



An emerging south-east Asian brand: MK Restaurants

Pannapachr Itthiopassagul^a, Paul G. Patterson^{b,*}, Bhuminan Piyathasanan^a

^a Graduate School of Business, Thammasat University, Bangkok, Thailand

^b School of Marketing, Australian School of Business, University of NSW, Sydney, NSW 2052, Australia

ARTICLE INFO

Keywords:

Service brands
Asia
Service quality
Service leadership

ABSTRACT

This case study examines in detail the factors responsible for the emergence of a highly successful South-east Asian brand – MK Restaurants. MK restaurants is a privately owned company that has grown from humble beginnings to a chain of over 250 restaurants in Thailand and tasted success in expanding into Europe and Japan. Our analysis suggest that MK Restaurants has built the brand from through living a set of brand values, astute positioning that appeals to a wide demographic and the global trend towards healthier eating, and a marketing communications budget that exceeds McDonalds and KFC in Thailand. Furthermore, brand extensions, a genuine customer centric philosophy that is practiced at all levels in the firm, an adherence to the service-profit-chain concept (i.e., happy staff are more likely to deliver better service quality, which in turn drives customer loyalty and repeat patronage), and a state of the art logistic and supply chain system have all driven brand success. Key lessons for other service brands are drawn and explicated in the paper's final section.

© 2009 Australian and New Zealand Marketing Academy. All rights reserved.

1. Background

In Thailand, a nation of 60 million people, the restaurant industry is one of the most competitive in the country. As any of the 14 million international visitors to Thailand each year will note, food outlets are everywhere, from small carts lining every street and alleyway to five-star restaurants at some of the world's finest hotels. Entry barriers are relatively low.

The big challenge therefore for any new restaurant is how to position the brand and clearly differentiate it from more established competitors. While Thai food remains by far the most popular, the number of varieties and new concepts are constantly increasing. Within the Thai food segment, there are a number of successful restaurant chains including several offering Thai suki, or just "suki" as it is known (the suki concept is a hotpot of fresh meats and vegetables cooked by dipping the items in boiling soup and eating them with seasoned sauces). While the name suki might sound Japanese and most people might assume it is a variation of Japanese *shabu shabu* – suki is actually a twist on a Chinese steamboat dish. However it is uniquely Thai. The high concentration of vegetables combined with quality cuts of meat and seafood as main ingredients – all boiled rather than fried – has allowed suki to capitalize on the growing trend of healthier eating among the population at large.

The appealing taste of MK's suki and the enjoyment customers get out of cooking their own food at their own table (i.e., service co-production, (Pralad and Ramaswamy, 2004) appeal to all age groups from children and teens to adults and seniors. Suki is especially popular when dining out in large groups.

With 252 restaurants nationwide, expansion in Japan and Europe, and one of only a handful of S-E Asian brands to hold their own against global brands in any industry, MK Restaurants is by any metric, a success story (see Table 1). The purpose of this paper is therefore to examine the key success factors underpinning MK's emergence.

2. History

The founding of MK Restaurants Co. Ltd. dates back 42 years to the opening of a single Thai restaurant, named MK, in Siam Square in central Bangkok. Under the leadership of Mrs. Mekto or "Aunty Tongkam" as she was known, the restaurant grew in popularity. Besides the food, word-of-mouth spread rapidly about Aunty Tongkam's kindness, generosity and friendliness. This helped generate new customers and kept current ones coming back. As the current general manager Mr. Rid noted: "An essence of our success comes from my mother-in-law. Because she was so close to the customer she knew most of them by name. She knew their taste and sometimes customized her cooking to suit a customer's taste."

It was until some 20 years later that Mrs. Mekto and her family decided to open a second restaurant at Central Plaza Ladprao, a newly opened shopping centre in the suburbs of Bangkok. Then in 1986, Mrs. Mekto experienced the suki concept for the first time

* Corresponding author. Tel.: +61 2 9385 1105.

E-mail addresses: itthi@tu.ac.th (P. Itthiopassagul), p.patterson@unsw.edu.au (P.G. Patterson), bhuminan_p@hotmail.com (B. Piyathasanan).