

Savor the World

**The
Cheesecake
Factory**



Public Relations Plan

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Situation Analysis

Introduction

The Cheesecake Factory was founded in 1978 by David Overton in Beverley Hills, CA. There are now approximately 150 locations in the United States. As of 2010, there were 31,500 employees.

The Cheesecake Factory's **philosophies and goals**, summed up:

- Serve generous portions
- Maintain an inventive menu containing selections made fresh with quality ingredients
- Offer a warm and casually comfortable setting

Financial Performance

- Regarding expansion of the chain overseas as it relates to financial growth: "It definitely gives [TCF] an ability to diversify overseas and expand its growth potential," said Conrad Lyon, senior analyst with investment banking firm B Riley. (All Business)

S.W.O.T. Analysis

<i>Strengths</i> <ul style="list-style-type: none">• Appealing decor• Reasonable price range: consistent with the quality of food	<i>Weaknesses</i> <ul style="list-style-type: none">• Noisy environment• TCF doesn't take reservations; often very long wait times
<i>Opportunities</i> <ul style="list-style-type: none">• The Skinnylicious menu (if developed further - not just moving around some side dishes like it is currently) can be a great opportunity to change TCF's unhealthy/high calorie image• FourSquare has become a huge social media platform for restaurants, and TCF would be smart to offer promotions and specials to those who "checked in" to the restaurant on FourSquare upon arrival (i.e. 15% off a piece of cheesecake)	<i>Threats</i> <ul style="list-style-type: none">• Competitors' companies expanding into the foreign market are likely to pose a threat to the internationality of The Cheesecake Factory brand (see "The Competition" below)

The Competition

Expanding into **international markets** could be necessary in order to keep up with the competition. (TCF currently has a licensing agreement in place for the development of 22 restaurants in 5 Middle Eastern countries by 2016.)

- **P.F. Chang's**, a top competitor, has restaurant locations in Kuwait and Dubai (UAE), two of the countries TCF plans to expand to - TCF on the right track
 - Other locations: Mexico
- **Applebee's**, another top competitor, has restaurant locations in Kuwait, Bahrain, Qatar, Saudi Arabia, and United Arab Emirates, which are the five countries TCF plans to expand to.
 - Definitely on the right track in terms of matching the competition
 - However: Applebee's also has locations in several Latin American countries, which could be smart places for further TCF expansion

- Other locations: Brazil, Canada, Chile, Costa Rica, Greece, Guatemala, Honduras, Jordan, Lebanon, Mexico, Puerto Rico, Singapore
- **Outback Steakhouse**, another top competitor, does not currently have restaurant locations in the Middle East
 - TCF is ahead of them in that regard, however OS does have several locations in Latin America - good place for TCF expansion
 - Other locations: Australia, Bahamas, Brazil, Canada, China, Costa Rica, Dominican Republic, Guam, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, Philippines, Puerto Rico, Singapore, Taiwan, Thailand, United Kingdom and Venezuela

Primary Research: Internet Survey Results

A voluntary response survey distributed via Facebook yielded the following insights from 30 respondents:

- Over 96% of respondents were aged 18-25
- Almost 50% of respondents eat at TCF 2-5 times a year
- Over 62% of respondents said their favorite thing was the traditional menu

In response to “In what ways do you feel TCF could improve?” answers were mostly related to healthier options, lower prices, smaller portions, and better/faster service.

Core Problem/Opportunity

The core problem is that TCF needs to expand into international markets if they want to remain a strong competitor. It is crucial for them to continue along the path of international development of the Cheesecake Factory brand, expanding first along the proposed plan of locations in the Middle East, and then opening restaurants in a similar pattern compared to these competitors (potentially Latin America).

In addition to expanding abroad, it would be advisable for TCF to build a brand image that paints them as an international brand. Their menu already features cultural dishes, but extending this beyond just the menu would invite Americans into TCF's persona as an international cultural restaurant.

Objectives

- 1) Increase awareness of The Cheesecake Factory as an international brand.
- 2) Increase sales by 2.5% in second quarter of fiscal 2013 (October through December).*

*2.5% is an increase of 0.4% from TCF's total revenue in second quarter of fiscal 2011.

Target Audience

18-49 Years Old. Upper-Middle Class. College Graduate.



Jessica

- 23 years old, recent college graduate
- Studied abroad for a year in Madrid
- Hobbies/Interests: basketball, romantic comedies, trying new things
- Savvy Twitter and Facebook user
- Would use Foursquare if it were more widely used in her circle of friends



Susan

- 32 years old, writer for local newspaper
- Just got engaged, planning a destination wedding in Puerto Rico
- Her fiancé is a foodie; they love classy restaurants but are on a budget
- Attached to her iPhone



Alex

- 43 years old, department store manager
- Married with two kids
- Adventurous, loves to travel
- Blackberry owner who has started using Foursquare for in-store promotions
- Loves family-oriented restaurants with a hip vibe



Ian

- 28 years old, works at an advertising firm
- Hobbies/Interests: hiking, dive bars, Apple products (especially his iPhone)
- Upper middle class family
- Loves taking his girlfriend out to dinner at interesting restaurants but is saving up for a ring

Strategies

- 1) Focus on The Cheesecake Factory's appeal to customers internationally.
- 2) Highlight TCF's international expansion in American TCF locations.

Key Message

- Delicious food can take you on a journey.
- You don't have to go far for a taste of the world.

Tactics

- 1) **Create a "Connect With Your Roots" video contest incorporating YouTube.**
 - TCF will send 5 families living in America back to their country of origin (Kuwait, Bahrain, Qatar, Saudi Arabia, or United Arab Emirates) for an all-expenses paid visit and provide them with a dinner at a new TCF location in that country - ideally one winner will be chosen from each country
 - Contestants will create and submit a video about why TCF should help them connect with their roots in one of those countries
 - All videos will be posted to a TCF Youtube channel, and once finalists are chosen, America will be able to vote for the winners

- Media coverage: human interest story, TCF helping people reconnect with their home/family
- Potential for long-term extension: when TCF opens additional locations beyond the Middle East, this contest can be brought back for a Round 2

2) Participate in international food festivals/food tastings in cities throughout America.

- The press - whether its food bloggers, food reviewers, or features writers for print - cover large events like festivals, and sometimes smaller events like food tastings.
- TCF already has a menu with international foods from many cultures, and it would be a great opportunity for them to boost their image and reach wider and different audiences
- The first year, TCF can participate in festivals across the United States to reach American audiences. The second year, TCF can expand and take part in food festivals abroad, particularly in countries that have potential for future TCF locations.
- Top international food festivals in America include:
 - U.S. Cellular® World Food Festival in Des Moines, Iowa
 - iFest (Houston International Festival) in Houston, Texas
 - The Washington D.C. International Wine and Food Festival (IWFF)
 - Ninth Avenue International Food Festival in New York City

Rationale

- In the *Mashable* article “YouTube Brands: 5 Outstanding Leaders in Youtube Marketing,” the writer discusses how brands like Quiksilver/Roxy, Ford Models, University of Phoenix Online, The Home Depot, and Nikefootball have all had huge successes using YouTube for promotional efforts. Key words when dealing with YouTube for these purposes are “humanizing,” “trust,” “promote,” “practical,” and “compelling.” TCF has the potential to accomplish this using a YouTube video contest.
- “Entering its seventh year in 2011, the U.S. Cellular® World Food Festival reigns as Des Moines' premiere taste event. Unique to this taste event is its flavors. Restaurants and food vendors who specialize in small operations are the highlight of this great event - mom & pop kitchens churning out their family recipes.” (www.worldfoodfestival.org)
 - TCF prides itself on being a family-owned and run business, down to the fact that David Overton taste-tests each recipe. TCF can play up this aspect of their culture, as well as their international menu, in a food festival with small, family-owned restaurants.
- iFest is an international festival hosted by non-profit organization Houston Festival Foundation, which spotlights a different country each year. There are artists, performers, and craft and food vendors. It has been a part of Houston's culture since 1971, a few years before TCF opened for business.
- IWFF is in its 13th year, and is considered the most popular event of its kind in the mid-atlantic region. Its emphasis on world-class and gourmet options would be perfect for TCF's market.
- Over a million people attend the Ninth Avenue International Food Festival each year, and it has been popular since its opening in 1973. The festival is described as “a fabulous expression of the Hell's Kitchen neighborhood teeming with ethnic food shops and fine restaurants and offering an eclectic global smorgasbord of national and regional foods,” and offers foods from tons of different countries and cultures. TCF would get the opportunity to showcase its versatile international menu.

Timeline

	2011				2012				2013				2014				2015				2016				2017
<i>Fiscal year quarters (Q1: Oct-Dec, Q2: Jan-March, Q3: April-June, Q4: July-Sept)</i>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1				
Participate in Washington D.C. International Wine and Food Festival																									
Participate in iFest																									
Participate in U.S. Cellular World Food Festival																									
Participate in Ninth Avenue International Food Festival																									
"Connect With Your Roots": Accept video submissions																									
"Connect With Your Roots": Choose finalists and have America vote																									
"Connect With Your Roots": Promote in the media human interest stories of winners																									
Participate in international food festivals abroad																									
Development of 22 TCF restaurants completed in United Arab Emirates, Kuwait, Bahrain, Qatar and the Kingdom of Saudi Arabia																									
"Connect With Your Roots": Send winners to TCF locations abroad																									
Research other countries with potential for TCF expansion based on success in Middle East																									
Begin plans for expansion beyond Middle East																									

Evaluation

Objective: Increase awareness of The Cheesecake Factory as an international brand.

How to Evaluate:

- Conduct surveys/focus groups to gauge audience perception of TCF as an international brand, and analyze impressions before, during and after
- What was the Advertising Value Equivalency of the combined media coverage for each tactic?
- How many submissions were there to the "Connect With Your Roots" contest?
- How many votes were there for the finalists?
- How many views does the TCF YouTube channel have?
- What were the sales results from the food festivals?
- How many people attending each food festival?

Objective: Increase sales by 2.5% in second quarter of fiscal 2013 (October through December).

How to Evaluate:

- How much did sales increase between October and December 2013?