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# Marketing and Service Development

## Case Hot Pot Chinese Restaurant

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**Laurea University of Applied Sciences**  
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## Marketing and Service Development

Case Hot Pot Chinese Restaurant

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**Abstract**

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Chinese food with exquisite and deep cultural meaning can be thought a culture combination of China with other countries through thousands of years. Nowadays, more and more people are attracted by its exquisite flavors, colors and ingredients, also more and more Chinese restaurants are running all over the world.

This Hot Pot Chinese restaurant is located in Ruovesi Finland. Ruovesi as a small town, there are 4949 inhabitants, however, numbers of tourists come here during summer. (Wikipedia 2012) Nowadays there are only three restaurants, one summer restaurant and two bars opening here. Sometimes people even could not find a suitable place to have a family or business meal.

Thus, opening a new style restaurant in Ruovesi should not be a bad business idea. However, risks still exist. When the tourists leave, elder people stay who just prefer Finnish food, this business will face a difficult situation. Thus, it is quite important to create a suitable restaurant business model and to do the marketing, in order to make people accept this new tasty food. The main aim of this study is going to help this new Chinese restaurant knowing well its image in the customers' eyes and find an appropriate way to do the marketing and service improvement as well as its operation strategy.

In this thesis, face-to-face interview and survey questionnaires are the primary way to collect data from customers. The secondary data collection includes books, articles, and other online information. From the result of the research, marketing improvement, service improvement and food style improvement three main vital parts need to be improved future. Moreover, nowadays more and more people prefer vegetarian food to keep health in the world. It is quite worth to pay attention in this area to help develop Chinese restaurant industry.

Key words, Chinese restaurant, marketing development, marketing mix, operation strategy, customer service

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## 1 Introduction

### 1.1 Background

“Food ranks first”, as we all know, Chinese people love food and love cooking food who believe the process of preparing food is an artistic creation. Based on this, Chinese food is famous among the world.

Nowadays, there are around 50,000,000 Chinese living abroad approximately 3,7% of the local population. Running own business is the main source of income for Chinese abroad, especially operate a Chinese restaurant. At present, there are over 200 Chinese restaurants in Finland which are mainly located in the big cities. However, with the high competitive pressures, more and more Chinese restaurants transfer to small places. (Kiinalainen-ravintola 2012)

As we all know, entrepreneurial start is not easy. At beginning, to make sure the location makes economic sense (Pakroo 2012, 52). It is necessary to know well how the business environment and customer groups. After these researches, drafting a suitable operation plan will help going afloat. Moreover, with the customers’ demand changing could be a way running longer.

This thesis case study Hot Pot Chinese restaurant is inside a biggest shop Tarvike-keskus in Ruovesi. Ruovesi is known as its beautiful scenery like Siikaneva wetlands and Poet’s Spring, Helvetijärvi National Park and old Finnish cultural heritages. Even though there are only around 5,000 people living here, thousands of tourists come from abroad and everywhere Finland in the summer so opening a new restaurant here could not be a bad idea. Three main reasons as follow: first of all, more than 300 hundreds customers come to this shop summer time and around one hundred during winter time. Even 10% customers come to eat and spend 10 euro per person, the profit is about 100 euro–300 euro at least per day. Furthermore, only two Finnish restaurants and one Kebab open almost every day and two bars open night time. Thus, a Chinese restaurant seems fresh for the people never eat Chinese food, seems convince for the people love Chinese food. At last, people would like to choose a formal occasion to celebrate important days like mother’s/father’s day. There is no doubt it is better to choose Chinese restaurant than kebab or other fast food restaurants. (Ruovesi 2012.) Also this restaurant provides coffee and cakes during day time.

On the positive side, risks still exist. When the tourists leave, elder people stay who prefer Finnish food, this business will face a difficult economic situation. Also, for the customers never eat Chinese food, they may just pass if the business looks deserted. This negative impact will be repeated the baseless assertion. In a word, it is worth paying attention to these bad situations.

Thus, it is necessary to find out an appropriate mode of operation and service improvements as soon as possible which are based on a series of survey. Meanwhile, launch novel advertising attracted customers during different period.

## 1.2 Research motivation and questions

The research motivation of this topic causes the author working in this restaurant since this summer. No doubt, the business was running quite good at the beginning, turnover is decreasing day by day when autumn comes. Coincidentally, the author's major is hospitality management who really would like to help this restaurant solve this problem through a series of researches and create a new, profitable Chinese restaurant image in customers' eyes. It is quite worth make people better understand this five thousand years country with more traditional Chinese cultural elements in restaurant. Thus, find out the profitable marketing strategies and operation approach.

In correspondence to the above introduction, research questions are listed below:

RQ1: What are the images in customers' eyes about this restaurant?

RQ2: What kinds of corporate images or services have been presented by restaurant?

RQ3: How to find out a accuracy and profitable operation strategies?

## 1.3 Research methods

This thesis needs gather a plenty of primary data, so both qualitative and quantitative research methods are used in order to get more reliable and valuable result. And the main approach is face-to-face interview and writing daily diary about customers' behaviors, also quantitative questionnaire surveys is applied for partly customers. The face-to-face interview is focused on middle-aged people speaking English, and most of them are foreigners who would suggest the advantages services providing in their countries' Chinese restaurants. The secondary data are from theoretical research, like online surveys, books, journals and so on.

## 1.4 Thesis structure

This thesis consists of six parts. The first chapter is the introduction of the background and the reason to choose this topic. The second chapter is mainly focused on theory collections of business strategic, marketing and food culture. Then research methods and questions are in chapter 3. The fourth chapter is about the case study Hot Pot Chinese restaurant which includes general information of this Chinese restaurant, analysis its business and competition

situation in Ruovesi, marketing mix and also results from interview and survey. Chapter five is about the service development to help this Chinese restaurant running better and better. Moreover, conclusion and theory references are showed at the end of this thesis.

## 2 The literature review

### 2.1 Business strategy

#### 2.1.1 Strategy management

In the world, perhaps all of us have ever wondered why some companies are more successful combining with others? The reason could be found easily from their business strategic instead of a secret. Strategic management is the ongoing process companies use to form a vision, analysis their external environment and their internal environment, and select one or more strategies to use to create value for customers and other stakeholders. (Ireland, Hoskisson & Hitt 2008, 6) Indeed, an accurate, adaptive and effective business strategy makes different way from its competitors which deliver a unique mix of value to customers.

McDonald's CEO Jim Skinner said "We are listening to our customers and giving them what they expect from McDonald's-menu variety, enhanced convenience, and everyday value. This ongoing customer focus and execution through our plan to Win is driving the sustained momentum of our global business". (Foodbusinessnews 2013) Like people have dreams, companies also have an image creating in the future that is "Vision". And "Mission" is like a vehicle leading to the vision. The business vision from Jack Wout defines the desired or intended future state of a specific organization or enterprise in terms of its fundamental objective or strategic direction. (Vant Wout, Waage, Hartman, Stahleeker & Hofman 2010, 36) For instance, The Coca-Cola company said they must look forward and prepare well for the changing trends in the future, in order to continue achieving sustainable, quality growth. And their vision is creating a highly effective production in a long-term return together with partners in order to be the world quality beverage brands. Also Coca-Cola Company desires to be a great working place and strong supports sustainable communities. (Coca-Cola 2012)

In spite of internal analysis, examination external environment cannot be ignored which includes general environment, the industry environment and the competitor environment three parts. Firstly, companies need to take care of these elements consisting of general environment: demographic, economic, political, sociocultural, technological, global, and physical trends. Among these, demographic and economic two parts will be explained more as follow. Consider carefully about geographic trends will affect directly firms' profit or even could be alive or not. For example, increasing population rate or situating around factories might bring more business opportunities for the restaurant. On the other hand, economic



changing will influence customers' purchasing decisions such as they perhaps decrease shopping time and cost.

Michael Porter's five forces model will show industry environment. Combine these 5 forces as the micro environment, it shows how it affects a company serving its customers and getting profit.

## The Five Forces That Shape Industry Competition

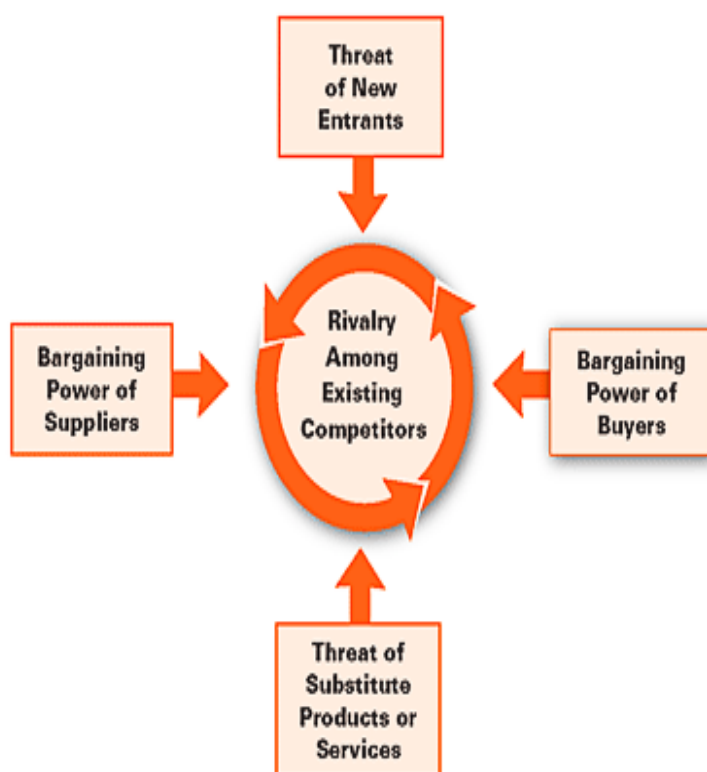


Figure 1. Five Forces Analysis, Michael Porter (Hbr 2013)

With more and more challenges are emerging and various different forms competitions coming out, skillful competitive analysis seems a key task in determining how an enterprise deliver value in contrast with its competitors. The definition of competitive analysis is "Identifying your competitors and evaluating their strategies to determine their strengths and weaknesses relative to those of your own product or service" (Entrepreneur 2012) In the other words, "valuable analysis helps decision makers to understand and predict critical market-changing actions that may be taken by competitors and other competition" claimed by Craig Fleisher. (Ftpress 2013)

Generally it is involved two ways to identify both current and potential competitions. First of

all, search for the customers' viewpoint then gather the competitors based on how they get profit. On the other hand, find out the motivations of competitors from their various competitive strategies. After that you will get analysis results on a competitor's strengths and weaknesses are usually based on the presence and absence of Key assets and skills needed to compete in the market. (Kamara 2007, 24) From this analysis process, you will find out the successful elements as well as the causes behind their failure which is a good guide to be successful. Furthermore, it is necessary to concert efforts about key asset or skill in these four areas: The reasons behind successful as well as unsuccessful firms; prime customer motivators; Major component costs; Industry mobility barriers.

### 2.1.2 Strategy formulation

Strategy formulation is how the firm chooses to define strategy and how it approaches implementation through strategic management. The nature of the strategy formulation will therefore result in the adoption of a specific approach to strategic management. (Karami 2007, 1) Top managers bear responsibility for the ramification of strategic formulation decisions: this reflects their authority to commit company resources for implementation of strategy. (Karami 2007, 16)

Corporate Level Goal, Business Level Goal and Functional Goal are three main strategy formulation aspects. Corporate Level Goal is focused on the whole company's direction that involves growth objective, business lines and emphasis capabilities. According to Rex C.Mitchell, growth objectives can range from drastic retrenchment through aggressive growth. As an organizational leader, revisit and remake growth objectives and strategies in case the company in the trouble situation. (Csun 2013) In the other words, based on the current position developing a diversification plan, there is no doubt, it is a way to alive in this competitive market. Moreover, it is necessary to consider the portfolio of lines of business which is not the products' portfolio. A useful company portfolio will help to understand well of this company in order to consider about changing the allocation of resources of business. Meanwhile, leaders generally would like to think about diversification such as a narrow scope or a short-time profit sometimes is more successful. Allocating resources reasonable and emphasizing the capabilities through the business portfolio will be the third key part.

Competitive or business level goal focus improving the companies' competitive situations among various companies. Said by Michael E.Porter, competitive strategy is about being different (Ipocongress 2013). It means deliberately choosing to perform activities differently or to perform different activities than rivals to deliver a unique mix of value. All in all, a strongly uniquely or distinctive plan guide to success, such as superior technology, better service and so on.

Functional Strategy is the guidance of activities developed by the various departments in the enterprise which works for and matches corporate strategy and business strategy. For example, the corporate strategy establishes differentiated development direction, and then the functional strategy also called Human resources strategy must encourage this innovation and pay attention to training and learning. And following two main types of functional strategy are explained. First one marketing strategy refers to a long-term plan and subjective efforts in order to get target result that also aim at adjusting the demand of time and nature. On the other way, the technology strategy focus on the whole plan of company's technical standards, technology selection and technology development. Thus, keeping ahead of technology strategy will obtain unexpected result and more competitive.

### 2.1.3 Strategy implementation

Strategy implementation is the process making companies' strategy defined. When the strategy has not been acted, it often seems a "Product" or an "Image" in the mind. State by Clayton M. Christensen "Intended strategies can be implemented as they have been envisioned if three conditions are met". (Innosight 2012)

At first stage, managers need to make this ideal strategy become actual action with most employees and mobilize their enthusiasm and initiative, in order to eliminate old ideas. After that, make sure each of the members understand the same sense as managers as they do. Thirdly, pay attention the influence from external like political form and technological development.

### 2.1.4 Strategy evaluation and control

Strategy evaluation and control means the process evaluate the activities of the inspection companies to achieve progress and combine the performance with the established strategic goals, such as found the strategy gaps, analysis the causes of deviations, corrective deviation in order to coordinate current business, external environment and business goals. For the purpose of controlling the strategy, firstly, it needs to evaluate the strategy. However, evaluation and control these two points focus on difference, evaluation is concentrated on the results of the strategy process, on the other hand, strategic control just focuses on the process. Claimed by Dr Shyamal Gomes , evaluation and control are not easy activities, one of the obstacles to effective control is the difficulty in developing appropriate measures of important activities and outputs. (Xisspm 2012)

More details of evaluation and control process will show as follow. Above all, set of performance standards according to the corporate strategic objectives, combined with

internal human resources conditions and financial situation. And also the standards are for intermediate stages as well, not only for the final. Secondly, design and take corrective deviation actions to ensure the successful of the whole process. Besides, series of effective measurement methods will be used to measure actual performance. At this moment, the measurement process stop if the actual results are fit for ideal standard, otherwise it is necessary to take corrective action. Furthermore, monitor and pay attention to the external environment can not be ignored all the time because the changes of external environment lead strategic change. Encourage everybody and building up positive affects is one of important key points.

## 2.2 Marketing development

### 2.2.1 Marketing Environment

American Marketing Association (AMA) approved October 2007 defines marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (Marketingpower 2012) Based on Philip Kotler, marketing is the planning and implementation process of design, pricing, promotion and distribution of ideas, products and services, resulting in the exchange of personal and organizational goals are met which is the more comprehensive definition than others. (Kotler & Armstrong 2010, 7) Ultimate goal, exchange and products value are three main points of marketing explained as follow. Firstly, ultimate goal means “meet the needs and desires”. Then, exchange is the core of marketing, this exchange process is an active opportunity to look for both the needs and desires of the social process and management process. Thirdly, product and its value decide the exchange process can proceed smoothly. Moreover, marketing continues throughout the product’s life, to find new customers and keep current customers by improving product appeal and performance, learning from product sales results and managing repeat performance.

Marketing environment means all the uncontrollable actors and social forces which affect enterprises marketing activities, such as suppliers, culture, customers and so on. On the other hand, it involves internal and external environment that influence and constraint marketing decision-making. Marketing environment consists of forces that surround the marketing department. (Young.2008, 53) Jain defined the marketing environment to include all those factors that may affect the organization directly or indirectly in any perceptible way. (Ezinearticles 2013) And macro marketing environment one branch of marketing environment is a indirectly control element which affect the micro-environment so that affect corporate marketing capability and efficiency of a huge range of social forces including demographic, economic, political, legal, scientific, technical, social, and natural ecology and other factors. Also, micro marketing environment is closely linked with the enterprise so called direct

marketing environment, impact on the sum of the enterprise marketing capabilities and efficiency of the various forces and factors like enterprise itself, consumers, competitors and the public. The relationship between macro and micro marketing is not parallel, but is a master-slave relationship. Micro marketing environment is influenced by the various forces and factors in macro marketing environment.

Following there are more information about demographic, economic, technological, ecological, political and cultural six major parts in the external macro environment. A good company will never give up collecting plenty number of demographic statistics. Defined by Robert W McCormack no business exists and operates in a vacuum, but a part and parcel of the environment in which it finds itself. (Ezinearticles 2013) Young claimed, demographic environment is an advantage to the firm, considering that the characteristics of the population generally affect the consumer market. (Young 2008, 53) It involves the birth rate, gender and age, education level, family structure, mobility of population situations and so on. As we all know, women and children are the big purchase groups for the companies who always buy goods even they do not need. Moreover, different age groups have their own interesting products, but sometimes, they just sometimes will jump over their own shopping area. Essentially, education level decides the ability how much people earn. These educated people with higher salary have better quality products and services demands. Also the educational level of people affects the kind of advertising campaigns that will be pursued by the firm.

Economic environment mainly involves external marketing activities of enterprises facing social-economic conditions refers to the purchasing power of society. The factors affect consumer purchasing powers are their income, spending, credit and household savings, while consumer income is the most important key point. Engel's law states, when household income increases, consumption proportion will increase, but the proportion used to buy food expenditures will decline while for clothing, transportation, health care, entertainment, education expenses increasing. Analysis of consumer spending to help businesses understand the demand characteristics of the target market, to market opportunities, determine the marketing strategy. Nowadays, people use Engel coefficient to measure family, regional and national wealth.

Traditional culture gradually formed in thousands of years, it affects and restricts people's behavior. So marketers need give full consideration to the local traditional culture, to study the demand characteristics and purchase behavior of different social classes and groups. Furthermore, political environment refers to marketing regulations, standards, practices which influence and constrain firms. For example, payment taxes are decided by government and enterprises pay for taxes correctly and on time. Policies on cleanliness are formulated by

government officials while ethical business practices are closely monitored by government agencies. (Young 2008, 56)

### 2.2.2 Customer relationship management

Besides marketplace, customer needs and marketing strategy these points, build up profitable customer relationship also an important role for the company. And this view was first used in American as “Contact Management” searching for all kinds of contact information from customers. Nowadays, customer relationship management (CRM) is going to provide a full range of management perspectives for enterprises and better customer communication skills. The definition of CRM from Philip Kotler is overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. (Kotler & Armstrong 2010. 37) In other words, customer is an important asset of enterprise to establish long-term and effective business relationship with customers. Thus, companies should know clearly, it is not only to create profitable customers, also to ‘own’ them for life, capture their customer lifetime value, and earn a greater share of their purchases. The only value your company will ever create is the value that comes from customers. (Kotler & Armstrong 2010, 47)

Claimed by Werner Reinartz, the best customers, they cost less to serve, they are usually willing to pay more than other customers, and they often act as word-of-mouth marketers for your company. (hbr 2012) Thus, it is necessary to find out the right ways managing relationship between customers carefully that are loyalty and profitability. However, as we all know, thousands people have thousands ideas about one same thing, product or service. We can not identify only through their actions because no one knows the current profitable customers whether continue to be in the future. So, how to make customers delight seems more important than their satisfaction. It is an emotion from their inner when people feel delight, at this time, we will easily create another type relationship with customers. Instead of a business-to-customer phenomenon, you are the true friends.

#### High Profitability

Butterflies	True friends
High profit potential	Highest profit potential
Aim to achieve transactional satisfaction, not attitudinal loyalty	Build both attitudinal and behavioral loyalty
Key challenge is to cease investing soon enough	Delight these customers to nurture, defend and retain them

<p><b>Strangers</b>          Lowest profit potential          Make no investment in these relationships          Make profit on every transaction</p>	<p><b>Barnacles</b>          Low profit potential          If share of wallet is low, focus on up and cross-selling          If size of wallet is small, impose strict cost controls</p>	
Low Profitability	Short-term customers	Long-term customers

Figure 2. Projected loyalty (Kotler & Armstrong 2010.48)

### 2.2.3 Marketing Mix

Nowadays, the new theoretical system of marketing mix can be summarized into five stages, 4P, 4C, 4R, 4S, 4V, PCRSV, regardless of such evolution is inseparable from the concept of a core value creation. In fact, different enterprises can not be completely advocate a particular similar concept of the marketing mix which will be used by different industries in different stages of development in different regions under different market enterprise. There is only the most appropriate concept instead of the best. For instance, manufacturing is still stuck in a relatively reasonable 4P, they are actually not directly to consumers, they just passively accept any order; While the low-end service sector increased use of 4C stressed easy to get satisfied with customers; Middle level service industry focus on 4R that emphasizes the interaction with the market perception and role; High-end services need more 4S so that high quality delivery of fast high satisfaction; Then giant enterprises will chose 4V concept because they have power, ability, strength architecture 4V management system.

The marketing mix refers to enterprise controllable marketing measures to form a holistic activity in order to meet the needs of consumers. This concept was earliest used in 1964 by Harvard University professor Neil Bowden. (Xcnovel 2013)The marketing mix is the set of controllable tactical marketing tools—product, price, place and promotion that the firm blends to produce the response it wants in the target market. (Kotler & Armstrong 2010, 76) In other words, market just likes a cake involving eggs, milk, butter, sugar, flour and so on, but we will get different tasty cakes when we put different amounts of these elements. It is the basis for enterprise developing marketing to ensure the whole to meet consumer demand. In addition, it is a corporate deal with competitors powerful ways, is a reasonable allocation of costs based on corporate marketing budgets. The final aim of marketing is encouraging people buying products. Starting from conceptualization to production and ensuring that the products and services end up with the consumers is indeed a sophisticated process that

requires accurate analysis coupled by hard work and a combination of the so called marketing mix. (Young 2008, 129)

Constitute “4Ps” marketing mix argument is ultimately impact and decisions of the decisive elements of the marketing benefits. From this relationship, they make up a dynamic combination, if change a factor, there will be a combination of different marketing. Moreover, marketing portfolio consists of many levels, on the whole, “4Ps” is a great combination, each P including a number of levels. So, companies need to consider not only these four elements, and also within the combination of each. However, companies must accurately determine a particular marketing environment, basis of resources and target market characteristics, in order to work out the best marketing mix. Therefore, the role of the best marketing mix is not product, price, place and promotion four elements simple sum as  $4Ps \neq P + P + P + P$ , while to enable them to produce an overall coordination role. For instance, one Traditional Chinese Medicine (TCM) prescription has four herbs inside which each of them has a different effect, the therapeutic effect, the condition being treated is also varied, but if we put them together its role is greater than each. Only the best combination of marketing mix will produce an overall synergistic effect. In this sense, marketing mix also can be a kind of business art.

Therefore, we can easily find the advantages of 4P that enterprises can regulate, control and use it into target market. Enterprises are able to decide independently products development, price, sales channels and promotions. Its intuitive operability and ease of controllability is the biggest advantages. As well, it can clear analytic enterprises throughout the marketing process and close contact with the product from production processing until the exchange consumption reflected the entire commodity trading. At this time, companies are easy to grasp and monitoring which part has the problem and then timely diagnosis and correction.

However, 4P defect is obvious, it is enterprise-centric in pursuit of profit maximization principle which is bound to produce contradictions between enterprises and customers. In recent years, with the using of the Integrated Marketing Communication (IMC) more experts pointed out that push the product first and quickly study the needs and desires of consumers; sell the product people determine instead of the products can be manufactured; Temporarily forget about the pricing just go to understand how much consumers want to pay. In a word, companies must be in pursuit of customer satisfaction, no longer suitable for the current market conditions. This transformation is accomplished by converting product into customer solution, price into cost to the customer, place into convenience and promotion. (Ccsenet 2013) While this 4C theory was put forward in 1990 by the American Marketing expert Professor Lauth Peng, Customer, Cost, Convenience and Communication. (Cxcnovel 2013) It bases on the needs and desires of consumers to produce products, provide services and



pricing decisions according to customers' ability to pay, convenience of customers to provide service to set up distribution channels. In order to seek better understanding and recognition from customers, companies need more opportunities to communicate with customers' emotions and thoughts.

4C theory adhere to the customer-oriented, its goal always focus on what customer needs and how to better meet their needs these two main themes continuous improvement activities to the pursuit of customer satisfaction. This outside-pull marketing model prefers "the attention of consumers" rather than "consumers note". Compared with the traditional mode of marketing, customer-oriented organization that the customer is the sole reason for the existence of enterprises, the customer is the ultimate source of corporate profits. Considered only from corporate limitations, 4C pays attention to consumer demand overcome 4P strategy. From a marketing practice and market development trends, 4C also has a number of shortcomings. First of all, in the market competition, it is necessary to take into account the client also should take into account the competitors to be successful. In addition, 4C has not considered about the actual situation when stressed to customer demand. In a word, 4C just passive adaptation to customer demand never resolve operational issues to meet customer demand so that it does not win a long-term ownership of customer relationship.

4R marketing strategy is based on the characteristics of competition-oriented which are proposed by Done Schuhz involving Relevancy, Respond, Relation and Reward. It takes the initiative to create demand and integrates marketing optimization and system thinking by association, relationship and reaction forms a unique relationship with customers that links business and customers a competitive advantage. Pursuit of returns, business is bound to implement low-cost strategy to take full account of customer willing to pay in order to gain more market share. In this way, it seems the value provided by enterprise and pursuit of return complementary and promote each other, objectively achieve a win-win situation, however, it requirements associated with the customer that is not all companies can easily do. Firstly, relevance means the enterprises associated with customers by effective ways in a competitive market and formed a mutual aid, requirements and need relationship. As we all know, customer is a dynamic and customer loyalty is also changing, in order to improve customer loyalty win the long-term market and avoid they transfer their loyalty to other enterprises, companies must be set up firm associated with them in case reduce the possibility of loss of customers. Then, in the mutual impact market, the most realistic problem is not how to control the development and implementation plans, it is how to stand on the customers' point to listen their desire and demand timely responses for them. Moreover, relationship between consumers requires continuous improvement. At the same time, enterprises should identify different kinds of customers which mean distinguish service types to one-time customer and lifetime customer. Refers to reward of enterprises, it

includes short-term and long-term revenues and profits. On the one hand, pursuit of return is the driving force of the development of marketing; the return is the necessary condition to maintain market relationship. Enterprises meet customer needs, and then provide value to them as well as getting profit from customers.

4S marketing strategies is mainly emphasizing consumer demand to establish a “consumers possession-oriented”. It requires companies to ongoing consumer satisfaction with products, services, brand improvement, to achieve the optimization of enterprise service quality and maximize consumer satisfaction. And this improving customers’ loyalty way includes Satisfaction, Service, Speed and Sincerity four parts. Satisfaction means customer as the center, to put customer needs and satisfaction on the first of all considerations. While, service includes several aspects content, such as proficient staffs provide as much product information as they know; Friendly attitude with the enhanced level of service treat customers as “God”; then it is important to invite every customer come again and to create a warm environment. Speed refers not spending too long time handle customer cases that is also a simply and sincerely way treating for customers. However, it is considerable difficulty for an enterprise to achieve every consumer satisfaction and establish and unique enterprise brand. This is not only related to the corporate decision-making related to the attitude of each employee from up to down, and more requirements to establish a corporate culture in order to achieve the best and most refined customer service to make customers satisfactory for recognizing brand.

Since the 1990s, the high-tech industry is rapidly rise of emerging high-tech products and services, the internet, mobile communication tool, developed transport and advanced information technology to make the whole world new. Then original business and consumers state improved diversification of channels of communication, more and more multinational companies’ worldwide resource integration. In this context, Variation, Versatility, Value and Vibration form a unique marketing theory style. This 4V is mainly stressed that enterprises should implement differentiated marketing, so establish their own unique image to distinguish with competitors. On the other hand, consumers are differing from each other, so it is necessary to meet individual consumers’ needs. Furthermore, 4V theory requires the products or services are more flexible, able to be combined for the specific needs of consumers. Finally, it pays more attention to the intangible elements of product or service to meet the emotional needs of consumers through brand culture.

Last but not least, enterprises need to deal with corresponding relationship with target market and consumers state. The nature of an appropriate marketing mix, it is essentially determined by the needs of the target market. Therefore, enterprises need incisive analysis and full understanding of the target customer needs, attitudes and other conditions so that

companies will quickly and reasonable plan marketing mix under the external constraints. First of all, the potential customers' location and demographic characteristics which impact the potential size of target market and promotional strategies. Then the consumption patterns and purchasing behavior characteristics affect product factors how to meet and match up the material needs and psychological needs of the potential customers. Comparison of the urgency potential customer needs, willingness to buy goods; standards of service and convenience to buy or not affect whether customers are willing to pay. In addition, competitions in the market characteristics affect all aspects of the marketing mix. When the state of consumers from attention to the stage of the development process, the role of advertising is a downward trend, the role of the product grew stronger so that the role of prices is most prominent in the middle of the stage. The formation of consumers' purchasing decisions is the result of a combination of factors in consumer behavior analysis. But now we need to pay attention to products, advertising and price these three factors playing different roles in consumer purchasing decisions. Thus, enterprises will easily obtain a multiplier effect matching up marketing mix and consumers' decision-making process reasonable.

### 2.3 Finnish and Chinese food culture

With more than five thousands of years culture, people easily taste different kinds of food in China. While influenced by eastern and western countries, Finland also has its own food culture. Due to Finnish and Chinese different food culture characteristics, it is necessary to know well their gap and integrate them appropriately together when run a restaurant business.

#### 2.3.1 Finnish food culture

Because of the location of Finland, nowadays the mainly food cuisine is combined eastern and western countries style especially from Sweden and Russian. Kirsti Grönholm claimed in the early time Finnish restaurant connected Finnish, German, Swedish and Russian good points together to precepts of French cuisine. So it proves again Finnish cuisine-east meets west in Scandinavian style. (ThisisFinland 2012) Finland's Nordic location, with its cold snowy winters, pure soil, and long and light summer days, gives the Finnish cuisine its special, fresh taste. (Finnishfood 2012) which means they may available eat fresh food only about four months in a year. Thus, at that time they are quite relying turnip and later potato, dark rye bread, milk and other fermented dairy food.

Finnish food claimed, environmental values are highly regarded and organic, local and Eco-friendly products are popular. (Finnishfood 2012) Also Finns quite love seasonal food, they eat right food during their own seasons because it not only tastes good as well as more healthy.

Due to the special nordic environment, there are more than 60,000 lakes existing here only about 8% is arable. So the eating experience will start from a fish course, such as salmon, whitefish, iridescent trout, and also a small cod-muikku. During the summer time in Finland, everything seems active when the best season to stay outdoor. People go fishing, celebrating midsummer with beers, sausages and other barbecue food, picking up all kinds of berries and mushrooms in the late summer. Moreover they also use the limited land around them growing crops. Potatoes and grains can not be ignored for Finns, but Finns they do not like sweet wheat compared with rye, barley or oats. Even though they eat potato in the whole year, in the spring period they will cook potato dishes to celebrate the first potato harvest season. During autumn and winter time, Finns eat much more meat like reindeer, wildfowl and ham.

Nowadays, with high living standards, more and more people especially young people prefer to eat a pizza, hamburgers or some other fast food instead of a long time cooking.

### 2.3.2 Chinese food culture

China is an ancient civilization with a long culinary culture. Food culture to be proud of Chinese which is also one of the easiest aspects accepted in the world. It is the wealth created by all ethnic groups Chinese people in more than thousands years. From the extension, Chinese food culture can be classified from geographic, economic, ethnic, religious and utensils a variety of angles, they are demonstrating the different cultural tastes. From the characteristics, Chinese food emphasizes vegetarian diet and pay attention to the color, smell and taste.

Concerned Chinese cooking is not only technical skills, also we have a tradition to make aesthetic dishes especially food color, smell, taste and shape's coherence. Either a carrot or a cabbage can be carved out of a variety of shapes to create a high level of mental and substance special enjoyment. Furthermore, name can be said of the Chinese dishes superb which depend on realism, historical anecdotes, myths and legends or dishes image.

Chinese also like to combine food with TCM cause Chinese people agreed "medical and food have the same source and effect" as far back as the Han Dynasty (206 BC–220). The dish with medical raw materials value will reach the purpose of the prevention and treatment of certain diseases. From TravelChinaGuide, this is not a simple combination of food and traditional medicine, but is a distinctive cuisine made from food and medicinal ingredients following the theory of Chinese medicine. (TravelChinaGuide 2012)

Since China is a vast land, there are significant differences about the climate, property and customs which cause a lot of flavors formed in a long time. From Chinese food history, the North and South have radically different climates that determined both the types and

availability of indigenous protein sources and crops grown in antiquity as well as now. In China, we always say “South Rice North Noodles” and “South Sweet North Salty East Acid West Spicy”. Moreover, the food changes with the seasons since ancient times. In the winter eat more strong taste food while in the summer cool and multiply salad are the main dishes.

After a long history, different places have formatted their own local dishes in China. Shandong, Sichuan, Jiangsu, Guangdong these four cuisine formation of early time, and later Zhejiang, Fujian, Hunan, Anhui became famous which is known as “Eight Major Cuisines”.

Shandong cuisine becomes the representatives of north China after Song Dynasty. Because of the longer winter and more land to feed animals, north people they use heavy flavor and like to eat meat. Dumpling is one of the representative and famous north dishes. However, compare with Shandong cuisine, Guangdong cuisine is mainly called Cantonese cuisine prefer more fresh food. The special location near seaside and warmer weather, so the people have more food choice all the year while seafood and fresh vegetables are their favorite. Besides, they believe keep the original taste can be most delicious food.

When we mentioned Sichuan food, the spicy hemp and sour feelings will come out from our mind. Nowadays, Sichuan cuisine is famous all over the world because there are a plenty of chili pepper used in dishes. The unique of Sichuan cuisine get the reputation of “a food ingredient, hundreds dishes hundreds tastes”. Jiangsu cuisine started at the Northern and Southern Dynasties which is one of the main cuisines of “South food”. The cooking skills focus on color harmony, pay attention to shape professional knife skills and more sweet tasty.

In decades years, fast food and some other foreign countries food are accepting by Chinese people year by year. But most of older people they may never want to eat other food than Chinese.

### 2.3.3 Combination of eating habits of Finns and Chinese

As we all know, people eat food to survive our life who always like the food made by their elder relative person. Claimed by Eating Habits, eating habits can be defined as what and how people eat, their selection of food, their way of getting food that is influence by different environment, economic culture around the world. (Eatinghabits 2012) From Finnish and Chinese eating culture, they totally have different kind of living styles. Even though the same food, there are different tasty from Finns and Chinese. Every county has their own culture, to prepare, serve and eat food

At the Finns' eating table, we will find fork, knife, spoon and plate there compared with Chinese chopsticks, spoon and bowl. Chinese people like eat together who use chopsticks and bowls, the whole family as well as guests everyone just takes food by their own chopsticks. Concerned chopsticks, TravelChinaGuide says: Chinese ancestors liked to steam or boil food that was difficult to dip food in the soup, so they invented chopsticks called 'Zhu' at that time to nip food. Furthermore, Chinese people share every dish with each other, or even they would like to pick up the food to others with own chopsticks cause the private chopsticks is considered more far relationship. (TravelChinaGuide 2012) But in the Finnish eating table, everyone has their own tableware, they used to take the food to their own plate with the private tableware which is thought more courtesy.

There are three main meals in a day to get energy for Chinese while some of the people they would like to take tea or Chinese cakes during their free time. Old time the main meal is lunch, people eat the most in a day, but nowadays people eat a lot in the night time. Moreover, Chinese like to spend 4-6 hour to eat one meal, for instance, the meal starts from one or two o'clock will end by above five o'clock in the afternoon for celebrating important days. On the other hand, Finns also have three main meals in a day with several times coffee breaks. A cup of morning coffee is quite important for Finns with Finnish sweet or sandwiches with butter or cheese. During the lunch time, Finns also eat the most cause they always have a light dinner. However, Finnish people normally cost a little time to eat their meal, while in their important days they also spend a long time to eat with the family.

Rice is the main food in Chinese life compared with potatoes in Finns'. Finnish people they prefer salad first in a meal, later is main food like fish, chicken, beef or pork with potatoes or boiled vegetables and then a cup of coffee with litter sweet can not be ignored. The beverage during the meal, milk always served for the children, water, mineral water, juice or alcohol served on the table before the meal. While, Chinese people used to cook the meat with the vegetables together, soup, rice and sweet dish are served as well in the table. Nowadays, Chinese people drink water, juice or even alcohol during the meal instead of only the soup in the pasted time.

With the developing of the world, no matter Finland or China they all become more and more international and modern. With the keeping old transition people are getting more and more advantages aspects from other countries. Only above food area, Chinese people try to used milk products in their daily life while Finns also used to like rice and spicy food.

### 3 Research methodology

In order to get validity and reliability findings for the thesis, there are several different research methods used. Face-to-face interview and survey questionnaires are the primary way to collect directly data from customers. On the other hand, secondary data collection includes books, articles, magazines and other online information.

### 3.1 Research method

#### 3.1.1 Interview

Interview is known as a basic research method, interviewer get psychology and behavior information of respondents from talking face-to-face. This oral form will help interviewer collect objective and without prejudice factual information so that representative the overall sample. Interviews with different forms lead the different nature, purpose and object of the research questions. However, the interview unlike most other techniques requires interpersonal skills of a high order putting the respondent at ease, asking questions in an interested manner, noting down the responses without upsetting the conversational flow, giving support without introducing bias. (Oppenheim 2000, 65)

Following there are few interview tips. First of all, conversation should follow a common standard procedure. In order to avoid subjective impressions and aimless, it is necessary to prepare well talking plan, including the exact wording of issues, the way of classification answers and also alternative plan if necessary. Now problems always appear, prepared in advance is not sufficient so it is difficult get desired effect. Also, research is very difficult to success when the interviewers use the wrong way to ask and think little and shortly. Second, as much as possible to collect respondents' material in order to obtain trust and cooperation of each other. In addition, master the technology questions adept insight into the psychological changes of the respondents. Thirdly, a psychological investigation is a key process. The researchers need to pay attention to their own behavior, such as honest, humble and polite. In order to prevent the respondents' feelings, the informal conversation can be use first.

#### 3.1.2 Survey

Survey method is used to seek and understand useful advice, views and opinions of the same phenomenon which was based on a way of writing a research method to collect data. Normally, investigators prepare the study form by mail, face-to-face answer or track access way. From Oppenheim, the need for an appropriate research design arises whenever we wish to generalize from our findings, either in terms of the frequency or prevalence of particular attributes or variables, or about the relationships between them. (Oppenheim 2000, 5)

We always design questions by subjective-closed way, also we wish survey filled in self-administered survey in order to get more valid and reliable findings. However, sometimes the survey language is too obscure, measure data is incomplete, semantics is not clear or contains multiple variables, they all will fail to provide accurate answers to the questions under investigation (Oppenheim 2000, 9)

## 3.2 Research questions

### 3.2.1 Interview questions

The interview questions are divided into two parts, one is focused on the restaurants in Ruovesi and the other is going to gathering customers' opinions for topic Chinese restaurant.

The main reason to interview the other restaurants in Ruovesi is going to do the comparison between Chinese restaurant and the others and find out disadvantages from the basic marketing information, for example the situation, price, opening hours and so on. But, the comparison does not mean they are enemy, it just the fastest way to grow up of the enterprise.

In Ruovesi area there are more than ten restaurants, but this time the author just choose eight of them located nearby the center. The interview is better continuing with the staff in the restaurants because they are familiar with their customers and easier to get accurate information. There are totally six questions that may cost 15 to 20 minutes. How many kinds of food are serving here? What are the prices of them? These two questions are focused on the basic information so that we will know well different food service characteristic of each of them. And next two questions will provide information about their marketing way and their target customers group. How many customers per day? When is the busiest time? From the last two questions we can judge this business environment, how fast, how big and how far we can develop? How many percent are the familiar customers? What kind of food they usually take?

Furthermore, the face-to-face interviews to customers help to seek and understand customers' view. Customers as the heart of one enterprise, their opinions help enterprise going more successful. The target interview customers are an international group. Totally there are 10 variable groups, two of them are from Australia, two are from Russia, one is from Switzerland, and the others are from Finland Helsinki, Tampere and Ruovesi. Totally the interview takes about 20 minutes. English language will be used mainly during the interview. A comfortable environment with cup of coffee and cakes seems more important for us. There



is no doubt, the author tries best to use appropriate and politeness words avoid any misunderstanding.

From the beginning questions we can find out Chinese restaurant its own characteristic attracting customers. Do you like Chinese food? What kind of Chinese food you like? Why do you like Chinese food and culture? And then, we need to make sure the different meaning for customers among other restaurants. How often would you go to eat Chinese food? When would you like to choose Chinese food? What is the difference meaning between Finnish food and Chinese food? Moreover, it is quite vital to know well customers' impression of this Chinese restaurant and gather their opinions in order to help change the marketing strategies in the right way. Do you satisfied with service and dining environment here? Could you give few advices of Chinese food, service and dining environment serving here?

### 3.2.2 Survey questions

The survey research target group is focused on the customers shopping in Tarvike-keskus during the summer time. As we all know, in the summer there are lots of tourists from outside Ruovesi, like Helsinki, Tampere and even other countries. The target group will be constituted with 15 men and 15 women from 18 to 60 years old. To do the survey research seems like more difficult for me cause my poor Finnish. So, the author invites one Finnish friend come to help me to do the research especially for elder customers who do not speak English.

Following the 4<sup>th</sup> question is getting to know our customer groups so that a new marketing plan will be managed in order to get more new customers and keep loyal customers. The 4<sup>th</sup> question is "Have you eat Chinese food here before?". If the customers say "NO", the 5<sup>th</sup> question is "Would you like to try someday?" instead of other questions. On the other hand, 6<sup>th</sup> question is "Do you like Chinese food here?" what helps us to know the customers' impression of food tasty. Moreover, the next one will show business development progress from customers' spending power. Then, the 8<sup>th</sup> and 9<sup>th</sup> questions make sure whether or not the location and price determine customer. In order to know the service in customers' eyes the 10<sup>th</sup> question is set up "Do you satisfied with the service and dining environment here?" Furthermore, all of the business owners they desire to serve the best product to customers. So the next question will help to know well their favorites food "Which of these food will attract you come to eat Chinese food?" There are five options salad, noodles, rice, Chinese beer and coffee, also it should have more than one answers. From our customers' feedback, there are still a big percent of people they will choose Finnish food compare with others. The last question will show us whether or not more customers coming to eating when serve Finnish food.

### 3.3 Validity and reliability

Validity and reliability is one of the eligibility standards of the research, so , it is the first step which will be carried out the analysis of the reliability and validity in order to ensure research meaningful.

Validity is a measure of whether the evaluation system that accurately reflects the purpose of the requirements. Validity boils down to whether the research is really measuring what it claims to be measuring. (KnowThis 2012) The internal validity is totally carefully from theoretical information, like books and online findings which is chosen updated as soon as possible. External validity refers to the research situation which means explain well questions, totally understand and record clearly interviewees' answers.

Reliability refers to the use of the same measurement tools to measure the same things repeatedly to obtain the same degree of consistency of the results. Reliability is chiefly concerned with making sure the method of data gathering leads to consistent results. (KnowThis 2012) In this thesis, all the research questions are set up according to theoretical information which is from newest online findings, famous and professional writers. Moreover, the author can manage the whole research because she is working in this restaurant.

## 4 Case study: Hot Pot Chinese Restaurant

In order to make a suitable development plan, it is necessary for us to know well the business situation about this restaurant at this moment. And the theoretical knowledge mentioned before will help a lot as well.

Marketing mix, no doubt could be a better way to analysis one enterprise. According to the complicate situation of this restaurant, it is not a wise choice to use only one kind of marketing mix instead of the best part from 4P, 4C, 4R,4V etc. Moreover, customer group is also a valued topic to analysis which will directly conduct our marketing way.

### 4.1 General information

As mentioned before, Hot Pot Chinese restaurant is located in Ruovesi where there are around 5000 inhabitants living here. Even though it is a quite small town, a plenty number of people from Helsinki, Tampere and other places have their summer cottages here because of the unique nature environment. Meanwhile, this new restaurant is open inside the biggest shop called Tarvike-keskus where every day around 300 people come shopping. Even though

this location is not the real town center and nearby factories, if just 10% of shop's customers come to eat and spend at least 8 euro while the income seems not bad.

Moreover, it is not only a Chinese restaurant, also it serves coffee and Finnish cakes. In the lunch time from 10:30 to 15:00, the buffet includes salad, three main dishes, desert and coffee. Besides, customers can order the menu here and someone would like to order take-away food eating at home. However, this restaurant does not serve any alcohol drinks, only soft drinks and juice so that it is quite easy losing customers in Finland. One hand, as we all know, Chinese beer likes a simple of Chinese restaurant as its good taste; On the other hand, Finns like alcohol drinks that is important in their life. Thus, the people just come to buy food and leave quickly.

Here there are three big tables each can stay maximum 8 person and two smaller ones which only can sit 4 customers, so totally it can contain around 35 customers at the same time. Generally speaking, it belongs small size restaurant, however, it is easier to attract people who will 70% believe the food is good if they see at least two tables are full of customers.

The price list separates into take away list and table menu. Take-away list with limited food options is much more cheaper from 7,50 euro all the chicken to 8,50 euro beef dishes mainly in order to satisfy younger people who do not have much money. There are more kinds of dishes options on table menu with about 10,00 euro per dish with the atmosphere and service.

#### 4.2 Situation and competition

As a wise leader of enterprise, it is necessary to know well their business situation as well as their so called "competitors". However, a good enterprise should recognize their right and good competitors from other bad ones or different levels. Cause only the right and good competitors can influence their competitors and improve both of them.

In Ruovesi this small town, there are around six restaurant located which all of them operate by their own ways. There are more characteristic of these restaurants. First of all, Ravintola Liera is located in the town center opposite Ruoveden Government building and lake on the other side. With the enjoyable atmosphere and convince location, this Finnish restaurant is quite famous in Ruovesi. It is also a Pub opening night times that always hold big events during summer time. On this point, Ravintola POP treat Liera as a competitor cause their main service is alcohol drinks. Another Finnish restaurant is Kukkapaikka that is a flower shop and Petrol station nearby the Road No.66. Moreover, Haapasaari Holiday Village named Jätkäinkämpä Restaurant is located on the private island about 1,5 kilometers away from

center. The restaurant is mainly for the travelers from Russia, German and French. Kebab Pizza is quite famous eating place as all the Finns know, in Ruovesi this Kebab Pizza has a advantage location with the neighbour Siwa, Nordea and High school. Furthermore, during the summer time, there is still a boat restaurant opening near the harbor with some fried food and alcohol drinks. For the travelers, Jämkipohjan Grilli about 15 kilometers away Ruovesi center as well as Kahvio Myymälä Seo petrol station 5 kilometer from center can be a good place to have a rest.

The price of Chinese restaurant is in the middle of these restaurant, Ravintola Liera can be the oldest and best place where the normal food between 15 euro and 25 euro per person; but if you want to choose the cheaper places, the price is around 7,50 euro in Kebab pizza located almost in the center, otherwise Kahvio Myymälä and Jämkipohjan Grilli are also a good choice if you like a short-time traveling.

#### 4.3 Marketing Mix

4P: meet market goals

Product: Chinese food includes chicken, pork, beef, duck, seafood and rice

Also provide coffee and cakes

Price: Lunch cost 8,50 euro, normal menu food around 11,00 euro and take-away food from 7,50 euro

Place: 1,5 km away from center but inside the biggest shop in Ruovesi

Promotion: Mainly marketing way is newspaper updated once a week and not totally finished facebook website

4C: meet customer goals

Customer: Workers, shopper, retired people, traveler, student etc.

Cost: Most of adults' customer can accept the price, the students think it is expensive

Convenience: Not so advantage location

Communication: Cause the language problem, always misunderstand the older customers. But the smile will win everything

4R: build customer loyalty as the target

Relation: Know well the different customer groups, eg: young age or older age, new or loyalty, potential loyalty or only tasty

Relevancy: Try best to provide food and service and make each of them satisfaction in order to gain more loyalty customers

Respond: Collect customers' feedback, but also because of the language problem we only can get the valuable information from the customers who can speak English. Also, we try to think about our service is good from the customers who say to us "Hyva".

Reward: Make more Finnish style food like different kinds of salad during lunch time. And we are planning to make few types Finnish food, e.g., sausage, meet balls etc.

	Name	Type	Location	Food & Price /person	Capacity	Customer/ day
1	Ravintola Liera	Restaurant & Pub	Center	Normal food around 15,00 € Lounas 10,50 €	120	Since August it is closed. Before there are about 40 person daytime and around 80 people or more nighttime.
2	Haapasaa ri Jätkäinkä ppä	Restaurant & Bar	1,5 km from center	Normal food around 13,00 € Lounas 8,60 €	100	25 person
3	Kukkapaikka	Restaurant, Café, Fast food ABC Petrol Station It is a quite big flower shop in the middle of Finland	Nearby Road No.66	Normal food around 12,00 € Fast food around 7,00 € Lounas 8,20 €	110	Lounas time around 80 person, 90% are workers. Around 40 customers take a rest here, drink coffee with cakes or fast food.
4	Kebab-Pizzeria Engiz	Fast food	1 km from center	Normal food around 8,00 € Lounas 7,00 €	40	The best time of running business is night time which is the best place for younger people chart with friends, also the families buy takeaway food

						instead of cooking dinner.
5	Ravintola POPO	Bar restaurant	2 km from center	Normal food around 8,00 €	80	Only open Wednesday, Saturday and few special holiday. About 20 customers before Liera closed, now it is about 45 customers that most of middle age or older people.
6	Ulonsalmi Marina Summer restaurant	Fast food, Bar and Cafe	1 km from center	Normal food around 10,00 €	150	It depends the weather and if there is band there. Normally around 20 customers.
7	Jämnkipohjan Grilli	Fast food	15 km from center	Normal food around 7,00 € or less	25	Normally about 20 customers to have a rest there.
8	Kahvio Myymälä	Restaurant and Cafe	5 km from center	Normal food around 6,00 € or less Lounas 5,80 €	20	Normally about 20 customers that most are older people where is the place meeting old friends.
9	Hot Pot Kiinalainen Ravintola	Restaurant and Cafe	1,5 km from center	Normal food around 11,00 € Lounas 8,50€ Takeaway food 7,50€, 8,00€ and 8,50 €	35	Normally lounas time about 20 customers. Around 30 customers take a cup of coffee with cakes. Most of the customers come here before

						the shop closed during the working days. Friday night and weekends most of the families buy takeaway food.
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Figure 3. Comparison of restaurants in Ruovesi (Yang 2012)

#### 4.4 Customer interview and survey results

##### 4.4.1 Guests' profile

For the interview, as mentioned before, totally there are ten groups, two Australia and Russia groups, one group from Switzerland and others from Finland. Moreover, from the survey research, there are nine foreign interviewees. Even the rest are all Finns, only 10% is Ruovesi local people. More than 54% people are during 19 to 60 years old, only 2 interviewees are under 19 years old.

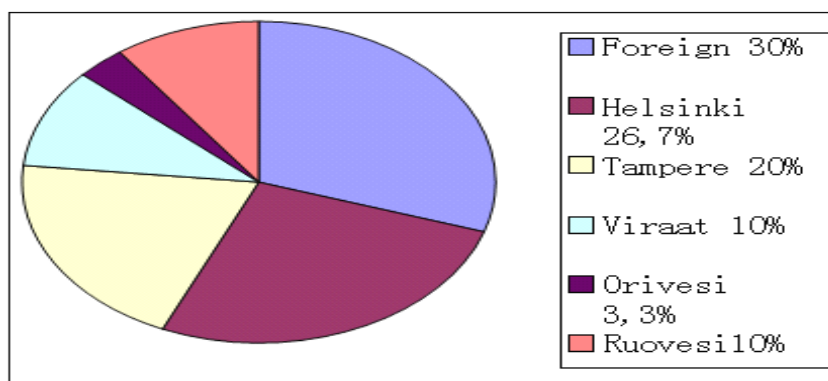


Figure 4. Guests' living places of survey research (Yang 2012)

##### 4.4.2 Previous visit Hot Pot Kiinalainen Ravintola

In the interview part, only one Russia and Helsinki group they are first time coming here as well as the tourists are from Switzerland just passing by Ruovesi. Luckily, the others customers they already come to eat more than two times. In the questionnaire research, totally there are five people (16,7%) they have not been to this restaurant before.

Moreover, about half of potential customers they would like to try after shopping and the others they will come with families someday. There is no one thought our Chinese food tasty bad. At least it is a new different tasty for them.

#### 4.4.3 Information sources of Hot Pot Chinese Restaurant

The sources information can be got in various ways. About 30% customers they first time heard about this restaurant are from their friends, neighbour and workmates. More than 45% they noticed the restaurant here when they come shopping in Tarveke-keskus.

However, more than half of the customers they ask the restaurant telephone number. Some young people advise us to set up a website or Facebook page so that they can know much more restaurant and Chinese food information and help us to do the marketing to their friends.

#### 4.4.4 Impression about Chinese restaurant and Chinese food

As we all know, Chinese food has a more than thousands of years history. People use chopsticks and bowls to eat which difference from forks, knives and plates. For quite large percent of people they think Chinese food is much healthier than theirs. Also, they would like to try to use chopsticks to practice their left brain.

From the research, we get 100% favorable comment. Quite classical Finnish decoration style with old time pictures and food boxes bring up people's memories. One 1970s old beetle car is parking in the middle of the restaurant helps us attract more customers. On the positive hand, it only left limited space to put restaurant equipment which make difficult to us to serve customers. Moreover, we get lots of useful advice from customers as follow. First of all, two of our loyal customers claim they really like the old time stuffs on the wall, but there are too much. And one couple from Australian they said, it might be better one bottle of bamboo flowers than nothing else. More than half of customers complain the room seems a little bit dark. A better coffee pot place and milk bottle is one of the most important point claimed by almost everyone.

"The food is really good" comment by every customer. But they still give suggestions, in Finland the older people they still prefer to bread and potatoes. Like our Finnish friend who are not in the research they knew Chinese food is good tasty, but they might never taste once. Almost all the Finnish people advise us salad is the most important part for a meal, it is necessary to add salad cheese, tuna-fish and nuts. To serve at least only No.1 beer is better



than nothing said by over 30% customers. And one local customer claimed, we can try to serve in season food such as fresh fish in the summer time.

Furthermore, the food price seems OK for every customer. Young people said the menu price is totally high for them, but they will come to eat lunch and buy take-away food. Otherwise, they will come with their family to pay for them. 86,7% people can accept the price and 4,5% people thought the price is too expensive to them.

#### 4.4.5 When and how often come to eat Chinese food

In the interview segment, two groups choose Chinese restaurant to celebrate their important days, like birthday, mother and father's day and even when their closer relationship visiting them. 50% of customers they would like to have Chinese food with their families during the weekends so that they can totally relax. And only one group said Chinese food is the best choice when feel hungry. The last two groups who are young couples claim they will come to eat whenever they want and they do not want to cook anything. Over 75% people said the lunch buffet is one of their choice in working days. Almost the same percent happened in the questionnaire research result. Most of people will come at weekends, and than celebrate their important days. Chinese food will be came out in three people's mind when they feel hungry.

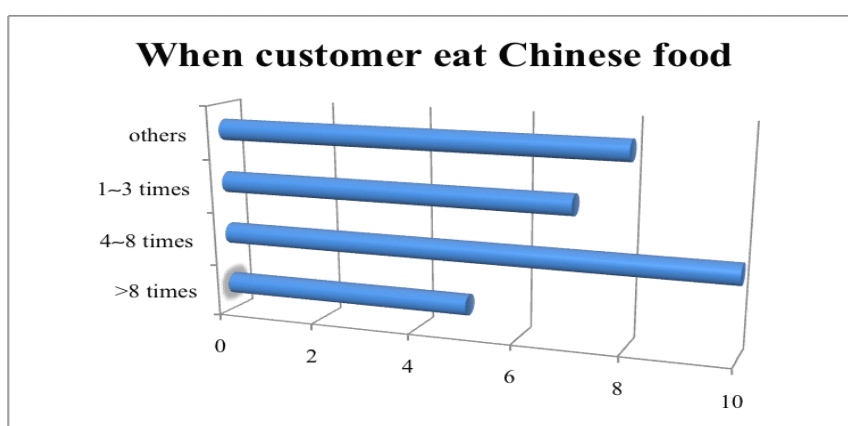


Figure five When customers would like to choose Chinese food in survey research (Yang 2012)

In the interview research, more than 70% people come to eat Chinese food at least once a week. Only two groups people they are not sure about frequency, maybe once a month or maybe consecutive several days. Following figure will show the questionnaire survey situation.

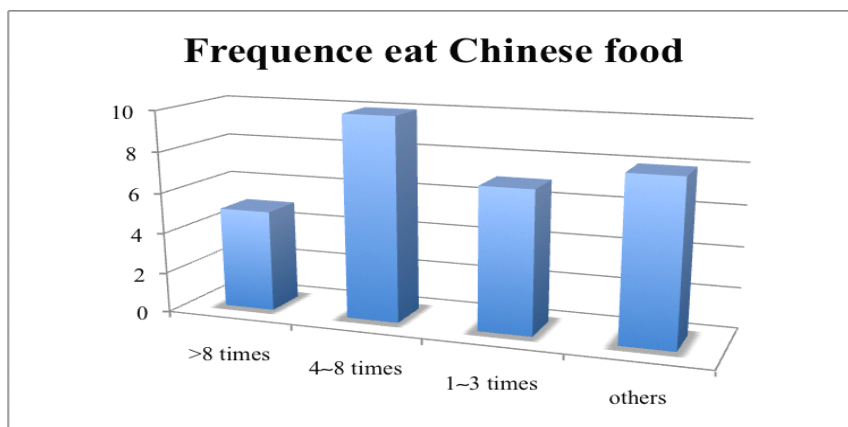


Figure six. How many times customers choose Chinese food in a month (Yang 2012)

#### 4.4.6 Location of Hot Pot Chinese Restaurant

The location seems not so convince for all the customers. Over 90% customers they come to eat by car. Among 75% people just have a special-purpose trip to here. Compared with other restaurants in Ruovesi, there is no doubt this Chinese restaurant located in the worst place.

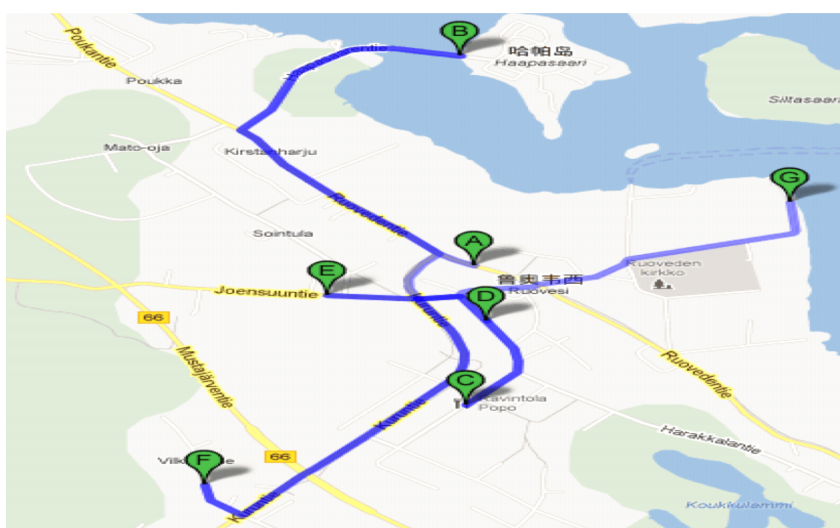


Figure seven. Map of Ruovesi restaurants (Yang 2012)

From this map, A is Hotelli Ravintola Liera which is almost located in the center. B this restaurant is loacted in a holiday island called Haapasaari, its name is Haapasaari Jätkäinkäppä. Ravintola POPO in the C place where is full of residential buildings. And D is Kebab-Pizzeria Engiz just 50 meters away from Siwa. Then Hot Pot Chinese restaurant is E point. F is Kukkapaikka where is quite famous flowers shop during summer time and nearby factory area as well. The last one G is named Ulonsalmi Marina Summer Restaurant. We can see it is quite closer with the lake, during summer time, plenty of people visit Ruovesi with their own motorboats.

In a word, the Chinese restaurant does not have a advantage place compared with others. The customers visit Ruovesi by car they have various choice. But there are still a large percent customers coming by boat, it would be a long distance for them walking here. Luckily, Tarvike-keskus the biggest grocery store is nearby our restaurant, still some customers claimed it should be nice they can eat Chinese food after shopping.

#### 4.4.7 Chinese food compared with Finnish food

Without a doubt, everyone used to eat their familiar food. Chinese food as a foreign food brings new fresh tasty to Finns. Someone may like this new tasty, but others may have not adapted about it. So the Chinese restaurant is willing to serve few basic Finnish food in order to coordinate everyone's eating habits. However, the answers from interviewees totally opposite with us.

Suggested by foreign tourists, they come to eat Chinese food just because they like this tasty which is difference between their daily food. About 33% Finns have the same comments. However, about 19,7% Finns said, it could be better we can serve potatoes, bread and even pizza. In addition, more than half of customers would like to try Chinese-Finnish meal. Certainly, to serve Finnish meal will not determine their desire of Chinese food. They still advise us, simple Finnish food will help attract new customers, such as sausages, Finnish soup lunch and even various salads etc.

## 5 Service improvement

### 5.1 Marketing improvement

The most amount advices from customers are about contact information. They complain sometimes when they want to order food and ask the opening hours, the only way is directly coming to the restaurant. There is nothing from Internet or even they can not find telephone number.

Thus, first of all, try best to set up a website or Facebook page as soon as possible. And then eye-catching light-box with the telephone number will be hanged on the outside wall. According to the customers' advice, we will put restaurant pictures, delicious dishes pictures and also interesting loyal customers' pictures. Update special events times on time and inform them in the first time. To make a social media video about Chinese culture, Chinese food and our restaurant is also a good idea.

Add more and better posters in the different places, like super-markets, harbor and petrol station. And Ruoveden tourism information is also a good place to add our information as they will put this restaurant to their newspapers and website.

No doubt, print basic information of restaurant on take-away boxes and plastic bags is a operational good idea. And make a small present with the basic contact information to all the customers, for example flashlight, small purse and pen etc.

## 5.2 Service improvement

First of all, more brilliant classical lights will be used to make a new impression. Alive flowers and Chinese-style table clothes also can add points. Based on numbers of complain about the car parking in the restaurant, the restaurant owner plan to move out it where will be taken place by lunch table and salad table. Then, a new cake refrigerator and milk bottle just beside the coffee maker so that customers do not need to find them anymore. Furthermore, classical Chinese music will take place every day Finnish podcast.

According to the research, most of the customers would like to come with their families during the weekends. So the restaurant is going to change the opening hours. Normally lunch begins at 11 o'clock and ends at 15 o'clock as normal days, now lunch will begin at 11:30 and end at 17 o'clock. Thus, our customers do not need to get up so early and come eating in a hurry.

Delivering food to home is the new service. As VIP customers they are free, but others will be charged based on the place. In the summer time, the people living on the boats and Haapansaari who do not need to order by themselves any more. In the cold winter time, they just need to take the phone call and wait for the warm delicious food at home.

In addition, practice better Finnish language is a kind of respect to customers.

## 5.3 Food style improvement

Add more various salad, Finnish-style soup, boiled potatoes, baked potatoes and sausage to our new menu. During the lunch time, there is not only Chinese food, serve one kind of Finnish food with boiled vegetables and potatoes and Finnish-style soup. So there are two kinds of lunch style here, one is Chinese food lunch and the other can be Finnish soup lunch or Finnish food lunch.

Nowadays, Sushi is quite popular around the world cause its fresh tasty and heather to human body. Also serve sushi as soon as possible to satisfy the customers' needs. Take in seasons food to the table is another improve step. Chinese style fresh fish, fruits cakes and mushrooms no doubt are the best choice. Besides, good tasty Chinese beer will be waiting for all of customers.

All in all, this Chinese restaurant mission is keeping our own tasty differ from others.

## 6 Conclusion

From the whole study in this Hot Pot Chinese restaurant in Ruovesi, it is an interesting and unforgettable experience. Ruovesi is a quite beautiful town especially in the summer time, relaxing and enjoyable is the only thing people need to do when come to Ruovesi. Nowadays, Chinese food with more than five thousand years history is famous around the world. Unique tasty and colorful model attract people to have a try. More and more foreign people would like to believe the traditional Chinese medicine dishes will make people more heather. In a word, Chinese cultural will be flourishing.

However, as a foreigner, it is not so easy to run a business in a foreign country. Besides the basic business and marketing knowledge, deeply know well the local cultural and proper use of marketing mix will help a lot. The rules are dead, people are living. So it is quite important for the owners to change their service strategies any time. The customer is always God. During the research process, lots of theory materials are used to support this thesis. In the face-to-face interviews, the author learns making a comfortable interview environment is vital for the respondents. For instance, not so long interview time and cups of coffee or tea. And, it was quite funny to make interview of each restaurants in Ruovesi. People are friendly, kindly and enthusiasm. However, in the survey research everything does not move smoothly because of the language problem. Even though one author's Finnish friend comes to help to accomplish this survey task, the questionnaire answers are not so purely from customers' inner. All in all, it was still a worth able experience.

According to the research results, more and more people prefer vegetarian food to keep health nowadays. So for the Chinese restaurants in Finland, to create a new and more suitable business strategy will help this industry thrive. For example there could be a vegetarian food area in the restaurant to meet some customers' needs. Moreover, the author hope some of topics mentioned in the thesis could have more deeply research in order to meet more customers' needs. Last but not least, the author really hope these marketing and service improvement suggestions will help this Chinese restaurant running better in the further.

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## Figures

Figure 1. Five Forces Analysis, Michael Porter (Hbr 2013)

Figure 2. Projected loyalty (Kotler & Amstrong 2010.48)

Figure 3. Comparition of restaurants in Ruovesi (Yang 2012)

Figure 4. Guests' living places of survey research (Yang 2012)

Figure five When customers would like to choose Chinese food in survey research (Yang 2012)

Figure six. Frequence eat Chinese food per month (Yang 2012)

Figure seven. Map of Ruovesi restaurants (Yang 2012)

## Appendices

### Appendix 1: Interview questions for the restaurants in Ruovesi

#### Interview questions for restaurants entrepreneurs in Ruovesi

Restaurant Name:

Restaurant Location:

- 1.How many kinds of food are serving here?
- 2.What are the price of them?
- 3.How many customers per day?
- 4.When is the most busiest time?
- 5.How many percent are the familiar customers?
- 6.What kind of food they usually take?

## Appendix 2: Interview questions for customers

### Interview questions for customers

Nationality:

Now living place:

1. Do you like Chinese food?
2. What kind of Chinese food do you like?
3. Why do you like Chinese food and culture?
4. How often would you go to eat Chinese food?
5. When would you like to choose Chinese food?
6. What is the difference in meaning between Finnish food and Chinese food?
7. Are you satisfied with the service and dining environment here?
8. Could you give a few pieces of advice on Chinese food, service and dining environment here?

Appendix 3: Survey questions for people in Ruovesi

Survey questions for Hot Pot Kiinalainen Ravintola in Ruovesi

Survey location: Ruovesi Terveke-keskus

Target: 15 men and 15 women during different age stages

1. Gender
  - a) Male
  - b) Female
2. Nationality
  - a) Finnish( )
  - b) Swedish
  - c) other
3. Age
  - a) ≤18
  - b) 19~39
  - c) 40~60
  - d) ≤61
4. Have you eat Chinese food here before?
  - a) Yes
  - b) No
5. Would you like to try someday?
  - a) Yes
  - b) No
6. Do you like Chinese food here?
  - a) Yes
  - b) Mediate
  - c) No
7. How often do you go to eat Chinese food per month?
  - a) ≥8 times
  - b) 4~8 times
  - c) 1~3 times
  - d) other
8. How do you think the location here?
  - a) Very convince
  - b) Convince
  - c) OK
  - d) Far
  - e) Very far
9. How do you think the food price here?
  - a) Very cheap
  - b) Cheap
  - c) OK
  - d) Expensive
  - e) Very expensive
10. Do you satisfied with the service and dining environment here?
  - a) Very satisfied
  - b) Satisfied
  - c) OK
  - d) Bad
  - e) Very bad

11. When would you like to choose Chinese food?

- a) Important day
- b) Weekends
- c) Anyday
- d) When hungry

12. Would you like to eat here or take away?

- a) Eat here
- b) Take away

13. Which of these food will attract you come to eat Chinese food?

- a) Salad
- b) Noodles
- c) Rice
- d) Chinese beer
- e) Coffee

14. Would you like to try if we serve Finnish traditional food here?

- a) Yes
- b) Perhaps
- c) No

When the 4<sup>th</sup> answer is “No”, the 5<sup>th</sup> question will be used instead of the others. Otherwise it will be ignored.