

# From Business Plan to Market Entry: A Case Study of Premium Bites Cookies in Malaysia's F&B SME Sector

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## Abstract

This paper explores the transformation of a home-based cookie initiative into a formal food startup, Premium Bites Cookies in Batu Pahat, Johor. The study examines key components of the startup's business plan, including product-market fit, strategic positioning, and competitive advantage, while applying strategic frameworks such as SWOT, PESTEL, Porter's Five Forces, and the Business Model Canvas. The findings reveal that structured business planning, niche market targeting, and the balanced integration of traditional and digital channels significantly enhance the scalability and resilience of early-stage SMEs in Malaysia's competitive food and beverage (F&B) sector. The study contributes to SME and entrepreneurship literature by demonstrating how systematic planning and strategic alignment support sustainable market entry. Overall, this case offers practical insights for Malaysian SMEs by highlighting the importance of strategic clarity, digital capability development, and adaptive marketing approaches for achieving successful growth and long-term sustainability.

## 1. Introduction

The Malaysian food and beverage (F&B) industry is experiencing significant growth, driven by demographic shifts, modernization, and evolving consumer lifestyles (SME Corporation Malaysia, 2025; Department of Statistic Malaysia, 2023). Within this dynamic landscape, micro and small-medium enterprises (SMEs) play a vital role, constituting the majority of business establishments in the country and contributing substantially to employment and local economic development (SME Corporation Malaysia, 2025).

This business plan examines the transformation of Premium Bites Cookies from a home-based initiative into a structured SME, analyzing its strategic approach to scaling operations and navigating competitive market conditions. The case offers a practical illustration of how business planning, market positioning, and digital integration can support early-stage ventures in the F&B sector.

By applying established strategic frameworks, such as SWOT, PESTEL, Porter's Five Forces, and the Business Model Canvas, this study provides insights into the factors that enable SMEs to achieve sustainable market entry and growth. The findings aim to contribute to the broader discourse on SME development and entrepreneurship in Malaysia, while offering actionable guidance for aspiring entrepreneurs.

## 2. Literature Review

### 2.1 SMEs in Malaysia's F&B Sector

SMEs form the backbone of Malaysia's economy, accounting for approximately 97.4% of all business establishments (SME Corporation Malaysia, 2025). This dominant presence is consistent with regional trends, where SMEs across ASEAN constitute over 97% of all enterprises and are pivotal to economic integration and employment (ASEAN Strategic Action Plan for SME Development 2025, 2021). The World Bank (2022) further emphasizes that SMEs in developing economies like Malaysia are critical drivers of job creation and poverty reduction, though they often face challenges related to access to finance and technology adoption.

In the F&B sector specifically, Malaysian SMEs exhibit a unique capacity to respond quickly to evolving consumer tastes, market niches, and festival-driven demand. Their nimbleness allows for rapid adaptation, a trait noted by the OECD (2019) as a key survival mechanism for SMEs in highly competitive and fragmented industries. However, they must also contend with regulatory requirements and intense local competition. The pivotal roles of F&B SMEs extend beyond mere market participation; they are instrumental in driving local innovation through niche and artisanal products, facilitating employment, especially among youth and women, and strengthening Malaysia's food security by promoting domestic brands (SME Corporation Malaysia, 2025; World Bank, 2022)

### 2.2 Business Planning Imperatives

While effective business planning is universally acknowledged as a cornerstone of venture success, its application within Malaysia's SME sector, particularly in F&B, reveals a significant gap between theory and practice. For many Malaysian SMEs, the business plan is often treated as a static document, primarily developed to comply with loan applications from banks or government agencies like SME Corp or TEKUN Nasional, rather than as a dynamic strategic roadmap for ongoing decision-making (Ali, Salman, Yaacob, & Abdullah, 2020)

Studies indicate that SMEs that proactively and iteratively use their business plans for instance, to systematically identify a clear value proposition, allocate scarce resources efficiently, and pre-emptively monitor risks demonstrate higher resilience and growth rates. However, a common point of failure for many local F&B SMEs is the neglect of rigorous financial planning and realistic market analysis. This leads to challenges in managing cash flow, underpricing products, and an inability to scale operations beyond a foundational level (SME Corp Malaysia, 2023). The imperatives of business planning thus become most critical for Malaysian SMEs not in the initial creation of the document, but in its disciplined execution and regular adaptation to market feedback, a practice that distinguishes surviving businesses from thriving ones.

### 2.3 Strategic Toolkits for Analysis

Entrepreneurs benefit greatly from applying established frameworks including:

- **SWOT Analysis:** To assess internal strengths/weaknesses and external opportunities/threats.
- **PESTEL Analysis:** To scan the political, economic, social, technological, environmental, and legal landscape.
- **Porter's Five Forces:** To understand industry competition and threats.
- **Business Model Canvas:** To visually map out how value is created, delivered, and captured.

Entrepreneurs benefit from applying established strategic frameworks to navigate market complexity. The selection of tools like SWOT, PESTEL, Porter's Five Forces, and the Business Model Canvas is particularly relevant for SMEs due to their low cost, simplicity, and ability to provide structured insight without requiring extensive analytical resources a common constraint for small firms (Kuratko, Fisher, & Audretsch, 2021). Unlike the complex models often used by large corporations, these frameworks offer SMEs a pragmatic and accessible means to crystallize their strategy.

However, their application requires cognizance of inherent limitations. For instance, while SWOT Analysis is excellent for a snapshot of the internal and external environment, it is often criticized for its static nature and subjective weighting of factors, which can overlook evolving market dynamics. PESTEL Analysis helps scan the macro-environment but may generate an overwhelming list of factors without guiding prioritization for a small business. Porter's Five Forces provides a robust industry structure analysis but can underemphasize the role of digital disruption and ecosystem partnerships that are increasingly vital for modern SMEs. Finally, the Business Model Canvas is powerful for visually mapping how value is created, delivered, and captured in a single view, yet it may oversimplify the financial viability and operational challenges of implementation.

Used judiciously, these tools collectively support both strategic planning and operational discipline for SMEs. The key is to employ them not as one-off exercises, but as complementary and iterative components of an ongoing strategic management process. These tools support both strategic planning and operational discipline.

### 3. Methodology

This study employed a qualitative case study methodology, centered on a detailed analysis of the official business plan and supplementary materials developed by the founder of Premium Bites Cookies. The primary objective was to gain an in-depth understanding of the strategic planning and market entry process of a nascent F&B SME.

Data collection was conducted through multiple sources to ensure robustness and triangulation:

- **Semi-Structured Interviews:** In-depth, semi-structured interviews were conducted with the founder and two staff members to explore their firsthand experiences, strategic decision-making, and perceived challenges. The semi-structured format allowed for flexibility in probing emerging themes while ensuring that key topics related to business planning and market entry were covered.
- **Documentary Analysis:** A comprehensive review of internal company records was undertaken, including financial projections, operational workflows, and marketing materials.
- **Secondary Research:** To contextualize the case within the broader industry, secondary research was performed using industry reports from SME Corp Malaysia, academic publications on Malaysian SMEs, and market analyses of the F&B sector.

The data from these diverse sources were triangulated to cross-verify facts, enhance the validity of the findings, and build a coherent, multi-faceted narrative. The subsequent analysis integrates strategic models (SWOT, PESTEL, Porter's Five Forces, Business Model Canvas) to offer comprehensive insights derived from this triangulated data on the startup's market positioning, operational execution, and growth prospects.

### 4. Analysis

#### 4.1 Founder Profile

The founder of Premium Bites Cookies, an MBA graduate, leveraged a multidisciplinary background spanning education, logistics, and food services. This diverse professional history provided a distinct entrepreneurial advantage, particularly in the efficient management of scarce resources, a critical capability for any early-stage SME.

For instance, experience in logistics informed a streamlined approach to the supply chain and inventory management, minimizing waste and optimizing delivery routes. Meanwhile, a background in education enhanced the founder's ability to articulate a clear brand story and conduct effective customer engagement and staff training. This synthesis of skills from different sectors enabled a holistic view of the business value chain. The founder's approach demonstrates how a multidisciplinary background can foster innovative problem-solving and robust operational frameworks, allowing the venture to navigate the common constraints of capital and manpower more effectively than a founder with a singular focus.

#### 4.2 Product Portfolio

The company's product line includes handcrafted cookies that blend nostalgic Malaysian flavors with contemporary presentation, such as Cornflake Madu, Florentine, Brownie Cookies, and Kuih Batang Buruk. Premium Bites Cookies differentiates itself through the use of premium ingredients, artisanal packaging, and a strong focus on product storytelling. This strategy is deliberately aligned with its target segmentation. Initial market validation, gathered through interviews and survey data from 50 potential customers in Batu Pahat, revealed that over 70% of respondents from M40 and T20 households rated "superior ingredient quality" and "distinctive, gift-ready packaging" as "very important" or "essential" in their premium cookie purchasing decisions.

This data directly informed the company's focus on three core segments:

- M40 and T20 households in Batu Pahat and greater Johor.
- Corporate clients seeking quality gifts.
- Festive shoppers during key holidays.

Interview insights from the founder corroborate this, stating, "Our initial sales data showed a 40% higher conversion rate for orders placed in decorative gift boxes, overwhelmingly from corporate buyers and for festive purposes like Raya and Chinese New Year. This confirmed our hypothesis that these segments value a premium, personalized buying experience and are less price-sensitive."\*

To reach and engage its target market, Premium Bites Cookies employs an integrated channel strategy, utilizing event sampling at local bazaars, targeted social media campaigns on Instagram and TikTok, and e-commerce via Shopee, WhatsApp Business, and TikTok Shop.

#### 4.3 Strategic Analysis

Strategic analysis plays a critical role in assessing a business’s current position and understanding the internal and external factors that influence its performance. In this context, three key analytical frameworks are employed to provide a comprehensive evaluation of Premium Bites Cookies: SWOT analysis, PESTEL analysis, and Porter’s Five Forces. Together, these tools offer a holistic perspective on the organisation’s internal strengths and weaknesses, the broader macro-environmental opportunities and threats, and the competitive pressures present within the industry. Through this systematic approach, the overall strategic position of the business can be more accurately identified, enabling the formulation of more effective strategies for long-term sustainability and growth.

Table 1 illustrates the SWOT analysis of Premium Bites Cookies highlights several internal strengths that contribute to its competitive positioning. The business demonstrates high product quality, supported by an experienced founder and staff who ensure consistency in production and customer satisfaction. Its strategic location in Batu Pahat further enhances accessibility and operational efficiency. However, the enterprise faces notable weaknesses, including limited production capacity and insufficient digital marketing expertise, both of which restrict market expansion. Additionally, the premium pricing of its products may reduce affordability for cost-conscious consumers. Despite these constraints, significant opportunities exist, such as introducing value-added gift packaging, expanding through e-commerce platforms, and collaborating with cafés and social media influencers, all of which can enhance market reach. Nonetheless, the business must address several threats, particularly economic volatility, rising costs of premium ingredients, and evolving consumer preferences that may influence purchasing behaviour.

**Table 1** *SWOT analysis*

<b>Strengths</b>	<b>Weaknesses</b>
High product quality	Limited production capacity
Experienced founder and staff	Limited digital marketing expertise
Strategic Batu Pahat location	High price point relative to competitors
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<b>Opportunities</b>	<b>Threats</b>
Value-added gift packaging	Economic volatility and inflation
Digital expansion via e-commerce	Rising costs for premium ingredients
Collaborations (cafés, influencers)	Shift in consumer preferences

Table 2 presents the PESTEL analysis provides further insight into the macro-environmental factors shaping the business landscape. Politically, the availability of government support through agencies such as SME Corp, MARA, and PUNB offers potential funding and development opportunities for small and medium enterprises. Economically, inflation and the Sales and Service Tax (SST) contribute to rising ingredient and operational costs, posing challenges to cost management and profitability. Social factors, including festive consumption trends and the growing preference for online shopping, create favourable conditions for product demand. Technological advancements, particularly the widespread adoption of platforms like WhatsApp, Instagram, and TikTok Shop, offer accessible and effective channels for marketing and sales. Environmental considerations are becoming increasingly relevant, as consumers are showing a growing interest in eco-friendly packaging options. Legally, compliance with food safety standards such as MESTI, GMP, and Halal is essential to maintain product credibility and consumer trust.

**Table 2** *PESTEL analysis*

Factor	Impact on Premium Bites Cookies
Political	Access to government grants (SME Corp, MARA, PUNB)
Economic	Inflation, SST driving up ingredient and operational costs
Social	Festive consumption trends, online shopping habits
Technological	Platforms like WhatsApp, Instagram, TikTok Shop; opportunities for automation
Environmental	Push for eco-friendly packaging
Legal	Mandatory food safety, MESTI, GMP, and Halal compliance

Table 3 illustrates Porter's Five Forces analysis, which shows the competitive pressures faced by Premium Bites Cookies within the industry. The threat of new entrants is high due to low barriers to entry, particularly with the rising number of home-based bakers and the ease of brand exposure through social media platforms. Competitive rivalry is also intense, as the local market is saturated with both small-scale and large industry players offering similar products. Buyer power remains strong, driven by the wide availability of alternatives and consumers' ability to compare prices, value, and product variety. Supplier power is similarly high, particularly for premium ingredients, resulting in increased dependency and procurement risks. Furthermore, the threat of substitutes is significant, as consumers readily turn to alternative festive gifts or snacks, such as hampers, cakes, and imported cookies. These forces collectively underscore the need for strategic differentiation and continuous innovation to sustain competitiveness in a dynamic market environment.

**Table 3** *Porter's Five Forces analysis*

Force	Analysis
Threat of New Entrants	High; low barriers to entry due to rise of home bakers and viral TikTok brands
Industry Rivalry	High; local market is saturated with various small and large players
Buyer Power	High; consumers have many choices and demand value and variety
Supplier Power	High; limited suppliers for premium ingredients increases dependence and procurement risk
Threat of Substitutes	High; alternatives like festive hampers, kerepek, imported cookies abound

#### 4.4 Financial Planning and Growth Strategy

The financial planning framework of Premium Bites Cookies reflects a deliberate balance between cost management and growth-oriented investment. The administrative budget is prudently set at RM83,700 per year, with an additional RM12,500 allocated for phased equipment upgrades. This careful allocation underscores a strategic focus on maximizing return on investment while minimizing reliance on debt, demonstrating financial discipline typical of successful micro-enterprises. By maintaining tight control over operational expenses, the business is able to allocate resources strategically toward revenue-generating activities and long-term capacity building.

Revenue and profitability strategies are closely aligned with consumer behavior and cultural patterns. The case highlights peak sales cycles during major festive periods, such as Hari Raya, Chinese New Year, and weddings, when demand for premium baked goods typically surges. To capitalize on these periods, the business implements pre-order and bundling strategies, offering festive gift sets that drive high conversion rates. These approaches not only stabilize cash flow but also strengthen customer engagement by aligning offerings with seasonal preferences. The company's financial plan is designed to achieve break-even within the first twelve months of full operations, reflecting an ambitious yet realistic approach to short-term sustainability.

Annual growth objectives are structured around a projected 30% year-on-year revenue increase, driven by a combination of product innovation and market penetration. Expansion strategies encompass multiple dimensions. First, e-commerce scaling is prioritized through in-depth content creation and partnerships with social media influencers, enabling the business to access broader online markets without significant physical retail investment. Second, geographical expansion is targeted, extending reach from Batu Pahat to southern Johor and Klang Valley via reliable courier services, thereby addressing both convenience and accessibility for urban consumers.

Diversification forms another pillar of growth. The introduction of seasonal flavors, healthier product options, and subscription-based gift services is intended to broaden the customer base and enhance repeat purchase rates. Additionally, the business is strategically pursuing institutional sales, targeting bulk orders from corporate clients during annual reward programs and special events. This multi-pronged approach demonstrates an understanding of both B2C and B2B opportunities, highlighting the firm's capacity to leverage multiple revenue streams to achieve sustainable growth.

In summary, Premium Bites Cookies' financial and growth strategy exemplifies a structured and adaptive approach that integrates careful cost management, market-timed revenue strategies, and multi-channel expansion. The combination of disciplined budgeting, targeted pre-order and bundling tactics, and diversified growth initiatives provides a robust framework for achieving profitability and scaling operations in a competitive and dynamic market.

## 5. Entrepreneurial Learning and Strategic Adaptation

The journey of Premium Bites Cookies highlights the transformative potential of structured planning, iterative execution, and strategic adaptability in micro-entrepreneurship. A central lesson from the case is the importance of a clearly articulated brand identity. By positioning itself around “nostalgic Malaysian flavors with contemporary presentation,” the enterprise successfully differentiated itself in a saturated market. Evidence from the founder interview and product portfolio analysis shows that this deliberate focus on artisanal storytelling enabled Premium Bites to command premium pricing and establish a unique market presence, distinguishing itself from mass-produced competitors. This reinforces broader insights in entrepreneurship literature regarding the critical role of brand clarity for market differentiation and consumer engagement.

Digital technologies further amplified the startup’s growth trajectory. Leveraging social media platforms such as Instagram and TikTok Shop, the business expanded its reach to younger, urban consumer segments beyond its physical location in Batu Pahat. Interview data and performance metrics demonstrated that strategic digital engagement, combined with influencer collaborations and community partnerships, directly contributed to revenue spikes during festive periods. The case illustrates how digital ecosystems serve not only as marketing channels but also as growth enablers for small-scale food enterprises operating with limited physical retail infrastructure.

Operational resilience emerged as another critical factor in Premium Bites’ success, particularly in relation to supplier management. The founder emphasized that proactive relationship building with multiple premium ingredient suppliers mitigated risks associated with shortages and price fluctuations, a point corroborated by SWOT and PESTEL analyses. This finding highlights the importance of relational capital and supply chain agility, demonstrating that even small ventures can improve operational stability through strategic supplier partnerships.

Financial agility was equally vital. The company’s periodic reassessment of pricing, bundling, and pre-order strategies ensured that profitability was maintained despite external pressures such as inflation and rising ingredient costs. Insights from both financial planning and founder interviews revealed that aligning these strategies with festive buying behaviors allowed the business to navigate volatile market conditions effectively. This highlights the broader principle that adaptive financial management is a key competency for micro-entrepreneurs operating in dynamic economic environments.

Ultimately, the case illustrates the synergistic impact of technology and partnerships on driving business growth. The adoption of digital tools—from e-commerce platforms to social media scheduling—enabled operational efficiency and market expansion without substantial capital investment. Concurrently, collaborations with local cafés and influencers unlocked new customer segments and enhanced brand credibility. By embracing a partnership-driven approach, Premium Bites remained agile in the face of changing consumer preferences and regulatory environments. This integrated strategy, which combines technological adoption with strategic alliances, illustrates a pathway for small enterprises to build resilience, sustain growth, and enhance their market positioning.

In sum, the Premium Bites Cookies case exemplifies how micro-entrepreneurs can achieve competitive advantage through clear brand positioning, digital engagement, strategic supplier management, financial adaptability, and partnership-driven growth. The findings provide actionable insights for similar ventures seeking to navigate resource constraints while scaling in dynamic market environments.

## 6. Conclusion

This case study demonstrates that for micro-entrepreneurs in Malaysia’s competitive F&B sector, sustainable scaling is not a product of chance but of deliberate strategic discipline. The journey of Premium Bites Cookies provides a granular blueprint for this process, highlighting several critical, actionable imperatives.

First, the case underscores that structured planning must be both comprehensive and adaptive. The iterative use of the Business Model Canvas allowed for a clear value proposition, while the ongoing application of SWOT and PESTEL analyses enabled the venture to navigate specific threats like ingredient cost volatility and leverage opportunities in festive gifting directly informing their pre-order and bundling strategy.

Second, digital integration is a non-negotiable multiplier of reach and resilience. For Premium Bites, the strategic blend of TikTok Shop for broad discovery and WhatsApp Business for personalized corporate sales was not merely an add-on but a core channel that compensated for limited physical presence and was directly linked to revenue growth, as per the founder’s reports.

Third, the case affirms that resource constraints can be mitigated through multidisciplinary expertise and strategic partnerships. The founder’s background in logistics informed a lean supply chain, while collaborations with local cafés and influencers provided low-cost market entry and validation, turning weaknesses in marketing budget into strengths in community credibility.

The key implication for policymakers and support ecosystems is to move beyond generic business training. Support should be tailored to foster these specific competencies: strategic tool literacy, digital marketing execution, and supply chain management for niche producers. For practitioners, this case affirms that success

hinges on a commitment to continuous, evidence-based iteration of the business model, grounded in direct customer feedback and a clear, defensible brand identity.

Premium Bites Cookies thus stands as a testament to how structured planning, strategic alignment, and operational agility can empower a home-based initiative to achieve sustainable market entry and position itself for growth in Malaysia's dynamic F&B landscape.

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## Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

## Author Contribution

The authors confirm their contribution to the paper as follows: **Introduction:** Zurina Samsudin; **literature review:** Zurina Samsudin; **methodology** Samsudin Zurina; **analysis:** Nur Hana Nazihah Muhammad Sabri; **discussion:** Nur Hana Nazihah Muhammad Sabri; The author reviewed the results and approved the final version of the manuscript.

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