

Description and case studies of Virtual Brands

Background

1. With the advent of the sharing economy and the proliferation of technology in our daily lives, consumers' spending habits are increasingly driven by their desire for convenience. Today, the main expression of this trend in the Food Services (FS) industry is reflected in the growth of on-demand food delivery. Online food delivery is expected to continue to grow globally at a CAGR of more than 20% from now until 2025.
2. At the same time, operating costs for the traditional brick-and-mortar format continue to climb as a result of rising labour and rental costs. To achieve higher returns, it is important for companies to optimise their brick-and-mortar operations while tapping the opportunities of online sales.
3. One form of optimisation is for companies to leverage existing capacity to develop new Virtual Brands. Today, a company typically goes to market with a brand/concept in a brick-and-mortar outlet. This brand/concept is referred to as a Core Brand. A Virtual Brand is an online-only concept that is synergistic with the Core Brand. It offers an opportunity for the FS company to build incremental revenue streams by attracting new customer segments. This can be done with minimal increase in labour and rental costs. Virtual brands also represents lower risks involved compared to a setup of a new brand in a brick-and-mortar format.
4. A Virtual Brand has two main benefits to the company: a) optimise costs and b) diversifying or transforming the company's offering with a lower risk.

	Benefits	Description
1	Optimises direct costs and overheads	<ul style="list-style-type: none"> • Overheads (e.g. Able to increase revenue without the need to increase space) • Direct costs (e.g. Able to achieve labour productivity by increasing revenue with minimal increase in labour, reduce cost of goods sold through sharing of common ingredients)
2	Diversifies or transforms the company's offering with a lower risk	<ul style="list-style-type: none"> • Most concepts that are piloted in the market begin in a brick-and-mortar front which is costly to set up and shut down. • Companies can test new concepts without the need to invest in a new brick-and mortar front.

Case Study of Virtual Brands

- **Green Monster Salads**

Green Monster Salads is a virtual DIY salad concept conceptualised by its Core Brand, Artisan Boulangerie Co (ABC).

Artisan Boulangerie Co. began its story in Singapore as a single bakery cafe and has since developed into a lifestyle café offering wholesome food with multiple outlets across Singapore. Their menu consists of a robust all-day brunch menu, with hearty and pastas, salads and a range of artisanal morning pastries and desserts. Beyond the rich selection of European-inspired food, ABC is also known for their hand crafted specialty coffees.

Green Monster Salads was developed leveraging 85% of the same SKUs from ABC's kitchen, and currently managed with less than 15% incremental labour. The brand new concept which launched with a smaller, category focused menu and fun branding resulted in great consumer reception without diluting the reputation of the Core Brand.

ABC's Menu VS Green Monster Salads' Menu

Salads & Grain Bowls

Chicken Bacon & Avocado Salad 12.9	Garlic Red Rice Bowl 12.9	Grilled Salmon Salad 14.9
Quinoa & Avocado Salad 15.9	Superfood Kale Salad 12.9	Soba Noodles with Teriyaki Chicken 13.9

Toasted Panini Sandwiches

Chicken & Avocado 11.9	Wagyu Meatball 12.9
Truffled Mushroom & Chicken 11.9	Spinach & Avocado 10.9

Soups

Truffled Mushroom Soup 7.0	Soup of the Day 6.0
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Pastas & Mains

Roast Chicken Breast & Linguine 17.9	Miso Salmon Fillet & Linguine 17.9	Wagyu Meatballs & Linguine 16.9
Pan Seared Salmon Fillet 19.9	Garlic Prawn Marinara & Linguine 17.9	Spinach & Ricotta Ravioli 17.9
Cheeseburger 17.5	Truffled Risotto & Portobello 17.5	Mama's Beef Lasagne 16.9

Green Monster Salads

DIY Salads

- Baby Monster Salad** 1 Base + 1 Protein/Premium Toppings + 3 Toppings + 1 Dressing \$12.90 - Popular
- Mama Monster Salad** 1 Base + 2 Protein/Premium Toppings + 3 Toppings + 1 Dressing \$14.90 - Popular

Signature Salads

- Dynamic Trio** Grilled chicken breast, crispy bacon, lettuce, avocado, egg and ranch dressing. \$13.90 - Popular
- Salmonator** (500 Kcal) Salmon, quinoa, spinach, lettuce, cherry tomatoes, corn off the cobb, pumpkin, ... \$14.90
- Red Rice Raptor** (610 Kcal) Red rice sautéed with garlic, mushroom, pumpkin, red peppers, edamame, ... \$13.90 - Popular

- **Send Noods & Biryani Bae**

Send Noods

Send Noods is a fun and modern brand focusing on noodles, created by the Makan Express team. Twists and variations are added to local noodles such as Mee Goreng and Pattaya Mee (originally on the Makan Express menu), that are topped off with exclusive ingredients to create new noodle combinations. The Send Noods menu was specially designed to utilise the same kitchen equipment, labour, and food supplier relationships. It targets a younger customer crowd with its cheeky dish names, attractive photos and the iconic Chinese take-out box packaging in pink backgrounds.

Biryani Bae

Biryani Bae is another brand that the Makan Express team has created, specialising in Biryanis. As their kitchen equipment, labour, and food & packaging suppliers also accommodated cooking of biryani, Makan Express developed a unique and specialised Biryani menu to better appeal to the specific customer segment of young professionals, managers, executives and technicians (PMETs) in the Tampines area.

