

Marketing research analysis: santa fe grill mexican restaurant

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Marketing Research Analysis: Santa Fe Grill Mexican Restaurant

The Santa Fe Grill Mexican restaurant is a relatively new restaurant in Dallas, Texas. It was established by two former business colleagues from the University of Nebraska, both of whom had entrepreneurial interests. Their knowledge and experience in the operations of a restaurant convinced them they were ready and could operate a restaurant.

Prior to establishing the restaurant, the owners undertook a market demographic and competitive profile analysis which concluded that Dallas, Texas was the most favorable location for the business. However, a year and half after the establishment, the owners realize that the restaurant has not been as successful as they had anticipated. To improve the performance of the restaurant, the owners have decided to analyze the situation further.

This article will analyze the case to identify the main problems preventing the success of the business as expected, evaluate the possible solutions forwarded, and review the business' SWOT status. In addition, the recommended solution will be reviewed as well as offer the type(s) of research programs that the owners can use. Finally, the paper will try and add more aspects that the owners should consider in their analysis.

Problems Identified

After running the restaurant for 18 months, the owners have realized that it has not met the standards they had set in terms of performance. The major problem identified in the case is on customer satisfaction. The owners realize

they do not fully understand the restaurant characteristics and their interactions and how they contribute to customer satisfaction.

Solutions Offered by the Owners

The owners have proposed to undertake further research into the factors that affect customer satisfaction and their interactions. The entrepreneurs also realize that they have to re-evaluate their target market and how it relates with the restaurant. As noted by Hair, Bush, and Ortinau (2006), such a marketing research will enable the entrepreneurs to improve their marketing decisions as well as aid them in planning their short- and long-term strategies.

SWOT Analysis of Santa Fe Grill Restaurant

According to Bohm (2008), SWOT analysis involves the evaluation of a company's strengths, weaknesses, opportunities, and threats and focuses on both the external and internal, and the negative and positive factors of the business. This is further shown in the figure below. Quoting Nieschlag (2002) Bohm notes that through SWOT analysis, a business is able to develop a marketing strategy build on the company's strength while at the same time avoiding its weaknesses and aligning the future of the company on the available opportunities with regard to the threats in the market (2008).

Figure 1: The SWOT Analysis Chart.

Strengths

The concept of the Santa Fe Grill Mexican Restaurant is a major strength. The concept of the restaurant is based on freshly produced food and

festive environment. The restaurant has a fun and festive atmosphere supported by competent service. This is a major strength since the target market is the baby boomers and young families. Such a clientele would appreciate a fun and festive environment for them and their children.

Another strength for the restaurant is its owners. The owners of the restaurant are former business students. This gives the owners a source of theoretical and conceptual knowledge for the success of the business. This is evident in their preparation for the starting of the business. In addition, the owners have experience in the operations of a restaurant. It is noted that one of the owners is knowledgeable in managerial aspects of restaurant from the experience as an assistant manager. The other owner has worked as a waiter and therefore has the knowledge of the customer service aspects.

Weaknesses

The business is still relatively young and it still has to undertake measures to carve out a niche for itself. This is its major weakness as it still has to reorganize within to be able to assert itself in the market.

Opportunities

The opportunities that are available to the business is as identified in the initial market analysis that showed that 56% of the population in Dallas were married with children and 51% earning between \$35, 000 and \$75, 000 per year. These, complemented by the fact that majority of the population was at the age of between 35 and 64 years offers the business with the opportunity to grow in the future.

The US Census Bureau showed that by 2000, the Mexican population in Dallas, TX was 350, 491 while the total number of Hispanics in Dallas was 422, 587 in a total population of 1, 188, 580 (2004). This offers the business an opportunity to grow and expand its market share since it has a Mexican theme.

Threats

The major external threat for the young business is stiff competition. According to Citysearch (2010), Dallas has many Mexican restaurants. Some of the most famous Mexican restaurants as noted by Citysearch include Mattito's Mexican Restaurant and Cocina, Mercado Juarez Restaurant, Pappasito, Cantina, Desperado's Mexican Restaurant Uno, and El Ranchito among many others. The competition offered by these restaurants some of which have established themselves is the most serious threat to the future success and growth of Santa Fe Grill Mexican Restaurant.

Proposed Solution

The owners have proposed to undertake further research particularly to understand the dynamics of customer satisfaction. As noted by Burns and Bush (2006), marketing research links the business to the market by gathering the relevant information. They further note that the information will enable the proprietors to handle the problems and barriers hindering growth of the business.

Suitable Types of Research Programs

As noted by Hair et al (2006), there are various ways in which a business can gather market information. They note that information can be gathered through observations, survey of respondents, and experiments. However, in the case of Santa Fe, survey of respondents is the most appropriate type of survey. In this type of survey, the owners can be able to sample respondents who are relevant to their purpose. The owners have posed specific questions that they seek to answer. This form of research will enable them to focus their research on the issues of interest.

Hair et al (2006) note that under survey of respondents there are options such as person-administered, telephone-administered, self-administered, and computer-assisted surveys. The two entrepreneurs can combine several methods in order to maximize the outcome of the exercise. A combination of the four methods can be able to gather the relevant information to answer the questions posed by the owners.

Additional Questions

The questions proposed by the owners are “ Are the customers satisfied or not? Why are the customers not satisfied? Are there problems with the food, the atmosphere, or some other aspect of restaurant operations (e. g. employees or service)? Is the target market correctly defined, or do they need to focus on a different niche? What are the common characteristics of the satisfied customers?”

In addition to these questions, the owners should add questions that will enable them to identify and expand their market share. Such questions could be; “ What share of the population does the restaurant serve? What is the

market share of each of the competitors? What are the competitors doing different? What are we doing that is different from the competitors? What are some of the changes that the customers would like to see?

The addition of the above questions will enable the owners of the restaurant to gather more information that will enable the business to identify more opportunities for expansion as well as threats to avoid or deal with.

References

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