

# **Marketing Plan**

**Industry Trends & Market Forecast**

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## INDUSTRY TRENDS & MARKET FORECAST:

In light of the baby boomers entering into their golden years, coupled with the trend toward the nationally dispersed family unit, hospitality industry forecasters predict that the next 20 years will bring a tremendous surge in domestic travel and entertainment. This significant portion of mainly affluent seniors enter into retirement with an increased budget of time for vacationing across state borders, while the fractional family finds that domestic vacationing is convenient and economical. Both the baby-boomer and fractional-family factors are expected to sharply increase the demand for new restaurants and hotels nationwide. Add to this the September 11<sup>th</sup> outrage, which has created a significant increase in patriotic themes, and concurrently, a considerable decrease in the desire for travel abroad, and this indicates a lasting trend for hotel and motel development.

Currently, restaurant and hotel companies are preparing for this demand by expanding their concepts and increasing their number of units. *Nation's Restaurant News* reports that Andrew Barish, an analyst with Banc of America Securities said, "We're in the midst of seeing a real market share gain from the large, well-capitalized chain restaurants." These restaurants, he said, have the capital it takes to continue to grow to their units productively. Barish projected continued unit growth among top casual-dining chains in the 8% to 12% range, and this trend, he said, would continue for some time into the foreseeable future.

Last year, the top 16 dinnerhouse chains, as ranked in number of units, averaged 9.2% growth, according to a report in *Nation's Restaurant News*.

Some examples of such projected growth in national brand restaurant chains are: Applebee's International, Incorporated, which is currently at just more than 1,400 units, and has a target of 2,300 units within the next eight years. Olive Garden is planning to expand into more urban locations. This chain's typical growth rate averages approximately 18 units per year. Chili's grew by 61 units last year, which represents an 8.96% growth. According to a Chili's Construction Manager from the company's Texas Corporate Headquarters, this chain plans to build 150 units during the next year, which would more than double the current growth rate. Having just come out with a new prototype, Chili's anticipates that this robust growth rate trend will continue over a span of the next several years. Conquest Contracting expects to be at the forefront of this major expansion of the hospitality industry.

Metromedia Restaurant Group, part of Conquest Contracting's client base, intends to increase its number of Bennigan's units with 15 locations in 2003. In 2004, this client expects to begin implementing a new tavern concept, which will increase its cross-concept unit expansion by 20%.

Darden Restaurants, a developing client for Conquest Contracting, expects to see a strong growth rate over the next several years. This restaurant group will expand its existing concepts into the urban markets. This year Darden plans to build 45 Smokey Bones BBQ & Sports Bars, and the company has just broken ground on its newest restaurant concept, Birchwood Restaurant.

In light of these very positive trends in the hospitality industry, Conquest Contracting expects to see a strong growth in annual sales for at least the next four years. During this four-year period, the company expects to be doing \$20 million in gross annual sales.

## CLIENT PROFILE:

- ▶ National-brand restaurant and hotel concepts
- ▶ Average contract sum is approximately \$1.2 million
- ▶ Predominately new construction
- ▶ Typical client could provide Conquest Contracting with 4-8 contracts per year
- ▶ Usual job duration runs 120 days
- ▶ Representative pay cycle is 10 to 30 days
- ▶ Timely payments to contractor
- ▶ Financial strength – very strong

## **MARKETING STRATEGIES:**

When it comes to publicity, Conquest Contracting aims to be the best, for it is only the most outstanding that can flourish in the highly competitive hospitality market. Ed's wife, Sandra, who is Vice President of Conquest Contracting, brings with her two decades of communications and public relations expertise to ensure that the company receives the notoriety it deserves. Much of Conquest Contracting's promotional work will therefore be performed in-house to enable the company to maintain optimal quality control over its promotional programs and to save money on out-source design, layout, typesetting, and related presentation service fees. The scope of Conquest Contracting's promotional program involves the following spheres of influence, listed in order of priority: direct contact, print, audio/visual presentation, and the internet.

### **DIRECT CONTACT –**

A good industry-wide reputation is something that cannot be strategized. Conquest Contracting's clients are its primary building blocks for success. By maintaining excellent work ethics and craftsmanship, and by seeking to meet and exceed the needs of its clients, Conquest Contracting will become a leader in high demand in the hospitality industry.

For the new clientele that Conquest Contracting will seek out, the company's officer(s) will make private presentations at the client's place of business. This introductory program will also include an audio/visual presentation and an information packet.

### **PRINT –**

Because good communication will ensure that the company remains on top of the competition, Conquest Contracting plans to provide information packets that contain a portfolio of the company and its officers; a brochure featuring pictures of completed jobs; an AIA contractor information packet; and financial statements.

In addition, Conquest Contracting will furnish its key clients with annual progress reports that will focus on the company's strength, growth, and direction.

### **AUDIO/VISUAL PRESENTATION –**

The company will develop a concise animated and real-life audio/visual presentation on CD, DVD and VCR, which will feature Conquest Contracting's on-site work in progress, as well as some of its completed jobs; the company's office, officers, and some staff, and testimonials from clients. This presentation will be included in information packets and given to potential clients.

### **THE INTERNET –**

Internet access affords the company with an opportunity to bring its services to clients nationwide, as well as globally. Conquest Contracting will construct a web-site that will include written and audio/visual information concerning the company's portfolio, which includes its goals, structure and operations; profiles on the officers, a still picture presentation featuring completed job sites, and a link to enable browsers to access the company's e-mail addresses for correspondence with key personnel.