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The Performance of Chinese Restaurants in Turku Area



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Turku is one of the biggest cities in Finland. There are many Chinese immigrants inhabitant in Turku area, as a result, Chinese food become more and more popular in the area. And many Chinese restaurants started booming since 1990s. Chinese restaurants play an important role in restaurant business in Turku area as well.

The purpose of my thesis is to research the potential problems/disadvantages when running a Chinese restaurant, and, if there are, how to improve the performance of a Chinese restaurant, especially when starting a Chinese restaurant in Turku area.

KEYWORDS: Restaurant business

MARKETING MIX

SQUL GAPS

SWOT ANALYSIS

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1. INTRODUCTION

“Have you eaten?” the same as British talking about weather, which is a rather common greetings in Chinese everyday life, shows the important roles of food and eating out for a Chinese. Chinese food are more and more popular all over the world, and quite many Chinese immigrants earn their bread by running or working in a Chinese restaurant. However, a lot of Chinese restaurants are out of business because of different reasons, which is the same in Turku.

The purpose of my thesis is to research the potential problems/disadvantages when running a Chinese restaurant, and, if there are, how to improve the performance of a Chinese restaurant, especially when starting a Chinese restaurant in Turku area.

When starting/running a Chinese restaurant in a different culture, we firstly have to do a clear marketing research about the business environment, customers and so on, considering about differences caused by the culture differences, the gaps and opportunities caused by the differences. Secondly, as a service, it is essential to minimize and bridge the service gaps between the customers and the restaurant, especially caused by the culture gaps and culture misunderstanding.

Comparison is the key method in my research, both in marketing research and the analysis. In my thesis, I will divide Chinese restaurants into three categories by the size of the restaurants; small, medium and large. In order to get my result, I will issue the differences when doing business in different culture by comparing among the Chinese restaurants of the same category in China and in Turku, by comparing among the Chinese restaurants and non-Chinese restaurant in Turku area, by comparing the idea among the owners of the Chinese restaurants in China

and in Turku, by comparing the different ideas among the customers in China and Turku, and by comparing the ideas among the owners and the customers in Turku area. Considering about the comparison, I chose my hometown, which has similar amount of population, restaurants and eating out population as counter part of Turku.

I will also issue the possibility to improve the performance by analyzing the problems and weakness the Chinese restaurant in Turku. If it is possible, I will give the possible solution to improve the performance, and I will give suggestions when starting a Chinese restaurant as well.

The information of my study was based on the interviews of the Chinese restaurant owner both in China and in Turk, my own experience and research of Chinese customers' idea, the research of customers' idea in Turku, and the related books.

2 GENERAL INFORMATION & LITERATURE

2.1 RESTAURANT TYPES

- Generally speaking, we could category restaurants into 4 groups, which are quick service, midscale, casual dining, and fine dining restaurants, and which is shown in the following table (figure 1) in detail.

Group of restaurants	Characteristics	Types	Examples
Quick service	limited menu Food prepared and served quickly Normally self-service	Fast-food restaurant, Cafeteria, bar, service, Coffee shop Snack Counter	Hesburger Donuts Pizzeria
Midscale	Table service Medium prices	Family restaurant	Most Chinese restaurants in Turku
Casual Dining	Table service with table cloth High prices	Dinner house	Ricco Rosso
Fine Dining	White tablecloth service High prices	Luxury restaurant	Brewery restaurant Herman

Source: modified Lundberg (1996)

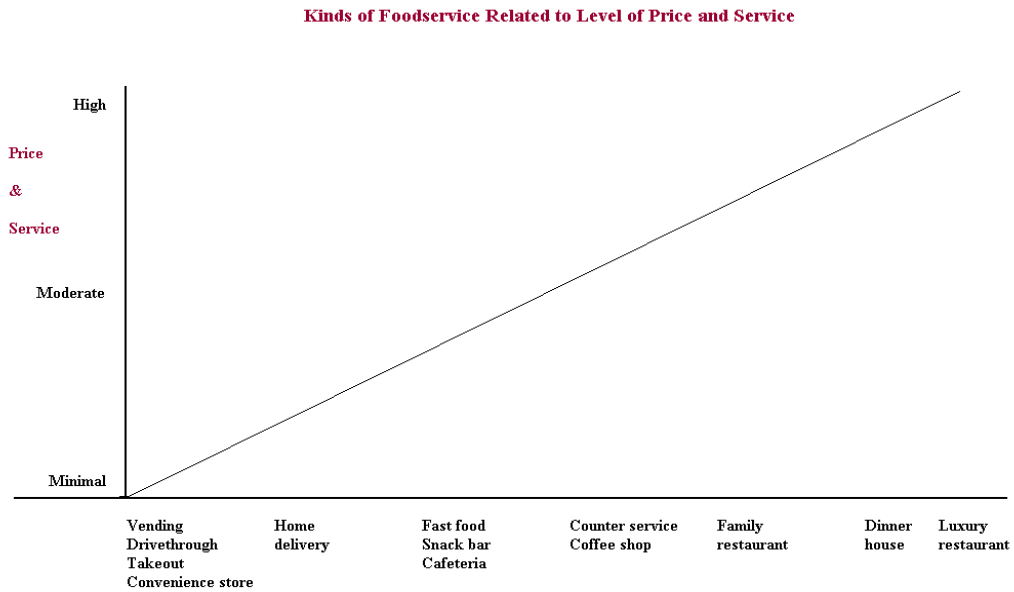
Figure 1

- Foodservices can be placed on a continuum in terms of the kinds and amounts of service offered and the menu prices charged. The more service given, usually the higher the prices. Price and service also tend to characterize the types of establishment. the graph (figure 2) shows the relationship:

2.2 RESTAURANT BUSINESS ELEMENTS

As one of the most common services, the key elements of a restaurant are the food (the physical product) and the service. In terms of food, it includes the food price, which directly approves the value of the restaurant in the business; the quality of

the food and the quantity of the food, which will show the physical evidence to the customers; and the kitchen, which is the place where the food is produced. In accordance with the service, it includes the table service (waters and waitress, menu est.), the environment of the restaurant.



Source: Lundberg (1996)

Figure 2

2.3 SERVICE QUALITY GAPS

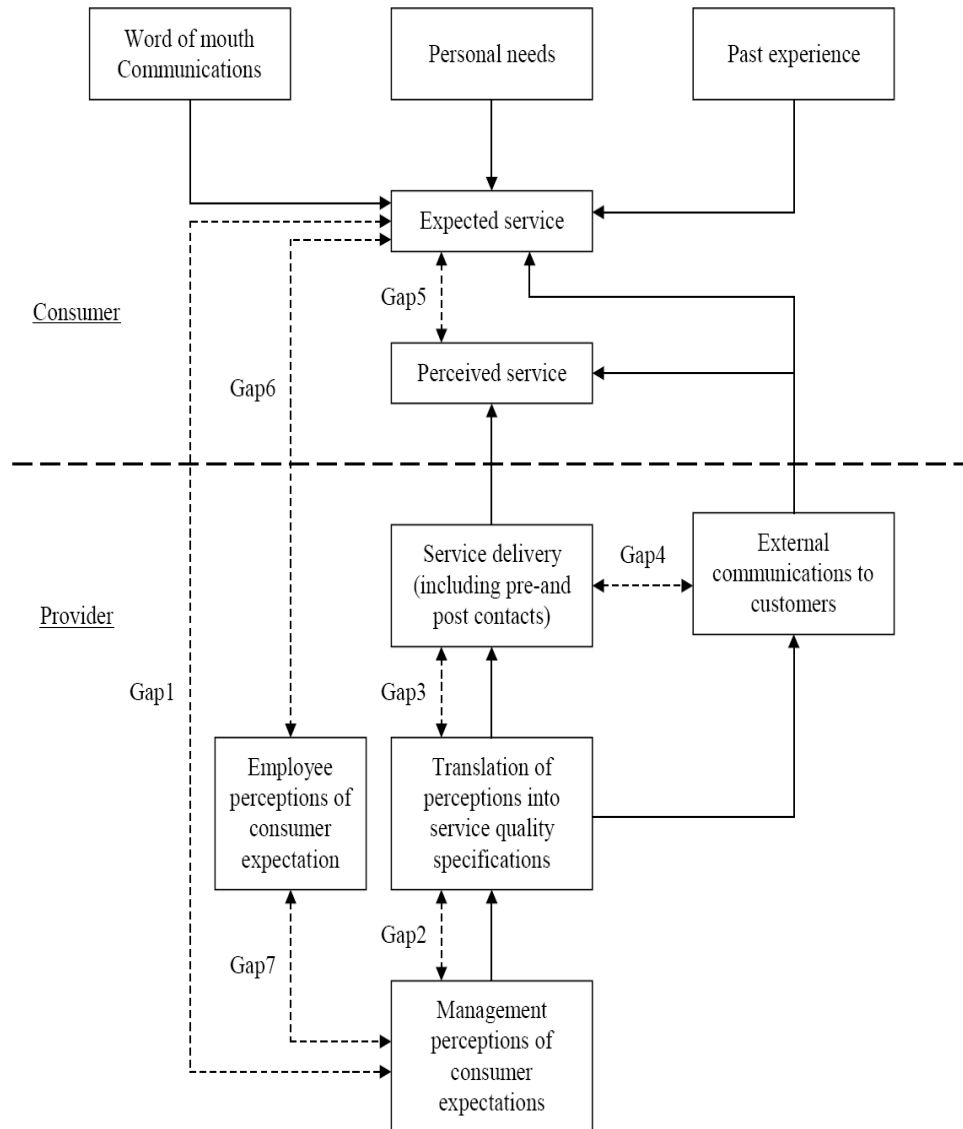
Service quality is considered as a critical dimension of competitiveness (Lewis, 1989). Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry (Hung et al., 2003). Service Quality is an important subject in both public and private sectors, in business and service industries. It is the extent to which a service meets or exceeds customer needs and expectations (Zahari et al., 2008).

There are seven major gaps in the service quality concept, which is shown below. According to the following explanation, the three important gaps, which are more

associated with the external customers, are Gap 2, Gap 5 and Gap 6; since they have a direct relationship with customers.

- **Gap 1: Customers' expectations versus management perceptions:** as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management. (Parasuraman et al., 1985)
- **Gap 2: Management perceptions versus service delivery:** as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardization and an absence of goal setting. (Parasuraman et al., 1985)
- **Gap 3: Service specifications versus service delivery:** as a result of role ambiguity and conflict poor employee-job fit inappropriate supervisory control systems, lack of perceived control and lack of teamwork. (Parasuraman et al., 1985)
- **Gap 4: Service delivery versus external communication:** as a result of inadequate horizontal communications and propensity to over promise. (Parasuraman et al., 1985)
- **Gap 5: The discrepancy between customer expectations and their perceptions of the service delivered:** as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences. (Parasuraman et al., 1985)
- **Gap 6: The discrepancy between customer expectations and employees' perceptions:** as a result of the differences in the understanding of customer expectations by front-line service provider. (Luk and Layton, 2002)
- **Gap 7: The discrepancy between employee's perception and management perceptions:** as a result of the differences in the

understanding of customer expectations between managers and service providers. The following figure (figure 3) shows the service marketing gaps. (Luk and Layton, 2002)



Resource: Luk and Layton (2002)

2.4 EXTENDED MARKETING MIX (7PS)

A Marketing mix is the division of groups to make a particular product, by pricing, product, branding, place, and quality. Traditionally the market mix contained 4 elements: product, price, place and promotion.

- **Product:** It is a tangible object or an intangible service that is mass produced or manufactured on a large scale with a specific volume of units. The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support. (Hill & Sullivan, 1997; Jobber, 1998)
- **Pricing:** The price of a product is what the company gets back in return for all the effort that is put into manufacturing and marketing the product. Pricing refers to the process of setting a price for a product, including discounts. The price need not be monetary - it can simply be what is exchanged for the product or services, e.g. time, energy, or attention. (Hill & Sullivan, 1997; Jobber, 1998)
- **Promotion:** Promotion represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements: advertising, public relations, personal selling and sales promotion. This includes advertising, sales promotion, publicity, and personal selling, branding and refers to the various methods of promoting the product, brand, or company. (Hill & Sullivan, 1997; Jobber, 1998)
- **Placement (or distribution):** Placement/distribution refers to how the product gets to the customer; for example, point-of-sale placement or retailing. This fourth P has also sometimes been called Place, referring to the channel by which a product or service is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc. also referring to how the environment in which the product is sold in can affect sales. (Hill & Sullivan, 1997; Jobber, 1998)

The four Ps model is most useful when marketing low value consumer products. Services marketing must account for the unique nature of services.

As well as the standard four P's (Product, Pricing, Promotion and Placement), services marketing calls upon an extra three, totaling seven and known together as the extended marketing mix (Kotler and Armstrong, 2009). These are:

- **People:** Any person coming into contact with customers can have an impact on overall satisfaction. Whether as part of a supporting service to a product or involved in a total service, people are particularly important because, in the customer's eyes, they are generally inseparable from the total service. As a result of this, they must be appropriately trained, well motivated and the right type of person. Fellow customers are also sometimes referred to under 'people', as they too can affect the customer's service experience, (e.g., at a sporting event).
- **Process:** This is the process(es) involved in providing a service and the behavior of people, which can be crucial to customer satisfaction.
- **Physical evidence:** Unlike a product, a service cannot be experienced before it is delivered, which makes it intangible. This, therefore, means that potential customers could perceive greater risk when deciding whether to use a service. To reduce the feeling of risk, thus improving the chance for success, it is often vital to offer potential customers the chance to see what a service would be like. This is done by providing physical evidence, such as case studies, testimonials or demonstrations.

2.5 SWOT ANALYSIS

SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

- **Strengths:** characteristics of the business or team that give it an advantage over others in the industry.

- Weaknesses: are characteristics that place the firm at a disadvantage relative to others.
- Opportunities: external chances to make greater sales or profits in the environment.
- Threats: external elements in the environment that could cause trouble for the business. (Williamson D., Cooke P., Jenkins W. & Moreton K. M., 2003)

2.6 TURKU

Turku was founded in the 13th century and is the oldest and fifth largest city in Finland, with a population of 175,286 (as of the end of 2007). Located at the mouth of Aura River southwest of the country, it is the capital of the region of Finland Proper and the province of Western Finland, as well as being the centre of the country's third largest urban area, with around 300,000 inhabitants. For proper restaurant meals, the average rate is about 10-30 euro – served with simple pasta or soup with water or a soft drinks, and the higher end with a high-grade steak meal with good wine. For fast food or pizzeria meals charge is generally less than 10 euro, around 6-8 euro.

Usually, proper restaurants are open until 10-12 pm. fast food chains, pizzarias and other such places are open later at night, some as late as 3-5 am in weekends.

Hesburger is the dominant burger chain in Turku. Pizzerias establishments are frequently kebab-pizzerias, offering Turkish kebab and Italian pizza dishes on their menu.

89,4% of Turku's population speak Finnish as their native language, while 5.2% speak Swedish. The next mostly spoken languages are Russian (1.3%), Arabic (0.6%), Albanian (0.5%). 95.8% of the population are Finnish citizens, and the most sizeable minorities are from Russia Estonia, Iraq and Iran.

The following shows the economic statistics of Turku.

Gross value of production, EUR million.....	2,892
Added value of production, EUR million.....	969
Production exported, EUR million.....	1,513
Average income, €.....	22,338
Tax rate (income), %.....	18
Unemployment rate, %.....	9.4

3 METHODOLOGY

Qualitative marketing research generally used for exploratory purposes.
Quantitative marketing research generally used to draw conclusions.

During my research, both qualitative questionnaire and quantitative questionnaire are used.

I interviewed two Chinese restaurants' owners in Turku, and three owners in my hometown to get the information about their idea related to the restaurant business. The restaurants' owners I interviewed in Turku are Longfeng Chinese Restaurant (small size restaurant) and New Great Wall Chinese Restaurant (a large restaurant with a medium sub restaurant, which is also considered as the best Chinese restaurant in Turku by a lot of people). In China, I interview the Chuanwei

Restaurant (large size restaurants are those with seats around 120, and around 12 employees in china, and those with about 70 seats and around 8 employees in finland), Hanmeiwei Restaurant (medium restaurants are those with seats around 80, and about 8 employees in China, and those with seats around 50, and about 6 employees in Finland), Zhen'an Restaurant (small restaurant with seats around 30 or under, and about 4 employees both in China and Finland). I made 50 questionnaires to get information from the customers, twenty for china considering my own experience, and thirty for Turku.

SWOT analysis is used during the process of data analyzing. In order to clarify the difference between two cultures, comparison is also used when analyzing the data. In the process of data analyzing, the software excel is used as well.

4 THE CHINESE RESTAURANTS IN TURKU

There are 6 restaurants serving Chinese food in Turku. They are:

- Kiinanmuuri, a big-size restaurant with a medium-size sub restaurant.
- China Jade, a medium-size restaurant whose target market are the staffs working in Data City in Turku.
- China Garden, a medium-size restaurant whose target market are the staffs working in Hansa in Turku.
- China and Thai Palace, a big-size restaurant serving both Chinese and Thai food.
- Dragon Palace, a big-size restaurant.
- Longfeng, a small-size restaurant with only 2 long-term employees (the cook, who is the owner and one waitress.) and 26 seats, whose target

markets are mainly people working in Pulssi and people who are working and living near the railway station area.

4.1 PROBLEM ANALYSIS

Even though there are great advantages running a Chinese restaurant in Finland, the Chinese restaurants in Turku involved in a lot of problems because of the lack of knowledge about the market, misunderstanding of the culture background or misusing of one's own or other's successful experience and so on.

4.1.1 POSITIONING OF CHINESE RESTAURANTS

In marketing, positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization. It is the 'relative competitive comparison' their product occupies in a given market as perceived by the target market.

What most will agree on is that Positioning is something (perception) that happens in the minds of the target market. It is the aggregate perception the market has of a particular company, product or service in relation to their perceptions of the competitors in the same category. It will happen whether or not a company's management is proactive, reactive or passive about the on-going process of evolving a position. But a company can positively influence the perceptions through enlightened strategic actions. (Ries, A. and Trout, J. 1981)

Positioning is one of the basic strategies when starting and running a restaurant, which will affect the price level, service level, and which will clarify the main competitors in the

restaurant business. In general, when starting and running a restaurant, we mainly consider about the balance of price and service for positioning, such as a restaurant with table service should price higher than those without table service, considering about the cost of hiring waiters or waitress.

The fact is that all the Chinese restaurants in Turku are family restaurants, which should have stood as midscale restaurant considering about the necessity of table service and the richness of menu. However, the price much lower than it suppose to be compared with their non-Chinese counterpart. The following table (figure 4) shows the average price (€) of main courses that the restaurants provide.

	Small Size	Medium Size	Large Size
Chinese Restaurants	6-7	7-9	8-10
Non-Chinese Restaurants	6-7	9-11	13+

From the table above, we clearly see the great differences of price with the same level restaurant between the Chinese and non-Chinese restaurants. Even though the prices of small sized restaurants are the same, the truth is that most of the non-Chinese small-size restaurants are mainly self-service restaurants, which means there are no waiters or waitresses in these restaurants. However, the Chinese counterparts are with table service. The real position of Chinese restaurants in Turku is actually between the scale of fast-food restaurants and midscale restaurants.

According to the research, the causes of this situation are:

- Misusing of the promotional method. Most of the Chinese restaurant owners believe that price is the key to win the market, the lower the price, and the more the customers.
- Poor marketing research. Most of the Chinese restaurant owners start their business according to their family members or friends' successful experience, which may be successful, however, quite many are out of date or unsuitable for specific market.
- Misjudging of the balance of the key elements of restaurant business. Most Chinese restaurants in Turku, they give the "food" element, especially the taste of food, too much credit, which is caused the ignorance of the importance of service and environment of a restaurant.

4.1.2 COMPETITORS

Will Brewery Restaurant Herman takes Hesbeger as its main competitor? The answer is clearly "no". The reason is that the position of the restaurant makes them targeting on different market segments. Generally speaking, a restaurant takes the restaurants in the same level/group of restaurants as its competitors, because similar service of the restaurants in the same group is delivered.

In terms of Chinese restaurants in Turku, the situation is the following:

- All the Chinese restaurants' managers/owners take the other Chinese restaurant as their competitors, no matter what the size of the restaurant is.
- Rarely, the Chinese restaurants' managers/owners take non-Chinese restaurants within the same group as their competitors.

Considering about the position of Chinese restaurants in the business, and the specialty of restaurant business (the variety of food type, and the role of food in the business), besides taking other Chinese restaurants as competitors (the entire Chinese restaurants serve Chinese food), the competitors should include, taking the size in consideration:

- For small sized Chinese restaurant, the competitors should include restaurants in the fast-food restaurant scale, except the fast-food chain such as Hesberger, McDonalds.
- For medium and large sized Chinese restaurant, the competitors should include restaurants in the fast-food restaurant scale and midscale restaurant group as well.

The reasons that taking the non-Chinese restaurants in the same group, under the circumstances of taking Finnish customers as their main target market (some of the Chinese restaurants' target market in Finland are Chinese tourists), as competitors are:

- The target market in the same group is the same.
- The target market is comparatively small.
- Considering about the big amount of Pizzeria and the great similarity of the food served, Chinese food has a high chance taken by the customer as alternatives.

4.1.3 PRICING

In restaurant business, one of the more important management decisions is determining the selling price of each food item so that it will be both acceptable to the market and profitable to the restaurant. Factors that go into this decision

include, the competition charging for the similar item, the cost of ingredients, the cost of labor, other cost and the profit expected.

As figure 4 shows, the price of Chinese restaurants is much lower than their non-Chinese restaurant counterparts. The main reasons are:

- Comparatively cheaper cost of ingredients. The taste of Chinese food is the unity of different ingredients. The requirement of Chinese food about ingredients is lower than western type of food, such as French food, Italian food. The taste of western type of food is based on the original taste of ingredient. The requirements of western type of food are quite accurate, especially about meat dishes (normally the main course), which require rather accurate cuts of the meat bearer. let us take beef dish for example, the sirloin could work on nearly all the Chinese dishes, while the western type of food require much more accurate cuts, which normally more expensive than sirloin, for different dishes.
- Cheaper labor cost.
- Misunderstanding of competition price. Because most of Chinese restaurants in Turku just take Chinese restaurant as their competitor, the non-Chinese restaurants' price is merely considered.
- Evading of taxation. Most of the restaurants have the experience of avoiding using the cashier machine for part of dishes. Evade taxation by showing fewer sell-outs.

Among all of the reason, the labor cost of Chinese restaurants is quite tricky, which causes a lot of problems as well.

The reasons for the lower labor cost are:

- Much lower salary for the cook if the cook is not the owner of the restaurant. Normally, the cook will never get double paid for vacations and Sundays and overwork. And their salary is normally calculated by basic salary (1000€ - 1300€, which is what the cook actually gets), plus the cost of three meals in the restaurant where he works in, and the rent (the place is decided by the owner of the restaurant), plus the tax. The owner of the restaurants will take care of the latter two, which is tricky and actually cheap.
- Really low salary for the waiters and waitress. Generally, the Chinese restaurants will use a family member as a full-time waiter or waitress, then, during the busy time, they will hire some Chinese students as part-time waiters or waitresses, who are normally forced to work without paying tax, and the salary is quite low. The salary for a normal waiter or waitress is about 9€ per hour, while, for the students, it is just 5€ per hour. by doing this, the restaurants do not need to pay for the insurances for the employees, the sick leave, the hospital cost if the number of employees are more than four.

The fact is that the way to achieve a cheaper price causes a lot of problems:

- A clear legal problem.
- Serving problem. Because the waiters and waitresses normally do not have a fix work and the owner will not train them, this will make the waiters and waitress not sufficient enough to do table service. The facts also prove it, such as the waiters or waitress could not communicate sufficient enough with the customer, or have no experience dealing with the customer who gets some problem with the food served and so on.
- A problem to achieve its real position. The truth is that the level of service is one of the key factors to decide the position, and quite many customers believe that a lower price sometimes also means lower quality of service.

4.1.4 DINING CUSTOMS (EATING HABITS)

The term dining customs (or eating habits) refers to why and how people eat, which foods they eat, and with whom they eat, as well as the ways people obtain, store, use, and discard food. Individual, social, cultural, religious, economic, environmental, and political factors all influence people's eating habits.

When running/starting a new restaurant in place with different food culture, we have to consider about the differences of dining customs owing to different food culture decides different dining customs of different nations. Typically, the dining customs of western countries are quite different from the countries from Far East such as China, Japan etc.

The following shows the differences of dining customs between Finland and China:

- Food structure. compared with Finnish food, Chinese food has greater varieties, which shows at the aspects of:
 - The scale of ingredients. Chinese people use much larger scale of ingredients than Finns use. We also use a lot of ingredients that Finns will normally discard, for example pig lungs, intestines, and a lot more.
 - The way of cooking. China has the most complex way of cooking, which produces a big amount of various dishes, while in Finland, it is much simpler.
- Quantity of dishes ordered. When eating out, Chinese people rarely order only one dish even just with one person, while Finns normal order one dish per person.

- The way of eating. When eating out, Chinese people will share the food ordered, while Finns just eat the dish that he/she ordered.
- The tool used for dining. Chinese use chopsticks, while Finns use forks and knives.

Most Chinese restaurants in Turku adapt the differences of dining customs by:

- Changing the original taste of food according to Finnish people's taste.
- Adding public spoons for each dish in order to make easier for Finns to share food.
- Providing both chopsticks and fork and knives.

Most of the adaption is based on the experience summed up by predecessors. Such as providing both dining tools is good, which takes all the customers (the customers who could not use chopsticks, and the customers who would like to use chopsticks to experience Chinese way to eat) into account. However, the other two are not sufficient enough. The reasons are:

- Changing the original taste is actually based on the belief (most of the owner of Chinese restaurant believe that there is no food culture in Finland, and Finns know nothing about Chinese food) of the lack of knowledge of Chinese food of the customers. Most Chinese customers do not believe that the Chinese food made in Chinese restaurant in Turku Chinese according to the taste. It seems a good way that the taste suits Finns if the target market is Finnish group; however, this will omit the specialty of Chinese food, which differentiates it from the other food from the market. Furthermore, as the time goes on, the experiences of the customers will change, and the adaption should change according to it.

- In accordance of adding public spoons, it is a good idea; however, over 65% of Finnish customers misunderstand the function. Most of the Finnish customers believe the public spoon is used for taking their own dish to the rice, instead of the function of easing sharing.

The alternative of the adaption could be:

- Considering about the big quantity of various type of Chinese food, instead of change the original taste, a suitable original taste, which Finnish customers may like, could be chosen as alternative. By doing this, it will ease the work of chef (they do not need to think about how to change the taste, and it is much easier for a chef to choose a dish than to change the taste), and it will keep the specialty of Chinese food.
- As for public spoons, an efficient communication will solve the problem well. For example, when serving, take the public spoon separately instead of putting the spoon beside each dish, and the waiter or waitress could mention the function of the spoon.

4.1.5 MENU

A menu is a printed brochure or public display that shows the list of options for a diner to select. Besides the function to give the customers general information about the meal chosen, it is also essential for both positioning and promotion. A good restaurant menu design is a key to any restaurant's marketing plan. It expresses your eatery's personality, focuses your overall operations, promotes profitability, establishes your budget and keeps your brand fresh in your customer's mind.

Menu is the primary means of representation of a restaurant:

- It says exactly who a restaurant is and what a restaurant hope to convey personality-wise.
- It also should create enough of an impression so that it stays with your client long after the waiter or waitress walks off with it.
- In addition, it must convey a restaurant's brand in a manner that makes diners excited to be there, want to come back and recommend it to family and friends.

As a form of advertising, the prose found on printed menus is famous for the degree of its puffery. The strategies used in a menu normally conclude:

- Emphasize the processes used to prepare foods
- Call attention to exotic ingredients,
- Add French or other foreign language expressions to make the dishes appear sophisticated and exotic.
- Impressing customers with the notion that the dishes served at the restaurant require such skill, equipment, and exotic ingredients that the diners could not prepare similar foods at home.

As for the menu of Chinese restaurant in Turku to Finnish customers:

- 42% of Finnish customers feel that the menu failed to establish the image of the dish chosen, among them; approximately 65% get the order which is of great difference than what they expected, about 23% could not get any image about the food they selected, and the left feels like the food chosen might be the same with some other dishes shown in the menu base on the ingredients showed.

- 27% of Finnish customers feel that the names of dishes are difficult to remember or confusing. Take “Boluo gu lao rou (菠萝咕老肉)” for example, the meaning of the name translated from Chinese is; twice deep fried sliced pork inner filet sauté with pineapple. a lot of the menu use the translation as the dish’s name, or even use the literature translation, pineapple sauté old meat (lao rou/old meat in Chinese cooking term means normally deep fried the meat more than once), as the name, which will clearly cause confusion.
- 18% of Finnish customers feel that there is nearly no update of the menu such as the new menu design, new dishes added to the menu and so on.
- Only about 13% of Finnish customers feel that the menu is ok based on the book-type design of the menu.

Clearly, most of the menu problems are caused by;

- The culture differences, such as the terms concerning about cooking style, which is only used in China, the characteristics of unity of taste of ingredients and spices for Chinese food.
- Language differences. The language used in some aspects is unique, which is quite difficult to interpret. In the menu issue of Chinese restaurant in Turku, the abilities of translator should also be considered.

The positioning and promotion function is build upon the achievement of the basic function (give a general expression of the food.) the fact is that a misleading description of menu is one of the key causes, which makes the gap between the service delivered and the customer expectation.

As for the Chinese restaurants in Turku, an accurate and efficient expression of menu is suggested, such as by;

- Putting the picture of a dish in the menu.
- Giving a general expression about the taste of the dish.
- Giving more accurate explanation or suggestion about dishes when doing table service.

As for the menu to the Chinese restaurants in Turku themselves, the typical problem is the great similarities of dishes, the name of dishes and even the general design, which make the restaurant undistinguishable in the market, and cause the promotion function of menu fails to achieve. The fact is that one even could use one Chinese restaurant's menu for nearly all the Chinese restaurant in Turku.

4.1.6 SERVICE/TABLE WAITING

Service, especially provided by the waiter or waitress, is another key element in restaurant business. The level of quality of service will decide the restaurant types. Generally, the more professional the service is, the more luxury the restaurant should be. For example, normally quick food restaurant provide basic service such as provide food, waiting table is not included. However, in luxury restaurant, waiting table is the key element besides food.

In different cultures, table waiting style is favored differently. The table waiting style could be divided into two groups;

- More passive service tendency or more active service tendency
- Professionally service tendency or unprofessional tendency

A passive service tendency means: when waiting table, the waiter or waitress act more passively, such as answer the customer's question only when asked, avoid talking with customers about small talks and so on, besides the basic service. A passive service tendency style is more favored in China or other East Asian countries.

An active service tendency means: when waiting table, the waiter or waitress act more actively, such as provided the information when the waiter or waitress feels that the customer may be interested, take a small talk with the customers and so on. This type service is favored by a lot of western countries. The following table shows the difference between passive service tendency and active service tendency

Table waiting style	Small Talk during the service process	Information providing	The relationship between customer and waiter/waitress	Favored location
Passive tendency	Avoid	Only when asked	More hierarchy	China, East Asian countries
Active Tendency	Favored	Provided initially	More equal	A lot western countries

The differences between professional and unprofessional service are showed in the table below.

Service proficiency	Table waiting skills	Menu	Language skill	Problem solving	Cost/Salary
Professional	Know well	Know well, and could explain the menu	multi languages, work efficiently with the majority customers' mother tongue	Efficient problem management skills. Win-win situation achievement	High
Unprofessional	Only the basics, or unknown	Know only the menu	Poorly equipped language skills	Inefficient problem management skills	Low

As for the table waiting service of Chinese restaurant in Turku to Finnish customers,

- 65% of Finnish customers favor small talk during the table waiting process, about 20% of Finnish customers do not mind about it. However, most restaurants in Turku provided more passive table waiting style.
- Nearly all of Finnish customers prefer the table waiting language to be Finnish. However, most of the restaurants in Turku could not provide efficient language skill when serving the table.
- Nearly 60% of Finnish customers feel that table waiting of Chinese restaurant in Turku is not satisfactory enough, such as the waiter or waitress could not express the menu clear enough to the customer.
- Nearly all Finnish customers who met problems in Chinese restaurant feel unhappy at all with the solution.

The cause of unsatisfactory to the customers when waiting table is that, most Chinese restaurants in Turku, in order to lower the cost, hire Chinese students as a waiter or waitress, who are normally untrained as a waiter or waitress, and who are efficient with English but Finnish, and to whom the restaurants' owner feel more trustable and easy to communicate.

In order to solve the problem, for those bigger restaurants, it is better to hire a Finnish waiter/waitress, who could communicate with the customers more easily. The fact is that the unsatisfactory is mainly caused by miscommunication, and the satisfied customers are the key to get more customers. For small or medium sized restaurant, a training program for the waiter/waitress is a con.

4.1.7 PRODUCT/FOOD

Food is the core element in restaurant business. What is good food? For different people and different culture, the answer varies a lot. A Chinese people may feel amazed that Finns could eat bread every day, and Finns may feel the same way, which Chinese could eat rice every day. However, three characteristics of food product are greatly considered, when judging the quality of food in restaurant business, by both the restaurant and the customer, which are;

- Taste
- Color/look, which means the color, shape and appearance of the dish
- Food quantity, which means how much content one dish contains when served
- **TASTE**

As for my research, both Chinese customers and Finnish customers take “taste” as the most important characteristics of food. There are about 73% of Chinese customers and about 50% of Finnish customers take “taste” as the initial choice to decide whether the dish is good or not. All six Chinese restaurants in Turku believe that taste is most important characteristic of food.

Since taste of food plays such an important role in restaurant business, most of Chinese restaurants in Turku meet nearly the same problem; to localize the taste of Chinese food in order to suits Finnish taste, or to keep Chinese food’s original taste.

Nearly all of the Chinese restaurants in Turku localize totally or partly the taste of Chinese food. However, whether to localize the taste or keep the original taste depends on the following situations;

- The target markets. For the restaurants target on dinner and formal meal, to keep the original taste is important. One of the most important reasons that a customer chooses a restaurant for dinner or formal meal, for example, a Chinese restaurant, is that the restaurant serves Chinese food. For the restaurants target on lunch, especially for lunch break, localizing the taste will be a good idea. The initial purpose of the customer to take working lunch is not to enjoy the process of dining, and normally the lunch time is limited, and the customers are normally not critic about whether the food is of original taste or not.
- Target customers’ age group. The middle aged customers are more critical about the original taste, while the younger generation is easier with the taste of food.
- The market environment. For the restaurant in the general environment which most restaurants adapt the taste, it is better to keep the original taste, if the restaurant could find the food with original taste suits the

customer taste. For the restaurant in the general environment which most restaurants keep the original taste, to adapt the taste of keep the totally depends on different situation.

- The knowledge of food culture of the customer. If the general customers know well about the food culture of typical nation, keeping the original taste is important. For example, when running a Chinese restaurant in a city with a big China town or a great amount of Chinese inhabitants, keeping the original taste needs to be considered. If the general customers know little about the food culture, adapting the taste to suits the customer will be a good idea.

- **COLOR/LOOK**

The color/look of food is the appearance of a dish when served. It is the easiest way for customers to distinguish different dishes, and it gives the first impression of the dish to the customers. The color/look provides a great bonus to improve the price of dish, and it is the easiest and cheapest way to impress customers. It is essential to all the restaurants which provide table waiting service. About 35% of Finnish customers take color/look as the initial elements to judge a dish, and only about 10% of Chinese customers consider color/look important for a dish.

As for the Chinese restaurants in Turku, about 40% Finnish customers feel confused about the dishes due to the similarity of the appearance of different dishes, especially for dishes at the same category, such as chicken dish, and especially in medium and small sized Chinese restaurants. About 35% of Finnish customers feel the color/look undesirable.

There are several ways to solve the problem;

- The prime way is to hire a professional cook or chef, for most of the cooks and chefs are untrained especially in small sized restaurant in order to lower the cost.
- The alternative way is to use different equipments to keep the dishes, such as plates with different shape, or to use various sub-ingredients of dishes in the same category to make the dish more distinguishable and of good appearance.

- **FOOD QUANTITY**

The requirement of food quantity varies in different culture. In China, a restaurant serving big food quantity of one dish is normally considered customer friendly. In Finland, Finnish customers will satisfy with moderate amount of contents of one dish. As for the Chinese restaurants in Turku, they do serve with big-quantity-content food. Sometimes, the Finnish customers may feel the amount too big for them. When running a restaurant in Finland, it is good idea to adapt the food quantity to Finnish scale. Besides lowering the quantity suits Finnish dining habits (most Finnish customers do not like to leave food when dining in a restaurant), and it will lower the cost as well.

4.1.8 ENVIRONMENT

The environment of a restaurant includes the interior decoration, the façade/ exterior of a restaurant and the dining atmosphere (Dining atmosphere is mainly created by the interior design, the main target customer group). The environment is the most distinguishable elements for restaurant to differentiate from other restaurant, and it is one of the most important requirements to maintain the price level of dishes (Normally, a poorly designed restaurant could not sell its food with

higher price). In Finland, most customers take environment as their first consideration when to choose a restaurant for dining.

As for the Chinese restaurant in Turku, most owners of the restaurants do not consider environment as significant as it suppose to be. The problems are the following.

- Most Chinese restaurants in Turku put too much Chinese elements, such as Chinese palace lantern, Chinese dragons and so on, in the decoration. The idea is to make the restaurant identifiable; however most of the interior decoration totally destroyed the function of environment of a restaurant due to the poor design and wrongly application of the Chinese elements, which make the restaurant look cheap. Overdo the Chinese elements in a different culture will not do well, because most customers feel more comfortable with the environment which they are familiar with. Furthermore, the truth is that Chinese elements are not the only way to identify Chinese restaurant as Chinese.
- Façade is the first impression when a customer goes to a restaurant. The exterior of Chinese restaurants are of great similarities (normally with red window shaped stickers sticking at the edge of the window, and with something such as dragon applied on window at the same time, such as in the picture), which feels like a restaurant chain instead of distinctive independent restaurant. Most customers could not distinguish the restaurants from their façade except the restaurant names.
- Red plays an extreme role in the atmosphere in Chinese restaurants in Turku. Most Finnish customers prefer more neutral-color-theme and dim atmosphere when dining. Too much red is a bit heavy for Finnish taste.



Environment is the trickiest part in restaurant business. The designing part of the restaurant is normally quite difficult to change after the decoration is done, which cause the physical atmosphere unchangeable. In order to create a suitable restaurant environment when starting a business, a good main target customers' culture background check must be seriously considered, which will decide the type of atmosphere of the restaurant, such as a modern design or traditional design and so on. A suitable designer and decorating team are required, which will decide the fulfillment of the environment requirements. It is clear that a designer without any knowledge of Chinese culture could not design a restaurant with good Chinese atmosphere.

As for Chinese restaurants in Turku, reducing the heavy load of Chinese elements in the decoration may be a good solution to suits the customer.

4.1.9 INERTIA OF CULTURE

The term inertia of culture means the resistance of change cause by one's culture influence. The inertia of culture will apply to both individual and organization.

The one main cause of inertia of culture is that our behavior, believing and action are influenced by our culture as well at the same time when those issues form one's culture.

In China, many restaurants' owners believe that good wine needs no bush (the belief is changing gradually in China now), which means if a restaurant could provide good food and drink, the food will sell automatically, or promotion will not be necessary. For the Chinese restaurants in Turku, most owners underestimate the function of promotion. Most Chinese restaurants in Turku do not have a proper website to introduce/advertise their restaurants, and nearly no Chinese restaurants in Turku use paper advertisement. The only promotion which the restaurants use is to lower the lunch price, which most restaurants do the same in Turku.

As for the Chinese restaurants in Turku, promotion, such as paper advertisement and coupons, is an efficient way for the customers to know the restaurants, especially in a culture which customers have little knowledge about Chinese food.

In China, most customers take food, especially the taste, as the initial consideration when choosing a restaurant. In Finland, most Finnish customer take restaurant environment, which is normally least considered in China, as the most important element when choosing a restaurant. Most Chinese restaurants in Turku pay quite much attention to the quality of food, the same as the restaurants in China. As for the Chinese restaurants in Turku, and those who would like to start a new business, improving the atmosphere of a restaurant is necessary.

In Turku, most Finnish customers consider Chinese restaurants as cheap, low quality restaurant, which are not suitable for formal situation. The main causes are:

- Most Chinese restaurants in Turku focus on lunch time.
- The table waiting service in most Chinese restaurants in Turku is not professional enough.
- The environment of most Chinese restaurants in Turku does not suits Finnish people's taste, which sometimes feels cheap.
- The dining style is different in Chinese restaurants.
- Most of Finnish customers are lack of knowledge about Chinese food culture.

The situation makes Chinese restaurants in Turku difficult to positioning in more luxury dining market.

5 CONCLUSION

Food, table service and environments are the core physical factors in restaurant business. Price, promotion, and service (waiters/waitresses, the process of services, the impression of services) is the core spiritual factors. Those elements decide the types of restaurant, whether the restaurants are profitable or not, and they also affect the customers' decision making about the choice of restaurant to go. However, they are also the bed of quality service gaps. Due to the lack of marketing research of target market, most Chinese restaurants in Turku do not know about the expectation of customers, such as what kind of restaurants' atmosphere do customers like, (SQUL Gap 1). Since most waiters/waitresses of Chinese restaurants in Turku are not trained as waiters/waitress, and most of them are not fluent in Finnish language, it is difficult to deliver proper services to the customers, and it is difficult to communicate with the customers as well, especially when instance happens (SQUL Gap3, Gap 4, Gap 5 and Gap 6). Most of the owners of Chinese restaurants are greatly influenced by the Chinese culture background, which cause the service style not suitable for many of the customers,

and because of the lack of communication with the employees (quite many owners of Chinese restaurants are not favored by the waiters/waitresses), which make the end result of service different than the owner expected (SQL Gap 1, Gap 2, Gap 7).

It is clear that when running/starting a Chinese restaurant in Turku, both advantages and disadvantages/problems are approved.

5.1 THE ADVANTAGES

Considering about the totally different food culture between China and Finland, running/starting a Chinese restaurant in Finland gains several advantages.

Since there are fewer same types of restaurants, and the target markets for most Chinese restaurants in Turku are customers who eat/are interested in Chinese food, competition is less fierce than running in the same culture, such as the competition between Chinese restaurants in China.

Considering about the lack of knowledge of the customers about Chinese food, it is easier to satisfy the customers' taste than running in the same culture, especially for prime enterer (prime enterer has the chance to define the standard of Chinese food). The level of requirement to run a Chinese restaurant in Finland is lower than in those countries with strong food culture such as France and Italy. For example the skill of the chef and the complexity of food in those countries are more critical than in Finland.

The core characteristic of Chinese food is to combine different taste of ingredients and spices together, it is comparatively cheaper in cost of materials of the food

considering about Chinese food structure. For example, the use of most expensive cuts of pork/beef is much less than the use in French and Italian restaurants.

5.2 DISADVANTAGES/PROBLEMS

As the result of my analysis, most Chinese restaurants in Turku met a lot of problem, which could be potential problems when starting/running a restaurant in Turku as well.

Since there are so many different types of restaurants, the general market environment is more complicated than that in China. It is more difficult to clarify the competitors, the market position.

The legal system is different when running a restaurant in another country, which make the legal requirement different, such as the salary level, the equipment requirement when running a restaurant, the employee benefits and so on.

The requirements of customers' satisfaction are different. For example, Finnish customers pay more attention to the restaurants' environment, while Chinese customers focus more on the taste of food.

The inertia of culture may cause management problems, such as the style of service in the restaurant, the spending on promotion of the restaurant.

The language skills are significant when running a Chinese restaurant in Turku. Most Finnish customers feel better when the service is done in Finnish.

It is difficult to decide the decoration style, food style, and menu and so on.

5.3 STARTING A NEW RESTAURANT

When starting a new Chinese restaurant in Turku area, several issues need be done in order to improve the performance. Since customer satisfaction is really important for restaurant business, when doing market research, the content of the customers' dining customs, taste, customers' request about restaurants should be considered as well. Since the restaurant business in Turku area is quite full, when starting a new Chinese restaurant, a careful positioning strategy should be applied.

Since the environment/atmosphere of a restaurant is one of the most important elements for Finnish customers to decide which restaurant to go, try to create an environment/atmosphere which is more suitable for the customers. Since the decoration of most of Chinese restaurants is quite similar, it is recommended to make the decoration distinguishable from others. If the restaurants, besides focusing on lunch time, focus on dinner time as well, at least one professional waiter/waitress is needed.

Finnish language should definitely be the official table serving language in the restaurant. Fluent Finnish language is needed when problem takes place.

Pay enough attention to the legal issues such as taxation, employee benefits, equipments requirement and so on. A great fund may be charged if the legal issues are not well followed.

When starting new restaurants in Turku area, Finnvera, Te-Keskus could provide a lot of useful information and suggestion about what needs be done when starting a new restaurant, how to start a business and how to invest and so on.

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APPENDIX 1

Questionnaire to customers

1. What is your age group?
A, under 35 B, 36-55 C, over 56
2. Have you ever been to a Chinese restaurant?
A, yes B, no
3. What aspects of restaurants influent you most when choosing a restaurant?
A, food B, restaurant environment/atmosphere C, price
4. What element of food is most important for when dining in a restaurant?
A, taste B, color/appearance C, quantity
5. What table waiting style do you prefer when dining in a restaurant?
A, active style (the waiter/waitress interact more with the customers)
B, passive style (the waiter/waitress only provide service when asked besides the basic table waiting)
6. What table waiting language do you prefer?
A, Finnish B, Swedish C, English D, other_____
7. Are you satisfied with the menu description in Chinese restaurant?
A, yes B, no shortly describe the reason if possible_____
8. What do you feel about the Chinese restaurants environment/atmosphere?
A, 😊 B, 😊 C, 😊 D, 😊 E, 😊
9. What do you feel about the quality of food in Chinese restaurants?
A, 😊 B, 😊 C, 😊 D, 😊 E, 😊

10. What do you feel about the price of food in Chinese restaurant?

A, 😊 B, 😄 C, 😐 D, 😞 E, 😡

11. What do you feel about your knowledge about Chinese food?

A, 😊 B, 😄 C, 😐 D, 😞 E, 😡

12. What do you feel about the service/table waiting in Chinese restaurant?

A, 😊 B, 😄 C, 😐 D, 😞 E, 😡

APPENDIX 2

Questionnaire to the restaurant owners

1. When you started your restaurant? What is your motivation?
2. What do you think is the most important aspects of a restaurant to the customer?
3. Why do you choose this style as your decoration?
4. Who do you think is your competitor in the business? Why do you think so?
5. Who are your main targets markets? What time is your restaurant's peak time?
6. What do you think about the general situation for restaurant business in Turku area?
7. Could you tell me how your restaurant does during those years of operation? What is most difficult situation did you meet?
8. What do you think about Finnish customers?

List of Abbreviation

SQUL	Service Quality
7Ps	Product, Pricing, Promotion, Placement, People, Process, Physical evidence
SWOT	Strengths, Weaknesses, Opportunities, Threats