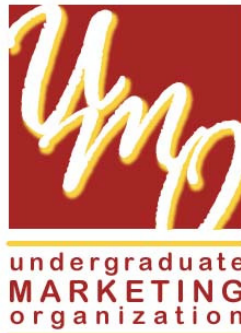


The Undergraduate Marketing Organization presents:

**The Housing and Dining Services Marketing Case Competition**

**“Increasing the Exposure and Sales of the Carnegie Mellon Bakery”**

Sponsored by Carnegie Mellon Housing & Dining Services



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## Case Competition Information

The Undergraduate Marketing Organization and Carnegie Mellon Housing & Dining Services are partnering to present this case competition as an opportunity for students to apply their knowledge and skills to a current business situation and prepare for future competitions on a national level. Housing & Dining Services will consider all of the information submitted in future marketing efforts and consult with student groups before implementing any of their work in its promotion and advertising of the Carnegie Mellon Bakery.

### ***Case Challenge (Problem to Address)***

The Carnegie Mellon Bakery is a relatively new addition to the portfolio of dining venues and operations operated by Housing & Dining Services and its central vendor, Parkhurst Dining Services, Inc. The bakery has been operating for two years as a support operation, baking fresh cakes, cookies, breakfast pastries, and other snacks that are sold in other dining locations such as the University Center Food Gallery, the Maggie Murph Café, and the Carnegie Mellon Café at Resnik House. In addition, the bakery supports Carnegie Mellon Catering, also operated by Parkhurst, to supply the daily desserts for the Faculty Club at Schatz Dining Room, the I Care Packages From Home program, and catering events during the academic year in all campus venues including the President's Residence.

While the bakery has started to gain some recognition for the fine products its staff creates, a small percentage of the campus population knows that there is a bakery on campus. Those that are aware of the facility are rarely sure of the ordering process (including lead time, cost, and pick-up), and the wide variety of possibilities are hard to convey to potential customers. Finally, the daily specials baked by the staff are not rotated or advertised in an intentional way.

A storefront facility for more exposure is in the long-term plans of the dining operation, but the bakery must continue to grow sales with the current facilities in programming. Housing & Dining Services is looking for a strategy and advertising campaign to contact our target customer markets and make an impact in revenue without a current investment of expanded production and sales facilities.

- How can the Carnegie Mellon Bakery become *the* source for fresh-baked desserts, breakfast goods, and other snacks for the campus population (including students, faculty, and staff)?
- How can the bakery use its current signature product, the Tartan Cookie, as a vehicle to further advertise its other products and services?
- How should the bakery's storefront location (in the Resnik House Carnegie Mellon Café footprint) be designed, programmed, and advertised to maximize sales and exposure?

### ***General Catering Sales***

The bakery is currently the main supplier of all sweets and baked goods to the Carnegie Mellon Catering Service. While some goods are pre-made but fresh-baked on campus (such as doughnuts and bagels), most varieties of standard danish, muffins, cookies, and other sweets are

made from scratch. The bakery also supplies custom cakes and desserts for catering service's meals at the Faculty Club and at other special events across campus.

### *Tartan Cookies*

The Tartan Cookie was created as the signature dessert to be sold across campus at all venues operated by Housing & Dining Services. Priced at \$1 to make them easily identifiable and affordable for all campus patrons, the Tartan Cookie's icing pattern and subtle almond flavoring have quickly made it a campus success. Expanded to all dining locations this semester (after previously available only at Parkhurst locations), the Tartan Cookie demand on campus poses a production challenge for the bakery's two staff members. Vendors currently receive deliveries twice a week and quickly sell-out, but expanding the amount and size of deliveries is difficult. Expanded risk of unsold product and decreased quality from shelf life deter vendors from purchasing enough cookies to meet customer demand.

Tartan Cookies could also use a standard sales package to increase brand recognition. Vendors currently receive unwrapped cookies by the dozen and wrap their cookies for storage and display in a variety of plastic bags, wraps, or in a covered container where they are presented to the customer at the point of sale.

### *I Care Packages*

The I Care From Home packages are currently advertised to parents and students as gift possibilities for special occasions. Packages for mid-terms, finals, and birthdays are the primary offerings, while other packages are also available for football parties, movie nights, and other activities that help students relax during busy times of the year. These packages are only actively advertised to parents at the beginning of each academic year, and sales are minimal.

### *General Pastries and Baked Goods*

The bakery supplies fresh muffins, scones, and other daily specials to three dining locations each morning. Brownies, cookies, and one-serving pies are sent to these same venues for the lunch and dinner block periods for customers to purchase with their meals. The rotation of these breakfast goods and desserts is not advertised to our customers and sometimes causes frustration with those looking for a particular product. All of our customers do, however, appreciate the fresh baked goods they can get every day at these locations.

### ***Case Directions and Guidelines***

Teams are encouraged to be as creative and intuitive as possible in creating an image and presence for the Carnegie Mellon Bakery that is consistent with the standards currently exhibited by the design of dining venues, publications, and other advertising. Any use of the Carnegie Mellon wordmark or Housing & Dining Services logo should be used as directed by the Carnegie Mellon style guide or current uses in Housing & Dining Services advertising. Particular attention should be paid to the following items and discussed in your report:

- Target markets (campus community and surrounding opportunities)
- Market segmentation (students, parents, faculty, staff, etc.)
- Marketing mixes for the featured products of the bakery
  - General catering sales (including community orders, not just events)
  - Tartan Cookie sales, packaging, promotion, etc.
  - I Care From Home program
  - General location sales, advertising, etc.
- Logo / branding identifying bakery as a unique dining experience
- Prospective design, advertising, location strategy for physical storefront
- Other issues, challenges, and opportunities identified as unique to the location

### ***Evaluation Criteria***

Teams should develop an appropriately comprehensive marketing, advertising, and branding strategy to showcase the Carnegie Mellon Bakery as a location and as a product line at various locations. The case's written portion (which should not exceed 15 pages in length—including appendices), and presentation (which should not exceed 30 minutes, with an additional 10 minute Q&A session) will be evaluated by judges according to the following criteria:

- An analysis of the Carnegie Mellon bakery's current strengths, weaknesses, opportunities, and threats in the market and location
- A description of the target market segment(s) in the consumer population
- A marketing plan and strategy that focuses on promoting current products, enhancing visibility in the university community, creating separation from local competition, and distinguishing the Carnegie Mellon Bakery as a service that fulfills both gourmet and everyday needs
- Effective use of current advertising opportunities and the identification / creation of other unique conduits for reaching all customer segments

Teams should focus on utilizing the current production resources and limitations outlined in the attached company profile. Increased demand and revenue would subsequently cause necessary increases in the labor and capital areas according to the current space allocated to the Carnegie Mellon Bakery and other back-of-house operations managed by Parkhurst.

### ***Timeline***

Teams will have two and a half weeks to complete the case.

Release case study:

Wednesday, March 28<sup>th</sup>, 2007

Presentations and Case Write-up submission deadline:

Saturday, April 14<sup>th</sup>, 2007

10:00 AM

Presentations:

Saturday, April 14<sup>th</sup>, 2007

12:00-5:00 PM

Simon Auditorium, Posner Hall

### ***Submission***

All files (presentation and write-up) must be submitted by 10:00 AM on Saturday, April 14th, 2007. Please include your team number in the file name. Submit files by emailing them to [umo@andrew.cmu.edu](mailto:umo@andrew.cmu.edu) AND [pujak@cmu.edu](mailto:pujak@cmu.edu). Failure to do so may result in disqualification.

## About Housing & Dining Services and The Carnegie Mellon Bakery

### ***Company Profile***

Campus dining at Carnegie Mellon is about great food. But more importantly it is about creating community-oriented dining experiences for the entire university faculty, staff and students. Especially for first year students, dining on campus - like living on campus - helps students orient and adapt to life at Carnegie Mellon.

Our 24-hour, active learning environment, filled with new freedoms and responsibilities for most of our new students, can seem overwhelming at times. Our food locations and dining rooms are intentional places where students can meet and connect with each other, form friendships, and find common interests or new and challenging perspectives - all in safe and supportive surroundings. Many students see their daily meals as times of day and at places where relaxing and recharging can be the priority.

Carnegie Mellon feels so strongly about the positive benefits of new students living and eating on campus regularly that we require housing and a meal plan for all first-year students. Because of the variety of types of food available on campus and the many dining locations with varying hours per day, Dining Services has been very successful in serving the needs of a dining population with diverse tastes and requirements for international and cultural cuisine, vegetarian and vegan diets, and special food-related medical needs. We employ on campus an executive chef, a registered dietician and other food professionals who work with individual students on nutrition and diet choices.

A core emphasis in the provision of dining services at Carnegie Mellon is to teach students life-long habits around healthy diets and nutrition. We partner with many other departments on campus to also support the physical, social, spiritual and psychological wellness of our students.

The Carnegie Mellon Bakery is just one example of our efforts to provide comprehensive service that guarantees a fresh, good-tasting menu that provides a wide variety of distinctive meal options, whether it is a staple food for breakfast or a dessert that can be added to a meal. While the bakery's guaranteed customer base comes from first-year students on required meal plans, the bakery's flexibility to offer products and services to all members of the community provides it a unique opportunity to generate revenue and play a role in the development of Housing & Dining Services' identity in the college market.

### ***Mission Statement***

Housing & Dining Services is committed to providing quality accommodations and food service for the Carnegie Mellon community. Our focus is on satisfaction and service in residences that support the development of successful educational communities, and in community-oriented dining experiences that consistently provide high-quality food in keeping with varying tastes, traditions and interests.

### ***Quick Facts and Figures***

- Housing & Dining Services has 27 residence houses and 25 eating locations, which are located in 10 different campus facilities.
- Over 2,300 students are on the meal plan, 1,400 of which are first year students on required plans
- The university has populations of approximately 4,500 undergraduates, 4,000 graduate students, and over 2,000 faculty and staff members
- The dining program acts as an auxiliary that is not subsidized by funds from tuition or other central sources; the Dining budget is approximately 11.2 million dollars annually
- The bakery's sales – comprised of sales in other dining locations and catering orders – were \$114,000 in the last fiscal year and are projected to top \$160,000 this year

### ***Product Categories and Sales Percentages***

- Breakfast Items (31%)
  - Muffins
  - Scones
  - Doughnuts
  - Danish
- Cakes and Pies (46%)
  - Birthday cakes
  - Other cake recipes for various events
  - Single-serving pies
  - Whole pies
- Snacks (23%)
  - Tartan Cookies
  - Brownies
  - Other Unique Cooke Recipes
- Homemade Breads (*possible only with future capital expenditures*)

### ***Pricing***

Housing & Dining Services' prices fluctuate regarding what is offered at many of the facilities, but sample menus are available at:

- <http://www.cmu.edu/dining/pdfs/locations/menus/MaggieMurphsWebMenu.pdf> (page 2)
- <http://www.cmu.edu/dining/pdfs/locations/menus/CMCwebMenu.pdf> (page 1, branded at the time as Wheatcroft's before the bakery was being advertised)
- [http://www.cmu.edu/dining/pdfs/locations/menus/BaristaCafe\\_Menu.pdf](http://www.cmu.edu/dining/pdfs/locations/menus/BaristaCafe_Menu.pdf)
- <http://www.cmu.edu/dining/pdfs/CateringGuideComplete.pdf> (page 31)



### ***Areas of Concern and Historical Background***

As previously mentioned, the bakery's current configuration has only been in place for one full fiscal year. Instituted as one of Housing & Dining Services first major investments when the housing and dining programs were linked in the Spring of 2004, it was initially formed as an operational support for the dining locations operated by Parkhurst. The bakery was given dedicated kitchen space in the existing Resnik House area previously serving the now closed Highlander Café. While larger, industry-standard capital investments have been made, the bakery is currently at a capacity limit for the variety of menu items offered. The addition of a storefront is currently being planned to promote a more centralized sales point that would allow for more consistent supply and advertising to the Carnegie Mellon community. The hope is to enhance the ordering and delivery options so that more customers recognize and take advantage of access to this on-campus resource.

The current vendor system used on campus does pose some constraints to the generalization of service, as currently being experienced with the current expansion of Tartan Cookie distribution. Clearly, just-in-time delivery of goods, facilitated by the ordering service, is the only way to expand offerings without compromising the product quality and generating expense from product waste. Outside vendors are unable to assume this financial risk and a central sales point provides an opportunity to avoid these costs. Other vendors also have individual product lines that they feature, so some competition for desserts and baked goods on campus does exist. This competition, however, is seen as a positive feature that improves the overall quality and variety of offerings to the community.

### ***Recent Advertising***

Current advertising efforts related to the bakery have been focused in three major areas. First, a weekly newsletter is distributed to all meal plan holders every Monday. Sent via email, this newsletter advertises weekly specials at many locations and features a rotating Hot Spot feature detailing a particular venue's offerings. Because the bakery has no central physical presence, it is not advertised as a Hot Spot. Its products, however, are often mentioned in association with the Parkhurst locations that feature its breakfast and dessert features. The Tartan Cookie is advertised in this newsletter once a month and the I Care From Home packages are highlighted twice a semester. There is no cost associated with this advertising because existing staffing resources are used to compile the information and central IT systems distribute the email.

Second, advertisements for Housing & Dining Services appear weekly in the campus newspaper *The Tartan*. Distributed weekly on Monday mornings, *The Tartan* features regular quarter-page ads highlighting special events in the Dining Services area. \$6,000 is committed to *The Tartan* yearly, with ads appearing in both the print and online editions. With three full-page color ads highlighting some aspect of the bakery's current offerings, over \$3,500 of these funds have been linked either exclusively or in-part to Carnegie Mellon Bakery products, including the Tartan Cookie.

Finally, signage at our dining venues often includes co-branding or cross-selling efforts with the variety of fresh-baked goods distributed daily on campus. These ads rarely highlight any specific products offered on any given day because the uncertain schedule of product

(dependent on a daily or weekly supply of fresh fruits and other ingredients), but the display cases at the Maggie Murph Café and the Carnegie Mellon Café (open until midnight daily) do a great job of encouraging impulse buys from customers generally stopping in for a coffee drink or other beverage.

The unique features of the bakery, coupled with the constraints of its location and daily menu options, create a challenging opportunity to generate sustainable interest in its goods. While word-of-mouth buzz about the on-campus bakery receives positive feedback from all of our customers, it hasn't yet provided a means for consistent and predictable income from our easily-accessible target market(s).

### ***Additional Information***

Housing & Dining Services uses its Five Star Customer Service Standards as the cornerstone for its efforts on campus and strives to increase the amount and quality of access the university community has to our information and service. Our website (<http://www.cmu.edu/dining/>) intends to make valuable contract and dining information easily accessible for our meal plan holders and cash customers. It is designed to easily convert to the university's changing architecture and content management system. For the purposes of this competition, it will serve as a resource of information and current practices regarding our practice that the teams should use in their reports.

### **Contact Information**

Questions regarding the Carnegie Mellon Bakery should be referred to Ryan Rearick, Assistant Director for Housing and Dining Services, at [rearick@andrew.cmu.edu](mailto:rearick@andrew.cmu.edu).

Questions regarding the Undergraduate Marketing Organization's Housing and Dining Services Marketing Case Competition should be emailed to [umo@andrew.cmu.edu](mailto:umo@andrew.cmu.edu).