

**BUSINESS PLAN**

**CHUZIE CAFÉ**



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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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**The Research has been approved by**  
**Stamford International University**  
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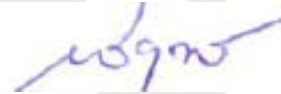
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## **Executive summary**

CHUZIE café is a unique dessert café positioning in the mid-range price providing services up to 30 customers at once. Unique selling point is real durian dessert's café that dessert and drink made from real durian such as Durian Smoothies, Durian Coffee, Monthong Ice-Cream, Kanyao Ice-Cream, Durian Cheesecake, Golden Durian Cake, located in the business area on the hart of Bangkok on Ratchadamri at Central world chopping center. We can loosely be described as a quick-service multi dessert café made from Durian where customers sit around and watch their desserts being made. Preparation, as well as the dessert, is our main selling point.

CHUZIE café dessert café will hold true to its vision of being a new concept for famous dessert café brand and unique of durian in Thailand. As the reported national leader in money spent in restaurants, Bangkok Ratchadamri at Central world chopping center is an optimal location for launching a new café concept. As the location is full with offices, locals and tourist who are the group of targeted customers.

CHUZIE café also hopes to become a 'must go to' destination for the thousands of tourists for both local and foreign, especially Chinese tourist who visit Bangkok, Thailand every year. As the durian become more famous in Asia will fills up with new businesses over the next few years, CHUZIE café will receive an added boost of increased traffic which means the services will need to be properly planned with efficient strategies to satisfy most of our waiting customers and attract potential customers. Therefore, we are aggressively planning for a 10% increase in sales the second year of business. The café will increase sales by more than ฿ 24,051,645 over three years while maintaining a gross margin of 60%. Through a philosophy of "nothing but the best" regarding both product and service, CHUZIE café will establish itself as an exceptional dessert café in Bangkok Thailand. We also will gain a competitive advantage in take out and catered desserts. This plan company outlines concept, philosophy and forecasted financials. Source of fund expects to raise 5,000,000 baht from its own capital and borrow 5,000,000 baht from the bank as a long-term loan (twenty-year). The expect payback period is the first 5 years.

CHUZIE café hope to set the new name for durian as not just a fruit but also a heart to new ideas and new business for food industry.

Praphaphon Makmettakul



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## Chapter 1

### Introduction

Durian is one of the most fruit unique trend in town right now of course it's a king of fruit. Thailand definitely has a sweet tooth for example, coffees are loaded with cream and sugar that you can no longer taste the caffeine. Also you can even find sugar in unexpected places such as a bowl of Pad Thai (one of Thailand's most famous dishes). Sugar is the key ingredient for all kind of dessert even for Thai desserts so sweet and savory. Thailand is chock-full of sweet desserts, and their vast diversity of options creates it difficult to decide which ones to indulge in. These are the top delicious Thai desserts that people goes mad about like mango, Sweet Thai crepe, Mung bean dessert but none where have seen the durian dessert, this is an opportunity to create and start up a new trend available for customer in Thailand especially Chinese tourist who really in love with durian.

Dessert Café is the idea to responses the customer need. CHUZIE café will be the newly name in town; it is slightly more upscale than fast food. It is a fast dessert café offer disposable dishes and flatware, but the dessert tends to be presented as more upscale, such as durian cheese cake and fresh unique ingredients. Cozy durian cake would be an example of a fast dessert café. It is a combination of durian fruit the famous fruit in Thailand to develop a new sweet dessert that give more valuable. It also uses a lot of agricultural raw materials in Thailand to develop the processing of sweets. The Café decorated in style like sitting in a durian garden. Serves a variety of durian menus such as Durian smoothies with cheese topping, Durian cake, and Durian Ice-cream that suitable those who want to eat durian in difference interesting unique, especially for Chinese tourist. This café concept is a mash-up of fast dessert and cozy atmosphere. It will be one of the strongest segments in the restaurant industry soonest thrust it will evolve to fit customer's needs and preferences in the near future.

CHUZIE café are synonymous with quality, good unique food and with clear. Café will be a family operated by its owner and it will be located on the heart of Bangkok on Radchadamri at Central-World department mall. Stop by and visit us today

to try any of our delicious durian cheese smoothies, durian cake, ice cream or dessert other dessert items. The durian dessert café is would like to welcome you to our Asian Inspired concept, “Dessert Cafe”.

The restaurant service industry has been increase every year in Thailand that roughly corresponded to the growth of the consumer market as a whole. In recent years, Thailand’s restaurant industry has witnessed rapid development marketing services in the restaurant industry, which plays an increasingly important role in the restaurant industry trends. By taking the high road of quality such as fine dining restaurant and fast-food restaurant is having a greater emphasis on the marketing environment, ecological agriculture, atmosphere, healthy diet, environment is what will attract customers. Indeed it is important to be adapted services suitable to people’s behaviors, social activities and many of international restaurant enterprises have played an important role.

However, market competition is intense many of the restaurants are operated as individually owned businesses. There is a large area for restaurant businesses to develop in Thailand. Therefore, consumer market in the modern retailing direction changing from the old way of fragmented markets into a new retail system with shopping malls and modern department stores forming the mainstay. Operators from the restaurant service are also moving into a variety of retail hotspots with a brand-new design where each of the location has different customers behavior, costs and areas. The new small and medium restaurant businesses entering to the market cannot be in a competitive location due to high rental costs but they might lead by other strengths point such as novelty, value etc. In spite of this, trends in the restaurant business are customer popularity may cause a business risk. As of there are too many business operators in the market as can be seen from the number of entrepreneurs who operate the restaurant business according to the customer popularity but not successful and dissolved. Therefore, small and medium-sized restaurant businesses need to offer novel foods and services to the market.

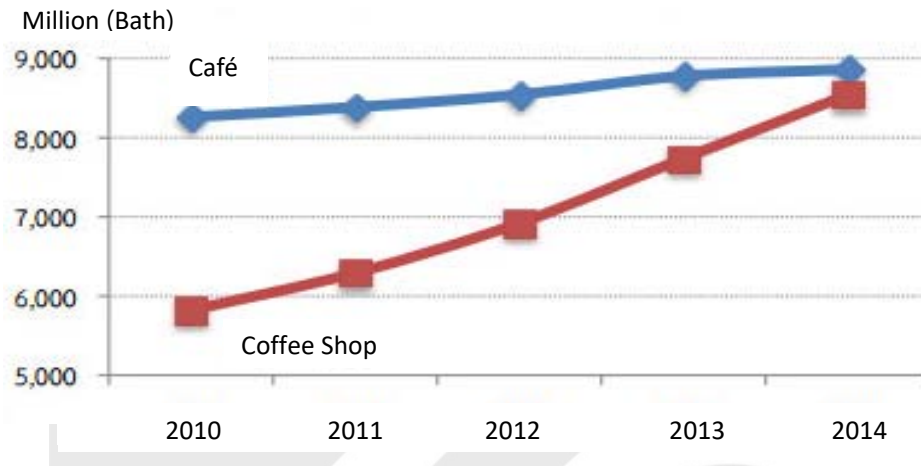
### **Different Types of Restaurant Concepts**

Department of Health, Ministry of Public health had divided into five categories of restaurants as below:

1. Hotel restaurant means restaurant located inside the hotel.
2. Restaurant means a large restaurant with 2 stalls and the dining area are in the building, Staffs with formal uniformed.
3. Dining Garden means a large restaurant mostly eaten outside the building is a natural atmosphere, Staffs with formal uniformed.
4. Local restaurants or local food such as rice noodles, rice, chicken, pork, papaya salad, etc.
5. Coffee restaurant, Dessert or ice cream shop is a store that sells only drinks, sweets or ice cream.

In additional the definition of coffee shop or café is any kind of restaurant that has several of tea, coffee, sandwich, dessert, cakes or light meals (Revers, 2008).

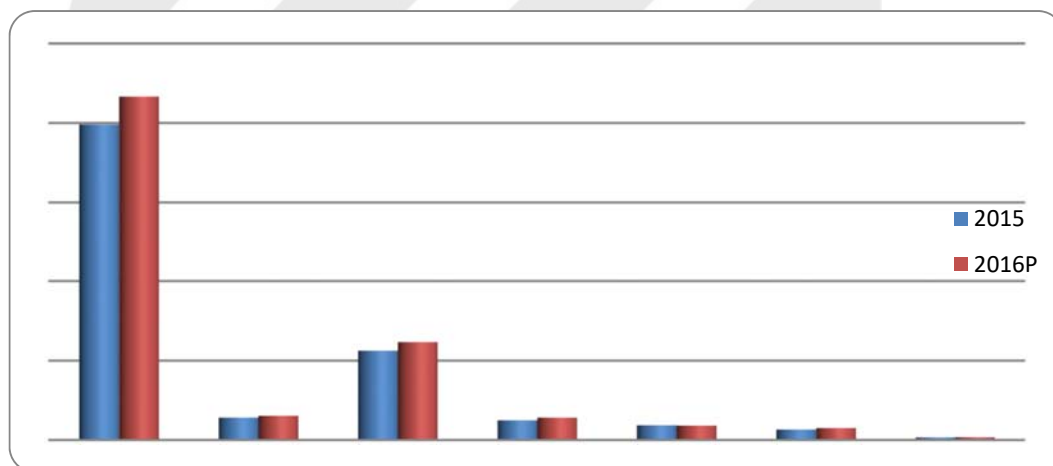
Food Intelligence Center Thailand, 2015 reports that the coffee restaurant in Thailand had divided into two categories are Coffee shop and Café. The coffee shop is mainly sale coffee there may be include some bakery available on the menu. In 2014, the market share of 49.0 percent value about 8,540 million baht by the average growth rate was 10.0 percent effecting from a result of increased coffee shop including the arrival of new entrepreneurs and café. Which is a coffee shop selling other types of food for both appetizers, main dishes, dessert the target customer is the worker, students and families with a market share of 51.0%, the market value is 8,860 million baht of the total coffee market value, the average growth rate was 5.0 percent. As picture 1.1.



**Figure 1.1** Market value of coffee restaurant

**Source:** Food Intelligence Center Thailand, 2015

From picture 1.2 found that the total number of tourists coming to Thailand in 2015 was 29,923,185. In 2016 there were 32,588,303 people increase of 8.91% most of them were from East Asia 66.50% follow by Europe 19%, South Asia, The Americas, Oceania and middle east respectively.

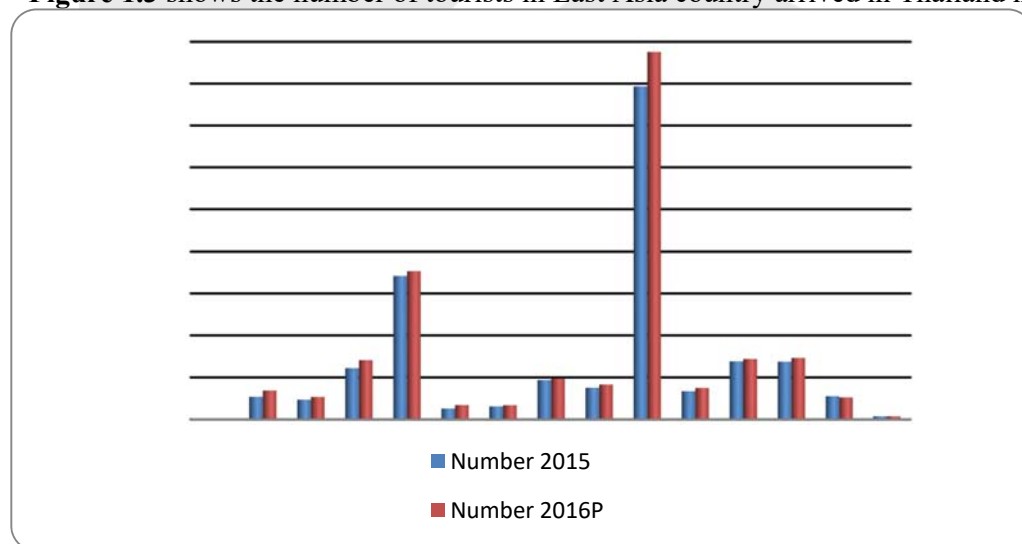


**Figure 1.2** shows an overview of each of the travelers traveling to Thailand in 2015-2016

**Source:** Ministry of Tourism, 2017

From Figure 1.3 found that the majority of tourists from East Asia are Chinese tourists, in 2015 there were 7,936,795 Chinese tourists and in 2016, there were 8,757,466 Chinese tourists, which grew 11.96%, It shows that the number of Chinese tourists in Thailand is the highest accounted for 24% of all tourists. Accounted for 24% of all tourists and accounted for 36% of East Asia tourists, secondly found in East Asia there are the tourist from Malaysia, Japan, Korea, Laos, Singapore and Vietnam.

**Figure 1.3** shows the number of tourists in East Asia country arrived in Thailand in



2015-2016

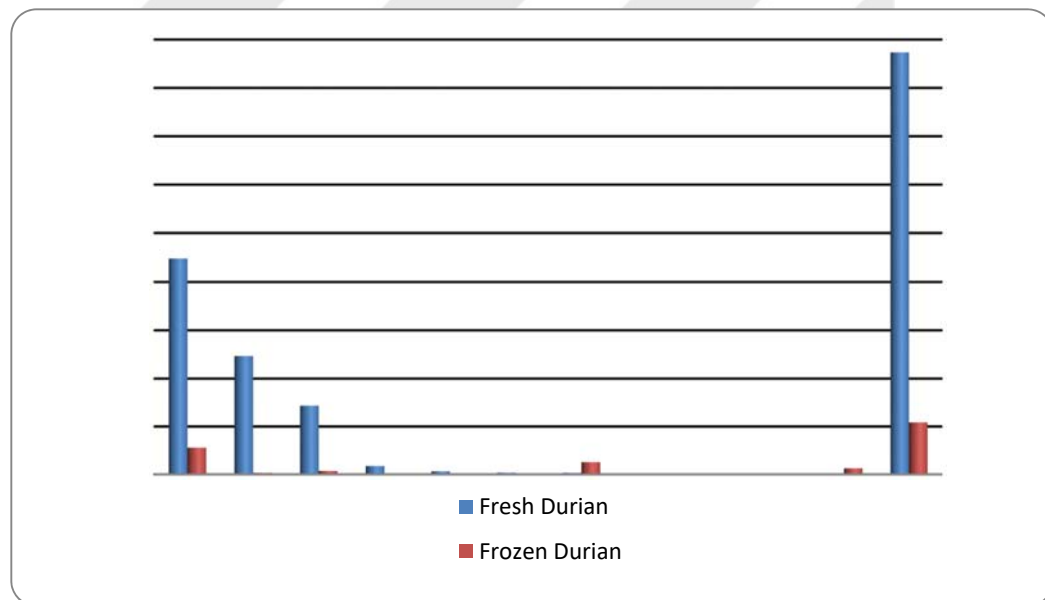
**Source:** Ministry of Tourism, 2017

There are many Chinese tourists who come to Thailand which have an opportunity to eat durian and they just love it! Durian (King of fruits) it is extremely famous in China. The demand for durian is growing constantly in China, leading to dwindling supplies and higher prices. While plantation owners in South-East Asia are delirious with delight at this growing trend together with the government of Thailand in cooperation with the Chinese travel agency promote fruit to Chinese tourists traveling to Thailand. For example the sale of durian in the OTOP center or promote at the attractions tourist for Chinese consumers able to buy and taste Thai durian. At present Chinese consumers tend to increase demand for durian from the increase of population; Chinese people like to eat very ripe durian no matter cultivars all they can

eat. Although, China cannot find the durian cultivar to grow in their own country and no other fruit can be replaced the durian with its unique texture taste and aroma. In addition to delicious durian is also a healthy fruit with vitamins, Minerals and High Protein and believe it is more beneficial than mango or other fruits. (Department of Agriculture, Consulate General of China in Guangzhou, 2016).

China is a major export market for Thai durian. In Guangzhou can be seen the shop or booth selling Thai durian scattered in everywhere during the harvest season. Rather than that Chinese restaurant and other restaurant had created the durian on their menu for example durian pizza, puff & pie durian etc. Currently, China allows importing fresh Durian from Thailand through international checkpoint.

From Figure 1.4 it was found that the export value of fresh durian and frozen was valued at 19,641.32 million baht. Divided into fresh durian 89% and 11% for frozen durian, mostly of durian are exports to China account for 51% total of durian exported.



**Figure 1.4** shows the export value of Thai Durian to foreign countries in 2016.

**Source:** Ministry of Commerce, 2017

The researchers sees the opportunity from the mentioned above to do business “CHUZIE CAFÉ” which is the café that serving all dessert with durian component

also the fresh Durian are available. The location is at Central World department store, in 2016 People's Choice Awards Thailand Voted by Chinese and there are a lot of foreign tourists staying there. The target is Thai peoples who love durian and foreigners such as Chinese because Thailand is on of the most attraction visited places for tourists and in the eyes of the Chinese see that Durian is the King of Fruit which is one of the reason they come to Thailand and they must try durian.



## Chapter 2

### Evaluation and Selection of Plan an Analysis Tools

#### 2.1 SWOT Analysis

Analysis of the business environment in this way it can evaluate opportunities and obstacles that are facing, when used in conjunction with the analysis of strengths and weaknesses it can be used as a guideline for creating an appropriate strategy for CHUZIE café as well as choose to execute strategies more effectively. According to Armstrong & Kotler's analysis model, 2015 found the results of the analysis are as follows.

##### 2.1.1 Strength

S1: Based on its smaller size, the fact that it is not a franchise, the durian dessert café is a unique dessert café concept unlike any other in the Thai market.

S2: The owner has long experience in operating new restaurants

S3: The professional owner will bring the professionalism and unique recipe to the café.

S4: People often concerned about unique fruit, clean environment in restaurant and service. Therefore, durian dessert café will employ high quality of fruit to service customers.

S5: The price of the product is reasonable and in the perception to target consumers due to durian is a fruit with high prices already together with the development of various products adding value to the eyes of consumers. (Consulate General of China in Guangzhou, 2016)

S6: The management have been engaged in business with Chinese customers for nearly 30 years enabling them to fully understand the culture, values, and needs of Chinese consumers.

S7: The management has connections with Chinese business people such as the Chinese tour business, which is the channel to promote the café and pull many Chinese customers to use the service at the durian dessert café.

S8: Located in a good location in Central world department store area very comfortable for travelling.

S9: The availability of investment capital of enterprises to expand business.

### 2.1.2 Weakness

W1: The durian café it is a unique and small cafe cannot competing against larger cafe that have more varieties of dessert.

W2: The owner need to invest more for consultants to reach the same potential as competitors including food business consultants, restaurant marketing consultant and online restaurant marketing consultant

W3: The café cannot control the fresh durian therefore it is necessary to have more distributor, as well sufficient stock for off harvest season.

W4: Employees lack knowledge more training is needed both inside and outside the organization therefore need to invest in staff training to provide the ability to meet the needs of our customers.

### 2.1.3 Opportunities

O1: Central world department Store area need for a unique dessert café. (Centralgroup, 2016)

O2: A small slice of a much bigger pie is the goal. Only little of the nation's café are consuming unique dessert and durian dessert. Encouraging durian lover to become durian dessert lover is the key to continued growth. (Revers, 2008)

O3: New concept that the café focuses only on durian which is not yet done in the market. There are only café selling mixed of dessert and drinks, which the owner can take this opportunity to build up a reputation for being a nationally recognized café in the eyes of the Chinese tourism if they come to Bangkok that they must come to visit this dessert café. (Food Intelligence Center Thailand, 2015)

O4: The menu offers are mainly consist of durian, which will be meets the target consumer's needs: 'Chinese customers' ( Consulate General of China in Guangzhou, 2016)

O5: There are many Chinese tourists to visit Thailand it has the potential to make huge profits, great opportunities to expand the business in the Chinese tourist attractions. (Ministry of Tourism, 2017)

O6: Thailand is a huge market for durian easy to get the durian to launch the promotion, including promote of freshness durian buffet this is an opportunity to build a reputation for the Chinese customers. (Ministry of Commerce, 2017)

O7: The government and private sector have policies to support small businesses. Provides loan service. Source of fund and as a business consultant to help develop a sustainable business. This is good for entrepreneurs that they can ask for advice and help (Economic base, 2560)

#### 2.1.4 Threats

T1: As competitors start to have more exotic durian menus sold in the market, therefore the owner of durian café they need to think of new menu in order to lead the trend in the market. (Sentangsedtee, 2017)

T2: Chinese consumers have an alternative market in Singapore and Malaysia. (Ministry of Tourism, 2017)

T3: Franchises are the easiest way and often the safest conduit to start a café but the durian café will not have the backing of one of these established entities. (Food Intelligence Center Thailand, 2015)

Based on the SWOT analysis the results are analyzed to set up an organization's strategy as follows:

#### 2.1.5 SO Strategies

O3 S3 S4: Because there are many Chinese tourists to Thailand. This will make a great opportunity to expand the branches follow to the Chinese tourist attractions. In addition, the owners have had nearly 30 years of experience in the Chinese business industry and there have connections with Chinese business people, such as the Chinese tour business. With this reasons can be create as pull strategy by advertising, public relations, marketing communication, making awareness to Chinese consumers and deals with tour agency to have customers to stop by and use the service at the café.

O1 O2 O4 S2: The menus offered are reasonably priced and well worth the perception to target Chinese consumers. Therefore, the menu has durian as the main ingredients to make more value in the eyes of the Chinese. With this reason can be

created as pricing strategy that can be sold at higher prices and set up for a variety of prices to compete with competitors in the market.

#### 2.1.6 ST Strategies

S5 T5: Because the company has research and product development regularly to present the menu to meet the needs of target consumers and trend can be forever although competitors have start to launch a new menu of durian.

S7 T2: Because of management department is ready to invest in expansion. Therefore essential to budgets the funds to be used in the case of famous café. Chinese people will come to use the cafe a lot the management must have a plan to accommodate for example the expansion of the shop, the arrangement of queues, branch expansion and capacity to meet the demand. Increased staffing, Maintaining cleanliness standards of the cafe etc.,

#### 2.1.7 WO Strategies

W1 O1: Due to the owner are new to the restaurant business. Therefore there is a challenge in scrambling market share from competitors who already in the market for a long time. So to scramble to share the market it must make a difference in concept. The shop is a café that focuses on the concept of a particular durian, which is not yet done in the market there are only few café that selling small dessert and drinks made from durian only during the harvest seasons.

#### 2.1.8 WT Strategies.

T1 W2: As competitors begin to have an exotic new durian menu sold in the market and may generate an unexpected flow. Therefore, the owner themselves need to think of new menu and lead the trend in the market by using a business food consultant, restaurant marketing consultant, and online restaurant marketing consultant etc.

## 2.2 Five Force Model

This tool is often used to analyze the market environment to prepare us for the market conditions of our products and services how it looks like. And how risk it is to use as a guide for developing a strategy that suits to Chuzie café.

### 2.2.1 Restrictions on entry into the industry of new competitors

For the restaurant business as for new partners can be easily enter to the business because there are no obstacles to entering to the business as per the reasons from department of business development, 2017 has stated the details as follows.

(1) Cost Advantage: Expense for restaurant business is mainly Variable cost such as raw material cost. Each entrepreneur either small or large doesn't have cost difference.

(2) Product Differentiation: Restaurants can only create a difference in just one level because it is something that can be learned and copy compared to the quality of food, taste of food and service. As a matter of fact the shops are more likely to focus on these things rather than to create more of a difference.

(3) Switching Cost: The type of food product that low cost in re-branding is the consumer less beneficial when switching to another branded consumer.

(4) Government Regulation: The government has no restrictions on restaurant business. However there are some restrictions for the restaurant business in terms of hygienically to benefit the new competitor easy to enter the business.

(5) Exit Barrier: The barriers to exit the restaurant business are low it does not cost a lot of money.

### 2.2.2 Intensity of competition within the restaurant industry

Referred to Kasikorn Research Institution, 2016 mentioned that in the restaurant business, it is a highly competitive business of both small and large entrepreneur make immediately changes as can be seen from the details below.

(1) Competitive Structure: In the restaurant business has been changed from the previous there is competition for taste and uniqueness of food but now it can be found that the food can be easily copied due to the knowledge dissemination and production methods also consumers pay more attention to the service and price of food

enables entrepreneurs to compete in service and promotion. As well as create a unique identity for their restaurant.

(2) Demand Condition: Consumers' behavior is changing from cooking at home to be more popular than eating out make the demand for goods and services has increased at the same time, consumers are more knowledgeable and health conscious.

### 2.2.3 Risks from Substitutes of Goods:

The data from Thai Trade Center HCMC, 2015 has mentioned that

(1) Can be find replacement products in the market especially eating at other restaurants instead.

(2) There are a large number of substitute foods which can satisfy the needs of consumers in many situations when they cannot choose the consumption as desired and if the consumers are not brand loyalty to any particular restaurant. Therefore, whenever consumers cannot afford to consume the desired brand consumers will choose other brands or other products to substitute easily.

### 2.2.4 Buyer's bargaining power

According to Kasikorn Research Institution, 2016 mentioned that the bargaining power of buyers is very high due to the variety of substitute products in the market. Consumers have many more options to consuming the products. Therefore business must turn to value for the consumer to keep the customer stick with their brand as much as possible, when the cost of rebranding is low (Switching Cost) it will makes the consumer decision more easily.

### 2.2.5 Bargaining power of the supplier

AEC Business Support Center, 2015 mentioned that.

(1) Can find domestic raw materials very easy.

(2) There are many suppliers available in the market especially during the durian harvest seasons, therefore the quality of durian can be sale

| <b>Force</b>   | <b>High</b> | <b>Medium</b> | <b>Low</b> |
|--|-------------|---------------|------------|
| 1. Restrictions on entry into the industry of new competitors  | √           |               |            |
| 2. The intensity of competition within the restaurant industry | √           |               |            |
| 3. Risks from substitutes of goods                             | √           |               |            |
| 4. Buyer's bargaining power                                    |             | √             |            |
| 5. Bargaining power of the supplier                            |             |               | √          |

From the analysis of 5 forces model, makes it clear what Chuzie café is need to prepared to tackle in the red Ocean. It is necessary to use differentiation strategies by building the brand to make customers feel that the cafe has physical and psychological differences. To prevents competitors from being equality or similarity for the consumers.

### **2.3 PEST Analysis**

Using PEST Analysis to analyze will be useful for starting a new business or do business in a new region that has not done business before. So, using PEST Analysis will help us cut the wrong assumptions or the factors used are not enough weight to make our decisions right. In addition it will help us to understand the realities of the new environment correctly. (Kotler & Keller, 2016)

#### **2.3.1 Political**

Tourism Authority of Thailand, 2015 mentioned that.

(1) Visa waiver cancellation of some countries for Thailand has made travel easier. Especially requests for visa on arrival for Chinese tourists make traveling more easily.

(2) Political instability in the country effecting to have less tourists because of concerns about travel safety and affect to the business recession. But the government now has good relations with China make Chinese tourists has travelling more and more to Thailand.

#### **2.3.2 Economic**

(1) At the current economy people's consumption is low to moderate, it makes eating out of the Thai people have decreased frequency. (Thai Restaurant Association, 2016)

(2) The location of the café is in Central world department store a shopping area downtown in Bangkok and as an economic source for the consumption of high-income people there are many tourists come for shopping. Especially Chinese tourists they votes and given to this place as “2016 People’s Choice Awards Thailand Voted by Chinese Tourists. (Tourism Authority of Thailand, 2016)

### 2.3.3 Social

(1) Consumer behavior has changed dramatically more susceptible to price but location is also set a price. Especially for the central world department store, which has a moderate price to high prices only. (Nitiporn Makmee, 2009)

(2) Most behavior of Chinese tourists if they like some kind of goods and service they will parade to buy or use a number of services simultaneously. (Thaibizchina, 2012)

### 2.3.4 Technology

HUBBA Thailand (2017) stated that the technology is very important to the restaurant business.

(1) The current technology makes the café have to update them all the time. Whether it is to create their own website for people to know their own shop, Publish in the book, Free Copy, Facebook, New Product updates for email subscribers in the production process, and modern production equipment is used to produce quality products.

From PEST Analysis can help to make the decision in selecting target customers as a Chinese tourist that enough to make our decision right.

## **Chapter 3**

### **Business Description**

CHUZIE Café's mission statement and vision statement reflect the company's emphasis on leadership in the durian dessert industry. The firm's mission statement serves as an indicator of what the company wants to do at the core of its business. On the other hand, Durian dessert Café's vision statement shows what the company wants to achieve in the future. In this regard, through the mission statement and vision statement, the firm guides activities of employees and shows customers what the business is capable of doing. In particular, Durian dessert Café mission statement shows customers the benefit that they can get from the company.

#### **3.1 CHUZIE Café's Vision Statement**

CHUZIE Café's vision is "To be durian dessert's café most customer centric café, to build a café where people can come and discover verity differences." Being a customer centric café means that CHUZIE Café's wants to achieve leadership in providing its products, especially durian of the best quality. Therefore, it is haven't be statement that CHUZIE Café's effectively addresses the most customer centric café component. However, analysts and critics point out that dessert café from Garden Mango or After You dessert café may be better than CHUZIE Café's in some aspects.

#### **3.2 CHUZIE Café's Mission Statement**

CHUZIE Café's mission statement as below:

1. To provide high quality fresh durian for the products at a competitive price to meet the demand of the middle – high consumers local market area residents and Chinese tourists.
2. Every guest who chooses and visits CHUZIE Café's will leave with highly satisfies.
3. To deliver exceptional durian dessert café experience an organization where people inspired to better their lives.
4. Provide best working environment and treat each of everyone with care.
5. Apply the highest standards for purchasing and delivery.

6. Develop enthusiastically satisfied to customers of the time.
7. Recognize that profitability is essential to our future success.

To address this component of its mission statement, CHUZIE Café maintains a small company culture, where there will be bond and warmth. This component of CHUZIE Café's mission statement also pertains to customers' experience. The company extends its warm and small company culture to its customers. Also, the interior design has it warm and cozy feeling. CHUZIE Café's mission statement also indicates a personal and gradual approach.

Keys to success:

1. Providing the high quality products with personal customer service.
2. Competitive pricing.

### **3.3 Goals**

#### **3.3.1 Short-Term Goals: (1 year)**

- 1) Build and expand brands of CHUZIE Café's to the target customer.
- 2) Offering the highest-level service to reach customer satisfaction.
- 3) Creating an attractive and diverse menu.
- 4) Provide a best work place environment and treat each other with respect and to motivate employees to learn and develop potential and proud to be a part of corporate.
- 5) To meet the sales objective of revenue 20 million Baht in the first year orders.

#### **3.3.2 Middle-Term Goals: (2-3 years)**

- 1) To grow sales of durian by 10 percent/year
- 2) Expand branches in Bangkok at least 5 branches.

#### **3.3.3 Long-Term (4-5 years)**

- 1) Companies will expand café branches availabilities cover all the regions in Thailand.
- 2) Be the first 'durian' dessert café dining in Thailand to maintain food and labor costs consistent with high Ridge.

3) Payback Period within the first 5 years of the first branch.

### **3.4 Reason for Starting the Business**

Since the restaurant business in Thailand is growing every year based on research by Kasikorn Research Center, 2016. And also there were large number of Chinese tourists visit Thailand in 2015 only and there were 7,936,795 Chinese tourists. In 2016, there were 8,757,466 Chinese tourists, which the growth was 11.96%. Therefore researcher sees the importance of opening a durian dessert café for Chinese tourists particularly. As restaurant concept is a durian-oriented café that has not been yet in the market. There are only cafés selling candies and soft drinks used durian for an ingredient. With this entrepreneur can use this opportunity to build up a reputation for an outstanding restaurant for the Chinese people if they are planning to visit Thailand they have to visit this CHUZIE café. The first store will be located at Central World, which most Chinese tourists voted for Bangkok Best shopping mall in the 2016 People's Choice Awards Thailand.

### **3.5 Summary of Overall Strategic Direction**

#### **3.5.1 Corporate Strategy:**

Build durian dessert café by using growth strategy to grow its global expansion:

1) Market penetration strategy is a measure of brand or category popularity. It is defined as the number of people who buy a specific brand or a category of goods. At least once in a given period divided by the size of the relevant market population by using push strategy. For example promotions, discounts, redemptions, giveaways, and fresh durian buffet promotions. To push the product out for the target customer especially during durian harvest seasons. And for pull strategy for example advertising, marketing communication to attract consumers especially for Chinese will be promoted throughout the tour agency company.

2) Market Development Strategy by expanding the branch to other department store that popular for Chinese tourists shopping area. Then it will expand to other provinces such as Pattaya, Chiang-Mai, and Phuket if the brand is at the

expansion. They can do a joint venture or franchise in China and including other countries where as durian are popular.

3) Product Development Strategy is an important way for businesses to stay ahead of the competitor and continue to appeal the changing needs/wants for existing customers. In new product development can be open up to new marketing channels and help increase market share. There are a variety of strategies that can be used for intended product development such as increasing sales by bring selling new products in current market. There will be a new research and development team to design a new menu and drink for the consumer try new product and not monotonous.

4) Diversification Strategy is a strategy that will bring company into a whole new market with new products or services. Companies may choose a diversification strategy for differences reasons. To increase sales for new products by growing from new business related to have it' s own original differentiate ( Concentric Diversification). Meaning that products, which related to durian or other product supplement to durian as an alternative to customers who visit the restaurant will want to purchases for take-away.

3.5.2 Business Strategy is concerned with major resource issues e.g. raising the finance to build a new factory or plant. Strategies are also concerned with deciding on what products to allocate major resources and the scope of a business' activities. It is a strategy that company can uses to gain more advantage or to continue to compete with its competitors in the market place or industry whereas business unit operates directly. By leveler aging the resources and talents for the company to gain more competitive advantage of the business success.

Two main categories of strategies can be identified:

1) Differentiation Approaches to differentiation include developing unique brand images, unique technology system, unique channels features, and unique customer service. In other words, the key of differentiation is to obtaining an advantage that is readily perceived by the consumer. To increase costs usually can be passed on to the buyers due to the uniqueness of the product attributes. It will focus on branding which letting the consumers acknowledge that there is a Durian Dessert Café in the name of CHUZIE café that is unlike other Cafés. By telling the story behind the durian

café that is interesting enough and pursuing the consumer. Also promote the brand advertisement in various media, such as China's traveling e-magazine. Other online media include such as Line-official, Facebook-page, and Trip-Advisors for consumers to follows and news updates including reviews and comments. It's will make the brand have it's own meaning deserves to be memorable and eventually leading to brand Culture.

3.5.3 Functional Strategy to support successful business strategies functional strategy is the definition of the concept that emerges as a key element:

1) Marketing Strategy CHUZIE café position itself as the premier dessert-style restaurant located in Bangkok, Thailand. By offering quality durian dessert café style and provide with quality ingredients at reasonable prices. Customers will enjoy the quaint surroundings inside with the modern wooden tables and utensil design. The café will provide a relaxed comfortable atmosphere and when customers step into they feels the warmth/cozy and best services as in the finest dining place. Focus on media marketing which the targeted customers is at mid to high class and Chinese consumers. In the beginning of the e marketing will focus on the brand awareness and attract customers to come to the café in order to achieve sales volume and short-term profit including quality of service.

2) Corporate restructuring strategy:

- Responsibility line of management was branched out to be able to evaluate performance more clearly by headquarters control the sub branch. The café will focus on producing quality food according to GMP standards.

3) Financial and Investment Strategies:

- Find low-cost funding to support company growth.
- The financial structure of the financial ratios to facilitate both short-term and long-term business operations.
- Analyze each investment project to support the company's business plan to align the growth. A focus on investing the businesses that can generate great returns and dispose of the businesses that suffer in loses.
- Carry out tax management planning.

### 3.6 Products and Service:

3.6.1 CHUZIE café offers unique selling point of dessert and drink made from fresh durian and finishing it with cheese foam on top. For other items such as ice cream durian, durian cakes are also available and additional to the other menus made from fruits and Thai herbs for those who don't like durian, such as coconut juice all from local farmers and Thai herds. CHUZIE café cater all of customers by offering the consumers with dessert and drink of durian products made to suitable to each of the customer. From the top details back down to the smallest details and products will be prepared throughout the day to assure freshness are always available.

**Table 3.1** Products of CHUZIE Café

| No.               | MENU ITEM                   | Price (BATH) | Explanation | Optional                    |
|-------------------|-----------------------------|--------------|-------------|-----------------------------|
| <b>Drink List</b> |                             |              |             |                             |
| 1                 | Durian Smoothies            | 120          | Blended     | <b>Topping</b>              |
| 2                 | Durian Coffee               | 150          | Blended     | - Cheesy-Foam ₱ 50          |
|                   | Smoothies                   |              |             | - Low-Fat Cheesy-           |
| 3                 | Mixed Berry Smoothies       | 150          | Blended     | Foam ₱ 60                   |
| 4                 | Coconut Juices or Smoothies | 150          | Blended     | <b>Sugar Low Adjustment</b> |
| 5                 | Thai Tea                    | 100          | Blended     | - 0                         |
| 6                 | Thai Milk-Tea               | 110          | Blended     | - 15                        |
| 7                 | Kra-Jeap Tea                | 100          | Blended     | - 50                        |
| 8                 | Lemongrass Tea              | 100          | Blended     | - Regular                   |
| <b>Ice- cream</b> |                             |              |             |                             |
| 1                 | Monthong Ice-Cream          | 190          | Unique      | -                           |
| 2                 | Kanyao Ice-Cream            | 190          | Unique      | -                           |
| <b>Cake</b>       |                             |              |             |                             |
| 1                 | Durian Cheesecake           | 250          | Deluxe      | -                           |
| 2                 | Golden Durian Cake          | 250          | Deluxe      | -                           |
| 3                 | Brownie Low-Fat             | 250          | Deluxe      | -                           |

### 3.6.2 Service

CHUZIE Café is a beverages and dessert casual café that offer the dessert of higher quality and good diet, which the perception allows financial management to charge higher prices than other café restaurants. Therefore, customers usually order their menu at the counter and enjoy their orders with the comfortable chairs and cozy surrounding. Of course, CHUZIE café give customers the options in the ingredients such as coconut drinks the choice of juice or blended, optional toppings etc.

CHUZIE Café Service sequence the customer will be greeted at the Chuzie café's entrance promptly by the host/hostess or manager and escorted inside to order first and guide to the table. However, during the non-peak hours neither the host nor manager will be at the door to seats the guests or handing quince. In this case a server or bus person will greet the guest and lead the to the first ordering step and guide them to the empty table then let them know that someone will be attending to them momentarily. The objective of this stage is to recognize the customer and warmly welcome them. The service timetable suggests that the staff member will arrive at the table within one or two minute for the guests. It is best to provide a warm greeting and to take the drink order first. Drinks will be delivered promptly to the guest so they can feel that we are knowledgeable in them. Additionally, upon the proper delivery of the drinks waitest will be asking guests for the order. Desserts will be picked up from the kitchen within five to fifteen minutes of being ordered and should be brought directly to the table. Approximately one minute after the order has been placed (automatically send to the preparation unit) last confirming the order taker will repeat what did the guest have order once again. If there is an error in the order or the way it was prepared it is always best to rectify the situation as quickly as possible. This illustrates good service and a respect for the customers' needs and expectations. It will take approximately 10 - 15 minutes for the customer to finish their dessert or drinks. As, for the billing at first customers will be paying after ordering but for ordering extra at the table the bill will be provided at the table. However, if they are trying to leave the restaurant quickly, prompt delivery will be noticed while slow delivery will be considered as poor service. The table will be cleaned and prepare within two – five minutes of the patron's

departure. Shows the patrons who's remain that you are concerned about cleanliness and for waiting consumers to be sited.

### **3.6.3 Customer Service**

As there is a saying "Customer is like a God". It's all about customer's services even though customer is wrong in some way as café hospitality never ever corrects them in means. Be understanding, empathetic and take the time to listen to their complaint or suggestion. All problems will inevitably arise in even the top best restaurants it's how a professional handle all kind of situations that highly persuade the customer to return or go elsewhere.

#### **3.6.4 Use Social Media to Enhance Customer Service.**

CHUZIE café more focus on social network sites like Facebook and Twitter offer an easy and free way to reach out to customers. Will post daily and nightly specials on café's wall, like customers status updates and set up invites to restaurant events.

#### **3.6.5 Company Description**

CHUZIE café located in Central World at 3<sup>rd</sup> Floor, Rajdamri Road, Pathumwan, Khet Pathumwan, Bangkok, 10330. The café will be wholly owned and operated by AMM. The café will be serve varieties of modern lifestyle beverages favorites and chooses the best local quality in Thailand.

CHUZIE café opening hours with 11.00 am - 9.00 pm, Sunday – Monday 7 days a week and closes every Monday.

#### **3.6.7 CHUZIE Café value Proposition**

The value proposition of CHUZIE Café the first one was unique drinks. CHUZIE Café offered the high quality durian in Asia. The Café directly purchases supplies from the growers such as durians, coconuts, mango, oranges, watermelons and etc. The second component is services included simple things such as membership birthday or favorite menu. Thirdly, is atmosphere CHUZIE Café attract the people to come for brand new café with the comeback for the atmosphere like gardening and homey. Therefore it's important to provide a comfortable attractive atmosphere, which

allows the sense of relaxation. All those things combined and led to compelling value proposition.



## **Chapter 4**

### **Industry Analysis**

#### **4.1 Collecting data**

##### **4.1.1 Secondary data**

Data which has already been collected by someone, may be sorted, tabulated and has undergone a statistical treatment. It is fabricated or tailored data. The secondary data from the following sources:

1) Government Organizations: Federal and Provincial Bureau of Statistics, Crop Reporting Service- Agriculture Department, Census and Registration Organization etc.

2) Semi-Government Organization: Municipal committees, District Councils, Commercial and Financial Institutions such as banks etc.

- Teaching and Research Organizations
- Research Journals and Newspapers
- Internet

##### **4.1.2 Primary Data**

Primary data means the raw data (data without fabrication or not tailored data), which have just been collected from the source and has not goes to any kind of statistical treatment like sorting and tabulation. The term of primary data sometimes can be used to refer to firsthand information.

- Personal Investigation: The researcher conducts the experiment or survey to himself/herself and collects data from it.

- Through Investigators: The trained (experienced) investigators are employed to collect the requirement data.

- Marketing Research: The require information (data) have been obtained by sending a questionnaire (hardcopy or softcopy) the selected individuals (respondents) (by mail) who will be filling the questionnaire and return it to the sender.

## 4.2 Marketing Research

In market research its focuses on the study of consumer behavior. Therefore it is necessary to collect marketing data and statistics to know the eating habits. To acknowledge the eating behaviors and the characteristics of consumer demand, it will lead to the right marketing plan and used in the business strategy. Therefore, the questionnaire will be collected for statistical analysis of marketing research.

### 4.2.1 Sample collection site

Researchers will be taking one of the main products is durian cheese drink and durian cheesecake to test the market by giving a sample tasting. Therefore, researchers have contacts to several Chinese tour agencies and with the sample tasting will be provided for three tour buses that have schedule to Central world. Preparing a questionnaire and taste sampling give to the tour-guide to pass on to their tour members. However, in order to collect the questionnaire the touring companies also have their own condition. It is necessary to shorten the questions and avoid customer nuisance. There will be about two to three questions will be ask about personal factors and satisfaction of both products and prices. Before reaching one of the biggest shopping malls center the tour-guide will be collecting all of the data 150 which are exploratory research studies the satisfaction of the target group.

1) Research Tools / Reliability / Content Accuracy / Tool Components / Interpretations.

The purpose of this research as following:

- To know the demographic characteristics of the respondents.
- To know the satisfaction of the marketing mix of Durian cheese drink and durian cake of the respondents.
- The tool used to collect data is a questionnaire and questionnaire have divided into two parts as follow:

Part 1: Personal information of respondents the question form is a 5-answer questionnaire, which is a checklist.

Part :2 Satisfaction in marketing-mix of durian cheese smoothies and durian cakes. There are 10 questions in Likert-Scale agreement were measured using five scales as followed:

|                   |   |         |
|-------------------|---|---------|
| Strongly disagree | = | 1 point |
| Disagree          | = | 2 point |
| Neutral           | = | 3 point |
| Agree             | = | 4 point |
| Strongly          | = | 5 point |

The average of agreement points are translated into 5 levels designed by Best (1997) as follows:

$$\begin{aligned} \text{The interval score of each level} &= \frac{\text{maximum score} - \text{minimum score}}{\text{The amount of the level}} \\ &= \frac{5 - 1}{5} \\ &= 0.8 \end{aligned}$$

The score among 1.00 - 1.80 means strongly dissatisfaction

The score among 1.81 - 2.60 means dissatisfaction

The score among 2.61 - 3.40 means neutral

The score among 3.41 - 4.20 means satisfaction

The score among 4.21 - 5.00 mean strongly satisfaction

Prior to the collection: The questionnaire was test by 10 people to revise the understanding to the questions in order to know the incompleteness will be corrected before implement.

#### **4.2.2 Data Analysis Methods** (Using statistics / Content analysis)

Data analysis the content and statistics are as follows:

After receiving data form from 150 applicant respondents about menu samples. All data will be analyzed in various ways such as, demographic characteristics, satisfaction in the tasting of durian cheese smoothies and durian cheesecake. Then the analyzed results with SPSS program and descriptive statistics were used to analyze in percentage, frequency and deviation data.

### 4.2.3 Data analysis result

1) Showing the data analysis of respondents' in demographic.

Demographic data of the respondents obtained from 150 questionnaires was analyzed and presented in the following tables 4.1- 4.4

**Table 4.1** Frequencies and Percentage of Demographic Classified by Gender

| Gender       | Frequency | Percentage | Rank |
|--------------|-----------|------------|------|
| Male         | 45        | 30         | 2    |
| Female       | 105       | 70         | 1    |
| <b>Total</b> | 150       | 100        | -    |

According to table 4.1 describes the data analysis of respondents' demographic of 150 respondents, there are 45 respondents about 30% are males and 105 respondents about 70% are females.

**Table 4.2** Frequencies and Percentage of Demographic Classified by Age

| Age                | Frequency | Percentage | Rank |
|--------------------|-----------|------------|------|
| 21 – 30 years old  | 47        | 31.33      | 2    |
| 31 – 40 years old  | 64        | 42.66      | 1    |
| 41 – 50 years old  | 28        | 18.66      | 3    |
| Above 50 years old | 11        | 7.33       | 4    |
| <b>Total</b>       | 150       | 100.0      | -    |

According to table 4.2 describes the data analysis of respondents' demographic of 150 respondents, there are 64 respondents about 42.66% are in the age of 31 - 40 years old, following 47 respondents about 31.33% are in the age of 21 – 30 years old, 28 respondents about 18.66% are in the age of 41 – 50 years old and 11 respondents about 7.33% are in the age of above 50 years old.

**Table 4.3** Frequencies and Percentage of Demographic Classified by Education Level

| Education Level     | Frequency | Percentage | Rank |
|---------------------|-----------|------------|------|
| High School         | 25        | 16.66      | 3    |
| Certificate/Diploma | 32        | 21.33      | 2    |
| Bachelor Degree     | 68        | 45.33      | 1    |
| Master Degree       | 23        | 15.33      | 4    |
| PhD                 | 2         | 1.30       | 5    |
| <b>Total</b>        | 150       | 100.0      | -    |

According to table 4.3 describes the data analysis of respondents' demographic of 150 respondents, there are 25 respondents about 16.66% are graduated in high school level, following 32 respondents about 21.33% are graduated in certificate/ diploma level, 25 respondents about 16.66% are graduated in bachelor degree level, 23 respondents about 15.33% are graduated in master degree level and 2 respondents about 1.3% are graduated in PhDs level.

**Table 4.4** Frequencies and Percentage of Demographic Classified by Occupation

| Occupation                | Frequency | Percentage | Rank |
|---------------------------|-----------|------------|------|
| Student                   | 24        | 16.00      | 3    |
| Business Owner            | 27        | 18.00      | 2    |
| Government Officer        | 14        | 9.33       | 4    |
| Private. Company Employee | 85        | 56.66      | 1    |
| <b>Total</b>              | 150       | 100        | -    |

According to table 4.4 describes the data analysis of respondents' demographic of 150 respondents, there are 85 respondents about 56.66% have a career as private company employee, following 27 respondents about 18% have a career as business owner, 24 respondents about 16% have a career as student and 14 respondents about 9.33% have a career as government officer.

2) Present the data analysis on the Satisfaction of respondents toward the Marketing-Mix of durian cheese smoothies and durian cake

This part shows the sample's satisfaction level toward the Marketing mix factors including product, price, place and promotion that have an impact when they did the tasting on Durian cheese drink and Durian Cheesecake.

The collected data was analyzed by a mean and standard deviation for descriptive analysis in table 4.5 - 4.8.

**Table 4.5** Level of Agreement on Product

| Product   | Durian Cheese Smoothies |             |                              | Durian Cheesecake |             |                              |
|---|-------------------------|-------------|------------------------------|-------------------|-------------|------------------------------|
|   | $\bar{X}$               | SD          | Level of Agreement           | $\bar{X}$         | SD          | Level of Satisfaction        |
| 1. Taste delicious and balance                  | 4.800                   | 1.033       | Strongly satisfaction        | 4.500             | 0.988       | Strongly satisfaction        |
| 2. Presentation                                 | 4.460                   | .989        | Strongly satisfaction        | 4.567             | .949        | Strongly satisfaction        |
| 3. Perception durian taste                      | 4.840                   | .900        | Strongly satisfaction        | 4.440             | .600        | Strongly satisfaction        |
| 4. The perfect combination of durian with food. | 4.950                   | .903        | Strongly agree               | 4.820             | .906        | Strongly satisfaction        |
| <b>Total</b>                                    | <b>4.763</b>            | <b>.956</b> | <b>Strongly satisfaction</b> | <b>4.580</b>      | <b>.860</b> | <b>Strongly satisfaction</b> |

According to table 4.5 describes the data analysis on the sample's level towards durian cheese smoothies items found that strongly satisfaction to product overall which mean 4.763 and standard of deviation of .956. The sample's agreement level toward product of Durian Cheesecake found that the agreement to product overall strongly satisfaction levels at 4.580 and standard of deviation .860.

**Table 4.6** Level of Agreement on Price

| Price                    | Durian Cheese Smoothies |             |                     | Durian Cheesecake |              |                              |
|--------------------------|-------------------------|-------------|---------------------|-------------------|--------------|------------------------------|
|                          | $\bar{X}$               | SD          | Level of Agreement  | $\bar{X}$         | SD           | Level of Satisfaction        |
| 1. Valuable for money    | 4.164                   | 0.833       | Satisfaction        | 4.250             | 0.388        | Strongly satisfaction        |
| 2. Prices are reasonable | 4.180                   | 0.989       | Satisfaction        | 4.364             | 0.549        | Strongly satisfaction        |
| <b>Total</b>             | <b>4.172</b>            | <b>.911</b> | <b>Satisfaction</b> | <b>4.307</b>      | <b>0.468</b> | <b>Strongly satisfaction</b> |

According to table 4.6 describes the data analysis on the sample's agreement level toward price of durian cheese smoothies found that the agreement to price overall satisfaction levels of 4.172 and standard deviation of 0.911. The sample's agreement level toward price of Durian Cheesecake found that the price overall strongly satisfaction levels of 4.307 and standard deviation of 0.468.

**Table 4.7** Level of Agreement on Place

| Place  | Durian Cheese Smoothies |              |                     | Durian Cheesecake |              |                              |
|--|-------------------------|--------------|---------------------|-------------------|--------------|------------------------------|
|  | $\bar{X}$               | SD           | Level of Agreement  | $\bar{X}$         | SD           | Level of Satisfaction        |
| 1. Central world department store good location for selling this product                               | 4.597                   | 0.656        | Satisfaction        | 4.550             | 0.879        | Strongly satisfaction        |
| 2. If this product is in the beautiful atmosphere at Central world you will decide to use the service. | 4.867                   | 0.639        | Satisfaction        | 4.764             | 0.565        | Strongly satisfaction        |
| <b>Total</b>   | <b>4.732</b>            | <b>0.647</b> | <b>Satisfaction</b> | <b>4.657</b>      | <b>0.722</b> | <b>Strongly satisfaction</b> |

According to table 4.7 describes the data analysis on the sample's agreement level toward place of durian cheese smoothies found that the place overall satisfaction levels of 4.732 and standard deviation of 0.647. The sample's agreement level toward place of Durian Cheesecake found that to place overall strongly satisfaction levels with mean of 4.657 and standard deviation of 0.722.

**Table 4.8** Level of Agreement on Promotion

| Promotion  | Durian Cheese Smoothies |              |                     | Durian Cheesecake |              |                              |
|--|-------------------------|--------------|---------------------|-------------------|--------------|------------------------------|
|  | $\bar{X}$               | SD           | Level of Agreement  | $\bar{X}$         | SD           | Level of Satisfaction        |
| 1. Central world department store good location for selling this product                         | 4.643                   | 0.356        | Satisfaction        | 4.250             | 0.455        | Strongly satisfaction        |
| 2. If this product were in the beautiful atmosphere at Central world would you be our customers. | 4.740                   | 0.539        | Satisfaction        | 4.364             | 0.554        | Strongly satisfaction        |
| <b>Total</b>   | <b>4.691</b>            | <b>0.307</b> | <b>Satisfaction</b> | <b>4.307</b>      | <b>0.504</b> | <b>Strongly satisfaction</b> |

According to table 4.8 describes the data analysis on the sample's agreement level toward promotion of Durian Cheese Smoothies found that to promotion overall strongly satisfaction levels of 4.691 and standard deviation of 0.307. The sample's agreement level toward promotion of Durian Cheesecake found that to promotion overall strongly satisfaction levels of 4.307 and standard deviation of 0.504.

#### 4.2.4 Conclusion

According to the result of the demographic data. The respondents mostly are females at 70%, 42% are in the age of 31 – 40 years old, 45% are graduated in bachelor degree level and 57% have a career in private company. From inquiries about marketing mixed of Durian cheese smoothies and Durian Cheesecake it was found that the respondents were very satisfied. The researcher will bring both of these products listing into menu as the popular menu to promote at the beginning of the business.

### 4.3 Industrial Size

Restaurant business market mostly alliance restaurants and self-own restaurant in general of 2016. Approximately is around 382,000 - 385,000 million baht, with the growth of 1.9 - 2.7 percent from the year 2015 with the value of 375,000 million baht, although it was a slowdown by 4% growth in 2015. These were divided into market value for restaurant chain 114,000 - 116,000 million baht, with the growth of 3.6 - 5.5 percent from 2015 to 110,000 million baht. Most of the restaurant are small and medium size, 268,000 - 269,000 million baht with the growth of 1.1 - 1.5 percent from 2015, total worth 265,000 million baht (Kasikorn Research Center, 2016)



**Figure 4.1** Value of Restaurant Industry in Thailand, 2014 - 2016

**Source:** Kasikorn Research Center, 2016

## **4.4 Competitor**

### **4.4.1 After U**

#### 1) Strength

- It's strong and famous brand, as in dessert Café.
- There are a variety of products.
- An excellent R and D team to develop the product that meets the needs of consumers.
- A very strong Thai client base.
- Branch expansion to accommodate the growing customer.

#### 2) Weakness

- Cannot accommodate enough customers in daily basis.
- Here are only durian desserts available during durian season.
- There is no menu of durian beverages.

### **4.4.2 IceDEA**

#### 1) Strength

- There are currently popular products that are durian ice cream. (Artificial favoring)
- Expansion to accommodate the growing customer base.
- There is a selling point for ice cream with strange looks and outstanding.

#### 2) Weakness

- There are not many products only ice cream on the menu.
- Only ice cream flavored with durian.
- Price is very high Compared to the size of the food.
- There are no branches at Central world.

### **4.4.3 Coffee Beans by Dao**

#### 1) Strength

- It is strong and famous brand of cake.
- There are wide variety menus, including food and sweet.
- A very strong Thai client base.

## 2) Weakness

- The product no differences from the other restaurant and desserts in the market.
- There is only one item with durian (durian cake) and only available during durian season only.
- There is no menu of durian beverages.

## 4.5 Competition conditions

### 1) Level of competition:

High level of aggression since there is chain of dessert cafe and standing alone dessert cafe in the market. This is a red ocean competition; therefore new comers café the marketing must have new trendy management and to attract interest and target new customers.

### 2) Strength / Competitive Advantages:

It is a combination of typical local fruits; one of the most famous fruit is durian, coconut, mango, bananas and many more. To promote the local fruits and develop it to the model markets adding it more value and uniqueness. The café character in modern gardening style and will be using wooden tables and man-made chairs a mixture of classic, luxury and Thai modern style. There are many different beverages fruits favors and all of the ingredients it's must be freshly cut up daily with the choice of extra topping or low-fat topping to give an option to consumers with different perceptive diets.

- Choice of Fresh Squeeze Juice or Blended
- Cream cheese foam topping: Regular or Low Fat
- With the portable beverage holder is eco-friendly
- Unique design for the cup top covers

### 3) The Leader of Market Share:

It is a café that sells a variety of food and drinks. Moreover, there are many branches that support a large number of customers but mostly focus on Thai consumers only. There are no new café open to accommodate for Chinese tourists.

#### 4) Trend of Popularity:

Because durians are seasonal fruits, therefore durian popularity automatically happens every year. As for Chinese people durian is still a popular all year around. Therefore, if Chinese come during the Thai fruit seasonal period particular café will also feature fresh durian buffet if it is off-season, they can have durian dessert instead of fresh durian.

5) Because there are many restaurants in Bangkok and very diverse culture. However, if specialize in the dessert other café can also be substitute it is also depends on customer preference, opportunities, places and where customers would love to spend their time.

## Chapter 5

### Management Plan

The café is own by Ms. Praphaphon Makmettakul (AMM). Whose have the passion in beverages and bakery especially in Thai local-products. AMM, she will be managing in Chuzie café herself and she also a managing director. Although, have passion and knowledge in hospitality or marketing it doesn't totally proof the success in business plan. Even though, AMMs has many experience in food and hospitality industry and she also had her culinary training at several leading restaurants in Thailand and attend Short-classes in Le Cordon Bleu Dusit Thani.

Therefore, Chuzie café have carefully assembled selected a team with different disciplines; solve issues professionally, expertise in marketing technology, financial and restaurant management. Within, 2 year the café will hire a General Manager to handle the day-to-day tasks and manage to provide weekly reports, which will assist Chuzie café to improves and grow even further than any café.

#### 5.1 Organizational Structure Chart

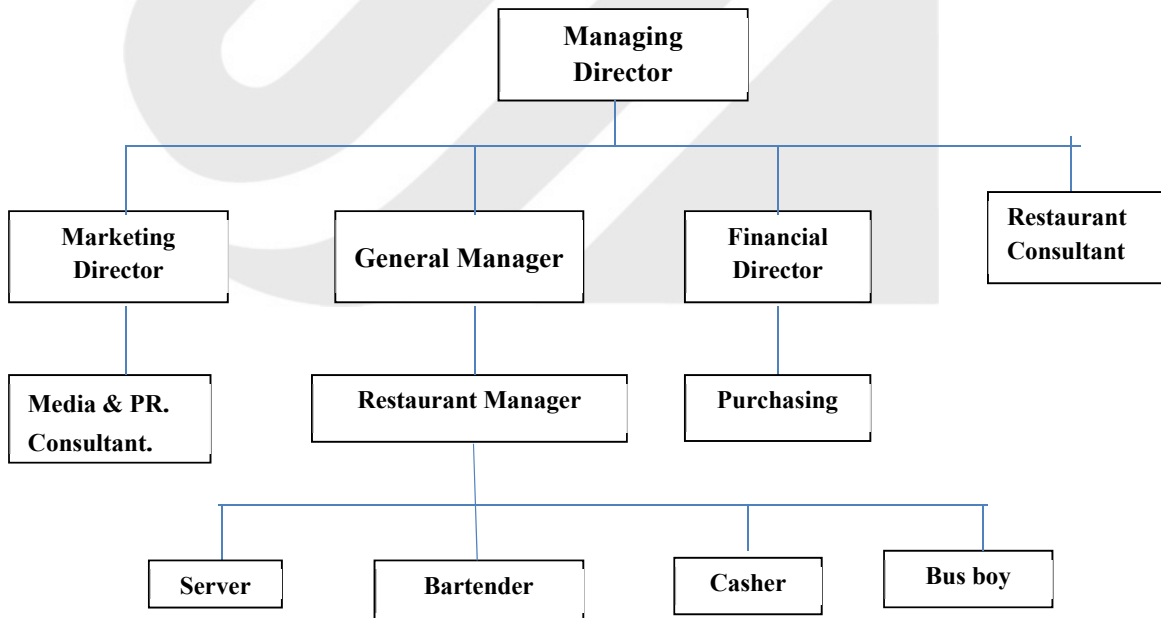


Figure 5.1: Chuzie café Organization Chart

The Café will be hiring about 16 employees. Together, Ms. Praphaphon Makmettakul will personally select each candidate. They've adopted an effective interview process designed to staff the restaurant with highly qualified people for each position. Each applicant will be rated and evaluated according to a pre-defined set of standards designed for each position. Background checks will be utilized for designated positions.

## **5.2 Management Team (Qualifications, Experience, Expertise, and Roles of Members of the Management Team)**

Chuzie café management team is well compensated. The team has considerable experience together and shares knowledge in many different fields of business and in life. The General Manager will work to expand in Bangkok and also all regions in Thailand. Ms. Praphaphon Makmettakul (Amm) can then concentrate more on the kitchen and take her dessert café to a whole new level. Day by day operation management will be conducted by her and hands on to restaurant managers. They will advise and supported to their Advisory Board.

### **5.2.1 Managing Director**

Mr. Boonchai Makmettakul brings to I AMM durian dessert café restaurant background, exceptional business acumen, and a lifetime passion for the restaurant experience. He has over 30 years of business management in the Information Technology industry. Like IT, successful ventures in the restaurant industry must balance capitalizing on new trends with continual quality assessment. He understanding of day-to-day cash flow planning and staff management will be critical to I AMM durian dessert café financial success.

Degrees, Certifications, and Professional Affiliations:

- MBA in International Business Management
- B.S. in Computer Science
- Certified in Restaurant & Hotel Management

### 5.2.2 General Manager

Ms. Praphaphon Makmettakul is an accomplished restaurateur, by own several full-service restaurants responsible for the concept and the daily operations management, with yearly sales targets of 20 million Baht.

Degrees, Certifications, and Professional Affiliations:

- MBA in International Business Management
- B.S. in Computer Science
- Certified in Restaurant & Hotel Management

#### 1) General Manager Responsibilities

In addition to the management of day-to-day operations, both managers, as principals within the company, will oversee menu development, purchasing, portioning, pricing and inventory control, including approval of all financial obligations of the company. She will plan, develop, and establish customer service policies and objectives, and write, explain, and enforce an employee's manual for all employee-related policies. Responsibilities for hiring and firing employees lie solely with the two operations managers, and any decisions in these areas will be made jointly.

#### 2) Task to do:

1. Manage working capital, including receivables, inventory, cash and marketable securities.
2. Perform financial forecasting, including capital budgeting, cash flow analysis, pro forma financial statements, and external financing requirements.
3. Prepare financial analyses of operations for guiding management, including reports, which outline the company's income, expenses, and earnings.
4. Direct preparation of budgets and financial forecasts and arrange for audits of company's accounts.

### 5.2.3 Chuzie Advisory Board

Mr. Boonchai Makmettakul is the marketing director. He will be giving an advice and the marketing strategy in service and management.

Ms. Praphatsorn Makmettakul is the purchasing Manager. She will be the person who are sourcing the supplies and include contact with all supplier around Thailand to be sure that quality is meet with the café standard and report to financial director.

#### 5.2.4 Manning and operation time

The staff will include about 20 full-time employees and working total of 40 hours per week. There will be 6 part-time employees and total of 12 - 16 hours per week.

- Opening hours: 11am - 9pm (10 hours running time)
- Start working: 9am - 2pm(5 hours); 2pm - 7pm(5 hours); 7pm - 11pm (4 hours)
- Part Time: 1pm - 4 pm (3 hours); 6pm - 9pm (3 hours); 8pm - 11pm (3 hours)

#### 5.3 Personnel Plan

**Table 5.1** Personnel Plan

| <b>Annual Sales Forecast</b> | <b>Year 1</b>  | <b>Year 2</b>  | <b>Year 3</b>  |
|------------------------------|----------------|----------------|----------------|
| Managing Director            | -              | 50,000         | 50,000         |
| General Manager              | -              | 50,000         | 50,000         |
| Financial Director           | 15,000         | 16,500         | 18,000         |
| Marketing Director           | 15,000         | 16,500         | 18,000         |
| Restaurant Consultant        | 15,000         | 16,500         | 18,000         |
| Purchasing                   | 15,000         | 16,500         | 18,000         |
| Restaurant Manager           | 15,000         | 16,500         | 18,000         |
| Cashier (1+1)                | 16,000         | 16,000         | 16,000         |
| Bartender (3)                | 30,000         | 33,000         | 36,000         |
| An Assistant                 | 13,000         | 145,00         | 26,000         |
| Bus boy (1+1)                | 16,000         | 22,000         | 24,200         |
| Server (2+2)                 | 32,000         | 44,000         | 58,000         |
| <b>Total</b>                 | <b>122,000</b> | <b>246,000</b> | <b>278,200</b> |

## 5.4 Management Strategic Direction

### 3.4.1 Corporate Strategy:

Build durian dessert café by using growth strategy to grow its global expansion:

1) Market penetration strategy is a measure of brand or category popularity. It is defined as the number of people who buy a specific brand or a category of goods. At least once in a given period divided by the size of the relevant market population by using push strategy. For example promotions, discounts, redemptions, giveaways, and fresh durian buffet promotions. To push the product out for the target customer especially during durian harvest seasons. And for pull strategy for example advertising, marketing communication to attract consumers especially for Chinese will be promoted throughout the tour agency company.

2) Market Development Strategy by expanding the branch to other department store that popular for Chinese tourists shopping area. Then it will expand to other provinces such as Pattaya, Chiang-Mai, and Phuket if the brand is at the expansion. They can do a joint venture or franchise in China and including other countries where as durian are popular.

3) Product Development Strategy is an important way for businesses to stay ahead of the competitor and continue to appeal the changing needs/wants for existing customers. In new product development can be open up to new marketing channels and help increase market share. There are a variety of strategies that can be used for intended product development such as increasing sales by bring selling new products in current market. There will be a new research and development team to design a new menu and drink for the consumer try new product and not monotonous.

4) Diversification Strategy is a strategy that will bring company into a whole new market with new products or services. Companies may choose a diversification strategy for differences reasons. To increase sales for new products by growing from new business related to have it' s own original differentiate ( Concentric Diversification). Meaning that, which related to durian or other product supplement to durian as an alternative to customers who visit the restaurant will want to purchases for take-away.

5.4.2 Business Strategy is concerned with major resource issues e.g. raising the finance to build a new factory or plant. Strategies are also concerned with deciding on what products to allocate major resources and the scope of a business' activities. It is a strategy that company can use to gain more advantage or to continue to compete with its competitors in the market place or industry whereas business unit operates directly. By leveling aging the resources and talents for the company to gain more competitive advantage of the business success.

Two main categories of strategies can be identified:

1) Differentiation Approaches to differentiation include developing unique brand images, unique technology system, unique channels features, and unique customer service. In other words, the key of differentiation is to obtaining an advantage that is readily perceived by the consumer. To increase costs usually can be passed on to the buyers due to the uniqueness of the product attributes. It will focus on branding which letting the consumers acknowledge that there is a Durian Dessert Café in the name of CHUZIE café that is unlike other Cafés. By telling the story behind the durian café that is interesting enough and pursuing the consumer. Also promote the brand advertisement in various media, such as China's traveling e-magazine. Other online media include such as Line-official, Facebook-page, and Trip-Advisors for consumers to follow and news updates including reviews and comments. It's will make the brand have it's own meaning deserves to be memorable and eventually leading to brand Culture.

5.4.3 Functional Strategy to support successful business strategies functional strategy is the definition of the concept that emerges as a key element:

1) Marketing Strategy CHUZIE café position itself as the premier dessert-style restaurant located in Bangkok, Thailand. By offering quality durian dessert café style and provide with quality ingredients at reasonable prices. Customers will enjoy the quaint surroundings inside with the modern wooden tables and utensil design. The café will provide a relaxed comfortable atmosphere and when customers step into they feels the warmth/cozy and best services as in the finest dining place. Focus on media marketing which the targeted customers is at mid to high class and Chinese consumers. In the beginning of the e marketing will focus on the brand awareness and attract

customers to come to the café in order to achieve sales volume and short-term profit including quality of service.

2) Corporate restructuring strategy:

- Responsibility line of management was branched out to be able to evaluate performance more clearly by headquarters control the sub branch. The café will focus on producing quality food according to GMP standards.

3) Financial and Investment Strategies:

- Find low-cost funding to support company growth.
- The financial structure of the financial ratios to facilitate both short-term and long-term business operations.
- Analyze each investment project to support the company's business plan to align the growth. Focus on investing the businesses that can generate great returns and dispose of the businesses that suffer in losses.
- Carry out tax management planning.

## Chapter 6

### Marketing and Sales Plan

#### 6.1 Marketing-Mix Strategy

From the various dimensions of 7P's marketing-mix, will be using as a guideline for creating marketing strategy as following details.

##### 6.1.1 Product Strategy

1) Product Positioning CHUZIE Café's is durian dessert's café that high quality of product and most customer centric café, to build a café where people can come and discover verity differences, CHUZIE dessert café uses the following types of positioning product as it is the dessert chain giant targets Chinese and local middle to high end customer segment only i.e. individuals who are willing to pay extra for the unique, quality of products and services adaptive positioning.

2) Unique Selling Point CHUZIE Café's is real durian dessert's café that dessert and drink made from real durian Due to the tendency of increasing consumer unique and difference awareness, CHUZIE café developed durian dessert and beverages with high quality on the menu which selected directly durian from the garden to be sure get fresh, the best quality of durian to make the items such as Smoothies, Durian Coffee Smoothies, Mixed Berry Smoothies, Coconut Juices or Smoothies, Ice cream Monthong Ice-Cream, Kanyao Ice-Cream, Cake such as Durian Cheesecake Golden Durian Cake.

3) Cost Leadership: Chuzie is a café that will be focusing on only the local fruits such as durian and in the market which have plan to expand across the country. For this seasons would like to gain a many power so that the supplies will be in low-cost than others supplier. Because of large purchasing will help the cost of production and enables high competitiveness.

4) Differentiation Strategy: The differentiation for products and services will help being the business opportunities and add more value to it products and services. With the design in new menus will meet the needs to customers.

5) Branding Strategy: Branding makes customers memorize and add value to the customer's heart, Focus on story creation to make it unique to durian cheese smoothies and durian cake Chuzie café's story will be as following details.

### **Chuzie café's Story**

Everyone have his or her own childhood dreams as one of the Praphaphon Makmettakul (AMM) co-founder of Chuzie café. This is one of her childhood dreams that once she grows up and with the right time to open her own cafe she would. But how to differentiate from other cafe or beverages shop is the most important part in the business strategy and products strategy.

As of her hobbies she loves to bakes and offer to her group of friends and family to try. She had baked cookies for her family business customers and there are many feedbacks and until now those customers who had received the cookies was for yearly gift and they're willing to purchases her baking. However, she is not a sweet tooth kind of person, which is interesting a person who not so much into sweets but loves to bake sweets!

Therefore, she had recreated her own receipts by adding her own signatures and style adding the care to eater as it she who's the one eating. However, there are so many bakery in Bangkok which is it hard to stand out in a short period of time or not success at all. Then she has an idea that with Thailand kind of weather it doesn't get cold or even have a real winter! Then again why not do beverages available in the small dessert café. There are not many beverage shops in Bangkok that use Thai traditional ingredients.

Yes, there are some that selling in the supermarkets but with poorly market strategy not as many people are known. She believed with the love and passion for what preparation in ingredients and with her own signature recipes each of items in the menus will turn out homemade, passionate and delicious. Chuzie café welcome you to the one of the favorite place that offers the best fresh durian drinks and many other local herbal beverages café in town with the uniqueness designed drinks.

Praphaphon Makmettakul ( AMM) will operate Chuzie café, which is synonymous with quality, clean drinks and unique style. The passion is the biggest strength and with the great teamwork will always works hard as a team to deliver that

passion concept from deliciously desserts to the guarantee of an unforgettable experience to the customer.

The love is to extended through each of the item will be prepare in house daily from our unique homemade handcrafted premium durian flavors made in limited batches daily to give them the best consistency and rich flavor to our decadent durian cheese cake. We believers in our values, unique, customers' satisfaction, and our goal are to put as many smiles on as many consumers as possible. Love and passion is our first priority to gives happiness and with delicious drinks or dessert to all of the customers. As mentioned in beginning in history that she is not a sweet tooth person but loves to bake sweets and now the dream will come true!

- Find a partner with the same target customer and do market together with the Chinese tour company. It's a way to get more benefit in marketing and have lower investment. The selected partner cooperation to promotes the café to the same target customer by bringing each of the hot item products to do promoting at same period or sale promoting to the same channel.

#### 6.1.2 Pricing Strategy

Will be focus on product life cycle because value of goods and services will change according to product life cycle. The moment of launching into the market normally gets highly attention and easily sells at a high price with promotion bundles. After that there were other goods and services coming along the market which some of the menus items will lower the price fits to environmental and market competition. But if continues creating new products or development it will put more values to the products and services. It can be sold at a reasonable price or high price, which can use price strategies into businesses are divided into four categories as below:

1) Economy strategy: Set standard prices for standard quality products to be competitive in the market, including Durian Smoothies: priced starting at ₱100.

2) Penetration strategy: Set low prices for high quality products to penetrate the market faster, including Durian cake menu.

3) Skimming strategy: The quality of the products and services is not high, but the high pricing at the starting point which will be put on for promotion in the price

promotion later on. However, for the ice-cream menu session starting price at 190 Baht per serve (2 scopes), but if the price drops by 50% from the original price it still make it's profit of 60%.

#### 6.1.3 Place Strategy

- 1) It is a place where the target group mainly/must go
- 2) It is a convenient place to travel with variety transports option.
- 3) Large area of parking
- 4) The environment has a good atmosphere, cleanliness, and good management and customer service.

#### 6.1.4. Promotion Strategy

This strategy is to purpose and provide targeted customers awareness and desirer levels and then create strategies appropriately. Promotion for distribution channels and promotion within organization itself can achieve the purpose of the promoting for example, sale volume, Image and other aspects beyond. By adopting integrated marketing communication principles (IMC) to use more than one specific promotion, which is:

- (1) Promotion: during the durian harvest season will be bring the fresh durian to boost the promotions. Also will provide delivery services of fresh durian fruits only or any items from our menu.

#### 6.1.5 Physical Evidence

It will present by the physical characteristics to the customers throughout the decoration of the café shop with gardening refreshes and the fresh senses. The furniture will be using lightwood color to at personality to the shop.

#### 6.1.6 People

Provide competent personnel and loving the hospitality services. Also to speak bilingual or trilingual languages either in English or Chinese to be able to communicate with foreigner and there will be a training on various service processes.

For the waitress staffs will be train with a better understanding and knowledgment of the company product, customer behaviors, sales technique and sociable's. Every two months each of the teams will have the training session and set a budget for the training and the results of the training individually. Evaluation of training for the servers and managers will be sales volume, absenteeism, order rates, customer feedback, customer complaint, and number of new customers etc.

#### 6.1.7 Process

The service process starts from leading the customer to order food and pay, and give the customer table number or a queue number (takeout). When food is ready to serve the staff will bring food to serve by queue number, free complimentary water is provided the customer must self-service.

### 6.2 STP Analysis

- Segmentation (S): Groups of people who enjoy and wanting to try Thai herbal beverages in modern style and enjoy durian in particular.

- Target (T): Mainly focuses on Chinese consumers who want/plan to shop in downtown Bangkok. And looking for a pleasant environment, clean and comfortably enjoy especially Durian and Thai Herbal drinks. The strategies which is:

1) Online Communication: by using Social Media channels that target customers user acknowledgment them and can find the reviews of various restaurant such as Facebook Page, QQ, WeChat, Weibo, Renren, Baidu search engine, Google Ad words, Line, and many more and also used which of channel to send an promotion blast to consumer users.

2) Offline Marketing: will be using Brochure distributes within Central World Mall area escalator and advertise at travel books or follow the tour bus.

3) Promotion: during the durian harvest season will be bring the fresh durian to boost the promotions. Also will provide delivery services of fresh durian fruits only or any items from our menu.

4) Join Venture: Will be partner with Line Man, Food Panda, Uber Eats in the foods delivery services for customers. However, for the Durian Heaviest Season there will be a choice of the durian maturity levels from crunchiness; crunch but soft inside or very soft.

- Positioning (P): Chuzie is setting at the middle to high in the market of Café. Impressing the consumers by provide desserts and drinks menu which offer fresh durian or the king of fruit in Thailand, focus on the atmosphere, Decor an attentive service and friendly.

### **6.3 Annual Marketing Plan**

Chuzie Café will have marketing teams, which have a task on hiring PR consultants and Restaurant consultants. It is one of a master plan for marketing management to reach the sales target to insure the success of the plans such as sales growth, market dominance and profitability etc., the analysis is as follows.

1) Analysis of Economic Growth Rate: this is the main index for determine the direction of the market for the company. Actual inflation to be used as a basis of sales analysis and market results in other areas.

2) Analysis of the Growth Rate: Will helps to know the true state of the market and the competition in the restaurant market. This will be inevitably affecting the performance of the company in both positive and negative periodic assessment of market growth such as monthly or quarterly. It allows you to track market changes and find a solution before hand.

3) Sales analysis: Is the actual measurement of sales compared to the target sales goals. Sales analysis will be done every month and yearly sales report. And sometimes it can be done more often than that. Sales analysis is done in various aspects including sales value, sales volume and value, and sales volume by sales area.

4) Market Analysis: It's compared the company's sales with other competitors in the market to have the actual results of the company how successful it is. Although the company's actual sales are higher than have targeted but doesn't mean successful profitable. If the growth rate is lower than the market and the market share analysis will

help to understand the company's performance relative to other competitors in the same industry.

5) Analysis of Marketing Costs: Controlling the marketing plan must control the marketing costs either reach the goals or not. Periodic analysis of marketing costs compare with sales growth will help to control costs within budget target.

6) Analysis of Marketing Mixed: It's an important aspect of marketing plan. Start with analyzing the target customer as it were a marketing plan and it is follow marketing plan or not? Analysis of product strategy will be only focus on the product improvement plans and new product development. After that there will be an analysis for pricing strategy, distribution strategy plan and strategic product promotion.

7) Customer Satisfaction Analysis: The marketing that focuses on the needs and brings satisfaction to the target customer and customer satisfaction it is the ultimate goal of marketing. Satisfaction with target customers is to welcoming customers, suggestion, customers' awareness and fast pace services, with the various way stating from the reception counter and customer relationship by keep updating the activities to customers regularly etc. Customer Satisfaction analysis from the customers reviews of satisfaction either comment box or online page and many other supporting sites with also giving customers the opportunity to communicate with each other and the companies as well as to research for the new products and the market trial before implementing to the menu.

8) New Market Analysis Branch Expansion:

## 6.4 Marketing Plan Budget

**Table 6.1** Marketing Plan Budget

| BUDGET    | LIST                 | PURPOSE  |
|-----------|----------------------|--|
| 500,000   | Offline Marketing    | <ul style="list-style-type: none"> <li>- Brochure distributed by escalator.</li> <li>- Posters: Shopping mall, public transportation</li> <li>- Mini poster for each tables</li> <li>- Traveling magazines</li> </ul>                    |
| 1,000,000 | Online Marketing     | <ul style="list-style-type: none"> <li>- Facebook Page, Wongnai, Uber Eat, Line Official, QQ, WeChat, Weibo, RenRen, Baidu, DianPing, Google Business, TimesOut BKK and etc.</li> </ul>  |
| 1,000,000 | Marketing Consultant | <ul style="list-style-type: none"> <li>- Restaurant industry consultants</li> <li>- Restaurant marketing consultants</li> <li>- Research and development consultant</li> <li>- Food Solution etc.</li> <li>- Permits in foods</li> </ul> |

## **Chapter 7**

### **Operations plan**

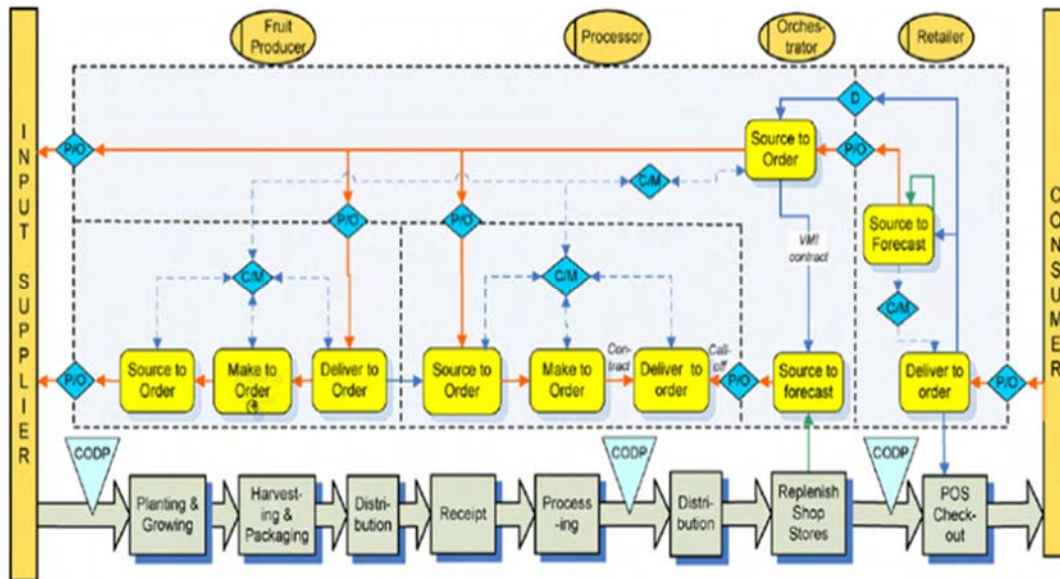
Chuzie café will be open 7 days a week which closing every Monday and opening hours at 11.00hrs - 21.00hrs. Therefore, requiring multiple of shifts and the schedules opening for the employees to filled in the hours that suitable them either increase or decrease hourly labor. Proper labeling and rotation techniques will ensure that high quality preparation will be sufficient availability to meet the demands during peak business hours. Replenishment and ongoing preparation will continue during off peak business hours.

#### **Chuzie café Strategy**

The company's current plans are to widen its specialty durian dessert offerings and offer them on a broader basis nationally. Additionally Chuzie café Brands General manager Praphaphon Makmettaku emphasizes the company's strategy to be a faster, delicious, user-friendlier alternative for a unique dessert. She is convinced that there is a market opportunity especially among a younger audience that is enamored with unique frothy dessert menu but daunted by its prices.

Addressing this issue Durian dessert plan to expand in prime locations, the company purposely leaves the fancy dessert stations, mood lighting and comfortable room. The company tries to reach a rate of one shop to every 1,000- 2,000 people in the target markets. According to the General Manager durian dessert café business industry is basically a "game" that relies on ubiquity. However, that is an important, but not the most critical, issue because high margins in the dessert café will allow the company to buy key sites.

Additionally the enterprise aims at improving its level of service and cross café consistency in service; a goal that is especially challenging because of the unique structure.



**Figure 7.1** Chuzie café Flowchart

**Source:** Santa Cruz, 2017

The diagram models a flowchart for processed fruits that is managed by Santa Cruz, 2017 Café orchestrator. The café has long-term contracts with all involved actors and is responsible for exchange of demand and supply information. The corporate purchasing department of the retailer combines the replenishment orders of all local stores. The fruit grower is fully anticipatory, i.e. sourcing, production and distribution are all to forecast.

## 7.1 Human Resource Needs

Chuzie café will ensure to hire people that are qualified, honest, customer centric and enthusiastic to work and be part of Chuzie team to build prosperous business that will benefits to all stakeholders (*the owners, workforce, and customers*). As a matter of fact profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more.

In view which we have decided to hire qualified motivated and competent hands to occupy the following positions:

- (1) Managing Director
- (2) General Manager
- (3) Financial Director
- (4) Marketing director
- (5) Media & Public Relations consultant
- (6) Restaurant Consultant
- (7) Restaurant Manager
- (8) Purchasing
- (9) Cashier
- (10) Bartender
- (11) Server
- (12) Bus boy

### 7.1.2 Roles and Responsibilities

#### 7.1.2.1 Managing Director

- 1) Increases management's effectiveness by recruiting the selecting from the orienting, training, coaching, counseling, and

- Disciplining managers: communicating values, strategies, and objectives.
- Assigning accountabilities: planning, monitoring,
- Appraising job results: developing incentives, developing a climate for offering information and opinions, and providing educational opportunities.

2) Build a communication and implements the organization's vision and mission and overall direction – i. e. leading the development and implementation of the overall organization's strategy.

3) Responsible for price changes and signing business deals

4) Responsible for providing direction for the business

5) Build a communication implements the organization's vision and mission and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

6) Responsible for cheque payment and documents approval on behalf of the company.

7) Evaluates the success of the organization.

8) Reports to the boarder

#### **7.1.2.2 General Manager**

1) Responsible for overseeing HR task and administrative tasks for the organization.

2) Reports of supplies by checking stocks, supply goods quality and quantity to order.

3) Ensures operation of equipment by completing preventive maintenance requirements.

4) Updates position knowledge by participating in educational opportunities: well-passage messages to employees, maintaining reports and participating in professional organizations.

- 5) Enhances department and organization reputation by accepting ownership for accomplishment new and different tasks and exploring opportunities to add more value to job satisfaction.
- 6) Defining job positions for recruitment and managing interviewing process.
- 7) Responsible scheduling/finalizing for training, evaluation and assessment of employees
- 8) Schedule for arrangement in travel, meetings and appointments with the boarders and etc.
- 9) Oversee the smooth running of the daily office activities.

#### **7.1.2.3 Marketing director**

- 1) External and internal research in coordinate all the internal sources of information to retain the organizations' best and attract new customers
- 2) Demographic models information and analyze the volumes of transaction data by customer purchasing
- 3) Identifies, prioritizes, and new business opportunities etc.
- 4) Identifies development opportunities: follows up on development leads and contacts, participates in the structuring finance budget of the projects and assures the completion of development projects.
- 5) Responsible for supervising implementation and advocate for the customer's needs and wants
- 6) Develops executes and evaluates new plans for increase sales
- 7) Customer contact information
- 8) Represents the company with strategic updates during the meetings
- 9) Helps to increase sales growth for the company

#### **7.1.2.4 Media & Public Relations consultant**

- 1) Manages the organization website and updates
- 2) Handles ecommerce aspect of the business
- 3) Responsible for contacting the IT to installing, maintenance computer software and hardware for the organization
- 4) Manages contact on logistics and supply chain software, web servers, e-commerce software and POS (point of sale) systems
- 5) Manages the organization CCTV
- 6) Handles any other technological and IT related duties.

#### **7.1.2.5 Financial Director**

- 1) Gathering and provide financial reports, budgets, and financial statements for the organization
- 2) Weekly to Monthly financial analyses of development budgets, accounting reports analyzes financial feasibility for the projects proposed and business conditions
- 3) Financial forecasting and risks analysis.
- 4) Cash management, general ledger accounting, and financial reporting
- 5) Development and managing financial systems within policies
- 6) Administering payrolls
- 7) Ensures compliance with taxation legislation
- 8) Handles all financial transactions for the organization
- 9) Internal auditor for the organization

#### **7.1.2.6 Restaurant Manager:**

- 1) Managing the daily activities of the Chuzic and kitchen inclusive
- 2) Ensures that the restaurant facility in top shape and conducive enough to welcome customers
- 3) Interfaces with third – party providers (vendors)

- 4) Reports to the General manager
- 5) Customers complains and enquiries
- 6) Prepares budget and reports for the corporation
- 7) Any other duty as assigned by the General manager

#### **7.1.2.7 Financial Director**

- 1) Responsible for preparing financial reports, budgets, and financial statements for the organization
- 2) Financial analyses, development budgets, accounting reports; analyzes financial feasibility for the most complex proposed projects, conducts market research to forecast trends and business conditions.
- 4) Responsible for financial forecasting and risks analysis.
- 5) Performs cash management, general ledger accounting, and financial reporting
- 6) Responsible for developing and managing financial systems and policies
- 7) Responsible for administering payrolls
- 8) Ensures compliance with taxation legislation
- 9) Settle all financial transactions for the organization
- 10) Serves as internal auditor for the organization

#### **7.1.2.8 Busboy/ Dishwasher**

- 1) Assists with the cleaning, sanitation, organization of the kitchen, walk-in coolers and all storage areas.
- 2) Ensures that food is properly stored.
- 3) Keeps dish area orderly and in compliance with safety standards.
- 4) Kitchen floors to ensure compliance with safety and sanitation standards.
- 5) Washes worktables, walls, refrigerators, and other food prep surfaces.
- 6) Transfers supplies equipment between storage and work areas.
- 7) Helps load and unload supplies product.

8) Performs other duties as assigned.

#### **7.1.2.9 Waiters:**

- 1) Promptly attends to customers in a friendly and professional manner
- 2) Ensures that un-occupied tables are always set and ready for customers
- 3) A point customer's table after they finish ordering
- 4) Handles any other duty as assigned by Restaurant manager

## **7.2 Logistics and Supply Chain Management Plan**

### **7.3.1 Raw Material**

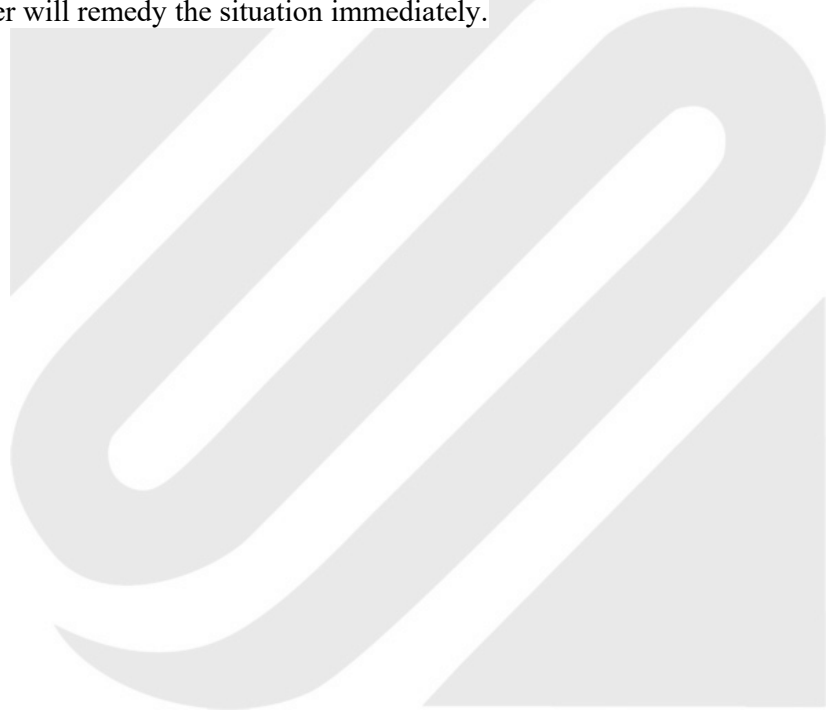
- (1) Fresh durian are transported from the care of the gardener from Nonthaburi, Trad and Rayong to the centralize kitchen of Chuzie café.
- (2) From the center preparation quarter and sent out to Chuzie café that will be delivery the finish product to the client.
- (3) The final pathway is food processor, or the warehouse from where these goods are serving it to the client.
- (4) Using multiple vendors: Food budgets. Chuzie café will have more than one supplier as well as vendor to ensure that the supply of fresh durian is smooth and steady. This is an effective way to make sure that we keep maintaining profit margins without having to increase the prices.
- (5) Manage inventory: The solution to decrease the amount of wastage product in the restaurant is through ensure that will be only order requirement items. Chuzie café will be using the integration of sophisticated software along with the utilization of mobile devices both for servers as well as restaurant managers, it will be helpful for the business to know precisely when and the amount to buy for certain supply. This will save a lot of hassles caused by sudden increases in food costs and keep track of the daily incomes.

### **7.3.2 Service Timetable**

- (1) The customer will be greeted at the Chuzie café's entrance promptly by the host/hostess or manager and escorted inside to order first and guide to the table. However, during the non-peak hours neither the host nor manager will be at the door to seat the guests or taking quince. In this case a server or bus person will greet the guest and lead them to the first ordering step and guide them to the empty table then let them know that someone will be attending to them momentarily. The objective of this stage is to recognize the customer and warmly welcome them.
- (2) The service timetable suggests that the staff member will arrive at the table within one or two minutes for the guests. It is best to provide a warm greeting and to take the drink order first.
- (3) Drinks will be delivered promptly to the guest so they can feel that we are knowledgeable in them. Additionally, upon the proper delivery of drinks the server will be asking the guest for any dessert order.
- (4) Desserts will be picked up from the kitchen within five to fifteen minutes of being ordered and should be brought directly to the table.
- (5) Approximately one minute after the order has been placed (automatically sent to the preparation unit) the last confirming the order taker will repeat what the guest ordered once again. If there is an error in the order or the way it was prepared it is always best to rectify the situation as quickly as possible. This illustrates good service and a respect for the customers' needs and expectations.
- (6) Once again, it will take approximately 10 - 15 minutes for the customer to finish their dessert or drinks. As for the billing at first customers will be paying after ordering but for ordering extra at the table the bill will be provided at the table. However, if they are trying to leave the restaurant quickly, prompt delivery will be noticed while slow delivery will be considered poor service.
- (7) The table will be cleaned and prepared within two – five minutes of the patron's departure. First are shown the patrons who remain that you are

concerned about cleanliness and for waiting consumers to be seated. It is also provides the restaurateur with the opportunity to turnover the table as quick thus potentially increase the sales.

Finally, Chuzie café will modify the time schedule in order to meet their individual circumstances. However, the parts of the service timetable or task which deal with the guest satisfaction or behavior and should not be altered. Accordingly, guests should always be greeted promptly upon entering the café and will be acknowledged by their server immediately upon seating. Additionally, while the dessert is served, as the server will come to the table to ensure that everything is settle and satisfy if not, the server will remedy the situation immediately.



## **CHAPTER 8**

### **FINANCIAL PLAN**

CHUZIE café expects to raise 5,000,000 baht from its own capital and borrow 5,000,000 baht from the bank as a long-term loan (twenty-year). Therefore, it provides the bulk of the current financing required.

CHUZIE café yearly annual sales approximate 18,220,944 baht (1<sup>st</sup> year), 20,043,038 baht (2<sup>nd</sup> year), and 24,051,645 baht (3<sup>rd</sup> year) in the plan. CHUZIE café is expecting a conservative increase by 10 % in sales revenues annually over the next three years. Profits for this time period are expected to be approximately 1,072,853 baht (1<sup>st</sup> year), 805,458 baht (2<sup>nd</sup> year), and 2,462,870 baht (3<sup>rd</sup> year). As below are the descriptions and analyses incorporate of each element.

#### **8. 1 Sales Forecast**

We are expecting a conservative increase by 10% in sales revenues annually over the next three years but will focus on increasing sales volume from each branch expansion, which is a long terms plan strategy. It is the same strategy as Pancake Café that the net profits is about 20% but After-You have net profit at 17%, due to no loaning from the bank. (Pancake Café, 2016)

Operation hours: The café will open for two shifts:

Lunch (11.00-17.00)

Dinner (17.00-21.00)

The Average Lunch Price: 150 Baht.

The Average Dinner Price: 180 Baht.

The number of seats: 30 seats

The following table shows expected Sales Forecast for 3 years:

**Table 8.1** Sales Forecast:

| Sales Forecast                  |              |              | 1 <sup>st</sup><br>Month<br>100% | 2 <sup>nd</sup><br>Month<br>3% | 3 <sup>rd</sup><br>Month<br>5% | 1 <sup>st</sup><br>Year<br>100% | 2 <sup>nd</sup><br>Year<br>10% | 3 <sup>rd</sup><br>Year<br>10% |
|---------------------------------|--------------|--------------|----------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|
| 1 <sup>st</sup> Month           | Shift        | Cover        | Revenue                          | Revenue                        | Revenue                        | Revenue                         | Revenue                        | Revenue                        |
| <b>Monday</b>                   | Lunch        | 80           | 13,500                           | 13,905                         | 14,467                         |                                 |                                |                                |
|                                 | Dinner       | 120          | 21,600                           | 22,248                         | 23,360                         |                                 |                                |                                |
|                                 | <b>Total</b> | <b>200</b>   | <b>35,100</b>                    | <b>36,153</b>                  | <b>42,827</b>                  |                                 |                                |                                |
| <b>Tuesday</b>                  | Lunch        | 90           | 13,500                           | 13,905                         | 14,600                         | <b>18,220,944</b>               | <b>20,043,038</b>              | <b>24,051,645</b>              |
|                                 | Dinner       | 110          | 19,800                           | 20,394                         | 21,414                         | <b>COGS</b>                     | <b>COGS</b>                    | <b>COGS</b>                    |
|                                 | <b>Total</b> | <b>200</b>   | <b>33,300</b>                    | <b>34,299</b>                  | <b>36,014</b>                  | <b>7,288,378</b>                | <b>8,017,215</b>               | <b>9,620,658</b>               |
| <b>Wednesday</b>                | Lunch        | 90           | 13,500                           | 13,905                         | 14,600                         | <b>GROSS PROFIT</b>             | <b>GROSS PROFIT</b>            | <b>GROSS PROFIT</b>            |
|                                 | Dinner       | 110          | 19,800                           | 20,394                         | 21,414                         | <b>10,932,566</b>               | <b>12,025,823</b>              | <b>14,430,987</b>              |
|                                 | <b>Total</b> | <b>200</b>   | <b>33,300</b>                    | <b>34,299</b>                  | <b>36,014</b>                  |                                 |                                |                                |
| <b>Thursday</b>                 | Lunch        | 90           | 13,500                           | 13,905                         | 14,600                         |                                 |                                |                                |
|                                 | Dinner       | 110          | 19,800                           | 20,394                         | 21,414                         |                                 |                                |                                |
| <b>Friday</b>                   | Lunch        | 100          | 22,500                           | 23,175                         | 24,334                         |                                 |                                |                                |
|                                 | Dinner       | 170          | 30,600                           | 31,518                         | 33,094                         |                                 |                                |                                |
|                                 | <b>Total</b> | <b>320</b>   | <b>53,100</b>                    | <b>54,693</b>                  | <b>57,428</b>                  |                                 |                                |                                |
| <b>Saturday</b>                 | Lunch        | 180          | 30,000                           | 30,900                         | 32,445                         |                                 |                                |                                |
|                                 | Dinner       | 230          | 41,400                           | 42,642                         | 44,774                         |                                 |                                |                                |
|                                 | <b>Total</b> | <b>430</b>   | <b>71,400</b>                    | <b>73,542</b>                  | <b>77,219</b>                  |                                 |                                |                                |
| <b>Sunday</b>                   | Lunch        | 160          | 27,000                           | 27,810                         | 29,201                         |                                 |                                |                                |
|                                 | Dinner       | 150          | 27,000                           | 27,810                         | 29,201                         |                                 |                                |                                |
|                                 | <b>Total</b> | <b>330</b>   | <b>54,000</b>                    | <b>55,620</b>                  | <b>58,401</b>                  |                                 |                                |                                |
| <b>Weekly Sales Total</b>       |              | <b>1,770</b> | <b>248,880</b>                   | <b>292,800</b>                 | <b>301,584</b>                 |                                 |                                |                                |
| <b>RECAP: Key Sales Figures</b> |              |              |                                  |                                |                                |                                 |                                |                                |
| <b>Daily Sales</b>              |              | <b>295</b>   | <b>35,554</b>                    | <b>48,800</b>                  | <b>50,264</b>                  |                                 |                                |                                |
| <b>Average Monthly Sales</b>    |              | <b>8,850</b> | <b>1,066,628</b>                 | <b>1,464,000</b>               | <b>1,507,920</b>               |                                 |                                |                                |

## 8.2 Start-Up

Startup costs will be 10,000,000 baht, which will be contributed by the owners of 5,000,000 baht and from Bank loan 5,000,000 baht.

Collateral of 3,200 square-meter lands with the interest rate of 12.2 baht per year. For the bank installment loans per month 25,000 baht (minimum) for 20 years.

**Table 8.2** Sources and Used of Funds

| List                                     | Amount            |
|--|-------------------|
| <b>Sources of Funds</b>                  |                   |
| Owners' and other investments            | 5,000,000         |
| Bank Loans                               | 5,000,000         |
| <b>Total Source of Funds</b>             | <b>10,000,000</b> |
| <b>Use of Funds</b>                      |                   |
| <b>Start-Up Expenses</b>                 |                   |
| Leasehold Improvements                   | 1,000,000         |
| Rent (100 SQM)                           | 450,000           |
| Insurance                                | 1,000,000         |
| Interior design (Luxury details)         | 2,000,000         |
| Inventory                                | 150,000           |
| Other                                    | 720,000           |
| Marketing & Media                        | 1,000,000         |
| Working Capital                          | 2,000,000         |
| <b>Total Start-Up Expenses</b>           | <b>8,320,000</b>  |
| <b>Start-Up Asset</b>                    |                   |
| 3 Juice blender machine                  | 30,000            |
| Ice Makers                               | 100,000           |
| Cake Display                             | 50,000            |
| Refrigerator                             | 25,000            |
| Stainless Steel Freezers                 | 40,000            |
| Commercial Dishwasher with Sink in Table | 50,000            |
| Stainless Steel Hood with Exhaust        | 50,000            |
| 3 Stainless Steel Work Tables            | 60,000            |
| 2 Hutch for Stainless Steel Table        | 40,000            |
| Liquid Fire Protection System            | 50,000            |
| Stainless Steel 2 bowl sink              | 40,000            |
| Liquid Fire Protection System            | 50,000            |
| 20 wood square tables                    | 200,000           |
| 30 bleached wood Café Chairs             | 175,000           |

**Table 8.2** Sources and Used of Funds (Cont.)

| <b>List</b>                 | <b>Amount</b>     |
|-----------------------------|-------------------|
| 30 track lighting           | 50,000            |
| Art and Décor               | 100,000           |
| Cash register + POS System  | 200,000           |
| 5 Office PC                 | 50,000            |
| Table                       | 100,000           |
| Chair                       | 90,000            |
| Kitchen Small wares         | 50,000            |
| <b>Total Start-Up Asset</b> | <b>1,680,000</b>  |
| <b>Total Use of Funds</b>   | <b>10,000,000</b> |

### **8.3 Financial Statement**

The company has a financial budget that includes statement of income, statement of cash flow and statement of balance sheet of three years times, starting from January 2018 to December 2020 to show the company's financial position as follows:

#### **8.3.1 Performa Invoice Profit and Loss**

As the Profit and Loss statement shows that, CHUZIE café will run at a slightly revenue and profit on the first two years. By using up some of the reserves initially budget invested by the founders. Therefore, as an expectation on the second years to be earning highly profitable and will be making an acceptable profit in the third year.

**Table 8.3** Performa Invoice Profits and Loss

| Pro Forma Profit and Loss     | 1 <sup>st</sup>  | 2 <sup>nd</sup>  | 3 <sup>rd</sup>  | 1 <sup>st</sup>   | 2 <sup>nd</sup>   | 3 <sup>rd</sup>   |
|-------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
|                               | Month            | Month            | Month            | Year              | Year              | Year              |
| <b>Income</b>                 | <b>1,066,628</b> | <b>1,464,000</b> | <b>1,507,920</b> | <b>18,220,944</b> | <b>20,043,038</b> | <b>24,051,645</b> |
| Cost of Goods Sold            | 426,651          | 585,600          | 603,168          | 7,288,378         | 8,017,215         | 9,620,658         |
| <b>Gross Profit</b>           | <b>639,976.8</b> | <b>878,400</b>   | <b>904,752</b>   | <b>10,932,566</b> | <b>12,025,823</b> | <b>14,430,987</b> |
| <b>Expense</b>                |                  |                  |                  |                   |                   |                   |
| Operating Expenses            | 83,334           | 83,334           | 83,334           | 1,000,000         | 1,000,000         | 1,000,000         |
| Rent                          | 450,000          | 450,000          | 450,000          | 5,400,000         | 5,400,000         | 5,400,000         |
| Salaries                      | 182,000          | 182,000          | 182,000          | 2,184,000         | 3,744,000         | 4,202,400         |
| Depreciation                  | 20,834           | 20,834           | 20,834           | 250,000           | 250,000           | 250,000           |
| <b>Total Expense</b>          | <b>736,168</b>   | <b>736,168</b>   | <b>736,168</b>   | <b>8,834,000</b>  | <b>10,394,000</b> | <b>10,852,400</b> |
| <b>EBIT</b>                   | <b>-96,191</b>   | <b>142,232</b>   | <b>168,584</b>   | <b>2,098,566</b>  | <b>1,631,823</b>  | <b>3,578,587</b>  |
| Interest 12.12%               | 50,500           | 56,950           | 50,500           | 606,000           | 500,000           | 400,000           |
| Tax 20% (profit more than 3m) | 124,000          | 28,446.4         | 33,716           | 419,713           | 326,364           | 715,717           |
| <b>Net Profit</b>             | <b>-270,691</b>  | <b>56,836</b>    | <b>84,367</b>    | <b>1,072,853</b>  | <b>805,458</b>    | <b>2,462,870</b>  |

## 8.3.2 Performa Invoice of Cash Flow

**Table 8.4** Performa Invoice of Cash Flow

| Cash Flow                     | 1 <sup>st</sup>  | 2 <sup>nd</sup>  | 3 <sup>rd</sup>  | 1 <sup>st</sup>   | 2 <sup>nd</sup>   | 3 <sup>rd</sup>   |
|-------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
|                               | Month            | Month            | Month            | Year              | Year              | Year              |
| Beginning Cash Balance        | <b>2,000,000</b> | <b>1,775,643</b> | <b>1,885,262</b> | <b>2,000,000</b>  | <b>3,628,853</b>  | <b>4,884,311</b>  |
| <b>Cash Inflows</b>           |                  |                  |                  |                   |                   |                   |
| Income from sales             | 1,066,628        | 1,464,000        | 1,507,920        | 18,220,944        | 20,043,038        | 24,051,645        |
| Depreciation                  | 20,834           | 20,834           | 20,834           | 250,000           | 250,000           | 250,000           |
| <b>Total Cash Inflows</b>     | <b>1,087,462</b> | <b>1,484,834</b> | <b>1,528,754</b> | <b>18,470,944</b> | <b>20,293,038</b> | <b>24,301,645</b> |
| <b>Cash Outflows</b>          |                  |                  |                  |                   |                   |                   |
| <b>Investing Activities</b>   |                  |                  |                  |                   |                   |                   |
| Cost of sales                 | 426,651          | 585,600          | 603,168          | 7,288,378         | 8,017,215         | 9,620,658         |
| <b>Operating Activities</b>   |                  |                  |                  |                   |                   |                   |
| Salaries and Wages            | 182,000          | 182,000          | 182,000          | 2,184,000         | 3,744,000         | 4,202,400         |
| Fixed Business Expense        | 554,168          | 554,168          | 554,168          | 6,650,000         | 6,650,000         | 6,650,000         |
| Pay Loan                      | 25,000           | 25,000           | 25,000           | 300,000           | 300,000           | 300,000           |
| Taxes                         | 124,000          | 28,446.4         | 33,716.8         | 419,713.28        | 326,364.56        | 715,717.4         |
| <b>Total Cash Outflows</b>    | <b>1,311,819</b> | <b>1,375,214</b> | <b>1,398,053</b> | <b>16,842,091</b> | <b>19,037,580</b> | <b>21,488,775</b> |
| <b>Cash Flow</b>              | <b>-224,357</b>  | <b>109,620</b>   | <b>130,701</b>   | <b>1,628,853</b>  | <b>1,255,458</b>  | <b>2,812,870</b>  |
| <b>Operating Cash Balance</b> | <b>1,775,643</b> | <b>1,885,262</b> | <b>2,015,964</b> | <b>3,628,853</b>  | <b>4,884,311</b>  | <b>7,697,181</b>  |
| <b>End Cash Balance</b>       | <b>1,775,643</b> | <b>1,885,262</b> | <b>2,015,964</b> | <b>3,628,853</b>  | <b>4,884,311</b>  | <b>7,697,181</b>  |

### 8.3.3 Balance Sheet

The table shows projected balance sheet for three years. Including assets, liabilities and Owner's equity as following details:

**Table 8.5** Balance Sheets

| Balance sheet                               | Base Period       | 1 <sup>st</sup> Month | 2 <sup>nd</sup> Month | 3 <sup>rd</sup> Month | 1 <sup>st</sup> Year | 2 <sup>nd</sup> Year | 3 <sup>rd</sup> Year |
|---|-------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                               |                   |                       |                       |                       |                      |                      |                      |
| <b>Current Assets</b>                       |                   |                       |                       |                       |                      |                      |                      |
| Cash  | 2,000,000         | 1,775,643             | 1,885,262             | 2,015,964             | 3,628,853            | 4,884,311            | 7,697,181            |
| Inventory                                   | 150,000           | 150,000               | 150,000               | 150,000               | 150,000              | 150,000              | 150,000              |
| Prepaid Expense                             | 2,170,000         | 2,170,000             | 2,170,000             | 2,170,000             | 2,170,000            | 2,170,000            | 2,170,000            |
| <b>Total Current Assets</b>                 | <b>4,320,000</b>  | <b>4,095,643</b>      | <b>4,205,262</b>      | <b>4,335,964</b>      | <b>5,948,853</b>     | <b>7,204,311</b>     | <b>10,017,181</b>    |
| <b>Fixed Assets</b>                         |                   |                       |                       |                       |                      |                      |                      |
| Building Improvement                        | 1,000,000         | 1,000,000             | 1,000,000             | 1,000,000             | 1,000,000            | 1,000,000            | 1,000,000            |
| Interior design                             | 2,000,000         | 2,000,000             | 2,000,000             | 2,000,000             | 2,000,000            | 2,000,000            | 2,000,000            |
| Equipment and Fixtures                      | <b>1,680,000</b>  | <b>1,680,000</b>      | <b>1,680,000</b>      | <b>1,680,000</b>      | <b>1,680,000</b>     | <b>1,680,000</b>     | <b>1,680,000</b>     |
| Insurance                                   | 1,000,000         | 1,000,000             | 1,000,000             | 1,000,000             | 1,000,000            | 1,000,000            | 1,000,000            |
| <b>Total Fixed Assets</b>                   | <b>5,680,000</b>  | <b>5,680,000</b>      | <b>5,680,000</b>      | <b>5,680,000</b>      | <b>5,680,000</b>     | <b>5,680,000</b>     | <b>5,680,000</b>     |
| Depreciation                                | -                 | 20,834                | 41,668                | 62,502                | 250,000              | 500,000              | 750,000              |
| <b>Total Assets</b>                         | <b>10,000,000</b> | <b>9,754,809</b>      | <b>9,843,594</b>      | <b>9,953,462</b>      | <b>11,378,853</b>    | <b>12,384,311</b>    | <b>14,947,181</b>    |
| <b>Liabilities and Owner's Equity</b>       |                   |                       |                       |                       |                      |                      |                      |
| <b>Liabilities</b>                          |                   |                       |                       |                       |                      |                      |                      |
| Accounts Payable                            | 10,000            | 25,500                | 57,450                | 82,950                | 30,6000              | 50,6000              | 60,6000              |
| Loan Bank                                   | 5,000,000         | 4,975,000             | 4,950,000             | 4,925,000             | 4,700,000            | 4,400,000            | 4,100,000            |
| <b>Total Liabilities</b>                    | <b>5,000,000</b>  | <b>5,000,500</b>      | <b>5,007,450</b>      | <b>5,007,950</b>      | <b>5,006,000</b>     | <b>4,906,000</b>     | <b>4,706,000</b>     |
| <b>Owner's Equity</b>                       |                   |                       |                       |                       |                      |                      |                      |
| Common Stock                                | 5,000,000         | 5,025,000             | 5,050,000             | 5,075,000             | 5,300,000            | 5,600,000            | 5,900,000            |
| Retained Earnings                           | -                 | -270,691              | -213,856              | -129,488              | 1,072,853            | 1,878,311            | 4,341,181            |
| <b>Total Owner's Equity</b>                 | <b>5,000,000</b>  | <b>4,754,309</b>      | <b>4,836,144</b>      | <b>4,945,512</b>      | <b>6,372,853</b>     | <b>7,478,311</b>     | <b>10,241,181</b>    |
| <b>Total Liabilities and Owner's Equity</b> | <b>10,000,000</b> | <b>9,754,809</b>      | <b>9,843,594</b>      | <b>9,953,462</b>      | <b>11,378,853</b>    | <b>12,384,311</b>    | <b>14,947,181</b>    |

## 8.4 Payback Period

**Table 8.6** Net Cash Flow Statements

Based on analysis data of each year, the payback period of the project is 4 years 6 month and 14 days.

| Cash Flow            | Yearly    | Net Cash Flow |
|----------------------|-----------|---------------|
| 1 <sup>st</sup> Year | 1,628,853 | 1,628,853     |
| 2 <sup>nd</sup> Year | 1,255,458 | 2,884,311     |
| 3 <sup>rd</sup> Year | 2,812,870 | 5,697,181     |
| 4 <sup>th</sup> Year | 2,812,870 | 8,510,051     |
| 5 <sup>th</sup> Year | 2,812,870 | 11,322,921    |

## 8.5 Ratio Analysis 2812870 194

Auditing with financial analysis will help management find weaknesses and strengths of quantifiable performance to find strategies to exploit and improve the operation. Business ratios for the years of this plan are shown below.

**Table 8.7** Ratio Analyses

| Ratio Analysis             | 1 <sup>st</sup> Month | 2 <sup>nd</sup> Month | 3 <sup>rd</sup> Month | 1 <sup>st</sup> Year | 2 <sup>nd</sup> Year | 3 <sup>rd</sup> Year |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Efficiency Ratio</b>    |                       |                       |                       |                      |                      |                      |
| Return on Assets (ROA)     | -2.71                 | 0.58                  | 0.86                  | 10.78                | 7.08                 | 19.89                |
| Fixed Asset Turnover       | 0.5                   | 0.51                  | 0.51                  | 0.50                 | 0.44                 | 0.40                 |
| Total Assets Turnover      | 0.19                  | 0.26                  | 0.26                  | 3.21                 | 3.53                 | 4.23                 |
| <b>Profitability Ratio</b> |                       |                       |                       |                      |                      |                      |
| Gross Profit Margin (%)    | 60                    | 60                    | 60                    | 60                   | 60                   | 60                   |
| Operating Profit Margin    | -9.02                 | 9.71                  | 11.18                 | 11.52                | 8.14                 | 14.88                |
| Net Profit Margin          | -25.38                | 3.88                  | 5.60                  | 5.89                 | 4.02                 | 10.24                |
| <b>Leverage Ratio</b>      |                       |                       |                       |                      |                      |                      |
| Debt Ratio                 | 0.5                   | 0.51                  | 0.51                  | 0.50                 | 0.44                 | 0.40                 |
| Debt to Equity Ratio       | 1                     | 1.05                  | 1.03                  | 1.01                 | 0.78                 | 0.65                 |
| Times Interest Earned      | 1.90                  | 2.40                  | 3.34                  | 3.46                 | 3.26                 | 8.95                 |

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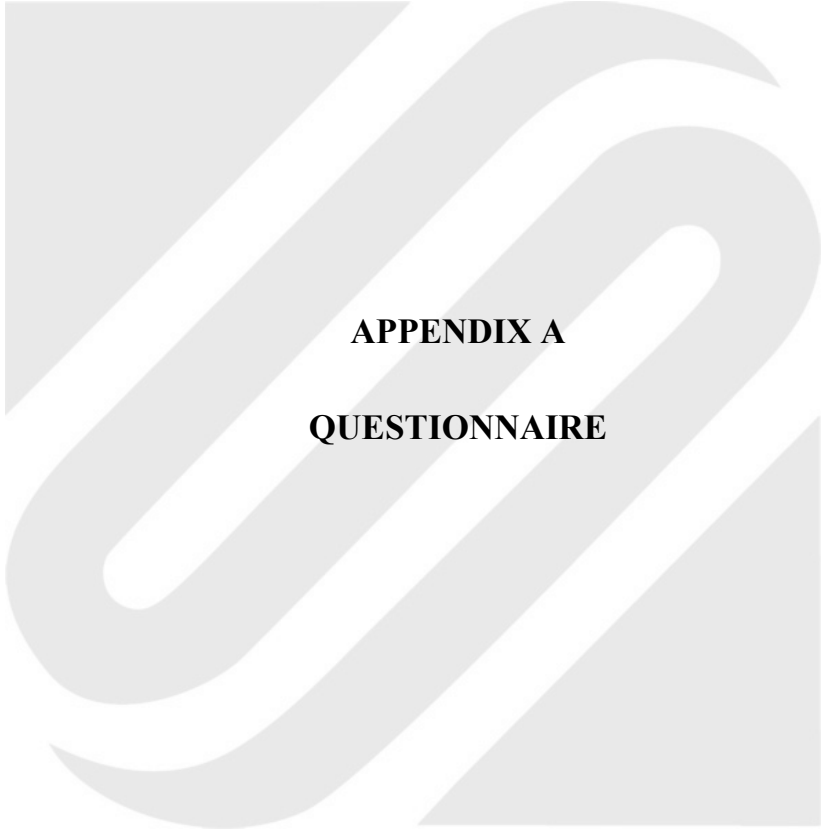
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**APPENDIX A**  
**QUESTIONNAIRE**

## QUESTIONNAIRE

### “CHUZIE café”

This questionnaire is to the study the market of Durian cheese drink and Durian Cake of CHUZIE café which have plan to open at Central World Department Store by Durian Cheese Drink selling at 150 Baht and Durian Cake selling at 250Baht.

The questions are categorized into 3 parts as follow:

Part 1: Personal Information

Part 2: Satisfaction of respondents toward the Marketing-Mix of Durian cheese drink and durian cake

#### **Part 1: Personal Information**

Please check  in the line boxes that best describe your answer

1. What is your Gender?

1). Male

2). Female

2. How old are you?

1). 21 – 30

2). 31 – 40

3). 41 – 50

4). Above 50

3. What is highest level of education you have?

1). High School

2). Certificate, Diploma

3). Bachelor Degree

4). Master Degree

5). Ph.D.

4. What is your occupation?

- 1). Student       2). Business Owner       3). Government Officer  
 4). State Enterprise Officer       5). Private Company Employee

**Part 2:** Satisfaction of respondents toward the Marketing-Mix of Durian Cheese Smoothies and durian cake.

Please indicate the scale that the best describes your opinion on the performances after tasting durian cheese drink and durian cake.

1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree

| Marketing - Mix Factor                          | Durian Cheese Smoothies |   |   |   |   | Durian Cake |   |   |   |   |
|---|-------------------------|---|---|---|---|-------------|---|---|---|---|
|   | 1                       | 2 | 3 | 4 | 5 | 1           | 2 | 3 | 4 | 5 |
| <b>1. Product</b>                               |                         |   |   |   |   |             |   |   |   |   |
| 1. Taste delicious and balance                  |                         |   |   |   |   |             |   |   |   |   |
| 2. Presentation                                 |                         |   |   |   |   |             |   |   |   |   |
| 3. Perception durian taste                      |                         |   |   |   |   |             |   |   |   |   |
| 4. The perfect combination of durian with food. |                         |   |   |   |   |             |   |   |   |   |
| <b>2. Price</b>                                 |                         |   |   |   |   |             |   |   |   |   |
| 1. Valuable for money                           |                         |   |   |   |   |             |   |   |   |   |
| 2. Prices are reasonable                        |                         |   |   |   |   |             |   |   |   |   |
| <b>3. Place</b>                                 |                         |   |   |   |   |             |   |   |   |   |

|  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|
| 1. Central-World department store good location for selling this product.                              |  |  |  |  |  |  |  |  |  |  |
| 2. If this product is in the beautiful atmosphere at Central-World you will decide to use the service. |  |  |  |  |  |  |  |  |  |  |
| <b>Promotion</b>   |  |  |  |  |  |  |  |  |  |  |
| 1. Central-World department store good location for selling this product                               |  |  |  |  |  |  |  |  |  |  |
| 2. If this product is in the beautifulatmosphere at Central-World you will decide to use the service.  |  |  |  |  |  |  |  |  |  |  |

**Thank you for dedicating your valuable time for sharing your thoughts with us.**

**Praphaphon Makmettakul**

**Graduate Students**

**Master of Business Administration Degree**

**Stamford International University**

A large, light gray watermark logo is centered on the page. It consists of a stylized, flowing 'S' or 'G' shape that curves and loops. The logo is composed of several overlapping, semi-transparent bands of the same color, creating a sense of depth and movement. The shape is roughly square, with the top-left and bottom-right corners being slightly cut off by the logo's curves.

**APPENDIX B**  
**Product Samples**

# Drink



### Ice-Creams (Low-sugar)



### Cake



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