

# Little chef overview and market analysis



Little chef is a fast food restaurant located in Peredeniyaa Road near peradhaniya garden, Kandy Sri Lanka. Business is focused on b2c business because Little Chef focus on the families, individuals, take outs and also will focus on tourist, as it is located in a place where it bring the customers from Kandy and peredeniya and also travellers to Kandy, it includes tourist as well.

## **Mission**

To provide the customer the finest dishes and dining experience. And also to attract and keep our customers. By follow to maintain our customers' maxim, everything else will be achieved and customers will have positive picture about Little Chef. Our services will go beyond what our customers expect.

## **Marketing Objectives**

Maintain positive, growth each month and to create positive picture in consumers mind.

Generate sales and an increase in new customers and turned into long-term loyal customers.

## **Who are we**

Little Chef's has created gourmet food products that are differentiated and better than the competitors. Customers can enjoy the quality deliciousness of the product in every bite of dish they eat. The following are characteristics of the product:

Little Chef's dishes are highly maintained in quality and some ingredients are imported to maintain the taste such as cheeses and other ingredients.

Little Chef's special dish dough for the pasta and bread is made with Italian semolina flour.

Vegetables are fresh and bought with three or four shipments a week from selected suppliers.

Meats for some dishes are all top-shelf ranges, organic when possible.

At Little Chef's, food is not a product only, the experience of dining is a service we provide. Little chef's superiority is themselves on providing service that is on same level with fine dining. This is accomplished only through an extensive training program to employees and only hiring experienced employees in the organization.

Our organization, Little chef has proven success continuously and has been existing in fast food industry over decade. But we have not given much important to the marketing aspect as very few marketing campaigns are carried out which will have negative contribution to the organizations long term success due to increasing competition and due to various other reasons. Therefore it is very important for the organization to prepare marketing plan for our organization Little chef to achieve success in long term.

The purpose of marketing plan is:

To increase sales by 20 per cent over five years through excellent service and through promotional activities such as advertising through posters and local magazines and leaflet

To extending existing ones and building 3 new little chef restaurants during 2011-2012 in the remote area of Kandy, Nigambo, and in Nuwaralia and targeting tourist, which will bring more than 20 percent profit to the organization in long run

To increase and maintain customer loyalty by more than 20 per cent through customer care and by giving loyalty card and discount for regular or loyal customer which will bring profit and new customers to the organization

## **Market Summary of Last 5 years**

For Little chef it is very important to own good information about the market and the competitors and also analyze or knows a great deal about the common characteristics of our most valued and loyal customers. So little chef will weight this information to better recognition on who is served, their specific needs, and how Little chefs can better communicate with them.

### Market Analysis

2005

2006

2007

2008

2009

Potential Customers

Growth

Individuals

8%

12, 357

13, 354

14, 430

15, 592

16, 847

Families

9%

8, 874

9, 682

10, 562

11, 522

12, 568

Take out

10%

24, 474

26, 931

29, 634

32, 607

35, 878

Total

9. 27%

45, 905

50, 167

54, 826

59, 921

65, 493

Competition

Restaurant A: This is an expensive Indian restaurant with a large wine and has a limited selection of products. Although the selection is limited and high-priced, the dishes are good.

Restaurant B: An Chinese restaurant with a good pasta selection, however quality is not consistent. Everything else is average at finest but over-priced. Service can often be poor.

Restaurant C: An upmarket restaurant with a large area provide sea food but customer service is very low.

Competitor

Growth Rate

Restaurant A

7%

Restaurant B

8%

Restaurant C

5%

Average

6.67%

Total

20.00%

## **Situational Analysis**

### **SWOT Analysis**

Strengths

Weakness

the experience

Financial Position

Quality and taste of product

Place it is situated

Less promotion cause less awareness

Less number of effective workers

Names lacks brand equity

Opportunities Threats

New entrance and hygienic factors

Change in legislation

Competitors started offering similar

Economy reduction

market growth

economic growth



Extending brand

Entering new market

Take out business

Little chef need to maintain and use the strength to convert weakness to strength and to manage threats. Strengths like quality of the product and financial resources have to be used for train and recruit experienced workers and to make people aware of the product by using promotional techniques. Furthermore, we need to take advantages of opportunities like market growth or economic growth by using our strengths financial position and quality of our product and so on to increase customers and to capture the market share of take-out businesses.

## **PEST factors**

When we have quick look on the Sri Lankan economic situation, it is likely improving in recent years and is more likely improve in future. the change in government... And also the culture of the people in the Sri Lanka has great effect on fast food restaurants. There busy schedules and traveling to one place to another make them to go fast food restaurant or order food from restaurants.

Moreover, we also need to be aware of technology to provide better and fast food to our customers so we will be able to serve maximum customers at a time with excellent service. And also our competitors may use the new technology and can have competitive advantage over Little Chef.

## **Indirect and direct Competitors**

When we talk about our competitors they offer consumers one of our direct competitor “fast as you wish” provide their choice of products allowing the customer to pull together to their dish as they wish. But the Food quality is average compare to all other restaurants. And some competitors have a limited product selection but the dishes are assumed as with high-quality ingredients. The price point is high, but the food is quite good, and another competitor, who offers sea food that is reasonably fresh and innovative and at a lower price point. But the company was sold a few months ago, and consequently the way of management has been stagnant lately and has resulted in too much employee turnover due to lack of motivation and due to so many other reasons. “Perfect For you” is one of the competitor which has medium-priced pasta dishes that use normal ingredients, less creativity, and less than average store atmosphere. Little Chef’s is not sure how this company has been able to grow in size as their whole product is mediocre at best.

## **Customers and suppliers**

When we consider the suppliers they are the people who are very important for our organization. We need to have close connection with our suppliers as we also import some of the ingredients from abroad to maintain our product quality. And also it is very important to have more than one supplier to supply raw materials and ingredients on time. If any error or problem occurs with one supplier we can contact with other and shipment can be done.

Supplier also have less bargaining power as there is an increasing number of suppliers for vegetables, fruits and other food market in Sri Lanka. So the bargaining power of suppliers will be less.

Moreover, we also have to give important for some of our suppliers who supply quality ingredients from Italy.

When we talk about the customers they have high bargaining power as there are increase in number of competitors in the market so I feel our organization need to do some promotional activities and have loyal customers. We also can give loyalty card where the customers can get discount as much as he/she visit Little Chef more.

## **Marketing Mix**

Little Chef's marketing mix is consist of 7 elements. That is the following approaches to product, pricing, distribution, promotion, and customer service include process, people and also physical evidence.

### Product

Little Chef have products which satisfy set of customers and quality of the product is high and hygienic.

When we consider Ansoff matrix it talk about product and markets which are existing and new. It is useful for our organization to achieve growth.

When we look to our product portfolio most of the products are in market penetrations stage as it is in existing market and existing product so we need to increase the brand loyalty of customers so customers will use

substitute products of our rivals less frequently and also encourage our customers or consumers to use more product more regularly. Secondly we also have to move new market with existing products to expand our business. And also can introduce sea foods to our existing market to attract customers.

Pricing. Little chefs pricing scheme is that high quality and average or high price competitive price.

Distribution. Little chef's distribution at the movement is an exclusive distribution. So in future it will be moving towards selective distribution and furthermore, through a take out model for customers. Where customers can call in their order or home delivery will be done and will help to have good distribution strategy. Secondly come into the restaurant, place then take out order, or come in and dine at the restaurant.

Advertising and Promotion. Little Chef's advertising and promotional activities are limited or few, and its advertising program was simple. Little chef needs to do promotional activities in order to gain competitive advantages and to survive in the long run. Little chef's will do direct mail, and also can do banner ads, and inserts, with inserts in the Register card or popular local paper to be expected to be the most successful of the operations.

The marketing strategy will go first to create customer awareness regarding the services product offered, then develop and grow that customer base, and work toward building customer loyalty and referrals. Moreover get customer feedback. So it will help to achieve objectives of marketing plan.

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The message that we will seek to communicate is that we offers the freshest, most creative, delicious health conscious, reasonably priced, pleasure-loving dishes. This message will be communicated through a range of methods of media. The first will be direct mail. The direct mail campaign will be a way to communicate directly with the consumer. We will also use banner ads and inserts in the popular local paper. This will be particularly effective because the popular local paper that is consulted when people are looking for things to do.

The last method for communicating our message is through a campaign. This campaign will leverage personal relationships with people on staff of the local paper to get a couple of articles written about little chef's.

Customer Service (Process, People, and Physical evidence). Obsessive customer attention is the mantra. Little Chef's philosophy is that whatever needs to be done to make the customer happy must occur, even at the expense of short-term profits. In the long term, this investment will pay off with a fiercely loyal customer base who is extremely vocal to their friends with referrals. The organization have less number of expertise chefs and workers to provide excellent services. I feel the organization need to recruit more employees and training them. All employees will go through an extensive training program and only experienced people will be hired.

### **Segmentation, Targeting and Positioning (500)**

Little chef will be the leading restaurant in Sri Lanka, OR with a rapidly developing consumer brand and growing customer base. The signature line of innovative, premium, dishes include pesto with smoked salmon, pancetta

and peas linguini in an Alf redo sauce, and fresh mussels and clams in a marinara sauce and so many other dishes such as serves distinct salads, desserts, and beverages.

Little chef will reinvent the experience for individuals, families, and take out customers (include tourist) with discretionary income by selling high quality, innovative products at a reasonable price, designing tasteful, convenient locations, and providing industry-benchmark customer service.

The restaurant has been well received, and marketing is now critical and vital important to its continued success and future profitability. The basic market need is to offer individuals, families, and take out customers fresh, creative, attractive, pasta dishes, Italian foods, seafoods salads and desserts, And uses homemade pasta, fresh vegetables, and premium meats and cheeses and so on.

## **Market Demographics**

The profile for Little chef customer will consists of the following geographic, demographic, and behavior factors:

### Geographic

Our immediate geographic target is the remote cities of Sri Lanka with a population (population of Kandy and Peredeniya.....). and our long term geographical target is nigambo and nuwaraliya. As there is rapid growth in tourism industry.

### Demographics

Male and female.

Young professionals who work close to the location of our restaurants.

Have attended college and/or graduate school.

Eat out several times a week.

Tend to patronize higher quality restaurants.

Are conscious, cognizant and give very much important about their health and the hygienic factor.

Behavior Factors

Those who Enjoy a high quality meal without the mess of making it themselves.

When ordering, health concerns in regard to foods are taken into account.

For people there is value attributed to the appearance or presentation of food.

## **Market Needs**

Little Chef is providing its customers with a wide selection of high-quality dishes and salads that are unique and pleasing in presentation, offer a wide selection of health conscious choices, and utilizes top-shelf ingredients.

Little chef dishes seeks to fulfill the following benefits that are important to their customers.

Provide wide choice of food dishes options so that the customer can select what he or she want.

The patron can gain access to the restaurant with minimal waits and can choose the option of dine in or take out.

Customer service. The client will be impressed with the level of attention that they receive from us.

All products/services which we provide will be competitively priced relative to as good as high-end Sri Lankan restaurants.

## **Market Trends**

The market trend for restaurants is headed toward a more sophisticated consumer. The restaurant patron today relative to yesterday is more sophisticated in a number of different ways.

Food quality. The preference for high-quality ingredients is increasing as customers are learning to raise the value of the product qualitative differences.

Presentation/appearance. As presentation of group of the cooking and catering experience becomes more universal, customers are learning to appreciate this aspect of the industry.

Health consciousness. Most of the people in general are more worried of their health, shown by the increase in individuals exercising and health club memberships, consumers are requesting more healthy choices when they



eat out. They recognize that an entree can be quite tasty, and reasonably good for you.

Selection. People are demanding a variety or larger selection of foods, they are no longer accepting a little range or limited menu.

The reason for this trend is that within the last couple of years the restaurant offerings have increased, providing customers with new choices. With more choices, patrons have become more sophisticated. So the organization product portfolio and product line is very strong but still need to increase the number of different choices as the next our targeted market is tourist.

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## **Target Marketing**

The market can be segmented into four target populations:

Tourists: people who come to Sri Lanka and visit peredaniya garden and travel from predeniya road crossing the restaurant.

Individuals

Families: a group of people, it may be friends or a group of relatives dining together.

Take out: people that prefer to eat Little chef's food in their home or at a different place than the actual restaurant such as people who visit peredeniya garden. People take food to the near garden and mostly students.

The Little Chef's customer are hungry individuals. Age is not the most well-defined demographic of this customer base; all age groups can enjoy Little Chefs products. The most defined characteristic of the target market is tourists and income.

Combining several key demographic factors, Little Chef's reaches or scope at a profile of the primary customer as follows:

Sophisticated families who live nearby the area.

The students and young professionals who work in peredeniya university and garden or close to the location.

Tourist and people who pass from peredeniya garden

People who visit the garden. Mostly tourists and families

The next three branches will be targeted on the tourist as the tourism industry is one of the growing industry in Sri Lanka and the varieties of products which we offer is .....

## **Positioning**

Little Chef will position itself as a reasonably priced, upmarket, pleasure-seeking restaurant. Consumers who increase in value of high-quality food will recognize the value and unique offerings of Little Chef's Gourmet dishes. Customers will be single as well as families, and tourist.

Little Chef's Gourmet food product positioning will leverage their competitive edge:

Product. The product will have the freshest ingredients including home made dishes, such as pasta, seafood, chines food, imported cheeses, organic vegetables, and top-shelf meats. The product will also be developed to increase presentation, everything will be artistically attractive and pleasing. As we will be fastest to reach the need of customers.

Service. Customer service will be the main concern in Little Chef. All employees will ensure that the customers are having the most enjoying and pleasurable dining experience when they come and also should leave the restaurant with positive and satisfied mind. All employees will go through an training program and only expertise or after 1 years training will be hired in the organization so that the customers will be satisfied and pleasant.

By offering a higher quality product, coupled with superior service, Little Chef's will shine relative to the competition in the market whether it is indirect or direct competition.

Through quality and excellent service

Direct mail

Banner

Little chef loyalty Card

Increase Sales more than 20%

Increase loyal customers

Promotion/create awareness

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## Little Chef