Degree Program in Marketing - Analytics & Metrics

Course of Marketing Plan And Markstrat Simulation

PERCEIVED VALUE AND BRAND POSITIONING IN THE SUSHI INDUSTRY: A CASE STUDY ON DARUMA SUSHI

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Academic Year 2024/2025

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Abstract

This thesis examines how Daruma, a high-end sushi restaurant chain originating from Rome, positions itself in the Italian sushi market, which is becoming more saturated and competitive. Even with Daruma's certified quality and its application of blockchain for supply chain transparency, the brand has seen a drop in dine-in customers.

The study utilized a mixed-methods approach, beginning with qualitative interviews to determine key touchpoints (price, quality, location, authenticity), which were then quantified through a quantitative survey across four generational segments (Gen-Z, Millennials, Gen-X, Boomers).

The outcomes, depicted via perceptual positioning maps, demonstrate a considerable disparity between Daruma's intended positioning and how the market perceives it, as the brand is frequently misassociated with low-quality All You Can Eat (AYCE) competitors. It is suggested to either convert into a premium AYCE or rebrand as a traditional high-end sushi brand, offering two strategic repositioning options. This research adds to the body of literature on brand perception and consumer behavior within the restaurant industry, offering practical insights for Daruma's management and a wider understanding of generational preferences regarding dining experiences.

CHAPTER 1: Why Daruma?

1.1 Personal Motivation

Sushi has always played a central role in my family's dining habits.

In 2005 Daruma launched their first delivery of sushi in Rome, with a very high-quality product, and since then my family and I have been among their most loyal customers.

Through the years the brand has grown a lot, opening several restaurants in Rome and even one in Dubai.

My interest in the brand has significantly declined over the years: I was eating in other sushi restaurants with a lower quality even if I was spending the same amount I used to spend in Daruma.

Conversations with friends made me realize that Daruma's brand was no longer as strong, and prompted by these informal insights, I reached out to the CMO, who, at the time of the brand's launch in Rome, was working at the first Daruma location in my neighborhood. Thanks to him, I was able to reach the board and have a conversation with the CEO.

1.2 Daruma: sushi brand

Daruma is a chain of sushi restaurants that has been present in Rome since 2004.

It's the first sushi chain in Italy that in 2005 obtained the European Union's authorization for the production of fresh sushi, and in 2011, the first to obtain the ISO 9001 quality certification (Daruma Sushi, 2024).

In 2020 they developed the first Blockchain technology in the Japanese kitchen sector, that allows users to track all processes of the production chain by scanning a QR code.

Over the years, they have obtained several awards, such as the CE Mark (European Community).

They carry out more than 200 laboratory analyses of their products and raw materials every year.

However, despite the very high quality certification, from the company's databases, they have noticed a significant decline in the influx of customers within restaurants (Fig. 1, Fig. 2, Fig.3).

% of sales for type of service

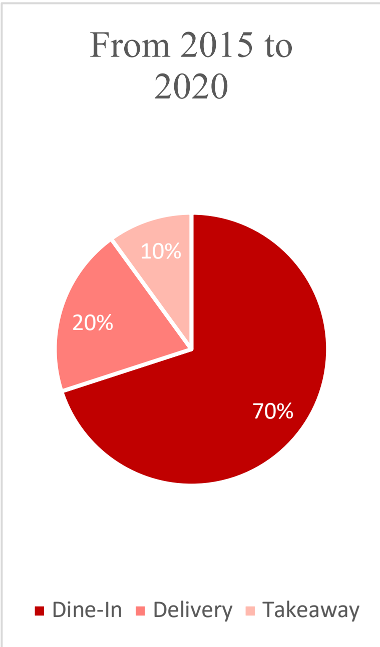

Figure 3
% of sales for type of service (2015-2020)

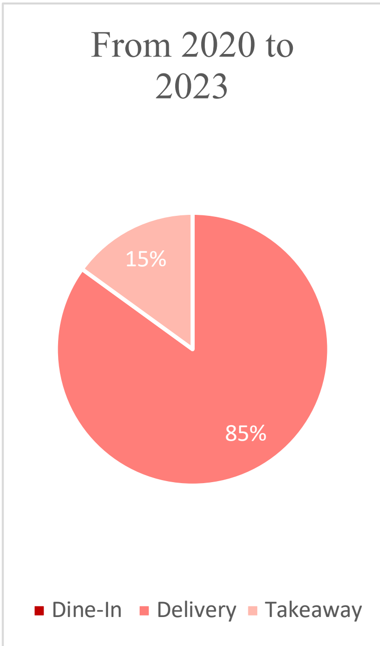

Figure 2
% of sales for type of service (2020-2023)

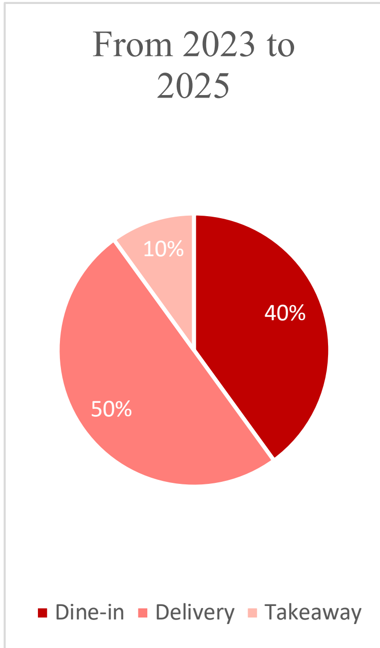

Figure 1
% of sales for type of service (2023-2025)

1.3 *First signals of problems*

Although the pandemic sparked a shift in consumer behavior, the 'All You Can Eat' (AYCE) formula's widespread adoption has had the longest-lasting effect on Daruma's dine-in performance. According to the CEO, several restaurants have experienced a dramatic drop in consumer visits when surrounding rivals implemented the AYCE strategy. This would indicate a pricing problem, but according to Daruma's internal data, average customer spending is either the same as or somewhat higher than what AYCE offers: an average of €39 per meal compared to €33 for lunch and €40 for dinner at AYCE locations. It seems that impression, not actual expense, is the problem.
The first impression that I had speaking with them was the confusion they had about their target, it seems that Daruma's customers are very loyal and grow with the brand. The

problem is that these customers are becoming adults: more than 20 years have passed since they started.

The new generations seem to choose other brands for their sushi time, and if nothing is going to change, Daruma will not be able to survive in the long run.

There is another main problem: the All You Can eat formula.

This formula is becoming very common today, and since its introduction on the sushi market, Daruma has lost a lot of customers and revenue.

They are proposing high-quality food, and don't want to convert to an AYCE restaurant, but daily they receive calls from new potential customers asking for the price of the AYCE formula, meaning that there could be a problem in the positioning, being confused with AYCE restaurants and not considered high quality à la cart restaurant.

Daruma started its journey when sushi restaurants in Rome were few, today there are plenty of them in every neighborhood.

They chose not to reposition as a high-quality luxury brand, while their original style was copied by a lot of AYCE restaurants that, throughout the years, have shaped the perception of customers, associating that style with a non-traditional and low-quality sushi restaurant.

The result is reaching a position that is equal to AYCE and inferior to its competitors, despite offering a very high certificated quality.

1.4 Agreement with Daruma's CEO and CMO

The meeting with the CEO and CMO revealed that they might be facing a marketing-related problem with price and quality perception.

Although their competitors have a very similar price, it seems that people perceive theirs as higher.

It is crucial for Daruma to understand how it is positioned in customers' minds compared to competitors, and which consumer segments perceive the brand as closest to their preferences.

A very quick analysis of their customer databases suggests that they do not clearly understand which target segment they are currently attracting or aiming to reach.

The age distribution from their customer database is as follows:

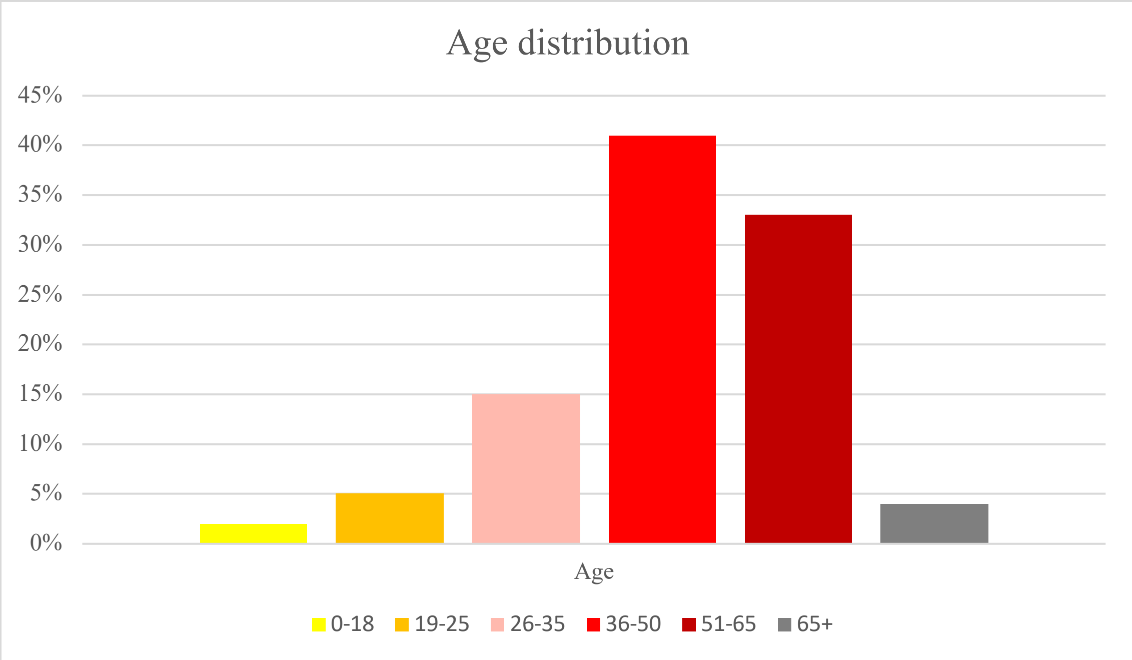

Figure 4
Age distribution from Daruma's customer database

Although their prices are competitive and they have one of the highest quality sushi in the market, they are not able to reach younger generations; the highest percentage of customers are from 36 to 50 years old (Fig. 4).
The final decision was therefore to focus research on creating a positioning map showing perceived quality and price.
The hypothesis was clear: Daruma is perceived as an all you can eat restaurant, with low quality but a higher price than the AYCE on the market.
The board agreed to start the project.

1.5 Objectives and value of this thesis

The purpose of this study is to give Daruma's board accurate, data-driven insights on how its brand is perceived in relation to AYCE competitors, specifically on the dimensions: price and quality.

It will help to determine which customer segments are currently associated with the brand and which are being left out. In addition to its managerial implications, this study contributes to the existing literature on brand positioning within the restaurant and hospitality industry by examining the relationship between perceived quality and price in a highly competitive and commodified market such as the Italian sushi market.

CHAPTER 2: Perceived quality and perceived price in restaurant industry

2.1 Definition of perceived price and perceived quality

Quality and price of a product are not evaluated by consumers merely on objective characteristics; instead, they rely on subjective observations and perceptions based on expectations and experience.

Price has a positive effect on the perceived quality (Dodds, Monroe & Grewal, 1991), which underlines the importance for a brand like Daruma in investing resources and trying to use the price as a lever to enhance perceived quality.

A study affirms that "consumer's perceived value can been associated with customer satisfaction, which leads to customer loyalty and retention, positive word-of-mouth, stronger competitive position, and higher market share." (Morar, 2013), if the perceived value is lower than that of competitors, even when quality is higher and prices are similar, Daruma may need to focus on perception rather than on the real characteristics, as the risk is perceiving higher prices when they are not.

The main problem faced by Daruma is the decline of dine-in visits and of young consumers. This thesis aims to investigate whether this is due to perception and if it's possible to adjust it using brand repositioning instead of changing the actual service and product.

2.2 The Impact of Perceived Quality on Customer Satisfaction

The quality of the food has always been a crucial element when evaluating customer satisfaction in the restaurant industry, however, it's shown in Namkung and Jang's (2007) study that the quality of the service and the location's environment have their influence on overall perceptions.

Specifically, taste and presentation were identified as the two greatest contributors to customer satisfaction.

The concept is particularly relevant to this study as it focuses on sushi restaurants; sushi is often consumed raw, and consumers pay attention to elements like hygiene, freshness, and how the food is presented.

A study conducted by Han and Ryu (2009) shows that characteristics like décor, cleanliness, and staff behavior impact the holistic evaluation of quality and influence both customer satisfaction and loyalty.

Considering that Daruma has high-certified quality food, a declining perceived quality may be due to factors like location, low hygiene perception, or ineffective communication of the actual quality.

2.3 Objective price and perceived price

From the point of view of the consumer, price is what is sacrificed in order to acquire a product and is called objective price; on the other hand, perceived price is the price as encoded by the consumers. (Jacoby, 1977).

The objective price and the perceived price are not always the same, consumers don't always remember the exact price of a product or service, instead, they encode prices in ways that are meaningful to them (Zeithaml, 1988).

The gap between encoded price and objective price can result from various external factors; for this reason, Daruma might have been facing this problem the recent years.

2.4 Conclusion

This study's conceptual foundations are perceived price, perceived quality, and how they interact. These concepts are especially pertinent to Daruma, as the brand's positioning may be weakened by differences between perceived and actual value. Investigating whether these misalignments are responsible for the drop in dine-in visits, particularly among younger customers, requires an understanding of the elements that affect perceptions of quality and price. The methodology used to investigate these dynamics using both qualitative and quantitative methods will be presented in the upcoming chapter.

CHAPTER 3: Methodology

3.1 Research Design

This study adopts a mixed-methods approach combining an initial qualitative phase with a subsequent quantitative investigation.
The objective of this research is to obtain a positioning map that can display Daruma and its competitors, and at the same time, the 4 targets.
The research is going to study 4 main targets: Gen-Z (1997-2012), Millennials (1981-1996), Gen-X (1965-1980) and Boomers (1946-1964).
The sushi restaurants analyzed are: Temakinho as Brazilian-Fusion, Domò as luxury AYCE, Chopstick as fusion AYCE Hamasei as traditional, and Daruma as traditional.

3.2 Qualitative Research: Interviews

Before proceeding with quantitative measurement, an exploratory phase was required to determine the most pertinent dimensions due to the lack of pre-validated models for this particular context.
Single interviews were conducted with 11 sushi customers from Rome.
The age varies from 20 to 60 years old, with different habits and frequencies of eating sushi during the month.
The duration of the interviews is between 10 and 15 minutes depending on the level of exploration that was chosen based on the various answers.
The most important question where:

1) "What are the first three factors you consider when choosing a sushi restaurant?"
2) "How important is sushi quality to you compared to price?"
3) "When you choose a sushi restaurant, do you think about its authenticity?"
4) "Have you ever thought that a sushi restaurant might be more Chinese than Japanese?"
5) "How important is the environment of a sushi restaurant to you?"

Interviews were conducted during a phone call and recorded, then transcribed into a file. From the file, each question was analyzed.

From the question asking about the 3 most important factors they consider when choosing a sushi restaurant, very interesting patterns came up.

Price was mentioned 5 times, quality 5 times, location 6 times, reviews 6 times, menu variety 3 times, and authenticity 2 times.

Although reviews were one of the most frequently cited, it wasn't possible to include them in the quantitative research.

To create the positioning map is necessary to collect the perceived value of each of the touchpoints, and it's not possible with the perception of the reviews.

Even though authenticity was mentioned only 2 times, during the conversation, answering other questions, respondents seem to give a lot of importance to authentic Japanese food instead of a complete Asian menu.

Menu variety was chosen 3 times and mentioned as a negative point when speaking about the physical restaurant, which reinforces the importance of consuming sushi that is authentic and not contaminated by other cultures.

Differentiating the age of the participants allowed me to analyze the different patterns of each generation, the same target that will be used in the positioning map.

For the Gen-Z the price is relevant but is easily justifiable by quality and ambiance, authenticity was mentioned but not directly; they might not be aware that it is an important touchpoint, which is something to take into account when analyzing their perception on the Likert scale.

Millennials are more rational; they tend to speak more about quality and price, but also about the overall experience.

The only Gen-X respondent in the analysis seems to be very strict when speaking about safety and quality of the fish that is used, this will be useful to compare with the perception that respondents in quantitative research will have.

Analyzing the frequency pattern, qualitative research suggests that 4 are the main touchpoints to analyze:

1) Price

2) Quality
3) Location
4) Authenticity

3.2.1 Price

Important insights came up when looking at price, even if the majority of the participants didn't mention it directly as the most relevant factor, everyone seems to be aware of the fact that a very low price leads them to perceive quality as low.
Camilla, 24 years old: "…it is more important than frequency: maybe I eat it less, but I eat well…"
This indicates that a higher price is accepted when perceived quality is high.

3.2.2 Quality

Again, when speaking about quality, respondents underline that a low quality might prevent them from eating in a sushi restaurant, because raw fish is dangerous if its quality is too low.
Noah, 23 years old: "Fish is not to be trifled with; I'd rather pay more but be satisfied."

3.2.3 Location

Location is an important touchpoint, probably influencing the perception of quality, as Emanuele says: "I expect that if I find a compliant environment, the sushi will be good.", a suggestion that the location needs to be explored in a quantitative study in a positioning map with perceived quality.

3.2.4 Authenticity

This is a very particular touchpoint: nowadays, there are a lot of sushi restaurants that are serving Asian food, not only Japanese.

It could be interesting to analyze on the map the relation between the authenticity of a restaurant with its perceived quality.

3.3 Quantitative Research: Survey

3.3.1 Objectives of the quantitative research

The goal of quantitative research is to make measurable the 4 touchpoints that emerged from qualitative research: quality, price, authenticity, and location.
The selection of these four dimensions was grounded in recurring themes identified during the interviews. The quantitative phase was therefore designed to validate and measure those patterns on a broader scale.
Positioning maps are key to understanding consumers' perception of the Daruma brand and being able to compare it with both its competitors and the 4 generational targets.
Using generational segmentation as a target for the analysis is fundamental; from the brief with the CEO and the CMO, it emerged that Daruma has no clearly defined its target.
The company has always considered itself a brand aimed at young people, families, and the elderly; they have focused on the quality of the product, a characteristic that in a new market like sushi 20 years ago, when they started, attracted many consumers.
Today, however, it is essential to understand who they are addressing, a goal that will allow them to make communication, offers, and future choices more efficient.
For this reason, the analysis of positioning maps with generational targets.
The problem focused on the high quality of the product and its possible bad perception, and the decreasing number of customers consuming within their restaurants.
The negative trend was reinforced with the spread of all-you-can-eat restaurants.
Placing the main competitors with the AYCE formula within the map will help analyze consumers' perceptions of Daruma and compare them with those of the competitors.
One will go looking for the difference in perception on quality compared to all you can eat restaurants, if this difference is large and positive then the problem is not identifiable in perception, while if Daruma is perceived to be on par with or below these restaurants the problem is attributable to everything that builds the perception of product quality.
To research and analyze the best possible causes related to the problem of lowering the flow of people who consume inside their restaurants, the other two touchpoints will be inserted into the positioning maps, to understand if also authenticity, which should be one of the key points of the product and service that Daruma offers, along with the location, which should be positioned as premium compared to AYCE, are actually perceived above

or even there might be a problem to be solved not related to reality but to the perception created by a set of factors.

Four perceptual positioning maps, which are intended to identify potential alignment gaps between Daruma's intended positioning and how the brand is currently perceived by various consumer segments, will be the phase's final output.

3.3.2 Questionnaire Design

One of the most important steps in converting qualitative insights into quantifiable data was creating an efficient questionnaire. Ensuring the validity, comparability, and clarity of responses across all generational segments was the aim.

The survey was meant to be easy to understand in order to collect the most accurate data possible.

All participants were subjected to the same questionnaire for a total of 12 questions.

The main objective was to record the perception of the 4 touchpoints, but other questions were included.

The survey was divided into 4 blocks:

1. Questions to understand the frequency of consumption: very useful to analyze the behaviors.
2. Questions to identify the four ideal values: "How important is the quality of food to you when choosing a sushi restaurant? (1= not important, 7= very important)".
3. Questions to measure the perception of the 5 restaurants: "Rate the quality of these restaurants (1= very low, 7= very high)".
4. Demographic questions: age, sex, and format of consumption.

Questions about the ideal values and the perception of restaurants were measured using a 7-point Likert scale, in line with standards in the literature and allowing for compare the means to build the positioning map in a more precise and easier way.

The five restaurants chosen are:

1. Daruma
2. Temakinho
3. Domò
4. Chopstick
5. Hamasei

In Rome's sushi market, the five restaurants that were chosen represent a strategic range of positioning models. Hamasei anchors the spectrum with a traditional, premium identity. Domò and Chopstick represent two tiers of AYCE offerings, whereas Temakinho emphasizes experience and fusion. Their inclusion enables an effective comparison with Daruma across both value-based and perception-based dimensions.

3.3.3 Sampling and Data collection

The goal of data collection was to obtain a representative and balanced sample from each of the four generational groups, ensuring reliability and consistency across responses.
Prolific's service was used to collect all the data.
This tool was considered the most suitable platform for the data collection, as it allows highly specific segmentation by country and, most importantly, by age range, exactly matching the study's sampling requirements.

Four studies were created, one for each target:

1. Gen-Z (1997-2012)
2. Millennials (1981-1996)
3. Gen-X (1965-1980)
4. Boomers (1946-1964)

At the time this study was written, the different segments represent these age groups:

1. Gen-Z (13-27)
2. Millennials (29-44)
3. Gen-X (45-60)
4. Boomers (61-79)

Since Prolific service does not allow for collecting data on minors, the segment of Gen-Z will exclude from the analysis the range 13-17.
This division allowed to collect segmented data on respondents from Italy, having different ages, and to check if each questionnaire was coherent with the range of the

generation; surveys that were collected in one generation but were answered by a respondent with an age different from it were not used.
Each target is formed by 30 casual respondents.
In order to understand the correct amount of money to pay for each response and to check the correct execution of each survey, the time taken to respond to the survey was checked. The survey was administered live to 5 people who had never done it, they were timed manually.
The result has brought an average of about 3 minutes, as a result of the respondents of Prolific were excluded all those who answered in a time below the minute and above 5 minutes, whereas the people who were tested are not used to survey and could not be concentrated because they did not actively choose, it was chosen to give a 2-minute gap: People who participate in paid surveys on Prolific generally choose times of the day where they can concentrate to answer and at the same time being accustomed to doing many surveys could be much faster to give simple answers like those in scale Likert.
The payment for the survey was recommended by the platform, taking into account 3 minutes for the compilation, resulting for the automatic calculator an adequate payment to collect clean and usable data.
The 5 respondents tested did not reveal any incomprehension of the survey; no doubt about the questions asked, and the objective of the questionnaire was very clear.
After collecting all of the targets, a merged dataset was created in SPSS using the function merge files → add cases.
The dataset was subsequently updated to include a new variable called "generation," which placed each respondent in the appropriate segment according to their age.
The following is how values were coded: Gen Z is represented by 1, Millennials by 2, Gen X by 3, and Boomers by 4.

3.3.4 Data Analysis Procedure

The final dataset contains the responses of 120 individuals, distributed evenly across four generational groups. Each person has completed the entire questionnaire, with a completion range that meets the criteria mentioned in the previous paragraphs.
A new dataset has been created to build perception maps.

The new dataset included:

1. The average scores assigned to each of the five restaurants (Daruma, Temakinho, Domò, Chopstick, and Hamasei) across the four dimensions: price, quality, location, and authenticity.
2. The generational average scores for each ideal value allow for visual comparison between brand perception and consumer expectations.

Four perceptual positioning maps were generated using this dataset:

1. Price, quality
2. Quality, authenticity
3. Price, authenticity
4. Quality. Location

Each map depicts a two-dimensional space where two of the four chosen touchpoints: price, quality, location, and authenticity, are represented by the x and y axes.
The five restaurants were plotted on each map based on the average perception scores that each generational group reported. A different color or symbol was used for each generation to enable direct comparison across segments. This structure provides a visual interpretation of the data that supports managerial reflection by allowing the observation of both the relative positioning of each brand on the chosen dimensions and the perceptual differences between age groups.

CHAPTER 4: Results

4.1 Introduction to the Analysis

The following analysis want to directly address the primary managerial concern mentioned in Chapter 1: whether consumers' perceptions of Daruma's value, particularly concerning quality and price, have diminished, especially when contrasted with those of AYCE competitors.

These maps make it simpler to spot potential gaps between brand identity and perception by providing a clear, visual understanding of Daruma's position in the minds of consumers compared to its main competitors.

Considering the qualitative analysis and the data collected, it will also explore the perception of authenticity and location, crossing them with the other two main touchpoints.

Positioning map also allows to visualize the difference of the ideal values between generations and to identify distances between Daruma’s positioning and that of its competitors.

In the coming paragraph, each map will be commented.

4.2 Price vs Quality

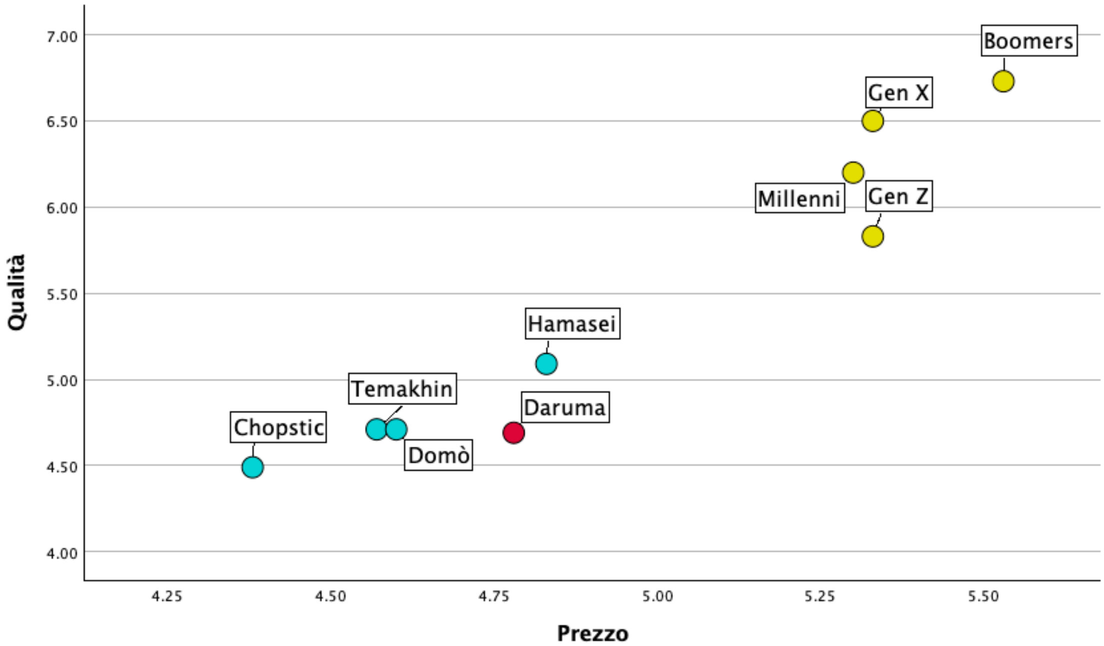

Figure 5
Price vs Quality
Axes: X = Price, Y = Quality

The two axes represent:

X = Price

Y = Quality

This is the most important map among the four because it directly addresses the main problem identified from the beginning of the consultation with both the CEO and the CMO.

Observing Daruma's position (Fig. 5), its clear that consumers perceive its quality nearly identical to that of Temakhino and Domò, while its price is slightly higher than both.

This represents the problem that was supposed from the beginning: Daruma's real quality is high.

They buy only top-quality ingredients, they work with fresh fish every day from their central hub to make sure that each restaurant has the maximum freshness and quality of each service, but they are not working on the positioning.

Hamasei, by contrast, is perceived with a higher price and even a higher quality, fully aligned with its intended traditional positioning.

Looking at the ideal values, we can observe a common preference for higher quality, especially among boomers (Fig. 5).

Gen-Z seems to be the one that cares less about the quality but is still sensitive to price. Daruma's price is aligned with their expectations, positioned higher than AYCE competitors but still lower than Hamasei.

4.3 Authenticity vs Quality

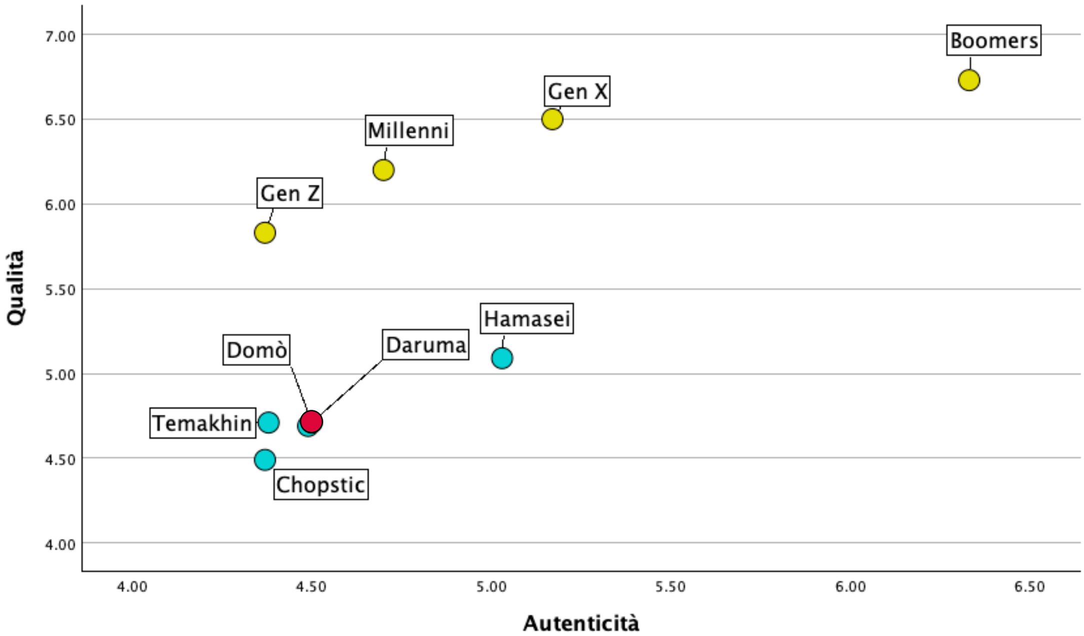

Figure 6
Authenticity vs Quality
Axes: X = Authenticity, Y = Quality

The two axes represent:

X = Authenticity

Y = Quality

Authenticity is a very important touchpoint that emerged from the qualitative research. From participants' responses, it could be supposed that being perceived as authentic when speaking about sushi is also related to the perception of quality, both of the food and of the service. Observing a map with quality and authenticity as touchpoints is representative of the positioning that each brand has on the market (Fig. 6).

As expected from the previous analysis Daruma is perceived at the same level of its AYCE competitors, thus remaining very distant from Hamasei.

The ideal values suggest that in this case each generation is elastic to tradition differently: Gen-Z doesn't care about authenticity, they only want to eat sushi, no matter if it follows Japanese culture or Chinese one. Millennials are more sensible, but Hamasei is still higher than what they expect. Gen-X is looking for authenticity, probably seeing Hamasei as the best choice, but Boomers seem to be the most demanding.

4.4 Price vs Authenticity

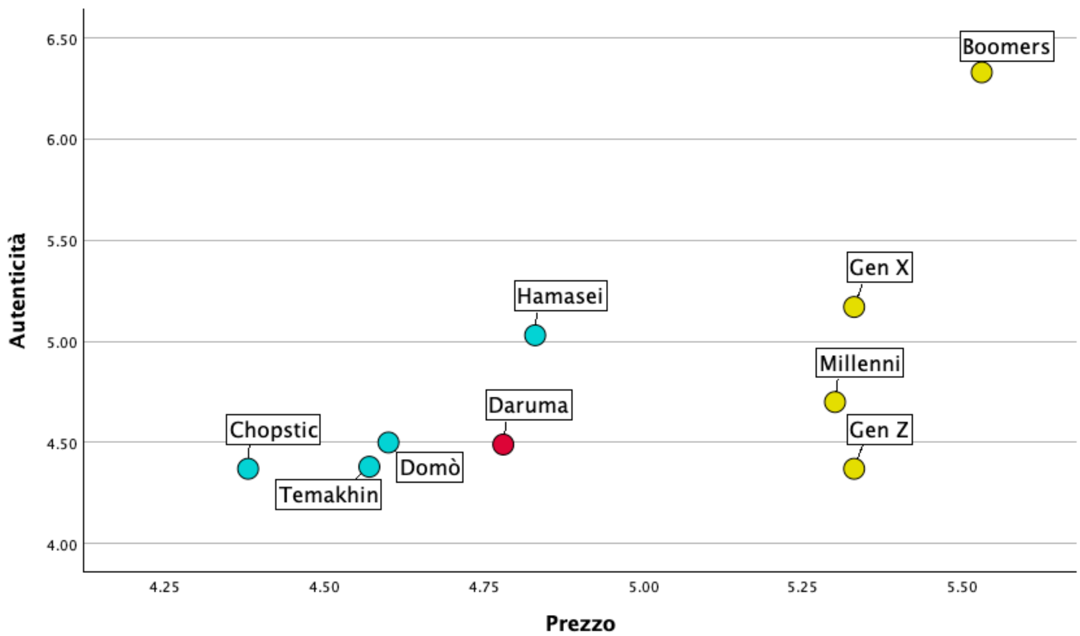

Figure 7
Price vs Authenticity
Axes: X = Price, Y = Authenticity

The two axes represent:

X = Authenticity

Y = Price

This setup makes it possible to examine how each brand's perceived price levels relate to its perceived authenticity or lack of it. Daruma is perceived with a higher price compared to the competitors, but without any advantage in authenticity (Fig.7). Boomers and Gen-X don't see Daruma as a possible choice when looking at Authenticity in relation to the price proposal. Being perceived as expensive but not authentic could be a problem for a brand that aims to use cultural closeness in its values. Particularly among older generations, Hamasei is the only brand that is seen as both genuine and reasonably priced. Gen-Z seems to be the only target aligned with the required authenticity of Daruma, possibly due to the recent trends of fusion-oriented sushi; however, it may not be chosen because of the price proposal. The position of the brand in this map could suggest confusion across multiple generations.

4.5 Location vs Quality

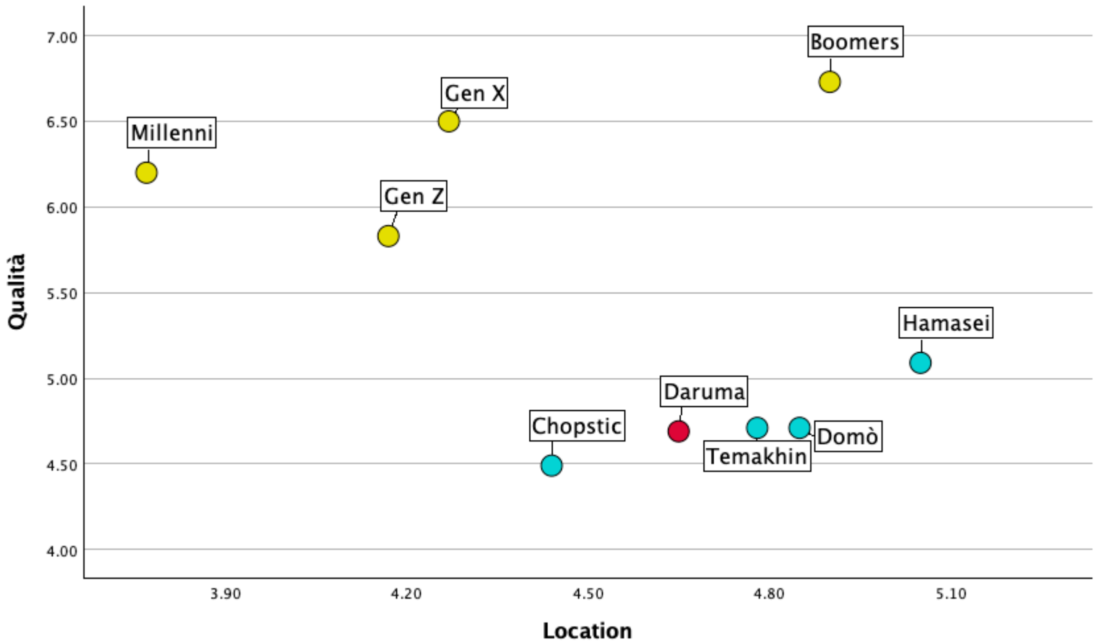

Figure 8
Location vs Quality
Axes: X = Location, Y = Quality

The two axes represent:

X = Location

Y = Quality

This map investigates how customers view the connection between the physical attributes of a restaurant, such as its location, ambiance, and interior design, and the quality of its product (Fig.8). During the qualitative research, when participants frequently linked a location's atmosphere to the professionalism of the service, these two touchpoints were considered closely related. Daruma is still near Temakhino and Domò however, Hamasei is perceived as the best one among competitors. In contrast, Chopstick continues to be at the bottom of the graph, confirming its standing as the brand with the worst performance in both categories. Ideals values about the generations show different necessities: younger generations prefer a less prestigious ambiance when eating sushi in a restaurant, while Boomers are searching for a premium experience. Younger consumers may value convenience, accessibility, or brand identity over formal ambience, while older consumers may seek an immersive, high-end dining experience. These differences may be reflected in dining habits and expectations across generations. Due to its mid-level positioning, Daruma is in a dangerous spot where it runs the risk of not appearing formal enough for Boomers or unique enough for younger generations.

CHAPTER 5: Managerial implications

The four maps analyzed in the previous chapter provide a clear picture of Daruma's perception compared to its competitors and position the four generational targets, allowing the CMO to make strategic decisions on the possible repositioning of the brand in comparison.

From the analysis conducted, several key insights were collected.

This chapter will explain and interpret the data and will give real managerial implications to Daruma in order to solve the problems that have arisen.

5.1 Overview of Key Insights

The hypotheses formulated at the beginning of the analysis were confirmed: Daruma has a clear positioning problem related to his quality.

Despite not being one, Daruma is mistakenly thought of as an AYCE restaurant.

This reflects the reality, as according to them, restaurant managers get calls from new customers every day asking whether they adopt the AYCE formula. After they tell them that they don't, those customers don't want to reserve a table.

The average price is accepted, as we also saw in the premise, this is in line with its competitors on the AYCE range, so it's considered a low price for a traditional à la carte restaurant, but the perceived quality and authenticity do not justify it.

At the same time, the Gen-Z target, which is less sensitive to authenticity, prefers other restaurants, potentially attracted by the AYCE formula.

Chopstick is a clear example of a negative competitor, it is always below and perfectly reflects their positioning on the market: an AYCE proposal, economic, fusion, and for the new generations.

Hamasei perfectly reflects authenticity, with a positioning that is reflected in the perception maps: high quality, respect for Japanese culture, and high price, in line with their proposal.

The real threat of Daruma seems to be Domò, a restaurant that wants to position itself as contemporary and luxury brand but which proposes an AYCE formula, perceived high compared to its real proposal on the market and aligned with the ideal values of the younger generations, these perceptions help him to get his price accepted.

Possibly through interior design, plating, and digital presence, Domò conveys an upscale experience even though it offers an AYCE formula. These factors might influence perspectives that are more in line with what customers expect from quality.
The boomers perceive Daruma as a restaurant that is not authentic and not premium, given their ideal values; therefore does not reflect the demand and is not chosen.
This target could be recovered by carrying out targeted actions, given their sensitivity to quality and authenticity.
A significant gap is confirmed; the next paragraphs will explore how this problem can be strategically addressed.

5.2 Strategic Directions Based on Positioning Maps

The most important map is definitely the one that shows the quality and authenticity of the brand.
On its website, Daruma states: "We have achieved this goal thanks to our passion for Japanese cuisine and Japanese traditions, but also thanks to the very high quality that has always distinguished our dishes." (Daruma Sushi, 2024), the focus on quality and authenticity is clearly observed.
From the map, however, the opposite is clear: the perception is very close to that of AYCE restaurants and far from that of restaurants with high-quality traditional food, in this case, Hamasei.
The lack of a clear target and positioning leads to the brand being confused with different realities. Communication must be consistent and support the brand identity; when a brand is well-positioned, it communicates the unique value proposition from online communication and presence to the restaurants.
This problem is noticed by the confusion of new customers, who perceive it as AYCE, often call the various restaurants asking for the price of the AYCE menu, or its availability not being communicated.

Two strategies are proposed:

1. Take advantage of the large number of premises to create a higher quality AYCE
2. Rebranding, aiming at a traditional premium sushi restaurant

Before starting with a new strategy and repositioning, the brand needs to clearly define a target:

- If they want to target younger generations, they should focus on accessibility.
- If they want to target Boomers and Gen-X, they should enhance authenticity and quality.

5.2.1 Strategy 1: High quality AYCE

This strategy's objective is to reach younger generation; several sushi chains are using AYCE as a formula to shift the "pain" of payment at the beginning of the experience, since they already know how much they will spend before sitting down, and this works especially with generations of young people who do not have high financial resources; price sensitive targets tend to not even try the service if they have an economic fear, having a AYCE formula will work on carefree consumption and the experience before actually going to the restaurant, increasing perceived value and reducing friction in the decision making process (Prelec & Loewenstein, 1998).

The main advantages of applying this strategy are:

- Daruma already has many restaurants on Roman territory in various areas.
- Having already a hub that manages the fish and distributes it to restaurants can promote economies of scale that would help lower the costs necessary to support the AYCE formula.
- Ability to differentiate immediately from other AYCE, offering higher quality and a unique experience.

The main disadvantages of applying this strategy are:

- The structure of the premises is not properly adequate, to better manage an AYCE would need a larger size.
- Possible risk of lowering brand perception in the long term.
- Difficulty in maintaining a sustainable margin while offering high quality at a fixed price.

This strategy, therefore, requires strong investments in communication and the risk of testing a new format on a market that may not be ready.
The goal would be to create a concept that revolves around an AYCE different from the others: a premium AYCE.
This strategy could improve the position on the price vs authenticity map, justifying the lower perception of authenticity.
The proposal is risky and ambitious, but could represent an innovation that only a chain like Daruma could bring to the market.

5.2.2 Strategy 2: Premium traditional sushi brand

This strategy aims to reach targets that are more sensitive to authenticity and quality.
As a result of the analysis, Boomers are more interested in restaurants similar to Hamasei: traditional, high quality, and giving importance to the location and the service.
Daruma could increase his perception of quality and authenticity, aligning with traditional sushi restaurants and conquering the target market interested in this type of service.

The main advantages of applying this strategy are:

- Daruma already has restaurants in prestigious places in Rome, like Monti, Parlamento, EUR, and Euclide, places that could help to lead a premium image because already associated with exclusive experiences and a higher level of tourism.
- Authenticity is a core value for the brand, and it's rooted in the company’s culture, so it would be easy to increase; it could focus on Japanese cultural aspects like the traditional service, minimalistic aesthetics, to stand out from the fusion AYCE.
- The number of AYCE sushi restaurants is higher than the one in the luxury authentic, so there is less competition.

The main disadvantages of applying this strategy are:

- Losing the younger generations’ interest: they are more interested in an accessible product.

- Higher costs to sustain.
- Possible decrease in the table turnover.
- Risk of being perceived as too exclusive and therefore increasing the perception of the price.
- The necessity of changing or training the staff to ensure a consistent experience.

This strategy, therefore, requires a complete restyling of all the restaurants, a completely new brand identity, and an increase in the variable cost of the food, but on the other hand, it could be more in line with the real vision of the brand from its birth leading the perception of the brand in the quality vs authenticity map to the top right position, reaching Hamasei.
To successfully implement this strategy, a strong communication effort is required: the brand needs to be repositioned in the minds of the consumers.

5.3 Brand Identity Alignment

To properly apply the second strategy proposed in the previous paragraphs, Daruma should undergo a rebranding process, starting from the logo, ending with the restaurants' interiors and style.
The current logo features a very dominant red, with a cartoon-like Daruma doll, a visual language that is far distant from a luxury brand.
Considering their communication and the decor of the restaurant, the brand could be perceived as a mass market modern AYCE.
For targets that prefer luxury and traditional restaurants a simple color palette, a minimalist logo and a more toned down style of communication is essential to put Daruma into their consideration set.
A study shows that "black stands for sophistication and glamour", while the color red "can be linked to excitement as it is considered an arousing, exciting, and stimulating color"(Labrecque & Milne, 2012).

To properly reposition Daruma in the premium market segment, a consistent realignment of the brand's visuals, color scheme, logo, and communication style would be necessary.

5.4 Implications for Future Targeting and Offers

For a long time, Daruma didn’t define a target; they focused on being the best sushi in Rome, bringing certifications (Daruma Sushi, 2024) and being transparent about their quality and the way fish was treated and this was justified; when they started the market was less saturated, there were few sushi restaurants and sushi as a food was quite new for the mass, AYCE formula was not that common and there were not copy paste strategy to scale up that kind of way of doing business.

This strategy worked for several years, but in the past 5 years things have changed: the market has imposed to focus on a segment audience, the competition is really high, there are a lot of restaurants offering the same service, and people's tastes have evolved.

Regaining a competitive advantage will require adjusting experiences and offers to particular generational values.

The core target of the first strategy proposed could be the younger generations and even the adults who are less sensitive to authenticity and exclusivity.

Specific offers for students and young people could increase the frequency with which they come to the restaurant.

Using social media as the primary way to communicate, trying to engage with the consumers would increase the perception of quality and familiarity with the brand.

Strategy 2 is more focused on Boomers, Gen-X, and high spending customers.

This target researches tasting menu, cultural events, traditional omakase, and tatami rooms.

Visual communication with a high-quality image is crucial; photos and videos representing an authentic restaurant with Japanese chefs and a quiet ambiance are required.

A strategy can work properly only if it is coherent with its positioning and its target. Personalization of the offer based on generation can help achieve a competitive advantage.

The objective of these strategic reflections, funded in perceptual positioning maps and supported by generational insights, is to guide Daruma through a repositioning process that is in line with its history and aligned with future market expectations.

5.5 Additional Analysis on Daruma's customers

An additional exploratory analysis was conducted with a separate sample of 30 Daruma customers to better understand whether the current perception of Daruma aligns with its brand values. The same five restaurants were evaluated by respondents across the four selected touchpoints. The positioning maps produced (see Appendix A) show that Daruma's intended image is strongly aligned with the perception of its loyal customers. These respondents consistently placed Daruma nearer to their ideal values, especially regarding quality and authenticity, in contrast to the generational maps, where Daruma was often confused with AYCE competitors. This confirms that the main issue is not with product delivery, but rather with external brand perception and acquisition strategy.

5.6 Analysis of the ideal values by sushi consumption type

To reinforce the results of the study, an analysis of the ideal values by sushi consumption type (à la carte restaurant, all you can eat, delivery, and takeaway) was conducted.

AYCE consumers are less interested in quality (M= 6.17, SD=1.02) while à la carte restaurant consumers shows more sensibility (M= 6.47, SD=1.08).

People who consume à la carte are less sensitive to price (M= 5.19, SD=1.31), while AYCE consumers give a higher importance to this touchpoint (M= 5.52, SD=0.94).

Authenticity is considered an important feature for people who consume à la carte (M= 5.49, SD=1.47), while for AYCE consumers is less important (M= 4.72, SD=1.46).

People who consume delivery sushi are paying attention to quality (M= 6.88, SD=0.35) and not to price (M= 4.75, SD=0.46), reinforcing the reason why Daruma has a higher quality and does the majority of its revenues from delivery.

5.7 Limitations

This study presents some limitations.

For the main study, each target was composed of 30 respondents, this number is not sufficient to represent an entire target of people.

Future studies could increase the number of respondents to better generalize the results.

Several touchpoints were not studied, like atmosphere, service, speed, and menu.

These ones could lead to a significant difference in studying the perception of sushi restaurants.

From the qualitative analysis emerged that reviews are really important in the consumer's mind when speaking about sushi restaurants, so future studies could find a way to analyze this touchpoint.

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Appendix A – Positioning Maps Based on Daruma Customer Feedback

Daruma is marked in red, competitors in blue, and customer ideal values in yellow.

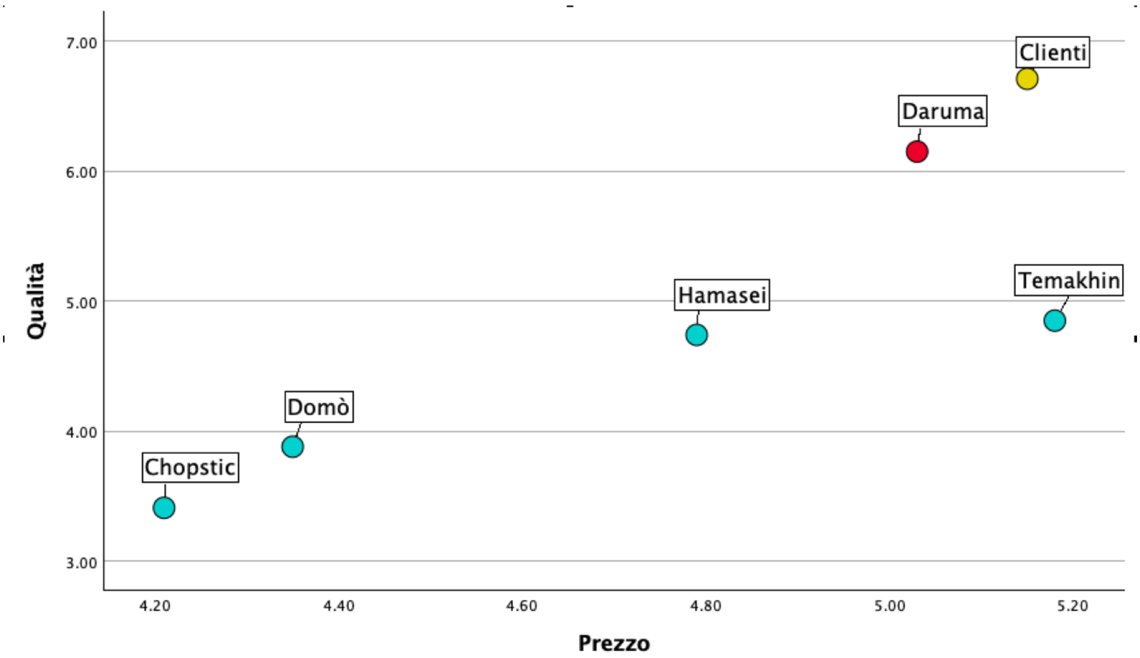

Figure A.1 - Price vs Quality (Daruma Customers)
Axes: X = Price, Y = Quality

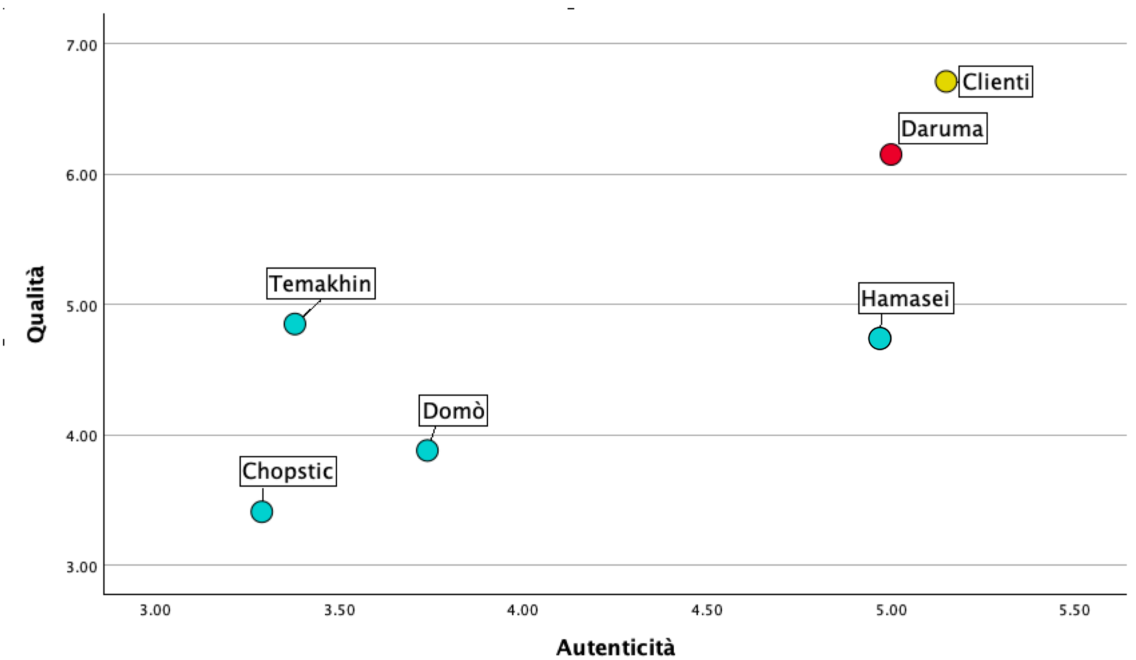

Figure A.2 – Authenticity vs Quality (Daruma Customers)
Axes: X = Authenticity, Y = Quality

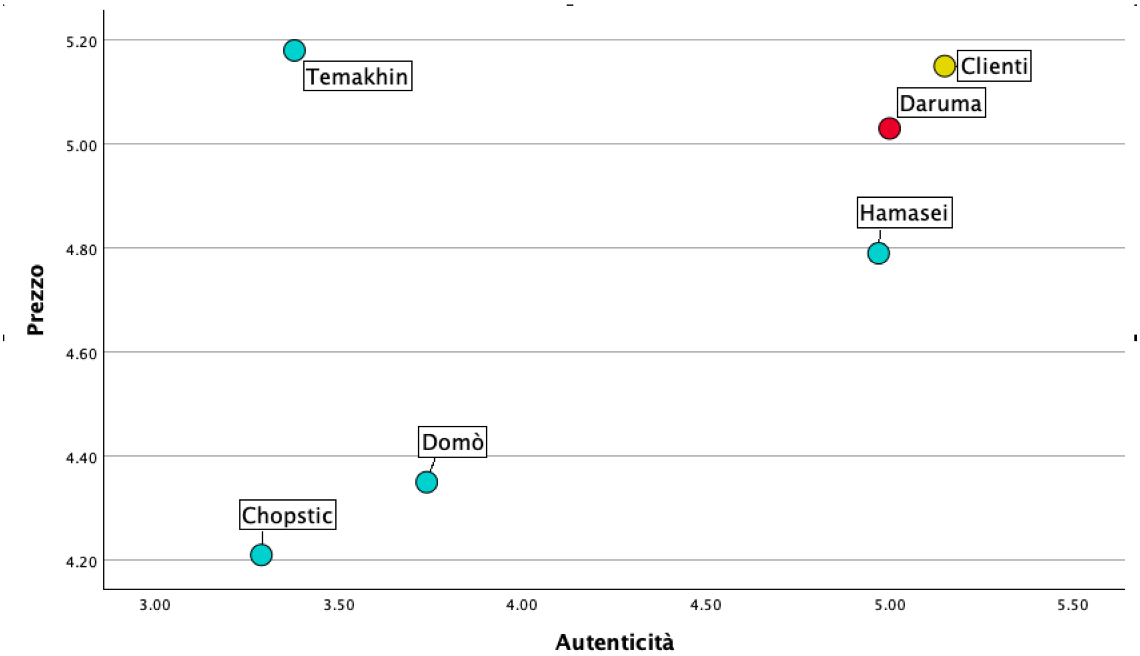

Figure A.3 – Price vs Authenticity (Daruma Customers)
Axes: X = Authenticity, Y = Price

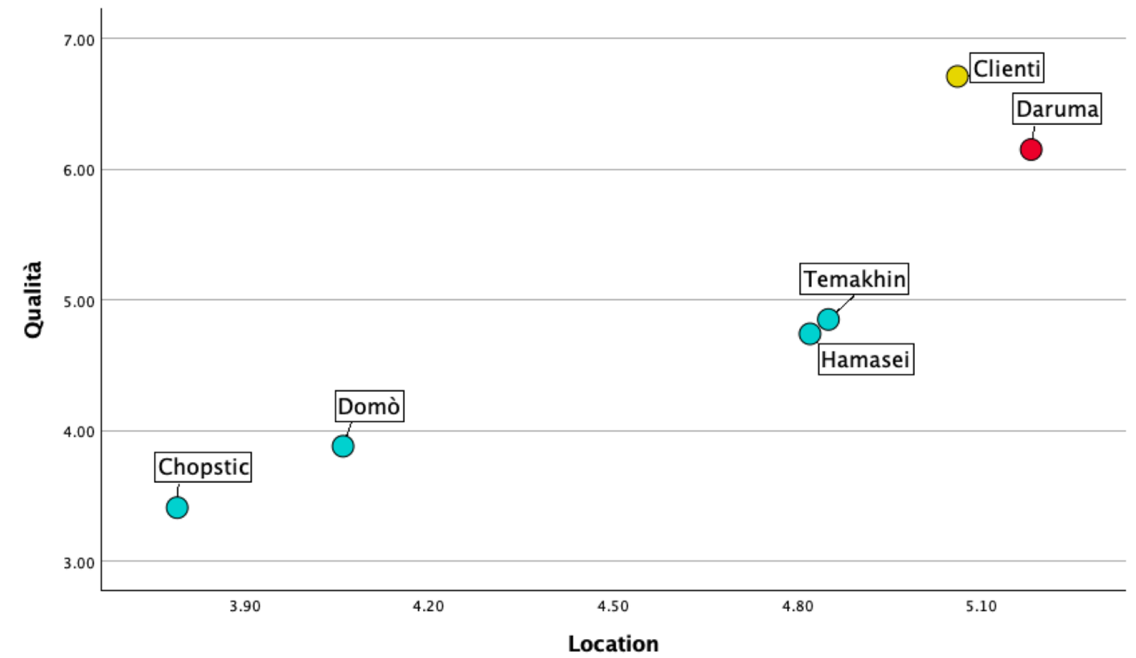

Figure A.4 – Location vs Quality (Daruma Customers)
Axes: X = Location, Y = Quality

Appendix B – Ideal Values by Sushi Consumption Type

The analysis was conducted on the 120 respondents dataset.

Report

Dove mangi sushi più spesso?		Quanto è importante per te la qualità del cibo quando scegli un ristorante di sushi? (1= poco importante, 7= molto importante) - Click to write Statement 1	Quanto è importante per te il prezzo quando scegli un ristorante di sushi? (1= poco importante, 7= molto importante) - Click to write Statement 1	Quanto è importante per te la location quando scegli un ristorante di sushi? (1= poco importante, 7= molto importante) - Click to write Statement 1	Quanto è importante per te l' autenticità quando scegli un ristorante di sushi? (1= poco importante, 7= molto importante) - Click to write Statement 1
Ristorante con servizio al tavolo	Mean	6.47	5.19	4.44	5.49
	N	43	43	43	43
	Std. Deviation	1.077	1.314	1.593	1.470
All You Can Eat	Mean	6.17	5.52	4.13	4.72
	N	64	64	64	64
	Std. Deviation	1.017	.943	1.464	1.464
Delivery	Mean	6.88	4.75	4.25	6.13
	N	8	8	8	8
	Std. Deviation	.354	.463	1.581	1.458
Takeaway	Mean	6.00	6.20	4.80	6.00
	N	5	5	5	5
	Std. Deviation	1.000	1.304	1.483	1.225
Total	Mean	6.32	5.38	4.28	5.14
	N	120	120	120	120
	Std. Deviation	1.021	1.108	1.512	1.519

Figure B.1
Ideal values by sushi consumption type