

**SME Development Fund/
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Organisation Support Programme)**

Final Report of Approved Project

Project ref. no. : D09 003 006
Project title : Effective Branding for Hong Kong Catering Industry
Period covered : From 01/03/11 to 31/12/12
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Reference and Title

D09 003 006

Effective Branding for Hong Kong Catering Industry

餐飲業智贏品牌

Project Summary (in not more than 150 words)

The project involved a series of in-depth interviews with business owners and senior executives, focus groups with frontline employees, analysis of consumer protocols that describe the consumers' service consumption experiences, and consumer survey on brand perceptions. Seminars and Training workshops on service brand development and management were held for business owners and senior managers.

Workshops covered topics like appropriate service style and manner and inter-personal communications with customers that will help frontline service personnel to enrich their knowledge pertaining to customers' brand experience.

Findings from both qualitative and quantitative surveys and training materials for the workshops were incorporated in the Training Manual tailor-made for employees at each level in the F&B industry. This provides a guideline and allow individual catering company to compare against the industry benchmark.

Project Objective(s) (in not more than 80 words)

- 1) To promote the image of Hong Kong catering industry by improving service quality and service experience so as to enhance the career perspective.
- 2) To provide local restaurants with the framework and techniques for identification of brand ingredients and the development of service brand building and management plans to improve their brand performances.
- 3) To enhance the competence of individual restaurants in service brand management capability and service operations by developing a framework and a set of guidelines which allow individual restaurants to:
 - a) check its readiness for service brand building;
 - b) identify the issues and challenges unique to creating and managing catering service brand;
 - c) identify the actions that need to be undertaken in order to develop the required capabilities crucial for effective brand management;
 - d) formulate brand development strategies and establish the related service brand management procedures in a systematic way; and
 - e) identify the measures for service brand health check.
- 4) To set up a series of standards that are crucial for service brand image and the incidents critical in enhancing positive brand experience, in order to increase the competitiveness of the local catering business.
- 5) To identify the key factors and obstacles in service brand building exercises and to explore brand perception of the Hong Kong catering industry among the customers in Hong Kong.

Grantee /Collaborating/Implementation Organisation Agent

Grantee : The Hong Kong Federation of Restaurants and Related Trades Limited
Collaborating Organisation(s) : NIL
Implementation Agent(s) : 1) The Hong Kong Polytechnic University
2) PolyU Technology & Consultancy Company Limited

Key Personnel

| | <u>Name</u> | <u>Company/Organisation</u> | <u>Tel No. & Fax No.</u> |
|-----------------------------|-------------------------|---|---------------------------------------|
| Project Co-ordinator | <u>Dr. Sherriff Luk</u> | <u>The Hong Kong Polytechnic University</u> | <u>Tel: 27667143 Fax:27650611</u> |
| Deputy Project Co-ordinator | <u>Mr. Anthony Lock</u> | <u>Hong Kong Federation of Restaurants and Related Trades</u> | <u>Tel: 25236128 Fax:25232638</u> |

Project Period

| | <u>Commencement Date</u> (day/month/year) | <u>Completion Date</u> (day/month/year) | <u>Project Duration</u> (No. of months) |
|--------------------------------|--|--|--|
| As stated in project agreement | <u>01/03/2011</u> | <u>31/10/2012</u> | <u>20</u> |
| Revised (if applicable) | <u>----</u> | <u>31/12/2012</u> | <u>22</u> |

Methodology Employed

An effective service brand has a triangular relationship between the company itself, its frontline service personnel and its customers. Branding from 'inside-out' is being addressed by many successful service brands, meaning that the creation of a strong service brand must be supported by all employees within the firm. Branding is about the value in the customer's mind, which is highly influenced by the customer's service consumption experience and all the touch-points before, during and after consumption. Frontline staff plays a key role in delivering the brand, and even further, it is often seen that service brand requires "co-creation of value" by both customers and frontline staffs. Therefore, this project focused on these areas.

Primary data were collected via the following methods:

A) Consumer protocol:

Around 180 customers were interviewed to capture their dining episode and experience in the following 10 types of restaurants and their competitors: a.) fast-food; b.) mass Chinese; c.) top Chinese; d.) mass Western; e.) top Western; f.) Japanese & Korean; g.) Thai; h.) Vietnam; i.) Others. Focus was placed on the service purchasing and consumption experience; the incidents critical to value creation and brand perception in customers' mind were identified.

Cost of \$10,000 Incentives (cash vouchers) were delivered to respondents who have participated in producing the consumer protocols. The amount has been sponsored to this project.

B) In-depth interviews: a) 23 in-depth interviews with owners, mid-level management staffs, and senior executives of trade associations were conducted to collect information pertaining to:

i) identify key factors on brand experience, ii) perception on local catering service, iii) current service standard of the industry, iv) expectation on service provided, v) unique challenges in brand creation, vi) plan for further business / industry expansion, vii) their views on modification and training needs for improvement and viii) understand the role in service brand.

Members of Hong Kong Federation of Restaurants and Related Trades, Institute of Dining Art, Association of Restaurants Managers, and The Association for HK Catering Services Management were invited for the interviews.

C) Focus group interviews: Selected restaurants (4 groups, each group around 6-10 people) were approached for focus group interviews. Frontline staff were invited for participation in order to identify their training needs and their perceptions towards the Hong Kong catering service.

D) Consumer survey: Consumer survey was conducted to identify crucial components of catering service brand, which enable individual restaurant to enhance their service quality. Based on the requirements for reliable and effective sampling for similar studies in Hong Kong, we interviewed 833 respondents to explore their viewpoints in terms of service perception and expectations, awareness and service experience of the catering brands. This survey covered local customers, tourists from Mainland, South East Asia and Western in order to understand the perception differences toward the local catering service and its unique characteristics for each group.

All these results conducted enable catering companies to understand: a) the awareness level on top choices for food; b) the service expectation from customers of different country of origin; c) factors or incidents critical to brand experience and brand perception in the catering industry; d) effective information channels for local catering brands; and e) the competitive strength of individual restaurants in light of brand management capability, and base for differentiation amongst restaurants. Results were published in the Training Manual funded by this project.

2. Summary of Project Results

Project Deliverables

(Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.)

1) Seminars & Workshops:

Seminars and workshops were held to target restaurants owners/senior executives, and frontline staffs:

Two seminars were held to instruct audience on the related issues on branding and catering.

- Seminar 1 (28 Apr 2011): 「餐飲業智贏品牌」啟動禮暨講座
Number of Attendees: 220 (Enrolment: 260)
- Seminar 2 (18 Apr 2012): 「品牌之創新與管理及內地發展品牌遇見的問題與挑戰」
Number of Attendees: 240 (Enrolment: 300)

Following the seminars, there were 8 half-day workshops to provide appropriate skills for the staffs of each level on brand building, strategy, management planning, enable these SMEs for entering the Mainland and overseas market.

- Workshop 1 (27 Feb 2012, Morning)
Number of Attendees: 85 (Enrolment: 87)
- Workshop 2 (27 Feb 2012, Afternoon)
Number of Attendees: 81
- Workshop 3 (21 March 2012, Morning)
Number of Attendees: 72
- Workshop 4 (21 March 2012, Afternoon)
Number of Attendees: 75
- Workshop 5 (11 Apr 2012)
Number of Attendees: 67
- Workshop 6 (9 May 2012)
Number of Attendees: 58
- Workshop 7 (31 May 2012)
Number of Attendees: 73
- Workshop 8 (20 Jun 2012)
Number of Attendees: 70

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- 2) Training manual: A comprehensive training manual (in print version) was produced, complemented with two sets of DVD (1 each for owners/senior executives and frontline service staffs) to highlight the key factors and issues on building service brand and service behaviour and activities critical to brand perception. 800 copies were printed and distributed to SMEs and NGOs and posted on website.
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Actual Benefits to SMEs/Enterprises

(Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs / enterprises in general or SMEs / enterprises in specific sectors / assist Hong Kong enterprises in general or in specific sectors in developing brands, upgrading and restructuring business operations, and promoting domestic sales in the Mainland, in not more than 400 words.)

This project assists local catering SMEs in fulfilling the training needs in brand strategy development. It provides a cross-functional, experienced-based branding approach to local catering SMEs to strengthen their own services, operations, policies, and brand concept so as to enhance the competitive advantage of the local catering service industry. These SMEs can identify the problems that they experienced and accommodate the skills discussed in the training workshops to construct a strategic and sustainable plan for their own brands, and change their mindsets to develop their innovative, experienced-based, and customer-relationship-oriented brands.

The average attendant rates of those seminars and workshops were more than 50%. Local SMEs has the largest proportion, around 220 participants and 140 SMEs joined our seminar. For training workshops, high attendant rates were recorded in catering or its related trade industries.

We have totally received 100 and 70 feedbacks from seminar and workshop respectively. More 70% indicated that participants can gain the knowledge in branding and some management skills through the seminar and around 45% reported seminars would help for developing their own business. Many respondents agree that those seminars would benefit to their companies' competitiveness and those owners/executives believe that they can apply those theories and experiences to their firms.

Generally, most of the participated companies were satisfied, and the topics were practical for them. Our audiences came mostly from catering industry. Thus the aims of this project can successfully be reached and covered. For the training manuals, over 80% have already been distributed to local catering SMEs.

Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

| <u>Milestone</u> (as set out in the approved project proposal appended to the project agreement) | <u>Original target completion date</u> | <u>Revised target completion date</u> (if applicable) | <u>Status</u> (C/D/N) # |
|---|--|--|----------------------------|
| (a) First seminar for owners / senior executives and companies selected to interview | 30/04/2011 | N.A. | C |
| (b) Consumer protocol and analysis | 30/09/2011 | 31/01/2012 | C |
| (c) In-depth interviews and analysis | 31/12/2011 | N.A | C |
| (d) Preparation for consumer surveys and focus-group | 31/12/2011 | N.A | C |
| (e) Training workshops | 31/10/2012 | N.A | C |
| (f) Completion of focus group interview for employees | 31/03/2012 | N.A | C |
| (g) Second seminar | 30/04/2012 | N.A | C |
| (h) Consumer survey | 30/04/2012 | N.A | C |
| (i) The training manual and DVD | 31/12/2012 | N.A. | C |

Marketing/Dissemination Activities (in chronological order)

(Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.)

| <u>Date/ Period</u> | <u>Description</u> | <u>No. of beneficiaries (SMEs/Enterprises*)</u> *please delete as appropriate |
|------------------------------|---|--|
| 01/03/2011 | Used e-mails and invitation letters to promote the workshops and seminars to government departments (TID), friendly organizations (include their members through internal e-mails), members and restaurants owners, senior executives, and frontline service personnel to attend the events | 5000 |
| 28/04/2011 | Launching ceremony – first seminar | 177(SMEs) |
| 04-06/05/2011 | Newspaper advertisement –(5sq inch 4-colour)in Ming Pao to introduce the workshop | Announce to general public |
| 11/2011 | Website: the project website (www.bestcateringbrands.com.hk) was setup and opened to the public in December 2011 | Accessible to general public |
| 27/02/2012 - 20/06/2012 | Training Workshops | 581 (SMEs) |
| 18/04/2012 | Second Seminars | 140 (SMEs) |
| 13/12/2012 | Press conference | Accessible to general public through media |
| 31/12/2012 | Training Manual | 1,000 (SMEs) |
| Total no. of beneficiaries : | | <u>Around 3000</u> |

Future Plan for Promoting the Project Deliverables

The project contents and Training Manual is put on HKFORT website www.bestcateringbrands.com.hk for public access until Dec 2013. It provide a convenient and effective avenue to transferring and disseminating knowledge, skills and experience in brand building