

# Planet hollywood

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Planet Hollywood is a trademark for restaurants, bars, casinos, and resorts that was established in 1991 by its founder Robert Earl and his partners and stockholders Bruce Willis and Sylvester Stallone. Planet Hollywood distinguishes itself with the unique experience it offers its customers from gaming and live entertainment at the Hollywood themed venues. The focus of this marketing plan is the Planet Hollywood restaurants that resemble the Hollywood inspiration with its wide collection of Hollywood props and souvenirs from top rated movies and TV shows that decorate the place and the wide collection of items available for sale.

Planet Hollywood strives to act as a creator and developer of consumer brands that take advantage of the universal appeal of movies, sports, and other entertainment-based themes. The unforgettable dining experience at Planet Hollywood is completed with its delicious diverse menu of salads, burgers, and much more. Currently, Planet Hollywood has sixteen branches all over the world at which three of these are located in the Middle East (Dubai, Riyadh, and Kuwait). Mission Statement “ Planet Hollywood International Inc. is a guest-driven company committed to providing [its] guests with an exciting inside look at Hollywood, combining with exceptional food, outstanding merchandise and uncompromising service in every one of [its] restaurants. [It] recognize that [its] success is achieved by hiring, retaining and developing quality associates”. “ We have a passion for our guests We care about our associates We do not compromise our high standards We maintain a sense of urgency in everything we do We continuously strive to improve We are team players” Company History:

Planet Hollywood International Inc. is the controlling body for entertainment-based theme restaurants located throughout the world. Planet Hollywood International also runs five Official All Star Cafe restaurants, a chain that focuses on professional sports and follows a sports-bar theme, and several Cool Planet Ice Cream shops. The management of the company is currently focusing on its core business of restaurants. The first Planet Hollywood restaurant opened in New York City in 1991 however the events leading to its beginning started 20 years before that date.

In 1972, Robert Earl opened a dinner theater in London called 'The Beefeater' that offered its customers a dining experience with a medieval theme. Earl earned a degree in hotel and restaurant management the University of Surrey. He was passionate about creating entertainment-based restaurants such as 'Talk of London,' 'Shakespeare's Tavern,' and 'The Cockney Club. ' In the 1980s, Earl foresaw the promising American markets that would guarantee the success of his entertainment-themed restaurants. He started off with selling his concepts to the developers of a then-new Disney World called EPCOT Center.

Although the deal was unsuccessful, Earl decided to stay in Florida at which he opened several restaurants focusing on medieval and Wild West ideas until he sold it to a larger holding company in the mid-1980s. In 1989, Earl was appointed the new chief executive for the Hard Rock operation under ' Mecca Leisure". The 'Hard Rock Cafe' chain is amusicindustry-based theme restaurants. With his new position, Earl created 20 Hard Rock Cafes in the eastern region. Meanwhile, Earl partnered with Keith Barish, a film producer at that time to open the first Planet Hollywood mentioned earlier.

Barish and Earl looked at music, movies, and sports as means that bridge differences of language and other differences between people living in different places. Planet Hollywood witnessed immediate success; its museum-like decorations and its outstanding marketing plan attracted millions of customers. Earl and Barish asked celebrities such as Arnold Schwarzenegger, Sylvester Stallone, Bruce Willis, Demi Moore, and Whoopi Goldberg to act as restaurant's owners at which they would pass by 'their restaurant' to check in and mingle briefly with their fans.

A year later Earl left Mecca Leisure to plan the worldwide introduction of Planet Hollywood restaurants actors Don Johnson and his then wife Melanie Griffith, director John Hughes, comedienne Roseanne, and actors Tom Arnold, Wesley Snipes, and Danny Glover became investors by then. By mid-1993, Planet Hollywood International had opened its branches in London and southern California and was completing the construction of a fourth branch in Chicago. Architect David Rockwell was hired to design the new branches. The branches were created to seat more than 200 people.

Each branch contained film props and floor layouts that were unique to their locations. Dorothy's dress from 'The Wizard of Oz,' the pottery wheel used by Demi Moore and Patrick Swayze in 'Ghost,' a replica of the castle from 'Dracula,' the Batmobile, the Flintstone buggy, and a plastic model of the meat slab that was pulverized by Stallone in the film 'Rocky' were all items put on display in different locations. Celebrities hand prints walls and big-screen televisions to play promotional clips for upcoming movies were further attractions found at Planet Hollywood.

Peter Morton Hard Rock International executive at that time filed a suit against Earl and Planet Hollywood claiming that Earl had copied that Hard Rock concept. Earl dismissed the charges and the case against Planet Hollywood never amounted to much in court. In addition, Planet Hollywood continued its move up the ladder of success and became well-known in the theme restaurant business. By the end of 1993, Planet Hollywood expanded to have eleven new branches in different states. The opening of each branch was a major gala event that attracted crowds who were eager to see celebrities and different famous media figures.

Each new branch generated revenues worth \$ 15 million. Selling licensed Planet Hollywood merchandise in addition to serving food and drinks from a diverse menu were a major attraction of customers. Key rings, T-shirts, sweatshirts, watches, and leather coats are examples of the items sold at the restaurants. The merchandize selling not only boosted the revenues by differentiating Planet Hollywood but its popularity pushed it to open separate retail stores called 'Planet Hollywood Superstores,' a move that further increased yearly profits.

In 1994, Planet Hollywood continued expanding to open branches worldwide. The company also began establishing other theme-restaurant ideas such as the Official All Star Cafe. Barish and Earl realized the people's key interest in celebrities' life and continued expanding based on that. They continued recruiting professional sports figures to invest such as hockey great Wayne Gretzky, football icon Joe Montana, and basketball superstar Shaquille O'Neal. Also in 1994, the company opened what would become its highest

income generator branch at Las Vegas. The Las Vegas restaurant was designed to seat .

The branch's opening drew more than 10, 000 people who sat on stadium-like bleachers to watch the stars' arrivals at the event. Later that year, another 500-seater of Planet Hollywood opened in Orlando's Disney World. With that branch, Earl and Barish became officially the owners of the two highest-profit generating restaurants in the United States. In 1996 the company decided to go public not only by offering stocks but the company also convinced MBNA to issue Planet Hollywood VISA credit cards that gave cardholders priority seating at the restaurants.

A joint venture with ITT Corporation was also established to develop Planet Hollywood casinos in Las Vegas and Atlantic City. Furthermore, Marvel Entertainment Group, Inc. and Planet Hollywood International decided to develop comic book character-based restaurant theme calling it 'Marvel Mania. ' Ideas for a new concept called 'Chefs of the World,' which was to feature a 'star-studded' culinary staff, also began to rise. Celebrity support received through their ownership and investment in the chains made Planet Hollywood and All Stars Cafe unique by all standards. In only five years the company had grown from one \$3. million restaurant in New York to an almost \$300 million operation with approximately 50 units throughout the world. Situation Analysis The dining service in Egypt has witnessed a huge change in the last few years . Dining out became part of the lifestyle of Egyptians who can enjoy such leisure. People are constantly seeking new diners, especially international ones they try during their trips abroad, they see in foreign movies or hear about from friends. During this period of

changes, several international diners opened in Egypt and have proven to be successfully attracting customers.

Although different people are always seeking different styles such as Authentic Egyptian, Italian, Shisha serving cafes, quick coffee serving cafes, each sector proved to find their own clientele. Places such as Hardrock Cafe, Apple Bees and Rainforest Cafe have their own successful cases that should be similar to Planet Hollywood's. Egyptians in general are usually very interested in celebrities and their lives. Planet Hollywood can easily depend on this point in its marketing plan and focus.

Environmental Scanning: Macro environmental Forces: Socio-cultural Factors

There are more than 50 million people between the ages of 15 and 45 in Egypt which is approximately 65% of the population. This, as a result, has a great impact on the nature of the food service sales. The young generation has changing lifestyles and eating habits. They mainly go out for dining as it is considered a source of entertainment. As such, the demand for the food services represented in fast food restaurants, informal dining, cafes/bars, has increased tremendously. However, in Egypt, both men and women are usually seeking places where they can smoke shisha.

Usually, international chains forbid smoking of shisha in their restaurants as part of their regulations to avoid health and environmental hazards.

Economic Factor The Egyptian population is mainly divided into two classes of either rich or poor. The middle class in between is diminishing. According to the World Bank Statistics of 2005, the income share held by the highest 20% of the Egyptian population is 41.5% while the share of the next 20% is only 12.6%. It is believed that this gap is not getting any smaller if not getting wider.

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The top 20% of the population are consistent with their dining out experience as eating out is considered a main sources of entertainment. Political Factors With the political instability in the country since the January 25th events, dining out is considered one of the few sources of entertainment that remained stable since other sources of entertainment such as parties and concerts are no longer as available as before. Restaurants are more likely to any new expansions making it the right time for Planet Hollywood to open and establish a good solid base in Egypt.

However, this political instability also represents a risk to any new business especially with the lack of security witnessed. This security issue will have to be accounted for in choosing the location and operation of the restaurant. Environmental Factors Air pollution in Egypt and especially in Cairo is a matter of serious concern. The air quality in downtown Cairo is more than 10 to 100 times of acceptable world standards. In addition, the layout of tall buildings and narrow streets prevent the pollution from escaping and result in a thick and grey air.

As a result, open-air restaurants in some areas, especially downtown Cairo and high density areas, may face some problems and may not be convenient all the time. Therefore, people are looking more for indoor recreation. Another concern is the availability of high quality raw material in Egypt. Due to the lack of training and education, there are a lot of improper agricultural practices, poor hygiene at all stages of food chain, absence of preventive controls in food processing and preparation operations.

In addition, misuse of chemicals, raw materials contamination, inadequate or improper storage are also concerns for the food industry in Egypt. Such a <https://assignbuster.com/planet-hollywoo/>



situation highlights the importance of a high quality control process that should be implemented in any restaurant. Technological Factors People now have access to the internet all the time. They became more demanding and want to follow a certain lifestyle. They know exactly what they are looking for and where they can get which as a result creates a significant challenge in terms of meeting demands and defeating competition.

Yet, this is a good opportunity since marketing can now be done easily using cheap online campaigns reaching the targeted customers. Micro environmental Forces Employees Employees are the image of any place, their attitude and commitment directly affects the restaurant's reputation and customer perception of the place. Research has shown that 70% of customers' return to a restaurant is usually related to the service and their positive experiences with employees; 68% of defecting customers leave due to negative employee attitudes.

Therefore, Planet Hollywood's employees should be experienced and passionate. They should receive regular trainings and should always be motivated to do their best. In addition, they will be closely monitored to gurantee that the customers are always satisfied. Suppliers Quality and freshness are the most important factors of the food served in any restaurant. Therefore, reliable food service suppliers take part in the success of any restaurant. Planet Hollywood will seek suppliers that will provide high quality products with on time consistent delivery.

Our strategy will be to create a partnership-like relationship with suppliers to guarentee the success of the end product. Customers Planet Hollywood's targeted clientel is already present in Egypt and is currently waiting for such

an international diner to open in Egypt's biggest cities such as Cairo, Alexandria and Sharm El Sheikh. Our clients would be 15-35 year old men and women seeking a luxurious yet affordable dining experience. Locations Prime locations that are easily reached with sufficient parking places should be sought.

Currently, big shopping malls and diners concentrations are considered the places-to-be by Egyptians. Locations such as City Stars, Mall of Arabia, New Cairo and 6th of October cities should be checked for potential locations. Competitive Analysis: The Egyptian market is very competitive as it consists of many foodservice companies with dominant players that make it hard for small operators to succeed. This governance is due to the brands already having good grounds internationally, in addition to the huge advertising and marketing plans.

Below is a list of the major competitors for Planet Hollywood. "Americana": Egyptian Co for international touristic projects (TGI Friday's) First established in 1964 as a small trading company based in Kuwait, Americana became the most successful restaurant operator in the Middle East that owns around 650 restaurants. "Americana" is a master franchisee to several leading international entities such as Hardees, Pizza Hut, KFC, TGI Friday's, Costa Cafe and Baskin-Robbins. TGI Friday's is the main brand that would present a competition to Planet Hollywood. Competitive advantage:

- Fierce advertising and marketing plans for all its brands along with major offers and promotions.
- The company has many outlets all over Egypt and is opening more and more each year.

Amer Group (Chili's): Started in 1993 by introducing “Chili's”, the famous American restaurant chain to Egypt and the Middle East, Amer Group expanded over the years to introduce more restaurants with a variety of cuisines such as Johnny Carinos, Studio Masr...etc. Chili's will be one of the major competitors for Planet Hollywood. Competitive advantage:

- High market penetration with many restaurants all over Egypt and in all the hot spots. Amer Group has managed to maintain a very good reputation among Egyptians through its many projects in different industries as well as very aggressive marketing plans. The name of the restaurants is directly related to the group which helped them to easily achieve customer loyalty.
- Casual atmosphere that fits both youth and families.

Hard Rock Cafe: Established in 1971 in London, Hard Rock Cafe has over 172 venues in more than 51 countries around the world. It opened its branch in Sharm el sheikh in 1998 in Naema Bay; it also has one in garden city Cairo, another in Hurghada, and it is planning to open one soon in Nabe.

It offers a wide selection of burgers, barbeques, and steaks, along with a variety of desserts and drinks. Internationally it is known to be among the top competitors for Planet Hollywood. Competitive advantages:

- It has a very good reputation worldwide that makes it an attractive place for young outgoing population, and also for tourists coming to Egypt that's why it is very successful in Sharm el Sheikh and Hurghada.

- They focus on their employees and treat them like a family and create an environment of fun where the employees look forward to come to work. They also focus on customers making sure that they deliver unique entertainment and dining experience.
- Their music mix is very popular and very entertaining which makes Hardrock cafe the number one destination for outgoing youth with passion for music.

Planet Africa Part of the Mo'men group, Planet Africa was established in December 2004 in Cairo and it is considered the first themed restaurant in Egypt. The restaurant has the design of a jungle with African merchandise and souvenirs available at the entrance. Planet Africa offers a wide variety of International cuisine. Competitive advantage:

- First themed restaurant in Egypt and it is Egyptian so it attracts patriotic customers.
- Ideal for families as the atmosphere is very kids friendly.
- Reasonable prices relative to the portions and quality of food.

Sequoia: With only one branch in Zamalek, Sequoia is the favorite restaurant for high end, outgoing young people. It offers a wide range of Egyptian, Lebanese, Syrian, Italian cuisines as well as a very good sushi menu. The place also offers alcohols as well as water pipes. Competitive advantages:

- Sequoia is located in Zamalek with a very nice view of the Nile. Considered a hot spot among classy young population.

- Sequoia hosts very successful events during Ramadan, New Year's and holidays.
- Suits all tastes as it offers different types of cuisines.

Rainforest Rainforest opened in Egypt in 2008 by Wataniya Company for operating restaurants, the leading company in restaurant management in the Middle East, at the City Stars Mall. The design of the place is like a jungle with all types of animals. The hightechnologyfitted into the design changes the sounds of animals every 10 minutes through CDs and there is a thunder storm every 30 minutes. Competitive advantage:

- Well known brand world wide
- The high tech atmosphere of the jungle simulation makes it very attractive for kids and families.
- Very good quality of food.

## **SWOT Analysis:**

### **Strengths:**

- Strong popular name among various groups of the targeted market segment.
- Branches already exists in nearby countries such as Dubai, Kwait and Riyad, with similarcultureand menu adjustments.
- Offers a variety of food that is already familiar and loved by the Egyptian population.
- Well known for tourists visiting Egypt.
- Strong established system of management that could be easily trained and implemented among local employees. Availability of kids menu and kids friendly atmosphere.

- Ability to host both small and large events as well as offer outside catering.

**Weaknesses:**

- Requires huge investment to find and build a branch that would be located in a relatively hot spot compared to competitors as well as big enough to maintain the restaurant image worldwide.
- Prices are relatively high compared to some of the major competitors

**Opportunities:**

- Egypt is a huge market that is now welcoming any new investment after the recession that occurred after the 25th of January events. Dining out is now one of the necessities of life due to the casual lifestyle of most of the young Egyptians as well as families.
- The trend of hosting parties and events outside is becoming more and more popular among Egyptians

**Threats:**

- Fierce and well known competitors that use excellent promotional techniques.
- Probability of unwelcoming an Americanized restaurant
- After the 25th January events, Egypt became unstable both economically and politically which makes it a risky environment for any new business.

**Market Segmentation**

- Different people have different lifestyle patterns that change at different stages of life. According to the “ Sagacity Lifestyle Model”, Lifestyle has four main stages identified as follows:
- Dependent (ex. Children living with their parents)
- Pre-family (ex. With their own households but don’t have children)
- Family (ex. Parents with at least one child)
- Late (ex. Parents with children who left their homes) A further sub-classification is by segmenting the above into outgoing and non-outgoing.

Motives Planet Hollywood will be providing a unique kind of entertainment for its customers that is not available at any other competitors.

Using the asset of celebrities’ investment in Planet Hollywood, customers might find various famous figures when dining might encourage customers to go. In addition, being able to position the brand as a hot spot for the different targeted segment will encourage customers to go in order to fit in and keep up with the social groups and standards. Behavioral Brand Loyalty Planet Hollywood is a strong popular name and can easily develop brand-loyal customers Benefit expectations Customers are grouped according to similarities in the benefits that they look for in specific products or services.

Benefits as location, cleanliness, social image, food service, quality, and hospitality. Use frequency Customers are segmented according to their frequency of dining outdoors as follows:

- Rarely, occasionally
- once per month

- twice per month
- once per week
- multiple times per week.

Targeting Theme restaurants attract patrons based on mainly the overall dining experience and the entertainment value received. The chosen theme dictates the interior decor, music, type of food, the food presentation and the appearances of the staff. Theme restaurants also sell licensed merchandise as souvenirs.

As for our target strategy, we will be following the differentiation strategy. We will be designing more than one promotional message with which we will be providing each segment with its specific needs and communicating the different related benefits. Problem Statement Planet Hollywood is a well known international brand, offering a unique authentic Hollywood experience for its customers. The introduction of Planet Hollywood in Egypt will be a challenging process as it should emphasize on the well established brand and the unique experience offered by its famous themed restaurant.

Dining service offers a huge market in Egypt, mainly because of the changing socio-cultural behaviors of people especially the tendency to be more outgoing. However, the proper targeting of customers and positioning of the restaurant are of most important in establishing the differentiated strategy of Planet Hollywood.

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