SUSHI@HOME: A case of customer retention and acquisition

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Abstract

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Sushi@Home is a Portuguese sushi restaurant chain founded in 2014 with the main purpose of delivering food to its customers wherever they are. The idea of creating a sushi chain, in which the core business was the delivery service, emerged from the dream of serving clients in their own homes and from a need observed in the market. Sushi@Home's partners found that many consumers appreciated convenience and would like to be able to order sushi directly to their places.

Sushi@Home's partners were aware that the restaurant has been successful and brand awareness was increasing overtime. Despite the fierce competition, demand was higher than supply and it was difficult to attend all the orders. However, little strategies on retention and acquisition of customers have been developed until then and the founders began to think that with so many sushi restaurants in Lisbon, strategies should be developed in order to generate awareness, recall and repeat purchase. As a result, Sushi@Home's partners were wondering what the smartest strategy to follow was. Therefore, two options were on the table: either invest on retaining existing customers or acquiring new ones.

Sushi@Home case study provides the necessary tools that enable students to analyse the market landscape and its competition and to advise partners on how to solve the dilemma the best way possible.

Key Words: Customer retention, acquisition, satisfaction and loyalty, repeat purchase, word-of-mouth, loyalty programs, co-branding, sushi, delivery.

Sumário

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Título da Dissertação: SUSHI@HOME: A case of customer retention and acquisition

Sushi@Home é um restaurante Português de sushi fundado em 2014 cujo principal objectivo é entregar comida onde quer que o cliente se encontre. A ideia de criar uma cadeia de sushi cujo negócio central é a entrega ao domicílio surgiu de uma necessidade encontrada no mercado aliada ao sonho de servir os clientes na comodidade dos seus lares. Os sócios do Sushi@Home constataram que muitos consumidores valorizavam a conveniência de poder encomendar sushi para entrega em casa.

Um ano após a concretização do negócio foi possível concluir que tinha sido bem-sucedido e que o reconhecimento da marca tinha vindo a aumentar. Apesar da forte concorrência a procura era mais elevada que a oferta, sendo difícil dar vazão a todos os pedidos. No entanto, pouco tinha sido feito no sentido de reter ou adquirir clientes; tendo isso em conta, os sócios começaram a pensar que, com tantos restaurantes de sushi em Lisboa, seria importante desenvolver um plano que levasse ao reconhecimento da marca e fidelização de clientes. Assim, depararam-se com duas opções: reter clientes existentes ou adquirir novos clientes.

O caso de estudo do Sushi@Home fornece todas as ferramentas necessárias que permitem aos alunos analisar o panorama do mercado e a sua concorrência e aconselhar os sócios relativamente à melhor maneira de resolver o dilema.

Palavras-chave: Retenção, aquisição, satisfação e lealdade de clientes, compras repetidas, comunicação boca-a-boca, programas de fidelidade, co-branding, sushi, entrega ao domicílio.

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1. Case Study

1.1. Introduction

Since he was little, Martim Bruschy was sure he wanted to have his own business. He used to wander around looking for ideas, thinking what to do after growing up. When he 16, his passion about serving others in their own places arose, he used to say: *"I want to go to people's homes and bring them the food they want"*.

As Martim grew up, his enthusiasm about sushi and all the fish flavors mixed with wasabi and soy sauce popped up and the explosion and combination of tastes made him want to eat sushi all the time and try different kinds. As his discovery of this new world continued, he decided to follow his instinct and go to IPAM University to study marketing. That was another exciting thing: being able to understand consumers' behavior, what they look for, in which channels and how to better advertise for customers with a certain profile among other things.

While Martim was studying in Lisbon, his brother Lourenço Bruschy was taking his hospitality and catering management degree in a University in Australia. Truthfully, he was not thinking about opening a restaurant at that point, but the idea fascinated him. However, as Martim, he was also interested in sushi, since he lived in Japan for a while.

During his studies, Martim wanted to do something else than just studying. Therefore he started working in a new burger chain restaurant that appeared in the market recently, and began to understand the business. There he realized that serving good food to clients was not enough; having good relationships with the customers was as important as serving tasty food or controlling stocks, or even more. At this time Martim noticed how much he liked the restaurant business and how much he was learning. When he finished his degree, he applied for a job in a sushi restaurant to try something different, something he was passionate about. Then, his brother, Lourenço, came back from Australia and joined him at the sushi restaurant. The Bruschy brothers worked there for eight months. They used to serve customers, pick up calls from the call-center, help the management team; and all that daily work was going around in a rollercoaster in Martim's mind. He started listening to the customers more carefully, understanding their needs as well as who the people that consumed sushi were and what those people liked the most. As a result, one day Martim woke up a little dizzy and he thought to himself:

"During all this time I've been passionate about sushi and my interest and excitement about the restaurant's industry has been continuously increasing. I work all day in a sushi restaurant, but what I really want is to have my own business. I have a million ideas and I wanted to serve people in their homes since I was a teenager. What if I open my own sushi restaurant with a new concept: the delivery system?"

1.2. Sushi@Home: Since the beginning

Sushi@Home was a brand new sushi restaurant chain that operated mostly on a delivery basis, since that was the core business of the company.

Founded in November 2014, it opened its first Sushi@Home physical store on February 1st 2015, in Laranjeiras, Lisbon. Due to construction delays, the company started their operations with the Sushiman@Home service in which one of the chefs used to go to customers' homes and cook in front of them. Three months later, when the store was ready to receive its first orders, it opened to the public with the concept of home delivery. With around one year of existence, the company managed to expand their business into three different areas: *Home Delivery*, *Sushiman@Home* (and a similar but premium service that provided more elaborated types of suhsi, *Chef em Casa*) and *Sushiman@Office*. Besides these areas, the company also had a *catering service* for private events like weddings, conferences, parties and other; furthermore, it provided *sushi boxes to many canteens* in big companies around Lisbon.

The company was under control of the Bruschy brothers and a third managing partner, João Bon de Sousa, who was their close friend. João completed his studies in management at ISEG and joined the company to add value by sharing his expertise in management; since the three partners knew each other since they were kids, they knew they could trust one another in that new adventure. The three of them created the company with their own capital and help of a senior mentor (João's father) who had worked in big companies and had years of experience on running his own businesses; he was the one teaching them all the important things about how to make the company profitable and run it properly.

As the main focus of the founders was to serve Lisbon area in 10 km range, placing the restaurant in Laranjeiras was a strategic decision: easily accessible to the main roads of Lisbon by the highways nearby, which allowed them to quickly deliver to their clients.

In the beginning, the Sushi@Home had only 14 people (the 3 owners, 3 sushimen, 6 deliverymen and 2 extra deliveryman). Within one year, the company had grown

significantly; there were already 33 people (the 3 owners, 10 sushimen + 2 for extra hours, 2 call-center employees, 2 front-office employees and 14 deliverman). (Exhibit 1)

Since these three entrepreneurs joined together and founded this new concept, the company was very successful: only on delivery service it would get around 2500 orders a week with an average spending of 30€ per order. With no previous market analysis before entering the market, they were confident the market was not saturated and as Martim said "*One year has passed and there is more demand than supply, the call-center cannot handle all the calls and orders*" which confirms the expectations and "*we opened this chain because we saw a need in the market for Sushiman@home and @work*". The owners found out that the sushi industry was very immature in Portugal especially when it came to the delivery system and thus some things could be done to improve the industry services: customers did not only want take-out options, but also the comfortable pleasure of delivery.

Although the concept of home delivery service was the core business of the company and it was what made it so original and profitable, the concept alone was not enough. The service they used to provide was characterized by its excellence: the food quality, the friendly and easy-going staff, the three different menus offered and the extra components (Exhibit 2) and the adaptability of the company that was always trying to come up with the food that most customers liked. It was the thoroughness of their service that allowed Sushi@Home to rely that much on the power of word-of-mouth and made them realize how successful the company was by all the positive associations with the brand. The company was also strongly present in the social networks, which stimulated brand awareness and recall.

1.3. The History of Sushi and its Globalization

Originated in the IV century B.C. in Southeast Asia and adopted by the Japanese cuisine, sushi was at that time a traditional dish from Japan. It emerged as a technique for fish conservation that was rolled in vinegary rice during a certain amount of time until the fish was good enough to be consumed alone. Over the time, the sushi techniques improved and sushi started being consumed together with the rice. The first sushiman of history, Hanaya Yohei, lived in Japan in the XIX century and he became famous for developing a new way of making sushi very fast, a kind of *fast food sushi* in which the fish was not

fermented once it was quickly prepared for being served to customers. From the XX century, sushi spread all over the world becoming a big phenomenon. (Etnosco, 2016)

Economic and social factors have been changing the consumption habits of consumers. The same has happened to the consumption of seafood around the world. People were then busier with their working lives, kids, leisure and throughout time they changed their eating habits. Alex Renton (2006), sushi has become the choice for convenient food around the globe.

In recent years, the focus on health, exercise and eating habits was increasing and people were more concerned about what they ate and the world was then attending to a boom of searching for healthy food. A movement that appealed to a health-conscious world had emerged around the globe and it was increasingly present in consumers' lives, as could be observed in advertisements, supermarket aisles, blogs or elsewhereAnd then the sushi trends appeared, once its characteristics appealed to this new focus: healthy, easy, convenient. Furthermore, during that time, sushi was adapting to one's lifestyle as it was possible to find it everywhere in sit-down restaurants, take-home and delivery chains and also in supermarkets or convenience stores in boxes or even frozen; prices varied a lot, according to many factors such as quality, size, type of fish and so on, meaning that everyone could have their pleasure once in a while without suffering a huge burden on one's wallet.

1.4. Consumer Eating Habits and the Restaurants Industry in Portugal

Martim was concerned about the Portuguese eating habits and how the restaurant industry was doing at the time. Therefore, he decided to do some research found out the Portuguese consumers have changed a lot in the last few years. They used to be very nationalistic when the matter was food; a preference for traditional Portuguese food was a visible sign in the Portuguese eating habits. The country was filled by local food restaurants, the traditional *tascas*; even modern restaurants had a tendency to serve mainly Portuguese food. However, consumers started changing their habits with the arrival of new types of food and establishments such as fast food chains which were much more convenient. He also realized that throughout time people became busier, always in a hurry and nothing was more convenient than a ready-to-eat meal that was often also cheaper having in mind all its components (usually dish and side dish, drink and dessert; sometimes even coffee).

In addition to fast food chains, a lot of Asian restaurants emerged in Portuguese market, like Chinese to Thai and Japanese food. In the latter ones, the appeal was mostly by its aesthetics, "food that the eyes can eat". Portuguese customers started to be excited about that kind of food because of its beauty, its quality of products and nutritional contents and sometimes with unknown products. The more those cuisines appeared in the market, the more people wanted to try them. And suddenly Asian food became very popular. Sushi was perhaps the one that appealed the most due to its vibrant colors and its healthy content; and over time it became a big trend in Portugal. Because of its characteristics, it became not only a way of eating fancy food but also a way of eating healthy fast food. (Educarept, 2016) Martim was not surprised with those discoveries once he used to observe his friends and his family and he had already concluded that sushi was becoming a popular dish.

However, Martim wanted to know more and he kept searching. What he found interesting was that consumption patterns were not only changing in terms of the type of food consumers usually ate but also in terms of how often they went out to eat. Indeed, the Portuguese consumer started to eat out of home more frequently than a few years before. Martim saw in *Destak* (2016*)*, a Portuguese newspaper quoting an Eurostat study in 2008, that the consumption of Portuguese consumers in restaurants represented more than 9,5% of the household spendings at that time, double than average European consumers.

Digging further, Martim realized that although the fast-moving consumer goods (FMCG) consumption had decreased, Portuguese consumers were still the ones who spent more time home cooking when comparing to other European consumers. Nevertheless, that did not mean that going out to eat was becoming outdated. On the contrary, Portuguese consumers actually did it more often than they used to, especially for lunch and morning or afternoon snacks. Actually, restaurant meals were becoming more frequent than they used to be and, when comparing to October of 2014, the dinner spendings for instance have increased around 25%. (Dinheirovivopt, 2016)

In 2014 there was also an improvement in the purchasing power of the Portuguese consumer. In comparison with 2013, there was an increase of 0,8% of the GDP per capita, reaching 78,1% of the European average. However before the crisis, in 2007 the same indicator was 81%.

The individual consumption expenditure also saw a slight increase; in 2014 it reached 82,9% of the European average, an increase of 0,9%. It is possible to conclude that overtime Portuguese consumers were overcoming the crisis. (Jornaldenegociospt, 2016)

Furthermore, the business volume of the restaurants industry in Portugal had been decreasing for about five years until 2014, when it was possible to observe an increase of 1,1% in comparison to the previous year, reaching €3,6 trillion. Moreover, the fast food sector represented the largest improvement: €693 million compared to €665 million in the previous year, an increase of 4,2% from 2013 to 2014. The new burger chains were the ones that grew the most, however there was significant increases in both Portuguese traditional and Asian restaurants. (Dinheirovivopt, 2016)

As for 2015, Martim read in a Kantar World Panel study that Portuguese consumers started going out more often. The first semester of the year registered an increase in consumer spendings for restaurants and cafés, however, the products with a higher rate of improvement were ice-creams, beer and breakfast-related products. (Kantarworldpanelcom, 2016)

During his research he found an interesting article in *Público* (2015) newspaper regarding the changes in consumption among the population in 2015. A few years before, Portuguese consumers were facing the results of the crisis and the increase from 13% to 23% on the value added tax (VAT) on the restaurants spendings worsen the situation even more. A higher rate of the population opted for spending more time at home and cooking their own meals. However, consumption patterns began to change and, , the consumption of FMCG decreased 0,9% in the first six months of the 2015 relatively to the same period in 2014. Consumers started going less often to supermarkets and eating out more compared to the previous years: food and beverages acquired in supermarkets have decreased 3,8%.

Additionally, Martim saw a study provided by *Zomato*, an online platform used for searching and reviewing restaurants. The study revealed some eating out tendencies of 2015 among Portuguese consumers. He was very happy to realize the most searched word in both Lisbon and Porto was "*Sushi*"; this led him to conclude that this increase in demand was the reason why sushi restaurants were so popular and there were more chains emerging in the market. As for the type of restaurant, the same study stated that consumers in Lisbon prefer luxury dining and bars; whilst in Porto, in addition to those two, casual

dining is also popular among consumers (Exhibit 3). Sushisan, Arigato Sushi House and Kyuubi (the last one because it was a brand new restaurant) were the most searched sushi restaurants in Lisbon (Exhibit 4). (Observadorpt, 2016)

Finally, Martim found that the forecast for 2016 stated that the Portuguese government was going to decrease to 13% the VAT in some business areas, including restaurants and take-away meals. This reduction in VAT might lead consumers to spend a higher percentage of their income on take-home meals or restaurants; it could also provide opportunity for restaurants to leverage their revenues, to expand or improve their portfolios and an opportunity for new entrants to explore the market. (Observadorpt, 2016)

1.5. Sushi@Home and its Competitors

With no market studies done upon the entrance in the market, Martim saw a need of analyzing the main competitors of Sushi@Home. He first thought of researching the most famous restaurants in Lisbon, however he soon realized that not all the restaurants were directly competing with Sushi@Home. Therefore, Martim decided to analyse the delivery restaurant chains because they were competing on the same kind of service. Additionally, Martim was aware that there were some sit-down sushi chains that were worth paying attention to.

Before opening Sushi@Home, Martim himself was a food delivery expert; therefore he knew that although there were only a few restaurants, mainly Italian, offering delivery services, it was already possible to order many kinds of food. Companies such as *noMenu* and *Em Tua Casa* made it possible to deliver any type of food, from pizzas, burgers and sushi to Indian, Chinese or traditional Portuguese food. However, since many restaurants did not have their own delivery system, it was only possible to order these type of food from the delivery companies' websites and there were high delivery fees attached to it.

By talking to his clients and searching on the internet, Martim identified 2 sushi delivery chain and 3 pizza delivery chains as main competitors; and 2 sit-down sushi restaurants as indirect competitors.

Firstly, Martim looked at *Home Sweet Sushi*. The location was close to Sushi@Home and the concept was very similar: a free delivery system in the areas of Lisbon and Almada and no possibility of sitting-down. The price range depended on the type of sushi,

however, there were similarities to Sushi@Home. Moreover, the delivery system was also similar.

Secondly, Martim analysed *Sushi Lovers*. The company was opened in 2013 by two entrepreneurs, a couple. Similarly to Sushi@Home, Sushi Lovers was focused on providing delivery and take-away services in Lisbon; however, those were the only services the company provided. Upon huge success in Lisbon during two years, a new store opened in Porto in 2015. Depending on the type of fish used and the quantity of pieces, the prices varied but the average price was the same as Sushi@Home. The location was in the center of Lisbon, therefore the delivery service was free of charge there. However, if one decided to go for the take-away service there was a 2€ discount.

Martim found out that fast-food pizza delivery restaurants were very popular in Portugal and due to their delivery service, they were competing with Sushi@Home.

Pizza Hut had presence in Portugal since the 90's and in the beginning of 2016 it had almost 100 stores throughout the country. The company had a varied portfolio and the average price of their products was a little bit higher than in similar pizza restaurants; yet the company was very well known and it often focused on promotions and cross-selling packs, making consumers be attracted by their products. Besides, they served American style pizzas which created an aspirational effect on consumers, once American style pizzas were well-known.

Telepizza was another chain to have in mind. It was a Spanish company that was market leader in the delivery industry. It appeared in the Portuguese market in 1992 and quickly became very well known for its delivery and excellent service. Twenty years later, the company already had more than one hundred stores in Portugal. The company offered its clients American style pizzas, at mid-range prices and a variety of bundles that called the attention of consumers.

Domino's Pizza was the most recent pizzeria in the Portuguese market. The company came to Portugal in 2015 and expanded its business to seven stores in less than one year. It was very well known not only because of its delivery service but also because of its strong name around the world and its partnership with *Coca-Cola Company*. Its strategy was to position itself in the same price level as other fast food pizza chains, offering the same range of prices but smaller-sized pizzas; but its value proposition was mainly based

on service and flavor. As *Pizza Hut* and *Telepizza*, the company was focusing its efforts of special price offerings and bundles in order to attract consumers.

Regarding sit-down sushi chains, Martim started by *Sushisan*, a trendy mid-price range restaurant, well-known as an all-you-can-eat sushi. *Sushisan* served not only sushi but also hot Japanese meals. *Sushisan* was one of the most researched restaurants in *Zomato*, however it had no delivery system.

Arigatô Sushi House, was another restaurant considered by Martim. As *Sushisan*, *Arigatô* was also one of the restaurants most searched in *Zomato*. *Arigatô* was well-known for its buffet system and degustation menu, the only two options on their menu. The buffet, the core business of the restaurant, was composed by many types of sushi and some appetizers; on the other side, the degustation set was the premium product of the company. It had two restaurants, but there was no delivery system.

1.6. Dilemma

After reflecting on the restaurants industry in Portugal and the competitors of Sushi@Home, Martim was confused about what to do next and how to improve the performance of the restaurant. After all, one year of operations had passed and the company had to move forward in order to establish a stable position in the Portuguese market.

Martim was concerned about the clients; he knew the restaurant was becoming increasingly popular as the demand was higher than the supply. Yet, the knowledge about customers' profile was still very little but he thought there could be a way of coming up with marketing strategies to either retain regular customers or call the attention of new ones. He knew most of the customers were happy with the food quality and the service of the staff; most of the reviews on social media were positive, he used to track those comments to understand how satisfied customers were, the phone calls received also revealed the same satisfaction. Additionally, Martim and his partners tried to be open-minded and since the beginning they listened to customer's suggestions in order to improve the menus and service provided. But Martim was conscious that there were no implemented measures to assess customer's retention and acquisition and no direct strategies focused on either of them, rather there were marketing tools used to increase brand awareness, with no specific target. Nevertheless, Martim was not certain about which were the best steps to take next to better approach the customers.

Having to face this problem, Martim decided to schedule a meeting with his partners to decide on the fate of the company at least in the short-run, regarding retention and acquisition of customers. The meeting took place in March 2016. Martim started by explaining his partners the research he had made before and his concerns about the clients. He also told them he was not sure about which direction to go but in his point of view they should prioritize and give a better focus either on retention or acquisition. He stated:

> "*We are a very young company. People are starting to get to know us, our name: gradually they are recalling Sushi@Home. We already grew a lot since we started last year but we have to think strategically; we have to do so in order to not compromise the name of our company and the quality we provide to our customers. Saying this, my question leans on whether we should focus on getting to know better our regular customers, understand the target segment and coming up with ideas to retain those or should we implement a strategy to catch the attention of new customers and entice a first time trial*?"

2. Primary Research

In order to investigate the customers profile and acquire relevant knowledge about them, the case author developed a survey (Exhibit 5) aiming to evaluate the eating habits and preferences of consumers, regarding eating out/ordering delivery food. The idea was to gather valuable information that could help building a profile of consumers and develop the most suitable marketing strategies according to the findings. Furthermore, the survey was used as a method to compare customers' preferences in relation to competitors, namely other sushi and pizza delivery chains and to sense customers' assessment of the company. (Exhibit 6)

3. Literature Review

In order to enrich this dissertation and to have accurate knowledge about the topics proposed in the dilemma, relevant literature was reviewed. The following articles help to understand the concepts of customer retention and acquisition, customer satisfaction, brand loyalty and co-branding, how these topics are related to each other and how they can affect consumer perceptions and behavior. These articles also allow a better understanding of the questions proposed further on in the Teaching Notes section.

3.1. How customer satisfaction influences retention and acquisition of clients

By analyzing the restaurant industry in USA, Andaleeb&Conway (2006) found out that there were more married women focused on their careers than before and therefore they

spent less time at home preparing meals for the family. Due to this change in the society, women started to have less time and convenient eating seemed to be an option. A restaurant boom occured in USA as Americans started eating out more. However, with many options available, consumers started to be more demanding and appreciating the value for money. Moreover, customer satisfaction was an important factor to manage customer expectations because a satisfied customer would probably have a good impression of the restaurant, generate positive word-of-mouth and would be more attached to the restaurant. The study revealed that overall customer satisfaction can be influenced by product quality (food quality[1], physical design), service quality (food quality[1]/reliability, responsiveness) and price. The results also show that while service quality factors were significantly affecting customer satisfaction, physical design was not. Moreover, responsiveness was the most important factor influencing customer satisfaction, followed by price and food quality. It can therefore be concluded that service quality and price are the most important attributes to have in mind for consumers and surprisingly product quality, although important, is not a determining factor. Additionally, when consumers are looking for the best value for money, they are not only focused on food itself but also on how they are treated by the restaurant's employees, if they are knowledgeable of the products and menus offered, helpful, nice, with good appearance, and the price for a meal; if the price is within their expected boundaries/budget, customers are most likely to be satisfied. Another factor to consider is that if customers are satisfied with their experience at a certain restaurant they can generate positive word-of-mouth and therefore attract more individuals to the restaurant, plus they will be more willing to return for another visit to the restaurant.

Another study related to the same topic, was conducted in UK. Its purpose was to understand the outcomes of relationship marketing for consumers and for firms. Some real-world examples in the food business were also given. The study stated that relationship marketing, bonds between consumers and firms from which both should benefit; if one of the parts does not profit from it, then the relationship will most probably terminate. For example, if the company does not fulfill its promise, the customer will be dissatisfied and it can generate negative word-of-mouth. However, a prosperous relationship marketing strategy enables customers to have good experiences and therefore

[1] Food quality appeared in both product and service quality. Since it was a double attribute it was only considered as part of service quality.

be satisfied with the company; consequently, customer satisfaction allows retention and can bring positive word-of-mouth, therefore company's profitability is more likely to increase whilst acquisition costs are more likely to decrease. Successful relationships between customers can often be connected with customer loyalty for certain brands/companies due to levels of satisfaction. The conclusion of the research was that the change of focus to retaining customers instead of acquiring can generate good relationships and therefore customer satisfaction and commitment that leads to loyalty. Moreover, it generates favorable word-of-mouth from customers to potential customers and reduces company's marketing cost of acquisition. In short, it is a win-win situation. (Rashid, 2003)

A research about customer's decisions to come back to a restaurant was also conducted in Spain. The restaurant industry, as well as the tourism sector had been growing in Spain by the time of the study and an increase of the number of restaurants in the country was needed for the development and growth of the sector. Eating out habits in Spain are part of the culture and lifestyle, therefore meeting customer expectations and giving them what they want was an important factor for restaurant companies. The study's purpose was to assess if certain attributes were critical in the decision of returning to a restaurant for another meal. Food was shown to be the most important attribute, followed by service. Cost and place came next, with the same level of importance. In addition, the research also shows that the key factors for customer's retention do not differ according to gender; however some differences according age were seen: although all segments valued food quality the most followed by service quality, age group 19-25 rated place as more important than cost whilst the remaining groups had opposite preferences. (Soriano, 2002)

From the three studies presented above, one can conclude that different customers have different expectations and levels of satisfaction also differ, and are difficult to assess due to subjectivity. However, understanding customer preferences and the underlying reasons leading to customer satisfaction is very important for company's success on retaining or acquiring consumers. It is important to have in mind that nowadays food quality itself is a plus but it is not enough to achieve customer expectations or satisfaction; consumers want value for money, the experience as a whole: service and food quality, reasonable price and pleasant environment. Satisfied customers may return; however dissatisfied

ones will most likely not, therefore it is important for companies to deliver their promises and meet customer's expectations.

Another important fact to bear in mind is that the results obtained in the previous studies are from researches conducted in different countries with distinct cultures and mindsets, thus conclusions vary depending on the country studied. Nevertheless, there are some similarities; for instance, consumer's preferences for food and service quality as the main reasons of satisfaction. In conclusion, if one wants to know more about the Portuguese market, an additional research needs to be conducted in order to take valuable and accurate insights about the topics mentioned above.

3.2. Customer Equity

A successful marketing strategy focuses on keeping and attracting customers who represent the highest value. When reflecting how to adapt marketing strategies in order to achieve greater success, Land's End (an American clothing retailer) and McDonalds were examined: both companies' strategies were focused on consumer retention rather than on acquisition. A study about managing retention was conducted; therefore it was necessary to assess customer equity by asking managers how much they spent in the previous, on attracting potential customers, on retaining activities and what was the proportion of conversion and retention. The conclusion was: both acquisition and retention spendings should be increased in order to achieve the optimal customer equity. Yet, it was also mentioned that those dimensions are not static so, it is important to assess them frequently. Additionally, to achieve success, marketing strategies should pay attention to a few aspects that lead to customer satisfaction: focus on customers rather than products; high-value customers should be valued once they are the ones with highest potential for the company; cross-selling in order to satisfy customers by providing complementary products and enhance relationships; reduce acquisition costs once they have a huge impact on customer equity and the higher they are, the more the company has to spend in retention and cross selling in order to balance equity; use marketing programs to track gain and losses in equity, in order to be able to balance it; amongst others. If companies are able to control their customer equity and place the customers at the forefront efforts, success can be achieved because customers will be more willing to repurchase due to its satisfaction. (Blattberg & Deighton, 1996)

3.3. Loyalty, Promotion Effects and Word-of-Mouth

Recently many firms started to enhance its focus on the customer. However, times had changed and new ways of customer relationship management arose. One of the examples that became popular within companies from different industries, is customer loyalty programs. They are particularly advantageous due to its monetary and relationship benefits. To assess how loyalty programs can influence customer satisfaction and repeat purchase, a study was conducted; its main focus was on the profits generated by increasing customer's purchase and the possibility of enhancing stronger bonds between the brand and consumers. The study also revealed that customer loyalty has an impact on how well the company succeeds in terms of profits and relationships. Loyalty programs are particularly good on increasing single brand loyalty, avoid switching brand, decrease price sensitivity, increase positive word-of-mouth and therefore attract new customers and increase the number of purchased products. Although, the program itself is not always sufficient to generate satisfaction, repeat purchase and revenues because most of the people only buy what they need and attitudes towards the brand differ between customers. On the other hand, loyalty programs, if appealing enough, can make consumers switch brand and include that specific brand on their window choice. The risk of using loyalty programs is that consumers might develop a loyalty towards the program instead of the brand. However, with so many brands and so many options, most of consumers are multi-brand loyal; thus managers should convince customers to reduce their range of brand preferences. Market strategies can also be adopted in order to increase brand loyalty and thereby benefit more from loyalty programs: brands that manage to grow in size can be more acceptable for customers once they are more exposed to them in the points of sales, therefore willingness to buy increases; creating a niche strategy reduces the number of consumers willing to buy the brand but increases the number of times individuals from the niche choose the brand; turning big brands into "super-loyal-brands" can strengthen consumer's commitment towards the brand and increase repeat purchase. But growing a brand's size is the most common and successful strategy one due to the fact that it ends up offering a better value than the competitors and the loyalty program allows the accessibility and availability of the brand as well as the possibility of being a top-of-mind brand; therefore, repeat purchase is most likely to happen. It is important to have in mind that it is often difficult to analyse how profitable loyalty programs are, yet it is known that they allow companies to gather a wide range of data about consumers and its purchasing behavior (demographics, lifestyle, purchased products, and others); however

the results in terms of profitability can be dubious once it is hard to say if it comes directly from the program or from other marketing strategies applied. Successful loyalty programs are likely to be copied by competitors and thus the results of loyalty programs are likely to decrease. The conclusion is that they help keeping customer's loyalty and range of choices, increase accessibility and recall, adding value, benefiting from first mover advantages and they build credibility towards the brand. Furthermore, loyalty programs work as incentives when choosing a brand from the choice set and thus it leads to repeat purchase instead of brand switching. (Uncles, Dowling & Hammond, 2003)

Many retailers see loyalty programs as critical whereas others do not. A study was conducted to assess the impact of loyalty programs on consumer's behavior. Overtime, companies started to focus more on consumers and building long-term relationships with them because those relationships were related to long-term profitability. Therefore, companies launched strategies of acquisition and retention in order to influence customers and generate longer lifetime and, as an outcome, more revenues. Many strategies were based on loyalty programs, once they were powerful tools of building stronger relationships and share of wallet. Thus they also enable customers to develop commitment and trust towards the brand. Those programs were also focused on rewarding the customer which in turn made them feel like preferred customers and develop a sense of identification with the brand. As a result, not only switching costs would be leveraged but also the emotional effects. However, the report also says that good loyalty schemes can easily be copied and therefore the company is likely to return to the initial situation with higher marketing costs. However, members of loyalty programs are more likely to spend more money on those brands than on competitor's ones and thus a positive association between loyalty programs, lifetime duration and share of wallet is observed. Hypothesis were built to test the effects on loyalty cards, having in mind share of wallet, lifetime duration, multiple-loyalty cardholders, and location of stores. From the research, it was concluded that loyalty programs have an impact on share of wallet and as shorter the distance, the impact of loyalty programs is higher. Loyalty cardholders are likely to last longer with the firm/brand, thus if a customer has multiple loyalty cards and, if the stores are relatively close to one another, then the customer is more vulnerable and lifetime duration is likely to decrease. It was also found that the higher the share of wallet, the lower the risk of switching, therefore there is a positive tie between share of wallet and lifetime duration. In addition, distance has an impact on lifetime duration, meaning

that the farther the store the higher the risk of switching brand. As a conclusion, loyalty programs might change the purchasing behavior of consumer as soon as they subscribe and they might increase the share of wallet and decrease brand switching; therefore customers are likely to be retained and repeat purchase. (Meyer-waarden, 2007)

Loyalty, purchasing or reward programs have been globally used in many different industries and are aimed to achieve customer's loyalty and to provide the company with a database of loyal customers; loyal customers are profitable for the company, they are less price-sensitive, require less communication efforts once they have been already exposed to the brand and if loyalty is based on emotional attachment to the brand then it is difficult to be copied by the competitors.. Emotional bonds, build by attitudes, satisfaction, commitment and trust are the main responsibles for attitudinal loyalty and thus lead to what the authors call true loyalty; loyalty related to repeat behavior is weak. A research was conducted in order to understand the effects of loyalty programs on customer's loyalty. The results of the study show that consumers who subscribed to any type of loyalty program are more likely to develop behavioral loyalty than those who were not associated with any kind of loyalty program; consumers who have loyalty plans, have a positive attitude towards the company, as well as a higher level of satisfaction, trust and commitment, when comparing to those who do not have any plan. (Gómez, Arranz & Cillán, 2006)

In the restaurant business, enticing customers by focusing on price can be a method to achieve success; yet not the only one. Customers understanding of restaurant's position, concept and branding is also key to attract consumers. Studies conducted found that brand personality is a driver of brand preference and thus, that is what makes consumers choose one brand instead of other. On the other hand, it is also argued that consumer attitudinal loyalty and brand preference are strongly correlated however, there is uncertainty how brand loyalty, brand preference and brand personality are connected to each other. In addition, word-of-mouth was also observed and as a result, it is key on consumers' decisions, once it influences consumers' product judgements. Therefore, some researchers argue that brand loyalty and preference can influence word-of-mouth. In order to understand the relation between brand personality's perception, brand preference, attitudinal loyalty and word-of-mouth, a research focusing on two American chains was conducted. The result of the study show that brand personality is key on consumers' brand preference and attitudinal loyalty; and it also influences word-of-mouth. Brand preference

is directly related to brand loyalty and word-of-mouth (Kim, Magnini & Singal, 2011). It can be concluded that brand personality's perception, brand preference, attitudinal loyalty and word-of-mouth are linked to each other.

3.4. How co-branding affects brand loyalty and customer retention

Co-branding is a marketing strategy that allows two or more companies to strongly cooperate with one another regarding production, marketing and communications strategies, sharing risks and enabling mutual gains if the strategies prove to be successful. Therefore, co-branding strategies can be win-win strategies for the companies involved in terms of costs reduction and customer's acquisition and retention.

Regarding the effects of co-branding in consumer satisfaction and brand loyalty, a study was conducted in Korea. Years before the study, Korea was facing a boom in the chain restaurant industry, more options were available for customers to choose and competition was becoming fierce. However, due to external sanitary and economic reasons the restaurant industry suddenly collapsed and restaurants saw a need of differentiating themselves and developing effective marketing and promotional strategies. That was when co-branding strategies started to appear; chain restaurants started having partnerships with theme parks and hotels or even credit cards and telecommunication companies. The benefits were remarkable mainly when the target audiences of the companies involved were similar, because it allowed to better meet customer's needs. From companies' side, co-branding enabled the involved parties to reach a broader customer base, generate more revenues, raise credibility, among others; as for the customers if experiences exceeded customer's expectations of food and service quality then satisfaction and repeat purchase was likely to occur, therefore it could positively affect brand loyalty behaviors. The conclusions of the study show that, co-branding strategies can bring up multiple advantages such as increase in market share, price benefits, premium promotions and post-purchase services. In Korea, some of the popular co-branding strategies relied on price discounts, premium promotions such as gifts or samples and post-purchase services such as mileage accumulation and electronic newsletters. Specifically in the restaurant business, joint advertising and event programs are the preferred strategies for companies to adopt in order to achieve a win-win situation due to the fact that it helps on leveraging brand image, boosting sales, cutting marketing costs and increase reputation. Credit card usage had also been very popular in the business and proved to be an efficient way of attracting customers and increase revenues of the

restaurants. A variety of other types of partnerships appeared throughout time and co-branding strategies became very common. By assessing the results of the research one can conclude that price benefits affect customer satisfaction, however it does not have an impact on brand loyalty; premium promotions do not affect either customer satisfaction or brand loyalty; post-purchase services positively affect both customer satisfaction and brand loyalty in the restaurant business in Korea. In addition, the results of the research show that customer satisfaction has a positive impact on brand loyalty. Price discount strategies, such as free meals, were found to be the most effective for attracting customers and they are positively related to customer satisfaction; however customers attracted by price benefits did not develop brand loyalty. Moreover, price benefit strategies seem to be working only under certain circumstances; once customers are attracted mainly by the discounted prices, they can easily switch brand which means losses for the company and it also requires additional costs of labor and facility maintenance for the company. Therefore, such strategies are better for new restaurants that want to attract more people in the short-run. Post-purchase services helped enhancing customer satisfaction and developing long-term relationships. In conclusion, customer satisfaction can be met if customers' profiles and wants are taken into account when choosing the type of joint promotion to use and, as a result, switching barriers can be built. (Kim, Lee & Young Lee, 2007)

Competition among restaurant chains in Korea had been increasing over the years, namely regarding to service differentiation and in-store design; thus restaurants were focusing on building new marketing strategies to attract more consumers. In addition, with the Asian economic crisis, many companies were suffering and losing market share; in order to overcome those obstacles, co-branding strategies started emerging in the market as a mean of attracting consumers. Co-branding strategies became popular and evolved in Korea and are now used as alternatives for building customer loyalty among restaurant chains, mainly in developing joint promotions and event programs. The study aimed to assess the effects of co-branding cards usage on consumer loyalty and purchase behavior. Global restaurant chains such as McDonalds or TGI Friday's have also adopted this new partnering strategies in order to boost sales by sharing space, customers and marketing expertise with their partners. As an example, TGI was the first restaurant chain to adopt co-branding strategies in Korea, in this case with the telecommunication company SK-telecom's TTL: TTL cardholders would get 25% discount in TGI's meals. From the

alliance between the two companies, it was observed that sales had increased and public relations improved. It was also concluded, from another study, that there is a high rate of credit card usage in restaurant chains and as a result, alliances with credit card companies have become popular. Previous research is controversy in relation to the association between customer loyalty and repeat purchase behavior, however it is important to have in mind the behavioral approach of loyalty with regards to diversity and accessibility and thus word-of-mouth generation; and the attitudinal approach with regards to trust, commitment, emotional attachment and switching costs. Results of the research show that card holders are more loyal than non-card holders; the relationship between frequency of visits and usage of co-branding schemes was positive, meaning that co-branding card holders visit the stores more often, however there was no evidence relating spendings per person and usage of co-branding cards. A positive relation between benefits of co-branding strategies and customer loyalty was also revealed and therefore, it can be concluded that co-branding strategies are efficient on inducing loyalty. Short-term benefits such as samples and free gifts were not significant on consumer loyalty; free benefits (e.g. free drinks, meals and desserts) were found to be the most significant factor inducing consumer loyalty and discount benefits were also found significant, thus on the other hand, intangible benefits such as mileage accumulation and electronic newsletters, were only significant on certain types of restaurants. In conclusion, co-branding strategies affect both behavioral and attitudinal loyalty and therefore may lead to retention of customers and build switching brand barriers. (Lee, Kim & Kim, 2006)

Once again, it is important to have in mind that the previous studies of co-branding strategies were conducted in Korea and therefore there is no accurate evidences that the same strategies can hold all over the world. However, it can be used as an example of successful strategies of co-branding and to elaborate future research to assess the reasons affecting co-branding in other countries such as Portugal.

In order to analyse co-branding strategies and its trends in the restaurant business, a study was conducted in the U.S. Franchise companies have been emerging in the market in the recent years, namely fast food chains, thus the industry started becoming saturated. Therefore, some companies are expanding their businesses through alliances with different industry partners (e.g. hotels, convenience stores, gas stations) whilst others are partnering within the same industry. Those co-branding strategies are becoming very popular amongst fast food chains such as McDonalds, TGI Friday's or Taco Bell, and

others. Therefore, understanding co-branding trends became extremely important for companies. The main focus of co-branding strategies is to provide customers with variety and convenience and at the same time, enabling companies to share costs. As competition increases, companies are more likely to adopt alliance strategies in order to leverage innovation. Co-branding may also convey confidence and consistent brand image, which in turn may increase customer's retention. The conclusion of the study reveals that effective co-branding strategies are beneficial to companies in terms of increasing market share and profits once it allows to meet customers' needs and therefore increase customer satisfaction; as a result customer retention is likely to increase. (Hahm & Khan, 2001)

4. Teaching Note

4.1. Introduction

The prime objective of the case study is to provide a teaching tool for discussion of marketing related topics. It was developed to enable marketing professors to create a real-based scenario with specific learning objectives and allow students to act as marketers and develop sensitivity to solve real-life problems in the context of marketing within companies. As a result, the case is not aimed to show effective or ineffective management but rather to develop marketing insights, to apply marketing concepts and to come up with suggestions for improvement.

Sushi@Home case study is based on real facts and events, however data has been disguised in order to preserve confidentiality. All the necessary information to solve the case and discuss the marketing strategies has been preserved in order to enable an accurate analysis of the case.

4.2. Synopsis

Sushi@Home is a Portuguese sushi delivery restaurant with around one year of existence. It was founded by three friends who had a passion about Japanese food. The company was created with the ambition of serving food to people wherever they are, by delivering directly to them.

The company started its operations in November 2014 and at that time its activity was based on cooking sushi in customers' homes – *Sushiman@Home*. Later on, in February 2015 the first store opened and the services provided were rapidly expanded: *Home Delivery* (core business of the company), *Chef em Casa* (a premium service) and

Sushiman@Office. Along with those operations, there were the *catering service* and the *canteen services*.

In a few months the business started to grow: Sushi@Home almost doubled his staff, from 14 to 33 employees, and its that demand was higher than supply.

Sushi@Home did not have an extended marketing strategy. Instead, the positive word-of-mouth flow was the result of their excellent service, adaptability and variety; and the most powerful tool of marketing the company had. There was also the presence in Social Networks such as Facebook and Instagram.

After analyzing the restaurant industry in Portugal and consumer's eating habits, Sushi@Home managers realized that they could improve the performance of the company and achieve a stable positioning in the market. Thereby, the managers were wondering what to do. On one hand, it would make sense to reach those consumers and increase brand awareness; on the other hand, the managers knew that demand was higher than supply and the majority of consumers who knew Sushi@Home were satisfied and were generating word-of-mouth, thus focusing on retention of the customers also sounded like a smart move.

This dissertation attempts to analyse the dilemma that Sushi@Home was facing at the time and thus assess the possible strategies to overcome the impasse of retaining or acquisition of customers. Therefore, a thorough analysis of the company must be made to understand how should the company proceed next and prevail in this so competitive market.

4.3. Suggested Assignment Questions

In order to better understand the case study and develop an accurate analysis of the proposed scenario, a set of questions were designed. The main purpose is to help guiding students throughout their assessment of the case and to gather useful insights leading to solve the dilemma. Students are then expected to answer the following questions:

1. Please make an analysis of the sushi restaurant industry using Porter's Five Forces model. What are the main difficulties of Sushi@Home in this industry?
2. How should Sushi@Home balance the acquisition and retention of customers? In which of them should they spend more budget with?

3. To which target segments should Sushi@Home focus his efforts on and how should they communicate to those?
4. Describe the purchasing process regarding ordering delivery food for lunch/dinner and the main reasons that could lead you to order delivery instead of going to a sit-down restaurant. How can Sushi@Home influence impulse buying in those situations? Do you consider impulse buying as a strategy for acquiring new customers?
5. Should Sushi@Home focus on developing strategies for loyal customers? Please give examples.

4.4. Teaching objectives

Students are expected to put their ideas into action as they were the managers of Sushi@Home. The key teaching objectives of the case study are stated below:

1. Allow students to have an overview of the restaurant industry in the Portuguese context and understand the trends and habits of consumers regarding eating out/ordering delivery food.
2. Help students analysing the market and its dynamics and the competitive scenery by developing an industry analysis using Porter's 5 forces.
3. Familiarize students with the concept of customer satisfaction and understand how powerful it can be on shaping the customer's decision-making.
4. Aid students understanding the concepts of customer retention and acquisition and how customer satisfaction can influence those.
5. Reflecting on customer equity by comprehending that there are customers who represent a higher value to the company; therefore managers should understand how to better balance retention and acquisition spendings: it is better to spend a higher proportion of the budget on retention of customers once it generates customer satisfaction and thus positive word-of-mouth; as a result, acquisition will happen naturally without spending much budget on the process.
6. Assist students understanding how brand loyalty can be affected by the use of loyalty strategies such as promotion and price and how those strategies affect the company/brand – consumer relationship and the lifetime duration.
7. Entice students on the discussion of how different types of co-branding strategies can affect brand loyalty and customer retention.

8. Help students developing marketing strategies of retention and acquisition that enable the repeat purchase and generate positive word-of-mouth (e.g. developing loyalty cards, partnering with other companies, entice impulse buying, amongst others).

4.5. Use of the case

Sushi@Home's case study was built in order to facilitate students' understanding of the real world business landscape and the emerging of realistic dilemmas managers have to face. Thus, the case presented allows students to develop a thorough knowledge on how to apply marketing strategies in reality and how to approach consumers in order to create a win-win situation for both sides.

Lecturers may use the case to instruct students on several marketing-related concepts such as customer satisfaction, customer retention, customer acquisition, brand loyalty, word-of-mouth, loyalty programs and co-branding strategies in marketing-related courses such as Consumer Behavior, Brand Management, Strategic Marketing, Marketing Communications and other marketing-related courses. In addition, instructors can also approach topics of competitive landscape and market analysis.

Sushi@Home's case study was built for discussion in a 90-minute class. In addition, due to the variety of concepts involved, students may be asked to read the case in advance and prepare the questions presented in the section *Suggested Assignment Questions*, in order to generate a natural discussion flow during the lecture. Depending on the course objectives, the sample questions can be adapted aiming a better fit to the course topics.

4.6. Relevant theory

Porter's Five Forces model is a framework that enables managers to analyse the industry under five main drivers: the competitive rivalry, the threat of new entrants into the industry, the power of suppliers, the power of customers and the threat substitutes. This framework created by Michael E. Porter allows managers to evaluate the industry's weaknesses and strengths as well as to shape the management strategy of the company.

The purchasing process model is a framework of the purchasing behavior comprised of five steps: problem/need recognition, information search, evaluation of alternatives to meet this need, purchase decision and post-purchase behavior. This model reflects on consumer behavior when choosing to buy a product and it is a method showing that the

purchasing behavior is not always straightforward but rather a planned behavior, depending on the level of involvement with the product being purchased.

4.7. Analysis and Discussion

Sushi@Home's case study aims to generate classroom discussion about relevant marketing topics. In addition, Teaching Notes section comprises a detailed guideline to approach the case, as well as specific marketing concepts. Instructors are then expected to follow the *Suggested Assignment Questions* to generate the discussion; as a result, this section and the analysis of the questions will be organized accordingly.

1. ***Please make an analysis of the sushi restaurant industry using Porter's Five Forces model. What are the main difficulties of Sushi@Home in this industry?***

Students are expected to analyse each of the five forces from the model by identifying the main drivers, in order to get an overview of the industry.

- Competitive Rivalry: The restaurant industry has been growing overtime and consumers are gaining more purchase power, therefore a lot of restaurants emerged in the market. Sushi became a trend and Portugal was invaded by a number of sushi restaurants, each one with its own concept; usually each kind of restaurants is associated with certain levels of quality according to its freshness and taste. In addition, many restaurants are creating cozy and trendy environments whilst others focus on cheaper prices and a few on delivery. Prices vary from the type of restaurant and how they want to be perceived in the market, however consumer are willing to spend mid-prices, around 20€-29€ for sushi meals (Exhibit 14). Looking for new restaurants to go takes time and comparing prices, locations, types of food can be tiring, however most of sushi consumers prefer to try different restaurants when going to eat sushi and not always stick to the same one (Exhibit 13); this information can also lead to conclude that most of the consumers are not loyal to a single restaurant; therefore switching costs are low. As a result, competition is fierce and threat of competition is **HIGH**.

- Threat of New Entrants: Overtime, more restaurants have emerged in the market, namely sushi restaurants. But, as Martim said, the business is still

not saturated; therefore new restaurants are continuously popping up. The cost of entry is high, it is necessary to have resources: monetary, business and cooking knowledge, choose the right location in order to face competition fiercely and it is necessary to spend money on advertising to create brand awareness and recognition. Barriers of entry are high due to all the restaurants present in the market, however consumers look for different places to go, therefore there are still place for new entrants. In addition, if managers choose to take advantage of economies of scale the business is likely to become profitable. It can then be assumed that threat of new entrants is **MEDIUM/HIGH**.

- Power of Suppliers: Eating sushi sounds good, tasty and easy: it's all about fish. However, when it comes to assemble the final product, it is more complicated than it sounds. From the fresh raw fish, the Japanese rice and the seaweed to all the necessary vegetables, wasabi, soy sauce, sesame seeds and so on; for one single sushi roll managers need to have more than one supplier once each of them are specialized in one material (e.g. vegetables). Although, in Portugal there are restaurants in every corner, it can be assumed that there are a few suppliers serving the market which makes it easier for managers to negotiate prices. However, if managers are not loyal to one supplier the negotiation can be tougher but a win-win situation can be achieved, meaning that costs of change are low. As a result, the power of suppliers is **MEDIUM/LOW**.

- Power of Consumers: Sushi means trendy and overtime many consumers have converted themselves to this new way of eating. The results of the survey show that 75% of respondents are sushi consumers (Exhibit 11) and the average spending on sushi is around 20€-29€ (Exhibit 14) and therefore higher than the amount spent on eating out/ordering food: <20€ (Exhibit 9). This means that regarding sushi eating, consumers are not very price sensitive. As mentioned before, consumers are willing to change sushi restaurants every time they choose sushi (Exhibit 13) and switching costs are therefore not high; thus managers should listen to consumers and satisfy their needs in order to attract or retain them. It can then be concluded that power of customers is **HIGH**.

- Threat of Substitutes: Substitute sushi for something similar is not an easy task. One could talk about Korean kimbaps or Vietnamese spring rolls, however sushi became a trend overtime and there are many sushi restaurants in the market; however new kinds of restaurants are appearing in the Portuguese market: from traditional restaurants to Asian, Italian, burger chains, healthy food amongst others. Changing from one restaurant to another can be challenging due to the time it takes to look for another restaurant, the prices, the type of food and in addition, the service one is expecting. However, with all the buzz around food and being a foodie, consumers are more willing to change and try different things. On the other hand, sushi consumers are not always willing to change the type of food; and once they choose they want sushi, it might be difficult to change their minds. Therefore, it can be concluded that threat of substitutes is **MEDIUM/HIGH**.

In conclusion, Porter's Five Forces model show that the industry is not stable, there are a lot of risks but even though there are more restaurants emerging in the market. Students should then conclude that Sushi@Home is in a very risky and unstable position where it should leverage its competitive advantage and enforce its relationship with customers in order to maintain its profitability in the long run and become a top mind brand.

2. ***How should Sushi@Home balance the acquisition and retention of customers? In which of them should they spend more budget with?***

In this question, students are expected to briefly reflect about acquisition and retention of customers and analyse the strategy the company should adopt in order to balance both.

Acquisition and retention are two concepts that companies have been debating all along. Some companies focus more on retention whilst others on acquisition, however there are still a lot of doubts about in which companies should spend most of their budget. It is straightforward that companies have different goals and they should act according to those. For instance, a recent company will most likely focus on acquisition strategies once their goal is to increase brand awareness and attract people; on the other side, a company that is already in the market for a few years would like to retain its existing customers and entice them to repeat purchase. However, industries are dynamic and companies are not always certain where to spend their budget. Sushi@Home is quite new in the market,

however its brand awareness, according to the survey conducted is 41% (Exhibit 18); it could then be concluded that the company should spend more budget on acquisition of customers. However, as stated by Marim Bruschy, the demand is higher than the supply and expansion would bring more visibility and awareness. Thus, Sushi@Home is should focus more on retaining customers, not disguising acquisition. This budget effort on retention should be significative, along with attending customer's needs and wants. Once Sushi@Home manage to satisfy its customers, the levels of attachment to the brand will most likely increase and satisfied customers are key in every business. In addition, satisfied customers are more willing to repeat a purchase; that process might also lead to the increase of customer loyalty. Satisfied customers can then be retained if the company manage to always keep or even exceed the levels of satisfaction of customers and therefore leverage the relationship with retained customers. Moreover, satisfied customers lead to the generation of positive word-of-mouth and therefore to an indirect and cheaper way of acquiring new customers. It can be said that retention of customers might lead to acquisition of new ones and therefore it is time for Sushi@Home to leverage its budget by focusing on retention. (Read section *3.2-Customer Equity* of Literature Review).

3. ***To which target segments should Sushi@Home focus his efforts on and how should they communicate to those?***

Students should have in mind that different segments exist and strategies differ between segments; thus they should answer according to the survey results.

Segment groups differ from one other and thus require the use of different marketing tools. Managers should make sure that their communication strategies are effective and reach potential customers; therefore it is important to know who their customers are and how they behave. According to the survey conducted, most of the respondents were 20-29 years old (Exhibit 23) and 75% of them are sushi consumers (Exhibit 11). It can then be concluded that millennials are a Sushi@Home's segment and thus the company should communicate to those. Young consumers are very enthusiastic, optimistic and open-minded; plus, with the new food trends and the emergence of a foodie generation, companies are looking for new ways of advertising: getting away from traditional marketing tools is the new trend once nowadays there are new forms of reaching consumers. Regardless, it is important to reflect about offline marketing tools because they can also be an effective way of communicating to the target audience. Recent

companies like Sushi@Home are not focusing its efforts on tools as TV, once it is an expensive way of communicating and even if being a way of reaching a large number of individuals, it does not always reach the right audience. On the other hand, flyers can reach individuals from certain areas; for instance handing in flyers in *Laranjeiras* enables local residents to be aware of the restaurant and therefore recall the brand. But Sushi@Home is a delivery restaurant and thus it would be advantageous to develop strategies to reach a broader audience. Therefore, placing outdoors close to subway and bus stations can be an effective way of creating brand awareness. However, there are also other tools that can be used to reach the target audience. We all know that we are living in the era of the internet and social networks are present in our daily lives: from google, Facebook, Instagram to food searching engines; and digital marketing is getting increasingly popular. Digital marketing allows companies to take advantage of new sales channels in which they can develop specific price promotion strategies, mass customization and new ways of advertising. It is possible to create online interactive banners on social networks or websites and to create text ads (e.g. when searching "sushi" on google) that makes consumers be aware of the brand. Other online strategies could be to generate word-of-mouth by using the power of bloggers and also turn them into brand's endorsers; creating company's apps that allow customers to have their own profile and order through the app enables the attachment with the brand and perhaps the usage of loyalty cards through the app would generate customer loyalty and therefore enhance attachment. Viral videos are also becoming more popular and they can be a good tool for companies to generate curiosity about the brand and therefore increase brand awareness and possibly increase sales. Appealing advertising works, however service provided in store should be excellent not only to provide customers good experience and generate satisfaction but also to originate positive word-of-mouth. The survey conducted shows that the majority of respondents heard about Sushi@Home from family/friends, followed by social networks (Exhibit 21); this only means that the power of social networks and word-of-mouth is very significant; that is why strategies involving those tools should be developed in order to reach the target audience.

4. ***Describe the purchasing process regarding ordering delivery food for lunch/dinner and the main reasons that could lead you to order delivery instead of going to a sit-down restaurant. How can Sushi@Home influence impulse buying in those situations? Do you consider impulse buying as a strategy for acquiring new customers?***

In the question, students should reflect about the purchasing process and the five steps model. A description of a purchasing process is required to enable students to understand the complexity of the decision-making.

The action of purchasing a products sounds simple and easy; but in fact, the entire process of purchasing is a lot more complex than it sounds.

- Need/problem recognition: is the first challenge encountered by the consumer and it is when the actual situation and the desired situation differ from one another. Need can emerge from internal or external sources such as hunger and thirst or exposure to advertising, respectively; often this needs are recognized by using Maslow's Hierarchy of Needs. Nevertheless, not all the needs lead to purchasing a product; for instance, if the lag between the actual situation and the desired one is not significant, then a change is not likely to occur.

  Sushi@Home: Anne just came back from work and she's hungry. Since there is nothing to eat at home she will order food.

- Information search: once the need is identified, it is assumed that the consumer is going to research on how to overcome the problem. The complexity of the need and the level of involvement will require more or less research; for example, buying a house is a more complex situation than buying food. Information can also emerge from internal and external sources. The first one usually comes from memory and past experiences with the brand/product; this sort of information is usually enough when consumers are looking for low involvement products such as FMCG. The later one is used when consumers are looking for products with a higher involvement such as luxury products, therefore family/friends recommendations, media or other consumers reviews, official sources such as company's websites and seller's speech are the main sources of external information.

Sushi@Home is a sushi chain and therefore it would be assumed that internal sources of information would play a major role, however sushi is perceived as an expensive and trendy type of food, thus external sources of information are also very important on the decision making process.

Sushi@Home: Anne already ordered Chinese food a few weeks ago and today, a friend talked about a vegan restaurant. She also found a very appealing picture of Sushi@Home on Instagram.

- Evaluation of alternatives: when a consumer is looking for information, he/she will reach a wide range of alternatives. The process now involves the evaluation of those, the appraisal of the most suitable alternatives according to the needs and finally, choosing the best alternative. In order to evaluate options, consumer have to assess the objective and subjective attributes, respectively functionality/features and reputation of the brand/perceived brand value. This process allows consumers to create their own evoke set or brand choice set; however, it is important to have in mind that preferences and perceptions differ from customer to customer and that can influence the evoke set of customers as well as the level of involvement towards the product category.

  Sushi@Home: Anne thinks the Chinese food was too oily last time and she did not have a good experience; the vegan restaurant is very well known and her friend recommended it but it is too expensive; Sushi@Home looks very tasty, it has good reviews on TripAdvisor, a high score on Zomato and a price she can afford.

- Purchase decision: at this stage, the consumer is already able to choose the product that better meets his need. The evaluation made upon the attributes, the perceived value of the brand and the perceptions will help consumer to choose the product to purchase, however other events such as availability of the product, a promotion, the quality of the store among others can also have an impact on the purchase decision. The outcome of this step is the actual purchase.

  Sushi@Home: After evaluating the alternatives, Anne chose Sushi@Home because it looks tasty, healthy and the price was reasonable.

- Post-purchase behavior: after purchasing and using the product, the consumer will reflect on the decision he/she made and will evaluate if the product actually fit

his/her need and therefore, if the overall experience using the product was satisfactory. If the answer is positive, then consumer will be satisfied and more likely to buy the same product next time without reflecting too much about it and thus it can generate consumer loyalty. For low involvement products such as FMCG, consumer loyalty and repeat purchase is very important once it enhances customer lifetime value. In addition, good experiences are the drivers of customer satisfaction and the generation of positive word-of-mouth and brand reviews.

Sushi@Home: Anne thought the sushi was very tasty and quality-price ratio was good. Moreover, she managed to eat healthy and not feel too full before bedtime. Anne will certainly remember Sushi@Home next time.

In this case, Anne was already thinking about ordering Sushi@Home because she saw a very appealing picture on Instagram. She firstly evaluated the alternatives but in the end she chose the one that looked good. It is possible to conclude that by posting appealing pictures on social networks and also doing other activities such as advertising campaigns on food searching engines, plus the positive reviews from other customers, can generate impulse buying and that represents an opportunity for Sushi@Home. In addition, Anne was satisfied with the experience she had, she was likely to order from Sushi@Home again and she was probably going to talk about her experience with her family/friends; thus Anne is going to generate positive word-of-mouth about the chain. As a result she will entice other consumers to try and some of them, just like her, will order by impulse. It can then be assumed that impulse buying is a strategy for acquiring customers.

5. ***Should Sushi@Home focus on developing strategies for loyal customers? Please give examples.***

Students are expected to reflect about loyalty strategies such as loyalty programs and co-branding activities and assess whether Sushi@Home could take advantage of those strategies.

Loyalty strategies are normally used when companies are looking for enhancing relationships with customers. Thus, developing those strategies is a method of generating customer satisfaction and repeat purchase; as a result consumer loyalty is often obtained. Both loyalty programs and co-branding strategies focus on building long-term relationship with the customer, preventing them from switching; as a result, companies expect to increase their market share and, at the same time, to leverage the levels of

satisfaction and loyalty. By developing loyalty strategies, customers who adopt and become loyal, are likely to become less price sensitive and to generate positive word-of-mouth; which means acquisition of new customers in addition to retention of existing ones. When companies build alliances with other companies, the called co-branding, they are not only focusing on leveraging their brand image and sharing costs and databases but also on increasing loyalty and therefore retention and acquisition. These strategies are used to attract customers to consume more in a certain place or of a certain product; this happens because customers are likely to be enticed with the partnership of the companies involved. For instance, when supermarkets develop combined strategies with gas stations, consumers are likely to buy more often from that supermarket to gain discounts in fuel and vice-versa; this means that consumers are enthusiastic about the partnership once it is beneficial for them. Therefore, they are more likely to become loyal to both brands due to their satisfaction and are more willing to generate word-of-mouth; the strategies enable the development of retention and acquisition.

For example, Sushi@Home could develop an app in which each customer is able to have their own profile. The app allows customers to order from the app, to receive specific price offs, news about the company, the special offers/menus of the season (e.g. Christmas or Summer), as well as track their orders. When customers reach, for instance, 10 orders or 300€ in orders, an individual menu is offered. This app would not only enable customers to be satisfied with the restaurant and willing to order again next time but will also enable them to feel special and develop an attachment with the brand. Sushi@Home could also make a partnership with a credit card company (e.g. VISA) or with an automobile services company (e.g. ACP) in which card holders have 10% discount in every meal purchased. This alliance would allow Sushi@Home to attract customers, VISA or ACP to have more consumers using their cards and customers would be satisfied due to the discount. The app could also have the information about which customers have VISA or ACP card and would deduct 10% off automatically when generating the bill.

In conclusion, Sushi@Home should adopt loyalty strategies once it would enable the company to generate customer satisfaction and loyalty. As a result, customers are likely to repeat purchase and generate positive word-of-mouth (assuming the experience was pleasant). Sushi@Home would then be able to retain existing customers and acquiring new ones.

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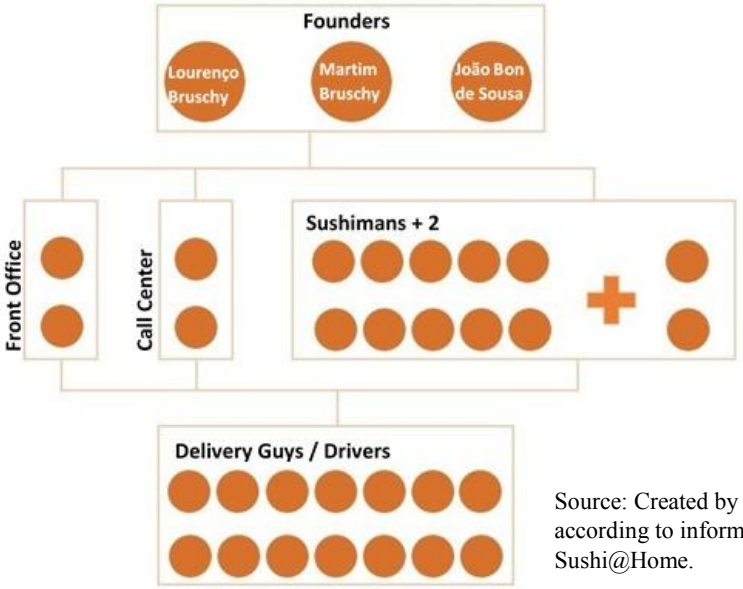
6. Exhibits

Exhibit 1 – Organization chart



Source: Created by the case writer according to information provided by Sushi@Home.

Exhibit 2 – Menus and extra components offered by Sushi@Home

Menu Tradicional

Para quem se quer manter fiel à gastronomia Nipónica. Este menu leva-nos às origens do Sushi, onde a simplicidade das peças, lhe vai trazer o verdadeiro sabor da combinação do arroz com a frescura do nosso Peixe.

Menu Salmão

Para quem se considera um "salmon lover" então este é o menu que procura. Neste Menu o Salmão está presente em todas as peças. Fresco e com uma cor bem viva, não vai passar despercebido.

Menu Fusão

Numa junção da cultura oriental e ocidental, este menu é uma verdadeira explosão de sabores. Indicado para os iniciantes desta gastronomia e para quem privilegia um menu diversificado em sabores.

Source: http://www.sushiathome.pt/

Exhibit 3 – Type of restaurants preferred in Lisbon and Porto (casual meals, luxury meals, bakeries and bars)

Source: http://observador.pt/2016/01/11/infografia-os-portugueses-comem/

Exhibit 4 – Most searched restaurants in Lisbon area

Source: http://observador.pt/2016/01/11/infografia-os-portugueses-comem/

Exhibit 5 – Questionnaire: Eating Out Habits

The survey below was distributed to respondents by Facebook and personal e-mailing, once it was the fastest way to reach a considerable number of individuals. The questionnaire was built both in Portuguese and English, however it was asked for respondents who lived in Portugal at the time in order to gather consistent answers.

Please choose the preferred language by pressing the button on the top right corner.

Hello, My name is Alida Remtula, I am a Master's student in Católica-Lisbon School of Business and Economics. At the moment I am writing my Master Thesis about a sushi restaurant and therefore I would like you to answer this questionnaire in order to enable me to gather some valuable information. The aim of the survey is to evaluate consumer's eating habits and preferences. The survey will only take a few minutes to fill in. There are no right or wrong answers, I just would like to ask you to answer the questions honestly. The questionnaire is anonymous.

Q1 – How often do you eat out/order delivery?

- ❍ Less than once a month
- ❍ Once a month
- ❍ Twice a month
- ❍ Once a week
- ❍ Twice a week
- ❍ More than twice a week

Q2 – When you eat out/order delivery, which is the restaurant that comes up to your mind?

- ❍ Pizza Hut
- ❍ Telepizza
- ❍ Sushisan
- ❍ Arigatô Sushi House
- ❍ Sushi@Home
- ❍ Domino's Pizza
- ❍ Sushi Lovers
- ❍ Home Sweet Sushi
- ❍ Other _____

Q3 – How much on average do you spend when eating out/ordering delivery?

- ❍ <20€
- ❍ 20€ - 29€
- ❍ 30€ - 39€
- ❍ 40€ - 49€
- ❍ ≥50€

Q4 – Which attributes do you value the most when eating out/ordering delivery (Please rank the following attributes on the level of importance, in which 1=Not important at all; 5=Very important)?

_____ Convenience
_____ Price
_____ Close Location
_____ Quality
_____ Trendiness
_____ Luxury Meals
_____ Monotony Breaking
_____ Wide Assortment
_____ Staff Friendliness
_____ Service Provided
_____ Possibility of Delivery Service

Q5 – Do you eat sushi?

- ❍ Yes
- ❍ No (***Respondent is automatically taken to question 17***)

Q6 – How often do you eat sushi out/order delivery?

- ❍ Less than once a month
- ❍ Once a month
- ❍ Twice a month
- ❍ Once a week
- ❍ Twice a week
- ❍ More than twice a week

Q7 – When going to a sushi restaurant do you usually go to the same restaurant?

- ❍ Yes. Which one? _____
- ❍ No

Q8 – How much on average do you spend when eating sushi out/ordering delivery?

- ❍ <20€
- ❍ 20€ - 29€
- ❍ 30€ - 39€
- ❍ 40€ - 49€
- ❍ 50€+

Q9 – With whom do you usually go to sushi restaurants/order delivery? (You can choose more than one)

- ❑ Alone
- ❑ Family
- ❑ Partner
- ❑ Kids
- ❑ Friends
- ❑ Other _____

Q10 – For which occasions do you choose sushi restaurants? (You can choose more than one)

- ❑ Lunch
- ❑ Dinner
- ❑ Snack
- ❑ All the above

Q11 – When do you choose sushi restaurants the most? (You can choose more than one)

- ❑ Dating
- ❑ Birthday
- ❑ Wedding
- ❑ To celebrate a special date
- ❑ Usually there's a sushi day in my place
- ❑ When I have friends over
- ❑ When I want a premium meal
- ❑ When I don't want to cook
- ❑ Other _____

Q12 – Do you know Sushi@Home?

- ❍ Yes
- ❍ No (***Respondent is automatically taken to question 17***)

Q13 – How often do you order Sushi@Home?

- ❍ Less than once a month
- ❍ Once a month
- ❍ Twice a month
- ❍ Once a week
- ❍ Twice a week
- ❍ More than twice a week
- ❍ Never

Q14 – How do you perceive Sushi@Home in the following attributes? (1=Not good at all, 5=Very good)

_____ Quality
_____ Price
_____ Convenience
_____ Variety
_____ Delivery Service
_____ Staff Friendliness
_____ Menus Offered

Q15 – How did you hear about Sushi@Home?

- ❍ Social Networks
- ❍ Online Magazines (e.g. NiT)
- ❍ Newspapers/Magazines (e.g. TimeOut, Expresso Boa Cama e Boa Mesa)
- ❍ Billboards
- ❍ Food Search Engines (e.g. Zomato, TripAdvisor)
- ❍ Family/Friends
- ❍ Other _____

Q16 – Would you recommend Sushi@Home to your friends/family?

- ❍ Yes
- ❍ No

Q17 – Age

- ❍ 15 - 19
- ❍ 20 - 24
- ❍ 25 - 29
- ❍ 30 - 34
- ❍ 35 - 39
- ❍ 40 - 44
- ❍ 45 - 49
- ❍ 50 - 54
- ❍ 55 - 59
- ❍ 60+

Q18 – Occupation

- ❍ Student
- ❍ Employed
- ❍ Self-employed
- ❍ Unemployed
- ❍ Retired

Q19 – Annual household income

- ❍ ≤10.000€
- ❍ 10.001€ - 27.000€
- ❍ 27.001€ - 44.000€
- ❍ 44.001€ - 60.000€
- ❍ >60.000€
- ❍ Do not know/Prefer not to say

Thank you for your participation. Please press ">>" to finish the survey and record your answers.

Exhibit 6 – Results from the survey conducted by the case writer

The survey divided into four main sections: consumers eating out/ordering delivery habits, which comprised questions about frequency of eating out/ordering delivery, preferred restaurants, average spending; then questions about sushi eating habits were asked, in example, frequency of eating out/ordering delivery from sushi restaurants, occasions of eating sushi, average spending, with whom respondents usually eat sushi with; consumers awareness of Sushi@Home and preference for the brand by asking customers if they knew the restaurant, how frequently they ordered from there, how did they hear about the restaurant, likelihood of recommendation.

Finally demographic questions such as age, occupation and household income were asked, in order to understand which type of customers eat sushi and which ones know Sushi@Home. Respondents were also asked to evaluate specific attributes, such as price, quality, convenience, trendiness, among others bearing in mind the attributes they consider more important when looking for a food chain and in addition, how do they perceive Sushi@Home on certain attributes.

Once it was important to gather information as sooner as possible and, it was important to reach a variety of age groups, the survey was mainly spread on Facebook, due to its convenience and speed; however, personal emails were also sent in a smaller scale. The survey was released during 22 days and in total, there was 252 answers; however only 197 were valid. It is important to have in mind that due to the sample size, the results of the research might be biased and therefore it is not possible to assume immediately that marketing strategies would be effective under a certain segment by only analyzing the survey. An extended research would be necessary to take thorough conclusions. The method used to analyse the answers was cross-tabulations in which the p-value was used for taking conclusions of the statistical significance of the tests.

The results of the research show that 39% of respondents were between 20 and 24 years old and 31% between 25 and 29 years old. This information show that most of the respondents are young consumers from the generation Y, also known as millennials. This generation is mainly characterized by being diverse and to be encouraged to make a difference, as well as more optimistic and open-minded than previous generations which lead them to be able to accept different cultures, entices them to try new things and enables them to find information everywhere. In addition, the research shows that the

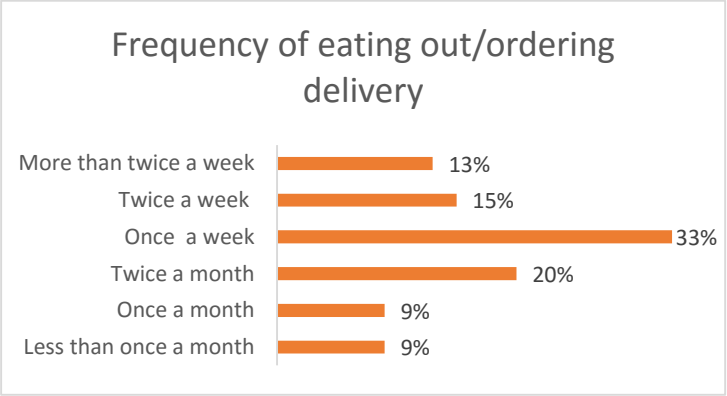
majority of respondents are either employed or students, 47% and 38% respectively; this result is not surprising taking into consideration that most of respondents were between 20 and 29 years old. Regarding household income, the highest rate of answers were between 10.001€ and 27.000€, 35% precisely; and 29% of respondents preferred not to say. This results show that, the majority of respondents are typically earning from entry to mid-salaries (in the Portuguese context), which corroborates with the age groups mentioned above. 33% of respondents eat out/order delivery once a week, 20% twice a month and 15% twice a week. In addition, 13% state they eat out/order delivery more than twice a week and 18% once a month or less; meaning that the majority of consumers eat our/order delivery at least once a month. When asking respondents which is their top mind restaurant, 24% answered *Pizza Hut*, followed by 10% *Telepizza*; only 6% of the respondents answered Sushi@Home as their top mind reference and 37% answered Others. On Others category, the majority of respondents mentioned other sushi restaurants, fast food chains such as *McDonalds*, *Burger King* and *H3* and roasted chicken restaurants (churrasqueiras) as their top of mind choices; traditional Portuguese food restaurants, other burger chains (known as gourmet burger chains), Chinese and Indian restaurants and other pizza places were also mentioned. This information leads to the conclusion that depending on the objectives of the three partners, there is space for improvement in terms of brand recall. Furthermore, 64% of respondents spend, on average, less than 20€ on a meal, 26% spend from 20€ to 29€ and 9% spend 30€ or more. The majority of respondents consider quality, service provided, price and convenience, respectively, as the most important attributes when eating out/ordering delivery. A total of 75% of respondents eat sushi; 32% of those do it once a month, 31% less than once a month and 25% twice a month. 79% of the respondents who eat sushi do not always go to the same restaurant, whilst 21% use to go to the same restaurant: the restaurants mentioned more often were *Nagoya*, *Sushisan*, *SushiTime*, however restaurants such as *Arigatô* and others were also mentioned; it is possible to conclude that sushi restaurants are an impulse category, once most of consumers try different restaurants and therefore it is possible to develop strategies of impulse buying if that is the focus of Sushi@Home owners. 90% of sushi consumers spend 29€ or less when eating out/ordering sushi and, a total of 90% of the respondents spend 29€ or less in an average meal out/delivery; one can then conclude that the average spending do not depend on the type of food; Moreover, after analyzing the survey, one could conclude the average spending per order of around 30€ is confirmed by the data collected, once the difference is roughly 1€. 71% used to eat

out/order delivery sushi with friends, followed by 44% and 27% with their partner and with family respectively. Most of respondents choose dinner as a preferred meal time, followed by lunch and snack; a minority of respondents chose all three options. In addition, “I don’t want to cook”, “To celebrate special occasions” and “Dating” were the options with the highest rate, along with “Others”, in which respondents stated that they choose sushi the most when they feel like eating sushi and when they hang out with friends. 41% of respondents answered “yes” when they were asked if they knew Sushi@Home, whilst 59% answered “no”. The majority of respondents go to Sushi@Home less than once a month and 11% once a month; the remaining respondents used to go less often or never. Quality, staff friendliness, delivery service and convenience were rated the most important attributes of Sushi@Home, respectively; it is possible to conclude that there are similarities regarding attributes when choosing sushi restaurants or other type of restaurants once quality and convenience were also mentioned before as important attributes consumers value when going out/ordering delivery. Most of consumers who are aware of Sushi@Home heard about the restaurant by family/friends or social networks, 45% and 36% respectively; 95% would recommend Sushi@Home whilst 5% would not. (Exhibit 7 to 25)

In order to obtain a depth comprehension of the data collected regarding the demographic profile of consumers, a series of tests were conducted and it is possible to conclude that age and income were directly correlated, once p-value<0.05, meaning that the test is statistically significant (Exhibit 26); therefore the previous assumption that age was related to the entry to mid-salaries is accurate. The relationship between age and frequency of eating out/ordering delivery was not significant, p-value>0.05, as a result it can be assumed that the eating out/delivery habits are not influenced by one’s age (Exhibit 27); moreover income and average spending on eating out/ordering delivery are not statistically significant once p-value>0.05 (Exhibit 28). Consumption of sushi was also positively related to age, once p-value<0.05 (Exhibit 29) and frequency of eating sushi out/ordering delivery and age are not related because p-value>0.05 (Exhibit 30), therefore age was not a driver of how often one eats sushi out/delivery. The average spending on sushi restaurants/delivery is not connected to income, once again due to p-value>0.05 (Exhibit 31) and in addition, with whom respondents used to go out to eat sushi with is positively related to age, once p-value<0.05 (Exhibit 32), thereby choosing with whom to go out to eat sushi with is clearly influenced by one’s age. Furthermore, consumption

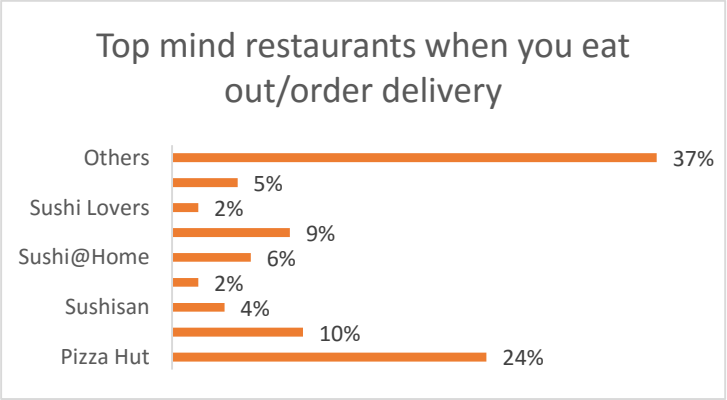
of sushi is not significant for both meal times and occasions/events once p-value>0.05, meaning that meal times or occasions/events are not determined on whether one eats sushi or not. (Exhibit 33 and 34)

Exhibit 7 – Questionnaire Answers: Q1



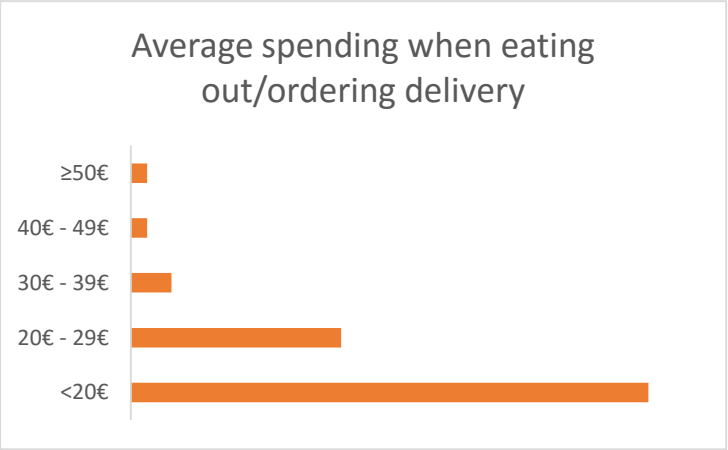
Source: Results from the survey conducted by the case writer.

Exhibit 8 – Questionnaire Answers: Q2



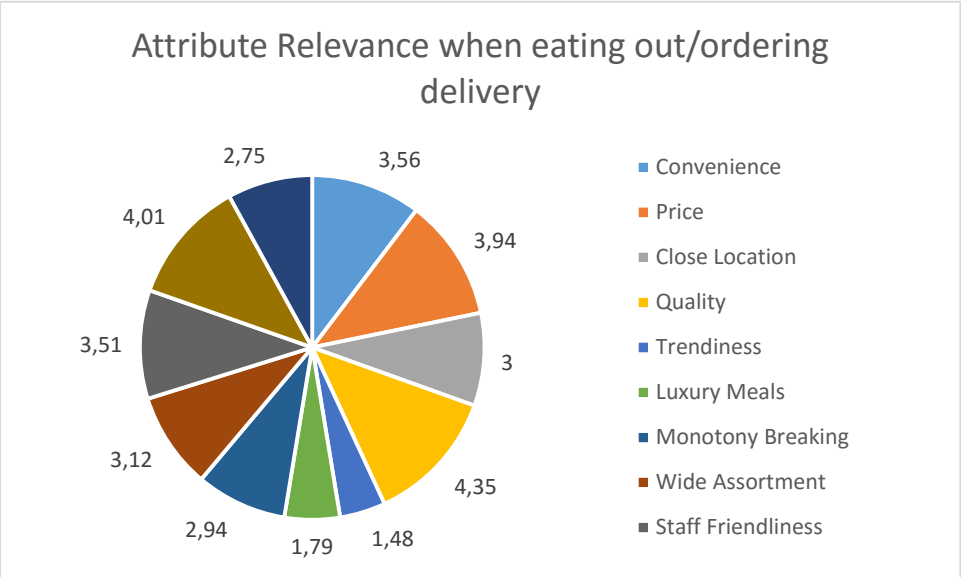
Source: Results from the survey conducted by the case writer.

Exhibit 9 – Questionnaire Answers: Q3



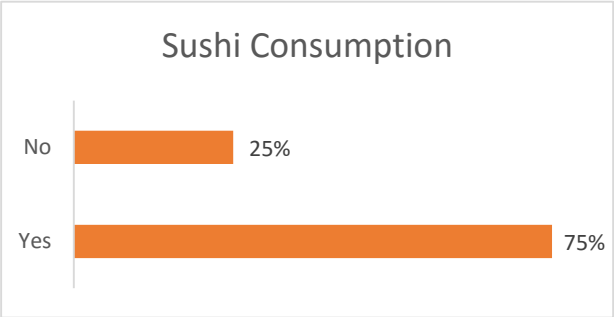
Source: Results from the survey conducted by the case writer.

Exhibit 10 – Questionnaire Answers: Q4



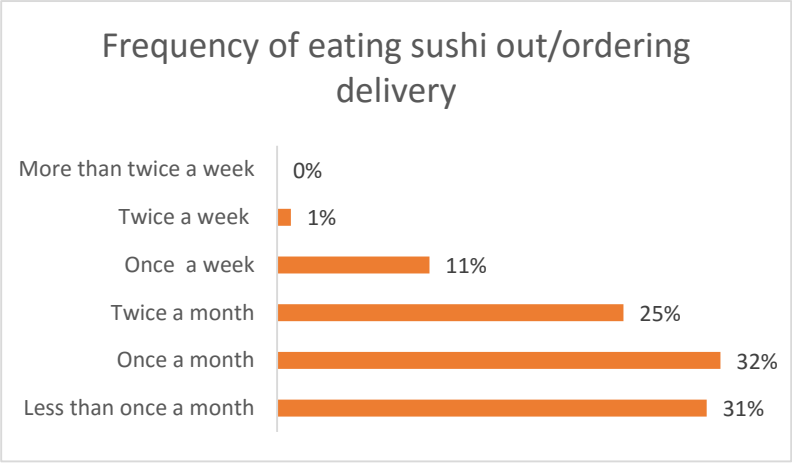
Source: Results from the survey conducted by the case writer.

Exhibit 11 – Questionnaire Answers: Q5



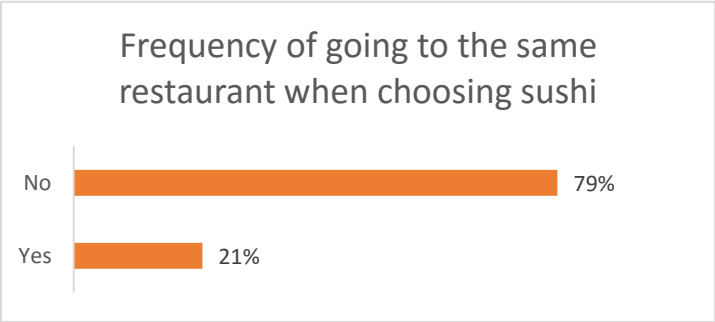
Source: Results from the survey conducted by the case writer.

Exhibit 12 – Questionnaire Answers: Q6



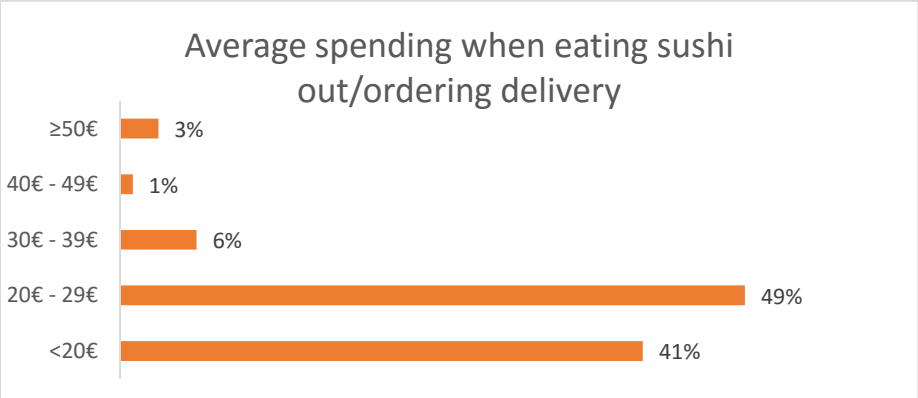
Source: Results from the survey conducted by the case writer.

Exhibit 13 – Questionnaire Answers: Q7



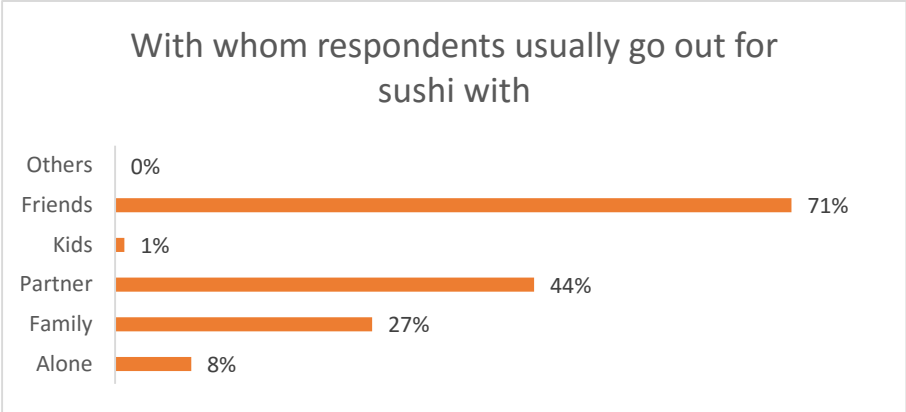
Source: Results from the survey conducted by the case writer.

Exhibit 14 – Questionnaire Answers: Q8



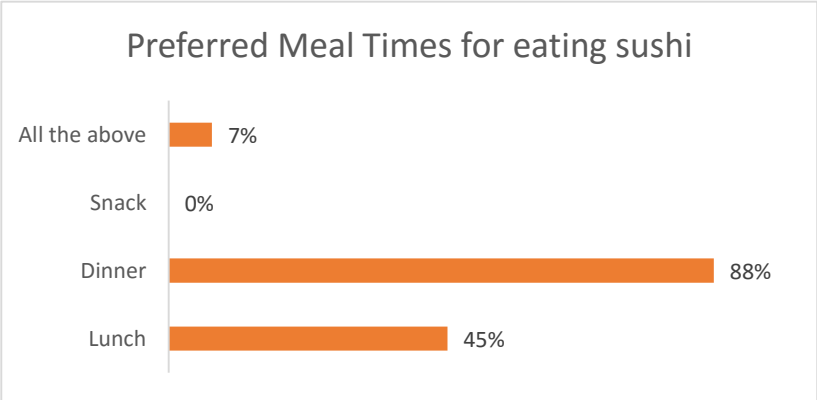
Source: Results from the survey conducted by the case writer.

Exhibit 15 – Questionnaire Answers: Q9



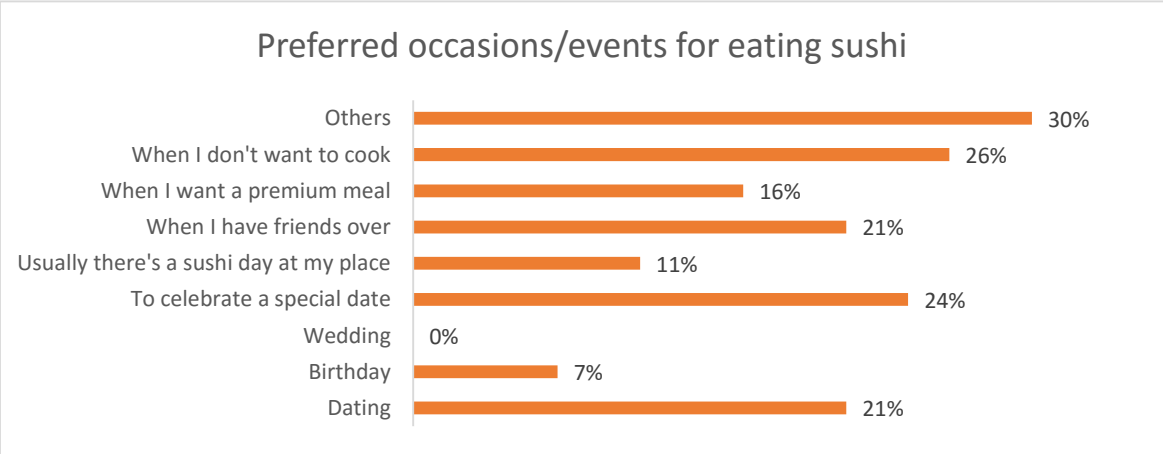
Source: Results from the survey conducted by the case writer.

Exhibit 16 – Questionnaire Answers: Q10



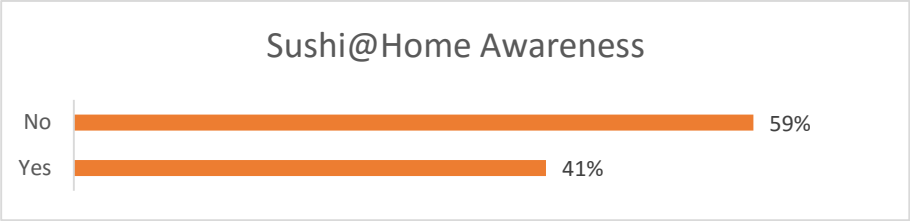
Source: Results from the survey conducted by the case writer.

Exhibit 17 – Questionnaire Answers: Q11



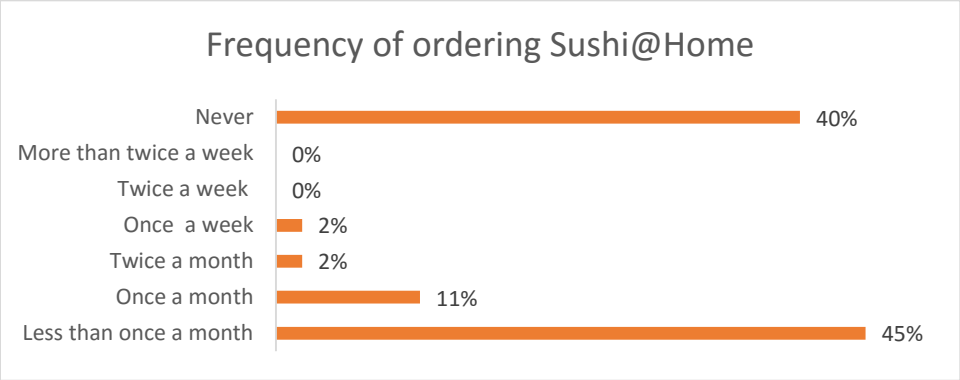
Source: Results from the survey conducted by the case writer.

Exhibit 18 – Questionnaire Answers: Q12



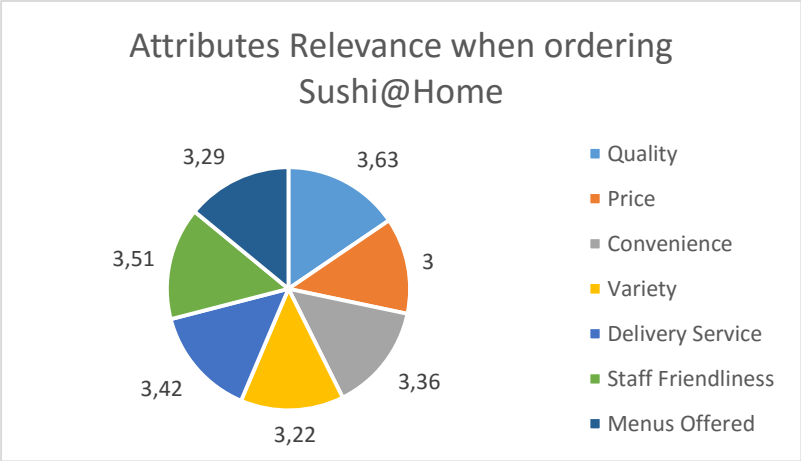
Source: Results from the survey conducted by the case writer.

Exhibit 19 – Questionnaire Answers: Q13



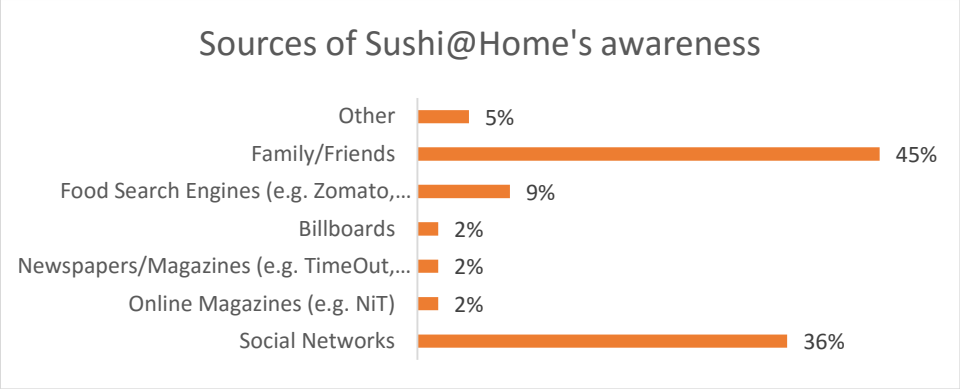
Source: Results from the survey conducted by the case writer.

Exhibit 20 – Questionnaire Answers: Q14



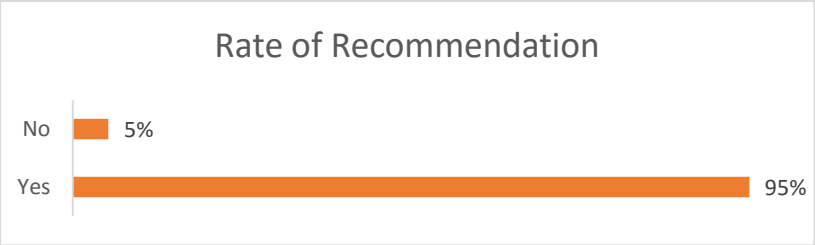
Source: Results from the survey conducted by the case writer.

Exhibit 21 – Questionnaire Answers: Q15



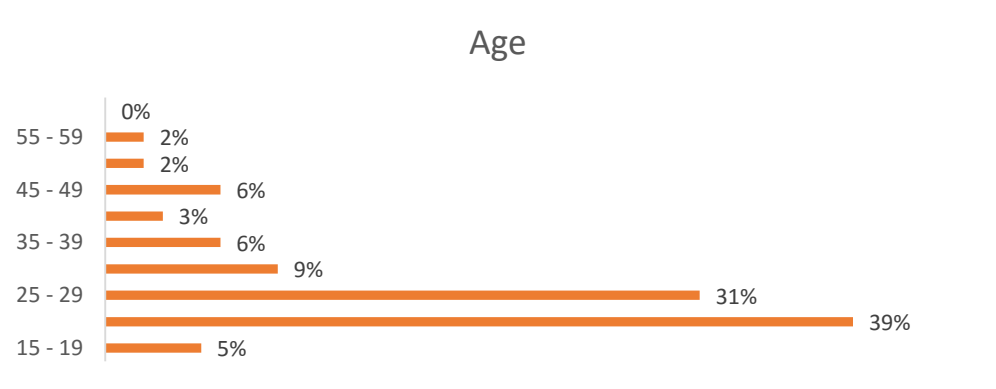
Source: Results from the survey conducted by the case writer.

Exhibit 22 – Questionnaire Answers: Q16



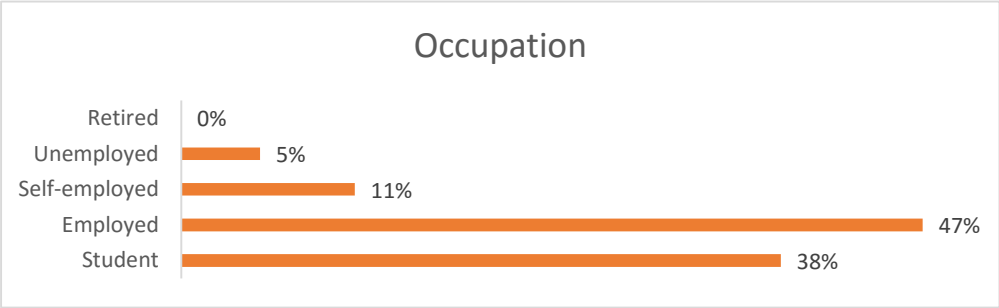
Source: Results from the survey conducted by the case writer.

Exhibit 23 – Questionnaire Answers: Q17



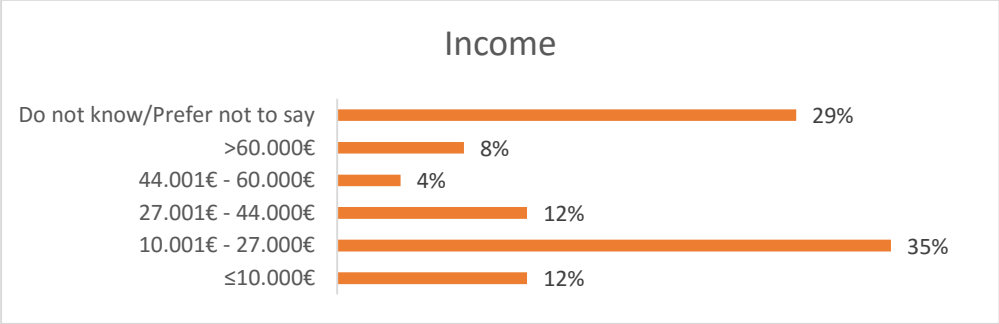
Source: Results from the survey conducted by the case writer.

Exhibit 24 – Questionnaire Answers: Q18



Source: Results from the survey conducted by the case writer.

Exhibit 25 – Questionnaire Answers: Q19



Source: Results from the survey conducted by the case writer.

Exhibit 26 – Relationship between Age and Income

		Income
Age	Chi-Square	87.13*
	Degrees of Freedom	45
	p-value	0.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 27 – Relationship between Age and Frequency of going out/ordering delivery

		Frequency of going out/ordering delivery
Age	Chi-Square	46.44*
	Degrees of Freedom	45
	p-value	0.41

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 28 – Relationship between Income and Average spending on eating out/ordering delivery

		Average spending on eating out/ordering delivery
Income	Chi-Square	23.61*
	Degrees of Freedom	20
	p-value	0.26

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 29 – Relationship between Age and Sushi Consumption

		Sushi Consumption
Age	Chi-Square	24.36*
	Degrees of Freedom	9
	p-value	0.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 30 – Relationship between Age and Frequency of eating sushi out/ordering delivery

		Frequency of eating sushi out/ordering delivery
Income	Chi-Square	17.49*
	Degrees of Freedom	45
	p-value	1.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 31 – Relationship between Income and Average spending on eating sushi out/ordering delivery

		Average spending on eating sushi out/ordering delivery
Income	Chi-Square	24.94*
	Degrees of Freedom	20
	p-value	0.20

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 32 – Relationship between Age and With whom respondents eat sushi out /order delivery

		With whom to eat sushi out/order delivery
Age	Chi-Square	174.02*
	Degrees of Freedom	45
	p-value	0.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 33 – Relationship between Sushi Consumption and Meal Times

		Meal Times
Sushi Consumption	Chi-Square	0.00*
	Degrees of Freedom	3
	p-value	1.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.

Exhibit 34 – Relationship between Sushi Consumption and Occasions/Events

		Occasions/Events
Sushi Consumption	Chi-Square	0.00*
	Degrees of Freedom	8
	p-value	1.00

**Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.*

Source: Results of the cross-tabs analysis from the survey conducted by the case writer.