April 12, 2007

Herbert Miller  
Starbucks Store # 7989  
1718 Churchman Ave  
Beech Grove, IN 46107

Dear Mr. Miller:

Enclosed is our recommendation report on how to increase pastry sales and reduce mark-outs for Starbucks store #7989. This report suggests viable strategies Starbucks can implement to increase pastry sales.

The findings were derived from an extensive review of recently published literature, as presented in Appendix B of the report. A customer survey was also conducted to determine ways to spur pastry sales. The survey results are discussed in the report, and the tabulation is provided as Appendix A of the report. We hope that you will find this report helpful in targeting potential customers and increasing pastry sales.

Our team appreciates the opportunity to develop this report for you, and we thank you for your time and cooperation. Please contact me at 317-555-5555 or e-mail me at jstudent@iupui.edu if you have any further questions.

Sincerely,

Millie Mocha
Enclosures
IMPROVING PASTRY SALES AT STARBUCKS STORE #7989

Prepared for
Herbert Miller, Manager

Prepared by
Student Name
Student Name
Student Name

August 9, 2007
Introduction

The “bakeoff” program at Starbucks involves selling pastries fresh out of the oven. In order for the pastries to be considered fresh, a new batch must be baked every seven hours. Recently, Starbucks store #7989 has experienced an increase in the amount of pastries thrown away after a period of time, a process called “mark out.” The pastries are marked out to ensure a higher quality and fresher product. Starbucks’ pastry shelf life was recently changed from thirty-six hours to seven hours, causing more pastries, and money, to be thrown away due to low sales.

The problem has persisted since the end of October 2006. Pastry markouts averaged thirteen percent before the “bakeoff” program and are now averaging sixteen percent. High mark outs are a major problem for this particular store because it increases the amount of labor, thus affecting the efficiency of the employees. Therefore, changes are needed to allow Starbucks store #7989 to improve pastry sales to allow for lower markouts and increased employee coverage hours. This report explores alternatives for improving pastry sales and thus decreasing pastry mark outs.

Methodology

To gather information for this report, scholarly databases were used to research the topic of improving pastry sales. We gathered reliable information and innovative ideas from recently published journal articles. In addition, we surveyed 44 Starbucks customers to gather insights on how to increase pastry sales at Starbucks store #7989.

Secondary Research Findings

This section summarizes recently published literature on current consumer and marketing trends in the industry. The complete literature review is available in Appendix B.

The literature on market trends in the food/bakery industry addresses data-gathering strategies to be used in marketing techniques as well as marketing strategies for both internal and external customers.

Market Research and Advertising

According to the literature, whether a market analysis is used to determine current trends or a focus group is used after a product launch, market research is vital to effectively communicate with potential consumers. Companies have their choice of data collection methods, amount of advertising monies spent, and forms of communication media. Authors agree that television ads, local sponsorships, and other non-traditional forms of advertisement should be tailored to consumer needs and wants.

The authors of several articles stated that is important for companies to know what drives consumers, and how these consumers feel when presented with new ideas and products. For example, men and women have different ideas of what they should be eating. Advertisers must be aware of whom they are targeting; that way the sales will be higher and customers will be
getting something they want as well. The more discriminating advertisers are, the more they will be able to reach a particular group. Narrowing down the target group will be helpful in determining the next step for promoting the product.

Focus groups should be conducted to find out why people think the way they do and discover what appeals to the masses. While this process can answer many questions for a company, it could also lead to many more questions. Companies involved in market research need to be open to further research based on their initial findings.

**Consumer Trends**
Consumer trends, in general, relay how and why consumers are spending their money. Market researcher Neil Broome (2006) contended that there are three main consumer trends in the bakery/baked goods arena:

- health
- convenience
- pleasure

Broome believed a company must look at how to integrate all of the major trends to be successful. The literature also stresses the importance of providing consumers with healthy choices and indicates that many restaurants have experienced success by changing their menu to higher quality, healthier foods. The menu lists not only the healthy alternatives but also nutritional information about the products so customers can make informed choices. These changes are greatly improving their sales while also showing the consumers they are interested in more than just money; they also show that they are concerned about their health.

**Upselling Techniques**
The literature points out that successful upselling techniques must be demonstrated to the staff. Companies need to be able to convince the customer that the company is looking out for their needs and what’s best for them, instead of what would be good for the business. Upselling the product while enhancing customer image will increase profits as a whole. Some sources recommend that staff be trained with an emphasis on essential value of what is being sold. "Make it hospitality-driven, not sales-driven," says Heather Thitoff, director of training for Columbus, Ohio-based Cameron Mitchell Restaurants” (As cited in Sheridan, 2005). Employee training should encourage employees to improve the guest experience; that is what drives sales.

Another focus among the articles was the idea of creative product placement, which can play a major role in successful selling. Placing products in an appealing and accessible way can contribute to successful sales. For example, one author trains his staff to visualize the pastry case by having them look at it from the customers’ perspective, and when a tray is empty he has them re-visualize it to make the case have a more aesthetic appeal (Leahy, 2006, p.31).

Overall, the literature agrees that conducting market research, indentifying consumer trends, and implementing upselling techniques are all important strategies to use to increase pastry sales.
Primary Research Findings

Out of the 38 people surveyed, 20 were male and 18 were female. The largest age group fell between 40 and 49 with the second largest group falling between 19 and 29. Total respondents ranged in age from 19 to 50+. Most of the population surveyed visited Starbucks at least four times in a week if not more.

Figure 1 on the following page shows that out of the 38 people we surveyed, twenty of them go to Starbucks about 4-7 times a week. Following behind, seven customers go about 0-3 times a week, six go 8-12 times a week, and five go 12+ times a week.

Figure 1

Figure 2 demonstrates the number of times a pastry was purchased along with a drink in a week. Ten people stated they didn’t get any pastries in a week. Twenty people stated they purchased one to three pastries with their drink a week. Eight people stated they purchased four to seven pastries with their drink a week. No one surveyed purchased eight or more pastries with their drink per week.

Figure 2
Based on survey findings, customers are in need of more information. Close to 50% of respondents did not know that pastries could be baked fresh upon request or be warmed. It could be as simple as small signs saying “We’ll warm it for you!” or “Don’t see what you’re looking for? We’ll be happy to whip it up!”

36% of respondents didn’t purchase pastries because they were watching their weight. 22% of those surveyed said healthier choices would push them to purchase pastries. Current lifestyle trends could indicate to market to ‘low carbohydrate’ (based on Atkin’s Diet) or ‘low point’ options (based on Weight Watchers).

Price was also a concern. 30% of those surveyed were looking to be offered combos/specials and, again, 30% might be more enticed to purchase pastry products if it were not for the price. By offering combination deals, the customer can save money and the store can sell pastries to customers who might not be interested otherwise. The indication that the Baristas did not mention pastries 100% of the time shows a potential for lost sales and, again, lack of information provided to the customer.

While this survey served as a jumpstart with basic information, more in-depth research should be conducted with store customers. For example: No, half of your surveyed customers did not have all of the information about the pastries, but would this have made a difference if they did have the knowledge? If they did know about the warming and the baking, and still wouldn’t buy a pastry, then efforts are better spent on other aspects of bakery growth.
**Recommendations**

Based on the preceding information, we believe that the following recommendations will help Starbucks Store #7989 reach their goals of improved pastry sales and decreased pastry markouts.

- Provide better product information for customers
- Offer healthier pastries in line with current health/diet trends
- Offer combination meal items to customers that will allow them to save money and the store to sell pastries
- Create flavor themes that tie menu items together to draw attention: Berry drink with berry pastry, chocolate drink with chocolate pastry, etc.
- Acquire more in-depth opinions of customers by use of focus groups.
- Properly train Baristas on successful upselling techniques and maintain consistency of use with customers.

**Closing**

Published literature and survey results both show that listening to the customer and following their trends/patterns can prove to have the most successful results. The preceding recommendations have been designed to give customers better options, better information, and an overall better experience at Starbucks.
Appendix A

Survey Tabulations

1. Gender: Total Male \( \rightarrow \) 20  \hspace{1cm} \text{Total Female} \rightarrow 18

<table>
<thead>
<tr>
<th>Age</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>0</td>
<td>(0%)</td>
</tr>
<tr>
<td>19-29</td>
<td>10/38</td>
<td>(26%)</td>
</tr>
<tr>
<td>30-39</td>
<td>4/38</td>
<td>(11%)</td>
</tr>
<tr>
<td>40-49</td>
<td>19/38</td>
<td>(50%)</td>
</tr>
<tr>
<td>50+</td>
<td>5/38</td>
<td>(13%)</td>
</tr>
</tbody>
</table>

2. How many times do you visit Starbucks in a week?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>7/38</td>
<td>(18%)</td>
</tr>
<tr>
<td>4-7</td>
<td>20/38</td>
<td>(53%)</td>
</tr>
<tr>
<td>8-12</td>
<td>6/38</td>
<td>(16%)</td>
</tr>
<tr>
<td>12+</td>
<td>5/38</td>
<td>(13%)</td>
</tr>
</tbody>
</table>

3. With each visit to Starbucks, has the variety of pastries available been mentioned?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most of the time</td>
<td>16/38</td>
<td>(42%)</td>
</tr>
<tr>
<td>Some of the time</td>
<td>18/38</td>
<td>(47%)</td>
</tr>
<tr>
<td>Never</td>
<td>5/38</td>
<td>(13%)</td>
</tr>
</tbody>
</table>

4. Did you know that Baristas can warm the pastries you purchase?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30/38</td>
<td>(79%)</td>
</tr>
<tr>
<td>No</td>
<td>7/38</td>
<td>(18%)</td>
</tr>
<tr>
<td>No Response</td>
<td>1/38</td>
<td>(4%)</td>
</tr>
</tbody>
</table>

5. Did you know that if you do not see a pastry in the case, you can ask the Barista if they are available to be baked fresh?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17/38</td>
<td>(45%)</td>
</tr>
<tr>
<td>No</td>
<td>20/38</td>
<td>(53%)</td>
</tr>
<tr>
<td>No Response</td>
<td>1/38</td>
<td>(4%)</td>
</tr>
</tbody>
</table>

6. How many times was a pastry purchased a week with a drink (excluding sandwiches)?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td>10/38</td>
<td>(26%)</td>
</tr>
<tr>
<td>1-3</td>
<td>20/38</td>
<td>(53%)</td>
</tr>
<tr>
<td>4-7</td>
<td>8/38</td>
<td>(21%)</td>
</tr>
<tr>
<td>8-12</td>
<td>0/38</td>
<td>(0%)</td>
</tr>
<tr>
<td>12+</td>
<td>0/38</td>
<td>(0%)</td>
</tr>
</tbody>
</table>
7. If zero, why not? (out of 14 responses)
   Didn’t see pastry I liked \(\Rightarrow\) 2/14 (14%)
   Don’t know if I’d like Pastry \(\Rightarrow\) 2/14 (14%)
   Other:
      Just wanted coffee \(\Rightarrow\) 3/14 (21%)
      Can’t have \(\Rightarrow\) 1/14 (7%)
      Watching weight \(\Rightarrow\) 5/14 (36%)
      Price \(\Rightarrow\) 1/14 (.07%)

8. What could be done to entice future purchase of a Starbucks pastry? (out of 27 responses)
   Healthier Choices \(\Rightarrow\) 6/27 (22%)
   Combos/Specials \(\Rightarrow\) 4/27 (15%)
   More Samples \(\Rightarrow\) 6/27 (22%)
   Lower Prices \(\Rightarrow\) 4/27 (15%)
   Have condiments \(\Rightarrow\) 3/27 (11%)
   Fully stocked cases \(\Rightarrow\) 4/27 (15%)
Appendix B

**Review of the Literature**

This review of recently published literature covers current consumer and market trends in the food/bakery industry, data-gathering strategies to be used in marketing techniques, and marketing strategies for both internal and external customers.

**External Communication**

For the purpose of this review, External Communication will refer to any communication between a company with a product and both its current and potential consumers, including marketing and advertising.

Some authors have identified one key to successful external communication as recognizing trends and monitoring them closely (Broome, 2006; *Bread and Rolls in the United States*, 2006). These trends can determine how new products are invented and then marketed to consumers. The company can collect trend data themselves, or they can use a third-party researcher. Third-party companies may have access to more company profiles and their statistics than an individual company might (Goff, Harding, Shah, & Singer, 1998).

Market trends, different from consumer trends, show how much of the market share is available, where there is potential growth, and where the growth is minimal (*Bread and Rolls in the United States*, 2006). Third-party research company DataMonitor provided a look at the bakery industry’s market. In their report titled *Bread and Rolls in the United States*, the statistics showed that industrial breads/pastries account for 71% of the market value, while in-store operations account for only 17% (2006, p. 8). There were no suggestions or strategies given; the report simply contained statistical data for those interested in knowing where the industry stands and where there is room for improvement (*Bread and Rolls in the United States*, 2006).

Market researcher Neil Broome contended that there are three main consumer trends in the bakery/baked goods arena: health, convenience, and pleasure (2006). Consumer trends, in general, relay how and why consumers are spending their money. Broome believed a company must look at how to integrate all of the major trends to be successful. “To a large extent the low hanging fruit has already been plucked, and manufacturers must look to either incorporate additional qualities to products or to ensure that new products fulfill their positioning to superlative levels” (2006, p. 9).

Agencies such as Murphy Marketing Research (MMR) help companies discover current consumer drivers and trends. Tom Murphy, author and partner in MMR, agrees that is important for companies to know what drives consumers, and how these consumers feel when presented with new ideas and products (Kern, 1997). In Russell Kern’s article, Murphy described how his firm forms and utilizes focus groups to attain this goal. Using this avenue, a product company
can see benefits of an unbiased view of potential products and services, but there are certain patterns to ensure the desired results. According to Murphy, “Of the many pitfalls of qualitative research, recruiting the wrong people and failing to provide participants the right tools are the most prevalent.” (As cited in Kern, 1997). Keys to a successful focus group involve open-minded and creative participants, and a mediator who knows how to bring out these characteristics. Preliminary questionnaires and warm-up exercises for the mind are said to be helpful in determining the quality of the focus group. Murphy reminded readers that the goal of such groups is not to find out if something is simply good or bad. The goal is to find out why people think the way they do and discover what appeals to the masses. The author also cautioned that while this process can answer many questions for a company, it could also lead to many more questions. The company involved would need to be open to further research if this were to occur (Kern, 1997).

Companies appear to be following Broome’s and Murphy’s logic. Author Sonia Reyes described steps taken by larger companies in order to effectively communicate to consumers, based on current lifestyle trends. Reyes gives numerous examples of such actions. In television commercials, Prego pasta sauces can now be seen poured over a dish of chicken parmesan instead of pasta. Also, food products that have always been low in carbohydrates are now being advertised as such, although it has not been an issue previously. This is all in response to the Atkins Diet trend. In her article, Sonia Reyes quotes Merrill-Lynch food analyst Leonard Teitelbaum as saying, “Companies are pruning brands and SKUs to focus on growth drivers” (qtd. in Reyes, 2004). The conclusion was that the large companies will continue to market towards the proven trends, having seen few drawbacks (Reyes, 2004).

Melissa Allison showed that not all companies, however, such as Proctor & Gamble, U.S. automakers, and Starbucks, believe that third party research is the answer (Allison, 2006). There is a market for those companies wishing to make it a little more personal. Allison, of the Seattle Times, reported on companies preferring to use non-traditional routes to communicate with potential consumers, or as the companies like to call them: the community. Sponsoring local events and awareness campaigns, along with Internet advertising amount to far less advertising dollars being spent each year. Using this approach, companies can spend almost 10% less on advertising than those who prefer television or other mass-market options (Allison, 2006). Ed See, CEO for Marketing Management Analytics said: “At the end of the day, advertising has been a poor substitute for community communication” (qtd. in Allison, 2006).

According to a recent method study, some smaller companies are attempting to use a new method of external communication called Continuous Research Marketing (CRM) (Goff, Harding, Shah, & Singer, 1998). In the article titled A new way to reach small businesses, it is explained that this method works to tailor products to each customer by using data files and multiple channels of communication. First contact may be made through direct mailers or Internet websites. A consumer can then contact the company for more information and talk with a telesales representative. If interest continues, a sales team professional will complete the sale. Data used from the calls will help determine what worked and what did not. Companies can then design products or offers tailored for a specific region or customer group. It is these researchers’ contention that reorganization of a company’s sales department may be necessary. Sales teams will be released from lower-end tasks since direct mailings will perform the same function.
These mailings will indicate consumer interest by the calls generated, and the sales team need only follow up on warm leads with more potential for sales. The authors of *A new way to reach small businesses* do concede that success rate data for small companies is almost non-existent due to the reluctance of said companies to take on such a process. Whether it is due to staffing numbers, data availability, cost, etc., few of the nation’s smaller companies have felt the benefits outweigh the drawbacks (Goff, Harding, Shah, & Singer, 1998). Author Melissa Allison exhibited this point in Brad Stevens, chief marketing executive at Starbucks. He is convinced that it is the personal touch that makes the difference in marketing and that is why their strategy is “not a preplanned message that I think consumers often times have blinders to. This is a real thing that happened. It's intriguing, it's fun…That's why I think it's more valuable. It's just more authentic” (qtd. in Allison, 2006).

According to the previous literature, whether a market analysis is used to determine current trends or a focus group is used after a product launch, market research is vital to effectively communicate with potential consumers. Television ads, local sponsorships, and other non-traditional forms of advertisement will all be tailored to consumer needs and wants. Companies have their choice of data collection methods, amount of advertising monies spent, and forms of communication media.

## Creative Marketing

Creative Placement: Recent research on creative marketing suggests that creative placement plays a major role in successful selling. According to Vosburg, analyst, (1998) placing a promotional item away from the point of sale or interest will distract customers and lose their interest (p.35). An example of creative placement would be to provide a sample or demonstration of your particular item near or around where you want the customer focus. One such focus discussed by Vosburg (1998) is to place an item where it effectively sells and keep items consistent in their placement (p.35). Not only is the flavor of pastries important according to Leahy (2006), but “for many customers, appearance and freshness are also important” (p.30). According to Leahy (2006), Chang, owner of Flour bakery, trains his staff to visualize the pastry case by having them look at it from the customers’ perspective and when a tray is empty he has them revisualize it to make the case have a more aesthetic appeal (p.31). Overall, the authors have mentioned that placing products in an appealing and easy to find way can contribute to successful sales.

Creative setups: recently published literature on successful sales indicated creative setups are useful in attracting sales. As Kent Davies, a management author, discusses (2005), “Creative demos can gain converts for almost anything” (p.10). He goes on to give an example of a Seattle based outdoor recreational retailer setting up a shower booth to let customers test raingear (2005, p.10). According to Martin Lindstrom, advisor to Fortune 500 companies, not only should you consider physical sources to create a setup that will attract customers, but you should also try using the five senses to create an image (p.12). Lindstrom (as cited in Murtagh, 2006) goes on to say, “Scent is capable of evoking images, sensations, memories, and associations. How can the business introduce a pleasant sense of smell to your products or services?” Not only should you consider products customers haven’t tried, according to Saddler (2005) offering healthy food
with a “healthy” drink helps promote sales (p.10). To increase customer awareness and knowledge setups with the product can help to increase sales; it gives them a chance to sample the new items before committing to a purchase. The use of creative setups plays an important role in sales of product.

Gathering Ideas Internally: Recent research and literature suggests that gaining insight from employees and other non-managerial sources can be useful in making a business more successful. Gaining ideas for setups and placements don’t necessarily have to come from management. As Kent (2005) describes, “You don’t have a monopoly on good ideas, and you’ll be the loser if you don’t tap into your team’s and customers’ insights” (p.10). He further states that viewing problems as opportunities and determine why current customers continue to be a part of your services. Mautner (2006) believes that gathering ideas should be done on a problem solving basis; “ask your employees to what problems they encounter while doing their job. Once the problem is identified, start using an action team.” He goes on to say that the four weeks would be broken down into: understanding of problem, analyzing problem and trying to try new ideas, gathering information, and giving final recommendation and implementing ideas. Mautner in an article in Ceramics Industry suggests that the team’s tasks should be separated and broken down into several steps to solve the addressed problem (p.10). According to Mautner (2006) part of the team writing process should be as follows:

The next role in the team that must be defined is the scribe, who is responsible for capturing the information that is brought out during the meeting, and, in particular, noting the assignments that team members are given during the meeting. These written minutes, with assignments, should be distributed to each member of the team within one day of the meeting so everyone knows their responsibilities for that week. (p.10)

According to the authors, gathering ideas from your employees can be beneficial in gaining vital information on what is and isn’t working, as well as gaining ideas on how to improve current strategies.

Health Concerns

Recent publications have shown that more and more people are becoming more concerned with health issues. “According to 2003 health studies, one of every three Americans is obese” (Reyes, 2004, p.3). Even manufacturers themselves are taking charge and letting people know what’s in their food. Elizabeth Weise from USA Today states that “manufacturers aren’t waiting for federal law to take effect that will require them to list heart-hazardous trans-fatty acids on food labels” (2004, p.1)

Trans-fatty acids

Trans-fatty acids are the worst possible ingredient included in a diet although sometimes they can’t be avoided. Elizabeth Weise from USA Today claims “manufacturers have been required to list the amount of trans fat on food labels which started January 1, 2006. It’s common in pastries, cakes and doughnuts, margarine, cookies, crackers and fried potatoes” (2004, p. 1).
Weise states that trans-fatty acids, or trans fat, are created when vegetable oil is hydrogenates. She claims that “it is a process in which liquid oil is heated in the presence of a catalyst, often a metal such as nickel or platinum, while hydrogen is bubbles through it” (2004, p.1). According to Sonya Reyes from Brandweek, “consumers have clamored for smaller portions and the eliminations of harmful trans-fat” (2004, p. 3). Mike Jacobson of the Center for Science in Public Interest says “Gram for gram, trans fat is probably the worst thing in our food supply. It’s extremely conducive to coronary disease” (as cited in Weise, 2004, p. 1).

Low-Carb Trend

The low-carb trend has been around for quite awhile and has grown by leaps and bounds. Sonia Reyes from Brandweek states “with consumers looking for ways to solve weight problems, the concern over fat consumption, largely eschewed the 1990s returned and are driven by high protein and the low-carb trendy Atkins diet” (2004, p.3). Instead of counting calories, a push was made to look at carbohydrates. “The diet spawned a stream of copycats and, in the process, an anti-carb industry was born with marketers and specialty producers rolling out everything from bars, cereals and breads to ketchup and ice cream” (Reyes, 2004, p.3). Authors Madden, Mussey, Hall, Tungate, and MacArthur from Advertising Age states that when McDonalds tried out premium foods, they “sold briskly, driving a second quarter same store sales gain of 4.9% in the U.S.” (2003, p.4).

Healthy Alternatives

There are many healthy alternatives to trans fat in the consumers’ diets. “One popular substitute from hydrogenation is made from a sunflower variety called NuSun, propagated using traditional methods, it is stable without hydrogenation” (Weise, 2004, p. 1). “Now, soybean breeders are working on varieties that won’t require hydrogenation” (Weise, 2004). Many restaurants have “focused on their menu and centered on premium, wholesome snack foods appealing to the on-the-go lifestyles” (Madden, Mussey, Hall, Tungate, MacArthur, 2003, p. 4). Authors from Advertising Age state that “McDonalds has had back to back successes with premium salads and McGriddles breakfast sandwiches” (Madden, Mussey, Hall, Tungate, MacArthur, 2003, p.4). Trans-fat labeling is also something being brought to the table. According to Weise “the FDA estimates that three years after the effective date, trans-fat labeling will prevent 600-1200 cases of coronary heart disease and 250-500 deaths each year. It takes about three years for lower LDL cholesterol to result in lower coronary heart disease risk” (2004, p. 2).

Clearly, several authors continue trying to stress the importance of health. Showing that many different restaurants have had much luck in changing their menu to higher quality foods is greatly improving their sales while also showing the public they are interested in more than just money. They also show that they are concerned about the public’s health.

Gender Specific Advertising

The literature on advertising points out the importance of specified advertising with being able to sell the product, while maintaining profitability. For example, according to Nancy McCue, some
companies have subtle ways of having gender specific products. Fast food restaurants are a good example of this: “Wendy's serves baked potatoes for the women and doubles and triples for the males” (1996). Other studies have shown that using a “scatter gun approach can be unsophisticated”, according to The Affiliate Marketing Report in 2004. The “scatter gun approach” is when the advertising is “opening the field to everyone” (2004). When asked Hoke Communications Inc. said, “the use of gender-specific words is becoming popular”.

“Communication is an adventure in the art of word-use” (Lewis, 1991). Using words in advertising can be tricky, but when used correctly they can serve wonders. According to Herschell Gordon Lewis, there are points or guidelines to be followed when using force or power communication. “The more the dynamic the message, the smaller the differential between masculine and feminine” (Lewis, 1991). The meaning behind this rule is that when choosing words to represent masculine or feminine there are ways to still make use of unisex words. When choosing words for an advertisement what seems to fit may not be the best. “Flawless is a positive word, in usage” (Lewis, 1991). Herschell Gordon Lewis states, being aware of word choose is the most important part in advertising. Whether the goal is directed more towards men or women will determine the correct words.

“Targeting has matured over the past four or five years” (“Affiliated Marketing”, 2004). There didn’t used to be a huge rush to advertise toward a particular demographic. Advertisers were promoting their product to any one, “scatter gun affect” (“Affiliated Marketing”, 2004). “The more discriminating they [advertisers] are, the more they will be able to reach a particular group” (“Affiliated Marketing”, 2004). Narrowing down the group that is going to be the target will be helpful in deciding what is the next step for the product to be known.

“Men and women perceive flavors and tastes differently” (McCue). Males and females are “programmed” differently from birth. Whether it’s what type of toys they play with to what colors they like, to what they eat. “Females are trained to be watching their weight, and are eating lighter far from earlier on than males” (Pliner, cited in McCue). Women are looking for the words that relate to staying thin and being cautious of their weight. Color is the most important element when designing packages or labels. Men prefer darker more rich colors while women like lighter, fresher looking color according to Howard Alport, a principal with Lipson, Alport, Glass and Associates. This is an important aspect to keep in mind when displaying products at a store. The colors will catch the consumer’s eye depending on placement and how much of each color is available.

As the authors have stated in their literature, men and women have different ideas of what they should be eating. Advertisers must be aware of who they are trying to sell their product to. That way the sales will be higher and people will be getting something they want as well.

The Values of Up Selling

Many authors offer their opinions on effective ways to up sell. For example, Will Shanley of the Denver Post states in his article that, “Up selling is also known as suggestive selling or point-of-sale advertising. The line, “do you want fries with that?” is perhaps the most well known
example" (Shanley 2007). The value and practice of just asking customers simple questions goes a long way. “We suggestively sell to everyone” (Shanley 2007). This practice is very important to every kind of business out there, especially restaurants and coffee houses. The example above is just an idea of how a local fast food joint might possibly up sell a product. Simple questions during and at the end of purchases is definitely key (Shanley 2007). He goes on to say, “You have to be careful, said Knox, who uses the technique in Internet marketing. You need to know your customers” (Shanley 2007). Up selling is also known as suggestive selling or point-or selling advertising. “Marketing experts say up selling is a quick and easy method for companies to generate additional revenue by suggesting to customers items they didn’t set out to buy” (Shanley 2007). Shanely also brings the idea that even though up selling is legal throughout the United States, there are some instances where the public looks down on up selling (Shanley 2007). For example, “Trail Daughtery, a spokesman for King Soopers, the state’s largest grocery chain by market share, said a store up selling cigarettes is “inappropriate” (Shanley 2007).

When mentioning possibly up selling cigarettes, the public was appalled. Simple tasks like going into a gas station, and being asked if they want cigarettes with their gas, who would actually think this was an intelligent idea? (Shanley 2007) Nowell Wisch writer of Wearable Business, states this about up selling. “Don’t make up selling difficult to employ. While we frequently mistake the concept of up selling as taking advantage of my customer, we actually should look at it as a way of maximizing the customer's opportunities” (Wisch 2007). Wisch went on to say that companies need to be able to convince the customer/audience that the company is looking out for their needs and what’s best for them, instead of what would be good for the business. Looking for ways to up sell your product, but help your customer’s images as well, will increase your profits as a whole. (Wisch 2007) Margaret Sheridan of Restaurants and Institutions has a lot to say about up selling as well.

When up selling is done with intelligence and motivated by a sincere desire to elevate the guest experience, both diner and operator benefit. Ensuring that staff is deft rather than devious requires training that emphasizes the essential value of what is being sold. "Make it hospitality-driven, not sales-driven," says Heather Thitoff, director of training for Columbus, Ohio-based Cameron Mitchell Restaurants. (Sheridan 2005)

Just using the simple question of “have you been here before” and using hospitality, can really win your customers over. Another idea that Sheridan offers is to “Offer incentives to upsell. Conduct sales contests and award servers with coupons, gift certificates and discounts” (Sheridan 2005). If your employees are happy and getting rewarded for their dedication and hard efforts, then they’re going to work even harder to up sell more products so they can be praised more often. (Sheridan 2005). “Dirty props and smudges on menus, inserts and table tents are turn-offs, says Jeffery Elsworth, assistant professor at The School of Hospitality Business, Michigan State University, East Lansing. "Dirty doesn't sell anything. Use menus and props as marketing tools. What drives sales are people with a desire to improve the guest experience" (2005). Another author for Business 2.0, Katherine Heires, says, Setting a desire in people to actually buy your product makes up selling much easier and the job of up selling more enjoyable. (Heires 2006).
**Conclusion**

In sum, the literature agrees that each of these subtopics is crucial and should be considered when trying to increase pastry sales and reducing mark outs. Without attention to these particular aspects, Starbucks store #7989 may find it difficult to generate pastry sales and reducing mark out percentages.
Appendix C

References


