

## Yore Heroes: Tap and Grill

### Discussion Questions

1. Describe the types of customers that went to Yore Heroes Tap and Grill over the past five years.
2. What were the primary needs and wants of these customers?
3. Do you think the perceptions of the restaurant changed across these segments over the past five years?
4. Describe as best you can the likely change in beliefs, attitudes, and intentions toward patronizing Yore Heroes for each of the customer types you identified in question 1.
5. If you became the new manager of Yore Heroes during the 30-day closing period, what marketing strategy might you put into place prior to reopening the restaurant? Does it really have a chance to become a successful operation? In other words, does Yore Heroes Tap and Grill have a future?

Mike Monroe was troubled and angry as he locked the doors of Yore Heroes Tap and Grill for what he feared could be the last time. Yore Heroes would not be open for the next 30 days because of the recent charges of serving alcohol to minors and exceeding maximum capacity. "It figures this would happen at the worst time imaginable," Mike thought to himself. Over the past year and a half business had been declining steadily, and they were struggling to break even. Mike wasn't sure the restaurant would be able to survive 30 days of no business activity whatsoever. As he picked up his coat and left to go home, Mike thought back to when Yore Heroes had first opened five and a half years earlier. Then, the house had always been full. People used to line up and wait for an hour to get a table. He had worked so hard to please people and felt he had something for everyone at his establishment. What could have gone wrong? Why was patronage so low? What could he do to save his restaurant? Even more important, could his restaurant be saved at all?

*This case was contributed by Erin O'Brien, developed under the supervision of Margaret Shaw, PhD, School of Hospitality and Tourism Management, University of Guelph, Ontario, Canada. Names and places have been disguised. All rights reserved. Used by permission. All Monetary amounts are in Canadian dollars. For conversion use 1\$C/0.85\$US.*

### THE RESTAURANT

Yore Heroes Tap and Grill was owned by Mike Monroe and his wife, Barbara Brooks, in the college town of Prince George. Mike was a graduate of the College of New Caledonia's Hotel and Food Administration Program. In addition, Mike and Barb each had many years of experience within the restaurant industry, both as minimum wage employees in the front and back of the house, and as managers. However, Yore Heroes was the first restaurant the two had owned and operated.

The city of Prince George was located in central British Columbia, Canada, and had a population of about 70,000. The College of New Caledonia had an enrollment of over 10,000 students in the fall and winter semesters, and 4,000 during the summer.

There were only two malls within the city of Prince George: Westwood Mall and Chesire Road Mall. Yore Heroes was located in Chesire Road Mall, the largest of the two by far. People would travel from all areas of Prince George not only to shop at this location, but also to attend the Cineplex Odeon movie theater located on the second floor of the mall (one of the two movie theaters in Prince George).

The mall was situated close to the college. It was only about a 20-minute walk to the mall from campus, and it was also easily accessible by bus. Buses left from both the college center and from the central downtown square. The mall had operating hours of Monday–Saturday, 9:00 A.M.–9:30 P.M., and Sunday 12:00–5:00 P.M. Heroes was not required to adhere to the same operating hours. It was open for business Monday–Saturday, 11:00–1:00 A.M., and Sunday, 11:00 A.M.–8:00 P.M.

Heroes was located on the second floor of the mall, directly across from Cineplex Odeon. The restaurant had a chalkboard at the entrance on which they would display a list of the movies currently playing in the theater, and their start times. Mike wanted the restaurant to have a very relaxed atmosphere. The interior was woodsy with wine-colored covering on the seats, brass railings, and a large number of booths. Pictures of popular "Heroes of Yore," such as Marilyn Monroe, Clark Gable, Elvis, Joe DiMaggio, Lou Gehrig, Joe Namath,

Bobby Orr, and Ken Dryden, and even “heroes” like Bugsy Siegal and Al Capone, covered the walls of the restaurant. Although most of the students, when first patronizing Heroes, had no clue who most of these people were, lively contests ensued on a regular basis. Once names were identified, there were always new queries and bets about what they did, sports statistics, and so forth.

The restaurant had a seating capacity of 200, which included a “boardroom” facility. The boardroom was separated from the restaurant by beautiful glass doors and could be rented out for parties, meetings, and occasion dinners. When this room was not rented out, it was used as part of the restaurant during regular business hours. Potential existed to expand the capacity of the restaurant during the summer months by means of a patio. However, it was, at the time, in need of much work, and the owners felt it would be best to put off the improvement/use of the patio until a later date.

There was a large upraised rectangular bar situated at the rear of the restaurant. Televisions were placed in the four corners around the bar so they could be viewed from any angle. The sports channel was shown on the televisions at all times, but the sound was kept off unless there was a big game or match. Lively upbeat music played throughout the restaurant, but customers could also choose a selection of music from the jukebox found directly across from the bar. There was also a pool table, dart board, shuffle board, dance floor, and DJ booth all located in the rear of the restaurant near the bar.

## THE CLIENTELE

Within just a few months of opening, the restaurant was experiencing great success, at both the lunch and dinner hour, without any advertising. Mike and Barb found that their clientele appeared to be primarily families shopping within the mall, as well as a large number of movie goers, stopping in either before or after the show. They didn’t have as many students frequent the restaurant as they had expected, but they were quite pleased with their success and felt it best to focus on the customers they had.

They had also managed to obtain a regular bar crowd. This consisted of men who would often gather in the afternoons or evenings to watch sports or take advantage of the happy hour, as well as mall staff who would often come up to Heroes after work for dinner and/or drinks.

## THE MENU

The Heroes menu was printed on a brown paper bag. There was a wide selection of items offered. These ranged from inexpensive appetizers and sandwiches to full entrée dinners offering a choice of soup or salad, and starch (rice, baked potato, house pasta, or fries). Some of the most popular menu features were all-you-can-eat soup and salad priced at \$8.99, make-your-own pasta, and make-your-own pizza.

A kids’ menu was also available for families with children 10 years of age or younger. This menu was printed on a separate page, which was covered with cartoon characters for the kids to color (crayons were supplied to each child with a menu). When items were ordered from this menu, the child would receive a free beverage, free ice cream for dessert, and a free balloon on exit.

A variety of specials were offered on a regular basis. Each day there was a pizza of the day, soup of the day, appetizer of the day, pasta of the day, lunch special, and nightly special. On Friday and Saturday evenings two nightly specials were available. There were also daily specials available from Monday to Thursday. Following are some examples:

**Monday:** Two-for-one 16-ounce T-bone steaks (full entrée) for \$19.99

**Tuesday:** All-you-can-eat pasta for \$8.99 (has to be the pasta of the day)

**Wednesday:** All-you-can-eat chicken wings for \$8.99

**Thursday:** Brontosaurus ribs (full entrée) for \$16.99

## THE BAR

A happy hour was available at the bar daily from 3:30 until 5:00 P.M., when customers were given a free four-slice pizza, with any three toppings, for every pitcher of draft beer purchased. There were also bar snacks, and two-for-one appetizers (available from 9:00 to 11:00 P.M.), offered at the bar but not available on the restaurant menu.

## COMPETITION

Competition was not a major concern of Mike’s when Heroes Tap and Grill was first opened. There were no other restaurants within the mall, only the fast-food outlets found in the mall’s center. In addition there were very few restaurants in

the area surrounding Cheshire Road Mall, only an East Side Mario's and a Pizza Hut, which were located in two separate strip malls across the street. Mike had considered one potential threat, the Potted Pigeon. While it was not located directly near Heroes, it was a similar restaurant in its relaxed style and in the types of food it served. It was situated closer to the college and was also the only restaurant to accept the college's meal card. However, seeing as the majority of their customers were not students, at the moment anyway, it was not a major issue. Besides, Mike thought having some competition is healthy. "It keeps you on your toes," he said.

### THE FIRST TWO YEARS

While business remained steady throughout the first couple of years, Mike noticed some bothersome trends that were occurring in his business. The most disturbing of these was the incredible slow period from January to April. Although this was common for most restaurants, due to the tightening of purse strings following the Christmas season, Mike felt that his situation was even more severe because of his location in the mall. The number of customers in the mall (Mike's main client base) was very low, as was the number of people going to see movies. Mall customers dropped by 40 percent and, at times, as much as 50 percent below the norm for September to January.

To counteract this trend Mike decided to implement a number of changes. First, he allowed the two-for-one appetizer special, previously only offered to the bar patrons, to be available to all customers of Heroes (between 6 and 9 P.M.). He also introduced a two-for-one dessert special: Any customer who produced a movie stub (for that night) could receive two desserts for the price of one with the purchase of any beverage. Mike already had a number of regulars who came into Heroes to watch sports or play pool, so he felt there was opportunity to expand his bar business. To do so, he invested in a large-screen TV on which to show hockey, football, and other sports games.

Mike also observed over these two years that more and more students were coming into the restaurant. He recognized that it was primarily to take advantage of the all-you-can-eat specials: the soup and salad deal, the all-you-can-eat pasta (Tuesday nights), and the all-you-can-eat

wings (Wednesday nights). While the majority of customers still came from the mall crowd, Mike wondered if the students couldn't be the solution to his problem from January to April. He began to advertise Heroes in the two student newspapers, the *Crest* and the *Caledonian*. Mike then applied to obtain a meal card contract with the college's Express Centre and was granted a three-year contract to begin the first of the school year.

### THE EXPRESS CARD

At the College of New Caledonia, students living in any of the on-campus residences were required to purchase a meal plan. Off-campus students were not required to purchase the plan but were given the opportunity to do so. Students chose from meal plan options ranging from a light meal plan (\$500) to a full meal plan (\$1,100) per semester. When the card was used to purchase food, it was swiped at the cash register and a number of points were deducted, like a debit card. This meal card was accepted in all of the campus cafeterias and until this time had been accepted in only one restaurant off campus, the Potted Pigeon. The meal card could not be used to purchase any alcoholic beverages.

For restaurants interested, the meal card contract was obtainable (by application) from the Express Centre, a department of the hospitality services at the college. When reviewing the potential clients, the Express Centre evaluated a number of factors, including the following:

1. The "fit" of the restaurant in terms of suiting and meeting students needs
2. Whether the restaurant attained enough of its business from students to warrant the use of meal cards
3. Whether the restaurant would be able to make money for the Centre

If the preceding factors were met, the restaurant in question would then offer a bid (a percentage of sales they were willing to pay back to the Centre). Heroes was found to fit the requirements and was granted a three-year contract, agreeing to pay the Centre 9 percent of Express card sales each year.

A further benefit of having the meal card was the free advertising done by the Express Centre for those restaurants accepting the meal card. For example, table cards promoting

More Heroes Tap and Grill were displayed on the tables in all cafeterias. Restaurants accepting the meal card were also listed in brochures that were mailed to students both on and off campus, and in the packages for new incoming students. In addition, for a minimal monthly fee, advertisements for the restaurant would also be run in a monthly publication released by the college's hospitality services department.

### THE NEXT YEAR

Mike had been unprepared for the impact the meal card would have on his business. He had expected patronage by students to increase, of course, but he did not realize by how much. The first September with the card was the busiest month Heroes had yet seen. Not only was the mall busy with "back to school" shoppers, but the college students were pouring in. Having five or six nightly reservations for groups of 40 to 50 students was not uncommon. Unfortunately, not all ran smoothly. There were numerous complaints of slow service, long waits for food, and food coming at inconsistent times. The restaurant was often understaffed, and the majority of the kitchen help were young, inexperienced teenagers. This led to frequent mix-ups in the kitchen and the inability of wait staff to offer excellent service.

Business toned down to a more manageable level in October, but Mike was excited by the success and felt he had found his new market. There were, however, a few things that concerned Mike. The first was the fact that students could not purchase alcohol on their cards. He had noticed that, for the most part, the students coming in were not spending their money at the bar, but more often they took advantage of the unlimited refills offered on the soft drinks.

Another major concern was the staff. Mike's customers had always commented on the pleasantness and promptness of his staff, and he believed this was what brought many of his return customers back. The majority of servers had worked at Heroes since it opened and had come to know the regulars very well. It was not uncommon for the wait and bar staff to greet customers by name, but now servers often grumbled about having to serve the large groups of students. The most common complaint was the lack of tipping by the students. Tipping on the meal card was not permitted, and often students would come in with

no cash because all they needed to pay for their meal was their card. Mike feared the staff did not give the students the same level of service they did to other customers and also wondered what impact the situation would have on their morale. He had noticed staff scheduling off Tuesdays and Wednesdays, the two nights most frequented by students, saying they were not available to work those evenings.

Another issue of concern arose when the next summer turned out to be much slower than the summers of the three previous years. Mike attributed the lag to the students' going home for the summer months and decided it would be beneficial to focus on reaching more of the mall/family crowd during these months. A number of things were done in an effort to do just that.

First, Mike introduced a new summer menu that offered various items that were not available at other times of the year, such as a fresh fruit plate, a strawberry spinach salad, and a mango and kiwi chicken dish. In addition, he began once more to focus on increasing bar business. He began implementing promotions within the mall in hopes of getting in a drinking crowd during the summer months, consisting of both mall staff and mall patrons. He developed a plan to host theme night "parties" at Heroes throughout the summer. One example was a Hawaiian luau night. On these nights the restaurant would be decorated accordingly, drink and food specials would be offered, and a DJ would be brought in. To promote the night, stores in the mall were asked to display posters. These posters would also be displayed within the restaurant about a week in advance of the "big night." In addition, two staff would walk throughout the mall for about an hour every day, about a week in advance, handing out free Hawaiian leis and informing people of what the "party" was about and the type of drink and food specials that would be available. The nights were somewhat successful, attracting mainly mall employees and Heroes staff who were off and would bring in their friends.

### THE FOURTH AND FIFTH YEARS

The next two years proved to be a tough period for Heroes. Competition increased dramatically. Three new restaurants and a new coffee pub went up in the immediate area: Up the

Exhibit 1 The Competition

| Restaurant Type    |                                | Segment  | Independent or Chain | Meal Card?    | Other Amenities      | Price Range     |
|--------------------|--------------------------------|--|----------------------|---------------|----------------------|-----------------|
| Potted Pigeon      | American food                  | Casual theme, popular with students and a younger crowd                    | Independent          | Yes           | Yes—two pool tables; | \$8.99–\$15.99  |
| Pizza Hut          | Pizza joint                    | Young families, price conscious, casual theme                              | Chain                | No            | No                   | \$6.99–\$14.99  |
| East Side Mario's  | Italian/American               | Family restaurant, midscale, fun/boisterous atmosphere                     | Chain                | Yes—next Sept | No                   | \$10.99–\$20.99 |
| Swiss Chalet       | Primarily spit-roasted chicken | Family, restaurant, casual theme, as the name suggests—like a Swiss Chalet | Chain                | No            | No                   | \$7.99–\$12.99  |
| Red Rooster        | BBQ food, ribs, chicken, beef  | Midscale, open concept kitchen, caters to mid 20s to late 30s age group    | Chain                | No            | No                   | \$10.99–\$20.99 |
| Walters Coffee Pub | Coffee, light lunch, desserts  | Quick service, casual theme, varied clientele from late teens to seniors   | Chain                | No            | No                   | \$3.99–\$9.99   |
| Up the Creek       | American food                  | Casual theme, fireplace, camping atmosphere, early 20s to middle age       | Chain                | Yes—next Sept | No                   | \$8.99–\$18.99  |

Creek, the Red Rooster, Swiss Chalet, and Walter's Coffee Pub, not a full-service restaurant but one that served light food dishes as well as a variety of specialty deserts. More detailed descriptions are given in Exhibit 1. Other problems were also arising. Staff turnover was incredibly high, with 50 percent of Mike's former staff leaving to work at the Red Rooster restaurant. Mike was faced with the problem of finding not only new staff, but also the time and money to train them.

Customers, and subsequently sales, began to decline dramatically. Students were now the main clientele, about 75 percent, but their numbers were decreasing. Mike knew he would lose even more of this business in the future as East Side Mario's and Up the Creek were expected to have meal card contracts by September. Few families frequented the establishment. Those that did come were mainly seen only at peak shopping periods (i.e., September and November/December). Mike was at a loss. He wasn't sure how he could or should compete with this new competition.

Mike knew he needed an edge. His first decision was to introduce a delivery service to students living in residence (so they could still use their meal card) because none of the other establishments offered this service. The delivery service was a success and very well liked by the students; however, it was not making the money Mike needed to turn things around.

The second decision was to introduce Wacky Wednesdays, a new concept in an attempt to bring in the students, not to eat, but to get them spending their money at the bar. Mike felt Wednesday was appropriate because students were still coming in for the all-you-can-eat wings. The new Wacky Wednesday special was a 32-ounce draft beer for the price of a 16-ounce one, or a double bar shot for the price of one, starting at 9:00 P.M. It took some time for the idea to catch on. At first it attracted mainly mall employees and staff. Then Mike brought in a DJ on Wednesday nights and began promoting the special in the student newspapers. Eventually, more and more students began pouring in; some nights there would be lineups at 9:00 waiting to get in. The dance floor in the restaurant was packed, and it was not uncommon to meet the maximum legal capacity of the restaurant. Mike raised the price of the drinks to \$4.25 for either a 32-ounce beer or a double shot, and the students kept coming.

Staff had commented to Mike a number of times concerning the regulars feeling alienated by this new atmosphere. More than one server had heard the line, "It's just not like it used to be." Not only did regulars complain, but other customers did as well. On more than one occasion, a table seated at 8:30 on a Wednesday night would become frustrated and annoyed at 9:00 when the DJ came on and dance music began to blare. Yet, as the night became more and more

popular, Mike decided to take advantage of this and, in the summer, invested in improving the old patio attached to the restaurant. He put in a separate bar outside so that more customers could be fit into the restaurant on Wednesday nights.

Unfortunately, Wednesday evenings were now the only nights when the restaurant was busy. The rest of the week the restaurant was practically empty. Mike couldn't

figure it out. Nothing had really changed at Heroes except for the implementation of Wacky Wednesday. Yet, not only were the families and mall patrons not coming in, the students were no longer coming in to eat either. Even the before-and-after-movie business had dwindled. Something needed to be done and soon, but what? Mike had 30 days to figure it out.