

Swot analysis of pizza hut marketing essay



**ASSIGN
BUSTER**

You are newly appointed as a Marketing manager of a Pizza Hut restaurant. You are required by the Managing director to identify the following to improve its market share. You are required to use the company and the product of your choice for this assignment.

Question 1

Conduct a SWOT analysis on Pizza Hut Restaurant at your place to identify the company and market share status.

Question 2

What macro-environmental factors would impact on the operation of Pizza Hut restaurant at Malaysia?

Answer for Question 1

1.0 Introduction

The acronym of SWOT analysis is Strength, Weakness, Opportunities, and threats. In definitions strength and weakness are the internal factors whereas the opportunities and threat are the external factors. SWOT analysis is a famous tool and is a strategic planning method used for analyzes the strategy of a business, products in its environment. It is a method used to define the strength, weakness, opportunities and threats that are involved in a business or project venture. It is to identify the internal and external factors in the market because there are many competitors in the market therefore SWOT analysis is a useful tool that can identify and analyze. Strengths are the power that able makes a product or a business accomplishes the mission. This can be continuing success with the power of the qualities. The goods can be tangible or intangible. Strength is the

beneficial aspects in services or in an organization. Weakness are also internal factors that avoid from accomplish the mission or achieves the goal. It will affect the product or the business market growth. It also an aspects that not meet the qualities or standards of the consumers or in the market segment. For example, in hospitality industry the weakness can be high employee turnover. Opportunities are external factors that the organization or products have wide range of improvement. The benefits are in its surrounding or the environment strategies able to become more profitable or wide market range. Threats are also external factors means the external environment. It affect the sustainability and profitability of the product or and organizations business. Every business or products have to be alert with the threats. Pizza hut is an American fast food restaurant. In the year of 2012, Pizza hut outlets in USA are more than 6000 and 5200 stores outlet in 94 other countries. In Malaysia it has over 200 stores outlet. The Pizza hut is also under the KFC Holdings (Malaysia) BHD.

2. 0 SWOT analysis of Pizza Hut

In every business company should have SWOT analysis tool, it could analyze strength, weakness, opportunities and threat in every organization. Based on the question pizza hut is a business company therefore it have the SWOT analysis for the product or the services. The SWOT analysis for pizza is shown below:-

2. 1 Strengths

Pizza Hut are specialize in pizzas.

Pizza Hut doesn't have any pizza's competitors and they face very low competition in the market.

It is the leading brands of the pizza.

Pizza Hut is well known by everyone no matter is eldest or younger.

In every country they also have their own outlet and store.

It is a place suitable for family dining

there are set for family and individual with reasonable price

Pizza Hut has their own full service restaurant and delivery services compare to others Fast Food Company.

there have their own loyal customer

Pizza Hut have a large market share and have a strong network compare with other fast food restaurant.

Pizza Hut also has a strong advertisement and many media help to attract people

Pizza Huts store outlets in Malaysia have many ideas for the pizza.

Every few months or seasons, it will come up with many flavor of the pizza and it will attract more customers to try the new thing.

Strong franchisees networking

2. 2 Weakness

Communication skills between worker and customer are bad

Customer service are not meet customer expectations

Food is not fresh enough

Need to wait very long to be served even is wait to be seated or take order from customer

Not in time to deliver the pizza

Loyal customer is declining because of the satisfaction of the pizza

sometimes the food are not meet the guest expectations

Lack of innovation

Internal factors among the franchisees

The menu is complicated because there are not only pizzas but other variety of foods.

Pizza hut delivery have charges but other competitor don't have

Pizza Hut face higher overhead of costs to deal with while other competitors don't have to

2. 3 Opportunities

Although they have many outlets around the world but they can explore a new market and gain opportunities

Pizza Hut should create different flavor and different crust size

New product development can increase their market share

Create a new pizza flavor such as Thailand tom yam

Pizza hut can focus on eastern taste because there are more focus on western taste

2. 4 Threat

There are many pizza competitor in the market

Domino pizza is the large competitors to Pizza Hut because they provide a good and efficient delivery.

Cheese cost are increasing therefore the price of pizza will increase too

Under independent restaurant can influence pizza hut market share because there are sell pizza with lower price

Location is a important thing because not every location have the potential customer to afford the meal

2. 5 Market Share Status

The market share that I have observed is Pizza Hut in Jusco Kinta City. The market shares in Jusco Kinta City are not fixed because in the shopping mall have many other fast food restaurant and other food stall. Although there are many people in and out, but the possibility to walk in to pizza hut is about 15% because other percentage will go to others food restaurant such as McDonalds, KFC, Kenny Rogers and others food restaurant. However, the

Pizza Hut in Kinta City able to sustain the overhead cost. Although in Jusco Kinta City have many competitors but they have many walk in customers. In addition, there are many customer when comes to festival because many people will shop in the mall and there will have festival discount offers. Besides that, Pizza Hut have group or cooperate offered and others combo offer for lunch and dinner. Furthermore, there will be promotions like giving out those discount coupon and any others benefits like lucky draws for free meals. Jusco Kinta City is one of the famous shopping mall in Ipoh, so that they have more chance to get customers. In addition to that, the location of the shop in Jusco Kinta City is a very strategic location whereby, there are a lot of potential customers passing by the restaurant and will definitely notice the restaurant. From my observation, most of the people prefer to have their dinner there. Besides that, based on my observations, most of the restaurants there are mostly new because most restaurants do not sustain very long in the shopping centre. Pizza hut on the other hand has been there every since the shopping centre was built and have gone through several renovations, therefore I would assume that their business there is quite profitable and is continually growing. Therefore, the market shares of Pizza Hut in Jusco Kinta City can be sustained and able to cope with the overhead cost.

3. 0 Conclusion

SWOT analysis can be tangible or intangible. Every organization have the own SWOT analysis for analyze the internal and external factors. Pizza Hut has wide range to improve because nowadays people are with high expectations. Besides that, the outlets in Kinta City have to plan more things

such as promotion, advertisement to attract more customers and improve the service in the restaurant. From my point of view, pizza hut can improve their service and communication skill by more training to enhance their business. Besides that, internal factors between franchisees have to be solved because it will affect the business between each other. In addition, the deliveries services have to on time and make sure the food are still hot for customers.

Answer for Question 2

1. 0 Introduction

Marketing environment activity is influenced by several factors inside and outside a business firm. These factor or forces influencing marketing decision making are collectively call marketing environment. It consists of all those forces which have impact on market and marketing efforts of the enterprise. Marketing environment has included both controllable and uncontrollable forces. It have divided into two types, it is microenvironment and macro environment. Based on the question, macro environment of Pizza Hut are the factors and forces that can influence the market environment. Macro environment is external factors that affect the business in the market. This concept consists of economy, demography, political, natural forces, cultural and technology. Demographic is the human in terms of age, size, density, location, gender, race, and other statistic. Economic are the large factors because will affect consumer to buy and their spending patterns. Political includes of Law, government agencies and the pressure groups affect organization. Natural forces means that we couldn't controlled such as pollutions, government intervention. Cultural forces that affects society basic

value, behavior and preferences. Technologies are the most changing environment because technologies are mushrooming day by day.

2.0 Factor of environment

Macro environment are external forces and factors affect in an organization. Based on the question, what macro environment factors would affect Pizza Hut operation in Malaysia. In the history of Pizza Hut entry the Malaysia market, Cerebos is one of the owner that own 29 Pizza Hut outlet and all these outlets are sell to KFC Holding(Malaysia) BHD. Until now, every state in Malaysia has Pizza Hut store outlets. There are more than 100 outlets in Malaysia. The macro environment which means the external factors that affect Pizza Hut are includes of demographic environment, economic environment, natural environment, technological environment, political environment, and cultural environment.

2.1 Demographic environment

Demographic forces such as age, locations, and race. Pizza Hut is a restaurant that attracts people no matter young to old. Besides that, majority of their customer are Malays community. For the Chinese and Indians community will be lesser. In addition, the populations of Malays community are high, so that they have more and more children, therefore when a child requested to eat, of course their parents will bring them. In Jusco Kinta City, there have a few fast food restaurant included Pizza Hut. Although, not every people taste are the same but Pizza Hut's Pizza taste are suitable for everyone. In addition, to that, Pizza Hut in Malaysia will come up more variety of Pizza to attract customer. For example, Pizza Hut that I have chosen earlier is at Jusco Kinta City Ipoh. It is a shopping mall, therefore

Pizza Hut have more opportunities on walk in customer because shopping mall have many people in and out not matter what age. Although, there are many variety of restaurant but at least they have chances to get more customer.

2. 2 Economic environment

Economic forces are the forces that will affect business. Factors in the economy consist of the unemployment and the inflation rates. Economic is one of the forces that we couldn't control because this will be based on the country inflations. When it comes to economic problem, the consumer will change their buying power and their spending patterns because they have to buy what they need first then they only can look for their wants. Besides that, some consumers debt level are rising and their income are still the same, therefore this kind of consumer have to look for their needs first and their spending patterns will change base on their incomes and debts. Not only that, for some of the riches like businessman, when comes to economic problem there are lesser rich people to buy Pizza Hut franchisee because they will surely loss a large amount of money instead of profits. Furthermore, there are many competitors in the market such as Dominos Pizza, Papa John's, and any other restaurant sell Pizza with the lower cost. For examples, in Malaysia now have many others competitors such as Dominos Pizza because Dominos are more on delivery but still Dominos Pizza franchisee are strong. Therefore, Pizza Hut has to come up more special promotion or beneficial thing to attract more customers.

2. 3 Natural environment

Natural environment also a external factors that affect business. As the word natural means something comes suddenly and it couldn't control. Natural environment such as natural pollution, cost of raw materials and any other natural forces. For example, Pizza Hut has the high overhead cost because they are not just serving deliveries but also walk in customer. In this point, they have to loads many raw materials. As the natural forces have made the cost of raw material growth, therefore the cost for the raw materials for Pizza Hut is high. Besides that, pollution nowadays is increased. This may affect those producers to produce raw material for them. In addition, when pollution comes, may people will not eat outside.

2. 4 Technological Environment

The technology environment would be a factor that affects business because in this new era technology are mushrooming day by day. Organization has to keep track of new technology if the organizations want their business to survive. Nowadays people are looking for more fast, easy, and convenient way to do something. It is designed to serve people better. Today, everyone around the world are talking about online shopping, purchase thing and order thing through online because it is very convenient and the customer don't need to go out. In the past elderly will say that online shopping doesn't make sense but technology is a thing that no one can control. In addition to that, it will make everything simple and easy and have the opportunities to get more profits in an organization. Besides that, technology doesn't mean only on internet but phone calls or other electronics thing. For example, Pizza Hut has provided order via using online or by the phone call and the

delivery service. Besides that, any new flavors and promotions will be found on the internet. Other than that, Pizza Hut in Malaysia always comes out with more variety of pizza to attract customer whereas other competitors are doing promotions only. They can use the social media for advertising their new products.

2. 5 Political environment

The political environment is composed of laws, government policies, and pressure groups that can affect your business that can affect your business. Government can affect trade negotiation and protection, antitrust action, deregulation of industry, and the level of privatization. Government legislation has been institute to define and prevent unfair competition to protect consumers from disreputable business practices such as deceptive offers and bait pricing, and to protect the interests of society. The political factor would affect Pizza Hut business is the legalization to establish more franchisee in Malaysia. Besides that, if the policies do not protect the legal rights then it will have lesser franchisee. This will then limit the amount of franchises that can be established by Pizza Hut and will affect their business. In addition to that, political factors of Malaysia with foreign countries will also play a role in affecting tourism in Malaysia, with more tourists coming to Malaysia; Pizza Hut will receive more exposure and recognition.

2. 6 Cultural & Social environment

Cultural and social environment is also another factor that influences Pizza Hut's company. Cultural environment refers to institutions and also other forces based on society's basic values, perception, preference and behavior. All these things will indeed affect Pizza Hut as the factors in cultural

environment influences potential customers of Pizza Hut. The diversity that exists in Malaysia will play a major role because people of different races have different culture and their culture will influence the choice of the food they consume. For instance, if pizza hut were to serve pork in their dishes, then Malay people will not choose to dine in pizza hut as it is against their culture to consume pork. Besides that, influence of one person to another person also influences their decision on whether to eat in pizza hut or not. If a major part of a particular city is not of interested in having pizza then it will decrease the number of potential customers of Pizza Hut.

3. 0 Conclusion

As can be seen, all the factors that consists in the macro-environment such as the demographic factor, environmental, social, economy and also the political factor does play a major role in Pizza Hut's business. All these factors will indeed influence all potential customers of Pizza Hut and will determine whether or not they will visit Pizza Hut in their daily life. To increase the profit of Pizza Hut, the company will have to conduct a proper research regarding these factors and solve the potential problems based on the research that they conduct in order to maximize the profit of Pizza Hut.