



“Stop by for your Weekly Waffle!”

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COMPANY: *The Weekly Waffle* is a mid-walk path vendor that is themed to look like a food truck selling waffles with two flavor options: “original” and “weekly featured.” Our “original” recipe is based on a traditional dry Belgian waffle style, meant to be eaten “on the go” without the need for utensils. The “weekly featured” recipe infuses a special promotional all-natural flavor that changes weekly, based on customer and community votes via questionnaires and online media. One choice of venue is the **Santa Monica Promenade**, a *brick-and-mortar “freestanding” eatery* stationed mid-Promenade in the center of both directional walking paths. It features the design of a food truck, with a bright red color theme. Exterior seating is available along the south side of the “truck,” along with umbrellas to provide shade. Both the “original” and “weekly featured” flavors are available in full supply daily, and are offered in two different styles: “sweet” and “savory.” Our sweet waffles and optional toppings are served in a colorful paper sleeve, and our savory waffles are sliced and served as a sandwich with cold-cuts and cheese. Our alternative location is the **Venice Boardwalk**, featuring a vending stand that is alongside the boardwalk path, and is also themed to look like a food truck. Unlike our Santa Monica brick-and-mortar location, our Venice Boardwalk vendor is a *mobile cart* that can be dismantled and retired at sunset. Due to limited storage space in the mobile vending cart, we only offer “sweet” waffles, with no cold-cut meat options. **Of the two alternative locations, we plan to commence operations first at the Venice Boardwalk and then our goal is to expand to the Santa Monica Promenade.** Ultimately, if successful, we anticipate further expansion. **Company Strengths:** The *location of The Weekly Waffle* is a key strength to the company; because we are located in sight of *both directions* of consumer traffic, our *bright colors and fun logo* can be viewed by the maximum number of potential customers, including *children*, whose mothers are key target customers. In addition, the *smell* of waffles is a free promotional advantage triggering appetites of potential customers. **Company Weaknesses:** Our biggest weakness currently is that we are *a new company* without an existing customer base. However, with our logo and “weekly featured” flavors, we seek to mitigate that weakness by gaining awareness and a future following. Another weakness is that our waffle products are easy to make, and there is a *low barrier of entry for future competition*. In addition, our outdoor vending locations are also *sensitive to bad weather conditions*, which impact our sales. Lastly, our *Venice business hours are legally limited to daylight hours*. **Collaborations:** Due to the nature of our waffles and our entry into social media, *The Weekly Waffle* can potentially collaborate with other companies that offer complementary options, such as ice cream/frozen yogurt, chocolate condiments, etc. Once *The Weekly Waffle* becomes more established, we will seek to pursue options to exchange “free samples” with collaborating locations in order to raise awareness, interest and to cross-promote our business with a win-win scenario for both companies. Additionally, *The Weekly Waffle* can look into delivery options by collaborating with private delivery businesses and Postmates.com.

COMPETITION: Our most **direct competition**, across both our Santa Monica and Venice locations, are companies that provide waffle-like alternatives. In **Santa Monica**, our **first direct competitor is Cafe Crêpe**, located one block down the Promenade, which offers both sweet and savory crepes. One **strength** of Cafe Crêpe is that it has been open for several years it already has an

established customer base, which raises our acquisition costs to get their customers to switch to us. However, one **weakness** of Cafe Crêpe is that it is a “sit-down” restaurant, requiring service, waiters, and tips, which limits their customers and slows down their average turnaround time. Despite customer overlap, it is a different dining experience than eating “on the go.” **Our second direct competitor in Santa Monica is Wetzel’s Pretzels**, which is located directly across from our location Promenade. A couple of their **strengths**, similar to ours, are that their pretzels come in both sweet and savory options, both of which have a fast turnaround time and are easy to eat “on the go.” In addition, Wetzel’s Pretzels is a widely-known and globally-established brand with over 175 locations. However, the brand’s popularity is also its biggest **weakness**, because their pretzels lack novelty and versatility, as compared to our waffle sandwiches. In contrast to Santa Monica, **there is limited direct competition currently in Venice Boardwalk**, which is a strength of *The Weekly Waffle*. **In Venice, the closest direct competitors** are small-business-owned pizza companies such as **Big Daddy’s Pizza and Funnel Cake** that offer one or both of “on the go” pizza slices and deep-fried dough, and window-serving “styrofoam container” companies such as **The Wee Chippy** and **Lidia’s Pupuseria**. However, **indirect competition** exist in both locations. **Indirect competition for both Santa Monica and Venice Beach** includes dine-in restaurants (Loteria Grill in Santa Monica; The Sidewalk Café in Venice), fast food restaurants (McDonald’s in Santa Monica; weekly food trucks along Abbot Kinney in Venice), and fast casual restaurants (Chipotle in Santa Monica; Bombay Indian Cuisine in Venice), most of which are longstanding tenants and have established customer bases. However, none of them specialize in a sweet and versatile “on-the-go” baked good. **Other indirect competitors** that *do* offer “on-the-go” goods include nearby ice cream and frozen yogurt companies (such as Pinkberry/Yogurtland in Santa Monica, and Venice Beach Ice Cream/Boardwalk Yogurt in Venice), though waffles are a distinct alternative product. In terms of **future direct competition**, there is *no barrier to entry in the waffle business* because waffles are simple and easy to make. To mitigate the risk of another market entrant nearby, *The Weekly Waffle* will offer consumer-preference waffle flavors that rotate each week in order to rapidly increase our brand awareness to potential customers.

CUSTOMER: **With regards to Santa Monica**, according to a 2009 report, over 6 million people visit the Third Street Promenade annually for a variety of reasons including shopping (54%), socializing and entertainment (24%), and work (5%). Evidently, regardless of reason, visitors have a *need* to eat or drink while they are at the Promenade: *80% of Santa Monica visitors frequent an eating/drinking establishment*. This same study states that the average amount spent per visit is approximately \$75.00. Most visitors are *female, often accompanied by young children*. Additionally, many visitors are *repeat locals*: over 60% of surveyed visitors work or reside in both LA County and Santa Monica and visit the Promenade nearly 30 times a year; in addition, over 70% of surveyed Santa Monica residents visit almost 50 times a year, and over 85% of the same Santa Monica residents visit an eating/drinking establishment during each visit. However, visitors extend to beyond local residents. *Tourism* accounts for between 35-40% of total visitors. In addition, from 12pm-1:30pm, *corporate personnel*, who work in the area, descend upon the Promenade to eat or

take out food for their lunch hour. Finally, after sunset, the demand for shopping gives way to a larger demand for food/drink and entertainment until past midnight, though inclement weather conditions negatively affect culinary demand along the Promenade. (2009 Economic Impact Report, Santa Monica CVB). **With regards to Venice Boardwalk**, approximately 16 million people visit annually for various reasons, including sunning on the beach, bicycling the boardwalk, shopping for inexpensive gifts and people-watching local artists and performers. In our own study, the average visitor spent less than \$20 each visit, and the visitors who had spent more than \$50-100 had come to Venice Boardwalk to purchase marijuana prescriptions. Relatedly, approximately 15% of customers purchased items/tools related to marijuana consumption. In terms of food consumption, most food vendors along the Boardwalk have little to no seating, so food customers tend to walk while they eat, and they mostly choose slices of pizza or scoops of ice cream from among the few vendors that sell quick and easy “on the go” food. When it comes to most consumer behavior along Venice Boardwalk, most consumers tend to peruse local artist displays on the ground and/or folding tables, give money as tips to street performers, and shop for inexpensive t-shirts, sunglasses, souvenirs and gag gifts/paraphernalia. Like the consumers in Santa Monica Promenade, they are also outdoors, are also subject to adverse weather conditions that diminish consumer behavior.

SANTA MONICA PROMENADE SEGMENTATION: Multiple customer segments frequent the **Santa Monica Promenade**, and can be broken down into two general *categories*: Locals and Tourists. *Locals* (residents of Santa Monica and nearby cities), comprise the majority of Promenade visitors (around 60%), and can be further broken down into multiple segments. First, (1) **“Getting-Out Gertrude”** is a mother who wants to get out of the house and bring her young kids along for a day trip excursion; (2) **“New Bra Natalie”** shops with big name brands, and targets the Promenade with a *specific purchase* in mind, such as a Victoria’s Secret bra, which is not available for another 6.1 mile radius; (4) **“Day Off Dolly”** seeks a *fun* and *memorable* shopping experience; (6) **“Beach-Goer Brian”** visits the beach to participate in sports, relaxation, and/or other general beach activities, and visits the Promenade seeking either a secondary activity and/or a culinary respite; (7) **“On-the-Go Gordon”** is either in a rush, or a local employee who is free for a limited time during lunch hours or a quick break. (8) **“Collector Colleen”** seeks new experiences and to “try everything” in life, like a new mall, activity, or food. The second category of customers, *Tourists*, include several segments: (1) **“Tour Bus Ting”** is a tourist who uses a *private tour bus* and travels with a *large group* that visits all of LA’s touristy spots, ranging from Hollywood & Highland to the Santa Monica Pier and Promenade. “Ting” is confined to a certain allotted *time limit* spent at the Promenade before having to return to the bus; Second, (2) **“Metro Massimo”** is a tourist who either uses *public transportation*, namely the Metro and Blue Bus system, or *rents a car*, and is either traveling individually or in a small group. Because “Massimo” is traveling independently of a large group, he has a *more flexible time schedule* as compared to “Ting”; Lastly, (3) **“American-Experience Elsa”** is a general tourist (who may also be a “Ting” or “Massimo”) who seeks an “American” and “Californian” experience during her trip to California, and is open to trying foods that she cannot easily find in her home country.

SANTA MONICA PROMENADE TARGETING: Firstly, *The Weekly Waffle* should actively target “**Getting-Out Gertrude,**” as mothers will seek comfort food to keep their kids happy and occupied, especially since most competitors are not as child-friendly; we are quicker than the other restaurants (so they save on time); our waffles smell better than the other restaurants; we are more accessible than other restaurants; we are a place where moms can better get away with a screaming child than other places; and we are cheaper than most other local competition. *The Weekly Waffle* should also actively target all segments that value a quick turnaround, mainly “**On-the-Go Gordon,**” who seeks a quick and filling meal and “**Tour Bus Ting**” who may be time-pressed to return to a bus. In addition, because *The Weekly Waffle* features special limited-time weekly flavors, the company should actively target “**Collector Colleen,**” who finds value in novelty flavors and will return to try new flavors frequently. Lastly, by its product alone, *The Weekly Waffle* will also naturally appeal to the collaterally overlapping segment “**Day Off Dolly,**” who seeks a fun and memorable experience that stands out compared to the competition, and to “**American Experience Elsa,**” a tourist who wants to try a *quirky* “American experience” fusion twist on a traditional Belgian waffle, that can only be found at *The Weekly Waffle* as compared to the standard traditional and fusion food offered by competitors.

VENICE BOARDWALK SEGMENTATION: The first general customer segment, (1) “**Prescription Paul**” is a local to the Los Angeles area who comes to Venice Boardwalk once a year to get a marijuana prescription and lingers on the strand for a while to enjoy the atmosphere before leaving; (2) “**Artsy Anne**” seeks an artsy/funky/hippie vibe while walking, and enjoys perusing the products for sale along the boardwalk; (3) “**Gag Gift Gary**” is a tourist, either regional or foreign, who seeks to buy “gag” paraphernalia that is sold in vendors along the boardwalk; (4) “**Beach-Goer Brian,**” similar to the Santa Monica segment, seeks to participate in beach activities such as sun tanning, volleyball, basketball, frisbee, etc. (5) Similarly, “**On-the-Go Gordon,**” like in Santa Monica, prefers a quick and convenient meal with a quick turnover rate while walking, biking, or skateboarding along the strand. In addition to the main segments, other smaller segments include customers who seek attractions specific to Venice Boardwalk’s location: (6) “**Arm-Workout Arnold,**” visits “Muscle Beach” for a body workout; and (7) “**Paddle Tennis Patty**” plays paddle tennis on courts along the strand.

VENICE BOARDWALK TARGETING: Due to the nature of our “Pot Waffle,” *The Weekly Waffle* should primarily target “**Gag Gift Gary,**” who will enjoy the appeal of the fun waffle shape and value it as a unique “souvenir” of the location. Likewise, “**Artsy Anne**” will also value the appeal of waffles as an artsy and unusual snack. In addition, *The Weekly Waffle* should target “**Prescription Paul,**” who seeks a waffle to satisfy “munchies” and will also value our “Pot Waffle” option in addition to the normal Belgian waffle. Lastly, “**On-the-Go Gordon**” will value the quick turnaround time so he can continue on his path down the strand (and will also value the convenience of the waffle being easy to hold if “Gordon” travels by skateboard or bike).

POSITIONING STATEMENTS:

Santa Monica Promenade: For the pedestrian hungry for all-natural sweet and savory Belgian waffles in the middle of the Third Street Promenade, *The Weekly Waffle* is a casual eatery that offers a fun “food truck” experience in a quick and convenient setting, with a new waffle flavor selected by patrons each week that they can eat at our outdoor tables or “on the go.”

Venice Boardwalk: For the pedestrian hungry for all-natural sweet Belgian waffles along the Venice Boardwalk, *The Weekly Waffle* is a fun “food truck” inspired kiosk for take away, featuring a new waffle flavor selected by patrons each week and two fun shapes to choose from.

PRODUCT: *The Weekly Waffle* specializes in making traditional Belgian-style waffles, which are dry, crisp and designed to be held while eaten. Our waffles are prepared in two ways, “sweet” and “savory.” The “savory” waffle and our sweet “ice cream waffle sandwich” is exclusive to our Santa Monica location. **Our “sweet” waffle comes in two varieties:** (1) a “traditional” waffle, and (2) an “ice cream waffle sandwich.” **Our “traditional” waffle, offered at both our locations,** is a whole, uncut waffle with toppings on top, and is served in a bright red paper sleeve and with optional color-coordinated plastic utensils and bright red plates that are designed to capture the eye and to create brand awareness. Our “sweet” waffle toppings include whipped cream, Nutella, Belgian chocolate fudge, maple syrup, powdered sugar, fruit preserves, fresh fruit (strawberry, banana, and blueberries), and vanilla ice cream. Our **“ice cream waffle sandwich”** is a sliced waffle that sandwiches a scoop of vanilla ice cream. The **“savory waffle”** is a warm waffle sliced in half to sandwich meats and cheeses like a panini sandwich. Our savory meats include chicken, ham and bacon; our savory cheeses include gruyere, gouda and medium cheddar. In addition, *The Weekly Waffle* offers a choice of two different *flavors* of waffles at both of our Venice and Santa Monica locations: our **“original” flavor**, which is unflavored, and our **“weekly featured” flavor**, as determined by a weekly popular vote on Facebook among an option of flavors that we will offer on our website and through social media. “Weekly featured flavors” are made with all-natural ingredients, and may include pumpkin, chai, blueberry, strawberry, chocolate, peanut butter, banana bread, carrot cake, kiwi, pomegranate, mocha, and a slew of other special flavors that will match well with our sweet toppings. At our Venice Boardwalk location, due to its limited storage space, will only be able to offer it in a limited first-come first-serve supply. Also ***exclusive to our Venice Boardwalk location is our trademarked “Pot Waffle”*** that is produced in a custom *cannabis leaf-shaped waffle maker* so it cooks to resemble a “pot leaf” (and contains no THC). To complement our waffles, ***The Weekly Waffle will also sell coffee.*** At our Santa Monica location we will offer souvenir t-shirts, hats and buttons that customers can purchase as merchandise or may win in sweepstakes and voting campaigns. In offering our product in a variety of ways, we hope to achieve a **customer perception** that associates our waffles with being delicious, fun, convenient, and innovative.

PRICE: At our **Santa Monica** location, most prices throughout the mall are charged at a premium due to the location, and overall competition prices. In addition, our annual rent is enormous, at \$152,400¹. Taking into account both fixed and variable costs, and assuming that we only sell basic “sweet” waffles with no toppings, and can sell one coffee for every ten waffles sold, and also assuming that we can sell 256 waffles a day for 365 days, our **break-even price is \$3.79 per waffle**. Due to fact that *The Weekly Waffle* has a monopoly of the local Santa Monica Promenade waffle market, and since customer demand elasticity is low because local competitive prices are overall also high, *The Weekly Waffle* has decided to set our **basic “sweet” waffle price** to start at **\$5 in Santa Monica**, with the “first topping free,” and each additional topping priced at \$1 each. The price of our **Santa Monica “savory” waffle starts at \$8** with the first topping free, and our **Santa Monica “ice cream waffle sandwich” is priced at \$6.50**, with no toppings included. We also sell **coffee priced at \$2** and souvenirs, which include **t-shirts for \$15, waffle buttons for \$1** (that we will gift out for *free* to children of customers who express an interest in them), and **hats priced at \$10**. In contrast, at our **Venice Boardwalk** location, competition prices are lower, and visitors to the location have a lower price elasticity of demand than those in Santa Monica. In addition, the rent for Venice Boardwalk street vending space is free², so our overhead costs are drastically cheaper. However, since our vending *space* is limited, our menu *variety* is consequently also limited. Therefore, we will only be selling our “sweet” waffle (in both our “traditional shape” and “Pot Waffle” shape) and toppings at our Venice location, and will not offer savory products or ice cream. Assuming we only manage to sell the our basic “sweet” traditional waffle, and we can sell 128 waffles a day for 365 days, our **break-even price for a waffle is \$1.82** (which is significantly lower than Santa Monica because of lower fixed costs). Due to use once again holding a monopoly of the waffle market, *The Weekly Waffle* prices its Venice Boardwalk **“sweet” traditional waffle at \$3.00**, and our novelty **“Pot Waffle” is priced at \$4.00**, with the “first topping free” plus an extra \$1 for each additional topping. Even though we have a monopoly of our waffle market, our goal is to be part of the community, and by setting a price that is not too high, it will help us capture market share, since the average visitor to Venice Boardwalk spends less than \$20 per trip.

PROMOTION, THE 5 Ms, and AIDA: *The Weekly Waffle* has a **mission** to provide an overall *fun experience* for our customers so that we can tap into their *emotional appeal*. We aim to stand out so that customers *remember us* and establish a *nostalgia* for our product that will keep them *desiring* more of our waffles. *The Weekly Waffle seeks to appeal to multiple senses*. First, we appeal to the *sense of sight*; our company colors are *bright red*, which psychologically stimulates appetite, *expresses the speed* in which we serve our waffles, and helps raise *awareness* of our company. The design of our storefront facades at both locations is to resemble *the side of a food truck*, which is a staple “Californian/American” trend that sends a message that our products are quick, convenient, and trendy, while also fun and novel. In addition, our *brand logo* is designed to capture *interest* of children, who act as a decision making units that “influence” their “purchaser” mothers, “Getting

¹ \$152,400 rent breakdown: (168 ft² exterior dining area priced at \$350 per ft²) + (144 ft² interior kitchen priced at \$650 per ft²) → (168 ft² * \$350) + (144 ft² * \$650) = \$152,400 annual rent. Prices based on an actual call to the Santa Monica landlord.

² Rent is \$0 daily, but excludes a \$25 business license in our first year and \$10 for each subsequent year.

Out Gertrudes.” *The Weekly Waffle* also raises brand awareness through small **promotions** by offering *free samples* to local passersby, and may lead to a purchase **action**. We also have “featured flavor” waffles offered in limited quantities because of vendor space limitations. This triggers the Regret Aversion Bias in customers, and gives them a *sense of urgency* to take **action** and buy our “featured” flavor. At our Venice Boardwalk location, we offer a “Pot Waffle” specialty to appeals to those who find *humor* in the product (which is also an *emotional appeal*). For the *sense of smell*, our products naturally have a strong “baked good” aroma, and the scent is freely carried downwind. The smell of waffles drives *awareness, interest, and also the feeling of hunger* in customers who walk in the “line of scent.” The customer’s hungry desire is what naturally drives **action** from the customer to purchase our waffles to satisfy their craving. This helps project a strong **message** that we bake home-made, familiar comfort food that *not only smells good and is visually appealing, but also satisfies both sweet and savory palates*. Our **message** is that *we reward our community with “featured flavors” that they choose* by voting weekly through online **media**: Facebook and our website. The title of our company “*The Weekly Waffle*,” is an inbound marketing tool for customers to learn about our menu options and what we mean by having a “weekly” waffle. Votes on social media are another inbound marketing tactic that closely ties our customers with our business. The synergy that we create associates *The Weekly Waffle* with being a part of the local community, which is a *strong company strength as compared to our competitors*, who offer either a sterilized food-chain atmosphere (in Santa Monica), or an overall unmemorable culinary experience (in Venice). By being a part of the community, *The Weekly Waffle appeals to a fourth sense: a sense of purpose*, this is a powerful and psychological *emotional appeal* that will ultimately drive *desire* to try the weekly flavor, and **action** to achieve consumer satisfaction. Inbound marketing can save on **money** for its initial startup period; however, once we garner a sufficient following for our Facebook page and further establish ourselves within the community with a loyal base, we intend to look into options to develop a *Weekly Waffle App* for community members to vote through mobile devices, which we will encourage as customers wait for their waffles to be prepared. Our ultimate **measurement of success** is determined by several factors: Facebook page “Likes”; unique website hits; the number of community “weekly featured” flavor votes; the retention rate of voters; the number of sales that we achieve; and surges in sales that are associated with featured waffle flavors (which we can later look into incorporating as a more permanent product flavor as we expand).

PLACE: *The Weekly Waffle* has two channels of distribution. The first is our brick-and-mortar “food truck” vendor in Santa Monica, which serves customers through a side window and provides outdoor seating that can accommodate up to 12 customers; our second channel is our Venice Boardwalk vending cart that is designed to have a “mini food truck” appeal. We source our raw product ingredients through wholesale vendors such as Costco and Amazon, and replenish our ingredients as they start to become stale. For our **Santa Monica** location, all waffles are created on site and sold directly to customers. Prior to the lunch rush hour, a number of premade waffles are made for customers to prevent a long line from forming. After ordering waffles, customers wait by an adjacent side window for their orders to be called. We have 3 employees working on site, which

include one manager who takes orders, one server who delivers the food, checks orders, and maintains cleanliness, and one person in charge of cooking the waffles. At our **Venice Boardwalk** vendor, all ingredients are prepped in advance at a prep kitchen, and cooked to order. Customers walk up to the vendor to place their orders, and wait around the general area until their order numbers are called. There is one employee at the Venice location who takes orders, cooks and delivers food to the customers. Once our demand increases and our brand gathers further recognition, we plan to expand the vending cart to two vending spaces and will add a second employee.

ANALYSIS & DECISION: Santa Monica customer segments tend to focus on family-friendly brand name shopping and time efficiency, so at the Promenade we position ourselves as a versatile eatery both in menu and in physical space that appeals to customers who want to sit down and take away. In contrast, Venice Boardwalk segments tend to partake in novelty products. Therefore, we position ourselves to appeal to a customer base that prefers more artistic flair, and as part of our marketing tactic, we exclusively offer a “Pot Waffle” apropos of the target’s needs, values and buying patterns. If we were to use our same Venice marketing tactics in Santa Monica, however, it would be detrimental to our revenues because, regardless of the overhead being higher and incurring large losses due to pricing differences, the “Pot Waffle” is inappropriate for the market, risking backlash from the community and marring our brand image. However, if we sold our Santa Monica selection of waffles in Venice Beach, we might have some success, though the price would be too high for the competitive market, and we would lose most potential customers. After a thorough analysis of the “3 C’s,” “4 P’s,” and segmentation/target analysis of both of our Santa Monica Promenade and Venice Boardwalk options, *The Weekly Waffle* believes that **Venice Boardwalk is the best choice to initially start up our company.** Venice Boardwalk has lower overhead expenses and more yearly foot traffic than the Santa Monica Promenade. In addition, there is currently no direct competition at Venice Boardwalk, which allows for us to gain a foothold and a following in the waffle market. Ultimately, if our company is successful, we anticipate future expansion into the Santa Monica Promenade, which we can subsidize with our revenues from Venice Boardwalk. If we do expand to Santa Monica, we can retain our core competency “sweet” traditional waffle and easily expand our menu to include our savory options. However, due to the pricing difference, we will likely price discriminate based on location. Also, due to brand risk, we will not introduce the “Pot Waffle” to Santa Monica, though with enough demand, we may look into designing a “special edition” waffle shape also exclusively available at the Promenade.

Expenses per year	Santa Monica	Venice
Fixed costs/year		
Rent	152,400	5,200
Property fees	5,000	-
Business license	432	25
Employee	144,540	47,450 A)
Total Fixed costs	302,372	52,675
Variable costs		
Waffle		
Active dry yeast	0.10	0.10
Whole milk	0.01	0.01
Flour	0.08	0.08
Egg	0.04	0.04
Brown sugar	0.00	0.00
Unsalted butter	0.27	0.27
Honey	0.05	0.05
Vanilla extract	0.03	0.03
Pearl sugar	0.11	0.11
Syrup/ powdered sugar	0.02	0.02
Total variable costs per waffle	0.70	0.70
Coffee		
Coffee Beans	0.42	
Half & Half for coffee	0.07	
Sweeteners for coffee	0.13	
Total VC for Coffee	0.62	-
extra revenue from coffee/waffle	0.138	B)
Break even price for waffle	3.79	0.43
Break even market share	1.95%	0.29%
Our capability		
Waffles sold/day	256	128 C)
Total waffles we can sell/yr	93,440	46,720
Total market share/yr		
market size	4,800,000	16,000,000 D)
Market share assumption	2%	1%
Demand based on market share assump	96,000	80,000
Assuming customers only buy sweet waffle to cover fixed cost		E)
Price for sweet waffle we set	5	
Break even quantity of waffle	70,241	29,186
Total break even waffle to sell/day	192	80

Notes:

- A. SM: assuming 2 employees and 1 supervisor works 365 days; VB: assuming 1 employee works 365 days
- B. Assuming every 10 customers buy a waffle will buy a coffee, and the price per coffee is \$2
- C. SM: Assuming we sell 8 waffles per hour, 8 hours a day, and we have 4 waffle machines; VB: Assuming we sell 8 waffles per hour, 8 hours a day, and we have 2 waffle machines
- D. SM: assuming 6M people visit/year, of which 80% purchase food and drinks; VB: assuming 16M people visit/year
- E. Assuming the worst case scenario as add-ons and savory will increase margin and decrease the number of waffle needs to sell