

# A Korean Dining Experience in Monterrey

2-SP02-09-161

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This problem situation was written by Raúl Jaime Ruiz Cabrera (rjrui@tec.mx), and translated by an AI program (ChatGPT), with the purpose of serving as discussion material in the classroom; it does not intend to illustrate good or bad administrative practices. The story on this document is based on different people's experiences; some data has been modified at the request of the people and institutions involved.

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Centro Internacional de Casos  
Tecnológico de Monterrey

Publication Date: April 01, 2025.  
Last Review: April 01, 2025.



Tecnológico de Monterrey  
Escuela de Negocios

### Its Difficult Start

Yuna, a Korean immigrant born in Andong, a small town in eastern South Korea renowned as a major cultural hub and home to Andong National University—famous for its focus on Korean folklore studies—where she studied (Andong, 2025), arrived in Monterrey, Mexico, in 2005 to teach Korean language, history, and folklore.

After several years of living in Monterrey, driven by her passion for the rich culture of her home country and her love for gastronomy, Yuna decided to open a Korean restaurant while continuing to teach. She spent several months designing the menu with the help of a friend, a professional chef, aiming to offer the dishes that best represent Korean cuisine. However, aware that Monterrey consumers are highly regionalist, she also created some “fusion” dishes that combined the best of both cuisines: Korean dishes with a “Regio” twist.

**Image.** Yuna spent several months designing the menu, with the help of a friend.



**Source.** Becerra Govea in Pexels, 2020.

Yuna also invested a significant amount of money in designing and decorating the restaurant, as well as in hiring and training staff. She rented a small venue with a 40-guest capacity in a new shopping plaza in the Linda Vista neighborhood, near the road to Monterrey’s airport. She decorated the venue with typical Korean ornaments, indirect lighting, and soft background music to create a tranquil and pleasant dining atmosphere. Finally, she trained the staff in customer service, negotiation, conflict resolution, and other essential skills to ensure that customers left the restaurant not only satisfied with the food but also pleased with the service.

In the weeks before and after the restaurant's opening, she invested a small budget in publishing some ads in a well-known supplement of a local newspaper and on the most widely used social media platforms (Facebook, Instagram, and TikTok). Additionally, she hired a salesperson for a couple of months to visit nearby companies to promote the restaurant's services and attempt to establish partnerships with some of them.

Finally, in October 2012, Yuna opened the restaurant. She decided to serve dinner from Tuesday to Friday, and both lunch and dinner on weekends, when she could be present and more attentive to the restaurant.

Yuna had very high expectations. In addition to investing in a well-designed menu, hiring and training staff, and tastefully decorating the venue, pre-opening tasting tests showed that all the menu's dishes, even the most authentic and traditional Korean ones, were well received by the friends and colleagues who participated in the tests.

However, reality was quite different. During the last months of 2012 and throughout 2013, the number of customers was significantly lower than expected. Except for special occasions like Mother's Day, Father's Day, and the Christmas and New Year's holidays, the restaurant remained nearly empty most of the time, especially on weekdays, with a daily occupancy of 20% at most. This greatly concerned Yuna because, while she knew it would take time to position the restaurant and build a strong client base, she expected a higher number of customers in the initial months. By the end of 2013, she was seriously considering closing the restaurant.

However, an external event—a potential major opportunity—led Yuna to decide to continue for at least another year.

### **The “Pescorea” Effect**

In 2013, the Government of Nuevo León began negotiations with Kia Motors to establish a state-of-the-art automobile production plant in Pesquería, NL (Barragán, 2015). This was a crucial deal, as not only would Kia Motors set up its manufacturing facility, but 12 "Tier 1" suppliers—companies that provide auto parts directly to the factory—would also establish operations (Parra, 2023), leading to increased economic activity and job creation.

In 2014, the Government of Nuevo León and Kia Motors announced the signing of an agreement for the construction of the plant (Expansión, 2016). The agreement was later modified to reduce the original incentives granted to Kia Motors by the government, and was re-signed in October 2016 (Flores, 2016a).

Despite those disagreements with the authorities, Kia Motors decided to build the plant and began operations in May 2016 (Martínez, 2023), months before the final agreement was signed. The plant represented a \$3 billion (USD) investment and initially created 7,000 jobs through Kia Motors and its suppliers (Flores, 2016b), a figure expected to double by the end of 2017 (Forbes Staff, 2016). Some estimates at the time projected that the plant would generate an economic impact of over \$1.25 billion USD from 2016 to 2026 (Cantera, 2015).

The construction and operation of the Kia Motors plant led to a significant population increase in Pesquería. According to INEGI data, the municipality's population grew from 21 to nearly 148 thousand people between 2010 and 2020, a 608% increase, mainly consisting of workers and their families from Kia's plant, its suppliers, and other automotive companies that also established operations in the area (Serrano, 2021).

A small part of this growth was due to immigration from South Korea. According to Mexico's National Institute for Migration (Instituto Nacional de Migración), in the first nine months of 2015, 8,000 Koreans entered and/or left the country, 900 requested and were granted temporary work visas, and 300 received visas for family members and children (Flores, 2015). Although the construction and opening of the plant brought over 6,000 Koreans to Nuevo León, estimates indicate that between 4,000 and 5,000 currently reside in the state (Rizo, 2024).

The high number of Koreans in the Pesquería-Apodaca area drove the creation of many businesses catering to this segment: restaurants, convenience stores, pharmacies, and other businesses that not only advertised and served customers in Korean but also offered a wide variety of imported Korean products, making Koreans feel "at home" (Rocha, 2023).

Therefore, Pesquería's inhabitants started calling their municipality "Pescorea" to acknowledge the large presence of Korean people and businesses in the city.

### Opportunities for Yuna

Although Yuna was deeply concerned about the restaurant's financial losses by the end of 2013, she saw a significant business opportunity with Kia's arrival. She decided to keep the restaurant open until at least the end of 2014 to see if results improved. And, indeed, they did.

The restaurant's sales increased in the last trimester of 2014, but specially in 2015, partly because the brand was now well-known among customers, and partly because of the arrival of a large number of Koreans in Nuevo León seeking authentic food from their home country. Sales rose in the second half of the year when the plant's construction formally began, bringing a substantial increase in the area's population.

From 2016 onwards, sales skyrocketed. The large number of Koreans who temporarily or permanently relocated to Pesquería and Apodaca significantly boosted the restaurant's performance. Yuna opened a second restaurant in Apodaca, a much closer location to where most Koreans in the area lived, further improving her business results.

By 2024, the first restaurant had become a favorite, both within the Korean community and among locals in Monterrey, and both locations (Linda Vista and Apodaca) were doing well. However, Yuna was receiving increasing complaints from customers: the two small restaurants were always crowded, leading to long waiting times for seating. The dining experience was subpar because the locations were old and had not been renovated since they first opened. Moreover, due to excessive workloads, the excellent service that once characterized the restaurants was declining.

However, what Yuna saw as the most serious issue was that employees were very dissatisfied with their jobs. They complained a lot, were tired, and no longer served the customers with the warmth and good manners that clients expected, often quitting shortly after being hired. The restaurant had a very high employee turnover, further affecting service quality. To complicate matters even more, Yuna realized that new Korean immigrants were locating in other areas of the city, especially in the San Pedro Garza García area and the Cumbres neighborhood in Monterrey, where she did not have any restaurants.

### Next Steps

Yuna knows that she cannot continue operating under the current circumstances. She is aware that sales have remained stable because the restaurant offers high-quality food, fair prices, and has a loyal customer base. However, this could change quickly if she does not address the operational and service deficiencies she diagnosed, while also catering to the new markets she has identified. This means tackling three critical but complex issues in a short period. If they could be addressed simultaneously, it would be even better.

To begin, it is urgent to enhance the overall customer experience in her current restaurants. This requires relocating to larger venues that can accommodate a larger number of customers. The new locations must remain in the Linda Vista and Apodaca areas to retain existing customers. Additionally, this transition should be used as an opportunity to refurbish and renovate the venues while maintaining an “authentic Korean dining experience” in Monterrey.

Moreover, to improve service quality, Yuna must implement internal measures to enhance employee satisfaction and reduce staff turnover. Upgrading the restaurant venues will be ineffective if the staff serving customers is unhappy, dissatisfied, or inexperienced. She understands that addressing employee dissatisfaction is not just about increasing salaries. She needs to implement some serious measures to ensure that her employees are not only satisfied but also delighted and proud to work at the restaurant. They should feel that this place is like a second home, an essential part of their lives.

Finally, Yuna must consider expanding to new locations in San Pedro Garza García and the Cumbres area. Since she has already identified that a significant portion of her market resides in these areas, she needs to assess the feasibility of leveraging her planned improvements in restaurant spaces and staff management to launch new locations under a refreshed brand image with updated labor policies and conditions. In other words, all the restaurants should operate as a unified entity, as a single unit, where customers receive the same high-quality food and service experience at every location.

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