Business Model Design: A Case Study of Jakraphoub Khmer Food Restaurant in Khon Kaen Province

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Abstract

The study is aimed to investigate consumer behavior and attitude of Khon Kaen people towards Khmer food and to propose the business model of a Khmer food restaurant, namely Jakraphoub. The survey, using electronic form of questionnaire, is conducted to collect data from samples who are people who live in Khon Kaen municipality. Being distributed via social media group, the questionnaire can eventually reach 110 respondents. Survey data then is analyzed in order to depict the consumer behavior and attitude of Khon Kaen people towards Khmer food. This information, together with the information from documentary research, is analyzed further to illustrate the restaurant business environment in Khon Kaen. Accordingly, the business model canvas of Jakraphoub is proposed. The result can be briefly showed as follow: the popular reasons people mention when deciding to dine out include the lack of time to cook at home, simply for relaxing, and having fun with family or friends. The reasons that samples choose to eat Khmer food because the food are new and different, and they also are delicious and nutritious. Some factors that make people love dining out are the atmosphere

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which need to be cool and cozy. Nonetheless, the taste and food quality are also crucial factors. The most important element of Business Model Canvas of Jakraphoub is value proposition. In value proposition, mission and product differentiation are mentioned. Jakraphoub promises to deliver authentic, delicious and nutritious Khmer food to customers as well to come up with vegan option. The restaurant adopts sole proprietorship structure with 8 employees including one manager, two chefs, three servers, one cashier, one bartender.

Keywords: Khmer restaurant, Business model

Introduction

In the distant era, about 1800 years ago, between the date of Jan 1, 101 a.d to Dec 31,200 a.d, the construction of trading centre in between Phnom Penh city and Tonle Sap was built, and integrated into one important place of the big and prosperous Funan Kingdom. Funan is the first ever seen Khmer pre-Angkorian civilization and the recorded history of the birth of the earliest Khmer language inscription. This ancient time was also recorded as the prime moments of Indian cultural influences; the beginning of the spreading of writing and literature and amalgamation of Hindu region, food and standards of living between nations. Traders and migrants from various parts of the world such as Persia, Europe, and China also began to reach and settle in Cambodia and brought their own unique cultures and cuisines. Various spices imported from India were applied to Khmer cuisines to greatly enhance the flavor of stews and meat, and the tradition is continued until now, as you already know, turmeric in Somlor Machu Kroeung (Khmer Food, 2016).

Spices or herbs that are homespun or machine-made into pastes called “Kroeung” which is the core ingredient of many Khmer cuisines. All Khmer cuisines that use Kroeung as an ingredient are usually called with “-Kroeung” added as suffix as the cuisine name (Veneracion, 2021).

Khmer foods are normally considered to be very healthy and nutritious, they is light, tasty, and they have high nutritional values (Anya, 2015). Khmer foods have many recipes. Khmer foods are unknowingly staying in Cambodia kingdom, and not yet often been introduced to the outside world. Majority of people including Asian and foreigners have heard about Thai and Vietnam food but not yet known about Khmer food.

Therefore, the researcher gets an opportunity to analyze in-dept about Khmer food popularity in Khon Kaen municipality located in the northeastern part of Thailand, and the study aims to find information about behaviors and attitudes of Khon Kaen people toward Khmer food. The study also aims to analyze that information to determine business model of Khmer restaurant in Khon Kaen municipality in the goal to introduce and inform unique Khmer food culture to Khon Kaen people.

Objectives

1. To study consumer behaviors and attitudes of Khon Kaen people towards Khmer food.
2. To determine the business model of Khmer food Khmer restaurant in Khon Kaen municipality

Methodology

The study methodology can be presented separately into 2 parts, which are:

1. The study of consumer behaviors and attitudes of Khon Kaen people towards Khmer food

The population of this study was 118,080 people, who lived in Khon Kaen Municipality (Khon Kaen Municipality, 2018). Following the

equation set by Taro Yamane (Yamane, 1967), the sample size with a reliability of 90% and an acceptable error of 10% was 110 samples. The samples were chosen using convenience sampling.

As a quantitative research, a questionnaire survey was conducted to collect data from the sample group. The questionnaire comprised of 4 parts, including: general information of respondents; behavior and decision to use the restaurant service; attitude towards Khmer Food; and service marketing mix factors affecting decision to dine out at a restaurant.

Content validity of the questionnaire was checked and approved by the experts and the study advisors. Additionally, in order to check its reliability, the questionnaire was tested with 30 people that were not in the sample group. After the test, Cronbach's alpha coefficient was calculated. Since the coefficient was .922, the questionnaire is approved to be reliable enough to use as a collecting tool in this study.

The questionnaire was constructed using Google Form and distributed via social networking platforms, i.e. Facebook, Messenger, Line. The period of survey was in May and June 2021.

After completing the process of data collection, the data was analyzed using relevant statistic and the result was eventually presented.

2. The determine the business model of Khmer food Khmer restaurant in Khon Kaen municipality

The information that used in the study including results from the study of consumer behaviors and attitude towards Khmer food, observational data of the study participants, documentary researches. The information analyses included external environmental analysis consisted of industry analysis, Key Successful Factors, PEST analysis.

After the information were analyzed and organized, they were further synthesized and interpreted in Business Model Canvas (Osterwalder, Pigneur &Clark,2010) included nine elements: customer segments, value propositions, channels, customer relationships, key resources, key activities, key partnerships, cost structure and revenue streams.

Results

1. Results of consumer behaviors and attitudes of Khon Kaen people towards Khmer food

1.1 General Information

The results included 71 females and 39 males with the percentage of 64.55 and 35.45 respectively. The most popular age of sample is between 20-30 years old with 60 samples out of 110. The popular education is higher than undergraduate with 62 sample out of 110. The most popular education is student and private sectors with 34 and 25 samples respectively. The most popular income is between 10,000-20,000 baht with 30 samples out of 110.

1.2 Consumers behaviors

The popular dining out times is 3-7 times a week by 42 samples out of 110. The top dinning partners are spouse and family by 42 and 32 samples respectively. The top reasons for dinning out are lack of time to cook and for fun and relaxation both by 41 samples. The top influencers on selecting the restaurants are samples' themselves and friends by 59 and 17 respectively. The most popular dinning out time is between 18:01 to 20:00 pm by 62 samples. The most expenditure per each dining out is between 200-500 baht by 38 samples. The top sample motivators for dinning out are friends and family and social medias such as line, facebook, grab food, foodpanda, etc. The popular promotion for selecting restaurant

is discounted card or membership card by 72 samples. The top reasons for stop using restaurant services are bad food taste; bad service and bad customer relationship by 90 and 75 samples respectively.

1.3 Attitude of samples towards Khmer food

The results show that 21 samples have eaten Khmer food, and 89 samples have not eaten Khmer food before. The top reasons that samples have not eaten Khmer food before are the unawareness of Khmer food, and there is no Khmer restaurant. The top reasons for choosing Khmer restaurant are the delicious taste and the uniqueness of Khmer food. Majority of samples usually dine out at Khmer restaurant for more than 4 times a month. The 3 favorite Khmer food of samples are Nom Banh Jook, Banh Hoy and Cha Knhey. If there is Khmer restaurant opened in Khon Kaen, 89 samples are willing to join. Out of 89 samples, there are 30 males and 59 females with majority of education as student. Majority of those 89 samples income is between 10,000 to 20,000 baht. Lastly, the popular education of 89 samples is higher than undergraduate.

1.4 Service marketing mix factors that affect consumers decision to dine out at restaurant

The survey result shows that the service marketing mix factors can influence the customers' decision to dine out at restaurant differently. The factors which have highly influence are as follow: Factors in product are food taste, freshness, cleanliness, hygiene, and raw material quality; Factors in place are restaurant location and parking area; Factors in promotion are advertising through various medias, membership card for discount on food and drink, and providing information and food items recommendation; Factors in people are politeness in service, fast service, staff dressing, staff adequacy, and food menus knowledge; Factors in physical evidence are cleanliness of restaurant area, restaurant atmosphere, enough

number of tables and chairs for customers, and cleanliness and design of container; Factors in process are availability of credit card payment, availability of QR code payment, and getting food menus with pocket pc. Note: Price factors are moderately influent including odds number pricing and same price on all menus.

2. Results of the determination of Business model of Jakraphoub restaurant

2.1 Khon Kaen municipality restaurant industry

The researcher limits the boundaries of the industry to only in Khon Kaen municipality. The researcher chooses people in Khon Kaen municipality as main customers. Majority of Khon Kaen peoples' occupations are private sectors' employees, business owners, government officials, students. In Khon Kaen municipality, there are some big industries, SMEs, and small businesses with the population of 118,080 people. There are 1,388 selling stores and 555 personal businesses in Khon Kaen municipality(Khon Kaen municipalilty, 2020). According to the table 6, people who dines out 3-7 times a week show the highest frequency about 38.2% followed by 1-2 times a week about 31.8%, and the two biggest reasons which Khon Kaen people like to dine out are from lacking time to cook at home and for fun and relaxation with the calculation of 41%, and the third and fourth reasons which people choose to dine out are from the love for trying new dishes and meeting purposes with 40% and 39% respectively. According to the table 21, if there is a restaurant that offers Khmer food in Khon Kaen municipality, at least about 80.9% of Khon Kaen people are interested in dining.

2.2 Key Success Factors

According to the results from questionnaire survey and the findings from documentary research, the key success factors of the Khon Kaen municipality restaurant industry include:

1) Factors in product. The food needs to be tasty, fresh, clean, hygienic, and derived from high raw material quality

2) Factors in people. The staffs need to be polite, friendly and cheerful. The staffs need to be formally dressed, adequate in numbers, and equipped with food knowledge. Lastly, all the customer services need to be fast.

3) Factors in physical evidence. The restaurant inside and outside areas must be clean. The restaurant atmosphere must be convenient. There must be enough number of tables and chairs for customers. The food, materials, equipment containers must be clean and beautifully designed.

4) Factors in promotion. Marketing is important key success factor of the restaurant. The advertisements through various medias, membership cards for discount on food and drink, and information and food items recommendation are needed in the restaurant business.

2.3 PEST Analysis

In political factor, Thailand Creates campaigns such as “half-half” and “we win”. Thai cabinet order an executive decree to set up a 400-billion-baht corporate bond liquidity stabilization fund to backstop the corporate bond market; 600 billion baht to ease people’s plight for 6 months, to help farmers, and support public health services; 400 billion baht plan to strengthen the community economy, and boost local infrastructure development; 500 billion baht of loans at a 2% interest rate to SMEs. Thailand economics is in recession right now due to Covid 19 pandemic (Chatrudee, 2020). In social factor, International Airport in Khon Kaen is built which invites more people to Khon Kaen. Bureau of Nutrition has established guidelines for food consumption for Thai people to show consumers the importance of consuming healthy food in order to reduce the risk of infecting disease

caused by improper food intake. Khon Khon population will increase from 509,278 in 2021 to 535,847 in 2025 (United Nations, 2018). In technological factor, the Widespread of internet access, Google and social media such as Facebook and Instagram benefit business world. The sharing economy makes it even easier for people to order food online: Grabfood, Foodpanda, lineman, etc. The growth of low-cost airlines allows middle-class travelers to travel domestically and internationally. People could travel more often and to more destinations. Khon Kaen is the future smart city which focuses on 6 parts: smart mobility, smart living, smart ambulance, smart citizen, smart economy and smart environment.

2.4 The Synthesis of Business Model

Business Model Canvas

Table 1 Business Model Canvas of Jakraphoub

<table>
<tr><th>Key Partners</th><th>Key Activities</th><th>Value Proposition</th><th>Customer Relationships</th><th>Customer Segments</th></tr>
<tr><td rowspan="3">Raw material suppliers:
organic vegetable, fresh meat
Ingredient and seasoning suppliers
Packaging suppliers
Delivery service
Resources suppliers</td><td>Cooking
Serving
Home delivery</td><td rowspan="3">Vision: aim for the best Khmer restaurant in Khon Kaen province
Beliefs: Quality, Best experience and relationships
Products: healthy and delicious authentic Khmer food, Vegan menus
Services: best experience, Fast service</td><td>means of communication such as email, face to face, social medias, brand amb, photo sharing, inspiration, feedbacks</td><td rowspan="3">Main customers:
Age: 20-30
Income: 10,000-20,000
Occupation: Student
Education: Higher than undergraduate

Secondary customers:
People in Khon Kaen Municipality</td></tr>
<tr><td>Key Resources</td><td>Channels</td></tr>
<tr><td>3 floors building, Equipment, brand, patents, Khmer food formula and recipes 1 manager, 2 chefs, 3 servers, 1 cashier, 1 bartender.</td><td>Place: 3 floors Building near U-centre food complex
Omni: Frictionless technologies</td></tr>
<tr><td colspan="2">Cost Structure
Total Expense in Year 1: 4,517,140 baht</td><td></td><td colspan="2">Revenue Streams
One-time income by customer payments for food and drinks. Price varies by menus.</td></tr>
</table>

From the table 1, the main customers of Jakraphoub are between the age of 20-30; have income between 10,000-20,000 baht; have education level higher than bachelor degree; have occupation as student, and the secondary customers are people who live in Khon Kaen municipality and people who live in neighboring districts, international students and tourists. Jakraphoub promises to deliver nutritious and delicious Khmer food to customers. Not only Jakraphoub deliver authentic Khmer food, but also Jakraphoub believes in and stands for quality; experience and relationship. The chefs in Jakraphoub are authentic Khmer chefs that have deep experience in cooking tasty and high-quality Khmer food which will be served to the customers. The restaurant study about vegetarian dishes and share the knowledge to let customer know more about the dishes. The topics about vegan diets are very vast, and some meat lovers are usually interested in these vegan dishes too. Nowadays, frictionless technologies such as pre-online booking or self-ordering stations, online payments have changed the minimum expectations of customers. Jakraphoub located inside the Khon Kaen University because the restaurant main customers are students. The building has 3 floors, and it is surrounded by popular shops, coffees and food courts which have a lot of students and passengers walking through daily. Jakraphoub allows customers to make table reservation online; leave feedbacks about their experience, and follow the new updates of the restaurant. Jakraphoub will provide customers with many business opportunities such online ordering from the page or third-party delivery apps, or at the restaurant kiosk. The restaurant has policies to build relationship with customers through social medias, employ brand ambassadors, promote photo sharing and stories, inspire people to try Khmer food. The restaurant's intellectual resources are brand, patents, Khmer food formula and recipes. The restaurant has 8 employees: 1 manager, 2 chefs, 3 servers, 1 cashier,

1 bartender. Jakraphoub gives customer relationship management as one of the top priorities. Better customer relationship management can lead to increase in sales and profit. Everyone in the restaurant can take charge of managing customers relationship through interactions and developing relationship with customers. Trust in service, quality and taste is what we want from customers. The restaurant needs to build good long-term relationship and partnership with suppliers who have raw materials such as fresh organic vegetable and high-quality meat so that price can be negotiated and trust of high-quality raw materials can be ensured. The restaurant needs to build good partnership with ingredient and seasoning suppliers which are able to buy in large quantity so that the price can be negotiated and be bought in low suitable price. The restaurant needs to build good partnership with packaging suppliers so the large quantity of packages can be ordered in advance and with low suitable price. The total investment costs including pre-operating, decoration costs, and equipment costs are 547,872 baht. The expenditure and income budget in the first year are 4,517,140 baht and 6,240,000 baht with the profit before tax of 1,722,860 baht.

Conclusion

The researcher uses quantitative approach to collect data and further analyze the data into results in order to study of consumer behaviors and attitudes of Khon Kaen people towards khmer food and determine the business model of Jakraphoub. Open and closed questions about consumer behaviors and attitudes and service marketing mix factors are used in questionnaires survey in order to ask 110 samples group of Khon Kaen people in municipality. The respondent's results are males 39 and females 71.The analysis of the data obtained from the questionnaire responses can be summarized as follows: the study results of consumer behaviors and attitudes

of using restaurant services finds that the people who like to use restaurant services are between the age of 20-30; have income between 10,000-20,000 baht; have education level higher than bachelor degree; have occupation as student. The biggest reason for dining out is for fun and relaxation and the lack of time to cook at home with the highest frequency of dining out of 3-7 times a week by going out with spouse or family, and it is usually friends and family who influence the decision making of choosing the restaurant the most. The most popular time to dine out is 18.01-20.00 pm, and the most popular price per dine out is between 200 to 500 baht. The most popular promotion that influence customer's restaurant choice is a discount coupon or membership card, and the problems that cause customers to not return to use the services including bad taste, delayed services, waiting too long for food and the restaurant is not clean and hygienic. The study results of attitude of Khon Kaen people towards Khmer food reveals positively that the reasons that customers eat Khmer food because the food is new and unique different from usual meal, and it is delicious and healthy. For those who have not tried Khmer food yet, the reasons are that they are unaware about Khmer food and there is no Khmer or Jakraphoub service provided in neighborhood. 71% of them eats Khmer food 4 times a month, and the most popular food are Nom Banh Jok, Banh Hoy, Cha Knhey and Khor.

The determination of business model canvas of Jakraphoub is to meet the needs of consumers which have the main customers of Jakraphoub who are between the age of 20-30; have income between 10,000-20,000 baht; have education level higher than bachelor degree; have occupation as student. Secondary customers are those who live in Khon Kaen municipality and residents of nearby districts and tourists. The value proposition that Jakraphoub offers will be delicious and healthy Khmer food. The restaurant firmly believes in quality, experience and customer relationship. The service

time is from 7AM to 9PM and closes on Monday. There will be homedelivery service, online orders from social medias and food apps for customers convenience. With an investment 1 million baht, the restaurant is allowed to operate successfully by offering value to the customers to make customers satisfied and return to repeat using the service again. The key activities of Jakraphoubs are divided into 7 activities: In term of Product, the restaurant chooses high quality hygienic raw materials for cooking Khmer food every day. Organic vegetables and natural ingredients are used in cooking in order to maintain nutritional value and promote health for customers. In term of Price, the restaurant sets the food prices in according to the quantity and quality of food. Khmer food in Jakraphoub has various types and sizes in appropriate to the price that customers specifically order. Therefore, customers feel justified with the value of money they have to pay. In term of Place, the restaurant has multiple distribution channels so that customers are convenience to buy products and service. In term of promotion, the restaurant has promotion by providing membership card to use as a discount on food and drink when customers use the service. Information about Khmer food will be introduced to customers by organizing in a board or flyer to show nutritional value and benefits of food and beverages that will promote good health of customers. In term of people, the restaurant has enough staffs to serve the customers food and beverages, and all the staffs are polite and fast working. Every member has enough knowledge to be able to recommend to customers according to customer needs. In term of physical evidence, the restaurant has a parking area for customers who come to use service, and it is surrounded by popular shops, coffees and food courts which have a lot of students and passengers walking by daily. The environment inside the restaurant is clean and clear; refurbished to give a warm feeling; chairs and tables are in the right size, and not only they are comfortable to sit and

eat but also suitable for customers of all ages and genders to come to eat at the restaurant. The restaurant has convenience facilities such as wet hand towels, washing sink, toilets, music in order to facilitate customers to feel comfortable and friendly so that the customers come back to eat again. In term of process, the restaurant must receive customer food items correctly and review food items for customers to listen every time the orders are completed; serve food exactly as customers order; arrive the customers place as fast as possible when the customers call for service. The restaurant also provides home delivery service and QR code payments are also available.

Suggestions

1. Suggestions of this study

From the results of the study, it is found that the most important product factors are food taste, freshness, cleanliness, hygiene, raw material quality in order to maintain restaurant standards and maintain good relationships for long time. If the customers come to use service and realize the value of standardized products, it will make customers satisfied and come back to use the service again. Restaurant should prioritize freshness, cleanliness, hygienic raw material as a source to cook as much as possible.

From the results of the study, it is found that the most important physical evidence factors are cleanliness of restaurant area, restaurant atmosphere, enough number of tables and chairs for customers, restaurant decorations. The owner should focus on the decorations of the restaurant to create a good atmosphere and an attractive surrounding area. The restaurant should be clean and including hygienic facilities such as hand towels, hand washing points and restrooms. The temperature in the restaurant should be cool and consistent all the time, and the light should be enough for the customer to feel relaxed and joyful with the food.

From the results of the study, it is found that the moderately important price factors are odd number pricing and same price on all menus. Restaurant business operators should give importance to develop a strategy for setting the price in an appropriate way by setting food prices according to quality and quantity of the food so that the consumers feel satisfied and feel that the value benefits are worth the money spent.

2. Suggestions for further study

The further independent study is about determining the business model canvas of Jakraphoub by studying the consumer behaviors, attitudes, and 7 service marketing mix from Khon Kaen people in municipality so that the next study will be the determination of business model canvas of Jakraphoub from Khon Kaen people in the whole Khon Kaen province.

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