

Mini Case: Hunan Wok

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Epilogue

Hunan Wok is one of 21 Chinese restaurants located in Midlothian. The 900 square foot restaurant is located at Sycamore Square Shopping Center where it is structured similar to Williamsburg with Colonial-style buildings and high-pitched cedar-shake roofs. There are numerous shops, specialty boutiques, art galleries, professional offices, and a Ukrop (Richmond's leading grocery chain) all arranged in clusters to resemble a small town. The restaurant is located in one of the more appealing locations in Midlothian. Hunan Wok is a family focused company where the owners are always there to help and answer questions, offering customer service on a more personal level. The restaurant also has a very high standard of cleanliness; in fact, it is the cleanest Chinese restaurant in Midlothian, stated by Wayne Young an environmental health specialist with the Virginia Department of Health, where some of the restaurants in the same market cannot stay the same.

The owners, C.C. Fang and James Hu, moved down from Manhattan, New York where they previously had a Chinese restaurant. They started Hunan Wok in Midlothian mainly for the huge advantage of having less competition in the market and the edge over competitors because of their family oriented focus and the overall cleanliness of their restaurant. The less competition allows them to gain more of the local market share which they were having a hard time obtaining in New York because of the size and competitiveness of the industry there. Their business efforts were very successful for the first few years they were open, creating an annual gross sales of \$2,100,000; however, due mainly to the loss of employees and the difficulty in hiring replacements, the restaurant was forced to cut back to only dinner hours, which are from 4:30pm to 9pm

with only carry out and limited dine-in; because of this change the business suffered a drastic loss of sales to the competition which showed in a slaughter in profits by nearly half.

When the family restaurant started, advertisement was done in local newspapers, and employees handed out menus around local neighborhoods. As the restaurant became more established, Hunan Wok came to rely mainly on its reputation and word of mouth for future customers. Hunan Wok uses the advantage of outstanding quality found in its food and customer services to set itself apart from the competition. Meanwhile, the others in the industry such as Inter-China, Hunan Wok's biggest competitor in the area with an annual gross sale of \$2,500,000, are advertising on television and have many different local ads all while offering lunch and delivery.

The "in-school" session in Midlothian affects Hunan Wok in the same manner as in does here in Radford. When summer comes along, students and families go on vacations which empty out the neighborhood. However, when asked about how this affected their trends in sales we discovered that their primary focus is not on the students but on the local residents and work-force of Midlothian that remain as regular customers. Some suggestions to increase Hunan Wok's current market share would be to offer new exciting dishes to customers, open for lunch, and use more advertising.

When Hunan Wok looks to strategize the prices of its dishes, the company looks to the competitors such as Inter-China and price accordingly. Yet, Hunan Wok thinks the company has an edge with the family oriented relationship that it has with its customers; buy, judging from the competition's continuing success that might not be enough to hold to the market share that it has had.