

My role

My name is Kamran Hussain and my role is to be a business consultant for M&M and my job is to help M&M's business to aim the objectives where they need help on which are the following:

- Attract new market share segments – this is where if a company wants to have a new target audience for example M&M wants to diversify their product range in order to get a new target audience. For example when pizza hut tries to sell pasta.
- Increase awareness of their brand – this is when to make the product noticeable where people do above the line promotion which is advertising.
- Increase market share – this is where people want to increase the amount of market share of their company as which they are different of ways of doing so. For example when domino's pizza is trying to have a larger market share than pizza hut.
- Increase sales – this is when a business try to increase the amount of sales in order to raise amount of profit.
- Increase profits – is done when increasing the amount of the profits
- Beat their competitors – this is when the business trying different strategies such as destroyer pricing.
- Continue to expand- this when a business does an expansion for example when a business introduces a new service.

I will discuss each of the strategies down below and decide which will be benefiting and will have my solution when I have then explained each advantages and disadvantages and talk about the reliability and the validity.

- Diversify by becoming restaurant that also offers a take-away service
- Introduce a “loyalty card” scheme
- Diversify by offering healthy eating options

My investigation

M&M have to achieve these aims for order to survive and should be aware that they should know that their on a competition environment. I will explain how should find a way to be able to get their customers to buy their quality pizza and having it on a price on which the customers can afford as they have less disposable income and still having them still earn a decent profit per year and having increasing sales. I will also explain how they should continue to expand such as their competitors are launching websites and having an e-commerce and they should do also and may have to diversify product range this is necessary to do as to gain most of the market share and attract their target audience and increase the sales. The reason why M&M had chosen me as a business consultant is because they want a someone to assist them who have more experience in business than M&M. They may want their consultant to be educated from higher education such as having a master's degree. M&M expects a business consultant to be responsible for his work and be cautious of his or

her actions. M&M will be able to increase their profit by increasing sales into a certain point and decline costs to a certain point. I can increase market share by perhaps diversify product range and using pricing strategies (competition based pricing). They could attract a different marketing segment by attracting people from a different age, gender, socio-economic and many more. They make an awareness of their brand by promoting their product by below-the-line and above-the-line promotions.

How will I investigate?

I will investigate firstly by doing desk research (using existing data from the business or other sources) order to figure how to think which strategy is the best for M&M. I will be using the internet, book, newspapers, specialist magazine, and more sources. When I have done my research, I will then analyse each piece of the information and I will use that information to know about how can M&M use the strategies and how can each of strategies benefit M&M mainly by using desk research and finding out the advantages and disadvantages. It depends on the advantages and the disadvantages for each of the strategies on whether it is beneficial for order to achieve M&M's business aims. I will search other businesses similar to M&M and find out how the strategies affected those businesses positively or negatively and I will focus mainly on how the M&M can follow how other business used those strategies and how it lead them to aim theirs business objectives and become more successful in the market share.

These are examples of desk research below:

Desk research agencies-

They collect data, they then analyse it, and publish the results in journals. This is done by businesses that need information on the consumer markets.

The office of population censuses and surveys-

This carries out a census, which is done every ten years from the government, and this data is for businesses. It includes each person's such as age groups in different areas, where people live, and employment statistics.

The **government's office for national statistics** also publishes data on people's spending this is called the family expenditure survey, and this includes on income and employment (social trends).

Public libraries have books which have a lot of information, and many also have CD-ROM facilities which is

Some **newspapers** and **specialist magazines** for example the grocer and marketing weekly, provide information on market trends.

Internet sites can be useful sources of data, too.

Field research-

Field research gathers new data direct from the consumer. The information collected is called primary data. Field research is useful because it gives the business the exact information it needs, but it is expensive to carry out.

Questionnaires are often used by business. Market researchers are employed to ask questions of the public in face-to-face interviews, either in places such as shopping centres or door to door. Alternatively, the questions can be asked over the phone or the questionnaires can be posted to people's home.

Focus groups can be used. These are small, carefully chosen groups of people who discuss a variety of topics of common interest. It is hoped this will encourage those taking part to be more open about their needs and wants.

Consumer panels are groups of consumers who are asked to test a new product are put on the open market. This method of research is often used to gauge reaction to new products such as toiletries and food products.

Test marketing can be carried out by producing a small run of a new product, and testing it in one small area of the country before opening it up to the full market. Testing in a small area means that customer reactions can be gauged before the business produces the product on a large scale.

M&M's Business- Then and now

Then-

Mr. Mike Smith and Mary Dwyer had set up M&M as a private limited company in the year 1985. They buy shares in the company as they do not buy shares in the stock exchange and they also became part-owners of the company. To set up a private limited company there must be at least one shareholder, one director and one secretary, but there is no upper limit to the number of shareholders. They first had two documents which are needed to be sent to the register of companies; the memorandum of association and the articles of association. The reasons why Mike Smith and Mary Dwyer wanted to set up an private limited company is because of limited liability, if the company fails, they are liable for debts only up to the value of the amount they invested in shares, so their personal possessions are not at risk. The two friends had experience high quality pizza when they travelled to the United States of America and they were determined to offer a slightly the same quality product in the United Kingdom. Their first shop was in Manchester and it turned out to be very successful and in two years they had opened three outlets in Manchester. As their business turned successful they were ready to sell their business as a franchise and they thought that it will be a quicker way to achieve their aims. For them, it is when the business that sells right to use its name to sell its products and services. In the year 1988 they sold their franchise and in three years they had sold fifteen franchises and eventually the business were booming. The franchisee had to agree to run the business in the required by the franchisor. This means that quality and standards are maintained. In return, the franchisor will:

- Allow the franchisee to use the well-known brand name

- Provide training to start the business
- Provide equipment and shop fittings
- Organise advertising campaigns, including a launch of the new business

Each site is licensed to a franchisee at an average price of £2500 and this includes for:

- Fully equipped outlet
- Three weeks training and ongoing support
- Support includes advertising on both national TV and national newspapers

In 1993 M&M wanted to fund further expansion they floated the business on stock exchange so they changed from a private limited company to a public limited company. This benefits them by having it easy for them for raising more capital for expansion by issuing more shares to the public.

Now-

In 2009, the business had made 600 franchise sites throughout the United Kingdom as it shows that they are mostly targeting the business aims since 1985. On the other hand research were carried out and found out that a greater number of consumers are concerned about their health so they prefer having an healthy lifestyle so that means they have a demand to have a healthy eating selection in the menu. Research had also shown that a higher population of customers who are cutting back their spending as they have less disposable income. This is a problem because when the higher demand means more supply which means costs increases. The other problem maybe is that when people are having less disposable income which means that M&M will not have as many consumers buying their goods and services and this could lead to cash flow as they have less profit income and they have to have a large supply of healthy eating selection. As it is a high quality pizza, it means that it is at higher price mainly targeting at a family lifestyle and now only a few people can afford to eat out at expensive places.

Competition

Business competition is when two or more businesses with similar products and service trying to aim their business objectives and achieve them and also trying to get their target market the most then the other company. Example of competitors is Pepsi and coke. If one business had a less market share than another a similar business and selling similar goods and services. The business which has less market might want to think of different strategies to increase their sales and increase their target market. The strategies that they may do are the following:

- Thinking about diversify product range and might introduce new target market from market segmentation.
- Might use different pricing methods such as destroyer pricing and competition based pricing.
- Might do a promotion- below-the-line and above-the-line. So that will be product orientated

M&M's competition

A take-away industry is highly competitive. As a lot of businesses in the market share intends to increase their sales and market share for to increase profits and trying to prevent cash flow problems. Some of the businesses in the market share are aware that to be beat their competitors they have to know about people demanding a healthy eating selection in the take-away business and they have started to have a healthy alternatives to high calorie foods the currently offer, this might be a problem as people are having less disposable and people are demanding for an healthy eating selection in the menu. If there is less profit coming into the business then it would be difficult for the business to pay off the costs to have a healthy selection in the menu this may lead to cash flow. And other businesses have done an e-commerce which benefits consumers who use the internet often also customers have a huge range of goods to use from. This could advantage the consumer by having them a good deal and can easily search for the product the customer wants. Also it could be an advantage the business owners as increased sales leads to economics of sales.

The mentioning the three competitors

M&M has three competitors which has sells similar goods and services to consumers:

Pizza hut-

Pizza hut also sells high quality pizza like M&M, this mainly targets for people who can afford a high quality as the higher the quality the higher cost of the goods and services. Pizza hut know what sort of locations can they place which then can get their target audience easily, the locations are mainly placed at college campuses, food courts and theme parks. Pizza hut has done a lot of promotion in the past four decades mainly above-the-lines which are

- TV adverts
- Newspapers
- Movies scenes
- Mentioning in video games

Domino's pizza-

Domino is also a take away business and sells high quality pizza. Like as M&M, their target market is for people who can afford high quality which are mainly consumers who have more of a family life style. Domino's pizza was before a private limited company but in 2004 they had turned into a public limited company. They also have done successfully by having franchises throughout 50 states and 55 countries. They have been also selling:

- Pasta
- Chicken wings
- Desserts

The reason why they have been selling the goods above is to get an interest to the target market.

Pizza gogo-

Pizza gogo is a take away and an "eat in" business which sells a certain amount of quality pizza. The target market is maybe for people who cannot afford high quality pizza or who buy high quality pizza for the spur of the moment (impulse purchases). At the moment pizza gogo is a private limited company but at the moment they are not thinking to sell and buy shares in the stock exchange.

Pizza hut- now and then

Then

Pizza hut started in 1958 by Dan and Frank Carney who were the owners of pizza hut. Pizza Hut was growing in a certain part of America. Pizza Hut should be in the entertainment business or if it should be a neighbourhood pizza restaurant. The Carney brothers began to systematize operations and building designs to counter the competition from Shakey's pizza who was their competitor at the time. The franchise continued to grow through friends and business associates. By 1972, pizza hut had 314 outlets nationwide; Pizza Hut went public on the Stock Exchange.

Now

Pizza Hut will achieve popularity by growth by sharing its expansion with franchisees. In the UK pizza hut started franchise and started to support and quicken the expansion of home delivery business. Over 40 franchisees have now been recruited and between them they were successfully operating over 90 outlets.

Domino's Pizza began in 1960 when Tom Monaghan and his brother James who were the owners bought Domino's Pizza, which was a small pizza shop in America.

Now-

Domino's Pizza is a pizza delivery service. Domino's provide a high quality, freshly prepared, hot meal delivered on time, every time. And each of their pizzas is made to order from fine and fresh ingredients.

What my table shows?

My table shows information of M&M's competitors which includes

- Sales of domino's pizza
- Net profit for domino's pizza
- Products
- Customer service
- Quality
- Price
- Take away/eat in?
- Promotion effective
- How many restaurants are their?
- How much does the franchise cost
- Does the company have e-commerce?
- Is it an Ltd/Plc?
- How much of the market share?

Information table

	Pizza gogo	Pizza hut	Domino's pizza
Products	Starters, drinks and desserts only delivered with a pizza or pasta order.	Italian-American cuisine pizza pasta desserts	Pizza Sandwich Pasta Chicken wings Desserts
Customer service	good	good	ok
Quality	low	High	High
Price	most units is £7.00	Individual £6.49 - Medium £11.49 - Large £13.49 (when picking out an pizza topping)	Any Small Pizza for only £7 Any Medium Pizza for only £9 Any Large Pizza for only £10
Take away/eat in?	Both	Both	Take away
Promotion effective?	yes	yes	Yes
Restaurants in the world	-----	34,000	8,500
Franchise cost?	£100,000	£200,000	£250,000

Has an e-commerce?	yes	yes	yes
Ltd/Plc	plc	plc	Ltd
Market share	low	Very high	High

I have used secondary research to find information about each of the competitors which are pizza hut, domino's pizza and pizza go-go. The reason why that I have collected the piece of information what I mentioned above because I can then compare some information and explain why this information exists for that particular business. For example if I wanted to compare and explain the price of the pizza of the three competitors and explain why the price often determines the quality of the product. Domino's pizza sales to 2001 to 2007 have increased maybe due to having a good share in the market share. This shows that domino has been aiming for their business objectives which are increase sales. The products what the three businesses sell are similar but recently pizza hut had diversified their product range to order to have something unique to their competitors, and to gain market share. I have checked the three businesses' websites and they have mentioned that they have a good customer service. I have got both of quality and product of the businesses and the reason why because wanted to have proof my hypotheses which was greater the price, the greater the quality. Pizza hut sells high quality pizza and yet the price is high from its competitors, as pizza hut's aim is to gain more in the market share and their target market is people who can afford high quality pizza and for people who have a family lifestyle. Pizza hut's small pizza is £6.49 and domino's small pizza is £7 but the rest of the pizza sizes of pizza price hut are higher than domino's pizza's pizza sizes price. The reason why that pizza hut has a lower price for small size pizza is because pizza hut had used a pricing strategy which is penetration pricing. The reason why that they have used penetration pricing is because for to attract a different target market which has a different socio- economic group, for those people who can't afford high quality pizza but can afford what pizza hut had priced their small pizza. Domino's pizza has only an take away service and that decreases the level of customer service because as it is not

an eat in service it will impossible for the business to give customer service to customer other than take away service. Promotions with each of the businesses are effective as each of the businesses has a special offer which is below-the-line. But both pizza hut and domino's pizza have above-the-line promotions which are advertising by TV, newspapers and more. The reason why they have promotion often because to attract their target market and make the business appealing for example having a celebrity in the advertisement.

Marketing mix-

In marketing a new product, the business must put together the right combination:

- the right product
- at the right price
- in the place
- Using the best method to promote the product to meet the wants and needs of the target market.

These factor- product, price, place and promotion – are often called the 4Ps. different goods and services need appropriate emphases for each of the 4Ps.

To attract the target market, the marketing mix must be right. Businesses hope that by getting the marketing mix right they will have a competitive edge over their rivals. Large companies will often employ specialist firms such as market research agencies and advertising agencies to help them put together the right marketing mix. The various measures taken by a business to satisfy customer needs are together known as its marketing strategy.

M&M's marketing mix-

Promotion-

M&M has done a promotion by above-the-line advertising which is national TV national newspaper. The advertising mentions the businesses goods which are high quality pizza and maybe the services they might do. They might do below-the-line to get the consumers' attention to the new offers what the business wants to offer.

Product-

Business is making attractive packages for goods, so that it will appeal to consumers. They are trying to make the good at a high quality as they are selling high quality pizza. Consumers care about the quality of the product, so product is their main concern from the 4ps.

Price-

As this business sells only high quality pizza that means that the cost of the pizza is at a high price. The business should know what kind of pricing strategies should they use and when it is appropriate.

Place-

The business should where they should locate the business so that the consumer can easily buy their products.

Product-

The business must have a product that customers want, and for which they are prepared to pay. The business may want to emphasise that the product is of a high quality, that it has particular design features, that it offers value for money, or perhaps that it will improve the consumer's own image. The whole purpose of marketing is to find out what the customer needs and wants, and to satisfy that demand. The product must have features that make it attractive to the consumer.

- Reliability- the product must be fit for the purpose for which it was designed.
- Quality- the product must be of a certain standard.
- Value for money- the product must provide good value compared with goods produced by competitors.

Quality-

The quality of the product can be lead to the cost of the product, as the higher the quality the higher the cost. When making the product the business should think about the target market and mainly focus on the socio-economic as it depends on whether M&M should make a high quality or lower quality goods. If it was higher quality, an upper socio -economic group (A-C2) will be able to afford it, but lower socio -economic group will be able to afford a lower quality pizza but sometimes they will have an impulse purchase.

Reliability-

The reliability of the product should be fit for purpose and the consumer should get the product without any problems for example pizza not cooked properly. Consumer and the business owner should be able to trust each other when making a deal. Also the consumer should get the product as it has been said from the business owners. There are some legal protections if they would not get a proper reliable product and this is for customers.

The **trade descriptions act 1968** makes it an offence to describe goods falsely. For example, it is illegal to say that a garment is pure wool when it contains 20 per cent manmade fibres.

The **sale of goods act 1979** makes it an offence to sell goods that have defects. Goods must be of merchantable quality, fit for the purpose and as described

The **consumer protection act 1987** makes it an offence to sell any unsafe goods, which might endanger life or cause injury, or which could cause damage to property. For example, some toys have been found to have buttons that could come off easily and on which a child choke.

The **weights and measures act 1951** makes it an offence to sell short quantities. For example, to sell a packet of crisp that should weigh 25 g when actually only weighs 15 g is would break the law.

The **food safety act 1990** gives environmental health officers the power to close down businesses where food is not being prepared hygienically.

The **consumer credit act 1974** states that businesses must state the true annual.

The value for money-

Value for money is an important consideration to most of us whether we are aware of it or not. For example, when customers do their weekly shopping they have a wide range of products to choose from offering different levels of quality and varying prices. They can decide whether to buy economy products, which may cost less or perhaps a branded product, which may cost more but may have a better quality. This is an principal of value for money; it is the balance between cost and quality

M&M's products-

M&M's products have to be similar to their competitors and the quality of their products should be high as their pizza is high quality. The price of the products is supposed to be high if the quality of the pizza and other products are high.

Price-

The business needs to know how much the customer is prepared to pay for the product, and what any competitors charge. The price must also be one that enables the business to make a profit. Business use marketing to find out consumers' needs and wants, so that they can react and provide for those needs and wants. The business is in control of the products it makes and sells. It does not have much control over the price it charges for its products. There are three important factors that affect the price a business can charge. These are:

- The actual cost of making the goods.
- The price charged for similar goods in the marketplace.
- Conditions in the market at which the product is aimed.

An organisation will not stay in business very long if it makes a loss on every item it sells. Nor will it stay in business very long if it charges four times as much as its competitors for similar products.

Cost-plus pricing-

Cost-plus pricing means taking into account the costs of making the product. It is based on the costs of making the product. It is based on the direct costs of producing the goods and a percentage of the indirect costs such as over rent, heating, and so on. A percentage mark-up is then added on to calculate the selling price. The amount to be added may be worked out by taking into account the market demand for the goods and the price being charged by the business's competitors. It is often difficult, however, to work out exactly what one item costs to make.

Competition based pricing

In competition- based pricing the business sets its selling price at a level similar to that of its competitors, even when its a smaller profit margin.

Price discrimination

Is when a company charges different prices for a similar product or service to different users. For example underground they charge lower for children, higher for adults and they charge adults higher than usual in a different time when they travel to work. (To order to earn profit from higher prices as the company knows that they travel in a certain time to work).

M&M's pricing strategies-

Cost-plus pricing-

The way how M&M will use cost plus pricing is by when manufacturing the product, the cost of it can be added to when selling the product. The amount to be added may be worked out by taking into account the market demand for the goods. The reason why they might do this is because they were asked to make a healthy selection menu but it will be difficult as less profit the business is earning as people have less disposable income. So then the business will have to do cost plus pricing to order to have the healthy selection menu.

Competition based pricing-

The way how the business has to do competition based pricing is by making the same price with their competitors which are domino's pizza, pizza hut and pizza go-go. If they had to decrease the price of the product that would mean they would have to change the quality of the pizza. That would also mean a slightly different target market which maybe for people who can't afford high quality pizza.

Price discrimination-

They could charge the people depending on their age by having a child ages 5-10 ordering a kiddies meal. The reason why the business knows that people with families come to their restaurant and they know that children will be there as their and know what sort of food they want and they could charge children less.

Place-

The business needs to make sure that the product is being sold in the right type of retail outlet. For example bicycles shop. The decision is made by working out which type of outlet the target customer will visit, and placing the product there. Some manufacturers are increasingly choosing mail order and the internet to sell their products. Busy people often do not have the time to go to shops; when buying goods they may prefer to browse through catalogues or surf the net in the comfort of their own homes.

The three factors

Distribution-

Unless a business gets the product to the place where the customer will see it and buy it, all the other work done – designing the product, choosing the right price, and promoting the product is useless.

Target market-

When the business have done their field and desk research, they have to figure out where is a best place for them to place their outlet. For example a Dixy franchise wants consumers to be near the outlet, the location that the business may want place which has an Asian populated area.

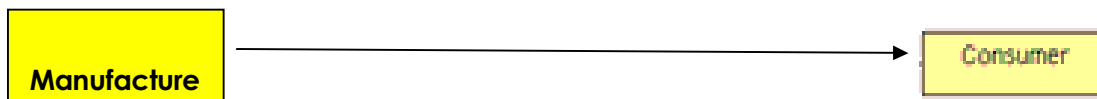
Price of location-

It depends where the business is placing their outlet, because it depends on whether the business is thinking where they should place their outlet for their target market. It also depends on the price of the location as they have a certain amount of money and they have to pay off the variable costs in the beginning.

Access-

The access for the location should be an easy access for consumer to order to reach to M&M's outlets. M&M should not have a complicated access and the business can show their outlet in a map which most businesses do.

Distribution channel-



M&M's distribution line shows that the manufacturer gives the goods indirectly to the consumer which often does in restaurants. The business makes their products in their outlet which are high quality pizza and it straight goes to the customer. For example when a customer goes to a travel agent and purchases a ticket.

Promotion-

The business needs to make sure that the customer knows about the new product and is encouraged to buy it. To inform the customer about products, business can use a range of methods, from word of mouth to expensive advertising such as TV and newspapers which are above-the-line. To encourage the customer to buy the product, the business may offer a free gift or a “buy one, get one free” which is below-the-line.

There are a number of techniques that can be used promote products:

- Sponsorship
- Public relations
- Packaging
- Advertising
- Sales promotion

Sponsorships

Businesses offer sponsorship to draw people’s attention to their name or product. Examples are Vodafone sponsoring Manchester united or Cadbury’s sponsoring Coronation Street on television. Sponsorship can be used at a local level for events such as sports meetings concerts.

Advertising-

Advertising is used to inform and convince customers to buy their product and businesses mostly advertise the business’s product range. Businesses use different ways to advertising which are cinema, newspapers, magazines, radio, television, billboards or hoardings and even public transport. The cost of advertising on television is very high but it depends on what time of the day it is. There are two kinds advertising

- Informative- which is used to give out information
- Persuasive – used to persuade the public to buy product

Sales promotion-

This is a way of boosting sales or trying to convince customers to try and buy the product the first time. Often other businesses use an eye-catching point of sale display, placed where the entrance is of the outlet where the goods are sold. There are different types of sales promotion.

- Special offers
- Free gifts
- Money off
- Loyal cards
- Competitions
- Trade promotion

Suitable methods-

Sales promotion-

The reason why sales promotion is a suitable method promotion for M&M is because they need to convince the target market to come to their outlet by using below-the-line promotion. The reason why they need below-the-line promotion so that consumer can come to their just for their special offers.

Advertising-

The reason why they need to do advertising is to get the customer to be convinced of buying a product from M&M and they would find M&M appealing, it depends what sort of business is M&M, it could be a large business or small business. Small businesses often use advertising by word of mouth, local newspapers, leaflets, yellow pages, public transport and catalogues. And large business usually does advertising by radio, television, the national press, specialist trade magazines, trade fairs and billboards.

Sponsorship-

They need to offer a sponsorship for to get people's attention, they could do a sponsorship for example a TV shows, and that could get people's mind about M&M.

Changes in the ownership

The changes what happened to M&M were that it was first opened a first pizza as a private limited company (Ltd) in the year 1985, in Manchester. They then felt confident to have three outlets. Due to their progression and success they felt keen to offer their franchise which was a quicker way to achieve their aims. The licence to get M&M's franchise costs £250,000 which included training plus on-going support. In the year 1993, they believed that to go to further expansion to the business they had to turn the business to a public limited company to order to sell and buy shares in the stock exchange. The business venture prospered and by 2009 the chain had 600 franchise sites throughout the UK.

Why?

The reason why it changed ownership was to gain a quicker way to earning profit and have the ability to purchase and sell shares in the stock exchange. Also some national newspaper has the current information, so it will give a chance to let the public to see their current status, if they are progressing then would earn more customers and increase their market share.

When M&M was a private limited company they could only have one owner but in a private limited company however they would have an organisation rather than individuals owning the business. Before when M&M was a private limited company they had limited liability they could only be held responsible for payments up to the value of their shares. But in a public limited company means that the company has its own legal status separate from the shareholders, this means that the company can get sued or can sue. The reason why M&M had offered their business as a franchise is because they thought it will be an easier way to achieve their aims without the need of capital as that is the franchisee's main concern. The franchisor cannot lose control over the business as the franchisee is dealing with that outlet. By going public, a company can create a market for its stock. This gives the company a greater opportunity to sell shares of stock to investors.

Advantages of a Plc

There are many advantages to operating business as a public limited company, and for the company on the stock exchange. Going public can allow the company the freedom and flexibility to spend capital, as it needs to finance its growth and further development.

The main advantages of a public limited below

- access to capital
- liquidity
- value of shares
- the opportunity to more easily make acquisitions
- to give a company an more prestigious profile
- profit and tax advantages

The advantages of an public limited company is that it is much easier to raise finance because banks are much more willing to lend money to a large well establishes company which they will see it is smaller risk. The banks are aware that the business is earning profit and will be able to pay back with possibly interest. The banks know that it is a less possibility that the business will go into debt or have cash flow problems. They can also see how much of the market share that the business owns and then the bank can see how well they are doing. They can see their annual reports and annual accounts which are for the public to see. The bank knows that M&M is doing well and booming so if M&M needs an:

- hire purchase
- leasing
- contract hire
- overdraft
- trade debt
- debt factoring

M&M has limited liability which means that if the business fails then the owners of the company would not go in debt. If the owners of M&M had a cash flow problem and had to close down the business then the owners' personal possessions would not be at in a big risk

such having the authorities taking away the owners' cars and houses. The protection given by limited liability is the important advantage of being a public limited company. Since most private limited companies issue shares when it is fully paid, if things go wrong, the owners only lose the value of the shares and any loans made to the company. However the protection of limited liability doesn't apply to fraud. The owners have a legal duty not to incur liabilities in their companies which the company may not be able to pay.

Disadvantages of a Plc

Anyone can buy share as the company is vulnerable to takeover, if the company has less market share then this does not improve on the security of the business. Then this will make a less chance on a takeover. Having a less market share doesn't help the business to deal with its competitors. This will lead of having the business to fail and losing their capital in the same time. Also having all outlets been taken away and the staff in the company lose their jobs. The causes are maybe because of cash flow problem or the

An annual report as well as annual accounts must be sent to all shareholders. These are also available for the general public and competitors to see. So then M&M's competitors will think of different strategies to beat M&M.

Advantages of franchising

The franchisor can expand quickly without the need for a lot of capital; this point being is because raising profit for the company is mainly the franchisee's concern. Franchisee will have a good chance for success because of the company's name and logo. This will make the franchisee motivated and that will make the outlets to earn money and that will make a lot of money for the company as a whole. A good idea for the company is that to place near the target market.

Disadvantages of franchising

For example if the franchisee had given a product to the consumer which is not fit for purpose like for example a consumer found hair on the food what M&M provides, which is basically breaking the consumer protection law. When this will happen the business will lose their customers. They will probably get sued and will have to go to court. This will also disappoint the franchisor and will lose their trust between the franchisee and franchisor. This have the franchisor lose their capital which will be not his fault. To prevent this franchisee and the franchisor has to have trust; also the franchisor has to believe that the franchisee can run the outlet without any errors. However a careless franchisor may do an error and the reputation of the business name and the franchise.

