Example of use management science to analyse competitive restaurants report

Business, Customers



Introduction:

When opening a new restaurant there are a number of factors that one needs to address that help in setting the price of a plate of food. It is important to examine ones competition then analyse data collected from them on a number of issues. For example, issues of food quality will cover aspects of presentation, portion size and consistency. Service will focus on day's open, hours of operation, service style, quality of service, speed of service and extra services offered. Issues of decor and comfort will address the dynamism of exterior shape of appearance and theme, interior appearance and theme, atmosphere, cleanliness as well as heating and ventilation. Menu addresses issues of theme, variety and selection, signature items, price range and value as well as beverage service. General Information to the customers will include number of seats, estimated seat turnover by meal period and by day, types of guests served (including age, income and origin), increase or decrease of the business, banguet facilities, entertainment, franchise affiliation, reviews by food critics or ratings in travel guides, local reputation, promotion and advertising methods in application. The customers' knowledge of their strengths and weaknesses will be critically elementary to the ratings therein.

Data analysis on food quality:

The first crucial factor that influences the price that a restaurant can set is food quality. Chart one below shows the analysis of the data provided of the 52 restaurants. The chart shows that there is a positive relationship between food quality and the price set by the restaurant. When it comes to ensuring total customer satisfaction, food is not simply food. The selection as well as consumption of food is always a subject matter to the complex network of individual and cultural factors. However, today the choices of consumers on are even complex as compared to before. Consumers are developing more differentiated, complex and dynamic food demands. Such changes across consumer behaviour are reinforced by trends in the food-retailing sector to provide various opportunities and threats for restaurants operating this food sectors. On a given perspective, they continue offering new and sustainable opportunities that add value as well as differentiate food products. This ultimately leads to lower levels of price competition, brand equity, strong consumer preferences, improved negotiating power through which retailers have higher margins. On another dimension, successfully doing this will require competencies that many food sector actors develop to a limited degree. In most cases, this will require that new cooperation forms between such factors within the food chain are enhanced as well.

Chart 1: Chart showing the relationship between food quality and the price of food

Data analysis on décor:

Chart 2: Chart showing the relationship between decor and the price of food

Data analysis on location:

The location of the restaurant will be highly influential to the ratings awarded by the customer based on issues of community traffic patterns, proximity to demand sources, accessibility and visibility, surrounding neighbourhood, parking availability as well as sign visibility. In this case, it is important to analyse the distance of the restaurant from a cinema. This is mainly because many people usually go out for a movie then head to restaurant that is close to a cinema. Therefore, it is important to examine this factor clearly. From chart 3 below, it is evident that the distance from the cinema has an indirect relationship with the price per plate. This implies that the shorter the distance from the cinema the higher the price of food charged. On the other hand, the longer the distance from the cinema the lower the price of the food set. From the chart, it is clear those restaurants that are further from the cinema charge less and those closer to the cinema charge higher prices.

Chart 3: Chart showing the relationship between distance from cinema and the price of food

Data analysis on service offered:

Chart 4 below, shows another factor that determines the price per plate set by a restaurant. The chart shows that as the level of service increases so does the price that the restaurant sets per plate. Therefore, it is recommended that the restaurant carry out a research on the most effective service delivery methods. The constant follow up of the service that customers receive is a major first step towards having a successful restaurant. This will help the restaurant in identifying the possible opportunities and threats within in the market, which will affect its customer base and profitability. This way, they are able to identify all the changing trends in changing customer service prior becoming apparent in its local market. Some of the sources of information on industry trends available to organization include relevant industry groups and hospitality industry databases as well as fundamental industry publications. The industry trends checklist will provide samples of intensive topics that the restaurant may want to study in a bid to secure its status on market analysis.

Chart 4: Chart showing the relationship between service offered and the price of food

Data analysis on East and West of 5th avenue:

Recommendations and Conclusion:

Below are the recommendations based on the data analysis carried out. The recommendations seek to evaluate the three theories that have been put forward.

When it comes to décor, it is clear that it is not as important. Therefore, the restaurant should not in creating a state-of-the-art décor. This is mainly because it does not affect the price set per plate. On the other hand, the restaurant should be located close to a cinema. From the data analysis, it is clear that restaurants that are located close to cinemas are in higher demand and therefore charge higher prices for dinner on average. Therefore, in order to maximize profits the restaurant should be located near a cinema. Lastly, the restaurant should be located to the East of 5th avenue. Data analysis has proved the theory that the population of New Yorkers living east of 5th avenue is substantially richer than the population living west of 5th avenue is true. This is mainly because the data shows that the restaurants East of fifth avenue charge substantially higher than those in the West. Therefore, in order to maximize profits the restaurant should be located in the East.

Recommendation on sampling method: Random sampling: In this case, since only 10 restaurants can be visited the best sampling method that will eliminate bias is random sampling. This sampling method involves picking the 10 restaurants at random. In this case, all the restaurants under consideration have an equal chance of being selected. There are a number of pros and cons associated to the random sampling technique. One of the pros is that this sampling approach includes much ease in the study, as the variables to be studied are right at the discretion of the analysis. They are also of low costs and do not need people to travel and use different sorts of long distance devises such as the internet based forms of survey. They are also critical in offering high participation, as they have to do what is asked of them in the end. Literally, it is a very easy and convenient study sampling technique. . Other pros under this technique include ease of selection, understanding, and analysis, even though the data is still not representative of all the smaller sub groups within the population. On the other hand, the cons include the fact that small samples are used and the results may not actually be representative of a wide range vast population of the residents as well as the fact that such results could remain biased on the basis that the relationship existing with the subsequent residents. In addressing thing issue of small samples as well as the liability of generalizing the results, there is the option of tracking down various points of the contact information of each of the variables resident in the country and use is as the sample. Every single participant in the study could also be used to offer a non-probability scenario