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4.2 MARKETING PLANNING: ACTIVITY C

Read the case study below and answer the questions that follow.

HOT COMPETITION



The restaurant industry has always been exceptionally competitive. Whether a restaurant is using mass marketing or niche marketing to attract a certain market segment, barriers to entry are low and differentiation becomes the name of the game. Often a well-known and respected restaurant reviewer can make or break a new restaurant in town. This was the case when Emily Goodrich opened Hot Tamales, a high end restaurant that targeted corporate luncheons and fine evening dining. The unique selling point was

the subtle blend of fiery spices into most of their signature dishes.

Two weeks after their grand opening, David Burton, Wellington's most renowned restaurant reviewer gave the restaurant a glowing five-star review. Hot Tamales never looked back. With

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a careful marketing strategy focussing on their target niche and even more careful attention to menu items, highly skilled staff, a prime location and exceptional cooking, the restaurant has been a continued success. Bookings are a must. Call +64 554 6600 next time you visit Wellington, New Zealand. Try booking under the name David Burton for even better service!

QUESTIONS: 20 MARKS, 40 MINUTES

1. Differentiate between mass and niche marketing. **[6 marks]**
2. Explain how restaurant reviews can provide a restaurant with a unique selling point in a highly competitive industry. **[4 marks]**
3. To what extent does having a unique selling point in a highly competitive market, such as the restaurant industry, help a firm achieve its objectives? **[10 marks]**