



*Mario's Pizza*



# Mario's Pizza: Comprehensive Marketing Analysis

Exploring Innovative Strategies for a Classic Hoboken Pizzeria



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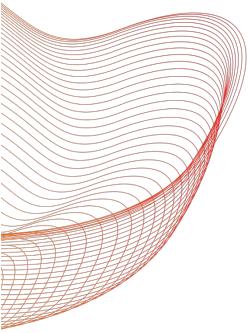
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## *Mario's Pizza*



# Introduction

## Mario's Background

- Started in 1986
- Baseball Fans
- Authentic

## Purpose of the analysis

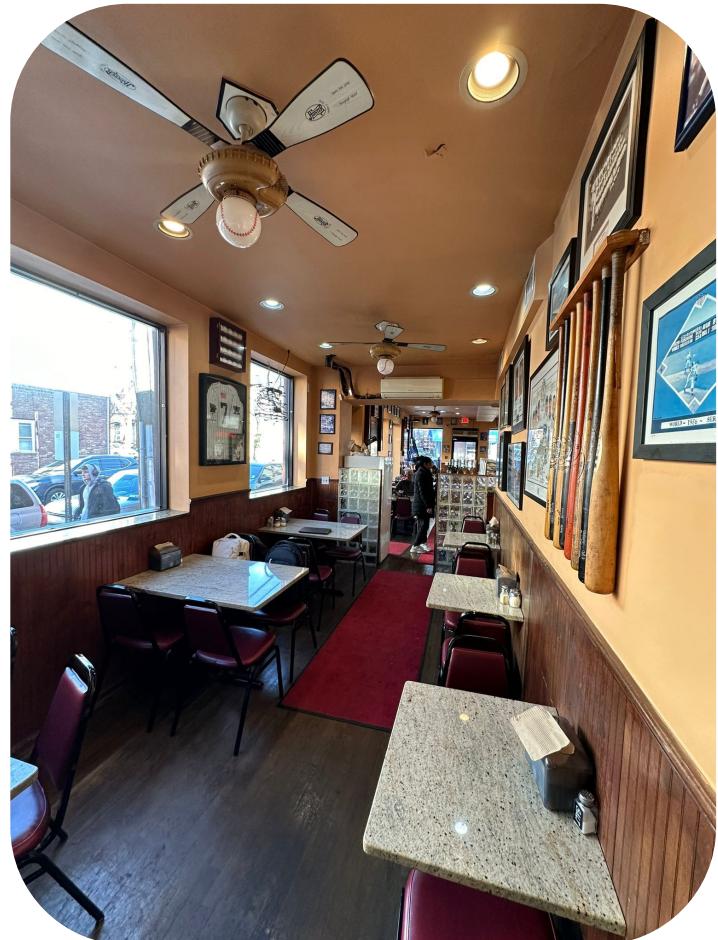
This analysis aims to evaluate Mario's Pizza's current market position, identify opportunities for growth, and recommend strategic marketing initiatives.

## Agenda of the presentation

- Target Market Analysis
- SWOT Analysis
- Competitive Landscape
- Marketing Goals and Strategies
- Implementation and Budget



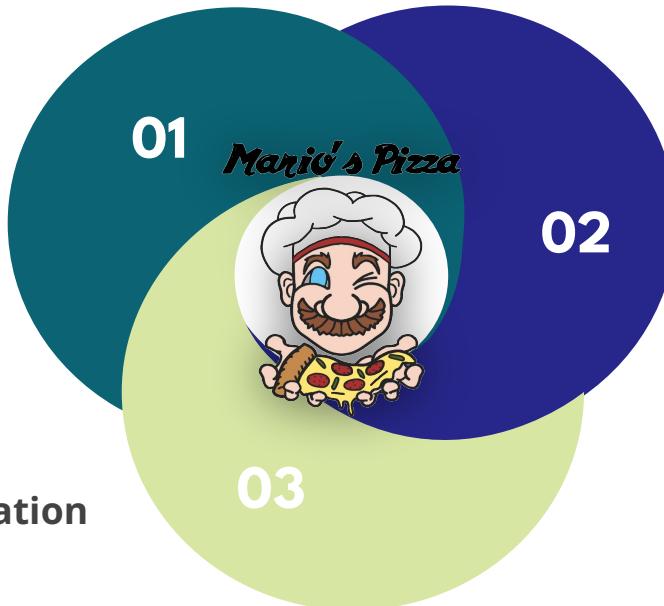
# What does Mario's look like



# Understanding Mario's Customers

## Demographics

- ★ Families and couples as primary customers.
- ★ Strong local and loyal customer base.



## Agenda of the presentation

- ★ Insight into customer preferences for strategic marketing.

## Psychographics and Trends

- ★ Preference for authentic, family-oriented dining.
- ★ Interest in unique themes like Mario's baseball decor.

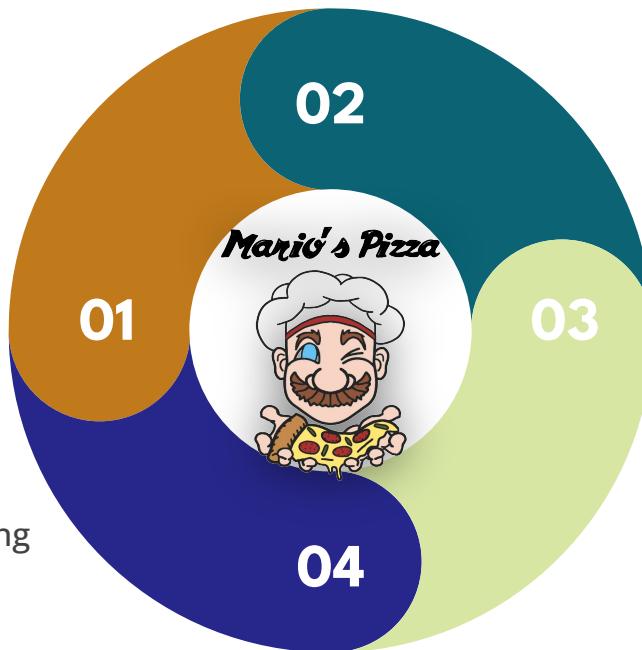
# Mario's Business

## Product Positioning

- ★ Wide Range of Starters (Veg, Non-veg, Sea-Food)
- ★ Variety of Drinks for all age (beer, coke, fresh)
- ★ Signature Dishes (Pizza, stromboli, pasta, salad)

## Pricing Strategies

- ★ **Great Intro Price:** Low price on base pizzas and beer(\$2).
- ★ **Dynamic Adjustments:** Lowering prices on least sold products to boost sale.
- ★ **Promotional Pricing:** special pricing on special events & new platforms to boost sale



## Distribution Channels

- ★ Dine-In Services.
- ★ Phone Orders.
- ★ GrubHub Partnership.

## Promotional Activities

- ★ Social Media Campaigns.
- ★ Promotional Offers.
- ★ Running Ads
- ★ Encouraging Customer Review



# Marketing and Sales Goals



## Streamline Online Ordering:

- Develop an efficient online ordering system to improve customer convenience.
- Partner with additional delivery services to expand reach.

## Increase Lunchtime Business:

- Targeting the local workforce and students with special lunchtime offers.
- Promote quick-service options to attract time-constrained customers

## Enhance Social Media Presence:

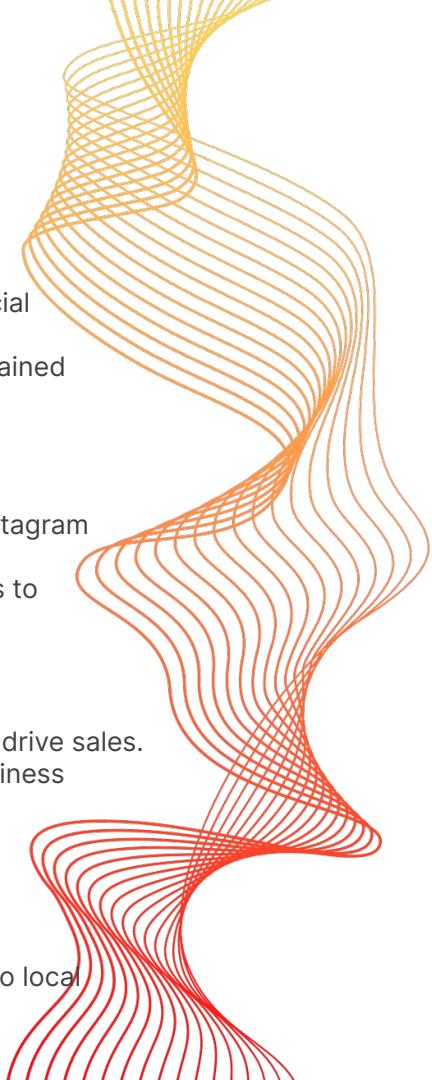
- Grow followers and engagement on platforms like Instagram and TikTok.
- Implement targeted ads and influencer collaborations to reach a broader audience.

## Achieve 5% growth in overall sales

- Introduce new menu items and limited-time offers to drive sales.
- Implement loyalty programs to encourage repeat business

## Community Engagement:

- Increase involvement in local events, particularly those related to baseball.
- Offer special deals and promotions tied to local sports events and activities.



# Marketing Strategy and Action Plan

## Product positioning

- ★ **Emphasize Authenticity:** Highlight Mario's family-run, traditional approach in all marketing materials
- ★ **Unique Theme:** Utilize the baseball theme to create a distinct brand identity.

## Pricing strategies

- ★ **Gradual Price Adjustment:** Implement slight price increases while communicating the value and quality of offerings
- ★ **Dynamic Pricing for Specials:** Introduce special deals during low-peak hours to attract more customers.

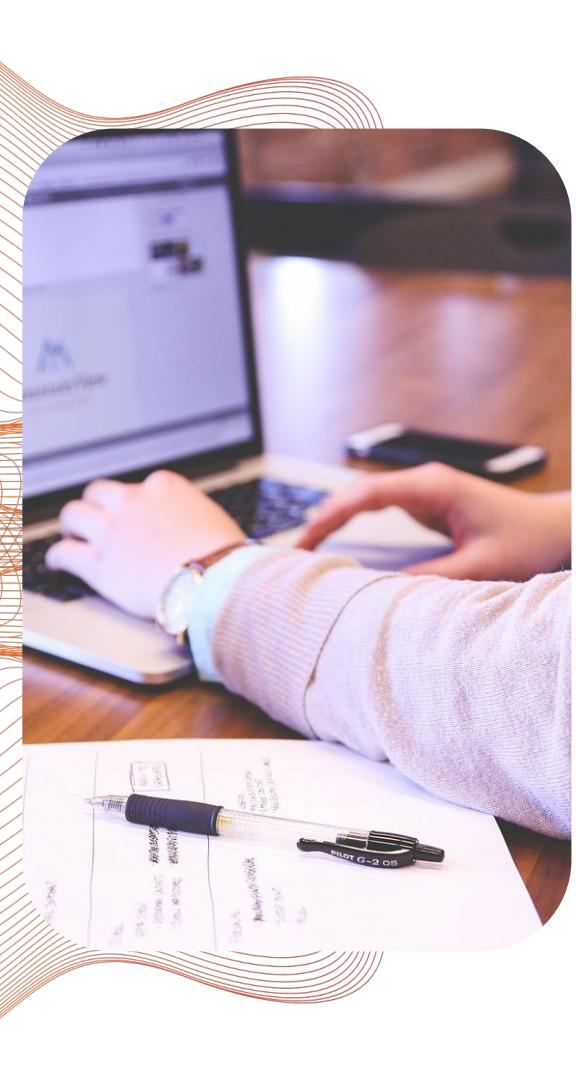


## Promotions

- ★ **Enhanced Social Media Campaigns:** Intensify presence on Instagram & TikTok with interactive content & influencer partnerships.
- ★ **Community-Focused Promotions:** Sponsor local events, especially baseball-related, to reinforce theme & engage the local community.

## Distribution Enhancement

- ★ **Streamline Online Ordering:** Develop an easy-to-use online ordering system to improve customer experience.
- ★ **Expand Delivery Options:** Partner with more delivery platforms to increase reach and convenience for customers.



# Implementation Schedule

- **Q1 (January - March) : Launch of Lunchtime Specials:**
  - Introduce new lunch deals.
  - Start staff training for quick-service efficiency.
- **Q2 (April - June) : Enhance Social Media Campaigns:**
  - Roll out targeted Instagram and TikTok campaigns
  - Begin local influencer collaborations.
- **Q3 (July - September) Operational Adjustments:**
  - Implement online ordering system.
  - Assess and adjust pricing strategy based on customer feedback.
- **Q4 (October - December) Community Engagement Initiatives:**
  - Sponsor local events, especially baseball-related.
- **Ongoing: Monitor and Optimize:**
  - Evaluate the effectiveness of marketing strategies and plan adjustments for the next year.



# SWOT Analysis

## S

### STRENGTH



- Unique Family run authenticity
- Niche Beer and pizza Combo
- Prime location

## W

### WEAKNESS



- Less insights of Local Competitors
- Lack of Large Scale marketing effectiveness
- Limited seating capacity

## O

### OPPORTUNITY



- Expansion during peak hours
- Diversifying Menu
- Limited seating capacity

## T

### THREAT



- Rising raw material price
- Rising labor cost
- Competitive Market



# Contingency Plans

## Market Changes Response:

- 1. Adapt Menu to Economic Shifts:** Introduce cost-effective alternatives if ingredient prices rise.
- 2. Flexible Pricing Strategy:** Adjust prices in response to market conditions while maintaining value perception.

## Operational Challenges:

- 1. Supply Chain Alternatives:** Identify backup suppliers to mitigate risks of supply disruptions.
- 2. Efficient Resource Management:** Optimize staff scheduling and energy use to reduce operational costs.

## Community Engagement Obstacles:

- 1. Virtual Community Events:** In case of limitations on physical gatherings, host online events or virtual cook-alongs.
- 2. Collaborate with Local Businesses:** Partner with other Hoboken businesses for cross-promotional activities.

## Sales Goals Not Met:

- 1. Promotional activities:** Implement targeted promotional campaigns.
- 2. Loyalty programs:** Explore the introduction of loyalty programs to enhance customer retention.
3. Seek customer feedback for continuous improvement.

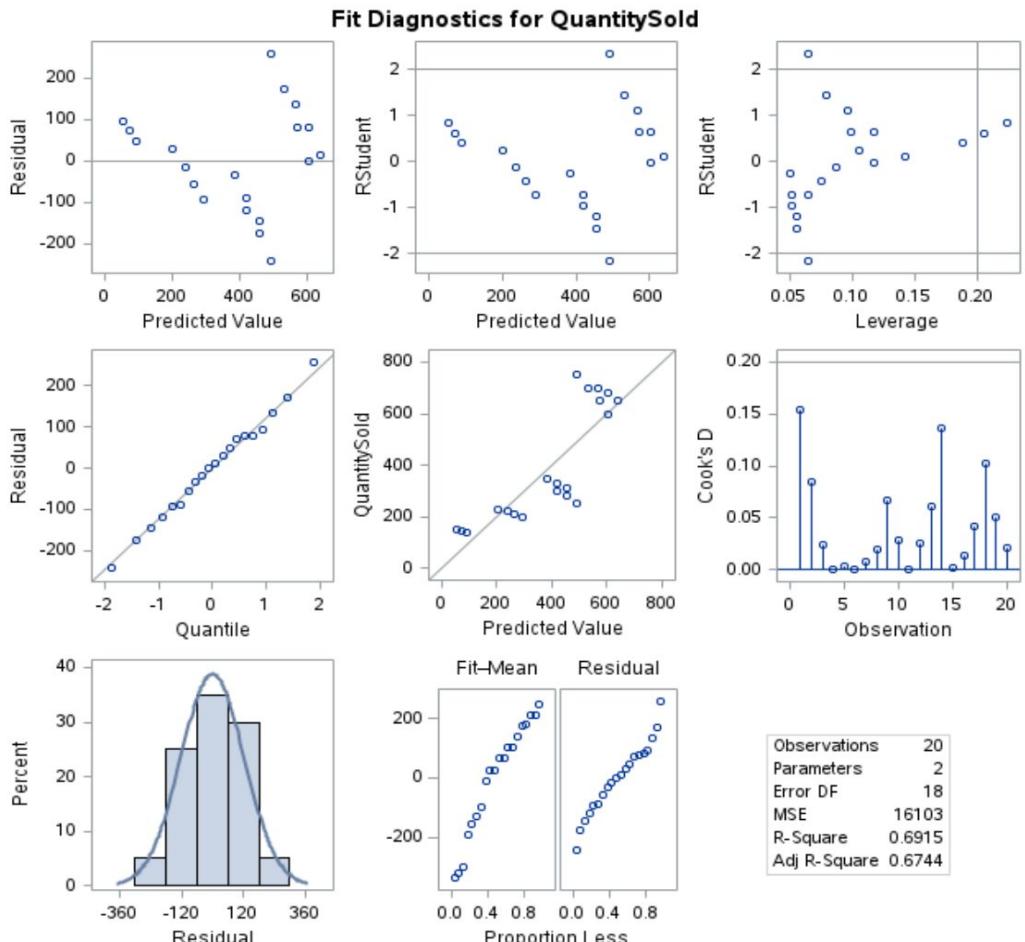
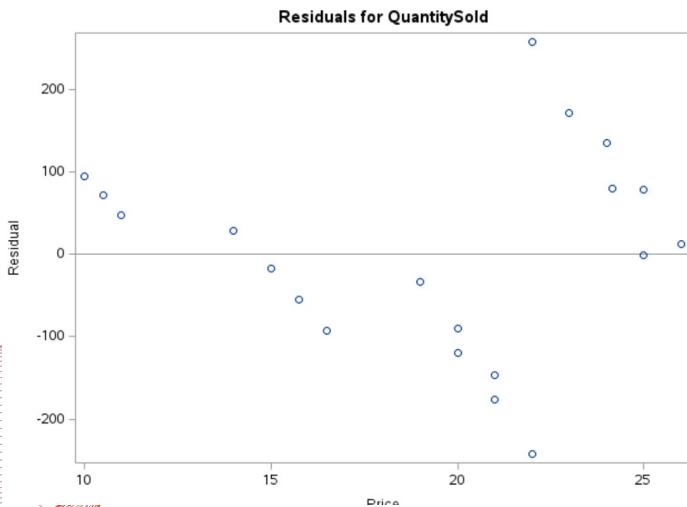
## Digital Presence Setbacks:

- 1. Diversify Online Platforms:** Expand online presence beyond Instagram & TikTok to other platforms like Facebook or a dedicated blog.



# Price Elasticity

Regression analysis exploring the relationship between price and quantity sold for products.



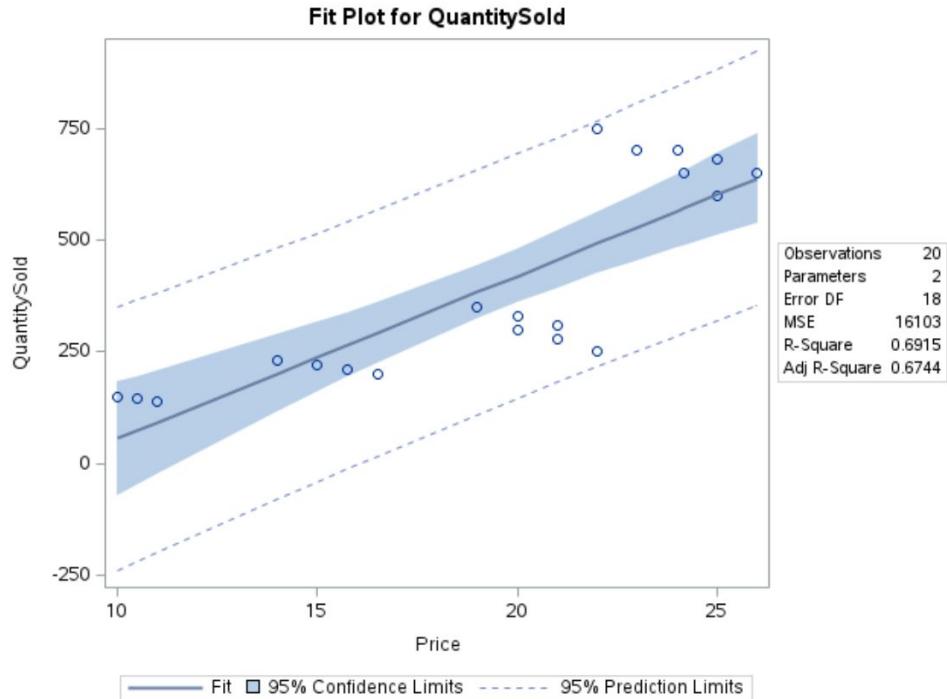


# Price Elasticity

## Key findings:

1. Significant positive correlation between price and quantity sold, suggesting a relatively inelastic demand.
2. The model's adjusted R-square values indicate a strong explanatory power for both models (standard and logarithmic).
3. Price changes impact sales volume, but not drastically, implying that customers are less sensitive to price changes for these products.

**Mario's Pizza has pricing power, with customers willing to pay higher prices without significantly reducing purchase quantities.**



# A/B Testing

**Objective:** The A/B testing "Meal Deal for 2" and 18" Large Cheese Pizza to evaluate how price changes affect sales and revenue.

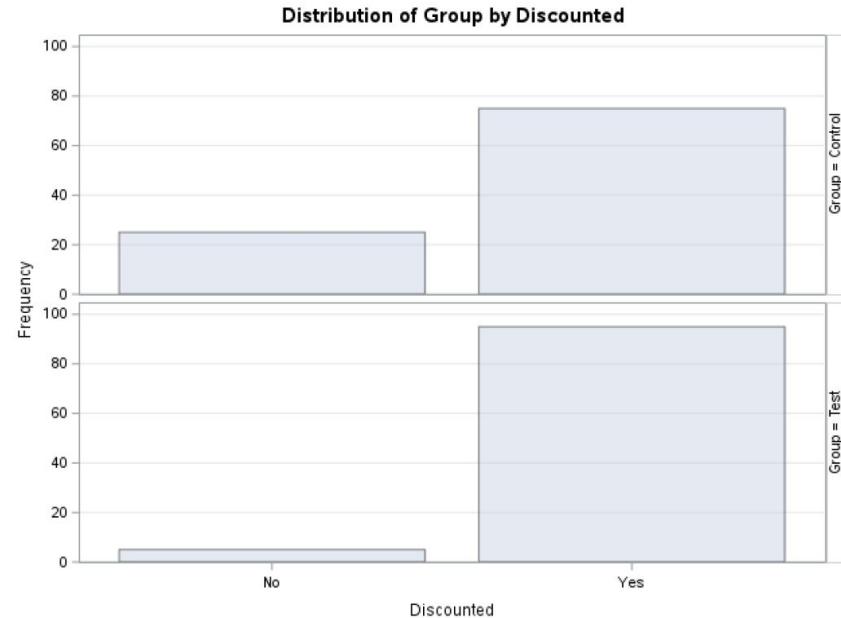
**Methodology:** Dividing customers into two groups for each product - one group was offered the product at regular pricing, while the other at either an increased or a discounted price.

## A/B Testing for 'Meal Deal for 2' at Control and Test Prices

The FREQ Procedure

Frequency  
Percent  
Row Pct  
Col Pct

Table of Group by Discounted			
Group	Discounted		
	No	Yes	Total
Control	25	75	100
	12.50	37.50	50.00
	25.00	75.00	
	83.33	44.12	
Test	5	95	100
	2.50	47.50	50.00
	5.00	95.00	
	16.67	55.88	
Total	30	170	200
	15.00	85.00	100.00





# A/B Testing

## A/B Testing for 18" Large Cheese Pizza at Regular and Increased Prices

The FREQ Procedure

Frequency  
Percent  
Row Pct  
Col Pct

Table of Group by Purchased			
Group	Purchased		
	No	Yes	Total
Increase	33 6.60 13.20 52.38	217 43.40 86.80 49.66	250 50.00
	30 6.00 12.00 47.62	220 44.00 88.00 50.34	250 50.00
	63 12.60	437 87.40	500 100.00





# A/B Testing

## A/B Testing for 'Meal Deal for 2' at Control and Test Prices

Group	TotalRevenue
Control	\$1,125.00
Test	\$1,197.00

## A/B Testing for 'Meal Deal for 2' at Control and Test Prices

KPI	Value
Purchase Rate Change (%)	20
Revenue Change (%)	6.4

### Results - Meal Deal for 2 :

- Purchase Rate increased by 20%
- Revenue increased by 6.4%.

## A/B Testing for 18" Large Cheese Pizza at Regular and Increased Prices

Group	TotalRevenue
Increase	\$5,989.20
Regular	\$5,313.00

## A/B Testing for 18" Large Cheese Pizza at Regular and Increased Prices

KPI	Value
Purchase Rate Change (%)	-1.2
Revenue Change (%)	12.72727

### Results - 18" Large Cheese Pizza\*\*:

- Purchase Rate decreased by 1.2%.
- Revenue increased significantly by 12.73%.



# A/B Testing

## Interpretation and Conclusion:

- 18" Pizza shows price inelasticity; small purchase rate dip offset by significant revenue growth.
- "Meal Deal for 2" demonstrates price sensitivity; lower prices boosted sales but less impact on revenue.
- Comparative elasticity analysis suggests different customer sensitivity to pricing strategies.

## Recommendation

- Mario's Pizza could consider maintaining higher prices for products like the 18" Large Cheese Pizza due to its inelastic demand.
- For more elastic products like the "Meal Deal for 2", occasional discounts or promotional pricing could attract more customers and increase sales volume, thereby boosting overall revenue.
- Dynamic pricing could be employed to capitalize on elasticity for different products.



# Forecasting

## Overview

- We conducted a revenue forecasting analysis for Mario's Pizza using historical monthly sales data from January 2018 to December 2023.
- This model helps understand and predict future trends based on past sales data.

## Methodology

- We used the ARIMA (AutoRegressive Integrated Moving Average) model, a popular technique for time-series forecasting.
- This model helps understand and predict future trends based on past sales data.

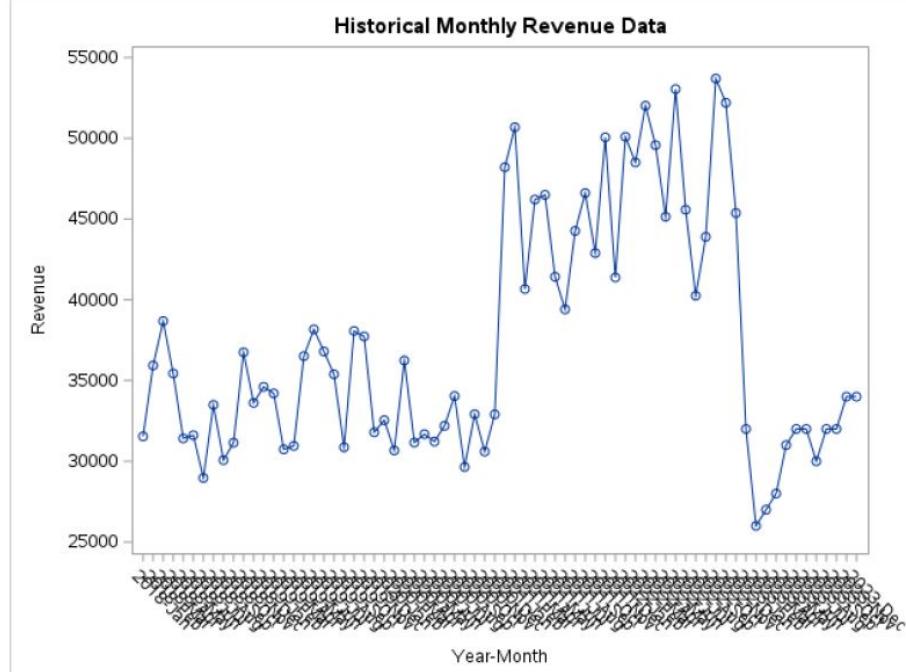
Obs	Year-Month	Revenue
1	2018-Jan	31542
2	2018-Feb	35934
3	2018-Mar	38679
4	2018-Apr	35434
5	2018-May	31415

65	2023-May	31000
66	2023-Jun	32000
67	2023-Jul	32000
68	2023-Aug	30000
69	2023-Sep	32000
70	2023-Oct	32000
71	2023-Nov	34000
72	2023-Dec	34000



# Forecasting

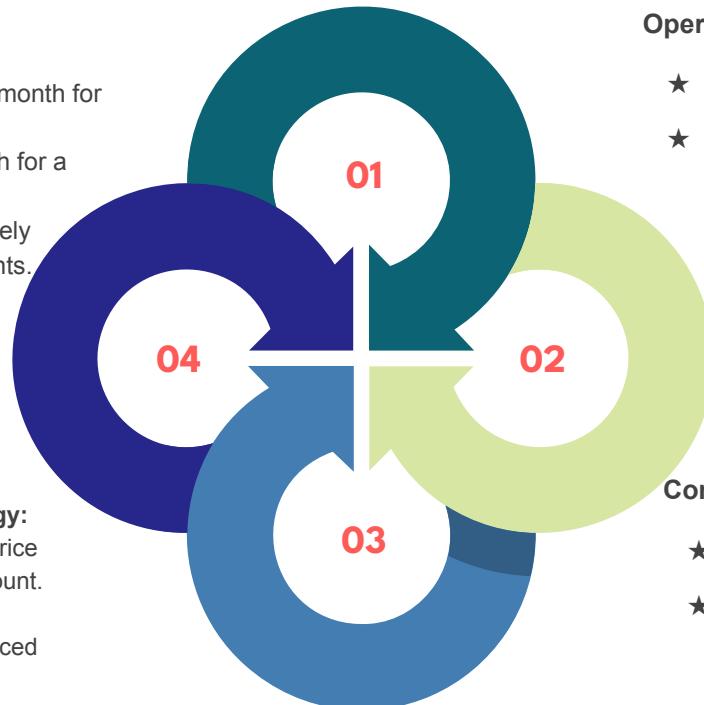
Forecasts for variable Revenue				
Obs	Forecast	Std Error	95% Confidence Limits	
73	34389.2757	4631.4776	25311.7463	43466.8050
74	34690.5295	5832.5368	23258.9674	46122.0916
75	34935.0648	6503.8026	22187.8459	47682.2836
76	35133.5602	6910.5540	21589.1234	48677.9971
77	35294.6840	7165.9546	21249.6711	49339.6970
78	35425.4722	7329.3752	21060.1607	49790.7838
79	35531.6363	7435.0899	20959.1278	50104.1449
80	35617.8124	7503.9312	20910.3775	50325.2474
81	35687.7637	7548.9475	20892.0985	50483.4290
82	35744.5450	7578.4625	20891.0314	50598.0585
83	35790.6357	7597.8472	20899.1288	50682.1426
84	35828.0487	7610.5928	20911.5610	50744.5365



# Budget and Projected Growth

## Marketing Budget Breakdown:

- ★ **Social Media Marketing:** \$500-\$1000/month for content creation and paid ads.
- ★ **Loyalty Programs:** Around \$100/month for a digital loyalty app.
- ★ **Community Engagement:** Approximately \$200/month for local sponsorships events.



## Projected Growth:

- ★ **Revenue Increase from Pricing Strategy:** Estimate additional revenue from slight price increases, while maintaining customer count.
- ★ **Sales Growth from Marketing Efforts:** Projected increase in sales due to enhanced marketing and promotional activities.

## Operational Budget Adjustments:

- ★ **Online Ordering System:** Estimated initial setup cost and monthly maintenance.
- ★ **Supply Chain Optimization:** Budget allocation for potential new suppliers or efficiency improvements.

## Contingency Funds and ROI Evaluation

- ★ Allocate a portion of the budget for unexpected expenses or market change.
- ★ Plan to regularly assess the return on investment for each marketing initiative to ensure efficient budget usage.



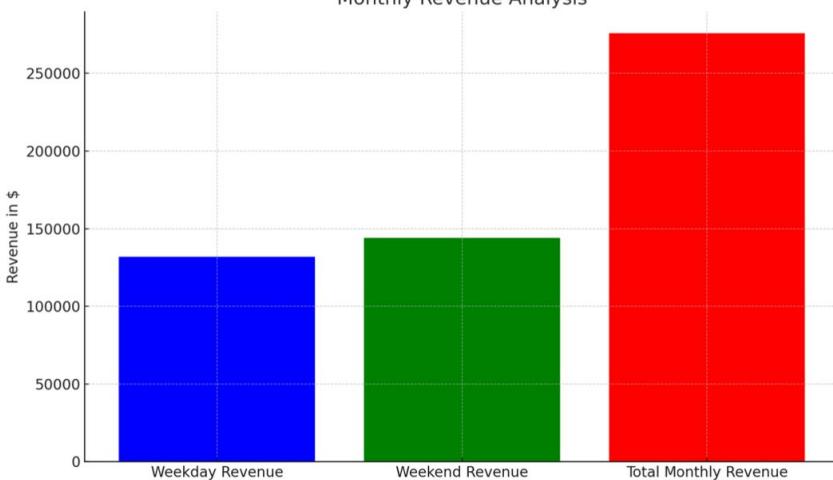
# Financial Analysis & Recommendations

- Revenue Analysis:
  - Weekday Revenue:  $300 \text{ customers/day} * \$20/\text{customer} * 22 \text{ days} = \$132,000/\text{month}$ .
  - Weekend Revenue:  $(500 \text{ customers} * 2 \text{ days} + 400 \text{ customers}) * \$20/\text{customer} * 4 \text{ weekends} = \$144,000/\text{month}$ .
  - Total Monthly Revenue:  $\$132,000 \text{ (weekdays)} + \$144,000 \text{ (weekends)} = \$276,000$ .
  - Annual Revenue:  $\$276,000/\text{month} * 12 \text{ months} = \$3,312,000$ .
- Cost Analysis:
  - Operational Costs:  $80\% \text{ of revenue} = 0.8 * \$276,000 = \$220,800/\text{month}$ .
  - Annual Operational Costs:  $\$220,800/\text{month} * 12 = \$2,649,600$ .
- Profit Analysis:
  - Monthly Profit:  $\text{Revenue} - \text{Operational Costs} = \$276,000 - \$220,800 = \$55,200$ .
  - Annual Profit:  $\$55,200/\text{month} * 12 = \$662,400$ .
- Price Increase Impact:
  - A small price increase, say 5%, could offset the rising costs. For instance, a 5% increase on the average spend of \$20 would be an additional \$1, leading to a new average spend of \$21.
  - New Monthly Revenue with Price Increase:  $(300 * 22 + 900 * 4) * \$21 \approx \$289,800$ .
  - New Annual Revenue:  $\$289,800/\text{month} * 12 \approx \$3,477,600$ .
  - This increase could lead to an additional \$165,600 in annual revenue, assuming customer count remains constant.

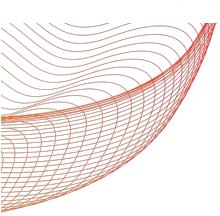
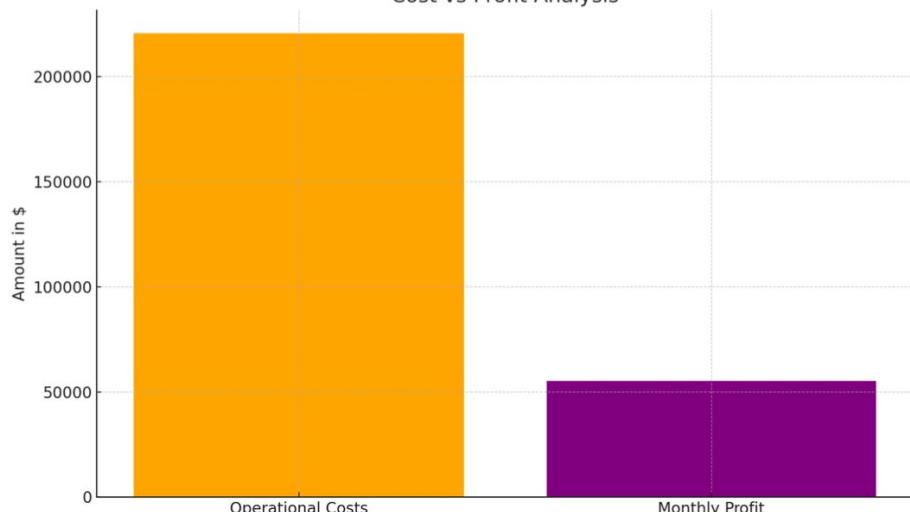


# Financial Analysis & Recommendations

Monthly Revenue Analysis

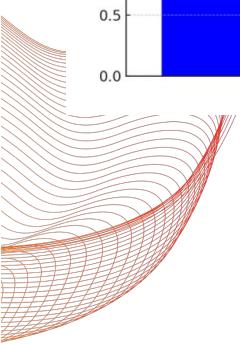
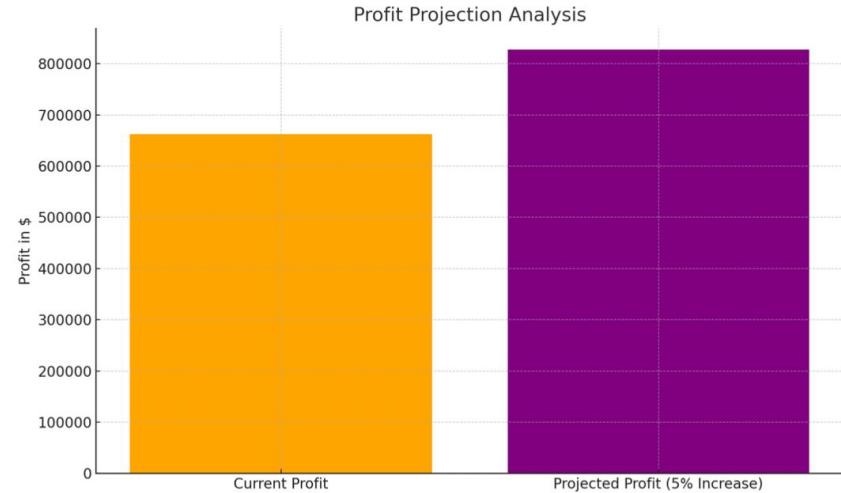
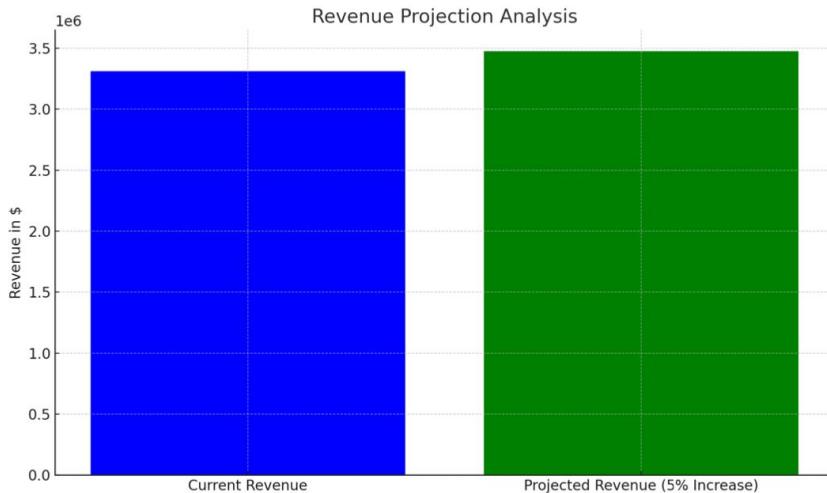


Cost vs Profit Analysis





# Financial Analysis & Recommendations





# Signature Caesar Salad Pizza





# Interview with the Owners





**Thank you for your time** 😊