Marketing Project Paper

Lindsey Fox

Haruka Fukuoka

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3. **Executive Summary**

This business plan introduces our new seasonal cocktail, Warm Gingerbread Eggnog. It will be served as one of the specialty cocktails at Thoroughbred Club at Belmond Charleston Place Hotel. By adding the cocktail to the menu, our goal is to give greater exposure to specialty cocktails on Thoroughbred Club menu and thus bring in more new and regular guests. With Charleston's growing economy and the fact that people consume more alcoholic beverages on vacation and during holiday seasons, we expect our plan to be a great success. Our seasonal cocktail will bring warmth and the joy of the holiday season to our guests.

4. **Key Focus**



   a. **Product Offered:** *Warm Gingerbread Eggnog.* House infused cinnamon and vanilla Tennessee whiskey with warm vanilla spiced eggnog, a gingerbread rim and whipped cream.
   b. **Price:** $15.00
   c. **Place:** Thoroughbred Club at Belmond Charleston Place Hotel
   d. **Promotion:** Promotion through the official Belmond website where the specialty cocktail list is available to view to all potential customers. The cocktail list is also available for viewing in each guest room and all other food and beverage outlets at the Belmond Charleston Place Hotel. Pictures and full description of the cocktail will be advertised on Instagram through the official Belmond Charleston

Place Hotel account. Lastly, a large picture of the cocktail will be displayed in the elevators so guests can be enticed while traveling to and from their rooms from any floor.

e. Target Market:

i. Transient Hotel Guests; both family and non-family groups

ii. Baby Boomer and Gen X Couples; expendable incomes

iii. Millennials; feeding the social media craze

iv. Locals who live/work on the peninsula

v. Locals who live/work in other boroughs but are seeking a special occasion location

5. The Marketing Environment

a. Economic Environment

Charleston is doing well in terms of economy and it is predicted to grow even further. According to U.S. Bureau of Labor Statistics, as of September 2018, the unemployment rate of Charleston was 2.7%. It has decreased from 3.5% last year. Also, in terms of economic growth, Charleston area is experiencing faster rate of growth than any other areas in South Carolina. In an online article on the Post and Courier, it was stated that the total value of goods and services produced in the area increased 15.2% from 2011 to 2016. Median household income in Charleston was $57,603 in 2016, while it was $46,898 statewide and $55,332 nationwide, according to Data USA.

b. Social Environment

Our cocktail will be received well in downtown Charleston, which is a huge tourist destination. People may not choose cocktails on a daily basis, but they would come into play during vacations and for special occasions. In addition, cocktails in general have gained popularity again in the market.

c. Competitive Environment

Competitions within four miles from Thoroughbred Club: Oak Steakhouse, Charleston Grill, Peninsula Grill, Slightly North of Broad Restaurant, Magnolias, High Cotton Charleston Restaurant, 82 Queen, Anson Restaurant, Ruth's Chris Steak House, Old Steakhouse, Grill 225, McCrady's Restaurant, The Establishment, Blossom, McCrady's Tavern, Charleston Crab House, 5 Church Charleston, Zero Restaurant + Bar, FIG, Eleve at the Grand Bohemian Hotel, 167 Raw, Muse Restaurant, Old Village Post House Restaurant, Leyla Fine Lebanese Cuisine, Halls Chophouse, Anson Restaurant, Henrietta's at The Dewberry, The Macintosh, 39 Rue De Jean, The Swamp Fox Restaurant, Trattoria Lucca, Stars Rooftop Bar & Grill Room, Michael's on the Alley, Chez Nous, Little Jack's Tavern, Cannon Green, Semilla, Edmund's Oast, Athens Restaurant & Grill, Amalfi's Italian Restaurant & Pizzeria, La Tabella, Edison James Island, Graze Restaurant, Water's Edge, Langdon's Restaurant & Wine Bar, Grace & Grit, Wood & Grain, Bacco, Coleman Public House, Husk, The Belmont, O-ku, Trattoria Lucca, Al Di La

Direct Competition: fine dining restaurants and bars

Indirect Competition: casual fine dining restaurants and bars with good atmosphere

d. Legal Environment

To sell our cocktail, the property has to have an Alcohol Beverage License licensed by the state's Department of Revenue, DHEC approval, and Servsafe certificate. It is regulated by law in the area that establishments may serve the cocktails any day of the week, from 10AM to 2AM. However, because we are selling our cocktail at Thoroughbred Club, they already have licenses and approvals necessary to sell alcoholic beverages. Under the law, an establishment is allowed to sell alcoholic beverages as long as "primarily and substantially engaged in the preparation and service of meals."

e. Political Environment

None.

f. Technical Environment

No additional tools or systems will be needed, because Thoroughbred Club would already have the tools and systems necessary to prepare and serve their regular menu items.

6. Goals and Objectives

a. Financial Objective: Our objective is to increase specialty cocktail sales from 10% to 12% of the total beverage sales in the month of December in 2018 as compared to the previous December in 2017. December of 2017 the Thoroughbred Club had sales of about $300,000 with the sales of beverages making up 75% of that number and the sales of speciality cocktails 10% of that 75%.

i. <u>Breakdown of December 2017 Sales</u>:

Total Sales- $300,000

At 75% of Total Sales, Total Beverage Sales- $225,000

At 10% of the 75%, Specialty Cocktail Sales- $22,500

Daily Specialty Cocktail Sales (31 days in December) - $725.80

Daily Speciality Cocktails Sold at $15 - 48 Total

ii. Breakdown of December 2018 Sales if Total Sales Average The Same:

Total Sales- $300,000

At 75% of Total Sales, Total Beverage Sales- $225,000

At 12% of the 75%, Specialty Cocktail Sales- $27,000

Daily Specialty Cocktail Sales (31 days in December) - $870.96

Daily Speciality Cocktails Sold at $15 - 58 Total

While in the recipe development process we discovered a survey of 2000 people conducted by OnePoll found that an eggnog beverage was number one out of the top ten holiday drinks that people enjoyed, gaining 40% of the votes. With this in mind we are hoping that alongside this statistic and another statistic from Fox News that states the average American will double the amount of weekly alcoholic drinks they consume from 4 to 8 during the holiday season that an increase of 10 more specialty cocktails a day as opposed to other beverages is a completely obtainable goal.

b. **Pricing Strategy:** Our pricing strategy is profit oriented due to the fact that our establishment is primarily based on beverage sales.
c. **Training Staff:** Training the staff would begin with a taste of the beverage being served in a monthly meeting where the staff are updated on the sales of the

previous month, the forecast for the current/upcoming month and what events around town are occuring. Given the forecast and general idea of events around town the servers will be able to get a prejudgement on the incoming groups to the hotel and will be able to discuss sales tactics. The lead bartender will also be given a chance to stand and explain the process of house infusing the cinnamon and vanilla whiskey so servers will be able to share this little gift of knowledge with their guests.

d. **Marketing Objective:** The objective is to give exposure to a new seasonal beverage listed on our speciality cocktail list, overall enticing new and regular guests to come into the Thoroughbred Club.

e. **Implementing Marketing Plan:** Staff responsibilities include

    i. Mouzon- Give drink descriptions to Chris by November 15 to have menu updates sent to print

    ii. Chris- Edit speciality cocktail list to include new seasonal drink so the pages may be printed and brought down to the Thoroughbred Club by November 20

    iii. Jerry- Email a copy of the updated menu, picture of the cocktail, and price details to the marketing team so they may disperse the information to the proper channels

    iv. Margeaux in Marketing- Email the menu description and drink details to the sales team so they may promote the drink to incoming groups, post picture and menu description on Instagram with the hashtag

#winterasathoroughbred, and lastly update the menu on the Belmond Charleston Place Hotel website

v. Amanda- Prepare samples for the meeting so the department may be educated on the full flavors of the drink

vi. Vina- At the monthly meeting explain the drink to the servers, the process of house infusing liquor, and sales tactics so everyone is ready to sell the drink by November 25

f. **Measuring Success:** Success will be measured by an intimized count of products sold through Micros, as well as, an inventory count at the end of the month conducted by BevCo (a third party who controls all wine and liquor pour counts).

7. **SWOT Analysis**

a. **Strengths:** Our strengths in selling the seasonal cocktails include Thoroughbred Club's good location, which is in a well-known luxury hotel. We can not only expect hotel guests to stop by for a drink, but also tourists exploring downtown Charleston. Its low food cost is also our strength.

b. **Weakness:** 12AM closing time could be our weakness, since there are many late-night bars nearby that are open until 2AM. Also, not having Thoroughbred Club's own website might limit our online advertising. Differentiation of seasonal cocktails and regular cocktails on the menu could be difficult.

c. **Opportunities:** In addition to having a page in Belmond's website and advertising on Belmond's social media accounts, we could create a website and social media pages dedicated for Thoroughbred Club to make advertising our

seasonal cocktails more effective. Adding our seasonal cocktails on Belmond's room service menu would grab more attention of hotel guests.

d. **Threats:** Threats to our plan could be competitors with good atmosphere and cheaper options of cocktails, and the new opening of Hotel Bennett and their bars.

8. **Market Trends**

   a. **Demand for Product:** As with any seasonal beverage the weather will determine the demand for our products. The chilly and rainy nights typical of a Charleston winter will ultimately produce the demand for our beverage. A warm drink in the hands of the guest will give them a feeling of comfort and the taste of eggnog and gingerbread will give them the joy of the holiday season. The picturesque background of the Thoroughbred Club alongside the presentation of the beverage will also provide a demand, millennials will flock to our establishment to take pictures of the drink in their winter attires using the hashtag we have provided for them on Instagram.

   b. **Product Life Cycle:** We are at the very beginning of this products life cycle. This beverage will be a brand new drink added to the speciality cocktail list as opposed to one that has been used over and over again. The overall life cycle of this beverage will start November 25 and will end March 1 as the weather begins to change and palates adjust to spring. The success of this year's sales/revenues will determine if the drink will make its debut again for the following winter, so there is a great push to make sure that this drink is popular and profitable as it can be.

9. **Conclusion**

Our Warm Gingerbread Eggnog will draw attention from both tourists and locals in the Charleston area. To bring in more guests to the Thoroughbred Club and expose our seasonal cocktail, our advertising will take place online, and in and outside Belmond Charleston Place. The Thoroughbred Club being located in downtown Charleston, which is experiencing a higher rate of economic growth, we expect to achieve our financial objective without any problem. Even with all the competitions nearby, our warm cocktail will be in high demand thanks to Charleston's chilly and rainy nights.

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