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4.2 MARKETING PLANNING: EXAM PRACTICE QUESTION

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

A DIFFERENT POSITION



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.

Market research data indicate how customers perceive some of the restaurants in New Zealand's capital city.

4.2 Marketing Planning: Exam Practice Question

Restaurant	Price	Quality of Food	Location
Meaty Boys	High	High	Medium
Comalco	Medium	Medium	Low
Train	Medium	Low	Low
Willis Street Bistro	Medium	Medium	Medium
Hippopotamus	High	Medium	High
Hot Tamales	High	High	High
Logan Brown	Medium	Low	High
The Sugar Club	Low	Low	Low

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 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: 25 MARKS, 45 MINUTES

1. Explain the difference between target markets and market segments. **[5 marks]**
2. Construct a position map for the Wellington restaurant market based on the information above. **[6 marks]**
3. Explain the benefits of position maps to the operators of both Hot Tamales and Logan Brown. **[4 marks]**
3. Evaluate how restaurants can differentiate themselves and their products from competitors. **[10 marks]**