

ELEMENT 2

Romania-by-the-Sea

Business Environment & Competitor Analysis

1. Introduction

This section evaluates the external environment and competitive landscape for Romania-by-the-Sea, a vegan Romanian bakery proposed for Worthing seafront. The analysis applies PESTEL and SWOT frameworks to assess both the industry and the specific business idea (Kotler et al., 2019; Johnson et al., 2020). These models help identify key external influences and internal capabilities that may impact the success of the business.

2. PESTEL Analysis

PESTEL is a strategic tool used to analyze the macro-environmental factors that affect a business, including Political, Economic, Social, Technological, Environmental and Legal influences (Johnson et al., 2020).

Political & Legal Factors

- UK food businesses must register with the Food Standards Agency (FSA) and comply with hygiene standards (FSA, 2025).

- Allergen regulations (Natasha's Law) require full ingredient transparency for pre-packed foods (FSA, 2021).

- Organic claims must be certified, increasing compliance requirements (UK Government, 2020).

- These factors increase operational responsibility but also build trust with customers.

Economic Factors

- Inflation in the UK has affected food and hospitality prices, influencing consumer spending (ONS, 2026).

- Organic ingredients are typically more expensive, increasing cost pressures.

- Worthing's seaside location benefits from tourism, especially in peak seasons.

- The business must balance premium pricing with affordability.

Social Factors

- Veganism is growing in the UK, with more consumers adopting plant-based diets (The Vegan Society, 2023).

- Customers increasingly value health, sustainability, and ethical consumption.

- The Romanian cultural element adds uniqueness and curiosity appeal.

Technological Factors

- Social media platforms such as Instagram and TikTok are key for marketing food businesses (Chaffey, 2022).

- Online ordering and click-and-collect improve convenience.

- POS systems help track sales trends and customer behaviour.

- Technology allows small businesses to compete with larger chains.

Environmental Factors

- Sustainability is a major concern for modern consumers (Intel, 2024).

- Businesses are expected to reduce waste and use eco-friendly packaging.

- UK regulations restrict single-use plastics (UK Government, 2023).

- A vegan and organic concept aligns strongly with environmental expectations.

3. SWOT Analysis

SWOT is a strategic tool used to evaluate a business's internal Strengths and Weaknesses, along with external Opportunities and Threats (Kotler et al., 2019). It helps businesses understand how they can use their strengths to take advantage of opportunities while minimizing risks.

Strengths

- Unique concept combining Romanian recipes with vegan and organic products.
- Prime seafront location with strong footfall.
- Family-friendly environment with playground (clear differentiation).
- Multiple revenue streams (fresh products, frozen items, café service).

Weaknesses

- Higher costs due to organic ingredients and certification.
- Niche positioning may limit mass appeal.
- Operational complexity (bakery + café + children's area).
- New brand with no established reputation.

Opportunities

- Rapid growth in the vegan food market (Statista, 2024).
- Tourism in Worthing increases potential customer base.
- Strong potential for social media marketing and brand building.
- Expansion into packaged goods and online sales.

Threats

- Strong competition from established chains and local cafés.
- Economic uncertainty affecting spending habits.
- Supply chain challenges for organic ingredients.
- Strict legal requirements and compliance risks.

4. Competitor Analysis

The bakery will face both direct and indirect competition in Worthing.

Direct Competitors (Local)

- Independent cafés and artisan bakeries in Worthing.
- These businesses compete on quality, atmosphere, and local reputation.
- Example: artisan bakeries offering premium handmade products.

Indirect Competitors (Chains)

- Costa Coffee – strong brand, convenience, and wide product range.
- Starbucks – advanced digital experience and customer loyalty systems.
- Greggs – low prices and accessibility on the high street.

5. Conclusion

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Overall, the analysis shows that Romania-by-the-Sea operates in a supportive but competitive environment. The PESTEL analysis highlights strong opportunities, particularly from social and environmental trends such as the growing demand for vegan and sustainable products. At the same time, economic pressures and legal requirements create challenges that the business must manage carefully.

The SWOT analysis demonstrates that the business has clear strengths, especially its unique concept and strong location. However, weaknesses such as higher costs and operational complexity must be addressed through careful planning and efficient management.

The competitor analysis shows that while large chains dominate in terms of convenience and pricing, there is still space in the market for independent businesses that offer something different. By focusing on authenticity, customer experience, and a strong brand identity, Romania-by-the-Sea can position itself as a unique destination rather than just another bakery.

In conclusion, the business has strong potential for success if it is able to clearly communicate its value, maintain high product quality, and adapt to changing market conditions. Long-term success will depend on building customer loyalty, managing costs effectively, and continuing to innovate within its niche.

Reference List

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