



**SAVONIA**

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# BUSINESS PROSPECTS OF THE FIRST VEGAN PASTRY IN LUXEMBOURG

Market Research, Risk Analysis & Concept Creation



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<p>Abstract</p> <p>Since the interest of plant-based diets is growing in Luxembourg, food service need to expand by extending of- fers, capable of satisfying the raising demand. This study of the business prospects of the first vegan pastry in Luxembourg analysed the market in the target area in order to provide support for the creation of a business plan.</p> <p>The focus is laid on qualitative and quantitative research methods such as a survey and interviews with profes- sionals, followed by the adoption of several risk analysis methods. The results serve to develop an adaptation- plan for the concept of the plant-based pastry. A small operation-plan - taking into consideration the concept changes – is finalizing the study.</p> <p>The outcome of the qualitative research suggests changing the marketing strategy, emphasizing on taste and health instead of vegan, and customizing the offer by adding a range of gluten-free, low calorie and low sugar products. After the implementation of the changes, the study presents the predominantly positive business pro- spects of the first vegan pastry in Luxembourg.</p>			
Keywords Concept, Pastry, Vegan, Market Research, Risk Analysis			

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## 1 INTRODUCTION

According to Google Trends, Veganism was the fastest growing life-style and health movement 2016. The google searches for "Vegan" increased by 90% in 2016. (VeganFoodAndLiving, 2017)

The movement is also visible in Luxembourg, being the target country of this research paper and more and more entrepreneurs jump on the bandwagon by opening vegan food service businesses or by expanding their offer with plant-based products. In order to take the opportunity to enter the growing market, entrepreneurs need to create well-thought concepts.

Luxembourg is lacking a pastry shop offering plant-based products. The absence of such a business enables entrepreneurs to pioneer with the introduction of the first vegan pastry of the capital and even of the country itself. To establish a business plan for such a start-up, a market research needs to be conducted to gather indispensable and valuable data needed to obtain a constructive result. These results are expected to give relevant insight into the vegan market in Luxembourg.

The fact that the statistic portal of the Grand Duchy of Luxembourg - being the main source for data related to each specific sector - does neither provide statistics related to veganism nor to the citizens' diets, demonstrates that the topic has not been researched so far.

Therefore, this thesis will conduct a market research and risk analysis for a fictional start-up company focusing on vegan pastries. Through interviews with professionals and through the creation of statistics, the research covers qualitative as well as quantitative methods which provide authentic and credible information. The aim of the study is to understand the target market, to gather essential data necessary for conceiving a vegan food service business and consequently to raise its business prospects.

## 2 INSIGHT INTO THE REASONS OF VEGANISM AND THE CHARACTERISTICS OF THE FICTIVE COMPANY

### 2.1 Veganism

The Vegan Society defines Veganism as follows:

“A philosophy and way of living which seeks to exclude—as far as is possible and practicable—all forms of exploitation of, and cruelty to, animals for food, clothing or any other purpose; and by extension, promotes the development and use of animal-free alternatives for the benefit of humans, animals and the environment. In dietary terms it denotes the practice of dispensing with all products derived wholly or partly from animals.” (The Vegan Society, 1979)

#### 2.1.1 Ethics

The vegan chooses a vegan diet because of ethical reasons which can be better understood when analyzing following theories.

The Utilitarian theory

The Utilitarian theory is about the possible amount of happiness in the world and states that everyone should act in a way to create as much happiness as possible. The wellbeing of every individual counts according to this theory. If you fail to take into account the interests of another person or non-human animal or if you practice discrimination against someone, you are considered as acting incompatibly with the theory of utilitarianism. It includes every bit of happiness and suffering being it experiences of humans or of non-human animals. (Animal Ethics, 2018)


The rights theory

In case there are conflicting rights of two or more individuals, we should always try to satisfy as many rights as possible, including the rights of animals. If it is not possible to respect all the rights, we should think of solutions to safeguard the most important rights. This is of course a difficult part because some anthropocentric theories claim that only humans can be considered as rights holders. If considering non-human animals as right holders though, it is clear that exploiting and harming them is not compatible with respecting their rights. (Animal Ethics, 2018)

#### 2.1.2 Environmental impact, footprint and world hunger

To understand the reason for which people choose a vegan diet because of its low environmental impact, the following infographic presents a comparison of a vegan and a non-vegan diet in relation with environmental aspects.

## A THIRSTY INDUSTRY



WATER


**50%** Nearly **half** of all water used in the **United States** goes to raising animals for food.

It takes more than 2,400 gallons of water to produce **1 lb. of meat**.

VS.



1 pound of wheat takes **25 gallons** to produce **1 lb. of wheat**.

You'd save more water by not eating one pound of meat than you would by **not taking a shower for 6 months**.



A vegan diet requires 300 gallons of water per day vs. a meat-eating diet which requires 4,000 gallons per day.

WATER REQUIREMENTS PER DIET


4,000 gallons	300 gallons
	

Animals raised for food create **89,000 pounds of excrement per second**, none of which benefits from the waste-treatment facilities like human excrement does.

This situation creates massive amounts of groundwater pollution.

Chicken, Hog, and Cattle excrement has **polluted 35,000 miles of rivers in 22 states**.

Raising animals for food uses **30% of the earth's land mass**.

**30%** OR 

That's about the same size as Asia!

**= 17 Million sq. miles**

The surface of the moon has less area than that, at 14.6 million square miles.

LAND




More than **260 million acres of U.S. forest** have been cleared to create cropland to grow grain to feed farmed animals.

The equivalent of **7 football fields are bulldozed** every minute to create more room for farmed animals.

**Livestock grazing** is the number one cause of plant species becoming threatened or going extinct in the U.S.







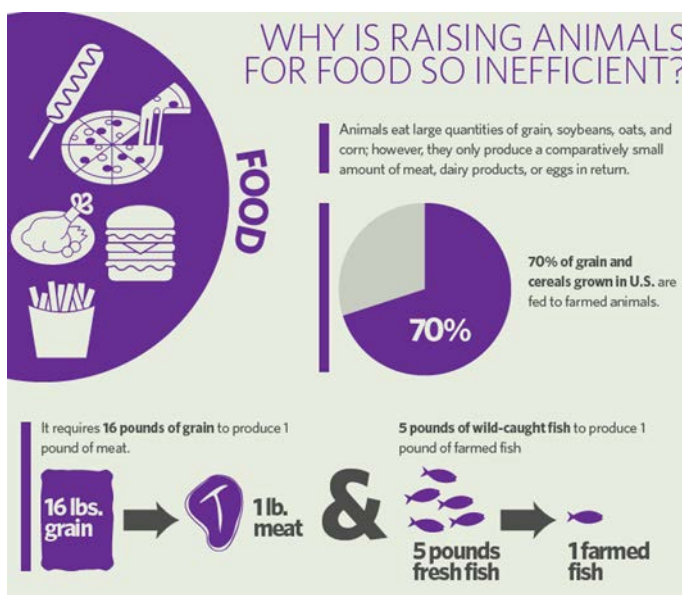
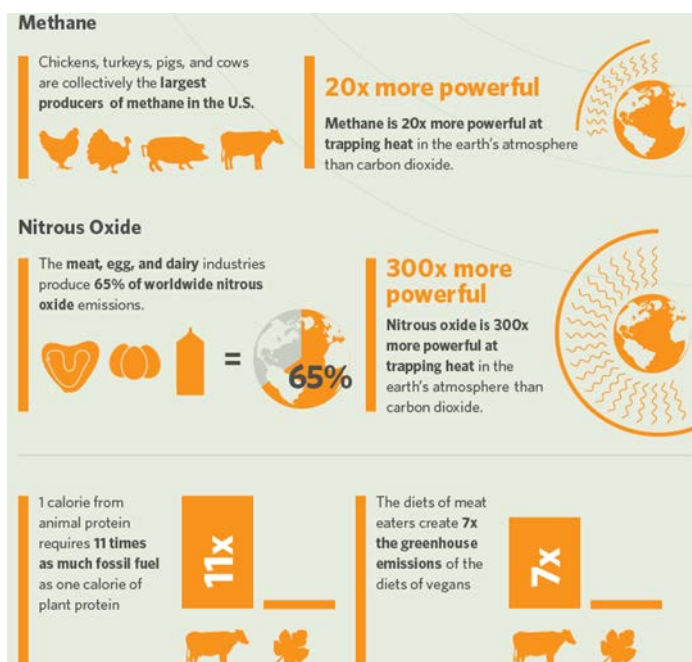
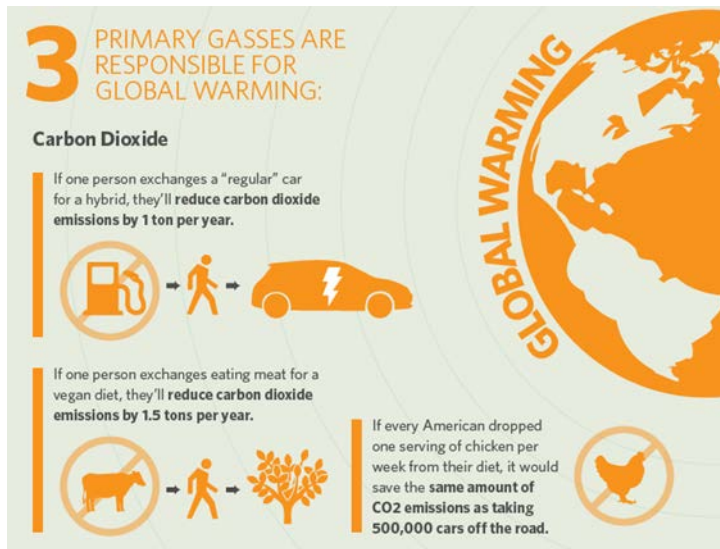


Figure 1: Infographic about environmental impact of diets (Robin Shreeves, 2012)

### 2.1.3 Health Benefits

A vegan diet comes with certain health benefits. As the diet is based on probiotic-rich whole foods, it increases energy level and general functioning and can therefore reduce pain from arthritis. There is a lower risk of getting heart diseases as the the high blood pressure decreases and the blood sugar and cholesterol reduces. Additionally, the whole grains and nuts are very good for the heart. Vegan persons have 15% lower risk of developing or dying from cancer and a better protection against prostate, breast and colon cancers. The diet is rich in nutrients such as fiber, antioxidants, potassium, magnesium, vitamin A, C, E1, E2, E3 and E4. To continue, the low calorie intake results in excess weight loss without exercising and makes the vegan diet often more successful than other diets. To finish, as the vegan foods lower blod sugar levels and improve kidney function, it lowers the risk of diabetes type 2, to up to 78%. (Petre, 2016)

### 2.2 Vegan market in Luxembourg

Nine out of ten vegan respondents of the survey "About Veganism & Pastry consumption in Luxembourg" – presented later in this thesis- are vegan because of ethical reasons. Three fourth state that the lower environmental impact a vegan diet comes with is their reason for choosing the diet. Nearly three fourth are vegan because of health reasons and less than half state that world hunger is a reason for them to be vegan. Only one out of ten is vegan because of the taste of the food, followed by 6% which simply follow a diet or life-style trend.

More than half of the vegan respondents state that the offer of vegan desserts and pastries in Luxembourg is poor whereas even one fifth claim the nonexistence of such offers. One out of ten thinks the offer is fair, 4% say it is good and only 3% think Luxembourg has an awesome offer of vegan pastries.

Finally, all respondents like the idea of a vegan pastry in Luxembourg-city.



Figure 2: Luxembourg Map (Driving Directions and Maps, 2018)

### 2.3 Company – La Séductrice Végane

This section presents the vision and mission statement of the fictional company which plans on opening a vegan pastry in Luxembourg-city.

#### Vision and Mission

We run the first vegan pastry in the country of Luxembourg, offering traditional French pastries, cakes, chocolates, breads and savory treats. The ingredients are 100% plant based and organic and most of the products are made from scratch. We believe that we create a popular place for vegans and non-vegans and promote veganism by persuading through great taste. Our vision is to make delicious and healthier than common pastries available for everyone supporting the well-being of consumers and animals.

### 2.4 French traditional pastries

France is well known for its delightful pastries and desserts. Even the word “dessert” is derived from the French word “desservir” with the meaning of “to clear the table”.

The perfection of the art form of pastry creations actually started with the simple routine of serving fruits and cheese after a meal. The French began to develop several delicious recipes for cakes, pastries and confections which made them famous all over the world and they are still being celebrated today.

In the early 17th and 18th centuries, the French perfected the dessert-making craft and in this point of time pastry chefs even become some kind of celebrities.

Marie Antoine Carême is one of these celebrity chefs as he was the first to elaborate desserts in the 17th and 18th centuries. Nevertheless, these days French chefs have grown even more celebrated than ever due to a great number of shops selling cooking books and also due to TV cooking shows. (Frederic, 2014)

Some characteristics of French pastries are: Fluffy consistence because of the usage of a lot of butter, their preparation is time consuming, attention to details plays a great role, layered desserts are common; every layer must be prepared separately, creation of creamy and rich desserts due to the typical ingredient custard and the usage of complicated techniques which requires certain skills. (Frederic, 2014)

Some classic French desserts and pastries:

Crème Brûlée – Vanilla custard with caramelized sugar on top.

Daquoise – several layers of hazelnut-almond meringue and buttercream.

Choux pastry – Made of butter, eggs, water and flour and results in puffy dough which is used for éclairs for example.

Mousse – Cream made of egg whites, egg yolks and sugar. The air whipped into the cream during preparation makes it fluffy.

Madeleine – Shell-shaped butter cakes

Mille-feuilles – Meaning: thousand sheets. Made of 3 layers of puff pastry, pastry cream and topped with fondant icing.

Tarte Tatin – Tart with caramelized apples. Apples and sugar are caramelized in a pan first, a layer puff pastry is placed on top of the apples in the pan and the pan is put into the oven. When the dough is baked, the tart is turned out of the pan and served warm with a scoop of vanilla ice cream. (Frederic, 2014)



Figure 3: Millefeuille (Femme Actuelle, 2018)



Figure 4: Dacquoise (Oberweis, 2018)

### 3 PRESENTATION OF THEORIES RELATED TO RESEARCH AND RISK ANALYSIS

#### 3.1 Research methods

This section presents qualitative as well as quantitative research methods. The purpose of the presentations is to demonstrate the different possibilities of gathering data. Later in this thesis the most suitable methods are used for the practical part.

##### Qualitative research

The qualitative research is based on the exploration of the hidden knowledge, explanations, beliefs and viewpoints. The findings help to create future theories and draw conclusions. Especially, for identifying tendencies, the qualitative research is of great use as it focuses on profound thinking and perceptions. The methods of qualitative data collection are numerous. This section presents seven possible approaches. (DeFranzo, 2011)

##### **Discourse Analysis**

Discourse analysis is often explained as language "outside the sentence border" but it is not solely that. It analyses the natural developing language use and studies larger parts of language to uncover socio-psychological characteristics, in contrast to other linguistic analysis which focuses on the grammar, smaller parts of language for example sounds, words and meanings. (Abdulmughni, 2012)

##### **Conversation Analysis**

Conversation analysis is abbreviated with the letters CA. It is a study of social interaction which consists of 3 basic features: action, structure and intersubjective understanding which are practically achieved.

The analysis uses naturally occurring conversations which are saved on videos or audio recordings. This makes it possible to analyse the data over and over again. The data is transcribed in every detail but the transcript is never seen as full replacement for audio. (Eriksson, 2008)

##### **Narrative analysis**

Narrative analysis is an old form of analysis and it studies stories but also pictures, videos and biographies.

The materials can be stories used in everyday life, stories presented by media, narrative interviews and written biographies. When analysing biographies it is important to keep in mind that people decide what they tell and there is no controlled content of material, in addition to that, people do not remember always right and mix the truth with fiction.

The goal of narrative analysis is the researchers' interpretation of which meaning individuals give to their stories.

This method should be used if asking people for telling their stories, when analysing material that itself contains stories or for biographies. (Eriksson, 2008)

### **Delphi Method**

The Delphi Method is based on communication and relies on a panel of experts. Through this interactive method, a prediction will be made after examining the answers of the experts which answer inquiries in a few rounds.

The Delphi technique can also be used as qualitative research method by gathering data from the questions and by discussing during the group communication conferences.

Market surveys and depth interviews are the most frequently used ways for qualitative research. The group discussions are lead by a moderator and the members discuss a certain number of topics. (Investopedia, 2018)

### **Ethnography**

Ethnography studies groups, teams, organisations and communities and how they behave, interact and perceive the world. The aim of this research method is to make detailed observation and interviews which permits to collect important data about social life, belief systems, culture and people's views and actions. (BMJ, 2008)

### **Grounded Theory**

Grounded theory is a method of collecting and analysing data. As the name reveals already, the analysis is based on theories explaining the studied phenomena.

Grounded theory has a big value for researchers because it offers detailed guidelines for qualitative research and specific strategies for working on analytical steps.

The first characteristic of the grounded theory method is that it is based on theory building. Secondly, one important rule demands that the researcher should not make hypotheses, related to his already existing knowledge, prior to the research itself as this could hinder the ideas which are rooted in the data. The third trait of this method is that the data is divided into slices which are compared with all existing concepts to see if it improves an existing category, creates a new one or indicates a new relation. The final characteristic is that the researcher is choosing analytical grounds to make a theoretical sample from which the slices of data of all kinds are selected. (Charmaz, 2003)

### **Case Study**

The Case study expands knowledge which already exists through previous research to help the understanding of a complex issue. It is widely used as qualitative method to analyse a contemporary phenomenon in its real-life context and it concentrates on detailed contextual analysis.

This study method is sometimes criticised because of the believe that a small number of cases can't offer strong grounds for creating reliability. Therefore, some researchers only use this method as an exploratory tool. (Soy, 1997)

Six steps to be used for a Case study research:

- Defining the research questions
- Selecting cases and determining data collection and analysis methods
- Preparing collection of data
- Collecting data
- Analyzing and evaluating the data
- Preparing a report (Soy, 1997)

### Quantitative research

The quantitative research measures quantities of determined variables by producing numerical data which can be used to create statistics. The data is always measurable and enables to define facts and reveal motives. The methods of quantitative research are very organized and analytical. This section presents two kind of statistics. (DeFranzo, 2011)

### **Descriptive Statistics**

The analysis of data through the descriptive statistics do not allow to make conclusions, they are solely used to present, show and describe data. This kind of presentation of the raw data is very important as it makes it less hard to visualize a big amount of gathered data. It organises the data in a more meaningful way which enables us to make simpler interpretations. Descriptive statistics are always used in relation with populations. A group of data which presents all the data you are interested in, is a population; it can be of a large or a small size.

To summarize the group of data we have, we can use tables, graphs, charts or statistical commentaries like discussions of the results. (Lund Research LTD, 2013)

### **Inferential Statistics**

If you only have a part of the data you are interested in, you need to analyze a smaller sample which represents the population. As the sample is not the whole population, we use inferential statistics which allows us to make generalizations about the population. Logically it is essential that the sample is drawn correctly in order to get an accurate representation of the population. (Lund Research LTD, 2013)

## 3.2 Risk management methods

The BusinessDictionary explains a business risk as follows:

“The probability of loss inherent in an organization's operations and environment (such as competition and adverse economic conditions) that may impair its ability to provide returns on investment. Business risk plus the financial risk arising from use of debt (borrowed capital and/or trade credit) equal total corporate risk.” (Businessdictionary, 2018)

This section presents two general risk analysis methods.

### SWOT analysis

The SWOT analysis is a medium for organizations to build a successful strategic management plan. Internal as well as external factors are taken into consideration.

The letters S, W, O and T stand for strengths, weaknesses, opportunities and threats. Strengths and weaknesses count as internal factors and can be controlled by the organization whereas opportunities and threats are not controlled and therefore external factors. (Canvanizer, 2018)

#### Strengths:

A firm does have different elements which represent its strengths. They can be touchable – such as products and employees - or conceptual – such as brand loyalty and competency levels. (Canvanizer, 2018)

#### Weaknesses:

Weaknesses are a combination of elements which prevent the organization to reach its goals and force the standards and performance down. The SWOT analysis intends to control, minimize or eliminate weaknesses such as taking wrong decisions, wrong research, waste of raw materials and poor labor cost control. (Canvanizer, 2018)

#### Opportunities:

Opportunities are external factors and can be found when analyzing the business environment of an industry. They are means to increase the achievement of an organization by developing a strong competitive presence. A permanent new evaluation of the opportunities is essential to avoid that the firm notices them to late and misses to act accordingly. (Canvanizer, 2018)

#### Threats:

Threats menace the strength and performance of a firm and therefore endanger its durability. Unfortunately, threats can rarely be controlled and can degenerate through price wars and relentless competition. In order to avoid such dimensions, company's threats should be deeply analyzed. (Canvanizer, 2018)





Figure 5: SWOT Analysis grid example (Canvanizer, 2018)

### PEST analysis

PEST is an acronym for political, economic, social and technological factors. The analysis is used as an effective business tool by determining external aspects which could influence a company. The aspects can be of different nature; they can represent threats or opportunities. The goal of the analysis is to find out how to use the opportunities and how to protect the organization from the threats. The result of the PEST represents an overview of the business environment of a firm. Logically, the more threats are identified in an industry, the more challenging is it to do business in that field. To get the most out of the analysis, it is important that as many responsible persons as possible take part in the process and share their opinions and conclusions. (Jurevicius, 2013)

Following template lists the factors to be analysed in each category:

Political factors	Economic factors
<ul style="list-style-type: none"> <li>• Government stability and likely changes</li> <li>• Bureaucracy</li> <li>• Corruption level</li> <li>• Tax policy (rates and incentives)</li> <li>• Freedom of press</li> <li>• Regulation/de-regulation</li> <li>• Trade control</li> <li>• Import restrictions (quality and quantity)</li> <li>• Tariffs</li> <li>• Competition regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Growth rates</li> <li>• Inflation rate</li> <li>• Interest rates</li> <li>• Exchange rates</li> <li>• Unemployment trends</li> <li>• Labor costs</li> <li>• Stage of business cycle</li> <li>• Credit availability</li> <li>• Trade flows and patterns</li> <li>• Level of consumers' disposable income</li> </ul>

<ul style="list-style-type: none"> <li>• Government involvement in trade unions and agreements</li> <li>• Environmental Law</li> <li>• Education Law</li> <li>• Anti-trust law</li> <li>• Discrimination law</li> <li>• Copyright, patents / Intellectual property law</li> <li>• Consumer protection and e-commerce</li> <li>• Employment law</li> <li>• Health and safety law</li> <li>• Data protection law</li> <li>• Laws regulating environment pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary policies</li> <li>• Fiscal policies</li> <li>• Price fluctuations</li> <li>• Stock market trends</li> <li>• Weather</li> <li>• Climate change</li> </ul>
Socio-cultural factors	Technological factors
<ul style="list-style-type: none"> <li>• Health consciousness</li> <li>• Education level</li> <li>• Attitudes toward imported goods and services</li> <li>• Attitudes toward work, leisure, career and retirement</li> <li>• Attitudes toward product quality and customer service</li> <li>• Attitudes toward saving and investing</li> <li>• Emphasis on safety</li> <li>• Lifestyles</li> <li>• Buying habits</li> <li>• Religion and beliefs</li> <li>• Attitudes toward "green" or ecological products</li> <li>• Attitudes toward and support for renewable energy</li> <li>• Population growth rate</li> <li>• Immigration and emigration rates</li> <li>• Age distribution and life expectancy rates</li> <li>• Sex distribution</li> <li>• Average disposable income level</li> <li>• Social classes</li> <li>• Family size and structure</li> <li>• Minorities</li> </ul>	<ul style="list-style-type: none"> <li>• Basic infrastructure level</li> <li>• Rate of technological change</li> <li>• Spending on research &amp; development</li> <li>• Technology incentives</li> <li>• Legislation regarding technology</li> <li>• Technology level in your industry</li> <li>• Communication infrastructure</li> <li>• Access to newest technology</li> <li>• Internet infrastructure and penetration</li> </ul>

Figure 6: PEST Analysis template (Jurevicius, 2013)

### 3.3 Competitor analysis methods

John Spacey (2017) defines competitive risk as follows:

"Competitive risk is the chance that competitive forces will prevent you from achieving a goal. It is often associated with the risk of declining business revenue or margins due to the actions of a competitor." (Spacey, 2017)

This section presents two different competitor analysis methods.

### 3.3.1 Porter`s five forces analysis

In 1979, Michael Porter developed a competitive position analysis which focuses on five main external forces influencing the competitive strength of a company as well as the attractiveness of the industry. The analysis is named "Porter's five forces". Dealing with the potential profitability of a new product, the Porter's five forces help to find the strength and weaknesses of the product and therefore prevents the company from making strategic faults.

Following image presents the five forces of Porter's analysis:

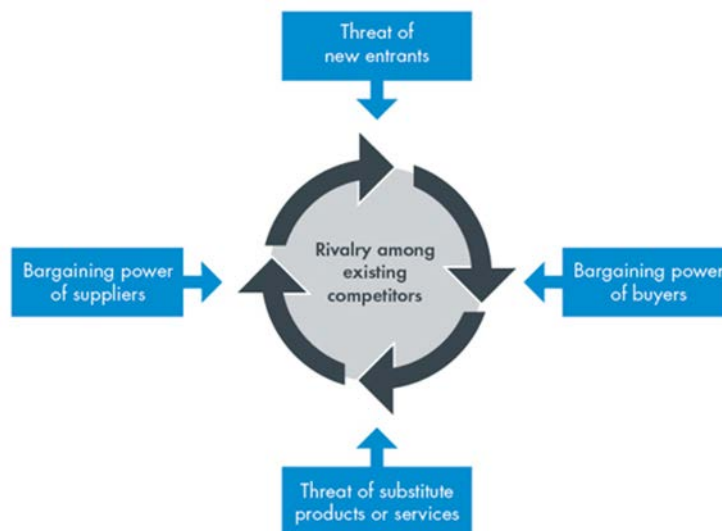


Figure 7: Porter's five forces

#### Supplier power:

Factors influencing the power of suppliers are: the number of equal suppliers, the differentness of their product or service, the switching cost related to change of supplier as well as the capacity of the supplier. If the suppliers have great power, they can make prices raise which will have a direct impact on the profit of a company.

#### Buyer power:

Factors influencing the power of buyers are: the number of buyers in the industry, the share of the sales each buyer has and switching costs. If the buyer has a great power, he can drive the prices down.

#### Competitive rivalry:

Competitive rivalry is defined by the number of competitors in the specific industry. A high number of competitive companies diminish the attractiveness of the market.

#### Threat of substitution:

A high number of products which can replace a company's product will make the customer chose the option with the best price. A company should thoroughly analyze all existing substitute products in the market in order to adapt its way of doing business.

Threat of new entry:

The profitability of an industry will engage more companies to enter the market and consequently influence market share and profitability. (CGMA, 2013)

### 3.3.2 Value net model

Adam Brandenburger and Barry Nalebuff created the Value Net Model as a method to be used by companies so that competitors can be analyzed in a new way. The aim is to get insight into the benefits arising with the existing competition by thinking about the four main players influencing the operation of a business. By understanding the interaction of all four players, a company can adapt and improve its strategies.

Following image presents the four players:

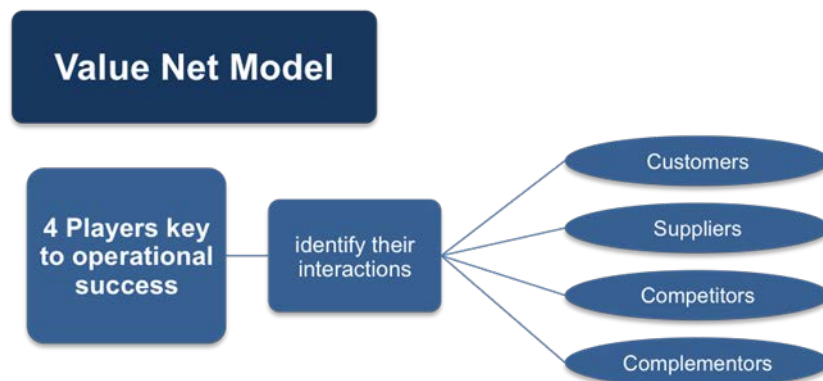


Figure 8: Value Net Model - four key players

Customers:

Customers are people that buy your products and services. Every company should have a definite target market and its strategies should be designed to get as many customers as possible. Customers can be of different natures such as businesses which are reselling a company's product or end-users.

Suppliers:

To develop a product, a company needs raw materials which can be provided by suppliers. That said, it is very important to have a good relationship with suppliers as they contribute greatly to a business' success.

Competitors:

A company should always be aware of the competition, be it related to product, price or quality.

Complementors:

Very often, companies overlook the role of complementors. Complementors are organizations selling services or products which are able to add value to a company's product and therefore increase the temptation of customers to buy it. (Free Management books, 2015)

### 3.3.3 The space matrix

The aim of the space matrix method is it to analyse a company's competitive position in order to define an appropriate strategy to persist in the specific industry. Optional, it can be used as support for the SWOT analysis and other industry research methods. The space matrix relies on four different dimensions, two being internal and two being external. The internal dimensions are financial strength and competitive advantage whereas the external dimensions are represented by the industry strength and the environmental stability. The evaluation of the method suggests an aggressive, competitive, conservative or defensive strategy. (Laetitia Radder, 2002)

To get a better understanding of the dimensions, an example of factors influencing the environmental stability are listed below:

<i>Factors determining environmental stability</i>									
Technological changes	Many	0	1	2	3	4	5	6	Few
Rate of inflation	High	0	1	2	3	4	5	6	Low
Demand variability	Large	0	1	2	3	4	5	6	Small
Price range of competing products	Wide	0	1	2	3	4	5	6	Narrow
Barriers to entry into market	Few	0	1	2	3	4	5	6	Many
Competitive pressure	High	0	1	2	3	4	5	6	Low
Price elasticity of demand	Elastic	0	1	2	3	4	5	6	Inelastic

Figure 9: Space Matrix - List of factors influencing the environmental stability

Additionally, an example of the Space Matrix Chart is presented below:

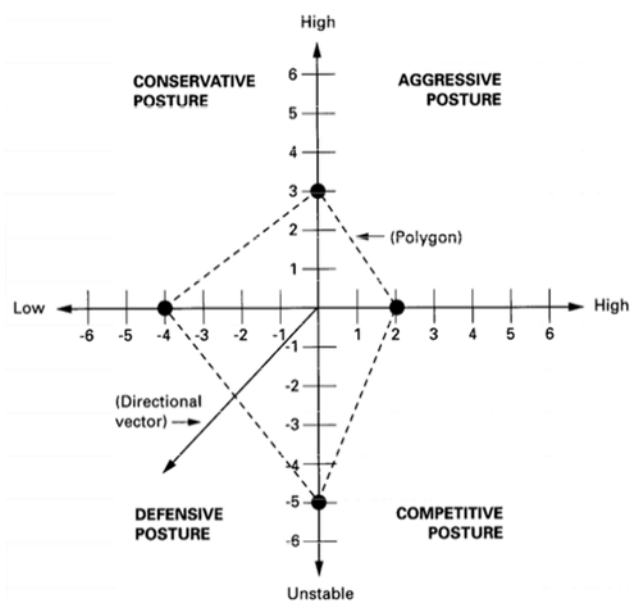


Figure 10: Space Matrix Chart - A tool for calibrating competition

## 4 PRACTICAL RESEARCH ON THE VEGAN MARKET AND THE PASTRY CONSUMPTION IN LUXEMBOURG

To conduct a market research with the goal to define the business prospects of the first vegan pastry in Luxembourg, two methods are used. The quantitative research is realized by the creation and conduction of a survey with the title "About Veganism and Pastry Consumption in Luxembourg" in which 315 people participated. The survey has been chosen as research method as it permits to reach a large number of participants. The qualitative research on the other hand is performed by several interviews with professionals that either run a vegan business or have knowledge in the profession of a pastry chef. Analysing interviews of professionals is a very good way to get valuable insight into the industry.

The results of the research are presented in different ways such as tables, diagrams or text and are allocated to particular sections of this chapter in order to support and describe the treated matter.

### 4.1 Market growth

Globally:

Veganism was the fastest growing life-style and health movement 2016. The google searches for "Vegan" increased by 90% in 2016. (VeganFoodAndLiving, 2017)

A lot of companies are spending money for researches studying the growth of veganism and its effect on global markets. One of these research reports predicts that the global non-dairy milk market will reach nearly \$11 billion by 2019 (\$5.8 billion in 2014) and in addition to that a 2011 study by the U.S. Department of Agriculture reported that dairy milk drink sales had halved since the 1980s. (Plant Based News LTD, 2017)

In Luxembourg:

To predict the probability of the vegan market growth in Luxembourg the following prognosis of the heads of vegan businesses can be taken into account as their knowledge and experience add value to their opinions. Three professionals were asked what they forecast for veganism in future. Their answers are presented below:

Caroline - Manager and associate of the restaurant Beet

"I think veganism will grow and it will be seen as an established food type. People inform themselves online and gain more awareness about what they are eating. Nevertheless, I do not think that veganism will take over the planet. I could imagine that also meat-eaters will include vegan dishes more often just because of the different taste. There are also many other countries where I see potential for vegan businesses to grow."

Cédric – Chef and owner of the restaurant Oak

“I am pretty sure that veganism will grow in future. The reason for that will mainly be the environmental issues. Other factors will later gain weight. All the nature disasters will lead to the understanding that we have to change something.

In addition to that, I am sure that the flexitarianism will grow and people will eat less meat. The whole movement will experience a boom and vegan businesses will make profit out of it. Therefore, it is important to spread out business right now before the market in Luxembourg is matured.”

Denis – Owner and Manager of the vegan shop Venga

“I do believe that the market will grow and there are still opportunities for business. Obviously, the trend of the vegan diet is playing a role too but generally more and more people think about what they are eating and how the animals are kept. Many people feel better when eating vegan food and therefore there will be more people to take the step and start a vegan diet.”

## 4.2 Qualitative research

Conception of veganism in Luxembourg

A sample of the population of Luxembourg was asked following question: “What are the first spontaneous associations you make with veganism?” In this section, some of the answer are presented to visualize the conception of veganism in Luxembourg.

Associations

Words or sentences which are beyond all questions positive are marked in green and the ones which are negative are marked in red.

- “Eco-friendly. Food conscious. Where does your food come from?”
- “Animal protection, healthy nutrition, organic” (translated)
- “I was surprised that vegan jeans and shampoo exists” (translated)
- “Best decision of my life” (translated)
- “Limitations, health, love animal, eccentric, arrogant, respect, creativity”
- “Healthy, less attractive” (translated)
- “healthy, green, specific diet, difficult to eat outside or at restaurant, raw, lifestyle, trend”
- “Veganism is the other extreme, we should live in the mean” (translated)
- “What a pity thinking about what vegans miss out on” (translated)
- “Nonsense”
- “Leek club” (translated)
- “Disgusting” (translated)
- “Modern and new way of religion/movement” (translated)
- “Healthy!?”

- “Very often misunderstood and victim of prejudice” (translated)
  - “No eggs, no cheese, no butter” (translated)
- (respondents, 2017)

### Word map

The word map is presenting which words from the open answers are often used in relation which each other. In this case, the words are in 3 different languages: French, German and English.

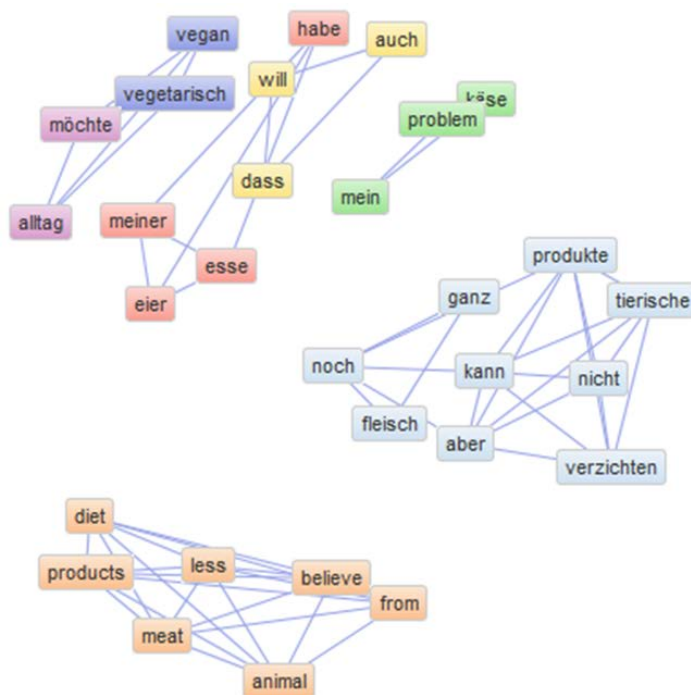


Figure 11: Word Map from an open questions of the survey: About veganism and pastry consumption in Luxembourg

### Translations

#### Word map 1:

Vegan-Vegetarian-Want-Daily Routine

My-Eating-So That-Eggs-Want-Have-Also

My-Problem-Cheese

#### Word map 2:

Until Now-Entirely-Animal-Products-Can-Not-Abdicate-Meat-But

Word map 3: in English, already



### Word cloud

The word cloud show the words which are often used in the answers of the open questions. The size of the words indicates the frequency – big size means often used.



Figure 12: Word cloud from an open questions of the survey: About veganism and pastry consumption in Luxembourg

List of the ten most frequently used words:

1. Not
2. Vegan
3. Products
4. Animal
5. Cheese
6. Abdication
7. Can
8. But
9. Meat
10. Believe

### Summary of Interviews

Since the opinion and advices of professionals in a specific field can be of great value to concept developers, four interviews were conducted. The answers of two restaurant managers, one vegan shop owner and one pastry chef are summarized in this section. The interviews were conducted using the conversation analysis as it is the most appropriate method of qualitative research in this case. The social interaction of the naturally occurring conversation permits the interviewer to get most out of it. The conversations were recorded, transcribed and listen to, as many times as needed to understand the intersubjectivity. If distinctions of answers are highlighted, the interviewees are referred to as follows: Person one is Caroline, the manager of the restaurant "Beet"; Person two is Cédric, the manager of the restaurant "Oak"; Person three is Denel, owner of the vegan shop "Venga"; and person four is Ronald, the pastry chef and teacher.

### **About the concept idea**

The four interviewees think that the offer of plant-based pastry would not be enough to attract a large number of clients. They suggest enlarging the offer with gluten-free, healthy pastries or another service in order to create an additional unique selling point.

### **About potential customers**

Person one, two and three state that less than half of their customers are on a vegan diet. A lot of them want to eat lighter and healthier food, some of them are lactose intolerant and frequent the businesses of person one, two and three for that reason. The age level of these customers ranges from 12 to 70 years. At lunch time, the customers of person one and two are mainly working-class people, having their office close-by.

### **About advertising**

Person one and person two agreed that it was easy to attract customers by word-of-mouth and by free advertising through social media such as Facebook.

### **About products & services**

Person one and person two state that the offer of varied products is very important because regular customers are expecting a change in the selection in order to try new tastes. Person one and person two also emphasize on the fact that the recipes for vegan pastry need to be very good as customers will compare them to the regular pastries.

Person one said that their business got already many requests for preparing vegan birthday-cakes for take-away, but they do not have the resources to offer that service.

Person three mentioned that a lot of customers did not like that the packaging of many products are made from plastic and that they think it is a pity that the developers did not think about that.

Person four points to the difficulty of producing traditional French pastry without use of eggs and butter. In addition to that, person four states that a lot of people are expecting traditional pastries for festive seasons.

### **About staff and future employees**

Person one and two state that it is difficult to find staff for a vegan business. Person one adds that there are already many criteria which their staff needs to fulfill so it is impossible to also add the criteria of them being on a vegan diet. Person 2 adds that it is difficult to find staff that has the right mind-set to work in a vegan business.

Person four says that the LTHAH is adapting the study program for their students to the markets visible demand. Vegan food was not yet a topic for their program but special diets for allergic people as well as for gluten-intolerant people were.

### **About the public's conception & marketing strategy**

Person one, two and three suggest not to market the pastry as vegan directly. All of them think that the word "vegan" scares by-walkers off. They do recommend to write "plant-based" instead of "vegan" but still keeping the font small and do not emphasize on it.

Person two and three add, that Luxembourg's vegan customer base is too small and that the pastry would need to attract all kind of customers in order to survive. Both also say that the vegans among the country will know via word-of-mouth when a vegan business opens.

Person three states that in a second stage, the digital marketing should visibly include the information about the vegan ingredients in order to make the vegan customers trust in the the business when looking up information online.

### **About opportunities & risks**

Person one admits that handling vegetables – which are used in great amount for vegan creations – takes a lot of time and is therefore related to high labor costs. In addition to that, the research on suitable recipes can also be tricky.

Person three thinks that the vegan pastry would respond to an existing demand as there is no such pastry in Luxembourg yet and restaurants offering a few desserts is not the same.

Person three also advises, that especially vegan businesses can be decorated and furnished with low-cost objects as people are more and more interested in less elegant and classic businesses than they were before. The traditional exclusive style which is often found in Luxembourg is about to decrease.

Person four states that if the competitors – non-vegan pastries – see that the vegan pastry works well, they are most probably going to offer some creations in their own pastry as well to attract a wider range of customers.

### **About consumer behaviour**

Person one states that classic desserts like the chocolate lava cake go very well in their restaurant. On the other hand, at lunch-time, most of the customers do not have time for a dessert because they need to go back to work.

Person one advises that one should keep in mind that people tend to criticize even more when they know that a product is vegan and they think that it should taste the same than what they know from the traditional ones.

Nevertheless, all of the interviewees state that customers nowadays are very interested in trying new things.

### 4.3 Quantitative research

The quantitative research has been implemented through an online-survey. The data gathered through the survey represents a sample from the population and the analysis is therefore conceived as inferential statistics.

#### 4.3.1 Context

To gather data about the people's view on veganism and their pastry consumption, the survey "About Veganism & Pastry consumption in Luxembourg" was created. The questions are carefully developed in order that the data received presents valuable information about the specific market in Luxembourg.

The survey was available between 10.01.2018 and 18.01.2018. It was shared on Facebook on the researcher's wall where it was visible for friends and it could be shared. To continue, the link was shared in different Facebook-groups such as "Vegan society Luxembourg", "vegan lierwen zu Lëtzebuerg" (vegan living in Luxembourg) and "LTHAH forever". Last mentioned, is the group of a hospitality high school for cooks, restaurant, tourism and hospitality professionals. Finally, the survey was shared via email to members of the "L'Estro Armonico" chamber orchestra.

The 315 respondents present a good mix and therefore a reliable sample of the population.

#### 4.3.2 Questionnaire

The Questionnaire (Appendix 1) is the visual presentation of the survey which the respondents accessed online.

#### 4.3.3 Basic report

The basic report (Appendix 2) simply represents the questions and the results of the total respondents in form of tables indicating the exact number and the percentage.

#### 4.3.4 Detailed reports of selected questions & conclusions

To make valuable conclusions, a selection of certain questions is presented in this section and analysed in detail.

##### **Potential customers:**

All respondents which specified that they frequent the area of the "Place d'armes", "Knuedeler" and "Grand Rue" between 1 time per month to 7 days a week.

79% of the potential customers live in Luxembourg-city or surroundings. (Figure 14)

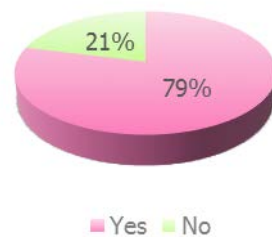


Figure 13: Living area of the potential customers

More than 60% of the potential customers are between 18 and 35 years old. (Figure 15)

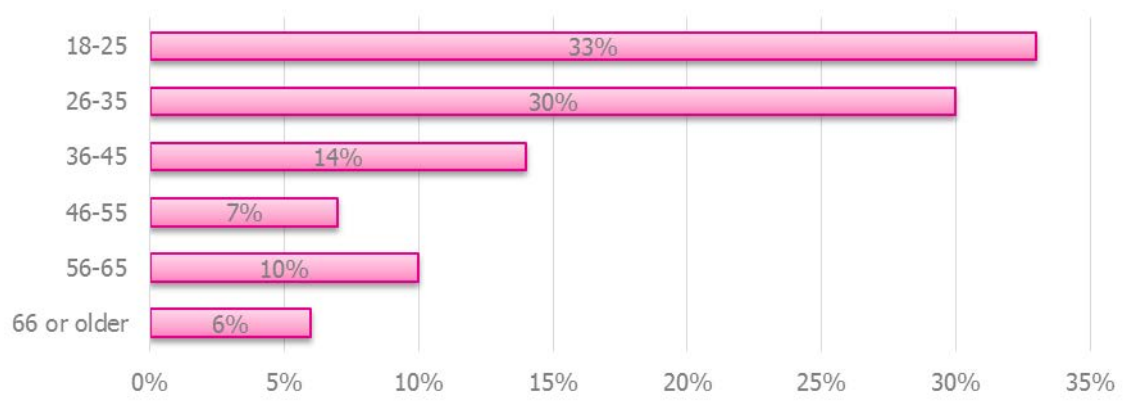


Figure 14: Age-range of the potential customers

64% of the potential clients buy pastries, 16% don't buy them because they are vegan and can't find vegan pastries. (Figure 16)



Figure 15: Pastry buying habits of potential clients

It can be concluded that the product of pastries can satisfy a visible existing demand as 90% of the potential clients buy pastries or would buy them if they would be vegan.

The respondents were allowed to choose more than one motivation for buying at a vegan pastry shop. More than half of the potential customers think that taste would be the most motivating factor

to visit a vegan pastry. Big range of products and variety of pastries are under the 3 most crucial factors with a total percentage of 71%. (Figure 17)

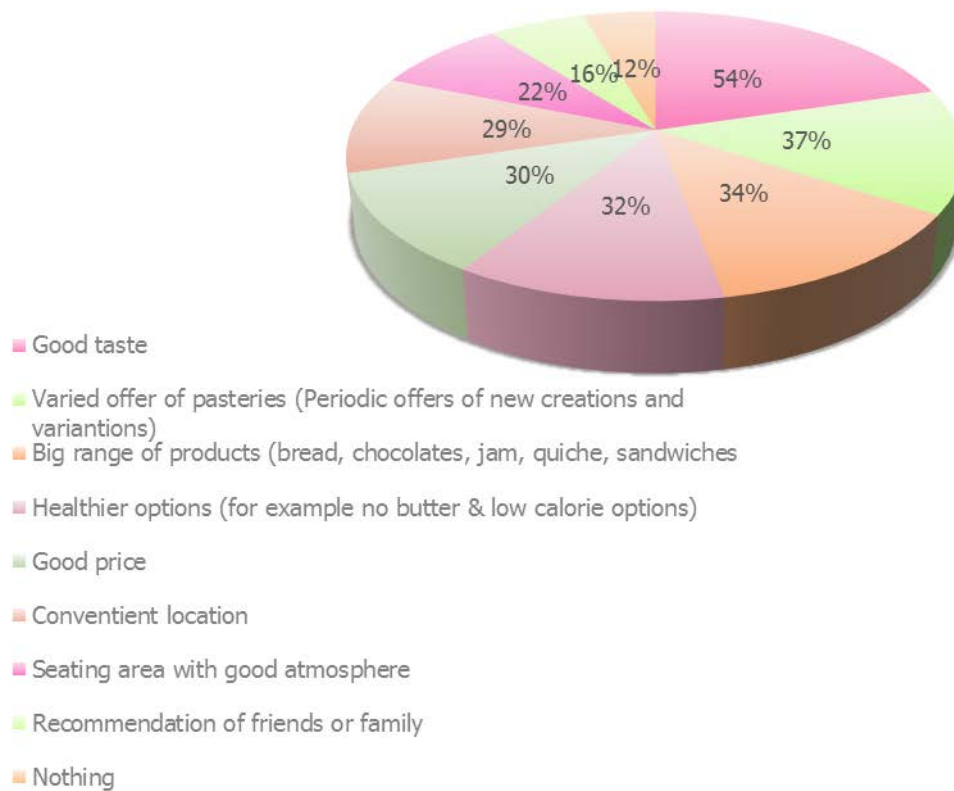


Figure 16: Motivations of potential clients to buy pastries from a vegan shop

Analyzing the answers to this question, a vegan pastry need to focus deeply on creating tasty recipes and interesting and varied range of products. No compromises should be made in terms of taste and quality.

### Total respondents

63 % of the participants are female whereas 37% are male. (Figure 18)

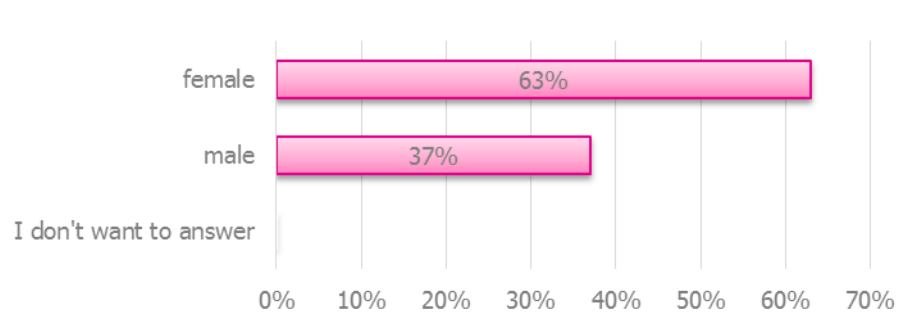


Figure 17: Gender of the respondents

Women are more interested in the topic and therefore more woman participated in the survey.

79% of the participants have vegans and/or vegetarians under their friends and family members. (Figure 19)

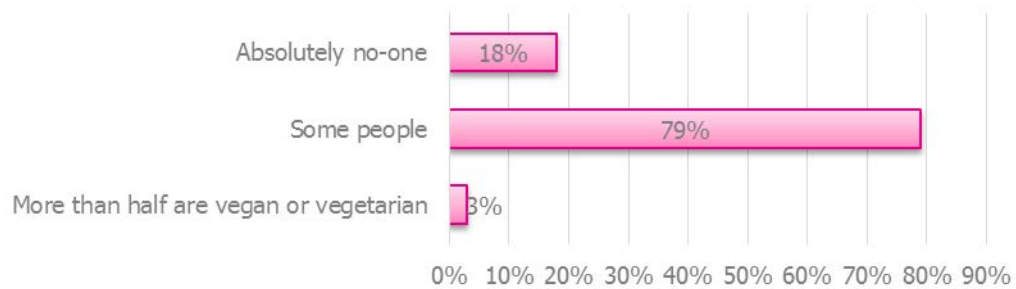


Figure 18: Portion of vegetarians/vegans under the respondents friends and/or family members

Having friends and family members following a vegan or vegetarian diet, makes people think about what they are eating and they are forced to deal with the topic. Therefore, more and more people might show interest in vegan products and try them.

91% of the participants like pastries - with or without animal products (Figure 20)

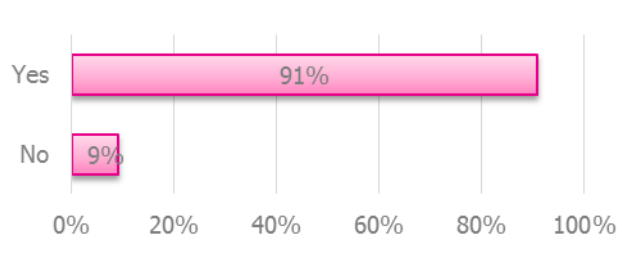


Figure 19: Portion of respondents that like pastries

22% of the participants are vegan, 13% are vegetarian and 67% are neither vegan nor vegetarian. (Figure 21)

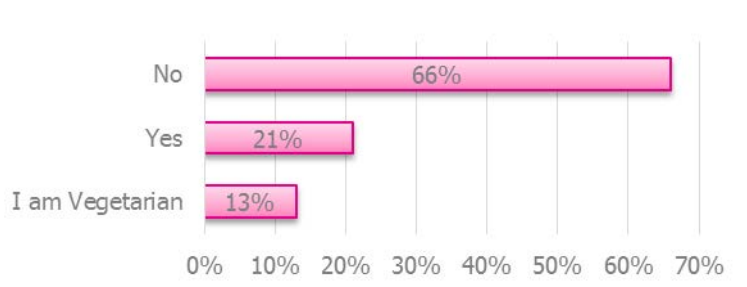


Figure 20: Vegan respondents

**Non-Vegans:**

All participants, excluding the ones answering with “yes” to the question: “Are you vegan?”

88% of the non-vegans know what a vegan diet is. (Figure 22)

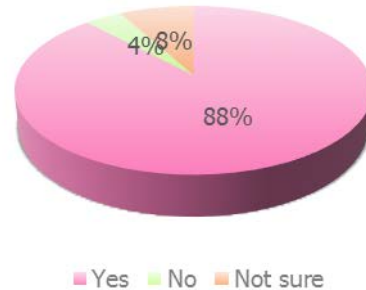


Figure 21: Non-vegans knowing what a vegan diet is

It can be concluded that a certain awareness is existing and people inform themselves.

Only 36% of the non-vegans could not imagine becoming vegan in future. (Figure 23)

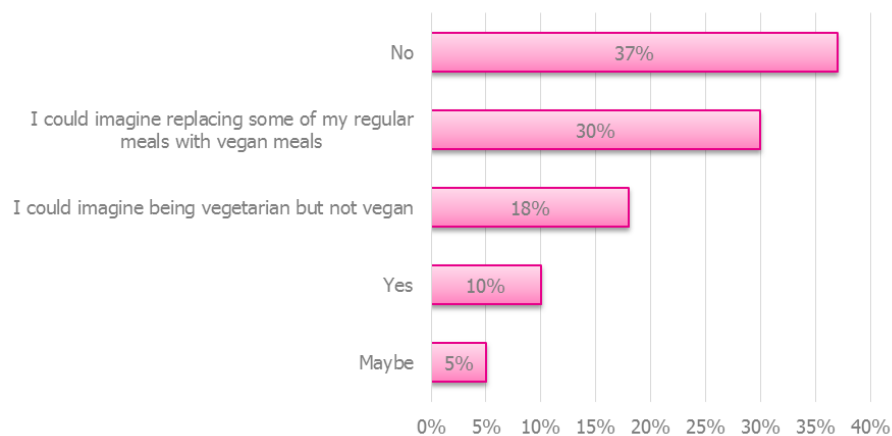


Figure 22: Imagination of non-vegans of becoming vegan in future

If the vegan offer gets better and the vegan businesses grow, the awareness will raise and the people who are not sure yet could be guided towards their decision. As nearly half of the non-vegans could imagine eating vegan meals, it can be concluded that the flexitarianism is growing – bringing profit to vegan businesses.

The respondents were allowed to choose more than one reason of why they are not vegan and could even add an answer to a free text box. More than half of the respondents aren't vegan because they can't skip certain animal products which they are used to consume. 1/3 of the people do not believe veganism to be the solution for low environmental impact, good health, less animal suffering and world hunger. (Figure 24)



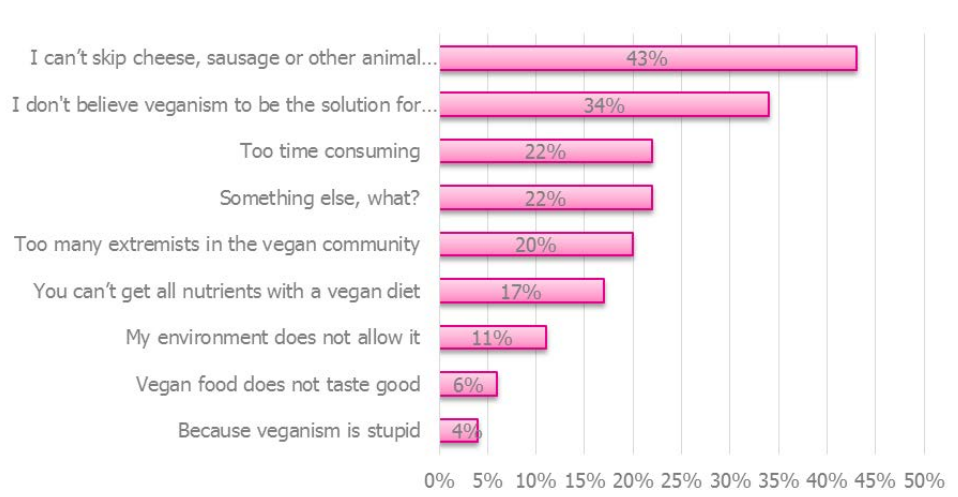


Figure 23: Reasons for not being vegan

The answers in the text field mention very often the factor of habit, comfort and the difficulty of giving up certain animal-derived products.

"I am vegetarian but find it hard to skip cheese"

"Addicted to meat"

"Habit" and "Out of comfort"

Also mentioned is the non-existing interest and rejection as well as the defense of practices related to a non-vegan diet (lifestock breeding) and whitewashing of negative factors.

"Not interested, I live a good life right now" and "I don't feel like being vegan"

"I believe that it is OK to consume animal products, as long as the animals have good living conditions. Therefore, I consume little quantities of animal products that come from small organic farms."

"You can eat eggs and consume milk sometimes without hurting animals. I buy my meat from farms where they treat animals with respect until the end"

"It would be sufficient if everyone would eat considerably less meat & other animal products"

In addition to that, some people mention that a vegan diet isn't healthy.

"Human beings are predators and a natural diet involves animal products"

"I believe it is unnatural for humans. However, I do believe that a healthy diet is important and you should never just focus on one type of food or food source: diversity and healthy portions are the key. One should consider where meat or animal products come from and try to keep it as cruelty-free as possible and purchase from brands that care about animals."

"Vegan is unhealthy"

The offer of tasty vegan animal product alternatives could be a good solution for the people which state that they cannot skip animal products because of their habit.

If people can't skip certain foods, its most definitely because of the taste; therefore, tasty vegan recipes are the key to attract non-vegans.

In addition to that, the opening of more vegan businesses potentially get the attention of many people which leads to the action of informing themselves and trying vegan dishes out of interest.

77% of non-vegans would give vegan pastries a try and taste them. (Figure 25)

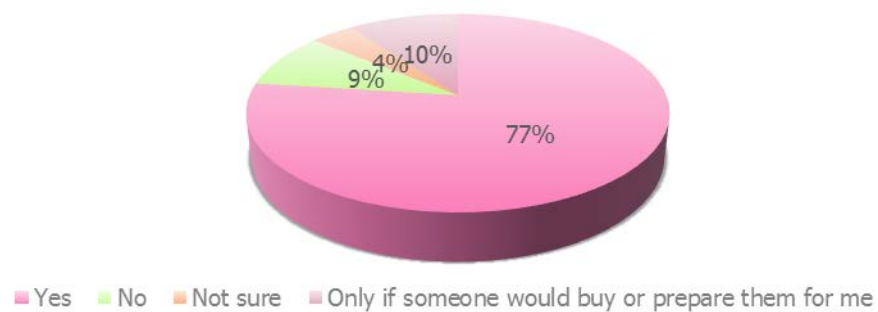


Figure 24: Portion of non-vegans that would try vegan pastries

It is essential to convince non-vegans with the first offered products; there is low rejection to try something new. As a high number of non-vegans would give vegan pastry a try, it could be a good approach to offer a free tasting – pre-opening-tasting- in the pedestrian zone which is not marketed as vegan.

If non-vegans like the vegan pastries after tasting, 74% of the them would try to choose vegan pastries over non-vegans because they are the healthier option, they are made without animal products or because of lower environmental impact. Half of them state that they would eat them more often. (Figure 26)



Figure 25: Actions of non-vegans that like vegan pastry

As mentioned earlier already, the focus should lay on tastiness and presentation of high quality products right from the start. To attract non-vegans, the pastry should include a healthy/low calorie range of pastries and concentrate on promoting them as such. In addition to that, the whole business should highlight low environmental impact to show concern and responsibility.

### **Vegan respondents:**

All participants which answered with "yes" to the question: "Are you vegan?"

More than half of the vegan respondents state that the offer of vegan desserts and pastries in Luxembourg is poor whereas even 21% claim the nonexistence of such offers. (Figure 27)

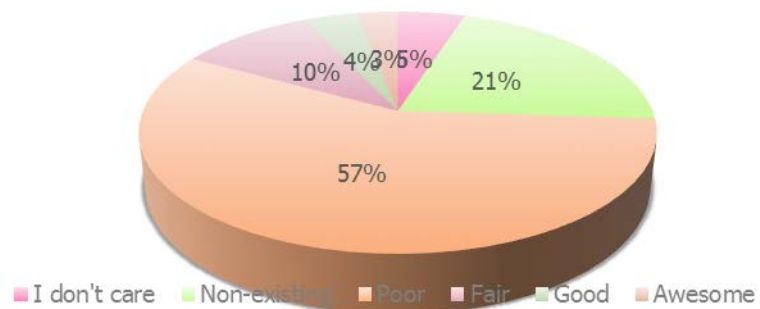


Figure 26: Thoughts about vegan pastry offers in Luxembourg

## 5 ANALYSIS AND MANAGEMENT OF RISKS AND COMPETITORS

### 5.1 SWOT analysis

To manage the risks, following section conducts a the SWOT analysis. The SWOT analysis is more suitable for the vegan pastry as the PEST analysis as it gives a broader overview of its position. The analysis helps to identify the main competencies of the vegan pastry, helps to turn weaknesses into strengths and can be used as a base for a strategic marketing plan. After filling the SWOT table, four essential questions are answered: Do strengths open any opportunities? What Do We Have to Do to Use Opportunities? How Can We Convert Weaknesses to Strengths? How Do We Best Neutralize Threats? (Ward, 2017)

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Demand amongst vegans</li> <li>• First business of that type</li> <li>• Knowledge of the vegan life-style and customer needs</li> <li>• Location (center of Luxembourg-city)</li> <li>• Able to satisfy demand of customers with lactose-intolerance and egg-allergy (Person three, 2018)</li> </ul>	<ul style="list-style-type: none"> <li>• Vegan diet is not the leading diet in Luxembourg</li> <li>• Expenses: rent in the city-center is very high, high labor cost; time-consuming recipes (Person one, 2018)</li> <li>• Narrow offer: only focused on range of vegan french pastries</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Bring some innovation in the scene of pastries in Luxembourg</li> <li>• Veganism and flexitarianism is growing (Person one, two and three, 2018)</li> <li>• Expanding business (catering, food-truck, workshops,...)</li> <li>• Working together with existing businesses which want to offer vegan choices</li> <li>• Being present on vegan events (Christmas party,...)</li> </ul>	<ul style="list-style-type: none"> <li>• High number of competition (regular pastries)</li> <li>• Other vegan businesses could offer pastries in future (Person four, 2018)</li> <li>• Corporate image of Veganism: name of the pastry-La Séductrice Végane (Person one, two and three, 2018)</li> <li>• Rejection of vegan pastry to replace classic French pastries; expect exact same taste &amp; texture (Person one and two, 2018)</li> <li>• Fear of ppl to try something new</li> <li>• Pastry chefs which are able to prepare vegan pastries are rare; hiring staff is difficult (Person one and two, 2018)</li> </ul>

Figure 27: SWOT Analysis Grid

## Analysis

### **Do Strengths Open Any Opportunities?**

Being the first business of that type, the opportunity to get the monopole for the vegan customers regarding pastries and dessert should be realized.

As the pastry can offer products to lactose-intolerant customers, it should market one of the selling points emphasizing on a lactose-free offer.

Having knowledge of the vegan life-style, the pastry can adapt its overall choices to stay reliable in the eyes of vegan customers. The pastry should take into consideration not to use products from big concerns with a bad reputation regarding environmental impact and it should be careful in choosing material (plastic for example).

Being located in the city-centre, the pastry has the opportunity to get a high number of passing-by customer base as well as gathering regular customers from the working-class. Therefore, it need to keep in mind to adapt its offer for lunch time; offering lunch formula (A quiche, a pastry and a coffee/tee)

### **What Do We Have to Do to Use Opportunities?**

To bring innovation in the scene of pastries in Luxembourg, the shop itself need to differentiate itself from all the other pastries. It can be different in terms of decoration but also in terms of presentation.

As flexitarianism is growing, more and more people want to include products from another diet into their eating routine; the pastry should take this under consideration when promoting its offer and not only focus on vegan customers.

In the first year of operations, the business should be attentive to customer reviews, comments and suggestions and use them to help decide in which way the business should be expanded. This is not the only criteria to choose the nature of expansion but it is still very important to understand the demand.

### **How Can We Convert Weaknesses to Strengths?**

As the vegan diet is not a leading diet in Luxembourg, the offer is not extended and the opening of a vegan pastry can fill a market gap. In addition to that, there are not many competitors compared to other food service businesses.

Even though preparing vegan food is related to high labour expenses, the fact that the dishes are made from scratch can be used as factor for promoting the restaurant. It ensures good quality and knowledge about the ingredients. Additionally, having a narrow offer permits the staff perfecting their skills and recipes.

### How Do We Best Neutralize Threats?

The presentation of the pastry need to be unique in order to differentiate from regular pastries and therefore create distance to competitors. Already when opening the pastry for the first time, the products need to be very good quality and super tasty so that customers will recognize the pastry as unique. If other businesses start offering vegan pastries as well, the need for developing constantly new creations is raising even more. The pastry need to make sure to stay competitive to every other place offering vegan pastries in future.

To overcome people's fear to try something new, avoid using too fancy descriptions of the products and do not emphasize too much on the term "vegan" when guests enter the pastry, focus rather on the ingredients.

Being active in social media for networking is very useful to find like-minded people with experience and connections. New connections increase the chance to find good staff and even business partners.

## 5.2 Competitor analysis

The competitor analysis focuses on two different kind of competitors: The ordinary pastries and the vegan businesses. Firstly, the competitors -their products and services -are presented and secondly a comparison table is created in which several factors are listed and rated. Some of the factors are for example: Opening hours, range of products and Facebook rating. Afterwards, the Porter's five forces analysis presents the vegan pastry's competitive strength. The method was preferred over the Value Net and the space matrix analysis because of the easier usage of the first mentioned. The Value Net is similar to the Porter's five forces analysis and the increased work related to the Space Matrix method is not worth the result.

### 5.2.1 Ordinary pastries

#### Confectioner Namur



Figure 28: Namur decoration team: Alexandre, Nicolas, Filippo, Gilles, Alexandra, Rachel, Angela, Christophe, Denis, Fabrice, José, Stéphane, Denis (Namur)

Traditional confectioner since 1863, well known for its almond paste made by using a family recipe. All their products are made in a traditional way.

Since always, Namur takes care in selecting the raw ingredients to guarantee delicious and high qualitative products. For example, almonds from Sicilia, nuts from Piedmont, senga-sengana strawberries, chestnut from Turin, non-treated oranges from Spain. (Namur, 2015)

Products:

Namur is one of the only houses to produce its "half-finished" products like almond paste, candied fruits, chocolates, ice-cream, puff pastry, praline and chestnut cream by itself. The pastries are daily fabricated. Other products are cakes, Bavarians, tarts, chocolate gateau, Mont-Blanc cake (with chestnut base but also Luxembourgish specialties like "Bamkuch" tree cake and the "Luxemburgerli" macaroons. In addition to that Namur offers catering of petit fours, small desserts in glasses and finger-sandwiches as well as meal "platters", terrines and quiches. (Namur, 2015)

### **Oberweis**

Oberweis is a traditional family business which combines French gastronomic know-how with German culture. This house is also the supplier for the court of the Grand Duke. It is also are very known for its chocolates and that since 1964. Their noble products vary with the seasons and the ingredients are selected with great care. (Oberweis, 2018)



Figure 29: Cakes (Oberweis)

Sweet products: Products with theme of festive seasons, ice cream, ice cream cakes, chocolates, candied fruits, macaroons, petit fours, present boxes, cakes, tarts, desserts, individual pastries, to go desserts, brioches, breads and biscuits.

Savory products: Finger food - sandwiches, cakes, quiches, salty pastry -, starters (foie gras, cold cuts), main dishes, menus and buffets for celebrations (catering service), convenience food and to go salads.

## Pâtisserie Jean-Claude Arens



Figure 30: Cacao beans (Pâtisserie Jean-Claude Arens)



Figure 31: Chocolates (Pâtisserie Jean-Claude Arens)



Figure 32: Pastry chef (Pâtisserie Jean-Claude Arens)

Heir of know-how since 1934, Jean-Claude Arens perpetuate the tradition of his delicate and varied chocolates. He follows the values of his Luxembourgish family to produces the most refined and innovative creations. The characteristics of the pastry chef and chocolatier Arens is for sure his eye for detail and his creativity. (Jean-Claude Arens, 2017)

### Products:

Petit fours, biscuits, traditional cakes ad tarts, special creative creations, personalized birthday cakes, wedding cakes, ice cream cakes, chocolates, decorations, macaroons, individual pastries and brioches

### Comparison check list

FACTORS 0-10	NAMUR	OBERWEIS	JEAN-CLAUDE ARENS
RANGE OF PRODUCTS & SERVICES	10	7	4
RANGE OF SAVORY PRODUCTS	8	5	2
PRODUCTS KNOWN FOR, UNIQUE PRODUCT	HOME-MADE ALMOND PASTE AND OTHER BASE PRODUCTS (NAMUR, 2018)	CHOCOLATES, PRODUCTS VARY STRONGLY WITH SEASON (OBERWEIS, 2018)	CHOCOLATES AND CREATIVE CREATIONS (PÂTISSERIE JEAN-CLAUDE ARENS, 2018)
RATING TRIPADVISOR SERVICE	3 OF 5	4 OF 5	NOT ON TRIPADVISOR
RATING TRIPADVISOR PRODUCTS	3.5 OF 5	4.5 OF 5	NOT ON TRIPADVISOR
OPENING HOURS	MO.: 11 :30 – 18 :00 TUE. – SA.: 7 :45 – 18 :00 57.75H WEEKLY (NAMUR, 2018)	MO - FRI : 7H30-18H30 SA.: 08H00-19H00 55H WEEKLY (OBERWEIS, 2018)	MO. – FRI. : 6H30-18H00 SA.: 7H00-18H00 68.5H WEEKLY



			(PÂTISSERIE JEAN-CLAUDE ARENS, 2018)
PRICE RANGE	€€ 8 MACAROONS 11.10€ STOLEN 14.60€ (NAMUR, 2018)	€€€ 8 MACARONS: 11.20€ BUCHE MOKA 4P 21€ STOLLEN 17.10€ (OBERWEIS, 2018)	€€€€ 8 MACARONS 12.80€ BUCHE MOKA 4P 23.6€ STOLLEN 21€ (PÂTISSERIE JEAN-CLAUDE ARENS, 2018)
LOCATION	LUXEMBOURG-CITY CENTRE 27, RUE DES CAPUCINS (NAMUR, 2018)	16, GRAND-RUE LUXEMBOURG (OBERWEIS, 2018)	4A AVENUE DU X SEPTEMBRE L-2550 LUXEMBOURG (PÂTISSERIE JEAN-CLAUDE ARENS, 2018)
WEBSITE	HTTP://WWW.NAMUR.LU/	HTTPS://WWW.OBERWEIS.LU/	HTTP://WWW.PATISSERIE-ARENS.LU
VEGAN OPTIONS	RAW VEGETABLE SELECTION (NO VEGAN SAUCE), SELECTION OF VEGAN FINGER SANDWICHES, SORBETS AND FROZEN FRUITS ICE-CREAM (NAMUR, 2018)	VEGAN SALADS, SORBETS (OBERWEIS, 2018)	NO
SPECIAL FACILITIES	RESTAURANT, CONFERENCE AND MEETING ROOMS, BANQUET FACILITIES (NAMUR, 2018)	NO	NO

### 5.2.2 Vegan businesses

#### Beet

Beet is a vegan restaurant in Luxembourg-city which offers dishes made of organic, seasonal and local ingredients. The biggest part on their menu represent different burgers, falafel dishes and fresh drinks. (Beet, 2018)



Figure 33: Burger (Anna KATINA)



Figure 34: Tea (Anna KATINA)

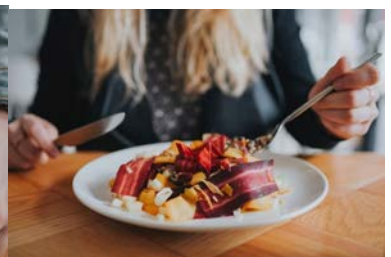


Figure 35: Dish (Anna KATINA)

## Oak

Oak is a vegan bistro located in Luxembourg-city. All their offers are gluten-free, palm-oil-free and organic. The mission of the owners is it to create tasty food every day by presenting daily and weekly specials. In order to be creative and to use fresh ingredients, an online menu is not available. (Oak Bistro, 2017)



Figure 36: Soup (Oak Bistro)

Figure 37: Rice & Tofu (Oak Bistro)

## Rawdish City

Rawdish is an organic-certified vegan shop which services focus on take-away and delivery. Their offers include creations of healthy - often low-calorie - dishes, juices and detox boxes. The recipes take into consideration the important nutrients and include super-foods such as chia and goji-berries. (Rawdish, 2018)



Figure 38: Rawdish City Store (Rawdish)



Figure 39: Juice (Rawdish)



Figure 40: Breakfast Bowl (Rawdish)

## Comparison check-list

FACTORS 0-10	BEET	OAK	RAWDISH CITY
RANGE OF PRODUCTS & SERVICES	8	5	5
RANGE OF SWEET PRODUCTS	5	2	4

PRODUCTS KNOWN FOR, UNIQUE PRODUCT	BURGERS, FALAFEL (BEET, 2018)	DAILY SPECIALS, WEEKLY SPECIALS (OAKBISTRO, 2018)	FRESH JUICES, BREAKFAST-, MAIN DISH- AND SALAD-BOWLS, SMOOTHIES (RAWDISH, 2018)
RATING TRIPADVISOR SERVICE	4 OUT OF 5	NOT ON TRIPADVISOR	4,5 OUT OF 5
RATING TRIPADVISOR PRODUCTS	3,5 OUT OF 5	NOT ON TRIPADVISOR	4 OUT OF 5
FACEBOOK RATING	4,7 OUT OF 5	5 OUT OF 5	4,8 OUT OF 5
OPENING HOURS	MON. : CLOSED TU. – TH. : 12:00 - 21:30 FR.-SA. : 12:00 - 22:30 SU. : 11:30 - 15:00 <b>53 HOURS WEEKLY</b> (BEET, 2018)	MON. - FRI.: 11:30 - 15:00 SA.: 11:30 - 18:00 <b>24 HOURS WEEKLY</b> (OAKBISTRO, 2018)	MON. – FR. : 08.00 - 18.00 SA.: 10.00 - 18.00 SU. : CLOSED <b>58 HOURS WEEKLY</b> (RAWDISH, 2018)
PRICE RANGE	DESSERTS: 5,90 – 7,50€ FRESH JUICES AND SHAKES 3,70 – 6,80€ (BEET, 2018)	NO PRICES ONLINE	DESSERTS: 5,90 – 6,90€ SMOOTHIE: 4,90 – 6,90€ (RAWDISH, 2018)
LOCATION	32, PLACE GUILLAUME L-1648 LUXEMBOURG (BEET, 2018)	43 RUE GOETHE L - 1637 LUXEMBOURG (OAKBISTRO, 2018)	9-11 AVENUE DE LA PORTE NEUVE L-2227 LUXEMBOURG (RAWDISH, 2018)
WEBSITE	WWW.BEET.LU	HTTP://OAK-BISTRO.LU	HTTPS://WWW.RAWDISH.LU
SIZE OF SEATING AREA	7	5	3
INGREDIENT-FREE OFFERS	LACTOSE-FREE GLUTEN-FREE (BEET, 2018)	LACTOSE-FREE PALM-OIL FREE GLUTEN-FREE (OAKBISTRO, 2018)	LACTOSE-FREE GLUTEN-FREE (RAWDISH, 2018)
SPECIAL FACILITIES/SERVICES	BRUNCH (BEET, 2018)	OFFERS PRODUCTS IN SUPERMARKETS (OAKBISTRO, 2018)	DELIVERY DETOX-PACKAGES (RAWDISH, 2018)

### 5.2.3 Porter`s five forces

Competition is based on different aspects such as price, advertising and products. The Porter`s five forces method studies the competitive rivalry, the bargaining power of suppliers and of buyers, the threat of new entrance and the threat of substitution. The following analysis is adapted to the vegan pastry La Séductrice Végane. (Martin, Competitive Rivalry | Porter`s Five Forces Model, 2014)

### Competitive rivalry

The aim of every business is it to increase its share of the market to stay competitive. Therefore, it is necessary to analyse its own position in the market and to implement an action plan to avoid the pressure created by competitors. Price as a competitive factor can strongly affect profit margins and endanger a business' stability, whereas advertising fights raise awareness for the product and can make the demand in the industry grow, being profitable for all companies. (Martin, Competitive Rivalry | Porter's Five Forces Model, 2014)

The following competitive factors are chosen to be analysed in detail: Equal Competitors, similar product, switching costs, and diversity of competition.

### **Numerous Equal Competitors**

A threat of competition existent when an industry consists of numerous equivalent businesses. In Luxembourg-city are many pastries which mainly have the same operating hours. The restaurants Beet, Oak and Rawdish – all being vegan businesses - attract the same busy working class customers than the vegan pastry would. There is also the bakery Kathy's Cupcakery which has some vegan desserts to offer as well as the juicebar Jpour which sells chia puddings and smoothies being healthy dessert alternatives. Nevertheless, none of these businesses have the same characteristics than a vegan pastry. Compared to the competition of Asian restaurants and Pizzerias in Luxembourg, the vegan food service competition is rather limited. It is therefore not necessary to engage in aggressive activities to grow the share of the market.

### **Similar product**

Some businesses in Luxembourg offer the same products than the vegan pastry La Séductrice Végane would: chocolate fondant cake, raw cheesecake, muffins and more. If customers can get for example a vegan chocolate fondant cake from different restaurants, shops or supermarkets, it would be treated as a commodity. The final choice of the customer will be based on price and value for money which will usually lead to price competition.

If the prices stay similar, another aspect affecting the choice of the customer could be a common philosophy he shares with a company. Consequently, it is essential to create a strong presence in the industry as well as a good reputation by adapting the philosophy and following the vision. Finally, brand loyalty can play an important role as well.

### **Switching costs**

The switching costs for a customer in the industry of food service are non-existent. As customers can switch from one company to another without having the disadvantage of additional costs, the industry is very competitive.

### **Diversity of Competition**

The food service industry includes restaurants, bistros, different shops, supermarkets, catering services and many more. As the nature of the competition is varied, the methods used to do business are affected. Methods should be adapted considering the diversity of competing company types.

### Bargaining power of suppliers

Reliable and solid relationships with suppliers are needed because they permit the supply of raw materials and services essential to the operation of a business. Suppliers can find themselves in a position in which they can set prices, decide delivery timelines and control general terms. For some suppliers, it does not even affect their sales volume when they increase costs because they have bargaining power. The competitive environment can therefore be directly concerned by suppliers and determine the profitability of a company.

To determine the power of each supplier, several questions need to be answered:

Is there a big number of the same kind of supplier? Are the switching costs high when changing the supplier? Can the suppliers afford to provide the product themselves? Do they have a specific know-how to manufacture goods? Are their products greatly diversified? Are there many buyers that make a significant portion of their sales? Are there any substitutes for their products available? (Martin, Bargaining Power Of Suppliers | Porter's Five Forces Model, 2014)

### **Suppliers selling organic fruits, vegetables and dry ingredients**

There is a big number of suppliers operating in Luxembourg and offering a range of organic fruits, vegetables and dry ingredients. Some of them are La Provencale (wide range of all kinds of products) and Grosbusch (fruits and vegetables). There are several suppliers of that kind and, the switching cost to change from supplier to supplier is not high. The named suppliers probably would not produce vegan pastry themselves and additionally to that, they do not have a specific know-how of manufacturing a good that could be of interest for a vegan pastry. Generally, they have many buyers and no buyer represents a significant portion of their sales. To conclude it can be stated that they do not have a decisive bargaining power.

### **Specialised suppliers selling specific vegan products**

Specialised suppliers are for example Biogros and Naturata. These suppliers offer exclusively organic products ranging from fresh produce, over frozen goods and dry goods to meat and dairy alternatives. There are not many suppliers of that kind in Luxembourg and some offer plant-based desserts available for individual customers in shops. They have high quality vegan products which cannot be found in other suppliers' product range. At the other hand, many vegan ingredients can be home-made - knowing that it is very time-consuming. In addition to that, the switching costs to another supplier is not great and there is not a small number of buyers making much of their sales. To conclude it can be stated that the specialised suppliers have certain bargaining power which highlights the necessity of maintaining a very good relationship with them.

### Bargaining power of buyers

Generally, in the restauration industry, the buyers do not have a significant power to affect prices because a food service company has many buyers which respectively make a small part of the business' sales. (Martin, Bargaining Power Of Buyers | Porter's Five Forces Model, 2014)

### Threat of new entrants

Every company should keep in mind the threat of potential new entrants. As the movement of vegan, flexitarian and healthy diets is growing, the industry gets more and more attractive to business people. The restauration in Luxembourg does not pose strong barriers to entry because the capital investment is low and the needed certification to run a restaurant can be obtained easily. In addition to that, the raw materials – food products in this case – are also plentiful. To conclude it can be stated that there is a strong presence of threat of entry but that should not lead to the decision to abolish the plan of doing business in this industry rather the analysis of the threats should be seen as possibility to adapt strategy. (Martin, Porter's Five Forces Model | Strategy framework, 2014)

### Threat of substitute products or services

Substitute products are all products – independent from which industry they are – which could potentially replace a product of a company. Competition is stronger if there are many of these substitute products on the market. A company's performance is menaced if the number competing products is high and consequently, its profit is affected. To know the position of a company it is essential to identify as many substitute products as possible. (Martin, Threat Of Substitutes | Porter's Five Forces Model, 2014)

### **Identification of problems that can be solved by the products and services of a vegan pastry:**

Vegan ingredients only, gluten-free options, seated breakfast, take-away breakfast (take-away: viennoiserie), take-away coffee, seated coffee & cake, take-away whole cake, birthday-cake, viennoiserie as "snack", bread & baguette, fast and healthy lunch (quiche, soup & salad), take-away lunch (quiche, soup & salad), afternoon tea, gifts (cookies, organic marmalade, chocolates) and take-away desserts.

### **Identification of other existing means that solve the same problem:**

Any company offering take away lunch in Luxembourg-city (Asian buffet, fast-food of all kinds, salads and sandwiches from supermarkets and small shops, bakeries), any company offering fast lunch in Luxembourg-city (restaurant, bistro, food truck, bakery), any company selling cake in Luxembourg-city, any company offering a seating area to consume coffee, cake and tea in Luxembourg-city, any company serving breakfast in Luxembourg-city, all bakeries and pastries in Luxembourg-city, all vegan food service businesses, and food service businesses offering gluten-free desserts.

After the first identification of the substitute products, their advantages and disadvantages need to be determined.

### **Advantages of other company's products which a vegan pastry does not have:**

Supermarkets have a wide range of products; the customer can easily buy all products he need in one place. Restaurants, bistros or food trucks may have a wider offer of salty offers and therefore more lunch options compared to the vegan pastry. The breakfast in other places offer eggs, sausage

and ham which attract more of the customers used to have dishes made with animal products; Following traditions and habits.

There are certain price strengths of other company's products which a vegan pastry does not have. Supermarkets might offer better prices for pastries, desserts and snacks as they make larger orders from manufacturer for a better price. To continue, regular pastries use less expensive ingredients – milk, eggs, butter - and can therefore offer lower prices than a vegan pastry using expensive nuts and nut milks.

**Weaknesses of substitute products:**

Non-vegan businesses do not have a big choice for vegans. They might offer a coffee with non-dairy milk but then cannot serve a plant-based dessert. Supermarkets and food trucks do seldomly offer a seating-area which the pastry does. Pastries made with eggs and dairy products are more sensitive to temperature differences – take-away is not as safe as it would be with vegan pastries. The substitute products might not be suitable for lactose-intolerant customers. Finally, plant-based substitutes from regular companies could be less attractive to vegans as they do not share the same philosophy.

## 6 CONCLUDING MODIFICATION OF THE CONCEPT

This chapter represents a concluding modification of the concept of the vegan pastry. The valuable information gathered during the market research, the interview and the development of the risk management plan demonstrated that certain changes and additions to the concept must be implemented in order to increase the business prospects of the vegan pastry. The concept changes are all connected and concern target market as well as product, name, vision and mission and marketing approach.

### 6.1 Target Market

Taking into consideration the statements from person one, two and three from the previously presented interview, it can be predicted that the tribe of the vegan pastry consists of predominantly women from all age groups. Less than 30% of the potential customers are predicted to be vegan. In general, the customers are either by-walkers or working-class people employed in Luxembourg-city. Additionally, they might be environmentally conscious, health-enthusiasts, lactose- or gluten-intolerant people.

### 6.2 Product overview

Going through the answers to the different questions of the survey "About veganism and pastry consumption in Luxembourg", it can be concluded that nowadays customers are interested in discovering new tastes and creations. As person one and two are mentioning, vegan desserts need to convince right from the start with excellent taste. Taking that into consideration, and the advice of person four, the pastry should not concentrate on traditional French pastry – as foreseen at the beginning - because it is very difficult to get the same result in means of taste and texture when using plant-based recipes and the chance of rejection by the customers is therefore higher. To satisfy the customers, it is essential to use the most interesting recipes, without paying attention to the origin of the creation; many delicious recipes are found around the globe.

As the tribe consist of a great number of by-walkers and working-class customers with little time for lunch, the pastry should keep in mind to provide comfortable solutions for that situation. The savoury offers – suitable for lunch – as well as the desserts should be easy to take-away; Person one admitted that their guests do not have time to consume a dessert after having lunch. The packaging for take-away should be chosen wisely in order to highlight that the pastry tries to have a low impact on the environment; Person three stated that a lot of customers were complaining about the plastic packaging for vegan products.



### Range of products

To satisfy the customer's urge of experience, the pastry creates different product ranges. First of all, common products – which can be French but not mainly - are presented: These products are available throughout the year and can be seen as the base product range. "Ingredient variations" means that the products will use seasonal ingredients and therefore vary several times during the year. To offer something exciting for all customers but especially the regular customers, a product range called "special selection" presents less known often exotic recipes which create a special flavour and texture experience. Even though, the above-mentioned product ranges include some gluten-free creations, a separate selection of definite gluten-free products is offered; All of the interviewees suggested the offer of gluten-free products to enlarge the unique selling points. As for non-vegan customers, one of the reasons of choosing plant-based pastries is the healthier option, a product range offering low-calorie pastries is presented. These products are mainly of a small size and easy to transport (take-away).

To continue, the pastry offers a savoury product range to attract working-class people passing-by for lunch. The offers include many different dishes which are suitable for take-away or consumption on-site. Finally, the pastry sells finished products which are of interest for the vegan customers.

### **Common products**

Always available:

- Croissants
- Almond croissants
- Chocolate roll
- Cinnamon rolls
- Nut braid
- Tiramisu (individual)
- Chocolate mousse (individual)
- Individual pastries (tartelettes, mille-feuilles & co.)
- Chocolate brownie
- Banana bread
- Marble cake
- Carrot cake (GF)
- Lemon meringue pie
- Apple crumble pie
- Black Forest cake
- Bread/baguette/Rolls
- Ingredient variations:
  - Muffins
  - Spritz cookies
  - French Fruit tart (portion)
  - Raw Cheesecake (GF)

**Special selection: (varies – new ideas)**

- Baklava cigars



Figure 41: Baklava cigars (Ania, 2016)

- Chinese Mung Bean Mooncake (portion)



Figure 42: Snowskin Mooncake (Matchamotchi, 2013)

- Vietnamese fried sesame balls
- Indian Rose pistachio tahini halva (GF)



Figure 43: Rose-pistachio Tahini (Stylist Magazine, 2016)

- Chocolate-peanut-butter-date-truffles (GF)

### Gluten-free

Always available:

- Croissants (GF)
- Chocolate-cake (with seasonal fruits) (GF)
- Doughnuts (variations) (GF)
- Madeleines (GF)
- Bread (GF)

New ideas – varied products:

- French cherry tart “Clafoutis” (GF)
- Coconut-milk-rice-cake (with seasonal fruits) (GF)

### Low-calorie

Always available:

- Cookies
- Muffins
- Bites
- Bars
- Examples of variations:
  - 90 calorie chocolate avocado cookie
  - 85 calorie cornbread
  - 72 calorie chocolate protein cookie
  - 120 calorie Banana-Muffin (GF, SF)
  - 38 calorie turmeric carrot cake bites (GF)

### Savoury selection

Always available:

- Lunch soup (GF)
- Breakfast tofu-scramble



Figure 44: Tofu scramble (SORTEDfood, 2017)

- Quiche
- Vegetable-salad (GF)

- Salty Muffins
- Wraps
- Sandwiches (GF options)
- Vegetable Pide (flatbread with topping)



Figure 45: Vegetable pide (Sainsbury's, s.d.)

- Puff pastry sticks (ex.: salt & rosemary)

New ideas – varied products:

- Mushroom-onion puff pastry tart
- Bagel-sandwich
- Cabbage rolls

### Other

Vegan products (not self-made): Jam, chocolate, savory spreads, kamboucha, maple sirup, and vegan cheese.



Figure 46: Vegan Camembert (LUPICA, 2017)

Services upon order: Birthday cakes, wedding cakes, finger sandwiches for aperitif.

### Beverages

Hot: Coffee, espresso & Co. (Almond, soy, oat and coconut milk), matcha Latte, chai Latte, tea, hot chocolate, VanillaSplash (Milk of choice with fresh vanilla)

Cold: Water, kamboucha, lemon juice with maple syrup, fruit juices, "healthy" lemonade, No coke, fanta & co.

## Ingredients

Following section is explaining how the pastries can be realized with plant-based and gluten-free ingredients.

How to replace animal-products?

Cream	Soy, rice, oat, coconut, spelt, almond (Eckmeier, 2015)
Whipped cream	From coconut milk, self made cashew milk, vegan milk by adding cream stiff, ready-made rice topping cream (Eckmeier, 2015)
Milk	Almond milk, cashew milk, coconut milk, oat milk, rice milk, soya milk, hazelnut milk (Eckmeier, 2015)
Butter	Avocado spread, vegan margarine, coconut butter, other vegetable spread, banana (Eckmeier, 2015)
Egg white	Aquafaba (drained water from chickpeas or beans) (Eckmeier, 2015)
Egg	chia seeds, applesauce, banana, ground flax seed, soy protein powder, agar agar, peanut butter, lupin flour (Eckmeier, 2015)
Cream cheese	Vegan cream cheese from soja, coconut, cashew, almonds (Eckmeier, 2015)
Stabilisator	Chia seed flour, arrowroot powder, cornstarch, potato starch, lupin flour, locust bean gum, flax meal, xanthan gum, guar gum (Eckmeier, 2015)
Gelatine	agar agar (Eckmeier, 2015)
Quiche filling	Blend tofu and soy milk, add turmeric Cook water with chickpea flour (Eckmeier, 2015)
Cheese	Parmesan, grated cheese, cheese for baking made of coconut, cashew, soy, cauliflower, lupin, almonds (Eckmeier, 2015)
For some textures, following ingredients are used in pastries:	Potato, sweet potato, pumpkin, cauliflower, avocado (Eckmeier, 2015)
puff pastry, filo pastry	vegan puff- and filo pastry (Eckmeier, 2015)
chocolate	cacao nibs, cacao, vegan chocolate (Eckmeier, 2015)

Figure 47: Ingredient Conversion Table

Which ingredients contain gluten?

Wheat, barley, rye, malt, brewers yeast, corn flakes, rice puffs, rice syrup and starch. (Celiac Disease Foundation, 2014)

Gluten-free ingredients suitable for baking

Almond meal, coconut flour, gluten-free oat flour, brown rice flour, white rice flour, sorghum flour, amaranth flour, chickpea flour, corn meal, polenta, millet flour, buckwheat flour, flaxseeds and quinoa. (Celiac Disease Foundation, 2014)

Cross-contamination

The pastry chef must guarantee that the gluten-free products do not come in contact with gluten. It is essential to separate utensils, preparing surfaces and storage materials which are used for preparations with glutenous ingredients. It is the responsibility of the pastry to offer products which are safe for customers with strong intolerances and allergies. Utensils and equipment which might be responsible for cross-contamination are: Toasters, cutting boards, knives, storage containers and cooking oil in which breaded products were fried. (Celiac Disease Foundation, 2014) In addition to

that, during preparations, flour containing gluten can get into the air and “fall” into other preparations. Due to this risk, the gluten-free creations should not be prepared at the same time then the regular ones.

### 6.3 Name, vision & mission

The initial name for the vegan pastry was “La Séductrice Végane” which is French and means “The Vegan Seductress”. After analysing the research and deciding that the pastry should not be marketed as “vegan” there is a need to change the name. The new name is “VanillaSplash” which sounds modern, fresh and tasty.

To provide a reference for the modification of the vision and mission statement, the initial wording is provided once again below:

“We run the first vegan pastry in the country of Luxembourg, offering traditional French pastries, cakes, chocolates, breads and savory treats. The ingredients are 100% plant based and organic and most of the products are made from scratch. We believe that we create a popular place for vegans and non-vegans and promote veganism by persuading through great taste. Our vision is to make delicious and healthier than common pastries available for everyone support-ing the well-being of consumers and animals.”

Modified vision and mission statement for the pastry VanillaSplash:

“We run the first plant-based pastry in the country of Luxembourg, offering common and exotic variations of home-made sweet baked goods and savory treats. Our ingredients are of high quality and most of them are organic and seasonal. We believe that we create a popular place for people with different diets, offering lactose-, gluten-free and low-calorie products which persuade through great taste. Our vision is it to create desserts which can be consumed without regrets and which do not just represent a compromise for people with a special diet. In addition to that, at VanillaSplash, we aim to minimize our environmental footprint by using decomposable materials for packaging.”



Figure 48: VanillaSplash Logo

## 6.4 Company´s identity

It can be said that a vegan pastry has two external identities because its customer base is very contrasting. There are the typical by-walkers and working class people and the vegan customers which have a strong life philosophy and feel attracted by businesses sharing this philosophy. Person two and three said that due to the high costs of real estate in Luxembourg-city and the small size of the country and the vegan customer base, it is necessary that the pastry is attractive to everyone to generate profits. Person one, two and three suggest the pastry should not market itself as a vegan business. As documented in the survey "About veganism and pastry consumption in Luxembourg", veganism still comes with some negative associations and might scare off potential by-walkers. The term plant-based sounds less strong and "healthier" to most people and can therefore be used to describe the products. Nevertheless, on-site, the written information should not emphasise on the fact that the pastry is plant-based. Staff members should certainly answer all ingredient questions which guests may ask. The digital-marketing on the other hand should clearly present the products as vegan products to make sure that the vegan customers have no doubts when looking for the suitability of the products online suggest person three. Additionally, a strong presence in the vegan society can be attained by attending vegan events, animal care events or other activities where veganism is promoted to boost reputation by adapting the philosophy.

## 6.5 Promotional ideas

After analysing the target customer needs, it is important to think about promotions that get the attention of the customers. This section presents some ideas that can be implemented when the pastry is operating.

### 6.5.1 Breakfast formula

1. Croissant (GF), chocolate roll, doughnut (GF) or low-calorie muffin + coffee, tea or hot chocolate
2. Breakfast tofu scramble + coffee, tea or hot chocolate

### 6.5.2 Lunch formula

1. Soup of the day + sandwich, wrap or pide
2. Soup of the day + sandwich, wrap or pide + regular coffee, tea or hot chocolate
3. Soup of the day + sandwich, wrap or pide + dessert of the day (take-away possible)
4. Soup of the day + sandwich, wrap or pide + regular coffee, tea or hot chocolate + dessert of the day (take-away possible)
5. Lunch menu: any savoury product ordered as seated lunch will be served with a small salad. Vegetable salad and soup will be served with some bread. Prices of the lunch menu are higher compared to take-away because of the service.

### 6.5.3 "My Dessert Challenge"

The challenge invites the guests to upload pictures and recipes of their own dessert to a web application where public can vote for them. The dessert that wins will be offered for 1 month in the pastry and the winner himself, will get 4 coupons for free dessert and cup of coffee or tea.

### 6.5.4 Social media check-in

Every guest checking-in the pastry via social media will get a free (small) packet of madeleines.



## 7 CLOSING

Considering that more and more entrepreneurs jump on the bandwagon of opening vegan food service businesses - resulting in the growth of the market – it is of outmost importance that one's concept is innovative and competitive.

The goal of this research paper was it to raise the business prospects of the first vegan pastry in Luxembourg. As statistics related to veganism in Luxembourg did not exists, the research aimed and succeeded to generate the essential data. The creation of authentic and credible information built from the qualitative and quantitative data has been achieved and resulted in a valuable support for the concept creation of the pastry.

The findings of the research influenced the marketing strategy strongly. This proves the significance of the outcome related to the development of a business in the specific field. In addition to that, the interpretation of the results allowed to obtain an overview of the opaque vegan market of the country. This knowledge was indispensable to reach the goal of raising the business prospects of the vegan pastry.

As the initial focus was lead on vegan pastries only, the survey did not include questions about allergies and intolerances. A further research in this field is suggested when thinking about the special product ranges. Finally, the pastry should follow the evolution of the vegan movement to adapt and act timely as customers' expectations change and need to be met at all times.



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## APPENDIX 1: QUESTIONNAIRE OF THE SURVEY: ABOUT VEGANISM AND PASTRY CONSUMPTION IN LUXEMBOURG

As part of my Bachelor Thesis which analyses the business prospects of a vegan pastry, I conduct a market research by the aid of a survey. The purpose of this survey is to create a profile of potential customers for a 100% plant based pastry in Luxembourg-city.

**Do you live in Luxembourg-city or surroundings? ▣**

Yes

No

**How often do you frequent the area of the “Place d’armes”, “Knuedeler” and “Grand Rue”? ▣**

Less than once a month

1-3 times a month

Once a week

2-4 times a week

5-7 times a week

Never

**What is your gender?**

female

male

I don't want to answer



### What is your age?

- 18-25
- 26-35
- 36-45
- 46-55
- 56-65
- 66 or older

### What are first spontaneous associations you make with veganism? Words, persons, movies, organisations, other comments...

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### Are there vegetarians/vegans under your friends and family members? ▣

- Absolutely no-one
- Some people
- More than half are vegan or vegetarian

### Do you like pastries? (with or without animal products) ▣

- Yes
- No

**Do you buy pastries? (with or without animal products) ▣**

- Yes
- Yes, but only for other people (small present, for my guests,...)
- No
- No because I can't find vegan pastry

**Are you Vegan ▣**

- No
- Yes
- I am Vegetarian

**Do you know what a vegan diet is? ▣**

- Yes
- No
- Not sure

The Vegan Society defines Veganism as follows:

*“A philosophy and way of living which seeks to exclude—as far as is possible and practicable—all forms of exploitation of, and cruelty to, animals for food, clothing or any other purpose; and by extension, promotes the development and use of animal-free alternatives for the benefit of humans, animals and the environment. In dietary terms it denotes the practice of dispensing with all products derived wholly or partly from animals.” (Eggs, milk, cheese, cream, honey,...)*

### Could you imagine becoming vegan in future? ▣

- I could imagine replacing some of my regular meals with vegan meals
- I could imagine being vegetarian but not vegan
- Yes
- No
- Maybe

### Why aren't you vegan? (multiple answers possible) ▣

- Because veganism is stupid
  - I can't skip cheese, sausage or other animal products
  - Vegan food does not taste good
  - You can't get all nutrients with a vegan diet
  - My environment does not allow it
  - Too time consuming
  - I don't believe veganism to be the solution for low environmental impact, good health, animal suffering and world hunger
  - Too many extremists in the vegan community
  - Something else, what?
-

**Would you try pastries made without animal products (eggs, milk, cream, butter, cheese)?** ▣

- Yes
- No
- Not sure
- Only if someone would buy or prepare them for me

**Imagine you would try vegan pastries and you would like them, what is most likely to happen?** ▣

- I would never try them.
- Nothing would change because they could never replace the taste of pastries made with eggs, milk and butter.
- I would eat them more often.
- When possible, I would try to choose the vegan pastries over the non-vegan ones because they are the healthier option. (no butter, low calorie options,...)
- When possible, I would try to choose the vegan pastries over the non-vegan ones because they are made without animal products
- When possible, I would try to choose the vegan pastries over the non-vegan ones because of lower environmental impact

**What could motivate you to buy your pastries in a 100% plant based pastry shop? (multiple answers possible) ❏**

- Nothing
- Good taste
- Good price
- Convenient location
- Healthier options (for example no butter & low calorie options)
- Recommendation of friends or family
- Seating area with good atmosphere
- Big range of products (bread, chocolates, jam, quiche, sandwiches)
- Varied offer of pastries (Periodic offers of new creations and variations)

**For which reason are you vegan? (multiple answers possible) ❏**

- Environmental impact
  - Health
  - World hunger
  - To follow a diet or life-style trend
  - Taste
  - Ethics
  - Something else, what?
-

### What do you think about the existing offer of vegan pastries and desserts in Luxembourg? ▣

- I don't care
- Non-existing
- Poor
- Fair
- Good
- Awesome

### When you crave vegan pastries, what would you prefer to do? ▣

- Resist the crave and eat nothing or some healthy snacks.
- Going to a vegan/vegetarian restaurant for lunch or dinner and order a pastry (desserts) after your meal.
- Preparing your own pastries at home.
- Going to a 100% vegan pastry offering French pastries and buy some for take away.
- Going to a 100% vegan pastry offering French pastries and sit down to eat them in the shop.

**What could motivate you to buy your pastries in a 100% plant based pastry shop? (multiple answers possible) ▣**

- Nothing
- Good taste
- Good price
- Convenient location
- Healthier options (for example no butter & low calorie options)
- Recommendation of friends or family
- Seating area with good atmosphere
- Big range of products (bread, chocolates, jam, quiche, sandwiches)
- Varied offer of pasteries (Periodic offers of new creations and variations)

**Do you like the idea of a vegan pastry in Luxembourg-city?**

- Yes
- No
- I don't care





## APPENDIX 2: BASIC REPORT OF THE SURVEY: ABOUT VEGANISM AND PASTRY CONSUMPTION IN LUX-EMBOURG

### 1. Do you live in Luxembourg-city or surroundings?

Number of respondents: 315

	<b>N</b>	<b>Percent</b>
Yes	195	61.9%
No	120	38.1%

### 2. How often do you frequent the area of the "Place d'armes", "Knuedeler" and "Grand Rue"?

Number of respondents: 315

	<b>N</b>	<b>Percent</b>
Less than once a month	155	49.21%
1-3 times a month	76	24.13%
Once a week	27	8.57%
2-4 times a week	31	9.84%
5-7 times a week	6	1.9%
Never	20	6.35%

### 3. What is your gender?

Number of respondents: 314

	<b>N</b>	<b>Percent</b>
female	196	62.42%
male	117	37.26%
I don't want to answer	1	0.32%

### 4. What is your age?

Number of respondents: 314

	<b>N</b>	<b>Percent</b>
18-25	83	26.43%
26-35	110	35.03%
36-45	41	13.06%
46-55	34	10.83%

56-65	31	9.87%
66 or older	15	4.78%

### 6. Are there vegetarians/vegans under your friends and family members?

Number of respondents: 315

	N	Percent
Absolutely no-one	57	18.09%
Some people	249	79.05%
More than half are vegan or vegetarian	9	2.86%

### 7. Do you like pastries? (with or without animal products)

Number of respondents: 315

	N	Percent
Yes	286	90.79%
No	29	9.21%

### 8. Do you buy pastries? (with or without animal products)

Number of respondents: 315

	N	Percent
Yes	192	60.95%
Yes, but only for other people (small present, for my guests,...)	51	16.19%
No	29	9.21%
No because I can't find vegan pastry	43	13.65%

### 9. Are you Vegan

Number of respondents: 315

	N	Percent
No	207	65.71%
Yes	68	21.59%
I am Vegetarian	40	12.7%

**10. Do you know what a vegan diet is?**

Number of respondents: 247

	<b>N</b>	<b>Percent</b>
Yes	217	87.86%
No	11	4.45%
Not sure	19	7.69%

**11. Could you imagine becoming vegan in future?**

Number of respondents: 247

	<b>N</b>	<b>Percent</b>
I could imagine replacing some of my regular meals with vegan meals	75	30.36%
I could imagine being vegetarian but not vegan	45	18.22%
Yes	25	10.12%
No	90	36.44%
Maybe	12	4.86%

**12. Why aren't you vegan? (multiple answers possible)**

Number of respondents: 247, selected answers: 448

	<b>N</b>	<b>Percent</b>
Because veganism is stupid	11	4.45%
I can't skip cheese, sausage or other animal products	107	43.32%
Vegan food does not taste good	16	6.48%
You can't get all nutrients with a vegan diet	42	17%
My environment does not allow it	28	11.34%
Too time consuming	54	21.86%
I don't believe veganism to be the solution for low environmental impact, good health, less animal suffering and world hunger	85	34.41%
Too many extremists in the vegan community	50	20.24%
Something else, what?	55	22.27%

Answers given into free text field

<b>Text</b>
ich kann nur zum Teil auf tierische Produkte verzichten aber nicht komplett
Gewohnheit
NOCH NICHT VERSUCHT
Es ist ein Mix von den oben angegebenen Antwortsmöglichkeiten
Viele Leute wissen garnicht wie die Tiere behandelt werden man kann Monate lang drüber diskutieren und findet keinen Nenner. Umweltbelastung verringerung ja aber nur ein bruch teil schauen Sie sich mal den CO2 ausstoss von zB Autos an dann ist vegan eine Lachnummer
Habitudes
vegan ist ungesund
Restaurantbesuche mit Nichtveganern gestalten sich oft als schwierig. Zuhause ernähre ich mich überwiegend vegan.
Ich denke dass der Mensch dafür gemacht ist sowohl Fleisch als auch Gemüse zu essen (Gebiss, Verdauungssystem)
I believe that it is OK to consume animal products, aslong as the animals have good living conditions. Therefore I consume little quantities of animal products that come from small organic farms.
Depending on expensive prefabricated unnecessary food products
Leider durch Hotelfachschule nicht möglich obwohl man auf vieles verzichtet Vegetarisch weder noch Vegan klappt leider nicht...
Vegan zuhause. Ausserhalb vegetarisch aus Komfort.
Diabète
Esse Eier meiner Hühner, liebe Käse, habe keinen Ersatz gefunden der mir schmeckt
Ich kann nicht auf Tierprodukte und Fleisch verzichten, strebe aber an mein Fleischkonsum zu reduzieren und auf artgerechte Haltung des Tieres zu achten.
I am Vegetarian at present but I am planning to become a vegan.
Choice/free will
Mein Käse und mein Eis sind mir zu wichtig
Fleischsüchtig
il faut manger de tous
Je n'ai pas vraiment envie de l'être
I eat very little meat, but I do love some cheese. I think moderation is the key to a healthy life. Of course I agree we should consume less animal products to lessen environmental impact. A lot of vegan products seek to imitate meats and dairy and I am not sure I feel comfortable consuming those.
Weil ich manchmal milch und käse zu mir nehmen möchte
It would be sufficient if everyone would eat considerably less meat & other animal products
I try to life more sustainable (no processed products) than fully vegan

I believe it is unnatural for humans. However I do believe that a healthy diet is important and you should never just focus on one type of food or food source: diversity and healthy portions are the key. One should consider where meat or animal products come from and try to keep it as cruelty-free as possible and purchase from brands that care about animals.
Auf Fleisch verzichte ich, achte auf so manches, auf vegane pflegeprodukte greife ich gerne zurück. Auf Fisch und andere tierische Produkte kann ich nicht ganz verzichten
Der Verzicht auf richtig guten Käse ist das einzige Problem... Gibts leider nicht in Vegan... Wie gesagt &quot;scheis Egoismus&quot;.
Ich möchte nicht auf Milch und Eier verzichten
Ich esse Käse und Eier
Ich möchte nicht auf tierische nahrung verzichten
Viel eher geht es mir darum, die tierischen Produkte im Alltag zu minimieren, sofern es gute und gleichwertige Alternativen für das jeweilige Produkt gibt.
aus Bequemlichkeit
I like meat.
Ich habe meine bedenken dass alle die Soja produkte nicht wirklich gesund sind
Es entspricht nicht meiner Lebensphilosophie
Auf Käse verzichten ist so mein Problem...
Human beings are predators and a natural diet involves animal products
pas d'intérêt
Je n'en ressens pas le besoin
Gesundheitliche Probleme
Bin nicht daran interessiert, lebe gut so wie es ist
Ich hab es noch nicht in die Tat umgesetzt, da ich noch nicht ganz auf Milchprodukte verzichten kann. Verzicht auf Fleisch ist absolut kein Problem.
Being full vegan and getting all the nutrients is not possible without supplements. Humans are made to eat meat and animal derived products and proteins. I am not against veganism but do not tell me your diet is equilibrated if you take tons of supplements because you lack folate, vitamin and have low iron...
I believe in Ayurveda and the healing effect of ghee
restreint les sorties ( vernissages , réceptions etc )
Ich habe es schon auf der ersten Seite erklärt. ich bin teilweise vegan, versuche aber im Moment praktisch ganz vegan zu leben, aber weiß nicht wie lange ich das machen werde, auf jeden Fall will ich wieder intensiver vegan leben, wenn auch nicht 100%.
i am vegetarian but find it hard to skip cheese
weil ich denke, dass bewusstes Essen (alles im Maße und aus biologischer, lokaler und artgerechten Quelle) die bessere Alternative ist
On peut manger des œufs et consommer tels en temps du lait sans faire souffrir des animaux. J'achète ma viande dans des fermes où ils traitent les animaux avec respect jusqu'au bout. Nous sommes constitués omnivores.

Im beruflichen Alltag zu schwierig. ZB keine vegane Optionen in Kantinen.
nicht konsequent genug
Ich kann mich nicht mehr umstellen

**13. Would you try pastries made without animal products (eggs, milk, cream, butter, cheese)?**

Number of respondents: 247

	<b>N</b>	<b>Percent</b>
Yes	190	76.92%
No	21	8.5%
Not sure	11	4.46%
Only if someone would buy or prepare them for me	25	10.12%

**14. Imagine you would try vegan pastries and you would like them, what is most likely to happen? (multiple answers possible)**

Number of respondents: 247, selected answers: 353

	<b>N</b>	<b>Percent</b>
I would never try them.	11	4.45%
Nothing would change because they could never replace the taste of pastries made with eggs, milk and butter.	41	16.6%
I would eat them more often.	119	48.18%
When possible, I would try to choose the vegan pastries over the non-vegan ones because they are the healthier option. (no butter, low calorie options,...)	60	24.29%
When possible, I would try to choose the vegan pastries over the non-vegan ones because they are made without animal products	67	27.13%
When possible, I would try to choose the vegan pastries over the non-vegan ones because of lower environmental impact	55	22.27%

**15. What could motivate you to buy your pastries in a 100% plant based pastry shop? (multiple answers possible)**

Number of respondents: 247, selected answers: 723

	<b>N</b>	<b>Percent</b>
Nothing	28	11.34%
Good taste	145	58.7%
Good price	88	35.63%
Convenient location	81	32.79%
Healthier options (for example no butter & low calorie options)	81	32.79%
Recommendation of friends or family	58	23.48%
Seating area with good atmosphere	54	21.86%
Big range of products (bread, chocolates, jam, quiche, sandwiches)	96	38.87%
Varied offer of pasteries (Periodic offers of new creations and variations)	92	37.25%

**16. For which reason are you vegan? (multiple answers possible)**

Number of respondents: 68, selected answers: 208

	<b>N</b>	<b>Percent</b>
Environmental impact	51	75%
Health	47	69.12%
World hunger	29	42.65%
To follow a diet or life-style trend	4	5.88%
Taste	7	10.29%
Ethics	62	91.18%
Something else, what?	8	11.76%

Answers given into free text field

<b>Text</b>
Ahimsa
Animal abuse for profit and human ego F*** That
I like animals
je ne suis pas végétalien
Tierschutz
Tierliebe
against animal cruelty

**17. What do you think about the existing offer of vegan pastries and desserts in Luxembourg?**

Number of respondents: 68

	<b>N</b>	<b>Percent</b>
I don't care	3	4.41%
Non-existing	14	20.59%
Poor	39	57.35%
Fair	7	10.3%
Good	3	4.41%
Awesome	2	2.94%

**18. When you crave vegan pastries, what would you prefer to do?**

Number of respondents: 68

	<b>N</b>	<b>Percent</b>
Resist the crave and eat nothing or some healthy snacks.	7	10.29%
Going to a vegan/vegetarian restaurant for lunch or dinner and order a pastry (desserts) after your meal.	7	10.29%
Preparing your own pastries at home.	17	25%
Going to a 100% vegan pastry offering French pastries and buy some for take away.	26	38.24%
Going to a 100% vegan pastry offering French pastries and sit down to eat them in the shop.	11	16.18%

**19. What could motivate you to buy your pastries in a 100% plant based pastry shop? (multiple answers possible)**

Number of respondents: 68, selected answers: 242

	<b>N</b>	<b>Percent</b>
Nothing	0	0%
Good taste	50	73.53%
Good price	29	42.65%
Convenient location	33	48.53%
Healthier options (for example no butter & low calorie options)	30	44.12%
Recommendation of friends or family	6	8.82%
Seating area with good atmosphere	24	35.29%
Big range of products (bread, chocolates, jam, quiche, sandwiches)	38	55.88%
Varied offer of pastries (Periodic offers of new creations and variations)	32	47.06%



**20. Do you like the idea of a vegan pastry in Luxembourg-city?**

Number of respondents: 67

	<b>N</b>	<b>Percent</b>
Yes	66	98.51%
No	0	0%
I don't care	1	1.49%

