

Analysis of external and internal environment marketing essay



**ASSIGN
BUSTER**

A small business is a business that is privately owned and operated, with a small number of employees and relatively low volume of sales. Small businesses are normally privately owned corporations, partnerships, or sole proprietorships. Every business which starts with the small capital, few members of staff and management, don't have much branches in other areas, town or country will be called as small businesses. Small businesses often have the vision of expansion, invest more capitalisation as well as profit maximisation. Here I am taking about Fried chicken shop which is necessary to UK people. This fried chicken shop name is western fried chicken.

Executive Summary:

The marketing plan of Western Fried Chicken focuses on their current positioning and the effects of repositioning themselves by launching Halal Fried Chicken. With its launch, they'd also be in the list of one of the " Halal" food suppliers in UK. The main idea is to offer Halal fried chicken in western style as well as with a few amendments in the recipe by making it spicy to make it appealing to its extended target audience i. e. Muslims that reside in United Kingdom. The reason being Muslims prefer a slightly more spicy food than the western food. The repositioning of the brand is targeted towards the extension of its target audience by allowing access to another target group i. e. a profitable population of Muslims from all over the world, living in UK. There is a high tendency of its success as Western Fried Chicken is already liked by its existing target audience and gets good reviews if anyone is a big fan of scrumptious chicken, chips and even juicy burgers. The consumers prefer WFC more than one of its giant competitors i. e. KFC. The Buzz

marketing effect would be one of the best and cost free methods of promoting their chicken.

The Challenge

The food industry is a mammoth industry in UK and since there is a busy lifestyle, people prefer fast food take - away rather than going for fine dining. In order to survive in the food industry where there is cut throat competition with over 1, 000 individual brands and 1, 700 outlets, WFC has to offer something exceptional to its existing target audience in order to retain them and also attract new ones by enabling Muslims to be carefree regarding the Halal meat and focus on providing them something according to their preferences and taste. A little effort on consumer research should be put in, in order to know about their preferences and ultimately provide better end results to them and remove chances of consumer disgust.

Vision:

- To establish a world class brand.
- To be the leading and fastest growing fast food chain in UK.
- To be synonymous with quality and profitability.
- To bring innovative products and business models to customers.

Mission:

Providing a hot juice burger, hot testy fried wings and chips. Providing a customer nice environment and nice service.

Analysis of external and internal environment of the company:

EXTERNAL environment:

EXTERNAL ENVIRONMENT is factors (conditions, trends, and forces) essentially outside the control of organizational members. External environmental scans are conducted to identify important factors in the external environment. This analysis is often a critical aspect in all business or strategic plans. Also known as the operating environment, this refers to market conditions, economic and political issues on the local and national levels, demographic factors, and other forces outside of a business that affect the overall success of that business. The external environment creates both risks and opportunities for a company. Company's external environment has two factors such as Micro and Macro. To study micro factors, we need to focus on Porter's five generic forces model and to study macro factors, we need to focus on PEST analysis of the company.

Organization Macro factor: Macro environment factors are external forces or components that may affect the running of a business or organization.

Despite being largely beyond the control of a business, macro environment factors often require changes and shifts in operating, management, production, and marketing. There are many different types of macro environment factors, including political, economic, social, and technological concerns also known as "PEST" factors. Macro-environmental factor normally used by the management and professionals to scan the external environment of the business to study strategic business management. There

are many factors in the Western Fried chickens macro-environment that would affect the decisions of its management.

Economical

Political

PEST

Technological

Social

Political:

Political factors can have a profound effect on how a business is operated and managed. Tax policy, government-issued safety regulations, the availability of government contracts, and even shifts in the controlling political party may all change the macro environment for an organization. International laws, such as trade agreements and tariffs, may affect the supply and demand chains and available markets for many different businesses as well. Political factors like changes in the Tax changes, new laws, trade barriers, demographic changes and government policy changes can affect WFC. WFC has an advantage being a food outlet as there won't be any such limitations in running their business. Despite the political distress it wouldn't affect the business of food chains at all as people won't stop eating food. Therefore, in political terms it has a positive edge.

Economic Environment:

A market boom, recession, or growing inflation problem can all change the way a business plans for the future and operates in the present. Economic macro environment factors are often difficult to assess, since economic forecasts and analyses vary widely between experts. Unemployment levels, comparative foreign exchange rates, and the state of the global economy can all help or hurt a business' ability to get components it needs and maintain stable profit levels. Envisioning the economic environment of UK where inflation is as high as 3.3424%, the business might get affected thereby, decreasing the customer footfall, but at the same time, welcoming another target market will subsidize this outcome.

Social and Cultural Environment:

With respect to social and cultural environment, WFC is in an excellent situation. The reason being they are providing food which is one of the basic necessities of survival of human life. Secondly when talking about culture, just as the name suggests Western Fried Chicken, their offering fits the culture of UK the best and now they are even planning to launch Halal meat which would include the understanding of western consumer groups as well as other consumer groups i. e. Muslims for whom Halal meat is sacred This would help create positive associations to their brand.

Technological:

Technological macro environment factors can influence how a company does business. A new type of machinery, advanced computer chip, or product created through research and development can help a company stay

modernized and ahead of the market curve. Keeping up with technological advances can be something of a marathon and a gamble; smart business owners must be able to accurately identify which new developments will be truly useful, and which are merely shiny objects with no real ability to improve business. Being a food outlet, Western Fried Chicken can adapt to a few more advanced technological cooking equipment such as electrical ovens and deep fryers etc. that would be hassle free and heat the oil at a flawless level in order to provide well cooked and crispy chicken than ever before.

Organization Micro Factor:

Company's micro environmental factors can be explained by using Michael Porter's generic five forces model. This model mainly explains the relationship between company and their potential competitors, buyers and suppliers. These five forces also affect WFC. With this analysis one can find out the best option suitable for WFC to overcome the problems in the market due to those five forces.

Bargaining power of Customer
Michael Porter's five forces model:

Bargaining Power of Suppliers

Threat of substitute Products

Competitive Rivalry within industry

Threat of new Entrance

Threat of new Entrance:

Threat of New entrants is high as there are low barriers to entry on and there is no monopoly of any food outlets. The reason being the core product i. e. fried chicken is always a hit and there are higher chances of new entrants to survive pretty well in this industry by consuming other existing businesses' market share.

The bargaining power of suppliers:

The bargaining power of suppliers is also low as chicken which is the raw material for WFC is not a difficult item to get due to the sufficient amount of suppliers but when it comes to Halal meat then it could be taken as bargaining power of suppliers is high as a very few suppliers provide Halal meat which is near to having monopoly.

The bargaining power of buyers:

The bargaining power of buyers is high when it comes to fast food items as there are many other outlets such as Chicken Cottage, KFC and Dixy Chicken etc. offering the same menu. Therefore, if the customers feel that WFC is continuously over pricing then there is a possibility of switching to other competitors.

Threat of substitutes:

Threat of substitutes is also high as there are over 1000 individual brands in operation in UK and if in future the consumers may think that WFC is not a healthy food, they might get inclined towards healthy food such as Chinese, Thai and Subway etc.

Competitive Rivalry in the industry:

Competitive Rivalry in the industry is very high because there is cut throat competition in the food industry of UK. There are over 1700 outlets providing something or the other. WFC has a lot of direct and indirect competitors.

Internal analysis:

To analyse any company's internal environment, it is very important to focus on what are the company's strength and weaknesses. By utilizing strength, company can use this positive factor to grow in the competitive market. It shows company's uniqueness from its competitors. Why we should choose or do not choose this company, we can get idea from its strengths or weakness. By focusing on company's weaknesses management can change or improve the weak points and they can transform weakness into their strengths.

Strengths:

Characteristics of the business, or project team that give it an advantage over others.

Good Taste: WFC is famous for providing one of the best fried chicken and chicken burgers in town.

Strong Brand Conviction: When it comes to fried chicken the customers strongly prefer and the fact that WFC is open till 4am which gives it an edge over all its competitors such as KFC etc.

Customer Loyalty: If a customer has once tried WFC; he'd get converted into a regular customer in no time.

Customer Oriented Business: WFC is somewhat an amateur customer oriented business that plans to focus on consumer preferences and meet the expectations of the consumers better.

Adaptability to change: WFC is willing to change as they're thinking on the lines introducing " Halal" meat and extending their target audience.

Weaknesses:

Weaknesses are characteristics that place the team at a disadvantage relative to others.

Narrow assortment of menu: fried chicken pieces, burgers, wings and ribs with fries and drink are just too limited offerings due to which they might lose on some of the potential customers.

Lack in providing value for money to the customers: According to a few customers WFC is now charging expensive rates with respect to the value they are providing in form of food. The perceived value is less than the actual value delivered to the customers.

Lacks in marketing research: A little effort put towards the marketing research of existing as well as attracting new customers might help WFC to be more profitable by providing value to its target market.

Business Plan:

Every small and big business starts with business plan. A business plan is a formal statement of a set of business goals, the reasons they are believed attainable, and the plan for reaching those goals. It may also contain

background information about the organization or team attempting to reach those goals. Business plans may also target changes in perception and branding by the customer, client, taxpayer, or larger community. When the existing business is to assume a major change or when planning a new venture, a 3 to 5 year business plan is required, since investors will look for their annual return in that timeframe. The process of business plan passes through series of stages.

Gather Information: WFC has gathered information about market trend in the UK. They found out that in UK there are lots of Muslim people. Age 14 – 45 years; teenagers who are students to adults, who are working there mostly, like fried chicken. That's why there opening at let night 4 AM.

Mission & Goals: To provide a hot good quality and juice food to customer. Providing a good customer service. Increasing the income £15000 to £25000.

Devise Strategies:

At this stage WFC formulate their strategies to play in the market. Owner sit together and discuss about the market research and statistical data based on past survey. They develop the strategies on the basis of those data.

Evaluation Plan:

On the basis of the reports regarding monitored performance, Owner can evaluate the business plan again if he fined any gaps in their actual then targeted outcome. He can again start gathering information about actual market trend.

Business plan is like a cycle. It doesn't stop once they achieved their target.

Conclusion:

Western Fried Chicken is operating really well in the food industry in UK and is really popular amongst its target audience. Catering to another untapped market of the Muslim population would make it a profitable venture by leaps and bounds as there are a really few Halal meat retail outlets in the UK. The opportunity is huge for the outlet which if grabbed properly can take the company into a new arena completely. I feel that this opportunity should be grabbed by the organization as there is a huge potential market available for it.