Final Restitution Meeting

Tuesday 31st March 2020
Group 2

Our common objectives of the project
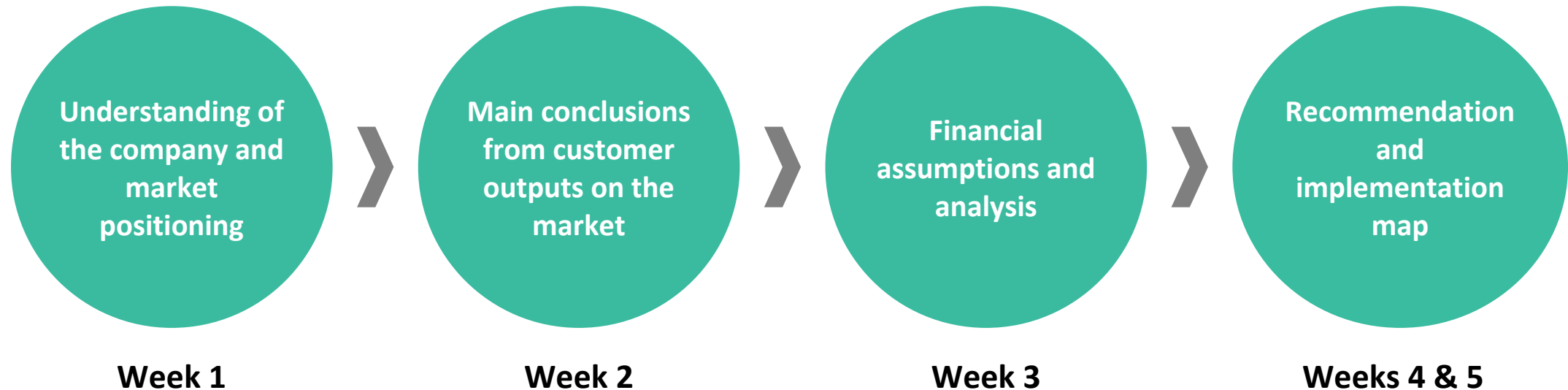
We are here to **work side by side** with you to help increase the number of customers, by the means of:

1 **Data analysis to make the right choices** for the rebranding of the space

2 **New branding** and type of **cuisine** suggestions

3 Estimation of the costs, benefits and **break-even point**

We have managed to respect the original timeline for the project, until the end

Understanding of the company and market positioning

Main conclusions from customer outputs on the market

Financial assumptions and analysis

Recommendation and implementation map

Week 1

Week 2

Week 3

Weeks 4 & 5

Recap of what has been done for last meeting and since then

What has been done until last session…   … and since last session

Understood the company and market positioning
- ➢ Looked at Bokan history and special positioning
- ➢ Performed its SWOT analysis

Drew main conclusions from customers
- ➢ Extracted information from online reviews
- ➢ Analyzed results and key factors of success

Designed financial assumptions and analysis
- ➢ Estimated main sources of revenues / costs
- ➢ Calculated targeted profit after rebranding

Designed recommendations
- ❏ Aligned with you on rebranding
- ❏ Went deeper into new market positioning analysis
- ❏ Adjusted financials

Proposed an implementation map
- ❏ Benchmarked and discuss with all entities about timing
- ❏ Worked on communication process and timeline

Agenda for today's Weekly Meeting

Strategic conclusions from market trends

Recommendations based on market trends and positioning

Profit analysis of recommendation

Next steps and implementation proposals

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Strategic conclusions from market trends

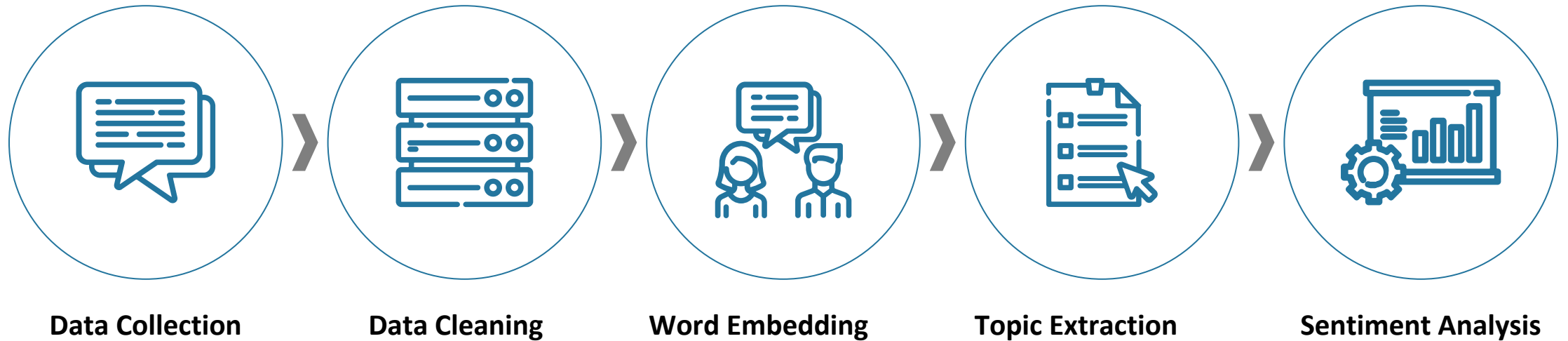**Recommendations based on market trends and positioning**

Profit analysis of recommendation

Next steps and implementation proposals

Methodology: we used available data to explain target customers' behaviour (1/2)

Data Collection   **Data Cleaning**   **Word Embedding**   **Topic Extraction**   **Sentiment Analysis**

Methodology: we analyzed the market and Bokan to design rebranding (2/2)

1 | **Obtain data at different levels**

From TripAdvisor, extract the reviews for:

- General customers' expectations in **London**

- Customers' expectations in **Bokan neighborhood**

- **Bokan customers'** expectations

2 | **Analyze reviews for all levels**

From reviews :

- What **themes matter the most to customers** in general (findings: food, service, staff, time)

- For each theme, find the **main criteria to give a good or bad grade**

3 | **Compare Bokan to competitors**

From reviews and for each criteria, **compare Bokan to its competitor's performance**:

- Same as competitors: neutral

- Above competitors: strength to keep

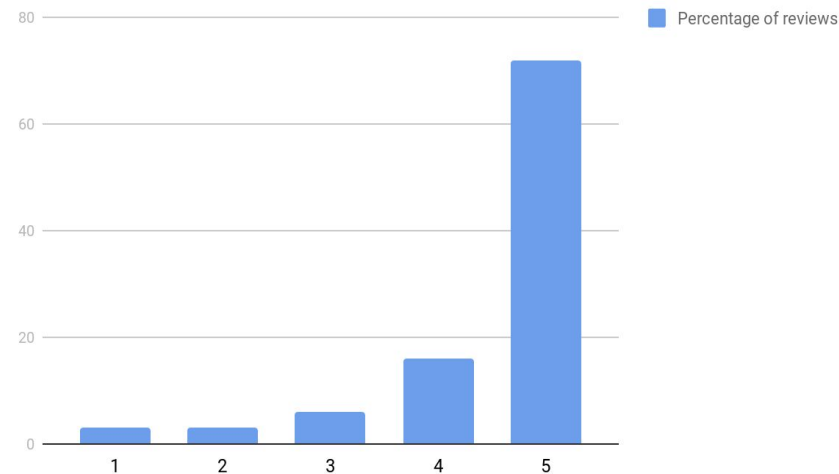- Below competitors: weakness to work on

Grades tend to be high, with a length of review following a bell curve


More than 70% of reviewers* give 5/5 to restaurants

Percentage of reviews* per grade attributed online by customers

Consumers use platforms to express their satisfaction a lot more than their frustrations, as regards restaurants in London

Reviews' lengths* experience high fluctuations

Repartition of review lengths on extraction

min : 10
max : 8,759
mean : 458
median : 344
std : 422
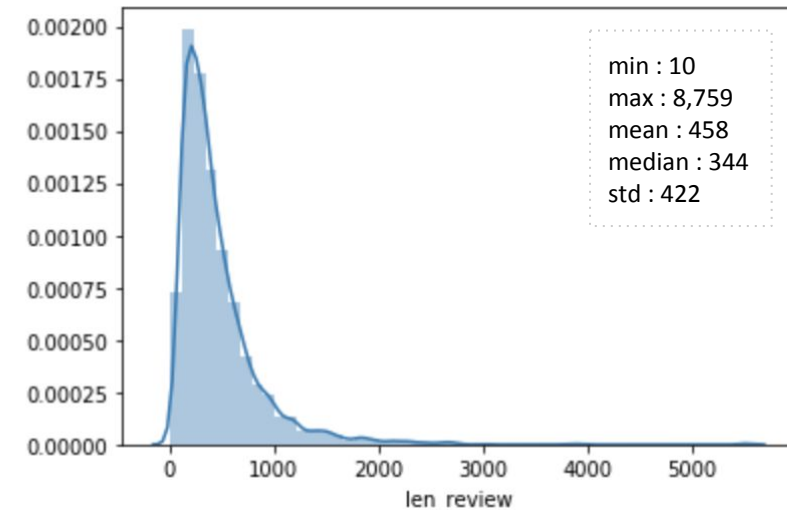
Comparing mean and standard deviation of review length makes it possible to imagine that length will have an impact on grades, as variations are huge

* Study realized on 3,969 comments extracted from TripAdvisor website in February 2020

Grades, lengths of reviews and key-words are highly correlated…

Reviews' length* decreases when the grade increases

Average length of reviews* per grade

■ Avg review length

-53%
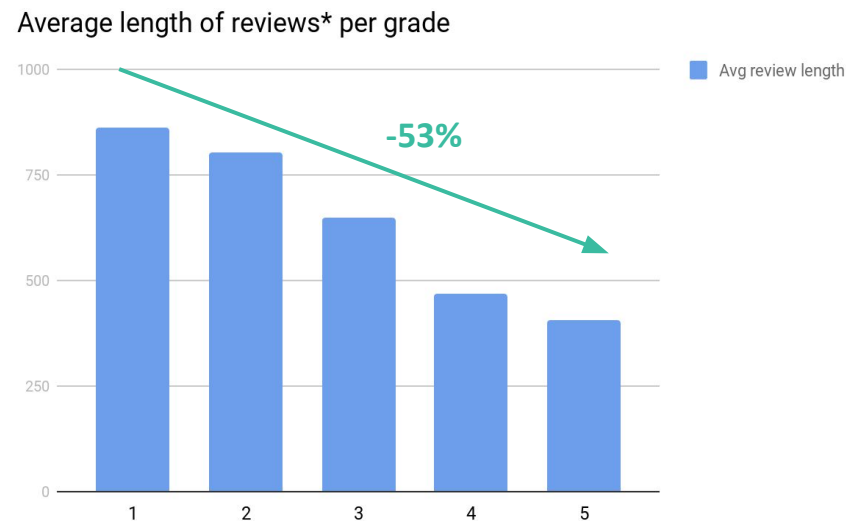
👁 This observation implies that the happier the customer, the shorter the review: negative words will tend to vary more than positive ones

Good grades come with happy vocab Bad grades: more neutral comments

| Grade	Top 20** of most common words in reviews*
1	**n't**, restaurant, food, table, time, service, menu, **never**, could, **good**, staff, one, review, even, ordered, place, like
2	food, **n't**, restaurant, service, table, **good**, staff, time, like, could, back, asked, people, experience, menu, ordered
3	food, good, restaurant, **n't**, service, staff, time, menu, table, **nice**, one, back, like, **really**, **great**, dish, main
4	**good**, food, restaurant, service, **great**, staff, **n't**, time, **nice**, **friendly**, menu, **really**, **lovely**, place, **well**, back, one
5	food, **great**, restaurant, service, **good**, staff, **friendly**, time, place, **really**, **lovely**, **n't**, back, **thank**, **excellent**, **delicious**, **best**

👁 Only reviewers have difficulty expressing negative feelings online, but become increasingly generous when they enjoy their experience somewhere

* Study realized on 3,969 comments extracted from TripAdvisor website in February 2020
** Some words have been deleted due to their lack of significance (eg "u", "s")

… and allow to understand better customer general behavior and main expectations
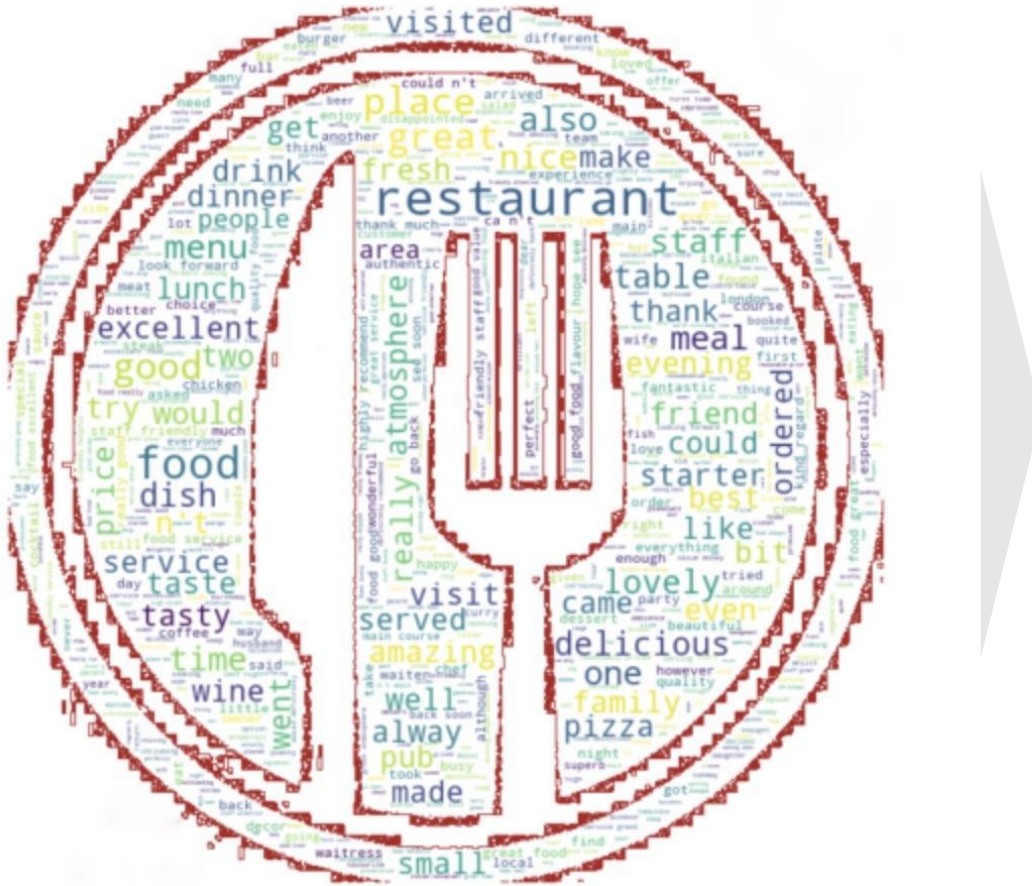
Main outputs from analyses

Reviewers tend to be very **generous when rating restaurants**

The **less they write**, the **happier** they tend to be with the experience

Reviewers always try to be **positive**, thus **negative words** always tend to be **under-represented** and non-impactful

What matter most to customers: **food, service, staff, time and place**

Word-cloud realized on 3,969 comments extracted from TripAdvisor website in February 2020, with maximum 1000 most represented words

Detailed studies for each field of expectation highlight what counts the most for clients

Food

- Food quality
- Choice on the menu
- Hot / cold at serving
- Presentation

Staff

- Friendliness
- Special attention
- Politeness
- Help on choosing

Service

- Service quality
- Speed of service
- Efficiency
- Friendliness

Will be studied together as highly correlated

* Study realized on 3,969 comments extracted from TripAdvisor website in February 2020

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For food, focus on the "French touch" and eccentricity to sell a unique experience

Current positioning*

- **Food presentation** outperforms the majority of restaurants in London, but is **below for true competitors**
- **Food quality is average / low** compared to competitors
- **Expectations** are however more often met than for competitors : clients know what to expect from Bokan

Recommandations

- Live more space to **imagination and food design**
- Play on the **French** nationality of the chef to **differentiate** from competitors
- Keep the **"authenticity" and simplicity** mindset as regards external communication

*Study realized on 3000 comments extracted from TripAdvisor website in March 2020, on comments from direct competitors and on Bokan reviews, details in the appendix section

Focus on the view to organize tables and increase the uniqueness of the experience

Current positioning*

- Bokan's **most competitive advantage** is the **unreplicable view** on London from the restaurant and the bar
- **Decoration outperforms the one of all competitors** and regular restaurants
- Clients consider the **place amazing,** as for competitors

Recommandations

- **Play on this uniqueness of the location when advertising**
- Modify the organization of the restaurant to **orientate more tables towards the windows**
- **Ease staff circulation** between tables, with one or two central aisles

*Study realized on 3000 comments extracted from TripAdvisor website in March 2020, on comments from direct competitors and on Bokan reviews, details in the appendix section

Complete food change by an intense training for the staff team to improve service quality

Current positioning*

- **Service is too slow,** compared to competitors but also to the majority of restaurants in London
- **Friendliness is low** compared to competitors
- **The staff is more attentive** than in many restaurants, **but not enough for high standard restaurants**

Recommandations

- **Plan diners in some competitors' restaurants** for staff managers to make them **evaluate the difference**
- **Rethink team organization** (e.g. same members doing cocktails for the bar and the restaurant)
- If insufficient, **temporary hire an experienced manager**

*Study realized on 3000 comments extracted from TripAdvisor website in March 2020, on comments from direct competitors and on Bokan reviews, details in the appendix section

Reorganizing Bokan as such makes it possible to organize extra activities at Bokan 38 & 39

Organize more events for companies

- **Business breakfasts** could represent a high margin opportunity at a time when the bar is empty
- **Wine tasting before-dinner events** could be organized in bar as well
- **Corporate winter parties could be proposed**, as the hotel might be relatively empty before the holiday season

Partner with brands to organize special events

- Partner with prestigious alcohol companies to do tastings only for a **shortlisted guest list to increase prestige**
- Organize events for **avant-première luxury collection**s to increase **communication and fashionability** of the place

New activities should lead to a slight change in daily opening hours of Bokan 38 & 39

Current	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday	Sunday
Lunch	-	-	-	-	-	12:30-2:30	12:30-2:30
Diner	6-9	6-9	6-9	6-9	6-10	6-10	6-9

Future?	Monday	Tuesday	Wed.	Thurs.	Friday	Saturday	Sunday
Morning	8-9:30	8-9:30	8-9:30	8-9:30	8-9:30		
Lunch			12-2:30	12-2:30	12-2:30	12:30-2:30	12:30-2:30
Aftern.		5-6:30	5-6:30	5-6:30			
Diner	6-9	7-10	7-10	7-10	6-10	6-10	6-9

Open to regular customers   Open on reservation by companies or for special events
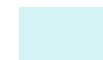
A particular effort should be made on communication to increase change efficiency
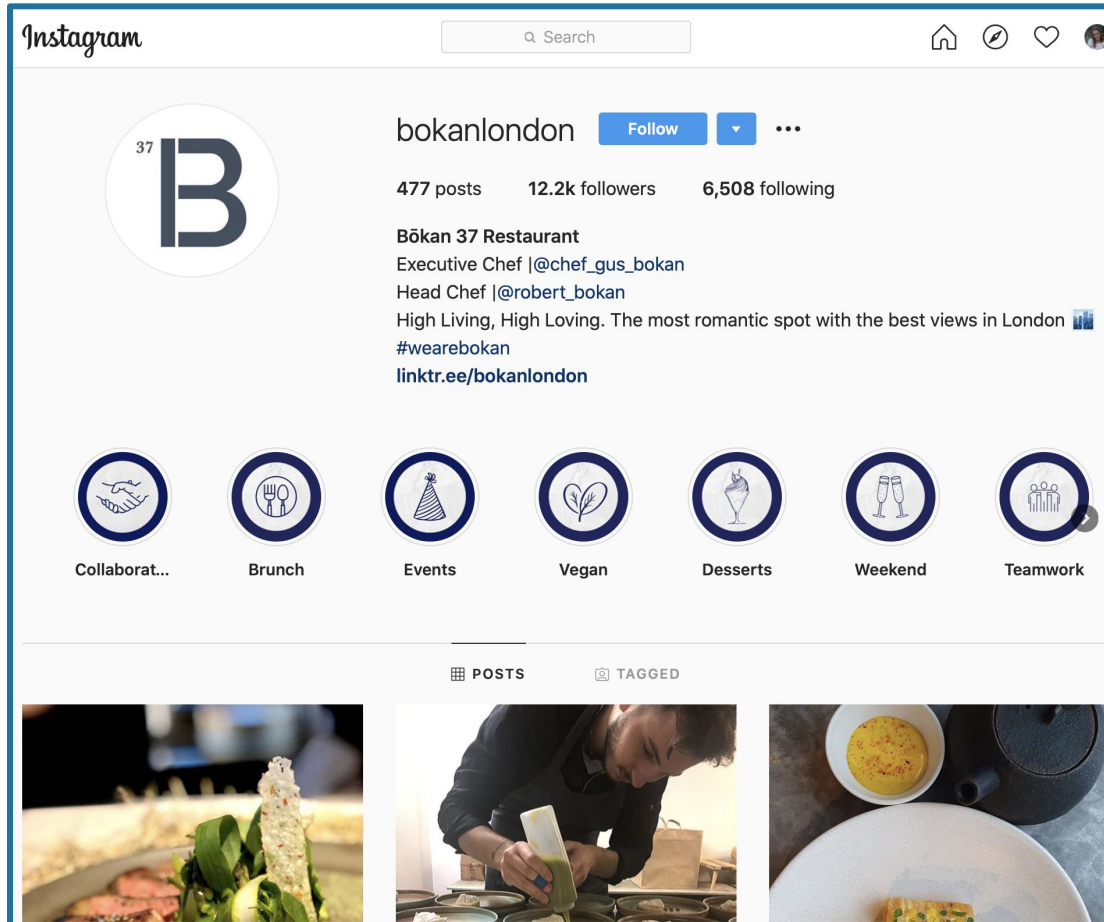
→ **Generation Y's mindset is often to check restaurants on Instagram ***

- **Visible progress** has already been made since the creation of the Instagram account in 2017

- **Putting stories** should enable customers to visualize the **general atmosphere**

- More **pictures focused on the restaurant full of clients** should be displayed, as Bokan's aim is to be fashionable

- **Mentioning that the chef is French** would increase differentiation from competitors

*According to Gartner study : How to Manage Social Media Engagements for Customer Service (Apr. 2015)

This strategy would have a strong and very positive differentiation impact

Unique French and eccentric **food experience**

Irreproducible view on London

Organized service with a **caring staff**

Flexible opening hours to answer more envies

Strong external **communication**

GROWTH

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To perform profit analysis, we used industry standards to compare costs and revenues

Standard margins on food*

- **Food is harder to estimate** than beverages as transformation is higher

- **Sell price x3 purchase price** of total ingredients can be taken as a reference, although the coefficient might be very volatile even among competitors

Standard margins on beverages**

- **Bottle of wine** : sell price x4.5 purchase price

- **Glass of wine** : sell price x4.5-5 purchase price (often higher than bottle because of wine loss)

- **Cocktails** : sell price x7 purchase price of total ingredients (volatile coefficient)

*Information from Upserve
**Information from Les Grappes Magazine, Previ'Start

Revenue – Cost analysis
Ratios & assumptions

65%

Gross margin (food)

Profit margin

15%
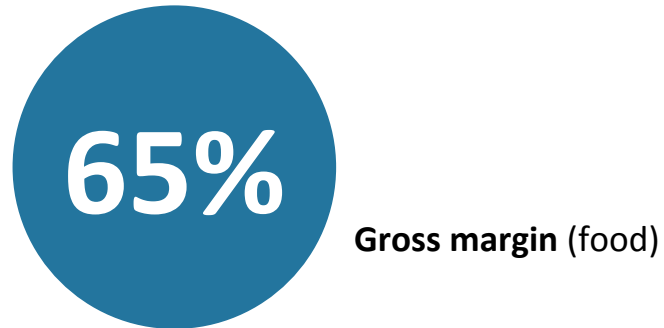
- A service of high quality in an outstanding frame leads to a strategy of **small volumes** and **high margins**
- **38 Bar** clearly drives substantial **revenues growth**

120 covers at lunch
(40£ in average)
180 covers at dinner
(60£ in average)

1 glass of wine per dinner seating in average
1,000 bottles / month

38 Bar
100 clients / day
(30£ in average)

+ 12.5% service fee

Currently, we have estimated profit to be around **£780,000** on a yearly basis

```
                                    ┌──────────────────────────────────┐
                        ┌─────────┐ │ ● Lunch:  101k                   │
                        │ Bokan 37│▶│ ● Dinner: 267k                   │
            ┌─────────┐ └─────────┘ │ ● Total: 415k (service included) │   ┌──────┐
            │Revenues │             └──────────────────────────────────┘ ▶ │ 495k │
            └─────────┘ ┌─────────┐ ┌──────────────────────────────────┐   └──────┘
                        │ Bokan 38│▶│                                  │
                        └─────────┘ │ ● 70k                            │
┌────────┐                          └──────────────────────────────────┘
│ Profit │              -                                                       -
└────────┘                          ┌──────────────────────────────────┐
                        ┌─────────┐ │ ● Operating expenses: 35k        │
                        │  Fixed  │▶│ ● Wages: 115k                    │
            ┌─────────┐ └─────────┘ │ ● Overhead : 70k                 │   ┌──────┐
            │  Costs  │             └──────────────────────────────────┘ ▶ │ 430k │
            └─────────┘ ┌─────────┐ ┌──────────────────────────────────┐   └──────┘
                        │Variables│▶│ ● Food: 145k                     │
                        └─────────┘ │ ● Beverage: 45k                  │
                                    └──────────────────────────────────┘
```
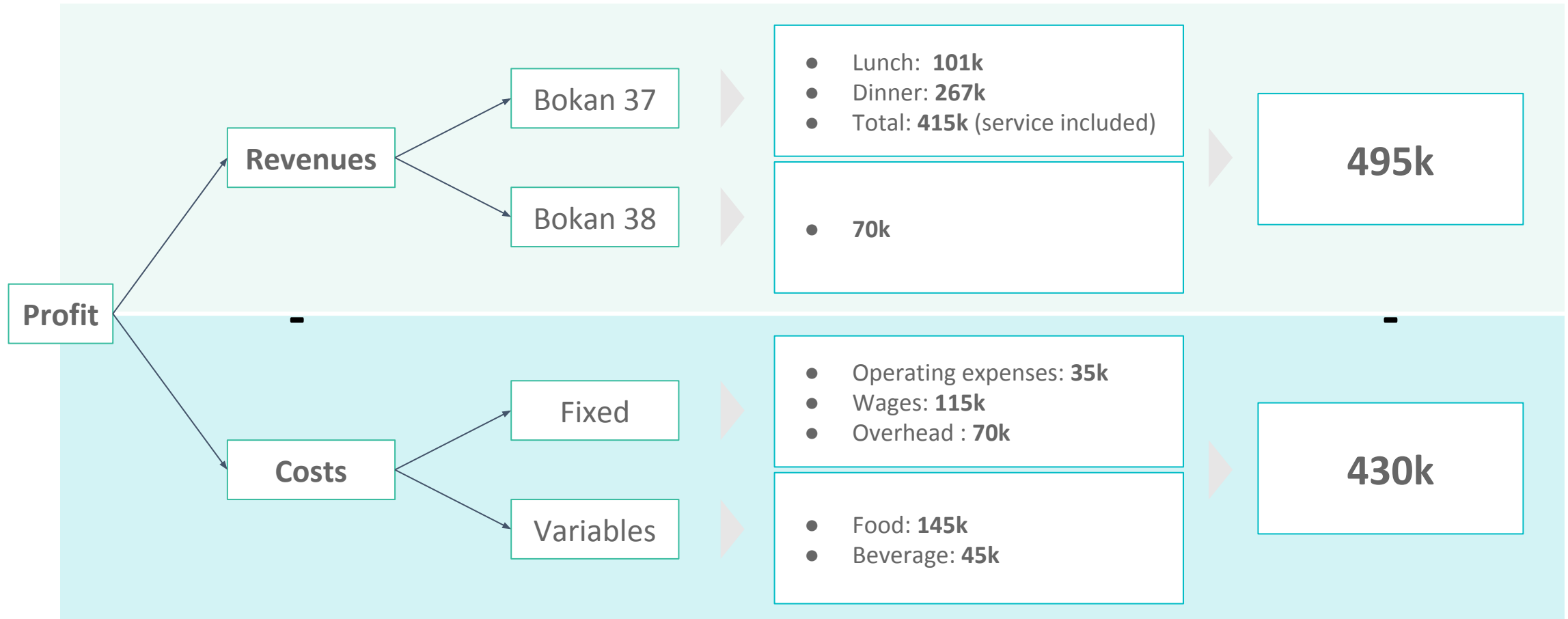
*Total revenues / costs monthly, **in £***

Estimated profits go up to **£1,080,000**

Profit

Revenues
- Bokan 37
  - Lunch: **126k**
  - Dinner: **324k**
  - Total: **510k** (service included)
- Bokan 38
  - **90k**

600k

-

Costs
- Fixed
  - Operating expenses: **40k**
  - Wages: **150k**
  - Overhead : **70k**
- Variables
  - Food: **160k**
  - Beverage: **50k**
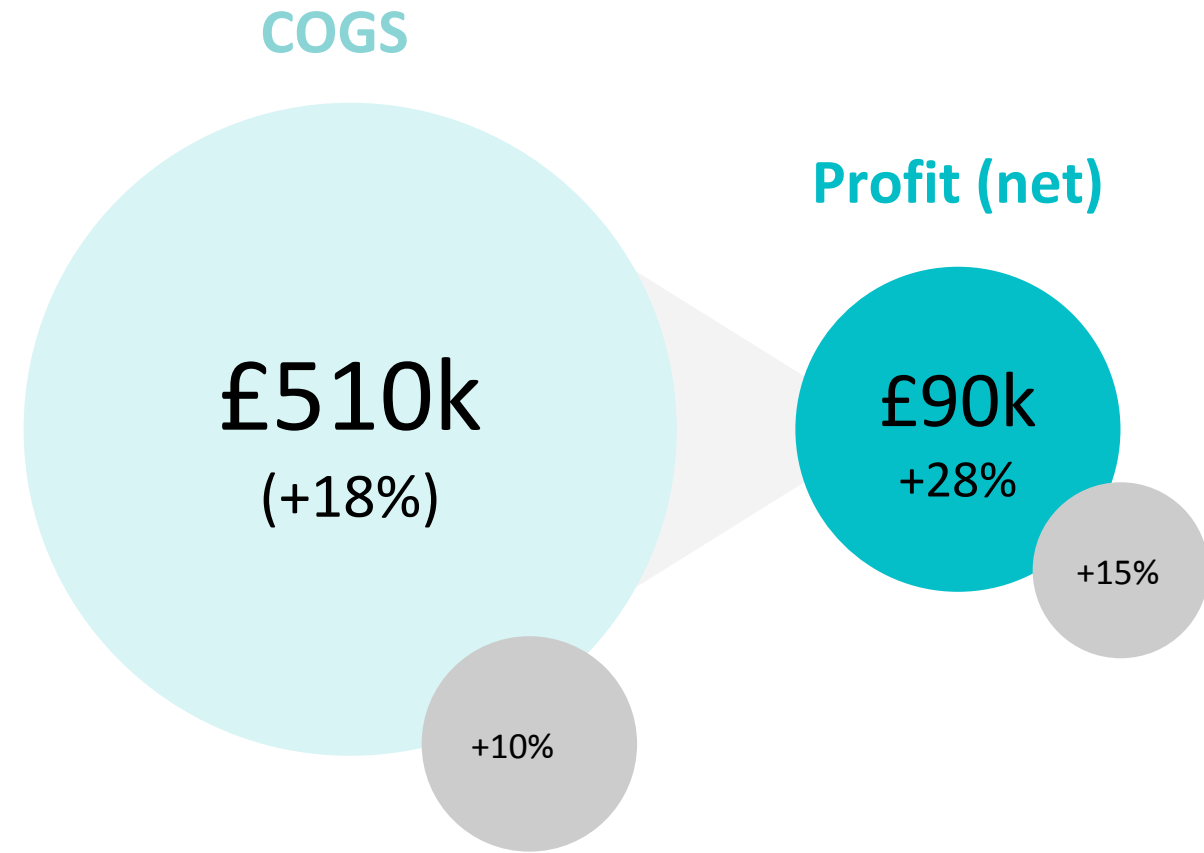
510k
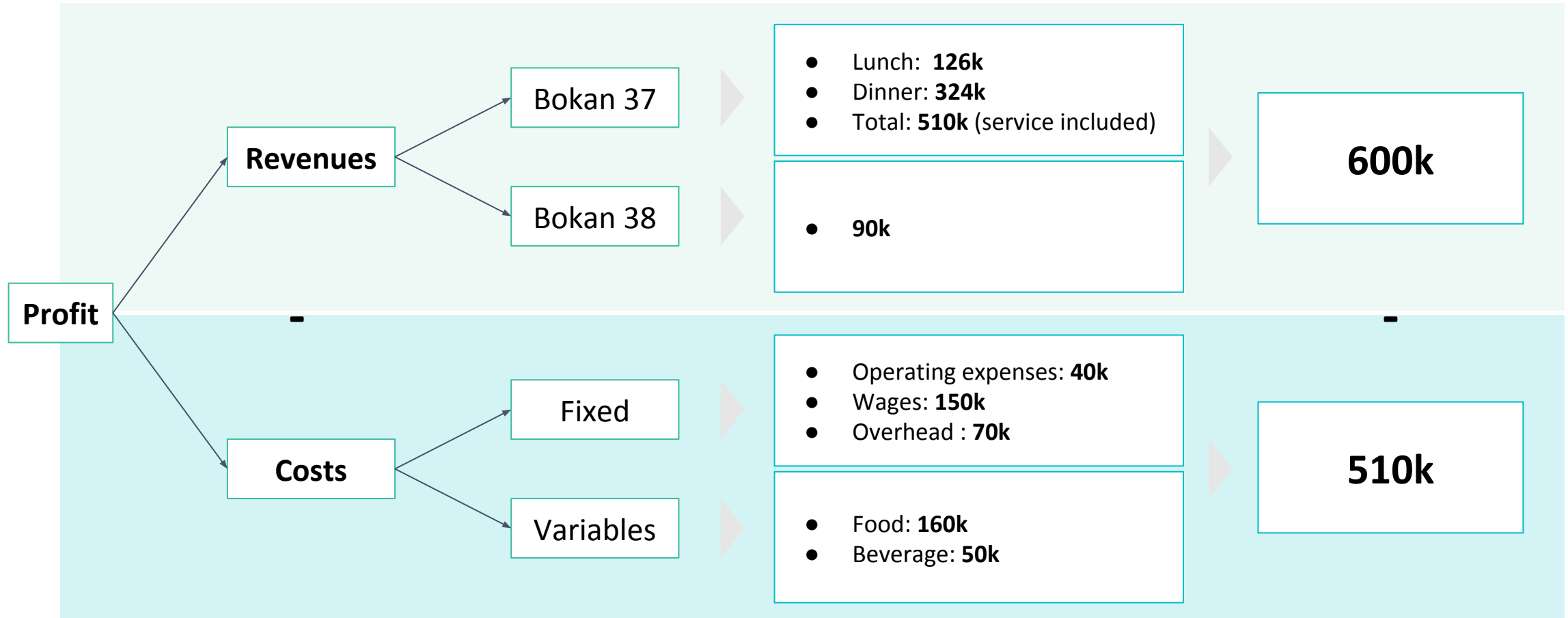
Total revenues / costs monthly, in £

With this new scenario, net profit are to increase by **28%** compared to 2019

Optimistic scenario: ●

- Progressive expansion allows to reach 80% of monthly expected profit in 60 days
- Detailed sprints and check-ups to reach full expected profit increase before Summer 2020
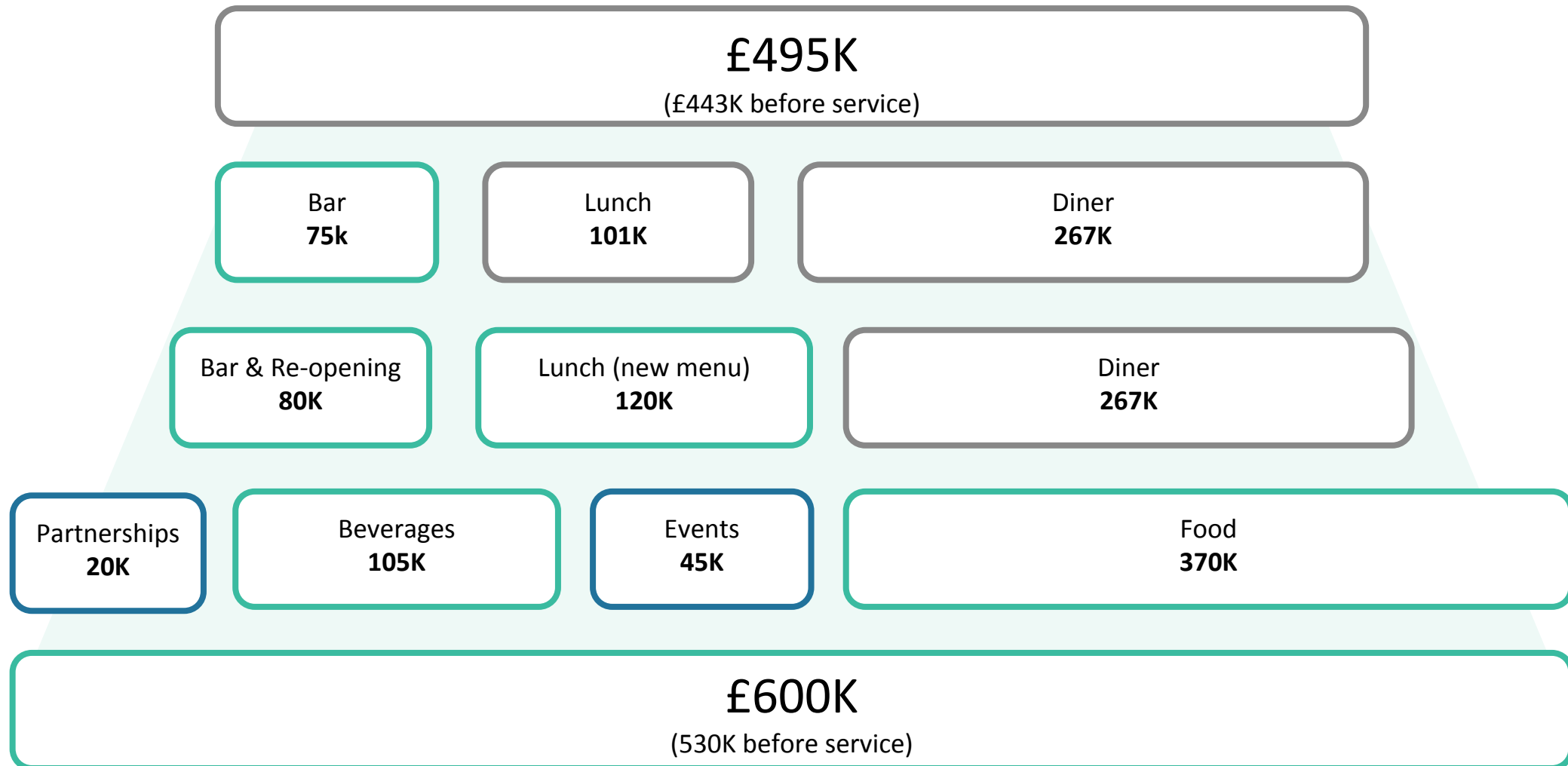
Pessimistic hypothesis: ●

- Granularity and anticipation in the long term allows to isolate costs to be timely limited
- 40% of additional COGS can be entirely or partially curbed, for a minimum temporary increase of 15% in net profit

COGS

£510k
(+18%)

+10%

Profit (net)

£90k
+28%

+15%

Zoom on revenues - regular opening hours

£495K
(£443K before service)

| Bar **75k** | Lunch **101K** | Diner **267K** |

| Bar & Re-opening **80K** | Lunch (new menu) **120K** | Diner **267K** |

| Partnerships **20K** | Beverages **105K** | Events **45K** | Food **370K** |

£600K
(530K before service)

Zoom on revenues - Events and partnerships are expected to increase revenues by 15%

Revenues after rebranding allows **better partition and balance** between different and complementary sources of revenue

Diversifying supply allows to leverage **broader demand** in the frame of a **high price and margin** strategy

Events and partnerships:

- costlessly increase revenues
- are seamless marketing tools
- naturally bring animations

- can affect current customers and trigger a cannibalization effect
- must not deteriorate the image of the service built so far

Zoom on special events and partnerships – expected to generate 65k£ new profit

Morning	**Propose Corporate breakfasts to nearby companies** *Costs* : service to pay & cost of goods *Revenues* : price per participant paid by the company	Based on the following assumptions: – Price of 1000 £ / company – 30 participant on average – Cost of staff = 12 £ per participant – Cost of goods = 10 £ per participant	**Net profit 30k£**
Afternoon	**Organise wine-tasting activities, partnering with famous liquor brands** *Costs* : service to pay & cost of goods *Revenues* : price per person paid by the participant	Based on the following assumptions: – Price of 75 £ / participant – 15 participants on average – Cost of staff = 20£ per participant – Cost of goods = 30£ per participant	**Net profit 20k£**
	Propose Corporate winter seminars and parties *Costs* : service to pay & cost of goods *Revenues* : price per participant paid by the company	Based on the following assumptions: – Price of 40 £ / participant – 50 participants on average – Cost of staff = 10£ per participant – Cost of goods = 20£ per participant	**Net profit 15k£**
TOTAL			**65k£ / year**

Zoom on additional costs due to refurbishing and reorganization

Reorganize the Bokan to make it more polyvalent (to welcome new types of events) – Interior designer firm 　　　　　　　　　　　　　　　　　　**20k** – New equipment for breakfast (crockery, specific machines) 　**20k** – New equipment for company parties and seminars (screens, boards) 　**20k** – Communicate on Bokan's new offer to companies (including promotions) 　**20k**	**Cost 80k£**
Refurbish to cope with new style – Interior designer firm + stylist 　　　　　　　　　　　**80k** – Change all furniture 　　　　　　　　　　　　　　　**100k** – New artwork 　　　　　　　　　　　　　　　　　　**50k** – Communicate on Bokan's new style and identity (including promotions) 　**40k**	**Cost 270k£**
Loss of revenue due to planned work **1 month** of planned work : – Net Loss 　　　　　　　　　　　　　　　　　　　**65k** – Vacancy fees 　　　　　　　　　　　　　　　　　**55k**	**Cost 120k£**
TOTAL	**470k£**

Breakeven should be reached in **16 months**

- Including all additional costs linked to the deployment and Capgemini upstream work

- Taking into account the progressivity of monthly revenues, reaching expected goals by Month 2 at maximum

- Final study to be realized after Month 1 to confirm our long haul vision

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Internal communication is key for the good development of the operation

The main objective is to ensure a smooth transition

- Enable **employees to be included** in the transition
- Make it possible for everyone to **understand the benefits** of changes
- **Avoid stressful situations** due to uncertainty
- Avoid rumors due to **lack of information**

Some actions will enable to reach this goal

- Design a **clear communication plan** for managers of all departments
- **Detail** the rebranding **strategy**
- Design a clear **schedule of changes to communicate** with teams
- Organize **sessions to answer all questions**
- **Communicate on position changes** when necessary

Always remember...

" [...] small favors and accommodations for customers may seem minor, but the aggregate impact can be detrimental to strategy execution. "

Gartner's study - "How to implement a new strategy execution framework"

We target 5 weeks of implementation to reach the new running service

Implementation map

	Week 1	Week 2	Week 3	Week 4	Week 5
General	Introduce the **transition plan** to the whole staff	Monitor **feedbacks** from staff	**Monitor feedbacks** from early customers	**Communicate about rebranding**	**Release week**
Food & Service	Schedule diners in model restaurants for staff Design new "**French touch**" dishes	New dishes at 38 Discuss with suppliers to **adapt orders** Waiters' formation	**Fine-tune menu** and drinks from latest reviews Team-building to improve efficiency at work and friendliness	**Promotion events** (Exhibition, private party, association with liquor brand…)	Designed new menu, to be updated monthly Provide **gratitude to staff** and celebration event
Deco & rebrand	Brainstorm and test **new organisation** for the main room	Collect pictures and **reviews of the new spirit**	Plan **press meetings** Improve decoration through **customers interaction**	Association with brands in the scope of the new brand	**Promotion through communication** & (re-)opening event

Shared responsibilities are essential to reach the targets and make an efficient transition

RACI

Field of activity	Task	Responsible	Accountable	Consulted	Informed
Kitchen	Design a new menu	Chef		Director of Bokan Accor Hotel	
	Discuss with suppliers for improvement of products' quality	Financial responsible of Bokan	Chef Director of Bokan	Accor Hotel	
Service & Staff	Visit competitors to note axes of amelioration	Service director	Director of Bokan		Accor Hotel
	Train staff	Service director			Accor Hotel
Place	Rearrange tables	Director of Bokan	Service director	Accor Hotel	
Communication on rebranding	Communicate with teams within the restaurant	Team leaders	Director of Bokan		
	Communicate externally	Communication manager		Chef Director of Bokan	Accor Hotel

Appendix

Correlation matrix of restaurants

Restaurants embeddings (sample)

Negatively and positively most correlated words to food, staff and service

```
                [food]                              [staff]                             [service]
             -NEGATIVE-                           -NEGATIVE-                           -NEGATIVE-
ok              :  -0.16          member            :  -0.12          poor              :  -0.20
average         :  -0.16          rude              :  -0.08          terrible          :  -0.17
order           :  -0.12          members           :  -0.06          slow              :  -0.17
cold            :  -0.12          seemed            :  -0.05          bad               :  -0.14
bad             :  -0.11          enough            :  -0.03          charge            :  -0.12
ordered         :  -0.09          seem              :  -0.03          ok                :  -0.09
poor            :  -0.08          one               :  -0.03          average           :  -0.08
better          :  -0.07          waiting           :  -0.03          customer          :  -0.08
bland           :  -0.06          serving           :  -0.03          however           :  -0.07
arrived         :  -0.06          bar               :  -0.03          12                :  -0.05
             -POSITIVE-                           -POSITIVE-                           -POSITIVE-
great           :   0.14          friendly          :   0.11          excellent         :   0.14
excellent       :   0.13          great             :   0.08          great             :   0.13
amazing         :   0.13          attentive         :   0.08          amazing           :   0.07
delicious       :   0.13          amazing           :   0.06          friendly          :   0.07
fantastic       :   0.09          lovely            :   0.06          fantastic         :   0.07
superb          :   0.07          excellent         :   0.06          attentive         :   0.06
wonderful       :   0.06          helpful           :   0.05          perfect           :   0.06
lovely          :   0.06          fantastic         :   0.05          delicious         :   0.06
outstanding     :   0.06          welcoming         :   0.04          impeccable        :   0.05
perfect         :   0.05          wonderful         :   0.04          wonderful         :   0.05
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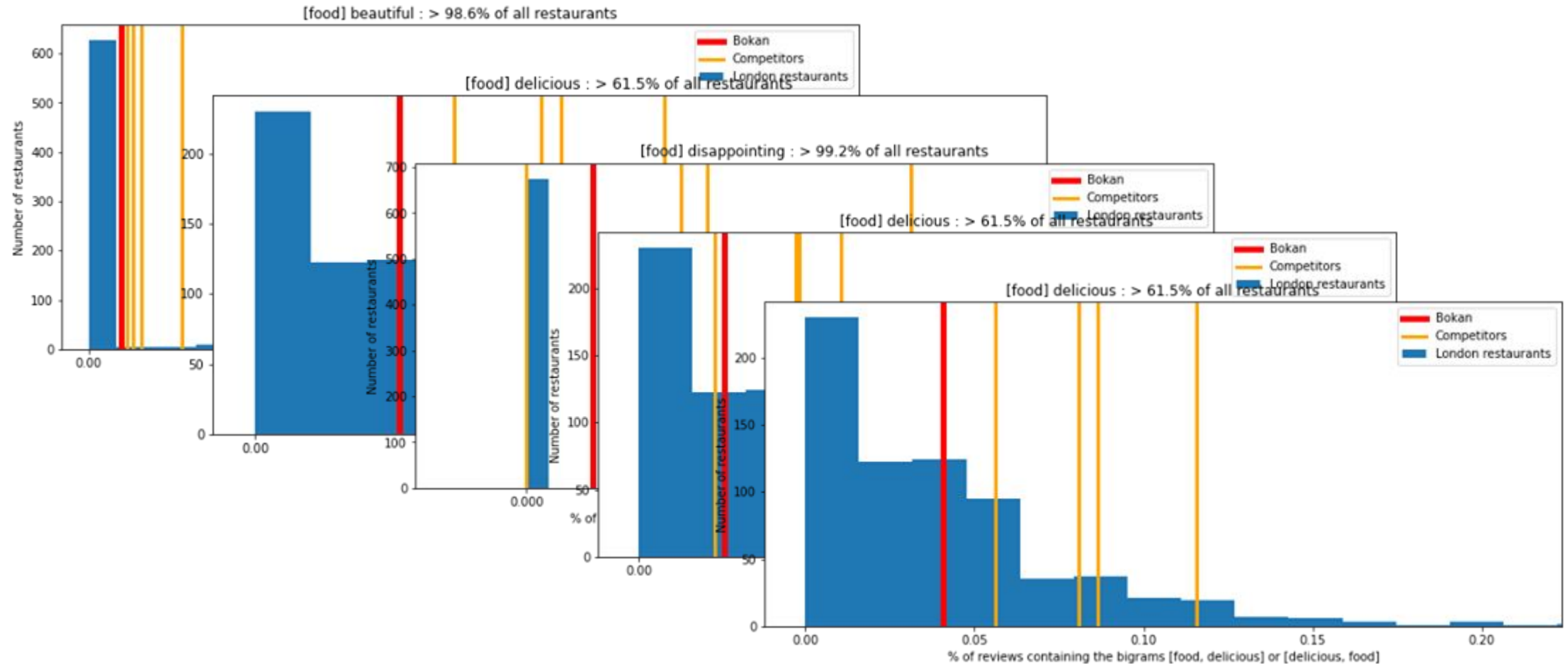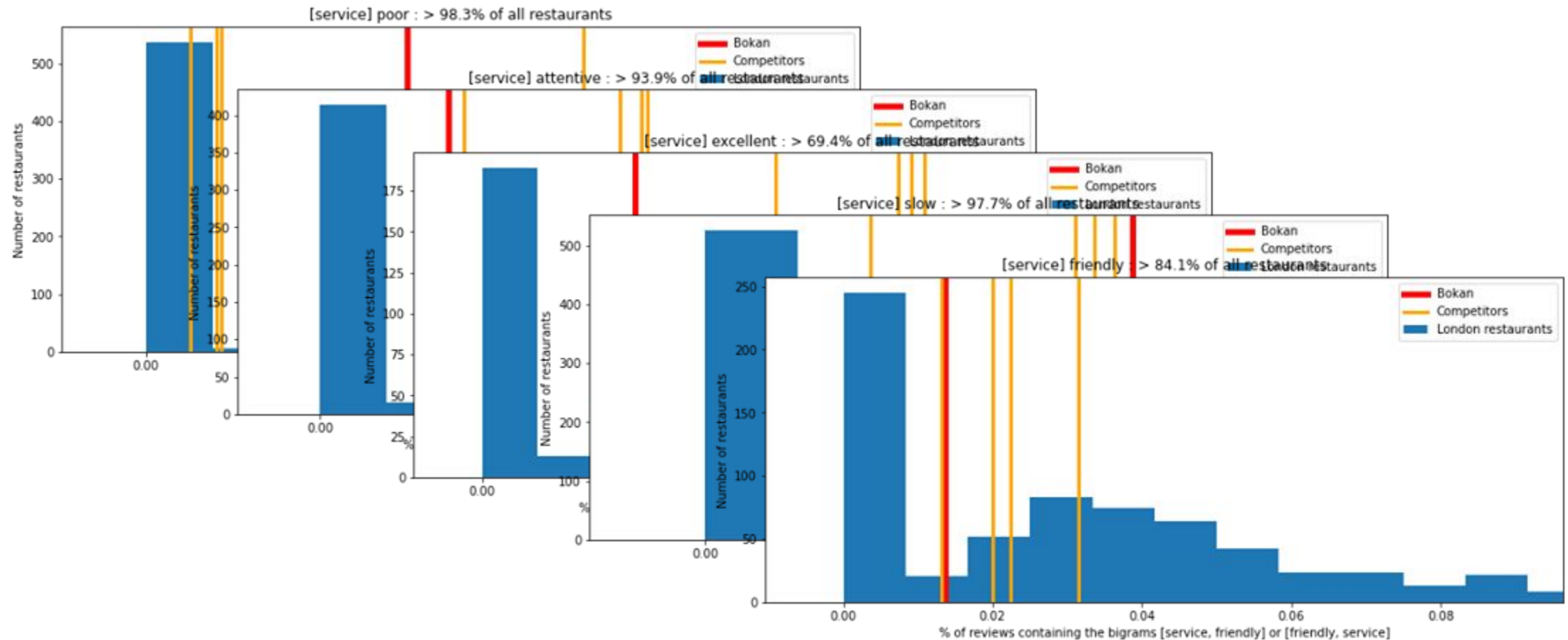
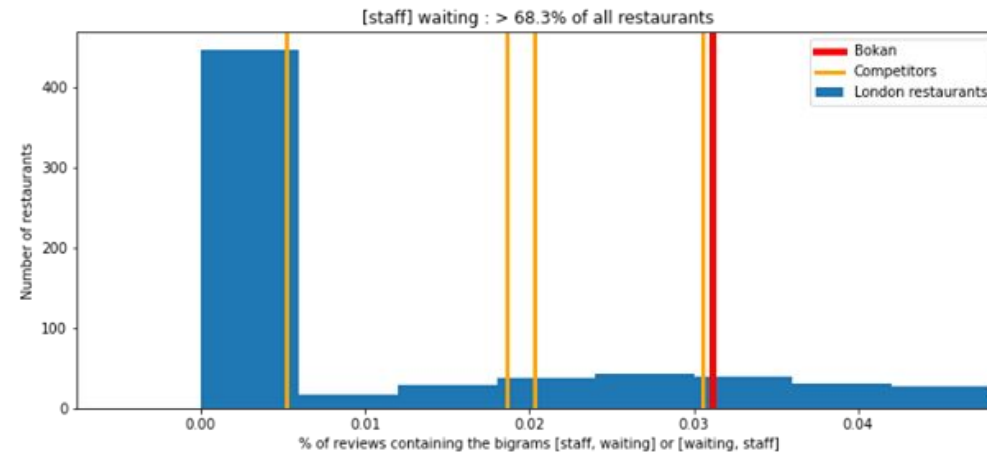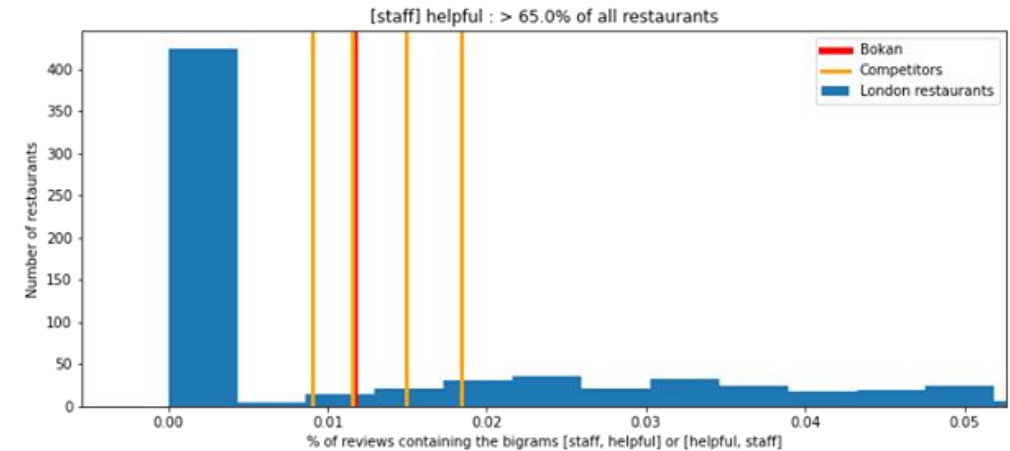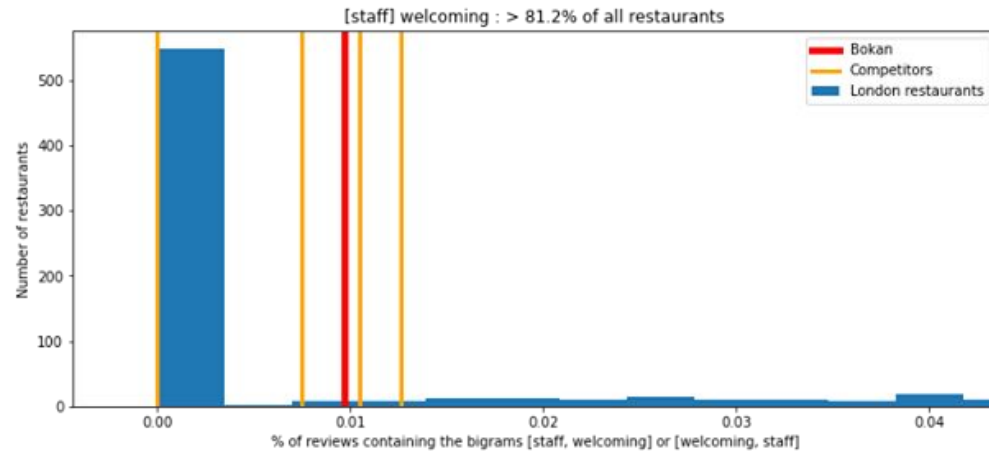# Comparing food performance to other restaurants

Comparing service performance to other restaurants

Comparing staff performance to other restaurants

Comparing the view and the place to other restaurants