

CHAPTER 3 MARKETING PLAN

Overall Marketing Strategy

Borneo Café will adopt multipoint marketing strategy to ensure that the store will be able to capture a niche market of local premium café market. Other than formulating a competitive pricing strategy, Borneo Café put the focus on the promotion strategy. Normal promotion activities are planned and to be executed periodically to bring up brand awareness among city folks. One of the most powerful tool to promote Borneo Café is to capitalise on the public relations (PR) of promoting Malaysian's concept, brand and products. It is expected that the local media and authorities will be able to contribute to the brand communications due to the unique concept of Borneo Café.

The ultimate aim is to instil the feeling of *"I must not miss Borneo Café to enjoy a truly Malaysian great coffee!"* in the mind of Malaysian customers and foreign tourists.

3.1 Pricing Strategy

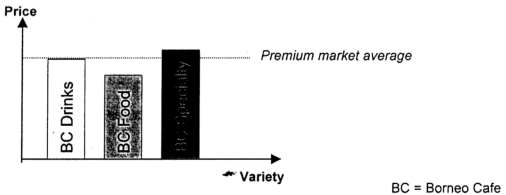


FIGURE 2 PRICING STRATEGY

In order to maintain the image of premium café, drinks will be priced at the average of premium market average. The consumers will not feel that Borneo Café is too pricey as compared to other premium café of equivalent ambience. It is expected that drinks are able to contribute the highest

margin to the business. On the other hand, the food served at Borneo Café will be set at slightly lower than the premium average. This is to improve the competitiveness of Borneo Café. The strategy is simple, to improve sales and attractiveness. Consumer who intends to order drink will consider ordering some finger food due to its reasonable price. On the other hand, consumer who orders food is most likely to order a drink too.

Table 3.0 Price Comparison

	Borneo Café	Coffee Bean	San Francisco
Average price of beverage (regular)	RM 6.74	RM 7.02	RM 5.57
Average food price	RM3.70	RM 7.00	RM 6.00

A few items will be classified as specialty items for Borneo Café, such as White Coffee and Borneo Pan Cake. The price will be set slightly higher than the average price Borneo Café. Specialty items are able to fetch a higher price because consumers are not able to find similar items at another café in town.

3.2 Sales Tactics

From time to time, some tactical sales program will be implemented to boost sales. The following are tactics that could be used:

- i) Second order discount – Selected item is granted with discount when ordered in two.
- ii) Membership – Member of Borneo Café is entitled to reserve the sofa seats and enjoy special discount on drinks. Loyalty program can also be arranged through partnership with Bonus Link, Real Rewards, J-Card, etc.

3.3 Service and Warranty Policies

In the café industry, customers would expect fast service and delivery of drinks and food. Therefore, it is important to deliver food and drinks to customer in the shortest time possible.

Target service time per customer for drinks or food to be served is within 4 minutes after customer placing an order in the queue.

Warranty policy: Free one drink if waited longer than 8 minutes. This policy will be implemented only after the operation processes are well established and tested.

3.4 Advertisement and Promotions

3.4.1 PR Focus

- new local brand concept
- environmental friendly
- local specialty café
- press release
- opening ceremony – VIP

3.4.2 Free Trip Contest

Free trip contest will be organised on a monthly or quarterly basis. Contest is open to any customer who spends at least RM10 in a single receipt. The winner will win a free trip to one of Borneo tourist attractions in East Malaysia, e.g. Mulu Cave, National Parks, Mount Kinabalu etc. The contest will gain publicity while able to attract more customers to visit and consume at Borneo Café. By organising the contest, Borneo Café is doing its part in promoting tourism within Malaysia, to Sabah and Sarawak.

3.4.3 Partnership with travel agents.

Stop over at Borneo Café can be included in the schedule of a typical Kuala Lumpur City Tour. Travel guide to bring tourists to visit and taste a truly Malaysia style coffee at Borneo Cafe. To reciprocate, Borneo tour package brochures are on display in the store.

3.4.4 Icon

The icon of Borneo Café is an Orang Utan wearing a hunter outfit during Brooke era. The icon will appear during major events such as opening ceremony, selected public holidays, contest winner prize giving ceremony, etc.

3.4.5 Banners

Banners to be hanged outside the wall of shopping mall to attract customers. It is the cheapest and yet very effective mode of advertising to attract customers around the vicinity.

3.4.6 In house posters display

Posters about Borneo, history, culture, tourist attractions, etc will be displayed in the outlets' wall. The objective is to raise interest about the store and eventually to plant the brand image into the consumer's mind. Some of the poster and happenings may generate new interest on Borneo and its history.

3.4.7 Poster, souvenir, handicraft for sales.

Local souvenir products can be sourced from East Malaysia (Sabah, Sarawak) and East Coast (Kelantan, Trengganu, Kelantan, Pahang). The souvenirs to be selected for sales must be related to Borneo Café. For example, hand made table cloth, mug pad, spoon, mug, poster of scenic Borneo Island, etc.

With this arrangement, Borneo Café could emerge as one of the tourist destination. While promoting Malaysian specialty drinks and food, Borneo Café can do its bit to promote tourism in Malaysia. This concept normally would attract the media coverage and easy to gain government and local authority support in promotion activity.