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UNIVERSITI  
TEKNOLOGI  
MARA

83

**CASE STUDY: COMPANY ANALYSIS**

**MY TASTE ENTERPRISE**

**PRINCIPLES OF ENTREPRENEURSHIP (ENT530)**

**FACULTY OF BUSINESS AND MANAGEMENT**

**BACHELOR OF BUSINESS ADMINISTRATIONS (HONS)**

**TRANSPORT (BA247)**

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**WRITTEN REPORT CASE STUDY**

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## **EXECUTIVE SUMMARY**

Royale Mochi company is a local business with a home based concept owned by a married couple, Mrs Nur Hidayah and Mr Muhamad Zolkifli that is located at Cyberjaya, Selangor. They are selling traditional Japanese food which is usually sold and served as a dish in every new year celebration. The business started operating a year ago and has been registered under the management of My Taste Enterprise by selling food products. It is a partnership business managed by Mrs Nur Hidayah and her husband where everything is done independently without hiring employees. Royale Mochi is one of the first brands to offer a premium rice cake or it is known as mochi in Malaysia with ingredients specially imported from abroad. They also emphasize the quality of each product by using only high quality ingredients such as organic Japanese glutinous rice flour, organic sugar, sugar and fresh fruits to maintain its quality. In fact, they have also penetrated the market in West Malaysia where the business managed to acquire a total of 47 agents under the Royale Mochi brand and until now, they have become second lead mochi sellers in the local market.

## COMPANY INFORMATION

### BACKGROUND OF THE COMPANY



Royale Mochi is a famous rice cake food product originated from Japan that is made from organic Japanese glutinous rice flour and some other ingredients such as sugar, water and corn flour. Royale Mochi was founded by Mrs Nur Hidayah Ismail, together with her partner Muhamad Zolkifli Bin Mustafa where at first they only tasted the rice cake because it was given by her friend. From there, they plan to sell rice cake or better known as mochi under their own brand as Royale Mochi in the market. The brand has been registered with Companies Commission of Malaysia under the company of My Taste Enterprise (002621263-D) and started operating a year ago in early March 2020.

It is a home-based business that is located in Cyberjaya at No. 45, Jalan GR 1/2, Cassia Garden Residence Cyberjaya, 63100 Selangor. Royale Mochi is a local product which is manufactured in Malaysia with the ingredients imported from Japan, Switzerland, Belgium as well as other countries. Specially, the rice cake is made from the main ingredient for its production by only using organic Japanese rice flour imported from its origin country which is Japan. In addition, this product also has a Halal JAKIM certificate under My Taste Enterprise where it is a safe product for everyone without prohibited substances.

- Mission

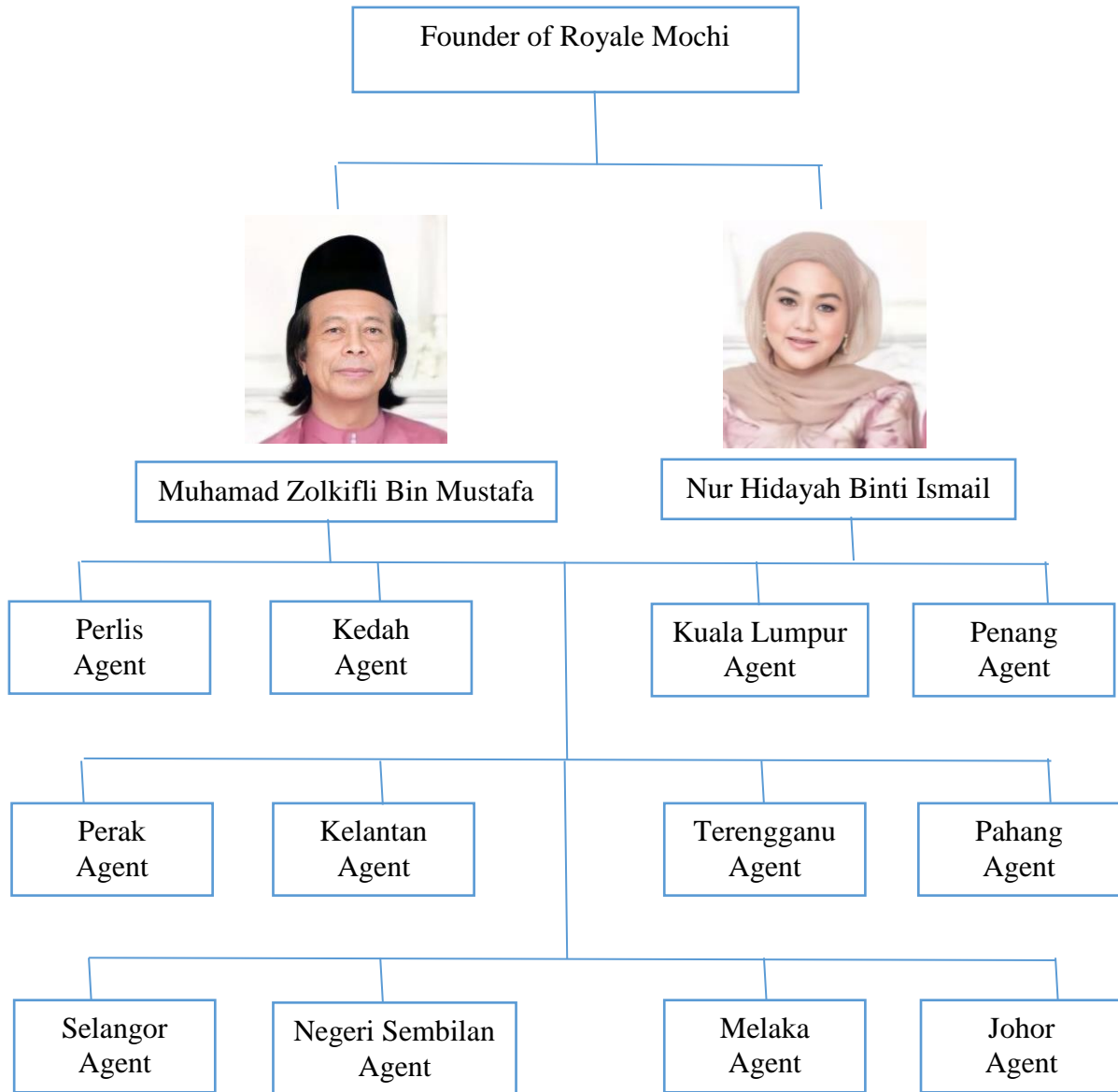
To be a part of people's lives by offering high quality 'mochi' at affordable prices in Malaysia. ✓

- Vision

To be one of the leading local ‘mochi’ distributors that people admired for its brand and taste and known throughout the country.



### ORGANIZATIONAL STRUCTURE



## PRODUCTS AND SERVICES

Now, Royale Mochi has more than 21 ✓ flavors of mochi with 23 different menu items including assorted mix and fruity mix. Each flavor comes with a different price ranging from RM 15 to RM 28 where each pack has two different quantities according to its type of flavors which are four and 10 pieces per pack.

There are three categories of mochi which are classic mochi, ice cream mochi and ✓ fruity mochi. The classic mochi consists of flavors that are often on top of the customer's choice due to its classic taste and has become one of the best sellers among all mochi. The fruity series mochi is a fruit-based filling that comes with a unique fillings texture like jams with only used pure fruit for filling and it is a great choice for fruity lovers. While ice cream mochi is a combination of sweet pillowy dough that is wrapped around with ice cream, and it is made by organic sugar and organic Japanese rice flour which is gluten free.

Categories	Flavours
Classic Mochi 10 pieces per pack	Red Bean, Matcha Azuki, Black Sesame, Peanut Butter, Pandan, Belgian Chocolate, Kinako Pandan Caramel, Tsubaki Adzuki and Assorted Mix. ✓
Fruity Series Mochi 10 pieces per pack	Durian D24, Coconut, Mango, Blueberry, Strawberry, Yam, Sweet Corn and Fruity Mixed. ✓
Ice Cream Mochi 4 pieces per pack	Cheese Sofuto, Musang King, Dark Chocolate, Berries, Mango Peach and Matcha Red Bean. ✓

## PRICE LISTS

PRICELIST

ROYALE MOCHI

MOCHI (10PCS)	PRICE
Red Bean	RM15
Pandan	RM15
Peanut	RM15
Black Sesame	RM15
Matcha Azuki (Green Tea)	RM16
Assorted Mix (Red Bean, Pandan, Peanut, Black Sesame, Matcha Azuki)	RM18
Kinako (Pandan Caramel)	RM20
Tsubaki Adzuki	RM22
Belgian Chocolate	RM24

ROYALE MOCHI

PRICELIST

ROYALE MOCHI

MOCHI (10PCS)	PRICE
Blueberry	RM24
Strawberry	RM24
Mango	RM24
Coconut	RM24
Yam	RM25
Sweet Corn	RM25
Fruity Mixed (Blueberry, Mango, Strawberry, Yam, Sweet Corn)	RM28
Durian (D24)	RM28

ROYALE MOCHI

PRICELIST

ROYALE MOCHI

MOCHI (4PCS)	PRICE
Cheese Sofuto	RM15
Musang King	RM15
Dark Chocolate	RM15
Berries	RM15
Mango Peach	RM15
Matcha Azuki	RM15

ROYALE MOCHI

## DELIVERY

Royale Mochi delivery service is open to all states in Malaysia where for they provide cash on delivery service for order received around Cyberjaya while the mochi will be posted via courier service such as Citylink and JnT Express for every order made outside the area such as Melaka, Johor, Kedah, Terengganu and any other states. Moreover, the customers can also use the fastest delivery service and instant courier like Lalamove if they want to receive the order in the least amount of time. Besides, they can also self-pickup their order at the location if they don't want to be charged for delivery fees. ✓

## FACTS ABOUT MOCHI







## **BUSINESS, MARKETING AND OPERATIONAL STRATEGY**

### BUSINESS STRATEGY

- Target Market

Royale Mochi products are suitable for all ages ranging from children to adults. It is loved by everyone, especially children and teenagers because of its soft texture and unique taste. The product is also affordable for every income level due to the price offered makes people able to buy and taste this product. Furthermore, Royale Mochi focuses its sales to customers from every state in Malaysia except for Sabah and Sarawak due to the longer delivery process compared to peninsular Malaysia.

- Agents

There are three types of agents under Royale Mochi management which are master stockist, mini stockist and agent where each agent has a different package based on its level. There are a minimum number of restocks where usually master stockists are required to make a restock of at least 200 packs, 50 packs for mini stockists while 20 packs for agents. Now, Royale Mochi has a total of 47 agents throughout the states in western Malaysia.

- Branding and Online Presence

Royale Mochi has its own image which makes them different from other rivals which Royal Mochi is now has become the 2<sup>nd</sup> lead local mochi seller in Malaysia. They also introduced the brand through an online application which to date Royale Mochi has been widely known throughout Malaysia.

- Terms of Sale

Royale Mochi HQ also provides terms and conditions to all agents under its management in terms of profit, order volume and reward. The agent will earn a profit of RM4 to RM7 per pack of mochi according to the package taken. The agent must place a minimum of at least 20 packs per order and they must be actively promoting the product to qualify agents for the rewards offered based on the highest restock and sales.

## MARKETING STRATEGY

- Product

Royale Mochi's marketing strategy is the product itself which is rice cake or better known as mochi where it is made from organic ingredients imported from several foreign such as France, Japan, Switzerland and Belgium with high quality and guaranteed halal. The use of imported ingredients aims to maintain the quality of rice cake as it is obtained from major producing countries such as strawberry, blueberry, raspberry, red bean, mango and dark chocolate where it creates its own unique taste.

- Price

The price offered is affordable comparable to the quality of the rice cakes starting from RM15 to RM28 according to the flavor which have premium imported ingredients. The price is set after assessing the cost of production as well as looking at the background of the customers who love mochi to ensure they can afford to buy the product offered at a good price and at the same time generating profit for the company.

- Promotion

In terms of promotion, Royale Mochi has come up with several strategies by making paid reviews and gift reviews with influencers to further increase their sales. They are using Instagram which is @royalemochi\_hq as a main online platform to promote as well as receiving orders. In addition, orders will also be taken through Whatsapp and Maybank (Sama-sama Lokal) applications.

- Place

They run the business from their home that is located in Cyberjaya, Selangor. The strategic location helps to ease the agents for the restocking process as the place is accessible for everyone and most of the agents are from Selangor and nearby areas.

### **OPERATIONAL STRATEGY**

Since Royale Mochi is a home based business, all stocks of mochi are stored at home and placed in the freezer. The operation hour starts from 9.00 a.m. to 9.00 p.m. everyday where everything is handled by the owners without hiring any workers. The business usually makes a restock five times a month of 1,000 packs of mochi from the factory. Apart from that, Royale Mochi is also distributed at several physical stores such as Malakat Mall, Raudhah Groceries Cyberjaya, Petronas NKVE, Petronas TTDI, Petronas Rahman Putra Sungai Buloh, Petronas Kota Damansara, Petronas Sungai Buloh Cina, Petronas Ara Damansara, and Malakat Mall Masjid Tanah.

## SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>❖ High quality foods ✓</li> <li>❖ Cash on delivery by agent within the covered area ✓</li> <li>❖ Offer foods that ready to eat ✓</li> <li>❖ New flavors every month ✓</li> </ul>	<ul style="list-style-type: none"> <li>❖ Insufficient knowledge about marketing ✓</li> <li>❖ Less consistency from agent ✓</li> <li>❖ Competitive market ✓</li> <li>❖ Limited manpower ✓</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>❖ Offering more choices of flavors</li> <li>❖ Utilize online platform ✓</li> <li>❖ Develop relationship with online 'influencers'</li> <li>❖ Widely distribute to open market</li> </ul>	<ul style="list-style-type: none"> <li>❖ Agent has little loyalty</li> <li>❖ Larger competitors get majority of market share and more famous brand name</li> <li>❖ Expand business to another location</li> <li>❖ Price war between competitors business ✓</li> </ul>

### STRENGTHS

- ❖ **High quality foods.**

Royale Mochi offer high quality foods that has more than 21 flavours of mochi with 23 different menu including assorted mix and fruity mix that can be kept in the chiller for 2 months. It also can be kept in room temperature room for 10 days. Moreover, their mochi is made from organic sugar with no preservatives and gluten free.

❖ **Cash on delivery(COD) by agent within the covered area**

Since Royale Mochi had agent around Malaysia, they offer COD where customers can purchase through agent around their area and allows customers to make payments for their purchases via cash at the time of delivery of their orders. Infact, customer can get the mochi as soon as possible after their order without need to wait for the postage process and it is a relatively risk-free process of buying.

❖ **Offer foods that ready to eat**

Some freshly made mochi will become hard over time, so the mochi need be preserved and wrapped in Japanese paper and we need to grill or boil it so it will return to its original stretchy and chewy consistency to keep for up to a year. But mochi from Royale Mochi does not need to be cooked, baked or steamed because it ready to eat. Once smooth and stretchy, you can eat the mochi immediately.

❖ **New flavors every month**

As for now Royale Mochi offer 21 flavors of mochi with 23 different menu including assorted mix and fruity mix. But in the meantime, they will come out with new flavors every month to offer customers more choice of flavors.

## WEAKNESSES

### ❖ **Insufficient knowledge about marketing**

Royale Mochi realize that they had insufficient knowledge about marketing include unattractive and unorganized posting at media social, and promotion which includes advertising at media social. The lack of proper marketing in media social impact their company.

### ❖ **Less consistency from agent**

Less consistency from agent would impact the revenue and profit of the company. Moreover, their company will be wasting their time by hiring new agent every time the agent quit and not give their fully commitment to sell the product.

### ❖ **Competitive market**

A typical competitive market especially conquers by famous brand such as Nestle gave impact to the Royale Mochi. They require product and marketing strength to stay survive in the market.

### ❖ **Limited manpower**

Due to limited manpower, it gave impact on productivity to Royale Mochi. A lack of manpower prevents their businesses from completing tasks, especially on marketing. This problem may lead to reduction in revenue and profit of their company.

## **OPPORTUNITIES**

### **❖ Offering more choices of flavors**

Since Royale Mochi offers more choices of flavor for their product, it gives their company more advantages as customers nowadays would love to have more choices to choose from.

### **❖ Utilize online platform**

Royale mochi can fully utilize online platforms for their business. They can use multiple platforms not only Instagram such as Facebook, Twitter and Shopee to start off their marketing campaign.

### **❖ Develop relationship with online ‘influencers’**

The first step that Royale Mochi can do to develop relationships with online influencers is by identifying the influencers in their niche. Royale Mochi can give them some reason to share their post or product as marketing campaign.

### **❖ Widely distribute to open market**

Royale Mochi ensures their products have access to all markets. Even major market players might have an established and strong presence, which makes it more difficult for smaller companies like Royale Mochi to penetrate the market, they manage to distribute at several physical stores such as Malakat Mall, Raudhah Groceries Cyberjaya, and many more.

## **THREATS**

### **❖ Agent has little loyalty**

Every agent has access to the same information where it turns out to be that the agent sells similar products and steals the marketing tools from Royale Mochi Instagram. Royale Mochi is looking for high-performing agents that can improve their customer loyalty.

### **❖ Larger competitors get majority of market share and more famous brand name**

Larger competitors give impact on the performance of Royale Mochi in the industries where there is low growth. In contrast, famous brand margins tend to be low and they run operation at maximum efficiency while Royale Mochi run in low operation because of less capital.

### **❖ Expand business to another location**

To grow the company, Royale Mochi is looking forward to expanding their business to every state in Malaysia. However, they acquire a business address, hire more manpower, and complete their business strategies to make sure their company can survive.

### **❖ Price war between competitors business**

A price war is a competitive exchange among Royale Mochi competitors who lower the price points on their products. A price war may be used to increase revenue in the short term, or it may be employed as a longer-term strategy.



## **FINDINGS & DISCUSSION**

### **FINDING**

#### **Main Problems and Causes.**

1. **Certain agents are not fully committed to do business with Royale Mochi.**

This is due to free entry hiring as an agent of Royale Mochi. Some of them will only want to join as an agent just to get the wholesale prices. Therefore, they will not restock and will not commit to this business. Moreover, some agents felt like there will be no more repeat customers for their mochis thus losing hope for continuing their business.

2. **Lack of experience in online marketing.**

This is caused by shortage of manpower in headquarters as there are only 2 persons managing the business. No additional workers to work for marketing, arranging stocks and manager for agents makes it time consuming for headquarters to manage them all. Without additional knowledge for online marketing, it will make it difficult to manage their business online without knowing any preferable platform to simplify their business management and boost their marketing online. Other than that, headquarters should be familiar with digital online marketing in order to provide guidance to their agents. Usually, they are newcomers to the business field and have zero knowledge in business as well as in marketing.

### **DISCUSSION**

The objective of the discussion is to grasp and express the relevance of findings in light of what you already know and to explain any new insights or understandings on the problem once you have taken the findings into consideration. We will relate the discussion with the references from the case study. In this scenario, we studied Royale Mochi's main problem. We noticed two primary problems in Royale Mochi. The main problem is:

1. Certain agents are not fully committed to do business with Royale Mochi.
2. Lack of experience in online marketing.

There are two major problems faced by Royale Mochi. One of the main problems is that certain agents are not fully committed to doing business with Royale Mochi. This is owing to free entry by the Royale Mochi agents. To overcome this problem, Royale Mochi needs to make sure all agents understand clearly what is intended. A formal contract that includes all major components reduces the likelihood of mediators and conflicts. The agreement must be properly structured to account for potential legal ramifications, such as your liability for the agent's activities. In such cases, creating a formal agreement is the safest approach. This will establish the nature of the partnership as well as each party's rights and responsibilities. Otherwise, you may discover that you unintentionally granted the agent rights or authority that you did not mean to provide. One of the advantages of this solution is that the agent will be committed and loyal to Royale Mochi. Agents will sense that the business has a mission and a vision to be fulfilled. As for the disadvantages, not everyone will agree to be involved with businesses that depend on formal contracts. The agents will think that the formalisation of a contract restricts the ability to operate in the future flexibly. Another solution to these problems is that Royale Mochi can offer incentive schemes such as rewards every month to the agents that achieve the target given. Based on the case study, these techniques aim to enable agents to achieve better results and faster by allowing them to explore a larger space of possible solutions and/or to express, update, or evolve their preferences in single or multiple shot interactions ([Sarvapali D.Ramchurna, C. L.,2007](#)). By doing this, the agents will deliver more. Many of the agents will probably be young millennials, and this is a generation that likes a reward as a sign of appreciation. Awards or rapid rewards are a very efficient means of motivating agents. As agents observe their peers get rewards, they are driven to push further. The disadvantage of this solution is that when the agents expect a gift, any possible motivation or reward is gone since they think that the gift is just part of their normal remuneration, not an additional bonus as a gesture of gratitude or a motivational tool.

Other than that, another problem faced by Royale Mochi is the lack of experience in online marketing due to the lack of staff in the headquarters, as the company is run by only 2 people. According to the case study, related to the lack of experience in online marketing, it is discovered that the retail sector's management has failed to properly apply interaction and communication paradigms, as a result of which they have failed to establish social media applications to assist customers in the digital marketing process ([Vitor Roque, R. R., 2016](#)). Therefore, Royale Mochi needs to follow Facebook's online classes as it is an excellent place to begin learning about social media marketing. They will educate you on all aspects of Facebook Paid Campaigns. Once you're familiar with operating Facebook social media campaigns, you may expand your knowledge of Instagram marketing. With over 3 billion monthly active members, Facebook is by far the most popular social network. By doing that, it is an advantage for Royale Mochi so that what they have learnt can help other newcomer agents who have no prior experience of business nor marketing. Hence, the disadvantage of it is that it takes a lot of study and training to learn how each of the techniques works individually. Moreover, another solution that can help Royale Mochi with online marketing is by hiring someone that has expertise in marketing. As a consequence of their expertise and specialty in online marketing, they can supply you with analytics and reports that quantify the benefits of their services. Though digital marketing can appear abstract, a skilled online marketer should be able to assign exact, measurable metrics to each campaign to demonstrate the approach's efficacy. According to the case study, referring to hiring an expert in online marketing, 4.2 billion people currently use mobile devices to access social media sites from which they have been able to acquire vast information on digital marketing and support marketers in analyzing the involvement of customers ([Zuliah Abd Hamid, H. W. 2016](#)). By hiring someone to do online marketing for your business, it will help the headquarters to focus more on arranging stocks and managing the agents. Despite that, hiring an online marketer can be a significant financial investment. To pay for their services, you will need to spend some money, which will affect your finances.



## CONCLUSION

Based on those findings and discussion, it's clearly stated that two main problems have come out with a new solution for Royal Mochi to be considered. Looking back at the two major problems, certain agents are not fully committed to do business with Royale Mochi and lack experience in online marketing. ✓

In discussion, we have suggested for Royale Mochi to provide incentive or rewards for their Agent or even made a proper and formal contract for Agent. Since making a proper agreement will be hard, Royale Mochi can try to give a reward for the top 5 of their Agents. It should not be the expensive items, maybe it can be set by level depending on the achievement of the team. If they are making more sales, then they will receive more rewards. At least in a month, Royal Mochi can protect and maintain 5 Agents to work with them continuously. We also suggested that the Royale Mochi team join online classes for marketing and digital plans so they can boost their sales better than before. In this era, it is not hard to find online classes for free, especially on social media. They might take the chance to join different online classes, and gain knowledge from other business owners. Easy to say, we may find video on marketing and digital tips on Youtube or Tiktok. Normally, some business owners post on their social media about marketing tips so they can gain more engagement and followers. This is how it works and how you can learn from them. ✓

Everybody in the current generation wants to expand their business. When it comes to the success of your company, web marketing is crucial. When it comes to marketing your company and promoting your products and services, going online is the greatest option.

Lastly, Websites and social media platforms are effective marketing engines. They are also among the most cost-effective means of transmitting information to large groups of people. Online marketing is critical for all businesses because it has a significant impact on how customers make purchase decisions. Consumers in today's world have even stated that if a company fails to meet their expectations, they will see it negatively. ✓

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## APPENDICES

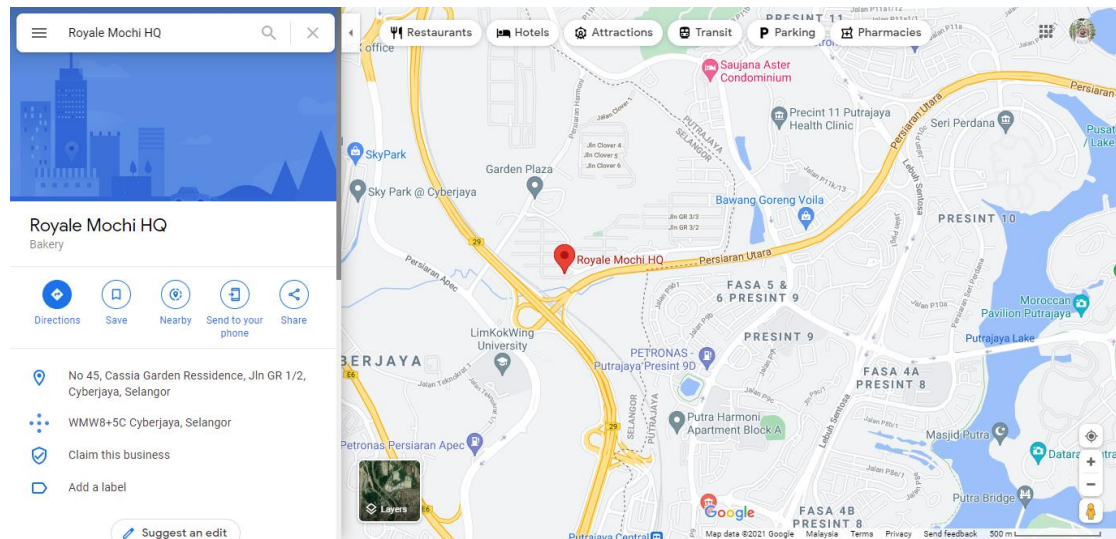


Figure 1 : The main location of Royale Mochi at Cyberjaya.

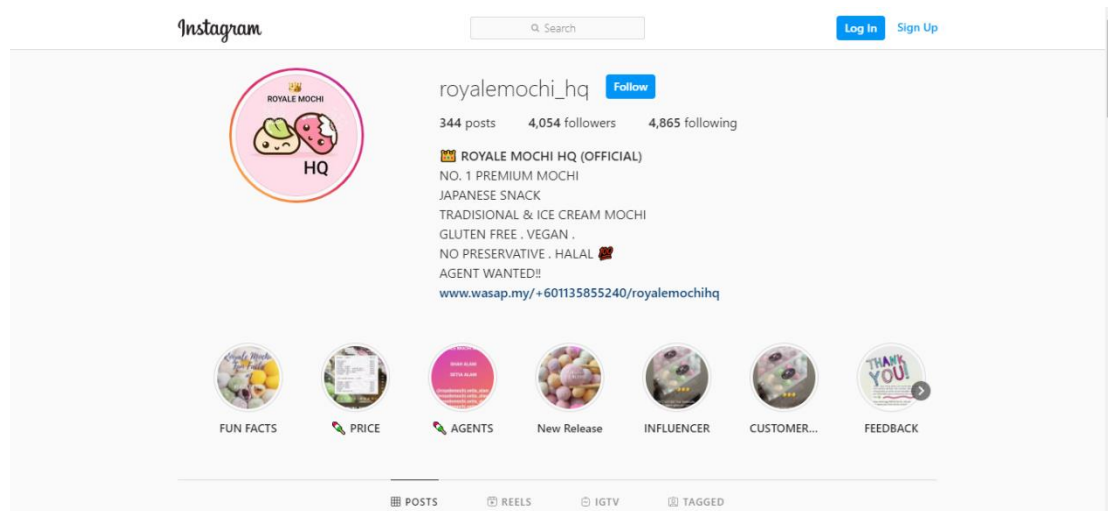


Figure 2 : The main social media platform, Instagram of Royale Mochi.

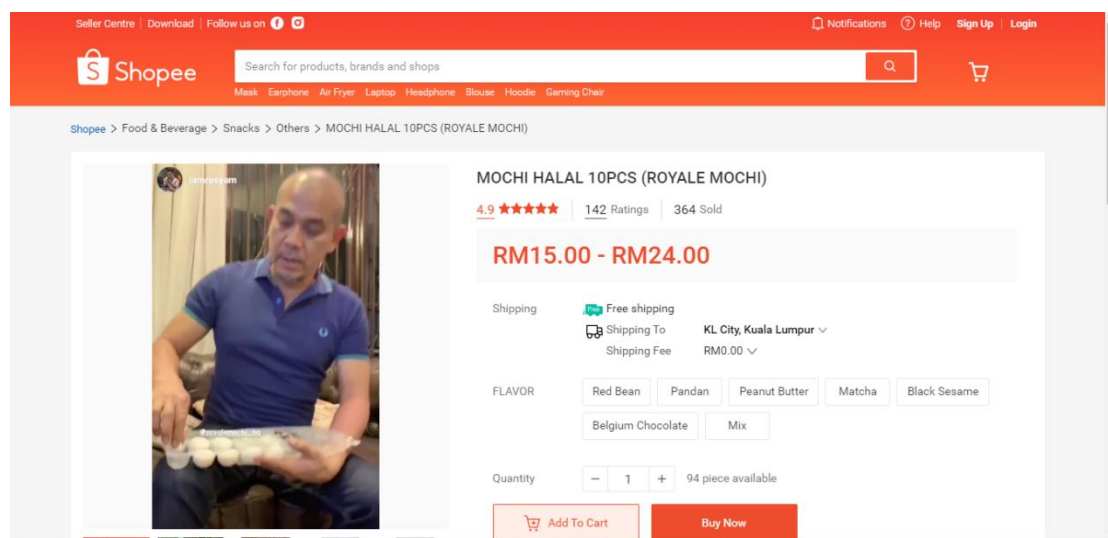


Figure 3 : The Shopee platform of Royale Mochi.

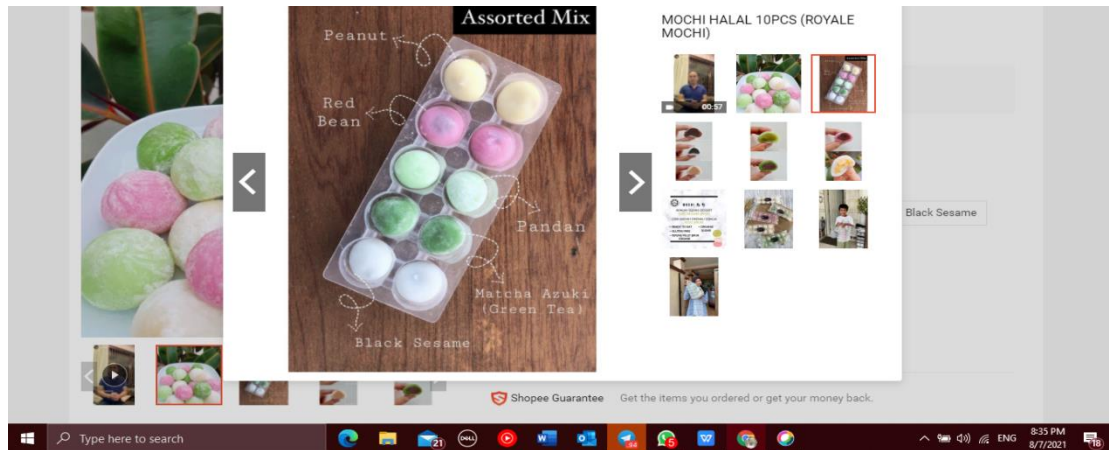


Figure 4 : The variety of Mochi products and flavours.

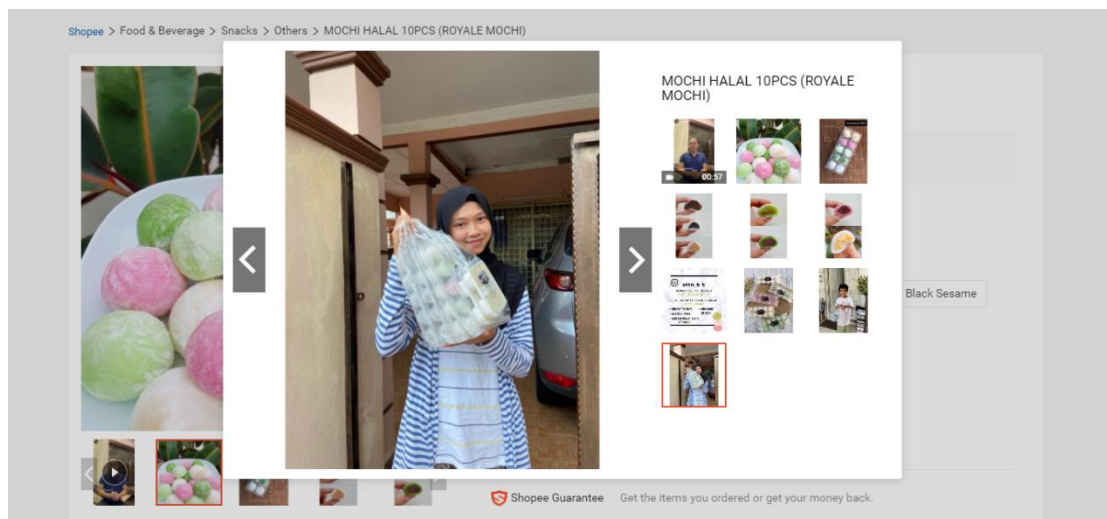


Figure 5 : Royale Mochi customer.



Figure 6 : Interview session with the founder of Royale Mochi