**PART ONE**

Fiesta is a family-owned Mexican restaurant that strives for an authentic dining experience. They have a dominant marketing orientation, with a secondary production orientation. Fiesta’s main goal is superior customer satisfaction. The staff is extremely friendly and they go out of their way to remember the faces of their returning customers. They promote a relaxed environment with Mexican flare. Despite their casual attitude, they are very organized and have quick service. This shows a high level of customer value characteristic of a marketing orientation. Most of their revenue comes from returning customers, which means they have a high incentive to make sure their customers leave happy.

Fiesta has a high level of customer loyalty for the restaurant industry. The waiters at Fiesta recognize returning customers to welcome them back. Though they have no official loyalty programs, regular customers occasionally will be surprised by a free dessert or appetizer. Unfortunately, they do not make this readily known, which could be beneficial in making customers return more often. There are many dining options available to the current market; however, Fiesta consistently has a filled restaurant in the evening despite opening only one year ago. Although lunch time is not their busiest time of day, they consistently have an appropriate amount of customer for the time of day.

The mission of the restaurant is not clearly defined, but the owners strive to serve authentic Mexican food to the town of Norton in which Mexican cuisine is underrepresented. They also have a strong commitment to customer satisfaction and operate by a set of values to ensure the customer gets quality food and has an overall enjoyable and memorable experience.

The owners at Fiesta do not have any current plans to expand their marketing or make any major changes to their business in the near future. They rely on word-of-mouth and a degree of social networking through Facebook, Yelp, and, Foursquare, to reach out to new customers and offer deals and coupons. Word of mouth does not generate as much good publicity as bad publicity because people are more likely to express bad opinions about a company. Therefore it is not the most efficient means of marketing and Fiesta should look into alternative means or promoting their customers to spread good word. Fiesta could make a Twitter profile and promote their deals of the day.

Fiesta, being a business, faces certain strengths, weaknesses, opportunities, and threats. They capitalize on their strengths, but seem to need some more work on bettering their weaknesses.

**Strengths**

**Customer satisfaction**

In terms of strengths, their core strength is their focus on customer satisfaction. They are extremely dedicated to pleasing their customers and getting them to return by creating a relationship with them. The wait staff is well informed about their menu and can give recommendations to their customers. They do this by remembering faces and calling most of their customers “amigo/a” to create a warm and friendly relationship and environment. This feeling of family that Fiesta portrays attracts customers of all kinds, especially families.

**Authenticity**

They also have an advantage in providing authentic Mexican food. Coming from Mexico, they use the recipes they grew up eating, which differs from what is offered at fast food American-Mexican restaurants, such as Chipotle or Qdoba.

**Weaknesses**

**Limited Promotional Efforts**

Their main weakness, at this point, is that they rely almost solely on word-of-mouth for advertising. They do have a presence on social media, but they mainly focus on word-of-mouth. This works for Fiesta in the way that it keeps a local customer base; however, they could bring in more customers by adding in other forms of advertisement as well.

**Opportunities**

**Acceptance/Popularity of Mexican Food**

In terms of opportunities, Fiesta could look into marketing to Wheaton College. They provide a large amount of quality food at prices affordable to college students. By targeting college students with some promotions directed at them every now and then, Fiesta could tap into a new, granted limited, market. Since their main marketing plan is word-of-mouth, even getting these new customers into the restaurant would provide an opportunity to continue their main advertisement campaign.

Fiesta is the only Mexican restaurant in the area that is not a fast food restaurant. If consumers are looking for quality Mexican food and a place where they can sit and be waited on. This is something that Fiesta should mention in their advertising because it will attract the customers who want a sit down meal and dining atmosphere. One other aspect that sets Fiesta apart from the competition and many other restaurants is their full bar which customers can sit at and enjoy a drink and a meal if they so choose.

**Threats**

**Pricing Pressures in the Restaurant Industry**

Being a completely authentic Mexican restaurant sincerely sets Fiesta apart from their competition; however, they could still be threatened by other restaurants in the area. Focusing on customers looking to eat Mexican food, not all will be concerned with the authenticity. Chipotle and Qdoba, restaurants only a town over, provide quality food quickly; however, they lack the ability to claim authenticity. Their food is priced lower than Fiesta’s prices, and for the families on a budget, this could factor in more than how authentic the food is. At either of the aforementioned competitors, a burrito is one of their prime meals, and they price around $7-$8. At Fiesta, the most inexpensive burrito, for comparison, is $10.

Something that threatens the Mexican restaurant industry as a whole is the recuperating economy. Many people might not have the luxury or eating out very often so cheaper prices are something that a lot of consumers are looking for when they eat out.

Fiesta claims to have a competitive advantage in serving customers authentic food. Their competitors include other Mexican restaurants including: Mariachi in South Easton and Taunton, El Azteca in Norton, Qdoba in Mansfield, and Chipotle in Mansfield. The competing restaurants offer varying quality, pricing, and varieties of food, but are all in the same business and are close enough to offer substantial competition.

**PART TWO**

**Target Audience**

Fiesta’s target market includes families in the Norton community. Looking at their macro uncontrollable environment, demography can be seen as playing a key role in their target market. Norton is a small college town with the main population consisting of families with parents in their thirties. Therefore, the restaurant has to offer food suitable for all ages in terms of offerings and sizes, as well as a friendly, family atmosphere. Fiesta provides a bar for adults and has decorations and pictures that will not only keep kids entertained but it also adds to their Mexican theme.

When looking at their target audience, the consumers’ behavior must also be analyzed. Their customers will be considering their restaurant when they are hungry, and especially during Cinco de Mayo. As previously noted, the family atmosphere attracts families looking to dine out, and at the beginning of May many more people will be looking for Mexican food to celebrate, drawing in larger crowds. Fiesta pushes harder around that time to bring in more customers to celebrate the holiday.

Fiesta’s current targets are not specific. For lunch and dinner, Fiesta tends to attract couples and families; however, they also attract a late night crowd of young adults, who tend to utilize the bar side of the restaurant. Fiesta also attracts a small portion of Wheaton College students because of the proximity to the campus. This makes their target audiences couples, families, and young adults as stated above.

**Demand Clusters**

In the restaurant industry, customers are segmented into multi-homogeneous clusters. These clusters are segmented by:

* Geographic segmentation
* Demographic segmentation
* Benefit segmentation
* User rate segmentation

They use geographics very well as a primary means of segmentation; however, that is also the only means they consider. Geographic segmentation is necessary because people who live close by are more likely to go to Fiesta than people who live farther away. Occasionally people will travel longer/larger distances to reach a restaurant, however there is a limit as to how far people will travel. Therefore it would be most effective for Fiesta to focus on clients in the Norton area: primarily within a 10-15 mile radius.

Incorporating at least one more means would be beneficial to the establishment, and some considerable means would be: **demographic** and **user rate** segmentation. Concerning demographic segmentation, age is probably the most important. They could target different ages, and who they target will have an effect on not only that group, but all the others as well. If they choose to target younger people, they will create an atmosphere suited to younger people, which may not be ideal for older patrons. In regards to user rate segmentation, Fiesta could focus on who comes to their restaurant the most, and segment their customers by how often they eat in their establishment.

Primarily, Fiesta should focus on their marketing efforts on demographic segmentation, or more specifically, families and empty nesters. These segments will generally purchase the most per visit and have the most money to spend, respectively. Families will have to buy food for not only the parents, but the children as well. If the children like the food they will probably insist and potentially fuss until the restaurant is chosen.

Secondarily, Fiesta should try to focus on user rate segmentation so that returning customers receive benefits, such as a rewards card. The rewards card would function as a counter of how many times a customer visits in a certain time frame such as a month or quarter, and after a certain number of visits they would receive their benefit.

**Positioning**

Judging the position in terms of atmosphere and food quality, Fiesta does well in comparison to their competitors. They have a very friendly staff and decorations that children could perceive as entertaining; however, at the same time is not too immature for the adults. There are also Corona advertisements on the side of the restaurant with the bar. The restaurant is divided and the people seated on the side without the bar will not be able to see the Corona signage, which is good for families with children. Their food is of high quality being authentically Mexican in comparison to American-Mexican. Fiesta does well with their positioning, and we currently do not have any suggestions as to repositioning.

**Product Mix**

* Appetizers
* Entrees –Mexican and American—
* Desserts
* Bar/alcoholic beverages

**Product Levels**

* Core
  + Satisfy hunger
  + Satisfy thirst
  + Socialize
* Actual
  + Authentic Mexican cuisine
  + Bar
  + Atmosphere
* Augmented
  + Level of hospitality

**Brand Awareness**

* Brand rejection
  + Fiesta offers a hospitable service in order to avoid an image of hostility.
* Brand non-recognition
  + Fiesta does not currently have a strategy to minimize non-recognition.
* Brand recognition, brand preference, brand insistence
  + Fiesta’s only current means of increasing these levels of brand awareness is through high quality service and a great customer experience.

In order to motivate more customers to move to the upper levels of awareness, Fiesta could improve upon their social networking. They have a Facebook page as well as a presence on Yelp, Foursquare, and TripAdvisor. They could increase their presence by creating a Twitter handle and posting to that social network as well. They should also update their website to include the Norton location as well as attaining a presence on Norton’s town website.

**Purchase Point**

Fiesta’s checkout process meets the restaurant industry standard. The waiter brings a check to the customers’ table when they have finished their meal, and they come back to retrieve the payment a few minutes after, giving sufficient time to choose a payment method. When crowded, however, this may take a bit longer and can create a sense of abandonment in the customer.

**PART THREE**

**Social Media**

* Facebook
  + Create more Facebook pages: one for every location with links to them on the main (current) page
  + Alternative: Have specific people (manager, assistant manager, etc) from each location post to the page for location specific updates.
  + Update the profile more.
  + Send messages to the customers encouraging them to be active on the page. This will remind them of the excellent service and their good experiences at Fiesta and entice them to want to go back again soon. This does not have to be every day, but every once in a while. Ask the customers:
    - what their favorite meal is or the last meal they ate there.
    - for a story about the last time they visited.
    - for a story about their best experience at the restaurant.
    - to share a picture of their latest meal or a moment from one of their trips to the restaurant.
  + Post events happening at the restaurant:
  + daily deals
  + special events
  + Post pictures of food to entice and draw in customers who will want to eat it. Write captions about how lucky the people about to eat their food are. If a particular order looks great right before it is taken out, take a picture of it to spread on social media.
  + Pay for a Daily or Lifetime package of Facebook Ads. Ads only have to be paid for when clicked. When the allotted amount of money has been spent, there is a system in place to automatically stop placing them so the client is not overcharged.
* Twitter
  + Creation of an account.
  + Posting through another one of the largest social networks will increase exposure and provide not only additional means of communicating with the market, but can also provide alternative methods specific to the medium
    - Twitter has hashtags (further referenced to as #)
      * Get a # to trend to increase viewership of messages
      * Create a #TacoTuesday or a # for daily deals, anything related to the restaurant and their food, etc
      * Hashtag the location of one of the restaurants to differentiate between the three different Fiesta restaurants.
  + Retweet compliments from customers to promote good messages about the company.
  + Make interesting tweets (updates) so that customers will retweet (send to their followers) and promote the restaurant as a virtual word of mouth.
  + Post pictures to Twitter and Instagram for the same reason as Facebook.
* Foursquare
  + Take advantage of the advertisement option available
    - Only pay for ads when the customer clicks on the restaurant for more information or when they “check in” (post that they are there) from the restaurant
      * This creates more attention for the restaurant, and is free until customers act upon it. This will at least mean that they considered the restaurant and thought about going there, which is brand recognition.
  + Checking in also allows anybody connected to the customer to see where they are, which can be used as a virtual word of mouth form of advertisement. This is not charged as an advertisement fee.
* Snapchat
  + Snapchat is a photo/video messaging application.
  + Coupons can be sent out as "My Story" with a discount offered in it. This means that they would be sent to everybody registered for 24 hours to redeem. It is essentially a coupon that will delete itself after 24 hours.
  + Snapchat is a good media to get into as it is currently listed in top downloads as:
    - Number 7 in free downloads from Apple App Store
    - Number 6 in free downloads from Google Play Store (Android)
    - Number 3 in free social media downloads from Play Store
  + These numbers show that they will reach a large audience
* Email
  + Customers can sign up for a monthly (or any time frame) email from the restaurant to receive coupons or special deals available for the month.
    - Coupons could include a free dessert with the purchase of one of the more expensive entrées on the menu and a beverage.
* Wifi will be able to assist customers in participating in the social media platforms listed above while they are socializing. Customers are more likely to spread their enthusiasm when they are experiencing it, as the passage of time may decrease their willingness to post.

**Range of Feasible Price Model:**

* Nature of Supply and Demand

Fiesta supplies quality authentic Mexican food for a reasonable price. Their customers demand high quality food, good service, and an overall good experience.

* Level of Product Differentiation

Fiesta differentiates themselves from other Mexican restaurants by providing authentic Mexican food along with more “American” options. They also have a bar included to infuse a family-style restaurant with a weekend vibe.

* Competitors’ Prices

Competitor prices are generally lower than Fiesta’s; however, this is not a level that Fiesta should compete on.

* Price of substitutes

A substitute for Fiesta would be any nearby restaurant. This includes authentic food restaurants and fast food chains. Fiesta’s prices are slightly higher than the average restaurant, especially compared to fast food chains, such as McDonalds.

* Product Costs

The prices at Fiesta are slightly high but reasonable for the food quality being produced. They are also a sit-in, more formal restaurant versus a fast food restaurant, such as Chipotle or Qdoba.

* Uncontrollable Macro Environment

Going out to eat becomes less frequent in a recovering economy. Poor weather conditions, such as a very bad storm, could affect the produce the restaurant uses in its dishes. Poor weather, such as a blizzard, could also be detrimental in deterring customers from leaving their homes.

* Pricing Objectives

Fiesta seems to have a Status Quo based pricing objective. Their main goal is to present a good image and create a long-lasting customer base. While they need to make a profit, they are very focused on a great customer experience.

Facebook Ads - Price varies depending on the desired ad package (Daily or Lifetime) (set price)

- Free for page hosting and posts from the page

Newspaper (Sun Chronicle) - $10/ad (estimated $120/year based on 1 ad/month)

Foursquare - varies $1-$5/ad clicked on or check in made by client (estimated $300-$500/year)

Total (estimated) additional annual costs from these methods: ~$320 - $620

*We have abided by the Wheaton College Honor Code in this work.*

*Michaela Hotte*

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