



ASHESI UNIVERSITY

STANDING OUT IN THE HOSPITALITY SECTOR: THE CASE OF BLOOMBAR

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B. Sc. Business Administration

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Declaration

I hereby declare that this undergraduate thesis is my original work and no part of it has been presented for another degree in this university or anywhere else.

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I hereby declare that the preparation and presentation of this dissertation were supervised in accordance with the guidelines on the supervision of dissertation laid down by Ashesi University.

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Abstract

The hospitality industry is one of the fastest growing industries worldwide and measures need to be put in place to ensure full utilization of the potential of this industry. Ghana's economy is increasingly becoming more dependent on the hospitality industry however, the food and beverages sector of this industry has not been substantially studied by scholars. The Seven P's of the Marketing Mix is checklist that service providers can use to ensure the full satisfaction of their target markets. This research paper seeks to analyse the various components of the marketing mix that customers prioritize to serve as a rubric for individuals looking to set up establishments in the food and beverages sector of the hospitality industry. In accordance with the goals of the research, the literature reviewed discusses how the Seven P's of the marketing mix influences the success of a firm in the food and beverages sector of the hospitality industry. The study concludes with recommendations on the right way to implement the Seven P's of the marketing mix for a specific target market in the food and beverages sector of the hospitality industry.

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Chapter One: Introduction

1.1 Introduction and Background

The pathos of being away from home, surrounded by strangers yet still feeling warm and welcome, briefly describes what the hospitality industry entails. The hospitality industry is an extensive tier of the service industry that deals directly with leisure and customer satisfaction. This industry sets itself apart from other categories of the service sector in that it is the only industry that caters to needs of luxury and pleasure, as opposed to other industries that provide for basic needs of survival.

The hospitality industry can further be segmented into three specific groups namely accommodation, food and beverage and travel and tourism (Samoszuk, 2019). The accommodations category includes hotels, motels, bed and breakfasts and other businesses that provide lodging services to customers. The food and beverage category is a broader area of the hospitality sector that encompasses restaurants, fast food chains, nightclubs and bars; the category this paper will be focusing on. The last category, which is travel and tourism, deals with airlines, trains and cruise ships.

Given the nature and structure of the hospitality industry, it could be observed that the industry is highly dependent on the disposable income and leisure time of its consumer base. an attribute that makes it essential for hospitality establishments to offer customers experiences they will be willing and convinced to pay for. This prioritizes the importance of customer service, marketing and other factors relating to customer experience in the industry.

With entertainment and the need for pleasure being part of human nature, it is no surprise that the origin of the hospitality industry dates as far back as the dawn of human existence. The word “hospitality” itself, is derived from the French word *hospice* which means to take care of travellers (Russell and Dawson, 2018). The hospitality industry, originated from

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tourism, which also originated from travelling; another concept as old as mankind (Russell and Dawson, 2018). In ancient civilizations, the main purpose of travelling was to find food and shelter but as time progressed, the purpose of travelling continued to be modified and less pressing. With the effect of thousands of years of change, the concept of travelling has changed and is now heavily reliant on the hospitality industry for its success.

Simply put, the evolution of the hospitality industry can be categorized into three time eras namely the nineteenth century, the twentieth century and the twenty first century. The nineteenth century introduced inns which were accommodation facilities made available to tourists (Russell and Dawson, 2018). With the provision of accommodation came the provision of food and drinks, introducing the luxury aspect of hospitality. Over time, an upgraded version of inns called hotels were brought forth, with bars and restaurants in addition.

The twentieth century was the genesis of the modern era of hospitality. With the way in which hotels were being patronized, people saw the industry as a business opportunity and started investing in it by owning hotel chains. This era also saw the beginning of motels as the road networks saw major improvements, making it easier for people to travel from city to city. Motels served as a cheaper and more accessible alternative for people who could not afford to pay for hotels (Russell and Dawson, 2018).

The last and most recent era of hospitality is was introduced in the twenty first century with technological integrations (Russell and Dawson, 2018). With the twenty first century being characterized by rapid technological advancements, hotels begun to take new and innovative forms. The twenty first century saw the rise of different forms of provision of accommodation like Airbnb, which allows people to rent out their properties to tourists.

1.2 Overview of The Ghanaian Hospitality Industry

Ghana's hospitality industry is segmented into three main categories namely Tourism, which encompasses parks, museums, natural, unique and heritage sites, flights, buses etc.; Hotels which include hotels, bed and breakfasts, hostels and rentals condos; Food and Beverage sector, the last segment and focus of this research paper. This sector encompasses restaurants, stores, clubs and bars with bars being the main object of study. The hospitality industry provides diverse leisure services being required by both locals and tourists in any country.

In an online course instructed by writer, Elisha Madison, the hospitality industry was ranked as the 4th most profitable industry in Ghana according to a 2016 study (Hospitality Industry in Ghana, 2016). The country's economy is going through a prominent shift from the agricultural and natural resources industry to the service industry and subsequently hospitality industry ('Forget Oil & Gas - Ghana's Leisure & Hospitality Industry Set to Boom in 2016', 2016). This shift to the hospitality industry can be attributed to the growth of the country's middle class, stability in the political sector, strategic positioning in terms of geography, immense wealth of tourist attractions and pleasing investment atmosphere ('Forget Oil & Gas - Ghana's Leisure & Hospitality Industry Set to Boom in 2016', 2016).

The hospitality industry, according to a study conducted by The World Travel and Tourism Council, was projected to expand by an annual growth rate of 5.1% per annum each year from 2017 to 2027 (Newsroom & LLP, 2016). Ghana's hospitality industry contributes over 6% of the nation's Gross Domestic Product (GDP) (Ministry of Tourism, 2012). In 2015, the hospitality sector was responsible for 57% of the country's GDP for direct travel and tourism with the balance coming from business travel spending (*New Targets for Leisure Tourism in Ghana Help Achieve Sector Development Goals*, 2017). Alongside cocoa, oil and gold, the industry has become a main source of foreign exchange for the country as it is also a

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source of income (*New Targets for Leisure Tourism in Ghana Help Achieve Sector Development Goals*, 2017).

With studies proving it to be the fastest growing sector of the economy, the industry has earned the right to be identified as a one of the most important socioeconomic activities in Ghana (Mensah-Ansah et al., 2011). Ghana's increased hospitality sector profitability is also because of the country's growing infrastructure which in turn attracts both local and foreign investors.

1.3 Problem Statement

“In a crowded marketplace, fitting in is failing. In a busy marketplace, not standing out is the same as being invisible.” (Seth Godin, 2018). The problem identified in this area of study is the inability of establishments in the food and drinks sector of the hospitality industry to stand out and not only attract but retain customers, something Bloombar has been able to do. The pressure put on Bloombar by the large number of customers could also be detrimental to their operation as it hard for them to treat each customer with equal attention. However, studying the techniques used by Bloombar to acquire and retain such a big customer base will help pre-existing and potential establishments in the food and beverage sector of the hospitality industry. With exposure to such knowledge, the owners of such establishments can further study the market and discover ways to stand out and attract customers, thus progressing in their business life cycle. Based on the problem that has been identified, the following research questions were brought up.

1.4 Research Question

In ascertaining how Bloombar stands out in the food and beverages sector of the hospitality industry despite being a relatively new entrant into the market, the following question will be explored:

1. What mix of marketing strategies work best for market penetration in the food and beverages sector of the hospitality industry?

1.5 Research Objective

1.51 Main Objective

This paper seeks to analyse the determinants that directly influence the extent to which an establishment in the competitive food and beverages sector of the hospitality industry stands out and attracts the attention of customers, as in the case of Bloombar.

1.52 Specific Objectives

In determining the factors that aid in the standing out of establishments in the food and beverage sector of the hospitality sector, this paper will:

- Pinpoint the components that define competitiveness in the food and beverages sector of the hospitality sector to ensure that Bloombar is indeed thriving in a sector that is regarded as competitive.
- Establish the mix of marketing strategies that is most suitable for market penetration in the food and beverages sector of the hospitality industry.

1.6 Significance of Study

The outcome of the research this paper will provide information important to the development and utility of the potential of Ghana's hospitality industry. From the results of this study, existing establishments in the food and beverages sector of the hospitality industry can analyse and restructure their modes of operation and marketing to suit the criteria for success in the industry. The knowledge uncovered from this study will also serve as a guide for both foreign and local investors looking to start-up businesses in the sector. With 2019 declared as the year of return by H.E. Nana Addo Dankwa Akufo-Addo, the tourism industry is expecting a surge in numbers for the year 2019 and subsequent years, Ghana's hospitality

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industry needs to be in top shape. The industry utilized the most by tourists is the hospitality industry and thus, should be studied to unveil and reach its full potential.

1.7 Methodology

This research paper will employ the qualitative approach of collecting data to determine the factors that constitute competitiveness in the food and beverage sector of the hospitality industry and the mix of marketing strategies that work best for market penetration in the food and beverages sector of the hospitality industry. The qualitative approach will be used because it is the best method for studies that require the understanding of the factors that influence the purchase decisions of customers and answer questions relating to social experiences from the standpoint of the participant, an aspect which is vital to the study (Teherani et al., 2015). The qualitative method of research is because of the social nature of the study and the need for in-depth analysis in the generation of ideas that improve existing products or services and unveiling strategic directions for businesses.

1.8 Organization of Study

This paper is segmented into five main chapters. The first chapter is the introduction, which showcases a background to the topic, the statement of the problem, the research question, the research objective, the significance of the study, the methodology, the organization of the study and the scope and limitations of the study. The second chapter is the literature review which analyses some existing literature on the field of marketing in relation to the hospitality sector and literature relating to the hospitality industry in general.

The third chapter looks at the methodology used in the collection of data for the research and the methods used under the main methodology. In the fourth chapter of this study, the results from the research is analysed and processed. The fifth and final chapter contains the conclusions and recommendations from the research.

Chapter Two: Literature Review

2.1 Introduction

This chapter analyses existing literature related to the topic under study to define the scope of research. Through a brief overview of the state of the hospitality industry in Ghana, the first section establishes the foundation on which the research is built. The second section encompasses the theoretical frameworks related to the topic under study with Porter's Five Forces and The Seven P's of the Marketing Mix as the main components. The ensuing section details the empirical literature review and concludes the chapter.

2.2 Theoretical Framework

This research is influenced by the findings of two main theories relating to competition and marketing namely, Porter's Five Forces and The 7P's of the Marketing mix which are subsequently discussed. The Porter's Five Forces framework is used to analyse the state of the food and beverages sector of the hospitality industry to prove that it is indeed competitive, as stated earlier. The 7P's of the Marketing Mix on the other hand will be used as a rubric to help determine what consumers seek in the industry.

2.21 Porter's Five Forces

In a bid to analyse and prove the competitiveness of the food and beverages sector of the hospitality industry, this study will utilize Porter's Five Forces as a rubric. Since its publishing in 1979, Porter's Five Forces has become one of the most popular and highly regarded business school strategies. Michael E. Porter, a Harvard Business School professor developed the five forces as a model to identify and analyse the five competitive forces that shape any industry, determine the strengths and weaknesses of the industry in question and understand the level of competition within the industry.

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Understanding the five forces in a specific industry before establishing a business is crucial to the success of the firm as a thorough understanding of these five forces helps business owners adjust corporate strategy which in turn increases profitability. Porter's Five Forces in determining market attractiveness and competition include 1) threat of substitutes 2) buyer power 3) threat of mobility (potential entrants) 4) supplier power and 5) industry competitors (Kotler & Keller, 2006). The subsequent paragraphs will analyse all five forces and relate them to the food and beverage sector of the hospitality industry.

The first of the five forces is segment rivalry, which basically refers to the number of competitors in an industry and their ability to undercut a company. In an industry where there is a high number of competitors and number of corresponding products and services offered, there is a curtailing effect on the power of each individual company within the industry. With regards to competition in an industry, both suppliers and customers tend to opt for a company's competition if they can offer better value for money.

In using segment rivalry to assess the state of competition in Ghana's bars and clubs' segment of the food and beverages sector, it can be deduced that the segment is indeed competitive. Taking Bloombar as the object of this study, despite its establishment in 2017, the company is a comparatively new entrant into the market. Bloombar entered the market at a time where there were many other flourishing bars; notable among these are Skybar 25, Purple Pub, Venus Lounge Bar and Grill, The Republic Bar and Grill and Firefly Lounge Bar. Upon Bloombar's entry into the market, some new competitors such as Serallio and Nuage Sky Bar were introduced. Looking at the state of competition, it is evident that Bloombar exists in a highly competitive market.

The second of the five forces is the threat of new entrants. The power of a company in a specific industry is highly influenced by the ease with which new competitors can enter the

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market. In an industry where little capital, effort and time is required to enter the market and compete effectively, there is little power allocated to the individual companies in the market. In such a market, competition is very high due to possibility of new entrants springing up during times when the industry, as a whole, is experiencing profits.

Thirdly, there is the threat of substitute products, where substitute goods or services can be used in place of a company's service. The availability of substitutes provides a price limit on the amount of profit a company can make (Kotler & Keller, 2006). In a market where there are no substitutes to the product or service a company provides, that company has great power and can inflate prices due to the power of monopoly. In a market where consumers have many close substitutes on the other hand, no individual company has the power to raise prices to points that are favourable to them. A market with a variety of close substitutes is considered highly competitive. Bloombar exists in a highly competitive market where there are countless substitutes.

The next force is the threat of buyers' growing bargaining power. This force exists when consumers have the power to drive the prices of services provided by companies and only exists in a highly competitive market. The power consumers have in controlling the prices of services is dependent on the number of buyers a market serves. In a market where there are only a few buyers, the buyers tend to have greater control of the prices at which they patronize goods and services. The power of a company in dictating price levels increases with the number of buyers that company serves.

The last of Porter's Five Forces is the threat of suppliers' growing bargaining power. In a market where there are few suppliers that can easily increase the cost of inputs for companies, the suppliers are said to have high bargaining power. With few suppliers in an

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industry, companies will be heavily reliant on their suppliers thus giving the suppliers power to drive prices.

Despite the popularity and efficiency of Porter's Five Forces in determining the state and profitability of a market, it has some defects. According to one school of thought, Michael E. Porter has no justification for his choice of the five forces to prove their validity (O'shaughnessy, 1984; Speed, 1989). With regards to this criticism, it is possible that there are more forces that could even prove to be more efficient than the existing ones proposed by Michael E. Porter. According to the works of Thurlby (1998), Porter's Five Forces only generates snapshots, meaning it is static and does not take into account the element of time making it harder to determine markets with higher competition dynamic because they can change quickly. Taking the element of time into consideration, Dulčić et al. (2012) are also highly analytical of the model and are of the opinion that taking time into account might be beneficial to managers to help them consider and understand market trends and environmental changes.

Additionally, Aktouf in 2004 suggested that the five forces model does not guarantee a competitive advantage that is sustained due to the static nature of the model. The model does not consider changes in the competitive environment of the industry. The Porter's Five Forces Model falls short in its ability to project the long-term profitability involved in the setting up of establishments in a given industry. In my opinion, the Porter's Five Forces is quite myopic.

Despite the shortcomings of the model, it is still highly recognized by notable business schools and has proven efficient in determining the profitability and state of competition in various markets. It has served as an asset to investors and entrepreneurs in various fields.

2.22 Seven Ps of the Marketing Mix

According to Ghauri and Cateora (2014) the traditional marketing mix paradigm is a blend of price, place, promotion and product collectively provide a robust point of differentiation for a brand. The classical marketing mix model known as the 4Ps is the cornerstone of any marketing activity (Salman, 2017). The current form of the marketing mix, which constitutes product, price, promotion and place was first developed by McCarthy (McCarthy, 1975). However, the traditional marketing mix elements of product, price, place and promotion are inadequate in achieving the marketing objectives in services (Bitner, 1990). The perceived inadequacy of the 4Ps of the marketing mix led to the introduction of 3 more Ps by Bernard Booms and Mary Bitner. The additional 3Ps represent people, process and physical evidence and were formulated during the service sector revolution (Collier, 1991). Despite the criticism of the of the traditional marketing mix of 4Ps and its insufficiencies, it still remains the base of the marketing mix (Salman et al., 2017). The revised form of the marketing mix will be used as the analytical framework of this paper.

The seven P's of the marketing mix aid firms achieve and maintain competitive advantage in its role as a powerful management model (Collier, 1991). It must be noted that the marketers have complete control over how they are deployed. Kotler and Gertner (2004) defines the marketing mix as a "set of controllable variables that the firm can use to influence the buyer's response". These components are interconnected as a choice made in one field impacts decisions in other fields (Cuellar-Healey & Gomez, 2013). When companies make the choice to go international, the marketing mix is the foremost strategic tool that exhaust the decision-making process. Here, the firm considers whether the components should be standardized, or they should be locally adapted to meet the target market needs and wants (Ghauri & Cateora, 2014). In fact, inappropriate decisions on the marketing mix variables can

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result in expensive errors through loss of efficiency. Such errors could be incorrect pricing or advertising (Ghauri & Cateora, 2014).

In deciding which way to deploy the marketing mix, the following considerations are held highly as argued by Cuellar-Healey and Gomez (2013) 1) “the analysis of markets and potential markets” 2) “the planning and development of products and services that consumers want, distinctly identified in a proper package” 3) “the distribution of products through channels that assure the services or conveniences demanded by buyers” 4) “the promotion of products and services, including advertising and personal selling to inform and educate consumers about those products and services, or persuade consumers to try new, improved or different ways of satisfying their wants and needs” 5) “the setting of prices that reflect both a reasonable value (or utility) of products or services to the consumers, and a satisfactory profit or return on investment” 6) the support given to customers, before, after and at the point of sale, to guarantee their satisfaction, and thus pave the way for possible future sales that are necessary for company survival and growth”. Below is an explanation of the international marketing mix. It is however important not to neglect any components of the mix as studies conducted have proven that some notable firms in the hospitality industry reached that status by according precise attention to every detail (Collier, 1991).

Product

Kotler and Keller (2012) defines the term “product” as “anything that can be offered to a market for attention, acquisition and consumption”. Customer satisfaction must be at the core of product decisions. A product can be defined as anything within the range of services and information to tangible and non-tangible offerings. (Kotler & Keller, 2012). The product or service offered by a company is highly dependent on values of the target market as well as timeliness with a certain level of quality expected (Collier, 1991). A product is thus not simply

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limited to physical traits. In the restaurant industry for instance, consumers have the ability to touch, taste, and smell and sometimes are involved in the production process (Talpai, 2014). It is therefore imperative for restaurant operators to understand that a product decision that fails to take into consideration these factors risks not being competitive.

Situating the product in the standardization and adaptation argument, Theodosiou and Leonidou (2003) argued that the product is the most consistent component of the marketing mix. Notwithstanding this argument, from research conducted by Michell, Lynch and Alabdali (1998) it was established that British companies selling sophisticated goods in the Middle East market were compelled to adjust their products to meet local specifications, however the remaining marketing mix elements were open for standardization. Powers and Loyka (2007) states, condition precedent for standardization of products in international markets are socio-cultural differences, economic development and marketing infrastructure. In the end, this study will choose either standardization or an adaptation strategy.

Price

Kotler and Keller (2012 p. 425) states that “companies usually do not set a single price but rather develop a pricing structure that reflects variations in geographical demand and costs”. Kotler and Keller (2012) define price as “the amount of money that your customer has to pay in exchange for your product or service”. Generally, defining the best price for products can be quite complicated. It is important consider that pricing strategy should mirror your product’s position in the market and the subsequent price should cover the cost per item and the profit margin.

Place

According to Kotler and Keller (2012) “a place is the point of sale”. Standardizing of the distribution channel, which is part of the term place, is said to be difficult to implement and therefore not commonly applied (Dimitrova & Rosenbloom, 2010). In implementing the component of place, it is important to select a location that is accessible to the target market as the customer can only utilize the service after possession of it (Pheng Low & Tan, 1995). Levitt (1983) claims that distribution channel strategy cannot be completely standardized in a global market. This is shown to be true, as physical distribution, storing and logistics show a low degree of standardization. An explanation to what is mentioned above according to Theodosiou and Leonidou (2003) is the fact that there are differences in ordering procedures, availability of transport, availability of warehouses, the location of the stores and the number of products and inventories in different markets.

Promotion

Kotler and Keller (2012) defines promotion as the activities undertaken to make the product or service known to the prospective and existing customer. This can include advertising, word of mouth, press report exhibition, incentives, direct marketing and many more. Out of the different marketing Ps, promotion and the decisions regarding its fulfilment is, to a large degree, affected and adjusted to differences in the culture of various countries, more than the other Ps (Ghauri & Cateora, 2014). Chung (2007) also claims that advertising messages should be adapted to be suitable for each market’s beliefs and traditions. On a global level, most studies tend to say that international advertising of multinational companies are either standardized or partially standardized (Birnik & Bowman, 2007).

Physical Evidence

Booms and Bitner describe physical evidence as the surrounding in which a service is delivered in accompaniment with all tangible goods that aid in the delivery of the service. The physical environment in which a service is delivered is essential as it directly informs the quality of the service sought (Ahmed & Rafiq, 1995). Another school of thought that supports this claim states that, the physical evidence has great importance because it is the avenue through which the customer judges the quality of the service (Roy, 2014). A firm is more like to outperform a competitor given the existence of a well-equipped physical environment (Pheng Low & Tan, 1995).

People

People basically refers to the staff and all other people that contribute to the delivery of a service or a product. People are a very important component in the provision of services, making it essential for companies to recruit the right staff in order create a competitive advantage (Narayan, 2013). People hold such a high position in the services industry as they are the only channel through which a firm can deliver its service (Pheng Low & Tan, 1995). It is imperative that the staff in charge of the delivery of a service possess good interpersonal skills, knowledge of the service and aptitude to be able to deliver a service that is up to par (Narayan, 2013). The nature of the high contact nature of the service industry makes the processes of production and consumption simultaneous, making the customer perception of the product highly dependent on the staff of the service provider (Ahmed & Rafiq, 1995). In accordance with this, it can be concluded that the quality of the product or service offered is intertwined with the quality of the people in charge of delivery of the service (Berry, 1984).

Process

In their 7 Ps framework, Booms and Bitner define process as the flow of activities and mechanisms that come together to ensure that a service acquired by the end user. It is important to make the service acquisition process known to customers to ensure that customers are okay with it (Ahmed & Rafiq, 1995). The process through which a service is delivered serves as the basis of customer satisfaction, as well as the skills possessed by the service providers (Roy, 2014).

2.3 Empirical Literature

2.31 The Influence of the Marketing Mix on the Success of Hospitality Firms

In today's world of business, marketing plays an integral role in the success and competitiveness of a firm regardless of the business size or industry in which it operates. In Ghana's progressively competitive food and beverages unit of the hospitality industry, it has become increasingly more important for firms to utilize the marketing mix efficiently and effectively as part of their business strategies. Many studies have shown that competence in marketing is a key determinant for the success or failure of a small firm (Essawy, 2012).

The marketing mix, according to Shapiro in 1985 and Bartels in 1983 is one of the most widely accepted concepts in the field of marketing. The long-term growth of a company is highly dependent on the successful introduction of the new products or services into the market (Kotler and Keller, 2006). Before a new product launch, marketers create marketing programs to maximize the chance of success (Luan & Sudhir, 2010). In order to achieve this goal of long-term growth of a company, marketing managers must create the ideal combination of variables of the marketing mix.

The importance of marketing in business is reflected in the work of several scholars, with research analysing and identifying the appropriate marketing mix - spanning from the late

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1940s to the 2010s. The competent use of marketing as a tactic, focuses primarily on the correct use of the 7Ps of the marketing mix – product, price, place, people, physical evidence, process and promotion. These elements make up the key tools essential to any marketing manager. From the above, it can be inferred that the marketing mix is empirical to any firm looking to succeed in today's business world.

Also, in their cross-country study of small service firm marketing strategies, Hultman and Shaw (2003) conclude that small firms may benefit by adopting a range of marketing practices. The efficient use of the marketing mix by hospitality firms may benefit them by helping secure transactions, generating positive word of mouth while increasing client base through acquiring new and retaining old customers. Despite the importance of the marketing mix, the findings from a study on the marketing strategies for hotels and businesses in the United Arab Emirates by Ahmad and Saber (2015) reveal that firms in the hospitality industry view marketing as an unnecessary luxury. This is owing to the fact that these firms develop marketing strategies with high resource constraints.

However, as the enterprise moves along the growth cycle, the pressure for systematic marketing planning, and the associated information needs increases (Ahmad & Saber, 2015). This shows that regardless of the amount of resources put into a firm at the beginning of operations, it will reach a point where marketing will have to be prioritized. In order to avoid the pressures of marketing needs at a later stage of a business, firms should put in all effort to get the marketing mix right in the beginning.

As products of hospitality and tourism are viewed as high-risk purchases, reference group evaluation is, therefore, an important element in consumers' decision-making process (Lewis & Chambers, 2000). Due to the intangible nature of offerings provided by the hospitality industry, the risk of purchasing is high, making more reliant on the influence of

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word of mouth (Lewis & Chambers, 2000). Such communications exert a powerful influence on consumers' purchase behaviour especially in the presence of experience goods such as hospitality service (Zhang et al., 2014). Research conducted in 1966 by Ditcher reveals that positive word of mouth is likely to increase the purchase intentions of customers as it reduces the risk involved in purchasing. Based on the aforementioned, hospitality firms that fail to use the marketing mix to satisfy the needs of consumers will generate negative word of which in turn leads to loss of business and sometimes failure of the firm.

Although the marketing mix is evidently one of the most efficient ways in which businesses can provide the optimum offerings to customers, several schools of thought believe otherwise.

According to Salman in 2017, the marketing mix was also criticized for failing to regard the impacts of external environment and marketing decisions in a firm. Indirectly, Kotler, Haider and Rein in 1993 supported this speculation by stating that some crucial factors in marketing strategies include external and uncontrollable environmental conditions. Uncontrollable external environmental factors are indeed important to consider when creating a marketing mix as the effect they have on businesses can be substantial.

With regards to the shortcomings of the traditional marketing mix, there is gap connected to the use of the marketing mix in times of crisis (Salman et al., 2017). Economic shocks such as recessions and depressions are some examples of crisis situations that greatly cripple the hospitality industry. With the hospitality industry being dependent on the disposable income of customers, economic shocks have the potential to negatively affect hospitality firms. The marketing mix unfortunately does not make provisions for success in such scenarios.

In his assessment of the marketing mix, Moller (2006) highlighted some criticisms regarding the marketing mix concept as follows: The marketing mix regards customers as

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passive; the marketing mix is lacking in theoretical content and the marketing mix does not allow the personification of marketing activities. Later in 2008, fake ideas found that the marketing mix fails to take into consideration the unique elements of services marketing (Salman et al., 2017). The marketing mix also fails to highlight the importance of customer relationship management, an important tool in maintaining and retaining customers in a firm.

Further criticism to the marketing mix model is its unawareness of the use of technological sophistication which can be a very strong tool in today's market (Salman et al., 2017). In today's market where technological advancements are at an all-time high, the consideration of technology in marketing has becoming increasingly more important. Salman also highlights the lack of the element of partnership in the marketing mix. Regardless of the type of business being operated, there will always be stakeholders working together with the firm. Marketers agree that there is a real change within the service industry towards a more connected, strategic use of partnership marketing as a new effective tool in the marketing mix (Salman et al., 2017).

Despite the shortcomings of the marketing mix, it is still a highly efficient and reliable means of determining the right offerings for customers. The marketing mix is a concept that has proved to be very beneficial since its inception the late 1940s. Like any other concept that has stood the test of time, it has been criticized and also, modified to fit present day businesses. This suggests that, for a successful marketing strategy, a hospitality firms need to extensively evaluate the marketing mix and determine the appropriate mix of elements that will deliver the best product for customers.

Chapter Three

3.1 Methodology

The aim of this research is to find the right mix of marketing strategies that works best for marketing penetration for firms in the food and beverages sector of the hospitality industry. The subsequent sections of this chapter will outline the research approach, research questions as well as the research design, the sample population and sample size and the data collection tools. The methods and tools used in the data collection are employed to generate suitable answers for the research questions stated below.

3.2 Research Question

In determining how food and beverage firms in the hospitality industry can penetrate the market, the following research question will be answered.

1. What mix of marketing strategies work best for market penetration in the food and beverages sector of the hospitality industry?

3.3 Research Approach

In gathering data on the research questions, the qualitative approach will be used. The qualitative approach to data collection was selected due to the need to understand the factors that influence the purchase decisions of customers. In order to generate meaningful and insightful data, the qualitative method is used because it is the best way to record data related to people's experiences and opinions from the perspective of the research participant. Studies relating to marketing in the hospitality industry in Ghana have not yet been conducted to reveal how the industry operates. It is for this reason therefore, that it is important to have an in-depth understanding of the factors that influence consumers' purchase decisions in the food and beverages sector of the hospitality industry.

3.4 Research Design

The research will be exploratory in nature since no research has been conducted on the mix of marketing strategies that work best for market penetration in the food and beverage sector of the hospitality industry. The research is also in the form of a case study of a firm in the industry. The study will use the experiences and preferences of customers to find out the different attributes of the service that enhance patronage.

3.5 Research Scope

Using the research questions and objectives as the basis for this study, the research scope was Bloombar locating in Osu, Accra. It will focus on their use of the marketing mix and the opinions of their customers. Ownership and management of Bloombar will also be interviewed.

3.6 Sampling Strategy and Technique

The research will be conducted using two non-probability sampling techniques – purposive sampling and convenience sampling. Purposive sampling, a sampling method where research participants are selected based on the purpose of the study, is used in the interviewing of Bloombar's ownership and management.. Convenience sampling on the other hand, where research participants are selected based on the accessibility, will be used to interview the clients of the respective bars. With the convenience sampling on the other hand, people that are available and willing to partake in the research will be interviewed regardless of their history with bars.

3.7 Data Collection and Analysis

The main data collection tools for the research include questionnaires and in-depth interviews. All the tools were recorded using voice recordings and notes during the interviews. Voice recordings were used to ensure that no information given by participants is lost during transmission.

3.7.1 Data Analysis

Based on the fact that the research conducted is to find out people's opinions and experiences in relation to the bars under study, a thematic analytical approach will be used. With the use of thematic analysis, the data collected from research can be organized in various themes making it easier to analyse large data sets by their various themes.

3.8 Validity and Reliability

Reliability of a study refers to the extent to which the results of a study will remain consistent if it performed again under similar conditions. Due to time constraints, it was a bit difficult to ensure reliability as this could have been tested by performing the research again to compare results.

Validity on the other hand refers to extent to which the findings of the research reflect the answers the research set out to find. In order to test validity, the findings from research will be presented to participants to ensure that their opinions are properly and adequately articulated.

3.9 Ethical Considerations

To ensure that participants are comfortable and happy with participating in the research, the interviews were conducted on a voluntary basis. Participants were made to sign consent forms to prove that their participation in the research is at their own discretion. For participants

that agreed to participate in research but wanted rather keep their participation private, there were non-disclosure agreements signed by both participants and the researcher. Participants were also allowed to drop out of the research procedure if they felt the need to.

3.91 Conclusion

This chapter serves as an introduction into the research process by explaining the research tools used and the reason behind the use of these tools. The subsequent chapter will analyse the results of the research conducted.

Chapter 4: Research Results, Discussion and Analysis

4.1 Introduction

Indeed, the success of any service organisation is highly dependent on the organisation's employment of the "Seven P's of Marketing". It is with this assumption that the "Seven P's of Marketing" model was used as a framework in determining the factors that influence market penetration in the food and beverages sector of the hospitality industry, bars to be specific.

This chapter is a representation of all the data gathered from primary research in the form of semi-structured interviews and surveys concerning the food and beverages sector of the hospitality industry. The data collected is retrieved from two frames of reference: the consumers of the service and the suppliers of the service. The findings from the data collected will be presented in the form of graphs and charts in order to help answer the research questions. Through these findings, the right mix of strategies for penetration in the food and beverage sector of the hospitality industry will be determined.

4.2 Demographics of Respondents (occupational status, age, income)

The first data collection technique carried out was questionnaire that was randomly disseminated through the researcher's social media network. The questionnaire mainly sought to find out the main attributes consumers look out for when choosing a bar to visit. Out of 193 respondents who were asked whether they visit bars, 48 answered no while 145 responded yes. All respondents that did not patronize bars were sent to the end of the questionnaire while the remaining respondents answered the ensuing questions.

The age groups within which each respondent belonged to was inquired as it is essential to the nature of the results obtained from the research. The age of respondents may be vital to

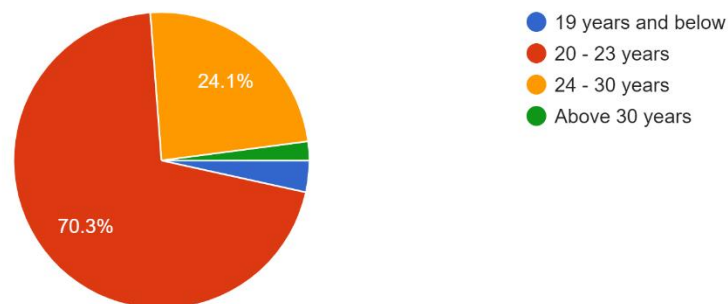
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research in the sense that people belonging to the same age groups may be attracted to the same qualities when searching for bars.

Due to the impact of age on the decisions consumers make regarding bars, it would have been optimal if the age groups of the sample population were even skewed across all age groups. The sample population was however skewed towards the 20 – 23-year-old age range with 70.3% of the population belonging to that group. The age distribution of the rest of the population is displayed below.

Which of these age groups do you belong to?

145 responses



The next demographic factor sought from respondents was their occupational status. This information plays a vital role in determining if the group people attending bars are more likely to spend money, typically the employed. The other groups of people i.e students and the unemployed are very likely to visit bars to have fun but are not expected to spend as much money on the services provided by bars. Probably due to a majority of the sample population belonging to the school going age range, 68.3% were students, 30.3% were employed and 1.4% unemployed.

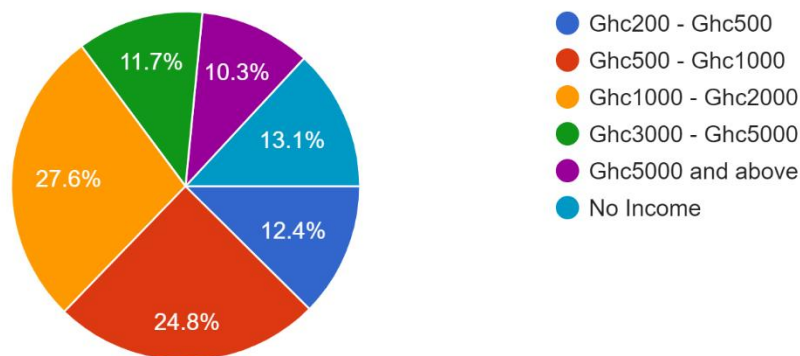
The ensuing question was in regard to the range of monthly income each respondent fell under. Knowledge of the income level of people that patronize bars gives a fair idea as to whether bars only attract people that belong to certain income brackets. The results of the study

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proved otherwise as the respondents were fairly dispersed across various income brackets. The graph below displays the results relating to the income of participants.

Which of these ranges does your monthly income fall under?

145 responses



4.3 Data Analysis Method, Data Findings and Results of Analysis

By virtue of the nature of this study, the data required to answer the research questions was taken from two different viewpoints; from the perspective of the consumer and that of the provider. It was important to use two different perspectives in collecting data because the study seeks to determine the right mix of marketing strategies for market penetration in the food and beverages sector of the hospitality industry. Patronisers of the industry were used as subjects in data collection in order to gain knowledge of the specific things consumers prioritize in selecting a bar to attend. Representatives of the bar understudy were also interviewed using similar criteria to help establish whether their priorities match those of their customers.

The findings of the research conducted will be presented in two parts. The results of the surveys from people who patronize bars will be presented first, followed by the findings from the interviews conducted with Bloombar personnel.

4.4 Findings from Survey Conducted on Customers of the Industry

Respondents were asked various questions regarding the decisions that influence their choice of bars, as well as demographic questions. The demographic questions were asked in order to give a larger perspective of the results and aid in putting some of the findings in context. Knowing that the Seven P's of Marketing is the main framework being used to determine the purchase decisions of customers, it was the epicentre of the survey. Respondents were asked to rank the Seven P's in order of importance. The ensuing paragraphs represent the results of the survey in order of priority as voted by participants. The Seven Ps are going to be listed from the most important one to the least important. All the Seven Ps of the marketing mix are crucial to the success of a bar however, the aim of these results is to help identify the p's that should be accorded higher resources allocation while ensuring attention is paid to the remaining p's.

Product

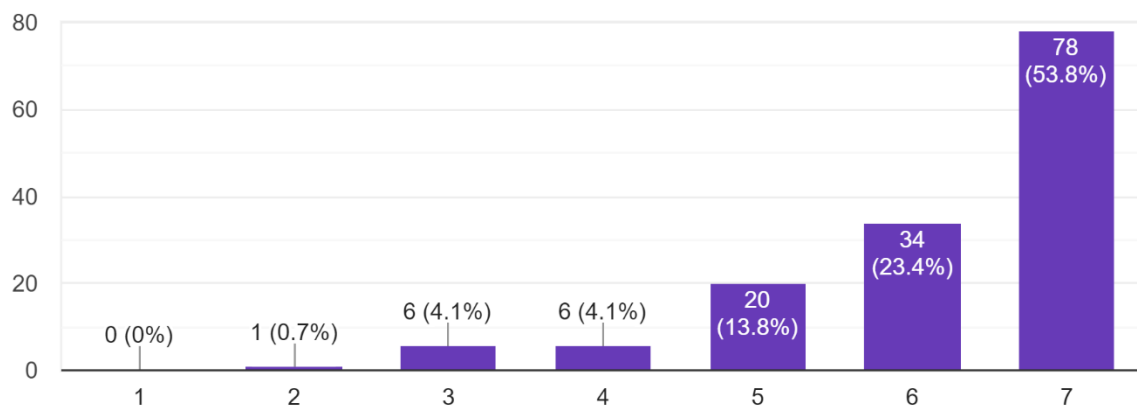
On a scale of 1-7, respondents were asked to rank the different components of the Seven P's, with brief explanations of each P provided to ensure complete understanding by the respondents. Respondents were also asked to give each component different rankings to make the results easier to interpret. The component with the highest was that of "Product". Kotler and Keller (2012) defines the term "product" as "anything that can be offered to a market for attention, acquisition and consumption".

In the literature reviewed, it was stated that it is imperative for restaurant operators to understand that a product decision that fails to take into consideration the importance of the product risks not being competitive. It is also sated by Thedosiou and Leonidou (2003) that the product is the most consistent component of the marketing mix. These claims that prioritize the importance of product in any business are proven right with the results from the survey conducted. "Product" receiving a ranking of 7 by 78 respondents, representing 53.8% of the

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entire sample population is proof of its influence on customer's purchase decisions. The importance of the product a bar offers is evident in the raw form of the data; majority of the rankings belong to the higher side of the spectrum whereas the lower rankings for product (1-4) represent only 8.9% of the entire sample size. Overall, the results of the survey on product were skewed to right, illustrating the importance of the attribute. The figure illustrated below represents the raw data for Product's ranking.

Product (the product offered to you i.e drinks, music, etc)
145 responses



Process

Process came in second with a ranking of 7 from 67 respondents. From this, it can be inferred that the customer places importance on the systems used in the delivery of the service, even in bars. Just as with Product, a large proportion of the rankings for Process were high rankings. The lower ranks (1-4) only constituted 15.2% of the total rankings for Process.

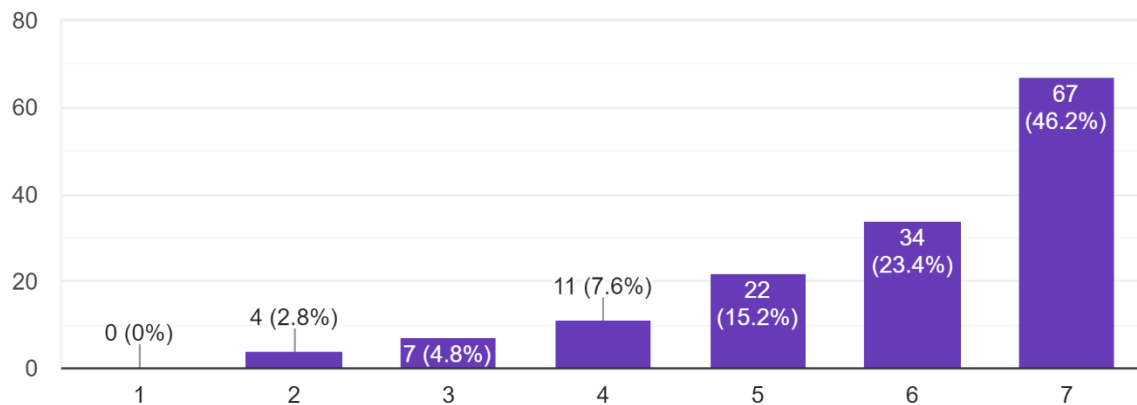
With services such as bars where people's main reasons for patronage include drinking cocktails, eating and just having a good time overall, the manner in which the products and services are delivered can make or break the business. With delayed drinks and food or mistakes in orders delivered, customers tend to get agitated. In a business like the bar business

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where the ambience also depends on the mood of customers, it is imperative that service providers make the process of product and service delivery hassle free for customers.

Process (the manner in which the service is delivered to you)

145 responses



Physical Evidence

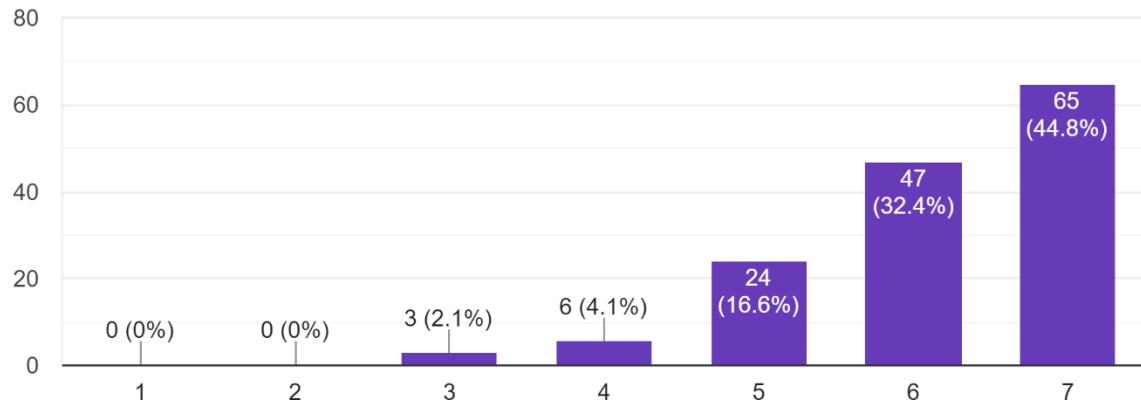
Physical evidence is the third most important attribute of a bar according to the research participants, with 65 respondents representing 44.8% of the entire sample size giving the attribute a ranking of 7. Similar to the aforementioned attributes with the highest rankings, majority of the rankings given to physical evidence fell in the upper range with 93.8% of the sample population giving the attribute a ranking higher than 4.

Uday Narayan, in a paper that discusses how firms dealing with services are using the Seven P's of the marketing mix, describes physical evidence as a place where the service is being delivered from. He goes on to express its relevance to retailers operating out of shops, this applies equally in the case of bars and other services that require customers to be physically present to be able to enjoy the experience. According to Narayan, physical evidence is one element of the marketing mix that will distinguish a company from its competitors and can be used to establish a positive experience.

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Physical Evidence (the physical environment in which the bar operates i.e the
 ambiance, the design etc)

145 responses

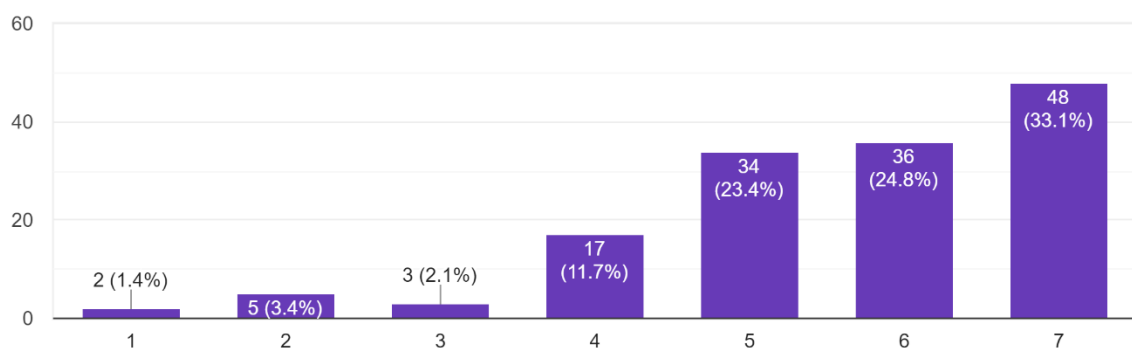


People

From the perspective of the customers, people is the fourth most important attribute of a bar. The results of the survey in relation to are skewed towards to higher rankings indicating the importance of the frontline staff and managers to consumers.

People (frontline staff, mangers, etc)

145 responses



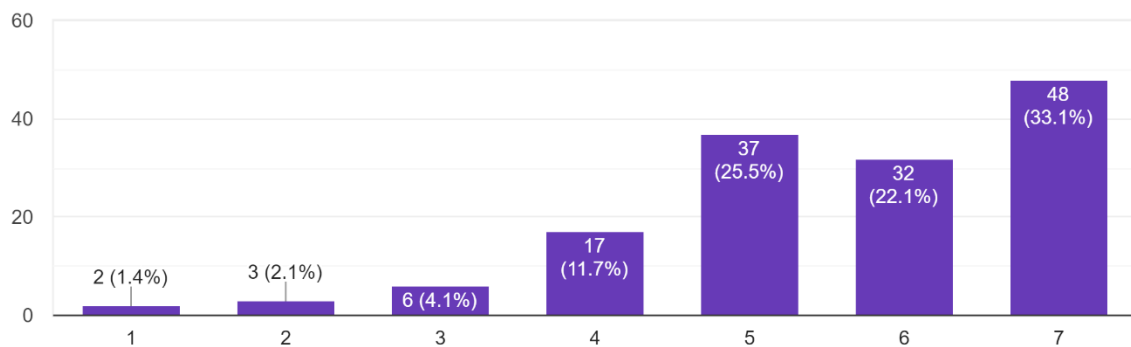
Price

Kotler and Keller (2012) define price as “the amount of money that your customer has to pay in exchange for your product or service”. Price is normally one of the most important attributes that determine whether a customer would purchase a given product or service. From the results of the research however, the role price plays in the customer’s purchase decision seems to be on the contrary. The price of the products and services provided by bars were given a ranking of 7 by 48 respondents, making price one of the least important factors from the perspective of consumers.

It could be inferred from this although price typically determines the purchased decision of customers in most service industries, the case is opposite in the food and beverage sector of the hospitality industry. This may be because most bars offer cocktails and drinks that fit a wide range of prices. The wide price range of products offered by bars makes the industry accessible by members of various income brackets, making price a less sought factor.

Price (value for money)

145 responses

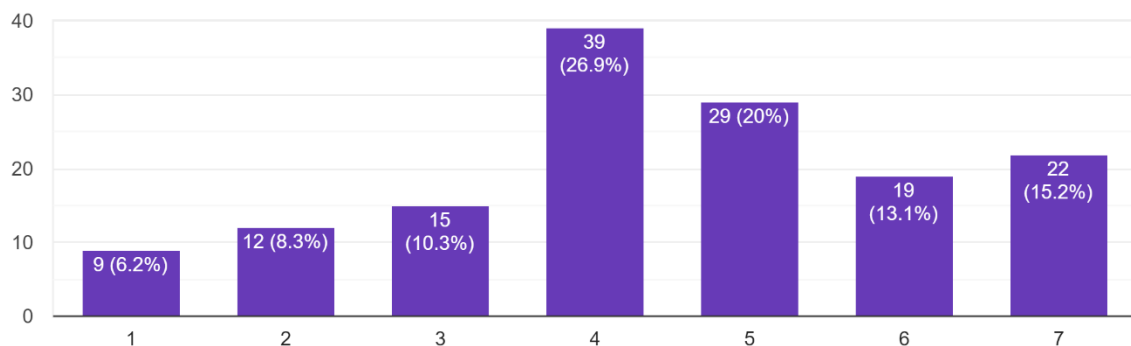


Place

For the sample population studied, place was one of the least important attributes when searching for a bar to visit. It is easy to think that people would go to bars nearest to them in order to release stress or just have a good time, but the results prove otherwise. Majority of the respondents that ranked place gave it an average ranking of 4 with 26.9% of the population according place with this ranking.

The graph below, representing the results for place is fairly symmetrical indicating the indifference of consumers when it comes to the location of a bar. The numbers for the rankings are somewhat evenly dispersed with the ranking 4 representing the highest number. Although place is not one of the most prioritised attributes, care must still be taken in selecting a location for a bar.

Place (proximity to your place of residence)
145 responses



Promotion

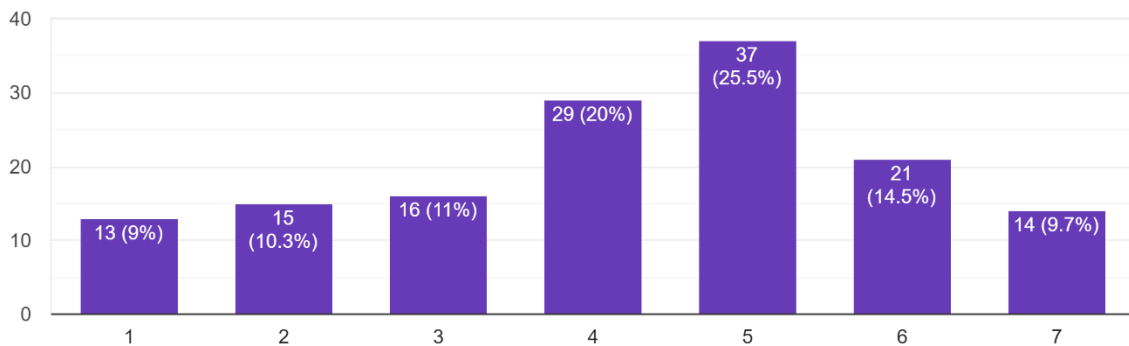
Promotion, the marketing mix attribute that basically deals with the activities undertaken to make a service known to customers according to Kotler and Keller received the lowest overall ranking in the study. Only 14 research participants gave promotion a ranking of 7, with a large proportion of participants giving promotion a ranking below 5.

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It is mostly through promotion that many businesses attract a large share of their customers. Through advertising, word of mouth, incentives, direct marketing, press report exhibition and many other avenues, many companies are able to reach their target market and recruit new customers. Promotion is an important aspect of running a business because without promotion, it is almost impossible for a company’s target market to be aware of the product and services offered by the company.

Promotion (advertising)

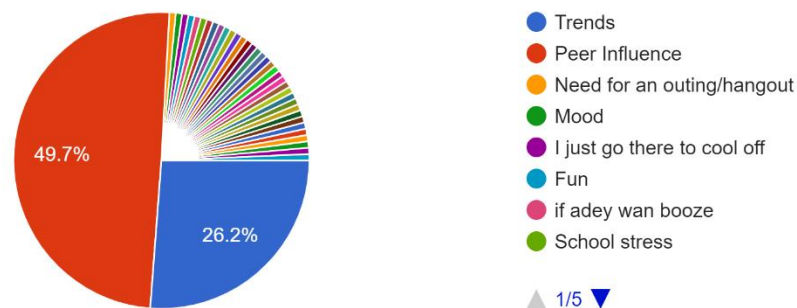
145 responses



The positioning of promotion at the bottom in the list of priorities of attributes of a bar from the perspective of customers can be associated with the data displayed below.

What influences your decision to visit a bar?

145 responses



When asked what influences the participants’ decisions to visit a bar, 49.7% attributed it to peer influence while 26.2% attributed it to trends.

4.5 Findings from Interviews Conducted with Suppliers of the Service

In order to fully understand the best way to utilize the Seven P's of Marketing to ensure standing out in the food and beverage sector of the hospitality industry, the owners of Bloombar as well as a manager were also interviewed. Gaining insight from these subjects was essential to properly grasping how the industry works. With insights from both the customers and suppliers of the service, there is knowledge acquired from all perspectives.

4.6 Presentation of Analysis of Findings from Interviews

4.6.1 Understanding the Market

One of the basic steps that needs to be followed before starting a business is the definition of a target market, this applies in any and every industry. The manager, during his interview defined Bloombar's target market as "The everyday Ghanaian". The target market defined was to avoid Bloombar from being the kind of bar that just focuses on the high-end society but rather try to cater for everybody regardless of societal background. Bloombar's selection of a rather broad target market is reflected in the company's pricing strategy which will be discussed later in the chapter.

After defining a target market, it is important to set a point of differentiation as this is important to enable a business to stand out and attract the attention of its target market. When asked what the company's point of differentiation was, the owner attributed the manner in which the bar stands out to their unique business model. "We don't consider ourselves to be competing with anyone first of all, we just looked at the needs of people from different brands". In the literature reviewed, Cuellar-Healey and Gomez, in their 2013 study argued that the analysis and understanding of potential markets is held highly. Bloombar, in its quest to determine a point of differentiation basically studied the industry for about four and a half years. In order to fully understand the market, the owners studied three main companies within the sector that are considered the hotspots of nightlife in Accra: Twist, Purple Pub and Republic

Bar. The four-and-a-half-year study of these places were done to figure out what they did to please their customers while identifying the things they weren't doing to gain more customers.

In their study, it was revealed that Purple Pub was a spot for people because of the affordable prices of the drinks they offered as well as the potency of drinks, making value for money the key thing Purple Pub offered. Republic Bar and Grill basically picked up the market because of the cocktails they offered. However, they realized that majority of the crowds, even after going to Purple Pub or Republic Bar and Grill would want to go to Twist Night Club. Twist unfortunately wasn't open to everyone, unlike Bloombar, and their target market wasn't the everyday Ghanaian. From their study, they realized that most people felt like they did not belong in the Twist atmosphere.

Their extensive study of the market made them realize that they want to open a bar that would make every person imaginable feel a sense of belonging. In establishing Bloombar, the owners took attributes such as the affordability of drinks that were considered to be value for money from Purple Pub and Republic while incorporating the luxury that Twist offers in a space, hence the aesthetics Bloombar has.

4.62 Serving the Market

The Seven P's of marketing essentially outline the manner Bloombar serves the market. The same way the customers were asked to rank the seven P's in order of priority, the ownership and management were asked to do so. The ensuing paragraphs represent the seven P's as ranked by the ownership and management of Bloombar as well as insights into why the different attributes received those rankings and how they affect the business.

People received the topmost ranking as Bloombar prides itself in its staff, ranging from security all the way to managers. "Our staff is the first point of contact for any guests that come here, and they help us stay relevant to the guests that come in, so we try and keep our staff on point". Great attention is paid to every little detail relating to staff that directly affects the

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customer's experience. In ensuring that staff are able to give customers the best experience, great care is given right from the entrance in terms of how customers are steered into the bar premises to how customers are approached by waiters and waitresses.

Although Bloombar's target market is "the everyday Ghanaian", after a while they realized that the kind of people that visited the bar were mostly educated. This realization rose the need for staff that had the capacity to interact with customers to a satisfactory level. At the inception period of the bar, the staff recruitment process involved the publishing of a notice for staff and an interview for prospective staff, if they liked the candidate they would be hired and then go through some training. However, after realizing the educational level of customers that frequented the bar, the staff recruitment process was modified. In order to recruit more skilled labour, they started employing people with a certain qualification. Before candidates are granted interviews, they write exams that basically test the IQs of candidates. If they pass the IQ tests, they then advance to the interview level which could still end in either a pass or a fail. Employment is granted only if candidates are able to pass the interview stage, after which they take another test and are then given uniforms if they pass.

The goal of the staff recruitment process is to ensure that staff are competent in the field of work and can answer any questions thrown to them by customers and do so adequately. At the end of training, waiters and waitresses should not be clueless when asked questions like "What is in this cocktail?". To ensure that the training offered to staff is indeed useful, Bloombar conducts random tests on their members of staff and also employ secret shoppers to make sure standards are met. In the case that staff do not pass these tests, they will be reprimanded. All this effort is put into place to ensure that customers have the best experience from the people that are employed to serve them.

Another top priority as ranked by Bloombar is the product offered to customers. In the food and beverage sector of the hospitality industry, the main product is the experience that is

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offered to the patronisers. The experience offered in this industry is made complete mainly with cocktails and music.

When asked about the product Bloombar offers in terms of cocktail, management described the cocktails as a craft, going on to describe Bloombar as a craft cocktail bar. In preparation of cocktails, their target market is the key consideration. The cocktails are made to suit the taste of the average Ghanaian, explaining the use of local Ghanaian alcoholic beverages like Kasapreko and Club Beer. This step taken by Bloombar goes to prove Ghauri and Cateora in their claim that it is important for a firm to adapt their product locally to be able to meet the needs of the target market. In incorporating Ghanaian taste into the craftsmanship of their cocktails, Bloombar was able to gain traction in the market as this concept was relatively new to the Ghanaian market.

Another essential aspect of the product Bloombar offers is the music. In the bar business, the type of music played is crucial to the success of the business, especially in Ghana where music is a huge part of culture. The owner emphasised this by revealing that in the industry, the type of music played creates and stirs up the mood and engages emotions the kind of music played in a bar creates a sense of belonging so it is important that the music played matches the target audience of the organisation. As a result of this, Bloombar sticks to genres that Ghanaians mostly listen to, namely; dancehall, hip-hop and afrobeats.

Promotion was the third most important attribute from Bloombar's perspective. This ranking is evident in the company's utilization of social media when it comes to announcing anything and everything relating to the business. In the interview, social media was described as Bloombar's only means of advertisement. Without social media promotion, it would have been impossible for Bloombar to reach their target market.

Place was the fourth most important attribute to Bloombar. Bloombar is situated in Osu, the heart of nightlife in Accra. Osu is home to majority of the big players in the industry

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including Purple Pub and Republic Bar and Grill, two of the bars Bloombar studied in order to understand the market.

Physical Environment is one of the attributes Bloombar used to change the way the Ghanaian bar industry operates. During the interview, the owner revealed that through his study of the industry before Bloombar was setup, it was evident that bars simply did not focus on how beautiful the place was. Bloombar went the extra mile to create an ambience that felt luxurious while making it possible for any customer to find something affordable on the menu regardless of income status.

With regards to the physical environment in which the company operates, he spoke about the fact that people always like to see something new. In response to this observation of Bloombar's customers, they feel the need to always recreate the space no matter how much it costs. There is also a very strict maintenance culture under which Bloombar operates, with the constant painting of floors and replacement of worn out couches to mention a few.

In picking the décor Bloombar uses, which is an outdoor space with good lighting all over, their research showed that staying in bars and clubs with little to no lighting makes the experience boring and repetitive, making customers feel the need to leave after about two hours. Good lighting, as well as good music affects the mood of people.

Process, the systems put in place in order to deliver the products plays an important role in the bar business. At Bloombar, customers are at liberty walk to the bar, order drinks or food and wait as the drinks and food are being prepared. However, Bloombar runs a one server per section policy where the server has a repeated goal of coming back to check up on customers. This idea was brought up after their study of the industry revealed that guests were not always prioritized in the sense that they were not made to feel being given a unique and personalized experience. The goals of the one server per section policy is to make the customer feel comfortable.

Price was placed at the bottom of the list mainly due to the way Bloombar tackles prices. With their target market being the everyday Ghanaian, it is essential that their menu caters for everybody regardless of social status. Due to this, their prices range from as low as GHC10 to about GHC125 for a cocktail. Bloombar's menu also contains more expensive drinking that could cost GHC200 and above. So, although price is a key priority in the business, the extensive nature of Bloombar price range puts it at the bottom.

4.63 Ensuring Continuity in The Market

Bloombar's most important approach in order to stay relevant is maintenance, it is crucial to maintain the status quo. In the words of the interviewee, "if the standard drops, you lose guests.". The maintenance approach applies to every aspect of the business and cuts across from operations, to the quality of cocktails, quality of service and sanitation. Another measure taken to stay relevant in the industry is the technique, adaptation. In their daily operations, they try to adapt to seasonal changes and basically the state of the market at any given point in time.

Bloombar chose a business model that was not focused on competition but rather a customer-centric one. By adopting this strategy, they manage to stay relevant because their main focus is on the needs of their customers rather than the other bars in the industry. Business owners tend to get lost when they focus on the competition around them and end up losing customers because the focus is shifted from them. Customers end up being unsatisfied and would rather patronize businesses that prioritize them.

It is common for business to expand and open branches when they reach their peak yet Bloombar has not found the need to do this over the years. With regards to growth, Bloombar choose refurbishment over expansion. This is attributed to the fact that opening more branches of a bar tends disperse the crowd, people will probably visit the branches that are closest to them. In this industry however, the crowd plays a significant role in creating an enjoyable atmosphere.

Chapter 5: Conclusions and Recommendations

The main aim of this research was to establish the marketing factors needed for an establishment, specifically a bar, in the food and beverages sector of the hospitality industry to stand out. In finding out the most important factors needed, the Seven P's of marketing was used as a rubric, with data collected from both the consumers of the industry and a supplier of the service.

The previous chapter details findings relating to the data gathered from questionnaires conducted on the consumers of the service and interviews conducted on the suppliers. This chapter is conclusive and uses the findings from research to answer the research questions. This chapter mainly consists of a summary of the entire research, recommendation and limitations faced during research. The research objectives as well as research questions are stated as follows:

5.1 Specific Objective

- Establish the mix of marketing strategies that is most suitable for market penetration in the food and beverages sector of the hospitality industry.

5.2 Research Question

- What mix of marketing strategies work best for market penetration in the food and beverages sector of the hospitality industry?

5.3 Summary of Research

The hospitality industry is a unique division of the service sector mainly because the patronage of this industry relies mainly on the disposable income of consumers. As opposed to other service industries that provide basic needs for human survival, the hospitality industry provides luxury and pleasure. This nature of the industry that classifies all firms under it as

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non-necessities makes it imperative that suppliers of hospitality services provide customers with what the factors they look out for when searching for the said service.

As a result of this, research was conducted to determine what customers of the food and beverage sector, specifically bars, of the hospitality industry prioritize. The results of the research could serve as a formula for people looking to start bars in the industry and also for existing bars that may not be performing too well.

Based on the findings made from the data analysed in the previous chapter, the following conclusions can be drawn.

5.4 Conclusions

The research process involved data collection procedures conducted on both suppliers of the service and consumers of the service in order to receive data from the two most important players in the research. Although data was collected from both the customers and the suppliers using different techniques, both parties were asked to rank the seven P's of marketing in order of importance.

The rankings made by the customers and the suppliers produced contradicting results. The customer's ranked the seven p's in the following order: product, process, physical evidence, people, price, place and promotion. The suppliers on the other hand gave the seven p's the following ranking: people, product, promotion, place, physical environment, process and price. This could be attributed mainly to the fact that the suppliers emphasised on the fact that it was difficult to rank the seven p's as all of them were treated with equal priority. The positioning of the bottom four Ps may also be due to the fact that place, physical environment, process and price are all perceived as being part of the product. The supplier's equal prioritization of the seven p's of marketing could possibly account for their success in the industry.

The nature of the rankings made by the customers could also be as a result of the demographics of the sample population. Majority of the respondents belong to the youthful population of Accra and may tend to be drawn towards similar characteristics, hence the nature of the results. In accordance with this, the data can be used for people seeking to set up bars with the youthful population of Accra as the target market.

Although the results of the two groups of rankings had no correlation, it is reasonable to conclude that product is one of the most important aspects in setting up a business in the food and beverages sector of the hospitality industry. Product was the only variable to make the top two in the rankings with both the consumers and the suppliers. This comes as no shock as the product offered by a service is the main thing that draws a potential customer, the remaining p's essentially serve as factors that complement the product.

5.5 Recommendations

It is important to start a business that will not only thrive from inception but will be able to stand the test of time, in terms of continuity of the business. The following recommendations are based on the data gathered from research and shed light on the path to standing out as a business in the hospitality industry.

Firstly, it is crucial to take measures to help understand the market to be served. It is advisable to do an extensive study of the market and how it operates over a period of at least two years. An in-depth study over this period will aid in observing patterns that influence how the industry operates. Some of these patterns may include trends, peak seasons such as Christmas, Easter and the summer holidays and economic fluctuations that affect the industry.

Just like any market, it is important to determine the target market to be served. The suppliers in this case, established their target market to be "The Everyday Ghanaian" and served them accordingly. The nature of this target market required them to modify their

products to suit the taste of the everyday Ghanaian. This modification ranged from cocktails made with local Ghanaian drinks to music playlists tailored to the Ghanaian taste.

It is normal to get inspiration from establishment in your industry of choice from more developed countries. When following the footsteps of the big players in the industry of choice, tips should be taken with the target market in mind in order to create a sense of belonging for the target market in question. People will patronize a product if it is authentic and makes them feel at home.

The seven p's of marketing are equally important and will contribute greatly to the success of a business if utilized efficiently. For a business targeting the youthful Ghanaian population, the ranking provided from research is advisable to follow. Although the youthful population would prioritize product, process and physical evidence over some of the other p's, it is important not to neglect the remaining ones. The best thing to do would be to allocate a larger percentage of resources to the p's that appeal to the target market while making it a point not to neglect the others.

Adaptation needs to be embraced to ensure continuity in the market. In an industry like the hospitality industry where customers patronage depends on disposable income as well as leisure time, it is important to keep the element of change constant. People patronize the hospitality industry in search of pleasure however, repetition can cause boredom and the reduced need for patronage. In order to avoid this, it is essential to revamp the business occasionally to help retain customers who seek a different vibe or energy but in the same place.

5.6 Limitations of Research

One of the main limitations during this research paper was finding academic literature focused on marketing in the food and beverage sector of the hospitality in Africa and even in

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Ghana. As a result, most of the literature used was in relation to countries outside Africa however, a link between the literature used and the research topic was established.

Due to the researcher's use of personal network in disseminating questionnaires, majority of the respondents belonged to the same age group. Although some of the respondents were members of older age groups, the data was skewed towards individuals of a school going age. This affected the nature of the results of the study mainly due to the fact that people of the same age tend to be drawn to the same characteristics.

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