

A Competitiveness Analysis of a Selected Company

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ABSTRAKT

Tato bakalářská práce se zaměřuje na analýzu konkurenceschopnosti společnosti Koncepty Bistro & Bar. Práce je rozdělena do dvou hlavních částí. První část stanoví teoretický základ pro marketing služeb, marketingové prostředí a marketingový mix. Následně se zabývá různými strategiemi, které mohou restaurace využít k získání konkurenční výhody. Druhá část se zaměřuje konkrétně na Koncepty Bistro & Bar. Prostřednictvím analýzy vnitřního a vnějšího prostředí práce zjišťuje pozici Koncepty na trhu, hodnotí jeho konkurenceschopnost, a nakonec formuluje konkrétní doporučení pro zlepšení.

Klíčová slova: konkurence, konkurenceschopnost, pohostinství, SWOT analýza, PEST analýza, Porterův model pěti konkurenčních sil, benchmarking IFE a EFE matice, IE matice

ABSTRACT

This bachelor's thesis focuses on the competitiveness analysis of the Koncepty Bistro & Bar. The thesis is divided into two main parts. The first establishes a theoretical foundation for service marketing, the marketing environment, and the marketing mix. It then delves into various strategies restaurants can employ to gain a competitive advantage. The second section focuses specifically on Koncepty Bistro & Bar. Through an in-depth analysis of both the internal and external environment, the thesis aims to determine the company's market position, assess its competitive capabilities, and ultimately, formulate actionable recommendations for improvement.

Keywords: Competition, Competitiveness, Hospitality, SWOT analysis, PESTLE analysis, Porter's Model of Five Forces, Benchmarking, IFE and EFE matrices, IE matrix

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I hereby declare that the print version of my bachelor's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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INTRODUCTION

The hospitality industry is known for its fierce competition market. Therefore, knowing the competitors and the position in the market is helpful. The knowledge will be beneficial in developing possible strategies for improvement and increasing the potential of success.

This bachelor's thesis explores the competitiveness of Koncepty Bistro & Bar, a cozy bistro located in Ostrava. The work is divided into two parts theoretical and analytical. The first part provides the theoretical foundation for the analysis. It explores the unique characteristics of service marketing, dives into the complexities of the marketing environment, and examines the components of the marketing mix. Additionally, this section provides insight into various situational strategies that can be employed to enhance competitiveness. The second part focuses directly on the company Koncepty Bistro & Bar and their internal and external environment. Furthermore, the analytical part will explore the company's competitors and their offerings.

Most importantly, the thesis aims to determine the company's position in the market. Moreover, whether the company can compete with its competitors, and lastly, it should provide recommendations of possible improvements based on the analysis results.

I. THEORY

1 SERVICE MARKETING

Unlike many industries that focus on tangible products, the hospitality industry is a service sector, and it carries multiple specific characteristics:

- **Intangibility:** This is a particular characteristic of service industries, mainly because when a person wants to go for dinner, there is no option to measure the experience before their visit. Therefore, services are considered intangible-dominant products, meaning they are created with intangible components (Gursoy, Buttle, and Davis 2022, 21). This characteristic is causing difficulties for service providers because they need to develop strategies that will persuade potential customers to try the provided service.
- **Perishability:** One of the most significant disadvantages of intangibility is that unlike the physical product, which can be stored and sold later, the provided service does not have this option, and therefore it leads to a loss of profit (Janečková 2000,15-8). Management teams need to recognize the potential demand of customers, which is a challenging task since it is unpredictable.
- **Seasonality:** Refers to the cyclical fluctuations in demand or activity of customers experienced by businesses. Seasonality does not necessarily relate only to the four seasons of the year, but it can appear at different times of month, week, or even a day. (Gursoy, Buttle, and Davis 2022, 20). Seasonality can significantly impact a restaurant's operations and profitability, and it is necessary to know the trends to adapt company's strategies to account for these fluctuations. It could involve offering seasonal menus, adjusting staffing levels, or running targeted promotions during slower periods.
- **Inseparability:** In other industries production, and consumption can be separated from each other. Therefore, it doesn't matter if the product is produced in the winter and sold in the summer. However, in the service industry, these two activities, are in fact inseparable meaning that the service that is provided cannot be realized without the participation of the consumer (Gursoy, Buttle, and Davis 2022, 23; Janečková 2000, 15). Therefore, in the hospitality industry, the servers play an essential part because they are the ones providing the service and ensuring the perfect customer experience and, hopefully, customer retention (Janečková 2000,15)
- **Variability:** Is related to the quality of a provided service, and the employees and the customers deeply influence it. Not everybody is the same, which can affect the overall experience. (Gursoy, Buttle, and Davis 2022, 23)

2 THE MARKETING ENVIRONMENT



Figure 1 The Marketing Environment; Adapted from: Gursoy

The general goal of companies is to achieve satisfied customers, which can provide their retention and long-term profitability. To serve customers, it is necessary to understand the marketing environment. Which can be characterized as external forces that directly or indirectly influence the ability to maintain successful relationships with targeted customers. Therefore, it affects the company's course of actions (Dibb et al 2016, 74). The marketing environment consists of microenvironmental and macroenvironmental forces (Gursoy, Buttle, and Davis 2022, 12).

2.1 The Microenvironment

The microenvironment can also be referred to as the internal environment, and it focuses on resources, processes, and policies that help the organization achieve its goals, and these elements can be influenced directly by the company (Baines et al.2019, 127). To ensure customer satisfaction it is necessary to focus on the company's microenvironment, which consists of factors closely related to the company affecting the ability to serve its customers (Kotler 2017, 109).

- **CUSTOMERS:** Hospitality businesses typically focus on a broader range of customers. Therefore, it is necessary to successfully manage the customer mix to ensure, all targeted customers are satisfied. Moreover, customer's wants and needs typically change over time due to changing trends. It is important to monitor the changing preferences and be able to adapt (Gursoy, Buttle, and Davis 2022, 18).

- **EMPLOYEES:** Having skilled employees is very important to deliver the perfect customer service (Gursoy, Buttle and Davis 2022, 18).
- **SUPPLIERS:** Suppliers play a very significant role in the hospitality industry, mainly because they deliver the resources that provide the goods and services. For example, if the supplier experiences some difficulties, such as a shortage of the goods or a change in prices. It will most definitely lead to negatively affecting the company's marketing plan (Kotler 2017, 111).
- **INTERMEDIARIES:** Can be characterized as a third party between the company and targeted customer, which helps promote and distribute the selling goods or services to the final buyer (Kotler 2017, 112).
- **COMPETITORS**
 - **Direct** - Direct competition occurs when two or more businesses offer similar products or services that serve the same purpose and target the same customer segment. These competitors directly target the attention and purchases of customers within the same market niche (Gursoy, Buttle, and Davis 2022, 19).
 - **Indirect** - Indirect competition involves businesses that offer different products or services but still compete for the same consumer spending. While not directly offering the same products, these businesses serve as alternatives or substitutes to each other (Gursoy, Buttle and Davis 2022, 19).
 - **Substitute** - Substitute competition occurs when products or services from different industries or categories serve as alternatives to each other, meeting similar consumer needs or desires. Consumers may choose between these substitutes based on factors such as price, convenience, or quality (Gursoy, Buttle and Davis 2022, 19).
- **PUBLICS:** This refers to the various groups with a vested interest in a company's success or failure. These stakeholders can be internal or external and can influence a company's strategy and operations in different ways (Gursoy, Buttle and Davis 2022, 19).

2.2 The Macroenvironment

The macroenvironment is in most books often referred to as an external environment. This environment can be the cause of multiple challenges in business due to the fact that these factors affecting the environment cannot be affected or managed by the companies (Baines et al. 2019, 127). The most famous framework for characterizing the external environment is the acronym PESTLE which stands for *Political, Economic, Socio-Cultural,*

Technological, Legal, Environmental factors influencing the business and its micro environmental actors (Gursoy, Buttle and Davis 2022, 13).

- **Political** environment concerns governmental laws and regulations related to customers and influencing the marketplace (Baines, Fill, Rosengren and Antonetti 2019, 127). As example can serve change in taxes which in case of an increase has direct influence on the prices, which negatively affect the demand for the services provided. Moreover, employment laws, licensing.
- **Economic** environment includes factors of **employment levels, rate of inflation** which includes *wage inflation* and *price inflation* (Baines, Fill, Rosengren and Antonetti 2019, 132), **state of economy** which has huge impact on the buying behaviors of the consumers. If the economy is in recession people tend to buy fewer goods and save their disposable income, if the economy is growing or the most ideally is in its peak then people like to spend their money. (Baines, Fill, Rosengren and Antonetti 2019, 133).
- **Socio-cultural** environment includes the lifestyles and customer preferences, which often changes due to changing trends (Baines, Fill, Rosengren and Antonetti 2019, 134). In the hospitality industry this environment plays very important role because it concerns person's eating and drinking habits. Demographic changes play important part in organization's marketing activity (Gursoy, Buttle and Davis 2022, 16).
- **Technological** increase in technological innovations has affected most businesses especially high-tech industries (Baines, Fill, Rosengren and Antonetti 2019, 137). In hospitality it concerns use of social media, online comparison sites such as TripAdvisor. Technological factor could include improvements of the kitchen equipment (Gursoy, Buttle and Davis 2022, 16).
- **Legal** environment comprises of laws and regulations on the food safety, the transparency of pricing. (Gursoy, Buttle and Davis 2022, 16).
- **Environmental factors** play crucial part in today's environmentally conscious society. Customers value more and more sustainability, using local products, decrease of using unnecessary plastic products (Gursoy, Buttle and Davis 2022, 16).

3 COMPETITION

Competition is an essential aspect of the market economy, each market participant tries to realize its own economic goal, leading to a conflict of interests between individual market subjects. However, it is driving innovation and efficiency among businesses as they are trying to gain a competitive advantage. This rivalry takes various forms, including price competition, product differentiation, and service differentiation. While effective competition promotes consumer welfare, excessive competition can lead to price wars, reduced profit margins, and potential market exits (Porter, 2004). Competition can be divided into four categories:

- **Perfect competition** – A perfectly competitive market is an ideal market structure characterized by many buyers and sellers trading an identical product, no barriers to entry or exit, also firms are price takers, meaning they have no control over the price of their products. As a result, firms compete primarily on price and efficiency, leading to lower prices and greater consumer choice (Kotler and Armstrong 2016, 321).
- **Monopolistic competition** – A monopolistic competition is characterized by many buyers and sellers selling similar but not identical products. Decisions on the quantity and price of output are not based on other firms. Relatively no barrier to entry to the industry. Firms in a monopolistic competition often engage in product differentiation, emphasizing unique features or branding to attract consumers (Kotler and Armstrong 2016, 321).
- **Monopoly** – In a monopoly, one seller dominates the market for a particular product or service. This seller has complete control over the price and output of the product, making it difficult for new entrants to compete. As a result, monopolies often charge higher prices and provide less consumer choice than would be seen in a competitive market (Kotler and Armstrong 2016, 322).
- **Oligopoly** – An oligopoly is a market structure in which a small number of large sellers sell homogeneous or differentiated products or services. Therefore, each seller's activities influence the behavior of other firms in their decisions about price, production, and marketing. As a result, oligopolies often engage in strategic behavior, such as price collusion, to maintain their market power (Kotler and Armstrong 2016, 322).

3.1 COMPETITION IN THE HOSPITALITY INDUSTRY

The hospitality industry can be divided into multiple smaller sectors, and those include *Food and Beverage*, *Accommodation*, *Travel and Tourism*, *Entertainment* and *Recreation* (Birmingham city Business school).

For hospitality industry it is very typical that the supply is much greater than the demand, which results in a very intense degree of competition, and it is generally challenging to stand out from the crowd. When analyzing competition in the hospitality industry, it can be understood on two levels: **macro-competition** and **micro-competition** (Gursoy, Buttle and Davis 2022, 102).

- **Macro-competition**

The competition on the macro level focuses on gaining customers' disposable income. This can be a complicated task because disposable income may vary monthly due to personal reasons, time of the year – after the Christmas period. Some of these factors are unpredictable. In addition to that customer preferences change all the time. Since disposable income can be used for both dining and travel, decisions often revolve around priorities, such as holidays. (Gursoy, Buttle and Davis 2022, 102)

For analyzing the competition on a macro level is very useful Michael Porter 's *five forces model* remains a significant tool for marketers to comprehend the competition on macro level (Gursoy, Buttle and Davis 2022, 103). The five forces model will be discussed in chapter, focusing marketing analyses.

- **Micro-competition**

Micro-competition refers to the direct competitors of a business within a similar geographical area. These competitors offer similar products or services at comparable prices and target the same customer segment (Gursoy, Buttle and Davis 2022, 112).

3.2 COMPETITIVE ADVANTAGE

A competitive advantage is an attribute that allows a company to outperform its competitors and achieve success in the market. It is a distinctive feature that sets a company apart from its rivals and makes it a better positioned business to attract new customers and ensure the customer retention. (Dibb et al 2016, 55).

3.3 COMPETITIVE STRATEGIES

3.3.1 Generic strategies

In the 1980s Michael Porter defined three generic strategies that companies can implement to achieve desired competitive advantage. These strategies are promising success for companies competing for a desired market position (Dibb et al 2016, 55):

- **The cost leadership** – The goal of cost leadership strategy is to produce products or services at the lowest cost possible to gain a competitive advantage. There are two alternative types of this strategy and that is best-value and low-cost strategy (David and David 2017, 134) This strategy can be achieved by focusing on reducing production cost, managing expenses effectively and avoiding customers that demand higher-priced, customized services, and minimize spending on non-essential services like research and development. Implementation of this strategy can provide lower prices, therefore attract a wider base of customers, and increase market share (Porter 2004, 35-6).
- **Differentiation** – The differentiation strategy focuses on creating a unique product or service that is valued by customers. This can be achieved through various means, such as design, brand image, technology, features, customer service. Differentiation can protect a company from competitive rivalry by building brand loyalty and reducing price sensitivity among customers. However, achieving differentiation may come at a cost, as it often requires investing in research and development, designing high-quality products, and providing excellent customer service. Companies need to carefully consider the trade-offs between differentiation and cost to choose the strategy that best suits their market and customers (Porter 2004, 37-8).
- **Focus** – The focus strategy involves concentrating on a specific group of customers, product segment, or geographic market instead of focusing on the whole market. The company designs its products, services, and operations to meet the unique needs of this specific segment. This allows the company to achieve either differentiation or cost leadership within its target market, even if it cannot achieve these positions across the entire industry (Porter 2004, 38-40).

3.3.2 Customer centered strategies

Two marketing consultants, M. Treacy and F. Wiersema came up with different set of strategies which are focusing on customers (Kotler and Armstrong 2016, 551). According to their theory, companies can gain competitive advantage by delivering superior value to the customers, and this can be achieved by following three strategies called *value disciplines* (Kotler and Armstrong 2016, 551):

- **Operational excellence** – The goal of this strategy is to prioritize affordability and accessibility as the key differentiators. Therefore, this strategy is perfect for customers who seek good-quality products and services but also do not want to spend a lot of money (Kotler and Armstrong 2016, 551).

- **Customer intimacy** – The companies prioritize understanding and catering specific needs of a particular customer segment. The focus is put on providing superior experience to customers who are willing to pay premium to get exactly what they desire (Kotler and Armstrong 2016, 551).
- **Product leadership** – Companies that prioritize product leadership strategy prioritize innovation as their primary aspect of differentiation. The goal is to keep coming up with breathtaking products or services which will set the bar for the whole industry. This emphasis on innovation serves as an enticement to customers who desire the latest creations, even if they are more expensive (Kotler and Armstrong 2016, 551).

3.4 COMPETITIVE POSITIONS

- **Market leader** – The most powerful player, enjoying the biggest share in the market. However, even though the leader is the most successful he faces certain challenges. For example, he needs to find strategies to expand its market share and maintain current strategies to keep its position in the market (Dibb et al 2016, 59).
- **Market challenger** – defined as non-market leaders who aggressively attack rivals including the leader (Dibb et al 2016, 59).
- **Fast movers** – are described as smaller companies growing rapidly on smaller scales trying to become market challengers (Dibb et al 2016, 59).
- **Market follower** – Are companies with low-shares, limited number of resources. The basic goal of the company is to survive. Companies typically follow the trends set by the market leaders or challengers, and at time of recession they are often facing the struggle to gain sales (Dibb et al 2016, 59).
- **Market nichers** – Use the strategy of focusing on a very small, profitable segment which is not very appealing to the leaders.

Each of these roles should be identified within each market segment individually (Dibb et al 2016, 59)

4 HOSPITALITY MARKETING MIX

The marketing mix is also known under the 4Ps, which stands for Product, Place, Price, and Promotion. For analyzing hospitality businesses, it could be more suitable to use 7Ps, which is the original marketing mix extended by **Physical environment, Process, and People** (Baines, et al. 2019, 19).

As mentioned in Chapter 1, the products in the hospitality industry are very typical for their perishability and inseparability. Gursoy states in his book, that for hospitality businesses, it is helpful to create three different marketing mixes, where each mix focuses on different stages of customer purchase. This includes the *pre-encounter marketing mix*, which focuses on the promotions and catching the attention to persuade the customer to try the service, second one is the *encounter marketing mix* which focuses on the actual experience during the service and the last one *post-encounter mix*, which focuses on the promotions after the purchasing stage. Table 1 presents when is suitable to use different types of mixes (Gursoy, Buttle and Davis 2022, 28).

4.1 Marketing Mix

- **Product** stands for goods or services primarily designed to satisfy the needs and wants of the targeted customer segment. In the service/hospitality industry a product can be understood as a specific process (Gursoy, Buttle, and Davis 2022, 28).
- **Place** is often known as a distribution channels; in most industries it answers the question regarding the way in which the product is delivered to the customer. In hospitality industry, place focuses on making buying process of hospitality product as convenient as possible (Gursoy, Buttle, and Davis 2022, 28).
- **Price** is simply put the cost of the product, which must be paid. The price plays crucial part in influencing demand and driving profitability (Gursoy, Buttle, and Davis 2022, 28).
- **Promotion** stands for marketing communication, which is communicating the offered product or services to the potential customer. Key elements of promotions are Online marketing, Personal selling, Advertising, Direct marketing, Sales promotion, Publicity, Merchandising, Sponsorship (Baines, Fill, Rosengren and Antonetti 2019, 17-8).
- **Physical environment** significantly influences customer perception of service quality. Physical environment encompasses external and internal layout of the premises, including décor, lightning, furniture, smells, sounds, visual appearance of the working staff and significantly impacts customer's perception of service quality (Gursoy, Buttle and Davis

2022, 28). Moreover, lightning, layout of the premises can affect the work performance of the staff which also has an impact on the customer's experience.

- **Process** is the interaction between the customer and the service provider. Processes need to be efficient, customer friendly and competitive (Gursoy, Buttle, and Davis 2022, 28).
- **People** are another very significant factor that affect the customer's experience and the probability that they would return to your business. Having skilled and professional personnel is very crucial in hospitality industry, they provide the experience and if the company wants their customers to return it is necessary to have great employees and take proper care of them, if they want to keep them (Gursoy, Buttle and Davis 2022, 28).

4.2 Marketing Communication Mix

According to Kotler and Keller the communication mix can be divided into 5 tools which include:

- **Personal selling:** Direct interaction between salespeople and customers to build relationships and promote products or services.
- **Sales promotion:** Short-term tactics like discounts, coupons, and contests to stimulate immediate sales.
- **Direct marketing:** Targeted communication directly to potential customers through mail, email, or telemarketing.
- **Public relations (PR):** Building positive relationships with the public to earn favorable media coverage and enhance brand image.
- **Advertising:** Paid, non-personal communication through various media channels (TV, radio, print, online) to broadly reach target audiences.
(Bainess, Rosengren, and Antonetti. 2019, 427-429)

5 CUSTOMER ANALYSIS

The usual mistake of most businesses is the urge to satisfy all the needs of all the potential customers. However, that is almost impossible because every person has different preferences, especially when it comes to hospitality experiences. It is necessary to develop detailed *segmentation, targeting* marketing strategy to ensure the highest possible profitability (Kotler, Bowen, and Make 2014, 15). Segmentation and targeting are considered as the most fundamental disciplines, that influence all the other strategies (Gursoy, Buttle, and Davis 2022, 57). Before trying to assess any segmentation of the market it is necessary to understand Consumer behavior, which is influenced by disposable income and state of the economy. Moreover, the behavior is influenced by multiple factors like socio-cultural background including social class, family, cultural, and individual differences (Kotler, and Keller 2007, 83-9).

5.1 Segmentation

Segmentation is a process of dividing the whole market into multiple smaller segments of consumers which are bound by the same or similar characteristics. Segmentation is a useful tool when deciding whether is better to use mass-marketing or one-to-one marketing approach (Chernev 2009, 45-46).

The most common segmentation is dividing the market into multiple segments based on descriptive characteristics, including *geographic, demographic, psychographic, and behavioral elements*:

- **Geographic Segmentation** – Divides the market into segments based on geographic units including state, regions, cities, or neighborhoods.
- **Demographic Segmentation** – focuses on variables such as age, gender, income, education, religion, race, family life, life cycle and social status.
- **Psychographic Segmentation** – based on social class, lifestyles, personality,
- **Behavioral Segmentation** – focuses on dividing the customers based on their actions, knowledge, price sensitivity, promotion sensitivity.

(Kotler and Keller 2007, 120)

5.2 Targeting

Dividing the market into several segments reveals potential opportunities. It is necessary to evaluate provided options and select on and focus the targeting strategy on this specific segment. Moreover, Chernev states three types of targeting in his book:

- **Strategic Targeting:** This approach focuses on a single, well-defined customer segment. This allows for a highly tailored marketing strategy that caters directly to the specific needs, preferences, and behaviors of the target segment. While this strategy may limit overall market reach, it can be highly effective for businesses with unique offerings or a niche market focus (Chernev 2008, 49-50).
- **Tactical Targeting:** This approach involves targeting multiple customer segments that share some common characteristics but also have distinct needs. This allows businesses to expand their reach while still maintaining a degree of focus (Chernev, 2008, 50-1).
- **Targeting Multiple Segments:** This strategy involves targeting a broader range of customer segments with distinct characteristics. This approach can be effective for businesses with diverse offerings or a desire to maximize market reach. However, it requires careful marketing segmentation and messaging to ensure each segment feels addressed. (Chernev 2008, 51-2).

6 STRATEGIC ANALYSES

The following chapter will focus on different types of strategic analyses which are used to determine and understand a competitive position in the market, or internal strengths and weaknesses.

6.1 SWOT Analysis



Figure 2 SWOT Analysis, Adapted from: Kotler and Armstrong 2018

SWOT analysis is a very common analytical tool used to analyze the strategic position of a company and subsequently develop a suitable strategy for further development (Baines et al. 2013, 139-41). The acronym SWOT stands for *Strengths*, *Weaknesses*, *Opportunities* and *Threats*. Therefore, SWOT analysis helps to identify the main issues in any business enterprise and provides an insights and possible solutions to existing or potential future problems. These elements can be categorized as internal and external, and further subdivided into positive and negative aspects (Kotler and Armstrong 2018, 80).

- **Strengths** represent internal positive attributes or capabilities that contribute to the success and competitiveness of an organization. These are areas where the organization excels and has a competitive advantage over others. Strengths can include unique resources, skilled workforce, strong brand reputation, efficient processes, or innovative products/services. (Kotler 2014, 111).
- **Weaknesses** refer to internal factors that may hinder the achievement of objectives or goals. These are aspects within the organization or project that are less favorable or may require improvement (Kotler 2014, 111).
- **Opportunities** represent favorable external circumstances or trends that an organization can leverage to its advantage. These may include market trends, technological

advancements, regulatory changes, or emerging consumer needs. Identifying opportunities allows organizations to capitalize on external factors to enhance growth and competitiveness (Kotler 2014, 111).

- **Threats** refer to unfavorable external factors or trends that have the potential to hinder the success or viability of an organization or project. These threats may arise from competitive pressures, economic downturns, regulatory changes, or shifts in consumer preferences. Identifying threats enables organizations to proactively mitigate risks and adapt strategies to minimize their impact on business operations (Kotler 2014, 111).

6.2 IFE and EFE matrices

IFE matrix derives from Internal factor analysis which is formed by company's microenvironment and that includes Market, customers, competition, and suppliers (Vašítková 2000, 78). This analysis evaluates key strengths and weaknesses. **EFE Matrix** stands for External factor analysis, the goal of this analysis is to identify possible threats and opportunities. This analysis studies the position of the firm in the market and this provides valuable information for example what aspects of the business can be improved, change of the strategy, or targeted customers segment. Economic changes can imply opportunities or threats. Possible factors having the influence are economic recession, inflation, growth of unemployment (Vašítková 2000, 78).

According to Jurevicius it is necessary to identify key external opportunities and threats which arise from Porter's Five Force and PESTLE analysis (Jurevicius, 2023). Each evaluated factor is assigned a weight and a rating. **Weight** is ranging from the lowest importance 0.0 to 1.0 highest importance; the selected number resembles the importance of each factor and the sum of all the factor listed should be equal 1. Weight uses the same principle in both IFE and EFE matrices. However, it gets tricky with **Ratings**:

- **EFE Ratings** answers how the strategy is effective in response to strengths and weaknesses regarding. The scale is from 4 to 1 where 4 – superior response, 3 – above average response, 2- average response and 1 – poor response (Jurevicius, 2023).
- **IFE Ratings** - The internal analysis matrix uses ratings to assess strengths and weaknesses of a company. Ratings range from 4 (major strength) to 1 (major weakness). Strengths get higher scores (3 or 4) while weaknesses receive lower scores (2 or 1) (Jurevicius, 2023).

Moreover, by multiplying the weights and ratings results in weighted score provides a clear indication of a company's internal position. Scores below 2.5 suggest a weak internal environment, while scores above 2.5 indicate a strong internal position.

6.3 IE Matrix

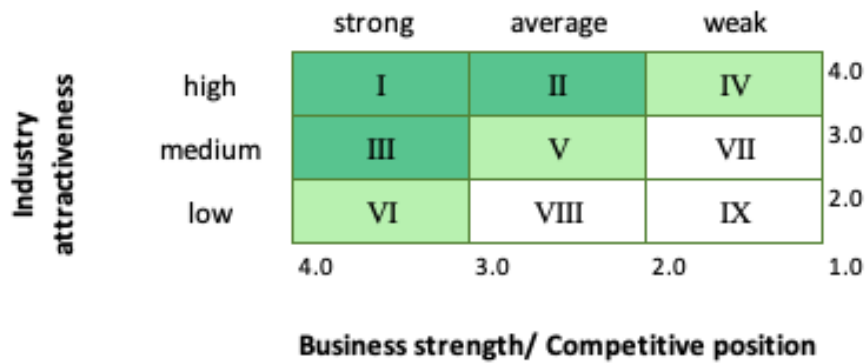


Figure 3 IE Matrix, source; Adapted from Research Gate

The Internal-External (IE) Matrix is a strategic management tool used to evaluate a business unit's strategic position based on its internal strengths and weaknesses (internal factors) and the external opportunities and threats (external factors) it faces. This framework helps businesses identify potential strategies for growth and development by considering both internal capabilities and the external environment. (Jakubíková, and Janeček 2023, 142)

The IE Matrix typically utilizes a nine-cell grid. The horizontal axis represents the **weighted score** of the Internal Factor Evaluation (IFE) analysis, which assesses the internal strengths and weaknesses of the business unit. The vertical axis represents the **weighted score** of the External Factor Evaluation (EFE) analysis, which evaluates the external opportunities and threats faced by the business unit.

The section I,II,III indicates a strong internal environment, offering a solid foundation for growth. IV,V,VI indicates a average internal environment. The business unit may have both strengths and weaknesses, and the external environment presents a mix of opportunities and threats. The recommended strategy is to focus on strategies that improve the internal environment. Lastly VII, VIII, IX present very weak position making the business unit vulnerable to external threats (Francis 2020)

6.4 Benchmarking

Benchmarking is an analyzing tool used to compare products, services of a selected competitors, asses the position of certain companies, and determine the competitive advantage. By benchmarking, companies can identify potential issues and opportunities for

improvement, acting as an early warning system for managers (Lankford 2002) There are multiple types of benchmarking:

- **Process Benchmarking** This approach focuses on comparing and analyzing the daily operational practices of another organization. It helps identify best practices for tasks and workflows that can be adapted within your own company (Lankford 2002).
- **Performance Benchmarking** compares key performance indicators (KPIs) like sales figures, customer satisfaction, or efficiency metrics. It allows you to assess your own performance against industry leaders or competitors and identify areas for improvement (Lankford 2002).
- **Strategic Benchmarking** analyzes long-term success of competitors. It examines their overall business models, competitive advantages, and long-term goals to gain insights for strategic development (Lankford 2002).
- **Competitive Benchmarking** compares direct and indirect competitors. Belong to the more difficult and focuses on the performance, product, or service. This analysis provides valuable insight for developing new offerings (Lankford 2002).
- **Cooperative/Collaborative Benchmarking** involves partnering with other organizations for a mutually beneficial exchange of knowledge and best practices. It fosters collaboration and allows participants to learn from each other's strengths and experiences (Lankford 2002).

6.5 Porter's Five Forces

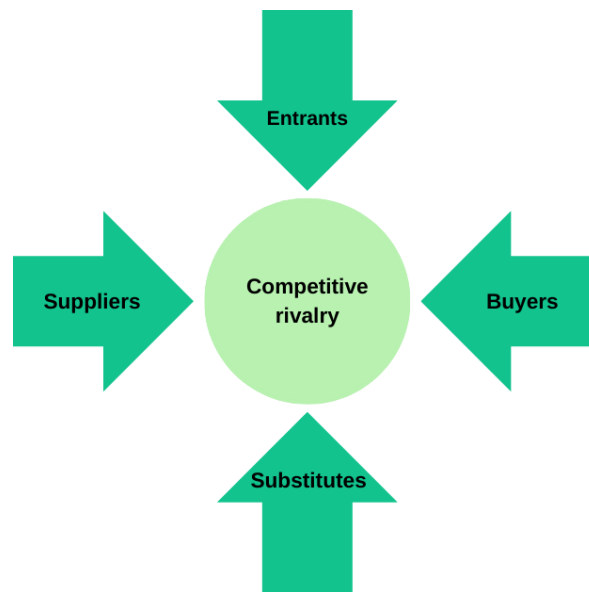


Figure 4 Porter's Five Forces; Adapted from Kotler and Keller 2007

Is a model defined by Michael E. Porter which focuses on the intensity of competition in an industry. The structure of the industry affects the competitive rules and potential competitive strategies. Competition is influenced by the economic structure of the industry which is determined by five competitive forces: *threat of new entrants, bargaining power of buyers, threat of substitute products, bargaining power of suppliers, rivalry among existing firms* (Porter 2004, 3).

All competitive forces work together and determine the level of the competition and profitability, it is crucial to determine the strongest force to create a strategy. Porter considered SWOT analysis to be too general, so he tried to replace it with his own analysis. Today, both analyses are used. The main purpose of Porter's analysis is to derive the strength of competition and thus the profitability of a particular market sector. This model has a significant role even within the hospitality industry. There is a general rule that suggests negative correlation between the rivalry and the company's performance: Meaning that the greater the rivalry is the poorer is the overall performance (Baines, Fill, and Page 2013, 52)

1. **Threat of new entrants:** This force analyzes the ease or difficulty with which new competitors can enter an industry. Factors to consider include startup costs, brand loyalty, government regulations, and economies of scale (Baines, Fill, and Page 2013, 53). The most attractive and profitable industries are those that are difficult to enter but easy to leave (Kotler and Keller 2007, 161).

2. **Bargaining power of suppliers:** This force assesses the power that suppliers have in influencing prices and other terms of a business transaction. Factors to consider include the number of suppliers, the uniqueness of supplier products, switching costs, and buyer concentration. (Baines, Fill, and Page 2013, 55).
3. **Bargaining power of customers (buyers):** This force analyzes the power of customers to negotiate prices, demand higher quality or better service, and influence a business's profitability. Factors to consider include the number of buyers, buyer concentration, buyer switching costs, and buyer price sensitivity (Baines, Fill, and Page 2013, 54).
4. **Threat of substitutes:** This force assesses the availability and attractiveness of substitute products or services that can replace a product or service offered by your industry. Factors to consider include the price-performance of substitutes, switching costs, and buyer propensity to substitute. (Baines, Fill, and Page 2013, 54).
5. **Competitive rivalry:** This force analyzes the intensity of competition among existing players in the industry. Factors to consider include the number of competitors, differentiation, industry growth rate, and exit barriers (Baines, Fill, and Page 2013, 52). The most unattractive segments are those with numerous, and strong competitors (Kotler and Keller 2007, 161).

7 SUMMARY OF THEORETICAL PART

The first part of this thesis focused on establishing the theoretical framework for the analysis the competitiveness of Koncepty Bistro & Bar. Since the thesis is about a hospitality-oriented business, the focus is on the service marketing, which differs from traditional marketing due to the nature of restaurants offering intangible experiences. This section dives into the unique characteristics of services, explores the importance of understanding its marketing mix and the marketing environment to meet customer needs.

Moreover, the theoretical part focuses on competition, encompassing concepts such as competitive advantage, strategies, and positions. Given the customer-centric nature of the hospitality industry, this segment also includes analysis of customer behaviour, segmentation, and targeting strategies. Additionally, various strategic frameworks and analytical tools like Benchmarking, IFE, EFE, and IE matrices, SWOT analysis, PESTLE framework were introduced for a better understanding of the analysis.

ANALYSIS

8 INTRODUCTION OF THE COMPANY



Figure 5 Logo Koncepty Bistro & Bar; Source: www.Koceptety.cz

The name of the company, that will be analyzed in this practical part is *Koncepty – Bistro & Bar*. This bistro falls under the CZ NCE code 56, and it has been open since December 2022 which makes it still a young, developing company, trying to break through in the intense hospitality competition market. The bistro is situated in the city center of Ostrava in the Moravian-Silesian Region.

The name Koncepty – hides a unique idea. The Czech word Koncepty can be translated into English as concepts, and it carries the same meaning in both languages. Moreover, the owner had this vision that during the day the premises would serve as a restaurant where people could enjoy delicious meals such as breakfast, lunch, or dinner, and during the evening the bistro would transform into a bar where people could enjoy drinks and shishas.

Koncepty Bistro& Bar is open every day of the week, even on Sundays which makes it unique, because usually most of hospitality businesses, tend to be closed on weekends. The opening hours on the weekdays are from 8am – 8 pm except for Fridays when it is open until midnight. Furthermore, on weekends the bistro opens from 9 am – 2 pm, focusing on serving brunches.

8.1 Segmentation and Targeting

Koncepty Bistro & Bar implements a strategic approach to attract a specific clientele. They primarily target customers in their mid 20's to 40's, focusing on individuals with stable income. This demographic is typically more open to exploring new dining experiences and potentially aligns well with Koncepty Bistro & Bar's unique atmosphere and higher price points. Targeting individuals with stable income ensures they can appreciate the bistro's offerings without affordability being a major concern.

Koncepty Bistro & Bar leverages its location in Ostrava to its advantage. Their strategic partnership with the co-located barbershop allows them to incentivize visits from existing barbershop clientele through voucher offerings. This strategy targets a local audience already familiar with the general location, potentially simplifying discovery of the bistro.

Koncepty Bistro & Bar goes beyond demographics in their targeting approach. They cater to individuals who prioritize quality over affordability. Their focus on delicious food and a unique dining experience suggests they target those who appreciate fine dining and are willing to pay a premium for exceptional service and ingredients. They appeal to individuals seeking professional environments for client meetings by offering. Additionally, their diverse menu accommodates casual gatherings with family and friends. This focus on social dining experiences aligns with their target demographic who likely enjoy socializing and exploring new culinary options.

8.2 Marketing mix

- **Product:**

As it was already mentioned in the theoretical part, in the service industry the product does not need to necessarily be a physical product but it can also be a service. In this case, the company is considered bistro and bar, therefore they are providing its customers with delicious meals including breakfast, lunch, dinner and on Friday's evening drinks. Moreover, the premises sometimes serve for various events such as Christmas parties, birthday celebrations. In addition, the chef provides a catering service.

Ordinarily in most restaurants can be found regular menu which is often enriched by daily menus usually served from 11am-15am or until the items are sold out. *Koncepty – Bistro & Bar* puts its focus on providing a weekly menu with four meals, offering soup, two main courses and one sweet main course. This strategy prevents ordinality and fits within the customer changing preference, and it helps with customer retention.

- **Place:**

This bistro is conveniently located in Ostrava's city center, just a short walk from Masaryk Square. For easy access by public transportation, the nearest tram stop "*Elektra*" is approximately 8 minutes away, while the closest bus stop, "*Most Miloše Šykory*," is approximately 2 minutes away. Furthermore, it has a very good accessibility for drivers, because it is located right in front of a parking lot, unfortunately it is paid for and it costs 40 CZK for every 1 hour, however as in every city center it is almost impossible to find an unpaid free parking spot.

- **Price:**

The breakfast price range falls between 159 CZK and 219 CZK and the lunch price range falls from 239-289 CZK. However, *Koncepty Bistro & Bar* provide its customers with two regular meals which are *Koncepty* beef cheeseburger and Hot Dog and to these regular

options every week add weekly menu and the prices change due to the used ingredients. Therefore, it is very difficult to provide exact numbers.

- **Promotions:**

Koncepty Bistro & Bar actively seeks to expand its customer base through various promotional strategies. Word-of-mouth marketing (WOM) appears to be the most successful approach, attracting new customers through recommendations from satisfied customers. Additionally, Koncepty Bistro & Bar leverages social media platforms like Instagram, aiming for daily posting to maintain customer engagement. Recognizing the potential of online travel platforms, they are exploring Tripadvisor to attract foreign visitors. Their marketing efforts extend beyond social media, as evidenced by their attempt at public relations (PR) through collaborating with a social media influencer with a following of 123,000. This collaboration included a Valentine's Day dinner giveaway, potentially drawing new customers seeking a special dining experience.

Furthermore, Koncepty Bistro & Bar leverages a strategic partnership with a co-located barbershop. This collaboration offers vouchers for free coffee and cake to barbershop customers, boosting brand awareness and potentially attracting new clientele for the bistro.

- **Physical environment**



Figure 6 Koncepty Bistro & Bar, source: www.koncepty.cz

The premises have an interesting concept because the bistro is interconnected with a barber shop. A glass door and wall separate the two businesses while maintaining a sense of openness due to their shared entrance. This layout potentially fosters customer interaction and curiosity between the two establishments. The bistro's current indoor seating capacity accommodates approximately 30 customers, with a mix of tables sized for two, four, and six to eight people. Additionally, five bar stools offer alternative seating options. Notably, the

establishment expands its seating capacity during the summer months with a terrace featuring six additional tables for four, catering to outdoor dining preferences.



Figure 8 Interior of Koncepty, photographer: Denis Vařovský



Figure 7 Interior of Koncepty, photographer: Denis Vařovský

• People

As in every hospitality industry the employees play a very important role in providing successful customer service. Currently after 7 months of a stable situation the company faces a struggle with employee fluctuation and with a shortage of servers. Which may negatively affect the customer experience.

Additionally, as it was already mentioned the bistro is interconnected with the barber shop. Therefore, the barbers also play an important part. Because this concept is kind off untraditional and the customers of the bistro are divided into two groups; one group does not really mind the barber shop being there and the other one finds it almost repulsive and as a reason why not to pay another visit even though they liked the services.

9 INTRODUCTION OF THE SELECTED COMPETITORS

Hospitality industry is typical example of the monopolistic competition. In Ostrava there is a great number of restaurants and altogether they form very intense competitive market. In the surrounding area of *Koncepty Bistro & Bar* there are many businesses, competing for the same disposable income. However, it is impossible to analyze all of the restaurants therefore I have selected the most relevant ones based on their menus, location, or similar concepts. One factor influencing competitor selection was the presence of breakfast and afternoon menus. However, the chosen competitor, Hogo Fogo does not offer regular breakfast options. Despite this, I have decided to include them in the analysis for the following reason. Customers often compare *Koncepty Bistro & Bar* with Hogo Fogo, particularly for lunch options. This suggests that, from a customer's perspective, these establishments are considered alternatives when making dining decisions.

9.1.1 HOGO FOGO



Figure 9 Logo, source: www.hogofogobistro.cz

Bistro HOGO FOGO is a very famous restaurant in the city center of Ostrava. They are open since 2015, therefore they have their certain place on the market and their reputation precedes them. They focus usually on traditional foods with some modern twist. Their strategy is to focus on lunch and dinner menus, occasionally they serve brunch menu with multiple variations of breakfasts. This is the biggest competitor during afternoon menu. Considered more pricy but very high quality. All the information below

- **Product:** On regular basis they serve five regular meals. Additionally, to its regular menu, they provide weekly menus which consist of 1 starter, 2 soups, 7 main courses including vegetarian options and 6 types of desserts. Other than food they provide a wide range of additional services. They offer catering service for special occasions from birthday celebrations, company Christmas parties to weddings, moreover they provide their premises to host a wedding. In addition, they provide tasting evenings and cooking courses.
- **Place:** This restaurant is located in the historical center of Ostrava 3-minute walk from the analyzed bistro *Koncepty Bistro&Bar*.
- **Price:** Their price range belongs to the more expensive

- **Promotion:** Well organized website where they provide weekly menu in both English and Czech language. Provide section where they introduce their staff with very funny and short captions, which creates very positive atmosphere and makes it seem that the staff is a very great team, and they know what they are doing, and this creates emotional connection with customers. Other than their website, they are active on social media mainly on Instagram.
- **People and Process:** According to online reviews the staff is very friendly, professional, and quick.

9.1.2 POLO CAFFÉ



Figure 10 Logo of Polo Caffé; source: www.facebook.com

Polo Caffé has been operating since 2013, therefore it also has a huge tradition in Ostrava. This company is including in the selected competitors because of their location. Moreover, they are targeting the same customer segment seeking breakfast and lunch options.

- **Product:** Their product portfolio consists of breakfast, lunch/dinner, coffee and desserts, drinks, and shishas. Provide their premises for parties.
- **Place:** Convenient location, this company is also located right on the Masaryk square. Close to this location are three paid parking lots all of them 2-5 minutes away.
- **Price:** Average coffee price is 58 CZK and Average meal price ranges from 173-235 CZK. This pricing strategy belongs to the more affordable options where to eat in Ostrava.
- **Promotion:** This company does not have their own websites. They are focusing their promotion strategies only on social media primarily on Facebook and Instagram, where they are not very much active either. It is very hard to find their menu, they have it displayed on Facebook.
- **People and Process:** According to google reviews this café/restaurant struggles for years with very negative reviews regarding very unpleasant and arrogant servers, who do not care about their customers.

9.1.3 FRATELLI



Figure 11 Logo of Fratelli; source: <https://fratelliostrava.cz>

Has been open since 2014. Until 2021 they were known under the name *Mozart Cafě*, and they were very famous for their delicious homemade ice cream. In 2021 they completely rebranded and now they are named *Fratelli*, and they are focusing not only on ice-cream but also breakfast and afternoon menus (FRATELLI Ostrava).

- **Product:** As it was already mentioned in summer season, they provide up to 30 homemade ice creams. Nowadays they are trying to fit withing the changing preferences and therefore they are serving breakfast and lunch menu and additionally some snacks for evening beer or wine.
- **Place:** This restaurant has a very convenient location because they are situated directly at the Masaryk Square. There is available the same parking lot as for Koncepty which is 1 minute walk. They also have a very easy reservation system, which can be done online without the necessity of calling, which is very convenient for people who do not like to make phone calls.
- **Price:** They are serving their offers at much lower price than the other restaurants Average coffee price is 49 CZK and average price for breakfast is 163 CZK and for lunch 231 CZK
- **Promotion:** They are very active on Instagram. Currently they have 1876 follower. Their website is well-organized, it is possible to make reservation directly on the website and it is not necessary to call, which might be very convenient. Moreover, they are providing their menus on their website, and they have it ready in Czech but also in English.
- **People and Process:** According to Google reviews the restaurant has friendly staff but there is a lot of complaints that the service is very slow and the waiting time for orders is up to 30 minutes.

9.1.4 CENTRUMKA PIZZA & CAFÉ



Figure 12 Logo of Centrumka; source: <https://centrumka.cz>

Centrumka pizza & café has been open since summer 2020. This company is included in the competitive analysis, not necessarily by menu options but because of their location. Moreover, they target customers seeking breakfast or lunch dining.

- **Product:** They are providing their services from 8am to 8pm. Breakfasts are served until 11am. During afternoon they provide mostly Italian inspired food such as pizza, pasta, and pizza bread. However, they also provide salads and chicken strips, tortilla with chicken, and homemade potato dumplings with poppy. They do not have any weekly or daily menu.
- **Place:** Located on a square called *Jiráskovo náměstí*, it is only 2-minute walk from Masaryk square therefore it also has great accessibility.
- **Price:** They belong to the cheapest variations where to drink. Coffee or eat a lunch have the cheapest prices for a coffee, a soft drink, and a beer.
- **Promotion:** Well organized websites with all the important information at one place. As everybody else they are focusing mainly on social media promotion through Instagram posts and stories. They also use the sales promotion strategy offering a breakfast menu which includes the drink in the price
- **People and Process:** According to Google reviews, the staff is very unfriendly and unhelpful

9.1.5 A CAFÉ



Figure 13 Logo of A Café, source: www.acefe.cz

This café is open since 2018 and it also has a strong reputation. This bistro is not direct competitor by location but most definitely with their menu and concepts.

- **Product:** A Café focuses on serving breakfast and then lunch menus. They provide wider range of served foods – lunch 10 options including a soup

- **Place:** Located 15 minutes from city center in the area called “*Mariánské Hory*”. It is accessible by public transport and by car. It is possible to park in front of the restaurant. However, the parking lot is not for free.
- **Price:** Main course costs between 200 – 300 CZK and breakfast ranges from 159-209 CZK.
- **Promotion:** A Café has well organized website, however they do not provide all the information including the beverages prices. Focus mainly on social media advertising.
- **People a Process:** According to google reviews they have friendly staff.

9.1.6 COKAFE DOV

COKAFE

Figure 14 Logo of COKAFE; source: www.COKAFE.cz

COKAFE has already four locations in Ostrava for the purposes of this analysis I have selected COKAFE DOV. I have selected this company, because based on the analysis of social media and internet, it belongs to the one of the most favorite places where to eat breakfast in Ostrava.

- **Product:** COKAFE focuses especially on breakfasts items, cakes, coffee, afternoon snacks, and a daily soup. Additionally, the establishment boasts its own bakery, ensuring a consistent supply of fresh pastries. Moreover, they offer barista workshops.
- **Place:** The company is located in Lower Vítkovice, which is a national site of industrial heritage that includes an extensive industrial area Vítkovice ironworks. The café is accessible by public transport and by a car. However, it is approximately 5-10 minutes from the city center by car.
- **Price:** a budget-friendly option for customers. Their very affordable pricing strategy makes their offerings accessible to a wider customer base. This can be particularly attractive in today's economic climate
- **Promotion:** online marketing tools to reach potential customers. Their functional website serves as a valuable resource, showcasing their menu in both English and Czech. This multilingual approach demonstrates their commitment to catering to a diverse clientele, including both local residents and tourists.

10 SELECTED STRATEGIC ANALYSES

10.1 PESTLE Analysis

10.1.1 Political

Increased value-added tax on beverage from 12% to 21% which negatively influences profitability due to the necessity of increasing of the prices. (Czech Ministry of Finance website). Moreover, The Czech government reduced the VAT on food from 15% to 12% in January 2024, hoping to lower prices for consumers. However, despite this tax cut, food prices have remained largely unchanged as retailers are passing on the increased energy costs to consumers.

10.1.2 Economical

The hospitality industry in the Czech Republic is still facing several challenges, which are preventing it from returning to its pre-pandemic level. These challenges include high inflation, lower foreign demand, a shortage of materials and components, and other factors such as rising energy prices, and labor shortages. (Ministerstvo průmyslu a obchodu 2024). Therefore, Economic conditions and disposable income levels will influence customer dining habits and spending in restaurants. Moreover, The Czech labor market has been a long-term challenge for businesses. Despite low unemployment rate which is around 2,5 %, companies are struggling to find qualified workers in many sectors. The mismatch between the skills of job seekers and available positions further exacerbates the problem. (Ministerstvo průmyslu a obchodu 2024).

10.1.3 Social

Changing consumer preferences, with trends like the rise of lactose-free, gluten-free, vegetarian, and vegan options, are forcing restaurants to adapt their menus. This shift in preferences presents both challenges and opportunities for restaurants. On the one hand, menus that fail to adapt to these trends risk becoming outdated and alienating potential customers. Diners with specific dietary needs may choose to take their business elsewhere if they feel their requirements are not being met. However, restaurants that embrace these evolving preferences can gain a competitive edge. By offering a wider range of dietary options, they can cater to a broader customer base and potentially increase their market share.

In addition to social factor, social media platforms can be powerful marketing tool for restaurants. In today's digital age, social media is an essential tool for restaurants. By

developing a strategic approach that focuses on engaging content, targeted communication, and community building, restaurants can leverage the power of social media to connect with customers, build brand loyalty, and drive sales.

10.1.4 Technological

The rise of food delivery apps like Wolt, Bolt Food and Foodora can offer new revenue streams but also create competition. Online ordering systems can potentially improve convenience for customers and increase efficiency.

10.1.5 Legal

The hospitality industry faces new legal considerations with the October 2023 amendments to the Labor Code. Significantly, workers on short-term contracts (Agreements for Work Performed - DPP and Agreements for Work Activity - DPČ) can ask for vacation time and qualify for pay supplements for working weekends, holidays, nights, and under challenging conditions. (Ministerstvo práce a sociálních věcí 2023)

These changes present both challenges and opportunities. Increased costs for employers due to vacation accrual and pay supplements necessitate adjustments to work organization and potentially wage policies. However, offering these benefits could also improve worker motivation and loyalty, potentially leading to a more stable workforce in a sector known for high turnover. Navigating these changes and ensuring compliance with the revised Labor Code will be essential for hospitality businesses moving forward.

The legal landscape for restaurants is further complicated by findings from the Czech Agriculture and Food Inspection Authority (SZPI) in 2023. Inspections of nearly 200 restaurants revealed that a quarter (49) engaged in misleading practices regarding food composition. These practices included substituting cheaper ingredients for more expensive ones, and misrepresenting alcoholic beverages (e.g., selling "*tuzemák*" as "rum"). Businesses caught face corrective actions and potential fines. This is highlighting the importance of accurate food labelling to ensure consumer protection and avoid legal repercussions (Kopřiva 2024).

10.1.6 Environmental

Growing consumer demand for sustainable practices is pressuring restaurants to minimize their environmental footprint. This can involve reducing food waste, sourcing local ingredients, and adopting eco-friendly packaging.

To sum up, the PESTLE analysis has revealed a multitude of factors shaping the external environment for Koncepty Bistro & Bar. However, among these factors, economic conditions likely hold the most significant influence on the company's success.

High Inflation and Rising Costs: The hospitality industry is already facing challenges due to high inflation, rising energy prices. These factors directly impact Koncepty's profitability and force them to potentially raise menu prices, potentially impacting customer spending habits. Moreover, the labor market forms another possible threat for the business. Finding qualified staff is another major hurdle. The low unemployment rate, coupled with the mismatch between job seeker skills and available positions, can hinder Koncepty's ability to operate efficiently.

10.2 Porter's Five Forces

Understanding the competitive landscape is crucial for any restaurant's success. This section employs Porter's Five Forces model to analyze the competitive environment for restaurants in Ostrava, Czech Republic.

10.2.1 Threat of new entrants

Opening a restaurant can be extremely challenging, even though the barrier to entry hospitality industry is lower than in other industries. Anyone with sufficient resources can open a restaurant. However, a new restaurant owner needs to take in consideration all the expenses including the rent, equipment, decoration, staff. Moreover, due to large expenses, there is usually not a huge profit margin. *Cost of goods, labor cost and overhead expenses*, including rent and utility bills, belongs to top three costs associated with owning a restaurant (Wilder 2022). For new entrants it is crucial to take in consideration, that they might get into a debt, and it is one thing to open a restaurant and the other one to keep it running.

10.2.2 Bargaining power of suppliers:

Selecting a reliable and high-quality supplier is very crucial in the hospitality industry because it affects the final product served to the customer and overall satisfaction with the service. The analyzed company focuses on a long-term collaboration with multiple suppliers regarding groceries, coffee, and beer. These suppliers have direct impact on the price, and process of the provided service. However, their bargaining power is low because they can be replaced with different firms or products. Very negative influence would have changes in food costs, this would impact the overall cost of the service price.

10.2.3 Bargaining power of customers (buyers)

Customers/Buyers play very important part because it's in their hands whether the company will blossom or not. It is crucial to keep loyal customer base. The buying power is strongest in the spring/summer when the weather gets warmer, and people enjoy spending their time outside their homes, and another peak is during Christmas time when people like to hang out with their close ones. The slowest months for most businesses are during January and February, and business owners need to be aware of this and be prepared.

10.2.4 Threat of substitutes:

In the food industry the substitute options are extremely large. Hence, it holds very strong power over the companies, because even though the restaurants/bistros might have different menus or type of dishes, at the end of the day, they are competing for the same disposable income of the buyers.

Therefore, the analyzed bistro changes its menu every week to increase the chances of the customer retention. Sometimes they put their focus on typical Czech food, sometimes they provide Italian or Thai dishes. Because of the changing preferences, they try to include at least one vegetarian option each week.

10.2.5 Competitive rivalry

The competition in food service industry is very intense and there are restaurants and cafes at every corner, especially in the city center. And Ostrava is not an exception. There are dozens of food industry businesses from food trucks to full-service restaurants.

Table 2 offers a breakdown of the various threat levels discussed throughout this chapter. The table categorizes threats by severity, likely using a scale such as low, medium, and high

Table 1 Five Forces overview; own processing

| | Low | Below Average | Average | Above Average | High |
|---------------------|-----|---------------|---------|---------------|------|
| New entrants | | | ✓ | | |
| Competitive rivalry | | | | | ✓ |
| Buyers | | | | ✓ | |
| Suppliers | | ✓ | | | |
| Substitutes | | | | ✓ | |

10.3 Benchmarking

The table 3 represents the benchmarking analysis. Weights were assigned to each criterion in collaboration with the company's management, reflecting their key opinions of the customer's key priorities. Ratings were then assigned based on the research findings. A score of 5 indicated the best performance or widest range of options for a specific criterion, while 1 denoted the weakest performance. A rating of 0 signified that the service was either not offered or information was unavailable.

The criteria selected are: 1. *Location and Accessibility*, 2. *Available parking*, 3. *Outside terrace*, 4. *Weekend Opening hours*, 5. *Pricing policy*, 6. *Online Reviews and Ratings*, 7. *Service Quality*, 8. *Social Media Activity*, 9. *Web site*, 10. *Breakfast options*, 11. *Main course options*, 12. *Menu Variety*, 13. *Sales Promotion*, 14. *Food Delivery*, 15. *Available vegetarian options*.

The goal of the benchmarking is to determine the position of Koncepty Bistro & Bar among its rivals and possibly detect, opportunities of improvement.

Table 2 Benchmarking of the selected competitors; Own processing

| CRITERION | COMPETITORS | | | | | | | |
|------------------------------|-------------|---------------------|----------|-------------|------------------------|------------------|--------|------------|
| | Weight | Koncepty Bistro&Bar | FRATELLI | Pollo Caffé | Centrumka Café & Pizza | Hogo Fogo Bistro | A Café | COKAFE DOV |
| Location and Accessibility | 0,08 | 4 | 5 | 5 | 4 | 3 | 2 | 3 |
| | | 0,32 | 0,4 | 0,4 | 0,32 | 0,24 | 0,16 | 0,24 |
| Available parking | 0,07 | 3 | 3 | 1 | 2 | 3 | 4 | 4 |
| | | 0,21 | 0,21 | 0,07 | 0,14 | 0,21 | 0,28 | 0,28 |
| Outside terrace | 0,07 | 2 | 4 | 5 | 4 | 3 | 3 | 3 |
| | | 0,14 | 0,28 | 0,35 | 0,28 | 0,21 | 0,21 | 0,21 |
| Weekend Opening hours | 0,07 | 4 | 5 | 5 | 5 | 1 | 3 | 5 |
| | | 0,28 | 0,35 | 0,35 | 0,35 | 0,07 | 0,21 | 0,35 |
| Pricing policy | 0,06 | 2 | 4 | 3 | 5 | 1 | 2 | 5 |
| | | 0,12 | 0,24 | 0,18 | 0,3 | 0,06 | 0,12 | 0,3 |
| Online Reviews and Ratings | 0,08 | 4 | 2 | 2 | 1 | 5 | 5 | 3 |
| | | 0,32 | 0,16 | 0,16 | 0,08 | 0,4 | 0,4 | 0,24 |
| Service Quality | 0,1 | 4 | 3 | 1 | 1 | 5 | 4 | 4 |
| | | 0,4 | 0,3 | 0,1 | 0,1 | 0,5 | 0,4 | 0,4 |
| Social Media Activity | 0,07 | 4 | 3 | 1 | 1 | 5 | 4 | 2 |
| | | 0,28 | 0,21 | 0,07 | 0,07 | 0,35 | 0,28 | 0,14 |
| Web site | 0,07 | 2 | 4 | 1 | 4 | 5 | 3 | 3 |
| | | 0,14 | 0,28 | 0,07 | 0,28 | 0,35 | 0,21 | 0,21 |
| Breakfast options | 0,06 | 4 | 1 | 1 | 3 | 0 | 5 | 5 |
| | | 0,24 | 0,06 | 0,06 | 0,18 | 0 | 0,3 | 0,3 |
| Main course options | 0,06 | 1 | 3 | 4 | 5 | 2 | 3 | 3 |
| | | 0,06 | 0,18 | 0,24 | 0,3 | 0,12 | 0,18 | 0,18 |
| Menu Variety | 0,08 | 5 | 5 | 1 | 1 | 5 | 5 | 2 |
| | | 0,4 | 0,4 | 0,08 | 0,08 | 0,4 | 0,4 | 0,16 |
| Sales Promotion | 0,06 | 2 | 5 | 2 | 3 | 1 | 2 | 1 |
| | | 0,12 | 0,3 | 0,12 | 0,18 | 0,06 | 0,12 | 0,06 |
| Food Delivery | 0,03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Available vegetarian options | 0,04 | 4 | 3 | 1 | 1 | 5 | 5 | 2 |
| | | 0,16 | 0,12 | 0,04 | 0,04 | 0,2 | 0,2 | 0,08 |
| Total score | 1 | 3,19 | 3,49 | 2,29 | 2,7 | 3,17 | 3,47 | 3,15 |
| Position | | 3 | 1 | 7 | 6 | 4 | 2 | 5 |

- **Location and Accessibility** – The points were divided between the competitors based on their location and the distance from a parking lot or a public transport. As a result, the highest score received *Fratelli* and *Polo Caffé* because both businesses are situated right on the main square in the city center and distance to parking and public transport is similar. The analyzed company is conveniently situated in the city center of Ostrava. However, it is not located right on the main square, but approximately 2-3 minutes away.
- **Available parking** – None of these businesses received ranking five, because no one offers their own parking for their customers, however all these restaurants are close to paid parking lots, therefore the one who has the closest position got the highest points.
- **Outside terrace** – Having a terrace during summer season is important because in the hospitality industry, therefore this is the reason for including this criterion. The points were assigned based on the number of available tables and the biggest advantage has Polo Caffé with around 20 tables situated right on the main Square. The poorest score has Koncepty Bistro & Bar due to their location. They can provide only 6 tables situated on the pavement in front of the restaurant.
- **Weekend opening hours** – It is very typical, that most restaurants keep their doors closed on weekends. However, this is the case of only one competitor which is Hogo Fogo, therefore they were rated with the lowest points. Businesses which are open on both days and for the whole day got rating of 5 points. Analyzed company got 4, because they are open on both days, however they are open only until 2pm.
- **Pricing policy**
 - **Average coffee price** – Unfortunately A Café does not provide their beverage menu online. Therefore, they were not included in this part. The cheapest coffee is served in *FRATELLI* and *Centrumka* which creates a price advantage. The analyzed company has the second most expensive coffee

Table 3 Average coffee prices, own processing

| | Koncepty | FRATELLI | Polo Caffé | Centrumka | Hogo Fogo | A cafe | COKAFE |
|-----------------|----------|----------|------------|-----------|-----------|--------|--------|
| Espresso | 63 Kč | 49 Kč | 58 Kč | 48 Kč | 65 Kč | 0 | 58 Kč |
| Espresso doppio | 84 Kč | 49 Kč | 88 Kč | 85 Kč | 86 Kč | 0 | 78 Kč |
| Cappuccino | 83 Kč | 68 Kč | 78 Kč | 58 Kč | 80 Kč | 0 | 76 Kč |
| Latte | 87 Kč | 79 Kč | 78 Kč | 66 Kč | 90 Kč | 0 | 82 Kč |
| Flat white | 93 Kč | 95 Kč | 88 Kč | 78 Kč | 98 Kč | 0 | 86 Kč |
| Average | 82 Kč | 68 Kč | 78 Kč | 67 Kč | 84 Kč | - Kč | 76 Kč |

- **Average breakfast and main course price** – The analyzed company belongs to the more expensive places where you can eat breakfast. The most expensive place where to eat lunch is Hogo Fogo.

Table 4 average meal prices, own processing

| | Koncepty Bistro&Bar | FRATELLI | Pollo Caffé | Centrumka | Hogo Fogo | A café | COKAFE |
|---------------------------|---------------------|----------|-------------|-----------|-----------|--------|--------|
| Average breakfast price | 202 Kč | 163 Kč | 173 Kč | 165 Kč | - | 193 Kč | 158 Kč |
| Average main course price | 232 Kč | 231 Kč | 235 Kč | 196 Kč | 305 Kč | 250 Kč | 150 Kč |

- **Online Reviews and Ratings** – *Hogo Fogo* and *A Café* received the highest scores, both getting a very good rating of 4.8 stars. *Koncepty Bistro & Bar* is closely behind with a strong rating of 4.7 stars. On the other hand, *Centrumka* had the lowest score, with only 3.7 stars.
- **Service quality** – The scores were decided based on online reviews. The highest service quality is provided by *Hogo Fogo*, they have stable, friendly, and professional personnel. The analyzed company is currently struggling with fluctuation of servers which can potentially jeopardize customer experience. The lowest score belongs to *Pollo Caffé* and *Centrumka*, they are known for very unpleasant servers, slow and low-quality service.
- **Social Media Activity** – Analyzing social media (Instagram) presence during the last trimester (January-March 2024) reveals a difference in engagement strategies. *Hogo Fogo* takes the lead with a consistent posting schedule, averaging 7 Instagram posts per month. *A Café* and *Koncepty* follow closely behind with an average of 6.3 posts monthly.
- **Web site** – The best user-friendly website has *Hogo Fogo*, everything is at one place. *Pollo Caffé* does not even have a website. *A café* does not provide all the information e.g., beverage prices. The website of the analyzed company is not working properly at this moment – pictures do not work; no weekly menu is displayed. This represents a big weakness because not all customers have social media to check the weekly menu.
- **Main course options** – The widest range of food options has *Centrumka* but that is mainly because other than regular food they focus on pizza. The least number of dishes from all the competitors provides the analyzed company. They offer only 6 options, which could be a weakness in satisfying the wants and needs of customers.
- **Breakfast options** – The widest range of options provides *A café* (12), *Koncepty Bistro & Bar* provide 8 variations. The other competitors offer only 4 options

- **Menu Variety** - This criterion was based on whether the companies offer only regular menu which is always the same or whether they try to adapt the menus. All the companies which received the rating 5 are providing special menu for its customers every week.
- **Sales Promotion** – Relying on the analysis of the websites and provided menus, in the research was found that multiple restaurants offer several types of sales promotions to incentivize the customers to purchase their services. For example, Fratelli offers its customers Promotional menu that to every purchased breakfast they receive a coffee for free. Moreover, they use promotional stamp card, promising tenth coffee is for free. Similar strategy is adopted by Centrumka who offers a juice.
- **Food Delivery** – The conducted research helped to find possible opportunity and advantage over the other firms. None of the businesses provide a food delivery options, therefore the analyzed company could be the first.
- **Available vegetarian options** – This is a very common dietary trend and I tried to focus whether the restaurants take it in considerations and offer special menus to satisfy this need. The highest ranking received the company who offered the most vegetarian options, and also displayed it in the menus.

10.3.1 Summary of Benchmarking

In conclusion, the benchmarking analysis revealed that *Koncepty Bistro & Bar* ranked on the third place, with a score of 3.19 points. The result suggests a competitive position. More importantly, the benchmarking revealed *Koncepty's* two biggest competitors *Fratelli*, and *A Café*. Understanding these primary competitors allows the company to focus its efforts on differentiating itself and attracting customers from these rivals.

However, the analysis also showed multiple opportunities of improvement. One of the biggest weaknesses among the rivals is *Koncepty Bistro & Bar's* non-functional website. Inoperable image displays and outdated menu information create a negative user experience and hinder the bistro's online presence. Potential customers seeking information or reservations may be discouraged by an unprofessional website. Furthermore, the research revealed that *Koncepty Bistro & Bar* offers the smallest selection of dishes compared to its competitors.

Moreover, the competitor PESTLE analysis revealed an interesting opportunity. Currently, none of the identified competitors offer food delivery services. This presents a strategic opportunity for *Koncepty Bistro & Bar* to capitalize on by implementing a food

delivery system. By offering this service, Koncepty Bistro & Bar could expand its customer base and reach new market segments seeking convenient dining options.

10.4 IFE, EFE and IE Matrices

10.4.1 IFE Matrix

| Key Internal Factors | Weight | Rating | Weighted Score |
|------------------------------------|-------------|----------|----------------|
| Strengths | | | |
| Skilled chef | 0,1 | 4 | 0,4 |
| Good reputation | 0,09 | 3 | 0,27 |
| High-quality ingredietnts | 0,1 | 4 | 0,4 |
| Unique menu every week | 0,06 | 3 | 0,18 |
| Innovation and Adaptability | 0,1 | 4 | 0,4 |
| Weaknesses | | | |
| Operational inefficiency | 0,09 | 1 | 0,09 |
| Barbershop | 0,04 | 2 | 0,08 |
| Limited seat capacity | 0,06 | 2 | 0,12 |
| Staff fluctuation | 0,1 | 1 | 0,1 |
| Low employee compensation | 0,09 | 1 | 0,09 |
| Poor internal communication | 0,09 | 1 | 0,09 |
| Non-functional website | 0,08 | 2 | 0,16 |
| Total: | 1 | | 2,38 |

Table 5 IFE matrix of Koncepty Bistro & Bar; own processing

The IFE matrix weighted score 2.38 suggests, that the company has a weak internal foundation. However, table 5 shows the biggest strengths with the weighted score 0,4 are *skilled chef, high-quality ingredients, and Innovation and Adaptability*.

The analysis revealed the biggest weakness with the weight of 0.1 and that is Staff Fluctuation. Which is currently one of the biggest challenges. High employee turnover can lead to inconsistencies in service quality as new staff gain experience. It can also create inefficiencies within the team and potentially lower overall morale. The fluctuation is caused by multiple other weaknesses which are ranked with the importance of 0.09. Operational inefficiency, low employee compensation and poor internal communication. Operational

inefficiency indicates that there are many great ideas and plans, but the management team fails to implement them, and it creates a waste of resources, and it also hinders the growth potential. Moreover, the employees are paid the minimum wage which also leads to dissatisfaction and low motivation. Poor internal communication contributes to misunderstandings at the workplace and creates negative atmosphere among the employees.

10.4.2 EFE Matrix

| Key Extrenal factors | Weight | Rating | Weighted Score |
|--|-------------|----------|----------------|
| Opportunities | | | |
| Embrace Takeout and Delivery | 0,08 | 4 | 0,32 |
| Developing Tasting menu | 0,07 | 1 | 0,07 |
| Website Developemet | 0,09 | 2 | 0,18 |
| Improvement of employee satisfaction | 0,1 | 2 | 0,2 |
| Menu translation | 0,08 | 2 | 0,16 |
| Improvement of promotional strategies | 0,08 | 3 | 0,24 |
| Threats | | | |
| Intense competition | 0,09 | 3 | 0,27 |
| Rising food costs | 0,08 | 2 | 0,16 |
| Rising rent costs | 0,08 | 2 | 0,16 |
| Increase in taxes | 0,08 | 2 | 0,16 |
| Competitor's price advantage | 0,07 | 3 | 0,21 |
| Lack of skilled employees | 0,1 | 2 | 0,2 |
| Total: | 1 | | 2,33 |

Table 6 EFE matrix of Koncepty Bistro & Bar; own processing

Table 6 shows the results of the External factors analysis. The competitor analysis revealed that the biggest opportunity the company currently has is to expand its services and provide Take-out and Delivery services. By implementing delivery options, the bistro can expand its customer base, including customers who are short on time, prefer to dine at home, or live too far away to visit the restaurant in person. However, the biggest weight was assigned to Improvement of employee satisfaction, especially because the company faces the high turnover, and it is necessary to act, because without competent and content employees the business cannot work. Moreover, the analysis revealed two more

opportunities of improvement, the first one is improvement of promotional strategies and website development.

The biggest threat with the highest weight of 0,1 is Lack of skilled employees. Employees form the cornerstone of the whole business, and without competent and content staff, the business won't likely survive. The employees directly influence the customer satisfaction therefore the revenues. Intense competition with the weighted score 0.27 ranks as the biggest threat. Additionally, the EFE and benchmarking analysis revealed that the competitors have pricing advantage, which creates another threat to Koncepty Bistro & Bar.

10.4.3 IE Matrix

Table 7 represents the internal-external matrix of Koncepty. Based on the results of IFE and EFE, the analysis indicates that the company belongs to the group V which signifies average market position, and the recommended strategy is to hold & maintain. The result suggests that there is a room for improvement because the company struggles with poor internal foundation.



Table 7 IE Matrix of Koncepty Bistro & Bar, own processing

10.5 SWOT Analysis

| Strengths | Weaknesses |
|---------------------------------------|------------------------------|
| Skilled chef | Operational inefficiency |
| Delicious food | Staff fluctuation |
| Innovation and Adaptability | Low employee compensation |
| High-quality ingredients | Poor internal communication |
| | Non-functional website |
| Opportunities | Threats |
| Embrace Takeout and Delivery | Intense competition |
| Website Development | Competitor's price advantage |
| Improvement of employee satisfaction | Lack of skilled employees |
| Improvement of promotional strategies | |

Figure 15 SWOT Analysis; own processing

The greatest strength of Koncepty Bistro & Bar lies in its exceptionally skilled and talented chef. He serves as the heart of the entire business, with his culinary creations. He is responsible for crafting the menus, he approaches his work with a creative flair, embracing the mindset that "anything is possible." This ensures impeccable customer service; for instance, when faced with dietary restrictions not accounted for in the menu, he goes the extra mile to accommodate the customer's needs, tirelessly exploring alternative options to ensure satisfaction. Providing unique menu every week is another great asset because it fits within the changing preferences. Moreover, he advocates high quality ingredients, and he prefers to make his own pastry.

On the other hand, there are several **weaknesses** that regrettably hinder the potential of success. Firstly, Koncepty Bistro & Bar faces operational inefficiency. This means that the management has some great ideas how to take the bistro to the next level, or ideas about new products, events but they are not able to implement them effectively. Another Weakness lays in low wages of employees which leads to fluctuation of employees. Servers are paid minimum wage which is currently in the Czech Republic 18 900 CZK per month. There is possibility that servers can make more money on tips, however tips are voluntary, and it is very unpredictable.

The most concerning **threat** is the intense competition within the restaurant industry. With numerous competitors offering similar dining experiences, Koncepty must work hard

to differentiate itself and attract customers. Additionally, competitor's price advantage could make it difficult for *Koncepty* to maintain its customer base, especially if customers are primarily driven by price. Furthermore, a lack of skilled employees poses a significant threat. The restaurant industry is known for high staff turnover, and *Koncepty* may struggle to find and retain qualified staff, which could negatively impact the quality of the food and service offered.

Despite the competitive landscape, the SWOT analysis also identifies **opportunities** for *Koncepty Bistro & Bar*. One opportunity lies in offering food delivery services. This could be particularly beneficial during slow periods or on rainy days when customers may be less inclined to dine out. By partnering with a reputable delivery platform or developing their own in-house delivery system, *Koncepty* could expand its customer reach and boost revenue. Another opportunity for *Koncepty* is to improve its website functionality. In today's digital age, a user-friendly and informative website is crucial for attracting customers. Currently, the non-functional website likely hinders *Koncepty*'s online presence. Developing a user-friendly website that showcases the restaurant's menu, ambiance, and unique offerings would allow *Koncepty* to capture a wider audience and compete more effectively in the online space.

11 SUMMARY OF ANALYSIS

The analytical part focused primarily on the selected company, Koncepty Bistro & Bar. Firstly, the focus was on the internal environment, including company's marketing mix, focusing on seven key elements: *Product, Place, Price, Promotions, Physical Environment, Process, and People*. Additionally, the analytical part introduced the company's targeting and segmentation strategy, explaining that the company focuses on customers in their mid-20s to their 40s with stable incomes. Therefore, this strategic decision directly influences company's pricing strategy, as the menu reflects a higher price point compared to some competitors.

Beyond the marketing mix, the analysis delved into several strategic frameworks to gain a comprehensive understanding of Koncepty's position in the market. The first of these frameworks was a PESTEL analysis. This tool provided valuable insights into the external environment surrounding the company. PESTEL stands for Political, Economic, Social, Technological, Environmental, and Legal factors. Analyzing these external forces provided insight into potential opportunities and threats that Koncepty may encounter in the current market landscape.

Moreover, Benchmarking and IFE, EFE matrices, provided a comprehensive picture of Koncepty Bistro & Bar's competitive landscape. Benchmarking helped assess Koncepty's position relative to its rivals. At the same time the IFE and EFE matrices shed light on the company's internal strengths and weaknesses (IFE) and external opportunities and threats (EFE).

12 RECOMMENDATIONS

12.1 Improving employee satisfaction

The Internal-External Factors Evaluation (IFE) analysis revealed a poor internal situation for the company. This weakness seems to be rooted in employee dissatisfaction. Thus, the most important recommendation which the company needs to work on is to improve their relationships with their employees because they need to realize that without them, the business will not be successful. The hospitality industry thrives on exceptional customer service delivered by a motivated and content workforce. Dissatisfied employees can negatively impact the customer experience, ultimately harming the business. In the best interests of the owners, fostering employee satisfaction.

By addressing employee concerns and creating a positive work environment, Koncepty can cultivate more loyal and engaged employees. The company could offer competitive salaries or implement performance recognition programs.

12.2 Food delivery

Benchmarking analysis revealed a strategic advantage for Koncepty Bistro & Bar because none of their identified competitors currently offer food delivery services. This presents a unique opportunity for Koncepty to differentiate itself and potentially capture a larger market share. This could potentially help to increase revenues on slow days

12.3 Improvement of the website

In today's digital age, a user-friendly and informative website serves as a crucial gateway for attracting customers. The absence of a functional website significantly limits Koncepty's ability to reach potential diners online. Furthermore, the analysis highlights the importance of catering to a broader audience. Not everyone utilizes social media platforms like Instagram to access information. The management team should recognize that relying solely on Instagram for weekly menu updates excludes a significant segment of the potential customer base.

12.4 New Promotional strategies

The analysis suggested that Koncepty Bistro & Bar could further enhance its customer appeal by implementing new promotional strategies. Special deals like a breakfast menu could attract new segment of customers.

CONCLUSION

This bachelor's thesis focused on the competitiveness analysis of a company *Koncepty Bistro & Bar*, which has been on the market since autumn 2022. To have a successful business it is crucial to understand the position and possible weakness and strengths in order to implement specific strategies to succeed. Thus, the goal of the thesis was to determine whether the company has a competitive position on the market and provide possible recommendations of improvement.

The bachelor's thesis was divided into theoretical and practical part. The first part introduced the theoretical framework, providing a foundation for better understanding of key concepts such as service marketing, competitive advantage, and specific strategic analyses. The analytical part introduced the company *Koncepty Bistro & Bar*, and provided an overview of their marketing mix, segmentation and targeting strategies. Furthermore, the analysis examined the internal and external environment of the company.

Moreover, the thesis employed various strategic tools to gain a deeper understanding of *Koncepty's* competitive position. The benchmarking analysis compared the selected company with six competitors to determine the competitive position and possible competitive advantage. *Koncepty Bistro & Bar* ranked in third place. Therefore, they have a great potential among their rivals. Additionally, the thesis includes IFE, EF, and IE matrices, which revealed internal issues requiring attention, but also confirmed *Koncepty's* overall potential for growth. Additionally, SWOT analysis served as a valuable tool, revealing specific strengths like skilled chefs using fresh ingredients, factors that contribute to a high-quality dining experience. However, the analysis also highlighted areas for improvement such as a non-functional website.

Based on the analyses, the result is that *Koncepty Bistro & Bar* holds a promising position within the market. However, they struggle with the internal environment. Therefore, the first recommendation is that the company should focus on the internal issues if they want to be successful. Then I would recommend improvement of the website, expand the services on the food delivery platform.

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