

SAVONIA UNIVERSITY OF APPLIED SCIENCES
UNIT OF BUSINESS AND ADMINISTRATION, KUOPIO

SUCCESS FACTORS OF A CHINESE RESTAURANT

Peipei Xu

Hospitality, Tourism and Catering/Business Administration Bachelor's thesis

Degree programme

International Business

January 2012

SAVONIA UNIVERSITY OF APPLIED SCIENCES SAVONIA BUSINESS Degree Programme, option Degree Programme in International Business, International Management		
Author(s)		
Peipei Xu		
Title of study		
Success factors of a Chinese restaurant, Dragon Sheng		
Type of project	Date	Pages
Thesis	18.1.2012	44+ 4
Supervisor(s) of study		Executive organisation
Anneli Juutilainen & Pentti Mäkelä		Dragon Sheng
Abstract		
<p>The thesis serves two main purposes. First, it aims to find out the factors that make the Chinese restaurant Dragon Sheng succeed. Second, its objective is to know customers' satisfaction of Dragon Sheng.</p> <p>The comprehensive literature review traces the management in restaurant, brand building, service design, and customer relationship development. The primary data was collected through qualitative research method and personal interview were applied to collect information about customer value, customer retention, and expectations of the restaurant and the business practices of Dragon Sheng. Seven Dragon Sheng customers and the owner of Dragon Sheng were involved in the interview.</p> <p>Based on the collected data, the success factors of Dragon Sheng can be summarized as following: efficient demand and capacity management in Dragon Sheng, close relationships with customers, tasty food and reasonable prices. Customers were satisfied with Dragon Sheng's service and food. In addition, they gave Dragon Sheng some future development suggestions.</p> <p>According to the study, it can be clearly seen that there are yet some issues Dragon Sheng need to address even if the restaurant operates smoothly. Potential competitors will enter this business field in Kuopio any time, so Dragon Sheng should pay more attention to increasing its market share and improving its service quality.</p>		
Keywords		
Customer relationships, service marketing, branding, pricing		
Note		

CONTENTS

- 1 INTRODUCTION..... 4
- 2 LITERATURE REVIEW 6
 - 2.1 Success 6
 - 2.2 Managing capacity and demand 8
 - 2.3 Customer relationship..... 12
 - 2.4 Pricing..... 16
 - 2.5 Branding 21
- 3 RESEARCH METHODOLOGY 24
 - 3.1 The purpose of the research..... 24
 - 3.2 Methodology..... 24
 - 3.3 Data analysis process..... 28
 - 3.4 Data validity and reliability 30
- 4 THEMATIC FINDINGS..... 32
 - 4.1 Background of Dragon Sheng 32
 - 4.2 Key factors drive Dragon Sheng to success 33
 - 4.3 Customer satisfaction of Dragon Sheng 38
- 5 DISCUSSIONS 42
- REFERENCE..... 45
- APPENDIX 47
 - Appendix 1 Questionnaire for customers 47
 - Appendix 2 Questionnaire for manager 48

1 INTRODUCTION

After reviewing the literature on Chinese entrepreneurship in overseas, I noticed that catering trade is one of more significant business activities. The world-wide existence of Chinese restaurant in many cities has been successive phenomenon since the last half of the nineteenth century. Large numbers of emigrants from different parts of China open own restaurants in overseas, so various style Chinese restaurants have reached all around the world. Interestingly, in the past three decades, the amount of Chinese restaurant has grown faster than any other business in the US. The global presence of Chinese restaurant in many countries shows immigrant group do successfully in catering sector. It inspires me to take a deep look at the practice of a Chinese restaurant. (Cheung 2002, 65-74.)

It is known from GeoNames geographical database (Mongabay 2010), Kuopio is a middle size city with 89104 populations. With the trend of globalization, more and more students come to study here and overseas entrepreneurs start business in Kuopio, which accelerate the mixture of different kinds of culture in Kuopio. There are 37 restaurants in Kuopio. Two of these are Chinese restaurants, and the rest are mostly Finnish restaurants (Vapaa-aikavirasto 2011).

Dragon Sheng is a family-owned Chinese restaurant located in centre of Kuopio, Finland. It started business in 2006. Dragon Sheng offers traditional Chinese food. It has built a strong competition for its delicious food, reasonable price and personable service. The interior and exterior offer traditional decorations perfectly match ethnical styles. The restaurant revenue is keeps growing and the operator is optimistic about future development.

This study aims to find out the significant factors that make Dragon Sheng succeed in Kuopio, Finland. What are Dragon Sheng's weakness, strength, opportunity and threat, and how do customers satisfy with Dragon Sheng restaurant? The internal analysis of Dragon Sheng can provide a better understanding of a Chinese restaurant than just focusing on the quantifiable data about the Chinese restaurant.

The study started with literature review including the concept of customer-orientated service marketing, research method and paucity of studies concern Chinese restaurant. Customer survey was conducted by interviewing Dragon Sheng's customers. The questionnaire aims to find out customers' satisfactions of Dragon Sheng.

According to Berry & Parasuraman (1991, 17), "service is the essential of service marketing and service quality is the foundation of service marketing". Quality service is the basic factor to build customer relationships. The review of literature indicated that the success organization could achieve by effective management of capacity and demand, competitive service price and positive brand identity among customers in customer service oriented marketing.

After careful consideration, four marketing practices are selected to support the study i.e. efficient management of capacity and demand, close customer relationship, long-terms brand building and strategic service pricing. These marketing practices are significant to customer-orientated service marketing perspective.

The study consists of five parts: the background of the thesis and the aims of this study are introduced in the first chapter. In chapter two, I present the literature theory which could support the study. The details of the contents include the strategic management of capacity and demand, customer relationship, pricing and brand building. Chapter three describes the research methodology, in order to address the 'why' and 'how' issues in this study, qualitative research method used in this research. Findings are introduced in chapter four. Chapter five summarizes the whole work and suggestions for future research.

2 LITERATURE REVIEW

The literature review started with reading previous studies. It includes: Pang (2002), Zeithaml et al., (2006), Laube (2011), Cheung (2002), Berry et al., (1991). It could help me identify the key issues and support my study.

The viewpoints of literature review that could support this study are summarized as following figure.

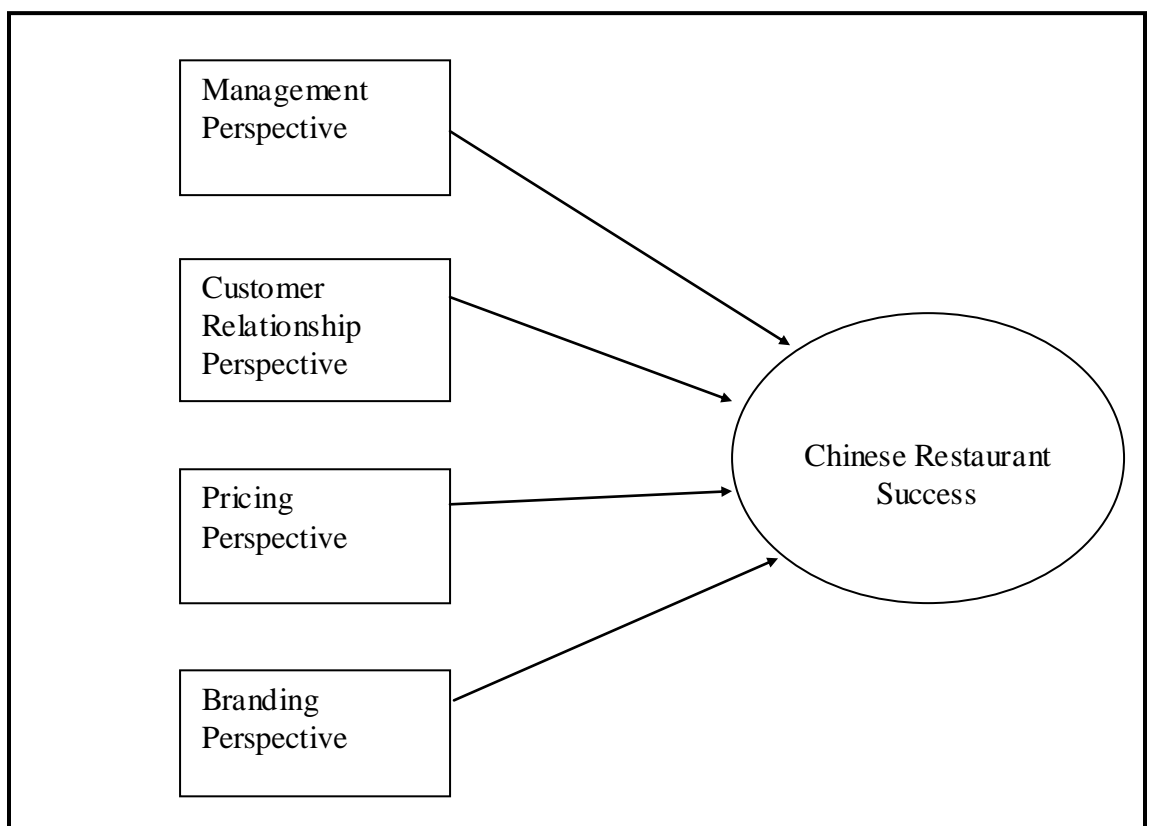


Figure 2.1. *Literature review findings.*

2.1 Success

There is no general accepted definition of the success of entrepreneurship since the definition of success is very personal, everyone has his/her own understanding of

success. Success can be the achievement of goals with various approaches. Achieving each goal in succession is based on setting up goals and creating a realistic plan. For business activities, success equals to the expectations of an organization.

Every successful company has critical factors that make it successful, such as the effective management structure of the company, strong competition advantages and advantageous geographical position. According to Wickham (2006, 192), the entrepreneurial success can be understood from two interacting aspects: people's expectations from the organization and the performance of the organization.

Six groups of people have its own expectation from the organization. The entrepreneur expects the personal aspiration could be completed through the organization; employees expect to get repay from their efforts; suppliers expect the organization to be a good co-partner; customers expect the organization to be a good supplier; investors expect the profit ratio of the investment to be higher as far as possible and the local community expects the organization to make an important contribution to the local people. (Wickham 2006, 193.)

Success will be achieved if the organization's performances meet all expectations, in a contrary direction a sense of failure will follow.

The performance of the organization is measured by a series of numerical assess. The following list can be used as indicator in measuring the general performance of a company:

1. Financial statement--- Income statement, balance sheet and statement of cash flows provide the information on company operation. The results of annual operation should be positive.
2. Performance ratio--- The performance ratio is better to be higher as far as possible.
3. Liquidity ratio--- It shows the ability of a company to repay the short-term debt. The formulation of calculating the liquidity ratio as follows:

$$\text{Debt to Equity Ratio} = \text{Current Liability} / \text{Total Equity}$$

4. Market preference--- Market position and market share are the core parts of the business. Marketing is the vital tool that can bring the service or product to the customers.
5. Growth--- Increasing sales, profit and stock show the growth in business.
6. Innovation---The ability of introducing new product to customers aims to keep the uniqueness of a company.

2.2 Managing capacity and demand

Zeithaml, Bitner & Gremler (2006, 450-451) states that in many service organizations service capacity is limited and firms cannot store the space or facilities during periods of low demand to use later when the demand dramatically increases. The lack of inventory capability is caused by the perishability of service and the concurrent production and consumption. Since the demand of service fluctuates very often, strategic combine capacity with demand could bring potential profits to the company.

Capacity constraints

Based on the sort of service, the significant limited capacity factors can be space, time, facilities and labour. The first step of conducting demand and capacity problems is to recognize the basic capacity constraints.

For some service organizations, time is the basic constraint on service outcome. Time cannot be store when the demand is below capacity and time cannot be created to satisfy the excess demand. Company that need to hire amount of employees and the labour force could be the basic capacity constraints. However, employing part-time employees are beneficial to fulfill the gap between demand and capacity constraints.

In the case of an organization such as restaurant, health club or trucking, equipment may be the significant labour constraint.

Furthermore, according to Zeithaml, Bitner & Gremler (2006, 453), the most general capacity constraint for a sort of service is shown in the following table:

Table 2.1. *Constraints on Capacity (Zeithaml, Bitner & Gremler 2006, 453).*

Character of the Constraint	Sort of Service
Time	Consulting Training Assistant
Labour	Construction Company Maintenance Company Hospital
Equipment	Airplane Company Health Centre Hotel
Facilities	Restaurant University Gym

Demand patterns management

Understanding customer's demand patterns and the reason of the variation is critical for manager to manage the fluctuant demand patterns in service business.

According to Zeithaml, Bitner & Gremler (2006, 455), two methods are used for an organization to manage customer demand patterns. First, the firm need to list the

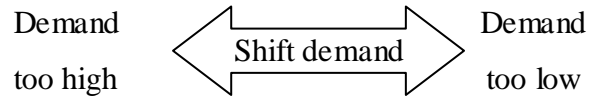
pattern of customer demand based on different time periods. The list can be formal or informal, and the demand patterns should be recorded in daily, weekly and monthly. Second, when the manager surveys the information present on the list, s/he needs to consider is there a predictable cycle occur in daily, weekly and monthly? After the predictable cycles are recognized, the manager needs to think about the possible reasons that cause fluctuate in demand patterns.

Strategic manage capacity and demand

When an organization understands its critical capacity constraints and the demand patterns, it is the psychological moment to adjust capacity and demand strategically. Zeithaml, Bitner & Gremler (2006, 457) declare that there are two ways for achieving this adjustment. First, shift demand to match capacity. Second, adjust capacity to fulfill demand.

Firstly, the firm focuses on transferring customer away when the demand exceeds capacity, or persuade customer to utilize the service during time of low demand. Amount of methods can be used for this strategy. According to Zeithaml, Bitner & Gremler (2006, 458), the possible approaches are shown in the following table:

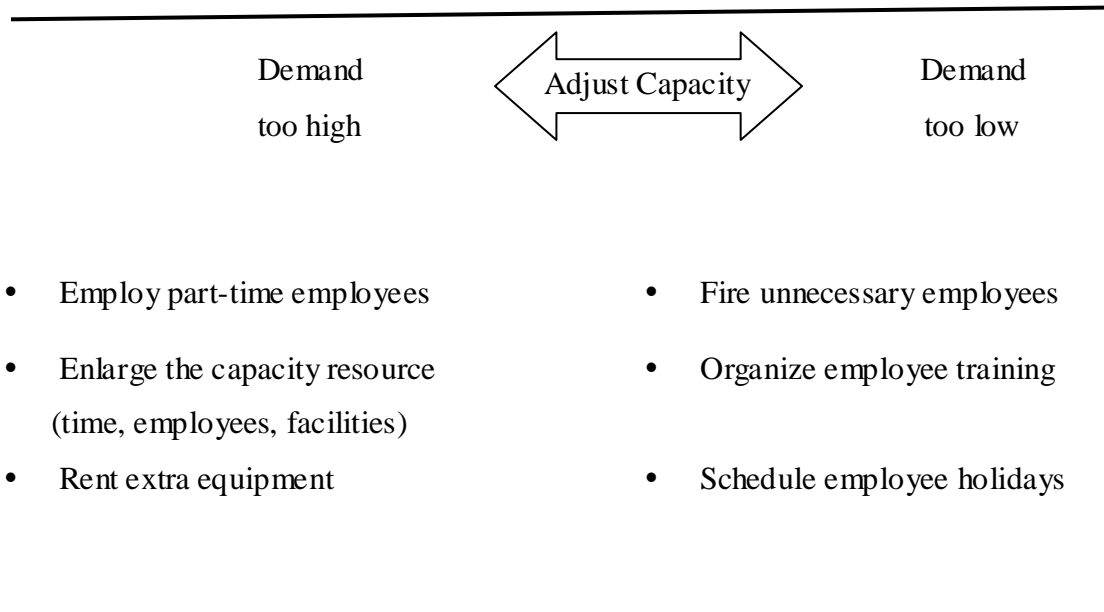
Table 2.2. *Approaches for moving demand to match capacity (Zeithaml, Bitner & Gremler 2006, 458).*



- Service loyal customers first
 - Use sale promotion tools to increase customer's demand
 - Increasing the service price in peak period
 - Discount the service price
 - Motivate customer to use service in nonpeak period
 - Modify the service offering
-

Secondly, the firm aims to adjust capacity so that the company can use full of its assets. During the time of high demand the company try to enlarge its capacity. In order to save the resources, during the time of low demand the company will try to shrink its capacity. According to Zeithaml, Bitner & Gremler (2006, 460), methods for adjusting capacity are shown in the following table:

Table 2.3. *Approaches for adjust capacity to match demand. (Zeithaml, Bitner & Gremler 2006, 460).*



2.3 Customer relationship

This chapter is constructed as follows. The method and strategy of service marketing research will be introduced. Then I will explain what benefits customers and companies could get from close customer-company relationship.

Market research method for service marketing

It is absolutely not enough for companies to deliver the high quality service for their customer if the companies believe they know what the customer expect from their service. To meet customer expectations is the basic thing for offering high quality service, and market research is the important tool to follow customer expectations. (Zeithaml, Bitner & Gremler 2006, 177-178.)

Marketing research should focus on the service subjects, for example what kind of service features customers expect, what kind of service is most important for customer, and what customers think the company should do in the process of delivering service. The following lists are considered the most primary research goals in service marketing:

- To find out customer expectation for service.
- To test the quality of service.
- To monitor customers reaction for new service.
- To fill the gap between customer expectations and perception.
- To find out the company's weakness
- To plan the future company activities.

A strategic research design will help companies find out customers' expectation. Firstly, companies should define the research issue and research goals. Does the company want to know how customers evaluate their service? Why customers do not satisfy their service? What the customer will react if the company offers new service to them? Company could design the questionnaire to their customers; each of the questions in the questionnaire requires the company to use different research strategies. (Zeithaml, Bitner & Gremler 2006, 141-146.)

Service research is incorporate with some specific research requirements. First, the service research needs sustaining monitoring, since company's customer is variable, customers will have different attitudes on same service or products and the level of employee's performance is not staid and employee's attitude will affect the service quality. The monitor of employees will help the company to find out the potential service elements. Second, when the performance of the company is not as optimistic, researcher should consider the possible factors that enlarge gap between customer expectations and perceptions.

An effective services research process should consider both qualitative and quantitative research methods. Qualitative research is a process of researchers seeking answers to an object from in-depth interview. The interview can give the researcher a deeper understanding of interviewee's thought and attitude. Quantitative research is generally for specific research object to the overall statistical results. (Neill 2007)

Qualitative research is the first step for quantitative research. So if researchers combine two of the research methods, s/he can get depth understanding of customer's behaviour and expectation and examining the specific hypotheses.

Effective research processes also need to balance the cost of research and evaluate the available information. Company need to pay money directly to researcher for collecting information, and it takes time for companies to discuss the research issue with researcher. So the company need to own enough time and financial support. The company need to get useful information which is important for the company's development. The basic research goals of company are the guide for company to design its research. (Zeithaml, Bitner & Gremler 2006, 140-147.)

Building the customer relationship

Many companies focus on attracting new customers by advertisement or cheap price rather than building the close relationship with their former and current customers. So it is difficult for companies to understand customers' expectation accurately. If the company operate well, it will attract new customers, but if does not, the rate of losing customers will higher than the new attracted customers. Building long-term relationships with customers is critical for company to keep competitive advantage.

According to Zeithaml, Bitner & Gremler (2006, 178-182), four stages of the relationships between customers and companies are described as following:

1. Strangers have no relationship with companies, which are seen as potential customers of companies. Companies' basic goal for the stranger is to attract the strangers in succession, so that the company can builds the relationship with strangers.
2. When the customer is on trial the company's service, the customer and the company begin to familiar with each other. The primary object of the company is to satisfy customer needs. In this relationship, customer is getting well known of

the company's service and company care about how to provide high quality service that is superior to their competitors.

3. The relationship may be developed from acquaintances to friends if the customer trust the company will offer them satisfying service. The primary object for company at this stage is customer keeping. The company will try to entice customers persistently purchase their service.
4. With depth trust of company service, customers will become company's partner. Company can use customer's information to deliver personalized offering. At this stage, customer would like to stay in the partner station if they believe the company is willing to make effort to satisfy them. Company's goal in this stage is to enhance the relationship with customers.

Benefits for customers from good relationships

According to Zeithaml, Bitner & Gremler (2006), confidence benefits are the most important to customers. Customers get confidence benefit if they stay in the relationship with service suppliers. It means customer who trust the company will provide better service than they expect, and customer can benefit from the trust of their service suppliers. Generally speaking, customers prefer to keep loyal to a company if the service they get exceed to what they give. Since it takes time to shift themselves from one supplier to another supplier, most of customers do not want to change service supplier, especially when the service is important for them.

Customers get social benefits from the social relationship with service suppliers. In the social relationship between customer and company, service provider becomes part of customer social network. For example, the owner of a restaurant knows some of her/his customer's special needs. The long-term relationships make customer keep loyalty to the company.

Special treatment benefits mean customer can get a special service or price of service from certain relationships with service providers. For example, in some restaurants, it

is possible for loyal customers order the dishes which are unavailable in menu. Some companies also have VIP (very important person) service for their loyal customers. The treatment benefit is less important than the confidence benefits and social benefits, but it is also an attracting factor for keeping customer's loyalty. (Zeithaml, Bitner & Gremler 2006, 184.)

Company benefits from good relationship

Economic benefit is the obvious benefit to an organization. Customers are willing to repeat purchasing company's service if they get well known of company's service and are satisfied with company's service. Lower marketing cost is another economic benefit to organization. Company spends much money on advertisement to attract new customers. Sometimes these promotion costs will exceed the income from the new customer. And, according to Zeithaml, Bitner & Gremler (2006), over the time, company can benefit from keep long-term relationships with customers since the repeat purchase retention by regular customers demand on 10 percent marketing cost of the new customers.

Company benefits from customer behaviour. Word of mouth communication between regular customers and potential customer is advantageous for the company to build good image and reduce the advertisement cost. Customer can help company get new customer through positive word-of-month communication, especially when the service is difficult to assess or it is risks making a decision to buy the service. (Zeithaml, Bitner & Gremler 2006, 185-186.)

2.4 Pricing

Service pricing plays a critical role in customers' decision on service. The price of service for customer can be a standard in choosing service. In this chapter I focus on

finding out the key methods to pricing services from a company's perspective, the meaning of customer perceived value and how strategic incorporate perceived value into service pricing.

Three methods of pricing service

Pricing is one of marketing tools for companies to achieve their objects. There are three basic approaches used in business when setting prices: cost-based pricing, competition-based pricing and demand-based pricing. The three pricing approaches are relative to each other, because firms need to full-scale think about each of the pricing approach in setting service price. (Zeithaml, Bitner & Gremler 2006, 511-519.)

Cost-based pricing

In cost-based pricing, the service price should cover the total fixed cost, variable cost and the profit. This approach is usually used in wholesaling, utilities and contracting. The challenge of this method is that the cost of service is difficult to calculate, for example, the value of employees' time is difficult to identify.

Competition-based pricing

Firm's competition-based pricing is concentrated on their competitor's service price. Firms use their competitor's service price as a guide to set their prices. The service price could lower or higher than their competitor's service price, but the price need to cover the costs and profits at least.

Demand-based pricing

Demand-based pricing is based on thinking more about customers. It is connecting with how much customer would pay for the service. Nonmonetary and benefits should calculate into the price. When the service takes much time and energy, the service price would higher. (Zeithaml, Bitner & Gremler 2006, 519-523.)

Meaning of customer perceived value

Identifying perceived value of service to customers is considered the most suitable method for companies to price their service. While the company does research on customers' perceived value of service, it is important for company to understand the following questions:

1. What is the meaning of service value to customers?
2. How to evaluate the perceived value so that the company can set service price?
3. How can the customer's value views be affected?

It is a hard work for manager to find out customer's value perception. Since the manager requires good knowledge on the target customers. According to Zeithaml, Bitner & Gremler (2006, 526-527), customer defines value in four ways:

- (1) Value is low price. Some customers think that value is equal to the service price they pay.
- (2) Value is everything I want in a product or service. Customers who have this kind of value think that money is less important than the service they expect in value perception.
- (3) Value is the quality I get for price I pay. Some other customers think value is equal to service quality. Customers will give up some of the service expectations because of the cost.
- (4) Value is all I get for all that I give. Finally, some customer judge all the benefits they get from the service and all the money, time and efforts they put into the service.

Incorporate perceived value into service pricing strategically

As the money is most important determinant factor for customer in selecting service, the firm need to pay attention to the price of service. But low price is not equal to low quality, in this case, the manager also need to guarantee the service quality. In order that company can make benefit from the low price service offering, the manager has to understand how much company should undertake for the perceived sacrifice, and how they explain the different service prices.

Three pricing approaches can be used to customers for whom value means low price. Service provider presents discount price to customers to convey the information that they are getting value. Odd pricing is a practice of pricing products or service just below the round number. It has a psychological effect on customers that they received a lower price. Penetration pricing is used when new service or product is introduced in the market. The price is lower than normal price so that the product or service can be widely used. (Zeithaml, Bitner & Gremler 2006, 531-533.)

When the customers care more about what they can get from the service, money will rank in the second place. In this case, the more valued service offered, the higher service price the company can set.

Two pricing approaches can be applied to customer for whom “value is everything I want in a service”. According to customer’s demand, service provider offers high quality service. Prestige pricing method is a kind of demand-based pricing. Prestige price presents a high quality service image. The service price will increase as customer’s demand increases. Skimming pricing is a form of strategy that company used when new services enter in the market. When services are introduced at high prices, customer will think that the high price is interpreted as a sign of high quality. (Zeithaml, Bitner & Gremler 2006, 534.)

Other customers will consider both quality and price when they select service. On such condition, marketers need to realize what quality means to customers, then set different price to match the different demands.

According to Zeithaml, Bitner & Gremler (2006, 534) two strategies approaches can be used for customer whose value is “value is the quality I get for the price I pay”. Value pricing be deemed to the most profitable form of pricing. Customers charge on various scales according to the service quality they get. The second strategic approach is called market segmentation pricing. Marketer offers different price to meet customers with different expectations of service in different market segments.

Some customers will consider the nonmonetary cost such as time and effort into the service cost. The most commonly known pricing methods used to customer whom value is “value is all that I get for all that I give” is bundling price. (Zeithaml, Bitner & Gremler 2006, 536.)

Bundling refer to company pricing service or product as a group rather than individual. The pricing strategy benefits for both company and customer. From customer point of view bundling make purchase and payment easier. Bundling let customer to pay less than when they buy service individually. For company, bundling makes the company increase its net income.

The following table shows the summary of service pricing strategies for four customer definitions on value:

Table 2.4 *Service pricing strategies for four customer definitions of value. (Zeithaml, Bitner & Gremler 2006, 530-538.)*

<p>Value is low price</p> <ul style="list-style-type: none"> • Discounting • Odd pricing • Penetration pricing 	<p>Value is everything I want in a service</p> <ul style="list-style-type: none"> • Prestige pricing • Skimming pricing
<p>Value is the quality I get for the price I pay</p> <ul style="list-style-type: none"> • Value pricing • Market segmentation pricing 	<p>Value is all that I get for all that I give</p> <ul style="list-style-type: none"> • Pricing bundling

2.5 Branding

Brand image embodies company's service or products. A well brand image helps company to build brand awareness and brand loyalty. It has huge cohesive and centripetal force. Some of employees' self-confidence and sense of pride is from good company image, good image helps employees to improve positive working attitude. Well brand is value-added factor to customers. In developed society, customers do not care about the price and if similar aspects of service are more than different aspects of service, so in this case service and price become less important than company image. Customers would tend to pay high price for good image service and products. (Tutor 2u 2011)

Branding helps company to create customer perceptions before service experiment. Brands are valuable since a strong brand creates customer loyalty and reduces

marketing costs through taking benefits from brand awareness. The following figure shows several key factors in building successful brand value:

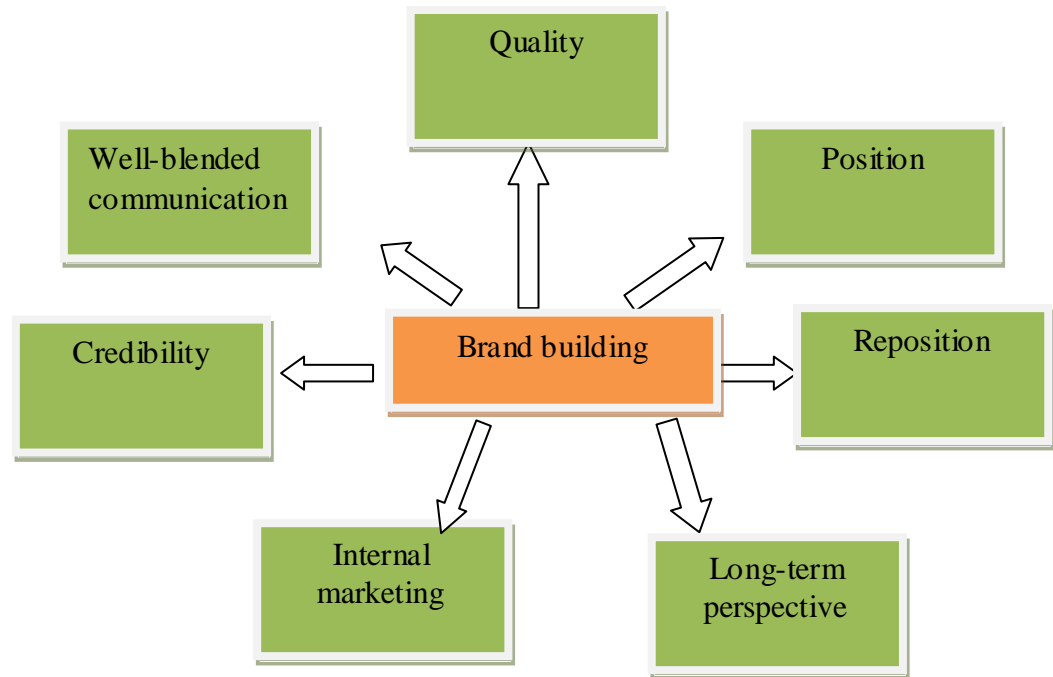


Figure 3.1. *Key factors in building successful brand value (Tutor 2u 2011).*

Service or products quality are pivotal components in brand. The core benefit that customer expects from service supplier is service quality. In order to create customer loyalty, increase its market share and improve its competition strength, the good service need to be delivered at the first time.

Positioning is about position a good image to occupy a valuable position in market based on customer's needs. The aim of brand position is to transfer product into brand. In this case, Coca-Cola and Pepsi did successfully, because when people feel thirsty, most of people will bethink of drinking Coca-Cola or Pepsi. To achieve this goal, company must consider the needs of target customers. Besides, brand positioning should base on the market segments character and objective& subjective factors.

When the brand stands at its matured or declined stage, new sales and profits decline. At these stages, company need to reposition its brand, so that the brand can attract new customer and capture new market share.

Communications is the way to introduce the value of brand to customers. In marketing, communications is known as “promotion”. All elements of promotion are called “promotion mix”. Promotion mix consists of advertising, sales promotion, personal selling, publicity and direct marketing. The aim of promotion mix is to create customer demand for product and service.

Company takes advantages from “First mover”. A market can be increased by introducing new service or products into market before any competitors enter in the market. It is a good chance for company to be a market leader and to build strong brand awareness.

Brand building is a long-term project. It takes time to build customer loyalty and customer awareness. Managers need to invest much time and money into the brand building project or even give up short-term profits. (Tutor 2u 2011)

Internal marketing is the process that employees empowered by managers to deliver a satisfied service to customers. The key concepts of internal marketing include: motivates employees to do better in the process of service delivery, establishes business culture, creates common understanding of brand value, improves employees’ individual qualities, and helps employees to learn.

3 RESEARCH METHODOLOGY

In the following text, I will explain the purpose of this study and the choice of research method. Moreover, the data validity and reliability are explained. Interviews were conducted with seven of Dragon Sheng's customers and one of Dragon Sheng's managers.

3.1 The purpose of the research

The purpose of research is to get deep insight into a Chinese restaurant operation. The research aims to understand the critical success factors of the case company Dragon Sheng, the focus of the research is to find out customer's satisfaction and Dragon Sheng's internal strength and weakness. Customer's satisfaction is component of customer's satisfaction towards price, food, service and consumption environment.

The research was done also can help Dragon Sheng understand its operation situation. So that Dragon Sheng could improve their service quality, redesign its service, foresee customer's needs, keep good relationship with their customers and keep competitive advantages.

3.2 Methodology

Research design is a choice of strategy for the researcher to get useful information the researcher need, the research design should be a best way to solve the research problem. A better choice of research method helps researchers to solve their problems. (Ghuri & Grønhaug 2005, 56-60.) In understanding the success factors of a Chinese restaurant in Kuopio, it was considered that qualitative research method should be

applied in this study. In this case, the qualitative researches rely on two methods for gathering data: literature review and in-depth interview. The following text in this chapter provides a discussion of the primary data and secondary data gathering methods to be considered in designing a qualitative research.

Primary data collecting

Primary data is collected for specific information which is unable to get from secondary data. From the primary data, researcher can get details and reasons of research problems. There are several ways to collect primary data. Experiments, observations, surveys and interviews are the typical ways to be used for primary data collection.

It takes time and money to collect primary data and it is difficult to find customers who are willing to cooperate with the researcher. So the researchers need to have a well primary data collection design. (Ghauri & Grønhaug 2005, 102-103.)

The purpose of qualitative research is to gain an understanding of interviewee's attitude and the reasons and to provide insights into the setting of a problem or prepare for further research. The design of qualitative research is the most flexible of the various experimental techniques, including a variety of accepted methods and structures. (Ghauri & Grønhaug 2005, 110-114.)

In understanding the success factors that make a Chinese restaurant success and customer's satisfactions of Dragon Sheng, it considered better that the primary data collecting should employ qualitative research method. Through respondents' answer more insights can be getting concerning the success factors of the restaurant.

Personal interview

Personal interview requires truly communication between the researcher and the interviewee. The advantage of personal interview is that the researcher can get exact picture of interviewee's answer. At the same time, the researcher can respond immediately to what the interviewee just said.

To make sure the interview could go efficiently, the researcher need to prepare everything well which is concern about the interview. The first step in preparing for interview is to consider the research question, understand what kind of information you need and who can assist you find out the information.

The second step is to prepare the interview questions. These research questions should be proper and cover what the information you search. It would be good if your supervisor gives you some feedbacks concern the questions.

Lastly, connecting the interviewee and discuss the interview date, place and how much time the interview would like to take. (Ghauri & Grønhaug 2005, 131-133.)

In this study, interview on Dragon Sheng's customer and Dragon Sheng's manager is the main method for primary data collection. The in-depth interviews were undertaken with seven Dragon Sheng's customers and one manager. In order to get reliable and useful primary data, the customer interviewees are those I am familiar with. They were willing to cooperate with me and answer my questions. All of the interviewees are from Finland. The interview takes place in where the interview familiar with and comfortable for people to talk. The questionnaire was tested before the interview, interviews lasted half-one hour. According to the agreement with interviewees and me, I record the interview data by recorder.

Secondary data review

Secondary data review in this study includes the study of books, magazines, online surveys, and E-articles. The good points of the earlier studies are saving researchers' time and money. For the data which is difficult to get personally, such as the amount of population in one city or the company list in a country, it would be very easy to get reliable information from local government reports. And sometimes secondary data provide enough information to answer the questions so that the researcher is not necessary to collect primary data. Normally the reports released by government or professional organizations are of good quality, the information could make sure the reliability of research. (Ghauri & Grønhaug 2005, 91-95.)

Studying the secondary data helps the researcher to better understand the research field and broaden researcher's knowledge. The other important advantage of review secondary data is that the earlier study can provide right direction and data which researcher can easily handle research problems. (Ghauri & Grønhaug 2005, 91-95.)

The negative part of secondary data is that there are so much secondary data is available, so research need to know what kind of information s/he want to get from the secondary data. Most of the secondary may not be suitable for the research problems, so the researcher need to invest time and effort in analyzing the secondary data. (Ghauri & Grønhaug 2005, 97-100.)

Based on the service marketing theory and the research problems, the secondary data review is restricted on customer orientate service marketing, restaurant management and enterprise in restaurant. The secondary data source is from published information on internet, books and previous school courses.

3.3 Data analysis process

According to Ghauri & Grønhaug (2005, 207) “data analysis is the process of bringing order, structure and meaning to the mass of collected data.” The following figure is showing the three steps to help researcher get structured data:

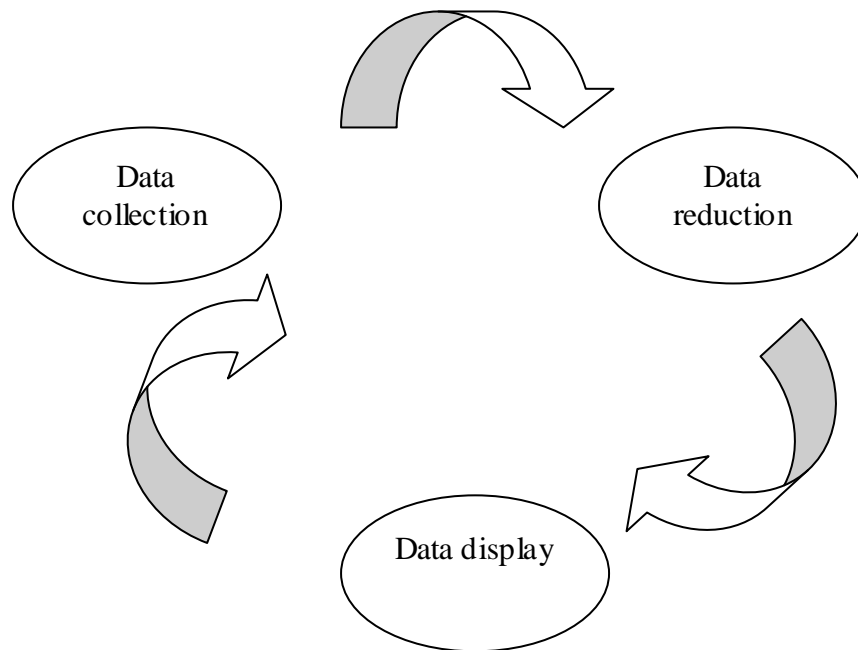


Figure3.1. *Components of data analysis (Ghauri & Grønhaug 2005, 207).*

Step 1: Data collection

In this study, the primary data was collected from customers and restaurant manager interview, the data was recorded by recorder. The secondary data was collected from books, E-articles.

Useful data is collected by understanding the research goals. After the literature review in service marketing and restaurant management, several goals were set as following: (1) to find out the key factors can make a restaurant succeed; (2) to have a deep look at the success sides of the case company Dragon Sheng; (3) to find out customer's satisfaction of Dragon Sheng.

Step 2: Data reduction:

“Data reduction is the process of selecting, focusing, simplifying, and abstracting the data”. Since the primary data and secondary data were mass and unstructured, this step aims to get useful and structured data for analysis.

I acquired a large data from literature review and personal interview, but not all the data can add value to the research problems. Based on the research goals, the data was reduced into coherent categories. First, four factors were considered critical to make a Chinese restaurant succeed, i.e., strategic management of capacity and demand, customer relationship management, pricing and branding. Second, customer's satisfactions survey includes customers' opinion on dishes price, food quality and service delivery performance. Third, the details of Dragon Sheng's business practices were summarized.

Step 3: Data display

Once the data has been sorted, the major finding of the research is ready to be interpreted in the report. In this step I attach the data with meaning and rich description.

3.4 Data validity and reliability

Ghauri & Grønhaug (2005, 216) state that validity and reliability are the two important factors which researcher should consider in evaluating the quality of qualitative data.

Validity

Joppe (2011) defines validity like this:

“Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are.”

The research was truthfully measured what it was intended to, the findings present in the previous chapter is realistic and meaningful. The internal validity is achieved by searching the theory from reliable resource. External validity refers to whether the findings can be generalized. As the interviewees in this research are from different ages and occupations, and the questionnaire is understandable, I could make sure the external validity.

Reliability

Reliability is determined on the basis of whether results are consistent for different items that measure the same construct. It means no matter which research method the researcher use, same responding have to be got from respondents. (Ghauri & Grønhaug 2005, 217.)

In this case, the research methodology is consistent and reproducible. I use the same questionnaire for different interviewees, and I get the data directly from interviewees. Only 7 of Dragon Sheng's customers involved in this interview, so the data is not so

abundant. All of the interviewees' opinion cannot represent the majority's opinion. So I can say that the level of data is reliable as medium.

4 THEMATIC FINDINGS

In order to find out the success factors of the Chinese restaurant Dragon Sheng, Dragon Sheng's strategic management of capacity and demand, brand building, customer relationship management service pricing and customer's satisfaction of Dragon Sheng will be discussed in this chapter. The respondents included 7 Dragon Sheng's customers and one of Dragon Sheng's managers.

4.1 Background of Dragon Sheng

Almost all the owners of Chinese restaurant started as chef or kitchen helper when they arrived in host countries. They opened their own restaurant after they saved enough money with the help of family and friends. (Pang 2002, 151.) As the manager of Dragon Sheng said:

"I have five year's working experience as a chef in a Chinese restaurant which is located in north Finland. In 2005, I heard from my friend that a Chinese restaurant is on sale in Kuopio. Since I have enough money and professional skill in cooking, I decided to take over the restaurant and manage the restaurant with my wife."

Pang (2002, 152) pointed that family labour is one of the ethnic resources in ethnic business. Ethnic business might benefit from the loyal family labour. According to the manager of Dragon Sheng:

"My wife is worked as cashier, my best friend is the main chef and two of my nephews work as the waiter"

Based on the comments of Dragon Sheng's manager, he takes advantage of family and ethnic labour through cost reduction and expedites communication. Employee's management in Dragon Sheng is paternalistic. Manager gives his employees protection, they, in turn, are loyal and complete company goals. The main duty of

Dragon Sheng's manager is to observe employees' performance and to make sure that employees could work efficiently and deliver the qualified service to customers. The regular meeting in Dragon Sheng is hosted by the manager, aims to evaluate employees' job and declaration everyone's task and the mission and vision of the restaurant.

For the past five year's operation, Dragon Sheng has strived to be the premier Chinese restaurant in Kuopio. The main focus was to serve quality food and service at a great value. Now more and more customers satisfy with Dragon Sheng's food and service. In addition, the manager of Dragon Sheng and employees both are satisfied with their current situation. The profit of Dragon Sheng is increasing.

4.2 Key factors drive Dragon Sheng to success

According to European Commission (2011) data base, since 2003, the number of enterprises has increased dynamically in Finland. Until 2008, the dramatically increase was propelled by micro- and small enterprises. Buckley (1998, 35-40) stated that only one in five small enterprises survives as long as ten years, and 10.4% of all failures enterprise came from the service sector. Enterprise success is sought out more quickly while failure seems more ruthlessly. In order to keep a competitive advantage in market, the manager of Dragon Sheng develops its business under a series of strategic approaches. In this chapter, the key success factors are analyzed to take a deep understanding of Dragon Sheng.

Management of capacity and demand

Capacity management

A strategic capacity management aims to effectively handling customer demand at all levels. In this section, the manager of Dragon Sheng relied mostly on adjusts facilities and labour capacity and shift customer away from high demand period.

“During lunch time we face labour and facilities capacity constraint issues, which are caused by the high customer demand. In order to quickly meet customer demand when the demand is exceed our labour capacity, we employ part-time workers as a support and we offer Take-off and delivery service.”

For restaurant business, in high customer demand period, the lack of service provider and facilities are critical capacity constraint. The significant factor of any successful restaurant is to manage its capacity strategically. It is usual for a small Chinese restaurant to hire part-time employees to obtain a competitive advantage through stretching the labour capacity. The manager said, *“Customer demand excess labour capacity occurs from 11:30 to 13:00 on weekdays, besides this period, demand is below labour capacity.”* With a general forecasting of customer demand patterns, the manager creates appropriate labour schedules to handle expected demand. It aims to avoid low quality service to be offered by lacking of employees and to avoid wasting of labour resource by having exceeded employees.

Peak periods are also the time when the manager should pay attention to use seat since facilities is the other critical capacity of Dragon Sheng. Take-off and delivery service at a lower price aiming to avoid overmuch customer use the table in high demand periods. Dragon Sheng opens at least twelve hours a day in weekdays and ten hours in weekends. The extending of service hour not only aims to encourage customer utilize the service in nonpeak period but also expend facilities capacity as much as possible.

Demand management

To invoke the demand-side tactic, the manager needs a good knowledge of customer demand patterns for service. As the manager of Dragon Sheng said, *“customer demand pattern is flexible, but the level of demand over relevant time periods can be predicted from previous working experience.”*

The execution of each of tactic used on demand management varies according to demand level. Cutting down the price of service aims to encourage nonpeak purchases. Dragon Sheng varies the menu items, depending on day of week or time of day, so as to shift customer away from high demand periods.

Customer relationship management

Dragon Sheng identifies two components in its CRM programme: understanding customer expectations and building long-term relationships with customers.

Customer research has emerged as a critical approach for companies to understand customers' expectation. The manager of Dragon Sheng notices the importance of customers' research, *"our service could not able to match customer expectations without doing research among customers, and the entire service offering is based on customers' interest"*. When asked how he doing research among customers, he said, *"Marketing research is time consuming and money costing, we try to minimum the research expense by using nonmonetary cost, for example, monitoring customer's purchase behaviours."*

To build long-term relationship with current customers, Dragon Sheng begins with sending questionnaires to customers to request information such as feedbacks on menu items, food price and development ideas. Monitoring customer purchase behaviours is a cost-effective approach aims to estimate customer's potential requirements. All the information collected from customer used to enhance company's knowledge on customer's expectation. While ensuring that customers are satisfied with the service, customer retention is the next goal for Dragon Sheng at the process of the long-term relationship building. In order to retain customers, Dragon Sheng starts to get specific requirements of the customers. By creating an offering to meet customers' unique requirements, the restaurant can entice customer to return.

The manager believed that the restaurant benefits from good relationship with customer. As the manager commented, *"we always acquire useful suggestions and comments from loyal customers, so that we are able to find out customer's expectations more effectively."* The economic benefits of customer relationship include increasing repeated purchases and decreasing advertisement cost. In addition to economic benefits, the restaurant is able to get specific information of customer's expectations.

Pricing strategy

Dragon Sheng mostly rely on cost-based pricing and competition-based pricing methods to price.

“The service price set in my restaurant aims to cover total cost and make target profit, besides, the dish price also need to match with competitor’s dish price.”

The Chinese restaurant manager mentioned: direct costs, overhead costs and target financial objectives are considered into menu item price setting. The manager stated that labour costs were a major cost, ingredients of menu item costs were less than labour costs.

The manager said, to make sure the restaurant is able to keep running and make profits, labour costs and ingredients costs need to cover around 50-60 per cent of total revenue at most. Moreover, a range of acceptable price and competitors’ pricing serve as indicators for level of price. The regular price of buffet in lunch time is about 9 euro in Kuopio. In order to maintain price competition advantage, he set the price of buffet in lunch time at 8.8 euro per person and the price of each ordered dish range from 13.8 euro to 18.8 euro.

Prices changes aims to set an optimal price for a service offering. Lower the price on one or several dishes aims to attract customers and support others dishes. Establishing a high price is to introduce new dishes and to make higher profit.

The manager of Dragon Sheng also mentioned his opinion on pricing the dishes based on customers’ perceived value, *“value-based pricing approach maybe a best and professional one to price the dishes, but it is not the most appropriate method for my restaurant.”* According to the respondent, he pays little attention to value-based pricing approach to price the menu prices. Cost-based pricing and competition-based pricing are widely used in menu item price.

Building brand

Much of the success of Dragon Sheng is due to customer loyalty, and the customer loyalty is driven by the successful brand. Brands include various images and experiences in the thoughts of customer, indicating a unique benefit that customers can get (Keegan& Green, 2008). Creating a successful brand starts with identifying the target market. As Keegan& Green (2008) explains, *“when a transnational corporation deals with a signal foreign country market, it may consider more about the need of local customer.”* In the case of marketing in Kuopio market, Dragon Sheng pays most attention to the specific marketing practices and customer preference. Not only do all the service components have to cater to the restaurant theme, but it also need to be accepted by local customer. For example, menu items are made based on Chinese cuisine technique but the taste of dishes is catering to Finns interest.

Dragon Sheng maintains the loyal customers and gains new customers essentially through constantly offer high quality food and excellent service. As the manager of Dragon Sheng claimed, *“as far as I know, a large number of new customers are increasing and one motivation for Finns to try our service is by friends’ recommendations.”*

The concept of the restaurant is to offer traditional and delicious Chinese food to customers. The menu includes Chinese dishes, soup, salad, soft drinks and dessert. The restaurant focuses on improving the quality of the dishes and service. According to the manager, the menu planning was based on previous working experience. The main criteria for selecting menu items were in combination with customers’ expectations, nutrition and Chinese cuisine technique. The manager always use optimal ingredients for cooking, traditional Chinese ingredients are at the top of the purchase list. For example, noodle and rice are especially purchased from Chinese supermarket in Helsinki. The most frequent approach used to improve menu performance is to replace the poor performance dishes with new dishes. Only after several trails, the new dishes can be offered to customers.

According to Ghauri & Grønhaug (2005, 355), because of service employees offer the service to customers directly, service employees’ performance will influence the level

of customer satisfactions, the quality of employees is critical to the success of any service firm. In this case, Dragon Sheng has a strong focus on internal marketing, especially focus on ensuring all the employees can deliver superior service to customers. Service-quality training program include emphasizing employees' communication skill and the ability of problem solving.

Building brand is long-term task for each business activity. The manager said, "*It takes time to build customer awareness and spread brand's message. Sometimes we also have to give up short-term profit.*" To create a sense that Dragon Sheng is a reliable brand, much effort put on building brand from the very beginning of its business to now. Examples include new dish and cheaper price that are aimed to improve brand awareness.

4.3 Customer satisfaction of Dragon Sheng

Customer satisfaction is customer's respondents of service in aspect of whether the services meet customer's expectations (Zeithaml, Bitner & Gremler 2006, 110). Customer satisfaction is used for whether customers will repeatedly visit the restaurant. When a restaurant's service is outstanding and customers are satisfied with its service, customers are more likely to visit the restaurant again and spread approving words to other customers. It is favourable for the restaurant get higher customer retention and greater marketing share. (Berry & Parasuraman 1991, 15-20.)

The level of customer's satisfaction for Dragon Sheng is a critical criterion to evaluate the performance of the restaurant. Customer satisfaction of Dragon Sheng was seen as customers' opinions on Dragon Sheng's service, food price and food in the restaurant. All the interviewees were asked to describe Dragon Sheng's performance on service, food, price and atmosphere.

The quality of the food is the essential motivation for customer visit the restaurant the atmosphere and price of the restaurant do not have a significant effect on customer satisfaction (Schiffman & Kanuk, 2009).

A middle-aged woman, who is of working class background, described her feelings concern Dragon Sheng's service, food and price:

"I like the service and food there, service providers are always with smile. I am satisfied with their service. I like the food there that is why I am always eating there with my friends. The food is tasty, and I guess they must pay much attention to the food development. The price of food is not so important and their food price is reasonable." (Customer 7)

A young lady, who is living in Kuopio for ten years, expressed her opinions on Dragon Sheng's service:

"To be honest, the service is not so special, but it is fine. The decorations are full of Chinese characters. The dishes price is match with the quality of the food. I think the food is good there, and I like the soup best". (Customer 2)

The interviewees expressed a very positive opinion on the service and food. They were very pleased with Dragon Sheng's service. Half of the interviewees stated the neutral comments of its food. According to respondents' description, the quality of food is reason why they visit the restaurant and the price or atmosphere there are less important compare to food.

The result of customers' satisfaction survey shows a rather good image of Dragon Sheng. Generally speaking, customers are satisfied with Dragon Sheng service. The survey only conducted on Dragon Sheng current situation, it has to be done regularly in order to get up to date feedback.

Hopefully the research can help Dragon Sheng improve their service to meet customer expectation. Dragon Sheng has a stable situation, by understanding their customer's needs and its own situation can give Dragon Sheng some ideas about how to develop its service.

At the end to conclude the current operation status of Dragon Sheng, SWOT analysis can be seen as below.

Table 4.1. *SWOT analysis.*

<p>Strengths</p> <ul style="list-style-type: none"> • Good customer service • Delicious food • Hard working • Loyal and professional staffs • Cheaper price • Good location • Good image 	<p>Weakness</p> <ul style="list-style-type: none"> • Limited operation acreage • Poor advertisement • Cannot get customer's feedback efficient.
<p>Opportunities</p> <ul style="list-style-type: none"> • The population in Kuopio is increasing • The possibility to get new customer • Satellite locations 	<p>Threats</p> <ul style="list-style-type: none"> • New competitors involve in Kuopio • Customer decrease • Price increase

Strengths

Dragon Sheng has been known as a high quality Chinese restaurant in Kuopio. It is well established in good customer service and delicious Chinese food, Dragon Sheng offers tasty and various Chinese foods to its customer. The food price is cheaper than normal Finnish restaurant. Despite the present of competitor in Kuopio, the restaurant is able to retain its loyal customer based on its distinctive food and professional team workers. The chef is not only professional in cooking Chinese food but also

understand Finnish cuisine. The restaurant benefits from the developing of Chinese and Finnish cuisine. Even though the employees in Dragon Sheng are not local people, they are skilful in customer service.

Weakness

When other competitors were trying to increase its market share, the restaurant is not able to perform well because lacking of knowledge about their customer and limited operation acreage. The manager of Dragon Sheng involve himself into the detail of running his restaurant, it is difficult for him put extra energy in track of customer's expectations. Due to limited operation acreage and financial support, the restaurant could not expand and advertise.

Opportunities

Dragon Sheng is always filled with multitude of opportunities that could make Dragon Sheng occupy more market. With the positive investment environment in Kuopio, the restaurant can make its competition advantage in Kuopio. Dragon Sheng has been trying to introduce new service to meet the need of lively market. Putting more effort on developing new food items the restaurant could increase its profits and loyal customer.

Threats

Canton Hin is the other Chinese restaurant located in the centre of Kuopio with a large market share. The owner of Canton Hin from Guangdong, China, has more than ten years working experiences in restaurant and he could also speak fluent Finnish. The restaurant offers similar buffet but lower price with Dragon Sheng.

Finnish Food and Drink Industries Federation (2011) reported that the price of food will rise 5.5 per cent next year. As the food price is rising, Dragon Sheng faces the higher fixed cost. The restaurant needs to price its service carefully.

The other entrants in Kuopio are continuously trying to enter food industry and make profit. Dragon Sheng is facing with lose of customers.

5 DISCUSSIONS

This study reported on an in-depth investigation of a Chinese restaurant in Kuopio, Finland. One of the prime goals of this study was to have a good understanding of the factors that can make a Chinese restaurant to success. The results are quite same from the pre-assumed four factors which were found from theory.

The research was started in summer 2011 and ended in January 2012. Findings are significant in achieving a better understanding of the business practice of catering sector. Although the research is limited to one Chinese restaurant, the results might be transferable to other Chinese restaurants or other catering trade. These investigations provided valuable insights to customer-orientated service marketing and the business practices of Chinese restaurant. Besides, the findings made by a number of service marketing theory can be the guide for Dragon Sheng to improve itself.

Because of the perishability of service and the concurrent production and consumption, service firm need to manage the demand patterns and capacity constraints strategically. In this context, the findings presented a variety of approaches for managing demand and capacity constraints. After have a good understanding of its basic capacity constraints and customer demand patterns, the strategies of Dragon Sheng are hire part-time employees, extend service hours, adjust the menu items and offer delivery and take-off service. But, when the restaurant recruits inexperienced stuffs as part-time employees, the manager has to spend much time on training the stuffs. Sometimes, the restaurant is like a training place for inexperienced employees.

In relationship marketing, markers focus on maintaining and improving relationships with current customers rather than on enticing new customers to purchase the service. In the interview, the manager of Dragon Sheng stated that the relationship strategy focuses on building long-term relationships with regular customers. In order to do so, the restaurant started with understanding customer expectations over time and trying to meet customer needs more efficiently. The finding shows monitor customers purchase behaviours and collect feedbacks from customers are critical approaches in building customer relationships. By developing the customer-firm relationships, company get economic benefits from customer retention.

The criteria of menu item price setting of Dragon Sheng depend on the range of acceptable prices and the target profits. Besides, the restaurant has some measure of pricing flexibility based on dishes performance. Customer perceived value was considered a significant approach to set dishes price, however, the manager of Dragon Sheng thinks the value-based pricing requires him to be more professional about customer perceived value. This pricing approach is new to the restaurant, so he only takes little consideration of it.

Branding is difficult in different cultural backgrounds. For the foodservice company like Dragon Sheng, branding position, communication and the quality of the food have to be carefully considered so as to keep the business for long-term growth. Dragon Sheng aims to offer traditional and tasty Chinese food to Finns, the appropriate symbols, colours and menu items are to build a brand image to core customers. Loyal customers' word of mouth is an effective to introduce the value of the restaurant to potential customer. In order to get positive feedbacks from customers, Dragon Sheng focuses on the improvement of service quality and food quality. Because of the limitation of financial support, Dragon Sheng seldom advertises itself through massive media.

To service marketers, customers' satisfactions are critical since it is a contributing factor of customer loyalty. The objective of customer interview is to examine customers' satisfaction of Dragon Sheng. The result shows customers quite satisfy with Dragon Sheng on food quality, price and service. As customers gave Dragon Sheng some suggestions for future development, I can see that Dragon Sheng cannot meet customer expectations efficiently.

One of the most challenging things of doing this thesis was data collection. Chinese restaurants are ubiquitous in many countries, but, only few studies are regarding Chinese catering business. The literature review concerning Chinese restaurant was restricted on restaurant management, service marketing.

It took me much time to do this research than I thought. I expected to finish this research in December 2011, but the research cannot be stopped when I found new sources which are helpful in improving the quality of the study.

Moreover, I realized how poor my English writing skill is after I finished the first draft of the thesis in October 2011. So I began to review English grammar and read the published articles as much as I can. In order to express my idea exactly in proper English I need to think twice or even three times before I write something on the paper. Finally, the thesis was finished with a proper English language and clearly structure after three months' study.

It was challenging to conduct the whole research with limited time and research experience. Now, I really learned a lot from doing the thesis. I got good ability of communication, writing, analyzing and solving problems.

The findings of the research indicated that the methodological choice and the selected four marketing practices support the whole research process and the results of the research meet the goals set. However, after having a deeper understanding of Chinese enterprises in catering sector, I think the characteristics of entrepreneur are important in determining company's success. The behaviours and thoughts of entrepreneur will determine the performance of the company. So I should take that into consideration to examine the success factors of Chinese restaurant at the beginning of the research.

The financial issue of the restaurant is not analysed because of the limitations of the data, so the study can suggest further research on financial effect on business in more details. Moreover, I am also interested in finding out how the customer understands the difference between their own food culture and foreign food culture. Besides, it is critical to find out the cross-cultural factors effects on employees' management and customer satisfactions. Combining qualitative and quantitative research method is suggested for further research.

REFERENCE

Berry, L. & Parasuraman, A. 1991

Marketing service. A Division of Simon & Schuster Inc. New York

Buckley, A. 1998

The Essence of Small Business. 2nd ed. Prentice Hall Europe. England.

Cheung, S. 2002

The globalization of Chinese food. University of Hawaii. United States.

[Accessed on 20th October 2011]

<http://www.google.com/books?hl=zh Chinese-restaurant-in-overseas>

European Commission 2011

SBA Fact Sheet Finland. European Commission. [Accessed on 22 November 2011]

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/pdf/2010_2011/finland_en.pdf

Finnish Food and Drink Industries Federation 2011

Finnish food industry lobby warns of further price increases. Helsinki times. [Accessed 14th October 2011]

<http://www.helsinkitimes.fi/htimes/domestic-news/general/17197-finnish-food-industry>

Ghauri, P. & Grønhaug, K. 2005

Research Methods in Business Studies. 3rd ed. Edinburgh Gate Harlow. England.

Joppe, M. 2011

The Research Process. [Accessed 10 September 2011].

<http://www.uoguelph.ca/htm/MJResearch/ResearchProcess/Validity.htm>

Keegan, W.J. & Green, M.C. 2008

Global Marketing, 5nd ed. Prentice Hall Europe. England.

Laube, J. 2011

How to turn your good restaurant into a great business. Restaurant start up & growth magazine [Accessed on 2th November 2011]

<http://www.restaurantowner.com/public/565.cfm>

Mongabay 2010

Population of Kuopio, Finland. Mongabay. [Accessed on 20th October 2011].

Pang, C, L. 2002

Business opportunity or food pornography? *Chinese restaurant ventures in Antwerp*. 2002, 148-159.

Schiffman, L. G. & Kanuk, L.L. 2009

Consumer Behavior. 10nd ed. Prentice Hall Europe. England.

Tutor 2u 2011

Building a brand. Tutor 2u. [Accessed 3th November 2011]

http://tutor2u.net/business/marketing/brands_building_brands.asp

Vapaa-aikavirasto 2011

List of restaurant in Kuopio. Vapaa-aikavirasto. [Accessed on 27th September 2011]

<http://www.vapaa-aikavirasto.com/ravintolat/>

Wickham.P. 2006

Strategic entrepreneurship. 4nd ed. Pearson Education Limited. England.

Zeithaml, V. & Bitner, M. Gremler, D. 2006

Service marketing. 4nd ed. McGraw-Hill/Irwin. New York.

APPENDIX

Appendix 1 Questionnaire for customers

Name:

Nationality:

Q1 Could you give me some reasons why you like go to Chinese restaurant?

Q2 Do you go to the restaurant with your family or friends or alone?

Q3 What is the main reason for you to visit the restaurant again?

Q4 How often do you visit Dragon Sheng restaurant in a year?

Q5 How important is the service to you for Dragon Sheng restaurant? Could you explain the reasons?

Q6 How important is the food to you for Dragon Sheng restaurant? Could you explain the reasons?

Q7 How important is the price to you for Dragon Sheng restaurant? Could you explain the reasons?

Q8 Could you describe how you do like the service and the food in Dragon Sheng?

Q9 How do you act if you would not satisfy with Dragon Sheng service?

Q10 Could you please give development ideas for Dragon Sheng restaurant?

Appendix 2 Questionnaire for manager

Q1 Can you tell me something about the background of your restaurant?

Q2 What are the capacity constraints of Dragon Sheng?

Q3 How do you manage the demand and capacity constraints?

Q4 How do you manage the relationship with your customer?

Q5 What the benefits you get from the good relationship with customer

Q6 How do you set the price for your menu items?

Q7 Do you set the service price based on customers' perceived value?

Q8 How do you build the restaurant brand?