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Marketing Research

Philosophy of Marketing Paper

11/29/2012

In 1895 a man by the name of George Washington Vanderbilt constructed a lavish 250-room estate in Asheville, North Carolina. George Vanderbilt was a relative of the famous railroad tycoon, Cornelius Vanderbilt, so it is easy to understand the need to display excessive wealth within the Vanderbilt family. At its time the Biltmore Estate became the largest residence in the United States and has blossomed into a very profitable private business through product extensions and effective marketing within the last forty years. With the implementation of income tax it limited the amount of money that could be obtained so it made sense that a portion of the estate needed to be donated and the residence needed to undergo changes. Roughly 80,000 acres were donated to become the first national forest and school of forestry (Biltmore School of Forestry). The grandson to Cornelius, A V Cecil, now known as “Mr.C” noted this and turned the estate for a profit which had been losing $250,000 a year up until the early 1960’s. He is currently the chairman of the board due the adequate turn around he forced upon the business. In current years they are estimated in market value to be close to $120 million with their products ranging from their tours, winery, 213-room inn, “Your Home” home furnishings, garden and estate club memberships, conservatory, newly restored banquet room, biking/walking/horseback trails, special events, and restaurants. The Biltmore Estate uses a situational analysis using the 5C’s, STP for strategy, and the 4P’s for a positioning strategy to exceed customer expectations and develop a successful marketing department.

The 5C’s are contained in the situational analysis for analyzing their business and the market that surrounds them. The five C’s are as follows: customers, company, context, collaboration, and finally competitors. It is important to know your customers so you know who to target and how to target them. For the Biltmore it is primarily local Asheville residents and wealthy traveling individuals. The reason they need a local demographic is so they can have a frequent cash flow from garden/estate memberships and a heavy flow of foot traffic for their restaurants and gift shops. The tourists are equally as important since they supply the Biltmore with a lot of revenue in a short amount of time seeing as how their stay is limited. This is one of the more considered pieces of the 5C’s for the Biltmore Estate since it is a tourist attraction and thrives on customer satisfaction. In one personally conducted testimonial the responder stated, “One smart thing they do is situate you comfortably, and then once you have relaxed, offer you fine dining, a spa, activities and tours. One is more inclined to acquiesce to such offerings when in vacation mode. In other words, one's grasp on one's purse strings loosens up after being coddled. I think of the Biltmore as a fantasy experience, akin to Disneyland.”[[1]](#footnote-1) This is something that would be important to know being a marketer of the Biltmore that way you make them feel relaxed and as if they were actually staying at the Biltmore Estate mansion. This feeling of relaxation will inadvertently make them feel more inclined to spend more money. The second piece of the 5C’s is the company itself. You want to know where your own company stands regarding its strength, weaknesses, and what benefits your company can offer. The Biltmore would want to know things like the most lucrative times of the year and non-lucrative for staffing reasons. It may also effect what products they try to push. Where there are not enough people to push the garden, wines, or tours they may want to focus on the furnishing lines or special events. This will cause them to play their strength and weaknesses in a more efficient manner. Context is another aspect of the 5C’s which the Biltmore name may want to consider since the business is so reliant upon the wealthy and its customers having discretionary funds. Context refers to what is happening in the specific market that may have an influence on future business. For the Biltmore it may be something like a rainy month, recession, or natural disaster that could affect their business. It is vital for the business to know this since they are involved in many evolving industries. The ones that really play a factor in projected revenue are the economy in general, tourism and home furnishings. These are the three biggest context factors since they generate the most profit for them. The fourth issue in the situational analysis is the collaboration which is the company’s ability to increase productivity through business-to-business transactions. One of the newest attributes is the Belk furnishing line, “For Your Home”, based off of Biltmore Estate garden and home décor. The, “For Your Home” licensing offers home furnishings and decorative accessories, inspired by the collection of George W. Vanderbilt's French Renaissance chateau in North Carolina's Blue Ridge Mountains in the late 1890s”[[2]](#footnote-2) , this implies the brand is licensed which creates free publicity for the Biltmore Estate and benefits both parties. This advertises the Biltmore Estate through the licensing agreement which creates free advertising from the Belk product. The Biltmore is an intriguing aspect of collaboration since, in essence, they collaborated with themselves. From the winery, inn, tours, school of forestry this privatized business has managed to self-sustain itself largely due to “Mr.C”. This is why they are able to keep it private and within the family. This brings us to the final C and that is competitors. Competitors are the other companies in the same market who may act upon their strengths, weaknesses, actions, or even lack thereof. Biltmore Estate would be in competition with several travel destinations that are surrounded by historical landmarks. These would include things such as Hearst Castle, The Breaker and other northeastern Vanderbilt residences, Gettysburg, and many other places similar to those listed. There are numerous competitors due to the fact there are a large amount of historical travel destinations. In essence they are all fighting for the market involved with “landmark” tourism and site seeing. From these 5C’s it is becomes clear how an analysis of their business can reflect the success of the marketing strategy and what changes will needed to be made and what is working efficiently. Knowing the 5C’s will enable a business to position itself within its market and will create a strategy by creating tactics that will benefit the growth of the business and its overall product life .

When a company creates a strategy for marketing they use a formula that encapsulates segmentation, targeting, and positioning. Seeing how people do not have the same level of resources and wants it is understandable that the Biltmore marketers have to appeal to a specific crowd. This crowd is known as the market segment. This is deciphered by the wants, preferences, and income. The Biltmore’s segment is primarily local residences, wealthier tourist, and those with a divine interest in the Vanderbilt/Biltmore legacy. This is even evident by people in the segment as one interviewee asserts that it “Seemed to be mostly families and older folks that are interested in learning about either architecture, landscape or the good ol’ days.  Seemed to be a fairly “non-diverse” group from a racial standpoint.”[[3]](#footnote-3) From this one can assume they target those who are interested in the historical landmarks and those who enjoy architectural and outdoor beauty. Rather than going after the entire site-seeing demographic they have limited it to well-off people who are willing to appreciate the Biltmore and the North Carolina locals surrounding it. This is opposed to the tropical resort destinations or the stereotypical “summer drink in hand-tropical-get away”. Positioning for the Biltmore is significant since they want to make the positive attributes very obvious to their intended target market. Chief financial officer of the Biltmore stated that M.C. “was always looking for a product we can be proud of and make money with--like our wine business.”[[4]](#footnote-4) This statement shows they care for their customer, product, and public image. They do this by presenting the Biltmore as more than just a tourist attraction. They make it feel like you lived in the Biltmore Estate for that tour, drinking the wine, or walking the gardens. One of the responses from an interview displays this by claiming that, “While the building isn’t that old, it has the feel of “old money” through the classic design and layout.  The size of the building is almost impossible to ignore.  Perhaps the most distinct part of the estate to me was the feeling that I was personally in attendance to Vanderbilt’s private dinner party in a large eating room that felt like the hall of a castle where an army would eat its meals.”[[5]](#footnote-5) This signifies that they have a very effective form of positioning. They intend on the visitor having an experience rather than just purchasing a product or enjoying the elegant scenery. They propose that you can feel as if you have gotten a taste of what George Vanderbilt did when he had lived there while still enjoying a Biltmore related product. From the segmenting, targeting, and positioning they are able to conclude tactics that will more the business forward.

When looking at positioning the 4P’s are one of the most crucial aspects to create tactics. The 4P’s include product, price, place, and promotion. The Biltmore Estate has one of the most dynamic strategies. The product itself is the Biltmore Estate but in that includes the wine, “Your Home” furnishings, memberships, the inn, and the restaurants. They are using the name to create a heavy placement of new product development. Before Mr.C took over they lacked a form of revenue until the 1960’s when he realized , “The estate’s vineyards and prize winning winery, walking and riding trails that meander for miles, scenic vistas, and varied restaurants and shops provide a delightful respite from modern life, especially captivating for guests who stay at the Inn on Biltmore Estate. A sense of serenity descends as visitors move through the three-mile long approach road toward Biltmore House at the heart of the estate, and Vanderbilt hospitality takes over.”[[6]](#footnote-6) It was this point in time the Vanderbilt descendants capitalized on the estate and the extent of its potential product extensions. The next P is price. The price of an item is variable since it is cohesive with what the individual is willing to spend during their time at the Biltmore Estate. They could spend a considerable amount of money due to the Biltmore’s new rendition of a barn that will be used for exclusive events, inn related expenditures, wines, food, tours (roughly $70 per person),or even the simplistic purchase in a gift shop. The price is really up to what the consumer is willing to spend for the person getting the Biltmore experience. This is a large advantage for the Jerry Douglas (head of marketing) and the Biltmore business. The place is in a scenic area of North Carolina located in Asheville. The Asheville area has been ranked highly in a lot of aspects some examples include: “Trip Advisor ranks Asheville #1 for Top Fall Foliage Destination, Asheville is Beer City USA for Second Year, ranked #1 by American Style Magazine for Top 25 Small Cities, and ranked #21 by Forbes.com for Best Places for Business and Careers, #10 for Cost of Doing Business.”[[7]](#footnote-7) This is what drives tourist and locals to the estate. From a marketing standpoint it is easy to get people in the Biltmore with attributes like that solely based on the location rather than the product itself. The products the Biltmore sells are easy accessible when walking the grounds of the garden and Vanderbilt’s home since it is flooded with gift shops with Biltmore on-site concocted wine, restaurants, and membership registration booths. Their promotion is present through varies mediums. One of the more prominent forms was from a travel channel show that featured Samantha Brown onsite discussing the Biltmore. The others forms of advertising were word of mouth, creating seasonal events, and advertising in magazines such as Forbes. They also have a presence on social media networking sites such as Facebook and twitter where they reveal special seasonal events, foods, and their winery. From this the Biltmore is able to understand how their strategy will develop their tactics. They know their target market which allows them to advertise more successfully which creates the ability to change their tactics involved with product, place, price, and promotion. Though it may seem as if there is a sense of bias regarding this product they are demonstrating their effectiveness through the reviews on websites and Facebook. Regarding the Biltmore Facebook, the first picture I clicked on page had three visible reviews they were as follows: “wedding party stayed at the Biltmore inn. A fabulous place, fantastic food, excellent Biltmore wines......”, “it cost 70 buck a person but it was awesome I live in Waynesville we went at Christmas way too crowed I’m going back in the spring”, “I am amazed at how many Americans -- including locals -- have not visited this BEAUTY ! It is like being in a French Cjhateau...even better for it offered amenities nobody there expected to have in the turn of the century....like a very early form of Central Air Conditioning ! Unbelievable. I am planning to go back and visit a second time...a 6 hour drive from where I live.”[[8]](#footnote-8) There were several more reviews that were similar to those stated and could not find a bad review of the Biltmore which is representative of the marketing process they have.

The Biltmore Estate started as a personal home for the famous George Vanderbilt and now has become an icon for those interested in marketing. They turned a failing business into a $120 million dollar revenue generator by successfully marketing their products through the 5C’s, 4P’s, and STP. They noted how the strategy would drive tactics. They noticed this by marketing the Biltmore Estate as more than a brand but an experience while still holding the essence that George Vanderbilt intended. They turned this failing business around through new product development and keeping their integrity as a private business. The initial product was the estate itself and through Mr.C and his successful marketing he has created lucrative product lines through this single product.

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1. Colette Fey; Visitor of Biltmore Estate [↑](#footnote-ref-1)
2. *Gifts & Decorative Accessories* [↑](#footnote-ref-2)
3. Lawrence Fey; Visitor of Biltmore Estate [↑](#footnote-ref-3)
4. Paying Guest [↑](#footnote-ref-4)
5. Lawrence Fey; Visitor of Biltmore Estate [↑](#footnote-ref-5)
6. A Fine Biltmore Welcome To The 5th Generation [↑](#footnote-ref-6)
7. AshevilleNC.com [↑](#footnote-ref-7)
8. Official Biltmore Facebook [↑](#footnote-ref-8)