

Strategic Marketing Management of Food Delivery

Planning, implement action and management



Bachelor's thesis

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ABSTRACT

This thesis was commissioned by a small-sized Chinese restaurant Cuptain where is located in Oulu Finland. Since the various restrictions in the development of the company, and market demand from the survey, food delivery service is a great method for helping Cuptain to bring in more customers and to increase its sales in another than the traditional way.

The objective of this thesis project was to assist Cuptain-liked small-sized restaurants to build their own delivery service systems to extend their marketing modes. It is a way for avoiding profit-sharing by third-party delivery companies which is extremely good for restaurants.

This thesis is mainly basing on the theory by Wilson and Gilligan (1992) discussed in *Strategic Marketing Management: Planning, implementation and control*. Also some other related supporting theories were studied here, listed in the reference list. Besides, the knowledge and the effort of practical work for this project provided plenty of information as to the theory project.

A SWOT analysis, a marketing mix approach, scenario planning, and the Delphi method were applied in this project as research methods. Some other approaches were used as well as combining to be the theory for this thesis.

The main result of this project was to put the theory plan into practice, which was a major success for Cuptain. This project helped Cuptain with the goal of increasing the sales. As well as encouraging other similar small-sized restaurants to apply a similar delivery service system in the future.

Future steps for food delivery service will be to maintain and manage these well while improving at the same time. With greater success of service, Cuptain can develop its own application on a mobile device or web pages or other platforms which will better satisfy customer demands. Also some other marketing methods can be applied in the future, such as flyers, posters, social media, advertisements, etc. To make the service well-known and popular among citizens in Oulu region.

Keywords Strategic Marketing Management, Food Delivery, Marketing

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Appendix 1 Market survey for lunch delivery



1 INTRODUCTION

1.1 Background

With the development of technology and society, along with the widespread use and the development level of smart phones and the internet, the purchase approach is no longer restricted to physical stores, but of increasing diversification instead according to the specific demand from consumers. In addition, there is an expanding trend of online and offline sales among many fields, food industry is the most apparent since it is the closely linked to people's daily life.

People in Finland generally have a short lunch break during weekdays. The lunch break usually lasts for half to one hour, which could be shortened to fifteen minutes if people are busy on a particular day or some other special cases appear. Which means that, in most cases, people have lunch quickly, therefore, fast food and ready-made food are the best choices for them. However, the awareness of health grows rapidly, and a balance between fast lunch and health is increasingly important. Susanna (2011) suggested the employers should provide employees with the option to have good quality meals during lunch break, to ensure they would get the nutrition, health and well-being.

Against this background, lunch delivery is a great solution to reach the balance, besides, it also satisfies customers' different needs in different conditions. More than all that, however, food quality still occupies an important position in the delivery chain. High-quality food plus satisfying service will become a trendy business model, especially for small-sized restaurants. All that said, the food delivery service can satisfy customers' various needs for lunch (fast, rich-flavored, limited distance, healthy, etc.); on the other hand, it can improve the sales and profits for enterprises while enhancing their influence in the market.

1.2 Introduction of commissioner

The commissioner of this thesis is Cuptain Chinese Restaurant located in Oulu city centre area. It was found in 2015 by a Chinese student who studied Business Information Technology in Oulu University of Applied Sciences.

The predecessor of Cuptain was a small-sized takeaway restaurant named Spice Chinese Fast Food Restaurant operated over 10 years by an older aged Chinese man before he took over this business. The current owner noticed that, his regular customers came for lunch during weekdays are mainly working around the city centre area which only takes few minutes walking distance; while customers came for dinner or on weekends are mainly living nearby. This observation is showing no significant difference with the following results gained from Nordic food survey 2015:

Table 1 *Factors of importance for food purchase in Finland. Adapted from “Nordic food survey 2015 – consumer trend” (Matre, 2018)*

FOOD PURCHASE OPTIONS	FACTORS OF IMPORTANCE (%)
ALREADY PACKED BAGS OF FOOD WITH RECIPES	12
HOME DELIVERY	22
SELF-SCANNING	37
PURCHASE FROM THE SHOPS CLOSE TO HOME	76
ORDER ONLINE AND PICKUP IN-STORE	26

Table 1 shows that “purchasing from the shops close to home” accounts for a larger proportion compared to other purchase methods, while “order online and pickup in-store” and “home delivery” (take no account of “self-scanning” since it is related to retail shops rather than restaurants’ possible service coverage) take around twice than “already packed bags of food with recipes”, from which we can make an assumption that the aforementioned approaches could be utilized for expanding business for restaurants.

The current owner expects that the potential business can be exploited based on the existing source. This thesis hereinafter will introduce the strategic marketing management of food delivery service that developed for Cuptain Chinese Restaurant to the extent that it will achieve a win-win solution for satisfying customers’ demand and increasing Cuptain’s sales.

This thesis will introduce the following matters:

- The general overview of operation;
 - The analysis for both external markets and internal factors;
 - The market survey on what customers wish the food delivery service to serve them;
 - The planning of food delivery service based on customers’ respond to the survey;
 - The recommendations for future operation and management;
- Etc.

The food delivery system will be a simple method for people to order what they want for lunch, or for the party. He could just make a call or send a message to confirm the orders that he needs, and the restaurant will prepare for him and delivery to him within a given time frame. Price for the orders

and the delivery will be reasonable, and the payment method will also be easy to achieve. The entire process for the food delivery service should be simple, fast, friendly and integral.

1.3 Organizational structure

It is always important for an organization, that an organization should exist an administration body, to specify the roles and tasks for every member, to make the work more attentively and more precisely, make the operation more smoothly and professionally. (Khadka. 2006)

Since the scale limit and the fact of start-up enterprise, the organizational structure can be subdivided into four main positions: CEO, who is responsible for the general matters of the company, which includes the decision making and general management; chef, who is mainly responsible for the food ingredient and the food quality; receptionist, who is taking the responsibility of customer service and orders acceptance; courier, the person who deliver the food to the customer. All of them are closely related to each other, to run the operation of the service smoothly. While the company's growing in the future, the job responsibilities can be divided more delicate and finer.

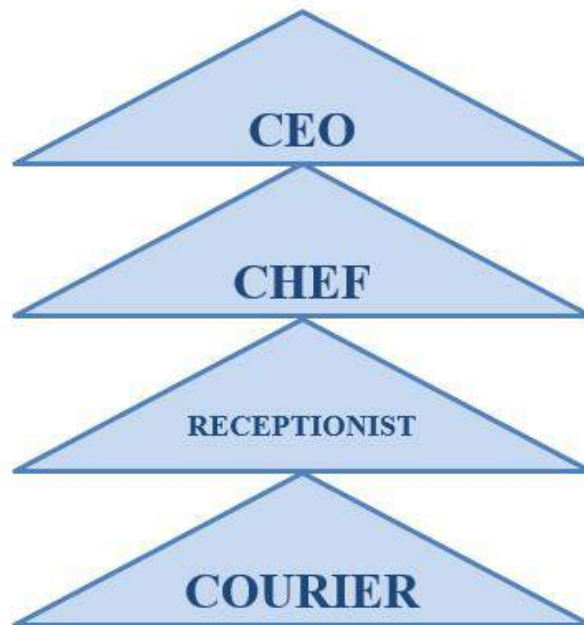


Figure 1 Organizational Structure of Cuptain

2 RESEARCH GOALS AND APPROACH

It is believed that people in different fields are expecting a service which can satisfy their respective needs and wants for meal. For example, office workers are increasingly demanding “quick and easy” lunch because of their limited lunch time in a day; Self-employers are requesting a wonderful meal because of their special occupation and high working pressure; Home-workers are expecting a rich-flavored meal to brighten their day; Residents who have limited food options around are missing their favorite food in downtown; and all that contributed the appearance of delivery service. There is famous one Peter Drucker (1997) quote to support it which is: “The aim of marketing is to know and understand so well the product or service fits him and sells itself.”

2.1 Research Goals

There are three main research goals in this thesis:

- The most important and the prior goal is to assist small-sized restaurant with building their own food delivery service system and put it into practice, to please and satisfy their targeted customer demands.
- The second goal is to improve restaurants’ competitiveness by expanding the food delivery service to attract people who are preferring ordering food from home or office; on the other hand to increase the publicity to people who are not living or working around the restaurant.
- Thirdly, since the food delivery service options out of pizza are still relatively limited, there is a possibility to bring more different cuisines t ; besides, Asian food are already become one of the lunch preferences in Finnish daily life. There is a tendency of formation of their own food delivery service in succession to pizza delivery service. The research goal in this thesis it to motivate the improvement of this tendency.

2.1.1 Qualitative and Quantitative research

To satisfy the objectives of the thesis, the qualitative and quantitative research were applied.

Generally, qualitative research is an exploratory research. Researcher may only know very roughly about what he or she is going to do regarding to the topic. It is often used by researcher to gain an understanding of the certain topic, including the basic ideas, reasons, opinions, effect, etc.

Another approach quantitative research is an approach to quantify the topic and define the result by analysing the collected data generated from the survey.

In this thesis, the market survey was applied. The data collected from the survey forms a basic idea how the upcoming food delivery service will be operated in practical. The aim of using this method it to better understand

customers' purchasing habits and their preferences, as well as the practicality of the strategy through the data collection methods, which includes questionnaire, observation, conversation, etc.

3 REVIEW OF LITERATURE

This thesis is mainly based on the study of *Strategic Marketing Management: Planning, implementation and control (3rd edition)* written by Richard M.S., Wilson and Colin Gilligan published in 1992.

There are five stages throughout the report: strategic and marketing analysis, strategic direction and strategic formulation, strategic choice, strategic evaluation, and strategic implementation and control.

The above-mentioned stages provide a thought and the direction for this thesis. In contrast, however, this thesis summarizes these five stages into three main steps in the basis of the food delivery, namely planning (strategic and marketing analysis), implementation (strategic direction and strategic formulation, strategic choice), and management (strategic evaluation, strategic implementation and control).

Business strategy and customer relationship management are also applied in this thesis. The strategy plays an undeniable important role in all the business, while the customer relationship management assist the enterprise to develop a stronger relationship with customers.

3.1 Marketing and Strategic Marketing

There are many ways to define marketing because of the various business fields and the emphasis on different aspect of business. The American Marketing Association (AMA) proposed the marketing as a process of planning of executing a series of business activities, goods and services to satisfy individual or organizational objectives. (AMA. 1985). McDonald suggest that the marketing is “first and foremost an attitude of mind rather than a series of functional activities”. (McDonald. 1989); while seen from the customers’ point of view and the result, Drucker thought that the marketing is the central dimension of the entire business. (Drucker. 1973); the authors of this book believed that, the marketing is operating at three levels, which are culture, strategy and the set of tactics. (Wilson & Colin. 1992, p.5).

In fact, marketing is a tool for organizations to create sales ideas, keep relationships with target customers and satisfy customers’ demands. The core of marketing is the marketing mix, which was associated by the well-known four elements (4Ps), namely product, price, place and promotion. 7Ps is the expansion based on the 4Ps while the changes of the external marketing environment, which includes 4Ps and participant, physical evidence and process management.

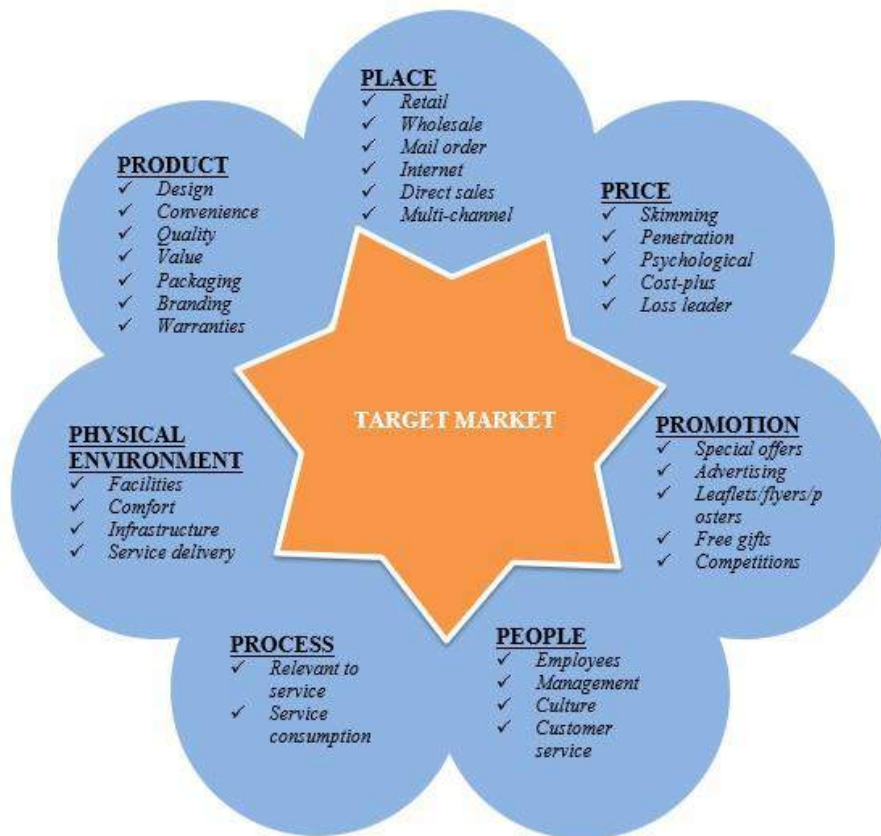


Figure 2 7Ps of the marketing mix. Adapted from “*The Marketing Mix 4P’s and 7P’s Explained*” (Mark, 2015)



Figure 3 A summary model of the aspects of strategic management. Adapted from “*Strategic Marketing Management: Planning, implementation and control*” (Johnson & Scholes, 1988, p.16)

Strategic marketing is an approach for an organization to identify customers' needs, and then create a better business plan for reaching their business goals and satisfying customers' demand, in order to reach the purpose of increasing profitability and productivity. Richard, Wilson, Colin & David (1992) pointed out that strategic decision making consists of three key aspects: strategic analysis, strategic choice and strategic implementation.

The biggest difference between marketing and strategic marketing is that, marketing mainly lays emphasis on one certain stage in the business process, including the performance and the result of the stage, while strategic marketing concerns more from the overall and long-term perspective for the organization. Furthermore, marketing establishes the specific and deterministic business goals for a specific business stage or business target, in contrast, strategic marketing evaluates the business goals from a more overall perspective compared to marketing.

3.1.1 Strategic Planning

Strategic planning, or strategic decision is defined as the “fundamental decisions that shape the cause of an organization.” (Sergio J. 2005)

Simply put, strategic planning is a determinant of the direction where an organization is going to for the next business period or more. Strategic planning is usually focusing more on the entire business process to provide the organization a better business plan for a particular product, service or other business-related projects.

Strategic planning is composed of strategic analysis, strategic choice and strategic implementation, which in turn are the most important aspects for the strategic decision making.

3.1.2 Strategic analysis

Strategic analysis is a process of analysing both the current internal and external environment for an organization.

Usually, strategic analysis is referred as a SWOT analysis by many ways, which is a basic and useful tool for strategic business planning. (Mike M. 2011) By using this framework, the organization can clearly understand its strengths, weaknesses, opportunities and the threats for better targeting the business achievement.

3.1.3 Strategic choice

Strategic choice is a step of specializing the future business plan for the organization. There are four modes of strategic choice: shaping, designing, comparing and choosing; besides, it is also the key factor for the strategy making.

3.1.4 Strategic implementation

Adele J. (2011) defined strategic implementation as the operational plans or the practical actions of the plans which has not been put into practice with the purpose of accomplishing strategic objective and goals.

Strategic implementation is the last step of proving whether the plan is succeeding or not. Erica provides us some sample reasons why some strategic plans fails. The most common reason she summarized from innumerable failure cases is the lack of ownership. Besides, communication between leaders and the employees, the feasibility of the plan, the periodic progress report and some other related aspects are also considered as determination of the strategic plan.

3.2 Business strategy

Barry & Elmes. (1997) say business strategy is “the most prominent influential and costly stories told in organizations”. David C, David E and Gerge S (2001) think that, the business strategy “is never a once and for all event – it goes on and on.” Henry Mintzberg says: “strategy is a pattern in a stream of decisions”; Michael Porter believes “The essence of strategy is choosing what not to do”.

Basically, the strategy is about where and how: where should the organization aim for; and how can the organization achieve the goal. Almost all the enterprises that are widely regarded as successful companies, they also have strategies which are also being known as successful strategies. Strategy is the driver for the business to move faster and stronger.

However, there is always necessary to review the strategy and adjust it according to the markets changing. The purpose of the strategy is to keep the balance between business and the markets. They are closely to each other to make sure the company will survive in the changing environments while the business is enhancing all the time. (David C, David E & Gerge S. 2011)

3.3 Customer relationship management

There is an undeniable importance of customer in the business, since the customer is the one who creates demand for products or services. Therefore, in most manufacturing or service industries, the basic approach to increase the sales is to retain the existing customers while continuously expanding the potential customers at the same time.

Burnett (2001) classified the customers into the following types:

- Loyal customers: they think company’s product or service is much superior to competitor’s comparable product or service;
- Competitive customers: they think company’s product or service is slightly superior to competitor’s comparable product or service;

- Switchable customers: they think competitor's product or service is slightly superior to company's comparable product or service;
- Competitor loyal customers: they think competitor's product or service is much superior to company's comparable product or service.

Based on the understanding of the above-mentioned four types of customers, loyal customers and switchable customers are the existing customers that the company must retain, in the meanwhile, the competitive customers and competitor loyal customers are the potential customers that the company should make efforts to enhance.

Adrian (2005) defines CRM in the *handbook of CRM: Achieving Excellence in Customer Management* as "a strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments."

Customer relationship management (CRM) is the approach for company to better understanding customers' purchasing preferences and their purchasing psychology. CMR assists the company to make precise business strategy for enhancing business.

4 STRATEGIC MARKETING PROCESS FOR CUPTAIN

Based on the understanding of what Cyril Toman defined about strategic marketing, strategic marketing is a tool that a company is going to use for providing customers better products, services or values than its competitors by the manner of the existing strengths compared to its competitors, and the potential strengths which could be improved in any stages of the procedures. (Cyril Toman. 2011)

The main and key reason why companies need to use strategic marketing in business is that, strategic marketing is one of the most efficient methods for them to better identify, achieve and satisfy customers' needs while improving companies' performance, profitability business results.

There are three stages of a strategic marketing based on Cuptain's case: strategic marketing plan, strategic marketing implements and strategic marketing management.

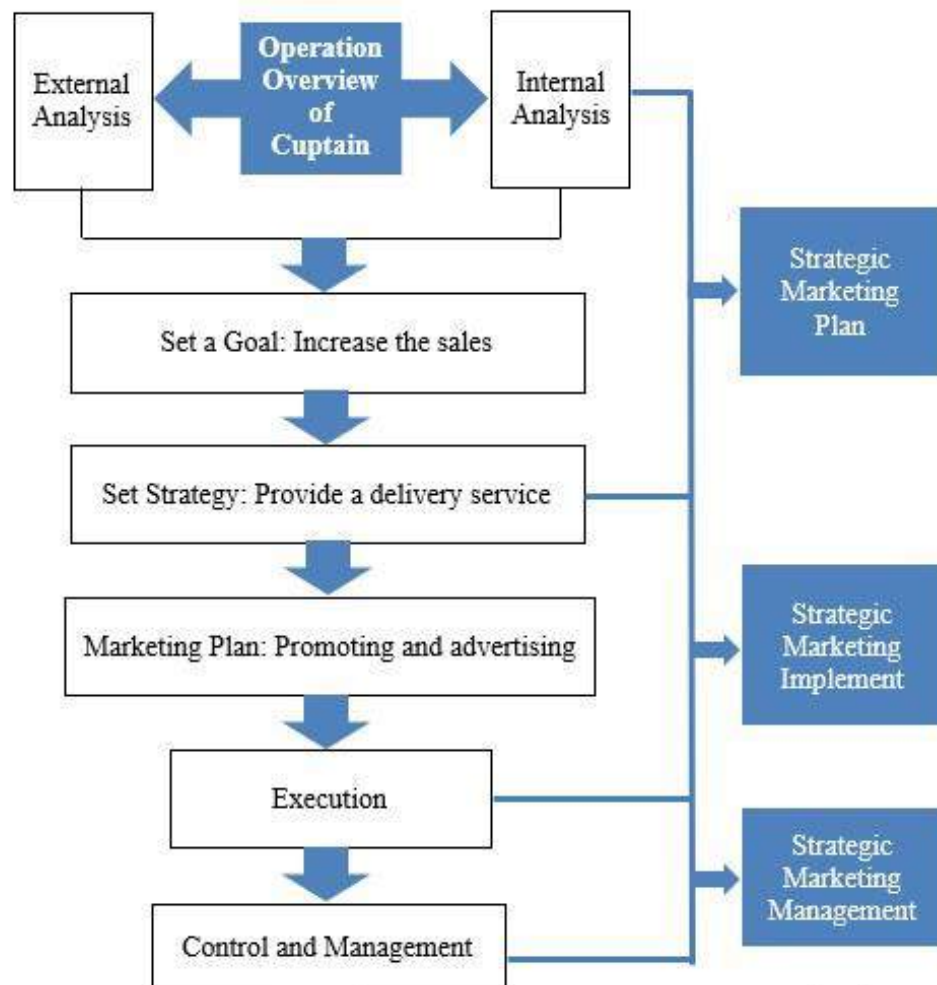


Figure 4 Strategic marketing process for Cuptain

4.1 Operation Overview of Cuptain

Cuptain is a small-sized restaurant mainly offers fast and rich-flavoured Chinese wok food. It locates around 10 minutes' walk distance to city center which was surrounded by both office buildings and residential buildings.

The predecessor was well-known by Oulu's residents since it had run for more than ten years but with fewer and fewer customers year by year. There are several main reasons for its failure:

- **Lack of innovation:** The menu keeps unchanged for years, which made its only loyal customers feel tired of it. People are easy to get tired of the old things while are attracted by the new things.
- **The interior decoration is very poor:** For a successful restaurant, food, service and the environment should be all in high standard in order to offer a pleasant experience to its customers. However, the interior of the former restaurant made customers feel depressed, which will cause two main business phenomena: more take-away orders if the customers are widely accept the food quality; bad business leads to be closed down in the future.
- **Poor customer service:** Customer service is the key to maintain a good customer relation and to build a successful business. It can also be a symbol to differ its competitors. The previous owner had poor sense of customer service. He served the food without any smile or politeness.
- **Lack of core competitiveness:** Prahalad and Hamel (1990) introduced that a core competency is "an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity." The core competitiveness is important to an organization since it can provide a strategic planning for an organization to better define and understand itself. However, the predecessor was unaware of the importance of the core competitiveness, which lead its business to the failure. Cuptain is currently no core competitiveness, everything they serve could easily be found or replaced in any other restaurants. Obviously, customers make no impression on it.
- **Poor timekeeping:** The poor timekeeping causes series problems to an organization: less productivity, more complains from its customers, lower trustworthiness, worse brand image, etc. The restaurant's opening hour are frequently changing without the notification to their customers. This is the most common complaint received from customers.

Cuptain took over its business and made some improvement based on the above-mentioned shortages which lead to the failure:

- Update the previous menu and add more other varieties;
- Improve the interior, made it cozy and comfortable;
- Provide a friendly and warm-hearted customer service;
- Seek for more business opportunities out of the shop, for example: catering, cooperation with the third-party service (ResQ Club).

This thesis is mainly introducing the start-up of food delivery service.

4.2 External Analysis

External analysis is an activity of evaluating the external environment, and it is a tool of providing a developing view for an organization within a business environment.

There are a great many of restaurants in Oulu region, which means there exists plenty competitors. For long-term developing, Cuptain has to expand a new business mode before and differ from its competitors.

One of the biggest Chinese restaurants - Hai Long offers the food delivery service for years. Besides, there are several well-known third-party food delivery systems operating for years or for couple months. Take Pizzaonline for an example, customers can find few Asian restaurants on it, and they can easily order the food through it.

4.3 Internal Analysis

Internal analysis is an important aspect of self-awareness for an organization, it helps the organization know better about itself, in order to make a more specific and realistic plan for the next developing stage by making an analysis about its own strength, weakness, opportunities and threats, thus to enhance the competitiveness in the market.

The new owner is a young boy, who injects the vitality, passion and creation, and the theoretical business-related knowledge to the restaurant. He and his future team will improve the business plan along with the enterprise development. All of these will be the strength and the opportunities for the business operation.

However, there indeed exist some limits which are difficult to break. For example, the area of Cuptain is relatively small compared to other Chinese restaurants around Oulu. Beyond all doubts, it cannot set more seats for customers because of the size. Precisely for these reasons, it is difficult to run the buffet business as most restaurants do, or provide a fine dining to customers.

In addition, the new owner has lack of practical experience of running a real business in his life, which means that it will be both a challenge and a risk for him. How could he defeat the existing successful food delivery service? How could he persuade customers to choose his service instead of others? What is the next plan if it is failed?

Furthermore, there are always many other strong competitors always. C.K. Prahalad and Gary Hamel (1990) mentioned in *The Core Competence of the Corporation* that, “only if the company is conceived as a hierarchy of core competencies, core products, and market-focused business units will it be

fit to fight.” It would be wiser if the team insists making an internal analysis while making the strategic plans for the next stage. For example, what if the competitors make the adjustment accordingly?

5.1 Set a Goal: Increase the Sales

A goal is an identifying outcome which you hope to be happened in the future, it is also a process which you are willing to take actions to achieve it in the end. Goal setting is a process which is starting with your careful consideration of what exact result you want, and is ending up with your real practical actions to achieve it.

There are five rules for setting a goal: (Mind Tools Editorial Team. 2017)

1. Set motivated goals: a motivated goal means important to you, it is in turn a motivation for you to achieve it.
2. Set practicable goals: the aim to goal setting is to make it happened and to be achieved in practical. It is the fact that if the goals you set are unrealistic, the whole progress and the outcome will be a failure from the beginning. Therefore, the goals must be clear enough that it is achievable and practicable in the operational environment.
3. Set goals in writing: it is a physical action which reminds you all the time about your next possible steps to accomplish your goals.
4. Make an action plan: there is always many steps before you really achieve the goals. By making an action plan, it will help you realize which step you are for now and where you are going to for the next.
5. Stick with it: goal setting is an ongoing process, but not a static result. Therefore, sticking with the goals you set is significant along with the process to accomplish it.

According to the above-mentioned rules for the goal setting, we set a goal for the present stage: to increase the sales. It is believed as a motivated and a SMART goal. Based on the current sales report, there is a way to increase more sales: expand the business by other channels apart from the sales generated from customers who are going into the store. The sales gained from those customers who are going to the store are relatively stable for a certain period, while the sales out of this sales model are full of infinite possibility.

5.2 Set Strategy: Provide a Food Delivery Service

The team of Cuptain set a strategy for the next business step: provide customer a food delivery service, by the way of market research and promotion. In order to determine and execute the final plan, the project team decided to host a free tasting event with a certain budget. On the one hand to collect customers' feedback about the product quality, while on the other hand to spread the information about the upcoming lunch delivery service.

We made a market survey for all participants in the event with a list of questions related to the preference of the food, price, payment method and the possible operation in the future.

The event was ended with a great success, around 70 people participated the event and about 30 respondent who answered the survey. The following feedbacks and suggestions are the collected quotations from the responders:

- “I tasted 1, 3, 5, 7. All of the food was very delicious. Number 5, I expected more chili. I think these food are more tasty than other Chinese food. Thank you and I wish you all the best!”
- “Everything I tasted was very good! Also service was suuuper friendly:)”
- “The food is very delicious. I like the event of its spicy.”
- “The food is very good. I like it. It’s gonna be more awesome if you can have more spice to add (chilly, salty, soya sauce, coriander...)”
- “N8 was very nice and N5 / N2 good noodles. N6 need something... / quality of rice can be better or form to cook its.”
- “Too much oil, but good:)”
- “Not enough chairs, but the food was good:)”
- “Too spicy but good:)”
- “Amazing, everything mixed garlic vegetables!!!”
- “Very good food! Will come again!”
- “I would suggest to write level of spiciness, or opportunity to choose soup or noodles.”
- “Nearly perfect. I would add more cabbage and carrots to the spring rolls.”
- “I liked the different options. Nice mixture of spices and flavors. Chili was spicy, good!”
- “Ginger Pork Wok was a bit salty to my taste, otherwise it was delicious. Could be nice if spring rolls had more fillings. What is the cost of home delivery?”
- “I love your invitation to try your food and I think that you have so good idea to promote everything through social network. The food that I have tried was really good, specially the noodles and chicken. For me the chili beef was too spicy (because I don’t like spicy food). Thanks so much! Good luck with the delivery service...and I will come back soon!”
- Etc.

The following figures are the analyzed from the answers of responders:

What's your gender?

(30 个回答)

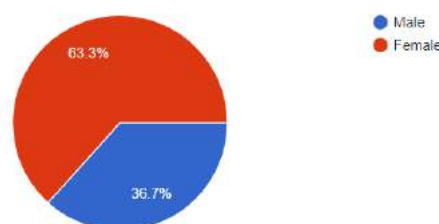


Figure 5 The gender of the sponsors

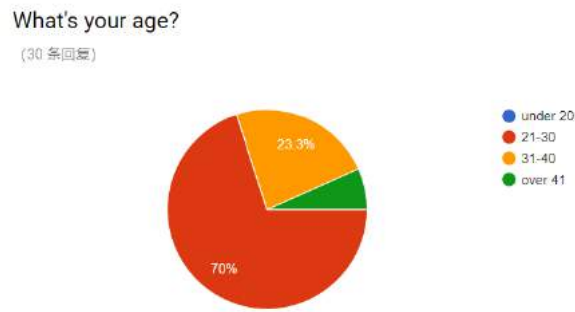


Figure 6 The age range of the sponsors

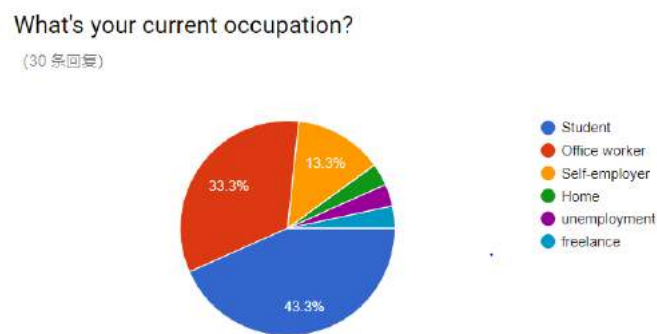


Figure 7 The occupation of the sponsors

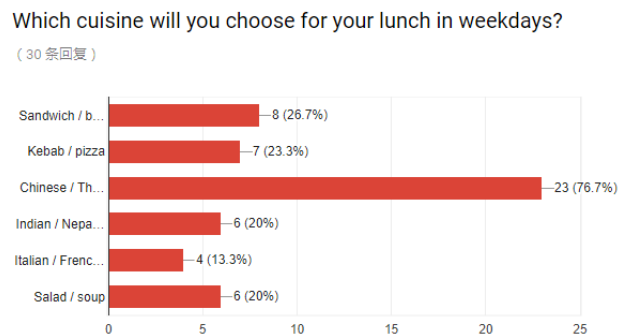


Figure 8 Percentage of preference of cuisine as lunch option in weekdays

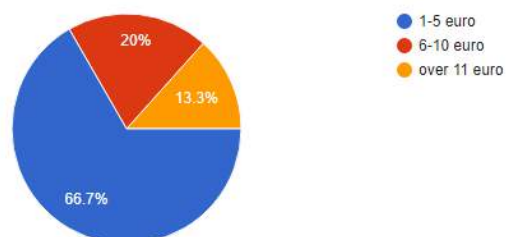


Figure 9 How much would you pay for delivery fee?

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Which ordering methods do you prefer?

(30 条评论)

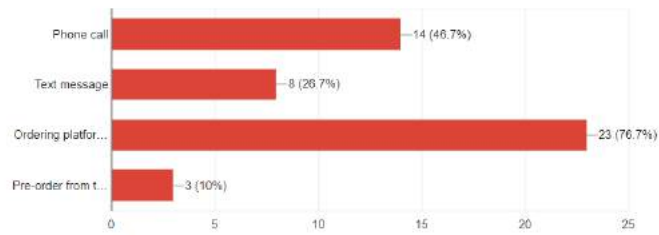


Figure 10 Which ordering methods do you prefer?

What's your tolerance of the delivery time?

(30 条评论)

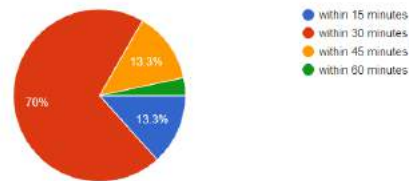


Figure 11 The tolerance of the delivery time

How would you like to pay?

(30 条评论)

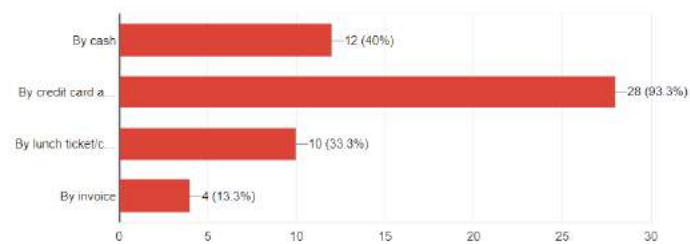


Figure 12 The expected payment method

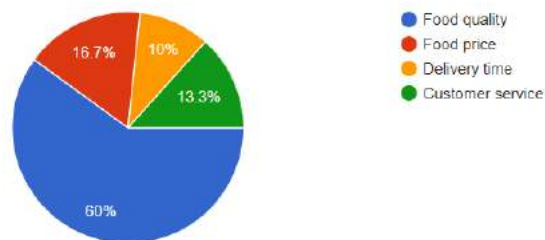


Figure 13 Which is the most important factor in the delivery process, that you may consider to be the regular customer?

The above statistics show that Chinese food has already become one of their everyday diet. And obviously, it stays precedence especially for people who are 20 to 40 years old, start considering what is for their lunch. Based on the background, combined with the time limits for their lunch break time, lunch delivery service is bound to be a new popular trend, especially among young who are entering the workforce today.

By providing and promoting the lunch delivery service, one of the most striking effects it will bring to the enterprise is that, the customer groups will be expanded markedly, which means that the sales will correspondingly increase.

Take pizza-online and the Chinese restaurant Hai Long for examples. The delivery fees charged by pizza-online are variable because of the different restaurants as well as considered delivery distance. And the price ranges from 0 euro to 10 euro with the average delivery fee 3 euro. For the restaurant Hai Long, which has their own delivery service. But they have few requirements to accept the delivery orders: a. they can only accept the orders by phone calls; b. the minimum orders have to be 10 portions, otherwise they would charge for 15 euros delivery fee; c. the orders have to be made at least 3 hours before.

Combined with the analysis above and the result of the survey, it is obviously that, the delivery fee can be set about 25% of the product price will be reasonable both to the restaurant or to the customers. With the approximate calculation, the determination of the delivery fee could be more explicit.

The next step after this event is to final determine every process, details and the price and to promote the food delivery project, with the marketing methods, for example, social media, local media, flyers, etc.

6 FOOD DELIVERY IMPLEMENTATION

6.1 Orders Acceptance

At the beginning of the project, the orders or the preorders can be all accepted by the following ways:

- Phone calls
- Text messages
- Emails
- Orders from customers who directly come to restaurant
- Orders through the message in social media (e.g. Facebook)

The multichannel ways can easily satisfy different ordering demands or in some certain situations of different customers. For example, phone calls orders for people who are busy at a certain moment, text messages orders for people who are not convenient to make noise during a meeting or class; and the group order with more detailed information may prefer making orders through emails or directly come to the restaurant.

The multichannel ways create a friendly way for the customers to make the orders based on their demands, however on the opposite side, it may cause many troubles to the restaurants, especially during the rush hours. The multichannel orders are always connecting to one single restaurant, which means that the restaurant must complete huge works from different channels probably at the same time, or at least during a time range. They accept the orders from Eat-In customers, Take-Away customers and customers who make the orders though multi-ways to be delivered. All such works are not easy to deal with during the lunch time. They probably have to invest more in case these happens in the future operations.

The third-party delivery companies (e.g. Wolt, Foodora) are running mainly through the e-orders platforms. It requires large capital investment to the application developing and the investment in human resource to the marketing. But with the low investment and risk advantages of the above-mentioned traditional ways, it is still regarded as a promising feasible project for the new entrepreneur who possesses the limited capital.

6.2 Food Preparation

Food preparation is the key to a successful food delivery service, since it involves the product quality which is regarded as the most important aspect of the whole process. It can be told from the result of the questionnaire.

In consideration of the food delivery, the quality of the food might be affected during the delivery. For example, the warm food is already cold when the customer receives the food; the food spills while being delivered; the appearance of the food is ruined by inadequate delivery.

On the one hand, the proper packing way and the good heat preservation delivery box are important to keep the food warm and immobilized during the delivery time; on the other hand, the training for the couriers how to use and how to place the delivery box are also important, in order to minimize the possible risks to ruin the food while maximize the customer satisfaction.

Furthermore, based on information collected from customers' feedback or suggestions related to the food delivery, food flavor should be improved to more authentic taste, while the price must be reasonable along with the costs.

In addition, food hygiene is extremely important during the food preparation process. It is the base of every further step which are relevant to the product quality. What is more, that it is also a key aspect to gain the trust from customers.

6.3 Food Delivery

There are two main components for this section, which are food quality and punctuality. Customer service can be an additional element.

Based on the survey (see FIGURE 4), it is obviously that the food quality is the most considerable element for customers to consider to be the regular customers after the first trial experience.

Food quality plays an important role in restaurant business because it is the core competence. It is helpful for maintaining customer satisfaction and customer loyalty, while reducing the possible risks in the future implement on the other hand. (Lan Linton)

Secondly, punctuality is important in food delivery process as well. It is an approach to gain trust from customers. The existence of loyal customer is because of the trust to the restaurant. If there are some unavoidable reasons for being late, such as the bad weather, car accident, etc. It is necessary to timely inform the customers and take some small actions for apologizing.

7 FOOD DELIVERY CONTROL AND MANAGEMENT

Strategic marketing is not a simple certain activity, but a process that the managers take efforts to achieve a certain object and outcome in the future.

The key to the success of the food delivery system is to control well and the wise management, which involves the business performance. There are three components of the business performance: customer performance, market performance and the financial performance. (Hashem. 2015)

Customer performance and market performance includes the satisfaction, loyalty and the trust from customer; financial performance includes the return and the increase of sales and investment. (Hashem. 2015)

Managers should take care of every steps of food delivery process to better evaluating and improving for future plan. As well as the follow-up after the whole order process to better satisfying and understanding customers' demands, thus to better observing and managing the whole service through the business process.

The recommendation for Cuptain restaurant is to start operating the food delivery service. At the beginning of the project, they can only accept the lunch delivery orders and with all kinds of ordering ways, such as phone calls, text messages, emails, etc. Besides, they can set one courier to delivery the food.

There is one big Chinese restaurant Hai Long locates about 200 meters nearby, a Nepel restaurant just at the corner of Cuptain, and a Thai restaurant sits opposite of the street. All of them serves lunch buffet with variable choices, especially Hai Long, they have more than 50 seats with more than 10 different food options. Cuptain is not yet busy for the lunch, they can totally handle it at the beginning. At the time the delivery service is spreading in Oulu region, they can invest more on the project to growing bigger and better service.

8 CONCLUSION AND RECOMMENDATIONS

With the development of the commercial world, people are paying less attention to a rich-flavored lunch, especially during their weekdays. Furthermore, restaurant is no longer the best option for people who prefer to enjoy the time together with friends. The rising of the food delivery service will be rapidly expanding in the market, it will be a promising project for bringing increasing customers and benefits to Cuptain.

The thesis strongly focused on strategic marketing management, to provide a basic idea for Cuptain for building their own food delivery service, which meant that, Cuptain delivers food at a reasonable price to their customers to experience the service. Besides, the aim of the project was to assist Cuptain to enhance its business by increasing the sales.

In Oulu, there is a similar food delivery service provider Hai Long Chinese Restaurant, whose delivery service had already been running for some time before Cuptain. By comparing to Hai Long's service, Cuptain's service will be superior to Hai Long, including a more systemized service, a lower delivery fee, a wider delivery range, better food quality and customer service, etc. All of these could be the factors of Cuptain's core competence to compete with the competitors in the market.

With all this said, there are three main stages to build a food delivery service for restaurant Cuptain as follows:

- Strategic marketing plan: consisting of an operation overview of both external and internal analysis, goal setting and the strategy setting. The goal will be simply increasing the sales, and the strategy will be the food delivery service mainly for lunch.
- Strategic marketing implement: consisting of a marketing plan, which is to promote and to advertise and then to execute. The order in implement is to accept orders from customers, to prepare food for the customers and to deliver the food to the customers.
- Strategic marketing management which involves the final control and management of the whole process. Cost control and improvement are the most important factors in this step.

The most important factor to the success of the service is persistence. It usually takes much time for a start-up company to gain customers from the market. Fortunately, the predecessor of Cuptain had operated for years in Oulu city, so that there must be some loyal customers who visit the restaurant regularly. The delivery service can be tested for the regular customers. People are usually willing to share good service experience with their families or friends, they will surely bring in more customers, or even business corporations related to the service in the future. Thus, Cuptain must keep its passion all the time to service customers perfectly during the operation of the food delivery.

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MARKET SURVEY OF LUNCH DELIVERY

Dear respondents,

I am doing my Bachelor's thesis based on Chinese Food Delivery Market in Oulu region. This questionnaire is designed to build up a lunch delivery service system for Cuptain Chinese Restaurant, to achieve a win-win solution by satisfying customers' convenience and promoting Cuptain's sales.

Your personal information will be kept confidential.

Thank you for your opinions!

1. What's your gender?
 - Male
 - Female

2. What's your age?
 - Under 20
 - 21 – 30
 - 31 – 40
 - Over 41

3. What's your current occupation?
 - Student
 - Office worker
 - Self-employer
 - Others

4. Which cuisine will you choose for your lunch in weekdays? (multiple choice)
 - Sandwich / burger
 - Kebab / pizza
 - Chinese / Thai cuisine
 - Indian / Nepalese cuisine

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- Italian / French cuisine
 - Salad / soup
5. How much would you pay for delivery fee?
- 1 – 5 euro
 - 6 – 10 euro
 - Over 11 euro
6. Which ordering methods do you prefer? (multiple choice)
- Phone call
 - Text message
 - Ordering platform (e.g. website, phone application)
 - Pre-order from the restaurant
7. What's your tolerance of the delivery time?
- Within 15 minutes
 - Within 30 minutes
 - Within 45 minutes
 - Within 60 minutes
8. How would you like to pay? (multiple choice)
- By cash
 - By credit card and debit card
 - By lunch ticket/card (e.g. Edenred)
 - By invoice
9. Which is the most important factor in the delivery process that you may consider to be the regular customer?
- Food quality
 - Food price
 - Delivery time
 - Customer service
 - Others

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Do you have any suggestions related to the lunch delivery service?