

Filling A Gap in Local Market: Marketing Strategies of An Emerging Bakery Characterized by Producing High-Protein and Low-Sugar Cakes

Shengdi Song*

*Corresponding author. Email: Lexi9911@163.com

Aquinas international academy, Garden Grove, 92845, USA

Abstract. Through the actual investigation, it was found that there was a gap in the market for low-calorie desserts in Changzhou. This paper demonstrates strategies on how to launch new and prospective bakeries featuring high protein and low sugar cakes, inspired by former successful business cases such as Genki Forest, which can meanwhile be a proof that tactic in this paper's reliability. In this work, local market surveys are provided with perceptual maps testify by linear regression and cross analysis, various and appropriate marketing strategies are used to run the business, and a final business model is eventually achieved, with three stages for different levels of business development: initial, middle and late phases. This research can serve as a reference for those who have also spotted a prospective commercial opportunity but are confused about how to start up the work, keep it alive and run it for a long time.

Keywords: healthy, high protein and low sugar cakes, current trend of healthy living, resilient marketing strategies with flexibility.

1 Introduction

In recent decades, the national economy of China has been developing continuously, and the quality of people's life has been continuously improved. The demand for bread is not only for filling the stomach, and with the awareness of healthy eating, an increasing of people tend to eat healthier bread. Driven by these new demands, private bakers have emerged, but in most bakery chains or convenience stores, these healthy breads are not available. Therefore, in China, the healthy bread market is still in its infancy, and the whole bread industry has a lot of room for development.

As a kind of food with short shelf life, fast circulation and great demand, bread is a relatively common food in people's real life. In the case of people's strong pursuit of high-quality life and increasingly rich food types, in the process of choosing food, they not only want to fill their stomachs, but also hope that the selected food is rich. Nourishing, with excellent taste, high-cost performance and beautiful appearance. Spurred by these new demands, the bread industry is going from strength to strength. However, with the addition of more brands and the continuous enrichment of product types,

consumers also have more choice space, in this case, the industry competition is unprecedentedly fierce.

By analyzing customer groups, 4Ps strategy and Internet marketing model, this paper takes Genii Forest as a marketing case to analyze the relevant marketing strategies. Finally, in the face of increasing consumer demand for products and increasingly fierce market competition, I put forward the idea of entrepreneurship.

2 Literature Review

Philip Kotler put forward such a research conclusion: marketing realizes the interaction between supply and demand [1]. From the perspective of the interaction process, it has these characteristics: the satisfaction of others' needs; The earning of profits; Organization and implementation of management work. Marketing activities are like other social activities in that the purpose attribute is quite distinct, and the essence of marketing is to achieve the goals of both sides.

Venter, Wright, and Dibbs proposed a new differential classification of target customers based on STP market segmentation when studying the American bakery market [2]. The main idea is that there are at least four types of differences between different consumers: product interest orientation, consumer interaction, choice difficulty and bargaining level. This conclusion is helpful to accurately identify the heterogeneity of consumers, understand and grasp the relevant segmentation variables, and create, improve and optimize the segmentation method of the bakery market.

The current shift in consumer behavior can be attributed to the increasing concern over the impact of food quality on overall health, thereby leading to a surge in adoption of healthier eating habits characterized by reduced consumption of unhealthy products and increased preference for nutrient-dense foods [3]. Consequently, food manufacturers are now placing greater emphasis on promoting healthier dietary choices and have implemented diverse strategies aimed at enhancing the nutritional profile of their offerings. A promising strategy is to enhance the nutritional profile of marketed products. Bread, a staple food traditionally derived from wheat flour, holds a substantially historical and cultural significance as it is widely consumed across various societies. It constitutes an integral component of the Mediterranean diet and can contribute to maintaining a healthy dietary pattern. However, regular bread often presents nutritional deficiencies (i.e., micronutrients, fiber, antioxidants) [4].

3 Body

3.1 Target consumers

There is an emerging trend among consumers towards a heightened awareness of their health and more attention to nutritional value of meals [5]. Moreover, consumers commonly hold the belief

that the consumption of healthy foods positively patronize and nurture their general well-being, sequentially augmenting their inclination towards opting for low-calorie food choices [6]. Therefore, for health products, there is a better audience market. Target customers are those who mainly need to control sugar, such as those who are in the period of fat reduction, and some diabetic patients. About 250 million people were obese in China in 2019; Therefore, what fueling the development of firms whose clients are concerned with weight control is the need for healthy lifestyle [7]. Fat reduction group has become a growing customer group [8]. Meanwhile, A survey studied by Guoshuai Shi shows that there is a high prevalence of diabetes in China, and the prevalence of diabetes continues to increase [9]. Therefore, in view of the increasing number of diabetic patients, commercial opportunities for this huge group area can also be launched to meet part of their needs for desserts. There are also people who have requirements for physical management, mainly office workers, such as white-collar workers who need to pay enough attention to their appearance in order to work.

3.2 Core competence

According to the 4P strategy, the product is endowed with two characteristics: 1. In terms of product, high protein, low calorie and low sugar cake; 2. In terms of promote, low-cost convenience store supply marketing, online marketing and intra-city express service should be combined. The former has the advantage of distance, for example, Lawson, 7-ELEVEN and other convenience stores are located next to the office building, which also means that it can be closer to the target customers such as white-collar workers and avoid the pressure of high-cost rent. The 49th China Internet Development Statistical Report [China Internet Network Information Center, 2022] shows that intermediary can expand this business's influence and increase the audience group. About 842 million online shoppers made up 81.6% of the entire internet population in the year the end of 2021, out of 1.032 billion Online members and 1.007 billion social network users. Internet business model is a trend, and it is consistent with this bakery start-up work with asset-light entrepreneurship model, so it is beneficial to follow this trend; The same city supply and distribution of the latter can ensure the freshness and health of the products, without adding preservatives.

3.3 Location analysis

As for the product positioning of this start-up, through the perception map, compared with similar merchants in the market, Holilai, Yuanzu and other brands have their own chain stores, but mainly high-sugar and high-calorie desserts; C 'Fine also has its own independent stores, which focus on low-calorie, light food; As for LAWSON, 7-ELEVEN sells in convenience stores, but it doesn't feature low-calorie and low-sugar desserts. This start-up is positioned as a form of convenience store sales, focusing on healthy high-protein, low-sugar and low-calorie foods, which are relatively new and competitive in terms of health among similar brands (see Figure 1).

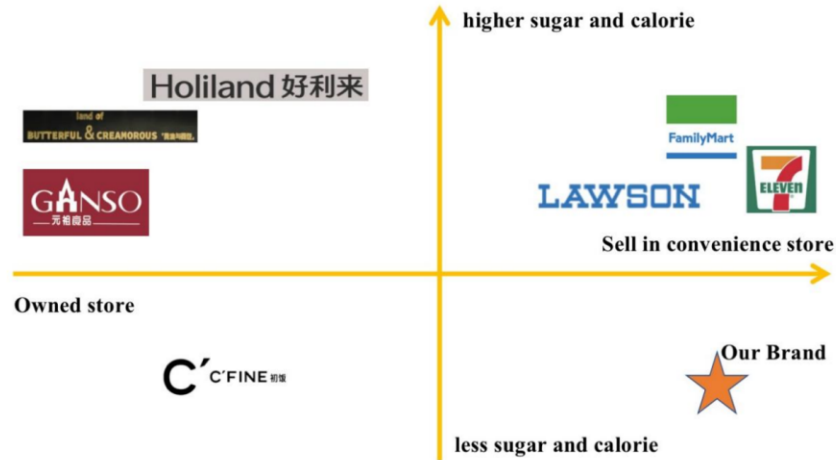


Fig. 1. Perceptual map.

Before a consumer buys a product or service, they go through several stages. For example, when the consumer first needs a product, he/she starts collecting information. After that, the consumer selects and buys what he thinks is the best product. Finally, he/she analyzes whether the product is useful or not [10]. Therefore, although it is a start-up which is not as famous as other big brands in the market, but the purpose of enabling customers to obtain this brand information can be achieved through proximity advantages and online publicity. By getting the information about the existence of this business, customers can compare the high-protein low-calorie cake with other ordinary cakes in the market through one purchase, and sales can gradually develop.

3.4 Analysis of successful cases

In terms of going to the market, this work plans to learn the marketing strategy of Genki Forest, which is to put products in some convenience stores, such as LAWSON, 7-ELEVEN. Instead of putting its products in big stores, Genki Forest focuses on convenience stores, Genki Forest employed both physical and online methods in terms of communication. Convenience stores, where young people predominately shop in the first and second cities, make up most offline channels. The number of these shops increased to 193,000 from 94,000 in the year 2019, a compound annual growth rate of 20% [11]. At the same time, Genki Forest also takes advantage of the fact that its target consumers are highly like those of these convenience stores, so the brand has gained a loyal following. So, this approach can be wise to market the goods, because target customers are like convenience stores, that is, people who have requirements for body management, such as white-collar workers.

3.5 Business model

There are 3 phases can be distinguished: At first, products will be mainly listed in convenience stores and sold online. The second is live broadcast, such as network talent distribution. In the medium term, this work's products will be provided for the customer service of 4S stores, moreover, Sam's Club stores and some fitness centers can also be included in the target customer base, so low-calorie cakes can be provided. At the same time, through these positive people to promote consumption, it is more credible and more convincing. Later, open physical stores, develop franchise stores. As each phase progresses, the strategy of the previous phase continues.

3.6 Funding ask

As for the capital requirements, \$100,000 is enough to get us started. Mainly spent on e-commerce marketing in the early stage, Dons distribution, they can help me promote, of course, the postage is very low compared to the rent, lighten burden a lot in the early stage, so that more money can be saved to improve their skills. After the first phase of development is mature, physical stores can be realized and bear the heavy marginal cost.

4 Data Analysis

4.1 Linear Regression

Table 1. Linear regression analysis results.

Linear regression analysis results (n=408)							
	Nonnormalized coefficient		Standardization coefficient	t	p	collinearity diagnostics	
	B	standard error	Beta			VIF	tolerability
Constant	1.232	0.075	-	16.377	0.000**	-	-
Price	-0.001	0.001	-0.017	-0.466	0.642	1.004	0.996
Distance (m)	0	0	-0.237	-5.371	0.000**	1.478	0.677
Kilocalorie	-0.003	0	-0.519	-11.773	0.000**	1.476	0.677
R ²	0.467						
Modify R ²	0.464						
F	F(3,404)=118.215,p=0.000						

D-W Value	2.629
dependent variable: choice	
* p<0.05 ** p<0.01	

From the table 1, it seems evident that in the case of a linear regression, the variable that acts as a dependent is choice, whilst the independent variables are Price, Distance (m) and Kilocalorie. The model's formula is as follows, as the subsequent graph reveals: $\text{choice} = 1.232 - 0.001 * \text{Price} - 0.000 * \text{Distance (m)} - 0.003 * \text{Kilocalorie}$, the R-square value of the model is 0.467. That is to imply that Price, Distance (m) and Kilocalorie can elucidate 46.7% of variation in choice. As conducting F test on this model, it can then be determined that the model passes F test ($F = 118.215$, $p = 0.000 < 0.05$), which clarifies that at least one of Price, Distance (m) as well as Kilocalorie will have an effect on choice.

The regression coefficient value of Price is -0.001 ($t = -0.466$, $p = 0.642 > 0.05$), which manifests that Price has no clout on choice.

The regression coefficient value of Distance (m) is -0.000 ($t = -5.371$, $p = 0.000 < 0.01$), which means that Distance (m) will have an effectively passive impact on options.

The regression coefficient value of Kilocalorie is -0.003 ($t = -11.773$, $p = 0.000 < 0.01$), which means that Kilocalorie will have a fairly adverse clout on choice.

Summary study shows that Distance (m) and Kilocalorie can lead to a negative consequence on choice. Still Price has no influence on choice.

4.2 Cross (Chi-square) analysis results

Table 2. Cross analysis results.

Cross (Chi-square) analysis results														
		choice (%)		Total	χ^2	P				choice (%)		Total	χ^2	P
		0	1							0	1			
		Price	27							2(0.73)	15(11.11)			

29	8(2.93)	3(2.22)	11(2.70)	300	14(5.13)	71(52.59)	85(20.83)			
33	23(8.42)	1(0.74)	24(5.88)	800	97(35.53)	47(34.81)	144(35.29)			
35	9(3.30)	2(1.48)	11(2.70)	1000	51(18.68)	14(10.37)	65(15.93)			
37	5(1.83)	17(12.59)	22(5.39)	2000	110(40.29)	3(2.22)	113(27.70)			
39	18(6.59)	1(0.74)	19(4.66)	Total		273	135	408		
41	15(5.49)	6(4.44)	21(5.15)	Kilocalorie	112	4(1.47)	23(17.04)	27(6.62)	217.63	0.000*
42	15(5.49)	1(0.74)	16(3.92)		120	1(0.37)	0(0.00)	1(0.25)		
45	7(2.56)	9(6.67)	16(3.92)		138	6(2.20)	21(15.56)	27(6.62)		
47	20(7.33)	11(8.15)	31(7.60)		150	13(4.76)	49(36.30)	62(15.20)		
49	14(5.13)	9(6.67)	23(5.64)		176	3(1.10)	18(13.33)	21(5.15)		
50	29(10.62)	5(3.70)	34(8.33)		195	1(0.37)	0(0.00)	1(0.25)		
52	9(3.30)	1(0.74)	10(2.45)		198	2(0.73)	0(0.00)	2(0.49)		
54	12(4.40)	17(12.59)	29(7.11)		295	74(27.11)	2(1.48)	76(18.63)		
57	0(0.00)	1(0.74)	1(0.25)		298	1(0.37)	0(0.00)	1(0.25)		

65	27(9.89)	5(3.70)	32(7.84)																
70	16(5.86)	9(6.67)	25(6.13)																
72	8(2.93)	12(8.89)	20(4.90)																
75	11(4.03)	4(2.96)	15(3.68)																
77	10(3.66)	2(1.48)	12(2.94)																
80	15(5.49)	4(2.96)	19(4.66)																
Total	273	135	408																

			320	68(24.91)	10(7.41)	78(19.12)													
			357	51(18.68)	4(2.96)	55(13.48)													
			370	9(3.30)	2(1.48)	11(2.70)													
			398	40(14.65)	6(4.44)	46(11.27)													
			Total	273	135	408													
			* p<0.05 ** p<0.01																

Since perceived from the graphic above, to investigate the differences among choice , Price, Distance (m) and Kilocalorie, cross analysis is utilized. It can be seen from the table 2: Different choice samples showed significant values for Price, Distance (m) and Kilocalorie ($p<0.05$), which signifies that various choice samples showed distinct values of Price, Distance (m) along with Kilocalorie. The exact recommendations are comparable to the proportion of variations shown in brackets.

choice has importance at the 0.01 level for Price ($\chi^2=101.658$, $p=0.000<0.01$). It can be seen from the comparison difference of percentage.

choice showed 0.01 level significance for Distance (m) ($\chi^2=149.378$, $p=0.000<0.01$). According to the comparison difference of percentages, 52.59% chose 300.0 with 1.0, which was notably greater than 5.13% with 0.0. The percentage of 0.0 selecting 1000.0 is 18.68%, which is considerably stronger than that of 1.0 choosing 10.37%. The ratio of 0.0 picking 2000.0 was 40.29%, which was drastically more than that for 1.0 choosing 2.22%.

choice presents 0.01 level significance for Kilocalorie ($\chi^2=217.630$, $p=0.000<0.01$). According to the comparison difference of percentages, 36.30% of Kilocalorie chooses 150.0, which is significantly higher than 4.76% of Kilocalorie. The percentage of 0.0 opting for 295.0 is 27.11%, which is severely stronger than that of 1.0 choosing 1.48%. The proportion of 0.0 selecting 320.0 is 24.91%, which is seriously greater than that of 1.0 choosing 7.41%. 18.68% picking 357.0, which is enormously higher than 2.96% choose 1.0. The ratio of 0.0 taking 398.0 was 14.65%, which was heavily greater than that of 1.0 choosing 4.44%.

Results showed that different selected sampling all exhibit notable variances in Price, Distance (m), and Kilocalorie.

5 Conclusion

The business is positioned in Changzhou, aiming at Changzhou baking industry, this business can fill this gap. The low-fat lifestyle has become a part of People's Daily life. Coupled with the vacancy in the low-fat dessert industry in Changzhou, market has enough prospects for this work. In addition, the development strategy of this business is divided into three parts: in the initial stage, goods will be mainly stored in convenience stores and sell online. The following two methods can greatly reduce the marginal cost without heavy financial burden: first, introducing to convenience stores can save a lot of money spent on rent; second, live broadcasting, like some network celebrities, some people in the early stage don't need high commission, giving products to them is the only need so that they can help me promote it if they like, so there is no need to undertake a heavy committee to promote products. In the medium term, this work has already gained a certain influence and competitiveness. At this time, provide desserts can be provided for the customer service of 4S stores. Because people who buy cars of this brand are generally lower-level car buyers or people who pay attention to user experience, such stores can become an opportunity for us to provide products. Products can also be supplied to Sam's Club stores and some fitness centers, where there are refrigerators to store water and food, so low-calorie cakes can be offered. These positive people can likewise be utilized to drive consumption, which is more credible and convincing. By the end, some funds had been accumulated to open physical stores and develop franchise stores. As each phase progresses, the strategy of the previous phase continues.

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