

A marketing plan as a marketing management tool

Defined business document	Marketing plan
Brand	Shake Shack - shakeshack.com
Market	Fast food
Marketing challenge	Extend the offer by a branded food truck
Geographical focus	London, UK (as a pilot)
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Meeting point of the authors with Danny Abramovich	Politecnico di Milano, MIP Graduate School of Business, Master in Multichannel Marketing
Content covered	Chapter 1, Marketing analysis ✓ Chapter 2, Strategy & objectives ✓ Chapter 3, Budgeted action plan ✓ Chapter 4, Control procedures ✗
Methodology used	The MODE - doing your marketing more effectively
Number of slides	36
Presentation format	Pdf

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MARKETING PLAN

SHAKE  SHACK

We want to create a Shake Shack Food Truck which we can rent hourly for private events in London as of May 2020.
(Service Development Strategy)

Original Recipes
EST. 2017
BURGER
menu



BURGER NAME	
LOAFER SPECIAL	\$4.00
LOAFER SPECIAL	\$4.00
LOAFER SPECIAL	\$4.00
LOAFER SPECIAL	\$4.00

BURGER NAME	
LOAFER SPECIAL	\$4.00
LOAFER SPECIAL	\$4.00
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BURGER NAME	
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BURGER NAME	
LOAFER SPECIAL	\$4.00
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LOAFER SPECIAL	\$4.00



Business Card

WHO?

Shake Shack

WHAT?

People who live in London enjoy eating burgers at any time, including special events. For this reason, we are going to offer our clients the service of renting a food truck for private events that provides customers a cleverly branded catering service which guarantees them the same food experience as in our restaurants.

WHICH DIRECTION?

We Stand For Something Good[®] in everything we do.

WHEN?

In May 2020.

HOW MUCH?

Increase our brand recognition in London by 20%.

Company Overview



- ❖ **Vision:** We Stand For Something Good® in everything we do.
- ❖ **Shake Shack** is an American fast food chain based in New York city, serving burgers, chicken, hot dogs, **shakes**, frozen custard, beer, wine & more.
 - ❖ In 2001 temporary hot dog cart
 - ❖ In 2004 a permanent kiosk
- ❖ **Enterprise value:** \$54.10 M (NYSE)
- ❖ 162 **POS** worldwide across 12 countries and 20 U.S. states.

TRENDS

MARKET
ANALYSIS

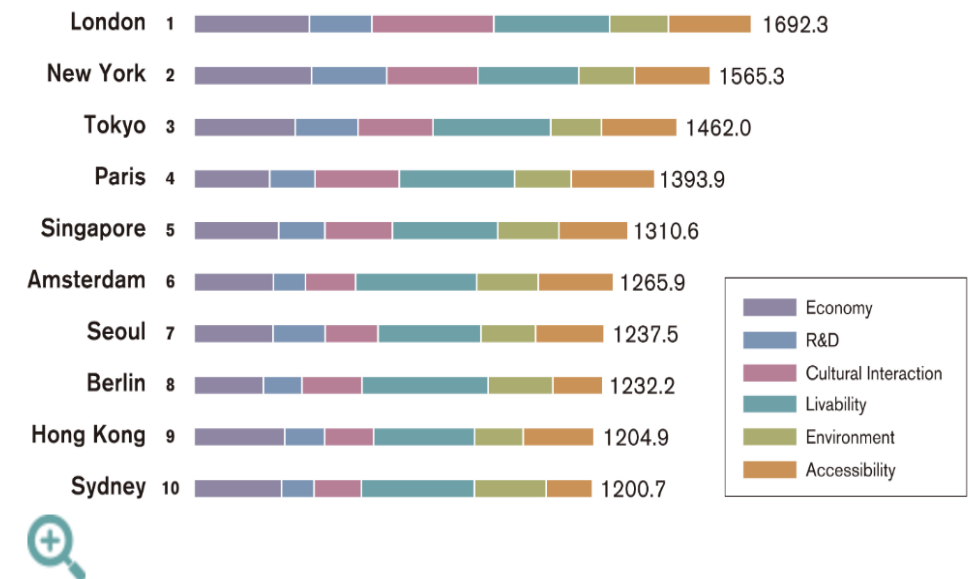
COMPETITOR
ANALYSIS

Geographical Fact Sheet



LONDON

- ❖ 9,176,530 people in London Metropolitan
- ❖ **Largest city** of England and the United Kingdom
- ❖ **8 restaurants** located in London Centre
- ❖ The **1st city in the world** that attracts people
- ❖ Best location to implement: In the [centre of London](#)





CH. 2

Strategy and Objectives

2.1 Marketing Strategy

- ❖ Our preferred strategy is entitled “service development strategy”, which means we want to create a Shake Shack Food Truck which we can rent hourly for private events in London as of May 2020. ([ANSOFF MATRIX](#))

2.2 Value Proposition

- ❖ In tune with our preferred strategy, as of May 2020, we are going to develop in London the following value proposition: provide customers a cleverly branded catering service that guarantees them the same food experience as in our restaurants but in their private events, and allows them to choose between the basic, value or premium menu according to what suits best for them. People who live in London enjoy eating burgers at any time, including special events, which will allow us to increase our brand recognition in London. ([VALUE CANVAS](#) – [PRICING & SERVICE OFFER](#))

2.3 Targeting next year

- ❖ In tune with the service development strategy, as of May 2020, our main target will be current consumers of Shack Sack, specifically millennials (between 22 and 37 years old). [\(SEGMENTATION\)](#)

2.4 Marketing offer next year

- ❖ In tune with the service development strategy, so as of May 2020, most resources will be allocated to quality of service because since we are launching a new service that is going to be present in important events, we want to offer an exceptional user experience that can satisfy not only the buyer of the service but also the rest of his guests.

[\(MKTG OFFER MIX NEXT YEAR – MKTG OFFER MIX TO DATE\)](#)



2.5 Revising marketing promotion mix next year

- ❖ In tune with the service development strategy, as of May 2020, most resources will be allocated to direct marketing because this is the most effective way to reach our main target (see #2.3) since we have their information in our database they can be easily contacted through several direct channels. ([PROMOTION MIX](#))

2.6 Transforming strengths & weaknesses into objectives

- ❖ In May 2018, we'll take advantage of the long lines due to slow service, to give free trials of our new products and let them know about our new catering service. (WO)
- ❖ In May 2018, we should increase the turnover of the tables to make it more efficient without impacting the customers' experience. (ST) ([TOWS](#) - [FCB MODEL](#))



2.7 Improving Perceptions next year: Position

- ❖ Based on [actual strengths and weaknesses](#), we have defined a perceptual gap on a perceptual map to serve as the desired position. ([PERCEPTUAL MAP](#))

2.8 Conducting Yearly Sales Forecast

- ❖ As of May 2020, our expected sales forecast is 710.090€. ([SALES FORECAST](#))



CH. 3

Marketing Action Plan & Budget

3.1 Partnerships

- ❖ We will collaborate with an event company, Story Events, to increase our visibility. They will promote our food truck when they will organize their event, and they are covering all types of event where we can be present. ([PARTNERSHIP](#))

3.3 To Adjust the Offer

In response to objective #2.4 we want to adjust the offer to upgrade the quality of the service.

- ❖ To improve employee training in order for them to offer an optimal service aligned to the company's standards
- ❖ To develop a new customized uniform for special events
- ❖ To develop easy to carry plates that can increase the customer experience



3.4 To Promote Marketing Activities

DISTRIBUTION MIX Direct Marketing	3.4.1 Email advertisement campaigns Print advertisement Promoted or paid advertising on social media Pre-roll ads on YouTube and other video platforms
Indirect Marketing	3.4.2 Social media influencers Search engine optimization Word of mouth Social Media fan pages Useful blog posts
MARCOM MIX Advertising PR Sponsorship	3.4.3 Sponsorships with "private event" companies Boost the reputation with PR activities

Newsletter

Instagram
Account

3.5 Marketing Action Plan

What	By who ?	When		How much	%	Comments
		From	To			
Social media	Advertisement agency	Apr.20	Always On	£ 75'000.00	20%	A/B testing
Print advertisement	Advertisement agency	May.20	Jul.20	£ 37'500.00	10%	
Email campaign	Marketing devlp.	Jun.20	Aug.20	£ 37'500.00	10%	
Influencers	PR agency	Apr.20	Sep.20	£ 75'000.00	20%	
SEO	PR agency	May.20	Always On	£ 56'250.00	15%	
Sponsorship	Story Event	May.20	Always On	£ 93'750.00	25%	
			TOTAL	375'000.00	100%	

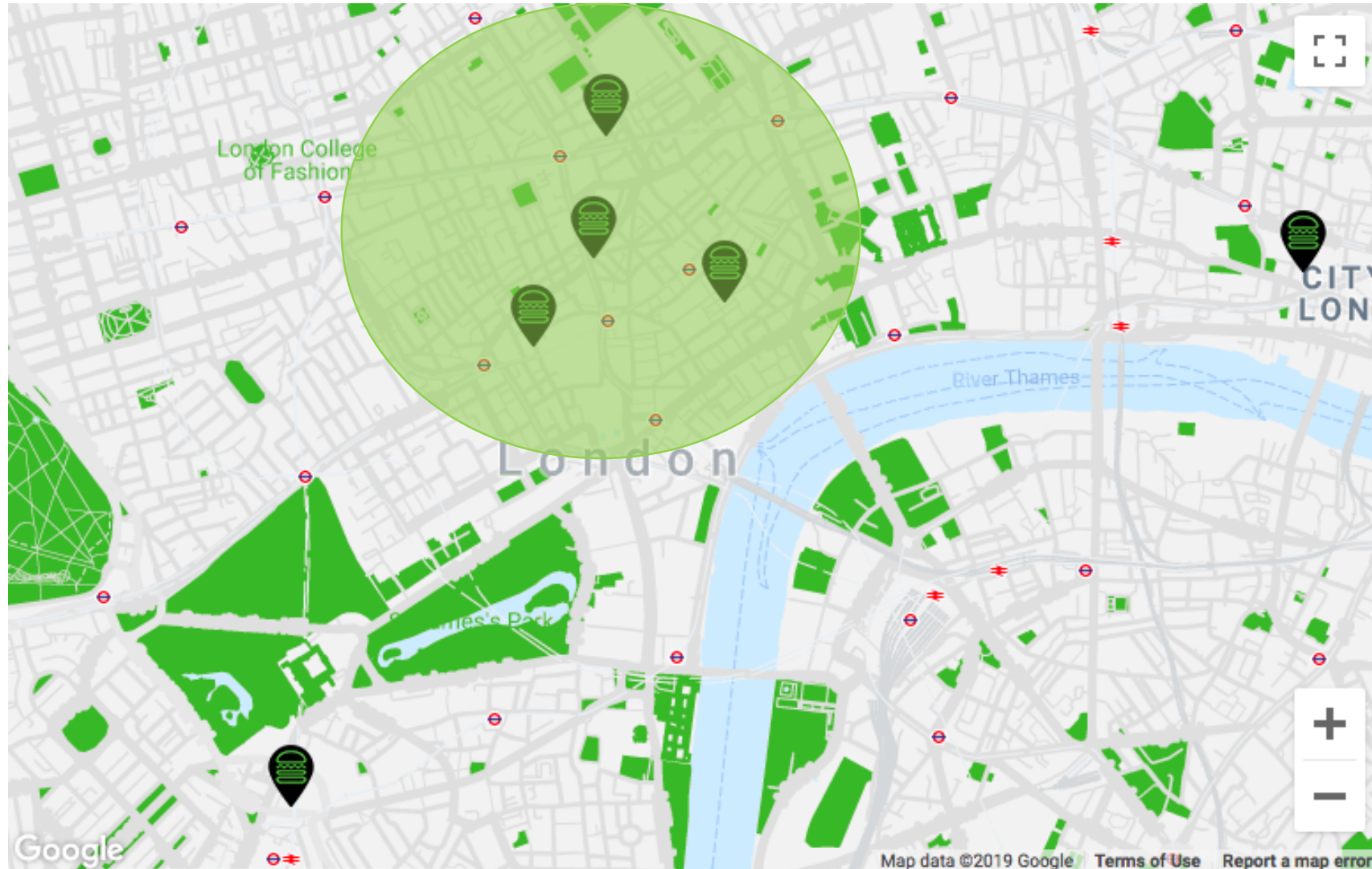
3.6 Marketing Budget

RESSOURCES		%	EXPENSES		%
Capital	£ 350'000.00	70%	Social media	£ 75'000.00	15%
Loans	£ 125'000.00	25%	Print advertisement	£ 37'500.00	8%
Coop	£ 25'000.00	5%	Email campaign	£ 37'500.00	8%
			Influencers	£ 75'000.00	15%
			SEO	£ 56'250.00	11%
			Sponsorship	£ 93'750.00	19%
			Markt. Research	£ 25'000.00	5%
			Non allocated	£ 100'000.00	20%
TOTAL	500'000.00	100%	TOTAL	500'000.00	100%



ANNEX

Map Indicating Where In London





1.1 Influential Business Trends to-date



- ❖ The trends that have most influenced our business so far are economical and social trends:
 - ❖ Diversity of the population is one of the greatest strengths of London food scene
 - ❖ Potential growth of the fast food industry due to lack of time and search for convenience
 - ❖ Healthy eating trends: focus on natural, higher quality ingredients

1.2 Market Analysis to-date

Monopolistic Competition

Five Forces Analysis

MARKET 1	MARKET 2	MARKET 3	MARKET 4	MARKET 5	MARKET 6
US	Kingdom of Saudi Arabia	Japan	Kuwait	United Arab Emirates	UK

The level of competitiveness of our main market (US) is very high which means existing players can drive down prices and decrease the overall profitability of the industry. To tackle this, Shake Shack has to build sustainable differentiation and and scale. (Monopolistic Competition – Five forces analysis)



Monopolistic competition



MONOPOLISTIC COMPETITION*	
NUMBER OF FIRMS:	Many fast food chains
TYPE OF PRODUCT:	Differentiated, branding is important
BARRIERS TO ENTRY:	Low

****Monopolistic competition** characterizes an industry in which many firms offer products or services that are similar, but not perfect substitutes. Barriers to entry and exit in a monopolistic competitive industry are low, and the decisions of any one firm do not directly affect those of its competitors.*



Five forces analysis



Bargaining Power of Suppliers: LOW

Large number of suppliers

Threat from New Entrants: HIGH

Moderate Capital Cost
High demand for fast food

Internal Rivalry: HIGH

Large number of direct competitors
Low switching cost
Low level of product differentiation

Threat from Substitution: HIGH

High substitute availability
Low switching cost

Bargaining Power of Buyers: HIGH

Large number of providers
Low switching cost
High availability of substitutes



1.3 Competitive Analysis to-date



COMPETITOR 1	COMPETITOR 2	COMPETITOR 3	COMPETITOR 4
IN-N-OUT	FIVE GUYS	CHIPOTLE	PANERA

Our level of competitiveness is lower than Five Guys by 50% when we look at the worldwide quantitative data.

Quantitative
Analysis

1.3 The competitive quantitative analysis

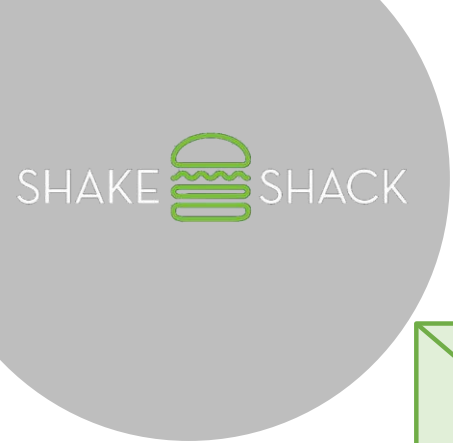
 BACK

Drivers \ Competitors	Shake Shack	Five Guys
PRICE PER OUNCE	\$1.19	\$1.07
PROFIT PER YEAR	\$118M	>\$830M
N° STORES	217	>1500
N° COUNTRIES	13	18
YEAR AND COUNTRY OF ORIGIN	U.S. 1986	U.S. 2004

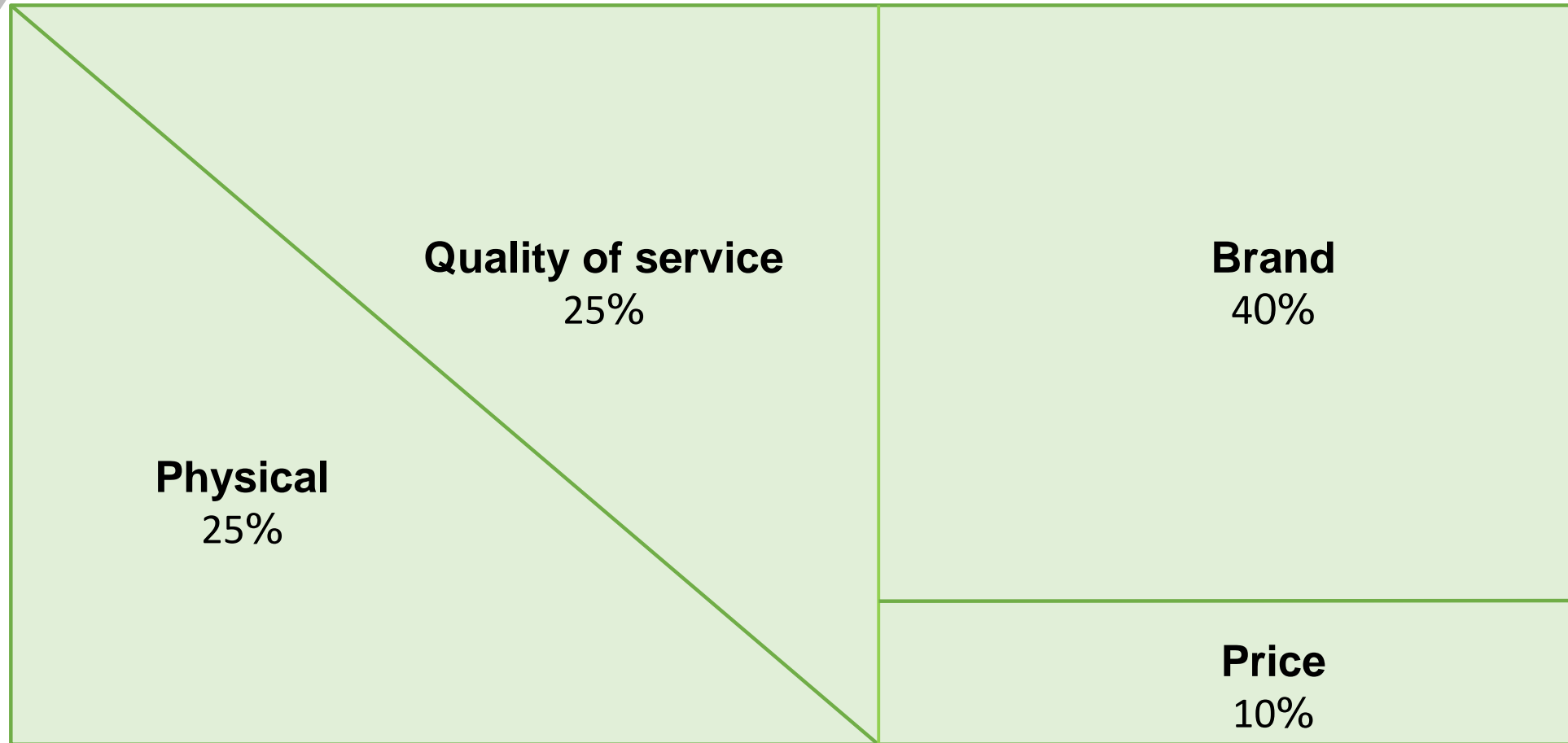
1.4 Current market segmentation to-date

Considering the segmentation by needs, our main segments are:

- **Health:** Unlike the other fast food stores, the Shake Shack uses fresh and high quality ingredients, which attracts customers that care about health but still like to enjoy a tasty hamburger.
- **Experience:** Due to the friendly environment, many millennial customers are willing to pay more for an informal and comfortable dining and hangout experience.
- **Convenience:** Since Shack Sack is located in very main areas of London, it attracts customers that want to enjoy a tasty and fast meal, in a convenient location.
- **Trend:** Since Shack Sack is hip, innovative, and influential brand, it has become a cult among influential millennials and they are making its popularity go viral. This attracts customers that just want to be part of the trend and post their Shack Shack picture on their Instagram.

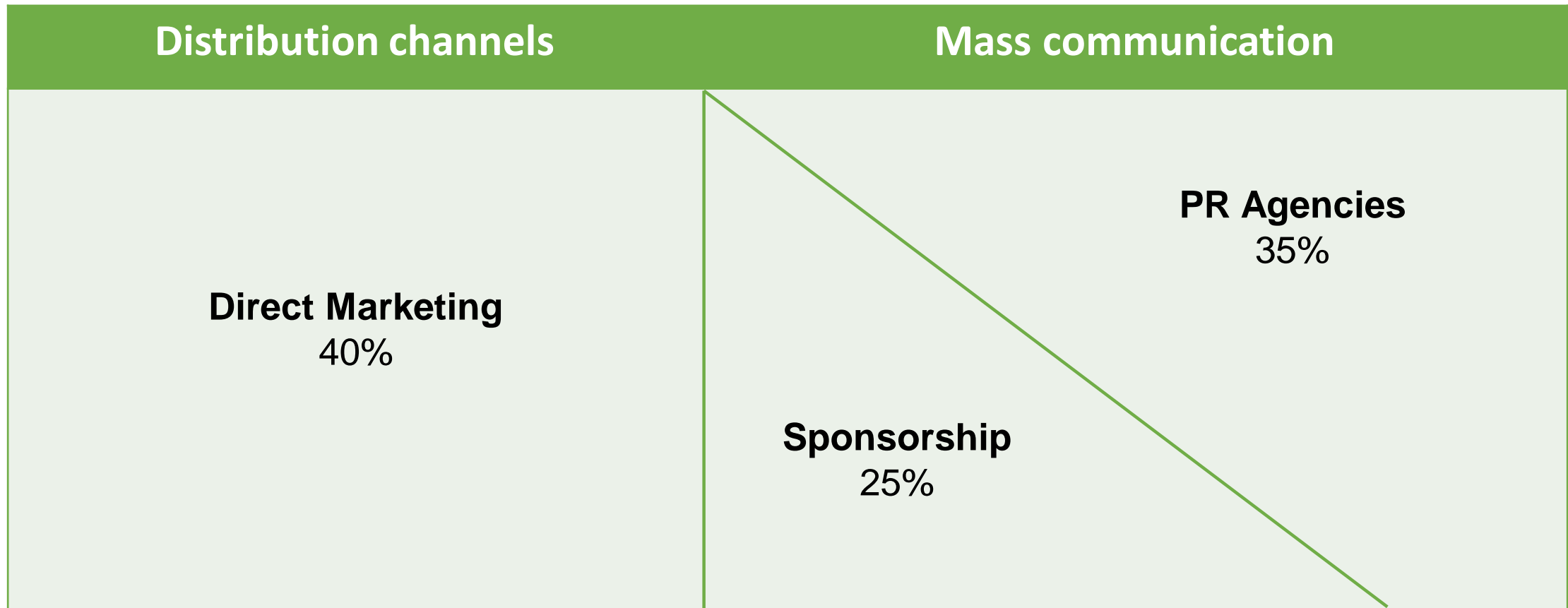


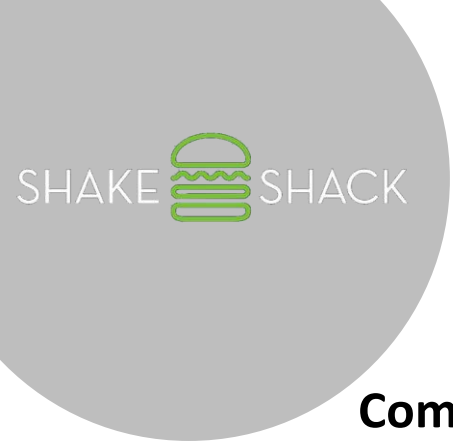
1.5 Marketing offer (offer-mix) to-date





1.6 Marketing promotion mix to-date





1.7 Marketing promotion (promotion mix) to-date

Competitive advantages (as perceived by our clients)

- 😊 (USP 1) We offer good quality of service and reactive response for problems
- 😊 (USP 2) We sell tasty food made of high quality ingredients
- 😊 (ESP 1) We help our clients to make them feel unique
- 😊 (ESP 2) Our clients enjoy a nice place to hang out with friends in an atmosphere that does not feel like a standardized food chain

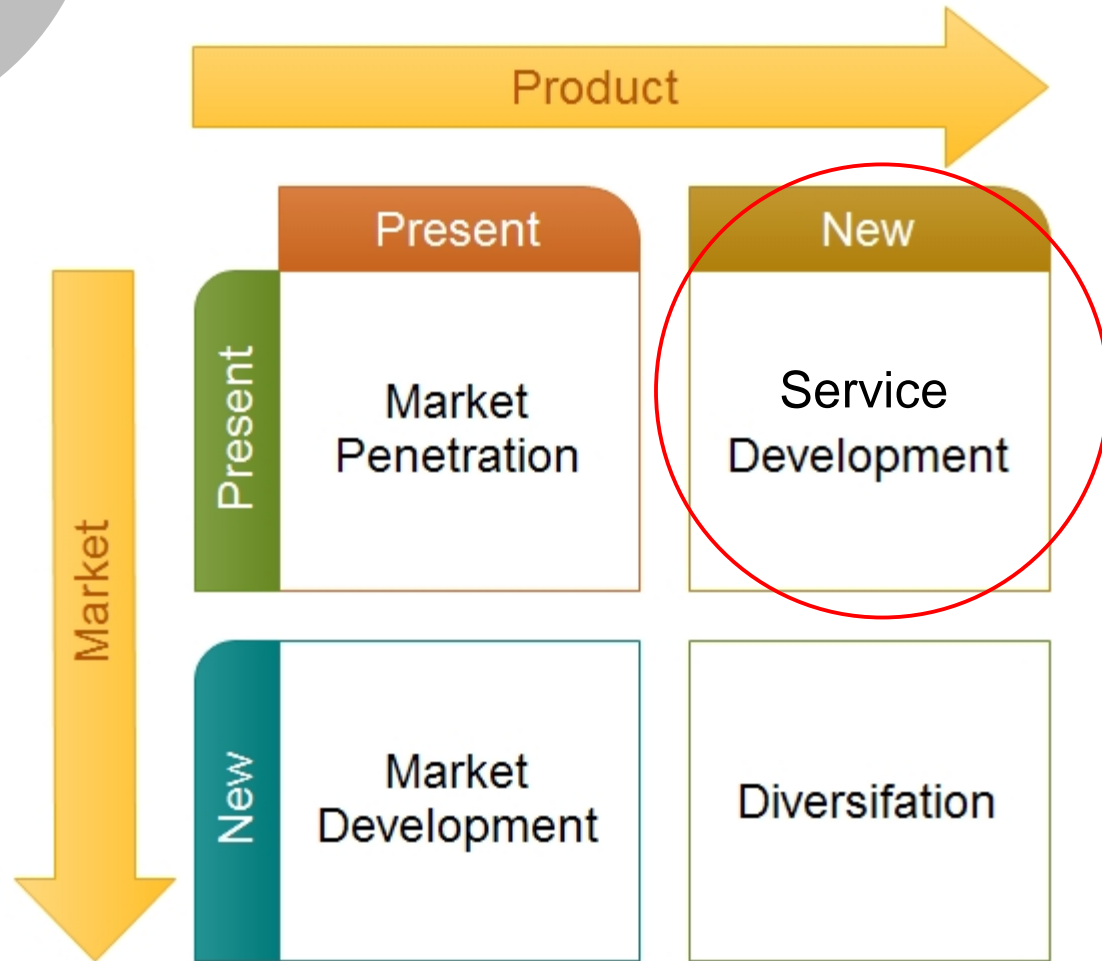
Main weaknesses (as perceived by our clients)

- 😞 What is shown on the website and on reality is quite different (picture related)
- 😞 We have a slow service which prevents the queue line from moving efficiently, diminishing the customers' experience.
- 😞 Our prices are high compared to the portions we offer and to our main competitors

BACK



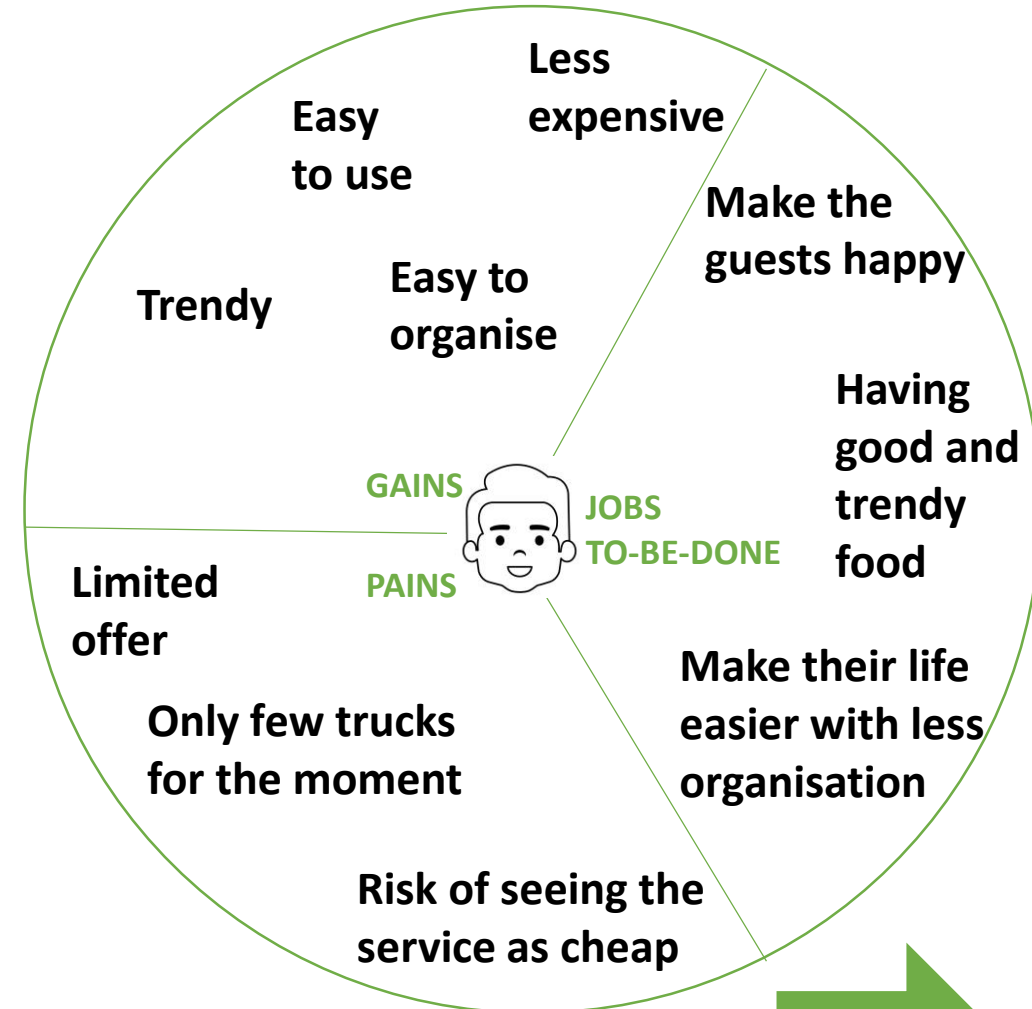
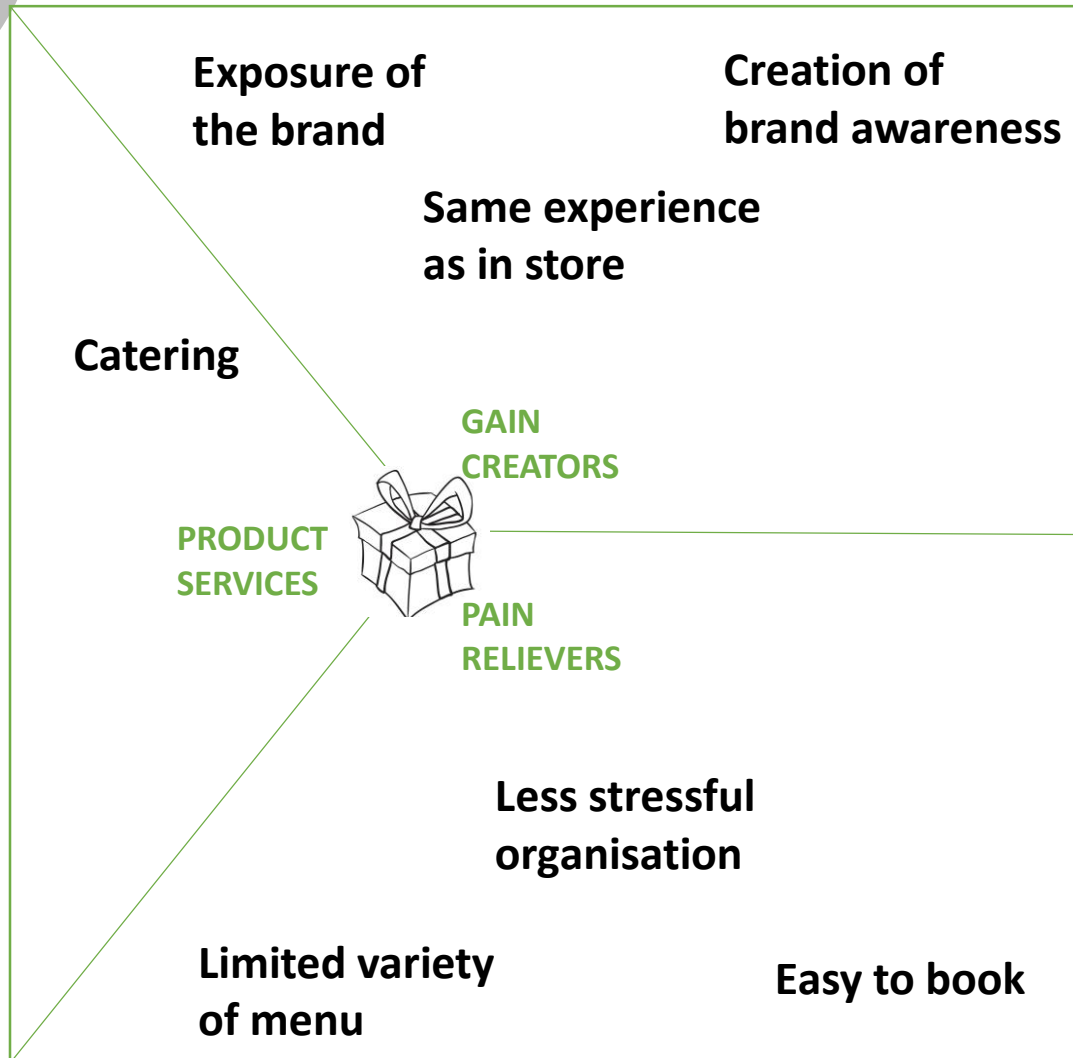
2.1 Ansoff Matrix



We are going to develop a new service of food truck rental in London, which is an existing market for the brand. According to Ansoff matrix, this strategy is called Service Development.

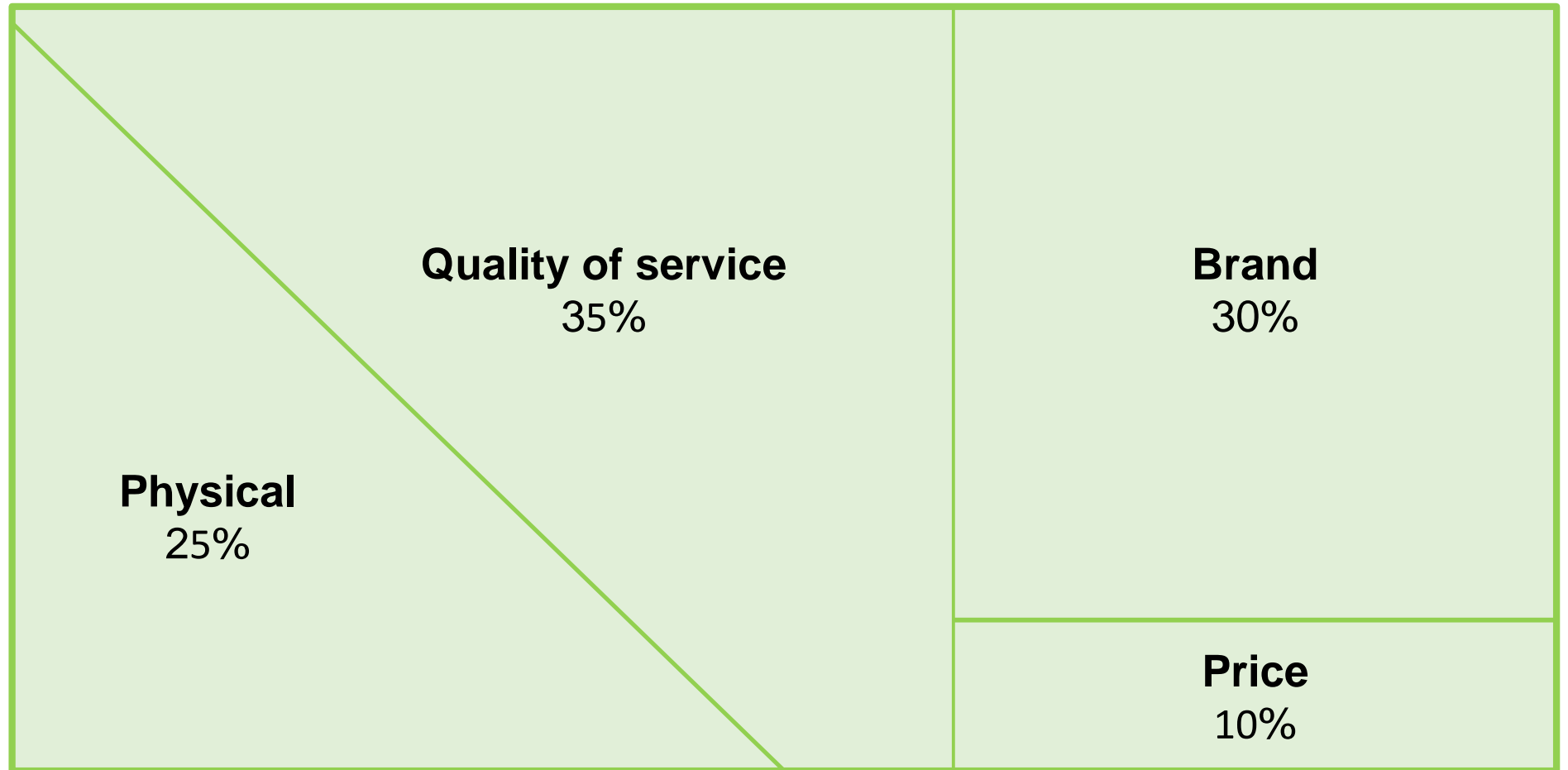


2.2 Value proposition canvas (ANNEX)





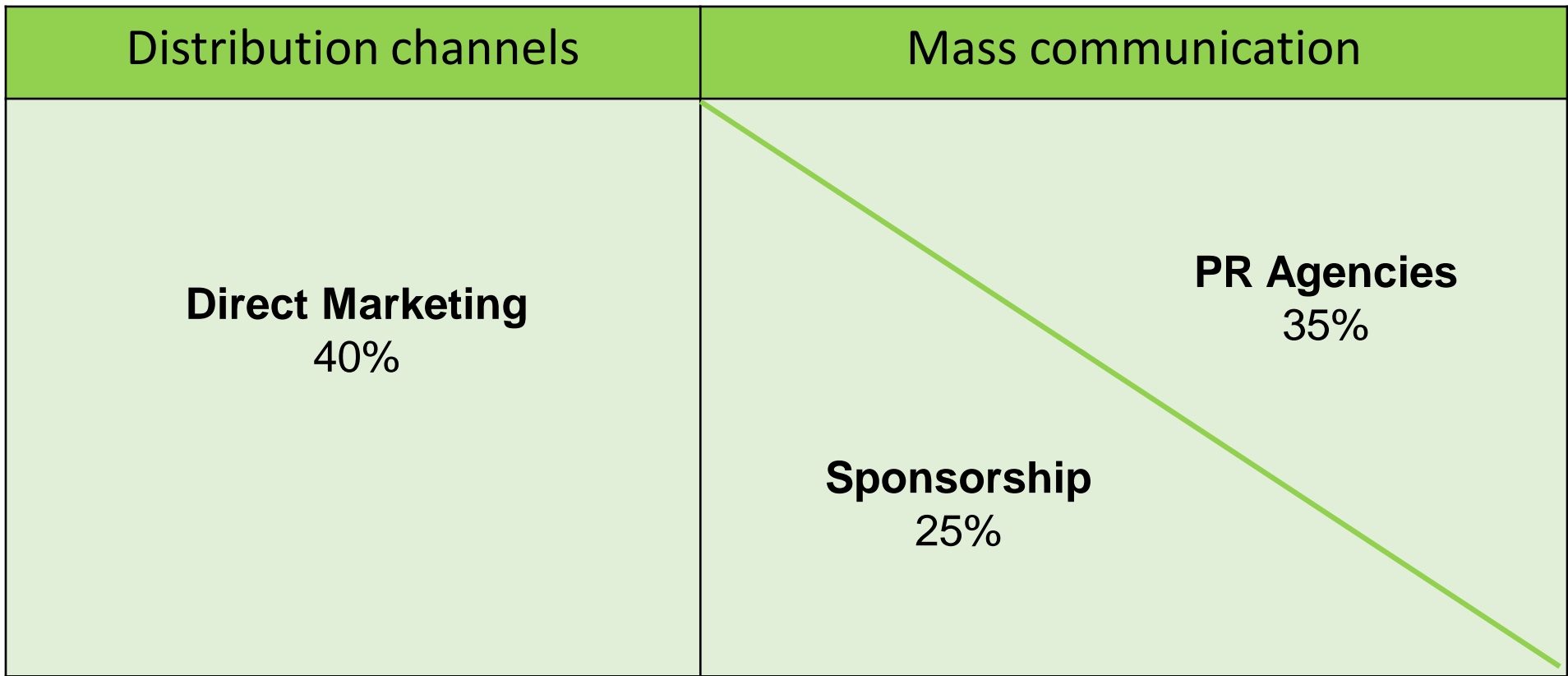
2.4 Marketing offer mix next year





2.5 Promotion mix next year

Marketing Promotion to-date





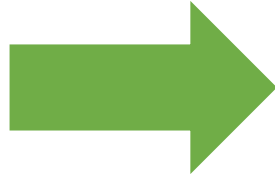
2.6 Transforming strengths & weaknesses into objectives



Weakness:

We have a slow service which prevents the queue line from moving efficiently, diminishing the customers' experience.

OPPORTUNITY

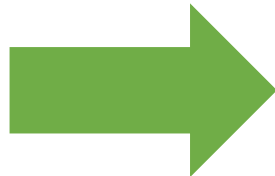


- ❖ In May 2018, we'll take advantage of the long lines due to slow service, to give free trials of our new products and let them know about our new catering service.

Strength:

Our clients enjoy a nice place to hang out with friends in an atmosphere that does not feel like a standardized food chain

THREAT



- ❖ Due to the friendly atmosphere, clients, especially teens, stay long periods of time just hanging out with their friends and this reduces the space to eat for the rest of the clients.
- ❖ In May 2018, we should increase the turnover of the tables to make it more efficient without impacting the customers' experience.



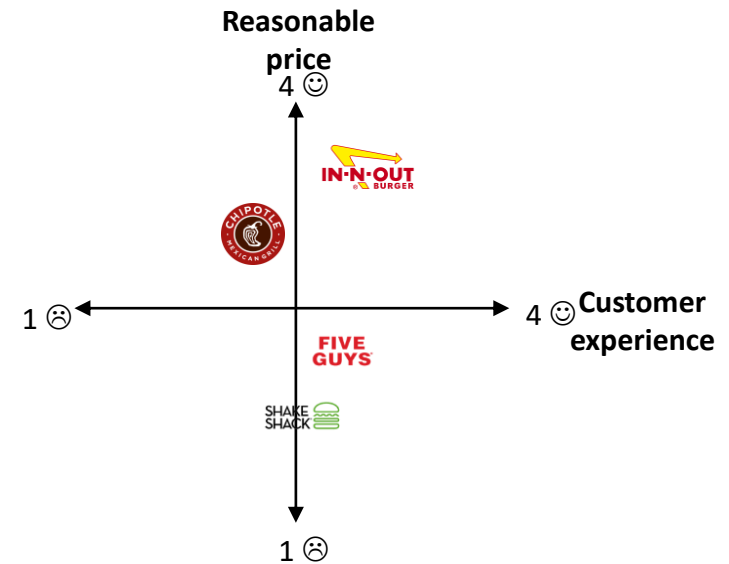
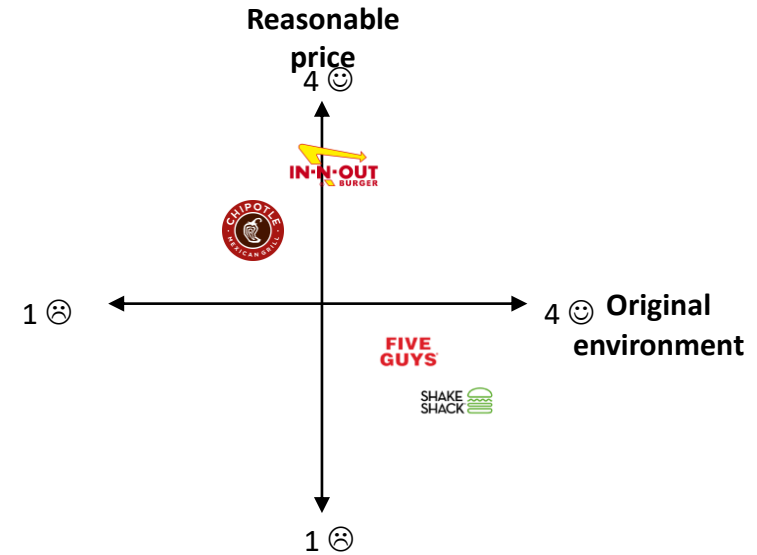
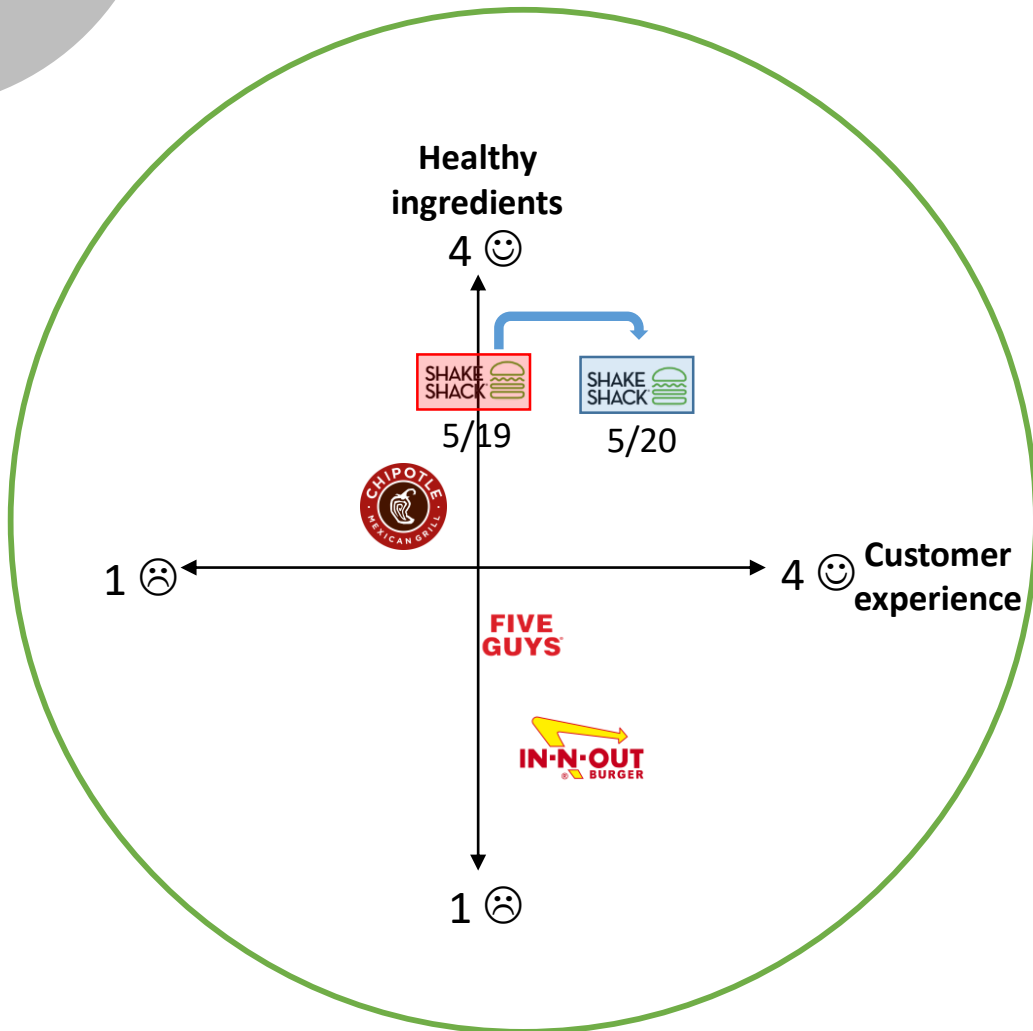
2.6 FCB MODEL

+
LEVEL OF
INVOLVEMENT
-





2.7 Improving Perceptions next year: Position



2.8 Conducting Yearly Sales Forecast


 BACK

Guest restrictions	
Min guest	40
Max guest	120

Additional hours	
Hours of service included	2
Price for every extra hour	£ 50,00

Seasonality	
High season month	June - July
Low season month	January - March
High season week	Friday / Saturday
Low season week	Monday / Tuesday

Reservation	
For a week	
# of trucks	4
% of reservation	60%

Revenue per service			
	Basic service	Standard service	Premium service
Additional hours	0	1	1
Price per additional hours	£ 50,00	£ 50,00	£ 50,00
Food per person	£ 11,00	£ 15,00	£ 18,00
Number of guest	70	70	70
Revenues	£ 770,00	£ 1.100,00	£ 1.310,00

Sales forecast calculation			
	Basic service	Standard service	Premium service
Trucks	1	2	1
Reservation	60%	60%	60%
Revenue	£ 770,00	£ 1.100,00	£ 1.310,00
Days	365	365	365
	€168.630,00	€ 481.800,00	€ 286.890,00
VTA	20%	20%	20%
Net revenues	£140.525,00	£ 401.500,00	£ 239.075,00
Pessimistic	10%	10%	10%
Sales forecast	£127.750,00	£ 365.000,00	£ 217.340,91
			£ 710.090,91



2.8 Pricing & Service Offer

Service	Classic hamburger	Special hamburger	Fries	Shake	2 hours of catering	Price
Basic	✓		✓		✓	£11
Value	✓		✓	✓	✓	£15
Premium	✓	✓	✓	✓	✓	£18



3.1 SWOT Partnership (annex)

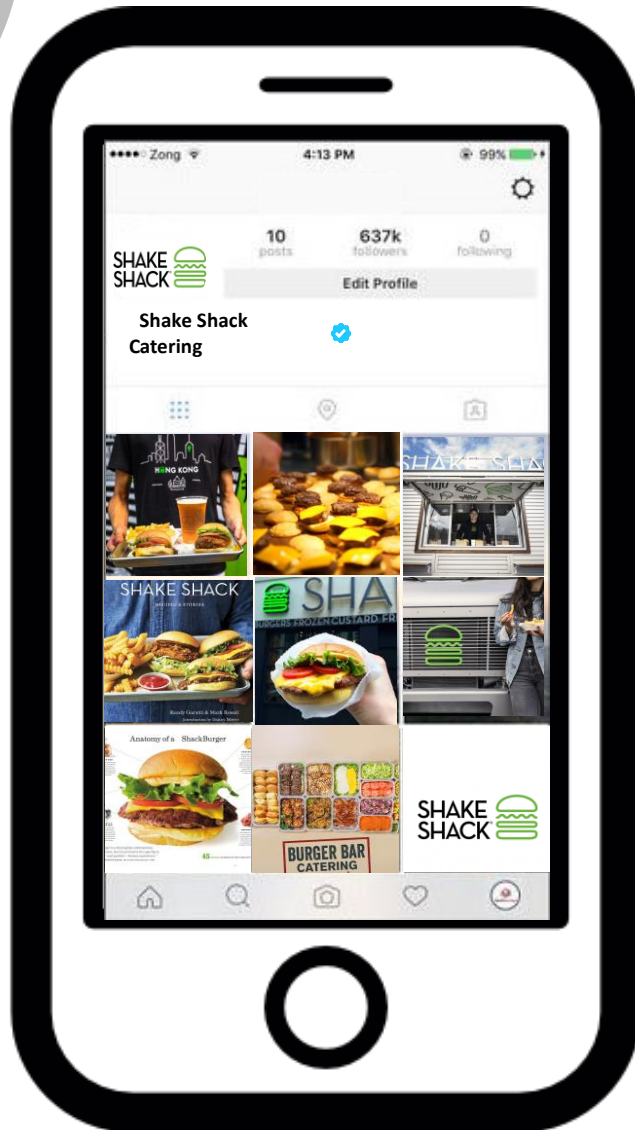


STORY

<p><u>Strength</u></p> <ul style="list-style-type: none"> -Good quality of food and service -Pay attention to the customers and react quickly to their questions -Our clients enjoy a nice place to hang out with friends in an atmosphere that does not feel like a standardized food chain 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> -Long lines for serving the clients -Overpriced burgers in relation to their size
<p><u>Opportunity</u></p> <ul style="list-style-type: none"> -New type of service for the restaurant in UK -High interest from the UK population about this kind of food 	<p><u>Threats</u></p> <ul style="list-style-type: none"> -Unknown market -No connection with event companies

<p><u>Strength</u></p> <ul style="list-style-type: none"> -Well known in the event industry -Have a lot of diff. type of events 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> -Do not have a fix partner for the catering
<p><u>Opportunity</u></p> <ul style="list-style-type: none"> -High diversity, so they can meet the market demand 	<p><u>Threats</u></p> <ul style="list-style-type: none"> -Lots of competition in London

3.4 PR – Instagram Account



- **Visibility**, great possibility of reaching a huge amount of people
- **Advertise**, possibility of using the adv instagram tools, very effective thanks to the segmenting algorithm of facebook
- **Communicate**, rapidity in communicating with our customers
- **Promote**, it enables us in showing new offerings and understanding people reactions
- **Not expensive**, far more cheaper than the traditional advertising and communicating tools
- **Leverage**, making leverage on our customer base in order to achieve quick success and awareness

3.4 Newsletter

Dear Shake Shakers,

We have a big new and we wanted to let you know first ! We are creating, just for you.... a Food Truck Service !

You can find all the information on our website <https://www.shakeshack.com/> in the section Shacked Truck !

If you need any further information, do not hesitate to contact us on our email info@shakeshack.com and on the FAQ of our website.

We can't wait to see you soon in one of our restaurant !

Have a nice day,

Shake Shack Team

