(Halal KING CAKES)

Making events and ceremonies more memorable with healthy cakes

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Abstract: Products of the bakery became a regular food in most part of the world and are important commodities today. Businessmen could sell potential products of bakery products and they are able earn potential benefits from the products. In business, Small-Medium Enterprises are mostly engaged in the bakery business but they cannot compete with the branded bakery Industry. In Malaysia the Small-Medium Enterprises (SME) are face difficulties to attain growth in the business of bakery products. People deal with the present issues which are faced by Small-Medium Enterprises and providing some valid recommendations to solve the existing problems in the bakery business. The case was analyzed and the findings are revealed that the Small-Medium Enterprises have not structured marketing strategies and need some enhancements in the areas of packaging.

To overcome customers’ satisfaction to buy the products the business model canvas (BMC is a business tool used to visualize all the building blocks of starting a business, including customers, route to market, value proposition and finance) and Value Proposition Design (VPD explains customers’ satisfactions, customers’ gains, and customers’ pains) will help to understand what is going on the bakery. A survey was conducted to understand customers’ needs, pains, and gains. The value should be added to the bakery products, focusing on the promotion and appropriate advertising strategies. Furthermore, the analysis is revealed that more coverage of selling points for bakery products. The increased number of distribution centers and proper motivations to the agents may definitely improve the marketing of bakery products.

I. INTRODUCTION

The Prophet Muhammad (pbuh) once reported to have said, “There are two kinds of knowledge: knowledge of religion and knowledge of the body." The Prophet (pbuh) frequently commented upon the nature and value of various foods and spices. Therefore, the aim of King Cake is to bake healthy cakes for the Muslim world. According to a 2010 study that was released in January 2011, Islam has 1.6 billion adherents, making up over 23% of the world population. World's Muslim population more widespread than you might think. Retrieved from http://www.pewresearch.org/fact-tank/2017/01/31/worlds-muslim-population-more-widespread-than-you-might-think/. If you do not provide healthy cakes for the Muslim world, they be became overweight and might causing other diseases. However, some scholars say that celebrating birthday is haram. [Here][1]’s the fatwa in Arabic. But some trusted scholars who disagree and says its halal and you can celebrate birthday unless it involves haram acts, like drinking beer and so forth. It is indicated that Islam supports the celebration of birthdays if it is an expression of gratitude to Allah for His bounties, sustenance and blessings in man’s life. King cakes will provide halal cakes for any kinds of ceremonies such as celebrating Eid Ul Fiter, Eid Ul Adha and date of birth.

Moreover, King Cakes serve for people who are celebrating their ceremonies and birthdays. The aim of the product is to serve the Muslim Ummah. This business is based on the needs of the people in the society because Muslim people are not mixing alcohol inside the cakes. As King Cakes is aware nowadays people want everything in their door steps and do not want to waste their time to go far away from their houses to buy products. This small business will be helpful for them to buy and order cakes online. Therefore, in the near future Halal King Cakes will extend to all over the world because the aim is to serve Muslims in the world. In short, there is a lot of companies that are providing cakes but Halal King Cakes will be providing clean cakes and healthy cakes.

II. BACKGROUND

The potential part of the business is to have the expert and knowledgeable people in the company because they should understand how to create services for their customers and how to have great products in the society. You should know how to sell your products on the market? This is all important for us to understand and apply it for the business. As mentioned before for new start up business is important to know the environment of market and competitors. In addition, the knowledgeable financial admin is also essential for us to have because he should estimate the budget and expenses. For instance, a startup business what is important to buy? How to spend money for equipment? Why should buy the equipment? How to deliver the product in time?

III. PROBLEM STATEMENT

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Some people are not able to celebrate their events, ceremonies and so forth. The bakery aim is to sell cakes for unfortunate and Masjid with less expensive and high quality than markets because the aim of bakery is to serve the society. In addition, people will celebrate their ceremonies and events more meaningful, joyful, and so on with affordable price, Halal, and high quality.

IV. METHODOLOGY

Selangor was taken for the purpose of survey because this area has a prominent place in the field of manufacturing and marketing of bakery products and here bakery industry is grown dramatically. For the purpose of survey less than 50 types of cakes were selected by the people. The research conducted a survey it was taken only three weeks because of collection data and information. Both the primary and secondary data were used in this research study. For primary data two detailed questionnaires were prepared and pre-tested. The first questionnaire was to interview the people face-to-face and the second is distributed online. After that required corrections were made in them where seemed necessary. Secondary data were collected from the records of the selected customers from the society. From the interviews and distributed questioners we found that 86% of the people eager to buy our products. As a short, in the end findings of the research study were given with appropriate suggestions so as to reduce the production and marketing costs of bakery products in the area of the study.

V. LITERATURE REVIEW

1. Market leaders
   1.1 Amazon

   Amazon is a Fortune 500 e-commerce company based in Seattle, Wash. It has the distinction of being one of the first large companies to sell goods over the Internet. In 1994, Jeff Bezos founded Amazon, which launched the following year. If you're of a particular age, you likely remember that Amazon started out as an online bookstore and then quickly diversified by adding other items, including DVDs, music, video games, electronics, and clothing. But amazon also sell different types of cakes such as Bubur Ca Ca, Kuik Dadar, Onde-Onde, Wajik, Durian cake, Palm sugar rice cakes, Tapioca and coconut layered cake, Sweet mung bean fritters And many more. In 1999, just five years after he started Amazon, Jeff Bezos was named Time magazine's "Person of the Year." He received this honor largely because of the company's success in popularizing online shopping.
According to business model canvas of Amazon (Figure 2), Authors and Publishers are the biggest partner of Amazon followed by Network of sellers. For the customer segment, Brands and retailers can leverage their loyalty programs and loyal customer base by providing exclusive products that will not be found on Amazon. Amazon generates revenue from sales of assets. Furthermore, Amazon emphasizes on doing business anywhere by connecting to the internet. The first time Amazon was selling only books but now Amazon is selling anything that can be found in the world including different types of cakes such birthday cakes and so forth.

1.2 SweetCartel.com

The company is a group of memory creators which help you to save the best memories in one's life. If a picture speaks a thousand words, our gift to you in the form of a cake in a cup captures a million pictures of your fondest event in life.
Figure 4. Business Model Canvas of Sweet Cartel.com

1.3 Mcdonalds.co.uk

One of the cornerstones of McDonald's success in the UK is its property portfolio, which provides a well located and convenient network of restaurants throughout the country for our customers to use and enjoy. There are over 1200 restaurants to be found in a variety of locations such as traditional high streets; shopping centers; retail parks; roadside locations; leisure centers; railway and airport termini and motorway service areas. McDonald’s are renowned for being the pioneers of the Drive Thru restaurant concept and are the UK and world leader in this sector. This continues to be the key focus for our growth.

Figure 5: Interface of Mcdonalds.co.uk
It can be concluded that, Amazon is a business model in the 1990s for Internet entrepreneurs using the Web as a place for transactions. As consumers learned to replace physical distance with mouse clicks, Amazon created e-business and e-commerce models that generated massive profits for the online clearinghouse Ads by Google.

On the other hand, McDonald’s is the world’s leading global food service retailer with over 36,000 locations in over 100 countries. More than 80% of McDonald’s restaurants worldwide are owned and operated by independent local business men and women. The last one is Sweet Cartel that is provides cupcakes and cups for their customers.

1. Summary of market leader
1.1 Business Model Canvas framework

Table 1: Comparison of 9 blocks between Alibaba, Sephora, and Halal Shop.

<table>
<thead>
<tr>
<th>9 blocks</th>
<th>Amazon.com(Cakes)</th>
<th>SweetCartel.com</th>
<th>mcdonalds.co.uk (Cakes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Value Proposition</td>
<td>• Convenience • Price • Instant Fulfillment with eReader • Vast selection</td>
<td>• A number cups and cakes for customers to choose • Customization of the product (long run)</td>
<td>• Providing well portioned, fun fast food for kids • Providing nutritional meal options for parents in a hurry</td>
</tr>
<tr>
<td>2. Customer Segment</td>
<td>• Individual Leverage • Group Leverage • Global consumer market</td>
<td>• People who wants to give returning gifts to their guest</td>
<td>• Busy parents; may be in a rush • Children • Young people • Daycares • Schools</td>
</tr>
<tr>
<td>3. Distribution Channels</td>
<td>• Affiliates • Application interface</td>
<td>• Direct selling online(Pre order) • Events planner</td>
<td>• Restaurant Chains • Airports • Malls</td>
</tr>
<tr>
<td>4. Customer Relationship</td>
<td>• Self Service • Automated Service</td>
<td>• Prepare hotline and email for enquires</td>
<td>• New toys • Website • Ronald McDonald’s House</td>
</tr>
</tbody>
</table>

Figure 7. Business Model Canvas mcdonalds.co.uk
5. Key Partners
- Logistics Partner
- Affiliates
- Authors & Publishers
- Xin Tian Di Bakery
- GoGoVan.com
- Cup supplier
- Toy manufacturer
- Rights to movie/TV characters

6. Key Activities
- Merchandising
- Production & Branding
- Cooking
- Deliver food

7. Key Resources
- Physical warehouses
- Human: Web application & development
- Cups
- Cakes
- Packaging
- Raw Materials (meat, bun, toppings, frizzes, nuggets, boxes etc.)
- Toys
- Labor
- McDonald’s Brand

8. Cost Structure
- IT & fulfillment infrastructure
- Design cups
- Cupcakes
- Advertising/Marketing
- Labor
- Materials

9. Revenue Stream
- Sell of assets
- E-book & content
- Acquisitions and investment
- Commission on
- Volume sales
- Unite sales
- Sale of food and toys
- Investment
- Franchises
- Kids parties

1.2 Below are key features identified from the three companies

1.2.1 Amazon.com
- Convenience checkout process
- Ease of shopping
- Various types of products including birthday cakes, ceremonies cakes
- Self service
- Customer support
- Secure payment
- Huge market

1.2.2 SweetCartel
- Ease of shopping
- Convenience checkout process
- Good quality of products
- Birthday cakes and cupcakes
- Secure payment

1.2.3 Mcdonalds.co.uk
- Has branches throughout the world
- Convenience checkout process
- Good quality of products
- Ease of shopping
- Ordering online

3 Environment Map

3.1 Key trend
In this century most of the people accessing to technologies and technology is creating an environment where data and voice networks can be combined to simplify business communication. And a business can save money and increase on its rate of production. If a business plans and manages its communication technology well, it can gain competitive advantage in
the market which will result into business growth. For instance, a business owner can use video conferencing technology to hold a meeting with their employees. This will save them time and reduce cost as they do more other beneficial roles which can result into business growth. Technology store big data on the cloud that is also reduces cost and saves money.

3.2 Market forces
The company will start serving globally throughout the world and will serve Muslim communities with high quality food with affordable price. And the company will get the feedback of customers because the aim is to serve the communities and the world. Any feedbacks will be accepted to improve the qualities of healthy cakes.

3.3 Industry forces
The company will provide different types cakes with different design because the company is worldwide. For instance, in Malaysia, most people like sweet cakes but in Afghanistan some people like salty cakes. It is indicated that whenever the company start business it should be understand the culture of the countries. The company might understand what types of cakes should be baked for their customers and to give value to the customers. Besides, the aging people and woman give more attention to their own health and they prefer more organic food. In order to aim a bigger market, Halal King Cakes has to produce more organic and healthy products due to the healthy diet flow.

3.4 Macroeconomic forces
Besides that there are lots of companies that bake cakes but they do not have the network of Masque such as Amazon and so forth. Halal King Cakes is ready to serve the Muslim communities with Halal Cakes when you hear Halal it means it is healthy as well. Halal King Cakes will include socioeconomic such as Unemployment levels, health care and other cost.

4 Four lenses of innovation

4.1 Challenging Orthodoxies: Challenge your beliefs and underscores the —why why why! on challenging the status quo.
- Can I have more customers?
- How to become top website?
- How to make people trust on my product?

4.2 Harnessing Discontinuities: Understand the present heading in Trends in patterns of change.
- Big data analysis.

4.3 Leveraging Competencies & Strategic Assets: Leverage Resources in every which way possible, including Open Innovation.
- Using Bootstrap strategies

4.4 Understanding Unarticulated Needs: Understanding Needs of true customer and know customer perspective needs.
- Feedback
- Observation
- Survey

V. CONCEPTUAL SOLUTION

1. Initial Business Model Canvas
The Business Model Canvas (BMC) was initially proposed by Alexander Osterwalder. It is a strategic management and lean startup template for developing new business models. It is a visual chart with elements describing a product's value proposition, key partner, key activities, key resources, customer relationship, customer segment, cost structure, and revenue streams. Figure 8, shows the BMC of Halal King Cakes.
The company will make all of the celebrations more memorable and more wonderful. The aim is to provide more test cakes, delicious, luscious and so forth.

VI. Empirical Finding

A. Customer’s buys in (Malaysia).

Customer’s buys are about what customers are going to buy. According to survey that was conducted, customers are willing to buy King Cakes. Most customers are willing to order cakes for ceremonies, such as, birthday, wedding and etc. Ordinal scales which are (Everyday), (Every week), (Every month), (Every 6 month), (Yearly), (I don’t ever buy this). The recapitulation customer’s buy shown in table 1.

B. Customer’s Pain in buying cakes:

Pain in buying Cakes from Bakery this is the problem that customers facing with celebrating their ceremonies.
According to the survey most IIUM students and staff are not satisfied with the bakery in IIUM.

### TABLE 2: Specific pain of students in buying cakes

<table>
<thead>
<tr>
<th>Statements</th>
<th>Customers</th>
<th>No</th>
<th>A supermarket</th>
<th>Every Week</th>
<th>A café</th>
<th>A Bakery</th>
<th>Other</th>
<th>I don’t ever buy this</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where do you buy each of the above types of cakes/desserts from? Please select as many places per type of cake/dessert?</td>
<td>1</td>
<td>25%</td>
<td>15%</td>
<td>18.80%</td>
<td>6%</td>
<td>25%</td>
<td>12%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

### C. Customer’s gains from Bakery:

Most of the students and staff are gaining from the bakery because of buying cakes for their families, friends and so forth. According to survey most of IIUM students and staff are satisfied with King Cake’s products.

### TABLE 3: Specific gains of customers from products

<table>
<thead>
<tr>
<th>Statements</th>
<th>Customers</th>
<th>Q</th>
<th>Selfserve</th>
<th>Workplace</th>
<th>Family &amp; friends</th>
<th>Birthday</th>
<th>Occasion</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which of the following occasions, if any, do you buy cakes/desserts for? Please select as many as possible</td>
<td>1</td>
<td>22%</td>
<td>16%</td>
<td>20.00%</td>
<td>8%</td>
<td>26%</td>
<td>8%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

### VII. ENHANCEMENT OF BUSINESS MODEL

1. Business Model Canvas (BMC)

#### Figure 9: Enhancement of Business Model Canvas: Halal King Cakes

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Proposition</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakeries</td>
<td>Delivery</td>
<td>Delicious and cheap cakes</td>
<td>Prepare hotline and email for enquiries</td>
<td>University</td>
</tr>
<tr>
<td>Masjid</td>
<td>Serving in the Shop</td>
<td>Trusted</td>
<td>Social media</td>
<td>Families</td>
</tr>
<tr>
<td>Bakery</td>
<td>Promotion advertising</td>
<td>Quality</td>
<td></td>
<td>Youngsters</td>
</tr>
<tr>
<td>Services</td>
<td>Marketing</td>
<td>Fast delivery</td>
<td></td>
<td>Business people</td>
</tr>
<tr>
<td>Social media</td>
<td>Social media</td>
<td></td>
<td></td>
<td>Poor people</td>
</tr>
<tr>
<td>Cake storage</td>
<td>Cake storage</td>
<td></td>
<td></td>
<td>Masjid</td>
</tr>
<tr>
<td>Baker</td>
<td>Bake</td>
<td></td>
<td></td>
<td>People who wants to give remembrance gifts to their guest</td>
</tr>
<tr>
<td>Cakes</td>
<td>Cakes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>Packaging</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Cost Structure
- Cake supplies cost
- Marketing cost
- Labor cost
- Motorcycles cost
- Fuel cost
- Decorations cost
- Tools cost
- Uniforms cost
- Monthly Allowance

#### Revenue Streams
- Cake selling
- Donation

A. Customer Segment

As in Figure 5, Customer segments of King is to serve Halal Cakes for Muslim and those who eager to purchase cakes form Halal King cakes company.

B. Value proposition

The products that King cakes will produce are with high quality and low price. In this case, it is produced for those who are looking for low price and high quality. The customers will choose us because of using high quality of ingredients for our Cakes. However, King Cakes has free delivers and discount for those who are buying more than three cakes ceremonies.

C. Channels

Halal King Cakes channel to help the customers to communicate via websites and mobile application and the customer can download the free from app store or Apple store. Moreover, this platform also uses the concept of Network of Mosque which allows all people to visit this website without specific genders or ages.

D. Customer relationship

Customer relationship block explains the type of relationships between the company and customers segments by

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helping poor people to celebrate their ceremonies and other events. And the customers will notify when the company has new promotions and products.

E. Key resources

Key resources are the most important assets required to make a business model work. The key resources are the company’s employees and its shop on n-locations.

F. Key activities

Key activities are the most important actions a company must take to operate successfully. For Online Halal King Cakes, the key activities include develop platform, verify halal product and the website updated frequently.

G. Key partners

The key activities King Cake’s engages in is the marketing and selling Birthday Cakes and events

H. Cost structure

The cost structure consists of employee loans, shop, raw materials procurement and marketing costs.

I. Revenue streams

King Cakes revenues are generated at the shop owned by the company itself and those owned by its franchise holders.

2. Value Proposition Canvas (VPC)

The value proposition is one of the strategic management to understand the customers’ needs and design the products and service according to customers’ satisfaction. There are two values proposition canvases, which are for seller and buyer. These two customer segments have different need of using the application. Therefore, values proposition canvas can help the researcher figure out what are the customers’ need and meet their satisfaction.

The VPD that is shown in Figure 10 is for seller. Halal King Cakes will be helpful to sellers to sell their products in the platform of Halal King Cakes in order to get more benefits. Moreover, the seller can increase their customer base worldwide because halal king cakes will be providing different types of cakes with different sizes.

![Value Proposition Canvas](image)

*Figure 10: Value Proposition for Seller*

Besides, many customers have difficulty to find trusted halal products due to many occurrences of fake halal products.
Halal King Cakes application will help them to ensure that they will be got Halal products from King Cakes Company. Other gain of buyer is easy e-payment and fast delivery. This platform will provide them not only easy e-payment but also secure and confidential payment. Thus, customers can purchase trusted Halal King Cakes products with different sizes for events and ceremonies.

Figure 11: Value Proposition for Buyer

3. Environment Map

Business models are designed and operated in a specific environment. The vast majority of packaging is paper and cardboard. Whilst Halal King Cakes do use plastic where necessary, it tried to keep this to the minimum, and certainly it is used far less on products than the average equivalent product from a supermarket. Halal King Cakes are now using jute carrier bags and plastic carrier bags are made from biodegradable plastic.

Figure 12: Business model environment map
4. Strategy canvas

The comparison in term of key features of four vendors, which are Amazon, McDonalds, SweetCartel and Halal King Cakes are shown in Figure 13.

![Halal King Cakes Strategy canvas](image)

**Figure 13: Strategy canvas**

VIII. CONCLUSION

With a better system of purchasing types of cakes, the customers will purchase cakes from the bakery because are providing their needs. Customers will not leave you unless they would be facing some difficulties such as size of the cakes, qualities and the price. The competition between bakeries today is forcing customers to give discount for the cakes. Without any discounts and lower qualities, it is difficult to safe loyalty customers in the modern era in today’s world. You should have especial products for the Masjid and The Month of Ramadan as well as for all Muslim people throughout the world. Therefore, reduce the fat in some baked goods by replacing up to half the fat with fruit or bean purees. In the future the company will serve all over the world for those who want halal Cakes to celebrate their happiness with their families and relatives. And the future plan include Finance, marketing, HR, operation aspects to start with Bakery business.
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