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# INTERNATIONAL MARKETING PLAN CRUMBL COOKIES IN THE UK

Ethan A. Flynn, Pinak P. Lalitcumar, Sofia M. Marquez, TallulahRose Kenny

# Executive Summary

## Crumbl Cookies

Crumbl Cookies is an American cookie company, with over 600 locations across the nation. It is known for its high-quality ingredients and rotational menus. The business opens and runs its stores through franchising, and we are planning to expand internationally, to the United Kingdom, more specifically London.

## About the United Kingdom

The UK has one of the strongest economies in the world of \$3.3 billion GDP in 2022, with efficient financial markets, and is very open to foreign investment. They are slowly recovering from Brexit, and although have a high inflation, it is below the European average.

The cookie market in the UK is growing and is fragmented, which gives Crumbl room to enter and utilize its competitive advantages from the US to the UK. They are subject to HFSS regulations, to reduce sugar, salt, and fat, across the food industry of the country.

The business culture centers in genuineness and formality, and the Hofstede show individualistic and low uncertainty avoidance traits.

Their main competitors hold several strategies, such as using traditional media channels, selling a diversified menu of baked sweets, and being local businesses, which are attractive for the locals. Nonetheless, the rotational menus and customer experience of Crumbl are strong competitive advantages that will allow the bakery to stay competitive.

## The Target Market

One of Crumbl's market target is women, from London. This is given by the women's liking for sweets, and our appealing pink packaging. Another segment would be the generation z, given Crumbl's strong social media presence, and the stronger appeal for sweets from the younger generations.

## The Mode of Entry

Crumbl would enter the market by building a head office in Westminster, creating a subsidiary. Afterwards, Crumbl will expand on their franchising strategy in London.

## The Marketing Strategy

Product adaptation will be essential, by first rebranding their subsidiary as *Crumbl Biscuits*, and change the ingredients of the cookies to appeal to the local tastes, while also complying with the HFSS regulations.

Crumbl will maintain its bundling and premium pricing strategies, utilizing purchase power parity to convert the prices of their cookies to British Pounds.

Social media advertising on Instagram and TikTok, along with traditional media channels to promote their products across their target region and population.

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## Intro

Crumbl Cookies is a gourmet cookie company that currently has over 600 locations all across the United States, created through franchising. They have high-quality ingredients and customers can watch the cookies being made in the stores. One of the most important factors of the company is that they have a weekly rotating menu, which changes every Sunday. We are planning on expanding into the United Kingdom market, starting with the London metropolitan area. England would be a good place to expand internationally, as they have a high-spending consumer market and a liberal economy. We will explore all of the relevant factors about the United Kingdom's environment, including their economy, and political and cultural factors, and we will discuss our plan of entry, along with our Marketing Strategy in our plan.

## Economic Environment of the UK

### Macro Environment

The United Kingdom has **one of the healthiest economies in the world**, given its market size, efficient markets, highly educated workforce, and its attractiveness for foreign investment.

According to EUI, United Kingdom's **GDP was at \$3,293 billion** in 2022 and is forecasted to increase consistently by around 8 to 10% in the following years, due to the improvement of private and public consumption, as an aftermath of the pandemic's recovery. With 2022's \$48,075 per capita (28<sup>th</sup> best globally) and \$30,330 consumption per capita, the United Kingdom is one of the most developed economies in the world. The country scored a 7.81 business environment overall, as the top 15 best in the world. Moreover, they are ranked number 7 in the Index of Economic Freedom Ranking of 2021, being the top-ranked in the Business and Financial Freedom indexes (according to Passport).

The UK has **very effective financial markets** and services given its leading position in the Financial Freedom Pillar. They have one of the lowest annual lending rates globally, at only 0.5% in 2022, and 0.7% long-term interest rates, and have the lowest percentage of nonperforming loans in Europe, with less than 2% of total loans underperforming. Therefore, obtaining leverage is attractive and effective in the country. Banks claim 140% of GDP in the private sector, which is above the world and European average.

Their inflation also entails values below the global and the EU27 average and is forecasted to be around 4 to 5%. **The British pound is one of the strongest currencies in the world**, and according to XE Currency, the exchange rate is 1.2 USD/GBP. It had decreased last year due to a mix of several factors, including the Dollar's inflation, and the appointment of Britain's new chancellor Kwasi Kwarteng which created a new Administration's 2022 Economic Growth Plan, which included considerable tax cuts (according to Forbes). Despite 2022, the pound has greatly recovered, and EIU forecasts the exchange rate to increase, making the Pound even stronger as time goes on.

Public debt is at 107% of GDP, which is above the EU average. Nonetheless, it is placed 11th in the corruption perception ranking worldwide, the highest rated in Europe. This reflects **the government transparency and support that is consistent and attractive in the country**. Government revenues come mainly from taxes (62.5%, at \$1,000,000 million).

The UK is a net importer in their current account. Their imports are increasing at a higher rate than the exports (15.4% and 11.6% respectively, being the top 7 highest importers, and top 16<sup>th</sup> highest exporter globally), having China, Germany, and the US as their top exporters. Foreign direct investments have been decreasing since 2016, now at 0.7% of GDP. From Greenfields to M&As, all FDI activities have been decreasing due to the pandemic, and also due to the Brexit outcomes. However, the country is still a **major FDI recipient in Europe**, given its favorable environment and qualified workforce, and although trading with EU countries has become less attractive, trading with non-EU markets has become more attractive, given their extra degree of freedom obtained with the Brexit, which allows them to establish new types of relationships with other countries.

Speaking of the workforce, the British **workforce is highly educated**, however, there is a lot of disparity in the country. They are ranked 34 in the Labor pillar of the Index of Economic Freedom in 2021. Around 30% of the adult population had higher education in the same year, having most of their degrees focusing on Business, Law, and Social Sciences. With a 76.6% participation rate, the unemployment rate stands at just 3.7% according to Census and Statista, from October to December 2022, below the European average of 6%. Employment has been trending into an increase of employees, and self-employed, and a decrease of employers and part-time employees in 2021.

### **United Kingdom's Sweet Biscuits Market**

Given their strong economic environment, it is important to also explore the environment of the market that we are involving ourselves in, with more detail. **The sweet biscuit market is growing in the UK**, it is reasonably fragmented, and healthy snacks and e-commerce are its primary trends.

The sweet biscuits (which is how we can designate the market that we are entering) **market size in 2022 was \$2,268 million**, according to Euromonitor. It substantially grew by around 9% from 2021, following the overall GDP trend, however, it grows on an average of 3 to 4% annually. It is a substantially fragmented market, in which the **top 3 players hold 30% of the entire size**. The primary **trends focus on increasing demand for healthy snacks**, and consumer preferences focus primarily on taste.

Due to the problems of the pandemic and the conflict between Russia and Ukraine, the energy crisis, labor shortages, and distribution and material costs have increased and affected the entire market, including the segment that we are exploring. Therefore, consumer prices have been increasing, and the increase in demand for single-serving packages has even amplified this increase.

One factor that relates to the demand for healthy snacks has to do with **HFSS regulations** which limit the offering of high sugar, salt, and fat products in the market, regulations that became effective in October 2022. This combined with the consumer's increasing awareness of their health increased the demand for healthy snacks.

Lastly, it is important to mention the **growth of E-commerce** in the entire economy. Brands have been starting their channels of distribution, and collaboration with other distributors has also been increasing.

## **Political Environment of the UK**

Crumbl Cookies will have to adapt to new important cultural and some small political environments if they were to expand into the UK. There is an economic squeeze because inflation is higher, and due to Brexit consumer spending is down as well as our costs may be higher because of import tariffs. After Brexit occurred when Britain left the EU on January 31, 2020, trade between the UK and other nations drastically changed. In fact, according to Betsy Reed in the Guardian article, “UK’s share of EU exports fell from 7.1% in 2015 to 6.2% in 2019 while its share of imports fell from 4.4% to 3.9% – these statistics include trade between EU member states.” In terms of macro-political risks associated with the United Kingdom, there is the spread of COVID-19, the Russian war vs Ukraine, and recent high inflation that is driving the cost of living up. After the UK left the EU, tariffs on many goods became included which further damaged their economy since roughly half of the UK’s imports were sourced from the EU in 2019. Inflation is the most prevalent issue at hand, however; the UK’s economy is slowly recovering from Brexit as we speak.

According to the article by Doing Business in 2020, the UK was ranked 8th overall in terms of the ability to start a business, in the world. The standardized requirement is such, the business is “100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals.” There are health regulations, labor regulations, financial restrictions, and other standard legal measures that companies in the UK must follow. Compared to other countries, The UK ranks moderately high in most categories except for enforcing contracts as they rank 34th and registering property ranking at 41st, and Crumbl will not depend on independent contractors to conduct business.

Other political factors are again, the HFSS health regulations Crumbl faces, which are reducing sugar, salt, and fat to help reduce obesity rates. The UK’s government plans to reduce overall sugar in products by 20% by 2020 were unsuccessful; the consumption of sweet beverages and snacks only slightly decreased. The government is also trying to incorporate more foods and drinks with essential minerals and vitamins. Although the government is promoting dietary needs and restricting consumption, the sweets industry is still successful. According to Amy North from British Baker, “Nearly half (45%) of consumers typically order desserts when eating out – a slight increase on 43% in 2019 – and they’re happy to put their money where their mouth is.” People are willing to spend more money on a sweet treat, however; “Eleven percent of consumers said they’d indulge if their dietary requirements were better catered for while 17% want smaller portions” (British Baker, 2022) This change in consumer behavior supports Crumbl’s business model, which focuses on uniqueness and creativity of desserts rather than large portions.

## **Cultural Environment of the UK**

The primary cultural factors mentioned in the textbook primarily relating to Crumbl are family size, education, the context of language, and changing attitudes toward time. Additional cultural aspects include those who have dietary preferences such as vegetarianism and veganism, and physical restrictions such as heart disease and diabetes. Religions prohibiting followers from eating beef or



bacon may affect Crumbl, but there are only one or two cookies on their menu which include meat. Family size is extremely important as it helps motivate consumers to purchase larger quantities of products for the entire family. Consumers may purchase smaller bundles of cookies if they are solely purchasing for themselves, whereas they should purchase larger bundles of cookies if they have other people who want a sweet treat as well. The average-sized family in the U.K. is roughly 2.55 while the average size family in the U.S. is approximately 3.15. Consumers purchase most of these products in physical retail stores, 92.4% to be exact, mainly in convenience retail, supermarkets, hypermarkets, and discounters. According to Mintel, 86% of UK adults will eat snacks at home in 2022, whereas 63% of consumers purchase on impulse. With the recovery of the pandemic, out-of-home mobility has been increasing, and along with it the demand for on-the-go single-serve snacks and impulsive buying have also been increasing.

The second cultural factor is education, as it will determine whether a consumer is knowledgeable about their diet and what ingredients are used in the sweets Crumbl offers. Subconscious thinking may deter consumers from ordering sugary items, and therefore Crumbl will lose business. Thirdly, the shift towards healthier eating over time is the largest cultural change that affects Crumbl. Although food companies can do their best to market their products as healthy or containing less sugar, they may fail if the population is completely cutting sugar out of their diets.

Context of language is the last cultural factor that will greatly affect Crumbl. There are plenty of words with different meanings in the U.S. compared to the U.K. although the primary language in the U.K. is also English. A few examples of these homographic words are trousers, biscuits, and chips. Trousers in the U.K mean underwear and pants in the U.S, biscuits mean cookies in the U.K, and a small piece of soft bread in the U.S. Lastly, chips translate to french fries in the U.K and small fried or baked, flavored, sliced-up, pieces of a potato in the U.S. Only the words that will affect the selling of our product are important, so primarily Biscuits and potentially trousers if a Crumbl employee is required to wear a uniform to work.

Business culture in the UK revolves around being genuine and being slightly formal when meeting new people. Although you can address people on a first-name basis and the context of language is low. The UK is very individualistic with a score of 89 and the power distance score is 35. This concludes people are competitive and tend to respect each other rather than putting themselves above one another. People in the UK also tend to avoid uncertainty with a score of 35, which simplifies communication and creates a more stable environment. The management of Crumbl stores will be similar to the U.S., and franchising various locations will follow a similar protocol when it comes down to store hours, making the Biscuits fresh in the stores, following rules related to health regulations, excellent customer service practices, etc.

## **Crumbl's Competition**

London is home to thousands of bakeries and pastry shops, meaning that there is a significant amount of competition throughout the city. According to Statistica, snack and cookie companies have been growing over the last few years and their revenues are increasing each year. Some of Crumbl's competitors are Crumbs and Doilies, Creme London, and Ben's Cookies.

Crumbs and Doilies are local competitors that have a variety of different pastries and a seating area for customers to enjoy. They have been featured on several television shows, increasing their exposure, and making them a customer favorite in London. However, because they only have one store that often runs out of items, Crumbl will be able to compete because of its effective distribution and large presence. Creme London is a global competitor, and they specialize in making extremely large cookies. They have a very similar layout to Crumbl, as they are both primarily take-out bakeries, which means that Crumbl must find a way to stand out from Creme. Creme sells a wider variety of products, such as cakes, cookies, and brownies, which means that they could attract a larger pool of customers. However, Crumbl will be able to compete since they have hundreds of different flavors that could attract customers of all taste palettes. Lastly, Ben's Cookies is also a global company but began in England. This could mean that they could experience country of origin advantages, as customers might prefer to support a local and family-owned business. While this could be a problem for Crumbl, the fact that customers can see the cookies being made in-store provides customers with a personal experience.

**Crums & Doilies:** When expanding to London, Crums & Doilies will be one of Crumbl's biggest local competitors. This company is one of the city's biggest places to stock up on a growing cookie selection, as well as many other products. An advantage that Crums & Doilies has is that they serve a wide variety of cakes, cupcakes, cookies, brownies, and other sweet treats. This way, customers who might not necessarily know what they want, can go in and choose from a mixture of many products. What sets Crums & Doilies apart is that they sell "Bake at Home" kits, consisting of the company's products. The kits contain everything a customer needs to bake their cookies and cakes. They also sell a cookbook, containing the company's famous recipes as well as tote bags and other merchandise. Lastly, Crums & Doilies has a large social media presence and has been featured on numerous TV shows such as Food Network's "Cupcake Wars" and "The Next Great Baker". They are located in Soho, which is a trendy location filled with many shops and restaurants. However, because it is a local company, they don't have as much recognition as some other companies. Availability is also a problem as the company can sell out of items, particularly on big holidays and important events. Due to their smaller presence, their distribution might not be as effective compared to a large company like Crumbl. Similarly, because they have very limited locations, it may be harder for customers that don't live near those areas to go and visit.

**Creme London:** Creme London is a dessert shop that specializes in very large cookies, as well as ice cream and coffee. The company was inspired by one of the founder's trips to New York, so the cookies are inspired by American treats with a twist. Creme also has locations in Paris, Saudi Arabia, and Bahrain, making it a global competitor. Their London shop is located in Notting Hill which is a central, trendy, and affluent area. They are known to attract both local customers as well as tourists, especially due to their social media presence. A key difference to note is that Creme is primarily a takeout bakery. This means that it won't attract customers who want to enjoy a dessert and sit down while they do so. However, they do offer delivery service and ship across the country which means that you can enjoy their desserts even if you aren't in London. Some disadvantage that the company has is that they only offer four cookie flavors. These flavors include milk chocolate, banana dark chocolate, white chocolate miso, and vegan double chocolate. All flavors include chocolate, which doesn't offer a variety for those who might want a Snickerdoodle or oatmeal cookie. This is



extremely limited compared to Crumbl which offers 200+ flavors with extremely distinct flavors. Another limitation that Creme has is that it does not offer a healthier option, as the Creme London website mentions there is “no holding back on the butter and sugar.” Due to England promoting a healthier eating culture, this could be a problem as they don’t offer a variety of options. With that being said, Creme London is a solid competitor as it is a well-known company with a reputation for being delicious.

**Ben’s Cookies:** Another one of Crumbl Cookie's global competitors is Ben’s Cookies. They have stores in Texas, Manila, London, Kuwait, Japan, Bangkok, Abu Dhabi, and more. Ben’s started as a family business in Oxford and has been known as the company that bakes with “chocolate chunks”, not chips. An advantage they have over Crumbl is that they originated in England. This could be a country-of-origin advantage for Ben’s as people love supporting a local business, especially a family-owned one, rather than a franchise chain from the US. Despite all this, we don’t think that Crumbl will experience many country-of-origin disadvantages because customers can watch the cookies being made in-store which makes it feel more personal. Also, because of their unique product offerings and marketing strategies, they create an engaging customer experience, which will make them stand out against competitors.

Overall, Crumbl will be able to compete against all these companies, because they are an established company that offers customers a huge variety of flavors. The UK has a tradition of enjoying American-style cookies, as well as other dessert companies like Krispy Kreme donuts which have done well in the UK market. What makes Crumbl special is its rotating menu of 200+ flavors that are inspired by cakes, candies, pies, etc. They have a research process to develop new recipes and see what people are demanding. They also are influenced by the time of year, such as having special holiday-themed cookies. They have innovated technology in the stores, as well as catering, pickup and delivery, and shipping. They are known for their famous pink box and are the fastest-growing cookie company in the nation. Lastly, Crumbl has a huge social media presence with millions of followers on Instagram and TikTok. There is even a trend called the “Crumbl cookie review” where customers buy all the cookies of the week and review them online. This serves as a significant advantage for the company and will ease its way into the European market. Social media will motivate customers to want to check out the new place and create a lot of buzz for the company. Because of its unique characteristics, the company will be able to compete against local and global competitors and make its way into Europe.

## **Target Market**

### **Demographic and Market size**

Upon deciding which segments to target in the UK market, Crumbl Cookies would benefit by focusing its efforts on the female consumer base and Generation Z, born between 1997-2012. As Crumbl already holds a younger consumer base within the US, it is prudent to continue targeting this segment in the UK as it is the most profitable US demographic and gives Crumbl Cookies relatively more business.

## **Women**

There are many reasons why women are an ideal segment for Crumbl Cookies to target in the United Kingdom. For one thing, Crumbl Cookies appeals to those consumers with a sweet tooth who are looking for an indulgent treat. Research shows that women are more likely to crave sweets than men, coinciding with hormonal fluctuations. On another note, Crumbl's light pink packaging with cute imagery attracts a more feminine crowd as pink is typically associated with comfort and compassion, allowing it to connect with female consumers subconsciously. Finally, food culture within the United Kingdom is based around social gatherings. For instance, upon entering a British home, one of the first things you will be offered is a cup of tea and biscuits, also commonly known to Americans as cookies. Of course, more often than not, women fall into hosting or orchestrating these events that warrant cookies.

Furthermore, it is shown that women, more often than men, purchase treats for their families or other groups on occasions like activities and celebrations such as afternoon tea, birthday parties, and after-school activities for their children. That said, targeting female consumers in the UK would be a logical approach to increasing Crumbl Cookies' revenue and brand exposure. With women being the primary caretaker of their children and running a household, it's more likely that they will purchase these baked goods for their families. That said, family structure is essential, as Crumbl provides easy treats that kids love and helps parents juggle work, childcare, and meal prep.

## **Generation Z**

Generation Z is also more inclined to be attracted to sweets as they have been conditioned to eat more sugar societally, and younger taste buds are less sensitive to high sugar content than adults. This is a good segment for Crumbl to target, considering the brand's social media is also more attractive to this demographic. Through social media, they have appealed to a broader cookie-lover audience through their weekly rollout of limited-edition flavors and interactive posts such as quizzes and polls on Twitter, which further engage social media followers. In short, younger consumers are more likely to be drawn to Crumbl's sugary decorative treats as they are less concerned about their health and are more likely to use social media when deciding what trending spot to go to for a sweet treat.

## **Geographic characteristics of the UK**

London would be the best place to start a Crumbl franchise due to its name recognition and popularity. London is also well known for its bakeries, and Britain, in general, is acclaimed for its love of pastries, cakes, and all things baked, thus the heavily praised "Great British Bake Off" series. More specifically, the ideal neighborhood for Crumbl to target in London is Westminster, a heavily trafficked area near many of London's most popular attractions, such as Buckingham Palace, Big Ben, and the House of Parliament. Further, Westminster is the second wealthiest borough in the area due to its booming tourism industry and extensive shopping and entertainment district. A cosmopolitan neighborhood location will allow Crumbl exposure to the target market we are trying to penetrate- a younger, urban demographic segment. This will also enable the brand to be identified

as more sophisticated and modern, undoubtedly drawing in a higher volume of consumers native to the UK or visiting, creating an affordable mass market segment.

Regarding pricing and targeting the buying power of Crumbl consumers, the average cookie is priced at \$4.25, a four-pack box at \$16.49, a six-pack at \$22.99, and a party box of a dozen cookies at \$40.99. Due to the large cookie size and specialty flavors, this pricing is acceptable by utilizing the purchase power parity conversion rate to sell the cookies in GBP. In addition, the posh neighborhood of Westminster draws in consumers who can afford these prices in the middle to upper-class segment, making them the perfect candidates for enjoying Crumbl Cookies.

## **Psychographics characteristics of the UK**

Consumers of Crumbl, as captured by online data, tend to hold many qualities, such as possessing positive attitudes, creativity, and honesty, which are the basis of Gen Z's personality traits. Concerning target consumers within the UK, they share similar attributes but may hold a different set of values. This has been captured online as many customers enjoy being involved with the brand and giving valuable feedback. Specifically, as Crumbl utilizes its presence on social media, they have gained a wide range of consumer perspectives and exposure to its desired target market. In using all platforms such as TikTok, Instagram, Twitter, and YouTube, Crumbl has caught the attention of Gen Z and is trending. With quizzes and polls, consumers maintain a relationship with Crumbl and are even committed to posting weekly reviews of the new flavors on the rotating menu. Generation Z is the perfect candidate for a loyal customer base as they are very interactive, and love voicing their opinions and being heard. They also have the most substantial internet presence as they are digital natives. From the earliest youth of this target, they have been exposed to the internet, social networks, and mobile systems, making them the prime candidate for Crumbl. With this demographic sharing a love for technology as it is their primary source of information, Crumbl should continue to be transparent and responsive to consumers. In doing so, they can adapt their product accordingly and continue leveraging their trend-focused approach to target Gen-Z better.

## **Behavioral characteristics of the UK**

In analyzing the purchasing habits of Crumbl's UK target market, we discovered that the behavior patterns of consumers who are more likely to try new tastes are heavily influenced by social media trends. This can boost consumer loyalty and allow Crumbl to segment consumers based on their shopping behavior. The specific behaviors addressed are those who prefer to conduct research through search engines or reviews to ensure they are making the appropriate purchasing decision. Along with those who are open-minded and keen to try new things, this goes hand in hand with Generation Z, who use the internet for all aspects of their lives and are more likely to be influenced to try new items if there are constant favorable evaluations. Other influences on behavior include special occasions such as holidays or festivities, as well as reward systems. Customers can, for example, use the Crumbl app to earn loyalty crumbs toward free cookies and receive a free cookie on their birthday. These elements have a direct impact on consumer satisfaction levels. They can

ensure future customers' behavioral outcomes, resulting in increased customer retention, higher lifetime value, and a stronger brand reputation.

## Mode of Entry

There are multiple ways of entering the UK market, these being with greenfield, acquisitions, joint ventures, or replicating the models of franchising that have been successful in the US. Moreover, given that the cookies are freshly baked, and in the US they are sold in their stores, we should replicate the model of having our stores in the UK, where we bake and sell the cookies, instead of selling them in retail stores.

- Going with **greenfield investment**, Crumbl would have greater control over the stores. However, it would be more financially demanding for the company, and given that they are entering a foreign and competitive market, it would be challenging for them to understand and easily adapt to the UK market.
- **Acquisitions and joint ventures** would allow the company to obtain local expertise in the market and understand how they should market their products in the region. Nonetheless, both modes carry the risk of cultural differences among the different companies, meaning that they might find it difficult to achieve synergies, and conflicts might surge within the branches. Joint ventures also decrease the control that Crumbl would have in the stores. Moreover, acquiring a company might carry difficulties in achieving the right purchase price, which could be out of the capabilities of the company to purchase it.
- **Franchising** carries several advantages, by not needing to spend as much capital, while also possibly acquiring local knowledge of the UK market. The main risks with franchising come with the loss of control of the Crumbl branding to the franchisors, along with the financial risks of the franchisors not being able to pay for the royalties.

Their current business focuses on their franchise chain in the US and other American countries. The current investment **payback period for franchisees is 2.1 years** according to Sharpsheets, approximately \$500,000. They are open to investment abroad, where they are looking for franchising opportunities in the UK, Canada, and Japan, according to their website.

Given the different strategies of expansion, we decided to open a head office in London Westminster, create a subsidiary to facilitate business in Europe, and then perform the franchising strategy that they currently have in the US. The head office would allow Crumbl to oversee the operations of the franchisors in the UK. This entry model is similar to the successful franchising expansions of several fast-food chains such as McDonald's and Burger King and given the experience that Crumbl has with franchising their stores in America, they would not find it difficult to replicate it in London. We would also iterate a rebranding strategy for the UK market given the language differences, and we would market the stores and the products as Crumbl Biscuits.

Finding franchisors will follow the similar strategy that Crumbl already has in the US, and there can also be more targets that they can focus on: they **target individuals with a minimum net worth of \$300,000 and minimum liquidity of \$150,000**, which adjusts to the purchasing power parity of the UK according to OECD, to £210,000 and £105,000 respectively. Several strategies to find such

people include presentations in venture capital and private equity events and meetings, reaching out to franchisors of other food chains in the UK who are looking for investment opportunities, and pitching social clubs to managers and business owners. We could for instance target a senior consultant of BCG from the London office, who seeks to have his own business and is open to bringing international products to London. Our value proposition will identify the healthy profit margins that Crumbl has in the US of about 27% EBITDA, the short payback period of 2.1 years, and the endless opportunities for growth in the UK given the market and economic conditions. Given the attractiveness of foreign investment in the UK, it is also possible to find these people in other countries and bring FDIs to the UK market. Lastly, we would point to the low-interest rates of UK banks to demonstrate the ease and effectiveness of obtaining leverage in the UK market for investment.

## **Marketing Strategy**

### **Product/Service Adaptations**

Since we are expanding internationally, we must adapt to the traditions and customs of England. The biggest adaptation that we are making as a company is changing the brand name. Crumbl Cookies in England will be called Crumbl Biscuits, as they use the word biscuits for what Americans call cookies. This is important to avoid confusion on what products our company offers, as well as to make sure we understand the culture. Also, because the government in the UK is promoting lower consumption of sugars, fats, and other unhealthy products, we will need to have recipes that include less sugar, butter, unhealthy cooking oils, and other ingredients. We will do our best to have healthier options and have some weekly flavors that cater to those who want a “healthier” dessert, and we would use ingredients that are common in the UK, to adapt our product to the taste of the population. Another point we had to discuss was whether after-sale services apply to our business. There will only be after-sale services if the delivery process negatively affects the look or taste of the product, or if the wrong product is delivered, then Crumbl will have to follow up with the customers and resolve the issues. As for our branding policy, a huge part of it is our famous pink box. Every time a customer buys our products, they will be packaged in a recognizable pink box, which makes Crumbl unique and stands out. This also allows our customers to be able to post on social media and join the community. Our large social media presence is a huge part of our brand, as we have a large following and customers love participating in our “weekly Crumbl review” and posting it to their social media. Lastly, our rotating menu and open kitchen concept where customers can see every part of the cookie-making process is an extremely important part of our branding policy.

### **Pricing Strategy**

Cost factors such as employee wages, variation in ingredient costs, government policies, stock market stability, and many other factors may affect the price of our cookies. The supply and demand of cookies will also change as health concerns change. If consumers slowly stop buying sugary goods, then the price of Crumbl cookies might need to decrease. The prices of our competitors will pressure Crumbl to potentially price match, and although we have more unique flavors, we cannot

charge extremely high prices relative to other bakeries and the cookie market. Since Westminster is a relatively wealthy area so Crumbl should charge similar prices for bundles compared to the U.S. bundles. We must ensure that the currency exchange from the UK pound to the U.S. dollar equates to the same retail prices to maintain the value-based pricing strategy. The middle and upper-class citizens, along with tourists, will be more than willing to try unique and high-end cookies that are brand new to the area. Thankfully no government policies currently restrict our pricing unless the government creates a Value-added Tax. Our main factors are market factors that affect price supply and demand, and several competitors in the U.K. Buyers in the UK will compare our prices to other brands, evaluate the quality of our products and truthfulness of brand reputation, and notice discounts when Crumbl offers them. Crumbl and its competitors in the UK offer luxury cookies compared to traditional and more simple cookies such as Oreos and Chips Ahoy. Consumers are willing to pay a higher price for the higher quality and uniqueness of our products, but Crumbl must be careful and not break the boundaries of value-based pricing.

The UK pound does not fluctuate much compared to many other countries' currency rates, however; we will have to pay attention if the currency were to crash. The price of our cookies will generally stay the same since London's economic environment is similar to the U.S. As we expand to other cities, prices may fluctuate slightly depending on average income.

To sum up, we have two pricing strategies: bundle pricing and value-based pricing. We will maintain our models of selling various bundles of cookies and applying a premium price to them given our quality and our branding. We will use purchase power parity to convert the selling price of the cookies into GBP.

## **Promotion Strategy**

### **Message**

The desired message that we want to portray to our target market is the notion that Crumbl's gourmet cookies are an experience you won't forget, down to the very last crumb. Crumbl strives to emphasize the value of their high-quality products, treating oneself, and having an enjoyable experience. These aspects might be considered when aiming to give the finest product to customers. Crumbl cookies, which are described as rich, decadent, and delicious, are intended to be an indulgent treat that customers may enjoy. Crumbl desires to convey its message through playful packaging and branding. They strive to deliver a delicious and entertaining experience that leaves consumers satisfied.

### **Promotion options**

We must take into account the regional, cultural, and marketing conventions when choosing which promotion choices are most appropriate for Crumbl Cookies' UK target market. Advertising, social media, sales promotion, personal selling, and buzz marketing are some approaches to examine to effectively build awareness of Crumbl Cookies in the UK. This can be performed using billboards, influencer marketing, discounts, coupons, and BOGO (buy one, get one) deals, which can be a



powerful technique to attract customers to try Crumbl Cookies. This can be accomplished through online or in-store promotions, and it can aid in creating a sense of urgency and driving sales. In efforts to build deep relationships with our customers, we can do in-store events, pop-up shops, or partnerships with local businesses to provide sample opportunities. By doing so, we may generate interest and awareness among target customers by creating a sense of excitement and expectation around the brand. Social media is the primary source of exposure and has a large readership. This also best targets our intended audience, as generation z has the most technological presence. Crumbl uses search engine optimization to promote and share consumer experiences and opinions by using hashtags such as #crumblreview. This can also directly connect with possibilities to work with influencers and expand brand collaborations. By carefully considering the cultural and marketing norms of London, and experimenting with different promotion options, Crumbl Cookies can build awareness and drive sales in the UK market.

### **Insights**

To attract and engage customers in London, a combination of advertising, sales promotions, personal selling, buzz marketing, and online marketing can be beneficial. Crumbl Cookies can increase awareness, generate sales, and establish a strong presence in the region by carefully tailoring each promotion option to the specific demands and tastes of the London market. Because London is a significant metropolitan location with a diversified population that is busy and lives a fast-paced lifestyle, advertising is an effective strategy to reach a large audience. Crumbl Cookies can reach potential customers with targeted advertising on social media platforms such as TikTok and Instagram, as well as digital ads on local news websites and publications. Because London has a huge and tech-savvy population, web marketing is an excellent approach to reach them.

### **Regulations**

The United Kingdom has a variety of legislation that control various forms of promotion tactics. Some important regulations to be aware of are as follows. The Advertising Standards Authority (ASA) oversees advertising in the United Kingdom. The ASA regulates all types of advertising, including print, radio, television, and online. Advertisements must be accurate, not deceptive, and contain no inappropriate or dangerous information. Furthermore, the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) establish standards for sales promotions in the United Kingdom. According to these regulations, promotions must be fair, transparent, and not misleading. Businesses must also ensure that any promotion's terms and conditions are transparent and easy to understand. As a business, Crumbl must be aware of these rules and regulations.

### **Local vs global campaign**

Crumbl is a rapidly growing cookie chain that has gained popularity in various parts of the US. Whether the brand is better served locally or globally depends on a variety of factors, such as its target market, business model, and overall goals. In terms of the target market, Crumbl Cookies appeals to a broad range of consumers who enjoy indulgent, high-quality baked goods. However, their business model is focused on opening brick-and-mortar stores, which means that they may be

better served in areas with a high population density and a strong demand for their products. On the other hand, if Crumbl Cookies were to focus on global expansion, they could potentially tap into new markets and reach a wider audience. The global expansion would also require significant marketing, logistics, and supply chain management investments. Ultimately, we have decided that Crumbl Cookies are better served globally. While Crumbl would need to adjust to certain criteria within different locations they would thrive in both growth and success.

### **Corporate social responsibility projects**

Crumbl Cookies is dedicated to giving back to the community and has taken part in several corporate social responsibility projects. Some would include Crumbl Cares: Crumbl Cookies offers a "Crumbl Cares" initiative that supports local charities and non-profit groups. Every week, a portion of the company's profits is donated to a new charity, and they have previously sponsored groups such as Make-A-Wish, the American Red Cross, and local food banks. Crumbl frequently engages in community events such as fundraisers, school events, and charity races. They donate cookies or financial support, in efforts to help generate awareness and support for vital community initiatives. Crumbl also strives to reduce its environmental impact by using sustainable packaging for their products. Their boxes are made from recycled materials, and they encourage customers to reuse or recycle them after use. Overall, Crumbl Cookies is committed to positively impacting the community. We believe that sustaining these projects would benefit Crumbl since it would allow them to differentiate themselves in the market, engage employees, manage risks, and assure long-term sustainability.

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