

ELABORATION OF MARKETING STRATEGIES FOR A MEXICAN RESTAURANT

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Abstract

In order to be successful, a business must have a short, medium and long term strategic planning. The aim of this paper is to develop a set of marketing strategies that will help the company increase the economic profitability.

Key words: *strategic planning, marketing strategies, Mexican restaurant*

INTRODUCTION

The smooth running of a business involves the rigorous organization of the whole activity, together with it's planning, setting clear objectives, developing long and medium term strategies, evaluating the results¹, etc.

Regarding the activity of a business, there are a more ways of planning, the most common ones being the operational and strategic planning. The most important type of planning for a company is the strategic type because the strategies are oriented to a long term, including all company's activity.²

The aim of this scientific paper is the elaboration of a set of marketing strategies that will help the restaurant adapt to the market that it is going to serve. An efficient marketing strategy is effective when it helps the company fulfill it's objectives.³

¹ BerzinsG., *Strategic Planning*, University of Latvia,

² .DFANZ. Leading Accounting Association in Australia and New Zealand , *The Life Cycle of The Business Plan*, 2015

³ Arenas AriasY., *La importancia de realizar un plan de negocio para la creación de una empresa*, Universidad Militar Nueva Granda, Bogotá, Colombia, 2016

MATERIAL AND METHOD

The market

The “El Sombrero” particularly addresses those who do not have much time to eat and are always on the run and looking for something different, new, tasty, spicy relatively fast. These types of meals are for any type of clients of all ages. It is also addressed to married, unmarried people, with or without children, students, employees of companies and banks in the surrounding area, with minimum incomes, average and above average, with different lifestyles, people belonging to different social classes, etc.⁴

When it comes to behavioral criteria, the restaurant is aimed at those who have positive attitudes and reactions regarding fast food and the restaurants that serve this type of food. However, from a geographical point of view, most customers will be those who live or have work in the area, as well as the clientele segment and those who stroll through the city center and want to eat something quick and tasty in the restaurant or take-away food to consume outside of the restaurant.⁵

Regarding the demand for fast food products, it is obvious that there is a high demand. Romanians are consuming more and more of this type of fast food, thus the offer of a relatively new concept would be an opportunity that should not be overlooked. The fact that more and more people are traveling is an advantage for restaurants with a specific character. Most of the fast food consumers are probably tired of the products already on the market in Oradea, such as shaorma, kebab or burgers and they want something else, something different and something healthier and many of the El Sombrero's dishes are healthier because they contain less fat and not all the ingredients need to be fried in an oil bath. Most meals are made from raw or cooked vegetables. Sauces are also prepared in the restaurant's kitchen and are not purchased by trade⁵.

This extremely high demand for fast food has contributed to the decision of opening a Mexican fast food restaurant as customers will be able to enjoy the novelty of the product, the high quality of the services provided, the convenient price and the kindness of the staff when fulfilling duties⁶. In addition, the products will be manufactured from fresh and quality raw

⁴ TerwindtF., RajanD., *Strategic planning: Transforming priorities into plans*, World Health Organization, 2016

⁵ Istocescu A., *Management. Analiză comparativă: întreprinderile mici sau mijlocii versus organizațiile mari din România în condițiile societății bazate pe cunoaștere*

⁶ .World Bank Group, *Strategic Planning: A ten-step guide.*, United States of America

materials. That is why it can be said that the demand for the restaurant's products will be a daily one and there will be quite a large flow⁷.

The competition

The competition is represented by all the other fast food restaurants in Oradea, but the main and direct competitor who specializes in Mexican food is Taco Fresh. A competitive advantage would be the value for money, the dishes of the El Sombrero restaurant, the diversified range of products, the way of serving, the approach and the know-how (secret recipes).

The providers

The main raw materials needed for the finished products offered by the El Sombrero restaurant are: wheat flour and corn, maize, beans, chilli, jalapeño, tomatoes, tomatillos (green tomatoes), pumpkin, avocado, cumin, mint, oregano, parsley, meat (pork, beef, chicken), shrimp, rice, oranges, mango, onion, pepper, cilantro, thyme, pepper, salt, tortillas for fajitas and quesadillas (those for tacos will be made by the restaurant's chef), cheese, fruit etc.

All these raw materials will be purchased from the city's department stores (METRO, Selgros, Kaufland, etc.). If these raw materials will not be found in the city's department stores, specialized importers will be called upon.

In order to identify the market strategies of the Restaurant, I will be using the SWOT analysis, this representing a great method of identifying the general state of the market restaurant so that I would be able to elaborate a development plan, in which to emphasize the company's strengths and oportunities on the market and to exclude the weaknesses and emergence of potential threats.¹⁰

Table no1

The SWOT Analysis for the Mexican's Restaurant

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Attractive price, affordable for all social categories; • Superior product quality; • Diversified product range; • The uniqueness of the menu; • The novelty of the products; 	<ul style="list-style-type: none"> • Low awareness; • Small space (limited number of people), where the flow of customers will increase, the restaurant has 116 places; • New taste

⁷ JiménezY. B., *Aplicacion del proceso de planeación para una empresa de transporte de material y residuos peligrosos.*, Universidad de las Américas Puebla, Mexico, 2003

<ul style="list-style-type: none"> Motivated and dedicated staff; 	
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Demographic growth; Expansion of the space, if it is considered that the current space is too small for the flow of customers, measures will be taken; Extending the product range; Opening another premises under the brand El Sombrero in another part of the city or in another city Diversification of distribution services 	<ul style="list-style-type: none"> Undecided customers Difficulties in marketing Change of legislation that could have negative effects on the business The emergence of new competitors in the market The already existing competition;

RESULTS AND DISCUSSIONS

Product strategy

The products and services marketed by the company are closely linked to public food. The finished products of the company are culinary dishes belonging to Mexican gastronomy that can be prepared quickly in a specialized professional kitchen for a fast-food restaurant. These dishes, although fast food, are appetizing and tasty and can be liked by anyone. The strengths of the products would be the taste, the authentic and unique taste, the appearance and the speed of their preparation.

The products offered by El Sombrero are based on ingredients such as corn, beans, chilli, tomatoes, tomatillos (green tomatoes), pumpkin, avocado, cumin, mint, oregano, parsley, pork, beef, chicken, shrimp, rice, oranges, mango, onion, cilantro, thyme and pepper. And among these preparations are: burritos, tacos, empanadas, quesadillas, fajitas.

Among the services provided by the company are those related to hospitality, which include kindness, speed, respect offered to customers, positivity of employees, offering a glass of milk accompanied by spicy preparations. Moreover, it is hoped that in the future free home delivery services will be offered.

The company will use the strategy of differentiation and diversification of the product range. It will use the differentiation from the competitors since there are already a large number of restaurants on the market in Oradea, together with the strategy of diversifying the range in order to satisfy a large number of tastes. Another strategy used will be quality, the company showing a permanent concern for the quality of the

products but also the strategy of innovation, with the help of which we hope to permanently improve the existing products.

Price strategy

The price determination was made according to the ingredients used for each particular product, so that the production cost was calculated for the first time, to which a commercial addition between 30-100% was added.

Finally, the company focused on the strategy of low prices with strong promotion because we want to attract as many customers as possible. The prices charged will be slightly lower than the prices the competition is charging.

Regarding certain offers and price reductions, these will be established in relation with the promotional strategy so that the result will be a positive one. To begin with, a 10% discount will be applied for the second product purchased and a point card will be offered for loyal consumers. The points will be able to be monthly capitalized by paying for a new purchase.

Placemnt strategy

The products will be sold in their own space, so the strategy will focus on short distribution channels.

Promotion strategy

The following methods will be used in order to promote the restaurant:

- Media: print media, leaflets, posters;
- Direct advertising: mailing, bus-mailing, catalog (interactive), Facebook page, web page, recommendations, word-of-mouth;
- Product brand: Logo, Slogan;
- Packaging: Materials, format, illustration, design.

The annual costs regarding the promotion will be worth about 5,000 lei since El Sombrero will have a Facebook page through which the restaurant will be promoted and where the restaurant's program will be displayed and updated along with its menu. There will also be a website, the cost of which is 39.99 euros, and other costs will not involve because it will be created and arranged by the company administrator. Thus, regarding the other means of promotion (posters, leaflets, mailing, etc.) the costs are quite

low, only involving their printing and distribution, their designed will be made by the company's administrator, thus not requiring the call for specialized marketing firms.

CONCLUSIONS

The marketing strategies developed will help the "El Sombrero" restaurant achieve profitable economic results. The main advantages are those related to product quality, location, the uniqueness of the menu and the chef's experience. The main risks consist of low notoriety, strong competition and changing legislation. With the help of the marketing strategies developed, the company will succeed in realizing its potential and facing the threats on the market.

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