

# **The Analysis of Restaurant Industry in Kuopio Region**

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Bachelor's thesis





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<p>Abstract</p> <p>“Hunger breeds discontentment”, people are the basis of a country and food is paramount necessity for people. With the rapid development of restaurant industry, nowadays restaurants already spread all over the world</p> <p>The objective of the thesis was to collect information from existed restaurants and forecast the restaurant industry developing trend in the future. The thesis was also prepared for the new entrepreneurs who want to open new restaurants in Kuopio. Before they open their new restaurants, hoping this thesis could offer some useful suggestions for them.</p> <p>The thesis started with the theoretical part including definition of the restaurant, a history of the restaurant, different types of restaurants, and different types of restaurant employees. It was followed by clarifying how to open a restaurant which stated ten steps of opening a restaurant, common problems that every restaurant will face, and characteristics of a successful restaurant owner. Finally the research part applied qualitative research method and collected numerous information with seven in-depth interviews.</p> <p>The research findings revealed the businesses of most restaurants are going down and down every year at the moment. In addition, the restaurant update period are becoming shorter and shorter. All the restaurant owners are trying to following the quick developing step of the restaurant industry.</p>			
<p>Keywords</p> <p>Restaurant industry, restaurant owners, restaurant workers, development, interview</p>			

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## 1 INTRODUCTION

“Hunger breeds discontentment” maybe this sentence can explain every well that why there are so many different restaurants existed in every place of the world. People are the basis of a country and food is paramount necessity for people. Following the development of the living standards, nowadays most people prefer to eat in a restaurant rather than at home. Restaurants can offer good quality food, comfortable eating environment and friendly service for every customer. (Di Pangzi, 2013)

The reason why I choose this topic is that I already engaged into this industry for many years and I will continue to do this industry in the future. I opened my first restaurant “Ravintola Nanjing Keittio” on 01.12.2014 in Varkaus. And I sold out the restaurant in 31.07.2015. Totally I ran the business for 8 months. It was not so long time but I learned a lot from it. There are totally three main reasons that why I sold out the restaurant. Firstly, the business of the restaurant was not very good. I could only get a few profits every month. In addition, I also did some surveys there, looking forward, I thought the business would not go better and better; because the market was so small and also another new restaurant entered into the market. Then, at that moment because my business was not very bad, so I could sold it out with a good price. Finally, I still had some task needs to finish in the school. I want to graduate as soon as possible, then I will open another bigger restaurant in Jyväskylä. Jyväskylä is a little bigger city than Kuopio, and I think these two cities have familiar market. I will do some surveys using qualitative research method to get some useful information, Then I think my experience that I get in Kuopio will be helpful if I open another new restaurant in Jyväskylä.

### 1.1 The objective and restrictions

The objective of the thesis is to find the advantages of the existed restaurants and give some useful information to the potential entrepreneurs who want to open new restaurants. Besides, I also hope this thesis can give some suggestions to the relevant institutes to give some supports for the entrepreneurs who wants to open their own restaurants. Consequently, the study will not only contribute to the author’s personal achievement but also enhance the development of the restaurant industry in Kuopio region.

## 1.2 The structure of the thesis

The framework of the theoretical part was mainly derived from Internet and relative books. After reading numerous literature materials, all useful information was integrated into theoretical part.

Qualitative research method was applied in the research part. There totally seven interviewees were selected to participate in the face-to-face interviews: four restaurant owners and three restaurant workers. The main interview questions were listed below.

1. Could you shortly introduce yourself?
2. How do you start to open one restaurant? And how long time your restaurant has been opened?
3. Why do you want to work in restaurant? Are you satisfy with the work now? And do you want to open your own business in the future?
4. Do you think you have successfully opened one restaurant and why? Do you want to do any changes of your restaurant at the moment?
5. Could you give some suggestions for the local institutes which support people doing their own business?
6. If you are going to open one new restaurant, what kind restaurant you want to open and why?
7. Could you forecast in the following years how the restaurant industry in Kuopio region will develop?
8. How do you deal with the economic problems and quick restaurant update period?

The thesis is primarily grouped into four parts. In the begging of the thesis, it starts with theoretical part on the the analysis of restaurant industry in Kuopio region including definition of restaurant, history of restaurant, different types of restaurants, and different types of employees in restaurants. It is followed by the process of opening a restaurant, common problems of a restaurant, and seven qualities of a successful restaurant owner. Thereafter, the thesis turns into the main research part which clarifies research objectives and questions, data collection, data analysis, qualitative research result, main findings of the research, and validity and reliability of the research. A conclusion containing the thesis work process is described in the end.

## 2 BACKGROUND ON THE RESTAURANT

In this Chapter, the definition of restaurant and history of restaurant are explored from different theoretical sources. Then the information of different types restaurants and different types restaurant employees are described according to the collected literature materials.

### 2.1 Definition of restaurant

According to the France encyclopedic dictionary, restaurant means something that can help people restore spirit and energy. And there are only two ways which can help people restore spirit and strength: taking a rest and eating food. Then some clever people start to offer food, drinks, dessert in the public place for customers in exchange for money. This is the prototype of the restaurant. restaurant is a business which people sell food and drinks to customers in the public place in exchange of money. (Han Dian 2014)

### 2.2 A history of restaurant

The restaurant as we know it today, a place where people come to eat and drink and socialize, is credited to the French Revolution. But even before Marie Antoinette and Louis XVI were sent to the guillotine, restaurants have been in one form or another for thousands of years. (Lorri Mealey, 2015)

#### *Restaurant in Ancient Times*

The idea of selling food for profit as far as the earliest civilization. In ancient times, peasants and farmers often brought their livestock and goods to the urban market. They usually traveled many days, this brought the earliest roadside inns. Inns offered food at a common place and there are no menus and options for customers, chef decides to offer what kind food. (Lorri Mealey, 2015)

Within the city wall, because it was very crowded and many people don't have their own means to cook the food. Then many vendors sold food for small carts or street kitchen, which is still very popular today. In addition, most of the food that they sold are prepared or half-cooked, this is a forerunner of modern fast food. Actually these

vendors not only offered food for the people but also brought people together. (Lorri Mealey, 2015)

### *Restaurant in Middle Ages*

In Europe through the Middle Ages, taverns and inns continued to offer prepared and cheap food. In England food like sausage and shepherd's pie were commonly offered but in France stews and soups were popular.

Following Columbus' voyage into America in 1492, more food was brought to Europe such as tea, coffee, chocolate etc. By 17<sup>th</sup> century, most people still preferred to have a full meal at home rather than ate at a public house. (Lorri Mealey, 2015)

### *The French revolution and the rise of fine dining*

In France throughout the Middle Ages, guilds had monopolies on many aspects of prepared food. But when Marie Antoinette and Louis XVI were sent to the guillotines, the guilds were also swept away. Then many chefs and households found themselves were unemployed. These people opened many of their restaurants and brought a new way of dining. From that time, menus became diverse and customers could order what they wanted. Though public house continued exist, the rise of fine dining in France quickly throughout Europe and the new world.

The French revolution improved the ride of modern restaurant in 18<sup>th</sup> century. The displaced chefs and households set the precedent of private dining and a la carte menus, marking the rise of fine dining. The huge changes in travel in 19<sup>th</sup> century, helping establish luxury dining destinations in Europe and abroad. In 20<sup>th</sup> century, the restaurants already involved into the familiar brand like today, marking the rise of fast food, chains and franchises as well as organic food. (Lorri Mealey, 2015)

### *19<sup>th</sup> Century restaurants*

The rapid growth of railways and steamships in the 19<sup>th</sup> Century led to more people travel around the world. At the same time, the request of restaurants also increased quickly. At that time, a new style restaurant came out, patrons ordered food from a la carte menu and paid their check in the end of the meal. (Lorri Mealey, 2015)



### *Advancements in sciences and technology influence restaurants*

Following the quick development of sciences and technology during the early 20<sup>th</sup> Century, more and more patrons started to pay attention to the safety of the food. In addition, with the discovery of germs and link between health and hygiene, a greater emphasis on cleanliness led to the rise of two popular hamburger chains-White Castle and White Tower. Their all white decorations could make sure that their food was made in the safe, clean and sterile environment. (Lorri Mealey, 2015)

### *Rise of Franchise restaurants*

The biggest change during 20<sup>th</sup> Century came with MacDonalDs. Two brothers came from Illinois started to make hamburger in 1948 and they achieved a big success. From that time, hamburger brothers started to offer cheapest and fastest food by employing low skill workers to assemble it. MacdonalDs served food efficiently and inexpensively, but they were not so good at franchising. Ray kroc saw the potential and bought the brothers out in 1954. His formula of franchising set the precedent of fast food and became landscape in America. Through 1950s and 1960s more and more franchise restaurant came out, it represented franchise restaurant had gotten a big development. (Lorri Mealey, 2015)

### *Rise of family casual dining*

During the 1990s, many family casual dining restaurants began popping up, they offered moderately priced meals and children's menus. Some of the most popular restaurants were Olive Garden and Applebee's. (Lorri Mealey, 2015)

### *The farm to table movement*

During 1980s, 1990s and early 2000s, obesity became a problem over all America. During the 21<sup>st</sup> century, unhealthy food which was high in fat and sodium for obesity crisis plagued America again. In response, many restaurants changed to offer healthy organic food, including improved chicken menus. Nowadays, with the quick development of food diversity, customers pay more and more attention on what they are eating. (Lorri Mealey, 2015)

## 2.3 Different types of restaurants

There are many different types of restaurants. They range from corner delis to full-service, from quick casual to normal dining. Each type of restaurant has developed for a long time.

### *Quick Serve(Fast Food)*

These kind restaurants are designed to offer cheap food within short time. In the kitchen of these kind restaurants, normally there are many prepared food in order to produce high volume in short periods of time. Customers expect to get quick service, low price and consistency. Some of the most famous fast food restaurants are knowed as McDonald's, Burger King, Pizza Hut etc. (Donald Wade, 2006, XVI)

### *Family restaurants*

As we know from the word, family restaurant is one kind of casual dining restaurant which food is often offered on platters and the diners serve themselves. But the family restaurant often doesn't offer alcohol drinks. (Donald Wade 2006,XVI)

### *Buffet*

Buffet-These restaurants have the ability to serve many people with many types of cuisine at the same time. They are usually low cost and affordable for a family. (Donald Wade 2006, XVI-XVII)

### *Casual dining*

Casual dining restaurant is a restaurant which offers full-service and consumer can dress comfortably. In a casual dining restaurant often moderately-priced food is offered in a casual atmosphere. Except for buffet-style, casual dining restaurants provide table service. In addition, casual dining restaurants offer simple menu for customers which includes burgers, sandwiches, chicken etc. Some of the most well-know casual dining restaurants are TGI Fridays, Applebee's, Ruby Tuesday, and Olive Garden. (Donald Wade 2006, XVII)

### *Fine dining*

Fine dining restaurants are full service restaurants where the expectation of the food quality, service, ambiance, and the overall experience are first class. The wait staff in fine dining restaurants are usually high trained and wear more formal attire. Fine dining restaurants are always small businesses and are often independently owned. Some of the most popular Fine dining restaurants are Charlie Trotter, Thomas Keller, and Bradley Ogden. (Donald Wade 2006, XVII)

### 2.4 Different types of restaurant employees

In any kind restaurant, there are different kinds employees who play different roles and also are responsible for different jobs. The following paragraphs state the types of restaurant employees.

#### *Manager*

A chain of restaurant or a franchise needs an executive manager who will oversees all the thing and ensures the quality of food. But in a small restaurant, manages can replace executive managers to manage the employee schedule and daily operations. (Angelique de la Morreaux, 2010)

#### *Chef*

All the restaurant need a chef who is in charge of food. In fine restaurant this person is called head chef, but in fast-food restaurant this person is called head cook. A good chef should express his enthusiastic for the food that he will cook. If a chef is professionally trained, be sure that he can handle a busy kitchen as well as produce delicious dishes. Another important factor is that when a chef is cooking, he should ensure the safety of the food, there should not be any rubbish in the food. (Angelique de la Morreaux, 2010)

#### *Server*

In any restaurant, the food needs to go from the kitchen to customer tables. In a fine

restaurant, server will delivery the food to customers in a sit-down table. While in fast-food restaurant, there will be a window server which will delivery food to clients by window. A good server should have enough knowledge of food or at least know the food that he or she is offering to customers. In addition, servers should always contact with customers friendly in order to establish a good reputation of restaurant. (Angelique de la Morreaux, 2010)

### *Miscellaneous*

There are also some other kind employees in a restaurant like bartender, dishwasher, and busboy. Bartender is often tops on the front-of-the house job ladder. A good bartender should have enough knowledge of mixed drinks. Besides, a great bartender is also friendly both to customers and staffs. Dishwasher is responsible for washing all the dishes. It is an entry-level position in a restaurant. Normally, the first promotion a dishwasher gets is busboy. Busboy is responsible for busing the dining room table and fetching ingredients for the main chef. A good busboy not only needs to finish his own work, but also needs to keep an eye on the chef and prepare ingredients for him when comes orders. (Angelique de la Morreaux, 2010)

### 3 ESTABLISH A RESTAURANT BUSINESS

Opening a restaurant, it might seem an easy task, as many people would agree, but factually it is not. Even opening one small restaurant, there are many small links need to pay attention to. This checklist will help a starter take action to launch and grow a new business.

#### 3.1 Ten steps to open a restaurant successfully

There are ten steps of opening a restaurant: define the concept, write a business plan, get funded, consider technology, create a menu, design your space, hire and train staff, promote your opening, engage customers, and have fun, learn, adapt. If an entrepreneur can do all these step by step, then it will be a good start for his or her business.

##### *Define the concept*

Creating a brand is the foundation of all other processes. After the brand is built, the new owner will know what kind restaurant it will be, what are his main customer audience, what kind equipment he needs etc. The restaurant starter also needs to do a market research to see how many competitors will offer the similar food in the same community. The first step will decide the right size of the restaurant, 20 or 350 seats, and this will help in subsequent steps that you will make; so making sure you will spend enough time on establishing your brand. It is the basis of your entire vision.

After you decide your concept, then choose a name for restaurant. It may sound easy, but actually it is not. Trying to let your potential customers choose the best name. A bad name can turn diners away before you even get the chance to win them over. Picking name is crucial. A good and easy name will appeal customers to come inside and this is a key element to success. Once you have developed your concept and restaurant already gets an awesome name. Then your entire brand will start to come together. You should forecast that when customers see your brand and your logo, what kind feelings they will have; will they think out the food that your restaurant stands for.

A good graphic designer can crank out a logo that meets your restaurant expectations.

Starting to use this logo immediately even during the planning time. When customers see the logo they can immediately remember your company. A good logo will help customers remember what you do and who you are. Establishing a new brand sometimes needs months to years, so be patient and plan accordingly. (Emily Fritz, 2012)

### *Write a business plan*

Before starting the business; the restaurant owner must write a business plan which should include executive summary, company summary, market analysis summary, strategy for implementation, financial plan and appendix.

Executive summary states objective of the restaurant, writing down what is the mission and vision of restaurant. Summarize what makes your restaurant different from others. Company summary includes owner biography(es), the members of restaurant, job responsibility for every employee. In addition, the logo and brand of restaurant, what is the final goal of restaurant should also be recorded in company summary. Market analysis summary collects statistics from the initial market. Such as collecting the number of normal resident that live in your geographical area; what are the main consumer groups of your restaurant, assuming which market share you can get in. If you can cooperate with your competitors or other relative communities, list it here. Strategy for implementation records how you will recruit and train your staff and tell them your management strategy. Writing down your promotion and excitation methods. Forecasting a 5-year outlook and any expansion that you may have. A smart restaurant starter always pays attention to the financial problems that restaurant will meet. What are the expected expenses? What is the profit margin? How long time can get back the original investment money? How long time restaurant can pay all the loans? The restaurant owner should consider all these questions. Appendix-In the need of the plan, relative materials, further research, and sales forecast should be attached. (Emily Fritz, 2012)

### *Get funded*

If you don't have enough capital to start your business. Then trying to get funded from all banks, communities and companies. Once you sign the contract of your loan, then be sure to your stick to your promises and pay-off schedule. (Emily Fritz, 2012)

### *Consider technology*

In today's world, technology drives any business, also includes restaurant industry. Normally an important investment of restaurant needs technology support in many aspects. A good usage of technology will help to set a perfect website; recruit staff, track hours and pay staff; integrate social media into your restaurant design; offer online ordering and online reservation; it will also help customers to find your restaurant in their mobiles. (Emily Fritz, 2012)

### *Create a menu*

If you already decide what kind restaurant you are going to open, then it is time to make an official menu. If yourself don't work as a executive chef, then try to employ one and he or she will be responsible for recruiting other kitchen staffs. Then you should decide with all kitchen works to make a good menu.

The menu should fit the restaurant brand. If some items only a few people like and don't fit the overall theme, then nix it. In addition, good menu should have balanced menu items and appropriate price. After customers see your restaurant, they will know what is the main concept of your restaurant and what kind food they will order. When creating a menu, considering your suppliers. You need to prepare all ingredients for every menu item. Where will you get these ingredients and how will you keep them fresh? In addition, considering about the cost, trying to keep the cost low and making selling price accordingly, then you will have a reasonable profit margin on each of your menu items. After considering all of these important points, then your menus should be in print before the opening day. (Emily Fritz, 2012)

### *Design your space*

After you have funds and menu in your mind, then it is time to buy relative staffs for your restaurant. You need to design the space of your restaurant. How many customer sitting places you are going to offer? What are the sizes of desks and chairs? Are you going to launching a coffeehouse or opening up a saloon? In addition, your entire design should reflect your brand. (Emily Fritz, 2012)

### *Hire and train staff*

Before opening, forecasting the business and hiring enough staffs. As a restaurant owner, you should clearly know what kind employees you need and what are their responsibilities. After hiring the employees, then training them according to the restaurant regulations. A good employee is the bridge between your restaurant and customers. He or she will also help to establish a good reputation of the restaurant. (Emily Fritz, 2012)

### *Promote your opening*

It is not a good idea that you make a lot of advertisements before opening. If you make lots of advertisements, the first opening day will be very busy, and all the workers are not familiar with their works, then all the restaurant will get into a mess. The soft opening should last about one week. During this week, more and more customers will know your restaurant is opening and your business will also become better and better. Then just keep it and still don't make advertisements. If after one week, your business is still not good, then try to make some advertisements on newspaper and delivery some leaflets to customers. Because the first impression is very important, if customers think your food and service are not good at the first time, then maybe you will lose these customers forever. Overall, be patient and improving the business step by step. (Emily Fritz, 2012)

### *Engage with customers*

When you go to work, all the time, you should be full of enthusiastic. Trying to talking with customers and think customers as your best friends. In addition, encourage employees to contacting with customers friendly; then when customers come to your restaurant, they will have the same feeling like at home. It is the best way to get more and more all-life customers for your restaurant. (Emily Fritz, 2012)

### *Have fun, learn, adapt*

After opening, trying to enjoy it. You and your employees should keep having fun all the time during the work. If sometimes things get mundane, shaking them up to make fun again. During the work, keeping record of all the things; improving food quality and service; keeping an eye on the market and catching the developing step. Restaurant work is tough, then trying to adapt it. After work, going to do some other things,



balancing and enjoying the life. (EmilyFritz, 2012)

### 3.2 Seven surprisingly common problems that every restaurant will face

The food industry is a high-risk business proposition. According to a research, 60% of the restaurants fail in the first year. In addition, following the development of the technology, the update period of restaurant also becomes very short. Normally we put 3-5 years as a update period period. In any market, between three to fives years, there will be many new restaurants entering the market and also bringing new food to the market. If the old restaurant can't follow the changing step, in a few years they will be eliminated. But every restaurant can increase the chance of success by overcoming the seven common problems that every restaurant will face. (Bloomsbury & Geoff Peters, 2010)

#### *Common problem 1: The menu*

The menu is the first common problem that every restaurant owner will face. Does the menu have balanced items that customers can choose? Does the menu be priced appropriately? Does the menu have a coherent theme?

Instead of offering a five-page menu, restaurant should offer a smaller number of dishes and do them very well. Customers need to know what is the unique proposition of one restaurant. The restaurant owner should try to focus on a few menu items, large menu takes time to order from. Besides , the more dishes you have on the menu, more ingredients you need to prepare. In addition, if the restaurant has too many different dishes, then at the same there will be not enough same order in the same pans, then the cook needs long time to cook the time, each table will take a long time to serve.

To make a good menu, restaurant should group the most profitable items together, try to make the menu like a tour guild, update the menu at least once a year, make sure all the restaurant staffs are thoroughly trained and memorize the menu very well. (Bloomsbury & Geoff Peters, 2010)

### *Common problem 2: Service*

First impression is very important. In the restaurant even the food is outstanding, the table settings are exquisite, the ambiance is delightful, but if the service is bad, customer will remember. The most important factor is to happy customers, especially who want to come back again and again. To satisfy every customer, from the manager to the staff, every employee must be dedicated to customers' well-being. Every contact with customer must be pleasant, friendly, and welcoming. The restaurant should pay attention to every evaluation that customers give online. Because all the customers when they visited the restaurant website they will notice the evaluation. So the restaurant should does some treasures to deal with the bad evaluation and keep the good evaluation. (Bloomsbury & Geoff Peters, 2010)

### *Common problem 3: Unique selling point*

If the restaurant already offers very good quality food, friendly customer service, comfortable ambiance, but the business is still not good. Then the restaurant should pay attention to the unique selling point. You need to know why customers come to your restaurant not your competitors'. One restaurant should offer something special that can represent the restaurant, after customers leave for a long time, they can still remember the restaurant and would like to come back. (Bloomsbury & Geoff Peters, 2010)

### *Common problem 4: Management*

Another important common problem is management. To make sure the restaurant goes in a profitable way; the restaurant owners should keep recording the number of customers down everyday; keep track of ordered menu items, if some items never be ordered, then it is time to move them off; write down what are the most profitable menu items; calculate the cost margin for every menu item; make a budget of the labor; calculate the percent that the labor cost compare to the sales; keep to write down the loss and profit every week and summarize the reason. If the restaurant can pay enough attention to all these points, it will go to the further step to achieve the goal. (Bloomsbury & Geoff Peters, 2010)

*Common problem 5: Hiring and training staff*

Most successful restaurant owners know the importance of hiring right staffs. An incompetent staff will irreparably damage the the image of a restaurant. But if one restaurant hire one perfect employee, this person in some way will enhance service of the restaurant and image of the restaurant, it is gainful to set a good reputation of the restaurant. Once a employee is hired, then the restaurant should offer to him or her training manuals, checklist, goals and incentives. In addition, the restaurant should think out some ways to inspire employees to make sure all of them are enthusiastic and motivated to pursue the goals of the restaurant. Owners of the restaurants should try to establish and maintain a solid management structure and every member knows what is his or her responsibility and how to achieve the goals that are setted.

(Bloomsbury & Geoff Peters, 2010)

*Common problem 6: Marketing*

Many owners don't pay much attention to the market. They only think what is happening inside is important. To avoid the pitfalls of the business, restaurant owners should formalize brand standards including mission statement, logo, guidelines etc; make a market plan based on a short-time period between six months to one year; create a responsive website that has good desktop; keep contact with social media and digital marketing; create a customer loyalty program. If the restaurant owners can keep paying attention to these points, one side inside the restaurant there will be a clear goal during every period, another side can keep catching the step of changing of outside market. (Bloomsbury & Geoff Peters, 2010)

*Common problem 7 : Capital*

Capital is the problem for every entrepreneur. For a restaurant starter, he or she has at least one year capital for the fluent operation of the restaurant. In addition, the starter should have enough financial resources to cope with the unexpected capital problems.

(Bloomsbury & Geoff Peters, 2010)

### 3.3 Characteristics of a successful restaurant owner

As we mentioned before, restaurant industry is a high-risk industry in the business proposition. It can be as tough as it is rewarding. Owners are often face with long hours work, unexpected cost and frequent customer service concerns. The following lists seven qualities that one restaurant starter should have.

#### *A passion for food*

“passion is key for success with any business, but with a restaurant, you truly have to love it and want to be there everyday,” says Jay Silver (2015), owner and chef at Manhattan restaurant EJ’s Luncheonette. “Some people think it is cool to have a restaurant and have this great place for social gatherings, but that is not what it is about, you have to love food,’ he says. If people don’t like food, he will be also not interested in the food ingredients and the food will be unique. A food picky eater or even a person who is not a foodie, he is not suitable to work in restaurant industry. (Kathryn Tuggle, 2015)

#### *Excellent work ethic and eye for details*

For a starter of a restaurant, he should be willing to get dirty and be willing to learn everything that comes with operating a restaurant. The restaurant starter needs to prepare to work all the time-weekends, holidays and late nights; it just like the owner get married with the restaurant, especially during the days when the restaurant starts to open. In addition, the restaurant owner should keep an eye for all details. Hundreds of things are happening at the same time inside the restaurant; such as a light bulb that burned out, a fork is missing from the setting place. All these things seems not important, but customers will notice this. The restaurant owner should think himself as someone that needs to listen and see all. Besides, the restaurant owner not only needs to keep the eye and ear open in the front side of head but also back side in order to guide himself or herself to make correct decision. (Kathryn Tuggle, 2015)

#### *Organization skills*

As the restaurant owner, he should organize all the elements of purchasing, the workers work list etc. Besides, he needs to make sure that the restaurant already pays

all the bills that should be paid like salary of the workers, electricity fee, water fee, rent, taxes etc. All the staffs should be trained and organized enough to know when to take an order, when to refill a drink and when to deliver food. If the owner himself or herself is scattered, then all the workers will be also scattered all over the place. Most successful restaurant managers have checklists which will write like: turn on computer, open fried machine, cook rice first etc. All these are mundane but essential things that the manager has to do to make sure restaurant will operate very well during all the day. (Kathryn Tuggle, 2015)

#### *Ability to teach*

A successful owner is also a good teacher. The owner can't expect the workers will know what their jobs are. He or she should spend some time teaching them one by one. This process will be time consuming, but it is a necessary step for a success of the restaurant. Even one worker has worked for several years, he or she still needs to be trained. For example, one cook in the restaurant has been doing this forever, but he still needs to be trained to get to know cook all the dishes in the right way. As a teacher, the owner should know his or her mission statement and follow it. There are thousands of different leaders in the world, but try to be yourself. Don't be a hard-ass one day and pushover the next. Only if the leader is consistent then his or her expectation can be consistency. (Kathryn Tuggle, 2015)

#### *Ability to inspire and lead*

Everyday when the owner goes to work, he should show he loves his business. Then the workers are possible to go to work with excitement and enthusiasm and a desire to succeed. When making a decision, be firm. Sometimes inspiring employees are as simple as asking opinions. Leaders should always keep contacting with workers. Talking to them and telling them your love of every dish and wine to evoke their passion in work. Asking their opinions like how can make the restaurant better, how they would do things if it is their business. In this way. one side the owner can be a friend of workers, another side he can set prestige among workers. (Kathryn Tuggle, 2015)

### *Understanding of your customers*

A successful restaurant owner knows where customers want to eat, what customers want to eat and what are the most attractive dining room settings. The restaurant starter should clearly know what kind restaurant he wants to open and whether it is unique in that area. If it is not unique, at least it should be not redundant nearby. Before leasing one place, the owner can think himself as a customer to walk around the place to think what is the feeling. If the owner can offer unique food and all other things go very well, then don't be hesitate to open it. (Kathryn Tuggle, 2015)

### *Ability to budget and control cost*

Before opening, the owner should calculate the fixed cost, and then calculate the profit margin and calculate everyday at least coming how many customers can cover the cost. Normally for one restaurant, food cost, salary for workers, and rent are three main costs. "If you don't have a handle on labor, it can be a disaster. It is so easy to be overstaffed, or find yourself understaffed with people working overtime that adds up quickly," Silver (2015) says. Smart restaurant owners often pay attention to several different vendors to compare the food price in order to use the least cost to make highest profit. In addition, they also eliminate waste wherever is possible, including turning off the lights in storage and bathroom, making sure workers don't use water like a waterfall. All of these are small things, but in a long time these small things will add up to lots of money. (Kathryn Tuggle, 2015)

## 4 RESEARCH PROCESS

This chapter mainly concentrates on the practical questions of the thesis. This chapter starts with the stating of the objective and question of the research. Then research method is clarified. Afterwards, this chapter goes through the data collection and data analysis. Ultimately, research result and main findings of research give a conclusion of all the research process. In addition, the evaluation towards validity and reliability of the research is clarified in the last paragraph.

### 4.1 Research objective and questions

In Kuopio, there are hundreds of different kinds restaurants come from different countries which combine the restaurant industry. All of these restaurant can be mainly divided into fast-food restaurants, Pizzeria, Chinese restaurants, Japanese restaurants, Nepal restaurants, and Finnish restaurants.

The objective of the research is to find successful factors of existed restaurants and forecasting the restaurants developing trend in the following years. In order to successfully finish the research, I use qualitative research method to interview the restaurant owners and workers. So the questions are mainly designed for two kinds important roles in a restaurant: the owner and the worker. There are totally 20 open-ended questions for the owners, which can be also divided into four parts: personal information, restaurant information, entrepreneur process, and perspectives and recommendations. For the worker, 12 questions are designed totally, which can be also divided into 3 parts: personal information, information concerned with the work, and perspectives and recommendations. The following is the main questions which are designed either for owners or workers.

1. Could you shortly introduce yourself?
2. How do you start to open one restaurant? And how long time your restaurant has been opened?
3. Why do you want to work in restaurant? Are you satisfied with the work now? And do you want to open your own business in the future?
4. Do you think you have successfully opened one restaurant and why? Do you want to do any changes of your restaurant at the moment?
5. Could you give some suggestions for the local institutes which support people doing

their own business?

6. If you are going to open one new restaurant, what kind restaurant you want to open and why?

7. Could you forecast in the following years how the restaurant industry in Kuopio region will develop?

8. How do you deal with the economic problems and quick restaurant update period?

#### 4.2 Validity and reliability of qualitative research

Qualitative research is often seen as a biased, small scale, and anecdotal research. However, when it is carried out properly, it will be an unbiased, reliable, valid, and in-depth research. Although validity and reliability are also concerned with quantitative research, they are also important concepts in qualitative research. Validity refers to the honesty and genuineness of the research, and reliability relates to the reproducibility and stability of data. By assessing the objectivity and credibility, people can examine validity and reliability of one research. (Am J Pharm Educ. 2010)

During the interview research, there were totally seven people participated in the research: four restaurant owners and three restaurant workers. During the interviews, everyone participant spoke out their real experiences and ideas. In some points, they have same ideas; but also in some sides they have different perspectives. For the readers of this thesis, trying to find the important information that is useful for yourselves. Then combining with your own experiences and ideas to make the final decision.

#### 4.3 Qualitative research method

In this thesis I use qualitative research method to get primary data information. Qualitative research is a type of scientific research which is often used to answer questions “what” and “Why”. The strengths of qualitative research is its ability to provide detailed information of a complex research. Participant observation, in-depth interviews, focus group and action research are four main qualitative research methods. During my research process I used in-depth interview to collect data on individuals’ personal histories, perspectives and experiences. (Jerry Thomas, Jack Nelson, Stephen Silverman, 2015)



#### 4.4 Qualitative data collection

There are main four qualitative data collection methods: observation, interview, focus group, and action research. (Jerry Thomas, Jack Nelson, Stephen Silverman, 2015)

Observation means a stranger stays in the setting for a prolonged amount time to record people's behavior according to what is seen. Many researchers record notes to answer the research questions. Some researchers also use camera to record what is occurring at the research sites. Observation method could not collect very useful data in a short time, it is time intensive. Collecting good data takes time, short observations are unlikely to help gather enough useful information for the research. In addition, observation method not only takes time, but also when the researchers are observing people's behavior, they must understand the nuance of what is occurring.

(Jerry Thomas, Jack Nelson, Stephen Silverman, 2015)

Focus group is another qualitative research technique which means employs interview on a specific topic with a small group of people. This research method is very efficient, because researcher can gather information from several people in one session.

Normally people of focus group are homogeneous, such as a group of teachers, a group of students, a group of company workers, etc. During the focus group interview, researchers don't persuade people to get consensus. It is just an interview. So every person who participates in the interview, can give his or her own perspectives. Then it becomes difficult for researchers to take notes about all the points, but an audio or video recorder may solve the problem. Because the questions can be asked during one session is limited, researchers have to combine focus group research with other data gathering techniques. (Jerry Thomas, Jack Nelson, Stephen Silverman, 2015)

Action research is very suitable to describe an unfolding series of actions which are taking place over time in a certain group, organization or other community. Also, if the research question is related to the process of changing, developing, or improving, action research is the most suitable application for research. (Paivi Eriksson 2010, 193-195)

The interview is undoubtedly the most common source of data in qualitative studies. Interview ranges from the highly structured style, in which questions are prepared before the interview, to open-ended, conversational format. A good interviewer must

first establish rapport with the respondents. Then the participants will trust the researcher and the collected answers will be reliable. If numerous questions are asked during an interview and the researcher can not write down all the detailed information, digital recorder and video will be the best choice. After recording all the interviews, researcher can sort all the data at home. (Jerry Thomas, Jack Nelson, Stephen Silverman, 2015)

### *Interview design*

There were totally seven people were selected to participate in the interviews: four restaurant owners and three restaurant workers. The interview includes 20 questions for the restaurant owners and 12 questions for the restaurant workers. All of these questions are mainly designed to clarify personal information of both owners and workers, owners' restaurants information, entrepreneurial process of owners, wok information about the workers, and perspectives and suggestions for both of them.

### 4.5 Qualitative data analysis

There are mainly four steps to analyze the qualitative data. Firstly, collecting all the data according to the interviews. Secondly, read all the information carefully and making some memos. Thirdly, comparing all the data and find the differences and similarities. Finally, summarizing all the data by own words and interpreting all the findings.

### 4.6 Qualitative research results

Interview is the main research method that I use in this thesis. At the same time, interview is the most common source of data in qualitative studies. During my research, 4 typical owners of different kinds restaurants and 3 workers who work in different restaurants were selected to participate in face-to-face interview.

Due to the confidentiality of the interviewees, the name of the owners and workers are not opened, instead 4 owners are coded as O1, O2, O3, and O4; 4 workers are coded as W1, W2, W3, and W4.

*Interview with 4 Owners*

Among the 4 owners of the restaurant that participate in the interview, three of them are men and one of them is woman. and their ages are different from 26 years old to 55 years old. O1 came from Iraq, and he already stayed in Finland for 20 years. He worked in Finland about 10 years and then he opened one Pizzeria. Now he has five children, he is very satisfied with his life in Finland. O2 came to Finland about 10 years. He has one Chinese restaurant at the moment. When he came to Finland, he worked as a chef in a big Chinese restaurant about 8 years before. After two years work, he bought the restaurant which he is still running now. Two years before he totally had three restaurants in Finland. One located in Iisalmi, one located in Mikkeli, and one located in Kuopio. But now he already sold another two restaurants and only one left in Kuopio. Now his wife and children live with him together, he likes Finland very much, he said he will live here with family all his life. O3 is the youngest owner among the 4 owners, who is only 26 years old. She came to Finland totally 6 years now. 6 years ago, she came to Finland as a student and studied business in Savonia University of Applied Sciences. She said when she was very young she wanted to be a business woman. After she came to Finland, he saw nearly all the foreigners who want to do business in Finland opened their own restaurants; and most restaurants could survive and had good business. One year before, she made her decision to open one restaurant with his partner together. She got her own ideas after do some research in Helsinki. At lats she opened his Japanese restaurant which mainly stand for sushi buffet, and she earned some profits. O4 has been in Finland for 9 years. When he came to Finland 9 years before, he also studied in Savonia University of Applied Sciences. After he graduated, he opened his first restaurant which sold Finnish food. After 4 years, he sold this Finnish restaurant and opened one Chinese restaurant. But unfortunately, this Chinese restaurant only survived one year and half. He summarized the reason for the failure of his first Chinese restaurant was that the price of the food was too much high. After he closed the first Chinese restaurant then he opened another one which was more like fast food restaurant. In addition, he had home delivery service, this time he achieved a big success.

The aim of the interviews is to clarify the situation of restaurant industry in Kuopio at the moment. Then trying to find the characteristics of the existed successful restaurant owners and get some suggestions to forecast the developing trend of future restaurant industry in Kuopio. Hoping all the information in the interview will be useful for the new

entrepreneurs who want to open new restaurants.

*Business idea generation and assistance acquirement*

All four owners generated their ideas to do their own business at different time with different reasons. O1 has been in Finland for a long time, at that time in Kuopio there were not many Pizzeria and most Finnish people like eating pizza. He thought Pizzeria would have a big market, then he just started his business. Before O2 worked in a big restaurant as a chef about two years and the business of the restaurant was very good. He saw the big profits and he thought he had enough ability to open his own restaurant, then he opened his first restaurant. O3 had much more modern idea, she thought in Finland most cities follow the step of Helsinki in nearly every industry; and in the recent two years, Japanese restaurants which mainly sold sushi buffet were very popular. But in Kuopio there was not any Japanese restaurant. Then she just discussed with her partner about her idea and her partner also agreed on her idea. Then after graduate, she opened her restaurant with her partner. O4 after graduated from University, he and his girlfriend did not want to go back to his home country; and there were only two ways he could choose to continue to stay in Finland: either found a full-time job or invested some money to do his own business. During the study time, he already tried to find some kind job, but it was very difficult. Then after he discussed with his girlfriend, they decided to open their own restaurant. His girlfriend could speak very good Finnish language, and he is interested in making food. Then they just opened their first restaurant with full of enthusiastic. The interview quotes list below.

*“I was born in Iraq and it was not a safe country, about 20 years before I came to Finland with my wife. After I came to Finland, for living, I tried to find one job. Because I couldn’t speak Finnish language, it was a difficult process, but finally I found one job. After that I also changed some other jobs and in the fifth year in Finland I got my first child. My wife didn’t work, she just stayed at home and did housework, this was Iraq system. After 10 years, there were many people who came from Middle-East opened Pizzeria and nearly every Pizzeria had very good business. Then I thought I could also opened my own Pizzeria, then I did part-time job in Pizzeria to learn how to make food and very quickly I borrowed some money from family and got some loans from bank and opened my own Pizzeria” (O1)*

*“ I came to Finland as a chef. I worked in a very big Chinese restaurant and everyday*

*it was so busy. After about one year I had the idea to open my own restaurant. Then I started to noticed all the things that happened everyday inside the restaurant. Then after another year, I opened my own restaurant” (O2)*

*“I was born in a entrepreneurial family, my father and my mother started to do their own business before I was born. Then to be a business woman was my dream since I went to school. After I came to Finland, I found that all the foreigners who want to stay in Finland opened their own business. One time, when I traveled to Helsinki, I generated my idea to open my own restaurant. I ate at a Japanese sushi restaurant, it was so busy, and I asked it was a new restaurant. After I came back to Kuopio, I did some research and noticed that Japanese restaurant which mainly provided sushi buffet was spreading all over Finland. But in Kuopio there was not any Japanese restaurant, then I thought it was the time to open one Japanese restaurant in Kuopio. Then I discussed with my partner, he agreed with my idea. Then we borrowed some money from our parents and opened our Japanese restaurant.” (O3)*

*“After I graduated from school, I and my girlfriend we both did not want to go back to our home country. Because I already graduated then I could not get student visa any more. There are two ways for me and my girlfriend to continue to stay here, either found a job or invested some money to do our own business. It was so difficult to find a good full-time job. Then after discussed with my girlfriend we decided to open our own restaurant. My girlfriend could speak very good Finnish language and I was very interested in making food. After we got the supported starting money we opened our first restaurant” (O4)*

Among these four owners, O3 and O4 got the initial capital from their parents. O1 got some loans from bank and plus his own savings, he opened his Pizzeria. O2 worked two years totally, then he had his own savings plus his parents' support, he opened his first restaurant. It was good to hear that all of them did not experienced a tough process to start their businesses.

#### *Business operation and personnel*

In regards to the operation and personnel, all these four owners pointed out that they all worked themselves in their own businesses. O1 met some personnel problems when the restaurant was just opened. O2 prepared everything and did not meet any

problem. O3 and O4 also didn't have personnel problems. The quotations are showed below.

*"After I opened the restaurant, I made some advertisements on newspaper and it was so busy. I also had home delivery service, everyday there were so many home delivery orders, the ordering phone was always ringing. There was one worker who was only responsible for home delivery and from Friday to Sunday sometimes we need two workers to make home delivery. And also there were so many customers come to eat inside and take away. Everyday we needed at least 4-5 workers work at the same time. In addition, because the restaurant was opened everyday 12 hours, I didn't have enough workers to take turns to work. At that time, I also worked everyday and felt very tired. After about 1 month, then I employed more workers, every worker have enough time for rest, then everything went very well." (O1)*

*"Because before I worked in restaurant for two years, so I knew the operation and how many workers need to work at the same time. Before I started I already employed six workers: four waiters and two chefs. Everyday four of them need to work at the same time. Because buffet is our main business, customer can serve themselves, so we did not need many waiters." (O2)*

*"The operation in my restaurant is nearly same like the Japanese restaurant In Helsinki. We have buffet everyday from morning to evening, but if customer wants to order food from food list, we also have food list. Because the buffet has so abundant food, nearly all the customers eat buffet. When the restaurant was just opened we needed at least four workers worked at the same time. One chef who was responsible for making hot food, another chef who was responsible for making sushi, and two waiters. When the restaurant was opened there were many people came here to find a job, so I had enough employees to deal with the unexpected busy days" (O3)*

*"After my restaurant opened, I employed one chef, plus me and my girlfriend, we totally were three workers. Because my restaurant was lunch restaurant which only opened 5 hours from Monday to Friday, we did not need many workers. We three people every week worked from Monday to Friday about 6 hours per day. After work, we also had enough time for rest." (O4)*

Among these four owners, only O1 operated a Pizzeria which offered pizza and keb

food. Because it was cheap, so everyday they had a big amount of customers. Other three restaurants all mainly offered buffet. We could also get one conclusion, comparing with expensive fine dining restaurant food, Finnish people like cheap fast food or affordable buffet more.

### *Staff training*

Among these four owners, O1 had the best business; accordingly he had more experience how to do staff training. But other three owners also said when they employed one worker, the worker must do the basic training according to restaurant regulations. And if they employed one full-time worker, this worker must take two to three months internship, if he or she behaved very well, then he or she will transfer to a normal full-time worker. The following quotes show their opinions.

*“In my restaurant, workers are mainly divided into four types: pizza master, home deliver, person who is responsible for making keb food, and waiter. Normally, pizza master needs a long training time. Nearly every worker can make pizza, but the main point of the pizza is that you can make the best quality pizza within the shortest time without any mistakes. This is not easy, because the ingredients of every pizza could be different. Home deliver must have a driving license and he must drive car very careful and familiar with Kuopio address. Normally, if comes new home deliver, the old home deliver will go with him together for one to two days to teach him how to find a address and how to contact with customers. The person who makes keb food is also responsible for kitchen cleaning. This is the easiest thing in my restaurant, normally about one week new worker will familiar with all his own work. Finnish language skills is the basis demand for the waiter. After new workers come, we will teach him or her how to take orders, how to contact with customers friendly, this will also take about one week” (O1)*

*“Because in my restaurant, we have professional chef and chef is not changed frequently. So the main training work is to train waiters. The work for waiters is not difficult, he or she just needs to always keep the customer sitting place and buffet table clean; and if she or he can speak Finnish language he or she can take orders. But if we employ one new chef, first he needs to make some buffet food and then we taste, if I and all the workers think it is good, he can cook his food in in his way; if it is not good as we want, I will teach him. Because he is professional chef, so he can*

*learn very quickly.” (O2)*

*“Until now I haven’t change the chef who is responsible for making hot food. But I changed some waiters and one chef who is responsible for making sushi. The waiters in my restaurant do the same work like other restaurants. The reason why I changed the waiters is that the work he or she did can not reach my demand. When the new waiter comes, first thing we teach is working attitude. If the worker doesn’t finish his or her work at the busy time, he or she can not play phone or do some other things. Because we think the work itself is not difficult. But every waiter must have a good attitude to work. After we employ the new sushi chef, we will teach him how to make sushi rice (because the ingredients in rice in every restaurant is not same), how to make sushi in our way. Of course, if he can make very good sushi in his own way, we will also adopt.” (O3)*

*“When I opened the first restaurant, I only employed one chef. Because it was a lunch restaurant, and every week only opened 5 days and every day only opened 5 opens. I, my girlfriend and one chef were enough for the restaurant. But after I opened the Chinese restaurant, we trained the waiters; and chef in our restaurant had enough right to make his own style food.” (O4)*

From above quotations we can see that four owners after they employ new workers, they will give relative training. This is also an important point for a restaurant to achieve the success.

#### *Experiences and forecasting restaurant developing trend in Kuopio*

When the four owners were asked about their experiences and their forecasting about the restaurant developing trend in the future. Every owner had so much lament want to say. The following shows the quotations.

*“I have opened the Pizzeria for 10 years. I thought I was successful, although the business goes down and down every year. 10 years before there were not many Pizzeria in Kuopio and in another side the economic in Finland was good. But later there came more and more Pizzeria in different areas and nearly every Pizzeria had the same operation style as my Pizzeria. They also had home delivery service, customer could eat inside the Pizzeria or took away. During the ten years, there were*



*also many Pizzeria opened and closed, but my Pizzeria is still surviving now. I think in the future maybe in Kuopio will come more and more Pizzeria, but most of them will meet problems to survive because they are new restaurants and the economic in Finland is not good at the moment. It is difficult for them to catch their own customers. I will try to do my food better and better, and serve customer more and more friendly, because I have many old customers, I think it is not difficult for me to survive.” (O1)*

*“Before I had three restaurants; and each of them had good business. But later I sold other two, because the business is not good like before; in addition, I was so tired to run among these three restaurants. I though I was successful. There were two main reasons why the business goes down and down every year. Firstly the economic of Finland is not good, I think it is a global problem, this is not for the person who does own business. Then in Kuopio there are so many restaurants now. Customers have more choice, naturally my business goes down. I don’t know how the economic of Finland will go, but I hope it will become better and better. In the future maybe there will be more and more restaurant, but maybe less. I just do my best, god will decide everything.” (O2)*

*“Because my food is different from other restaurants and this is also the reason that I can survive in the bad social environment. I think nowadays the update period of restaurants is very short, every two or three years there will come out some kind new food which will replace the old food. For me I will always keep an eye in Helsinki, if there come some kind new food and is also popular among Finnish people, maybe then I will Change my restaurant into another kind restaurant.” (O3)*

*“Now this restaurant is my third restaurant. I sold the Finnish restaurant and closed the first Chinese restaurant. I had three experiences want to share with people. Firstly, try to use the lowest cost to make the highest profit, improving the profit margin. If everyday your restaurant is busy and still you can’t earn profit, then think about the profit margin. Then try to improve the price quality of your food. As you can see, some restaurants have very low price, but they don’t have enough customers; contrarily, the prices of some restaurants are so high and they have good businesses. You can have your own price, but try to think whether your food worth this price. Finally, if everything of two restaurants is nearly same, such as good location, high quality food, friendly service. But if they have big difference of the turnover, then think about the sales strategy. Sometimes a good strategy can decide whether your restaurant can survive in the competitive social. In the future, I think new restaurant starter should learn the*

*traditional advantages of existed restaurants and then try to do some innovation on food in order to catch the developing step of the social.” (O4)*

*Overall, all the owners think at the moment the restaurant industry already reach saturant situation and the economic of Finland is not good. In addition, all of them say that the update period of restaurants become shorter and shorter.*

#### *Suggestions for new restaurant entrepreneurs*

When four owners were asked about the suggestions for new restaurant starter in Kuopio. Different person has different ideas, but all over all, most of them think it is not a good idea to open a restaurant in Kuopio at the moment. The quotes list below.

*“I don’t have many good suggestions for the new restaurant starters, but I think it is better that they can enter into some other industries when they are still young. Now I also want to sell my Pizzeria and do some other kind things. Because I have done this for ten years and now I am tired and want to do some other kind relax work.” (O1)*

*“Because I already bought my restaurant, so at the moment every month I don’t have too many fixed bills need to pay. I think it is so difficult for one new restaurant to survive at the moment. The new entrepreneur should think what is his goal and whether it is possible to achieve his goal; then make the final decision.” (O2)*

*“I only opened my restaurant for one year, I am so tired. Although my business is good, but I can’t earn too much profit every month. If the business is busy, body is tired; if it is not busy, heart is tired. If I could choose again, maybe I would not open this restaurant.” (O3)*

*“If you find anybody who want to open one new restaurant, then tell me; I sell my restaurant to him or her. I think it is better to do some other jobs. At the moment, every restaurant business is not so good. For new restaurants, it is much more difficult to catch their own customers. You should think if you open your own restaurant, how can you compete with the existed restaurants. But if you really have very good idea, then god can’t stop you, just do it.” (O4)*

From the above comments we can see that nearly all owners don’t suggest open one new restaurant at the moment in Kuopio. Because one side now it is so difficult for the

restaurant to earn some profit, another side it is so tough work to work everyday inside restaurant. Most owners suggest it is better for young people to enter into some other industries.

#### *Interview with three workers*

These three workers all are mans and their ages are different from 35 years old to 56 years old. W1 came from Kosovo, he has been in Finland for 25 years and he has Finnish nationality now. He has worked in Pizzeria for 22 years and mainly worked as a homer deliver. W2 was from Kurdistan, ha has lived in Finland or 9 years. After he came to Finland he started to work in Pizzeria and he also opened his own Pizzeria in Varkaus for three years. Then because the business was not good, he closed his Pizzeria and came to Kuopio and worked in Pizzeria again. O3 came from China, he has worked as a chef in Finland for four years.

These interviews are aimed at finding the potential restaurant entrepreneurs and getting the information about their feelings when working in a restaurant and collecting the suggestions about the restaurant developing trend in the following years.

#### *Reasons of starting to work in the restaurant*

All of these three workers have different reasons that they started to work in restaurants. The quotes list below.

*“When I came to Finland 25 years ago, I worked in one Finnish cleaning company as a cleaner. I did this work for three years, the working time was uncertain; and very often I needed to work very early in the morning. In addition, because of the culture and language differences, I didn’t contact too much with my colleagues. Occasionally, I went to one Pizzeria eating and asked did they need more workers. They said they needed a home deliver. I said I have driving license and I already stayed in Kuopio for three years and I knew many places. After I resigned from the Finnish company, I stared 22 years’ work in Pizzeria.” (W1)*

*“After I came to Finland, once of my friends recommended me to work in Pizzeria. After I went to the Pizzeria, I saw that all the workers came from the Middle-East, also one Kurdistan worker was working there, it seemed I worked in my own country. At*

*that time, I could not speak Finnish language; so I worked in the kitchen to make some keb food and did the cleaning work. I worked very hard, it was not so long time, I learned everything there.” (W2)*

*“ I came to Finland as a chef, I signed the work contract with my boss when I was still in my home country. When I was in China, I was also a chef and I already worked 13 years. So it was not my choice, I came here automatically worked in the restaurant.” (W3)*

From the above points we can see these three workers have different processes coming to Finland and working in the restaurants. But anyway they have been in Finland and they get jobs here.

#### *Experiences and feelings*

When the three workers were asked about their experiences and feelings about working in the restaurants. They have different feelings about working in the restaurants. The quotations are listed below.

*“In 22 years I totally worked in two different Pizzeria. The business of second one is better than the first one. About 3 years ago, the business of Pizzeria was so good. But recent three years business went down and down. My salary improved one time and I liked to work in the Pizzeria. I could eat anything that I want during not busy time and I always worked as a home deliver. Now in kuopio I nearly know all the address, I think I also can be a good taxi driver.” (W1)*

*“Until now I already worked in Pizzeria for nine years. I opened my Pizzeria from 2011 to 2013 in Varkaus. In the city center of Varkaus, there were totally four Pizzeria. And one of them had opened for 20 years and that Pizzeria had very good business. The first year when the Pizzeria was opened, my business was not bad. But after that it became worse and worse. Varkaus was a small city, there totally lived about 22000 people and most of them were old people. It was so difficult to compete with the oldest Pizzeria. Now to be a worker is much relaxer than to be an owner. Everyday I just do what the boss wants me to do, it is enough. But to be an owner, you always need to think how to make the business better and better and you will get very tired. But of course if you have very good business, although your body is very tired, your heart will*

*be very happy.” (W2)*

*“I have worked in this restaurant for four years. For me everyday is same, whether it is busy or not busy, I always have something to do. Actually I don’t like the life now, because I don’t have so many friends here and I also can’t speak Finnish and English, even I go to buy one thing, it is difficult for me. But I have to earn money for my wife and my children. After I earn enough money I think I will go back to my home country. If the restaurant is not busy, my work will be easier; but from heart I hope the business can be better. Because I know the profit margin is very low, the boss also has very high pressure.” (W3)*

These comments tell us that only W1 is satisfied with his work, other two workers are not very satisfied with the work. But for living they have to do the work at the moment. All the workers also said the restaurant business goes down and down every year. It means the restaurant industry is going on the downstairs at the moment.

#### *Perspectives about opening own restaurant*

When these three workers were asked whether they want to open their own restaurant. They had same answer: I don’t want. The quotations are listed below.

*“I have worked in Pizzeria for 22 years and I am 56 years old now. I don’t want to do my own business any more in my life. When I was young the restaurant business was good, I though to open my own restaurant. But I could not get the initial capital, so until now I am still working in the Pizzeria. And at the moment, there are some many restaurants in Kuopio and the economic is also not good, so I think it is better I work rather than open my own restaurant.” (W1)*

*“I already opened one time my own Pizzeria. At the moment I don’t want to open any Pizzeria. But in the future if economic becomes better and better, maybe I will open another Pizzeria. I know the pressure if the business is not good; but if the business is good, money also comes very quickly. Let us see what will happen in the future.” (W2)*

*“I even haven’t thought about opening my own restaurant here. Although I have worked here four years, I still don’t like here. The first year when I came, I felt I was not belong here. After that many times I wanted to go back to my home country. But I have*

*to do this work at the moment, because I need to send money to my wife and my children. If I go back to my home country, maybe I will do some kind own business that concerned with food. If I continue to stay in Finland, I don't want to do my own business.” (W3)*

Among these three workers, only W2 thought about doing his own business in the future. And W1 once had the idea to open his own Pizzeria, because of the starting money, until now he is still working. W3 even never thought about doing his own business. Risk and profit are existed at the same time; if risk is high, profit will be also high; contrarily same principium. Only the person who can bear huge risk, he is possible to get big profit; contrarily it is also possible that he will lose everything. If you are a conservatism, it is better that you go to find a good permanent job rather than do your own business.

#### 4.7 Summary of main findings

In this chapter, a conclusion of main findings of qualitative research will be presented. The objective of this conclusion is to give some useful suggestions for the existed restaurant owners and the new restaurant starters. Four aspects concerning restaurant business in Kuopio are listed below.

##### *Motivations in opening one restaurant*

Generalize the interviews of four restaurant owners we can see that before all the owners open their own restaurant, they have their own ideas about the restaurants. And they also know what customers really need and what they can provide. Most owners notice that there is a big market of their food, then they do some market research and finally decide to open their own restaurants. O3 have a good forecasting ability, after doing the research in Helsinki, he though Kuopio will follow the step of Helsinki; then he opened his unique restaurant in Kuopio. For the new restaurant starters, if they want to open restaurants at the moment. They must do enough research of the market, existed restaurants, and customers. Finally deciding what kind restaurant they will open.

### *Obstacles in opening one restaurant*

The biggest obstacles of opening a restaurant is initial capital. W1 met the problem when he was young. If he got the initial capital at that time, maybe he already opened his own restaurant and his life will be totally changed. Normally, for the restaurant starters they can collect initial capital by borrowing loans from banks, communities, and companies. They can ask help from local relative institutes and local government. Remember before going to borrow loans, writing one good business plan. After you finish the business plan, read one time by yourself and at least this plan can persuade yourself that your business will earn some profits. Another obstacle is choosing the location. A good location of the restaurant is a half success of the business. For restaurant business, location is so important. Making sure there will be thousands people walking around your restaurant everyday. In this way, only if your restaurant offers good quality food, friendly service, and comfortable table settings, you will get your own customers. Hiring employees is also a obstacle. Hiring employees is not difficult, but hiring good employees is not easy. A good employee will make the good reputation of one restaurant. After hiring employees, remember to train them according to the restaurant regulations. Only the restaurant which has good employee management system can survive for centuries. The last but can not be ignored obstacle is making a good menu. Menu is the face of one restaurant. A good menu should include balanced menu items, appropriate price and beautiful design. Trying to make your menu like a tour guideline, then customers will be willing to put your menu in their handbags.

### *Important characteristics for being a successful restaurant owner*

As an owner of the restaurant, he or she should be interested in making food. Only if the owner himself or herself goes to work with enough passion and enthusiastic, then the workers are possible to love their work inside restaurants. Organization and training ability is also an important characteristic. Good restaurant leader should know how to train their employees according to the restaurant regulations. When the restaurant meets some problems, the leader should know how to organize all the workers to overcome the problems together. Controlling cost and forecasting profit margin is another but can not be ignored characteristic. The restaurant leader should clearly know how to control the cost and forecast profit margin. He needs to try to use lowest cost to make highest profit. Writing down the certain cost of every month and

calculating the break-even point. In addition, the leader should always keep an eye on the market. He should always know what the restaurant industry is changing in Helsinki in order to follow the rapid update period of the restaurant industry.

*Generalizing experiences and forecasting the restaurant developing trend*

A successful restaurant owner always generalizes his experiences: what is good, what is not good, how should I overcome the problems. He always can lead the restaurant to fully use its advantages and avoid disadvantages. Nowadays, the update period of restaurant becomes shorter and shorter; about every three years it will come some new foods which will replace old foods or seize their markets. Helsinki is the capital of many industries which also includes restaurant industry. The easiest ways to catch the step of the market is to put one eye in Helsinki and noticing what is happening all the time. If in Helsinki, there comes some kind new foods which are popular among Finnish people. It will spread all over Finland. Then maybe it is time for the existed restaurants to add some new foods or even totally change the foods that they were offering.



## 5 CONCLUSION AND DISCUSSION

In this chapter a conclusion of all the thesis is mentioned below. In addition, in the discussion part some own ideas and feelings of the thesis and what I have succeeded and how I will start again to write the thesis if I have another opportunity is also clarified.

### 5.1 Conclusion

In the theoretical part, definition of the restaurant and a history of restaurant were clarified. It showed how restaurants developed step by step. Then different types of restaurants and different types of restaurant employees were also explored. In the next stage, the open process of one restaurant was listed. It showed ten steps to open one restaurant successfully. Finally, common problems of restaurants and qualities of a successful restaurant owner were also revealed. It showed how to overcome the common problems that every restaurant will face and seven important qualities to be a successful restaurant owner.

In the research part, the whole process began with research objective and questions and qualitative research method; then followed by qualitative data collection and qualitative data analysis. The main stage was data analysis which gave the interpretations of research result. Ultimately, the chapter conducted with with an evaluation of validity and reliability of qualitative research, as well as a summary on main findings.

Overall, the thesis study not only enriches my theoretical knowledge but also consolidates my research competence. The feeling of challenging and frustrating but appealing concerning such topic ran through the whole thesis work process. However, the significance of the research result is relatively high contributing to my personal achievement and also local restaurant industry. I hope all the new entrepreneurs who want to open restaurants can absorb some useful information from this thesis.

### 5.2 Discussion

The thesis basically started from 16<sup>th</sup> April 2014 after I presented my thesis topic. I collected some literature materials from April to August. But from August of 2014 I

started to prepare to open my restaurant in Varkaus. I went to register my company and bought relative stuffs for the restaurant. My restaurant was opened on 1<sup>st</sup> December of 2014 and I sold it out on 31<sup>th</sup> July 2015. After I sent an e-mail concerned with my thesis to my supervisor Jari-Pekka on 26<sup>th</sup> May 2015, I went back to Kuopio and lived with my friends to started to do the interview and it totally took me about one week. On 1<sup>st</sup> August 2015 after I sold my restaurant I moved back to Kuopio, then I continued to write my thesis. It was a tough process but finally on 13<sup>th</sup> September 2015 I finished all my thesis. Because during the thesis writing time, I spent about one year to open and sell my restaurant; so it took me so long time to write my thesis. All over all, it was a difficult but also worthy process.

The most frustrating part was collecting theoretical literature materials. I needed to draw up a theoretical framework, which should cover the main content. It particularly needed to browse through library and internet in order to catch relevant information. After filtering out detailed literature materials, the writing process became fluent and easy.

The practical research process was the main part of the thesis which was also the successful part that I have done in my thesis. The research part totally took me about one week. 7 interviewees were selected to participate in the interviews; 4 restaurant owners and 3 restaurant workers. When I was doing the research, I used two steps: firstly I bought one meal in the certain restaurant, then found suitable time to do the interview. In this way, all the interviews went very smoothly. I think this was also a good example for doing other kind interviews: when we are going to do some interviews, first we should think out some ways to get closer to the interviewees, then find the suitable time to do the interview.

If I could start again to write the thesis, I will put all my time on the thesis during the thesis writing time. Because during the thesis writing process, I did my own business. Then it wasted me a lot of time, I needed to read the literature material again and again. And every week I wrote a little part of the thesis; when I wanted to continue, I didn't know where should start, then I needed to read my thesis and the material again. In addition, because there were totally 20 open-ended questions for restaurant owners and 12 open-ended questions for restaurant workers. During the interview, some interviewees showed impatience about so many questions. If I could make the interview questions again, I will make some multiple choice questions and decreased

the open-ended questions. With all these modifications and improvement of the thesis, if I could start again, I believe the whole thesis would go more fluently of high quality within a shorter period.

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## APPENDIX: Interview questions

### Questions for the restaurant owners

#### Part A: Personal information

1. Could you briefly introduce yourself?
2. What was the primary reason that you come to Kuopio?
3. What is your education level? How is your Finnish proficiency?
4. Do you have some entrepreneurial experience before?

#### Part B: Restaurant information

5. When did you start your restaurant?
6. How many workers you have now and everyday how many workers need to work at the same time? Are they all full-time workers?
7. What is your restaurant mainly operate range?
8. How many customers' sitting places you have in the restaurant? Is it enough for customers?
9. What is the advantages and disadvantages that your restaurant have compare to your competitors?

#### PART C: Entrepreneurial process

10. How did you get the idea to open one restaurant?
11. What are the obstacles when you started to open the restaurant?
12. During the opening years how does the business go (go better and better or worse and worse)
13. Are you satisfied with the business now? Do you want to do some changes of the restaurant?

#### PART D: Perspective and recommendation

14. If you have another time to choose your career, you would like to be an entrepreneur or a worker? Why?
15. Looking forward, what do you think the restaurant industry will develop in Finland

and in Kuopio?

16. Could you list the most important three factors of running a restaurant successfully?

17. What kind suggestions you can give to the new entrepreneurs who want to open restaurants in Kuopio?

18. What kind suggestions you can give to the local institutes to give some supports to the exited restaurants' owners and new entrepreneurs?

19. Could you forecast the future of restaurant industry in Kuopio region or how the restaurant industry will develop in the following years?

20. Do you think you have successfully operate your restaurant and why? If you are going to open a new restaurant, what kind change you want to do? And how will you catch the quick change of restaurant update period?

### **Questions for the restaurant workers**

#### **PART A: Personal Information**

1. Could you shortly introduce yourself?
2. Are you a student? If yes, where and what do you study?
3. How long time you have been in Finland or in Kuopio?
4. Did you do some other kind works before? And how long have you worked in this restaurant?

#### **PART B: Information concerned with the work**

5. Are you a full-time worker or part-time worker? How long time you work every day or every week?
6. What is the primary reason that you came work here?
7. Do you like the work? Why?
8. Do you want to open your own restaurant or do you want to be an entrepreneur in some other fields?

**PART C: Perspectives and recommendations**

9. Do you have some suggestions for the restaurant owners?

10. Do you have some suggestions for the local institutes?

11. If you are going to open a new restaurant, what kind restaurant you want to open and why?

12. During your work time in the restaurant, have you noticed the quick restaurant update period?