# China-Pakistan restaurant Project Business Plan

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Abstract: Recent years, the restaurant sector in Pakistan has experienced noteworthy growth, attributed to factors such as urbanization, increased women's employment, the influence of American culture, and a growing interest in continental cuisine. Projections indicate that by 2030, Pakistan will boast nearly 60 million consumers, securing its position as the 7th largest consumer market globally (The Nation, 2022). This business proposal strategically seeks to discern the potential market demand for a Chinese restaurant in the F-11 district of Islamabad, Pakistan. A survey conducted in the target area revealed that 68.8% of respondents expressed a perceived need for a Chinese restaurant in F-11. Furthermore, 50.8% considered the idea of establishing a Chinese restaurant as excellent, while 46% regarded it as a good proposition. Recognizing the prevailing trends in the consumer market, the study emphasizes the importance of building strong brand recognition through effective utilization of social media platforms. Motivated by an entrepreneurial spirit and a genuine passion for the venture, this business plan draws inspiration from the substantial growth witnessed in China Pakistan Economic Corridor (CPEC) projects and the heightened interest in authentic Chinese cuisine in Pakistan. The startup aims to fill a market gap by offering an authentic Chinese culinary experience with an emphasis on quality. In the theoretical segment, various methodologies, including SWOT, macro-environment analysis, Porter's five forces analysis, and STP analysis, have been systematically employed.

Keywords: China-Pakistan Restaurant; Start a business; Islamabad

#### Introduction

The Chinese cuisine Restaurant intends to be established in capital city Islamabad, Pakistan. On the base of empirical knowledge and surveys it is clear that opening up a "China-Pakistan Restaurant" would be a profitable business. A business plan is an essential for a new business as it gives thorough knowledge of opportunities, weaknesses, threats and strengths of the market. (Adeel Gill, 2011) This business plan is a basic study to open an authentic Chinese restaurant in F-11 area of F sector located in Islamabad the capital city of Pakistan. This project aims to cater to the growing demand for Chinese culinary experiences. The restaurant, named "Zhong Ba" will focus on providing high-quality, traditional Chinese cuisine in a contemporary and inviting atmosphere. The location for the restaurant is ideal as it is bustling area of Islamabad with an accessibility and visibility. The restaurant offers a diverse menu featuring authentic Chinese dishes consist of regional specialties and popular favorites. The restaurant aims to create a modern and culturally rich ambiance with traditional décor and seating. Chinese food has its uniqueness all over the world and Pakistan is the ultimate destination for Chinese food for profitable business. (Xinhua, 2021)

According to a thorough analysis of existing Chinese restaurants in Islamabad it is clear that there are several Chinese restaurants in Islamabad but specifically in f-11 area there is only one Chinese restaurant and majority people are not aware of its existence according to the survey author conducted. The hypothesis of this paper is that the restaurant's one and only competitor lack digital marketing tactics and it have limited social media presence. In this paper, the strengths and weaknesses of the competitor are identified in detail. The target consumers of the restaurant are both locals and tourists interested in experiencing authentic Chinese cuisine. Students, working professionals, business persons and families are the demographic segments of target consumers. The Target market for the restaurant is youth. People age 16-24 and 24-34 are our target customer to entertain. The capital city Islamabad is known as the modern city of Pakistan and it got ranked 19<sup>th</sup> city in the world in affordability. International students can pay tuition fee easily and living cost is also low. There are four top ranked universities of Pakistan are located in Islamabad and one university is ranked at 375<sup>th</sup> place worldwide. (Chloe Lane, 2020) Due to the presence of Pakistan's well-known universities in Islamabad, a major chunk of student lives in student housing available in F sector or near F sector area. Hence, they are coming from all over the Pakistan and from other countries too, they increase the richness of the city by bringing a diverse range of taste and culinary preferences. This expanding customer segment is a considerable portion of the business prospective clientele.

# Purpose & Objective

This business plan is mainly an effort to create a powerful brand using social media platforms in today's digital marketing; another purpose behind this study plan is an entrepreneurship spirit and passion. The researcher's foremost aim of this thesis is to find out start-up restaurant business opportunities in Islamabad f-11 region. The objective of this thesis is to know f-11 region's potential consumer's demands, needs and expectations. Secondary purpose of this research is to discover customer's preferences in terms of prices, restaurants, cuisine, quality and services.

ISSN: 2643-900X

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# **Background**

The background behind this business plan is inspired by the rapid growth of CPEC (China Pakistan Economic Corridor) projects and a broad interest in Chinese authentic cuisine. The initiative attempts to fill the need of the market by offering an authentic Chinese restaurant with a focus on giving a quality culinary experience. Number of Chinese nationals visiting Pakistan to work on hundreds of CPEC projects and number of Pakistanis visiting China for business or study purpose has increased the need of Chinese food. Pakistan's biggest cities such as Islamabad, Karachi and Lahore have Chinese restaurants in order to meet Chinese cuisine need. Many Pakistani restaurants situated in cities that are involves in CPEC projects offer Chinese dishes due to the huge presence of Chinese people. CPEC has opened extensive visions for commercial endeavors on both sides of the border. (Asif, M'Begniga, Ali & Usman, 2022) Pakistan's increasing population and more than 70 million middle-class consumers are the powerful agents that can turn innovative business ideas in Pakistan into a reality. (Graana, 2019) The first reason to choose "China-Pakistan Restaurant" business plan as a thesis topic is entrepreneurship. Only entrepreneurs can decrease the social unrest and have a better economic condition for the country. More and more business minded people are needed in the country that can provide employments and economic stability. (Thapa & Bina, 2018). Secondly, the increasing number of Chinese businessman, tourists, and families in Islamabad city provides with business opportunities. (Neliti, 2022)) The Belt and Road Initiative has created much greater visibility of both Chinese people and Chinese culture. And as cultural exchanges between the two countries become stronger and more frequent, it would also be more interesting to see regional Chinese dishes bring more variety to the Pakistani culinary scene. (Mahnoor Fatima, 2020) Thirdly, the capital has great opportunities for startup business. The final cause is being a former student in China, for Pakistani students who are studying in China, they are acting as ambassadors of both countries as during their stay in China they represent Pakistan and after coming back they represent China. (Xinhua, 2021) The author is deeply passionate to introduce authentic Chinese culinary traditions of China into Pakistan. This business plan aims to identify the target consumers, company's operational strategies, competitors' analysis, and the ability to generate the profit. (Vo Hong, 2014) The Zhong ba restaurant's mission is to be the most delicious and authentic Chinese cuisine restaurant in f-11 Islamabad. This project proposal outlines the key elements needed to establish and operate Zhong Ba, ensuring a successful and profitable Chinese restaurant in Pakistan.

# **Business Scope**

The food and beverage processing industry is the 2nd largest industry of Pakistan after textiles, accounting for 27% of the valueadded production and 16% of employment in the manufacturing sector. (Invest Pakistan) The research company World Data Lab estimates, Pakistan by 2030 will have almost 60 million consumers which takes the country at 7th spot in the ranking of the world's biggest consumer market. This means that by 2030 every Pakistani will be able to spend 11 dollars every day. (The Nation, 2022) Pakistan has a rich culinary culture with a wide variety of traditional dishes. There are huge opportunities for restaurant offering Chinese, continental, Middle Eastern and local cuisine. A large and growing population creates a substantial customer base. Young demographics with changing lifestyles, leading to increase dining-out trends, urbanization and a shift towards a more fast-paced lifestyle contributing to the demand for convenient dining options. Moreover, rise in dual income households increases the frequency of dining out. Tourism growth provides opportunities for restaurants, especially in popular tourist destinations. The demand for a variety of dining experience has increased from both local and tourist consumers. The use of technology for food delivery services has increased. The restaurants have the opportunity to enhance customer experience simply by having online reservation system. Islamabad is the busiest and beautiful city of Pakistan and one can enjoy a variety of dining experience. There are a number of tourists from countrywide and abroad. There are a number of restaurants which provide best services to both national and international tourists to Islamabad. Some multinational and corporate organizations also arrange their conferences and seminars on different issues in these restaurants. (Islamabad Net) For some years a number of 'food streets' have sprouted up in different cities, most notably Karachi, Lahore and Islamabad. (Humayon Dar, 2012) Before 2015 there weren't many places to eat Chinese food in Islamabad but after CPEC projects came into Pakistan everything changed drastically. The local restaurant business and Chinese restaurants grew in numbers and got huge profit as well. There are around thirty Chinese restaurants in Islamabad; it proves that CPEC brought more than trade and investment in Pakistan. A huge presence of Chinese citizens in the capital city due to CPEC has a vital part to increase the demand of Chinese food. It also helped restaurant sector to grow in the capital city. CPEC has boosted the restaurant industry along with great economic opportunities for Pakistan. (Xinhua, 2020) There is a sharp rise in the number of families dining out compared to a few years back in the city as the average income of a household increased with more women joining the formal workforce. (Ibne Ahmed, 2021) Urbanization, women employment, American culture and continental food in market have helped in reviving restaurant business in Pakistan. (Abbas moosvi, Syed Talha, 2022) Pakistan's restaurant industry is growing and attracting both domestic and international tourists. This creates opportunities for restaurants to cater a broader consumer base. As the capital city attracts tourists and business travelers, strategically restaurant business has potential customers by offering a mixture of local and international cuisines. Certainly, starting a restaurant business in Pakistan has a huge business scope based on culinary preferences, upscale dinning opportunities, tourism potential, diverse demographics, prime location, marketing strategies, urbanization and lifestyle changes, entrepreneurial spirit, economic growth, and diverse demographics.

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## Research methodology

## Questionnaire survey method

Questionnaires were distributed through online survey platforms, social media, email and face-to-face interviews. The questionnaire was easy to fill out and provides adequate guidance. While conducting the questionnaire, the neutrality of the questions was ensured, avoided leading questions, and respected the cultural background and eating habits of the respondents. The estimated questionnaire is 64 and research has been conducted in f-11 area Islamabad the capital territory of Pakistan. Targeted respondents belong to the area where restaurant aims to establish. The results of questionnaire survey are attached in appendix.

#### Literature research method

Clear research areas of entrepreneurial theory have been included such as entrepreneurial opportunity identification, entrepreneurial risk management, entrepreneurial patchwork theory, resource-based theory, etc. Used academic databases (such as Google Scholar, Web of Science, Scopus, etc.) and library resources to retrieve literature related to the research topic. Read the titles, abstracts, and conclusions of the retrieved literature to determine which literature is most relevant to the research. The literature is reviewed and the latest research results are used.

#### Correlation analysis tools

- (1) PEST analysis
- (2) Five Forces Model analysis
- (3) SWOT analysis

# Macro-environment analysis

# **Policy Environment Analysis**

In Pakistan, like any business a restaurant business also needs license from concerned authorities. Restaurant registration is mandatory in order to precede business in Pakistan. The understanding of regulations and requirements for obtaining licenses and permits to operate a restaurant is crucial. First of all, a trade license from a local municipal authority or district administration. This license grants permission to conduct commercial activities, including running a restaurant. Secondly, obtain a food license from a relevant health department. An inspection would be conducted in order to verify food safety and hygiene standards. The law which deals with the registration and license of the restaurants in Pakistan is mainly founded in The Pakistan Hotels and Restaurants Act, 1976 and The Pakistan Hotels and Restaurants Rules, 1977. Under this law every owner of a hotel or restaurant in Pakistan applies for the permit and registration. In case the owner doesn't register under the act he shall be liable to imprisonment which can extend to one year or can less than three days for a term. They also have to pay fine within the range of five hundred thousand rupees to ten thousand rupees. For the restaurant's registration the owner is required to meet all the standard of health, hygiene, facilities, medical certificates of employees and building safety requirements in accordance with law. After registration the owner can get the license from the controller. The license is valid for one year periods and should be renewal every year on payment as prescribed by government. (Hamza & Hamza, 2021)

The authorization of a restaurant is very important in order to operate business legally. The food authority laws are strict in Pakistan especially for the capital city which comes under Punjab Food Authority. If the owner fails to register the restaurant the authorities will take an action in form of imprisonment from 3 days to one year and a heavy fine will be implemented ranging from 10,000 PKR to 500,000 PKR. (Nubaira Ahmer Khan, 2023) Restaurant registration seating capacity of not more than 50 persons is 10,000 PKR which is actually an affordable price for any small startup restaurant in Pakistan. Restaurant license fee seating capacity of 50 persons is 5,000 PKR. (Government of Sindh)

The restaurant requires GST (General Sales Tax) registration and get GSTIN number under sales tax act 1990. (Ebridge legal)

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On July 23, 2023 The Federal Board of Revenue (FBR) has reduced the sales tax rate for restaurants in Islamabad to promote digital transactions. This move has taken to encourage online transaction methods such as mobile wallets, QR codes and debit/credit cards. Previously Restaurants were applicable of paying 15% sales tax however now restaurants that encourage online payment method have the benefit from the reduced 5% sales tax. FBR's decision creates a favorable environment for the food industry and restaurants in Islamabad. (Shahnawaz Anjum) Pakistani restaurants are not allowed to provide alcoholic drinks not even beer unless government provide license. The restaurants that get license they can only provide alcoholic drinks to non-Muslims or non-Pakistanis. (Tripadvisor, 2015) Pakistan's 97% population is Muslim and only 3% is minority mostly made up of Christians who can buy alcohol. An alcohol permit limits the purchaser to 100 bottles of beer and 5 bottles of liquor per month. The restaurant owners are required to have alcohol permits and they can only sell the alcohol to foreigners and non-Muslims. (Heather Carreiro, 2011) Heather Carreiro in her article "Guide to drinking and buying alcohol in Pakistan further adds "Once two friends and I were in a restaurant ordering Chinese food when a random patron came over smiled and gave us two chilled bottles of Pakistan-brewed Murree beer". According to her, alcohol permit can be applied at excise and taxation office in f-8 Islamabad. However, in the month of Ramadan which is a holy month for Muslims the alcohol sale is restricted even for non-Muslims and foreigners. This explains that alcoholic products should not be served in Pakistani restaurants however in case the restaurant have foreign or non-Muslim consumers then an alcoholic permit is necessary.

#### **Economic Environment Analysis**

A country's economic environment plays an important role in modifying the growth and trajectory of its start-up ecosystem. Pakistan like many other countries is facing economic challenges in recent years. A start-up business spirit mostly relies on approachable access of funding but due to unstable economy and limited resources for investment has made a difficult environment for the start-up business in Pakistan. On the other hand, Consumer's purchasing behaviors are closely tied to the economic situation which hinders start-ups in Pakistan. (Tanzeel Naqvi, 2023) During economic crisis it is crucial for entrepreneurs to adapt and identify market trends in order to capitalize on new opportunities. There is a huge difference between industries as well few business industries experience a decline while others may witness growth. It all depends how intense market share and competition is for a certain industry. Despite unstable economic challenges the start-ups in Pakistan showed resilience and adaptability. Star-up businesses are seeking government support, strategic partnership and innovation in order to overcome hurdles and contribute in Pakistan's economic growth. (Tanzeel Naqvi, 2023)

The restaurant industry has a vital role in Pakistan's GDP growth which was 5.8% in the year of 2018 the highest in the last 13 years. Despite the poor economic condition of the country the food industry sector remained least affected by any external environmental instability. (Industry Analysis, 2022) The Capital Development Authority (CDA) decides to build a world class street food in order to promote tourism, to provide new economic opportunities for the food business in the country and to attract foreign tourists. (Pro Pakistani, 2023) Half of 2021 year saw a prominent revival of Pakistan's domestic economy. The Governments wise decision of having accommodative fiscal and monetary policies helped the economy to recover its pre-COVID-19 era. This decision boosts the economy steadily in a sustainable way. The economy recovery growth was 3.94% in FY2021. The country's economy improved after 15 years. (Pakistan Economic Survey 2021) The World Bank admired Islamabad's GDP (gross domestic product) growth which surpassed 5 percent FY2017 because China invested billions dollars into energy and infrastructure into the country. (Abubakar Siddique, 2021) Pakistan's economy in FY2023 is slowed with contracted GDP estimated 0.6%. The world bank's latest report says that decline in economic activity reflects the cumulating of domestic and external shocks such as the floods of 2022, government restrictions on imports and capital flows, domestic political uncertainty, surging world commodity prices and tighter global financing. The last year witnessed a significant pressure on domestic prices, exchange rates and loss of investors' confidence. The difficult economic conditions along with high energy and food prices, lower incomes, the loss of crops and livestock due to the 2022 floods have increased poverty. The poverty headcount is estimated to have reached 39.4% in FY2023 with 12.5 million more Pakistanis are falling below the lower-middle. (The World Bank, 2023) An imposing interest rate is disturbing the business environment to achieve its intended goals. The Pakistani rupees have declined in international market in its value this FY23. Islamabad is plagued by inadequate foreign exchange reserves, with the state bank of Pakistan having only 8.2 billion dollars while 25 billion dollars are needed to maintain the debt. Islamabad will require IMF fund by the start of 2024 in order to maintain both economic and political positions of the country. Moreover, China played a major role in saving Pakistan from getting default by offering loans. Pakistan also had help from gulf countries like Saudi Arabia and United Arab Emirates who came forward in Pakistan's support in order to ease the debt situation on Pakistan. In order to have sustainable economic trajectory an economic revival plan is unveiled in June 2023 for 240 million populations. The revival plan aims to have foreign direct investments for local development and a trillion-dollar economy by 2035, exceeding the scale of 60 billion dollars China-Pakistan economic Corridor (CPEC). Pakistan aims to collaborate with Saudi Arabia, the United Arab Emirates, Qatar, Bahrain and China on various agricultural initiatives to boost Pakistan's export capacity. Global investors and industry experts were initiated in a collaborative event in Islamabad organized by Pakistan's ministry of petroleum. The event aims to export minerals and mines of gold and copper worth 6 trillion dollars. (A. Saddiqa, 2023) This indicates a bright Chance for Pakistani entrepreneurs to start business in order to generate

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profit.

## **Cultural environment Analysis**

Pakistan has always been a food loving country and due to its dynamic and broad food culture, any food business is profitable in Pakistan. (Alina, R, 2023) In Pakistan the cultural environment for a start-up restaurant is diverse and rich. Pakistan is a diverse nation having a blend of various ethnicities, languages and traditions. Pakistan's diverse culture and history have a great influence on its cuisine with central Asian and Indian flavors. The food culture evolution can be traced back in Indus Valley Civilization. As time passed, food habits got influenced by local and foreigners including traders, travelers and even colonizers brought their culture and history blended with the local cuisine. Most popular meets in Pakistan are beef, Chicken and mutton. Mutton meat is the most expensive while chicken is affordable. Fish is another famous meat in Pakistan as fishing plays an important role in Pakistan's economy and food. There are variety of crabs, shrimps are available in all over the country especially areas near to Arabia sea and Indus River. Pakistani people love spicy food. From weddings, seasonal festivals to mourning occasion's food are an important part of Pakistani culture. In Pakistan people from all over the world comes for their warm hospitality and diverse food. (Soch Outreach Foundation) The country is known for its traditional hospitality. People prefer a family friendly atmosphere and spaces. Considering a predominantly Muslim population of Pakistan halal food is essential in a restaurant business. Pakistani consumers prefer seasonal special menu items during cultural and religious events such as Eid and Ramadan. People speak Urdu and English mainly along with their mother tongues coming from different regions and provinces of Pakistan. In order to grab a wider audience menu should be designed in Urdu and English. (Himalaya Restaurant) Pakistan is a country with diverse cultures and people with eateries open until 3'O clock in the morning. (Karakoram Restaurant, 2022) The restaurants in Pakistan are recognized on the basis of three standards: ambiance, food quality, and authenticity. The ambiance and food quality motivate and provokes the customers to visit and spent money on food. (Nubaira Ahmer Khan, 2023)

The changing lifestyle pattern, increase in women employment, career oriented life choices have contributed in the growth of restaurant food business. Pakistan is on 6th rank in terms of population which is going to increase in coming years which means a potential market for a business. The majority almost 67% of population is productive and career oriented people. The rapid increase in the employment of men and women between age 19 to 29 years have a higher income than expected. These all factors will continue to drive the need of restaurant business industry. (Smeda, 2016) Rapid urbanization, modernization and industrialization are the leading factors of growth in food sector. According to a survey The United Nations claimed that by 2050 urbanization would increase to 64% in developing countries. By 2050 global economy will also grow based on demographics, capital investment, education, technology. Average income is also growing according to integrated economic survey the Average income of a household is raising. Urbanization, working women and changing trends have created a notable impact on hotel and restaurant sectors. Food related businesses are second largest business in Pakistan with 16% employment and 27% in contribution production. This all has changed the food business landscape dramatically. Consumers are eating outside as a lifestyle choice. Urban working class and economical prices have contributed in the growth of food restaurants largely confined to urban area like Islamabad, Karachi and Lahore. Restaurant food has become a choice as more and more working career oriented women has risen in the country who prefer affordable, time saved and convenience meals. (Innovating Pakistan's food industry, 2019)

Restaurant industry remains unaffected by the social or political environment because people do not like to sit at home. Pakistani people dinning out are one of the few activities they actually have easily. (Pakistan Industries, 2012) in modern times the restaurant business providing catering services as well. Urbanization, women employment, American culture and continental food in market have helped in reviving restaurant business in Pakistan. (Abbas moosvi, Syed Talha, 2022) Pakistan has potential tourism due to its ancient cultural and historical significance. The country has gain considerable economy from tourism. There are so many societal, cultural and monetary benefits a country can get such as hotel sectors, massive foreign exchange, corporation business opportunities for entrepreneurs and economic development of the country. National economy increased in different ways such as foreign investment, trade opportunities, local development and public infrastructure It not just help in poverty alleviation but also in maintaining peace and extensive money transfer from rich countries to poor underdeveloped countries. It is estimated that by 2027 Pakistan's GDP growth in tourism is expected to grow 5.8% (USD 36 billion) and 4.783 million jobs will be increased. (Irshad, Anwar & Shahbaz, 2018) The tourism and hospitality industry has significantly grow and contributed 5.9% to Pakistan's GDP and generated 3.8 million jobs in 2019. The tourism sectors were contributing 7.1% to the gross domestic product. Hotel and restaurant business is also growing because it is interlinked with tourism. (Abbas moosvi, Syed Talha, 2022) Almost 43 projects fall under the CPEC and One Belt, One Road initiative program which means a huge number of Chinese nationals resident in Pakistan. According to the Chinese embassy 30,000 Chinese are living in Islamabad, a reports shows that 71,000 Chinese came to Pakistan on visit visa last year. Pakistan has seen a number of supermarkets, guesthouses, and other businesses related to Chinese needs because of Chinese engineers, managers and workers are flooding into the country. The 'First Stop' is an example of the largest Chinese store in Islamabad. The store is filled with the stuff made in China from noodles to spices etc. For a Chinese restaurant business supplies can be bought from the store. (Asad Hashmi, 2017) The cultural environment of Pakistan provides a safe space for start-ups in order to

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grow sales and business.

## **Technical environment Analysis**

Pakistani consumers have been increasingly adopting technology. Society has embraced digital tools for services like online ordering, reservations and marketing to have a great impact on customer experience. DC Islamabad Hamza Shafqat via his Twitter account revealed that new development will surely boost the food industry in Islamabad, and in due course, the whole country as well. As futuristic as it seems, big companies such as Alphabet, Amazon, and Uber have been operating on food delivery drones for quite some time now with the global food delivery market standing at \$127 billion in 2021. (Usama Anjum, 2021) Pakistan's start-up business industry's key strength is its richness of tech talent. The country has highly skilled engineers, programmers and designers who are innovative and contributing in the growth of start-up. All tech talented human resources are available in affordable cost which is attractive for any start-up business. (Ahtasham Ahsan, 2023) Recently, restaurants in Pakistan are advised to encourage online payment method. The government's decision of online payment creates an efficient and time saving environment for the restaurants in Islamabad. (Shahnawaz Anjum, July)

## Project competitive environment analysis

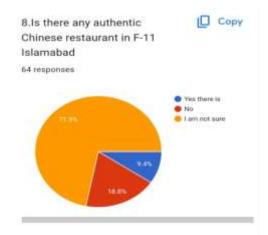
## Industry competitors' analysis

For entrepreneurs Islamabad is a nice place to get started where the environment is favorable and resources are easily available in market. There is always a chance to grow. Restaurant entrepreneurship is one of the most profitable options for business in Pakistan. However, consumers have started to change their choices and will try something new which makes it difficult for business to stay according to customers' trendy choices. Freshness, strong brand image and a high quality can easily motivate customers in Islamabad to go for something new despite high prices. A restaurant can only survive the competition if it takes a start after a thorough understanding of business plan, revenue calculations, financial advice, target segmentation, marketing plan, and brand image, connections to the authorities, permits, taxes, insurances, and employee training and so on. (Invest Pakistan)

Restaurants need to recognize their direct and indirect industry competitors. Direct rivals have similar menus, same target customers and are located nearby. Therefore, choosing a location with less direct competition is important for a restaurant's success. While the indirect rivals are competing for the same target customer market but the menu is different. (Paras Saleem, 2023) There are lots of restaurants, eateries and food shops in Islamabad f-11 area. The authentic Chinese restaurant cuisine which is based on whole grain, fruits, vegetables, fish and other meats is hard to find but still in Islamabad there are few popular Chinese restaurants which are located in F sector such as SiLu food in f-8, Asian Wok, Ginyaki, Golden Dragon in f-7, Dynasty restaurant in f-5 and China town in f-6. Only one restaurant name Ha Pi is located in f-11 near Zhong Ba location.

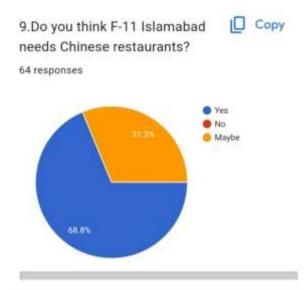
SiLu is the authentic Chinese restaurant without Pakistani taste fusion. Their prices are fair, special dish is crispy sugar banana and a relaxing ambiance. On the Google account the restaurant's rating is 4.5 because of authentic food and hospitable environment. Asian Wok offers prawns and delicious soups. It costs 2000 Pakistani rupees per person. It also secured 4.5 rating on Google account. Their customers are basically impressed with the balanced spices and taste. Ginyaki is an oriental restaurant which serves Mongolian beef and Szechuan chicken. Both dishes are extremely fresh and exceptionally tasty. The starting cost of a dish is PKR 900 which goes up there. It's affordable. In people's opinion it is the best restaurant due to its excellent service, affordable prices, beautiful ceramic food bowls. It is rated as 4.3 on Google account. The Golden Dragon stand out practically because of its scenic view of Margalla Hills and also it is one of the oldest restaurants of Islamabad. It is the ideal restaurant for dinner dates and get to gather with friends. Chinese food in terms of seasoning is the best also dumplings, homemade noodles are their special dishes. The food is affordable as it starts from PKR 1000 and goes up there. The reviews about the Golden Dragon says that it is the best Chinese restaurant in Islamabad as it is affordable and customers appreciate the panoramic view of the restaurant. The people love outdoor seating area and their Google rating is 4.1. The Dynasty presents authentic Chinese cuisine such as Cantonese, Szechuan and Dim Sim delights. Prices are a little higher because of exclusive ambiance and vibes. Google account shows 4.2 ratings for the Dynasty. China town offers soup alongside other Chinese dishes. They provide best services and environment, of course, with delicious food. Their rating is 4.1. Finally, the one and only close rival of Zhongba Ha Pi is a 10 years old Chinese restaurant, located in f-11. It serves Chicken Manchurian and chow mien. It is affordable as it offers per person meal in PKR 900. People gave it 3.9 ratings on Google account because it is affordable and serving size is good. (Ali Usama, April 2023) The HaPi is an affordable Chinese food provider place in f-11 but not many people are familiar with HaPi. According to survey conducted from consumers living in f-11 Islamabad the 71.9% respondents said they are not sure if there is any authentic Chinese restaurant in f-11 area. Strikingly, 18.8% said no there is no authentic Chinese restaurant exists in f-11, only 9.4% respondents were sure that there is an authentic Chinese

restaurant in f-11. Which shows that majority of people doesn't know if a Chinese restaurant exists in f-11. Majority f-11 population is not aware of HaPi



The questionnaire survey further proves that customer want a Chinese restaurant in f-11 area by asking the question "Do you think f-11 Islamabad needs Chinese restaurants?

The authentic Chinese restaurant is definitely needed in f-11 as according to the survey 68.8% respondents said that a Chinese restaurant is needed in f-11. While 31.3% said maybe a Chinese restaurant needed to be open in f-11. Luckily, not a single respondent chooses 'no' option.



Over asking a question that what you would think of a Chinese restaurant in F-11 Islamabad interestingly according to 50.8% respondents it is a great idea. 46% said opening up a Chinese restaurant in f-11 is a good idea. Only 3.2% are in view that it is not a good idea. This survey shows that a Chinese restaurant business in f-11 is a great idea and it has a safe space in the market among rivals. But still, restaurant needs to have a deep look at the factors such as menu variety, pricing, customer reviews and marketing strategies. Gaining customer trust and loyalty would be a great challenge for Zhong ba. Anyhow, the survey research result shows that the HaPi restaurant does not hold a prominent place in the market as majority people are not aware of its existence. On the other hand, there is a huge chance for a start-up restaurant to thrive in the market in this situation as per estimate and customer demand.

Other indirect rivals yet not providing the same product to the consumers are as follows: 'Chaaye Khana' is located in f11 Islamabad and known for breakfast and hi tea. People come to this restaurant for meet ups and gatherings. They offer steaks, beverages and Ice creams along with music and books. 'Tayto Cafe' located in F 11 is popular spot to hang out and it offers Hi-Tea

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includes finger fish, chicken, chicken wings, pasta, sandwiches, appetizer soup, salads, pizza, burger and beverages. 'Sarang Sindhi Cuisine' in F 11 is a decent family place for authentic Pakistani food. 'PiNaBu' in f 11 offers fast food options. It has indoor and outdoor sitting area. Customer service is friendly and courteous. 'Khyber Namkeen' offers Afghanistan's cuisine such as beef tikka, Barbecue and friendly atmosphere. (Menu Point) KFC and MacDonald are also Zhong Ba restaurant's intense rivals, which are located in every sector of Islamabad and near restaurant location as well. It will be a real challenge to take their market share. The only edge a Chinese restaurant has over these international franchises is that they sell fast food such as burgers, sandwiches and canned beverages. On the other hand, Chinese restaurant have a wide range of food items for people to dine out. There are people who are tired of franchise restaurants and would definitely appreciate a Chinese cuisine restaurant. (Jalal, Sara & Syed 2009) Zhong ba is providing Chinese cuisine which is entirely a different product from these restaurants so these restaurants are not rivals. However, it won't be easy to grab their market share which is a challenge for Zhong Ba.

# **Competitive rivalry Analysis**

The food and beverage industry is incredibly competitive. It is estimated that by 2028 the restaurant market will reach 4.4 trillion dollars' profit. Which means there is always a chance to grow and get rivalries (Savor Eat, 2022) Restaurant industry is extremely competitive over few points such as price, value, service, location, promotion and food quality? In order to gain revenue to compete for customer traffic should be an important part of restaurant operation. (Wikinvest 2015). Competitive rivalry can be avoided by gaining competitive advantages in area with few competitors, highly visible location, the local competition analysis, setting a focus for restaurant, analyzing new competitors' pattern, etc. (Small Business 2015).

Currently there is only one Chinese restaurant which is HaPi in f-11 with average prices which attracts all types of customers. The research will mainly focus on one intense competitor which exists near location and offers the same cuisine as Zhong Ba. Actually, cheap food is HaPi's only advantage but they may be having many limitations which restrict them to be known as well-reputed brand in business. Hapi menu shows that the prices are reasonable and dishes are diverse. They offer different soups, rice dishes, dumpling, chow mein, Chicken dishes, Beef dishes, fish, and Prawns. In addition, they offer discounts such as Wednesday all day 20% discounts and everyday 10:30 till midnight 20% discount. HaPi also offers special discounts on special occasions such as Eid, Ramadan, Father's day, Mother's day, Valentine's Day and Independence Day. They have dine-in, take away and free delivery services. One of the consumers reviewed HaPi by saying, "absolutely delicious food best Manchurian I have ever had in Islamabad". (Hapi Instagram, November 2021) This says a lot about HaPi's taste. Another, consumer reviewed HaPi as follows: Taste: 5/5, Serving size 5/5 and customer service: 5/5. (Hapi Instagram, September 19, 2021) This provides insight in HaPi's achievement which is best taste and service then what is the reason that not many people are aware of the restaurant. HaPi celebrated its 5<sup>th</sup> anniversary at March 16, 2019 by offering 20% discount on entire menu, according to a post at their official Instagram account. At the same time, they started using Instagram as this was the first post. Hapi was 5 years old in 2019, according to this calculation; now in 2024 HaPi is almost 10 years old. However, according to questionnaire survey limited people know about HaPi in f-11.

Hypothesis of this paper is that HaPi's digital marketing and advertising strategies are weak and it somehow failed to gain brand reputation which could have make it different from others. Because of increased advertising the majority of people will learn about products and services through advertisement. In case people are completely ignorant about the product or services it means the company failed in advertising. Due to advertisement more and more customers buy the product and form brand preference which eventually leads towards brand recognition. (Svetlana Frolova, 2014) The advertising for a restaurant business dramatically shifted from old media to digital media platforms which are online platforms such as Facebook, Instagram, Twitter etc. Increased consumers' interaction with brand enhances brand perception among masses. Social media advertisement has contagious impact such as existing customers will share and recommend the brand to the other users also reviews, ratings and recommendations leave impact on businesses. (Hau Trinh, 2022) Social media marketing is the most valid digital marketing channel for businesses such as Facebook, Instagram and twitter. Social media has become a significant tool to promote restaurant business because of direct engagement of customers. Through social media companies have access towards wider range of customers. Customers simply order food online via their smart phones and the customers also take din-in decision by visiting variety of restaurants online. The more online reviews, recommendations and interactions a restaurant have the more people know about the existence of the restaurant. The more positive engagement a restaurant social media platform has the more people prefer to dine-in that particular restaurant. People prefer to go eat outside in a restaurant they recognize and feel connected. High brand recognition can be achieved via social media by doing a million kinds of interactions which influence the consumers. (Sertan Ceken, 2022) Almost 93% entrepreneurs prefer using social media for restaurant advertising as it is effective medium for advertisement and promotion. Social media plays an important role in increasing the image of the restaurant business. People prefer using Instagram more than any other platform. Instagram has over 200 million active monthly users, 20 billion shared photos, 1.6 billion 'likes' daily Instagram has become the most popular social media platform. (Salleh, Patah, Samsudin, & Piah, 2017)

According to Instagram post HaPi kept on working during COVID-19 as take-away and delivery services in Pakistan. During

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that time, HaPi was on and off posting on Instagram about home delivery services, discounts and consumers reviews. They posted from September 1, 2020 to till November 2021 about home delivery services and items. At December 4, 2021 they announced that dine-in is open now after COVID-19. After COVID\_19 they didn't post much and customer engagement also declined in terms of likes and comments. Even though when they were posting regularly still there was lack of interaction from followers. The hypothesis that the advertising strategy of HaPi is weak is made on the base of their limited social media presence. In modern times, the best way to make sure everyone knows about the restaurant business is to become "Instafamous" as Instagram has becomes the top social networking platform. Instagram marketing is a growing trend around the world as it is the best photo and videos sharing platform. Instagram has over a billion users and 90% of them follow business accounts including restaurants. Almost 60% users hear about new brand, product or trend via Instagram. After COVID-19, Instagram marketing has become more essential for success. Consumers spent hours scrolling on Instagram during quarantine. This made Instagram a potential platform where customers are spending time. Instagram is a solid way to drive traffic in addition to the people who are taking food photos and posting on their accounts, giving restaurants opportunities to connect with young generation of foodies. (Jackie Prange)

Currently Instagram app is one of the most popular among other social media platforms with user friendly features in order to promote restaurant business. (Salleh, Patah, Samsudin, & Piah, 2017) The HaPi's Instagram platform shows there are not many posts and the last post is from September 2023. They do not post regularly as well. Posts engagement on social media is also not sufficient. There are not enough likes and comments on posts. In fact, few posts don't have likes or comments at all. Instagram of HaPi has 3,322 followers. (Instagram Hapi Panasian) To make an impact in business industry a business account at least should have 30,000 followers but if a business aims to be famous then it needs 100,000 followers. (The Nina, 2022) On the other hand, HaPi's Facebook account has 4.3K followers, lack of regular posts and users' interaction. (Facebook HaPi) Facebook can help a business to build a community of loyal customers as 95% youngsters are in view that business brands are expected to have a Facebook presence. There are not just youngsters but 87% of users aged 30-44 and 70% aged 54-60 are in view that a brand should have a Facebook account. It is not just that customers want to see you on social media but also 70% users visit business accounts to get information while 60% users pass the information on to others. That's why social media accounts need to have huge followers list and creative content in order to attract wider traffic. An active account is also very important in order to boost the business every day. (Monique Holtman) HaPi despite selling affordable cuisine, best taste and services couldn't become a prominent and well reputed brand due to lack of digital marketing via social media platforms. Social media has changed the way how traditional businesses werses modern businesses relate to their customers. Due to social media traditional methods have been declined. In recent times, Facebook and Instagram are the most used social media platforms for customer engagements. As word-of-mouth has potential at social platforms to grow sales and business. The ability of a business to be engaged on these platforms consistently and actively will allow the owners to respond quickly in need. Small businesses can only be successful if they develop active presence on social media in order to encourage customer feedback and formulate a plan to overcome the obstacles and challenges. (Tasheenia M. Bennett, 2017) Facebook, twitter, Instagram and YouTube are among the most popular social media platforms for teenagers to order online food from the internet. (Amir & Faiz, 2017) Using these mediums to grab attention would be a priority for Zhong Ba in order to get brand recognition. A study in China indicates that consumers' opinions and reviews can increase restaurant's online popularity. (Ijaz, Iqra & Mike, 2014) This would provide Zhong Ba an edge over the HaPi who failed in digital marketing and couldn't become a well-known brand. The engagement with customers is healthy for the restaurant business as it helps business to spread when users share stories and feeds with friends. (Amir & Faiz, 2017) Zhong Ba would focus on Instagram and Facebook to create trendy marketing strategies in order to get viral and gain lots of consumers with less effort. Hapi also doesn't have any application at play store where people can see their products and order online food. However, they have Food panda presence as their Instagram feed shows. Food panda is one of the leading online food delivery service platforms. (Yeung & Kiu, 2021) Partner up with food apps will also be part of Zhong Ba's marketing plan. Partnering with online apps encourages visitors to check out the restaurant. Zhong Ba will also have presence at Food Panda as well as create an APP for the restaurant where information of all deals, discounts and menu will be provided. In modern days, applications are easy to access for the users compare to the websites. (Amir & Faiz, 2017) It will be more simple and helpful for the consumers of the restaurants.

HaPi's menu offerings and pricings are unique selling points and they have no potential areas to improve as per analysis. The quality and taste of Chinese cuisine is also best as analyzed by consumers' feedback and Instagram posts. The area that HaPi needs to improve is their marketing strategies and promotional activities. Compare to HaPi restaurant Zhong Ba will focus on marketing strategies in modern way. Zhong Ba will consider online social media platforms active presence and regular interaction with customer at Facebook, Instagram etc. By implementing these marketing strategies Zhong Ba will gain insights into the competitive landscape and identify opportunities for improvement.

#### Substitute threat analysis

For the restaurant home meals, convenience stores, eateries are the substitute threat which is limiting the profit. Convenience stores have instant food, snacks, and ready to go food which is preferred by the tourists. One substitute threat in the restaurant

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industry could be the growing popularity of food delivery services and home-cooked meal options. These alternatives provide conveniences and cost effectiveness for consumers who may prefer dining at home than eating out at restaurants. These ssubstitutes for restaurant industry are threats and limiting the opportunity for price increase and affecting revenue a lot. Additionally, supermarkets and convenience stores offer snacks food that is freshly prepared and ready to go which is substitute for restaurants. Restaurant business faces serious competition from these substitutes. The consumers will be willing to pay per meal only depends on restaurants' healthiness of the meal, level of services, environment of the restaurant, location and so on. In order to compete with substitutes restaurants, need to ensure some core value. (Department Center Home 2011) In f-11 threat of substitute is quite high as the target consumers are mainly students, working persons and tourists do not want to spend more time in restaurant which might force them to shop in nearby supermarkets or eateries. Potential marketing and good quality service within reasonable price can help a restaurant in f-11 to compete with substitutes. (Hasan Syed, 2015)

## Consumer bargaining power analysis

In the restaurant industry in Pakistan consumers typically have moderate to high bargaining power. This is mainly because of abundance of dining options available such as street vendors, eateries etc. It is the cultural norm of bargaining over prices is prevalent in many marketplaces, including restaurants. Moreover, with the rise of online food delivery platforms, consumers have access to various deals, discounts and promotions which means this is enhancing their bargaining power. However, due to brand reputation and unique offerings in some high end establishments the bargaining power of consumers might be limited. The restaurant's unique selling points such as peaceful ambiance, affordable prices compared to competitors, healthy and safe food would become the reason to get customer loyalty which ultimately takes away consumers bargaining power. The employees will play a major role in gaining customer trust and loyalty as in restaurant business the higher employees' interaction is with the customer the more chances a restaurant might grow a long term relationship with the customer. This way the customer tendency of switching away can be reduced. During staff training few things would be fixed such as rude behavior, slow payment or services procedure, long queue, food quality and sitting area, sexism, noisy atmosphere, Privacy invasion, cooking smell etc. (A. Azim, N.A.Shah, Z. Mehmood, S. Mehmood & M. M. Bargam, June 2014) According to conducted survey 54.7% respondents said prices are fixed and 32.8% said they do not bargain while dine out in a restaurant. Only 12.5% said they do bargain while dine out. The consumers bargain power is low because prices are fixed in restaurants. This means restaurant has a high chance to have a control at consumers' bargaining power by making them realize that prices are fixed because the restaurant provides high quality and brand reputation.

## Supplier bargaining power analysis

Restaurant industry in Islamabad has a long suppliers list and as a result wholesale prices are competitive and it is quite easy to do business with suppliers. On the other hand, globalization, efficient export and import services make the balance between restaurant wholesale buyers and suppliers. The biggest restaurant wholesale market in Islamabad is the Itwar Bazaar (Sunday Market) located in Peshawar Morr area just near f-11. It's renowned for its vast array of wholesale goods including food items, kitchenware and other supplies catering to the restaurant. The Wholesale Market has the majority of the suppliers operating in food industry, production facilities that produce food products; meat processing and fish factories where they also serve retail customers too. It is actually a local market where the farmers bring fruits and vegetables. The Wholesale Market offers waste management system, sanitation services, and repair and maintenance services of buildings. (Fly Pakistan)

Moreover, suppliers close to the restaurant are the top choice for the restaurant supply. In order to have discounts relying on one supplier would not be encouraged. (Zeng Hong mei, 2011) The potential supplier near the restaurant location is local vendors. Local store like Alfatah could also be a choice. Pakistan has seen a number of supermarkets, guesthouses, and other businesses related to Chinese needs because of Chinese engineers, managers and workers are flooding into the country. The 'First Stop' is an example of the largest Chinese store in Islamabad. The store is filled with the stuff made in China from noodles to spices etc. For a Chinese restaurant business supplies can be bought from the store. (Asad Hashmi, 2017) Ali Express is a reliable choice for entrepreneurs who are looking for suppliers at affordable prices and fast delivery. There are also number of online suppliers exist on Shopify, eWorldTrade, BigBuy and wholesale supplier directory. (Charles, 2022) There is a long suppliers list and result, whole sale prices are competitive which makes business with suppliers easy. (Hasan Syed, 2015)

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**SWOT** analysis of the project

# Strength

Location: The selected location for Zhong Ba restaurant is Islamabad, which is the capital city of Pakistan. Islamabad is one of the most beautiful and green cities in the country. Surrounded by Margala Hills, it gives a perfect blend of countryside and urban lifestyle. Being capital and metropolitan city, Islamabad, is the most developed and organized city. (DJaunter, 2019) Islamabad has the largest expatriate and foreigner population in the city. The city has been growing into a major business and commerce center; it has attracted a large highly skilled workforce from other major cities. All of the country's diplomatic ties are maintained and exercised from Islamabad, as all major embassies, consulates and missions are operating from the city, as is the Foreign Office. Islamabad has two international airports which mean there are numerous tourists who come in Islamabad first before heading towards any other destination in other parts of Pakistan. There are so many tourists' attraction places in Islamabad as well. People come to the capital city from rural areas as well in search of better education and employment opportunities. They also change their eating habits and lifestyle. They also develop habits of eating outside. These all factors demand more restaurants and hotels. Islamabad has stable electricity, gas, clean water and communication system. These all factors create opportunities for businesses to grow. (Capital Development authority) This creates opportunities for restaurants to cater a broader consumer base. As the capital city attracts tourists and business travelers, strategically restaurant business has potential customers by offering a mixture of local and international cuisines. (Aamna Saiyid, 2017) Islamabad has a diverse population and its residents appreciate a variety of cuisines Which means the restaurant location provides an opportunity for business growth by offering a fusion of local and international cuisines. (Al Jazeera) Islamabad is considered as one of the safest place in Pakistan. (Aamna Saiyid, 2017)

Online Presence: The advertising for a restaurant business dramatically shifted from old media to digital media platforms which are online platforms such as Facebook, Instagram, Twitter etc. Social media advertisement has contagious impact such as existing customers will share and recommend the brand to the other users. (Hau Trinh, 2022) Through social media companies have access towards wider range of customers. Customers simply order food online via their smart phones and the customers also take din-in decision by visiting variety of restaurants online. (Sertan Ceken, 2022) Almost 93% entrepreneurs prefer using social media for restaurant advertising as it is effective medium for advertisement and promotion. (Salleh, Patah, Samsudin, & Piah, 2017) Instagram is a solid way to drive traffic in addition to the people who are taking food photos and posting on their accounts, giving restaurants opportunities to connect with young generation of foodies. (Jackie Prange) Small businesses can only be successful if they develop active presence on social media in order to encourage customer feedback and formulate a plan to overcome the obstacles and challenges. (Tasheenia M. Bennett, 2017) Facebook, twitter, Instagram and YouTube are among the most popular social media platforms for teenagers to order online food from the internet. (Amir & Faiz, 2017) Using these mediums to grab attention would be a priority for Zhong Ba in order to get brand recognition. Zhong Ba would focus on Instagram and Facebook to create trendy marketing strategies in order to get viral and gain lots of consumers with less effort. Partner up with food apps will also be part of Zhong Ba's marketing plan. Partnering with online apps encourages visitors to check out the restaurant. Zhong Ba will also have presence at Food Panda as well as create an APP for the restaurant where information of all deals, discounts and menu will be provided. Food delivery services like Food Panda and Cheetay food delivery are fast and efficient for food delivery in Pakistan. (Anum Shoaib, 2022)

**Fresh Ingredients:** Fresh and high quality ingredients from wholesale market will be purchased from different suppliers. Fresh fruits and vegetables will be bought from farmers. Tis will set the restaurant apart in terms of taste and quality.

**Cultural familiarity:** Previous background of the researcher being in China would definitely help business to grow in original ways. Knowing more about the culture can generally help avoid awkward situations in business, and can even save you time and money. (China Daily, 2022)

**Ambiance:** A welcoming and culturally authentic ambiance will enhance the overall dining experience. The restaurant will be decorated with cultural paintings that represent the Chinese history. Also traditional crockery, furniture, round shape tables and entertainment won't only offer attraction but customers' deep connection to the restaurant. Chinese original decoration, unique atmosphere and Chinese high quality cuisines will attract not only Chinese people but also Pakistani people who love to explore other cultures.

**Unique Menu:** Zhong Ba aims to offer a diverse and authentic Chinese menu along with few Pakistani special dishes. The popularity of Chinese traditional dishes in Pakistan among people is already strength. (Xinhua)

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## Weaknesses

The economic Environment: In Pakistan, the country ranks at a staggering low of 174th out of 189 countries based on the Doing Business Report 2017 by the World Bank. There are several problems in starting a business in Pakistan. These problems exist in the forms of delay in communications, centralized decision makings, lack of loyalty, lazy labor force, as well as free-rider problems. All these contribute to the high costs of doing business in this country. (sfconsultingbd) Limited financial resources may limit marketing efforts and overall operational capabilities. There is a possibility that Initial high investment for the restaurant would become a risk.

**Human Resource limitations:** Hiring restaurant staff would be a challenge especially kitchen staff plus language barrier could be another weakness for the restaurant. (T.Rehman & m.Bista, 2016) Staff hiring would be tough as the basic aim is to hire staff that is fluent about Chinese culture, etiquettes and cuisines. Highly skilled labor cost is high. (Anum Shoaib, 2022)

**Operational efficiency:** Smooth operations and efficient services may be not easy to maintain at initial stages of the restaurant.

**Market dynamics:** As a new comer the understanding of the local market dynamics and customer preferences may not be easy.

Language barrier: Another obstacle is language and communication barrier with Chinese customers.

**Competition:** facing competition from established Chinese restaurant in f-11 area could be a challenge for market share.

**Brand Recognition:** Being a star-up, Zhong ba may face challenges in building brand awareness as it has no experience of running a restaurant.

**Policy Environment:** The most significant disadvantage is taxation and documentation. Although taxation has reduced but still it is not in suitable for a new business environment also documentation is hectic and it takes long time to be done.

**Pricing range:** Price range of the restaurant is a bit high than its competitor in the area.

#### **Opportunity**

China Pakistan Economic Corridor: Due to CPEC and one belt one road projects and ventures there are number of Chinese citizens in Pakistan. This has increased the need for Chinese food in recent years according to restaurant owners in Pakistan. CPEC not just provided infrastructure and stable economy but also introduced Chinese culture and food in the country. The capital city Islamabad has number of Chinese nationals and there is a need and room for more Chinese authentic restaurants. A restaurant owner during an interview to Xinhua news said he opened Chinese restaurant few years back considering the perks of growing Chinese food industry from scratch and now he has his own setup and he earns considerable amount from restaurant. (Xinhua, 2020) Pakistan and China both states have historical strong mutual bounding in terms of political, social, defense and economic. China invested massive amount in infrastructure, roads, highways, ports communication and energy sectors in Pakistan. China is the largest trading partner of Pakistan in recent and coming years. Chinese projects and investment is uplifting Pakistan's economy and social rest. (Tamseela Majeed & Arshad Mahmood Malik, 2019)

**Cultural Events:** Introducing food deals and promotions for cultural celebrations can attract diverse customers and generate a huge profit. In Pakistan there are

**Online Delivery:** Online food delivery services via restaurant app and other popular applications such as Food Panda can cater a growing demand for food.

**Customer Feedback:** An active presence at social media platforms will generate an active engagement with consumers in order to know their preferences, feedback and reviews. This will help the restaurant to navigate the menu improvements in order to enhance customer satisfaction.

**Digital marketing:** The restaurant can have second hand mover advantages such as be able to provide service to consumers which Ha Pi couldn't provide and make a strong impression in order to have brand recognition and loyalty. Second hand competitive advantage in area such as the later entrant would get the benefit from the existing knowledge in the market and do not have to spend a lot of money or time while the first mover may have invested hefty amount. Later entrant can avoid mistakes as well made by first mover. (CFI Team) The HaPi failed to have well-reputed brand recognition as it didn't focus on its digital marketing but Zhong Ba aims to have active presence at social media platforms in order to become a well-recognized restaurant.

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# Threat

**Economic Conditions:** Pakistan's unstable economic situation may have impact consumer spending on dinning out. Unstable economy can put burden on consumer's pocket and they can switch to cheap options.

**External Events:** Natural disasters or global crises can disrupt the supply chain and business operations.

**Negative Feedback:** Negative reviews or feedback from customers can spread via word-to-mouth and social media platforms to a wider audience which can significantly impact brand image and the restaurant can lose profit.

**Competition:** The possible threat for the restaurant could be Ha Pi restaurant, which can have a strong control over resources such as strategic location, premium contract with suppliers or hiring talented employees. Affordable prices of Ha Pi restaurant can also be a potential threat for the restaurant. Existing popular traditional Pakistani and western food restaurants in F11 can become a threat for the restaurant. Local restaurants are popular among people can be a threat.

#### **Conclusions**

This paper tried to study the environment and market of F-11 Islamabad, Pakistan to establish a successful and profitable Chinese Start-up restaurant. The market analysis of the restaurant is done by applying a combination of macro- environment analysis, Porter's five forces analysis, market segmentation and survey analysis. To study the business environment of the restaurant macro environment analysis is used as a strategic tool and a procedure to understand all the external and internal factors. The Porter's five forces analysis is used to recognize restaurant's position in the restaurant business industry where it can protect itself against fierce rivalry. The segmentation helped the restaurant business plan to target its potential consumers. The survey analysis explains the needs, demands and expectations from all types of customers of the restaurant which will confirm the opportunity situation of the restaurant. In all these parts of the research the secondary date is being used from different sources such as newspapers, journals, and online links except for survey analysis part. Survey research is a field study in order to know consumers' behavioral patterns and their willingness to spend. Primary data is used for survey research as it is collected first time by designing a questionnaire accordingly.

The author wrote this business plan due to number of reasons such as the desire to become an entrepreneur in the restaurant business, increasing number of CPEC projects and Chinese nationals in Pakistan, high demand of Chinese cuisine and a profitable business. The collection of authentic knowledge and information about market and target location was time consuming as there was not enough and reliable data for calculations available online. Since the business plan idea was generated the author collected authentic market research with the help of management theories and online literature reviews for business analysis. At the same time to determine the target market quantitative research method was conducted using an online survey. The result of the survey outlined the main demographics, psychographics and behavioral characteristic of the potential crisis. This research proved much useful in order to develop this business plan more precisely. The survey succeeded to get 64 responses. The survey analysis included the questions related to the consumer's dining habits, age distribution, willingness to spend, willingness to have a Chinese restaurant, and occupation. The restaurant's core competencies would be developed on its cozy and cultural atmosphere, knowledgeable staff and entertainment dose for the consumers. Restaurant's main consumers are students, friends, working persons, couples, independent working females, business person and tourists.

The process of research was hectic as there are almost zero research papers about opening up a Chinese restaurant in Pakistan. However, getting statistics was not so difficult by accessing electronic Google system. This business plan will be implemented after completion of researcher's study and collecting enough capital. This study will help the author to work as an entrepreneur in future. This has broadened the vision and provided the basic knowledge about the necessity of a start-up business plan. By using all thesis analytical tools and business strategies a realistic profitable Chinese restaurant in f-11 Islamabad Pakistan can be open in future.

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