1.                    <u>INTRODUCTION</u>

In this assignment I am to investigate whether it is possible to create a business and perform market research .My business will be a new Chinese restaurant, it will specialise in Chinese foods, it will offer eat in and take away services, which also includes delivery. I chose a Chinese restaurant as my market research showed most people would prefer a new Chinese restaurant. I think it will be successful, as most people wanted a Chinese restaurant; and there aren't many in the area, the area that I am going to locate in, is Hendon. I've done a sufficient amount of market research to find out what prices people would be willing to spend on a meal and where people would like it to be located. Anyone can use a restaurant, which means my target audience would be everyone. So I need to promote well so it's appealing to all sorts of people. The two types of business organisation types I could use are either a sole trader or partnership. A sole trader is a business, which is run and owned by one person, this person makes the decisions, invests and is fully responsible for the business. A sole trader has unlimited liability, which means if the business doesn't make profit and eventually goes bankrupt the owner is liable, meaning they could lose personal possessions in order to pay back the dept, this shows a sole trader has a lot of responsibility and needs to carry out a lot of market research.   A partnership is the same thing as a sole trader but 2-20 people can own the business, meaning capital is raised quicker and the business can be run easier, the profits need to be shared out between the partners meaning not as much money is made as a sole trader. The partners can help in decision making and running of the business making it much easier than a sole trade, however disagreements can lead to disputes. I decided to be a sole trader instead of a partnership, even though a partnership offers more capital and making the business easier to run, profits need to be shared out and disagreements can lead to the business failing. The skills or experience, which I have that involve a Chinese restaurant, are that I have a Chinese background meaning, I am knowledgeable about Chinese foods.

## AIMS OF MY INVESTIGATION

The aims of my investigation, is to gain enough market research about the marketing mix to determine how to set up my business, this includes prices, where to locate and what type of food to sell in my restaurant. This is what will make my business successful. I will need to carry out market research to ensure my business is successful. For me to have a successful business I will need to do primary and secondary research. Market research will help me discover what products people want and what services in a new restaurant. There are many different ways in which I can do my market research, I will carry out Primary and secondary research to find out what I should include in my business. I will create a questionnaire for my primary research, which should provide a sufficient amount of information on what people want, where to locate and what prices are preferred. For my secondary research I will be using the Internet, browsing through competitors websites to find out any information, which I could use to my advantage. After my questionnaires have been complete and distributed to 20 people, 10 males and 10 females so my research is fair and varied, I will have to analyse my results and present them on a chart, so I can clearly see the results.

## Product

In order to achieve my aims, which are to try and create a successful business, I will need to create a product or service, in my case my product will be the foods I sell and my service is a restaurant. To find out which type of food to sell, I will need to do market research, in which I will be complying a questionnaire, to find out which type of food people would prefer in a new restaurant.

## Price

I will have to price my products, charging a price for my products is what will get me profit, which can determine if my business will be successful. There are a number of different ways in determining how to price my products, such as competition based pricing or skimming. I will be finding out what prices to charge, by analysing my questionnaires and doing some secondary research, which will involve getting menus from competitors to see how they price their products.

Promotion
I have to find the best way of promoting my business. Promoting is letting people know about your service or product, which is why it's so important. I will be promoting using leaflets, which is a cheap but effective option, which will be suitable for my situation as I will not have enough capital to use a better method of promoting such as on TV.

Place
Every business has to be located somewhere; there are many factors that determine where a business locates such as cost of site, labour and raw materials. I need to locate in an area that is easily accessible, e.g. near a bus stop or train station, this is so people can easily go to my restaurant without any hassle. If I locate in a bad area it will put customers off, and I may not get much passing trade, which is why its important to locate in a busy area so theres lots of passing trade. I will use market research to determine where to locate.

Target Market
My target market is who I am targeting to attract to my restaurant, such as if I am targeting a certain age group or gender. As my business is a restaurant my target restaurant is anyone, this is because anyone can go to a restaurant, therefore I will be targeting everyone. I will do this by promotion.

## MARKET RESEARCH

Market research will give me information, which will help me make decisions.  It will provide information about the four Ps, which are product, price, place and promotion.   The importance of market research is that it will tell me what products the public want or demand.  The right price in which customers will be willing to pay will also be found out through market research.  It is also important to f ind a suitable place to locate, this is usually an area that is easily accessible and has available parking spaces.  This will attract potential customers.

## PRIMARY RESEARCH

Primary research or field research involves finding out information that doesn't already exist. The advantages are the data will be reliable, it will provide me with up to date, and specific data according to my product.  The disadvantages of primary research are that, its time consuming and expensive.  It involves questionnaires , surveys and observations.

I will be carrying out primary research through a questionnaire, I will be asking a number of different questions, to gather my research, I will be distributing my questionnaires myself to 10 females and 10 males, which will make my investigation fair.

## SECONDARY RESEARCH

Secondary research is when I will use other people's research to gain information about my product.  The advantages are the data can be easily found and easily accessible.  Secondary research is cheaper than field research, so it's suitable for me as I am starting up a new business.  The disadvantages are the data may not be specifically what I am looking for and will most probably be out dated, which means new trends will not be found out.  Secondary research includes Internet,

newspapers and market research already carried out. The secondary research which I will be doing is getting a leaflet from a competitor such as another Chinese restaurant and I will use the internet as well, to look at competitor's websites, which will help me set up my website for my restaurant.

CHENZ Chinese Restaurant is coming to Newbury town centre very soon! We would like to provide you with the best oriental cuisines (Chinese, Thai and Malaysia) and also introduce oriental culture in a warm environment. In order to deliver the best menu to satisfy you the most, we would like to have your comments on the questions below, your help in answering these questions will be highly appreciated!

**Please complete the form and return to 28 Cheap Street or e-mail to chenz.newbuy@gmail.com by 8th May. We will e-mail or post you a 10% off voucher for your first meal at CHENZ Chinese Restaurant.**

(Please place your selection in bold or circle)

**1. Please put these qualities in order of importance (1-4 1 being most important)**
A. Food Quality
B. Restaurant Environment
C. Good Service
D. Reasonable Price

**2. What style of Chinese Restaurant would you prefer?**
A. Traditional B. Modern C. Mixed Traditional and Modern D. I don't mind

**3. How often do you eat in a restaurant?**
A. Once a week B. Twice a week C. Once a month D. Other
If Other, please state

**Name Job Title**
**Company E-mail**
**Tel:**

# ChenZ

# Chinese Restaurant Questionnaire

CHENZ Chinese Restaurant 28 Cheap Street, Newbury, Berkshire. RG14 5DB
Tel: 01635-550888, 01635-550858 E-mail: chenz.newbury@gmail.com

**4. If you would like to have a dinner with your family or friends in a Chinese restaurant, what do you prefer?**
A. Order from Full Menu
B. Eat as much as you like with a fixed price per head(order from Menu)
C. Buffet

**5. How much normally do you spend for dinner in a restaurant?**
A. £15~£20 per head B. £20~£25 per head C. £25~£30 D. Over £30 per head

**6. How would you to pay for the tips to the waiter/waitress provided service?**
A. 10% service charge added to your bill
B. Pay as much as you like
C. Don't want to pay tips
D. Don't mind whichever way to pay

**7. If you would like to have a lunch with colleagues or friends in a Chinese Restaurant, what do you prefer?**
A. Buffet (Help yourself)
B. Eat as much as you like (Order from Full Menu: up to 3 courses)
C. Quick Lunch (2 courses: Starter + Rice/Noodle dishes For 15 minutes)

**8. How much do you normally spend for lunch in a restaurant?**
A. under £5 B. £5 ~ £7 C. £7 ~ £10 D. over £10

**9. If we provide 'eat as much as you like' for 2 courses, how much do you think it is reasonable price?**
A. £6.50 B. £7.50 C. £8.50 £9.50
If it is Other, please state………………………………………………………

**10. If a Chinese restaurant provides "Eat as much as you like" with fixed charge per head, do you:**
A. Prefer to Order from Full Menu. If it is "Eat as much as you like", I worry about the quality of food.
B. I do not mind, if Restaurant can provide high quality food for Eat as much as you like.
C. If we would like to have formal dinner, we would choose a "Eat as much as you like" restaurant
D. We don't like "Eat as much as you like".

**11. If you like to order your dinner from a Takeaway, what would you prefer:**
A. Order from Takeaway Shop and pick up by yourself
B. Order from a Takeaway Menu of a restaurant and pick up by yourself
C. Order from a Takeaway and get delivery to you.

**12. Do you have any other comments? If so, please state here:**

Analysis

This is some secondary research I did, which I found on the Internet. It's a questionnaire made for Chanz's Chinese restaurant. After I analysed it I thought it was very good, at the start it gave a description of the restaurant, immediately telling the sample details, contact details were also given which is a good idea. The questions asked are specific and some are closed, such as the first question, which asked you to put in order of importance, this is a good question as it tells the owner what the customer thinks is most important in a restaurant.

Leaflet analysis
Another piece of secondary research, which I did, was gathering a leaflet. The leaflet was from a Chinese restaurant called "Man Hong" which is located in Edgware. The leaflet is very well designed, as the name of the restaurant is displayed in a big font so people instantly see the name. Its colourful and attractive meaning its eye catching. It

provides all the required information such as contact numbers and where it's located, making it easier for the customer.  The menu is well presented, its clear and the prices are easily recognised meaning there won't be any confusion.  This leaflet helped me to create my own one, by showing me what I need to include, like contact details and what I need to do to make it look as attractive as I can such as big font and colours.  However location is not mentioned, meaning people will not know how to get there, so they will lose potential customers.

Over all the leaflet is quite effective, as the font is big and bold so its instantly eye catching, everything is presented well to avoid confusion.
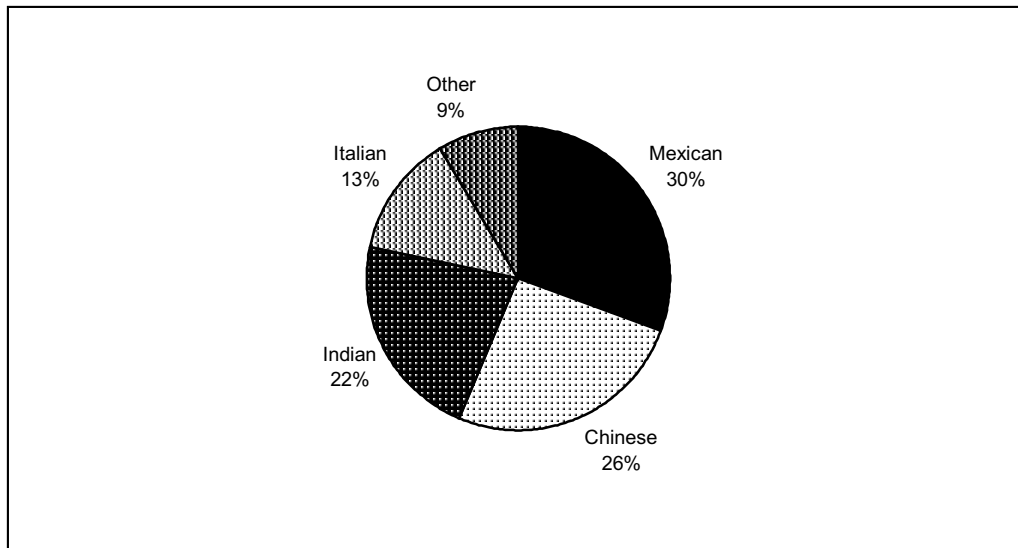


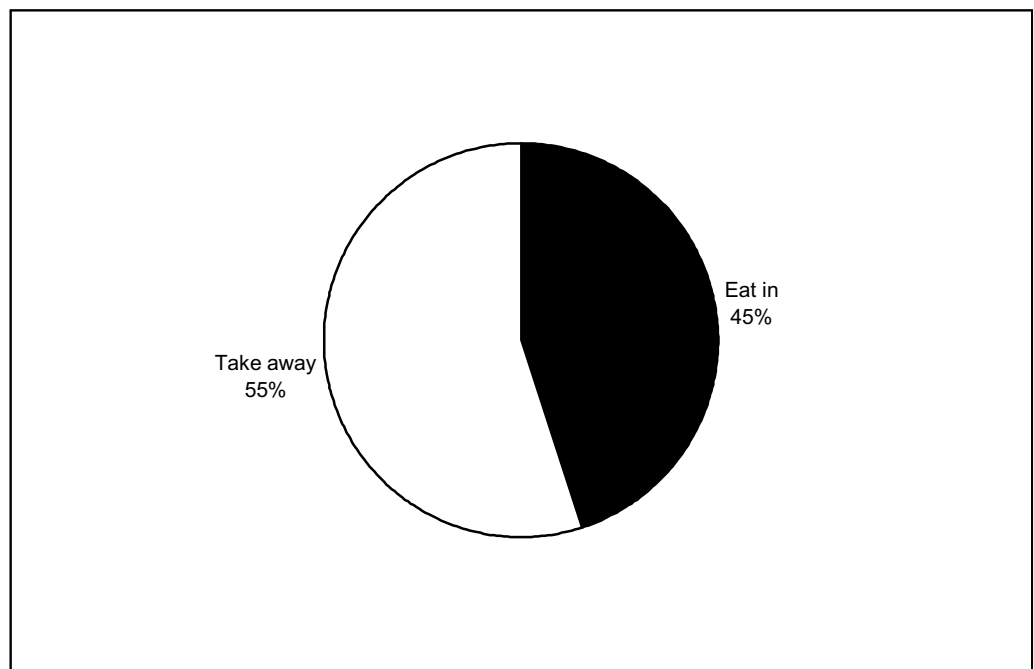Male                                                          Female
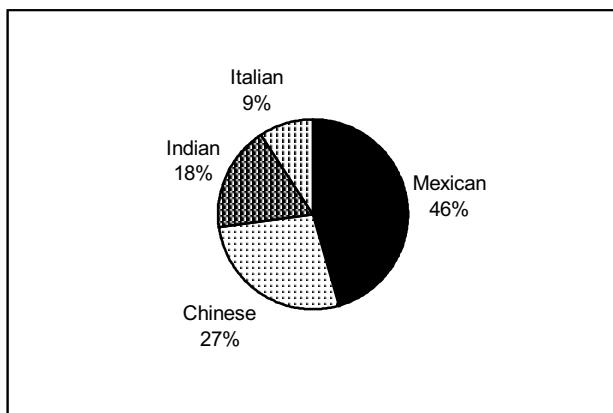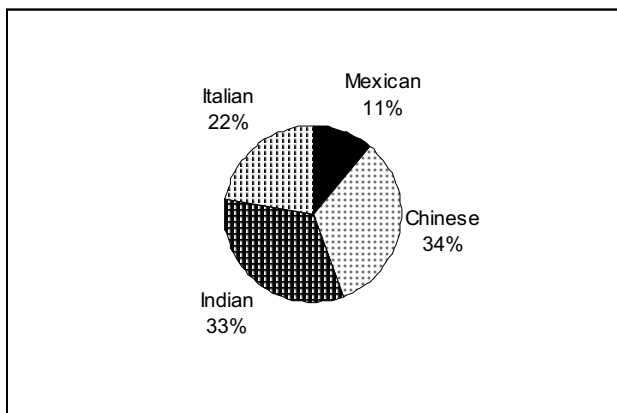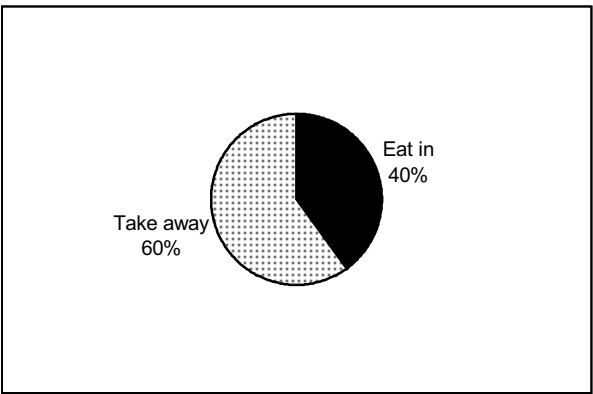


After analysing, this chart showing the results for which type of food people would prefer.  It shows me that 30% of people wanted Mexican food, followed up my 26% wanting Chinese food, followed by 22% wanting Indian food and 13% wanting Italian food.  The majority of

people wanted Mexican food, however I made the decision of opening a Chinese restaurant, even though Mexican food was the most popular at 30%, looking at the male and female charts 46% of females wanted Mexican food whereas only 11% of males wanted Mexican food, this helped me make my decision of opening a Chinese restaurant as it was mainly females which wanted a Mexican restaurant.  Another reas on which helped me decide on opening a Chinese restaurant is that the male and female charts were very similar in the amount that wanted Chinese food with 34% males wanting Chinese food and 27% of females



wanting Chinese food as well, meaning my decision w as fair.
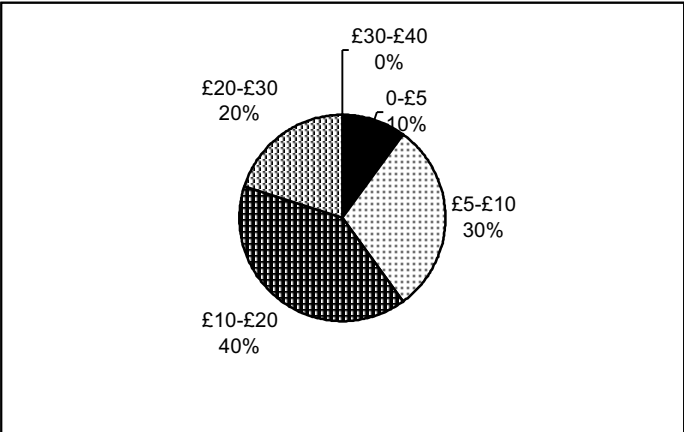
Male
Female

After analysing this graph, which shows how many people, eat in or take away.  The results for both male and female show that 55% take away and 45% eat in, the graph, which show male, and female results show me that 60% of males take away and 40% of males eat in.  The graph, which shows female results show that 50% take away, and 50% eat in.   The results tell me I will need to provide space inside my restaurant for people to eat in, I will need equipment such as tables and chairs etc as well.  I have also come to a decision to have a delivery service for the people that take away, which means it's more convenient for my customers.
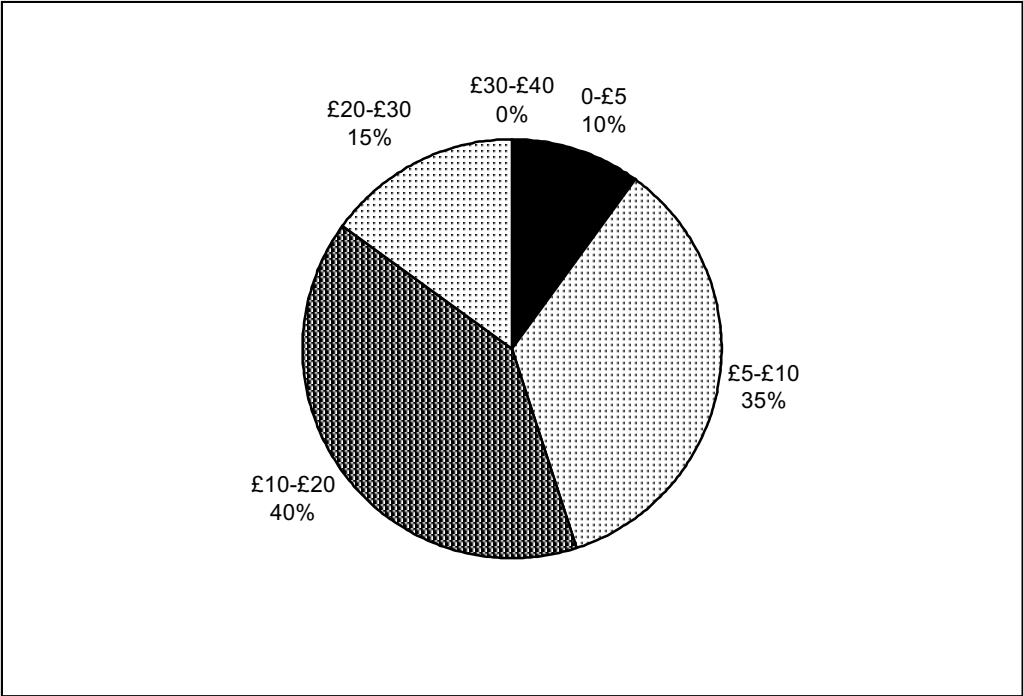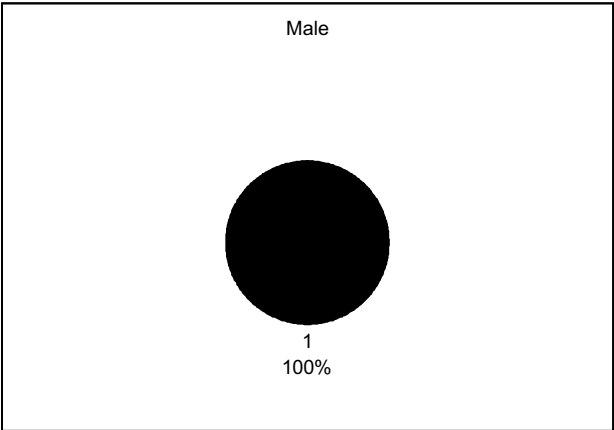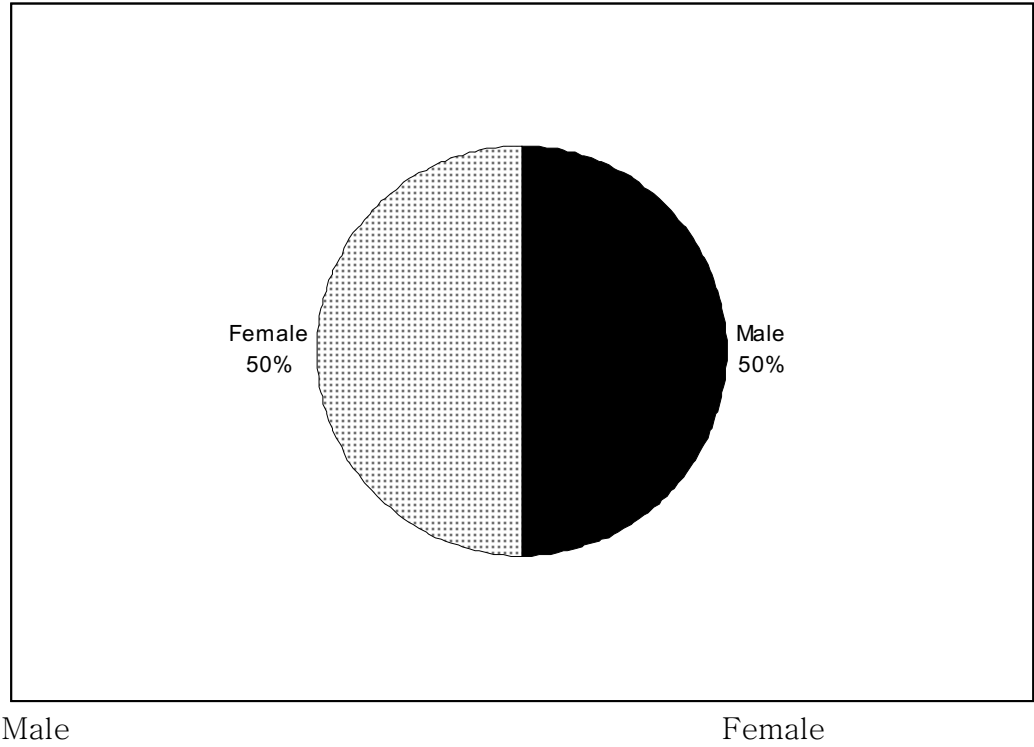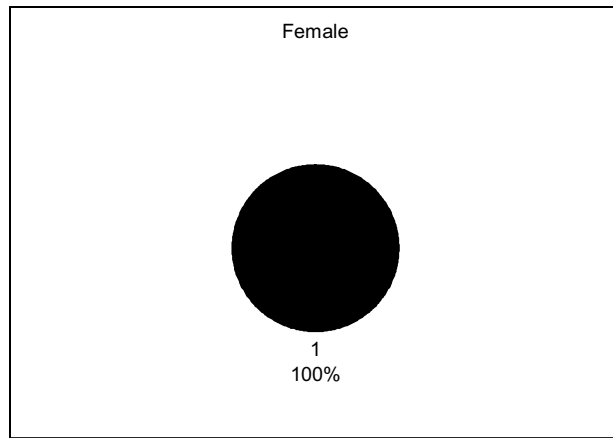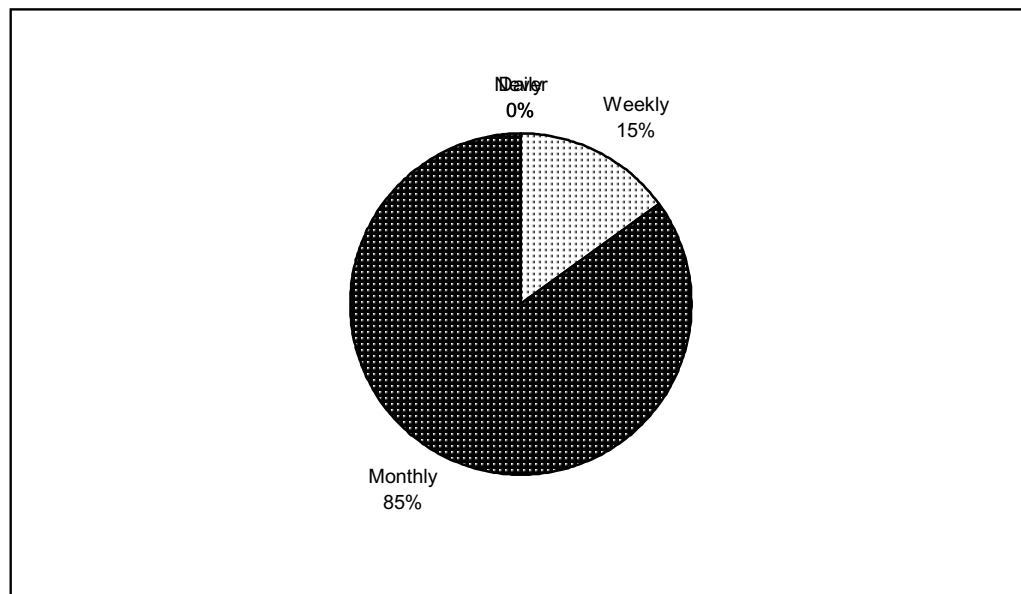


Male
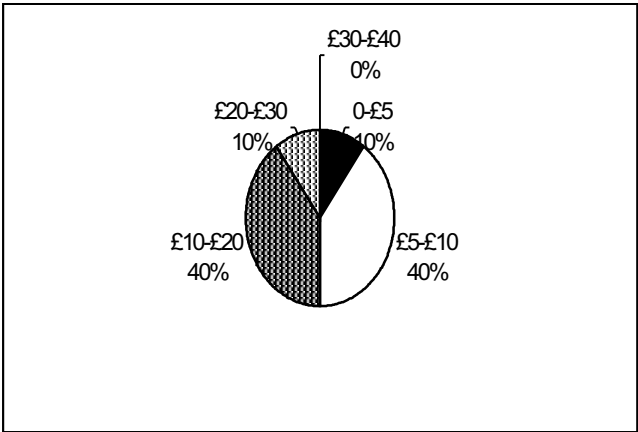


Female

These graphs show how much people would be willing to pay for a meal, the graph showing results for male and female, tell me that the majority of people would pay £10-£20 for a meal, and 35% £5-£10. This helps me price my meals and tell me I should price my meals in between £10-£20, I could also price some meals between £20-£30 which 15% of people picked. The graph showing results for males, show us that an equal amount of people picked that they would play £10-£20 and £5-£10 for a meal. This tells me I should price some meals between £10-£20 and some between £5-£10. The graph showing results for females, shows that again 40% chose £10-£20 and 30% chose £5-£10. These results show me that the majority of people want their meals to be priced between £10-£20 and £5-£10 which means I should price my meals around that price.

Female
50%

Male
50%

Male                                                    Female
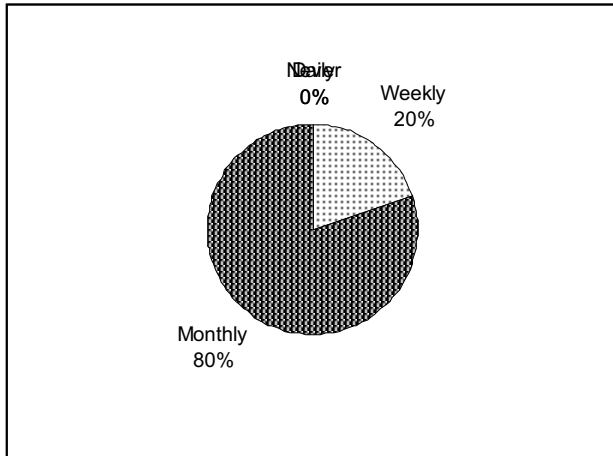
Male

1
100%

Female



1
100%

This chart shows the results for which genders participated in the questionnaire, the results show that 50% were males and 50% were females, half of the questionnaires being from males and half being from females, means my market research was fair, and got an opinion from both genders.



Daily
0%

Never

Weekly
15%

Monthly
85%

Male                                                                                      Female



Daily/Never Weekly
0%          20%

Monthly
80%



Daily/Never  Weekly
0%           10%
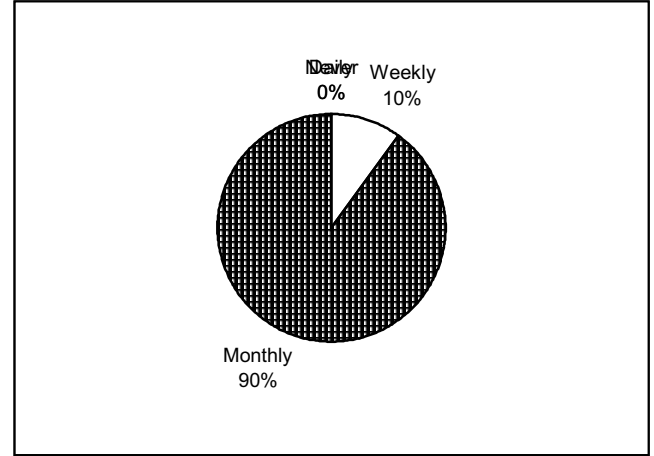
Monthly
90%

This graph shows the results for how often people go to restaurants.
The results for male and female show that 85% of people go monthly
and 15% weekly.  The results for male show that 80% go monthly and
20% weekly and the results for females show that 90% go monthly and
10% go weekly.  The results tell me that nearly the entire sample goes



Camden
10%

Finchley
15%

Hendon
50%

Edgware
25%
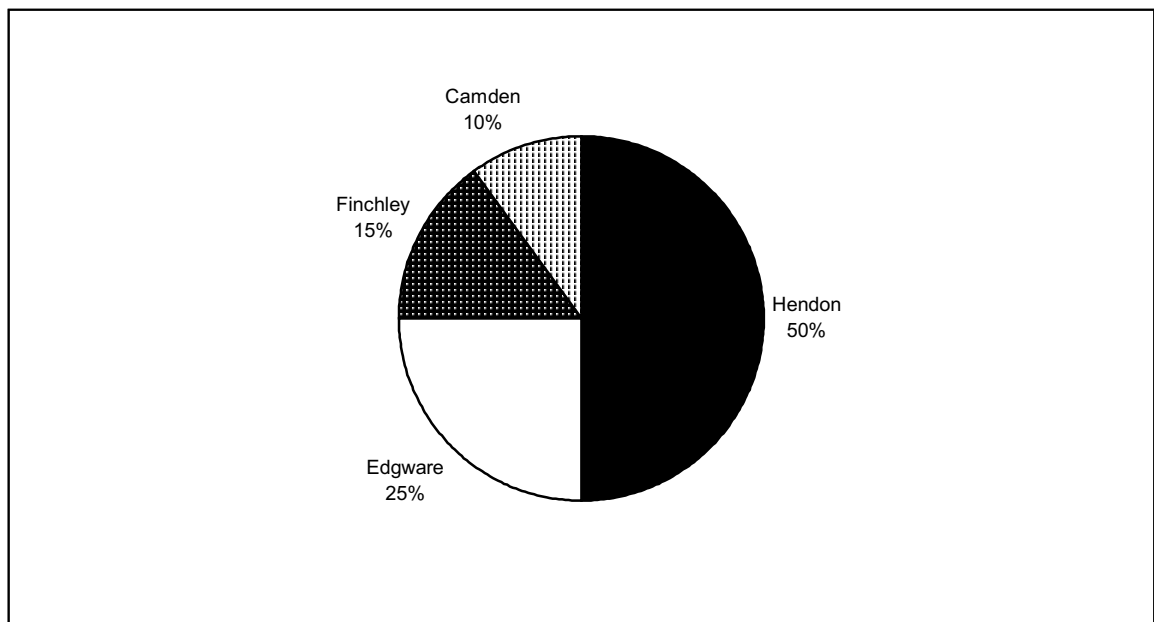
to restaurants monthly and very few go weekly and none go daily or
never.

Male                                      Female
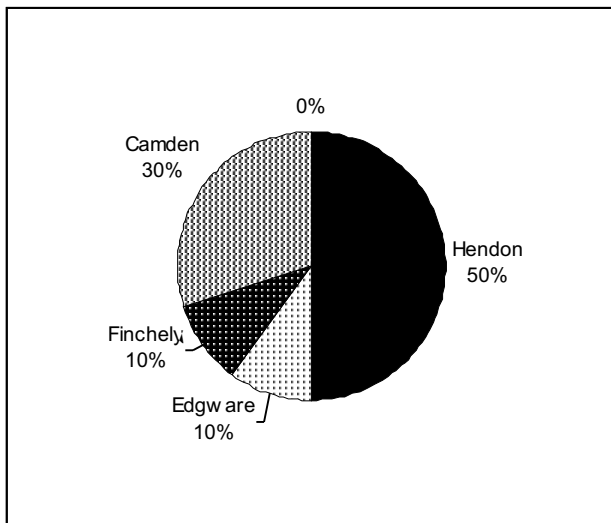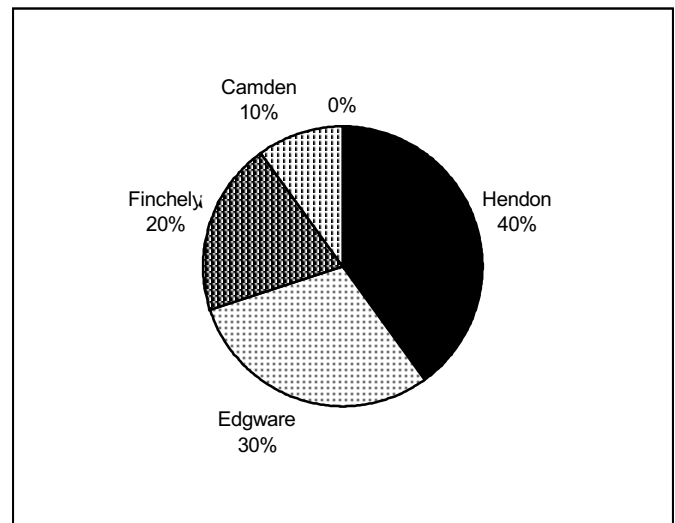


This graph shows the results for where people would like my
restaurant to be located, the results for male and female show me that
50% wanted the restaurant to be located in Hendon, followed by 25%
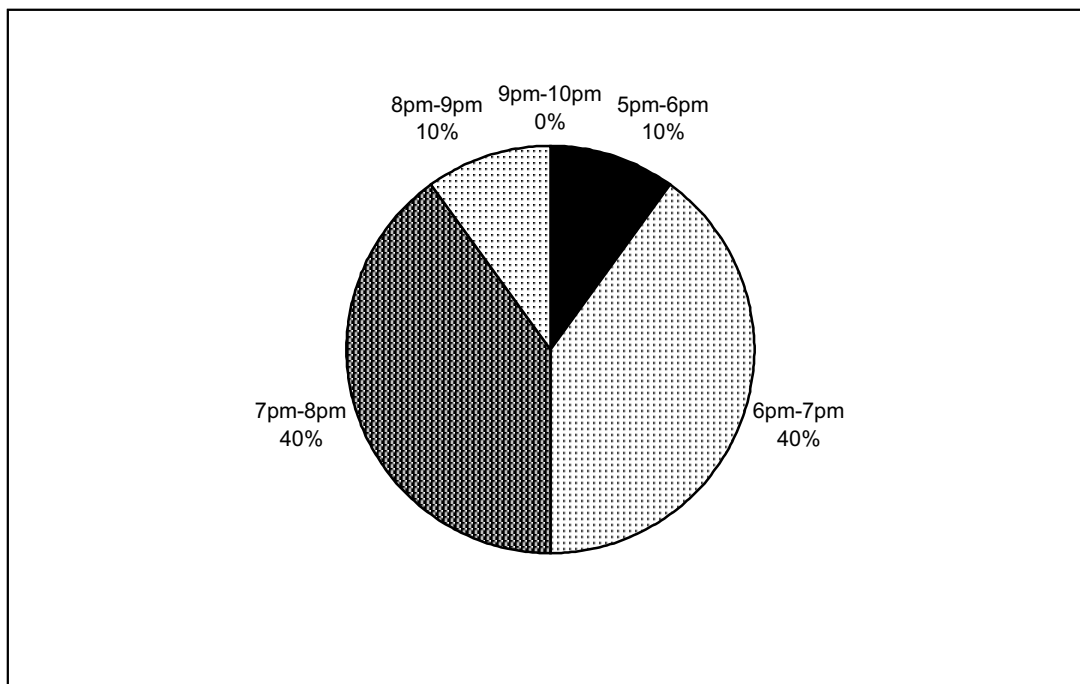


wanting the restaurant to be located in Edgware, 15% in Finchley and
10% in Camden.  This tells me that I should either locate in Edgware or
Hendon depending on competition and space.

Male                                                          Female
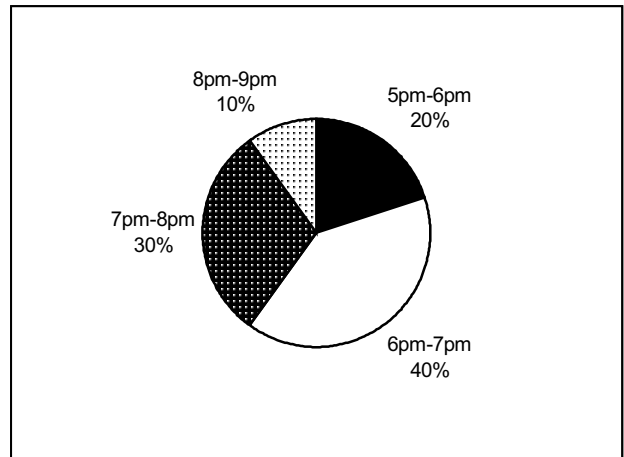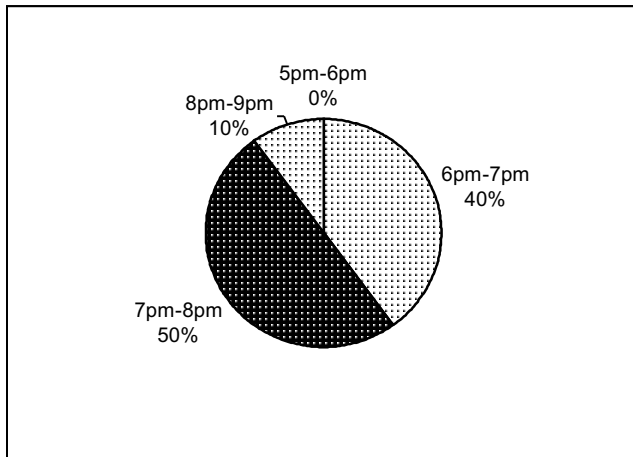
This graph shows the results for which times people go to restaurants, the graph for males and females show me that an equal amount of people go to restaurants between 7pm-8pm and 6pm-7pm at 40% each. This tells me when my restaurant will be at its busiest. The graph showing results for males show that 50% go to restaurants between 7pm-8pm



Male                                                                    Female

Left pie chart labels:
- 31-40 0%
- 21-30 10%
- 40+ 0%
- 16-20 0%
- Under 16 90%

Right pie chart labels:
- 21-30 40+ 0%
- 16-20 20%
- Under 16 80%
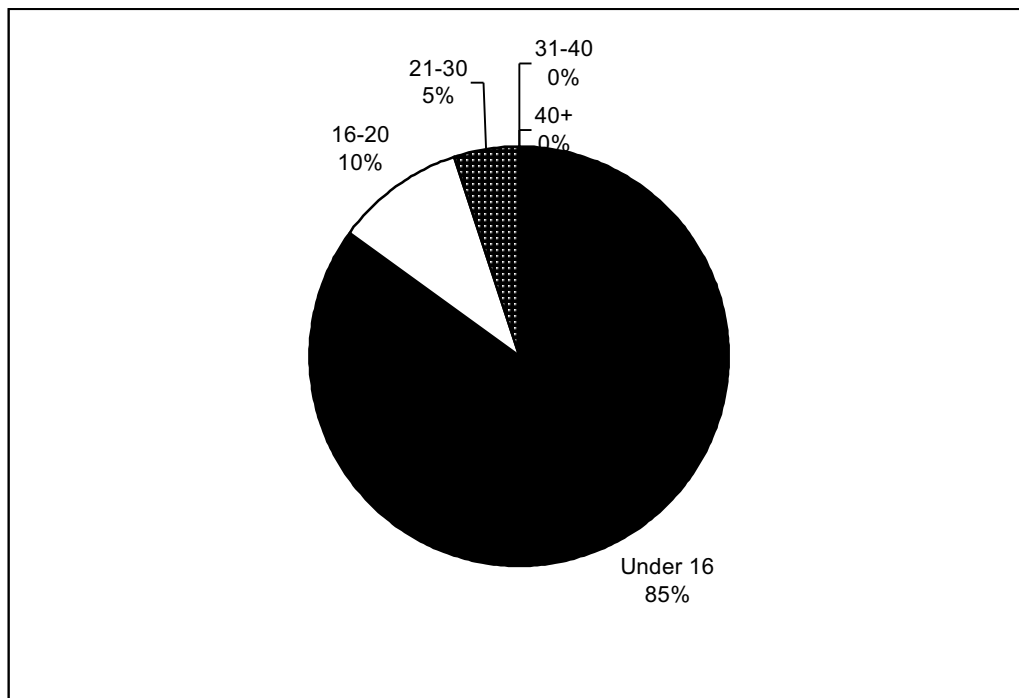
This graph shows the results for age group, after analysing the graph it shows me that 85% of the people were under 16, 10% were 16-20 and 5% were 21-30. This tells me that my results weren't varied as most people were under 16 and I only got a few results from people over 16. I should balance out the age groups so I could get mixed opinions.

Conclusion

After analysing all the graphs, I could make a decision of what type of business to set up, how to price my meals and where to locate. After I analysed the first graph which showed which type of food people would like in a new restaurant I found out that Mexican food was the most popular at 30%, however I chose to do a Chinese restaurant even though 26% chose it as a near enough equal amou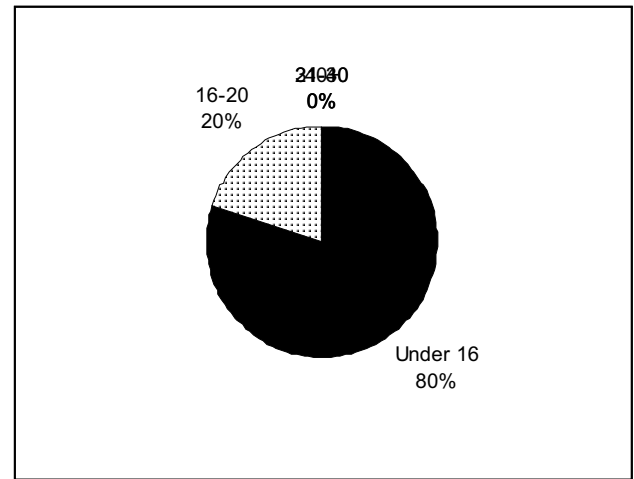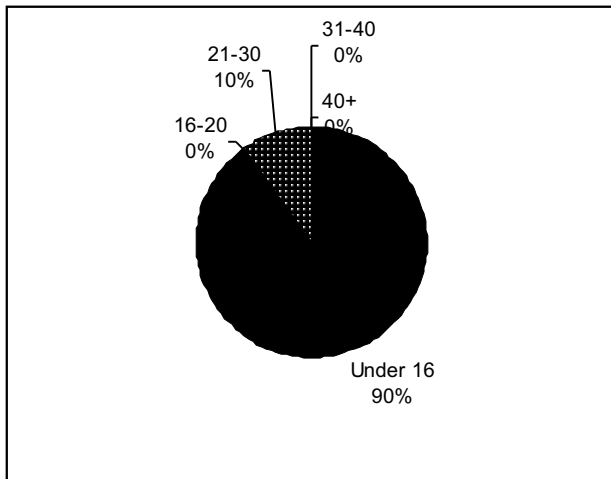nt of males and female picked Chinese food, males 27% and females 27% where as mainly males wanted Mexican food at 46% and females 11& this means females weren't as keen on Mexican foods as opposed to males, this is why I chose to do Chinese food as both males and females preferred it. The second graph, which I analysed, was how many people eat in and take away. I found out that 55% take away and 45% eat in. This shows me that I will need to provide in eat in space and possibly a take away service. The third graph showed how much people would be willing to pay for a meal, I found out that most people would be willing to pay £10-£20 for a meal, and £20-£30 at 15%. This tells me that I should make a normal meal between £10-£20 and a more classy meal between

£20-£30.  I will be pricing my meals according to the market meaning the market set the prices so they will be willing to pay the amount I charge and attracting potential customers however the price may be to low for me to pay expenses meaning I may have to increase the market price.  The fourth graph showed how many people in the sample were male and female, I chose to pick 10 males and 10 females, so 50% were males and 50% were females, this is so I get a varied and unbiased opinion from both genders.  The fifth graph showed how often people attend restaurants, nearly the whole sample picked monthly at 85% and 15% weekly.  This tells me that people normally go to restaurants every month and only a few weekly, so my loyal customers might attend my restaurant monthly, this is why I will need to attract a lot of potential customers.  The sixth graph showed where people would like my restaurant to be located; most people wanted it to be located in Hendon at 50% and 25% in Edgware.  This shows me most of the sample wanted me to locate in Hendon as is more suitable for them, however Hendon may be a bad location for others, this means I will need to locate in a very easily accessible area.  Even though only 25% of the sample picked Edgware I think it would be a good area to locate in, it's a busy area with big shopping centres such as Broad walk, which would attract loads of potential customers.  The seventh graph, showed what times people go to restaurants, it showed that 6pm-8pm is the most popular time in which people go, with 6pm-7pm 40% and 7pm-8pm 40%.  This tells me at what time my restaurant will be at its busiest and helps me suggest what times to open and close.  The eighths graph showed age group, 85% of the people asked were under 16, this shows that my research was limited in terms of age group, my results could have been more varied if I asked a wider range of age groups.  Overall I think I analysed my research well to make a decision, such as which food to sell, however some of my research was limited such as the age group asked, nearly the whole of the sample were under 16 which meant I didn't get a varied opinion.

## PRODUCT

In order to attract customers and gain customer loyalty, I will need to produce a product, which customers want.  I found out this product through market research, the results show that Mexican food was most popular at 30% however I chose to do a Chinese restaurant at 26% as mainly males wanted Mexican food 46% and only 11% of females wanted Mexican food where as a near enough equal amount of males and females wanted Chinese food males 27% and females 34%.  I will have a wide range of Chinese foods such as sweet corn and chicken soup to fried rice; I also got some of my food ideas from

secondary research where I used other Chinese restaurants to see what types of foods they served.  I decided to provide eat in spaces and a delivery service, as 55% of the sample take away and 45% eat in, meaning a delivery service will be suitable. I will need to stock a lot of food, as I will need to keep up with the demand in order to satisfy my customers and shortages can prove my restaurant to be unreliable.  My restaurant will be open from 6pm-9pm, this is because most of my sample said they attend restaurants between 6pm-9p, 40% said they go to restaurants between 6pm-7pm, 40% said they go between 7pm-8pm and 10% said they go between 8pm-9pm.  Another important aspect I need to focus on is quality, quality is achieving a standard for a product which meets consumer demands, having bad quality can make my restaurant have a bad reputation meaning I will lose customers.  I will be using total quality management (TQM), which is a method for a business to focus on quality by making it an important aim for every worker.  The advantages of me using TQM are that every worker or cook; priorities quality therefore meaning the quality of my foods will be high and meet consumer needs.  If quality meets consumer needs, they may become loyal to my restaurant and it will get a good reputation meaning more customers.  However using TQM will slow production down, as every cook has to check the quality of the foods.

The product life cycle of my restaurant is, firstly the development, which is where the restaurant is built up, and the food, is ordered.  Then the launch which is when my restaurant is opened for the first time, a lot of advertising will have to be done near the launch.  The growth phase is where I will start to gain profits and sales.  Product maturity, is when my restaurant has reached a peak in sales, my debts and costs, would be likely to have been paid off, this is where I will produce another product, such as a new meal.  Saturation is towards the end of maturity, competitors bring out new products to try and take sales away from my restaurant, e.g. Another restaurant will bring out a new offer which is better value than mine, and decline is when my product doesn't sell anymore, such as a type of food which no one buys anymore.  Once this happens I will need to produce another type of food, which will attract customers again, then this process will happen again and I will keep having to introduce new foods.

Conclusion
After analysing my market research, I could decide on my product.  I need a product in order to gain customers and profits, my service will be a restaurant and the product will be Chinese food.  I also decided to provide eat in spaces and a delivery service, as my research showed people eat in as well as take away.  My restaurant will be open from 6pm-9pm every day, my research showed that most people go to

restaurants mainly between 6pm-9pm, which helped me make a decision.

The product life cycle of my restaurant is basically my restaurant getting built, and then I need to buy stocks. After I can launch, which is where my restaurant is opened for the first time, I will need to do a lot of advertising near the launch to try and get as many customers as possible. After the launch I will reach the growth phase, which is where I will gain profits and sales. The next phase is product maturity Which is when my restaurant would have reached its peak in sales and my debts would be likely to have been paid off, I will then have to produce a new product like a new meal. Saturation is the next stage, which is where competitors bring out new products to try and take my sales away, then decline which is where a product or meal doesn't have any demand anymore. I need to bring out a new meal after, which will attract customers again and take sales away form competitors, this process is then repeated I will have to keep on producing new meals which will eventually decline, then I will bring out another meal which will also go through the same process.

Overall my business a restaurant and the product is Chinese food, research has showed me that I need to included eat in spaces and a delivery service. My restaurant will open from 6pm-9pm every day.

PRICE

Competition based pricing
Competition based pricing is setting a price based on the prices charged by competitors, this means you can set a lower price and offer a better value deal than your competitor, therefore attracting more customers.

Advantages
-Charging similar or lower prices can attract customers
-I will be able to compete with other businesses more effectively
Disadvantages
-The prices charged by competitors may not be enough for me to cover my costs.

Skimming
Skimming is when a firm charges a high price for a new product, maximising profit. Once the firm has gained enough profits, it will then lower the price of the product.

Advantages
-More profit is gained from each sale, maximising profits.
-Good if there is no competition in your area meaning customers will pay a higher price.
Disadvantages
-Can be risky a high price will put customers off

Market oriented pricing
Market oriented pricing is setting a price based upon research and analysis of my target market, to find out a suitable price.

Advantages
-The market set the prices so customers will be willing to pay.

Disadvantages
-The market may want a low price, which is not enough to cover your costs.

Conclusion
Out of these 3 methods, I am going to use Market oriented pricing. I chose this method instead of skimming and competition based pricing, as after I've done my market research I can de cide on a price that the market has suggested, which means people will be willing to pay the price for a meal and hopefully I will attract customers. The reason why I didn't choose to use competition based pricing, is because charging a similar price to competitors may be to low for me and I wont be able to cover my costs I will use my secondary research as well which was a leaflet of another restaurant and price my meals as similar as I can to my competitors. However there are some advantages, charging a similar or lower price than competitors may attract new customers, or attract loyal customers from another restaurant to mine, I can also compete more effectively as my prices are similar. I didn't use

skimming as my business is just starting up, making my prices high is risky as it will put customers off, and I wont gain customer loyalty. However charging a higher price means maximising profits and I get more profits for each meal. The reason I chose market oriented pricing, is because pricing my meals according to the market means people will be willing to pay the price and my business will get a good reputation and I will gain customer loyalty. However like competition based pricing the prices may not be enough to cover my costs, and seeing as my business is new I will be in dept and have to pay for stock. Overall the method of pricing I will be using is market oriented, this is mainly because charging prices which the market wants means people will be willing to pay. However the prices may not be enough to cover my costs, which mean I may have to add to the prices. I will also use some competition based pricing, I will use my secondary research which was a leaflet and compare my final price with my competitors and see if my price is higher or lower and I can make adjustments, this means I will use market oriented pricing and abit of competition based.

PLACE

My restaurant must be in a suitable and convenient place for customers to reach it easily. I need to base my location on what my Market research shows me, where competitors are located and my restaurant should be near some sort of public transport e.g. a bus stop or train station. I hope to set up my restaurant somewhere in Hendon, as my market research showed most people preferred it to be located in Hendon. There are no Mexican restaurants in Hendon, meaning there's no competition around that area and bringing a new type of restaurant in Hendon meaning people will be attracted. There are several transport methods to get to Hendon, such as bus and tube so people can easily access my restaurant.

Map
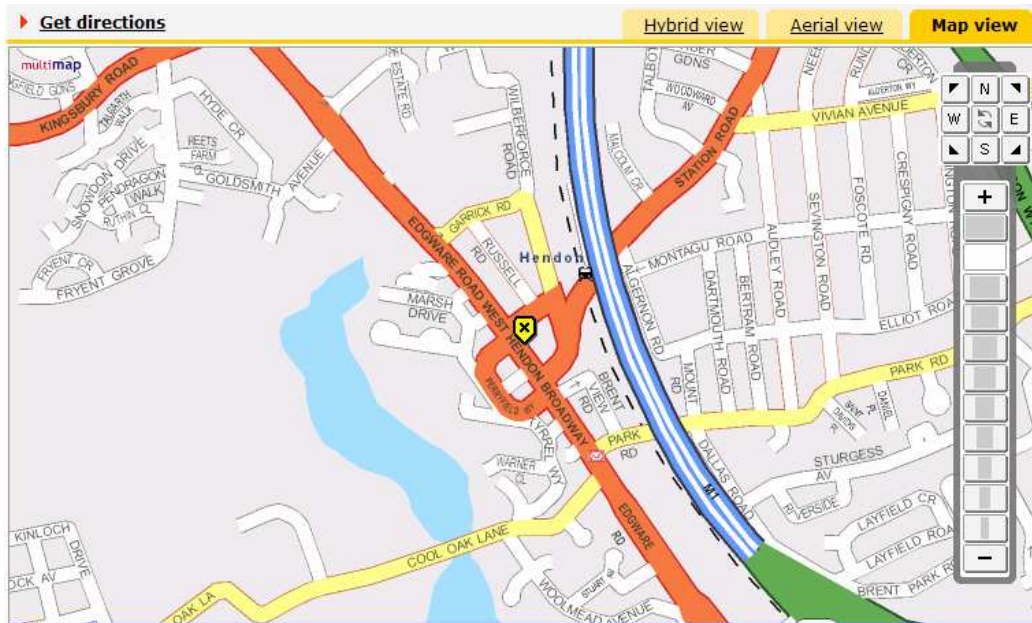


This is a map of where I have decided to locate, which is in Hendon a s my market research showed most people would like my restaurant to be located in Hendon as opposed to other locations such as Edgware or Finchley.  I will be locating my restaurant somewhere around West Hendon Broadway, which is highlighted in red.  The a dvantages of locating in West Hendon Broadway, is it's a busy area meaning lots of passing trade.  There are also no other Chinese restaurants in that area, so I hope to bring a new food type to the area and people will be attracted to my restaurant, as it's the only Chinese restaurant in that area.  However there are many other restaurants in west Hendon Broadway such as kebab house and some Indian restaurants, which means I will have some competition from different kinds of restaurants. Hendon is a very easily accessible area as well, there is a train station Hendon Central and many buses, which go into Hendon so people, can easily go to Hendon with no difficult route.  The other main area which I could have located in was Edgware and Finchley, locating i n Edgware would have also been a good area as its busy meaning lots of passing trade and if I located some where near Broadwalk which is a very busy area I would gain lots of customers, Edgware can also be easily accessible as there is a train station and lots of buses which go into Edgware.  Finchley would have also been a good place to locate in, if I located near Hollywood bowl which is also very busy, there would be a lot of passing trade, however its not as easily accessible as Edgware or Hendon as there is no train station but there are some buses which go into Finchley.  Overall locating my restaurant in west Hendon Broadway is a good decision and a good place to locate, this is because

west Hendon Broadway is a busy area, meaning lots of passing trades my restaurant is the only Chinese one in the area meaning people will be attracted.  However there is a lot of competition from other restaurants such as kebab house.


## CHAIN OF DISTRIBUTION

As my business is a restaurant, I will have to distribute my products, directly to the consumer.   This is where I sell my product myself directly to the consumers, without going through a wholesaler or agent.  A wholesaler is a business, which specialises in selling to smaller shops and other traders.  It buys in bulk and then breaks the stock down to sell to retailers.

### Advantages
-I am in control of prices, the product itself and presentation.
-Easier for me, as I sell my products at my restaurant and don't have to meet with wholesalers or agents.
-Can get feedback from customers, meaning I can improve.

### Disadvantages
-Since I will be selling my product myself directly to the consumer, I may make mistakes or lack skill in how to sell my product best, where as a wholesaler or agent specialises in selling.
-A wholesaler can hold a large volume of stock, rather than the business storing the products.


### Conclusion
A wholesaler, specialises in selling to retailers, it buys in bulk and then breaks the stock down to sell.  The main advantages of a wholesaler are that they specialise in selling meaning they know how to sell products, and they can hold a large volume of stock rather than the business storing the products.  However I decided to sell my products directly to the consumer, this means I wont be using a wholesaler so I will be in control of the prices charged, and the products itself and how it is presented.  It will be easier for me as I will sell my products at my restaurant and don't have to contact or meet with wholesalers, I can also get feedback from customers meaning I can improve. However I may lack skills in selling so I may not be able to successfully sell my products as well as a wholesaler would.

## PROMOTION

Promotion is a message from a firm showing off a product, or to let people know it exists. The aim of promotion is to attract potential customers to buy your product. Promotion can be used to let people know of a new product, attract people to use a service or buy a product or to win over rival customers.

The possible method, which I could use to promote my restaurant are:

## Leaflets
These are a cheap way to promote, which is suitable for me as my business is just starting up; they are a good way of informing people of new products and offers. They are normally distributed locally in large numbers, so more people will see. The leaflets can be designed how I want them to make sure its effective.

## Advantages
-Cheap and easy to create
-Loads of local people will see it
-Easy way to promote new offers and products.

## Disadvantages
-Some people may not take any notice of the leaflet or throw it away.
-May not be effective in attracting new customers.

## Local paper
This method is also cheap, a good way of notifying loads of people, as many people buy the newspaper. A lot of information can be provided, however I wont be able to advertise my full menu. A local paper will be suitable rather than national as most of my customers will be local, meaning the local community are the target.

## Advantages
-Cheap and easy.
-Can provide a lot of information.
-Loads of local people will see it.

## Disadvantages
-There's limited amount of space, therefore I cant show my full menu.
-Like leaflets, people may not take notice or my advert may not be effective.

Conclusion

I decided to use both methods, in promoting my restaurant, this is mainly because they are both cheap methods of promoting which suits me as my business is just starting up meaning I wont have that much capital, until I start making profits. Leaflets, are cheap and easy to create, I will need to create one, which is effective and contains sufficient information such as contact details and location, to help me create my leaflet I will being using my secondary research which was another leaflet which I gathered from another restaurant. I will be distributing my leaflets to the local area, as they are my main target market. The advantages of leaflets are that they are cheap and easy to create, which is suitable for my situation, as I don't have much capital. Another advantage is that once distributed lots of local people will see, which is good as my target market are aware of my restaurant and potential customers may get attracted to my restaurant. I can also easily update my menu on my leaflet so people know the latest offers and meals. However the disadvantages are that people can easily not take notice of my leaflets and throw it away. Also my leaflet may just be ineffective in attracting new customers, which is why I need to design it well. The second method of promotion, which I will be using, is the local paper, this like leaflets is also cheap and easy. I will also need to create an ad that contains all the needed information such as contact number and location, it needs to stand out as there will be other ads so mine needs to stand out so that it stands out more than others. The advantages of the local paper is that it will be distributed to the local community which is my target market, it's cheap and easy and a lot of local people will see my ad. However there will also be other ads so my ad may not stick out as much as others or people may just not be interested. There is also a limited amount of space, meaning I can't include all the information I want to such as my full menu. Overall these two methods of promotion should be enough to make people aware that my business exists and attract customers. They are both cheap and easy methods, which will be distributed to the local community which is my target audience.

Analysis my leaflet

As leaflets are one of my methods of promoting, I created a leaflet. I created it from PowerPoint, and got ideas from my secondary research, which was a leaflet from another restaurant. I made the front of my leaflet in big bold characters as I thought that big bold characters were effective and eye catching from my secondary research, I showed that

my restaurant is eat in and take away, to make people aware that they can order food as well as eat in, and I gave needed information such as contact number and location, so people can easil y locate my restaurant. My menu is very clear and well presented, so my customers can easily read it, the prices are also clearly shown to avoid confusion.  The advantages of my leaflet, are that the front cover has a big bold font making it eye catching, I included all the needed information such as contact number and location.  My menu was well presented and clear to avoid any confusion.  However my leaflet isn't colourful making it dull, this could make people not notice it and I don't have a wide varie ty of foods on my menu.

Overall I think my leaflet is well designed and could be effective however it's dull.  All the needed information is included like contact number and location.  The title is big and bold so its eye catching and attractive.

CONCLUSION

My product/service is a restaurant, which will sell Chinese food. My business is market oriented so I make my decision according to the market.  After I analysed my research I decided to create a Chinese restaurant, even though Chinese food wasn't the most popular at 26% and Mexican at 30% I still decided to do a Chinese restaurant as mainly males wanted Mexican food at 46% and females only 11% however a near enough equal amount of males and females wanted Chinese food males at 27% and females 34% this means by decision was fair.  My opening times will be from 6pm-9pm every day, I decided on my opening times, as my research showed that most people attend restaurants between 6pm-9pm, with 40% going between 6pm-7pm, 40% going between 7pm-8pm and 10% going between 8pm-9pm so

opening my restaurant before 6pm isn't necessary.  I will be using market oriented pricing and a bit of competition based pricing.  I chos e market oriented pricing as the market set the prices, meaning people will be willing to pay the prices charged.  I have decided that £20 will be my maximum price for a meal, as my research showed that 35% of the sample would pay £5-£10 for a meal and 40% would pay £10-£20 for a meal, this showed me that I should price between £5-£20 for a meal depending on which type of food is involved, however the prices the market sets may be to low for me to cover my costs therefore I may need to increase the prices charged.   I will also use a bit of competition based pricing, I will use my secondary research and look at the prices charged by my competitors and I may adjust my prices depending on the prices charged by my competitors, to ensure I can compete efficiently.  The market showed that they eat in as well as take away, 55% take away and 45% eat in.  This shows me that I need to provide eat in spaces and I decided to have a delivery service as well for the people that take away.   I will be distributing my produ ct directly to the consumer, meaning I sell my products instead of a wholesaler or agent.  I will be in control of the prices the products presentation etc.  My restaurant will be located in West Hendon Broadway, I came to this decision as my research show ed that 50% of the sample wanted it to be located in Hendon, West Hendon Broadway is a busy area meaning there will be a lot of passing trade, there aren't any other Chinese restaurants in the area either so a lot of people will be attracted however there are a lot of other restaurants such as kebab house, which I will be competing with.  Lastly promotion, I have decided to use two methods of promotion, which will be leaflets and local paper ads.  I chose this as they are both cheap and easy methods and I won't have much capital to spend as my business has just opened up therefore I cant spend a lot on promotion.  Leaflets are effective as they are distributed to the local community, which is my target market, lots of people will see it, and they can see my full menu.  However many people can easily just not take notice or throw my leaflet away, which Is why I need to make it stick out and eye catching.  I created a leaflet; I got ideas from my secondary research, which was a leaflet from another restaurant, I made my leaflet big and bold so its eye catching I made it clear and provided all the needed information.  I will be distributing my leaflets to the local community in a large bunch, to ensure lots of people see.    My other method of promotion is the lo cal paper, this method too is cheap, lots of local people will see it, however there will be other ads, therefore mine needs to stick out so people don't ignore it.

<u>EVALUATION</u>

I do think my conclusion is limited to a certain extent, although my market research showed me mostly of what I wanted to know, I could have gained a lot more information to have made my decision making easier. In my questionnaire I didn't include any questions about promotion, which meant I found it hard to decide on which methods to use, as I didn't have an opinion from the market. However I think I gained enough information regarding price, product and place. I don't think my marketing mix would be successful in reality; this is mainly because I didn't do enough research regarding the 4ps, I didn't do any research about promotion, such as which methods people find the most effective, which made it hard to decide which methods to use. However I think I gained enough information about my product as I found out from my research that Chinese food was popular. I came to a decision on how to price easily as well, I will use market oriented pricing, and from my research I came to a decision of pricing my meals between £5-£20. I successfully found a good place to locate as well, my research showed me that Hendon was the most wanted place for my restaurant to be located in, so I found a suitable place in West Hendon Broadway, which is a busy area and no other Chinese restaurant in that area. If I could add or change any questions, I would add a question about promotion, such as "What methods of promotion do you find most effective" this would have made it easier for me to make a decision on which methods to use. I would also change the question "Where would you like the restaurant to be located" I would make it so its more specific such as if someone wants the restaurant to be located in Edgware they would be more specific by saying near "Broadwalk" this would have also made it easier for me to choose where to locate. I would change my sample as well, I asked 20 people to participate, which did provide me with information however if I asked 30 or maybe even 40 I would have gained a lot more information, I would also change the age group of which I asked, my research was limited to mainly under 16s I would have liked some opinions from over 16s so my research is more varied and fair. If I could do any extra research I would focus a lot more on secondary research, such as leaflets from competitors, as I can gain a lot of ideas and add them to my business. If I were doing my coursework again I would re design my questionnaire, and add more questions so I get a more specific answer. I would also try to analyse my graphs better so it will be easier to back up my decisions. To improve my coursework I would have to analyse more and get more secondary research and my coursework was limited in those areas. Lastly my results are valid as I

asked real people to write their opinions, however its was limited to a certain age group.

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