Objectives

By the end of this session, you will be able to:

- Describe the steps involved in developing a feasibility study and list the 3 types of marketing research that should follow such a study.
- Describe the elements of a complete marketing plan focusing on the roles of sales, advertising, PR and Publicity.

Marketing: Focus on Guest Services

One definition of Marketing could be:

- “Seeing the business from the perspective of the Guest”...
- When this is not translated in reality, it is often because Management is also concerned about:
  - Cost
  - Employees’ resistance
  - Owner’s wants...
- Yet, a marketing emphasis on EXCELLENT GUEST RELATIONS is significant to an operation’s success.

How can you build relationships with your Customers?

- Neighborhood marketing
  - Get involved in your community
    - Take part in fundraising
  - Direct Mail, permission based e-mail, permission based faxes, voice broadcasts, and one-on-one personal contacts
  - Invite people to your restaurant...
  - Use Gift Certificates

The most important ingredient in a successful guest-relations effort is Management Commitment to MARKETING

- Use Strategy that focus on what is best for the guests
- Talk about service routinely, Exemplify Service
- Train, Measure and Reward good service
- Balance High-Tech & High-Touch…

Conducting a Feasibility Study 1

- Identify Market Area Characteristics
  - Demographics about potential guests
  - Area volume of retail sales, volume of commercial businesses, impact of tourism, available transportation...
- Evaluate the proposed Site
  - Surrounding metropolitan area, walking distance & easy driving distance, parking, traffic flow patterns, distance from exits off main highways, theaters, malls and other F&B operations…
Conducting a Feasibility Study 2

- Analyzing the Competition (Strengths & Weaknesses)
  - Location
  - Type of restaurant
  - Source and volume of business
  - Days & Hours of operation
  - Menu Prices
  - Guest check Average
  - Type of Service, Number of seats, Entertainment, Promotional efforts, Chain affiliation...

Why Analyzing the Competition?

- It will help you focus on your USP (Unique Selling Points): what makes you different:
  - You Compete on what makes you superior:
    - Quality of Food
    - Outstanding Service
    - Extra-ordinary Plate presentation
    - Warm, Friendly Personalities of your contact employees
    - Effective Management Style
    - Convenient Location

Estimating Demand

- Analyze the area restaurant and bar sales
- Observe dining trends and market demands
- Survey potential guests about their needs
  - (personal interviews or direct mails questionnaires or third party)
  - Ask about Food preferences, frequency of dining out how far guests are willing to travel to dine, how much time they spend for B, L & Dinner and how much money they are willing to pay?

Projecting Operating Results

- Most feasibility studies project financial results for 3 years.
- Forecast Revenues
- Estimate expenses (Admin, Labor, Marketing, Maintenance, Energy, Rent, Insurance, Property Taxes…)
- Determine Fixed and Variable Costs
- Determine Profit Requirements

After the Property is open

- Conduct Ongoing Market Research: 3 Analysis:
  1. Your property (S&W…define it the way guests see it)
  2. Competition (monitor)
  3. Market (O&T… Guest Profile Research, Guest surveys, comment cards, Marketplace trends, environment opportunities and treats…
Hotel Management Training Course Module 5
Food and Beverage Management

Simple Guide to Creating a Marketing Plan

Select Target Market
“In-house guests for Dinner”

Determine Objectives
“Generate $ XXX weekly in F&B Revenues by opening dinner service to our business travelers”

Create Action Plans
• A………………
• B………………
• C………………

Evaluate and Revise as necessary
• Assess revenue Data
• Interview business travelers
• Solicit input from employees

The Marketing Plan
• ... Translates ongoing marketing research into strategies and tactics. It is usually
  • Written
  • Understandable
  • Realistic and Challenging
  • Specific and Measurable

Sales Efforts
• Internal selling
  ➞ Cross selling in a Multi-Unit F&B operation
  ➞ For guests in your restaurant
  ➞ Suggestive selling, internal merchandising and special promotions.
• External selling
  ➞ To find new sources of business (usually for large operations with banquet facilities)

Advertising
• To inform the public about our F&B Operation and persuade guests to visit it.
  ➞ Outdoor
  ➞ Newspapers
  ➞ Magazines
  ➞ Radio
  ➞ TV
  ➞ Direct Mail
  ➞ Internet
  • Think of the Pros & Cons of each of them… and choose the most appropriate (s) for your Restaurant!
  • (what is good for a chain restaurant may be totally inappropriate for an single unit independent operator… (TV, for example!)

Public Relation and Publicity
• PR is the process of communicating favorable information about your operation to the public to create a positive impression.
  ➞ Ex: Charity Work/ Sponsoring Fund Raising…
• Publicity is free media coverage of an operation, its staff, or special property event by the media.
  ➞ Ex: Cooking Demos, Wine Club, Cigar Club…

Boosting Public Image
McDonald’s has been very creative in its efforts to improve its image in the wake of increasing negative public perceptions about its food and business practices. It released its second “Corporate Responsibility Report” in 2004 that explores all issues related to numerous issues, including:
• Promoting nutrition and physical fitness with additional salads on the menu, the availability of apple slices rather than french fries with children’s “Happy Meals,” a “Go Activated” Happy Meal for adults featuring an entire salad and bottled water, a promise to use a lower trans fat oil for food production, and the availability of nutrition information on tray liners, packaging, and its Web site.
• Modifying business practices by requiring its suppliers with a code of conduct that addresses labor conditions of factories where products and supplies are manufactured.
• Addressing environmental concerns through recycling practices that influence packaging decisions.
• Addressing such concerns as corporate governance and animal welfare.
Assignment:

Write a basic Marketing plan.
The place: Dusit Princess Srinakarin
The Goal: Increase Business at Dinner time
Target: in-house guests
Your plan should be:
  - Written
  - Understandable
  - Realistic and Challenging
  - Specific and Measurable

Format:

- You are required to use this format for your presentation:
  - Marketing Plan
- Evaluation:
  - Your plan will be submitted to the Dusit Princess Srinakarin F&B Director…