

UOB-SMU Entrepreneurship Alliance Centre

Red House Seafood Restaurant: Delighting Different Palates



It is easy to guess the origins of the “Red House” moniker. Established in Singapore in 1976 along Upper East Coast Road, the restaurant began dishing out delectable seafood cuisine in a colonial bungalow with an eye-catching, fire-engine red façade. Red House Seafood Restaurant soon garnered a loyal following with its brand promise of tradition, quality and service. In 1986, the restaurant relocated to East Coast Seafood Centre and since then, has continued to draw in loyal customers and diners in search of delicious seafood fare.

In 2008, Red House opened a second outlet at The Quayside in Robertson Quay. The central riverside location, which boasts a fusion of tradition and modernity, attracts a mix of Singapore-based executives and business travellers on work trips, and tourists. The open concept and cosy ambience also makes it a coveted venue for corporate events like product launches and private functions.

A “wok” in cyberspace

Singaporeans are well-known foodies who do not mind travelling long distances for a satisfying meal. With the advent of social media, it is easy to locate new eateries as soon as they open, and be updated about the latest food and beverage (F&B) trends and concepts. Social media offer the added advantage of personal comments, and complaints, from those who have experienced the newest and the latest, as well as the best and worst food encounters. The younger generation, in particular, is apt to upload in the public e-domain through blogs, Facebook and the like, photographs and commentaries even as a meal is in progress! Clearly, awareness-building using the different media platforms have real benefits.

For Red House, which is a pioneer in the Singapore seafood restaurant scene, banking solely on a tried-and-tested formula of a great track record and word-of-mouth endorsement has worked well for the last 33 years – but it is hardly sufficient to sustain its business growth into the future. Even though its signature dishes like Creamy Custard Prawns, Sri Lankan King Crabs in a Special Blend of Spicy Black Pepper and Chilli Crabs eaten with ‘man tou’ have become timeless classics, the intense competition in the F&B industry, and changing consumer demographics with the accompanying lifestyle and dining preferences, will impact its bottom line.

It is obvious that amidst the fast-changing F&B landscape, fired by even faster changing customer expectations, cooking up a storm is no longer enough.

Going beyond the traditional

Since its opening, Red House has always actively solicited feedback from its customers. And time and again, the positive comments have affirmed the restaurant’s underlying record of tradition, quality and service. Families – including multi-generational diners who have grown up on the Chinese restaurant’s seafood dishes – and in recent years, corporates and tourists, are its target customers.

“When I participated in the SME Consulting Programme, I was looking for insights with regard to the brand value of Red House. In particular, I wanted to know more about customer perception and knowledge of the brand amongst the younger generation,” says Ms Chang Yee Ling, director of operations at the restaurant.

Through the UOB-SMU Entrepreneurship Alliance which manages the SME Consulting Programme, three student-consultants from Singapore Management University (SMU), under the supervision of a project advisor, collaborated with Red House over a period of 12 weeks. The consulting team focused on the

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strategic direction and marketing strategies of the restaurant with the aim to build on its existing strengths, and leverage emerging dining trends to expand business.

Using methodical and scientific approaches in their market research, which included surveys and desktop research, the consultants submitted a report comprising an analysis of the restaurant's strengths and weaknesses. Backed by relevant and updated data, they devised a marketing strategy for Red House to capitalise on its existing assets, address its shortfalls and ready itself to seize existing and potential opportunities.

"My expectations were met. The project has certainly made a positive impact on our business," says Ms Chang. "The consultants' recommendations were practical, effective and creative, and did not involve huge investments." She complimented the team's enthusiasm, innovative ideas and quick turnaround time, and the extra effort to "summarise and separate immediately realisable ideas and longer-term goals". The research findings also gave Red House the impetus to experiment with new services and concepts.

Tasty takeaways

Communication and teamwork between the client and consultants was crucial. "The entrepreneur has to be committed to guide the team on the company's specific needs, otherwise, the research results will not be useful to guide decision-making," says Ms Chang. An open working relationship also prevented the duplication of work and wastage of resources. For example, Red House shared the results of an earlier survey with the consultants to mitigate any repetitions. Knowing the client well also helped in the crafting of the recommendations as the strategies should align with the client's values and beliefs.

The consultants, all senior marketing students, were grateful for the opportunity to apply their textbook knowledge to real life. "Working with an SME definitely gave me insight into the many different considerations a company faces when planning for growth," says Joyce Chua, a student consultant. The team also realised the importance of understanding its own members' abilities so that they can temper the team's strengths to work within the given timeline, and propose a realistic project scope.

The project advisor, an F&B industry veteran, had impressed upon the consultants early that they were assisting a "real business". Hence, "the team has to implement or devise what is essential from what they had learnt to create new knowledge for the business to deploy and improve its position". He used his business experience to guide the consultants, and set the tone for a real consultant-client experience. This firsthand experience involved many facets of practical management techniques which ranged from information gathering to timelines, group dynamics and achieving established goals, "which are all crucial in work life," he explains.

Recounting his experience as the advisor of several SME Consulting Programme projects, he comments that "sometimes, the client expectations are too high... they seem to forget that the consultants are still students and the good work they are doing has its limitations". But he sees this as a good problem. "The student-consultants must have conducted themselves very professionally and demonstrated enough content expertise that the clients want them to do more," he concludes.

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