**Pasta Restaurant Marketing Plan**

**Executive Summary**

Sigmund's Gourmet Pasta will be the leading gourmet pasta restaurant in Eugene, OR with a rapidly developing consumer brand and growing customer base. The signature line of innovative, premium, pasta dishes include pesto with smoked salmon, pancetta and peas linguini in an alfredo sauce, and fresh mussels and clams in a marinara sauce. Sigmund's Gourmet Pasta also serves distinct salads, desserts, and beverages.

Sigmund's Gourmet Pasta will reinvent the pasta experience for individuals, families, and take out customers with discretionary income by selling high quality, innovative products at a reasonable price, designing tasteful, convenient locations, and providing industry-benchmark customer service.

In order to grow at a rate consistent with our objectives, Sigmund's is offering an additional $500,000 in equity. Existing members will be given the first option to subscribe to the additional equity to allow each of them to maintain their percentage of ownership. The portion not subscribed by existing members will be available for prospective new investors.

**Situation Analysis**

Sigmund's Gourmet Pasta is close to entering their second year of operation. The restaurant has been well received, and marketing is now critical to its continued success and future profitability. The store offers an extensive offering of gourmet pastas. The basic market need is to offer individuals, families, and take out customers fresh, creative, attractive, pasta dishes, salads and desserts. Sigmund's uses homemade pasta, fresh vegetables, and premium meats and cheeses.

**Market Summary**

Sigmund's Gourmet Pasta possess good information about the market and knows a great deal about the common attributes of our most prized and loyal customers. Sigmund's Gourmet Pasta will leverage this information to better understand who is served, their specific needs, and how Sigmund's can better communicate with them.

**Market Demographics**

The profile for Sigmund's Gourmet Pasta's customer consists of the following geographic, demographic, and behavior factors:

**Geographics**

Our immediate geographic target is the city of Eugene with a population of 130,00.

A 15 mile geographic area is in need of our services.

The total targeted population is estimated at 46,000.

Demographics

**Male and female.**

Ages 25-50, this is the segment that makes up 53% of the Eugene market according to the Eugene Chamber of Commerce.

Young professionals who work close to the location.

Yuppies.

Have attended college and/or graduate school.

An income over $40,000.

Eat out several times a week.

Tend to patronize higher quality restaurants.

Are cognizant about their health.

Behavior Factors

Enjoy a high quality meal without the mess of making it themselves.

When ordering, health concerns in regard to foods are taken into account.

There is value attributed to the appearance or presentation of food.

Market Needs

Sigmund's Gourmet Pasta is providing its customers with a wide selection of high-quality pasta dishes and salads that are unique and pleasing in presentation, offer a wide selection of health conscious choices, and utilizes top-shelf ingredients. Sigmund's Gourmet Pasta seeks to fulfill the following benefits that are important to their customers.

Selection. A wide choice of pasta and salad options.

Accessibility. The patron can gain access to the restaurant with minimal waits and can choose the option of dine in or take out.

Customer service. The patron will be impressed with the level of attention that they receive.

Competitive pricing. All products/services will be competitively priced relative to comparable high-end pasta/Italian restaurants.

**Market Trends**

The market trend for restaurants is headed toward a more sophisticated customer. The restaurant patron today relative to yesterday is more sophisticated in a number of different ways.

Food quality. The preference for high-quality ingredients is increasing as customers are learning to appreciate the qualitative differences.

Presentation/appearance. As presentation of an element of the culinary experience becomes more pervasive, patrons are learning to appreciate this aspect of the industry.

Health consciousness. As Americans in general are more cognizant of their health, evidenced by the increase in individuals exercising and health club memberships, patrons are requesting more healthy alternatives when they eat out. They recognize that an entree can be quite tasty, and reasonably good for you.

Selection. People are demanding a larger selection of foods, they are no longer accepting a limited menu.

The reason for this trend is that within the last couple of years the restaurant offerings have increased, providing customers with new choices. Restaurant patrons no longer need to accept a limited number of options. With more choices, patrons have become more sophisticated. This trend is intuitive as you can observe a more sophisticated restaurant patron in larger city markets such as Seattle, Portland or New York where there are more choices available.

Market Growth

In 1999, the global pasta market reached $8 billion dollars. Pasta sales are estimated to grow by at least 10% for the next few years. This growth can be attributed to several different factors. The first factor is an appreciation for health conscious food. While not all pasta is "good for you," particularly the cream based sauces, pasta can be very tasty yet health conscious at the same time. Pasta is seen as a healthy food because of its high percentage of carbohydrates relative to fat.

Another variable that is contributing to market growth is an increase in the number of hours our demographic is working. Over the last five years the number of hours spent at work of our archetype customer has significantly increased. As the number of work hours increases, there is a high correlation of people that eat out at restaurants. This is intuitively explained by the fact that with a limited number of hours available each day, people have less time to prepare their meals and eating out is one way to maximize their time.

SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing Sigmund's Gourmet Pasta.

Strengths

Strong relationships with vendors that offer high-quality ingredients and fast/frequent delivery schedules.

Excellent staff who are highly trained and very customer attentive.

Great retail space that is bright, hip, clean, and located in an upscale mall, suburban neighborhood, or urban retail district.

High customer loyalty among repeat customers.

High-quality food offerings that exceed competitors offerings in quality, presentation, and price.

Weaknesses

Sigmund's name lacks brand equity.

A limited marketing budget to develop brand awareness.

The struggle to continually appear to be cutting edge.

Opportunities

Growing market with a significant percentage of the target market still not aware that Sigmund's Gourmet Pasta exists.

Increasing sales opportunities in take out business.

The ability to spread overhead over multiple revenue centers. Sigmund's will be able to spread the management overhead costs among the multiple stores, decreasing the fixed costs per store.

Threats

Competition from local restaurants that respond to Sigmund's Gourmet Pasta's superior offerings.

Gourmet pasta restaurant chains found in other markets coming to Eugene.

A slump in the economy reducing customer's disposable income spent on eating out.

Competition

National Competition

Pastabilities: offers consumers their choice of noodles, sauces, and ingredients, allowing the customer to assemble their dish as they wish. Food quality is average.

PastaFresh: has a limited selection but the dishes are assembled with high-quality ingredients. The price point is high, but the food is quite good.

Pasta Works: offers pasta that is reasonably fresh, reasonably innovative and at a lower price point. The company was sold a few years ago, and consequently the direction of management has been stagnant lately and has resulted in excessive employee turnover.

Perfect Pasta: has medium-priced pasta dishes that use average ingredients, no creativity, and less than average store atmosphere. Sigmund's is not sure how this company has been able to grow in size as their whole product is mediocre at best.

Local Competition

Restaurant A: This is an upscale Italian restaurant that has a limited selection of pasta dishes. Although the selection is limited and pricey, the dishes are quite good.

Restaurant B: An Italian restaurant with a decent pasta selection, however quality is inconsistent.

Restaurant C: An upscale restaurant with a large wine selection and good salads. Everything else is mediocre at best and over-priced. Service can often be poor.

Service Offering

Sigmund's has created gourmet pastas and salads that are differentiated and superior to competitors. Customers can taste the quality and freshness of the product in every bite. The following are characteristics of the product:

Sigmund's dough for the pasta is made with Italian semolina flour.

Cheeses are all imported.

Vegetables are organic and fresh with three shipments a week.

Meats are all top-shelf varieties, organic when possible.

At Sigmund's, food is not a product, the experience of dining is a service. Sigmund's prides themselves on providing service that is on par with fine dining. This is accomplished through an extensive training program and only hiring experienced employees.

At a Glance--The Protype Sigmund's Store:

Location: an upscale mall, suburban neighborhood, or urban retail district.

Design: bright, hip, and clean.

Size: 1,200-1,700 square feet.

Employees: six to seven full time.

Seating: 35-45.

Types of transactions: 80% dine in, 20% take out.

Keys to Success

Location, Location, Location.

Sigmund's site selection criteria are critical to success. Arthur Johnson, former VP Real Estate, Starbucks, helped us identify the following site selection criteria:

Daytime and evening populations.

Shopping patterns.

Car counts.

Household income levels.

Critical Issues

Sigmund's Gourmet Pasta is still in the speculative stage as a retail restaurant. Its critical issues are:

Continue to take a modest fiscal approach; expand at a reasonable rate, not for the sake of expansion in itself, but because it is economically wise to. Continue to build brand awareness which will drive customers to existing stores as well as ease the marketing efforts of future stores.