

**BLUE OCEAN STRATEGY AND NEW BUSINESS MODEL
IN RESTAURANT INDUSTRY:
THE CO COOKING SPACE CASE**



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Thematic paper
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**BLUE OCEAN STRATEGY AND NEW BUSINESS MODEL
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THE CO COOKING SPACE CASE**

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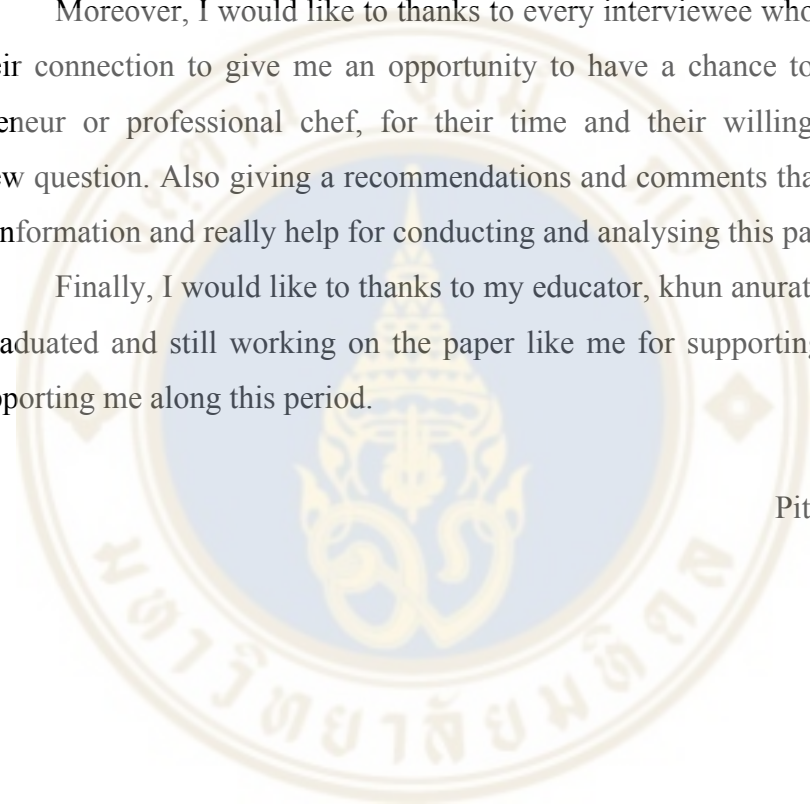
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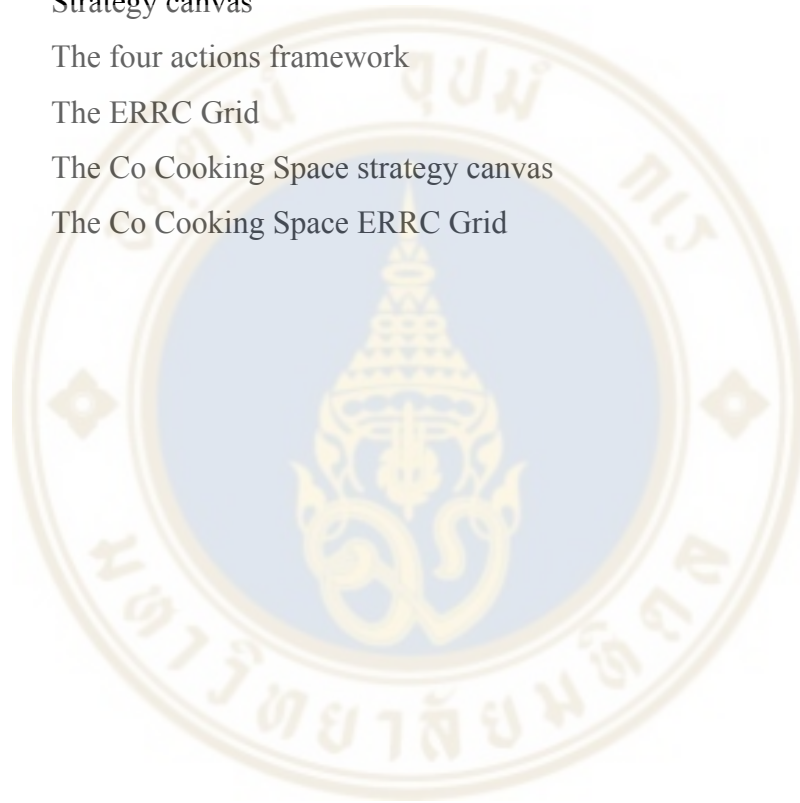
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ABSTRACT

The purpose of this study is to find out the values or factors that would help developing blue ocean strategy for a new business model “the Co Cooking Space” in Thai restaurant industry by conducting the in-depth interview among the cooking lover, food start-ups and professional chef. Then using blue ocean strategy tools such as the blue ocean strategy canvas or ERRC Grid to analyse the value that company should adjust their investment in to focus on the factors that really meet their customers’ needs.

The result shows that to be able to move in to blue ocean, company can ignore or reduce the factor such as service, reputation or price factor that restaurant in red ocean concern and raise or create a new value such as experience, space or privacy that companies in the red ocean doesn’t have which comes from customers’ value not competitor’s’ value.

KEY WORDS: Blue ocean strategy/ Restaurant industry/ The blue ocean strategy
canvas/ ERRC Grid/ Customers’ value

29 pages

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CHAPTER I

INTRODUCTION

The emerging trend of sharing economy and the Coworking space has been in interest issue for author as an entrepreneur to establish the idea of the Co Cooking Space which adopted the idea of a coworking space to build a new type of restaurant and/or party space. To understand the characteristic of the Co Cooking Space, the Author has to summarize the idea of a coworking space first which would be helpful to develop the idea of the Co Cooking space. The idea of the Co Cooking Space is trying to follow blue ocean strategy by creating a new market space and capture customers who are seeking a new value from the service. The rise of a coworking spaces have created a common space for one who has the same interest and ready to share their knowledge with the others. By adopting a concept of a coworking space, the Co Cooking Space are introduced as a new type of restaurant where would offer kitchen facilities and spaces for people who have passion for cooking and partying. The whole idea of the Co Cooking Space has been introduced to becoming a new type of restaurant that customers can bring their own main ingredient, cook by themselves and have fun with their friends can make their meal to the whole new experience.

Thai restaurant industry has been intense and challenging over the past decades. Companies have to maintain their existing customers while seeking new group of customers to be able to striving through these fierce market scenarios. While some companies will use normal conventional strategy which is either produce products or services with added value or low price. They must choose either one strategy in competing with other competitors which leading them into a raging price war. The marketing strategy gurus even develop strategies which are exactly the same as war tactical strategy such as guerrilla attacks, an eye for an eye and more. Many researchers called the normal marketing strategy as the red ocean strategy where the red ocean translate the intense marketing competition between companies in the same

industry offering the same products attracting the same customers to buy their products or services (Kim and Mauborgne 2007).

To fight the competition the normal conventional strategy is not enough anymore; what companies have to do is to radically overtake their competitors, to make the competition insignificant, by possibly developing and implementing a Value Innovation strategy, leading to pursue an uncontested market space, which usually called as Blue Ocean, (Kim and Mauborgne 2007) have laid out that instead of entering into the raging war, companies can breakout from the war by creating uncontested market place, making the competition irrelevant, creating and capturing new demand, breaking the value and cost trade off, and aligning the whole system of a firm's activities with its strategic choice of differentiation and low cost.

In formulating the blue ocean strategy, a strategy canvas has been suggested to be designed as a diagnostic tool for building a compelling blue ocean strategy. It shows the current situation of the known market space that allows companies to understand where the competition is currently investing, the factors the industry currently competes on in product, service and delivery and what customers receive from existing competitive offerings on the market.

Upon successfully understanding the current competition there are four actions framework that has to be implemented by the companies which are simplify as eliminate, reduce, raise and create. These four actions are directed in answering these four questions as described below:

1. Eliminate: Which of the factors that the industry takes for granted should be eliminated?
2. Reduce: Which factors should be reduced well below the industry's standard?
3. Raise: Which factors should be raised well above the industry's standard?
4. Create: Which factors should be created that the industry has never offered?

This paper aims to find how targeted customers respond to the idea and to see which value can be influenced them to use the service. Thus, an entrepreneur can further develop this information to build their own business plan in the future.

Research questions

1. How enthusiasm to use co-cooking space?
2. Why do people use co-cooking space?
3. How are people willing to pay for using co-cooking space?



CHAPTER II

LITERATURE REVIEW

Since Co Cooking Space idea is a new idea that has just been emerged in the world business and no information was found about the idea in Thailand so there is no literature about the issue found in the database. Therefore, with the intensely market condition in the restaurant industry, the best way to start with the topic is to understand the market environment such as market size, market share or competitors which would help the companies to predict the business scenario for their future plan.

2.1 Current market situation

In 2017, there are around 12,000 restaurants in Thailand which are registered with the Department of Business Development with 78 billion baht in register capital while there are another 200 thousand restaurants without registered in the market. The market value in 2016 has grown from 2015 and 2014 1.9-2.7% and 4% respectively with the total value of 382-385 billion baht and 375 billion baht respectively. The changing lifestyles and behaviour of consumers are leading to innovations and changes in the restaurant business including changes to restaurant setups and the introduction of new food products that are more modern and suitable for the new generation of consumers. The number is projected to be growing in the next following years due to the growth of tourism industry and the expansion of private consumption. The main player in the restaurant industry can be divided into two main groups, the restaurant chain which is about 30% of the market value which is about 1 hundred and ten billion baht and the other 70% market value are from a typical restaurant (medium and small size) with 265 billion baht in market value.

The following section deals with the concept of a coworking space that would allow the reader to better understanding the characteristic of a coworking space that could lead in developing a business idea of the Co Cooking Space in terms of

business overview and strategy which will be conjugate with blue ocean strategy in the last section.

2.2 What is coworking space?

According to Moriset (2013), referred to the term “third place” which was coined by American sociologist R. Oldenburg (1989) to describe places out of the home and the office where people use to convene and socialize in a free, informal manner. Oldenburg regards those places as irreplaceable in the production of the urban social fabric. Cafés and Starbucks, McDonald's restaurants, hotel and airport lounges, the hairdresser or barber shop, are typical third places. The use of third places by members of the creative class predates computers and the Internet.

Moriset (2013) also stated that coworking space is conceptualized as "drop-in" offices, and the degree of professional interaction is usually low. Coworking practices may be sought after, but remain accidental. Flexible office providers offer office rental solutions but do not seek to establish any collaborative practice or atmosphere. While Coworking Wiki defines coworking space in this way, they are built around the idea of community- building and sustainability. Coworking spaces agree to uphold the values set forth by those who developed the concept in the first place: collaboration, community, sustainability, openness, and accessibility.

From The rise of coworking spaces: A literature review by Gandini (2015) illustrate an interest meaning of coworking spaces as a shared work place utilised by different sorts of knowledge professionals, mostly freelancers, working in various degrees of specialisation in the vast domain of the knowledge industry. Practically conceived as office-renting facilities where workers hire a desk and a Wi-Fi connection these are, more importantly, places where independent professionals live their daily routines side-by-side with professional peers, largely working in the same sector – a circumstance which has huge implications on the nature of their job, the relevance of social relations across their own professional networks and –ultimately – their existence as productive workers in the knowledge economy.

In conclusion, the concept of coworking space from previous studies is a place which is not home and office where offer services so-called share-desk and facilities such as Wi-Fi or computer/laptop to their tenants in hourly, daily, weekly or monthly rate. The tenants can share same or different interest and profession which sometimes they would exchange their own experience and view to the others. They usually are freelancers or work-from-home officers who find a place to finish their job while still have creativity environment. Therefore, the idea of the Co Cooking Space which is adopted from the idea of coworking space can be elucidate by the author as a share-kitchen where non-professional-chefs or freelance chefs who are passionate in cooking can rent in a package or period of time to demonstrate or develop their menus which can not be done by their own kitchen due to limited of space, equipment or other issues. However, the idea before developing might not work well as a kitchen for professional because most of the professional got their own kitchen and might not use share-kitchen where they are not familiar with. To be able to survive in the business world, the first idea has to be developed through the strategy that could create a competitive advantage over its competitors. So that in the next section will introduce the blue ocean strategy which can be applied with the prior idea of the Co Cooking Space and develop to the final idea that might work in the current market situation.

2.3 Blue Ocean Strategy

Most of the previous studies about blue ocean strategy followed Kim & Mauborgne (2005), which stated that although the term blue oceans are new but their existence is not. They appear in business life over the past hundred years even we can see it or not. Going back in time in the auto industry, for example, from 1900 to 1940 when Henry Ford create the Ford Model T. He created a blue ocean by making his product easy to use, reliable and priced so that Ford could have dominated the market by 61 percent. After that, it is ford itself that has been overtaken by another strategic move, General Motors who created the new market space of emotional, stylised cars. So that GM's market share increased from 20 to 50 percent while Ford's fell from 50 to 20 percent. And then to the 1980s when Japanese car companies create the blue

ocean of small, gas efficient autos (Kim & Mauborgne, 2005). We can see this loop over and over again in the market which companies try to outperform their incumbent by creating new value to create a long run profit.

Blue ocean is characterized by factors like uncontested market space, demand creation as well as opportunity for long-term highly profitable growth (Kim & Mauborgne, 2004). On the other hand, red ocean is a metaphor adopted to represent all the existing industries, commonly referred to as the known market space (Kim & Mauborgne, 2005). It represents a scenario where companies strive to outperform rivals in order to grab a superior share of existing demand (Kim & Mauborgne, 2005). As competition in the known market space rises, predictions for profits and growth tend to diminish gradually. As a result, products are regarded as commodities and fierce rivalry turns the ocean into bloody red.

Figure 1 summarizes the key factors of difference between Red vs. Blue ocean strategy.

Red Ocean Strategy	VS	Blue Ocean Strategy
Compete in existing market space.		Create uncontested market space.
Beat the competition.		Make the competition irrelevant .
Exploit existing demand.		Create and capture new demand.
Make the value-cost trade-off.		Break the value-cost trade-off.
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost .		Align the whole system of a firm's activities in pursuit of differentiation and low cost .

Figure 1: “Red vs. Blue Ocean Strategy” (Blue Ocean Strategy, 2015)

Therefore, what splits and divide winners from losers in the process of Blue Oceans is their attitude to strategy (Leavy, 2005). In fact, as mentioned before, creators of blue oceans do not benchmark rivals, but rather adopt a different strategic logic usually called “Value Innovation” (Kim & Mauborgne, 2005).

2.4 Value Innovation

What can separate winner in creating blue oceans was their approach to strategy. The companies who followed a conventional approach while competing with their rivals by building a defensible position within the existing industry order would stuck in the red ocean. The one who tries to create the blue ocean didn't use the competition as their benchmark. Alternatively, they followed a different strategic logic that we call value innovation (Kim & Mauborgne, 2005). Companies should focus on making the competition irrelevant instead of focusing on beating the competition, in order to do those companies should create a leap in value for buyers and companies itself, therefore opening up new and uncontested market space. The term "Value Innovation" is equal emphasis on value and innovation. To be sufficient to make you stand out in the marketplace, you need both value and innovation. Value without innovation, it will quickly be imitated. Innovation without value, they will produce products and/or services beyond what customers are ready to buy or use. (Chang, 2010)

Value innovation is the simultaneous pursuit of differentiation and low cost, creating a leap in value for both buyers and the company (Bologna, 2014). It created in the area where a company's actions affect both its cost structure and its value proposition to buyers. Figure 2 illustrates that cost savings are made by eliminating and reducing the factors an industry competes on and buyer value is lifted by raising and creating elements the industry has never offered (Bologna , 2014).

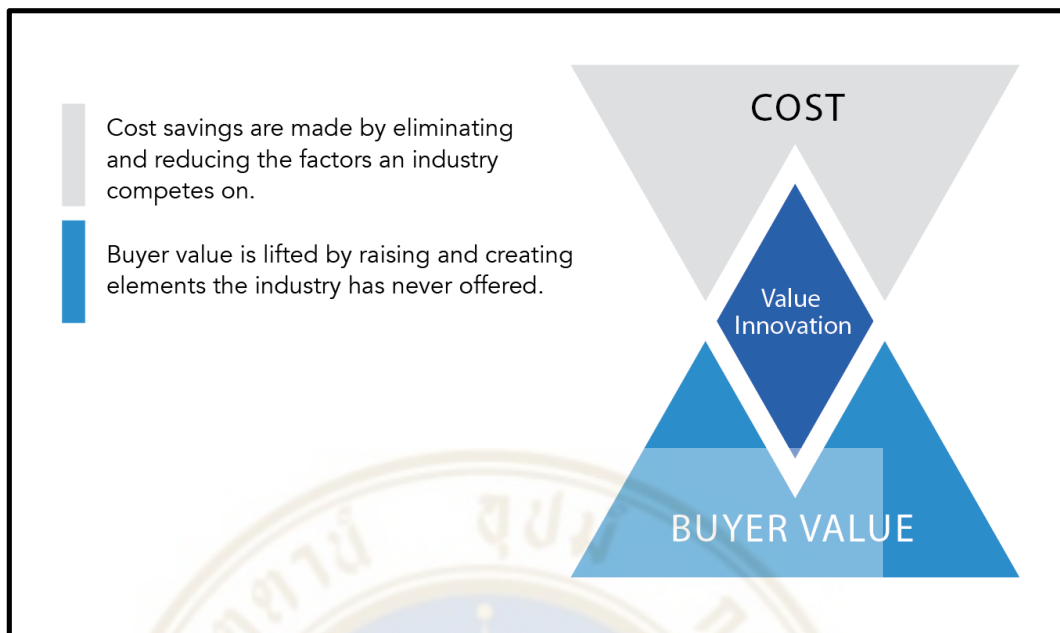


Figure 2 “Value Innovation” Source: (Blue Ocean Strategy, 2015)

2.5 Blue Ocean Strategy: Main Tools and Frameworks

Kim and Mauborgne showed a number of effectual tools, frameworks and methodologies for the purpose of establish and perform Blue Ocean strategy along with guiding organization regarding the quest of value innovation. Well then, the two co-authors transformed the Blue Ocean Strategy into a system that may be expected to be well-ordered and repeatable.

2.5.1 The Strategy Canvas

The strategy Canvas is an appreciable analysis and action framework applied by companies to comprehend a value-innovating Blue Ocean Strategy (Kim & Mauborgne, 2005). Figure 3 describes the tool in graphic form. More accurately, the horizontal axis lists the range of factors that the industry competes with and invests in the industry structure from the market perspective; while the vertical axis shows the offering level the company proposes to buyers with respect to each competing factor included in the horizontal axis (Kim & Mauborgne, 2005). In particular, a high offering level may be regarded as consistent investments the company makes in order

to offer buyers more with respect to the corresponding competing factor (Kim & Mauborgne, 2005).

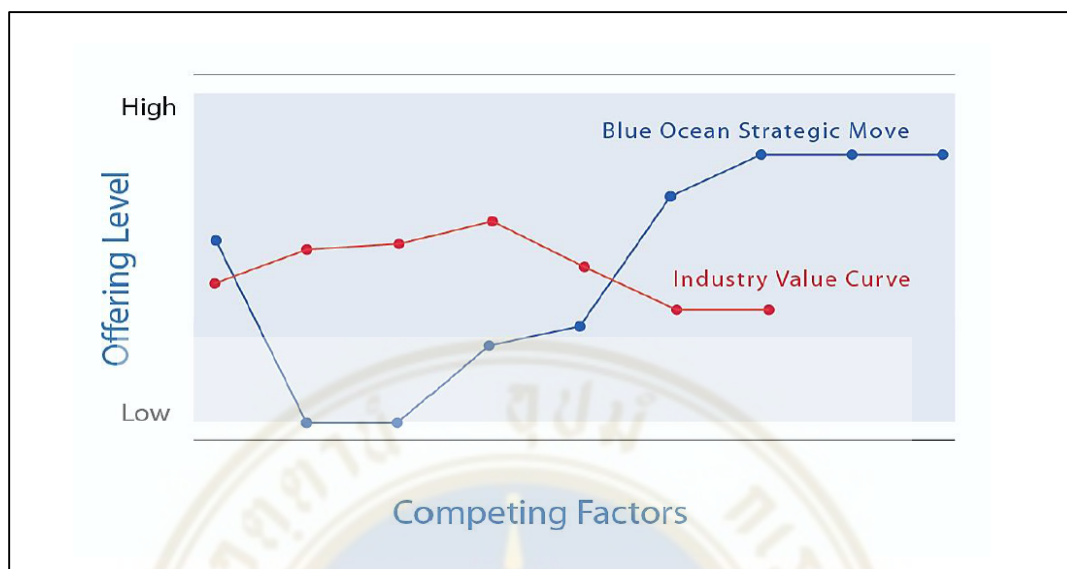


Figure 3 “Strategy Canvas” Source: (Blue Ocean Strategy, 2015)

The strategy Canvas shows to deliver two objectives. Firstly, it differentiates the instant state of the situation in the common market space, so that companies can understand the value that the industry competes on and where their competitors invest in (Kim & Mauborgne, 2005). Secondly, it uses to overhaul users’ strategic focus to response by moving attention from rivals to opportunities and from customers to non customers of the industry.

The value curve is the fundamental constitutive of the strategy canvas and it is a pictorial description of a company’s coherent performance across its industry’s factors of competition (Kim & Mauborgne, 2005).

2.5.2 The Four Actions Framework

Companies use the Four Actions Frameworks to rebuild buyers’ value components in creating a new value curve (Kim & Mauborgne, 2005). The framework represents four key questions, showed in Figure 4, to challenge the strategic logic an industry is lodged in (Kim & Mauborgne, 2005). The Four Actions Framework is a tool severely related to the Strategy Canvas. In fact, it would not be possible to

consistently build a value curve without first answering appropriately to the four questions posed by the tool.

The objective of the “eliminate” factors is to cut costs used for competition and which have less effect. The objective of the “reduce” factor is to narrow the product and services to those which are “successful”. Companies don’t need to focus on products which are not working and costing money just to have a larger range. The goal of the “raise” factor is to grasp what are the customers’ standards and go above them to make them more than just fulfilled. The goal of the “create” factor is to find what will create a new demand/market. All those factors together will bring the company to establish a blue ocean (Bologna, 2014).

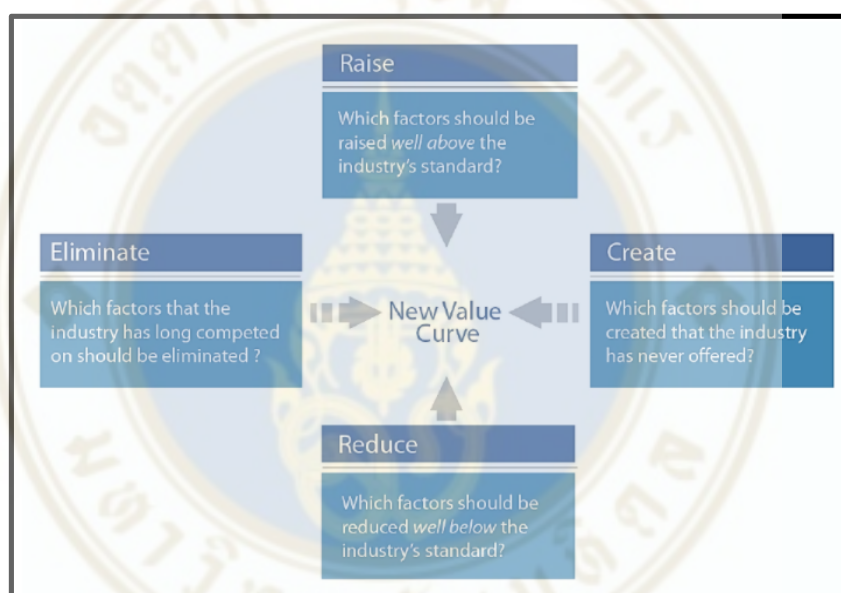


Figure 4 “The Four Actions Framework” Source: (Blue Ocean Strategy, 2015)

2.5.3 The ERRC Grid

The Eliminate-Reduce-Raise-Create (ERRC) Grid uses as ancillary components of the Four Action Framework. In particular, it impels companies not only to examine the questions involved in the Four Actions Framework but also to act on them to build a new value curve, which is necessary to unlock a new blue ocean (Kim & Mauborgne, 2005). By filling the grid (See Figure 5) with the actions of eliminating and reduction along with raising and creating, it will help companies many advantages. First and foremost, it drives companies to pursue differentiation and low cost at the same time in order to obtain value innovation (Bologna, 2014). Moreover, it

instantly aims companies to focus only on raising and creating, thereby which are used to only lift the cost structure as well as over-engineer products and services – a dilemma for many companies (Bologna, 2014). In addition, it is easily understanding by executives, to create a high degree of engagement in its application. Lastly, as accomplishing the grid is a chaotic work, it makes companies to stability consider each factor the industry competes with, assisting them to detect the range of tacit hypothesis they make unawares in battling (Bologna, 2014).

Eliminate	Raise
Which factors that the industry has long competed on should be eliminated ?	Which factors should be raised well above the industry's standard?
Reduce	Create
Which factors should be reduced well below the industry's standard?	Which factors should be created that the industry has never offered?

Figure 5 “The ERRC Grid” (Blue Ocean Strategy, 2015)

Moreover, there are several cases that refer to a business which using blue ocean strategy to create a new market for them to make profit in the industry. Bologna, (2014) studies about how the Eataly case that creates blue ocean by following the framework and logic to be profitable in Italy food industry. Kim and Mauborgne, (2005) show numerous blue ocean case studies such as the Yellow tail case in the US. wine industry or automobile industry in the US over the past hundred years. Kim, Yang, and Kim, (2007) demonstrate the case of CJ-Global Logistics Service in a South Korean third-party logistic system industry that uses blue ocean strategy to becoming successful. Chang, (2010) uses the blue ocean strategy, proposed by Kim and Mauborgne, to confirm the applicability of the blue ocean strategy of a Bandit cell phone case that can grow their sale volume in Chinese mobile industry. Lindić, a,

Bavdaz̃a, and Kovaciĉ̃b, (2012) suggested implication for Slovenia's economic policy by using blue ocean strategy. Hollensen, (2013) shows the necessity to create a dynamic strategy in order to stay in the blue ocean and not to go back to red ocean ever again by the case of Nintendo Wii that their competitors can imitate them because they are not able to generate enough competitiveness safe-guarding tools to prevent competitors to poach their ocean.

According to the previous studies, blue ocean strategy can be useful to outperform their competitors by creating a new territory as we can see in many cases. By using frameworks and logic to examine success and unsuccessful case will help us to formulate a new business plan for the Co Cooking Space which follows blue ocean strategy and prevent the idea from imitated by competitors by raising value that could survive in the market.

The following chapter presents the steps for finding the answer to the question that which value would be the answer to create a new business idea- the Co Cooking Space- which integrating with blue ocean strategy.

CHAPTER III

METHODOLOGY

The primary and secondary data are used in this study. Qualitative collection method is used for primary data by gathering through an in-depth interview of the target customers and others stakeholder. The researcher will select the interviewees by choosing the stakeholders such as target customers that would have a probability to use the product or service and partners that could help in the business and use in-depth interview with open-ended questions to get information and more recommendations from the interviewees. Then the researcher will make data analysis from the interview by gathering and grouping information according to the topic.

3.1 Research questions

I sought to answer the following research questions based on three parts of the activity system, the object, actors, and outcome:

Research question 1: How enthusiasm to use co cooking space? That is, how do target customers think about the idea of co cooking space when it is the new idea of service that hasn't introduced yet in Thailand and how do they like or unlike about the idea.

Research question 2: Why do people use co-cooking space? What motivations do the targeted customers will consider use co cooking space? Also the recommendation for the service which they willing to have in the scope of a co cooking space.

Research question 3: How are people willing to pay for using co-cooking space? Which is, how much do target customer willing to pay for using the service per hour and the condition of package that will fit for them.

The secondary data is collected from many sources such as articles published in leading academic and practitioner-oriented management journals. Focusing on articles that contain the term business models, blue ocean strategy, and a coworking space. To identify relevant articles, we adopted the following three additional criteria for our literature review on those three topics. First, to be included in our review, an article must deal with the topics concept in a non-trivial and non-marginal way. Second, an article also must refer to the topics as a concept related to business firms. Finally, the journal in which the article appeared must be ranked in the ISI Web of Knowledge. Drawing on these works of literature could help put future research on the topic on a more solid conceptual footing. Given space and scope considerations for this article.

3.2 Data Collection

Regarding the qualitative research method, the individual interview is the only method to collect the data that fit the scope of the study. The author will conduct by using phone interview depending on the available time of the interviewees among 17 people who have a passion for cooking and can be targeted customer of co-cooking space. The characteristic of these people is they love to cook by themselves and love to organize a party in their house or their friend's house when they have an opportunity. The question will be related to the main research questions to see what is the reason for them to use the Co cooking space service if not why? The sample size is quite small in term of the number but these group of people lifestyle is fit the targeted customer group that Author interested.

3.3 Data Analysis

After gathering data from the previous part, the author will categorize the answer into different value and cross back with prior blue ocean strategy canvas of the industry canvas. Then author will formulate four actions framework which consists of

eliminate, reduce, raise and create. These four actions then are the basis for creating a new strategy canvas.

To help keep track of your competitive factors and see what you are doing, the Eliminate-Reduce-Raise-Create Grid (ERRC) keeps the factors sorted. Once you have this information, now you can recreate your value curve on the strategy canvas.



CHAPTER IV

RESEARCH FINDING

This chapter will state the result from conducting the semi-structured interview among 17 respondents who have passion in cooking and love to organize house party with their friends that would interest in Co cooking space service and can become a target customer in the future.

Most respondents were interested to use Co cooking space service with the wide range of rate per hour from 80-3000 baht per hour depends on the package, equipment and ingredient that Co cooking space offering, and how professional they are. One of the respondents is a professional chef from one restaurant who says that he willing to pay 1500-3000 baht per hour to use fully kitchenette equipment such as sous vide machine, dry age machine or molecular equipment. Most of the respondents concerned about privacy and location issues because when they throw the party, it can be very loud noise in the area and they just need to be just their group with an easy access location for all friends. Ingredient and equipment are also two main issue to the respondents which stated that “I would use it if there is some equipment that I don’t have or don’t plan to buy in the near future such as bakery tools”, “I would prefer Co cooking space that could offer variety of ingredient to cook” and “It would be interesting if Co cooking space can provide some extraordinary ingredient such as red miso or yuzu orange from Japan”.

There are some surprising answers from respondents such as few of them would require cleaning service after their meal from the Co cooking space that they just cook, eat, hang out and enjoy with their friends and just leave the space without cleaning anything. Moreover, instructor or mentor is another issue that respondents answer which they require someone to help them when they try to cook or prevent them from burning up something. Instructors can be helpful when they try to learn new menu and practice after they are ready to show their friends or families.

Respondents also give recommendations through the last part of the interview that would help to scale up the business to the bigger market size. Being a space for a workshop or open as a kind-of-cooking school can capture more customer who wants to learn to cook or a new menu. Also, food start-ups can be beneficial from the Co cooking space as one respondent who works in a food start-up in the US. that cook variety of healthy lunch for office with a mass number of boxes. Capacity and equipment are their main factor of using cocooking space not their own kitchen when compared to the cost of constructing a bigger kitchen to the price of using the co cooking space service. Health concerned is one of the issues that few respondents bring up in the interview because in the US. or even in Thailand, the cleanliness of kitchen is required to pass the standard or law to be able to sell as goods while cooking in their own kitchen may not pass the standard.

The food industry, especially the restaurant sector, is commonly regarded as a matured marketplace. The imperative strategic logic of this market is to fiercely benchmark competitors, by triggering a tough price battle that results in the creation of a definitely bloody red battle space. This harsh business scenario has been generated by the sudden change in needs and preferences of average consumers. By using blue ocean strategy, business can find a new territory that hasn't got a treat in the marketplace. As far as the subject-matter of this study is concerned, the figure below gives a picture of Co cooking space Strategy Canvas. In particular, the company value curve may be analysed in comparison with the value curves representing its closest industry competitors: The Hi-end restaurant and Mid-level restaurant. On the x-axis are captured the main factors of competition the company eliminated, reduced, raise, and created. Together, these factors lay down the foundation of the value curve. On the y-axis, instead, the relative performance of Co cooking space along with each competitive variable is mapped.

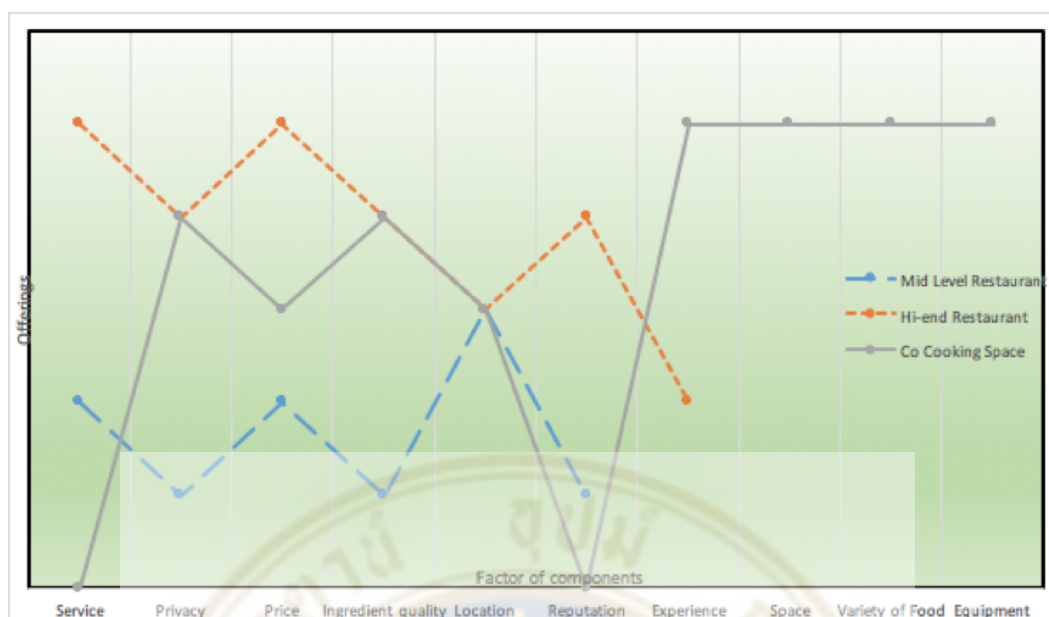


Figure 6: “The Co Cooking Space Strategy Canvas” Source: Own Constructed

From the graph above shows us the factors of competition in the analysis are as follows:

1. Service: the quality of service that restaurant offer to their customers
2. Privacy: the perceive of privacy during meal and party
3. Price: the level of price that restaurant would charge customers
4. Ingredient quality: the perceived quality of the ingredient sold.
5. Location: by where the restaurant located and how easily to access
6. Reputation: by how well-known of a restaurant or chef
7. Experience: the degree of willingness to convey to clients’ emotions, memories and experiences while eating.
8. Space: the presence of dining or cooking area in the restaurant
9. Variety of food: the range of food that player offer.
10. Equipment: that restaurant offer for customer to cook by themselves

The ERRC Grid below serves as a summary of the Co cooking space Blue Ocean Strategy graphically shown in the Strategy Canvas.

Eliminate		Raise	
<ul style="list-style-type: none"> - Service - Reputation 		Hi-end restaurant <ul style="list-style-type: none"> - Experience 	Mid-level restaurant <ul style="list-style-type: none"> - Price - Privacy - Ingredient quality
Reduce		Create	
Hi-end restaurant <ul style="list-style-type: none"> - Price 		<ul style="list-style-type: none"> - Space - Variety of food - Equipment 	

Figure 7: “The Co Cooking Space ERRC Grid” Source: Own Constructed

From ERRC Grid shows that from the research results the factors that the Co Cooking Space should eliminate or not investing are service and reputation (of a chef) due to the characteristic of the service that does not offering waiter or waitress in the so-called restaurant, users have to cook or serve by themselves. Then reputation of a chef is not required in the restaurant because they have to cook by their own hands.

While raising experience factor when compares to hi-end restaurant where they offer some experience on a meal by raising users’ experience through meal preparing and eating with their friends or families. Comparing to mid-level restaurant, the Co Cooking Space would raise their price, privacy and ingredient quality by offering a little bit higher price with higher ingredient quality in a private room for partying.

When comes to reducing, the Co Cooking Space would offer cheaper price compares to hi-end restaurant because they have a lot more cost on service, staff or price for making the menus to mark up the price to be expensive so the Co Cooking Space can offer cheaper price due to less cost.

The new value that the Co Cooking Space would offer where the market doesn't have can help the company goes in to blue ocean where there is no competition and they can name the price because they are the only one in the new territory. By offering space and kitchenware which users can use the kitchen to hangout with their friends and show how to cook their own menus lead the restaurant to be unlimited type or kind of menu depends on ingredient.

From all these value presented in ERRRC Grid would help the company to develop and allocate their investment to be focused on and can go into blue ocean where they don't have to compete with anyone and just focus on their customers' need to move in to blue ocean. The companies can attract both existing customers who are interesting to try new type of service and non-existing customers who have got a pain in their cooking activities or organizing a party at home.



CHAPTER V

CONCLUSIONS

Companies are used to play in the same game and same area which is red ocean where there is low profit margin, non-existent opportunities, and high competition. However, blue ocean strategy can be used as a solution for those problems.

To move away from competition, companies have to think out of the box by using blue ocean strategy as a tool to create a new market space where the company can set the rules, environment and then the competition will be irrelevant. The company will shift from focus on competitors' value to customers' value instead. Using value innovation as a key concept in blue ocean strategy, it can help form the strategy frameworks to follow on. For the sake of blue ocean, the company is liberating of adjusting competition factors.

In order to be successful in using the blue ocean strategy, it is important that everyone should understand the vision and the strategy to be more productive and focus on what they should do to achieve the goal while investing less than in red ocean.

Establishing a blue ocean strategy will bring about many dominances. First, competitors will not care about you and will not expect to develop a new strategy to beat you. So, in case of success, the company will be one step ahead and the competition will be irrelevant.

By using blue ocean strategy will send the company to be in a dominant position because it will set the rules, prices, regulations, and standards. So the company will have strong competitive advantages that would help prevent imitation in the end.

5.1 Implications

The purpose of this study was to find out the final value in the strategy canvas that would change from the prior one regarding respondents answer and help adapting the service from the first idea to meet the expectation of the target customers. To meet this purpose author provided and compared in-depth interview among the group of people that are a truly cooking lover who occasionally organise house party with their family or friends. These can represent the increasing trend of DIY or do it by yourself that currently occurred in Thailand where people want to have experience by doing by themselves and they can show their ability to the whole group through their eyes or social media. This study would benefit to the new entrepreneur who want to develop the idea of co cooking space that hasn't been in Thailand where we have a lot of restaurant. And to be able to survive in the bloody red ocean market such as food industry these days.

5.2 Limitation

This study does an interview among various people who both have and haven't got their own kitchen that would not represent the target customer who are cooking lover but does not have their own space and willing to use the service. Also some respondents are not live in Bangkok that is not suffered from lack of space to throw a party or hang out. Additionally, with a limited time and resources, this case study has a very small sample size in when considering to the market size and intensity of the market that would require more evidence to decide to do or not to do the business. There can be more variety of the answer to the same question in a bigger sample size. In addition, the qualitative research can give the inside answer of the sample group but to see the statistic result that which factors has stronger impact on the people decision to go to the co cooking space, the result would be stronger by conducting a questionnaire and do a quantitative analysis.

5.3 Recommendation

For the further study, to confirm in this study to the wider area, it would be better to repeat a qualitative interview with larger group of respondents. Also, conduct a quantitative interview by create a questionnaire related to the mentioned factors that can capture bigger sample size with have specific character that would fits to be targeted customers.





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Interview Questions

No	Questions
Part 1 introduction	
1	Do you love cooking?
2	Where are you usually cook?
3	Have you ever organize a party in your own private place?
4	How was it?
5	Have you ever face a problem that lack of space or equipment in your own place or kitchen?
6	Do you know co working space?
Part 2 factors	
7	Have you heard of co cooking space?
	Explain briefly about the concept of the Co Cooking Space
8	How do you think about the idea?
9	How enthusiasm to use the service?
10	Any recommendation comment or concern about the service?
11	How much would you pay for the service in an hour or package rate?