Monal - An Overview of Marketing Practices

Monal

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Abstract: Being the first fine-dining restaurant at an unconventional location, the Monal restaurant with a wide range of authentic Pakistani cuisine deeply embedded in the diverse culture of the country. The business can be termed as well thought out model that has taken full advantage of the original restaurants’ popularity and has continued to build on it to scale new heights. Mr Luqman Afzal as a sole proprietor of the business gained a single investor’s confidence in the project’s success, and to make the biggest commercial restaurant success in the history of Islamabad. This case study explores the marketing and value chain of The Monal; what are their marketing strategies and how it provides value to its customers. What are the attractions of their business model and their business performance that made Monal to secure awards from leading culinary institutes? What are the success factors that have led to its success; what are the challenges that company faces on day to day basis. The case study also discusses about their direct and indirect competitors. Finally the future plans of the company and key learning points are also discussed with few recommendations. The case has provided an opportunity to learn about Monal’s functions and operations extensively. It may serve as a learning case for entrepreneurs seeking business opportunities in the restaurant industry.

INTRODUCTION

Sitting atop Potohar, snuggled alongside the immaculate Margallas, and gazing over the plains of Lahore and Peshawar, the brick and mortar of Islamabad may be new-fashioned, but its traditions and culture are rooted in the centuries of history that have opened between the ranges of Bolan and Khyber and the basin of Mehran. In innumerable ways, The Monal – named after a pheasant of exquisite and rare beauty residing a little further north – quintessence this fusion of the ancient and the modern. Located at a height of about 1173 meters above sea level, the resort is a touch of modernity set in a rustic idyll, also outfitted with modern amenities but offers an ambience cultured by legacy.

Monal is the brainchild of Mr Luqman Afzal, a LUMS (Lahore University of Management Sciences) graduate with majors in Economics who participated in a bid for a restaurant project at Pir Sohawa, Islamabad. With his thirst for entrepreneurial ventures, Monal has undoubtedly

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been an inevitable success that changed the course of his life. The location of Monal allured Mr Afzal despite Islamabad being a new venue for his venture capitalism. After the official possession, Luqman knew exactly what he wanted for the place. Based on the theme of his Lahore dhaba (a term for the make-shift traditional restaurant), he envisioned a world-class, fine dining establishment which would perfectly replenish the needs of people who would travel so far, or end up at the place from a perilous climb. The agreement that was followed through between CDA (Capital Development Authority) and Luqman Afzal was set for fifteen years since the induction of the contract which is based on a monthly rent. Mr Luqman Afzal is the sole proprietor of the business given his inability to gain a single investor’s confidence in the project’s success, which to the surprise of all of them is the biggest commercial restaurant success in the history of Islamabad.

BUSINESS OVERVIEW
Monal prides itself on being the first fine-dining restaurant at an unconventional location and has currently expanded its domain to other notable locations as well. It started out as The Monal Restaurant offering a wide range of authentic Pakistani cuisine deeply embedded in the diverse culture of the country, producing one of the finest ranges of culinary dishes formed by the blend of indigenous aromas and flavors with culinary bequests from Central Asia, Persia and Arabia, as the many cultures, tribes and people merged over centuries. Moreover, it opened the doors to the public with the Monal Tree House offering customers a taste of Italian and Continental cuisines too. The seven terraces at Monal – Indigo I - VII open onto the alongside valley and its crossroads, bestowing a stunning soaring view of Islamabad.

Seeing the commercial success of Monal’s Pir Sohawa location, the brand was launched at different locations, each based on a unique setting and catering to the public’s inglorious demands. With the advent of two locations called Monal Downtown in Saddar and the only restaurant to acquire the fifth floor of Centaurus Shopping mall in Islamabad, the brand positioned itself in order to encompass the nearby surroundings in its view footings providing yet again, views setting the restaurant apart from local branches. The success story of the restaurant reached far and wide as the restaurant opened its doors to the public of Lahore in later 2015 on the pristine 10th floor of the Parking Plaza Lahore; an attempt made by Mr Luqman Afzal to provide citizens of Lahore with the view of their city as well. Furthermore, Monal has also acknowledged its commercial success in terms of flavour and extended its business horizontally by venturing into two Wedding Marquees and provide catering services separately as well. The business can, therefore, be termed as well thought out model that has taken full advantage of the original restaurants’ popularity and has continued to build on it to scale new heights.

MARKETING AND VALUE CHAIN
Monal gauges a significant niche market for its business sustainability purposes but, over the years, it has diversified its target population portfolio in an attempt to reach out to the masses. Following the BTL marketing strategy of billboard advertising in the months of heavy traffic like Ramadan and Eid, they inform the public about their deals. However, Monal does not believe in heavy advertising as the company comprises of effective PR representatives who convey the message to their existing diplomat clients through emails and memos. The company, however, relies on positive word-of-mouth strategy as the managing bodies of
Monal say so themselves that, “Our food is the representation of our marketing and the flag-bearer of grabbing potential customers”. It provides value to its customers by an internationally qualified team of culinary experts who receive training on a regular basis and are well-equipped in dealing and managing the high stature of their clients. In addition to this, word of mouth has been one of Monal’s unique selling propositions with picture and videos of mouthwatering food being shared across social media platforms by customers serving as a key means of attracting new customers. Monal upholds high-quality standards and conforms to ISO 14001.

BUSINESS PERFORMANCE AND IMPACT
Monal’s establishment as a brand that is forever etched into a customer’s minds is a testament to its astounding business performance that has stretched far and wide in Pakistan. As people from all areas and places come by to have the taste of the finest meals and the view, it is safe to say that the level of business etiquette exercised at Monal is very high. The impact it has had on the customers remains like no other. Monal is a renowned dining location not only in Pakistan but has maintained a well-likeable situation in the neighbouring states and some international states, as well as diplomats all around the world, are treated to this heavenly embodiment of flavour and palate. In the words of the Indian High Commissioner (2015), “I have not seen a place with a better location coupled with a smorgasbord of dishes in the entire subcontinent in such a short time. Truly Monal offers their customers something more valuable than a dining experience that craves them into wanting and coming back for more”. Monal like any other successful business has not only used its resources to the best of its abilities but has also managed to exploit its picturesque location to attract customers from far flung locations. Such is Monal’s business performance that over the recent years, restaurants have begun to spring up in the vicinity looking to emulate Monal’s business model; however, none of them has been able to offer serious competition to Monal. Monal has had not only a strong impact in the restaurant industry but has also made its presence felt in the catering industry ever since it stepped into the domain of catering and event management with the start of Monal Marquee. Numerous accolades, recognitions and awards won over the course of years are a testament to Monal’s exemplary performance. The accolades contain awards from leading culinary institutes of Australia, India, and South Korea.

CRITICAL SUCCESS FACTORS
Monal is one of the most successful restaurants in Pakistan. There are certain factors which have led to its success. Monal has been involved in projects that are directly linked to its mission and vision statement. One of the major factors for Monal’s triumph is its unique location. It must be noted that even after expansion, all of the restaurants falling under Monal’s umbrella are located at exclusive sites. The prime location from where the project started off was that of Pir Sohawa. The location has played a huge role particularly due to its scenic view that has contributed immensely towards the restaurant’s popularity. The company has cashed on its location by providing its target market with a complete package that encompasses ravishing food and an exceptional location. Monal accomplished their first main objective by launching a four-star restaurant at a location where they were facing problems related to the provision of basic necessities like water, electricity and gas yet they were able to maintain their standard by remaining stern in their fight against these challenges. Monal has since opened up restaurants in cities such as Rawalpindi, Islamabad and Lahore. The company majorly focuses on the top locations so that their customers can enjoy the view with delicious food. Monal has
launched their restaurant in Sadar, Rawalpindi which is located on the top floor of the plaza which fascinates the customers of Rawalpindi because they can enjoy a complete view of the city. Similarly, in Lahore, their branch is situated on the fifth floor of the parking plaza which again is an ideal location for the customers of Lahore. They also have a branch in Centaurus, Islamabad which is also located on the fifth floor of the mall. Monal is the only restaurant situated on the fifth floor of the mall. Monal came up with this unique idea so that they could attract customers who want to have a look at nature while enjoying the vast variety of dishes that Monal has to offer. Another key success factor for the company is the traditional food that they offer. Monal offers traditional food with their speciality being BBQ for which people come from distant locations. The taste and quality of Monal’s food have contributed immensely towards its success. In addition to traditional food, Monal also offers Italian, Thai and Chinese cuisines to please customers who are looking for something out of the ordinary.

As it has been often said, “success is a journey, not a destination”. Monal too looks to stick by this mantra and continues to prefer efforts and actions not just to reach to a particular terminus, but also to ensure a fruitful journey along the way. The management at all levels plays an integral role in the success of the company. The essence of Monal’s success is the involvement of CEO in each and every function and operation of the company. The CEO Mr Luqman Afzal believes that in order to lead others and motivate them, it is important for the leader to go forward alone and experience everything on his own first. He is involved even in minor decisions and changes in the company which is why it has gained exceptional success. Monal has become a brand name as it has replaced the name of its prime location which was previously known by Pir Sohawa. It has become an internationally acclaimed restaurant of Pakistan due to its brand name and prime location. Different countries have their landmark restaurants; for instance, Shangri-La in Singapore, Red Lobster in America, and Bukhara in India. Likewise, Monal has become the landmark restaurant of Pakistan. Another key success factor for the company is their trained and experienced staff. Monal has achieved its brand name due to its food which is prepared by their excellent chefs. Their chefs and butlers are well trained and have participated in training/workshops in different countries around the globe. Their staff is also trained regarding cutlery and other table etiquettes. Monal has also expanded their business towards the wedding sector by launching two marquees in Islamabad, one of them is situated in the sector E-11 and the other one is located on the express highway of the city. This business has given them fruitful results as people prefer a renowned brand over the others. The management of Monal believes firmly in hard work. They believe that staying focused and working hard are the real keys to success. The CEO even said that in order to accomplish what you aim for, you just need to keep taking the next step forward with a faith in the heart that you are going to master it.

CHALLENGES
It has been said that a smooth sea never made a skilful sailor. Hence a company needs to have challenges in order to prove its mettle. Monal has faced a lot of challenges, especially in the initial stages of its business. Choosing a location where they had no facility of electricity, gas and water was nothing less than a daunting task. The company faces many day to day challenges that are as follows:

Weather is a major challenge that Monal faces on a daily basis as the weather in Islamabad is very unpredictable. Sometimes the weather is too windy which makes the cutlery dirty.
Therefore, the staff has to be very active in doing their jobs. The operational managers and engineers have hands on approach towards such problems. They make contingency plans according to the weather. Monal’s competitors do not indulge in contingency planning that gives Monal an edge over them. Monal has three risk levels regarding the weather; risk level one assumes a little rainfall for which they plan accordingly, risk level two involves windy weather and risk level three includes thunderstorms for which they ask their customers to wait inside until the weather changes a bit so that their customers can have a good experience.

Weather challenges also create transport issues for the company. They believe that the ingredients must be fresh to prepare the food for which they bring the ingredients one or two days in advance. The unpredictable weather like heavy rainfall makes the roads slippery due to which they need to face transport challenges. The vendors and suppliers are the ones mostly affected by this.

Moving forward, Monal is the only restaurant on Margalla hills which has achieved a brand name. Their customers belong mostly to the elite class, but on weekends they have heavy traffic. They face this problem mostly during rainy weather and on Saturdays. The parking lot and the restaurant become overly crowded and the management needs to manage it accordingly.

COMPETITORS
Every company with challenges also has to deal with its competitors. Monal’s direct competitor is La Montana which is located right next to Monal. They also have the same view and have a good exterior. They are located just 10 Kilometers from the Capital and have the same target market. They are involved in the same type of activities as Monal. The loyal customers of Monal would always prefer Monal over La Montana but the people who are not much aware of the two restaurants sometimes think that they both fall under the same umbrella due to the shared parking lot. Monal keeps their staff well trained so that they can create awareness about their restaurant for those who are new to it. The indirect competitors of the company are the local traditional food offerings for the elite class in Islamabad, Rawalpindi and Lahore. Monal is the only restaurant that is providing fine dining at such a location to the elite class. Their direct competitors in Islamabad are Qishmish, House of Bombay and BBQ Tonight. Monal has set a benchmark for many restaurants in the same industry and it has hands on approach when it comes to dealing with its competitors.

THE FUTURE PLAN
Monal has a very philanthropic approach towards doing business and are planning to engage themselves in activities related to corporate social responsibility in the future. They are planning to expand geographically within Pakistan in similar markets. However, they would not launch their branch in Karachi as according to their perspective it’s a very diverse market with a completely different culture. Since, Monal emphasizes on being flexible and moulding themselves according to the society, they plan to grow and expand in similar markets. They are also planning to give training for which they are thinking to start a culinary institute in Islamabad. Monal targets the elite class; mainly diplomats, and are planning to start new projects that would satisfy the needs of their prime target market. In the future, they believe achieving brand recognition all over Pakistan is their key objective.

KEY LEARNING
This case has provided us with an opportunity to learn about Monal’s functions and operations
extensively. It has helped in understanding the company’s vision and mission statement in a more efficient manner. The case has also been a great help in developing an understanding of the company and their target customers through which anyone could evaluate and assess its performance and success factors. The strategy that Monal follows is an excellent example of running a business in an effective and efficient manner. Some of the recommendations for the company are as follows:

Their target market is mainly the elite class but they also have a pool of customers belonging to the middle-income class who must be recognized. This would help them gain more customers and increase their market share. Monal at Pir Sohawa has an exotic view, so the Monal can utilize their space in an efficient manner by starting a resort. Their target market could then experience a stay at the resort which would set a new benchmark for the companies.

They can also expand and diversify their business like Nishat group of companies which was just a clothing brand but has opened up their own shopping mall. While this might be a farfetched idea, Monal can expand their market share by starting other businesses.

DISCUSSION QUESTIONS
1. Despite maintaining a formidable presence in the restaurant industry across different cities of Pakistan, Monal has failed to tap into the potential market of online food delivery portals. Do you think Monal can look to build on its goodwill and brand name and increase revenue by tapping into the online market or would this lead to distorted perceptions in consumer’s minds?
2. Suppose Monal branches out into the international market. How do you propose they change their strategies from their current ones to fit the international standards?
3. Do you believe Monal’s marketing strategy to be efficient? Make a marketing plan for the company to cater to the wider market.

REFERENCES


BUSINESS CONTACT INFORMATION
This case writing could not have been possible without the information provided to us by Mr Qaiser Mumtaz who is the appointed Senior Manager of Monal currently and also serves as the Personal Coordinator to Mr Luqman Afzal (CEO Monal). His detailed information on the inception of Monal and its challenges to its day-to-day operations was highly useful. We are thankful for all the guidance and knowledge he imparted to us that has been fruitful in penning down the case study.

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