

Dumpling Delight

LINK TO PRESENTATION: [NBP Lesson 1](#)

Company Profile:

From Oslo to Kuala Lumpur, Dumpling Delight has taken the world by storm during the past decade, bringing authentic Chinese cuisine to a larger market than ever before. Its meticulous selection of high-quality ingredients and excellent customer service has earned the chain international acclaim and multiple awards. Nowadays, Dumpling Delight serves over 20,000 people a day across 15 locations worldwide. In addition to its recently introduced seasonal menu theme, Dumpling Delight also invites local musicians to perform on a central stage at its venues, incorporating a cultural ambience to the dining experience.

Ever since its inception, Dumpling Delight has valued quality over other aspects such as price and quantity output. As such, it strongly caters towards upper class demographics, with each additional store location being more carefully designed and constructed than the last. Moreover, Dumpling Delight has committed itself to fostering healthy business ethics, having been plastic free since 2019. Centered in Shanghai, China, Dumpling Delight heavily depends on overseas partnerships with local marketers and managers, which gives each branch some degree of autonomy over its operations. Currently, the restaurant chain has 6 stores in East and Southeast Asia, 4 stores in North America, and 5 stores in Europe.

Problem:

For the past few years, high-end Chinese diners have become increasingly prevalent on the international food scene. Despite their stance within the economy, this increase in competition has greatly reduced Dumpling Delight's market share and forced the closure of its Dubai store. Competitors such as Long Feng Tai and Scarlet Fish offer a similar selection of food options to Dumpling Delight, but at cheaper prices, effectively taking away many of its loyal customers. Although these competitors do not match Dumpling Delight's level of quality, their stable growth and vast target markets will likely result in further expansion and directly compete with Dumpling Delight's global presence.

At the same time, Dumpling Delight's senior executives, who started the restaurant as a small venture in 1995, are nearing the age of retirement. Individual branches are now largely under the jurisdiction of its local managers, who are ambitious, young, and eager to prove themselves. However, the differing visions between these managers has caused rifts within the company, disconnecting branches from one another and the Chinese headquarters.

Problem Statement:

How can Dumpling Delight recapture the market while retaining its status as a world-renowned Chinese restaurant, in the face of fierce competition?

SWOT Analysis:

Strengths

- Higher quality ingredients than their competitors.
- Very well established around the world with 15 locations.
- Diverse menu options and seasonal food themes.
- Lively in-store atmosphere featuring local singers and musical performances.

Weaknesses

- High market prices due to high costs of production.
- Store locations are mostly run by younger managers who lack sufficient experience.
- Internal competition between various branches creating rifts within the company.

Opportunities

- Partnerships with renowned food critics and celebrities to attract new customers.
- Expanding to more locations in Mainland China and Chinatowns in overseas cities.
- Building upon existing cultural strengths to host festivals or special events during Chinese holidays.

Threats

- Direct competition with other Chinese restaurant chains that serve cheaper items.
- Slow decline in customer loyalty rates due to decreasing market share, which could potentially shut down the company entirely in less than a decade.
- Negative public image after recent shutdown of the Dubai store.

Target Market Analysis:

Demographics

- Young adults (Ages 20-40)
- Upper-middle class to upper class individuals (Annual income over USD 100,000)
- East Asians and people who enjoy authentic Asian cuisine

Geographic

- East Asia: Beijing, Shanghai, Qingdao, Tokyo, Seoul, Kuala Lumpur
- North America: Los Angeles, New York, Houston, Toronto
- Europe: London, Oslo, Paris, Moscow, Milan

- Currently rebuilding Dubai location and planning the launch of Shenzhen, Vancouver, and Brussels locations

Psychographic

- Customers who emphasize quality and authenticity over price
- People who enjoy luxurious ambience and artistic presentation of dishes
- Foodies, high end company executive meetings, wealthy family meetings

Behavioural

- People who tend to spend a lot of money, especially on food
- Customers that value impeccable service
- People who enjoy discovering and experiencing culture

4Ps/Competitor Analysis

Element	Dumpling Delight	Long Feng Tai	Scarlet Fish
Product	This food chain focuses on creating artisan dumplings and other authentic Chinese dishes. The ingredients used in each dish are almost always freshly cultivated. Dumpling Delight's excellent quality is its unique selling proposition.	This food chain focuses on creating "comfort-food" style dumplings. The ingredients are of less quality than those of Dumpling Delight, although they are still fresh and great-tasting. Long Feng Tai emphasizes the combination of affordability and authenticity.	This food chain focuses on creating Western-Chinese fusion cuisine. Menus feature a variety of popular "Chinese fast food" items that are elevated to taste better. Dishes are less authentic, but popular with non-Chinese customers.
Price	Dumpling Delight offers two types of dumplings: standard and seasonal. 1 standard dumpling costs \$1.50 and 1 seasonal dumpling costs \$2.00. Compared to its competitors, Dumpling Delight is fairly expensive. Other dishes may range from \$50 to	Long Feng Tai dumplings sell for a set rate of \$10 for 15 dumplings. Other dishes may range from \$10 to \$100. Compared to its competitors, Long Feng Tai falls in between its competitors.	Scarlet Fish sells their dumplings at a set rate of \$10 for 10 dumplings. Other dishes may range from \$10 to \$50. Scarlet Fish's prices are much cheaper.

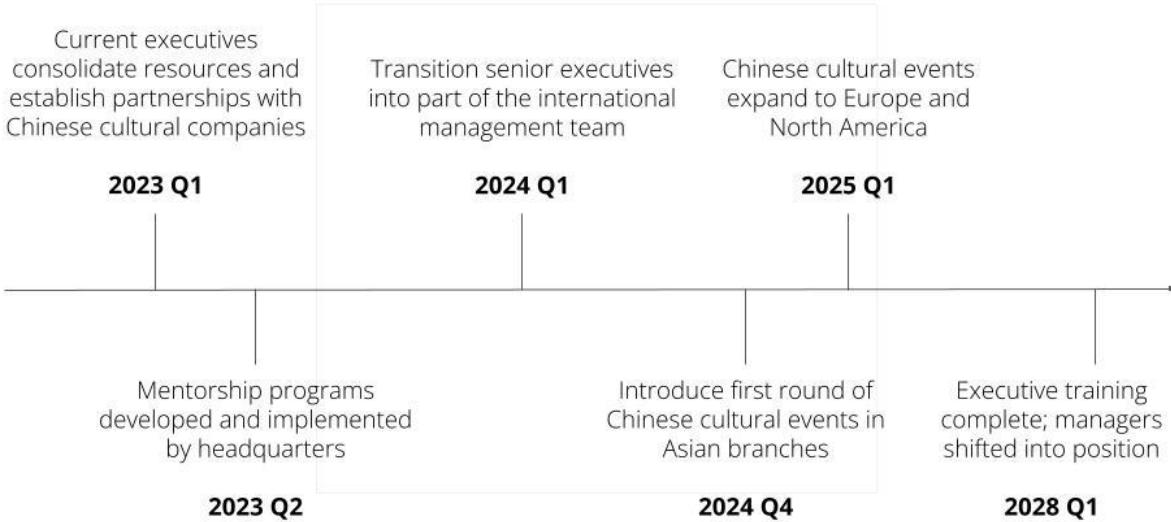
	\$300.		
Place	Dumpling Delight's 15 store locations feature encaustic tile roofs on the exterior and traditional Chinese palace architecture in the interior for a luxury cultural look.	Long Feng Tai' 30 global locations can be found within popular shopping malls across the world with clean and modern interior designs.	Scarlet Fish's 100+ North American locations can be found within shopping malls, plazas, and occasional fast food courts.
Promotion	Dumpling Delight's main source of promotion is through positive reviews on restaurant-review and food-delivery apps, as well as word of mouth.	Long Feng Tai's main promotional strategy revolves around posters, billboards and marketing posts on social media.	Scarlet Fish's main source of promotion is through social media, where it has over 2 million followers on TikTok for its daily "food experiment" shorts.

Decision Matrix (everyone):

Solution	Feasibility	Alignment with Company Values	Scale of Positive Impact	Total Score (How do these solutions affect our customer base)
Implement a loyalty program where returning customers can receive discounts and priority seating	8	7	6	21
Expand presence and	7	10	10	27

outreach by inviting prominent guests to host exclusive events at store locations.				
Create a manager and executive mentorship program (entitling manager-executive bonding excursions, one on one shadowing, introduction to management work)	9	8	10	27
Partner with high-end ingredient suppliers that produce sterling silver beef, wagyu beef, australian lamb to boost the publicity of food quality.	8	10	7	25
Introduce more Chinese culture into branches (traditional dances, chinese painting, special celebrations around Chinese holidays)	8	10	9	27

Implementation Plan



Final Solutions

Dumpling Delight should undergo a three-step action plan based on the above information:

1) Emphasizing Chinese Culture

This solution was chosen because it:

- Builds on Dumpling Delight's existing strength in highlighting Chinese Culture through inviting local Chinese musical artists to perform at stores.
- Provides opportunities to scale up celebrations in Mainland China and overseas Chinese populations during cultural holidays (Spring Festival, Mid-Autumn Festival etc.) to attract more business opportunities.

Requires:

- Increased budget to support additional Chinese cultural activities
- Outreach and partnerships with various cultural organizations and event-services companies to sponsor and construct new events
- Extensive event planning and management

2) Implementing a Manager Mentorship Program

This solution was chosen because it:

- Allows Dumpling Delight to train executives via a more centralized mentorship structure, so different store branch managers can learn and overcome challenges together. This will also minimize the rifts that currently threaten to tear the company apart.

- Improve the central control of the Shanghai Headquarters in the operations of international branches, as all new executives will need to be trained under the Shanghai location.
- Ensure that the current executives can select successors and prevent future divisions.

Requires:

- Significant time and effort from current senior management to devise and provide training and onboarding materials..
- Temporary replacement of the existing executive team members and branch managers that lack sufficient experience.
- Short-term budget cuts from other aspects of Dumpling Delight's operations.

3) Expanding Outreach to Notable Guests and Celebrities

This solution was chosen because it:

- Makes Dumpling Delight competitive in terms of social media and marketing presence.
- Attracts the attention of customers worldwide by associating the restaurant with famous and successful individuals.
- Builds a positive and exclusive image for Dumpling Delight that can offset the negative sentiment caused by the failure of its Dubai branch.

Requires:

- Additional effort from the marketing and outreach executives to advertise and connect Dumpling Delight to celebrities.
- Drastic increase in marketing budget to potentially pay notable individuals to attend and host events at Dumpling Delight (we hope that the long-term success of outreach can offset any initial costs).

Risks & Mitigations:

1) Emphasizing Chinese Culture

- **Risk:** Additional activities such as dances and festivals may not draw enough customers to justify the additional funding put into them, causing the company to suffer significant loss. (**Possibility: Low, Severity: High**)
- **Mitigation:** Gauge customer interest through various polls beforehand and selectively implement additional events into the most promising branches. Before each event, dedicate time to community outreach, especially in regions with high Chinese population concentration.

2) Implementing a Manager Mentorship Program

- **Risk:** The sudden shift in responsibilities and roles within Dumpling Delight may cause confusion across management and various departments, disrupting normal operations in the short-term. (**Possibility: Medium, Severity: Medium**)
- **Mitigation:** Significant planning will need to be carried out before the program can be initiated. During the first few years of the actual program, branch managers can also be trained via online lessons and meetings with senior managers or concurrently conduct branch operations while being trained. In the long term, this issue will be resolved after the system is stabilized.

3) Expanding Outreach to Notable Guests and Celebrities

- **Risk:** Celebrities charge ridiculously high prices for appearances at the restaurant and most of the money spent on marketing will be used for outreach that fails to produce results. (**Possibility: High, Severity: Low**)
- **Mitigation:** While it is true that most of the marketing money will not be useful, it only takes one major celebrity appearance at any branch for that location to become very successful. As such, this risk can be mitigated by starting outreach and hosting events with smaller personalities before building the reputation to invite more famous individuals capable of drastically improving sales.