

Model of the 5 porter forces

Porter's five forces model was developed in the 1980s by Michael Porter and is, together with the SWOT, one of the best known methods for business branch analysis, also incorporating elements of analysis of the external business environment.

The main objective of this model is to explain the dynamics of competition in the business area. Since all the companies involved (called players) seek to ensure an increasing participation in the market, by obtaining and maintaining competitive advantages.

Despite having been published 30 years ago, its basic principles remain valid and this management tool is still used today in market analysis, both to determine the attractiveness (or value) of this market and to obtain information to support a strategic planning for the launch of a new product or service, or for a repositioning in the market. Because it allows a quick and simple analysis of the competition environment, without the need to be an expert in strategic planning, to do this analysis.

II. According to Porter (1989), the forces that influence a business strategy are:

1. Rivalry between competitors

It would be considered the most significant of the five forces, because in this dimension the activity and aggressiveness of direct competitors should be considered. When we say direct competitor, it refers to companies that sell the same product, in the same market as the organisation in question.

Porter (1989) also states that the set of these forces determines the potential for final profit in the business. As not all have the same potential, the forces can be intense in

some and relatively moderate in others. The most reputable forces predominate and become fundamental for the formulation of new strategies.

2. Bargaining power of suppliers

It is focussed on the supply of inputs and services to the company. Suppliers have the power to bargain when the sector is dominated by few supplier companies; the products are exclusive, differentiated, and the cost to change suppliers is very high; and the business sector in question has no representation in the billing of this supplier. With these issues in mind, it is up to the company to identify the company's current relationship with its main suppliers.

3. Customer bargaining power

It has to do with the decision-making power of buyers about the attributes of the product, especially in terms of price and quality.

Thus, buyers have powers if the sector's purchases are of large volume; the products to be purchased are standardised, and without great differentiation; the sector's profit margins are narrow; and the option of the buyer himself manufacturing the product is financially viable.

4. Threat of new entrants

The threat of new entrants in a given market is directly proportional to the ease of entering this market, either in financial terms and due to the low fidelity of customers, for example. Causing some effects such as price drops and cost increases, resulting in a reduction in the profitability of companies.

The level of barriers to new entrants is the main responsible for this facility or difficulty. The most common barriers to entry are economies of scale, initial capital to enter, government barriers, access to distribution channels and product differentiation.

5. Threat of substitute products

All companies in a market sector are in competition with companies in other sectors that produce substitute products. These limit the potential profitability of a sector by putting a ceiling on the prices that companies can practice. The identification of replacement products results from the research of other products that can perform the same function. The substitute products that deserve special attention are those whose price/yield ratio tends to be higher than that of the products in the sector, or are produced in highly profitable sectors.

III Analysis of porter's 5 forces

Aiming to better understand the business environment, the analysis of Porter's 5 Forces:

Bargaining power of suppliers

✚ **Low**, due to the market being very fractionated.

✚ **High** number of suppliers and inputs for restaurant operations.

Threat of new entrants

✚ **Low**, due to the unavailability of places in the region.

✚ There are no barriers to the emergence of illegal establishments, due to the lack of inspection.

Rivalry between competitors

- ✚ **Moderate**, due to the large number of competitors with similar services and prices.
- ✚ Tendency of differentiation by the service provided.

Threat of substitute products

- ✚ **Moderate**, due to the possibility of making snacks or taking home-made lunch boxes with you.
- ✚ There is usually a preference for meals

Customer bargaining power

- ✚ **High**, due to the large offer of restaurants in the region, but with distinct quality.
- ✚ Easy access to information on prices practised in the market.

IV SWOT analysis

To formulate the restaurant's performance strategies, both in the internal and external environment of the business, the SWOT analysis was carried out.

Strengths	Weaknesses
✚ Qualified professionals. ✚ Comfortable accommodations. ✚ Fast commercial point. ✚ High level of hygiene. ✚ Competitive prices in relation to those charged by the market. ✚ Service level higher than that currently practiced by the market. ✚ Open every day of the week.	✚ Possibility of evasion of employees who go in search of their own business, raising customers with them. ✚ Businessman with no experience in this field. ✚ Lack of knowledge about business management. ✚ No knowledge of information technology.
Opportunities	Threatened
✚ Using the internet for marketing and customer service. ✚ Partnerships with companies and independent employees (loyalty programs). ✚ Advertisements in companies or service providers in the region. ✚ Increased demand for meals outside the home.	✚ Other restaurants located in the region. ✚ Economic recession. ✚ Unfair competition from informal restaurants. ✚ Financial charges and tax payments for being a legalized company.

V Marketing plan

Product

The product can be understood as the

It represents a combination of goods and services that the company offers to the target market. For instance, in Southern Africa taste the product is represented by a set of foodstuffs, drinks and services provided by the restaurant, chosen based on market research, comparison with competitors and identification of the needs of the target audience, potential customers and new opportunities in the market not exploited in the region.

The diversification and aggregation of new products and services is also a striking feature of the food sector, hence the need for constant innovation and benchmarking in order to observe the main market practises and bring them to the restaurant.

The following menu model was proposed for the self-service restaurant with a fixed price: basic dishes (rice and beans), 3 types of protein (meats), 4 garnishes (including 1 pasta with sauce) and 4 salads. The dessert (fruits) and drink (juice) will already be included in the final price charged to customers.

The average composition of a meal to be consumed by a person is approximately 500g, being distributed as follows:

Salad (65g), rice (85g), beans (100g), meats (150g) and other garnishes (100g).

 Price

The taste Southern Africa restaurant will use Porter's generic strategy: trending focus on differentiation, adopting competitive prices in relation to those practised in the market.

However, paying attention to the risk that the chosen segment does not provide critical mass that allows the company to operate.

The relationship between quality and price can be exploited as a critical factor, given that this trade-off will be managed effectively in the organisation, because it is known that a company that is in the middle is in an extremely poor strategic situation, being almost guaranteed to obtain a low profitability, because it will not be able to remain competitive against competitors and will lose customers for not having a standard strategy.

After studying the fixed and variable costs of the restaurant operation, as well as analysing the prices practised in the market, the price of £18.00 per meal (already included drink and dessert) will be charged.

 Square

The taste Southern-Africa restaurant will be installed on a busy street, located on the outskirts of the Dragon Stadium in the City of Johannesburg. Because it is the own land and is in an advanced stage of infrastructure works, eliminating rental expenses.

The chosen criterion was geographical segmentation, because as the entrepreneur already had his own land, strategies were adopted to meet the demand of the resident public in that region.

The restaurant will be medium-sized and the daily service capacity will be

150 customers. Its physical structure comprises an area of 200 m consisting of a dining room (100m), two bathrooms 1 male and 1 female), storage for the stock of materials, pantry for food storage and kitchen area (50m²) with cold room.

Promotion

The market is the set of all buyers, effective and potential, of an offer to the market.

Market segmentation can be understood as the process of dividing a market into groups of potential buyers with similar needs, desires, perceptions of values or purchasing behaviours.

After visits to the main competitors and conversations with the waiters, cooks, owners of neighbouring restaurants and potential customers, a main target audience was identified, consisting of students who study in educational institutions near the place where the commercial point is located and residents of the region and surroundings, especially retired elderly, self-employed workers and local commerce employees, because the area is equipped with several small businesses and close to the beachwear factory

In order to retain customers, the following strategies will be adopted:

- ✓ Self-service service without scales, at a fixed price;
- ✓ Offer juice and desserts already included in the price charged for the meal, generating perception of advantage by the consumer;
- ✓ In order to penetrate this market in a differentiated way, gain market share and become a stable company, the taste Southern Africa will use the following promotional actions:

- ✓ Creation of partnerships with schools, companies and churches in the region, aiming to increase the number of customers;
- ✓ Realisation of promotions in times of low sales volume and profitability;
- ✓ Radio advertising, especially *Bantu*, as it is the local radio;
- ✓ In the centre of Dragon stadium, in nearby schools, colleges and companies;
- ✓ Agreements with companies in the region, to serve lunches and deliver *warm*,
- ✓ Creation of a restaurant website to maintain direct communication with customers.

People

In addition to the good presentation of the place, the quality and flavour of the meals served, it is known that much of the success of restaurants is due to the attention paid to the needs of customers and the quality and friendliness of the professionals who work on site. Hence the need for an effective selection process for the hiring of these professionals, giving preference to the residents of the region, as they already bring customers to the establishment.

Employees are responsible for the moment of truth with the client, because they are the ones who interact directly during the provision of the service, representing the name of the brand, of the company. This is the moment when the consumer has the most intense impression of the service he is acquiring and, depending on his perception, may or may not please him. The intention is to captivate the customer so that he always comes back, speaks well of the service provided and brings other customers to the restaurant.

For the ideal functioning of Southern-Africa taste, equipped by a successful organisation chart.

Processes

Administrative processes are usually carried out by the owner or by the managing partner, from the definition of the action strategy in the short, medium and long term, according to the behaviour of the market, as well as the definition of the customer relationship policy, based on the responses to the promotional actions implemented and all financial and personnel management, to enable the smooth running of the business.

Among the processes that will be performed in the restaurant, some are not noticeable to customers, but are fundamental to meet their demands and expectations, which are the process of managing stocks for replacement (it is necessary to maintain a minimum level of food stock to serve customers, based on the history of demand, paying attention not to compromise much capital immobilised in stock and working capital; and acquisition of inputs for meal production (through the research of the best suppliers to serve the interests of customers at the lowest possible cost).

The processes that have the greatest interaction are customer service services (reception and meeting the customer's needs during their stay in the restaurant, answering questions, offering additional products and services and receiving payment) and food preparation and buffet assembly (preparation of menus, food hygiene and preparation of dishes, as well as distribution at the counters in an organised manner, maintaining a high level of quality of the products and services provided).

 Physical evidence

Loyalty will be given by focussing on the customer, with the provision of high quality services. Since once conquered, the customer in the food area hardly changes establishments.

Because it is a medium-sized restaurant, the physical evidence of the environment will be composed of a structure of approximately 200 square metres that will have electrical and hydraulic installations in good condition, with a well-lit environment, clear and washable walls and floors, thus conveying the impression of cleanliness always.

Even if it does not have its own parking, it will be easy to park vehicles near the restaurant, as it is a quiet place with low rates of violence and robberies. The restaurant will also offer a pleasant experience to customers, by offering coffee, water, television and ambient music.

All employees will work in uniform.