

Marketing analysis of melting pot

[Business](#), [Marketing](#)



Executive Summary

Melting Pot Bacolod is a small dining facility located at Nolan Bldg., San Agustin Drive, Bacolod City, specializing in a range of native Filipino cuisine and fairly slight fusion cuisine. Catering is the core business of the restaurant. Melting Pot's six (6) employees, including the manager, face scheduling challenges during peak months of January, February and December. In other months, staffs are sometimes idle especially starting August of 2013 when the restaurant had increased prices of its menu items.

A major challenge facing Melting Pot is how to increase profits and make better use of its resources during the off-season. An evaluation of the company's internal strengths and weakness and external opportunities and threats served as the foundation for the strategic analysis and marketing plan. The restaurant will have a plan that focuses on the company's growth strategy, suggesting ways in which it can build on existing customer relationships, and on the development of new products and/or services targeted to specific customer niches.

Business Review

Melting Pot, located at Nolan Bldg. San Agustin Drive, Bacolod City and managed by Peter Gubuan, is a dining facility specializing in a range of native Filipino and fairly slight fusion cuisine. Among them are La Paz Batchoy, noodle and lomi dishes, lunch specials, sea foods and grilled items, refreshers and its best seller, the African hito in coconut sauce or grilled hito which is just as scrumptious. Melting Pot's list of menu items offers the Negrense families and professionals, not just convenient dining but also

holistic first-rate experience – gastronomical encounter, highly personalized service, and welcoming ambience. Melting Pot operates as a casual dining restaurant and will thrust employees hired to be service oriented- welcome guests with utmost courtesy, anticipate and fulfill guests' needs.

The restaurant currently has six (6) employees and plans to maintain such until the business further progresses. These employees understand the significance of constant self-improvement as a tool in their functions. Melting Pot's vision is to satisfy their customers in their interest to be gastronomically pleased as they dine and espousing this vision is also the high regard for safe and quality cooking. Moreover, Melting Pot's marketing vision is a place for family and friends togetherness organized around a common love of the native Filipino dishes. Melting Pot exceeds a typical theme restaurant by putting real heart into customer service and the quality of its food, so that its unique presentation and references will be further gratifying.

Situational

Analysis

a. Environmental Analysis

Competitive Forces

Competition is very high in restaurant industry. More and more restaurants are being opened, causing higher competition. The biggest competition of Melting Pot are the convenience restaurants located in the same area, like Jollibee, Mang Inasal and Chowking, with respect to price, value and promotions, service, location and food quality. It has been three years that the restaurant had not increased the prices of its menu items until August

2013. Due to increased prices, it is getting clear that the number of customers has been decreased.

Economic Forces

Certain economic and business factors specific to the restaurant industry that is largely out of our control may adversely affect the results of operations. Melting Pot, as part of the casual dining sector, will be affected by changes in consumer tastes and dietary habits, the level of consumer acceptance of restaurant concepts and health concerns.

With the unpredictable rising cost of electricity and gasoline, and the Philippines' worsening economy, guests may have lower disposable income and reduce the frequency with which they dine out, or may choose to dine in budget friendly restaurants when eating outside home.

Political Forces

There are no expected political influences or events that could affect the operations of Melting Pot.

Legal and Regulatory Forces

Opening a restaurant within the law requires various permits for continuous operation. The local government of Bacolod and the national government requires food establishments to have permits before it commences its operations which includes sanitary permits, DTI permits, Barangay and City permits, BIR permits and tax payments, and Fire and Safety certifications.

Technological Forces

The changing face of technology has played an integral role in the development of the restaurant industry (Journal of Applied Business and Economics vol. 12, 2011, page 72). Technology has an enormous effect on the restaurant industry. Societal trends such as bloggers have launched sites commenting about experiences that they have made recommendations regarding a restaurant. Popular social networking, like Facebook, Youtube and Twitter, can help Melting Pot to be recognized and known to the market with only minimal cost.

Socio-Cultural Forces

The trend toward lifestyle has a strong impact on consumer buying behaviour. The ambivalent nature of Filipinos results to a changing lifestyle. Thus, Filipino customers tend to have ambivalent change in food preferences.

b. Key Factors for Success

Due to intense competition, restaurateurs must look for ways to differentiate their place of business in order to achieve and maintain a competitive advantage.

Melting Pot is a great place to eat. It offers excellent and interesting food that will be an interesting choice for all.

It is a place that has a different look, which is sophisticated and entertaining, compared to its competitors located in the area. The fact that no other restaurants in the area have this concept and atmosphere presents Melting Pot with a window of opportunity and an entrance into a profitable niche in the market.

But having a great menu and an excellent furnished place might not be enough to attract customers and keep the doors open. The following are few key factors in reaching and maintaining success for Melting Pot.

Repeat Business.

Every customer who comes in should want to return, and recommend the restaurant. Word-of-mouth marketing is a powerful ally.

Quality at low cost

The right food, with a price high enough to establish credibility, but not so high as to limit customers.

Unique Brand

Cuisine that customers can't get anywhere else, or an expansive menu that satisfies a large group

Product quality

Not only great food but great service and atmosphere

c. SWOT Analysis

Internal Factor

Strengths:

1. High food quality
2. Good capabilities of management
3. already has existing branches in Kabankalan City and in the Municipality of Binalbagan
4. Customer service excellence
5. Ambience
6. Upscale designs and amenities

Weaknesses:

1. Poor capabilities of staff
2. Dated operation with a stagnant menu
3. Lack of staff manpower
4. Lack of marketing expertise
5. Scheduling during peak seasons
6. Parking and accessibility issues
7. Store hours
8. Increase of suppliers' cost results to higher pricing of products
9. Lack of brand recognition since it's currently in its 3years of operation

External Factor

Opportunities:

1. Ability to expand over service menus
2. Newly formed target markets
3. To provide friendly environment to their customers

Threats

1. High number of restaurants surrounding (strong competition)
2. Possibility of new market entries
3. Economic recession (unpredictable rising cost of electricity and gasoline, and the Philippines' worsening economy)
4. Lower disposable income reduces the frequency of visits. economy brand

d. Market Segmentation

Market Segmentation will enable the business to widen the scope of its target market. The following are the three market segmentations and how they apply

to Melting Pot:

Demographic Segmentation

Demographic segmentation provides the easiest information and allows it to be transferred from one study to another study. The segmentation divided by age, sex, income, education level, type of family, nationality and race. Melting Pot intends to cater a wide customer base. Everyone must feel welcome and entertained. The following are the defined groups as targeted segments that contribute to Melting Pot's growth projections: the business persons/professionals

the destination customer

students

tourists

Psychographic Segmentation

Psychographic segmentation or known as lifestyle segmentation is a complicated segmentation as it demands way of life and social class. Psychographic segmentation gives better answer in describing segments compare to demographic segmentation. These particular market segments are 20-45 years old, have disposable income, and are seeking upscale, trendy, and comfortable restaurant options. These are the types of people who frequent other restaurants and bars in the area. They are likely to spend more on experiences they perceive as unique, cosmopolitan, and

sophisticated. They are also the most open to trying something new, foodwise, and will embrace our international fusion cuisine. Geographic Segmentation

Geographic Segmentation will not be used for Melting Pot as using Demographic and Psychographic segmentation will eventually produce the target market required for increased sales, thus formulating strategies to the desired market.

Marketing Objectives and Goals

Hereunder are the marketing objectives and goals to be established by the Melting Pot: 1. To strengthen local and inbound mass & yuppie market and encourage potential foreign customers to dine in a Filipino Style restaurant

2. To promote and market the restaurant and its products offered

3. To account and spend nominal marketing budget that focuses on existing customers

4. To increase customer frequency of visits and revenues

5. To maintain customer acquisition, retention and development

Marketing Strategy

Melting Pot should consider the following marketing strategy alternatives, to wit: To intensify market penetration, Melting Pot should increase its marketing and promotions such as:

The management should invest directly on their clients. Giving customers freebies that they don't expect. A free or complimentary gift certificates appetizer may do but it doesn't have to be expensive. The snag to this is that

it will be costly and needs a marketing budget yet Melting Pot should consider this as a proven marketing investment that will bring good reputation and new target market.

Display attractive menu boards that have appealing menus and have easy-to-read descriptions of them. This will attract a customer's attention quickly. By keeping everything easy and quick to understand, you'll help customers make fast decisions and encourage them to come back time and again.

Melting Pot should make use of online marketing and mobile marketing to respond to the needs of their target market. Melting Pot should take advantage of the technology by exploiting online. Exploiting online can be cost effective rather than spending large amount of budgets on advertising and public relations.

Building the restaurant with a nice and simple website with visibility on search engines that has an easy way to navigate and find the following information items: Menus with descriptions, prices and photos, ways to make a reservation either online or phone number, contact information, address and directions to the restaurant. A form to leave comments or feedback and posting of updated events or specials and the like.

Implementing the “ special days or happy hour” to make certain days of the week special such as: offering a family discount day with certain dishes at a better rate, capitalize on marketing events that may be happening in city or on television and invite the public to come enjoy some refreshment at the restaurant. The management should look after and review the sales of dishes for the last 6 months to 1 year. The management should eliminate the dishes

and what we do”. Standards must be kept high and execute the concept so that word-of-mouth will be our main marketing force.

Melting Pot must create an appealing and entertaining environment with unbeatable quality at an exceptional price. All menu items are moderately priced for the area. While we are not striving to be the lowest-priced restaurant, we are aiming to be the value leader. Melting Pot is to establish and maintain position with customers. The strategy is to build more customers in order to increase revenue. It must focus on making all our customers happy with our food, service and entertainment options.

c. Preferred Brand Strategy

We will employ 2 different marketing tactics to increase customer awareness of Melting Pot Restaurant.

Word-of-mouth/In-store Marketing

Our most important tactic will be word-of-mouth/in-store marketing. This will be by far the cheapest and most effective of our marketing programs.

Local Media

Newspaper campaign

Placing several large ads throughout the month to deliver our concept to local area

Website

Target marketing to businesses for regular business lunch and dinner entertaining

Direct mail piece

Containing interior pictures of our restaurant, our menu, catering and an explanation of our concept

d. Contingency Plan

The company recognizes that it is subject to both market and industry risks.

The two primary risks to the company are:

Industry concentration risk

The restaurant is part of the food industry businesses. This position of food industry in the Philippines is fairly stable. Since food industry in the Philippines is in its 'boom' stage, more and more establishments sprung out like mushrooms. To have an industry edge among food business, Melting Pot must intensify their marketing and promotions as itemized in the marketing strategy above. Operational risk

Melting Pot recognizes the fact that there is an inherent risk in its operations on poor handling of food that may harm the health of the guests. To reduce the risks, standards to be set by the management pertaining to food handling must be kept high and be executed in first-rate.

Marketing Budget

Staffs should undergo customer service training to be able to provide quality service and every time there's a takeout order flyers should go with it. An individual or group who has qualified experience in Food & beverage or Food industry will be requested by the management to extend a training program to its employees. Flyers should include details regarding Melting Pot's menu

list that would catch the attention of the customers. Word-of-mouth will be achieved if the customers are satisfied with the service rendered to them. Sales will be increased if more customers will be satisfied.

Marketing implementation guide

Since Melting Pot is a small establishment, the marketing implementation guide of the said establishment will be covered for the year 2014 only. 1st to 2nd Quarter of 2014
3rd to 4th Quarter of 2014

Review of the sales of dishes for the last 6 months to 1 year and eliminate the dishes that are on the bottom of sales

Introduce new dishes

Display attractive menu boards that have appealing menus and have easy-to-read descriptions of them

Launching of the website

Training of Staff

Scout for new clients on the neighboring cities of Bacolod

Appendix

Business Profile

Sales Data

Year

Total

Sales

Ave Sales Per Month

2013

Jan to Aug

1, 790

223. 75

2012

Full Year

2, 480

206. 67

2011

Full Year

2, 520

210. 00

2010

May to Dec

1, 850

231. 25

Lean Season

Ave Sales Per Month

Peak Season

Average Sales Per Month

March to May; October

November

170

January to February; December

286