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MANAGING ENTERPRISE IN THE 21ST CENTURY

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Market Audit

Market audit is systematic and comprehensive approach of evaluating marketing environment of an organisation. Market audit influences both internal and external aspects of business (Eshleman and Lawson, 2017). It highlights principles for ascertaining area of problems and opportunities for developing plan of action for business. Market audit has been conducted for Coffee and Donuts Shop in order to conduct the business in food & beverage coffee house industry of the UK. So, conducting market audit would provide brief insight into the food & beverage coffee house industry of UK which helps the entrepreneur in starting business appropriately.

Market analysis

Coffee and Donuts Shop aims to operate in food & beverage coffee house industry of UK. Total turnover of food & beverage coffee house industry of UK was 7.2 billion pounds in 2017 accounting for 68% Gross Value Added (Britishcoffeeassociation.org, 2021). So, establishing a coffee business in this industry will provide ample opportunities of growth to entrepreneur. Moreover, most of the coffee shops sell 230 cups of coffee each day (Startmycoffeeshop, 2021). Starting Coffee and Donuts Shop in UK would help entrepreneur in serving higher number of customers.

Internal analysis

Internal analysis is sufficient for understanding about business. Internal analysis can be conducted by help of SWOT analysis. It highlights strengths, weaknesses, opportunities and threats for business (Gürel and Tat, 2017). SWOT analysis of Coffee and Donuts Shop has been conducted as under:

Strengths	Weaknesses
● Ensuring superior quality of coffee and donuts ● Use of value proposition & unique selling proposition ● Using online mode of advertisement	● Competitor of Coffee and Donuts Shop like Greggs has greater presence in industry ● Absence in online market ● Physical presence in food & beverage coffee house industry of UK

Opportunities	Threats
• Operating in brick and mortar market • Scope of operating in online market • Maintaining online payment system	• Existing rivalry by leading coffee uses chains like Costa, Cafe Nero and Starbucks • Local competition for Coffee and Donuts Shop • Cost of imported coffee beans and other supplies may enhance

At initial start-up, Coffee and Donuts Shop would operate in brick and mortar market of UK. Ensuring online mode of payment and aiming to expand business in online market act as key opportunities. Providing superior quality of donuts & coffee, using Unique Selling Proposition & Value Proposition and promoting offering at an online platform act as strength of Coffee and Donuts Shop. However, higher presence of competitors in market, absence of venture in online market and only presence on physical market act as weakness of Coffee and Donuts Shop. Rivalry from leading ventures and price fluctuation act as threat for venture.

External analysis

External analysis helps in gaining market overview in order to conduct business operations. As opined by Achinas *et al.* (2019), Pestle analysis highlighted political, social, legal, technological, economic and environmental aspects of industry. Thus, Pestle analysis for Coffee and Donuts Shop has been conducted as under:

Political	• Profit margins of business has increased as Brexit deal parliamentary decision reduces taxes on UK businesses • Federal laws of UK established by parliamentary bodies are needed to follow by companies (Parliament.uk, 2021)
Economical	• GDP growth rate of -9.9% (502.2 billion British pounds) influences economic strength and business operations (Statista, 2021) • 0.77% of inflation rate in UK influences employee turnover ratio in UK businesses (Ons.gov.uk, 2021)

Social	● 67,886,011 UK population indicates cultural diversity and distinct preferences (Worldometers.info, 2019). ● Literacy rate of 99% in UK helps in gaining skilled employees by businesses (Una.org.uk, 2021).
Technological	● Technological advancement in UK is 2.6 times faster (Information-age, 2021) ● Emerging technological development tend to derive innovative in food & beverage coffee house industry of UK
Environmental	● Implication of Environment Act 1995 is necessary for UK based businesses (Legislation.gov.uk, 2021). ● Environmental Protection Act 1990 is also required to obey by businesses for facilitating environmental well-being (Legislation.gov.uk, 2021).
Legal	● Companies Act 2006 is required to obey by UK based businesses (Legislation.gov.uk, 2021). ● Equality Act 2010 is required to obey by UK based businesses (Legislation.gov.uk, 2021).

Pestle analysis has helped in determining influential factors for Coffee and Donuts Shop. Political factor of UK plays vital role in regulating operations of businesses. Thus, Coffee and Donuts Shop is required to conduct operations as per federal laws of UK. Prevention of legal challenges helps in maintaining ethical performance of companies (Carroll and Brown, 2018). Economic aspects of UK has positive influence on performance of Coffee and Donuts Shop. Higher population would help Coffee and Donuts Shop in serving higher number of customers. Coffee and Donuts Shop can use technological advancement for providing better services to customers. Aligning legal and environmental factors at launching phase would help Coffee and Donuts Shop would help in ensuring ethical work environment. Also, positive reputation can be maintained by entrepreneur of Coffee and Donuts Shop by maintaining sound external factors. Also, Coffee and Donuts Shop can utilise these external factors for conducting more efficient business practices and widening the path of future sustainability.

Competitor's analysis

In marketing and strategic management, competitor analysis is the process of understanding strengths and weaknesses of potential and current competitors. Porter five forces is framework that is used for conducting competitor's analysis (Bruijl, 2018). Competitor's analysis for Coffee and Donuts Shop is conducted as under:

Factors	Possible impacts	Level of impact
Substitutes' threat	Presence of alternatives for coffee and donut place negative impact for Coffee and Donuts Shop	High
New entrants' threat	Penetrating in new market and establishing new infrastructure act as challenge for new start-up business at initial phase	Low
Suppliers' bargaining power	Suppliers bargaining power could be moderate and can decline company's profit margin	Moderate
Buyers' bargaining power	Buyers bargaining power could be high and can decline company's profit margin	High
Existing competitors' rivalry	Existing players in coffee market may pose higher threat for Coffee and Donuts Shop	High

Competitor analysis for Coffee and Donuts Shop indicates high risk from substitutes and rivalry of existing companies. Moreover, the bargaining power of customers is high and bargaining power of suppliers are moderate. Threat of new entry can be mitigated by the company by help of establishing new infrastructure and penetrating into a new market.

Market gap

In context of market gap about coffee and donut selling business in UK it can be specified that this place is viewing higher market prices for coffee and donuts. This is making challenges for monetarily weak individuals for purchasing such products. Thus, such type of market gap could

be contented by delivering comparatively lower product prices for people. Coffee and Donuts Shop is targeting to offer lower prices of coffee and donut for retaining their potential customer base of middle and lower middle class residents. Hence, market gap could be satisfied by business strategy of Coffee and Donuts Shop.

Target Market

Target market act ad group of customers within an organisation's serviceable available market at which the company aims suits resources and marketing efforts. According to Strobl *et al.* (2020), the target market is subset of the overall market for particular product or service. Target market of Coffee and Donuts Shop can be analysed by help of segmentation, targeting and positioning.

Segmentation

Segmentation includes dividing the overall market within small groups. Coffee and Donuts Shop would primarily target individuals of lower and middle income groups in the UK. Customers can be categorised into demographic physiographic, behavioural and geographic segments helps a business in targeting customers (Goryushkina *et al.* 2019). Coffee and Donuts Shop would categorise customers as per demographic segmentation. Quality and affordability would act as basic underlying principles in Coffee and Donuts Shop's segmentation strategy.

Targeting

Target market for Coffee and Donuts Shop would be both kinds and elders. Groups of 15 year to 50 year individuals would be targeted by Coffee and Donuts Shop. Food and beverages provided by Coffee and Donuts Shop Would be suitable for both men and women. People having higher health consciousness would be provided food and beverages with sugar substitutes. Moreover, individuals of urban and rural regions would be targeted by Coffee and Donuts Shop in an equitable manner for enhancing brand image. Use of demographic targeting strategy would help Coffee and Donuts Shop in ensuring optimum efficacy in marketing process.

Positioning

It is a concept of developing mental position in public consciousness about brand or products & services (Camilleri, 2018). Positioning of Coffee and Donuts Shop is based on affordability. Positioning statements for Coffee and Donuts Shop would be "A reason to smile". While

operating in a contemporary business environment where customers think about the environment and society, Coffee and Donuts Shop would use eco-friendly aspects like local sourcing and recycling for maintaining a sound business image. Further, maintaining sound business model would help Coffee and Donuts Shop in enhancing its social positioning in UK.

Marketing mix

Marketing mix acts as a foundation model of organization. It includes analysis of product, price, place and promotional aspects of business (Thabit and Raewf, 2018). Marketing mix analysis of Coffee and Donuts Shop includes analysis of 4ps that helps in assessing its efficiency.

Key product and services: Key product and service of Coffee and Donuts Shop includes coffee and donuts. Chocolate frosted donut, jelly donut, glazed donut, blueberry donut, strawberry frosted donut, cinnamon twist donut, and strawberry cake donut would be served in the shop. Also, Affocato, caffe latte, double espresso, cold brew coffee, cappuccino, caffe mocha and cafe au lait would be served to customers. In addition, services of online payment would be provided to customers. Providing handmade food and beverages would help the entrepreneur in attracting higher number of customers in the shop.

Pricing: Pricing is a strategy by which a company sets prices of its products and services. An organisation can opt for competition based pricing, product based pricing, penetration pricing, skimming pricing, cost plus pricing or dynamic pricing for its products (Kung and Zhong, 2017). In the case of Coffee and Donuts Shop, product based pricing strategy would be used. Thus, prices of coffee and donut would be set by entrepreneur according to quality of coffee and donut.

Place: London City UK is the chosen place of Coffee and Donuts Shop that helps the venture in making its existence visible to most of the customers. As London is one of the prime cities of the UK, a higher number of customers can be attracted by the company.

Promotion: Promotional strategies are used by businesses for attracting higher number of customers and promoting products & services (De Pelsmacker *et al.* 2018). In the case of Coffee and Donuts Shop, both online and offline modes of advertisement would be used. Use of social networking sites and official websites of start-up business would be used for

promoting business. In case of offline advertising, use of newspapers, leaflets and magazines would be made at a cost of 5000 pounds.

Marketing plan

Marketing plan outlines marketing strategy of an organisation. Such strategy helps a business in fulfilling needs of the target market (Turner and Endres, 2017). Marketing plan highlighted a list of actions which are fulfilled by the business in order to maintain a sound position in the market. Marketing plan of Coffee and Donuts Shop has been conducted as under:

Objective and goals	Reaching goals	Timeframe	Team Responsible
Attracting higher number of customers	Through online and offline promotion of products and services	First quarter	Marketing team
Increment in sales	Promoting brand image by facilitating customer satisfaction	Second quarter	Sales and production team
Customer satisfaction improvement	Through adequate staff and superior quality of products and services	Third quarter	HR team and production team
Business opportunity enhancement	Implication of strategic planning for enhancing presence on offline market and expanding business in online market	Fourth quarter	Operational team, information technology team and Finance team

One year marketing plan has been developed by marketing team of Coffee and Donuts Shop. It would help the company in enhancing business opportunities, increasing customer satisfaction, increasing sales and attracting higher number of customers.

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