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Failure to supply food, drinks, furniture etc All this negative aspects should be analysed, and later a contingency plan should be drawn in order to avoid negative implications. Critical Risk Very risky situations for our restaurant can be a result of a number of different internal political and economical affairs in Britain as well as global. Recession would have a major strike on restaurant businesses because would result in unemployment, falling incomes, higher prices, more savings and less expenditure. Clearly this is not a desired environment for the market. Direct link with income puts the demand for the restaurant under threat.

The prices go up and it may be hard and expensive to keep a restaurant. A much talked about threat of terrorism does certainly have an impact already, tourism is falling due to the fear of travelling by air and travelling in general being as much avoided as possible. If something major would happen in United Kingdom particularly or elsewhere the effect on customers would be enormous. Current affairs such as fire brigade strike produces a temporary problems like reduction in customer numbers. People do not feel safe in public places and prefer not to travel because they know that there would be no back up from firemen.

And finally of course such unpredictable factors as new construction works just by the restaurant entrance or a burglary can sometimes create a critical situation on a temporary or permanent basis. What appears to be the case is the need to have the right restaurants in the right place with the right concept The tourism factor It is not possible to examine the UK restaurant market without some reference to the role which tourism has played in shaping it. This is not a factor that affects all restaurants, as it is clearly location-dependent.

The biggest area of impact is London, which has the highest number of restaurants per capita and it is also the region where some of the smaller chains are heavily focused. The experience counts The quality of the dining experience is of major importance to the consumer. While the food plays a key role, restaurant dining is undoubtedly a leisure experience and competes for discretionary expenditure with a multitude of other goods and services. Mintel's research shows that 65% of consumers surveyed feel that the quality of the service is very important to them with a similar amount saying that they do not like to feel rushed.

The customer is, therefore, paying for an experience and not just the food. This is reflected in the numbers who are prepared to travel to go to a restaurant that they like, clearly indicating that the quality of the experience is of some importance. Chains not venue of preference The level of growing sophistication and desire for a good experience would appear to be bad news for the chain operators. Mintel's research shows that only 3% of consumers (from a small sample/base) prefer a branded chain restaurant to an independent restaurant.

Bar or restaurant or both? The introduction of a bar now provides a secondary income stream and offers a quicker route to profitability. The overriding financial pressures have been seen to dictate the strategy of the group, evidenced by the move by a large proportion of restaurants towards the bar format from fine dining. Market Factors Growing affluence Hence the forecast growth in the overall size of the ABC1 groups will have a positive effect on the restaurant market. Figure 3 illustrates the current and forecast changes in the groups.

The AB group, which eats out most frequently, is forecast to see a rise of 27% during 1997-2006. This represents around 2, 750, 000 extra adults and using Mintel's consumer research for this report 39% of these or around 1, 072, 000 adults in this group will dine out at least once a month. It can therefore be concluded from Figure 3 that the growing levels of affluence in this country will have a very positive influence on the restaurant market. Increasing PDI and consumer expenditure Rise PDI and the corresponding increase in consumer expenditure will have a positive effect on the restaurant market.

As well as consumer expenditure itself steadily increasing, the proportion that is spent on restaurant meals is continuing to rise. This also means that there is a corresponding increase in average spending on restaurant meals as a percentage of the total spend by consumers on food and alcoholic drinks. Altogether this has a positive effect on the restaurant market. On average weekly spending for restaurant and cafi?? meals in London is i?? 12. 90. The health-conscious consumer The quality of the food on offer at restaurants and other eating out places has become a particular obsession with some consumers.

They are now more frequently apprehensive of the food that they eat, particularly with regards to the source of the ingredients. On a local level the foremost strength of a good independent restaurant is the emphasis placed on sourcing high-quality ingredients. An independent operator has an unrestrained freedom to meet customers' increasing demands in food standards. Expanding competition for the leisure pound While it is valid to examine the direct competitors in the restaurant marketplace it would be restrictive to consider the market only in these terms.

Some of the market factors such as the increased level of affluence have resulted in an increased number of ways in which the consumer can spend on entertainment. Operators in the eating out market have reacted to this and there is a growth in the number of venues that combine food with some other activity such as dancing or music. There is a proliferation of cafi?? bars and music clubs where food forms part of the offering. As Mintel's exclusive research shows these venues have particular appeal to the 20-34 age group and the most affluent ABC1 market segment (Figure 19) and as such represent a real challenge for the restaurant market.

The lifestyle changes particularly in this group which have seen a rise in demand for quick, convenient but quality food may be better met by other sorts of dining venue than a restaurant. Eating out has continued to command a greater proportion of total leisure spend. As consumers increasingly substitute home-prepared meals for meal out, convenience, casual dinning out and experimentation have become driving forces within the market. Figure 1: Comparison of UK restaurant numbers with other catering establishments, 1997-2001