

Specific Project: Develop Marketing Strategy for Shehnai Thai Chinese Restaurant

Submitted to:

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Executive Summary:

A number of important issues and topics related to the restaurant business in Bangladesh and Shehnai Thai Chinese Restaurant have been discussed in the report. The first part of the report focuses on the various aspects of the restaurant business of Bangladesh. The list of the top major players of restaurant business of Bangladesh has been given. This part of the report ends with a brief analysis of the overall restaurant business of Bangladesh. The second part of the report mainly focuses on the position of Shehnai Thai Chinese compared to other Chinese restaurants. For a better understanding a competitor's analysis of Shehnai restaurant has been included. The most important part of this report that has been covered included the some specific features of marketing strategy in restaurant business, review Shehnai restaurant competitive position and also made projection of customers volume. We also analyses company's SWOT analysis and discussed about some critical observations where we think that, there is some scope of improvement. Based on these, we have given some recommendation.

Chapter one:

Introduction:-

Demographics and changing lifestyles are driving the surge in food service businesses. Busy consumers don't have the time or inclination to cook. They want the flavor of fresh bread without the hassle of baking. They want tasty, nutritions meals without dishes to wash. In fact, the rise in popularity of to-go operations underscore some clear trends in the food service industry. More and more singles, working parents and elderly people are demanding greater convenience when it comes to buying their meal.

1.1 <u>Restaurant Industry in Bangladesh:</u>

After a day spent exploring the wonders of Bangladesh or shopping in a market place, we are certain to want to sit down and enjoy a delicious meal. With a great selection of restaurants in Bangladesh we will find the ideal spot to satisfy our hunger. From traditional Bangladeshi Cuisine to a wide variety of international dining, Bangladesh's restaurants cater to all tastes.

The larger cities in Bangladesh enjoy the widest range of restaurants. Western meals are often served in major hotels. However, Bangladeshi Cuisine is not to be missed, with the spicy flavoring and mouthwatering smells. Rice is a staple in Bangladesh and delicious chicken, fish or prawn curry all are an integral part of most dishes. Whatever our preferences to enjoy Seafood, smoked hilsa, chingri or fresh bhetki, Bangladesh has a restaurant for all .

1.2 <u>A List of Major Players:</u>

Top Thai Chinese Restaurants doing business in Dhaka.

- 1. Rose-Button
- 2. Top-Kaffi
- 3. Voot
- 4. Khazana
- 5. Sea-Shell
- 6. Yantai
- 7. La-lu-na
- 8. Chung-Wah
- 9. Prince Thai Chinese
- 10. Star Kabab Thai Chinese

1.3 Shehnai Thai Chinese:

Shehnai Thai Chinese Restaurant was founded in 2009 in the prime location near cantonment area. Its mission statement is "Quality, Consistency, Cleanliness, Service". It went to operation from 06th January of the same year. It was maintaining from its inception with quality food service in competitive price. Different promotional packages were also offering in different special day occasions. Different unique features were incorporated in Shehnai Restaurant from the beginning to attract customers like hall room rent facility, parcel service to customers point at restaurant cost etc. Shehnai Restaurant is dedicated to serve the different needs of the local community as well as outsiders and also to look forward to offer different innovative products and services for its valuable clients in the years ahead.

1.4 **Objective of the report:**

To develop marketing strategy for Shehnai Thai Chinese Restaurant through:

- External Environment Analysis
- Internal Environment Analysis
- Specific features of marketing strategy in Restaurant Business
- Review Shehnai Restaurant Competitive position and also made projection of customers volume
- Finally draw conclusion and recommendation to overall growth of the business.

Chapter Two : External Analysis:

A company's external environment includes all relevant factors and influences outside the company's boundaries by relevant means important enough to have a bearing on the decision the company ultimately makes about its direction, objectives, strategy and business model.

2.1 <u>Macro Environmental Analysis:</u>

Demographics are the most easily understood and quantifiable elements of the general environment. Demographics comprise elements as below:

- The Population size
- Growth rate of population
- Age composition of the population
- Family size
- Language
- Religion
- Income

Employment status and location

These factors are relevant for formulating and implementing of strategy for condoling and accomplishment of the objective of the restaurant business. For example, if moderate to high income level people are staying around the restaurant area, then it is expected that restaurant is welcoming good number of customers from the beginning. If people's income level is high mean that their disposable income is also high. In Cantonment area, most of the people are doing job or business. That's why they are familiar with the Chinese restaurants in different occasion.

2.2 **Porter's Five Forces Analysis:**

There is many factors which directly or indirectly affect our restaurant business like government policies, regulations, competitions, child labor, minimum wage, pollution, risks, supplies etc. But practically it is virtually impossible to consider all such individual factors and therefore specific models exist like porters five forces which are applied to determine the external and internal environment factors affecting the restaurant business in Bangladesh. Five factors are as follows:

- 1. Rivalry among the existing competitors.
- 2. Threat of new entrants.
- 3. Threat of substitute products.
- 4. Bargaining power of buyers.
- 5. Bargaining power of suppliers.

Rivalry Among the existing competitors:

The rivalry among competitors are likely to be intense if the number of customers are less. There are 04 (Four) Chinese restaurants operating

within half kilometers distance in Cantonment area. Customers are divided into different restaurants according to their choice and preference.

Threat of New entrants:

New entry barrier to the restaurant business is low because any one can get license from the concerned authority to start business in this sector if adequate infrastructure facility is available.

Threat of Substitute Products:

In Chinese restaurant business, a good number of appetizer food items are available. These items are also available in the fast food corner in substitute form. If fast food becomes more popular among general customers then it is affecting Chinese restaurant.

Bargaining Power of buyers:

In the restaurant business, the buyers are the students, the family members, corporate offices etc. In various ways, buyers can affect a business by seeking price reductions, demanding higher quality and better service.

Bargaining Power of suppliers:

The relation between the different suppliers with the restaurant is very strong. Because all the raw materials are supplied by the suppliers to the restaurant. Product quality, size, price & timely delivery from suppliers

are the some important factors which directly affected the restaurant business.

Chapter Three: Internal Environment Analysis:

Internal Analysis: The internal environment is the final step in gathering information for the environmental analysis. It consists of identifying resources and capabilities, finding competencies and determining what competitive advantages the organization has. Following areas of Shehnai Restaurant will be analyzed for internal analysis:

- Core competencies
- SWOT analysis

3.1 Core competencies:

Core Competencies are resources and capabilities that the firm utilized in an exceptional manner in advantage. In Shehnai Restaurant case, we can clearly identify the following important core competencies which make them competitive in restaurant business.

- Leadership skill.
- Trained & professional waiter
- Exclusive hall decoration.
- Quality service.
- Experienced chefs.
- Shehnai special dish.

3.2 **SWOT analysis:**

SWOT is a technique to identify the strength, weaknesses, threat and opportunities of a company in terms of both the external and the internal environment.

SWOT analysis of Shehnai Thai Chinese Restaurant. Strengths:

- 1. Car Parking facility with adequate security.
- 2. Quality food service.
- 3. Parcel facility to customers point at companies cost.
- 4. Competitive price.
- 5. Cheaper hall room rent

Weaknesses:

- 1. Restaurant space is medium capacity level.
- 2. Restaurant is in 2^{nd} floor while kitchen is in 4^{th} floor.
- 3. Waiting space is limited.

Opportunities:

- 1. Adequate space is available to expand restaurant floor.
- 2. Restaurant adjacent area is growing with commercial infrastructure.

Threats:

- 1. New competitor may come to the market to narrow the space of the business.
- 2. Govt. regulation in this sector particularly introduction of ECR machine to the restaurant business is threatening.
- 3. Recent wage hike of the employees is creating discomfort for the owners of this sector.

Chapter Four :

Marketing Strategy- is defined by David Aaker as a process that can allow an organization to concentrate its resources on the optional opportunities with the goals of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic and long term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

4.1 Comprehensive Marketing Strategy for Shehnai restaurant:

To design comprehensive marketing strategies for Shehnai restaurant, first to identify different components of marketing strategy and then elaborately discuss each of them.

- Customers
- Programs and services
- Packaging
- Pricing
- Promotion
- Resources

Customers:

Family guest are the important part in restaurant business. College/University going students, couples, corporate officials are also spent their time in Chinese restaurant.

Programs and Services:

In house service and also home delivery services are available in Shehnai Thai restaurant. Different programs like wedding party, reception, birthday party, valentine's day special, 31st night, D-J party, school party etc are frequently arranged in Shehnai restaurant.

Packaging:

Shehnai restaurant has an attractive logo. It has different sizes parcel boxes with restaurant logo and name. Shehnai restaurant also has multicolor parcel bags to carry parcels. This attractive packaging system is also contributing a lot in restaurant promotional campaign.

Pricing:

Shehnai restaurant is always determined to offer quality Chinese food with less price compare to other restaurants in the same area. Shehnai restaurant business theme is "less profit but maximum sale".

Promotion:

Different promotional activities are continuously doing to explore the possibility of doing better in future. We always try to keep on restaurant business in growth track. Signboards, customized accessories, diff type

of gifts, events, sponsor, school campaign etc are some major elements that always Shehnai restaurant authority focuses for business growth.

Resources:

Trust, belief, brand image, skilled professionals, quality, taste etc. are the key resources of restaurant business.

4.2 Specific features of Marketing Strategy in Restaurant Business:

1. <u>There is not better restaurant marketing that over</u> <u>delivering:</u>

If I want to spend some marketing budget, do it by surprising my customers giving them freebies that they don't

expect. A free appetizer (it doesn't have to be big or expensive), a complementary drinks at the end of a really good meal, these go a long way to surprise and delight my customers. Yes, it will cost me a bit (if I am smart, I can come up with creative and inexpensive treats) but consider this as a marketing investment. Instead of doing the old tiring ads, invest money directly on my clients, I will be rewarded a more involved with members of my community. I might offer restaurant space for meeting or fund raising activities, encourage my employees to participate in community walk-athons, help answer phones at pledge drives or organize clothing drives. It's important to choose my causes wisely; if relate well to customers. My employees will also need to be trained in aspects of selling the dishes we offer. Ensure they know the items on the menu, including how they are prepared, and what ingredients they contain. Allow our new staff members to taste the menu items we offer.

6. Customers loyalty:

By implementing the right strategies at my business, I should be able to draw customers back to my restaurant again and again. The important thing is paying strong attention to what appears to be working and what isn't. Keep our prices as reasonable as possible. Customers are focused on value and having a simple, positive experience. The job isn't always easy, but in the long run, it will be worthwhile.

7. Develop restaurant website:-

When users to go to a restaurant website, they are looking for an easy way to navigate and find one or more of the following information items:

Menus (With the following elements):

- Descriptions
- Prices
- Photos to see what they are going to get
- Any way to make a reservation (online, phone numbers etc)
- Contact Information (emails, phone etc)
- Address and directions to the restaurant

- Some photos of the restaurant so that they know how the place looks before the step into the restaurant.
 - A form to leave comments or feedback

(too slow or they didn' t spend enough time chatting with them), about the music (too loud or they just didn' t like it, could we please turn it off) etc. What if the customers are impossible to please ? What can we do to please those customers who no matter what I do will always complain ?

First I will tell what no to do. We don' t want to confront them or to argue with them. This is exactly what they are looking for. They have rage inside and a good fight with a waiter, manager or restaurant owner will give them satisfaction and perhaps an excuse for a free meal. What we need to do is to diffuse the situation. Try to not take their criticism personal and give them alternatives to their complain. For example, when they asked me to turn off the music, I explained to them that I understood that they wanted to talk but most people were enjoying the music so I lowered the music a bit and relocated them to sit or a different table father away from the speakers. They didn' t make them happy but they complied and I took the arguments for them to complain about.

Try to work a solution with every possible means with them and if everything else fails, offer them a free meal and let them know that perhaps next time they should look for a different restaurant. If they appreciate my place, they will come back and hopefully behave next time. If this doesn' t happen and I see that they come over and over and always complain, well there is a point to cut my losses.

Understanding customer preferences is essential in developing an appropriate concept. It is important to realize that concepts appropriate for one area may not be appropriate for another.

	Com	petitive		-	etitive
	stre	ength 🚽		≫ Weal	kness
Concept/Theme	*	*	*	*	*
Proximity to customers	*	*	*	. *	*
Traffic Volume	*	*	*	*	*
Accessibility	*	*	*	*	*
Visibility	*	*	*	*	*
Atmosphere	*	*	*	*	*
Menu Appeal	*	*	*	*	*
Food Quality	*	*	*	*	*
Service Quality	*	*	*	*	*
Entertainment	*	*	*	*	*
Pricing	*	*	*	*	*
Hours of operation	*	*	*	*	*
Management	*	*	*	*	. *
Franchise Affiliation	*	*	*	*	*

2. Project Customer volume:

With an understanding of our competitive position in the market and with estimates of Volume of other operations, we are ready to make projections of our customer volume potential. The customer volume projection worksheet will help us estimate how many customers, or meal 'covers' we will serve. The following instructions will help us complete the worksheet.

a. Divide our operating year into season that describe the variability of our business (Peak-season, middle-season, and off-season), Enter the number of weeks in each

Total	s x			
Middle Season 22	5.125, 3.54			1
(Sept, Oet, Apr-Mid ZZ Friday June)	05	06	12	23
Saturday	03	05	10	18
Sunday	01	02	15	18
Monday	_	01	12	13
Tuesday	-	06	13	19
Wednesday	02	04	14	20
Thursday	02	01	20	23
	L		1	
Weekly Total Peak Season Total	13	25	96	134
	286	550	2112	2948
Off Season 10			5	
Friday Period	03	04	05	12
Saturday	02	02	06	10
Sunday	_	01	05	06
Monday		03	06	09
Tuesday		02	10	12
Wednesday		_	-07-	07
Thursday	02	03	08	13
₹. 	and the second sec			
			17	69
Weekly Total Off Season Total	07	15	47	-
	07- 70	15	470	690

3. Project Restaurant Average Check:

Average Check includes both food and beverage sales. It should be projected for each meal period as there can be significant variations among breakfast, lunch and dinner menu prices.

4. Project Restaurant Sales:

Sales are calculated for each meal period by multiplying our projected number of covers by the average check. The following worksheet is used to calculate our projected annual sales.

	Break fast	Lunch	Dinner	Total
Covers	696	1420	5822	7938
X Average check	320	675	850	465
Annual Sales	222720	9,58,500	4948700	6,29,920

Sales Projection worksheet

Then compare our annual covers, average check and sales projections with industry averages of similar operations. If possible, keep this sales projection as performance goals for the future.

Monthly avg. Sales: 510,825 BDT

5. <u>Shehnai Thai Chinese Restaurant Income Statement For the</u> <u>Month December 2013</u>

	Sales	5,14,665.00
Less:	Cost of goods Sold	2,70,000.00
	Gross Margin	2,44,665.00
•		
Less:	Operating expenses	
	Unities: Electricity	12,500.00
	Gas charge	7,600.00
	Water	2,200.00
	Depreciation Sales equipment	18,000.00
	Rent on facilities	65,000.00
	Selling & Administrative salaries	55,000.00
	Advertising	10,000.00
	Total operating expenses	1,74,300.00
	Net operating Income (before tax)	70,365.00
	Vat (5%)	3518.00
	Net Income	66,847.00
	Recommend: They should run the business	

Chapter Five:

Conclusion & Recommendations:

The possible Recommendations are: Introduction of new kids zone:

The introduction of kids zone is very much essential for restaurant business to grow. Because most of the family guests are accompanied by small kids. These kids always choose that Chinese restaurant where maximum no of games or rides facilities are available. So, I recommend Shehnai restaurant management to look into the matter seriously for attracting family guests.

Establishment of Corporate linkage:

Different types of discount facilities on food may be offering to different corporate house through package deal. These will promote business interaction with other organization which ultimately enhances sales growth.

Apply Field force Strategy:

If restaurant authority will appoint some energetic intelligent marketing executive at field level for promotional campaign, then it must give positive results. These executives will visit different potential areas to motivate restaurant customers through discussing our specialty, unique features, quality, pricing, different packages etc.

Conclusions:

The restaurant business is highly competitive. Different restaurants are offering different types of foods, different flavors and tastes to attract customers. Every efforts come to a happy ending if customers like these dishes with delight and happiness.. In today's economic scenario, govt. is earning maximum revenue from service sector. Restaurant business is also fall under service sector category. That's why, govt. should take extra care to promote this industry by providing better utility services like gas, electricity, water and also imposing reasonable vat tariff on sales. Shehnai restaurant authority must need to understand what consumer wants. They need to have far sightedness. To continue growing, companies must as certain and act on their customers' need and desires.

Reference:

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- Bangladesh Economic Review-2005, 111-116.
- Census of manufacturing industry report (2001-2002)
- Bangladesh Task Force Report.

Google Search.

- Restaurant Marketing Strategy.
- How to start a Restaurant (Entrepreneur).



Fried Wonthum Appendition Food Fried Wonthum (Special) Eried Wonthum (Special) 8 Prawn on Toast 8 Prawn Ball Palate 8 Prawn Ball Palate 8 Fried Wonthum (Special) 7 Fish Finger 7 Fish Finger 8 Spring Rolls Chicken, Vegetable 9 Spring Rolls Chicken Wings 10 French Fry 11 Fried Chicken Wings 12 Chicken Egg Roll 13 Prawn Egg Roll 13 Prawn Egg Roll 14 Beef Egg Roll 15 Vegetable Roll 16 Chicken Cutlet 17 Beef Cutlet 18 Chicken Corn Soup 19 Chicken Corn Soup 10 Chicken Corn Soup 11 Beef Cutlet 12 Thai Soup (Special) 13 Pravin Soup 14 Beef Cutlet 15 Chicken Corn Soup 16 Chicke	Index Index The interval i	Rice (Thai/Ohinese/SzenGhuan) Fried Rice with Prawn Th Egg Fried Rice with Prawn Egg Fried Rice Massal Fried Rice Chicken Prawn Th Vegetable Fried Rice Th Vegetable Fried Rice Th Thai Fried Rice Chicken Prawn Ref Steamed Rice Th Steamed Rice Th Thai Rice with Vegetable Th Thai Rice with Prawn Ref Steamed Rice Th Steamed Rice Th Steamed Rice Th Steachuan Fried Rice Th Steachuan Fried Rice Th Stacking Rice Th Basil Leaf Fried Rice Th Chicken Chilli Vegetable Th Voggetable Th Thai Style Mixed Vegetable Th Beef Chilli Vegetable Th Thai Kos with Chicken Th Beef Sizzling Th Chicken Rith Mused Vegetable Th Sizzling Chicken Th Sizzling Chicken Th Beef Sizzling Th	170.00 140.00 160.00 250.00 270.00 270.00 270.00 270.00 270.00 270.00 270.00 270.00 270.00 270.00 270.00 27	82 Sze-chuan Chicken Chill (Gravey)	
36 Labgai Salad 37 Thai Style Vegetable Salad 38 Vegetable Salad 39 Sze-chuan Beef Salad	Tk. 290.00	7 Chicken Masala I.N. 77 Chicken Masala T.K. 78 Hot Skeet & Sour Chicken Ball T.K. 80 Sze-chuan Lemon Chicken Ball T.K. 81 Hot Sour Chicken T.K.	220.00 220.00 220.00 250.00 250.00		TK. 280.00 TK. 280.00 TK. 260.00 TK. 250.00 TK. 300.00