Marketing Plan: The Cheesecake Factory

Group 7
Chad Baker
Alena Olvecka
Edward Pasqualini
Barbora Volenticova
Lindsay Winkler

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Executive Summary

The cheesecake factory is a well established restaurant in American urban areas. They are mostly found around large cities. The restaurant is known for their large portions and even larger menu. They hire only the most qualified and professional staff making them a fancier full service, yet still reasonably priced establishment.

1. International expansion:
The restaurant’s business plan is oriented mainly on the North American Market which lowers the level of global popularity. The reason of our suggestion for a bigger international chain is a well developed competitive strategy and the lack of cheesecakes products in the rest of the world, in general.

2. Selling in stores
The Cheesecake Factory can would benefit from selling the cakes in stores because it would get their name out to the public more. This would also draw people to the restaurant because they would have the cheesecake at home and then want to go to the restaurant to try the rest of the food. The demand would also rise and possibly create ideas for future restaurant locations.

3. Perception
One weaknesses of The Cheesecake Factory is that they are not the number one choice for some customers, particularly families. People think of a fancy restaurant that is mostly about cheesecakes. They do not appeal to the customers looking for a family setting. This is also due to the higher prices at The Cheesecake Factory, large families may not be able to afford these prices. Broadening their public perception may invite new customers to their doors.

4. Benefits for frequent customers
Our suggestion is to start offering more benefits for frequent customers. This would keep them coming back and also create new frequent customers. One idea would be to start a “Cheesecake Club“ where after so many pieces were bought a free piece of cheesecake could be obtained at their next visit. Also a contest could be held for customer ideas for new types of cheesecake.

5. Advertising
The Cheesecake Factory currently does not advertise. One would never see a television ad or magazine page devoted to the restaurant. If they wanted to boost sales any number of advertising schemes would create a buzz about the chain. Currently they rely on news articles and word of mouth to bring in new customers. The new advertising strategy would greatly improve the amount of customers coming to The Cheesecake Factory daily.

The Cheesecake Factory unlike any other restaurant provides a unique combination of excellent food quality, fancy environment, and develops strategies for the current as well as future customers by providing benefits and comfort for the best dining experience.
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II. Introduction

In the Late 1940s Evelyn Overton opened her very own cheesecake shop in Detroit from her own recipe she developed. In order to raise her children Evelyn closed the shop and moved the cheesecake cooking to her basement. While cooking she continued to supply some of the major restaurants with her delicious cheesecake. In 1971 she and her husband moved to Las Angles to reopen and try to run a shop again in California. They opened the 700 square foot store call “The Cheesecake Factory.” The first few years were tough on Evelyn and her husband Oscar. They often worked 18 hour days and did not have much business. In 1975 they made their business into a large bakery, and Evelyn created more than twenty varieties of her cheesecakes and desserts. In 1978 there son David opened the “Cheesecake Factory Restaurant” in Beverly Hills, California. David’s goal was to open a place to eat where the customer would receive generous portions, inventive choices; all while being created with fresh ingredients in a warm comfortable setting. Thirty years later and over 150 locations, The Cheesecake Factory has surpassed all of the Orton’s expectations.

The company offers an extensive menu with a wide variety of things to eat. To start they have many delicious and tasty appetizers and salads to choose from. They have many different pasta, pizza, and specialty dinners as well. Lastly, they have their desserts. The restaurant has over thirty-two different types of cheesecake to choose from. They can have orders to go by phone or computer or they can have an order specially made for catering purposes. All this can be seen in appendix 1.

The Cheesecake Factory’s mission statement is as stated, “To create an environment where absolute guest satisfaction is our highest priority.” The company plans to grow by
eventually opening an Asian themed restaurant and also they want to branch out to countries all over the world. The Cheesecake Factory earned 20.5 million, or 26 cents per share. As seen in appendix 2 their revenues have been improving over the years. Revenues came in at 266.1 million, with the same store sales rising three percent. Customers come back to The Cheesecake Factory because of their generous food portions at moderate prices, their distinctive design and décor, and bars that provide full service liquor that are generally open seven days a week for lunch and dinner.

**III. External Environments**

**Technological Environment**

The technological improvement has greatly affected The Cheesecake Factory, Inc too. It maintains its own financial and accounting controls through the use of a point-of-sale cash register system and computer network in each restaurant that cooperates with the network in their corporate offices by using a high-speed and, of course, very secure communication system. What they have also improved so far is the automated front desk management that provides better control of seating and speed of the personnel. Each restaurant also has an onsite technician who assists in the accumulation and processing of financial and administrative information. The very new innovation was built into the kitchen in one of the restaurants in fiscal 2005. This kitchen allows for auto-mated routing and cook line balancing, improves cook line productivity, synchronizes order completion, and provides valuable ticket time and cook time data, and so since February 27, 2009, this equipped kitchen was placed into all of the restaurants. The Cheesecake Factory really keeps up the technological updates due to the fact
that it needs to be competitive not only in the field of product quality but also the technological developments and improvements.

**Competitive Environment**

The restaurant industry is highly competitive by the means of developing its marketing mix and strategies; however, they also are believed to be a leader in the upscale dining area. The critical attributes to evaluate the competition amongst the dining industry are: quality, variety, taste, service, consistency and overall value, as well as food trends and nutritional awareness. According to our research about the Market Share of Restaurants (Appendix 3), the share of The Cheesecake Factory is really low in comparison to other bigger food brands; however it gained a significant share of 3.24% for the market share for Frozen Cheesecakes. High quality products and commitment to excellent service and hospitality was reached in every subsidiary mainly through the selection and training of the employees.

The reports of the company show that its goal is to consistently exceed the expectations of every guest in all aspects of his or her experience in The Cheesecake Factory, Inc. The competitiveness and high level courage is what makes this company so popular and famous.

**Political & Legal Environment**

Last the annual reports showed, that each of the restaurant is a subject to licensing and regulation by a number of governmental authorities, safety regulations, including the Federal Food, Drug and Cosmetic Act and regulations agreed under the U.S. Food and Drug Administration. This comprehensive regulatory framework governs the manufacture (including composition and ingredients), labeling, packaging and safety of food in the United States so that everything undergoes strict regulation controls.
Social Environment

The researchers showed that the customers are mostly women, and the age of the visitors' varies 18-49, which suggests that the environment is customized to be student and family friendly. This realization takes place later on in the positioning structure and the target customers. The environment is highly designed and distinguished from other places, that’s why it is so unique to visit such a place like this one, it brings young as well as older people together. The goal of The Cheesecake Factory is to create social friendly place with a potential to develop its background according to the customer needs.

Economical Environment

Overall economic environment of the Cheesecake Factory tends to raise the profits from year to year and expand its field of earnings according the comparison of the annual total reports. Though the economic recession created a significant slowdown in the dining industry, The Cheesecake Factory was one of the few restaurant chains that felt the financial crisis the least. Many others not so strong dining chains felt the regression on the total turnovers, however, The Cheesecake factory survived this economical decrease.

IV. Market Segmentation

The Cheesecake factory target market would be college age students to young adults. According to quantcast.com their biggest demographic would be the Asian market as they make up a large portion of their customers. The restaurant is also frequented by more educated individuals in the middle to lower high class which appendix 5 clearly states. Mostly people making between 30,000 – 100,000 dollars a year. Another important thing to note is
that more females enter the factory than males. This may be due to females engaging in more social gatherings than the male population. The restaurant however does not seem to cater to the family market as much as other full service restaurants do. They did recently incorporate a kids menu into their vast selection of food items. Most likely the company is trying to broaden their customer base and to get kids interested in the chain early. As seen in appendix 5 the geographic portion of the Cheesecake Factory’s segmentation is contained to metropolitan areas in the United States. The company has not branched out to other nations yet, and would most likely not do as well in the rural areas. They do have 148 restaurants spread around the United States though making it very accessible for most American citizens. While eating at the restaurant patrons may also feel somewhat prestigious since they are eating out. This is a psychological element of full service restaurants. If one is eating at one then they must have some sort of discretionary income. A feeling of guilt also could be felt however when spending money to eat out at a fancier restaurant like the Factory. Most people when eating out want a good value and good quality. These are both offered at the Cheesecake Factory along with a vast selection of menu items.

When looking at appendices 6 and 7 we can see the Food Away from Home Expenditures and the Full Service Restaurant Sales. Appendix 6 shows the expenditures which have been on the rise since 1995. There was a slight drop from 1990 to 1995. I would predict that since the US recession that these expenditures will see a slight decrease in the coming years. Appendix 7 shows the full service restaurant sales. Those sales have been on the rise since 1990. They have somewhat leveled off in the past few years though. As with the expenditures I would say that those sales data will also have decreased due to the recession.
V. Consumer Behavior Buying

Problem Recognition- A choice about what product of service to buy. Consumers may want to go out to eat and be social but they don’t know where so they look to see what the Cheesecake Factory has to offer (information search). And if they don’t want to go anywhere expensive, then they look at other restaurants that satisfy their appetite and good desires (alternative evaluation). Then the consumer may think, “Will it be worth it to eat there?” (Purchase Decision). After dining at the Cheesecake Factory, customers will have memories, full bellies, and hopefully will be satisfied with their decision (post-purchase decision).

During the subjective and objective purchasing decision he or she may go onto the Cheesecake Factory website and take a look at their menu online. The consumer will get an idea of what is on the menu, their portion sizes, price, etc. If the consumer likes what he or she sees on the website menu and decides to go dine there, they will get the whole effect of the meal, environment, people, etc and make their own opinion of the restaurant.

The purchase made by the consumer will be paid in different ways. Emotional and social are just two ways the consumer will be paid by their purchase decision. He or she may really enjoy their dining experience and they will feel happy and full. But also they will be socially engaged with others which will make their dining experience more enjoyable.

Benefit vs. Cost:

The Cheesecake Factory is a Full service restaurant. It is a wonderful place where you can have birthday parties or just spend some time with your family and friends. It is a very enjoyable atmosphere with beautiful décor and design. One out of many benefits to going to
the Cheesecake Factory would be you don’t have to cook for yourself. Even though there are benefits to dining out, it also gets expensive.

The Cheesecake Factory is more expensive than fast food and home cooking. But the portions are also larger. Because it is more expensive, consumers may wonder if it is worth the travel and money to dining in the restaurant. It doesn’t just cost money for the food, also spending gas to drive to the nearest Cheesecake Factory and money for a babysitter if the consumer has children. It also costs the consumer their time. So, to eliminate some frustrations, consumers can always call in advance or book a reservation.

VI. Marketing Mix

Product Strategy

The Cheesecake Factory has been creating its rising amount of customers in the dining segment since 1978 when they opened one the first restaurants. From that moment, and now with the other 150 Cheesecake Factories among the United States, it has become a highly distinguished and recognizable brand. It was strong determination and courage that brought the company to such a successful and famous position. What distinguishes the product of The Cheesecake Factory are the brand equity, packaging and labeling strategies, competition and positioning they use, and the marketing process itself, through which the product has gone through during its life cycle.

Brand Equity

When it comes to brand equity, The Cheesecake Factory has definitely worked their way to the top and deserves the added value that their name brings them. Brand equity and the
success that it brings to the company does not just happen. Marketers recognize that brand equity is not easily or quickly achieved. It arises from a sequential building process consisting of few steps and The Cheesecake factory owners Oscar and Evelyn Overton made a brand with great American success story. First step to achieve that brand equity is to develop positive brand awareness and to have the company associated in the minds of consumers. When it comes to Full Service Restaurants industry in USA, The Cheesecake Factory is not at the top of market share owners but when talking about cheesecakes themselves, there is no doubt that this company would be the first place to appear in consumer’s mind. With next step to brand equity, marketer must establish a brand’s meaning in the minds of consumer. It arises from what a brand, in this case, name of company and its product stands for. Beginning with supplying of Evelyn’s cakes to several of best local restaurants, through opening first store “The Cheesecake factory” in Los Angeles, creating 20 new varieties of cheesecakes and desserts in 1975, moving production out of state and having nearly 6 million cheesecakes made during the year 1999, The Cheesecake Factory has been earning its brand equity through continuous products development and improvement. Third step is to find out proper consumers responses to the brand’s identity and meaning. Attention is placed on how consumers think and feel about a brand. With thinking comes the focus on quality and superiority relative to other brands. With The Cheesecake Factory, consumer can always rely on receiving the expected quality in good and friendly atmosphere. It is famous for their generous portions which are ideal for sharing or taking home for a second meal, not speaking of the desserts menu consisting of 50 legendary cheesecakes that make the success guaranteed. Their high-energy atmosphere can be enjoyed seven days a week and they offer Late Night Dining, Sunday Brunch
and a Full Bar with extensive menu of handcrafted cocktails. The final, and most difficult, step is to create the connection between consumers and the brand or restaurant. The Cheesecake Factory can definitely be characterized as a place that connects with their consumers in an intense and active loyalty relationship. To sum this up, The Cheesecake’s factory equity brand can be properly described and identified with their slogan that says: “Something for everyone.” (Appendix 10)

Packaging and labeling strategies

The company is mostly famous for its generous portions, which are ideal for sharing or taking home. This not only means that a customer gets a lot for the price; it also suggests the marketing advertisement strategy. The customer usually gets used to the fact, that he can eat his favorite tasty product at home and for the benefit of his comfort might use choose so called “to go” option. In some way, this is the point in the whole “packaging and labeling” process when marketing employees along with the designers need to come up with the eye-catching idea for the packages or bags. The cheesecakes of this company are packed in special boxes of different sizes and contain information such as: nutrition and dietary facts, serving suggestions, picture of the product, expiration dates, as well as a logo. There is a unique font type designed just for The Cheesecake Factory in order to be recognized at the first sight (see appendix 11). The purpose of the packaging, in general, is to take food home or “to go” and it allows people to choose whichever dish and enjoy it wherever because the bags are customized to keep it eventually warm and in a certain shape. The bag definitely shows that the company has so much more to offer than just a product, it also shows the care for customers, precise
information, and it also shows that a high quality product needs a high quality package. In conclusion, one would say that having a catchy design and slogan that will stay in people’s minds is an important part of the marketing strategy process due to the fact that more and more nowadays people tend to judge the product according to the outer appearance.

Product Positioning

To be able to see how The Cheesecake Factory is different from other competitors in Full Service Restaurants industry we used these dimensions: the atmosphere that the restaurants have and number of locations in USA. Starting with family friendly and going to an intimate atmosphere, The Cheesecake Factory is definitely considered to be on the end with an intimate atmosphere. People who come here can enjoy nice, positive and friendly environment but at the same time the prices can be more for a high class customers. This means that most of the customers who come here are not expecting family friendly environment but they come to enjoy intimacy atmosphere they can afford on a date, dinner or a celebration. When it comes to the number of restaurants in USA, The Cheesecake factory is one of those with the lowest number of locations found. The highest concentration is found on East Coast, and then in South (Texas) and West (California).

Product Life Cycle

The product life cycle describes the stages a new product goes through in the marketplace: introduction, growth, maturity, and decline. The Cheesecake factory is a well established company and they do not have to do much advertising to get people to come to
their restaurants. The Factory is also in its maturity stage. When looking at appendix two one can see that their revenues have been steadily on the rise since 2003.

**Pricing Strategy**

The Cheesecake Factory compared to other restaurants is considered to have higher prices. When stepping into the restaurant however one can see why. The décor and professionalism of the employees alone can demand higher prices. After receiving food from the restaurant the prices then become very clear. The portions of food are large along with the taste and quality of the food. Everything at The Cheesecake Factory makes higher prices acceptable than other full service establishments.

After analyzing a transcript from an Earnings Call by The Cheesecake Factory the company has had significant earnings over the past few years. This can be seen in appendix two. The transcript states that they have been opening new restaurants and have only needed to increase menu prices by around 1%. That one percent accounts for the raise in minimum wage jobs such as janitorial positions. Since The Cheesecake Factory caters to a higher class audience the price hikes do not affect the amount of patrons. As stated previously the quality and quantity of food helps consumers overlook the prices. The restaurant has also had to raise prices due to the economic condition of the United States. They have found that this also has not affected their revenues significantly. The only place they are losing sales is at the in store bakery. This is understandable since the price of their cheesecakes is expensive. That is the only thing that is somewhat over priced at the restaurant is the desserts, but again the size of the cheesecake makes up for the cost in most consumers eyes.
As compared to other restaurants done in this study The Cheesecake Factory does have slightly higher prices than other full service restaurants. When looking at prices found in appendix 13 one can see that The Cheesecake Factory has the highest prices for a Soda, Fries, and a Burger. Again the size of the food makes up for a majority of the difference along with the top quality service and taste. One place that prices could be lowered is for a Soft Drink. That is the only price that is considerably more than other chains.

Promotional Strategy

Even though there aren’t commercials or many billboards for The Cheesecake Factory, it is still well advertised. The Cheesecake Factory has not only been known for their cheesecakes, but their known for their portions being very large as well. There is a Cheesecake Factory right off the McKnight Road in the Ross Park Mall. Consumers who have leftovers and want to walk around the mall have the “to go” bags from the Cheesecake Factory. This is advertising because other people see the bags and may think about going there for lunch or dinner. Another way for advertising the Cheesecake Factory would be selling their cheesecakes. Some consumers may enjoy their cheesecakes so much that they decide to take them to a family gathering or special events. Consumers don’t always have to go into the restaurant to see what kind of cheesecakes or meals they have because they have an online menu.

The second tool used in appendix 14 is direct marketing. Consumers are able to go online and look at their menu to see what types of meals they have, side dishes, appetizers, drinks and they even have a kids menu available. Not only can you view the menu, but you can
The first person you see when you walk into any nice restaurant is going to be the host or hostess. This person may tell you the features of the day/evening, drinks specials etc. The next person you will be greeted by is going to be your waiter or waitress. If you are having a hard time deciding between two meals, he or she may tell you their personal preference, which may help your decision. If you are interested in dessert, they may even tell you the top 5 other people enjoy. The interaction with the waiter or waitress is very important for personal selling in the restaurant business.

The Cheesecake Factory doesn’t have too many ways of advertising their company. Their best ways of advertisements would be personal and web based. The Cheesecake Factory has their menu on their website. This is good advertising because it is convenient for consumers. It also can be time consuming. Looking at the menu before you go, consumers may have an idea what they want before they even get to the restaurant. Personal advertising is wonderful too. You may know someone or heard someone talking about his or her experience at the Cheesecake Factory. Also, the company sells their cheesecakes in stores. This is advertising too because if you don’t have a chance to go to the Cheesecake Factory or live by the Cheesecake Factory you have a chance to taste their delightful cheesecakes.

There are so many ways to advertise for restaurants. Denny’s, Bob Evans, Eat ‘n Park, etc. have so many commercials, billboards and restaurants all over the country. The Cheesecake Factory is more personal. They don’t have any commercials, billboards, etc. Most of their
advertising comes from word of mouth, others experiencing the dining or buying the cheesecakes in stores. On their website they do have current and old press releases going back to 2003. Along with the press releases, that has stock information, financial information, calendar of events, etc. This is helpful for consumers because it gives them any information they need to know about the full service restaurant.

**Distribution**

The only distribution that most restaurants have is its own establishments. That is the only place consumers can experience the product. The Cheesecake Factory is much like every other full service restaurant except they have a bakery along with frozen cheesecakes which are sold in stores. In appendix 16 one can see that for the restaurant food comes from distributors to the kitchen and then onto the tables of the customers. For the bakery the ingredients come from distributors which are used to make cheesecakes in the kitchen which are then sold through the in store bakery. Where The Cheesecake Factory differs from other full service restaurants is that they also have their own line of frozen cheesecakes as seen in appendix 11. This product is very selective in distribution. Only recently have they given Sysco Foods the right to carry a few of their basic cheesecakes. It cannot be said whether or not they will expand to grocery stores.

In conclusion the only place for the restaurants food and cheesecake is directly from them. The price for shipping on a cheesecake is almost half of what the price of the cake itself is. One could pay around seventy dollars for one cake with shipping. It seems as if it would be easier to cook a cheesecake at home then purchase these high priced items. The restaurant
itself, however, does have professional staff to distribute their food to customers throughout
the restaurant.

**VII. Conclusion**

When looking at the SWOT analysis and the Marketing Mix for the Cheesecake Factory
we can see that they market to a mature audience. This kind of strategy is obviously efficient
because their overall sales are becoming greater every year. We believe that one of the main
reasons why this restaurant is so successful is the fact that people who eat here enjoy the
unique environment and want to come back. The design at all Cheesecake Factories is very
elegant and the architecture at each restaurant is more developed and fancy. People often
come back for more because, even though they know the prices are slightly higher than at
other restaurants, the meal sizes are bigger and of a better quality. The Cheesecake Factory
takes pride in being known for giving their customers large portions of food which is why many
of them take the leftovers back home with them all the time. With all the factors mentioned,
we can state that the Cheesecake Factory is being successful within the full service restaurants
industry because the customers they market for are satisfied and come back for time and time
again.

When looking at the strengths of The Cheesecake Factory, there are many things to
consider. One of the strengths is the common knowledge of cheesecakes. When people think of
Cheesecake Factory the number one thing that comes to their minds is the cheesecake. There
are so many different kinds of cheesecakes and with this amount of varieties to choose from, it
definitely is one of the most significant strengths that the Cheesecake Factory has. We believe
that The Cheesecake Factory should take an advantage of this strength and start selling all the kinds of cheesecake they make to stores around the country. They have so many different types to market for everyone. We understand they might not want to do this because it could take away the allure of eating the cakes at the restaurant. In spite of the possibility of this happening, we think that the opposite could happen as well. You make an oven baked version for home, but people will still want to come and eat the original.

One of the big weaknesses of The Cheesecake Factory is that they are not the usual number one choice for everyone. People think of a fancy restaurant that is mostly about cheesecakes. They do not appeal to the customers looking for a place to go hang out at for happy hour or the place to take the whole family to eat which is caused by their high prices and more adult atmosphere.

There are many different ways they could expand their business. They could set up stands and sell just the cheesecakes. For instance they could set up stands at amusement parks and sports stadiums. Also they might need to market themselves to be an everyday household name. We believe that it would be a good idea to branch out and open new restaurants in more cities and not just in some of the major ones.

There are many threats in today’s economy. The big one is the economy in a recession. This hurts any industry, especially the business with full time restaurants because people just want to eat cheap at home. The Cheesecake factory could manage these threats by marketing that they have specials and items on the menu which would be appealing to customers who are looking to eat cheaper. They might also do what we mentioned above by marketing their
We think that The Cheesecake Factory could still do more to keep the customers they already have, to make them come back more frequently. One idea could be a customer loyalty card. This would be only for the customers who come a lot and they could get a free appetizer or even a free piece of cheesecake for eating here more frequently than average customer. They could also run a contest where customers might submit ideas for custom cheesecakes, and the winner would be offered to name it. Another thing they could come up with would be an offer of a cheesecake sampler on the desert menu. The customer could go and select five or six different types of cheesecakes and get little pieces of each. The Cheesecake Factory could also market their name on products in their restaurants. They could make glasses, chap sticks (cheesecake flavored), or other products that would have the name brand on it.
### Appendices

#### Appendix 1

**Product Market Matrix**

<table>
<thead>
<tr>
<th>PRESENT CUSTOMERS</th>
<th>PRESENT PRODUCTS</th>
<th>NEW PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>-catering delivery directly to home</td>
<td>-healthy food program</td>
<td>-healthy food program</td>
</tr>
<tr>
<td>-strong traditional cake unique taste background</td>
<td>-“TO GO”</td>
<td>-“TO GO”</td>
</tr>
<tr>
<td>-same quality product</td>
<td>-pizza</td>
<td>-pizza</td>
</tr>
<tr>
<td></td>
<td>-always new items on a menu</td>
<td>-always new items on a menu</td>
</tr>
<tr>
<td></td>
<td>- new “Asian” line</td>
<td>- new “Asian” line</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>NEW CUSTOMERS</th>
<th>PRESENT PRODUCTS</th>
<th>NEW PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>-drive through, cake menu offered to be taken to car</td>
<td>-smaller concept restaurants in new cities</td>
<td>-smaller concept restaurants in new cities</td>
</tr>
<tr>
<td>-special offers, customized cakes depending on the location</td>
<td>-gift cards</td>
<td>-gift cards</td>
</tr>
<tr>
<td>-higher class restaurant / different than a normal chain rest.</td>
<td>-birthday parties</td>
<td>-birthday parties</td>
</tr>
<tr>
<td></td>
<td>-Asian/Americans</td>
<td>-Asian/Americans</td>
</tr>
<tr>
<td></td>
<td>-kids menu / family friendly environment</td>
<td>-kids menu / family friendly environment</td>
</tr>
</tbody>
</table>
Appendix 2

Total Revenues (In Millions of Dollars Per Year)
Appendix 3

Market Share

Market Share of Restaurants

Cheesecake Factory is too small to be recorded

Market Share for Frozen Cheesecake

- Sara Lee Bakery 50.77%
- The Father's Table 10.32%
- Rich Products 6.57%
- Schwan Foods 5.24%
- Cheesecake Factory 3.24%
- Wells Dairy Inc. 2.83%

Sara Lee Bakery 50.77%
The Father's Table 10.32%
Rich Products 6.57%
Schwan Foods 5.24%
Cheesecake Factory 3.24 %
Wells Dairy Inc. 2.83%
**Appendix 4**

**SWOT Analysis**

This analysis examines the company’s key business structure and operations, history and products, and provides summary analysis of its key revenue lines and strategy.

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
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<tbody>
<tr>
<td>-extensive menu and bakery product offerings</td>
<td>-lack of international expansion compared to the the other global brands</td>
</tr>
<tr>
<td>-leveraging IT increasing operating efficiency</td>
<td>-rising expanses impacting margins</td>
</tr>
<tr>
<td>-operates in entertainment centers, Disney world</td>
<td>-relatively small scale of operations</td>
</tr>
<tr>
<td>-high quality</td>
<td>-recent forced release of the nutrition report</td>
</tr>
<tr>
<td>-strong name, popularity mainly on North American Market</td>
<td></td>
</tr>
<tr>
<td>-decor, design</td>
<td></td>
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<tr>
<td>-good advertisement methods</td>
<td></td>
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<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
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<tr>
<td>-launch of new restaurants concept <em>New restaurants</em></td>
<td>-prices of the traditional brand named cheesecake are basically higher because the quality</td>
</tr>
<tr>
<td>-good competitive position</td>
<td>-competitive surrounding, which is intense</td>
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<tr>
<td>-broader selection of not only cakes</td>
<td>-limited flexibility in raising menu prices</td>
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<tr>
<td></td>
<td>-decrease of people eating out because of economic situation</td>
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### Market Segmentation Strategy

<table>
<thead>
<tr>
<th>DEMOGRAPHIC</th>
<th>-predominantly females</th>
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<tr>
<td></td>
<td>- 18-49</td>
</tr>
<tr>
<td>GEOGRAPHIC</td>
<td>North American Metropolitan areas</td>
</tr>
<tr>
<td>PSYCOGRAPHIC</td>
<td>If you eat out, you spend more money on food, extra spending money</td>
</tr>
<tr>
<td>SOCIOECONOMIC</td>
<td>-Middle to HIGHER class families</td>
</tr>
<tr>
<td></td>
<td>- college educated</td>
</tr>
<tr>
<td>BENEFITS SOUGHT</td>
<td>-quality</td>
</tr>
<tr>
<td></td>
<td>-good food portion</td>
</tr>
<tr>
<td></td>
<td>-variety of food</td>
</tr>
<tr>
<td></td>
<td>-fair price for the quantity/quality</td>
</tr>
<tr>
<td>USAGE RATE</td>
<td>-frequent for middle age people</td>
</tr>
<tr>
<td></td>
<td>-occasional for senior citizens &amp; kids</td>
</tr>
</tbody>
</table>
Appendix 6

Food Away From Home Expenditure (In Millions of Dollars Per Year)

Appendix 7

Full-Service Restaurant Sales (In Millions of Dollars Per Year)
Appendix 8

Consumer Buying Process

PROBLEM RECOGNITION:
- lack of food
- a place to be social
- individual time to spend time together

INFORMATION SEARCH:
- discovering what cheesecake factory menu has to offer
- best for location, specific food,

ALTERNATIVE EVALUATION:
- local cheaper restaurant
- some other food that satisfies appetite and food desire

PURCHASE DECISION:
- will it be worth to eat there? YEAH! 😊

POST-PURCHASE EVALUATION:
- happy people, fat people, full bellies, memorable moments
Appendix 9

Benefits vs. Costs

<table>
<thead>
<tr>
<th>FUNCTIONAL</th>
<th>MONETARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>-food service</td>
<td>-somewhat expensive</td>
</tr>
<tr>
<td></td>
<td>-more expensive than fast food and home cooking</td>
</tr>
<tr>
<td>SOCIAL</td>
<td>TEMPORAL</td>
</tr>
<tr>
<td>-spending time with family &amp; friends</td>
<td>-takes time to be in the restaurant and to get there, wait for the order</td>
</tr>
<tr>
<td>-birthdays parties</td>
<td>-the food experience is only temporal</td>
</tr>
<tr>
<td>PERSONAL</td>
<td>PSYCHOLOGICAL</td>
</tr>
<tr>
<td>-visit is very relaxing, enjoyable, fun</td>
<td>-is it necessary and worth to travel and spend money for dining in the restaurant?</td>
</tr>
<tr>
<td>-don’t have to cook at home</td>
<td></td>
</tr>
<tr>
<td>EXPERIMENTAL</td>
<td>BEHAVIORAL</td>
</tr>
<tr>
<td>-great atmosphere</td>
<td>-to contact the restaurant while ordering the food in advance or booking a table</td>
</tr>
<tr>
<td>-greatly done décor and design</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 10

### Brand Equity for The Cheesecake Factory

<table>
<thead>
<tr>
<th>Product</th>
<th>Positioning</th>
<th>Personality</th>
<th>Brand Equity</th>
</tr>
</thead>
</table>
| ![Cheesecake Factory Logo](image) | **What instead of**  
  - Outback  
  - Denny’s  
  - Red Lobster  
  - Frozen Dinner  
  - Cook at Home  
  - Fast Food  
  **Which People**  
  Those with the disposable income willing to eat out  
  **When/Occasion**  
  - Celebration  
  - Lunch and Dinner  
  - Date  
  **Why Better**  
  - Large Food Selection  
  - Nicer than other restaurants  
  - Less hassle than cooking at home  
  - Good Friendly atmosphere  | **Positive/Friendly**  
  - Experienced  
  - High Class  | “Something for everyone” |
Appendix 11

Packaging Benefits

Communication Benefits

- nutritional & dietary facts
- serving suggestions
- logo

Functional Benefits

- Lets people choose and enjoy a good meal
- holds and contains food
- includes a picture on the box of the real product inside
- storage information
- expiration date information

Perceptual Benefits

- The name catches people’s attention
- They have much more to offer than just cheesecake
- special unique graphics
- high quality packaging means high quality product
Appendix 12

Product Positioning Map of Full Service Restaurants

High number of locations in USA

Denny's

Family
Friendly

Red Robin

Low number of locations in USA

Fancy
Atmosphere

The Cheesecake Factory
## Price Comparison

<table>
<thead>
<tr>
<th></th>
<th>Soda</th>
<th>French Fries</th>
<th>Burger</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Cheesecake Factory</td>
<td>$2.95</td>
<td>$3.50</td>
<td>$8.95</td>
</tr>
<tr>
<td>Bob Evans</td>
<td>$1.79</td>
<td>$1.69</td>
<td>$6.39</td>
</tr>
<tr>
<td>Chili’s</td>
<td>N/A</td>
<td>N/A</td>
<td>$5.59</td>
</tr>
<tr>
<td>Ruby Tuesday</td>
<td>N/A</td>
<td>N/A</td>
<td>$7.49</td>
</tr>
<tr>
<td>Texas Roadhouse</td>
<td>N/A</td>
<td>$1.69</td>
<td>$5.99</td>
</tr>
<tr>
<td>Red Robin</td>
<td>N/A</td>
<td>N/A</td>
<td>$8.79</td>
</tr>
<tr>
<td>Denny’s</td>
<td>$1.80</td>
<td>$2.19</td>
<td>$7.19</td>
</tr>
</tbody>
</table>

### Burger Prices

![Burger Prices Chart](chart.png)
## Appendix 14

The Cheesecake’s Factory Use of the Five PROMOTIONAL ELEMENTS

<table>
<thead>
<tr>
<th>ADVERTISING</th>
<th>PERSONAL SELLING</th>
<th>SALES PROMOTION</th>
<th>PUBLIC RELATIONS</th>
<th>DIRECT MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>- actual selling of the cheesecake product</td>
<td>- hostess</td>
<td>- special offers</td>
<td>- press releases</td>
<td>- web site</td>
</tr>
<tr>
<td>- TO GO bags</td>
<td>- waiters in a personal interaction with customers</td>
<td>- gift cards</td>
<td>- charity, donations</td>
<td></td>
</tr>
<tr>
<td>- various products (mugs, pins, toys...)</td>
<td>- delivery service</td>
<td>- catering</td>
<td></td>
<td>- newsletter with the option to sign up for regular updates</td>
</tr>
</tbody>
</table>
Appendix 15

Happy Hour: It's deep-fried and $5 at Cheesecake Factory

Cheesecake Nation, get ready: Cheesecake Factory now offers happy hour.

By Tan Vinh
Seattle Times staff reporter

GREG GILBERT / THE SEATTLE TIMES

Nachos and Southern Fried Chicken Sliders are on the Cheesecake Factory's happy-hour menu.

Happy Hour

Last month, corporate heads at The Cheesecake Factory announced what amounts to earth-shattering news in Cheesecake Nation: the chain would launch happy hour nationwide, including its three restaurants in the Seattle area. Fans went wild. Messages were sent in ALL CAPS. Others with lots of exclamation points. When its restaurants in Southern California rolled out happy hour weeks earlier than planned, folks in the O.C. just about lost it. So how could I not be there for the happy-hour launch in downtown Seattle last Thursday? To the uninitiated, Cheesecake's happy-hour menu is like its regular spiral-bound menu: a large food selection and large portions. The appetizers cost $5 each, one of the cheapest happy hours around. And you'll likely leave with a doggy bag.

In downtown Seattle, the menu features 40 happy-hour items, borrowing from Tex Mex, Pan Asian, soul-food and classic bar food, to name a few genres. The taquitos — chicken bits rolled in tortillas — are the size of egg rolls, served with scoops of sour cream, salsa and guacamole. Bulky. Crunchy. Goes well with a beer. Nothing wrong with that. That’s how I would describe the plate of Southern Fried Chicken sliders, too. Come to think of it, that’s how I would describe about a half-dozen other appetizers — just crunchy vessels for dipping sauces, usually sour, spicy, sweet or creamy. Cheesecake does chicken wings. But it features another version during happy hour, called Buffalo Blasts — minced white meat tossed with "Buffalo" sauce and stuffed in wrappers for deep-frying. The final result is a tempuralike texture mimicking chicken skin.

A poor's man wings? A deconstruction? Not sure. But it's a travesty of a take on the classic pub grub. The portion size was that of a family-style entree you would get at some Italian restaurant. In Cheesecake Nation, folks are more likely to be in awe of getting all that food for $5 than to quibble about inferior wings. The Cheesecake Factory, 700 Pike St. in downtown Seattle, 401 Bellevue Square in Bellevue and 230 Strander Blvd. near Southcenter Mall. Happy hour 4-6 p.m. Mondays-Fridays at the bar. Appetizers ($5) and other food items ($3.95-$6.95), beer $3, well drinks and wine $4 and selected cocktails $5. Each restaurant's menu may vary (thecheesecakefactory.com).
Appendix 16

Channels of Distribution

Restaurant Food

Fresh Food  Restaurant Kitchen  Customer

Frozen Cheesecakes

Ingredients  Kitchen  FedEx  Customer
Appendix 17

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