



MKT3651 Final Report of Business Environment in China

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1. Executive Summary

The Spaghetti House is a specialty restaurant since 1979 pioneering the development of a much-needed mid-market western theme restaurant chain. It has been developed into the largest spaghetti and pasta restaurant chain in Hong Kong.

In view of sustainable growth of fast food delivery industry, the Spaghetti House is planning to create a new subsidiary brand for fast food delivery, **The Spaghetti House Pasta Delivery**. It will first set up kitchens in Luo Hu, Shenzhen and target on the fast food high demanders, businessmen and OL in commercial areas.

The Spaghetti House's call centre and web server will be outsourced to PCCW and delivery team to Shenzhen Excellence logistics Co. Ltd. Having a keen competition of fast food delivery industry in China, KFC and Pizza Hut delivery are selected to conduct competitors' analysis.

To pioneer the development of a new created subsidiary brand, there are five goals.

- Expand to all six districts throughout Shenzhen
- Become the best pasta delivery company in Shenzhen
- Differentiated by targeting new market
- Expand current business market in Shenzhen by introducing pasta delivery
- Prompt Pasta delivery promise

The Spaghetti House Pasta Delivery aims at providing customers with high quality pasta delivery to customers. Within five years, it is predicted that the business will expand to the whole Shenzhen city.

2. Company Profile

The Spaghetti House

The Spaghetti House is established in 1979 by an Australian and a British. It is the largest pasta restaurant chain in Hong Kong comprising more than 30 outlets in the territory and Southern China. It was acquired by Café de Coral Group, the largest publicly listed Chinese Fast Food restaurant group in 1991. The Spaghetti House is a specialty restaurant chain that serves traditional style Italian cuisine, which is well known among the local palate for its wide variety of products ranging from the ever-popular pizzas and spaghetti to the locally adapted European rice plates as well as the more sophisticated dishes of fondue and lobsters. Having built up the reputation as “Pasta Expert” and brought varieties of pasta to Hong Kong, The Spaghetti House is now introducing its new business, “Pasta Delivery”. In view of a sustainable growth in fast food delivery in mainland China, we decided to create our new business - **The Spaghetti House Pasta Delivery** in Shenzhen.

Outsourcing Company of Call Centre and Web Server - PCCW Limited

PCCW Limited is selected as the outsourcing company responsible for the call center and Web server. Employing approximately 16,200 staff worldwide, PCCW Limited is the global premier telecommunications provider and a world-class player in Information & Communications Technologies (ICT). PCCW offers comprehensive telecoms and infotainment services to consumers and businesses, as well as a full range of integrated ICT solutions for the private and public sectors. To assist companies developing business in mainland China, PCCW also offer schemes like “Direct China” and “i.China Solution” to handle all the financial and legal issues, set up the right office infrastructure at the right location, and a reliable and efficient cross-border communication system.

Outsourcing Company of Delivery Team– Shenzhen Excellence logistics Co. Ltd.

Shenzhen Excellence logistics Co. Ltd. is selected as the outsourcing company responsible for the delivery team. It is one of the large enterprises whom engaged in the third party integration logistics providing customer with logistical service which include management of supply chain: Warehousing relevant services inside Free Trade Zone, international freight forwarding, domestic logistics and international Trade.

3. Business Operation

3.1 Outsourcing particular operations

To facilitate the business flexibly and cost-efficiently, we decided to outsource the call center and Web server, as well as the food distribution team. Particularly, we choose PCCW, one of the global leading firms in telecommunication industry, as the significant outsourcing company to manage and operate our call center and Web server.

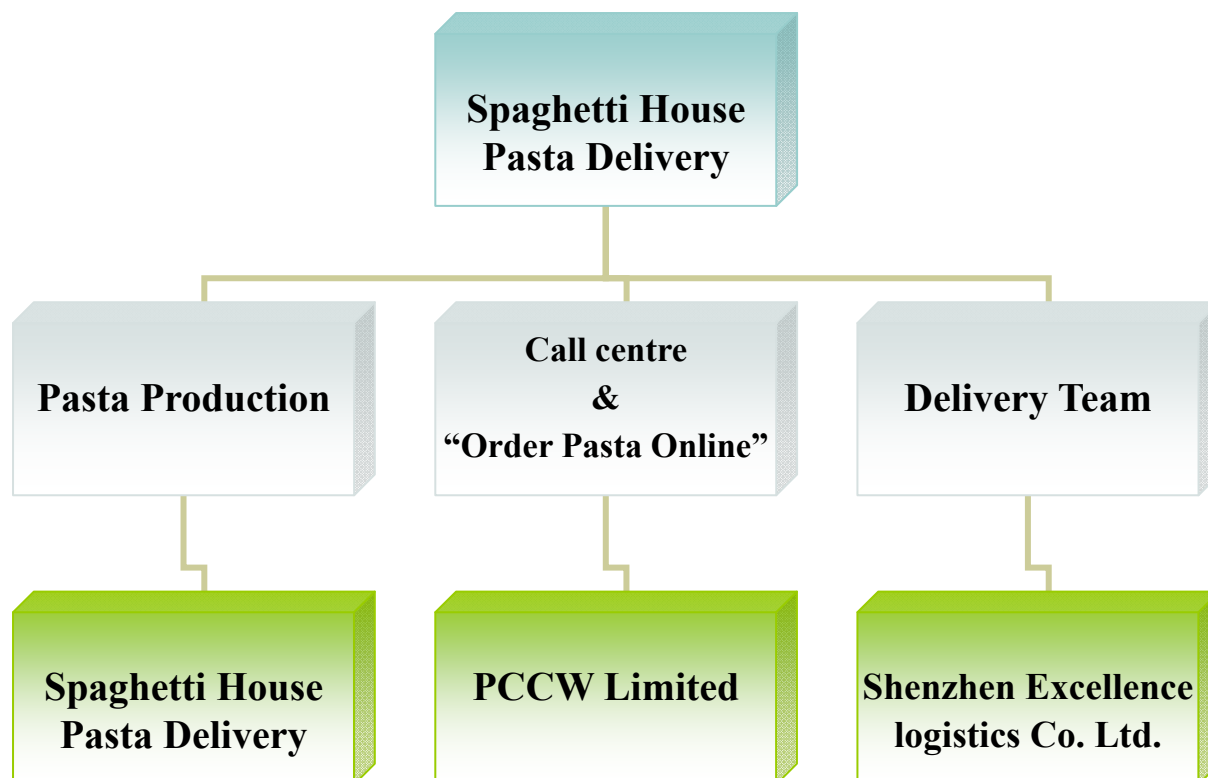
3.2 Benefits of Outsourcing

The outsourcing structure provides us benefits of cost-efficiency and the ability to focus on in-house activities.

By outsourcing the call centers and distribution team to professional logistic firm, we are able to utilize company's resources more effectively. Expenses like training cost, hiring cost and acquisition cost of required capital can be saved. We can also focus on operating and developing our core business (e.g. Investigating new pasta) in order to provide a higher standard of service and products to customers.

4. Business Scope

The Spaghetti House “Pasta Delivery” involves 3 stages of operation: Pasta production, call centre and delivery team. The following is the operational structure.



4.1 Pasta Production

Refer to the leading role in the pasta delivery operation hierarchy; The Spaghetti House Pasta Delivery will be involved in the pasta production stage. The Spaghetti House will be involved in the following operations:

1. Producing pasta
2. Designing menu
3. Procuring thermal bags
4. Hiring local and overseas labor responsible for cooking and managing the kitchen for “Pasta Delivery”

4.2 Call Centre

PCCW, being one of our outsourcing firms, will be responsible for call centre services. They provide information technology, facilities and human capitals for our “Pasta Delivery” call centre customer services. Besides, we will also co-operate with PCCW in setting up the “Order Pasta Online”, which is the online platform for customers to order our pasta.

4.3 Delivery Team

For the delivery of pasta, we decided to outsource the delivery service to Shenzhen Excellence logistics Co. Ltd. It will be responsible for the following aspects:

- Delivering pasta produced by The Spaghetti House Pasta Delivery
- Hiring labor to deliver pasta

5. Market Analysis

5.1 Food Delivery Industry in China

In recent years, Food and Beverage industry has a sharp growth, nearly reaching 20 percent per year. Before 1978, the expenditure on food and beverage (F&B) of each Chinese people was far from RMB\$10; however, with the growth of economic and the increase of living standard, the expenditure on F &B increased up to RMB\$680 each person in 2005. It is expected that the expenditure of F&B will be increased to RMB\$800 per person in 2009.¹

According to CEMAC's² research, there are more than 70 percent of Chinese people are willing to spend more money on food and beverage due to the longer working time and less relaxing time and hence there are fewer people would choose to cook the meals for themselves. With this finding, food and beverage industry still has a large room for development in China.

5.2 Food Delivery Industry in Shenzhen

Shenzhen is an exclusive economic zone in South China. The GDP increased by 14.7 percent comparing with 2006. According to Shenzhen Statistic, the GDP in year 2007 is 0.106 million US dollars per person and it is the only city where GDP per capita is beyond 10 thousand US dollars so far in China. It indicates that the living standard and purchasing power of people are high.

According to the Food and Beverage statistic, the revenue of Food and beverage industry recorded 20.9 billion which is 12.52 percent out of the total revenue of consumer goods in 2006. In 2007, the investment of this industry was increased by 15.7 percent. The statistics indicate that there is still a room for the development in food and beverage industry, a profitable industry in Shenzhen.



The Spaghetti House already has three branches in Shenzhen city. However, there is no systematic delivery service for Shenzhen citizens. Therefore, there is a potential market for our business. Moreover, due to the geographical advantages closing to Hong Kong, it is believed that the flavor of Shenzhen citizens is similar to Hong Kong people. Pasta provided by Spaghetti house will be able to suit the flavor of Shenzhen citizens.

¹ China Cuisine Association's(中國烹飪協會) report

² China Economic Monitoring & Analysis Center (國家景氣中心)

6. Competitor Analysis

6.1 Comparison of two competitors in fast food delivery industry

Competitors	Pizza Hut Delivery	KFC Delivery
		
Brands Under	Yum! Brands Inc., China Division	Yum! Brands Inc., China Division
Competitors' mission	"For eating pizza, go to Pizza Hut" Provide customers for high quality food delivery by using phone and internet	"Rooted in China, Part of China" Provide unique taste and quality of products to customers
Scale	8 branches in Shenzhen	12 branches in Shenzhen
Target customer	Middle classes	Lower classes
Average consumption	RMB\$40-50	RMB\$20-30
Food Characteristic	Specialize in producing Pizza	Specialize in producing fried chicken
Delivery Time	30 -35 mins	30-40 mins
Delivery Charges	\$50 minimum consumption requirement with \$4 charges	No minimum consumption requirement with \$6 charges
Competitor's Market expansion	Chain store	Franchise
Competitor's Localization characteristics	Localization on ingredients: 95%	Localization on employees and ingredients : 100%
Call Centre	Managed by Internal call centre management team	Managed by Internal call centre management team
Order method	Internet and call centre service	Internet and call centre service

7. Development Strategies

7.1 Goal achievement

Expand to all six districts throughout Shenzhen

In these five years, we decided to expand our business gradually throughout Shenzhen by districts within the constraints of time and budget. By expanding to the whole city, we are able to fully utilize call center and advertising cost paid and provide foundation and experience for our next targeted city.

Becoming the best pasta delivery company in Shenzhen:

Shenzhen food delivery market exist several competitors, like KFC, Pizza Hut Delivery. However, they are not specialized or experienced in Pasta business. Spaghetti house, with its professional, stylish pasta cuisine, can differentiate us as the best pasta delivery company in this industry. The image of high-end and healthy cooking method enable us to use pasta to segment a new market, middle class or forth.

Differentiated by targeting new market

Unlike our major competitors, we target a relatively high income group, Spaghetti House is used to produce relatively high class cuisine compared to KFC or Pizza Hut, in terms of both quality and price, thus rising middle class or forth's awareness towards our brand.

Expand current business market in Shenzhen by introducing pasta delivery

Before expanding this food delivery industry, Spaghetti House already had three branches in Shenzhen. By developing this market, we can expand our current market in Shenzhen. Since we have already built branches there, this market development can derive benefits under economic of scale, like sharing advertising cost, bulk purchase, etc.

Prompt Pasta delivery promise

Speed is a major concern of food delivery. As a newly developed pasta delivery company, we have no experience in engaging in call center services and management and food delivery chain. To prevent high costing self operation in these two areas, we outsource the role of order management and whole delivery chain to PCCW (call center) and Shibida (Delivery Company). With their specialization in professional areas, we can promise our customers our company pasta delivery is prompt, well-maintained and hot pastas, snacks and beverage.

7.2 1st Year Plan

Guiding Principles/Activities	Months (For the Year 2009)			
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
TV/Radio/Magazine/Newspaper Advertising	Boost sales ↑ 25%	Boost sales ↑ 20%	Boost sales ↑ 15%	Boost sales ↑ 25%
Service Promotion	Boost sales ↑ 10%	Boost sales ↑ 5%	Boost sales ↑ 5%	Boost sales ↑ 15%
Brand Name Promotion	Boost sales ↑ 10%	Boost sales ↑ 5%	Boost sales ↑ 5%	Boost sales ↑ 10%
Food Promotion	Boost sales ↑ 5%	Boost sales ↑ 10%	Boost sales ↑ 5%	Boost sales ↑ 5%
Introducing the employee training program	Recruitment and training	Recruitment and training	Recruitment and training	Promotion of employees to be the manager
Set up marketing team in Shenzhen	HK Marketing teams as the beginning	Recruitment	Recruitment	Moving Jobs to Shenzhen
Establish Kitchen in Shenzhen	4 kitchens in Luo Wu	5 Kitchens in Nan Shan	4 Kitchens in Futian	4 Kitchen in Yantian
Evaluation				Held in Hong Kong Headquarter

7.3 5th Year plan

Guiding Principles/Activities	Year			
	2010	2011	2012	2013
Business focus	Increasing market share in existing four Shenzhen economic special regions through promotion campaigns.	Expand the business in the fifth Shenzhen region (Bao'an District) as well as increase the market share for existing four regions.	Expand the business in the sixth Shenzhen region (Longgang District). Retaining customer loyalty and branching our fast food delivery in the existing fifth regions	Expand the business in the seventh Shenzhen region (New Guangming District). Consolidate the brand name throughout the Shenzhen city.
Kitchens establishment		8	8	2
Operational break even	breakeven			
Market share in food delivery industry	Increase 2%	Increase 5%	Increase 5%	Increase 2%
Year- end evaluation	✓	✓	✓	✓

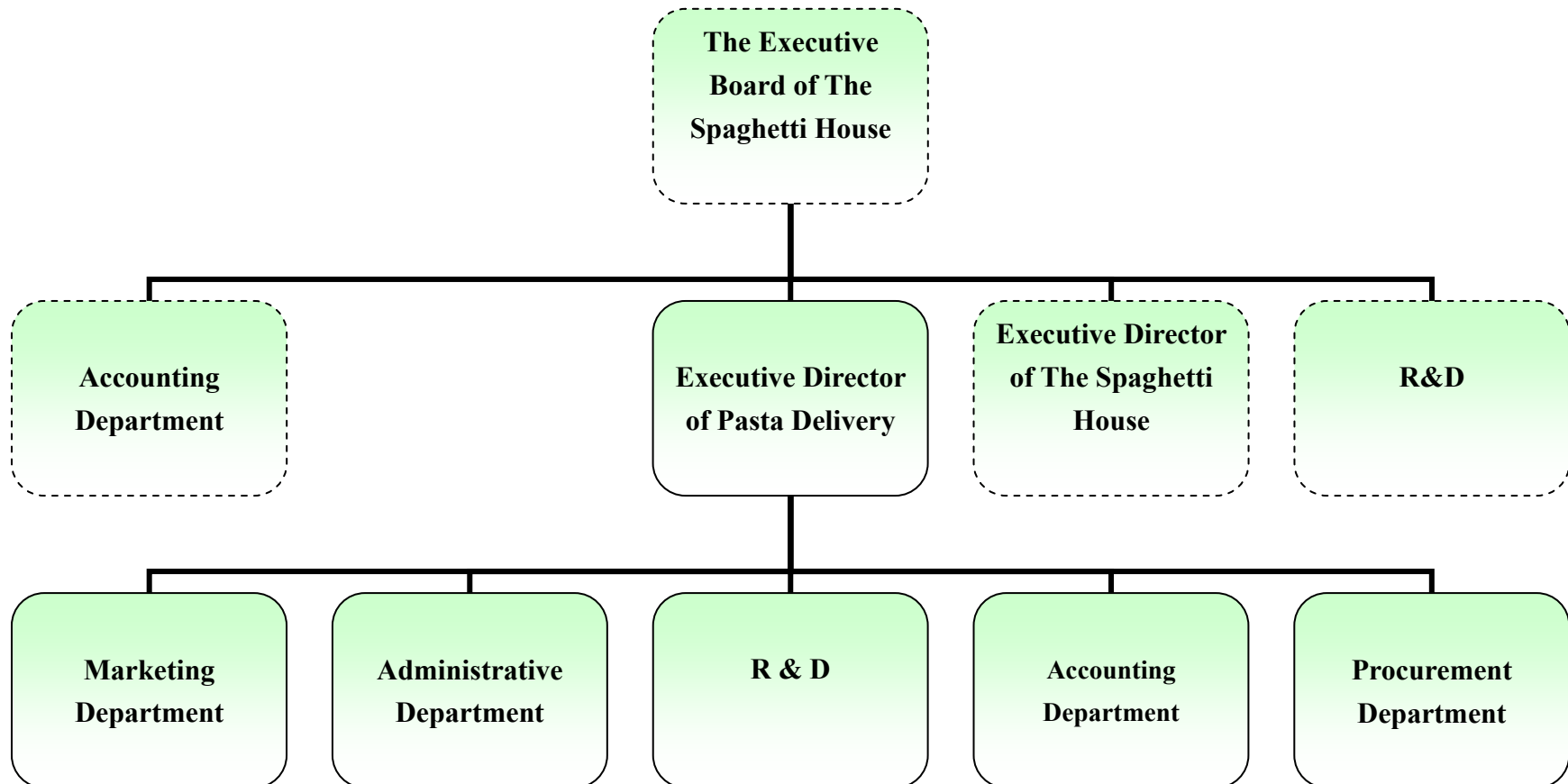
8. Management Structure

8.1 Brief structure

The graph shows the company structure of The Spaghetti Pasta Delivery in Hong Kong and Shenzhen.

-----The Department in Hong Kong

____The Department in Shenzhen



8.2 Department in Hong Kong

There are three departments responsible for maintaining the operation in Hong Kong. The departments are as follows:

Executive Broad	It mainly focuses on the supervisory and decision making. It responsible for administrative affairs in Shenzhen office.
Accounting Department	It is responsible for the auditing and checking the financial statements done by Accounting Department in Shenzhen.
R & D Department	It is responsible for the supervision of the business expansion in HK and the business development throughout the China.
Executive Director of The Spaghetti House(Restaurants)	It is responsible for the development of restaurants in Hong Kong and mainland China (Shenzhen and Guangzhou). It will not intervene the business of The Spaghetti House Pasta delivery.

8.3 Department in Shenzhen

There are five departments responsible for maintaining the operation in China. The departments are as follows:

Marketing Department	It takes over the promotion job from the Hong Kong headquarter.
Administrative Department	It is responsible for the daily operation of The Spaghetti House Pasta Delivery in Shenzhen and cooperates with PCCW and the delivery team.
R & D	It is responsible for expanding our business to cover the whole Shenzhen city.
Accounting Department	It is responsible for budget planning and auditing in Shenzhen.
Procurement Department	It is responsible for finding reliable suppliers of food and beverage and holds a quality control on the ingredients.

9. Market Strategies

9.1 Strategic Goal

To achieve our development goal, a series of promotion strategies will be launched in the first year as a stepping stone to enter the China market.

In the following years, our business will cover the whole Shenzhen and become the most well-known food delivery brand in the Shenzhen districts.

9.2 Target consumer at their affordable level

<i>Target price</i>	<ul style="list-style-type: none"> ➤ The price range will be set at middle level. For example, main dishes like pasta will be generally priced from RMB\$40-60; while some food like snack, dessert or beverage, price will be set at a lower level for around RMB\$12-30. ➤ RMB\$5 delivery fee will be charged to every transaction. Consumption over RMB\$150 will be offered FREE delivery.
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9.3 Increase market exposure via different channels

<i>Online ordering</i>	<ul style="list-style-type: none"> ➤ Establishing an online ordering service system supported by PCCW in The Spaghetti House Pasta Delivery website. ➤ Customers can pay cash or credit card after the food is delivered
<i>Call center</i>	<ul style="list-style-type: none"> ➤ Set up a comprehensive call center in Shenzhen. ➤ The food will be arrived at customers within a reasonable time once their order is confirmed on phone.

9.4 Gain competitive advantages of cuisines and service

<i>Raw ingredients</i>	<ul style="list-style-type: none"> ➤ Relatively high class ingredients like seafood will be included in food menu. ➤ Strictly monitor the raw ingredients quality by establishing a centralize department of procurement in order to ensure the quality of food.
<i>Differentiation in Packaging</i>	<ul style="list-style-type: none"> ➤ Differentiate packaging by using unique thermal- insulated package bag to keep food fresh and warm. ➤ The bags will be designed as waterproof and warm keeping to maintain food quality.
<i>Differentiation</i>	<ul style="list-style-type: none"> ➤ Special cuisines or menus will be introduced base on different

<i>in Special Menu</i>	<p>festivals or customers needs.</p> <ul style="list-style-type: none"> ➤ For example, “Spaghetti Vegetarian” is designed for customers who are vegetarian. During Christmas period, special menus like “Christmas Turkey Set Meal” will be launched.
<i>Catering service</i>	<ul style="list-style-type: none"> ➤ Party menu³ with various choices are provided ➤ Delivering food to large-scale parties like annual dinner or farewell party
<i>Professional Pasta Expert</i>	<ul style="list-style-type: none"> ➤ Maintain reputation as the “Pasta Expert” in Hong Kong for over 30 years. ➤ High quality traditional Italian cuisines will be delivered to our customers

9.5 Boost sales via promotion Plan

<i>Advertisement On TV and radio</i>	<ul style="list-style-type: none"> ➤ 10 seconds TV advertisement will be released in Television station of Shenzhen⁴ golden period (6:00 to 8:00) 3 days a week and Shenzhen Radio Station⁵ morning period (7:00a.m to 9:00a.m) respectively. ➤ Enhance advertisement exposure rate to capture wide range of consumers and expand our brand name
<i>Advertisement On magazine and newspaper</i>	<ul style="list-style-type: none"> ➤ Ads in magazine and newspaper are used to convey new cuisine and promotion campaign to reach the potential readers
<i>Price Discount</i>	<ul style="list-style-type: none"> ➤ Price discount will be provided up to specific consumption ➤ For example, price discount⁶ at tea time
<i>Premium Membership</i>	<ul style="list-style-type: none"> ➤ Issuing VIP card for customers who join The Spaghetti House Pasta Delivery’s friends club ➤ One membership 5 exclusive offers: <ol style="list-style-type: none"> 1) Bonus Point Program Reward Redemption: every dollar customers spend with VIP Card can earn bonus points (HK\$1 = 1 Point). 2) 10% discount for purchase of selected food. 3) Monthly new cuisines release or promotion information will

³ Party menu (Appendix 12.4)

⁴ Television station of Shenzhen (SZTV) has influential market share growth rate in Shenzhen media market (Appendix 12.1)

⁵ Shenzhen Radio Station (SZR) has influential market share growth rate in Shenzhen media market (Appendix 12.2)

⁶ The example of price discount (afternoon tea set) (Appendix 12.5)

	<p>be sent to friends club members.</p> <p>4) VIP birthday gift</p> <p>5) Cash coupon</p>
<i>Special offer during festivals</i>	<p>➤ For festivals like Christmas, Chinese New Year, cuisines are specially designed in order to suit festival needs and attract more customers.</p>
<i>Mail promotion</i>	<p>➤ Send leaflet (with menu) to customer by mail</p> <p>➤ To facilitate the ordering of food delivery</p>

10. Risk Factor

	Risk	Risk prevention and avoidance
Natural Risk	High demand for fast food under bad weather result in chaos	<ul style="list-style-type: none"> ➤ Design a contingency plan to deal with the emergency ➤ Request for more labor support in peak hours
Food Deficient Risk	The food quality drop with the delivery time	<ul style="list-style-type: none"> ➤ Design a suitable thermal bag to ensure the food quality during delivery ➤ Do not delivery perishable food
Termination of the ingredient supply	Suspension of the ingredients supply would affect the food production	<ul style="list-style-type: none"> ➤ Reduce reliance on specific supplier by order different ingredients from a few suppliers ➤ Maintain a good relationships with suppliers
Quality of service	Outsource the operations of food delivery and the call centre to two different companies which may cause inconsistent services	<ul style="list-style-type: none"> ➤ Assist in staff training for both companies ➤ Monitor the service quality of employees regularly
Market Fluctuation	Customers' purchasing power decrease in a economic depression	<ul style="list-style-type: none"> ➤ Adjust the food menu and production with the market change
Government policy	Government restrictions regulate the hygiene of the kitchen	<ul style="list-style-type: none"> ➤ Check the regulations and apply licenses before establishing the kitchens

11. Budget Planning

11.1 First year budget

The Spaghetti House Delivery

		Phrase 1 (Jan-Mar)		Phrase 2 (Apr-Jun)		Phrase 3 (Jul-Sept)		Phrase 4 (Oct-Mar)
Phrase sales	1857600		4411800		6791850		10228410	
Less: Materials cost	1300320		3088260		4754295		7159887	
Gross profit		557280		1323540		2037555		3068523
Less: Expenses:								
Chef salaries	99000		222750		321750		420750	
Utilities	36000		81000		117000		153000	
Rent	52440		117990		170430		222870	
Outsourcing fees:								
PCCW	352200		425280		477480		529680	
Shibida	180000		480000		660000		840000	
Advertising expenses:								
Mail	18000		36000		54000		72000	
Newspaper	63000		63000		63000		63000	
TV commercials							434700	
Radio (News Channel)	31500		31500		31500		31500	
Departmental expenses:								
Administrative Department	102450		102450		102450		102450	
Marketing Department	108000		108000		108000		108000	
R&D Department	66900		66900		66900		66900	
Procurement Department	50454		50454		50454		50454	
Accounting Department	90585		90585		90585		90585	
		1250529		1875909		2313549		3185889
		-693249		-552369		-275994		-117366

Income statement for the first year ended

Reference of prediction:

1. Sales prediction:

Sales is estimated under the maximum demand for one kitchen, about 60 pasta and 80 beverage and snack a day.

From phrase 1 to 3, with the aid of advertising and chain effect of new braches openings, sales will increase in terms of kitchen usage of 5% per phrase. For phrase 4, since TV commercials are being broadcast, usage will increase 8% for this phrase.

e.g. (Extracting from the budgeting excel file)

LuoHu								
Branches	4	Usage of the kitchen	4	Usage of the kitchen	4	Usage of the kitchen	4	Usage of the kitchen
Phrase	1	0.4	2	0.45	3	0.5	4	0.58
Pasta daily sales	60	45	60	45	60	45	60	45
snack /beverage daily sales	80	20	80	20	80	20	80	20
Days per month	30		30		30		30	
Estimated sales	619200		696600		774000		897840	
Nanshan								
Branches			5	Usage of the kitchen	5	Usage of the kitchen	5	Usage of the kitchen
Phrase			2	0.4	3	0.45	4	0.53
Pasta daily sales			60	45	60	45	60	45
snack /beverage daily sales			80	20	80	20	80	20
Days per month			30		30		30	
Estimated sales			774000		870750		1025550	
Futian								
Branches					4	Usage of the kitchen	4	Usage of the kitchen
Phrase					3	0.4	4	0.48
Pasta daily sales					60	45	60	45
snack /beverage daily sales					80	20	80	20
Days per month					30		30	
Estimated sales					619200		743040	
Yantian								
Branches							4	Usage of the kitchen
Phrase							4	0.48
Pasta daily sales							60	45
snack /beverage daily sales							80	20
Days per month							30	
Estimated sales							743040	

2. Advertising

Newspapers, radio and TV advertisements will be announced only in the first week of each month due to the possibilities of changes in themes or discounts. (TV commercials start from phrase 4 and mail advertisement will be calculated in terms of number of distracts.)

3. Departmental expenses per month:

	Salary	Number of staff	Sub total
Administrative Department			
Administrative manager	6300	1	6300
Human resource mangement staff	4000	2	8000
Administrative staff	2500	5	12500
Office staff	1050	7	7350
			<u>34150</u>
Marketing Department			
Marketing manager	6000	1	6000
Marketer	3000	10	30000
			<u>36000</u>
R&D Department			
R&D manager	6750	1	6750
Food development techician	2275	2	4550
Chef	2750	4	11000
			<u>22300</u>
Procurement Department			
Procurement manager	2818	1	2818
Procurement staff	2000	7	14000
			<u>16818</u>
Accounting Department:			
Auditor	4195	1	4195
Accounting clerk	3250	8	26000
			<u>30195</u>

11.2 Five year budget:

	2009	2010	2011	2012	2013
Phrase sales	23289660	29112075	41819607	53808093	56425335
Less: Materials cost	16302762	20378453	25091764	26904047	28212668
Gross profit	6986898	8733623	16727843	26904047	28212668
Less: Expenses:					
Chef salaries	1064250	1064250	2475000	3267000	3465000
Utilities	387000	387000	900000	1188000	1260000
Rent	563730	563730	1311000	1730520	1835400
Outsourcing fees:					
PCCW	1784640	1784640	2661600	3079200	3204480
Shibida	2160000	2160000	4800000	6240000	6600000
Advertising expenses:					
Mail	180000	180000	384000	492000	534000
Newspaper	252000	252000	252000	252000	252000
TV commercials	434700	1738800	1738800	1738800	1738800
Radio (News Channel)	126000	126000	126000	126000	126000
Departmental expenses:					
Administrative Department	409800	409800	409800	409800	409800
Marketing Department	432000	432000	432000	432000	432000
R&D Department	267600	267600	267600	267600	267600
Procurement Department	201816	201816	201816	201816	201816
Accounting Department	362340	362340	362340	362340	362340
Total expenses	8625876	9929976	16321956	19787076	20689236
Net profit/ loss	-1638978	-1196354	405887	7116971	7523432
Less: Corporate income tax 25%	0	0	101472	1779243	1880858
Net profit/ loss after taxation	-1638978	-1196354	304415	5337728	5642574

Reference of prediction:

1. Sales increase rate:

District:	2010	2011	2012	2013
Luohu, Yantian, Futian, Nanshan	25%	15%	10%	5%
Bao'an		Newly built	20%	15%
Longgang			Newly built	20%
Guangming				Newly built

Marginal increase in sales is estimated as decreasing and newly built kitchen that year will have a 65% kitchen usage.

2. Economic of scale

For 2011 and 2012, since 8 kitchens are built each year, 10% discount for bulk purchase of material each year is estimated.

12. Appendix

12.1 The comparison of 2006 and 2007 in market share and ranking of Television station of Shenzhen



Television station of Shenzhen (SZTV)			
	2005	2006, Jan-Sep	Difference
Market Share	27.39%	36.30%	↑8.91%
Ranking	19	14	↑5

12.2 The comparison of 2006 and 2007 in market share and ranking of Shenzhen Radio Station



Shenzhen Radio Station (SZR)			
	2005	2006, Jan-Sep	Difference
Market Share	54.19%	60.92%	↑12.4%
Ranking	1	1	-

12.3 The food price setting of The Spaghetti House Pasta Delivery - Food Menu

<u>Name</u>	<u>Price (RMB)</u>	<u>Rmark</u>
Soup		
Seafood Chowder Au Gratin	22	House Recommendation
Lobster Bisque	24	
Pumpkin Soup with Crab Meat	20	
Appetizer		
Snack Platter	30	House Recommendation
Chicken Wings in Black Pepper & Honey Sauce	18	House Recommendation
Deep Fried Onion Rings	18	House Recommendation
Garlic Bread (4 pieces)	12	House Recommendation
Saute Wild Mushrooms with Pesto Sauce	18	Vegetarian
Country Fried Chicken in the Basket	18	House Recommendation
Crispy Snack in the Basket	25	
Salad		
Caesar Salad with Shrimps	30	House Recommendation
Norwegian Smoked Salmon & Mixed Vegetables Salad	30	
Chef Salad Plate	28	House Recommendation
Caesar Salad with Norwegian Smoked Salmon	30	Vegetarian
Drink		
Chocolate Latte	12	
Pinky Honey	10	
Macchacino	12	
Dessert		
Banana Split	15	
Tiramisu	15	
Homemade Cheese Cake	22	House Recommendation
Homemade Apple Pie	12	House Recommendation
Banana Pancake	15	
Spaghetti		
Spaghetti Carbonara	60	House Recommendation
Clams in Herb & Tomato Sauce	45	
Spaghetti Neapolitan	58	House Recommendation
Bacon, Sausage & Mushroom	49	House Recommendation
Shrimp, Crab Meat & Mushroom Au Gratin	50	House Recommendation
American Meat Sauce (Beef)	52	House Recommendation
Shredded Chicken & Ham in Buttered Garlic Sauce	52	
Spaghetti Vegetarian	50	Vegetarian
Super Seafood Deluxe	58	
Chicken Scallopini	55	House Recommendation
Pasta		
Angel Hair Pasta with Sun-dried Tomato & Mushroom	50	Vegetarian
Penne Rigate with Mushroom in Buttered Garlic Sauce	49	Vegetarian
Fettuccine with Cream Seafood Deluxe	52	
Lasagna Deluxe	50	
Linguine with Mushroom & Pesto Sauce	50	Vegetarian
Pipe Rigate with Ham Au Gratin	55	House Recommendation
Crab Meat & Spinach Cannelloni	55	
Ravioli with Mashed Potato Au Gratin	49	
Linguine with Norwegian Smoked Salmon & Spinach	60	House Recommendation
Lasagna Vegetarian	45	Vegetarian

Risotto		
Squid Ink Risotto with Seafood in Lobster Sauce Au Gratin	55	House Recommendation
Risotto Seafood Combination	58	House Recommendation
Risotto with Norwegian Smoked Salmon & Scallop	60	
Baked Salmon, Scallop & Avocado with Risotto	48	House Recommendation
Pizza		
Jumbo Deluxe	58	House Recommendation
Hawaiian	45	
Norwegian Smoked Salmon	60	House Recommendation
Vegetarian	49	
Fishermen's Favourite	50	Vegetarian
Seafood Deluxe	58	House Recommendation
Cheese Forever	40	

12.4 Party Menu

<u>Name</u>	<u>Price</u>	<u>Remark</u>
Salad		
Shrimps, Norwegian Smoked Salmon & Fresh Fruit Salad	2 lbs \$135	Recommendation
Platter		
Deluxe Fruit Platter	4.5 lbs \$130	Vegetarian
Italian Seafood Platter	4 lbs \$170	Recommendation
Cold Cuts & Cheese Platter	3.5 lbs \$150	
Pasta		
Angel Hair Pasta with Scallop & Mushroom in Garlic Sauce	5 lbs \$150	
Ravioli with Mashed Potato Au Gratin	5 lbs \$145	Recommendation
Spaghetti Neapolitan	5 lbs \$145	Recommendation
Penne Rigate with Mushroom in Buttered Garlic Sauce	5 lbs \$130	Vegetarian
Spaghetti with Bacon, Sausage & Mushroom	5 lbs \$115	Recommendation
Spaghetti with Shredded Chicken & Ham in Buttered Garlic Sauce	5 lbs \$115	
Spaghetti/ Penne Rigate Bolognese (Beef)	5 lbs \$115	
Rice		
Fried Rice with Norwegian Smoked Salmon & Scallop	5 lbs \$150	
Fried Rice with Seafood Combination	5 lbs \$150	
Fried Rice with Pineapple, Chicken & Bacon	5 lbs \$130	
Pizza		
Jumbo Deluxe	Large \$78	Recommendation
Seafood Deluxe	Large \$72	
Italian Special	Large \$65	
Hawaiian	Large \$68	
Fishermen's Favourite	Large \$63	
Dessert		
Homemade Apple Pie	2 lbs \$75	Recommendation
Homemade Cheese Cake	2 lbs \$80	
Table Wine		
House Red (France)	\$110/ bottle	
House White (France)	\$110/ bottle	

12.5 Price Discount - Afternoon Tea Set

	Original Price	Discount Price
Lobster Bisque Au Gratin Combo	37	29
1) Lobster Bisque Au Gratin		
2) Penne Rigate with Mushroom in Lobster Sauce or Spaghetti Bolognese (Beef)		
3) Served with Freshly Brewed Coffee / Tea		
Soup Au Gratin Combo	35	26
1) Soup Au Gratin		
2) Spaghetti Bolognese (Beef)		
3) Served with Freshly Brewed Coffee / Tea		

12.6 TV commercials price list:

<http://www.sztvad.com.cn/> - 廣告價格

2008年5月5日版 单位:人民币 元/次

播出时间	时段名称	5秒	10秒	15秒	30秒
7:30-12:00	上午时间	6000	9000	12000	20000
12:30-18:00	下午时间	7200	10800	14400	24000
周一至周五 8:26-16:40	《好剧场》副间及插播	8100	12150	16200	27000
周六 8:10-17:00 周日13:37-17:00	《周末剧场》副间及插播	8910	13365	17820	29700
11:52	广告4《正午30分》前	7500	11250	15000	25000
11:55-12:25	《正午30分》插播	9000	13500	18000	30000
12:35	广告5《正午30分》后	7500	11250	15000	25000
18:03	广告A《靓剧场》前	10500	15750	21000	35000
周一至周五17:10-18:56	《靓剧场》(勒杜鹃剧场)副间及插播	11400	17100	22800	38000
18:57	广告B-1《新闻联播》前	10500	15750	21000	35000
19:30	广告B-2《深视新闻》前	11400	17100	22800	38000
19:33-20:03	《深视新闻》插播	13800	20700	27600	46000
20:03	广告C《深视新闻》后	11400	17100	22800	38000
周一至周五20:08-21:53 周六、周日20:08-20:59	《红剧场》(红树林剧场)副间及插播	12600	18900	25200	42000
20:59	广告D《红剧场》两集间	10800	16200	21600	36000
21:57	广告E《直播港澳台》前	9900	14850	19800	33000
22:00-22:20	《直播港澳台》插播	13500	20250	27000	45000
22:20	广告F《直播港澳台》后	9600	14400	19200	32000
周六、周日 21:03-21:53	《饭没了秀》插播	13500	20250	27000	45000
22:25-00:07	《红剧场》(红树林剧场)或《引进剧》剧场插播	12000	18000	24000	40000
23:15	广告G	10500	15750	21000	35000
0:07	广告H	10500	15750	21000	35000
0:10	《酷剧场》(大鹏湾剧场)副间及插播	11400	17100	22800	38000
2:12-6:11	《不夜场》副间及插播	4500	6750	9000	15000
说明:					
1、表中所列广告播出时段的具体播出时间以频道最新节目编排为准。					
2、本价格自2008年1月1日开始执行,如遇调整将以我集团公布之最新版本为准。					
3、晚间时段范围为18:00—1:00,(《靓剧场》第二集开始至晚间《酷剧场》结束)。					
4、特殊时长广告计价方法:20秒=30秒价格×0.75 25秒=30秒价格×0.85 45秒=30秒×1.5 60秒=30秒×2					
5、客户若需指定段位中具体位置,正一或倒一加收30%,正二或倒二加收20%,正三或倒三加收10%。					
6、栏目重播不包含插播广告重播,重播栏目广告另行计价。					

12.7 Radio commercials price list:

<http://www.sztvad.com.cn/>

2007 新闻频率 FM898 价格表

2007-01-01

时段广告 单位：元/次

段位	播出时间	30 秒	20 秒	15 秒	10 秒	5 秒
超级	8:15、8:30	2500	1700	1400	1000	800
	8:45、18:15、18:30	2200	1500	1200	800	600
特级	7:30、7:45、8:00、 9:00、17:45、18:00、 18:45、19:00	1800	1300	1000	700	400
A 级	7:15、9:15、9:45、 11:15、11:30、11:45、 12:00、12:15、12:30 12:45、17:15、17:30、19:30	1300	1000	800	500	300
B 级	9:30、10:00、11:00、 15:00、15:30、16:00、 17:00、20:00、20:30、21:00	900	700	500	300	200
C 级	7:00、10:30、13:00、 13:30、14:00、14:30、 16:30、21:30、22:00、 22:30、23:00、23:30	600	400	300	200	100
D 级	1:30、3:00、3:30、 5:30、6:00、6:30、0:00	200	160	120	100	60

特约广告 单位：元/次

类型	播出形式	价格
10 秒版头+广告	特约版头+任意长度时段广告	时段广告按刊例价加收 30%

说明

- 1、客户指定广告播出顺序及指定签约当天播出的广告，增收刊例价 10% 的费用。
- 2、如广告时段播出长度超出时限，按刊例价加收 20% 的费用上播。
- 3、收费性公益广告（时段、特约类广告）特级以上（含特）7 折优惠，特级以下 6 折优惠。
- 4、广告创意、制作、策划费：

*创意费：1000 元/条。

*制作费：1000 元/条（含电台播音员配音、音乐垫底、音响效果）。

*项目策划费：商家或代理公司根据客户投放需求，主动向广告中心提出需辅助策划的项目，策划费为 2000 元/项目。

5、本表内容由深圳广播电影电视集团广告中心负责解释。

12.8 Corporate income tax rate: 25%

http://www.szgs.gov.cn/files/internet/znlj/gsfzs/wqhg/t20080425_210682.htm

http://www.szgs.gov.cn/files/internet/zwgk/tszt/lshb/ynjd/t20080703_213914.htm

12.9 Reference of salary:

深圳市-劳动力市场工资指导价位(2008 年)

<http://www.shenzhen.molss.gov.cn/main/UpFiles/Attach/6794/2008/09/09/0939292000.doc>

表 11 2008 年分工種工資指導價位

單位：元/人.月

序號	工種	高位數	中位數	低位數	平均數
第一大類 1 (GBMO) 單位負責人員					
1	企業生產或經營經理	16800	3600	2430	5569
2	財務經理	18000	3780	2025	5500
3	行政經理	18000	6300	2020	6287
4	人事經理	14000	6480	2023	9636
5	廣告和公關經理	16000	6660	2750	7830
6	採購經理	15550	2818	2025	4931
7	研究和開發經理	13000	6750	2125	6573
8	客房經理	9800	4680	3750	5820
9	企業負責人	24000	7200	4500	9831
10	部門經理	14400	1760	1215	2446
11	單位負責人	24237	1215	2420	3439
12	副總經理	25000	11500	7800	12000
13	經理	23400	6050	2738	6606
14	專案經理	14000	4000	2500	4500
15	銷售經理	30000	4000	1500	3500

16	客戶經理	20000	8500	8000	9000	
17	市場部經理	12000	6000	5600	5800	
18	銷售和行銷經理	14000	4850	4000	5500	
231	市場行銷人員	14400	3000	1050	3500	
234	採購人員	9600	2000	1400	2100	
242	廣告設計師	18000	3500	1300	4000	
22	行政辦公人員	國有經濟	5800	2500	1020	2800
		集體經濟	3500	2500	2200	2300
		私有經濟	5920	2025	1200	2450
		港澳臺經濟	4200	2500	1400	2550
		外商經濟	5200	2500	1200	2400
215	企業管理人員	14000	3000	1800	2500	
154	人力資源管理員	15000	4000	3000	4500	
155	人事部管理員	9000	4500	4000	4500	
56	核算員	6970	4195	1796	3328	

表 24 2008 年住宿和餐飲業主要工種工資指導價位

單

位：元/人.月

序號	工種	高位數	中位數	低位數	平均數
1	會計人員	3900	3250	2600	3250
2	電機與電器工程技術人員	3900	1950	1560	2297
3	專業技術人員	3380	2275	1950	2275
4	食品安全師	4810	3250	2990	3250
5	辦公室職員	2340	1050	1000	1365
6	行政事務人員	3900	3000	2400	3000
7	中式烹調師	12600	2200	1358	2421
8	中式麵點師	4500	3000	2200	2383
9	西式烹調師	4500	2750	2175	2346
10	西式麵點師	5400	2250	1800	2049
11	中式烹飪人員	6840	1215	1100	1379
12	西式烹飪人員	4500	2750	2250	2420

12.10 Reference of rent:

Since there is slightly difference in rent between areas for small kitchen like us, 46 square metres per kitchen, we take Huaqian commercial area 华强商圈, in Dongmeng as a general rent price, mean of \$95.

<http://sh.villachina.com/2007-04-13/1017901.htm>