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Saurer: The China Challenge (A)



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China introduction

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- .1.5 billion people
- .population growth
- .middle class emerged+ urban population (PCI 18847)
- .women workforce
- .chinese taste are evolving
- .independent restaurants:rice-based dished and low prices
- .big consumers of pork(2nd woldwide)
- .china entered modern fast food era in 1987 with KFC:Yum brand outlet in Beijing

Top problems to conquer

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1. Finding/ paying for the right location.
2. Training staff.
3. Unrealistic expectations HQ.
4. Communication HQ and franchises
5. Logistics.

Why Chinese Consumers Choose Western-Style Fast Food Restaurants, 2001

Consideration	Beijing		Guangzhou		Shanghai	
	Times Selected	%	Times Selected	%	Times Selected	%
Good taste	234	57.5	294	53.5	299	62.0
Cleanliness	186	45.7	184	37.3	223	46.3
Close location	178	43.7	185	33.5	202	41.9
Convenient & quick	156	38.1	140	26.4	159	33.0
Good services	61	15.0	106	21.3	141	29.3
Reasonable price	48	11.3	63	12.6	101	21.0
Special display in restaurant	35	8.6	46	9.3	54	11.2
Special activities (e.g., birthday party)	21	5.2	21	4.3	17	3.5
Other	12	2.9	12	2.4	2	0.4

Notes: Multiple-choice questions; totals exceed 100 percent. Beijing survey N = 407, Guangzhou survey N = 493, Shanghai survey N = 482. Source: IMI Consumer Behaviors and Life Patterns Yearbook, 2002-2003



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4 P S LEVENDARY CAFE

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Product: quick casual restaurants
soups, salads, burger, High quality ingredients, Branded
grocery items

Price: \$5-\$14

Place: 5600 stores , city center (like CBD), Menus items
adapted to local popularity.

Promotion: Advertising agencies, communicate natural
goodness, banners, table tents, window decals, menus
boards.

SWOT analysis

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strengths: Outstanding Managers and nice firm and Responsible staff and good service ,operations, product. firm philosophy and structure

Weaknesses:CPA not cage, Pricing

Opportunities:Industry and opportunities , Opportunities in China Food Industry

Threats:Firm domestic growth slowing

2008-2011, competition ,culture and adaptation,fnanclals ,political restrictions.chen.

Questions

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1, Considering China's current situation, how to enter the city with a Western-style restaurant protective measures, such as China, Lanzhou (Because Lanzhou is an advocate of Islamic cities, local culture is stronger.)

2. Explain how to marketing successful in China and the rapid integration of China?

Thanks for your time

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Happy Chinese New Year

