

Hard rock cafe essay.



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Hard Rock cafe was found in 1971, and from that point of time, Hard Rock applies the famous concept “ experience economy” to its global business. The concept focuses on three main strategic points: custom meal from the menu; eating with special rock music; and targeting on tourists. 70% Hard Rock’s customers are from tourism (Heizer & Render, 2010). However, economic crisis makes Hard Rock change that strategy by widening customer target. While tourism is affected much by economic fluctuations, number of local customers seems to be more stable. As a result, Hard Rock Cafe Nottingham, England opened in April 2002. The decision to open a Hard Rock Cafe in Nottingham is further evidence of the city’s rise in importance as a prime entertainment area. ”, said BBC. [1] Nonetheless, surprisingly, Hard Rock Cafe Nottingham closed in November 2007. Other cafes in Birmingham and Leeds, England also closed that year[2]. There was no explanation given by Hard Rock’s top managers, but it might be one, two or all of the following reasons: Firstly, Hard Rock finds that the openings in non-tourism cities do not follow the global strategy which aims to “ prime entertainment area”.

When the global economic recovers from crisis, Hard Rock would have more reasons to strictly pursue the winning “ Experience economy” that allowed the firm to expand from 1 cafe to hundreds in 57 countries over the world. The second reason might be the profits of Nottingham, Leeds and Birmingham cafes were not as high as expected. Thirdly, there might be another Hard Rock cafe/bar opening soon in nearby area. No matter what the reason is, the closing down of those cafes exposes kind of failure.

In summary, Hard Rock Cafe global strategy is superior in normal economic condition; however, it has trouble when global economy fluctuates. Economic crisis has influence on every business firms but Hard Rock must incur more than average. The opening and closing of Hard Rock cafes in some non-standard tourist destinations in the UK have shown the Achilles' heel of the strategy. In operations management aspect, it is problem with long-term forecasting and location selection. At the present time Hard Rock expands the working fields to bar, casino and hotel, nevertheless, this document only mentions about cafe – the original core business of Hard Rock. Strategy

Insight 1 Front office The Hard Rock Cafe's main products are classic American food and drinks, together with extra merchandising souvenirs such as Rock t-shirt, bags, guitars and pins. The services include custom meal serving and live music concert with unique visual sound. All is organized within a large venue which has capacity of several hundred seats, stage and shopping corner where customers can buy Hard Rock gifts. This is differentiation in the strategy.

The food, drinks and services of Hard Rock Cafe must always come together because they all create a special atmosphere for customers. People come to Hard Rock not only for the meal but also enjoy the music and experience the ambiance there. Customers could have that feeling at the first look of cafe layout design from outside in. The combination of black colour tone, lighting and rock-style decoration at all cafes of Hard Rock makes customers recognize its brand. Kitchen, bar, stage... are arranged in appropriate order so that wait-persons serve customers conveniently along with customers can view the stage clearly.

Considering five performance objectives[3], Hard Rock Cafe seems to focus on flexibility and quality more than speed, price and dependability. Hard Rock customizes the menu to meet local tastes. This flexibility also means that Hard Rock respects the tradition and culture of the locals and designs cafes settings with that view in mind. So, beside the elasticity of products, there is flexibility in layout design. Another example is KFC. Entering Vietnam market, KFC must supply cooked rice and soup, the Vietnamese traditional food, together with chickens.

KFC has to choose large place to ensure enough seats for customers because, unlike in England, customers here must sit and eat on table instead of standing or leaning on kind of bar chairs and putting chicken on a bar of table. Another problem will come up if Hard Rock customizes or upgrades the menu to meet local taste: who and how to cook those new traditional dishes. Will Hard Rock hire cooks or give current chief the time to do research then try the new dishes? Large capacity, however, is a waste if hundred seats is not filled a half or more.

It is problem of higher initial invest on labour and facilities like chair, tables, decoration... but they are not totally used in productivity. It is also both side problem of centre location selection. Centre space usually cost much but if the location is not in service totally and efficiently, it is wasteful. 2 Back office Behind the outstanding differentiation at products, services, layout design and capacity of cafe, Hard Rock has very good human resources, scheduling and supply chain management system. Applicants are selected and trained carefully before working officially.

They all must enjoy and together bring “ a fun, healthy, nurturing environment into Hard Rock Cafe culture”. The unique culture and work environment contribute to the low turnover of hourly people (Heizer & Render, 2010). This human resources strategy not only creates work motivation for staffs but also secure human resources. The only disadvantage is that Hard Rock trainer must spend more time to interview and train new staff in comparison with training activity at other cafes. Scheduling and forecasting are really scientific with help of software and computer systems.

However, long-range forecasting in setting capacity plan only and intermediate-term in locking contracts with suppliers seem to be not enough. As a multinational corporate, Hard Rock should care and forecast about global factors such as foreign exchange rate in mid-range, fashion trend in long-range so that Hard Rock Cafe can prepare better merchandising gifts. Relating to fluctuation of foreign exchange rate, Hard Rock may have to assess again supply chain of some products. About merchandising gifts, instead of importing from China currently, Hard Rock might purchase from local manufacturer to mitigate exchange rate risk.

Lastly, as mentioned above Hard Rock Cafe now expand its business area to hotel and casino which is not related much to cafes. Many of Hard Rock Cafe existing customers may not like this because it is not tradition and culture of Hard Rock. Especially music lovers who only want cafe and experience unique sound of Hard Rock, they do not like kind of mixed thing. What if a person only hears about Hard Rock as a casino? Because of that first impression, he or she may not like Hard Rock Cafe if see it later. Casino and

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hotel may help to advertise and promote cafe, on the other hand, the outcome could be in contrast.