

Aspects that need to  
be taken into  
consideration about  
the marketing of my  
new pr...



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PEST is a commonly used analysis of a market. It determines aspects included in the Political, Economical, Social, and Technological. These are macroeconomic issues.

Politically I need to be aware of Taxes and legal constraints that may affect my new product. This could concern the manufacturing but also the advertising and sale side. Through research I have found the following laws, which I think, will apply to me

The Food Safety Act 1990. This protects the consumer. It States that any premises selling food must register with the local authority. This means that my business must be registered with the local council and food authorities. It also lists that all staff who handle food must be appropriately trained to do so in a safe and hygienic manner.

The Supply of Goods and Services Act 1982. Under this law all goods I sell must be of 'merchantable quality' and sold at 'reasonable rates'. In my case this means that all goods that I sell in my restaurant must be safe to eat and of good quality. Also I must not charge extortionate rates for my products especially as I am the only restaurant in a limited range and have in a way a monopoly over the market.

The Consumer Protection Act 1987. This law states that Firms are liable for any damage, which their defective goods might cause. In my case this means that if my goods are defective i. e. not cooked properly or are not in a consumable state and the result of this is someone becomes ill then I am liable for the damages and repercussions it may result in.

The Weights and Measures Act 1951. Inspectors can test weighing and measuring equipment of organizations. This for my business means that all my kitchen equipment can be tested to ensure accuracy at any time. This is not a major law I need to beware of, as I am not selling packaged goods. If I were to be selling packaged goods then by law I would have to state a weight on them. This is where problems could arise due to inaccuracy of equipment but as sale for me is not dependant on weight then it is not a great problem.

Trade Descriptions Act 1968. This prohibits false or misleading descriptions of goods and services. This applies to me a great deal. It means that I cannot advertise on my menu goods that I do not sell, neither can I advertise goods incorrectly. This applies to recipes, sizes, prices and quality of goods.

I obtained these acts from the Advertising Standards Authority web site

I must take all of these laws into consideration to make sure I am within the stated laws and constraints that could affect me as the owner.

Economical is another aspect of the PEST analysis. This refers to such things as interest rate inflation and unemployment rates. These could be taken into consideration when looking at the target market.

Social is the next part of Pest analysis. This is about the work force I need to employ in order to meet demand at a reliable profitable and constant rate.

The consumers that I will be looking to attract and serve (target market), and the current appeal for related products in the market. This will give me an idea of what the market require.

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Technological is the last section of PEST. It relates to how my product will be produced. What processes of production will be used to make my product. What machines I will use i. e. ovens fridge's etc and how I can use these to increase efficiency.

I know a substantial amount already about the market I am aiming my new product towards. I am aware of times that attract the most custom and also what these consumers currently purchase. These are shown in the tables and graphs on next page.

This is very important when considering releasing a new product to the market. If the market consists of 11-year-old vegetarians it would be inappropriate to suggest selling 3 course carvery meals. It is for this reason that I am looking at the following points to establish who wants what in my target market. The Occupants are very important to consider. This is the difference is the types of people who are in my market. These include the mixture of age, gender, and social economic groups. This all contributes to the make up of my target market and the needs and requirements of these people.

The Objects are also very important. This is what my current custom purchases, these include a selection of goods stated at the beginning of the report (my current menu). This attracts my current business so it is wise not to alter this as it may loose loyal regular custom. My Objective for the new product is that I intend for it to be appealing by supplying a good that is currently unavailable in my market sector. This will increase profits with out jeopardizing current business flow. My potential custom will be attracted to

the new product as it is not available anywhere locally and is not your average consumer good.

The way that the business continues to work is greatly dependant on the Organization. This includes the Cash and carry supply goods that are purchased, as a business we turn these goods into consumables and sell them at a profitable rate that keeps the company afloat and allows money to be made that can be used for expansion. As a business our Operations allow variety and the majority of forms of payment are accepted, credit/debit cards, cheques and cash yet we do not give credit under any circumstances.

As with any business the flow of custom is not constant and we have our Occasions, between 11: 30 and 2: 30 are usually the busiest time of the day and Saturdays are the busiest day of the week. We are a single business and are not yet a chain. We have an Outlet located in MK food hall. It is an area of shops and outlets selling ready made food. We are the only restaurant situated locally that serves sit down meals. Many things influence buyer behavior. Buyer behavior is part of microeconomics. Personal preferences or attitude may alter buyer behavior.

Circumstances relating to the customer, i. e. in my case people who take a pack lunch to work prefer to do this than go for a meal on their break. Price is a major contributor. Buyer's behavior regularly revolves around the cost of products as a dependant on weather or not they make a purchase.

Interpersonal determents are an issue also. These include religion, preference such as vegetarian, or allergies a customer may pose. Britain's

market for eating out restaurants has increased as wages on average have increased steadily over the last 5 years.

Higher wages mean that people will have more disposable income to spend on luxuries like going out to restaurants and not staying in and cooking. Population has also increased and in the last 10 years in MK in the area of my restaurant the population has gone up from 152.5 thousand to 178.7, an increase in 16.2 thousand people. This again puts greater pressure on the market to meet the demand of all these people. All of these are not my target market but it does reflect on my custom as a great percentage of them will fall into my target market.

As the population is expanding the money the local economy will be spending will be increasing. The table below shows how much the economy increases and the population increases also the business for eat out restaurants like mine will also increase. There are many different types of restaurants from ethnic eat in and take away to fish and chip establishment. The graph below shows that they have not all expanded in custom in the same proportion. Table 3 Apart from burger fast food places the pizza fast food business has grown the most rapidly over the four-year period.

It may be worthwhile in my primary research to look into going into a takeaway section of the businesses to increase profits further. Pizza places have expanded by 28.2% as compared with ethnic takeaways that have only increased takings by 11.2%. The fast food sector does take up a lot of the eating out percentage of the British economy. It takes up 25%-26% every year. The lions share however being restaurants weighing in at 67-

68%. Other forms of catering such as small hot and cold food and drink cafes and trailers take the rest.

There has been a constant rise in the pizza industry over past years; as well also has been the rise of other types of restaurant in proportion to this. The below graph shows how between 1997 and 2001 all types of the catering sectors of business has increased slowly but constantly. Table 4 Pizza restaurants as an individual have also increased in popularity. This is shown on the table below Table 5 This tells me that the pizza industry is worth being in and staying in as it has constantly increased with the increase in population.

To collate information that is specifically relative to my business and the needs I require I will use a form of primary research. Being primary means that it is relative to my business and collated by my business to insure it is specific to my needs. There are many types of primary research. Each has its own advantages and disadvantages. Different types of research methods are used in different circumstances. The choice may depend on budget available, time available, human resources that may be needed to carry out research, and what the research involves.

Face-to-face interviewing involves stopping people on the street or going from door to door asking people if they would mind answering a few questions. These are usually in the form of questionnaire questions with multiple-choice questions that are just ticked as the interviewee answers the relevant questions. The advantage of this sort of research is that (dependant

on where its carried out) the results will be based on a random selection of people and therefore an overall analysis can be deduced.

This would be useful for my business because my customers are random and although it is likely different types of people are going to have different opinions on visiting a restaurant like mine it is good to know what all age's races and social economic groups think. This would lead to finding out my target market and what they require. The disadvantage of this type of research however is that people may be irritated by being asked lots of questions against their will and give inaccurate results in order to get through it as quickly as possible.

This could however be over come by aiming it at people who have more time and are more likely to answer. This would need to be taken in to consideration when deciding a destination to actually carry out the research. Larger companies use focus groups in research when a new good needs to be tested or constructive criticism is required on a good or service. It involves a group of people from the same sector of the market giving opinions on a product or service. This is usually used by larger business as it costs money unless volunteers are used but it can be a process that will last for anything from an hour to a few days.

One person takes on the position of the leader in the group. This person will raise relevant issues about the product and make sure everyone has a fair opportunity to voice their opinion. The people involved (respondents) are usually trained or their work is related to the product so their opinions are beneficial and well constructed. It is beneficial for this reason. Another



advantage is that there is a leader who will draw all relevant opinions out of the people in the group. The disadvantages are that it may be expensive to carry out for a small business like not all that and mine more beneficial than other methods that would cost less.

Another form of primary research would be telephone interviews. This requires calling the respondents. Sometime this would be at random, other times it may be at the respondent's preference, depending on how their telephone numbers were acquired. This is a popular form of research as it is convenient for the respondents as they can answer the questions in the comfort of their own homes. Also it is convenient for the business because it can be carried out from anywhere, people do not have to travel, this reduces travel expenses. It does have its disadvantages however.

Again with the face to face interviews people may get irritated if they are called un expectedly at home by someone wishing to ask questions and it is a lot harder for them to say no. Unless a list of numbers and times to call them were pre arranged some how then this method could be very time consuming. I would not choose this method for my primary research because it would be very time consuming and the answers I receive may not be as accurate as they could be. One of the cheapest methods of research is carrying it out by post. Postal interviews are the way in which over 25% of surveys are carried out.

This form of research comprises of posting out questionnaires to people who are on a database, or at random and hoping that they return it filled in. It is very easy for the respondent to carry out these as they can be done in their

own time and usually they come with a stamped addressed envelope so they cost nothing to return. Often they also include incentives such as free pens or the entry to a free prize draw. Usually about 10% of sent out questionnaires are returned but again this is dependant on how the respondents are chosen.

This is a good way of carrying out primary research in respect to the fact that it is cheap and not very time consuming. The disadvantage is the low response rate that it receives. This would be good for my business if I sent it out to customers that had visited the restaurant but I don't think that it would be beneficial sending it out to random people and hoping for a reply. A recent technological new way to carry out research is known as CAPI. This stands for Computer-Assisted Personal Interviewing and involves online research.

This type of research involves a questionnaire that can be based on a website or sent around via emails. It is good because it is not time consuming at all after the initial setup. All the data is fed straight into an analytical process unit that stores all the information as it comes in. This is good because it is cheap and easy to set up. As with all methods it also has its disadvantages. As it is new technology it can go wrong easily and malfunction. Also it requires all respondents to have a computer and be willing to sit at it and carry out research that could take a while if Internet becomes a problem.

This would be beneficial for me to use because it is not very time consuming but as I would only use it once I think it would be more suited to a company that had many issues to research. All these methods have their advantages and disadvantages for different situations. Due to the above analysis of the

primary research methods listed I think that the best method to use in my situation would be face-to-face research. I think this due to the fact that it is random and although it is time consuming I feel if I choose the right place to carry out the research I could end up with some very beneficial results.

I want to keep my questionnaire as short as possible because I do not want the respondent to lose interest and with that loose concentration but at the same time I need to include everything needed to gather essential information. There are many things that I need to find out about my target market. As I aim my produce at all ages I think it will be beneficial to take note of the different ages of the different people I ask as it is likely that different produce will appeal to different ages. Not all people I ask may have the same opinion of restaurants like mine.

I will explain what type of establishment I own and from this I will ask if the respondent ever visits restaurants like mine, and if they do how often they visit them. It is worth asking this question because people who visit restaurants like mine regularly are going to have a better idea of what they are going to receive and can therefore pass better informed judgment on what produce they would like to see. This may be food that they already get from other restaurants of food that is currently not available in other restaurants.

Leading on from this I will also find out on what occasion would the respondent be visiting these restaurants? This will help me to establish what the respondent is appealed by in a restaurant. It could be on a lunch break for example and this would mean that they would be looking for different

produce than if they were visiting for an evening meal with the family. This contributes to when I look at what the respondent would like from a restaurant for this occasion and helps me to establish what appeals to different market requirements.

The most important part of the questionnaire is finding out what the respondent would like from a restaurant like mine in the event of visiting it. This is in concern to the food that is served as aposed to the service and di?? cor. It would also be of use to find out what the consumer's current habits are for eating out. This refers back to the section of where they usually go and when they usually would use a restaurant like mine. To be more specific to the above question I feel asking for an ideal pizza preference would be a good idea.

This will be a list of pizza toppings so that I can plan my perfect pizza and see what combination of toppings would be most popular to the people that count. At the end of the questionnaire I will ask a question relating to where advertisements for restaurants would be noticed by them the most so that I also get in idea of where it is good to advertise. This gives me about 6 or 7 questions that I need to include in my questionnaire and I feel that gathering information from these areas will be a very beneficial form of primary research.