

# [Swat analysis for victoria station restaurants](https://assignbuster.com/swat-analysis-for-victoria-station-restaurants/)

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Victoria Station Strengths Concept uniqueness- Concept based restaurants' rely on décor and novelty themes, which are appealing enough to the customers to draw in business. For example: Hard Rock Café, Applebee's, Rolling Rock Café, or Outback Steakhouse. The Victoria Station utilized the English depot paraphernalia to support the theme; gas lights, a red English telephone booth, and a London taxi. Quality control- The beef was cut to specifications, used controlled- portion fillets/top sirloin butts, and a computerized checking system to verify that unapproved vendors would be brought to management's attention should any items be purchased off of the approved purveyor list. Appearance, food preparation and service, beverage, atmosphere, equipment, safety, and inventory control were set in detail with complete job descriptions for all managers. Financial control –detailed reports and daily inventories. No advertising or paid promotion- they were successful in the beginning with just relying on word of mouth. Promotions- one of the more profitable promo was the rib promotion. Weaknesses Over expansion- Victoria Station went against it's own policy bases on building in areas with population of 1million or more. Even with expansion with the hopes of creating more volume, Victoria Station was still unable to cover the fixed-cost percentages. They had roughly 100 restaurants in more than 50 markets. () Inflexible concept design- The boxcar, compared to traditional restaurants created high occupancy costs due to its expensive building and the maintenance. It also hindered the liquidation of assets to cover debts. Limited menu- Did not leave any allowances for customer change, dietary developments, or market swings for beef industry. Poor reaction skills- When V. S. sales started to lessen their reaction was to raise prices which ended up going against the original concept of prime rib at a good price. Identity crisis- When change was necessary they ended up only to created confusion for their market segment; is it casual, family, fine dining, steak/burger, etc.. Opportunities Technology- They could have relied on this for more portion control from the beginning. Or for some sort of expansion onto the boxcar itself. Societal need & Recognition- Victoria Station should have connected themselves to the communities surrounding through assistance or donations. This would have created a longer, positive attitude to V. S. Population & Dietary changes- There will always be more people in need of food; this is especially so due to mothers working; now dining out and take-away has far proceeded home cooking. Children's menu- They left out a very large and important segment, children. If they intended to have a family restaurant they should have a well developed kid's menu. Threats Competition- They did not take in account the growth of other featured restaurants targeting the same economic theme, such as Red Lobster and Quinn's Lighthouse. Raising beef prices- In the Fiscal year 1981 Victoria Station lost more than 6. 3 million, one primary reason was due to the continued rise in beef prices, which raised food cost to 50% (Martin) Economic and weather decline- 1982, the meal count declined 8. 4% compared to the previous year. This time, owing to the poor economy and the unusually harsh winter. (Bernstein) Change in Public- Victoria Station did not leave room for the swing away from the red meat phase into the more health conscious philosophies today; go bland, skinless chicken breasts. New minimum wage- Legislation passed a raise in minimum wage, which eventually hurt the margins of the entire industry. (Kochak) 2) When reading the resources and testimonials to the Victoria Station case, I found myself thinking, " God it's Barnum & freaking Bailey." " This is a circus, not a restaurant chain." Okay so yea, now it is cool to have your server sit at the table with you and company (hopefully this fad will end quickly). To begin, the theme; they had to realize that novelty would only hold so long and then people notice flaws. Instead, management was surprised by a survey which showed atmosphere held a great influence over the success of the restaurant while they felt they could rely on the food itself. Still, the boxcar propounded many other problems: 1) they were more expensive compared to other restaurants. 2) The building became the logo, for them it would take more than changing the sign and menu to be a whole new restaurant. 3) Created lack of assets to cover debts. Second, the limited menu, featuring red meats items such as prime rib. At that point in time there may have been a nitch for it, but to invent a whole theme on it is limiting and unrealistic. People's tastes and food markets change, they knew that and still they did not create enough flexibility to allow for sudden changes. And lastly, the saturation of Victoria Station Restaurants into a limited themed market, the company saw immediate margin growth and decided to just keep expanding, ignoring all of the start up costs and unstable market positioning. 3) You could look at this question the same as, " which came first, chicken or the egg?" Because of their pre-existing limitations in menu and concept it locked them into being at the mercy of the beef industry and their prices and a at the same time not relaying the prices to the customers, who's tastes are changing as well. But overall, no these problems correspond with the initiation of this chain. 4) To save Victoria Station Restaurants, they should have either stuck to their business plan or at the point of decline in the life cycle, just cut their losses and start completely fresh, including the building. Otherwise, I would have moved away from concept- type marketing to a value based marketing system on service, quality, and cost. Bibliography 1) Lewis C. Robert. Cases in Hospitality Marketing & Management. John Wiley & Sons. New York. 1997. 2) Martin, Richard. " Victoria Station Seeks Survival Options" Nation's Restaurant News. Sept 10, 1984. 3) Kochak, White Jacque. " Running out of Lives." Restaurant business. July 20, 1987 v86 p104 4) Strenk, Tom. " Bets on Bonkers" Restaurant Business. October 10, 1984 v83 p176 5) Bernstein, Charles. " The Classic lesson: success breeds failure." Nation's Restaurant News. June 16, 1986