

Marketing analysis for indian restaurant



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Aim and vision

The main aim is to provide customers with authentic Indian food laced with the captivating taste and nutritional values of traditional Indian herbs and spices served in a traditional Indian (Punjabi) setting to give the complete feel of incredible India, at the prices which don't make people think twice. The target customers are large number of Indian student and families in the area with the aim of taking locals into our food by capitalizing on the growing popularity of traditional Indian food.

The main focus of our mission statement is to satisfy our customer by offering traditional Indian food and also provide quality service in the form quick home delivery service. Being a high class community, most of the people in Hatfield are working in offices from 9 to 5. In order to attract these customers we will provide competitive prices to attract customers from competitors.

Introduction

We will start food business with the name of DELI-SIOUS which will be “traditional foods.” For the location of our business we are choosing Hatfield which is one of the City of Hertfordshire County. We chose this business because according restaurant guide there was an opportunity available for Indian traditional food restaurant in the region of Hatfield. To gain this opportunity I made a marketing plan for investors to cash this opportunity. (Restaurant guide)

In the preparation of this report both primary and secondary data is involved. Primary data was collected from local people of the Hatfield by using

questionnaires and interviews. While secondary data were collected from Hertfordshire County Council (HCC) and also related books, journals, websites regarding marketing. To analyse the external and internal environment we used Swot analysis as a tool to know about the market. I have also research related sources regarding my marketing plan such as trip advisor, restaurant guide and mintel international group Ltd.

Financial overview

We have a small business loan of £50, 000 provided by two business partners, which have to be paid back in instalments in coming three years. In first year of our business we don't have to pay any installments and after first year we have to pay installments on the interest rate of 5. 6%. There are three profitable opportunities available in the region of Hertfordshire country, which are:

- Opening a retail premises
- Starting a landscape gardening business
- Launching a virtual office support service

From the above opportunities we have chose restaurant business, according restaurant guide there is an opportunity available in Hatfield for Indian food. The allocation of resources will be discussed in the action plan.

In the first year of our business which is 2010, our expected profits will £5000 and in 2011 we will expect more then £7000 because of increasing sale by 40% in 2011. We further aim that our expected profit in 2012 will be more then £10, 000 because of increasing sale by 40%. To achieve these profits we will capture the market with the help of differentiation strategy.

Our expected sales in 2010 will be £30, 000, we will increase our sales in 2011 by 40% our expected sales will be more 42, 000. We further looking to increase our sales in 2012 by 40%, as a result our expected sales in 2012 will be £59, 000. We have an objective to capture 15% market share by the end of Dec 2015.

Market overview

Hatfield is located in the County of Herefordshire originally Bishop's Hatfield, is in the Welwyn Hatfield district of Hertfordshire, in the south of England. Hatfield is 20miles (32km) to the north of London and separated from the city by the Green Belt. The town has excellent transport links with the nearest airport at Luton only 14miles (23km) away and Stansted airport also within easy reach. Most nearest cities are St. Albans, Luton, Hemel Hempstead and Welwyn Garden city.

We can target the people of nearest cities such as Luton, St. Albans and Hemel Hempstead because people from these cities have a job in Hatfield. Our high target customers will be students and staff of Hertfordshire University. (AAroutefinder. com)

In Hatfield there are 17 restaurants are working but they are not offering Indian traditional food, in order to cash this opportunity I have a marketing plan for investors to invest in this restaurant. As for people living standard is concern in Hatfield, majority people belongs to middle and high class having income per year from £25, 000 to £40, 000. (Restaurant guide)

According Hertfordshire county council in 2001 census the population of Hatfield has expanded over 28, 000 and still growing. Due to high

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competition in the market challenges can be faced in the market.

Competitors created barriers for new entrants but we can enter in the market with the help innovative ideas and competitive prices. (Hertfordshire County Council)

Market Research

According to McDonald (2007: 366) " Market Research is a logical, objective collection and analysis of data about a particular target market, environment and also competition, It always incorporates some form of data collection and could be secondary research or primary research which is directly collected from a respondent." It can be classified either as external or internal. The main purpose of the market research project is to achieve an increased understanding of the subject matter. In the preparation of this report both primary and secondary research has been conducted to collect the data. Market research enables the business to know about the challenges, barriers and need of the target customers in the market.

Market segmentation

Kotler (1997) states that market segmentation is the classification of portions of the market that is different from one another. Due to segmentation firms will be able to satisfy the need of the target customers

We will segment the market into different parts, such students, young couple, and local community people. We will provide special offers to the students on Tuesday in order to attract them. Mostly students and young couples like spicy food we will offer spicy food to them. We will also offer coffee and tea to target the people working in offices and also entertain them with a soft music.

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Market segmentation of DELI-SIOUS Restaurant

Market segmentation of DELI-SIOUS can be vegetarian, non-vegetarian and target market of DELI-SIOUS will be students and staff of Hertfordshire University, young couples and local community of Hatfield. Some cities like St. Albans and Hemel Hempstead and Welwyn Garden City are near to Hatfield so we can also target these cities as well. To attract Indian community customers we will offer vegetarian food (for Menu see Appendix). We will target local community of Hatfield by offering Chilies food because they prefer these foods, To target students we will offer special discounts on Tuesday, to target families we will offer free kids food.

SWOT analysis

In order to achieve goals and objectives and overcome problems, practitioners suggest strategic tools in the form of Porter's forces and SWOT analysis. According to Alison (2004) SWOT analysis is a strategic planning tool that helps in identifying external factors (i. e. opportunities and threats) for, and internal factors (i. e. strengths and weaknesses) that need to be considered for determining where a business should be going in the future and how to overcome upcoming threats. On the other hand David (2007) argues that SWOT analysis indicates the smart objectives by analysing both internal and external factors in the business environment.

SWOT analysis for DELI-SIOUS:**Strengths:**

- The location we will select is very attractive because it's near to St. Albans and most people are coming from St. Albans to Hatfield.

- Opportunity available in the Hatfield town for traditional food, only few restaurants are offering traditional food.
- We have highly qualified and experienced staff to satisfy the need of the target customer by offering quality food and service.
- We will offer reasonable prices to attract customers from competitors, moreover price catering to every section of society.

(www.restuaantguide.com)

Weaknesses:

- We have some weaknesses such as we will be new in the market and to overcome this weakness we will focus on the promotions and also by using networking.
- We will be restricted to resources but we looking to get loan from bank by the end of Dec 2010.

Opportunities:

- Open chain of restaurants
- To make restaurant a multi cuisine to expand customer.
- By offering traditional food we can easily attract customers from our competitors.

Threats:

- High competition in the market, which can be a threat for our restaurant and also some barriers created by competitors for new entrants. But we can overcome this threat with the help of innovative food such as traditional Indian food.
- Recession can also be a threat for our restaurant, to overcome this threat we will offer reasonable prices as compare to our competitors.

Gap analysis for DELI-SIOUS Restaurant

In 2010 our expected sales will be £30, 000 and we plan to increase by 25% by 2011, which means our sales in 2011 will be £42, 000. We further aims that we also increase our sales by 25% by 2012, which means our expected sales in 2011 will be £59000. From the above graph it is quite clear that between 2010 and 2012 we have a gap of £29, 000. In order to overcome this gap, we need to adopt marketing strategies in the form of penetration strategy and differentiation strategy.

By adopting penetration strategy we will penetrate in the market with the help of an effective advertisement and also by offering quality traditional Indian food to our target customers. After penetration in the market we will adopt differentiation strategy to differentiate our business from competitors by offering competitive services and prices. By adopting these strategies we can create a competitive advantage in the market.

In our restaurant we will have 25 seating capacity, to reach 2010 target sales we expect 40 to 55 customer per day. In 2011 we expect 55 to 80 customers each day and in 2012 we will further expect 80 to 110 customers each day.

Smart objectives

According to Croft (1994) objectives play a vital role in the making the marketing plan successful. He further suggest strategic tools in the form of Swot analysis, Porter's five forces and Pest analysis as an environmental analysis which have to be conducted to control overall marketing plan. By clarifying the task employees will be motivated to reach the given targets and as a result overall performance of the organisation can be improved.

These objectives should be smart, measurable, specific, realistic achievable and timed.

Smart objectives for DELI-SIOUS Restaurant

Survival Objectives:

The most significant objective of our business will be to penetrate into the restaurant market as well to promote our restaurant in Hatfield with the help of efficient advertisement by offering traditional Indian food and excellent customer service to our target customers. After penetration we need to focus on increasing the sales and market share.

Profitability objectives: our profitability objective is to reach 15% return on capital employed by Dec 2012 because we have a loan of £50, 000 provided by business investors; we need to pay installments after one year.

Promotion objectives: To increase awareness of the restaurant in the market with the help of networking and effective advertisements.

Market share objectives: we have an objective to increase our market share by 15% by the end of Dec 2015.

Sales objectives: We aims to increase our sales by 40% by end of Dec 2011 and we will further increase it 40% by end of Dec 2012. In 2009 our focal point will be the survival and penetration in the market by adopting penetration strategy.

Strategy to achieve objectives

To reach the given objective 1st we need to adopt “ Penetration strategy” to achieve our most vital objective which can be survival objectives. Which can

be possible by adopting penetration strategy and to make this strategy successful we will focus on the advertisement such as advertising restaurant in the local newspaper, distribution of leaflet in the local community and most important to use social and business networking. By using this strategy we will promote our business in the target market to attract the target customers. We will offer reasonable prices as compare to our competitors as a result our restaurant will be differentiated from competitors. After penetration in the market we will focus on achieving sales and market share objectives by increasing the sales and market share. We can achieve these objectives by adopting “ Differentiation strategy”. By using this strategy we will differentiate our restaurant from competitors by offering traditional Indian food with Indian theme to our target customers and excellent customer services.

Marketing Mix for DELI-SIOUS Restaurant

Product:

Projected Meal 1: Vegetarian Mixed Platter

- According to our mission statement we will more focus on the traditional Indian food such as herbs and spices. With the help of traditional food we can easily attract customer to create a competitive position in the market
- Confirming to health standards.
- Free and quick home delivery service.

Price

Proposed price for Meal1: £15. 95

- Currently due to recession customer's demand for discounts from restaurant, by offering reasonable prices we can meet their demands.
- Special price offers for students on Tuesday.
- Special price offers on advance table booking.

Place

Proposed location: Hatfield

- We will make our restaurant more attractive with the help of an effective furnishing.
- In our restaurants customers will feel a theme of India by enjoying the Indian traditional food.
- We have 50 seating capacity, we plan to increase in 2011.

Promotion

- We will promote our restaurants with the flyers, leaflets and advertising in the local newspapers.
- We will offer special deals to students of university as a tool of promotion.
- We will use our networking to promote our restaurants in the local people by arranging event in the local community.

Resources Allocation

Loan provided by the investors is £50, 000 for the coming three years with a rate of 5. 6%. In order to utilise this capital in a best possible way we will use £13, 000 on the hiring the building and £9, 000 will be used for the building refurbishing. While £24, 000 will be use as working capital and 8% of the budget will served on the promotions of the restaurant which is £4000. Total

salary of the employees will be £6, 800 per month which can be subtracted from working capital. For details see appendix.

Monitoring

All the operations such as advertising, finance, raw material, of our business will be supervised by manager. All the subordinate are responsible to report to the manager on daily basis and manager is responsible to report to the business owners. Purchasing of inventory will be done on a weekly basis to minimise the warehouse cost.

Risk and Contingency plan and strategy

Currently one of the high risks to our business is the recession many businesses are falling down and unemployment has increasing rapidly in the UK. In Hatfield there is high competition in the market between rivals and creating barriers for entrants in the market. One more risk to our business is the substitute products such as University restaurants and forum. (Financial times)

In order to overcome the above risks to our business we have a contingency plan and strategies. To overcome the recession risk we will offer discounts to our target customers. To overcome the second risk to our business we will adopt cost leadership strategy by reducing the cost we will be able to compete with our competitors. To overcome the risk regarding university restaurants forum we will offer special deals to the students in order to attract them.

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