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THE MARKETING PLAN FOR WEIDUOLIYA WESTERN-  
STYLED RESTAURANT IN CHENGDE

Degree Programme in International Business  
and Marketing Logistics

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## THE MARKETING PLAN FOR WEIDUOLIYA WESTERN-STYLED RESTAURANT IN CHENGDE

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This bachelor thesis is done for the academic study on International Business and Marketing Logistic at Satakunta University of Applied Sciences (SAMK) in Finland. The purpose of this study is to create a marketing plan for Weiduoliya western-styled restaurant in Chengde, China. The author has seen the massive growth in foreign restaurants business over the past five years in China. This marketing plan is to support running student's own restaurant business after her graduation. The author is really interested in writing a marketing plan due to the great business opportunity and large demands of foreign food in Chinese market.

The theoretical part of this study is to learn and understand the marketing planning process, and sources are gathered through various marketing books, articles and online documents. An efficient marketing plan helps small business to achieve its marketing objectives easily. The qualitative research methodology is applied in this study. It was conducted with an in-depth semi-structured interview with the experienced local foreign restaurant manager in November 2011 and in July 2013. Secondary data was collected by reviewing documents, and personal experience in eating in a foreign restaurant.

On the basis of the results of this research, the marketing plan for Weiduoliya western-styled restaurant is created that includes business mission, marketing analysis, marketing objectives, marketing strategy, marketing mix and implementation and control.

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## 1 INTRODUCTION

This study is concerning with writing a marketing plan for a prospective western-styled restaurant in Chengde, China for the student's own business after her graduation. The business idea came up with increasing demand for western food across China and the rapidly economic growth increases customer base. However, there is scanty of western-styled restaurants in Chengde that brings a great opportunity to run a western-styled restaurant there.

In a food and beverage industry worth more than 2 trillion RMB (€ 161.2 billion) annually, Western cuisine – which ranges from American hamburgers to French foie gras – makes up a tiny portion, which only account for 3 percent of that figure. (Big helpings... 2013.) There has been more than 400 new western-styled restaurants opened each year in Beijing within the past three years according to Secretary-General Mr. Xu (personal communication on 22.02.2013). Western restaurants grow rapidly in cities like Beijing and Shanghai, soon spread to second and third-tier cities.

International cuisine is growing gradually in China, especially among the young generation. They consider it is fashionable lifestyle to have a meal in a western restaurant and you can learn the etiquette of that country, characteristics of its food and also many cross-cultural things. Chinese people see food as an important part of their culture and are willing to spend a lot of money on food or eating out. For Chinese consumers, it is not just a matter of eating to live, but also an important way of entertainment.

The author is eager to make her research on this topic after three years' international business study aboard. The great business opportunity and large demands brings her more interests in such a popular catering industry compare to the local restaurants in China.

## 2 PURPOSE OF THE STUDY AND CONCEPTUAL FRAMEWORK

The main objective of the thesis is to create a marketing plan for the prospective western-styled restaurant in Chengde, China. The marketing plan is to detect the marketing environment in a foreign restaurant in Chengde. Out of this analysis, the competitor analysis and consumer analysis is developed. A proper marketing strategy and marketing mix is applied based on the research result. The final outcome of this study is a marketing plan for a western-styled restaurant that comprises business mission, marketing analysis, marketing objective, marketing strategy, marketing mix, and implementation and control. Budgeting and financial plan is not mentioned in this study.

The research objectives of the study are as following:

- to study the theory of marketing planning process
- to detect and analysis marketing environment of the western-styled restaurants in Chengde
- to understand consumer behaviour and define potential customer of the western-styled restaurant in Chengde
- to create marketing strategy and marketing mix for the western-styled restaurant based on the research result

The marketing planning process is a series of stage that followed the sequence outline in the conceptual framework below. The conceptual framework has been created on the basis of marketing planning process theory. It comprises the theoretical structure and uses to carry out the research between the theory and empirical part. In this research, the business mission should be about to say what the main reason for existing is. In a subsequent step an analysis of the customers and the marketing environment is performed, meanwhile SWOT analysis is applied to create marketing strategy according to its strength, weakness, opportunity and threats. Then all the details like product, price, place, promotion, people, physical evidence and process are defined in the marketing mix. At the end of all the above mentioned steps a general marketing plan is created.

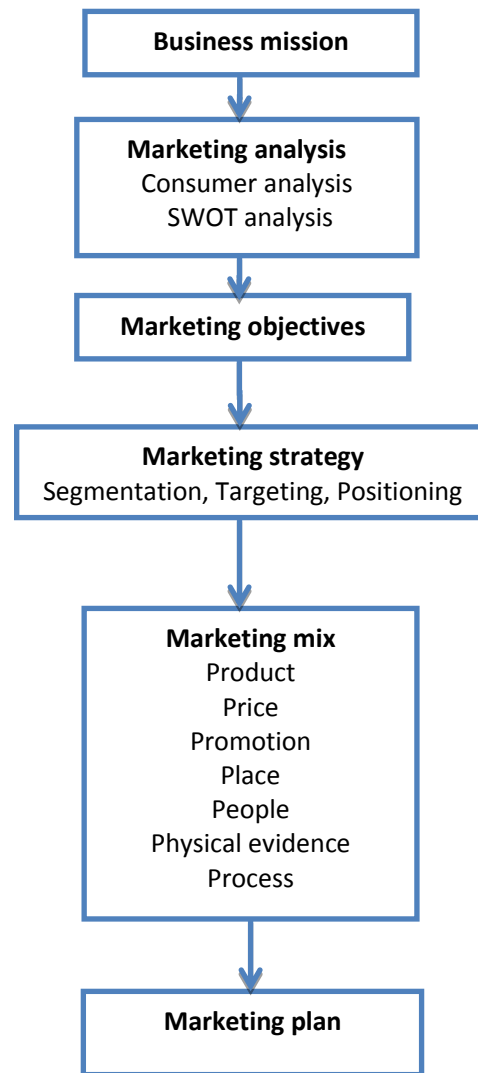


Figure 1: Conceptual Framework of the study: The Marketing Planning Process (Burns 2011, 301)

### 3 RESEARCH METHODOLOGY

#### 3.1 Qualitative research

Given the importance that market research plays in decision making, what types of data and what means are used to collect data play a crucial role in the success of a product. (Moore & Pareek 2010, 186).

Qualitative research selects participants purposively and integrates small numbers of cases according to their relevance (Flick 2011, 12). There is a greater use of open questions. The participants are expected to answer these questions in their own words. The advantage of qualitative research is to have detailed and exact answers for a certain topic. Qualitative research takes place before you have a theory, it is more exploratory, seeking to understand the broad outlines of a questions.

Qualitative method is applied in this study, because of it emphasises personal experiences and interpretation over quantification, are more concerned with understanding the meaning of phenomena and focus on links among a large number of attributes across relatively few cases (Jagdish 2009, 10).

### 3.2 Data collection

Data refers to a collection of natural phenomena descriptors, including the results of experience, interview, observation or experiment, or a set of premises. (Sachdeva 2009, 109). A great deal of qualitative material comes from talking with people whether it is through formal interviews or casual conversations (Woods & Pratt 2006). Interviewing is a very useful method if the person interviewed is an expert or someone who represents a large group (Moore & Pareek, 2010, 190).

According to the research topic, semi-structured interview is used, and the interview took place in January 2012 with Liwen Wang – an experienced local foreign restaurant manager of Daziran Café. The semi-structured interview questions were created in November 2011 and sent to Mrs. Wang before the interview.

Semi-structured interview has some pre-set questions, but allow more scope for open-minded answers. The researcher needs to develop an interview guide as an orientation for the interviewers. The semi-structured interview questions are focused on marketing environment, strategy and mix in this research. (Interview questions see Appendix 1)



### 3.3 Reliability and validity

A number of data quality issues can be identified in relation to the use of semi-structured and in-depth interviews. Reliability, forms of bias and validity are the factors to influence the credibility of the research findings. (Salkind 2006, 106). In relation to qualitative research, reliability is concerned with whether alternative researchers would reveal similar information. The concern about reliability in these types of interview is also related to the issue of bias. There are various types of bias to consider. First of these is related to the interviewer bias. This is where the comments, tone or non-verbal behavior of the interviewer create bias in the way that interviewees respond to the questions being asked. Secondly, related to the interviewees. This type of bias may be caused by perceptions about the interviewer. Interviewee may try to avoid talking about a certain questions that interviewer came up with. (Saunders, Lewis & Thornhill 2003, 101).

Validity is concerned with whether the findings are really about what they appear to be about. It is the quality of a test doing what it is designed to do. The relationship between reliability and validity is straightforward and easy to understand. A research can be reliable but not valid, but the test cannot be valid without first being reliable. (Salkind 2006, 118).

The interviewers or researchers should consider the following questions in order to have a creditable research result (Saunders, Lewis & Thornhill 2003, 254):

- The preparation and redline for the interview
- The level of information applied to the interviewee
- The approach to questioning
- The impact of the behavior during the course of interview
- The ability to demonstrate attentive listening skills
- The approach to record information

## 4 MARKETING PLANNING

### 4.1 Business mission

A business mission is the starting point for both corporate and marketing planning. It represents a vision of what the organization is or should attempt to become. (Wilson & Gilligan 1997, 204). Business mission is a framework for enterprises to prepare their business plans, however it is an invisible guideline for employees to work individually. A clear business mission will support the organization to achieve its targets and goals.

Good mission statements can be seen to exhibit certain characteristics. It expressed realistic and specifies the business domain in which the company will operate. (Wilson & Gilligan 1997, 206) A business mission is variable and it will change over time in response to internal conditions, external environmental opportunities and threats. Meanwhile, the mission statement needs to reflect changing emphases as the organization grows, add new products and extend a new market.

The thinking behind business mission is created to encourage management teams at corporate level. It is designed to provide a sense of vision and direction for the organization over the next few years. It is really important to make the employees be aware of the business mission, and misunderstanding may cause minor environmental changes.

### 4.2 Marketing analysis

#### 4.2.1 Consumer analysis

Consumer needs and behavior have a great influence on how business make their strategies. Buyers are not typically differ in terms of their age, income, educational level and geographical location, but more fundamentally in terms of their personality, lifestyles and expectations. There are seven questions to understand consumer behavior:

1. Who is important in the buying decision?
2. How do they buy?
3. What are their choice criteria?
4. Where do they buy?
5. When do they buy?

(Jobber & Fahy 2009, 57)

Companies study and analyze customer needs to understand the markets requires. Marketers can make more effective marketing strategies according to demands and wants in their chosen market.

What makes consumers buy? From the marketing strategies point of view, the mix of cultural, social, personal and psychological factors which influence consumer behavior and which are illustrated in the following figure:

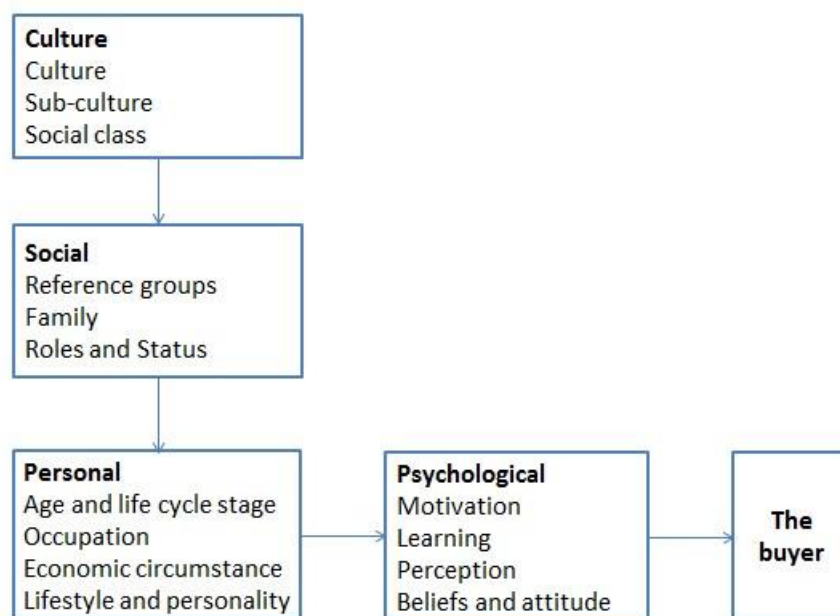


Figure 2: Influence on consumer behavior (Wilson & Gilligan 1997, 159)

### *Culture factor*

Culture is the fundamental of the four forces affecting consumer behavior. Consumers feel the influence of the culture of the nation or region in which they were raised as well as the culture where they currently live. This means that consumers in differ-

ent countries often approach buying decisions from different perspective due to the value, beliefs and preferences.

Sub-cultures are distinct culture identities through a common religion, nationality, geography areas, ethnic group, racial group, attitude and lifestyle. The subculture varies a lot according to different geography area in such a big country like China. People have different attitude toward food and eating habits in different part of China, such as people from south they prefer to have a soup after the meal. They believe that the soup is good for digesting the food in the stomach.

The influence of subculture is subsequently affected by a third set of variables, that of social class. Social class is not determined by a single factor, such as income, but it measured as a combination of occupation, income, education, wealth and other variables (Armstrong, Kotler, Harker & Brennan 2012, 146). Individuals can move on from one social class to another, for example students normally pursue cheaper products, but when they graduate from the school and have a regular job they may want to buy more expensive products.

#### *Social factor*

A consumer's behavior is affected by social factors in terms of reference group, family, social roles and status. Reference group is called a group of people or individual's influence consumer's attitude or behavior (Jobber & Fahy 2009, 70). It has a direct influence to a person who belongs to the reference group. As family is the most important consumer buying organization in the society, family members can significantly influence buyer behavior. Marketers are interested in the roles and influence of the husband, wife and children on the purchase of different product or service (Armstrong, Kotler, Harker & Brennan 2012, 149). Each person possesses in a group of the society like family, clubs and organizations. The person's position in each group can be defined in terms of both roles and status. People usually choose product or service appropriate to their roles and status. A wife can play the role of a manager at work and the role of a mother and a wife in the family.

### *Personal factor*

Personal factor is one of the most important factors influencing consumer behavior in the restaurant business. A buyer's decisions are also influenced by personal characteristics such as buyer's age and life-cycle stage, occupation, economic situation, lifestyle and personality. Taste in food, clothes and furniture change from time to time. For example, young people have very different tastes in product categories such as clothing, drinks and holidays compared to older people.

Buying is also shaped by the stage of the family life cycle. Modern family life-cycle stage include unmarried couples, single marrying later in life, childless couples, same-sex couples, single parents and extended parents (those with young adult children returning home). (Armstrong, Kotler, Harker & Brennan 2012, 150) A person's occupation affects the goods and services bought. Marketers try to identify the occupational groups that have an above-average interest in their products and service. A company can specialize in making products needed by a given occupational group. Economic situation has a major effect on consumer behavior. For example, blue-collar workers tend to buy more rugged work clothes, whereas executives buy more business suits. Lifestyle is a person's pattern of living as expressed in activities, interests and opinion (Jobber 2010, 129). Lifestyle analysis groups consumers according to their beliefs, activities, values, and demographic characteristics such as education and income. Personality is the inner psychological characteristics of individuals that lead to consistent response to their environment (Jobber 2010, 127). A company may choose to target a particular lifestyle group with a product offering, and using advertising that is in line with the values and beliefs of this group.

### *Psychological factor*

A person's buying choices are further influenced by four major psychological factors: motivation, learning, perception and beliefs and attitude. It is important to understand the motives that drive consumers because of it is determine choice criteria (Jobber & Fahy 2009, 67). Motives can be grouped into five categories according to Maslow's hierarchy of needs – physiological, safety, belongingness and love, esteem and status, and self-actualization. Learning describes changes in an individual's behavior arising from experience (Armstrong, Kotler, Harker & Brennan 2012, 156).

Learning theorists say that most human behavior is learned. Moreover, perception is the process by which people select, organize and interpret information to form a meaningful picture of the world. (Jobber 2010, 123) Consumers are likely to notice those messages that relate to the need and those who offer substantial price reductions. Marketers are really interested in consumer beliefs because of these are related to attitude. Misunderstand about products can be harmful to brand sales. Therefore, beliefs and attitudes are an important task for marketers.

#### 4.2.2 SWOT analysis

SWOT is a tool to analysis both internal and external factors which may influence the work. It can be used in many aspects such as develop for business, industry, product, place, community health and development, education and even personal growth. (Website of the Community Tool Box 2013). SWOT analysis is a basic tool of strategic analysis which is a shorthand way of looking at the business - strengths and weaknesses – and the market environment in which the business operates – opportunities and threats. (Burns 2011, 300) It is normally done by project managers or team members who are responsible for strategic planning and decision-making.

SWOT analysis is a potentially useful input to the strategic marketing planning process(Wilson & Gilligan 1997, 56). Each business unit need to develop a marketing information system to track trends and development. To make a useful SWOT analysis, a number of guideline must be followed such as relative strength and weakness is not absolute. Meaning relative strengths focus on strengths and weaknesses as compared to the competition (Jobber & Fahy 2009, 323.) Internal strengths and weaknesses are summarized as they relate to external opportunities and threats.

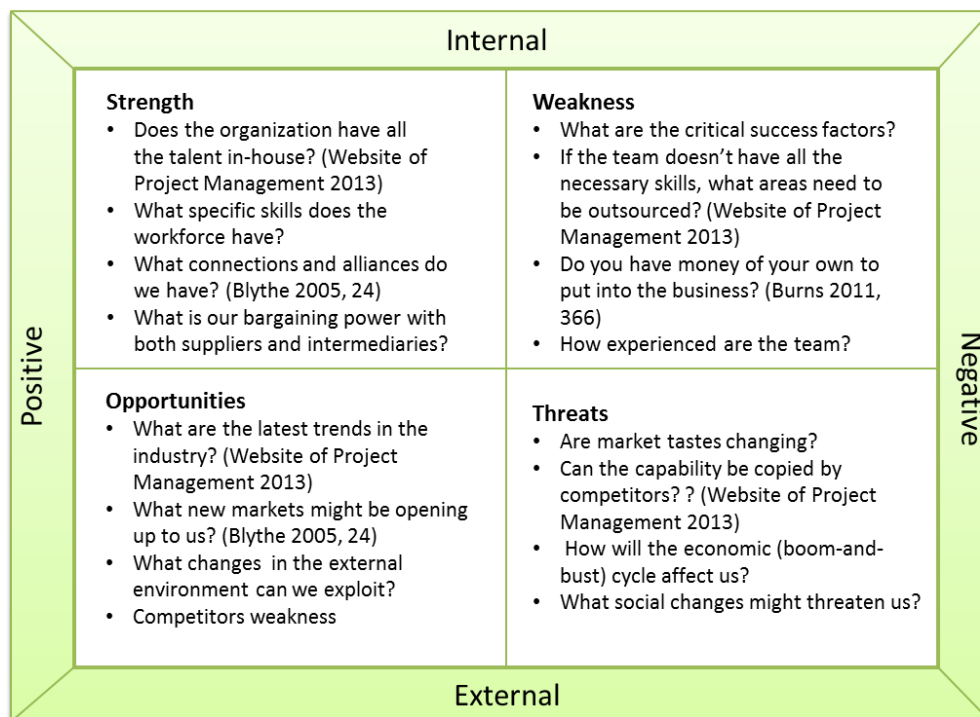


Figure 3: SWOT Analysis (Morrison 2011, 159)

### 4.3 Marketing objectives

A marketing objective is the quantification of what an organization sells (its products) and to whom (its markets) (McDonald 2007, 275). An objective will ensure that a company knows what its strategies. Marketing objectives define what the business or organization aims to achieve through their marketing activities (Jobber & Fahy 2009, 324). Clearly marketing objectives may provide direction for employees in terms of what to achieve and in what period. Marketing objectives are about products and markets only. Company should keep in mind building sales and market share is not the only sensible strategic objectives for a product. Marketing objectives can be broken down into section such as target market objectives, channel objectives, promotional objectives, market research objectives, R&D objectives and other objectives. Remember these are the objectives that company expects to meet so keep in mind that these should be achievable when sets objectives.

## 4.4 Marketing strategy

### 4.4.1 Segmentation

The technique used by the marketers to get to grips with the diverse nature of the market is called market segmentation. Market segmentation identifies the similarity of individuals or organizations characteristics which have significant implications for the determination of the marketing strategy. (Jobber & Fahy 2009, 109)

The purpose of segmentation is to enable the company to concentrate its efforts on pleasing one group of people with similar needs rather than serving everybody and end up with pleasing nobody. (Blythe 2005, 76) Few firms can capture 100% of the market for their products. Even giant firms such as Coca-Cola have less than half of the market for their product category (Blythe 2005, 12). Not everyone likes the same cereal, restaurant, college, or movie. That is why marketers usually break down the overall market into groups of customers with similar needs and characteristics. They identify and profile distinct groups of buyers who might prefer or require varying products and service mixes by examining demographic, geographic, psychographic, lifestyle, and behavioral differences among buyers. (Kotler & Keller 2012, 32)

A successful segment must fulfill three key criteria:

- **Accessibility:** A company must be able to formulate effective marketing programs for the segments that are identified. (Jobber & Fahy 2009, 117) For example, to be clear about what kinds of marketing communication work best for the segment.
- **Profitable:** Segments must be large enough to be profitable to serve. Very small segments may be unprofitable to serve. (Jobber & Fahy 2009, 117)
- **Measurable:** There must be some way of identifying the members of the segment and knowing how many of them there are. (Blythe 2005, 76)



#### 4.4.2 Targeting

Once the market segments have been identified, the next step is the selection of target markets. Managers must decide which segment will be the best to target and make overall objectives for the companies. Target marketing refers to the choice of specific segments to serve, and it is a key element in marketing strategy. (Jobber & Fahy 2009, 117)

The aim of evaluating market segments is for a company to arrive at a choice of one or more segments to concentrate on. (Jobber & Fahy 2009, 117). The process of selecting a segment to aim for is called targeting. There are four basic target marketing strategies from which to choose: undifferentiated marketing, differentiated marketing, focused marketing and customized marketing. (Blythe 2005, 83)

Undifferentiated marketing: is pursuing for common products or a wide range of customers. Companies that lack a marketing orientation may practice undifferentiated marketing though lack of customer knowledge. Undifferentiated marketing is good to develop only a single product. A larger market is reached and significant economies of scale can be achieved by focusing all the available resources in a single campaign and a limited line of products. (Kotler & Armstrong 2003, 252)

Differentiated marketing: means concentrating on two or more segments and offering a differentiated marketing mix for each. It aims to create a highly specialized product or service that appeals to a smaller group of people. (Burns 2011, 177) Differentiated marketing strategy develops different offers for individual sectors, rather than a single offer for all sectors. This is very popular marketing targeting strategy in the industry of automobile, hotels and fashion retailing.

Focused marketing: is also well-known as niche marketing which concentrates on being the very best within a single tiny segment. (Blythe 2005, 83). This strategy is particularly appropriate for companies with limited resources, especially the small company. (Jobber & Fahy 2009, 119). Focused marketing strategy can be used when the segment size and number of competitors are small, but the profit per unit sold is large.

Customized marketing: is the practice of tailoring products and marketing programs to suit the tastes of specific individuals (Armstrong, Kotler, Harker & Brennan 2012, 204). Customized marketing is often associated with close relationships between supplier and customer, however it also found within organizational markets because of the high value of orders. Unlike differentiated and focused marketing, which tailor their products or service to meet the needs of various market segments. (Jobber 2010, 284)

#### 4.4.3 Positioning

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market (Kotler 2003, 308). The objective is to create and maintain a distinctive place in the market for a company or its products. Company identifies different needs and groups in the marketplace, target those needs and groups that it can satisfy, and then positions its offering and image. Positioning strategy should be based on a clear choice of target market based on market segment attractiveness and company capability (Jobber 2010, 291).

There are two aspects of positioning: the choice of target market (where to compete) and the creation of a differential advantage (how to compete). Successful positioning is often associated with products possessing deeply in the mind of customer. Such positioning is hard won and plays an important role in making the marketing strategy. Four keys to successful positioning are clarity, consistency, credibility and competitiveness.

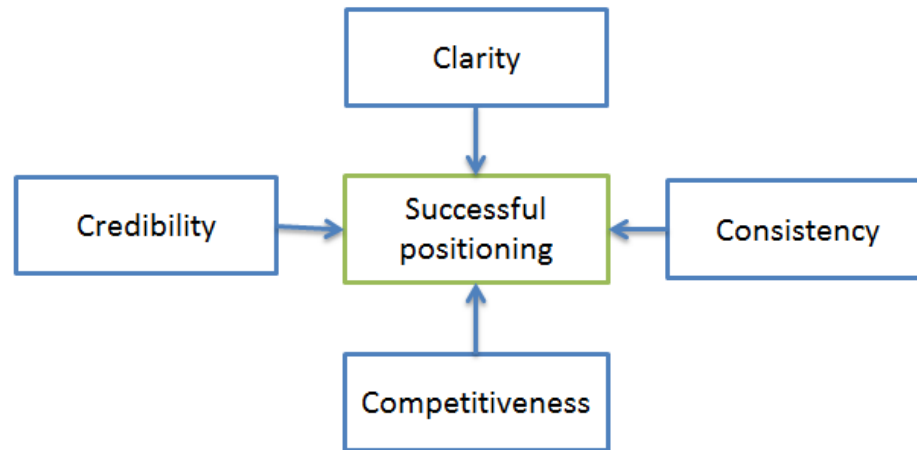


Figure 4: Key to successful positioning: the 4-Cs framework (Jobber 2010, 285)

- **Clarity:** the positioning idea must be clear in terms of both target market and differential advantage. Complicated positioning statements are unlikely to be remembered.
- **Consistency:** in a marketing strategy is the key to its success and the success of a small company. A lack of consistency will kill a marketing strategy and company will end up with a bunch of idea that never worked.
- **Credibility:** the selected differential advantage must be credible in the mind of target customers.
- **Competitiveness:** the chosen differential advantage must possess a competitive edge (Jobber & Fahy, 2009.) It should offer something of value to the competition does not have.

## 4.5 Marketing mix

Marketing mix is the combination of controllable marketing variables that firm uses to carry out a marketing strategy in pursuit of the firm's objectives in a given target market (Mullins, Walker & Boyd 2008, 29). Marketing mix is composed of the four key Ps: product, price, place (distribution) and promotion. '4Ps' marketing mix model may be inappropriate for services as a whole. Another three elements to be taken into account are process, people and physical evidence in the case of service (Wilson, Zeithaml, Bitner & Gremler 2008, 21).

### 4.5.1 Product

Marketing mix planning starts with product that brings values to target customers. Product defines as anything that can be offered to a market for attention, use or consumption that might satisfy a want or need (Armstrong, Kotler, Harker & Brennan 2012, 226.) It is the most obvious element of the marketing mix when merchants think about what customer is buying. Customer decisions will be potentially influenced by the range, style and presentation of the product (Hatton 2000, 177).

Products include physical objects, service, events, persons, places, organizations, ideas or mix of everything. A company often offers both tangible good and service. Product decisions also involve choices regarding brand names, guarantees, packaging and the service. Product has a life-cycle that cycle can be managed to expand, extend and grow the market. The restaurant knows it can sell its food to many customers, and strive to maintain the quality, plus developing recipes, providing good quality of service and keep updating menu. New product development is an important element as customers' taste change from time to time. (Jobber 2010, 17)

A service product typically consists of a core product bundled with a variety of supplementary service elements (Lovelock & Wirtz 2004, 95). The core elements respond to the customers' need for a basic benefit. Supplementary services facilities and enhance use of the core service. The combination of core product and supplementary service is often referred to as the augmented product. Service is also a bun-

dle of features and customer benefits in restaurant business, because of it is differentiated from those of the competitors.

People distinguish between products and services with products being tangible and services being intangible. We are now live in a world where the technical differences between products are becoming fewer and fewer. For example, Volkswagen cars share a similar platform with Skoda. In most cases, customers will not know or do not care where the products are made. What will determine which company's product is purchased will be how consumers feel about the brand. Branding is the process by which companies distinguish their product offerings from the competition. (Jobber & Fahy 2009, 134)

#### 4.5.2 Price

Price is the key element in marketing mix and it should always be seen as representing good value for money. Price may act an indicator of perceived quality as it is often difficult to evaluate a service before purchase. Price mix decisions include strategic and tactical decisions about the average level of prices to be charged, discount structures, terms of payment and the extent to which price discrimination between different groups of customers have to take place.(Palmer 2008, 39.)

Price is an important tool to control demand. The price of a good or service must be high enough to cover the unit costs from the long-term run. For example, Ryanair offers low price fare but it has grown into one of Europe's largest and most profitable airline (Mullins, Walker & Boyd 2008, 270). However, the low pricing strategy is not recommended for all businesses. The reputation of the food and the restaurant commands high prices. This is calculated to be the correct value for the food that is served, and satisfies the customer who is willing to pay for it. (Alice 2010.)

### 4.5.3 Promotion

Promotion is about communicating a product's or service's message to the public. Communication requires the active participation of both the sender and receiver. The messages have to contain the information the company wishes to spread, but also need to think about what the customers want to hear. (Blythe 2005, 213.)

Promotion involves a series of activities as such advertisement, personal selling, sales promotion, public relations, direct marketing, and Internet and online promotion. By these means the target audience is made aware of the existence of a product or service (Jobber 2010, 18.) Each part of the promotion activities has its own set of strength and weakness. For example, Advertisement has the property of being able to reach wide audiences very quickly.

Sale promotion is a common activity of the promotional mix. It is a short-term activity designed to generate a temporary increase in sales of the products (Blythe 2005, 226). Sales promotion is often used for low-value items, and is the most effective when used as part of an integrated promotion campaign. This is because advertising and public relations build sales long term, whereas sales promotion and personal selling tend to be better for making quick increase in sales. (Blythe 2005, 228.)

Public relation is about creating favorable images of the company in the mind of customers. It often involves creating a news story or event that brings the product or company to the public attention (Blythe 2005, 236).

### 4.5.4 Place

Place decisions refer to the ease of access that potential customers can reach a product or service (Palmer 2008, 40). Place decisions can involve physical location decisions such as where to place a restaurant. For service, the concept of accessibility is more important.

Place decisions also define as finding the right channel of distribution to ensure that the products reach customer in the most efficient way. Place involves decision concerning the distribution channel to be used. Distribution channel consists of organization such as retailers or wholesalers through which goods pass on the way to customers (Jobber 2010, 19). Their management, locations of warehouse, methods of transportation and inventory level has a big influence on finding an easiest way to customers. The objective is to ensure that products are available in the proper quantities at the right time and place (Jobber 2010, 19).

#### 4.5.5 People

All human actors who play a part in service delivery and thus influence the buyer's perception: namely, the firm's personnel, the customer, and other customer in the service environment (Wilson, Zeithaml, Bitner & Gremler 2008, 21). Customers interact directly with the firm's personnel or are actually part of the service production process. How these people dressed, their personal appearance, and their attitude and behavior all influence the customer's overall perceptions of the service.

In a restaurant business, the waiters, chefs and cleaners are the people who are involved in the marketing process. Such as serving customers, cooking the food and cleaning up afterwards. Their performance will influence the quality of the service, for example customers may order the wrong food if the waitress does not have a good knowledge to well explain the menu or the food. It is really important to train their staff before start working.

#### 4.5.6 Physical evidence

Physical evidence is the ambiance and decoration of the restaurant (Alice 2010). The appearance of buildings, landscaping, interior furnishing, equipment, staff members, signs, printed materials, vehicles, and other visible cues all provide tangible evidence of a firm's service style and quality.

Physical evidence is an important indicator to judge the quality of service. Many service performances are hard to evaluate. As a result, customers often look for tangible

clues about the nature of service. Physical evidence provide intangible clues like service quality, and in some cases it has strongly influence how customers evaluate the service, especially for the inexperienced customers.(Lovelock & Wright 2002, 69.)

#### 4.5.7 Process

Process is a particular method of operations or series of actions, typically involving steps that need to occur in a defined sequence. It is an element of service that sees customers experiencing an organization's offering. Processes include direct and indirect activities, but many processes are supported by indirect activities. (Lovelock & Wirtz, 2011, 219.) A visitor to a restaurant may be deeply affected by the manner in which staff serves them and the amount of delay that is involved during the production process. Issue arises about the boundary between the producer and customer in terms of the allocation of product function (Palmer 2008, 41.)

Service design should pay attention to processes and the manner in which service personnel interact with customers during this process. Some restaurants required customer to pick their food up in the counter, or expect them to deposit their own rubbish. A clear instruction of how to get food should be provided since customers take a part of process.



#### 4.6 Implementation and control

Marketing implementation is the process that turns marketing plan into marketing actions in order to achieve marketing objectives (Armstrong, Kotler, Harker & Brennan 2012, 60). Implementation is a consequence of strategy, it also affects strategy and should form part of the strategy development process. Designing marketing strategy and positioning plans that's meet today's and tomorrow's requirements are necessary, however it is not yet a sufficient condition for success. They need to be translated into action through effective implementation. (Jobber 2010, 775). How implementation is managed plays a significant role on business outcome. Change issues often exist in the business project, and it is important for companies to monitor change.

Marketing control is an essential element of marketing planning process (Jobber 2010, 775). It involves evaluating the results of marketing strategies and plans, and taking corrective action to ensure that objectives are reached (Armstrong, Kotler, Harker & Brennan 2012, 63). There are two types of marketing control system, strategic control and operational control (Jobber 2010, 803). The first one concerns major strategic issues and answers the question like "Are we doing the right thing?" It focused on company strengths, weaknesses, opportunities and threats, and the process of control is through a marketing audit. Operational control focuses on tactical ongoing marketing activities. Marketing metrics is a tool for marketing manager to measure the effectiveness of their activities. However, strategic control is used for this study because of the business is not yet existing. Operational control will be used later after the western-styled restaurant is found.

## 5 MARKETING PLAN FOR WEIDUOLIYA WESTERN-STYLED RESTAURANT IN CHENGDE

### 5.1 Business mission

The name of the western-styled restaurant is Weiduoliya which transliterates from the English word Victoria. Our goal is to establish a luxury western-styled restaurant brand, which offers good quality food and outstanding dining experience. Weiduoliya aims to be an ethical organization, create more job opportunities for people in the society, take responsibility of the food quality to its customers and reduce pollution of the environment.

Weiduoliya is committed to their customers by using good quality, fresh and safe ingredients, meanwhile it considers customer service as an important part of the business. All the employees are passionate about serving. Weiduoliya western-styled restaurant is more than a place to enjoy great food, but also a place to experience fashionable lifestyle. We teach etiquette and culture of western food and guide healthy diet for our customers. Every dish has a story to connect the food with the culture and traditions in the food's country of original.

### 5.2 Marketing analysis

#### 5.2.1 Consumer analysis

Eating plays an important role in Chinese culture and people are willing to spend money on eating out in restaurants. The Chinese are not only considering eating as a matter of living but it is also a means of entertainment or a way to meet friends. Chengde has 3.69 million inhabitants in total. There are eight counties and three districts in the area of Chengde. Weiduoliya western-styled restaurant will be open in one of the three districts called Shuangluan District, which is the central of Chengde. There are 0,34 million inhabitants in Shuangluan District, Chengde. People there are pursuing for a quality and relaxed lifestyle, unlike the stress of living in the first-tier cities in China.

### *Culture factor*

The local Chinese restaurant is always so crowded except if you make a reservation for a private room. Those private rooms are either for more than ten people or the consumer has to spend at least a considerable amount of money in order to get the reservation. On the contrast, Weiduoliya western-styled restaurant provides opportunity for relaxing and enjoyable dining atmosphere. Today many western-styled restaurants in China provide more than just a place to enjoy the food. A growing number of western-styled restaurants are catering to customers' needs in innovative ways. Some seek to create a therapeutic atmosphere, while others serve as venues for live entertainment or to communicate the latest trends. The local consumers in Chengde are increasingly interested in a diversity of food that have superior taste, are safe and nutritious, and are offered at a reasonable price. Consumers also will pay a premium price for high quality food products, outstanding dining environment and excellent service for special occasion. Eating is always a good topic if you want to make conversation with Chinese. Chinese people believe that the consumption of the product of foreign origin is rather symbolic other than utilitarian to correspond to social status.

### *Social factor*

The selection of a western-styled restaurant is viewed by others since people in Chengde does not have enough knowledge to identify a good western-styled restaurant themselves if they are beginners about western food. However, reference group will play an important role on influencing consumer behavior. People are likely to follow what their friends do or have in Chengde. Normally, when people make friends in Chengde, they like to find people who have the most things in common with them in terms of age, attitude, value, taste, opinion, social class, family background and education background and so on. In a word, they have their own community which called reference groups in this study. Weiduoliya western-styled restaurant will associate its luxury image in promotion and ads that will bring reference group into play. A survey will be conducted to test the values, tastes, attitude and behaviors of the group with representatives of Weiduoliya's target customers before the actual promotion and advertising.

Women and children are the main decision maker in the family for eating out in Chengde. Therefore, men also make decision on choosing the restaurant when they want to invite people for dinner in special occasion. Men are more likely to choose a place which offers good dining atmosphere and service, since people consider is being generous and respectful towards the guests.

#### *Personal factor*

It was a tradition in China to save money in the past, and the consumers there are more value-conscious. They only spend money on the daily necessities. However, due to the rapid economic growth in recent years in Chengde area, the local people spend more money on education, entertainment, eating out, traveling and clothing. Especially, for the young generation who have disposable income to pay for luxury products. The young people who were born after 1980s normally have a good education background and they get support from parents almost through their whole life. Those people pursue a good quality of life, and are willing to spend money on quality. Chengde is a place that has rather low level of educational resources but it does not prevent Chengde people's the enthusiasm for learning. Wealthy families send their children to study in the closer city like Beijing or even abroad who have advanced educational resources. In general, people are well educated in Chengde area and can easily accept new things. Chengde is also a university town which consists of 8 universities. The family life-cycle stage in Chengde are basically unmarried young couples, married couples (main), childless couples, single parents and extended parents (main). The age group between 15 to 64 accounts for 75 percentage of the total population (Website of ChengDe Statistical Information 2010) and those will be the main potential customers for the western-styled food. It shows the demand for luxury is quite strong and constant.

#### *Psychological factor*

China is continuing to be the fastest growing market for luxury products after Japan. It became the world's largest luxury goods market in 2012, according to the World Luxury Association (WLA). It is an interesting fact that during the global economic crisis in 2008 through the whole world, most of the countries were suffering from the economy depressed. But the sales of luxury goods in China never stopped increasing

within the past five years. Chengde people strongly believe that the more expensive the products are the better quality of the products they will receive. On the other hand, high price can also distinguish Weiduoliya western-styled restaurant from the others. Chengde people like to be not the same than the others. Weiduoliya western-styled restaurant defines itself as high end brand that easily gives the image of exclusive, expensive, rare, fashionable and original to the customers who are looking for those criteria.

### 5.2.2 SWOT analysis

#### **Strength**

- Weiduoliya aims to build a luxury western-styled restaurant brand in Chengde
- Offering good quality, safety, healthy and authentic western-styled food in a wide range of options.
- Outstanding customer service and relaxing dining atmosphere
- Strong market positioning which enhance its brand identity.
- A new service style in Chengde (introduces the food of origin and teaches eating the etiquette of the country).
- The first authentic western-styled restaurant in Chengde.
- The restaurant is located in the very central of Chengde and can be easily to reach.

#### **Weakness**

- High investment in employees training, rent, equipments and decoration.
- High start-up cost since the western-styled restaurant is pursuing a posh design.
- Have to face the high employee turn-over in restaurant business.
- The price of food is rather high compare to any other western-styled restaurants in Chengde.
- A lack of experience since the restaurant is newly established.
- Increasingly competition of western-styled restaurants recently years in Chengde.

### **Opportunities**

- Western food market has a good prospect in Chengde and people are more and more acceptable to western food.
- Contracting with a reputable Internet Service Provider and increasing its presence by through offering special coupons for on-line customers.
- Can achieve better positioning in Chengde marketplace by taking into account the culture differences and addressing these differences within the menu, customer service and decoration of the restaurant.

### **Threats**

- China is facing the increasing inflation year by year and the price of raw products used by restaurant increases. The business will lose profit in this case.
- The operating costs are high, and lease may increase.
- There are so many competitors nearby and the competitors offer a cheap price.

The application of SWOT analysis for Weiduoliya western-styled restaurant is necessary in order to assist in decision making and the formulation of the marketing strategy. Weiduoliya western-styled restaurant is facing a great business opportunity since people's eating trends have changed. People in Chengde are more open to accept western food. However, some merchants have already realized this business opportunity. There are six western-styled restaurants opened within a couple of years. The indirect competitors such as Chinese styled-restaurant should be taken into consideration as well. The western-styled restaurants in Chengde are on a various level and the consumers itself lack the knowledge to identify the authentic western food. Weiduoliya western-styled restaurant will definitely spend a lot of time and money on training their employee on offering a great service, as well as teaching them western eating etiquette and the knowledge of western food.

### 5.3 Marketing objectives

Weiduoliya western-styled restaurant has three objectives, increase brand awareness, focus on newer products and maintain competitive advantages. Weiduoliya western-styled restaurant is a new business in Chengde. It will focus on increasing advertising expenditures in order to expand the brand awareness at the beginning. After experience an increase in new customers who are turned into long-term customers. Weiduoliya western-styled restaurant will focus on new food products as well as constantly staying aware of its position and competitors within the foreign restaurant market in Chengde.

### 5.4 Marketing strategy

#### 5.4.1 Segmentation

The table below states the overall performance of main western-styled restaurants in Chengde. The scale of the measurement is from 1 to 5, from low to high. As you can see from the table, the western-styled restaurants in Chengde stay at a medium to medium-high level regarding to service quality, price, taste of food, dining environment and parking service. Table 1 and Figure 5 are made according to personal experience about eating in western-styled restaurants in Chengde. Fast food restaurants stay at rather low level. It is missing a real market player of high end western-styled restaurant segment. The majority of western-styled restaurants in Chengde can offer rather good food, service and dining atmosphere but there is no one can provide an outstanding experience to its customers. It seems to be that Restaurant A aims to be the high end service provider in Chengde since it sets the highest price. For any reason, their customers are not so happy with what they aim to be and what they provided. Weiduoliya western-styled restaurant targets to serve high end customer segment that are looking for an outstanding dining experience in comprehensive way, such as with good service, delicious food, well trained staff, relaxing eating environment and so on. Weiduoliya communicates to its customers about what Weiduoliya promised.

Table 1: Comparison of western-styled restaurants in Chengde

Name	Service	Price	Taste	Decoration	Parking	Age	Found
<b>A</b>	3	5	3	4	YES	23-55	2012
<b>B</b>	4	4	3.5	3.5	NO	23-48	2003
<b>C</b>	2	3.5	2.5	2.5	NO	17-50	2008
<b>D</b>	5	3.5	3.5	3.5	NO	23-38	2013
<b>E</b>	3	3	3	3	NO	25-60	2004
<b>F</b>	3.5	3.5	4	3.5	NO	22-35	2011
<b>G</b>	2	3	3	3	NO	13-45	2012
<b>H</b>	2.5	2	2.5	2.5	NO	7-55	2011
<b>I</b>	2.5	2	2.5	2.5	NO	4-45	2005
<b>J</b>	2.5	2	2.5	2.5	NO	4-45	2003
<b>K</b>	2	2	2.5	2	NO	8-22	2000

- |         |           |               |
|---------|-----------|---------------|
| A. 巴厘岛  | B. 米兰西点   | C. 鹿港小镇       |
| D. 咖啡之翼 | E. 大自然咖啡厅 | F. 相伴时光       |
| G. 长颈鹿  | H. 披萨自助   | I. McDonald's |
| J. KFC  | K. 碰碰凉    |               |

#### 5.4.2 Targeting

Weiduoliya targets its market segment as a high end western-styled restaurant that offers service from well-trained staff, fresh and good quality food with memorable taste, parking space, good location, live music, theme parties and relaxing dining atmosphere. There is no doubt that Weiduoliya will charge all those from its customers. A differentiated strategy is applied for target marketing. Weiduoliya serves high end single, educated young people with a stable job, business man, tourists and wealthy family. The common characteristic of those target customers normally have a good income and can easily and fast accept new things. Tourists make up the largest segment of Weiduoliya's target market after the locals. Over 21 million tourists visit Chengde each year. (Website of City of Chengde 2013) Tourists come mainly from the city nearby like Beijing and Tianjin since it only takes three hours by car to reach Chengde. It is really popular for the white collar in Beijing to have a weekend trip in Chengde and breathe some fresh air.



### 5.4.3 Positioning

The marketing positioning map of western-styled restaurants in Chengde is made according to the research result, author's personal experience and feedback from potential customers. Weiduoliya western-styled restaurant will set high price and high quality position (the green star position), as there is a gap there. There is also a gap in high price low quality but consumers will not want to pay a lot of money for a low quality product. As you can see from the map, B is one of the main competitors for Weiduoliya western-styled restaurant. It is one of the oldest western-styled restaurants established in Chengde in 2003 and has been already starting to expand their business in other counties since few years ago. Competitor B aims to build the restaurant brand as high end in local market. However, they offer rather good dining environment and not bad service but the taste food is ordinary. As competitor B is the pioneer of high-end western-styled restaurant in Chengde and it has been quite successful. There is no doubt that the demands for luxury western-styled restaurants exists in Chengde. On the other hand, the levels of consumers in Chengde vary a lot. Weiduoliya western-styled restaurant will definitely find their customers in Chengde and satisfy their sophisticated taste.

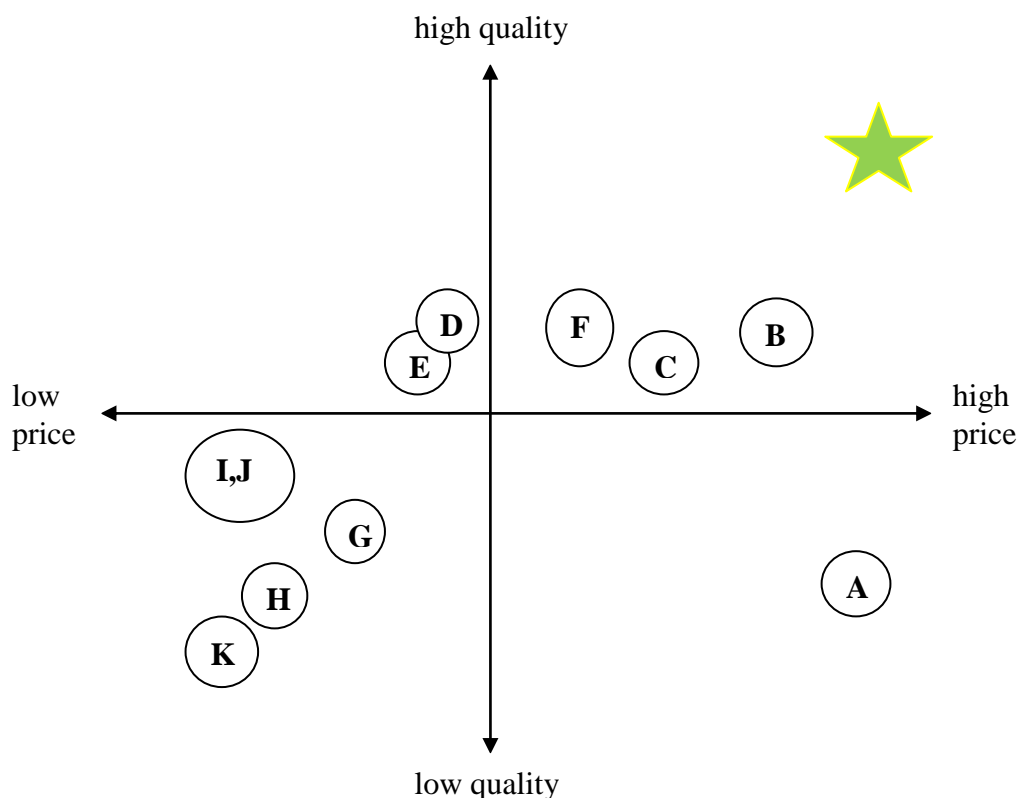


Figure 5: Marketing positioning map of western-styled restaurants in Chengde

B. 巴厘岛	B. 米兰西点	C. 鹿港小镇
D. 咖啡之翼	E. 大自然咖啡厅	F. 相伴时光
G. 长颈鹿	H. 披萨自助	I. McDonald's
J. KFC	K. 碰碰凉	★ Weiduoliya Western-styled restaurant

## 5.5 Marketing Mix

### 5.5.1 Product

Products of Weiduoliya western-styled restaurant is the food and service. Weiduoliya western-styled restaurant offers a wide variety of original western-styled food and drinks, such as pasta, pizza, steak, seafood, fresh salads, burgers, snacks, sandwiches, dessert, ice cream, coffee, imported beer, house wine and cocktails. The food is cooked by chefs who are educated in cooking western food with high quality ingredients. All the dishes' ingredients, calories and nutrient will be clearly marked on the menu. This is what other competitors and local Chinese restaurants will do not do. The service quality will be influenced if the customer ordered the wrong food.

Weiduoliya western-styled restaurant serves customers in the premises of the central business district of Chengde. In addition to the food, free Wi-Fi is also provided. The businessmen can enjoy either the food or a cup of coffee while checking their emails. Weiduoliya western-styled restaurant can serve 100 people at the same time. It is a good place for all kinds of parties. Nowadays there is hard to find place to enjoy good food, qualified service and pleasant environment at the same time in Chengde. Most of the competitors only fulfill one of the criteria mentioned above. Weiduoliya western-styled restaurant will teach dining etiquette of the food of origin depending on what the customers ordered. In order to avoid awkward situations by teaching face to face, the restaurant will give a brochure before delivering the food that customers can read through. The brochure includes six main parts - prior to the meal, during the meal, after meal, how to eat difficult food, conversation starts/ tips and popular food in the country. Customers can enjoy reading the brochure before the food is delivered.

Weiduoliya western-styled restaurant will be open 10a.m.-01:00a.m. so that it serves the needs of our target customer. According to the research result of the opening hours from other competitors, most of them open their restaurants 9a.m.-12a.m. Weiduoliya does not aim to open that early but it will close one hour later than the competitors. There will be the piano performance from 19-21 from Sunday to Thursday. A live band is performing from 21-23 on Friday and Saturday.

### 5.5.2 Price

Weiduoliya will set price-quality-value pricing strategy since there are many intangible values added in the experience of dining. Outstanding service quality, well-trained staff, luxury dining atmosphere, street view and live music should be charged. It is also the strategy to distinguish Weiduoliya western-styled restaurant distinguish from the others. The author will use Competitor A and B as benchmark when sets Weiduoliya western-styled restaurant's price. The reason why the author chooses competitor A and B is that they both aim to set high price and serve quality. But for some reason Competitor A and B only stays at high price without serving quality. Competitors' pricing strategies are taken into consideration when Weiduoliya sets its own price. It will be 20 percent higher than Competitor A. Competitor A and B do not have live music and a wide range of food and drinks than Weiduoliya. Weiduoliya western-styled restaurant will be the most western-styled restaurant in Chengde. The following table states the price difference between three western-styled restaurants for a certain common products:

Table 2: Price comparison for main competitors in Chengde

<i>Products/unit</i>	<b>Competitor A</b>	<b>Competitor B</b>	<b>Weiduoliya</b>
<i>House wine</i>	100- 1000	90-1000	<b>120-1200</b>
<i>Coffee</i>	35	26	<b>42</b>
<i>Cocktail</i>	40	30	<b>48</b>
<i>Imported beer</i>	30	25	<b>38</b>
<i>Steak</i>	100-200	50-200	<b>120-240</b>
<i>Dessert</i>	35	25	<b>42</b>

Currency: RMB (1 euro = 8 RMB)

### 5.5.3 Place

Weiduoliya western-styled restaurant will be located at Yudao Pedestrian Street, Shuangluan District, Chengde. Yudao Pedestrian Street is a new building project invested by the local government, and cooperates with famous Chinese construction agencies. It is landmark architecture in Chengde as well as a comprehensive commercial street in term of the biggest size, multi-functional and top grade. The length of Yudao Pedestrian Street is 2.4 kilometers that can room 489 shops. The pedestrian street will cross through main residential area (see the effect pictures below) including school, supermarket, hospital and plaza nearby. Yudao Pedestrian Street consists of a series of service such as shopping, dining, leisure, entertainment and culture. It is really easy to reach the place either by bus or by car and there is a large parking lot available for its visitors. Yudao Pedestrian Street also gathers many international brands like Starbucks, Haagen-Dazs, and Gucci as well as several of famous domestic brands. Yudao Pedestrian Street will be ideal location for Weiduoliya western-styled restaurant since it meets marketing Weiduoliya restaurant's positioning strategy to serve high end customers.



Picture 1: Yudao Pedestrian Street view (Website of Soufun)



Picture 2: Yudao Pedestrian Street night overall view (Website of Focus)

#### 5.5.4 Promotion

##### **Micro blogging marketing**

Micro blogging marketing is really popular at the moment in China. It refers to mini-blogging service including social chat and platform sharing. Weiduoliya chooses to use micro blogging marketing because of it is one of the most cheapest and efficient ways. The main users of micro blog are young Chinese aged 18-35. They are one of the target customers of Weiduoliya western-styled restaurant. Every ID in micro blog has strong ties with acquaintance and weak ties with strangers. However, it also helps Weiduoliya western-styled restaurants to spread the word of mouth on free online social network platform. The western-styled restaurant will create its own account called “Weiduoliya western-styled restaurant” on the most popular and visited micro blog site (SinaWeibo). The restaurant staff will keep updating promotions, pictures and events accordingly on its micro blog.

##### **Internet marketing**

There are approximately 800 million people accessing the internet in China. It is estimated that around 220 million people are shopping regularly online and 350 million are online gamers. (Vassiliou 2013) Nowadays many people have changed their shopping habits in China. Online shopping is becoming more and more popular especially among the young Chinese. Weiduoliya western-styled restaurant will create its own webpage in both English and Chinese with all the related information provided to be ready for the potential customers in the market. There is almost no restaurant in Chengde having its own webpage. Word of mouth is the main way of marketing for the local people; however it will be difficult to find information for the visitors who are not from Chengde. It is really necessary for Weiduoliya western-styled restaurant to build its own webpage.

##### **Events marketing**

Weiduoliya western-styled restaurant will arrange a series of events on different occasions to attract more customers and expand its brand image. In the slow seasons, wine tasting and beer tasting events can be organized. A variety of theme parties will be held at Weiduoliya western-styled restaurant, for example Valentine’s Day, Get

your Ester Egg, Mother's Day, Halloween Party, Christmas Eve, New Year Eve and so on. Weiduoliya western-styled restaurant will provide a place to meet people in this case. All the events and parties are a great way to maintain or attract the interest of existing and potential customer for Weiduoliya western-styled restaurant.

#### 5.5.5 People

Weiduoliya western-styled restaurant realized employees are the most important elements influencing on the service quality. Weiduoliya's staffs are the key input for delivering service excellence and competitive advantage. Due to the fact, that the overall education and salary for restaurant staff is rather low in Chengde. Weiduoliya western-styled restaurant will committee an effective management of human resources including recruitment, selection, training and motivation of employees. People who are passionate about serving, eager to learn and like to share are welcomed to join Weiduoliya's team. It has been always difficult, demanding and stressful to work in a restaurant. The case is even worse in Chengde because of the average working time per day is over 12 hours. You cannot expected to receive excellence service if a staff have to work that much. In additional, Weiduoliya will create a reasonable on duty schedule for its employees that the service staffs only work 6 hours per day. Weiduoliya's service staffs do not only serve customers or delivery the food but also they play the role of sale person. A lot of companies spend most of the time and money on developing its product or customer than the employees. But Weiduoliya would like to change the situation since we know the important of their employees are, especially for a young company. Training will be provided by Weiduoliya such as training for service, western food knowledge, wine knowledge, basic idea of sales and customer satisfaction. Weiduoliya will also give a competitive salary to their employees as well a rewarding system "Employee of the Month" will be created.

#### 5.5.6 Physical evidence

The interior decoration of Weiduoliya western-styled restaurant will also add value for the customer. The restaurant will be decorated with well-furnished tables and chairs in modern and luxury style. Beside that all accessories, business card, tableware and staff uniform will emphasis on the theme of posh. The look of restaurant will be different from the normal western-styled restaurant in Chengde, so that the customers are more attracted to visit there. To make Weiduoliya western-styled restaurant more interesting and to reflect Weiduoliya's modern and luxurious image is IPAD order system. It is unfortunate that Weiduoliya western-styled restaurant cannot provide paper menu to its customers, instead of all the menu will be appeared on IPAD. High-tech involves in restaurant business give customer a modern image, on the other hand it also helps to spread the word of mouth after customers experience something outstanding.





## 5.6 Implementation and control

Weiduoliya western-styled restaurant recognizes that implementation capabilities are an important corporate capability that requires detailed management attention. Weiduoliya will create an efficient implementation process carried out with milestones and action. This involves spending money on decoration, training staff, advertising, purchasing furniture and equipment, interacting with potential new customers, paying for rent, building brand image and so on. The milestones spell out activities to be done, responsible person for the activities, the time and location of activities, budget of activities and how implementation will be achieved. The marketing plan of Weiduoliya western-styled restaurant might have the possibility to change if the market environment changes. A control process will be made after Weiduoliya western-styled restaurant's milestones are done. Weiduoliya western-styled restaurant will take implementation into consideration when doing the control part. It will focus on the key areas such as service quality and customer satisfaction when Weiduoliya western-styled restaurant starts to operate. The author will make a financial plan for Weiduoliya western-styled restaurant when the project starts. The competition of western-styled restaurants in Chengde is increasingly high and a backup plan should also be made in case of if Weiduoliya does not have enough customers.

## 6 CONCLUSION

The purpose of this study was to create a marketing plan for a prospective western-styled restaurant in Chengde. The author feels passionate about writing a business plan for running a modern restaurant business in her hometown after realized potential business opportunity and gathered knowledge from study abroad. This project started in November 2011 and finished in August 2013. The bachelor thesis is done one year later than scheduled. The author found it really difficulty to work and study at the same time. I strongly recommend the follow student should concentrate on either work or study. It is almost impossible to do both at the same time. An efficient time management plays a significant role in completing the task on time in project as well as multi-tasking skill is what the author should improve in the future's working life.

Talk about the research part of this study, the semi-structured interview was first conducted face to face in January 2012, in Chengde with Ms. Wang – manager of Daziran. (The manager of Competitor A and E which mentioned in marketing strategy) Due to the delay of this project, the author did the second interview with the same person and same question in July 2013 via phone in order to keep the information updated and precise. The author found out the western-styled restaurant market increased within past year. There are six new opened western-styled restaurants in Chengde. This information further illustrates the prospect of western-styled business in Chengde. It makes the author feels more confidence in running a western styled restaurant after her graduation.

The author got a lot of useful information for her empirical part of the study from Ms. Wang and all her friends who experienced in eating in western-styled restaurants in Chengde. The author also got enough support from her thesis supervisor Timo Kaartinen and Tapio Pirkanaho who are expert in supervising the topic on marketing. They always reply promptly and give advice when inquiry was sent.

Last but not least, the author can apply the knowledge from her bachelor study at Satakunta University of Applied Sciences. The thesis writing process provides student a great opportunity to practice managing a small project in the real life. The author is

now ready to be challenged in her next project on running a western-styled restaurant in the near future.

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## APPENDIX 1

### **Semi-structured interview question with local restaurant manager**

1. Surroundings
  - Locations
  - Furnishing
  - Style
  - Size of restaurant
2. Product or Service
  - Food and service
  - Music
  - Others
3. Production process
  - How do customers participate in the service process?
  - How do service providers participate in the service process?
4. Service quality
  - Could you give me some suggestion regarding to how to control service quality?
  - How people influence service quality in restaurant business?
5. Marketing strategy
  - What are the characteristics of local customer in general?
  - Who are the competitors in the market?
  - What will be the best operating concept for a western-styled restaurant?
  - What is the segmentation and targeting in local market?
  - What is the positioning in target market?
  - Which price strategy will suit local market best? Low price, medium price or high price level?
  - What is acceptable or affordable price range of local customers?
  - What is the most efficient way of marketing communication?
  - What are the most challenging parts for running a restaurant business?
  - What will be the future tendency in local market?