



# ENDERUN

**Marketing Final Paper**

**Submitted By: (Jollibee)**

Starr Cunanan

Pearly Magto

Angelo Santillana

Arnon Sibulo

Jericho Tamayo

**Submitted To:**

Mrs. Retchell Morales

**May 10, 2019**

## **I. EXECUTIVE SUMMARY**

### **A. Summary of Marketing Plan**

This paper is all about the group's proposed marketing plan on its chosen brand or company, Jollibee Food Corporation (J.F.C).

The first few parts of the paper will contain the situational analysis about Jollibee. It gives a brief background about the brand and the current product offerings, marketing strategies and the possible marketing advantages and disadvantages that the Jollibee may face. It delves into the present situation as well as in terms of its external and internal factors by the use of the Industry Analysis (Porter's Five Forces, S.W.O.T., P.E.S.T.E.L. Analysis, Porter's Value Chain).

On the latter part of the marketing plan, it then delves on the chosen market segmentation and target audience of the group which will help in determining who will be the customers of the extended product which are the Jollibee Chicken Wings. This part will contain a brief target-audience profile based on demographics such as the age, gender, and other important characteristics.

Lastly, after determining the chosen product extension to its chosen market, the market strategy will then be laid out through the use the Marketing Mix (4Ps). From here it will give a detailed proposal of the marketing plan the Jollibee Chicken Wings.

### **B. Purpose of the Paper**

The overall purpose of this paper is to critically propose a new marketing strategy for the product extended, Jollibee Chicken Wings, which in turn will be properly justified

through the research, surveys, and critical analysis. This research will in turn possibly benefit the following: Jollibee, business starters, and other existing businesses.

- ***Jollibee***

This research will help Jollibee tap new opportunities and introduce new products on their menu which may help their company. This will then help Jollibee improve on their weak aspects in terms of the product offering trends.

- ***Business Starters***

To business starters, this will help them to analyze their market in terms of consumer preference along with identifying key factors that should be taken into consideration before introducing a product.

- ***Existing businesses***

To existing businesses, this research will help them identify trends on what the customers are currently interested in with regards to expanding or introducing a new product line.

- ***Students***

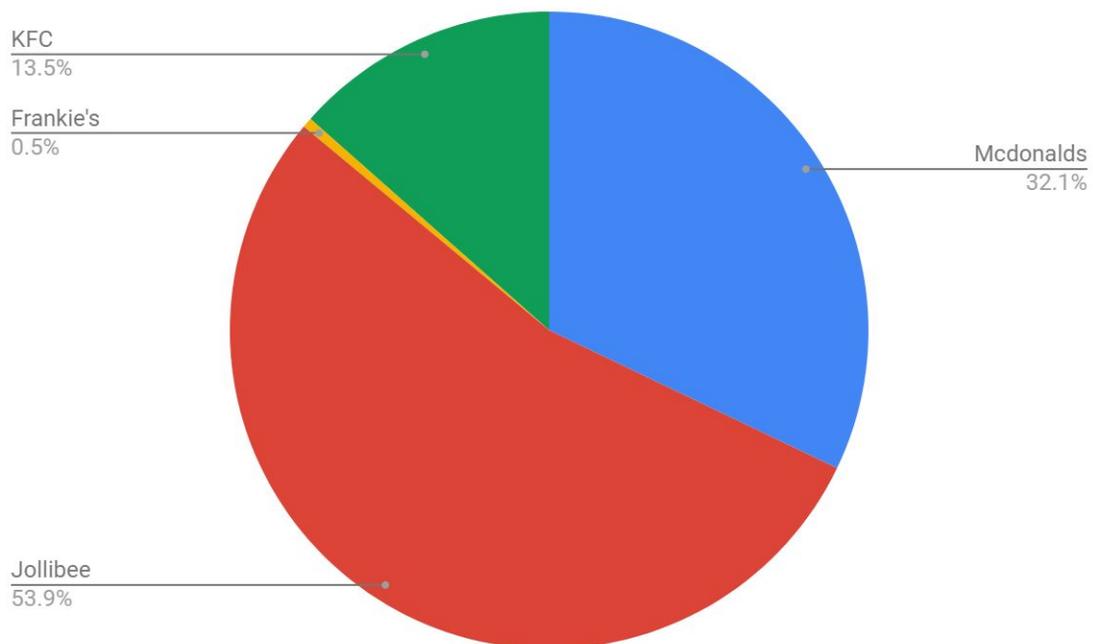
To students, this research done by the group may be of useful secondary resource if the students may one day be of interest in the topic. This may serve as a part of review of related literature.

## **II. THE CHALLENGE**

- **Brief Background**

Jollibee is a dominant market leader in the Philippines being the largest fast food chain in the Philippines with a network of over 900 stores locally and about 80 stores

outside the Philippines - USA (26), Vietnam (32), Brunei (11), Jeddah (7), Qatar, Hong Kong, and Kuwait (1 each), firmly establishing itself as a growing international QSR (Quick Service Restaurant) player. The pie chart below shows the market share chart of the fast food industry in the Philippines. As it is seen, Jollibee ranks on top given that it is 53.9 %, over half of the majority.<sup>1 2 3 4</sup>



- **Brief History**

Jollibee started as an ice cream parlor in Cubao that eventually became the 1st outlet of Jollibee. Its first flagship product was the *YumBurger* and later on the *JolliSpaghetti*, the best selling Chicken Joy and French Fries was introduced to the

---

<sup>1</sup> <https://www.jollibee.com.ph/about-us/>

<sup>2</sup> <https://www.kfc.com.ph/Home>

<sup>3</sup> <http://frankiesnywings.com/>

<sup>4</sup> <https://www.mcdonalds.com.ph/>

public. The year 1978 was when Jollibee was incorporated as a 100% Filipino owned company, having 7 stores available within Metro Manila as its initial network.

Their very 1st commercial was shown to the public in 1980 wherein the Jollibee mascot appeared to support and establish their brand. In 1983, the new “*Langhap Sarap*” TV commercial is launched and it was considered as the most effective advertisement in the food category during the 9th Philippine advertising congress.

- **Current State**

Jollibee, one of the most known fast food restaurants in the Philippines, is continuously growing up to this day. The fast food restaurant has developed throughout the years and is much more accessible today that any paying customer can readily purchase food with just the tip of their fingers. Recently, Jollibee announced that Globe subscribers can order their food delivery using a specific hotline, landline #87000, that can be called for free. This is an example that shows how customers can easily satisfy their wants. Not only does this allow the people to reach Jollibee with the tip of their fingers, but it also shows how Jollibee repays the loyalty of their customers.

Since Jollibee is constantly expanding internationally with branches almost found worldwide, as of February 2019, Jollibee’s net worth has increased to a whopping P8.3 Billion. This allows Jollibee to continue expanding as a business and create more profit benefiting the welfare of the entire company.

Not only does Jollibee sell food and services; the fast food restaurant has also ventured along merchandising. Jollibee partnered up with Uniqlo, a Japanese clothing company, to advertise the company and modernize its name. Uniqlo launched a number

of T-Shirts last 2016 with the hashtag #BEEUNIQL, a collaboration designed by Jollibee and Uniqlo. As Jollibee improves in the development of its brand, it also has certain obstacles that may lead to problems for the company

From the latest news, employee regularization is still an issue that Jollibee is trying to resolve today. Recently, Jollibee promised to regularize at least 3000 workers in order to compensate for the mass of people complaining on the issue of unjust regularization, but the Department of Labor and Employment (DOLE) was not satisfied with the number of employees that Jollibee planned to regularize. So, the Department of Labor and Employment ordered Jollibee to regularize at least 6000 workers annually.

Jollibee Food Corporation (JFC) has been the country's number one fast food chain for more than 4 decades having 18,235 employees with a market cap of \$ 5.9 Billion. The Filipino based fast food giant has built a reputation as being a family friendly fast food chain for the masses. JFC currently has 1,100 stores, 950 of which are based in the Philippines and 150 of these stores are situated abroad with a constantly growing number of stores. JFC operates through different segments mainly food service, franchising and leasing. Jollibee's operating branch of food service is responsible for all the meals prepared and delivered along with Jollibee's day to day operation. Franchising on the other hand is about managing Jollibee's promotion, business strategy and products offering support to franchisees, which ensures overall success of the organization. The lease administration operates the company's real estate, construction and renovation. JFC offers long term leases to their franchisees so that their clients wouldn't have a hard time finding a place to put up their franchise. JFC in 2017 total sales revenue was 131.81 B

with a cost of goods sold including depreciation and amortization D&A of 93.27B without the D&A cost of goods sold was valued at 89.27B.

- **Current Marketing Strategies**

Jollibee became more successful in the food industry because of their excellent marketing strategies which won them various awards and recognitions. From the very start of their company wherein the popular tagline “Langhap Sarap” was made, they already won various awards such as the most effective ad campaign in the food category during the 9th Philippine Advertising Congress, Agora Award for entrepreneurship given by the Philippine Marketing Association, and the Anvil Award for outstanding PR campaign in relation to the achievement of its marketing objective on its Filipino Talents campaign in 1988.

Until now, Jollibee is setting the standard in terms of marketing. They target all types of market especially families and children. They gave superior value to children. Most of our population is consisted by children and getting that big segment will make the marketing of your product very effective. Some Jollibee stores even have small playgrounds where children can play before eating. Promotional offers like the Kiddie meals wherein toys will be given when you order is also being offered by Jollibee. These toys are based on what the trend is and this makes a lot of children choose eating in Jollibee. Special services like the *Jollibee Kids Party* is also being offered.

Jollibee established their image to be for everyone. They focused on all the market segments. They also marketed their product to all ages. Students, office workers and even travellers are their target market.

## **MARKETING MIX**

- ***Price***

The price of the products of Jollibee are very affordable to the lower class (not poor) to middle and upper class working person. The lowest price that Jollibee sell is their Sundae cone which costs 10 pesos only and the most expensive product that they offer are group meals which are the 6-8 pieces *ChickenJoy* Family Bucket meals ranging from the price of P399 - P599 only.

- ***Product***

The product of Jollibee focuses on Filipino taste, Jollibee has a wide variation of products made for the Filipinos. One example of this is their spaghetti pasta. The usual taste of a spaghetti pasta is sour, but in Jollibee it is made for the Filipino taste bud which is why the *JolliSpaghetti* is sweet. Jollibee also makes their burgers the way Filipinos want it. A little sweet and well done. Jollibee integrated palabok and halo-halo to their menu a local delicacy in the Philippines. They aim to be a fast food chain with authentic Filipino delicacies unlike rival fast food giants which presents western food. Their menu is currently composed of Breakfast menus which are Corned Beef, Garlic Pepper Steak, Longganisas, Hotdog, all served with rice except for pancakes. The next is the main dishes that are served all day which includes Chicken Joy, Burger Steak, Spaghetti, Palabok espesyal, Lumpiang Shanghai. For snacks, Burgers, Hotdog Sandwich, Fries and side dishes which are mashed potato and corn is being offered. For desserts, Chocolate sundae and Twirls are available. Their beverages are all Coca Cola products which are

Coke, Sprite, Royal Root Beer and there are 2 options for juices which are Iced tea and Del Monte pineapple juice.

- ***Place***

Strategic placement of Jollibee stores in the Philippines is also one of the ways on how it became the top fast food restaurant in the Philippines. Stores can be seen located in populated areas like schools, malls and offices. Some of their stores are also located at strip malls in national highways wherein travellers stop by to dine in or grab a quick meal on the go.

Jollibee's expansion abroad targeted OFWs; With the placements of stores strategically, their stores abroad reached to areas which have a large number of Filipinos such as the United Kingdom wherein 250,000 Filipinos are currently living. This expansion gave Filipino's from different parts of the world have a taste of home. The expansion of branches also allows Jollibee to be tried and tested by those from different countries.

- ***Promotion***

Last 2017, the *#KwentongJollibee* was the most talked about marketing strategy of Jollibee wherein short films about different kinds of love are depicted in every series. This marketing strategy is very effective because the videos that they posted were mostly inspired by a true story. The videos became trending and was talked about for months.

Convenience is also delivered by Jollibee with the different options of acquiring the products that they have. Drive-thru services and delivery services targeted the audience who are very busy and this eased the process of acquiring their products. They

also developed a loading card wherein you can use it to buy their products and get points for using it. The “Happy Plus” card is not only limited to be used on Jollibee, it can also be used to buy products from their sister companies.

### **III. SITUATIONAL ANALYSIS**

#### ***A. Company Background***

A vision statement is a statement of an organization’s aspirations of what it hopes to achieve and become, it describes where the organization want to be in the future while the mission statement describes what needs to be done by the organization to achieve the vision. The core values statement defines what the organization believe in and how people are expected to behave within the organization. Jollibee Foundation envisions that Filipino will access to basic community services and live a life defined by dignity, purpose, and active participation in nation building. With a mission of “*To serve great tasting food, bringing the joy of eating to everyone*” and a vision of

*“We are the best tasting QSR (Quick Service Restaurant)..*

*The most endearing brand...*

*that has ever been...*

*We will lead in product taste at all times...*

*We will provide FSC (Food, Service, and Cleanliness) excellence*

*in every encounter...*

*Happiness in every moment...*

*By year 2020, with over 4,000 stores worldwide,*

*Jollibee is truly a GLOBAL BRAND. (and the Filipino will be admired worldwide)”*

To this very day, Jollibee has lived up to what they say. With its delicious menu and reasonable prices, it has given Jollibee customer satisfaction worldwide, the reasons for its growth are all mentioned in its mission and vision.

Jollibee aims to be the largest homegrown quick fast food chain in Asia by 2020. To support this long-term goal, Jollibee is motivated to have continuous expansions abroad. Knowing the fact that Jollibee’s target market abroad is mostly Filipinos, they have a huge advantage due to the OFW’s (Overseas Filipino Workers).

### ***B. Industry Analysis***

Jollibee Foods Corporation is a fast-food restaurant chain based that belongs in the Restaurant/ Food Service Industry in the Philippines that is widely known as Jollibee. Founded in 1975<sup>5</sup> by Tony Tan Caktiong, a Chinese Filipino. It is an American-style fast-food restaurant specializing in burgers, spaghetti, chicken and some local Filipino dishes, with Filipino-influenced dishes.

- **Current Size**

According to [Jollibee’s Website](https://www.jollibee.com.ph/about-us/), Jollibee is the largest fast food chain in the Philippines, operating a network of over 750 stores nationwide. The company is a dominant market leader and has the largest local market share which is more than all the other multinational brands combined. The company is also internationally competitive

---

<sup>5</sup> <https://www.jollibee.com.ph/about-us/>

and has expanded with 80 branches outside the Philippines such as the US, Vietnam, Brunei, Jeddah, Qatar, Hong Kong, & Kuwait. Recently, JFC allotted Php 12 billion for their capital in which it is increased by 33% than its spending in 2017 to support store expansion. Php 5 billion is allocated for renovations while another Php 5 billion is allocated for commission investments.<sup>6</sup>

### Growth Rate



TradingView Stock Charts & Forex provided a chart (which is shown above) and it indicates that the Jollibee Foods Corporation is currently trending upside. This indicates that the amount per stocks being bought is continuously increasing which means that a lot of people are investing and believes that Jollibee will continuously strike up.<sup>78</sup>

<sup>6</sup> <https://www.jollibee.com.ph/>

<sup>7</sup> <https://www.tradingview.com/>

<sup>8</sup> <https://www.tradingview.com/>



From 2018 to 2019, JFC's stock price increased roughly 35.62% hitting its top price at the start of the year. Jollibee increased its net profit attributable to the parent's equity holder by 15% to P7.09 billion last year as more stores opened and sales remained robust. Net profit increased by 11.7 percent year-on-year +to P1.98 billion, Asia's most valuable restaurant chain revealed to the Philippine Stock Exchange on February 2018 for the fourth quarter alone.

- **Market Trends**

Jollibee Foods Corp. (JFC) with its latest batch of short videos from Kwentong Jollibee Campaign made it viral in the Social Media. Jollibee campaign's primary goal is to "reinforce brand love and affinity" among its target market for millennials, it has also boosted sales in a big way. Last year, the first batch of "Kwentong Jollibee" heart-tugging videos consisting of "Vow," "Crush" and "Date" combined to generate more than 40 million views on Facebook and YouTube.

In terms of sales, those views also translated into a huge revenue jump during the campaign's week wherein the overall growth tripled over that period with two signature

food products from Jollibee, the sales of the Chickenjoy growth doubled while the burger yum sales also quadrupled. More than the sales, JFC is pleased with the Kwentong Jollibee campaign as the three new videos have made impacted as last year's batch. The latest Kwentong Jollibee Campaign last February 2 earned a total reach of 57 million on Social Media and even exceed last year's 40 million plus views as Valentine's week approaches. The impressive numbers prompted JFC to declare the Kwentong Jollibee as *"setting the benchmark or gold standard for digital marketing"*.

Jollibee Foods Corp. (JFC) joined the Business Climate Action Summit steering committee last organized by the Philippine Environmental Business (PBE).

In its Corporate Social Responsibility (CSR) activities, JFC supports the principle of shared value. As a company in the food industry, JFC implements programs that address access to education, livelihood development, and disaster response. The company's active involvement and support in this endeavor is a concrete way to show that the Jollibee Group of Companies is unwavering in its commitment to CSR.

*Busog, Lusog, Talino* (BLT) from the Jollibee Foundation brings together local education stakeholders and JFC employee volunteers to mitigate hunger and undernourishment, widely attributed to declining and dropping out of school among undergraduates. Besides education, the Jollibee Foundation also has livelihood, leadership development initiatives and provides assistance in times of calamity.

### **C. Porter's Five Forces**

After a brief background of the current state of Jollibee, the group is able to determine Jollibee's competitive power in the food service industry, the five forces by Porter shall be then strongly considered. The following are:

- ***Threat of New Entrants- Jollibee's threat of new entrants is Medium.***

*Brand Loyalty* and *Brand Identification* of Jollibee in the Philippines is high due to its very notable and long lasting foundation of the brand which makes the *Profitability* high as well. This is very evident due to its wide spread branches nationwide and internationally. Its *Product Differentiation* however is considered Medium due to its similarities in products and services such as the ones offered in Mcdonald's Corporation. Given this, its *Capital Requirements and Switching Costs* are considered medium due to its number of competitors such as: Mcdonald's, K.F.C., Wendy's, Burger King, and Chow King. Jollibee may be a strong founded brand in its industry but such rising competitors that are also widely spread in the Philippines may have a chance to be a competitive threat to Jollibee.

- ***Threats of Substitute Products- Jollibee's threat of substitute products is High***

As stated, Jollibee may be one of the most dominating brands in the industry, but again due to its competitors such as Mcdonald's, K.F.C., Wendy's, Burger King, and Chow King (Direct Competitors) and Reyes Barbeque, Andoks, Mang Inasal (Indirect Competitors), it poses as a threat due to its high level of *Number of Substitutes Products Available*. In this case, there will be a vast extentment of choices wherein the buyers will consider these other products or substitutes. Therefore it can be said that the *Buyer's Propensity to its substitutes is considered high*. To delve into the deeper analysis of this,

the *Relative Price Performance* of its substitutes are indeed not far from one another, also its *Level of Product Differentiation* as well. Therefore Jollibee's situation has high stakes of threats given its available substitutes in the country.

- ***Bargaining Power of Suppliers- Jollibee's bargaining power of suppliers is Low.***

The number of suppliers who can readily make supply available in the industry is high. Meaning the *Size of Suppliers* is abundant. Due to this abundance, it makes the *Availability of substitutes for the supplier's product* high as well since there are a lot of direct competitors in the industry then it would mean they mostly would have the same product supplied. The uniqueness of supplier's products and services and as well as the switching costs of suppliers are considered low or not too far away from each other. Other than that, Jollibee is a very large and famous brand in the industry therefore making it famous to a lot of consumers. Therefore, the *Importance of Jollibee to the Supplier's Profit* is very high due to the competitive state of Jollibee nationwide. High purchases of supply are said to be very important to the supplier. It can be said over all that supply is already made easily available in general, so it would lead to a low *Supply Power*.

- ***Bargaining Power of Buyers- Jollibee's bargaining power of buyers is Low***

*Buyer Volume* or the *Number of Customers* for Jollibee is high. Volume of customers is an important aspect in the competitive structure of Jollibee, because its customers are the main source of profitability. Quality and reputation of products are very important to customers thus making them a little picky in choosing their preferred brands.

Also it is to be considered that these consumers purchase Jollibee items in quite small amounts/ quantities. Their *Ability to Substitute* is also high making them available to transfer brands aside from Jollibee. Along with its availability of substitution, the *Switching Costs* on the buyer side are not that high thus making them, again, prone to switching. Aside from these supporting aspects which makes bargaining power of buyers medium, the *Information availability* of these products in terms of its quantity and quality of information is high. Therefore, there is a LOW level of bargaining power of buyers to Jollibee.

- ***Rivalry Among Existing Competitors- Jollibee's rivalry among existing competitors is High.***

The *Concentration of Competitors is High* because of the number of brands that are stable as well in competing in the industry. Also due to its minimal product differentiation, it also makes the *Diversity of Competitors* quite low making it very common for the consumers to have a lot of alternatives. Also, the *Industry Growth* is high, making a reasonable number of entrants available to go in and compete in the industry and have a medium of *Product Differentiation*. This is also for those stable brands that have a high *Brand Loyalty* well making it a competition of buyers or customers. Lastly it's *Switching Costs* are medium, meaning the prices again, are not far away from each other. With these supporting details it can be said that Jollibee has a high rivalry among its existing competitors, but at the same time Jollibee has a strong competitive edge as well in competition to its direct competitors

#### **D. Porter's Value Chain**

The value chain is a set of activities that an organization, such as Jollibee Food Corporation, carries out to create value for its customers. This Framework is focused on the systems on how inputs are turned into outputs purchased by customers. This comprises of 2 main parts: The Primary and Support Activities. Description of Jollibee's Value Chain are as follows.

<b>Primary Activities</b>	<b>Activities</b>
<p><b>Inbound Logistics</b> (<i>Process related to receiving, storing, and distributing inputs internally</i>)(<i>supplier relationships</i>)</p>	<ul style="list-style-type: none"> <li>● Raw materials are purchased from its pre-fixed or pre-defined supplier</li> <li>● Some Beef may be supplied from Local farmers and Cargill Joy Poultry Meats Production</li> <li>● Soft Drinks or other beverages are supplied from Coca Cola, Del monte and Nestea.</li> </ul>
<p><b>Operations</b> (<i>transformation activities that change inputs into outputs that are to be sold. Operations value</i>)</p>	<ul style="list-style-type: none"> <li>● In similarity with Mcdonald's "Speedee System," there may be a certain design of the restaurant kitchen that will help speed up efficiency in its workplace</li> <li>● Instead of having lots of different</li> </ul>

	<p>equipment and stations for preparing a wide variety of food, there is a very large grill where there is a designated person that could cook a lot of burger patties simultaneously. Same goes for the other food stations such as a dressing station where the condiments are added to every burger. A fryer of the fries station, a soda machine for the beverages, a counter where the customer's orders are placed and punched in.</p>
<p><b>Outbound Logistics</b> (<i>delivery of goods to its customers--- collection, storage , distribution systems</i>)</p>	<ul style="list-style-type: none"><li>● This includes the quality control such as the freight truck inspection to ensure freshness and in time delivery.</li><li>● Once customer has ordered, food will be in a container wether for dine in or dine out and thus will be delivered over the counter or via</li></ul>

	<p>transportational vehicles for delivery services.</p>
<p><b>Marketing and Sales</b>( <i>process to persuade clients to purchase from you</i>)</p>	<ul style="list-style-type: none"> <li>● Print and Media Advertisements</li> <li>● Video Commercials or short story advertisements</li> <li>● This is to be able to communicate its marketing messages to its target customer segment</li> <li>● Kiddie Meal</li> <li>● Partnership with toy creators and concept makers</li> </ul>
<p><b>Service</b> (<i>Activities related to maintaining value of the product or service to customers once purchased</i>)</p>	<ul style="list-style-type: none"> <li>● Blogs and food reviews done by customers after the food is consumed</li> <li>● Happy Plus Card</li> </ul>

<p><b>SUPPORTING ACTIVITIES</b></p>	<p><b>ACTIVITIES</b></p>
-------------------------------------	--------------------------

<p><b>Firm Infrastructure</b> (<i>Company's support systems, and functions that allow it to maintain daily operations.</i>) (Ex. <i>Accounting, legal, general management</i>)</p>	<ul style="list-style-type: none"> <li>● Food service operations department incharge of the stores daily operation</li> <li>● Franchising department handles JFC's franchisees along with supporting their clients store promotion and operation</li> <li>● Leasing department is incharge of managing Jollibee's property/ real estate</li> </ul>
<p><b>Human Resource</b> (<i>How well a company recruits, hires, trains, motivates, rewards, retains workers.</i>)</p>	<ul style="list-style-type: none"> <li>● They hire part time employees such as working students and those who are contractualized or employed for a given amount of time.</li> <li>● Jollibee employees are entitled to the following :             <ol style="list-style-type: none"> <li>1. Insurance Benefits</li> <li>2. Retirement Benefits</li> <li>3. Vacation Policy</li> </ol> </li> </ul>
<p><b>Technology</b>( <i>Activities related to</i></p>	<ul style="list-style-type: none"> <li>● Adapted to cashless payment</li> </ul>

<i>managing, processing information, as well as protecting a company's knowledge base)</i>	amongst all JFC stores (Happyplus card) , self ordering kiosk.
<b>Procurement</b> ( <i>What the organization does to get resources it needs to operate</i> ) <i>(ex. vendors)</i>	<ul style="list-style-type: none"><li>● Jollibee procures its material from partnered suppliers, they make long term agreements when it comes to purchasing supplies</li></ul>

#### **E. PESTEL Analysis**

- ***Political Factors***

Political factors are how a government intervenes in the economy and to what extent. This includes government policies, political stability or instability in overseas markets, foreign trade policies, tax policies, labor law and, trade restrictions. Examples are laws regarding increase in VAT and other taxes being deducted which was the result of the TRAIN law which increases the tax of petroleum that will result to higher shipping costs therefore increasing prices of the products.<sup>9</sup>

- ***Economic Factors***

The economic crisis in the Philippines resulted in an increase in the inflation rate in the country. The cost of business production also increased which made the company to raise its prices. Other factors that affect the company include the change in exchange

---

<sup>9</sup> <https://www.moneymax.ph/personal-finance/articles/train-act-affects-food/>

rates and currency fluctuations in which it can affect the investment plans in both short term and long term.

- ***Social Factors***

The company carries a careful analysis of the demographics and considers the culture, religion, and social values of the consumers. In which JFC provided Halal products, launched healthy meal options, and provide financial assistance with various welfare and different charities in the Philippines. Social Media plays a critical role in influencing society which JFC made sure that they successfully build efficient marketing network.

- ***Technological Factors***

Technology transforms the business into a new customer experience. The Jollibee has recently centralized its express delivery service via Globe Telecom to make its service more convenient and accessible online. Jollibee has to keep pace with online orders with the changing fast food industry, where customers sign the credit bills through touch screen counters or mobile phones' "QR Code".

Technology rapidly disrupts different industries and organizational development is no different. Some of the technological factors affecting the company are the following: The rate of change driven by technology, innovation in product offerings, technological disruption of the supply chain, access to mobile phones, access to technology for the population, access to more information, innovation in customer services, etc.

- ***Legal Factors***

In order to carry out a successful business operation, legal regulations concerning franchising and copyrights in any state must be followed and respected. Just like any ordinary business Jollibee is subject to the following national taxes Republic Act (RA) No. 8424 National Internal Revenue Code (NIRC) and local taxes under RA 7160, regular corporate income tax (RCIT) impose a 30% income tax upon taxable income each year from all sources within and outside the country by every domestic corporation. Value Added Tax a fast food chain with annual gross sales of PHP 1,919,500 shall be subjected to 12% VAT. Local Business Tax the rate depends on the local ordinance but it must not exceed 2% for a municipality and 3% for a city. Jollibee Food Corporation (JFC) is regarded as one of the top fast food business taxpayers along with Golden Arches Development Corporation and the Philippine Pizza, Inc. <sup>10</sup>

- ***Environmental Factors***

The fast-food restaurants are far from the green approach to the environment. The whole process of fast food production involves enormous carbon emissions. Jollibee, like many other food chains, must take part in a number of environmental and energy-efficient initiatives such as replanting trees and reducing the use of plastics, computers and electrical equipment.

---

<sup>10</sup> <https://www.jollibee.com.ph/>

After looking at the internalities/externalities of Jollibee, now the group can evaluate its SWOT Analysis.

#### F. SWOT Analysis

<b>Strengths</b>	<ul style="list-style-type: none"> <li>● Business has been in the industry for 44 years</li> <li>● Targets all the segments of their audience</li> <li>● Quick Serving Time</li> <li>● Accessibility</li> <li>● Promotions</li> <li>● Cashless payment</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>● Limited Menu</li> <li>● High Employee Turnover</li> <li>● Unhealthy Meals</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>● Growing Philippine Economy</li> <li>● Adapts to what the customers want</li> <li>● Global expansion</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>● New Fast food restaurants</li> </ul>

	<ul style="list-style-type: none"><li>• Customers are now Health Conscious</li><li>• Labour laws</li><li>• Train law</li><li>• Natural calamities</li></ul>
--	---

#### IV. MARKET SEGMENTATION

As defined, a *market* is people or organizations who have the willingness and ability to purchase a product or service<sup>11</sup>. And a *market segment* is a subgroup of people or organizations that have one or more characteristics in common that cause them to have the same product needs<sup>12</sup>. For the company to successfully reach their precise customer, it is essentially needed to divide a market into similar and identifiable segments through *market segmentation*.

To effectively identify the market segment, a survey questionnaire was done through google forms (online platform) and is randomly distributed to students, families and friends of the group. Once the markets are divided into identifiable groups, then the group may now proceed in creating a marketing mix for the specific said group.

Starting off with a total of 36 respondents of the group's google forms survey, the following results are as presented below along with its majorical description of data.

---

<sup>11</sup><https://study.com/academy/lesson/market-segmentation-why-market-segments-are-important-to-marketers.html>

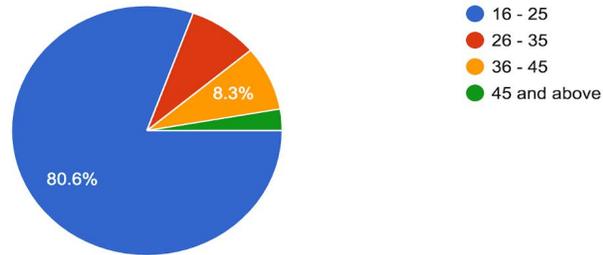
<sup>12</sup> ibid

- **Question #1- Age**

Majority of the age brackets who answered our survey is the range of 16-25 years old.

**Age**

36 responses

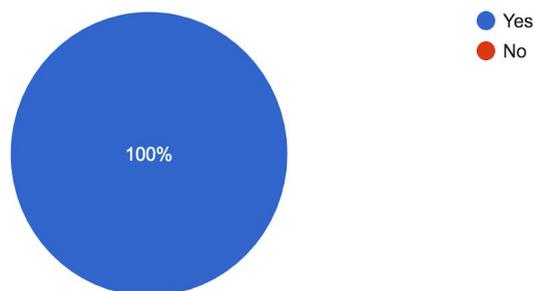


- **Question #2- Do you eat Chicken?**

All 36 respondents eat Chicken

**Do you eat Chicken?**

36 responses



- **Question # 3- Where do you prefer to eat chicken?**

Based on the results gathered from the survey, Jollibee having the most number of votes which comprises 69.4% of our respondents. This means that people prefer to eat chicken at Jollibee besides from all the other stores that also offer chicken. KFC has the 2nd most number of votes and Frankies in the 3rd.

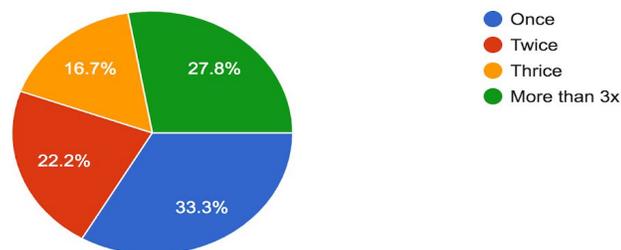
Having a very big competition in the Fast food/Restaurant industry, Frankies is very well known for its flavored wings. With Frankies placing in the Top 3, it clearly shows the behaviour of the respondents on what chicken they prefer. This indicates that flavored wings is very in demand.

- **Question #4- How often do you eat in Jollibee in a month?**

Most of the respondents at least eat one or more than thrice a month.

How often do you eat at Jollibee in a month?

36 responses

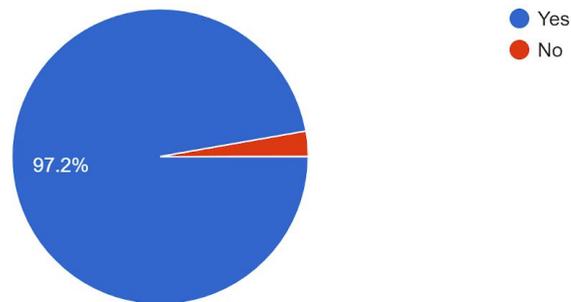


- **Question #5- Do you like Jollibee Chicken Joy**

Since most of the respondents like Jollibee Chickenjoy, the product extension wouldn't be that hard to sell to the public. The product will be marketed and will be available to everyone.

### Do you like Jollibee Chicken Joy?

36 responses

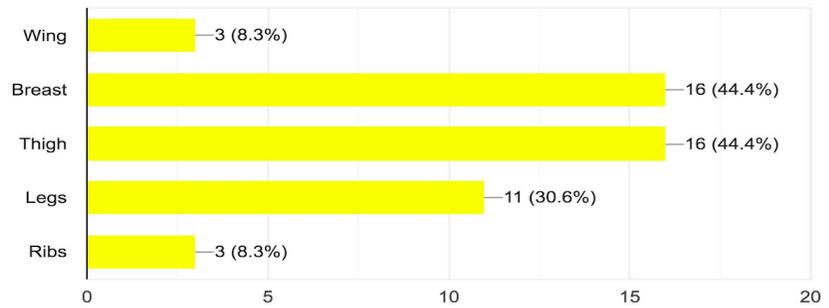


- ***Question 6: What is your favourite part when eating Chicken Joy?***

The graph below shows the different parts of the chicken that the respondents mostly prefer. The chicken wings has the lowest number of votes. This means that the product extension flavored wings can be a way to increase the likeability of that chicken part. Therefore, all of the parts of a chicken will be maximized and sold.

**What is your favorite part when eating Jollibee Chicken Joy?**

36 responses

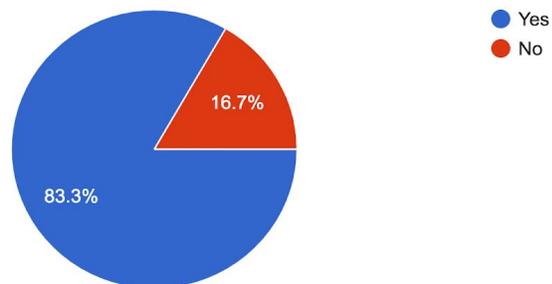


- ***Question #7: Do you eat Chicken Wings?***

Majority (83.3 %) of the respondents answered yes in eating Chicken Wings.

**Do you eat chicken wings?**

36 responses

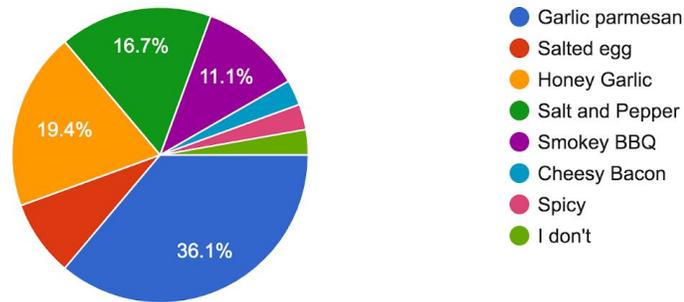


- ***Question #8- What Flavors do you prefer when eating Chicken Wings?***

Garlic Parmesan is the most preferred flavor for chicken wings followed by Honey Garlic.

### What flavors do you prefer when eating chicken wings?

36 responses

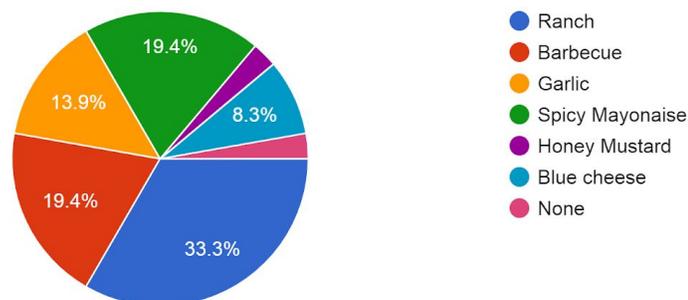


- **Question #9- What sauce do you prefer in your wings?**

Ranch is the most preferred sauce for the chicken wings followed Barbeque and Spicy Mayonnaise.

### What sauce do you prefer in your chicken wings?

36 responses

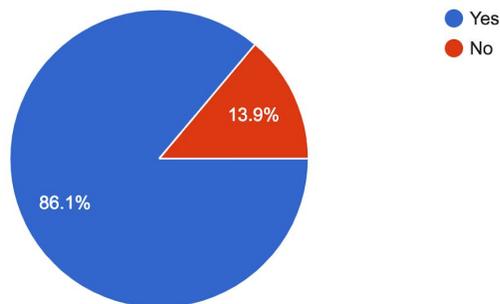


- **Question #10- Would you like to try flavoured Jollibee Chicken Wings**

Majority of the respondents (86.1 %) would like to try Jollibee  
Chicken Wings.

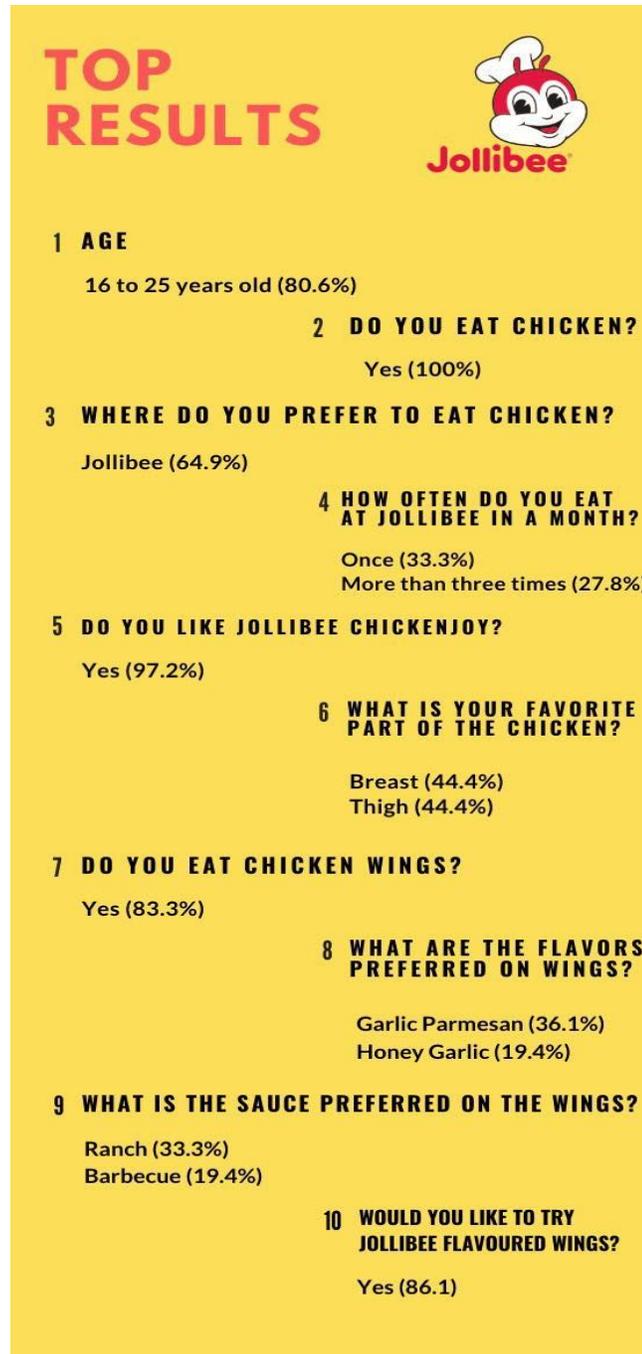
### Would you like to try flavoured Jollibee Chicken wings?

36 responses



Now that the survey has been broken down to chunks with further explanation, the following figure or infographic recaps all of these answers. The infographic below shows the majority picked answers as stated above for a better visualization of what most of the 36 respondents answered and so as to easily do the market segmentation and marketing mix.

- ***Infographic Recap of Survey Questionnaire via Google Forms***



As the infographic summarizes the top answers of the respondents, the market segmentation may now be done as it is easy to recall back the prioritized points of answers and to deduce a marketing decision from it.

## **A. GEOGRAPHIC MARKET SEGMENTATION**

Jollibee is the largest fast food chain in the Philippines. With over 950 branches nationwide and 80 branches outside the country (“Top 5 Fast-Food Restaurant Franchises in the Philippines”, 2017). The leading fast food chain aims to “serve great tasting food, bringing the joy of eating to everyone.” Jollibee has a great number of branches in the Philippines which makes their restaurants vastly accessible for the customers around the country.

- ***Target: All Branches of Jollibee (Nationwide)***

All branches in the Philippines operate as one which is why the group has chosen to introduce the chicken wings nationwide due to the fact that Jollibee offers the same variety of food in all cities of the country. Although some branches may defer in price due to the economic statuses of some areas. This may be taken note of but the group will still consider offering the chicken wings nationwide.

## **B. DEMOGRAPHIC (CONCENTRATED MARKET)**

In the demographic segmentation of Jollibee, the following focused traits along with its description are the following:

- ***Age: Young Adults (16-25 years old)***

In accordance to the survey, it is said that majority of the the survey respondents are under the age bracket of 16-25 years old, this is due to the fact that most respondents that are randomly chosen are around Enderun environment and mildly are the surveys

sent to other age brackets that are of older and of working age. However, this is to consider that the main buyers here for the chicken product extension is the age bracket of adolescents (10-18 years old) and young adults (18-25 years old). This is to be practical that older ages won't really buy much food in fast food restaurants due to health issues that it may bring in the long term, and given that the the said age bracket have longer resistance and strength in handling fast foods. Plus, the prices are affordable in this age bracket which makes it a good candidate for a target market that are willing and able to afford Jollibee products.

However again, Jollibee is a family oriented fast food chain that contains ads that resort around good family values, thus making the age bracket of this demographic segment open to all ages due to its affordability and convenience to all ages.

- ***Gender: Male & Female***

The survey doesn't include any gender factor questions, because the chicken wings are not sold solely based on one's gender and food is a general and primary need for everyone. Thus, the chicken wings are open to any gender and neither are solely focused on male or female.

- ***Income: Lower income class, Middle class and above.***

Again, the income factor isn't included in the survey questionnaire since Jollibee, as a fast food chain may cater even to the lowest of income earners (but not the poor ones) in the Philippines and every income bracket much higher than that makes Jollibee open to everyone. To be more specific the lower income classes and above may most

likely be affording Jollibee. Thus, it can be said that the income bracket to be focused on is as much as the minimum, and above, and open to all.

- ***Religion: All Religions (Specifically Roman Catholic, Roman Christianity, Islam , Iglesia ni Cristo.)***

The Philippines is majority composed of 70% Roman Catholic, 17% Roman Christianity, 5-10 % Islam and 2% Iglesia ni Cristo<sup>13</sup>. All of the said religions that are mostly prevalent in the Philippines are allowed to eat chicken meat except for the times that other religions follow a holistic calendar that prevents them from eating any meat over a certain period of time. Any other religions in the Philippines that aren't allowed to eat meat are not of any urgent concerns to the targeted demographic market making the religion factor most likely open to all.

- ***Ethnicity: Filipinos***

Jollibee is solely based on the Philippines and it's number one customers are Filipinos and also Jollibee offers breakfast menus that are highly considered to be "Filipino." Thus, making the target ethnicity, Filipinos, but keeping in mind that Jollibee will always be open to its wide spectrum of customers.

- ***Marital Status: Any***

Marital Status such as the Married, Widowed, Separated, Divorced, and Single, won't matter as well for selling chicken wings to certain demographic factors like these. Thus, making the targeted Marital Status open to all.

---

<sup>13</sup> <https://www.worldatlas.com/articles/religious-beliefs-in-the-philippines.html>

- ***Occupation: Any***

As long as individuals, families, friends or other social groups have their own source of income that fits the minimum level to afford such prices from Jollibee, most especially the introduced product extension (Chicken Wings) is open to all occupations.

### **C. PSYCHOGRAPHIC**

- ***Attitude: Preference***

In the survey, all of the respondents like to eat chicken regardless of the brand. In question number 3, it indicates that majority of the respondents prefer Jollibee Chicken Joy when it comes to fast food.

- ***Lifestyle: Fast food Demand***

Nowadays, buying from fast food chains has been a part of most people's routine. Despite of the fact that majority of the respondents prefers to eat chicken in Jollibee (refer to question number 3), 33.3% of the respondents also visit Jollibee once a month and 27.8% answer thrice a month.

- ***Personality: Belongers***

Belongers are the types of consumers who do not want to stand out in a crowd whereas eating at Jollibee is a common place to eat.

- ***Beliefs: Promotions***

Kwentong Jollibee was able to execute successful digital marketing. According to The Manila Times (2018), the Kwentong Jollibee Campaign has reached over a total of 2.3 million engagements in both Facebook and Youtube as of February 2018. The Kwentong Jollibee Campaign has affected the buying behavior/ beliefs of the consumers

since the campaign was able to boost up their sales and revenues wherein Arline Adeva, JFC brand communications head, mentioned to Manila Times that “Sales growth for Chicken joy doubled while sales for our yum burgers also quadrupled,”<sup>14</sup>

#### **D. BEHAVIORAL SEGMENTATION**

- ***Usage rate: 3x a month***

Based on the results of the survey, the top 3 fast food/restaurants wherein people prefer to eat chicken are: Jollibee, KFC and Frankies respectively. This indicates that the people also prefer the chicken being served by the competitors. As to the frequency of people eating at Jollibee, the results on the survey indicates that most of the people eat at least thrice a month at Jollibee since 10 out of 36 people answered it in the survey.

- ***Brand Loyalty Status: High***

Since many users are loyal to Jollibee, most of the consumers who buy from the competitors will try out their new products especially if the products offer cheaper alternatives to their competitors.

- ***Spending Habits: High***

Most of the consumers today try anything that becomes a trend online. One example is the trend of the flavored chicken wings. Because of this, a lot of restaurants and fast food chains started to offer flavored wings and one of which is Frankies that's very popular with their flavored wings.

- ***User Status: Lower - Middle Class***

Jollibee is a fast food chain that's budget friendly which means that most of its target market are the lower to middle class workers. Offering a budget friendly flavored chicken wings that the lower to middle class can afford creates .

- ***Occasions: Medium***

Occasional chicken wing flavors will be offered in order to give excitement and a new taste that the customer would prefer. An example is Nori Chicken which gives a taste of the flavors of Japan.

## **B. IDENTIFIED TARGET MARKET**

- ***Identified Target Market:***

From the survey, 80.1% of the respondents agreed that they are willing to try out Jollibee's flavored wings. Within that survey, 80.6% of the respondents aged from 16-25 years old.

Jollibee's customers cannot be solely defined because most of their clients vary in age. Although, it is noted that Jollibee's target audience are mainly composed of families, friends, the youth and as well as the elderly.

- ***Market Targeting Strategy: Differentiated Marketing***

Differentiated marketing strategy will be used in order to send a promotional message to at least two specific target segments. Unlike other marketing strategies, differentiated marketing allows a company to appeal to a at least two market segments. This will allow Jollibee to target both the friends and

families of our main target segment which are people age 16-25 based on our survey.

This marketing strategy would allow us to better understand what the public wants such as stated in the survey where in 80.1% of the people surveyed were willing to try Jollibee flavored wings. From the people surveyed, 80.6% of them were between 16-25 years old meaning that Jollibee's customers are often teens to young adults, targeting a younger audience.

Jollibee's flavored wings would definitely have an appeal because one of their competitors, Frankie's, placed as #3 for the place where they want to eat chicken. Frankie's was surprisingly at #3 ahead of the fast food giant McDonald's. The New York style buffalo wing restaurant lost only to the two biggest fast food chains in the country. Placed on top of the scale was Jollibee the most preferred place to eat chicken from with 64.9% followed by KFC at 41.1% and Frankie's at 33.3%. Although the survey showed that most of the people were from 16-25 years old, Jollibee being a family friendly restaurant makes its demographic open to all ages targeting a wider audience as to hitting all the markets

. Garlic parmesan with 36.1% is the most preferred flavor and with Jollibee's flavored fries having a similar garlic and cheese flavor it wouldn't be hard to integrate it into their chicken.

Priced significantly lower than than the opposition at PHP 184 Jollibee's flavored wings is affordable for the public. While Frankie's is priced at 229 which is quite high for the Philippine market that's why Jollibee integrating buffalo

wings to its menu would allow the mass to try something new as buffalo wings are surprisingly priced high for the mass to consume. Pricing it lower than the competition and not having to adjust the orders of chicken but rather redirecting the chicken wing to a new meal would make Jollibee more money. This does not only give the customer options to choose from, but it encourages them to purchase from Jollibee due to it being considerably cheap amongst its competition and that Jollibee is easily accessible unlike other restaurants that sell buffalo wings.

### **C. DIFFERENTIATION**

- ***Value Proposition for Product Extension***

The Value Proposition for the product extension will be Jollibee Chicken Joy Buffalo Wings. As said for the targeted segment or market, it will create a differentiated value for it offers a lower price of probably the same or higher quality than of its famous competitors in terms of buffalo wings (Frankies, Buffalo's Wings n Things, etc.) If it's in terms of direct competitors such as Mcdonald's, it will have a competitive advantage of not having this product offering. What is provided to customers is the food trend (buffalo wings) offered in a more affordable price and at the same time offering the sauce flavors that is mostly wanted along with the dip.

- ***Competitive Advantages***

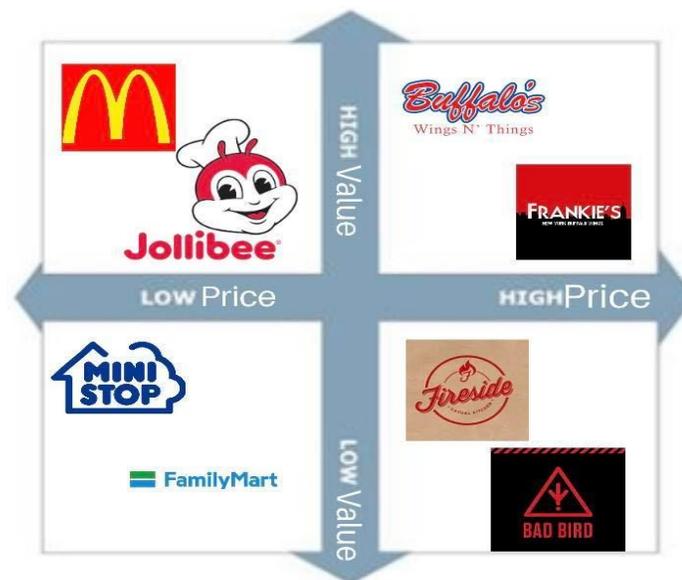
The new Jollibee Flavored Chicken Wings will be offered at a very affordable price compared to its competitors. Thus making it more preferable as Jollibee is accessible and easy to find unlike Frankie's which has few branches

and little stores commonly found in food courts of high end malls. Jollibee already has an abundant supply of chicken wings as it orders whole chickens. Redirecting those chicken wings to the new Jollibee flavored wings would not only make them more money, but would help them find an alternative use for the least liked part of the chicken joy, the chicken wings. Jollibee is easily accessible, therefore, the purchase of chicken wings would be much higher than the rest of its competitors because Jollibee caters to a wider audience.

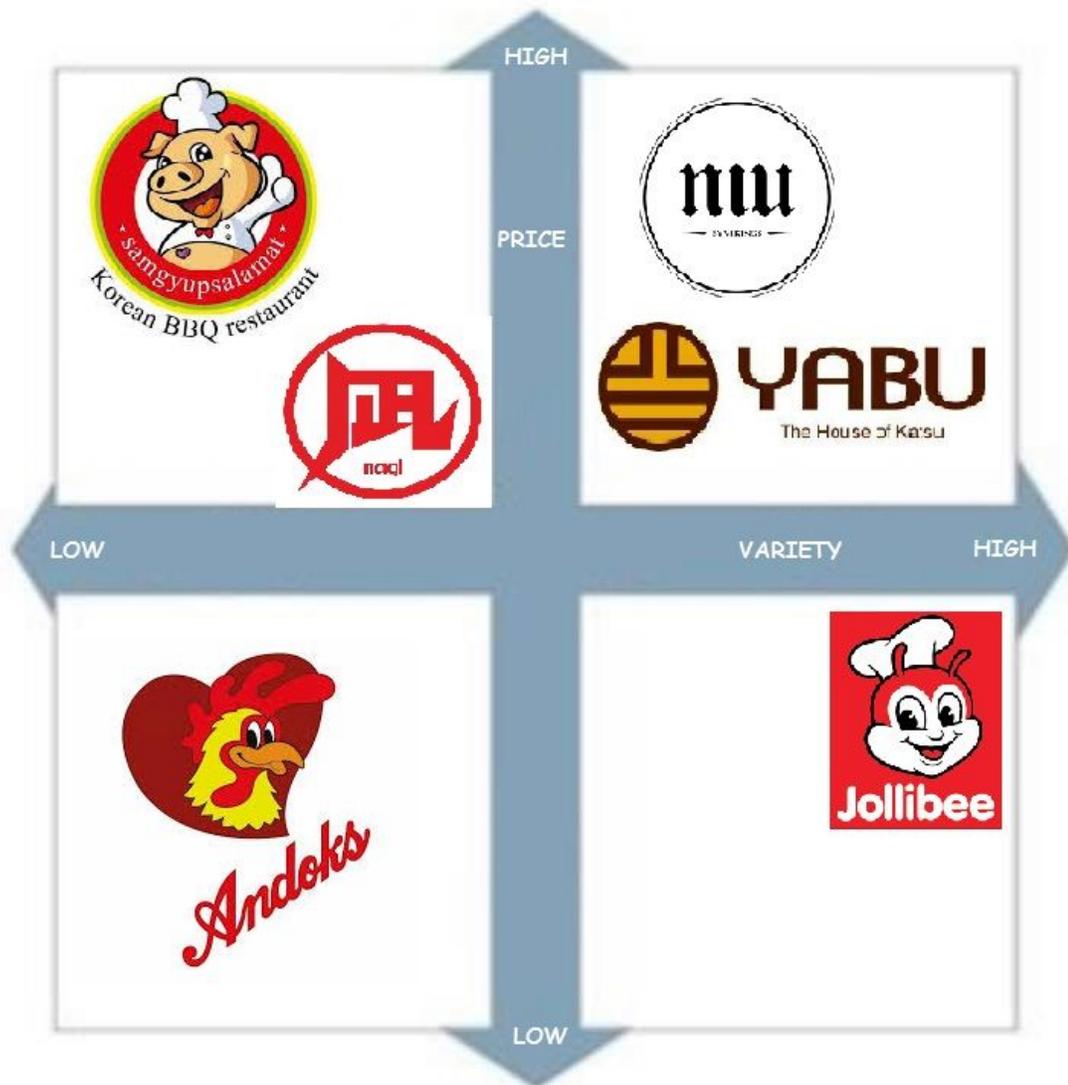
#### D. POSITIONING

The importance of product positioning is that it is one of the ways that a product is identified by its customers based on its important attributes. Below are the companies that the group evaluated regarding their Value and Price.

Jollibee is considered as a very affordable fast food restaurant wherein almost everyone can afford. This is why the group classified Jollibee as HIGH VALUE and LOW PRICE.



For the 2nd Positioning map, Jollibee has a lot of menu to choose from at a very affordable price, which is why Jollibee is placed at the lower right corner considered as HIGH VARIETY and LOW PRICE



***Positioning Statement:***

To the youngsters, Jollibee Chicken Wings is the new “go to” that delivers a tasty and flavorful chicken wings to satisfy your cravings because in Jollibee, their food is Langhap na PAK-palakpak sa sarap!

**V. MARKETING MIX**

To recap, a *marketing mix* refers to the set of actions, or tactics that a company uses to promote its brand or product in the market.<sup>15</sup> The importance of the marketing mix after the market segmentation as stated above is that it makes up a business plan for a company and if sought out right for the target market, the results will turn out to be a success. With the 4 P’s of the marketing mix which composes of the product, price, place and promotion, the group will be able to identify an effective product extension that the group wishes to release unto the target market.

**A. PRODUCT**

The Product to be extended is Jollibee’s Chicken Joy, thus the group have decided to introduce a new product under this called: **JollyWings**. The following are its attributes:

- **Product Attributes:**
  - ***Product Quality`***

Ensuring the product quality of the chicken wings part is of value in exchange for money, one of the company’s main suppliers for chicken is San Miguel Foods Inc. based in the JMT building. ADB Avenue, Pasig City. San

---

<sup>15</sup> <https://economictimes.indiatimes.com/definition/marketing-mix>

Miguel's poultry meat products are of prevalent use in the Philippines which makes them a credible, safe, and valuable source of chicken. One of the most famous brands of poultry and meats are Magnolia Chicken and Monterey Meats. With this record of known brands from Jollibee's supplier, it then adds quality for its very known suppliers.

Of course along with its deep fried, good auroma formula of Jollibee's chicken, the famous "*langhap sarap*" factor of the chicken wings will still be intact. This is due to the fact that Jollibee's Jolly Chicken Joy has been a an iconic product for its food aroma and thus will still be retained in this new product of chicken wings.

The picture below shows the famous Chicken Joy of Jollibee along with its famous tagline:



○ ***Product Features***

1. ***Flavors with a spice choice-*** based on the survey, the top 2 flavors that are mostly liked by the respondents is Garlic Parmesan (36.1%) and Honey Garlic (19.4 %) so this is to

consider that the age bracket of young adults (18-25 years old) will prefer these flavors.

But so as to be practical and considering the vast clients of Jollibee, the group will consider the other top two customer favourite flavors of Frankies so as to create a competitive product. Based on the the recommended items in the Frankies' Menu, top two favourites would be Classic and Salted Egg.

So over all, the flavors of the chicken wings will be these 3, Garlic Parmesan, Honey Garlic, and Salted Egg. All offered with a choice of spicy level or perhaps none. The picture below shows the flavors.

- Garlic Parmesan



- Honey Garlic



- Salted Egg



2. **Sauce/ Dips** - Based on the result of the survey, the top three (3) preferred dips of the respondents are the following : Ranch(33.3%), Barbecue(19.4%), and Spicy Mayonnaise (19.4%). Since these three dips are the most preferred, these are the dips that will come along with the order of Jolly Chicken Wings. There will be an additional charge for the rest of the dips which are Garlic, Honey Mustard. In

addition, one of the customer favourites is the Blue Cheese, thus these will also be included in the product's features.

- Blue Cheese Dip



- Ranch Dip



- Barbecue Dip



3. ***Breast and Thigh*** - The results on the survey showed that the most favorite parts of the chicken are Breast (44.4%) and Thigh (44.4%).

Considering the favorite chicken parts of the respondents, the group will consider offering flavored chicken wings along with an equal proportion of either breast or thigh.

For example, the normal order of chicken wings will be composed of either half a dozen( 6pcs) or a dozen (12 pcs). Along with the Breast or Thigh Combo Meal for 6 pieces, 3 will automatically be wings and the other three will be either a breast or a thigh part. For the Breast or Thigh Combo Meal for 12 pieces, 6 will be automatically be chicken wings, and the rest of the other half (6 pcs) will be either a Breast or Thigh part.

The importance of these product features combo meals is to keep intact the main product extension and at the same time considering the crowd favourites based on the survey. The importance of the 6pc and 12 pcs menu combo is so as to be competitive in the buffalo wings market.

4. **Seasonal Flavors** - Alike with the seasonal flavors of Japan in Mcdonalds such as the Nori flavors of the shake shake fries or a Teriyaki Samurai Burger, the Jolly Chicken Joy wings will be offering seasonal flavors as well. One good example is the offering of a teriyaki-sauce chicken wing. Otherwise, further research based on contemporary trends may be made in order to further offer seasonal flavors. Another suggestion may be the rise of Filipino Flavors such as Sinigang Fried Chicken (Which exists in Pop-Up Katipunan Avenue Quezon City) or Adobo Fried Chicken Wings.
5. **Price** - The price of the Chicken Wings is ought to be sold at 149 pesos only. If the customer chooses to avail the Chicken Wings in Ala Carte meaning fries and drinks are excluded, it will be priced at 129 pesos only.
6. **Combo Meals** - Consumers have the option to buy Flavored Wing combo meals that are paired with other Jollibee favorite meals. These may include Jolli-Spaghetti, Yum burger and Fries which will be offered at a lower price when availed as a combo. Group meals will also be available in order to have bigger savings whenever ordering large quantities.

○ ***Product Style and Design***

- ***Style-*** The appearance of the Jolly Wings will appear proportioned chopped parts of specifically the wing part only (See Figure). Also since these are buffalo wing products, they will neutrally appear to be deep fried similar to the Jolly Chicken Joy products. The flavourings will just be poured over and mixed with the Jolly Wings to let it appear to be the flavour desired by the customer
- ***Design-*** To contribute to the product's usefulness, the flavouring sauce will be poured over and mixed with the Jolly Wings to let it appear to be the flavour desired by the customer. Plus, it helps defer with taste which makes each chicken wing unique from one another along with its different flavourings. The dip is an additional to the product by its side not necessarily on the product but with the product. Like the Filipino culture of having *sawsawan*, the same concept applies here to add a little kick unto the product not making it tiring to the tongue (*nakakaumay*).

***Over-all Competitive Advantages***

- Affordable
- Combo Meals
- Vast Classic Flavours

- Focus Demographics- Mostly Young Adults as based on the survey, but still highly considering the overall market of Jollibee.
  
- **Branding:**
  - *Product Extension Name: Jolly Wings*
  
  - *Logo-* Same Logo will be incorporated for the Product Extension: Jolly Wings, this is due to the fact the Jollibee's Logo is not only deemed popular, but also very powerful. This will be an easily known and recognized product making the product extension an easily marketed product just because of the long time known logo of Jollibee. Having a new logo may be a good idea, but launching a new product under a different logo may be deemed a little hard to compete along with the powerful logos of McDonalds and Frankies and etc. The visualization of the Jollibee logo looks like this:



However if it is recommended to have a logo for the extended product it will look like this:



The explanation behind this extended logo is that wings are the primary “star” of the extended product, and it comes along with the fire to show how boldy “fresh” the product and idea is.

- **Labeling Tagline-** instead to further bring out a fresher looking idea and product unto the market, a tagline is done in order to market this product in billboards, radio jingles, tv commercials, etc.
  - The tagline to be used is “ Langhap sarap na PAK-palakpak!” The explanation behind using the famous tagline of Jollibee “Langhap sarap!” is to still incorporate

the Logo and Branding of Jollibee. So if the first line is heard, people will know right away that this is a Jollibee Product. With the extension saying “PAK-palakpak!” is an *alliteration*, a figure of speech that concerns repetitive sounds to make an imagery of *hands* clapping because of the flavourful and aromatic chicken that is being brought to the next level. It’s like saying a person will clap because of the Jolly Wings deliciousness. Not only that, a person clapping shows an image of someone happy or delighted, this making Chicken “Joy” doing its job in making customers happy. Also the word “PAK-palakpak!” is an imagery of hands as said above thus when recalling an anatomy of a chicken, the wings are considered its hands thus introducing the product of flavourful chicken wings unto the market. The tagline will look like this:

**Langhap sarap na**  
**PAK-palakpak!**

- Lastly, the tagline is in Tagalog Dialect or Filipino Language for it focuses on the overall target market

nationality of the product which are Filipinos. This will be widely understood for it is the mother tongue of the Philippines

- **Packaging**

- ***Dine in-*** When dining in, the usual Jollibee plates will be used along with the product. The plate will be composed of one cup of rice and the dip. On another separate plate, either the half-dozen Jolly Wings or 1 dozen Jolly wings will be placed. The figure below is the visualization of the Dine in Packaging of the product:



shutterstock.com • 570030313

-



○

○ ***Take-out-***

The Take-out Packaging of the Jolly Wings with either half a dozen or 1 dozen will be placed on a paper brown box (See Figure below), with the Jollibee Logo on the lower left .The Extended logo will be in the middle, and the opposite side is the Jolly Wings tagline, “ Langhap sarap na PAK-palakpak.” On the middle side in between the two sided box are its specification details such as: number of pieces, flavors, sauce on the side. The explanation of the Logo and Tagline are already specified above, and for the specifications listed on the box, this is for the customer and staff to have an easier tracking or checking of the product to avoid mistakes and waste of time opening the packaging just to see what’s on the inside. The take-out packaging will look like this:



- **Product or Service Support**

- ***Operating Hours:***

- Some area branches operate 24 hours on weekdays and weekends and some specific locations only operate 10am to 9pm on weekdays and 11am to 9pm on weekends.

- ***Branches:***

- Branches nationwide made available to most cities and provinces. Number of branches per area will vary

- ***Contact Email:***

- Customer Care: [feedback@jollibee.com.ph](mailto:feedback@jollibee.com.ph)
- Company Email: [president@jollibee.com.ph](mailto:president@jollibee.com.ph)

- ***Contact Number:***

- **Hotline:**87000
  - Customer Care Hotline: +63 2 898 777
  - Customer Care Mobile SMS: +63 917 131 8000
  - Company Telephone Number: 634-1111
  - Company Fax Number: 633-9504
- 
- **Website Support:**
    - <http://www.jollibee.com.ph>
  - **Other Channels:**
    - Food Panda, Grab food, Globe (subscribers can call the Jollibee hotline for free by contacting #87000)
  - **Augmented Offerings:**
    - **Free Trial:** Free taste of the flavours are offered in the branches to be sure of what to order and due to the new product flavours offered.
    - **After Sales Support:** The Customer Care hotlines are as stated above for feedback and better service in the future.
    - **Fast Food Chain Time:** In a typical fast food chain like Mcdonald's, the classic rule is for the food to arrive over the counter in under 3 minutes or less. In the Philippines, this classic time frame isn't that applied. So if the Chicken

Wings will not arrive under 5 minutes or less, then it should be considered free.

- **Wrong Delivery:** If the supply chain delivers the wrong flavour as to regards in the receipt then the product delivered will be free and the right flavour of Jolly Wings will then be delivered.

## **B. PRICE**

The pricing strategy that will be used is Competition - Based pricing. This will allow Jollibee to set their prices based on the competitors' pricing and strategy. The company will sell flavored chicken wings with the flavors where most people buy at a lower price than its main competitor, Frankies. The price of the flavored chicken wings will be lowered for it to be recognized and bought by the market. This will differentiate their product to their competitor who sell the product at a higher price.

### ***Benchmark Data:***

The table below shows how much a ½ dozen bucket of Flavored chicken wings are to 3 different chains who sell flavored wings. Jollibee is very well known to serve tasty fried chicken that everyone loves. People buy food not only based on taste, they also take into consideration the price which is an advantage because the prices of food from Jollibee ranges from 11 pesos to 600 pesos. The table below shows the prices of flavored wings from different stores that offer it.

Company	½ dozen	1 dozen

Jollibee	149	289
Frankies	229	429 <sup>16</sup>
Wings and Things	188	n/a

Cost estimates used:

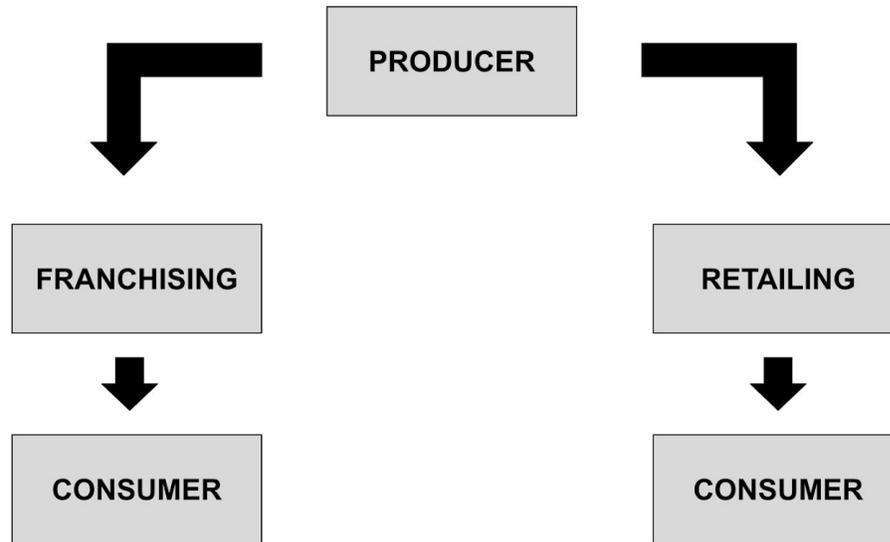
Since the chicken that will be used will just be the same chicken that Jollibee uses, sauce flavors and dips will be the only cost that will be added in creating the product. The price of the following are:

Product	Price
Sauce Flavor (Per variety)	300/liter
Dips (Per variety)	150/liter

### C. PLACE

---

<sup>16</sup> <http://frankiesnywings.com/>



Jollibee is going to follow Indirect distribution channel. The way that Jollibee products will be made available to the market is through retail stores and franchise stores which can be found nationwide. In order to distribute the flavored chicken wings to their target market, the flavored chicken wings that will be produced by Jollibee will be distributed to its franchise and retail shops.

The way the meals are distributed is simple. A customer walks in, decides what to order and once the order has been made, Jollibee will start preparing their meals and send it out to the customers as soon as possible. Jollibee also offers delivery from their branch, to the preferred location of the customer. It operates through phone call. The customers make their order and Jollibee sends their orders in 40 minutes or less. Jollibee charges the

customers 10 percent of their total for the delivery charge since the delivery men are from Jollibee as well.

Jollibee flavoured wings is projected to be available in all branches nationwide. The logistics of the product would still be the same as other products although its new in the market it would be offered the same way as other products in the menu either adding it to bundle meals or making it a solo meal itself. The way it would be distributed is the same way as how other products are being sold. Due to the fact that Jollibee is easily accessible and is found almost everywhere in the Philippines, it is going to be easy for Jollibee to introduce the Chicken Wings to its customers.

The company has a good reputation with regards to what a family friendly fast food chain is with 1,100 stores, and 950 of which are in the Philippines. Jollibee is also placed at Rank #24 as the largest fast food chain by number of locations in the world. In a country that patronizes foreign brands, Jollibee remains to be an exemption. Jollibee's number one goal is to bring joy to the families that visit their restaurant which also explains where the company got the word Chicken Joy from. Another goal of Jollibee is for their customers to feel that they are home which is why Jollibee is very accessible because they want their customers to feel that Jollibee is always there to treat them well.

#### **D. PROMOTION**

The graph below shows the objective timeline for the promotions of Jolly Wings wherein year 1 is divided into quarters in order to focus on introducing a new product extension to the market. For Year 1, It is clearly shown that the Product Launch, with the help of the Digital campaign "Kwentong Jollibee" will feature the newly extended

product, Jolly Wings. The flow of the promotions for year 1 will slowly release the different flavours that will be offered which is separated into two quarters (Second & Third Quarter). Lastly, combo meals will be offered during the fourth quarter in order to improve customer experience.

For Year 2 & 3, The Jolly Wings already have already been introduced in the market, "Seasonal Promotions" will occur. Each of the objectives and themes are aligned with the specific duration/ season wherein it revolves around the Jolly wings. The graph also shows the Theme title and possible events and offerings that can be utilized for year 2 & 3.

Duration	Objective	Theme	Campaign	Costs
<i>Year 1</i>				
First Quarter	To launch the Jolly Wings	Product Launch: Jolly Wings!	-Digital Campaign ( <i>Social Media &amp; Kwentong Jollibee</i> ) -Print Media (Poster) -Website	Php 20,000,000.00
Second Quarter	To sustain excitement	Awareness: New Flavours;	-Digital Campaign -Print Media	Php 4,500,000.00

		Garlic Parmesan & Honey Garlic	(Poster) -Website	
Third Quarter	To sustain excitement	Awareness: New Flavour; Salted Egg	-Digital Campaign -Print Media (Poster) -Website	Php 4,500,000.00
Fourth Quarter	To improve user experience	Customer Experience: Combo Meals	-Digital Campaign -Billboard -Print Media (Fliers, Poster, Coupons) -Available for Delivery/ Public Relations -Website	Php 8,500,000.00
<i>Year 2 &amp; 3</i>				
New Year (January)	To celebrate a new year and the 1st	<i>Jolly Wings</i> <i>Sticker</i> -After the	-Digital Campaign -Print Media (Poster)	Php 4,000,000.00

	Anniversary of Jolly wings	10nth purchase Jolly Wings (1 Dozen), free ½ Dozen Jolly Wings	-Website	
Valentines day (February)	To show importance to people who always help other people's love life	<i>Wingman</i> -"3rd wheel combo" wherein the wingman/3rd wheel of the couple will receive a free upsized (drinks and fries)	-Digital Campaign ( <i>Social Media &amp; Kwentong Jollibee</i> ) -Print Media (Poster)	Php 18,000,000.00
Graduation (March)	To congratulate the newly graduates	<i>Spread your WINGS and soar high!</i> -Graduation Promo/Packag	-Digital Campaign -Print Media (Poster, Coupons) -Standee	Php 4,500,000.00

		es such as a free upsize in drink and fries		
Summer (April-June)	To spread the summer vibes	<i>Enjoy the summer heat with spicy wings!</i>  -Limited Edition Spicy Dip will be offered for a limited time	-Digital Campaign  -Print Media (Poster)  -Website  -TV  Advertisements	Php  10,500,000.00
Buwan Ng Wika (August)	To celebrate local languages around the Philippines	<i>Seasonal Flavor:</i> Adobo Chicken Wings will be offered for a limited time	-Digital Campaign  -Print Media (Poster)  -Website  -TV  Advertisements	Php  5,000,000.00
Christmas &	Celebrating	<i>On the wings</i>	-Digital Campaign	Php

<p>New Year                  (December -                  January)</p>	<p>the holidays                  with your love                  ones and with                  Jollibee</p>	<p><i>of love</i>                  -A family                  photo contest                  will occur and                  the content of                  the picture                  must contain                  the Jolly                  Wings. The                  winner of the                  contest will                  win a free                  family                  vacation in                  Palawan.</p>	<p><i>(Social Media &amp;                  Kwentong                  Jollibee)</i>                  -Print Media                  (Poster)                  -Blog (End year                  update)                  -Website</p>	<p>18,000,000.00</p>
<p>Valentines                  Day                  (February)</p>	<p>Celebrate with                  your other                  half during                  Valentines                  Day</p>	<p><i>Wishbone</i>                  -The                  “valentine for                  two” combo                  meal will be                  offered for a</p>	<p>-Digital Campaign  <i>(Social Media &amp;                  Kwentong                  Jollibee)</i>                  -Print Media                  (Poster)</p>	<p>Php                  18,000,000.00</p>

		limited time		
Graduation (March)	To congratulate the newly graduates	<i>Graduation Promo</i> -Buy 1 Dozen of wings, get 3 for free	-Digital Campaign -Print Media (Coupons) -Standee	Php 4,500,000.00
Summer (April-June)	To strengthen friendship	<i>Jolly Wings Barkada Film Contest</i> -A group of friends must submit a creative short film about how Jolly Wings strengthened their friendship; winner will be featured on a	-Digital Campaign -Print Media (Poster) -Website -TV Advertisements	Php 5,000,000.00

		TV advertisement		
Buwan ng Wika (August)	To celebrate local languages around the Philippines	<i>Seasonal Flavor: Fried Sinigang Wings will be offered for a limited time</i>	-Digital Campaign -Print Media (Poster) -Website -TV Advertisements	Php 8,000,000.00
Christmas (December)	Celebrating the holidays with your loved ones and with Jollibee	<i>Holiday Wings Platter! -Limited edition Jolly Wings platter fit for noche buenas</i>	-Digital Campaign ( <i>Social Media &amp; Kwentong Jollibee</i> ) -Print Media (Poster) -Website -Blog (End year update)	Php 18,000,000.00

Sample Promotional Ad:



“One Bite is all it takes” is from Dua Lipa’s song; “Kiss” wherein the lyrics was substituted; One (Kiss) Bite is all it takes...”

***Satisfy your  
Cravings.***



## **VI. CONCLUSION**

The target market is individuals aged 16 - 25 years old, family oriented, and usually eats out with friends. The flavored chicken wings will be positioned as high value and cheap compared to other fast food chains that offer the product. The company will aim to sell at least 350,000 chicken wings in the 1st year at a gross profit of 52,500,000.00 while for the 2nd year, the company aims to sell at least 500,000 chicken wings to have a gross profit of 74,500,000 and double the amount on its 3rd year.

The flavored chicken wings will be offered in flavors of Garlic Parmesan, Honey Garlic, and Salted Egg all offered with a choice of spicy level or perhaps none. The chicken wings will sell at a retail price of 149.00 pesos of 1/2 dozen chicken wings meal and 289.00 pesos for 1 dozen. A marketing budget of 151,000,000.00 will be divided into TV commercials, Social media advertisements, print media especially the #KwentongJollibee video commercial.

The company intends to earn a 50% return on investment for 3 years. To achieve this, product quality will be set high and will continue to be improved over time. Prices will be kept lower than the competitors but not to the point that profitability is being risked. Promotional offers and seasonal products will also be offered to engage and retain excitement for people to buy the product. The total marketing budget will be increase 12% a year considering the profitability of the product extension exceeds its marketing costs.

### Bibliography

(n.d.). Retrieved May 10, 2019, from  
<https://study.com/academy/lesson/market-segmentation-why-market-segments-are-important-to-marketers.htm>

Anthony, D. (2016, September 12). Religious Beliefs In The Philippines. Retrieved May 10, 2019, from  
<https://www.worldatlas.com/articles/religious-beliefs-in-the-philippines.html>

Times, T. M. (2018, February 10). 'Kwentong Jollibee' campaign sets bar for digital marketing. Retrieved May 10, 2019, from:  
<https://www.manilatimes.net/kwentong-jollibee-campaign-sets-bar-digital-marketing/379510/>

Definition of Marketing Mix | What is Marketing Mix ? Marketing Mix Meaning. (n.d.). Retrieved May 10, 2019, from:  
<https://economictimes.indiatimes.com/definition/marketing-mix>

Best Chicken Wings In Manila. (n.d.). Retrieved May 10, 2019, from:  
<http://frankiesnywings.com/>

Kokemuller, N. (2019, February 04). Examples of Market Segmentation. Retrieved Feb 23, 2019 from:  
<https://smallbusiness.chron.com/examples-market-segmentation-14403.html>

“Jollibee ramping up global store expansion” BusinessWorld, 29 Jun. 2018, Retrieved Feb 23, 2019 from:  
<https://www.bworldonline.com/jollibee-ramping-up-global-store-expansion/>

“Jollibee sets P17-billion capital spending for 2019” BusinessWorld, 15 Jun. 2019, Retrieved Feb 23, 2019 from:  
<https://www.bworldonline.com/jollibee-sets-p17-billion-capital-spending-for-2019/>

“Pestle Analysis of Jollibee.” *Free PESTEL Analysis*, 3 Oct. 2017, Retrieved Feb 23, 2019 from:  
[freepestelanalysis.com/pestle-analysis-of-jollibee/](http://freepestelanalysis.com/pestle-analysis-of-jollibee/)

“Vision, Mission and Values” Jollibee Group Foundation,

Jollibee.com.ph, (n.d.). About Us | Jollibee Foods Corporation. Retrieved Feb 23, 2019

from:

<http://www.jollibee.com.ph/about-us/>

“Economic Study and Market Analysis of Jollibee Food Corporation” 10 Aug 2013,

Retrieved Feb 23, 2019 from:

<https://www.cram.com/essay/Economic-Study-And-Market-Analysis-Of/P3J22W835C>

Galvez, A., “Business Strategy” Southville Foreign University, Retrieved Feb 23, 2019

from:

[https://www.academia.edu/16738265/Business\\_Strategy\\_of\\_Jollibee](https://www.academia.edu/16738265/Business_Strategy_of_Jollibee)

<https://www.tradingview.com/chart/fimtPogn/>

“Closing in Jollibee in terms of preference” Business world online, March 30 2017,

Retrieved Feb 23, 2019 from:

<http://www.bworldonline.com/content.php?section=Corporate&title=jollibee-still-confident-of-dominating-fastfood-scene&id=142970>

“Jollibee Operations” Bloomberg Forbes, August 15 2016, Retrieved Feb 23, 2019 from:

<https://www.forbes.com/companies/jollibee-foods/#63d9ebd6d87a>

CUNANAN, MAGTO, SANTILLANA, SIBULO, TAMAYO

May 10, 2019

Final Paper Section 1-6

Ms. Retchell Morales

“Profile and Taxation of the Philippine Fast Food Industry” NTRC Tax research journal

September 2013, Retrieved Feb 23, 2019 from:

<http://www.ntrc.gov.ph/images/journal/j20130910a.pdf>