

# [Product and market analysis of hong kong cafes](https://assignbuster.com/product-and-market-analysis-of-hong-kong-cafes/)

This feasibility study of the Hong Kong-style tea cafe was conducted over a period of 8 weeks with careful analysis of market. The accurate budget has been conceived for the feasibility and practicality of this project.

The goals of the Hong Kong-style tea cafe include providing a convenient place for consumers to eat and rest, making a profit as well as make the cafe famous in this region and further in Adelaide.

The feasibility research report contains the SWOT and 4Ps analysis, that is, the strength, weakness, opportunities, threats, product, price, place and promotion are analyzed. The strength and competition of the Hong Kong-style tea café are also researched.

## 2. 0 Products and market analysis

2. 1 Products and services

Cafe as the public code name, witnessed the changes in Hong Kong for half a century, it was full of civilians in the atmosphere, and carries the local culture, giving the consumers an intimacy of “ neighborhood”. No wonder many people say: Once leave Hong Kong, we will also miss the cafe[2].

Cafe is convenient, fast, and accommodates with the rhythm of modern life. The café price is affordable to the average consumption, which is about $A 10 – 15 per person per meal, so that even patronize every day, ordinary white-collar workers are also affordable.

The food style in this cafe is various, it supplies not only meat, seafood which is readily available in Chinese restaurants, but also steak, ham, salads, coffee and tea provided in western restaurant . The tea cafe also sells local traditional food such as noodles, fried snacks, oven fried dishes. In addition, there are some unique characteristics of tea food, including “ Couples”, which may be “ the most Hong Kong-style tea café drinks, so-called “ Couples” is the mixture of milk tea and coffee, such unique drinks embodies the modern fusion of East and West.

With the accelerating pace of life in city, the pressure of work is also growing, and eating food has become another mode of relaxation for tired people[3]. The fun of eating for city people is no longer confined in a simple color, smell and taste, and if the cafe is particular in its feature, it will be able to attract many customers. Casual cafe is so popular mainly attributes to random combinations. Firstly, the café has leisure environment, people can attain leisure and adequate food and enjoy the relaxation. Secondly, the price is moderate, about $A 10-15 per person, which is affordable for the average consumer. You can go with 3 – 5 friends, get a cup of tea and some casual food. In addition, it has a space for a long time rest, and consumers can sit there for two hours, or even half a day. With the development of leisure spending, cafes are becoming the trend of consumption for modern urbanites.

2. 2 Target market analysis

According to the survey, our target consumers are mainly young white-collar workers and students and the main push is the cheap and good tea, snacks and convenience – based food.

Because in this market there are a few high-grade and low-grade cafe, so the market position of the Hong Kong – style café is mid-grade, so that the main consumers of the cafe such as working people and students can afford it. However, the food in the cafe is divided into three grades, high, medium, and low. The high-grade food is business package target at white-collars; the mid-grade is distinctive dessert for the students; the low-grade mainly refers to drinks such as tea, so that shopping people can be attracted into our cafe. The cafe can also push a chocolate hot pot, which is different from the traditional hot pot. The chocolate hot pot make chocolate as the main material, the main taste is sweet. The consumers can put in any fruits they like such as grapes, strawberries, bananas, apples, pineapple. The papaya and other dried fruit are also good choices.

## Area

## Age

## Average monthly pocket money

## Frequency

## Hobby

## Urban

## 14-19

## Students

## 50-200

## Occasionally

## Tea, Snacks

## 20-24

## College students

## 700

## Always

## Dessert, Tea

## 25-30

## White-collars and young people

## Own money

## Always

## Rice, Snacks

## 30-50

## Own money

## Occasionally

## Dessert, Tea

## Suburban

## 14-19

## Students

## 50-150

## Occasionally

## Tea, Snacks

## 20-24

## College students

## 500

## Always

## Dessert, Tea

## 25-30

## White-collars and young people

## Own money

## Always

## Rice, Snacks

## Figure 1 Market segmentation analysis[4]

## 3. 0 Analysis of site

3. 1 Analysis of traffic

King William Street is a part of a major arterial road, and the width of it is 42 m, which is the widest main street among all the capital cities of Australian State. It separates Adelaide from south to north and it continues to cross over the Torrens River into the North Adelaide as King William Road, which is with the same width[5]. It nears Chinatown, Rundle Mall and Victoria.

3. 2 Analysis of consumption

The main target of this cafe is the young working people and students. The King William Street nears Chinatown, Rundle Mall and Victoria, which is the most famous business circle, and it the first choice for office workers and students to relax and spend their holidays, so customers come to our shop will be certainly not less and even more in weekends, summer and winter vacations. Students and working people may choose to have dinner in the cafe, contacting the friends.

3. 3 Analysis of competitors

The competitor of the cafe is OBUN CHEF, which is on the King William Street, along the direction from Rundle Mall to Victoria, and it is on the left of the second intersection. The OBUN CHEF also provides sweet tea and dessert. Other cafes do not supply this kind of food. However, if the food in this Hong Kong-style tea cafe is unique, it will certainly attract customers.

As it is now KFC and McDonald’s is very popular all over the world, but with the ideas to enhance the health, people now increasingly focus on health and further on food choices[6]. This tea cafe is pushing the health food, which is attractive to consumers.

## 4. 0 SWOT analysis

4. 1 Strength

The Biggest advantage is the team’s wisdom, and the ability to do integrated marketing innovation. The chef and marketing talents are superior to other cafes in this region, which provides the greatest protection for the cafes to enter this industry.

4. 2 Weakness

The absence of experience in this region is the most weakness for the cafe. But we know how to insight into consumers’ demand, and then transported through the marketing to meet the needs of consumers, we know how to create a distinctive brand. We can employ the informed person who is familiar with the target market to enhance the produce process and management.

4. 3 Opportunities

Product homogeneity in the industry is serious, the product is colorless, and the market segmentation and positioning is of no depth. All brands are lack of a clear position, no brand with a clear personality and characteristics, and they do not attach importance to build and shape the brand image, also, the marketing is basically identical, so the entire industry market is lack of clear differences in personality of the brand, which are our market opportunities. We can draw our comprehensive marketing innovation and to build our own unique brand.

4. 4 Threats

The imitation and follow-up of competitors are the biggest threat to our development. If we have the innovative marketing approach, competitors certainly will imitate and follow-up. The solution when face the threats is to predict the imitation of competitors in advance, so we need to stay one step ahead on marketing strategy, the innovation must be fast, always keeping the leader of marketing innovation.

## 5. 0 Marketing strategy

5. 1 Brand strategy

Brand position must be clear, it is the first step into the market, and it must be fresh for the consumer s’ awareness of brand image.

5. 2 Product strategy

Combine the food type of competitors to classify the food and indicate on menus and promotional materials. At the same time, the soup must be diversified (specific soup is determined after the investigation of competitors). To enhance the added value of dishes, each meal is designed with a special single-page newspaper, the contents of which are jokes, or how to improve nutrition, or how to relax. It is under lunch boxes, and can meet the food habits of reading the newspaper as well as promote the brand. The Package of products like soy milk is best to seal, and it is better to collect the boxes of competitors, and then consider our distinctive package to avoid the leakage of vegetable soup.

5. 3 Price strategy

Our price must always a litter higher than competitors, and match the value of nutrition, health, fun, and higher speed we provide.

5. 4 Sales channels

(1) Publicize it through traditional direct marketing methods

(2) Build our corporate website, through online order

(3) Bundling promotion with delivery of milk and water

(4) Co-marketing with other places such as offices around the cafe

5. 5 Advertise strategy

(1) Deliver a single page through the business office staff; collect contact information to consider post; consider publicity through the network.

(2) Make the personnel wear uniform clothing, ride a bike with standard color and signs of the brand (consider advertising on bicycle wheel), or walk on the main streets at noon time. Maintain a certain frequency in more than a few days.

5. 6 Promotion strategy

To stimulate the early order of consumers and achieve brand awareness as soon as possible, it can provide a free meal, and the number is controlled at about 1500 copies.

(2) When the cumulative order reaches 6 – 10 copies, supply a free meal (it is determined after considering the cost). This action aims at consolidating the existing consumer awareness and expanding the brand and the impact, which are helpful to quickly grab market share from competitors.

(3) In order to stimulate the spending frequency and loyalty of consumers, in the promotion process, consider the accumulated awards (online at the same time), such as if the consumption of a consumer reaches 100, he/she can get some gifts.

## 6. 0 Brand planning and communications

6. 1 Brand planning

The core values of the brand

The core values of the brand are nutrition, speed, and short pleasure of dining.

Brand name

The name must be distinctive, easy to remember and understand, easy to read and spread.

Brand image carrier

Under the brand name, consider the corresponding brand mascot, and it must be easy to strengthen brand awareness and improve brand affinity. This is the difference between our brand and competition brands. Now most of competitors do not pay attention to the overall brand image.

Visual identity system design

Design the Visual identity system, contains the standard color logo, brand slogan portfolio, mascot, cycling and distribution of automotive, propagation and promotion of a single page of meal reports, work clothes, lunch boxes (need characteristics) and others.

6. 2 Brand communication

Release supply information online with high frequency, and preferably releases soft paper news to enhance the credibility and publicity through msn and blog; set up a business and corporate web sites.

## 7. 0 Analysis of management

7. 1 Estimation of investment

The Hong Kong – style tea café is in King William Street, according to the monthly rent in that area[7], the cafe needs to afford about $A 15000 per month. Store tables and chairs, air conditions are also needed. The cost also contains the decoration soft decoration cost. The estimated cost is about 300 thousand.

7. 2 Estimation of operating profit

(1) Monthly profit

If the cafe daily average sales is $A 30 per square, the area of the cafe is 140, then the whole sales is $A 4, 200 per day.

Estimation of monthly cost

Items

Cost

Wages(10 person)

$A 10000

Rent

$A 15000

Depreciation charges

$A 6000

Utilities

$A 3, 000

Total¼š

$A 34000

## Figure 2 Monthly cost analysis