

# Business Studies

## Coursework

(Stage One: Introduction)

For this project I am taking on the role of the marketing director of a small advertising agency. I have been asked to

a) Carry out market research and b) design a marketing campaign to help promote a new shop that is opening in Victoria.

During this project it is very important that market research is carried out in order not to lose money on products that won't sell well and find the consumers' wants. Using market research will benefit my business as using it can be a quick but not guaranteed way to success and will also do the following:

- (1) Show what the competitors like and how you compare
- (2) Will they buy the product
- (3) What kind of customer will buy the product
- (4) What type of promotion will be most effective
- (5) What is the best price that would suit an average customer

The area of which the shop will be is near a few tourist attractions and will be very busy. The busiest times would be on a Friday and Saturday night at around 7 o'clock as those are days, which adults tend to go out. Being in Victoria there will be many rival competitors around. Examples of these rival food restaurants that pose competition are McDonalds, Pizza Hut, KFC and Burger King.

Being the new business that it is the 4 P's has an impact on the business. This is used when deciding a price for an existing or new product. A competitive business must be very careful to choose a price, which will maximise sales and profit. The 4P's are

- 1) Price - of the product
- 2) Place - who sells the product example: the type of shop
- 3) Product - quality and design
- 4) Promotion - types of media used to advertise

The right promotion for a business is evidential and can lead to the make or break point within that business and that is why I have decided to put an advertisement in the local newspaper, as it promotes the business to a target audience. As a marketing director I feel that this marketing campaign that I will be using will be ideal and cheap, as a new business needs publicity to get started.

Like any other business that wants to be a success the business will have objectives. These being the following:

- To achieve survival - When a new business is set up the most important thing is to survive. This will enable the company to fight off competitors
- To provide a service to a satisfying degree - this point is not to make money but to provide an essential service to the public
- To make a profit - Depending on whom the business is run by profit is a main issue. But there is a danger to this as if you raise your products costs to make profit customers can stop buying.

The new business I have been asked to prepare a marketing campaign for is a small African food restaurant situated in Victoria at the top of Victoria Street next door to NatWest. The food restaurant will have highly qualified staffs that have been bought in from private agencies and Recruitment Agencies.

Being a new restaurant the place will be fitted with air conditioning and a state of the art drinking Bar. Ideally the restaurant is for adults who have an eye for traditional African dishes but to an extent will compromise with customers who eat vegetarian and more English meals.

Finance is a major issue when starting up a business. Finance is money, which enables you to purchase goods and services. Without finance in a business there would be no business. The finance pays for wages and contributes to the buying of material assets.

The Business has decided to become a sole trader organisation. This form of business is the most common and is operated by one person only. One of the reasons the sole trader organisation is so common is because there are very few legal requirements.

#### Advantages of Sole Trader

- The owner maintains control of the business
- Freedom to choose own holidays
- Has incentive to work hard as he or she keeps all of the profits

#### Disadvantages of Sole Trader

- The owner of the business is fully liable for all the debts of the business
- Business account is joint to owners account
- No one to discuss business matters with

I would choose this organisation above anything else, as it is the most effective for a new small business. I would not go into a partnership as this involves 2 or more people and can become irritating. A disadvantage of a partnership is if a partner died then the partnership would end or if an important decision needs to be made then all the partner would have to be consulted which can take time. Another disadvantage is that partners do not get limited liability. If the business failed the creditors could still force the partners to sell their own property to pay business debts.

A very important issue especially in a Food restaurant is about Health and Safety. Health and Safety Act: Employers must comply with health and safety rules so it Creates a place of work that is safe and healthy employers agrees to follow rules. Restaurants have to conform to a high standard of hygiene and if they don't then Health and safety is an issue.

(Stage two: Market Research)

Market research is the systematic gathering, recording and analysis of data about problems relating to the marketing of goods and services. I shall carry out market research in order to help me answer the question. What do people want from a food shop in Victoria? In order to answer this question! I shall put together a questionnaire to answer the following points of information

- a) What age, sex, occupation are my potential customers
- b) How much money are they prepared to spend
- c) What shops do they use
- d) What are their hobbies
- e) Which newspapers and magazines do they read
- f) What are their favourite pop groups and famous personalities

Decide on the question to be answer

Decide on the information required to answer  
The question

Decide on the research method to be  
Used

Collect the data

Draw conclusion and make recommendations

# Questionnaire

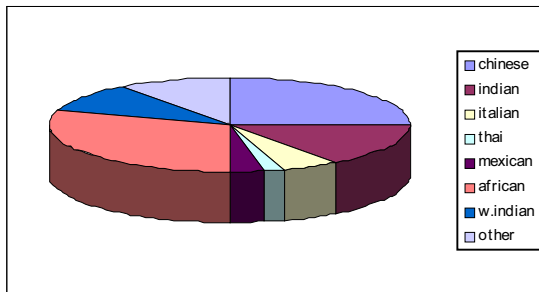
## Business Studies Coursework

- 1) What is your favourite type of food? (Please tick a box)  
Chinese[] Indian[] Italian[] Thai[] Mexican [] African [] West Indian[]  
Other[]
- 2) How often do you visit food restaurants per month?  
0-1[] 2-3[] 3-5[] Above[]
- 3) When eating fast food which do you prefer?  
Eat in[] Take away[]
- 4) Do you enjoy eating hot or cold food or both?  
.....
- 5) How much money do you spend at a food restaurant per visit?  
0-£5[] £6-£10[] £10-£15[] Above[]
- 6) Are you a vegetarian? Yes[] No[]
- 7) When eating a meal do you drink healthy drinks? Yes[] No[]
- 8) Do you normally drink alcohol? Yes[] No[]
- 9) What is your ethnic background? (Please state)  
.....
- 10) Are you familiar with any African food? Yes[] No[]
- 11) If given the chance would you be willing to try a variety of African dishes  
Yes[] No[]

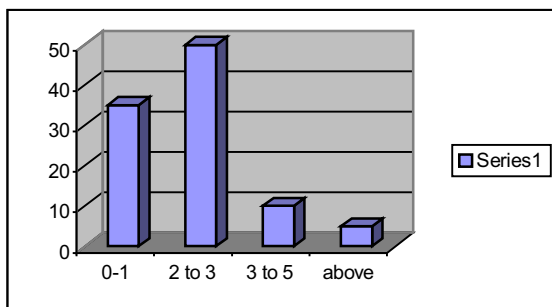
From my questionnaire I have gathered a series of results using a number of methods. I asked people at random walking in Victoria and put my results into pie charts and bar graphs. The questionnaire and market research has helped a lot in determining how the business should be run. The information collected will enable the business to create an idea of the products people like.

## Results

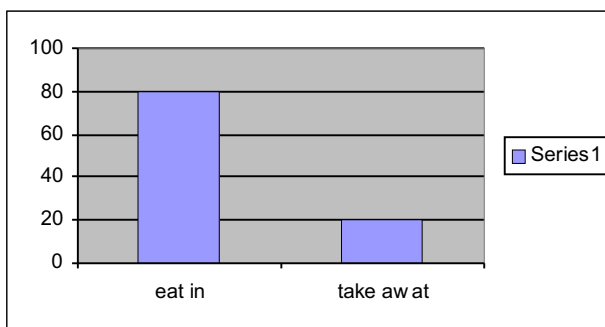
Qs.1 What is your favourite type of food?



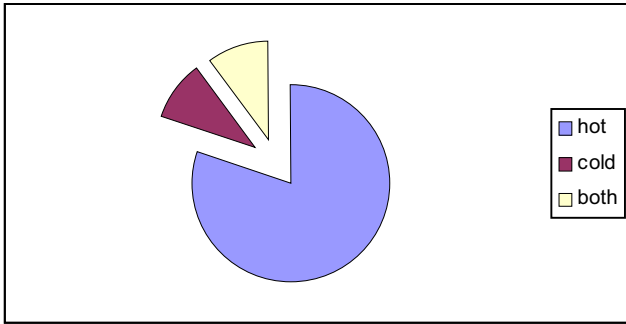
Qs.2 how often do you visit food restaurants per month?



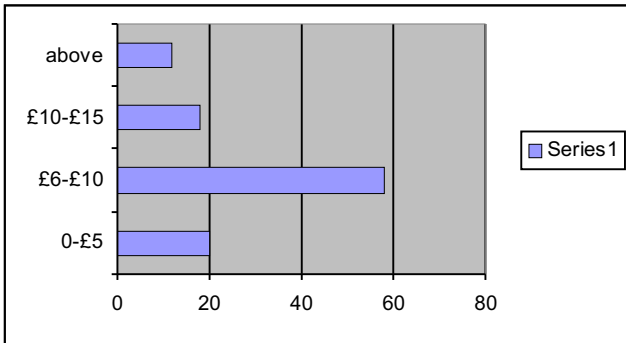
Qs.3 When eating fast food which do you prefer?



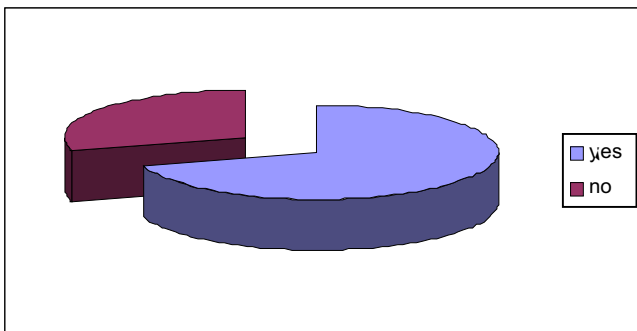
Qs.4 Do you enjoy eating hot or cold food or both?



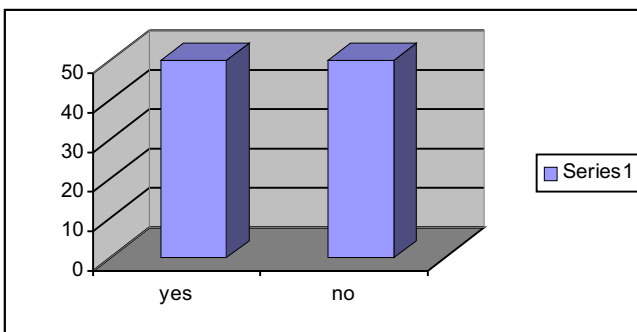
Qs.5 How much money do you spend at a food restaurant per visit?



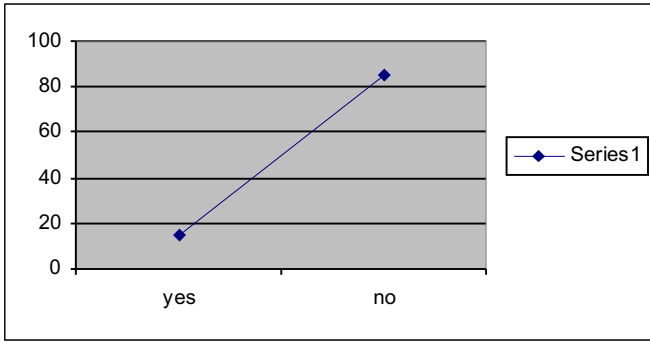
Qs.6 Are you a vegetarian?



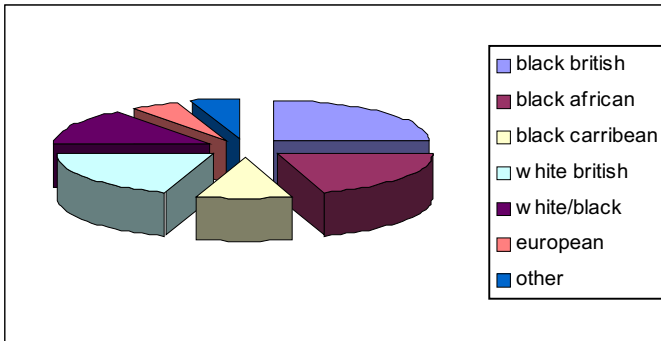
Qs.7 When eating a meal do you drink healthy drinks?



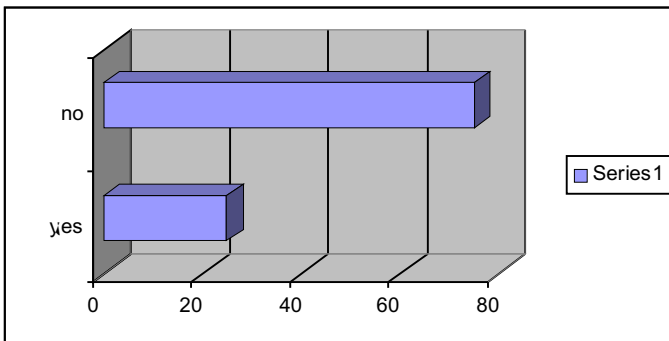
Qs.8 Do you normally drink alcohol?



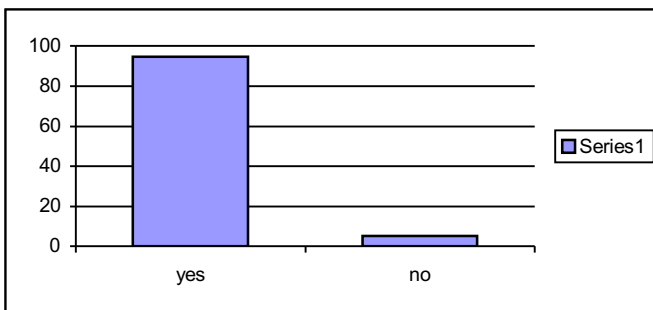
Qs.9 What is your ethnic background?



Qs.10 Are you familiar with any African food?



Qs.11 If given the chance would you be willing to Try a variety of African dishes?



## (Stage Three: Collecting The Information)

### Primary Research

Primary research or as it's also known field research is the collection and collaboration of original data. It involves direct contact with potential or existing customers. This form of research is planned and then carried out by those who want to use the data. However it is an expensive way to gather information. Primary research can be used on the market to test if a new product could succeed. There are various types of primary research methods.

- Questionnaires - postal, face to face
- Interview - face to face
- Experiments

#### Stages of Primary research

What is the purpose of the market research

Decide on the most suitable method of research

Decide on the size of sample needed and what kind of person is going to be asked

Carry out the research

Analyse the results from data collected

### Secondary Research

This research sometimes called desk research deals with the information that has been collected. It is either collected from an internal or external source of information.

The agency of the new business will be using both Primary and secondary research, primary through using a questionnaire and secondary research to compare with my results and see whether peoples views have changed at all.

There are five main types of sampling. When collecting information. These are;

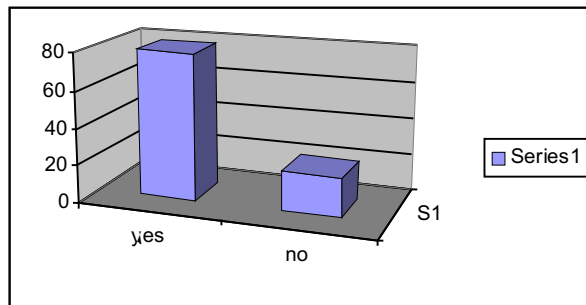
- Random Sampling -When everyone has an equal chance to be selected at random to form collection of data.



- Purposive Samples - a Bias investigation, which focuses on, a particular issue of the market. For example when investigating a football match the sample will contain more men than woman.
- Stratified Samples - Chosen to provide a cross section of the population. Splits population into different groups such as age and ethnic background. Very quick process of gathering information.
- Cluster Sampling - involves choosing a group at random rather than choosing individuals at random. The group chosen would be the sample. Cheap to sample.
- Quota Samples - Usually used on street interviews where the interviewer has a choice of who to approach. Must interview certain amount within a group.

The business will be using the stratified sampling methods, as it is the most accurate and representative information. The other samples are not needed for a new business, as the others focuses on random choosing and bias investigations. The sample the business needs involves looking different groups.

Qs. Do you think building a new African cuisine in Victoria would be a good idea?



A graph like this would be evident in helping the marketing campaign. It allows you to see if the idea would be popular in the area. Each answer strengthens the quest to build the restaurant. Each person has their own reason for their answer but most of the no came from the fact that there are so many restaurants around.

From my research I have done it shows that with the people I surveyed Chinese food was the favourite type of food by 5 people.

The pie chart shows that the majority of people that I asked visited fast food restaurants 2-3 times within a month.

On this bar chart I have come up with it shows that most people preferred to eat within the restaurant rather than take away.

80 people out of the 100 that I asked said they enjoyed hot food compared to cold or both.

When eating out at fast food restaurants the most common amount of money that was spent was £6-£10

The majority of people that I asked said they were not vegetarians. Only 30 said that they were.

When asked if they liked drinking healthy drinks while eating there meals 50 said yes and 50 said no

Incredibly 85% of the asked people said that they don't drink alcohol with their meals

I asked all of the people who answered my questionnaire what is their ethnic background and these were the result.

It was quite surprising to see after knowing of their ethnic background to see that 75 people I asked were familiar with African food.

Nearly everyone I asked said they would be willing to try a variety of traditional African dishes

The heading is bright and bold so it stands out. This grabs your attention.

My opening statement on the promotion is very simple and understanding. It lets the people know what they want to hear. By putting **near you** adds more interest.

The slogans used are very persuasive and so this encourages the reader to read on.

Instead of offering stuff that is boring I decided to offer special deals to incite potential customers. Like kids eat free with every paying adult.

(Stage Four: Designing the promotions)

After looking at the different types of advertisement I have decided to use the Regional newspaper to promote my African food cuisine. I decided to choose this because it's a cheap advertisement and there are a large number of people in Victoria who read the newspaper. I would choose this advertisement over the television as the television is nationwide, very expensive any might not get viewed by those who might be interested. I would advise my client to advertise for a lengthy period of time.

### Finance

For the business the main worry is finance. Whether they can maintain invested money without losing it. I would advice my client to loan some of the cost to set up a business from a bank.

The advantages of using your own money: -

- 1) You don't have any debts.
- 2) All profits made are yours.
- 3) If the business goes bust you don't have to worry about paying back the bank.

The disadvantages of using your own money: -

- 1) You might lose all your money if the business becomes a failure.

### Business Plan

Every business has a plan on how to run a business successfully. I would advice my client not to over price his goods and offer bargain deals so it will attract people. You need to work out the amount of staff needed and where to get these staff. The management is a major issue if it is to succeed. You need to decide whether or not it should be a sole trader, partnership organisation. I would also advise my client to come up with new products and deals every so often and decorate around the place to keep in fashion.