

# A MARKETING PLAN FOR PANERA BREAD TO SUCCEED IN THE NETHERLANDS



***What marketing strategy should be used for Panera Bread  
to succeed in the Netherlands?***

Fleur Krimpenfort  
11058714  
ES4-5

Dissertation supervisor: Mrs. Marlou van Paridon  
January 4<sup>th</sup> 2016

Academy of European Studies  
The Hague University of Applied Sciences

## Executive summary

This report researches what marketing strategy should be used for Panera Bread in order to succeed in the Netherlands. Panera Bread is an American fast-casual food chain that is known for its freshly baked bread. In 2013 the company has made some drastic changes and decided to only serve “clean” food, and have removed all the artificial additives. Since then, Panera Bread is only growing and their goal is to expand internationally. This has led to the main research question: *“What marketing strategy should be used for Panera Bread to succeed in the Netherlands?”*

Internal and external information was needed in order to create an effective marketing strategy, therefore the SWOT was generated. The SWOT is based on the internal and external analysis and the most conspicuous outcomes are the following:

Strength: Panera 2.0; Panera Bread’s new concept that is very successful in the United States.

Weakness: Multi-unit franchising; a franchisee is required to open fifteen restaurants within a period of six years. This is very unattractive for potential franchisees and not realistic for the Dutch market.

Opportunity: Their target group (DINKS) is increasing

Threat: Location; A-locations are very prodigious at the moment, yet is necessary in order to become successful.

The rest of the outcomes of the SWOT analyses can be found in the research report. This research report also contains a Dutch consumer survey, that was held among 133 Dutch consumers. The survey showed some interesting findings, for instance; what is considered as important when going to a fast-casual restaurant, and what the reasons are why people are going to a fast-casual restaurant. These findings created a good basis to generate a marketing plan.

In order to be successful and to compete with the biggest competitors (Bagels & Beans and Subway), differentiation and customer loyalty are crucial. There are various ways to create that, for example a business to business loyalty program where Panera Bread can work together with businesses located in their area. Panera could for example make special offers with entrepreneurs to offer lunch a couple of times in a week for a fixed price. Besides business to business loyalty, a business to consumer loyalty program is essential as well; it can be created through for example “Create the new sandwich of the month”, where Panera Bread picks a new sandwich, created by customers, every month.

Other promotions are described in chapter five of this report.

In conclusion, when deciding to enter the Dutch market, Panera Bread should make some changes in order to be successful. Also, further financial research is needed to see if it would be profitable enough for Panera Bread to operate in the Netherlands. Nevertheless, there are lot of opportunities for Panera Bread as well.

## Table of Contents

Executive summary .....	1
II. Introduction.....	5
III. Methodology .....	6
Chapter two: Internal analysis .....	9
2.1 Company description.....	9
2.1.1 Products .....	10
2.1.2 Mission and Vision.....	11
2.1.3 Goals and Objectives.....	11
2.2 Strengths and Weaknesses .....	13
2.2.1 Strengths.....	13
2.2.2 Weaknesses .....	14
2.3 Organizational Structure .....	15
2.4 Internal Analysis Conclusion .....	16
Chapter Three: External Analysis .....	18
3.1 Customer Analysis.....	18
3.1.1 The Dutch Consumer Survey Analysis .....	18
3.2 Competitor Analysis.....	21
3.2.1 Five forces of Porter .....	21
3.2.2 Bagels and Beans .....	22
3.2.3 Vapiano .....	23
3.2.4 Eazie .....	23
3.2.5 Subway.....	24
3.2.6 Local Healthy Restaurants .....	24
3.3 DESTEP Analysis .....	25
3.3.1 Demographical Aspects.....	25
3.3.2 Economic Aspects.....	25
3.3.3 Social-Cultural Aspects.....	25
3.3.4 Technological Aspects .....	26
3.3.5 Ecological aspects.....	26
3.3.6 Political Aspects.....	27
3.4 Supply Analysis .....	27
3.5 External Analysis Conclusion.....	28

Chapter four: SWOT analysis .....	30
4.1 Strengths .....	30
4.2 Weaknesses .....	30
4.3 Opportunities .....	30
4.4 Threats.....	31
4.5 Overview SWOT .....	32
4.6 Confrontation Matrix .....	32
Chapter Five: Recommendations .....	34
5.1 Strategic Marketing Plan.....	34
5.2 Objectives .....	34
5.3 Marketing Mix .....	35
5.3.1 Product.....	35
5.3.2 Price.....	36
5.3.3 Promotion.....	36
5.3.4 Place.....	38
5.4 Further recommendations .....	38
5.4.1 Entrée Methods recommendations.....	38
5.4.2 Suppliers recommendations .....	39
Chapter six: Conclusion.....	41
References .....	42
Appendices.....	47
Appendix A .....	47
Appendix B .....	51
Appendix C .....	56
Appendix D .....	59
Appendix E .....	61
Appendix F.....	62

## II. Introduction

This marketing plan is written for Panera Bread with the purpose to find out if Panera Bread can succeed in the Netherlands. First, information about Panera Bread will be given in order to create an idea of what Panera Bread is and what their concept looks like, after the internal analysis, the external environment will be investigated to see what the Dutch market looks like.

Panera Bread is a fast casual food chain that offers healthy menu items such as salads and soups, but is most famous for their freshly baked sandwiches. Panera Bread is an American company with 1.946 operating restaurant divided over Canada and the USA. Panera Bread is one of the first fast casual restaurants that serve healthy menu items. Last year they have removed all their artificial colors and flavor enhancers and have become the pioneer in the industry (Number of Panera Bread Company employees, 2015). .

The Dutch market can be interesting for Panera Bread since a healthy lifestyle have become more important for the Dutch consumer. Therefore, the main goal of this research plan is to find out if and how Panera Bread can succeed in the Netherlands. In order to reach the goal, the following main question was created:

*“What marketing strategy should be used for Panera Bread to succeed in the Netherlands?”*

With the aim of answering the main question, several sub-questions were formulated as well, which can be found in the methodology on the next page.

This paper is divided into several parts in order to create a clear overview; First, the methodology will be outlined where the motivations for the utilized research methods are given. After the methodology, an analysis will be given of the internal and external aspects of Panera Bread. As mentioned at the beginning of the introduction, the internal analysis shows the concept of Panera Bread, how big the company is, and what their goals are. The external analysis focusses on who the target market will be, how the Dutch market looks like, and what the Dutch consumer is looking for when it comes to fast-casual restaurants. To create good results, a survey was generated to research the Dutch market and consumers. At the end of this research, recommendations are given about several aspects: what products should Panera Bread offer, what prices should Panera ask for their products, where should Panera Bread locate their first restaurants. But also about what entrée methods and promotion strategies should be used in order to be successful.

After the recommendations, the final conclusions will be given which can be found at the last part of this paper.

### III. Methodology

This chapter of the paper describes the research methods that were applied during the process. Not only a clear division in relation with quantitative and qualitative methods is defined in this part, but more important is the description of the reasons for selecting the methods that have been used. First the main and sub-questions will be written. The sub-questions are divided in different parts of the chapters. After the description of the main and sub-questions, the reason of structuring, answering, and the methods will be declared.

Central research question: What marketing strategy should be used for Panera Bread to succeed in the Netherlands?

Sub-questions:

1. What is Panera Bread and what is their mission?
2. What are the goals of Panera Bread?
3. What is the target group of Panera Bread?
4. Who are the biggest competitors in the operating countries?
5. How does Panera Bread differentiate itself from the competitors?
6. Who will be the biggest competitors be in the Netherlands?
7. How does the current market situation looks like in the Netherlands?
8. Should Panera Bread customize their products for the Dutch market, and how?
9. What position strategies should Panera Bread use?

**Reason for answering and structuring the sub-questions:**

According to “The Marketing Plan Handbook” from Maran Burk Wood, answers of the above named questions are needed to write a successful marketing plan. It is important to answer the earlier mentioned sub-questions in order to get to know Panera Bread’s brand values and goals; a marketing plan would only be effective when it suits Panera Bread’s values. If research shows that Panera Bread’s mission does not fit in the Dutch Market, a consideration should be made if it would be profitable enough for Panera Bread to operate in the Netherlands. The sub-questions will also give a better view on what the Dutch market and consumers looks like, and so a selection can be made of who Panera’s target audience should be. When the target audience is clear, the marketing plan will be more focused and therefore more successful. Each sub-question fits in a certain chapter of the paper; the paper is divided into an internal analysis, external analysis, a SWOT, and the final marketing plan.

Within the internal analysis the following aspects will be researched and described:

- Company description;
- Products;

- Mission and Vision;
- Goals and Objectives;
- Strengths and Weaknesses;
- Organizational Structure.

The external analysis will have the following sub-chapters:

- Customer analysis;
- Dutch consumer analysis;
- Competitor analysis;
- Five forces of Porter;
- The possible Dutch competitors;
- DESTEP analysis;
- Distribution Analysis;
- Entrée methods.

The SWOT will describe Panera Bread's strengths, weaknesses, opportunities and threats. After the description, a confrontation matrix has been made in order to show if the strengths and opportunities are stronger than the weaknesses and threats.

At last, the marketing plan will be written where the following aspects will be discussed:

- Objectives;
- Marketing mix (4 P's);
- Marketing strategy;
- Conclusion;
- Recommendations.

### **Which methods will be utilized in this research paper?**

The internal analysis was fully based on qualitative/desk research methods; that means that Internet sources were used to gain information. In order to write a trustworthy paper, different sources were consulted. The original website of Panera Bread gave the most up-to-date information about their products. Besides websites, reports have been used as well. The annual report of Panera Bread contains information about their mission, vision, goals, objectives as well as their organizational structure that is really advantageous.

To determine Panera's relevant strengths and weaknesses, knowledge about the Dutch trends and developments with an emphasis on the food service industry was gathered, then a comparison with Panera's characteristics in order to develop their strengths and weaknesses were made. Rabobank does independent research about the Dutch trends and developments annually, which



gave up-to-date, relevant and trustworthy information. The external analysis was based on qualitative as well as quantitative research methods. The information in the theoretical part of this chapter was consulted through academic retrieved (internet) sources such as information about the Five Forces of Porter from E. Mulwijk and psychological researches that describes the behavior of the consumer in the food service industry. The consumer analysis was based on a quantitative research method. In order to gain information about what the Dutch consumer would think of a concept like Panera Bread, a questionnaire was conducted. The survey was made online via thesistools.com and shared on social media in order to gain as much as respondents as possible. The survey had eventually 133 respondents, both male as female that are aged between 18 and 50 years old. Crossings were made in order to gain useful information, for instance to see what respondents are going to a fast casual restaurant twice a week (men, woman?) and for what type of meal they are going to a fast casual restaurant. The results will indicate what segment Panera Bread should focus on.

### **The creation of a well-structured questionnaire**

Numerous elements were important to take into account, when it comes to creating a questionnaire to get information about the Dutch fast-casual consumer behavior and what they are looking for in a fast casual restaurant. Firstly, the questionnaire was not too long since that takes too much time of the respondent and that could cause impatience; when a respondent experience impatience, it could happen that they skip the survey or that the respondent does not fill in the survey meticulous.

Secondly, the presented questions were as short as possible, to avoid miscommunications.

Thirdly, the multiple choices were short but clear described. When choices are longer than necessary, there is a possibility that the respondent could feel confused which causes indistinctness.

Finally, the presented questions were held in a certain way that they were useful to make crossings, and the crossings gave more insight information about the Dutch consumer.

## Chapter two: Internal analysis

### 2.1 Company description

Panera Bread is an American fast-casual food chain. According to Foodservicewarehouse.com, a fast casual restaurant may still take orders at a counter, but offer tableside food delivery or pick-up. The food is made to order, not pre-assembled. The restaurant is comfortable and well decorated, and the prices are more affordable than a typical casual dining restaurant but a little higher than a traditional fast food restaurant.(Parpal, 2015) Other typical characteristics according to Foodservice Instituut (Grievink, 2014) of a fast casual restaurant are:

- Fresh food
- The customer needs to pay before he receives the order
- Target group: adults with average to above average income
- Quick service (order should be finished within ten minutes)
- Friendly staff members
- Open kitchen

Louis Kane and Ron Shaich founded Panera Bread in the east coast of the United States in 1981 as Au Bon Pain Co., Inc. Now, in 2015 there are 1.946 operating restaurants divided over 46 States in America and Canada under the name Panera Bread. In 2014, there were working 42.700 employees in the Bakery-café operations; 1.400 employees working for the fresh dough facility operations and 1.300 employees were working at the office and had general and administrative functions (Number of Panera Bread Company employees, 2015).

Panera Bread finds it important that customers feel at home in the Panera restaurants and because of that reason, Panera wants to create a warm and welcoming feeling by using warm colors in their restaurants, comfortable chairs, atmospheric lighting and the smell of freshly baked bread. See pictures below for an impression. For Panera Bread, another significant aspect is to ensure that every restaurant acquire the same quality, therefore Panera employs quality controllers in every area. (PaneraBread T. o., 2015)



### 2.1.1 Products

Since the healthy life style trends in 2013 - where people prefer to eat bio-food, clean ingredients and super foods – consumers are a lot more aware about what and where they eat. Panera Bread saw the importance of becoming healthier and wanted to position itself as the first national healthy fast-casual chain and therefore have removed all the artificial additives from their products. Panera used to sell meals such as grilled cheese and sandwiches that contained loads of flavor enhancers but now, Panera Bread is best known for its healthy fast food, and offers several healthy menu items such as:

- Freshly baked Whole Grain Bread;
- Broth Bowls;
- Salads;
- Oatmeal;
- Healthy beverages. (Horovitz, 2015)

Panera Bread tries to change the way Americans eat. There is a lot of heavily processed and commercial food, Panera Bread wants to be the antithesis of that and made several commitments:

- **Clean Ingredients:** Panera Bread has removed all artificial trans-fats from the bakery menu. Also, natural products seasoned with just oil, salt and spices have replaced the flavor enhancers. The dough for the bread has also changed, now it does not contain any artificial preservatives and the dough is made of the best-unbleached flour.
- **Transparent Menu:** providing nutritional disclosure, allergen information and ingredient information on the website, mobile apps and in the bakery cafes.
- **Positive Impact:** Panera Bread purchases poultry that have been raised responsibly. Which means vegetarian-based and customized diets without the use of antibiotics for the poultry. Also, the living environment for the animals should be stress reduced. The company has also made several partnerships with “hunger relief organizations” with the aim to reduce food waste and raise awareness about the issue of hunger in America. Panera Bread also started a non-profit foundation called: “Panera Cares”. This foundation makes sure that everybody is able to eat high quality and nutritious food by letting them pay what they can afford (PaneraBread t. o., 2014).

### 2.1.2 Mission and Vision

Since Panera Bread is one of the first fast casual restaurant chain that serves “clean” food, it is their mission to try to make a difference in the life of people that trust them, said chairman and CEO Ron Shaich in a video about Panera Breads mission (our beliefs, 2015).

Panera Bread’s vision is to continue to be a leader in the fast-casual dining industry by putting an emphasis on employee development and providing the community with healthy food choices while maximizing profits for their shareholders (Mission and Vision statement PaneraBread, 2015).

### 2.1.3 Goals and Objectives

Panera Breads’ Annual report of 2014 sated several goals for the future:

- Improving Panera’s competitive position;
- Expanding growth opportunities;
- Ensuring Panera has the capabilities to improve the competitive position;
- Serve food without artificial colors, flavors and sweeteners. (Annual report 2014, 2014)

To realize the above-mentioned goals, every goal has an objective; it is important to know that the goals can be divided into financial goals as well as marketing goals. First, the goals and objectives will be clearly presented in a schedule and then a description will be given;

<u>Financial Goals</u>	<u>Objectives</u>
Expanding Growth opportunities	Panera 2.0
Ensuring technical capabilities	Upgrade equipment
<u>Marketing Goals</u>	<u>Objectives</u>
Serving food without artificial colors, flavors and sweeteners.	No-No List
Improving Panera's competitive position	Panera 2.0

**Panera 2.0:** As shown above, Panera 2.0 is an objective that can realize a financial goal as well as a marketing goal. Panera 2.0 is a new concept for the Panera Bread restaurants with the focus on effectiveness instead of efficiency, speed and accuracy. (Panera Bread is on the right track to future growth, 2014). Panera 2.0 also has a "Rapid Pick Up" which allows guests to purchase their meals ahead of time online and bypass cash lines during pickup. According to the Economist, living in the technological age, consumers feel more time pressure and Panera tries to adopt that date by introducing the "Rapid Pick Up" (Time Poverty Problem, 2014). Panera Bread Believes that Panera 2.0 generates a better customer experience that will improve its competitive position. Because Panera 2.0 plays along with the lifestyle of the consumer of the technological age, consumers will probably feel more attractive to Panera, which will most likely lead to growth. (Panera Bread 2.0 Overview, 2014)

**Upgrade equipment:** Panera Bread wants to ensure that it has the capabilities to improve its competitive position. Therefore, Panera wants to add more upgraded equipment in all Panera Bread stores, such as kitchen display systems to improve order execution and increase throughput. These systems will improve speed and accuracy that is, again, crucial since consumers feel more time pressure and customization is growing (Annual report 2014, 2014). Another improvement is a seamless-system, which is a system where consumers walk into the store, sit down and order via mobile devices, then the waiters will bring the order to the guests.

**No No List:** Clean and pure food is very important for Panera Bread; their goal is to serve food without artificial colors, flavors and sweeteners. Food, according to Ron Shaich CEO Panera Bread, should be something to feel good about, something positive; and therefore Panera Bread created the "no no lists".

The no no list, is a list that names all the artificial preservatives, sweeteners, colors and flavors that is not in their food anymore or will be removed from the food by the end of 2016. (Mission and Vision statement PaneraBread, 2015). To promote the No No List, Panera bread had successfully launched their new marketing campaign “Food as it should be” in May 2015, and now, 85% to 90% of Panera Bread’s ingredients are natural, and by the end of 2016 it will be 100%. (Fishman, 2015)

## 2.2 Strengths and Weaknesses

Panera Bread is listed in QSR magazine as one of the most successful fast casual restaurants. Every year, QSR magazine reveals an annual report of the evolution of the fast casual-service restaurant industry. Based on system wide sales, average sales per unit, number of franchised units, number of companies and number of total units, QSR Magazine make a list of most successful fast casual restaurants. In 2014, Panera Bread was ranked on number 10 with system wide sales of 4.5 Million Dollars. With the new style of “Panera 2.0”, the company will most likely grow bigger and there might be an opportunity to enter the market in the Netherlands. Relevant strengths and weaknesses are important to know to get a better view on Panera Bread and its possible market entry (top 50 brands in quick service and fast casual, 2015).

### 2.2.1 Strengths

- Strong Brand Image in the USA – Panera Bread has become more popular since the company decided to serve healthier food. Now that Panera Bread has decided to remove all the artificial preservatives, the company gained a lot of positive publicity and therefore Panera Bread has a strong brand image in the USA (top 50 brands in quick service and fast casual, 2015). When Panera has a strong brand image, it is more attractive for franchisees to open an affiliate in the Netherlands, because the possible franchisees already have the proof that the concept is successful.
- Expertise in healthy food – According to Rabobank Cijfers en Trends (see Appendix), healthy food has become more important for the Dutch consumer. Since Panera is one of the first fast casual restaurants that serve healthy meals, they automatically have more expertise and knowledge about it. The healthy lifestyle of the Dutch consumer is comparable with the American healthy lifestyle, by that means that Panera could use their experiences for the Dutch market as well. Healthy food is considered as food without artificial colors and flavor enhancers, fair/bio produced, without antibiotics, and it should not contain trans fats (Cijfers en Trends Eetgelegenheden, 2014).

- Panera Bread is known as the pioneer in the whole bakery industry – CEO Ron Shaich was awarded for the MUFSO (Where Foodservice Leaders Meet) golden chain in 2011. He was known for being one of the most important funders in the history of the food service industry (Press Kit 2013, 2013). This means that Panera Bread has a lot of expertise, which is attractive for potential franchisees and to compete with their competitors.
- Customized Products – Panera Bread let the consumer customize their food via technological tools. According to Rabobank Cijfers en Trends (see Appendix), this will also become important for the Dutch consumer since they want to have more influence on the composition of their order (Cijfers en Trends Eetgelegenheden, 2014).
- Panera 2.0 – as mentioned before, Panera 2.0 is Panera Bread's new concept that plays along with the technological age that we are living in. In other words, time is more precious and technological devices have become more important. Because of the upgraded technological devices, the service is quicker and customized products are easier to be made.
- Capital – Panera Bread is worth 4.8 Billion Dollars, and therefore Panera has lot of capital to invest in for example entering new foreign markets.(Annual report 2014, 2014).
- High Quality – Panera Bread has a strict food policy that every restaurant needs to follow. In order to make sure the quality standards are the same in every restaurant, Panera hires quality controllers where they check if the restaurants follow Panera's food policies (PaneraBread t. o., 2014).

### 2.2.2 Weaknesses

- Pricing – Panera Bread prices are higher than an average fast food restaurant, because Panera Bread's aim is to serve high quality and healthy food which is more expensive.

- No brand awareness in the Netherlands – Panera Bread is not operating in a European country which means that their target audience will not recognize the brand at the beginning and that will make it more difficult for Panera Bread to compete with its competitors. Also, it makes it less attractive for possible franchisees to open a Panera Bread restaurant when the concept is not well known in the Netherlands.
- No experience in the Netherlands – Because Panera Bread has no restaurants in the Netherlands or Europe, it will take more time and research to understand the customer. Also, the marketing style should be different because usually the American commercials are much more emotional while successful commercials in the Netherlands are more rational with a little bit of humor.
- Franchising – There is a possibility that it can be laborious to find a franchisee because Panera Bread is unknown in the Netherlands. Also, franchisees are required to open fifteen restaurants within a period of six years. This is very unusual for the Netherlands and is also not realistic for a small country as the Netherlands. The risk and investment is most likely too big for most possible franchisees.
- Supply – Panera's food policy only allows clean and fair food. The question is if the most well-known suppliers in the Netherlands offer clean and fair food, if not, are there suppliers that do offer clean and fair food that meets Panera's food policy.

### 2.3 Organizational Structure

This part of the internal analysis describes the most significant factors of an organizational structure that is important to know for a marketing plan for Panera Bread to succeed in the Netherlands. For example it describes what sort of business entity Panera is and what type of franchising it uses.

To understand Panera's organizational structure it is important to know that Panera Bread operates under Panera LLC. As a member of a limited-liability company (Panera LLC), the company can issue stock to shareholders, list stock on NASDAQ (National Association of Securities Dealers Automated Quotations) and create a separate entity that is responsible for debts and liabilities created by the company. That makes the business and not the owners responsible for any debts connected to the business. The franchised restaurants operate under Panera Bread LLC as well. Panera LLC only offers multi-unit franchise opportunities; a franchise developer is required to open fifteen units in a period of six years. The company headquarters offer a support system to the franchisees such as Real



Estate, Development, Training and Marketing (Franchise Information, 2015). Panera Bread uses a “business format” type of franchising which means that Panera enlarges by providing independent business owners with a distinguished business, including its name and trademark. In return of Panera’s support system - where Panera assists the new businesses - the franchisee is mandatory to pay fees and royalties.

A franchise fee is an upfront cost that a franchisee needs to pay deciding to open a franchise location, this includes training, support and site selection; the franchise fee of Panera Bread is an amount of \$35.000,-. Royalty fees are the percentage of revenues that the franchisee is required to pay Panera Bread monthly which is a percentage of 5.0% of net sales.(Panera Bread Franchise, 2015)

#### 2.4 Internal Analysis Conclusion

The conclusion of the internal analysis will summarize the most important aspects that are relevant for the rest of the marketing plan. The most important priorities that Panera Bread has for the future, is expanding growth opportunities and improve its competitive position. They want to create a better customer experience and therefore they have generated Panera 2.0. With their new slogan “Make Today Better”, they want to maintain the leading position in the fast casual industry by being the first company that serves healthy and clean food. Even though Panera Bread is a fast-food chain, they are known as an upscale fast casual restaurant.

Their strengths that are accomplished are the following:

- Customized products
- Panera 2.0
- Capital
- Much control on maintaining quality
- Pioneer in the whole bakery industry
- Strong brand image in the USA

While the relevant weaknesses are:

- Pricing
- No brand awareness in the Netherlands
- No experience in the Netherlands
- Franchising
- Supply

As mentioned before, these are the most relevant aspects of the internal analysis and will be further discussed in the rest of the research report.

Panera Bread operates under Panera LLC and uses a Business type of franchising, additionally; franchisees need to open fifteen units within a period of six years

## Chapter Three: External Analysis

### 3.1 Customer Analysis

Panera Bread started as a bakery that wanted to deliver quality and give a special experience to urban workers and suburban individuals. Based on that, Panera decided what their target market was; urban workers and suburban dwellers looking for a quick-service meal and a more aesthetically pleasing dining experience than offered by traditional fast food restaurants (Thompson, 2007). Since fast-casual restaurants have become more popular over the last years, there have been done a lot of research about their customers as well; for example by Scarborough Research. Scarborough Research is a company that measures consumer-shopping pattern in the fast casual industry; they found out that fast-casual consumers are slightly different from other markets. The consumers are mostly married with no children, and are aged between 35 and 54, they are also known as “DINKS” which stands for dual income, no kids. A DINK prefers to eat a quick but healthy meal in a restaurant that is comfortable enough to meet friends. Also, most of Panera Breads consumers are educated and health cognizant. Panera attracts both male as female customers. The average consumer has a fulltime job and a busy life; they do not have time to dine in a casual restaurant or to cook a nutritious meal at home. (Knowing your customer, 2014) It is quite notable that Panera Bread’s target audience varies from their competitors in the fast-food industry, because companies in the fast-food industry seem to focus more on families rather than DINKS. But obviously, Panera Bread also has competitors with the same target audience like Bagels and Beans, and Subway.

#### 3.1.1 The Dutch Consumer Survey Analysis

It is important to know that the above named customer analysis is based on the American market, and can vary from the Dutch market. For that reason, I have set up a survey to get to know the potential Dutch target market to see what the consumer is looking for in a fast-casual restaurant like Panera Bread (See Appendix A).

The above named survey was held among 133 Dutch citizens between 18 and 50 years old and. Even though this survey was held online and shared on Facebook in order to reach as many respondents out of different parts of the Netherlands, almost 50% of the respondents live in Zuid-Holland. 39 respondents comes from Noord-Holland, 16 from Utrecht and 11 from Noord-Brabant, the rest of the respondents are coming from other parts of the country.

In order to make reliable recommendations for the last part of this research, crossings of the survey results will be made in this part of the marketing plan.

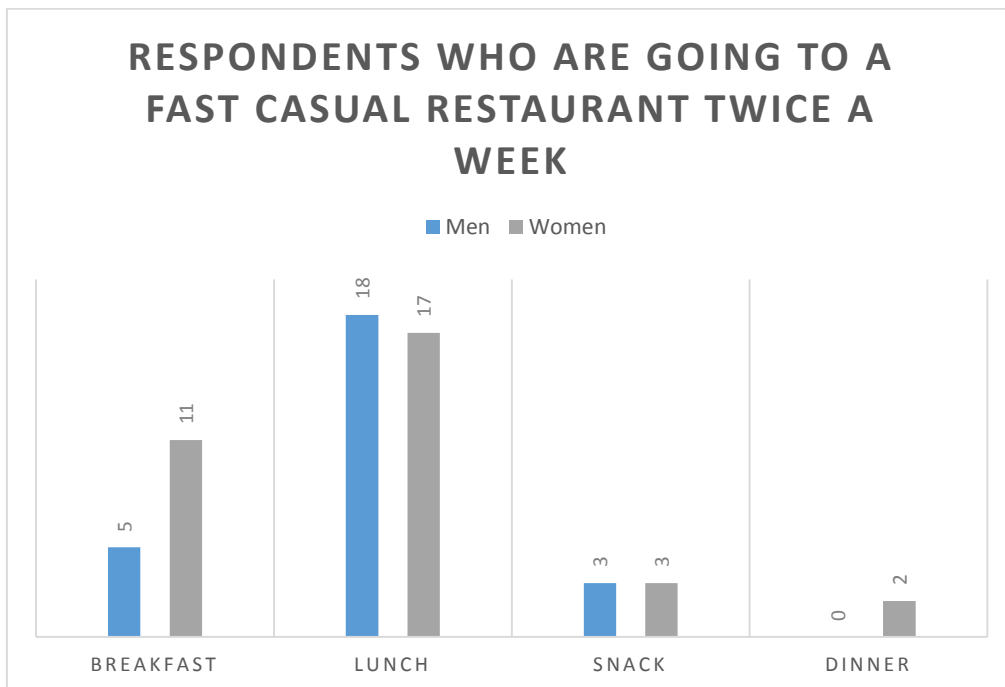
The reason why the survey was held, was to get a clear view about the Dutch exterior consumption pattern with emphasis on fast casual restaurants. The survey included questions about Panera Bread, for

example what the consumer thinks about the concept, the prices, and what is considered as important (atmosphere, food, prices, service). Via this survey, a better view is created about what the Dutch consumer is looking for in a fast casual restaurant and thus Panera can adjust itself to the Dutch requirements when deciding to open restaurants in the Netherlands. One of the questions was: How often do you go to a fast casual restaurant in the Netherlands (see below).

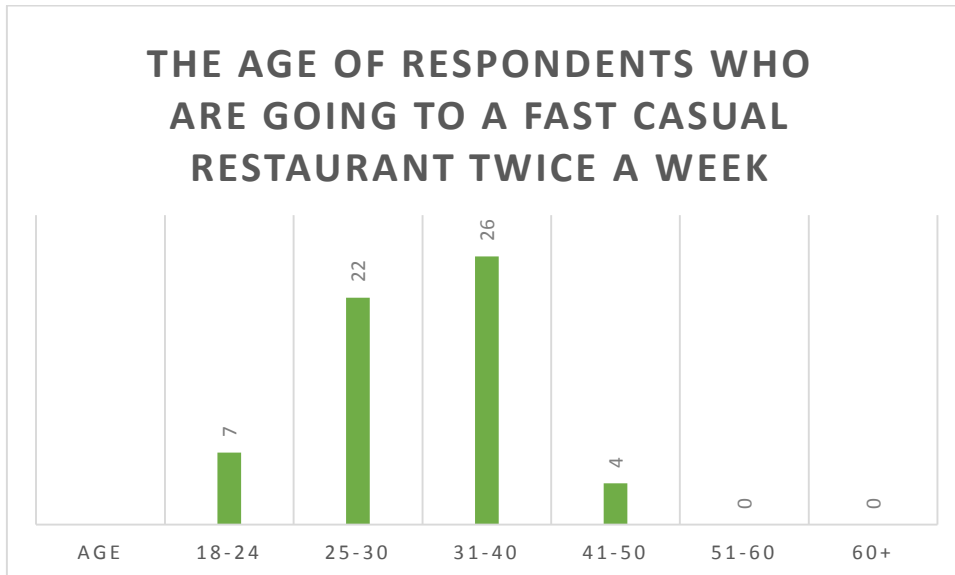
**How often do you go to a fast casual restaurant in the Netherlands?**



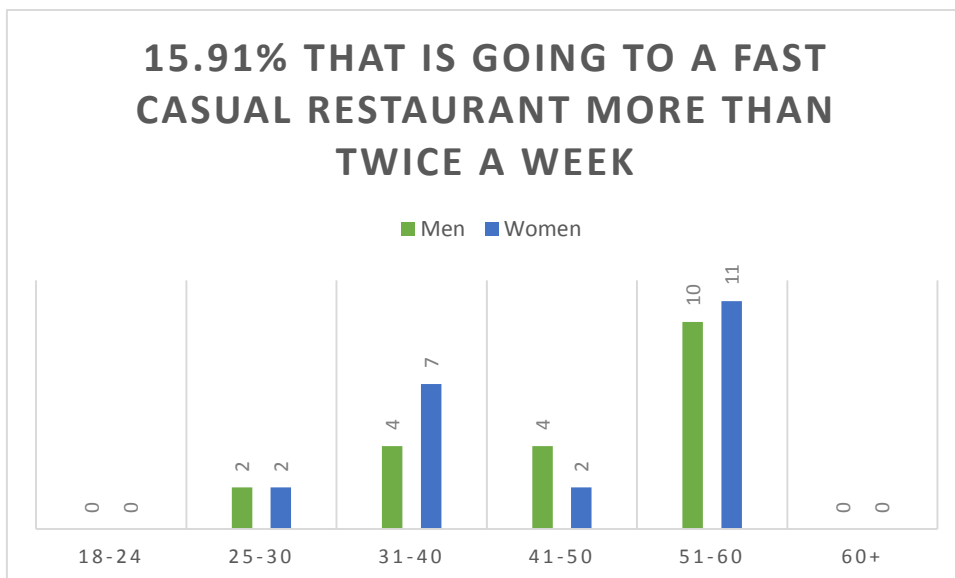
As the graphic shows, 44.7% of the respondents is going to a fast casual restaurant twice a week, that is an interesting number. Nevertheless, before there can be drawn conclusions out of this graphic, it is important to know who that group is and for what they are coming to a fast casual restaurant, therefore a crossing has been made (see below).



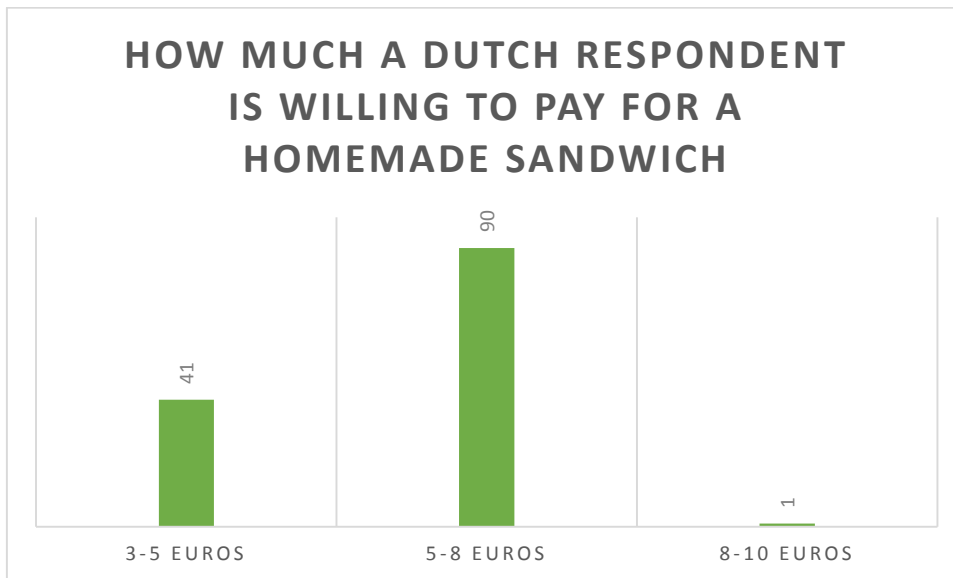
The 59 respondents who are going to a fast casual restaurant twice a week consist of 26 men and 33 women. The graphic also indicates for what type of meal the respondents are going to a fast casual restaurant. Obviously, the most popular meal in a fast casual restaurant is lunch for both men and women. The two biggest groups that are going to a fast casual restaurant twice a week are aged between 25 and 40 years (see graphic below).



The 15.91% that is going to a fast casual restaurant may not be the biggest group, but is still interesting since they are visiting a fast casual restaurant on a regular basis. The graphic below indicates the age and gender of the group.



When opening a restaurant in the Netherlands, it is important to know if the prices that the consumer is willing to pay, matches with the prices that Panera Bread asks for their products. For that reason, I have asked question about the prices that the Dutch consumer is willing to pay for a sandwich, soup and salad.



As shown above, 90 respondents is willing to pay five till eight Euros for a sandwich, which is comparable to Panera Bread's prices for sandwiches. The survey has also shown that the Dutch respondents are willing to pay the same prices for soups and salads in comparison with Panera Bread's original prices.

### 3.2 Competitor Analysis

In the first part of the competitor analysis, a description will be given about how big the change of competition is, the second part of this chapter describes who the competitors are. The changes of competition will be analyzed by Porter's five forces model. Porter's five forces is a framework that studies the level of competition within a certain industry. The five forces are; threat of new entrants, threat of substitute products or services, bargaining power of customers, bargaining power of suppliers and Intensity of competitive rivalry (Mulwijk, 2015).

#### 3.2.1 Five forces of Porter

- The threat of new entrants – The threat of new entrants could be high in the Netherlands because studies have shown that the fast casual industry is up coming. Rabobank have done a research about the Food & Beverage developments in the Netherlands. Rabobank expects difficult developments for casual restaurant because consumers are more likely

to follow new trends and prefer to go to a fast casual restaurant where they can have a quick service and order a healthy meal. This information is obviously very attracting for fast casual restaurants, which makes the threat of new entrants high. (brancheinformatie eetgelegenheden, 2015)

- The threat of substitute products or services – The threat of substitute products or services is relatively high. Even though there is not a franchise concept like Panera Bread in the Netherlands, there are small restaurants that offer healthy and clean food. According to Rabobank Cijfers en Trends (see Appendix), the consumer pattern has changed over the last years. Now, a healthy life, sustainably produced food and the use of authentic products have become more important. Beneficial for Panera Bread is that they are known for its authentic products and has a lot of expertise in serving healthy food without artificial products. (brancheinformatie eetgelegenheden, 2015)
- Bargaining power of customers – The bargaining power of customers is high because, as mentioned before, fast casual restaurants are becoming more popular in the Netherlands. For that reason, the supply is growing which enforces the power of the consumer. The consumer nowadays, does not feel attractive to a broad and unclear concept; studies have shown that the consumer can be tempted by either much food for a competitive price (all you can eat concepts), or by unique products with more consumer experience for an additional cost. Consequently, It is important for Panera Bread to focus on either the consumer experience and unique products or focus on serving relatively cheap meals (brancheinformatie eetgelegenheden, 2015)
- Bargaining power of suppliers – It can be expected that the suppliers will have more power at the beginning when Panera Bread only has one restaurant. But, Panera Bread could positively influence this power as soon as they open more restaurants.
- Intensity of competitive rivalry – the competitive rivalry will be quite intense, because as mentioned before, the fast casual industry is becoming more popular, which will also bring more competitors.

### 3.2.2 Bagels and Beans

Bagels and Beans is a famous food chain that serves freshly baked bagels, homemade juices, coffee and tea. Bagels and Beans find natural and fair products important; their coffee beans are coming from a small family plantation in Panama, and their poultry comes from local farmers. Bagels and Beans believe that quality is more important than the profits. The average price for a freshly baked bagel is 6,95 Euros; the average price of a salad is 9,- Euros; and the average price of a drink is 2,75 Euros. Even though Bagels and Beans belong in the fast casual industry, they try to

create a layback comfy image. Bagels and Beans wants to give their customers a welcoming feeling, therefore it is absolutely no problem when you are spending the whole day in a Bagels and Beans store while you have only ordered one coffee. Bagels and Beans welcomes people to work, study or simply relax in the store. (over ons, 2014) Bagels and Beans have 60 restaurants in the Netherlands; the restaurants can be found in cities with over 50.000 inhabitants. They are looking for A1 or B1 locations in the old parts of the center nearby universities and/or cultural attractions.

The franchise fees is an amount of 15.000 Euro's, besides to open a Bagels and Beans restaurant, an investment of 170.000,- till 220.000,- Euro's is necessary. Also, there is a monthly franchise fee of 5% and a promotion fee of 1% of the net sales. (Bagels and Beans franchising, 2014)

### 3.2.3 Vapiano

Vapiano is a German fast-casual franchise chain that prepares homemade Italian dishes. Vapiano is extremely popular among the people who are looking for a quick, low-priced and fresh lunch. Therefore Vapiano attracts lots of students but also working people that do not have time for a casual lunch. At Vapiano, you need to place your order at one of the counters and the food will be prepared, when the order is ready you need to pick it up and bring it to your own table. There are no waitresses that serve the food to your table. There is also a to-go possibility, but you still need to stand in the same line as the other customers; so there is no fast pick-up line available. The average price for a pasta or pizza is 8,50 Euros and for a drink you will pay an average price of 2,50 Euros. Vapiano mostly focuses on the quick service and fresh made food, but they do not use clean ingredients like Bagels & Beans or Panera Bread. Vapiano does not have cooperation with local shops but rather works together with bigger retail shops like Sligro (Partners, 2014). The atmosphere that Vapiano wants to create is warmth and relaxation (Official website Vapiano, 2014)

### 3.2.4 Eazie

Eazie is a franchise formula that prepares healthy wok meals, even though eazie wants to prepare healthy meals, they still belong in the fast-food industry instead of fast casual. The interiors of the restaurants are simple and do not really create a warm feeling; the chairs are made of hard plastic or wood which is not very comfortable. It is very obvious that Eazie focuses on being healthy and wants to be a responsible player in the society; they work together with different sport centers like Healthy City and Sportcity, every member of the mentioned gym gets 10% discount. Eazie has 11 restaurants spread over the cities Amsterdam, Utrecht, Den Haag, Leiden, Delft, Zaandam and Rotterdam. Eazie is famous for their wok meals that are customized. A basic wok meal costs 4,95 Euros, for every extra expensive ingredient (like beef or prawns) the customer needs to pay 1,30 Euros extra. A wok



meal can be ordered into four steps; in the first step customers have the option to choose vegetarian, fish or meat, the second step is to choose a sauce, the third step is choosing the noodles, and the last step is adding vegetables. The prices of the wok meals vary from 4,95 Euros till 7,50 Euro's (What is eazie, 2015). This shows that Eazie offers customized food just like Panera Bread; the customer can create his or her own wok meal.

### 3.2.5 Subway

Subway is an American fast food chain that mostly prepares customized sandwiches. Subway opened its first restaurant in 2000 in the Netherlands, after seven years, the chain already had 50 stores in the Netherlands. Subway bakes their bread daily and tries to be healthier since the healthy lifestyle trend has become very popular. They have reduced the use of salt with 48%, they have won the CIWF EGG Award, which is an award for the use of free-range eggs, and Subway is supporting the sustainable winning of palm oil. Even though Subway made some changes in their menu, they still use artificial sweeteners, colors and flavor enhancers. With their new slogan "Eat Fresh, Live Green" it is very clear that Subway wants to create a healthier image (Subway, onze belofte, 2015). Subway offers customized sandwiches but also classic standard sandwiches; the prices vary from 3 Euros till 7,50 for a sandwich. One thing that is noticeable, every soft drink costs 1,95 Euros except for water, water costs 2,25(subway prijzenlijst 2015, 2015). Subway has 153 locations in the Netherlands; all the restaurants are located in cities with over 30.000 inhabitants. There is a franchise fee required of 10.000,- Euro's, also, franchisees need to have a capital of 50.000 Euros. The monthly franchise fee is 8% of the net sales. (Franchising Subway, 2014)

### 3.2.6 Local Healthy Restaurants

Local healthy restaurants cannot be underestimated. Even though they probably will not grow as big as Panera Bread, they still could be competitors to them. According to my survey findings, the atmosphere of a restaurant is important for Dutch consumers; there is a chance that the atmosphere of smaller local restaurants are considered as more pleasant.

Local healthy restaurants are more expensive in comparison with Panera Bread. The prices from local healthy restaurants vary from 8 till 15 Euros for a meal.

### 3.3 DESTEP Analysis

The DESTEP analysis is a very useful tool to gain more knowledge about the environment in the Netherlands. The DESTEP stands for Demographical, Economic, Social-Cultural, Technological, Ecological and Political. Each aspect will be briefly discussed in separated parts.

#### 3.3.1 Demographical Aspects

According to Holand.com, the Netherlands is one of the most populous countries in the world; it has 16.9 million inhabitants on the size of 41.500 km<sup>2</sup>. Amsterdam is the capital city of the Netherlands but the government is located in The Hague. The urban agglomeration of Holland is highly populated; over 40% lives in Amsterdam, Rotterdam, The Hague and Utrecht (Feiten en Cijfers, 2014). Rotterdam became on October 6, 2015 the most popular city of the Netherlands (Rijkdom J. , 2015) In combination with the fact that most of the survey respondents mentioned that they live in Zuid-Holland, Rotterdam could be a potential city to open the first Panera Bread restaurant.

#### 3.3.2 Economic Aspects

With a Gross Domestic Product (GDP) of \$696.3 billion, the Netherlands has the sixth-largest economy in the European Union and plays an important role. The Dutch economy is based on export; therefore the Netherlands has a very open economy (theworldfactbook, 2015). The open economy of the Netherlands is in benefit of Panera Bread, because it means that the expertise of doing business with international companies is substantial in the Netherlands, and makes it easier for Panera Bread to enter the Dutch market.

#### 3.3.3 Social-Cultural Aspects

It was not very common to have lunch outside in the Dutch culture but according to FoodService Instituut, the consumers in the Netherlands have been going to restaurants more often in comparison to five years ago. Jan-Willem Grievink, CEO FoodService Instituut, explains that restaurants have become more inexpensive while supermarkets have become more expensive. According to Grievink, this is an important reason why the lunch culture in the Netherlands is changing (Smit, 2015). This changing pattern is also confirmed by research of the Rabobank (see Appendix), nonetheless according to Rabobank the exterior consumption is increasing since consumers does not have enough time to prepare a meal at home; which is also a reason why the fast-casual industry is upcoming. Furthermore, research of the Rabobank has shown that the Dutch consumer prefers customized meals made out of local products instead of the usual “one size fits all” where the consumer has no influence in changing the meals. An additional important finding is that the Dutch consumer wants to live healthier and therefore

there is an increasing interest in clean and authentic products (Cijfers en Trends Eetgelegenheden, 2014). These above named trends are exciting for Panera Bread because it shows that the exterior consumption is growing in the Netherlands. Furthermore, the fact that the Dutch consumer prefers healthier and clean food is in benefit of Panera Bread since it correspond with the brand values of Panera.

#### 3.3.4 Technological Aspects

Technology has become extremely important in our current society, since we are living in a technological revolution (Brons, 2014). The access to technological devices have been increased enormously and the use of social media have become more popular in comparison to 2014 according to Newcom, which is a consultancy that researches social media trends (Meer, 2015). It is very remarkable that consumers aged between 15 and 19 are using Facebook less in 2015 than 2014 but at the same time consumers aged between 35 and 54 seem to use Facebook more than previous year (Korrevaar, 2015). When Panera decides to open restaurants in the Netherlands, it is important to have a good social media strategy – especially on Facebook since Facebook has become more popular under their target group – in order to reach their target market. Also, Knowing that the access to and the use of technological devices has been increased, the concept “Panera 2.0” would suit very well on the Dutch market. Panera 2.0 has adopted the technological trends by using the ‘order-online-app’. The fast casual restaurants in the Netherlands are not using technological features that play along with the technological trends yet. That means that Panera would be a leader when it comes to the use of technological features.

#### 3.3.5 Ecological aspects

Sustainability is very important in the Netherlands; the Dutch consumer seems to find sustainable products more important now in comparison with 2012. According to market research of GfK, B-open and DDB & Tribal Amsterdam, seven out of ten consumers in the Netherlands finds it important to buy fair products with respect for humanity and animal welfare. At the same time, their research has shown that 47% of the consumers are suspicious when it comes to companies who claim that they are social responsible. Ewout Witte, researcher of GfK says that companies need to understand the importance of rather showing what they are doing to be social responsible instead of only saying that they are social responsible, in order to earn the trust of the consumer (Slaa, 2014). Again, these developments can be used as opportunities since Panera has introduced the “no-no list”.

### 3.3.6 Political Aspects

The Netherlands is a constitutional monarchy with a parliamentary system of government. The ruling monarch, King Willem-Alexander, is the head of the state but is not too involved in the politics and the head of the government is Prime Minister Mark Rutte. Furthermore, the Netherlands has relished a relatively stable political system that reflects the accordant and well-organized life of the Dutch in general (The world factbook, 2015).

## 3.4 Supply Analysis

When Panera Bread decides to enter the Dutch market, it is important to know the suppliers and know what supplier is best for Panera Bread. Besides the suppliers, the entrée methods will be discussed in this chapter as well.

### 3.4.1 Suppliers

Since Panera Bread has introduced the no-no list, all the products that are used for consumption need to be clean. Also, Panera Bread finds it important to work with authentic products because quality is essential to them. In the Netherlands there are various suppliers that can work together with Panera Bread. The graphic below shows the most relevant suppliers, together with what kind of products they offer and if their products meet the “no-no” criteria of Panera Bread. When a supplier meets the criteria very well, it is indicated by a plus sign (+); the more plusses a suppliers has, the better it suits the criteria.

<b>Suppliers</b>	<b>Beverages</b>	<b>Vegetables &amp; Fruits</b>	<b>Meat- products</b>	<b>Dairy</b>	<b>Wheat products</b>
DeliXL	+++++	+++++	+++++	+++++	++++
HANOS	++	+++	++	++	++
Sligro	+++	+++	+++	+++	+++
Makro	++	+++	+++	+++	+++
Local farmers	+	+++++	+++++	+++++	+++++

### 3.4.2 Entrée Methods

When deciding to enter the Dutch market, the entrée method needs to be clear. There are various ways to enter the Dutch market; the most likely method to enter the Dutch market is via franchising since Panera Bread is located in the USA and do not have knowledge about the Dutch market. There are

multiple types of franchising, and each type will be discussed in this part of the chapter. A recommendation will be given of what entrée method suits best for Panera Bread at the end of this report.

1. Product/Trademark Franchise: an arrangement in which a franchise owner supplies a product family to a franchisee, who may also take care on the brand name of the franchiser. Examples are: soft drink bottling industry or automotive sector. (Product Franchising)
2. Business Format Franchise: arrangement where a franchisee receives, besides the right to sell goods or services, the franchiser's designs, quality control and accounting systems, operating procedures, group advertising and promotions, and training (Business format franchising)
3. Joint Venture: Temporary arrangement between two or more firms. (Joint Venture)
4. Conversion Franchise: As an alternative of employing a franchisee and setting him or her up in a newly well-known business, the franchisor recruits an recognized operator into the network. Following a complete makeover, the business operates as a franchise, trading under the network's brand and using its systems and procedures (franchise types)
5. Regional Master Franchise: Under this arrangement, the franchisee has the responsibility to establish at least one unit within a territory and then exploit the potential of the territory further by sub-franchising to others. These sub-franchisees are under the operational control of the area franchisee who in turn is controlled by the franchisor (different franchise types).
6. Master Franchise: In most cases, a master franchisee indentures with a foreign franchisor to act as the local franchisor in the target country, or a defined area within the target country. The master franchisee usually accepts all rights and responsibilities of a franchisor. The master franchisee is responsible for testing of the local market, franchisee recruitment and training, initial and ongoing franchisee support and control (franchise types).

### 3.5 External Analysis Conclusion

The conclusion of the external analysis will summarize the most important aspects that are relevant for the rest of the marketing plan.

Panera Bread's customers in the USA can be described as DINKS, which stands for dual income, no kids, and are aged between 35 and 54. Research has shown that the fast casual restaurants are popular in the Netherlands; 124 out of 133 respondents has indicated to have interest in a restaurant like Panera Bread. Panera's target group can be both women as men but should be aged between 25 and 50 years because they are going to a fast casual restaurant most often. The prices of Panera Bread in America are not too expensive for the Dutch market, because the Dutch consumer is willing to spend comparable prices.

The five forces of Porter have shown that the consumer nowadays feels attractive to either

unique products and a good consumer experience or much food for a competitive price. Since Panera Bread serves authentic products and considers the consumer experience as important, it is most likely to focus on the unique products instead of the competitive price.

The biggest competitors for Panera Bread will be Subway and Bagels and Beans, Subway is a big competitor because of its brand awareness and the number of restaurant they have in the Netherlands. Bagels and Beans is a big competitor because of their brand values, it is similar to Panera's brand values and also because of their products. Furthermore, in order to compete with local healthy restaurants, Panera needs to have an atmosphere that is just as satisfying as the local restaurants. The DESTEP has shown that a lot of developments and trends that are accurate now in the Netherlands, already played a role in the USA a couple of years ago. Therefore, Panera has more expertise when it comes to adopting the developments in comparison with other fast-casual restaurants in the Netherlands. The external analysis will be deliberated further in the rest of the marketing plan.

## Chapter four: SWOT analysis

In this chapter there will be made an SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. The SWOT analysis will help to develop a strong marketing strategy for Panera Bread because all the strengths and weaknesses as well as the opportunities and threats are considered. Panera Bread's strengths and weaknesses are internal and have been discussed in the Internal Analysis but will be mentioned in this chapter again together with the external opportunities and threats. After, all the mentioned aspects will be put together into a graph for a better overview.

### 4.1 Strengths

- Strong brand image in the USA
- Known as the pioneer in the whole bakery industry
- Customized products
- Panera 2.0
- Great capital
- Much control to maintain the high quality

### 4.2 Weaknesses

- Pricing
- No brand awareness in the Netherlands
- No experience in the Netherlands
- Franchising
- Suppliers

### 4.3 Opportunities

According to research of the Rabobank (see Appendix) about trends and developments within the food service industry, there are several opportunities for Panera Bread.

- **The economy is growing**, the food service industry will take advantage of this because the supply will increase with 2%;
- **The DINKS (dual income, no kids) is increasing**, the DINKS is an important group for Panera Bread because they belong in their target market. When a target market is growing, the chance of having more customers is growing as well;
- **Quality and experience will become more important**;

- **Social media could play a role on the success of a restaurant**, as mentioned before in this research, Panera Bread's target market have become more active on social media, especially on Facebook;
- **Sustainability and healthy have become more important for the Dutch consumer**, which is interesting for Panera Bread since it suits well with their brand image.

All these opportunities are based upon the above-mentioned research from Rabobank. (Cijfers en Trends Eetgelegenheden, 2014)

#### 4.4 Threats

- **Location**, a good location is crucial for a fast casual restaurant. Also - according to my survey findings – consumers indicate that a fast casual restaurant should be in the city center or close to school. Nowadays, A-locations are very prodigious (Cijfers en Trends Eetgelegenheden, 2014);
- **New entrants**, as mentioned before, fast casual restaurants have become popular in the Netherlands. The chance is very big that there will be lot of new entrants so there could be more competition for Panera Bread (brancheinformatie eetgelegenheden, 2015).
- **Competitors**, the earlier mentioned competitor's will probably be a threat for Panera Bread since they have more brand awareness in the Netherlands.



#### 4.5 Overview SWOT

<b>Strengths</b>	<b>Weaknesses</b>
S1: Strong Brand Image in the USA S2: Known as the pioneer in the whole bakery industry S3: Customized products S4: Panera 2.0 S5: Great Capital S6: Much control to maintain the high quality	W1: Pricing W2: No brand awareness in the Netherlands W3: No experience in the Netherlands W4: Franchising W5: Distribution Channels
<b>Opportunities</b>	<b>Threats</b>
O1: Growing economy O2: Increasing DINKS O3: Quality and experience will become more important for the Dutch consumer O4: Important role of social media O5: Sustainability and health have become more important for the Dutch consumer	T1: Location T2: New entrants

#### 4.6 Confrontation Matrix

Now that the SWOT has been set up, a confrontation matrix will be made (See next page). The confrontation matrix will show if the strengths and opportunities are stronger than the weaknesses and threats. Before looking at the confrontation matrix, please note that every confrontation has a code, for example “S2O3” which stands for Strength two confronted with Opportunity three. All the numbers of the strengths, weaknesses, opportunities and threats can be found in the previous sub-chapter: the SWOT overview, on this page.

		OPPORTUNITIES	THREATS
	STRENGTHS	<p><u>S2O3</u>: Panera Bread is the pioneer in the whole bakery industry; Panera Bread can take advantage of this since quality has become more important for Dutch consumers.</p> <p><u>S6O3</u>: as mentioned above, quality has become more important for the Dutch consumer. Panera Bread does have a good quality control system in order to maintain the quality.</p> <p><u>S4O5</u>: Panera 2.0 has introduced the no-no list, as explained before, not only technological equipment will be upgraded but the products will be healthier, which is important for the Dutch consumer.</p>	<p><u>S2T2</u>: The chance of new entrants could be high, but because Panera Bread already has lot of experience in the USA it does not necessarily mean that the new entrants will become Panera's biggest competitors.</p> <p><u>S5T1</u>: Good location is rare at the moment but with the capital that Panera Bread has to invest in a good location, it could be easier for them.</p>
	WEAKNESSES	<p><u>W2O4</u>: There is no brand awareness of Panera Bread, but Panera can easily create awareness with the increasing use of social media and a good social media marketing strategy.</p>	<p><u>W2T1</u>: It can be hard for Panera Bread when there is no good location available in combination with the fact that Panera does not have brand awareness in the Netherlands.</p> <p><u>W3T2</u>: It can be hard for Panera Bread when there will be a lot of new entrants with experience in the Netherlands, since Panera does not have that.</p>

## **Chapter Five: Recommendations**

This chapter is divided into a strategic marketing plan and further recommendations.

### **5.1 Strategic Marketing Plan**

The strategic marketing plan will be made. A description will be given of the objectives that should be accomplished when Panera Bread enters the Dutch market. Furthermore, a marketing mix - consists of “product, price, promotion, and place” - will be defined in order to create a strategic plan for Panera Bread. All the results are based on the findings from the marketing plan.

### **5.2 Objectives**

When Panera Bread enters the Dutch market, their brand awareness will be minimum since most of the Dutch citizens will not be familiar with Panera Bread. In order to create more brand awareness it is important to expand within the first five years. When Panera Bread has grown bigger after the first five years, it will also be easier to compete with their competitors because Panera will have more brand awareness, a better brand image and most likely more customers.

Another important objective is to create exclusive customer experience, as mentioned before, customer experience has become very important for the Dutch consumer. By having a great experience, customer loyalty will be created. Customers tend to stay loyal to a company when the experience is considered as satisfying. This objective should be realized within the first two years.

An additional objective is to be the leader within the first five years in the fast casual industry in the Netherlands when it comes to serving clean and healthy food. Panera Bread has also accomplished this in the USA so they can use their expertise for the restaurants in the Netherlands in order to achieve this objective.

Even before Panera opens their first restaurant in the Netherlands, they should already have created a good social media strategy. Earlier research have shown that social media has become more popular under their possible target market. A good social media strategy causes awareness before Panera Bread opens their restaurant.

Panera Bread should also have position itself as a recognized healthy and sustainable franchise concept within the first year, this will not only lead to more customers – since sustainability and health has become more important for the Dutch consumer - but it will also create more interest for possible franchisees. It is more interesting for a possible franchisee to franchise a recognized company; this will give the franchisee more certainty.

To create a clear overview, all the objectives will be listed below.

- Create more brand awareness;
- Expand within the first five years;
- Create exclusive customer experience;
- Be the leader in the fast casual industry in the Netherlands within the first five years;
- Create a good social media strategy before opening the first restaurant;
- Position Panera as a recognized healthy and sustainable franchise concept.

### 5.3 Marketing Mix

The marketing mix consists out of the four P's; Product, Price, Promotion and Place. The marketing mix will create the basis for a marketing plan and will create a strategy in order to achieve the objectives mentioned in the previous part of the chapter.

#### 5.3.1 Product

In this part of the marketing strategy a description will be given about the products; what the restaurant should look like and what Panera Bread should offer.

##### **Looks of the restaurant**

It is recommendable to create a very warm and comfortable atmosphere. The survey that was held among the Dutch consumers showed that atmosphere is considered as very important. Therefore, it is recommendable to use warm colors, atmospheric lighting and comfortable chairs. The use of an open kitchen will most likely create an authentic feeling for the customers, because the customers can see that the bread is homemade, additionally, the smell of freshly baked bread will also cause a warm feeling.

##### **Assortment**

Panera Bread in the United States serves beside the salads, soups and sandwiches also pastries. In order to position Panera in the Netherlands as a recognized healthy and sustainable franchise concept it is not recommendable to serve pastries in the Netherlands. This can cause confusion since pastries are not known for a healthy snack. Nonetheless, except for the pastries, the food assortment should be the same as in the United States.

Furthermore, the beverage assortment should only consist of healthy items such as:

- Smoothies
- Coffees
- Tea
- Natural soft drinks (for example 'Holy Soda')

- Juices
- Coconut water.

Soft drinks such as Coca-Cola, Fanta and Diet soda's is not recommendable to serve for the same reason as the pastries. It is important to stick to one concept to prevent confusion, and to cause a better positioning and brand image.

### 5.3.2 Price

Research has shown that the Dutch consumer is willing to pay prices that are comparable with the prices of Panera Bread in the United States. That means that the following prices are recommendable:

- €5, - till €8, - for sandwiches and soups;
- Around €8, - for salads.

There can be additional costs for customized products when costumers decide to add more expensive toppings to their meal.

This recommendation is based on the survey results, and the following aspect; The above named prices are more expensive than an average fast food restaurant but cheaper than a local healthy restaurant. The average prices of local healthy restaurants are between €8,- and €15,- for a healthy sandwich or salad. This means that Panera Bread could compete the local restaurants with their prices.

### 5.3.3 Promotion

In this part of the marketing mix, an advice will be given about the brand values, positioning and promotion.

#### **Brand values and positioning**

With the aim to create brand values that are suitable for the Dutch market, the following values are recommended: fresh, authentic and quick.

These values are based on earlier mentioned research, and the Dutch consumer survey where 35.11% of the respondents has indicated that the quality of food and the atmosphere is considered as important. Also, the earlier analyses made clear that time is more valuable for the Dutch consumer, therefore quick is an essential brand value for Panera Bread.

#### **Promotion**

In order to make Panera Bread successful in the Netherlands, the following types of promotion are recommended:

- Online promotion
- Local store marketing

- Loyalty programs (Business to business and Business to consumer).

### **Online promotion**

The earlier analyses has shown that the use of social media is increasing among Panera Breads target audience; For that reason, online promotion is very useful. For example, Panera Bread could create an application for smartphones. Several tools could be implemented in that application such as:

- Secret menu items: exclusive meals and beverages with recipes;
- Earn points: for each purchase, the consumer can earn points where they can save for a free meal.
- Placing orders: the consumer can already place an order to prevent waiting lines.

Another benefit of an application is that Panera Bread will gain lot of consumer data (name, age, place of living). The more Panera Bread knows about their customers, the better marketing strategies can be created.

### **Local store marketing**

Since Panera Bread is operating in the food industry where consumers tend to purchase very impulsive (P. Krimpenfort, Marketer & Franchise developer, personal communication, 18 December 2015), Local store marketing is very important. Local promotion with for example flyers is recommendable.

Also, Panera Bread could use “iBeacon” as a promotional tool. An iBeacon is a tool that runs on Bluetooth and sends personal messages to smartphones that are located at a distance of 50 meters maximum. The message could for example be a picture of a signature sandwich with the text “Good afternoon Mr. Jansen, Hungry?”.

### **Loyalty programs**

Consumer loyalty is very important and can be created in various ways. For instance, a business to business loyalty program where Panera Bread can work together with businesses located in their area. Panera could for example make special offers with entrepreneurs to offer lunch a couple of times in a week for a fixed price.

Besides business to business loyalty, a business to consumer loyalty program is essential as well; it can be created through for example “Create the new sandwich of the month”, where Panera Bread picks a new sandwich, created by customers, every month.

#### 5.3.4 Place

To give an advice about the place where Panera Bread should locate, several factors play a role:

- It should be in a city where there is lot of traffic on the street since research has shown that consumers decide to go to a fast casual restaurant is at a distance of five minutes;
- It should be in a city where there are lot of DINKS
- It should be in the city center or close to working areas (with reference to the DINKS).

Keeping the above named factors in mind, the following advice can be given;

The most recommendable place where the first restaurant of Panera Bread should be located is Rotterdam, close to Rotterdam central station. The reasons for this location are because there is much traffic around that area since Rotterdam is a highly visited station where people go to their work or city center. Casual restaurants are mostly located in the city center, therefore a location close to Rotterdam central station would be better for Panera Bread. Because Panera is a quick-service restaurant that focusses on DINKS that are – according to the survey results – mostly in a hurry and do not have time to prepare a meal at home or have time to dine in a casual restaurant. Also, big companies surround Rotterdam central station, which means that employees are passing that area and also a Panera Bread restaurant. Besides, Rotterdam has been listed as the most popular city of the Netherlands of 2015 that causes a lot of publicity and traffic, which will most likely increase the amount of customers (Rijkdom J. v., 2015).

#### 5.4 Further recommendations

In this part of the chapter, recommendations will be given about the entrée methods and suppliers.

##### 5.4.1 Entrée Methods recommendations

Business Format Franchise or Master Franchise is the most recommendable ways of franchising for Panera. Panera Bread uses 'Business Format Franchise' in the USA; this is also the most common way of franchising restaurants. But, when Panera Bread decides to enter the Dutch market, master franchising could be an option as well. With master franchising, Panera Bread will have one franchisee in the Netherlands, and that franchisee (master franchisor) has the right to recruit their own franchisees; in other words, the master franchisor has two functions: he/she could be the franchisee of Panera Bread, and at the same time he/she could be franchisor of the franchisees in the Netherlands. Master Franchising is attractive for Panera Bread since they are unknown within the Dutch market, and with master franchising Panera will work together with a Dutch master franchisor that will magnify the

company. As mentioned before, Panera only works with multi-unity franchise opportunities where a franchisee is required to open fifteen restaurants within a period of six years. Despite the fact that growth is an important objective for Panera Bread, this is not realistic for the Netherlands, since the Netherlands is a very small country and it is also not attractive for possible franchisees.

#### 5.4.2 Suppliers recommendations

Based on the findings from the DESTEP analysis, the Dutch Consumer Survey, and Panera Breads brand values there can be made two recommendations about who the supplier could be; or via local farmers or via DeliXL. A motivation for the recommendations can be found below.

##### **Local Farmers**

Local farmers are known for producing authentic and clean products in comparison with bigger food service suppliers. When Panera decides to buy all their products from farmers, they do not only make sure that their products are clean, and authentic but it will also lower the power of suppliers; local farmers do have less power than bigger food service suppliers like Sligro and DeliXL. Besides, partnerships with local farmers can be seen as social responsible, which is – as mentioned before – becoming more important for the Dutch consumer. The supply of farmers is large in the Netherlands; there is an organization called “Biologisch Goed van Eigen Erf”. According to Iris van de Graaf, founder of Biologisch Goed van Eigen Erf, the organization works together with all highly qualified and certified farmers from the Netherlands. The farmers produce different products for example chicken, meat, cheese, dairy, vegetables and flower. The organization is an intermediate between the client and the local farmers and so Panera Bread will have one mutual interest when deciding to work together with “Biologisch Goed van Eigen Erf”. On the other hand, ordering products from local farmers can be more expensive since all the affiliated farmers produce biological products. Also, need of another supplier is necessary for the beverages when deciding to work together with “Biologisch Goed van Eigen Erf” because they only offer food.

##### **DeliXL**

The DESTEP research table has shown that DeliXL offers a widely selection of sustainable products that meet the criteria of the “no-no list” which makes DeliXL a good supplier for Panera Bread. A great benefit would be that DeliXL is a recognized and well-known supplier and is less dependent of farmers in comparison with Biologisch Goed van Eigen Erf. Additionally, DeliXL offers healthy beverages and non-food products as well. DeliXL is in comparison with the local farmers less expensive, which is an important factor. The only disadvantage is that the power of supplier will be bigger at the beginning when Panera Bread has only one restaurant. However, this problem will be smaller on a long-term basis when Panera Bread will have more restaurants in the Netherlands. As mentioned before, working



together with local farmers can be seen as social responsible which is very beneficial for Panera Bread. On the other hand, it does not mean that Panera Bread is not social responsible when deciding to work together with DeliXL because Panera could still order sustainable and clean products.

## Chapter six: Conclusion

After the research, a final conclusion can be made; Panera Bread could enter the Dutch market on condition that they have to make some changes. The multi-unit franchise rule should not be applicable for the Dutch market, since this is not realistic; the Netherlands is too small and A-locations are exiguous. Nonetheless, Panera Bread could make more realistic agreements with possible franchisees, for instance that a franchisee is required to open two restaurants in a period of eight years.

Another important aspect is the need of differentiation. Panera Bread should be different and add more value to the customers experience than their competitors, otherwise Panera Bread is not attractive and distinctive enough. Also, it should be noted that the financial analysis should be investigated further to see if it is profitable enough to enter the Dutch market.

Conversely, the Dutch market has advantages for Panera Bread as well; Research has shown that the fast casual industry is growing and that the Dutch consumer prefers to eat healthier.

Furthermore, Panera Bread's target audience, the DINKS, is an expanding group in society, which means that their target audience is growing.

When deciding to enter the Dutch market, it is recommendable to locate their first restaurant close to Rotterdam central station because of the high traffic of consumers, and because it is surrounded by a working area. The most recommended way to enter the Dutch market is via "master franchising", this is because Panera Bread is not familiar in Europe or the Netherlands.

Furthermore, there are two possible suppliers for Panera Bread: DeliXL and Biologisch Goed van Eigen Erf, both parties have their pros and cons. The two suppliers both meet the "no-no" criteria of Panera Bread but DeliXL has a more widely selection of products and the local farmers only offer biological food which makes them also more expensive. On the other hand, partnership with local farmers can be seen as social responsible which has become important for the Dutch consumer.

When Panera Bread enters the Dutch market, promotion is significant. It is recommendable to promote Panera via an online strategy because the online world have become more popular among their target group. Panera Bread could create an application for smartphones where customers have exclusive access to "secret recipes" and can earn points for a free meal. Beside an online marketing campaign, a local store strategy is also recommended, since consumers tend to purchase fast casual meals impulsively. A local store promotion can vary from offline flyers, to online iBeacon tools where online messages are sent to mobile devices via Bluetooth at a distance of 50 meters.

As mentioned before, entering the Dutch market could only be successful when Panera Bread adjust some changes and again further financial investigation is needed to see if it will be profitable enough.

## References

*Annual report 2014*. (2014). Retrieved from Panerabread.com:

<https://www.panerabread.com/content/dam/panerabread/documents/financial/2015/2014-annual-report.pdf>

*Bagels and Beans franchising*. (2014). Retrieved from franchiseformules.nl:

[http://www.franchiseformules.nl/formuleprofiel/formule\\_profiel/63/Bagels%20&%20Beans](http://www.franchiseformules.nl/formuleprofiel/formule_profiel/63/Bagels%20&%20Beans)

*brancheinformatie eetgelegenheden*. (2015, October 20). Retrieved from Rabobankcijfersentrends.nl:

<https://www.rabobankcijfersentrends.nl/index.cfm?action=print&branche=Eetgelegenheden>

Brons, T. (2014, December 17). *Technologische revolutie*. Retrieved from frankwatching.com:

<http://www.frankwatching.com/archive/2014/12/17/zitten-we-in-een-technologische-revolutie-ja-kijk-maar-naar-global-health/>

*Business format franchising*. (n.d.). Retrieved from businessdictionary.com:

<http://www.businessdictionary.com/definition/business-format-franchising.html>

*Cijfers en Trends Eetgelegenheden*. (2014). Retrieved from Rabobankcijfersentrends.nl:

<https://www.rabobankcijfersentrends.nl/index.cfm?action=branche&branche=Eetgelegenheden>

*different franchise types*. (n.d.). Retrieved from whichfranchise.co.za:

<http://www.whichfranchise.co.za/different-franchise-types/>

Farfan, B. (2015). *Panera Bread Mission Statement*. Retrieved from retailindustry.com:

<http://retailindustry.about.com/od/retailbestpractices/ig/Company-Mission-Statements/Panera-Bread-Mission-Statement.htm>

*Feiten en Cijfers*. (2014). Retrieved from Holland.com:

[http://www.holland.com/be\\_nl/toerisme/informatie/feiten-cijfers.htm](http://www.holland.com/be_nl/toerisme/informatie/feiten-cijfers.htm)

Fishman, C. (2015, June). *Panera promotes transparency campaign*. Retrieved from adage.com:  
<http://adage.com/article/cmo-strategy/panera-promotes-transparency-campaign/299051/>

*Franchise Information*. (2015). Retrieved from PaneraBread.com: <https://www.panerabread.com/en-us/company/franchise-overview.html>

*franchise types*. (n.d.). Retrieved from whichfranchise.co.za:  
<http://www.whichfranchise.co.za/different-franchise-types/>

*Franchising Subway*. (2014). Retrieved from franchiseformules.nl:  
[http://www.franchiseformules.nl/formuleprofiel/formule\\_profiel/694/SUBWAY](http://www.franchiseformules.nl/formuleprofiel/formule_profiel/694/SUBWAY)

Grievink, J.-W. (2014). *de tien kenmerken van fast casual*. Retrieved from foodserviceinstituut.nl:  
<http://fsin.nl/nieuws/dossiers/1384/fast-casual-en-fast-fine>

Horovitz, B. (2015, May 5). *Panera 'lists' unacceptable ingredients in its food*. Retrieved from usatoday.com: <http://www.usatoday.com/story/money/2015/05/04/panera-panera-bread-fast-food-restaurants-dining-artificial-additives/26696823/>

*Joint Venture*. (n.d.). Retrieved from businessdictionary.com:  
<http://www.businessdictionary.com/definition/joint-venture-JV.html>

*Knowing your customer*. (2014). Retrieved from fastcasual.com:  
<http://www.fastcasual.com/articles/knowning-your-customer/>

Korrevaar, A. (2015). *Ouderen veroveren Facebook*. Retrieved from pcmweb.nl:  
<http://www.pcmweb.nl/nieuws/ouderen-veroveren-facebook.html>

*Management Bios*. (2014). Retrieved from Panerabread.com: <https://www.panerabread.com/en-us/company/about-panera/management-bios.html>

Meer, D. N. (2015, February). *Social Media 2015*. Retrieved from newcom.nl:  
<http://www.newcom.nl/index.php?page=socialmedia2015>

*Mission and Vision statement PaneraBread*. (2015). Retrieved from ohiodominican.edu:  
<http://www.ohiodominican.edu/uploadedfiles/library/coursepages/courses/bus/bus498/mission%20and%20vision%20statement%20analysis%20paper%20example.pdf>

Muilwijk, E. (2015). *Porter - vijfkrachtenmodel*. Retrieved from intemarketing.nl:  
<http://www.intemarketing.nl/marketing/modellen/porter-vijfkrachtenmodel>

*Number of Panera Bread Company employees*. (2015). Retrieved from statista.com:  
<http://www.statista.com/statistics/302972/number-of-panera-bread-company-employees/>

*Official website Vapiano*. (2014). Retrieved from Vapiano.com: <https://nl.vapiano.com/nl/home/>  
*our beliefs*. (2015, May). Retrieved from PaneraBread.com: <https://www.panerabread.com/en-us/our-beliefs/who-we-are.html>

*over ons*. (2014). Retrieved from Bagelsbeans.com: <http://www.bagelsbeans.nl/nl/over-ons>

*Panera Bread 2.0 Overview*. (2014, March 25). USA. Retrieved from  
<https://www.youtube.com/watch?v=8bOrg0xMDmI&feature=youtu.be>

*Panera Bread Company*. (2010). Retrieved from wikinvest.com:  
[http://www.wikinvest.com/stock/Panera\\_Bread\\_Company\\_\(PNRA\)](http://www.wikinvest.com/stock/Panera_Bread_Company_(PNRA))

*Panera Bread Franchise*. (2015). Retrieved from franchisehelp.com:  
<https://www.franchisehelp.com/franchises/panera-bread/>

*Panera Bread is on the right track to future growth*. (2014, July 4). Retrieved from gurufocus.com:  
<http://www.gurufocus.com/news/267651/panera-bread-is-on-the-right-track-to-future-growth>

PaneraBread, T. o. (2015, October). *our history*. Retrieved from Panerabread.com:  
<https://www.panerabread.com/en-us/company/about-panera/our-history.html>

PaneraBread, t. o. (2014, June 3). *Panera Bread's Food Policy Statement*. Retrieved from panerabread.com:  
<https://www.panerabread.com/content/dam/panerabread/documents/nutrition/panera-bread-food-policy.pdf>

Parpal, M. (2015, July 16). *What is a fast casual restaurant?* Retrieved from foodservicewarehouse.com: <http://www.foodservicewarehouse.com/blog/fast-casual-restaurant/>

*Partners*. (2014). Retrieved from Vapiano.com: <https://nl.vapiano.com/nl/over-ons/partners/>

*Press Kit 2013*. (2013). Retrieved from PaneraBread.com:  
<https://www.panerabread.com/content/dam/panerabread/documents/press/2013/press-kit-q2-2013-2.pdf>

*Product Franchising*. (n.d.). Retrieved from businessdictionary.com:  
<http://www.businessdictionary.com/definition/product-franchising.html>

Rijkdom, J. (2015, October 6). *Rotterdam populairder dan Amsterdam*. Retrieved from dichtbij.nl:  
<http://www.dichtbij.nl/rotterdam-centrum-noord/regionaal-nieuws/artikel/4157054/rotterdam-voor-eerst-in-10-jaar-populairder-dan-amsterdam.aspx>

Rijkdom, J. v. (2015, October 6). *Rotterdam voor het eerst populairder dan Amsterdam*. Retrieved from dichtbij.nl: <http://www.dichtbij.nl/rotterdam-centrum-noord/regio/artikel/4157054/rotterdam-voor-eerst-in-10-jaar-populairder-dan-amsterdam.aspx>

Slaa, A. (2014, October 14). *Consument let op duurzaamheid*. Retrieved from mvonederland:  
<http://mvonederland.nl/nieuws/consument-let-meer-op-duurzaamheid-bij-aankopen-0>

Smit, R. (2015, January 12). *Nederlanders eten vaker buiten de deur*. Retrieved from financieeldagblad.nl: <http://fd.nl/frontpage/ondernemen/1087988/nederlanders-eten-vaker-buiten-de-deur>

*subway prijzenlijst 2015*. (2015). Retrieved from fastfoodprijs.nl: <http://www.fastfoodprijs.nl/fastfoodprijs/subway-prijenlijst-prijzen-2015/>

*Subway, onze belofte*. (2015). Retrieved from subway.nl: <http://www.subway.nl/nl/onze-belofte>

*The world factbook*. (2015, November 19). Retrieved from cia.gov: <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html>

*theworldfactbook*. (2015). Retrieved from cia.gov: <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html>

Thompson, A. A. (2007). *Panera Bread Company*. Retrieved from additional case: [http://www.google.nl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&sqi=2&ved=0CCAQFjAAahUKEwjmkLj75dPIAhXMORoKHajPDII&url=http%3A%2F%2Fhighered.mheducation.com%2Fsites%2Fd1%2Ffree%2F0070146721%2F846526%2FAdditional\\_Case\\_2.pdf&usg=AFQjCNHjDOtVYDL1r5d50Ivnejxt6k](http://www.google.nl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&sqi=2&ved=0CCAQFjAAahUKEwjmkLj75dPIAhXMORoKHajPDII&url=http%3A%2F%2Fhighered.mheducation.com%2Fsites%2Fd1%2Ffree%2F0070146721%2F846526%2FAdditional_Case_2.pdf&usg=AFQjCNHjDOtVYDL1r5d50Ivnejxt6k)

*Time Poverty Problem*. (2014, December 20). Retrieved from economist.com: <http://www.economist.com/news/christmas-specials/21636612-time-poverty-problem-partly-perception-and-partly-distribution-why>

*top 50 brands in quick service and fast casual*. (2015, August). Retrieved from qsr magazine.com: <https://www.qsr magazine.com/reports/qsr50-2015-top-50-chart>

*What is eazie*. (2015). Retrieved from eazie.nl: <http://eazie.nl/whatiseazie/>

## Appendices

### Appendix A

#### Survey A. Dutch target market and fast casual concepts

Question 1: What is your gender?

- A. Male
- B. Female

Question 2: What is your age?

- A. 18-24
- B. 25-30
- C. 31-40
- D. 41-50
- E. 51-60
- F. 60+

Question 3: What is your occupation?

- A. Student
- B. Employee
- C. Employer
- D. Unemployed



Question 4: Where do you live in the Netherlands?

- A. Zuid-Holland
- B. Noord-holland
- C. Utrecht
- D. Noord-Brabant
- E. Gelderland
- F. Limburg
- G. Zeeland
- H. Friesland
- I. Drenthe
- J. Groningen
- K. Overijssel
- L. Flevoland

Question 5: Do you go to a fast-casual restaurant regularly?

- A. Yes
- B. No, please skip this survey

Question 6: How often do you go to a fast casual restaurant in the Netherlands?

- A. Once a month
- B. Once a week
- C. Twice a Week
- D. More than twice a week

Question 7: For what type of meal do you go to a fast-casual restaurant?

- A. Breakfast
- B. For Lunch
- C. For a small bite/snack
- D. For dinner

Question 8: Why do you go to a fast casual restaurant?

- A. Because it is easy and not too expensive
- B. Because I do not have time to prepare a meal by myself
- C. Because I like the food and atmosphere
- D. None of the above

Question 9: What factors play a role when you go to a fast-casual restaurant?

- A. Price
- B. Quality
- C. The service
- D. Diversity of products
- E. All of the above

Question 10: Would you go to a fast casual restaurant that serves “clean” food?

- A. Yes
- B. No

Question 11: If there was a fast casual restaurant that serves clean and healthy food, would you go there more often than you go now?

- A. yes
- B. No

Question 12: Are you willing to travel for a fast casual restaurant?

- A. Yes
- B. No, it should be in the city center
- C. No, it should be max 5 min walking from my school/work
- D. No, I do not want to go to a fast casual restaurant

Question 13: How much would you pay for a fresh healthy salad?

- A. 3 till 5 Euros

- B. 5 till 8 Euros
- C. 8 till 10 Euros

Question 14: How much would you pay for a fresh healthy salad?

- A. 5 till 8 Euros
- B. 8 till 10 Euros
- C. 11 till 15 Euros

Question 15: How much would you pay for a healthy homemade soup?







- A. 5 till 8 Euros
- B. 8 till 10 Euros
- C. 11 till 15 Euros

## Appendix B




**Survey Results****What is your gender?**

Male		62 (46.62 %)
Female		71 (53.38 %)

**What is your age?**

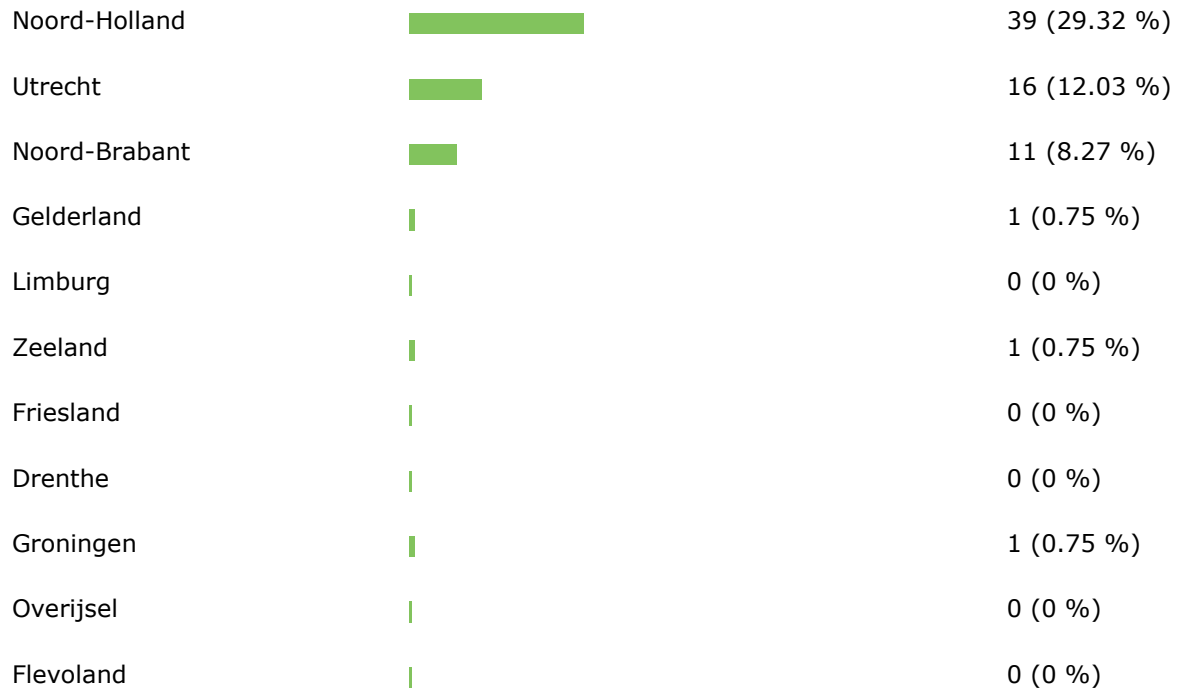
18-24		19 (14.29 %)
25-30		42 (31.58 %)
31-40		58 (43.61 %)
41-50		14 (10.53 %)
51-60		0 (0 %)
60+		0 (0 %)

**What is your occupation?**

Student		25 (18.94 %)
Employee		88 (66.67 %)
Employer		16 (12.12 %)
unemployed		3 (2.27 %)

**Where do you live in the Netherlands?**

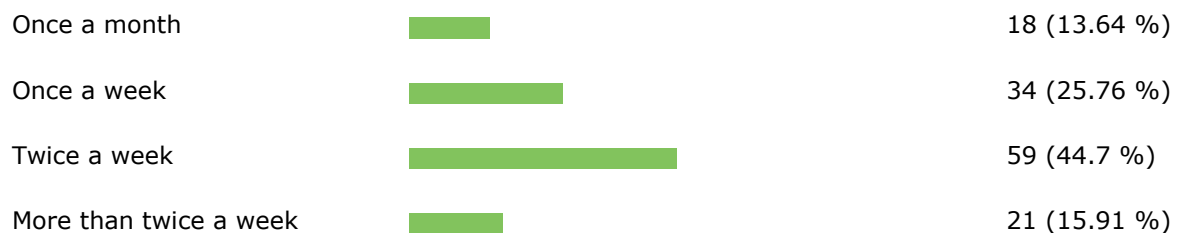
Zuid-Holland		64 (48.12 %)
--------------	---	--------------

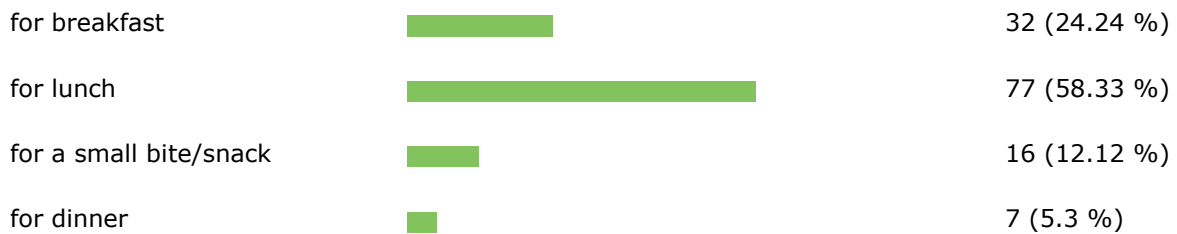


#### Do you go to a fast-casual restaurant regularly?




#### How often do you go to a fast casual restaurant in the Netherlands?





**For what type of meal do you go to a fast-casual restaurant?****Why do you go to a fast casual restaurant?****What factors play a role when you go to a fast-casual restaurant?**





**Would you go to a fast casual restaurant that serves "clean" food (without ...**

yes		124 (94.66 %)
no		7 (5.34 %)

**If there was a fast-casual restaurant that serves clean and healthy food fo...**

yes		118 (91.47 %)
no		11 (8.53 %)




**Are you willing to travel for a fast-casual restaurant?**

Yes		7 (5.34 %)
No, it should be in the city center		64 (48.85 %)
No, it should be max 5 min walking from my work/school		59 (45.04 %)
No, I do not want to go to a fast casual restaurant		1 (0.76 %)



**How much would you pay for a fresh healthy sandwich?**

3 till 5 Euro's		41 (31.06 %)
5 till 8 Euro's		90 (68.18 %)
8 till 10 Euro's		1 (0.76 %)

**How much would you pay for a fresh healthy salad?**

5 till 8 euro's		93 (70.45 %)
8 till 10 Euro's		36 (27.27 %)
11 till 15 Euro's		3 (2.27 %)

**How much would you pay for a healthy homemade soup?**

5 till 8 euro's		123 (93.18 %)
8 till 10 Euro's		9 (6.82 %)
11 till 15 Euro's		0 (0 %)



## Appendix C

### Rabobank Research about the Food industry in the Netherlands

#### Trends

- Steeds verdergaande integratie tussen retail en horeca; meer branchevervanging en -verlechting;
- Consumenten kiezen vaker voor meerdere eetmomenten en dan veelal onderweg. Daardoor opkomst van 'food-to-go'-concepten. Deze bevinden zich op locaties met heel veel traffic, zoals stations, winkelcentra en luchthavens. Ook opkomst van 'fast-casual': fastfoodconcepten met restaurant-service en -kwaliteit;
- Van 'massa-aanbod' naar 'maatwerk': de consument bepaalt steeds vaker zelf de samenstelling van het gerecht. Meer gebruik van streekproducten en lokale kenmerken – 'one size fits all' kan niet meer;
- Toenemende impact van internet. Opkomst van online reserveren/bestellen en laten bezorgen. Reviewsites en social media geven klanten inzicht in prijs, kwaliteit, sfeer en beleving;
- De consument wil gezonder leven en is bewuster van de 'footprint' die hij achterlaat; toenemende belangstelling voor gezonde en duurzaam geproduceerde voeding en het gebruik van authentieke producten;
- Hybride consumentengedrag. De consument laat zich verleiden door óf wel zoveel mogelijk tegen een scherpe prijs (all you can eat), óf wel door een uniek product (belevingsconcept) met een meerprijs.

### Kansen & bedreigingen

- Veranderende samenstelling huishoudens; meer kapitaalkrachtige senioren, meer singles, meer dinkies (double income, no kids);
- De buitenhuisconsumptie van tussendoortjes groeit. De consument heeft vaak weinig tijd, wil flexibel zijn en daar kunnen eten of drinken waar en wanneer het hem uitkomt;
- De toenemende gemakzucht van de consument (kant-en-klaar, thuisbezorgen);
- Gemeentes stimuleren horeca om leefomgeving en centra aantrekkelijker te maken;
- Structurele toename van het aanbod. Meer detailhandel (boekenwinkels, kledingwinkels, bakkers, tankstations) biedt horeca aan. Stijging van het aantal huiskamerrestaurants, thuiscaters en hobbykoks;
- Gestegen inkooprijzen terwijl de verkoopprijzen onder druk staan;
- Prijsverschil tussen horeca en supermarkten neemt steeds verder toe;
- Toenemende aandacht voor hygiëne en veiligheid;
- Toenemende ketenvorming en grootschalige franchiseformules.

Aantal vestigingen					
	2011	2012	2013	2014	2015
Lunchroom/Tea room	1.315	1.446	1.571	1.734	1.929
Selfservice restaurant	132	141	145	137	162
Broodjeszaak/Croissanterie	783	798	825	864	937
Internationale fastfoodketen	325	309	330	316	325
Cafeteria/Snackbar	5.993	5.947	5.939	5.924	5.888
Shoarma/Grillroom/Kebab	1.607	1.743	1.805	1.903	1.926
Ussalon	720	734	773	817	876
Restaurant (buitenlandse keuken)	5.299	5.568	5.422	5.630	5.667
Restaurant (nationale keuken)	5.226	4.541	4.571	4.443	4.663
Pizzeria	731	711	688	641	644
Eetcafé	3.124	3.191	3.145	3.251	3.318
Creperie/Pannenkoeken	391	396	409	435	429
Recreatiemeer-/Strandpaviljoen	471	470	476	494	511

## Appendix D

On 18 December 2015, an interview was conducted with Ms. Puck Krimpenfort, a marketer and franchise concept developer. She is working at a company located at Rotterdam, the Netherlands, where she develops new (international) franchise concepts and marketing strategies. This interview was conducted with her in order to gain more knowledge about franchise concepts and how to develop good marketing strategies. Regardless of the fact that this interview was held in Dutch, a translation in English was implemented, in order to make the interview more amendable for every reader. The letter F signifies that I am asking questions, and the letter P indicates the responds of Ms. Puck Krimpenfort.

**F:** *Good morning, How are you? First, I would like to thank you for taking the time to have an interview with me. As you know, I am writing my final dissertation and I am making a marketing plan for Panera Bread. Panera Bread is an American franchise concept that offers freshly baked bread, soups, and salads. They want to position itself as a healthy fast-casual restaurant. To get a better view about Panera Bread, you can compare it with Bagels and Beans and Subway.*

**P:** *Good morning, it is my pleasure to have this interview with you. I remember when I was writing my final paper, so I know how important it is to gain reliable information. And yes, I know what Panera Bread is because you told me before that you were writing a marketing plan for Panera Bread, so I did a little bit research about them.*

**F:** *Ok. So now I would like to start the interview and the first question I would like to ask you is: Panera Bread has lot of affiliates in the United States, because they work with multi-unit franchising. Every franchisee needs to open fifteen restaurants within a period of six years. Have you ever heard of this before? Are there franchise concepts in the Netherlands that work with this rule as well?*

**P:** *I have heard of this before. It is not very common to work with a multi-unit franchise concept because it is not very attractive for franchisees. This mostly happens in bigger countries, like America. I do know one other concept in China that also works with multi-unit franchising. But for the Netherlands, it is a little more complicated. People in the Netherlands are not really big risk takers, in comparison with other countries. So what is important for Panera Bread, is to make clear requirements about this. Fifteen restaurants is too much for the Netherlands because it is a very small country with not so many A-locations to open a restaurant. But they can make agreements that for example franchisees have to open two restaurants within a period of eight years, but this – of course – needs to be researched first.*

**F:** *Ok, that is interesting, thank you. What about the entrée methods, I know there are various ways to enter a foreign market. Personally, I find Business format franchising or Master Franchising best for Panera Bread. Can you tell me a little bit more about the different entrée methods?*

**P:** *Well, yes. Knowledge about a country where a company wants to operate is very important. So I think master franchising is suitable for Panera Bread since they have a lot of expertise in franchising in the United States. But, Master franchising should not be underestimate; there are a lot of things involved with master franchising, for example traineeships, and quality control checks. It takes much effort to have a successful master franchise concept, also to find a master franchisor in the Netherlands can be hard. Panera Bread is not well known in the Netherlands so maybe they should first open, let's say two till three, restaurants by themselves so it will be more attractive for possible franchisees in the Netherlands to open a Panera Bread restaurant as well.*

**F:** *Yes, that is true that Panera Bread is not well known in the Netherlands. Therefore, promotion is very important for them, in my opinion.*

**P:** *Promotion is one of the most important tools for a company. Even before Panera opens their first restaurant in the Netherlands, they should already start a campaign where they create awareness. The thing about Panera Bread is, is that they are a fast casual restaurant... Consumers are mostly very impulsive when deciding to go to a fast casual restaurant. They do not plan to go to a fast casual restaurants weeks before. So it is important for them to also have good local store promotion. There is a tool called 'iBeacon', it is like a small radar that sends messages to smartphones that are located at max 50 meters distance. This could really help the local store promotion, also since nowadays, more consumers are using their smartphone a lot. And Like I have mentioned before, a campaign to really "hype" Panera Bread up, before opening their restaurant in the Netherlands, can be really useful for them.*

**F:** *I would like to thank you for this information, it is very useful. I know you do not have that much time left, so hereby I would like to end the interview. Again, thank you for your time and effort.*

**P:** *You are welcome, and if you have any questions you can always contact me.*

## Appendix E

### Informed Consent Form

A marketing plan for Panera Bread in order to succeed in the Netherlands

This report researches what marketing strategy should be used for Panera Bread in order to succeed in the Netherlands. Panera Bread is an American fast-casual food chain that is known for its freshly baked bread. In 2013 the company has made some drastic changes and decided to only serve “clean” food, and have removed all the artificial additives. Since then, Panera Bread is only growing and their goal is to expand internationally. This has led to the main research question: *“What marketing strategy should be used for Panera Bread to succeed in the Netherlands?”*

**If you agree to take part in this study please read the following statement and sign this form.**

**I am 16 years of age or older.**

I can confirm that I have read and understood the description and aims of this research. The researcher has answered all the questions that I had to my satisfaction.

I agree to the audio recording of my interview with the researcher.

I understand that the researcher offers me the following guarantees:

All information will be treated in the strictest confidence. My name will not be used in the study unless I give permission for it.

Recordings will be accessible only by the researcher. Unless otherwise agreed, anonymity will be ensured at all times. Pseudonyms will be used in the transcriptions.

I can ask for the recording to be stopped at any time and anything to be deleted from it.

I consent to take part in the research on the basis of the guarantees outlined above.

**Signed:**



**Date:** 18-12-2015

Appendix F

**Student Ethics Form**

**Your name:** Fleur Krimpenfort

**Supervisor:** Marlou van Paridon

**Instructions/checklist**

Before completing this form you should read the APA Ethics Code (<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- a. ☐ Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- b. ☐ Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
- c. ☐ Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
- d. ☐ Append this signed form as an appendix to your dissertation.

**Section 1. Project Outline (to be completed by student)**

- (i) **Title of Project:** A marketing plan for Panera Bread to succeed in the Netherlands
- (ii) **Aims of project:** This marketing plan is written with the purpose to see if Panera Bread could be successful in the Netherlands.
- (iii) **Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer ‘NO’ to this question.)**

**YES**

This project is not designed to include research with human subjects . I understand that I do not have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student's signature \_\_\_\_\_ - date 30 December 2015

**Section 2 Complete this section only if you answered YES to question (iii) above.**

**(i) What will the participants have to do?**

The participants of the questionnaire were asked to fill in the online questions. Their honesty is very important in order to write an trustworthy research. Furthermore, there is one interview conducted with Ms. Puck Krimpenfort, she was also asked to answer my questions and to provide me information about franchise concepts and marketing strategies.

**(ii) What sort of people will the participants be and how will they be recruited?**

The questionnaire was filled in by Dutch consumers and the survey was held online in order to gain more respondents from all over the country. Ms. Puck Krimpenfort, is a family member who is working for a company located in Rotterdam. She is a marketer and international franchise concept developer and has much knowledge about marketing and export.

**(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?**

Questionnaires[ x ]; Pictures[ ]; Sounds [ ]; Words[ x ]; Other[ ].

**(iv) Consent:** Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.



**(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data?**

The respondents of the questionnaire are anonymous, they did not had to fill in their personal information except for their age and place of living. The name of Ms. Puck Krimpenfort can be used with her permission.

**Student's signature:** ..... **date:** 30 December 2015

**Supervisor's signature** (if satisfied with the proposed procedures): ..... **date:** .....