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# Souplantation and Tomatoes



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## Introduction



The experience received from Souplantation Company regarding their products was fascinating. The entire nutrition information offered by this restaurant was presentable and apparent at the time. Moreover, there were no customer complaints concerning menu items in the diet lists. In fact, the potential customers enjoyed various kinds of foods served to them. The major types of dishes offered to such clients included prepared salads, soups, hot pasta, and desserts (Garden Fresh Restaurant Corp, 2014). Moreover, the kitchen favorite dishes were incredible as compared to the meals offered by its main competitors such as Fresh Choice Inc. A particular example of such situation was when the price for beef and sausage Bolognese amounted to a considerable price of \$ 6.99, which was quite affordable for many customers (Restaurant Prices, 2015, para. 3).

The services offered to the client were favorable, and the management tried to act immediately in order to meet the clients 'complaints. In line with this, the waiters were always present to listen and respond to the customer's meal order (Garden Fresh Restaurant Corp, 2014). In addition, the clients enjoyed quick and immediate food services offered to them. In addition, the managing staff well exhibited the value of their food services to the customers. Moreover, the waiters were always

available to determine the kind of the required dishes (Garden Fresh Restaurant Corp, 2014). They also ensured prompt solution of any upcoming issue concerning buffets. Furthermore, the delivered meal was accurate and the standards of the customer services incorporated a strict timeline. Thereupon, Souplantation Company's products and services offered to the clients were satisfying. Due to such an experience, the clients intend to purchase more of their amazing food products. The research paper outlines Souplantation and Sweet Tomatoes Company to determine the food value offered to the customers.

## History



### Souplantation Background Information

San Diego community experienced their first fresh nutrition from Souplantation Company in early 1978 (Garden Fresh Restaurant Corp, 2014, para. 1). The idea of establishing such an agency originated from a renown Dennis Jay, a barkeeper at the Bull and Bear Pub located in El Cajon (Garden Fresh Restaurant Corp, 2014, para. 2). Moreover, a lawyer and a guarantor, his two long-time friends influenced Jay's important idea. Notably, the purchase of the first two Souplantation food joints was crucial to the emergence of Garden Fresh Joint Corporation in the middle 1983 (Garden Fresh Restaurant Corp, 2014, para. 4). Meanwhile, the west and southwest regions of the United States (US) has witnessed key company's growth. For example, Florida holds around 28 Souplantation joints that serve fresh salads and



buffets to the community (Garden Fresh Restaurant Corp, 2014, para. 5).

Nowadays, the company is privately owned as its affiliates do not offer the agency's shares to the public. Since 2004, Garden Fresh Outlets, the current Souplantation Company, has returned to the status of the private institution after experiencing a steady expansion in its restaurant's chain (Garden Fresh Restaurant Corp, 2014, para. 4). Notably, the development of this company facilitated to the significant boost in the markets regions of Southern California. The new joints that were outside these regions maintained the identity Sweet Tomatoes to promote company's brand. Moreover, the institution has developed its policy in order to accommodate around 125 chain restaurants in approximately 15 states (Garden Fresh Restaurant Corp, 2014, para. 6). Thus, the company has increased its business in order to become a major producer of various cuisines, such as desserts, pasta, soup, bakery, salads, etc.

## **Souplantation Company Stock Symbol**

The Souplantation firm adopted LTUS ticker symbol provided by Nasdaq Corporation from the US. Due to the use of stock symbol, the company became a profitable fresh food franchise in the global market as it sold roughly 1.5 million stock shares from its sales (Garden Fresh Restaurant Corp, 2014).

Since Souplantation is a privately owned company, it does not offer its

stock to the common public, especially on the stock market exchange. However, the firm only reveals its shares to their shareholders (Restaurants & Institutions, 2010, para.2). Consequently, one cannot determine Souplantation's fresh food sales performance in the stock market.

## **Number of International Markets Currently Being Served**

Souplantation roughly holds 125 food joints in 15 states across the US region (Garden Fresh Restaurant Corp, 2014, para. 15). Such huge number of restaurants in the international market was effective due to the appointment of industrial expert John Bifone in the 90s (Funding Universe, 2007, para. 8). His primary emphasis was the company's expansion in the international market. Furthermore, he improved and sustained a strong management over its product quality and menus. Due to Bifone's strategic approach, Souplantation developed into a notable national corporation in the middle 90s (Garden Fresh Restaurant Corp, 2014, para. 12). Therefore, these restaurants continued to meet the company's growth prediction and currently, Souplantation serves around 125 food outlets in 15 states in the international market (Garden Fresh Restaurant Corp, 2014, para. 15).

## **Percentage of Revenues Generated from International Sales**

Souplantation made significant profits from the chain restaurants across the US region. According to the list of return on investment for



top 200 restaurants outlets in 2009, the company accumulated sales revenue worth 2.7 million dollars, which was equivalent to 5.7% increase as compared to the previous year (Restaurants & Institutions, 2010, para.1). The figure implied that the company realized 300 million sales globally, accounting for around 5.7 percent of the total sales (Restaurants & Institutions, 2010, para.2). Nonetheless, organization's revenues from the international sales drastically decreased to 2.5 million sales in 2015, accounting for nearly 7.4 percent loss of the overall sales (Business Brokerage Press, 2016).

## **Marketing and Management Problems, which Faced Souplantation Fresh Food firm**

Failure of sustaining the current market trends is a fundamental marketing problem that Souplantation Company faced (Hoovers Inc., 2016, para. 1). A restaurant proprietor should always become acquainted with the modern market changes before deciding to open a major food outlet. Apparently, the co-founder of Souplantation food store failed to perform a thorough periodic analysis related to the modern and future trends of the restaurant industry. This strategic failure can be attributed to the emergence of the profitable companies such as Buffet Inc., Fresh Choice Inc., and Furr's Supermarkets as its major competitors (Hoovers Inc., 2016, para. 3).

Financial challenge is another management crisis that the company faced. The management did not have sufficient capital to operate the business for the required period and to advance itself in the competitive global market (Restaurants & Institutions, 2010). Due to this challenge,



a considerable number of Souplantation food outlets faced bankruptcy, which promoted many joints to stop their operation.

The company witnessed weak stock control and menu pricing that affected its growth in the regions of Florida (Moutinho & Chien, 2007). In line with a financial challenge, the management failed to control their inventory leading of the company's low costs. Since the management failed in sustaining the low food costs, the restaurants faced unpredicted expenditures and excess connected with the fresh food supplies in active business periods.

## Competitive Analysis

Fresh Choice Company was the key business competitor to Souplantation food outlets. The firm managed various buffet joints that were in areas of California, Texas, and central Washington (Fresh Choice, 2016, para. 1). Further, these areas received a significant expansion of Fresh Choice restaurants. For example, the regions of California, Central Washington, and Texas accommodated more than 50 sites, which were Fresh Choice food outlets (Fresh Choice, 2016, para. 2). These stores attracted many customers as the management branded the healthier food joints as compared to the fast food major outlets. Additionally, the customers seemed to appreciate their menu options, which offered various food choices, including low fats dishes and zero calories content (Fresh Choice, 2016, para. 3). Another advantage of the company was that it acquired fresh harvest from the local farmers and combined the production with perennial and

naturally grown yields (Fresh Choice, 2016, para. 6). Such a marketing strategy ensured a significant competitive edge of Fresh Choice restaurants as compared to Souplantation.

Buffets Inc. is another imperative business competitor both locally and globally. The company became one of the successful franchises in the restaurant business. It owned and managed around 388 cuisines in 36 states (Buffets Inc., 2016, para. 1). Furthermore, many of the company's chain restaurants were controlled by one of its notable identifications, such as Old Country Buffet or Home County Buffets (Buffets Inc., 2016, para. 1). Predominantly, the major strength of the firm was that its restaurant adopted a *scatter system* instead of a traditional policy used by the most buffets outlets (Buffets Inc., 2016, para. 1). Due to this strategy, the buffet outlet attracted many customers as it merged salad bar with exhibition cooking of barbecue. For the non-buffets clients, the restaurant also had non-buffet menus involving display cooking of roasted foods. Moreover, the company opened various buffets outlets in the regions of California and Florida and expanded further to the non-buffets locations (Buffets Inc., 2016, para. 3). Since these areas were served by Souplantation food agency, the Buffet Inc. became a major business competitor. Thus, the marketing approaches facilitated the company to have a wider competitive edge than its existing competitors, such as Souplantation buffets joints.

Furr's Supermarkets was a significant business competitor for Souplantation food restaurants. This emporium controlled around 68 groceries in the regions of New Mexico and western sections of Texas



(Furr Supermarkets, 2016, para. 1). In such areas, the grocery stores adopted various business names to the market the supermarkets both locally and internationally. A basic example is that it used business names such as Furr's Emporium, Bag and Save, which were common in both regions of West Texas and New Mexico (Furr Supermarkets, 2016, para. 2). Furthermore, the grocery stores were famous for their low product prices, and the management utilized such a strategy every day to attract more customers to the supermarkets. The management also expanded the supermarkets by introducing movie rental department in addition to the offered food services. In fact, the video rental idea was to lease the films to customers for the lower prices (Furr Supermarkets, 2016, para. 4). The approach attracted many clients, and in the event, the department made massive sales, which facilitated to the establishment of bakery joints. Due to these additional services, the company disposed products, which did not meet the expected gross revenue level. Furthermore, the supermarkets developed cookie depositors in each of the running bakeshop, which was beneficial to the Furr's Supermarkets marketing strategy (Furr Supermarkets, 2016, para. 5). Stimulated by the success of both the movie rental departments and bakery shop, Furr's widely expanded its hot cuisine delivery. Consequently, the company became competitive in both local and global markets.

## 4 P's Analysis of Souplantation and Sweet Tomatoes



The marketing analysis of Souplantation encompasses significant methods, which meets the institution's interests in various markets of the world. Importantly, the 4 P's strategies elaborate the approaches and procedures that Souplantation utilizes to be closer to the target consumers. Subsequently, the corporate employs various sections of its retailing mix in order to meet the local market requirements (Global Market Directory, 2016).

### Product

The business provides fresh foods and salads that involve all organic ingredients (Garden Fresh Restaurant Corp, 2014, para. 4). The menus consist of the freshly developed, sweet tasting, and healthy recipes, which originate from natural foods. Such element of the marketing analysis comprises the company's outputs, which the restaurants provide to its target consumers. Notably, the Souplantation's product mix entails important product nutrition, such as tossed salads, prepared salads, soups, desserts, breakfasts, hot pasta, and kitchen healthy dishes (Garden Fresh Restaurant Corp, 2014, para. 4). The company is principally famed for its farm fresh salads and desserts. Nevertheless, the firms have widened its product mix over the years. For example, the clients can buy different fresh takeaway foods such as pepperoni focaccia and breakfast dishes (Restaurant Prices, 2015). This criterion of Souplantation's marketing mix reveals that the company



always seeks to create new food products for its target consumers.

## Price

Souplantation's pricing strategy entails both the neutral and promotional product pricing (Chernev, 2012). With neutral pricing, the company focusses on maintaining the product prices at a considerable level for all the significant periods of the product life phase. Moreover, the firm retains the prices of the products, such as salads, soups, buffets, and bakery in the active phases of their life cycle (Garden Fresh Restaurant Corp, 2014, para. 2). However, during wet seasons, especially when the crops are affected by harsh climatic conditions, the product prices are appreciated by a reasonable margin. Concerning promotional product pricing, Souplantation offers free buffets to the children after purchasing the set amount of meals, especially when the firm is celebrating its anniversary (Garden Fresh Restaurant Corp, 2014, para. 6).

The company applies the psychological pricing strategy to its marketing mix. Souplantation's food restaurants adopt the prices, which are considerably cheaper in their food menus. A compelling example is the price of fresh salad and hot soup buffet that costs 9.79 US dollars (Restaurant Prices, 2015). Rather than the company estimating this amount to the nearest figure, it adopts the original set product price. Such a pricing strategy has attracted many customers to purchase their fresh foods (Restaurant Prices, 2015).

## Promotion

Souplantation firm promotes most of its food products to involve more consumers. With this marketing mix, the company applies various marketing communication strategies to attract more customers to their meal restaurants. The firm uses online advertisement, sales promotions, public relations, and personal selling (Altstiel & Grow, 2006). Notably, the posters are the most important promotion strategy for Souplantation food restaurants. The firm applies crucial advertising methods, such as website advertisement, television, radio, company's articles, and magazines (Lee & Johnson, 2005). Furthermore, the organization utilizes product sales promotion to attract more consumers to its food restaurants. For example, the enterprise offers discounts vouchers to the senior customers and free buffets for children aged less than two years (Groupon, 2016, para.2). Moreover, the company uses public relations techniques, such as press releases, newsletters, and feature news to sustain goodwill with the community. Subsequently, the firm uses sales agents to facilitate marketing mix and digital tools, as well as corresponding website and online advertisement to attract the consumers (Garden Fresh Restaurant Corp, 2014, para. 7).

## Placement/Distribution

Souplantation and Sweet Tomatoes firm rely on various marketing strategies for placing the products closely to the end consumer. The company has many food restaurants, which are ideal for serving fresh pasta, buffets, salads, etc. In fact, these food joints are located in various locations, including California, Texas, Florida, and Arizona in order to

reach the end customers (Garden Fresh Restaurant Corp, 2014, para. 2). Moreover, the firm uses postmates applications for a website where the consumers can place their food orders from the online menus. Furthermore, Souplantation's website allows the customer to enjoy special tossed salads deals and easily find the whereabouts of their food joints (CalorieLab, 2016, para. 3). Due to this component of the marketing mix, the market penetration supports the company's expansion strategies.

## Souplantation Firm's SWOT Analysis



### Strengths

The company sustains low prices and provides high-quality organic foods (Restaurant Prices, 2015). The prices of fresh nutrition, which the firm offers, are affordable to its target consumers. Additionally, Souplantation uses both promotional and psychological product pricing strategies for their marketing mix (Nagle, Hogan, & Zale, 2014). Due to these pricing approaches, the food products, such as salads, buffets, bakery, and desserts appear affordable to the end consumers. Furthermore, the company offers a unique eating experience, which allows each customer to order fresh cuisine from the menu to meet his needs (Garden Fresh Restaurant Corp, 2014, para. 4). The firms also have a unique market concept that allows the consumers to enjoy fresh takeaway foods. Such customers can also consume the natural cuisine, including healthy salads while on the run. Maintaining the firm's sustainability is the ultimate strength. The Green Restaurant



Association licensed the company for its extensive sustainability in the food industry (PR Newswire Association, 2016, para. 2).

## **Weakness**

Souplantation experiences limited reach of its food products to the new consumers. The company still applies traditional managing models, which makes it capital intensive (Nagle et al., 2014). Due to such financial crisis, the firm faces a huge challenge, when expanding into the contemporary markets. The institution has also poor advertising strategies as compared to new successful restaurants, such as McDonald (Kotler & Armstrong, 2012). For example, the company's slogan is ineffective, as the management has not revamped it for years (Garden Fresh Restaurant Corp, 2014, para. 4). Consequently, Souplantation's brand has not been well appreciated globally.

## **Opportunities**

Souplantation and Sweet Tomatoes industry has initiated the concept of delivering fresh food to the customers' home. The consumer can make a fresh buffet or salad order via the online platform and mobile application (Garden Fresh Restaurant Corp, 2014, para. 7). In accordance with this approach, the end customer acquires the ordered meal. The company has also introduced promotional pricing events to improve consumer participation in the restaurants (Schindler, 2011). The advertisements on fresh nutrition are aired on televisions, Facebook, and Tweeter in order to create full customer awareness.



## Threats

The fresh diet requires high operational costs as the company has to provide more investment in the resources for sustaining these organic foods (Kolbina, 2015). Furthermore, the machines used for preserving fresh foods for longer periods are expensive. The organization is also experiencing a stiff competition in the food sector from firms such as Fresh Choice (Fresh Choice, 2016). Subsequently, the macroeconomic factors pose a significant threat to the food prices and labor associated with costs increases annually.

## SWOT Analysis Graph of Souplantation and Sweet Tomatoes

Beneficial		Harmful
Internal	<b>Strengths (S)</b> <ol style="list-style-type: none"><li>1. Sustains economical prices</li><li>2. Provides organic foods of high quality.</li><li>3. Offers unique eating experience.</li><li>4. Maintains corporation's sustainability.</li><li>3. Manages a significant number of the restaurant across US region.</li></ol>	<b>Weakness (W)</b> <ol style="list-style-type: none"><li>1. Experiences limited reach of its products hence, capital intensive.</li><li>2. Outdated advertising strategies.</li><li>3. The low customer base in the global market.</li></ol>
External	<b>Opportunities (O)</b> <ol style="list-style-type: none"><li>1. Developed the concept of distributing fresh buffet to the customers.</li><li>2. Introduced promotional product pricing events to facilitate customer participation in the food joints.</li><li>3. The company brands itself with nutrition dining and eliminating obesity.</li></ol>	<b>Threats (T)</b> <ol style="list-style-type: none"><li>1. The firm experiences high operational costs as the resources need high investment to sustain fresh foods.</li><li>2. The food preserving equipment incurs high maintenance costs.</li><li>3. The company experiences a stiff competition from growing firms, including Fresh Choice.</li></ol>



# Conclusion and Recommendations



Souplantation Company is a significant fresh cuisine restaurant franchise in the modern market industry. The company provides organic foods that are of high quality, and the prices are affordable to the end consumers. Buffets, prepared salads, bakery, hot pasta, timely breakfast, and fresh kitchen meals are vital nutrition that the corporate offers to the target customers. Moreover, the company manages a wide number of the restaurant across the US region that demonstrates agency's growth in the international market. Due to the growing number of cuisine joints, the food franchise has experienced a substantial appreciation of revenues from both regional and global sales. However, the increasing sales revenues have depreciated in the recent years as marketing and management problems are becoming prevalent. The failure of maintaining the current food market trends, financial problems, and ineffective stock control are the key management issues faced by the organizations. Due to such marketing crisis, Souplantation food joints witness unpredicted expenditures and overabundance cuisine supplies in the active business periods. Moreover, the Fresh Choice firm, Buffets Inc., and Furr's supermarkets are the principal business competitors of Souplantation Corporation. Due to the expansion of these business competitors, Souplantation is always striving for innovative marketing strategies to compete effectively in the global market. The company practices psychological and promotional product pricing to attract more consumers to their chain restaurants. Moreover, the corporation utilizes online



advertisement, sales promotion, and personal selling to promote its fresh food supply. The company also relies on food restaurants and postmates websites for distributing its new dining to the consumers.

The firm should integrate mobile applications to facilitate customer experience related to fresh food. Since many youths own smartphones, Souplantation should adopt the mobile trend that will allow the customers to make an immediate fresh food order via the use of smartphones. Due to this recommendation, the company will attract younger clients who usually prefer the fast food joints. Souplantation should also create easy online reservations for the end user. This marketing strategy will allow the customers to make restaurant reservations via the Internet, especially if they plan to hold family events during the weekend. The firm should also become an active participant of the social media platform as many customers are shifting from traditional media, such as magazines, newsletter, etc. These consumers are embracing the digital media to obtain food information, including e-newsletters, Tweeter, Facebook, YouTube Channel, LinkedIn, etc. Thereupon, Souplantation will draw and target more clients to the various fresh food outlets that will cause their increase in global sales revenue.