

Market Analysis

by Name Name

Submission date: 04-Mar-2021 07:31AM (UTC+0300)

Submission ID: 1523799659

File name: Market_Analysis_Research.docx (26K)

Word count: 1215

Character count: 6367

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Business Overview

Zone Bar and Grill will be a quick casual dining and catering concept that appeals to people of all ages in Houston and the surrounding areas. It will attract people of all ages because it is going to mix foods for people that may need those services as well as soft and selected types of alcoholic drinks. It will also attract the millennials particularly because it will apply the technological platforms that millennials are using as part of their lives. It will also attract the older ages because the food is clean, healthy and economical.

Type of product/service

Zone Bar & Grill will be offering over one hundred food delicacies available per time and prepared by some of the best chefs in Houston. We choose to be a food outlet wing to a large number of professional workers in the area and thus increased demand for cafeteria operations. Zone bar and Grill aims to redefine the operations of the cafeteria business in Houston. We will also offer beverages such as cocktail juices, sodas, and alcoholic drinks such as Moscow mule, Negroni, Cosmopolitan, and Margarita, among others. Besides opening doors for our customers, Zone Bar & Grill will offer food delivery services to our customers. It will also offer outside catering services to events, meetings, and conferences.

The intended market

Zone Bar & Grill is quite aware of the target market for a restaurant and bar business. That is because it is a kind of business that serves people of all categories of life. Food and drinks are the most essential basic needs for everybody and requirements for survival. The Zone Bar and Grill will prepare food to serve as many people as possible in Houston and the surrounding areas. To remain focused and dedicated to the business brand we will build, we have identified our target

groups of people within our reach. They include families, top executives, international and local tourists, celebrities, residence, the diplomatic community, migrants, and corporate organizations.

Business Model

The Zone Bar and Grill will be operating on a 7-day basis offering breakfast, lunch, dinner as well as regular meals and drinks. The schedules will be done in shifts that allow an increase or decrease of the hourly labor depending on the volume of the sales to control the labor cost. There will be ample storage facilities accompanied by proper rotation and labeling techniques to allow sufficient availability of products to the customers, even during peak hours and days. The layout of the space will be designed to allow flexibility and efficiency to accommodate customer fluctuation during peak times.

The operational processes and operations will build the most important building blocks for the business. These operational processes will be based on the volume of foods and drinks to be produced, the varieties of foods and drinks, how the products vary in terms of demand as well as the marketing strategies for the products to make them visible to the customers.

Mission/Vision Statements

Zone Bar & Grill's vision is to become unique foods and drinks outlet by ensuring that we the best quality meals to all our customers and deliver them on time. That is because we want to be known as the quickest bar and grill in Houston. Our mission is to build the most admirable business structure which will be achieved by employing not only the best but the right employees with the right experience as well as professional competence. We will also ensure that we acquire the right equipment to enable us to achieve all our business goals.

Market Analysis

Having a clear market analysis is very important for our business. It goes a long way in facilitating informed decision-making for the business (Kauškale, & Geipele, 2017). According to our market review, the zip code of the area where the business will be located is inhabited by a large number of the working class made of millennials. It also contains people with families and has kids. The location also has people beyond the millennial age. Thus, the business will incorporate operational processes that can accommodate all the customer categories. That includes kids' menu, technological advances for the millennial as well as healthy menus for the elderly.

Competitor Analysis

Zone Bar & Grill's competitors will include Sambuca Jazz Café, Home plate Bar& Grill, king's Court Bar, and Kitchen, Little Woodrow's Edo, Silver Lining Ba, and Neil's Bahr among others. According to Udriyah, Tham, & Azam, (2019), a company must have a method to create a superior performance as compared to the competitors. Thus, Zone Bar& grill has set competitive strategies to allow us to stand out from our common competitors. One of our competitive advantages is the strategic positioning of the business that will attract more customers than most of our competitors. We will build a strong business structure combining outsourced and employed employees with the best skills and professional competencies. We will align our customers with our core values and keep them committed to our vision and mission.

Estimation of the intended market

Zone Bar& Grill intends to serve a large number of customers within the location it is situated. Being the largest city in Texas with a population of about two million people, we target a large

portion of the population living and working within a radius of fifteen miles around the business.

We intend to serve families, residents, guests, and professional workers within this radius.

The business targets to produce foods and beverages in three main categories. The categories include foods, non-alcoholic drinks, and alcoholic drinks. The market value for each category varies as follows: Foods- \$800,000 per year, non-alcoholic drinks-650,000 per year, and alcoholic drinks 950,000 per year. Thus, the total market value for the business will be \$2,400,000 per year.

Expected Market Value: Foods and Drinks					
Assumptions	Probability p(x)	Foods (\$000)	Non-alcoholic drinks (\$000)	Alcoholic drinks (\$000)	Market Value (\$000)
Pessimistic	0.30	750	600	900	2,250
Most Likely	0.50	800	650	950	2,400
Optimistic	0.20	850	700	1,000	2,550
Expected Market Value (\$000)					2,400

2 Estimation of Total Addressable Market

The total addressable market (TAM) refers to the overall opportunity of revenue available for a service or product in the market if it was to achieve a 100% market share and helps to determine

how much funding should be put the new line of business (Kamps, 2020). The business targets to get a 10% of the market share. Therefore, the total TAM will be $0.1 \times 2,400,000 = 240,000$.

Recommendations

According to the information collected, it is still relevant to implement the business project. That is because it has an opportunity to grow and expand as a result of the competitive advantages addressed. That is likely to increase the market value of the business even beyond the optimistic expectations. That will in turn increase the expected market value and the total addressable market.

References

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