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MARKETING MIX OF COMPANY AND ITS PROPOSAL FOR IMPROVEMENT

MARKETINGOVÝ MIX PODNIKU A NÁVRH NA JEHO ZLEPŠENÍ

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Abstract

The present bachelor's thesis aims to provide relevant proposals to family businesses operating in the gastronomy sector, targeting their weak areas in the marketing mix and strategic development. The theoretical section of this thesis offers a comprehensive overview of the methodology utilized, as well as an enhanced comprehension of the problematic issues involved. In the analytical section, the previously described analysis models are applied to fulfill the objectives of this study. Finally, the proposal section presents several solutions that align with the initial goals set forth for this project.

Abstrakt

Tato bakalářská práce si klade za cíl poskytnout relevantní návrhy rodinnému podniku působícím v gastronomickém sektoru, zaměřujícím se na jejich slabá místa v marketingovém mixu a strategickém rozvoji. Teoretická část této práce nabízí komplexní přehled využití metodologie a lepší porozumění problematiky. V analytické části jsou aplikovány dříve popsané analýzy a modely ke splnění cílů této studie. Nakonec část návrhů představuje několik řešení, která se shodují s původními cíli stanovenými pro tento projekt.

Key words

Marketing, marketing mix, family business, framework, service, promotion, product, business model

Klíčová slova

Marketing, marketingový mix, rodinný podnik, rámec, služba, propagace, produkt, obchodní model

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Statutory declaration

I declare that the submitted bachelor's thesis is original and I have processed it independently. I declare that the citation of the sources used is complete and that I have not violated any copyrights in my work (within the meaning of Act No. 121/2000 Coll., on Copyright and Rights Related to Copyright).

Brno, 15 May 2021

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Authors Signature

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Introduction

This bachelor's thesis examines a chain of bistros with a gastronomy emphasis that has two locations in Brno and specializes in unusual cuisine. Alena Kirchnerová and Vladimír Pálenský established the smaller branch in downtown Brno at the beginning of 2018, while the larger branch was established in the same location two years later. With a menu that accommodates customers with gluten-free, vegetarian/vegan, and pescetarian diets, both locations offer a wide variety of meals that are distinctive and exclusive to the brand.

The goal of this thesis is to investigate the company's current marketing mix, assess the results, and suggest improvements in order to increase profits, gain a deeper understanding of the target market, and spot potential for future growth.

There will be three main sections to the thesis. The first section will give a theoretical background and outcomes while defining terms related to the marketing environment that will be used in later sections. The analytical section of the second section will introduce the company, describe the general purchasing and behavior of the customer, and present the current marketing mix, which will be examined using SWOT analysis. The thesis' concluding section will outline potential solutions for improving customer satisfaction, boosting sales, and increasing brand awareness.

The overall goal of this thesis is to offer insightful analysis of the Brno-based chain of bistros with a gastronomy-focused marketing plan, along with suggestions for enhancing the marketing mix and achieving future growth. We can gain a better understanding of the opportunities and challenges this special and distinctive brand of bistros faces and suggest solutions that can support the company's success by looking at its marketing mix.

Thesis objectives, processing methods and procedures.

Problem specification

This bachelor's thesis focuses on a business that specializes in gastronomy, specifically it is vegan and meat mixed bistros, mainly on two branches which are in Brno city center. The business is still growing. But it holds great potential to grow even more in the future. The problematic is focusing on analyzing the current state of the business, and subsequently creating proposals for changes necessary to create better business opportunities and generating bigger revenue from business activities.

Goal specification

The main goal of this bachelor's thesis is research of current marketing mix, subsequently the outcomes will be processed and evaluated. After the subsequent evaluation and processing there will be created outcomes for proposals which would be bettering the current marketing mix. These proposals should serve as steps that the business in question should make to generate more profit's, better understand its customer and to better understand the future potential that the business has.

Processing methods and procedures

The bachelor's thesis will be divided into three main parts. The first part is dedicated to Theoretical background and outcomes, which will be describing terms used from marketing environment. These terms will be used in other parts of this thesis.

The second major section is the Analytical section of the thesis, which introduces the business that this thesis is about. The main part of this framework will be a description of the customer's buying and overall behavior; after acquiring key information, the next step will be a description of the current marketing mix; for the purposes of this thesis, a marketing mix of four P's was chosen to be sufficient. The outcomes will be thoroughly examined in the following section. SWOT analysis will be used as the analytical framework.

The final third of this thesis will present possible solutions that could be used in the business to raise awareness about itself, which could lead to more profits and a better understanding of customer needs and wants, which is important for future changes and steps to satisfy the needs and wants in question.

1. Theoretical part

In the theoretical part of the thesis the term "marketing" is defined, along with what macroenvironment and microenvironment are specifically in the industry. Regarding this, the types of analyses used will be described to help comprehend both the problematic the thesis is focusing on and the evaluation of the specific business.

1.1. Marketing

Marketing's focus is the customers more than any other corporate activity. The dual objective of marketing is to bring in new clients by satisfying the needs of existing ones. You can still experience marketing in the good old-fashioned ways: you can see it in the plethora of goods in the shopping center down the street and in the advertisements that cover your TV, adorn your periodicals, and clog your mailbox. However, in recent years, marketers have put together a variety of fresh marketing strategies, including creative websites and mobile apps, blogs, online videos, and social media. These innovative methods accomplish more than simply broadcasting messages to the masses. They interact with you and communicate with you directly – to help you live their brands. Today's marketeers seek to integrate into your life and enhance your interactions with them. Whether you are at home, school, job, or where you play, marketing is there in practically everything you do. However, marketing is much more than what a consumer might initially think. Behind it all lies a vast network of individuals and initiatives vying for your attention and money (Armstrong et al., 2015).

1.2. Marketing definition

What is marketing? For several people, marketing consists solely of selling and advertising. Every day, TV advertisements, catalogues, sales pitches, and web solicitation are all around us. Selling and advertising, however, just represents the very top of the marketing iceberg. Today, marketing must be understood in the modern sense of meeting client demands rather than the outdated concept of "telling and selling", or making a sale. These products will be easy to sell if the marketer effectively engages consumers, comprehends their wants, produces products that offer greater customer value, then prices, distributes, and promotes them properly. "Marketing's goal is to eliminate the need for selling", selling and advertising are simply a small component of

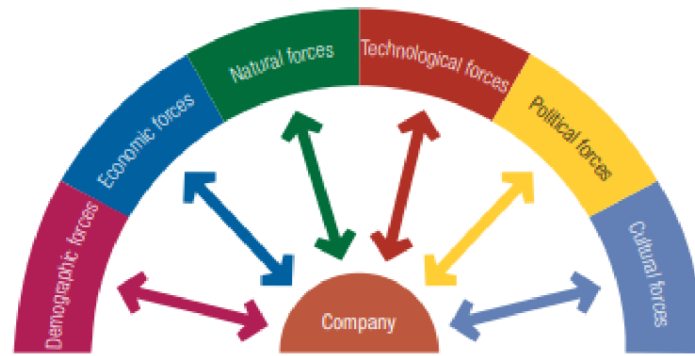
a wider marketing mix, which is a collection of marketing tactics used in tandem to meet the consumer needs and foster long-term connections with them. Therefore, we define marketing as the process by which businesses provide value to consumers and forge solid relationships with them in order to obtain value from them in return (Armstrong et al., 2015).

1.3. Marketing environment

The actors and factors in the marketing environment have an impact on marketing managements capacity to establish and preserve beneficial connections with target clients. More than any other department in the company, markets need to keep on top of emerging environmental trends and business opportunities. Although every management in a company should be aware of the outside world, marketers have two unique skills – for gathering data on the marketing environment, they have disciplined approaches, such as marketing research and marketing intelligence. Additionally, they spend more time around customers and competitor environments. Marketers can modify their tactics to address new difficulties and possibilities in the industry b carefully examining the environment. The marketing environment consists of microenvironment and macroenvironment. The actors close to the business that have an impact on the way it can service its customers make up the microenvironment. These actors include the company, suppliers, marketing intermediaries, customer marketplaces, competitors, and publics. The macroenvironment is made up of the most significant societal forces – demographic, economic, ecological, technological, political and cultural forces – that have impact on the microenvironment of the business (Armstrong et al., 2015).

1.3.1. Macroenvironment

In a bigger macroenvironment of forces, the company and all other actor's function. These forces both shape opportunities and present challenges to the company. Even the most powerful businesses can be exposed to the forces that are always shifting and turbulence in the marketing environment (Armstrong et al., 2015).



Picture 1: Major Forces in the Company's Macroenvironment
(Armstrong et al., 2015)

- **The demographic environment**

The study of human populations, including their number, density, location, age, gender, race, occupation, and other characteristics, is known as demography. Because it involves people, and because markets are made up of people, the demographic environment is very important to marketers. The population of the planet is growing at an explosive rate, the global demographic environment is changing, and this has significant effects on business. As a result, marketers closely monitor demographic trends and changes in their markets. They examine demographic variety, geographic variety, geographic population changes, shifting family arrangements, and changing ages (Armstrong et al., 2015).

- **The Economic Environment**

Both people and purchasing power are needed in markets. Economic elements that have an impact on consumer spending and purchasing power make up the macroeconomic environment. Marketers need to keep a close eye on key trends and consumer purchasing habits in their own global markets as well. Inequality in income levels and distribution exists across all countries. Some nations have developed industrial economies, which provide thriving markets for a wide range of goods. Subsistence economies are at the other extreme; they provide little market opportunities while consuming the majority of their own agricultural and industrial output. Between them are emerging markets that can present exceptional marketing chances for the right kinds of goods (Armstrong et al., 2015).

- **The natural environment**

The physical environment and the natural resources that marketers use as inputs or that are impacted by marketing activities are included in the natural environment. Unexpected events in the physical world, such as the weather or natural disasters, can have a fundamental impact on businesses and their marketing plans (Armstrong et al., 2015).

- **The technological environment**

The most significant factor currently influencing our development is probably the technology environment. Antibiotics, robotic surgery, miniature electronics, smartphones, and the Internet are just a few of the miracles that technology has made possible. Along with these horrors, it has also released assault rifles, chemical weapons, and nuclear missiles. It has made available such contradictory benefits as the car, television, and credit cards. Whether we are more awed by technology's wonders than its errors determine our attitude toward it (Armstrong et al., 2015).

1.3.2. Microenvironment

It is the responsibility of marketing management to cultivate relationships with customers by ensuring their satisfaction and value. But marketing managers can't accomplish this on their own. Building relationship with other company departments, suppliers, marketing intermediaries, rivals, various publics, and customers is necessary for marketing success because the company's value delivery network (Armstrong et al., 2015).



Picture 2: Actors in the Microenvironment
(Armstrong et al., 2015)

- **The company**

Marketing management considers other company departments, including top management, finance, research development (R&D), purchasing, operations, and accounting, while creating marketing plans. The internal environment is made up of all these interconnected groups. The company’s mission, goals, broad strategy, and policies are determined by the top management. Managers of marketing must collaborate closely with other corporate divisions. All departments – from manufacturing and finance to legal and human resources – share responsibility for comprehending consumer needs generating customer value, with marketing taking the lead in this regard (Armstrong et al., 2015).

- **Suppliers**

Suppliers are a crucial component of the company’s overall network for delivering value to customers. They give the business the resources it needs to generate its goods and services. Supplier issues can have a significant impact on marketing. Marketing managers need to keep an eye on supply costs and availability. Events like supply delays or shortages, labor disputes, natural disasters, and others can have a negative impact on the consumer satisfaction over the long term as well as short-term sale. Price rises resulting from rising supply costs could hurt the company’s sales volume (Armstrong et al., 2015).

- **Marketing intermediaries**

Marketing intermediaries assist the business in distributing, selling, and promoting its products to end users. They consist of retailers, companies that specialize in physical distribution, marketing service providers, and financial intermediaries. Resellers are companies that work as distribution channels to help a business find clients or close deals with them. These include retailers and wholesalers who purchase goods to resale. It's challenging to choose and work with resellers. Manufacturers no longer have a large selection of small independent resellers to pick from (Armstrong et al., 2015).

- **Competitors**

According to the marketing theory, a business must exceed its rivals in terms of consumer value and satisfaction if it wants to succeed. Thus, marketers need to take action beyond simply adapting to the needs of their target audience. Additionally, they need to obtain a competitive edge by fiercely opposing competitors' offers in consumers' thoughts. There is no one competitive marketing approach that works well for all businesses. Each company should take into account how its size and industry position stack up against those of its competitors (Armstrong et al., 2015).

- **Publics**

The marketing environment for the company also involves a variety of publics. Any group that is really or potentially interested in or has an impact on an organization's capacity to accomplish its goals is referred to as the public. We can identify seven types of publics:

- ⇒ **Financial publics:** This group has an impact in the company's capacity to raise money. The three main financial publics are banks, investment analysts, and stakeholders (Armstrong et al., 2015).
- ⇒ **Media publics:** News, features, editorial opinions, and other content are all carried by this group. Television stations, newspapers, magazines, blogs, and other forms of social media (Armstrong et al., 2015).
- ⇒ **Government publics:** Governmental developments must be taken into consideration by management. On problems of product safety, honestly in

advertising, and other difficulties, marketers frequently need to speak with the company's lawyers (Armstrong et al., 2015).

- ⇒ **Citizen-action publics:** Consumer organizations, environmental groups, ethnic groups, and others may contest a company's marketing choices. Its public relations division can assist it in maintaining contact with consumer and civic organizations (Armstrong et al., 2015).
- ⇒ **Local publics:** Neighborhood dwellers and community organizations are included in this group. Large corporations typically establish departments and initiatives to address regional community issues and offer assistance to the community (Armstrong et al., 2015).
- ⇒ **General public:** A business must be considered with how the public perceives its services and endeavors. The way the public perceives the business impacts its purchasing decisions (Armstrong et al., 2015).
- ⇒ **Internal publics:** The board of directors, employees, managers, and volunteers make up this group. Large business utilizes newsletter and other strategies to educate and inspire their internal audiences. When employees have positive feelings about the organizations they work for, this attitude spreads to the general population (Armstrong et al., 2015).

- **Customers**

The most significant figures in the company's microenvironment are its customers. The overall value delivery network's goal is to provide services to target customers and build long-lasting relationships with them. The business may concentrate on one or more of the following five customer markets. Consumer markets are made up of people and households that purchase goods and services for their own use. While reseller markets buy products and services to resell for a profit, business markets buy products and services for future processing or use in their production processes. Government entities that purchase products and services to provide public services or distribute them to people in need make up the government marketplaces. Finally, these customers in other nations, including consumers, manufacturers, resellers, and governments, make up the global marketplaces. Every market type has unique characteristics that the vendor should carefully research (Armstrong et al., 2015).

1.4. Internal analysis using McKinsey 7S Framework.

A concept known as the 7S framework was proposed by consulting firm McKinsey based on research demonstrating that a successful company is influenced by 7 internal interdependent aspects that have to be developed evenly (Smejkal and Rais., 2010).



Picture 3: 7S Framework
(Peters., 2015)

- **Strategy:** There are many different hierarchies of business strategies. At the top of the pyramid is corporate strategy, which establishes the fundamental direction of the company (in what to conduct business, and how to do business). Business strategy, which is related to the first type and is found at the base of the pyramid, is the next type of strategy (Smejkal and Rais., 2010).
 - ⇒ **Cost leadership:** Strive to maintain production and distribution costs below that of the competition in order to offer lower pricing and, as a result, increase market share (Smejkal and Raise., 2010).
 - ⇒ **Differentiation strategy:** Tries to set products and/or services apart from rivals in the market to take the lead in areas like quality, level of service, style, or technology. This strategy depends on the variety of demands on the market, the willingness of customers to accept the differentiation and pay for added values

instead of selecting the cheapest product on the market, as well as higher prices linked to greater manufacturing costs (Smejkal and Rais., 2010).

- ⇒ **Focus strategy:** The goal is to dominate one or more specific, small market segments rather than the entire market. Either costs or differentiation are the primary objectives within the segment. A thorough understanding of consumer needs is necessary for this technique (Smejkal and Rais., 2010).
- ⇒ **Organizational structure:** The primary goal of organizational structure is to describe the best method for distributing work and authority among personnel. These structures gradually evolved into fundamental types, characterized by the progression from the most basic to the most complex (Smejkal and Rais., 2010).

These types of organizational structure:

- ⇒ **Linear structure:** There is a single structure that stands above all other structures, and each department has a clear dominance and inferiority relationship (Smejkal and Rais., 2010).
- ⇒ **Functional structure:** It was created in response to flaws in linear structures (high professional requirements on the head of the department). The advantage of this type of structure is that duty is clearly defined, with the head of each department having the power to speak only in areas in which they are competent (Smejkal and Rais., 2010).
- ⇒ **Divisional structure:** was formed with comparatively solitary divisions. They are separated into different categories depending on the type of product or service, the location, or the type of customer (hotels for high-end clientele, tourist, youngsters). Each division has a separate business, operational, and financial department. Professional tasks are separated across each division, allowing for greater operating flexibility (Smejkal and Rais., 2010).
- ⇒ **Matrix organizational structure:** These organizational structures have been used recently, particularly in the manufacturing. Their matrix design enables rapid problem-solving and the best results. This structure combines components of divisional and functional structures (Smejkal and Rais., 2010).
- ⇒ **System of management:** Represent all organizational information processes, both formal and informal. Every organization uses a variety of processes, both

human and automated. Lower rates of automation are associated with higher management levels (Smejkal and Rais., 2010).

- * **Autocratic:** Manager makes decisions on their own, without input from others (Smejkal and Rais., 2010).
- * **Democratic:** The management's decision-making process is more heavily influenced by subordinate staff. The conversation is two-way (Smejkal and Rais., 2010).
- * **Laissez faire:** Employees are given autonomy over how they want to approach their work with very little management interference (Smejkal and Rais., 2010).
- **Staff:** Is both the primary catalyst for a company's success and a potential big operational danger. One of the most important managerial talents is knowing how to deal with people effectively. Therefore, in order to foster a sense of camaraderie and loyalty inside the workplace, managers must be aware of the motivating history and preferences of their direct reports (Smejkal and Rais., 2010).
- **Skill:** Indicate a manager's urge to have personnel become more literate in the areas of business, law, and information. But more broadly, the ability to quickly adjust to novel circumstances is the most important aspect. Some authors advise relying on subconsciousness, intuition, or self-belief in addition to practical and scientific viewpoints (Smejkal and Rais., 2010).
- **Shared values:** Staff and culture are closely related, and culture is typically viewed as a collection of shared beliefs and values that have a beneficial impact on informal behavior inside the organization. Culture is an intangible by-product of human behavior and thought (Smejkal and Rise., 2010).

1.5. The Business Model Canvas

The rationale behind how an organization creates, delivers, and collects value is described by its business model. Alex Osterwalder was the author of the instrument that is now known as the business model canvas. Nine blocks make up the business model canvas' structure (Osterwalder and Pigneur, 2010).

- **Customer segments:** The rationale behind how an organization creates, delivers, and collects value is described by its business model. Alex Osterwalder was the author of the instrument that is now known as the business model canvas. Nine blocks make up the business model canvas' structure (Osterwalder and Pigneur, 2010).
- **Value proposition:** The second block „describes the bundle of products and services that create value for a specific Customer Segment “. A Value Proposition provides value for a customer segment by combining features that appeal to that segment's demands. Value can be quantifiable (such as pricing or service speed) or qualitative (such as design or customer experience). Elements from the non-exhaustive list below can contribute to the generation of customer value (Osterwalder and Pigneur, 2010).
 - ⇒ **Newness**
 - ⇒ **Performance**
 - ⇒ **Customization**
 - ⇒ **Price**
 - ⇒ **Design**
 - ⇒ **Brand/Status**
- **Channels:** This building block serves as a description of “how a company communicates with and reaches its Customer Segments to deliver a Value Proposition” A company's contact with consumers is comprised of communication, distribution, and sales channels. Channels are consumer interaction points that contribute significantly to the customer experience. Channels provide a variety of roles, including:
 - ⇒ Increasing customer awareness of the company's services and products
 - ⇒ Assisting customers in evaluating a company value proposition
 - ⇒ Customers can purchase certain items and services.
 - ⇒ Offering customer service after the sale (Osterwalder and Pigneur, 2010).
 - ⇒ Customer value proposition delivery
- **Customer relationships:** The fourth block “describe the types of relationships a company establishes with specific Customer Segments” (Osterwalder and Pigneur, 2010).

- **Revenue streams:** The fifth block “represents the cash a company generates from each Customer Segment” A business must ask itself this question. What is each Customer Segment genuinely willing to pay for? Successfully addressing that issue enables the business to establish one or more income streams, which may use a variety of pricing processes such as set list prices, negotiating, auctioning, market dependent, volume dependent, or yield management. A business model includes two different kinds of Revenue streams:
 - ⇒ Transaction income generated by one-time client payments.
 - ⇒ Recurrent revenues derived from continued payments made to customers to either offer a value proposition or provide post-purchase customer support (Osterwalder and Pigneur, 2010).
- **Key resources:** Key activities can be categorized as follows:
 - ⇒ **Production:** These operations are related to creating, manufacturing, and delivering large quantities of high-quality goods. Manufacturing businesses' business models are dominated by production activities.
 - ⇒ **Problem solving:** This type's key activities revolve around developing novel solutions to specific client challenges. Problem resolution is generally central to the functioning of consultancies, hospitals, and other service companies.
 - ⇒ **Platform/Network:** Business models using a platform as a fundamental component Platform or network-related Key activities dominate resources. Platforms might be networks, matching platforms, software, or even brands (Osterwalder and Pigneur, 2010).
- **Key partnership:** This block is about the “network of suppliers and partners”. Partnerships are becoming an essential component of many company structures. Businesses form partnerships to improve their business models, decrease risk, or acquire resources. There are four different types of partnerships (Osterwalder and Pigneur, 2010):
 - ⇒ Strategic collaborations between non-competitors.
 - ⇒ Coopetition: strategic alliances formed by competitors.
 - ⇒ Joint partnerships for the development of new enterprises.
 - ⇒ Relationships between buyers and suppliers to ensure consistent supply.

- **Cost structure:** The final block “describes all costs incurred to operate a business model”. This building block defines the most significant expense spent while following a specific business plan. Costs are incurred while creating and delivering value, preserving customer relationships, and producing money. After defining Key resources, Key Activities, and Key Partnerships, such costs can be calculated relatively easily (Osterwalder and Pigneur, 2010).

1.6. Marketing mix of 4P's

Is a collection of resources a marketing manager uses to develop the characteristics and features of services for clients. Each component of the framework has a single function but can be combined in a variety of ways and intensities: serve consumer needs while generating profit for the business. The name of 4 P stands for 4 parts from which the marketing mix is constructed: Product, Price, Place, Promotion (McDonald, Wilson, 2012).

- **Services**

Services are distinct, mostly intangible activities that give wants satisfaction and are not always related with the selling of a product or another service. The usage of tangible items may or may not be required in the development of services. However, if such use is required, no ownership of the tangible good is transferred. To differentiate between products and services, a wider variety of attributes are employed. Among the most prevalent service features are (Vašítková, 2014):

- ⇒ Intangibility
- ⇒ Inseparability
- ⇒ Heterogeneity (variability)
- ⇒ Perishability (Fleetingness)
- ⇒ Ownership (Absence of ownership)

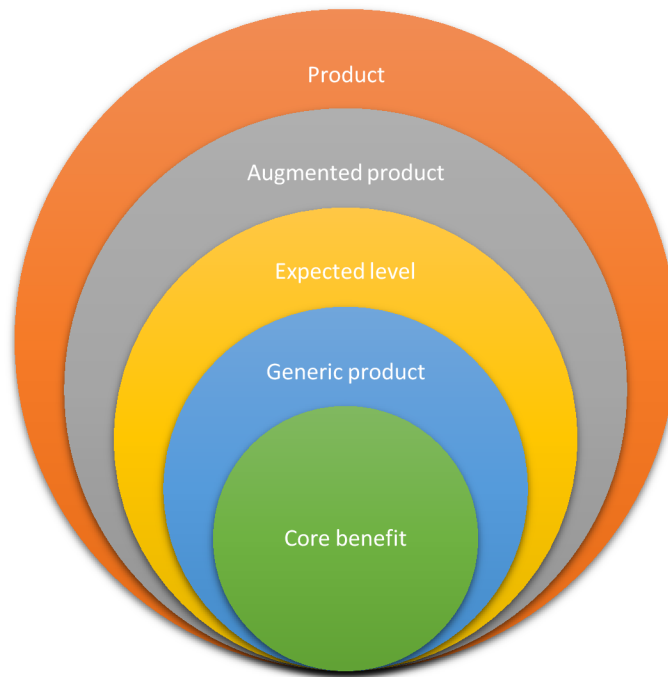
- **Product**

A product can be thought of as an item that the client purchases on the market in return for money, another possibility for replacing money is another product in exchange. It satisfies their fundamental or sophisticated needs and also displays their social and psychological qualities. It's crucial to comprehend all the dimensions and values in

order to maintain proper control over the product and the entire marketing mix. The primary driver of market needs is often not the product, but rather, customer happiness and solutions to their problem. Different product levels were established in order to better comprehend all of the dimensions that a product has (McDonald, Wilson, 2012).

⇒ **Product levels: The customer-perceived value hierarchy**

- * The basic level is the **core benefit**: the benefit that the consumer is purchasing. A hotel visitor is purchasing sleep and some rest. The drill buyer is looking for holes. Marketers must consider themselves to be benefit suppliers.
- * The marketer must next transform the main benefit into a **simple product** at the second level. As a result, a hotel room comprises a bed, a shower, towels, a desk, and a wardrobe.
- * At the third level, the marketer prepares an **expected product**, which is a set of characteristics and conditions that buyers typically expect when purchasing this product. Hotel visitors anticipate a clean bed, fresh towels, working lighting, and a reasonable level of silence.
- * The marketer creates an **augmented product** that exceeds client expectations at the fourth level. A hotel includes Wi-Fi and a flat-screen television.
- * At the fifth level is the **potential product**, which includes all possible future augmentations and transformations to the product offering. Companies look for creative methods to please customers and differentiate their offerings here (Kotler & Brady 2009).



Picture 4: five levels of product
(Source: Own work)

- **Price**

Price is one of the marketing mix's tools and the only one that brings in the required revenue. Other marketing mix components only employ resources, over time, a product must be developed and polished, followed by the creation of distribution networks and the use of the proper communication instruments, which are more and more expensive. However, the price must be balanced with other elements of the marketing mix. Since it determines the amount of money needed to purchase the desired product, it is crucial to the customers. With this in mind, we may split the significance of price perception by various customer groups according to these degrees (McDonald, Wilson, 2012).

- ⇒ **Experiencing price in degree cheap-expensive:** comparing the costs being offered with the typical prices based on knowledge and experience (McDonald, Wilson, 2012).
- ⇒ **Experiencing favorable price:** consumer considers the price lower than the regular price (McDonald, Wilson, 2012).

- ⇒ **Experiencing quality:** The consumer suggests quality based on price, especially when they are unable to assess quality in any other way (McDonald, Wilson, 2012).
- ⇒ **Experiencing price differences:** The psychological spread of prices differs from the objective price range in numbers (McDonald, Wilson, 2012).
- ⇒ **Experiencing prestige:** Some buyers view the price as a component of the product's social image, which correlates with social status and prestige (McDonald, Wilson, 2012).

- **Place**

Place represents access to the service and simplicity of distribution. It was a matter of the area, how the service's actual components moved, and potential intermediaries (McDonald, Wilson, 2012). The distribution choice is connected to making it easier for customers to obtain the service. It is connected to the service's local location (placement), as well as the option of an additional middleman for delivery (whether the airline offers the service directly or through a travel agency). Furthermore, services are more or less linked to the movement of tangible elements that comprise the service (Vašítková, 2014).

- **Promotion**

Promotion stands for the marketing communication, the element of the marketing mix that is most visible. An organization may connect with its environment swiftly, transparently, and clearly by using the right communication tools (McDonald, Wilson, 2012). Communication refers to actions that communicate the benefits of a product and seek to persuade target buyers to buy it. We can define five main promotion tools (Kotler, 2007):

- ⇒ Any paid type of non-personal presentation and communication of ideas, commodities, or services associated with a sponsor is referred to as **advertising**.
- ⇒ **Personal selling** is a personal presentation given by a company's sales personnel in order to make sales and create client connections.
- ⇒ Short-term incentives meant to encourage the purchase or sale of a product or service are known as **sales promotions**.

- ⇒ Building excellent connections with diverse target groups through favorable press, developing a positive business image, and dispelling or disputing rumors, facts, and events that present the firm in a bad light are all examples of public relations.
- ⇒ **Direct marketing** is the use of the phone, mail, or email to make direct contact with precisely chosen individual customers in order to elicit an immediate response and establish long-term customer relationships.

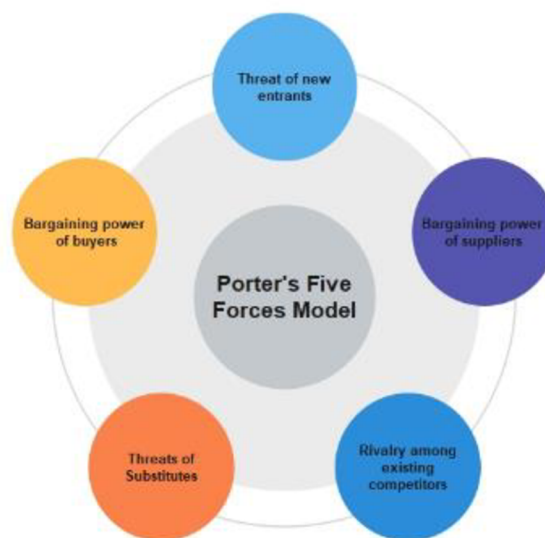
1.7. SLEPTE analysis

SLEPTE analysis is used in both theory and practice to analyze the macroenvironment; in some circumstances, this analysis can be modified to become ESTE analysis, for example. Working with legislative factors is not always necessary, especially in countries with stable political systems. In certain circumstances, we abbreviate the model's name. This analysis's primary focus is on how the environment may change and develop, and which changes we may foresee. It is not on the assessment of the current situation. Table below describes the factors of each part of the analysis (Perera., 2017).

Social	Social and demographic aspects	Demographic profile, lifestyle, structure of incomes, education, culture, religion
Legal	Legislative aspects	Regulations, tax laws, jurisdiction
Economic	Economical aspects	Development of economic factors, unemployment, inflation, incomes, prices of energy
Political	Political aspects	Stability of government, key structures, political conflicts
Technological	Technological	Transfer of technology, research, and development
Ecological	Ecological aspects	Natural environment, ecological trends

1.8. Porter analysis

The elements in Michael Porter's model that affect business profitability and the profitability of industries are represented. Figure 3: Porter's Five Forces model illustrates the five variables. An industry is a collection of businesses that serve a particular market. Two factors should be used to determine an industry's boundaries: 1) potential demand-side alternatives for products and services, and 2) the ease with which products and services can be shifted to new market segments.



Picture 5: Porters five forces model
(Edrawsoft., 2023)

The probability and ease of entry are the main factors that determine the threat of new rivals joining the market. We must examine the costs involved with entering the market and access to distribution channels. If there are too many new rivals, the increased production capacity would result in a supply that is more than the demand, which would drive down prices (Blažková, 2007).

⇒ **Substitutes**

Represent the risk that the current supply will be replaced by alternative goods or services. A corporation can combat this danger by lowering prices because of better cost

control, raising product value, providing additional services, anticipating customer requirements, or creating new, distinctive products and services (Blažková, 2007).

⇒ **Bargaining power of buyers**

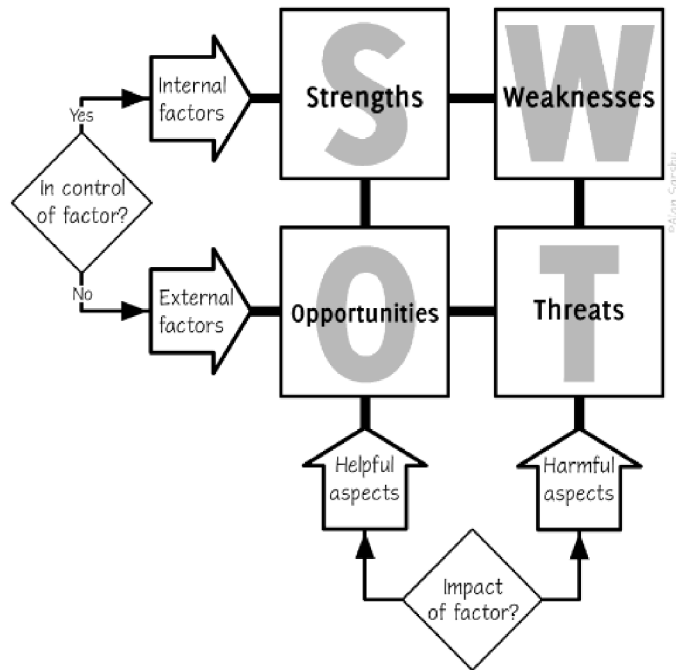
Is exemplified by the market's structure and buyer concentration. If there are only a few but big buyers, they make huge purchases, the product is standardized, and switching suppliers is not expensive for them, the power is tremendous (Blažková, 2007).

⇒ **Current competitor rivalry**

Can be affected by the size and number of competitors, the degree of product and service differentiation, and the difficulty of entering or exiting the market. The number of small or similar-sized competitors and the difficulty of differentiating between the items are two other factors that affect the intensity of a rivalry. Following a strategy of cheap costs, differentiating products, or discovering a niche market, along with a well-functioning marketing informational system that contains all accessible data about clients, rivals, suppliers, and other aspects, might be a potential remedy for intense competition (Blažková, 2007).

1.9. SWOT analysis

Swot analysis identifies the strong and weak sides of a circumstance and how they relate to opportunities and threats. And includes monitoring the internal and external marketing environment as well. All these aspects are divided into four quadrants (Sarsby., 2016).



Picture 6: SWOT framework
(Sarsby., 2016)

- **Strengths**
- Strengths are internal and beneficial regarding the SWOT aim; they are elements that promote opportunity or outweigh threat. Strengths might include (Sarsby., 2016):
 - ⇒ Financial strengths
 - ⇒ Technological advances
 - ⇒ Customer service
 - ⇒ People
- **Weaknesses**
- Internal flaws that are unfavorable to the SWOT objective. Weaknesses are characteristics that make someone unable to seize an opportunity or exposed to a threat (Sarsby., 2016).
Weaknesses might include:
 - ⇒ Financial weakness
 - ⇒ Old or inflexible technology or processes
 - ⇒ Long delivery or poor customer service
 - ⇒ Skill shortage

- **Opportunities**

Opportunities are helpful external elements that you have no control over but that may be useful (Sarsby., 2016).

Opportunities come from a variety of places, such as:

- ⇒ Withdrawal of competition, or new entrées
- ⇒ New social trends
- ⇒ Technological Innovations
- ⇒ Restrictive legislation (if it is limiting your competition)
- ⇒ Threats

Threats are damaging, external forces over which you have no power. Threats might be physical or abstract. A real threat can come in the form of a hostile takeover offer, new rivals, or theft. Potential reputational harm or circumstances harming a brand are examples of intangible dangers (Sarsby., 2016).

1.10. Market segmentation

In an undifferentiated market, most service-providing firms cannot match the demands of all clients, nor can they compete with all of its players. As a result, every business, including those that provide public, non-market services, often employs a market segmentation and positioning strategy. As a result, the organization determines those areas of the market, or segments, that have comparable features and behaviors and to which it can best serve given its skills and resources. The target segment is the subset of the market that the firm has selected from the larger market. It is defined according to one or more criteria (Vašítková, 2014).

- ⇒ **Market segmentation:** The partitioning of the market into diverse groups of purchasers with varied demands and habits that necessitate different goods or marketing mixes.
- ⇒ **Market segment:** A group of consumers who react similarly to a set of marketing stimuli.
- ⇒ **Targeting:** The process of assessing the desirability of each segment and selecting one or more target segments.

- ⇒ **Positioning:** The way target buyers see the product in a clear, distinctive, and appealing way compared to rival products. Defining the product in relation to competitors and developing a precise marketing mix.
- ⇒ **Product position:** The way buyers describe the product based on its main attributes; the space the product occupies in customers' thoughts relative to rival items (Kotler, 2007)

We can distinguish following segmentation criteria:

- ⇒ **Geographic:** An organization decides to limit its service to a certain geographic area.
- ⇒ **Demographic:** A company solely serves consumer groups based on demographic criteria such as age, gender, marital status, origin, and size of dwelling.
- ⇒ **Socioeconomic:** Social position, income, career, family life cycle, and associated behaviors are all factors to consider.
- ⇒ **Psychographic:** Differentiation based on a consumer group's intended advantages or preferences.
- ⇒ **Motives leading to purchase:** A habit, a spontaneous urge, or a planned choice.
- ⇒ **Time based:** Pre-Christmas cleaning, spring inspections, and automobile maintenance checks are examples of segments formed by the timing of when clients acquire the service (Vašítková, 2014).

2. Analytical part

2.1. Company characterization

The company on which this thesis focusses on is a gastronomy-focused chain of bistro's that specialize in unique cuisine. There are two locations of this brand of bistros in the city of Brno. These branches were first opened in 2018, with the second following two years after that in early 2020. This restaurant's distinctive cuisine might be characterized as welcoming to all, satisfying the needs of those customers who follow gluten-free, vegetarian/vegan, or pescetarian diets. Offering a large range of meals that are both distinctive and exclusive to this company, like regional traditional meals from around the world. In the city of Brno, there are two locations that operate under this

brand; the first was founded in the early part of 2018 and the second was founded two years later, in 2020.



Picture 7: Fabrik Food Factory logo
(Fabrik., 2019)



Picture 8: Fabrik Urban House logo
(Fabrik., 2019)

Alena Kirchnerová and Vladimír Pálenský, two of the brands' founders, established the smaller, older branch in downtown Brno. This location specializes on takeout and coffee, offering lunch menus and breakfasts, alongside regular unique menu of this brand. Following the smaller branch's success, the larger branch was established in the center of Brno. This branch's business strategy is similar to the one adopted by the original branch since it was successful, but because the location where it was established provided more alternatives and fewer restrictions, the operation changed into what it is today. Delivering the same distinctive menu with unchanged alternatives. This branch presents a special value that includes comfortable seating, a night bar, and alternatives for both small and large reservations as well as private and company parties.

- **Personal involvement in the business**

I have almost seven years of experience in the food sector as a person who is now engaged in a range of roles, including barista, delivery person, kitchen assistant, and supplier. My family's business has primarily focused on bistros that are known for delivering orders to clients and selling specialty coffees. I have been more familiar with the company's internal operations during the course of my job, which has given me the opportunity to learn a lot of information about consumer behavior and purchase trends.

I have a wealth of knowledge about the complexities of the gastronomy industry thanks to my vast experience in the field, including the essential parts of coffee brewing and the key steps involved in food preparation. Furthermore, my experience in the delivery and supply sides of the company has helped me understand the logistics required to run a successful gastronomy business.

In addition, my ongoing interactions with customers have given me invaluable insights into consumer behavior, particularly their shopping preferences and behaviors. With the help of this knowledge, I have been able to contribute to the creation of marketing plans that will help the company expand and endure. Overall, my experiences have given me a distinctive viewpoint that allows me to understand the intricate interplay between a gastronomy business' internal operations and the external forces that affect its performance.

2.2. Research and methodology

Informative observation and internal interviews were the research methods used to collect the data required for analytical part of the thesis. These research methods have been chosen since I am well connected to this business and because over the seven years I have worked and still am working as a front staff member, supply employee, developing products and offer and also partially working with the kitchen staff, so I personally had the chance to learn about the procedures and processes within the business, as well as information about customer behavior, and relations that must be processed in order to produce any outcomes. The information gathered with help of these methods will be then used to generate the current internal structure of this business. Subsequently, the current business model and marketing mix is created with the help of information gathered through the already mentioned methods.

Market research comes after the internal analysis of the company, research is also conducted through internal interviews, informative observation, and desk research. This sections output is utilized to build ESTE model, which is required for analyzing the external market. The Porter's Five Forces model is utilized to analyze the business environment of the market this business operates in. This information offered us a broad notion for ensuring ideas for improvements the thesis is focusing on. All this

information was refined into a SWOT analysis in the third and last section of the research part of the thesis.

2.3. Internal analysis of the company using McKinsey 7S Framework.

- **Strategy**

There are many ways to define how and what sort of strategy this business operates, but one approach to sum up its objectives is to provide the gastronomy sector with sustainable and convenient meal options. Since the business is attempting to satisfy each segment, this type of strategy results in a variety of diverse customer segments. Although the company owners don't have any long-term intentions, one aspect of the strategy is to adapt to any future changes the market may bring about.

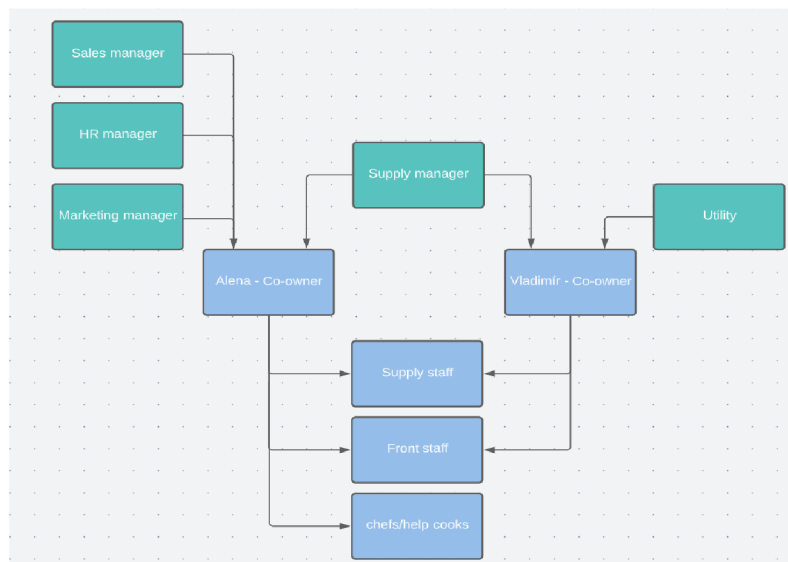
As was mentioned in the opening paragraph, the business's strategy is offered with several meal alternatives, including vegan and vegetarian diet-friendly, gluten- and lactose-free diet friendly meals. Each meal's presentation is appealing to the eye as well as the plate of the diners; plates are set out in accordance with the owner's specifications and are always finished with fresh ingredients. The design of both branches, along with the food alternatives, is a crucial part of this company's strategy. The interior of each establishment is attracting the attention of regular customers and people going by while serving its purpose.

The current strategy can be summarized into following points:

- ⇒ The business's large variety of products in the same category that it offers meets the requirements of several different customer segments.
- ⇒ The business offers a service that is convenient for customers, sustainable, and reasonably priced.
- ⇒ Each meal should be presented in a consistent professional manner with fresh garnish and ingredients.
- ⇒ Both interior layouts in each should be aesthetically pleasing and fulfil the purposes that the business's owners have established.

- **Structure**

This business is handled by two equally shared owners who have divided the work involved in managing a gastronomy business. Alena oversees marketing, customer service, product management, and human resources. On the other hand, Vladimír oversees the business's finances, operations, technical support/utility, and supply. This division is based on each one of the owners' capabilities and skillfulness. The owners communicate in a completely conflict-free manner because they both share a similar entrepreneurial mindset. The majority of the staff at these establishments answer to just one of the owners, but in case or more complicated matters both parties get involved. The same is true for significant changes to the business model or financial decisions.



Picture 9: Structure of Fabrik management
(Source: Own work)

- **System of management**

One of the most crucial systems managed by this business is the supply system, which accurately and thoroughly covers the supply to ensure proper operational efficiency. Vladimír manages this system mostly, with cooperation from second owner Alena. To make this process as accurate as feasible, both owners communicate with one another. Three times a week, this process is executed to fill the demand.

Alena, who manages human resources, is in charge of the company's employees. She is in constant communication with the entire team, including the cooks and front counter staff, directing them and addressing any problems that may arise. This communication

is usually done through messenger, even the information about shifts and changes in them are included. Mixing such vast amount of information of larger number of people on one platform is sometimes confusing for the employees.

- **Shared Values**

Diversity in products, including any diet-friendly meals, freshness, and ease of the service, are shared values of the entire business. The alternatives provide personalized customer service, considering all market segments.

- **Style**

As was mentioned beforehand, Alena oversees operations that are more external to the business. In addition to human resources, she oversees marketing, which oversees all kinds of business promotion, taking care of Instagram posts and stories, and product design, which ensures that meals are consistent and professionally prepared. She also manages customer relations, offering customer service, addressing, and compensating any issues customers may have, posting information about changes to operating hours as well as lunch menu deals. Vladimir is in charge of overseeing the operations necessary for the firm to function efficiently he handles majority of the supply and communication with different suppliers keeping good relations and delivery, he also handles the utility on both locations, deals with problems with software and hardware, and manages the finances for both establishments.

- **Staff**

After the Covid-19 pandemic restrictions, people became increasingly more uneasy about the industry, especially those who are professional cooks and waiters. As a result, it became difficult for business to locate any trained cooks who wouldn't be afraid to work in this field and would do so for fair remuneration. Fortunately, in a less than-optimal situation, the business found source of labor among Ukrainians seeking employment in Czech Republic.

The number of employees differ between the branches; at the front desk, there is always one employee on duty on both of the branches; on the smaller branch, there is one cook accompanied by one cooks' assistant, who remains at the business during lunch time and for as long as the head cook deems necessary. There is no need for cooks' assistant in the larger establishment, and there is also not enough room or option for one.

Although the staff frequently assists the cook when necessary, there are times when assistance might be useful. The same goes for the front of the larger establishments, sometimes it is hard to manage weekend brunches with just one staff in front of the house.

- **Skills**

Competence, communication, people skills, and leadership skills are necessary for each owner to run such business; the combination of these abilities enables the owners to address any problem and find a solution quickly. Years of working in this industry have helped the owners acquire the variety of soft skills that are required.

The key to a cook's output is their ability to prepare a quality meal with professional presentation and beautiful garnish, but their skill and any training they receive on the job through everyday processes is also very crucial. The business's owners place high value on their ability to meet any demand that may arise during the operating hours.

- **Assessment of structural alignment between the 7 factors**

This chapter consists of evaluation of the alignment between the 7 factors described on 3 level scale:

- ⇒ Level 1: Perfectly aligned. (green)
- ⇒ Level 2: Moderate alignment. (yellow)
- ⇒ Level 3: Somewhat aligned. (orange)
- ⇒ Level 4: Barely aligned. (gray)
- ⇒ Level 5: Not aligned at all. (red)

Table 1: Mutual comparison of 7S factors
(Source: Own assessment according to Mindtools,2021)

	Strategy	Structure	System	Style	Staff	Skills
Structure	4					
System	1	5				
Style	1	2	4			
Staff	2	2	4	2		
Skills	1	1	1	2	2	
Values	1	1	4	1	1	1

	Identified problematic factors
Strategy/Structure	Convenience is a key element of this company's strategy, as it has impact on results since few employees oversee high volume of work on the station, they are responsible for.
Structure/System	The majority of operational activities are handled by the company owners, whose absence could cause problems in the future. Additionally, there are too many duties for just two people to handle.
Style/System	The business's structure and leadership style are sustainable, but more individuals need to oversee different tasks if they are to be fully committed to each one.
Staff/System	The kitchen staff is also in charge of a great amount of work, so adding more employees to the capacity would lead to de-stressing of the kitchen.
Values/System	The company values convenience in their service, therefore not having a convenient operational system falls short of fully upholding its values.

Table 2: Characteristics of identified factors
(Source: Own work)

2.4. Current business model

- **Key Partners**

Partners are crucial for gastronomy-focused business in a bigger city like Brno to have competitive and sustainable strategy. Partners who can be considered the backbone of the company include suppliers, couriers, and other service providers. Suppliers are the most important partners; without them, the business could not exist. This business has partnerships with several different suppliers. Suppliers of meat, veggies, and other ingredients like Maneo, Cortelaci, Bit Food which provide delivery with their service which this business utilizes, and others like Makro, Hortim and Farma Ráječek where the employees shop themselves. Then there are suppliers who provide alcoholic and non-alcoholic beverages to the business-like Coca-Cola, Mattoni, Staro Brno. Providers of freshly roasted coffee beans, QB coffee roasters. Partners which are promoting sustainability Nesnězeno and Re-krabička. And finally, software and phone providers, for software which is used for the register, which is called KasaMax, and phone provider Vodafone with both of these providers the business is partnered up with.

- **Key resources**

People are the most valuable resource for this business, as they carry out every task that the business requires, employees such as chefs, waiting staff, and suppliers are necessary for functioning system. Each branch has different number of employees, since the smaller branch's kitchen is substantially larger and there is a greater demand for pick-ups, there are two people working in the kitchen, chef and chef's helper, with one employee in the front of the establishment. The larger branch only has two staff members, one of whom is the chef, and the other is the manager of the bar. According to the popularity of the company's signature dishes, which were created and are exclusively served at restaurants that operate under the Fabrik brand, they are considered to be a crucial resource. A variety of goods with stickers with Fabrik logo, such as tapenades, tiramisu, and coffee beans, should fall under the same category. Another important resource for this company is its access to fresh ingredients, the chefs' and baristas' expertise, and the processing techniques they have acquired.



Picture 10:Product example
(Fabrik,2019)



Picture 11: Product example
(Fabrik, 2019)

- **Key activities**

The professionalism of the kitchen and front staff and their training is one of the important tasks to assure the quality and consistency of each product the business offers to its customers. One of the crucial elements of the training is menu created by the owners and head chef, each new cook has to go and get familiar with the menu and follow it perfectly. Every new barista goes through a similar but simpler process, and as part of our cooperation with QB roasters, we are provided with free barista lectures.

One of the activities necessary for running such a business is the owner' experience in doing so. Since they are dealing with fresh produce like meats and vegetables, meeting the volume on every demand requires precision. It is also the owners' job to be competent and adaptable in order to deal with any problems that may arise. The professionalism and expertise that long-tenured employees gain is also essential to the sustainability of this business model.

- **Customer Segments**

The only categorization that can characterize the current customer segments is according to shared characteristics and values. Purpose, or what this customer segment is coming to the business for/ what is the reason, is one of the features of each group. The second feature represents the type of service platform that is employed when

placing an order on the platforms business utilizes. There are four primary groups of customer segments. The first group represents customers who are following vegetarian diets and want vegetarian dishes from the selection; these products can be made vegetarian or vegan, and this segment may also make use of the option to purchase gluten-free alternatives. This group uses a variety of services, and they are well represented within the bistros as well as for pick-up and delivery.

The second group of customers has distinct requirements, which are satisfied by conventional pescetarian food. This group of customers frequently orders gluten-free alternatives, though more frequently than the first larger group due to the greater selection of items in this variation. Although less frequently than the first group, this group is also represented at bistros and makes use of pick-up and delivery services.

The third group is sort of a subcategory of the groups mentioned above because all they desire are products that are lactose- and gluten-free. This group has the broadest range because in the offer all the products are with the option of gluten-free substitutes and because the business uses primarily plant-based cream or coconut milk for all its products, so the option of lactose-free meals is without a question. This group is also represented at bistros and makes use of pick-up and delivery services. However, as was already mentioned, it would be difficult to compare this group to others, but it is safe to assume that this group is not as represented as the two major groups, but still significant, nevertheless.

Customers who only come to these establishments for quality coffee and deserts, to study or have business meetings, make up the fourth-smallest segment. The business does not regularly offer vegan, vegetarian, or gluten-free dessert options, but it does offer quality coffee from expert roasters. However, as mentioned above, the establishments do offer at least some types of deserts which are signature as well as deserts prepared depending on the choice of the cook. The seating options are primarily utilized by this segment, hence pick-up and delivery options are rarely used. (Kirchnerová, 2022).



Picture 12: Larger branch interior
(Fabrik, 2019)



Picture 13: Smaller branch interior
(Fabrik, 2019)

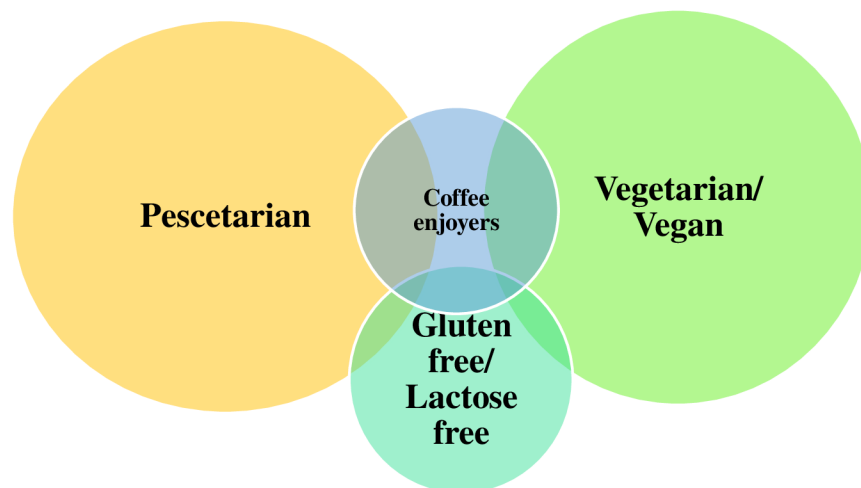


Figure 1: Relation between each customer segment
(Source: Own work)

- **Value proposition**

The design of each branch's style offers distinctive value. Both locations are designed in an industrial aesthetic, with bare brick walls and authentic vintage furniture that the owners have gathered from various antique shops. The visual appearance of both branches required a great deal of thought and attention to detail. Additionally, the machinery used to make the coffee has value that cannot be overlooked. The equipment,

meaning the coffee machines are both interesting by design and professional by functionality. They were custom build by two independent companies just for this business. The business provides distinct value by meeting a wide range of consumer needs. These requirements include products that are as stated gluten-, lactose-free, and vegan or vegetarian. Another benefit offered by this business is the variety of channels through which customers can place orders. It has partnership with major delivery service providers and supports telephonic orders that are placed directly to the branch where the customer wants to pick up their products. Customers can also sit in one of the branches and place in-person order. One of the company's core values is the use of premium coffee, which is brewed by skilled baristas using high-end machines. The coffee comes from beans selected carefully by the company's owners that have been professionally roasted by local coffee roaster business called QB. Coffee, which is in each establishment, was tailored to meet each customer's taste, the two kinds of coffee beans which are represented are distinguished by their taste, with one kind being more on the sour side and the other kind more on the earthy side. Completed with free tap water.

Regular Monday through Friday lunch menus represent another one of the company's key values. Every business day at eleven o'clock, lunch menus are prepared always with fresh ingredients. The menus are rarely the same and hardly ever repeated in the offer. They frequently come with variations of favored menu items. Both pick-up option and an option to eat lunch immediately are available on the lunch menus. Whenever there are any leftovers, they are then listed on a app called Nesnězeno, where they are sold off for fracture of their initial price.

Finally, there is a value that is specific to one of these branches. This branch is a part of the LaStrada delivery service, which distributes pizza and variety of dishes. As a result, the offer in this specific branch is expanded to include the LaStrada offer. The menu comprises of vegan, gluten-free, and lactose-free pasta, and pizza variations. (Kirchnerová, 2022).



Picture 14: QB Coffee Roasters logo
(Fabrik.,2019)

- **Channels**

The communication and distribution channels this business uses for the aforementioned customer segments are various. The ability to communicate with clients is crucial to success of the business; we must give them any relevant information they require. Customers use this service to call any branch over the phone when they wish to place an order or have questions about items' contents. They could also just book a reservation. Customers can also get in touch with the business through social media sites like Facebook and Instagram. Familiar customers make reservations or place substantial orders in advance using social business accounts.

The distribution component is a crucial element of the branches generating a significant part of the revenues. Both of the branches are a part of a partnership network with other major delivery service providers, such as Dáme Jídlo, Wolt and Bolt food. The business has a diverse customer segment made up of returning customers thanks to various channels. (Kirchnerová, 2022).

- **Customer relationships**

Approach towards end-customers is straightforward, when customers call the one of the branches, the waiting staff answers the phone with greeting and a branch name to ensure the customer that he reached the desired establishment, any orders are provided with necessary information (recommendations, contents of the products, time till it's made, price etc.), Staff is well trained to deliver this information. This goes same for resolving problems customers may have with any order, everything is resolved with transparent and explanatory communication with customers, and they are compensated if the problem is deemed real (Kirchnerová, 2022).

 OBĚDOVÉ MENU 16.1-20.1	
Pondělí KUŘECÍ KUNG PAO s arašidy a restovanou zeleninou sojová omáčka jasmínová ryže	132 CZK
Úterý ŠPECLE S UZENÝM MASEM a cibulí kyselý okurek	132 CZK
Středa BURRITO S TRHANÝM KUŘECÍM červenou fazolkou kukuřicí a salátem bylinkový dressing hranolky	132 CZK
Čtvrtek PEČENÉ MASOVÉ KULIČKY v rajské omáče penne	132 CZK
Pátek DUŠENÉ KUŘE S CITRUSY olivami a rýžem kusky s čerstvou petrželkou	132 CZK
POLÉVKA k obědovému menu dle denní nebo naší stálé nabídky	+49 CZK

Picture 15: Lunch menu example 1
(Fabrik.,2019)

 OBĚDOVÉ MENU 5.9-9.9	
Pondělí QUESADILLA S TRHANÝM VEPŘOVÝM kukuřicí cibulí červenou fazolkou zapečená sýrem	128 CZK
Úterý RESTOVANÉ RÝŽOVÉ NUDLE s kuřecím masem zeleninou a tofu čerstvý koriandr	128 CZK
Středa ŘECKÝ NÁKYP PASTICIO s mletým masem a bežamelem	128 CZK
Čtvrtek PEČENÉ KUŘECÍ STEAKY s hřívou bramborové pyré	128 CZK
Pátek LASAGNE SPINACHI s kuřecím masem špenátem a česnekem zapečené smetanou a sýrem salátek	128 CZK
POLÉVKA k obědovému menu dle denní nebo naší stálé nabídky	+38 CZK

Picture 16: Fabrik menu example 2
(Fabrik, 2019)



Picture 17: Fabrik tapenades in store product
(Fabrik, 2019)



Picture 18: Fabrik tiramisu in store product 2
(Fabrik, 2019)

- **Revenue streams**

Revenue streams generated from this business are following:

From the distribution channels specified in channels stated above, the business generates big part of the revenue creating 45% of the revenue. The channels can be further divided into two parts. The first part consists of partnered companies Dáme jídlo, Wolt and Bolt. Part of these services provided by these companies is delivery of the products, this service alone entitles these companies to have brokerage fees on each order. You as a company, are essentially buying their services in exchange for promotion and larger cashflow through orders processed on their platform. These margins are as following Dáme Jídlo charges 30% margin, Wolt is charging 30% same as Dáme Jídlo, Bolt has the lowest margin of 25%. The second part is pick up service provided by these establishments. Customers frequently make orders to pick up via telephone with waiting staff in the desired branch. The pickups are covering most of the revenue on one of the branches.

Every branch we are focusing on may have different revenue streams; for instance, pick-up service is more prevalent in the smaller branch located in downtown Brno, mostly for the reason that the business provides a percentage off each item from the offer La Strada has (pizza, pasta, etc.) this offer does not apply for the offer of the business in question, on the other hand in the larger branch most of the revenue is generated also from on-line orders but the second biggest revenue stream are reservations made by larger groups of customers; pickups are also represented but not as much as in the smaller branch.

Lunch menus and brunches are two important revenue streams that help to finance the company's current business model and its steadily expanding customer base. Generating consistent income over the entire week. The larger branch's capacity is often reserved for Saturday and Sunday brunches, and both branches occasionally struggle to meet the demand for lunch menus. However, the demand is based on the offer the business makes each week. However, it is possible to identify some trends based on what was the most favorable by the customer segments, and the business focuses on these.

Othe sub-revenue streams are in-store products that customers can buy in each establishment (Coffee beans, desserts, preserved tapenades etc.). In each establishment

customers are provided with sort of a subscription card for each coffee to go, after filling out the card they are provided with free coffee of their choice. Outsourcing delivery options with the help of delivery service provider stated in revenue streams, these services come with fixed costs in form of brokerage.

- **Cost Structure**

The cost structure that would represent this business model well is Cost Driven, in case of supplying each one of the branches the owner always looks for best deals on the market, partnering with large supplier chains like Makro, Maneco and other sources, as well as personal supplying provided by staff. Outsourcing delivery options with the help of delivery service provider stated in revenue streams, these services come with fixed costs in form of brokerage fees. Other cost that come with operating the business are energetical costs, wages for waiting staff, wages for cooks, rents or service costs.

These costs go as following:

Smaller branch has supplying costs which roundup to approximately 100 000 CZK a month, since the smaller branch was bought by the owner there is no costs related to the place itself, the owner just pays a fee of around 2000 CZK to the group of owners of the building. In the case of electricity and gas, it is around 10 000 CZK. In the case of salaries for cooks there is hard to be specific since the cooks work also for the delivery services provided by La Strada, the salary is 35 000 CZK a month. And in the case of waiting staff the hourly wage is 100 CZK an hour.

The total cost for operating this branch is around 150 000 Czech crowns.

The larger branch has supplying costs which round up to approximately 95 000 CZK a month, in the case of rent for this branch it is 25 000 CZK monthly, for electricity and services it is 22 000 CZK, the salaries for cooks are around 65 000, and for the waiting staff it rounds up to 40 000 CZK.

The operating costs for this branch are around 250 000 CZK (Kirchnerová, 2022).

- **Business model canvas summary**

The table below evaluates many aspects of the current business model and shows how they impact the business.

Table 3: Table of identified factors in business model
(Source: Own work)

Identified factor in business model	Impact on the business
Large scope of customer segments	Challenge, Opportunity
Large number of regular customers and good relationship with them	Opportunity
Ability to be flexible on everyday-changing market	Opportunity
Large number of channels the business covers	Challenge, Opportunity
Sustainable cost structure supporting the business	Opportunity
Number of staff present each day responsible for high volume of work	Problem
Uniqueness of the offer provided by the business	Opportunity
Swift and effective customer communication	Opportunity
Design of both branches and overall brand	Opportunity

2.5. Marketing mix

- **Product**

The definition of product provided by this business is consumer product, oriented on specific markets targeted by this business. Burgers, tortillas, salads, curries, brunches and a variety of unique dishes including jacket potatoes, homemade tapenade over avocado toast and signature Caesar salad with different meat variations are among the vegan, vegetarian, and gluten-free meals this establishment serves.

The owners with the help of executive chef of La Strada devised this product offer, which is constructed from carefully selected, high-quality local suppliers' fresh and in-season ingredients. It was introduced when the business was founded with small revisions made during the years that this business has been in operation, giving it a long PGC (product life cycle). Freshness, high quality, convenience, and sustainability are the main characteristics that define the product (Pálenský, 2022).

Due to a lack of environmentally friendly packaging options in the past that were within this company's budget, it has recently begun integrating the option to buy returnable food boxes from Czech start-up Re-Krabička. These boxes cost the customer 80 CZK and can be returned within the network of affiliated businesses for a full refund (Kirchnerová, 2022).

- **Price**

The company uses a dynamic pricing strategy to determine how much to charge for each item in the offer based on the prices and offers of suppliers, local competition, market buying power, and the situation of the economy. The only purported discounts this establishment offers are its cheaper lunch menus and cards for every fifth coffee you purchase you get one free. (Kirchnerová, 2022).

- **Place**

The smaller branch. Which is located in the center of Brno city, mostly uses channels like lunch menus, pick-up and delivery services provided by the partners. The larger branch, which is located close to the city center, concentrates more on reservations, breakfasts, lunch menus, and pick-ups and deliveries. Since it is related to the bigger delivery service known as LaStrada, the first branch located in the city center, is arranged differently from the sister branch and has an inventory that has been expanded by the products LaStrada offers, this offer includes vegan, vegetarian, gluten-free range of products, mainly consisted of pizza and pasta. The reason this branch's storefront is smaller is because it was designed from the start to be used mostly for pickups. Both branches have the same selection of coffee, and the primary offer is likewise the same.

The second larger branch located in the city center has different operating model than the smaller branch downtown. The kitchen in the second location does not focus on LaStrada delivery, so there is more time to focus on customers coming rather than on clients of the other businesses. It has classic seating and is considerably more comfortable for longer visits. It may accommodate corporate functions or birthday parties. The offer is largely the same, but recently the business started making little adjustments to the offer because it is focused more on events, reservation, and breakfasts. (Kirchnerová, 2022).



Picture 19: Fabrik Food Factory storefront
(Fabrik, 2019)

- **Promotion**

Paid advertising is essentially non-existent; one of the business owners is in charge of promotion made in the form of Instagram stories content photographs. Two separate business profiles have been established on social media for each branch. The Larger branch has more than 2,500 followers on Instagram and 2,100 followers on Facebook, compared to 1,500 for the smaller branch and on Facebook 2,800 followers. This type of advertising is both cost- and time efficient. The business also acknowledges that there is a specific Instagram food culture, thus paid advertising is not necessary given the brand's extensive organic reach through its customers. This business also makes good use of public relations in relation to apps and platforms that support influencers and celebrities covering food culture. The most significant was a mention in one of Lukáš Hejlík's publications, the gastro tour guide. But many influencers have made mentions of the business in the past.



Picture 20: Fabrik Urban House interior
(Fabrik, 2019)



Picture 21: Fabrik Urban House interior
(Fabrik, 2019)

Public relations are a crucial component of the business, and the business profiles stated are the most common means of communication for customers to get in touch with the company's owner. Granting the owner, the power to deal with arising issues or to effectively respond to any requests or inquiries from customers. The business profiles also inform customers about current deals, changes in opening hours, and about the weekly lunch menus. Different options for both branches are posted daily on Instagram stories, the offer is placed online every weekday morning.

Besides the 25% discount on orders for pick-up from the LaStrada offer, the company has no other kind of promotion in the form of sales, coupons, or anything similar. Only one of the branches has the opportunity for this discount since it is part of La Strada. In the past, gift cards were used, but the consumer base wasn't well-advertised.

The storefronts of both branches are quite simple and minimalistic, while the interiors have a custom industrial design composed by the owners and are refurnished with carefully selected antique furniture gathered over time. Due to its connection to the delivery service, the branch located in downtown Brno, which front space is smaller than the other branch, has larger kitchen than the other branch. The larger one, however, has a larger to medium-sized space because the kitchen doesn't require much counter space. The larger space is also interconnected to hall of the building which functions as entrance to the back of the building, where the space was adopted as a few seats space for smokers. (Kirchnerová, 2022).

- **Current 4P marketing mix framework summary**

The table below evaluates many aspects of the marketing mix and shows how they affect the business.

Table 4: Table of identified factors in marketing mix
(Source: Own work)

Identified factors in marketing mix	Impact on the business
Value presented by this business provides has wide customer base	Opportunity
Pricing and sales convenience	Opportunity
Options for ecological lifestyles	Opportunity, Challenge
Promotion through social media	Opportunity
Promotion through partnered networks of delivery service providers	Opportunity
Paid promotion absence	Problem
Interior design of the branches	Opportunity
Skilled and professional staff	Opportunity
Capacity to hold events in the city center branch	Opportunity, Challenge
Positive ratings on the internet	Opportunity
Value presented by partnership with La Strada on one of the branches.	Opportunity

2.6. Analysis of business macroenvironment

2.6.1. PESTLE analysis

When doing a full macro-environmental study, the PESTLE analysis is a typical tool that can provide significant insights into the different external influences that can affect a company or industry. However, when I was working on my thesis, I decided not to use the full version of the PESTLE analysis. The reason for this decision was that certain components of the PESTLE analysis were irrelevant or harmful to my study issue and including them would have been inefficient. Instead of the political side, I substituted

the economic context. This was a conscious decision, as the economic environment has a considerable impact on the operations and strategy of businesses and industries. The economic environment includes a variety of factors such as economic growth, inflation, exchange rates, and interest rates.

I was able to obtain a better knowledge of how the economy could affect the sector or company under examination by focusing on the economic environment. In particular, I investigated how changes in economic situations might influence consumer behavior, industrial developments, and regulatory frameworks. This study enabled me to identify potential risks and opportunities, as well as establish methods for mitigating risks and capitalizing on possibilities.

In addition to the economic environment, I examined the social, technical, and ecological environments, which are the PESTLE analysis's remaining components. The cultural and demographic trends and changes that can affect an organization or industry are referred to as the social environment. It considers changes in customer choices, attitudes, and lifestyles.

The technical environment includes technological breakthroughs and inventions that can have an impact on an organization or sector. This encompasses both new technologies that have the potential to disrupt existing markets and technology that can be used to improve existing products or services. Finally, the ecological environment refers to environmental elements such as climate change and natural disasters that might have an impact on an organization or sector.

I was able to build a modified model of the PESTLE analysis that was precisely adapted to my study issue and problem by focusing on these four areas - economic, social, technical, and ecological contexts. This method helped me to prioritize and focus on the most important aspects, allowing me to deliver a more specific study of the macro-environmental issues that could affect the business or organization under consideration.

In conclusion, while standard PESTLE analysis is a useful technique for studying the macro-environment, it is critical to adjust it to the specific research question or problem in order to prevent wasting resources on unnecessary components. In my situation, I was able to present a comprehensive and targeted study that brought value to my thesis by replacing the political factor with the economic environment and focusing on the economic, social, technological, and ecological settings. So the levels are following:

- ⇒ **Economic Environment**
- ⇒ **Social Environment**
- ⇒ **Technological Environment**
- ⇒ **Ecological Environment**

- **Economic environment**

The economic environment has a significant impact on the food sector since it influences consumer purchasing power, food pricing, and industry trends. Growing health and sustainability consciousness has increased demand for organic, vegan, pescetarian, and gluten-free food products. This trend is likely to continue as consumers become more health-conscious and environmentally sensitive.

The economic environment has a significant impact on the food sector, as it influences consumer purchasing power, food pricing, and industry trends. The growing awareness of health and sustainability has resulted in an increase in demand for organic, vegan, pescetarian, and gluten-free food products. This trend is predicted to continue as consumers become more health-conscious and environmentally sensitive. (Food and Agriculture Organization of the United Nations, 2021)

- **Social Environment**

The cultural and demographic aspects that influence consumer behavior and industry trends are referred to as the social environment. Consumer preferences are shifting toward sustainable and healthy food products as health and environmental concerns grow. Vegan and pescetarian diets are growing in popularity, particularly among younger people. (Food Industry Executive, 2021)

Consumers may now share their experiences and opinions regarding food items thanks to the rise of social media and online forums, resulting in enhanced openness and accountability in the sector. Consumers are also becoming more interested in the origins and processes of their food, which is fueling an increase in local and organic food production. (Olenski, 2017)

- **Technological environment**

The technical environment refers to technological breakthroughs and inventions that have an impact on the food sector. Precision agriculture, for example, has enhanced efficiency and reduced waste in food production. The usage of online platforms and

apps has also made it easier for customers to acquire food product information and make informed decisions. (Blake, 2021)

Another technological innovation that has the potential to upset the food sector is the rise of plant-based and lab-grown meat products. These goods are becoming increasingly popular among people seeking sustainable and nutritious eating options. (Schiller, 2021)

- **Ecological environments**

Climate change and natural catastrophes are examples of environmental elements that have an impact on the food sector. The food business contributes significantly to greenhouse gas emissions and deforestation, raising environmental concerns and posing sustainability issues. (FoodPrint, 2023)

As customers become more ecologically aware and sensitive, the emergence of sustainable and organic food production methods is a response to these difficulties. Renewable energy and sustainable packaging are also becoming more common in the food business. (Birnbaum, 2021)

Summary of external and internal factors on macroenvironment of the business

Finally, the economic, social, technological, and ecological surroundings all have an impact on the macro-environmental study of a gastronomy business that focuses on sustainability, vegan and pescetarian, and gluten-free goods. Some of the trends and difficulties that firms in this industry must address in order to succeed in the long run include increased awareness of health and sustainability, the impact of the pandemic, and technological improvements. The table below evaluates many aspects of the macro environment and presents internal and external factors and how they affect the business.

Table 5: Table of identified factors in B2C market
(Source: Own work)

Identified factor on B2C market	Impact on the business
Rising prices of supply	Challenge, Problem
High pressure on the quality and convenience	Challenge
Difficulty with work force enquiry	Problem
Adaptability to the market	Challenge
Relationship with suppliers	Challenge, Opportunity
Rising popularity of delivery service	Opportunity
Relationship between the business and other businesses in the same field	Opportunity
Uncertainty of the future impacts on the market	Problem, Challenge
Supply shortage problems due to external factors	Problem
Integration of different technological advances	Opportunity
Ecological impact of the industry	Challenge, Opportunity

2.7. Analysis of microenvironment of the business

2.7.1. Porter's five force

- **Market definition**

This is a restaurant and cafe company that caters to customers with certain dietary restrictions and preferences, as well as those looking for exceptional coffee and pastries. The market is divided into four categories based on common traits and values, with the major segmentation determined by the purpose and kind of service platform utilized to place orders.

Individuals who follow vegetarian diets and prefer vegetarian or vegan foods with the opportunity to purchase gluten-free alternatives make up the first client category. This category is well-represented in bistros and makes use of pick-up and delivery services.

The second client category consists of people who enjoy pescetarian cuisine and frequently request gluten-free alternatives. This demographic is also represented at bistros and makes use of pick-up and delivery services.

The third client category prefers lactose- and gluten-free goods with the most variety available. This group is also represented at bistros and uses pick-up and delivery services, although not as well as the first two.

Individuals seeking decent coffee and sweets, mostly using the facilities' sitting choices, make up the fourth and smallest client sector. The establishment does not frequently provide vegan, vegetarian, or gluten-free dessert alternatives, but it does provide premium coffee from skilled roasters, as well as signature and chef-prepared sweets.

Overall, this firm caters to consumers with unique dietary needs and preferences, as well as those looking for an excellent coffee and dessert experience.

- **Current competitor rivalry**

Due to the rigorous pandemic measures implemented by governments, restaurants and other food-related companies have been forced to close in many local communities, leaving many company owners fighting to survive. One of the primary causes of this has been the expensive rent, which many company owners are finding harder and harder to afford.

Nevertheless, despite these difficulties, several new companies have appeared throughout this period. Contrary to popular belief, the pandemic has opened up chances for company owners who are ready to take a chance and launch a new venture. These new enterprises have even in certain circumstances been able to occupy the vacancies left by previous companies that had to shut their doors.

The established companies in the gastronomy industry have managed to hold onto their leadership positions despite the fact that there is more competition in the neighborhood presently. This is primarily because they have a big number of loyal clients who support them even in the face of fresh competitors. Additionally, these companies frequently have distinctive products and patents that set them apart from rivals, which aids in luring and keeping clients.

Of course, the future is never guaranteed, therefore there can be further difficulties for companies in the food industry. But the fact that they have so far managed to withstand the pandemic's storm is a credit to their creativity and tenacity. There is every reason to expect that they will continue to prosper in the years to come as long as they keep innovating and adapting to new conditions. (Pálenský, 2022).

- **Substitutes**

- ⇒ Other eateries and cafés that accommodate customers with particular dietary requirements and preferences, such as gluten-free, vegan, vegetarian, or pescetarian options. Like: Veg8café, Forky's, Fryends.
- ⇒ Coffeehouses and bakeries that focus on serving delicious desserts and coffee may not have as many dietary options. Like: William Thomas, Klásek, Momenta, Jádno.
- ⇒ Customers may choose to eat pre-made meals and snacks catered to specific dietary demands from grocery stores and online food delivery services rather than going to a restaurant. Like: Potters kitchen.
- ⇒ Food delivery services that let clients create their own meals at home while keeping in mind their unique dietary needs and preferences. Like: Zdravé Stravování.
- ⇒ Similar choices and services are provided by food trucks and pop-up restaurants, but they also have the added convenience of mobility and menu flexibility. Like: Būcheck, couples food truck.

- **Bargaining power of buyers**

The area's large concentration of businesses that are identical to one another and offer comparable services at slightly different prices. This gives buyers significant negotiating leverage. Time, sales, and offer prices all have a big impact on how consumers act. However, the fact that this business offers distinctive options, such as health diet-friendly meals like gluten- and lactose-free meals, gives it an advantage because it is not a regular offer of any local establishments (Pálenský, 2022).

- **New competitors entering the market.**

There are few barriers to entry into this industry, yet even with few barriers, it is crucial for this sector to maintain relevance, sustainability, and a positive reputation. Because

the new companies currently entering the market are still in their early stages of development and growth, there will likely be more rivalry in the near future. Since there are now many identical business models existing, the market may shift as more educated and experienced individuals enter the industry (Pálenský, 2022).

- **Assessment of factors affecting the microenvironment of the business**

The table below evaluates many aspects of the microenvironment and presents internal and external factors and how they affect the business.

Table 6: Table of identified factors in microenvironment

(Source: Own work)

Identified factors of microenvironment	Impact on the business
Cheap alternatives represented in the local area, offering substitute for such business	Problem
High number of businesses established in local area, focusing on same field	Challenge, Problem
People who cook at home	Problem, Opportunity
High bargaining power of buyers	Challenge, Problem
Distinctive options provided by this business	Opportunity
Businesses fully dependent on its suppliers	Problem, Challenge
High bargaining power of suppliers	Problem
Good and healthy relationship with suppliers	Opportunity
Low entry barrier for potential competition	Problem, Challenge
Large field of education	Challenge

2.8. Summary analysis of microenvironment

2.8.1. SWOT analysis

Finding the company's strengths and weaknesses in the light of the present market conditions is the aim of this research. Additionally, this research will evaluate market opportunities and dangers that can be taken advantage of or avoided in order to promote innovation and advance the company. The SWOT analysis will put light on these

elements in-depth, offering useful information that can be applied to decision-making and the creation of novel suggestions to raise the performance and competitiveness of the organization.

- **Strengths**

Since the company's founding, its attractive offer has attracted customers, growing a sizable proportion of devoted customers. Each meals design and presentation are quite important in this regard. Despite the current status of the economy another strength is a stable and periodically expanding cashflow. The customer consistently responded favorably to professional and knowledgeable support. The personnel are always well trained and periodically rehearsed in problem solutions, preparations, and other services associated with the operation, ensuring that they are competent and knowledgeable. The establishment's appeal is mostly due to their exceptional breakfast and lunch menus. Customers are drawn back time and time again by the diversity and quality since the establishments offer include the alternatives mentioned.

Customer rating via internet site Google, are staying positive with the larger establishment in city center with 4,5* and 320 respondents, the smaller branch located in downtown Brno with 4,6* and 379 respondents. Among these customer ratings mentions about these establishments can be categorized here. The most influential was a mention in one of Lukáš Hejlik's publications, and many other mentions by different influencers. (Pálenský, 2022).

- **Weaknesses**

The biggest weakness is a lack of employees; both branches' capacity is frequently difficult to fill and cover all shifts resulting in other employees overworking. Because the regular offer is always accessible, lunch menus typically have higher demand than supply, which overlaps with breakfast, the lunch offer, and orders made on delivery platforms. Each branch typically has one waiter, which doesn't seem to be an issue, but on the larger branch, it might be challenging for the staff to manage high volume of reservations or weekend brunches. It can occasionally result in delays and disgruntled customers. The lack of variation in the regular offer presented in each branch of this business is another weakness. The smaller branch's neighborhood residents and regular

customers have no other reason to go to the second branch but to sit or pick different lunch menu option.

With so many revenues streams the business may be overheating, making it difficult to maintain focus on the quality of the items rather than the timeframe they have to meet for the order. Additionally, there is a lack of skilled cooks willing to work for fair pay, and since the waiting staff is primarily made up of local college students, the personnel is always changing. Shortage of the goods that the business needs from its suppliers and growing costs as a result of the nation's economic situation (Pálenský, 2022).

- **Opportunities**

Due to government regulations, the nation's economic situation, and following the COVID-19 pandemic, competition in this field is gradually leaving the market for the industry is unstable. However, new competitors are also entering the market. New social trends like ecological thinking and sustainability are rising in this industry.

In this sector, new social trends like ecological awareness and sustainability are becoming more prevalent. The need for time-efficient services is growing as delivery services become more and more popular in the Czech Republic. Increasing numbers of visitors from abroad, especially to Brno, particularly students and workers from India and Britain. Also, influential people visiting the locations and sharing their experiences.

- **Threats**

If there will be pandemic measures in the future is still a mystery. The unpredictability of the market today also presents a significant threat to the business. For instance, one of the suppliers was hacked by an outside entity, resulting in a severe shortage of essential supplies for more than a year. The vendors' also offer less and less produce. Establishments are close to problematic areas of the city, and many times were targeted by burglars.

Establishments that are both close to trouble areas in the city are frequently the targets of burglars. A potential threat comes from new competitors entering the market. Repeated complaints and eventual loss of the company's reputation and revenue can be the result of staffing shortage (Pálenský, 2022).

3. Proposal

In this chapter, we will start concentrating on deriving outcomes from the analytical frameworks used to create adequate proposals for changes in company operations that are linked to the company's current marketing mix. And will be linked to the SWOT analysis framework as well. The main goal of the proposals is to increase Fabrik .s.r.o. revenue's by proposing a solution concept of service optimization and adequate marketing presence optimization, as well as possible steps to answer customers' needs and wants that are falling behind, as derived from the analytical frameworks used and identified in the tables during the thesis's analytical part.

The main idea behind the first concept is changing the communication to improve the promotion of the overall business, which could potentially lead to higher awareness about the business and possibly increase the revenues of the business. One of the most significant problems with targeting such a large customer scope is the clarity of how the business is communicating all the products and services the business provides.

3.1. Proposal for changes for business model

- **Key resources**

This particular segment is of great significance to the company because it can be examined from two important angles: the first is the personnel angle, which concerns the company's employees, and the second is the material angle, or the food the company serves. Based on the identified factors, it can be seen that the current cash flow capacity is insufficient to keep up with the high demand for the product, which results in a lower level of consistency than the business would like. Because they are overworked from attending other channels, the cooks, for example, are unable to meet the demand for the lunch menu quota. Another illustration of this problem can be seen in the larger branch in the city center, where the workload for a single employee is high and communication breakdowns occur due to the establishment's capacity being significantly higher than that of the other branch.

The company must take the necessary actions to capitalize on opportunities and yield profitable results in order to address these issues. Since the company enjoys a strong customer base and a well-liked product, the main challenge is in making the already

overworked staff's workplace less stressful. Additionally, the shortage of staff members who are available for shifts is a glaring indicator of the issue. Hiring more staff to cover multiple shifts would be the answer to this problem, which would lighten the workload.

- **Key activities**

The company has put in place a number of safeguards to guarantee smooth operations. A recent analysis, however, reveals a lack of consistency caused by frequent staff turnover, especially among the front desk staff, which is primarily made up of university students. Initial training is provided to the staff, but no follow-up training is provided, leading to inconsistencies. The owners do frequent staff checks, but it is not enough. Additionally, the kitchen staff does not conduct routine inspections, which results in misunderstandings about lunch menus and inconsistent dishes made by various cooks.

Since a company's success depends on how its customers perceive it, this problem requires urgent attention. Since the owner lacks the capacity for routine checks, the solution to this issue requires the appointment of a senior employee or senior cook/staff member who will be in charge of overseeing product quality and staff training. Holding regular meetings with the waiting staff so they can express their issues and demands to the owner and their peers is another option. The establishment of a communication line between each cook is crucial for the kitchen staff. Meetings could be a useful communication tool as well, even if they are held less frequently with the kitchen staff than with the waiting staff due to their lower turnover rate.

- **Revenue stream**

The company's current revenue streams are sufficient to support its current business model. However, limiting the business to a narrow scope, which is primarily limited to in-store products, would be a missed opportunity given the wide range of options available. The owners should think about adding more goods to the Fabrik line, like extra dessert options or coffee blends created in collaboration with QB. It is crucial for

business owners to balance the workload placed on their staff when considering delivery services as a potential source of revenue because there are so many providers.

3.1.1. Business model proposals benefits

Firstly, addressing the staffing shortage and overworked employees would help to reduce stress at work, which would boost employee morale and job satisfaction. The staff's consistency and productivity would increase as a result, boosting customer satisfaction and possibly luring in new clients.

Secondly, the food served would be consistent in taste and quality if a system for routine inspections and product quality control was put in place. This would increase customer satisfaction levels and improve the company's reputation, which would result in more sales and repeat customers.

Thirdly, regular staff meetings to discuss their demands and concerns would help to improve teamwork and communication, creating a more harmonious and effective work environment. This might then result in improved client relations and elevated client retention.

Overall, the adoption of these recommendations would lead to a more effective, consistent, and profitable business, which would increase customer satisfaction, boost sales, and enhance reputation.

3.1.2. Financial assessment of business model proposals

To correctly implement these proposals regarding the current business model would require several resources including:

- **Financial resources:** Additional financial resources would be needed to hire more staff, provide follow-up training, and appoint a senior employee, cook, or staff member to oversee quality control.
- **Human resources:** A senior employee, cook, or other staff member would need to be appointed to oversee quality control in addition to hiring more employees to help with the workload. In order to address the concerns and demands of the staff, they would also need to hold regular meetings with them.
- **Technology resources:** The company may need to invest in technology tools to improve efficiency and streamline communication, including implementing a digital

platform for staff communication or ordering systems to increase the precision of orders and processing speed.

- **Time resources:** To put these ideas into action, time and resources would need to be allocated for training staff, holding regular meetings, and implementing new procedures.
- **Material resources:** In order to meet the increased demand brought on by hiring more staff and enhancing the consistency of food quality, the company may need to make an investment in additional kitchen supplies or equipment.

Table 7: Table of financial assessment of proposal 1
(Source: Own work)

Resources	Costs/monthly
Financial resources	Additional front staff member (weekends): 6.600CZK Additional kitchen staff member (cook): 50.000CZK
Human resources	Benefits for senior staff overseeing quality and other cooks: 500CZK
Technology resources	No additional costs since the business have the resources just needs to utilize them correctly.
Time resources	Benefits for senior staff member responsible for these procedures: 5.000CZK
Material resources	Budget established for renewal of equipment and buying of additional equipment: 10.000 CZK
Final monthly costs	The final estimated monthly costs: 72.100CZK

3.2. Proposal for changes to current marketing mix

It is possible to derive potential solutions that could improve profitability and advance brand awareness based on the factors identified within the current marketing mix. Analysis of the current marketing mix identifies a significant issue, specifically the absence of paid promotion, that prevents the company from achieving greater success. Despite this constraint, the company has already made a sizable market dent using its current resources, indicating a sizable potential for growth with the right adjustments.

Table 8: Table of affected areas in the marketing mix
(Source: Own work)

	Product	Price	Place	Promotion
Proposal one	X			X
Proposal two	X			X
Proposal three			X	X
Proposal four			X	X

3.2.1. Proposal one

The business offers a sizable opportunity for growth due to its wide customer base and extensive product line. But handling such a sizable product portfolio can be difficult. Despite the fact that the company seems to have successfully handled the majority of these problems, inconsistent behavior has developed and is now affecting the overall customer experience. These discrepancies most likely result from a breakdown in internal communication rather than a problem with the product itself.

The company should implement training programs and quality assurance procedures to address this problem and guarantee consistency in the delivery of each product. For similar problems in the past, this remedy has worked well. The variety of offerings is a distinctive value proposition that distinguishes the company from rivals, so there is no need to change the product lineup. In the end, the idea behind the product is still sound, and with the right measures taken to address the breakdowns in internal communication, the company can carry on prospering and satisfying the demands of its wide range of clients.

- **Product:** A crucial component of the "Product" element, the proposal strives to maintain uniformity in the delivery of each product. The idea can help to retain the company's distinctive value proposition and set it apart from rivals by raising the quality of the product and boosting the customer experience.
- **Promotion:** The plan also tries to boost customer happiness and the company's brand reputation, which might be important components of the "Promotion" part. Delivering dependable, high-quality goods can help the company build customer loyalty and spread good word of mouth, both of which can boost sales.

Benefits of proposal one

The suggested actions of implementing training courses and quality control procedures can benefit the company in several ways.

- **Improved customer satisfaction:** The suggested measures can improve the overall customer experience by ensuring consistency in the delivery of each product. Higher customer loyalty and retention rates may result from this.
- **Increased efficiency:** The suggested measures have the potential to improve productivity by streamlining the business' operations and fixing the internal communication breakdown. Profitability can rise and costs can be reduced as a result.
- **Enhanced brand reputation:** The company can enhance its brand reputation and draw in more customers, which will boost sales, by producing reliable, high-quality goods.
- **Competitive advantage:** The company's wide range of products is a unique value proposition that differentiates it from competitors. The company can make use of this advantage and further distinguish itself in the market by keeping the product lineup and fixing internal communication issues.

Financial assessment of proposal one

The company will require the use of a number of resources to carry out the proposal to create training programs and quality assurance procedures, including:

- **Human resources:** The company will need to assign staff personnel to create and deliver the training programs, oversee quality control methods, and assess employee and customer feedback.
- **Technology:** To make the proposed steps easier to implement, the company might need to make investments in technological tools like quality management software, customer feedback monitoring software, and communication tools.
- **Time and Budget:** The company must set aside time and money for the creation and delivery of training programs, the deployment of quality control measures, and the tracking and evaluation of client feedback.
- **Support from management:** The support and buy-in from higher management will be crucial to the suggested measures' success. The company will need to make sure

that management is dedicated to the suggested actions and is prepared to give them the resources and support they need to succeed.

Table 9: Table of financial assessments of proposal one
(Source: Own work)

Resources	Costs/monthly
Human resources	Additional pay + benefits for senior staff member: 5.500CZK
Technology	No additional costs since the business have the resources just needs to utilize them correctly.
Time and Budget	Additional pay + benefits for senior staff member: 5.500CZK Budget for covering training costs: 5.000CZK
Support from management	Benefits for management: 1.000CZK
Final monthly costs	11.500CZK

3.2.2. Proposal two

The company might want to think about using a multi-pronged marketing strategy that combines online and offline channels to effectively communicate the value of its current locations. This could include local audience-focused social media advertising campaigns, print advertisements in regional publications, and other outreach initiatives meant to spread the word about the distinctive value propositions of each location.

The company might think about creating extra menu items, special deals, or other incentives for each of its two locations to further distinguish the offerings of each. For instance, the larger branch in the city center might provide a unique dining experience or more upscale menu options that appeal to patrons seeking a more upscale setting. As an alternative, the smaller location could concentrate on providing menu items or specials that are more reasonably priced and entice customers looking for a casual dining experience.

In addition to these initiatives, the company might want to think about working with community influencers or other businesses to promote its locations. This might entail working with regional food bloggers, organizing events or promotions with other nearby businesses, or undertaking other innovative marketing initiatives aimed at generating buzz and excitement about the brand.

In conclusion, the company's success will depend on how well it can continue to innovate and differentiate its offerings while maintaining a laser-like focus on the needs and preferences of its clients. The company can set itself up for long-term growth and profitability by utilizing a variety of marketing and product development strategies.

- **Product:** For each of its two sites, the idea advises adding new menu items, exclusive offers, or other incentives to further differentiate the offerings at each. This product-focused strategy strives to stand out from the competition and appeal to various client demographics.
- **Promotion:** The proposal largely focuses on the promotion component by outlining various outreach programs and collaborating with influential members of the community or other companies to advertise its locations. This strategy attempts to raise brand awareness and create excitement and buzz about the company, which will ultimately result in greater sales and income.

Benefits of proposal two

The proposal offers the following advantages for the business to think about:

- **Better communication of value proposition:** The business may successfully inform new customers about the benefits of its current locations through a variety of media, both online and offline, by employing a multi-pronged marketing plan. This can aid in increasing awareness and bringing in more clients to its businesses.
- **Differentiation of the product:** For each of its two sites, adding new menu items, exclusive offers, or other incentives might help differentiate the offerings and appeal to various customers. This may improve client retention and loyalty.
- **Collaboration and partnership:** Promoting the company's locations and creating buzz and excitement about the brand can be accomplished through collaborating with local influencers, local food bloggers, or other neighboring businesses. This may aid in spreading brand awareness and drawing in new clients.

- **Long term growth and profitability:** The business can position itself for long-term growth and profitability by adopting a number of marketing and product development tactics. This might assist the business maintain its competitiveness in the industry and gradually grow its consumer base.

Financial assessment of proposal two

The following resources might be essential in this proposal:

- **Marketing and advertising budget:** The business would have to set aside money for marketing and advertising activities like social media marketing campaigns, print ads, or other outreach activities.
- **Menu development and ingredient sourcing:** For each location, additional menu items, exclusive offers, or other incentives would necessitate menu development and ingredient sourcing efforts.
- **Staff and training development:** The company may need to invest in staff training and development if it introduces new menu items or offering a distinctive dining experience at its larger branch.
- **Costs of cooperation and partnership:** To create partnerships and collaborations, working with local influencers, food bloggers in the area, or other neighboring businesses may involve some financial investment or resource allocation.

Table 10: table of financial assessments of proposal two

(Source: Own work)

Resources	Costs
Marketing and advertising budget	Budget for advertising: 10.000CZK/ monthly
Menu development and ingredients	Menu development benefits for the head cook: 5.000CZK Quality ingredients at disposal of the business
Staff and training development	Additional pay + benefits for senior staff member: 5.500CZK
Cost of cooperation and partnership	Budget for this matter isn't needed this cooperation is organic
Final costs/monthly	15.500CZK
Final additional one-time payments	5.000CZK

3.2.3. Proposal three

By not using paid promotion to reach a wider audience, the company is losing out on a significant opportunity. Although the company has established accounts on a number of social media sites and has been promoting itself naturally, paid promotion has the potential to significantly increase visibility and engagement.

To address this issue, my recommendation would be for the business to set aside money for paid advertising on the social media networks it already uses in order to address this problem. This might entail launching localized advertising campaigns that are specifically targeted at potential clients as well as making investments in other types of paid advertising like sponsored content or influencer alliances.

The company should also think about developing a marketing calendar that specifies when and how promotional posts should be presented in order to maximize the impact of these paid promotion efforts. This could include recommendations for the appropriate

messaging and visuals, as well as the most effective ways to interact with customers and deal with their feedback.

Along with these initiatives, the company should concentrate on communicating its value proposition to the general public. This might entail advertising special offers and discounts for takeout as well as collaborating with delivery services like Wolt to give customers discounts or other benefits. The company can increase its visibility and gradually draw in more customers by making sure that customers are aware of all the benefits it offers.

The business's ability to successfully communicate its value proposition to the public while utilizing paid promotion and other marketing techniques to reach a wider audience will ultimately determine its level of success. The company can set itself up for long-term growth and success in the cutthroat food and beverage industry by taking the proper approach.

- **Promotion:** The proposal primarily focuses on the promotion component of the four Ps of marketing mix, which describes the actions and tactics utilized to advertise and market the product or service to the intended market. The suggestion is that the business spend money on paid advertising to raise its profile and encourage interaction with potential customers.
- **Place:** Other components of the marketing mix are discussed in the proposal as well. As an illustration, the recommendation to work with delivery services like Wolt to provide clients with discounts or other advantages relates to the "place" component of the marketing mix. Customers now have easier access to the company's merchandise because to its partnership with a delivery service.

Benefits of proposal three

- **Increased Visibility:** The company can reach more people through paid advertising than through only organic promotion. This may result in the company becoming more visible and well-known.
- **Greater engagement:** Increased engagement with potential clients can be achieved with the aid of paid advertising. It may entice users to engage with the business's social media pages and website, boosting sales and fostering client loyalty.

- **Targeted advertising:** The business can target particular markets and demographics thanks to paid advertising. This can assist the business in connecting with prospective clients who are most likely to be interested in its goods or services.
- **Marketing strategy:** A more unified and successful marketing plan for the business can be developed by creating a marketing calendar and allocating funds for paid advertising. The business can enhance the effect of its promotional efforts by being proactive and strategic.

Financial assessment of proposal three

The company will need to use several resources in order to implement this suggestion. Among these resources are:

- **Budget:** The company will need to set aside money for paid advertising, which might take the form of influencer partnerships, sponsored content, and regional advertising campaigns. The company's financial status and the scope of the promotional effort will determine how much money is budgeted for this reason.
- **Human resources:** The business could need to hire more employees or designate existing employees to work on putting this suggestion into action. This could include social media managers, marketing experts, and content producers who are in charge of creating and carrying out the marketing strategy.
- **Social media platforms:** The business will need to initiate paid advertising campaigns and interact with potential customers on the social media networks it already uses, such as Facebook, Twitter, and Instagram.
- **Marketing Calendar:** The company must create a marketing schedule that specifies the timing and approach for promotional posts. To administer and monitor the success of the campaigns, this can call for extra tools or software.

Proposed marketing calendar

- **Monday:**
 - ⇒ **Instagram:** Share a high-quality photo of a signature vegan or pescetarian dish, highlighting its unique flavor profile and presentation. Include a description of the dish and its ingredients.

- ⇒ **Facebook:** Share a post about the bistro's commitment to sustainability, highlighting the use of organic and locally sourced ingredients in the menu items.
- **Tuesday:**
 - ⇒ **Instagram:** Share a recipe video of a popular vegan or pescetarian dish served at one of the branches, featuring the bistro's head chef. In the video, highlight the key ingredients, cooking techniques, and plating tips.
 - ⇒ **Facebook:** Share a post about the history of vegan and pescetarian cuisine, and how the bistro's menu items reflect the evolution of these dietary lifestyles.
- **Wednesday:**
 - ⇒ **Instagram:** Host a live cooking demonstration with the bistro's head chef, where they prepare a popular vegan or pescetarian dish from scratch. Allow followers to ask questions about the recipe and the cooking process.
 - ⇒ **Facebook:** Share a post about the bistro's wine list, highlighting the vegan and pescetarian-friendly wines available, and how they pair with the menu items.
- **Thursday:**
 - ⇒ **Instagram:** Share a post about the nutritional benefits of vegan and pescetarian cuisine, highlighting the key vitamins and minerals found in the menu items. Include information about the health benefits of consuming plant-based foods.
 - ⇒ **Facebook:** Share a post about the bistro's commitment to community involvement, such as sourcing ingredients from local farmers and supporting local charities.
- **Friday:**
 - ⇒ **Instagram:** Share a photo of a seasonal vegan or pescetarian dish, highlighting the use of fresh and seasonal ingredients. Include information about the flavor profile and how the dish fits into the overall menu.
 - ⇒ **Facebook:** Share a post about the bistro's commitment to inclusivity, highlighting the range of dietary lifestyles that can be accommodated, such as gluten-free, dairy-free, and nut-free options.

- **Saturday:**
 - ⇒ **Instagram:** Share a post about the bistro's cocktail and mocktail menu, highlighting the unique flavor combinations and ingredients used. Include a photo of the most popular drink.
 - ⇒ **Facebook:** Share a post about the bistro's catering services, highlighting the range of events that can be catered, from weddings to corporate events.
- **Sunday**
 - ⇒ **Instagram:** Share a post about the bistro's brunch menu, highlighting the vegan and pescetarian options available. Include a photo of the most popular brunch dish.
 - ⇒ **Facebook:** Share a post about the bistro's history, highlighting any milestones and achievements, and how the bistro has evolved over the years.

Table 11: Table of financial assessment of proposal three
(Source: Own work)

Resources	Costs/ monthly
Budget for advertising and paid promotion	Budget for advertising: 10.000CZK
Human resources	Benefits for senior employees: 7.000CZK
Social media platforms	No additional costs
Marketing calendar	Benefits for responsible senior employee: 3.000CZK
Final monthly costs	20.000CZK

3.2.4. Proposal four

Fabrik has a good reputation, but it lacks a delivery system of its own. Customers can only place takeout, eat-in orders for food or place order on delivery service platforms like Dáme Jídlo, Wolt and Bolt. Contrarily, LaStrada, a sister company of Fabrik, has a

well-established online ordering system that enables customers to place direct orders with them. Since the same people own both businesses, Fabrik may benefit greatly from collaborating with LaStrada to provide delivery services.

Creating shared platform is the first choice, modifying the current LaStrada delivery system to fit the items on Fabrik's menu. If the two companies use the same platform, it could be branded as "LaStrada and Fabrik Food Delivery." Since Fabrik wouldn't require a new delivery system, this alternative might be more affordable. For current LaStrada customers, it might be difficult to distinguish between the two companies with this option, though. The best option thus might not be this one.

On the Fabrik website, a new delivery platform can be created as a second alternative. The infrastructure and logistics required to enable this extra service are already in place at LaStrada. It would be more affordable to include a delivery option and change the website to support this function. This would enable Fabrik to increase its reach in the market and convenience for customers. Although it would take more work to set up, this choice might ultimately be better for both businesses.

There is currently a shared kitchen between Fabrik and LaStrada delivery, so no additional changes to logistics are required. To ensure effective operations, the two businesses can cooperate. It's crucial to remember that this proposal does not apply to the larger branch of Fabrik Urban House because it is situated elsewhere and lacks the necessary infrastructure.

In addition LaStrada already has the infrastructure, meaning that they have professional delivery personnel as well as number of cars at their disposal to accommodate the flow of delivery orders and the system on how to deliver these orders, the cars are already branded by the company logo and the delivery personnel has attire representing the brand of LaStrada, this means that to fully implement this proposal the business would need to rebrand the advertisement on the cars as well as the attire of the personnel.

LaStrada already has a fleet of branded delivery vehicles and a team of skilled delivery personnel. To fully implement this suggestion, Fabrik would have to rebrand the signage on the vehicles and the staff's clothing to represent both Fabrik and LaStrada. This would guarantee a consistent brand image for both businesses and offer seamless delivery for customers.

Collaboration with LaStrada for delivery services might be advantageous for Fabrik. Customer convenience and reach would be increased by developing a new delivery platform on the Fabrik website using the already established LaStrada logistics and infrastructure. To fully implement this suggestion, the delivery cars' advertisements and the employees' clothing would need to be rebranded. The two businesses could cooperate to ensure effective operations and a unified brand identity for each. Overall, this proposal has the potential to raise Fabrik and LaStrada's revenue and increase customer satisfaction.

Benefits of proposal four

The firm would gain a number of advantages from putting this suggestion of working with LaStrada for delivery services into action:

- **Increased customer convenience:** By developing its own delivery service, Fabrik would provide its clients the ease of placing orders directly with them. This would spare clients the inconvenience of having to use third-party delivery providers and create a smoother ordering experience.
- **Increased reach:** The market reach of Fabrik would also expand if it had its own delivery service. Customers who previously might not have thought about ordering from Fabrik since delivery services weren't available could do so now.
- **Cost effective:** The idea of Fabrik and LaStrada developing a common platform would be a cost-effective solution because Fabrik wouldn't have to invest in developing a new delivery system from the ground up. The cost of implementing this suggestion would be greatly decreased by utilizing LaStrada's current logistics and infrastructure.
- **Brand cohesion:** It would be less expensive to create a shared platform between Fabrik and LaStrada since Fabrik wouldn't have to spend money developing a new delivery system from the ground up. The cost of implementing this suggestion would be greatly decreased by utilizing the current infrastructure and logistics of LaStrada.
- **Increased revenue:** Revenue growth for Fabrik and LaStrada would result from the expanded customer convenience and reach. Together, the two companies would be better equipped to serve their clients and generate more cash by utilizing each other's advantages.

Financial assessment of proposal four

Fabrik would require a number of resources to carry out its idea, including:

- **Collaborative Efforts:** To make sure that the new delivery platform is easily integrated into Fabrik's website and that all areas of the delivery service, including logistics, staff training, and branding, are managed successfully, Fabrik and LaStrada would need to work closely together.
- **Existing infrastructure:** With a fleet of branded delivery vehicles and a group of knowledgeable delivery staff, LaStrada already has a well-established delivery system. To build its own delivery service, Fabrik would need to make use of these already-existing resources.
- **IT resources:** IT personnel would be required to design, create, and operate a new delivery platform on Fabrik's website. Fabrik would have to spend money on employing qualified IT specialists or contracting out this work to a different company.
- **Branding and marketing resources:** Creating a new delivery platform on Fabrik's website would require IT resources to design, develop and maintain the platform. Fabrik would need to invest in hiring skilled IT professionals or outsourcing this task to a third-party provider.
- **Training and development resources:** In order for Fabrik to perform a high-quality delivery service, it would be necessary to train its workers on how to operate the new delivery system. Investing in training and development would be necessary for this.
- **Financial resources:** The creation of the new delivery platform, branding of the delivery vehicles and staff uniforms, marketing of the new service, and personnel training are all expenses associated with putting this idea into action. Fabrik would have to set aside money to pay for these expenses.

Table 12: Table of financial assessment of proposal four
 (Source: Own work)

Resources	Costs
Collaboration with LaStrada	No additional costs
Existing infrastructure	No additional costs
IT resources	Changes to already existing platform (IT expert): 100.000CZK
Branding and marketing	Changes to already existing platform (IT expert): 100.000CZK
Training and development resources	No additional costs the business has already professional staff
Financial resources	Rebranding of delivery cars (10 cars total): 25.000 CZK Design: No additional costs the business has the material at their disposal. New staff uniforms: 25.000 CZK
Final costs	150.000 CZK

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