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**Business Plan: Innovative business plan for Turkish-style theme
restaurant in Suzhou, China.**

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Abstract

In recent years, China's economy has risen at a breakneck pace. The demand and level of consumption for food has been gradually increasing in addition to the daily needs of the people, which has led to the continuous growth of the catering industry in China. The Internet has dramatically changed our lives in the 21st century and has also affected the catering industry with constant innovations. It is no longer a single mode like before, but has become more abundant and convenient.

This master thesis has the key objective of evaluating the feasibility of opening a Turkish restaurant in Suzhou, China. For this reason, this master's thesis comes as a business plan. The COVID-19 pandemic has swept the world in the last two years, wreaking havoc on people's lives. In order to control the continued spread of the pandemic, countries have adopted policies of production shutdown and home quarantine to reduce controls on human movement and exposure. It has had a significant negative impact on China's current economy situation, particularly on the country's real economy. Although the situation in China has largely returned to normal over the last year, there will inevitably be sporadic occurrences of outbreaks, which can also lead to shutdowns. In this article, I will discuss the possibilities and responses to opening a Turkish restaurant in Suzhou in the circumstances of COVID-19.

In order to better understand the business environment around the restaurant, we need to collect and analyze some data to develop this project. We needed to perform internal and external analysis to determine if the restaurant has an advantage over other competitors. After reviewing the results, a strategic analysis and marketing plan was proposed. Finally, a financial analysis was conducted to determine if the event was financially and economically viable. In addition to that, we should consider the daily activities and unexpected responses in the current pandemic situation.

After that, it is obvious that we have a lot of opportunities and advantages. We can see that the restaurant is strongly profitable and able to pay off the bank loan in the first year as well as prepare the capital for the second year of operation.

We hope that we can provide the neighborhood with healthy and tasty food that is different from the current Chinese market cuisine that many people may not have tried before. Customers can experience the foreign culture and quality service in the restaurant. If we can achieve cultural exchange, this is our highest goal.

Keywords: Business plans, Turkish cuisine, theme restaurants, COVID-19, foreign cuisine

JEL Classification: M130

Abstrato

Nos últimos anos, a economia da China cresceu em um ritmo vertiginoso. A demanda e o nível de consumo de alimentos vêm aumentando gradualmente, além das necessidades diárias das pessoas, o que levou ao crescimento contínuo da indústria de catering na China. A Internet mudou drasticamente nossas vidas no século 21 e também afetou a indústria de catering com inovações constantes. Não é mais um modo único como antes, mas tornou-se mais abundante e conveniente.

Esta dissertação de mestrado tem como objetivo principal avaliar a viabilidade de abertura de um restaurante turco em Suzhou, China. Por esta razão, esta dissertação de mestrado surge como um plano de negócios. A pandemia do COVID-19 varreu o mundo nos últimos dois anos, causando estragos na vida das pessoas. Para controlar a propagação contínua da pandemia, os países adotaram políticas de paralisação da produção e quarentena domiciliar para reduzir os controles sobre o movimento e a exposição humanos. Teve um impacto negativo significativo na atual situação da economia chinesa, particularmente na economia real do país. Embora a situação na China tenha voltado ao normal em grande parte no ano passado, inevitavelmente haverá ocorrências esporádicas de surtos, que também podem levar a paralisações. Neste artigo, discutirei as possibilidades e respostas para a abertura de um restaurante turco em Suzhou nas circunstâncias do COVID-19.

Para entender melhor o ambiente de negócios ao redor do restaurante, precisamos coletar e analisar alguns dados para desenvolver este projeto. Precisávamos realizar análises internas e externas para determinar se o restaurante tem vantagem sobre os demais concorrentes. Após a análise dos resultados, foi proposta uma análise estratégica e um plano de marketing. Por fim, foi realizada uma análise financeira para determinar se o evento era financeira e economicamente viável. Além disso, devemos considerar as atividades diárias e as respostas inesperadas na atual situação de pandemia.

Depois disso, é óbvio que temos muitas oportunidades e vantagens. Podemos ver que o restaurante é fortemente lucrativo e capaz de pagar o empréstimo bancário no primeiro ano, bem como preparar o capital para o segundo ano de operação.

Palavras-chave: Planos de negócios, cozinha turca, restaurantes temáticos, COVID-19, cozinha estrangeira

Classificação JEL: M130

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1. Executive Summary

Catering is one of the earlier established industries in China, which is a traditional service industry and an important part of the tertiary industry in China. Eating has been an essential part of our daily life since ancient times. The catering market is growing in tandem with the economy's rapid development. The people are more affluent compared to before. Going to a restaurant, which many years ago was more unaffordable for most people, has now become a daily routine. People's demand for food has also changed from simply adequate food to today's demand for service, culture and other aspects.

Foreign restaurants, over the years, have been accepted and loved by the Chinese citizens. It attracts many people with its unique flavor and exotic culture. Theme restaurants, on the other hand, are a new type of dining model. It combines relevant theme elements into the products, decoration and services of the restaurant. People can experience different cultures when they are eating. This article is a business plan about opening a Turkish themed restaurant in Suzhou, China.

A search through Baidu map revealed that there are almost no Turkish restaurants in China. It is not only rare in China, but even less in Suzhou. So, in a way, it is a blue ocean. Our restaurant serves meals at noon and in the evening. The business emphasizes healthy, safe and tasty food, exotic decoration, homey and caring service. Our target customers are young people with medium to high spending levels, so we plan to open in the Wanda Shopping Street in Suzhou. It may not be profitable at the initial stage, but it is planned to become popular among the surrounding people through some measures and marketing plans.

This paper focuses on Turkish themed restaurants as the main subject of study. First, describe the project so that people can understand what we want to do and why we want to do it. The PEST, SWOT, and other analyses are used to make our position clear. Then the business plan is drafted about how we are going to do it. The restaurant industry has been hit hard by the epidemic and the restaurant industry has had to lean away from in-store dining to take-out in the current situation. We also considered the takeaway route and promoted our restaurant through relevant internet platforms.

Finally, we simulated the possible financial situation in the future and analyzed the economic feasibility of running this project. The first one is the investment table, which gives us an idea of

the feasibility of starting the conversion project through initial investment and bank loans. There is also an operating expense schedule, which includes the cost of rent and marketing requirements. Next is the Staff Salary Schedule, which not only allows us to calculate the financial performance in terms of staff salaries, but also helps us to estimate the number of people to be hired. The sales table is also very important as it simulates our operations under a number of assumptions. Later, we can calculate the profit and loss statement, which clearly shows whether we can be profitable under the assumptions. Finally, there is the cash flow statement. The restaurant industry is different from other industries in that it requires a large amount of cash flow, and planning for this can avoid future risks.

Overall, the business plan can be lucrative and pay off the bank loan within a year if it goes well. It is profitable in the long run. Although the restaurant is a red ocean competitive market and the industry is highly competitive, Turkish restaurant is considered a blue ocean market in Suzhou, China. And the development of the Internet in the restaurant industry in the era of the epidemic has allowed it to save itself and renew its dynamism.

2. Literature Review

With the current pandemic, many restaurants have seen their business fall apart, but there are also many restaurants that have stood for years. Planning ahead and anticipating the entire life cycle of a business is the key to success, and a business plan is a basic guideline. The following literature review will discuss various aspects of the development of themed restaurants in China under the influence of the covid-19 pandemic, and the style of Turkish cuisine. This material will further guide the following sections.

2.1 Theoretical underpinnings

2.1.1 Research on business models

According to Yang (2015), the definition of a business model evolves with the passage of time and technological advancement. People gradually came to the conclusion that the basic meaning of a business model is value generation by the end of the twentieth century. Timmer (1998) argues that the basic logic of a business model is enterprise value creation, or how an organization provides products and services to clients while profiting in a certain value chain or value network, or, in layman's terms, how an organization generates money.

The business model development model, according to Peters-Destéact (2020), is a framework that business owners use to identify their abilities to run their company and provide value to all stakeholders. The concept's vision, core competencies, target market, and differentiation strategy are all outlined in the business model. A restaurant, for example, has a separate business model because its manufacturing and distribution facilities are all in one location (Wyckoff, 2001). Alonso and O'Neill (2010) found that restaurant owners are typically concerned with both product and service quality.

2.1.2 Strategy

Porter (2001) defines strategy as "how all of a company's pieces fit together." There are two distinctions between business models and strategies, according to DaSilva and Trkman (2014). To begin with, they claimed that strategy determines the creation of future capabilities that can alter the current business model. Second, they claimed that strategy (long-term view) generates dynamic capacities (medium-term perspective), which confine possible business models (present or short-

term perspective) in order to deal with forthcoming or existing eventualities. As a result, strategy necessitates the creation of dynamic capabilities through the business model of the firm in order to deal with contingencies. The dynamic capacities of the corporation limit business models. Five business strategies are Cost Leadership, Differentiation, Focused Cost Leadership, Focused Differentiation, Integrated Cost Leadership and Differentiation. After conducting the external analysis and internal analysis, we can determine the business strategies.

2.2 Theme Restaurant

2.2.1 Concept of theme restaurants

Theme restaurant is a combination of "theme" and restaurant, with culture as the theme, restaurant as the carrier, and guest experience as its essence, developing products around the theme, and customers get a unique cultural experience through the products. The restaurant designs personalized services on the basis of standardized services, so that customers can have a memorable and pleasant dining experience. (Yang, 2019)

2.2.2 The development and current situation of theme restaurants

Theme restaurants are different from the single business model of traditional restaurants, but through scenario-based services and figurative dish design, consumers combine the dining experience with past good perceptions of the theme to obtain personalized experiences and feelings (Yang, 2019). The theme ties together various sensory feedback to form a link with the consumer. When customers gain some kind of emotional link during the dining process, this feeling can strongly contribute to a long-term relationship between the customer and the restaurant (Branding, 2001).

Along with the development of the times and social progress, people no longer only focus on food when choosing a restaurant, but also start to pay attention to the dining environment and cultural atmosphere. Theme restaurants are loved by many consumers by virtue of their uniqueness and personalized services. Theme restaurants create a different atmosphere with different environmental designs. The various themes not only cater to the psychology of young people taking photos to share on social platforms, but also meet the demand of consumers for both material and spiritual enjoyment, leaving a deep impression on consumers. With the increasing number of theme

restaurants, in order to develop better in the stimulating competition, restaurants have to have features that others cannot do, as a way to retain old customers and attract new ones (Yang, 2019).

2.2.3 Problems and solutions of theme restaurants

From the articles of Yang (2019), Liu and Bi (2019), it can be concluded that the problems in the development of theme restaurants are the following. First, the theme is superficial, lacking connotation, and the interior environment of the restaurant is decorated monotonously. Second, the service awareness of the service staff is not high, and the customer experience is poor. Third, excessive pursuit of the quantity of dishes at the expense of quality. Fourth, the scale of operation is small, without forming its own brand, and the income is unstable.

In response to the above problems, there are the following countermeasures. First, integrate the elements of the times, combine the environment with cultural connotation, reflect the cultural heritage, no longer monotonous surface decoration. For example, set up different area themes, decorate every corner, set up memorial walls, and give away restaurant-related or exclusive marked souvenirs. Second, improve the service consciousness of the staff, and provide regular training to the staff so that they understand that it is not the executor of checkout and ordering, but the communicator who guides customers to order. Third, improve the quality of dishes and make special dishes that can be remembered by the public. Make recipes that meet the needs of customers according to different age and different people. Combine the needs of different age groups and the theme atmosphere to make personalized recipes with restaurant characteristics to meet the needs of customers' tastes and at the same time increase their love for the restaurant. Fourth, establish a good brand image and gain consumer recognition. This should be in the concept, service and environment in all aspects of their own theme restaurant characteristics. On this basis, after getting bigger and stronger, we can adopt the way of chain operation, grasp the advantages of their own theme restaurants, highlight the direction of the theme, in the operation of appropriate adjustments to business strategies, and constantly adapt to changes in the market.

2.3 Turkish Food Style

Turkish cuisine is one of the mainstream cuisines in the world (Chinese, Italian, French, Mexican) and is the national dish of Turkey. Turkish cuisine is the successor of Ottoman cuisine and its products vary from region to region, influencing and being influenced by Balkan and Middle Eastern cuisines ("What are the Features of Traditional Turkish Cuisine?", 2020). The country's cuisine is Mediterranean in character and follows the historical imperial style of the royal family, with elaborate cooking techniques and exquisitely shaped ingredients, as well as being rich in nutrients ("What are the main characteristics of Turkish cuisine?", 2019).

2.3.1 Meat is mainly grilled

Turkey is a meat-free country, and people eat meat mostly by grilling. Since most of the people in Turkey believe in Islam, pork is rare, and local people's meat is mainly beef, lamb and chicken, so roast meat is mainly made from these three kinds of meat.

Through special techniques and equipment, supplemented by a variety of spices, seasonings and other processing and production. It can be eaten on its own, but it tastes even better with various vegetables, bread, pastry and other foods, such as the famous Turkish shawarma, kebab burrito, yogurt tomato kebab, kebab burger, kebab bun and so on. In addition to grilled beef, lamb and chicken, Turkish grilled fish is also quite unique, and the fish is mainly made from sea bass, and the flesh of the sea bass with just the right seasoning becomes incomparably charred and delicious under the high temperature baking. It can be said that the meat eating method based on "grilling" is popular throughout Turkey and is one of the characteristics of Turkish cuisine.

2.3.2 Variety of dishes

In addition to meat, Turkish cuisine is also known for its healthy and nutritious dishes, mainly in the variety of dishes. The Turkish Mediterranean diet is based on bread, and the side dishes focus on a variety of vegetables, fruits, nuts, etc., which are not only rich in nutrients, but also exquisitely shaped and color-coordinated, making it particularly appetizing. In terms of cooking ingredients, natural vegetable oils are used as the main ingredient, together with unique local seasonings and spices, which not only have a unique aroma, but also are delicious and healthy.

2.3.3 Thick Soups

Soup is also an indispensable and local specialty in Turkey, and it is thicker in consistency. It is not surprising that Turkish cuisine is full of Mediterranean regional characteristics. Because the food of any country or place is closely linked to the geographical environment in which it is located. As we can see from the above, the characteristics of Turkish cuisine in general can be summarized as simple, refined, tasty and healthy.

2.4 The restaurant industry under the covid-19 pandemic

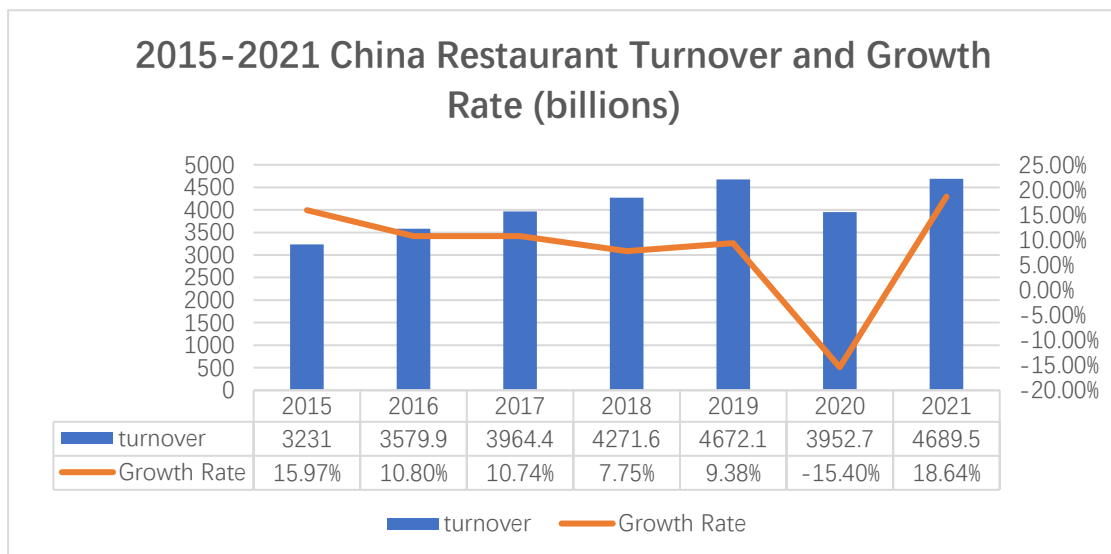


Figure 2.1 2015-2021 Restaurant Turnover and Growth Rate.

(Data source: National Bureau of Statistics of China)

As shown in the data above, the restaurant industry saw steady revenue growth until the 2020 outbreak, and then suffered severe losses. The good news is that in 2021 the national restaurant industry has returned to its pre-epidemic condition.

The advent of the COVID-19 pandemic, as previously said, has a direct impact on the primary domestic consumption and service industries, such as lodging, retail, catering, entertainment, and tourism. In addition, the delayed return to work will have an effect on industrial production and potentially exports. The catering business needs to find a new path.

Liang and Cheng (2021) argue that under the current situation, the catering industry should open up new models and seek innovative ways. During the pandemic, online e-commerce, fresh logistics and other contactless operation models developed rapidly and grew vigorously, such as

Dingdong, Meituan and Eleme. It is evident that we have a growing demand for online consumption. Therefore, the restaurant industry needs to find new ways of development to help themselves relieve the pressure caused by the pandemic, to quickly adapt to the online development model, and to actively develop online business during the pandemic, such as online ordering and delivery of food.

2.5 Online technology and trends in the restaurant industry

Since the rapid development of Internet technology in the 21st century, online food ordering has become increasingly popular. Consumers are attracted to these apps because they are convenient, fast and accurate. During busy weekdays, you don't even have to cook at home, just order on your cell phone and wait for a delicious meal to be delivered to your door within half an hour. At the same time, this allows restaurant operators to make more profit. The main reasons consumers order food online are convenience and control, while those who prefer to interact with people may rarely use online ordering. However, consumer interaction preferences may differ after the COVID-19 pandemic (Brewer & Sebby, 2021).

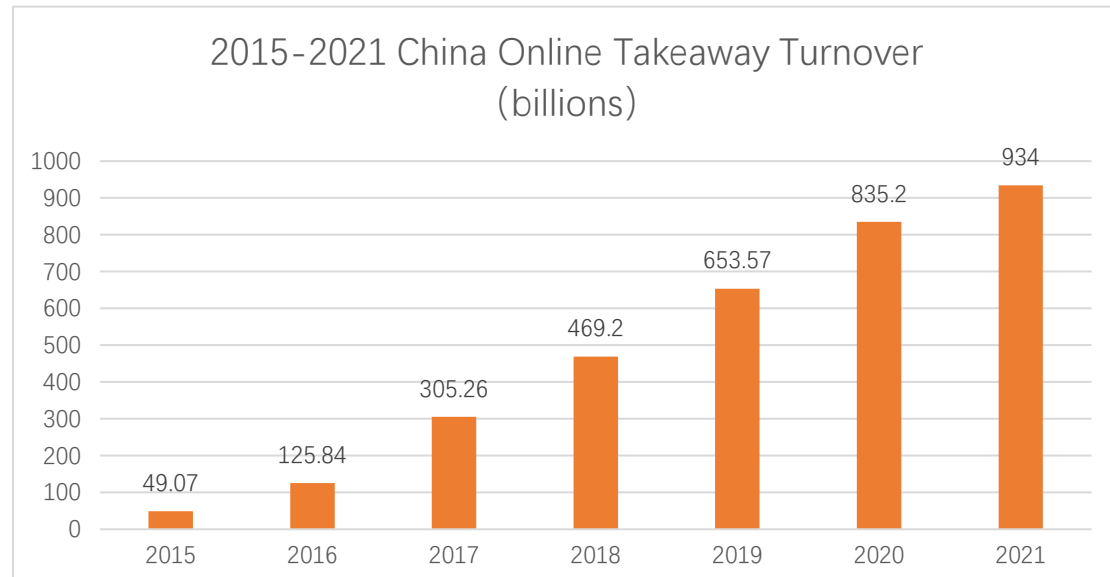


Figure 2.2 2015-2021 China Online Takeaway Turnover.

(Data source: National Bureau of Statistics of China)

2.5.1 Online food ordering apps

The current two mainstream take-out platforms in China are Meituan and Eleme take-out, with

categories including nearby food, fruits and vegetables, supermarkets, flowers, cakes, etc. Whether it is any time delivery, any of the more popular dishes around the world, or say, your favorite variety of brands, you can buy almost anything on them and have it delivered to your home in a very short time.

The largest local life information platforms in China are Dazhongdianping and Koubei App. These two platforms give customers not only information services such as shop information, consumer reviews, and consumer offers, but also O2O transaction services such as group purchases, restaurant reservations, take-out, and electronic membership cards.

2.5.2 The new ordering mode and its advantages

The electronic menu is supported by network technology, and customers can order, place orders and check out by scanning the QR code on WeChat, which is efficient and convenient. At the same time, the menu can be updated quickly and advertising can be implanted to increase revenue. They will follow the restaurant's WeChat Official accounts during ordering. After customers leave the store, this model can increase user attention, repeat rate and stickiness.

As Yang (2015) said, with the development of touch screen technology, electronic menu is being improved, from simple ordering to the development of food and beverage management system, with convenient, intelligent and autonomous characteristics. First, the electronic menu provides high-end services for customers in all aspects. Electronic menu has a rich cultural connotation. Incorporating the design concept of the restaurant, the dishes will be scientific and nutritious with a large amount of information, the content contained is incomparable to the paper menu. This visualization function improves the consumer's desire to consume. Secondly, the electronic menu participates in the operation and management of the restaurant. The electronic menu improves the service quality of the waiter. The electronic menu dynamically displays the turnover. At the same time the daily turnover of electronic settlement, convenient and accurate, in the first time to understand the operation of the situation, easy to manage and operate. In addition, the chain can also carry out the summary business of each branch, compare business, to obtain a variety of data, in the business model can also be monitored off-site, more conducive to management, to determine the future direction. Then, the electronic menu set customer information to understand customer needs. The event information, promotions and store celebrations are told in time to expand the publicity.

Electronic menu for real-time aggregation, the restaurant background can be based on the guest order data, know the taste of diners, hobbies and diners welcome this restaurant dishes, so as to innovate dishes and services, to establish a better profit model. Not only that, the electronic menu is simple and convenient to operate, dishes and prices, etc. can be updated in a timely manner, saving the cost of paper menu replacement, using pictures, animation, video, to give a visual effect on the senses. Finally, the electronic menu combined with personnel management. The use of electronic menus reduces the number of workers, reduces labor costs, improves efficiency, makes personnel management more information, standardization, standardization, and realize intensive management.

2.5.3 New marketing model - "customer-oriented" model

Studies have shown that service quality in the restaurant industry is a means of success because it influences customer attitudes (Kausar & Akram, 2014). Many previous studies suggest that restaurant owners must keep in mind that service quality leads to customer satisfaction. As a result, it is vital to study the business models of more developed restaurants in the service industry. For example, the service of Seabed restaurant about how their employees serve their customers, how they treat them politely and communicate in a friendly manner to provide personalized service to their customers.

According to Chen et al. (2020), Haidilao's differentiation strategy is "customer-oriented". First, they pay attention to the waiting time, always tell customers the progress of the queue, provide a variety of fruit snacks before the meal, and set up various entertainment programs such as billiards. The service is truly diversified. Secondly, after entering the store, there is also a thoughtful service, just after the customer is seated, Haidilao staff will send cell phones and clothing stain-proof cover, for female customers to send a hair rope. Third, Haidilao's "additional services", such as doing nails, shoe polishing, helping birthday celebrants for their birthdays, buying meals for customers from other restaurants, and even for handy couples watching small babies. There are many customers not only to go to eat a hot pot, but also to Experience these services and multiple consumption. Fourth, the meal after the "follow-up service". After the meal, Haidilao will provide a small gift, the staff kind greetings until the customer leave. Fifth, preferential policies. Haidilao will regularly provide a variety of discounts, greatly stimulating the customer's propensity to eat.

2.5.4 Combining live commerce with restaurants

"Live commerce", transformed from the Internet buzzword, refers to the ability or behavior of net stars, celebrities, entrepreneurs, media people and other social public figures to intentionally or unintentionally drive the sales of certain goods and the popularity of goods. The activity of using a live webcast platform to drive the popularity and sales of items is known as "live-streaming," and it not only produces a circus model of customer culture, but also symbolizes the repetitive qualities of a business model (Liu & Zeng, 2020). Buyers can not only buy suitable products but also have a better buying experience while shopping through live-streaming because of its "high engagement" and powerful "amusement." As a result, live shopping has become a more popular shopping option for consumers (Cheng et al., 2021).

Simultaneously, the number of people, organizations, and channels engaging in live-streaming is growing. The field of live-streaming trade has attracted everyone from ordinary citizens to well-known businessmen, public officials, and well-known stars. Not only has new media joined together with other platforms to carry out public welfare live-streaming operations, but so have conventional media such as CCTV. Short video sites like Douyin and Kuaishou have joined this trend, in addition to Taobao, Jingdong, and other established e-commerce platforms. In general, the major media continue to report on the success of live commerce, with transactions totaling hundreds of millions of yuan. These sales impact statistics indicate that live commerce is in a period of significant growth.

For example, on the day of the Double 11 shopping festival, in the afternoon of October 20, the live broadcast, 12 and a half hours, Li Jiaqi live turnover reached 10.65 billion yuan. However, most of the current live commerce are sold physical products, very few restaurants combined with it. Similar to this, the mainstream business promotion method is that the online influencers published restaurants visit video, which may be out of fan recommendation or advertising fee, but the latter is more costly. So this paper considers the combination of live broadcast and restaurant industry. In the live streaming platform, we can show our production environment and finished products. First, customers who are close to the restaurant can order take-out. Second, those customers who don't want to consume at that time can buy discount meal coupons. As for customers further away, we can consider in the future whether to make the star dishes into vacuum-packed meals and then deliver them to customers.

3. Methodology

The methodology mainly includes Situation Analysis, Business Plan and financial analysis.

First is the Situation Analysis. By using the PEST model, we began to analyze the local macro environment in Suzhou where the restaurant is located, including the political, economic, social and technological environment. Then we focus on the market we are in. Using Porter's Five Forces, we analyzed the market competition among companies and its impact on our business. Next is a competitive analysis of our restaurant, through a SWOT analysis to determine the strengths, weaknesses, opportunities and threats about our restaurant.

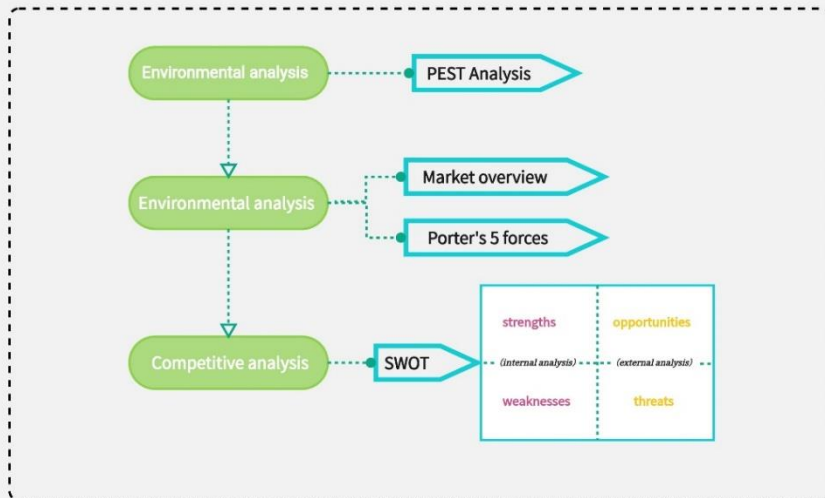
The second is the business plan, we can determine the Business Strategy initially through the above analysis as well, we also need a strategy to guide us, which includes the company's mission, vision and values. Then we need to set some objectives, models and marketing plans that will allow us to drive ourselves forward. There should also be details of the restaurant and products, including our name, logo and menu. A search through the website and local restaurants in Turkey, combined with the availability of raw materials in China, is used to determine which dishes are available to customers and design a menu.

Finally, financial documents are an important part of the business plan. Most of the information about the product can be found online. With the information we already have, we can simulate the future operation of the restaurant. Some financial analysis will be done to determine if the plan will be successful and profitable.

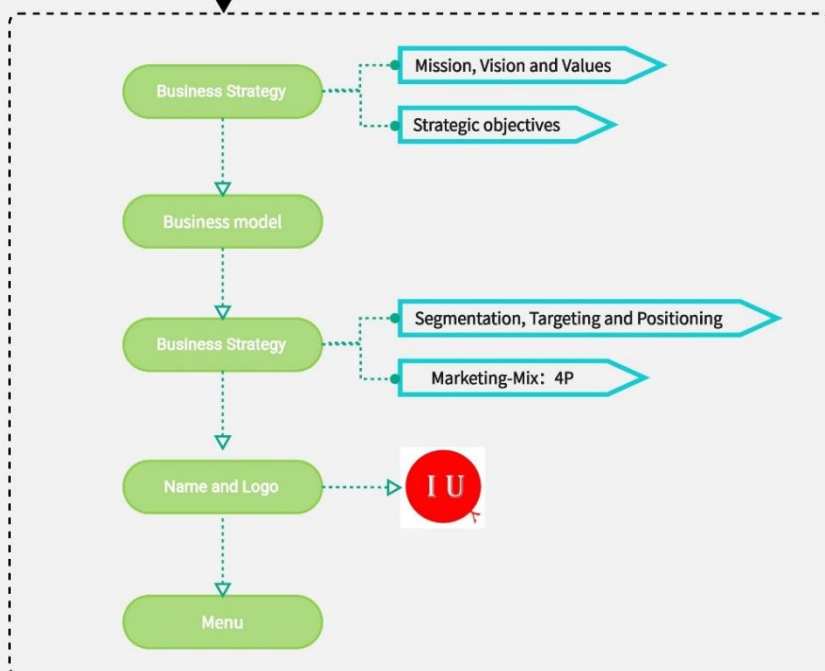
The figure below clearly shows the overall idea of this thesis. Through this model, I will continue to enrich and expand the details about this business plan in the later sections.

Figure 3.1 the overall idea of this thesis

Situation Analysis



Business Plan



Financial Evaluation



4. Situation Analysis

As we all know, the foundation of a successful business is thorough planning and forethought in advance. We should not only have a detailed analytical description of the business we are running, but also have a full understanding of the environment in which it is located in order to give full play to its strengths and make up for its weaknesses and disadvantages.

Therefore, this chapter will analyze the internal and external environment of the project to get a more comprehensive understanding of our own situation and the competitive situation of the industry. PEST analysis and Porter's five forces analysis will be used to analyze the macro environment and the competitive environment of the industry respectively, and then SWOT analysis will be used to analyze the strengths and weaknesses of the project. In this way, we can forecast the future of this plan, adjust the strategy in advance, and find an accurate positioning for the project, so that this business plan can be carried out smoothly and sustainably.

4.1 Environmental analysis

The macro environment, which comprises the political, economic, social, and technological environments, will be studied using PEST analysis. The macro environment is the main social factor that affects a company's access to market opportunities or threatens its survival. It gives the company an overview of the different factors in the overall environment. And it is more important for the company to use the beneficial factors in the macro environment properly for the company to improve its ability to compete in the market.

4.1.1 PEST Analysis

<p><i>politics</i></p> <ul style="list-style-type: none"> • The covid-19 outbreak had a significant negative impact on the restaurant industry but is gradually recovering • The government introduced policies to reduce taxes 	<p><i>economy</i></p> <ul style="list-style-type: none"> • China's economy keeps improving • Jiangsu Province ranks fourth in per capita disposable income
<p><i>society</i></p> <ul style="list-style-type: none"> • rapid acceleration of urbanization • people's living standards have generally improved. 	<p><i>technology</i></p> <ul style="list-style-type: none"> • Electronic Menu • Takeaway platforms

Table 4.1 PEST Analysis

politics

From December 2019, the covid-19 outbreak swept the world. Many businesses and schools stopped working and shutting down because of home quarantine policies. Workers could not go to work and people could not go to entertainment places for fun. This had a great negative impact on the global economy, production, people's health and life. Many industries have been hit hard by the effects of covid-19 for over two years. One of the most notable industries hit by the outbreak was the service industry, including the restaurant industry. While employees of other companies were able to work from home, restaurants had to follow the policy and close their stores because their mode of operation required human contact. Fortunately, the outbreak was quickly controlled within a few months under China's strict prevention and control policies. Even with occasional regional outbreaks, the negative impact on the restaurant industry has been far less than before. The restaurant industry thus showed a rapid pace of recovery.

Due to the current epidemic situation, many enterprises want the government to reduce or defer tax payments. Both the federal government and municipal governments have implemented a range of emergency policies to assist businesses, particularly catering businesses, in overcoming obstacles. The maximum carry-forward term for losses sustained by firms in tough industries hit by the epidemic in 2020 will be increased from five to eight years, according to a joint declaration from the State Ministry of Finance and the State Administration of Taxation. Taxpayers are excluded from

paying VAT on income earned from providing public transportation, living services, and express delivery and collection services of basic living materials for residents, according to Article 5 of the notification.

In 2017, the State carried out the reform of business tax to VAT collection, which is conducive to reducing the tax burden of the catering industry. This measure released the pressure in terms of taxes and fees for the redevelopment of the catering industry and reduced the tax burden of food service companies.

According to the new regulations, small businesses with yearly taxable income under 1 million yuan will have 12.5% of their taxable income cut and would be liable to corporate income tax at a rate of 20%. That is, the tax rate is 2.5%, which greatly reduces the rate of tax paid by small restaurants. Detailed calculations of the corporate income tax will be available later in this article.

economy

China's economy has continued to improve, as shown by the data released by the National Bureau of Statistics for the past two years. With the covid-19 outbreak under control, China's economy improved quarter by quarter in 2020 and was the only major economy in the world to achieve positive economic growth of 2.3%. China's economic strength takes a new step forward. The level of economic growth gradually returns to normality. In terms of industrial value added, it has largely returned to the level of the economy before the covid-19 outbreak, with strong profit growth for industrial enterprises. In terms of the domestic market, domestic demand has recovered strongly.

According to data issued by the National Bureau of Statistics, China's total GDP reached 114.4 trillion yuan in 2021, with a per capita GDP of 80,976 yuan and per capita disposable income of 35,128 yuan, up 9.1% from the previous year. Residents in Jiangsu Province will have a per capita disposable income of 47,498 yuan in 2021, rising to the fourth in the country compared with 2020. According to data from the website called Mealgate Narrow Eye Restaurant Data, the per capita disposable income in Suzhou is 70,966 yuan, much higher than the national level and the average level in Jiangsu Province. Compared with GDP per capita, the indicator of disposable income per capita is closer to reality and better reflects the actual economic level of the country. And the gap between per capita disposable income and per capita GDP can also reflect the actual economic level

of the region to a certain extent.

society

All human activities, such as people's health habits, living conditions, living environment, population migration, customs, religious views, and so on, are considered social variables. The data released by China's National Bureau of Statistics in January 2020 shows that the total population of mainland China exceeds 1.45 billion people, ranking first in the world. On the one hand, more and more people are moving from the rural areas to the cities, and the urbanization process will lead to further expansion of the catering market. On the other hand, people's living standards have generally improved. Every holiday or weekend, the majority of young people will get together with friends in restaurants, which has become a social norm in the daily life of contemporary people.

technology

First, as described in the literature review, with the development of technology, electronic menus are becoming more and more popular in restaurants. The use of electronic menus makes the entire dining process more efficient for customers, and the data-based management makes it easier and faster for merchants to calculate bills accurately. Secondly, the take-out industry has been developing very well in recent years. Especially in the context of China's large population, labor is relatively cheap compared to other developed countries.

For example, the delivery fee for a takeaway order in Lisbon is usually 5 euros, which is about 40 RMB. On the other hand, on Chinese takeaway platforms, the basic delivery fee is usually 4 RMB. Generally, takeaway platforms subsidize users and they hardly have to pay additional delivery fees. Many customers with busy lifestyles are more likely to order take-out than to go to a restaurant. This has accelerated the development of China's takeaway industry. Especially now, under the conditions of the covid-19 epidemic, the restaurant industry has had to make changes. Many restaurants are focusing more on online takeaway sales than on dine-in. With the rapid penetration of the Internet into the restaurant industry and the development of online restaurant information service systems, the traditional take-out industry has stepped into the digital restaurant era. Merchants have a large number of customer resources through the platform. They can get customer traffic support and operational support to obtain high returns with low cost investment. All these make the current catering industry to digitalization keep flourishing.

4.2. Industry analysis

4.2.1 Market overview

In 2021, the global epidemic is still raging and the domestic epidemic in China is sporadic. The domestic catering industry is facing great operational pressure. Despite this the Chinese catering industry has shown strong resilience.

China Catering Big Data 2021 shows that during the covid-19 epidemic outbreak in February 2020, the overall online order volume of catering dropped 91.6% compared to the same period last year, and the overall online order volume in March dropped 59.8% year-on-year. From April, the epidemic was largely under control in China. Online orders recovered quickly and have grown month by month since then, with the restaurant industry experiencing post-epidemic retaliatory spending. And in December, it achieved a year-on-year growth of 107.9%.

The restaurant market continues to recover steadily in 2021 and is moving in a positive direction. According to national statistics, total restaurant revenue in the first 11 months of 2021 was 4,205.38 billion yuan, up 21.6% year-on-year. This is a slight increase of 0.38% compared to the same period in 2019. The revenue level of the restaurant market for the whole year of 2021 can basically be on par with that of 2019 before the epidemic

According to national statistics, total restaurant revenue in the first 11 months of 2021 was 4,205.38 billion yuan, up 21.6% year-on-year. This is a slight increase of 0.38% compared to the same period in 2019. The revenue level of the restaurant market for the whole year of 2021 can basically be on par with that of 2019 before the outbreak, which indicates that the restaurant industry in 2021 has gradually come out of the impact of the epidemic and officially returned to the development level before the epidemic.

4.2.2 Porter's 5 forces Framework analysis

Porter's Five forces Model is a market analysis technique that was developed by Michael Porter in the early 1980s to analyze the market competition among companies and its impact on our business. He identified five forces in the industry that affect the size and scope of competition, namely rivalry among existing competitors, threat of new entrants, threat of substitute products or services, bargaining power of suppliers and bargaining power of buyers. These five forces interact to determine the industry's competitiveness as well as existing firms' strategic planning decisions.



Table 4.2 Porter's 5 forces Framework analysis

rivalry among existing competitors

There are almost no competitors of the same type because there are no local restaurants of the same type in Suzhou. We can know that there are all kinds of restaurants in this area, including hot pot, barbecue, grilled meat and other snacks, but there is no Turkish style restaurant. So to that extent, we don't have direct competitors. However, from another point of view, every restaurant, although different from our type, is competing with us for potential customers, and even if it is not a restaurant, the supermarket will make us lose customers because of its cheap price and convenience of purchase, etc. So, it is an important step to improve the quality of our dishes and make our restaurant more memorable.

bargaining power of suppliers

Suppliers have the following main impacts on us. First, suppliers' potential bargaining power over buyers is greatly enhanced when they provide products or services that account for a significant portion of the buyer's overall product price, or when they are critical to the buyer's product manufacturing process, or when they have a significant impact on the buyer's product quality.

Second, when a supplier's industry is dominated by a few large enterprises with strong market positions and a large number of customers for its products, any individual buyer is hard to be a significant client. Third, each supplier's products have particular qualities that makes it extremely difficult or expensive for buyers to replace them, or difficult to discover alternatives that can match with them. For restaurants, it is certainly the best way to work amicably with local suppliers to give themselves more choices.

bargaining power of buyers.

Buyers influence the profitability of existing firms in the industry in two main ways; first, by bargaining with sellers. Second, to require sellers to provide a higher quality of products or services. The main reasons affecting the bargaining power of buyers are as follows: The bargaining power of buyers tends to arise when the total number of buyers is small but they buy a lot of products, or when multiple sellers sell similar products. Nowadays, with the rapid development of the Internet, buyers' reviews of restaurants on social media often have an impact on the stores if they are seen by potential users. Among these social media, the most important should be Dazhong and Koubei, because potential customers living and working nearby before eating are likely to search for the restaurant's customer reviews after using the meal. Secondly, the reviews on the takeaway app are also extraordinarily important, which will largely affect the subsequent takeaway sales of the store. Finally, public social media posts are also very important for entrepreneurs who want to be a restaurant chain. This is because chain restaurants are located all over the country, such as Haidilao Hot Pot. Customers can always choose whether to eat at the restaurant or not, so every customer who is likely to view the post is its potential user.

threat of substitute products or services

Because their products are alternatives for each other, two companies in different industries may become competing with each other. Substitute competition can have a variety of effects on the competitive strategies of current firms in the industry. The more cost-effective a substitute is, the more likely customers are to buy it. There are many snack and fast food restaurants in China, and their cheap prices and speed of delivery may be more attractive to people who focus on the cost effectiveness of the product or to workers who are in a hurry to eat. On the other hand, many supermarkets now offer customers a prepared food section and even discounted and delivery

services, such as Walmart and large supermarkets like Boxmaster. Finally, in China's online shopping, there are now a very large number of quick and convenient foods that can be purchased online, such as snail noodles and various local cuisines that are currently very popular among customers. There are many brick-and-mortar stores for these specialty snacks, but online shopping allows stocking up by virtue of its favorable prices, which are not limited by time and space. As well as the house culture in the era of epidemic has largely affected the development of offline brick-and-mortar restaurants. But fortunately, from the current point of view, in China, online sales and offline dining tend to be mostly local snacks with Chinese specialties, and foreign dishes are mostly western food such as steak and pizza, with few Turkish specialties.

threat of new entrants

The threat of potential new entrants depends on the barriers and facilities to enter such activities. As we mentioned before, Turkish style restaurants have not been fully developed and explored in Suzhou. If our competitors want to enter the market, they need to find local Turkish chefs or other people who can cook Turkish food and design interiors that really fit the local style, otherwise it will become unconventional. But compared to other countries, there are relatively few Turks in China. According to the survey data of the National Bureau of Statistics of China, the top ten countries in terms of the number of foreigners living in China by nationality are: Korea, USA, Japan, Myanmar, Vietnam, Canada, France, India, Germany and Australia. So it is still difficult to enter the market. Other than that, all other conditions are the same as opening a normal restaurant, such as getting a business license and making a good food safety plan. Therefore, we should expand our restaurant after a period of profitability to gain market share and improve our image and customer loyalty while other competitors enter the market.

4.3 Competitive analysis

4.3.1 SWOT Framework analysis

SWOT analysis is a situational study that considers both the internal and external competitive environments and conditions. By analyzing the strengths, weaknesses, opportunities and threats of the project itself through a combination of SWOT analysis tools, we can identify the strengths and weaknesses of the project, and come up with targeted solutions to select the best business strategy

for the project. This is a good preparation for our market entry.

<p><i>Strengths</i></p> <ul style="list-style-type: none"> • Combining Turkish culture with decoration and dining experience • Located in a popular commercial area • Unique style • High quality service and good environment 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • Lack of experience • Low risk resistance • High commission on takeaway platforms
<p><i>opportunities</i></p> <ul style="list-style-type: none"> • High visitor traffic and growth potential • Increased demand for restaurants • Takeaway platform user resources 	<p><i>Threats</i></p> <ul style="list-style-type: none"> • Covid-19 pandemic • Food safety issues • Internet media hype

Table 4.3 SWOT analysis

strengths

First of all, in terms of thematic features, we integrate Turkish culture into the decoration and dining experience. A Turkish style restaurant with a special hot air balloon decoration and unique food experience will attract customers to enjoy the restaurant.

Secondly, as far as the location is concerned, we plan to choose a location in the more prosperous commercial area of Suzhou. There are more office buildings next to it, with a concentrated population and high customer flow. Many urban white-collar workers can come together with their colleagues and friends after work to have a meal.

Thirdly, about the market share, at present, most of the western restaurants in Suzhou and even in China offer pizza, steak, burger and other food. As we mentioned earlier, because it is special enough, very few businessmen open Turkish restaurants in China at present, which is a great advantage for us.

Finally, we are determined to provide high service and good environment. People are getting more and more affluent, and many young people are no longer choosing restaurants based on price, but gradually turning to the environment and service. Our restaurant can be a good choice for couples' dating and friends' gathering.

weaknesses

On the one hand, it is a brand new project, no one has opened such restaurant near our site area, which is both our advantage and disadvantage, because everything is full of unknowns. In the early stage of restaurant operation, as the market awareness of the restaurant is not widespread, if we want to gain consumer recognition and attract consumers to dine, we need sufficient brand marketing and capital investment, which may lead to a period of continuous loss of our project. And compared with chain restaurants, individual restaurants have a lower risk resistance. According to the report on the development status and trends of China's restaurant industry under the covid-19 epidemic, large-scale branded restaurants show a stronger risk resistance compared to single restaurants. Chain brand restaurant companies have higher customer stickiness and relatively higher risk resistance under the impact of the epidemic.

On the other hand, it is our platform disadvantage. The lack of our own online platform and delivery staff has led to our heavy reliance on take-out apps such as Hungry Food and Meituan Takeaway. The take-out platforms take a high platform usage fee from our turnover. While using these APP did a good job of helping us promote our business during the initial business period, it also reduced our profitability. After our restaurant has been in business for six months, if it continues to be profitable, we will consider hiring our own takeaway deliverers to increase our revenue.

opportunities

The restaurant is planned to locate in a commercial street next to some office buildings, where there will be a high traffic in the neighborhood during lunch time or at the end of the day. Due to globalization, many young people are extremely interested in foreign cuisine, such as Japanese and Korean cuisine and Western food, which are very hot in China, and Turkish cuisine just adds to the variety of foreign cuisine. The market saturation of such restaurants is low and the development potential is huge. We hope that our brand is famous and that our brand is tightly linked to Turkish cuisine so that when people think of Turkish cuisine, they think of our restaurant. Just like in China, when you think of hot pot, you think of Haidilao.

With the development of the economy, the number of urban residents is steadily increasing, the per capita disposable income is increasing year by year, and the standard of living is gradually

improving. The national food and beverage consumption level is growing year by year, which leads people to pay attention not only to the quality of the meals when dining out, but also to the dining environment, service and other requirements. The national food and beverage consumption level is growing year by year, which leads people to pay attention not only to the quality of the meals when dining out, but also to the dining environment, service and other requirements. The national food and beverage consumption level is growing year by year, which leads people to pay attention not only to the quality of the meals when dining out, but also to the dining environment, service and other requirements. Focus on material consumption at the same time, people's demand for spiritual consumption is also increasing, theme restaurants just to meet the needs of people in this regard.

In terms of marketing, the takeaway industry has become more and more mature over the years, such as Meituan takeaway, hungry, public review, Koubei, etc. With the help of these seasoned network operators, an increasing number of consumers are able to order food from the comfort of their own homes using Internet-connected devices such as smartphones and computers. The restaurant industry can utilize relatively minimal marketing costs to swiftly open up the market, extend distribution channels, obtain the highest advertisement effect, and greatly improve business income, compared to other businesses that require overpowering advertising and marketing.

threats

Peer competition is not fierce because there are no restaurants of the same type competing with us for the time being. But a covid-19 pandemic would cause a business to shut down. As well as countless other facts, it has been proven that a more serious food safety issue can bring down a business's reputation. As evidenced by some recent food safety issues, the more a restaurant's reputation is known and spread, the more damage a negative scandal can cause, such as food safety issues with Haohuanluo snail noodles, Akuan red oil noodles, Wallace's backroom hygiene, and Master Kong's instant noodles with old-fashioned sauerkraut. With today's Internet and media hype, these scandals can instantly collapse the credibility of a once-renowned brand if there are oversights in regulation, even if the brand has spent many years building a reputation in the minds of customers.

5. Business Plan

According to the above PEST analysis, Porter's five forces model analysis and SWOT analysis,

we know more clearly the opportunities and threats brought by the external macro environment and industry environment, and also recognize our own strengths and weaknesses, and finally we need to choose a suitable business strategy for our company according to the above analysis.

5.1 Business Strategy

We do not intend to use price competition to ensure our dominance in the market, as there are too many cost-effective restaurants available. Our emphasis is on differentiation and building a good reputation through a user-friendly dining experience to increase our attendance and positive reviews. We are in a good market opportunity and have a very broad space for development. Although we will encounter a lot of difficulties in the initial stage and even on the way of future development. But as long as we make products with our hearts, do marketing with our brains, operate legally and compliantly, and pay attention to food safety, we are sure to get good results. In the early stage of our business, our competitive strategy is to adopt a differentiation strategy. Our products are differentiated and unique from all the restaurant categories that currently exist in Suzhou, which can greatly satisfy consumers' curiosity.

5.1.1. Mission, Vision and Values

After analyzing the environment for this project, we also need a clear strategy to guide us, which includes the company's mission, vision and values. The mission, vision and values can guide the daily activities of the organization, including the promotion of the company's purpose, principles and values both inside and outside the organization. By correctly understanding and wisely using their interplay, we can establish a good strategic plan before the restaurant starts and avoid fatal dilemmas in the future.

mission

The company's mission is a concise statement of the fundamental reason it was created, and the ultimate purpose of its existence. The mission of this project is to run a high quality, high service and profitable business, to help Turks in China eat the food of their homeland, to help make cultural exchange between China and Turkey better, and to give our guests a different feeling of different food.

vision

A vision represents the future state of a company, the goals and the way which it wants to achieve. In contrast to a mission, a vision is defined over time. It can be adjusted as time goes on, changing depending on the moment the organization is going through.

Our vision is to build our corporate brand not only in Suzhou, but also throughout China. We hope to be able to open many chains throughout China in the future, to add an option to the diversity of food, so that when people think of Turkish food, they think of our restaurants.

value

Values are the principles of action, while strategy is a series of major functional or organizational decisions that address how the team will achieve the vision. Our values are healthy and safe food, comfortable service, and harmonious and friendly cultural exchange. To provide our customers with healthy and safe food is the foundation, to give them a comfortable and quality service is the guarantee, and to achieve cultural exchange in the farther future is our ultimate goal.

5.1.2. Strategic objectives

We have defined the mission, vision and values of our company in the previous article, and then we need to set some clear goals. Goals allow us to push ourselves to keep moving forward.

In the short term, we want to be profitable within one year, not only to pay off our loan, but to have the remaining funds to provide for the costs of a second year of business. Within the last few years, achieve steady growth in customers.

In the long term, within five years, we hope to have the ability to open multiple chain stores within Suzhou, ensuring significant growth in profits. Open a chain of stores nationwide within ten years. Labeling our brand, as I mentioned earlier, when people think of hot pot and service they think of Haidilao, we hope in the future when people think of Turkish food they will think of Qiyou.

5.3. Business model

<i>Key Partner</i>	<i>Key Activities</i>	<i>Value proposition</i>	<i>Customer Relationships</i>	<i>Customer Segments</i>
Raw material suppliers (vegetable markets, supermarkets, food factories)	cooking dishes	Health Safety Comfort Service Cultural Communication	Personal assistance	Young people
Customers	Serving customers			white-collar workers
Take-away workers	Takeaway			
Popular Social App	Key Resources Human Resources Website		Channels B2B	
	takeaway platform account		B2C	
	customer resources		Website and Social media	
			WeChat official account	
			Takeaway platform	
Cost Structure			Revenue Streams	
Fixed costs (salary, rents, utilities, Equipment and maintenance costs)			Selling dishes	
Cost of raw materials for dishes			1.Cash payment	
Transportation costs			2.Membership card recharge	

Table 5.1 Business model

5.4 Marketing plan

5.4.1. Segmentation, Targeting and Positioning

In marketing science, STP stands for the three aspects of marketing strategy. Segmentation, Targeting, and Positioning are the three key parts of a company's marketing strategy, according to modern marketing theory. We may use these three factors to develop a marketing system that is in sync with the restaurant's growth.

Market segmentation refers to how a corporation splits the market's clients into different categories based on certain criteria. Each consumer segment is referred to as a sub-market, and demand for different sub-markets differs significantly. According to the data platform called

Mealgate Narrow Eye, the per capita disposable income in Suzhou is 70,966 yuan, and the per capita consumption level above 60 yuan accounts for 21.64%. The market share is quite substantial.

The scope of our target group is from Wanda Commercial Street, to the surrounding office buildings and communities. Then our target customers are those young people near the restaurant whose consumption level is on the middle and high-end side, they can be white-collar workers in the nearby office buildings, or college students with high living standards, and also include people doing business and leisure in the surrounding area. In terms of income, that is, the upper-middle income group, these people have a strong spending power. They have higher requirements for the beauty and neatness of tableware, the quality of food nutrition, health and safety, the decoration environment of the restaurant and the service quality of the waiter, etc. They are less sensitive to the price of food and more likely to revere the spiritual aspect of the demand.

Restaurant food is different from other products that can be easily transported from the place of production to the market. Its operation mode predestines it to operate in a small area in the initial stage. Therefore, our initial goal is to make it operate well within the site of the restaurant in Suzhou, and win some popularity and acclaim among consumers. After a period of operation, if it is developing in a good way and the profitability situation is considerable. At that time, we can consider expanding the store, recruiting more staff, and opening a chain of stores. Even in the future, if our brand is well known in the society, we can even make some products that are easy to pack into vacuum-packed deli food and transport them to all over the country through online shopping.

5.4.2. Marketing-Mix

product

Our product is to deliver dishes and services to our customers. It not only includes food, drinks, service and environmental facilities, but also needs to make customers have a perfect experience and comfort. When customers enter our restaurant, they will be attracted by our decoration and served by the waiter, such as offering snacks and juices. Then they choose their meal according to their preference. After that we have to serve the food as soon as possible. This not only improves the dining experience for our customers, but also helps us to serve more customers in a limited time if there are too many people to be seated.

price

Many people believe that the cheaper a restaurant's food is, the more attractive it is to customers. Although it may seem competitive to attract customers with a low-price strategy, it is also important to consider our target demographic. For people in the small-town and rural markets or workers who usually do manual work, like bus drivers and labors, they may think more about the cost effectiveness of the dishes. But our target group is the middle and high income group such as white collar workers, the consumption level of this group of people is positioned in the middle and upper end, most people will not go to a restaurant just because it is cheap. We want our customers to feel comfortable with the environment when they come to the restaurant and be satisfied with our service attitude after they finish their meal. Even after the customer returns home and for a long time, they will be impressed enough to recommend our restaurant to their friends and family when the opportunity arises. This will not only help us to expand our market, but good reviews will also help us to increase our market share.

Promotion

The first is the takeaway platform publicity. Nowadays, takeaway services have a pivotal role in the catering industry. People are living and working in a hurry, especially workers in modern cities who do not have time to cook and eat at home. Many people choose to order takeout for lunch and dinner, and the order can be delivered in half an hour. With the rapid development of the Internet, take-out platforms have a very large resource of consumers. Some of the popular platforms include Meituan and Hungry Delivery. Even if many customers tap on the app not to order takeaway food, they can still choose the restaurant with higher rating in these apps to go to for dining. There are also two local lifestyle information apps called VWAP and Koubei, where customers can participate in the reviews of customers who have dined there to decide whether they want to go. Furthermore, these four apps can accurately recommend restaurant details to customers based on geographic location sorting. With this model, the target customers are more accurate and the merchants pay less for advertising than with TV ads or other online social platforms. We can spend less money to get a high return, which helps us to make a reputation in the early stage of opening.

Then comes the usual promotions. First, the staff wears clothing with our restaurant logo and distributes flyers on the floors around the restaurant, which contains some descriptions of the restaurant and the dishes as well as promotions. This is the traditional method of promotion, often

used by merchants because of the low cost. Secondly, we can operate our official WeChat account. There are two ways to help the official account to attract followers, the first is to print a QR code on top of the leaflet, scan the code to follow to get a small gift. The second is that now the new electronic menu. When customers come to the restaurant to order, they will follow our official WeChat account and scan the code to order. Spending in our restaurant can get membership points, and the points can be exchanged for gifts or get discount coupons. Next, we can launch promotions on the account during some holidays. In this way, we can increase our customer loyalty.

Place

Place strategy refers to the channels through which a company can deliver its products to consumers, and it is important for reducing business costs and improving business competitiveness.

We promote our products to customers through Weibo and Xiaohongshu, which are popular social platforms among young people, in addition to the distribution of leaflets, takeaway platforms and the operation of official WeChat accounts as mentioned above. For example, some food bloggers and store explorer bloggers take videos and pictures and post them on their accounts to get some traffic. We can also ask some customers who have come to the restaurant to experience it, write some tasting experiences, post blog posts, and buy exposure for them and recommend them to the young people who use these apps near the restaurant.

5.5 Covid-19

Since the Covid-19 epidemic broke out in early 2020, Chinese restaurants have suffered a direct and huge impact, with the majority of restaurants facing a significant decline in clientele and a shortage of capital chain, among other great challenges. The epidemic has turned an otherwise highly profitable industry into a dismal one.

According to the data from the "Financial and Operational Impact of Covid-19 Pandemic on China's Restaurant Industry Impact Study Report" (Deloitte China and China Cuisine Association, 2020), 94% of the surveyed catering companies' dine-in services were affected. Sixty-five percent of surveyed companies have strengthened cash flow management in response to the epidemic, and have faced major cash flow pressures since the outbreak. More than 80% of the companies expect to need additional financing in the next six months.

5.5.1 Basic epidemic prevention measures

We will place 75% alcohol hand sanitizer at the entrance of the restaurant. Customers are required to show their green code for immunization when entering the restaurant, and windows are always open for ventilation. If necessary, we can also set up transparent baffles between each table to block the spread of droplets between strangers. We will disinfect the seats promptly after each table of customers has finished eating.

5.5.2 Emergency epidemic prevention measures

In the first two years of the epidemic, once a city had an outbreak, almost all people had to be quarantined at home and no restaurants could open. But now, in reference to Beijing's epidemic in May, the small number of positive additions each day only restricts restaurant dine-in, and people can still order take-out. This is good news for the restaurant industry in the current epidemic.

With the digital transformation of consumption patterns this year, restaurant take-out has grown rapidly and has long been a part of residents' daily lives. Especially after the epidemic, takeaway has become a lifesaver for the catering industry. Data from the National Bureau of Statistics shows that the transaction scale of China's takeaway market reached 835.2 billion yuan in 2020, an increase of 27.8% year-on-year. The impact of this epidemic on food and beverage companies is inevitable, but if we respond in the right way, we believe we can plan ahead, form a comprehensive operational and financial system, and enhance our competitiveness.

5.6 Name and Logo

We named the restaurant QIYU (in Chinese, it is written as "其遇"), which in Chinese is pronounced as magical encounter. The Chinese word QI (其) means Turkey, and the word YU (遇) means meeting, so the name also means meeting with Turkey.

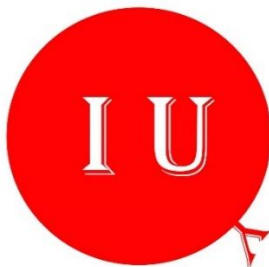


Figure 5.1 logo

(Designed by the author)

The logo of the restaurant consists of four letter elements of QIYU, the circle is the main body of the logo in Chinese represents reunion, Y in the lower right corner constitutes a small tail of Q, the remaining two letters I and U in the middle, meaning I and you. This also represents the brilliant hope of QIYU restaurant, we hope to bring me and you closer.

6. Financial Evaluation

6.1 Assumptions

Regarding the type of enterprise, when calculating the tax, it is assumed that our restaurant type is a small and slightly profitable enterprise. According to the Chinese state regulations, a small and slightly profitable enterprise is one which is engaged in an industry not restricted or prohibited by the state and which meets all three conditions at the same time, including annual taxable income not exceeding 3 million yuan, number of employees not exceeding 300, and total assets not exceeding 50 million yuan. So based on the size of our restaurant, we belong to this type. Corporate income tax is paid quarterly. According to the new regulations, the portion of annual taxable income not exceeding 1 million is reduced by 12.5% of taxable income and subject to corporate income tax at a rate of 20%. That is, the tax rate is 2.5%.

Regarding VAT, the tax rate for catering and accommodation services is 6%, of which the tax rate for the incoming portion of food and oil agricultural products is 9%. According to the national regulations, we are initially estimated to be a general taxpayer.

According to the regulations, the formula for calculating the tax amount for general taxpayers is: taxable amount = current sales tax amount - current input tax amount.

Where, sales tax = sales x tax rate

Sales = Tax-inclusive sales ÷ (1 + tax rate)

Output tax: refers to the amount of VAT calculated by the taxpayer in accordance with sales and VAT rate for providing taxable services.

Input tax: refers to the amount of VAT paid or borne by the taxpayer for the purchase of goods or the receipt of processing, repair and maintenance services and taxable services.

6.2 Investment

The project investment is shown in Table 7.2, where kitchen equipment includes refrigerator, disinfection cabinet, cooktop, range hood, oven, kitchenware, etc. totaling 100,000 yuan. The pads for ordering are planned to purchase four units, which are estimated to total 10,000 yuan according to the market price. Store decoration includes signboards, store doors, walls and floors, lights, decorative supplies and other decoration, at 500 yuan per square meter, totaling 100,000 yuan. We plan to register our official internet platform account on the app such as Meituan, Hungry Delivery, Koubei, VW Dianping and Xiaohongshu, which is expected to cost 5,000 Yuan. organization costs are about business license and business permit, about 5,000 Yuan.

Table 6.1 Investment

Investment	2022
Tangible fixed assets	
kitchen equipment	70000
Chairs and cutlery	30000
Cash register and monitoring equipment	10000
ipads for order	10000
Intangible assets	
decoration	100000
Accounts of major network platforms	5000
organization costs	5000
Total	230000

Source: the author

6.3 Financing and Bank Loan

Now I have 100,000 RMB as reserve cash for the initial investment, other than that we need to borrow from the bank. The local entrepreneurship subsidy policy in Suzhou can be found in Annexes 1 and 2, from which I can learn that I belong to the second category of returning masters and can apply for a subsidy of 300,000 RMB from the bank with full government interest subsidy. So we have a total of 400,000 RMB available for the initial period of opening the restaurant.

6.4 Operating costs

Since the items in Table 6.1 are all one-time investments in the initial period, we include the rent in the operating table. This table specifically includes the restaurant's rent, marketing costs, and monthly utilities network gas costs.

Table 6.2 Operating cost

operating costs	details	2023	2024	2025	2026	2027
rent		120000	120000	120000	120000	120000
marketing	DM	4000	4000	4000	4000	4000
	Internet account and advertising	50000	4000	2000	2000	2000
	leaflet	500	200	200	200	200
variable expense	Electricity, water and gas	6000	6000	6000	6000	6000
	network fee	500	500	500	500	500
	Maintenance equipment costs	0	0	0	0	10000
	others	0	0	0	0	0
Total		181000	134700	132700	132700	142700

Source: the author

6.5 Staff expenses

The company's portion of the cost of social insurance is about 25% of the salary. In the future, after the establishment of a chain store, it is expected to provide more employee benefits, such as transportation allowance, meal allowance, afternoon tea, etc. In the initial stage, it will not be set up for the time being in order to save expenses.

Assuming no resignation of employees, the plan is to increase the salary for veteran employees by 4,800 RMB per year, i.e. a monthly salary increase of four hundred RMB compared to the previous year.

Table 6.3 Staff expenses

Staff expenses	per person/month	per person/year	Number	2023	2024	2025	2026	2027
Annual remuneration basis (gross)								
Restaurant Manager	8000	96000	1	96000	100800	105600	110400	115200
Cashier	6000	72000	1	72000	76800	81600	86400	91200
chef	9000	108000	5	540000	544800	549600	554400	559200
kitchen helper	6000	72000	5	360000	364800	369600	374400	379200
waiter	6000	72000	6	432000	436800	441600	446400	451200
Total annual remunerations (gross)				1500000	1524000	1548000	1572000	1596000
Other expenses								
Social Insurance				375000	381000	387000	393000	399000
Total other expenses				375000	381000	387000	393000	399000
Total staff expenses				1875000	1905000	1935000	1965000	1995000

Source: the author

6.6 Sales forecast

We know that the number of sales on weekdays and weekends will be different, and usually the latter will be higher than the former. However, for the sake of calculation, the daily sales quantity is assumed to be the average value per week, which does not mean that the daily sales are equal.

Assume that the per capita raw material costs for dine-in and take-out are 50 RMB and 40 RMB respectively, and the per capita consumption is 90 RMB and 60 RMB, and the average daily sales in the first year are 120 and 100 respectively. The sales volume in the following years will increase by 5% year by year. We can derive sales in Table 6.4.

Table 6.4 Sales forecast

	2023	2024	2025	2026	2027
Cost of raw materials (in person)	2190000	2299500	2414475	2535199	2661959
turnover(in person)	3942000	4139100	4346055	4563358	4791526
Cost of raw materials (takeaway)	1460000	1533000	1609650	1690133	1774639
turnover(takeaway)	2190000	2299500	2414475	2535199	2661959
Total turnover	6132000	6438600	6760530	7098557	7453484
Total raw material cost	3650000	3832500	4024125	4225331	4436598

Source: the author

6.7 Profit and Loss statement

This income statement analyzes the restaurant's sales, investments, and profits for the next five years. Where taxes = (total revenue - cost of raw materials - employee wages - operating expenses)

* 0.25. It can be seen that in an ideal situation, the restaurant is profitable.

Table 6.5 Profit and Loss statement

	2023	2024	2025	2026	2027
turnover	6132000	6438600	6760530	7098557	7453484
Investment	230000	0	0	0	0
raw material cost	3650000	3832500	4024125	4225331	4436598
operating costs	181000	134700	132700	132700	142700
staff expenses	1875000	1905000	1935000	1965000	1995000
tax	10650	14160	16718	19388	21980
interest	0	0	0	0	0
Net income	185350	552240	651987	756137	857207

Source: the author

6.8 cash flow

The statement of cash flows considers the outflow and inflow of cash from the Restaurant. The cash flow statement's primary purpose is to establish the company's short-term viability, particularly its capacity to pay its debts. A properly operating business should generate cash earnings along with profits. By analyzing the sources of cash inflows, the ability to generate cash can be evaluated and a forecast can be made about the future ability of the business to obtain cash. From the table below, it is clear that we can use the first year's earnings balance to pay off the bank debt in the second year.

Table 6.6 cash flow

	2023	2024	2025	2026	2027
Funds Origins (+)	6532000	7023950	7598120	8588134	9699199
Reserve Cash	100000	0	0	0	0
Obtained loans	300000	0	0	0	0
Previous year's balance	0	585350	837590	1489577	2245714
turnover	6132000	6438600	6760530	7098557	7453484
Funds Applications (-)	5946650	6186360	6108543	6342419	6596277
Investment	230000	0	0	0	0
operating costs	181000	134700	132700	132700	142700
staff expenses	1875000	1905000	1935000	1965000	1995000
raw material cost	3650000	3832500	4024125	4225331.25	4436597.813
Loans Repayment	0	300000	0	0	0
tax	10650	14160	16717.625	19388.13125	21979.66281
Net Cash Flow	585350	837590	1489577	2245714	3102921

Source: the author

7. Conclusion

This thesis is about a plan to open a Turkish-themed restaurant in Suzhou, China. The steps include presenting the goal, analyzing the problem, hypothesizing possible future situations and identifying solutions. This plan also incorporates theoretical knowledge related to strategic management, marketing and accounting courses. This business plan is able to meet the basic requirements for establishing a business, and it provides a reference for the future implementation of the project.

This plan first introduces the development of theme restaurants in China and the food culture

in Turkey. Then we make corresponding improvements with the current situation of the epidemic. Then we use PEST, Porter's five forces and SWOT to analyze the market environment. Then we develop our business plan, including strategic objectives, market positioning and marketing strategies. After the above planning, we finally conducted a financial analysis and developed some tables to simulate the future financial situation.

From the market environment analysis, we can tell that there are challenges and opportunities for our restaurant. On one hand, there is a lot of competition from different types of food sales with us. Whether it is a variety of branded restaurants, or fast food, supermarkets or even packaged products, all of them will compete for potential customers with us. On the other hand, the demand for personalized food and beverage consumption is growing. The products we offer are unique, and these are exactly our opportunities. In the analysis of our strengths and weaknesses, although we are a fledgling business with little experience, the analysis shows that we do not have the kind of shortcomings that will affect the survival of the restaurant. Our best strategy should be to differentiate and create a unique restaurant business.

Then came the development of our business plan, the most important point being to combine the advantages of today's Internet and make full use of all major online platforms for the comprehensive marketing of our restaurant. This included not only building a community of official WeChat accounts to increase consumer loyalty and repeat business, but also vigorously developing our take-out system under the influence of the covid-19 epidemic and making appropriate adjustments according to the current epidemic prevention and control policies.

Through financial analysis, the project financials were analyzed to roughly estimate the project's initial investment budget, operating expenses, staff structure as well as salaries, sales revenue, and costs and expenses. These provide the financial basis for the operation of the project. It can be seen that the overall financial position of the project is good, and it can repay the debt borrowed from the bank and make a profit in the first year. It has good investment prospects.

In summary, this program has a clear target audience, very few similar competitors. It will keep innovating with the current development of the times. Under the positive development environment of Suzhou and the rapidly growing Internet trend, it has a high success rate and feasibility.

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9. Annexes

Annexes 1 -- Types and conditions of guaranteed business loans

classes	Specific conditions
I	Suzhou household registration of college graduates, returned overseas students, retired soldiers, etc.
II	Graduates of colleges and universities within 5 years after graduation, returning students with master's degree or above, etc.
III	Those whose projects are stationed at the Suzhou city level or above as entrepreneurial demonstrators
IV	Employees of enterprises with excess capacity and unemployed people, migrant workers returning to their hometowns to start their own businesses, and the poor population groups who have built their own records
V	University students and other urban and rural workers in Suzhou.

(Data source: Suzhou Bendibao Chart made by the author)

Annexes 2 -- the loan amount, term, and the interest discount

classes	Loan amount	Loan Term	Subsidy method
I	100,000 Yuan 300,000 Yuan (number of personnel ≥ 5)	3 years	Full interest discount
II	100,000 Yuan 300,000 Yuan (number of personnel ≥ 5)	3 years	Full interest discount
III	100,000 Yuan 500,000 Yuan (number of personnel ≥ 5)	3 years	Full interest discount
IV	100,000 Yuan 300,000 Yuan (number of personnel ≥ 5)	3 years	Full interest discount
V	100,000 Yuan	2 years	50% interest discount

(Data source: Suzhou Bendibao Chart made by the author)

Annexes 3 -- Menu

This is the menu of QIYU restaurant, we prepare a wide range of dishes for customers to choose.

FOOD

凉菜 COLD APPETIZERS

HUMMUS 鹰嘴豆泥	25
EGGPLANT WITH YOGURT 酸奶茄子	28
CACIK 卡奇克	20
STUFFED GRAPE LEAVES 酿葡萄叶	25

主食 MAIN COURSE

CALF'S LIVER 小牛肝	55
SPINACH BOREK 菠菜波瑞克	24
FRIED CALAMARI 炸鱿鱼	12
BEYTI DNOER KEBAB 贝提旋转烤肉	48
LAMB ADANA KEBAB 阿达纳烤羊肉串	35
ISKENDER KEBAB 伊斯肯德烤肉串	35
CHICKEN CHOPS 鸡腿饭	45

沙拉 SALADS

SHEPHERD SALAD 牧羊人沙拉	25
CHICKEN SALAD 鸡肉沙拉	32
SEASONAL SALAD 四季沙拉	25
MEDITERRANEAN SALAD 地中海沙拉	25
FRUIT SALAD 水果沙拉	25

汤 SOUP

LENTIL SOUP 扁豆汤	12
YOGURT SOUP WITH RICE 高原汤	15
SPECIAL SOUP OF THE DAY 每日例汤	18

小食 SIDE ORDERS

FRENCH FRIES 炸薯条	10
EGGPLANT PUREE 茄子泥	15
YOGURT 酸奶	6
COLA 可乐	5
FRUIT JUICE 果汁	12
RICE 米饭	2

MARSA

DOL

MARSA

(Designed by the author)