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(PRINCIPLES OF ENTREPRENEURSHIP)

ASSIGNMENT CASE STUDY

TOPIC: KAWAN FOOD BERHAD

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1.0 EXECUTIVE SUMMARY

In this era of globalization, many companies use as much as they can to produce their product, including spending on investment or materials. In this assignment, we chose Kawan Food Berhad. Kawan Food Berhad is one of the companies in Malaysia that produce frozen food. The most important objective of Kawan Food Berhad is their focus to gain profit in the long term. As time goes by, technology is becoming more important and efficient to produce some products. Basically, Kawan Food Berhad focuses on R&D because they want to make sure that their product can give satisfaction to the customers. At the time they were focusing on R&D, they spent a lot of money on that particular thing, but this situation made Kawan Food Berhad face several problems that could affect their company and production. In order to ensure that Kawan Food Berhad's brand is always on the market and well-known by other individuals as well as nations, there will be some discussion of how to solve the issues that arise in this case study as well as recommendations for Kawan Food Berhad.

2.0 PURPOSE OF CASE STUDY

This case study aims to inform students more about the goods and services offered by Kawan Food Berhad. We also benefit from being able to understand the company's problem-solving process and the way their firm operates. In addition, students also may know about Business Model Canvas (BMC) that we are discussing in this case study. The Business Model Canvas is a tool used in a firm to visualize all the components needed to launch a business, such as customers, a route to market, a value proposition, and funding. These are the nine (9) blocks of BMC which are key partners, key activities, key resources, value proposition, customer segments, customer relationships, sales channels, cost structures, revenue stream. Students can also learn about their weaknesses and how to address issues. Last but not least, students can apply what they have learned in this course so that they will become more responsible and knowledgeable.

3.0 COMPANY INFORMATION

3.1 BACKGROUND

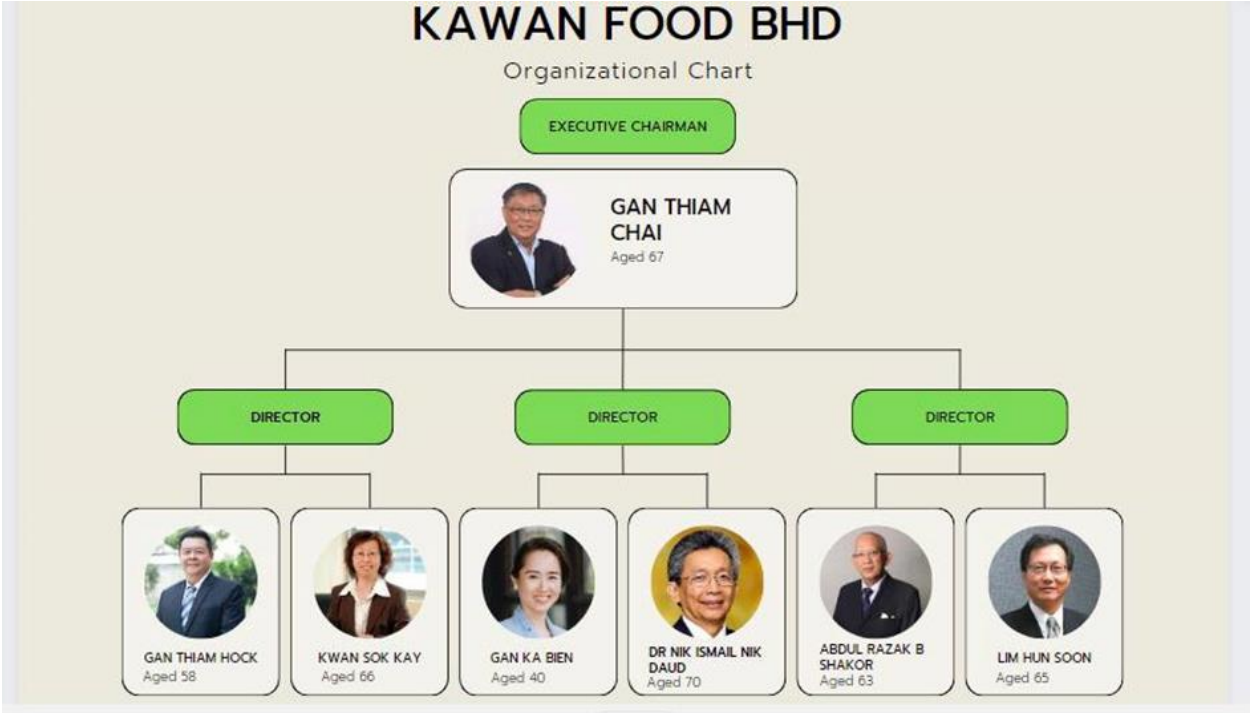
Kawan Food Bhd is one of the Malaysia's top exporters and biggest producers of frozen Asian food delights, is led by Executive Chairman Gan Thiam Chai. Gan Thiam Chai came from a family that sold comfort food at wet markets and building sites. Gan and his family were originally from Seremban and moved to Kuala Lumpur in the 1960s to work in Latex Factories. Her mother was a self-taught cook and his father who the mastermind and help their family to sell everything that his mother prepared for. All of his siblings were also involved by helping their mother make pau and other kuih to sell. Due to the hard work shown by Gan's parents, working from dawn to dusk to bring up a big family, managed to encourage Gan to be like his parents. He started his journey by selling nasi lemak at his school in packets, which were highly popular since they were far better than what was available in the canteen.

Furthermore, after his business got positive feedback, he got some friends that were willing to be "agents" of his business to help him in expanding their sales in the school. Soon, the school authorities caught Gan doing this business. The school canteen's profit had fallen by 50% at that time. Gan is a good and diligent student in his business, but he is not very good in his academics. After his finished his secondary school, to help his parents out financially, Gan started working as an electrician at the German company Behn Meyer. Because his studies are not very good, he knows that he does not have a bright future if he continues in that company.

Therefore, he knew food was the best business for him. He began by producing popiah skin to sell. This may seem strange, but it was a wise choice because the product was straightforward and had ingredients that were easy to find such as flour, water, and oil. He continued his success by expanding his business and creating various types of frozen foods. In the 1970s, Gan founded Kian Guan Trading and made it as sole proprietorship. It began by offering and supplying traditional and homemade pastry products such as Kuih Bakul, the Chinese New Year tradition of Gold Cake and kulit popiah. In the 1980s, they expand their business by exporting market in Australia. In 2000, they managed to establish their own manufacturing facility at Section 15, Shah

Alam, Selangor and recruiting more employees and using the latest technology. Until now, they continue growing their business.

3.2 ORGANIZATIONAL STRUCTURE



3.3 PRODUCT/SERVICES

Kawan Food continues to supply the highest quality Asian flatbreads, pastries, and curries. For Asian flatbreads, they produce the most popular unleavened flatbreads originating from Northern India. The products are frozen paratha, chapati and naan. They also come out with new items for the paratha and chapati which are called Wellness Range (Smart Choice) which they produce paratha and chapati based on Low Glycemic Index (GI) @ LOGi.

For the pastries, they have puff pastry and tortilla & roti wraps. As for the puff pastry, it comes in different sizes. Next product is curries. They have dhal curry, vegetable curry and sambal anchovies. Under this category, it also comes with many flavors of noodles and rice. Actually, they do not only focus on producing that 3 category of products. They also produce other frozen items like frozen vegetables & fries, meat free, pizza and snacks. For frozen vegetables & fries, they have many types of vegetables and fries and the same goes with snacks and pizza. It comes with many different flavors. For meat free products, it is actually a blend of plant proteins; soy and wheat, giving the closest bites and flavors of authentic meat texture.

3.4 BUSINESS STRATEGY

Vision, mission, and objective.

- Vision

Kawan Food Berhad desire to be a well-known and important figure in the world food and average sector.

- Mission

Kawan Food Berhad aspire to dominate the market by providing excellent service and reasonable prices for delicious meals

- Objective

Make it your goal to be at the cutting edge of R&D, technology, and innovation at all times. This company has made it one of its primary goals to give excellent service to its clients in the hopes of winning their continued patronage and ensuring their complete satisfaction. In addition to being a socially conscientious company for its investors, The Kawan Food Company makes it a priority to be a caring and generous place of employment.

3.5 MARKETING

Product

A very well global household name, Kawan Food Berhad continues to offer only the best traditional South Asian flatbreads, pastries, and curries. The manufacturing company Kawan Food Berhad produces large frozen foods, including paratha, which has gained popularity among locals. A family began physically preparing traditional foods including pau, spring roll pastry, and *kuih*. Such a traditional meal can be difficult to prepare and requires several steps. The son, Mr. T.C. GAN, started automating the procedure after foreseeing that this may become a dying trade. He then took it a step further by freezing the freshness to make traditional food accessible to more people.

In their food production lines, Kawan Food Berhad only utilizes the highest-quality ingredients, sources them, and uses machined technology. In order to maintain the highest level of freshness and the maximum shelf life feasible, a special fast freezing technique is used, which is often used for higher-margin industrial items. This fulfils the company's commitment to upholding consumers' safety and well-being. Paratha is Kawan Food Berhad's flagship product. Basically, they create a range of paratha, including onion paratha, wholemeal paratha, flaky paratha, and others, with a variety of unit packaging. The most important thing is that Kawan Food Berhad has a JAKIM's Halal certification, meaning that Muslims can purchase their products without worry.

Price

Pricing strategy refers to the value assigned to a service or product and is the outcome of an intricate system of calculations, research, and risk-taking prowess. A pricing strategy takes into account, among other things, market conditions, consumer willingness to pay, competition activity, trade margins, and input costs. Target audiences include the specified clients and rival businesses. cost-effective pricing strategy. Kawan Food Berhad decided to offer a lower pricing than the other brands. The market sector they serve determines everything. The target audience now makes up the majority of the market group. For instance, if Kawan Food Berhad's target market is the general public, they should choose an economical pricing approach over an expensive

one. Kawan Food's share price has increased 31.7% from RM1.64 to RM2.16 valuing the company at RM777.13 million.

Distribution strategy

The process of getting items, goods, and services to consumers or end users is known as the distribution strategy. Depending on the product and its distribution requirements, establishing a simple and efficient approach to reach customers can help you attract customer loyalty. When choosing a distribution plan, businesses think about how to maximize overall profitability while maintaining low costs. The products are mostly distributed to hotels, restaurants, and caterers through typical retailers, distributors, grocery stores, supermarkets, and food service distributions. The products are also offered online through Lazada and Shopee as well as the company's e-commerce website.

Promotion strategy

Promotion strategy refers to the the approach and strategies we use in our marketing plan to raise demand for our products or services define a promotion strategy. The marketing mix includes promotional strategies as a major element (product, price, placement, and promotion). Early this year, Kejap Food, a drive-thru restaurant providing regional cuisine, was acquired by Kawan Food as part of the company's diversification strategy. For Kawan Food's understanding of the business dynamics and how it may further enhance its supply chain, that was a great relationship. Here, it is clear that Kawan Food uses Kejap Food's drive-thru to advertise their goods. Kawan Food is concurrently concentrating on export markets, particularly in Europe and nations like the US. Then comes deals and discounts. Kawan Food Berhad regularly runs promotions and sales. After purchasing one paratha, a customer can get one free. This promotion is just temporary.

3.6 OPERATIONAL STRATEGY

In July of 2018, Kawan Food closed its doors after moving into its brand new, state-of-the-art facility in Pulau Indah, which cost RM200 million. In the meanwhile, two of its plants that are now in operation are located in Shah Alam, Selangor. The output of its older factories will be increased by a factor of three at the new facility, which will also make novel goods such as flatbreads with a low glycemic index (GI) or roti canai for sale on the local and international markets.

In order to work together on the development of this new line of low GI breads, Kawan Food has formed a partnership with the biotechnology research company Holista CollTech Ltd, which is listed in Australia. In 2017, Kawan Company bought Dikawani, a food truck company. Dikawani specializes in catering.

This will help the firm become more vertically integrated, since it will now own trucks where its food can be sold and delivered, and this will allow it to become more vertically integrated. In addition, the Kawan Company owns Hot and Go, a company that is a partnership with Hot and Roll, as well as a facility in Nantong, China, that manufactures frozen food products for sale in both the domestic Chinese market and the international market.

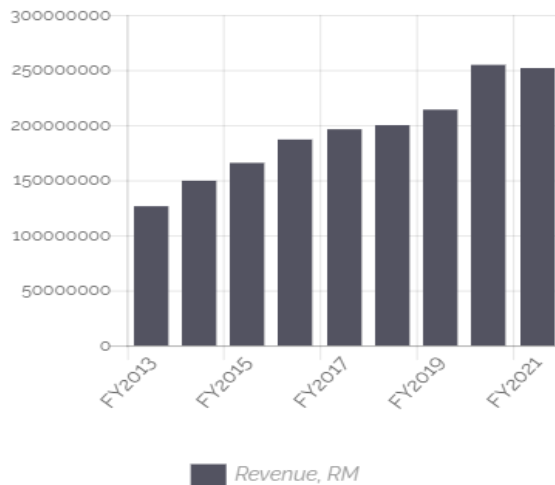
Among the operational initiatives that have been implemented is the construction of a new factory in Pulau Indah, Port Klang. This plant, which is now complete, will result in a fivefold increase in the capacity of the business. In order to make the most efficient use of the available space, any unused capacity will be leased out. Additionally, the new facility will enjoy an energy reduction of between 20 to 25 percent.

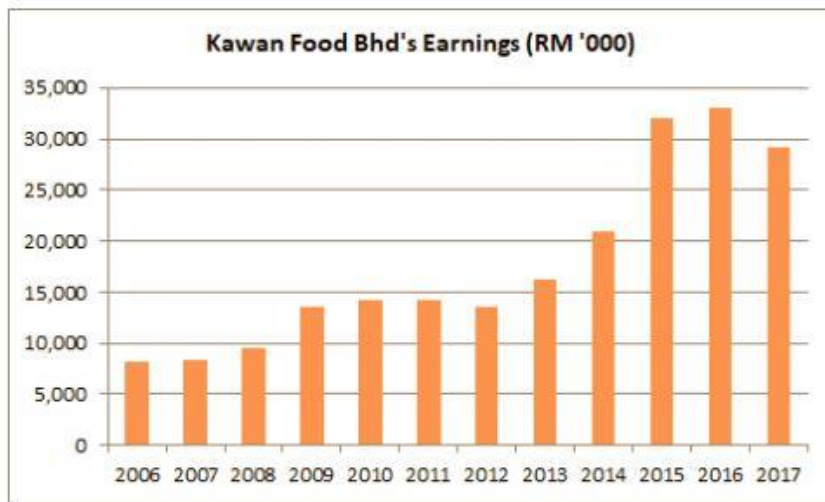
3.7 FINANCIAL ACHIEVEMENTS

Financial achievements is when the subjective assessment of a company’s ability to leverage assets from its principle form of operation to generate income. In 2006, Kawan Food Bhd was valued at RM 72.8 million in market capitalization. By 2017, its market capitalization has grown to RM 1.1 billion, a multiple of 13.5 times from 2006 levels. Kawan Food Bhd do not only focus on domestic market but also foreign market. derives RM 76.3 million or 38.9% of its sales from domestic customers in 2017. The remaining 61.1% of sales were generated from exports to key markets such as:

- North America: RM 58.7 million (29.9%)
- Asia (excluding Malaysia): RM 34.3 million (17.5%)
- Europe: RM 16.3 million (8.3%)
- Oceania: RM 10.2 million (5.2%)
- Africa: RM 0.5 million (0.3%)

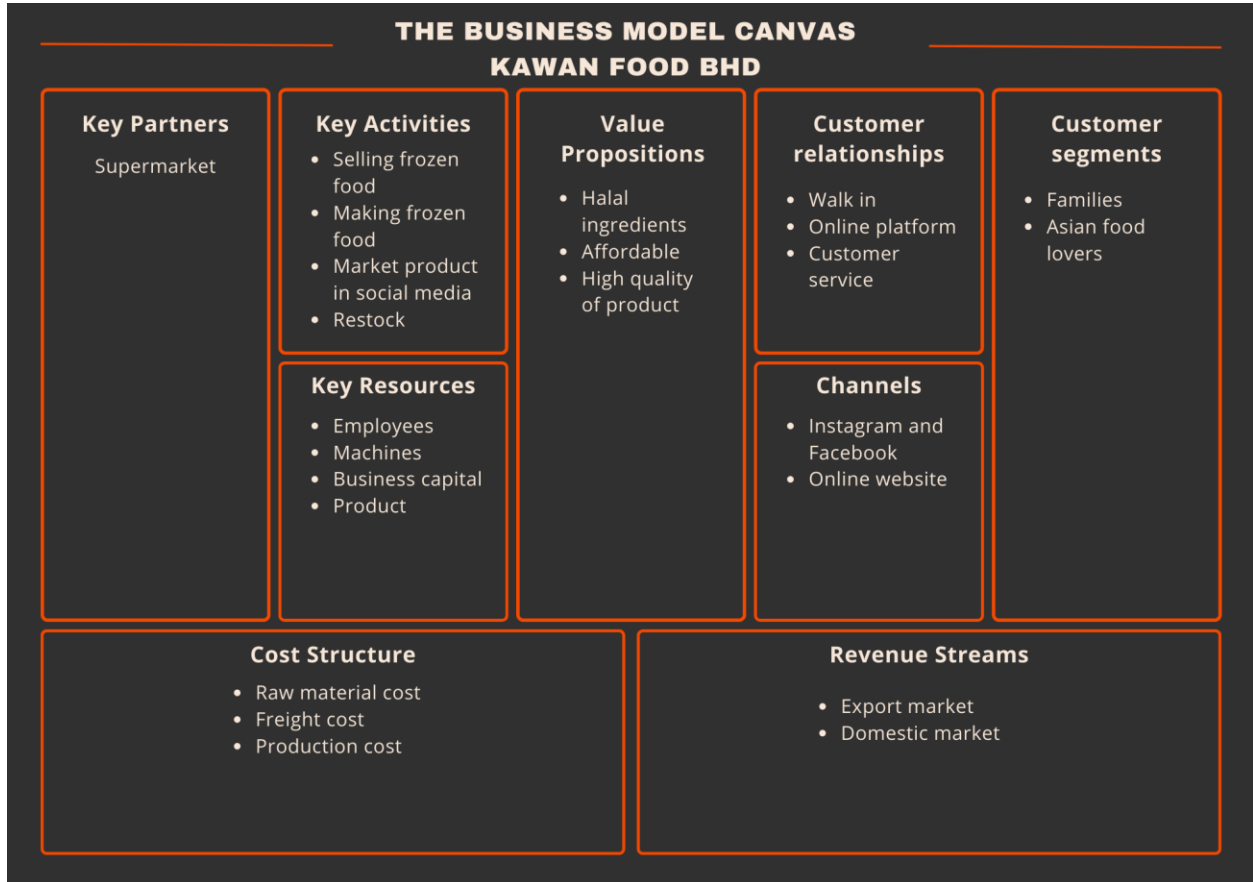
Kawan Food Bhd has achieved steady growth in revenue and earnings. Revenues have increased from RM 52.5 million in 2006 to RM 250 million in 2021. This, in turn, has contributed to growth in earnings from RM 8.2 million in 2006 to RM 29.1 million in 2017. Not only that, Kawan Food Bhd has accomplished a 12-Year Return on Value (ROE) normal of 13.24% every year. This means, it had made, on average, RM 13.24 in earnings per annum from every RM 100.00 in shareholders’ equity over the last 12 years.





It is reported that Kawan Food Bhd having a long-term debt worth RM 16.9 million in 2018. Its current debt-to-equity ratio works out to be 5.6%, a low and manageable level. Kawan Food Bhd has increased its cash reserves from RM 10.6 million in 2006 to as high as RM 80.4 million in 2016. Then, its cash reserves dropped to RM 39.3 million in 2018. This is mainly due to expenditure on its new factory in Pulau Indah, Klang. However, Kawan Food Bhd had retained its financial strength and flexibility of RM 88.6 million in 2021.

4.0 BUSINESS MODEL CANVAS



KEY PARTNERS

Kawanku Food Berhad put the main supplies in Lotus, Mydin, NSK and Aeon Big supermarkets. The supplier usually gets their fresh stock from this supermarket, which is also one of the trusted suppliers that have been known by Kawanku Food Berhad. This means the supplier company that we choose has provided needed product and services and is a more commodity-based provider.

KEY ACTIVITIES

Key activities are those endeavors in which your company engages that are assured to have profit construction as their primary goal. Operations, marketing, production, problem-solving, and administration are all examples of business activity. The type of business you use will determine the important activities. For the context of business in clothes, creating, marketing, and selling are our key activities.

- Selling frozen food

Selling frozen food is the most crucial task we must do and customers must be drawn in by the product itself. Failure might result from producing an excellent frozen food product but not receiving feedback from customers. Considering that the buyer isn't even interested in our design, how do we manage to sell our goods. Kawanku Food Berhad is aware of the solution to this problem since it is to create unique frozen food that are in line with consumer tastes.

- Making frozen food

Most of the time, there are three steps to the freezing food process that is pre-treatment, freezing, and frozen storage. Depending on the food being frozen, the pre-treatment can include things like blanching, heat treatments, dipping treatments, and cryoprotection, among others. It's important to remember that a good freezing process can only keep the food's quality the same; it can't make it better. So, these pre-treatment steps are there to keep the quality and safety of food that will be frozen. For example, vegetables are often blanched in steam or hot water to slow down the chemical and physical changes that can happen while they are being stored.

- Marketing product in social media

It is the most important thing for any business to market a product on social media. They must sell the product that does the most for the customer in the least amount of time. As we all know, pandemic COVID-19 is a worldwide problem. Customers are now more likely to buy things online to put some distance between themselves and the problem. So, Kawanku Food Berhad will focus on the method of shipping to get the products to the customers.

- Restock

Inventory audits are the process of comparing the business's financial and inventory records to the actual number of items in stock. This helps Kawanku Food Berhad get a clearer picture of your inventory. By doing inventory audits, they can find inefficiencies or inventory loss, figure out profit, and reorder based on that. It's as easy as counting the physical stock to see if it matches.

KEY RESOURCES

The main inputs and assets that a business needs to run well and efficiently are its key resources. On the business model canvas, the key resources are made up of both tangible and intangible assets.

- Employee

Each worker has a specific job to do, which is usually spelled out in a job description. In responsible organizations, an employee's work and the organization's expectations for the employee's performance are laid out in a performance development planning process.

- Machine

They only use the best ingredients and the most advanced technology for food production lines. A unique quick-freezing process, which is usually used for higher-margin products, is used to make sure the food is as fresh as possible and will last as long as possible, keeping the company's promise not to put customers' health and safety at risk. The company now has the British Retail Consortium Global Standards Accreditation for Food Safety, JAKIM's Halal certification, and the honor of being the first in the world to automate paratha and chapati production and the first in Malaysia to

build a factory with the largest frozen warehouse that uses Automated Storage and Retrieval System.

- Business Capital

As a growing company, Kawan is constantly seeking opportunities to expand in chosen categories, widen our distribution channels and diversify our customer base in the food industry. Kawan differentiates through products, innovation and technology, accompanied with technical skills to further strengthen efficiency, quality and value in our products. Our products are exported around the world, with 56.3% of our sales coming from the international market, mainly the US, while the Malaysian market accounted for 43.7% of our Group's total revenue.

Although FY2020 presented greater operational challenges for the Group in managing our supply chain, adjusting to the fluctuating supply and demand, and sustaining our manufacturing capabilities with outbreak prevention measures in place, the changes in consumer behavior ultimately bode well for the Group's growth performance in 2020. Revenue was 19.0% higher than 2019 as the social restrictions implemented including work-from-home measures had driven demand for our products, while travel related operational cost for the Group decreased significantly. They were pleased to be able to provide a continuous supply of safe and delicious food to the customers that contributed to the outstanding performance of Kawan in the pandemic year. Kawan Food Bhd, has taken a 32.5% stake in the young Malaysian startup company Kejay Food, supporting the young startup on their nationwide expansion plan and developing another strategic alliance at the F&B segment.

- Product

A product is the thing that is being sold. A service or an item can both be a product. It can be real or virtual, or it can be done online. Every product has a cost to make and a price to sell. How much you can charge depends on the market, the quality, how you market it, and who you're trying to reach. Each product has a useful life, after which it needs to be replaced, and a life cycle, after which it needs to be re-invented. In the language of fast-moving consumer goods, a brand can be revamped, re-launched, or extended to make it more relevant to the market and time, but the product often stays almost the same.

VALUE PROPOSITION

Value proposition is referred to the value that a company promises to provide its customers with of why they should purchase their product. A statement of Value Proposition is a proclamation which introduces a brand to customers by telling them what the business stands for, how it is functioning and why it deserves its business. It also offers the advantages of your business.

- Halal Ingredient

Although the owner of this company is Chinese, but all of its product is halal and have halal certificates recognized by JAKIM. This is because their targeted customer is for all races and nationalities, and this product comes from Malaysia where most Malaysians are Muslim. And if it is exported to foreign countries such as Australia and others, it can still be sold to all customers there, regardless of religion.

- Affordable

Cheap food is very important in purchasing power. Food is something that everyone will buy. Most of the food sold by Kawan Food is frozen food where there are many competitors that they have to compete such as Ramly, Marina and others. So apart from the quality of food, a reasonable price plays an important role so that the customer will choose the product over the competitor's product.

- High quality of product

Of course, Kawan Food product are all high quality, due to their quality of product, they achieve various of awards such as Best Performance Recognition Council of Awards award by International Awards Ltd, UK, The automation process of Roti Paratha accredited with HACCP, Enterprise 50 Award Programme awarded by SMIDEC and Accenture and many more.

CUSTOMER RELATIONSHIP

- Walk in

Kawan food also makes direct sales for their customers because some customers prefer to look at the product ingredients. Through direct sales, people can compare it with other products by observing the ingredients that they used and get more information about the product. Customers will feel more encouraged to buy the product because they can choose options for the products.

- Online platform

Kawan food has created an online platform to keep in touch with their customers. Sometimes customers might feel lazy to go to any supermarket to check stocks of the product so by using an online platform provided by Kawan food, they do not need to move anywhere. This online platform will ease customers to buy the products anytime and anywhere. When customers want to make payments, they will be directed to bank transactions. After that, customers just need to wait until the product arrives using a courier. Customers can buy the product online through <https://www.kawanfood.my/>.

- Customer service

Every business must have its problems relating to the customers and the quality of the product. It same goes for the Kawan food. To solve all of these problems, Kawan food has provided the customer service platforms to complain about the issue related to the product so from there they can improvise the products. Customers can contact their contact number and also, they can whatsapp them through 0126962752. This number operates on Monday to Friday, 9am to 6am.

CHANNELS

- Instagram and Facebook

Kawan food has been using social media for many years to promote its product. Since this new era is more about technology, they decide to use this channel for approaching their customers. If customers want to see updates about the product or new theme for the current season, they search @KawanFood on Instagram and Kawan Food on Facebook. From these social media, they will

update about all their new line up products. People will also feel attracted if they keep on updating on these social media.

- <https://www.kawanfood.my/> online website

Kawan food has its online website, this can ease customers to search more about the product because it is more detailed. People can search this website on the internet by typing <https://www.kawanfood.my/> or customers just can click on the link that they provided on their Instagram and Facebook. From this website, they can choose the products that they want and can make online payment, check the tracking number, and have customer service. This will ease people to directly buy the product without needing to contact the buyer to buy the product.

CUSTOMER SEGMENTS

- Families

The market target of Kawan Food is families. They are focusing on marketing their product to families with different levels of income. The price for each product is affordable, so everyone can manage to buy it. The products work in their favor since their ranges primarily service the home-dining segment, providing convenient, easy-to-prepare food products and frozen-ready meals for ease of consumption. Their products are well-loved among the wives since they will be really helpful for the family, especially for those who work. It comes with many choices that suit the parents' and the child's tastes. For the wife who works, they can just cook the food using an air fryer or microwave, and it won't take much time to prepare it. They also just need to heat the ready-to-eat meals in the microwave if they run out of time. Even the children can manage to prepare the food by themselves. Therefore, the company produces a variety of types of frozen foods at affordable prices.

- Asian Food lovers

Kawan Food Bhd has also targeted people who enjoys Asian foods. They serve a wide range of cuisines, including Indian, Malaysian, and Chinese dishes. They can eat at home because they can prepare their own meals. For example, Indian food lovers can cook foods like chapati, paratha, and naan at home, which can be eaten with dhal curry. It is convenient for them since they do not need

to go out to buy food. It also applies to Malaysian and Chinese food lovers, as well as Asian food lovers in general.

COST STRUCTURE

- Raw Material cost

Kawan Food Bhd always focuses on producing good quality frozen foods. They spend most of the money on high-quality material so the food could last longer since the foods are frozen. They need to find a very trustable supplier that can supply them with the raw material continuously especially the flour. Not only that, they also spend the money on good packaging material and design. Since they need to deliver the food, they have to make sure that the packaging is not fragile and will not damage the food. Nowadays, the cost of raw materials keeps rising because of inflation.

- Freight Cost

Kawan Food Bhd also exports its products to other countries overseas, like those in Asia, North America, Europe, Oceania, and Africa. Delivering the products in large amounts and to other countries is very costly. They have to spend more money on a very trustworthy delivery company that can manage to deliver their products. They need to consider many factors when choosing a delivery company. There are several cost considerations that go into calculating the cost of shipping from Malaysia to those countries, such as transportation to the departure location, loading onto the vessel, marine freight transportation, unloading, insurance, and transportation to the destination location.

- Production Cost

Production cost is all the costs that Kawan Food incurs when manufacturing their product. It comprises various expenses including material, employees' wages, factory and more. As for Kawan Food, they have to spend their money on raw materials, manufacturing supplies and labor wages. That is the cost that they must spend directly when producing their product. There are also indirect costs incurred which is not directly associated with the production. It is the expenses that facilitate the production of a product without directly affecting the manufacturing process like

office supplies, building utilities, rent and maintenance cost. If the demand of products is increasing, the production cost for Kawan Food Berhad also will increase.

REVENUE STREAMS

- Export Markets

Kawan Food Bhd earns their revenue mostly from export markets. They move their products through distributors in foreign countries. Most of the international customers are primarily traditional retailers, whereas, in the Middle East and Asia, the customers are mainly a mixture of hypermarkets and supermarkets. At present, they export their products to all majors' continents, particularly to countries such as the United States of America (USA), Canada, United Arab Emirates, United Kingdom, and Australia, which have large Asian Communities. For the year 2021, it reported that 51.7% of sales coming from the international market, mainly the USA.

- Domestic Markets

In Malaysia, the products are distributed through traditional retailers, distributors, agents, hypermarkets, supermarkets, foodservice distributors and to hotels, restaurants, and caterers. Despite the challenging local economics, it reported that domestic sales increased by 9.3% to RM 121.6 million in the year 2021, up from RM 111.3 million in year 2020. Domestic sales through retailers contributed 26.3% to the total domestic sales in 2021. Domestic markets contributed 48.3% of the company's total revenue in the year 2021.

5.0 FINDINGS

The problem with the packaging.

One of the problems is the packaging of the products. Since the products include food that has been frozen, damage is likely to happen. Sometimes the packaging will suddenly pop open in the freezer without the customer's knowledge before they buy. Besides, when frozen produce packaging lacks a sealing function, customers must repackage the product in containers and bags or use clips and rubber bands to try and prevent freezer burn. Customers become furious after this frequently unproductive step, which is bad for Kawan Berhad.

High investment in Research and Development (R&D).

Through their R&D development, Kawan Company has achieved success. There is no doubt, however as time passes, it's crucial to evaluate their spending on R&D development. This is because R&D development is correlated with technology, making it impossible for Kawan Food to keep up with the rapid changes in technology. To generate a high-quality end product, more cost may need to be invested. Additionally, some consumers might not be aware of Kawan Food Berhad because it is still a new brand on the market. They must therefore put additional effort into ensuring that their items are well-known. In this situation, Kawan Company must invest more in R&D because it is one of the ways to ensure that their products are well-known among consumers not only in Malaysia but also in other nations.

Corporate level strategies issues

Early in 2017, Kawan Company began extending its operations through the food truck industry. The company announced that it is buying a 51% ownership in the food truck company Dikawani Foods Sdn Bhd (Bursa Malaysia). Although Kawan Company's involvement in the food truck industry is a nice idea, there is a slight issue because customers rarely look for frozen goods at food trucks. For instance, if we go to the Food Truck Event at Tapak, which is close to KLCC, all of the food truck vendors provide the customers a fancy selection of goods, the majority of which are prepared to order and ready to eat. Therefore, it is difficult for Kawan Company to compete with them without using effective marketing methods.

6.0 DISCUSSIONS

Make changes to the product's packaging.

Packaging is also important to the customer before deciding to buy. Kawan Berhad should focus on its product packaging as well. With packaging that seals correctly in the first place, they may reduce repackaging, food waste, and dissatisfaction. Kawan Berhad can reconsider changing the packaging with a zip lock. This will allow customers to easily slide the packaging close after rolling out extra air. Using a value-added slider that is simple to use may help decrease the oxygen transmission that causes freezer burn. By enhancing their packaging, they may benefit their customers by making it easier for them to utilise the product and protecting it from damage, but there would also be disadvantages that would be expensive because they would need to change their packaging since zip locks are so pricey.

- Advantage - making it easier for customers to utilise the product and protecting it from damage.
- Disadvantage - that would be expensive because they would need to change their packaging since zip locks are so pricey.

Focus more on the product and market opportunities.

This is due to the potential cost of investing more in technology development. Businesses that concentrate on their product often set the pace for innovation in their industries. Regardless of what the market is doing or what customers want, they always aim to produce the greatest product. They might gain a devoted following if their brand is known for always having the newest advancements. No matter what the market is doing, they can be confident that they have the best product there is. They can be certain they are giving the clients what they want by operating a market-focused firm. By just understanding what their customers want and giving it to them, they can outperform their rivals. Since they are giving the clients what they want, focusing on the market may be a little safer. They are not squandering money by adding features to the product that the customers might not find desirable. Additionally, effective service and product presentation will be less expensive than R&D research. This could be an advantage to Kawan Food Berhad because it can increase their profit since they always seek opportunities to market their product. At the same time, it also has disadvantages, which is they have to put more effort to

understand what their customers want. This is because every customer has a different taste. So, it will take more effort, time and energy.

- Advantage - increase their profit since they always seek opportunities to market their product.
- Disadvantage - they have to put more effort to understand what their customers want.

Expanding their market through the alternative platform

Customers frequently seek out a wide range of upscale items from food trucks, particularly prepared cuisine. Therefore, as a manufacturer of frozen foods, perhaps they might make their items ready to eat in addition to selling frozen Kawan Paratha & Kawan Food Chapatti at the food trucks. Perhaps they could offer customers "Chapatti Hot & Roll" as they attempted to combine traditional old-fashioned food with a fresh approach to food presentation. However, food trucks aren't actually necessary. In order to make it simple for customers to buy their food ready to go, they can open their own stores like Tealive anywhere. Of course, this would increase the brand's recognition, particularly in Malaysia where many people are still unaware of this particular frozen food company. It will make people know about Kawan Food Berhad and they can market their product to other countries. When their product is known by people, there will be more competitors and they will always have to think creatively and innovatively in order to make sure that their product is always on the market.

- Advantage - increase the brand's recognition
- Disadvantage - there will be more competitors and they will always have to think creatively and innovatively in order to make sure that their product is always on the market.

7.0 RECOMMENDATIONS

- Geographic Segmentation

Geographic segmentation is dividing people into groups based on where they live, like by region, county, city, or town. Geography is an important variable because differences in climate, location, distance, and landscape can all affect people's attitudes and behaviors. This means that people in different regions want or need different kinds of products or services and tend to respond differently to marketing programmers. To take advantage of these differences, many companies use regionalized or localized marketing strategies to attract customers in different parts of the world. In this case, Kawan Food Berhad not only sold Paratha to local grocery stores and supermarkets, but also sent Paratha to other countries. People in different countries eat and live in ways that are very different from each other. So, McDonald's needs to divide up the different parts of the world in the right way if it wants to stay on top. The two most important things that Kawan Food Berhad looks at are location and population density. Under the region criteria, it says if the area is local or domestic or if it is international. Kawan Food Berhad had come up with more plans to make its marketing segmentation plan even better. Also, Kawan Food Bhd has signed a preliminary agreement with two parties to set up a joint-venture (JV) company to make and sell halal paratha on the international market.

- Behavioral Segmentation

Behavior segmentation is putting people into different groups based on how they feel about or react to a product. One of these behavioral factors is the rate of usage, which is how often or how much people buy or use a certain product or service. Benefits sought is an assessment of the different benefits people look for when they compare similar products or services. Loyalty to a brand or store is the tendency to only buy goods or services from a certain company or store. Marketing tactic sensitivity is how people react to different marketing techniques, such as how they feel about the quality of a product, coupons, sales, customer service, advertising appeals, and interactions with salespeople. It's a big part of Kawan Food Berhad's segmentation system when it comes to behavior. It's clear that their segmentation builder takes into account how loyal the customer is to the restaurant and what benefits they want.

- Psychographic Segmentation

Psychographic segmentation is a way to divide a market into groups based on things like self-values, self-image, and way of life. Most psychographic profiles are found through what are called AIO inventories, which are large-scale surveys that ask people about their activities, interests, and opinions. Attitudinal data framing is a more recent technique that uses information from a company's computer database to figure out why people buy things. VALS is one of the most used psychographic survey tools. It divides consumers into eight different groups based on how they behave. It's hard to explain how psychographic segmentation works. It shows that Kawan Food Berhad uses the psychographic approach to focus on customers' work and leisure habits and how they live. The connection between the Psychographic segmentation and the other approach is another reason why it might be hard to explain. For example, when it comes to lifestyle, the behavioral approach and the psychographic approach are similar. Customers with busy lives would also care about how well something saves time. Aside from that, there is a certain group of customers who might be vegetarians. So, some approaches could not be talked about separately.

- Demographic Segmentation

Demographic segmentation uses things like age, gender, marital status, family size, income, occupation, education level, and ethnicity. For example, most toy companies' market to children. Some breakfast food companies make and sell brands and products that are aimed at kids and others that are aimed at adults. In the same way, Harley Davidson, which makes motorcycles, found out through research that it could increase its market share by making new product lines that appealed to a younger crowd than its usual crowd. Kawan Food Berhad divides its customers into groups based on things like age, gender, stage of life, job, religion, and so on. Kawan Food Berhad puts them into different groups based on their ages. Kawan Food Berhad knows that people of different ages, genders, stages of life, jobs, religious beliefs, and other things don't like to eat the same things.

8.0 CONCLUSION

We can conclude from our case study of the Kawan food company, which we picked for our project, that while building your own business may appear simple, the process that the company must go through before they can attain their current success is not an easy one. It took patience and hard effort from the entrepreneurs, as well as their mentality and persistent behavior, to enable them to build their company together. Maintaining a business is certainly difficult, especially when there are so many competitors in the market.

Every business must go through ups and downs while operating. We have realized that for a company to function smoothly and to prepare for a critical moment in the future, we need to have smart and effective planning. Entrepreneurs have demonstrated that if we do not give up easily, we may achieve our goals and build a profitable company. When we are passionate about our products, we will do everything we can to keep our business so that others may enjoy it as well.

9.0 REFERENCES

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10.0 APPENDICES



Kawan food logo



Range of products from Kawan Food



Kawan Food manufacturing facility in Pulau Indah