

Entry into the uk in-flight catering market essay



**ASSIGN
BUSTER**

There are so many reasons why we witness many start-up firms emerged in recent years. The booming of information technology that creates new way of doing business such as dotcom companies, rapid economy growth of a country, and merely people hate the way their boss leads the business could be the underlying reasons for conducting our own firms and becoming rich entrepreneurs of our dreams.

Unfortunately, it is not easy anyway, since we are the boss as well as the owners who should think of how to bring the firms into success, how much we pay our employees that satisfy them, which kind of customers we target, what products or services we offer, when to launch specific product/services into the market, and other things. Stacey van Hooven talks to the CEO Refresher that entrepreneurs are pondering how they could have done things differently (2001). Differentiation is one of many matters start-up firms must deal with.

As late comers to the market, they should create unique products with many advantages than existing ones that already available in the market and surely they are saleable as well. Many start-up firms that experience the downfall are then wondering what the cause is. Stacey says in order to prevent start-ups firm from downfall; they had better manage their risk with an extra touch of integrity and a carefully considered risk plan (2001). This is imperative since the decision to enter new market poses challenge since the companies face uncertainties that takes more than just market knowledge, skills, and patience.

It certainly takes a lot of energy and focus to handle risk that we know as risk management.

McInerney, an entrepreneur from Atlanta, Georgia, suggests that entrepreneur should properly plan and price the projects from the very beginning in order to eliminate a great deal of risk from his business he enters (Hooven 2001). Therefore, anyone who intends to enter new market must ensure he/she provides accurate pricing to coincide with available resources and target market. In this paper, we will discuss the assess entry strategy for a U. S. based catering services into in-flight catering market in UK.

Things to consider in the assessment are general information on the changing in UK food safety legislation, current situation in UK airlines industry, major players in UK catering market, and supporting suppliers for catering services.

We will employ Porter's Five Forces analysis in determining factors the U. S. based caterer should consider when entering UK in-flight catering industry. The five components in the analysis are threat of new entrants, power of buyers, power of suppliers, rivalry among existing competitors, and the threat of substitute products.

Prior to the analysis, we will present some related information on marketing mix composing of products, place, price, and promotion.

II. Marketing 2. 3 Marketing vs. Sales We are accustomed to hearing about sales record of a company, salesperson, and sales program with additional discount in a superstore.

We often hear about advertising at any forms such as television, radio, and internet and well-known marketing mix of 4P's composing of Place, Product, Promotion, and Price. Both marketing and sale affect the number of product sold but still they are different in nature.

Laura Schneider differ the terminology of “ marketing” and “ sales” with a description of “ reach” and “ close”. She says that marketing is everything that we do to reach and persuade prospects. While the sales process is everything that we do to close the sale and get a signed agreement or contract.

Both are necessities to the success of a business. (2001) We can see that marketing and sales are two processes that are closely related. We cannot expect a huge number of sold products without either process. Hence, the good business is one that can combine efforts of both processes and put them in balance.

Marketing consists of the measures we use to reach and persuade our prospects.

It is the step preparing the prospect for the sales (Schneider 2001). It consists of advertising, public relations, brand marketing, pricing strategy, product development, and direct mail, to name a few. Meanwhile, Schneider further says that sales process consists of various interpersonal interactions

such as one-on-one meeting, cold calls, and networking (2001). It is anything that engages us with the prospect or customer on a personal level rather than at a distance.

2.

4 Basic of Marketing In addition to Schneider definition on marketing terminology, S. Carter defines marketing as “ process of building lasting relationships through planning, executing and controlling the conception, pricing, promotion and distribution of ideas, goods and services to create mutual exchange that satisfy individual and organizational needs and objectives” (1997). Marketing involves every aspect of business from the manufacturing of a product to actual point of sale (“ How-To”, 2001): a)

Product

Product development is the result of various data obtained through a market research. The data ranges from the trends in the market, customers’ demands, and the kind of products the market need.

Market research can tell us who is interested in or in need of our product or service, what their income level is, where they live, their age, their occupation and so on. Grab customers’ attention with the unique of our product. Consider this, when we stop by at local store to find fresh water, we often tempted then buy ones that look fancy or scientifically overwhelmed.

b) Promotion Promotion is generally defined as advertising and publicity in one or more of the mass media, as well as forms of direct marketing.

Effective promotion uses mass media, direct approach marketing and other variations to communicate a sales message.

Promotion is one of best ways of introducing a new product to the public at large. The ultimate goal of any promotional campaign is to reach and add to a target audience in order to induce the public to buy; or to call public attention to something.

Another way of promoting products to large audience is through public relations composing of sending press release to broad range of newspapers and radio hoping they will writer our company's story in the feature column, conducting a visit into targeted corporations to explain the benefit of our new products and services, and attending exhibitions where targeted market join the shows. c) Pricing The retail price of any item or service is determined by the following: unit production or overhead expenses, the cost of manufacturing the item, packaging, and transportation.

The price paid by the consumer is what it costs to produce, package and transport the item, plus all mark-ups along the way. d) Place What we can depict from this analogy is that place contribute a significant role for businesses, like lions in the jungle, Pepsi Cola becomes the king in USA but not in China or Indonesia where Coca Cola stands out the crowd.

Therefore, entrepreneurs should create special products that exactly match the customers' needs in different location. It could be meant that in every location, we offer different products that fit the customers' behavior in each location in addition to our general ones.