

Analysis of the hard rock cafe marketing essay



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Opened in 1971, Hard Rock Café has grown from a small pub to a truly global phenomenon with over 170 venues in more than 51 countries around the world, including 133 cafes and 15 Hotels/Casinos, live music venues, a rock museum, and a huge annual Rockfest concert. This world's leading collector and exhibitors of rock 'n' roll memorabilia is a real haven for fans of music, food, and great times. Its unique operation management strategy has brought Hard Rock Café become the number one themed restaurant in the world and one of the most highly recognized brands.

Hard Rock Café as an industry leader has changed its strategy with the times. Hard Rock has migrated from a London restaurant modeled on a Tennessee cafe, to food with entertainment, to food with an experience. Customers' demand is not only a meal; furthermore, they want an experience, and Hard Rock's operation strategy is designed to provide that experience.

Orchestrating all of this becomes an operations management responsibility. To have a great successful business, its management has carefully applied the ten operations management decisions to building that experience.

Good and service design

Taking a look at Hard Rock Café's service quality and product design, it is easy to understand how they have achieved such a high rate of success. Their product design is based off of something that definitely was a hit 30 years ago and will be a hit for the foreseeable future; Rock-N-Roll. The simple logo of the words Hard Rock is enough for rock-n-roll enthusiasts. Hard Rock Café has its own specific style in product and design. It is different out side

and inside. Even for the first timers who have never visited Hard Rock Cafe it connects with those music lovers who like to enjoy food in a fun and entertaining environment. It clearly knows music is life. Music is universal and doesn't have boundaries. No matter what one is from America, France, India, China or Nigeria, everyone loves music and of course the food too. Although there are many different cultures and maybe different food preferences, you still have more chances to attract customers by selling them the entertaining experience using music first. . Hard Rock Cafe has been successful at selling the Rock and Roll, Hard Rock experience. That's why they attract all the tourists from around the world. Music has a mystic formula for success.

It realized that food is just the medium that allows it to sell what it is good at and that is delivering exceptional entertainment and dining experience. Hard Rock Café does not strive to make the most delicious food in the local region. It does not mean that its food is not considerate. Hard Rock Café also puts a lot of effort into creating and testing its products for cost efficiency and customer satisfaction before they are sold in its restaurants. Operations personnel constantly review menus, and food research is ongoing. Quality surveys are done regularly. Hard Rock Café chefs are modifying the menu from classic American – burgers and chicken wings – to include higher-end items such as stuffed veal chops and lobster tails. Just as taste in music changes over time, so does the Hard Rock Cafe, with new menus, layouts memorabilia, services, and strategies.

Since its establishment in 1971, Hard Rock Café has also committed to a wide variety of philanthropic causes and activities. Its slogan “ Love all –

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Serve all” has together going together with its development for many years. Whether one is a business man, a rock style person or a middle – aged clerk, every customer always feels pleased with their warm services.

Quality

This is the most important point that every enterprise must pay attention to for their long – term development. Hard Rock Café pride itself on service quality from music, food and atmosphere. It conducts numerous surveys to get an honest assessment regularly on a scale of 1-7, with 7 being excellent. It does not accept for anything less than 7. Based on the customer survey and feedback, the music as well as menus, layouts, memorabilia, services and strategy will be changed and improved with the time to fulfill customer recommendations accordingly. This quality factor is highly regarded to the success of Hard Rock Café.

Process and Capacity Design

The process and capacity design is up the decision of the locations of its facilities. For example, at Orlando’s Universal Studios, a traditional tourist destination, Hard Rock Cafe serves over 3, 500 meals each day. The cafe employs about 400 people. Hard Rock Café has a big chain of coffees serviced 100, 000 meals per day in U. S. This factor will affect to others in business operation. So, Hard Rock Café has carefully considered it as soon as its intention to open any new location.

Location

Finding the perfect location for each cafe is another operations management

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decision. Its largest restaurant and one of the biggest restaurants in the world is located in Orlando, Florida. Hard Rock Cafe has 40 U. S. locations, about a dozen in Europe, and the remainder scattered throughout the world, from Bangkok and Beijing to Beirut. In order to choose the right place to appear, Hard Rock Café conducts an extensive market research based on these following fundamental elements including demographics, visitor market trend, transportations, restaurants and nightclubs, risk of politics, real estate market and comparable market, then levelled with very further details and marked for each. New construction, leases, and investment in remodelling are long term, so a location strategy has been carefully considered these serious quantitative market research supports. . Moreover, the success of every cafe in each location is also contributing to the cash flow efficiency and the whole chain's success.

Because 70% of Hard Rock's guests are tourists, recent years have found it expanding to " destination" cities. While this has been a winning strategy for decades, allowing the firm to grow from 1 London cafe to 133 facilities in 51 countries, it has made Hard Rock susceptible to economic fluctuations that hit the tourist business hardest. So Hard Rock is signing a long-term lease for a new location in Nottingham, England, to join recently opened cafes in Manchester and Birmingham-cities that are not standard tourist destinations. At the same time, menus are being upgraded. Hopefully, repeat business from locals in these cities will smooth demand make Hard Rock less dependent on tourists.

Layout

Hard Rock Café has different designs at each location. Each place has a specific experience. The layout strategy of each café includes the careful placement of items so that the display is attractive but also allows for easy circulation for the consumer and exposes them to merchandise available for purchase. Hard Rock is also adding a new emphasis on live music and is redesigning its restaurants to accommodate the changing tastes. Since Eric Clapton hung his guitar on the wall to mark his favorite bar stool, Hard Rock has become the world's leading collector and exhibitor of rock and roll memorabilia, with changing exhibits at its cafes throughout the world.

The kitchens are designed efficiently for easy food preparation. The company must consider the kitchen flows for food preparation and restaurant and bar layout for maximum revenue. Every piece of the experience strategy including memorabilia, music, and visuals takes on a new significance. This means lighting, sound, screens, contemporary music, and circulation paths are designed to show off memorabilia and expose customers to merchandise for sale. The retail shops generate close to half the companies profit and are carefully integrated into restaurant layout, flow, and work stations. In keeping with the times, Hard Rock Café also maintains a web site which receives over 100, 000 hits per week and a weekly cable TV program. Hard Rock Café's brand recognition of 92% is one of the highest in the world.

Human resource and Job Design

in order to provide the best experience for customers, human resources, carefully chooses the staff it hires for their passion of music and their desire to serve. Hard Rock Café carefully trains and develops their crew to excite

the customers and provide entertainment. The enthusiasm of the entire staff as they engage the customers is one of the reasons people keep going back. Scheduling the large staff of bartenders, kitchen and wait staff, hostesses, and retail clerks is done based off of tracking sales. When planning the schedule, they look at the prior year's sales and the trends for the last couple of weeks. They will also take into consideration any events.

Another key to a successful restaurant is to understand that employees want to be a part of a team. Feeling important and part of that team goes a long way to making them want to stay with their employer. This can be especially challenging in large restaurants; however, it is not impossible. Benefits and flexible schedules are also great incentives and could be the difference between employees staying and leaving the restaurant. Another incentive is giving them responsibility, letting them take ownership of...

Supply chain

Hard Rock Café works with qualified suppliers to ensure enough fresh, quality meals to customers. Outsourcing is the best model to attain the functionality and cost efficiencies it needed for its retail apparel and gifts operations. Avicon, Hard Rock Café's supply chain, has helped it make a critical long-term strategic decision by Logistics Outsourcing

Methodology and deep experience in transportation and global distribution. Hard Rock Café has succeeded in operational challenges including obsolete inventory, low inventory turns, and high back office fulfillment/logistics costs. By focusing on its core competencies in the retail apparel & gifts business and outsourcing non-core functions

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Inventory

Inventory also takes on a different meaning at the Hard Rock Cafe. There is of course food and merchandise, but Hard Rock also has over forty million dollars invested in one of the world's largest collections of rock-and-roll memorabilia inventory.

Most of which is on the walls of its cafes around the world. Inventory Management has the responsibility of cataloguing the entire inventory in all the cafes. They have developed a system that tells them exactly what is in each café, where it is in the café, and what the story is behind each item. Maintenance of the inventory is done every 5-7 years when the memorabilia is taken out of a café and refurbished. The café is then restocked with new items.

Scheduling

Scheduling is another of the ten operations management decisions. Hard Rock uses long-range forecasting in setting a capacity plan and intermediate-term forecasting for locking in contracts for leather goods (used in jackets) and for such food items as beef, chicken, and pork. Its short-term sales forecasts are conducted each month, by cafe, and then aggregated for a headquarters view.

The heart of the sales forecasting system is the point-of-sale system (POS), which, in effect, captures transaction data on nearly every person who walks through a cafe's door. The sale of each entry represents one customer; the entry sales data are transmitted daily to the Orlando corporate

headquarters' database. There, the financial team, headed by Todd Lindsey, begins the forecast process. Lindsey forecasts monthly guest counts, retail sales, banquet sales, and concert sales (if applicable) at each cafe. The general managers of individual cafes tap into the same database to prepare a daily forecast for their sites. A cafe manager pulls up prior years' sales for that day, adding information from the local Chamber of Commerce or Tourist Board on upcoming events such as a major convention, sporting event, or concert in the city where the cafe is located. The daily forecast is further broken into hourly sales, which drives employee scheduling. An hourly forecast of \$5,500 in sales translates into 19 workstations, which are further broken down into a specific number of wait staff, hosts, bartenders, and kitchen staff. Computerized scheduling software plugs in people based on their availability. Variances between forecast and actual sales are then examined to see why errors occurred.

Hard Rock doesn't limit its use of forecasting tools to sales. To evaluate managers and set bonuses, a 3-year weighted moving average is applied to cafe sales. If cafe general managers exceed their targets, a bonus is computed. Todd Lindsey, at corporate headquarters, applies weights of 40% to the most recent year's sales, 40% to the year before, and 20% to sales 2 years ago in reaching his moving average.

An even more sophisticated application of statistics is found in Hard Rock's menu planning. Using multiple regression, managers can compute the impact on demand of other menu items if the price of one item is changed. For example, if the price of a cheeseburger increases from \$6.99 to \$7.99, Hard Rock can predict the effect this will have on sales of chicken

sandwiches, pork sandwiches, and salads. Managers do the same analysis on menu placement, with the center section driving higher sales volumes. When an item such as a hamburger is moved off the center to one of the side flaps, the corresponding effects on related items, say french fries, is determined.

With twenty-three departments and over six hundred people on the payroll, Hard Rock Cafe considers many factors when preparing work schedules.

We look at sales. We look at sales for prior year, and see what kind of business

we did during that week when we're writing the schedule. We also take into consideration any events-community events-in the area, seasonality. We also

take a look at trend for our trade for the past couple weeks, and then what we do

from that is we come up with a sales forecast. The sales forecast is basically that

nucleus that we write the schedule from.

Quality control is the key to success. Hard Rock Cafe adjusted its menus and music time by time and by locations, basing on the survey done. All kitchens, bar, restaurants or retail shops or equipments are maintained regularly.

In order to strengthen the brand recognition, Hard Rock Cafe creates its own website: www.hardrock.com and maintain a cable television program

weekly on VH-1. More than 100, 000 hits received through Hard Rock website and 92% of recognition is a truly great result repaying for Hard Rock efforts.