

CHAPTER 9: FOOD AND BEVERAGE MARKETING

**IHH2302 F&B OPERATION AND MANAGEMENT
2-2022**

Objectives

- Understand
 - the essentials of marketing for services
 - the basics of
 - marketing
 - advertising
 - public relations
 - merchandising and
 - promotions for food and beverage operations
 - personal selling and upselling

Additional reading

- Anderson, C. and Blakemore, D. (1991). *Modern Food Service*. Oxford: Linacre House.
- Brown, G. and Hepner, K. (2004). *The waiter's handbook edition 3*.
- Davis, B., Lockwood, A. Pantelidis, I.S. and Alcott, P., (2008). *Food and Beverage Management 4th ed*. London: Elsevier.
- Klunklin, P. *Food and beverage service in the restaurant*.
- Walker, J. R. (2004). *Introduction to hospitality management*.



Marketing concept

- Kotler (2006), marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.
- The use of marketing data to focus on the needs and wants of customers in order to develop marketing strategies which will satisfy the needs of customers and accomplish the goals of the organization.

The marketing of services



The customer is present at the time of both production and service.



The customer is involved in the creation of the service.



The service product is consumed at the point of production.



Services cannot be examined in advance.



Increased contact time between service staff and customers.

The marketing of services (cont.)

Services are perishable.

Service cannot be stored.

Difficulties in quality control.

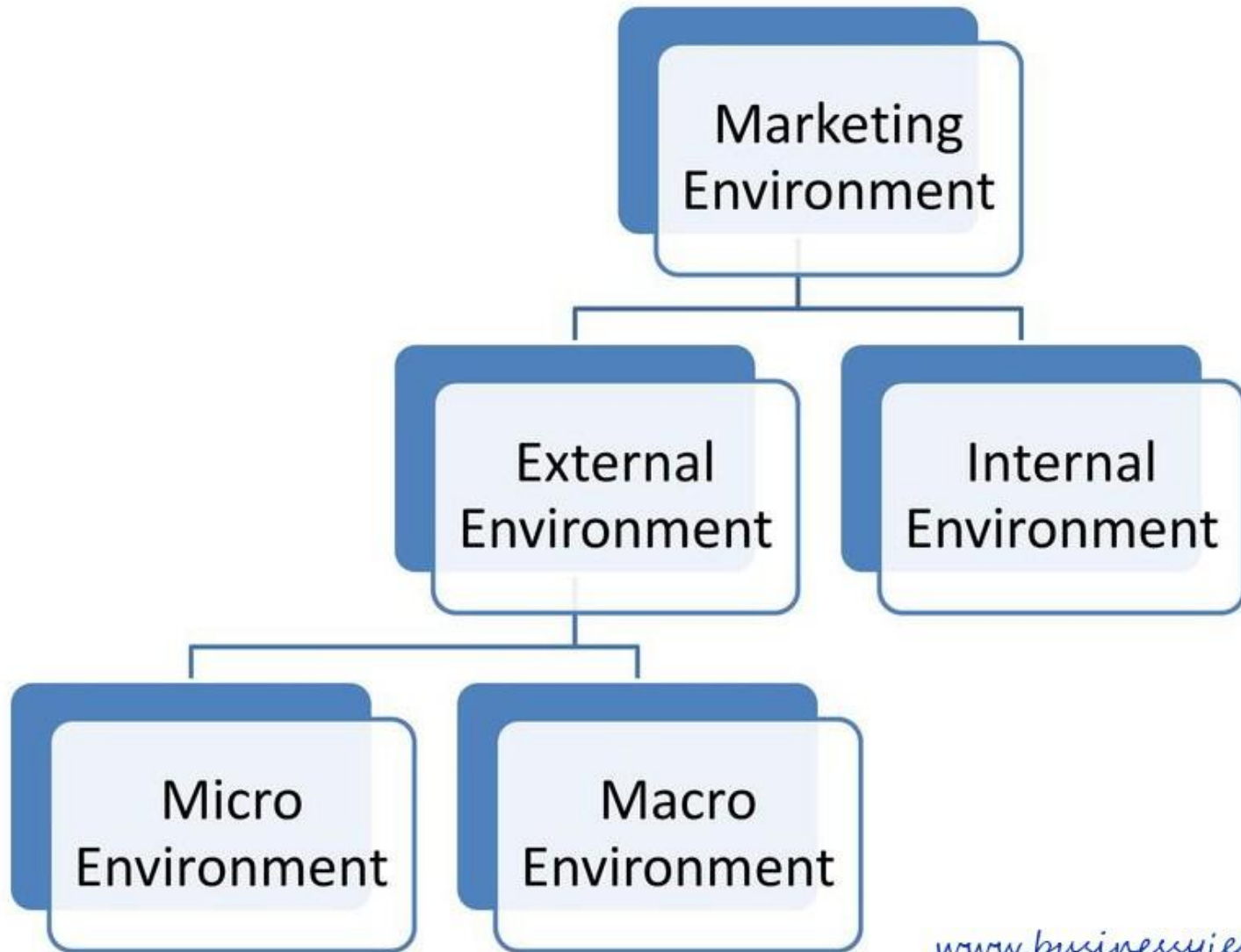
Services have high fixed cost.

Services have an intangible element.

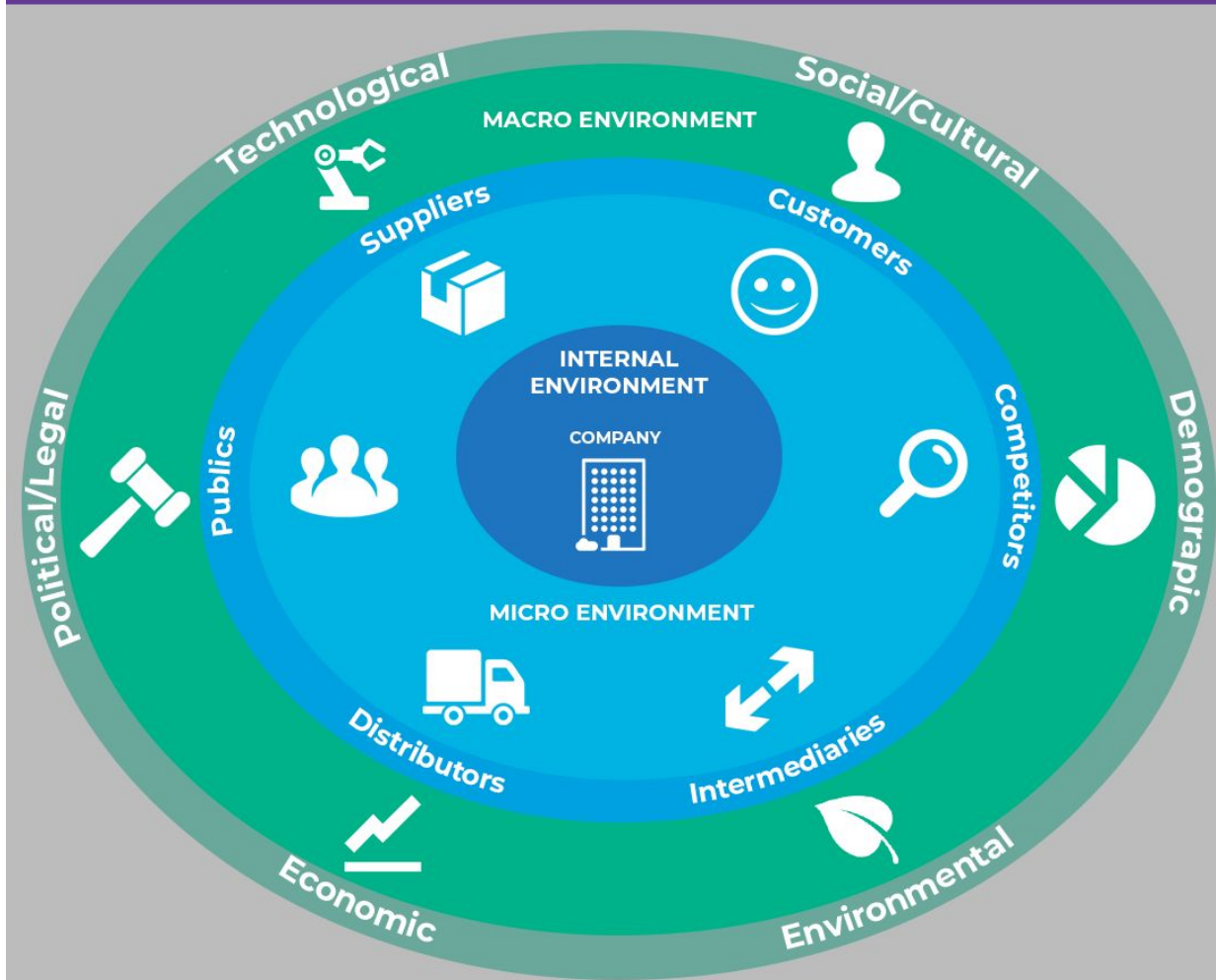
Marketing Environment

Explore internal & external forces that might affect the business & its capacity to operate

From technological to cultural forces to influences such as supplies, customers & competitors



THE MARKETING ENVIRONMENT



The marketing environment



PESTLE

Public, Environment, Social, Technology,
Legal, Economic

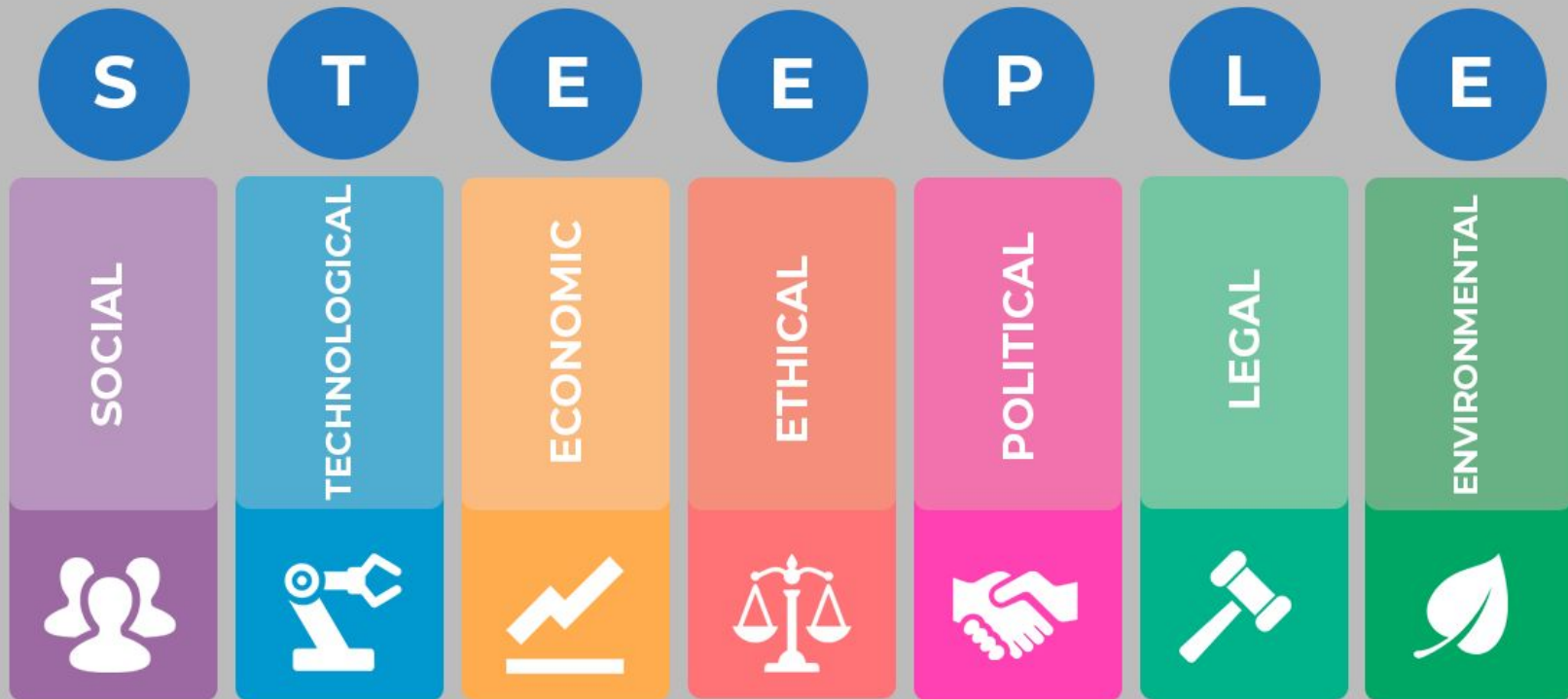


Environment analyzing



Internal and external

STEEPLE Analysis - Extension of PESTEL



Market segment

Geographic

Age group

Socio-economic classification

Income

Family life cycle

Education

Gender

MARKETING MIX

7PS IS A SERVICE MARKETING STRATEGY THAT BUILDS ON MARKETING MIX 4PS BY ADDING PEOPLE PROCESS AND PHYSICAL EVIDENCE, WHICH IS AN IMPORTANT FACTOR FOR SERVICE BUSINESSES.

The 7 Ps of Services Marketing



The product life cycle



The diagram illustrates the product life cycle as a sequence of five horizontal bars, each representing a stage. The bars are stacked vertically and connected by a continuous line on the left side. Each bar has a colored segment on the left and an empty rectangular box on the right, indicating the duration of each stage. The stages are: Introduction (teal), Growth (green), Maturity (dark grey), Decline (light blue-grey), and Reinvent (blue).

Introduction

Growth

Maturity

Decline

Reinvent

Primary information

Secondary information

- Reservations
- Sales records
- Purchasing documents
- Staff meetings
- Government publications and statistics
- Professional trade associations
- Education establishments
- Journal s, newspaper

The brand

Internet marketing

Marketing research

Advertising

Concerned with contacting and informing a market of an operation's product, away from the point of sale and is involve with influencing the customers' behavior and attitude to the product before they enter the service operation.

Advertising channels

- Direct mail & email
- Press advertising
- Broadcasting
- Public relations
- Merchandising
- Sales promotion
- Personal selling/ up-selling/ cross-selling

Criteria of budget for advertising

The nature of the catering operation

The size of the operation

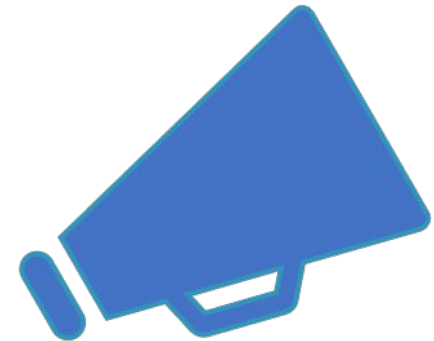
The ownership of the catering of facility

The number and the nature of the market segment requires to be adequately covered

The type advertising to be used

Objectives of advertising

1. To create awareness of the product
2. To create desire for the product
3. To influence customers attitudes to the product
4. To create brand loyalty & persuade customers to buy
5. To persuade customers to visit an operation in preference to a competitors
6. To inform the market about a product
7. To provide reassurance about the product
8. To be ethical



Ads via Direct mail and email

Advantages

- Specific customers can be targeted.
- Direct mail and emailing is easy to introduce.
- The feedback from targeted customers.
- It is a cost-effective method of advertising with little wastage.

Disadvantages

- The mail shots are wastage of money.
- An email can be easily deleted or considered as junk mail.

Press advertising

Newspaper

Magazines

Guides

Trade advertising

Electronic guides and magazines

Radio

Television

Cinema

YouTube

Broadcasting

Public Relations

Public Relations is a communication and information process, either **personal or non-personal**, operating within an organization's internal and external environment.

Merchandising



Merchandising is the art in which the brand or image from one product or service is used to sell another.



For example, McDonald sell toys with their kid's meals



Sales promotion

Sales promotion is a form of temporary incentive highlighting aspects of a product that are not inherent to it.

Sales promotion may be aimed at customers, distribution channels and sales employees.

Personal selling, upselling and cross selling



Personal selling, upselling and cross selling

Personal selling

- Sell the product (sell-force) after meeting face-to-face with customers

Upselling

- Encouraging customer to buy comparable higher-end product than the one in question

Cross selling

- Invite customers to buy related or complementary items

Question?