

# Corporate identity of Prezzo restaurant chain

Bc. Lenka Šustrová

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Diplomová práce  
2012



Univerzita Tomáše Bati ve Zlíně  
Fakulta multimediálních komunikací

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Univerzita Tomáše Bati ve Zlíně  
Fakulta multimediálních komunikací  
Ústav marketingových komunikací  
akademický rok: 2011/2012

## ZADÁNÍ DIPLOMOVÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

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Osobní číslo: **K09270**  
Studijní program: **N 7202 Mediální a komunikační studia**  
Studijní obor: **Marketingové komunikace**

Téma práce: **Corporate identity restaurační sítě Prezzo**

Zásady pro vypracování:

- 1. Zpracujte literární rešerši k tématu. Věnujte pozornost zvolenému sektoru služeb a specifikům corporate identity společnosti.**
- 2. Stanovte cíle, metody a pracovní hypotézy práce.**
  - 1. Charakterizujte společnost Prezzo a její corporate identity.**
  - 2. Analyzujte corporate identity společnosti Prezzo vnímanou z pohledu důležitých zájmových skupin.**
  - 3. Zpracujte závěry obou analýz a verifikujte hypotézy.**
  - 4. Vypracujte projektový návrh pro zlepšení současné corporate identity společnosti s ohledem na získané poznatky.**

Rozsah diplomové práce:

Rozsah příloh:

Forma zpracování diplomové práce: **tištěná/elektronická**

Seznam odborné literatury:

KITCHEN, Philip J. *Integrated brand marketing and measuring returns*. Basingstoke: Palgrave Macmillan, 2010. ISBN 9780230577343.

MELEWAR, T. C. *Facets of corporate identity, communication and reputation*. London: Routledge, 2008. ISBN 9780415405270.

NYKIEL, Ronald A. *Handbook of marketing research methodologies for hospitality and tourism*. New York: Haworth Hospitality & Tourism Press, 2007. ISBN 9780789034267.

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PODNAR, Klement a John BALMER. *Corporate Marketing, Identity and Communication*. London: Routledge, 2010. ISBN 9780415577434.

Vedoucí diplomové práce:

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Ústav marketingových komunikací

Datum zadání diplomové práce:

**1. října 2011**

Termín odevzdání diplomové práce:

**20. dubna 2012**

Ve Zlíně dne 15. února 2012

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## **ABSTRAKT**

Abstrakt česky

Diplomová práce se zabývá popisem a analýzou corporate identity britského restauračního řetězce Prezzo. Analytická část je zpracována na základě sběru kvalitativních a kvantitativních dat. Kvalitativní data jsou získána rozhovorem s majitelem a CEO společnosti a kvantitativní data on line dotazníkovým šetřením. Na základě výstupů z analytické části je připraven návrh na zlepšení současné corporate identity společnosti.

### **Klíčová slova:**

Corporate identity, corporate brand, restaurační služby, marketingový výzkum

## **ABSTRACT**

Abstract in English

Master's thesis describes and examines corporate identity of British restaurant chain Prezzo. Analytical part is based on qualitative and quantitative data collection. Qualitative data are collected using method of interview with main shareholder and CEO of the company. Quantitative data are gathered using method of on line questionnaires. The results from analytical part are used for a considered proposal to improve Prezzo corporate identity.

### **Keywords:**

Corporate identity, corporate brand, restaurant industry, marketing research

I owe my deepest gratitude to Ing. Radoslav Štefánek for patience, motivation and knowledge. His guidance helped me throughout writing of this thesis.

I am grateful to Mr Jonathan Kaye for providing research materials and so that make this thesis possible.

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## INTRODUCTION

In real life we all have an identity. We don't consciously create it, but it's there all the time. Each conscious individual decision we take project our identity. From what particular brands of clothes we pick, specific car we buy, furnish flat or house to way we speak. All of these visible signs of identity emerge naturally and signal to the rest of the world what kind of people we are.

We know what we are and so do other people. When our life changes, when we move away from parents, when we start work, when we go abroad or whatever, our identity is modified accordingly. Our identity is closely associated with and partly derives from the different groups to which we belong – to our country, our town, our families, to the companies in which we work, to particular groups within those companies. All of these different groups have their own language, signs, symbols and personality.

The fact of the matter is that when an organization has a clear idea about itself, what its business is, what its priorities are, how it wants to conduct itself, how it wants to be perceived, its corporate identity falls fairly easily into place. Its products, buildings, the service it offers, the publicity it conducts must be coherent and support each other.

The purpose of the thesis is to describe and discover Prezzo corporate identity - its goals, its intention, its way of behaving and doing things, to know how everyone else can recognize it. Theoretical part will be based on a reliable work of managers and business academics. According to references will be determined various facets of corporate meaning. Description of identity concepts are followed by introduction of restaurant industry in the United Kingdom. Entire information will create a platform for qualitative and quantitative research in analytical part. Project chapter will define possible improvement of Prezzo corporate identity.

I have chosen this topic because I was an employee of food chain Prezzo over my university gap year. I worked hard and long hours, but gained priceless experiences. I could see that restaurant is not just about product, but the service that back up it up, not about smart uniforms but the people who wear them and that most important is customer leaving happy. Restaurants and their service in Czech Republic are mostly still a long way behind.

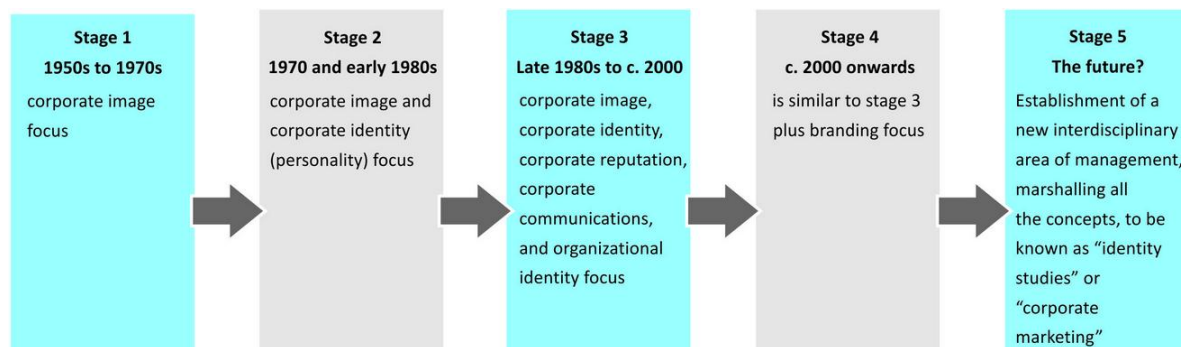
## **I. THEORY**

## 1 THE EVOLUTION IN CONCEPTS OF IDENTITY

The identity of corporates has attracted considerable attention from both academics and practitioners whose efforts to explain, control and exploit it offer a multiplicity of issues, concepts, and theoretical perspectives. On the other hand, the multidisciplinary of these approaches creates conceptual confusion.

My interest in this chapter is try to work through the theoretical complexity of the identity concepts to see if it is possible to gain clarity in the face of this confusion.

In tracing the evolution of this area, five distinct phases of development (Figure 1) can be detailed. Each of them tends to reflect a new or growing interest in a concept or group of concepts. (Balmer, 2005)



*Figure 1 - Evolution of the corporate-level concepts in historical order.*

*(Balmer, 2005)*

In the 1950s significant esteem was accorded to the corporate image. The earliest firms used specific marks or logos to differentiate themselves from their competitors and imprint their image in the minds of consumers. (Cornelissen, 1992)

By the 1970s a robust consulting industry that specialized in helping companies improve their image had emerged. In response to the dynamics of the business environment, many of these design consultants have broadened their focus to embrace a strategic view of communicating corporate identity. As well in academic literature number of authors has transposed the concept of human identity to the organization. With this amplified focus, the nickname for the concept evolved from corporate image to corporate identity. (Balmer, 2010)

Later on the concept of identity emerged another various facets with corporate meaning - corporate reputation, organizational identity, corporate communications and recently term corporate brand is being applied. (Balmer, 2010)

All of these mentioned aspects are described individually in the following chapter.

## 2 KEY CONSTRUCTS REGARDING TO IDENTITY

This chapter reflects the historical development of the corporate-level concepts. According to evolution the chapter provides a general introduction and brief description of six distinct sections – corporate image, corporate identity, corporate reputation, corporate communications, organizational identity, and corporate branding (Figure 2). (Balmer, 2005)

The characterization of corporate identity whereas it is frame topic of the paper is examined in greater detail.

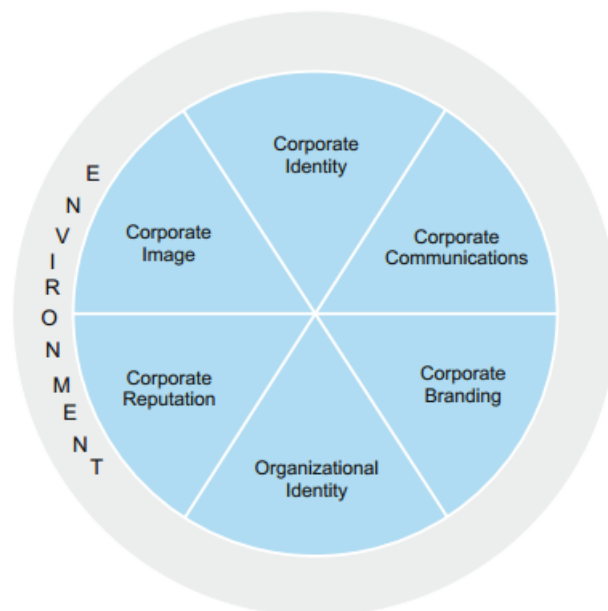


Figure 2 - Key construct regarding to corporate identity. (Balmer, 2005)

### 2.1 Corporate identity

Convincing corporate identity presents any company, any size, anywhere with an immediately recognizable, distinctive professional image that positions it for success. A good identity helps manage the perception of a company and differentiates it from its competitors. (Schultz, 2000)

It is related to such diverse components as business definition, objectives, strategies, leadership, vision, mission, management ideology, corporate design, corporate culture, rituals, history, values etc. (Cornelissen, 1992)

**It projects four things:**

Who we are, what we do, how we do it and where we want to go.

**2.1.1 Academic definitions of corporate identity**

*“Corporate identity is an instrument for creating enduring and reliable relationships and a robust mechanism for delivering value. By building, maintaining, and enhancing this value over time through a strong, distinct inimitable and immediately recognizable identity, firms attain their strategic objectives and gain sustainable competitive advantage over rivals.”* (Melewar, 2008: 28)

*“Corporate identity is about how an organization presents positions and differentiates itself visually and verbally at corporate, business, and product levels.”* (Melewar, 2008: 31)

*“Corporate identity is the set of meanings by which a company allows itself to be known and through which it allows people to describe, remember and relate to it.”* (Balmer, 2010: 17)

*“Corporate identity constitutes the current attributes of the corporation. It is shaped by number of elements, including corporate ownership, the leadership style of management, organizational structure, business activities and markets covered, the range and quality of products and services offered and overall business performance. Also encompasses the set values held by management and employees.”* (Balmer, 2005: 24)

*“Corporate identity is the presentation of an organization to every stakeholder. It is what makes an organization unique and it incorporates the organization’s communication, designs, culture, behaviour, structure, industry identity and strategy.”* (Schultz, 2000: 31)

### 2.1.2 Entity of the corporate identity

Corporate managing of identity has become more salient for company management, especially for financial and marketing purposes as well as for academics studying this territory.

In this part is described a mosaic of five identity types – namely, actual identity, communicated identity, ideal identity, conceived identity, and desired identity. It is a task of the corporate leadership to manage identities so that they are matching with each other. (Balmer, 2005)

**Actual identity** – the actual identity constitutes the current attributes of the corporation. It is shaped by a number of elements, including corporate ownership, the leadership style of management, organizational structure, business activities and market covered, the range and quality of products and services offered, and overall business performance. Also covered is the set of values held by management and employees. (Balmer, 2005)

**Communicated identity** – the communicated identity is most clearly revealed through “controllable” corporate communication. This typically includes communication mix of the company. In addition, it derives from “non-controllable” communication, e.g., word-of-mouth or media reviews. (Balmer, 2005)

**Conceived identity** – the conceived identity refers to perceptual concepts – corporate image, corporate reputation, and corporate branding. These are the perceptions of the company – its overall image and reputation held by relevant stakeholders. Management must make a judgment as to which groups’ perceptions are most important. (Balmer, 2005)

**Ideal identity** – the ideal identity is the optimum positioning of the organization in its market (or markets) in a given frame. This is normally based on current knowledge from the strategic planners and others about the organization’s capabilities and prospects in context of the general business and competitive environment. (Balmer, 2005)

Management should be tracking trends in the business environment to inform its strategy (ideal identity) and eventually affect corporate action and behaviour (actual identity).

**Desired identity** – the desired identity lives in the hearts and minds of corporate leaders; it is their vision for the organization. Although this identity type is often faulty as-

sumed to be virtually identical to the ideal identity, they typically come from different sources.

Whereas the ideal identity normally emerges after a period of research and analysis, the desired identity may have more to do with a vision of leaders, their personality and ego than with a rational assessment of the organization's actual identity. (Balmer, 2005)

## **2.2 Corporate image**

The corporate image concept enjoyed dominance among corporate-level concepts from the 1950s until 1980s. It is still one of the highest-profile concepts on the area. Image refers to how stakeholders perceive and interpret the ways in which an organization presents itself. It relates to the experiences, beliefs, feelings, knowledge, associations, and impressions that each stakeholder has about an organization. (Melewar, 2008)

In contrast to corporate identity, image resides in the minds of audience. Culture is the cognitive instrument that translates corporate identity into image. Identity and image have to be based on fact and must be consistent in the sense that projected image and reality must coincide. (Schultz, 2000)

Every activity of the company adds some meaning to the public's picture of the management that is running the organization. It is necessary to consider the "feeling tone" and emotive meaning as well as the functional and rational dimensions of the corporate image. There are number of difficulties associated with the image concept: its multiple meanings, its negative associations, its difficulty or impossibility to control, and the different image effects on different stakeholder groups. (Minkiewicz, 2011)

## **2.3 Corporate reputation**

Attention on corporate reputation has been focused since the 1990s. Whereas image reflects the more recent beliefs about the organization, reputation is the perception of an organization built over time. Image may be changed relatively easily while reputation requires consistency of image and developing through longer time period. (Schulz, 2000)

Corporate images typically can be fashioned fairly quickly within specific actions and well-conceived communication programs, whereas reputations evolve as a result of consistent performance (and they can be strengthened through corporate communication).



Perhaps the most obvious way to build a good local reputation is to make sure that company offering great products or services. (Schulz, 2000)

A corporation must be concerned about its image and reputation amongst its important constituent groups. These significant groups are called stakeholders – customers, distributors and retailers, financial institutions and analysts, shareholders, government, social action organizations, the general public and employees. Stakeholders are affected by the actions of the company and their actions can affect the company. Consequently, its image and reputation in the eyes of its stakeholders is critical to the company. (Schulz, 2000)

## 2.4 Corporate communication

Corporate communication is the link between corporate identity and corporate image and reputation. According to the work of Balmer the corporate communication mix includes management communications, marketing communications, and organizational communications.

**Management communications** has organizational members as its primary focus. Under this category communication is used for command, control awareness, and motivational purposes. Managers aim to ensure a shared vision and trust, and thus effect change. (Balmer, 2005)

**Marketing communications** has end-users and those involved in purchase as its primary focus. The principal objectives are to create awareness of and interest in an organization's products or services. It involves coordination of several controllable communications instruments including all marketing communication tools.

In contrast to corporate communication it is smaller palette of communication vehicles that are focused on limited number of stakeholder groups, with primary emphasis being given to B2B customers or household consumers. (Balmer, 2005)

**Organizational communications** is characterized by having multiple communities as its focus. These communities are stockholders, employees, governments, suppliers, and media. In addition, organizational communications include corporate public relations, public affairs, investor relations, environmental communications, employee communications etc. (Balmer, 2005)

### 2.4.1 Corporate design

Physical aspects of the corporation communication such as logos and name are essential features of corporate identity. Graphics, which were the original focus of image consultants, are concerned with the overall visual presentation of the organization. The graphics system should dictate the design style of the company's literature, signs, uniforms, stationery etc. It involves coordinating the style of the typeface, photography, illustrations, layout, and colouring in all the company's graphics. (Melewar, 2008)

The logo is the heart of the corporate graphics design system. Unlike nomenclature, logos can be changed subtly over time to reflect the evolving corporate identity. Similarly the design of corporate buildings and the interior layout of offices, shops and factories also can reveal much about a company. All these elements of corporate design form physical symbols and create tangible recognition for the organization. (Melewar, 2008)

## 2.5 Organizational identity

The roots of corporate identity are primarily found in consultancy practice and the field of marketing, whereas organizational identity belongs to organization studies. While corporate identity is generally a managerial viewpoint, organizational identity is its alter ego and requires taking an employee perspective. Organizational identity provides a rational and emotional foundation on which organizational members build meaningful relationship with their organization. (Schulz, 2000)

The main protagonists of organizational life are management and employees. Managers envision a set of characteristic they want their organization to be associated with. These characteristics formulate a corporate identity that is transmitted to employees through a complex system of communication, behaviour and design. Most organizational members may share the same values as management; others may be in conflict with. (Cornelissen, 2003)

Employees implement strategies and use their skills and competences to perform them. In so doing they draw images, interpretations, and meanings from the transmitted corporate identity and express what they perceive, think and feel about their organization through behaviour, symbols, language – corporate culture. (Melewar, 2008)

The aspects of organizational life are also stories people tell to newcomers to explain “how things are done around here”, jokes people tell, the working atmosphere, the relations among people, the amounts of money employees earn, and, so on. (Melewar, 2008)

<b>Consequences of coordinate corporate and organizational identity are:</b>
Positive external and internal image and reputation
Better employees retention and recruitment

## 2.6 Corporate branding

Brands have been increasingly considered as primary capital for many businesses. A brand symbolizes the essence of the customers’ perceptions of the organizations. The term brand has multiple connotations. At one end of the spectrum, brand constitutes a name, a logo, a symbol, trademark or any other feature. At the other end, brand embraces all tangible and intangible attributes that the business stands for. (Marconi, 2000)

This chapter refers to brands as the corporate level construct. In the last quarter of the twentieth century brands became dominant in the minds of the consumer and all the other audience of the corporations. Corporate branding represents a related, but slightly distinct, corporate-level concept to that of all previous. Main differences between corporate brand and corporate identities are highlighted in Table 1. (Balmer, 2005)

*Table 1 - Differences between corporate brand and corporate identity. (Balmer, 2005)*

Corporate brands typically have a longer development
Corporate brands have mainly an external focus
Corporate brands aim to achieve a high profit
Corporate brands are typically supported by enhanced corporate communications and by strong visual and verbal identifiers
Corporate brands may be portable in a way that identities may not be
Corporate brands can be accorded significant financial good will

Although corporate brands are not the same as corporate identities, the current environment is characterized by a smaller differentiation between corporate identity and corporate branding. Corporate brands often appear to be indistinguishable from corporate identities.

A corporate brand is multidimensional and multidisciplinary. It has impact on many internal and external stakeholder groups. It is made known by controlled and uncontrolled corporate communication. It includes tangible and intangible elements such as profit margins, geographical cover, recruitment, business opportunities, graphic design features.

An essential element of corporate branding is the need for total organizational commitment, because the management of a corporate brand is far from easy task. (Balmer, 2005)

### **3 RESTAURANT INDUSTRY IN THE UNITED KINGDOM**

The restaurants industry is a part of the hospitality, leisure, travel and tourism sector. This sector also includes the following industries: food and service management, hotels, pubs, bars and nightclubs, self-catering accommodation, holiday centres and youth hostels, travel and tourist services, visitor attraction and other hospitality services. The sector as a whole currently employs almost 2 million people.

The dining scene in the United Kingdom has become internationally known for its choice and range of dining establishments in cities such as London and others across the country. Restaurants offer every type of cuisine from all over the world – traditional and modern tastes from British cuisine to European, African, Indian, Chinese, North and South American, Far Eastern and so on.

#### **3.1 Classification of restaurants**

According to The UK Restaurant guide British restaurants can be classified by type of cuisine they predominantly serve (e.g. Chinese or European) or by type of serving which include:

##### **3.1.1 Fast food establishments**

Fast food restaurants emphasize speed of service. Operations range from traditional outlets such as fish and chips shops, sushi bars and sandwich bars to mega-corporations. Themes and design of the restaurants like McDonald's, Burger King or KFC are international. Sometimes it reflects what is happening around the world, e. g. the menu owes regional food or with ethnic inspiration.

##### **3.1.2 Mainstream restaurants**

A casual dining restaurant is a restaurant that serves moderately-priced food in a casual atmosphere. Except for buffet-style restaurants, casual dining restaurants typically provide table service. Casual dining comprises a market segment between fast food establishments and fine dining restaurants. Casual dining restaurants usually have a full bar with separate bar staff, a larger beer menu or wine menu. They are frequently, but not necessarily, part of a wider chain.

Nowadays high streets tend to be dominated by chain restaurants. These include branded chains such as Pizza Express, Garfunkel's, Ask, Carluccio's or Prezzo. Over recent

years there has been a small increase in the number of chains and a decrease in the average size of a chain. They also tend to be more focused - for example Carluccio's used to have a lot of brands, now focuses on fewer. Theme of this type of venue must be solution that has both family appeal and night out design integrity.

### **3.1.3 Fine Dining**

Fine dining restaurants tend to be more expensive restaurants that offer unique dishes and, sometimes, more experimental cuisine. Food portions are visually appealing. Restaurants have certain rules of dining which customers are generally expected to follow. These are full service restaurants and the waiting staffs are usually highly trained and often wear more formal uniforms.

These are almost always small businesses and are generally either single-location operations or have just a few locations. Décor of such restaurants features higher-quality materials, with an eye towards the "atmosphere" desired by the restaurateur. Design solutions in this category often need to be more specific and present the style of luxury dining.

### **3.1.4 Cafés and coffee shops**

Cafés are informal restaurants offering a range of hot meals and made-to-order sandwiches. Many cafés are open for breakfast and serve full hot breakfasts. In some areas cafés offer outdoor seating.

Coffee shops, while similar to cafés, are not restaurants due to the fact that they primarily serve and derive the majority of their revenue from hot drinks. These are casual restaurants without table service that emphasize coffee and other beverages; typically a limited selection of cold foods such as pastries and ready-made sandwiches. Their distinguishing feature is that they allow patrons to relax and socialize on their premises for long periods of time without pressure to leave promptly after eating, and are thus frequently chosen as sites for meetings.

Generally speaking, people are less likely to go to these places for food. It's more often the atmosphere, the interior, the music, the location or the crowd that is the attraction. Consequently, the design concept has to work harder and be more imaginative if it wants to make a memorable impression and appeal to the target customer.

### 3.2 Employment in restaurant industry

The industry is known for its fast pace, hard work and high turnover. For most entry level jobs, there are no specific academic requirements, but a willingness to work hard, good communication and team working skills can be an advantage.

There are a wide variety of jobs in the restaurant industry, ranging from kitchen assistants, waiting staff and chefs to supervisory and managerial positions. It is fairly common for people to move between certain areas of work in the industry, because there are opportunities for progression for those willing to take on more responsibility.

For public facing roles, employers may prefer candidates who have previous experience of working in a customer service environment and show good people skills, as well as an appreciation of the importance of customer service.

Many restaurants find it difficult to hang on to their staff, as some employees tend to work part time while studying, sometimes do not stay in their job for long or they are foreigners without proper oral communication skills. (Hospitality overview, 2010)

On the basis of British Hospitality Association research 2010 the following overview in Table shows key numbers of workforce statistics.

*Table 2 - Key numbers of workforce statistics. (Hospitality overview, 2010)*

614 100 people working in the restaurant industry in around 72 500 businesses
80% of all restaurants employ between 1 and 10 people, 18% employ between 11 and 49 people and around 2 % employ more than 50 people
53% of the workforce is male, 47% female
44% of workers are under 30
13% of the workforce has no qualifications
53% of the workforce is employed full-time
21% are migrant workers
73% of the workforce is white and 27% is from black or other ethnic minority groups

### 3.3 Trends in the restaurant industry

Restaurant industry has seen some significant changes over the past years. (Palmer, 2012)

These are:

- more competition has resulted in more restaurants to choose from
- eating out as one of the most popular hobby in the UK
- discount dining caused by recession
- concern for healthy or light food options
- domination of the food chain companies (Figure 3)



Figure 3 - Dominant brands of the food chain companies in the UK.

(Morar Consulting, 2011)

Eating out has become a huge growth industry. Very few people “need” to go to restaurants, they go partly for meal, partly for entertainment – chance to meet friends, enjoy the evening over a meal without having to cook or wash up. There is now a wider choice of restaurants than was before. (Cliff, 1992)

Therefore, for successful business is important to monitor all these trends and implement them in to the company’s strategy.



## 4 MARKETING RESEARCH METHODS

In the following chapter are briefly defined research methods crucial for analytical part of the thesis.

An important decision that needs to be made when developing a primary research plan is whether to do a qualitative or quantitative survey or combination of both.

When no one knows exactly where to start, qualitative research is the most useful method. It is the exploration and interpretation of the perception and behaviour of single one or small samples of target customers. These are face to face interviews, in depth interviews or focus groups. The techniques used to encourage respondents to speak and behave honestly are derived from psychology and the social sciences. (Nykiel, 2007)

Quantitative research is used to measure consumers' attitudes and choices where the nature of the research has been defined and described. These studies are designed to gather information from statistically representative samples of target population. It is usually conducted among several hundred, sometimes thousand, of respondents. For this reason, information is generally obtained using standardized structured questionnaires. (Nykiel, 2007)

These data collection methods request attitudinal or personal information about respondents. Question can be asked face to face, by telephone, on line. (Kitchen, 2010)

## 5 SUMMARY OF THEORETICAL PART

- The **corporate identity** is an important element of the company. It presents the people who work there or who want to work there, what the company does, what it believes in, whether it is modern or traditional, international or regional, large or small. The corporate identity is just applicable to restaurant as to any other type of business.
- **Image** is the mental picture that people have of an organization. It results from all experiences, impressions, beliefs, feelings and knowledge that people have about company. **Reputation** constitutes a value judgment about the company built over time. Therefore it is reasonable to expect that good reputation and a positive image of dining experience prior to consumption would result in customer satisfaction.
- **Corporate communication** is the aggregate of sources, messages, and media by which the corporation conveys its uniqueness or brand to its various audiences. It is important to ensure that all corporate communications are coherent with each other – provide the visual compactness and communicate the same message to all its stakeholders.
- The **employees** are important part of the corporate identity. Every interaction an employee has with a company's stakeholder communicates something of the firm's identity. This means that employees should be trained and motivated to project a positive image of the company.  
In restaurants a key part of the visitor experience is delivered through interaction with staff – they transmit the company's values and create an emotional bond with customers.
- The **corporate brand** is slightly different from the corporate identity. But the current environment is characterized by a smaller differentiation between them – corporate brands often appear to be indistinguishable from corporate identities.

- **Restaurant industry in UK** as a part of service sector range from top-end, fine-dining establishments to quick service takeaway outlets. It employs around 614 100 people in around 72 500 businesses. Restaurant market has seen some significant changes over the past years: more competition, eating out as a hobby, discounting, concern for healthy or light food and domination of the food chain companies.
- When definition and description of market or consumers are needed, **qualitative research** is the most useful. It can define parameters for future studies, and identify key criteria among consumers that can then be measured by **quantitative research**.

## **II. ANALYSIS**

## 6 BASIS OF THE ANALYTICAL PART

The analytical part of the thesis is based on marketing research process. A simplified model of the research process is explained on the Figure 4.

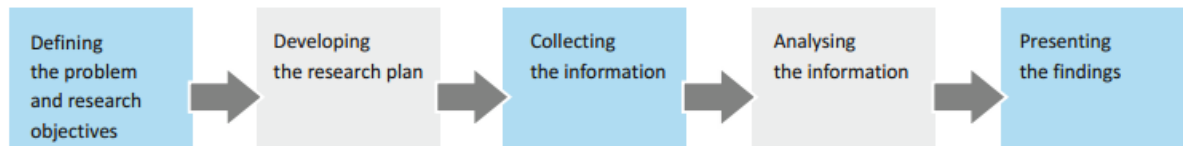


Figure 4 - The marketing research process. (Nykiel, 2007)

### 6.1 Research goals

#### 1. Defining the problem and the goal for qualitative research.

<b>Problem:</b>
Lack of qualitative information about Prezzo corporate identity
<b>Goal:</b>
Generate all possible information about Prezzo from the main shareholder and CEO of the company

#### 2. Defining the problem and the goal for quantitative research

<b>Problem:</b>
Lack of quantitative information about Prezzo corporate identity
<b>Goal:</b>
Generate all possible information about Prezzo from its stakeholders

## 6.2 Research questions

On the basis of the objectives of the quantitative and qualitative research are established these research questions:

**Research question 1:**

Marketing communications of Prezzo should be improved

**Research question 2:**

Prezzo is one of the most popular dining chain in the UK



### 7.1.1 Interview

The data were collected through face to face dialog using predefined list of question with the open-ended nature:

#### 1. What you are famous or special for?

Quality food served by friendly and efficient staff (sometimes), in particularly stylish and contemporary surroundings, offered at value for money prices. These are three most important things, I think: food, service and atmosphere. We work tirelessly at improving these components and the recognition follows.

Unlike many of our competitors, our restaurants could easily lend themselves to a far higher spend than £15. We provide a bit more of a night out than say Pizza Express where you are more likely to just ‘grab a quick pizza.’

The very successful innovation was a deal with celebrity chef Aldo Zilli, who designed some new-style pizzas. This range is one of the best things on Prezzo menu.

#### 2. What is your unique or high profit product?

The biggest selling products are always the standard lines such as pizza Marguerite, garlic bread, olives, Vesuvio etc. Some have better margins than others. The price of a dish does not always reflect the cost: sometimes the market deems you can charge more for inexpensive dishes and vice versa. For example, a Fiorentina pizza costs us more to produce than a Vesuvio but we charge more for a Vesuvio.

We have very detailed report which provides the cost for each dish and it is something that we monitor closely, especially in the face of continually rising food costs.

#### 3. Who are yours the biggest competitors?

Pizza Express, Zizzi, and Strada are our closest competitors in terms of product similarity, however I consider all restaurant brands operating in the popular mid-market sector as competitors (ASK, Nando’s, Chiquito, Caffè Rouge etc.)

#### 4. Have you tried your competitors’ food?

Yes, regularly and I encourage the rest of the team, especially the senior chefs, to do the same. It is the best way of assessing the competition and sometimes gives rise to new ideas.



### **5. Can you define Prezzo image?**

Italian cuisine is known to be most attractive type of cuisine worldwide. Prezzo products are famous due to its extravagant striking appearance, delicious taste and spicy ingredients.

Our focus is to achieve differentiation by a welcoming sophisticated atmosphere for a good meal out. Our image is built through a choice of building and location, attractive design that visually represents everything about food outlet, good food and service.

### **6. Can you characterize Prezzo reputation?**

Kaye's family is one of the UK's well-known restaurant dynasties. My father Reginald and uncle Phillip were early pioneers of mid-market restaurant chains, launching Golden Egg in the 1960s and later building the Deep Pan Pizza and Garfunkel's brands. My cousin Sam and Adam Kaye created the Ask and Zizzi chains with their father Phillip. My uncle also helped me found Prezzo. I am aware of my good fortune to have an opportunity to learn from masters of business.

In 2011 alone, we won three major awards including: The Midas restaurant group of the year, the Catey's restaurateur of the year, and The Pizza and Pasta Association Italian chain of the year. So far this year we have won the Hi Life group restaurant of the year (when the CEO left the award in the ice bucket!) and we are nominated in the other prestigious best company awards for year 2012.

### **7. How do you communicate with your employees (internal audience)?**

Company's structure and culture play pivotal role in Prezzo. We are very hands-on operation. All our senior operational staffs started as chefs, waiters, kitchen porters and have come from within. We are very restaurant focused. Our area managers might run six to eight restaurants, which is quite a low number, I think. That's because we want our staff to be in restaurants. It's a hands-on culture and it's a hard working culture.

Last year, we had the first Big Prezzo Get Together where we invited all GMs, Area Managers, Area chefs, Ops managers to attend a talk followed by award ceremony, followed by a piss up in Tiger Tiger (the biggest night club in London)! It's a good opportunity to communicate with the management and thank them for their hard work. We are currently in the process of arranging the second get together.

**8. How does Prezzo communicate with its external audience?**

Marketing wasn't something that my family had ever thought too positively about. We have always thought to build nice restaurant, serve good quality food and give good service and the business will speak for itself. I still think that's largely true, but the business has changed over the past years with growing importance of marketing. So Prezzo move with the times and do more of those kinds of marketing initiatives. But everything goes through online marketing – our website, partner's sites, email marketing etc. We don't do any direct advertising.

The website is updated on almost a daily basis so it is kept fresh with new information and promotions. We carefully monitor how many hits we receive and what pages are popular as well as those that are not. This provides us with a good idea of what to do more of and what to cut back on.

We have concentrated quite heavily on Facebook in the past couple of years. We offer our Facebook fans with exclusive offers including 50% off food and the opportunity to win iPads. We continually engage with our Facebook fans and have a policy of NEVER deleting bad comments. It is a great way of communicating directly with our customer and showing that we care what they think. Like this we can take action based on customer feedback. I often respond personally.

We engage a PR man called Eddie Gershon who keeps the press up to date with what is happening at Prezzo: new openings, menu changes, corporate partnerships, acquisitions, promotions etc. He doesn't actually arrange any events, we just tell him what we are doing and he writes about it and sends it to the relevant contacts in the press.

**9. What do you think about current dining discount addiction in UK?**

We responded to the financial crises like many of the larger chains, by implementing a programme of discounts and promotions in a bid of to offer greater value to its customers. We have made this into a recession of margin rather than sales decline. I hope it's a short-thing and in better times we will obviously look to achieve better margins. But now the focus is on value and getting customers into our restaurants.

**10. What are Prezzo strategic plans for the future?**

We have built the business on trading in smaller locations with lower rental units and there are a lot of them yet to realise. There are some major city centre's we are not in

yet for example Birmingham, Liverpool or Manchester. When I see some of the competition that have business three times the size of ours, I don't think there is any reason why we shouldn't get to that size ourselves.

## 7.2 Qualitative data analysis

The qualitative data about Prezzo corporate identity are summarized below:

Prezzo mission is to offer good food, service and atmosphere at value for money prices. Vision is to expand to some more bigger cities – Birmingham, Liverpool or Manchester.

The biggest selling products are standard line of pizzas (Marguerite, Vesuvio). The best thing on Prezzo menu is range of pizzas designed by celebrity chef Aldo Zilli. Products are famous due to its extravagant striking appearance, delicious taste and spicy ingredients.

Prezzo achieves differentiation by a welcoming sophisticated atmosphere. Its image is built through menu options, service, a choice of building and location, corporate design, service. Prezzo provide a bit more of a night out rather than 'grab a quick pizza.'

Sector of Italian cuisine restaurants is very popular and so that very competitive. The biggest Prezzo competitors with similar products are Pizza Express, Zizzi and Strada. But all restaurant brands operating in the popular mid-market sector must be consider as competitors. On the other hand, visiting different restaurant outlets is good for assessing the competition and generating new ideas.

Company's structure and hand-on culture play pivotal role in Prezzo. All operational stuffs started as chefs or waiters, and have come from within. But the efficiency of Prezzo's waiting staff could be improved.

Prezzo is mainly focus on online marketing communications – namely web presentation and social media. They use a programme of discounts and promotions for getting more customers into restaurants. Prezzo don't use any direct advertising.

## 7.3 Quantitative research

In 2010 Prezzo decided to conduct professional research study to get accurate information on stakeholders. Following part is based on results from Big Restaurant Survey summer 2010 – winter 2011. It was performed by identity/image consultants from Morar Consulting Ltd using online questionnaire as their chief research tool.

Currently I am employee of the company Prezzo and student of marketing so that I could use the data from final presentation for academic purposes. For this reason it's not possible to describe all marketing research process in greater detail.

The complete process of Big Restaurant Survey had six waves, which started in summer 2010 and finished in winter 2011. Each wave covered 6 000 diners and about 30 domain food chain brands.

The respondents were **demographically** divided according to:

- **Gender** (male, female) and age category 16-24, 25-29, 30-39, 40-49, 50 and over
- **NRS Social grade** – a system of demographic classification used in the UK:
  - AB upper middle class and middle class
  - C1 lower middle class
  - C2 skilled working class
  - D working class
- **Lifestage**<sup>1</sup> – determines the composition and maturity of family groups:
  - Pre-families (those who are under 40 with no children)
  - Nursery families (those with children all under 10)
  - Established families (those with children both under 10 and over 10)
  - Mature families (those with children all over 10)
  - Post-families (those who are 40+ with no children)

The respondents were **geographically** divided according to regional groups. These are in the report split out into four parts of the UK:

- London
- South: South West, South East and Easter
- Midlands: Wales, West Midlands and East Midlands
- North: North West, Yorkshire and Humberside, North East and Scotland

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<sup>1</sup> In the context of quantitative market research, lifestage is often more relevant and useful than 'hard' demographics such as age or social class. This is because people at the same lifestage generally have far more in common and will work better together than those simply of the same age. (Kitchen, 2010)



*Figure 5 - Allocation of the UK regions for research purposes.*

*(Morar Consulting, 2011)*

This comprehensive outside review includes detailed information about restaurant market in general, comparison between leading food chain brands, media usage and other valuable data.

For my dissertation purposes are used mainly information about market trends, dining chain brands benchmarks, Prezzo customers, media usage.

### **7.3.1 Market trends**

In following chapter are analysed these restaurant market trends – eating out as a hobby, healthy food concern, discount dining.

### Eating out as a hobby

Analysis eating out habits of consumers includes how many times respondents visit restaurants a month and how much they spend per head.

- Monthly respondents go for breakfast more or less just once, lunch time they spend in restaurants 3 – 4 times and similarly dinner 3 – 4 times. It means average customer visits restaurant 10 times a month (Figure 6). In Czech Republic it is only 5 times. (Horakova, 2004)
- In the United Kingdom consumers typically spend up to £6.40 for breakfast, for lunch up to £9.20 and for dinner up to £17.50 (Figure 7). Typically customers during Mother's Day, Valentine Day, Christmas parties, romantic dinners etc. spend more than that.

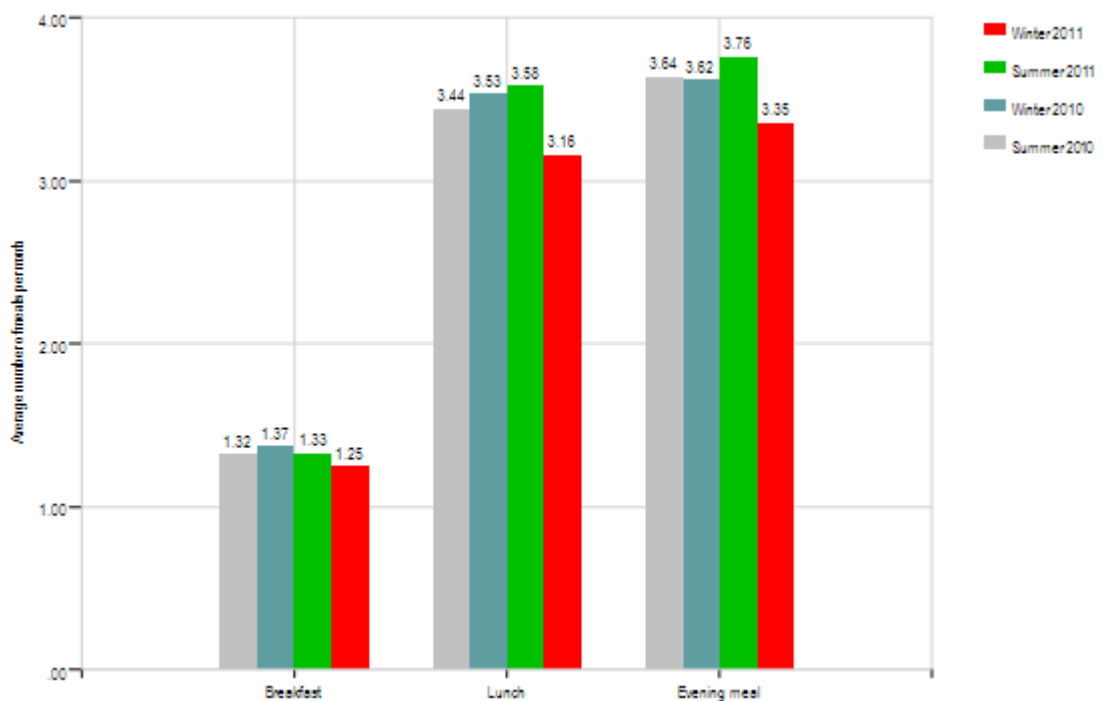


Figure 6 - How often respondents visit restaurants a month. (Morar Consulting, 2011)

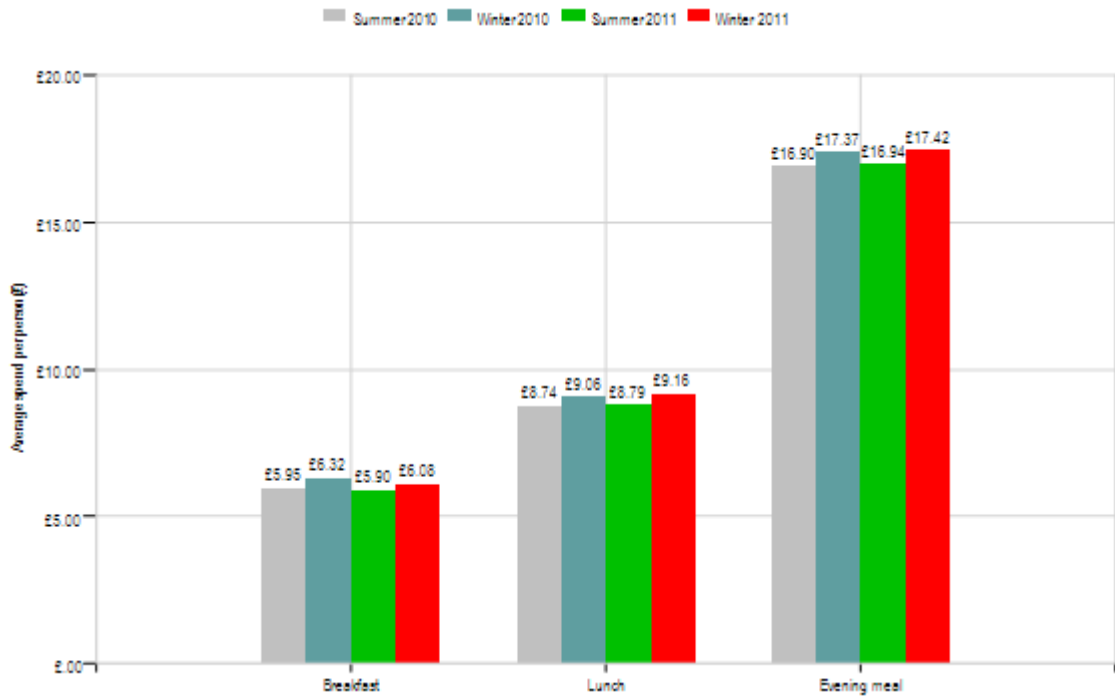


Figure 7 - How much respondents usually spend per person in restaurants.

(Morar Consulting, 2011)

Restaurant chains must learn exactly what customer values are; how they are connect with restaurant brands, and how they make dining decisions.

Exploring respondents’ attitudes toward restaurants requires the development of specific scale. Description of appropriate attitudes was made by pretest. 20 respondents of the purposive sample were asked to express any feelings, ideas, or attitudes that they could associate with food chain restaurants.

The most mentioned expressions were selected as the scale items for attitude category. These items are tabulated in order of most frequent answers in Table 4.

Table 4 - Attitudes toward restaurants. (Morar Consulting, 2011)

1.	Restaurants are an opportunity to get away from the humdrum of the life
2.	I enjoy new unusual food types
3.	Price is the most important factor when I choose where to eat
4.	When it comes to restaurant, I am creature of habit
5.	I like to play it safe when I choose a restaurant/dish to eat

6.	I feel comfortable in prestigious restaurants
7.	I like restaurants that take my into “new world”
8.	I like flavours to be simple and bold
9.	I am often the first to try out a new restaurant in town
10.	I like to be seen in the right restaurant in town
11.	Big portion are more important to me than quality
12.	I like to eat where celebrities/well-know people eat

All twelve chosen statements were measured on seven point Likert scale with 1 for strongly disagree and 7 for strongly agree (Figure 8). 32% of respondents from age category 40 to 49 strongly agree with statement “restaurants offer the opportunity to get away from the humdrum of the life”. 25% of respondents from age category 25 to 29 strongly agree with statement “price is the most important factor when I choose where to eat”.

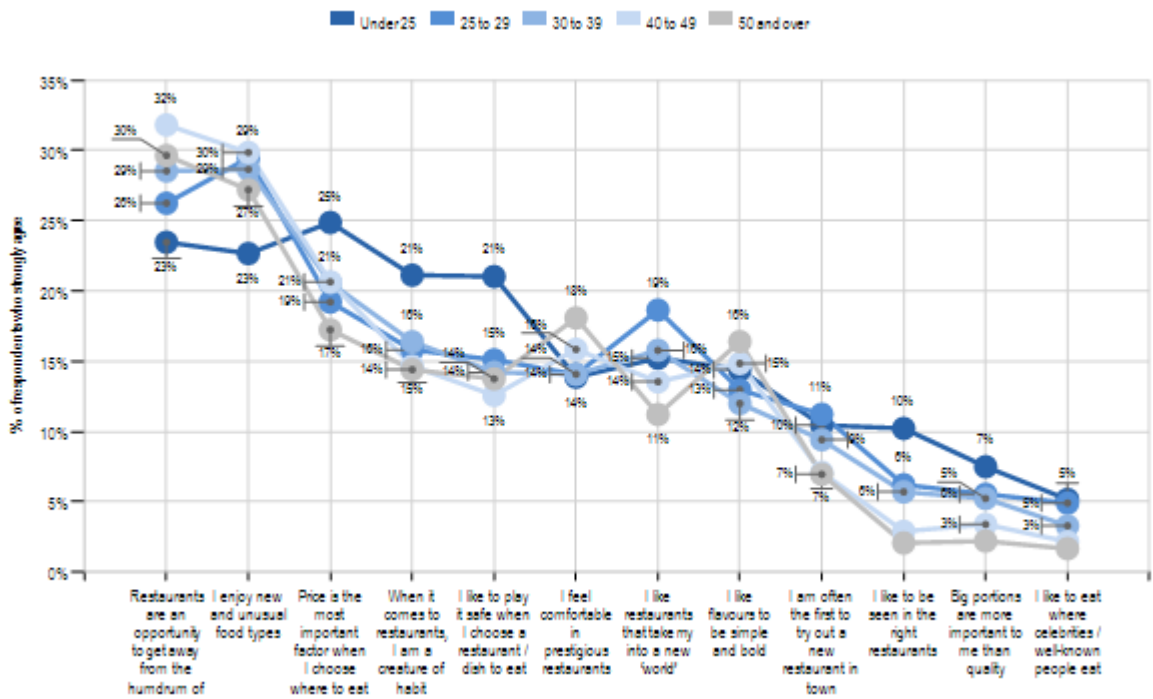


Figure 8 - Attitudes toward restaurants according to age. (Morar Consulting, 2011)



**Discount dinning and healthy food concern**

For analysing another restaurant trends are used these variables (Figure 9):

- Used promotional/ discount vouchers
- Chosen dishes as a result of their low calorie level
- Chosen dishes as a result of dietary needs/allergies
- Avoided dishes as a result of sustainability issues

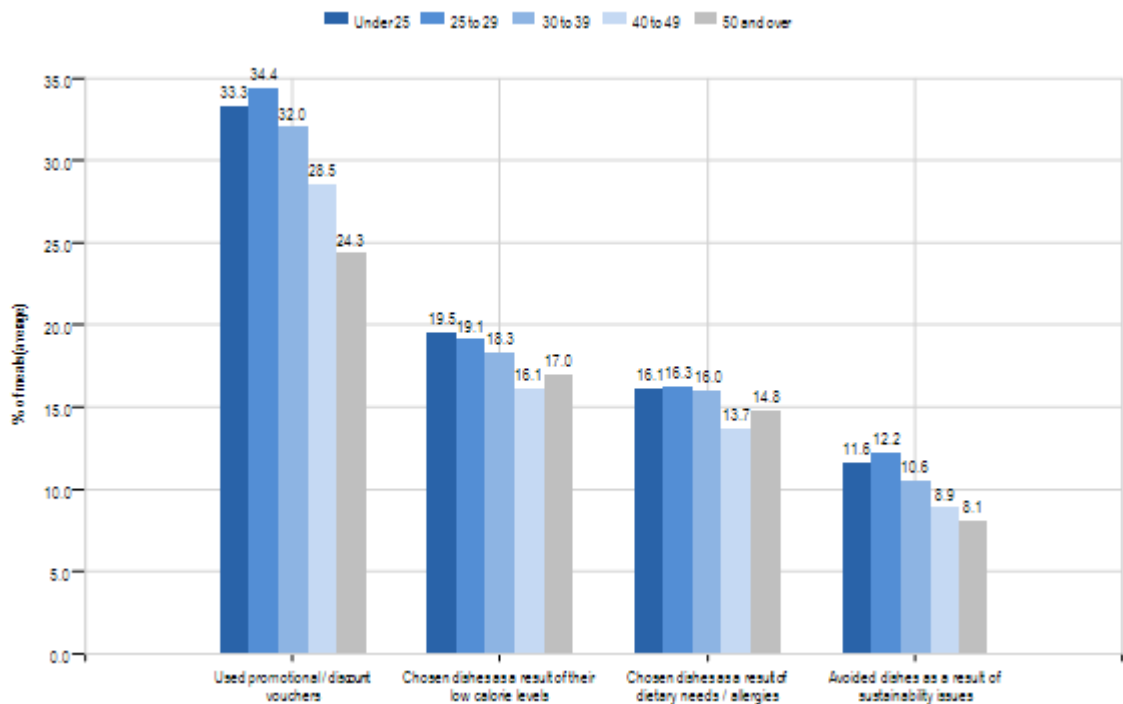


Figure 9 - Consideration when choosing a restaurant. (Morar Consulting, 2011)

Figure 9 shows what female respondents consider as an important when they choosing where to eat. Restaurant discounts and vouchers are very popular among the younger age groups of female respondents. 33.3% of women fewer than 25 years old and 34.4% of women in age category 25 to 29 are looking for discounts before they visit restaurant. Customers’ discounts, two-for-one meal deals or money-off vouchers have risen in popularity since the recession. Discounts are an excellent tool to generate new customers, to encourage regular customers and so improve restaurant traffic. However, the dangerous of discounting for restaurants are clear – specifically addiction for consumers, loss of margins and the decrease in consumer’s perception of value. (Druce, 2012)

Despite economic problems, the majority of the food chain companies have little choice – with consumer unemployment continuing, eating out establishments must work even harder to keep coming through the doors. (Druce, 2012)

Low calories levels of the menu consider as an important issue more than 19% women in younger category. It includes healthier food options, nutrition descriptions and calorie counts.

Therefore, restaurants should be more transparent about their ingredient lists. Another trend is moving away from eating three meals a day. Many diets and health food experts encourage people to eat five small meals a day so that modern menu should offer more snacks or selection of snacks to share.

Figure 10 presents market shares of **domain food chain companies** in the United Kingdom. All these brands are used for benchmarks in following analysis.

Pizza Express and Zizzi have similar range of product as Prezzo. They are considered as the main competitors of Prezzo, therefore they are highlighted. Pizza Express has 1.51 %, Zizzi has 0.66% and Prezzo has 0.59% of shares in the restaurant market.

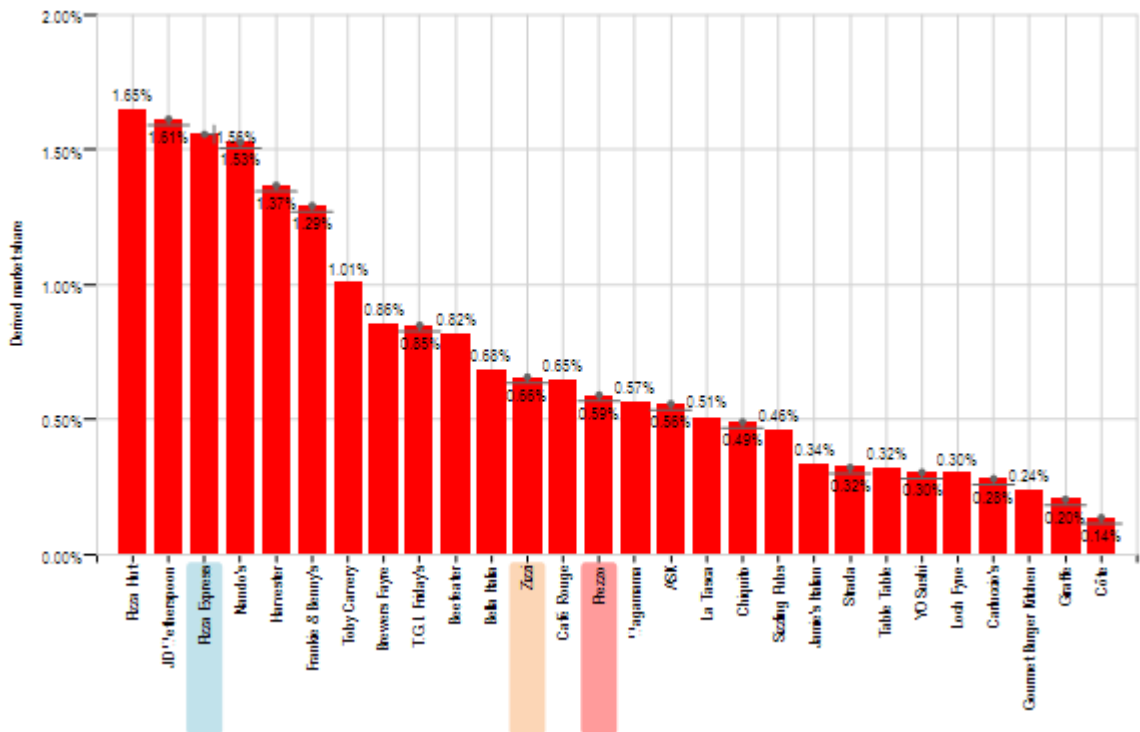


Figure 10 - Market shares of domain food chain companies in the UK.  
(Morar Consulting, 2011)

**7.3.2 Benchmarks of food chain brands**

This analysis is focused on overall position of Prezzo in comparison with other dining chain brands. For measuring their intangible assets are used these brand key performance indicators (KPIs): brand awareness, brand familiarity and brand advantage.

**Unaided or spontaneous brand awareness** (Figure 11) is % of respondents who voluntarily recall a restaurant brand (asked for those with table service) without a prompt. Respondents wrote down the names of chain restaurants located in the United Kingdom that first come to their mind. The respondents’ answers show that top of mind brands are Pizza Hut and Pizza Express. Prezzo in spontaneous awareness achieve 11.2%, Pizza Express 32% and Zizzi 13%.

**Aided brand awareness** (Figure 12) is the % of respondents who recognise the brand when presented with it. In this type of measuring brand recognition, the respondents were asked to choose the brand names of which they were aware of from a list of selected chain restaurants. Prezzo achieve 58.9% as a recognized brand in the aided recall, Pizza Express 94% and Zizzi 61%.

**Brand Familiarity** is the % of respondents who are both aware of the brand, and know it well enough to give a positive, neutral or negative opinion of it. Figure 13 shows that 37.4 % of respondents are aware of and have positive opinion about Prezzo, 82% Pizza Express, 43% Zizzi.

**Brand Advantage** (Figure 14) is the % of respondents who are familiar with the brand and give it an advantageous overall rating. Prezzo achieves 13 % for not as good as others, 37 % for as good but not better, 30% better than most others, 19% one of the best brands. Overall rating shows that the best brands are Jamie’s Italian and Loch Fyne. Prezzo is 8<sup>th</sup> best brand from benchmarks, Pizza Express 7<sup>th</sup> and Zizzi 6<sup>th</sup>.

*Table 5 - Scorecard of Prezzo KPIs over time. (Morar Consulting, 2011)*

Brand KPIs	Summer 2010	Change	Winter 2010	Change	Summer 2011	Change	Winter 2011
Unaided Awareness	6.5%	+2.0%	8.5%	+1.1%	9.6%	+1.6%	11.2%
Awareness	49.8%	+3.3%	53.1%	+3.3%	56.3%	+2.5%	58.9%
Familiarity	31.3%	+2.3%	33.6%	+1.8%	35.3%	+2.1%	37.4%
Brand Advantage	42.9%	+6.5%	49.4%	-2.6%	46.9%	+2.5%	49.4%

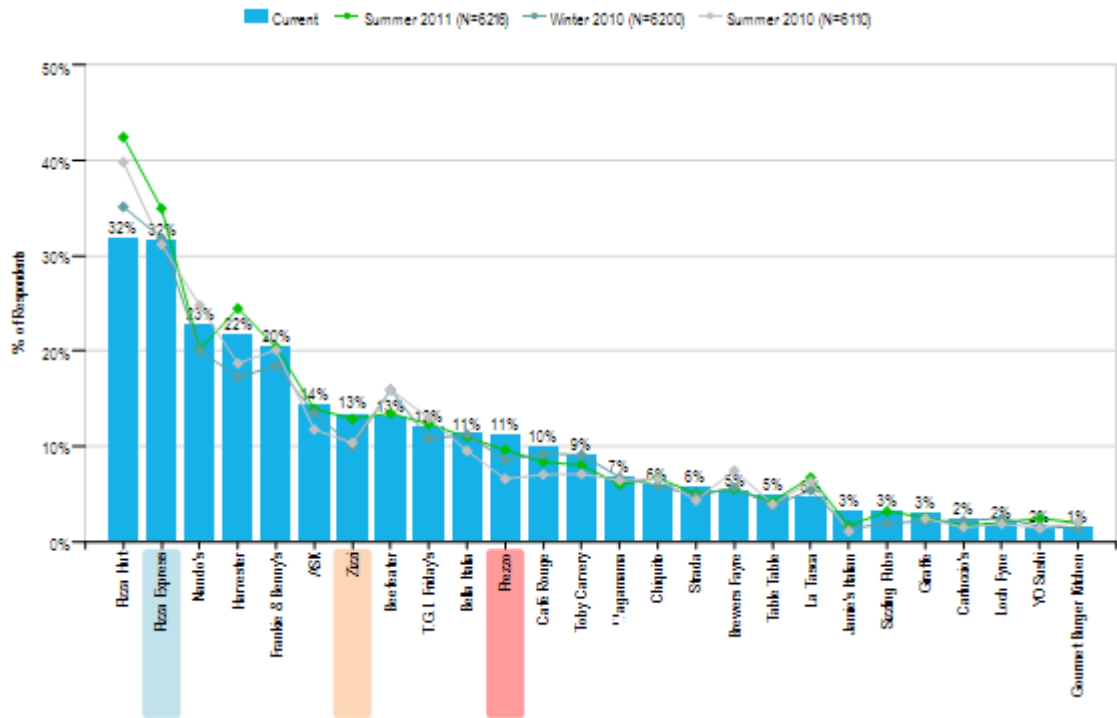


Figure 11 - Unaided brand awareness benchmarks. (Morar Consulting, 2011)

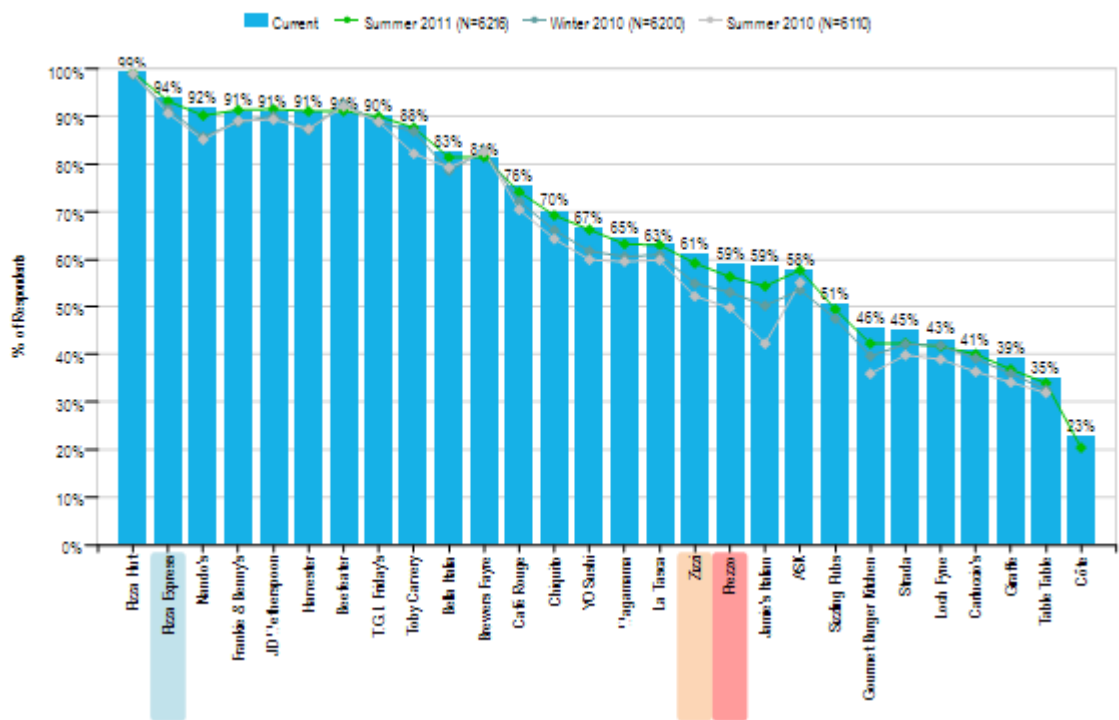


Figure 12 - Aided brand awareness benchmarks. (Morar Consulting, 2011)

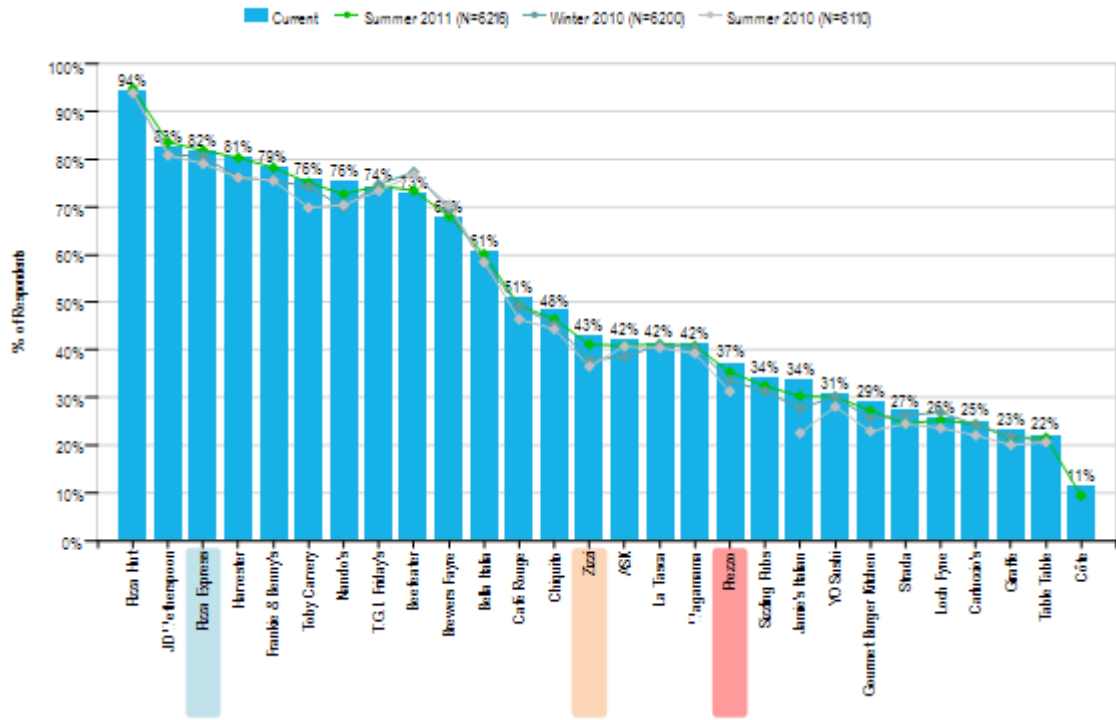


Figure 13 - Brand familiarity benchmarks – positive opinion. (Morar Consulting, 2011)

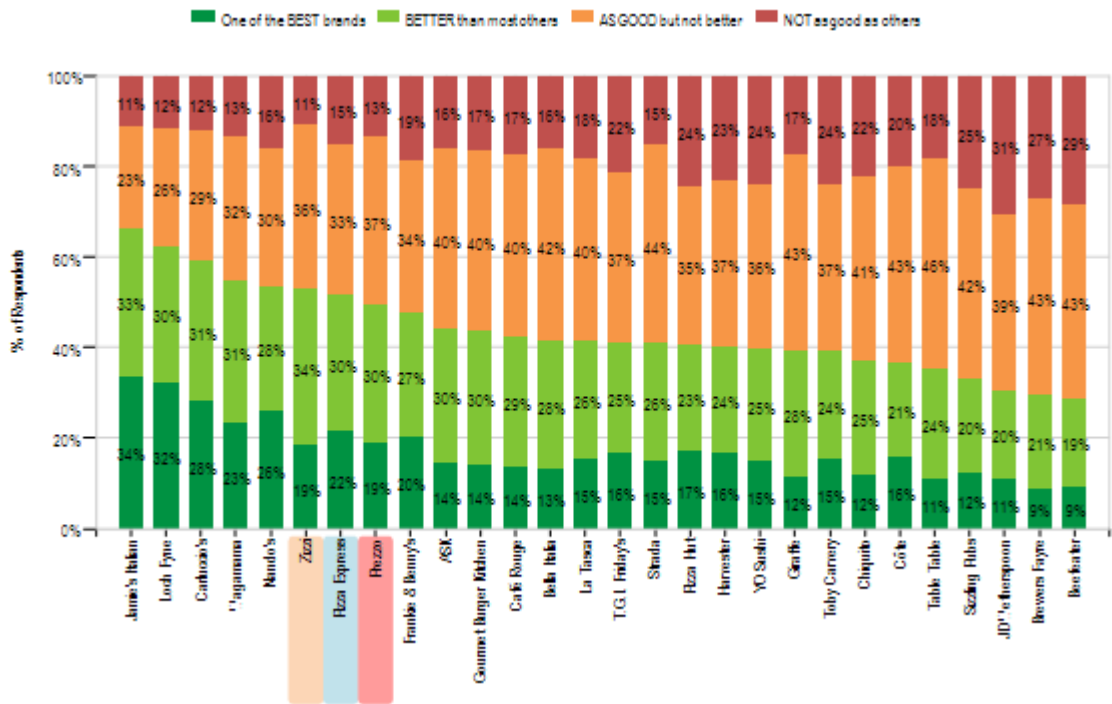


Figure 14 - Brand advantage benchmarks. (Morar Consulting, 2011)

### 7.3.3 Prezzo customers profile

This chapter is focused on analysing and profiling Prezzo customers.

#### Demographic descriptions

According to demographical indicators (Table 6) company has very strong AB base of customers from younger age category 30-39 and older age category 50 and over. 56.2% of customers are women and 43.8% are men. Overage annual household income is £35 000 – 45 000.

Table 6 - Customer demography over time. (Morar Consulting, 2011)

Gender % / group	Summer 2010	Change	Winter 2010	Change	Summer 2011	Change	Winter 2011
Male	44.6%	-0.3%	44.3%	-3.7%	40.6%	+3.3%	43.8%
Female	55.4%	+0.3%	55.7%	+3.7%	59.4%	-3.3%	56.2%
Age % / group	Summer 2010	Change	Winter 2010	Change	Summer 2011	Change	Winter 2011
16-24	17.5%	-3.7%	13.8%	+1.4%	15.2%	+1.4%	16.6%
25-29	19.9%	+0.8%	20.7%	+1.6%	22.3%	-3.1%	19.2%
30-39	26.5%	-1.0%	25.6%	-2.5%	23.0%	+0.1%	23.1%
40-49	18.6%	-0.7%	17.9%	-0.8%	17.0%	+0.3%	17.3%
50 and over	17.4%	+4.6%	22.1%	+0.3%	22.4%	+1.4%	23.8%
SEG % / group	Summer 2010	Change	Winter 2010	Change	Summer 2011	Change	Winter 2011
AB	38.5%	+0.2%	38.7%	-1.8%	36.9%	-0.4%	36.5%
C1	34.3%	+2.5%	36.8%	+0.4%	37.2%	-2.1%	35.2%
C2	17.4%	-2.8%	14.6%	+1.3%	16.0%	+2.8%	18.8%
D	9.8%	=	9.9%	=	9.9%	-0.3%	9.6%
Life stage % / group	Summer 2010	Change	Winter 2010	Change	Summer 2011	Change	Winter 2011
Pre-family	38.4%	-2.1%	36.3%	+4.9%	41.2%	-3.2%	38.0%
Nursery family	18.4%	=	18.3%	-3.7%	14.6%	+0.5%	15.1%
Established family	14.7%	+0.3%	15.0%	-3.9%	11.1%	+2.2%	13.2%
Mature family	5.6%	-0.6%	5.1%	+0.1%	5.1%	+0.1%	5.2%
Post-family	22.9%	+2.5%	25.3%	+2.6%	28.0%	+0.4%	28.4%

**Psychographics descriptions**

Psychographics descriptions of Prezzo customers provide quantitative data that reflect their attitudes, perceptions, lifestyles choices, preferences etc. This kind of information is very valuable to know, but it is harder to collect as customers’ preference may change over time.

*Customer restaurants preferences*

Respondents wrote down names of all other restaurants visited in the last 6 months. According this list was conducted their restaurant repertoire (Figure 15). Most mentioned restaurants were Pizza Express, Pizza Hut and Nando’s.

All mentioned restaurants were also examined by annual frequency of visits (Figure 16, 17). Most frequently visited restaurants are JD Wetherspoon, Sizzling Pubs and Nando’s about 4 – 6 times a year. Prezzo is during 12 months visited 3.4 times.

Table 7 presents what is the occasion for visiting Prezzo in %. The typical occasions are meals with friends or colleagues, family dinners and romantic dinners for two.

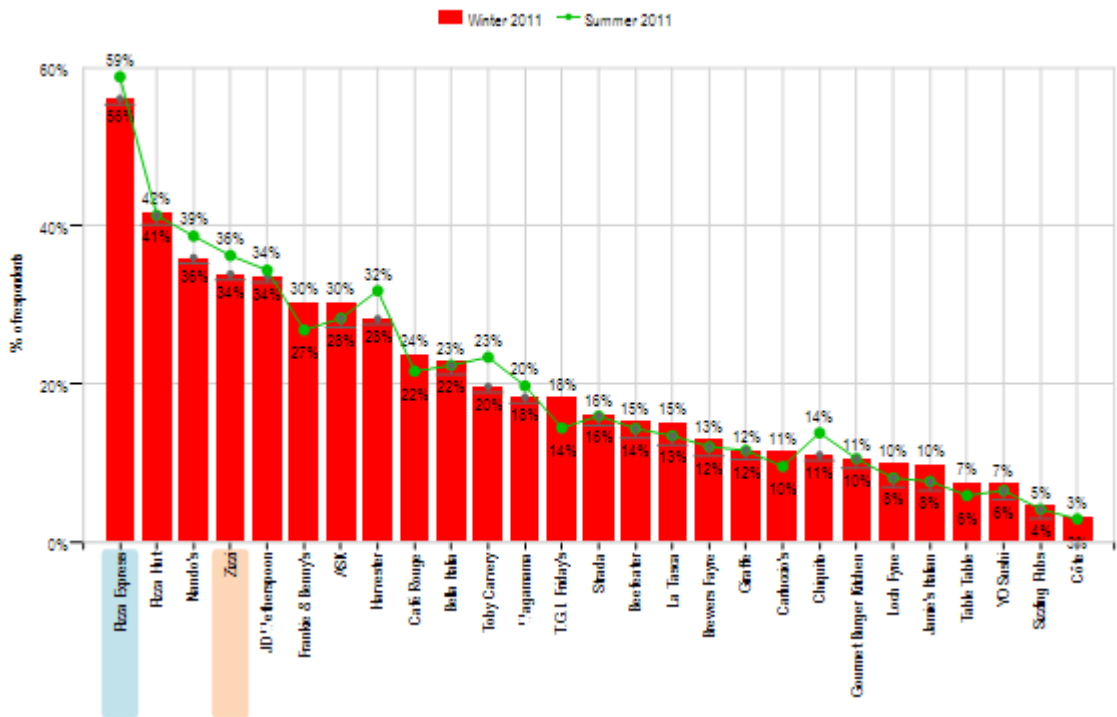


Figure 15 - Repertoires of restaurants. (Morar Consulting, 2011)

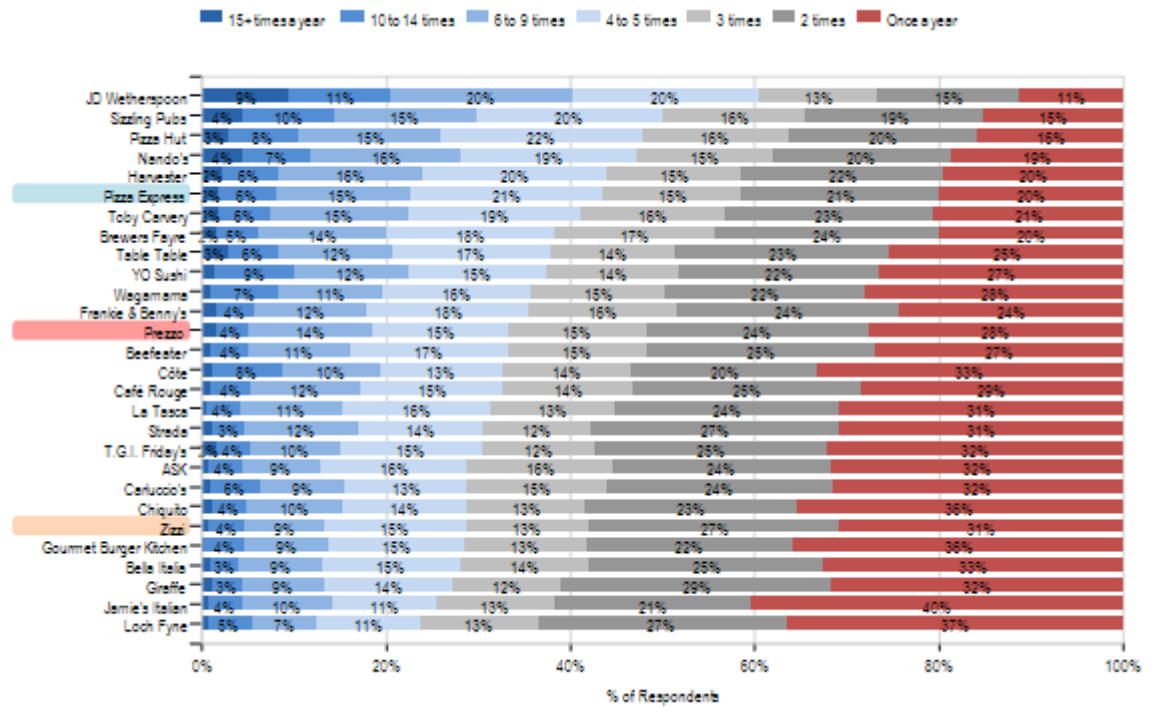


Figure 16 - Annual frequency of visit. (Morar Consulting, 2011)

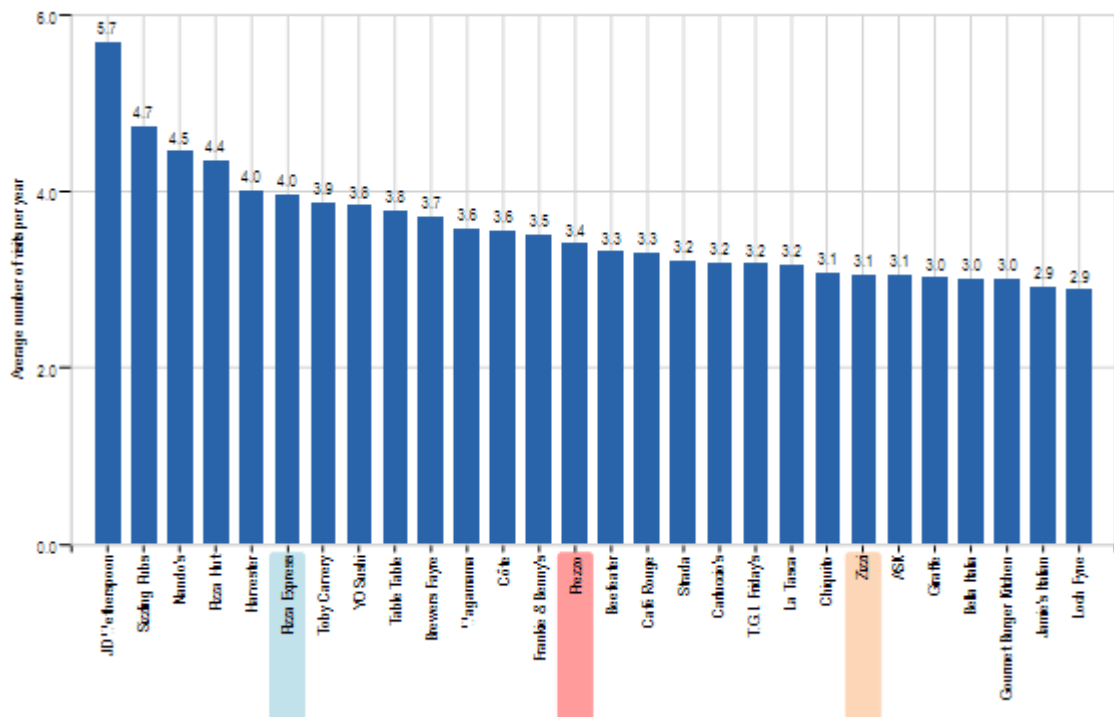


Figure 17 - Average annual frequency of visit. (Morar Consulting, 2011)



Table 7 - Occasions for visit Prezzo. (Morar Consulting, 2011)

31 %	Meals with friends/colleagues
23 %	Family meal
18 %	Romantic dinner for two
8 %	Group celebration/party
8 %	Quick bite to eat (e.g. when out shopping)
6 %	Eating before or after something else
3 %	Didn't have time or inclination to cook
2 %	Business meal out
2 %	Other reason

#### *Customer advocacy*

A customer advocacy encompasses all aspects of customer contact, including products, services, sales and complaints. Some examples of a customer advocacy approach in restaurants are suggesting a product even if the profit margin is less for the company (meal deal offer) or setting service based on the customer's, not the company's preferred hours (stay open late). Customer advocacy can be integrated into a company's strategic goals and measured through customer satisfaction. The overall customer satisfaction leads to company loyalty and product repurchase. (Nykiel, 2007)

For measuring Prezzo customer advocacy respondents had to agree or disagree with the following statements:

- "I feel warm towards this brand" - for measuring customer intimacy (Figure 18)
- "I find this brand exciting" for measuring customer passion (Figure 19)
- "I would remain with this brand even if they made a mistake" for measuring customer commitment (Figure 20)

Prezzo shows quite high level of customer advocacy. It is one of the most intimate Italian brands after Jamie's Italian. Measuring customer passion shows that Prezzo is better than its competitor Pizza Express and according to measuring customer commitment is Prezzo better than its competitor Zizzi.

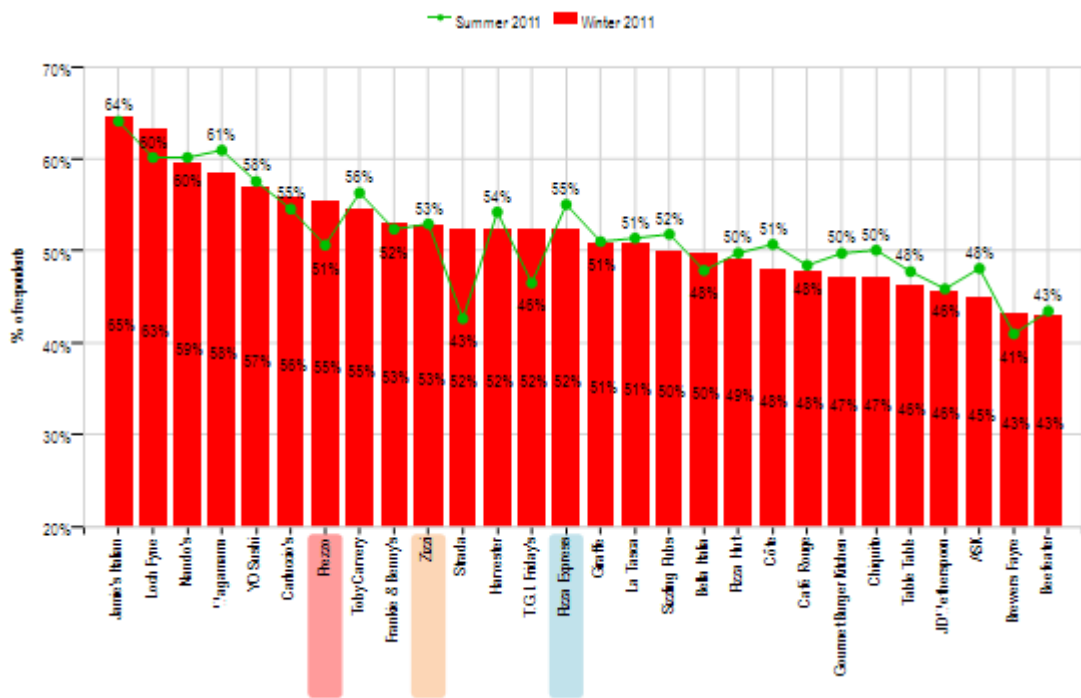


Figure 18 - Customer intimacy. (Morar Consulting, 2011)

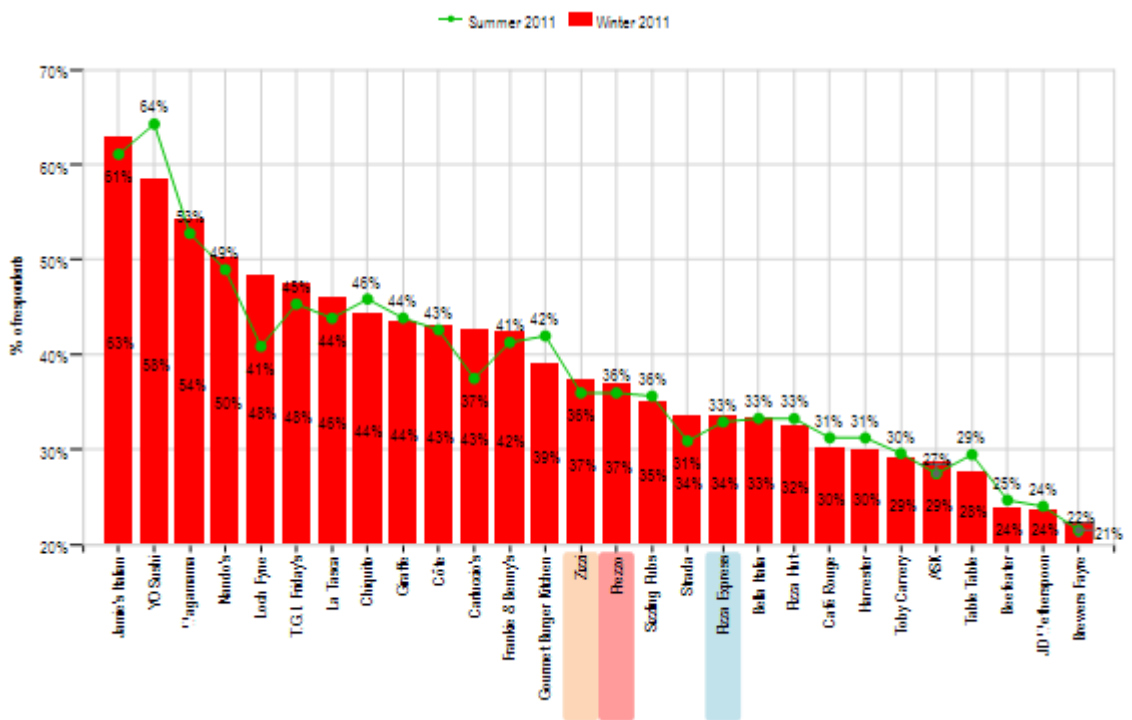


Figure 19- Customer passion. (Morar Consulting, 2011)

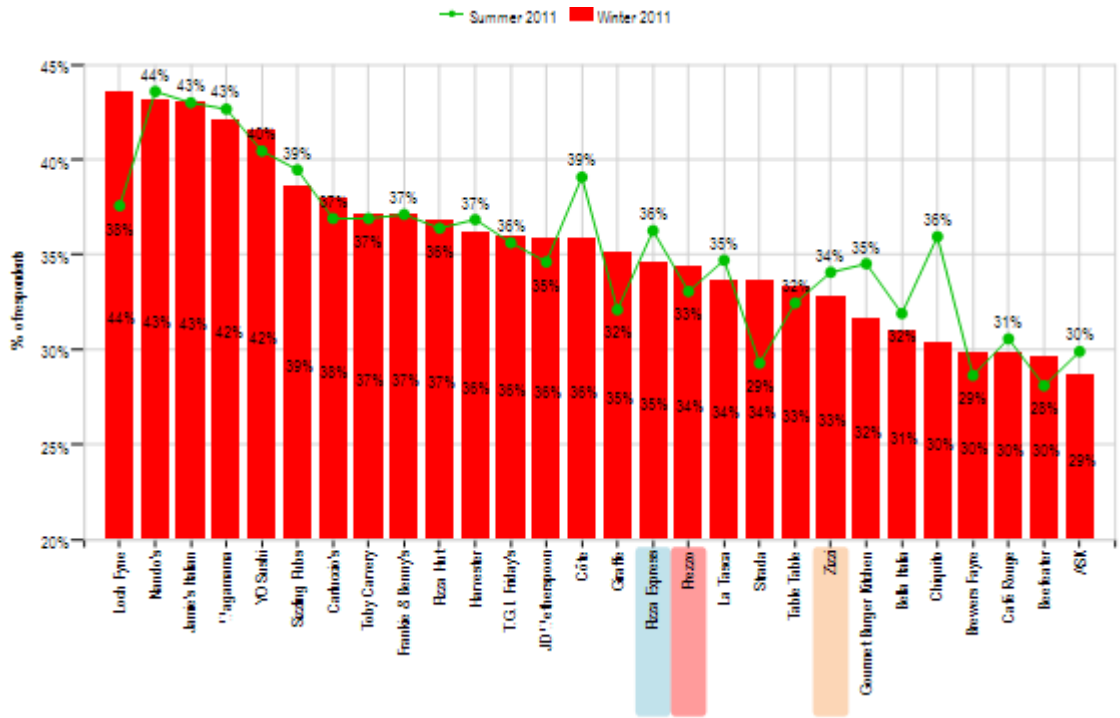


Figure 20 - Customer commitment. (Morar Consulting, 2011)

Figure 21 shows how customers describe the service received in Prezzo, Pizza Express and Zizzi. There is a perception that the service is friendly and attentive, but not very engaging or staff knowledgeable.

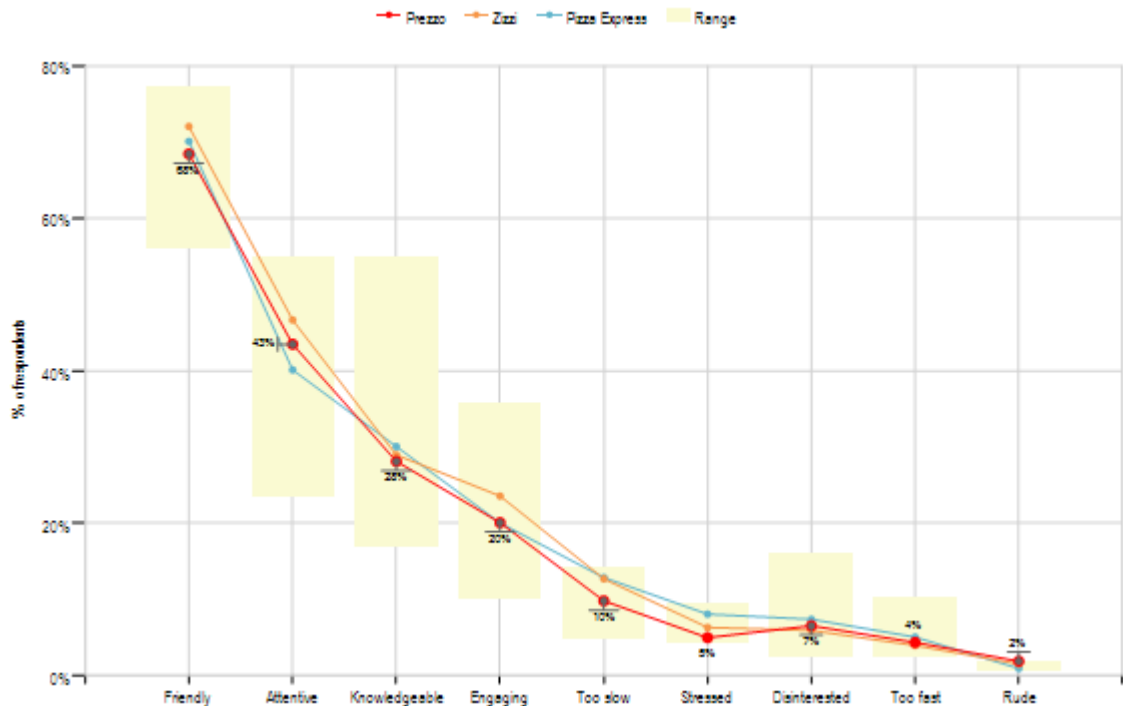


Figure 21 - Service descriptions. (Morar Consulting, 2011)

*Prezzo image*

In image analyses are used customer associations with brand Prezzo. Predefined characteristics were measured on seven point Likert scale with 1 for strongly disagree and 7 for strongly agree. These are: friendly, welcoming, affordable, stylish, fresh, authentic, fashionable, sophisticated, has character, vibrant, fun, romantic, good for children, entertaining, expert, healthy, ethical.

Table 8 presents the strongest Prezzo image attributes. These are: **friendly, welcoming, affordable, stylish, and fresh**. Results from comparison summer 2011 and winter 2011 show that attributes friendly, affordable, stylish are slightly declined, but welcoming and fresh are increased.

*Table 8 - Top 5 strongest Prezzo image attributes. (Morar Consulting, 2011)*

Top 5 Image Attributes	Summer 2011	Change	Winter 2011
Friendly	48.5%	-1.2%	47.3%
Welcoming	46.0%	+0.7%	46.8%
Affordable	44.1%	-1.1%	43.0%
Stylish	41.8%	-2.7%	39.1%
Fresh	32.3%	+5.2%	37.4%

On Figure 22 is demonstrated Prezzo image map.



*Figure 22 - Prezzo image map. (Morar Consulting, 2011)*

### 7.3.4 Media usage

This chapter is focused on analysing which media channels respondents use and how long they using them on daily basis. Examined activities are listed below (Figure 24, 25):

- Watching television
- Listening to the radio
- Reading magazines/newspapers
- On line shopping/browsing
- Using social media (e.g. Facebook, Twitter etc.)

Traditional media channels such as television, radio, magazines, and newspapers allow control over many communication elements including time of delivery and message content. Conventional television still rides a wave of popularity. It remains the most consumed medium across each age group. Respondents watch television about 2 hours a day.

Radio is a heavy frequency medium. It provides good localized spot coverage for the city or metropolitan area. Radio has the ability to reach target audiences effectively in various formats. Respondents listen to the radio about 71 minutes a day.

Newspapers and magazines have high targeted-reach potential, and are timely. Reading newspapers or magazines respondents spend half an hour a day.

On line browsing or shopping respondents spend about one hour a day. For respondents from age group fewer than 25 are social media second most popular media channels, more than net browsing and listening to radio. They spend doing this activity 85 minutes a day, 30% higher than the next age group 25 – 29.

Smartphones continue to grow in popularity (Figure 25), with 57% of diners now owning a smartphone, what was 51% in the summer 2011. A standard mobile phone (not is smart phone) own 42% or respondents, what was 48% in summer 2011. 13% of respondents own a tablet – iPad or similar (Figure 26).

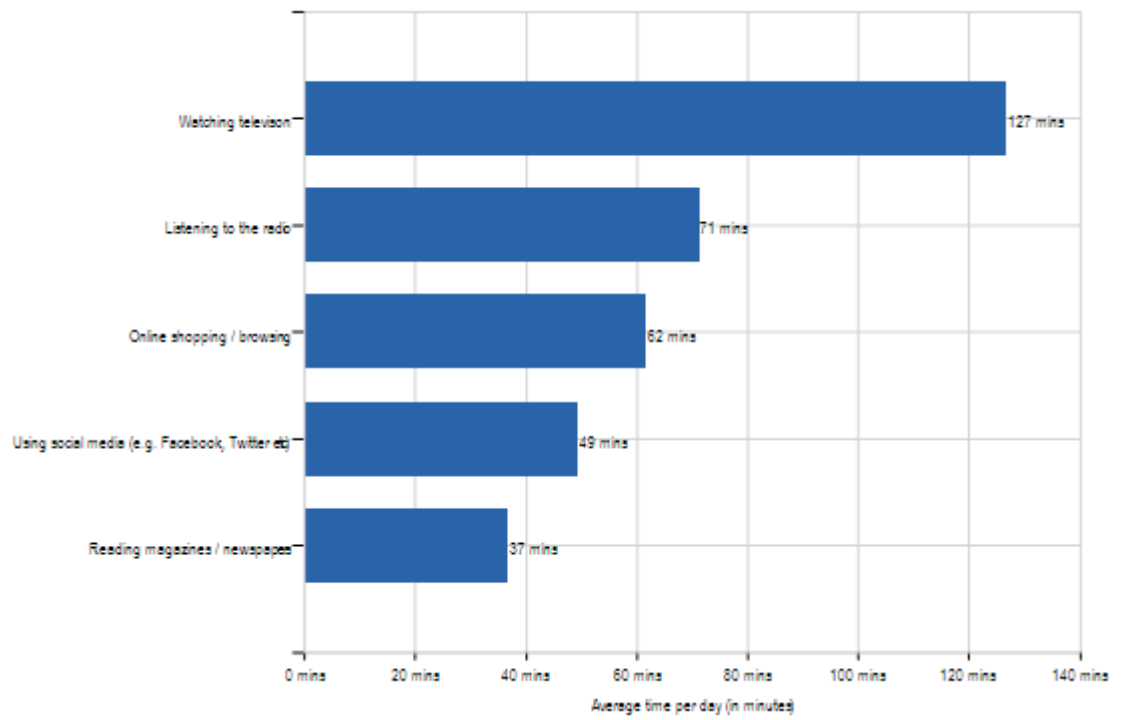


Figure 23 - Respondents media usage. (Morar Consulting, 2011)

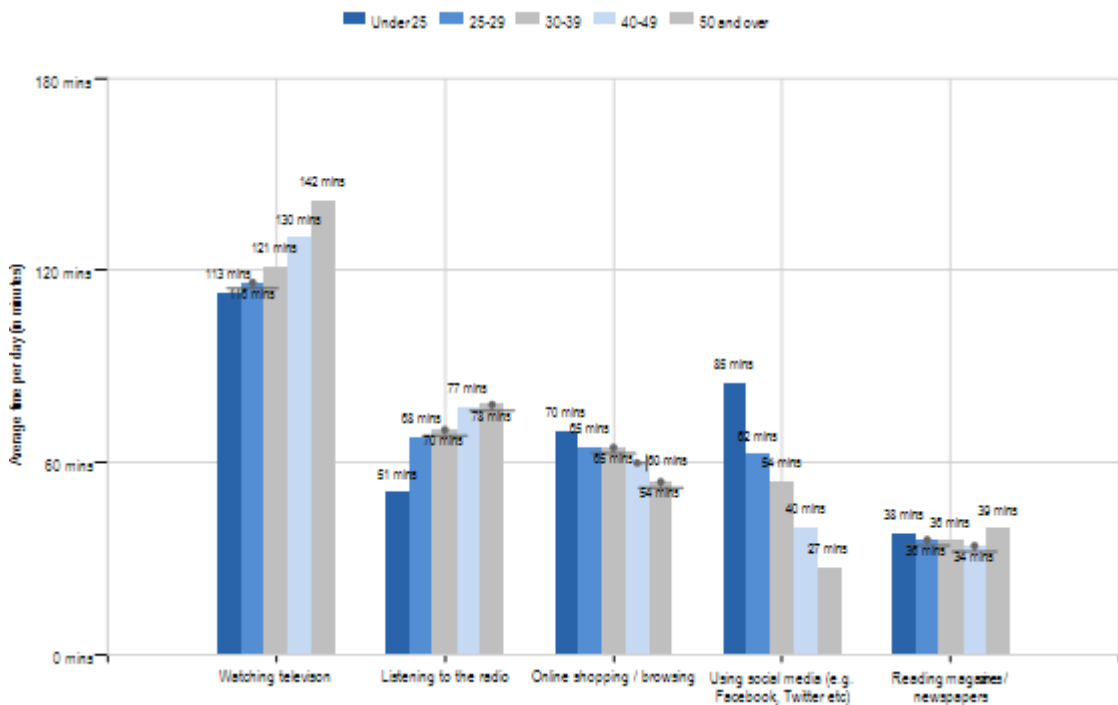


Figure 24 - Media usage by age. (Morar Consulting, 2011)

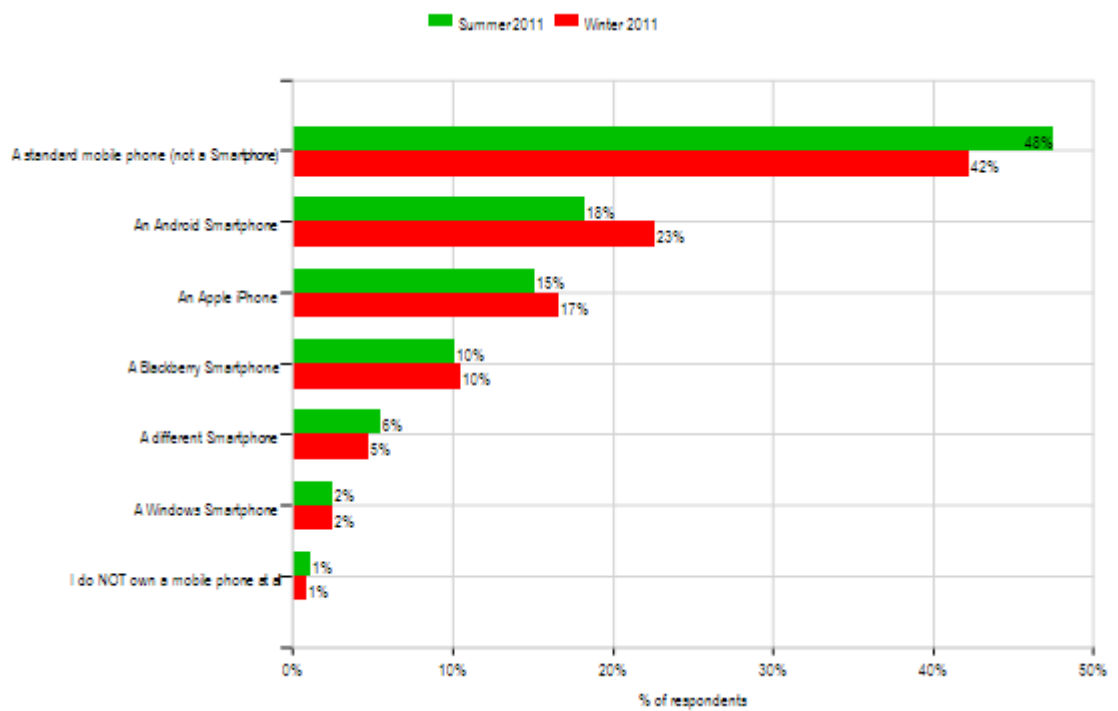


Figure 25 - Ownership of mobile phone. (Morar Consulting, 2011)

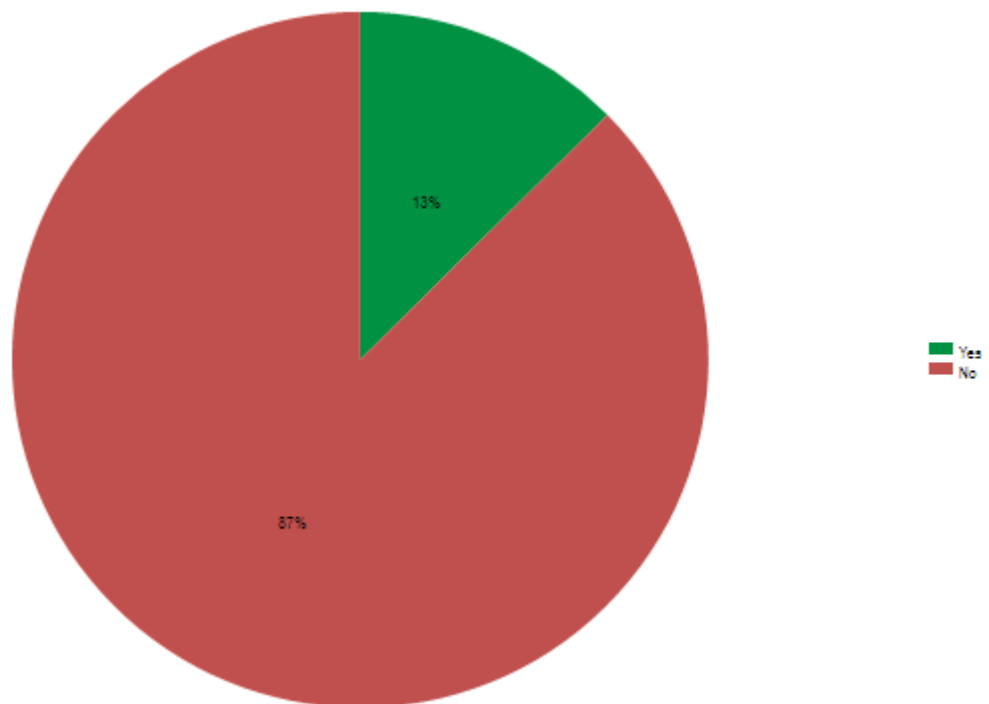


Figure 26 - Ownership Tablet computers. (Morar Consulting, 2011)

Social media include a massive variety of tools, namely Facebook, YouTube, Twitter, and so on. These tools are becoming an essential part of marketing today. They are the backbone of the two way communication between businesses and their customers.

Social media is an important business tool for Prezzo. It has a major impact on its business communication, practices and process. Prezzo has over 120 000 Facebook fans, about 13 000 Twitter followers. It is a leader within dining chain sector.

In Table 9 is presented numbers of Facebook fans and Twitter followers. Prezzo doesn't have its mobile application, but competitor Pizza Express has.

Prezzo also has an online channel Prezzonality to help enhance brand awareness. Its idea is to be focused on the personality of the staff, the clients, food. It should connect directly to the Prezzo community and should feed into its social media presence.

Table 9 - Overview of social media, mobile apps by brand. (Morar Consulting, 2011)

	 Facebook likes	 Twitter followers	  App?	Cost of App?	 Pay meal with App?
Nando's	691,889	140,909	N	N/A	N/A
Pizza Hut	527,432	76,855	Y	Free	N
Toby Carvery	259,957	3,316	N	N/A	N/A
<b>Prezzo</b>	<b>117,129</b>	<b>12,024</b>	<b>N</b>	<b>N/A</b>	<b>N/A</b>
Pizza Express	89,242	14,804	Y	Free	Y
YO! Sushi	82,835	14,091	Y	£2.99	N
Harvester	75,727	1,935	Y	Free	N
Sizzling Pubs	65,381	135	Y	Free	N
Zizzi	27,246	2,932	N	N/A	N/A
GBK	22,109	2,775	N	N/A	N/A
Chiquito	21,322	2,395	N	N/A	N/A
TGI Friday's	17,419	7,861	N	N/A	N/A
Giraffe	13,049	15,601	N	N/A	N/A
Bella Italia	10,862	1,274	N	N/A	N/A
ASK	7,958	0	N	N/A	N/A
Ping Pong	7,432	4,026	N	N/A	N/A
Strada	6,286	1,928	N	N/A	N/A
Café Rouge	5,807	1,998	N	N/A	N/A
JD Wetherspoon	5,082	5,545	Y	Free	N
Frankie and Benny's	3,994	3,993	Y	Free	N
Carluccio's	2,482	4,034	N	N/A	N/A
Wagamama's	2,463	4,558	Y	Free	N
Byron	1,529	5,048	N	N/A	N/A
Hungry Horse	1,225	0	N	N/A	N/A
Jamie's Italian	714	4,253	N	N/A	N/A
Loch Fyne	406	0	N	N/A	N/A
Beefeater	194	0	N	N/A	N/A
Brewers Fayre	131	107	N	N/A	N/A
Cote	20	0	N	N/A	N/A
Table Table	0	0	N	N/A	N/A



## 7.4 Qualitative data analysis

The quantitative data about Prezzo corporate identity are summarized below:

Prezzo has strong AB base of customers from age category 30-39 and 50 and over. Their average annual household income is £35 000 – 45 000.

The strongest Prezzo image attributes are: friendly, welcoming, affordable, stylish, fresh.

Prezzo brand awareness and familiarity continues to show positive movements since summer 2011, but is behind its competitors Pizza Express and Zizzi.

Prezzo is after Jamie's one of the most intimate Italian brands, better than Pizza Express and Zizzi.

The main occasions for visit of Prezzo are meals with friends or colleagues, family dinners and romantic dinners for two.

Prezzo staffs are friendly and attentive, but not very knowledgeable. Service is not very engaging.

Other restaurants Prezzo customers visit are mainly JD Wetherspoon, Sizzling Pubs and Nando's.

Prezzo is during 12 months visited 3.4 times on average, most visited is JD Wetherspoon – 5.7 times a year.

Prezzo has strong social media profile – highest number of Facebook fans of all Italian brands and is popular with Twitter followers.

Prezzo doesn't have mobile application, using mobile apps in restaurant business remains a niche offering.

## 8 EVALUATION OF RESEARCH QUESTIONS

On the basis of the objectives of the quantitative and qualitative research were established two research questions:

### 1. Prezzo is one of the most popular dining chains in the UK.

Following finding examine first research question. The conduction of extensive study indicates that there is a growing emphasis on building and managing Prezzo brand as the primary driver of a company's success. According to benchmarks of 30 dining chain brands Prezzo has delivered a satisfying performance. From measuring brand key performance indicators follows that Prezzo is in top 20 mid-market dining chain brands and in top 5 Italian brands.

First research question is confirmed. Prezzo is very popular dining chain among the UK and can be consider as one of the most popular Italian brand.

### 2. Marketing communications of Prezzo should be improved.

Following findings examine second research question. The results of researches indicate that for Prezzo is direct advertisement unnecessary. Its marketing initiatives are mainly focused on online marketing. Important on line communication tools are website, social media and email marketing. The website is updated on almost a daily basis. If customers want to receive current promotion, vouchers, meal deal etc. they can subscribe there. It is also important for development of customer database and customer feedback. Prezzo has mobile website, but doesn't have mobile application.

Social media like Facebook, YouTube, and Twitter are important business tools for Prezzo. It has a major impact on its business communication, practices and process. Prezzo has over 120 000 Facebook fans, about 13 000 Twitter followers. It is a leader within dining chain sector. It is good and cheap way of communication with customers.

Second research question is confirmed. Prezzo marketing communication should be improved. Although Prezzo is one of the most popular Italian brands its marketing communication could be improved in some areas, namely mobile marketing. Development of Prezzo mobile app will be described in project part of the thesis.

## 8.1 Recommendations

Prezzo could make slight alteration in the corporate communication to a reshaping of the corporate identity.

My ideas for possible corporate identity improvement resulted from research findings:

- **Prezzo staffs are friendly and attentive, but not very knowledgeable. Service is not very engaging.**

Effective instrument to enhance corporate identity in area of corporate communication would be production of **Prezzo welcome pack** for new employees.

It can take a format of a folder containing information about company rules, customer service, product, etc. Prezzo employees are mainly foreigners therefore it can give a variety of information that will be useful to them in printed version. They can look through it in their own time.

Other instrument can be YouTube channel **Prezzonality**.

There could be through various videos highlighted company's structure and its hand-on culture. For example stories about people who started as waiters, chefs and have come within to be area managers. Like this employees could see that their hard work and commitment can lead to fast progress in careers and pay rise very easily. It can help to make sense in their working lives and improve efficiency.

- **Prezzo doesn't have mobile application, using mobile apps in restaurant business remains a niche offering.**

Smartphones continue to grow in popularity. Therefore Prezzo should implement its mobile application as it complements its on line marketing focus. Project part of the thesis examines the implementation of **Prezzo mobile app** in greater detail.

### **III. PROJECT**

## 9 IMPLEMENTATION OF PREZZO MOBILE APP

Analytical part has suggested improvement of Prezzo marketing communications and simultaneously corporate identity through implementation of mobile phone application.

In this chapter of the thesis are described steps towards the mobile application. Topic was consulted with Jan Podzimek - mobile app developer from Pria System in Zlín.

### 9.1 Mobile apps attributes

Traditionally app was a generic term for any standalone bit of software that runs on top of a computer's operating system. Apps were originally intended for productivity: email, calendar and contact databases. But public demand caused rapid expansion into other areas such as mobile games, GPS, banking, ticket purchases etc. (My first mobile app, 2012)

- Mobile applications are software applications, usually designed to run on handheld devices – smartphones, tablet computers, e-readers etc.
- They are available through application distribution platforms, which are typically operated by the owner of the mobile operating system, such as:
  - Apple App Store
  - Android Market (Google Play)
  - Windows Phone Marketplace
  - BlackBerry App World

Some apps are free, and others have a price. Usually they are downloaded from the platform to a target device such as an iPhone, BlackBerry, Android phone or Windows Phone 7. They can be also downloaded to less mobile computers such as a laptops or desktops. For apps with a price, generally a percentage, 20-30%, goes to the distribution provider and the rest goes to the producer of the app. (My first mobile app, 2012)

Interactive applications and overall app use on mobile devices has become successful trend. The main functional value is the ability to access data and information and to communicate and connect with others.

## 9.2 Advantage and disadvantage of mobile apps

Mobile applications advantage and disadvantages are defined in Table 10 and Table 11.

*Table 10 - Advantages of mobile applications.*

It can be either a stand-alone concept or a tool that complements existing functionality, web site etc.
It has potential to extend and enhance corporate identities, business performance, product offerings.
It provides better communications with customers and their feedback.
It supports business promotion to reach more customers regardless of time and place.
It offers mobile based value-added services.
It doesn't rely on internet connection.

*Table 11 - Disadvantages of mobile applications.*

It requires professional development and long term investment.
It must be often updated.
Customers have to download it before they can experience it.
Smart devices are expensive to buy or own (usually two years contract), battery life is short, many people use the basic functions – don't download any new apps.
If it is heavily ad supported, users don't like it.

## 9.3 Proposal to Prezzo mobile app development

In this chapter will be defined pointers how to approach a mobile application developer with the required information. My interest is to explain what a prospective development team will need in order to build optimal mobile app for Prezzo.

### 9.3.1 Objectives

Prezzo App must suit individual business requirements and be fully functional. It must give to customers multiple ways to interact with Prezzo business. App should include exclusive content and design that is unavailable elsewhere. App must be understandable and easy to use for users and administrator – easy to upload photos, videos, new event dates, special offers, discount vouchers etc.

The cost to develop a mobile app depends on the type of project, estimates for Prezzo app make £10 000. The project length is set to the end of July – approximately 3.5 months.

### 9.3.2 Functionality

Prezzo has several clearly defined categories that wish to supply to its customers through mobile application. This plan of what the app needs to achieve and what it will offer to the end users are described as operational and menu ideas in Table 12 and Table 13.

*Table 12 - Prezzo app – operational ideas.*

Investigate nearest restaurant
Ability to check in to the restaurant queue and receive a push notification when you are ready to be seated
Book specific table in restaurant
State estimate waiting times for tables in advance
Download restaurant special offers, vouchers, meal deals
Paid a restaurant bill using an app

*Table 13 - Prezzo app – menu ideas. [LS]*

<b>Menu ideas</b>
Check a restaurant menu in advance
Make suggestions for healthy choices, post nutritional information, ingredients, portion sizes

Inform about dietary requirements – being able to search for vegan, dairy free, gluten free, nut free etc. menu options in advance
Pre order the entire meal ready to be served once arrived
An app for takeaway orders
Suggest food and drink matches – whether it’s a label of wine, beer, cocktail, soft drink or coffee

### 9.3.3 List of companies

The list of the best mobile software developing companies from London is presented in Table 14. Their portfolios include mainly service providing companies (Figure 27 – 30).

Table 14 - Mobile app developers.

www.socialfactory.co.uk	www.thetechnicalpeople.com	www.tecmark.co.uk	www.red-c.co.uk
<b>Social Factory Ltd</b> 177-187 Arthur Road Wimbledon Park, SW19 8AE, London	<b>The Technical People Ltd</b> Unit 6 Drakes Courtyard 291 Kilburn High Rd NW6 7JR London	<b>Tecmark</b> City Point 1Ropemaker Street EC2Y 9HT London	<b>Red C</b> 81 Rivington Street EC2A 3AY London

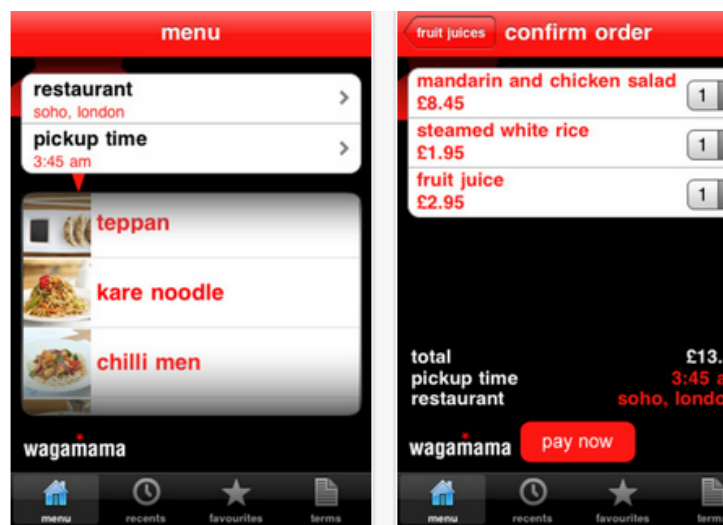
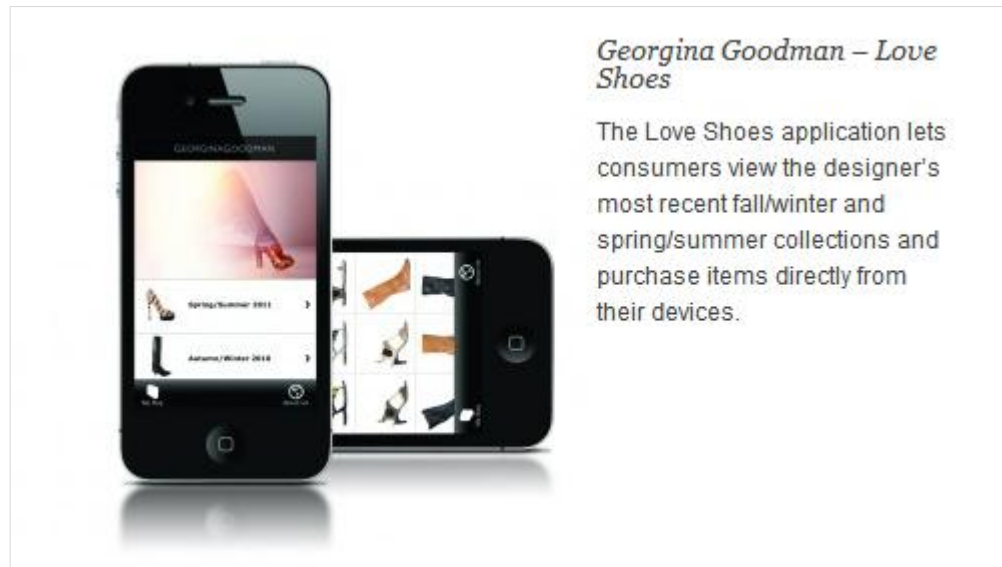
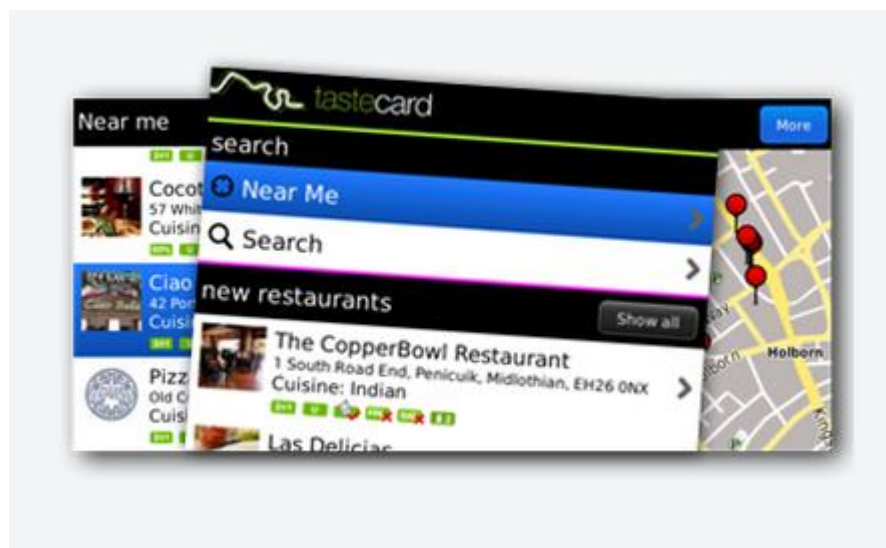


Figure 27 - Social Factory Ltd – portfolio example Wagamama.





*Figure 28 - The Technical People – portfolio example Love Shoes app.*



*Figure 29 - Tecmark – portfolio example London Tastecard.*

### APPSTARS

**PROJECT:** AppStars.  
**CLIENT:** GarthysWorld.  
**BRIEF:** To create an fun iPhone app and website that allows unsigned bands and singers to upload their videos – which users can then vote on.  
**OUTCOME:** A massively popular app, recently featured by the *Daily Mirror* for discovering Amelia Lily before she went on *The X Factor*.  
**USER REVIEW:** "Funny app makes time fly watching the vids."



Figure 30 - Red C – portfolio examples AppStars.

### 9.3.4 Time plan of mobile app development

In Table 15 is defined timing of the mobile app development activities.

Table 15 – Time scheduling.

Activities	Timing of the app development activities														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Creation a mobile app brief															
Creation a database of mobile app developing companies															
Distribution of brief to companies															
Receiving and evaluation bids															
Select two suppliers for a personal meeting															
Select one supplier for cooperation															
Brief analysing, fine tuning functionality															
Contract preparation, setting schedule and rules of cooperation															
Approval of wireframe, graphic, functionality															
Mobile app development															
Presentation of the first app version, debug															
Authorization															
Evaluation, project completion															
Invoicing															

Project will be completed approximately in 63 working days (12.6 weeks, 3.15 months).

## 9.4 Mobile app communication strategy

There are so many new apps appearing daily that if Prezzo app doesn't have support by marketing it will go unnoticed. In following chapter will be described Prezzo app communication strategy.

### 9.4.1 Strategic objectives

- Prezzo app should extend existing business services.
- Prezzo app should generate more personal and also profitable interaction with customers.
- Prezzo should enhance existing marketing communication to gain maximum benefits for business.
- Downloads are expected to be around 10% - 20% of customers to get a return of investment in 2 years.

### 9.4.2 Target audience

Target audiences are **younger customers from A, B social class** who own smartphones or tablet computers. They may be already familiar with other restaurants application, for example Pizza Express. Prezzo app should maintain existing and reach new customers in unique ways and deliver unique experiences.

Delivering communications to mobile audiences across the United Kingdom should increase revenues because app giving customers an easy, and in many cases preferred way and reason to access company.

### 9.4.3 Pricing

According to media usage analyses in quantitative research, respondents are not accustomed to pay for restaurant apps. All restaurant brands offering **mobile app for free**, only YO! Sushi charge £2.99. Therefore, Prezzo apps, its additional functionality or upgrades should be for free.

#### 9.4.4 Promotional activities

In this chapter are defined possible promotional activities for launching and getting Prezzo app noticed. Some of the activities could be done just before launch to generate interest. Promotional activities could be a combination of print, online, and mobile communications.

##### **Current customer touch points**

Mobile app can be promoted within current customer touch points in restaurants – on receipts, take away packaging, pizza boxes, take away bags, POP displays, posters, restaurant menus, restaurant entrance doors, business cards, etc. It could be mobile small mobile app icon or QR code.

##### **QR Codes on customer touch points**

On customer touch points can be also placed 2-D barcodes or QR codes – quick response codes (Figure 31). They help bring together print and online channels by using smartphones. They are scanned with phone camera and scanned barcode information can provide a link directly to app in the iPhone App store, Android market or other. Some mobile cameras cannot focus properly to get a good read if the barcode is too small.



*Figure 31 - Mobile QR code. (My first mobile app, 2012)*

##### **Prezzo website**

Application could be promoted within existing Prezzo website. This could be done even before actual app launch. There could be a web section to promote app with a walk-through slide show with screenshots of app and description of features and benefits.

It can make it easier for customers to decide if app is interesting or not. Once is Prezzo app ready it will offer a button with link for downloading.

App can be on website also promoted through Prezzo YouTube channel Prezzonality. In a video can be in creative way highlighted the ease of use, features, benefits.

### **Social networking**

Twitter or Prezzo Facebook page can be good viral marketing tool for app publicity. It's free and easy to found in the search machines. For example when people join page, it's published in their news feed for all their friends to read.

### **Public relations**

Mobile app with interesting features can be opportunity for publicity. It can be distribute for example to media that cover hospitality topics – consumers magazines, industry trade publication, online PR, also influential blogs or app review sites etc.

### **Email marketing**

Prezzo has a large database of newsletter subscribers, thanks to meal deal offers. New app can be mentioned in this direct mail to match target customers. Customers don't have to print any voucher, every new promotion will be sent to them via app. Information about new app can be also added to company emails as a URL link below signature line.

#### **9.4.5 Budget and timing**

Establishment of communication strategy budget prior to launch of Prezzo app is **£5 000**. Promotional activities mentioned above will be **maintained continuously** through all mobile app lifecycle keep the interest going.

#### **9.4.6 Feedback**

Feedback isn't always easy to swallow, but it can be extremely valuable. Mobile application is effective tool to connect with customers in more meaningful way and gather their feedback. Therefore, it's crucial to **measure app performance and engagement**, not just **number of downloads**. Customers input and suggestions about app improvement can also help in actual business decisions. It can lead to better business relationships and stronger customer retention.

One way to finding out how users are interacting with app with the goal of enhancing their experience is to conduct **survey**. Mobile app survey questions have to be clear. A multiple choice survey can be easier completed rather than open-ended question, as it is typed into a smart phone. It can be completed while waiting in restaurant, in line at supermarket etc. If a survey is created the right way, users will respond.

## CONCLUSION

The important finding of the thesis is that corporate identity is not just about design. This “visual myth” comes from those who earn their living from creating and selling corporate identity programme, those who buy them and use them, are often vague and imprecise about what they are trying to do. Real corporate identity is carried out intuitively; it’s the essence of the company and must be directed from within and visual appearance is its crucial component.

Prezzo corporate identity comes from its personality and needs. On first place is standard of food, service and atmosphere. Three simple attributes which external and internal audience can understand and respond to. It is these standards which have to be commonly shared and then made visible. So that all branches within the massive restaurant industry can be easily recognise by logo, architecture of restaurants, design of menus, etc.

The purpose of master’s thesis was to describe and discover Prezzo corporate identity - its goals, its intention, its way of behaving and doing things, to know how everyone else can recognize it. The purpose of the study was fulfilled.

Theoretical part emerged from reliable work of managers and business academics. According to these references was determined six various facets of corporate meaning, corporate identity, corporate image, corporate reputation, corporate communication, organizational identity and corporate brand. Chapter about restaurant industry in the United Kingdom described this specific service sector and restaurant classification, determined workforce statistic and market trends in dining business. Gained information created a theoretical platform for marketing researches in analytical part.

Analytical part resolved research problem lack of quantitative and qualitative information about Prezzo corporate identity. Prezzo corporate identity analysis was split into the qualitative and quantitative research. In qualitative was used method of interview with the main shareholder and CEO of the company. Quantitative research was based on data resulted from Big restaurant survey 2010 – 2011. Findings from analytical part suggested mobile application as an effective tool to enhance Prezzo corporate identity. Development of Prezzo mobile application by professional software company and its communication strategy are defined in project part of the thesis.

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## **APPENDICES**

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APPENDIX II – LOGO

APPENDIX III – INTERIOR OF THE RESTAURANT

## APPENDIX I - STUFF AND UNIFORMS



**APPENDIX II - LOGO**



## APPENDIX III – INTERIOR OF THE RESTAURANT

