

CHAPTER FOUR

MARKETING OF CATERING SERVICES: AN OVERVIEW

4.1 HISTORY OF CATERING INDUSTRY

4.1.1 How Catering Began

The history of catering and fine cooking trades dates back in the 4th millennium BC. It all started in China but the culture of grand eating and drinking was already important during the prosperous years in old Egypt. However, the catering trade only emerged from the commonly practiced hospitality, which was always free, when the first real hostels and inns were built in ancient Greece.

The development in ancient Greece continued in the Roman Empire. At first, the accommodations for Roman soldiers were found along the military roads and trading routes, which were eventually opened to all travelers. During the middle Ages in Europe, the first signs of the rebirth of the catering trade were seen in monasteries which covered mainly the needs of the many Christian pilgrims going to Rome. Caravan series served the same purpose in the Orient and started there around 600 AD. During Charlemagne's time, the catering trade developed and spread throughout the entire Europe because transport and trade required secure accommodation.

The catering trade had been greatly influenced by the church in the later part of the middle Ages. Additionally, the newly established bourgeoisies, the flourishing trade, the natural economy being replaced with money, and the intensification of transport all contributed to the popularity of catering industry.

While you may associate chefs and the culinary world in general with restaurants, it's easy to forget that restaurants are a relatively new development. For a long time, the world of food preparation was centered on feasts and celebrations for kings and other noblemen. In fact, the first French restaurants didn't appear until after the French revolution when, lacking an aristocracy, catering guilds were forced to find a new way to sell their talents.

In America, the catering industry is still quite young. Catering started booming after the war when companies who had previously made food supplies for World War II needed something to do. As people became wealthier and the economy grew, caterers found demand for their services, which has previously been reserved for the very rich.

The catering industry was widely spread in Germany from 14th to 15th century and this had drawn the attention of legislators. The first "beer inspection" licenses were paid by the Augsburg Elector in 1530. It was also in the same year that the "Reformation gutter Polizey" law was enacted and this replaced many regional regulations. After the law was enacted, different rules for hostels and inns were issued and this led to the regulation of the serving of drinks, beer mugs sizes, and the quality and purity of beer, even the quantity and kind of dishes were brought up in the "Zehrordnung" regulation. As time passed by, guild hostels and houses developed. The term "Seefahrts- und Schifferhäuser" was first heard in the seaside towns during the Hanse era. As another area of expertise, post guesthouses and rathskeller restaurants emerged, and until now, they can still be found as establishments termed as "Gasthof zur Post" or "Ratskeller". The improvement of transport, technical innovations, population increase, and sudden rise in the trade of travel and tourism gave gastronomy a quick shift which made it a very important factor for national economy.

The **catering industry** now has its own trade shows and other major events. You can attend trade shows all over the world where the **ins and outs of catering** are discussed and new products are displayed. You can hear talks about new food safety regulations or how new heating devices are changing the preparation process. If you're lucky, you may even get to taste something delicious!

4.1.2 Khao aur Khilao: The Story of the Indian Catering Industry

Long back, communicative integration was lacking in the Indian subcontinent. People of different regions had very little contact. Regional diversity in terms of food, clothing, culture and lifestyle acted as a separating factor for the people of India giving birth to regionalism.

When it comes to food, Punjab was famous for its rich and mouth-watering delicacies. South Indian dishes were popular for their flavors. The North Eastern region was known for its huge variety of delicious cuisines. Thanks to the widespread communication network across the country and the recent boom in catering and hotel industry in India, cuisines are no longer confined to their own regions but have overlapped and influenced each other. Indian catering is an umbrella name for so many different types of cuisines. People living anywhere in our subcontinent can now have the scrumptious cuisines of any other region from the chain of restaurants flourishing all over the country. The catering industry basically comprises of establishments primarily engaged in providing single event-based food services. These establishments generally have equipment and vehicles to transport meals and snacks to events and/or prepare food at an off-premise site. Banquet halls with catering staff are included in this industry.

4.1.3 What's "In" in the World of Catering?

In a world where history repeats itself, everything old is brand new again, and the fad today is old tomorrow, how do they really keep up? Well, this is the difference between the catering industry and restaurant industry. The restaurant industry may stay without the need for any change but the caterers cannot. Caterers must always have the flair and style while doing it on a grand scale.

To start with, the vision of a client is always a top consideration for any caterer. Often times, they are given certain parameters to follow and execute their plans. This is the reason why the possibilities of any caterer are endless. But what is really new and exciting in the catering industry? What should you look forward to upcoming events? Read on and know what should excite you.

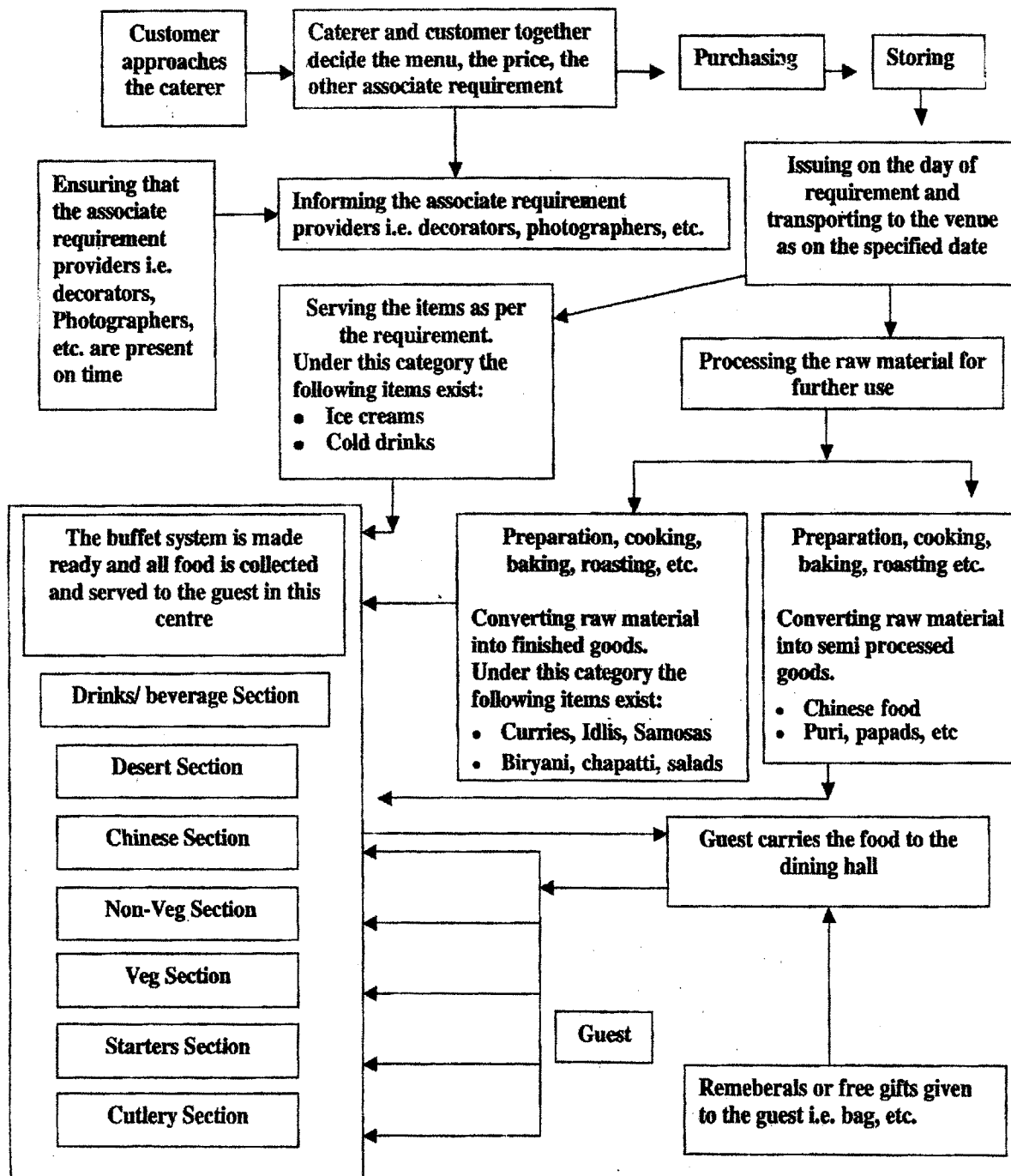


Fig 4.1 Process of various Activities of Catering

1. FOOD

Indians have this inherent passion for good food. And with more and more exposure to the continental foods, Indians like to have an exotic touch to their meals. A five course meal which starts with a soup and ends with a dessert is quite common these days. A seven course meal which starts with a drink and ends with coffee/cheese is

gaining a lot of popularity. The concept of fusion food is here to stay! People like to taste something that has the right blend of both Indian and western. In fact, a really popular way of presenting these classic courses is through a delectable menu with many different small courses to give a leaner, cleaner look, paired with wines appropriate for the course. Also on the rise in the catering industry are mixed-culture weddings, requesting a blend of two types of cuisine which features elements of two cultures with spectacular effect.

2. PRESENTATION AND DÉCOR

If pictures are worth a thousand words, presentations are worth everything, especially for caterers. You can have the most delicious food in the world; however, if it is not presented with style and panache, then the appeal can be lost in no time. With this premise, the entire event you planned for a long time hinges. The trend in presentation and decor is actually veering sharply towards a lean, clean look.

It's overwhelming to see the Indian catering industry change and re-invent themselves with the changing trends. It's definitely a business but something that is not fully commercialized. The warmth, the home-like feeling along with the food would be the U.S.P's of this area. Long live Indian food and long live the Indian catering industry!

4.2 CATERING SECTOR: A BACKGROUND

The food service industry (catering industry in British English) encompasses those places, institutions and companies that provide meals eaten away from home. This industry includes restaurants, schools and hospital cafeterias, catering operations, and many other formats, including 'on-premises' and 'off-premises' caterings. Catering is a multifaceted segment of the food service industry. There is a niche for all types of catering businesses within the segment of catering. The food service industry is divided into three general classifications: commercial segment, noncommercial segment, and military segment. Catering management may be defined as the task of planning, organizing, controlling and executing. Each activity influences the preparation and delivery of food, beverage, and related services at a competitive, yet profitable price. These activities work together to meet and exceed the customer's perception of value for his money.

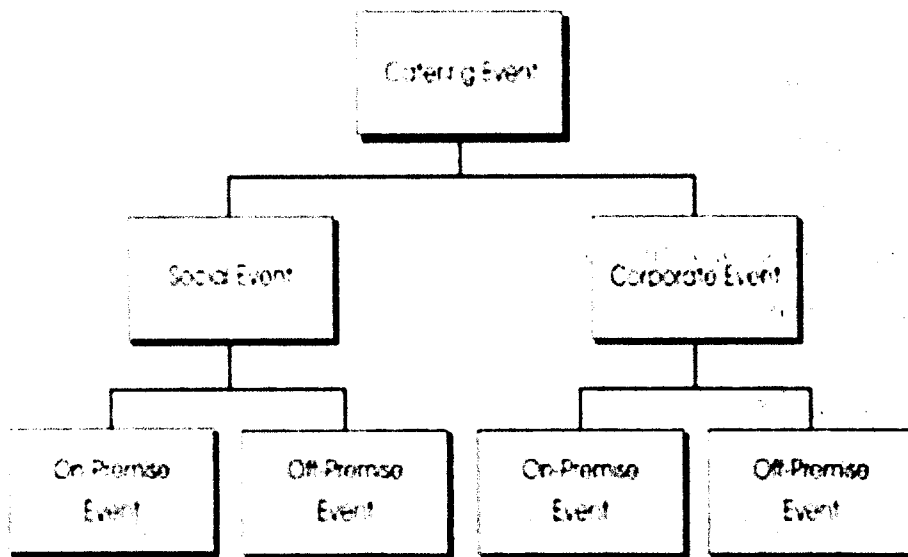


Fig. 4.2 Type of Catering Events

4.3 CATERING SEGMENTS

Catering management is executed in many diverse ways within each of the four segments. The first, commercial segment, traditionally considered the profit generating operation, includes the independent caterer, the restaurant caterer, and the home-based caterer. In addition, hotel / motel and private club catering operations are also found in this category.

FOOD SERVICE CATERING INDUSTRY

Military Segment	Commercial Segment	Non-commercial Segment
1. Military Functions	1. Independent Caterers	1. Business / Industry Accounts
2. Diplomatic Functions	2. Hotel / Motel Caterers	2. School Catering
	3. Private Clubs	3. Health Care Facilities
	4. Restaurant / Catering Firms	4. Transportation Catering (in-flight catering)
		5. Recreational Food Service (amusement and theme parks, conference and sport arenas)
		6. College and University Catering
		7. Social Organizations (fraternal and social clubs)

Fig 4.3 Modern Catering Categories

The figure above, illustrates how the food service catering industry is segmented. The non-commercial segment, or the 'not-for-profit' operations, consists of the following types of catering activities: business / industry accounts, school, college and university catering, health care facilities, recreational food service catering, social organizations and transportation food service catering. The military segment encompasses all catering activities involved in association with the armed forces and / or diplomatic events.

4.4 Types of Caterers

- Caterers specializing in one particular range of food.
- Caterers providing any type and range of food as wanted by the consumer.
- Caterers who carry out only the core activity of catering.
- Caterers who are having a number of associate activities along with their core function.
- Caterers who provide catering services to organizations, schools or institutions on regular basis.

4.5 BASIC TYPES OF CATERING SERVICES

The menu, number of guests, time and type of service desired and location are decided upon in advance by the host. Catering services fall under three major categories defined as follows –

On Premises or Banquet Hall: The caterer has a banquet hall and possibly several other public rooms with a kitchen attached. He can offer complete staff and service. The customer comes to the caterer. On-premise catering is catering for any function—banquet, reception, or event—that is held on the physical premises of the establishment or facility that is producing the function. On-premise catering often involves producing food at a central kitchen, with delivery to and service provided at the client's location. Part or all of the production of food may be executed or finished at the event location. At times, on-premise caterers must rely on generators for electricity, truck in potable water, devise a trash system, and otherwise "rough it." On-premise caterers—such as hotels, convention centers, and restaurants—usually have the advantage of offering many services under one roof. They can also provide sufficient space to house an entire event and plenty of parking. In general, each catered event has one host and one bill. Many localities have independent banquet

halls, civic auditoriums, stadiums, arenas, ethnic social clubs, fraternal organizations, women's clubs, private city or country clubs, athletic clubs, hospitals, universities, libraries, executive dining rooms in office buildings or corporate headquarters, churches, recreation rooms in large apartment or condominium complexes, parks, museums, aquariums, and restaurants with banquet rooms.

Off Premises or Location: The caterer has a kitchen but no rooms, banquet hall, or facilities for serving. Caterer may cater in private homes, public meeting halls, churches or temples or do straight delivery of prepared food. The caterer goes to the customer. The off-premises caterer offers highly personalized service, since the caterer always goes to the customer. The location of the affair may not always be in the customers' home, but in various clubs as well as public meeting halls and business offices. To discuss the details of the service, the client may come to the commissary office, or the caterer may also go to the clients' home or office. The menu should be exactly as the client desires. Off-premise catering is serving food at a location away from the caterer's food production facility. Caterers provide single-event foodservice, but not all caterers are created equal. They generally fall into one of three categories: *Party food caterers* supply only the food for an event. They drop off cold foods and leave any last-minute preparation, plus service and cleanup, to others.

Hot buffet caterers provide hot foods that are delivered from their commissaries in insulated containers. They sometimes provide serving personnel at an additional charge.

Full-service caterers not only provide food, but frequently cook it to order on-site. They also provide service personnel at the event, plus all the necessary food-related equipment—china, glassware, flatware, tables and chairs, tents, and so forth. They can arrange for other services, like décor and music, as well. In short, a full-service caterer can plan an entire event, not just the food for it.

Mobile Unit: A mobile unit is a specially designed panel truck for route service specializing in snack-type food and fast service. Food for the mobile unit is prepared in a central kitchen, and then placed in the trucks for sale at various stops. No cooking is done in the mobile unit. The caterer goes to the customer at place of work.

The banquet hall and off premises caterer should be flexible enough to work in any of many places.

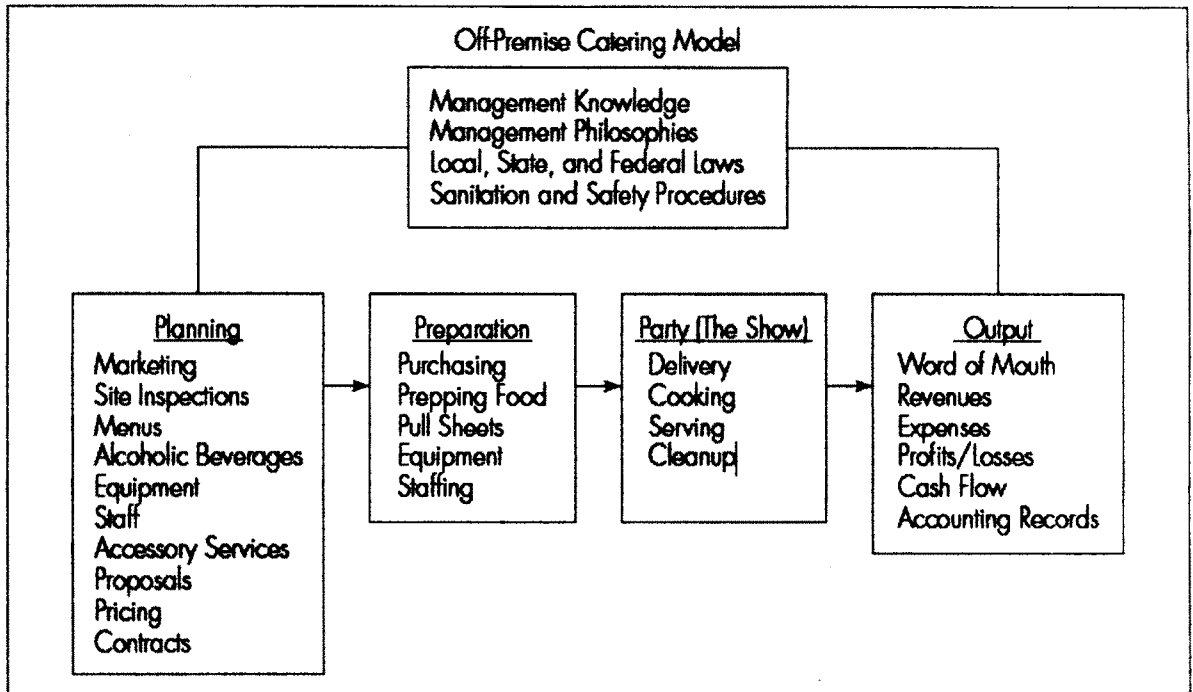


Fig. 4.4 Off-Premise Catering Model

4.6 CLASSIFICATION OF CATERING INDUSTRY

The catering industry can be divided into three categories:

A. Commercial Catering: It involves catering for profit and customer satisfaction. Customer satisfaction cannot be given priority over profit as the existence of a commercial organization is dependent on inflow of revenue to sustain itself. However, customer satisfaction cannot be totally ignored because in today, customers are the backbone of every business to be accorded and require importance equal to the need to earn profits.

B. Transport Catering:

➤ **Railway Catering:** In this case, pantry cars are attached to trains, and where the food is cooked or, in most cases, catering is done by outside contractors. Earlier, catering was provided by private caterers like Spencer's. Later on, it became a captive function of the Indian Railways themselves. However, private players have again been allowed to come into the picture, and Indian Railways, in the process have been able to offer, through partnerships, better service to more

customers and concentrate on their core functions of transportation management. Recently, McDonald's along with Radha Krishna Hospitality Services Ltd. has bagged the first private railway contract.

- **Marine Catering:** This type of catering is mainly done for the crew and the passengers of cruise, passenger and cargo ships. Cruises demand a very high standard of catering. The luxury cruise is equipped with facilities like restaurants, bars, discotheques, golf course, swimming pool, laundry, ballrooms, casinos, etc. On these liners, the service is of the highest standards of hospitality. Apart from different kinds of meals served, social activities like parties, dance, etc., are also organized to earn goodwill and provide customer satisfaction.
- **Airline Catering:** Today, airline catering has reached a high level of sophistication. Unlike earlier days where only limited items were listed on the menu, today the menu is much more elaborate. Specialized training is provided to the airhostesses and other cabin crew for rendering professional services. For example, recently Ambassador Sky Chef bagged the catering contract of Air India. They are to serve 28,000 meals per week. This is the only caterer that provides in-flight catering to Air India.

C. **Welfare Catering:** This catering involves catering without profit (although loss is not the objective, either). Such catering activities are generally organized out of social compulsions, obligation, legal requirement or pure altruism.

- **Industrial Catering:** Carried out in big industrial or manufacturing units. Different levels and types of employees are served in different canteens. The food is usually provided at subsidized cost to employees who are served buffet type meals. The company itself may either carry out this catering or the contract may be given to a private entity.
- **Institutional Catering:** This type of catering is carried out in schools and college canteens or in institutional hostels. Here again, the food provided to the students is heavily subsidized. Such canteens are

generally run by the institutions themselves, and sometimes by students.

- **Service Catering:** This is done in jails and in military units where no money is charged at all from the customers. The food is either cooked in-house or is outsourced.

4.7 SIX MARKET MODEL FOR CATERING INDUSTRY

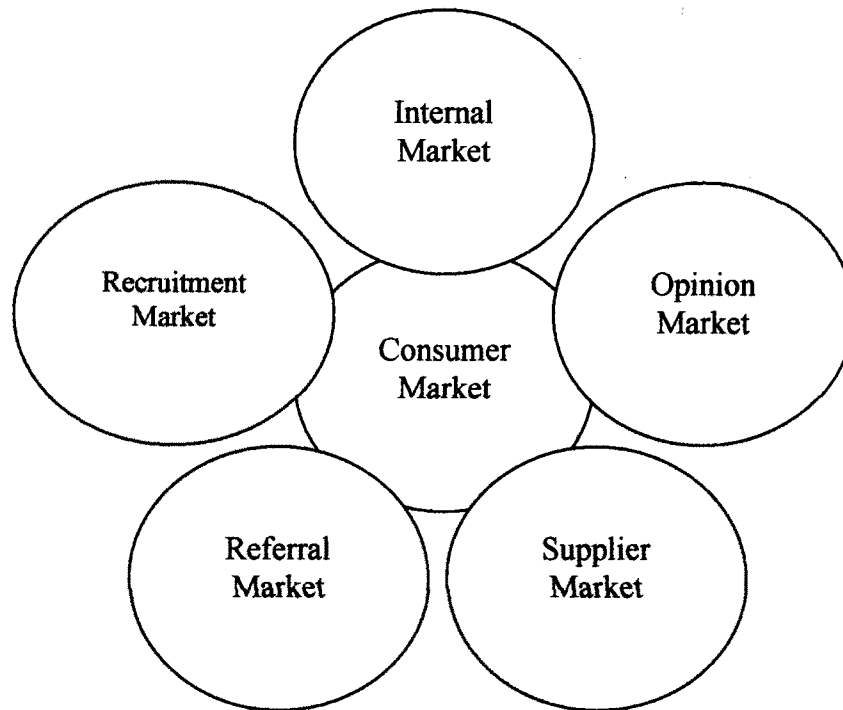


Fig. 4.5 Six Market Model

Supplier Market:

The suppliers in the industry are generally the people who supply vegetables, raw meat and other associated appliance. Since no proper demand estimation is possible for these small players, having a good relation and tie-ups with suppliers play a very vital role for the success of the business.

Opinion Market:

Word of mouth plays a very important role in this sector as advertising and marketing is hardly practiced and due to which having a strong opinion market renders many benefits to the marketer.

Referral Market:

Certain services have limitations with regard to budget and therefore having a strong referral market helps in enhancing the constant customer flow and enriching the customer base.

E.g. a caterer having tie-ups with some marriage halls.

Internal Market:

If you have your employees with you, there is no end to what you can achieve in your business and this holds true even for services. Thus having a motivated, well-trained workforce helps enhance the service delivering procedure.

Recruitment Market:

The recruitment market in this segment is not very active and 80% of the employees are not interested in recruiting highly professional candidates. But the large players in the market do recruit professionals from catering schools and colleges.

Consumer Market:

The consumers generally include individuals, corporate houses, hotels, clubs, educational institution, etc. These are the core segment from where the maximum revenue flows.

4.8 INDUSTRY ANALYSIS**Porter's Five Models**

Porter's model is based on the insight that a corporate strategy should meet the opportunities and threats in the organizations external environment. Based on the information derived from the Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry.

The Five Competitive Forces

The Five Competitive Forces are typically described as follows-

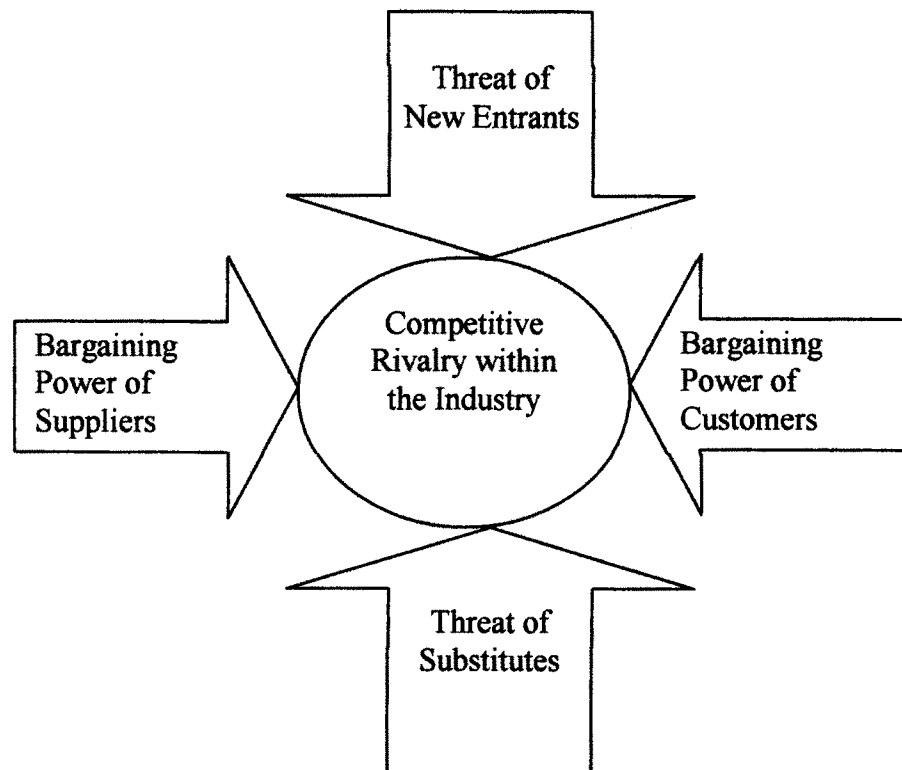


Fig 4.6 Competitive Forces

Buyers Bargaining Power:

The buyers' bargaining is very high in this particular segment as this particular segment provides large number of options to the buyer. There is a variety for the buyer to choose from so he enjoys a large leverage from the point of view of quality and financial aspects such as price and schemes. The buyer can even choose from the very variety catering depending on his preferences, needs and requirements, etc.

The prevalence of large number of catering, restaurants and hotels has resulted in the increasing the bargaining power of the buyers. Caterers compete against one another in terms of their price, quality, services etc. resulting in high amount of benefits to the customers.

Suppliers Bargaining Power:

The suppliers bargaining power in this particular industry is very low. The purchaser i.e. the service provider has a larger say in the business. This particular segment is less

organized and the number of large suppliers is less therefore the suppliers at times is not able to enjoy much financial leverage.

The bargaining power of the supplier will be high provided that the caterers have something special to offer. If the caterers have some special type of food/cuisine or some special facilities, which its competitor does not have, then the bargaining power of the company as compared to its customers and the competitors will be quite high.

Threat of New Entrants:

The sector is such that under no circumstance they can have low demand and a sluggish market. Food would also remain to be one of mans basic necessity. Thus the number of new entrance required in this sector is also high.

Therefore, almost all people in this industry also believe in the fact that the industry is and will always hold prospect for the industry. New caterers can offer serious threat to the conventional caterers and can go a long way in reducing its share in the market.

Threat of Substitutes:

The main substitutes to the caterers are the ready-made foods that are recently introduced by companies like Aashirwad and MTR brands. The packaged foods targets the same category of customers as that of the caterers which is the office going family, or the ones who are looking for quick meals. In the times to come these readymade packaged foods can be a substantial threat to the caterers.

The threats of substitutes for caterers are:

- Tinned food
- Easy to make, ready to eat packaged food
- Substitute caterer in case of the upper segment consumers

Competitive Analysis:

The competition in this particular segment is also high as they each player tries to get the best of the other. The caterers that operate at the local level face competition from the local players and the bigger players face the competition in the premium class.

With more and more companies these days entering into the catering, restaurant, hotel sectors, and the competition/ rivalry has become very intense. For a caterer, to succeed in such a scenario it has to look upon at its service as an only factor of differentiation with other caterers.

Influential Factors

Factors affecting services in the catering industry:

- Customization
- Speed of service
- Quality of food
- Variety
- Associate service delivery
- Staff
- Electronic appliances/heating appliances

This industry comprises establishments primarily engaged in providing single event-based food services. These establishments generally have equipment and vehicles to transport meals and snacks to events and/or prepare food at an off-premise site. Banquet halls with catering staff are included in this industry. Examples of events catered by establishments in this industry are graduation parties, wedding receptions, business or retirement luncheons, and trade shows.

Catering is not only about appealing to the taste buds of the individual but also to all the other five senses of a human being. With the right atmosphere, it is possible to appeal to all of these senses making the occasion unforgettable. Of course, beautifully prepared food can alone do this, but now days, caterers want to reach out to the customers in all possible ways and bowl them over.

4.9 Catering Industry Growth

Catering represents a rapidly expanding segment of the food service industry. In the late 1980s, the food catering industry accounted for about \$25 billion nation-wide. Caterers of prepared food come from a wide range of businesses. Many restaurant chains cater off-premise functions. Prices are usually similar to those that are charged at the restaurant. Other types of firms that have developed catering businesses during recent years include delicatessens, hotels and gourmet food retailers. While private functions such as parties and weddings continue to be the mainstay of the catering business, corporate function catering is becoming more and more prevalent. With only 80 percent of the cost of entertaining tax deductible, some employers are

considering catering services as a cost-saving means to provide food for luncheon and dinner meetings. Popular types of catered foods in these settings include such items as baked breads, salad lunches, deli meat trays, hot and cold plates, cake, cookies, ice cream, punch, etc. Some caterers emphasize the preparation of box lunches and/or gourmet picnic baskets. Other catering operations offer the same types of foods through delis or bakeries.

4.10 Trends in the Catering Industry

Future lifestyle and demographic trends indicate an optimistic outlook for the catering industry. A return to traditional family celebrations or reunions and the increasing numbers of two-income families with their hurried lifestyles are also positive indications of the need for catering services. Prospective caterers should consider the long-term market when evaluating their position, and should always be prepared to adapt to changing trends. One such trend is the increasing competition of supermarket and department store catering services in addition to "gourmet to go" services which deliver prepared meals from a variety of restaurants.

Mobile catering

A mobile caterer serves food directly from a vehicle or cart that is designed for the purpose. Mobile catering is common at outdoor events (such as concerts), workplaces, and downtown business districts.

Event catering

Event ranges from box-lunch drop-off to full-service catering. Caterers and their staff are part of the food service industry.

When most people refer to a "caterer", they are referring to an event caterer who serves food with waiting staff at dining tables or sets up a self-serve buffet. The food may be prepared on site, i.e., made completely at the event, or the caterer may choose to bring prepared food and put the finishing touches on once it arrives.

A comprehensive, formal full-service catering proposal is likely to include the following elements:

General menu considerations: Clients may have specific dietary or religious needs to consider. These include Vegetarian, Vegan and food allergy requests. Increasingly, clients are interested in food sustainability and food safety.

Meal Rentals: May include tables, chairs, dance floor, plants, tabletop (china, flatware, glassware, linens, chargers), bar glassware, serving equipment, salt/peppers, etc. It should be clear whether table and chair setup and take-down is included. Most rental companies do not automatically include setup and take-down in the rental charges.

Labor: Verbiage varies from caterer to caterer, but generally speaking, an event will have a Lead/Captain/Event Manager, a Chef, perhaps a Chef or Kitchen Assistant, Wait staff and Bartenders. The labor on a plated dinner is generally much higher than the labor on a buffet, because a plated dinner involves double the china, and usually a minimum of three served courses, plus served coffee. Simply put, there's a lot more to do. To do it properly requires roughly 10 to 50% more staff. On a large event, this can be substantial, especially if overtime or double-time applies.

Service Charge: Sales Tax, Some quotes will include lighting, fire permits, draping, floral, valet and coat check. Many venues discreetly get a "cut" of the catering bill. Caterers are contractually committed to not disclose this fee specifically in their contracts with the clients. Therefore, catering will sometimes cost substantially more at one venue versus another. Also, caterers must compete with illegal operators. A legitimate caterer will have a business license and a health permit both showing the address of the place from which they do business.

4.11 Current Catering Industry Trends

The catering industry is a very dynamic field worth knowing more about. If you take a look at the developments in the past few years, it is quite obvious that catering businesses grew either through acquisitions or franchise formulas. Those who grew through acquisitions were generally national companies acquiring regional companies and as a result becoming international catering firms. As for those who grew through franchising, they achieved these by developing really strong brand names.

A closer study of these ever growing catering businesses shows that the developments in the industry mainly happen in Europe and America. This then makes Asia a rich ground for the industry's growth. Another trend that became obvious in the past years is that the catering industry is making it a priority to provide their clients great atmospheres around food. Additionally, food security is given more and more attention.

Currently, one trend that arises in the catering industry is the outsourcing of food production processes by the major catering companies. These companies then focus more on their logistics and sales. Still, this development is not that smooth yet due to the limitations imposed by the availability of ingredients, food security, and the perishable nature of foods. Another obvious trend in the catering industry is the specialization moves exhibited by major players. This means that more and more catering businesses are gearing towards paying their full attention to a certain niche only. That is why there are now many caterers who only offer services for business gatherings and others that only focus on concession catering.

A recent trend in the industry is for companies to consider outsourcing food production and focusing instead on sales, service, and logistics. This is the "make or buy" paradigm that has been tackled in numerous manufacturing industries in recent years. But while other industries employing large numbers of assembly workers can transfer some of the work to low-cost locations, this is less practicable in the food services industry due to issues inherent in the products, such as food security and decay.

4.12 Catering Department Management Functions

The person in charge of the catering department must perform the normal management functions. Whether working in a one-person department in a restaurant or in a convention center with a staff of 30, he or she has the following responsibilities:

Planning: The catering department must accomplish both financial and nonfinancial objectives. To do so, it must develop appropriate marketing, production, and service procedures. It must also ensure that the department's operating budgets and action plans are consistent with the facility's overall company objectives.

Organizing: The catering department must organize the human and other resources needed to follow the plan. Staff members must be recruited and trained. Work schedules must be prepared. And performance evaluations must be administered.

Directing: Employee supervision is an integral part of every supervisor's job. The supervisory style will emanate from top management. The catering department's supervisory procedures must be consistent with company policies.

Controlling: The catering department manager must ensure that actual performance corresponds with planned performance. Effective financial controls ensure that actual profit and loss statements are consistent with pro forma budgets, and effective quality controls ensure that production and service meet company standards.

4.13 SERVICES MARKETING

Service is becoming more important in the business of catering for value adding as well as customer satisfaction. Increases in consumer disposable income and discretionary buying power, emphasis on leisure time, having less time to do it are all positive trends for marketing services. In concept, marketing goods and marketing services are essentially the same. In each case, you, the marketer, must select and analyze the target markets. Then a marketing program must be built around the 4 Ps of marketing – the Product (goods or services), the Price structure, the Place (distribution or delivery system), and the Promotional program. However, some distinct characteristics that differentiate services from goods often create special challenges and opportunities for marketing services.

4.13.1 Unique Characteristics Of Services

There are four commonly cited characteristics of services that make them different to market from goods: Intangibility, Inseparability, Variability and Perish ability.

INTANGIBILITY: *Services are intangible*

Intangible means that which cannot be seen or touched. Intangible services are difficult to sell because they cannot be produced and displayed ahead of time. They are therefore harder to communicate to prospective customers.

It is impossible for customers to sample -- taste, feel, see, hear, or smell -- services before they buy. Therefore, your promotion must portray the benefits to be derived

from your services, rather than emphasizing the service itself. Some promotional strategies you can use to suggest service benefits and make your service tangible in customers' minds are:

1. **Visualization:** For example, you can depict the benefits of your service by showing people relaxing in their beautiful garden, having a great cookout with their friends and family using the fresh produce they just bought from you, or using your service to free up time for something more "fun" or "important" to them.

2. **Association:** Connect your service with a tangible good, person, object, or place. Many businesses use spokespersons to promote and build confidence in their businesses. You can establish your business as an expert in the field by making yourself or someone from your business available to answer questions for the media, donate your service for a popular public area or event in your town, or sponsor programs with local organizations.

3. **Physical representation:** For catering business, your store, staff, equipment and vehicles are the physical items people see. Creating a distinctive logo to be displayed on everything representing your business, dressing your employees in clean, distinctive uniforms to stress visibility and dependability, keeping your equipment and vehicles clean, and creating a display to demonstrate your expertise are things you can do to establish a good image in customers' minds.

4. **Documentation:** Many companies cite facts and figures in their ads to support claims of quality, dependability and performance. Do not be shy about celebrating your history, heritage, awards and customer testimony.

Apart from food & beverages provided by the hotels, all other offerings such as accommodation, catering etc are intangible & are experience-oriented, thus it's difficult to convince the customer about the quality of these offerings.

Marketers of catering services can overcome this characteristic by stressing tangible cues like brochures, photos etc., that will convey reassurance and quality to the prospective customers. These tangible cues range from the firm's physical facilities to the appearance and demeanor of its staff to the letterhead on its stationery to its logo, recent facts & figures etc.

Ex: Centaur hotel overcomes this factor through its logo – The Centaur (a mythical creature who is half man & half horse), with a bow & arrow, signifying speed & focus. McDonalds uses Ronald, the clown to attract children.

INSEPARABILITY: Service typically cannot be separated from the creator-seller of the service

This characteristic is interpreted differently by different service marketing marketers, but all interpretations point out that special operation problems exist for the firm's managers. One interpretation of this term is the inseparability of customers from the service delivery process. In particular, many services require the participation of the customer in the production process. Production and marketing of services are often performed simultaneously. Customers' opinions regarding a service frequently are formed through interaction with a business's contact personnel and impressions of the physical surroundings. Therefore, building personal relationships and trust with customers is vital for marketing service. Too often, the contact personnel, your staff, think of themselves as producers of a task rather than marketers of a service. Training your employees to interact with customers and be knowledgeable, courteous and willing to go the extra mile to answer customer s' needs is very important.

In case of the catering industry, customer has to be present for experiencing the services being offered. This factor can be overcome by opening new branches/outlets, facilitating instant communication (through telecom), with the customers in case of any type of information/services needed during the stay in the hotel etc.

Ex: Previously Domino's mostly used to deliver its products to the homes of the customer; but there was no question of serving the customers. Thus, Domino's started opening more and more outlets so that it could provide the customers with more range of services.

VARIABILITY: Services are impossible to standardize

The fact that service quality is difficult to control compounds the marketer's task. Intangibility alone would not be such a problem in customers could be sure that the services they were to receive would be just like the successful experiences their neighbors were so pleased with. But in fact, customers know that services can vary greatly. Even the same service provider has good days and bad days or may be less focused at different times of day. Services are performances, often involving the cooperation and skill of several individuals, and are therefore unlikely to be same every time. This potential variability of service quality raises the risk faced by the consumer. Because the final product of a service depends on the person who performs

the service, each “unit” of the service is somewhat different from other “units” of the same service. However, to build trust in the company, customers need consistency. Therefore, you should pay special attention to product planning when marketing services. You must do all you can to build a protocol for performing service tasks. It is imperative to maintain consistent service quality at or above the level of consumer expectations. More importantly, quality is defined by the consumer, not by the producer-seller of a service.

In the catering industry, different front-line personnel have different abilities. The variability of hotel and catering services would differ because of the distinct skills and behavior of the various personnel serving the customers.

The service provider must find ways to reduce the perceived risk due to variability. One method is to design services to be as uniform as possible - by training personnel to follow closely defined procedures, or by automating as many aspects of the services as possible. A second way to deal with perceived risk from variability is to provide satisfaction guarantees or other assurances that the customer will not be stuck with a bad result.

Ex: Coin operated soft drink machines, Tea and coffee machines which saves the time of the consumer. There is no scope for variations in the service level.

PERISHABILITY: *Services are highly perishable and cannot be stored, and the demand for services often fluctuates considerably by season*

The fourth characteristic distinguishing services from goods is their time dependence. Services cannot be inventoried, since they are performed in real time. And time periods during which service delivery capacity sits idle represent revenue-earning potential that is lost forever. Periods of peak demand cannot be prepared for in advance by producing and storing services, nor can they be made up for after the fact. A service opportunity occurs at a point in time, and when it is gone, it is gone forever. This can present great difficulty in facilities planning. The combination of perishability and fluctuating demand presents many challenges to market services. Keeping your presence in front of customers during your off-season will help you market your services later on. Developing new uses for idle capacity of your facility during the off-season, providing newsletters to deliver information throughout the year, and offering special services or events to your best customers, can even out cash flow and

improve customer retention. Make it easy for customers to learn about your services. For example, offer no-cost evaluation for a service, use internet and other convenient locations to provide information, arrange tie-in sales with other local businesses.

In the catering industry, the venue and menu can get perished if not booked or occupied on time.

The service providers must developed alternative; counter seasonal service products to use slack capacity, although that has long been a common practice by goods marketers. Many service providers also control demand by requiring appointments. Some service firms keep on call frontline personnel who can arrive on short notice to meet the surges in demand, or cross train support personnel to assist with customer service during busy periods. The service providers must over market their services to avoid the perish ability factor.

Ex: caterers in sangli have less occupancy and orders during monsoon or in off season like there is no shubh dates for marriages, or any other occasions.

4.14 Customer for Life

Trends carry considerable influence in the marketing of services. Sociological factors of social-class structure and small-group influences are very important market determinants for services. Thus, service marketing can benefit significantly from indirect types of promotion such as publicity (newspapers, radio, and television) and community involvement. Moreover, among all the promotional activities used in services marketing, personal selling plays the dominant role. Any employee who comes into contact with a customer is part of your marketing force. A crucial step to successfully marketing services is to provide sales and marketing training for all of your personnel and impress upon them the importance of their roles in marketing. Your employees need to be good at what they do with menus, food, and with people as well. Customers are not just buying the service, they are buying the benefits from your service, such as having a garden to enjoy, saving time, providing their family good nutrition, and having a good experience. Moreover, consumers want reliability, responsiveness, assurance, and empathy from your business, including everyone on your staff. If you can deliver that, you have the customer for life.

4.15 NEED FOR SERVICES MARKETING

The growing consumer demand for more services has brought forth an accelerated effort on the part of marketers to satisfy these consumer needs and to broaden their own customer base and add to revenues and profitability. Many firms are now altering considerably their goods and service mix to take advantage of the changing consumer expenditure mix. The rapid increase in consumer expenditures is expected to continue. Even in periods of mild recession, consumer expenditures for services tend to fall off less rapidly than expenditures for durable and non durable goods.

Therefore, to meet the rising demand for an enlarged package of consumer services marketers are increasingly expanding their offering of a wide variety of non traditional services, some of which are now being marketed on a routine basis, calling for the establishment of a market system which can take care of the demand and supply situation.

Many retailers today offer such services as exotic restaurants, driver training classes, travel services, day care centers, dental and eye clinics, income tax help, shopper advisory service, and self improvement lessons in everything from dancing to yoga. A major service innovation on the horizon is in the home retailing, using internet hook ups between stores and homes, this system allows instant two way sales communication between service provider and consumers.

Unfortunately in the past most service firms have lagged in the area of creative marketing. Five reasons can be given for this past lack of innovative marketing on the part of service industries-

- Limited view of marketing
- Lack of competition
- Lack of creative management
- No obsolescence and
- Lack of innovation in the distribution services

4.16 MARKET SEGMENTATION:

According to Philip Kotler, "Market segmentation is the sub-dividing of market into homogenous sub-sections of customers, where any sub-section may conceivably be selected as a market target to be reached with a distinct marketing mix."

According to W.J. Stanton, “Market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub markets or segments, each of which tends to be homogeneous in all significant aspects.”

Market segmentation allows a marketer to take a heterogeneous market, a market consisting of customers with diverse characteristics, needs, wants and behaviour, and carve it up into one or more homogenous markets which are made up of individuals or organization with similar needs, wants and behavioral tendencies.

The marketers have found market segmentation to be a valuable technique for the following reasons-

- Efficient use of marketing resources.
- Better understanding of customer needs.
- Better understanding of the competitive situation.
- Accurate measurement of goals and performance.

Market segmentation is a concept in economics and marketing. A market segment is a sub-set of a market made up of people or organizations sharing with one or more characteristics that cause them to demand similar product and/or services based on qualities of those products such as price or function. A true market segment meets all of the following criteria: it is distinct from other segments (different segments have different needs), it is homogeneous within the segment (exhibits common needs); it responds similarly to a market stimulus, and it can be reached by a market intervention.

4.16.1 The Need for Market Segmentation

The marketing concept calls for understanding and satisfying their needs better than the competition. But different customers have different needs, and it rarely is possible to satisfy all customers by treating them alike.

Mass marketing refers to treatment of the market as a homogenous group and offering the same marketing mix to all customers. Mass marketing allows economies of scale to be realized through mass production, mass distribution, and mass communication. The drawback of mass marketing is that customer needs and preferences differ and the same offering is unlikely to be viewed as optimal by all customers.

Target marketing on the other hand recognizes the diversity of customers and does not try to please all of them with the same offering. The first step in target marketing is to identify different market segments and their needs.

4.16.2 Requirements of Market Segments

In addition to having different needs, for segments to be practical they should be evaluated against the following criteria:

Identifiable: The differentiating attributes of the segments must be measurable so that they can be identified.

Accessible: The segments must be reachable through communication and distribution channels.

Substantial: The segments should be sufficiently large to justify the resources required to target them.

Unique Needs: To justify separate offerings, the segments must respond differently to the different marketing mixes.

Durable: The segments should be relatively stable to minimize the cost of frequent changes.

4.16.3 Bases for Segmentation in Consumer Markets

Consumer markets can be segmented on the following customer characteristics.

Geographic Segmentation:

Region: by Continent, country, state, or even neighborhood

Size of Metropolitan Area: segmented according to size of population.

Population Density: often classified as Urban, Suburban, or Rural

Climate: according to weather patterns common to certain geographic regions.

Demographic Segmentation: Age, gender, family size, family lifecycle, Generation, Income, occupation, education, ethnicity, nationality, religion, social class

Psychographic Segmentation: Psychographic segmentation groups customers according to their lifestyle. Activities, Interest, and Opinions (AIO) surveys are one tool for measuring lifestyle. Some psychographic variables include: activities, interests, opinions, attitudes, values.

Behavioralistic Segmentation: Behavioral segmentation is based on actual customer behavior toward products. Some behavioralistic variables include: Benefits sought, Usage rate, Brand loyalty, User status-potential, first time, regular, etc, readiness to buy, Occasions-holidays, marriages and events that stimulate purchases.

4.17 SEVEN P'S OF CATERING SERVICES MARKETING

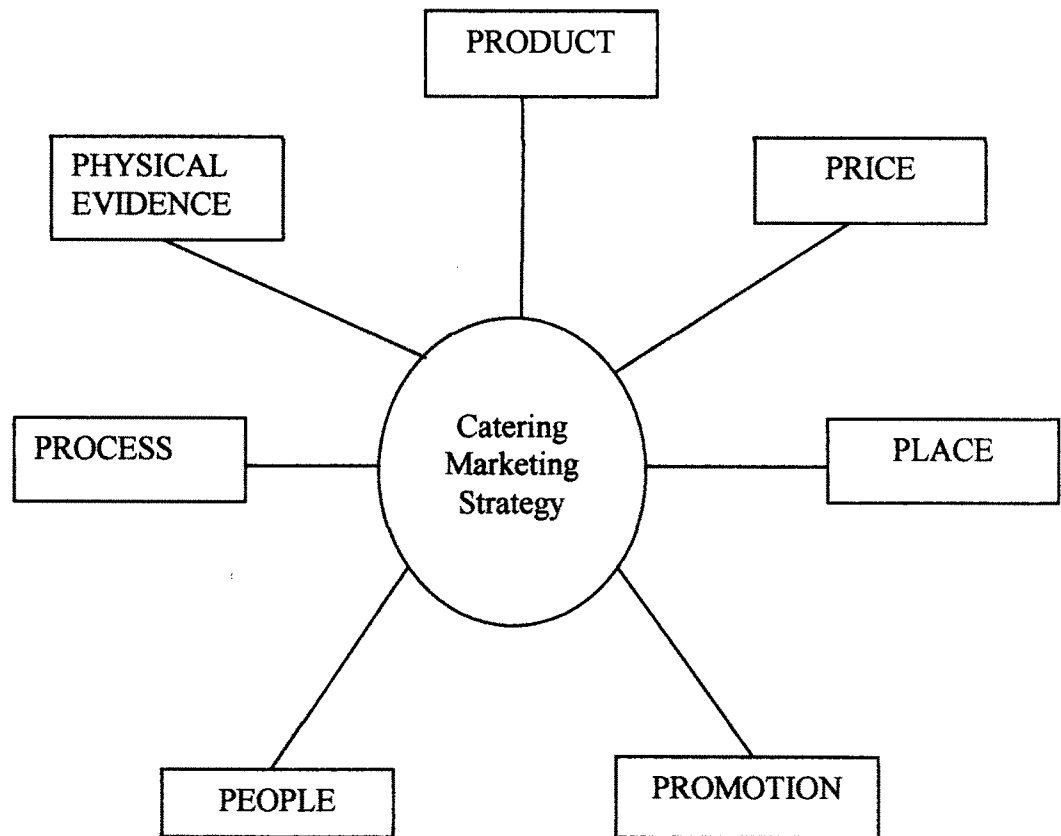


Fig. 4.7 Seven P's of Service Marketing

PRODUCT

“A product is a product if it is purchased and consumed; if it is not purchased and consumed then it remains a raw material or material in process.”

In any organization, they find product is the focal point. The catering services also require a fair combination of core and peripheral services. It is right to mention that in almost all the catering services of same category by and large the core services are found identical and therefore the peripheral services divert a close attention where the personnel need professional excellence. More innovative the peripheral services, more attractions they add to their product. This makes it essential that caterers and catering companies assign due weight age to the formulation of an optimal product in which peripheral services prove to be a point of attraction.

Initially caterers concentrated on the core aspect of the product; food and beverages. But with competition coming in and with the introduction of new creed of players it has modified the product line. It now caters to all food category and variety as per the

requirement of the business. Thus through giving consumers a large variety and customization option it has a vast product line up. The augmented product is their A-Z marriage package. Where the family is just expected to pay a premium price and all the arrangement for the marriage would be done by the caterer.

Caterers like Radha Krishna Hospitality Services Ltd., Ambassador Sky Chef owe their success to systematic product planning and development. A product has four levels, viz. core or generic, formal or expected, augmented. These are explained as under:

Product Level	Product Concept	Catering Services
Core	Basic Services	Food Provision, Menu, Particular type of food
Formal	Customer's Expectations Services	Hygienic Facilities, Prompt Services, providing Decorators, photographers, Mehendi Artists, Games for Children, Tarot Card Readers, Popcorn Stalls, Marriage Registrars, Take-away, Choice available, parking lot, location
Augmented	In addition to the expected benefits	right from providing food to getting the marriage registrar, Honeymoon arrangements for the bride and groom, A-Z activities of the marriage Exotic Menu, Free Delivery, Fine Wines, Silver Services

Fig 4.8 Total Product Concept

The Core Product: It is the product at its basic level. Initially the core product for the caterer would mean providing only a particular type food. However with increase in competition, demands of the customer and higher expectations of the customers, the core product has changed or evolved itself.

The Formal Product: It is the customer's minimum set of expectations from a product or a service.

The Augmented Product: It is offerings (Product benefits or services) in addition to what the customer expects. As the market is matured, the caterers continuously keep on looking for innovative methods to stay away from competition.

PROMOTION

Promotion is the business of communicating with customers. It will provide information that will assist them in making a decision to purchase a product or service.

For successful marketing, it is only not sufficient that they concentrate on the quality of services but it is also impact generating that they promote their business in such a way that their prospects come to know about the quality to be offered to them as catering customers. This focuses their attention on innovative promotional measures. It is against this background that they talk about the promotional measures. There are a number of companies for promoting the business and it is hoped that a professionally sound employee would blend the different constituents in such a way that effects are proactive but the process of persuasion is cost-effective. The components like advertisement, publicity, sales promotion, personal selling, word-of-mouth promotion and telemarketing need due attention of catering professionals.

Sales Promotion: In almost all the organization, they feel the need of offering incentives for promoting the business. Like other organization, the catering companies also offer incentives to the users' vis-à-vis to the personnel and organizations evincing interest in promoting the business. The Caterer considers sales promotion a temporary device to increase the business with certain objectives. It is a short term activity seeking to boost sales during peak demand periods to make it sure that the firm obtains its market share and helps launch a new product or support an ailing or modified services. These facts make it clear that sales promotion is complementary to advertising. Sales promotion and advertising objectives do not conflict but reinforce one another.

This tool of promotion is designed to appeal particularly to those customers who are found sensitive to price. It is quite natural that the tools of sales promotion attract buyers even having little brand loyalty. In the catering business, they find perishability a risk and this factor is also given due weightage while offering off-season at low price tags.

They find repeated advertising and competitive market conditions two important reasons for the growing significance of sales promotion in the catering industry. The techniques may be directed to the catering staff, their operator and the agents including the users of the services. They find tools of sales promotion directed at the catering staff, their operator, agents and guests or clients.

Tools of Sales Promotion

The following tools of sales promotion are used for all the three heads instrumental in promoting the catering business.

Brochure: It is a device to stimulate customers and motivate them to visit a catering and avail of the benefits offered by the management of the catering. It is a detailed publication helping catering companies in promoting their business. The guests, clients get detailed information from the brochure.

Folder: They find folder the most commonly used sales promotion tool. In this respect, it is essential that folders have an impressive appearance in totality. The particulars are required to be in brief but clear. The caterings can use folders for promoting the business.

Attractive Leaflets: This is exclusively meant for presenting a view of the different theme parks, museums, amusement parks, outstanding points of attraction in the caterings or so.

Direct Mail Materials: The sales letters are found to be a direct mail material which can either be used alone or in combination with brochures and folders.

Display Materials: In the materials to be displayed at sensitive points are posters, dispensers, exhibits etc. They can use these materials in the offices of the agents, their

operators or at the places where more public come, such as airports, railway, and bus station, multiplexes, hotels etc.

Special offer: They also find a provision for special offer for all, such as users, agents, their operators, catering personnel. The aforesaid tools of sales promotion help caterings and catering companies in increasing the business.

Word-of-mouth Promotion: They consider word-of-mouth promotion very much instrumental in sensitizing the prospects. In the catering industry, it is much more significant that the satisfaction of users is give top priority. The word-of-mouth promoters are those who are satisfied with the services of caterings or to motivate the prospects.

Personal Selling: Nothing happens unless anyone sells something and nothing is sold unless the buyers are motivated to purchase things of their choice. The oral *representation in conversion bears the efficacy of transforming the motivation into persuasion*. Thus they find persuasion the main thing in energizing the process of marketing. There is no doubt in it that the goods or services are found half-sold when their properties are they told. The art of telling and selling is personal promotion which depends upon the personal excellence.

The catering business is substantially influenced by personal selling. The personal selling brings considerable momentum to the process of boosting the catering business. The transmission of first hand information is also an outstanding contribution of this tool of promotion. Service does not mean servility. The phrase 'the customer is always right', applies specifically to the catering industry. The sales personnel are required to be friendly in dealings and cheerful in expression. They are required to be helpful and patient and above all, they should appear satisfied and work towards generating more satisfaction to customers.

Telemarketing: In the catering industry, the telemarketing can be helpful in promoting the business since their operators, agents and the users develop a number of confusions and misunderstanding about booking, confirmation, cancellation, availability of package, change in the catering tariff or so. A person with high communicative ability is to perform as a telemarketer who bears the responsibility of anchoring to the questions and queries of customers, prospects regarding the business

transactions. If customers have misunderstanding or they are confused, it is pertinent that the telemarketers remove their misunderstanding by answering to their questions suitably. They have innovative promotion strategy like-

- Free sweets delivered on the all festivals for one year after the function.
- Free honeymoon package for the couple (for the augmented market).
- Sending birthday cards, anniversary cards or sending messages to wish them in mobile phone.
- Giving return gifts in the bag on which their name is printed.
- The employees dress up as according to the need of the function.

PRICE

“Price is what customers are willing to pay for services.”

Like other organization, the caterings and catering companies also need to make pricing decisions. The existence and prosperity of caterings and catering companies are substantially influenced by the quality of pricing decisions. Of late, they find world-wide economic depression and the trend is not likely to be reversed in the near future.

Seasonal Discounts: Found applicable in the catering industry customary to charge lower prices, especially during the off-season.

Trade Discounts: Found applicable in the catering industry as their operators and travel agents are offered discounts.

Special Discounts: In the catering industry, they find special function room rates for overnight convention.

Food and beverage price: These must be clearly listed. It is a good idea to note that any listed prices are subject to change; in other words, the caterer should not assume responsibility if potential clients are viewing outdated menus. Caterers usually note that published menu prices are subject to change unless firm price guarantees are negotiated and included in a catering contract. If competitive bids are being prepared, all prices must be computed according to standard company pricing procedures. All printed menus should be dated to ensure that the client is not looking at an outdated version.

Gratuities or service charges: These are automatic charges added to the catering prices. Most properties add a 15 to 19 percent gratuity to the bill. You cannot assume

that all clients are aware of these traditional charges. They must be informed about them up front.

Tips: These are voluntary gifts. Some clients will want to tip some or all employees if they receive exceptional service. If you have a no-tipping policy, however, clients must know about it. Most government-owned facilities do not allow tipping.

Deposits: The deposit procedures must be spelled out clearly. Clients must be informed of the amount that must be paid, when it must be tendered, and how it will be applied to the final billing.

Refunds: Although no one likes to broach a negative subject, it is important to detail your refund policies and procedures in advance.

Setup charges: If they are not included in the food and beverage menu prices, clients must be told in advance about these extra charges. A large function does not ordinarily incur additional setup charges; however, small groups may be subject to them. Extra charges can accrue if a room needs a fast turnover and extra labor must be called in to accomplish the job.

Credit term: Clients who have established credit ratings are usually allowed to put up a minimum deposit and pay the remaining balance within an allotted time, generally 30 days. Clients without credit approval usually must put up a large deposit and pay the remaining balance at least 2 days prior to the event or immediately after the function ends. Clients who are somewhere between having an established credit rating and no credit rating normally must provide a deposit and pay the remaining balance at the end of the catered event.

PLACE

“Where to market our products or services? The place or distribution of services is the channels or means used by which the service provider gains access to potential buyer of the service product.”

It is only not sufficient that they have a product mix of world class; it is only significant that they promise the best, it is much more impact-generating that they bridge over the gap between the services-promised and service offered. The caterers and catering companies have been found innovating their service but they also bear the responsibility of making it sure that the promised services reach to the ultimate users in a right fashion. It is against this background that they focus on the place of catering companies. The front line staff, receptionists, enquiries, complaints and

grievances redressal cell, the waiters, the porters, the doormen, are found involved in the process. If they are professionally sound and personally committed, the promised services would reach to the users without any distortions that would generate satisfaction to the users and even the projection of a positive image would not be found much more difficult.

Zero Level Distribution

This is a process of direct distribution without any middlemen. The caterers book, confirm and cancel with the help of their own system.

One level distribution

We find one-level distribution system where between the hotel companies and their ultimate users, we find travel agents responsible for distributing or processing the services.

PEOPLE

All human actors who play a part in service delivery and thus influence the buyer's perceptions; namely, the firms personnel, the customer, and other customers in the service environment.

In an age of sophisticated information technologies when they have been making superhighway for communications, they find a basic change in the expectations of users. The personnel serving the catering companies no doubt depend substantially on the instrumentality of information technologies but here it is, also important that caterers and catering companies assign due weight age to the development of personnel. This phrase is meaningful not only for the technologies but even for the people who manage them. It is against this background that the marketing experts the world over have been found making a strong advocacy in favors of an ongoing training program me for the personnel servicing the catering companies. In this context, our prime focus is on the front-line-personnel working in catering in different capacities. The receptionists, the porters, the house- keepers, the waiters and waitresses and even the doormen play an incremental role in promoting the business. The sales executives, the marketing managers, the senior executives bear the responsibility of managing the front-line-personnel in such a way that the promised services reach to the ultimate users without making any distortion. Of course, they are supposed to have proper education and knowledge regarding the services they need to offer but here, it is also important that we organize for them an ongoing training

programme, refresher courses, and capsule courses, lecture programmes, specially related to the behavioral profile.

PROCESS

The actual procedures, mechanism and flow of activities by which the service is delivered- the service delivery and operating systems.

Because customers are often involved in the production of services, the flow and progress of the production process is more important for services than it is for goods. A customer who buys a television set is not particularly concerned about the manufacturing process that made it. But the customer at a fine restaurant is not merely interested in the end result - the cessation of hunger. The entire experience of arriving at the restaurant - of being seated, enjoying the ambiance, ordering, receiving and eating the meal - is important. The pace of the process and the skill of the provider are both apparent to the customer and fundamental to his or her satisfaction with the purchase.

PHYSICAL EVIDENCE

The environment in which the service is delivered and where the firm and customer interact and any tangible components that facilitate performance or communication of the service.

This element of the expanded marketing mix addresses the "tangible" components of the service experience and firm's image referred earlier. Physical surroundings and other visible cues can have a profound effect on the impressions customers form about the quality of the service they receive. The "servicescape" - that is, the ambiance, the background music, the comfort of seating and the physical layout of a service facility - can greatly affect a customer's satisfaction with a service experience. The appearance of the staff, including clothes and grooming, may be used as important clues. Physical Evidence is the element of the service mix which allows the consumer again to make judgments on the organization. If you walk into a restaurant your expectations are of a clean, friendly environment. Physical evidence is an essential ingredient of the service mix; consumers will make perceptions based on their sight of the service provision which will have an impact on the organization's perceptual plan of the service.

Business Cards: A business card serves multiple purposes. It conveys a strong impression to the customer of the catering firm of which the provider is a part, by its design, print, paper texture etc. When recycling became politically correct, customers made an evaluation of the catering firm based on the quality of paper. Business cards become a ready reckoned for the customer as a database and are a form of remembrance advertising.

Employee Dress: Uniforms of waiters, waitresses, chef, and cook are another tool at the disposal of the caterer to communicate about their presence and existence.

Equipment: Equipment and its usage convey an impression of modernity and efficiency. Domino's Pizza has effectively used its home delivery concept to be different by using their trademark scooters and carriages for delivery, increasing their visibility. Delivery van, Mobile van, Automatic coffee and Tea machines, dishes and cutlery, Cooking Vessels, Serving Vessels, Carpets etc. communicative effect of catering business.

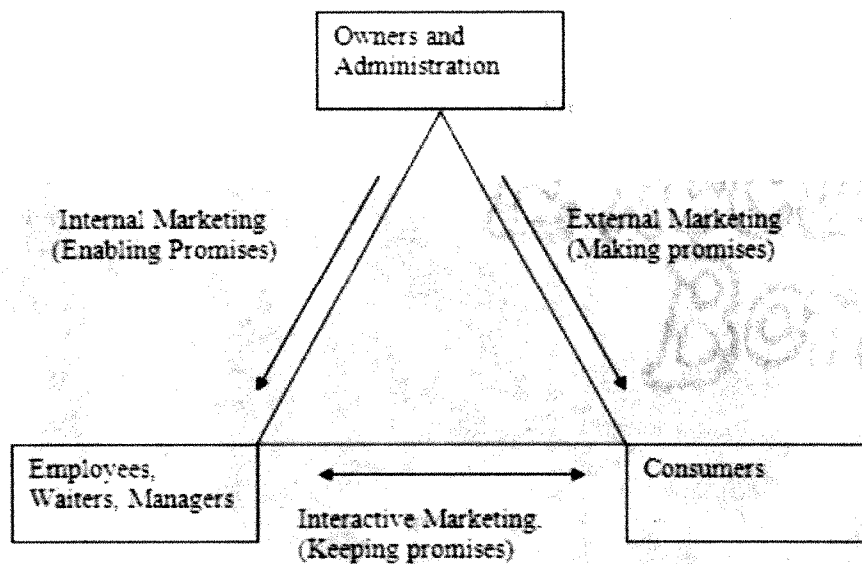


Fig 4.9 Service Triangle of Hotel and Catering Industry

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4.18 Photographs of the Catering Services provided by Caterers in Sangli City



Catering service provided by Mukesh Caterers



Catering Service (Male and Female Staff)



Mehandi



Car Decoration



Mandap Decoration



Flower Decoration



Seating Arrangement



Stage Decoration

4.19 Strength Of A Caterer

1. **Quality Food**-Set and maintain high standards for the food and ingredients. In catering, the ability to please diverse palates is a trademark of a successful caterer.
2. **Unique Food**- is the food different from other caterers? What is the caterer's **signature menu item** or what entrée item is the caterer known for
3. **Excellence**-There are many average caterers."Always exceed your customer's expectations." Strive to provide better than average food and services to guests. Gear strengths to meet and exceed customer satisfaction beyond the food and service. If the function is a social event in someone's home, provide valet parking and entertain the guests. If it is a Wedding, provide additional related services, such as, limousines, rental band or DJ and bridal supplies. If children are involved, entertain them, if serving a buffet; strive to make it memorable beyond the food and different from the competition.
4. **Ambition** – The internal drive, intensity and desire to become the best possible caterer is an intangible strength. Never be happy with mediocrity, establish performance standards that stretch the organizations capabilities. In the catering field, a work ethic that demands focus is required. A successful caterer cannot be lazy.
5. **Passion** – The intense emotional drive of excelling as a caterer. Embrace the challenges of working with foods that are created differently, better testing, more attractively presented and served more professionally than the competition.
6. **Personality** – A caterer's good communication skills, the ability to work well with the public and to understand people contribute to successful catering. A caterer must possess a strong personality and sell him, the team, the concept and the organization.
7. **Hue Resources** – The specialized skill, expertise or training to work with others. Is the staff prepared to service the guest better than the next caterer? Is the staff competent at carving bell? Does the staff have special skills to execute the event? If the staff is extremely loyal to the organization, they will go beyond what is required of them.

8. **Commitment to the process of continuous learning** – The process of learning is a journey. This journey includes both formal training and self education. It helps to join local and National organizations, attend seminars and read books on cooking, management, self development and stress release. Always strive to learn something new. Support the process of education by developing an ongoing training programme that requires everyone in the organization to learn.

4.20 Threats confronting a Caterer

1. **Competition** – Caterer must be aware of all competitions, especially those in the same target market. They must monitor and analyze the competition on a continuous basis to understand their strengths and weakness. What are their strategies? What do they charge? Where is their location? Do they have any special features? What is their purchasing power? What is their promotional and marketing expertise?
2. **Target Market or Communities** – What are the customers? Are they pricing sensitive? What are the demographic variables such as age, income, gender, occupation, marital status and ethnic background?
3. **Is the Client Unhappy?** – Once the function is running and in place the happiness of a client is directly correlated to the caterer.
4. **Future Competition** – Will new caterers enter the market? What weakness may be exploited by the competition to steal a share of the market?
5. **Hue Resources** – Does a shortage of properly trained, skilled workers exist? Lack of co-operation between members of the service staff and food production employees portrays unprofessionalism.
6. **Inadequate Equipment** – Poor layout and design of production area and a shortage of small wares and equipment are common.
7. **Poor Management Structure** – Ineffective scheduling or a lack of planning, organizing and controlling can result in a poorly executed event.
8. **Inappropriate Lease** – Excessive rent or mortgage payments or lack of credit can cripple cash flow and profits.
9. **Staff does not care about customer needs.**
10. **Lack of a plan for sanitation** – Poor procedural follow up can cause a food borne outbreak and hospitalize guests.