

# Memo argumentative essay

[Business](#), [Industries](#)



Target millennium Is a strength because they respond well to their advertising strategy Also a weakness because they are normally more price-conscious Economic There prices are much higher than their competition which Is a weakness when the economy Is bad, because customers are more likely to go with the cheaper substitute Food prices are expected to rise, which may cause chipolata to raise there prices even more which will be a huge weakness, and may deter some customers Consumer spending may go down Coloratura Target individuals who care about sustainable, ethical and fresh food Huge strength because this is why people are willing to spend more Starting to use local farms Huge strength because by supporting the community, the community is more likely to support them Using solo panel and being more environmentally friendly is a trend people really like which makes it a strength

2. What are the conditions of Spittle's industry environment? What makes you successful in this Industry? Threat of new entrants Is quite low because the fast food Industry is mostly composed of big chain restaurants which makes It hard to come Into: this helps to make them successful because they are already a large business Power of suppliers Is medium because negotiation between suppliers and buyers do take place; but In the end thy have more power because food prices are fluctuating they have to charge more sometimes

Product substitutes: high Though taco bells Cantina Bell is lesser quality ingredients they are the same type of items on the menu Jojoba also focuses on quality so they products are probably very similar Intensity of reveries High! Not only competing with people in the fast food industry but all food industry Very low switching costs for the customer To be successful in the

fast food industry you need to be in the right location, have the right price, either you need to be low price, with lower quality food or high price, higher quality food. You need to be able to adapt to changes, because the market is very volatile. You need to have a way to bring your customers in and make them loyal to your company because there are so many substitutions available you want to make the value chain activities for Chipolata?

Strategy: High price but high quality Social corporate responsibility Laid back and non-traditional advertising Value chain activities Buy from suppliers that sell mostly ethical meat Use solar power to lessen their carbon footprint Have an open kitchen so customers can see their food being made Use local farmers . Assess Spittle's resources and capabilities. What are Spittle's core competencies? Resources: they have a lot of resources that help with being successful their sustainable farms they purchase from their local farms the actual locations and buildings of their restaurants intangible: how they manage to make their margins bigger by having smaller restaurants and less staff capabilities: train employees well so they can use their resources effectively core competencies corporate social responsible; ethical farming, environmental awareness, local farming rest food, made daily 5. What are the challenges Chipolata faces in 2012?

Prices of food are expected to increase Should they increase the price on their menu - making them even MORE expensive than their competition Cantina Bell is stealing customers and being advertised as being similar to Chipolata but cheaper Cantina bell is doing large advertising campaigns which Chipolata can't afford to do 6. What do you think they should do

and why? I think that they will need to raise the price on the menus. They have already been racketed and known for years as being "Food with integrity' and the only way not to raise prices is to stop using as much organics or ethical meat, which at this point I believe would hurt their image, and bottom line more than raising the prices. A one of their core competences is that they serve sustainable food, and I do not think they should shy away from this.

As it is they have always been more expensive and still done well. As well if food prices do rise, most likely all other companies will have to raise their prices as well. Chipolata also does not have to worry about not being able to spend large budgets on advertising, the company has previously not done this and done well. Not doing large TV campaigns attracts their customers and makes chipolata more authentic. I believe they should continue to use local farms in more of the stores and with more products. If they support community members, the community is more likely to support them, even if it is higher prices. Chipolata strategy I high the only way to not is to go away from " food with integrity'.