



UNIVERSITY OF WALES  
**Trinity Saint David**  
LONDON



# Business Plan

Product/Service Description, Market Analysis and Trends.

Francisco Javier Torres Mata  
(2020187)

CeHE Skills for the workplace.  
Managing Enterprise in the 21st  
Century (BMSW4006\_LON)  
Lecturer: Zainab Atta.

# Contents.

|     |                                  |      |
|-----|----------------------------------|------|
| 1.  | Product/service description..... | 1    |
| 2.  | Market analysis and trends.....  | 2-8  |
| 2.1 | Market research.....             | 2-3  |
| 2.2 | Target marketing.....            | 3-4  |
| 2.3 | Marketing strategy.....          | 4-5  |
| 2.4 | Trends.....                      | 5-6  |
| 2.5 | Strengths and weaknesses.....    | 6-7  |
| 2.6 | Pricing strategy.....            | 8    |
| 3.  | References.....                  | 9-10 |

# Product/service description.

NATURAL Catering L.S. are a London Private Full-Service Catering that offer unique menus created with good taste and dedication, positive energy and respect for the environment. Whether launching a new product or a wedding in the heart of London, small groups and private dinners, or large banquets and celebrations (online menu delivery soon), our team of professionals will create the type of menu (open and creative) that best suits to your needs (and your pocket). Our operation managers, passionate head-chefs and enthusiastic waiting staff will be at your service at every event. We will provide everything you need for your event: staff, chairs, tables rental, dishes and cutlery, linens and decorations, even the clearing, so you won't have to stress about anything.

You will taste fine organic meats and fish, as well as Plant-based menus offering vegan and vegies options, making our menus healthier, tastier and at the same time sustainable with the ecosystem.

Yes, sustainable. Because, unlike most of the caterings in London, we work with Soil Association UK charity, and support local pharmers, ranchers as well as fisher and dairy providers, offering seasonal products collected by local supplies. Our model relies on local ingredients to minimize the distance and time food travels and ensure that every item on our menus has a purpose on your course; Sustainable because we have a Zero waste policy and transform in our in-house composter, waste food into compost that our farmers and ranchers can use, thus taking advantage of the qualities of a natural and nutrient-rich compost.

Therefore, we offer a trusty (direct food chain), healthy, tastier (organic), fresher and sustainable product, delivering social benefits to communities in these areas, rural conservation and regional developments. Reaching an advantage with our competitors being this food for the future, and, at an affordable price.

Our catering company uses events and hospitality to make a difference to the lives of young hospitality students in London, giving them a start up in their careers; offering internship, training and first jobs opportunities; transmitting them the commitment to sustainability and environment from now on, with a view to achieving Zero Waste in the future.

NATURAL Catering L.S's desire is to change how the restaurant industry work.

# Market Analysis and Trends.

- **Market research.**

Catering service belongs to hospitality industry, being a part of a wide variety of fields in the fragmented service industry. We work in the marketing's segment of the food industry, selling cooked food:

- ✓ Meats, fish and poultry.
- ✓ Fruits/vegetables.
- ✓ Dairy products.
- ✓ Cereal and bakery.
- ✓ Fats/oils.
- ✓ Sugars/sweets.
- ✓ And alcoholic/non-alcoholics beverages.

Covering production, manufacturing/processing and distribution by reliable local outsources, following closely all the steps of the chain of food.

Inside catering we are a mix of venture/off-premises type, with the goal to be on-premises catering in a charity or foundation in a future for higher level events.

Service industry is a big percentage of United Kingdom economy, standing for 80% of the gross of domestic products, with an annual increase of 1.6% until 2018. Since then, we have had the misfortune of the COVID-19 pandemic, being these next years (2021-2022) expected to have a significant increase in industry revenue, due to the number of events cancelled or postponed, following the rules of the UK government and its prohibitions regarding meetings of people.

The whole food service business, which is expected to reach a value of around USD 516.8 billion by 2020, is assisting the worldwide catering services market. Between 2021 and 2026, the food service industry is predicted to increase at a CAGR (Compound Annual Growth Rate) of 4.5 percent, achieving a value of around USD 672.9 billion. London has met already a high market maturity in the U.K.

In the research, nowadays, we can find that organic catering is one of the fastest-growing organic markets in the UK last year. According to the research, sales of organic products totalled £2,79 billion (1.62 million per week in catering and foodservice), with the UK organic market growing by nearly 13% percent overall. However, whilst sales of organic items in supermarkets increased by 3.2 percent, and sales of independent shops increased by 7.5 percent, the catering industry grew by 19.1 percent, making it the fastest-growing sector in the previous year. Catering organic food is currently worth £76 million in U.K.

## • **Target marketing.**

As organic catering we can consider a wide target market range, from periphery consumer (occasional) 14% of organic consumer, mid-level consumers (with the attitude and the willing to change their habits) 65% and core consumer 21%. Clients between 25 and 55 years old of both genders, any ethnic, religion or status.

- IRI UK Shopper Insights survey report say that UK consumers are becoming more and more conscious about sustainability and health:
- 73% prefer food with environmentally friendly packaging
- 67% prefer companies that respect the environment
- 65% prefer companies that show fairness, transparency and integrity
- 42% are willing to pay more for organic food and the environmental commitment of the companies.

And the main reasons why organic products are better:

- Taste (for 57% of consumers)
- Health benefits (for 52%)
- Nutrition levels (for 44%)
- Ethical standards of production (for 40%)

Among these potential and established consumers, we can almost certainly count with:

- Parents and kids.
- Health-minded people.
- Eco-minded people.
- Local supporters.
- People who avoid GMO (Genetically Modified Organism)
- Potential and new costumers.

Some studies say that the potential consumers of organic are wealthy people and others say that they are mid-range salary people. Working, Natural catering LS, doing events for companies, there are a huge range of consumers willing to buy.

In addition, we will be covering the market's need of improve and expand this organic supply chain, the demand and the whole new sector.

## • **Marketing strategy.**

Only 3 organics companies are operating in London with organics products and local supplies, but only us have zero waste policy and an in-house composter, providing our farmers and ranchers with a quality and high nutrients compost, closing the recyclable circle. As the lack of organic catering in London, and the big demand expected next years **NATURAL Catering L.S** has a very good opportunity to find a gap in this industry, and develop by:

- Creating advertisements in social media like Instagram, Facebook, Twitter, LinkedIn, Pinterest, etc.
- Invest in PPC (Pay Per Click) advertising.
- Using social media analytics tool.
- Googling my business.
- Leads and conversions.
- And mouth to mouth,

We will gain the customer engagement and interaction, giving us a brand awareness and visibility as a short-term goal (6 months). Willing to reach higher levels in the next 1-3 years by:

- Start to sell online (service and products).
- Positive's customers review to share.
- Create google ad campaign.
- Create a valuable and relevant website.
- Create an app.
- Invest in SEO (Search Engine Optimization).

Checking our strategy performance with Key Performance Indicator, quantifying our success and maybe changing what is not working for us.

## • Trends.

The catering industry will undoubtedly be influenced by food and diet trend on next years. With almost 75% of the people in Britain eating out home any day, and the changing preferences in people diet, we will have to be aware about the impact of this patters on how we work , and some modification that may be required.

- Healthy food preferences.

Gluten-free and dairy-free choices in the diet for different reasons, apart for coeliac and healthy reason, more and more people are taking these options because they prefer a vegan diet and plant-based alternatives; many of them aware of the environmental impact. No matter what the reason (health or lifestyle), the vegetarian and vegans are becoming a big portion of the consumers. This growing trend must be kept in mind by the catering business.

- Organic food.

These options have exploded in popularity over the last decade. From 2017 to 2018, sales of organic products in the food service industry increased by 7.8%, according to a report by the Soil Association, a trend that is only expected to continue. Organic ingredients, as well as foods that are fresher and less processed, are in high demand.

- Sustainable food.

The need for transparency from suppliers and manufacturers (in terms of what is in their food and how it is processed) has increased the demand of organic foods and a preference for locally sourced goods. Food from sustainable agricultural sources has higher standards of animal life and fewer pesticides, and 43% of consumers believe that if organic food is on the menu, the restaurant will be better, becoming increasingly desirable. This interest is partially increased by the news generations (more and more socially conscious).

- Brexit impact.

30% of our food is imported from European Union, clearly is going to be a negative impact in the economy, seeing prices increased, but can be a push to local products and an opportunity to create new menu ideas using seasonally available foods.

- Food labelling.

All selling meals packed must now provide a complete list of ingredients and allergens, according to the new legislation. Food allergens can be life-threatening, so, it's critical that the catering sector takes proactive actions to guarantee that consumers are fully informed about components. It's a good idea to improve product and menu labelling in the actual food market, showing ingredients, origins and how was made.

## • **Strengths and weaknesses.**

- Strengths:

Catering: the knowledge about how many people is coming, how is going to be made, what are they eating and how many food requirements you have for the event, give us privileges, being always pre-paid and pre-organized events.

Local organic food:

Apportioning quality (nutrients and freshness)

Financial advantages in transportation and tracking.

Healthy and ethically

Environment friendly.

Enriches the local economy.

- Weakness:

Every event is unique and different of the others (business meeting, wedding...)

There are always differences between a catering serving outside that a restaurant serving in place, the restaurant uses to have better equipment and more variety of plates. Like in restaurant, in catering service you already know that the bottom line is what matters at the end of the month, and keeping track of your food, labour, and liquor prices (the "big three," as I like to call them) can make the difference between success and failure.

- Opportunities:

Planning an event, you have to consider the issues of catering for hundreds of people. Sometime people request things that are not available in catering setting, or asking for different dishes, and we have to do it for hundreds of people at the same time. We cannot just say no as an answer, we have to educate and accommodate them. When I get a request like this, I usually ask what food the client like, and then I offer ways we may produce something similar in a catering setting. Most of the time, this results in a satisfied client and a realistic target for the caterer.

Based on service in the worldwide market in next years, the catering service is expected to lead segment. With this we have an opportunity to introduce the organic and environmental friendly services, too desired for the new generations.

- Threat:

The concept of 'Risk vs. Reward,' as I like to call it, is always in play. This takes into account the size of the party being served as well as the risk of guests being disappointed

if you just offer one option. To decrease the risk, the larger the group, the more mainstream you may have to go. Taking a risk, on the other hand, can sometimes come with a great reward and a big satisfaction to the guest.

Vulnerability about frauds. Is tricky to demonstrate that the additional cost of organic food is because all the protocols were met.

- **Pricing strategy.**

It is wrong to provide food and beverage prices without considering all the details. Every catering event is different: Business meetings, weddings, etc... Force them to contact you so you can know better what their demands and expectations are. This will give you the chance to offer your services to them, different prices and packages, depending on the client. Communication is the key. Collect all the information and give a price after adding your profit goal. After the event compare the final cost with the expected, sometimes you are going to have some unexpected lost (food dropped for example), it is your responsibility to absorb the cost.

Catersource estimates that the usual pre-tax taken by caterers is almost double (8%) the profit margin obtained by normal restaurants. Some caterers have reported yields of up to 25%, but the market and your niche will play a role. Set a stretch goal when using a catering estimate calculator but be realistic about the profit you'll make.

# References.

- Centner, S., 2017. *SWOT's the difference?* [online] Catersource.com. Available at: <<https://www.catersource.com/business-operations/swot%E2%80%99s-difference>> [Accessed 22 August 2021].
- Cesar Revoredo, G. and Gschwandtner, A., 2021. *Upbeat news about the growth of the UK organic food market can be misleading.* [online] LSE Business Review. Available at: <<https://blogs.lse.ac.uk/businessreview/2021/06/14/upbeat-news-about-the-growth-of-the-uk-organic-food-market-can-be-misleading/>> [Accessed 20 August 2021].
- Expertmarketresearch.com. 2021. *Global Catering Services Market Report and Forecast 2021-2026.* [online] Available at: <<https://www.expertmarketresearch.com/reports/catering-services-market>> [Accessed 23 August 2021].
- Foad, D., 2020. *Organic sales into UK foodservice market grow 8.3%.* [online] Publicsectorcatering.co.uk. Available at: <<https://www.publicsectorcatering.co.uk/news/organic-sales-uk-foodservice-market-grow-83>> [Accessed 20 August 2021].
- Iriworldwide.com., 2018. *Shopper Insights: Geocentric purchases and millennials attitudes.* [online] Available at: <[https://www.iriworldwide.com/IRI/media/IRI-Clients/International/Regional-Shopper-Survey\\_UK.pdf](https://www.iriworldwide.com/IRI/media/IRI-Clients/International/Regional-Shopper-Survey_UK.pdf)> [Accessed 17 August 2021].
- Klingler, D., 2015. *21st Century Homestead: Organic Food.* 1st ed. London: Lulu.com.

- Meier, K., 2020. *How to Price Catering Services*. [online] Small Business - Chron.com. Available at: <<https://smallbusiness.chron.com/price-catering-services-17758.html>> [Accessed 22 August 2021].
  
- Ons.gov.uk., 2021. *Services sector, UK - Office for National Statistics*. [online] Available at: <<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/servicessectoruk/2008to2018#conclusion>> [Accessed 15 August 2021].
  
- Organic-market.info., 2016. *UK: catering the most active sector of the organic market*. [online] Available at: <<https://organic-market.info/news-in-brief-and-reports-article/uk-catering-the-most-active-sector-of-the-organic-market.html>> [Accessed 17 August 2021].
  
- Shopmium. 2019. *The UK Organic Market: Everything you should know*. [online] Available at: <<https://solutions.shopmium.com/en/the-uk-organic-market/>> [Accessed 17 August 2021].
  
- Size, F., Size, F. and WIRE, B., 2021. *Research Report: Catering Services Market (2020-2024) | Increasing Popularity of Online Catering to Boost the Market Growth | Technavio*. [online] Businesswire.com. Available at: <<https://www.businesswire.com/news/home/20200901005132/en/Research-Report-Catering-Services-Market-2020-2024-Increasing-Popularity-of-Online-Catering-to-Boost-the-Market-Growth-Technavio>> [Accessed 20 August 2021].
  
- Thompson, H., 2016. *Organic catering sector booming says Soil...* [online] The Caterer. Available at: <<https://www.thecaterer.com/news/foodservice/organic-catering-sector-booming-says-soil-association-report>> [Accessed 23 August 2021].
  
- Vaughan, T., 2021. *Innovation through crisis how the pandemic...* [online] The Caterer. Available at: <<https://www.thecaterer.com/sector/restaurant/shop-and-change-revenue-diversification>> [Accessed 22 August 2021].