

Café Mizrahi: Opening a Second Location in Jerusalem in 2011



MARKETING PLAN

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Vision & Company Profile

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- **Vision**

- Café Mizrahi's vision is to provide a unique gourmet dining experience through an intimate and family-oriented atmosphere in shuk Machane Yehuda in Jerusalem

- **Company Profile**

- Owner Eli Mizrahi served as a pioneer of cultural gentrification when he opened the café nearly a decade ago. His father established the family's presence in MachaneYehuda market about 50 years ago
- Eli runs the café with his 2 daughters
- The café has 10 employees and seats 40 in its 45 meter location
- Menu offers freshly baked pastries and desserts, homemade pastas, breakfast, salads and various gourmet main courses like the famed gnocchi dish

Macro Environmental Analysis

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- Two main environmental factors affecting Café Mizrahi:
 - *Social* factors tremendously affect the café because the publicity and recognition of a restaurant helps attract or discourage customers from dining at that particular establishment
 - *Economic* factors affect how many customers may or may not attend the restaurant. If prices are unaffordable or if the economy is doing poorly people may be more inclined to eat at home in order to save money

Market & Industry Analysis and Direct, Indirect & Future Competitive Analysis

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- **Competitive Analysis**
 - Level of Competitiveness for Cafés in shuk → 4.0
 - Level of Attractiveness for Cafés in shuk → 6.0
- **Markets we are in:**
 - Cafés, Restaurants, Bars
- **Competitive Analysis**
 - There are three direct competitors of Café Mizrahi:
 - ✦ Danesi Caffe
 - ✦ Aroma Espresso Bar
 - ✦ “Mitbach Briut”

[Annex #2](#)

Existing Market-Mix

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- **Market Segmentation**

- Loyalty – The café has a large loyal customer base which continues to grow

Offer	Quality of Product	Brand	Physical Features / Atmosphere	Price
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Promotion	<i>Word of Mouth</i> (Exponential chain of Eli, employees, & customers telling their friends & family)	Attention to customers (by Eli)
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Strength, Weakness, Opportunity and Threat Analysis

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- **Strengths**

- Quality of product & service
- Location
- Atmosphere
- Heritage / History

- **Opportunity (Depending on us)**

- Expansion
- Increase quality of service
- Reduce prices

- **Opportunity (Not depending on us)**

- Other cafés closing

- **Weaknesses**

- Small
- Only one location

- **Threats (Depending on us)**

- Hiring the wrong people (chefs, waiters, waitresses)
- Ruining relationship with suppliers

- **Threats (Not depending on us)**

- Other cafés opening
- Price of food increasing
- Suppliers going out of business

Current Positioning

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Annex #3

- **Compared to Café Mizrahi...**
 - Danesi Caffè – Cheaper prices; Smaller portions; Menu changes daily; Not as much selection; No baked goods; Dark atmosphere
 - Aroma Espresso Bar – Is an international coffee chain; Offers an Aroma Card which gives customers discounts; Average quality; Cheaper prices; Set menu; Generic
 - “Mitbach Briut” – Atmosphere not lively; Few desserts/pastries; Prices only slightly cheaper
- Although the prices at Café Mizrahi are slightly higher than its competitors’, it is a better establishment in terms of quality, atmosphere, and recognition
- Sources of Information:

Annex #4

Achievable Marketing Objectives (1)

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- **Marketing Strategy**
 - In 2011 Café Mizrahi will open another location in the Nachlat Shiva neighborhood, Jerusalem
- **Desired Market Segmentation**
 - This location brings in a bit of a younger crowd, so the café hopes to bring in young adults and teenagers, as well as maintain the same market segmentation it currently has
- **Desired Marketing-Mix**
 - The new branch of Café Mizrahi will have the same offer mix and offer new ways for promotion

Achievable Marketing Objectives (2)

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- Marketing Objectives as a result of Strengths, Weakness, Opportunity and Threats Analysis
 - Strengths turned into opportunities
 - ✦ Expand by making a new store location with equal or better quality of service (chefs and wait staff)
 - ✦ Use the heritage and popularity of the name to create another location
 - Weaknesses turned into opportunities
 - ✦ The small location can be portrayed as personal, exclusive and intimate
- Objective Positioning
 - Minimization of the perceptual gap seen in “Positioning 1.”
Move to Nachlat Shiva will improve future positioning

[Annex #3](#)

Yearly Sales Forecast

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- **Assumptions:**

- 100 customers a day: 65 meal-eaters & 35 coffee-drinkers
- Average amount of money spent: 45 NIS / meal / person & 12 NIS / coffee / person
- Per 6-day week: $((65*45)+(35*12))*6 = 20,070$ NIS
- Per 48-week year: $20,070*48 = \mathbf{963,360}$ NIS

- **Added market value with new location (1st year):**

- 75 customers a day
- Average amount of money spent: 45 NIS / meal / person & 12 NIS / coffee / person
- Per 6-day week: $((50*45)+(25*12))*6 = 15,300$ NIS
- Per 48-week year: $15,300*48 = \mathbf{734,400}$ NIS

Cooperative Bodies

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- **Naaman**

- Kitchenware store located on 234 Yafo St, Jerusalem – about 1.3 kilometers → 15 minute walk from the café
- Eli will purchase all dishes, flatware, and cooking & baking supplies from Naaman, and make a note of it on the menu
- Offer a 10% discount to its diners at Naaman upon mention of the café, while Naaman will have Café Mizrahi business cards at checkout counter

- **Lavazza**

- “Italy’s favorite coffee”
- Café will purchase only this brand of coffee

Developing New Offer

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- **New Market Location: “Nachlat Shiva,” Jerusalem**

- Heavy foot traffic
- Easily accessible by public transportation
- High consumerism due to various cafés, restaurants, bars in area
- Popular tourist area

- **Café Mizrahi New Offer**

- Same product at same price
- Equal or greater quality of service
- Recreating experience and atmosphere of original location

= Original Location

= New Location



Marketing Promotion for New Location

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Promotion	Awareness Campaign (described below)	New business cards with both locations and customer loyalty stamps (Buy 7 cups of coffee, get 8 th free)	Invite journalists / food critics to write an article about the new location
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- Give customers a card – one side is for comments and the other will be for customer details (name, email, birthday, etc...)
- The café will keep a customer database and the customers will receive sporadic deals at both locations, as well as birthday deals
- Create a “Café Mizrahi” group on Facebook and offer deals and promotions to members & hire someone part-time to run it

Enhancing Service Marketing Principle

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- **Location**

- New branch will be busier in the mid-afternoon / evening hours (unlike the original location which is busier morning to mid-afternoon) so Eli's management time will be split
- Accessible for people driving and walking
- Atmosphere will be similar to the Machane Yehuda location

- **Employees**

- Wait staff will serve as the face of the restaurant
- They will be presentable, respectful and good representatives of the Café Mizrahi brand name

- **Process of Information**

- Information will be easily transferred between the owner, the wait staff, and all employees

Marketing Yearly Budget*

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Resources	(NIS)	Expenses	(NIS)
1 + 1 > 2	2,750 – (10%)	Business cards	5,500 – (20%)
Private Equity	24,750 – (90%)	Journalists	1,500 – (5%)
		Comment / Customer Info Cards	5,500 – (20%)
		Part-time facebook group content manager	15,000 – (55%)
	27,500		27,500

Action Plan Chart:

[Annex#6](#)

*The yearly marketing budget is approximately 4% of overall sales

Control Procedures & Criteria of Success



• Control Bodies

- Discuss action plan with:
 - ✦ Accountant & his two daughters who help run the locations
 - ✦ Last Monday of every month to discuss the action plan and progress

• Control Tools

- Tools that will be used to monitor progress of the new location:
 - ✦ Customer surveys
 - ✦ Profit and Loss documents
 - ✦ Comment cards

• Control by Milestone

- Milestone the new location will look forward to:
 - ✦ “LilahLavan” aka “White Night”
 - ✦ This will serve as a great night for further promotion

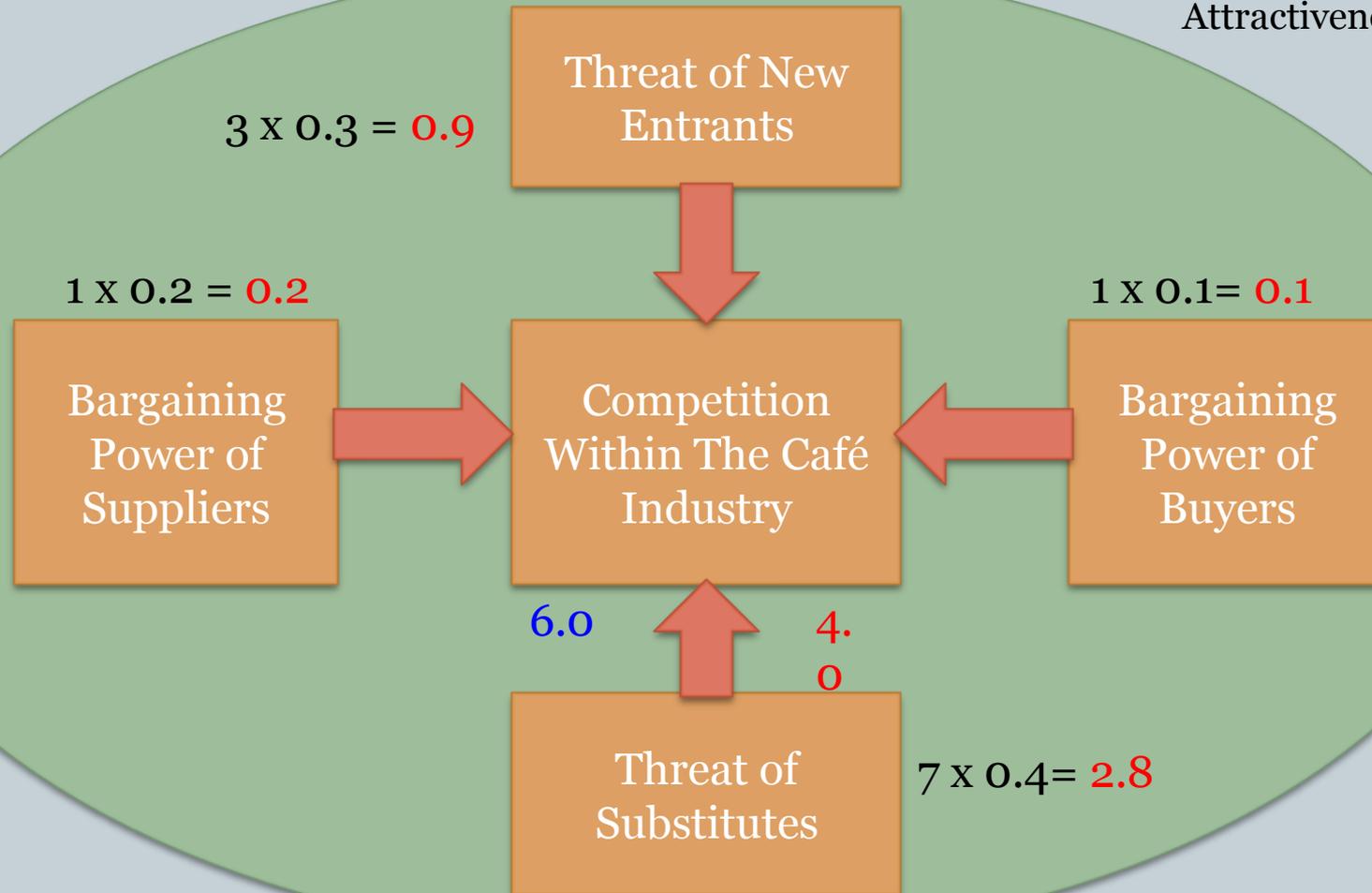
• Criterion of Success

- A new location that will maintain the Café Mizrahi name
- Attracting a customer base that is already familiar with the Mizrahi name as well as new customers
- A new location that is profitable by year 2

Annex #1 – Market & Industry Analysis

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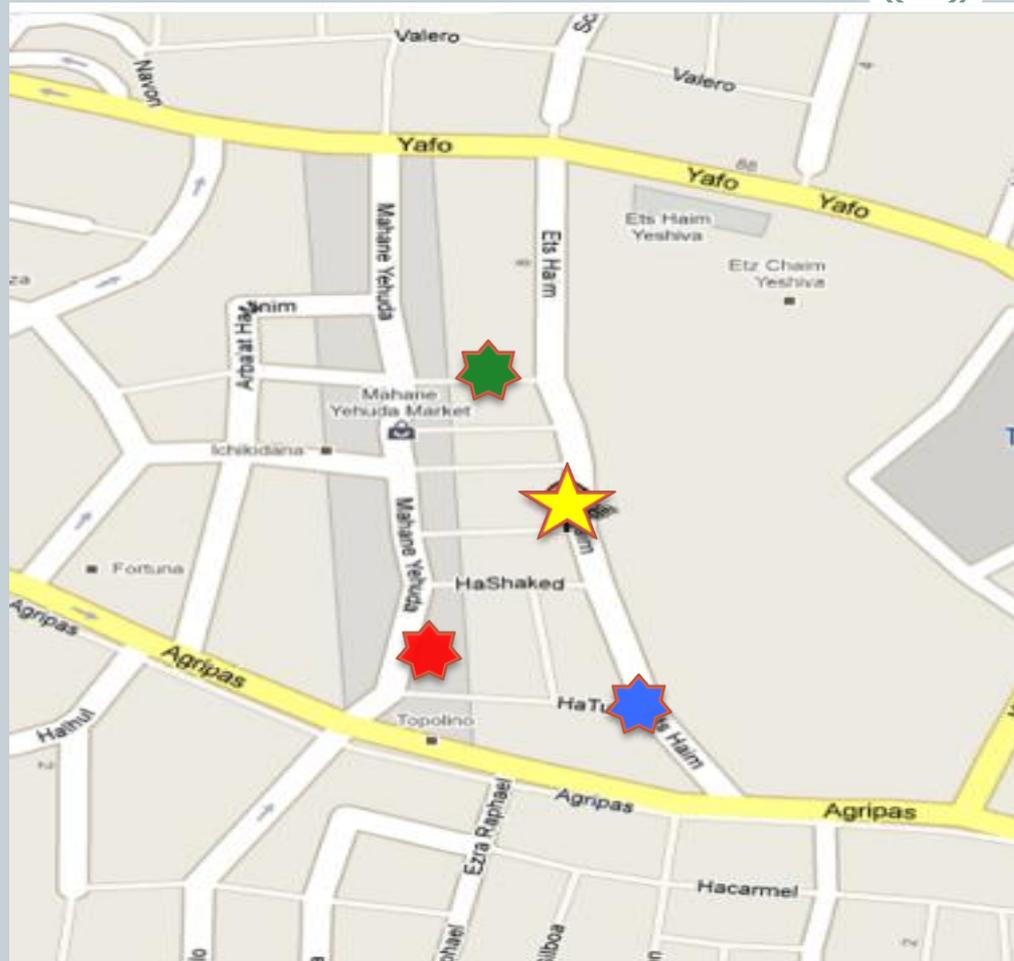
Competitiveness → 4.0
Attractiveness → 6.0



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Annex #2 – Market Analysis of Competition

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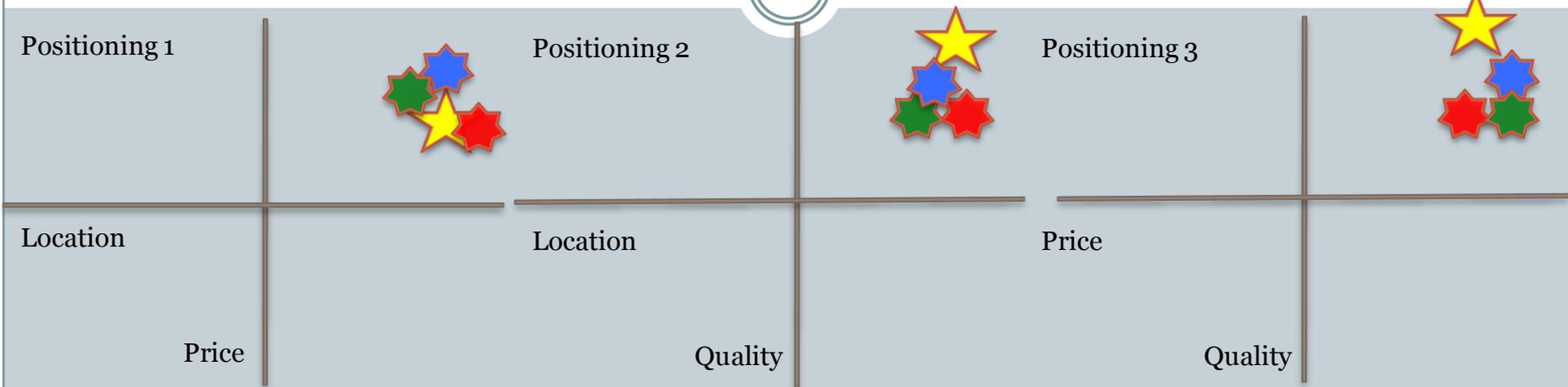


-  = Café Mizrahi
-  = Aroma Espresso Bar
-  = Danesi Caffe
-  = “Mitbach Briut”

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Annex #3 – Current Positioning

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=  Café Mizrahi

=  Roma Espresso Bar

=  AnesiCaffe

=  Litbach Briut”

Using the 3 unique selling points –
Location, Price & Quality – is the current
positioning of Café Mizrahi against its
competitors

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[Back to Objective Positioning](#)

Annex #4 – Sources of Information

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- Interview with Eli Mizrahi, 12/2/2010
- [Google Maps](#)
- [Lavazza](#)
- [Aroma Espresso Bar – Menu](#)
- [Nachlat Shiva – Info](#)
- [Naaman - Houseware Store](#)

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Annex #5 – Design of Cards

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Front of Business Card

קפה מזרחי

רח" השזיף 12, מחנה יהודה, ירושלים – 02-6242105
חדש! רח" בן סירה, נחלת שיבע, ירושלים 054-1234567

Front of Comment Card

Tell us what you think!! ספרו לנו מה חשבתם!!

Back of Business Card

חברים יקרים! קנו 7 כוסות קפה, קבלו 8 חינם!

חינם!



 us on facebook for special deals!

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Back of Comment Card (Customer Details)

קפה מזרחי

Fill out to receive special deals from us!

תמלאו וקבלו מבצעים ממנו!

Name: _____ שם

Email: _____ דוא"ל

Cell Phone: _____ מס" נייד

Birthday: _____ יומולדת



 us on facebook for special deals!

Annex #6 – Action Plan Chart

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#	Marketing Effort	By Who?	Date	Cost	Comment
1	15,000 Business cards with locations on front & customer loyalty stamps on back	Eli, employees, & immediate family	2/14/2011 – 3/1/2011	5,500 NIS	Hand out cards to current customers, friends, and the general public
2	Begin awareness campaign: collect customer details on cards [15,000] & send deals & promotions	Eli & employees	3/1/2011	5,500 NIS	Give comment card / customer detail card with check. Start facebook group
3	Invite 4-5 journalists & food critics to lunch and have a write-up of the café, a week after opening	Eli	3/7/2011	300 NIS/ journalist	

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