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Whitepaper Basic Assortment



Whitepaper - how to create the ideal basic range for your cake decorating business

When determining the right assortment, many retailers fall into the trap of taking the seemingly safest route: including as many products as possible. After all, what's not on the shelves, won't sell. However, we often see that a large part of the assortment doesn't move as fast as you would expect. A packed shop and too much choice for the customer lie in wait.

If you are a starting retailer in the cake decoration world, or if you want to add an inspiring baking range to your cook or hobby shop, then you are lucky to have a clean slate. You can start from scratch and create a solid basic assortment that appeals to your customer and expand from there to a total assortment that makes your business profitable, distinctive and successful. This white paper will guide you through the choices that will lead to your ideal basic range.



Building a successful retail formula

Retailers in 2022 aren't entrepreneurs who have chosen the easy way out. While marketplaces such as Bol.com and Amazon offer an ever-increasing range of products, and consumers are becoming even more familiar with online shopping than they already were, retailers are faced with the challenge of stimulating their shoppers to such an extent that they continue to take the physical route to their shops. Fortunately, consumers have frequently shown that they can easily find the offline route, as long as they receive a distinctive assortment, inspiring shopping experience and personal contact there.

The assortment turns out to be one of the most important pillars for a successful retail formula. It also turns out to be one of the most important elements for retailers to work on. In many shops, only 20 to 30% of the products generate 80% of the turnover. A large part of the assortment is there because the retailer is afraid of having to say no. But in fact, it does little for turnover and mainly takes up valuable shop space. And what about the consumer? They will soon be stressed by all the choice.

So is a full-scale clean-up the solution? That remains to be seen. After all, the 20% turnover generated by the majority of the range also represents value for an entrepreneur. And in addition to turnover, your range also positions you in the market, creates customer loyalty and distinguishes you from your neighbour. Moreover, although you want to avoid too much choice for your customers, you should also try to avoid making too many choices for them. We know that creating a certain eagerness among your shopping public can have a major sales-boosting effect, especially for certain product groups. Balance is the key word here.

When putting together the right range, you have to find the balance between offering enough choice and preventing your customers from an overload of choice. Balance between product groups in which you limit yourself to the basics and product groups in which you can induce a certain degree of eagerness. Balance between the real fast moving products and products that may not sell like hot cakes, but do contribute to the image of your shop. In short, as one of the most important pillars of a retail formula, your range determines to a large extent the value, the image and the success of your business. Not only Start-up shops would do well to carefully determine their assortment, but also seasoned retailers who dare to critically examine their range from time to time will be amazed at the profits they can make.

One-brand or multi-brand

A good starting point for putting together your assortment is to determine its width and depth. This follows from the type of shop you are, combined with the character and image you are looking for. If you are a specialist in baking and cake decoration, ask yourself what you've got your shop visitor to offer. Will your customers be mainly home bakers or will you also target professional cake designers? In both cases, your range will be limited to baking and cake decorating products. So in general your assortment will be less wide than a cooking or hobby shop for example. But where they have a wider range, you go in depth. And if you want to appeal to that professional cake designer too you will probably want to add even more depth to your assortment.

Marketplaces like Amazon have an assortment that is almost impossible to broaden; you can get almost anything there. But with those kinds of players on the one hand, consumers also have a growing need for another side: your side. The side of specialty retail shops that offer very specific knowledge, sound advice, experience and... exactly, a range that might be less wide, but is many times deeper than marketplaces can offer. So although your assortment is limited to baking and cake decorating products, within this field you are the one offering a complete range. You go for a multi-brand store, where your customers meet not one or two, but all the major brands in the cake decorating business. For example, make a selection of main brands like FunCakes, Wilton and Renshaw, and expand that with other brands you think should not be missing. In a cake shop you would for instance also expect to find brands like Silikomart, Rainbow Dust, Scrapcooking, Sugarflair, Dr. Oetker and Colour Mill. Offer the right amount of choice from all your brands, especially when it comes to product groups like sugar paste and sprinkles: so-called subjective product groups where the consumer's choice is often based on personal taste. You would expect a specialty retail shop to have an extensive range of colours, because while cooking and hobby shops have to fit everything into one or two meters of shelf space, you do have the space to offer a rainbow of colours.

If you are a hobby, cooking or supermarket shop, then you've got many more product groups to fit into your store than just your baking range. In that case, your baking and cake decorating products are complementary to all the other ranges you already offer. It is then advisable to opt for calmness and unity on your shelves. Go for the one-brand strategy: make a targeted choice for one or two brands, so that the limited space you can devote to your baking range does not look cluttered. Unity on the shelf will draw your audience's attention. Go for a brand with many different product groups, so you can offer everything from that one brand. Take a look at the assortment of FunCakes for example. The brand offers all possible food product groups you would like to include in your baking assortment, completed with some essential non-food products such as baking cups, piping bags and chocolate moulds. Would you still like to show your customer a second brand? Then choose a brand that does not overlap but adds something to the first chosen brand. Next to a predominantly food brand like FunCakes, the choice for a more non-food brand like Wilton for example, is a logical one.



Product groups

Where to start?

With an empty shop, there are many choices to be made. We have just seen that for your assortment alone, one choice follows another. Once you have a clear idea of the type of shop you are going to set up, who you want to attract to your shop and what they should find there, then it's time to find the right products. But with a range of up to 5,000 products, this is exactly the bottleneck for many entrepreneurs. It is not unusual for new customers to ask us 'Where do I start?'

First make such a huge range manageable for yourself by focusing on product groups only. Which products to add out of those separate products groups comes later. At CakeSupplies we always recommend customers to list what someone needs to bake, decorate and transport a complete cake. For a professional in the cake decorating business a simple question, but one that forces you to very precisely go through the different product groups that your customer really needs. This is the first step towards your basic assortment.

This way of selecting your assortment will also help you later on with the layout of your shop. By taking your customer through your shop following the same steps, the various product groups follow each other in a logical manner and your shop is clearly structured for the customer. You too will get the question from your customers: 'Where do I start?' Fortunately, you already thought about that.

When selecting the product groups, also keep an eye on the balance between food and non-food. Food products make people return to your shop more regularly. After all, they finish after a while and therefore ensure a faster turnover rate. If someone's satisfied with the product, you will see him or her come back repeatedly. Food products are therefore pre-eminently products that will help you to build a bond with your customers.

Wouldn't that work with non-food products? Of course it will. As a specialty store, you can excel in quality in your non-food assortment. Because anyone who makes baking his hobby will want to invest in better materials than household stores have to offer. And precisely because non-food products last longer, people are willing to opt for premium quality. To achieve the right balance between food and non-food products, connect the two. Which non-food products does your food range require? What materials and tools do people need to use your food products? If these two are connect well, you trigger your customers to take a baking mix while they originally came for baking pan. Or vice versa: once someone comes back regularly for your baking mix range, they will eventually also be triggered to buy a better baking pan.





Baking mixes

We see your basic range as a cake. And of course it starts with a base and a filling. If you go through the FunCakes assortment, you will come across a wide choice of baking mixes. First select the must-have baking mixes for home bakers. These are your runners you always want in stock. A (chocolate) sponge cake mix for example, a standard mix that home bakers use for all kinds of cakes. Indispensable in a bakery shop. But also cupcakes and cookies, mixes that are used by home bakers varying from young children in primary school to professional cake designers. Again, make sure to connect these baking mixes with the right fillings. What goes between the layers of that sponge cake and on top of those cupcakes and cookies? Choose fillings for your basic assortment that can be used as cake filling, but also as topping. With five or six different baking mixes you are already well on your way.

A shop with a range of baking products as a side sale already has a suitable offer with the above mentioned baking mixes. But of course from a specialty retail store you would expect a bit more. Add a few more commonly used baking mixes that should not be missed in a baking store. Red velvet cake, brownies, muffins or macarons for example. And make sure to sell multiple quantities of the baking mixes you choose. In a cookery or hobby shop, 500g baking mixes are sufficient, but you will probably also attract fanatic home bakers or even large scale consumers that will use a lot more. Show that you think of them too by offering larger packages. This way you have a solid range of baking mixes. You can always experiment with other, more specific baking mixes at a later stage.

Food colourings

Baking is a colourful hobby. Anyone who gets to work with the baking mixes and fillings that you have selected for them will probably want to vary with different colours. Food colourings are a product group in particular for which home bakers will come to your store, especially if they want some more choice than the standard primary colours. This is also a product group with difference in quality, which is mainly reflected by the concentration of the colouring. With a premium quality food colouring you will only need a few drops to achieve the desired colour. With the Rainbow Dust and FunCakes brands on the shelves, you can assure your customers of that quality. If you have limited space for a baking range, include a multipack from one of these brands, supplemented with a number of separate standard colours. As a specialist store, you go a bit further and select some more options from the huge range of other colours that both brands have to offer.

In addition to the brands and colours that you want to offer within this product group, also think about the type of colourings you'd like to include. Gel colourings are easy to use and often very concentrated, but also slightly more expensive than colouring pastes. Some consumers therefore prefer pastes, so it may be good to include both types side by side. As a specialty store, you may also want to focus on the semi-professional. In that case, the Sugarflair brand can be a nice addition as this brand also offers chocolate colourings, highly concentrated colourings and airbrush colourings.



Sugar Paste

Once the cake has been baked and filled, it's time to decorate. Sugar paste, or fondant, certainly deserves a place in your basic range. Whether it's a small range of at most a few meters, or a much more extensive range, sugar paste should be in it. But selecting your fondant range can be a challenge as there are many different brands available and it's also a very subjective product. The product reacts to the warmth of the hands, to the environment and one person simply prefers a softer fondant, while the other likes a firmer one. It is therefore advisable for a specialist store to offer several brands. But for a shop with a smaller baking range several sugar paste brands won't be an option. Therefore, pick one brand that works well for many people. Renshaw and FunCakes both have a forgiving fondant, which means that many different people, beginners or professionals, can easily work with it. The multipacks of these brands are again a good option if you have limited space. Without them taking up much space on your shelf, you can still offer several colours of sugar paste.

As a specialty retail store, in addition to the multipacks, you naturally ensure that you have an extensive range of colours from the selected brands and you'll want to offer different packaging sizes. Food colourings, sugar paste, sprinkles, these are all subjective product groups, so you want to offer the customer a choice. You and your customer may disagree on what's a beautiful shade of pink. So put together a selection of colours in which there is sufficient choice, but for now do stick to the basics. You can always add more specific colours to your range at a later stage.

Because people can also colour their fondant themselves, you can perfectly link this product group to your colouring range. Are there certain colours that you do have as a colouring but not (yet) as a fondant colour? Instead of selling customers no, point them to the option of colouring the fondant themselves. Especially when you can only offer a small baking range, you still give cake decorators plenty of options with a white fondant in combination with food colourings on the shelves. Black and red are very difficult to colour yourself, so for these colours it is advisable to offer pre-coloured sugar paste.



Bakeware

We already mentioned it earlier. Align your food assortment with your non-food assortment. Anyone who has baking mixes at home also needs baking pans. A product group in which you can excel. The difference in quality between baking pans is big. So although every household store may sell bakeware, often these are baking pans that last less long and provide a worse baking result. Sooner or later, home bakers will therefore demand better material. The perfect time to pull them from the household store to your specialty store.

The American brand Wilton is one of the largest brands when it comes to top quality baking tins. Thanks to the perfect heat conduction, the baking pans provide an excellent baking result. Plus, they last for years. This brand should therefore certainly not be missed in a basic range of baking pans. Supplemented with the brands Patisse or Dr. Oetker, you can put together a thorough range of bakeware that can be used for a long time.

When choosing the baking pans, think back to the baking mixes you selected and make sure that you make the right combinations. Choose a number of round and square baking tins, spring tins, bundt tins and muffin pans and offer the most common sizes.

Other basic tools & material

In addition to your baking tins, you can further expand your non-food assortment with basic tools and materials. This product group is pre-eminently one that makes baking easier and more enjoyable for home bakers. Anyone who makes baking his or her hobby will at some point want the necessary tools at home to achieve a better baking result. You should of course also link these products to your food assortment again.

For example, decorating tips and bags are a must-have when you also sell fillings and toppings. Choose frequently used tips in single packaging and add a number of sets. The single decorating tips have a low price point, so customers will easily add them to their shopping cart. The sets are a handy way to offer different options with minimal space on your shelf. Often piping bags have even been added to these sets, so you offer a nice total product. In addition, the sets are ideal for starting home bakers to purchase their basic material in one go and start experimenting.

You already offer a basic range of baking pans with your baking mixes, but there is more. Whoever makes cupcakes cannot do without baking cups and once you've made a number of sponge cakes you'll soon find out that a good cake leveler works wonders when making a nice tight, filled cake. Also think of palette knives, smoothers, rolling pins, cutters and turntables. With this you have the most important material that fits your baking mix and sugar paste assortment.

Within this product group too, Wilton should not be missing as a brand in your cake shop. For the above products you can fully draw from the range of this brand. This way you form a well-arranged assortment that gets a great look on the shelves. If you have more space to spend, supplement your Wilton range with brands such as ScrapCooking or Dr. Oetker.



Candy & Deco Melts

Consumers likes versatile products which they can use for multiple kinds of treats. Candy Melts and Deco Melts are such products. An ideal product that is just as fun for young children as it is for adults and with which you can make drip cakes, but also cake pops, drizzles on donuts or homemade candies. Children simply dip cookies or fruit in the melted melts and decorate them further with sprinkles. For children this is a first acquaintance with baking and decorating and therefore it is an interesting customer group for you to respond to at an early stage.

Under the FunCakes brand, this product is called Deco Melts, Wilton calls it Candy Melts. The application of these products is the same, so for a smaller baking range it is sufficient to choose either one of these two brands. As a specialty store, you can leave the choice to the customer and let the brands complement each other in the colours they offer. For the more experienced cake decorator, the Chocolate Callets from Callebaut are another nice addition to this range. Real chocolate is of course a lot more laborious than Deco Melts and Candy Melts, but then again it excels in taste.

We already mentioned some applications when using Candy Melts and Deco Melts. So check again which non-food products you need for those applications to complete your range. Anyone who uses these products to make candies or bonbons also needs chocolate moulds. Those who go for cake pops will also need lollipop sticks. And if you opt for a drip cake, you cannot do without decorating bags. Finally, melting bottles for melting the Candy and Deco Melts are a nice addition to complete this product group in the basis.



Sprinkles and sugar decorations

You have now selected almost everything to make a cake, but the necessary decorations are still missing. Sprinkles and sugar decorations are also subjective product groups in which you want to give home bakers enough choice. In addition, they are products that people easily take with them because they are priced lower, have a long shelf life and always come in handy. With this product group, the trick is therefore to create a certain degree of eagerness in your customer without creating the overload of choice we warned you for in the beginning of this whitepaper. FunCakes has a huge range of up to 200 different sprinkles and is therefore the perfect brand to get your basic assortment of decorations from.

For you as a professional it's nice to have a wide choice for your store, but realize that twenty colours of nonpareils and all 40 Sprinkle Medleys is not a basic assortment. So don't let yourself be tempted too much within this product group to just include everything, because this will cause this product group to become out of balance compared to your other product groups and your customer will lose the overview. However, to create that ideal degree of eagerness you want to offer something more than just primary colours and the most standard sprinkles, it is precisely within this product group that you want to surprise your customer.

What can help is to first make a selection of the type of sprinkles and sugar decorations that you want to offer. For example, choose nonpareils, sugar strands, sprinkle medleys, sugar pearls and some other figures. Now select a number of sprinkles per type to find your final basic assortment of decorations. Also keep in mind the colours of sugar paste, food colouring or Deco Melts that you have selected, so that your customer can easily make combinations of different products. At a later stage you can further expand this product group with new types you hadn't previously selected or extra options from the types of sprinkles that you already offer. Evaluate which decorations do well in your store and which perhaps less so, to come to a nice range that works for your company.



Presentation

People rarely eat cake alone. Anyone who has made a beautiful cake or cupcakes will therefore want to present them beautifully or take them to a special occasion. With this last product group you finalize the process of making a cake from head to toe. Within this product group think of cake and cupcake boxes and cake drums and boards to place cakes on. FunCakes again offers a lot of choice in sizes and colours, but for now limit yourself to a number of standard sizes and one or two choices in colours and designs. For a baking range as a side-sale, this product group may already be on the specific side. In that case, a standard size cake box and a cupcake box for 6 cupcakes will do the job. This way you still offer a complete baking range with the limited space you have.

If you have more space at your disposal, you probably want to include a larger range within this product group, not least because these are products that are used once or just a few times. This product group therefore ensures repeat purchases and continuity in your store. So apart from cake boxes and boards, consider including the party items from PartyDeco to provide everything your customers need to decorate their special occasion.

Once the base is in place

If you have gone through all the steps in this white paper, then you probably have collected a beautiful basic range. But an assortment is always evolving. You want to continue surprising loyal customers with innovative products and respond to seasons, trends and new developments in the industry. Listen carefully to your customer and use their questions and input to further expand your range. A basic assortment is not a law of Medes and Persians. Always keep a critical eye on the products you have on the shelves, analyze your sales figures and dare to discontinue products when the demand isn't sufficient enough.



Download our product list

We hope that this white paper provides you with the tools to put together a nice basic range for a successful start of your company. To help you further we have created a product list containing a proposal for your basic range. See this product list as a general setup in which you make changes based on your company, your shop image and your customer. As we hoped to clarify in this whitepaper, no basic product range is the same and it is therefore impossible to create one product list that will be successful for every company.

Do you have any questions about this white paper or are you looking for customization when selecting your specific basic range? Then please don't hesitate to contact our customer service or one of our sales managers. Our enthusiastic team can assist you in Dutch, English, German, French and Spanish. As they know the industry through and through, they will provide you with professional marketing and sales support that can give your company the boost you're looking for.

Are you satisfied with your selected basic range and ready to get started? Then simply <u>register online as a customer at CakeSupplies</u>. After approval of your company details by our customer service, your account will be released and you will benefit from attractive wholesale prices on our full range of 5000 items.

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