

A242

Task 3

Scenario 5: Jason's Bakery

Sample 1

Investigation into School's Canteen

From:

To: Miss

Date: 31 March 2010

Subject

Report on how School Canteen meets the needs of its target market and an analysis of its competitors.

Introduction

I have undertaken research in School Canteen to establish how they are and are not meeting the full needs of the target market. I have been asked by Helen, head of the Canteen Staff to produce a report, describing what the Canteen is doing well, and what it is not doing well, thus losing out to its competitors. These competitors range from big brand shops, such as Lidl, or the Co-operative chain of shops. From my research I have found that only a fifth of the amount of students in the school, and that more students going elsewhere, to buy their food for school. Also, I have found that although they provide a wide range of food at decent prices, many students still think that there is room for improvement when it comes to promotion and getting better sales.

Main body of the report

For the Canteen, there is a wide range of customers for the target market. The majority of this market is school students from ... The school is a large secondary school with around 1200 students, ranging from the wealthier families to more deprived students coming from areas around the school. The School is a mixed comprehensive school, so the

A02

Canteen caters for both girls and boys from these areas. The School helps students from the underprivileged areas, by providing them with meal tokens, to which they can buy food from the canteen. Also a small majority of the sales also comes from teachers of the school. The age boundaries that the Canteen caters for are ages 11 - 16 and out of this we have found that around out of a total of 65 questionnaires, 10 for each year group, and 15 for year 8, two fifths of the asked students go to the canteen. ✓ Ac2

For the target market, certain needs are insisted on being met, to get a good profit. These needs are as follows;

The students in School have two short breaks in which to buy and consume their purchase; these breaks consist of around 20 minutes each, so the students need a fast service to which to buy their food, so they can have enough time to eat it, from the research I have found that many students believe that the service needs to be faster, because if they are buying hot food, they often don't have enough time to wait for it to cool, to eat the product. ✓ Ac2

Whilst at the same time there needs to be a fast service, there also needs to be a wide variety of choice, if there is little on sale, then less people are likely to come and buy products from the canteen, whereas if there is too much on sale, then people are likely to take too long choosing what they want, thus wasting other peoples time in which to buy and eat the food before lessons start again. So basically there needs to be a balance, in that, there needs to be a good range, but not too large a range of products on sale. ✓ Ac2

Something that is also needed by the students is quite healthy food. School has recognised that it needs to sell healthy food, so told the Canteen to make there products healthier. Though, I found that from people who go to the canteen, a few said that they wanted to see healthier food there. Also, there are a few vending machines down near the canteen, and these sell healthier drinks. I have thought that ✓

this could be a competitor, as there are a lot of drinks sold from them.

Finally, the food from the canteen has to be quite cheap, as although some students are from wealthier families, many are from deprived areas, so will need to buy cheap food in order to get there lunch. Again from my research, I have found that many people who go to the canteen, and also many who don't, would say that it could improve by still being cheaper. /AO1

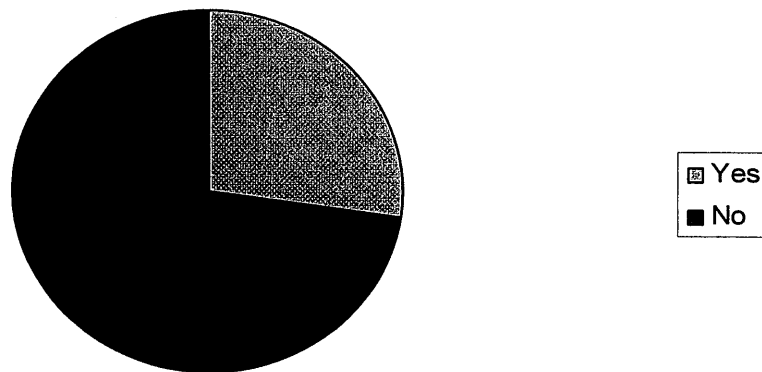
Overall, the market needs food that is of a certain level of healthiness; whilst at the same time provide a wide variety of products, at affordable prices for the students. A fast service is also needed to get the food sold and eaten in the short breaks.

At the present time, the Canteen is performing in difficult tasks, one of the major things which it does well, and is pressured by through no fault of there own, is providing the food in the short breaks in which the school has.

Overall, the canteen is only able to sell food for forty minutes within a six hour day, because of these short breaks, the students are allowed home earlier, which could mean they are able to have lunch at home, rather than in school. I have found that rather than producing full meals, the canteen instead sells snack type meals to bide the students through school or at least till they go home for food. This is good as the students can eat the smaller meal types within the breaks, rather than having the bigger meals at Lunch. Even though from the comments I received, many said they would rather to have shorter queues, the canteen still does ok in providing a quick service, and it is rare that students do not get served during either one of the breaks. After asking students questions though, I have found that many of them would rather longer breaks during the school day. Out of the 65 students asked, over 65% said they wanted to have a longer break, while the other 30 odd percent said they were just fine with the amount of time. These charts back up the results. The Canteen does /AO1 /AO1

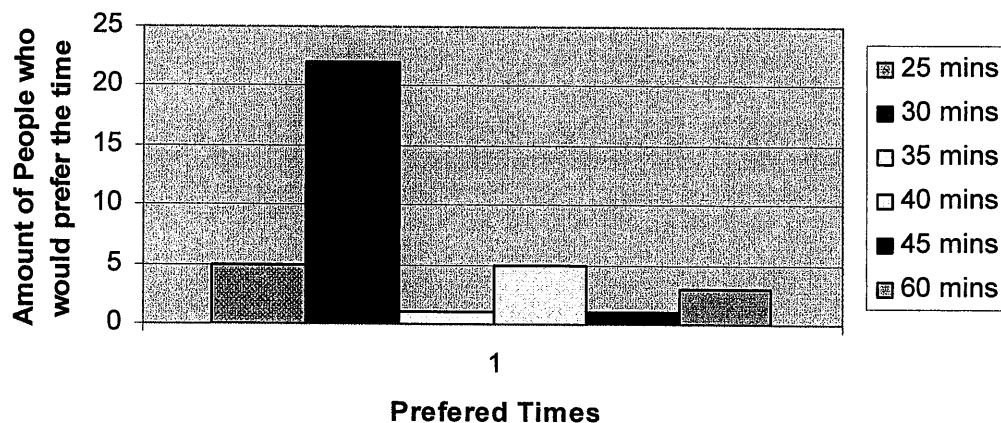
its best to meet the needs of the target market, and do by providing edible, snack-like foods for the students to last them the day of school. However though, because of the short breaks they are restrained to how long they are able to sell for, which doesn't meet the needs of the target market. ✓

Pie Chart showing if students think they have enough time for breaks



Ac2

Chart Showing How Much Time Students Would Prefer To Have At Break

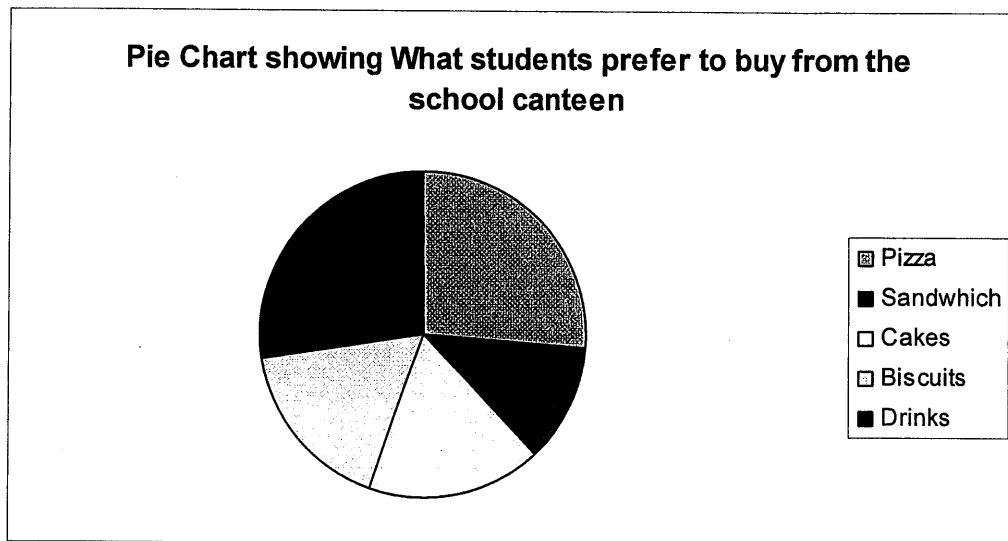


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From the second graph, I can see that over 60% want a longer time of 30 minutes per break, which in turn would give the canteen more time to sell more products, and keep the students less stressed on having to eat their food reasonably quickly. ✓

Ac1

Another thing the canteen succeeds at, is providing food in which the students buy in time to eat in the breaks, I have found from asking the students what they like to buy, in respect that only 17 people from who we asked uses the canteen. From visiting the Canteen I chose to ask what they bought most often, out of what a saw being sold most to pupils. This Chart shows what people buy most.



This pie chart shows that people mostly bought either pizzas or drinks from the canteen most often, with both percentages being just over 25% of the total chosen, followed by then biscuits and cakes, which each have a percentage of 17%. A sandwich, which consequently was the healthiest option, was the lowest marker, with just 11% out of the total answered. This shows that they are meeting the needs of the target market, as they sell more of the snack like food rather than the healthier options on sale. This meets the needs, as the students who use the canteen regularly keep going back to buy the snacks which are the most popular.

Though overall, has told me that they only sell to 200 students out of the 1100 students in school, which is less than a fifth. This is why, even though they are doing decently well in meeting the needs of the current target market, by providing snack like foods like pizza and cakes along with drinks, and acting respectably in providing a fast service for which the

students can consume their lunch during their breaks. They are still not selling the desirable amount in which to make profits.

As well as buying food from the canteen, or bringing in their own packed lunch from home, students can also buy food for the school day, or for after school has finished, by buying from either Co-op or Lidl's chain of shops.

Co-op, or the Co-operative Group, is a large, multi-chain store, spread right across Britain. The Co-op not only provides food and drinks, but also everyday household essentials, at a good quality. Though most students go there for their food and drinks that they have on offer. Co-op sell to students well-known products, such as Mars Bars for only 59p, which the canteen does not sell, and Coca Cola in cans for 65p, and other drinks such as packs of Lucazade for only £2 for a pack of 6, which works out to be better value than the canteen drinks and vending machine drinks, as each individual bottle comes to the price of around 33p, compared to the 35-85p drinks in the canteen. As well as their own-made products like their fair-trade products. This attracts students to this shop, as they sell well known products, which the students have probably had all their life. So by buying from here, they know that they are going to get quality products, for good prices. This would get students to buy from the competition, rather than the school canteen. Also, in some cases, students can get more for their money, with the special offers that Co-op promotes, such as selling two, five bag of doughnuts for only a pound, whereas, the students could only get two cakes for a pound or a slice of pizza for around 75p. What also draws student's attention is that it is either on the way to or from school, so many buy their food on the way home or on the way to school, to last them their food for the day. This is good for the needs of the target market, as they know they can get food on the way to school or back quickly, so are also not overly stressed for time when visiting the shop.

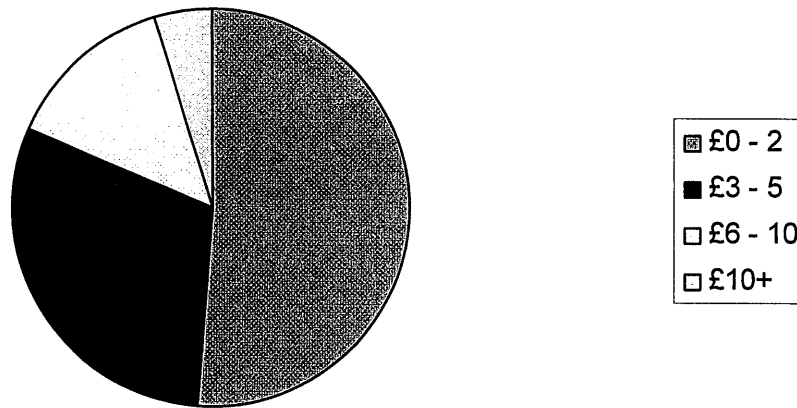
Overall, the Co-op does well in meeting the needs of the target market identified in paragraph 1, as the students know they are buying quality products at good prices, and very, very good deals. Also, from personal experience, I have also found that the service within the shops is generally quick, as it is not a large shop, so unless there is a sudden rush, the service is good. But also, the needs are met, as there is no real time restraint on the students when they buy from the co-op, and they can sell all day, rather than for just forty minutes a day. ✓ A02

Lidl are also a large multi-national company, spread mostly across Western Europe, who even though they are not as big as other major sellers, like Asda or Tesco's, are known for there own products resembling other famous products, being sold at very low prices. ✓

Lidl, like The Co-op, sell a range of different products from food and drink to again household essentials. Though once again, the students from are more interested in the food and drinks products for which they sell at low prices. A few examples of these prices are items such as a two litre bottle of there own coca cola, costs around 50-60p compared to the original selling price of around two pounds. This is also better for students, as drinks which are around 35 to 80p for single ones in the canteen, are not as good value as the two litre bottles from Lidl. As well as there own products, Lidl also sell better known products, a couple of which are the large Cadbury bars of chocolate, which in the Co-op are around £2, and are not sold in the canteen. In Lidl they are sold for around £1.25 per bar, and along with the drinks mentioned earlier, for just two pounds you have a large bottle of Coke and a large chocolate bar, for just 2 pounds, which in the canteen, would buy you a pizza, a drink, and possibly something else like a cake. The chart below shows and supports my research, by telling us how much a week students spend in the competitor's shops. It shows that over 75% of the students spend between ✓ A02

£0-£5 in these shops, and still get what they would the same from the canteen.

Pie Chart showing how much a week the students spend in a shop like Lidl or Co-op



Also, as the shop is a large supermarket like shop, the service is generally very good and fast, and again the shop is on most students' way to and from the school, so again, if buying from Lidl, the students can plan the stop at the shop to fit within there day, rather being restrained to only buying within forty minutes each day. Thus, Lidl meets the needs of target market well, and influences the students to buy from them rather than from the school canteen, as they have lower prices, and a good location.

Overall, Lidl is much like the Co-op when it comes to meeting the needs of the target market, though, the one thing that people argue Lidl do better is the prices in which Lidl sell there products, and other well known products. But other than that, needs are met as the shop is on the way to and from school for the students, and they can just stop off there and get more products for there money, rather than, getting less food for there money, (though arguably more wholesome food is sold at the Canteen).

Table Showing Canteens Prices Compared to Lidl and The Co-op				
	Biscuit/cookies	Cakes	Drinks	Sandwiches
Canteen	25p - 45p	50p	35p-85p	£1.30-£1.50
Lidl	£1.25 for large bar of Cadbury's Chocolate	49p for Swiss roll	70p for 2L bottle	90p - £2.10
Co-op	49p for pack of Jammy Dodger Biscuits	5 pack of Doughnuts for 65p	65p for can of Coke	£1.50 - £3.00

✓ Ac2

The table above shows distinctly the differences in price range concerning all three of the main places where students are able to buy their food for school. As you can see, for the most part, Co-op and Lidl have the better deals whereas the canteen just offers one of the items, for the similar price you could get 5 elsewhere.

✓ Ac2

Conclusion & Recommendations

In conclusion, I say that the Canteen is struggling to meet the needs of the target market, and although the School Canteen is doing okay in the current climate, it is still losing out much of its business and customers to the big branded shops like the co-op and Lidl, mainly through the price and the shops' product ranges. However, they could improve themselves by taking some of my recommendations that could help in getting more customers.

✓ Ac1

For my first recommendation, I would say that the Canteen needs to find different ways in which to price or sell the products to the target market. From my research, students answered back that they would like to see better or cheaper pricing in the canteen. From the marketing mix, I can safely recommend two pricing strategies that could work well for the canteen. The first of these would be product bundle pricing, this means getting or selecting a group of products that could

✓ Ac1

be sold as one, this although the price would be higher, could stimulate the students to buy these bundles, as they would get more value for there money if you say, that for £2 the student gets a drink, a slice of pizza, and a cake. This could improve the canteen, as more would be sold, and more money could be made. ✓ *Ac1*

There is also another type of pricing strategy that could also help, and this is Promotional Pricing, this being selling products in sales, and/or special deals, such as buy one get one free or 50% off. This cold help, as again it would stimulate the target market and could help them get more products for there money. The canteen could say, they could sell there pizza for full price, but for that you also get a drink for half price, or if you buy a pizza and a cake, you get a free drink, etc. Either way, the canteen could be improved as more products could be sold, or higher, though more considerable prices, depending on the deal, could be demanded. In reference to the marketing mix, product, pricing, place, and promotion would be affected and would have an influence upon the price changes, if they were to go into force. Firstly, the products would be affected, as the canteen would need to select whether they would go into the bundle or offers, by doing this they could see which products the market likes the most, and sell these as a deal, getting more sold and possible making more money. Secondly the price is affected, as they would have changed them to get more customers and more profit. Lastly, place and promotion would also affect the changes, as without promotion, people wouldn't know about the changes and the offers that the canteen would now be promoting. Though if they do promote the changes, then more people would know about, rather than no-one knowing like at the moment, where there is little promotion around the school. The place would also have an influence, as they would need to use it wisely in order to get all the products sold within the 20 minute breaks, so different or more areas in which to get your food could be used, or more canteens around the school could be enforced in order to get the canteen more customers and more profit. ✓ *Ac1*

The second recommendation of mine would be about promotion of the canteen, and the fact that at the moment as I already mentioned the canteen does not use hardly any. From what I've researched, the canteen does not advertise itself, apart from the fact that now, they supply food after school on Thursdays, though still, this is only a few posters and notices in registers. ✓ Aol

If the canteen did promote more though, on the whole the canteen would be putting themselves out there and letting more people and potential customers know about them. One effective way of doing this is putting posters and information up in and around the school, as students are always walking round whilst changing lessons, so if placed in the correct places, then the students would surely see the information. Posters should be used for this as they are bright and attracts peoples eyes, showing them what the canteen produces, and doing there best to persuade them to come and buy from there instead. Also, ✓ Aol

School has recently invested in Television screens placed around the school in busy locations, if the canteen managed to make a digital advert, then this could be used to advertise themselves, and will cost very little, because the programs are ran through the school. Another effective way of promoting is putting notices in registers, by doing this, all the students around the school can hear about the canteen and what it is promoting, and are guaranteed to learn of the canteen. By using this and the posters, the canteen is promoting itself widely to all its potential customers. Another way that could possibly work is by using the school radio, which is run during every first break of everyday. This could be effective as it would cost nothing to produce, and the radio is gaining a much bigger audience, so by promoting this, more people can find out about the canteen from and what they are promoting by tuning in. The final ways that the canteen could get known is by helping within school activities, or producing coupons to go into the school newsletter that every child gets. By putting coupons in the ✓ Aol

newsletter, not only do the children find out, but also the parents and carers do, and could see what the canteen is promoting with this coupon, and could use it, sending the student to school with money to use at the canteen could be a worthy promotion. Also, the canteen could help themselves promote, by taking part in different school activities, such as making a stall at the Christmas fair, or providing meals for during different subject workshops, in and out of school for the day. This would raise the awareness for the students then, to continue buying from the canteen after getting food provided for that day. In reference to the marketing mix, all the options above could help the canteen get more customers and eventually more profit. The price affects the promotion though, as the price would be a good thing to include on the advertising method, as the customers and students would be drawn to them more if they offer a good price for something, and thus buy it more because of that offer. The products also come into affect with promotion, as the separate products link in with the price, as they could make something that everyone likes, and put it on a poster offering it out to the students if they come to the canteen and buy it. Finally, place comes into action, as the people need to know where the canteen is in the school, so in the information given out, they need to include the place in which to go to get it. Also, once they have promoted outside, it would help them if they then continue to promote other products and offers inside the canteen. This could include more menu's, more posters, and more leaflets being placed around the canteen, so that students can find out more, and possibly go to the canteen regularly.

To fully conclude, by using both of my recommendations, the canteen must make themselves better in meeting the needs of the target market. As the canteen, if following my recommendations, could make themselves more known around the school, and make students aware that they are there, and providing food for them. Also, if they do include special offers,

then that means that the students needs will be met in that they would have cheaper prices, and by doing this, the canteen could then get more customers from there competitors, if they include these competitive pricing strategies. Finally, the needs would also be met that the canteen would end up being a livelier more atmospheric place, which the students would enjoy being in, and will most likely continue to buy food there. Also, if they either make the canteens run more effective, or produce more around the school, then the service would be faster and more effective, helping the target market get the food they want fast, with enough time to eat it during the breaks. Overall, by using these recommendations, the canteen could set itself out more to the students to the school, and effectively get more customers from there competitors, which consequently would gain them more profit.

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GCSE Applied Business

A242 Making Your Mark in Business

Sample 1

		Max Mark	Centre Mark
Task 3	AO1	12	12
	AO2	9	8

Assessment Objective	Comments
AO1	The candidate has provided a clear description of the ways in which the business is/is not meeting the needs of the current target market. The summary demonstrates breadth and depth of awareness of issues involved. Realistic ideas are based on research and demonstrate a comprehensive understanding of the marketing mix.
AO2	An excellent summary of the research findings has been produced using different methods to display data. There is detailed coverage of customers and two competitors. Data is well presented and market research is clearly targeted. There are some minor errors within the report. The inclusion of a copy of the questionnaire would have been helpful.