The Pizza Puzzle

**Topic:** Deceptive Advertising

**Characters:**

George Hansen, General Manager, Augusta Marigold Inn, Subsidiary of Hospitality Enterprises  
Sharon Coombs, Food Services Manager, Augusta Marigold Inn

George Hansen is General Manager for the Marigold Inn in Augusta, Georgia. Sharon Coombs is Restaurant and Food Services Manager for the Inn. She reports to George. Two years ago, Sharon noticed a decline in room service business, the highest margin portion of her operation. This decline coincided with an increase in the national sales of pizza delivery and carryout firms as well as an increase in the number of empty pizza boxes from these firms being left in guest rooms in the Inn. Her immediate response was to install a pizza oven in the kitchen and offer room service pizza to guests. The effort met with modest success, though it was well below her expectations. Questionnaires completed by departing guests revealed a problem of product quality.

Focusing on this problem, Sharon improved the Inn’s pizza until blind taste tests judged it at least equal in quality to the products of the two major pizza delivery competitors in Augusta. Sales did not improve, convincing Sharon that the problem was a perceived mismatch between the hotel’s image and guests’ expectations of pizza makers. Guests simply did not seem to believe that the traditional steak and seafood restaurant at the Inn could make a high-quality, authentic pizza. Based on this conclusion, Sharon presented the following proposal to George:

“Sales of room service pizza are stagnant due to guests’ misperception that our product is lower in quality than that of competitors. This misperception is based on the belief that until we disassociate our pizza from the Marigold Inn name. Therefore, to capture more room service pizza business, we should create a ‘Napoli Pizza’ image for our guest room delivery service by:

- Preparing ‘Napoli Pizza’ brochures for each guest room, complete with a phone number with a prefix different from that of Marigold Inn. The number will reach a special phone in room service, which will be answered, Napoli Pizza, authentic Italian pizza from old, family recipes.’

- Using special ‘Napoli Pizza’ boxes for delivering room service pizza to guests.

- Issuing ‘Napoli Pizza’ hats and jackets to room service personnel for use in pizza delivery. Room service waiters and waitresses will wear these garments to deliver pizza. They will change to their regular uniforms for other deliveries.”

How should George respond to this proposal?

**Author:** Fred L. Miller, Associate Professor of Marketing, Murray State University