

# [Marketing plan for a restaurant located in thailand](https://assignbuster.com/marketing-plan-for-a-restaurant-located-in-thailand/)

Amaranth Thai restaurant is located on Earlsfield road in Wandsworth Borough. The idea of the restaurant is to serve authentic, unique and localness food with fast service. The specific ingredients are imported directly from Thailand and also some sources are traditional homemade sources which the taste are adjusted to match local resident needs.

The customer targets are working people age between 25-39 and also local people living nearby the restaurant. Amaranth objectives are; to be the best Thai restaurant in Wandsworth area, to reduce the number of complaints by 5% in 2011, to increase in the number of loyal customers by 10% in 2011 and also to increase revenue by 20% in 2011 and the budget needed for the overall plan is £7, 700.

## Introduction

The restaurant market is one of the most interesting in Wandsworth area due to the fact that the market original size is huge and is gradually increasing by £708 million in the next 3 years. (Appendix1, Figure 1) Furthermore, the majority of population living in this area is workers in the age 25-39 who are not have enough time to cook at home. Although the UK economy is not out of the recession, the eating out is still the top priority of spending (Mintel – Eating out review, 2009).

This report has been created for Amaranth Thai Restaurant. The purpose of this research is to study the restaurant market in Wandsworth area, including situation analysis, customer target, restaurant positioning, customer needs and competitors analysis. Moreover, this report also consists of marketing mix implementation, control methods, a financial plan and background of the restaurant. In addition, the strategies have been created in order to enhance its services to gain a competitive advantage and to increase its revenue. The marketing plan has been generated for, especially, one year plan and also an outline plan for the following three years.

To understand the market, the reliable secondary marketing researches are conducted.

## Situation Analysis

## 3. 1 Marketing Audit:

## 3. 1. 1 External Environment

PEST Analysis

Political/ Legislative

Food Regulations

There are some requirements for the restaurant, for example, The Food Safety Act 1990, The General Food Law Regulation (EC) 178/2002, The General Food Regulations 2004 and Food hygiene legislation. (Food Standards Agency, 2010) Therefore, both current restaurants and new entrees have to obey the law.

VAT Increased by 2. 5%

As a result of the election, the new coalition plans to expand their budget. The government announced to increase Value added tax (VAT) from 17. 5% to 20% on 4th January 2011 (HM Revenue& Customs, 2010) that impacts customer spending behaviour because the price of products would rise up and people may spend more carefully.

Economic

Inactive economic recovery

As a result of the 1. 5% GDP growth this year, GDP seems to arise just 1% in the next year. Furthermore, the risk of a double dip recession still appears. (Guardian, 2010) Therefore, people still limit their spending budget.

Increasing cost of material

As a consequence of the increasing VAT, the prices of raw material grow up and this also affects business as a whole.

Social

Changing to Healthy food

The UK consumer behaviour has changed to consume healthy food and many organizations concern about this serious topic and provide the guidance to their population to change their behaviour. (NHS, 2010)

Reduce eating out habit

People have been forced to be more considerate to spend by the recession, thus, they decrease eating out habit. However, the eating out habit still be the top spending priority. (Mintel – Eating out review, 2009)

Technological

The Internet

The Internet is the great communication tool currently. People connect to the internet world easily. Furthermore, people use this tool in order to make life are more convenient such as searching information, online shopping and online ordering food.

Invention

In the 21st century, there are a lot of inventions, for example, the smart phone which produce convenience to the user by using this gadget to access to the internet wherever they. Besides, mobile phone manufacturers have been inventing applications for their mobile, including restaurant application to satisfy customer needs.

Porter’s five forces

The intensity of competitive rivalry

In the restaurant market in Wandsworth, there are a large number of well-known restaurants such as Ekachai, Nando’s and Pizza Express as well as 3 mile circle area competitors such as Rodizio Brazil, Friends Oriental Food Hall, Cah-Chi Korean Restaurant and Lavang Indian cuisine. To compete with the rivals, Amaranth restaurant occasionally improves its service and also the flexibility of food.

The threat of substitute products

The majority of population in Wandsworth area is working people in the city; therefore, they look for a quick meal. Major Fried Chicken and Pearl River fish and chips are the sort of fast food shop, located nearby Amaranth restaurant, take this opportunity to reach customer needs.

The bargaining power of customers

To compare with the average weekly wage of people in London, Wandsworth resident rate is about £670. 8 which is much higher than Londoner rate. It is obviously clear that the people living in Wandsworth area are potential consumers. (Appendix1, Table 3)

The bargaining power of suppliers

Chuanglee Limited which is the large supplier importing Thai ingredient from Thailand to provide to Thai restaurants in London and also is the Amaranth’s main supplier. Once Chuanglee Limited increases the raw material prices, Amaranth would also be affected.

The threat of the entry of new competitors

It could be quite difficult for new entrees to enter the restaurant market in this area because there are so many strong competitors and also the Food Standards Agency (FSA) legislates the severe of food regulations such as food hygiene and health inspections (Food Standards Agency, 2010).

## 3. 1. 2 Internal Environment

Amaranth treats employees as customers so as to satisfy employees needs and improve abilities in order to expose their best performance to serve customers. The quality of service is the most important tool to differentiate the restauant from the others so Amaranth focuses it.

In addition, the quality of food is also essential along with Amaranth mission is to produce genuine, clean and local taste food.

## 3. 2 SWOT Analysis

## Strengths

Good location

Amaranth restaurant located close to Earlsfield rail station. Many people can easily recognize the restaurant.

Authentication, Unique and Localness

Amaranth restaurant guarantees that ingredients are fresh and main ingredients are directly imported from Thailand, such as, curry paste, coconut cream. Furthermore, the following step is to make the traditional sources which are gradually improved by Amaranth chefs in order to differentiate the taste of food from other Thai restaurants to reach the local customer needs.

BYO Restaurant

BYO stands for Bring Your Own. The restaurant allows customers to bring their own alcohol drink. Even though, each bottle of wine, champagne and spirit is charged £2. 50, it is a good opportunity for customer to decrease their expense. In addition, beers and ciders are permitted to bring without corkage charged.

5 Stars food Hygiene Rated

Due to the fact that the food standards association (FSA) offers hygienic guidance to local officials to rate every café, shop and restaurant (Dyson, J. cited Coyne, K., 2010), Amaranth, however, be rated as a 5 stars restaurant that assures customers the safe place to buy food matching the regulations of FSA.

## Weaknesses

No Home Delivery service

Home delivery service has played an important role in the food market (Mintel’s Home Delivery, June 2010). In addition, so many customers have requested for this service in order not to leave home to purchase food when they are busy or the bad weather.

Lack of technology

The restaurant still remains doing the manual style, for instance, order taking and invoice are also written by staff. Consumers frequently confuse in understanding the hand writing on the invoice. Not only the writing, but also total price is calculated by using calculator which sometimes mistakes occur.

Small room

Despite the fact that the cuisine is quite busy, there is not enough space to afford every customer especially on Friday and Saturday.

## Opportunities

Increasing in population and employee rates

The number of population in Wandsworth is around 284, 000 people in mid 2008, increased approximately by 4. 2% from mid 2001 (Appendix 1, Table 1). Moreover, the percentage of employees in Wandsworth increased by 1. 6% from 2007 and had gradually grown up in the last five year (Appendix 1, Figure 2). This mean that people in this area have high potential to consume for this reason the restaurant market is still wide.

Consumer spending priority

In spite of the recession, eating out is the top priority of customers (Mintel, Eating Out Review, 2009).

Growth rates in take away service

The rate of take away service has slightly grown up in the last 5 years and will increase in the next 5 year (Mintel, Ethnic Restaurants and Takeaways, 2010). Therefore, this is a substantial opportunity for the restaurant to gain a competitive advantage.

## Treats

Slow recovery from recession

Although the UK economic has been recovering but it is still moderate not as the forecast (Guardian, 2010) so customers still spend carefully.

Raw Materials cost increases

The effect from the natural disaster like flooding in Thailand (The Nation, 2010) causes the cost of material rises, for example, higher cost of curry paste from Thailand.

Business Rates , License and Rent rates

The Restaurants have to pay for licenses such as renewing Performing Right Society (PRS) which costs depend on the seating capacity. Amaranth Restaurant has 50 seats and play music as background music by record player so the fee is £400 (PRS for Music, 2010). Furthermore, Business rates increase every single year by 5% next year, 2. 5%, 5% respectively and it effects from 1 April 2010 (Wandsworth Council, 2010).

Competitors

There are 2 new restaurants, which are Lavang Indian cuisine and Friends Oriental Food Hall, opened in this year. In addition, the main rivals which are Rodizio Brazil and Cah-Chi Korean restaurant have been improving their service.

## Aims and Objectives

## 4. 1 The Mission

To be the best restaurant in Wandsworth area and assure customer experiences with friendly service by joyful staff. Further, the restaurant satisfies customer needs by presenting the authentic, unique and localness of food.

## 4. 2 Marketing Objectives

To enhance quality and friendly service in order to reach customer satisfaction to obtain loyal customers and reducing a number of complaint rates by 5% in 2011 and 7% by 2013

To increase the number of loyal customers by 10% in 2011 and 20% by 2013

To increase revenue by 20% by 2011

## 4. 3 Corporate Objectives

To maintain unique, localness and quality food is also the top priority as well as sustaining sanitary condition of food.

To invest in a website which consists of online order and online table reservation and promoting it to the local population to generate brand awareness within May 2011.

Launching home delivery service in 5 mile circle area in October 2011 to prepare for the European football and the Olympic in 2012.

## Segmentation, Targeting and Positioning

## 5. 1 Segmentation

Amaranth divided customers by demographical segmentation and behaviour segmentation.

Demographical segmentation: According to the population in Wandsworth, people are high income diversities. The 25-39 age groups approximately 40% of residents in Wandsworth is the biggest group (Wandsworth Council, 2009). Moreover, The percentages of single marital status and divorced rates are projected to increase by 59% and 33% respectively during 2001 and 2021 thus people rather look for buying take away food (Wandsworth Borough, 2008). Amaranth focuses on age, income, occupation and family structure.

Behaviour segmentation: There are many kinds of customers such as loyalty customers who always go to the same restaurant, customers who are occasional users, non-customer becoming to customer.

## 5. 2 Targeting

Amaranth considers two customer target groups which are primary and secondary target.

The primary target (Demographics) is both men and women in the age of 25-39 which is the highest percentage of population in Wandsworth (Appendix 1, Figure 3). In addition, people in this age are the upper class workers so they are likely to be potential customers. Amaranth also focuses on attracting customers both single marital status and married. Owing to this age group are workers, they are willing to spend their money on a good meal in the fantastic restaurant with a great value. Amaranth perceives the customer requirement so the restaurant improves its quality of food and service to satisfy the customer needs.

The secondary target (Behaviour) is walk-in customers who are the first time user or rarely come. These types of customers have inspiration by walking pass the restaurant and recognizing how busy the restaurant is as well as Thai traditional decoration that entices customers think this restaurant might be a good restaurant then walk in. Amaranth is aware of this opportunity that these customers can become to loyal customers so the restaurant tries to change these customers from occasionally user to regularly user.

## 5. 3 Positioning

Amaranth is positioned in the low price segment of the restaurant market based on the average of main course price which is around £5-8 per person with an advantage based on high quality of service. There are 3 significant competitors located in the same area of Amaranth restaurant; Rodizio Brazil, Cah-Chi Korean Restaurant and Friends Oriental Food Hall.

Competitors Analysis

Rodizio Brazil serves authentic Brazilian barbecue with tropical cocktails. Moreover, they provide fun experience with live music, especially, on Fridays, Saturdays and Sundays. However, the food price is higher than Amaranth price. The average price is approximately £25-34 per person (London-eating. co. uk, 2001).

Cah-Chi Korean Restaurant serves customer with high standard of service. They serve food in its restaurant as well as deliver to home. The average price of main course is around £6-12. 50 per person (Time Out London, 2008) which is also higher than Amaranth price.

Friends Oriental Food Hall serves variety kinds of food such as Thai, Japanese and Chinese. They have 2 branches, one in Earlsfield and another branch near Putney Bridge. Furthermore, they also do delivery. The average main course price is around £6-10 per person (friends-foodhall. co. uk, 2010).

## Implementation

## The Marketing Mix: The 7P framework

## Product

Quality of food: According to the food law, in every dish cooked fresh from the kitchen must reach the standard temperature. The restaurant also uses a handheld thermometer to measure temperature in every dish to guarantee the food quality.

Take out unsalable dishes and add new dishes: Base on the food orders last year, there are some dishes which are not frequently ordered thus, Amaranth is aware of the problem so the unsalable dishes are taken out. Besides, Amaranth equalizes the menu by adding some new dishes in the list too. This process is done in January 2011.

The new designed menu: Amaranth changes its menu every year in order to make it is more interesting and attractive to customers.

## Price

Increase price but still reasonable: Amaranth set the price dish based on value of food and it is also low price for local people to afford it. In addition, the restaurant does not overcharge and the BYO policy incredibly attracts customers to experience the restaurant because they do not have to pay more for alcohol which they can buy from the grocery shop and it is a lot cheaper than buying in the restaurant. However, the VAT marked up in the next year, the raw material prices grow up as a consequence, Amaranth has to increase its food prices by approximately £1-2 per dish in January 2011.

## Place

Website: From May 2011, the restaurant website is launched. The details of the website consists of the food menu, online order, online table reservation and some interesting articles such as how to cook Thai food and also the new recipes. The website is promoted both in and out the restaurant. In the restaurant, the domain name of the website is shown below the restaurant name which is on the top of the receipts and also in the food menus and the loyalty cards. For the out of restaurant, Amaranth focuses on words-of-mouth (WOM) by customers and staff. This strategy is powerful and also definitely no cost. For the online order, customers can order online up to 2 hours in advance. They just fill in the food dishes, they would like to order, then put the collection time which the fastest time is 10 minutes. For the online table reservation, Amaranth satisfy customer needs by letting they make a table reservation up to 3 months in advance in order to guarantee they have the table on the time, the positioning and the date they need, especially in the Christmas time.

Delivery Service: In October 2011, the 5 mile circle area of home delivery service is ready to serve. Customers can either call in or order online via the website. The minimum price for this service is £15. Furthermore, the food will be in front of the customer home within 30 minutes after they order. For the guarantee, if customers do not have food by home delivery service, they will get 20% discount to compensate their waiting time.

## Promotion

Loyalty Card: Amaranth presents the loyalty card which the condition is

, whenever, customers have dinner at the restaurant, they will get one stamp on the loyalty card to collect. Once, they collect them to 3 stamps, the restaurant offer 15% discount. Moreover, in every 3 more stamps, they get 15% discount more. Obviously, they increase them to 12 stamps, they get completely free meal. The loyalty card lasts a year. This method is used to check how often customers come to the restaurant and also boost revenue.

The Happy days: Despite the fact that customers are not often come to the restaurant on Monday to Wednesday in the summer time, Amaranth launches “ The happy days” promotion. The promotion conditions are firstly, customer groups from 8 people do not have to order set menu. Secondly, the restaurant offers the value meal which is customers can choose any one main dish with a free drink for only £7. Finally, no corkage charged for customer bringing a bottle of wine or champagne.

Free dessert for the set menu: Customers who order the set menu will be offered free dessert.

## People

Employee welfare: The welfare is improved in April 2011; Amaranth awards £50 every month to staff performing the best performance observed by manager. The measures, for instance, honesty, punctuality, personal skills and service mind. Moreover, part-time staff producing a masterpiece will be promoted to be full-time staff.

## Physical Evidence

Friendly environment: As a result of Amaranth’s target group is a worker, the restaurant produces friendly environment by decorating relaxing style in the restaurant. To extend this, the restaurant decorated by small green plants which are placed in every corner to make more natural environment.

Clean restaurant: In view of the sanitary condition, Amaranth sets a cleaning plan for staff to clean regular parts such as tables, chairs, doormats and floor every day before the restaurant opens and also for the particular parts such as windows, shelves and a fish tank every week in order to make sure that every area of the restaurant is clean. The plan is applied though the year.

## Process

Fast serves: The restaurant has been improving its service, especially, speed. The purpose is the serve customers as fast as it can both food and drink. In addition, the chef improved how fast they cook by well-preparation and management. For the stir-fry dish such as Pad Thai and Stir fry with hot basils, they use homemade sources which are already cooked to stir with meat and vegetable. This process ends within 3 minutes. Another dishes like curry, they also prepare for the cooked curry source, the process, again, just cook meat and vegetable and put it in the cooked curry source. Amaranth guarantees that the process of cooking food has done within 3 minutes and customers get food within 7 minutes after ordering. This assures customer requirements and also makes the restaurant different form the others.

## Amaranth Action Plan (Gantt Chart)

## Period (Month of 2011)

## Activities

## Jan

## Feb

## Mar

## Apr

## May

## Jun

## Jul

## Aug

## Sep

## Oct

## Nov

## Dec

## Budget/

## Pound

## New designed menu

## 200

## Remove unsalable/add new dishes

## 100

## Website

## 2000

## Delivery Service

## 3500

## Loyalty Card

## 800

## The Happy days

## 400

## Employee welfare

## 600

## Green decoration

## 100

Total

## 7700

Remark: Special events

Campaign throughout the year

In addition, this Gantt chart is designs for a year. However, there are a briefly outline for the following year such as improving delivery service.

## Contingencies and Controls

In order to prevent the unexpected situation, the restaurant has a contingency plan to support.

## Growth Strategy

If the campaign is not as successful as planned, the restaurant might need to entice new customer group who is the teenager age 18-24 by launching youngster promotion.

Promotion

Every 3 teenagers will get 50% discount from the total bill.

## Effective controls in place

## A financial plan

The forecasted budget for Amaranth Thai restaurant is computed base on the income statement from 1st January 2009 to the year ended 31st December 2009. The statement shows the company’s income from sales revenue, gross profit, operational expenses and net profit respectively as the following profit and loss income statement.

## Amaranth restaurant income statement

Pounds

Pounds

Sales

400, 000

## Fixed Costs

License Fees \*\*

8, 400

Employees Wage \*\*\*

129, 600

Rent \*\*\*\*

15, 600

(153, 600)

246, 400

## Variable Costs

Raw Materials

50, 000

Electricity and Gas\*\*\*\*\*

14, 880

Water

1, 100

(65, 980)

## Gross Profit

180, 420

Promotion and Decoration

7, 700

(7, 700)

## Net Profit

## 172, 720

\* Discount: 5%\* £400, 000 Sales

\*\* License Fees: PRS for music £400 + Business Rates £8, 000

\*\*\* Employees wage: £30/day \*6 days\*4 weeks\*12 months\*15 people

\*\*\*\* Rent: £1300 per month\*12 months

\*\*\*\*\* Electricity and Gas: Electricity fee is approximately £570 per month\*12 months

Gas fee is approximately £670 per month \*12 months

## Appendices

## Appendix 1

Table 1: Approximate the number of Wandsworth population from mid 2001 to mid 2008

Source: Wandsworth Borough, November 2009

Table 2: Earning of Wandsworth residents 2008

Source: Wandsworth Borough, 2009-2010

Figure1: UK Restaurant Market 2003-2013

Source: Mintel, March 2009

Figure 2: Change in total employment in Wandsworth (1999-2008)

Source: Wandsworth Borough, February 2010

Figure 3: Age profile of Wandsworth’s population (2001 Census)

Source: Wandsworth Council, 2009

## Background of the firm

Amaranth Thai restaurant was initially opened in June 2000, serving authentic and localness Thai food and also selling traditional Thai homemade sources, freeze starters and also catering for the party. Prior to the opening of Amaranth restaurant, the owner opened a grocery store under the name “ Amaranth Too”. Three years after being in the restaurant market, Amaranth started serving take away food due to the fact that the restaurant did not have enough space to serve many customers as well as customers requested for this service. The concept of the restaurant is selling food with the reasonable price to customer. For the first few years, Amaranth uses the reputation from supermarket to attract customer. At that time, Amaranth had staff only 4 people, however, this year (2010) the restaurant has more than 20 staff. Amaranth restaurant opens Monday – Saturday from 18: 30-23: 30 pm, the last order is 10: 30 pm.