



**jamk.fi**

# **Benchmarking Café Concepts via Service Design Thinking**

Linnamo Sanni  
Hokkanen Riku

Bachelor's thesis  
March 2016  
Management  
Degree Programme in International Business

Jyväskylän ammattikorkeakoulu  
JAMK University of Applied Sciences

Tekijä(t) Linnamo, Sanni Hokkanen, Riku	Julkaisun laji Opinnäytetyö, AMK	Päivämäärä Maaliskuu 2016
	Sivumäärä 72	Julkaisun kieli Englanti
		Verkojulkaisulupa myönnetty: x
Työn nimi <b>Kahvilakonseptien vertailu esikuva-analyysin ja palvelumuotoilun avulla</b>		
Kansainvälinen liiketalous		
Työn ohjaaja(t) Saukkonen, Juha		
Toimeksiantaja(t) Mahdollisesti perustettavan yrityksen lukuun		
Tiivistelmä  <p>Opinnäytetyö tutki erilaisia kahvilakonsepteja Jyväskylän keskusta-alueella. Opinnäytetyön tavoitteena oli hankkia arvokasta tietoa olemassa olevista kahvilakonsepteista esikuva-analyysin avulla. Tietoa kerättiin uuden kahvilakonseptin luomista varten.</p> <p>Tutkimusote on kvalitatiivinen ja tutkimuksen empiirinen aineisto kerättiin puolistrukturoitujen haastattelujen ja havainnoinnin avulla. Tutkimuksessa havainnointiin valittuja kahviloita syksyn 2015 aikana ja haastateltiin kuluttajia kevään 2016 aikana. Opinnäytetyön tavoitteena oli löytää valittujen kahviloiden heikkoudet ja vahvuudet sekä kartoittaa tekijät jotka vaikuttavat kahvilan valintaan.</p> <p>Tutkimuksen teoriaosuus käsittelee aiheita palvelumuotoilusta, palveluista, esikuva-analyysistä ja kilpailusta. Tutkimustulosten perusteella listattiin tekijät jotka vaikuttavat asiakkaiden kahvilan valintaan. Tutkimustulokset osoittavat myös yleisimmät heikkoudet ja vahvuudet, jotka löydettiin havainnoimalla valittujen kahviloiden palvelukonsepteja.</p> <p>Johtopäätöksenä voidaan todeta, että kilpailijat saatiin profiloitua sekä kerättyä arvokasta tietoa olemassa olevista kahviloista. Kuluttajien mieltymykset sekä havainnointien löydökset yhdistettynä pystyttiin tekemään ehdotelmia tulevaisuuden kahvilakonseptia ajatellen.</p>		
Avainsanat ( <a href="#">asiasanat</a> )  Palvelumuotoilu, Esikuva-analyysi, Palvelut, Kahvila		
Muut tiedot  Kappaleet 4 & 5 salaisia 15.4.2021 saakka		

Author(s) Linnamo, Sanni Hokkanen, Riku	Type of publication Bachelor's thesis  Number of pages 72	Date March 2016  Language of publication: EN  Permission for web publication: x
Title of publication <b>Benchmarking Café Concepts via Service Design Thinking</b>		
Degree programme International Business		
Supervisor(s) Saukkonen Juha		
Assigned by Created for a business that may be established		
Abstract  <p>This thesis focused on the different café concepts in the city center of Jyväskylä. The objective of the study was to explore the weaknesses and strengths of the six chosen cafés in the city center of Jyväskylä via benchmarking. The purpose of benchmarking the cafés was to gather valuable information of the cafés located downtown Jyväskylä to help the authors establish a new successful café in Jyväskylä.</p> <p>The research is a qualitative study. The data collection was conducted using multiple methods. The data collection methods included observing the cafés and a semi-structured interview.</p> <p>The theoretical part of the research covers theories on services, the service design thinking, benchmarking and competition. The empirical part includes the results of the observation conducted in autumn 2015, and the results of the semi-structured interviews conducted during spring 2016.</p> <p>The results of the research gather and list the aspects that affect a consumer's choice of a café. The research also revealed the most common weaknesses and strengths of the benchmarked cafés. The results include an analysis of the strengths and weaknesses and the consumers' preferences in the café market in Jyväskylä.</p>		
Keywords/tags ( <a href="#">keywords</a> )  service design thinking, benchmarking, service, café		
Miscellaneous  Chapters 4 & 5 classified until 15.4.2021		

## Contents

1	Introduction.....	3
1.1	Background.....	3
1.2	Objective of the research and the research questions .....	4
2	Research methods and implementation.....	5
3	Knowledge base .....	16
3.1	Services.....	16
3.2	Service design thinking.....	18
3.3	Competition and benchmarking.....	22
3.4	Café industry in Finland.....	24
4	Results .....	37
5	Conclusions.....	38
6	Discussion .....	39
6.1	Analysis of quality and reflection .....	39
6.2	Suggestions and directions for further research.....	40
	References.....	41
	Appendices .....	45

**Figures**

Figure 1. Development of turnover in service industry .....25

Figure 2. Revenue growth in service industry .....26

# 1 Introduction

## 1.1 Background

The magnitude of the service sector is visible in the gross domestic product of Finland. Two thirds of the whole GDP of Finland is created by services. Services include private and public services. Private services cover almost a third of the quarter of all the production services. There were 1.8 million people working in the service sector in the year 2013, of which 1.2 million were working in private services. The service industry is growing rapidly. The private services grew on average 2% during the years 2003-2013 while the whole GDP grew only 1.1 % during the same time. (Tuotanto ja investoinnit, EK ry, 2015.)

Both the researchers are students of International Business and have an interest towards entrepreneurship. The field of service industry is appealing as it is under constant development and involves personal interaction. At the moment, both the researchers are working in the service business sector and thus have a great interest to research this topic. The research does not have a company as a consignor but it is conducted for the future entrepreneurial purposes of the researchers. This thesis is an opportunity to learn more about the café industry and service businesses. Nowadays, services have become more important for businesses and are a valuable way to stand out from the competitors. Both the researchers are eager to learn more about the service industry.

## 1.2 Objective of the research and the research questions

The aim of this study is to use benchmarking to gather valuable information from cafés located in downtown Jyväskylä. The objective of this research is to gather facts about competitive café concepts in order to help establishing a new successful café in Jyväskylä. This thesis aims to collect information that will enable opening a new, desirable café. The idea is to learn from others in order to find the best ways to work and to avoid the mistakes made by others and also to be able to differentiate from the established competitors. This research also helps the authors to understand consumers, their needs and hopes. The data collected for this research is the beginning of a more extensive study conducted prior establishing a new café in Jyväskylä. Before opening a new café, another study must be conducted to collect more information. It could consist of cost calculations and other financial data. This research will provide a base for the more extensive one and give an idea of consumers' expectations of the future.

### **Research questions**

The research motivation came from the desire to open a new café in Jyväskylä. The objective was to find out what kind of café concept is already successful or would be successful in the Jyväskylä region. With the information gained from this research it will be easier to open a new café that has demand.

### **Research questions**

There are two research questions to find valuable information for a new café concept.

The research questions are:

1. What are the most important aspects that affect the choice of a café of potential customers?
2. What are the strengths and weaknesses of cafés located in downtown Jyväskylä?

## **2 Research methods and implementation**

The research method and approach had to be chosen from multiple different options. The methods used in this research were selected in order for them to be the most effective according to the research objective. Qualitative research, an exploratory approach, and a multi-method data-collection technique were selected to conduct this research. All of the above mentioned research concepts are explained in detail below.

Exploratory research is an approach where the researchers are not seeking full answers or conclusive evidence. They try to find information about the research problem and to gain more knowledge about the researched phenomena. An exploratory approach helps the researchers to better understand the field they are studying. This approach gives a better understanding of the problem but it does not give the one and only solution to the research question. It leaves room for further research and multiple solutions. The researchers have to be willing to change the way of their thinking if this approach gives them solutions towards totally new ideas. (Research Methodology, 2016.)

This research was conducted using an exploratory approach. The researchers wanted to gain as much information as possible within this research about the demand for a new café concept. The researchers were willing to face the fact that there might not exist a place or demand for a new café concept. They are also aware that this



research might not provide answers to all the questions but it would give a direction what to follow next. With the exploratory approach the researchers seek to find some new information and ideas for a new and successful café concept but they do not expect to find just one right answer.

Basically, in qualitative research, the data collection is done in a qualitative manner for example with interviews. Qualitative research focuses on something that is non-numerical, for example people's feelings. Qualitative data is descriptive and has lots of adjectives. Qualitative data can also be in the form of pictures or videos instead of words. Then there are different ways to execute the data collection. There is the mono method, where the researcher uses only one research tool to gather all the data needed. And then there is the multi-method where the researcher uses two or more data collection methods to gather the data. In the multi-method technique, the researcher uses either a qualitative method to conduct the research or quantitative methods, but not both at the same time. (Saunders & Lewis & Thornhill 2009, 151.)

This research was chosen to be conducted using qualitative research methods because of the objective of this research. The aim was to gather information from possible future customers and what would be a better way to do that than an interview, which is a qualitative research method. In order to gather information from already existing cafés and their working models, observation seemed to be most efficient way to collect the data. In this research, two qualitative data collection methods were used which makes this a multi-method research. Using the multi-method technique enables the researcher to gather more valuable data from two different sources. With two different data collection methods the researchers are able to compare the results and minimize the bias caused by their own opinions while conducting the observations. The research is aiming to gather detailed qualitative information of a small number of respondents and from six chosen cafés. Using two different methods, observation and semi-structured interviews provides data to answer both the research questions. The theory of both interviews and observation will be explained later in this report.

## **Implementation**

### **Data collection**

According to Eriksson & Kovalainen (2008, 77-78) most researchers collect empirical data for the research and the choice of what sort of empirical data is needed for the research should reflect the research approach. The empirical data can be either primary or secondary data. Empirical data collected by the researcher themselves called primary data. Primary data can be collected for example by observing or by interviewing. Already existing empirical data is called secondary data. Secondary data consist of both textual data and visual materials that are already available. To effectively answer the research questions both primary and secondary data were gathered.

### **Secondary data**

Secondary data is data that has already been collected by other people for other purposes. Secondary data can be gathered from books, internet sources, journals and government reports etc. Once the secondary data is collected it is important to look at the validity of the secondary data and determine if it is relevant for the researcher. Secondary data that does not provide valid information concerning the research will result invalid information for the research. On the other hand suitable secondary data can provide useful sources of information to answer the research questions (Saunders etc. 2009, 256-280.)

The benefits of using secondary data are that it is notably more cost efficient than collecting primary data. As such the researcher is able to analyze a much larger set of data in the same period of time as the data is already collected. Secondary data also offers the possibility to compare primary data to already existing secondary data. This enables the researcher to compare the created data with a wider context (Saunders etc. 2009, 256-280.)

Concerning this research, the authors began the research by familiarizing themselves with existing secondary data about the subjects of benchmarking, service design and café industry in Finland. The secondary sources consisted of publications, journals and books on the subjects. Due to the fact that this sort of benchmarking of cafés in Jyväskylä city center has not been done previously it was essential to execute a primary data collection to answer the research question comprehensively.

### **Primary data**

Primary data is data that is directly collected by the researcher for specific research purposes when secondary data is not available from the subject. As the data collection is done precisely according to the research needs the researchers can collect the needed data when they wish and with the method of choice. Gathering primary data is a time consuming and a long process that requires resources in the form of time from the researcher. The methods of collecting primary data are various, and the data can be collected for example by observation, interviews, experimentation etc. (Krishnaswami & Satyaprasad 2010, 90.)

To answer the research question it was necessary to find out the strengths and weaknesses of the cafés and also know the aspects that affect the customer's choice of a café. As there is no secondary data concerning the research questions an observation of the cafés and qualitative interview were conducted to gather needed primary data about the subject.

Thirdly the researchers need to decide the observation content (conditions, events, processes) that need to be observed to obtain needed data. The observation variables in the research are based on the elements of value formation (Osterwalder and Pigneur 2010, 23) that describe the elements by which customers gain value in a service process. The variables were fitted to suit specifically the service experience of a cafe.

Lastly the overall observation setting should be determined in detail and the researchers should be familiarized with the procedure. This includes choosing the subjects to be observed, the timing and type of the observation, recording data and recording tools to be used and other details.

The observation took place in the cafés that were chosen for the study. The aim of the observation was to answer the second research question “What are the strengths and weaknesses of cafés located in downtown Jyväskylä?” To answer the second research question the researchers visited select cafés as normal customers and observed the whole service experience based on the observation chart (Appendix 1) by taking notes during the visit. Taking notes during the observation should not have caused distraction or bias to the observation as the other customer and the faculty members were unaware of the observation. The observation chart was created based on the elements of value formation that were previously determined to suite the aim of the research. Six cafeterias were chosen for the observation and each were visited on a Monday afternoon at 17:00 and for approximately one hour or as long as it took to make necessary observations.

### **Interview structure**

According to Saunders, Lewis and Thornhill (2009, 328) key to successful interview is a proper preparation. The researcher should be familiar with research topic and the phenomenon that is researched. Saunders, Lewis and Thornhill (2009, 318) continue to state that the nature of the interview should be consistent with the research question, objectives, the purpose of the research and research strategy that is chosen.

After the researchers had familiarized themselves with the topic and the research at hand, the interview questions were created and a pilot interview was conducted. A pilot interview was conducted with one participant to test the interview questions and to see will the interview give meaningful data for the research. According to

Gillman (2005, 66). The pilot study also gives insight on the timing of the interview and enables the researchers to make changes to the questions before conducting the final interviews. Based on the pilot interview changes were made to the interview questions and for the final form of the interview.

The next step was to contact the interviewees. As the interview is aiming to find out what are the aspects by which the consumers choose a café in Jyväskylä city center the researchers felt it to be suitable to interview consumers from downtown. The consumers were approached and asked would they be willing to participate in our research by being interviewed. The interviewees were informed on the subject of the interview, duration and what type of information the researchers are seeking. The place of the interview was selected in consensus with the willing participants; mostly libraries and cafés were used.

In the beginning of the interview the researchers introduced themselves and the purpose of the interview and the research was once explained to the interviewees. Interviewees were informed that the interviews were recorded for study purposes. After the introduction the interview started with basic questions about the age, gender and the work status of the interviewee to get the conversation running and to create a friendly environment with the interviewee. After creating a suitable interview environment, the researchers moved on to the more specific questions about their café choices.

According to Gillman (2005, 173) ending the interview is also an important part in a semi-structured interview. There might be something concerning the topic that was not handled and it is suitable to ask the interviewee at the end if they have something to add to the topic. It is also important to offer the interviewee the possibility to check the transcripts and have a copy of the report or a summary of the findings.

### **Analyzing the data from observation & interviews**

Analysis of the gathered data in a qualitative study begins already once the research begins and the analysis continues as the research proceeds. The stage of analyzing the data and presenting it in a clear manner is a time consuming task. The researcher need to develop an overall understanding of the data and draw conclusions out the empirical data. (Gillham 2000, 106.)

Once all empirical material was gathered the researchers transcribed them directly after the interview or observation took place. According to Sharan (2014, 166) transcribing the empirical data is another way of generating knowledge and ideas about the gathered data. As the interviews and observation were transcribed they were also coded manually based on the findings by highlighting the key findings by coloring them. Sharan (2014, 166) continues to explain that coding of the data is nothing mystified but rather a procedure of appointing some kind of marking systems to the diverse aspects of the data to make retrieving specific parts of the it easier. These markings can be words, letters, numbers or colors.

Once transcribed and coded the interviews and observations were firstly analyzed separately. After the comparison the observations were compared to each other and the results were drawn from this analysis. The results are presented separately to bring out the strengths and weaknesses of each location clearly. After the locations are analyzed a comprehensive conclusion is presented about the strengths and weaknesses café market in the city center of Jyväskylä.

The interviews were grouped together and analyzed question by question with all answers of all respondents. This is done to group the data together in order to draw out phenomenon's and themes that repeat themselves. According to Sharan (2014, 177) the interview analysis starts with identifying segments in the interview data that are responsive to the research questions. The analysis continues by comparing units of data and looking for regularities and allocating the regularities in to categories.

Categories can consist of themes, patterns, findings or even an answer to a research question.

After the whole research is completed from forming the research questions to analyzing the data the interview and observation the results must be presented in reasonable, consistent and elegant way. The way the research is presented can vary in length and emphasis depending on the audience. According to Merriam (2014, 239) the audience of the report determines what aspects of the research should be presented and what to emphasize when presenting the findings. As the research is aimed for business purposes and is a part of degree studies it is written in an academic manner. The research is aimed for personal use and the audience will only be the instructors of the degree programme.

### **Collecting primary data with observation and qualitative interview**

As previously determined the collection of primary data was needed because no secondary data specific enough was available about the research subject. The methods of collecting primary data for the research are observation and qualitative interview.

According to Krishnaswami & Satyaprasad (2010, 93) observation can be determined as systematic viewing of specific phenomenon in its natural setting to for gathering data for a specific research. Observation as a method of gathering data differs from casual observation. Observation is a selective process where the researcher chooses variety of aspects to be observed based on the objectives and the nature of the research.

Observation can be used independently or for example as an addition to an interview. In this research in addition to the observation a qualitative interview was carried out to better answer the research questions. The advantage of observation is

that the researcher can obtain direct and immediate information about individuals, groups or organizations actions and behavior. Observation enables the researcher to gain access on the natural context on the behavior being observed. Observation is a suitable method for qualitative research and especially for researching communication. (Saaranen-Kauppinen & Puusniekka 2006.)

Interviewing is one of the most dominant ways of collecting data for a research. Interviewing can be classified as a systematic conversation between the researcher and the informant to obtain relevant information for a specific study. Interviewing is a suitable method of data collection when the information is highly personal and intimate relating to respondents opinions, attitudes, beliefs, past experiences and future intentions. (Krishnaswami etc. 2010, 100.)

For this research interviewing is the most suitable method for gathering data to answer the first research question. This is due to the fact that often people are more willing to express their opinions by talking rather than writing (Krishnaswami etc. 2010, 100).

### **Planning the observation and interview**

Observation can be classified in multiple ways. Concerning the role of the researcher in the observation it can be divided in to participant observation or non-participant observation. In terms of practice of the observation it can be classified in to direct observation and indirect observation. With regards to the punctuality of the observation system it can be divided to controlled observation and uncontrolled observation. (Krishnaswami etc. 2010, 94.)

The research at hand is a direct, uncontrolled, participant observation as the researchers are physically at the scene doing the observation and participate in the phenomenon that is researched. Concerning the fact that the observation does not



practice strict control over variables and does not test a previously determined hypothesis the observation is an uncontrolled one.

Interviews are usually categorized as structured, semi-structured or unstructured. Structured interview is an interview made with a standardized schedule where the same questions are introduced to all respondents in the same order and asked in the same way. Whereas the unstructured interview is a process where the researcher invites the respondent to talk freely about the subject and no pre-planned schedule is used. In an unstructured interview the questions are not standardized or ordered in any particular way. (Krishnaswami etc. 2010, 100-104.)

To answer the first research question “What are the most important aspects that affect the choice of a café of potential customers?” a qualitative semi-structured interview was conducted on the potential customers.

Semi-structured interview is an interview where the researcher is aiming to focus the conversation of the subjective experiences of the respondent. Semi-structured interview allows the interviewer to gather details of the personal reactions and emotions of the respondent about the situation that is studied. (Krishnaswami etc. 2010, 105.)

As the research is narrowed to benchmarking the best practices by observation of the cafés and find out key aspects of choosing a café by interviewing, the questions of the interview are stated beforehand. The questions of the interview are also based on the elements value formation so that the primary data collection methods support each other and that they result can be compared. The aim of researching the objective by two methods of observation and qualitative interview was to get a more comprehensive understanding about the situation as a whole.

**Structure of the observation and the interviews**

According to Krishnaswami & Satyaprasad (2010, 96) using observation as a research method requires strict planning. Firstly the researchers should estimate the suitability of the observation method for the data required for the research.

Secondly the researchers must investigate questions that need use of observation methods. In this research the second research question “What are the strengths and weaknesses of cafés located in downtown Jyväskylä?” determined the data that needed to be collected.

## 3 Knowledge base

### 3.1 Services

The concept of service, service design thinking, competition and benchmarking are covered in the following chapter. To understand what a good service is, the concept of service is first determined with a look at the economic effects of services. After defining the concept of service, the service design thinking, value formation to customers and service design thinking process are explained. The latter subchapters of discuss the concept of competition, benchmarking and the café industry in Finland.

#### **Service and economical effect of services**

The difficulty with defining the word “service” is a good example of the complexity of the topic. It is difficult to write about services because they are mostly intangible. Services are usually consumed and produced quickly or in small indefinite parts during a very long time period. The key aspect of services is that they are intangible. A service is produced and consumed simultaneously. Because services are mainly intangible, they cannot be stored but the effects can be long lasting. (Rissanen 2005, 17.)

Tuulaniemi (2011, 59) provides many descriptions of what a service is and concludes by saying that a service is usually a process where human beings interact with each other and that can be felt but not owned. He also states that service is something that solves a problem for the customer.

Rissanen (2005, 15) also states that service is something that is created together with the customer in an exchange situation. The consumer of the service can view the service from a customer’s perspective in thousands of ways, even in a completely

different way from what the producer of the service had planned. The goodness or the badness of a service is ultimately the experience of the customer. Rissanen continues (2005, 16) to state that a good experience of a service is only originated when the customer feels equal with the service producer and when the customer is treated respectfully, professionally and rightfully.

The importance of understanding what makes good service is crucial to any company operating in the field of service. Services can offer companies significant new business opportunities and market areas. Services are a way of differing from the competitors and engaging the current clients because a service relationship cannot be copied. Happy customers are happily consuming more, which makes them more valuable customers. (Tuulaniemi 2011, 18.)

The development of the service industry becomes clear through the research. The service industry is growing year by year and the most of our GDP is created by services. Tuulaniemi (2011, 22) states: "because services are the growing foundation of our GDP it can be said that we live in a postindustrial time: we live in the world of services".

Services and goods are becoming as solid entity as computer and software are. Every company should become experts at services and understand and capitalize the opportunities of services. If an organization does not utilize the opportunities of the service industry, the organization will not be successful for long. (Tuulaniemi 2011, 19.)

## 3.2 Service design thinking

Service design thinking helps organizations to discover their strategic possibilities, innovate new services and develop the existing services in their line of business.

Service design thinking is a know-how that brings the known procedures of design to the development of services and combines them with the traditional methods of service development. Service design thinking is not a new innovation but rather a new way of combining old ways with a new perspective. Service design thinking is in a constant stage of development. The knowhow of the social, economic and cultural changes that have affected the service industry can be called service design thinking. (Tuulaniemi 2011, 24; Stickdorn & Schneider 2012.)

### **Service design thinking and value formation**

Service design thinking is not equivalent to the planning of the abstract feelings and experiences of customers even though the customer is a central part of the service.

Service design thinking is a concrete action, which combines the needs and expectations of the user with the service and provides business goals in to functional services. Service design thinking is a systematic way of developing business activities by comprehensively approaching the service that is developed. The goal of service design thinking is to optimize the service experience of the customer. This is reached by focusing on the critical points of the customer experience by optimizing the service process, methods, premises and the interaction by extracting the disruptive aspects. The goal is to form as positive a service experience for the customer as possible. (Tuulaniemi 2011, 25-27.)

Value and value proposition are key aspects of service design thinking. The basic task of companies is to create value for the customer. The value that a company creates is so significant that the customers are willing to pay for it. The value that an organization offers for their customers is described as the utility and price ration. Value is not always financial but can be described as the benefit that the user gets by

consuming the service. People usually buy services or goods to solve a problem. If a person can achieve a goal with the service or a goods or by combining them, the person feels to have gained value. A company gives their customers a value proposition. Value proposition is a key factor of the business. Value proposition determinates how to stand out of the competitors and determines what the company offers to their clients. Customers have their own expectations of the gained value. These expectations are linked to the previous experiences, wishes, needs, communication and reputation. The value felt by the customer is formed from interaction situations and channels such as customer service, online, products, service, surroundings and environment. The customer forms the overall opinion of the gained value through expectations and actualized subjective experiences. When the way that a customer views the service is known, the way to create value for the customers is also clear. (Tuulaniemi 2011, 31-33.)

Osterwalder and Pigneur (2010, 23) list the elements of value formation in their book *Business model generation* that explains the value formation process in more detail. The elements of value formation are brand/status, usability, price, design, performance, "getting the job done," accessibility, cost reduction, customization, newness and risk reduction. The majority of these elements of value formation are used to benchmark the cafés and how they create value to their customers. Benchmarking the cafés in this research was conducted via observation of the companies. The value formation elements are also the base for the interview questions that were created for the interview of the consumers.

### **Service design thinking process**

The service design thinking process consists of the following parts: defining, research, planning, implementation and evaluation according to Tuulaniemi (2011, 128). Stickdorn and Schneider (2012) state that the design process consists of the fundamental four aspects that are exploration, creation, reflection and implementation. They continue to state that the wording and the number of steps might vary but they are fundamentally the same mindset.

In this chapter, the process is described by the steps pointed out by Tuulaniemi but the focus on the research is on the first two parts of the process. Defining and researching are the parts of the service design thinking process that the researcher is using to find out the answers to the research questions and the research problem. Because the research does not consist of the full service design thinking, the aspects of the process are introduced rather shortly.

Defining part of the service design thinking process consists of determining what problem the process is seeking to find a solution to. This phase of the process tries to find the goals for applying service design thinking (Tuulaniemi 2011, 136). After understanding the problem, the second aspect of the defining part is to gain a comprehensive understanding of the situation from the point of view of the current and potential customers and to visualize these findings to simplify the process (Stickdorn etc. 2012).

The research part of the service design thinking process focuses on building an understanding of the target group's expectations, needs and goals. The research part is one of the most significant parts of the service design thinking process. The services are designed to meet the expectations and hopes of the end-users. Thus, the correct understanding of the end-users' true needs and motives is vital. Well analyzed knowledge of the customer behavior and determination of aspects that bring them value enables the researcher to develop such services that the customers are willing to use. (Tuulaniemi 2011, 142-146). The methods for gathering customer understanding of a certain service can be versatile. Concerning the research, the understanding of the customer expectations is reached using mixed qualitative methods. The methods consist of a qualitative interview and observing the cafés in the Jyväskylä city center. The methodology of the research is explained more thoroughly in the research methods chapter.

The planning phase of the service design thinking process is about the idea and concept generation. These ideas are based on the gained customer understanding, identified possibilities and specific limitations that are formed. Many alternative solutions are formed in this stage, and these concepts are quickly tested with the customers. The phase also includes determining the key performance indicators to producing the service (Tuulaniemi 2011, 128-131). Stickdorn & Schneider (2012) point out that this stage is all about testing and retesting concepts without trying to avoid mistakes. They continue to mention that one key aspect of service design is to explore large numbers of possible mistakes so that the mistakes can be avoided beforehand. The earlier the mistakes are pointed out the more minimal the costs of additional changes to the service are compared to correcting mistakes after the launch.

The implementation stage consists of taking the service concept to the market for testing and developing the service for the customers through the feedback gained from the customers. The pilot period is usually held at this phase of the process. The key performance indicators to producing the service are adjusted (Tuulaniemi 2011, 128-131). The difficulty at the stage is that services are intangible and thus more difficult to prototype than physical products. Consequently, prototyping intangible services needs a more distinctive methodology for product design prototyping. As an intangible product cannot be displayed to the customers to get their feedback, it is vital to be able to give the customers a good mental image of the future service concept. Creating this image for the customer is the main task at the implementation stage. Due to the nature of the product, the creation of a strong mental image needs a conceivable story through visualization. A plain description is rarely sufficient to provide a clear vision. Therefore, it is important to prototype the service concept in a real situation or in circumstances close to reality. Service design thinking applies staging and role play approaches to play through service situations and assists to include emotionally important aspects of personal interplay with the service proposition (Stickdorn etc. 2012.) After the pilot periods and prototyping are done, the real launch of the service concept takes place in the implementation stage. The



key to the launch is that the service is made known to the planned focus group in the right surroundings. (Tuulaniemi 2011, 238.)

The evaluation stage of the process is aiming to measure the effects of the new service concept that was introduced by looking at the key performance indicators that were previously determined. The most common style of measuring the key performance indicators is measuring customer satisfaction. The evaluation is done to ensure the competitiveness of the service, and the competitive advantage compared to the competitors is aimed to achieve through constant development. (Tuulaniemi 2011, 239-243.)

### 3.3 Competition and benchmarking

Competition was described by Bengtsson (1998, 10) as a process of interactions that occur over time, where the competitors develop relationships with each other through a number of competitive plays, actions and perceptions of the competition. Competition is the key point on the success or the failure of a company. Competition determines the suitability of a firm activities that affect the company's performance such as innovations, company culture or good implementation. Competitive strategy is the search for a suitable competitive position in an industry the area where the competition occurs. Competitive strategy seeks to find a profitable and sustainable advantage against the competition at the industry. (Porter 2008, 1.)

Competing through services has become a vital part of today's businesses activities. Whether a company is competing in traditional service industry or with physical products, adding value through services has become increasingly common and an essential way on competing (Johnson & Gustafsson 2003, 1). The concept of competition and competitive advantage is introduced as an own chapter because it's a vital part of the research. The first research question is aiming to find out what are

the competitive strengths and weaknesses of the cafés in Jyväskylä city center. In addition to this the researchers are aiming to discover customer preferences by conducting a qualitative interview. The competitive advantages of the companies that were chosen for the research are compared to have a comprehensive understanding of the strengths and weaknesses of the companies.

### **Benchmarking**

Benchmarking is a practice that can be used to understand how these goals can be reached. Vorhies & Morgan (2005, 81) define benchmarking as “market-based learning process by which a firm seeks to identify best practices that produce superior results in other firms and to replicate these to enhance its own competitive advantage.” The purpose of benchmarking is to gather various types of business knowledge for the company doing the benchmarking. The objective of benchmarking is to apply the gained business knowledge in to business decision-making. By doing so the company can improve the business decision-making and thus improve the business performance of the company. Therefore, the competitive advantage of the company becomes stronger. (Prašnikar etc. 2005, 257-275.)

Vorhies & Morgan (2005, 81) also state that benchmarking has potential on becoming a vital learning tool for identifying, building and improving market abilities to deliver lasting competitive advantage for a company. Due to the fact that benchmarking has been established as an important mechanism for building lasting competitive advantage and a vital tool to learn from the competitors the research is focuses on benchmarking the cafés in Jyväskylä region to answer the research problems and questions stated previously.

The main goal of benchmarking competitive advantages is to build business knowledge about the aspects that create competitive advantage for other companies and competitors. The knowledge gained by the competitive analysis enables a company to define key aspects of competitive advantages in the industry, confirm

the alignment of the competitive advantages of the company and to make better business decisions about various business activities. (Prašnikar etc. 2005, 262-263.)

Benchmarking of the chosen cafés for this research was conducted by an observation. Benchmarking suits the research as the need for knowledge about the competitors is crucial since one of the researchers is aiming to carry out the plan of opening a café in the city center of Jyväskylä. As mentioned in the previous chapter benchmarking competitors lead to eventually making better business decisions. Ultimately making better business decisions it the final goal that is reached with this benchmarking of the competitors.

### 3.4 Café industry in Finland

Café and restaurant industry are often related to tourism and to travel industry. Due to this the following chapter contains information on also tourism and travel industry. Café is defined according to SuomiSanakirja as a smallish nourishment business which serves coffee, tea, refreshments, baked goods etc. (suomisanakirja.fi, 2015)

Tourism and catering business is an internationally growing industry. This industry creates wellbeing and job positions all around Finland. This industry is employing about 11 percent of people working in non-governmental service industry. About 30 percent of the people working in restaurant and tourism industry are under 26 years old. Restaurant and travel industry brings 5.2 milliard euros of tax revenue to the government every year. (mara.fi 2015.)

## Development of café industry

### Statistics

This part will discuss about the development of service industry in Finland. There is information about turnover growth in service industry (see figure 1) and about revenue growth (see figure 2) in service industry.

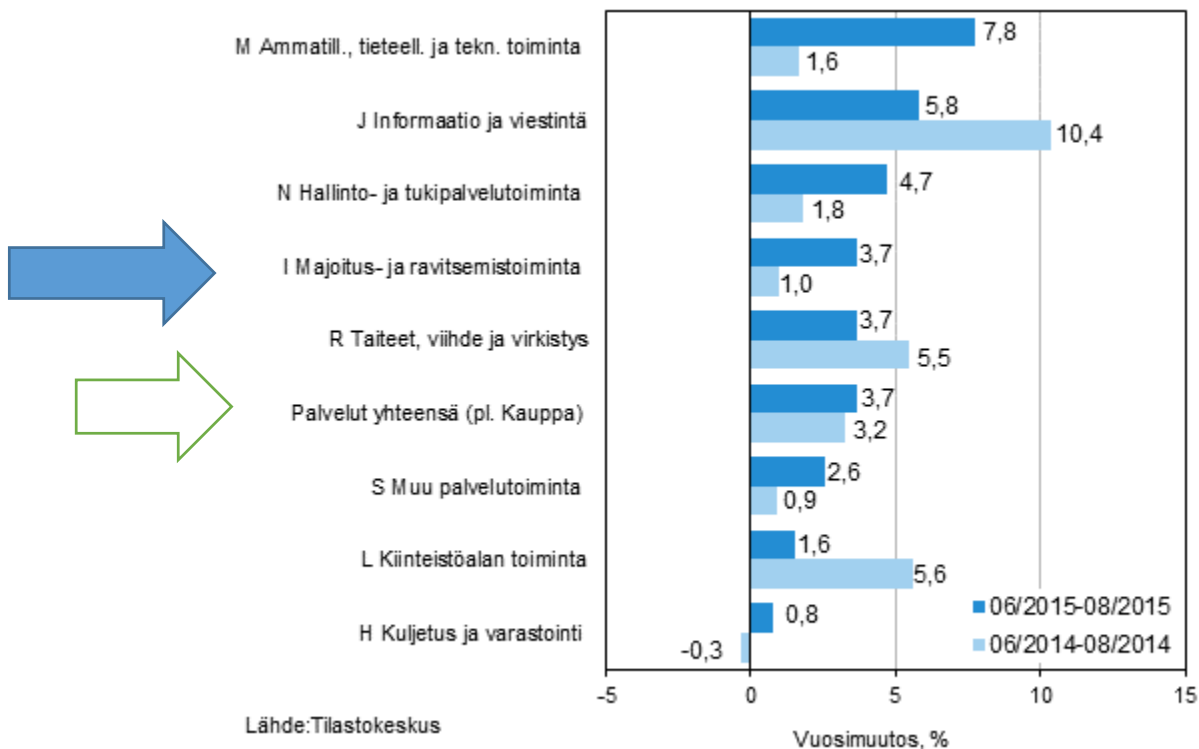


Figure 1. Development of turnover in service industry (source: Tilastokeskus 2015)

According to Tilastokeskus (2015, see figure 1) the turnover of service industry grew 3,7 percent from June to August compared to last year's turnover (see the white arrow in Figure 1). Year earlier during same time period turnover grew by 3,2 percent. This shows continuing growth in service industry. Above the blue arrow the three month change (June-August) is seen between years 2014 and 2015 in accommodation and catering sector. In the time period from June to August the turnover grew in every section of service industry. Commerce industry is not included in service industry. (Tilastokeskus 2015.)

There was also growth in revenues in catering industry (see figure 2).

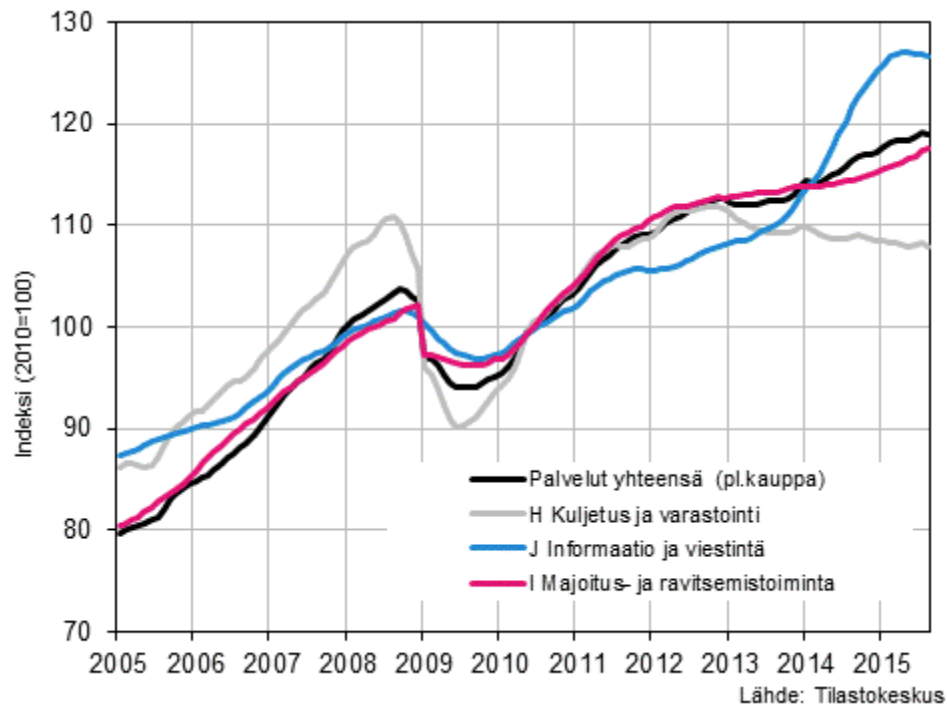


Figure 2. Revenue growth in service industry (source: Tilastokeskus 2015)

Travel and catering industry grew their revenue about 2.7 percent compared to last year (see figure 2). Above are shown service industries revenue trends according to Tilastokeskus (2015). The figure shows the development of service industry in different categories from year 2005 to year 2015. The red line is tourism and catering industry and the black line is the whole service industry.

These figures show that the travel and catering industry is still growing. There might be opportunities for new companies offering catering services in the future if the demand keeps growing and people are willing to use these services. These figures show that there is hope for cafés and restaurants as the revenues and turnovers in the industry have been growing in the past years.

## **Café culture in Finland**

### **Café trends**

Trend is something that effects on the people living in the trend area. Trend can develop in a really small geographic area or it can be worldwide. Trends are based on our accepted illusions of current possibilities, values and solutions. Leading and creating a trend takes a lot of time and commitment to a long time work. It can take from five to seven years for markets to accept new trends. (Merisalo 2012, 59-63.)

Merisalo (2012) has listed some of the predicted changes in consumption and production from now to the year 2025. Merisalo believes that instead of product based product designs we will have a customer based product design in the future. Ready made products will be changed to personalized products. Merisalo stated that in the future individuals want to choose, have an influence on matters and to take more responsibility compared to the way people like to live now, under society's guidance. Products will be more supportive to ecosystem and production will be more concentrated on long term production. (Merisalo 2012, 90.)

The Food People has published an article; Food Trends 2014. The article predicts and describes the coming food trends from year 2012 till the year 2020. The trends predicted by The Food People go along with Merisalos predicted trends. The following trends are by The Food People (2015).

- “Guts & Glory” 2013-1016

Means taking risks with food and flavors. Using new ways to prepare food is part of “guts and glory”. In this time period street food culture is growing and changing.

- “Simple & Natural” 2013-2016

At the same time when taking risks and trying something new is also keeping it simple and natural is trending. Simplicity, smoking and drying food are part of “simple and natural” time period.

- “Hybrid” 2013-2017

This means creating new ideas by mixing and matching even sweet and savory dishes together. “Hybrid” means fusions and reformatting foods for consumers to be able to experience something unexpected. This also relates to street food trend; making it possible to eat anything everywhere.

- “Back to the future” 2014-2018

Is taking ideas from the past and using them in a modernized way. Chefs get inspiration from traditional foods and recreate them in a playful and fun way.

- “Land & place” 2012-2019

This trend is using local ingredients and seasonal raw materials. It is about being environment friendly, respecting the people and supporting locals.

- “All being well” 2013-2020

This trend period is all about being healthy and eating healthy. Lowering the amount of sugars and increasing the amount of proteins in dishes consumed. Eating super foods, seeds, and nuts is trending. Being able to dine in restaurants and to supervise the nutritional values in foods is part of “all being well”.

- “Food with a conscience” 2013-2020

Sustainable, responsible, and origin are words to describe this trend. Consumers want to know where and how their food got from the producer to their plates. People care more and they want to make better decisions

- “Outside in, inside out” 2013-2020

This trend is about raw foods, taking influence of gardens, and eating diversely. (The Food People 2015.)

These above mentioned trends give us an idea of futures food culture. It seems to be that healthy and raw foods are trending and also local and responsible products have high demand among consumers.

### **Coffee culture**

Coffee is the heart of a café, and this is why it is important to understand the history of coffee and the making process. In order to establish a successful café concept it is crucial to know about different types of coffee and the dominating trends.

Over a thousand years, coffee has been a popular drink around the world. The delicious taste has made coffee now more popular than ever. Coffee has become an attractive get together drink. Over the years, there have been many rituals related to coffee drinking but nowadays coffee drinking has become an ordinary thing, especially after the instant coffee was invented. (Salo & Moon 2000, 6.)

Roasting is probably the most important part of coffee production. Coffee beans are roasted in order to get the flavor and aroma. The lighter the roast the lighter the taste of the coffee is. It is also important not to over roast the coffee beans because that makes really bitter and awful tasting coffee. After roasting, the beans ~~they~~ have to be ground before they can be consumed. There are different types of grindings



depending on the type of the coffee drink wanted. The three most common grinds are coarse, mediocre, and fine. (Moon 2000, 29-31.)

After water coffee is the second most popular drink in the world. The total average consumption of coffee is about 13 kilos of coffee per person per year. Every day about 1500 million coffee cups are consumed around the world. Finnish people were the ones to consume the most coffee in the year 2014 by the average number of cups consumed per year. Finns drank an average of 1252 cups per capita per year. (Suomen Baristayhdistys ry 2015; Statista.com 2015.)

Paulig's marketing manager Karri Kauppila stated that the way to drink coffee might change over the years but he does not think Finns will consume any more coffee per person per year than they do now. Even now the amount of coffee consumed in Finland seems unrealistic. The great taste of light roasted coffee comes from the good quality water. According to Kauppila, light roasted coffees are now really trendy among baristas around the world and also in Finland. Finnish people still prefer light roasted coffee even though dark roasted coffee is becoming more popular. About 86 percent of the consumed coffee in Finland is light roasted. (YleUutiset 2014; makuja.fi 2014.)

People are becoming interested in small coffee companies instead of huge coffee brands. Domestic coffee roasting factories delivered about 45.9 million kilos of roasted coffee to foodservices and stores in the year 2013. This is about five percent more than they did in 2012. Another trend getting to Finland is special coffees and coffee machines for home use. People like to treat themselves with for example a cappuccino every ones in a while. Coffee capsules are also trendy among the coffee machines. The sale of the coffee capsules doubled compared to the previous year which makes them the fastest growing coffee product group. (YleUutiset 2014; Makuja.fi 2014.)

Around the world, fair trade coffee is getting really popular but this trend is not yet visible in Finland. The sale of fair trade coffee has increased a bit also in Finland but still, Finns prefer cheaper options. Caffeine free coffee is really popular in some countries but Finns like their coffee with caffeine in it. (YleUutiset 2014.)

### **Tea culture**

Finnish tea culture is not equivalent to the Finnish coffee culture. Most tea drinkers in Finland drink only one to two cups of tea a day, much less than Finnish coffee drinkers drink coffee. This has also been seen in cafés and their tea selections. There have not been many teas to choose from; tea drinkers have had to settle for the tea that was offered. Luckily this has been changing. Cafés in Finland have grown their tea selections, and there are now much more tea flavors to choose from and also braised teas are becoming popular. Some teahouses have also emerged in cities to compete with coffee shops. (Suvilehto 2006, 18.)

As tea drinking is becoming more popular every day, it is also important to gain knowledge about teas. Especially as mentioned earlier, healthy foods are trendy, and tea is considered both health product as and refreshment.

For over two thousand years tea, has been used as a refreshing health drink. Green tea is one of the most researched natural products. Tea refreshes the user a bit slower but for a much longer time than coffee. Green tea is generally believed to contain a lot of health benefits, which makes it even more popular among health enthusiasts. Green tea is said to help in weight loss because it has a low amount of calories, it will boost the users metabolism and prevent hunger. Green tea has also other health benefits: it lowers cholesterol and elevates blood pressure. (Teekauppa.fi.)

Before the 1950s, tea strainers were used to brew tea. Then came tea bags and the time for brewed tea was over. Tea strainers lost their value and consumers started to use tea bags instead. Nowadays, brewed tea is back and really trendy again. There are various shapes and models of tea strainers. The newer and more original the better it is. (Suvilehto 2006, 63.)

Rooibos tea has also been discovered in the western countries. Rooibos is a herbal tea drink that does not contain caffeine. It also has plenty of health benefits such as minerals, vitamin c, and iron. It can also be drunk during pregnancy and breastfeeding because rooibos is sensitive to the stomach. In 2005, it was selected as the drink of the year in Finland. (Suvilehto 2006, 101.)

### **Jyväskylä as a business environment**

Jyväskylä region has 172 000 residents and 133 000 of them live in Jyväskylä. The population of Jyväskylä is growing by about 2000 people each year. Jyväskylä can offer a growing and competitive business environment for companies. This makes the amount of businesses in Jyväskylä to grow every year. About 900 new companies are established each year in Jyväskylä region and the amount of job positions has been growing. There is a diverse business structure in Jyväskylä region. Service industry is the leading industry in Jyväskylä. Over half of the jobs are in service business. Even though manufacturing has had a strong place in Jyväskylä for a long time and now ICT industry is growing, service industry is still the leading business field. (Jykes 2015.)

Jyväskylä is the heart of education in Finland. High quality and diverse research and education are keys to educate students to become knowledgeable professionals. The universities make sure that there are skilful and competent employees available for companies to hire in Jyväskylä. New development areas in the city, startup companies and international companies create a great base for businesses to

operate in Jyväskylä. This makes Jyväskylä one of the fastest growing business concentrations in Finland. (Jyväskylän Kaupunki 2015.)

### **Café features**

This part will explain the elements of forming value for a service according to Osterwalder and Pigneur in their book *Business Model Generation* (2009). The elements of forming value for a service are part of service design thinking. These elements are Brand/Status, Usability, Price, Design, Performance, “Getting the job done”, Accessibility, Cost reduction, Customization, Newness, and Risk reduction. Every element is explained in the following sub-chapters and the modifications that were made to the elements to suit the research are explained.

- **Brand & Status**

Using a certain brand may bring self-esteem or increase customer’s self-confidence. Customers value specific brand because of how they make them feel or because of what the brand promises to them. For example wearing a Rolex watch may give an image of good income or wearing a Nike shoes will show that the person wearing them is cool and following the trends. (Osterwalder & Pigneur 2009.)

Brand and Status are something that can be evaluated whether or not the cafés have them. It can be evaluated if going into a certain café labels the customers or attracts them because of the brand.

- **Usability/Convenience**

Value can be created to customer by making products and services easy to use. Making a product available and easy to reach creates value. Customers value for example Apple iStore because it makes it really convenient for customers to download and listen to music. (Osterwalder etc. 2009.)

Usability and convenience in cafes mean how fluent the buying process is and how convenient the structure of the counter where all the products are. This can also mean service to tables because it makes it easier for the customers.

- **Price**

Offering a product or service with a low price or lower price than usual creates value to price sensitive customer segments. Then again, low prices are not the base of the business model. For example, not even the low cost airlines or bus companies have created their businesses only to provide low price travelling. (Osterwalder etc. 2009.)

Price in every service means the same thing, the price customers pay for the service or product. In this research the price range of products is evaluated and then related to the quality of products and to the level of service. Then the price of the whole café-experience can be evaluated and see if cafés with better quality products and service have higher prices.

- **Design**

Design is something that is hard to evaluate. In some industries design is the fact that stands out, for example in fashion industry. The design is the factor that creates the value to the product and makes it stand out and desirable for consumers. Design is an important part of value proposition. (Osterwalder etc. 2009.)

Design is difficult to evaluate concerning cafés because different people prefer different things. In this research the focus is on evaluating the atmosphere, the lighting, the seating area, the music and style of the café.

- **Performance**

A good and traditional way to increase or create value to a product is to improve its performance. This has been seen especially in the electronic industry by creating more effective products. (Osterwalder etc. 2009.)

This is hard to evaluate from the café perspective. As performance this research will evaluate the café offers something else than traditional café services.

- **“Getting the job done”**

Helping a customer to achieve something or to accomplish something can create value. Basically, getting something done on the customers’ behalf creates value for them. An example is an airline company that has outsourced its engine maintenance. The company maintaining the engines is creating value for the airline company by fixing their engines and getting something done for them. (Osterwalder etc. 2009.)

“Getting the job done” is rather difficult to analyze from a cafés perspective, as it does not translate suitably for this purpose. Concerning this the researchers are analyzing the lunch selection of the café.

- **Accessibility**

New technologies or new ways to do business help companies to create value by being accessible to customers they have not been accessible before. Services or products that are available for customer who did not have the access to them before create value for the customers. (Osterwalder etc. 2009)

Accessibility from a cafés performance can be evaluated by the opening hours of cafes and see at what times they are available for customers.

- **Customization**

Concentrating to a customer’s individual needs and making the product according to them creates value. Offering a service or product that is tailored especially to that customer increases the value of that service or product. (Osterwalder etc. 2009)

Customization can be analyzed by evaluating the customized products selection that the cafés are offering.

- **Cost reduction**

Value can be created by lowering costs for customers. For example offering a program that does many things reduces the costs for customers because they do not have to acquire multiple programs to do the tasks. This is an important way to build value. (Osterwalder etc. 2009.)

Cost reduction cannot be transferred to suit the research directly and thus left out of the elements for this research.

- **Newness**

Creating value by newness is often related to technology. For example creating new mobile phones and new devices creates value to customers. New inventions satisfy customers' needs that they had not even realized yet because there was not a similar product offered. This adds value to the product. (Osterwalder etc. 2009.)

Newness of the café in this research is handled by researching if the cafés are offering any totally new products or services.

- **Risk reduction**

To reduce the risk related to buying a product or service is valuable for customers. For example when customer is buying a vehicle service insurance lowers the risk of spending a lot of money to fixing the vehicle and this creates value for customer. (Osterwalder etc. 2009.)

Risk reduction cannot be transferred to suit this research.

## 4 Results

Content of this chapter in appendices



## 5 Conclusions

Content of this chapter in appendices

## 6 Discussion

### 6.1 Analysis of quality and reflection

Sharan (2014, 209.) states that in all types of research reliability and validity, there are aspects that can be dealt with deep attention to the research conceptualization and to how the data is collected, analyzed and constructed, and to the way that the findings are presented based on this data.

One way of ensuring the internal validity in this research was conducting triangulation to many levels. Triangulation is a strategy for gaining alignment between two or three measurement points. The term is most commonly used in navigation but is probably the most well-known validation strategy (Sharan. 2014, 215.)

This research has three types of triangulation that are: multiple sources of data, multiple methods of research and multiple researchers. The validity of the research can be considered sufficient as the data collection and analysis were triangulated. By triangulation the researchers refer to the fact that the interview results were compared to the observation results to ensure the quality of the data. In addition, all the data collection was conducted by two researchers at the same time, and the notes of the researchers were compared to each other and cross-checked to have the best quality data.

Sharan (2014, 222.) also states the ways in which qualitative research can be assessed to be reliable. Sharan continues to state that a qualitative study can be viewed as reliable if the findings of the study are consistent with the data that is presented. The strategies to ensure reliability and consistency, according to Sharan are triangulation, peer examination, the investigator's position, and the audit trail.

The reliability of this research can be analyzed using the methods mentioned above. The researchers left a clear audit trail of the whole research. The methods of the research, data-collection and analysis are clearly expressed and stated in this report. All the steps that led to the final result can be found in this report. Also peer examination was applied during the research as all the data collection and the entire analysis were conducted by two researchers. Considering the investigators' position in the research, the personal bias and assumptions could have affected the results. On the other hand, this bias was dealt with the triangulation at various phases of the research to ensure the quality.

## 6.2 Suggestions for new café concept and directions for further research

Content of this chapter in appendices

## References

Gillham, B. 2000. Case Study Research Methods. London Continuum: International Publishing Group

<http://site.ebrary.com.ezproxy.jamk.fi:2048/lib/jypoly/reader.action?ppg=99&docID=10404926&tm=1454425448962>

Gillham, B. 2005. Research Interviewing: The Range of Techniques. Maidenhead McGraw-Hill International (UK) Ltd, 2005

<http://site.ebrary.com.ezproxy.jamk.fi:2048/lib/jypoly/reader.action?ppg=47&docID=10161349&tm=1454236527314>

Jykes.fi. n.d. Kilpailukykyinen liiketoimintaympäristö. Referred 16.11.15

<http://www.jykes.fi/fi/jyvaeskylaen-seutu/kilpailukykyinen-liiketoimintaymparisto>

Jyväskylän Kaupunki. 2015. Jyväskylä – ÄLYKÄS, TURVALLINEN JA KESTÄVÄ KASVUKESKUS. Referred 16.11.2015 <http://www.jyvaskyla.fi/elinkeino>

Kananen, J. 2013. Case-tutkimus opinnäytetyönä. Jyväskylä: Suomen yliopistopaino Oy

Krishnaswami, O., Satyaprasad, B. 2010. Business Research Methods. Himalaya Publishing House: Mumbai, IND. Referred 5.12.2015

Makuja.fi. 20.5.2014. Suomi edelleen kärjessä: Kahvia kuluu ennätystahtiin! Referred 12.11.2015

Mara.fi. 10.8.2015. Toimiala; matkailu- ja ravintola-ala. Referred 16.11.15 <http://www.mara.fi/toimiala>

- Merisalo, M. 2012. Sokaisevat trendit. Hämeenlinna: Kariston Kirjapaino
- Merriam, Sharan B. 2014. Qualitative Research: A Guide to Design and Implementation. 3rd Edition. 306
- Meroni, A. Sangiorgi D. 2011. Design for Services. UK: Gower Publishing limited
- Moon, R. 2000. Kahvi. Gummerus Kustannus Oy
- Osterwalder, A & Pigneur, Y. 2009. Business Model Generation. Hoboken, NJ: Wiley, 2010
- Research Methodology. 2016. Exploratory Research. Referred 21.3.2016  
<http://research-methodology.net/research-methodology/research-design/exploratory-research/>
- Rissanen, T. 2005 Hyvä Palvelu. Kustannusosakeyhtiö Pohjantähti.
- Saunders, M., Lewis, P., Thornhill, A. 2009. Research methods for business students. 5<sup>th</sup> ed. Harlow: Financial Times/Prentice Hall, 2006
- Saaranen-Kauppinen, A., Puusniekka, A. 2006. KvaliMOTV - Menetelmäopetuksen tietovaranto. Tampere: Yhteiskuntatieteellinen tietoarkisto.  
<http://www.fsd.uta.fi/menetelmaopetus/>
- Sipilä, J. 2007. Yhä jalompaa kahvijuomaa. Helsinki: Edita Publishing Oy

Statista. 2015. World coffee per capita consumption: major consumer countries.

Referred 9.11.2015 <http://www.statista.com/statistics/277135/leading-countries-by-coffee-consumption/>

Stickdorn M, Schneider J. 2012 This Is Service Design Thinking. BIS Publishers

Suomen Baristayhdistys ry. 2015. Kahvitietao. Referred 12.11.2015

<http://www.baristat.fi/kahvitietao/>

Suomen virallinen tilasto. 2008. Palvelualojen liikevaihdon trendisarjat. Helsinki: Tilastokeskus. Referred 15.11.2015

[http://www.stat.fi/til/plv/2015/08/plv\\_2015\\_08\\_2015-11-13\\_kuv\\_001\\_fi.html](http://www.stat.fi/til/plv/2015/08/plv_2015_08_2015-11-13_kuv_001_fi.html)

Suomen virallinen tilasto. August 2015. Palvelualojen liikevaihtokuvaaja. Helsinki: Tilastokeskus. Referred 15.11.2015

[http://www.stat.fi/til/plv/2015/08/plv\\_2015\\_08\\_2015-11-13\\_tie\\_001\\_fi.html](http://www.stat.fi/til/plv/2015/08/plv_2015_08_2015-11-13_tie_001_fi.html)

SuomiSanakirja.fi. 2015. Sivistyssanakirja; Kahvila. Referred 24.11.15

<http://www.suomisanakirja.fi/kahvila>

Suvilehto, P. 2006. Teehetki. Jyväskylä: Minerva Kustannus Oy

Teekauppa.fi. n.d. Teetietoa, teen terveystvaikutukset. Referred 9.11.2015

<http://www.teekauppa.fi/Teen-terveysvaikutukset>

The Food People.2015. Food Trends 2014. Referred 23.11.15

<http://thefoodpeople.co.uk/infographics/food-trends-2014>

Tuulaniemi, J. 2011. Palvelumuotoilu. 2nd edition. Helsinki: Talentum Media Oy.

Tuotanto ja investoinnit. Elinkeinoelämän keskusliitto EK ry. Referred 15.12.2015.

<http://ek.fi/mita-teemme/talous/perustietoja-suomen-taloudesta/3998-2/>

Yle Uutiset. 2014. Rakas kahvi – Suomessa juodaan niin paljon, että enempää ei voi.

Referred 9.11.2015

[http://yle.fi/uutiset/rakas\\_kahvi\\_suomessa\\_juodaan\\_niin\\_paljon\\_etta\\_enempaa\\_ei\\_voi/7509365](http://yle.fi/uutiset/rakas_kahvi_suomessa_juodaan_niin_paljon_etta_enempaa_ei_voi/7509365)

## Appendices

Appendix 1. Observation table.

Brand	
Buying process and the counter	
Table service and service quality	
Product price and quality	
Design and atmosphere	
Number of seats	
Music and lightning	
Extra services	
Lunch	
Operating hours	
Customized products	
Totally new product	



## Appendix 2. Interview questions.

1. Gender
2. Age
3. In which professional group to you belong to
  - a. Entrepreneur / Management
  - b. Middle-management
  - c. Employee
  - d. student
  
4. Do you visit cafés in the city center of Jyväskylä
  - a. Why do not you visit (If the answer is negative)
  - b. What would it take for you to visit cafés
  
5. How often do you visit cafés in a month?
6. Which variable has more influence on the choice of a place: The price or the quality of products?
7. Does good service or good products make you want to return to a café?
8. Would you like to have table service at cafés?
9. Do you prefer a chain café or a privately owned café, and why?
10. What sort of cafés do you like? Concerning the atmosphere and the interior design.
11. What kind of lunch would you want cafés to serve?
12. What time of the day do you visit cafés?
13. Is there some product that you would want cafés to offer?
14. Do you wish that cafés would have some extra service at the café? What kind of services?
15. What is the most important aspect for you when you choose a café to go to?
16. What has been you best café experience and what made this place stay in your mind?