

Marketing Plan for Fresco 330

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## **Mission Statement**

The goal of Fresco 330 is to disseminate information while educating the public about the benefits of buying and choosing healthy produce, meats, and products, while promoting sustainable living and healthy lifestyles. The firm believes that implementing small fundamental changes in the choices everyday consumers make will have a large impact on the future of healthy families. Fresco 330's offerings will only encompass those products that are made with the highest quality ingredients, produced by means of sound manufacturing processes, and provide superior nutritional benefits.

## **Product Review**

Fresco 330 is a specialized eating establishment that fills a currently vacant niche in downtown Youngstown. At the present time there is no healthy eating option in the campus and central downtown area of Youngstown, Ohio. There are plenty of fast food, low quality eateries, but no establishment that accommodates special dietary needs and desires and that specifically caters to customers with an entirely wholesome menu. Fresco 330 is differentiated from other food services through location, atmosphere, menu, and outstanding customer service.

## **Target Market and Location**

A central downtown location in Youngstown is ideal for Fresco 330's target market. In this location both students at Youngstown State University and working professionals can be serviced without the hassle of traveling out of the way to reach the restaurant. It is in an area of heavy traffic flow, therefore achieving high visibility to the public. YSU students now have the option of eating at an affordable restaurant that does not serve fried, greasy hamburgers and pizza (as many campus eateries do). Fresco 330 serves as an excellent meeting place for downtown employees looking for an enjoyable place to meet for business lunch or after work,

with hours of operation between 10 a.m. and 10 p.m. Fresco 330 provides service for evening students and workers who are otherwise left with minimal food options, as many food establishments close in the early evening. Located nearby the Chevrolet Center, the restaurant is also the perfect gathering place before and after concerts and shows. Friday and Saturday hours will be extended to 3 a.m., perfect for the times when those enjoying the night life with friends would like to hang out and grab a bite to eat.

### Specialized Food Service

In recent years, America has experienced a turn towards more health conscious food choices. People desire to eat a healthy diet; however, busy schedules and lack of healthy food establishments make this desire a difficult reality. Fresco 330 is devised on the basis of providing consumers with the healthy food options they want. All menu items are made from fresh ingredients, devoid of items high in calories, carbohydrates, and fat content. Menu items at Fresco 330 are also affordable and reasonable, unlike most eating establishments attempting to mimic the popularity of healthy eating. Fresco 330 is also sensitive to customers with atypical dietary habits and needs, such as vegetarians and diabetics. Now these customers can easily choose a delicious meal from a menu specifically designed for their nutritional habits.

### Atmosphere

Fresco 330 is an eating establishment designed in a café format. It is a relaxed and comfortable atmosphere, with a bit of an eclectic feel to it. Furnishings and layout are all comfortable with a modern flair. This restaurant is as diverse and assorted as its customers. Along with its healthy menu, one of the highlights of Fresco 330 is the live entertainment. Local musicians and talents will be displayed throughout the week, as well as on the weekends. This

café proudly supports local talent, and believes in participating in the plan to restore Youngstown back into a thriving city.

### Customer Service

Along with providing healthy and delicious menu choices, Fresco 330 believes in providing excellent customer service. All visitors are treated with respect and kindness, and employees are genuinely glad to meet the needs of diners. Employees go above and beyond to ensure that customers are satisfied with their meal and their dining experience as a whole.

Fresco 330 also offers catering services and delivery for customer convenience.

### Situation Analysis

Right now the trend of healthy food choices is starting to rise as is the need for people to eat fast due to lack of time. Over several decades, America has been called a “fast food nation,” and for good reason. Everyday, one out of four Americans eats fast food. If you are eating out, fast food restaurants are often the cheapest option, but unfortunately, not usually a healthy one. Eating just one fast food meal has enough calories, sodium, and fat for an entire day. Fresco 330 will be an answer to this rising problem because the firm will give consumers in Youngstown a healthy convenient and fast option to dining. Right now, Fresco 330 is in the introductory stage in a mature market in relation to the product life cycle because the healthy food restaurant is newly invented in relation to a well established food industry. The restaurant will be filling a current vacant niche in the Youngstown area.

On the positive side, the healthy food market is very easy to advertise because consumers definitely want to know the ingredients; moreover, fresher and more uncommon ingredients usually spark customer’s interest. A downfall to the firm’s key differentiation strategy of employing exotic healthy ingredients is that such resources tend to be more costly than others.

A good starting place for this healthy fast food restaurant would be located by the Chevrolet Centre. This location would be somewhat central to YSU and the downtown business district. In addition, this location would be a key component in the firm's strategy of staying open later and catching the crowd after the events. It would also grant the firm the ability to create somewhat of a night scene in the restaurant and have the possibility of adding a bar area.

The type of restaurant would be considered a fast casual dining restaurant that would feature healthy choices. Although the restaurant is considered a fast food option, a drive-thru window will not exist because it would make it impossible to get the whole experience of what the restaurant has to offer the customer. The restaurant will have a warm and relaxing atmosphere paired with great service.

Competition derives from firms such as Subway, Quiznos, Panera, and other fast casual restaurants that offer healthy food options. Direct competition emerges from healthy and non-healthy restaurants downtown and on the YSU campus.

### **Market Description and Timing for Healthy Alternative**

#### **Consumer**

A lack of confidence in food and drink with 'artificial' ingredients means that more consumers are opting for naturally healthy diets in order to boost wellness levels. One survey says that 55% of people and 61% of women are concerned about the food they eat. Overall, women are more concerned about the Genetically Modified Foods. In addition, another study cites that 25% of all consumers have tried organic foods. Analysts believe that the greater emphasis on maintaining health is driving the demand for foods that are rich in nutrients and minerals, and that the functional food market will continue to witness impressive growth rates as a result.

Research by “Datamonitor analysis estimates that the combined US, Western European, and Asia Pacific functional food and drink market is worth \$72.3 billion, and forecasts that this market will grow at a compound annual growth rate of 5.7% between 2007 and 2012” (Food and Business Review, “Healthy”).

Beyond everyday paranoia, there are a myriad of health problems driving functional food and beverage sales. An aging society is leading to older shoppers seeking out food and beverages that help fight disease and maintain a sense of physical and emotional vitality. In particular, products are being purchased that help reduce the risk of illnesses such as osteoporosis and hypertension.

Younger consumers are also purchasing functional foods and drinks with greater regularity, often as a quick-fix solution. As consumers continue to work longer hours than the generation before them, they are turning to functional products that provide a quick-fix energy boost in order to optimize performance.

Continuous media coverage on food safety scares and product recalls has also left consumers dubious about the safety of foods containing artificial ingredients. Instead, more shoppers are seeking out naturally healthy options.

### Target Market



For our restaurant to succeed we need to narrow down our target market to the downtown Youngstown area. There are approximately 29,000 people that work in downtown Youngstown.

There are over 13,500 students currently attending Youngstown State University. There are several thousand more people that drive through the city on any given weekday. We will be targeting all of these people by using different forms of advertising. We are going to focus a portion of our advertising towards the surrounding banks, offices, courts, police station, fire station, hospital, and other establishments in the immediate area for our lunch crowd. We feel that the people that work in these establishments might be more educated and in turn know that they need to eat healthy.

The various schools downtown that Fresco 330 will be focusing on are YSU, Ursuline High School, North Elementary, Choffin Career and Tech Center, and the Athena School of Excellence. Because of the mission toward the ultimate dining experience, faculty and students will find that Fresco 330's food is not only good for health and tastes great, but is also very affordable with an excellent dining atmosphere. Beyond the classroom setting, St. Elizabeth and the North Side Hospital, employing 9,500 workers collectively, also are potential targets for afternoon lunches. With these targets combined, the total target market for Fresco 330 is roughly 53,500. If the firm can get .005% of the initial target market, there will be approximately 267 people a day stopping in and eating lunch. This gives Fresco 330 a huge potential to expand and grow within the years. With a small percentage of downtown workers and students purchasing lunch, success is greatly increased in the introductory stage.

After expanding in the future, the firm's target evening crowd is going to be split between those people that are heading downtown for a show or game and the people that are going out to dinner in the area and want to eat healthy. Some of these customers may be repeat customers from lunch or they might have been referred through a friend that had a good experience. Some of the main places Fresco 330 will target are: The Chevrolet Center,



Stambaugh Auditorium, Stambaugh Stadium, De Yor Performing Arts Center, and The Butler Art Institute. These places bring in high volumes of people sometime in the tens of thousands and the restaurant will provide them with a great opportunity to grab a healthy dinner before or after the event of the evening.

Finally, Fresco 330's unique menu style will be able to cater to almost any dietary need. This will attract people that might be a little farther down the road from the firm in addition to those working downtown. In addition, this may also attract people going downtown to a hospital and want to grab something to eat but cannot eat fast food for health reasons. Beyond younger workers and students, these particular health issues will attract Baby Boomers who have more money and are willing to pay higher premium prices for healthier food because of such health issues. According to Professor Steven G. Sapp, "a sociologist at Iowa State University who studies consumer food behavior," Baby Boomers are "driving demand for organic food in general, because they're health-conscious and can afford to pay higher prices" (Murphy, "Food"). If the firm can achieve .01% of the total target market, nearly 567 people a day would be served between lunch and dinner.

### Timing

The best time to enter the market would be April 1 in order to gain six months good weather ending in October. With better weather, consumers will take advantage of the convenience of walking to the location for lunch or dinner. By winter, Fresco 330 will have ideally turned people's wants to needs and provided them with excellent delivery service.

### **SWOT ANALYSIS**

Fresco 330 is a very unique health food restaurant that is a brand new restaurant in this industry. Unfortunately, the firm is limited by only acquiring a few strengths or internal

capabilities that can help the company reach its objectives. One of the strengths, the firm as a growing establishment, allows for Fresco 330 to gain market share for several reasons. To illustrate, the firm is new to downtown Youngstown and also the only health food restaurant that offers different options for the customers who have special dietary needs. Next, the second strength, offering a variety of nutritional foods, will attract customers seeking healthier foods as a substitute for greasy fast food. Thirdly, Fresco 330 is centrally located by the target market, which will allow easy access for customers to just stop in for lunch or after work in a relaxing atmosphere.

Unfortunately, since Fresco 330 is a brand new business in this industry, there are several weaknesses or internal elements that interfere with the company's ability to achieve its objectives. One of the weaknesses will be developing a strong relationship with the industries' customers. Another weakness will be to develop a strong brand name. Without a strong brand name, the degree of quality food and service won't matter when customers will continue to bypass the firm for more trusted and well recognized firms. If Fresco 330 wants to remain competitive, strengthening the brand name is of the utmost priority.

The opportunities or external elements that the company may exploit to its advantage are endless. The company will definitely see future growth due to central location within the target market. As a future goal, the evening dining aspect of Fresco 330 will eventually open after an established client base is present. After achieving targeted goals in the area, Fresco 330 will expand outside of the local area.

Threats, current or emerging external elements that may possibly challenge the company's performance, emerging for Fresco 330 are great in number. To illustrate, there are

other established nutritional fast food places in the area which employ highly competitive strategies and strong brand names to win consumers. Despite containing fat and sugars, many fast food restaurants will directly compete because of Americans unwavering in the burger craze. Also, customers may eat a lesser portion, causing decreasing revenues because customers won't eat as much. With smaller portions, a beginning business, such as Fresco 330, will have difficulty surviving with fewer revenues to cover capital costs.

### **Future Growth**

With a substantial projected growth within the first couple of years, Fresco 330 has plans for growth five years in the future. For year one, Fresco 330 wants to establish a solid brand name, establish a customer base, and employ dedicated employees. Year three, the firm would like to have added a generation to our customer base and expand to become a fully operational full-service restaurant. For the fifth year, Fresco 330 would like to expand outside of the service area in a 60 mile radius.

### **Competitors in the Healthy Restaurant Market**

To provide a thorough understanding of the market that this organization is about to enter, a proper evaluation of the competitive environment is absolutely vital. Since the organization is attempting to market a limited-service restaurant during the day and full-service restaurant during the night featuring limited entertainment, definitions of those industries are crucial. First, limited-service restaurants are defined as “establishments primarily engaged in providing food services (except snack and nonalcoholic beverage bars) where patrons generally order or select items and pay before eating. Food and drink may be consumed on premises, taken out, or delivered to the customer's location. Some establishments in this industry may provide these food services in combination with selling alcoholic beverages” (US Census).

Next, a full-service restaurant is defined as “establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e. waiter/waitress service) and pay after eating. These establishments may provide this type of food services to patrons in combination with selling alcoholic beverages, providing carry out services, or presenting live nontheatrical entertainment” (US Census). In 2003, Americans had a “consumption of about \$900 billion in fresh and processed foods...through channels such as supermarkets, corner delis, price clubs, and mass merchants, convenience stores, restaurants, hospitality, and other food service providers” (Murphy, “Food”). Even more importantly, a 2004 poll taken by Harris Interactive found that “1 person in 4 was either ‘extremely concerned’ or ‘very concerned’ about the safety of meat and produce. Almost 2 in 5 Americans (39 percent) believe organic or natural foods are healthier. And 1 in 3 believes they are safer” (Murphy, “Food”).

Because of these fears, many health conscious food businesses have cropped up in the Youngstown area. In 2002, there was a reported 361 full-service restaurants that generated approximately \$275,161,000 in annual sales for the Youngstown-Warren-Boardman Metropolitan area (US Census). In the same year and location, there were a reported 396 limited-service restaurants which generated \$229,381,000 in sales (US Census). Quite clearly, the industry the firm is about to enter is mature, heavily fragmented, and very competitive since food can quite easily be obtained from any local business. Inevitably, the firm faces competition from healthy sandwich restaurants which command “9.5% of the market” such as Subway, Quiznos (“one of the fastest growing restaurant chains”), and Panera Bread (which is “growing at a faster clip than traditional and often more expensive sit-down restaurants”) [Petra, “Piled”]. Typically these restaurants offer prices on healthy sandwiches from \$1.99 to \$5. Also, grocery stores and coffee shops such as Giant Eagle and Dunkin’ Donuts are now adding quick and

healthy sandwiches to their menus. In addition, the organization now faces heavy competition from all the burger joints that are now trying to enter the healthy food market such as Burger King, McDonalds, and Wendy's which collectively "command almost 41%" of the market and pose a considerable threat due to the dollar menu (Pettrak, "Piled").

According to *Snack Food & Wholesale Bakery*, many foodservice operators "are expanding their offerings in an effort to respond to growing demand for fresh-made sandwiches" (Pettrak, "Piled"). Chief marketing officer for Blimpie International, Inc. adds, 'people want something that tastes good, is better for them, is relatively inexpensive and that they can eat on the go' (Pettrak, "Piled"). Also, "tied into perceived healthfulness is the notion of 'fresh' [which can include] nontraditional types of proteins, condiments, toppings and breads used for sandwiches" or, as stated by Annika Stensson of the National Restaurant Association, there are "new emerging tastes of American consumers, which include bolder, more exotic flavors, often influenced by various ethnic cuisines" (Pettrak, "Piled"). Ultimately the consumer's push for more exquisite taste for less is illustrated through the release of McDonald's Spicy Premium Chicken Sandwich, Subway's Chicken Parmesan sandwich, and Quiznos' "combo meal that comes with two Sammies, a medium drink, and either chips, a side salad, or a bowl of soup for \$6" (Associated Press, "Recession").

Through benchmarking the competition as being able to produce cheaper food faster, the organization can differentiate our product through offering a restaurant that is limited-service, fast, and actually healthy, and that, in the future, transforms into a full-service facility equipped with entertainment at night. Although the firm might not preserve the same degree of elegance as Olive Garden, Niccolini's, or even the The Upstairs (restaurants that are catered for individuals with more time and cash) at night, Fresco 330 avoids the stigmas associated with fast

food joints like McDonalds and Burger King and even Subway; moreover, by utilizing the transformation from limited service to full service, the firm ensures competitive advantage in establishing a brand name that services all niches and segments of the quick healthy food industry. Finally, three major goals of the organization to achieve competitive advantage will be to reach out to consumers with special dietary needs, reassure consumers that this organization is dedicated to providing 100% healthy products (as opposed to chains like Subway that claim the food is completely healthy), and provide catering services to those who are not able to pick up their orders in store.

### **Marketing Program**

The four marketing mix components of the Fresco 330 marketing program are outlined below:

#### **Product Strategy**

After a brief overview of the product line, our uniqueness and our distribution strategy will be discussed.

Product Line: Fresco 330 will offer healthy lunch options that will vary in price from \$5 to \$8, and will also offer healthy dinners that will range from \$10 to \$15. Of course all meals will be appropriately proportioned for a healthy serving size. Our Menu is as follows:

#### ***Sandwiches & Wraps***

#### ***All under 200 Calories!***

*~Turkey Cheeseburger with chipotle Mayonnaise*

*Served on a sun-dried tomato bun with mozzarella cheese, lettuce, pickle and onions.*

*~Chicken Fajitas with Crunchy Lime Cabbage and Avocado*

*Avocados help lower cholesterol. Served in wheat tortillas with seasoned cabbage and avocado slices.*

*~Spiced Turkey Empanada*

*Turkey seasoned with a bit of a kick wrapped in dough and baked.*

*~Deli Style Turkey Sandwich*

*Served on wheat pita bread with lettuce, pickle, and onions.*

*~Turkey Wraps*

*Served in whole wheat wraps with lettuce and tomato.*

*~Salmon Bruschetta*

*The Omega-3 in Salmon helps to slow down the onset of dementia and also slows the symptoms of arthritis. Served on wheat crackers.*

### **Soups**

*~Homemade Vegetable Soup*

*Zuchinni, onions, tomatoes, kidney beans, carrots, green beans, peas, celery and garlic bring this soup to life.*

*~Homemade Turkey and Vegetable Soup*

*The same wonderful ingredients in the regular vegetable soup but we've added turkey for the meat lovers!*

*~Fiesta Chicken Soup*

*This soup has a south of the border feel with fresh cilantro and lots of chicken and fresh vegetables.*

*~Chicken and Rice Soup*

*Diced chicken breasts and rice in a low sodium chicken broth*

### **Salads**

*All less than 120 Calories!*

*~Arugula Salad with pomegranate and Toasted Pecans*

*Crisp peppery Arugula provides beta-carotene, vitamin C & E which helps keep cancer cells at bay. Crunchy pomegranate seeds provide a dose of antioxidants, and slightly sweet pecans provide omega-3 oils which serve as an antioxidant as well as provide minerals and proteins. This nutritious salad contributes monosaturated fat (the good kind) and provides a good dose of fiber.*

*~Firecracker Spinach Salad with Orange Sesame Dressing*

*Fresh spinach offers carotenoids that help fend off macular degeneration and also helps reverse the signs of aging, it also includes daikon sprouts, carrots and jicama. These ingredients go perfectly together in this salad.*

*~Arugula and Spinach Salad with Prosciutto and Creamy Mango Dressing*

*This salad of arugula and spinach includes asparagus, mango and prosciutto.*

*~Spinach Salad with Strawberry Champagne Vinaigrette*

*Organic spinach, apples, goat cheese, dried cranberries and toasted walnuts make this salad one you'll never forget.*

*~ Chicken or Shrimp Salad*

*Served on a bed of fresh spinach with tomatoes, egg, cucumbers and onions.*

### ***Dinner Entrees***

***All less Than 500 Calories!***

*~Spinach Stuffed Sole*

*Sole stuffed with spinach, mushrooms, oregano and garlic then sprinkled with low-fat mozzarella.*

*~Chicken Creole*

*Chicken, tomatoes, green peppers, celery, onions, garlic, basil and crushed red pepper combine to give you a great tasting southern favorite with no added fat and very little salt. The onions help to protect against cancer. The garlic helps lower the LDL (the bad) cholesterol, blood pressure, and reduces the risk of stomach and colon cancer.*

*~Scrumptious Meatloaf*

*The normal meatloaf you love minus the fat. Served with steamed potatoes and vegetables.*

*~Oven-Fried Chicken*

*The flavor of fried chicken without the extra fat. Served with steamed potatoes and vegetables.*

*~Seared Wild Salmon with New Potatoes and Dijon Broth*

*A salmon fillet served on a bed of spinach with potatoes in broth. Salmon is a good source of omega-3 fatty acid which reduces the risk of cardiac disease.*

*~Herb-Rubbed Turkey with Roasted-Garlic Gravy*

*Served with steamed potatoes and vegetables.*

*~Chicken Breasts stuffed with Fontina, Artichokes and Sun-Dried Tomatoes*



*Served on a bed of rice. The artichokes contain silymarin which is an antioxidant that helps prevent skin cancer and is also high in fiber which helps control cholesterol.*

### ***Extras***

#### ***All Less Than 100 Calories!***

##### *~Fresh Fruit Smoothie*

*Made with blueberries, orange juice, fresh pineapple and strawberries. Blueberries are packed full of antioxidants.*

##### *~Fresh Fruit cups*

*Choose from Raspberries & Blueberries that provide antioxidants and vitamin C they also help to stall cancer cell growth. Or Cantaloupe & Grapes which provide fiber as well as vitamin C and beta-carotene they are also rich in potassium which helps lower blood pressure.*

##### *~Homestyle Biscuits*

##### *~Cabbage and Tomato Salad*

*Cabbage helps to protect against breast cancer while tomatoes are rich in lycopene which cuts the risk of bladder, stomach and colon cancer in half if eaten daily.*

##### *~Tomato and Cucumber Salad*

### ***Desserts***

#### ***All Less Than 200 Calories!***

##### *~Ginger-Pumpkin Souffle*

*If you like pumpkin pie you'll love this. It's made mostly with egg-whites which is a great source of high-quality protein. And to make it healthier we substitute low-calorie unsweetened soy milk in place of the whole milk.*

##### *~Lemon Gelatin with Raspberries*

*Lemon lovers this is the perfect low-fat dessert for you!*

##### *~Apple Phyllo Strudel*

*Apples, cranberries, amaretti cookies, raspberries and cinnamon make this strudel something to indulge in without feeling guilty.*

##### *~Strawberries and grapes with Mint and Vanilla*

##### *~Banana Nut Bread*

*Bananas and low-fat buttermilk give this classic lower fat content so you can enjoy with no worries.*

*~Apple Coffee Cake*

*Apples and raisins provide the moistness so less oil is used. This is a low saturated fat, low cholesterol and low sodium treat.*

*~Butternut Squash Flan*

*Butternut offers huge amounts of vitamin C and beta-carotene which helps protect against endometrial cancer. This is a wonderful and healthy dessert full of flavor not calories.*

*\*\*Any item on this menu can be prepared to accommodate any special dietary needs!\*\**

### Unique Product Quality

Fresco 330 strives to offer the best quality food at an affordable price. In addition, the firm has taken the time to reformulate every item offered to make sure that it includes ingredients that offer true health benefits to the customers. No matter what the customers choose on the menu, overall well-being is promoted heavily. Fresco 330 uses only fresh organic fruits and vegetables in preparing meals and never serves anything with preservatives or artificial flavors; furthermore, salt has been eliminated from all products and replaced with fresh herbs and spices. All of the menu items offer lower calories, lower sodium, and lower fat than all competitors. In addition, only correct serving sizes are served to customers so that consumers never have to feel guilty about eating all of their meal. Research and development has proven that the ingredients selected for meals at Fresco 330 are helpful in preventing cancer, heart disease, high blood pressure, diabetes, osteoporosis, stroke, macular degeneration, arthritis, dementia, and weight management. The reason for selecting premium ingredients for meals is backed by research that 2 in 5 people believe that natural foods are healthier which will subsequently attract business (Murphy, "Food"). Using this research, a conclusion can be drawn that students, workers, and

Baby Boomers are willing to pay higher premium prices for these products if they maintain the same degree of quickness but add value in the respect of health.

### Place Strategy

Fresco 330 is centrally located in downtown Youngstown close to the Chevrolet Center and will draw from some 53,500 potential customers from the downtown business community, YSU faculty and students, and patrons of the Chevrolet Center. This location ensures that the firm is highly visible to the public and also offers easy accessibility for customers and because it has access to so many potential consumers, it was chosen as the central location. Fresco 330 will offer parking for customers' convenience so they don't have to fight to find public parking or walk out of their way to get to the food they crave.

### Pricing Strategy

One of the four major elements of the marketing mix is price. Pricing is an important issue because it is directly related to the other marketing mix elements and product positioning. Furthermore, pricing is also a critical issue because it has a direct effect on our restaurant's profits. When selecting a price for restaurant products, Fresco 330 needed to keep in mind that price affects the quantity sold. Conversely, quantity sold will often affect the cost. Thus, pricing decisions are considered one of the most important issues because pricing will influence both revenue (sales of restaurant products) and cost (expenses in operating a restaurant: food, salary, rent, utilities, etc.). Since pricing is a very important strategic issue, an understanding of the major steps Fresco 330 took to design a pricing strategy is important. The following steps were used:

- **Design/develop marketing strategy:**

Our restaurant staff performed marketing analysis, segmentation and targeting.

- **Marketing mix decisions:**

Define our product, place of distribution, and all promotional activities.

- **Estimate the demand:**

Quantity demanded will vary with the chosen price.

- **Cost calculation:**

The prices that our restaurant charges will determine the profit margin considering that all costs that are required to operate a restaurant.

- **Environmental issues:**

Pricing must also take into account the competitive and legal environment in which the restaurant operates. For example, Fresco 330 needs to consider competitors such as Panera Bread and Subway which offer high quality healthy food for a medium range price. Setting a price too high or too low would not be beneficial, nor would ignoring the legal constraints related to predatory pricing.

- **Pricing objectives:**

Fresco 330 chose to offer healthy wholesome foods at an affordable price. Because the firm features high quality ingredients, the price will obviously begin with a skimming strategy that raises prices to both give the items a sense of prestige as well as draw revenues from Baby Boomers who have extra cash and are willing to pay premium prices for a sense of buying their health. The important consideration for this strategy is to make sure that the skimming strategy doesn't isolate college students and others unable to afford higher prices; moreover,

the price set should match the image of the product in the sense that consumers should believe they are gaining more health. Luckily, locations on campus and downtown already offer extremely high prices which will allow Fresco 330 to integrate a skimming strategy to effectively. To eventually gain more market share, Fresco 330 will hope to switch to a penetration pricing strategy which lowers costs during year two and three. This objective of lowering prices will be achievable after the operational elements have mastered the restaurant duties and learning curve that often leads to higher prices passed onto the consumer.

- **Determine Pricing:**

Menu selection to range from \$4.00-8.00. Use value-based pricing—what the customer also perceives to be fair based on the increase in value for higher quality ingredients. This restaurant used this pricing strategy to develop prices for its menu and related costs. With a solid product and reasonable price, Fresco 330 will position its image as more prestigious and affordable for the target market.

### Promotion Strategy

A restaurant marketing plan has to cover all of the 4 p's in marketing—product, price, place and promotion. This strategic operational plan needs to be effective for the Restaurant and in the immediate competitive area. In addition, Fresco 330's goal is to be knowledgeable regarding the market, competitions, customers, financial issues, and outside forces that will impact the business. Since the company is a new, local company, there are many tactics that could be utilized; however, the goal is to create images that communicate uniqueness, quality, health, and prestige. To communicate these images, Fresco 330 will employ the following tactics:

1. Sampling---necessary to get consumers a taste of the benefits of Fresco 330's unique tasty ingredients. Fresco 330 will set up a table in Kilcawley presenting some of the products to the public. Mostly it will attract the students at YSU, because Kilcawley is located in the center of YSU. Fresco 330 will have different samples of foods along with a slide show running on a laptop with pictures of the location and some of the fun events coming up. Also, Fresco 330 will show pictures of the different products that are not available to sample.
2. Discount Coupons---will help reinforce the skimming strategy of increasing prices by allowing for students and lower income consumers to experience Fresco 330.
3. Billboards and Flyers----communicates messages outdoors and will reinforce the opening date of April 1<sup>st</sup>. These messages will hopefully draw consumers to the restaurant or at least educate them of the location.
4. Press releases and advertisements that feature local celebrities to build positive exposure for the restaurant. By employing local celebrities, these messages will hopefully connect the product with people that consumers idolize. In addition, Fresco 330 will contact the Jambar, YSU's student newspaper, for a feature interview (similar to the Coney Island Hot Dog Shop interview) in order to generate buzz among YSU students and staff.
5. TV Commercial:

WYTV 33---popular station that many downtown consumers watch. By purchasing a spot, Fresco 330 will hopefully begin spreading the word that a new healthy restaurant is featured. Also, this station frequently has health specials that will help reinforce the importance of eating healthy.

  - Time period: Monday-Friday 6:00pm news
  - Length: 30 seconds spot

- Rate: \$175
- Duration: 12 weeks (3 months)
- Total Cost : \$2100

6. Radio Commercial:

HOT 101---popular radio station listened to by many college students and downtown workers. Workers and students listen to radio stations frequently during a commute and by advertising through this medium, Fresco 330 can draw in those waiting in traffic during lunch and dinner.

- Time period: 6am to 7pm
- Length: 60 seconds
- Rate: \$40-\$50
- Duration: 4 weeks (1month)(air 2 spots per day)
- Total cost: \$2520

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