

## Catering as a Marketing Tool of the Restaurant Business

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**Abstract:** *The catering is a development form of restaurant concept of the business, which should maintain the dynamics of the sector on the one hand, and on the other should contribute to better quality of the experience and food consumption. Catering might be an effective marketing tool of a restaurant business along with the menu, the word-of-mouth and the restaurant staff. The aim of this paper is some specific characteristics of the catering as a marketing tool to be pointed, as well as possibilities for enriching the restaurant concept of a catering enterprise to be held out (after the example of Capitol Restaurant in Varna, Bulgaria). The used approach in the paper is based on: a case study of Capitol Restaurant's experience in catering business and an advanced discussion in Bulgarian specialized publications about problems in catering and restaurant business.*

**Keywords:** *catering, restaurant product, marketing tool*

### 1. INTRODUCTION

Catering is no longer seen simply as a supply of food, but as a complex organization and type of a culture in the preparation process of events and culinary experiences with a private character. Event catering is a modern form of restaurant product development. Catering product is both a consequence and result of activities aimed at meeting the many-sided needs of customers of a restaurant for restaurant food of a good quality, special emotions, specific atmosphere and prestige. In its unique combination of resources, suggestions, material forms and manifestations of human nature and creative thought, the restaurant is a combination of product features according to effective demand and the characteristics of different market segments.

### 2. CONTEMPORARY CATERING – A CONTINUATION OF THE RESTAURANT CONCEPT

Catering as a form of organization of special events is a specific kind of restaurant product that requires a professional approach to the planning of conferences and seminars, banquets, private and corporate parties, cocktail parties, public receptions, weddings, balls, operas and other performances. The term "product" is a requisite of marketing, it is the main element of the marketing mix (Tsonikov, G., 2006) [4]. Restaurant product, which is the result of human labor and satisfy certain human needs, is a good. Not every product could be considered as a good, however, because it is not the result of human activity. This means that the content of the goods includes products that are the result of human labor, but also products that are not the result of human labor. Therefore, the good is much broader concept than the product (Tsonikov, G., 2006). However, the product and the good have utility, through which satisfy certain human needs. Service as a useful result of human activity is also a product whether it is related or not to offer material products. Service as an intangible asset is also involved in the formation of the usefulness of the restaurant product. During the study and discussion in the Bulgarian scientific community it is found that so far there are no separate and specific developments of the nature, content and product features of the restaurant. Some of the characteristics of restaurant products are subject to partial consideration – an inadequate investigation of problems associated with the restaurant product, primarily due to its complex structure and abstract nature. Practice in the restaurant and in civic life, when a process of consideration of the proposed restaurant goods and benefits is implemented, the term "product" is normally identified with the real form of the result. This, according Georgi Tsonikov means that this product can be seen, touch and purchase and it may be acquired as a thing with all real property rights therein. In the restaurant customers order items and buy not only tangible products in the form of meals, desserts, drinks and food with a nutritional nature, but they use many other intangible goods and benefits. Such services are comfort, atmosphere, staff behavior, appearance of staff, IT support, etc. Therefore, guests of the restaurant for dining and entertainment in their visits and purchases acquire not only physical products but also a lot more good, linked or not linked to these products. So far in the Bulgarian economic literature attempts to define the restaurant product with different shades are made. Some conclusions in this direction are connected with the main features of restaurant product, i.e.:

- restaurant product is a result from the activities and processes;
- it is a set of useful goods, which in different combinations satisfies certain human needs of food and of non-food nature;

- the product is intended for the market where through buying and selling by a common price it is exchanged for a cash equivalent (cash equal worth).

In this sense Georgi Tsonikov defines, in its essence, the restaurant product as a result from the restaurant activities, containing tangible and intangible goods, offered with a total price for the satisfaction of human needs.

The importance of contemporary catering could be deduced from different points of view. Some authors (Kazlauskiene, E., R. Urbanskiene, 2005) [1] think over the development of network services and catering companies that provide them as the most important factor for regional development, and also derive the leading role of the economic benefits of catering services, which are conducive to improving the social status of citizens, working conditions, their daily needs and overall quality of life. Other researchers (Risku-Norja, H., M. Mikkola, 2010) [3] consider the catering activities in the light of the concept of “Sustainable Development” and focus on environmental sustainability and issues relating to the environment. The economic aspect is widely perceived as cost savings and efficient requirements and is determined as an obstacle to achieve the objectives of sustainability. In his book *How to Manage a Successful Catering Business*, Manfred Ketterer [5] mentions the various *advantages of catering* as:

- Advance deposits – most catering enterprises require a type of advance deposit prior to an event, because it provides some security and safety if the event is canceled. Also the deposit can be used for supplying of the needed food for the party.

- Limited start-up investment – “there is no need for large amounts of capital to get started, since most offpremise catering operations begin by using the existing kitchen facilities of a restaurant, club, hotel, church, or other licensed foodservice business. (It is common knowledge that many start their catering businesses in their home kitchens, but it is imperative to state that this is in direct violation of most local zoning ordinances.). In addition, all of the necessary catering foodservice equipment such as china, glassware, flatware, tables, chairs, and linens can usually be rented, thus avoiding having to invest in expensive equipment inventories [7]”.

- Limited inventories

- Controllable costs – it is possibly because the catering enterprise’s owner and/or manager in advance is aware of the number of guests that are expected for the event. So, only the amounts of food necessary for the event are bought, unlike a restaurant where there is a large variation from day to day regarding the number of patrons and their menu selections.

- Additional revenues – the catering enterprise generates extra revenues and profits for existing operations like hotels, clubs, and restaurants and/or by providing some concomitant services like rental equipment, flowers, décor, music, entertainment, and other accessory services.

- Business by contract – this kind of business is organized as a written contract between the client and the caterer.

- Direct payment - “payment for an event is normally made directly to a manager or owner, eliminating a middleman, whether it’s a wedding planner, on-site food and beverage director, or one of the caterer’s own staff members. This form of direct payment provides for better cash control and fewer folks to share the profit [7]”.

- Advance forecasting – this facilitates the revenue forecasting processes and also the organization of the whole enterprise according to seasonal swings.

- Free word-of-mouth advertising – facilitates the differentiation of promotion according to customers’ satisfaction and generates future business possibilities without the necessity of advertising.

- Selectivity - caterers have the advantage of being somewhat selective about their clients and the events they decide to organize. They are not obliged to accept every request to cater. If the job doesn’t meet the catering enterprise’s standards, the manager can decline the contract.

Catering enterprises have some *disadvantages* referred to:

- Catering management staff undergo times of high stress during very busy periods when deadlines rule all the activities without any chance the workload to be evenly spread throughout the year. “For most off-premise caterers, 80 percent of the events are scheduled in 20 percent of the time. For most, weekends are generally busier than weekdays. Certain seasons, including Christmas, are normally busier than others. Of course, caterers must maintain general business hours too![7]”.

- There exist difficulties to find appropriate staff for certain events. The men of experience are acquainted with the constant stress, high energy efforts, inconsistent revenues and requirements for quality, and they renounce their future obligations. Others share that “it is difficult for even the most well-organized person to be in two places at the same time [7]”.

- Some catering enterprises have focused leadership energy on building specific core values and goals for sustained periods of time and they have to perform their mission in accordance with their long-term perspectives, etc.

*Contemporary Catering in Bulgaria* is characterized by certain features such as [6]:

- “the work of the catering company is not limited to offering quality food and drinks served in an original way, but with organization, lighting, sound, decoration, animation, ready-related solutions for events that can be extremely complex and unusual ...” (Alexander Kovachev, “Red Devil”, 2011);
- in the crisis every restaurant is trying to generate additional revenues by broadening the range of its services and offering catering decisions of the restaurant product (Dimo Dimov, “Cult Gourmet Catering”, 2011);
- “Despite the large number of companies on the Bulgarian market dealing with catering, the number of those who offer a complete product hardly exceeds 5-10” (Dimo Dimov, “Cult Gourmet Catering”, 2011);
- lack of professionalism and sufficient resources (personnel, equipment, logistics) in Event activities;
- “except for the delivery of food, common planning of the event is prepared, so the client can communicate with as few negotiators as possible. This type of organization saves time, effort and money” (Angel Mladenov & Kristalina Stoyanova, “Luxury Catering”, 2011);
- “there are many companies that do not seriously appear as the market players, but have their own equipment for events, carry out recruitment of personnel from other companies for each occurred event” (Vladislav Kirov, Motto catering, 2011), etc.

One of the possible solutions for some tourism enterprises to gain competitive advantages is to build a strong leadership brand and to maintain leadership fundamentals (Ulrich, Smallwood, 2007) [8]. There are five pointed fundamentals:

- *Strategy* – development of main long-term perspectives for positioning the company for continuous success
- *Execution* – creating some additional organization forms to the structure of the firm for the insurance of the adaptation to the necessary changes in business processes
- *Talent management* – motivating, engagement and active communication with talented employees
- *Talent development* – briefing and training employees for future leadership
- *Personal proficiency* – acting with integrity, exercising social and emotional intelligence, making bold decisions, and engendering trust [8].

### 3. THE BRAND “CAPITOL” – AN EFFECTIVE MARKETING TOOL ALONG WITH THE CATERING CONCEPT OF THE RESTAURANT “CAPITOL”

The hotel “Capitol” is a type of an urban business hotel with a four-star category. It is a stylish art hotel located in the administrative and commercial center of Varna, near the Sea garden, sea, Shopping Boulevard in the city that leads to the resorts, The Economic University – Varna, The Festival and Congress Centre, many business offices, banks and other important sites. Opened on April 20, 2003, the hotel attracts guests with a refined luxury and comfort. The design solution is in a style “Art Nouveau”. The main idea is to break the conservative luxury and to create ease and peace. The hotel has 2 studios, 5 apartments and 22 double rooms, which can be used as singles. In the hotel the guests and visitors may enjoy a luxury restaurant with a rich menu of fine wines, French and original cuisine, a lobby bar and conference hall with 30 seats. The reception lobby gives a sense of hospitality and style [2].

“Capitol Catering” is a part of “Capitol Group” with well known established brands - hotel “Capitol” and restaurant “Capitol”. Just the gained experience in them is the foundation of their newest service of catering. “Capitol Catering” combines the best practices of irreproachably service to the highest standards of culinary art [9]. The team involved in this initiative is a wide range of experts and support staff. The classical group of cooks, waiters, maids, bartenders and sommeliers form a team with piccolos, hostesses, security staff, logistics’ specialists, designers and event managers. The aim of this brand is to promote business line of *all inclusive* in a catering service. The client and his/her guests enjoy the full service of polite and personal attitude towards his/her special event. The philosophy of “Capitol Catering” expresses the point of view that “each event is unique, as unique and diverse as our customers are. A unique entity must find its projection in general elegant style, layout, colour code and location of the event. Each piece speaks. We create a line of messages.”

“Capitol Catering” offers three types of menus:

- *SILVER* menu is an elegant decision for the elite food and drinks. It is a good choice for those who are not familiar with the “Capitol Group”. The accomplished approach of Capitol’s chefs to products and food that are often present on a table is a pleasant solution for a new emotion and style. “*SILVER* is quite friendly to the budget of an event. At the same time brings undeniable style that hardly gone unnoticed.” [10] The proposal of appropriate wines in this category adds some ideas for tasting some classified beverages that have not yet developed their commercial potential, but have tangible qualities and better future, according to sommeliers. The Silver menu is “a space for Explorers. You can delight in quality wines in time before the brand has become known and increased the price or the yield has become too familiar.” [10]
- *GOLD* menu is for all connoisseurs of gourmet kitchen. “It is the perfect choice for those who yearn for strong impressions and new sensations.” [11] The chefs deploy skills and imagination. *GOLD* menu offers the most expensive dishes of a culinary art of masters, as well as more moderate solutions suitable for events with large numbers of guests. “The wines are well known names and known vintages. A good expert will quickly find his way among the wide selection, as a leading criterion remains only the harmony between food and drink” [11].

- *PLATINIUM* is a traditional choice for a few connoisseurs. The master Chefs of Capitol create and communicate through their culinary art directly to you. “This is only a part of the palette with which chefs draw feast of the senses [12].” *PLATINIUM* is a brilliant solution for rare and of limited editions’ wines.

“Capitol Catering” is the first representative of this kind of business which offers *all inclusive* in the catering service. “*ALL INCLUSIVE* in catering service is an ambitious undertaking that brings a strategic advantage for our brand. Probably many colleagues could offer quality similar to ours, only in respect of individual elements of the portfolio of “Capitol Catering”. We are unique in offering an integrated set of services from “first hand”. There is no need to sublease personnel or equipment. This fact is a guarantee of an unprecedented synergy and a competitive price. We avoid the long chain of subcontractors and the inevitable escalation of accumulated benefits. Thus, within the budget additional services that bring a sense of special treatment and elite atmosphere are easily fit. The Staff directly contributes to the pleasant atmosphere and unforgettable moments in *ALL INCLUSIVE* service of “Capitol Catering”. Each event is a common organism in which all the systems need to work flawlessly.

#### 4. CONCLUSIONS

On the basis of the present research it can be stated that knowledge of the personnel and management of “Capitol Catering” to use different marketing tools for a promotion of an innovative way in constructing a leadership brand is unique and can be accepted for a competitive advantage. Some other conclusions refer to:

*First*, “Capitol Catering” is a marketing concept and tool for an effective advertisement of the leadership brand of “Capitol Group”, as well as for the regional tourism as a whole.

*Second*, the three types of menu of “Capitol Catering” implement a strategy of differentiation and ensure the success of a unique segmentation of a market in a crisis.

*Third*, all the stages of the talent management and development are executed and it is a strategic advantage of the brand “Capitol” on the Bulgarian market.

*Fourth*, all effective approaches to motivation, engagement and self-improvement in an application of new marketing and management tools contribute to building better learning environment in tourism and increased satisfaction for both employees and customers.

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