

Brand Analysis

Brand Plan



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THE BRAND – HONEY & BUTTER

Honey & Butter, makers of adorable cartoon character macaron confections, are bringing their intricately detailed, Instagram-worthy desserts.



Figure 1: Macaron display at the brick and mortar location, Irvine, CA

Within the past decade, there has been a rise of what is known as the foodie culture in the United States. What does this mean? It's essentially an era filled with people that very much appreciate and care about food. It's a way to explore new cultures through food. It has become even easier now with the aid of varying social media platforms such as Instagram to share with one another the newest and tastiest foods. It's an intercontinental bridge at the core of this food crazed culture.

One food, a dessert to be exact has traveled and made its way to the United States, and it is the macaron. For centuries the macaron, an Italian originated cookie, has been a popular treat in France. Then these aesthetically pleasing, pastel colored cookies entered the door in trend-setting, cosmopolitan



cities like New York and Los Angeles. Then the macaron hype was born. Macarons have become ubiquitous.

Part of the American ascendance of this dessert is the dichotomy of a dessert being difficult to make but yet so simple to eat. The base of nut flour, egg, and sugar, offers bakers and chefs a kind of canvas on which they can paint their own unique flavor combinations. It leaves a lot to the imagination.

This baker's blank slate, combined with that macarons have an elegant appearance (an added bonus, in the age of Instagram) and ethereal sweet flavors is largely why, wife and husband duo, Leanne and Pawel Pietrasinski and decided it would make sense to do what, in the era of Amazon, it would seem to make very little sense to do: open a bakery dedicated to a single dessert.

Company's Description and History

Honey & Butter is a bakery based in a brick and mortar at the Spectrum Center in Irvine, California. It is owned by a husband and wife, Pawel and Leanne Pietrasinski. The bakery specializes in making French macarons. Honey & Butter have become known for character-shaped confections called "creatures," which started with a suggestion from a customer who wanted cat and bear shaped treats. Soon after they knew they created something positively different when there was a high demand for these treats by customers.



Figure 2: Honey & Butter Founders & Owners, Pawel and Leanne Pietrasinski



They create designs for their macarons based on animals and popular culture, such as characters from movies and cartoons. A lot of the store's presence is inspired by Kawaii culture, which is from the context Japanese popular culture meaning "cute."

The macarons are made from scratch every day. The ingredients used are sourced locally. The macaron shells are made with almonds from California. They make the jams from fresh fruits, grind the pistachios and hazelnuts, and temper the chocolate themselves to make sure that everything that goes into each macaron is fresh and high quality.

Leanne and Pawel Pietrasinski started making these sweet Parisian treats in 2014, selling out of an airstream trailer at the Lab in Costa Mesa, CA. Before opening Honey & Butter, neither of the pair had any culinary experience and are self-taught bakers. Leanne was working on her teaching credential in chemistry when she first started making macarons. She started her own shop from her kitchen called Macaron Story. It is then when she realized she wanted to pursue a path that would be fulfilling. Thus, the idea of opening a macaron shop came to life.

When I was location hunting for our first shop no one wanted to let us lease their space since we have no business history. When I took the idea to The Lab — a big supporter of small businesses, and the lease manager actually got back to me. There wasn't a space available immediately, but there is a vintage airstream that might be vacant in a few months. At that time, I had no idea what an airstream was. But upon seeing it for the first time, I fell in love with it and wanted to make it work. Without hesitation, I signed the lease. – Leanne Pietrasinski





Figure 3: The airstream shop at the Lab in Costa Mesa, CA

They leased an airstream and began selling macarons introducing a custom macaron recipe and crafted unique flavors. They use buttercream instead of white chocolate as a filling to make the cookie flavors more pronounced. Another attribute that sets Honey & Butter from other confectionery establishments is the handcrafted illustrative and artistic take applied to the desserts. They have built a reputation to sell out of their creature macarons daily.

Today, they operate from two locations, one being the original airstream in Costa Mesa, CA and in 2016 they opened up a brick and mortar bakery in Irvine, CA. They continue to innovate and introduce new items to their menu that pair well with the macarons. They have beverages ranging from teas, lemonades and Nitro cold brew coffee, decorated to match the creative nature of the brand. They can turn a macaron cookie into an ice cream sandwich with their gelato, which is also made in-store and from scratch. The whimsical, adventurous, creative creatures and taste of the macarons are the



ideal Instagram worthy picture to share. The brand encourages their customers to enjoy themselves and the macarons. Hence, the company slogan, "Eat more of what you love."

Brands Owned and Managed

Honey & Butter is a single brand. They plan to stick to macarons being their only baked good. The menu for Honey & Butter is designed to be simple, offering three types of goods: macarons, ice cream and drinks, which are all made at the bakery. They also sell gift cards for all store locations. At the moment, all products and services are designed to complement or correlate to the



Figure 4: Display of some daily flavors, rare flavors, and creature macarons

macaron concept. They plan to continue to introduce new flavors, designs and other dessert pairings to enhance the current offerings available to customers.

Currently, Honey & Butter offer 12 daily macaron flavors, creature macarons that vary daily, and 3 to 4 rare flavors rotate throughout the week. These are the core products of their menu. They also serve lemonades, teas, and Nitro cold brew. Various flavors of gelato are available as well to be paired with the fresh macaron cookies.



The Menu

Daily Flavors

Sea Salted Caramel (caramel sprinkled with salt)



Milk & Honey (milk and honey buttercream)



Vanilla Bean (vanilla bean buttercream)

Cookie Butter

buttercream)

Nutella (Nutella

buttercream with

Matcha (matcha

cookies in

crushed

hazelnuts)

green tea buttercream)

(crushed golden



Crunch (French toast buttercream topped with French toast bits)

French Toast

Dark Chocolate & Sea Salt (dark chocolate ganache sprinkled with salt

Enchanted Berries

strawberry and

black currant buttercream)

(raspberry,









Fruity Pebbles (milk and honey buttercream sprinkled with

Oreo (Oreo buttercream)

Fruity Pebbles

cereal)





Figure 5: The 12 Daily Flavors (along with their filling)



Rare Flavors & Creature Macarons

The rare flavors fluctuate within the week. Customers must call or come into the store to find out what the rare flavors are. However, the flavors tend to stay the same per week. For example, on Mondays they will most likely serve passion fruit flavor macarons or Fridays will most likely be S'mores flavor.





Figure 6: Peaches & Cream flavor

Figure 7: S'mores flavor

Figure 8: Ube (purple yam) flavor

They serve macarons in a variety of ways. Customers can eat the macarons alone, or have it as an ice cream sandwich with house made gelato with toppings, or have it presented as a cactus over Oreo and brownie bites as the "soil." They also indicate which macaron flavors contain gluten.



Figure 9: Macaron ice cream sandwiches



Figure 10: Cactus Macarons (with brownie and Oreo bites)

Lemonades

They serve house made lemonade served in a plastic cup with a custom cup sleeve, with a choice of a panda or cat anime print on the sleeve.



Figure 11: Various lemonades with creature macaron toppers

Nitro Cold Brew Coffee, Jasmine Green or Earl Grey Tea.

They pair these beverages with lightly salted whipped cheese and can also design cheese cream characters.





Figure 12: Nitro cold brew coffee and tea topped with cheese creatures

Design and Packaging

The design and packaging used for Honey & Butter products are distinct to the brand of the company. Leanne Pietrasinski, designs the packaging herself and then sends it through a packaging company. This related to the brand influences of American and Japanese popular cultures.

The airstream has yellow polka dots to add a distinct feature. Leanne's said, "Wouldn't it be cute if people refer to this place as the polka dotted airstream?" From this idea, she produced the illustrations of two honey bees piled over a macaron, resembling



Figure 13: Honey & Butter tote boxes

Kawaii influences such as Tsum Tsum characters and yellow polka dots around the packaging.

Initially, when Honey & Butter business ran in the airstream, they utilized a standard rectangular box. This could not fit the new designs nor did they accommodate the macarons properly, particularly the creature macarons, which can be larger than the traditional macaron size. This potentially left customers with crushed cookies. They re-designed their packaging in a short tote box that adhered to both concerns.

The stores themselves also are representative of the brand. The interior and exterior décor are meant to be cute and whimsical. The stores are filled with plush toys of well-known cartoons.



Collaborations

Honey & Butter encourages and is open to collaborations with other brands to increase their own brand awareness to their target markets. They often decide to reach out to brands; their macarons were inspired from or from brands the staff enjoys.

 Honey & Butter partnered with Milk Box, a milk tea shop. The bakery used to exclusively sell milk teas from the other company. This collaboration happened primarily for the reason the owners of each store were very good friends. After discussion, they thought the pairing of macarons with milk tea complemented one another. However, they received feedback from customers reporting that the milk tea tasted watered down due to the fact they had to be pre-made and sometimes sold long after being made. The partnership strategized a new plan and decided to keep Milk Box for one month, but this time a smaller quantity of milk teas was delivered each day. The companies paired their well-known and popular milk tea and macron and customized each of their designs to cater to the exclusive collaboration. The limited and exclusivity of the collaboration had become more intriguing to customers and they enjoyed both complementary sweet treats. Since then, Honey & Butter now focus on selling in-house natural brewed drinks, such as lemonade and various teas in order to produce better tasting flavors.

They also do collaborations with other brands outside of the food industry, catering to their artistic abilities.

- One brand they partnered with was Paddington Bear. Paddington bears collaboration provided giveaways of plush toys to the first 50 people in line.
- The company has recently worked with Disneyland to develop custom macarons to be released soon in the amusement park.



In February 2018, they collaborated with the creator of Puglie, a viral graphic design that has become an iconic pug cartoon via social media, such as Facebook, Twitter and Instagram. Honey & Butter had initially reached out to character's graphic designer, Euge Leung. For this collaboration, they developed macarons based on Puglie, exclusive packaging with details of the character, pins, and other merchandise.
 The merchandise they sell are from collaborators for a few months. The merchandise ranges from mugs, pins, and plush toys. The most popular merchandise they have developed are blind boxes, which are various toys hidden by uniform packaging. Even staff members purchase blind boxes.

Honey & Butter also host four to five art gallery shows per year. They invite artists and make macarons to fit the theme of the gallery.



Figure 14: Milk Box milk tea and Honey & Butter macarons



Figure 15: Promotion for Puglie and Honey & Butter collaboration



Figure 16: Honey & Butter art gallery



Company Business Model

Honey & Butter use cost-based pricing, they set their product pricing at a percentage above the cost it takes to make a macaron and other products. This allows for the company to generate competitive pricing. Their revenue is earned by the massive production and sales to meet the high demand. The macaron remains to be their best-selling good and generates the highest margin of sales. The business model is framed around making sales to direct customers.



Some aspects of Honey & Butter's business model is structured around company practices, which include:

Figure 17: Baker's preparing Fruity Pebble macarons

- They create inventory for the airstream at the brick and mortar bakery and have a delivery person to bring them to the location.
- They perform a quality check on the macarons. It's because while macarons maintain their consistency for about up to three days, the Honey & Butter staff check each batch every morning and various times throughout the day to ensure the product remains of high quality when sold.
- They start to sell creature macarons at noon every day until they are sold out.
- The creature macarons are considered to be limited edition and are available daily, but they are never the same. In fact, management post daily themes on their Instagram.
- The bakery does occasional pop-up shops in various locations in Southern California, such as in front of Forever 21's Riley Rose, in Glendale,



California. And at JapanLA, in Los Angeles, California, where they also sell new merchandise along with their macarons.

- Custom orders are on a case-by-case structure. Depending on the request the order may be fulfilled. The back of the house manager is becoming more open to customer orders.
- Recently, as the brand equity has grown other opportunities of furthering channel distribution through other companies, such as coffee shops, but Honey & Butter have declined to move further in those conversations. This has been decided because by distributing to other stores this will leave the quality of the macarons in others' hands. This is considered to be too high-risk, and could potentially damage the product and ultimately the brand's reputation.







Figure 18: Process for custom macaron design

The set-up of the locations is designed for customers to often come in and out. Some linger around the store looking at the décor and baked goods. They also set up furniture at the brick and mortar location (previously long wooden community tables, but now changed to wooden square tables) for customers to dine in for a few hours.



In order to ensure all customers, have an opportunity to experience all goods and services of Honey & Butter, there is a one store policy. Since creature macarons are in high demand customers are limited to 1 design each. This is to ensure as many customers can experience the product.













Figure 19: Honey & Butter brick and mortar store layout

Sales

Sales of macarons vary throughout the year. Generally, their slower months are between January to March, with the exception of Valentine's Day holiday. Summer months are when the stores are extremely busy. During themed hosted events lines of customers will go out the door.



Figure 20: Line outside the airstream locations



During the week, typically, Monday through Thursday, the first hour of opening is generally empty and without much of a wait to be serviced. The busiest hours begin by 12 pm when creature macarons become available, then between 3 pm to 5 pm and 7 pm to 10 pm. During Friday through Sunday starting from 12 pm to closing is extremely busy, but the largest rush of customers that come to purchase desserts is during dinner hours. General wait times a customer can expect during rush hours is between 35 to 50 minutes.

Since Honey & Butter is privately held, actual revenue numbers are not released to the public. Currently, the estimated revenue is based on sales from both locations.



Macaron Sales Breakdown

Figure 21: Honey & Butter estimated sales and revenue for macarons



Daily estimated sales for Honey & Butter is around 1,000 macarons per day, which is broken down to 630 regular macarons, and 370 creature macarons. Regular macarons are sold at \$2.00 each and creature macarons range from \$4.00 to \$7.00 depending on the size and detail of macarons. Annual revenue is \$423,360 for regular macarons, \$683,760 for creature macarons with a total of \$1,107,120 in macaron sales for two locations. The costs involved with producing each macaron are based on the premium, locally sourced ingredients and the intricate detailed work on the macarons.

Profit Per Item

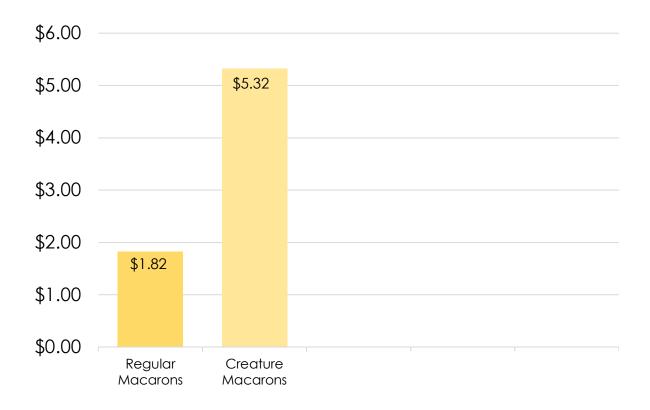
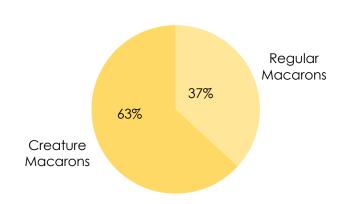


Figure 22: Honey & Butter profits earned from for each type of macaron



After isolating the cost per to make an each type of macarons, the profit earned on each item can be identified. The profit earned for a regular macaron is \$1.82. The profit earned for a creature macaron is about \$5.32. Regular macarons are priced to match competitors. This allows for increased pricing for creature macarons. A creature macaron earns more profit for Honey & Butter.



% Income Per Product

Figure 23: Honey & Butter income earned from macarons

The total annual revenue minus the total cost to make macarons equates to the total annual income earned from macarons sold for Honey & Butter. The total annual income earned from macarons can be divided based on each type of product. For regular macarons they account for 37% of the total annual income earned from macaron sales. Creature macarons account for 63% of the total earned annual income from macaron sales.



Annual Macaron Sales Summary

ltem	Cost	Percent	Total	Total Revenue	Profit	Total Income
	Per	Markup	Sold		Per	
	ltem				ltem	
Regular Macarons	\$0.18	1011.11%	211,680	\$423,359.96	\$1.82	\$385,257.56
Creature Macarons	\$0.18	2955.56%	124,320	\$683,760.10	\$5.32	\$661,382.50
Total				\$1,107,120.06		\$1,046,640.06

Figure 24: Honey & Butter's sales tracker of revenue and income from macarons

The annual macarons sales can measure product performance. It cost \$0.18 to make each type of macaron. However creature macarons are priced higher markup compared to a regular macaron for intricate detail, time to make, and based on the demand for them. After deducting the total cost from the total revenue made, the total annual income from macarons sales is \$1,046,640.06.

Brand Management Structure

The Honey & Butter's brand management structure is split into two operating teams: The front of the house and the back of the house Front of the house:

 The front of the house is comprised of: one manager and sales associates.
 Manager – This person helps maintains the store. They keep the Honey and Butter brand reputation consistent and strong. They update the sales associates with company and product changes. This person also prepares merchandise that is purchased and ships them to customers. They are also



expected to be able to efficiently operate the front of the house of either location when the owners are not present. Finally, they report back to the owners of the bakery.

Unicorns (sales associates) – They help serve macarons and other desserts with friendly and reliable customer service.

• The front of the house team rotates to both locations.

Back of the house:

• The back of the house is comprised of: the owners, two managers, one assistant manager and the bakers.

The owners – Leanne and Pawel Pietrasinski makes all executive decisions in business, branding, marketing, new products, etc.

Managers – The managers handle and respond to emails. They also aid in decorating baked goods and produce custom orders.

Assistant manager – This person helps the managers decorate and produce content and manage social media accounts.

The bakers – They prepare, bake, and decorate the macaron cookies. They also clean the kitchen to ensure the bakery remains operational.

INTERNAL BRAND ENVIRONMENT

At Honey & Butter their values are to provide good customer service, high quality products, ensure product consistency, and problem solve. It is crucial that the current team at Honey & Butter are motivated, well trained, and focused since they are stretched at maximum capacity at both of their current locations. Often, the staff has to keep up with the demand of providing macarons and other goods at a rapid pace. Noon is their busiest time, because that is when they start to sell their creature macarons. They need make sure during these times that they keep up inventory, strategically plan to produce macaron, take into account the inventory of ingredients and the time it takes to make them. It is also important for the staff to be familiar with products, such



knowing ingredients, potential allergens, and pricing. They also need to be detail oriented and communicate clearly in order to provide superlative service to their customers.

Since Leanne and Pawel are very involved in the bakery, the staff recognizes how much the owners care about the brand of Honey & Butter. Therefore, the team is motivated to work just as hard. They also practice to avoid micro managing, they want to the staff to genuinely be motivated and passionate about their work and contribution to the stores. The management of Honey & Butter focus on building interpersonal relationships among the entire company, to ensure there is a healthy work and environment and a strong brand equity.

Company Culture and Environment

Honey & Butter's company culture strives to be open to change, continue to evolve their products and services; by expanding flavors and designs. The owner Leanne is known among staff to be spontaneous. She often conceptualizes and produces new designs in a matter of a few days. She applies her creativity to flavors and character and then test them.

The company environment is built to be passionate and supportive of its employees. The company provides flexibility in schedules, as many of the employees are also students pursuing various higher education degrees. The owners plan and cover staff outings to



Figure 25: Creature macaron based on the character Pennywise from the movie, IT.



build a strong team bond. The staff is comfortable with one another. They are encouraged to have fun and work hard. The staff is also relatively young. The staff age demographic, is comprised of Millennials, ranging in ages from early 20s to mid 30s. They look to pop culture to influence their work. They often integrate movie and television themes into their creature macarons.

S.W.O.T. Analysis – Honey Butter

Strengths

- The creature macarons are the unique competitive advantage that differentiates the Company from its competitors.
 They are currently the most well-known store to sell character macarons in Southern California.
- They only serve macarons as their baked good, which is rare for a bakery to do and remain afloat.
- Innovation from entire staff. The management encourages and are open to employee's ideas.
- The team stays up to date with pop culture and movie releases.

Weaknesses

- They only have 2 store locations in one county. Other competitors have and will further expand their geographical locations to reach more of their target audience.
- They only make in-store sales.
 They have limited distribution channels.
- The company is selective with custom orders. Often, because they do not have the time to fulfill orders.
- It takes a long time to prepare macarons. It is approximately two hours to make a batch of macarons.



- They provide great customer service. The employees are friendly and helpful.
- They have competitive pricing
- They provide a wide variety of flavors. They introduce new flavors.
- They provide a wide variety of selections from colors, designs, and sizes.
- They allow customers to customize flavors and designs of macarons.
- They make all products in store and do not outsource, cutting costs.
- The company communicates and works with customers' wants. They take suggestions from customers regarding potential new flavors via Instagram.
- They have a strong presence and well executed presentations on social media to attract customers.
- They collaborate with other companies



 They host art galleries that allow customers to engage with company on a deeper level.
 The rest of the company menu is consistent with the brand and correlates with their primary good, the macaron.

Opportunities

- They can develop environmentally conscious materials. They can provide packaging made from recycled paper and plastic.
- Introduce new products that cater to dietary restrictions.
 They already have a platform to do so since they use locally sourced natural ingredients, which most are gluten-free.
 They could expand this concept to introducing nut free, plant-based, goods.
- They can gain more brand awareness by collaborating or participating in events such as festivals or conventions such as external art galleries, Coachella and Comic Con.

Threats

- Others can enter the market.
 Especially those with a pastry and dessert formal training to enhance macarons design and quality.
- Other competitors are starting to expand locations and entering new cities in Southern California.
- Inability to take on request of customers because of high demand. Often, the company has a limited staff and this affect ability to provide more supply.
- Legal consequences from using copyrighted images for designs of macarons.



- They can expand their team to provide the mobility and quality control of products to cater at events.
- They can expand their team to provide the mobility and quality control of products to cater at events.

S.W.O.T. Summary

Most of the strengths from the S.W.O.T analysis are focused on reaching target audiences and delivering goods and services based on the customers' wants. Honey & Butter brand is customer-oriented. To make the experience of purchasing macarons and other treats is fun, relatable, and interactive. They engage with customers beyond just selling, they have built a relationship over the internet, communicating with customers with updates and questions regarding the overall company. They collaborate with brands that customers enjoy and prefer. They have built a strong brand identity by remaining consistent to key attributes of their products and continue to enhance them. Honey & Butter do not have many weaknesses. Their weaknesses are mainly rooted in the fact the company has not expanded in staff or locations. However, part of this is intended for the present time. Owners Leanne and Pawel do not want to expand their company just yet. The owners want to be present in the stores to ensure the product quality and brand remains top notch.

However, within the next year they do plan to expand the company by adding a new location in Downtown Garden Grove, CA at the soon to be built urban eatery, SteelCraft. This new location coincides with the Honey & Butter



values in providing customers a great experience with their unique crafted desserts.

The analysis exhibits that Honey & Butter have the option to gain more market share and profit in a multitude of ways. They should continue to collaborate with brands that their customers know and love. It's proven to work time and time again. They also should follow one of their key values and venture out into adding more staff to be able to participate in events to interact with new communities. This will familiarize the brand. They also can continue to be innovative by experimenting and providing products that meet trending and allergen-based dietary needs. On the other side of this Honey & Butter is faced with some threats. There differentiation factor of creating intricate characters and designs for their goods is something other companies are beginning to copy. However, Honey & Butter have established and brand not only with aesthetics, but with quality flavor and incredible customer service.

Employee Training and Morale

When it comes to training the employees at Honey & Butter it is very crucial because each person serves a vital role to ensure the shop is fully operational to sell premium goods and provide top quality service. Initially, individuals come in for an interview, then followed by a work trial to assess how well they will work in the store environment. For the front of the house employees, they generally must have experience in customer service. While there is some training, it is crucial that employees are able to learn tasks of sales and customer service right away. As for the back of the house, it is a bit of a different experience. Many of the current employees started with no baking or pastry background, but learned the skills over time. New employees start with preparation work, which includes preparing ingredients for macarons, and kitchen maintenance. Later on, more tasks are assigned.



The employee morale is positive. The constant innovation of new ideas for the macarons gets them excited and refreshed. They promote the idea that they are a team. If one employee has a load of work to complete another member will step in to help. The employees also appreciate the upbeat management, and this motivates them in wanting to do a good job and provide great service.



Figure 26: Honey & Butter staff dinner

Research and Development

Honey & Butter do not have a research and development department. They do everything by experimentation. The owners, Leanne and Pawel Pietrasinski lead



the innovations and improve their products' quality. Leanne primarily implements new macarons designs and butter cream flavors. She also approves staff's new product concepts prior to them be sold. Pawel makes the in-store gelato and ice cream from scratch. He measures all ingredients in order to yield the ice cream. The store used to take polls from customers regarding themes and flavors. They also get suggestions from customers from Instagram comments regarding new flavors. The back of the house managers also searches what other macron companies are making or doing different.

Summary of Internal Brand Environment

Honey & Butter have improved their competitive advantage and have grown their brand equity. They've done this by operating purposely at an intimate level, this is part of the reason that makes them appealing to customers. They are seen to be limited and exclusive. They provide premium products and service to their customers. Their products and packaging are reflections of the brand. They are whimsical, creative, and very much Kawaii. The employees are motivated to perform at their best and continue to be innovative. The stores carry a presence of playfulness, community, and photogenic from the Instagram picture customers share.

Rather than fear competition, they open their doors for collaboration to support other companies and grow their own brand awareness. They continuously differentiate themselves from competitors by adding new products, but ensure that these new items compliment the brand, the macarons, and taste phenomenal. The employees and customers contribute to the brand with new ideas and consume the products. The customers are able to interact and get excited for new limited designs inspired by their favorite popular culture characters. They also get to indulge in the variety of flavors and offerings that is at the core of Honey & Butter.



EXTERNAL ENVIROMENT

State of the Economy

Honey & Butter's macarons and other products are in the niche market of specialty desserts. They use premium and unique ingredients in their confectionary baked goods and sell it at a prestigious price to reflect that to their consumers. Being a specialty good, this means that their target market has enough disposable income to venture and seek this type of product.

Economic conditions affect consumer confidence and spending. In a strong economy, consumers feel confident and secure with their income sources, so they are likely to be flexible with their money. The same holds true for the opposite scenario, during economic decline, they are cautious on expenditures. Therefore, as a business, Honey & Butter rely heavily on the state of the economy. Currently, the economy in 2018 is thriving and unemployment is low. However, the state of the economy can change rapidly. It's important that they follow the current state and predictions of the economy to prepare for changes to remain functional and a strong brand. Current U.S. economic data and trends to follow are gross domestic product, inflation, unemployment and consumer indicators.

GDP Growth

The US recorded its slowest economic growth in five years in 2016. The recovery remains steady.

Annualized Q4 2017 GDP growth

2.5%

Figure 27: Growth rates





Source: Bloomberg. January 27

A robust job market and still rising house prices are providing movement to an economy that is facing poor trade data, weaker growth overseas and retrenchment in the once booming oil industry.

Figure 28: Size of the economy

The size of the US economy Constant prices





While the US economy returned to its precession size in 2011, the pace of acceleration has been slower than in previous recoveries.





The GDP per person has slowly increased since 2012 and has since been stable since 2013.

Labor Market

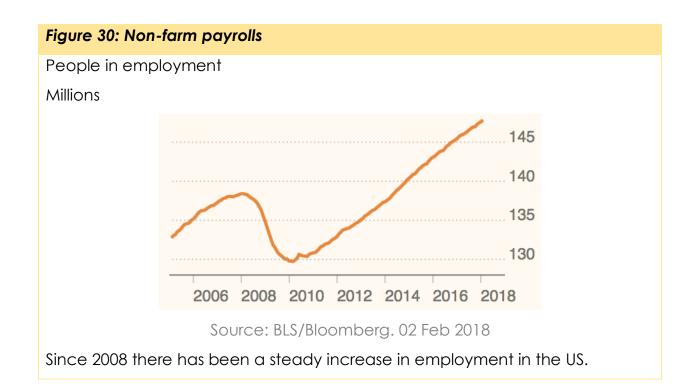
The strengthening of the job market had been the core of the Federal Reserve's debates on whether to raise interest rates. As the economy continues to grow in employment, officials believe wage growth will start to drive up and that inflation could accelerate above the central bank's 2 per cent target, arguing for rates to be lifted further.

Change in non-farm payrolls in January

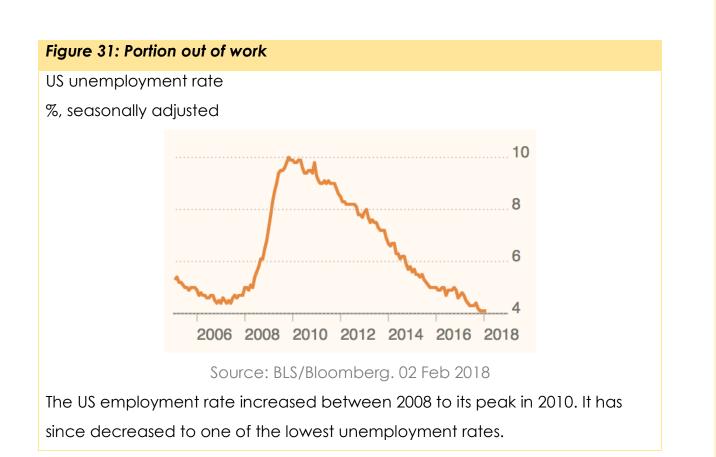
200k

Unemployment rate in January

4.1%











US Job growth and employment have been strong, while wages have seen only small growth. This suggests there may still be some slack in the labor force.

Consumers

As the labor market has strengthened, so has the US consumer spending. Wage growth has remained subdued. However, there are few signs of runaway spending growth, with consumers staying in a cautious mood.

Annual change in retail sales in January

3.6%

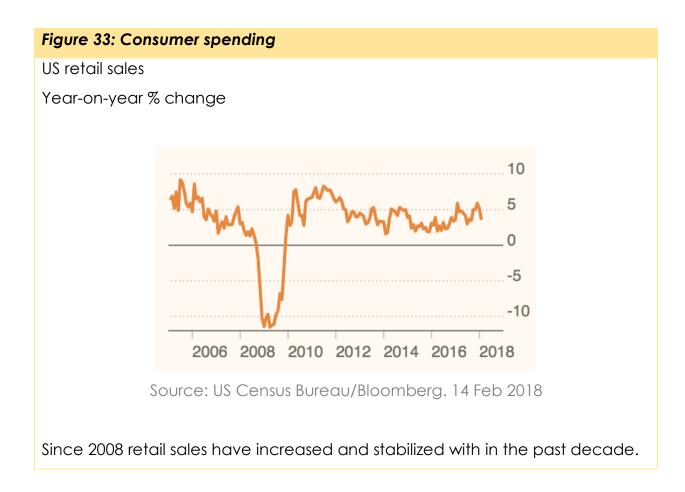


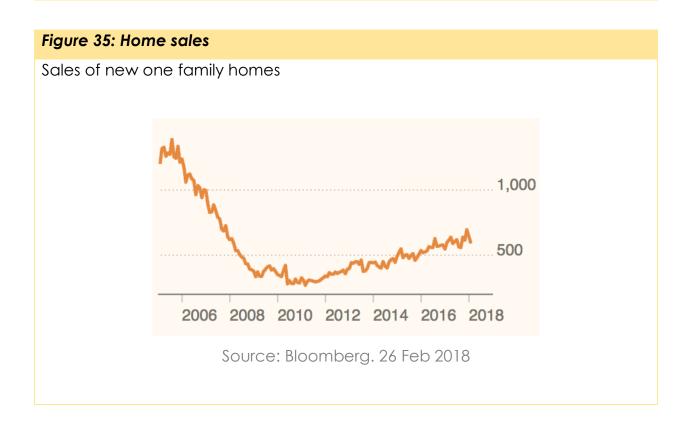
Figure 34: Consumer confidence

US consumer comfort index





Confidence among US consumers remains comfortably higher than in recent years. The metric jumped even further following the US election.





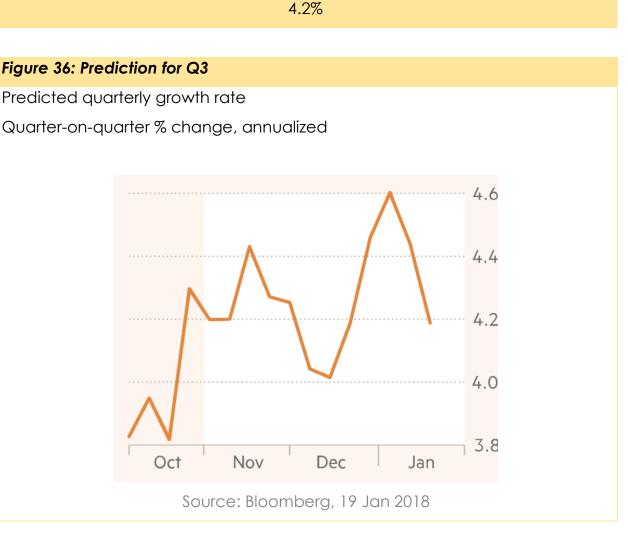
Sales of new homes have increased in recent months as the housing market regains growth and recent job security gives more people the means to buy. However the volumes sold remain substantially lower than seen pre-crisis.

Where is the US going?

The US economy is expected to continue growing steadily over the next few years, outpacing many other western countries.

Current Q4 2017

This is the evolving prediction of GDP growth in the current quarter.



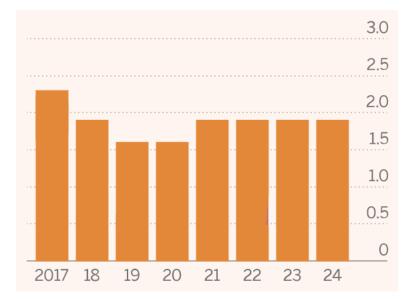


It is predicted there will be gradual quarterly growth rate entering the year of 2018.

Figure 37: Economists' forecasts

Predicted US economic growth

Annual real GDP % change



Source: Congressional Budget Office/Bloomberg. 14 Mar 2017

Official forecasts show steady growth this year, before slowing slightly in next few years.

Selling Place

Overview

Honey & Butter remain to keep a simple menu and serves to be exclusively a macaron only bakery. The Company motto is "eat what you love." To ensure customers experience and enjoy the products sold at the bakery, management has designed their selling spaces allow customers to immerse themselves into the experience of acquiring a Honey & Butter macaron.



Honey & Butter currently sell from their famous air stream location where the business began. In 2016 the company expanded and opened a new location at a brick & mortar where they now have their commercial kitchen and produce all their products. They also utilize the store's website for customers to explore the menu and pre-order macarons to be picked up at the brick & mortar location. The current method to reach more consumers is the usage of pop-up shops. The macarons sold possess unique characteristics which make them a desired product. Consumers are willing expend a considerable amount of effort to obtain the product sold because of the brand. This allots greater avenues of distribution Honey & Butter may consider exploring.

It's important to evaluate the current existing selling places bases upon the pros and cons of each in order to establish concrete methods to make improvements on Honey & Butter's distribution channels. This will provide greater opportunities to reach more consumers in their target market to ultimately make a greater profit.

Current Selling Places

The Airstream

The original location, the airstream, is located in a small urban focused plaza called the *LAB* in Costa Mesa, CA. This location's décor has been well thought out to be welcoming, playful and representative of influences of American and Japanese popular culture, such as plush toys from Disney and famous Kawaii characters. The location is small and is not adequate for customers to spend much time and explore the store. This size also affects the store from having more staff available to attend to customers, which creates longer wait time for service. They do have a bench directly place outside of the airstream that can seat two to three people at a time. Here customers can enjoy their macarons. However, during busy hours it is less likely customers can equally enjoy their



macarons. It is vital that macarons are kept in cool temperatures to maintain premium quality. If customers are unable to eat their macarons and have to commute long distance to consume the product in their homes this can result in a poor tasting or crushed desserts. The size of the airstream also limits the company to sell only macarons at this location. This makes the store less appealing for customers to visit. This can affect sales and thus profit for the brand. The management team should consider implementing seating areas such as a long community table or bench behind the airstream to allow for more outdoor seating for their customers. They also can promote exclusive flavors at this location to encourage customers to visit this location more frequently.

The Brick & Mortar

Since the opening of the brick & mortar location, it has become the popular location that customers visit. The store is located in the very popular shopping center, the *Irvine Spectrum*. It is located directly in the middle of the shopping center, allowing for many people to walk by and see the store. This location is also the place of production. It is where all new flavors and designs are created and tested. This location is large in size, which can store larger quantities of baked goods. There is more staff available to attend to customers. The store space is designed to encourage customers to come in and out as they please, or to linger for some time to look at the menu and store. There are square tables available for customers to sit in the location and spend a few hours enjoying their desserts. Like the airstream the store, is filled with toys and illustrations for customers to interact with. There are also intentional benches at backdrops where customers can take pictures they plan to share via social media.



The Company Website

The website allows for customers to explore and better understand the brand image of the bakery. The tabs on the site allow the customers to receive a comprehensive virtual experience of the brand. The home page is dedicated to encouraging consumers to "eat more of what you love." Followed by photographs of varying designs of macarons linked to their social media accounts to continue communication with customers. Customers can also view the dessert menu of the traditional flavors and ingredients list. Then they can select



Figure 38: Exclusive merchandise of Puglie from Honey & Butter

the option to pre-order regular macarons, request for custom orders, or purchase merchandise, such as pins and t shirts. They also provide a FAQ page to give better insight to the company's operations and production processes that are relevant to the consumers. Then for people who want to further immerse themselves and contribute to the brand image they can submit a brief description to work in front or back of the house under the Jobs page. The website is very thorough in aiding the customers to better understand the products sold. However, Honey & Butter can add an about tab to provide a bit of context, personalization, and history of the brand to provide more richness to the experience of shopping with them.

Pop-up Shops

Honey & Butter recognizes with two locations in Orange County has its limitations in reaching the target market. An immediate remedy they have placed is



opening up occasional pop-up shops in the greater Los-Angeles area. Some pop-ups have included being placed in front of Forever 21's Riley Rose, in Glendale, CA and at JapanLA, in Los Angeles, CA. Honey & Butter were able to sell their new merchandise alongside their macarons during the opening of both pop-up shops.

Expanding Places

There are opportunities and plans for Honey & Butter to expand to new locations. However, one opportunity they will not venture to seek is distributing their products, specifically, to other locations.

In the past, Honey & Butter did a trial of supplying other stores, such as cafes with their macarons. After evaluating the experience, the management came to realize it would be best to sell their products exclusively in their stores. In order to perform quality checks on the macarons. While macarons maintain their consistency for about up to three days, the Honey & Butter staff check each batch every morning and throughout various times of the day to ensure the macarons are sold as expected, at premium quality. During the trials of supplying cafes, Honey & Butter lost control over which macarons went to final consumers. Leaving uncertainty and too great of risk for the brand.

However, Honey & Butter do plan to expand their selling places. One will be a new store that will be built and located at SteelCraft in Garden Grove, CA. SteelCraft is an urban eatery that will be built from repurposed shipping containers. Honey & Butter will be alongside other vendors that will offer craft foods and drinks that will be complementary to the brand and products. This is an attempt to gradually start expanding to new locations and develop new strategies to maintain the premium quality of macarons while simultaneously becoming with-in reach with more of their customers. This new expansion of Honey & Butter's distribution channel will require extensive work to maintain.



There will be lease fees, upkeep, and additional staff. However, the profit made, by this new space should be able to achieve returns on these investments.



Figure 39: Honey & Butter Staff visiting third location site

Conclusion

Honey & Butter have been able to retain a growing brand equity. They have been able to do so by developing a unique take on a classic dessert and provide an overall favorable experience to their customers. However, macarons are considered specialty baked goods and sell at relatively expensive price points compared to other desserts, mostly, because they require premium ingredients and extensive production labor. In order for Honey & Butter to continue to grow in annual revenues they need to develop more channels of distribution to reach large amounts of their target market.



Category Analysis

In the western hemisphere of the world, specifically in the United States, people enjoy sweet baked goods such as cupcakes, doughnuts and cookies. Consumers of sweet baked goods spend \$20 billion dollars annually. Despite people's desires to indulge in sweet treats, the market is in its mature stage. This category market has recently been challenged by social factors such as health and diet concerns. These factors have changed the way people choose to snack. They want fresh and natural ingredients rather than packaged foods. It is apparent that revenue is continuing to grow in this market. This has occurred mostly from higher pricing of products driving the market's gain. Smaller baked products such as macarons have become extremely popular for their appearance and lower caloric value. They have relatively high price points that increase the market's income.

Younger populations, such as Millennials are continually seeking out new tastes and indulgent experiences through unique baked goods. They want "better for you" confectionery goods. They are reshaping the culture of eating food. They have become known as being "foodies," which are people who care a great deal about the food they consume. Where their food comes from and the story is just as important as how it tastes. They are particularly interested in niche ingredients like spices and international flavoring as ingredients in baked goods.

Honey & Butter have set their primary product, the macarons to remain strong in the sweet baked good category market. They have produced a product that matches are sought after characteristics in desserts. They have a modernized dessert, that introduces a variety of changing flavors, that are popular and ethnic, and macarons are small lower calorie desserts. Honey & Butter specifically put less sugar in their macarons to highlight the unique flavors they use. They also sell their macarons at prestigious pricing, to reflect the value of their product to consumers. Honey & Butter continues to be innovative with



their products, marketing, and retail strategies to remain secure in the category market.

Competitive Analysis.

Direct Competitors

The top competitors of Honey & Butter are Laudrée, Snow Monster, and Milk. These three stores sell similar products in the baked desserts market.

Laudrée

Ladurée is a bakery known as world-renowned for their delicate French macarons and other sweets and pastries, all artfully delivered in well-designed packaging for the sweet tooth consumer wanting premium goods and service. They have an expanded menu of coffee drinks, mini burgers, caesar salads, and plates of beef with foie gras. There is full table service. This bakery is considered by some to be the creators of the colorful sweet macarons. The first bakery was founded in 1862 in Paris, France, but only began expanding internationally in 2012. Ladurée now has several international locations from Brazil to Australia to Qatar to South Korea and in Los Angeles.



Figure 40: Classic Laudrée macarons



Strengths

- They have brand loyalty being one of the original French bakeries to serve macarons.
- There are several locations all over the world. This helps expose the brand to greater audiences.
- All goods are made at each location to ensure freshness and premium quality
- Elegant packaging to promote the brand to consumers
- They serve a variety of baked goods that are not all sweet, some are savory to entice their consumers to dine and make more purchases in the bakery.
- They ship macrons all over the globe.
- They have 3 locations in popular shopping areas in Los Angeles: Beverly Hills, The Grove and Americana Way.

Opportunities

 Expand to a new location based in Orange County, such as at South Coast Plaza.

Weaknesses

- Prestigious pricing. Competitors sell macarons that are also made with premium and natural ingredients at a lower cost.
- Traditional presentation of macarons. This doesn't excite customers to return.
- They charge and additional cost to purchase a box to store the macarons.

Threats

 Competitors are modernizing macarons to appeal to Instagram presentations.



- Introduce new presentations of macarons.
- Collaborate with other luxury brands to curate new seasonal flavors.
- Other macarons bakeries
 present more casual dining.
- Macarons can be purchased a lower cost elsewhere.
- Emerging expansions of competitors in nearby locations.
- Fluctuation of economy can have consumers to seek elsewhere for desserts

Milk

Milk is a dessert ice cream shop in the Los Angeles area. It has become an ice cream institution in Los Angeles, with a line wrapped around the building most days. They gained popularity after introducing the classic prestige pastry, the macaron, in a more casual approach. They were presenting the macaron in the form of giant macaron ice cream sandwiches. The cookies are crispy and chewy and packed with sweet ice cream, forming a convenient and easy-to-



Figure 41: Assortment of Milk's macaron ice cream sandwiches

eat package. The treats come in flavors like Thai tea, rocky road and red velvet. The shop also sells ice cream cones, shakes and floats. All the products from Milk



are made from scratch by using natural products. They own two locations, one on Melrose Avenue and the other in Silver Lake, CA.

Strengths	Weaknesses
Stores are located in central	Only existing locations.
cities in Los Angeles, CA.	Stores are small.
The brand has become	Limited menu
established.	Macarons can be hard and
Popular flavors of macarons	stale after sitting in a freezer.
and ice creams.	
Adequate seating available.	
Opportunities	Threats
	ThreatsOther brands are producing
Opportunities	
• Introduce new flavors of ice	Other brands are producing
 Opportunities Introduce new flavors of ice creams and macarons. 	 Other brands are producing similar products with
 Opportunities Introduce new flavors of ice creams and macarons. Present new designs of 	 Other brands are producing similar products with improvements.

Snow monster

cream macaron sandwich

Snow monster is known for developing eye catching desserts. They sell fresh Thai iced tea in mason jars They also sell fresh macarons that are made daily. They are crispy, yet soft cookies served with house made ice cream in between. One key aspect of differentiating their product is that they saw Milk's product and made it better. While Milk's macarons are made in the store, they are placed in a freezer for ready-to-orders ice cream sandwiches, which often leaves the macaron hard, quite the opposite texture that is expected from this cookie.



Snow Monster decided to make made-to-order macarons ice cream sandwiches to resolve this problem. They also decorate their macarons with colorful designs and flavors like fruity pebbles, pistachio, Oreo, and churro. They also serve the sandwiches with assorted house made ice cream flavors. They also include unique toppings to drinks and sandwiches like cotton candy. They have also sold merchandise to promote the brand. They interact with their customers over social media, to update them with promotions and new products. Snow Monster has several locations based in Southern California.



Figure 42: Snow Monster's Boba milk tea and ice cream sandwiches.



Strengths	Weaknesses
They make fresh large	Products are not innovative. All
macarons	of these products can be
Create ethnic flavors of ice	purchased from other brands.
cream	 Dependent on Instagram to
All their products are popular	follow dessert trends.
• The brand is Instagram friendly.	
Adequate seating in store	
locations	
 Continuing to expand 	
throughout Southern California.	
Opportunities	Threats

- Begin to cater their products
- The brand can start a mobile food truck.
- Collaborate with other local companies.
- Invest in a culinary chef or marketing manager to develop craft and original ideas.
- Other brands are beginning to implement similar products to their menu.
- Products can be easily duplicated.

Indirect Competitors

One of Honey & Butter's appeals is that their products are eye catching and therefore are Instagram worthy for customers that want to share what they are eating. Many of these customers invest their time searching and traveling to seek and taste unique desserts. There are other brands use the same model for their desserts. These brands indirectly compete with Honey & Butter for the same consumer.



- After's Ice Cream
- Cauldron's creamery
- California Donuts
- Eiswelt Gelato
- Hello Kitty Café
- The Moo



Figure 43: Desserts offered by indirect competitors

IDENTITY INTERROGATIVE

Prospect – Customer Behavioral Groups

A compendium of demographic, psychographic, attitudinal and behavior information creates the profile of Honey & Butter's most likely or ideal customer. Building the picture of their consumer guides an array of current and future



business decisions – from the next location of the company, its operating hours to advertising and promotions. Current and potential customers are changing in interests and desires, so Honey & Butter's customer profile must continually do the same as time and conditions warrant.

Demographic Customer Characteristics

Honey & Butter's primary target customer's basic demographic characteristics, including personal descriptive traits include one or more of the following:

Income range	Between \$45,000 – \$150,000.
Age range	Between 18 – 45
Gender	Both men and women
Family Size	1 – 4 persons, adults, with or without children.
Family Life Cycle	Young, single; young, single, with children; young, married, no children; young, married, with children; older, married, no children; older, married, with children.
Occupation	Professionals, technical, manager, proprietors, and students.
Education	No college, some college, college graduates, some graduate school, and graduate degree.
Ethnicity	White, Black, Asian, Hispanic, Native American, multiracial.
Social Class	Lower-middle, upper-middle, and lower upper.

Figure 44: Demographic Profile of a typical H&B consumer

Customer Psychographics

Segmenting Honey & Butter's typical consumer based on interests and pursuits gives a better understanding of *why* they seek to purchase and favor the Brand. The psychographics of consumers of Honey & Butter include aspirers, explorers and food aficionados.



Aspirers

They seek status. Often, they are also materialistic, acquisitive, orientated to image and appearance, personality and fashion. Typically, younger people.

Explorers

They seek for discovery. This type of person is expected to have energy, individualism and experience. They value differences and adventure. This is typically a younger demographic (students).

Food Aficionados.

These people habitually seek new foods. They are concerned with the food preparation, the culinary personalities, nutritional value and presentation. These people tend to range in a spectrum from young to older ages.

Prospect Summary

From these listed descriptors for the typical consumer for Honey & Butter there is a profile of who buys macarons and also why they choose to do so. A more indepth profile can be developed. Many of these consumers have discretionary income available to purchase non-essential products, such the macarons and other goods sold at Honey & Butter. The macaron shop is drawing customers who care just as much about the first photo as they do about the first bite from their food. That's because mealtimes aren't exactly what they used to be: they've become more fluid, and social media is a big reason why. Shaping the way people discover, shop for and share new foods, social media have completely redefined how the world connects with food—especially on Instagram. For foodies on Instagram, where their food comes from and the story behind it is as important as how it photographs and tastes. Increasingly, more and more want their food to be wholesome in its nutritional content and authentic in its cultural roots. From its regional



influences to its roots in nature, the conscious eater continues to shape the food choices and behaviors of people all over the globe—especially around niche ingredients like spices, baking ingredients and international flavorings.

Even more specifically, Honey & Butter's clientele types vary. Though the macaron craze seems to have been largely female-driven throughout the trend, Leanne Pietrasinski points out that the shop's customer base is broken up into all types of people. Anyone who seems to like sweets or macarons eventually finds themselves laden with the goodies (though men prefer the nuttier, savory flavors). The creatures and theme of macarons are appealing to families, children, teens hanging out, young adults, and older people bond with certain themes they know, such as the pop icon theme, which produced macarons creatures to resemble deceased music idols. They also have a lot of college students who come in since the store locations are within reach of the University of California, Irvine.



Figure 45: Social media and foodie culture

Positioning

Brand Positioning

Macarons are classic desserts that are considered to be elegant, simple, and delicate. However, within the United States, there has been a new hype surrounding the European cookie. Macarons have developed the reputation for



being an intricate dessert to bake. Precision during the prepping and baking process is very important to deliver well executed macarons. So most consumers rather seek already made macarons than produce them in their own kitchen. With the increased popularity of macarons, they can be found in an array of locations such as bakeries, cafes, and grocery stores. When Honey & Butter entered the baked good market, specifically in the category of macarons, the shop recognized they had to differentiate their version of the macaron from the rest available to position their brand. Honey & Butter have focused on developing airy crunch treat and that is detailed in design. They have decided to specialize in producing a product at a premium level by solely focusing on the macaron as the only baked good in their bakery.

Product Positioning

One of the strengths of the brand is the modernizing of well-made and unique batches of macarons. One key aspect to retain the customer is to ensure the product taste as good as it looks. The macarons are made with all natural ingredients. They use traditional flavors in the batch of cookies and fillings. They are made in house to be sold fresh daily. Honey & Butter also use unique international flavors in their macarons in limited quantities to entice their consumers. The exclusivity of these unique flavors also motivates consumers to purchase and try before they are sold out. The design of each macaron is also is an important attribute to the positioning of the brand. The macarons are designed to have clean finished presentations. Their regular macarons have a smooth appearance with soft pastel colors. The creature macarons are piped to be intricate and designed to be a clear image of a character. The staff does quality checks of each macaron to ensure customers are presented with a consistent batch of cookies.



Competitive Positioning

Honey & Butter has established itself to creating a unique and exclusive version of macaron cookies. Since they solely serve macarons as their only baked good in the bakery, they can really enhance their craft and skills to present a well-executed macaron that differs in quality to their competitors. By only having two locations has allowed the staff



Figure 46: creature fruit macarons made from natural ingredients and flavors

to really ensure that the macarons are high quality in taste and presentation. The limited locations also has established the brand to be exclusive in terms of availability. They also have really catered their product based on their current consumer interests. Many other competitors tend to follow suit of other trends. Honey & Butter really personalize their products, their target market personally value. Both of their locations are based in shopping areas where people shop and dine for lunch or dinner. These locations allow for consumers to eat a treat while they shop or have another option where to grab a dessert after dinner. Honey & Butter also venture out to discover new product ideas through competitive intelligence to understand what other brands are doing and what they can do better. They also extend to collaborate with other brands they know their target market to respond well to.

Target Market Positioning

Honey & Butter seek to attract consumers who want aesthetically pleasing and tasty desserts. They also appeal to consumers with exclusivity and prestigious pricing to reflect their macarons are premium quality.



How Does The Target Market Perceive The Brand?

Overall, the attitudes towards the product are favorable, but not entirely. Honey & Butter macarons are perceived to be effective products, but they are also seen to be a bit over-priced compared to other competitors' products that are similar. However, the target market also appreciates the increase in customization, product availability and convenience to purchase.

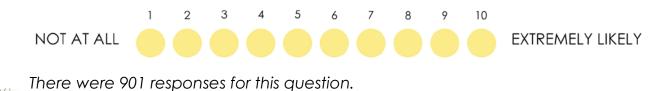
Over 900 consumers of Honey & Butter participated in a quantitative and a qualitative set of questions presented in a survey. The questions used in the survey were based on retrieving the thoughts of actual consumers of the brand. There was a total of four questions, 3 being quantitative and 1 being qualitative. They were based and tailored from a list of suggested questions. The specific survey questions were:

- How likely is it that you would recommend Honey & Butter to a friend or family member?
- Which of the following words would you use to describe Honey & Butter's service and products? Select all that apply.
- How likely are you to purchase from Honey & Butter again?
- Do you have any other comments, questions, or concerns you'd like to share?

Survey Results

Below are the complete questions and results of the survey.

1. How likely is that you would recommend Honey & Butter to a friend or family member?



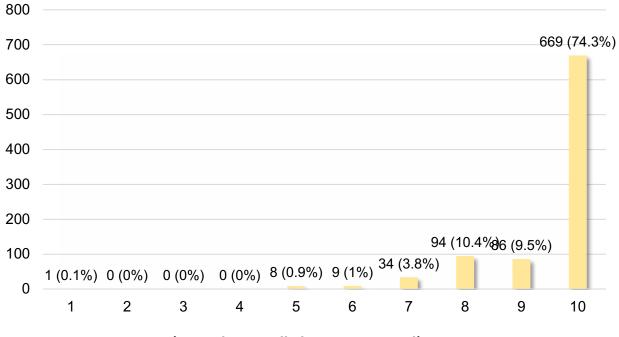


Figure 47: Results to survey question 1

Gauging if customers would recommend Honey & Butter within their network of friends and family is a metric that can determine the earning of the loyalty of their customers. From the chart above, we can sort customers. 74.3 % of respondents indicated they would extremely likely recommend the Company to others in their own network. These people are the promoters of the brand. They are the customers that want to buy more, visit the store more often, share with others what they are consuming, and they help build Honey & Butter's brand positioning. Respondents who selected between 5-9 as the likely hood they would recommend the Company make up 25.6% of responses to this question. These people are passive, yet still positive customers to the brand. They think the brand is okay. 0.1% of respondents indicate they would detract value from the brand.



2. Which of the following words would you use to describe Honey & Butter's service and products? Select all that apply.



There were 901 responses to this question.

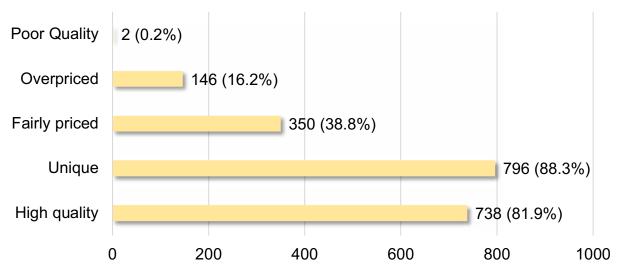


Figure 48: Results to survey question 2

Knowing the characteristics that customers' of Honey & Butter can provide a better picture of how the Company is perceived and an indication of customer satisfaction levels. 81.3% respondents selected that the service and products are of high quality. At 88.3% respondents consider the service and products to be unique. 38.8% of respondents selected that the service and products are fairly priced (more details on this in question 4). 16% of respondents selected that the service and products the the service and products are fairly priced and products are overpriced. Finally, 0.2% of respondents consider the products and services to be poor quality.



3. How likely are you to purchase from Honey & Butter again?



There were 900 responses to this question.

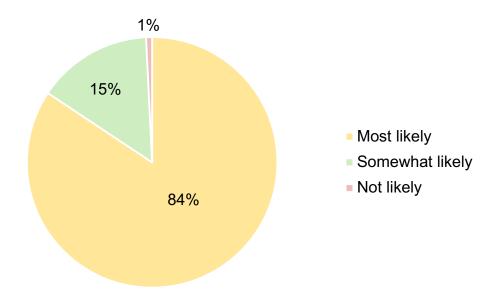


Figure 49: Results to survey question 3

How likely customers are willing to return to make repeat purchases from a brand give insight to customer wants and satisfaction. 84% of respondents to this question indicated they would most likely purchase again from Honey & Butter. A total 15% of the respondents said they somewhat likely and 1% they would not likely purchases again from Honey & Butter. When customers are satisfied to make repeat purchase this increases revenue, brand loyalty, and the strength of the brand's position.



4. Do you have and comments, questions or concerns that you'd like to share?

This question was optional for respondents to complete. There were 270 responses to this questions.

- Want more Disney themed macarons.
- Requests for expanding and adding more store locations in areas such as Los Angeles, San Diego, and San Francisco.
- Desire for shipping for people who have relocated out of state.
- Many have ordered large quantities for special occasions such as weddings and baby showers.
- People enjoy the creature macaron designs and often described them as "creative" and "cute."
- Some considered the price of \$6.00 for one creature macaron too high as they originally were \$4.00.
- Most respondents expressed they were comfortable with the price point of \$2.00 for a regular macaron.
- Brand loyalty, some customers only buy macarons from this location.
- Many people expressed they are willing to drive long distances to buy from Honey & Butter.
- Many respondents have recommended their friends, colleagues, and customers to visit Honey & Butter.

From the feedback it was clear the majority of respondents want more of the brand which ranged in different capacities, such as expansion of locations, shipping to customers, and more creature macarons. They expressed they value and adore the creativity of the macrons' designs and flavors. What was a common theme mentioned was the pricing of creature macarons. Many recalled when they were sold a lower price point. Some customers expressed



they understood the labor to detail the macarons and perhaps the price was a reflection of that. Some also mentioned they will only buy the regular macarons because they simply refuse to pay six dollars for a macaron. However, Honey & Butter was overall favored as a brand.

Survey Results Conclusion

Honey & Butter has really embraced the foodie culture and based on the survey results, a people are attracted to and support the culture too. After, reading the results I came to understand the overwhelming majority of people that took the survey also have brand loyalty to Honey & Butter. They believe this bakery serves the "best" macarons and will continue to make purchases and refer others within their reference groups to do the same.

From the results it's clear the Honey & Butter has an opportunity to continually expand. Having this insight of what some customers think can transition the brand's way of thinking of success. With each new product or creature macaron introduced, they should be more successful products that the ones before them. This can aid the perspective of the company's team in the development of new products.

Another important thing to do with feedback is to analyze it and work with it. In the feedback received, there were trends, some recurring complaints (creature macaron pricing) and recurring praises (people really like the macarons from the bakery). Honey & Butter has a pretty structurally sound business, however some of the negative criticism is an opportunity that can be addressed. Overall, the brand has a strong positioning and can continue to grow.

Strategic Personality

The brand of Honey & Butter has a personality that encompasses being whimsical, quirky, and adventurous. The brand strives to branch out and test



new waters if it means to better position the brand. This motivation has placed Honey & Butter as a trendy, innovative, and relatable brand. Honey & Butter's personality is a reflection of the founder, Leanne Pietrasinski. She started the bakery with no formal culinary training nor how to run the operations of a business. Those risks did not stop innovation the owners applied in their company into becoming a brand. Honey & Butter also captures association in varying aspects of pop culture that personally associate with others. Honey & Butter's personality is the attraction that is captured in their macarons and stores.



Figure 50: Pawel & Leanne Pietrasinki sitting at the airstream location



Brand Identity Summary

Honey & Butter is a modern bakery serving premium macarons. The team management has been able to regularly develop different, unique, and intricate, macarons many have come across and adore. Honey & Butter has become known for their pop culture trend-based designs and their limited supply of the actual product. Despite becoming a well-known brand, there are only two locations in Southern California.

Many enjoy the products from this brand, especially the creature macarons because they are seen as rare and



Figure 50: Pusheen plush toys and macarons

maybe even one of a kind. They make the customers feel special because it makes them feel like they stand out, in the current era of the digital age, where people share a desired depiction of their lives. Almost all Honey & Butter's creature macarons that are put out are rare.

The way Honey & Butter operates in distribution to their final consumers is they have a limited but reoccurring supply of regular macrons to introduce the products' quality and taste to new customers at a competitive price. For their creature macrons they release new designs each day at noon. During these releases there is very limited amount of any design, and after that release it is unlikely they will same that design again. For example, they often sell varying designs of Pusheen the cat, which is a very well-known animated web comic series. By altering the designs, Honey & Butter is able to release a product they know has high demand, but at the same time not over-saturate their supply.



Another aspect of the popularity of the brand is because of the fact they make creature macarons so limited. The feeling of rarity boosts people's demands for the products, and the fact that they release so little at a time reduces the supply. Honey & Butter's artificial scarcity works for the brand, they can sell out any new creature macaron design every single day.

The store designs and environment supports the brand image, making the actual physical time spent at either Honey & Butter locations an effective tool of the brand experience. Also, the detailed management of every single brand contact, from the packaging to the Instagram account, continuously engages in high quality emotional experiences with their target market. They constantly communicate back & forth with their following. This is a very unique component of a brand that heavily utilizes social media. Often, popular brands communicate with their customers in one-sided interactions. From this approach Honey & Butter have been to be recognized more favorably compared to their competitors. Honey & Butter has been able to engineer excitement.

Emotional Context

The foundational "soul" of Honey & Butter is to be "family" oriented. This starts from their owners, then to staff, and to their customers. This emotional aspect of the brand begins internally at the bakery. Since Leanne and Pawel Pietrasinski continue to work at the brick & mortar, they are very involved, and because the staff are able to see the owners' passion and care for not only their product but the team that works for them. They take suggestions and feedback from the staff about their products. They also allot flexibility in the work schedules for their employees. This encourages the staff to want to do just as well. When customers enter the stores they experience patience, thorough explanations about the products on the menu, and are welcomed to stay and explore at the bakery. This encourages customers to continue to return.



Leanne also takes it a step further to welcome customers over her Instagram. She will personally announce collaborations with other brands, such as non-profit organizations or upcoming promotional deals. She shares her daily adventures, potential new flavor concepts, her dinner outings, and her two corgis. Customers interact with her and feel as if they know her on a personal level. So when they enter the store locations they feel a part of Honey & Butter. This encourages people to genuinely want to visit the store for a complete experiential shopping moment with a brand they feel connected to.





Figure 56: Collaboration to promote cat adoptions

Brand Contact Summary

Honey & Butter remains in constant communication with their customers in a variety of ways. For many people the first time they hear about Honey & Butter is through word of mouth in person or over social media, like Instagram. Customers can go to the store's Instagram account to explore the brand's aesthetic, updates, and current macarons selections available at the store locations. Customers can then view the store's website where they view the menu of the regular macarons available every day. They can also pre-order regular



macarons to pick up at the store when it is convenient for them. If a customer have questions, comments or concerns they can reach the Honey & Butter staff via email and expect a reply back in 24 hours of sending a message.

Customers also engage with the brand in the physical locations. While they are in line, customers can browse the menu. Once customers have reached the front of the line they are greeted by a friendly and informed employee to package selected macarons. Customers can also purchase brand merchandise in the store or on the store website. When customers purchase macarons they continue to communicate with the brand through the packaging, which reflects the brand's personality and identity. These same customers carrying the packaging will take and expose the brand to different locations, introducing the brand to people in their target market.

Recently, Honey & Butter has ventured out of their locations to reach a wider target audience through setting up pop-shops in the greater area of Los Angeles. They also participate in events that will allow for customers to experience the brand in a new setting. Honey & Butter also has many outlets such as blogs, new articles, local news segments, and interviews to expand and communicate their brand.

New Product Opportunities

Based on the current internal and external environments, and overall brand identity, Honey & Butter has many opportunities available to implement to continue to strengthen their brand and profit.

Vegan & Nut-Free Macaron

With nutritional wellness becoming a growing trend people are altering their diets to encourage a healthier lifestyle. One existing advantage of macarons as a product is they are gluten-free since they are made from almond flour. Honey & Butter can take advantage of a newt that has yet to be tapped into the



macaron industry that would be a differentiating factor for the brand, vegan & nut-free macarons. Two major staple ingredients to make a traditional macaron are eggs and almonds. Veganism is gradually growing in large numbers annually. As of now there are no vegan macarons available in Southern California. Also, many people with nut allergies have yet to experience a macaron. Now many culinary experts have been able to recreate traditional baked goods with plant-based substitutions with impeccable results. If Honey & Butter were to follow suit they would expand their customers and gain a completive advantage in the baked good market.



Figure 57: Vegan and nut-free macarons made from garbanzo beans' aquafaba and ground pumpkin seeds



Sugar Cookie

Another option to be considered is to expand their baked good menu. The baked goods market continues to introduce the next "it" dessert. Honey & Butter has the ability to introduce new types of cookies while keeping the creative integrity of the brand. Sugar cookies are a versatile option to introduce as a new product. The level of difficulty to prepare and bake this type of cookie is far less



Figure 58: Sugar cookies based on Disney characters

complex than macarons. This would ensure batches are more likely to remain high quality. They can be made from the premium ingredients the bakery already uses for their macarons. A range of flavors can be implemented on the base of the cookies. Creature sugar cookies can also be introduced. Royal icing and be piped post baked cookie. This would also be much easier as sugar cookies are larger than macarons giving the back of the house staff a larger canvas to work on. They would be able to integrate a sugar cookie into the menu remaining complementary to other products on the menu such as their ice cream, and coffee.

Airstream Mobile Food Truck

An airstream mobile food truck would be a useful addition to Honey & Butter. This would allow for the company to expand brand awareness to more people by being increasingly available in varying areas of Southern California. It would work because it would still capture the ongoing brand identity of limited quantities. Based on the customer survey results many customers based in Los



Angeles County would seek after the food truck as it would closer for them to visit. Honey & Butter could also use the food truck to participate as well-attended events.

Vendor At Large-Scale Events

Finally, Honey & Butter should expand their participation in varying major annual events such as Coachella Valley Music and Arts Festival and Comic-Con International: San Diego. Selling custom creature macarons at these events would expand Honey & Butter's target market. This type of opportunity would also fit well with the brand identity of the bakery because these types of events are a reflection of current trends and popular culture.



Figure 59: Marvel creature macarons



Figure 60: Various pie flavors macarons



THE "BRAND PLAN"

Brand Overview

Honey & Butter has entered a highly competitive market of baked desserts and have maintained success as a business. Existing competitors should motivate Honey & Butter to continue to have vision of product innovation, competitive pricing, and excellent customer service. Snow Monster constantly experiments and introduces modern yet familiar flavors and design, such as introducing house made horchata, horchata coffee, and horchata ice cream to diversify their



Figure 61: Snow Monster's horchata coffee, horchata, and horchata ice cream

product range. Laudrée macarons continue to shell out with classic French flavors and prestigious pricing macarons as a luxury brand. Honey & Butter remains to be a macaron only bakery, but offers a variety flavors a design for customers to choose from. The bakery should consider strategically expanding their brand beyond their existing menu and locations that still capture the brand essence, creative design and influenced by pop culture. Considering new brand opportunities and implementing brand strategies listed below, Honey & Butter can have brand growth that is still in line with the quality and personality of the stores. This expansion will not over-saturate the brand, since this plan entails to diversify Honey & Butter's product and distribution channels to appeal to different customer groups but will continue to remain to limit quantities. This will ensure that Honey & Butter will continue to remain as a favorite brand.



Brand Plan Overview and Objectives

- Continue growth by 10% per year
- Add 2 new products
- Add 2 new branded events
- To increase number of intermediaries and increase the number of Honey and Butter's owned brand channels by 50%

Brand Strategies – how to position the brand

- Honey & Butter will keep their current positioning, but will expand their target market.
- Increase the brand contacts by developing new brand channels and services:
 - Honey & Butter owned channels adding a Honey & Butter airstream mobile food truck to travel in the greater Los Angeles area.
 - Other channels partnering with companies, adding more retail outlets (a third brick & mortar)
- Expand on private line and product extension:
 - o Continue to collaborate with other well-known brands
 - Partnering with large-scale events on exclusive and custom Honey & Butter macarons.
 - Add more Honey & Butter branded consumables rotating drinks, varieties of coffee and tea flavors, and introduce new ice cream flavors.
 - New baked products plant-based, nut-free, gluten free, egg-free macarons or sugar cookies.



Brand Tactics

Brand Identity

Honey & Butter has a strong brand identity. However, it needs to expand its product range. New products will provide the assurance the brand can surpass the constant fads of the "it" desserts that come and go. While this in general is a high-risk strategy, for Honey & Butter's position it is an attractive opportunity. Allergy and dietary restrictions as a market is growing and no other direct competitors are meeting the demand. Fortunately, new and modified products will require existing resources, such as a commercial kitchen, and similar ingredient used in a variety of baked goods. The company is in a strong enough financial position, they can consider acquisitions to gain access to products that align with the diversification strategy. It is possible to diversify existing products so that the new versions will appeal to another segment of customers.

Honey & Butter also need to diversify distribution channel. The brand has to adapt to its popularity, and the where large lines can make it difficult to manage the store locations. The primary downfall of having a limited supply with high demand is that it puts a strain on Honey & Butter. In that case, it makes perfect sense to open another location. It will take the pressure off the current locations by spreading the crowds over three locations. They will continue to expand through retail outlets, Honey & Butter has the rapport and network to access suitable distribution.

Brand Communications

- Advertising print, broadcast, out of home
 - Honey & Butter does not use advertising because they have a plentiful public relations structure where they do not need to buy advertising space. Honey & Butter will seek other marketing tools to promote their products and service.
- Public relations



- This is currently how Honey & Butter gets media coverage by local and national media. They should continue to do so – which includes print and broadcast.
- Trade communications
 - Honey & Butter should participate in food and dessert trade shows to learn about new products that competitors are implementing to their brands to stay in sync with trends in the market.
- Direct mail and other mediums
 - Honey & Butter does not need to utilize direct mail because they have a strong social media structure.
- Brand and customer service
 - Honey & Butter will manage their single brand with their current structure and high level of service.
- Packaging and brand identity elements
 - Honey & Butter should maintain premium packaging that is vibrant and a reflection of the brand's personality. The packaging should also maintain to service the purpose to protect the baked products from being damaged. Special packaging will be made for exclusive products for partnered brands and events.
- Point of Purchase displays
 - Honey & Butter should continue to use the chalk-board POP displays throughout each location as it is vital to the brand image consistency.
- Website and e-marketing programs
 - Honey & Butter should continue to promote custom and pre-orders on their site. They are currently linking their social media as a display to show newest available products on their homepage. They can promote new locations and mobile food truck locations on their website.



- Social Media
 - Honey & Butter has a strong presence on Instagram. They will continue to be active on their account daily. Sharing creature and rare flavors available at the locations.

Brand Promotions

- Honey & Butter can take to their Instagram to ask customers to submit via direct messaging submissions of designs for creature macarons along with potential flavors.
- They should also promote via the website and Instagram about their loyalty card program to encourage customers to make larger purchases.
- Rainy day discounts to encourage customers to make purchases when they are less inclined to visit due to weather.
- Strategic promotion partners
 - Disneyland They should continue to partner with this theme park specifically. However the collaboration should be more intentional and vividly promoted. Customers often take Honey & Butter macarons to the park and place them as toppers on Disney desserts such as the Dole whip. This collaboration can implement this practice throughout the park.
 - Comic-Con International: San Diego Honey & Butter will participate as a vendor selling creature macarons with designs of comic book characters such as from the Marvel series. This will increase brand awareness to a new and larger audience.
 - Coachella Valley Music and Arts Festival Exclusive custom flavor and creature macarons can be made to fit the theme of this festival and also increase brand awareness.



E-brand programs

- The creature contest mentioned above can be done over social media, specifically through Instagram direct messaging.
- Smart phone application for pre-ordering regular macarons and for customers to track how close they are to receiving a loyalty reward.
- Website brand Honey & Butter will have additional tabs for new products and services.
- E-customer service (CRM option) Honey & Butter currently allows for customers to pre-order regular macarons and custom creature macarons on a case-by-case notice. A brand extension will allow customers to order via mobile app, Honey & Butter will further expand their e-customer service. Customer relationship management. Customer Relationship Management is currently used through their loyalty program. They are able to track how many macarons and other products are purchased. They also can track returning and new customers. This CRM system helps the company stay connected to customers, streamline processes, and improve profitability.

Brand Research

In order to successfully expand the Honey & Butter brand through new products and distribution channels, primary, secondary, qualitative, and quantitative research needs to be done to ensure there will be a return on their investments. Currently, Honey & Butter owners Leanne and Pawel Pietrasinski lead the innovations and improve their products' qualities. Leanne and managers produce content for creature macarons and flavors. Pawel makes the in-store gelato and ice cream from scratch. The staff currently taste tests internally and experiments with flavors prior to putting them on display. The managers also search what other macaron companies are making or doing to remain competitive.



With the plan to expand Honey & Butter needs to research what are the specific needs of customers and how the company can fulfill them. Honey & Butter can take to Instagram to gather information from their followers, since this is part of their target market. They can take polls on their Instagram story, or link a survey for customers to fill out. They can also take suggestions from customers from Instagram comments regarding new flavors. Most survey sites are cheap and easy to use as they analyze and organize quantitative results. They can invest in qualitative coding software to better assess data. They can also hire a marketing research consultant to assist in this process.

Brand Calendar

The bakery sells both rare flavor macarons and a special character set which changes daily. Honey & Butter does not have a calendar for either of these products. The week's schedule of character sets is usually posted on their Instagram page the morning of the day they will be made available. Customers can also call the store to be told what rare flavors are available the same day. Below is the a marketing tactics calendar for the new products and distribution channels.



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Figure 62: 2018 Brand Calendar



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Figure 63: 2019 Brand Calendar



Brand Operations

Honey & Butter will keep their brand operations with the brand owners Leanne and Pawel Pietrasinski managing the brand to continue to have high quality products and a favorable brand image. The back of the house and the front of the house managers will also help maintain the brand by being in direct contact with customers and providing their services.

SUMMARY AND CONCLUSION

Honey & Butter has a strong brand positioning through their innovation, creativity, and strategic execution of operating a business. The brand needs to consistently be aware of their external environment. Monitor what their competitors are doing and stay up to date with emerging trends that their target market are adopting. Then adapt to the changing environment while staying true to the "soul" of the bakery to stay a relevant and favorable brand. They need to add new elements to their product line to differentiate from their competition. From this they will grow their market share.

Fortunately, Honey & Butter is in a position where the brand has a variety of opportunities and network to expand. They key is to evaluate the risk of each opportunity to determine whether or not the company should pursue that path. Honey & Butter has established itself to be shelling out strong product line. They invest the time and resources to produce high quality and unique version of classic products found in a traditional bakery. With their usage of social media, the brand has been able to reach their target audience. By improving and diversifying their distribution channel will convert the target market into customers. Utilizing a mix of several channels, including social media, public relations, in-store service maximizes the reach and meet the consumers where they are.

Honey & Butter needs to continue utilizing Instagram as a platform until the next social media platform develops. So far, the mobile app has worked for the brand is because it adds value to consumers' lives. Sharing new products in the works, sharing behind the scenes of the bakery, and replying back to comments on posts really connects customers to the brand at a deeper level. This social channel works for this specific brand. Honey & Butter considers who views their content and how they interact with it (mobile, tablet, etc.). Foodies utilize Instagram as one way to view content, this is how they find their next food adventure. When considering expanding interaction with their target market, they need think about the business goals they want to achieve.

They also need to consider collaborating with partners to distribute their product. A well-established collaborator will increase sales and gain more consumers. They also should continue to welcome public relations to increase brand awareness by large audiences. Brand awareness generated from this type of outreach can increase brand positioning because if a reputable publication source will mean brand recognition will reach more viewers. This strategy also requires no additional costs.

Honey & Butter has a strong brand position. They have active communication; a large following of customers, and have a premium product. If Honey & Butter can maintain the limited and exclusive reputation for their product line while expanding their target market, they will remain a top brand in the macron industry.





Figure 64: Honey & Butter regular macarons on display

ADDENDUMS, RESEARCH, AND OTHER DATA

Honey & Butter Website	http://www.honeynbutter.com/#home-section
Honey & Butter	http://www.honeynbutter.com/shop/
Merchandise	
Honey & Butter	http://www.honeynbutter.com/collaborations/
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Honey & Butter	http://www.honeynbutter.com/faq-1/
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Yelp: Honey &	https://www.yelp.com/biz/honey-and-butter-macarons-
Butter	irvine
Foodie Culture	https://www.forbes.com/sites/neilhowe/2017/07/20/how-
	generation-yum-is-stoking-the-foodie-frenzy/
Laudrée Website	https://www.laduree.fr/en/
Milk Website	http://www.themilkshop.com/
Snow Monster	http://snowmonsteroc.com/
Website	
Bloomberg Market	https://www.bloomberg.com/markets/economics



Illustration used to market the consumer survey via Instagram:



Interview with Honey & Butter's store front manager:

1. How long have you been working at Honey & Butter? Began working at Honey & Butter in September 2016. She started at the costa mesa location. did the work trial, convenient for schedule. They saw the values and passion of the company.

2. What is your role (position)?

Assistant manager for entire H&B company and manger for front of the house.

3. What are your duties?

To make sure everyone is communicating and updating changes with the company and products, unicorns – sales associates. Owners relay information to manger. They handle delivery service and prepare them. Helps with merchandise by preparing packages and ships them out. They also make sure the company is doing well with or without owner and reports back to



them. There is no micromanaging. The manager does the training for new employees. There are no interviews. Only work trials. To see how candidate functions with customer service.

4. Do you enjoy your work?

The company is very flexible with schedules. People want to be there. They have a lot of new customers and get to explain products. They enjoy the team.

5. What motivates you?

The team aspect. Who you are going to the environment with is important. The team makes the day better.

6. How would you describe the company's values?

The company is structured to be family-oriented. Since the couple work at the shop, they are very involved, because they see how much the owners care the staff wants to do just as well.

7. What are key aspects to good customer service?

Patience! Also to have good and clear communication about the products. They want customers to feel welcomed and come back. Since there are many flavors they have to warn about potential allergens.

How would you describe the overall team morale?
 "Family" morale. A lot of outings and able to bond. And build closer relationships. Healthy environment

9. What would you say are some challenges (if any)?

Growing trends, such as veganism or gluten-free. On busy days keeping companies uniformed. Want to ensure quality and serves each customers adequately. Customer service is priority. Customers sometimes can be impatient.

10. What are some of your favorite aspects of Honey & Butter?The co-workers. Meeting the new customers and share the experience.Introducing and making new flavors. The owners listen to the staff.





