor do you think is the most important when choosing a bakery?



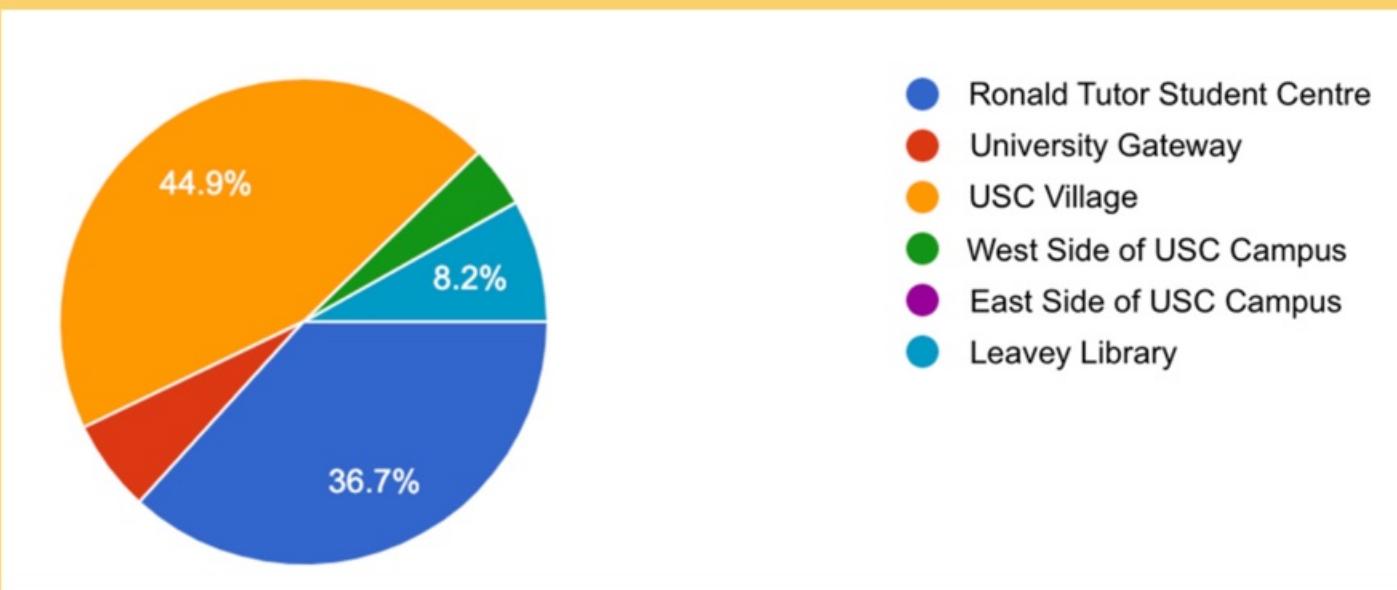
4. Which items from Porto's do you like the most?



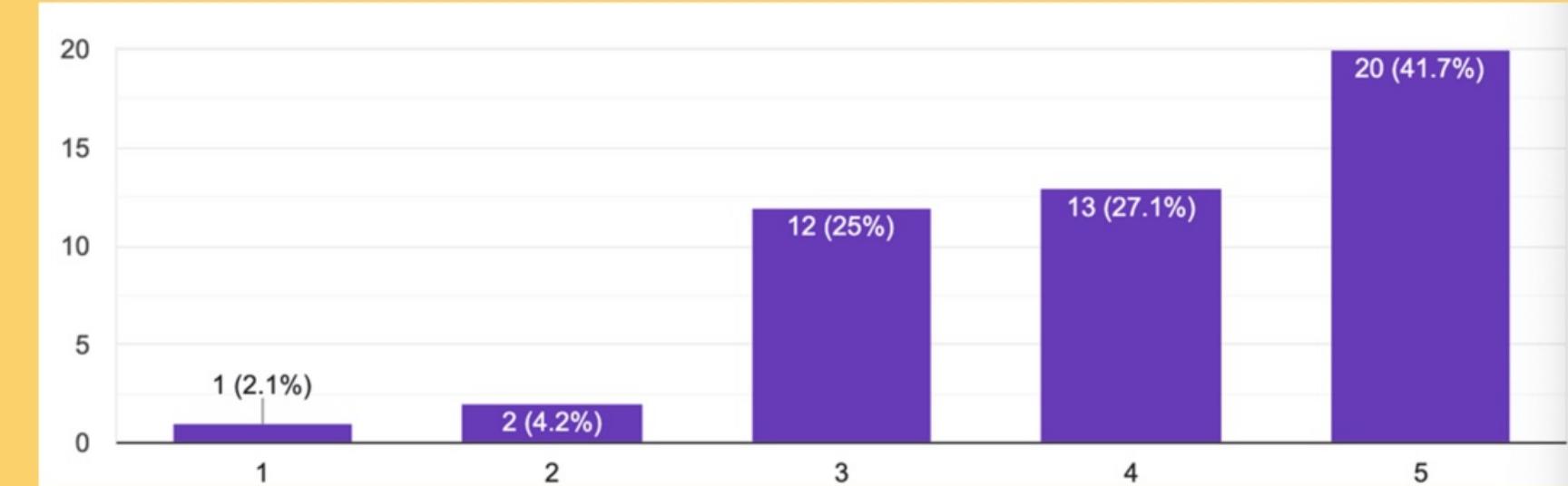
PRE-SURVEY ANALYSIS

Product Category, Item preferences and Store Location Preferences

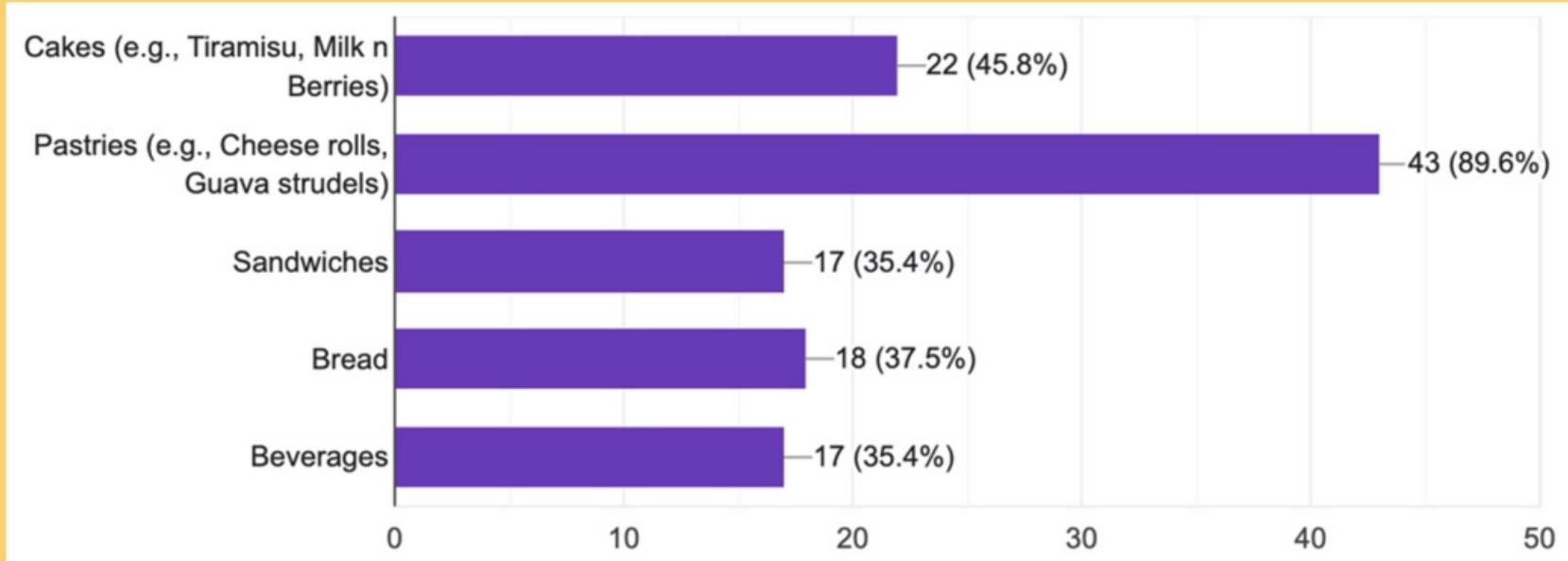
5a. Which location on campus would you most prefer for a new bakery?



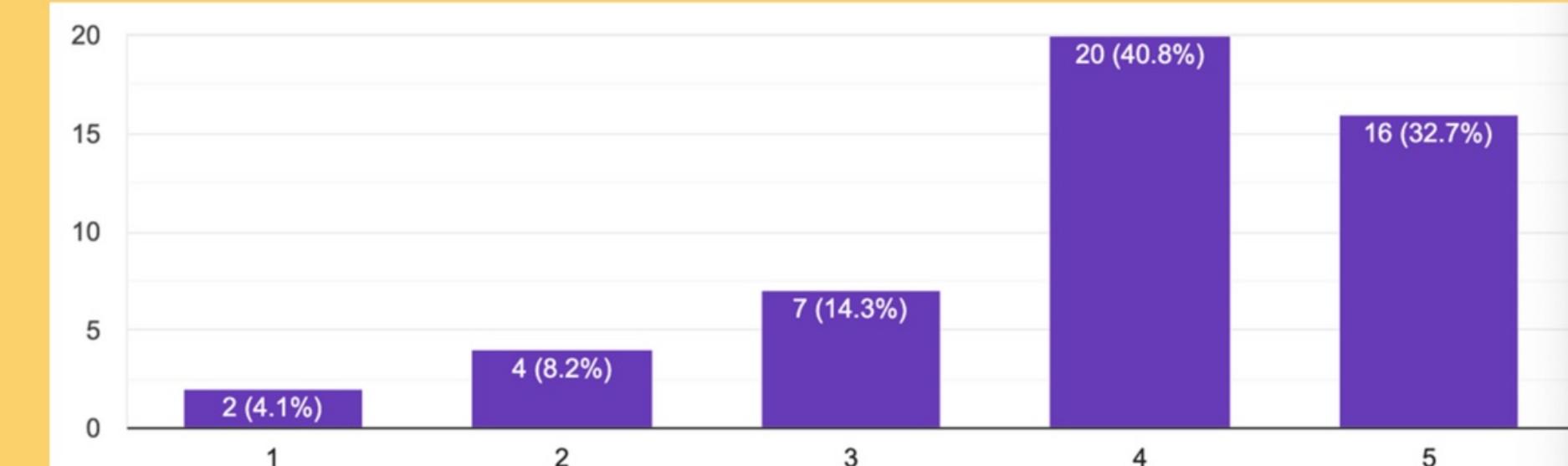
5b. How important is the bakery's location in your decision to visit?



6a. Which of the following bakery categories do you prefer?



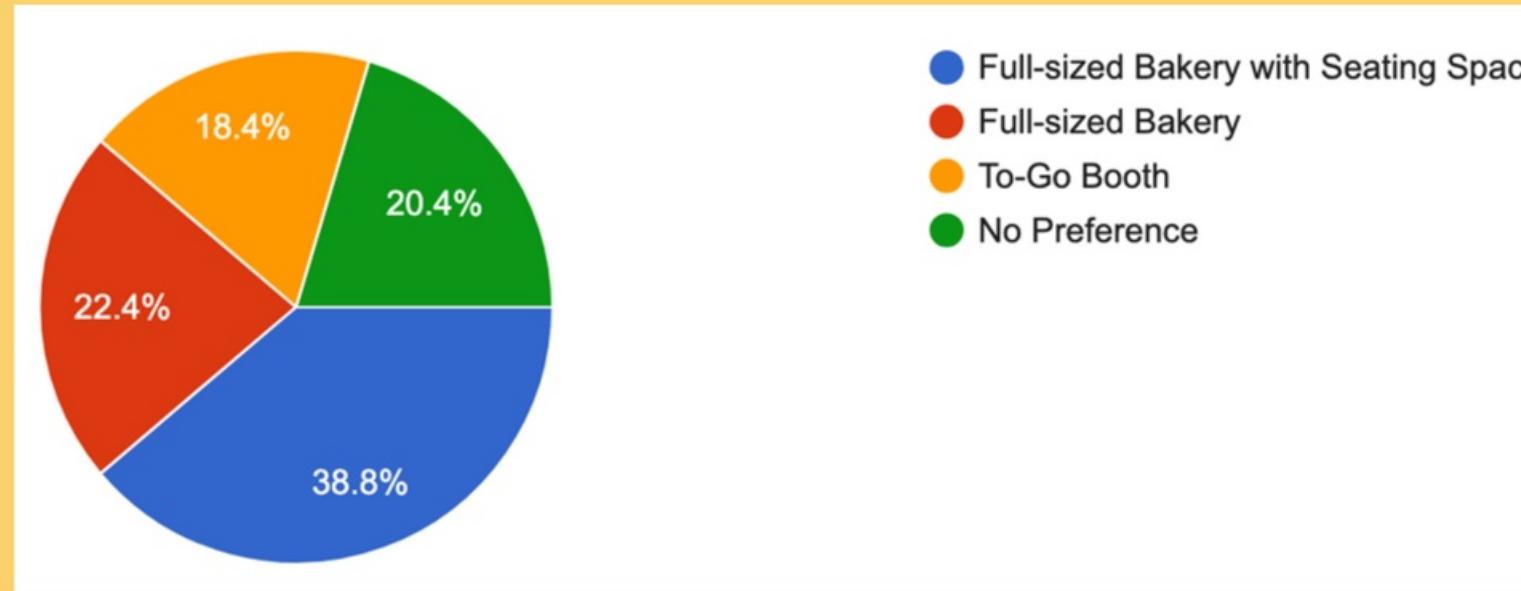
6b. How important is it to you that the bakery offers a wide selection of your preferred items?



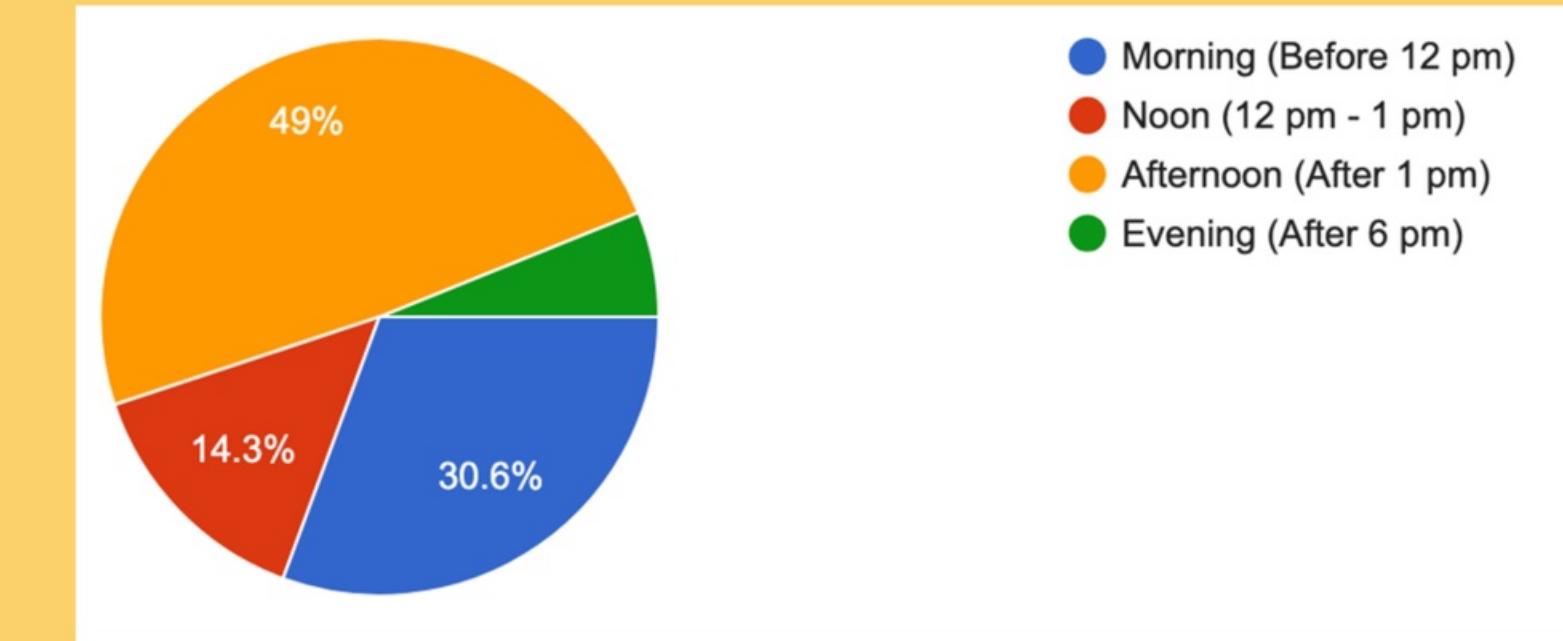
PRE-SURVEY ANALYSIS

Preferred Format and Convenience

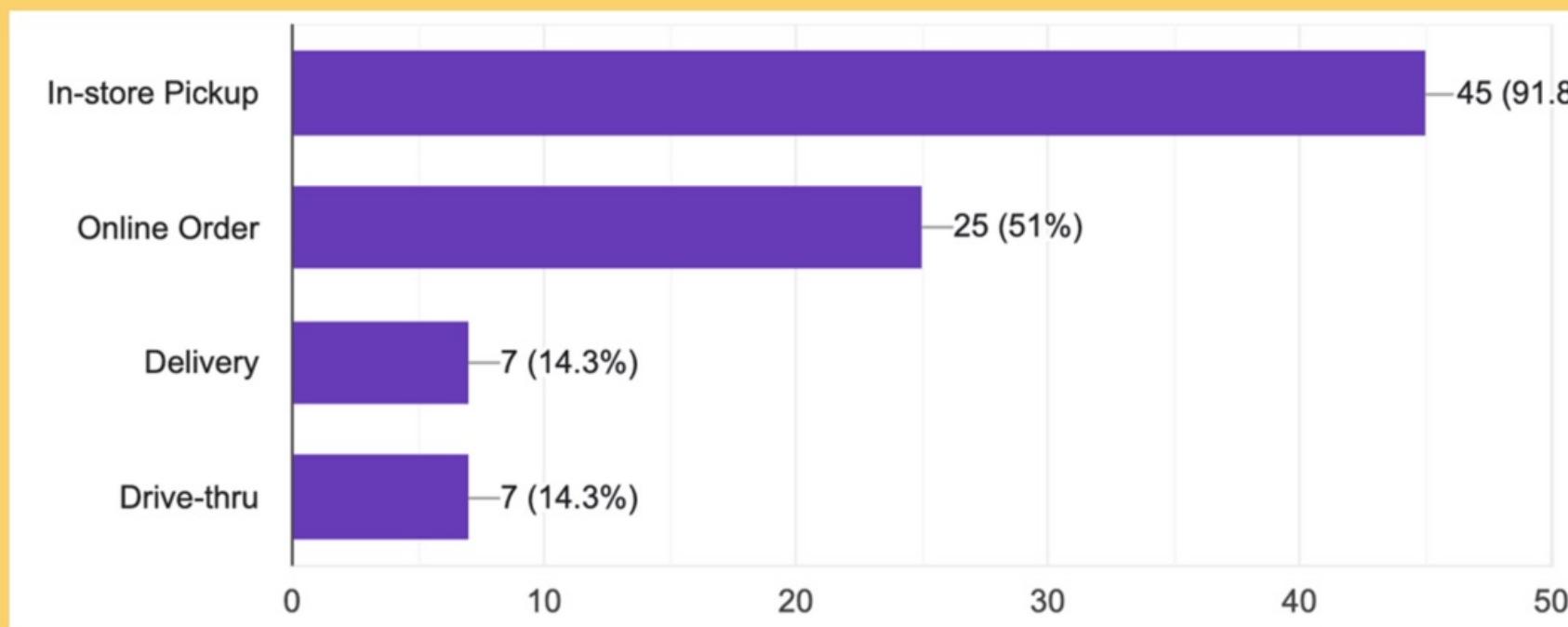
7. Do you want a full-sized bakery or a to-go booth?



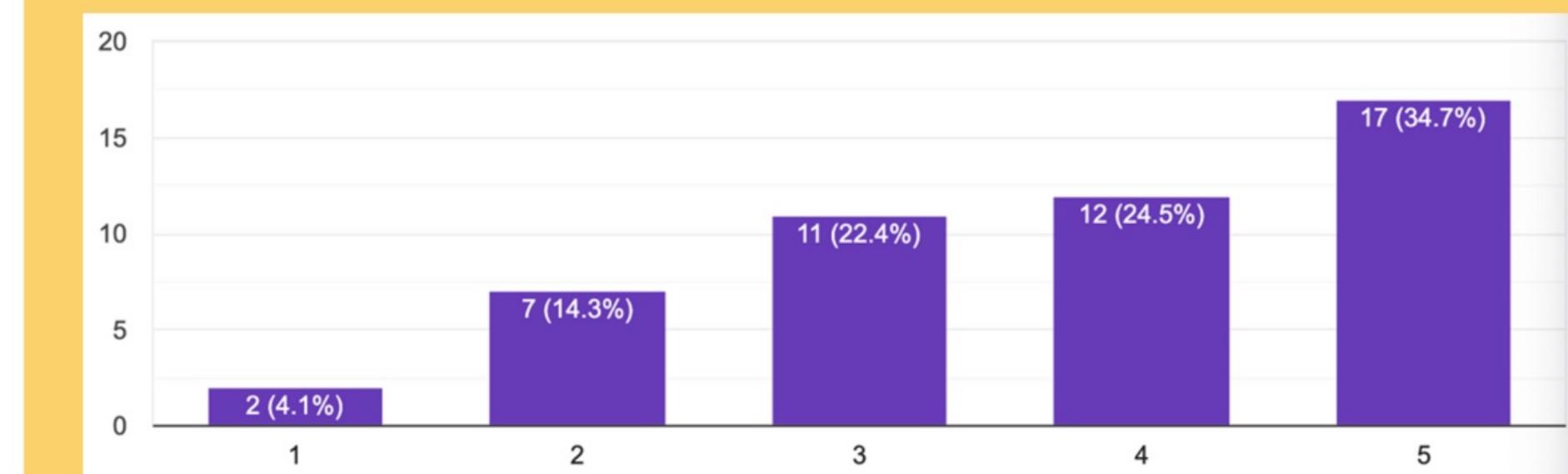
8. What time of day are you most likely to visit a bakery?



9a. How would you prefer to get your bakery items?



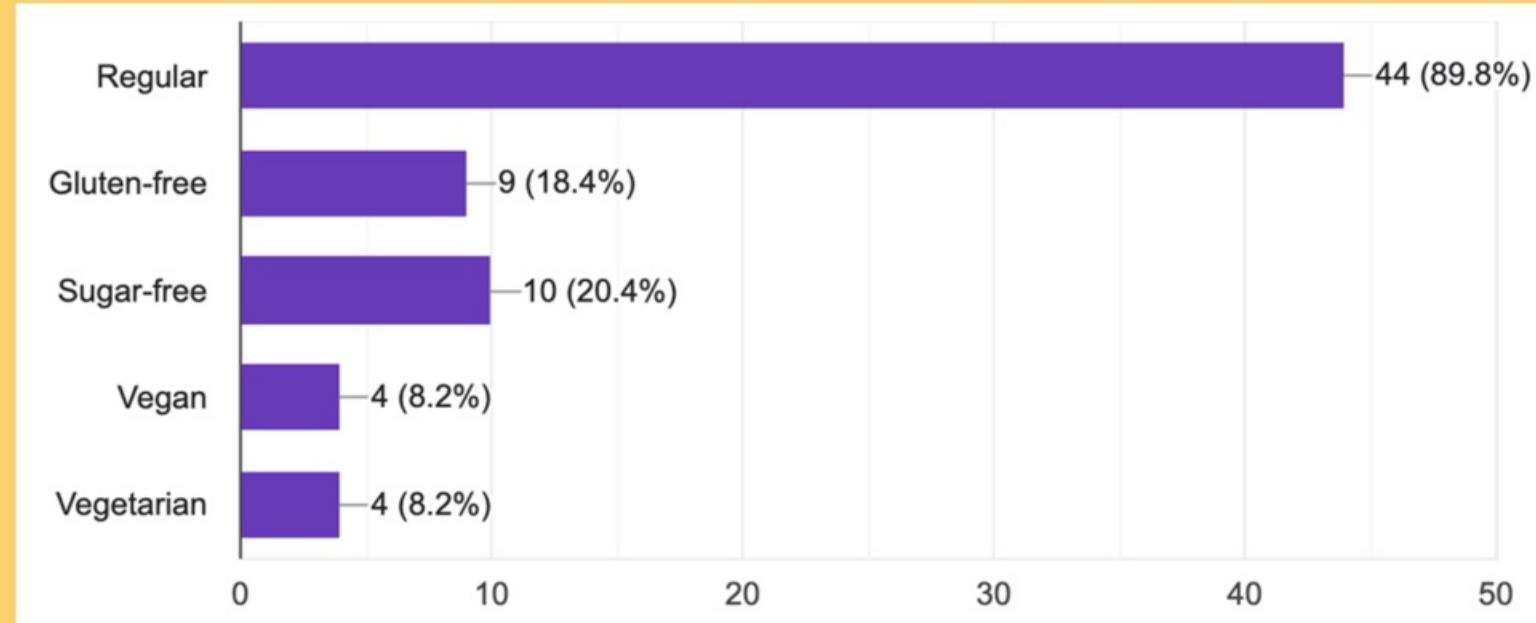
9b. How important is convenience (e.g. drive-thru, pre-order) when selecting a bakery?



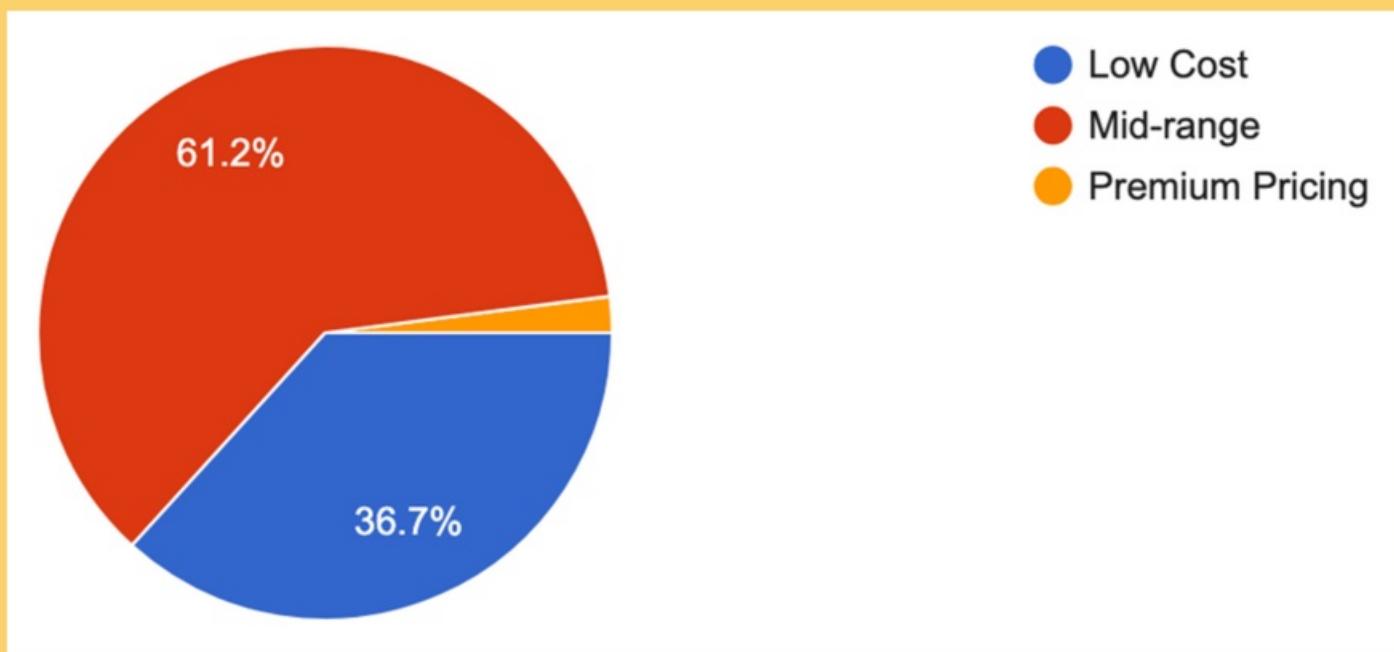
PRE-SURVEY ANALYSIS

Dietary Options and Pricing Preferences

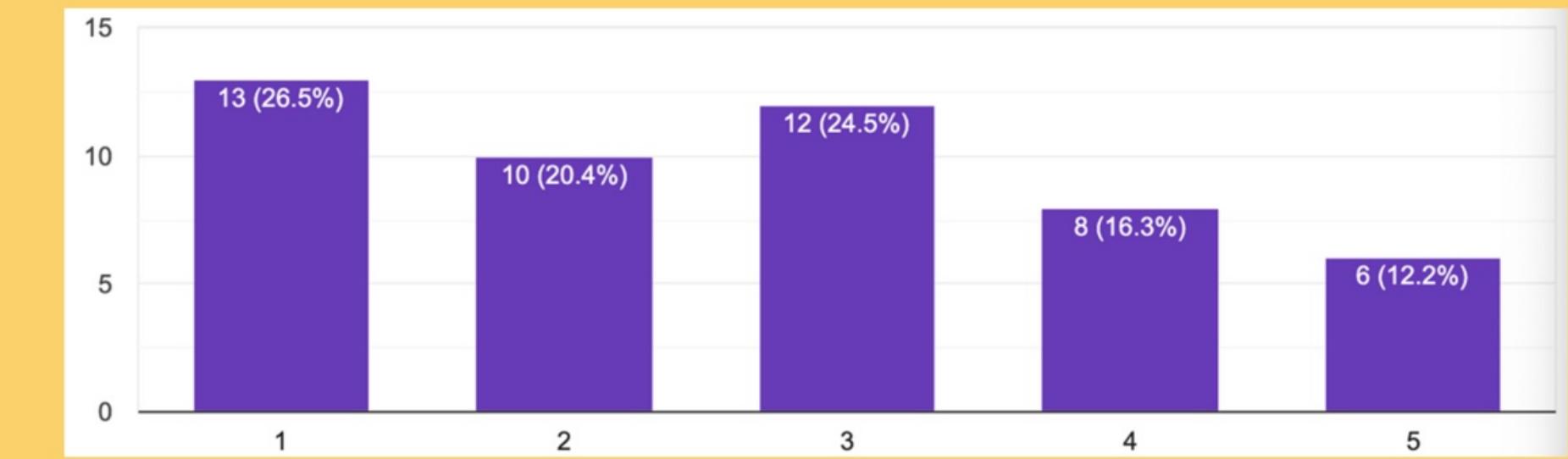
10a. Which dietary options are important for you in a bakery?



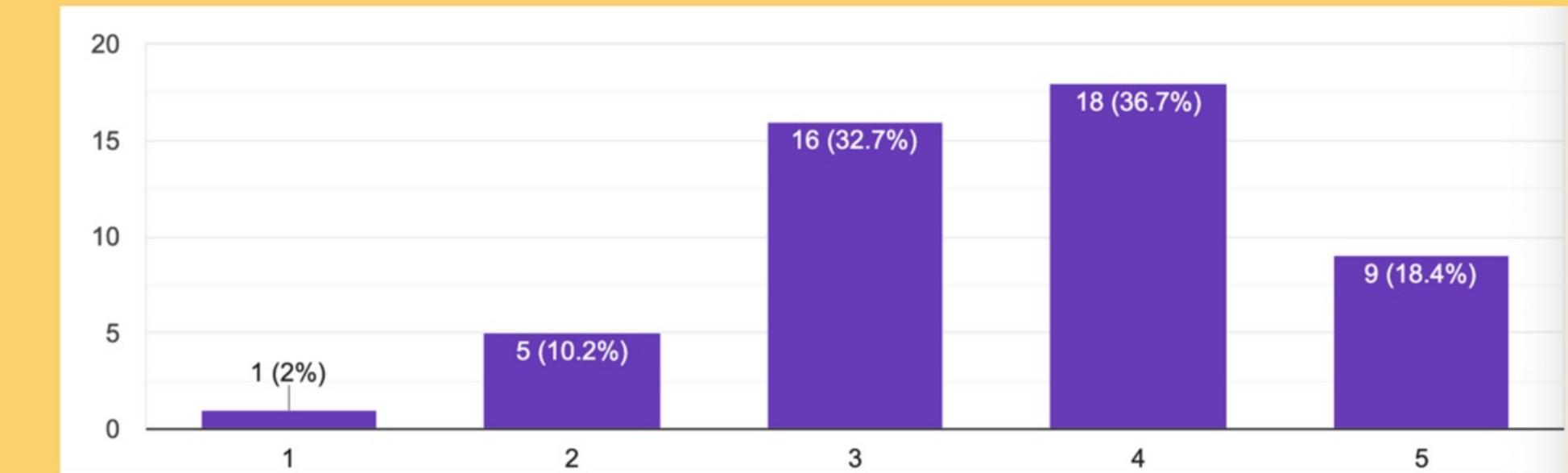
11a. What price range would you prefer for bakery items?



10b. Would the availability of dietary options make you more likely to choose this bakery?



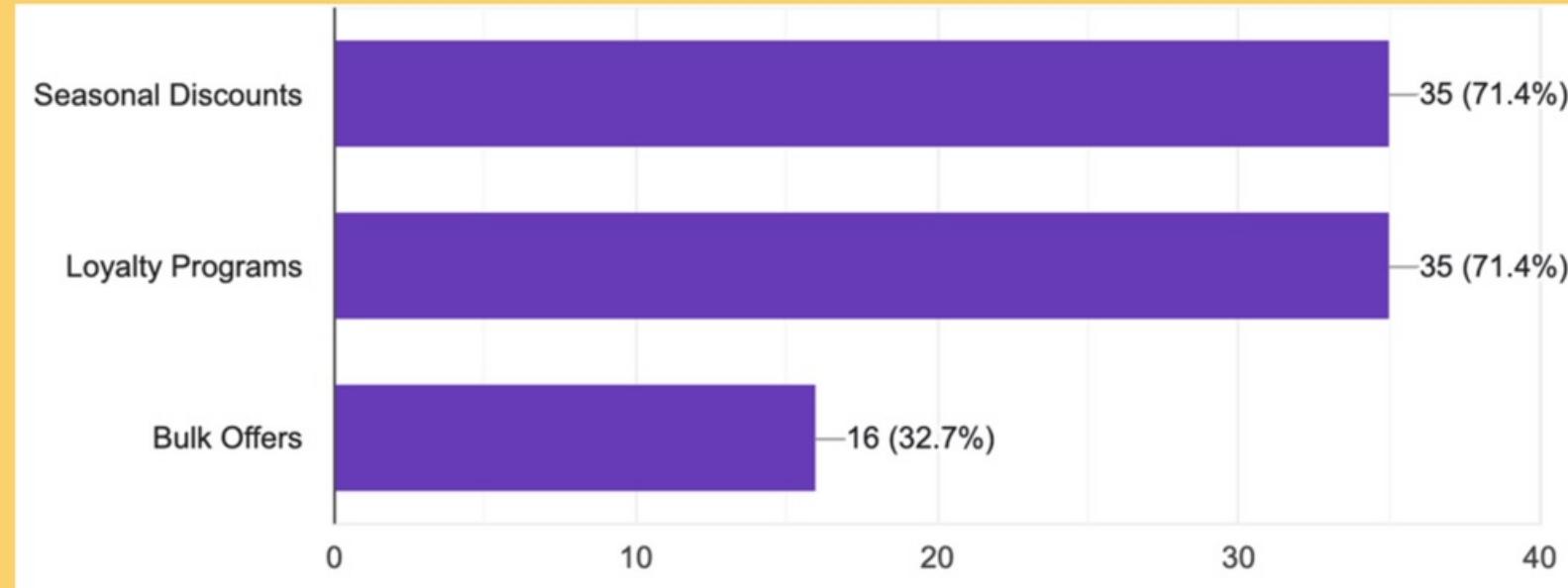
11b. How important is the price of the bakery items in your decision to purchase?



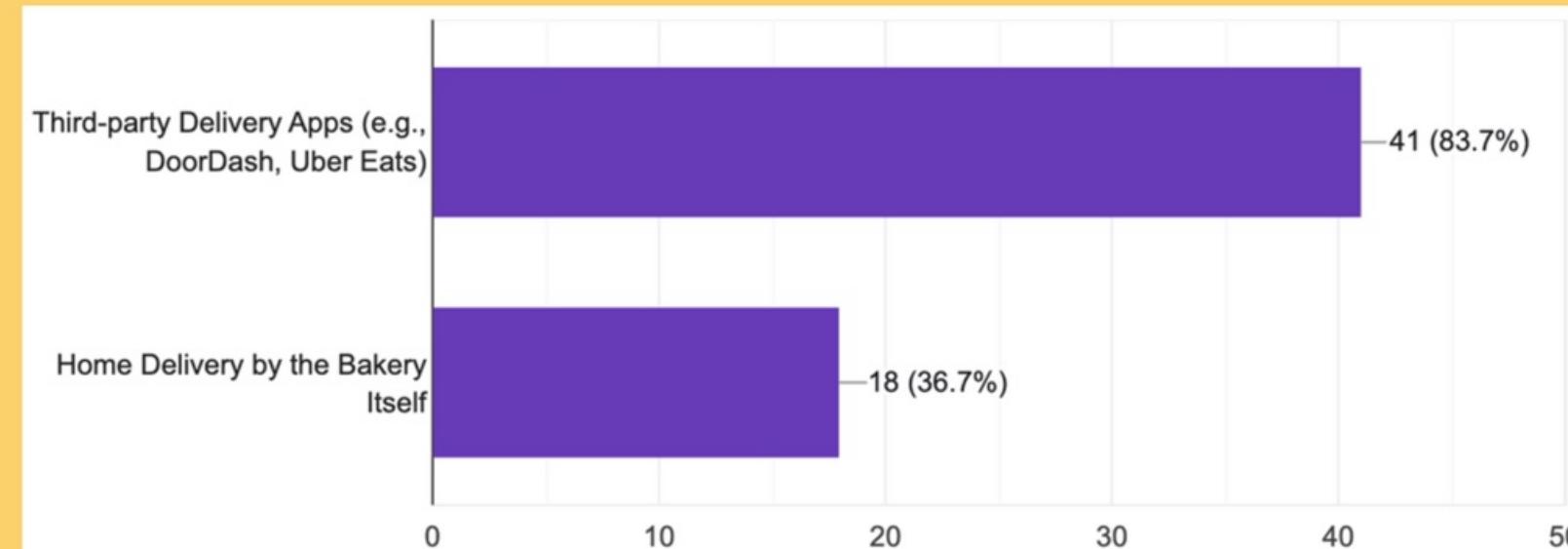
PRE-SURVEY ANALYSIS

Promotions and Delivery Options

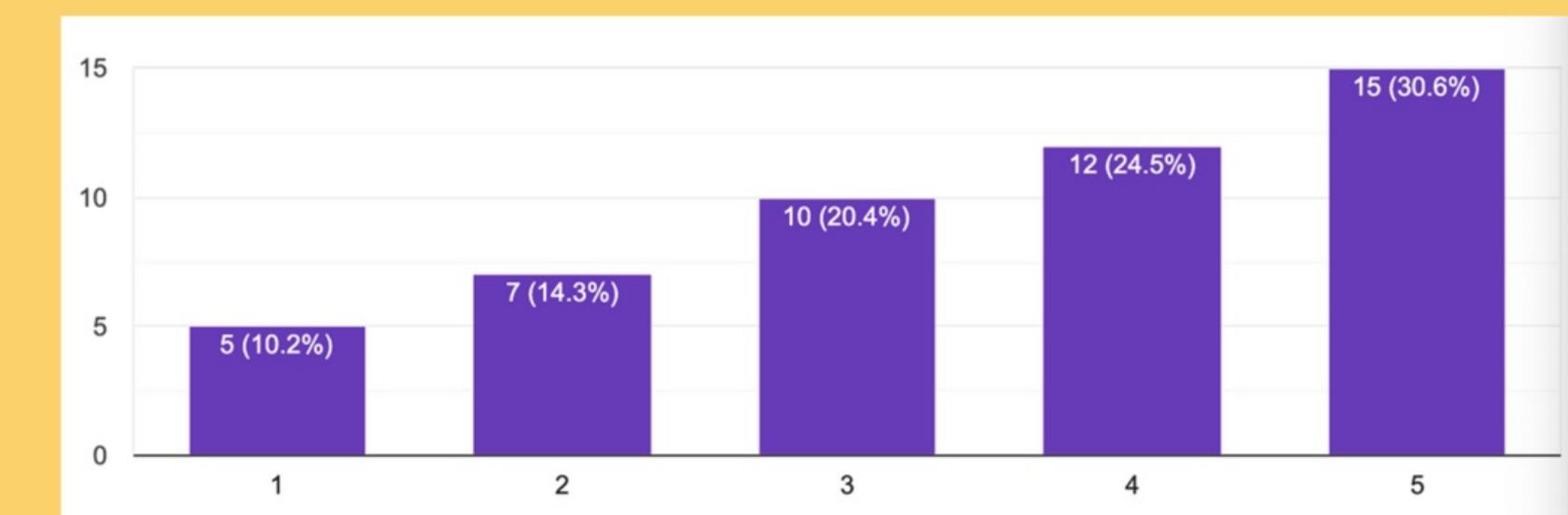
12a. What types of promotions would encourage you to visit the bakery?



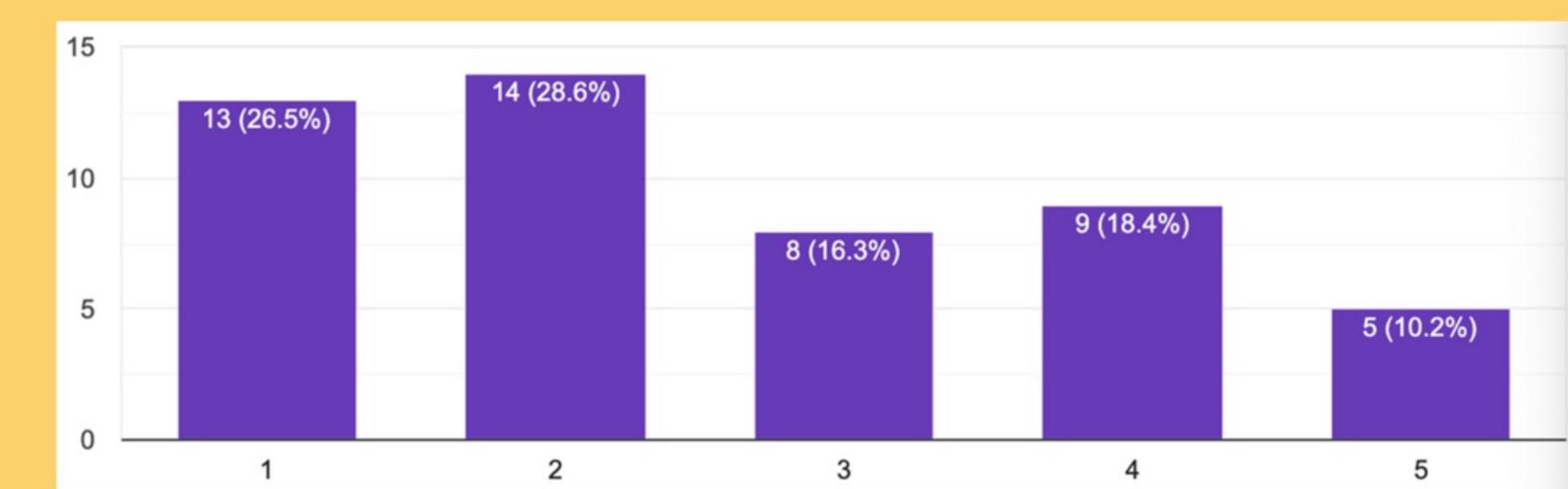
13a. How would you prefer to have your items delivered if delivery is available?



12b. How likely are promotions (eg. discounts or loyalty programs) to influence your decision to visit this bakery?



13b. How important is the availability of delivery in your decision to order from a bakery?



CONJOINT STUDY ATTRIBUTES

Product Category

- Cakes (eg. Tiramisu, Milk n' Berries)
- Pastries (e.g Cheese Rolls, Guava Strudels)
- Sandwiches
- Bread
- Beverages (Coffee, tea, etc.)

Location

- USC Village
- Leavey Library
- Ronald Tutor Student Centre
- University Gateway

Promotions

- Seasonal Discounts
- Loyalty program
- Bulk Offers

Add-On Options

- No Add-On
- One Pastry - \$3
- One Pastry + Beverage - \$5
- Two Pastries - \$5
- One Pastry + Side Pastry or Cookie - \$4.50

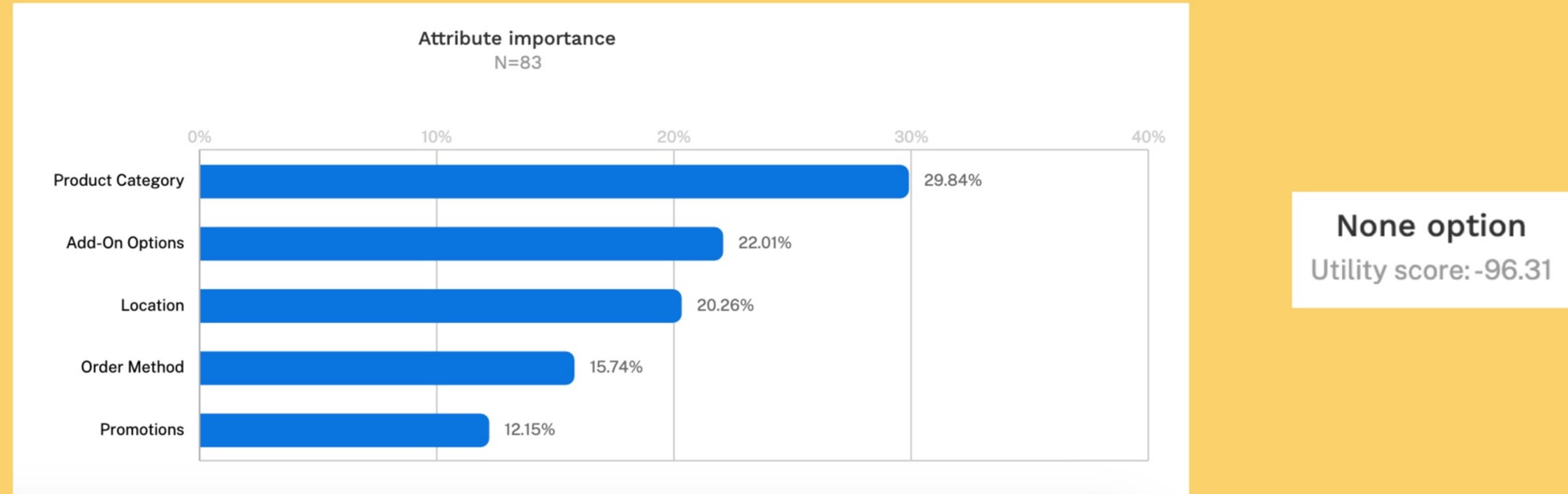
Convenience / Order Method

- In-Store Pickup
- Online Order
- Drive-thru
- Delivery



CONJOINT STUDY ANALYSIS

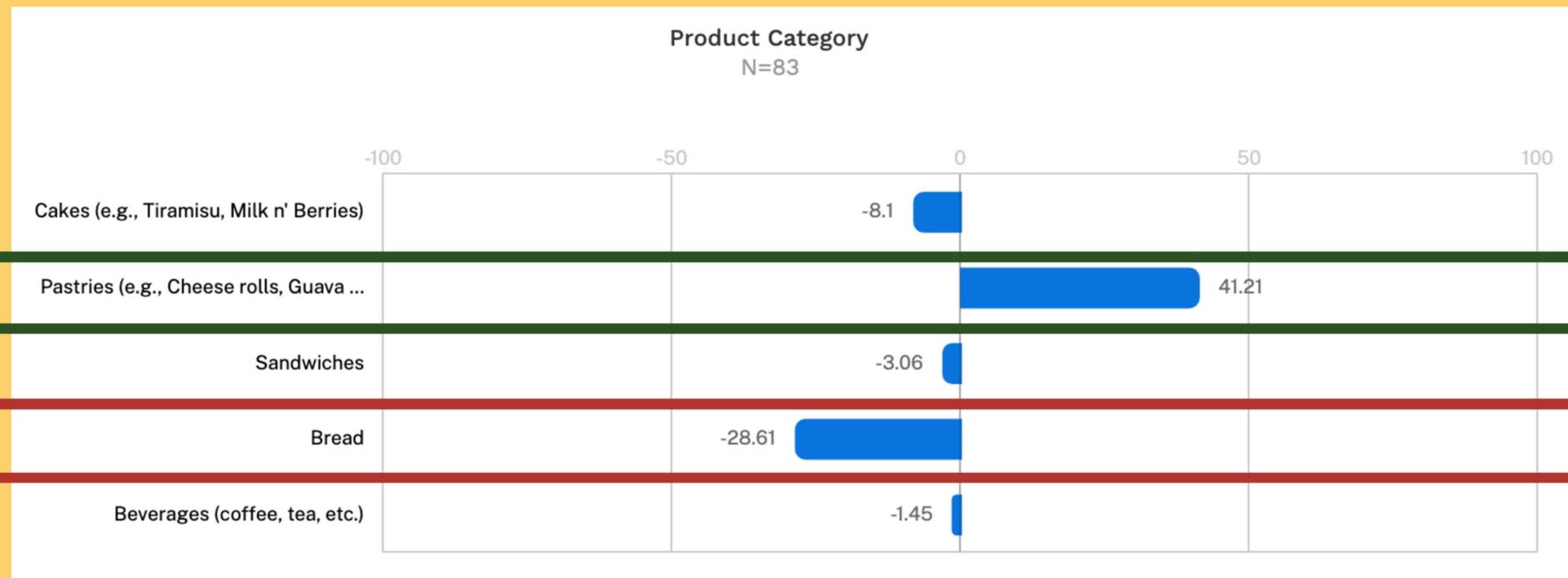
Relative attribute importance and None option



- From the above, Product Category is the most important attribute, followed by Add on options, Location, Order Method and Promotions
- The utility score for the "None" option is -96.31, indicating a very strong preference for selecting one of the available options rather than opting out entirely. This shows that respondents generally value the offerings and are unlikely to leave without making a selection

CONJOINT STUDY ANALYSIS

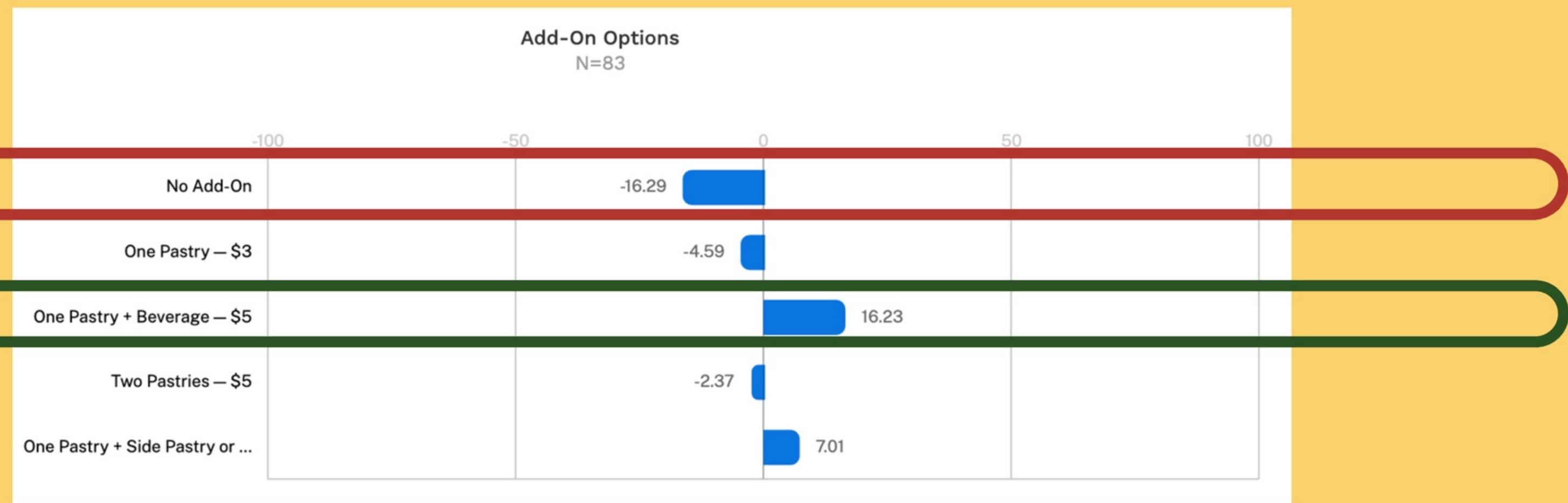
Product Category



- Respondents prioritize pastries, showing that this category might be key drivers for product development or marketing strategies.
- Bread scores lower in consumer preference, likely because Porto's isn't known for it. Based on our pre-survey results, most respondents visit bakery in the afternoon, likely seeking sweeter options.

CONJOINT STUDY ANALYSIS

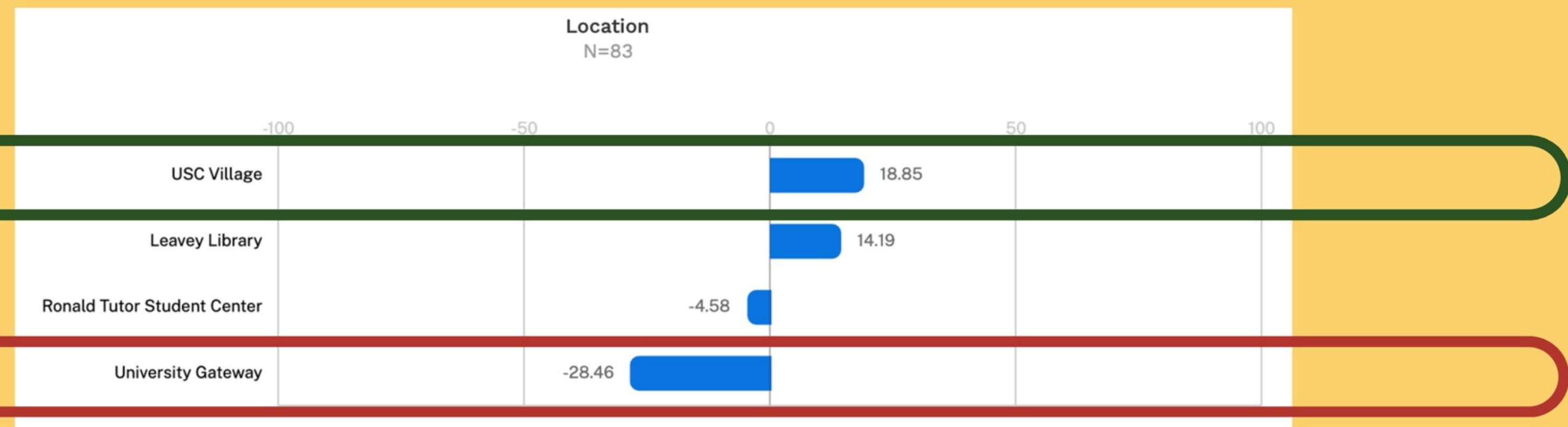
Add-on options



- Respondents strongly prefer to add on One Pastry + Beverage for \$5
- Respondents are generally indifferent about the other options (One Pastry - \$3, Two Pastries - \$5, and One Pastry + Side Pastry), although they slightly prefer it
- On the other hand, the "No Add-On" option has a significant negative preference score (-16.29), suggesting that respondents strongly prefer some form of add-on with their purchase rather than none.

CONJOINT STUDY ANALYSIS

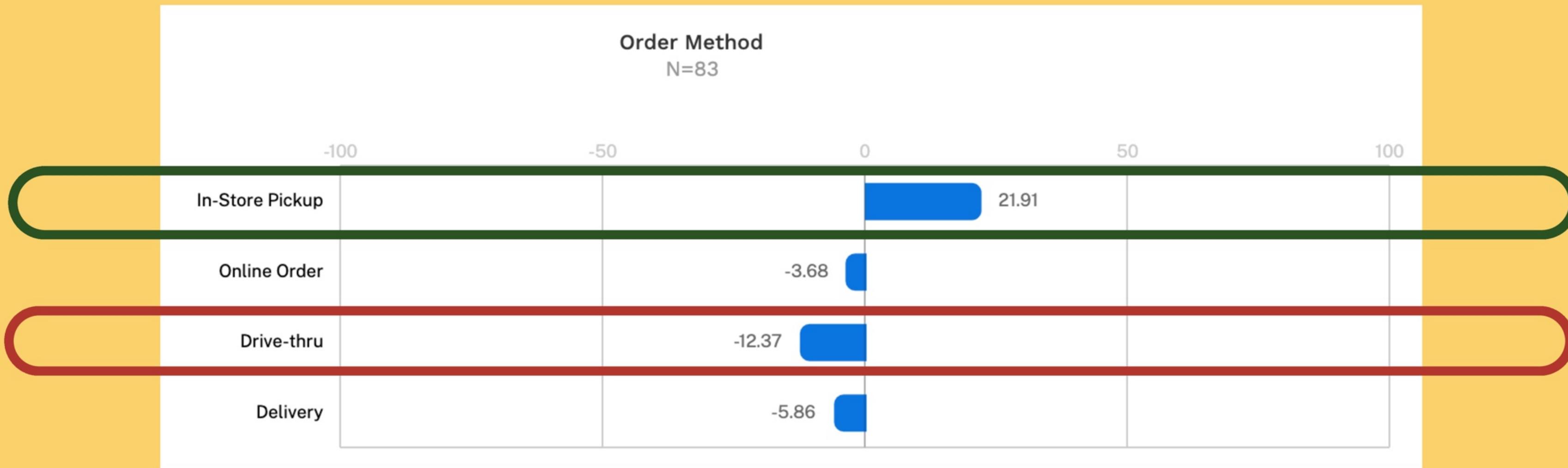
Location



- Respondents strongly prefer Porto's to be at USC Village, with Leavey Library being the second, and Ronald Tutor Campus Center being the third.
- On the other hand, they would not like Porto's to be at University Gateway, most likely because it's further from their classes and it's also located in the outskirts of campus, making it less safe to walk there.

CONJOINT STUDY ANALYSIS

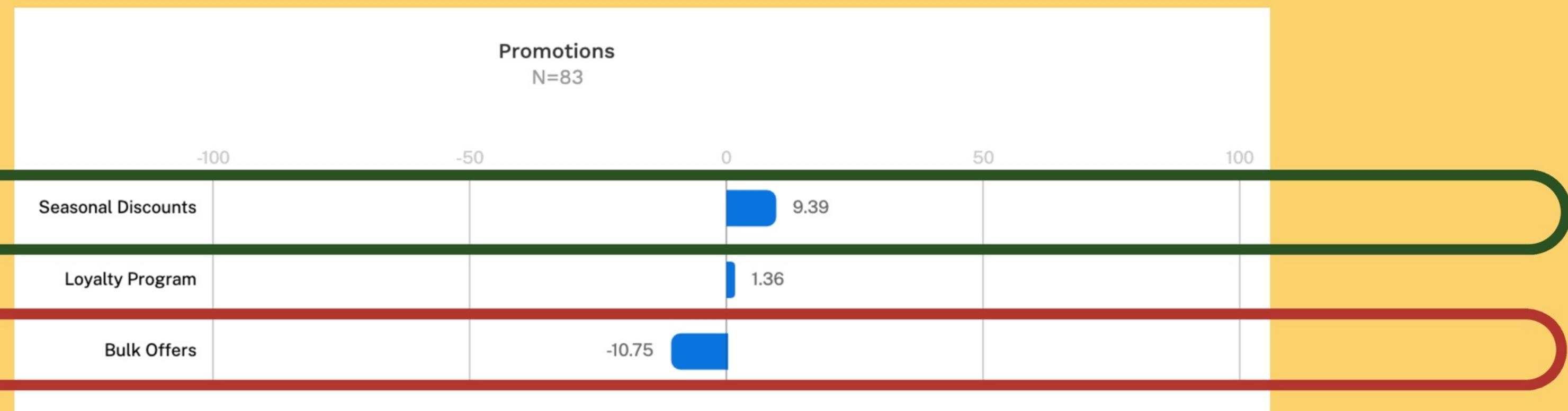
Convenience/Order location



- Respondents prefer in-store pickup because of its convenience. It is easy to grab orders on the way to class or cars.
- The drive-thru option is less favorable due to feasibility concerns (some locations like Leavey Library and Ronald Tutor Campus Center are not easily accessible by car).

CONJOINT STUDY ANALYSIS

Promotions



- Our respondents have a strong preference for seasonal discounts.
- Unless the respondent has a need to purchase in bulk, they would not prefer bulk offers. The demand for bulk offers might be limited to individuals who are associated with an organization or individuals who are hosting events for departments.

CONJOINT STUDY ANALYSIS

Further Analysis between Gender Preferences

				N=	Total	Male	Female	Prefer not to say
Attribute #	Attribute	Level #		Level	Utility	Utility	Utility	Utility
1	Product Category	3		Sandwiches	-3.06	-7.77	2.95	-27.54
		5		Beverages (coffee, tea, etc.)	-1.45	3.98	-4.63	-25.56
2	Add-On Options	4		Two Pastries — \$5	-2.37	-13.54	5.01	35.91
		5		One Pastry + Side Pastry or Cookie — \$4.50	7.01	14.14	0.98	1.19
3	Location	2		Leavey Library	14.19	-0.15	23.11	70.92
4	Order Method	2		Online Order	-3.68	-9.50	1.77	-6.28
5	Promotions	2		Loyalty Program	1.36	-1.15	3.74	-0.05

Differing attributes between genders:

- Males - generally prefer Beverages (Product Category), One Pastry + Side Pasty or Cookie for \$4.50 (Add-on options)
- Females - generally prefer Sandwiches (Product Category), Two Pastries - \$5 (Add-on options), Leavey Library (Location), Online order (Online method), and Loyalty Program (Promotions)

COMPETITORS

Trader Joe's

Offers a variety of snack options within USC Village

Cafe Dulce

Primarily sells beverages, but also offers cakes and bread

Insomnia Cookies

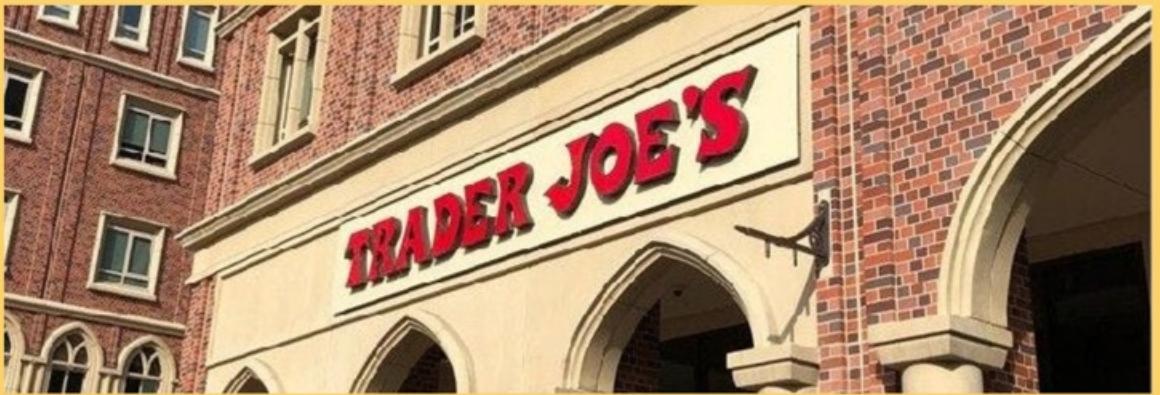
Specializes in cookies, though the selection is limited to cookies only

Target

Sells a selection of baked goods in the produce section

Starbucks

Primarily sells beverages, but also offers staple breads and to-go options



COMPETITIVE PRICE ANALYSIS

Average Menu Prices at Cafe Dulce (USC Village)

Sandwiches

Average Price: \$13.92

Number of Items: 10

Total Sum: \$139.20

Salads

Average Price: \$14.16

Number of Items: 5

Total Sum: \$70.80

Breakfast

Average Price: \$8.00

Number of Items: 2

Total Sum: \$16.00



Average Price of Insomnia Cookies:

- Individual Cookies: \$1.50 - \$2.00
- 6-Pack: \$8.00 - \$10.00
- 12-Pack: \$15.00 - \$18.00
- Cookie Cakes: \$20.00 - \$30.00
- Ice Cream: \$3.00 - \$5.00

Average Price of Typical Order:

\$8.58 (based on individual cookies, 6-pack, and 12-pack)



COMPETITIVE LANDSCAPE MATRIX

Feature	Porto's	Trader Joe's	Cafe Dulce	Insomnia Cookies	Starbucks	Target
Price (\$2-5)	✓	✓	✗	✗	✓	✓
Product Variety	✓	✗	✓	✗	✗	✓
Freshness	✓	✓	✓	✗	✓	✓
Vegan Options	✓	✓	✓	✓	✓	✓
Ambiance	✓	✗	✓	✓	✓	✗

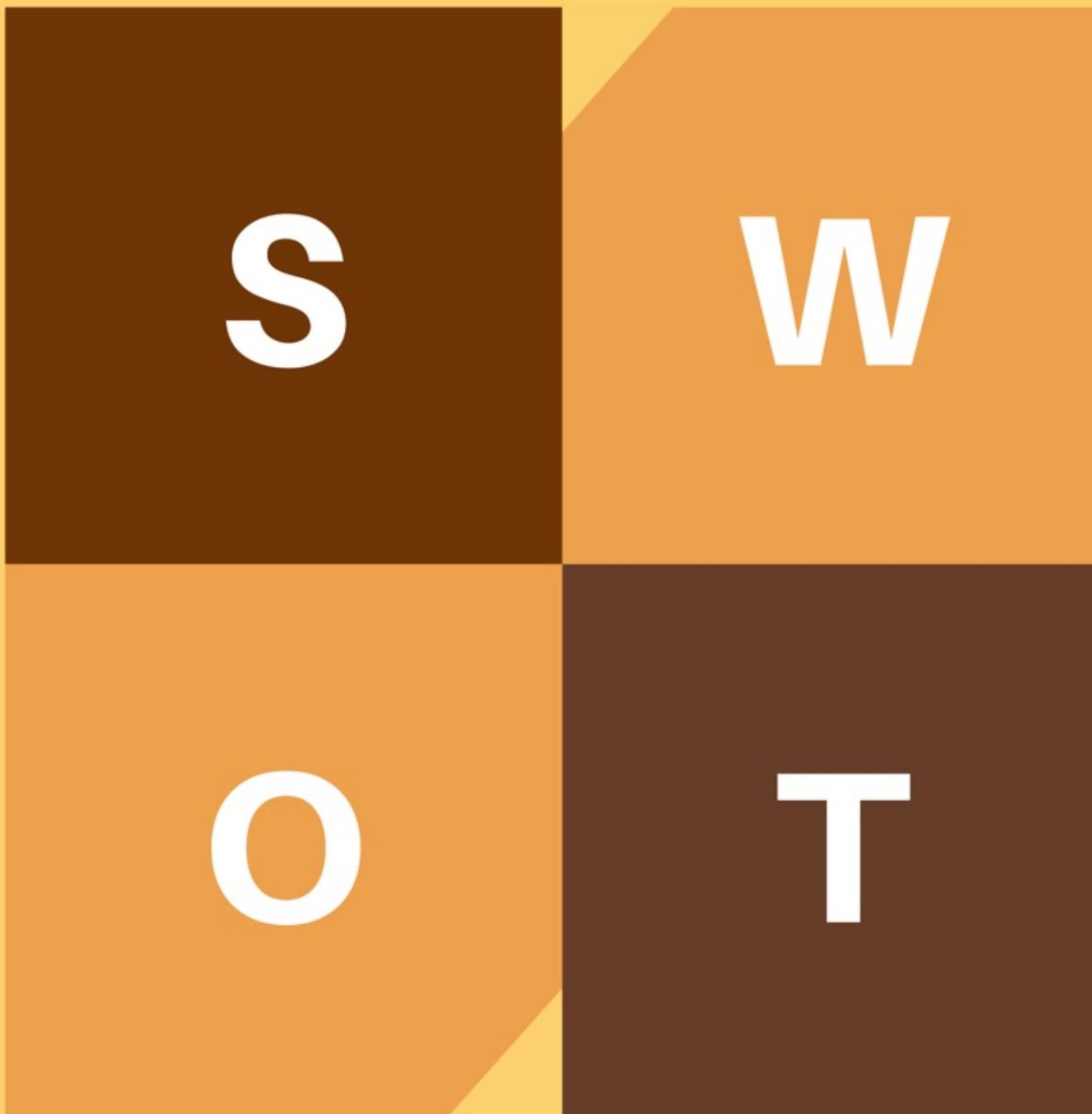
SWOT ANALYSIS

STRENGTHS

- Strong brand recognition
- High-quality products
- Strategic location
- Affordable prices
- Diverse menu

OPPORTUNITIES

- Captive Market
- Online Ordering & Delivery
- Catering for Campus Events
- Expansion of Offerings
- Tourist Attraction



WEAKNESSES

- High Initial Investment
- Logistical Challenges
- Limited Vegan / Gluten-Free Options
- Brand Overlap

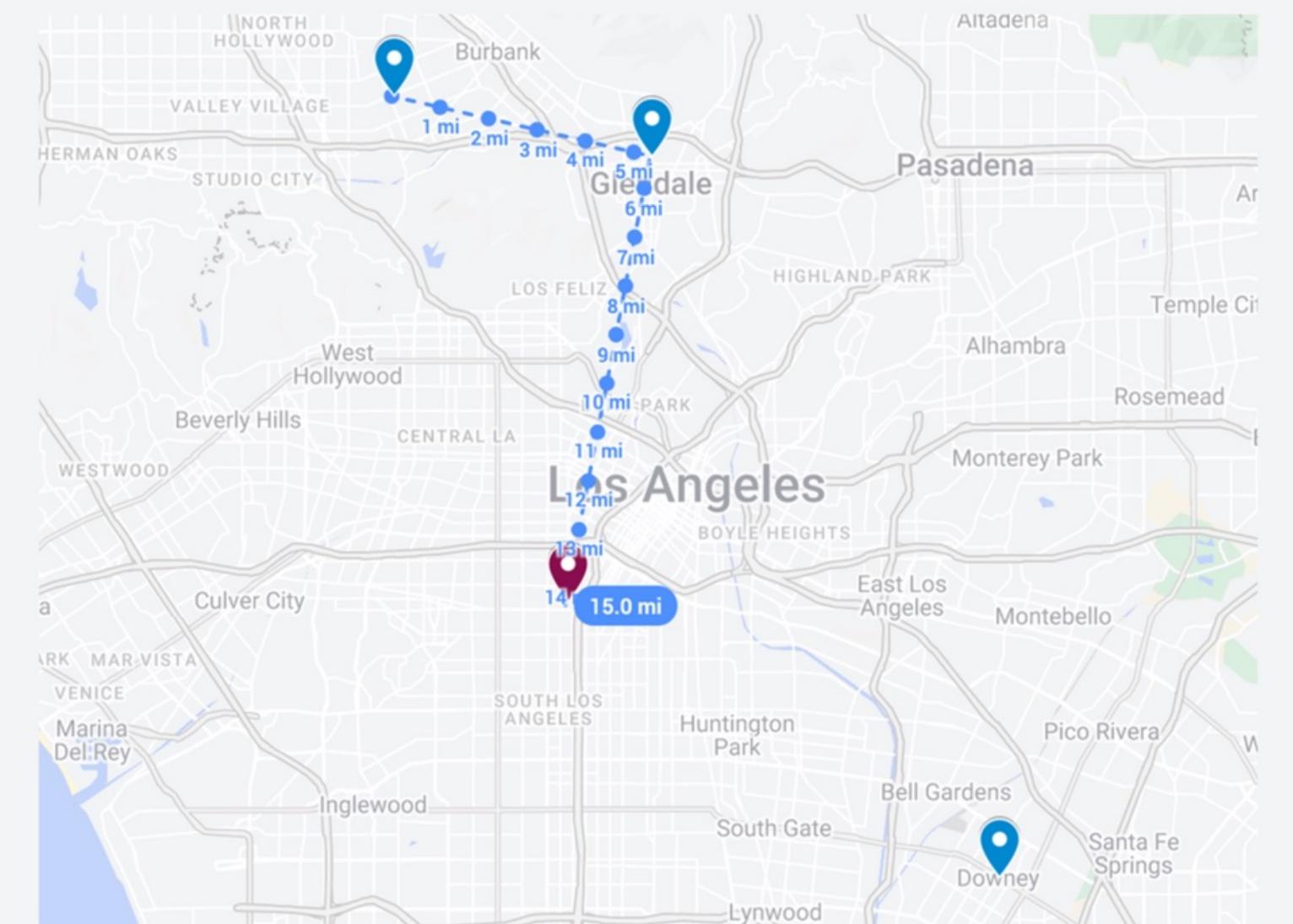
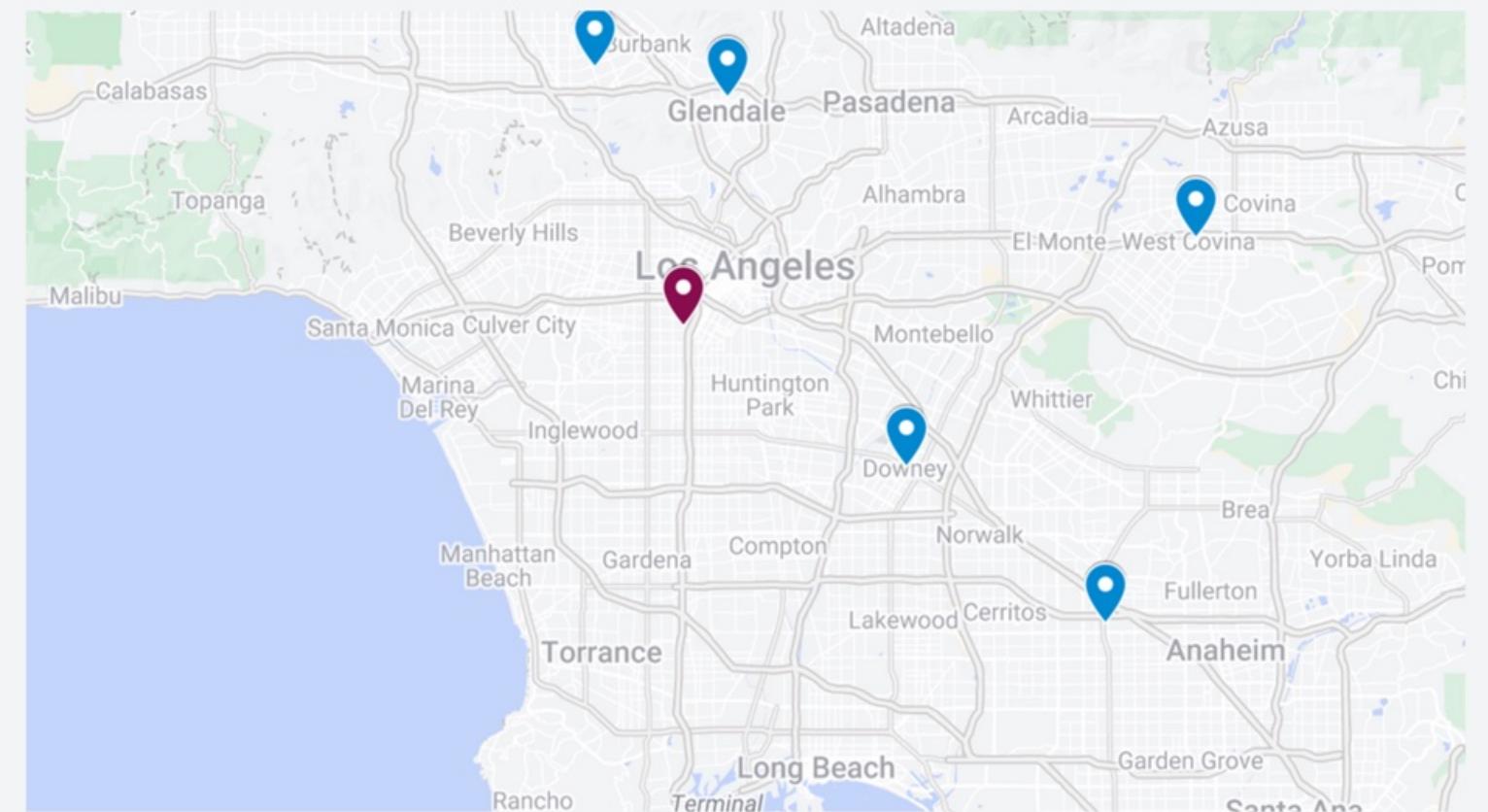
THREATS

- High Competition
- Economic Sensitivity
- Real Estate Costs
- Operational Strain

POTENTIAL MARKET- USC

Would the USC location cater to an underserved group of customers?

- The USC location is at a densely populated area with a high volume of students, staff, and local residents. The store could also tap into a unique demographic with limited overlap with other Porto's locations.
- Customers who live in areas like DTLA, Beverly Hills, Santa Monica, Venice, Culver City, and Marina Del Rey can enjoy pastries from a closer Porto's location in USC.



RECOMMENDATIONS

PORTOS BAKERY AT USC



Product Strategy



Affordable Value Combos



Location Selection



**Convenience-centric
Operations**



**Promotions tailored to
students**



Menu adaptability

MANAGERIAL IMPLICATIONS

STRATEGIC CONSIDERATIONS FOR LAUNCHING PORTO'S BAKERY & CAFE AT USC



Location & Accessibility



Marketing & Customer Engagement



Value Proposition



Operational Efficiency



Menu Development

Scalability & Financial Viability

LIMITATIONS



Removed dietary
options from
attributes



Our respondents are
mostly students of
Marshall



Drive-thrus may require
certain permits

Thank you!



RELEVANT REFERENCES

- <https://www.portosbakery.com/>
- https://direct.chownow.com/order/5801/locations/15989?cn_channel=cn_website
- https://insomniacookies.com/?srsltid=AfmBOoqC_OYxT3Ylp1L4Cp0dPqfMlwKULDu5iULuvWUVF4JjuyVjQVb
- <https://www.google.com/maps/d/u/0/edit?mid=1-6a7qjzHz2v6eEPGTi-IB-rNhqte9QY&usp=sharing>

TECHNICAL APPENDIX

TITLE

- | TITLE |
|---|
| X Student Preferences for Campus Bakery Options - CBC1 Attri... |
| X Student Preferences for Campus Bakery Options - CBC1 Des... |
| X Student Preferences for Campus Bakery Options - CBC1 Res... |

https://drive.google.com/drive/folders/1ghlgZHivnmc9p4dxmxJic7RI_kJLhgnK