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UNIVERSITY OF APPLIED SCIENCES

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# Establishing a Customer Approach and a Product Promotion Plan for a Start-up Business in Fruit and Tea Based Beverages

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**Establishing a Customer Approach and a  
Product Promotion Plan for a Start-up Busi-  
ness in Fruit and Tea Based Beverages**

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This thesis was conducted to gain an insight on the fruit beverage industry in the Finnish market and to define a suitable customer group. Therefore, the product promotion plan for Pin Station was created to attract customers within the age group of 20 to 60. Pin Station is a start-up business selling drinks with the aim to support physical and mental health benefits, especially smoothie products.

In order to carry out the research, the group applied knowledge from academic sources including theories and models about customer insight, segmentation, and the 4Ps marketing mix. The exploited qualitative research methods are the semi-structured interview, participant observation, and desk research method. During the process, the research included testing and a market trial in three locations that were Samrat Restaurant, Pinto B'staurant and Bar Laurea. The trial incorporated interviews with potential customers and the founder of Bumi café, as well as carrying out participant observations and desk research. Through the research, an understanding of current trends, and what the needs of customers are, was successfully achieved. With the knowledge and information gained through the research, the target customer based was determined, the main products decided and the menu designed. A well-constructed promotion plan to approach potential customer groups was also drafted for the future business of Pin Station.

After the research, there are important recommendations that a start-up business should carefully consider. First of all, it is crucial to understand the overview of both the niche market and the general market in the industry on which business is focusing. Besides, in order to launch the product promotion plan, business has to concentrate on defining, understanding and segmenting target customers. Moreover, the authors realized that the trend of sustainability issues is significantly increasing and developing in today's society. Thus, this current trend should be seriously taken into consideration when building up the business idea and starting a business operation.

Keywords: customer insight, niche market, promotion plan, smoothie products

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## 1 Introduction

In today's society, when the food and drink sector is growing and developing, it is time for people to create diverse eating trends to meet their own needs. Among these, the protection of health, the body beauty and the improvement of the spiritual life are main factors that are becoming more aware. Therefore, to meet the needs of the market, the group has come up with the business idea is to bring to customers a waypoint called Pin Station. At this stop, the business will provide customers with many choices of fruit drinks that not only support physical health but also mental health.

To start off, the research team did the background of research on the current trends and marketplace in Finland. This goes into details about finding out the needs, demands of customers so that the team can create suitable products and develop the promotion plan for business products. An in-depth explanation of the specific motives for this research was also given. After the background research, the current trends of food and beverage in the European market, as well as overall consumption of fruit beverage in Europe and Finland, were analysed, the team came up with a research objective and relevance of research. The objective was stated as follows: *"To gain insight into the needs, behaviours and habits of people in Finland about the beverage choices, in order to identify the target customer and create the business product promotion plan for Pin Station with the goal of delivering Pin Station's products to the target customer."* Afterwards, different types of models and theories relating to this research were analysed and explained. The chosen ones were Maslow's hierarchy of needs, Stimulus-response model of buyer behaviour, customer behaviours and segmentation theories, and the 4Ps model of marketing mix. In order to demarcate the research, the team came up with the central- and sub-questions. The central question was as follows: *"How to create an affordable and effective product promotion plan which contributes to the process of approaching the target customer in Finnish marketplace?"*. To be able to properly answer the central question, several sub-questions were also formulated.

For the methodical approach, the team reviewed the different types of relevant models that were used and looked at their relation to the sub-questions. Afterwards, the method of qualitative research by doing semi-structured interviews, participant observation was implemented. During the field research, qualitative data was collected from customers as well as people who have experience in running the start-up business by conducting semi-structured interviews and participant observation. Besides, the team also completed the testing process at home and outdoor, which is in Samrat Restaurant and Pinto B'staurant, along with ran a trial day in Laurea's Cafeteria. After the field research was completed, the reliability and validity of the research, results from interviews and the gaps were formed and stated.

After the field work and testing combining with the trial day was completed and the data was accumulated, the results were analysed. First off, due to the needs and demands of customers, the business decided to focus on healthy lifestyle and sustainability idea to be outstanding with other companies in the same industry. The main products of the business include smoothies, yoghurt smoothies and seasonal drink which is fusion milk tea. In addition, the promotion plan for business products was created to approach target customer groups are Generation X and Millennials, which have been written in chapter seven, so-called "Research Findings" part. The outcome of the research is to establish a beverage store located in the capital area of Finland to bring for people who live in Finland a new choice of energetic, healthy drinking product which also support for the local farming by using local ingredients and sustainable grocery. Based on the answers from the central and sub-questions, the conclusion and recommendations have been written in the last part of this report.

## 2 Background of research in fruit beverage industry

To come up with an idea and prepare for the implementation step, the team used desk research to get an overview of the current market in Europe in general, and Finland in particular. This chapter will give an outlook on eating and drinking trends in European currently. In addition to, the general consumption of beverages was demonstrated to have a better understanding of the niche market and target customers in Finland.

### 2.1 Current trends of food and beverage consumption in European market

Along with the development of human beings, people nowadays have created various kinds of demand in food and drink consumption. It means that there will be the appearance of several forms and trends of eating and drinking that reach human's needs. Based on the gathered information and data, trends in food and beverage consumptions in Europe are currently focusing on three elements: an environmentally friendly, healthy lifestyle and sustainability.

Taking environment issue into consideration, people nowadays decide to consume the product that is assumed to be friendly to the environment and to support the recovery of the global environment. Particularly, environmental pollution in the world is alarming leading to unpredictable consequences of ecological imbalance and climate change. Indeed, the difficulty in decomposing plastic waste causes the death of sea and land creatures due to accidentally swallowing. Moreover, human's health is indirectly affected by the toxic from plastic waste through the process of eating and digesting those creatures above such as fishes, or squids. Being aware of the current situation of the environment, people are taking various actions to reduce plastic consumption and encourage eco-friendly material. In particular, wide ranges of businesses tend to use carton containers instead of plastic ones and support products with the eco-friendly label. According to the market report of European Fruit Juice Association (AIJN 2018, 33), in Finland, the number of fruit consumption by carton packaging accounted for

96.8 per cent while the number of consumption by plastic packaging was only 1.8 per cent. Based on this report, it is likely to say that Finland in particular and Europe in general mostly prefer to consume products contained by carton material.

Along with the trend in environment aspect, there are also trends that are concentrating on healthy lifestyle, wellbeing and sustainability. Kesko Food Trends in 2018 reported that the consumption of vegetables and plant-based products has continuously increased. They believed that people who live in Finland nowadays prefer to consume the products that are truly good to their brains, body health and support wellbeing in which not only meat but also fish consumption is gradually replaced by vegetable selections. In addition, people seem to choose products that have natural ingredients, in other words, without pesticides and less refined sugar such as organic berries or vegetables. (Kesko 2017.)

Besides the concern about the environment and human health, people also focuses on sustainability, especially encouraging consuming organic products. Particularly, as be known, organic product consumption brings benefit not only for human's health but also for the support of organic farming in the agriculture industry. Following the idea in the report of AIJN 2018, the organic food market in Europe is predicted to grow rapidly to become the second largest market after the USA. The report also cited that the demand for consuming organic products is increasing in which people probably agree to pay more for the organic food. (AIJN 2018, 8.) Therefore, it can be concluded that organic food is one of the current trends in product consumption, particularly in European countries, to support the sustainability idea of contributing to the better world.

## 2.2 Overall consumption of fruit beverage in Europe and Finland

This part contains the desk research on the recent fruit beverage consumption in Europe in general and in Finland in specific, connecting to the research idea of creating a business in beverage industry. With a highly awareness of the goodness from fruit beverage, fruit juice industry needs to adapt constantly to a numerous of demands and drinking trends. As state in the Market Report 2016 about liquid by European Fruit Juice Association (AIJN), although the number of consumption in fruit beverage is driven by a largest market such as Germany, Malta, The Netherlands, Finland, etc., there was a slight decline of 0.7 percent from 9.7 billion litres in 2014 to 9.6 billion litres in 2015 with the total Europe's population of 509.9 million. When it comes to the comparison with other region, the consumption of fruit beverage in EU still stood at the first rank, followed by North America. (AIJN 2018, 6-7). Especially, in 2015, Finland was stated as the fifth rank in per-capita consumption about fruit beverage, up to 24.2 litres per person with the population of 5.5 million.

Besides, the report also mentioned about the positive aspect of developing premium fruit juice compared to standard variants as well as the influence by packaging, flavour and chan-



nels. With regard to Finland, the figures in 2016 report showed that 2015 was not a good year to Finland when there was a struggling economy and high penetration levels which made the consumption levels go down. The decreased of 3.4 percent from 164 million litres per year in 2011 to merely 133 litres per year in 2015, these number was decreasing slowly every year. However, when it comes to the consumption based on brand and private label, it is a plus to notice that there was a rise of 5.9 percent from 2014 to 2015. (AIJN 2016, 32.) Besides, Finland is a country which tends to choose fruit products flavoured by orange with 37 percent, apple with 31,6 percent and mixed flavour with 12.4 percent. Tomato and pineapple are two other choices appeared in the figure with only 0.4 percent and 0.5 percent respectively. The numbers also demonstrated that Finns prefer to buy take away products than impulse and on premise, it is apparent that nowadays, take-away is one of the most popular service in food and drink industry. (AIJN 2016, 34.)

For the next coming year 2017, as state in the new edition of the European Fruit Juice Association (AIJN) Market report, there was not a profound change in the fruit consumption from 2015 to 2016. Nevertheless, when comparing the percentage of private label and brand of total fruit beverage in Europe, the figure showed that while there was a decrease of 4.9 percent of branded from 2015 to 2016, there was an increase of 0.8 percent with private label. Although this year Finland was not listed in one of six countries having largest market, the potential of consuming fruit beverage from private label was still increasing 0.8 percent from 2015 to 2016. (AIJN 2017, 16). It contributes that the fruit beverage industry in Finland has a tendency toward new opening private brand, as mentioned in Kesko report of food trend 2017, products from small producer accounted for 46 percent. Furthermore, the report also mentioned that vegetables and fruits such as bananas, berries, avocado were the most common choices of people and even the best selling products in Greater Helsinki. (K-ruoka 2017.)

As state in the 2018 liquid fruit market report of AIJN, due to the acceleration of 2014 drink tax hike, the fruit beverage in Finland had suffered badly for several years. However, high sugar is found out to be one of the reason as well. This is why fresh and high quality fruits is becoming the first choice of people who follow a healthy lifestyle. Together with the high sugar content are the retailer and product activity which also influence to the number of fruit beverage consumption. It is a highlight in this report because it showed 1.5 percent increasing in private label in Finland comparing to the branded business, which got a minus of 8.1 percent. (AIJN 2018, 32). Therefore, there will be a huge demand from customers towards fruit beverage products which include organic juices, super fruits and smoothies.

### 2.3 Motives of research

With the trends of having a high level of well-being in everyday life, as well as environmentally friendly, and sustainability, people who live in Finland in general and Finns in specific tend to consume the beverage which is fresh, healthy and on trend. Therefore, the group of stu-

dents in Laurea University of Applied Sciences, in collaboration with any future potential suppliers and stakeholders, would like to develop an action plan for creating a business product in the beverage industry. Based on the figure given in the report of AIJN above, Finnish market tends to pave the way for private business, which can produce products with the same quality as other famous brands, the group came up with the idea of opening a business selling fruit smoothies and tropical fusion tea in the Finnish market. The idea also based on the high consumption habits, customer demands on ingredients and quality of fruit beverage and current trends to build the platform for the new concept of reducing the refined sugar content and supporting organic farming. It is probably going to be a new combination of healthy, energetic, sustainability trends nowadays. Being a new business idea, the project will draw more media attention and quality of the business product to attract a wide range of customers who are of different ages, social class and demands.

In a thesis, the group of student is given to demonstrate capabilities for applying knowledge and skills from the restaurant entrepreneur field in practical tasks. The goal is for the student to know how to build a business idea by running practical activities and research to come up with a new recommendation about products, models of action, and working culture. After doing some desk research and consulting the thesis supervisor, the research group decided on the target market in Finland and the target group will be millennials and/or generation X. This age range was decided in order not to have a too narrow or too wide age restriction.

### 3 Customer understanding and 4Ps marketing mix

This chapter reviews the different types of theories and/or models relating to this research. These deem as critic literature that helped to analyse and give answers to the objectives of this research. Firstly, there will be an explanation about two models which were found after desk research and relate the most to effectively analysing customer behaviour and segmenting target customer group. Afterwards, the 4P's Marketing Mix was defined to conduct an effective product promotion plan. Finally, there will be a conclusion on why those theories and models were the most suitable for this research and therefore were implemented.

#### 3.1 Customer insight

Customer insight and segmentation is the first theoretical background of the thesis with the aim to figure out the proper way of understanding customers as well as approaching target customer groups. In the following parts, with the support from many models in some academic materials, writers identified the main knowledge how to successfully make a research on customer behaviour and segmentation. Besides that, the journey of approaching target customers will also be shown in this part under the form of persona and customer journey canvas.

### 3.1.1 Customer behaviour

Consumer behaviour is the study when the business or organization wants to know the process of making the purchasing decision: thinking, selecting, buying and using of individuals or customers. It can be recognized by the actions of the customers in the marketplace when they decide to buy any products or services. Many marketers of any business, therefore, have to identify the reason that fosters customers to buy any products and services in order to determine which kinds or features of the products and services are needed in the current marketplace. It can also be understood that the study of consumer behaviour makes customers become one of the main actors in the marketplace. (Blackwell et al. 2006, 37.) To understand the behaviour of customers, there are several models which can apply to identify. In this specific research, the students focus on understanding the consumer behaviour which is analysed by applying the **Stimulus-response model of buyer behaviour as Figure 2**. However, the first step of getting an insight of consumer behaviour is to pay attention to the elements that determined the characteristics of the consumer which the model of **Maslow's hierarchy of needs in Figure 1** was chosen to analyse.

#### **Maslow's hierarchy of needs**

Maslow's hierarchy of needs is probably the best-known theory of motivation, perhaps because of the simplicity and intuitive attraction. In general, his theory is based on three main hypotheses which are explained here. Firstly, as for an individual, there are many needs in their life, however, these needs are not at the same level of importance, it is placed in a hierarchical order. Secondly, it is obvious that a person always prefers to first figure out the solution to satisfy the need which is the most significant one to him or her. Finally, when the need has been satisfied, it certainly gives up what is its due to the next, higher-order need. (Dubois 2000, 31.)

Maslow's theory of motivation is in the form of a universal ranking, or hierarchy, of the arrangements of individual needs which are in mutually exclusive levels. The early humanistic values of Maslow seem to have led him to create a model where self-actualisation is valued as the level that man should aspire to. If none of the needs in the hierarchy was satisfied then the lowest needs, the physiological ones, would dominate behaviour. If these were satisfied, they would no longer motivate and the individual would be motivated by the next level in the hierarchy. Maslow maintained that his theory of motivation is holistic and dynamic and can be applied both work and non-work spheres of life. (Dubois 2000, 32.) Below is a **Figure 1 Maslow's hierarchy of needs** from low to high which stands for: Physiological - hunger, thirst, rest, activity; Safety - security, freedom from fear and anxiety; Belonging and love - affection, giving and receiving love; Esteem - self-esteem and esteem for others; Self-actualization - personal self - fulfilment.

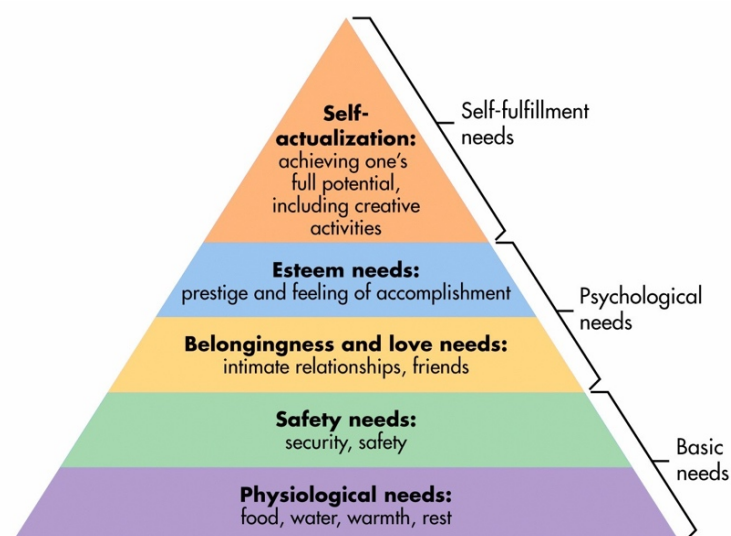


Figure 1: Maslow's amazing hierarchy of needs (Demetriou 2016.)

This model allows some insights into levels of demand related to different need states. An understanding of motivation is the key essential to tourist behaviour as it helps answer the question of why people travel. As would be expected, tourism motivation is a key concept as motivation is a driving force that impels and influences a trip and is a starting point of consumer behaviour. However, as for the disadvantages, in reality, people do not actually go one by one through these levels. People are not that structured in the way that they satisfy their needs. Different people from different cultural backgrounds in different situations can have different hierarchy of needs.

#### Stimulus-response model of buyer behaviour

So, after customers are satisfied with their purchasing on any products or services, they are definitely willing to buy the products or services again or give the recommendation to their friends, family or acquaintances. On the contrary, if customers find that the quality of products or services is not good as their expectations and their money, it is apparent that they stop their further purchase of that products or services. Besides, a negative attitude will be formed in their mind, which may be a great disadvantage for any business or company. (Blackwell et al. 2006, 147.)

The post-purchase behaviour makes up one of important positions because of its responsibility of contributing feedback from customers to the company. For that reason, they know how to improve and maintain the quality and features of the products and services in such a way as to customers are happy with their purchase decision. Customers then will form a good impression of this experiences and introduce to other people. (Blackwell et al. 2006, 149.) In Figure 2 below, it illustrates three main stages with regard to the stimuli buyer's black box and buyer's response. Based on the model, it can be seen that the consumer receives the input from the 4P's marketing mix: Product, Price, Promotion and Place (which will be explained in the

subchapter below) and the other stimuli such as Economical, Cultural, Technological and Political. After that, this input is transformed in the mind which is represented by the Buyer Black Box. In the Black Box, it shows the characteristics of the customers as well as their development of decision-making. Finally, when the decision-making is made, which means customers decide to buy the products or services, their response will be formed into five state which are product choice, brand choice, dealer choice, purchase timing and purchase amount. (Kotler et al. 2017, 139.)

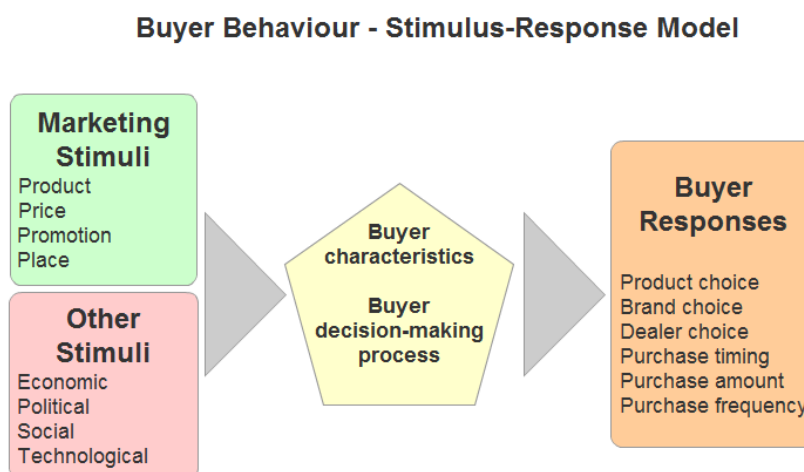


Figure 2: Stimulus-response model of buyer behaviour (Britania 2015.)

### 3.1.2 Customer segmentation

Every marketplace has different consumers because of the difference in demands, budget, buying attitude, buying practice or locations (Kotler et al. 2017, 194). It is showed that the best ways to approach customers are those which can appeal to an individual of them, which means take them into consideration who they are as a person. As a result, the buyer personas is created. However, it is impossible to provide a personalized experience for an individual while consumers make up a huge number and they are totally different from each other. Thus, segmentation is a wise method to make sure the business can understand consumers through separate them into smaller groups that can be reached in an effective and efficient way. (Kotler et al. 2017, 194.) The advantage of customer segmentation is to support the process of making the decision in marketing and customer acquisition. Besides, it helps to develop the promotion plan of products or services. According to Kotler, customer segmentation is based on the demographic and psychographic parameter, and with each element, there are several issues which need to take into account.

Demographic segmentation is the first parameter and is the most popular fundamental bases of the process of classifying customer groups into the smaller size with different traits and patterns. Kotler divided demographic into small segments based on age and life-cycle stage,

gender and income. It is easy to understand because according to statistics, the rates of the needs, wants, demands and usage are merely close to the demographic variables. (Kotler et al. 2017, 196.) Thus, with the result from the classification, it builds an access to the target market and after that reaching the target customer effectively. Below is the explanation of the three categories of the demographic parameter.

- Age and life-cycle stage: it is said that everything changes day by day. The needs and wants of customers also change day by day with the growth of age. This is the reason why some company can recognise this change and make sure to provide different products which are suitable for every age and life-cycle stages. Additionally, some businesses only focus on offering products or services for their target group which is in the specific age range. For instance, while many famous brands of the technology industry have been busy to promote and offer many kinds of modern devices to adult, Amazon has chosen to focus on a small tablet market. As a result, their product, Kindle Fire tablet, got many compliments and suggestions from parents to their young children. This device was designed for young children with the purpose on education as well as entertainment, not only that, Amazon ran a promotion by offering the media subscription service and FreeTime Unlimited campaign for children from three to eight years old. All in all, it not only helped to generate revenues for Amazon, but also increase the selling rate of Kindle Fire Tablet. (Kotler et al. 2017, 196.)
- Gender: this category of segmentation has been chosen to utilize for the fashion industry, cosmetic industry, toiletries and newspapers or magazines. Formerly, the majority of female products were developed and promoted drastically such as L'Oréal, Nivea or Dove. Nonetheless, many company only produced products for women nowadays paved a way to manufacture men care products. Therefore, the industry focusing on male has been developed and extremely exploded recently. (Kotler et al. 2017, 196.)
- Income: last but not least, income makes up a powerful position in the demographic segmentation because of its significance in a wide range of products and services such as cars, motors, travel, clothing or cosmetics. As for the income segmentation, it can be divided into high-income, upper-middle income, lower-middle income and low-income. Many businesses spotted target customers with high-income and tried to provide luxury products and services for this category of customers. Whereas, there are some companies or businesses prefer to offer goods and services for the low-income and middle-income group such as supermarket like Aldi or Lidl in Germany. (Kotler et al. 2017, 197.) These cheaper businesses do not mean that the quality of goods or services is bad, but sometimes it can get money from other groups of income.

Psychographic is the second parameter of the customer segmentation. This type of segmentation is continuously divided into the smaller group which based on social class, lifestyle and personality characteristics. And moreover, customers who are in the same demographic group can possess different characteristics of psychographic. (Kotler et al. 2017, 197.) The advantage of this parameter is to allow the business to get an insight into the interests and attitudes of customers toward the products or services based on the psyche of the customers. In some ways, the response of customers toward anything can display the potential of selling rate of this product or services. Therefore, the business knows how to develop and maintain appropriate products that match the certain group of customers.

- **Personality:** The first element included the in psychographic parameter is personality. Many businesses agree that personality traits are the crucial factors considerably impacting on consumer decision of purchase. Although every person has each different characteristic that creates each unique personality, many individuals still tend to behave and react in the same way based on many similar personality groups. In particular, it is possible to classify people into two groups that are “high” in sociability and “low” in sociability due to the similar personality trait. People who tend to have characteristics such as active, outgoing, friendly, or open-minded can be listed in “high group” while the ones who prefer to live a quiet life and far away from the crowd are considered to be in “low group”. (Vohra 2006, 282.)

There is one more reason that makes personality be one of the most important factors in customer insight is its own substance. Specifically, according to Vohra (2006, 282), personality is regarded as a constant and long-lasting factor that may be created from the day a person was born and lasts until a person passes away. From this point of view, business should consider personality as a key factor to finalize and attract target customer. However, there was also an idea determining that in spite of the consistent and enduring nature, personalities can be changed depending on certain situations such as the death of a beloved person. Thus, it was suggested that it is better for companies to take advantage of personality in suitable circumstances instead of making attempt to change those personalities to fit business’s objective or rely mostly on those personalities to produce business’s products. (Vohra 2006, 283-286.)

- **Social classes:** Social class is defined by Krech, Crutchfield and Ballachet in Dubois (2000) is a division of society made up of persons possessing certain common social characteristics which are taken to qualify them for intimate, equal status relations, and values with one another. There are many theories to classify social classes based on every different element such as income, education, wealth and other variables. According to the structure defined by Kotler et al. (2017, 143), major classes with the combination of income, occupation, education and wealth are divided into four main

classes, which are upper class, middle class, working class and lower class. Starting from the bottom, **lower class** is also differentiated by two other classes so-called “upper lowers” and “lower lowers” in which “lower lowers” are considered as visibly poor, unemployed or depend on government assistance while “upper lowers” are regarded as the working poor who are lack of education and professional skills to get poorly paid but their living standard is just above poverty. Going up to the **working class**, which accounts for a large number in society, it consists of people who live their life depending mostly on their relatives to get economic and emotional support and suggestion on buying and assistance when in troubles. (Kotlet et al. 2017, 143.)

The third class above the lower class and working class is **middle class**, which is also divided into two groups: “middle class” and “upper middles”. As for the “middle class”, they are both white and blue-collar workers who get an average salary level. This group tend to consume products for trends and follow a better living standard with nice house, nice surroundings and good education. Meanwhile “upper middles” are considered as those professional ones who can be independent businessmen and managers with highly civic minded and believe in education. They also live for the expectation of better life with better things. The highest class can be for **upper class**, which makes up a small number in society. It includes “lower uppers” and “upper uppers”. As for “lower uppers”, they consist of citizens who gain high income through exceptional ability. They can afford their life with expensive house, high education and assets. Meanwhile, “upper uppers” are the individuals who get inherited wealth and own more than one house. In addition, those people join charity activities to share their large sums. From the classification of social classes, there will be easier for business to target the market that is suitable for product value. (Kotlet et al. 2017, 143.)

### 3.1.3 The journey of approaching target customer

#### **Customer journey**

In order to minimize the distance between customers and business, product and service designers need to visualize the specific process of understanding and approaching customers starting from the moment they get to know the existence of business's products. Particularly, to make the final decision, customers need to experience the journey of consuming consideration among various product providers. Therefore, it is crucial that product and service designers have to imagine and draw these **customer journey maps as table 1 below** by themselves to understand the way how customers get closer to company's brand and products. (Stickdorn et al. 2010, 158.)



It can be said that customer journey is an effective tool to provide an overview of important aspects impacting on customer experience. In this method, touch-point is considered as one of the most crucial elements, which is the place where customers are able to approach the business's products and service. Indeed, touch-point exists in many different forms, in particular, individual direct interactions, virtual interactions via the website or social media, or physical trips. So as to identify touch-points for creating customer journey maps, it is required that product and service designers have to find out basic information influencing the experience of target customers by implementing interviews or through customer own blogs, social networks or diaries. After defining those touch-points, product and service designers need to connect them together to create a specific journey of the target customer. According to Stickdorn et al. (2010, 158), customer journey map is regarded as an essential tool that contributes to the process of creating the persona, which is another method in customer approach and insight. (Stickdorn et al. 2010, 158-159.) To make it more imaginable, there will be a particular example of customer journey shown in Table 1.

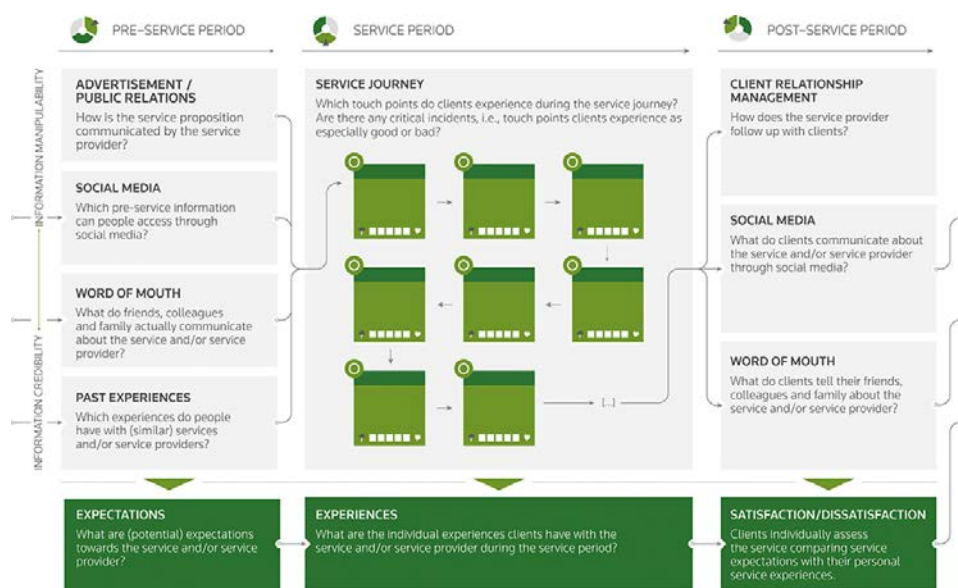


Table 1: Example of Customer Journey (Stickdorn et al. 2010.)

### A Day in the Life method

Along with customer journey maps, there is another significant tool so-called "A Day in the Life" contributing to the process of understanding and approaching customer. **A Day in the Life** is regarded as the overview drawing of customer daily activities, which can be created in various forms such as simple graphics, comic strip or video. A Day in the Life is a useful method because it provides designers with the background information of the target customer, the one that will mainly impact on the decision of consuming a product. In particular, through

customer daily routines, product and service designers may be easier to understand customer's feelings and reaction towards certain issues. Moreover, these designers probably get a chance to figure out customers' actual problems and motivations in their real life in order to find out proper solutions and ways to attract them. (Stickdorn et al. 2010, 174.)

There will be an example of a fitness company that on the way to create customer daily routines through their activities. And, the target object of customer research is a mother of a two-year-old child who is too busy to take care of her body beauty after giving birth. Her daily routine in order is preparing breakfast, taking her child to the kindergarten, going to work, picking up her child in the afternoon, being busy with cooking dinner and looking after her baby at the same time in the evening, taking her child to bed, and finally enjoying her short free time doing yoga before sleeping. And, there is also the important information that her husband usually has business trip so that he cannot always help her looking after the baby. After imagining the specific daily life of a mother, the fitness studio realized that she does not have enough free time to take care of herself due to the sacrifice for her baby. Thus, the company designed a service that will share the concern of these mothers. Particularly, there will be a babysitter service after 4 pm for those parents who would like to take part in gym and yoga after work but too busy with their babies. Generally, "A Day in the Life" method has played a significant role in understanding target customers and attracting them to consume the product and service of business.

### Persona

Besides customer journey and "A Day in the Life" method, there is also one important tool that helps provide an in-depth understanding of who customers are, what they need and how they interact with the products and services of a company. It is **persona as shown in Figure 3**. To get started, personas are fictional, an imaginative profile that the researchers can develop to represent the target customer. With this point of view, personas are unable to describe real people, however, personas are composed based on real data collected from multiple individuals' aspects such as motivations, needs, lifestyles, cultures, values or attitudes. (Stickdorn et al. 2010, 178.)

There is an effective way to create and develop personas is that product and service providers need to gather all collected information and separate it into specific groups, which have common interest and character. Thus, it can be described that personas is a centre, which provides customer's basic information of interest and personalities. The persona is supported by gathering data from daily routines and surrounded by the "customer journey" barrier including important touch point. (Stickdorn et al. 2010, 178.) Below is the instance of personas profile of target customer.

# PERSONA PROFILE

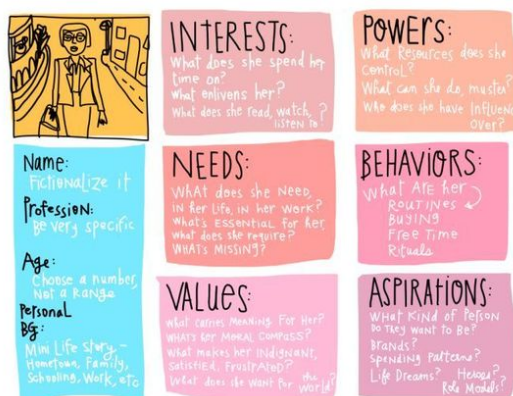


Figure 3: The example of Personas Profile of Target Customer (Pinterest n.d.)

## 3.2 4Ps model of the marketing mix

As a result of the study on customer insight, the students were able to define who the target customers are as well as which proper products for the business are. Therefore, the next step that should be taken into consideration is finding out the technique to approach those potential customers and promote the ultimate product of the business. After the groundwork of examining marketing methods, the researchers finally decided to utilize the **4Ps of Marketing Model** as Figure 4 below as one of two crucial theory backgrounds for the study. There are four main elements of 4Ps marketing including Product, Price, Promotion and Place (or Placement).



Figure 4: Ps of Marketing Mix elegant icon kit (Amayante, 123rf.com.)

### 3.2.1 Definition and value

The awareness of living in a technological society is an advantage of doing marketing nowadays. To many people, marketing literally is understood as selling and advertising business products, which people can recognize its surroundings such as in the posters of the nearby shopping centre, in the TV ads, magazines or many flyers on the street. It is a good old tradi-

tional form of marketing while marketers have stepped up to a new level of marketing recently, which can reveal the real meaning of this job. The new marketing approaches can reach customers directly, interactively and personally through using the benefits of the development in social media and technologies such as interacting with viewers through imaginative websites, blogs or online videos, connecting with mobile users through mobile apps or social media. Today's marketers are able to not only selling and promoting their products to customers but also forming a part of customers' life along with enriching customers' experiences with their business products or brands. (Kotler et al. 2017, 5-6.)

There are so many definitions which can define the meaning of marketing, nevertheless, the most suitable one which was chosen for this thesis is, according to Philip Kotler, who is the father of modern marketing: "Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit." Thus, marketing is called a battle for value rather than the products that the company or business are trying to sell. If the marketers understand customers' needs, based on that creating and developing products that bring superior customer value and prices, after that promoting and delivering in an effective method which can easily engage customers, these business products will sell without difficulty. When it comes to a narrower business context, marketing includes the process of building profitable, value-laden exchange relationships with customers. Thus, the process that a business creates value for customers as well as build and maintain a strong relationship in between is forming as doing marketing (Kotler et al. 2017, 5-6). This is the reason why there is a difference between marketing and selling. While selling is a process concerning as making customers to exchange their money to the products, this short-term process is unable to discover and satisfy customer needs; marketing instead of getting money from the purchase of customers, it gives and fulfils their needs. (Business Dictionary, n.d.)

Indeed, marketing is the activity that derives from the needs, wants and demands of customers. A normal day for an individual is unable to starts and ends without eating, drinking or moving, etc., these things come from the needs. The specific needs of the human being are the state of lacking a certain basic satisfaction to help them survive. This need exists as a component of people and according to Maslow's demand pyramid, there are five types of needs which are physiological, social, respected, and finally self-directed (Thompson 2018). Depending on the state and level to which people have different needs, to fill their stomach, people need a meal; to have a place to live, people need to buy or rent a house; to show yourself, some people need to go to a prestigious school. Everyone desires all his or her needs to be fulfilled, the needs to have specific things to satisfy a personal desire is wants. The wants of the people in society and in different periods of time will change, and it will grow and expand lately. Once the wants are backed by the purchasing power, it becomes the demands. One problem for businesses is that apart from identifying the market with the needs

and wants of products, the businesses need to determine very clearly how many customers are willing to pay for products that have been produced. Marketing will now be the bridge to bring the message, image and brand of the product reach the customers through different ways effectively. It consists of the coordinator of four components so called the 4Ps of marketing mix which was explained in detail in the subchapter below. (Investopedia, n.d.)

### 3.2.2 Product

In this day and ages, there are many service industries such as restaurant, tourism, retailing, entertainment, fashion or education, etc. The majority of organizations, entrepreneurs or businesses have the same purpose of offering products or services by engaging customers in marketing activities such as advertising, TV shows, or social network. And, products which are goods or services, are the beginning stage for making up the marketing mix by which the marketers can understand the demands from the marketplace and create products which are suitable with each industry and current mode of life. In this subchapter, the product will be divided into physical products (goods) and core services (services), which businesses produce and offer for customers. (Sharp 2013, 248.)

The **Product** is the first P of the marketing mix or so-called marketing offerings, is what businesses or organizations offer to the marketplace. One of the aims of the marketing method is to give a hand to customers in order to reach their goal in life, no matter these might be. Therefore, it is apparent that product and service are two additional provisions help customers fulfil their objectives. For example, customers go to a concert or an event to enjoy different experiences which they are seeking for, such as goods, services and surroundings. Indeed, the content of the concert or event are the main products that customers purchase, but other products and services such as eating, drinking, or the staff manner, atmosphere contribute to enhancing the experience. It is, therefore, significant to complete the first step in understanding the basic needs and desires of customers so that it is easier to choose the suitable goods or services. Looking back to the example, the businesses always try to fulfil the need by offering both physical good and service which is called product package. This can be seen as a primary offer to the marketplace and all other elements of the 4Ps marketing mix, which turns out that if the goods or services is unable to satisfy the basic needs of customers, there are none of the other elements of the 4Ps marketing mix can overcome the difficulty and deficiency. (Sharp, 2013, 248-250.)

Due to the function of the product, such as some products are made with the purpose of providing for private people or householders, some products are made with the purpose of conducting companies or businesses, the product is divided into two categories. The first is consumer products and the second is called industrial products. Besides, there are also several products which have the function of both categories above. It means that the industrial and consumer use includes in these products and they can be sold with a larger amount through

various distribution channels. However, for many years, many consumer products have been launched in the marketplace in a form of industrial products, after that they are made available for household users because of their convenient. (Sharp, 2013, 254-255.) Based on the marketing perspectives, a product or service must include the following elements:

- **Quality:** this is the most important factor of any products or services. Any products and services which are launched on the market must be of a good quality because it is the fact that customers never choose products with poor quality. Hence, good quality means that it is capable of satisfying customers' needs, durability satisfactory, no toxicity to the user as well as the surrounding environment. For instance, an LCD monitor that is sold on the market must be capable of displaying, with a shelf life of at least five years, without harm to the user such as fire, explosion, etc. As for the level of quality compared to competitors, even higher quality, lower or equal to the competitors, it will be determined by the product positioning. (Sharp, 2013, 251.)
- **Design:** as for tangible products, the design is one of the important elements. The content and design features include the shape which can be compact, convenient, attractive ...; colours which can be green, red, yellow, ...; photos which can be singers, actors, cartoon characters, motifs, logos or any slogans, ... There are some consumer goods such as detergent, fabric softener, instant noodles, cookies or candies, etc., the design is mostly focused on the packaging. Typically, manufacturers will choose outstanding colour schemes such as blue, red, yellow with eye-catching images to attract the look of customers. Meanwhile, for fashion or technologies products such as clothing, footwear, jewellery, telephones, laptops, etc., the design is the conclusive factor which focuses on the product itself. Designing these products is not easy, so marketers always have to consult with experts who have experience in the field of design. (Sharp, 2013, 252.)
- **Function:** this is the factor that brings competitiveness to the product or service. Commonly, the act of creating and developing function will be performed by the R & D department (Research and Development). However, marketers will be responsible for orienting the development process so that it can adapt to the needs and wants of the target customers. For example, an infant milk's formula should have several features that support infant growth such as support for brain development, immune system, sense and physical. (Sharp, 2013, 251.)
- **Brand:** The brand is the identity of one product groups in the market. Brand of a product including the name, logo, image, slogan. The choice of name, logo, image, slogan depends on many factors such as market characteristics, product or service characteristics, competition, objectives of the business. When a business or organiza-

tion have offered their product in the market for a long period of time, this activity can collect rMBAs, which is an abbreviation of relational market-based assets, in term of reputation and goodwill from satisfied customers. To become a successful brand, a product must fulfil the needs of customers as well as have an applicable branding and marketing mix which is satisfied by the rMBAs regulation. (Sharp, 2013, 251.)

- **Label:** for businesses offering a wide range of products, there are two ways of naming labels for these products which are separate labelling for each product and general labelling for all products. The former is the method which the majority of companies choose to utilize it. Overall, the disadvantage of this method is that it costs a lot for trademark registrations as well as trademark protection, but in return, it can attract customers because of a wide variety of choices. The products of the business will be richer and more diverse when there are many different brands, and the company can positively prevent counterfeit goods. For example, P & G (Procter & Gamble Co.) sells shampoo product, but with dozens of different brands such as Head & Shoulder, Rejoice, Pantene. The latter is suitable for related products or services such as TVs, DVD players, MP3 players, phones or laptops. The advantage of this branding is to save the cost of using for promoting, branding. Besides, new products will be easy to recognize when launching to the market. However, for unrelated products or services, this naming will have a negative effect. For example, the DUCK brand of toilet bowl cannot be used for toothpaste. (Sharp, 2013, 253.)
- **Packing:** the packaging for a product should have several basic criteria. It is obvious that the packaging of a product not only helps to protect this product from harmful factors such as temperature, moisture, etc. but also draw an attention to customers. Besides, in some products, the packaging has necessary information related to products and manufacturers, the purpose of the products, or even the instructions about how to use. To a certain type of products, there are also several regulations which need to follow when designing the packaging of any products. (Sharp, 2013, 253.)
- **Product support service:** the final element is also important which relates to the customer services. The process of providing and maintaining effective support service helps increase the capability of selling and competitiveness of the business products. There are several ways of proving the support service such as interacting with customers frequently, providing the warranty service, free installation, free consultation or any repair service during the first or second month of using products. (Kotler et al. 2017, 227-228.)

### 3.2.3 Price

Price is the next factor in Marketing Mix that will be demonstrated in this part. According to Kotler et al. (2017, 293), compared to other factors in Marketing Mix, price is regarded as the one and only element that contributes to creating revenue for the business. In fact, price is one of the most crucial elements impacting on customer decision of consuming products as well as supporting to the creation of customer value and relationships. However, there are still many businesses facing troubles with selecting appropriate pricing strategies during the first period of entering marketplace due to wrong vision. Therefore, in order to define the proper price for every product, business needs to research among various pricing tactics to finalize which one will be the most suitable method to apply to the current situation of the company. The process of pricing should be considered from several aspects including customer perception of product value, cost of producing products and the price in same current marketplace as well. Thus, there are three main pricing tactics approaching each appropriate aspect mentioned above. These are customer value-based pricing, cost-based pricing and competition-based pricing. (Kotler et al. 2017, 293.)

First of all, there will be the analysis of customer **value-based pricing tactics**. Indeed, it is likely to say that customer value-based strategy and cost-based strategy are opposed to each other in the process of setting the price. As be shown in the name, customer value-based pricing strategy puts the perception of product value in the top of pricing decision. Firstly, the progress starts from the evaluation of consumer needs and value perception and then moves to the next stage of setting a target price to fit the perception of value. The main point is that the cost of producing products in this tactic is defined after pricing, in which incurred cost will be decided and modified to match the target price and value. And the last stage in value-based pricing is designing a product, which demonstrates the desired value at the proper price. (Kotler et al. 2017, 294 - 295.)

Talking about the relationship of price and value in value-based pricing, it should be clarified that a product with a low price does not mean it cannot bring the good value since price is set based on not only the core materials of the product but also the other elements contributing to the process of producing product. In particular, a restaurant that offers lunch with lower price than other competitors might lead to customer's thought that food quality is not guaranteed or ingredient is not fresh. So, it seems to be incorrect when people consider only one factor to evaluate the whole product. The price is cheaper might be because the restaurant uses homemade ingredients that they do not need to spend costs for ordering from another supplier. Therefore, when setting a price based on value, business also needs to consider two another strategies belonging to value-based strategy so-called good-value pricing and value-added pricing. In there, good-value pricing is talking about the combination of good quality of products and a proper price while value-added pricing is applying the way of in-



creasing features and service to make the product stand out from the market. (Kotler et al. 2017, 294 - 295.)

If customer value-based pricing is regarded as the roof of price setting, the **cost-based strategy** can be considered as the base for pricing decision. As been mentioned in previous part, cost-based and value-based tactics are in the opposing relationship. While value-based places customer perception of product value in the first stage of identifying price, the cost-based strategy sets the price to rely on the cost that spent to create the product. The process can be started from the stage of design a product. And then, the business will define costs that have been used to produce the product to set a suitable price based on these costs. After all, the last stage is the step that business will try to convince consumers of the product's value, which seems to be not an easy task for the company. If the price is higher than customer expectation of product's value, the business might need to deal with lower markups or find another way for lower sales, which both probably leads to the unexpected amount of profits. (Kotler et al. 2017, 294 - 295.)

In the cost-based pricing strategy, there include three pricing methods that are based mainly on fixed costs and variable costs, which are full cost pricing, direct cost pricing and marginal cost pricing. Firstly, the full cost pricing is the technique that calculates all the costs that contribute to the process of producing products consisting of fixed costs and variable costs. Then, direct cost pricing seems to be similar to full cost pricing but it differs from the factor that direct cost pricing does not include the fixed costs used for other products. So, this technique should be considered carefully when the business has more than one product. Being different from those two methods above, marginal cost pricing focuses on variable cost such as raw material costs and overlook the fixed costs. When the price is set higher than the marginal cost, the surplus can be used to cover the fixed cost and become profits if all fixed costs are paid off. Indeed, the Marginal cost pricing method is usually applied for new business or low season sales. (Sharp 2013, 307-308.)

Along with those pricing strategies used based on product's costs and values, there is also a need to take a look at the competitors when setting product price, which can be called **competition-based pricing**. This strategy requires business to evaluate the prices, costs, strategies and market products of the competitors. When deciding price based on this method, the company should ask itself many important questions. If the product type is already available in the market, consumers will make their analysis and comparison of production values on the price that other businesses offered in the same market. If customers perceive that the business's production value is as same as or even lower than other current competitors' offerings, they might not change their habit to buy from the new producer who offers with same price but not any different. In this case, the company might need to lower the price or trying to change the perception of customer about product value. In contrary, if the product value is

evaluated higher than other competitors', the business may have the right to raise the price higher than other businesses'. (Kotler et al. 2017, 300.)

Moreover, when using the competition-based strategy, the company should consider the scale of competitors in the market. If the company finds out that those current businesses in the same market offer product with the value not relative to the high price, the company can penetrate the market with the same value but the lower price to lead those weaker competitors. However, if the market is dominated by large-scaled competitors or low-price competitors, the business should consider the proper strategy so that the company can enter the market with higher price and outstanding offerings using value-added products. (Kotler et al. 2017, 300.)

Besides three major pricing strategies that explained in previous parts, there are also some strategies that are regarded to be especially suitable for the new product that first enters to the market. These are market-penetration pricing, meet-the-competitor pricing and market-skimming pricing. **Penetration pricing** uses the low price strategy to gradually enter the market until gaining the stable position in current marketplace. The business may slowly increase the price even higher than the competitor's. However, it probably comes to the dissatisfaction of the stakeholders, or in particular, with retailers due to the loss of their income. (Kotler et al. 2017, 314.)

As for **meet-the-competition pricing**, the business will penetrate the market with the same price level as the competition. This tactic requires the company must create its own significant value. In specific, product and service quality needs to be higher compared to competitors in the marketplace so that customers may consider consuming the new brand of product instead of the old one. The next strategy in pricing is **market-skimming pricing** which is totally opposed to penetration pricing. This strategy utilizes a high price tactic to enter the marketplace. However, this method is only suitable to apply to the product concept or services that have never existed in the market. In market-skimming pricing, the price level can be reduced due to the appearance of the opponents in order to obstruct the penetration of the competitors. When applying this tactic, the business needs to invest more in advertising the new product image and concept toward customers. (Kotler et al. 2017, 314-315.)

#### 3.2.4 Place

The third element in 4Ps of Marketing Mix is **Place**, which refers to distribution channels or the methods and locations the company used for products or services to be easily accessible to the target customer. In fact, it is a useful way, which provides a chance for businesses to bring their products to potential groups. There are still some businesses trying to ignore the importance of distribution channels, which may lead to unexpected consequences. Meanwhile, those companies that have been applied distribution systems obtain considerable ad-

vantages in the market. Taking Apple into account as the typical example of successful use of distribution systems, the company has gained the significant success in selling music through iTunes for several years. With old marketing strategies, the distribution channel expands in the area, which belongs to the interested subjects of the customers. (Kotler et al. 2017, 341-343.)

However, nowadays, with the growth of the Internet, it seems to be an open source that opens to all customers or so-called users. In particular, Instagram has brought distribution channel to the new concept. In fact, there is a wide range of small fashion businesses used Instagram as a main channel to reach target customers in order to promote the products, make transactions and build customer relationships. However, making the decisions for distribution channels is not that easy for every business since it relates to long-term commitments and contracts with other companies. It is likely to say that a company can easily change the method of promotion, the design of products, or the changes in price. But, it might bring to the huge problems, especially litigation due to the breach of contract if the business makes the change in distribution channels. (Kotler et al. 2017, 341-343.)

When deciding on distribution channels, business has to notice whether these channels are used to promote the product at the right place where it should bring the product to, at the right time and the right amount. Therefore, depending on each case and situation in which the business is involved, there will be several distribution types that need to be considered. **Selling directly** is the first primary type and starting point. This element will let the business bring their products directly to the customers so that the business also gets more personal feel of the marketplace due to the direct interaction with the customers. Thanks to this, not only the products but also the services itself can easily adjust to adapt to the changes in the industry. Thus, small businesses that have limited resources are usually suggested to apply the type of direct product distribution. (Kotler et al. 2017, 345.)

The second type of distribution channel is an **indirect marketing channel**, which is about selling through resellers or so-called intermediaries. To increase and expand the area of distribution, the business can choose to sell their product through a third party, which are the retailer, wholesaler, industrial supply houses or agents. With this strategy, it is obvious that the business can reduce the storage space required for containing the products. Nevertheless, the business might lose the customer personal contact or even company identity in some cases since they will be talking to the resellers. The businesses or organizations have their own right to design several distribution channels to provide the products and services to customers in the fastest, most convenient way. Each layer of marketing intermediaries accomplishes their task in bringing the products, services and its ownership nearer to the last buyer. Thus, the length of a channel depends on the amount of intermediaries levels. Based on that, the indirect marketing channels are separated into two categories, which are conventional distri-

bution channel and vertical marketing system (VMS) as can be seen in Figure 5 below. (Kotler et al. 2017, 345-347.)

When it comes to a **conventional distribution channel**, the manufacturers supply products to the intermediaries, in case where the distribution channel has several intermediaries, the intermediaries will, in turn, provide the products to each other until the final intermediaries distribute to customers. For example, the figure 5 below displays the chain of two intermediaries who are wholesaler and retailer. In this channel, none of the members has the right to control over the others as well as there are no formal means remain for assigning tasks and dealing with the conflict of the channel. On the contrary, a **vertical marketing system (VMS)** is a marketing channel that suppliers and intermediaries associate into a unified system to distribute products to customers, in which a channel member can be the owner of the other through signing the contracts between them. It turns out that the vertical marketing system can be dominated by any members in the channel such as producer, wholesaler or retailer. (Kotler et al. 2017, 345-347.)

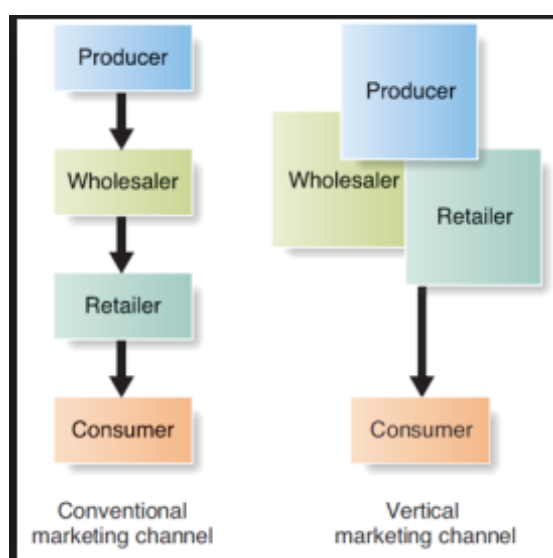


Figure 5: Conventional vs Vertical Marketing Channel

### 3.2.5 Promotion

The last factor in 4Ps Marketing Mix is Promotion, which is regarded as the important tool support the success of marketing communication. There might include several types of promotion but these four categories can be considered to be the most popular and effective methods consisting of **personal selling**, **sales promotions**, **advertising** and **public relations**. The first part of this subtitle will be the overview of personal selling and sales promotion in the promotion strategy of 4Ps marketing mix.

Firstly, **personal selling** is the form of interpersonal communication and interaction between the salesperson and consumers to persuade them buying company's products. While advertis-

ing provides information and image of the products through non-personal communication with huge numbers of customers, personal selling is focusing on the interactions between person and person by face-to-face interaction, by phone or via emails, social media or through video, online conferences, and so on. So, personal selling is sometimes more effective than advertising to be chosen in promotion strategy depending on some certain situations. In particular, it will provide the flexibility in time and in the sales presentation to customers based on the current state. Sometimes, salesperson might understand and probe customer's demands through their problems, reactions or behaviours. (Kotler et al. 2017, 468.) For instance, a shampoo salesperson who is talking face to face with customers has a chance to observe the expression, reaction, needs as well as the current situation of customer's hair strength. From that, he or she may know the important points to impress target consumers by introducing the effect of preventing hair falls to meet their needs.

In addition, the salesperson also plays a crucial role as the intermediary between customers and the company. Besides demonstrating the product to consumers, he or she also conveys customer's need, opinion and reaction to contribute to the process of product development. In fact, in order to successfully sell a product salesperson needs to understand and expert at the process of selling. In there, the follow-up stage should be taken into considering carefully. Particularly, after the conversation between salesperson and customer, the salesperson needs to follow those consumers to make sure that they are satisfied with products and repeat the order. In some cases, the company does not want to sale only a product but also to create the relationships with customers. Thus, the role of salespeople do not stop at making the transaction but turn the transaction to be the strong relationship between the company and consumers. (Kotler et al. 2017, 468-482.)

The next element in promotion should be sales promotion, which usually has close connection to personal selling and advertising. **Sale promotion** exists as short-term incentives so as to boost the sales and encourage the purchase of a product. There are several types of sales promotion including sampling, coupons, deals, contests, bonus, trade conference and so on. In fact, it is appropriate to apply in the process of launching a new product or in high competition reasons. There include many major sale promotion tools, which are consumer promotions, trade promotions, and business promotions. In there, consumer promotions are applied to attract and enhance the purchase of short-term customer, and also strengthen the long-term relationships with loyal customers. Consumer promotions can be differentiated into several kinds such as samples, coupons, cash refunds, price packs, premiums, price packs, advertising specialities, point-of-purchase promotion, contests, sweepstakes and games, and event marketing, in which price packs, coupons, premium, and point-of-purchase promotion seems to be suitable to apply to the food and beverages industry. (Kotler et al. 2017, 482-491.)

Besides consumer promotion, there are trade promotions, which are the techniques used to convince the reseller to promote the product brand in advertising and bring it closer to consumers. In fact, there are many consumer promotion tools that can be applied also in trade promotion tools such as contests, premiums and displays. Besides, business promotion techniques are tools used in generating business leads and encouraging purchases, awarding customers, and stimulating salespeople. There are two main business promotion techniques consisting of conferences and trade shows, and sales contests. (Kotler et al. 2017, 482-491.)

Along with personal selling and sales promotions, there is also the existence of advertising and public relations, which contribute to the success of product promotion. Taking advertising into consideration, it has been existed and developed through many decades. **Advertising** has been known as the form of conveying and promoting ideas, products or services by the means of non-personal communication, which is carried out by an identified sponsor. In the process of making advertising decisions, the company needs to set clear objectives and budgets for advertising because advertising is not the only method that the company will use in promotion. There are three typical types of advertising objectives including informative advertising, persuasive advertising and reminder advertising.

As for the informative advertising, it supports to demonstrate a new product to the market, which explains how a product works and build company brand and image. As for persuasive advertising, the main purpose of this type is to persuade consumers to switch to consume the product of the business, and create customer engagement. Meanwhile, reminder advertising focuses on maintaining customer relationship and reminding them of the need of the product and the existence of the brand. Thus, when deciding to choose advertising types, the company must consider carefully the target and budget based on the current situation of the business. Particularly, if it is a start-up company launching a new product, informative advertising seems to be the most suitable advertising objectives. (Kotler et al. 2017, 438.)

Moving to **Public Relations**, public relations (PR) is considered as a mass-promotion tool, which probably costs lower than advertising. The essence of public relations is to improve the view of a person, a company, and broadcast information to the media to draw their attention. Although public relations is unable to immediately bring tangible outcomes, the company still needs to apply this method to support the creation of the company own image and achievement of goodwill from the public. (Kotler et al. 2017, 454.)

In order to use public relations in the most effective way, business has to understand some main tools in public relations. First of all, it can be said that *news* is the first technique that must be considered in public relations. The stories of company products and images are created naturally or on purpose. Sometimes, the PR person needs to create the stories through events or activities, but sometimes the stories just naturally come to the public. The next

means of company images and brands publicity is using *speeches* through field questions from social media or small talks at trade associations or sales meetings. Another technique of PR is *special events*, which can be conferences, press tours, grand openings or educational programmes in order to approach the target group and attract target public attention. (Kotler et al. 2017, 438, 454-455.) Even though public relations bring considerable benefits to the promotion of company product, the company should consider carefully the proper method to apply so as to avoid spending unnecessary costs.

#### 4 Research question for Pin Station business

This chapter contains the central questions and sub-questions with an explanation of why these are relevant for this research. These questions supported for the process of creating interview for the owner of Bumi Café and target customers. The interview questions can be seen in Appendix 1 and Appendix 2.

- Central question:

The central question is: *"How to create an affordable and effective product promotion plan which contributes to the process of approaching target customer in Finnish marketplace?"*. The central question follows from the first part of the objective and gives an altogether image of what the project group desires to reach with this thesis. By answering the central question, the project group has created a menu of fruit beverage products and with the required data to create a suitable product promotion plan for the target group of customers.

- Sub-questions:

##### *1. What are the current trends in eating and drinking habits?*

By answering this sub-question, the project group knows what is being on trend currently, and therefore will come up with an up-to-date idea of products for Pin Station's menu. This is in order to maintain the effectiveness of the promotion plan. The answer to this question will be evaluated by using the SWOT analysis. Both the conducted interviews and desk research have been used to answer this sub-question as well.

##### *2. What are the needs of customers towards fruit and juice beverages?*

The sub-question two creates an image of the needs and demands of customers who live in Finland between the age group of Generation X and Millennials. By finding reliable data to answer this question, the menu of main products can be made in a way that appeals to the needs and demands of this target group, thereby possibly making them more effective. To help with this, the Maslow's hierarchy of needs model and 4Ps Marketing Mix have been used

as a framework. The conducted interviews of both stakeholders and customers are used to answer this sub question.

### *3. Which are the main aspects that make business product outstanding?*

Sub-question three has been created to show how many competitors offering the same kind of products with the target groups of the Finnish marketplace. Thus, the project group know how to build a unique concept which can stand out of others. What makes the products stand out? Which location could be opportunities in the marketing campaigns? By searching answers for this sub-question useful data for promoting can be found. To answer the question, the SWOT analysis, Stimulus-response model of buyer behaviour model and 4Ps Marketing Mix have been used as a framework. Both the conducted interviews and desk research have been used to answer this sub-question.

### *4. Which distribution channels in the current market are effective and applicable to the product promotion plan?*

The applicable contribution channels can create the image that makes Pin Station stand out. This question showcases a lot of opportunities that the business could use for approaching customers. With this data creative plans can be created and the activities can be implemented in a promotion plan and marketing. To answer this question, the customer journey, SWOT analysis and 4Ps Marketing Mix have been used as a framework. Both the conducted interviews and desk research have been used to answer this sub-question.

## 5 Practical implementation

This chapter contains the methods and techniques that were used to approach this research. It also gives information about the focus area, the models or theories that are related to the sub-questions and the reliability and validity of the research. In order to carry out the research leading get an insight into the Finnish market to create a product promotion plan, the research students had to discover how to make customers engage their attention from the beginning. The focus of this investigation was applied by performing qualitative research. This consists of SWOT analysis, interviews, desk research, observations and testing stage, which were used to obtain more specific types of data from several sources and practical works.

### 5.1 SWOT analysis of business idea and products

In Table 2 below of this page, the reader can find an overview of the SWOT-analysis of the business idea with the business products in particular included. A SWOT-analysis is a structured planning method that evaluates those four elements of an organization, project or business venture. (Team FME 2016, 15.) The elements are strengths, weaknesses, opportunities and threats of a company, product, place, industry or person. The SWOT gives an insight



into internal and external factors that are favourable and unfavourable. The advantage of this analysis is that it is a great way to guide the thesis process. Included below is an overview of what the elements exactly stand for. (Cadle 2010, 20-21.)

**Strengths**: internal attributes and resources that lead to the successful result. This factor will answer the question: what does the business do better than its competitors?

**Weaknesses**: internal attributes and resources that work against a successful outcome. This factor will answer the question: what does the business need to improve upon?

**Opportunities**: external factors that the entity can capitalize on or use to its advantages. This factor will answer the question: what market trends could lead to promote the business products?

**Threats**: external factors that could jeopardize the entity's success. This factor will answer the question: what are the disadvantages have over the business?

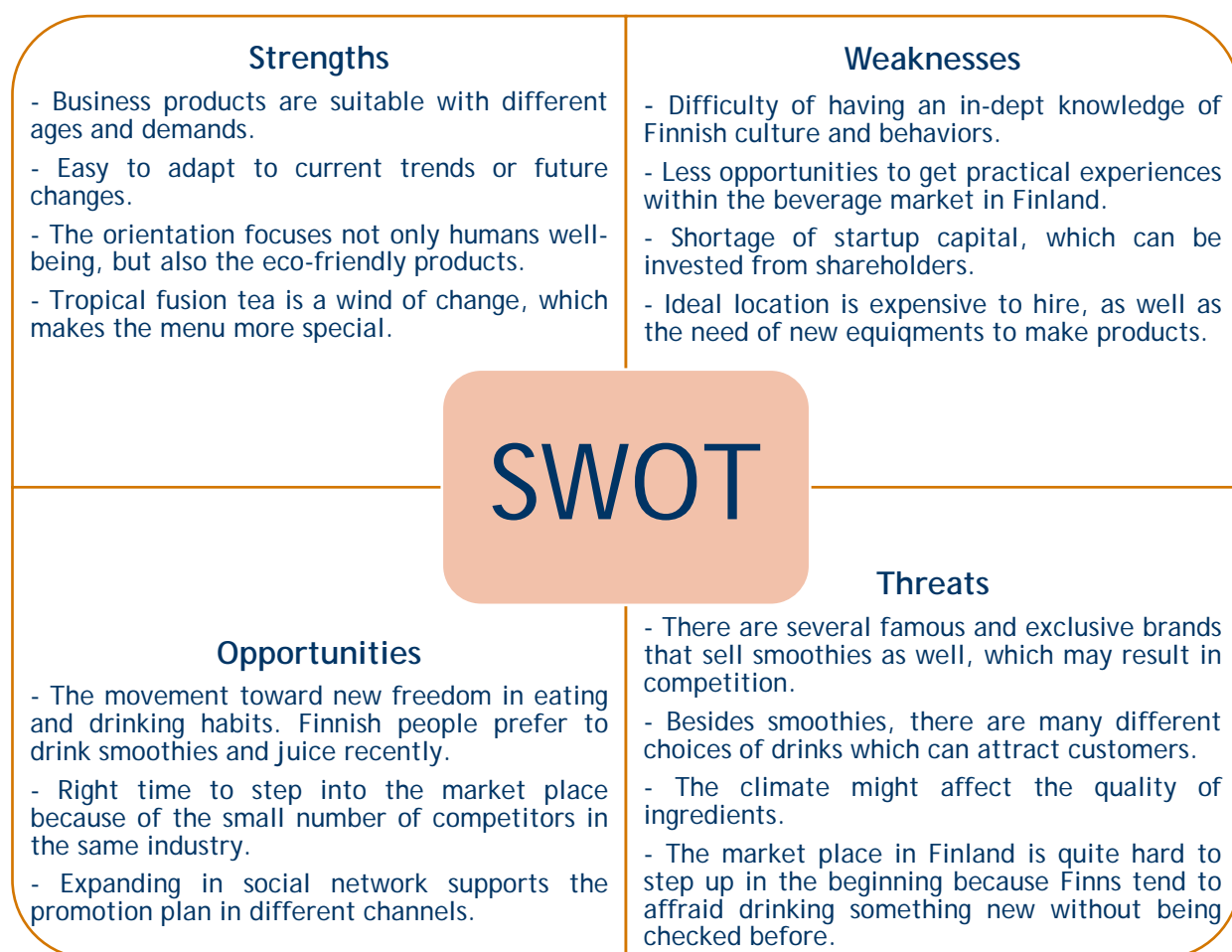


Table 2: SWOT analysis

To sum up, looking at the overall, it seems that the business has quite the threats and weaknesses in comparison with the other elements. These threats and weaknesses may make it more difficult for the company to change certain aspects of the marketing and attract more customers in the future. However, the threats are not based on all the aspects, but a minority of them. Based on this the business idea still has a considerable amount of chances to make use of the stated opportunities. The group of student is on the way to lower or get rid of certain weaknesses by de-strengthening them.

## 5.2 Qualitative research

The qualitative approach is a type of scientific research which uses textual data such as culturally specific information about the values, opinions, behaviours, and social contexts of the particular population. The strongest point of this method is to provide the description of how people in Finland experience toward healthy and energetic drink like the fruit smoothie and tropical fusion tea, which is about the human side of an issue. There are three common qualitative methods: participant observation, open-ended survey, in-depth interviews and focus group. For this particular research, the project group conducted participant observation, in-depth interviews, and desk research. Interviews can be structured, unstructured or semi-structured. Due to the fact that only the semi-structured interview was used for this research, only this will be explained in more detail. (Denzin & Lincoln 2000, 107.)

### 5.2.1 Participant observation

Participant observation can be seen as the most natural and the most challenging of qualitative research method in some ways. This method helps the researcher to look further into the information concerning the issue, in this case, these data are human experiences, human behaviours toward a particular context. There are three key elements of a participant observation study, however, for the main issue of this project, the research team only focus on two elements which are explained in detail below. (Flick 2009, 226.)

Getting into the location of whatever aspects of the human experience, the researchers wish to study. This element means going to where the research's action is, for instance, homes, workplaces, schools, recreational sites. Therefore, in this particular subject of the study, it will help to get the norm of people's behaviour and habit as well as the reaction toward a specific issue (Saunders et al. 2009, 289-293). Spending enough time interacting to get the needed data. It is important to spend time on building rapport and observing or participating for a long enough period to have sufficient range of experiences, conversations and relatively unstructured interviews for the project analysis. Therefore, when it comes to the scope of the research project and the research questions, this may take from days to weeks, months, it may involve multiple visits to the research area of the project. (Flick 2009, 227-228.) Dur-

ing summer time 2018, the group of students combined this method with the testing product stage which will be mentioned and explained in subchapter 5.3.

### 5.2.2 Semi-structured interview

Semi-structured interviews are conducted for exploratory studies. In terms of researching attitudes and opinions for the decision of research participants, this form of interview is beneficial. The interviewer prepared ahead of a widely ranged set of interview questions, however, they can change its order or leave out certain questions depending on the context of the situation. This type of interview enables flexibility as the interviewer can ask the interviewee to explain in more depth about a certain topic. (Cohen & Crabtree 2006.)

As for the qualitative field research during the summer in Finland, the semi-structured was conducted. The preparation of the interviewer for the interviews ensures that the discussion remains valid for the topic of the issue. Besides, the semi-structured method is chosen because this way questions can be prepared ahead of time. This allows the interviewer to be fully prepared and appear competent during the interview. It can provide reliable and comparable qualitative data by asking in-depth questions about the newly gained information. In conclusion, this type of method is suitable to this type of research, because the research group wants to know what Pin Station will need to offer in terms of products and services and also what the current trends and habits nowadays are, in the awareness of people of Finland. (Flick 2009, 156.)

The interview questions as in Appendix 1 and Appendix 2 were created based on four sub-questions and the needs of this research. The students decided to create two group of interview questions. The first group is for the founder of Bumi café, this group of questions was also translated into Vietnamese in order to understand easily. As for interview questions for customers, there are seven questions. They will be recorded because it allows researchers to go back to a certain topic and ensure the information is understood correctly. Also, recording the interviews will help to prepare transcripts of it and will, later on, help with labelling the interviews. Labelling of interviews permits to find similarities and differences between different respondents.

### 5.2.3 Desk research

The desk research, namely, secondary research, focuses on already existing data. This practice uses the gathered information by previous researches and it can be found on the internet, as well as in newspapers, company reports and so on (Saunders et al. 2009, 256). This research was conducted for gathering information concerning the area Finland which is an area containing of Helsinki and Espoo.

According to the purpose of the research project, the following information was found such as the trends of using fruit beverages, the number of consumptions on it, habit of drinking fruit products, current competitors, potential marketplace and so forth. The data is collected in form of reports, journals and articles and then it will be analysed (Business Studies 2014). Although secondary research gives researchers a big picture of the concerned issue currently, researchers should also take sufficient steps to critically evaluate the validity and reliability of the information provided. (Prescott 2008.)

### 5.3 Testing process for Pin Station's products

Along with qualitative research, the testing process was the second stage leading to the decision of the final product. It was considered one of the most significant steps because it contributes to bringing high reliability to the final result. The process of testing was divided into two main stages including home testing, and product testing and trial in marketplace in which product testing and trial in the market were carried out in three locations that were in Pinto B'staurant in Helsinki, in Samrat restaurant in Helsinki and in Laurea University of Applied Sciences in Espoo.

#### 5.3.1 Home testing process

Smoothie and yoghurt smoothie were decided to be two main kinds of product in the research. Each type was tested in many different flavours, which specifically means there were four smoothie products and three yoghurt smoothie products carried out in home testing. As for dairy-free smoothie, the group of students classified the group into 4 main types. Based on main colour, those groups were temporarily called purple group, pinky group, yellow group and greenie pastel group. The first fruit group was the combination of blueberry, pear, apple and apple juice, which was expected to create the juicy, and fresh taste with beautiful purple colour. The second combination included banana, strawberry, apple and also apple juice. In this smoothie type, researchers hoped that the sweetness from banana and the slight taste of sourness from strawberry and apple would bring to customers the best feeling of freshness. If the first fruit group provided a drink with purple colour got from blueberry, the second one would receive from strawberry the lovely pink colour. The next smoothie type in home testing was the mixture of mango, peach, apple, and orange juice. With the same idea as the previous group, this group used apple to balance the sourness of peach and mango with the expectation of offering a glass of yellow colour smoothie. Then, after testing three kinds of fruit smoothie, the group of students decided to create one more flavour a bit different from other, but still followed the idea of dairy-free smoothie product. The combination was only avocado and dairy-free milk. In the testing day, researchers used both soya milk and oat milk respectively to mix with avocado. When developing this idea, students would like to provide customers with a cup of smoothie with creamy taste instead of other fresh fruity taste, but without any use of cow milk products.

After the testing process of dairy-free smoothie, the next stage in-home testing was for yoghurt fruit smoothie. Compared to the fruit smoothie, this product group was carried out only three types. To make it easier, the group of students also differentiated those product kinds based on colour: pinky pastel group, violet pastel group and yellow pastel group. In fact, the ingredients in yoghurt smoothie were quite similar to the fruit smoothie with the complementary of yoghurt and the deduction of one fruit type and juice. In particular, the ingredients for pinky pastel group were yoghurt, banana and strawberry. As for violet pastel group, the combination was yoghurt, apple and blueberry. However, there was the appearance of a new kind of ingredient in yellow pastel group that was mango. So, the mixture would be yoghurt, mango and mango puree with the hope that mango would enhance the flavour and bring the special for the drink.

Different from smoothie products, tropical fusion milk tea only focuses on the summer season when the temperature is high and the weather is less severe. Therefore, the group of students started to carry out testing in this product at the beginning of summer. The process included ingredient preparation and testing day. Main ingredients consist of dairy-free milk, and black tea leaf, which were recommended to be prepared just on the previous day or right at the day of making product due to the assurance of ingredient quality. The fusion milk tea was made based on two main steps of boiling milk and waiting for tealeaf to steep. On the first day of home testing, researchers used coconut milk as dairy-free milk base for the tropical fusion milk tea with the idea to replace the use of cow milk and create the flexibility of vegan options. However, the testing, unfortunately, failed due to the wrong combination of flavours between coconut and black tea as well as the rancidity feature of coconut milk. After that, the group of students changed to oat milk with the hope of producing a greater mixture with the dairy-free product but still retaining the rich and creamy flavour from milk and light aroma from the black tea leaf.

### 5.3.2 Product testing and trial in marketplace

After the stage of home testing, the group of students figured out that the results were not objective enough to decide the final products in the menu. Therefore, researchers carried out the second testing step in bringing the product samples to the real marketplace. The market trial was implemented by two ways, which are testing process in restaurants and trial in Laurea University. As for the **testing in the restaurant**, researchers with the support from the founders of Pinto B'staurant and Samrat Restaurant implemented the testing inside those restaurants in Helsinki for 6 days in June - the beginning of summer 2018. Particularly, researchers who are also the staff of these restaurants prepared three kinds of product at home and brought to the restaurant to offer free sample for customers there.

Smoothie, yoghurt smoothie and fusion milk tea were supposed to be served fresh and cold, so all of them were made in every afternoon of testing days and offered inside the restaurant

in the evening. Since project students would like to bring the most objective result, all products were separated into three different periods based on the kind of product. Each period lasted two days, specifically, two first days for all smoothie products, following by two days for all yoghurt smoothie drinks and last period was for fusion milk tea. Due to the observation and experience of working in those restaurants, the group of students picked proper days that would be ideal for the testing. Although products were divided into three groups in three periods, the way of the trial was the same. In particular, after customers finish their meals, some small cups of product sample were served free to the table to ask for customer's opinion. One trial set of dairy-free smoothie included four cups with different types while the set of yoghurt smoothie and milk tea just consisted of three cups and one cup respectively. A number of product sample sets were estimated around 15 sets per day in each restaurant. Then, the student gave feedback paper to those customers to answer some short questions about the products. After three trial periods, the group of researchers collected all the feedback to evaluate the advantages and disadvantages of these products.

The previous processes were mostly aimed for product testing, which means researchers through those testing days would like to figure out the most suitable flavours for each type of product. But, in this stage - **the market trial stage** - was supposed to be the day of only offering the main products, which business already decided based on results of previous testing stages, for target customers to taste and give opinions. So, in general, this market trial was quite different from the testing and trial in the restaurant because the products offered were only three main kinds of dairy-free smoothie, two main kinds of yoghurt and without fusion milk tea at that time. The market trial was carried out in the main lobby of Laurea University of Applied Sciences in campus Leppävaara on 12<sup>th</sup> September 2018. Unlike the previous stages, products in the market trial already had the name so as to support for menu creating as well as make customers easier to classify the product.

As for dairy-free smoothie, there were three types including Lucky Clover (avocado and oat milk), Little Sunshine (mango, apple, peach and orange juice), and Jolly Dawning (strawberry, apple, banana, and apple juice). As for yoghurt smoothie, they consisted of Pinky Merry (yoghurt, strawberry and banana), and Yeahlow Tango (yoghurt, mango and mango puree). With the facility support from Bar Laurea - the coffee bar and lunch restaurant in Laurea Leppävaara, group of students implemented the tasting event by offering free samples of products for target customer groups. On this day, researchers got the permission to use the kitchen and lobby area in Bar Laurea for preparing products and decorating the stand in the early morning of the trial day. Group of students prepared 12 portions for each type of product and selected the trial hour right at the coffee break time in the morning session of the university when the lobby was supposed to be crowded. On the trial table, there were name-tags decorated for every product with the description of ingredients. In addition, the group of

students also placed the logo, poster and feedback forms by the side so as to attract customer to join the tasting event and give opinions.

#### 5.4 Validity and reliability

In this sub-chapter, the validity and reliability of the research are explained. Furthermore, the types of errors that are likely to occur during the research and ways the errors could be prevented are also described. This information support for the process of completing the implementation plan in a valid and reliable way.

##### 5.4.1 Validity

Validity is concerned with the extent to which research findings are showing what is expected and intended to show. There are different factors that could affect the validity of a research. These factors are the so-called threats to validity. In order to ensure that the outcome is valid and of good quality, the threats should be avoided and controlled as much as possible. It is very important that the results of a research are valid, otherwise, the research would be meaningless. (Saunders et al. 2009, 480.)

Most of the information gathered was both through desk research, semi-structured interview and participant observation. With the information derived from the interview conducted with Bumi Cafe and the customers, answers were given to the main topic of the thesis. The parts of the information gathered through desk research are backed by reliable sources and all include references. The interview questions were linked to the theoretical (critical) framework of the research. With the use of the sources and models survey questions were formulated. The questions were formulated in such a manner that it will be very easy to understand to the person reading it or the person being interviewed. The questions are also formulated based on the sub-questions, the combination of the interview questions can provide a reliable answer to the sub-questions, which leads to the answering of the central question of the thesis. With some of the questions formulated for Bumi Cafe, all of the words used were very easy to understand. With important but rather complex words, explanations were added and explained during the interviews. For example, the word "*sustainability*" was explained in easy words under the matching question, in order to explain this better to the customers.

Besides, the interview techniques and methods used during the implementation plan were correct and helpful during the process of completing the thesis. The group of students incorporated the same interview technique during the interviews. The non-verbal communication of the respondents was observed, and the information given was collected and saved. Also, summaries of the information given were noted down in case the information appear difficult to understand during the transcribing process. Due to the implementation of the same techniques, there was enough information gathered for the research and there was less confusion when analysing the data. Unfortunately, there are always factors that could influence the

answers given, so a research cannot be 100% reliable. However, the research team made sure all the respondents/interviewers bias that could have an impact on the outcome of the research, were avoided as much as possible during the interviews.

#### 5.4.2 Reliability

According to Saunders, reliability refers to how consistent research findings are under the same conditions every time it has been used. In other words, whether there would be the same results if the results were to be repeated (Saunders et al. 2009, 480). For this research, the extent to which the data collection techniques have led to the key findings, are relatively high. All interviews and observations were conducted in the same techniques as mentioned earlier. With someone who could only fill in the interview by email, they were asked to answer as much in-depth as possible to the questions. Besides this, the group also tried to classify accurately some answers given to be able to get more information or a better understanding of things.

The research findings are not fully consistent because all the interview questions are different and they, therefore, might be answered differently in another situation. This is due to the fact that it is a semi-structured interview, and there are certain uncontrollable factors that can influence the state of the interview. The results gotten from a semi-structured interview are however of high quality because it is open for questioning. This meant more questions were asked and more discussions were made, which finally led to more information.

Most of the interviews and product testing were carried out with customers in the area of Espoo and Helsinki, aged between 20-60. In the beginning, the target group was difficult to be located. But above all, the research team was able to get feedback from different customers within the same age group that were present at the area. This was in the research proposal initially plan B. The project team was able to gather as much reliable information as possible that helped in getting insight into what the current needs and demands are off in this case, people who live in Finland.

All the data collected was interpreted and analysed correctly in the same manner and then used to formulate the results and draw possible conclusions. The information derived during the implementation plan served as a great help in the research. All aspects and all answers provided were useful and taken into consideration. During the testing process, the participants were open and honest about the information is given. Most of them were ready to answer all kinds of questions thrown at them without fear of having to give too much information. It can be concluded that the respondents were transparent and open enough and therefore the subject bias is avoided, which makes the research reliable. All in all, there have been a lot of different factors that could have influenced the outcome of the interviews and this has been taken into account while writing the conclusions and recommendations.



## 6 Implementation results

This chapter contains the interview results from Bumi Café, customers, the product testing and trial feedbacks as well as the overall conclusion based on these results. In total, the research group had a total amount of 13 interviews with customers and one interview with Bumi café which has been mentioned earlier. The group wrote a brief explanation of the outcome to correlate this with the research questions and additional topics of the practical work. The outcome is based on the qualitative research and testing/trial stage.

### 6.1 Interview result from Bumi Café

In order to get the better vision in the Finnish market, researchers decided to carry out the interview with a professional person who has gained success and experience in the food and beverage industry for many years. And, the interview occurred with the support from the founder of the chain of three restaurants in Helsinki named Bumi Café. He has lived in Finland for around 10 years, and he has established his business career for two years in food and beverage field with the target of providing healthy food and encouraging healthy eating in the Finnish market. The main beverage products of Bumi Café are smoothies, bubble tea and Vietnamese coffee. With two-year experience in business operation and many years working in finance and marketing position in a Finnish company, Bumi Café's founder shared various useful opinions, ideas and real-life experiences contributing to the process of finding out the proper answer for the central question and sub-questions of the thesis research.

These interview questions, as can be seen in Appendix 1 were created based on the purpose of solving the sub-questions mentioned in the previous chapter. The matter was shown in the **first sub-question** mainly related to the current trend of eating and drinking habits in the Finnish marketplace. In the interview, the owner of Bumi Café gave many comments of the food and beverage industry in the current market based on his own observation and experience. In his opinion, the current market in food and beverage is saturated at the moment due to the rapid growth in recent years. In particular, supply is highly increasing while demand is not sufficient to meet the rise. Moreover, with the experience from long-term living and working in Finland, he also mentioned that most of Finnish were willing to accept new trends; however, changing their habit and lifestyle to adapt to those trends was such a difficult mission to business people.

Talking about current trends of eating and drinking aspect, Bumi Café's owner predicted that vegan eating habit was currently developed and would get more concern in the near future. In addition, Bumi Café's owner affirmed healthy in eating and drinking, as well as the home-made fresh food was always one of the most important elements that Finnish people had been focusing on for decades. However, he also indicated that it was important to differentiate between two kinds of healthy diet, which were healthy by trends and healthy by lifestyle.

So, researchers need to consider carefully about the goal that business is heading to in order to improve and develop the product in the right and proper way. From the contribution of Bumi Café's founder in evaluating the current market, group of students analysed and applied the suitable factors of the current trend to create and develop the product in future business in which vegan food, sustainability living style and homemade product idea will be mainly focused to attract target customers in the upcoming period.

Thanks to constructive opinions from the interview, the group of researchers figured out the suitable answer for the **second sub-question** related to target customer's demand, motivation and behaviour towards fruit and juice beverage. Based on the information from the founder, when visiting Bumi Café, customers expected to receive not only the product but also the special experience that business offered. Particularly, Bumi Café has the concept of providing dishes that are specially matched with one certain kind of drink in the restaurant. This idea would like to offer customers the chance to experience the great combination of Bumi's food and drink. Along with special experience, the special feeling was also mentioned to be the main factor that made customers be willing to pay for Bumi's products. The founder believed that every customer who came to Bumi Café would get the feeling of good quality product and service that the business created.

Besides, he also mentioned that the idea of food and drink combination truly provided customers the with feeling of curiosity and satisfaction. In specific, Vietnamese baguette was recommended to try with smoothies or Vietnamese ice coffee to balance the flavors of both products. Most of the customers felt interested in the combo and be pleased with the suggestion after all. Besides the real experience from Bumi Café, the owner also provided some useful recommendation to support the process of understanding customer's demand and behavior. He affirmed, "Quality is the element that attracts customers and Price is the factor that makes customers decide to stay or go away". This opinion emphasized that along with product quality, Pin Station business should set a proper price to fit the feature of target customer groups. Moreover, space and atmosphere were also indicated to be the important elements contributing to attracting customers.

These factors that were mentioned in the answer of the **third sub-question** helped the group of students realize the right way to evaluate the market and highlight business's products in the marketplace. The advice from Bumi Café was instead of focusing on assessing the competitor business should concentrate on developing the strength that makes business be stable and outstanding from the market. The first element that Pin Station was suggested to get attention in future business was the proper location. In particular, business needs to find the suitable place where target customers are mostly gathered. After that, the second mission for Pin Station business was indicated to be analysing the situation of the marketplace around this location area. Researchers have to observe and find out the timeline of local residents there

as well as the situation of traffic in each different period so as to carry out the promotion on the right occasion.

Along with the analysis of business location area, creating a business image was also the main factor that the founder had applied for Bumi Café to make the business outstanding from the crowd. In his opinion, instead of only promoting products, business should create the connection between the business's brand and customers. To be specific, Pin Station needs to build the own story so that customers will always remember that they visit Pin Station not only for the product but also for the way Pin Station has created the product. When being asked about any comments for Pin Station's product, Bumi Café's founder gave useful suggestions in which smoothie products should be improved and developed depending on the season so as to bring not only the new experience to customers but also help business considerably save expenses of fruit ingredient. As for milk tea product, in order to make the product healthier and more flexible Pin Station was advised to replace sugar by sweetness from nature such as honey as well as the change to milk kinds that are suitable for allergy.

The issue that needs to be solved in the **fourth sub-question** related to distribution channels used for promotion plan. As the owner's contribution, promotion method of Bumi Café in the beginning of business was word of mouth. As his comment, most Finnish people are quite hard to be persuaded by any common marketing methods except trusted channels such as Helsinki Sanomat or Ellen Show. However, these trusted ones seem to be unaffordable for a start-up business with a low budget. Thus, word of mouth was recommended as the useful and effective method to easily approach target customers and save expenses. Those word of mouth methods that were highly suggestion is coupons, membership card as well as special service style. In particular, at the beginning of running Bumi Café, the company provided point collection card for every customer who visited Bumi Café with the offer of collecting 5 stamps for special deals. Besides, they also gave those cards for customer's relatives or partners who were not available at that time to encourage word of mouth happens.

Moreover, Bumi Café's owner also provided advice in establishing and maintaining customer relationship. Specifically, from a friendly and enthusiastic serving style customers may feel that they are also the important part of the business, which is the element to keep the long-term relationship with current customers as well as encourage those customers to recommend business's products to their friends. Besides word of mouth, considering those groups that Pin Station is focusing on, Bumi Café's founder commented that social media was also the effective way of approaching those target customers.

## 6.2 Interview results from customer

To gain an insight into the customer needs, demands and behaviours toward smoothies and the related products of the business, the researchers created a list of interview questions

based on the sub-questions. These interview questions in Appendix 2 are created with the purpose of understanding the personal opinion of our potential customers in the Finnish marketplace in order to build our promotion plan during the process of developing the business idea. There are totally eight questions which were used to ask random customers/consumers that the researchers found during the fieldwork in the area of Helsinki and Espoo. The respondents contributed to give the answer to the central question by help of the sub-questions.

To start off, the first issue regarding the needs, demands and behaviours of an individual when asking about the favorite drink everyday and the frequency of drinking smoothies, the results showed that the majority of respondents agreed that their everyday drink can be coffee, tea because of the habit and the caffeine that helps people to be active for the whole working or studying day. However, there is no denying that there is also a drawback to caffeine when tea and coffee increase heart rate and blood pressure. In contrast to coffee and tea, smoothies were also mentioned from respondents because of its huge benefits to human well-being. They also mentioned several advantages such as boost the immunity, feel happier, help to prevent heart disease or improve a better sleep and so forth. Besides that, smoothies also become a trend recently when people nowadays have more awareness of the healthy way of living. When asking to compare the benefits of smoothies and other caffeine drinks, most of the respondents who said smoothies was out of their favorite lists, thenceforth, consented that smoothies can become one of their choices.

Moving on the following concern regarding the qualities of a glass/bottle of smoothies that can satisfy and make customers eager to purchase, results showed that flavour is the most common answers, following is the quality of ingredients, texture and the idea behind a glass/bottle of smoothies. Frequently mentioned favorite flavour of smoothies were strawberry, mango and avocado. And, therefore, those fruits were chosen to be in the product ingredients. According to them, besides the flavour, the quality of ingredients need to consider as well since most of the respondents are keen on fresh and healthy ingredients more than frozen and instant one. When mentioning the texture of smoothies, some respondents said that they would like to drink a smooth, light and watery texture. Moreover, some respondents mentioned seasonal smoothies. It turned out that the researchers need to take into consideration the diversity of choices depending on each season. For example, when asking about the summer choices, most of the people prefer to drink something with berry flavour; when asking about the winter choices, some people mentioned they prefer to have something warm instead of cold drink.

Advancing to the issue about the outstanding of Pin Station's products, the researcher persuaded by giving detailed and strong reasons which make the brand different with others. Aside from all people that were asked, there were eight respondents that stated willing to try

and buy products of Pin Station. Besides, when explaining the benefits of fruit product such as reduce the possibility of heart diseases, vitamin and other fiber content help digestion and reduce constipation, the majority of respondents agreed with it. Moreover, the researchers also mentioned the sustainability issue with regard to encouraging customers to consume local food, raising the awareness of protecting the environment by running small campaign such as reducing the plastic usage and trash in everyday life. The majority of the respondents indicated that they did not give a lot about sustainability. They do not take the environment and locals into account when they decided to buy any products or services. Not everyone who was interviewed felt this way, but the biggest part did.

Moving further to the last issue of the interview question which is about the price of Pin Station's products. As has been stated in the previous part of the theoretical background, price is one of the important elements that need to take into consideration when selling any products or services. The majority of respondents said that they were willing to pay from 4-7 euro for a glass/bottle of smoothies, and it could depend on the size and portion of the product. Some of them indicated that they might pay more if the products had something that makes them special and valuable. Besides, few respondents agreed that it was inconvenient for them to make smoothies at home, thus, instead of buying fruits and making smoothies at home, they might be willing to pay more to buy the fresh and available products in any shops or stores nearby.

### 6.3 The result of home testing and trial in the marketplace

#### Home testing result

As described in the previous subtitles, the product-testing process was divided into two primary parts, which were home testing and trial in marketplace. Taking home testing stage into consideration, every product type had each different result but in general, it could be said that group of students gained success in this process. As for **dairy-free smoothie**, the testing was carried out in four different kinds temporarily so-called purple smoothie, pinky smoothie, yellow smoothie, and greenie pastel smoothie. Generally, each smoothie group offered each special taste as researchers' expectation. However, the colour of the purple group was quite different from what it was supposed to be in the beginning. Specifically, the final colour was darker than expected and more in blue than purple. Group of students figured out that white colour from pear and apple could not affect the dark blue colour from blueberry. Besides, the combination of this fruit group, unfortunately, did not bring the great flavour. About greenie pastel group, researchers decided to choose oat milk as dairy-milk product instead of soy milk. In fact, there is some substance in soy that is supposed to be not suitable for men. Thus, the decision of using oat milk contributed to enhancing the flexibility of the product. As for **yoghurt smoothie**, researchers did not face any big problem while testing. The taste of three product kinds successfully met the expectation and provided the special combination of

fresh fruit and creamy yoghurt. Moreover, the main colour of all three groups was mainly in pastel colour as expected.

Along with the success from smoothie and yoghurt smoothie, **fusion milk tea** also received the positive result in home testing. However, there was a small problem in the beginning due to the wrong choice of ingredient. In specific, students selected coconut milk as the dairy-free milk base for the milk tea. However, after mixing up the boiled milk and black tea base, researchers found out that there was a bit of fat from coconut milk floating on the surface of the mixture. Moreover, when combined together, the flavour and aroma of black tea were completely overwhelmed by coconut taste. Therefore, the group of researchers decided to use oat milk to test product again. Luckily, the second test at home gained the success in finding out the final combination of fusion milk tea. The mixture of slightly creamy taste from oat milk and sweet fresh taste from black tea leaf offered a cup of wonderful fusion milk tea. Especially, the group of students figured out that fusion milk tea should be better served cold to enhance the flavour. However, due to the change in main ingredients, researchers had to replace the name of tropical fusion milk tea by Pin's fusion milk tea. Below is the Figure 6 showing the result of milk tea product.



Figure 6: Home testing result of Pin Fusion Milk Tea

### Testing and trial in restaurants result

As for testing and market trial in restaurants, the group of students would like to involve customers into testing stage in order to receive useful feedback from the ones who could be the potential customer in the future business. Based on observation, customers from both restaurants were between the ages of 30 to 60 in which each restaurant had each main group from specific ages. As for Samrat Restaurant, regular customer groups were mostly family with young children, and old couples in the age of 40 to 60, while Pinto B'staurant primarily re-

ceived groups of friends, officers and couples in the age of 30 to 40. Thanks to the diversity of customers from those restaurants, researchers had precious opportunity to receive opinions from many types of customer group. In Figure 7, there was a potential customer writing the feedback after trying product in Samrat Restaurant.

On the first day of **smoothie trial**, the total amount of trial sets in both restaurants was only 20 sets in total, while the second and third day offered 30 sets. In addition, the feedback received from smoothie product were mostly positive. The most favourite flavour was greenie pastel smoothie (avocado and oat milk), following by pinky smoothie (banana, strawberry, apple, and apple juice), and yellow-coloured smoothie (mango, peach, apple, and orange juice). Besides, group of students also received some supporting opinions about product's colour and sweetness.

As for **yogurt smoothie trial**, there were 28 sets in total offered on the first day and only 20 sets given on the following day due to the current situation of each restaurant. The feedback of yoghurt smoothie was generally good. However, there were a few customers rejected to taste because they did not like yoghurt flavour as well as vegan-eating habit. And, the most favourite flavour was yellow-pastel one (yoghurt, mango and mango puree) following by pinky pastel group (banana, strawberry and yoghurt).

Finally, there is the result from **Pin's fusion milk tea** in which customers reacted so positive about the flavour of product. Particularly, there were many compliments of the idea of dairy-free option since it would be flexible for anyone even vegan customers. Thus, the amount of milk tea samples was successfully served over-expectedly 40 cups for 2 days in both restaurants. Besides, there were also a few feedbacks recommending some great flavours for the fusion milk tea such as vanilla extract to enhance the flavour and be more flexible in choices of the product.



Figure 7: Feedback from customer during testing day in Samrat Restaurant

### Market trial in Laurea UAS result

The result of market trial in Laurea UAS was over expectation thanks to the willingness of students, lecturers, and staffs there. In particular, the trial occurred in only 30 minutes because those target customers were so interested to taste the products and listen to business's idea showing in Figure 8 below. From feedbacks as well as direct opinions of those customers, the group of students could understand more what should be improved and developed in future business.

In general, the overall experience was mostly evaluated on excellent scale with the compliments of great taste and business idea. Especially, Lucky Clover (avocado and oat milk) was the most favourite option following by Yeahlow Tango (yoghurt, mango, and mango puree) and Little Sunshine (mango, apple, peach, and orange juice). However, researchers also received some feedbacks contributing to improving the product to better taste. Particularly, for Jolly Dawning (strawberry, banana, apple, and apple juice), there were some comments about the texture of this product, which was recommended to be smoother, watery and less banana to reduce the sweetness. As for Pinky Merry (yoghurt, strawberry and banana), target customers also loved the flavour, but they expected to be sweeter to balance the sourness of yoghurt and strawberry.

Besides the feedback as well as compliment about product flavours, there were also some opinions contributing to product improvement and development. Specifically, researchers received a few ideas to add some special ingredients to make the product more unique. For example, there was a suggestion of mixing those dairy-free smoothies with ginger and Nordic berries, or fresh mint to enhance the taste. To sum up, the group of students gained success on the free trial day in Laurea UAS, which received lots of useful opinions and constructive recommendation from potential customers. Although there were still some features of the product should be improved, most of the customers provided positive feedback and encouraged students not to change the taste.

Besides, researchers also figured out which flavour might become the best-seller product in future business. That would be Lucky Clover and Yeahlow Tango. Moreover, the market trial in Laurea UAS was regarded to be the important process supporting the previous trial stages in restaurants. Particularly, if Samrat and Pinto B'staurant provided groups of customers mostly from the age between 30 to 60 years old, the focus group in Laurea UAS was mainly in the age of 20 to 30. This factor helped researchers approach different groups of people, who were expected to be the potential customer in future business of Pin Station.





Figure 8: Receive feedback from customers during the trial day in Laurea Cafeteria

#### 6.4 Limitation during the implementation

This section presents critical reflection of the process of carrying out the research. There were a few issues that needed to be solved throughout the time related to the fieldwork stage. Those situations had influence of the results of this research.

The first issued encountered was related to the language and weather. Indeed, language is a big barrier for the students while Finnish is not the mother tongue. It was also hard to interview some of Finnish people since they mentioned that their English was not proficient enough and strongly help onto this reason. Some that were eventually interviewed did not speak fluent English and could therefore not given in-depth answers. Concerning the weather, Finland has a long winter while summer only lasts for a few months, normally from June to August. Therefore, as mentioned in the thesis plan that the testing process should have started in September, the group decided to launch the testing process from July.

The second concerns appeared a week prior to the theme week project coordinated with another thesis project that was mentioned in the thesis plan. According to the schedule, the researchers planned to run the theme week during the first week of September. Due to the privacy issue, the researchers were unable to run the theme week project in Bar Laurea to introduce the business products. Instead of that, there was a trial day which was held on 12<sup>th</sup> September 2018 in the front area of the lobby of Laurea. Besides this problem, the students also received the email from the founder of Goodlife Coffee, which mentioned that the interview with him was refused because he was quite occupied at that moment. Luckily, the students after that found the owner of Bumi Café, who was willing to have the interview with.

The last issued is connected with the methodology. Initially, the students decided to follow the qualitative research, more specific, the open-ended survey was chosen. However, after consulting with the supervisors, the students recognised that this method was unable to give answers to the research questions. Thus, the semi-structured interviews were conducted with two forms of the interviews questions, one was for Bumi Café and another one was for cus-

tomers. As mentioned above, the semi-structured interviews were based on the requirements of the sub-questions.

Concluding all the gaps together, it can be said that these minor gaps had little to no influences to the valuableness of the information. From the conducted interviews there was a good amount of useful data collected that did help answer the objective and main question. Therefore, the group of students know how to organise the collected information in an appropriate manner.

## 7 Final findings for Pin Station business

This chapter contains the research findings concerning the gained and collected results from the theoretical background and practical implementation. The research was conducted in order to give the answer to the central question by the help of the sub-question. Therefore, with the insights of understanding the needs and demands from customers, the menu of the main products was created along with developing an effective promotion plan not only for the beginning of the business but also for the long-term ahead.

### 7.1 Target customer of Pin Station business

In order to find out the main products and promotion plan for Pin Station, one of the most essential stages that researchers need to carefully consider is the process of researching target customers and approaching those potential groups. Thanks to qualitative research methods as well as theories about customer insight, the group of students made a decision on which potential groups Pin Station needs to focus through two personas representing two types of the target customer. From that, customer journey was also created to show the effective way how to approach those potential customers in future business.

#### 7.1.1 Finalize target customer

During the practical implementation stage, which includes participant observation and semi-structured interview, the process of segmenting and finalizing target customer group became easier. It was also based on the Maslow's Hierarchy of Needs which can show the basic needs of customers include food and drink. Besides, the demographic and psychologic parameter showed that gender, social class and age also have an impact on the buying decision. These elements gave the students a detailed picture of potential customers for Pin Station. It can be indicated by gender, which is mostly female who has interest in smoothies more than male. It can be indicated by age, which accounted for a high percentage of Millennials and generation X who prefer to consume smoothie products, and the social class and other elements. As been mentioned in the previous part, target customers of the business mostly belong to two groups, which are called Millennials and Generation X. Below are two examples of

the target customers who the business is able to focus on approaching in the Finnish marketplace.



Figure 9: Persona 1 of target customer in Millennials group

The first persona in Figure 9 above based on the research information of the customer group in the age of 20 to 35 years old, which is included in Millennials generation. That was also the reason why researchers decided to name the first one Milla. For her general information, she is 26 years old who is currently living in Helsinki in Finland. Milla is a student in the degree of Media and Public Relations of Arcadi UAS and also a part-time barista in Art Coffee in Helsinki. In daily life, Milla is especially interested in yoga, swimming and sharing stories with friends. In Milla's opinion, keeping fit and healthy body, and establishing more relations in social life are two main elements that she always focuses on. From the interest, needs and value in Milla's life, it can be said that she is such an active, sociable and positive person who always wants to challenge herself, build and maintain the relationship as well as follow the healthy lifestyle. Thus, those factors shown in this persona are also the primary features of the first target customer group that business is concentrating on. In particular, potential customers belonging to the age group of 20 to 40 years old are the ones who would like to live in a healthy way, and especially take care of their body health in eating and drinking habit.

Moreover, the main characteristics group of students also concern are potential customers' personality, value and style of living that mainly impact on their demands and decision. Specifically, target customers in the first group are the ones who live their lives in a positive way. They are always full of power and optimistic in thinking, which leads them not to hesitate in trying new things in their life. This feature may bring the benefit to Pin Station business that those customers will be easy to accept the new brand as well as new product that has just penetrated the market. In this first persona, there is one element shown that potential customer should be the person who is good at communication, frequently uses social networks, and would like to establish more relations and appreciate relationship in social life. This element may contribute to the promotion period of the business. Particularly, those customers with their wide relationship and communication skill will introduce their friends to try the product of the brand-new business. To sum up, this target group is fit with Pin Station's objective offering drink, which is good for body health and provides fresh power for mental aspect. Moreover, this group is expected to support the business in the promotion period particularly using word of mouth method and social media method.



Figure 10: Persona 2 of target customer in Generation X group

The second persona in Figure 10 above was created following the information collected from the group of target customer in generation X, particularly in the age of 40 to 65 years old. The person representing for this group is Mrs. Xandra who is living in Espoo and working as a senior financier in the environmental organization in Helsinki. Xandra has two daughters, and her favourites are eco-travelling, tango dancing and watching movie with family. Since Xandra's job requires her to deal with numbers and data every day, she always needs to provide enough nutritious food and vitamin for her health. Especially, Xandra and her children are following vegan-eating habit to better their body health as well as contribute to sustainable responsibility. In Xandra's opinion, family health and sustainability lifestyle are the most important factors that affect her decision in daily life. Thus, it is likely to say that quality in life is the first and most crucial standard that Xandra always concerns when evaluating something. And, these features are the main factors that Pin Station will use to attract this target group. Specifically, the second group that business is approaching includes the ones who focus not only on the healthy lifestyle but also concern about sustainability aspects.

Besides the habit of healthy eating, and doing sport, potential customers from this group will have the certain opinion in protecting the environment because the goal of Pin Station also relates to environmental issues. So as to attract those customers, the company will especially concentrate on the quality of products such as emphasize on homemade and fresh ingredients idea, as well as on elements connecting to sustainability lifestyles such as reduce plastic campaign or vegan-friendly product. Along with target customer's lifestyle, habit and value, Pin Station also concerned about the feature of customer's job, which impacts on the demands and final decision. In particular, business defined that officers following healthy lifestyle are the ones who usually need to provide vitamin and other nutrients for their body and mental health. Generally, the main factors of the second target group are corresponding to the business's goal not only in healthy life focus but also on sustainable responsibility focus.

#### 7.1.2 Approach target customer

After defining target customer groups, the next stage for researchers was to find out the way to approach those potential ones. Through two testing days and market trial event, the group of students got the opportunity to reach these target customers and collect their opinions and idea for the business. All useful information gained from customer feedbacks considerably supported the researchers to improve and develop the products in the near future. In order to give the clear understanding of the whole process of approaching target groups, researchers created the customer journey to show the stages from introducing the business idea, product and service experiencing to evaluating the product and maintaining the relationship in those testing days and market trial event.

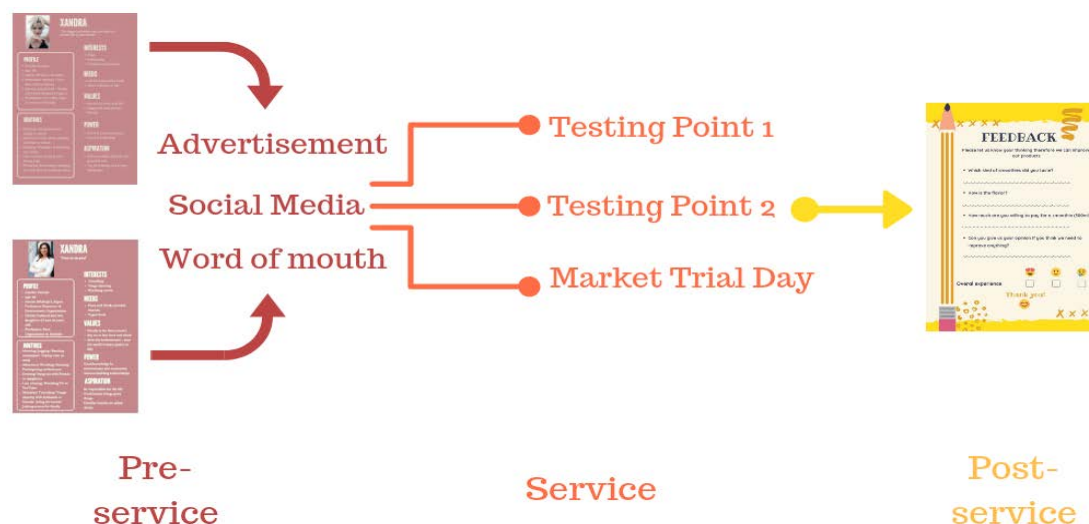


Figure 11: Customer Journey of Testing and Trial in Market Place

The journey in Figure 11 above includes three main stages, which are pre-service, service and post-service. Taking the pre-service stage into consideration first, this is the stage when target customers got to know the existence of business product and the information of testing and tasting events. As described carefully in the previous part, testing point 1 and 2 was carried out in Samrat Restaurant and Pinto B'staurant in Helsinki during summer time while the market trial event was implemented in the lobby area of Laurea University of Applied Sciences. As for testing point 1 and 2, the main methods applied to promote the event day were the advertisement and social media. In particular, researchers used posters of the events as in Appendix 4 that were attached in the main doors and cashier zone of those restaurants to attract the attention of customers. Besides, there was also an update post on the Facebook page and Instagram of restaurants to inform of the upcoming testing events. As for market trial day carried out in Laurea UAS, campus Leppävaara, group of students provided the information of free tasting event by advertising and word of mouth method. Specifically, researchers asked for the support of teachers, schoolmates, as well as Bar Laurea to inform of the business's event. In addition to word of mouth, Pin Station business also used posters as in Appendix 3 placed in main lobby desk and attached in the main entrance of the university to attract students, lecturers and staffs to join the tasting event.

After promoting the testing and market trial events to potential groups, the next step for the business is the service stage, which is regarded to be the most important step of the journey. In fact, that is the precious time when target customers had a chance to directly experience the products of Pin Station. There were three main places where business product and potential customers met each other including testing point 1 in Samrat Restaurant, testing point 2 in Pinto B'staurant and market trial day in Laurea UAS. So as to determine those three points, the business had to base on features of the target groups. Indeed, the main customer group of Samrat and Pinto Restaurant mostly belongs to the group of age between 40 to 60 years old,

which means those customers are the ones that business is focusing on. Meanwhile, the group of people in Laurea UAS includes mostly individuals in the age of 20 to 40 years old, which is also the target group of Pin Station. In the testing day and trial event, the most crucial factor that researchers need to concentrate on is to carefully observe the reaction and listen to the opinions and ideas of those ones who will potentially become regular customer of Pin Station in the future. On these days, the group of students also got an opportunity to practice in the real marketplace with real customers to figure out which types of service and which elements should be focused to gain success in future business.

The last stage in customer journey of testing days and market trial event is post-service, which is the stage when customers evaluate the product of business to make a decision of continuing or stop the relationship with business. Based on Buyer Behavior - Stimulus - Response Model mentioned in part 3.1.1, the group of students understood the importance of buyer characteristic, buyer decision making as well as buyer feedbacks. Thus, from this step researcher tried to collect a wide range of feedbacks as can be seen in Appendix 3 from potential customers to decide which factors needed to be focused and improved. Particularly, the business must emphasize the quality and flavor of smoothie products. As for seasonal milk tea, Pin Station was encouraged to create more flavors with many different options for customers. Moreover, researchers received the opinions about adjusting the amount in each portion to fit with the price business has set. As for service, general business has to concern more about hygiene issue as well as focus on providing customers with a professional serving style. From those improvement and development ideas, business expects to be able to build and maintain more relationship with customers in future business.

## 7.2 Pin Station's products and promotion plan

After the results of understanding and approaching target customer process, this subtitle will show the findings of Pin Station in business main products as well as the promotion plan for upcoming periods. At the beginning of the subtitle, there will be a part that provides the explanation for the meaning of business name and logo. After that, the description of the main menu will be shown clearly in the following part by not only text but also figure. And, in the last part writers would like to briefly introduce the promotion plan for Pin Station in upcoming seasons.

### 7.2.1 The name and logo of Pin Station

In order to come up with the idea of the name **Pin Station**, researchers needed to go through many stages of consideration and analysis. As mentioned above, the company will operate based on the target of providing customers with an energy body-boosting drink, so the business name should be closely related to that main goal. Pin Station is created based on three main meanings. The first meaning mainly concentrates on the word "Pin", in which Pin is an

acronym for two words “Power” and “Inside”. With the expectation that after consuming business’s products, customers will be provided powerful energy sources for a long day.

The second meaning of business name is set related to the motive of the first meaning but it primarily focuses on the word “Station”. At this point, Pin is regarded as an acronym for the words “Plug” and “In”, which creates the meaning “Power Plug-In Station” with the idea that this is not just a beverage shop, but also a station where customers can stop to “charge battery” for their body. Finally, the third meaning of Pin Station is derived literally from the meaning of Pin in the Vietnamese language. In fact, “Pin” in Vietnamese is originated from the French word “pile” meaning “battery”. So, Pin itself also refers to energy resources that business will offer to target customers.

The idea of designing Pin Station’s logo as Figure 12 is based on the business’s main goal, which is to focus on creating products that are good for customer’s health. The design is divided into two parts including the central part and the frame part. As for the central part, business uses the image of a heartbeat linking to the text Pin - the name of business - with the desire to create the strong connection between customers and Pin Station. In addition, the image of heartbeat usually relates to the healthy issue, which shows the meaning that Pin Station’s products are always created following the target of putting human health on the top of consideration.



Figure 12: The logo of Pin Station

The second part of the logo is the frame covering the central part and the word “Station” by an arrow. As mentioned above, the meaning of business name would like to show that Pin Station is the place customers can stop to provide power for their body. That is the reason why researchers decided to use the word “Station” instead of “bar” or “store”. Then, the image of the arrow with both starting point and destination point placed at the same location - “Station” expresses the hope that customers will not only come to buy the product but also return to Pin Station again.



### 7.2.2 The menu of Pin Station

Through the process of testing, market trial as well as market research, the group of students eventually created the menu for the beginning period of the business project. Pin Station's menu includes two pages as Figure 13, in which the first page is the main part about business products and prices and the second page is the supporting part for fulfilling customer's need. As for pricing on the first page, Pin Station set the price primarily based on the process of product testing and market research. Particularly, researchers calculated expenses of ingredients and materials during testing stages, as well as estimated fixed costs and other costs probably occurring in business operation period. Moreover, through the research of customer opinion in real marketplace, the group of students also determined the proper price range that the target customer is willing to pay for business products in which the price should be set between 4 euros to maximum 7 euros per product. After those processes, Pin Station is able to finalize the reasonable price for every product as in menu below.

**STEP 1: CHOOSE YOUR FAVORITE**

	300ml	500ml
<b>SMOOTHIES</b>		
<i>Lucky Clover</i> (avocado & oat milk)	4,7 €	5,7 €
<i>Jolly Dawning</i> (strawberry, banana & apple)	4,5 €	5,5 €
<i>Little Sunshine</i> (mango, apple & peach)	4,7 €	5,7 €
<b>YOGURT SMOOTHIES</b>		
<i>Pinky Merry</i> (yogurt mixed with strawberry & banana)	4,3 €	5,7 €
<i>Yeahlow Tango</i> (yogurt mixed with mango & mango puree)	4,3 €	5,7 €
<b>MILK TEA</b>		
<i>Pin Fusion Milk Tea</i> (black tea leaf mixed with oat milk)	3,7 €	4,5 €

Visit us on [www.facebook.com/Pin-Station/](http://www.facebook.com/Pin-Station/)  
or [www.instagram.com/Pin-Station/](http://www.instagram.com/Pin-Station/)

**STEP 2: CUSTOMIZE YOUR CHOICE**

**JUICIE (FOR SMOOTHIES ONLY)**

Orange      Apple

**SWEETIE**

Sugar  
or  
Honey (extra 0.3€)

25%      50%      80%

Visit us on [www.facebook.com/Pin-Station/](http://www.facebook.com/Pin-Station/)  
or [www.instagram.com/Pin-Station/](http://www.instagram.com/Pin-Station/)

Figure 13: Pin Station's menu

As for main products shown on the first page, the business decided to launch six main products belonging to three groups in the main menu. Taking dairy-free smoothie into consideration first, there are three kinds so-called Jolly Dawning, Little Sunshine and Lucky Clover.

Firstly, Jolly Dawning with the combination of strawberry, banana, apple and apple juice provides a glass of pinky-red-coloured smoothie, which also relates to the pinky-red colour of the sky at breaking dawn. About Little Sunshine, the product including mango, peach, apple and orange juice creates the bright yellow mixture representing for the wonderful colour of sunshine. While Jolly Dawning and Little Sunshine were named based on the beauty of the sun's colour and sky's colour, Lucky Clover with the blend of avocado and oat milk takes advantage of the green from plants in nature to identify the name for the product.

Talking about yoghurt smoothie, business selected Pinky Merry and Yeahlow Tango to the main menu in which Pinky Merry is the combination of strawberry, banana and yoghurt while Yeahlow Tango includes the mixture of mango, mango puree and yoghurt. All five names of five products are named not only based on the relation to colour, but also related to the hidden meaning about joy and happiness. Finally, the third product in the menu is for milk tea. Researchers named this product Pin Fusion Milk Tea with the idea of providing the unique flavour that customers cannot find anywhere else than Pin Station. Below is Figure 14 showing five samples of smoothie products.



Figure 14: Smoothie products of Pin Station

Moving on to the second page of Pin Station's menu, it is the place that allows customers to customize their selection in order to offer the most satisfaction drink as demands. In the first part, customers can choose the type of juice if they are not fond of the original recommendation. There are only two options at the moment that are orange juice and apple juice. The business will consider adding more kinds of juice to diversify the selection in the future. Besides, this page allows customers to adjust the level of sweetness in their drink by choosing three levels from low to medium and high in sweetness. So as to emphasize on the healthy issue, Pin Station also offers another choice of sweetener along with sugar that is honey.

Same as juice types, there will be the addition of more choices in sweeteners, which are regarded to be good for health than sugar.

While the selection of juice is mentioned to be suitable for the only smoothie, the adjustment of sweetness is mostly recommended to apply for yoghurt smoothie and milk tea. In general, the menu was successfully created following the idea of providing not only a good drink for health but also the flexibility in product choices. However, this is just the menu for the beginning period of the start-up business. Pin Station will improve the menu and develop more products so as to fulfil the demand of target customers in each proper season.

### 7.2.3 Promotion plan for Pin Station's products

To start off, with the positive changing of customer awareness about the healthy way of living as well as the development of food and drink industry, especially European in general as well as international and Finnish residents in specific, the researcher found out that people nowadays are getting more concerns about what they put inside their body every day. As mentioned above, Pin Station is found based on the needs and demands of Finnish customers/consumers. The business is moving the first step to enter the eating and drinking industries, which is nowadays accelerating the rate of growth. After the desk research and the field work, a promotion plan was created and developed along with answering the central question of this research which is "*How to create an affordable and effective product promotion plan which contributes to the process of approaching target customer in Finnish marketplace?*". The effective and efficient promotion plan needs to satisfy the requirements of current needs and demands while engaging with customers in community level or individual level. As indicated in the Bumi Café case, it is important to grasp customers' minds so as to attract them with the promotion. Below are several promotion plans that Pin Station will consider to focus on while running the business at the beginning. Thus, depending on different purposes, the business company promotes the products in different ways.

Firstly, as shown before in the report, seasonal promotion is the first option that the business can use to approach customers who are interested in the variations and updated trends. There are four seasons of the year, which are Spring, Summer, Autumn and Winter. Each season provides different ingredients that are exclusive and bestseller, for example, the interview results indicated that customers are mostly keen on the fresh berry and mango products in the summer time. Additionally, depending on the holiday of the year such as Mid-Autumn, Father's Day, Mother's Day, Ascension Day, etc., there will be specific campaigns or promotions which help to accelerate the trade of the business. For example, in the Father's or Mother's Day, the business will offer a special combo or special discount on any products for family as in Figure 15. Besides, feedback will be collected as well, therefore, Pin Station can ensure to maintain and improve not only the quality of products, but also the services. With

that way of approaching customers, Pin Station can create an intangible connection with customers, which makes customers come back to purchase for the products or services again.



Figure 15: Mother's Day Promo Card

As for the event-based promotion, the results of this method are unable to anticipate, however, there is no denying that sometimes the results are over expectation in a positive way. The purpose of this promotion is to help approach to a large number of customers who participate in the event. For the case of Pin Station, as a small start-up business, it is difficult to get contact and cooperate with some famous and popular event in the area of Helsinki and Espoo to sell products. Therefore, in the beginning, Pin Station came up with the plan of asking to become a small supplier of smoothie products, which can sell in several restaurants or cafeterias of university and school in the metropolitan area (Helsinki, Espoo or Vantaa). In the future, if the financial issue becomes more stable, Pin Station can expand the scale to cooperate with more events and organizations. Besides, Pin Station also targets to approach customers on an individual level. A loyalty card as Figure 16 will be given for customers when they come to Pin Station, if they collect enough six stamps in this card during a month (one stamp presents to one purchased product), customers can get a free drink or a free surprise gift. Nevertheless, this additional service can be changed to adapt to the current situation of the business.



Figure 16: Pin Station's loyalty card

According to the recent statistics portal, it showed the result of the survey that was conducted individuals within the age from 15 to 74 years old in Finland in 2018, the number of people who use Facebook accounts for 53 per cent. YouTube is another channel, which has 30 per cent of users and Instagram has 26 per cent of users. (Statista 2018). Thanks to the high percentage of people using Facebook and Instagram in Finland, Pin Station created a platform based on these two channels in order to build a solid brand in customers' minds. Social media is an effective tool to help Pin Station get more interactions with potential customers and build a long-term relationship between the business and customers. It is also a tool for customers to give their feedback and update new ongoing promotion so that the business can base on that improve products and services. Furthermore, promotional videos of two main products of Pin Station were made to not only wake up the curiosity and interest of customers on certain product but also position themselves in the marketplace. As for Pin fusion milk tea, it brings to the customers a glimpse of how a tasty product is made from simple ingredients. To the smoothie products, the video represents the message of providing fresh and home-made products with high quality.

Being a new business, Pin Station has to face many challenges to be outstanding with other brands in the same marketplace. To make Pin Station's brand stand out next to the competitors, the strategy of the business is to focus on proving products by using local ingredients and sustainable groceries. It not only supports for the local farming and environment, but also raises the awareness of customers about the development of the sustainable issue. In conjunction with this are the needs and demands on consuming products, which are fresh and healthy within an affordable price. Smoothies is a familiar and easy choice for everyone, thus, with regard to the customer segmentation, it includes the wide range of ages from Generation X to Millennials. The business provides to these target groups various choices of energetic and healthy products based on needs and demands not only on flavours, but also on the amount of sweetener, which can be seen as the main menu. Furthermore, the special aspect of Pin Station's products is the packaging. As shown before in the previous part, Finnish people tend to use the paper package to reduce the amount of plastic thrown to the environment every day. This creates a positive impact on Pin Station's campaign of using only friendly environmentally materials for the product packaging. Although the packaging might affect the visual appeal of the products, this is the meaningful activity that contributes to the living environment. Self-container is another special service in Pin Station as well. To be more specific, Pin Station encourages customers to bring their own bottles to contain smoothies when it comes to take-away, therefore, Pin Station will give a discount of five per cent on the bill for customers. With these services, Pin Station desires to send a message to customers about creating a healthy lifestyle not only for themselves but also for the surroundings.

## 8 Conclusion

To sum up, during three months running the research project along with applying theoretical background and completing desk research, qualitative research and testing process, the group created a business brand called Pin Station, which is a fruit and tea-based beverage store selling three main products: dairy-free smoothies, yogurt smoothies and seasonal Pin fusion milk tea. Besides, the initial promotion plan for business products was created as well in order to approach target customers, who belong to Generation X and Millennials. Statistically speaking, Facebook and Instagram are two main online platforms that the business selected to be interactive tools between customers and the business. In addition, external interaction is focused as well with several additional services in stores depending on season and/or event. To reach the goal in creating and developing an unknown business products brand, the business group completed the analysis research in target customer group (from their behaviours, motivations, attitudes to demands), as well as study about effective and efficient promotion methods.

There is no denying that during the research process, the group had to experience several issues which are advantages as well as disadvantages. When it comes to the benefits, the group has learned that plan B is an indispensable part when doing the research. Besides, focusing on qualitative research, especially semi-structured interview, the researchers recognised that the more talking and interacting with potential customers are carried out, the better understanding customers are. Although the group also met some obstacles due to the impact from external factors, the results were still collected with other supports from people who were mentioned in the previous parts. The researchers extremely valued the data and information collected thanks to the help from those people.

An important recommendation of this report is that it is important to generalize a picture of the niche market in the industry that the business decides to develop the products. Besides, during the fieldwork, the business recognized that identify and segment customer are significant steps to build a primary basement for launching the promotion plan of business products in an effective and efficient way. There should be focused on sustainability issue which the business can involve in support local products/ingredients in any way possible. Apart from it, the research team recognised that during the process of doing the thesis, the connection with customers is gradually developing as well as the relationship with potential partners in the near future. Indeed, it is a chance for the students to cooperate with Bumi Café. Pin Station is suggested to be the suppliers for Bumi Café regrading to the beverages field.

The team enjoyed the practical work during the time running and collecting result from the testing, interview and survey process in the area of Helsinki and Espoo in Finland. Indeed, this research project was a challenge for the group of students and therefore, the research team would like to thank thesis supervisors as well as our senior lecturers during three years the

students have studied in Laurea University of Applied Sciences. They not only inspired with lectures, workshops, ideas and stories, but also helped during the process of doing the study with many advices, knowledge and experience. It had the significant influence on the thesis. Secondly, the team is very grateful to the support from Bar Laurea, Samrat Restaurant and Pinto B'staurant, which assisted with their facilities as well as founder and owner of Bumi café, who shared his experiences and gave the insights into understanding customers in Finnish market during two years working on it. Lastly, the team fully appreciated all of the respondents from customers, who took their time answering our interview questions and provide interesting and informative data. Without these people, this thesis could have not been completed. Any constructive feedback will be greatly appreciated.

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Appendix 1: Case interview question for founder of Bumi Café



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## Research Interview questions

Thesis preparation leading to understand customer and develop the  
promotion plan

Student: Minh Thu Nguyen (1501426)

Minh Thu Nguyen (1501421)

Individual Thesis supervisor - Senior Lecturer: Sari Jääskeläinen  
Senior Lecturer: Sirkka Antinluoma

September 2018

We are a group of last-year students studying Restaurant Entrepreneurship in Laurea University of Applied Sciences. We are doing the graduate thesis based on an idea of running a start-up business in fruit beverage, which focuses on smoothies, yogurt smoothies. These interview questions are created with the purpose of consulting and acquiring the knowledge and practical experiences from Quang Nguyen, who is the owner and founder of the Bumi café chain in Helsinki, Finland in order to get an insight into understanding target customer and build our promotion plan during the process of developing business idea.

This interview question includes two versions which are in English and Vietnamese so it is easier for the interviewer as well as interviewee to understand.

Date: \_\_\_\_\_

### Interview Questions:

1. As we noticed that there are so many café and restaurant brands in Finnish market. So, what do you think about the current trends of eating and drinking habits in Finland nowadays?

⇒ (Vietnamese: Theo e nhận thấy thị trường dịch vụ ăn uống ở Phần Lan đang rất phát triển, vậy anh có thể cho em biết đánh giá của anh về trends của thị trường ăn uống trong thời gian hiện tại cũng như sắp tới?)

---



---

2. In your opinion, what customers expect when buying your product? (about NEEDS-WANTS)

⇒ (Vietnamese: Như em biết, các sản phẩm đồ uống của anh gồm Smoothies, Trà sữa, café...Anh nghĩ khách hàng mong muốn điều gì khi họ mua những sản phẩm này?)

---



---

3. In your opinion, which motivations that will make customers decide to purchase your product? (Regarding to price, quality, diversity of choices, etc.) (about DEMANDS)

⇒ (Vietnamese: Theo anh, điều gì khiến khách hàng sẵn sàng chi trả cho sản phẩm của anh?)

---



---

4. Which elements are important to consider and evaluate your competitors?  
⇒ (Vietnamese: Theo anh, yếu tố nào là quan trọng để đánh giá đối thủ cạnh tranh của mình?)
- 
- 
5. How do you differentiate your brand with others?  
⇒ (Vietnamese: Vậy làm thế nào để anh có thể tạo sự khác biệt giữa Bumi Café và những thương hiệu khác trên cùng thị trường?)
- 
- 
6. Of all the products of your restaurant/cafe, which one is the best seller?  
⇒ (Vietnamese: Trong tất cả các sản phẩm đồ uống của nhà hàng, loại nào là best-seller nhất?)
- 
7. Which channels did you to approach customers in the beginning of your business?  
⇒ (Vietnamese: Những phương tiện truyền thông nào anh đã sử dụng để quảng bá thương hiệu của mình trong giai đoạn bắt đầu khởi nghiệp?)
- 
8. In your opinion, what are the productive/effective promotion methods to approach customer?  
⇒ (Vietnamese: Theo anh thì phương thức/hình thức quảng bá nào để dễ tiếp cận tới nhóm target customers?)
- 

Thank you so much for taking time to complete the research interview questions.

We truly value the information you have provided.

Appendix 2: Case interview questions for customers



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## Research Interview questions

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promotion plan

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September 2018



We are a group of last-year students studying Restaurant Entrepreneurship in Laurea University of Applied Sciences. We are doing the graduate thesis based on an idea of running a start-up business in fruit beverage, which focuses on smoothies, yogurt smoothies. Your responses will truly contribute to our process. These interview questions are created with the purpose of understanding the personal opinion of our potential customers in Finnish market place in order to build our promotion plan during the process of developing business idea.

Date: \_\_\_\_\_

**General questions:**

Where are you living currently? \_\_\_\_\_

What is your age of group?

15-25

26-35

36-55

55+

What is your occupation? \_\_\_\_\_

**Interview Questions For Customers:**

9. What is your favorite drink every day?

\_\_\_\_\_

10. Besides your favorite drink, how often do you drink smoothies?

\_\_\_\_\_

11. (If the answer for question 2 is NO) What is the reason that make you do not drink smoothies?

➔ This question helps us to figure out the cons of smoothie products in the market place

\_\_\_\_\_

(If the answer for question 2 is YES) what are the benefits that make you prefer to drink smoothies?

➔ This question helps us to figure out the pros of smoothie products in the market place

\_\_\_\_\_

12. In your opinion, which quality of a glass of smoothie that fits your needs and wants?

---

13. Currently, we offer these products (show the pictures/real products for testing), these products are made by using fresh fruits such as..., oat milk and without sugar added. We focus on providing good lifestyle products to help improve and maintain customers' well-being. As many people know that oat milk is a great product to reduce the possibility of heart diseases, vitamin and other fiber content help digestion and reduce constipation. Moreover, we also focus on the sustainability with regard to encouraging customers consume local food, raising the awareness of protecting environment by running small campaign such as reducing the plastic usage and trash in everyday life.

14. So, how do you think about our products? Do you think that our products and business idea are enough to attract you?

---

15. Are you willing to buy our products?

---

16. How much are you willing to pay for our products?

---

*(\*short definition sustainability: the idea that goods and services should be produced in ways that do not use resources that cannot be replaced and that do not damage the environment. Ex: booking with green key hotels etc.)*

Thank you so much for taking time to complete the research survey questions.  
We truly value the information you have provided.

Appendix 3: Feedback and poster of market trial in Laurea Cafeteria



Appendix 4: Poster of market testing in Samrat Restaurant and Pinto B'staurant

**IT'S FREE  
TASTE TIME!**



**WHERE: SAMRAT RESTAURANT**  
**WHEN: 8/6/2018**

Have a free taste and give your feedback to contribute to the research project

**IT'S FREE  
TASTE TIME!**



**WHERE: PINTO B'STAURANT**  
**WHEN: 6/6/2018**

Have a free taste and give your feedback to contribute to the process of research project