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Master Thesis Business Plan

精緻都會娛樂新地標：戲院

The Theatre

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Abstract

Currently, Taipei has a well-developed market in fine dining and cinema, but no businesses that combine both. The Theatre seeks to capitalize on the gap in the market, applying a business model adapted from American and Taiwanese inspiration to deliver truly high end cuisine in a luxuriant movie theater atmosphere.

Market research and competitive analysis shows fertile ground for such an endeavor. The Theatre will leverage all of its advantages to capture market share in this environment.

1.0 Executive Summary

In an era of increasingly sophisticated consumption, purveyors of luxury experiences must carefully craft their offerings to appeal to growingly refined palettes. Taipei, Taiwan's high end consumer market exemplifies this as its ranks of wealthy swell[1] and become ever more urbane in their selections and predilections. To tap into this market, The Theatre seeks to meld the elegance of fine Continental dining with the appeal of movie theaters. Market research indicates that the dining segment of consumption is experience a strong trend of growth as personal wealth grows, a movement echoed by growth in movie theater revenue[2].

At its core, The Theatre concept is to create an exclusive Taipei nightlife experience that combines the impeccable quality and ambiance of a high-end restaurant with a luxurious movie-going experience, complete with cushy reclining seats and set in an intimate, private atmosphere. This dinner and movie experience will cater to the most discerning segment of the Taipei population – those who demand, and are willing to pay for, an exclusive and memorable experience.

This business plan aims to tap into several concurrent trends in Taiwan: relatively high disposable income, especially among white collar adults, an obsession with food and themed restaurants among Taiwanese consumers, and a strong desire for working adults to make their time out on the town a memorable experience, a must for a population that works some of the longest working hours in the world and seeks to make the most of its limited free time.

Additionally, the Theatre seeks to benefit from the novelty and exclusivity of the venue and from being the market leader in the "dine-in" theatre market in Taipei. Thus, the assertion that people in Taipei will endure much to partake in a culinary experience that is best-in-class - from waiting for an hour in the rain to eat at 肥前屋 to booking weeks in advance to eat at 龍都.

[1] Broom
[2] Lu

1.1 Objectives

Mission: Provide first-class Continental cuisine in a high-end movie theater environment, providing a unique consumption- experience,

- High-end European fare prepared by qualified experts
- Movie variety to cater to different audiences and build brand's cachet
- Premium environment achieved through elegant furniture and fixtures
- Flexible space design for use in ancillary activities (alternative set ups)
- Seamless service provided by all staff

1.2 Founder Profile

The Theatre's founder, Matthew Pernsteiner, has a storied history in food service. He is the fifth generation in his family to be involved in Food and Beverage, tracing its origins back to kitchens in Palermo, Sicily. His grandmother, Angela Phelan, a well-known chef, restaurateur, and consultant has lent her expertise to this project. After graduating from his undergraduate degree, he began working in New York's vibrant catering and restaurant markets as a waiter and barista. Finding himself more suited to back of the house work, he assumed a position with Scholastic Culinary Services, an area caterer and provider of premium food service to elite private schools. After two years he was promoted to Director of Sales where he millions of dollars in accounts and oversaw an over 25% expansion in yearly sales as Scholastic became the largest catering provider to Columbia University's Business and Law schools. He left his position to pursue an MBA at National Taiwan University. The Theatre business plan is the culmination of Pernsteiner's professional background and academic progress made while at the NTU GMBA.

1.3 Acknowledgments and Professional Sources

The Theatre Business Plan would not be possible without the contribution of a group of individuals who have assisted in its creation immeasurably.

Professor Carlos Chiu, National Taiwan University: Professor Chiu, as thesis advisor, has lent his considerable and welcome academic and professional experience to the creation and refinement of the business plan.

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Chen Jialing, Interior Designer at Xiangyi Interior Design: Ms. Chen has been most hopeful in helping to establish the look and feel of the project.

Angela Lagana Phelan, Senior Vice President at the Clarion Group, Adjunct Professor at New York Restaurant School: Ms. Phelan, with over 60 years industry experience as a chef, owner, professor, has provided valuable advice and insight into the operations of successful food industry companies. She also provided design specifications for the Theatre's kitchen and service plan. Her eggplant rolatini is to die for.

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Roy Lu, Cao Jian, Yin Yiren, Michael McManus, Liang Yunying, NTU GMBA: Team members during Creative and Cultural Industries that saw the original creation of this project

2.0 Market Analysis

Taipei currently has a small luxury theatre market, most notably the single-screen Tachien (大千) cinemas in the basement of the Westin hotel on Nanjing East Road. Reservations usually must be made several days or even a week in advance and for NT$400 a ticket, up to 30 people can watch a movie, usually released in the past year, while reclining comfortably with their date on a cushioned loveseat. An ottoman, throw pillows, and blankets add to the experience while a small side table on either side of the loveseat provides a convenient place for service items.

Westin hotel Tachien (大千) cinema

Tachien has a menu of various snacks, soft drinks, and some alcoholic drinks, but it is expensive (around NT$200 for a hot dog), limited in selection, and of poor quality. Consequently, few guests seem to order anything but soda and popcorn.

This evaluation and analysis of Tachien has led us to conclude that the potential of the venue is not being fully developed. Tachien is located in a high-end hotel yet its food and drink menu is catering to the lowest common denominator. The belief is that there may be untapped potential if a dine-in movie experience is done in the right way, catering to the demanding-expectations of customers willing to pay top-dollar for high-end dining and exclusive entertainment.

There are examples of dine-in theater in other markets, namely the US, where AMC has opened a chain of dine-In theaters in New Jersey and Florida that provides the cuisine and cocktail options of a restaurant with the fun and excitement of a movie theater. In addition, local markets throughout the US have their own-version of dine-in theaters, such as Madrigal theatre and medieval-themed dining experiences. Once again, we found that those dine-in experiences that found success catered to the specific and unique demands of the local consumers[3].

However, in order to better understand the local conditions, an analysis was performed of Taipei's restaurant and theater markets.

2.1 Taipei Restaurant Market Overview

Quick Indicators of Taiwan's Restaurant Industry Health[4]

- In 2012, Taiwan had restaurant sales of $386 billion NTD, representing an 18% increase from 2007
- Period 2010-2012 averaged 6.2% annual increase in restaurant sales
- Taipei accounted for 36% of restaurants in Taiwan
- 52.8% of Taiwanese restaurants are 5 years or older, suggesting survivorship rate of under 50%
- Taiwan has 32,111 food stores with 2,814 being classified as full service restaurants
- Of full service restaurants, 9% are classified as being non-steakhouse Western, comparing with 23% for Japanese and Korean restaurants (combined in data)
- Including steakhouses, Western restaurants account for 21% of full service restaurants
- Western restaurant numbers growth in line with those of other cuisines

This overview of data suggests that Taiwan has a relatively healthy restaurant market, that continued to grow even during the financial downturn. Its growth rate is consistently higher than the growth rate of Taiwan's GDP in general, suggesting increasing demand in this sector.

[3] Smith-Cooper Interview
[4] Appendix 2.1A

Further refinement of research led to an analysis of a higher end dining group, the Regent Group[5]. In addition to its namesake hotel, the Regent operates 15 restaurants, 13 of which are in Taipei. Its restaurants average 362 customers per day and an average spend of $1,004 per customer meal. Given that this includes both its lower end restaurants such as Just Italian ($600-$700 buffet) and Just Café ($200-$500) and its higher end restaurants Mihan, it can be inferred that the higher end has a substantially higher average spend than $1,000.

Indeed, Taipei plays host to L'Atelier de Joel Robuchon in the high end Bella Vita shopping center. The offering is essentially the same as the one and three Michelin starred restauarnts in Las Vegas and Hong Kong, respectively, with prices to match. Indeed, the over $6,000 NTD (not including wine!) the author spent there for a dinner set was more than he had spent in the now-closed New York edition of the restaurant.

Other high end Western dining abounds in Taipei. Meals at Osteria by Angie, a respected Italian establishment in Guangfu, often run past the $3,000 mark per person. Antoine Room in the Sheraton, packed from Thursday until Monday, commands similar pricing.

2.2 Taipei Movie Theater Market Overview

The movie theater market in Taipei has seen great growth in the past several years, growing 32% from $2.5 billion NTD in 2008 to $3.3 billion NTD in 2013.[6] The market is highly consolidated, with the top 5 players controlling 75% of revenue.

Viewership numbers not readily available, however the major movie theater chains together have 22,072 seats in Taipei.

[5] Lu
[6] Lu

The aforementioned Tachien Cinemas has the highest revenue per seat of any of the Taipei theaters at $750 per day. Tachien is booked to capacity for each of its showings.

2.3 Definition of Target Market and Customers by Literature Review

The Theatre was designed from its inception as a relatively premium experience. As such, care was taken to determine an optimal target customer. Two approaches were used in order to identify the market and its constituent customers.

A quick review of literature indicates several trends that were used in the design of this analysis. From the "Survey of Family Income and Expendture"[7]:

- Residents of Taipei and New Taipei only were considered for this analysis
- Household expenditure on restaurants has risen to 10.58% of family total expenditure in 2012 from 8.92% in 2000
- Taipei and New Taipei households averaged $86,372 and $88,341 on restaurant and hotel expenditure in 2012, 12% and 15% higher than the national average respectively
- "General Average" expenditure in Taiwan was $729,693 per year
- "Legislators, Senior Officials, and Managers" households had average expenditures of $1,190,081 per year, the highest of any occupational group
- "Legislators, Senior Officials, and Managers" households had average income of $2,275,502 per year, the highest of any occupational group
- "Professional" households had average expenditures of $993,685 per year, the second highest
- "Professional" households had average incomes of $1,807,409 per year, the second highest

[7] (*101 年家庭收支調查報告.)*

- Restaurant and hotel expenditures for "Legislators, Senior Officials, and Managers" households averaged $121,550 while "Professional" households averaged $105,954
- As a percentage of expenditures, both high income groups average around 10% annually, in line with the Taiwanese average.
- Total expenditures accounted for 52.2% and 55% of annual income for the respective high income groups, compared with 61.8% average.

For the sake of the analysis, The Theatre has decided to use the consumption habits of these two groups as a proxy for the consumption habits of higher income households in Taiwan. Their incomes place them in the 5th and 4th quintiles of income respectively.

These findings, also show, however, that hotel and restaurant expenditures seem relatively consistent as a proportion of expenditures for each income bracket.

In order to focus on a relative premium segment of the market, it was suggested to focus on households in the top quintile of earners in Taipei. The city government of Taipei was kind enough to oblige a request for data, though New Tapei City has as yet not released any data [8].

- Top 22% of households in Taipei earn $2,200,000 or more annually, equating to $183,333 per month
- This compares favorably as 19.2% higher than the national top household income quintile of $1,846,116 or $153,843 per month.

However, this data point is not particularly helpful as people are often more aware of personal income than family income, and single person households wit-h high spending power would be left out. Therefore, a crude attempt was made to estimate what constitutes high levels of personal income.

- According to the "Survey of Family Income and Expenditure", there are 1.46 income earning members per household on average, and 2.28 for top quintile households

[88] *家庭戶數按經濟戶長年齡,性別及所得總額(經常性收入)組別分*

- As a rough approximation of individual earnings, the household income was divided by 1.46, then rerun divided by 2.28
- Therefore, the top 22% of individual income can be estimated to be roughly $1,517,240 a year, or $126,436 per month. Under the 2.28 schema it comes to $964,912 annually and $80,409 per month.

These numbers are likely incorrect because of the rough methodology used to derive them, however they form a convenient basis for further inquiry.

Referring back to the expenditure patterns of our sample high income occupational groups, assuming that their expenditure patterns hold for top Taipei quintile, we can estimate the following:

- Roughly 53% of total income is spent on consumption
- Roughly 10% of consumption expenditure is spent on hotels and restaurants
- Therefore, 5.3% of income is spent on hotels and restaurants
- Given the national restaurant receipts of $386 billion with $616 billion spent on hotels and restaurants (8.07 million households * $77,000 annual average spend on restaurants and hotels), restaurants account for 62.1% of hotel and restaurant expenditure
- Therefore, restaurants account for 3.3% of average household income in the top quintile
- Therefore, earners in the top quintile can be expected to at least $31,842 annually, or $2,653 per month, on restaurants.

Reconciling these numbers with professional experience and personal experience proved difficult. Additionally, these numbers tell little about *how* the top quintile spends its money specifically, rather than generally. Therefore, a survey was conducted to better understand the viability of the business model in Taipei's market.

2.4 Survey - Response and Analysis

The survey data yielded results that were not entirely in line with the literature analysis, which may reflect the particulars of the Greater Taipei market.

Two almost identically worded surveys were conducted. One was conducted through the auspices of National Chengchi University's election center under the direction of Professor Eric Yu, whose profound help is greatly appreciated. This survey had a sample size of 233 participants from Taipei and New Taipei city.

The second survey was conducted among friends and associates of the author and has a sample size of 19, almost exclusively drawn from Taipei City.

The responses differ widely between the two and, as the second survey has a small sample and lots of selection bias, the larger survey will be used in calculations and most considerations. The smaller survey is useful because its participants, being the friends and the friends of friends of the author, largely fit a target demographic of the Theatre's plan and so give flavor to the findings.

As the proposed service is imagined as premium, there was a question dealing with income. The summary of respondent income can be found in the table below:

Monthly Income (Large Survey)

	Frequency	Percent	Cumulative Percent
未滿$50,000	144	61.8	61.8
$50,001-75,000	48	20.6	82.4
$75,001-100,000	18	7.7	90.1

	$100,001-150,000	10	4.3	94.4
	$150,001-200,000	8	3.4	97.9
	$200,001以上	5	2.1	100.0
	Total	233	100.0	

With many respondents skewing towards a lower income, the paper will now examine willingness to try The Theatre concept, sorted by income groups:

您個人每個月的月收入是？ * 如果有一個新型餐飲服務結合了精緻西式餐飲以及電影欣賞，您會願意嘗試嗎？ Crosstabulation

% within 您個人每個月的月收入是？

		如果有一個新型餐飲服務結合了精緻西式餐飲以及電影欣賞，您會願意嘗試嗎？						
		0 (非常不願意)	1	2	3	4	5 (非常願意)	Total
您個人每個月的月收入是？	未滿$50,000	8.3%	11.1%	7.6%	32.6%	22.9%	17.4%	100.0%
	$50,001-75,000	2.1%	10.4%	14.6%	18.8%	29.2%	25.0%	100.0%
	$75,001-100,000		5.6%	27.8%	33.3%	16.7%	16.7%	100.0%
	$100,001-150,000	10.0%	20.0%	20.0%	10.0%	10.0%	30.0%	100.0%
	$150,001-200,000	12.5%	12.5%	12.5%	12.5%	25.0%	25.0%	100.0%
	$200,001以上	40.0%		20.0%	20.0%		20.0%	100.0%
Total		7.3%	10.7%	11.6%	27.9%	22.7%	19.7%	100.0%

This data shows that there is generally willingness to try a concept like the one outlined in this business plan, with 70.3% of respondents willing to try (rated as 3 and above). Although, not subjected to more rigorous statistical tests, the distribution of willingness to try seems relatively consistent between income levels, save over $200,001/month, which has sample size of 5.

The next step was to check for willingness to pay. Many restaurants in Taipei, as mentioned above, can have bills running in the thousands, however, of these a great number also offer more affordable options, and, as discussed later, The Theatre plans to use such a price differentiation strategy as well. It was decided in the survey that a meal price of $1,000 would be used as a level to distinguish between those customers willing to pay and those unwilling to pay.

Willingness to Pay for Sample Set Menu (Sample Menu viewable in the survey in appendix)

% within 您個人每個月的月收入是？

		在看過菜單後，您願意花費多少來嘗試這樣的服務？ 義大利套餐Antipasti: Seafood Caponata Bruschette and Pumpkin Cream and Scallop Soup前菜：海鮮燉煮煮蔬菜佐麵包以及南瓜湯搭配煎干貝Main Course: Seared Wagyu T				
		$1000及以下	$1001-1500	$1501-2000	$2001-2500以上	Total
您個人每個月的月收入是？	未滿$50,000	74.3%	24.3%	0.7%	0.7%	100.0%
	$50,001-75,000	60.4%	35.4%	4.2%		100.0%
	$75,001-100,000	61.1%	27.8%	11.1%		100.0%
	$100,001-150,000	60.0%	30.0%	10.0%		100.0%
	$150,001-200,000	75.0%	12.5%	12.5%		100.0%
	$200,001以上	60.0%	40.0%			100.0%
Total		69.5%	27.0%	3.0%	0.4%	100.0%

The menu that was offered in the survey is roughly indicative of a three course menu that the author estimates would cost between $900 and $1,700 NTD in Taipei. It was decided to use a sample menu, rather than asking for expected willingness to pay or maximum willingness to pay, in order to better simulate the customer's reaction to the tangible product.

The left hand column, under $1,000, represents customers that are considered unwilling to pay at or above the required threshold. The result of this was to leave 30.4% of customers willing to pay. However, it was determined that respondents below the $50,000 income level had only 25% willing to pay. Because of their role as the majority of survey respondents, they have a disproportionately negative effect on the mean, whereas the other groups are relatively consistent around 40% willing to pay. The author decided that it would be appropriate to remove the under $50,000 income group to get a better sense of the target market. Hereafter, the references to the survey will include data only from the 89 respondents with income higher than $50,000.

There was mild surprise that the income group of $50,001-$75,000 has almost identical willingness to pay as higher income groups, which opens up The Theatre's concept to a larger market than originally anticipated.

After adjusting for this, the new willingness to pay chart reads as follows:

Willingness to Pay (Food Only, Menu in Appendix)

	Count	%	Cumulative %
1 $1000 及以下	55	61.8	69.5
2 $1001-1500	28	31.5	96.6
3 $1501-2000	6	6.7	99.6
4 $2001-2500 以上	0	.0	100.0
總和	89	100.0	

This has increased the percentage of respondents willing to pay from 30.4% to 38.2% and the author feels it better reflects the potential of the target market. Interest levels, however, fell from 70.3% to 66.3%.

Combining data from from the survey with that of the Taipei City Government and New Taipei City Government,[9] [10] the Theatre was able to create an estimate of the potential market size.

Market Estimation

Target Income	>$50,000
Taipei Working People/ House	1.71
Xinbei Working People/House	1.51
Taipei Target Household Income	$ 1,026,000.00
Xinbei Target Household Income	$ 906,000.00
# Taipei Households	1,007,000
# Xinbei Households	1,443,851
Taipei People @ Work	1,721,970
Xinbei People @ Work	2,180,215
# Taipei Target Households	752,967
# Xinbei Target Household	866,311
# Taipei Target Customers	1,287,574
# Xinbei Target Customers	1,308,129
Total Target Customers	2,595,703

[9] Taipei Survey on Household Income and Expenditure
[10] New Taipei Survey on Household Income and Expenditure

Interest Level	0.663
Interested Customers	1,720,951
Willing to Pay	0.382
Interested and Willing Customers	657,403

The paper used a target income of over $50,000/month, as suggested by the responses in the survey. As government data offers income statistics in households, income was multiplied by the working members of households in Taipei and Xinbei, leading to target household income. The number of households in each city was then multiplied by their working people per household to obtain a number of income earners, which are used as a proxy for potential customers. The target household income was compared with income charts made available by the Taipei and Xinbei City Governments, these numbers were multiplied by workers/house to obtain a number of target customers. This was then run through the survey respondent's interest level and then again through willingness to pay. Finally, it was determined that The Theatre had a potential market of 657,403 individuals in the Greater Taipei area, which the author believes to be a sufficient sized base for initiating operations. Full survey results may be referenced in the appendix.[11]

[11] Appendix 2.4A

3.0 Service

3.1 Service Overview

Based upon market research, it was concluded that the dine-in service would need a venue that featured one screen and 20-30 tables. Besides the theater itself, there is need for a lobby and kitchen/prep and storage spaces. In addition to the service counter, the lobby would feature a full service bar and seating to encourage patrons to enjoy themselves before and after the show. More on the utilization and design of these spaces will be covered in the parts that follow.

The success of the dining experience will hinge much on the design, comfort, and utility of the seating arrangements. AMC Theaters in America, for example, uses large recliners with swiveling trays to hold the dishes. These seats cost AMC roughly $1,000 USD each.

It was expected that finding a suitable projector and managing licensing costs would be a challenge. For more than 100 years, movies have been printed on film and then shipped to movie theatres and shown by stringing them on 35mm projectors. However, over the past 10 years, the industry has shifted to digital projectors.

One key reason is that digital projectors simplify logistics: Movies can be downloaded from a central server rather than shipped. This eases management as there is no need to employ a projectionist to manage the film. Films are shown by simply pressing play. It is also cheaper. For example, it costs studios US$2000 to print a 35mm print of a movie. The digital cost is about $200 (downloading or delivery of hard drive costs)

There is no going back on the transition to digital. By the end of 2012, about 84% of movies in the US were digital. Fox is expected to stop providing film and only providing digital versions of its film sometime in the next year. The other studios are expected to follow soon after. All major Hollywood studios are expected to only use digital versions by the end of 2015.

Unfortunately, DCI-approved digital projectors are very expensive – more than US$100,000. However, because so many independents are having difficulty financing their transition, the industry has come up with an investment subsidy called a Virtual Print Fee (VPN). A VPN is a subsidy for purchasing digital cinema projectors. It is done by providing the theatre with the equipment at a reduced cost but then charging an additional fee per booking of a movie.

For example, in Taiwan, Sony (as a hardware maker) has its own VPN program. The Theatre would pay an initial US$5000 fee and then US$1000 a month for the next 10 years. The total cost is US$117,000 a year per screen (The deal also includes the library servers/networks, 10-year parts warranty, shipping costs and Theatre Management Software). The additional costs would be paid by the distributors for each download made. Sony would also make sure we would have access to first run movies, which can be difficult for smaller independent movie theatres.

With a guaranteed ability to secure first-run movies, the plan is to show first-run blockbusters, in line with the results of the survey.

Kinds of Movies Most Watched (A)

	Count	%	Cumulative %
Hollywood New Releases	86	96.6	96.6
Art Films	15	16.9	113.5
Documentary	18	20.2	133.7
Classic Films	10	11.2	144.9
Taiwanese Films	39	43.8	188.8
Other	4	4.5	193.3
總和	89	193.3	

96.6% of survey respondents listed Hollywood movies as one of their main kinds of cinema watched at a theater. This overwhelmingly promotes the adoption of a mainstream, blockbuster oriented offering. Controlling for variables, such as income levels, does not change the distribution of movie choices significantly. Viewing habits seem to be relatively consistent at all levels and among most age groups.

The specific mix of movies will be based on the season and preferences of customers, as well as close analysis of the expected success of failure of new releases.

As the theater is only equipped with a single screen, movie choice is of paramount importance. Survey results suggest that the strongest movie genres are Action, Drama, and Adventure, with 68.5%, 46.1%, and 43.8% of candidates selecting these as one of their top-3 genres respectively.

您的性別 * [動作片] 請問您個人最喜歡的電影類別？ (請選三項)

Crosstabulation

% within 您的性別

		[動作片] 請問您個人最喜歡的電影類別？ (請選三項)		Total
		未選擇	是	
您的性別	男	24.2%	75.8%	100.0%
	女	48.1%	51.9%	100.0%
Total		31.5%	68.5%	100.0%

您的性別 * [劇情] 請問您個人最喜歡的電影類別？ (請選三項)

Crosstabulation

% within 您的性別

		[劇情] 請問您個人最喜歡的電影類別？ (請選三項)		Total
		未選擇	是	
您的性別	男	61.3%	38.7%	100.0%
	女	37.0%	63.0%	100.0%
Total		53.9%	46.1%	100.0%

您的性別 * [冒險] 請問您個人最喜歡的電影類別？ (請選三項)

Crosstabulation

% within 您的性別

		[冒險] 請問您個人最喜歡的電影類別？ (請選三項)		Total
		未選擇	是	
您的性別	男	50.0%	50.0%	100.0%
	女	70.4%	29.6%	100.0%

Total	56.2%	43.8%	100.0%

Action appeals strongly to both men and women, while adventure and drama appeal more specifically to one sex or the other, potentially influencing marketing plans.

In addition to main stream movies, children's films must also be considered. 39.3% of respondents selected going with children as one of the main reasons they would attend The Theatre. However, in order to keep the atmosphere of the establishment intact, children under 12 will not be allowed in The Theatre for regular admission. This means that children's movies will likely be shown with lower frequency than other genres; event driven showings rather than regularly scheduled ones.

The venue would offer three services per day: Lunch/Afternoon Tea, Dinner, and Late Night shows. All customers must book their reservations in advance either on the telephone, through a web browser, or The Theatre's mobile applications. A mockup of the booking system has been produced below:

1) The customer is brought to the application menu where they can choose to make a booking
2) In the booking screen they are able to choose a date, time, and the number of guests they would like to bring.
3) Under table selection, the customer can choose which available tables they would like their party to sit at. Parties of four and under may book a single table while parties of 5-8 may book either two tables or a private box.
4) After being given a description of each set menu on offer, the customer makes menu choices for each of the guests in the party
5) Credit card prepayment is a requirement of this system
6) Finally, after payment, the customer will receive an email with their receipt or a QR code to scan to find the details of their booking.
7) Any changes after a booking has been made must be handled over the phone and not through the application or website

a. Menu changes may be made up to 2 hours before the show. This is to allow the kitchen adequate time to make sure all preparations are in place.
b. Reservations may be cancelled with refund up to the day before the movie, less a small cancellation fee. Reservations may not be cancelled the day of the movie and the customer will be charged whether in attendance or not.

Seating will allow 4 guests in each of the regular tables and up to 8 in the larger boxes in the back of the theater. As such, there is opportunity cost inherent when tables or boxes are booked under their capacity. For instance, a table booked for two people, where each person has marginal contribution of $500 would have an opportunity cost of $1,000. In order to mitigate this, the booking system may ultimately implement a form of revenue management through protection levels. However, this would require extensive man-power, software capabilities, and data that is not presently available, and thus, will only be considered if issues arise from this.

As an example of protection levels, if it is determined that there is constant demand d(p4)=4, where p4 is equal to bookings of four persons, then at least four tables will be reserved for parties of four, smaller parties simply will not be able to book all of the tables.

The menu, an example of which is posted below, allows for a great deal of revenue management through price discrimination.

Each service will have four set menus to choose from

- 3 standard mains representing lower, middle, and higher pricing
  - Low set menu prices will be around $1,000-$1,200
  - Middle set menu prices will be around $1,200-$1,500
  - Higher set menu price will be around $1,500-$2,000

- 1 vegetarian menu. Can be converted to a vegan menu by checking the "vegan" box on the ordering page on the website or app. Price around $1,000-$1,200
- Tea-time and Late-night prices will be aiming for the $600-$800, $800-$1,000 and $1,000-$1,200 range given that they are lighter meals. This may open up The Theatre to demand from lower willingness to pay customers.

Below is an example of the lower cost set menu for dinner service.

January 8th, 2014

Prix Fixe Menu A

Hors D'oeuvre

Bruschetta a la Caponata Siciliana

Aubergine and Seafood Salad with Capers on Toasted Crostino

Plat Principal

Red Wine Braised Short Ribs

With Cipollini and Mushroom, served with Sage Butter Pappardelle

Dessert

Mille-fueille

Layered Crème Pâtissière and Puff Pastry served with Coffee or Tea

Alcoholic beverages can be ordered from the bar before the movie. They can be imbibed in the lobby or delivered later, as part of the meal service inside of the theater area. Based on survey results, the average respondent drinks roughly half a unit of alcohol during Western style meals, so that is what will be used in the financial analysis. Alcohol transactions can be charged either to the card of the customer or conducted in cash.

Menu prices are exclusive of movie ticket prices, which will be priced at $300/ticket, in line with Taipei's standards.

Meal service is conducted before, during, and after the movie. The final architectural design of the space will ensure that waitstaff can be effective, responsive, and attentive without causing undue distraction to other patrons. A sample timeline of a 90 minute movie watching experience is outlined below.

- 1 hour before movie start: online booking system closed, all menu items must be selected (otherwise will receive the default)
- 20 minutes to movie start: doors opened, guests shown to their assigned seats
- 10 minutes to movie start: Drinks and appetizer/antipasto course is served
- Move starts
- 5 minutes after movie start: Appetizers discreetly removed and drinks refilled
- 10 minutes after movie start: Main course is discreetly served
- 60 minutes after movie start: Main course is discreetly removed and drinks refilled
- 70 minutes after movie start: Dessert and coffee served
- During closing credits: Dessert is removed

3.2 Case Studies

Tachien, previously referenced, offers a convincing case study to explore. The relaxed and intimate atmosphere that it evokes was central to the conception of this business plan. However, despite its potential as a venue for meals, it remains mostly a movie watching experience.

Dine-in theater is an increasingly popular phenomenon in the United States. Although, forms of it have been extant for the duration of civilization, recently several traditional movie theater chains have purchased new locations or renovated existing theaters to accommodate meal service.

Notable among these is AMC Theatres, owned by Dalian Wanda Group, that is one of America's largest chain of theaters. Of their nearly 500 locations, 22 have introduced the restaurant concept. The dine-in concept is further divided into two products: Cinema Suites and Fork & Screen. Fork & Screen offers seating in line with standard movie theaters, except for a fold out tray, akin to what's offered in business class air compartments, that serves as a platform for dishes.

In terms of food, most fare is relatively low end (roughly $400 NTD/dish). Dishes are ordered a la carte and a three course meal would, in the author's experience, likely cost between $1,000 and $1,500 per person, exclusive of the ticket price.

3.3 Company Location and Compliance

The Theatre's basic design requires three main areas

- Lobby Area with service desk, comfortable seating, and small bar for patrons who wish to relax before and after the service. Estimated at 30 ping
- Kitchen, prep, and storage areas. Estimated at 25 ping
- Theater area with specially designed seating for between 50 and 100 patrons to enable to both comfortable dining and movie watching. Estimated at ~50 ping

In sum, this requires around 100 ping (330 sq m) of usable space. To that end, The Theatre sought to find a variety of venues that match with that requirement.

First, an analysis was done to determine the current physical landscape of the movie theater industry in Taipei, based on market share, as restaurants are more evenly spread[12]. This revealed a clustering of theaters in Ximen and Taipei Main Station area, as well as outposts in Xinyi and Dazhi (Miramar). However, The

[12] Appendix 3.3A

Theatre relies on a relatively affluent, white collar consumer base. Therefore, the key considerations for location rely on the confluence of wealth in that area. As a result, four metrics were drawn up of equal weight (Transportation, Grade A Office Space, Premium Shopping, and Neighborhood Income) with each metric being allowed 0-3 points for a maximum of twelve points[13].

- Xinyi received 11 points
- Ximen received 2 points
- Dunnan received 8 points
- Dazhi received 8 points

It was decided that Dazhi's relative remoteness from central Taipei and its relative lower development as a culinary and night-time destination would make it unsuitable for this endeavor. Therefore, efforts were undertaken to find suitable space in Xinyi and Dunnan.

Ultimately, one such space was found in each locale, the details of which are summarized below (for full details, see appendix)[14],[15]

Location One

- Dunhua South Road and Shimin Boulevard Intersection
- Building Available from Jan 2015
- Utilizable Space: 2nd Floor (151 gross, 112 net ping)
- 4 minutes from Zhongxiao Dunhua MRT Station
- Rent: $5,000 ping/month, Management Fee: $220 ping/month
- 7 Meter Ceilings

Location Two

- Cathay Landmark Square (A3)
- Xinyi Planned District next to Bella Vita
- Building Available from Q3 2015

[13] Appendix 3.3B
[14] Appendix 3.3C
[15] Appendix 3.3D

- Utilizable Space: B2 (227 gross, 148 net ping)
- Rent: $12,500 ping/month
- 5.5 Meter Ceilings

Both buildings offer excellent physical locations. In terms of prestige of the building and location, the Cathay Landmark probably exceeds Dunnan location. However, the price of the Xinyi location is prohibitive, and the space is larger than is necessary for the undertaking. As a result, The Theatre has chosen to use the Dunhua location as its model.

Beyond the cost of rent, the other costs associated with the facility deal with the fee to the property manager as well as costs associated with bringing the facility to "code", full compliance with all regulations for both restaurants and movie theaters.

In this, Cathy Liu of CBRE has been consulted, and gave the following information

- Fees to the property manager amount to a one time payment equal to one month of rent
- Compliance costs can range from $70,000 to over $120,000 per ping. Both buildings are brand new and will not require much work to bring them to code. Property manager will handle ensuring compliance on The Theatre's behalf.

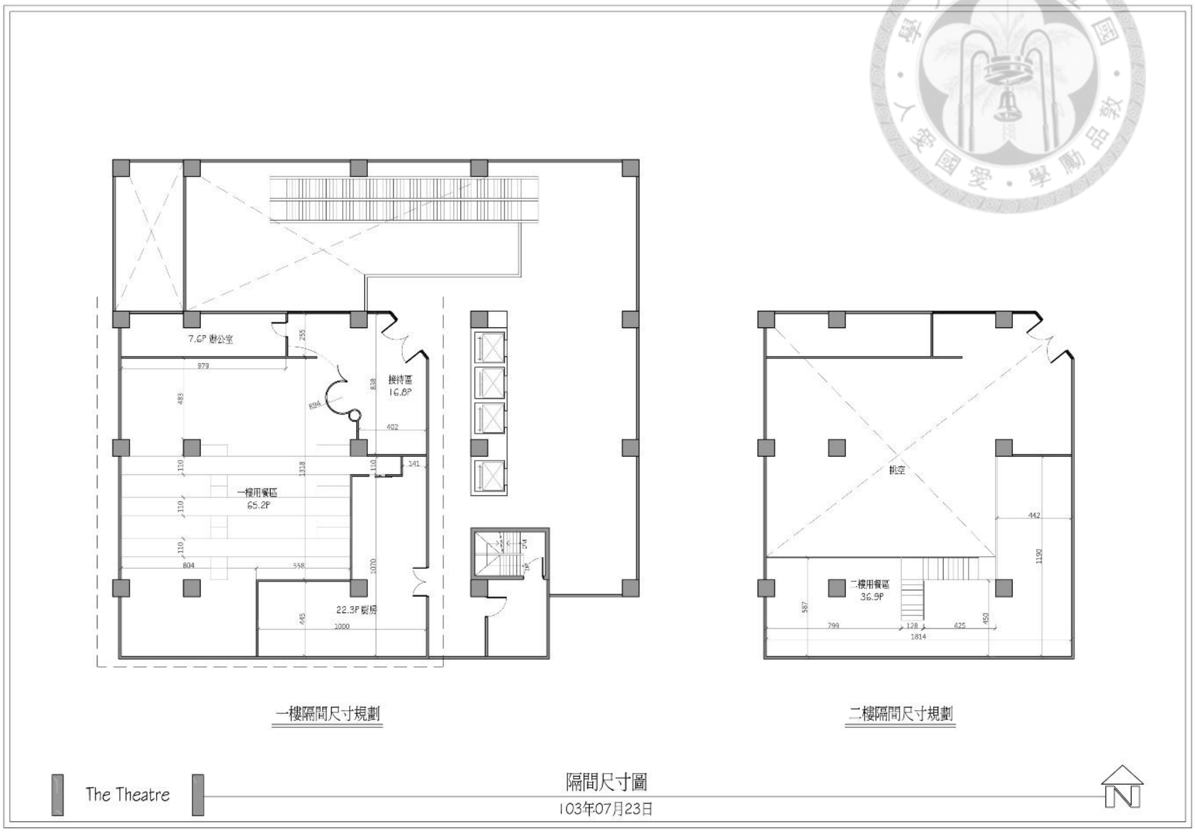
3.4 Facilities

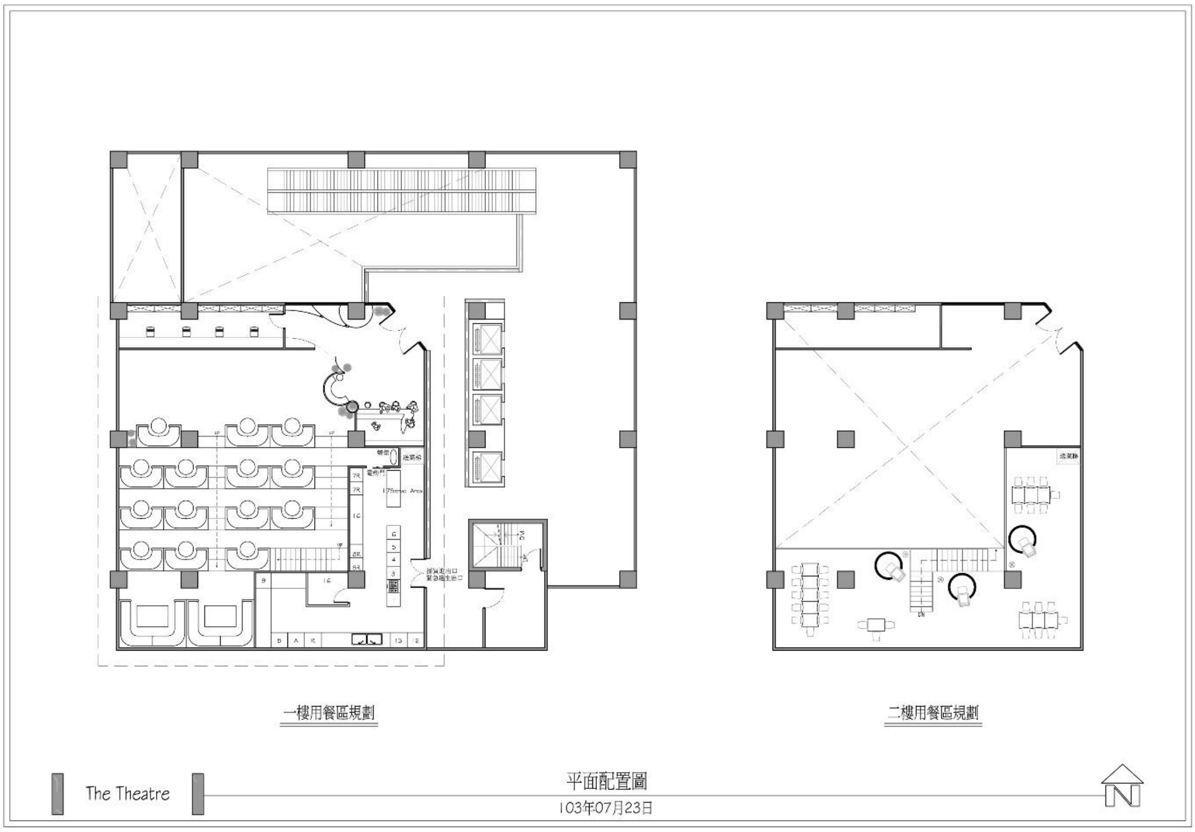
The Theatre's facilities consist of five areas:

- Entrance lobby: Lobby with small amount of seating around a wet bar. Relaxed atmosphere for people to loiter and socialize prior to the movie.
- Small office: Office for management, also for control of digital projection.
- Kitchen: Professional kitchen, capable of producing between 75 and 125 meals per service (depending on time, preparation, and staffing)
- First floor dining area: 14 3 person booths and 2 8 person booths, seating up to 58. 50 square meter flat area in front of the screen can be used flexibly for

outside, such as press releases or product launches. Stage, tallboy cocktail tables, or additional seating can all be easily rented and temporarily installed.

- Second floor dining area: Flexible usage space, furniture can be reconfigured to seat 16-30 people. Can be booked out for separate parties, such as corporate gatherings, reunions, or others.
- Cost estimate can be found in Appendix


一樓隔間尺寸規劃
二樓隔間尺寸規劃
The Theatre
隔間尺寸圖
103年07月23日


一樓用餐區規劃
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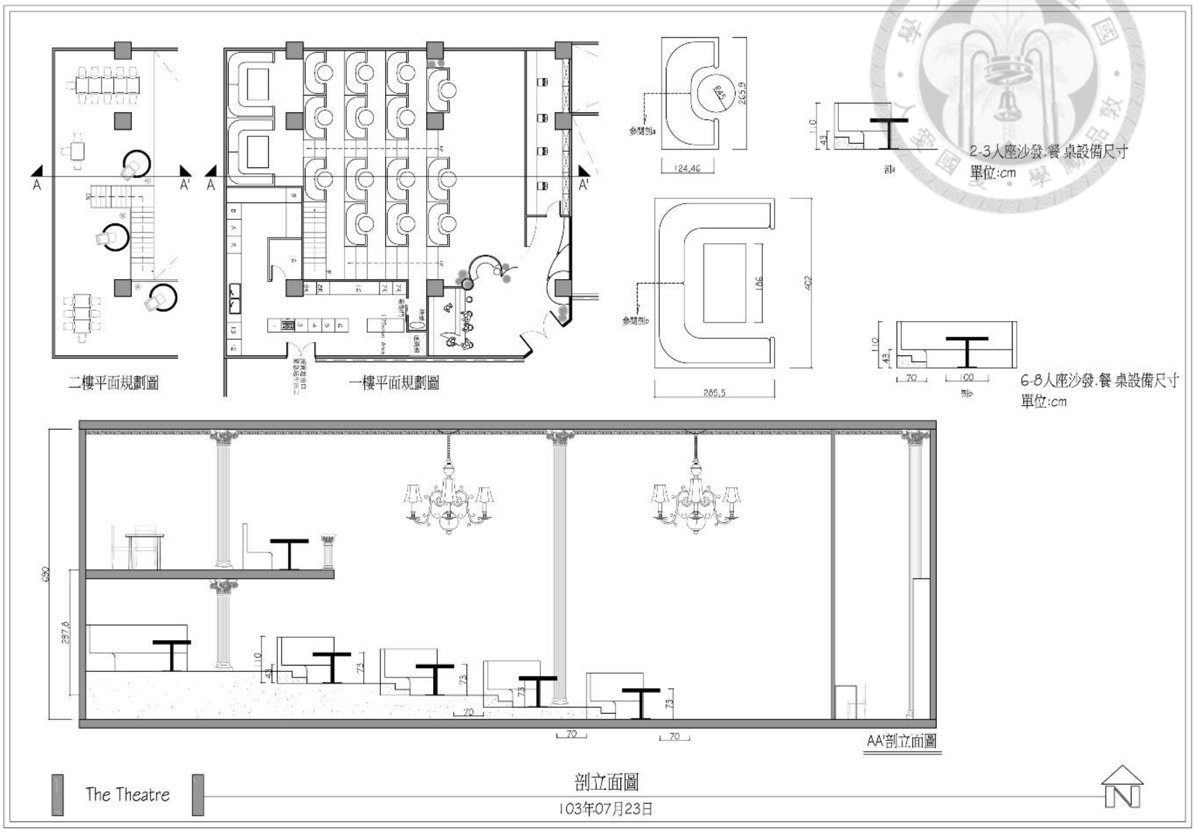
The Theatre
平面配置圖
103年07月23日



3.5 Look and Feel

The style of the restaurant/cinema is influenced by neo-classical elements. The sample photographs below represent the style. All materials are chosen with an eye to aesthetic unity and premium quality and visual effect.

Booths are designed to sit 2 or 3 guests comfortably, with an open orientation to the screen. The amphitheater step design, as well as side and middle aisles allow servers easy access to discreetly provide service to guests.

The second floor will be serviced by one or more attending waiters and receive orders from the kitchen through the use of a dumbwaiter.

Restroom facilities are provided by the building management and are not part of The Theatre itself.

The second floor, at nearly 30 ping, offers great flexibility. None of its furniture is fixed and it offers balcony views of the screen. This allows it to be used in a very open manner, either oriented for normal viewing to maximize seat revenue or as a relaxing space for parties and events. The pictured configuration shows a layout designed for a dinner party with an open area by the edge of the balcony and three individual couches for lounging.

The screen itself is in an area measuring 9.79 meters by 6.9 meters, smaller than that of many large theaters but large enough to be comfortable viewed from all areas of the theater.

4.0 Personnel Plan

4.1 Kitchen Personnel

- Chef Manager will be in charge of all kitchen affairs. Additionally, she will be in charge of all relevant purchasing decisions and menu decisions. She must be very conversant in Continental and Mediterranean cuisines with experience at recognized restaurants. Selecting such a chef will require a very intensive search process, perhaps looking overseas. The estimated salary for the chef manager is $1 million NTD a year, but may be increased substantially if deemed necessary to attract proper talent. Chef manager will be responsible to CEO.
- Sous Chef will need experience at Western style restaurants in an advanced role (at least saucier). Responsibility and leadership qualities are a must in order to be able to effectively back up, and when necessary, replace the chef manager. The salary expectation of the sous chef is $550,000 NTD a year
- Two general kitchen staff should suffice to assist the chef manager and sous chef, their salaries are estimated around $350,000 NTD a year

4.2 Management

- CEO: Matthew Pernsteiner will serve as CEO of The Theatre, bringing his background in the food industry with him. He will be responsible for the oversight and continuance of operations at The Theatre and all staff will be under his purview. He will lead the efforts of The Theatre in securing appropriate financing for its initial operations. His salary is subject to adjustment, depending on the health of the company, and a compensation scheme may be arranged to reward performance. In the initial phases, compensation is estimated at $1 million NTD a year.
- Business Manager: The business manager will be in charge of a variety of the day-to-day and longer term activities of The Theatre, mostly those that do not fall under the authority of the chef manager. Such activities include marketing

and promotion, sales, and training activities, as well as non-kitchen staffing. Salary is estimated at $800,000 a year, but may be incentivized by meeting sales targets.

- Shift Manager: The shift manager will be responsible for the ongoing activities of The Theatre on a day-to-day basis, during the times that the business manager is not on duty. Salary is estimated at $500,000 a year.

4.3 Other Personnel

- Waitstaff: It is estimated that 8 waitstaff will need to be hired and trained for the service of The Theatre. Two waiters will be hired as captains and be utilized on a full-time basis and be paid $450,000 a year each. Waiters are estimated to be needed 25 hours a week and to be paid $200 an hour (a $50-70 premium over similar restaurants). This equates to $240,000 a year. The premium is paid because the service requires exception discretion and silence.
- Administrative Assistant: One administrative assistant will be in charge of taking care of a variety of day-to-day operations, such as mail, simple book keeping, scheduling, etc. Estimated salary of $360,000
- Reception and Call Desk: One person will be hired to handle reception and incoming calls, dealing with any customer concerns. Estimated salary of $360,000
- Salesforce/Marketing Team: Team of initially two persons under the direction of the business manager. Responsible for creating and executing the marketing and sales of the company, to be outlined in the following section. One senior sales/marketing personnel to be hired with roughly five years of experience, estimated salary of $700,000 a year. One junior sales/marketing staff with one or two years of experience, estimated salary of $450,000 a year. Salaries may be complemented with bonus if certain sales targets are met.

5.0 Marketing Plan

5.1 The Theatre's Unique Selling Proposition (USP):

The Theatre offers a superior dining and cinema experience in an elegant atmosphere, a premium experience that will be first of its kind in Taipei. The success of the enterprise relies on The Theatre's ability to attract new customers through novelty and promotion and the continued patronage of repeat customers through the provision of exceptional service.

It is not easily imitable by competitors due to several factors:

- Dining cinema is untested in Taiwan, offsetting the risk averse
- The vast majority of screens in Taipei do not offer especially premium environments (saved aforementioned Tachien) and, thus, would not be easily convertible to a dine-in theater at this price point
- Creating a new theater takes a large investment in time, expertise, and capital.
- Direct competitors would not likely emerge until business model is proven successful
- Non-direct competitors could emerge as existing theaters modified some screens to support meal service (i.e., adding a kitchen and trays to seats)
- These competitors would be operating at a lower price level with a lower quality service. Substitution, therefore, is not likely

5.2 The Theatre's target customers

Observations from survey

- Men are slightly more willing to try the service than women (67.2% vs 62.9%)
- Men and women have similar willingness to pay (38.8% vs 37%)
- Individuals aged 20-44 have the greatest interest in trying the concept
- Each age group, up to 70, except 30-34 has a positive willingness to try of over 60%
- Individuals aged 30-39 have the strongest interest, 33.3% of respondents listed 5
- Individuals in the 25-29 age group have the highest willingness to pay (71.4%)
- Willingness to pay ranges from 38.1% to 42.8% in ages 30-44 and drops off to between 20% to 35.7% for older age groups.

Given these observations, it becomes difficult to pin down a narrow target customer. Broadly speaking, a reasonable target customer would be an individual of either sex aged 25-44. Therefore, it stands to reason that The Theatre's marketing should seek to appeal across gender and age groups

5.3 Marketing Plan

The marketing plan introduces three phases that will see The Theatre through its first year and beyond.

Phase I: Introduction to the Market

Day 1 to 180

The first 180 days serve as a critical period for The Theatre to build awareness about its service among potential customers. The following tables provide an overview of the steps to be taken to accomplish this.

	Phase One (Day 1-180)	
Tasks	Day 1-90	Day 91-180
	Positioning, media exposure, target customer's awareness Train staff, test operations and pricing	Media exposure, target customer's awareness Adjust operating procedures and pricing

	Phase One (Day 1-180)	
Goals	Day 1-90	Day 91-180
	Achieve 65% of table occupancy	Achieve 80% of table occupancy

	Phase One (Day 1-180)	
Marketing Tools	Day 1-90	Day 91-180
	Newspapers and Magazines: Free press releases Online media: Free press release Social networking presence: Facebook, Foursquare, Blog PR: Food and service testing bloggers, reporters, focus group	News paper and magazine: Special reports, promotion Social networking presence: Facebook, Foursquare, Blog Online Media: Special reports, promotion Sales: Sell vouchers online , 公司福委會, Churches PR: CRM/Continuous Customer Engagement, food blogs reporters, editors, focus group

During the first 90 days the entire staff needs to work in overdrive in order to achieve its objectives of gaining operational preparedness, market positioning, exposure, and awareness.

The kitchen and waitstaff will run several practice runs a day for the first month in order to gain the necessary proficiency to work in this environment. During this month, groups of potential customers of varying sizes, who have been identified by the sales and marketing team, will be invited to try the service for a steep discount (or free).

In the weeks leading to the grand opening, the marketing team will be active in reaching out to different media on different platforms to raise awareness of the impending opening of The Theatre. They will seek to engage with area newspapers and appropriate lifestyle magazines to gain free press that may drive interest to The Theatre.

After opening, the marketing team will be active in encouraging customer social media engagement with The Theatre, such as Facebook and Foursquare check-ins, online reviews, and online discussion. They will further invite prominent culinary and cinema writers, both professional (i.e., newspaper/magazine) and amateur (bloggers) to partake in the service and offer their feedback. The aim is to create a positive buzz surrounding The Theatre that can be carried over into further activities later.

In the second 90 days of Phase I, any measures that need to be taken to adjust the service and pricing will be undertaken. Kinks in operations should be increasingly ironed out and both the chef manager and the business manager, in addition to the captains, will need to be extra vigilant in assuring smooth service in this initial phase.

The sales and marketing team will use the early interest in The Theatre to raise the ante by seeking more in-depth coverage from magazines, newspapers and online sources. In addition, they can begin selling to more targeted groups of customers, such as through online deal sites like EZ Table, to companies'公司福委會, church or special interest groups, and the like.

The goal is to attain attendance of 80% by the end of the first phase.

Phase II: Engagement

Day 181-270

The second phase represents the critical period where The Theatre, by this point somewhat established, seeks to solidify its position as a purveyor of premium leisure experiences.

Tasks	Phase Two (Day 181-270)
	Increase sales, loyalty

Goal	Phase Two (Day 181-270)
	Enlarge customer base and create new demand

	Achieve 90% table occupancy Achieve 50% repeat customers

Marketing Tools	Phase Two (Day 181-270)
	Newspaper and magazine: Special reports, promotion Social networking websites: Facebook, Foursquare, Blog Online Media: Special reports, promotion Sales: Sell vouchers online , product release, conference, PR: CRM, press conference(new sets, movie, event)

By the beginning of the second phase, the form and flavor of the service should be well established and run efficiently.

The marketing and sales team will now need to take on a role that broadens the appeal of The Theatre to new customers and also brings value to existing customers. For the first part, there will be a continuance of the social media campaign that existed from the beginning of operations but the print media campaign will be enlarged to engage with publications to produce special reports and or to promote The Theatre's special offers and events. To encourage repeat customers, The Theatre will seek to engage them in direct marketing made available through the usage of CRM, ultimately culminating in the creation of a loyalty program in the next phase.

Sales should begin to target new business in the form of corporate or social events. The downtime before and between movie services offers an ideal space for companies to hold various PR events, such as product launches or conferences, in an elegant, comfortable, and interesting setting. The cinema quality audio-visual set up makes the venue superior to many such spaces that exist in Taipei, such as in large hotels which often have AV systems of only passable quality.

After awareness is firmly established, The Theatre will be able to hold a press conference of its own in order to promote its service by announcing changes and improvements to its model. Among other things, this press conference could announce partnerships with complementary companies, seasonal menu changes, or special events that may be on tap.

Phase III: Promotion (Continuous)

Tasks	Phase Three
	Increase sales, loyalty

Goal	Phase Three
	Enlarge customer base and create new demand

	Maintain High Margins Achieve 75% repeat customers

	Phase Three
Marketing Tools	Event Promotion: Themed Parties Sales: Joint promotion with complementary companies, alternative customer groups PR: Social networking websites, online media, TV, newspaper, magazine CRM: loyalty program, incentive program

In the third phase, the goal is to keep the product fresh. As it becomes more established, the novelty value will lose its appeal as those most likely to have initially wanted to attend have already done so at least once. To combat this, The Theatre needs to stay relevant.

In this television can be a helpful tool. Taiwanese news programs frequently run features on restaurants around the island, and this kind of access can, in fact, be bought. This will bring The Theatre concept to a wider audience who may be interested in trying it.

Other modes of promotion can be to engage with companies that complement The Theatre's offering. An example of this would be working with a movie studio or distributor to host the movie's launch party in Taiwan, raising the profile of The Theatre.

It may also be appropriate to reach out to customers not previously targeted. One potential option would be to partner with hotels that play host to many international guests or to the expatriate community at large. This would, of course, require additional market research to determine its appropriateness.

In order to keep existing customer interest, a loyalty program would be implemented in coordination with the firm's CRM system. Because of the limited nature of The Theatre's offerings, such a loyalty program would be more akin to the punch cards used by restaurants or coffee shops than to the complex mileage programs or point programs used by airlines and hotel chains. Such a system would be handled digitally, through the customer's online account or tied to their phone number/email address. Although an appropriate level of rewards would need to be decided based on further market research, it should be possible to reward customers reaching certain dollar thresholds with a certain amount of credit. For instance, a customer that spent $15,000 over the course of a year would receive credit worth $1,500, essentially a free ticket.

More complicated forms of engagement could follow, such as inviting the most loyal customers to special events (such as the aforementioned movie launches) or certain kinds of preferential treatment as deemed appropriate.

This is also an opportunity for The Theatre to implement more creative themes and menus, seasonal or based on the movie. For example, a showing of Gone With the Wind could feature classic and novel cuisine from the American South, such as roast quail, beef brisket, skillet baked cornbread, collard greens, served with mint julep and blackberry cobbler.

6.0 Competition and Strategy

6.1 Competitive Overview

The Theatre faces no truly direct competitors in its role as the originator of dine-in cinema concept in Taipei. However, it faces fairly direct competition from traditional cinemas and restaurants, as well as indirect competition from other purveyors of entertainment.

Traditional Cinemas

Taipei is served by several movie theater chains and independent cinemas. The market is relatively concentrated with 75% of market share belonging to 5 chains. As previously identified, the xtop chains have over 22,000 seats in Taipei. The Theatre, with between 50 and 70 depending on configuration, represents 1/5th of 1% of this sum.

1. **Vieshow-** The largest and most revenue heavy theater chain in Taipei with three theaters and over 7,000 seats and revenue of $510 NTD per seat/day
2. **Ambassador Theatres-** The second largest chain in Taipei with three theaters and nearly 4,000 seats with revenue of $350 NTD per seat/day
3. **Showtime-** The third largest chain in Taipei with two theatres and almost 3,000 seats. Revenue averages around $400 NTD per seat/day

Traditional Restaurants

Although, a listing of traditional restaurant competitors would be an exercise in futility, a quick survey of EZTable reveals roughly 50 Western restaurants with per person prices over $1,000 NTD a meal. This is not a complete list, as it represent only the reservations available on EZTable for the randomly selected day. The Western restaurants in this price range represent roughly 50% of the Western restaurants on EZTable. The author's personal experience with some of the restaurants also suggests that EZTable underestimates the prices of many of its restaurants, with bills at some restaurants labeled $500-$999 NTD ending up much higher than that.

Alternative Forms of Entertainment

Taipei, as one of the leading metropolises in Asia, has many forms of entertainment available to its residents that may be chosen as alternatives to The Theatre, traditional cinema, or traditional restaurants. There are a plethora of coffee and tea shops, as well as ubiquitous hotel tea-time services. Night-time entertainment also includes bars, nightclubs, KTVs, and others.

Vieshow Gold Class

Vieshow operates a dine-in movie concept in Hsinchu, Taichung, and Kaohsiung Cities, Vieshow Gold Class. Ticket price is premium ($620 for regular, $720 for 3D) and includes a $200 credit for food. Appetizers are priced around $200, main dishes around $400, desserts around $150, non-alcoholic drinks around $100 and alcoholic drinks around $150-200 NTD. Meal service and movie service are, however, discreet and separate events.

Premium Cinema in Taipei and Beyond

Several cinemas, offer non-dining premium cinema (頂級戲院) in Taipei. Usually, these consists of more expensive tickets ($550-650 NTD), more luxurious seating, and a lounge or some other amenity. Within Taipei, only Tachien cinemas offers expanded food items, while others (such as Showtime and Cinemark).

Outside of Taipei, such as in Taoyuan, these theaters often offer greater food selection. However, food items, whether a la carte or as a set, do not constitute a traditional Western meal, being closer to finger food or, in one blogger's words, "大概像 KTV 那樣點餐內容" with most sets costing around $600 NTD, putting the total price above $1,000 NTD. It is hard to estimate actual demand or attendance, but reports online suggest that booking tickets is difficult, suggesting some level of sustained interest. Tachien, for instance, often must be booked four days to a week in advance for most showings.

6.2 4 Ps Analysis with Competitors

		AMC	Vieshow	Tachien	The Theatre
Product	Service	Dinner Service in standard theater environment	Standard movie viewing experience	Premium movie viewing experience	Premium movie viewing experience with dining
		Reservation and non-reservation bookings	Reservation and non-reservation bookings	Reservation only system	Reservation only system
		Waiting in line, 5-15 minutes on peak	Waiting in line, 15-40 minutes (on peak, Jingzhan)	No waiting in line, seated directly	No waiting in line, may be seated directly or go to bar
		Slightly hurried service, loitering at bar	Hurried service, no loitering	Unhurried service, loitering in theater lobby	Unhurried service, loitering at bar and lobby
	Food	American style bar food (hamburgers, steaks, mozarella sticks, salads, wraps, etc.) and drink (beer, cocktails)	Movie theater food (hotdogs, popcorn, etc.) and drinks (soft drinks)	Movie theater food with some higher end options (hamburgers, sandwiches). Variety of drinks (sparkling water, cola, espresso, wine)	Continental European haute and rustic cuisines (mostly French and Italian)
		Served on cheap plastic dishes	Served in cardboard or paper	Served in paper or on ceramic	Served on high quality stoneware for silence
		Quality similar to American chain restaurants (i.e., TGI Friday's)	Comparable quality to food at comparable theaters	Quality several steps below chain restaurants'	Quality comparable to similarly priced Western restaurants in Taipei
	Movies	Wide Range of First-Run Hollywood Blockbusters	Wide Range of First-Run Hollywood Blockbusters	One movie per two weeks, usually Hollywood blockbuster, not always new release	Hollywood new releases, limited selection based on expected popularity
	Environment	Two styles:	One style	Intimate, slightly premium setting	Premium dining/viewing setting
		1) Identical to standard theater, regular seats with trays	Stadium seating with moderately comfortable seating	15 love seats with side tables, ottomans, pillows, and blankets	Mix of 2/3 seat and 4 seat luxury dining and watching booths
		2) Slightly higher end environment, reclining lounge chairs with trays	Clean, new, but standard movie theater environment	Spacious room between seats	Booths of premium quality with matching décor
		Both styles "feel" like standard movie theater environments		Feels "premium" compared with standard theaters	Premium feel to entire space, more like restaurant than theater
	Perceived Value	Moderately premium feeling over standard theater	Standard cinema experience	Premium cinema experience	Should feel premium both over movie theaters and many restaurants
		Semi-exclusive due to higher price	Non-exclusive, low price and high capacity	Exclusive through high demand/low capacity	Exclusive through higher price/low capacity

		AMC	Vieshow	Tachien	The Theatre
Price	Price	High price tickets ($~20)	Medium priced tickets (~$300 NTD)	High priced tickets ($400 NTD)	Medium priced tickets ($~300 NTD)
		Medium priced food ($15-40)	Medium priced combos (~$350-450)	Medium priced food (~$300 NTD)	High priced food ($1,000-2,00 NTD)
		Medium priced drinks ($5-10)		Medium priced drinks ($100-120 NTD)	Non-alcoholc drinks included, alcoholic drinks medium priced (~$150 NTD)

		AMC	Vieshow	Tachien	The Theatre
Place	Location	Affluent suburban American communities	High rent, high density Taipei areas	5-Star Hotel (Westin) Basement	New high end building
		Accessible mostly by car	Accessible by many forms of transport	Accessible by many forms of transport	Slightly trendy neighborhood
			Upscale buildings	Less trendy neighborhood	Acessible by many forms of transport
	Environment	New, clean, relatively Spartan	New, clean, unadorned	Well-worn but elegant	Elegant and moderately upscale
		Movie theater style design		Comfortable, but not warm	New but comfortable
	Size	Regular movie theater size (50-150 Seats)	Large cinema size (150-250 seats)	Very small and uncrowded	Small and uncrowded
		Less crowded	Highly crowded	30 spaces on 15 love seats	50-70 spaces on 20-30 booths/tables

		AMC	Vieshow	Tachien	The Theatre
Promotion	Publicity	Mass-market media campaign	Mass-market advertising	Utilize 六福 to package marketing in other offers	Mass-media promotion strategy
		Market specific broad-based advertising	Utilize location to promote service	Targeted advertising through mailings, magazine ads to high end customers	Avoid traditional advertising, favor social and media
	Stickiness	AMC Stubs loyalty program	iShow card	Discount for hotel restaurant customers	Loyalty program
		$10 for every $100 spent	$1 NTD for every $160 NTD spent	10% discount	$1 NTD for every $10 NTD spent
				Credit Card promotions	Awarded at different threshholds

6.3 The Theatre vs. Premium Cinema

The above model shows The Theatre in comparison to several other of Taiwan's premium cinema experiences. Vieshow in Taipei Main Station was added to give a comparison with standard viewing experiences in Taiwan.

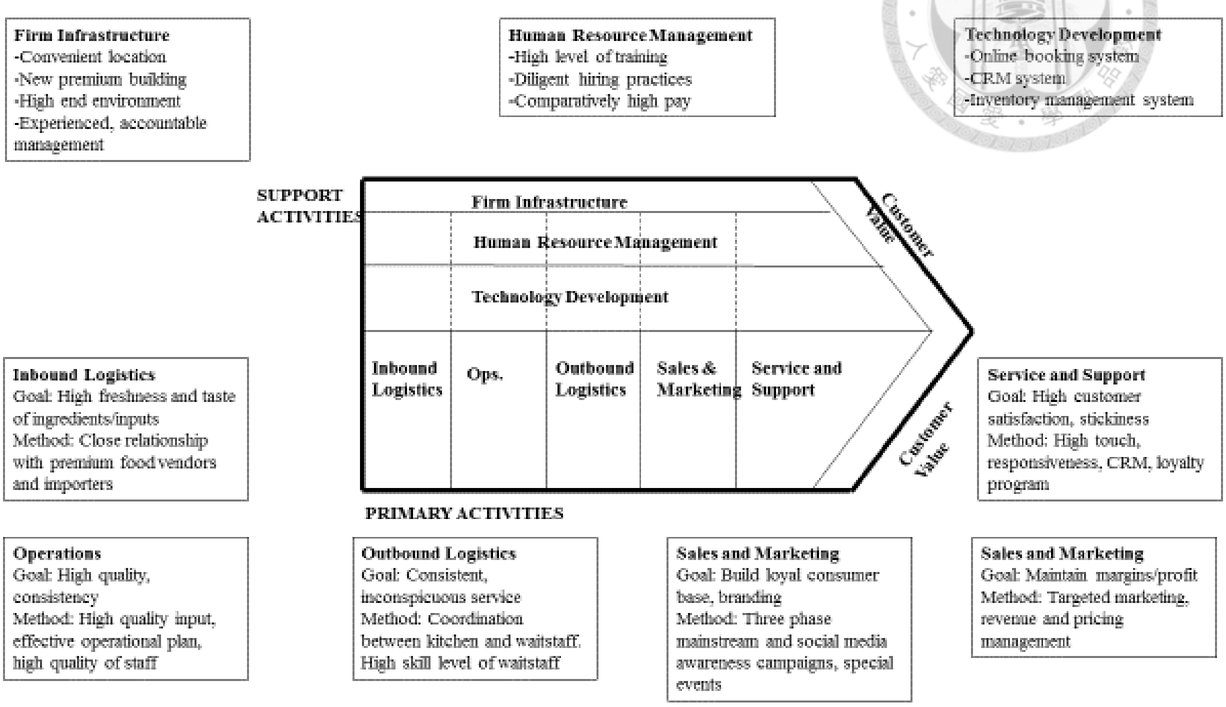
Vieshow Gold Class offers the closest approximation to The Theatre's service. However, their menu offerings are less robust and lower in quality compared with The Theatre's, being more akin to a more expensive Bellini Tokyo Italian than a Tutto Bello.

The other competitors fare more poorly when it comes to food. Tachien and Miramar in Taoyuan come the closest to offering a real meal service (something Miramar claims it does), but the quality is middling and the price is high for what's on offer.

Other high end cinemas, such as at Cinemark or Showtime, abandon food altogether, serving the sample popcorn or churros that they serve at their regular theaters, but at a greatly inflated price.

The demand experienced by these more upscale theaters bodes well for the Theatre, because it suggests that customers (both inside and outside of Taipei) are willing to pay more for a premium experience, including dining. The Theatre stands out in this category in price and in the quality and depth of its culinary offering by taking itself seriously as both a restaurant and a cinema.

6.4 Value Chain Model



7.0 Financial Plan

The Theatre is a capital intensive venture, and, like companies in all industries, subject to a great deal of risk. Academic literature[16] suggests that 27% of restaurants fail during their first year and that about 60% of restaurants have perished after 5 years.

From professional experience, it becomes clear that one reason for restaurant failure is undercapitalization in early stages. Many restaurant owners do not prepare more than the initial capital required for the first several months of operation, believe that their business will become sustainable thereafter. Unfortunately, that ignores the reality that expected demand becomes realized much more slowly than expected or that poor inventory management and cost overruns can cause restaurants to lose money on every order.

To combat the first of these two problems, it is a commonly held rule of thumb that a restaurant should be capitalized well enough to run for a year with minimal sales. The Theatre is even more capital intensive than most restaurants because it includes the many costs of setting up a movie theater as well.

First year fixed costs for The Theatre are estimated to be $70,315,515 NTD, which sets a good benchmark for the kind of startup capital needed for this project. The very minimum amount that would be required for the startup would be $31,203,373, the amount required to meet the costs of the first three months. These numbers represent the range between ideal startup capital and minimal startup capital, with a target of $50,000,000.

7.1 Ownership and Funding

The founder's personal resources are not enough by themselves to start up the company. Matthew Pernsteiner is able to contribute $10,000,000 NTD from his personal wealth and from securing personal loans from friends and family. The other $40,000,000 needs to come from other sources.

[16] Muller

There are several options for attaining that level of funding, and it is likely that a hybrid of those methods would be needed to reach the target.

- Debt financing: Currently, low interest rates make debt relatively cheap compared with equity. However, issues may exist with the principal's lack of Taiwanese nationality and Taiwanese assets to secure the loan. Additionally, attaining a relatively large sum through small business lending may be difficult and relatively costly, even with assistance of the Financial Supervisory Committee's SME finance support program. However, in addition to the relative cheapness of debt, it also preserves more of the ownership stake of the founder than selling equity does. It may be possible to use bank finance as one piece of a larger debt and equity financing plan.
- Institutional investment: As a form of private equity, non-chain individual restaurants do not appear to be a very popular choice among institutional investors. However, it may bear exploration as the demand for alternative investments has increased in the preceding decades.
- Equity sale to private investors: Apart from personal wealth, this is perhaps the most popular form of non-chain restaurant financing. Restaurants are a popular investment among affluent individuals. This represents its own drawbacks, however. Private investors in restaurants often wish to directly involve themselves in the management of their restaurants, whether or not they have the experience, vision, or aptitude to do so. In the experience of the author, it is these hobby restaurants that make up a disproportionate amount of early restaurant failures. In finding private investors, great pains must be taken to ensure they have either experience in the industry or the willingness to let management handle The Theatre's affairs.

Over the next several months, it will be the goal of the author to find a financing solution that covers the monetary needs of the plan without sacrificing its vision.

7.2 Revenue Estimation

To model potential revenue, the author has constructed a model to estimate demand and customer spend. Part of it, representing "likely case" is excerpted below:

	Description	2015	2016	2017	2018	2019
Movie Revenue	Ticket Price	$ 350	$ 350	$ 350	$ 350	$ 350
	Regular Booth Tables	14	14	14	14	14
	Seats/Table	3	3	3	3	3
	Occupied Seats/Table	2.5	2.5	2.5	2.5	2.5
	Box Tables	2	2	2	2	2
	Seats/Table	8	8	8	8	8
	Occupied Seats/Table	5	5	5	5	5
	Balcony Tables	8	8	8	8	8
	Seats/Table	3	3	3	3	3
	Occupied Seats/Table	2	2	2	2	2
	Full Capacity	82	82	82	82	82
	Actual Occupation Capacity	61	61	61	61	61
	Screens	1	1	1	1	1
	Weekday Tea Time Utilization	70%	75%	75%	75%	75%
	Weekday Dinner Time Utilization	85%	90%	90%	90%	90%
	Weekday Late Night Utilization	75%	75%	75%	75%	75%
	Weekend Tea Time Utilization	80%	75%	75%	75%	75%
	Weekend Dinner Time Utilization	95%	100%	100%	100%	100%
	Weekend Late Night Utilization	85%	90%	90%	90%	90%
	Weekdays	237	255	256	255	255
	Weekends	102	110	110	110	110
	Tea Time Guests	15098	16699	16745	16699	16699
	Dinner Guests	18199	20710	20764	20710	20710
	Late Night Guests	16131	17705	17751	17705	17705
	Total Guests	49428	55114	55260	55114	55114
	Total Movie Revenue	$17,299,905	$19,289,725	$19,340,965	$19,289,725	$19,289,725
Dining Revenue	Tea Time Price	$800	$800	$800	$800	$800
	Dinner Price	$1,250	$1,250	$1,250	$1,250	$1,250
	Late Night Meal Price	$800	$800	$800	$800	$800
	Beverage Price	$300	$300	$300	$300	$300
	Tea Time Meal Revenue	$12,078,000	$13,359,000	$13,395,600	$13,359,000	$13,359,000
	Dinner Revenue	$22,749,188	$25,886,875	$25,955,500	$25,886,875	$25,886,875
	Late Night Meal Revenue	$12,905,160	$14,164,200	$14,200,800	$14,164,200	$14,164,200
	Tea Time Beverage Consumption Rate	0.1	0.1	0.1	0.1	0.1
	Dinner Beverage Consumption Rate	0.4	0.4	0.4	0.4	0.4
	Late NightBeverage Consumption Rate	0.5	0.5	0.5	0.5	0.5
	Beverages Consumed	16855	18806	18856	18806	18806
	Meal Revenue	$47,732,348	$53,410,075	$53,551,900	$53,410,075	$53,410,075
	Beverage Revenue	$5,056,565	$5,641,890	$5,656,713	$5,641,890	$5,641,890
	Total Dining Revenue	$52,788,912	$59,051,965	$59,208,613	$59,051,965	$59,051,965
Total Revenue		$70,088,817	$78,341,690	$78,549,578	$78,341,690	$78,341,690

7.3 Pro-Forma Income Statements

In constructing financial forecasts, the author has run three simulations of the income statement representing "Likely" level of sales, "Low" level of sales, and "High" level of sales.

The parameters of the test are as follows:

- Theater has total capacity of 82 patrons
- Actual maximum utilization estimated at 61 patrons (based on survey results, see appendix)
- 3 services per day
- Raw material food costs are 1/3 of food sales cost
- Drink costs are 1/5 of drink sales costs

Likely Case

Parameters:

Description	2015	2016	2017	2018	2019
Weekday Tea Time Utilization	65%	75%	75%	75%	75%
Weekday Dinner Time Utilization	85%	90%	90%	90%	90%
Weekday Late Night Utilization	70%	75%	75%	75%	75%
Weekend Tea Time Utilization	75%	75%	75%	75%	75%
Weekend Dinner Time Utilization	90%	100%	100%	100%	100%
Weekend Late Night Utilization	80%	90%	90%	90%	90%

Pro-forma income statement

Likely Case	2015	2016	2017	2018	2019
Net Sales	$66,989,529	$78,341,690	$78,549,578	$78,341,690	$78,341,690
Cost of Sales	$68,911,122	$34,318,352	$34,639,495	$34,868,091	$35,155,245
Gross Profit	($1,921,593)	$44,023,338	$43,910,083	$43,473,599	$43,186,445
SG&A	$ 14,619,476	$ 12,547,085	$ 11,367,479	$ 11,417,085	$ 11,477,085
Other Expense	$ -	$ -	$ -	$ -	$ -
Operating Profit	($16,541,069)	$31,476,253	$32,542,604	$32,056,514	$31,709,361
Interest Expense, net	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	($16,541,069)	$31,476,253	$32,542,604	$32,056,514	$31,709,361
Provision for Income Taxes	$ -	$ 5,350,963	$ 5,532,243	$ 5,449,607	$ 5,390,591
Net Income	($16,541,069)	$26,125,290	$27,010,362	$26,606,907	$26,318,770

Low Case

Parameters:

Description	2015	2016	2017	2018	2019
Weekday Tea Time Utilization	50%	65%	65%	65%	65%
Weekday Dinner Time Utilization	70%	80%	80%	80%	80%
Weekday Late Night Utilization	55%	70%	70%	70%	70%
Weekend Tea Time Utilization	65%	70%	70%	70%	70%
Weekend Dinner Time Utilization	80%	85%	85%	85%	85%
Weekend Late Night Utilization	65%	75%	75%	75%	75%

Pro-forma income statement:

Likely Case	2015	2016	2017	2018	2019
Net Sales	$54,863,949	$69,384,145	$69,570,378	$69,384,145	$69,384,145
Cost of Sales	$66,000,171	$32,144,424	$32,460,310	$32,694,163	$32,981,316
Gross Profit	($11,136,222)	$37,239,721	$37,110,068	$36,689,982	$36,402,829
SG&A	$ 14,013,197	$ 12,099,207	$ 10,918,519	$ 10,969,207	$ 11,029,207
Other Expense	$ -	$ -	$ -	$ -	$ -
Operating Profit	($25,149,420)	$25,140,514	$26,191,549	$25,720,775	$25,373,621
Interest Expense, net	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	($25,149,420)	$25,140,514	$26,191,549	$25,720,775	$25,373,621
Provision for Income Taxes	$ -	$ 4,273,887	$ 4,452,563	$ 4,372,532	$ 4,313,516
Net Income	($25,149,420)	$20,866,626	$21,738,985	$21,348,243	$21,060,106

High Case

Parameters:

Description	2015	2016	2017	2018	2019
Weekday Tea Time Utilization	75%	85%	85%	85%	85%
Weekday Dinner Time Utilization	95%	100%	100%	100%	100%
Weekday Late Night Utilization	80%	90%	90%	90%	90%
Weekend Tea Time Utilization	85%	90%	90%	90%	90%
Weekend Dinner Time Utilization	100%	100%	100%	100%	100%
Weekend Late Night Utilization	90%	95%	95%	95%	95%

Income Statement:

High Case	2015	2016	2017	2018	2019
Net Sales	$75,674,709	$87,509,685	$87,747,158	$87,509,685	$87,509,685
Cost of Sales	$70,999,701	$36,494,111	$36,822,319	$37,043,849	$37,331,003
Gross Profit	$4,675,008	$51,015,574	$50,924,839	$50,465,836	$50,178,682
SG&A	$ 15,053,735	$ 13,005,484	$ 11,827,358	$ 11,875,484	$ 11,935,484
Other Expense	$ -	$ -	$ -	$ -	$ -
Operating Profit	($10,378,727)	$38,010,090	$39,097,481	$38,590,352	$38,243,198
Interest Expense, net	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	($10,378,727)	$38,010,090	$39,097,481	$38,590,352	$38,243,198
Provision for Income Taxes	$ -	$ 6,461,715	$ 6,646,572	$ 6,560,360	$ 6,501,344
Net Income	($10,378,727)	$31,548,375	$32,450,910	$32,029,992	$31,741,854

8.0 Alternatives

During the defense of this thesis, the board made several excellent suggestions and criticisms for the improvement of the business plan. Some of the suggestions have been included into other sections of the business plan already, but the following were deemed warranting a separate section to address them.

8.1 Outsourcing

The Theatre is a highly capital intensive, overhead heavy operation requiring a significant amount of up-front capital. The estimation of start-up capital of $50 million NTD represents an assessment of the investment it would take to get the company off the ground ($26,000,000 for the equipment, construction, licensure, etc.) and operating for 6 months with no revenue (operating costs of roughly $4 million NTD per month, excluding revenue dependent costs like food prices).

These high start up costs present a major hurdle to achieving early profitability, indeed, The Theatre expects to lose $16 million in its first year, though closer $11 million in cash terms as depreciation is roughly $5 million NTD in the first year. The Theatre expects to have revenues in the first year averaging $5.6 million NTD per month and $6.5 million NTD per month thereafter, which should ensure solvency. A quick break-even calculation suggests that on an operating basis The Theatre should be profitable after 15 months.

Start Up Costs	$ 26,000,000.00
1st year monthly operating margin	$ 1,600,000.00
2nd year monthly operating margin	$ 2,500,000.00
Cumulative first year operating margin	$ 19,200,000.00
Remainder of start-up costs	$ 6,800,000.00
Remainder/2nd year op. margin	2.72

This overhang into the second year may present a problem to garnering potential investors who may have trepidation about this concept and its ability to be profitable. It was therefore suggested that some functions could be outsourced to third-party vendors to lower the overhead and start up costs. Specifically, it was suggested the kitchen function be outsourced to a provider of high quality food service, such as a 5-star hotel or a high end restaurant or catering firm.

Current dining expenses are estimated at around $26,000,000 NTD for the first year, which represent 31% of the overall costs for year 1. Of this, roughly $3,500,000 is for kitchen equipment and kitchen construction/wiring. Roughly $16,000,000 is direct food and beverage cost. $6.1 million of the remainder is paid in salaries to a variety of employees: the chefs, kitchen help, and waitstaff.

In a hypothetical outsourcing scenario, it will be assumed the costs of each dish to The Theatre would be the same as if the Theatre had prepared it itself. Therefore, the $16,000,000 NTD is unchanged. In the outsourcing scenario, the kitchen equipment costs of $3.5 million NTD is revised down to $500,000 for the outfitting of a small prep kitchen. The Theatre will still need at least one person capable of plating and any final preparation that is necessary, since outsourced cooks will usual not have the requisite skill to do to the exacting level required by The Theatre. Therefore, the kitchen will retain the services of one sous chef level employee, who will be paid commensurately. These measures would reduce the costs of the dining service by $3 million NTD and $1.7 million NTD respectively, while eliminating depreciation and large scale maintenance saves another $400,000. All told, these changes can lower the start-up costs of the theater by a cumulative $5.1 million NTD, and by about $2 million NTD on an ongoing basis.

In the current imagining of the The Theatre, this outsourcing arrangement encounters a few difficulties.

- Quality control may be difficult to maintain when another restaurant or kitchen is responsible for the food. There can be no menu changes, special orders, or alterations in this setup.
- The savings, while helpful, are not so dramatic as to pull The Theatre into first year profitability.
- There may be some difficulties in transferring the food from one facility to the other, as certain items do not keep as well as others and are therefore inappropriate for catering.

The last item gives rise to the follow proposed alternative, detailed below.

8.2 Event Planning Company

With startup costs of $26,000,000 and operating costs of $4,000,000 per month, The Theatre remains a challenging concept to fundraise for. A large part of that is that the current concept requires a permanent, fixed location akin to a standard restaurant or theater.

An alternative concept would be to turn the Theater into an event planning company. In this formulation, the company would provide the concept, setup, and service to other firms with the physical capacity to host such events.

The likely candidates for this would be five-star hotels that feature both spacious ballrooms and high end restaurants. The combination of space and kitchens allows for the creation of an experience that could be constructed to a standard similar to that which The Theatre hopes to achieve in an independent location. However, by using existing assets in a non-permanent fashion, this iteration of The Theatre would have substantially lower start up costs than the fixed location edition. Further, it would be able to leverage the brands of the host locations to promote its service and be able to build up high levels of usage and anticipation through intentional scarcity.

Calculating this precisely is beyond the scope of this business plan, but it provides an attractive alternative to the fixed location concept, addressing basically all of the problems raised in conjunction to the outsourcing of the food service.

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10.0 Appendix

2.1A

Taiwan restaurant market analysis

1. The restaurant market of Taiwan is growing gradually.

2. The numbers and sales of small size restaurants occupy almost 70% and 50% respectively.

3. The North attracted 66.8% business, especially Taipei with the figure of 36.03%.

4. Hotpot and Japanese and Korea restaurants rank 1^{st} and 2^{nd} among all the restaurants.

Market scale

Sales Value (Unit: NT$1,000)		
Year	Food and Beverage Services	
	Sales	Annual Change Rate (%)
2000	297465280	10.30
2001	261376632	-12.13
2002	261509558	0.05
2003	263434664	0.74
2004	271266393	2.97
2005	289409613	6.69
2006	302665654	4.58
2007	315902759	4.37
2008	321655935	1.82
2009	321781290	0.04
2010	344751614	7.14
2011	372138944	7.94
2012	385465441	3.58

資料來源：經濟部統計處 MOEA Department of Statistics

Amount of Restaurant

Year	Number
2007	104181
2008	105339
2009	108407
2010	111871
2011	117220

Number of Different Type Restaurant

Capital-class （NTD million）	Quantity				Sales (Unit: NTD Million)			
	2010		2011		2010		2011	
	Number		%		Number		%	
Total	111871	100%	117220	100%	284989	100%	317940	100%
<0.1	77797	69.54%	80898	69.01%	142377	49.96%	156670	49.28%
0.1-1	29737	26.58%	31673	27.02%	66082	23.19%	73532	23.13%
1-5	2866	2.56%	3113	2.66%	21853	7.67%	25551	8.04%
5-10	761	0.68%	800	0.68%	11985	4.21%	13971	4.39%
10-20	385	0.34%	396	0.34%	11772	4.13%	12674	3.99%
20-30	144	0.13%	143	0.12%	6066	2.13%	7347	2.31%
30-40	35	0.03%	40	0.03%	1947	0.68%	2258	0.71%
40-50	12	0.01%	13	0.01%	523	0.18%	788	0.25%
50-60	24	0.02%	28	0.02%	2199	0.77%	1671	0.53%
60-80	20	0.02%	20	0.02%	2752	0.97%	3338	1.05%
80-100	11	0.01%	12	0.01%	1485	0.52%	1688	0.53%
100-200	42	0.04%	45	0.04	6031	2.12%	6502	2.04%
>200	37	0.03%	39	0.03%	9917	3.48%	11949	3.76%

資料來源：財政部財稅資料中心營業稅徵收統計

Years in business	Quantity				Sales (Unit: NTD Million)			
	2010		2011		2010		2011	
	Number	%	Number	%	Number	%	Number	%
Total	111871	100%	117220	100	284989	100%	317940	100%
<1	14186	12.68%	15899	13.56%	14542	5.10%	16522	5.20%
1-2	13771	12.31%	13087	11.16%	30542	10.70%	32441	10.20%
2-3	9749	8.71%	11007	9.39%	24193	8.49%	27948	8.79%
3-4	8900	7.96%	8348	7.12%	23087	8.10%	23408	7.36%
4-5	8882	7.94%	7862	6.71%	21113	7.41%	22177	6.98%
5-10	32895	29.40%	34550	29.47%	77452	27.18%	87066	27.38%
10-20	16458	14.71%	18869	16.10%	71242	25.00%	79677	25.06%
>20	7029	6.28%	7598	6.48%	22858	8.02%	28702	9.03%

Restaurant Regional distribution

Region	%
Northern	66.85
Taipei	36.03
New Taipei City	15.87
Other areas in northern	14.95
Middle	14.91
Southern	17.28
Kaohsiung	9.42
Other areas in northern	7.86
Eastern	0.88
Offshore island	0.08
Total	100.00

資料來源：經濟部統計處

Main type of food service chainsin Taiwan

	Number of stores	Number of brands	Direct sales stores	Franchise stores
Coffee meals	1717	50	627	1090
Restaurant	2814	222	1482	1332
Western restaurant	255	43	215	40
Japanese and Korean Restaurant	643	39	409	234
South East Asian Restaurant	43	7	40	3
Chinese restaurant	483	48	235	248
Steakhouse	349	18	143	206
Hot Pot House	912	54	314	598
Dimsum Restaurant	129	13	126	3
Chinese snacks	4357	70	761	3596
Casual drink	5313	83	666	4647
Breakfast stores	11979	30	118	11861
Fast-food	3117	71	1633	1484
Total	32111	748	6769	25342

資料來源：經濟部技術處

2.4 Survey Results

Sex

	Count	%	Cumulative %
Men	62	69.7%	69.7%
Women	27	30.3%	100.0%
Total	89	100.0	

Age

	Count	%	Cumulative %
2 20-24	2	2.2%	2.2%

		%	Cumulative %
3 25-29	7	7.9%	10.1%
4 30-34	12		10.1%
5 35-39	21	23.6%	33.7%
6 40-44	14	15.7%	49.4%
7 45-49	9	10.1%	59.6%
8 50-54	14	15.7%	75.3%
9 55-59	3	3.4%	78.7%
10 60-64	5	5.6%	84.3%
11 65-69	0	0.0%	84.3%
12 70 歲及以上	2	2.2%	86.5%
總和	89	100.0	

Marital Status

	Count	%	Cumulative %
Married	66	74.2%	74.2%
Single	14	15.7%	89.9%
Relationship	9	10.1%	100.0%
總和	89	100.0	

# of Children

	Count	%	Cumulative %
1 0	35	39.3	39.3
2 1	14	15.7	55.1
3 2	34	38.2	95.3
4 3	4	4.5	99.6
5 4 及以上	1	1.1	100.0
總和	89	100.0	

Monthly Income

		Count	%	Cumulative %
有效的	1 未滿$50,000	0	.0	.0
	2 $50,001-75,000	48	53.9	53.9
	3 $75,001-100,000	18	20.2	74.2
	4 $100,001-150,000	10	11.2	85.4
	5 $150,001-200,000	8	9.0	94.4
	6 $200,001 以上	5	5.6	100.0
	總和	89	100.0	

Educational Attainment

	Count	%	Cumulative %
High School	5	5.6	5.6

		Count	%	Cumulative %
	College or Technical School	40	44.9	50.6
	Master's	40	44.9	95.5
	Doctoral	4	4.5	100.0
	總和	89	100.0	

Q7 請問您過去一個月中外食的 Count？

		Count	%	Cumulative %
有效的	1 含 3 次及以下	6	6.7	6.7
	2 4-6 次	9	10.1	16.9
	3 7-9 次	9	10.1	27.0
	4 10-12 次	10	11.2	38.2
	5 13-15 次及以上	55	61.8	100.0
	總和	89	100.0	

Q8 請問您平日幾點開始用午餐？

		Count	%	Cumulative %
有效的	2 11:01-11:30	3	3.4	3.4
	3 11:31-12:00	8	9.0	12.4
	4 12:01-12:30	51	57.3	69.7
	5 12:31-13:00	19	21.3	91.0
	6 13:01-13:30	5	5.6	96.6
	7 13:30 以後	3	3.4	100.0
	總和	89	100.0	

Q9 請問您平日幾點開始用晚餐？

		Count	%	Cumulative %
有效的	2 17:01-17:30	0	.0	.0
	3 17:31-18:00	1	1.1	1.1
	4 18:01-18:30	17	19.1	20.2
	5 18:31-19:00	23	25.8	46.1
	6 19:01-19:30	21	23.6	69.7
	7 19:30 以後	27	30.3	100.0
	總和	89	100.0	

Number of Meals in Month $1,001-$1,500 per person

		Count	%	Cumulative %
	1 0 次	47	52.8	52.8
	2 1 次	19	21.3	74.2
	3 2 次	10	11.2	85.4
	4 3 次	6	6.7	92.1

	Count	%	Cumulative %
5 4 次	4	4.5	96.6
6 5 次	1	1.1	97.8
9 8 次	1	1.1	98.9
11 10 次及以上	1	1.1	100.0
總和	89	100.0	

Q11c $1501-2000

	Count	%	Cumulative %
1 0 次	71	79.8	79.8
2 1 次	8	9.0	88.8
3 2 次	6	6.7	95.5
4 3 次	1	1.1	96.6
7 6 次	1	1.1	97.8
11 10 次及以上	2	2.2	100.0
總和	89	100.0	

Q11d $2001-2500 及以上

	Count	%	Cumulative %
1 0 次	79	88.8	88.8
2 1 次	4	4.5	93.3
3 2 次	3	3.4	96.6
4 3 次	1	1.1	97.8
6 5 次	0	.0	97.8
11 10 次及以上	1	1.1	98.9
總和	89	100.0	

Q12_1 [知名度(知名主廚，媒體曝光)] 在什麼情形下，您願意支付每人超過新臺幣 $ 1,500 以上的餐飲費用？ (複選，最多複選三項)

Reasons for spending over $1,500 on a meal	Count	%	Cumulative %
Special Occasions (Birthday Parties, etc.)	57	25.6	25.6
Family Dinners	40	17.9	43.5
Work Related	32	14.3	57.8
Dates	29	13.0	70.9
Reputation (of Chef, of Establishment)	23	10.3	81.2
Social Gathering with Friends	19	8.5	89.7
The quality of the atmosphere of the restaurant	15	6.7	96.4
Trendiness, novelty of establishment	8	3.6	100.0
Other	0	.0	100.0
總和	223	100.0	

Times Eaten at Western Restaurant in Last Month

		Count	%	Cumulative %
有效的	1 含 3 次及以下	44	49.4	49.4
	2 4-6 次	28	31.5	80.9
	3 7-9 次	10	11.2	92.1
	4 10-12 次	5	5.6	97.8
	5 13-15 次及以上	2	2.2	100.0
	總和	89	100.0	

Units Alcohol Drunk when Eating at Western Restaurant

		Count	%	Cumulative %
有效的	1 0 杯	56	62.9	62.9
	2 1 杯	22	24.7	87.6
	3 2 杯	9	10.1	98.7
	4 3 杯	1	1.1	99.1
	5 4 杯及以上	1	1.1	100.0
	總和	89	100.0	

Reasons for Eating Out (A)

		Count	%	Cumulative %
有效的	Do not cook at home	48	53.9	53.9
	High quality of food	19	21.3	75.3
	Social event with friends	41	46.1	121.3
	Family gathering	50	56.2	177.5
	Date	15	16.9	194.4
	Work related	32	36.0	230.3
	Special activity (Birthday, etc.)	23	25.8	256.2
	Other	5	5.6	261.8
	總和	89	261.8	

Reasons for Eating Out (B)

		Count	%	Cumulative %
有效的	Do not cook at home	48	20.6	20.6
	High quality of food	19	8.2	28.8
	Social event with friends	41	17.6	46.4
	Family gathering	50	21.5	67.8
	Date	15	6.4	74.2
	Work related	32	13.7	88.0

	Count	%	Cumulative %
Special activity (Birthday, etc.)	23	9.9	97.9
Other	5	2.1	100.0
總和	233	100.0	

With Whom Does Respodent Most Often Eat

	Count	%	Cumulative %
Oneself	8	9.0	9.0
Spouse	39	43.8	52.8
Children	8	9.0	61.8
Parents	2	2.2	64.0
Coworkers or Clients	15	16.9	80.9
Friends	9	10.1	91.0
Boy/Girlfriend	8	9.0	100.0
總和	89	100.0	

How Many People in Attendance When Eating Out

	Count	%	Cumulative %
1 自己 1 人	11	12.4	12.4
2 2 人	30	33.7	46.1
3 3 人	20	22.5	68.5
4 4 人	21	23.6	92.1
5 5 人及以上	7	7.9	100.0
總和	89	100.0	

Times Gone to Movie Theater in Past 3 Months

	Count	%	Cumulative %
1 3 次及以下	77	86.5	86.3
2 4-6 次	11	12.4	97.9
3 7-9 次	0	.0	98.3
5 13-15 次及以上	0	.0	100.0
總和	89	100.0	

When Going to Movie Theater, Does Respondent Eat or Drink?

	Count	%	Cumulative %
Yes	63	70.8	70.8
No	26	29.2	100.0
總和	89	100.0	

When Going to Theater, What is Average Per Person Spend?

		Count	%	Cumulative %
有效的	1 $150-350	53	59.6	59.6

2 $351-500	29	32.6	92.1
3 $501-650	3	3.4	95.5
4 $651-800	1	1.1	96.6
5 $801 以上	3	3.4	100.0
總和	89	100.0	

Reasons to Go to Movie (A)

	Count	%	Cumulative %
To watch a specific movie	84	94.4	94.4
To meet with friends	49	55.1	149.4
Taking children to a movie	41	46.1	195.5
Date	48	53.9	249.4
For work	6	6.7	256.2
Special occasion (birthday, holiday, etc.)	34	38.2	294.4
Other	5	5.6	300.0
總和	89	300.0	

Reasons to Go to Movie (B)

	Count	%	Cumulative %
To watch a specific movie	84	31.5	31.5
To meet with friends	49	18.4	49.8
Taking children to a movie	41	15.4	65.2
Date	48	18.0	83.1
For work	6	2.2	85.4
Special occasion (birthday, holiday, etc.)	34	12.7	98.1
Other	5	1.9	100.0
總和	267	100.0	

With Whom Does Respondent Most Often go to Theaters

	Count	%	Cumulative %
Oneself	13	14.6	14.6
Family	46	51.7	66.3
Colleagues or Clients	5	5.6	71.9
Friends	9	10.1	82.0
Significant Others	16	18.0	100.0

總和	89	100.0	

With How Many People Does Respondent Normally Watch Movies

	Count	%	Cumulative %
1 自己 1 人	11	12.4	12.4
2 2 人	58	65.2	77.5
3 3 人	10	11.2	88.8
4 4 人	10	11.2	100.0
5 5 人及以上	0	.0	100.0
總和	89	100.0	

Kinds of Movies Most Watched (A)

	Count	%	Cumulative %
Hollywood New Releases	86	96.6	96.6
Art Films	15	16.9	113.5
Documentary	18	20.2	133.7
Classic Films	10	11.2	144.9
Taiwanese Films	39	43.8	188.8
Other	4	4.5	193.3
總和	89	193.3	

Kinds of Movies Most Watched (B)

	Count	%	Cumulative %
Hollywood New Releases	86	50.0	50.0
Art Films	15	8.7	58.7
Documentary	18	10.5	69.2
Classic Films	10	5.8	75.0
Taiwanese Films	39	22.7	97.7
Other	4	2.3	100.0
總和	172	100.0	

Favored Genres (A)

	Count	%	Cumulative %
Family	15	16.9	16.9
Animation	26	29.2	46.1
Comedy	35	39.3	85.4
Historical	17	19.1	104.5
Documentary	14	15.7	120.2
Action	61	68.5	188.8
Adventure	39	43.8	232.6
Horror	6	6.7	239.3

Suspense	9	10.1	249.4
Thriller	1	1.1	250.6
Drama	41	46.1	296.6
Other	3	3.4	300.0
總和	89	300.0	

Favored Genres (B)

	Count	%	Cumulative %
Family	15	5.6	5.6
Animation	26	9.7	15.4
Comedy	35	13.1	28.5
Historical	17	6.4	34.8
Documentary	14	5.2	40.1
Action	61	22.8	62.9
Adventure	39	14.6	77.5
Horror	6	2.2	79.8
Suspense	9	3.4	83.1
Thriller	1	.4	83.5
Drama	41	15.4	98.9
Other	3	1.1	100.0
總和	267	100.0	

Level of Interest in Trying Concept (1-5: Very Uninterested to Very Interested)

	Count	%	Cumulative %
1 0 (非常不願意)	5	5.6	5.6
2 1	9	10.1	15.7
3 2	16	18.0	33.7
4 3	18	20.2	53.9
5 4	20	22.5	76.4
6 5 (非常願意)	21	23.6	100.0
總和	89	100.0	

Date Most Interested In Trying Service

	Count	%	Cumulative %
Weekdays	11	12.4	15.5
Weekends	60	67.4	63.5
Holiday (Valentines', New Year, Christmas, Mother's Day, etc.)	18	20.2	100.0
總和	89	100.0	

Willingness to Pay (Food Only, Menu in Appendix)

	Count	%	Cumulative %
1 $1000 及以下	55	61.8	69.5
2 $1001-1500	28	31.5	96.6
3 $1501-2000	6	6.7	99.6
4 $2001-2500 以上	0	.0	100.0
總和	89	100.0	

Reasons to Attend Concept (A)

	Count	%	Cumulative %
Trendiness/Novelty Value	63	70.8	70.8
Social gathering with friends	49	55.1	125.8
Activity with children	35	39.3	165.2
Date	50	56.2	221.3
For work	17	19.1	240.4
Special occasion (birthday, holiday, etc.)	50	56.2	296.6
Other	3	3.4	300.0
總和	89	300.0	

Reasons to Attend Concept (B)

	Count	%	Cumulative %
Trendiness/Novelty Value	63	23.6	23.6
Social gathering with friends	49	18.4	41.9
Activity with children	35	13.1	55.1
Date	50	18.7	73.8
For work	17	6.4	80.1
Special occasion (birthday, holiday, etc.)	50	18.7	98.9
Other	3	1.1	100.0
總和	267	100.0	

3.3A


10.8%
6.5%
4.5%
10.9%
23.7%
5.9%
5.3%
19.4%
2.9%
Tamsui River
Keelung River
Sun Yat-sen Freeway
Yuanshan Interchange
Taipei Main Station
Zhongxiao E. Rd., Sec. 3
Xinyi Rd., Sec. 4
Heping E. Rd.
Elephant Mountain
Lion Mountain
Youth Park
Daan Forest Park
Songshan Airport
Ximen
Longshan Temple
Chiang Kai-Shek Memorial Hall
Taipei 101/World Trade Center
Xiangshan
Dadaocheng Pier
Taipei Bridge
Zhongxiao Bridge
Zhongxing Bridge
Minquan W. Rd.
Nanjing E. Rd., Sec. 2
Minsheng E. Rd., Sec. 5

3.3B

Place	Transportation	Grade A Offices	Luxury & Premium Shopping Area	High Income Neighborhood	Total
XinYi-Taipei 101	☆☆	☆☆☆	☆☆☆	☆☆☆	11
Taipei Main Station	☆☆☆	☆	☆☆	☆	7
Ximen	☆☆	-----	-----	-----	2
Dunhua Rd	☆☆	☆☆☆	☆	☆☆	8
Da Zhi	☆	☆☆	☆☆	☆☆☆	8

3.3C

PREMIER
RETAIL SPACE

Retail 24/7.

NOW AVAILABLE

Dunhua South Rd.

NOW AVAILABLE

敦化南路黃金店面

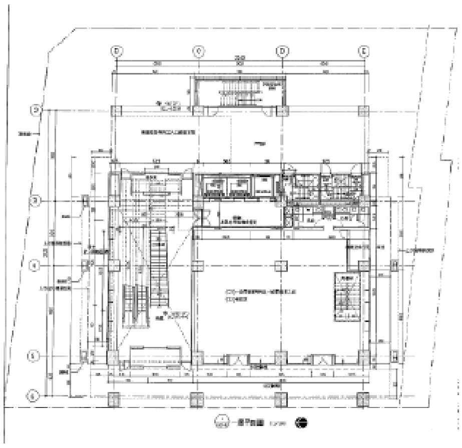
- 敦化南路、市民大道、忠孝東路人潮匯集
- 全新完工、挑高6.9米氣派店面
- 敦化南路、市民大道特色餐廳聚集，形成群聚

建物標的	:	富邦敦南大樓
地點	:	敦化南路一段/市民大道口
總樓層	:	17F/B4
出租單位 (gross ping)	:	1F 115.65 (EST. net area:1F: 85.45 ping 2F 151.29 2F:111.85 ping)
租金開價	:	1F: NT$16,000 (未稅) NT$12,000 2F: NT$6,500 (未稅) NT$5,000~ this one fits your need
樓層高度 Height	:	1F, 2F: 約6.9M
管理費	:	NT$220~240/坪/月(未稅) 待確認
竣工日期	:	Q4, 2014

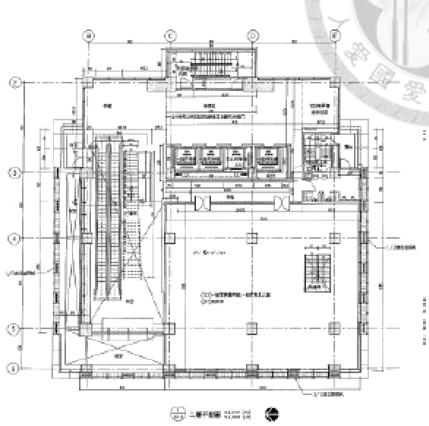
CBRE

SITE PLAN

1F Floor Plan



2F Floor Plan

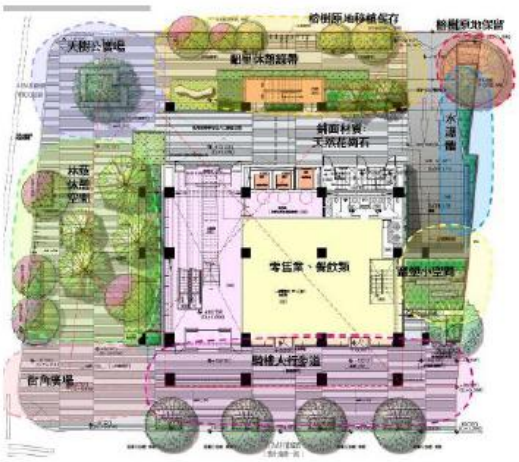


敦化南路一段

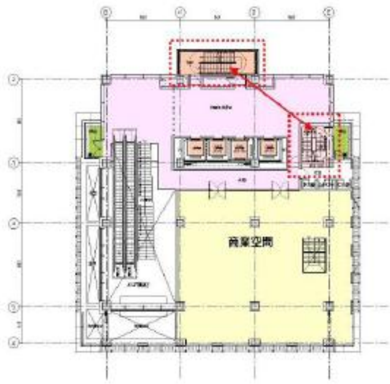
SITE PLAN

1F Floor Plan

市民大道



2F Floor Plan



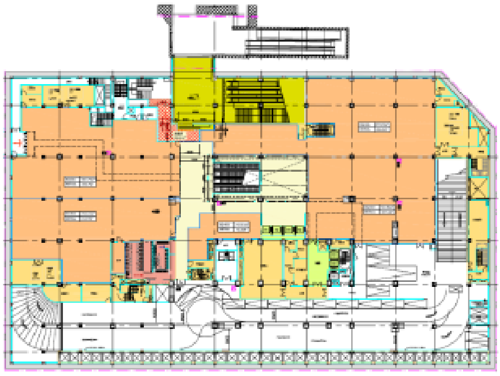
敦化南路一段


微風廣場
吉品海鮮
敦南會館
三井日本料理
SITE
CHA CHA THÉ
糖村
IPPUDO 一風堂
咖啡弄
Haagen Dazs
大腕燒肉
Sogo 忠孝館
Sogo 敦化館
市民大道
N

3.3D

NOW AVAILABLE

Site C



CBRE

Building Name	:	Cathay landmark square (A3)
Address	:	Xin Yi Planned District – A3., Taipei City
Availability	:	Q3 2015 (under construction)
Total Floor	:	46F/B5
Proposed Option	:	Option 1 B1 of Breeze Shopping Center Gross: B2-5: 407.14ping (14,486 sqft.) (EST.) B2-4: 349.94ping (12,451 sqft.) Net: B2-5: 264.64ping (9,416 sqft.) (EST.) B2-4: 227.46ping (8,093 sqft.) Efficiency: Est. 65%
Asking Rental	:	Option 1 15000-10000 NT$:15,000 per gross ping per month (exclusive of VAT) US$:14/per gross sqft. per month
Remark	:	B2F-4F Breeze Shopping Center
Slab to slab	:	5.5m

2

3.4A

總　價　分　析　表

The Theatre

中華民國 1 03年07月23日　　　　　　　　　　　　　　N O : 139136

號碼	品名	規格	數量	單價	金額	備註
1	Woodwork and finishings	式	1	4,587,600	4,587,600	
2	Lighting and Equipment	式	1	2,300,000	2,300,000	全室燈具　水晶主燈*2
3	Wiring and Plumbing	式	1	2,097,600	2,097,600	
4	Air Conditioning	式	1	1,459,200	1,459,200	
5	Paint	式	1	929,600	929,600	
6	Wallpaper	式	1	762,400	762,400	
7	Carpet	式	1	1,223,200	1,223,200	
8	Concrete	式	1	875,200	875,200	入口吧檯.候位區 / 面貼大理石
9	鐵件樓梯工程	式	1	900,000	900,000	
10	Glass	式	1	530,000	530,000	
11	Furniture	式	1	1,395,000	1,395,000	一.二樓沙發.桌椅 / 未含廚房
12	Projector and Sound Equipment	式	1	750,000	750,000	含音響
13	Fire Safety Equipment/Sprinklers	式	1	474,800	474,800	
14	Cleaning	式	1	319,200	319,200	
					0	
					0	
					0	
					0	
					0	
					0	
					0	
					0	
	＊ 1、本次工程不含大樓所需規費及室內裝修				0	
	相關 証照申請費用。				0	
				合　計	NT$18,603,800	

總 計 新 台 幣 $ 壹 仟 捌 佰 陸 拾 萬　元整

3.4B

Kitchen Equipment

1. Double Convection Oven
2. 6-burner range, 2 ovens below
3. Work Counter with drawers below
4. Char-broiler
5. Work Counter, storage below
7. Chef's refrigerator
8. Chef's refrigerator
9. Box dish machine
10. 3 "Dish dollies" for holding and transporting clean dishes to serving line (This can be reduced to 2, so remove C)
11. Double sink table for cold prep area (including corner work space and fridge)
12. Walk-in Refrigerator
13. Walk-in Freezer (can be reduced in size)
16. Manager's shared office with chef

17. Food and Dessert Serving Counter

1 walk in refrigerator with freezer ($200,000)

2 free standing reach in boxes, ($90,000)

1- 6 burner range with 2 ovens ($90,000)

1- Espresso machine ($130,000)

2- 1 double convection oven ($100,000)
3- 1 double steamer ($85,000)
4- 1 char grill ($9,000)
5- Additional service line tables, sinks, mixer, etc. (~$250,000)
6- China, glass and flatware plus linen place mats for trays, napkins, etc. (100 sets @ $5,000/set)

Total Kitchen Equipment Cost: $1,454,000