

# Analysing gap model on burger king commerce essay



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BUSTER**

The purpose of this assignment is to partially fulfil the requirements for MBA program and address the tasks as stipulated by the assignment brief for unit 19- quality and system Management. It shows understanding and application of key concepts of quality management in relation to its process, models and techniques by applying on Burger King. The assignment produced in a form of a business report.

The report first outlines the using of theories, tools and techniques such as: gap analysis, time lines, and expectations on. This report devotes to various quality management theories and their application on Burger King. The contents of this assignment have been prepared after through research carried out by the author of the report on different organization using the guidelines and solutions offered by reputed authors on the subject of quality and system management. The report concludes on the issue of analysing gap model on Burger King to constantly evaluate its current marketing situation by using options available in line with theoretical framework. A full list of reference used is provided in the end of the report.

## **1. 2 Research methodology:**

Two paradigms related with research methodology that are positivism and interpretive. Positivism is an epistemological position that advocates the applications of the methods of the natural sciences to the study of the social reality and beyond. But the term stretches beyond these principles, though the constituent elements vary between authors. However, positivism is also taken to entail some principles such as: only phenomena and hence knowledge confirmed by the senses can genuinely be warranted as knowledge. The purpose of theory is to generate hypothesis that can be

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tested and that will thereby allow explanation of laws to be assessed. In Positivism, knowledge is arrived at through the gathering of facts that provides the basis for laws. Positivism includes observation and experiments. It normally dominates business studies and does not require thorough justification. In positivism, experimental studies investigate relationship between variables where independent variable is manipulated to observe the effect of dependent variable. Experimental studies confounding variable to obscure the effect of another variable. . Interpretive focuses on interpretation and understanding of text in the context of underlying historical or social forces. It makes a relationship which exists between direct description of experience and underlying dynamics or structures. This report is a descriptive one where interpretive methodology is used. Because by using this methodology the author is trying to describe social world and analyze the culture and behaviour of people from his own point of view. This report was basically contained on qualitative data by taking different employee's interview, using computers and studying books related with topics. The report was administered by collecting secondary data.

## **Task 2:**

### **2. 1 Research analysis and result:**

#### **Company description:**

Company: Burger king

Address:

City: London

Post code:

E-mail:

Fax:

## **Mission statement of Burger King**

**“ Company’s vision is to be the world’s best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile.”**

### **Burger king will meet customer expectations of:**

Highest quality

Leading technology

Competitive pricing

Individual and company accountability

Best-in-class service and support

Flexible customization capability

Superior corporate citizenship

Financial stability

### **About company:**

The name of my company is Burger king. It was founded by 2001 for the purpose of meeting customer expectations. Basically, the company serves

hamburgers, cheeseburgers, chicken products, French fries, breakfast items, soft drinks, milkshakes, and desserts. With related to obesity condition in western nations and in the face of criticism over the healthiness of its products, the company has change its menu to include such healthier alternatives as salads, wraps and fruit. The company's business model is slightly unsimilar from that of most other fast-food chains. In addition to ordinary franchise fees and marketing fees, which are calculated as a percentage of sales?

### **Customer expectation from:**

The company has a aim to continually build its brand by listening to its customers. It also determines the various stages in the marketing process. Customer expects consistent quality from the company.

Its product is not high-quality because it is assumed a premium product, but because it consistently meets customer expectations. If a customer expects a quick, tasty meal in 3 minutes for about 5 bucks, then they know that's exactly what they'll get at Burger King.

For the purposes of playing out the analogy, in Burger king:

Value is served by meeting or exceeding a customer's expectations for a price they are willing to pay.

Quality is providing value consistently over time.

But the customers of are not the same. Different customer expects different things from. Such as:

Customer type

Service

Parents with two children

to give the Children a treat they visits ' s

Children

They considered it as a funny place.

A business customers

Quick service and great taste.

Teenagers

Affordable saver menu.

## **2. 2 Data Management:**

### **PEST Analysis:**

#### **Product and marketing strategy:**

Burger king considered three elements in marketing strategy to be the world's best quick service restaurant: People (being the best employer), Customers (providing them excellence) and System Growth (for owners/operators, suppliers and company).

Burger King is bringing new products, usually for a limited period of time.

Because management find that consumers like different things and different taste as well as a continuation of good products such as big Macs and  
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Cheeseburgers. Also, they are well aware that if has too many products running at the same time then the speed of customer service will deteriorate.

Alongside, doesn't give emphasis on healthier products in response to growing concerns about obesity. Therefore, it is difficult to evaluate the extent to which fulfils customers' demands. According to 2001 consumer survey which is conducted by Sandelman & Associates, was ranked as last out of 60 chains for taste. Statistics that explain cleanliness are not available and therefore the achievement of this objective is difficult to examine. Customer service quality is impossible to assess but it is renowned for being quick. So, there we can find a gap between product variety and customer demands.

### **Ethical stance:**

The company thinks that their ethical stance is a way of considering, caring, and responding to issues within society, illustrating that they are a socially responsive organisation. Their main aim is to utilise and leverage every opportunity to develop the level of awareness and depth of understanding of various social responsibility issues, policies and practices so that they can increase their roles to society

Burger King helps to many charities to achieve and show their commitment to being a good neighbour and partner within society. Despite of this, Youngster sue for Burger king for failing to warn that fast food can lead to obesity), heart disease, and diabetes, which customers are not warned about. This action stress on Burger king goal of ' doing what is right'. Burger

king' apply strategy to overcome this problem is to serve nutritional information about every product it sells, while also putting fruit, salads, and pasta meals onto its menu. This is helping Burger king to transform into its junk food image. Although nutritional information is now accessible, more customers need to be made aware that this information is available.

### **Environmental policies:**

Burger king is now wholly give emphasis to sustainable environmental practices believing in considering for the future generation and not misusing the facilities of today. Burger king's cleanliness is not available and therefore the achievement of this objective is difficult to examine. Wastage is another considerable factor where many companies fail in terms of utilising the available. Burger king is comprehensively environmentally friendly and does reach most of the stated aims and objectives. The goal in terms of 'encouraging environmental values and practices' needs to be addressed more spontaneously to employees and managers similarly as opposed to the specialised Burger king Environmental Management System so that all employees of this organisation can give concentration on its environmental roles. Using this correctly could help the company to develop on environmental friendliness. Also, there needs to be a way of quantifying all necessary environmental data in order to ensure that all employees are accepting an environmental responsibility resource.

### **Financial performance:**

Return on capital of Burger king's stands at 9%, 23% less than Diageo's and 11% less than that of the Yum Brands. Return on shareholders' funds of its stands at 21%, 14% less than Diageo's and 836% less than that of the Yum  
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Brands. The reason the Stock Holder's equity is so low because the fact that YUM has accumulated deficit and loss of income.

The main comparison between Burger king and Diageo, its closest rival, is that their Sales per employee and profits per employee are significantly less at -£233, 405 and -£45, 791 respectively. This is largely due to them having six times more employees.

Burger king hopes to close these gaps by a ' heightened focus on restaurant level execution and marketing'. It can be argued that a reduction in significant item costs and an improvement in worldwide economic conditions will both also help to close the gaps. In fact, Burger king's success will be depend on continuation of their product consistency, better location choices and improved retail business model execution, particularly with regard to the training of employees.

### **Service blue printing:**

They can links on: physical evidence, customer responses, service contact actions, support processes. Burger king can apply some processes for developing the standards:

Identify the existing or desired encounter sequence.

Translate expectation into behaviours or actions.

Select behaviours or actions for standardization.

Set as soft or hard standards.

Develop feedback mechanism.

Set target levels.

Track performance against standards.

Feedback to employees.

Update target levels.

## **Seven marketing mix of Burger king**

### **Product:**

When offering menu items, the important thing is to remember to customers is that they have a choice. They have a huge number of options of spending their money and places to spend it. However, Burger king's places considerable importance on developing a menu which customers want.

Market research establishes exactly what this is. However, customers' demands change time to time. What is fashionable and attractive today may be discarded tomorrow. Marketing continuously monitors customers' preferences. For meeting these changes, Burger king should introduced new products and phased out old ones, and will continue to do so.

Therefore, Care is not only taken to affect adversely the sales of one choice by introducing a new choice, which will cannibalise sales from the old one (trade off). Burger king's knows that items on its menu will vary in popularity. Their capacity is to generate profits will vary at different points in their life cycle.

Action of marketing undertaken and the resources invested will be different depending on the stage a product has reached. For example, a new product launch will typically relate to television and other advertising support. In any time a company will have a products portfolio, where each is in a different stage of its cycle. Some of Burger King's options are growing in popularity while arguably the Big Mac is at the 'maturity' stage.

### **Price:**

Value of customer's perception is an important factor of the price charged. What a product is worth to customers draws the picture of the product on their mind. A product is a physical item and it has psychological connotations for the customer. There are some difficulties of using a product's low price as a marketing tool; the customer may feel that a low price is a symptom of compromised quality. It is very much important when deciding on the price to be fully aware of the brand and its integrity.

### **Promotions:**

It includes marketing communication such as advertising which is conducted on TV, radio, in cinema, online, using poster sites and in the press. Other promotional sectors are sales promotions, point of sale display, merchandising, direct mail, telemarketing, exhibitions, seminars, loyalty schemes, door drops, demonstrations, etc. Marketing communication skill is to develop a campaign which applies several of these methods in a way that provides the most effective results.

**Place:**

The most important element of the marketing mix i. e. price is not just about the physical location or distribution points for products. Price gives emphasis on the management of a range of processes involved in bringing products to the end consumer.

**People:**

Burger king's employees have a standard uniform and McDonalds specially focuses on friendly and prompt and effective service to its customers from their employees.

**Process:**

Burger king's food manufacturing process is completely transparent where the whole process is visible to the customers.

**Physical evidence:**

Burger king s concentrates on clean and hygienic interiors of is outlets and at the same time the interiors are attractive and the fast food joint maintains a proper etiquette at its joints.

The marketing strategy is in place various responsibilities are given to different individuals so that the plan can be implemented. Systems can be put in place to obtain marketing feedback which measure success against short-term targets. Burger king's has to ensure that this is done within the confines of a tightly controlled, finite marketing budget.

## **2. 3 Resource and support:**

### **SWOT analysis of Burger King:**

#### **Strength:**

Detailed market research and the brand to create the right marketing mix.

#### **Weaknesses:**

They have to keep innovating on their service because they are already existed in market during long time.

#### **Opportunities:**

By serving in a quickly and friendly way, number of customer can be increased.

#### **Threat:**

Number of competitors is increased which change customer styles and their taste and demand.

### **Porter's generic strategies:**

At the heart of the Porter's generic strategies is the assumption that the organization will seek to dominate a segment of the market, seeing off all competitors by the excellence with which they serve those segments. Porter recommends 'gaining and maintaining competitive advantage'. Porter's generic strategies are best represented by a triangle which is shown in the following figure:

## **Porter's Generic Strategies**

### **Target Scope**

### **Advantage**

### **Low Cost**

### **Product Uniqueness**

### **Broad**

### **(Industry Wide)**

### **Cost Leadership**

### **Strategy**

### **Differentiation**

### **Strategy**

### **Narrow**

### **(Market Segment)**

### **Focus**

### **Strategy**

(low cost)

### **Focus**

Source: Quick MBA

Differentiation: This implies that the organization purses a strategy where it offers a product or service which is uniquely different from those of its competitors. It also must be known at least as a segment of the market, valued above the offer of others.

Cost leadership: This is a strategy where the organization enables itself to provide the product or service at a cost less than any other competitive organization.

Focus: Actually this is the combination of the differentiation and cost leadership strategy and Burger king follow the focusing strategy. Their strategies are:

Aggressively restructuring to operate profitably at the current demand and changing model mix.

Accelerating the development of new products that their customer want and value.

Evaluating to a new level of performance.

Strong marketing abilities.

Product standards.

Long tradition in the industry

Products making skills

Low cost distribution system

Intense supervision of labour.

Combination of these above policies directed Ford Company to focus on their target product or services at a given market. .

**Financial statement:****Trading account of Burger king for the year ended 31. 12. 2010****£ £**

Sales revenue 8, 30, 000

Less: cost of sales

Opening stock 1, 55, 000

Purchases 4, 30, 000

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5, 85, 000

Less: closing stock - 1, 68, 000

4, 17, 000

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Gross profit 4, 13, 000**The profit and loss account of Windsor gifts Ltd. For the year ended 31. 12. 1996****£ £**

Gross profit 4, 13, 000

Less: expenses

Wages and salaries 1, 45, 000



Rent and rates 50, 000

Heating and lighting 25, 000

Telephone and postage 12, 000

Advertising 15, 000

Insurance 23, 000

Other miscellaneous 35, 000

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3, 05, 000

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Profit before tax 1, 08000

Less: corporation tax – 32, 000

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Profit after tax 76, 000

### **The profit and loss account of Windsor gifts Ltd. For the year ended 31. 12. 1996**

**£ £**

Sales revenue 8, 30, 000

Less: cost of sales 4, 17, 000

---

Gross profit 4, 13, 000

Less: expenses 3, 05, 000

---

Profit before tax 1, 08, 000

Less: corporation tax 32, 000

---

Profit after tax 76, 000

Dividends paid 46, 000

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Retained profit 30, 000

## **Burger king Ltd.**

### **Balance sheet as at 31, December 1996**

£000 £000 £000

Fixed assets:

Premises 350

Fixtures and fitting 80

Vehicles 75

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505

Current assets:

Stock 168

Debtors 120

Cash at bank 45

---

333

Less: current liabilities:

Trade creditors 140

Taxation owed 32

Dividends owed 46

---

218

Working capital 115

Net asset employed \_\_\_\_\_

620

Financed by:

Shareholders' funds

Ordinary share capital

(300, 000 shares at £1) 300

Reserves 100

Retained profit 30

Less: corporation tax \_\_\_\_\_

430

Long term liabilities:

Bank loan 190

Capital employed \_\_\_\_

620

### **Task 3:**

#### **3. 1 Conclusion:**

To survive in such a competitive market place, any company must continue to build a strong relationship between quality standards and customer expectations. And the authority should also concentrate on customer demand. The report comprises of different tasks which outline the application of different methods and techniques such as Porters generic strategy on Burger king and in last part it shows the SWOT analysis and seven marketing mix of Burger king. In task 1, it can be concluded that, <https://assignbuster.com/analysing-gap-model-on-burger-king-commerce-essay/>

Burger king must continue to create strong customer service strategies and give concentration on quality standards and customer expectations. In task 2, the report shows that Burger king should give concentration to increasing the market share in compare to yum brands and Diageo. In task 2, the report gives conclusion of downsizing business system of Burger king. Burger king should attract customer with a credible value proposition and to constantly engage them in ways to that endeavour them to the company. An extensive situational review is required to address these issues and be kept up-to-date with the market developments as well as assess risks to plan business accordingly.

### **3. 2 Recommendations:**

Though there are many difficulties of Burger king in their service operation and quality standards, that and customers of this organizations can face it, but the author can recommend some solution of it. Such as: in task 1, the author find that Burger king can make their service different, improve total quality in service management, identify gap of their service and can give concentration on customer expectations and try to retain their customer.. In task 2, Burger king can provide training to improve its employee's efficiencies but they should more concentrate on customer expectations and standards of quality. In the end of the report, Burger king aim can be utilising and leverage every opportunity to develop the level of awareness and depth of understanding of various social responsibility issues, policies and practices so that they can increase their roles to society but the author recommends that they should give emphasis on their variety of products because more competitor and more imitators are entered into the market. Not only this,

Burger king' apply strategy to overcome the problem of youngster sue, is to serve nutritional information about every product it sells, while also putting fruit, salads, and pasta meals onto its menu. This is helping Burger king to transform into its junk food image. Although nutritional information is now accessible, more customers need to be made aware that this information is available. Burger king's success will be depend on continuation of their product consistency, better location choices and improved retail business model execution, particularly with regard to the training of employees. Marketing continuously monitors customers' preferences. For meeting these changes, Burger king should introduced new products and phased out old ones, and will continue to do so.

### **Limitations of the report:**

The study is not free from some practical limitations. Following limitations have faced during the study and the time of working and data collection:

The author could not collect all the necessary data due to the workload of the employees.

Some desired information could not be collected due to confidentiality of the organizations.

Due to lack of practical experience, some errors might be occurred during the study. Therefore, maximum efforts have given to avoid mistakes.

The time frame of the report was very limited. The report was done within three months.