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STARTING AN ORGANIC CAFÉ IN VAASA

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ABSTRACT

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The goal of this study was to find out if there would be enough potential customers to start an organic café in Vaasa.

First the business idea of the café was written down, including information about its products, location, operating environment and predicted customer group, together with a SWOT analysis. Theory was searched about target marketing and forming segments. After this a questionnaire was designed to find out the preferences of café goers in Vaasa and data was collected in two cafés in Vaasa.

After the results were analysed it appeared that there is a large group of people who are interested in the organic café product characteristic. This group's preferences and characteristics also matched well to the business idea of the café, so only slight changes to it were needed. After these results the conclusion was that an organic café would have good chances to succeed in Vaasa with small changes to the business idea.

Keywords

Organic, Café, Target marketing, Segmentation

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1 INTRODUCTION

1.1 Background of the research

Organic food and healthy eating is a growing trend today. At the moment this research was started there was not any cafés in Vaasa that were specialized in these kinds of products. From this came an idea that an organic café that offers healthier products to customers could be successful as it would enter in a fresh market with not so much competition.

1.2 Aim of the research

Aim of this research is to find out whether there would be enough potential customers among the café goers in Vaasa to start an organic café. This is done by examining the preferences of café goers in Vaasa and comparing them to the business idea of the café. Final goal is to find a customer segment whose preferences match the business idea and see if it is large enough to start a profitable business serving them. Also the overall preferences of the café goers are studied to see if the business idea of the organic café would need some adjustments.

1.3 Structure

The first part of the theory presents the business idea of the café, has some information about organic products and examines some things that have to be considered while opening such a business. The second part consists of theory about target marketing and segmentation and works as a base for the survey about potential customers.

After this the results of the survey are presented in two sections. First all of the respondents are analysed together for overall results and after this the respondents are divided in two segments which are compared to one another. In the last part the results of the survey are analysed and final conclusions are presented.

2 BUSINESS IDEA

The idea is to create a nice and cosy place where people can spend time with their friends and at the same time enjoy the healthy and delicious products.

2.1 Organic food

Organic food means food that is produced in a natural way. Modern synthetic inputs such as synthetic pesticides and chemical fertilizers are not used, the food is not genetically modified and it is not processed using irradiation, industrial solvents or chemical food additives. (Wikipedia 2012) Principles of organic production are to keep the nature clean and vivid, avoid artificial additives, give livestock a possibility for natural behaviour, save energy and use renewable energy resources. (Luomuruoka 2012). An organic product must have at least 95% of its ingredients produced organically.

2.2 Interior

The establishment would be divided to two sections, the café itself and a small shop. The shop would have lots of information about the products on shelves and walls, for example their origins, content, use and effects. This would make the shopping easier for people who do not know so much about the products and also trigger people to buy the products.

The café section would have nice sofas to sit on or lay down. There would be a bookshelf full of books about healthy eating and lifestyle and also other topics. An acoustic guitar, decks of playing cards, board games and other activities would be available for customers. The walls would be covered in art by different local artists that would change every now and then.

2.3 Products

All the offered products would be organic and contain healthy ingredients. The café's selection would concentrate on drinks and smoothies. The traditional café drinks would include organic coffees, different herbal teas and cocoas. As a

speciality the list would have a wide selection of smoothies made by blending different fruits, berries, vegetables and different plant powders. Freshly squeezed juices would also be on sale. Some small snacks such as nuts and homemade chocolate would be on offer to accompany the drinks. All the available products could be customized to customers' wishes by including or excluding any of the ingredients available.

During lunch time a daily changing soup would be on sale together with few options of different filled breads.

Due to the quick and easy preparation of all the products the personnel costs could be kept relatively low as not much equipment or working space would be needed. Probably a staff of consisting of one or two persons would be enough.

The shop side would have a selection of most of the ingredients used in the café and also other special products for the customers to buy with them. These would include all kinds of organic products and also so called superfoods which have gained popularity recently.

Possible raw material suppliers could be, for example, Puhdistamo, Makrobios and Solsidans trädgård.

2.4 Location

Location plays an important role in restaurant business. In this case when the business idea is a café, it would be sensible to have it located close to the centre of Vaasa where people spend their time while shopping. In the centre the café would also be close to the places where people eat during lunch time and so it would reach also the attention of those potential customers. This, of course, increases the rent but in this kind of a business where not so very big a place is needed it would probably be still affordable. However, in this case also a place somewhat further away could succeed, as the café offers something special that people who are interested in will especially search for.

2.5 Operating environment

The operating environment of a business is affected by society, culture, people, surroundings, technology and economy. (Hulkko, Passoja, Piira & Vuoristo 1998, 10–11) The current increasing trend of healthy eating would give the business a good chance to succeed. Also there are no similar businesses in Vaasa so the only competitors would be “normal” cafés and lunch places. The negative side is the current decreasing economic situation which leads to people cutting of unnecessary costs, for example, those at going to café. Also, the consumption of special healthy food products in general may decrease due to this.

2.6 Customers

The targeted customer group is the people who are interested in healthy products and lifestyle. Due to interest in new things and the will to try something different also people from other groups are potential customers. Healthily eating people are usually used in spending more money on food so the bit above-average prices will not scare them away. On the negative side many of them may prefer to make their own food at home. To avoid this, the café should offer extra value in form of a cosy environment and possibilities to different activities to attract people to spend time in there. A survey will be made to find out the number of potential customers and their consumer behaviours.

2.7 SWOT analysis

1. Strengths

- Healthy eating is an increasing trend.
- Not similar businesses in Vaasa (niche).
- Running costs could be kept low.
- Fast and easy preparation of products.

2. Weaknesses

- To some extent limited customer group.
- Prices must be bit higher than in normal cafés due to the higher ingredient costs.

3. Opportunities

- Although prices would be a little higher, people who eat healthily and buy organic products are usually used to spending a little more money on food.
- The change to be the first one in this field in Vaasa.

4. Threats

- Trends come and go and new research on healthiness of food changes eating habits all the time, so maybe these kinds of products will not be that popular in future.
- Unsecure economic situation.

3 VAASA AS A BUSINESS ENVIRONMENT

Vaasa is quite a small town on the west coast of Finland with around 66 000 inhabitants. (Wikipedia 2013)

3.1. Population Structure

All together there are about 12 000 students in the universities of Vaasa. This covers about fifth of the whole population, so we can say that Vaasa truly is a student town. Along with these students also a considerable number of exchange students from abroad have come to Vaasa and made it a bit more international than it used to be. In many places abroad meeting people in cafés is also more popular than here in Finland, so the café could be marketed to them as well by, for example, printing all the information in many different languages and by ensuring that the staff is able to speak at least English fluently. This whole large group of students in Vaasa could be potential target group for the café, as higher degree students are usually quite well aware of all kinds of things, also of those concerning healthiness. Although they are students many of them work at least part time and many also come from families with good income so spending a few Euros in a café per week probably would not ruin their budget. (Wikipedia 2013)

3.2. Buying power

The positive population growth in the Pohjanmaa region is at its strongest in Vaasa region. The growth in population increases its buying power and, thus, offers excellent possibilities for broadening the number of services that are available. In other words, the current economical situation in Vaasa region is favorable for starting new businesses, as the need for different goods grows along with the population. (VASEK 2013)

3.3. Competition

There is not yet an organic café in Vaasa, but some other cafés and shops can be listed as competitors. In natural health products and superfoods the main competitors in Vaasa would be Ekosoppi and Life. However, these both are just

shops so most likely a café would not have to compete so much with them for customers, as the business ideas are so different from one another, even though they could attract the same kind of customers. Probably the biggest competitors would be other cafés and lunch places in Vaasa as well as some smaller pubs where people spend their evenings. At the final stages of this research a vegetarian restaurant called Raawka opened its doors in Palosaari serving some similar kind of products that were planned to the organic café, so it can be listed as one of the main competitors.

4 TARGET MARKETING

It is unlikely that a company is able to serve all customers in a broad market due to the number of customers and their diverse buying habits. This is why it is useful to concentrate on some specific segments that can be served the best.

Target marketing requires three major steps:

1. Market segmentation
 - Identify and profile distinct groups of buyers who might require separate products or marketing mixes.

2. Market targeting
 - Decide on targeting strategy (Groucutt, Leadley & Forsyth 2004, 128)
 - Select one or more market segments to enter.

3. Market positioning
 - Understand consumer perceptions (Groucutt, Leadley & Forsyth 2004, 128)
 - Establish and communicate the product's key distinctive benefits in the market. (Kotler 2000, 256)

4.1 Levels of market segmentation

Market segmentation is an effort to increase a company's precision marketing. The starting point of segmentation discussion is mass marketing, which means that a company mass produces, mass distributes and mass promotes one product for all buyers. Argument for mass marketing is that it creates the largest potential market, leading to lower costs which can lead to lower prices or higher margins.

However, customers now have more ways to shop than ever and some claim that "one size fits all" mass marketing is dying. Many companies are now turning to micromarketing at one of its four levels: segments, niches, local areas and individuals. (Kotler 2000, 256)

4.1.1 Segment marketing

A market segment consists of a identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes or buying habits. Segmentation is an approach midway between mass marketing and individual marketing. Even the people in one segment are similar, they are still individual. Due to this it is recommended to present *flexible market offerings* instead of one standard offering to whole segment. A flexible market offering consists of a *naked solution* that appeals to the core values of a segment and different *options* that customers can add to customize the product to fit their preferences.

Segment marketing offers several benefits over mass marketing: The company can create a more fine-tuned product and price it according to the target segment. The choice of distribution and communication channels becomes easier and the company may also face less competition in the particular segment. (Kotler 2000, 256-257)

4.1.2 Niche marketing

A niche is a more narrowly defined group, typically a small market whose needs are not well served. Niches can be identified by dividing segments to smaller groups or by defining a group that is seeking distinctive mix of benefits. As segments are usually quite large and attract numerous competitors, niches are smaller and normally attract only one or two.

Niche marketers aim to understand their customers' needs so well that the customers willingly pay a premium. (Kotler 2000, 257-258)

4.1.3 Local marketing

Local marketing means that marketing programs and products are tailored to match with the local preferences, for example particular trading area, neighbourhood or even individual stores. By doing this the local needs can be taken in consideration better than in national advertising. On downside the costs

became higher and logistical problems might occur. Also the brands overall image may suffer from the difference of product and message in different locations.

(Kotler 2000, 258)

4.1.4 Individual marketing

The ultimate level of segmentation leads to “segments of one”. For centuries consumers were served as individuals, for example tailor made a suit for each individually. Now, with internet and other new technological possibilities, this approach is returning to marketing. With so called *mass customization* some companies are now able to produce individually designed products on a mass basis. With new technology marketing is now turning from “a broadcast medium to a dialog medium,” where the customer actively participates in the design of the product and offer.

Nowadays customers are more aware of what they buy. They look from internet for information and evaluations and make their own minds about the best offer. To influence this marketers should set up free phone numbers and e-mail addresses to enable buyers to reach them with their questions, suggestions and complaints. By doing this the customers will be more involved in the product-specification process. (Kotler 2000, 259-260)

4.2 Advantages of market segmentation

Segmenting markets is not a one-off project as it requires thought and analysis. Markets change all the time and failure to monitor them can lead to new entrants gaining a competitive advantage. The on-going research requires resources so the benefits must be identifiable and of value. (Groucutt, Leadley & Forsyth 2004, 133)

4.2.1 Ability to compare marketing opportunities

One of the major benefits of segmentation is the ability to see and compare marketing opportunities within a market. Once a niche where a particular benefit is not available has been found it can be entered and these people offered what

they are longing for. It is essential to pay attention to the size and structure of the particular group to ensure that a profitable return is gained from the investments. (Groucutt, Leadley & Forsyth 2004, 133)

4.2.2 Effective allocation of marketing budget

Segmentation can also help in the planning of marketing budget. Expenditures should be concentrated on markets that provide the highest return. This helps to ensure that marketing effort is not wasted on products that the company cannot offer effectively or competitively. (Groucutt, Leadley & Forsyth 2004, 133)

4.2.3 Ability to make adjustments

Segmenting allows organizations to fine adjust their marketing mix specifically to suit the market. Sometimes it is only necessary to change one aspect of the mix to change the effect or perception of the whole offering.

Segmenting markets should ensure that marketing can accomplish the objectives of the organization. This can only be done if:

- the characteristics of the individual market are known
- the influence of specific buying groups on these markets is understood
- sales promotion is directed to the specific segments
- these segments are exploited to achieve the defined marketing objectives (Groucutt, Leadley & Forsyth 2004, 133)

4.3 Patterns of market segmentation

One way of building a market segment is to identify *preference segments*. Three different patterns can emerge:

1. Homogenous preferences
 - A market where all the consumers have roughly the same preferences. The market shows no segments.

2. Diffused preferences

- An other extreme where the customer preferences are scattered. The first brand entering this kind of market usually positions in the centre to appeal to the most people and minimize the sum of total customer dissatisfaction. A second brand can choose either to compete with the first for the central place or then locate in some corner to attract customers who are not satisfied with the first company.

3. Clustered preferences

- A market that shows distinct preference clusters, called *natural market segments*. The first firm that enters this kind of market can choose to position in the centre in hope to appeal to all customers, position in the largest segment or develop different brands for each segment. If the company chooses only one segment competitors are likely to enter the others. (Kotler 2000, 261-262)

4.4 Market-segmentation procedure

The market segment identifying process is done in three steps: survey, analysis and profiling.

1. Survey stage

- The researcher collects data on potential customers' attributes and their importance.

2. Analysis stage

- The researcher applies *factor analysis* to the data to remove highly correlated variables. After this a *cluster analysis* is done to create a specified number of maximally different segments.

3. Profiling stage

- Each cluster is profiled according to its distinguishing attitudes, behaviour, demographics, psychographics and media patterns. A name is given to each segment based on its dominant characteristic.

One way to discover new segments is to investigate the hierarchy of attributes that consumers value while choosing a product. This is called *market partitioning*. The hierarchy of attributes can reveal customer segments, for example buyers who first decide on price are price dominant. Segments can also be formed by looking the importance order of multiple attributes in relation to each other. (Kotler 2000, 262-263)

4.5 Bases for segmenting consumer markets

Two broad groups of variables are used to segment consumer markets. One way is to form segments based on *consumer characteristics*: geographic, demographic and psychographic, and examine how these groups differ in buying behaviour and values.

Other way is to do it vice versa and form segments based on *consumer responses* on their buying behaviour and examine if these groups differ in their geographic, demographic and psychographic characteristics. (Kotler 2000, 263)

4.5.1 Geographic segmentation

In geographic segmentation the market is divided to geographical units such as nations, regions, cities or neighbourhoods. A company can operate in one or multiple regions but attention is paid to local variations in each area separately. (Kotler 2000, 263)

4.5.2 Demographic segmentation

Demographic segmentation divides the market in groups based on variables such as age, family size, family life cycle, gender, income, occupation, education,

religion, race, generation, nationality and social class. This is the most popular way of segmentation due to the easy measurability of these variables and the fact that consumer wants, preferences and usage rates often associate with demographic variables. (Kotler 2000, 263-266)

4.5.3 Psychographic segmentation

In psychographic segmentation buyers are divided in groups based on their lifestyle, personality and values. Core values go much deeper than behaviour or attitude and determine people's choices and desires over a long period of time. (Kotler 2000, 266-267)

4.5.4 Behavioural segmentation

Behavioural segmentation divides buyers into groups on the basis of their knowledge of, attitude towards, use of or response to a product. Many marketers believe that behavioural variables such as occasions, benefits, user status, usage rate, loyalty status, buyer readiness stage and attitude are the best starting points for forming market segments. (Kotler 2000, 267-270)

4.6 Effective segmentation

To be useful market segments must be:

1. Measurable
 - The size, purchasing power and characteristics of the segments can be measured.
2. Substantial
 - The segments are large and profitable enough to serve.
3. Accessible
 - The segments can be effectively reached and served.
4. Differentiable
 - The segments are distinguishable and respond differently to different marketing programs.
5. Actionable

- Effective programs can be formed to attract and serve the segments.
(Kotler 2000, 273-274)

4.7 Market targeting

Once the market segment opportunities are identified it is time to decide how many and which ones to target. (Kotler 2000, 274)

4.7.1 Evaluating the market segments

When evaluating market segments two factors have to be considered. First, the company must see if a potential segment has characteristics that make it attractive, such as size, growth, profitability, scale economics and low risk. Second, the company must find out if investing in the segment matches with its objectives and resources. Some attractive segments could be dismissed if they do not match with the company's long run objectives or the company is unable to offer superior value to them. (Kotler 2000, 274)

4.7.2 Selecting the market segments

After evaluating different segments, the company can consider five patterns of market selection:

1. Single-segment concentration
 - By selecting single segment the firm gains a strong knowledge of its needs and achieves a strong market presence. However, concentrated marketing involves higher risks as the target segment can turn weak or competitors may invade it.
2. Selective specialization
 - Here the firm selects multiple segments, each objectively attractive and appropriate. There may be little or no synergy among the segments. This strategy has the advantage of diversifying the firm's risk.

3. Product specialization

- The firm makes a certain product that it sells to several segments. Through this the firm builds a strong reputation in the specific product area. Risk is that the product may be supplanted by new technology.

4. Market Specialization

- Here the firm concentrates on serving many needs of target customer group. This way the firm gains strong reputation in serving this particular group and becomes a channel for further products that the group may want. Risk is that the customer group loses its buying power.

5. Full market coverage

- Here the firm tries to serve all customer groups with all the products they might need. Only very large firms can follow this strategy.
(Kotler 2000, 274-276)

5 MARKET RESEARCH

This chapter goes through the goal of this market research and the issues that have to be taken in consideration in its practical implementation.

5.1 Goal of the research

The goal of this research is to find out whether there would be enough potential customers to start an organic café in Vaasa. This was decided to be done by identifying behavioural segments among the café goers in Vaasa. The plan is to form a segment whose preferences will match the business idea of the organic café and see if it is large enough to start a profitable business serving them. Also, the characteristics of this group are studied and compared to the rest of the respondents to find out the main differences and to see would the original business idea need some adjustments.

5.2 Quantitative survey research

A quantitative survey is more efficient than qualitative when predicting the behaviour of certain groups, as it makes it easier to gather the large number of responses that is needed to form the segments and also the results are easier to compare as all the respondents answer to the same questions with the same limited set of answers. When conducting any kind of a survey it is important to act ethically and ensure that the participants can stay anonymous if they want to. (Bordens & Abbot 2011, 260)

A questionnaire should have a clearly defined topic to keep it focused on the attitudes and behaviour that are meant to be studied. Trying to get too much information in a single survey should be avoided. Demographics such as age and sex are often used as predictor variables to determine if participant characteristics predict responses to other items. Other, nondemographic items can also be used as predictor variables. In addition to these there should be items designed to measure the behaviour of interest. All the questions should be clear, to the point and relevant to the aims of the research. Time spent on this will pay off later as well-

constructed questions are easier to summarise, analyse and interpret. (Bordens & Abbot 2011, 261)

5.3 Practical implementation

A questionnaire was designed to collect the wanted information (Appendix 1). It was distributed to two cafes in Vaasa: Konditoria Wasa in Kauppahalli and Othello in Palosaari where they agreed to pass it on to their customers. A total of 104 questionnaires were returned filled.

6 RESULTS

In the following pages the results of the research are presented in charts together with some information and analysis.

6.1 Overall results

Here all the responses are first analysed together to see what the overall opinions of the respondents were.

6.1.1 Average age

Chart 1.

Statistics

Age

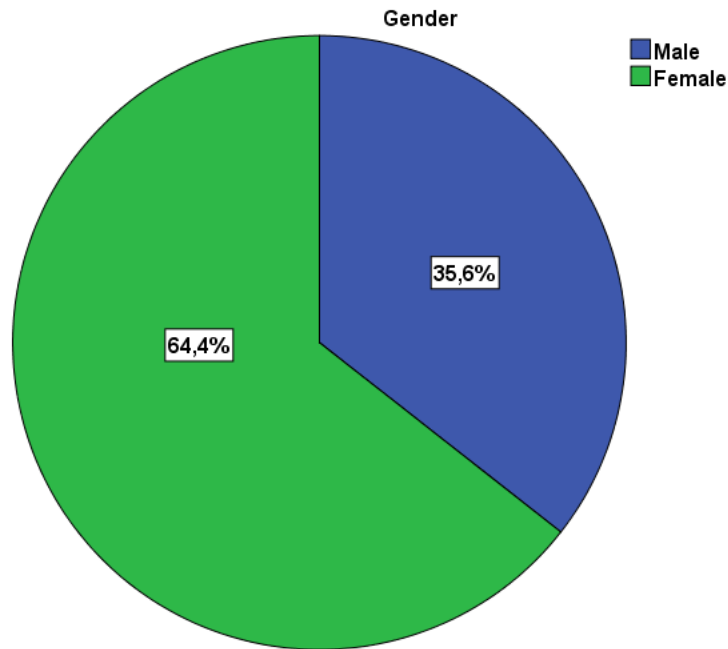
N	Valid	104
	Missing	0
Mean		50,707

The average age of respondents was about 51 years, as can be seen in chart 1. This indicates that cafes in Vaasa are in favour of older adult people. The planned target group of the organic café was somewhat younger people but in the light of this fact to attract the main group of café goers it should be marketed to older people also.

The high average age also indicates that at the current moment cafes do not attract much younger people. This can be seen as a good niche to enter in with a business idea designed to younger peoples preferences as not so much competition is expected.

6.1.2 Gender division

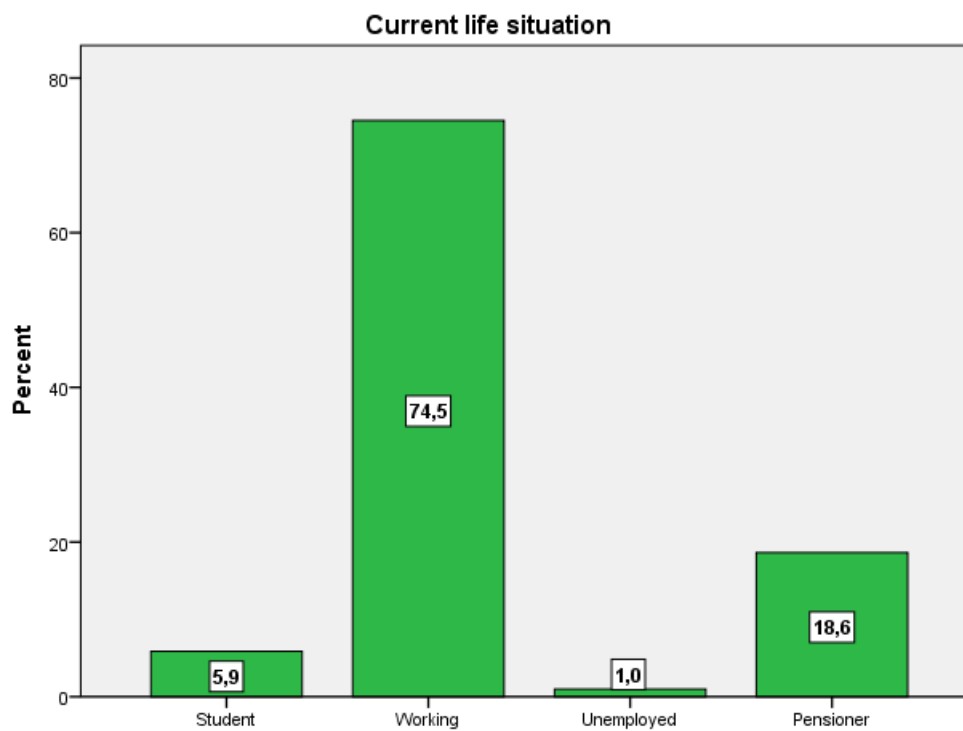
Chart 2.



It appears that nearly two thirds of the café goers are female, with the gender division being 64,4% females and 35,6% males, as can be seen in chart 2.

6.1.3 Current life situation

Chart 3.



As can be seen in chart 3, working people are clearly the largest group among café goers with 74,5%, pensioners being the second largest with 18,6% and students third with 5,9%. Those unemployed were nearly absent with only 1%.

6.1.4 Frequency of café visits

Chart 4.

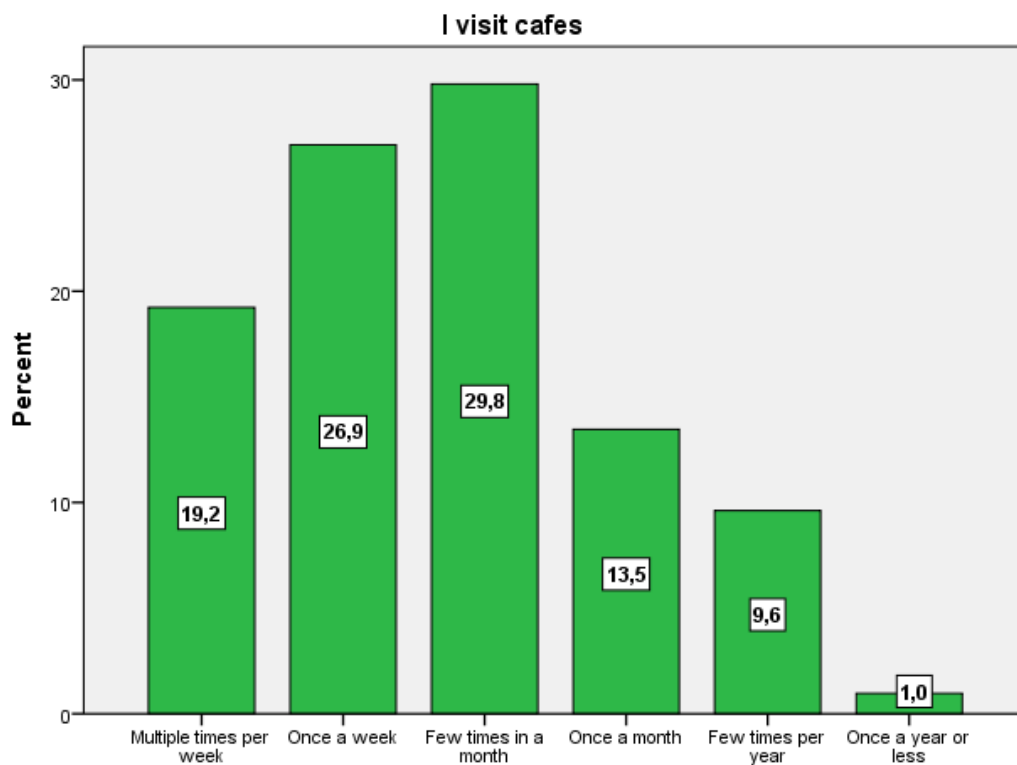


Chart 4 shows that majority of café goers are fairly regular customers, as the three biggest groups are those that visit cafes a few times in a month with 29%, once a week with 26,9% and multiple times per week with 19,2%.

6.1.5 Café product preferences

Chart 5.

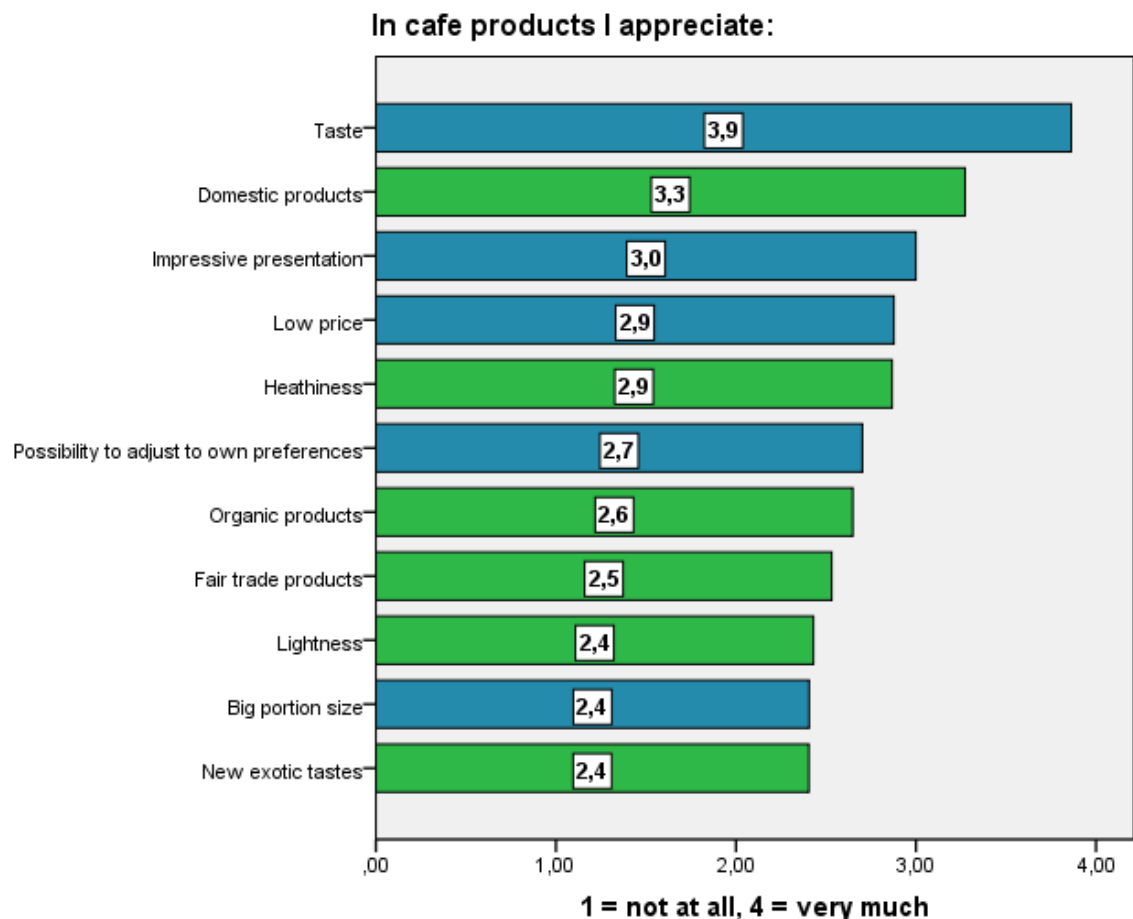
Drinks:	%	Food:	%
Coffee	88,5	Sweet snack	62,5
Tea	16,3	Salty snack	51,9
Hot chocolate	4,8	Salad	14,4
Juice or soda	3,8	Meal	7,7
Milkshake or similar	3,8	Soup	1,9

In the fifth section the respondents were asked what they usually order in a café. From chart 5 can be seen that coffee is a clear number one in drinks with 88,5% usually ordering it. Tea comes as clear number two but still clearly behind coffee with 16,3%. The other three options all had under 5% ordering them: hot chocolate 4,8% and juice or soda and milkshake or other richer drink both 3,8%.

In the food section the two most popular items were sweet snacks with 62,5% and salty snacks with 51,9%. Salad was number three with 14,4% usually ordering it, after it was a meal with 7,7% and the last one was soup with only 1,9%.

6.1.6 Appreciation of café product characteristics

Chart 6.



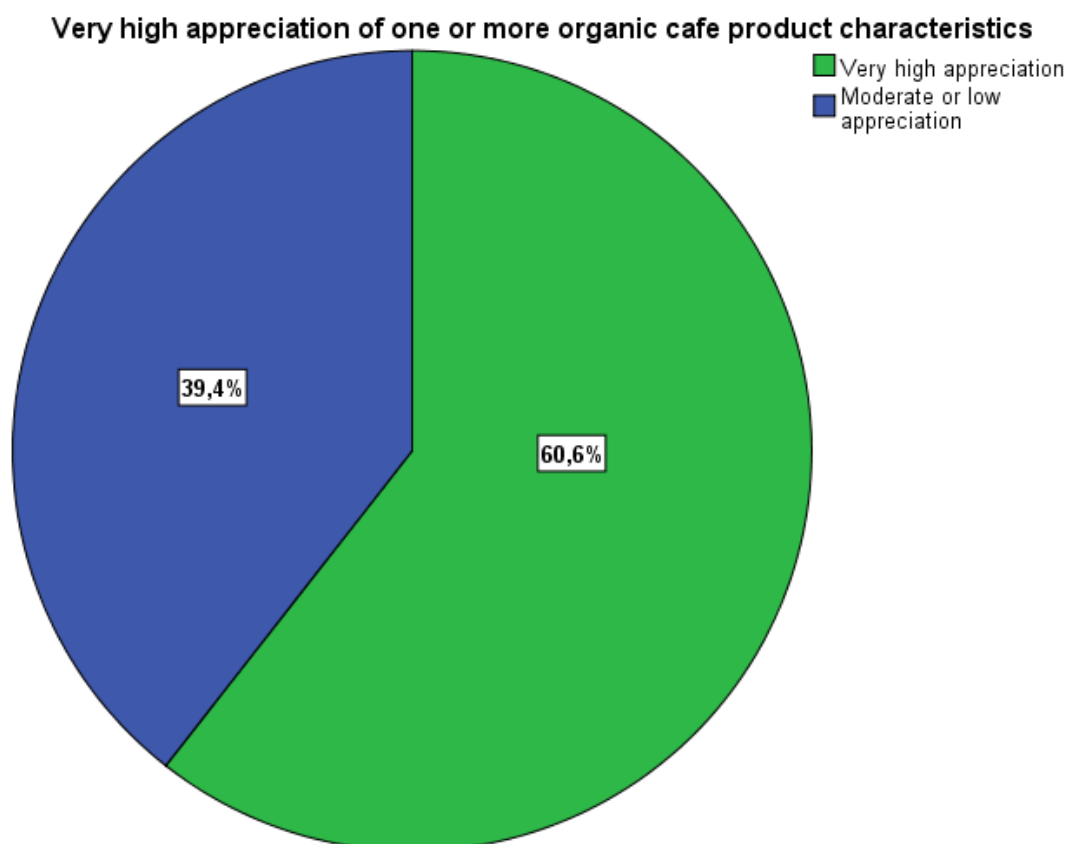
In the last section the respondents were asked to rate some characteristics of cafe products in a scale from one to four, one meaning that it is not important at all and four meaning very important. After this an average was counted for each characteristic to see which ones were the most appreciated. As can be seen from chart 6, taste (3,9), domestic products (3,3) and impressive presentation (3,0) appeared to be the three most appreciated characteristics. Next were low price and healthiness, both with an average of 2,9. After these was a possibility to adjust to one's own preferences (2,7), organic products (2,6) and fair trade products (2,5). The three last ones were lightness, big portion size and new exotic tastes all with the same score of 2,4.

6.2 Further analysis

To find out how many of the respondents would be potential customers to an organic café the respondents were divided in two behavioural segments on the basis of what they appreciate in café products. This was done by picking those that had answered that they appreciate very much one or more of the following characteristics in café products: domestic products, healthiness, organic products, fair trade products, lightness and new exotic tastes (marked with green colour in chart 6). After this this group of the most potential customers was compared to the rest of the respondents to find out how they differ in average age, gender division, current life situation, frequency of café visits and in the products they usually order.

6.2.1 Segment division

Chart 7.



As can be seen from chart 7 60,6% of the respondents appreciated very much one or more of the product characteristics that matched to the business idea of an organic café, which were domestic products, healthiness, organic products, fair trade products, lightness and new exotic tastes. This segment will now on be called the most potential customers and the ones with moderate or low appreciation the rest of the respondents.

6.2.2 Comparison of average ages

Chart 8.

Statistics

Age

N	Valid	63
	Missing	0
Mean		51,302

Chart 9.

Statistics

Age

N	Valid	41
	Missing	0
Mean		49,793

The first chart, chart 8, represents the average age of the most potential customers and the second one, chart 9, the average age of the rest of the respondents. The average age of the most potential customers appeared to be higher than the rest of the respondents, but the difference was very small, only about one and a half year.

6.2.3 Gender division between the segments

Chart 10.

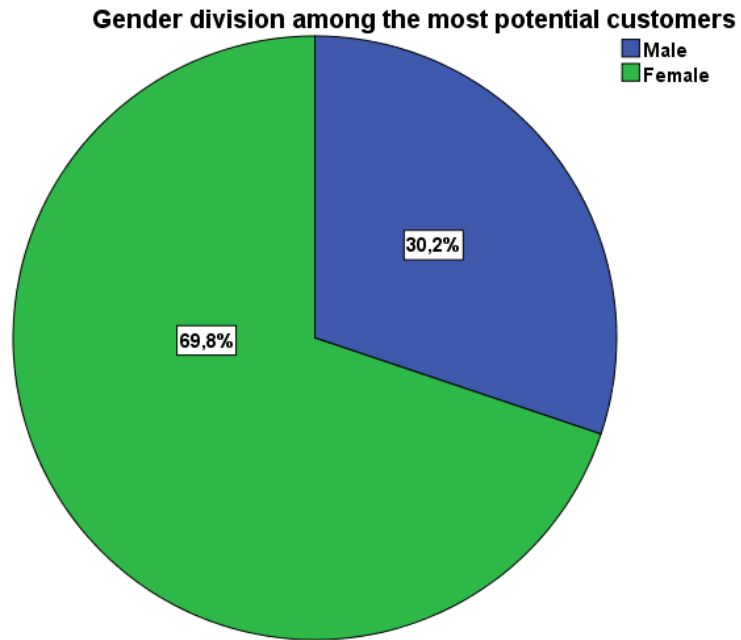
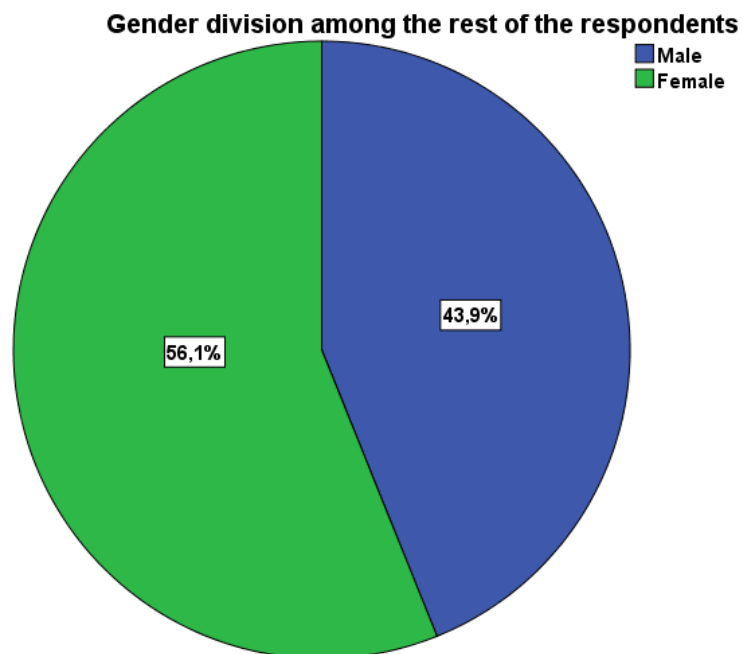


Chart 11.



As charts 10 and 11 demonstrate, in gender division there was a clear difference between the segments. Among the most potential customers that are presented in chart 10, the number of females was 69,8%, which is over two thirds of the respondents of the segment. Among the rest of the respondents that are presented in chart 11, the number of males and females was more even, with females being only slightly more common than males with a total of 56,1%.

6.2.4 Difference in life situation

Chart 12.

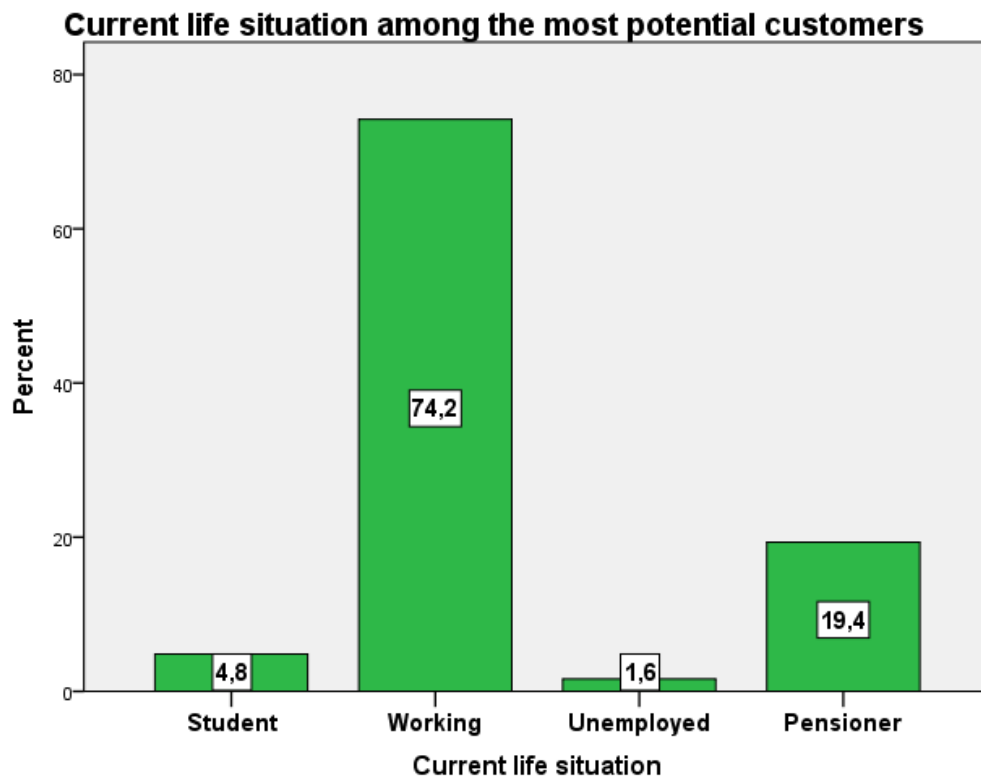
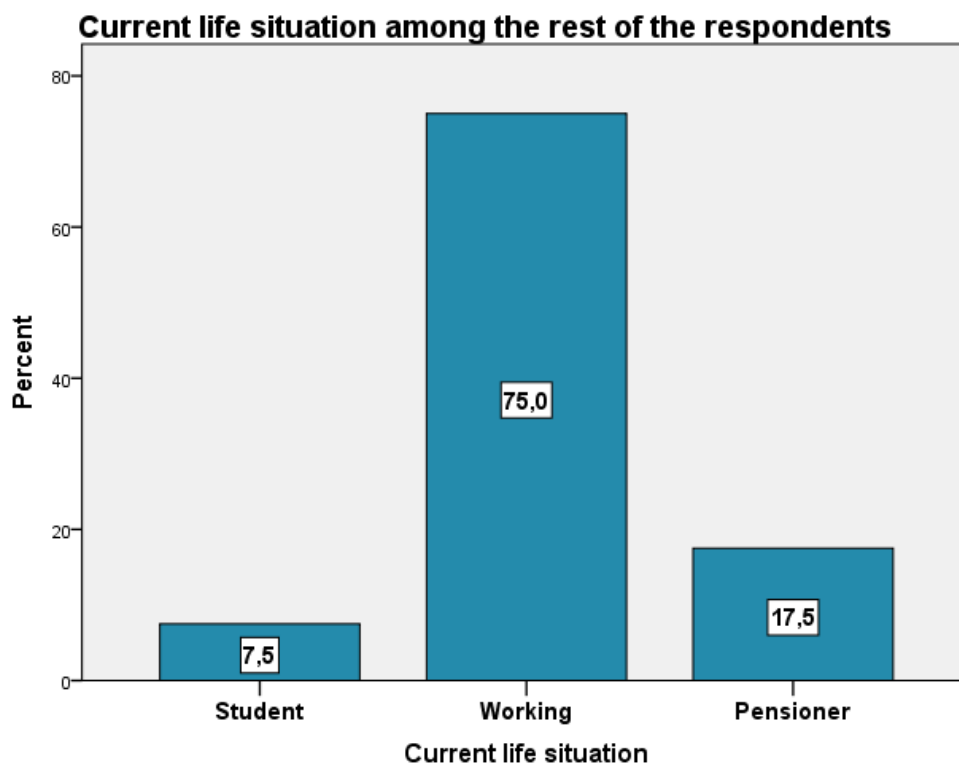


Chart 13.



Charts 12 and 13 represent the current life situation among the respondents in both segments, with chart 12 representing the most potential customers and chart 13 the rest of the group. The number of working people was nearly the same in both segments: 74,2% among the most potential customers and 75% among the rest of the respondents. The number of pensioners was slightly larger among the most potential customers with 19,4% compared to the 17,5% among the rest of the respondents. Students were a bit more common among the rest of the respondents with 7,5%, as among the most potential customers their amount was only 4,8%. The only unemployed respondent appeared to be among the most potential customers.

6.2.5 Difference in the frequency of café visits

Chart 14.

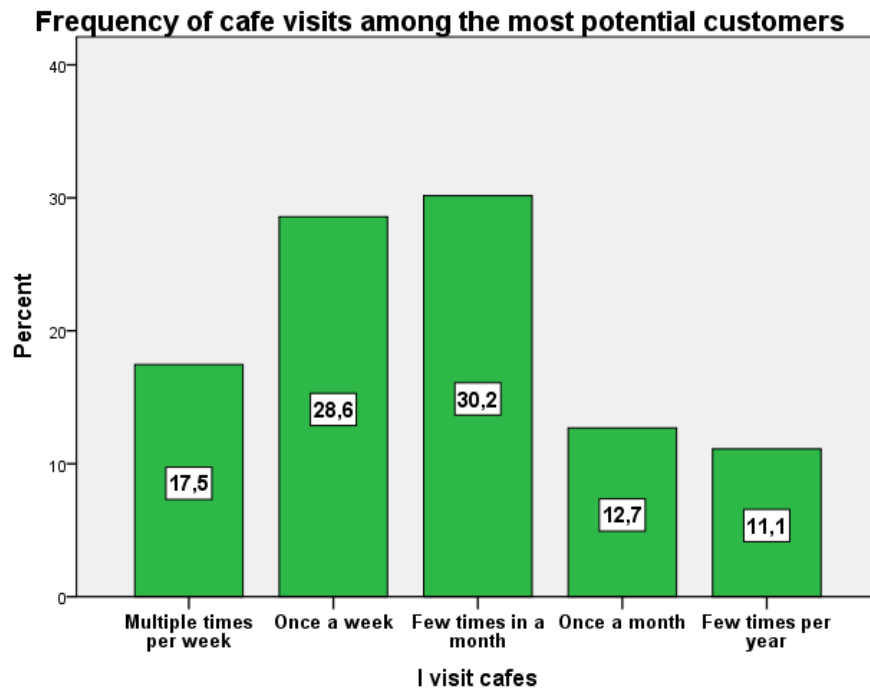


Chart 15.

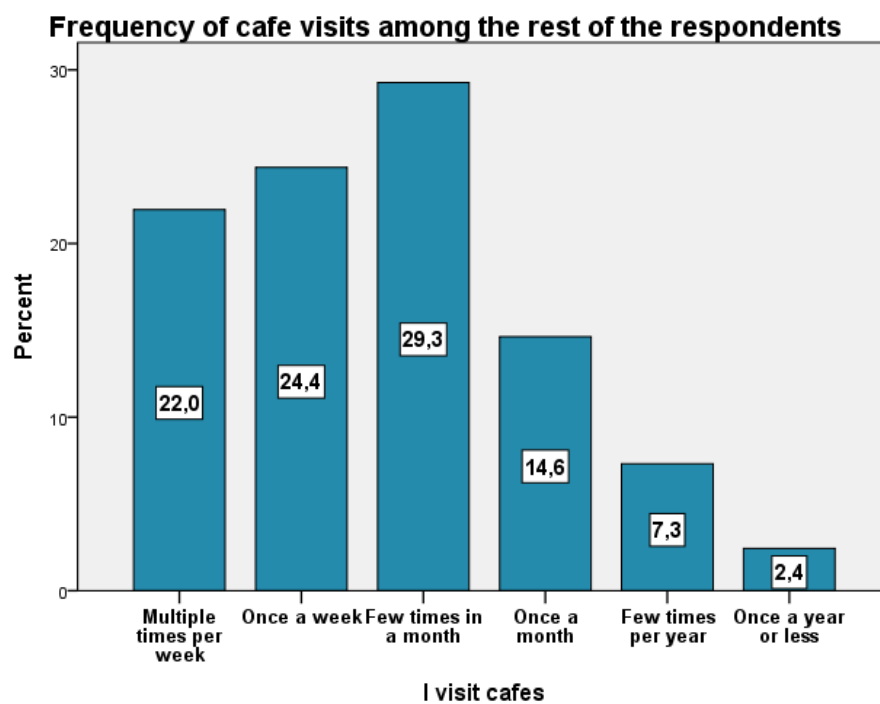


Chart 14 represents the frequency of café visits among the most potential customers and chart 15 the frequency among the rest of the respondents. In both segments the emphasis is quite evenly on those who visit cafés a few times in a month or more often. Multiple times per week visitors are bit more common among the rest of the respondents with 22% compared to the 17,5% among the most potential customers but, on the other hand, once a week visitors are more common among the most potential customers with 28,6% compared to the 24,4% among the rest of the respondents.

6.2.6 Comparison of café product preferences

Chart 16.

Drinks:	%	Food:	%
Coffee	85,7	Sweet snack	61,9
Tea	22,2	Salty snack	54,0
Milkshake or similar	6,3	Salad	19,0
Juice or soda	4,8	Meal	11,1
Hot chocolate	4,8	Soup	1,6

Chart 17.

Drinks:	%	Food:	%
Coffee	92,7	Sweet snack	63,4
Tea	7,3	Salty snack	48,8
Hot chocolate	4,9	Salad	7,3
Juice or soda	2,4	Meal	2,4
Milkshake or similar	0	Soup	2,4

Charts 16 and 17 represent the café product preferences of the respondents, chart 16 representing the most potential customers and chart 17 the rest of the respondents. In the drink section tea and milkshake or other richer drink did stand out to be clearly more in favour of the most potential customers. Juice or soda was also more commonly ordered among the most potential customers, as coffee was slightly more preferred among the rest of the respondents. Popularity of hot chocolate was nearly the same in both segments.

When it comes to food, the most notable differences were in the preferences of salad and richer meal. Both of these were clearly more preferred by the most potential customers. Sweet snacks were the most preferred ones and very evenly common in both segments. Salty snacks were clearly the second common ones in both segments but more preferred among the most potential customers. Soup was the least preferred one in both segments.

6.2.7 Comparison of café product characteristic appreciations

Chart 18.

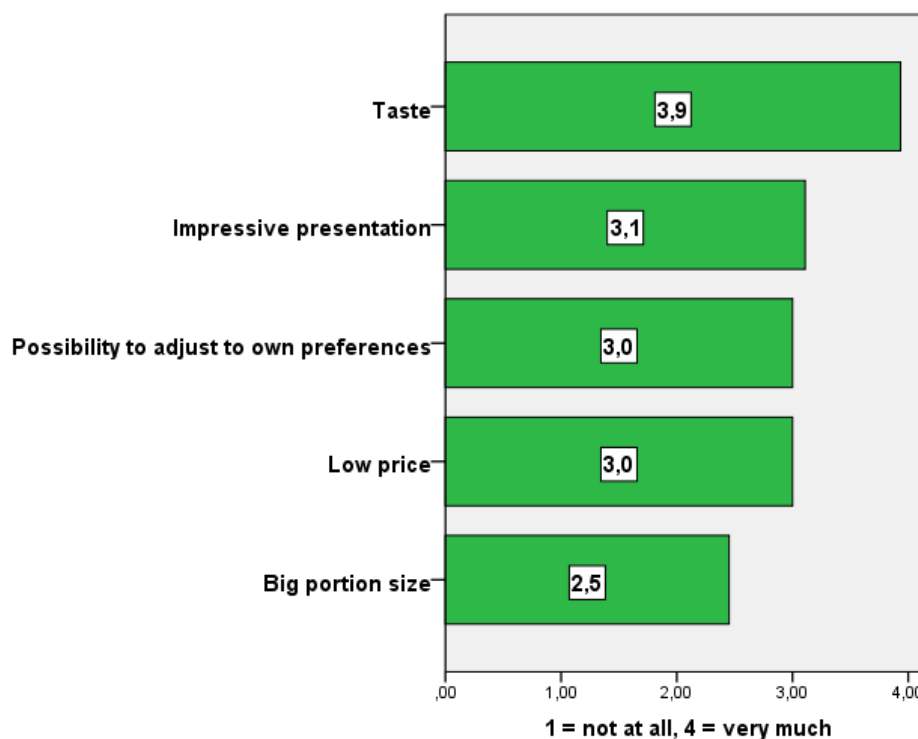
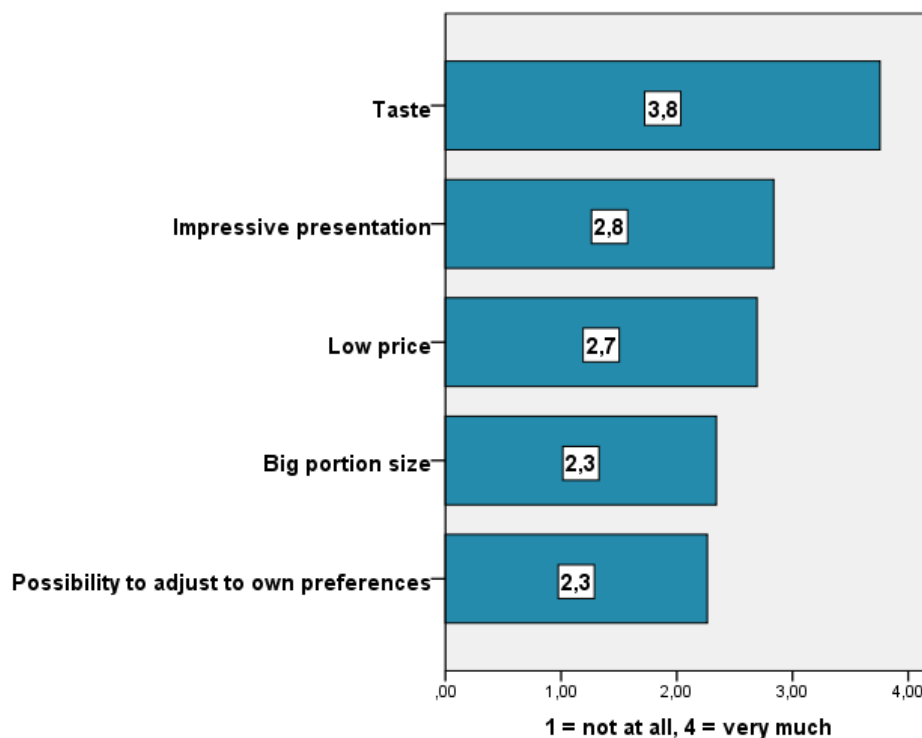


Chart 19.



In the last section the appreciation of those café product characteristics that were not used in the segment making were compared between the segments. In chart 18 are the preferences of the most potential customers and in chart 19 the preferences of the rest of the group. The averages of all the five characteristics were bit higher among the most potential customers, but the order in top three was similar between the segments: first taste, then impressive presentation and after that low price, with an exception that among the most potential customers possibility to adjust to own preferences shared the third place with low price. The main difference between the segments was found in the appreciation of big portion size and possibility to adjust products to own preferences. Among the most potential customers possibility to adjust to one's own preferences was in the shared third place and big portion size last, when among the rest of the respondents big portion size was fourth and possibility to adjust to one's own preferences last.

7 CONCLUSIONS

In this chapter the results of the survey are compared one by one to the business idea of the organic café to see how well they match and what adjustments should be made to attract more customers. Also the characteristics of the two segments are compared to find out the special characteristics of the most potential customers. In the end final conclusions are drawn on the question that whether there would be enough customer base to start an organic café in Vaasa.

7.1 Age

The average age of café goers appeared to be relatively high, nearly 51 years. The original business idea of the cafe was targeted to people around 20-40 years, but after this discovery it seems that to attract the main group of café goers it has to be ensured that also older adults find the café comfortable. For example very modern music may distract these customers.

On the other hand, the result for the average age may be somewhat higher than the actual average age of cafe goers, as the research was done in cafes that may be more in favour of older people than some other cafés in Vaasa. The reason for choosing these cafes was that they were the only ones that were willing to take the questionnaires in.

The high average age may also indicate that there are not so many cafés in Vaasa that attract younger people. This could be turned to a positive thing by trying to especially attract younger people that at the moment do not visit cafés much. If the organic café succeeds in this, it could enter in a fresh market with not so much competition. The idea of having modern art from local artists could make the place trendy in the eyes of these people and also the planned more relaxed, a bar-like atmosphere could attract especially them.

When the two segments were compared the most potential customers appeared to be slightly older with an average age of 51,3 years, compared to the 49,7 years average among the rest of the respondents. This hints that organic café product

characteristics could be bit more in favour of older people, but the difference is so small that no big conclusions can be drawn from this.

7.2 Gender division

From the whole group of respondents nearly two thirds were female. When the two segments were compared it appeared that females were far more common among the most potential customers, forming over two thirds of the segment. Among the rest of the respondents the division between males and females was very even, females being only slightly more common.

This seems promising to the organic café, as females are far more common than men among café goers in general and it appears that especially females are the ones that are most interested in organic café product characteristics. This also indicates that marketing of the café should be specified in attracting female customers.

7.3 Current life situation

Working people form clearly the largest share of café goers with about three fourths of the respondents being currently working. Pensioners were the second largest group but way smaller than working people. Students were a clear minority and unemployed nearly absent. In this section there were not any significant differences between the two segments and the responses were closely similar to the whole group's responses.

The high number of working people among café goers is good news to the organic café as they can be expected to be able to afford bit higher prices. The low number of students and unemployed shows that the people with less money tend to stay at home and make their own coffee. However, these people could also be attracted by making the café experience much more than just having a cup of coffee. By making the café a nice cosy place to hang out and listen to music for a longer period of time and see friends the higher prices of the products probably would not stand out so much as the environment would offer compensation for the extra money spent. In my experience many students and also those unemployed enjoy

going to bars and nightclubs, so they do spend money outside of their home, but choose carefully where to spend it.

7.4 Frequency of café visits

Also in this section as before the responses in both segments as well as in the whole group were very similar. About half of the café goers visit cafes once or multiple times per week and about one third few times in a month.

This leads to a conclusion that the majority of café goers are fairly regular customers. Considering this it would be very important to ensure that the regular customers continue returning to the organic café. One good idea could be to vary the products regularly, so that the daily customers would not get bored after time and change to some other café, while still keeping the top selling products same. Also some kind of regular customer card that, for example, would give them some product for free after a certain amount of visits could work well, as with regular visits they would get it filled fast and could feel the benefits often.

7.5 Café product preferences

Among all the respondents as well as in both segments coffee was clearly the most ordered product, with 88,5% of all respondents usually ordering it. This is clearly something that has to be taken in consideration by ensuring that the quality of the coffee is excellent to make it stand out from the rest of the cafés and that the variety of different coffees is large enough to please everyone's tastes. As someone had mentioned in their own opinions fresh ground coffee straight from beans would be best. Tea was number two in the drink section with 16,3%, as the popularities of all the other drinks were under 5%.

When the drink preferences of the two segments were compared, tea, milkshake or other richer drink and juice or soda appeared to be significantly more popular among the most potential customers than among the rest of the respondents. This indicates that the planned drink variety of the organic café with smoothies, herbal teas and fresh juices matches very well to the preferences of the most potential customers.

When it comes to food, sweet and salty snacks were clearly the most preferred ones in both segments, as well as among the respondents in general. After this discovery it is clear that products from both of these categories should be available in the organic café as well.

When the two segments were compared it appeared that salad and richer meal were far more popular among the most potential customers than the rest of the respondents. This indicates that having some kind of lunch in the organic café as was planned could indeed be a successful idea. However, the original idea of having a daily changing soup should be discarded, as soup was the least preferred one in both sections, gathering just few per cents. Furthermore, salad was almost twice more preferred than richer meals among the most potential customers, so maybe some richer salad option besides a typical salad instead of a warm meal could be a well-working compromise. This way the preparation of the lunch would be easier and faster as not so many different ingredients and various cooking equipment would be needed and this would also help to keep the personnel costs low as was planned.

7.6 Appreciation of different product characteristics

Among all of the respondents taste was the most appreciated characteristic in café products, so it is very important to not to compromise in taste while planning the products of the organic café. In the product characteristics that related closely to business idea of the organic café domestic products were the most appreciated ones and new exotic tastes were appreciated least. This indicates that the emphasis in the product ingredients should be on domestic products and exotic ingredients should be used more rarely than originally was planned. Healthiness was second in appreciation among the organic café product characteristics as lightness was among the least appreciated ones, so the products can be bit heavier as long as they are otherwise healthy. Organic products were slightly more appreciated than fair trade products, so domestic organic ingredients would be the best choice for main raw ingredients.

When the two segments were compared in the appreciation of those café product characteristics that were not used in the segment making, the main difference was that the possibility to adjust to own preferences was more appreciated among the most potential customers. On this basis it seems that the original idea of allowing the customers to choose the ingredients according to their own preferences if they want would have demand. It would also be easy to do in practice as most of the products are prepared from the beginning at the moment they are ordered and do not contain very large variety of ingredients. Taste and impressive presentation were more appreciated than low price and big portion size in both segments, so the portions would not have to be so big and could also cost bit more as long as they look and taste good, which also suits well to the original business idea of the organic café.

7.7 Final conclusions

All in all, it seems that there could be a good niche in Vaasa café scene for an organic café to enter in, as over half of the respondents appreciated very much one or more of the café product characteristics that were closely related to the business idea of the café. The fact that the majority of these people were female is also a good sign, as the majority of café goers appear to be female as well. Furthermore, most of the café goers were working people so they can be expected to be able to afford the bit higher prices of the organic café.

The planned products of the café also appeared to suit well in general to the preferences of the most potential customers, as they were more interested in tea, milkshakes and other richer drinks and juices and sodas than the rest of the respondents. However, coffee was still clearly the most ordered product among them, so it is important to not to forget this when planning all the other products and ensure that a good variety of quality coffees is also available. The lunch idea matched the preferences of the most potential customers as well, but instead of a daily changing soup some kind of richer salad could be served, as salad and richer meal were far more commonly ordered than soup.

In product characteristics the main emphasis should be in domestic organic products, as they were more appreciated than exotic tastes. The possibility to adjust the products to each person's own preferences was appreciated more among the most potential customers than the rest of the respondents, so it should be included in the business idea as was originally planned.

7.8 Suggestions for further research

The average age of the café goers should be researched further in a larger variety of cafes to find out if it actually is as high as it appeared to be in this study, as now it is possible that the cafés where the research was conducted were especially in favour of older people. This study also now concentrates mainly on working peoples and pensioners' preferences as they formed the majority of the respondents. To find out whether there would be demand for a new kind of a café among students and those unemployed who at the moment do not visit cafés often, a separate research could be done that would concentrate especially on these people's preferences.

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APPENDIX 1

Questionnaire

1. Age:

____ years

2. Gender:

- Male
- Female

3. Current life situation:

- Student
- Working
- Unemployed
- Pensioner
- Other, what? _____

4. I visit cafes:

- More than once a week
- Once a week
- Couple of times per month
- Once in a month
- Few times in a year
- Once a year or less

5. In a cafe I usually order:
(Pick one or multiple options)

- Coffee
- Tea
- Cocoa
- Milkshake, smoothie or some other richer drink
- Juice or soda
- Small sweet snack
- Small salty snack
- Salad
- Soup
- Meal
- Other, what? _____

6. In cafes' products I appreciate:

	Very much			Not at all
Taste	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Healthiness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lightness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Big portion size	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Impressing presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Domestic products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organic products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fair trade products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility to adjust the product to meet own preferences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New exotic tastes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other, what? _____				