Elements food group marketing plan

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Elements Food Group Marketing Plan

By

Lacey Murillo

Bachelors of Science in Hospitality Management
California Polytechnic University Pomona
2007

A professional paper submitted in partial
Fulfillment of the requirements for the

Master of Hospitality Administration
William F. Harrah College of Hotel Administration

Graduate College
University of Nevada, Las Vegas
December 2010
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Abstract

Elements Food Group Marketing Plan

by

Lacey Murillo

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This paper provides Elements Food Group with a detailed strategic marketing plan that will assist in increasing revenues and solidify the “Elements” brand within the greater Los Angeles area. Through extensive research into the local history of the Pasadena Playhouse District, the financial history of the Pasadena Playhouse building, and the past failures of the restaurant space attached to the playhouse a marketing plan was developed that provides a thorough analysis and understanding of how Elements Kitchen can increase revenues. Building a strong online marketing brand through multiple outlets paired with a guerilla-style marketing to the surrounding community will assist in the success of the establishment.
Part One

Introduction

Elements Food Group rolled out their fine dining concept Elements Kitchen within the Pasadena Playhouse Courtyard on January 16, 2010. The Pasadena Playhouse District, an area of approximately one square mile, focused on the arts and performances which took place at the historical theatre of California and within the surrounding community. The Pasadena Playhouse also doubled as a school of theatre arts where it was known as a, “Star Factory,” training Gene Hackman, Dustin Hoffman, Charles Bronson, and Sally Struthers (Sims, 2010). The playhouse was known as the beacon of the surrounding artistic community and has housed wonderful plays that have brought huge acclaim such as Babes in Toyland, Mask, and Of Mice and Men. Pogrebin (2010) emphasized that the playhouse has had continuous financial troubles since leaving the watchful creative direction of Gilmor Brown, a traveling actor and producer. Elements Kitchen assumed the restaurant space which has historically failed many hopeful restaurateurs.

Altenberg (1964) discovered that Brown was one of the first to create and mold a community around a theatre as he did in Pasadena. The Fairoaks Playbox and its successors achieved the greatest longevity of any American flexible theatre to date. The Playbox Theatre presented plays for thirty-three seasons, between 1924 and 1959. On February 7, 2010 the playhouse closed its doors for the third time in its ninety three year history and announced that they would be filing for bankruptcy and reorganizing because of financial difficulties. The closing of the playhouse paired with the revolving restaurants within the space adjacent to the building has created a level of uncertainty for the owner and investors of Elements Food Group.
The creation of a marketing plan to combat the uncertain times would be greatly useful for both the owners but also for the surrounding community.

Purpose

The purpose of this paper is to develop a marketing plan for the Elements Food Group’s Kitchen location which is attached to the Pasadena Playhouse. This marketing plan will outline the target market, marketing position, marketing objectives and strategies that will assist in the positive growth of the establishment.

Statement of Problem

Identifying the problems that ailed the past restaurants as well as the failures of the Playhouse would provide Elements with a better understanding of how to approach their future. Defining the problem is one of the most important steps in the research process because the bulk of the research is dependent on finding the one main problem which needs to be solved. Wikipedia (2010) discussed how the Pasadena Playhouse administration adopted a six-play-a-year policy in 1985; this remained unchanged for twenty four years. The restaurants that have occupied the space connected to the playhouse have greatly relied on the playhouse for business. A major issue in regards to the plays shown at the playhouse is the amount of dark times the theatre experiences because of the limited number of features shown there. The theatre was dark three thousand six hundred and forty eight days over the last twenty four years. That accounts to being dark ten out of the last twenty four years. As the Playhouse is reorganizing and will be reopening, proper research must be completed to ensure that Elements Food Group can align their restaurant to meet the needs of their current clientele as well as the patrons of the Pasadena Playhouse.
Objectives

The objective of this paper is to create a marketing plan that will create a symbiotic relationship with the Pasadena Playhouse that will spur business within the surrounding Pasadena Playhouse District.

Justification

Elements Food Group does not understand how to meet the needs of the Pasadena Playhouse patrons because of the theatre’s closure two weeks after the opening of the restaurant. As the playhouse just reopened, Elements Food Group must quickly learn to adapt and meet the needs of their new clientele. A marketing plan that will describe the current economic situation of the Pasadena Playhouse District as well as ways to align the fine dining establishment firmly within the community will be very beneficial to the company. This marketing plan and study on the Pasadena Playhouse District is critical to the local economy within Pasadena and can also provide huge benefits to other theatres with attached hospitality operations. Sales are down significantly across the nation at theatres with attached hospitality operations

Constraints

This study and subsequent marketing plan are contingent on the reopening of the Pasadena Playhouse as scheduled for October as well as the schedule of plays to be performed throughout this season. The research in regards to the surrounding area has been completed through previous research and now that information is being utilized in order to best prepare a marketing plan that has strategies that will enable Elements Kitchen to remain successful within their current location. Elements Kitchen is also combating the current recession and struggling to continue positive growth for both their Café and Kitchen locations. As a result of the recession, Elements Kitchen must now focus on guerilla marketing tactics which will promote business with moderate company spending.
Glossary

*Guerilla Marketing*- Unconventional marketing intended to get maximum results from minimal resources. Coined by Jay Conrad Levinson, guerilla marketing is more about matching wits than matching budgets. Guerilla marketing can be as different from traditional marketing as guerilla warfare is from traditional warfare. Rather than marching their marketing dollars forth like infantry divisions, guerilla marketers snipe away with their marketing resources for maximum impact. (Guerilla Marketing).

*Hospitality Industry*- One of the world’s largest industries and is the second largest employer in the United States (Kotler, Bowen, Makens).

*Marketing*- The art and science of finding, retaining, and growing profitable customers (Kotler, Bowen, Makens).

*Marketing Plan*- A marketing plan is a long-term roadmap of strategic and tactical objectives that result in a positioning of the client company and its products in support of its overall objective (Market Plan Engineering 2010).

*Marketing Research*- is information gathered about the targeted consumer that provides a foundation for building competitive advantage through understanding their perceptions, satisfaction levels, requirements, and expectations (Kotler, Bowen, and Makens).
Part Two

Introduction

In this section a review will be presented of previously researched literature that provides insight into the importance of the creation and implementation of marketing plans for hospitality businesses. This review of literature will focus on the importance of proper research, strategic marketing methods, and the usage of guerilla marketing methods during uncertain economic times.

Literature Review

The use of research through literary articles pertaining to the history of the Pasadena Playhouse District including the restaurant space and theatre paired with the knowledge of the leading industry professionals will assist in the development of a strategic marketing plan for Elements Food Group. Identifying the problems that ailed the past restaurants as well as the failures of the Playhouse would provide Elements with a better understanding of how to approach their future. Defining the problem is one of the most important steps in the research process because the bulk of the research is dependent on finding the one main problem which needs to be solved.

What is a Marketing Plan?

The creation of a marketing plan is a rigorous process that cannot be completed within a day’s work. Often times marketing plans are created out of the traditional office environment and in an atmosphere that is conducive to creative and strategic planning. Marketing plans cannot be created in a vacuum but rather require the research and analysis of internal and external factors. Marketing research is essential to understanding the consumer target market and their requirements, expectations, perceptions, and satisfaction levels. Market Plan Engineering (2010)
states that a marketing plan is a long-term roadmap of strategic and tactical objectives that result in a positioning of the client company and its products in support of its overall objective. The marketing plan does not need to be long, but it must be thoroughly researched and provide direct directions on how to reach your marketing goals.

A marketing plan provides several purposes within any hospitality company; a marketing plan can be a standalone document or be a portion of the business plan. Bitner, V., Gremler, D., Zeithaml, V., (2009) described the marketing plan as a “road map for all of the marketing activities for the upcoming year and it ensures that marketing activities are in agreement with the overall strategic plan of the company”. The textbook, “Marketing for Hospitality and Tourism” (2010) found that the creation of a marketing plan forces marketing managers to review their current marketing actions and think of better ways to strategically market to a larger group while going through each step of the marketing process. Kotler, Bowen, Makens (2010) further argue that marketing plan assist with the budgeting process as resources are matched to marketing objectives and it also creates a standard process so that results can be measured against expected outcomes.

Research and Planning

Feiertag (1995) emphasized that the ten basic principles of hospitality marketing plans highlight main concepts that must be involved are having an in-depth plan and having the participation of managers and owners involved in such efforts. Feiertag (1997) further supported that the concept of marketing plans is to “increase the resources necessary in order to improve business in markets that are profitable.” Marketing plans are created in order to meet the needs multiple markets so that the operation has multiple possible revenue generating markets in which to profit from.
Having an organized plan to assist with marketing efforts would greatly increase profits especially if the leads were organized in a logical fashion of potential clients or investors. Paired with these key principles he notes that understanding public relations and working within profitable market segments will also benefit the company greatly and make their marketing efforts more successful. Andrlic (2010) described such marketing strategies as a “stable and consistent way of creating a symbiotic relationship between the hospitality organization and their environment…This can be accomplished by the establishment by having a marketing calendar and also hosting on-going activities like online marketing promotions, discounts for local businesses, and reaching out to local hotels within the area”. The hospitality organization must understand the market which they are working to penetrate and try to build and work within that environment in order to prosper.

Clearly planning is an integral aspect of creating a successful marketing plan. Small Business Vault (2010) argues that a marketing plan is not complete without clear goals and expectations. “Defining exactly what is desired for the upcoming fiscal year and then planning accordingly will create a stronger company dynamic. Attaining feedback from everyone and identifying what needs to be done and then determining the best manner to gauge your results”. Gauging your results will assist in providing you with information regarding how you are performing and what critical adjustments need to be made based upon your measurements. Efficiency in regards to sales and marketing during difficult times is key as well as utilizing staff in manners that are the highest in revenue generating functions.

Marketing Methods

Birkett (2010) emphasized that “even the brightest of ideas will struggle to be taken seriously if the business plan does not stand up to scrutiny...the more in-depth business plans the
better because it shows that all of the details have been thought out, as most people are writing business plans in order to acquire investors, they should be looking at the plan as a form of road map”. Business plans should also not remain stagnant, new strategies should continue to develop as changes and new developments occur within the surrounding area. As research is an integral portion of a marketing plan, focus should be drawn upon researching new developments within your local community. Discovering how to build cooperative marketing strategies, such as teaming up with others in your community to organize join marketing ventures, and then implementing these strategies. This will prove to be thrifty and reap large benefits during uncertain economic times.

Silver (2001) believed that the concept, food quality, service and economic shifts all factor into a restaurant's success or failure. But if the customer base in a neighborhood is wrong, accessibility is poor or there simply aren't enough people, a restaurant, and no matter how good the food or trendy the ambience won't make it. Travel Agent Magazine (2005) emphasized that promotions must be well put together and targeted to the right group of people at the right time, this can be a very tricky thing to master. Knowing and understanding the target of your promotions is the key to the success of marketing strategy. In agreement with that notion, choosing a target market correctly through proper research ensures that the market has sufficient financial means to dine and enjoy the establishment regularly.

Guerilla Marketing is described as recent way of marketing that looks to receive the maximum results with minimal resources. Entrepreneur (2010) discussed guerrilla marketing tactics as “fervent follow-up, cooperation instead of competition, "you" marketing rather than "me" marketing, dialogues instead of monologues, counting relationships instead of counting
sales, and aiming at individuals instead of groups. This recent style of marketing has increased in popularity as spending has been slashed significantly from marketing plans and those individuals must think outside of their norm in order to produce the most results with the least amount of resources.

*Marketing Challenges: Jinxed Restaurant Locations*

H.G. Parsa argued that the “90 percent failure rate of restaurants within the first year is off base. The rate may actually be around 57 to 61 percent…which is still high, (as cited in the 90% Restaurant First Year Failure-Rate if a Myth). Though the original figure is rejected nu Parsa, the replacement 57 to 61 percent failure rate is alarming and cause for major concern during this uncertain economic time. This further supported the notion of a marketing plan being most important to the overall success of an operation and the planning of their future. The result of having a 57-61 percent failure rate within the first year of operation as a restaurant owner paired with a jinxed restaurant location can raise significant concerns for any restaurant owner.

Sheridan (2000) quoted Anthony Bourdain as he described the difficulty of opening a restaurant in a cursed location majorly reliant on the public as they are unforgiving about certain cursed restaurant locations, some of which—even though they are fabulous—remain doomed for all who follow citing his stance as “the public hates the smell of failure, and the smell of a restaurant failure lingers from incarnation to incarnation”. Bourdain, a chef and restaurateur with over thirty years of experience is unapologetic about his view on jinxed restaurant locations. Walkup (2000) contended that “sometimes all that some of those locations may need is the right operator and right concept…Examples of apparent turnarounds of jinxed locations include Reign in Beverly Hills, Calif.; L’Orange Bleue in New York City's Soho neighborhood; and American Smokehouse in Lake Zurich, Ill., a suburb of Chicago”. Vincent Boitier combated a similar
jinxed restaurant location within the Beverly Hills neighborhood and found success through believing “there are no bad corners just ones that need to have value, good décor, service, and food with them (as cited in Walkup, 2000)”.

**Marketing during Uncertain Economic Times**

Gilbert and Freitag (2009) insisted that during uncertain economic times a marketing plan is “Most imminent and in that research is the main component which is usually overlooked by managers... Managers must remain vigilant in their knowledge of their market but also the local demand in the area and growth such as colleges, convention centers, corporations, and shopping districts located within your local surrounding area”. Changes and growth as noted can significantly alter foot traffic, business traffic, and leisure traffic which will all change the effectiveness of your marketing efforts and should also change how you are marketing to your market.

Linder (2009) found that “Smart business decisions are going to be smart, regardless of the state of the economy. Even though we may have been forced to make some of these decisions as we faced the worst economic environment in our lifetime, it is crucial that we take what we learned…related to service offerings, cost-effective marketing activities and managing inventory and apply it to our plan for growth”. The restructuring of the operation in order to minimize costs and streamline operations will be successful outcomes of overcoming uncertain economic times.

Cornell Hotel and Restaurant Administration Quarterly’s 2005 study by H.G. Parsa, John T. Self, and David Njite (2005) depicted the elements of a successful business and the elements that contribute to the failures of restaurants. The underlying theme of the twelve point list of successes emphasized research and internal organization as key figures to restaurant success as well as to choose the location of your restaurant wisely. The elements of failure list almost
double that of the elements of success. The list cited poor location, emphasizing one aspect of the business over another, and lack of sufficient start up or operating capital as reasons for the failure of many restaurants.
Elements of Success:

1. Have a distinctive concept that has been well researched.
2. Ensure that all decisions make long-term economic sense.
3. Adapt desirable technologies, especially for record keeping and tracking customers.
4. Educate managers through continuing education at trade shows and workshops. An environment that fosters professional growth has better productivity.
5. Effectively and regularly communicate values and objectives to employees. In one instance, new owners credited communication of their values and objectives to their employees as a major element in the successful repositioning of their restaurant to better meet the needs of the growing neighborhood businesses by adding lunch to their dinner-only concept.
6. Maintain a clear vision, mission, and operation strategies, but be willing to amend strategies as the situation changes.
7. Create a cost-conscious culture, which includes stringent record keeping.
8. Focus on one concentrated theme and develop it well.
9. Be willing to make a substantial time commitment both to the restaurant and to family. One successful owner refused to expand his business into lunch periods because he believed that his full-service dinner house was demanding enough from his family.
10. Create and build a positive organization culture through consistent management.
11. Maintain managerial flexibility.
12. Choose the location carefully, although having a good location seems to be more a moderating variable than a mediating (causal) variable in restaurant viability.
Elements of Failure:

1. Lack of documented strategy; only informal or oral communication of mission and vision; lack of organizational culture fostering success characteristics.

2. Inability or unwillingness to establish and formalize operational standards; seat-of-the-pants management.

3. Frequent critical incidents; managing operations by “putting out fires” appears to be a common practice.

4. Focusing on one aspect of the business at the expense of the others.

5. Poor choice of location.

6. Lack of match between restaurant concept and location. A night club failed, for instance, because it opened across the street from a police station. The owners thought that the police station would be a deterrent for potential criminal elements and bar fights, but unfortunately it was also a deterrent for customers, who were afraid of police scrutiny and potential DUI tickets. The club was closed within eighteen months.

7. Lack of sufficient start-up capital or operational capital.

8. Lack of business experience or knowledge of restaurant operations. The owners of a successful night club expanded their business by investing more than $1.5 million in renovating an old bank building for a fine-dining restaurant. With no knowledge of restaurant operations, they opened the restaurant with zero marketing budgets as they relied primarily on free publicity and word of mouth. In less than one year, the restaurant was closed, with more than $5 million in debt. The owners tried to salvage the business by converting it into a night club, but with no success.

9. Poor communication with consumers. One restaurant failed to take off after a major renovation because the owners did not communicate to their clientele their reason for closing or their timetable for reopening. Their customers were long gone by the time they reopened.

10. Negative consumer perception of value; price and product must match.
11. Inability to maintain operational standards, leading to too many service gaps. Poor sanitary standards are almost guaranteed to kill a restaurant.

12. For ethnic restaurants, loss of authenticity; for all restaurants, loss of conceptual integrity.

13. Becoming everything to everyone; failure of differentiation or distinctiveness.

14. Underestimating the competition. A contemporary restaurant located near an established restaurant adjacent to a golf club failed when it could not draw the golfers from their traditional haunts. Owners thought that their new restaurant would have no problem attracting the golfers.

15. Lack of owner commitment due to family demands, such as illness or emotional problems. In an extreme example, a child with a long-term illness prevented an owner from devoting necessary time to the restaurant, which soon closed.

16. Lack of operational performance evaluation systems. In one instance, new owners did not know how to calculate food cost and relied on employees to maintain proper inventory controls.

17. Frequent changes in management and diverse views of the mission, vision, and objectives. In an example that is common in partnerships, the owners of a failed restaurant could not agree on its direction after just one year of operation.

18. Tardy establishment of vision and mission statements of the business; failure to integrate vision and mission into the operation; lack of commitment in management or employee ranks.

19. Failure to maintain management flexibility and innovation.

20. Non-controllable, external factors, such as fires, changing demographic trends, legislation, economy, and social and cultural changes.

21. Entrepreneurial incompetence; inability to operate as or recruit professional managers.
Part Three

Executive Summary

This marketing plan is geared to strengthen the Elements Food Group brand throughout the greater Los Angeles area but focusing on increased visibility within the Pasadena area. The increased exposure of Elements Kitchen and Elements Catering within the Pasadena Playhouse District and virally will increase revenues so that Elements Kitchen can become a permanent fixture within the space.

Elements Food Group was established in 2002 and provided off-site catering services to the surrounding film industry. As the demand for catering increased a store front was opened at 107 S. Fairoaks avenue, at the southern edge of Old Town Pasadena. This marked the beginning of the Café, an increase in catering revenues, as well as a stronger presence within the Pasadena area. Finally Elements Kitchen opened in January of 2010 at 37 South El Molino Avenue attached to the historic Pasadena Playhouse. The opening of Elements Kitchen is the largest growth expansion of the food group as of yet. As Elements Food Group continues to grow, an extensive marketing plan is needed in order to plan and chart the success of the restaurant and strategize on increasing revenues for the future.

The Pasadena Playhouse restaurant space has historically been unable to permanently host a restaurant. Elements must navigate away from the failures of the past restaurateurs in order to become a permanent resident within the Pasadena Playhouse District. The addition of a permanent fine dining restaurant attached to the Pasadena Playhouse will provide additional foot traffic and increase sales for the entire district. Elements Food Group looks to increase revenues in both the catering and the kitchen sector by implementing strategic guerilla marketing methods.
Through aggressive marketing efforts to the surrounding business district Elements Food Group looks to increase sales, guest count, and check averages, while strengthening their brand within the greater Los Angeles area. Elements Food Group will utilize their partnerships with other Pasadena Playhouse District businesses to build a successful marketing strategy.

The restaurants that have occupied the space connected to the playhouse have greatly relied on the playhouse for business even to the degree of only being opened before, during, and after productions. Elements Kitchen must develop a strategic marketing plan that will align themselves in partnership with the Pasadena Playhouse while also building their exposure and brand as an independent fine dining destination restaurant.

*Background*

Elements Food Group, LLC. is comprised of a full-service catering, café, and fine dining restaurant located in Pasadena, CA. Elements Catering began in February 2005, with the café opening in late November 2005. These two branches operated for over four years before owner Onil Chibas saw potential for growth. With the opportunity to fill a distinct dining niche, coupled with a favorable location near the Pasadena Playhouse, owner Onil Chibas opened up a fine-dining establishment, Elements Kitchen, in January 2010.

*Historical Information*

Richard Lackey (1996) validated the importance of research as both a fledgling new restaurant, and an expanding establishment, by stating that if you're an existing operation looking to expand, you have to know if your food has legs. If you're a new operation, you have to know if you have something the market wants. And in both cases, there's only one way to know: Do your homework. The internal records of the Pasadena Playhouse as well as the information gathered from similar theatre spaces through-out the United States were most useful in
determining how to increase the revenues for the local community. Understanding the successes and failures of both the Pasadena Playhouse as well as other similar theatre spaces will enable changes to be made based upon relevant information. The Pasadena Playhouse patrons have historically frequented the adjoining restaurant but this alone has not provided enough business for the restaurants to maintain themselves successfully within the space. A majority of the restaurants that have occupied the space from 1985 through present have greatly depended on the playhouse so much that the restaurant would not be open if a play was not in session. A major issue in regards to the plays shown at the playhouse is the amount of dark times the theatre experiences because of the limited number of features shown there. Within the last twenty four years the playhouse was dark for ten years.

Assembling the playhouse similar to the Cleveland Playhouse would increase revenues for the Pasadena Playhouse, Elements Kitchen, and the surrounding district. This would provide a lucrative future for both businesses as they would operate independently but share a common goal to maintain a positive position within the surrounding community.

*Environmental Analysis*

*External*

Elements Kitchen could not control the closure of the Pasadena Playhouse or the recent recession and closure of other establishments within the surrounding area such as Bird’s Nest Antique Furniture, Famima, or Portera imported fine woodwork. The closure of these businesses has negatively affected the foot traffic within the surrounding area of Elements Kitchen.

*Competitors:*

Elements Kitchen local competitors are other fine dining restaurants within the surrounding area. These restaurants include The Raymond Restaurant, Gale’s Italian Kitchen,
Ruth’s Chris Steakhouse, Villa Sorriso and Roy’s. All of these establishments are the higher end restaurants within the Pasadena Area (Discover Our Town 2009). These restaurants are in competition with Elements Kitchen because of they all have a solid reputation throughout the San Gabriel Valley. These establishments have over five years within their current restaurant spaces or have corporate publicity and financial backing. Elements Kitchen is unique in that it is not a chain restaurant; the menu is seasonal and mixes flavors found in many different cultures into one dish. The Raymond Restaurant in Pasadena is the most similar in providing the ambiance and experience that Elements strives to give each guest. The Raymond Restaurant boasts 1886, a cocktail bar that specializes in contemporary cocktails made with fresh fruit juices, house-made infusions of both spirits and syrups as well as Japanese, London and American styles of bartending (L.A.Weekly). These establishments are within the local community and have a strong following of regular customers.

**Economic**

Elements Kitchen is located in an area which was affected by the recession but has recently seen much growth within the surrounding community. The reopening of the Pasadena Playhouse paired with the opening of a wine bar on the same block will assist in bringing additional foot traffic. These new additions to the community will foster in making the district a destination dining and after hours spot.

**Political/legal**

Elements Kitchen is attached to the beacon of an entire district in Pasadena. The Pasadena Playhouse is the California State Theatre and a significant aspect of the Performing Arts history of the greater Los Angeles area (Cummings 1986). The recent fundraising efforts by the Pasadena Playhouse and the recent resurgence have created a higher demand for the attached
restaurant space to succeed (Pasadena Playhouse 2010). As a result Elements Food Group should look to the donors of the Pasadena Playhouse for assistance with investors so that they can maintain within their current restaurant space.

Technological

There is a well known understanding within the community that the space attached to the Pasadena Playhouse rotates restaurants consistently every few years. Erica Wayne (2010) described one of the most disappointing aspect to their years-long tie to the Playhouse is the fact that none of the eateries that have occupied the neighboring space seem to rise and fall almost as frequently as the curtain on the plays performed within the playhouse. Wayne cited that none of the restaurants that have occupied the space have been worth dining at in the first place. This negative public knowledge of the space makes the success of Elements much more difficult. Especially as the Pasadena Playhouse and the space was virtually empty besides a few small shows during a few months of the eight month closure.

Changing the public perception of the space and increasing public knowledge of the offerings of the restaurant will combat this negative press. Blogs and internet articles are a great way to receive insight into the public perception of the playhouse but overall this information should be now focused on the resurgence of the playhouse. The usage of marketing via the internet in order to increase business to the restaurant will continue to be successful and with additional time and funding invested into this portion of marketing can only increase sales and guests counts for the company.
Internal:

Target Markets:

Pasadena playhouse patrons, local art community, local business owners, business persons, culinary, fine wine, and cocktail and fine spirit minded individuals. Elements Food Group target market is the greater Los Angeles area with key focus on the Pasadena area, specifically the theatre arts and Pasadena Playhouse District. Elements Food Group looks to attract diners from the greater Los Angeles area by being categorized as a destination fine dining restaurant. Elements Kitchen is within close proximity to three theatres as well as shopping and many local museums and attractions. Elements Kitchen looks to increase revenue by capturing this market and introducing them to the food, drinks, and ambiance which the space offers.

Upon looking through the internal company records it can be seen that a major issue with the restaurant space is partly the dependence of the restaurant on the playhouse for guests, but also the lack of care put into the amount and quality of programs shown at the space. This internal information is greatly helpful because it shows that over the course of almost three decades the space has not been successful and changing the business plan at Elements can help to bring success to the space. Irene Verbilia (2010) reviewed Elements Kitchen and remarked on the history of the jinxed restaurant space as other restaurants have foundered, she is confident that Elements Kitchen will prove successful.

Geographic

Elements Kitchen is tucked away on El Molino – a small side street off of Colorado Blvd. This location is located in the heart of the playhouse district just over a half a mile away from the bustling Old Towne district. The establishment is located within the Pasadena Playhouse
structure and shares walls with the Pasadena Playhouse and attached theatre. This map provides insight into the area which the district encompasses and the proximity to many fine attractions.

Figure 3. From "Playhouse Playhouse District Map," 2008, Pasadena Playhouse District

Demographic

Elements Kitchen’s target market is the late twenties to late forties age demographic. Elements caters to the business professional and those involved within the local arts community by providing arts exhibit and support for the various art expose’s. Elements Kitchen has a fairly wide target market because of the lounge and restaurant. The lounge caters to a younger crowd interested in fine wine and spirits, the Los Angeles cocktail culture, and non-traditional bar bites. The bar menu features moderately priced small and larger bites as well as a cocktail hour during traditional hours as well as late night.

The creation of “Sketches,” and “Liquid Sketches,” on Wednesday and Thursday nights is marketed to the younger age range as the internet is the main vehicle behind the publicizing of the special ingredients. Sketches are tapas style portions highlighting one main ingredient or cocktails highlighting one main ingredient. These are priced at just five dollars. Elements
Kitchen looks to attract guests looking for a special occasion, brunch, business lunch as well as an after-hours spot.

*Psychographic*

The internal environmental analysis details the psychographic makeup of the Elements Kitchen target market. The lifestyles, values, interests, and personality of the target group are discussed below.

- **Upper to Middle Class Individuals:** This is the largest market for Elements Kitchen as a result of the expansive offerings that are available for this group. The pricing of the menu is on the higher side so the usage of Elements Kitchen is a special destination for many diners.

- **Professionals and Businessmen:** This is a good sized for corporate events of business dinners and lunches are a large market within this range. The menu is eclectic and the noise level is low enough to have a business luncheon and there is

- **Couples:** The space is romantic and the atmosphere of the restaurant is pleasing and relaxing offering dining both indoors and outdoors with soft lighting and candles.

*Market Position*

Elements Kitchen looks to align themselves alongside the fine dining restaurants within the greater Los Angeles area. Elements Kitchen looks to stand out from other establishments through their expansive and cutting-edge new American cuisine menu, Zagat rated award winning wine list, exceptional Lounge and pre-prohibition era cocktails.

*Intangible*

The intangible offerings of Elements Kitchen is that it provides a warm and inviting atmosphere for theatre patrons and the local Pasadena Arts Community to mingle and enjoy
before or after the events, movies, and plays within the surrounding area. The lounge space offers a relaxing but vivacious vibe through an eclectic mix of music as well as a DJ every Saturday night.

_Tangible_

The space offers guests with a fine dining experience and a wonderful way to begin or end a night spent at the Pasadena Playhouse or local theatres. Elements Kitchen also provides event space for meetings, and catering. Elements Kitchen operates to-go food services, on and off-site catering, brunch, lunch, pre-prohibition era classic cocktails, wine paired seven course dinners, and special tapas style menus that change weekly.

_Positioning Statement_

Elements Food Group provides their guests with a unique worldly fine dining and imbibing experience paired with a visually pleasing aesthetic. Elements Kitchen offers an eclectic menu featuring new American cuisine, an award winning wine list, and a whimsical cocktail list.

_Environmental Scanning_

The environmental scanning of Elements Kitchen details the SWOT analysis of the establishment. This analysis assists in organizing the successes and failures of Elements Kitchen while also providing information on the opportunities for the kitchen to prosper and any possible threats.

_Strengths_

- The Elements Food Group has a positive image within the local community
- Elements Kitchen has been featured in a variety of press pieces as a result of their attachment to the Pasadena Playhouse space
• Elements Kitchen has a strong following of loyal guests who frequent the establishment frequently and are

Weaknesses

• Elements Kitchen is located within a restaurant location which has a history of failures. This is considered a “curse” within the hospitality world and as a result can negatively affect business.

• Elements Food Group is a three-pronged business that requires significant financing. As the company is just beginning to grow, there is not a large budget for marketing efforts.

Opportunities

• Capturing of the local theatre crowd of the Pasadena Playhouse will provide Elements Kitchen with an additional market in which to succeed.

• Providing catering services for the Pasadena Playhouse and the events hosted by the theatre can increase revenues.

Threats

• The closure of the Pasadena Playhouse for the nine months created a high level of uncertainty for the theatre and Elements Kitchen as the recession has made others skeptical of their ability to overcome.

Marketing Objective

The marketing objectives within the marketing plan for Elements Kitchen detail the desired outcomes based upon the implementation of the marketing strategies.

• Increase guest count and guest check average during lunch, brunch, and dinner shifts by twenty percent on Sundays, Tuesdays, Wednesday, and Thursday nights through marketing efforts to the local business community located on South Lake Avenue within
the Financial District. The marketing efforts will also target the new apartment complexes along East Colorado Boulevard within the Pasadena Playhouse District and the Old Town Pasadena Area. Results will be measured against the average guest count and guest check average of each individual day averaged together.

- Increase the sales and total revenues for Elements Kitchen and Elements Catering by twenty percent in comparison with the average total sales and total revenue for the year. This will be completed through aggressive viral marketing efforts and joint marketing efforts with businesses within the Pasadena Playhouse district. Sales and total revenues for Elements Catering will be compared to the sales and revenues for the same month the year prior. Elements Kitchen’s total revenues and total sales for each individual day of operation will be averaged together and compared with the sales on that individual day.

- Strengthen the brand image of Elements Food Group through increasing involvement within the culinary, wine, and cocktail industries. This will be created through the joining of the bar staff to the United States Bar Guild Southern California Chapter (U.S.B.S.C.C.) and The Sporting Life Group which assist in increasing bar volume through networking activities with other hospitality professionals. The increase of wine and culinary sponsored events at Elements Kitchen such as partnership food events with the recently opened Monopole Wine Bar. These will be measured through the comparison of wine and food sales after partnership events with Monopole Wine Bar as well as through measuring cocktail sales within the Elements Lounge.

**Marketing Strategy**

This section details the strategies which Elements Food Group will implement in order to meet the target market.
Identification of Target Market

- **Upper to Middle Class Individuals:** This is the largest market for Elements Kitchen as a result of the expansive offerings that are available for this group. The pricing of the menu is on the higher side so the usage of Elements Kitchen is a special destination for many diners.

- **Professionals and Businessmen:** This is a good sized market for corporate events of business dinners and lunches are a large market within this range. The menu is eclectic and the noise level is low enough to have a business luncheon and there is

- **Couples:** The space is romantic and the atmosphere of the restaurant is pleasing and relaxing offering dining both indoors and outdoors with soft lighting and candles.

Product Strategy

The product strategy will be three-pronged to ensure Elements Food Group meets the needs of the entire target market. The late night happy-hour will include food as well as cocktails which are priced at in order to meet the younger target market which can be more sensitive to spending. This late night cocktail hour will be promoted to the U.S.B.S.C.C. as well as The Sporting Life members because of their reach to build a large market through reaching other industry professionals. This late night happy hour will run continuously throughout the year and be publicized through Slife Public Relations as well as the Elements Lounge Facebook and Twitter Page. The usage of the internet and the publicizing of the promotion for communities located online will be greatly useful and another guerilla marketing strategy.

The increased promotion of wine dinners will be rolled out by Slife Public Relations. Slife Public Relations is a boutique agency that utilizes a “hands on approach” to reaching consumers. Slife is the public relations company of Monopole wine shop as well; this will assist in reaching the target market of Monopole wine shop and foster the partnership between
Elements Food Group and Monopole wine shop. Wine dinners will occur every two months and be publicized jointly through Monopole wine shop as well as Elements Kitchen. The usage of social media marketing will be a strong force behind this strategy as it is dependent on Guerrilla Marketing tactics.

*Increase Online Exposure*

Currently, Elements Kitchen has both a Facebook and Twitter account. Elements Kitchen has the majority of their reservations taken on Open Table and they also are featured on many online publications and online dining review websites. An increased effort had been made to utilize this vehicle in order to provide a stronger web presence for potential guests. This has resulted in more followers, page visits, and comments. The website is currently in the process of being updated to include photos, an event calendar, and live video to help create a more visually appealing and user friendly page.

The increased usage of the internet in order to reach a broader target market will begin firstly by the creation of a Facebook and Twitter account for Elements Café and Elements Catering to enhance their exposure. This will provide a three-prong viral marketing effort to reach a broader market and also make our current Elements Kitchen guests more aware of the additional services and locations we provide.

*Refine Meta Tags and Search Engine Capabilities*

According to Business Insider (2010), Google captured 66.3% of the explicit core U.S. search market in October, 2010. Yahoo makes up a 16.5 share, down from 16.7 in September and Bing rounding out the group with an 11.5% share, up from 11.5%. Clearly it is vital that all divisions of Elements Food Group are prominently displayed when relevant searches are conducted on Google. Google being the major search engine within the United States has mobile
applications and has continuously invested in improving their technologies. This is accomplished through Meta tags that allow Elements to appear on the first page for a variety of searches including (but not limited to): ‘Pasadena fine dining’, ‘Pasadena brunch’, ‘Pasadena lunch’, ‘Pasadena cocktails’, and ‘Pasadena catering’. The creation of relevant Meta tags for all divisions of Elements Food Group will create a stronger online presence on searches conducted on less popular search engine sites including: Yahoo!, Bing, Ask, etc…as well as Google.

Create Separate Identity for Elements Lounge

The cocktail program is currently being updated to adjust the lounge vibe and bring it up to speed with the new advancements within the cocktail community of Los Angeles. This new program will be marketed virally through the usage of Facebook.com and Twitter.com and will also be covered by the blogs, online news sources, and the greater cocktail community. This will provide an increase of press for Elements and also broaden their target market of guests looking for fine cocktail bars. The creation of individual pages and recognition for the bar program will assist in reaching a farther target market.

Increased Magazine Editorials and Advertisements

Pasadena Scene Magazine features food, fashion, entertainment, and culture. This features a full color ad highlighting Elements Kitchen as a destination for lunch as well as the Elements Lounge (Lambert 2010). The advertisement is reserved for a far forward, right hand read placement for $100 in gift cards. This is a soft cost and probably will end up costing us between twenty-five dollars and thirty five dollars depending on how the gift card is used within the restaurant. Scene magazine targets the young professional demographic and is distributed throughout the Pasadena community. It has a circulation of 15,000 - and based on "hard dollars" our CPM is roughly $1.67.
*Where Magazine* is a traveling guide that will feature a full-page editorial feature on Elements Kitchen that will run for three months. This was also bought at a remnant rate for $1,800 for all three months. *Where Magazine* is distributed to all major hotels and concierge services in Los Angeles and boasts a circulation of 55,000 per month with a readership of 300,000 (Epstein 2010). This was a great chance to enhance our exposure considering the high readership, a CPM of $3.33 and relevant editorial featuring the Rose Bowl in January and annual dining issue slated for February. Additionally, by signing up we are included in their weekly e-blast and given a contact list of all concierges in the Los Angeles area who we can reach out to during the Rose Bowl in January. *Where Magazine* is distributed to the guests of 149 luxury hotels in LA - including the following prominent Pasadena Hotels:

- Courtyard by Marriott Pasadena

- Hilton Los Angeles North Glendale

- Hilton Pasadena

- Sheraton Pasadena

- The Langham Huntington Hotel & Spa, Pasadena

- The Westin Pasadena (Epstein 2010)

*Time Frame*

The online promotional strategy will continue through the year and the creation of a stronger viral dominance will be rolled out by December 15th in order to increase sales during the holiday season.
Promotional Strategy

The strategy behind these marketing efforts is to increase guest count and revenue for Elements Kitchen by increasing the awareness of the establishment throughout the community. Having a stronger presence within the greater Los Angeles area will assist in making Elements Kitchen a permanent fixture of the Pasadena Playhouse District.

The Elements Food Group brand has been a staple within the Pasadena community for the past five years. Through the presence of Elements Catering and Elements Café, Elements Kitchen has benefited from immediate brand recognition. Additionally, with the re-opening of the Pasadena Playhouse, the Kitchen has seen an increase in both traffic and media exposure – creating a 12.5% increase in gross revenue. It is now of paramount importance to continue to promote the Elements brand, particularly Elements Kitchen, in order to ensure continued success.

With limited dollars available, marketing efforts will center on a grassroots approach designed to increase our awareness within the Pasadena community. This approach will center around three key marketing initiatives: 1) enhancing online exposure 2) reaching out to local businesses, charities, and organizations 3) increased cross-promotional efforts.

Distribution Strategy

Social media plays a crucial role in helping to build exposure for a business. Based on research conducted through the e-commerce website Econsultancy, Twitter has 75 million accounts while Facebook boasts 350 million accounts – with each user averaging 130 friends. The website Open Table has become a popular tool to find restaurants and make reservations. Currently, Open Table seats 4 million diners a month with 291,000 individuals in the Los Angeles area electing to opt-in to their weekly emails. The company recently launched a new
promotion entitled ‘Open Table Spotlight’ – a weekly promotion offering $50 gift cards for $25. This incentive is available for one week and afterwards the restaurant and Open Table receive $12.50 per gift card sold. The ‘Open Table Spotlight’ will continue throughout the month of January.

Over the past few months increased efforts have been made to enhance our online exposure through better search engine optimization, an active role on social networking sites such as Twitter and Facebook, and partnering with the popular website “OpenTable.”

In the first eight months of opening, little was done by way of search engine optimization. In conducting a search on Google, the listing of Elements Kitchen would appear at two addresses (one address was correct and the other address was for the Café). This not only caused a decrease in impressions and CTR, but more importantly caused confusion for potential visitors to Elements Café or Kitchen. Recently, this problem has been rectified and has resulted in an increase of 4,811 impressions for the Kitchen and 7,458 impressions for the Café. Search engine optimization will continue as Elements Kitchen begins to target their desired market and begin an aggressive marketing strategy. Search engine optimization updates will be completed every month during the last week of the month by marketing director Erik Griswold and will then consequently be addressed during the first Tuesday manager meeting of every month to ensure that updates have been made to refine the social media marketing strategies, including search engine optimization.

**Evaluation and Control**

These promotions will be evaluated by the Marketing Director Erik Griswold and General Manager Chris Dixon. They will relay information to Kara Clark, the publicist for Elements Kitchen in order to continue publicizing and building the Elements Food Group Brand.
Weekly meetings in which the results of the advertisements as well as the figures for check averages, guest counts, and sales will be discussed and compared to the figures from last year.

Promotional Strategies

The Promotional strategies which Elements Food Group will offer will be greatly reliant on social media marketing and guerrilla marketing strategies. Social media marketing strategies have proven to be very successful for Elements Kitchen and will continue to concentrate Elements target market.

Online Promotional Strategy

Elements Food Group recently launched a new promotion entitled ‘Open Table Spotlight” – a weekly promotion offering $50 gift cards for $25. This incentive is available for one week and afterwards the restaurant and Open Table receive $12.50 per gift card sold. This online promotion is appealing to Elements Kitchen more a multitude of reasons. First, the average Open Table user is 42 years of age with an annual household income of $138,000. Secondly, Open Table Spotlight only selects independently owned restaurants who have received critical acclaim from their users (recent establishments featured include Jar, The Penthouse Restaurant, STK, and Eva). All restaurants highlighted fit the upscale, fine dining model that attracts a level of consumer that is consistent with our target market. Third, individuals who come in tend to spend roughly $40 more on dinner that what’s covered by the gift card – thus, Elements Kitchen would still stand to profit. Finally, the offer would be promoted in January 2011 – a primarily slow time for the restaurant industry. This promotion would allow us to attract our target market into the restaurant, promote our one year anniversary, and keep us top of mind for individuals looking for a fine dining experience in Pasadena.
Promotional Partnership with Pasadena Playhouse

Vernell Hackett (1998) discussed his strategic plan of keeping the Palmdale Playhouse active within the community during slow seasons. The Palmdale Playhouse utilizes their space during slow seasons to help boost interest in theatre arts within the local community while also providing a space for summer activities and camps for children. This assists with giving with the surrounding community a space for summer activities and also helps the playhouse remain relevant and in the forefront of the minds of the local community. This is a wonderful way to promote the space to the parents of children and maintain a solid place within the community. Utilizing a variety of groups within the playhouse district will assist with the revamping and reopening of the entire district. The Pasadena Playhouse can once again be the beacon of arts within the San Gabriel Valley.

Similar playhouses have had success within their surrounding arts communities or districts through refurbishments to the playhouse or attached restaurants. Cleveland, Ohio has recently refurbished their space which includes a $4.1 million investment into new restaurant space and facilities. They also began utilizing some of the theatre space for events rather than plays and utilized the new restaurant for catering efforts, (Foodservice Director 1998). Working together rather than being codependent has proven to be successful for the Playhouse as well as the restaurant. Increasing revenues can be seen because the Playhouse has been able to double their market through providing ample meeting space as well as theatrical space along with a catering program. Offering patrons of the Pasadena Playhouse the option to purchase a three course prix-fix menu at Elements Kitchen prior to their meal or as a holiday gift package will increase awareness of the Restaurant. Patrons of the Pasadena Playhouse, Laemmle
Theatre, and the Cary Hamilton second stage will receive a ten percent discount on their total bill at Elements Lounge by showing your ticket stub for the night.

_Evaluation, Budget, Control_

Elements Kitchen will be evaluated three months after the implementation of the marketing plan to assess the alterations which need to be made to the marketing tactics that were set in place. I will head up this evaluation through analyzing the changes in sales, guest count, guest check average, and the brand strength of Elements Kitchen. The result of the economic recession has affected Elements Kitchen and as a result, the majority of marketing strategies have become dependent on social marketing and guerrilla marketing tactics because of the low cost these charge Elements Food Group.

_Consideration_

The reopening of the Playhouse featured Ed Asner in FDR. As this occurred, Elements created a stir within the surrounding Los Angeles area and created their independence from the Pasadena Playhouse. Pasadena Weekly staff members who are also season ticket holders to the Pasadena Playhouse remarked on feelings of abandonment but they also viewed Elements Kitchen as a little bit of sunshine, having one of the most innovative kitchens in the surrounding communities. This paired with the expertise of Sheldon Epps (Hayes 1999), a Los Angeles native who overtook the creative direction of the theatre, will bring success. Epps is well aware of the venerable past of the playhouse and states that history can inspire you—but not sustain you—a theatre’s reputation is based on what’s doing at eight o’clock. The reopening of the Playhouse paired with the independent success of Elements Kitchen should prove successful in reviving the entire Pasadena Playhouse District.
References


