

## **ANALYSIS OF HOSPITALITY INDUSTRY IN UK**

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### **Introduction:**

Industry analysis is the method to evaluate the profitability of an industry by understanding the competitive environment as well as assess the attractiveness of this industry. This is the tool that assists an organization to understand its current position relative to other similar organizations.

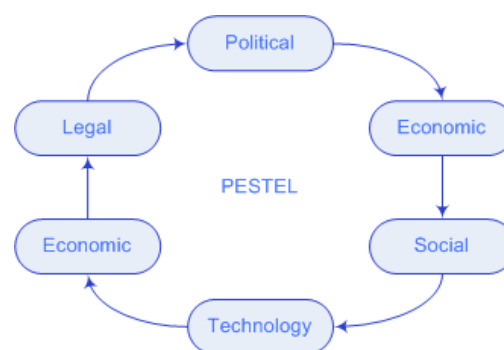
In this report, through the PESTLE analysis and Porter's five forces model, prospects and constraints of fast food industry will be analysed. Some factors have great influence on an industry but industry cannot change the movements of those factors rather can cope with the contingency; these would be discussed in PESTLE analysis.

On the other hand Porter's five forces model could be an important tool to assess the attractiveness of fast good industry, whether doing business would be meaningful or not. Throughout this report I will outline these factors and how these are influencing the fast food industry in the UK.

### **Overview of the fast food industry in the UK:**

For the fast food industry, the UK is the biggest market in the EU, (Paton N, 2005). This market is growing rapidly. Because of the globalization and peoples' mobility, demand of products of this industry is increasing. In the UK there are different varieties of fast food restaurants major companies include McDonalds, Burger King, Teco Bell, Subway, Pizza Hut, KFC, and Dominos Pizza. The top companies hold about 25% of industry sales (Hoovers, 2010). Fast food restaurants include national, international and regional chains, franchise and independent operators. And there are plenty of kebab shops are available everywhere in the UK; they are competing with each other and contributing to overall progress of this industry.

**External Environment Assessment (PESTLE Analysis):**PESTLE analysis is the technique used to analyse an organization's macro environment. It involves looking at several types of factors namely political, economic, social, technological, legal and environmental aspects (Swarbrooke et al., 2001). More precisely, it could be said that PESTLE analysis is a process of understanding the overall market environment such as market risk, market growth or decline for a particular industry, business, product or project.



**Figure: PESTLE analysis. (Google images, 2010)**