

**Seasonality in the food and beverage service industry –
a challenge for product development in small-sized businesses**
Case of Cafe im Goebenhaus, Stade, Germany

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<p>Seasonality of demand is seen as a major problem for the hotel and catering industry in Germany and beyond confronting businesses with negative impacts like difficulties in gaining access to capital, low returns on investment or the inefficient use of resources. Many efforts have already been undertaken to counteract these negative effects of the phenomenon, however, so far without sustainable success.</p> <p>Constant development of a company's offering is thereby not only viewed as a necessary prerequisite for businesses to stay competitive in general but also as a promising solution approach to counteract seasonality due to its consumer focus and its commonly acknowledged function as key factor for success in the tourism industry.</p> <p>The issue of seasonal demand variations and the potential of the concept of product development to combat its persistence have to be seen in the light of the fragmented structure of the tourism industry being dominated by numerous small-sized businesses which often show particular characteristics like limited capital resources and a lack of managerial expertise. This fundamental face of the industry enhances the significance of the phenomenon of seasonality as it imposes a great risk for the majority of tourism businesses and, thus, for the industry as a whole.</p> <p>This thesis therefore aims at developing particular opportunities adapted for small-sized businesses to increase demand in low-demand periods and, hence, to counteract seasonality. The role of product development as a potential strategy to combat seasonal demand variations thereby achieves special attention. In order to be able to present results which are as closely oriented at real business life as possible, the small gastronomic business Cafe im Goebenhaus in Stade, Germany, has been used as illustrating object in this thesis.</p> <p>In an attempt to identify a clear picture of the cafe and its off-peak clientele, a questionnaire with open- as well as close-ended questions has been conducted. On basis of a careful analysis of the results from both, secondary and primary research, two particular product ideas have been developed in accordance with the concept and conditions of Cafe im Goebenhaus which aim at stimulating demand in off-season periods in order to thus combat the cafe's problem of seasonal demand variations throughout the year.</p>	
<p>Key words Seasonality of demand, product development, small-sized businesses, fragmentation of the tourism industry, product development process, German hotel and catering industry</p>	

Table of contents

1	Introduction.....	1
1.1	The case of Stade: Cafe im Goebenhaus	2
1.2	Research problem, aim and questions.....	3
1.3	Research purpose and justification.....	4
1.4	Research methodology in brief	5
1.5	Outline of structure	6
2	Seasonality of demand.....	8
2.1	Causes of seasonality	10
2.2	Impacts of seasonality	11
2.3	Theories to counteract seasonality.....	12
3	Product development.....	15
3.1	Forms of product development.....	16
3.2	Importance of product development.....	17
3.3	Driving forces of product development and innovation	19
3.4	Steps of the product development process	21
3.5	Basic trends in the catering industry.....	23
4	Cafe im Goebenhaus.....	24
4.1	Concept.....	25
4.2	Target group.....	27
4.3	Company goals	27
4.4	Seasonality for Cafe im Goebenhaus	28
4.5	SWOT analysis.....	29
4.6	Concluding the theoretical background.....	31
5	Methodology.....	32
5.1	Research approach	33
5.2	Research strategy and instrument	34
5.3	Description of procedure.....	35
5.4	Guest questionnaire	36
5.5	Validity and reliability	37
5.6	Limitations	38

6	Findings and data analysis.....	39
6.1	Profile of respondents	39
6.2	Presentation of the findings.....	41
6.3	Analysis and significance of findings.....	43
6.4	Summary of results	47
7	Conclusions and implications	48
7.1	The product development process: steps I & II.....	49
7.2	The product development process: step III.....	50
7.3	The product development process: step IV	52
7.4	Product ideas vs. seasonality of demand.....	55
7.5	Learning process.....	58
7.6	Assessing the quality of the thesis	59
7.7	Future research opportunities	61
	Bibliography	63
	Attachments	
	Attachment 1. The guest questionnaire for Cafe im Goebenhaus	67

1 Introduction

The tourism industry is generally seen as a major driver for growth and development, and is of significant importance for the economic performance of Germany and its federal states (Niedersächsisches Ministerium für Wirtschaft, Arbeit und Verkehr 2004). According to the German hotel and catering industry association (DEHOGA Bundesverband 2008, 2009a), there have been about 240,000 establishments operating in the hotel and catering industry in Germany in 2008 which have generated an annual turnover of 55.5 billion Euros. With around 1.1 million employees working in the German hotel and catering industry, a high degree of significance for employment issues as well as a substantial responsibility for those employed in the industry can be identified. Special attention should thereby be paid to the food and beverage service industry which accounted for around 58 percent of the employees and for 76 percent of the businesses operating in the German hotel and catering business in 2008, thus imposing a major share of the industry (DEHOGA Bundesverband 2009).

With the hotel and catering industry being a service branch and therewith dependant on the active involvement of the consumer (Freyer 2007, 94), variations in demand can face the industry with a range of problems and difficulties (Allcock 1995, 94-97; Baum & Lundtorp 2001, 2; Butler 2001, 5). The phenomenon of seasonality is thus almost universally seen as a major challenge for the industry to overcome and as a central concern for operations and policy issues (Baum & Lundtorp 2001, 1). Impacts of seasonality like difficulties in gaining access to capital, low returns on investment and the inefficient use of resources can negatively affect the economic wellbeing of hotel and catering businesses and bear considerable risks for the operators (Butler 2001, 5).

With the large number of businesses and employees operating in the hotel and catering industry, and being faced with the phenomenon of seasonality, many efforts have been made to counteract the negative influences of seasonal demand variations – however, often without sustainable solutions (Butler 2001, 5). Attempts to increase demand in off-peak seasons through diversification of the market, price incentives or product variations are only a few examples out of the range of possible solutions (Baum & Lundtorp 2001, 2). The approach of product development aiming at creating an altered consumer-oriented offering shows substantial potential to help businesses to counteract seasonality (Flagestad 2006, 26; 35-36) due to its consumer focus and its commonly acknowledged function as key factor for success in the tourism industry (Waldner 2006, 9-19).

Small- and medium-sized businesses represent the basis of the tourism industry. Besides a few large and strong actors, the majority of businesses is formed by numerous small enterprises which dominate the industry and are responsible for its fragmented and heterogeneous nature. The owners of small businesses in the tourism industry often are owner-managers whose motivations to become self-employed are driven by factors such as personal interests or the desire to be independent, and who, however, frequently lack managerial expertise. In addition, the financial capital is often partly or fully taken from personal savings and is therefore very limited. (Dewhurst & Horobin 1998, 19-31.)

Viewing the large number of small operators and employees working in the tourism industry in combination with the basic characteristics of small tourism business owners, it becomes obvious that seasonal demand variations along with the resulting lack in revenue in off-peak times, impose a great risk to the industry and therewith a large significance for small businesses and the industry as a whole.

1.1 The case of Stade: Cafe im Goebenhaus

“Seasonal variations in demand are a large problem for me as gastronome in Stade”. This quote by Anke Romund-Völckers (28.02.2010), owner and manager of Cafe im Goebenhaus in Stade, illustrates very well that seasonality is a contemporary operational issue for small business owners in the food and beverage service industry.

Cafe im Goebenhaus is a small cafe business situated in the heart of Stade (Romund-Völckers, A. 28.02.2010). Stade is a small town with around 46,000 inhabitants located in Lower Saxony in the north of Germany at the river Elbe. It is known for its maritime, Hanseatic character with the old fishing port and market as well as for its historic downtown district showing traditional half-timber houses and ancient churches. (Stade Tourismus-GmbH 2009)

Belonging to the metropolitan area of Hamburg and being situated along the edge of the “Altes Land” which is famous for its natural beauty in the annual cherry and apple blossom, Stade can be seen as an attractive tourist venue during the spring and summer months. (Knetemann, R. 25.03.2010)

However, Stade’s gastronomes have to cope with strong seasonal declines in demand and revenue during the general low-demand months January, February, March and November,

showing that one third of the year can be seen as critical for the survival of the catering businesses in Stade (Knetemann, R. 25.03.2010).

23,400 hotel and catering businesses operate in Lower Saxony, thereby generating an annual turnover of 5 billion Euros and providing jobs for around 121,300 employees. 72 percent of those establishments can be counted among the food and beverage service industry, pointing out its economic significance for the region and its inhabitants. (DEHOGA Landesverband Niedersachsen 2009.)

According to Rolf Knetemann (25.03.2010), chairman of the DEHOGA district association Stade, Stade has approximately 30 catering establishments, among which 20 are small, individually owned and managed cafe businesses. Most of them are situated in the town's historic heart placing Cafe im Goebenhaus in the center of local competition.

1.2 Research problem, aim and questions

Keeping the background of the topic in mind which was discussed above, this thesis shall be concerned with the generally perceived problem of seasonal demand variations which impose a strong burden on the industry and especially on the industry's major players – the small- and medium-sized businesses.

Cafe im Goebenhaus in Stade can be seen as a typical catering business reflecting the industry's fragmented nature and gastronomy structure of Stade, therewith providing the occasion to take it as a means of practically illustrating the issue of seasonality and the methods used to overcome its negative impacts.

It is therefore the aim of this thesis to provide particular opportunities for Cafe im Goebenhaus in order to increase demand in low-demand periods and, thus, to counteract seasonality. Special attention is thereby laid on the role of product development as a potential strategy to attract more customers in off-peak times.

The following research questions illustrated in figure 1. form a useful guideline paving the way to develop viable suggestions for Cafe im Goebenhaus and, thus, to achieve the aim of this work.

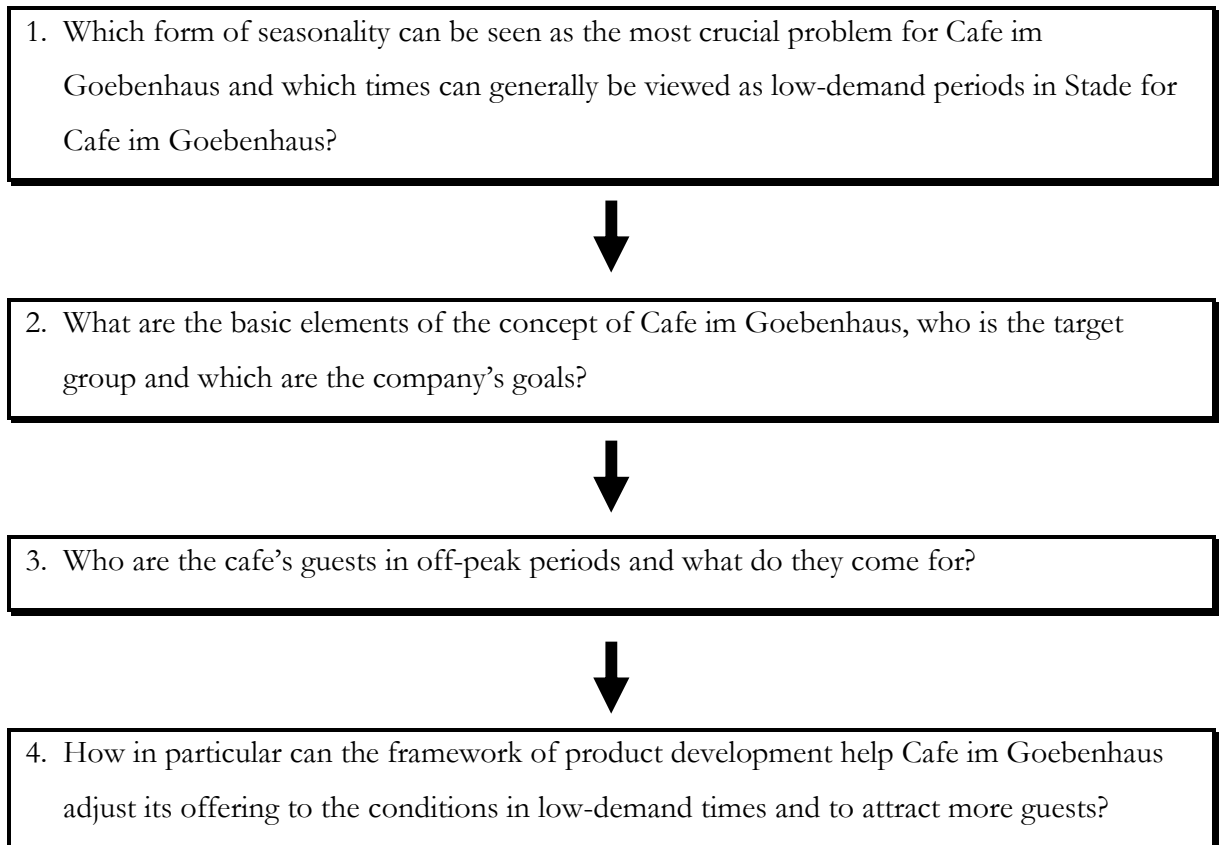


Figure 1: Research questions

Through a detailed analysis of both, primary and secondary data in the following chapters of this thesis, answers to above questions are to be found and, thus, a sound basis for feasible approaches to tackle the problem of seasonal demand variations for Cafe im Goebenhaus can be provided.

1.3 Research purpose and justification

One of the major motivations for me to choose this topic was and is my personal interest in the field of food and beverage services and the conditions under which such business owners have to operate. The cafe I take as a means of illustrating the issue of seasonality, Cafe im Goebenhaus, is owned and managed by my mother, Anke Romund-Völckers. I have grown up with the cafe being one main focus of our family life which has early caught my attention and was also one of the reasons I have chosen Tourism and Hospitality Management as my field of studies for my further education.

With the cafe being one of almost 240,000 establishments in the hotel and catering industry in Germany, it contributes to employment and is part of an economy-driving industry as presented above. The fragmented nature of the tourism industry being dominated by numerous small businesses which often show characteristics like limited capital and managerial expertise, faces these businesses with the challenge of coping with volatile demand in a dynamic environment. As already discussed, seasonality is thus mainly seen as problem for the industry and as risk even capable to endanger a business' existence. Despite this pervasive concern among industry players from both, the private and public sector, very little research has been done in this field. The basis for developing concepts to counteract the commonly perceived negative impacts of seasonal demand variations is very narrow due to a lack of long-term empirical studies concerning the nature and causes of seasonality as well as the reasons for its consistency (Baum & Lundtorp, 2001, 3). Although many efforts are taken to combat its effects, the phenomenon endures implicating that it has not yet been fully understood. Hence, further empirical research of seasonality regarding its nature and backgrounds in specific areas are a useful and necessary contribution to discovering the whole dimension of the topic.

The approach of developing feasible solutions on basis of such a situational analysis for a particular business being affected by seasonality can drive the research towards a better understanding. Baum and Lundtorp (2001, 4) argue that the creation of a solution plan for one particular business may also help other businesses to find ways to counteract seasonality on basis of their own specific conditions. Hence, the collection and analysis of seasonality-concerning data for different businesses operating in different destinations is a considerable contribution to the development of promising concepts to overcome the problem. The study of the case of Stade with Cafe im Goebenhaus as illustrating object can, thus, be another significant step in the advancement of understanding and combating the phenomenon of seasonality.

1.4 Research methodology in brief

For the purpose of meeting the aim of this thesis on basis of finding answers to the range of research questions presented above, both, secondary and primary research is required.

While the theoretical framework obtained from secondary sources like professional literature and industry informants seeks to define the basic issues in this thesis with respect to the

concept of Cafe im Goebenhaus, primary data needed to be collected to get to know the off-peak clientele of the cafe as fundament for later product development ideas.

A combination of the qualitative and quantitative research approaches has been chosen for the primary collection of data in this field. Following the survey strategy with a questionnaire as research instrument, this combination allows the researcher to gather information on simple facts as well as complex opinions and evaluations of the cafe's guests, while keeping the questionnaire's structure as uncomplicated and time-saving as possible for both, the respondents and the researcher herself.

In order to finally realize the aim of this thesis to develop particular solution opportunities for Cafe im Goebenhaus to counteract the phenomenon of seasonality, the results of the theoretical review as well as of the primary research are presented in the following chapters with a detailed description of the questionnaire results and their meaning for the development of Cafe im Goebenhaus in the chapters six and seven.

1.5 Outline of structure

The following outline plan of the thesis shall provide a clear overview of the structure, contents and context of the report in order to guide the reader through the thesis process and discussion of the topic under question.

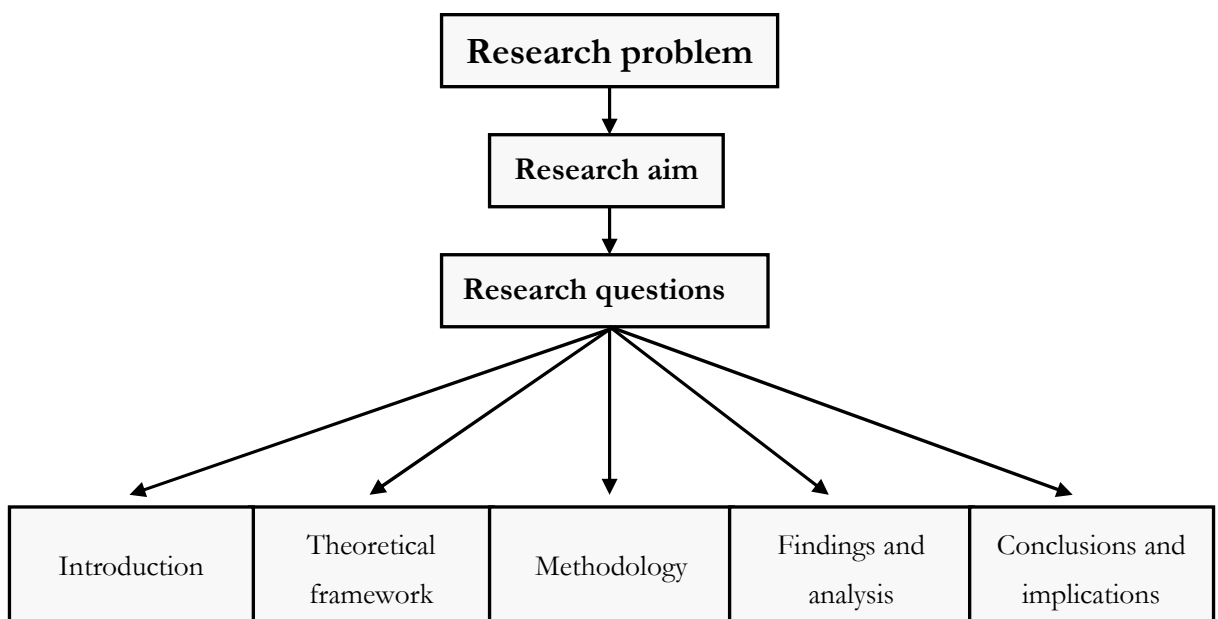


Figure 2: Outline plan of thesis structure

On basis of the identification of a main research problem and the resulting aim of this thesis, a range of questions has been established as a guideline to fulfill this aim and to find a solution approach to the research problem. The chapters of the thesis follow a logical order which is oriented at the general key stages of research. According to Scanlon (2000, 9), the research process is made of the following five steps:

1. Choosing a focus for the research
2. Research design
3. Data collection
4. Data analysis
5. Writing up the results

Following, the first chapter of the thesis is concerned with identifying a focus for the research by defining the research problem and the aim of the thesis. The background behind the actual problem of seasonal demand variations is presented in order to provide the reader with the broader context and, thus, to catch the readers' attention and interest.

In a next step, considerations concerning the appropriate research methods for the topic have been made in order to reflect the research aim and deliver the requested answers to the research questions. Chapter five provides the reader with a detailed description of the methodology applied in this thesis.

Both, secondary and primary data have been collected and analyzed with respect to the research aim and questions to be answered. While the chapters two, three and four provide the theoretical framework of the thesis on basis of a sound literature review concerning the key issues of seasonality of demand, product development and the demand situation of Cafe im Goebenhaus, the thesis continues with the analysis and findings of the primary data research derived from the questionnaires being presented in chapter six.

In the last chapter, conclusions and implications reflecting the results in context with the overall research problem and questions are provided, delivering viable opportunities for Cafe im Goebenhaus to counteract seasonal low-demand and to encourage business.

2 Seasonality of demand

Seasonality of demand is one of the main concerns for players in the tourism industry and primarily viewed as a considerable problem to overcome (Allcock 1995, 94-97; Baum & Lundtorp 2001, 2; Butler 2001, 5).

In order to give the reader a clear understanding of the term of seasonality, a selection of different definitions from professional literature is presented in the following.

“Seasonality involves predictable and uncontrollable variations in demand over time.” (Shugan & Radas 2000, 148).

Seasonality is “The tendency of tourist flows to become concentrated into relatively short periods of the year.” (Allcock, 1995, 92.)

Seasonality is a “temporal imbalance in the phenomenon of tourism, which may be expressed in terms of dimensions of such elements as numbers of visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment and admissions to attractions.” (Butler 2001, 5.)

While the definition provided by Shugan and Radas views the phenomenon of seasonality in a more general context of the service industry, Allcock and Butler directly refer seasonality to the framework of tourism. According to Freyer (2006, 130-133), the gastronomy is seen as part of the marginal tourism economy together with other service providers like suppliers of cultural offers. Services generated by such businesses are no typical tourism services as they are generally addressed at all demanders, irrespective if these are tourists or local inhabitants. Nevertheless, businesses of the marginal tourism economy generate a considerable share of their revenues through touristic visitors and can therefore be counted among the tourism industry in a broader sense (Freyer 2006, 130-133). Hence, it is justified to also take the definitions of Allcock and Butler into closer consideration although they, indeed, refer to more tourism-concentrated parts of the industry than the one on question in this thesis.

In the context of this work being focused on the food and beverage service industry, it seems sensible to combine aspects of the three definitions presented since one single definition alone

does not seem to cover all characteristics necessary to understand the phenomenon in its existence in the food and beverage service industry.

With the first definition bringing the elements of predictability and uncontrollability of seasonal demand variations into discussion, the authors refer to the degree of control a business has to manage seasonality. While the aspect of predictability relates to periodic patterns of demand over a long time-scale associated with certain events or activities like weekends or holidays, uncontrollability concerns a business' incapability to impact on the responsiveness of demand on particular tools used to counteract demand variations (Shugan & Radas 2000, 148-149). Thus, the authors present a significant characteristic with respect to the aim of this thesis and to further considerations for methods and tools available to counteract seasonality.

The definition by Allcock focuses on the phenomenon of seasonality concerning the flows of tourism, therewith disregarding the aspect of demand from locals. However, he introduces the idea of a concentration of demand in only short times of the year, therewith pointing to potential and even probable difficulties for businesses arising from an imbalance of the costs-revenues ratio.

Butler's definition seems to be the most tourism-focused out of the three definitions presented. His idea of describing seasonality as a temporal imbalance finds also application in the context of the gastronomy business as it stresses the seasonally unequal distribution of demand. Certainly, the dimensions of measurement he proposes do not seem appropriate to define seasonality for a cafe business being located in a marginal tourism destination and being only partially dependent on tourists.

Hence, the discussion on the definitions suggests to take the main elements out of each as outlined above in order to form a most appropriate combination of components to characterize seasonality in the perspective of this work.

Thus, formulating an encompassing description as used for the context of this thesis, seasonality can be defined as predictable but uncontrollable variations of demand resulting in a concentration of demand into short annual periods and temporal imbalances between different seasons.

The literature on seasonality presents different types of seasonality depending on the time-wise nature of pattern which is behind. It is mainly differentiated between hourly, daily, weekly, monthly and annual seasonality causing the discussed variations in demand whereby most seasonal patterns are annual (Shugan & Radas 2000, 148-151). Imbalances in the annual demand distribution are thereby seen as the major problem for the industry as this form is responsible for the main negative impacts and problems of seasonality as presented later on in this chapter.

2.1 Causes of seasonality

The main causes of seasonality may be divided into two basic kinds of factors that largely concern the phenomenon of demand variations throughout the year: “natural” and “institutionalized” seasonality (Bar-On 1975 in Alcock 1995, 92; in Butler 2001, 6; in Getz & Nilsson 2004, 18).

Natural seasonality has its origin in the regular variation of climate and weather resulting from the natural course of the annual seasons spring, summer, autumn and winter (Shugan & Radas 2000, 150). Differences in temperature, sunlight or rainfall are common variables causing this type of seasonality and, thus, influencing and directing demand. However, it is important to differentiate natural seasonality from the daily variations of the weather since natural seasonality follows regular and recurring patterns. Seasonal variations caused by natural factors tend to become stronger with growing distance from the equator as the markedness of the natural seasons and the climatic differences increase. (Butler 2001, 6.)

Institutionalized seasonality originates from human activities and can be seen as a result of different factors like culture, religion or society affecting patterns of demand variations. Typical examples of institutionalized seasonality are legislated school, industrial, public or religious holidays. While some of these factors are linked to climate conditions and therewith related to natural seasonality, others arise from long traditions and old patterns of preferences. Public holidays thereby form the most common form of institutionalized seasonality as they are widespread around the world although the exact dates considerably vary. School and industrial holidays are often the most determining factors influencing patterns of demand. The often seen phenomenon of waves of vacationers in summer time has its origin in the tradition of long school holidays in summer, giving families a long timeframe in which to spend their vacation together. Although the long summer school holidays stem from times where the

annual course of the year was determined by the agriculture and pupils needed to be available to help with the summer harvest, this tradition is still predominant today and makes the most significant pattern of seasonal demand. (Butler 2001, 6-7.)

Butler (2001, 7-10) additionally identifies three other kinds of factors apart from the apparent type of legislated holidays that influence the complex occurrence of institutionalized seasonality. Social seasonality thereby relates to the phenomenon of the perceived need to take part in certain social activities at certain times of the year, therewith shaping demand variations on basis of fashion or social pressure. As, however, this type of seasonality has been mainly observed in small elite classes, its significance is not considerable nowadays. Seasonality on basis of sporting activities forms another type of institutionalized seasonality and refers to demand patterns that are mainly seen in mountain destinations and which are related to sports activities like skiing. The last but rather important kind to mention is the tradition-related seasonality. It refers to seasonal demand patterns which rest upon long-established habits and the inertia to change them although the traditional reasons that have once been responsible for forming this habit have no significance anymore. A typical example for this form is the demand behavior of parents that still travel in summer although they are by no means dependent on school holidays anymore as their children already left school.

The patterns of seasonality in a particular destination result from the interaction of both, natural and institutionalized factors of seasonality together with the attempts of the industry to modify demand variations (Butler 2001, 6). While natural seasonality shows a high degree of consistency and predictability of pattern with respect to the general distribution of the true annual seasons (Shugan & Radas 2000, 150), institutionalized seasonality tends to fluctuate much more due to its origin in human actions (Butler 2001, 6). This makes it more difficult and complex for industry actors to respond appropriately to seasonality and to reduce its impacts (Alcock 1995, 94).

2.2 Impacts of seasonality

As already mentioned, seasonality of demand is widely viewed as a large problem for the industry facing industry actors with a range of challenges and difficulties to cope with (Allcock 1995, 94-97; Baum & Lundtorp 2001, 2; Butler 2001, 5).

The existing literature on the phenomenon mainly concentrates on the economic impacts viewing the issue from a management's perspective identifying seasonality "as a problem of considerable magnitude" (Butler 2001, 10). Generally, the negative effects of seasonal demand variations from a supply-side point of view can be summarized by the umbrella terms of inefficient use of resources concerning both, assets and labor as well as loss of profit potential, resulting in a high operational risk for the businesses (Allcock 1995, 95; Butler 2001, 10). Going into closer detail, Baum and Lundtorp (2001, 2) provide a useful overview about the particular difficulties of seasonal demand variations. They emphasize the problem that businesses have to service their fixed costs over a whole year's period while they, however, have to cope with varying demand resulting in varying revenues. This in turn causes problems in ensuring returns on investment which impedes the access to capital and the attraction of investment. Moreover, they identify the problem of underutilization of capital assets in off-peak times as well as the overuse of resources in peak periods. While, thus, existing capacities are not used in low-demand seasons therewith losing revenue potential, these capacities are not enough to satisfy the demand in high-demand times and revenue is lost to competitors. (Baum and Lundtorp 2001, 2.)

Butler (2001, 5) adds the difficulties to recruit and maintain skilled full-time staff which in turn can result in problems of holding the quality of the products and services offered due to the absence of long-term staff (Baum & Lundtorp 2001, 2).

However, recently, the discussion about the impacts of seasonality has increasingly turned to a socio-environmental perspective also emphasizing the positive effects seasonal variations in demand may have concerning employment issues or the opportunity for recovery for both, society and environment (Allcock, 1995, 96; Butler 1995, 11).

2.3 Theories to counteract seasonality

Despite its widespread concern, the attempts to counteract seasonality as taken by the industry have often had no sustainable success and seasonal demand variations stubbornly remain a problem for the industry. Literature only provides limited theories on how to tackle the widely seen problem of seasonality. (Butler 2001, 12.)

There hardly is a common basis of generally acknowledged approaches and the issue is controversially discussed among tourism researchers which results in a variety of different solution strategies available (Allcock 1995, 97).

Butler (2001, 12), in his review of the available literature on this topic, presents seven main approaches for the tourism industry to stimulate demand in off-peak periods:

- lengthening the main season
- establishing additional seasons
- diversifying markets
- using differential pricing and tax incentives on a temporal basis
- encouraging the staggering of holidays
- encouraging domestic tourism in off-seasons
- providing off-season attractions

While some of these approaches are solely addressed at the public sector in respect of holiday regulations and tax considerations, others also offer opportunities for the single businesses to use on a smaller scale to counteract their particular problem of seasonality. As this thesis aims at developing a feasible solution for a specific business which is within its own area of control and influence, the following presentation will focus on the approaches available for single industry actors.

Efforts taken to stimulate demand outside peak times usually concentrate on methods to add value to the existing products and services (Baum & Lundtorp 2001, 2). In more detail, this may mean to vary the product/service mix, to offer price reductions or to present the product/service to new potential customers in off-season periods (Allcock 1995, 97-100). Thus, seasons may be extended, new markets may be accessed and locals may be attracted in off-peak times through new appealing and attractive offers.

However, Butler (2001, 13) adds for consideration that most of the efforts following the strategies presented above, which are so far often used by industry actors, concentrate on developing the attractiveness of the offering in off-season periods instead of shifting the focus on the consumer. Together with the large significance of the institutionalized factors affecting the formation of high- and low-demand seasons, the persistent remain of the phenomenon of

seasonality suggests that a mere product focus is not sufficient. It should rather be attempted to influence the behavior and attitudes of consumers (Butler 2001, 13).

It is therefore worth taking a closer look at the suitability of product development as a tool to stimulate demand in low demand times in order to counteract seasonality (Flagestad 2006, 26, 35-36) because it is consumer-focused through its aim to develop a new product in such a way that customers are attracted and find what they are looking for (Waldner 2006, 15). The following subchapter deals with the theory of product development in tourism and its potential to help businesses to counteract seasonality.

Concluding the theoretical background of the issue of seasonality of demand, the below figure shall provide a summarizing overview about the influences of patterns of seasonality.

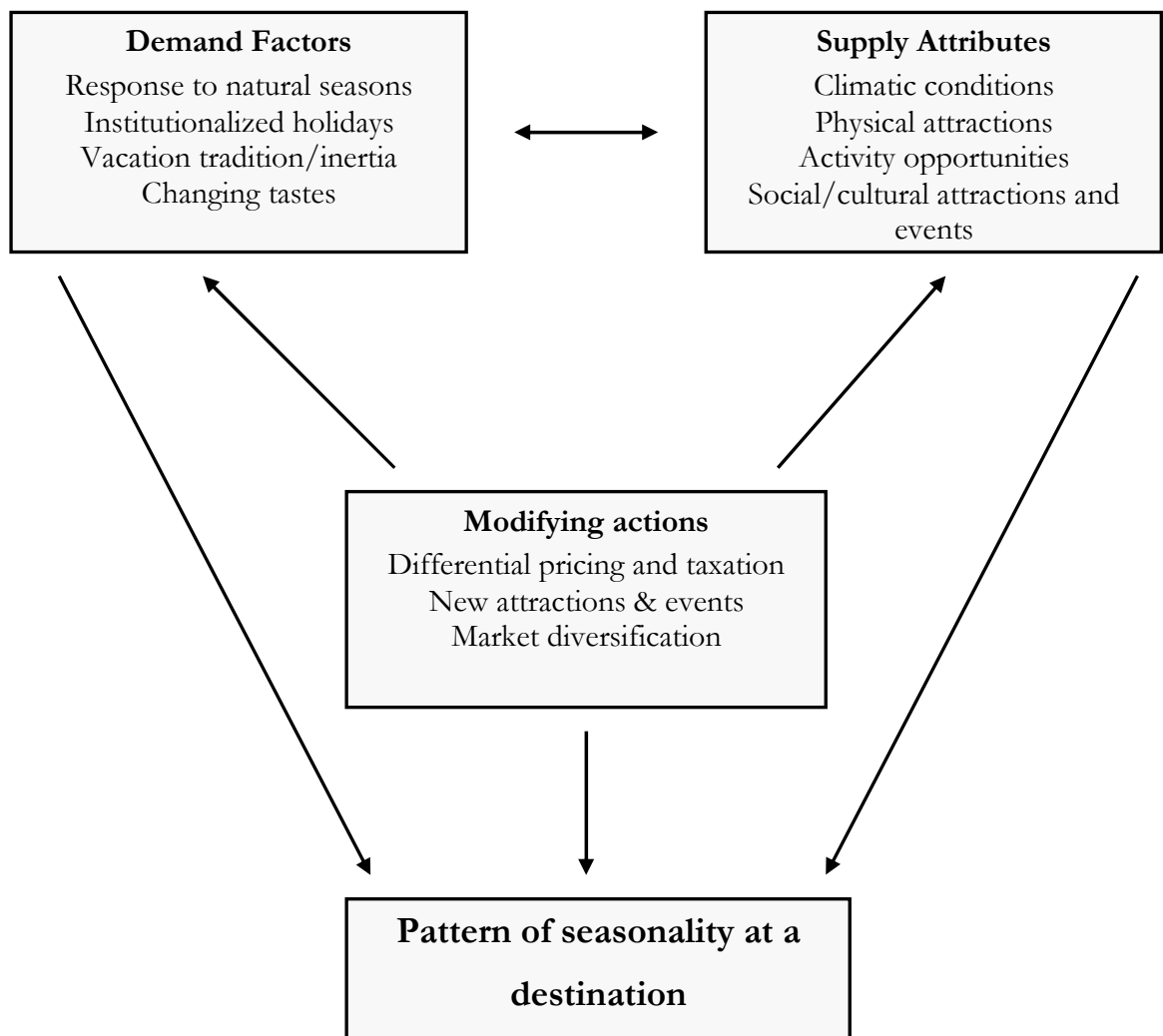


Figure 3: Influences of patterns of seasonality (Butler 2001, 9)

3 Product development

Constant development and change are crucial prerequisites for businesses to sustain competitive (Waldner 2006, 19). Due to this significant importance of product development in business life, it is sensible to provide a clear understanding of the concept and its components. Literature presents a variety of different definitions of product development. Wong, Shapiro, Perreault & McCarthy (2005) propose a simple definition by describing product development as the act of “Offering new or improved products for current markets”. Glencoe/McGraw-Hill (2004) extend this definition by stating product development to be “The process of creating new products to serve the needs and wants of customers who are already buying a company's products”.

These definitions imply its innovative character to generate new products. With this in mind, Moutinho (1995, 359) presents new product development with respect to the tourism industry as a conception which “refers to the activities undertaken by tourism organizations in the course of bringing new services to the marketplace”.

As Moutinho already does, the concept of product development must be complemented by the element of service in order to be applicable for the hotel and catering industry. According to Bieger and Weinert (2006, 92) “services can be described as output which is performed at an external factor without transforming a physical product”. This definition points to the special features of services in tourism characterizing their distinctive nature. Freyer (2007, 94) presents an extensive list of characteristics of tourism services. The most important to mention are the immateriality and intangibility of tourism services, the significance of personal interaction between consumers and service providers, the high degree of active involvement of the external factor – the customers – as well as the *Uno-actu* principle stating the concurrence of service delivery and consumption. (Freyer 2007, 94.)

Hence, when making product development decisions in the tourism industry, managers should be aware of the special nature of services and its significance for the shaping of the product development process (Bieger & Weinert 2006, 92).

3.1 Forms of product development

Product development in the food and beverage service industry is strongly related to the concept of innovation and can be viewed as one component of it. Innovations can be an improvement, an advanced design, a modification or a recreation on all levels of a company's organization (Witherton 2009). According to Schumpeter (1934 in Waldner 2006, 8), innovations can be the creation of a new product or service, the development of new production or management processes, the exploitation of new markets or the cooperation with new suppliers.

With respect to product development, Bieger and Weinert (2006, 89) present four basic forms of innovations of products and services:

First of all, an innovation in its purest meaning can be the development and introduction of a totally new product or service. These inventions can provide companies with a competitive advantage as they offer a product or service which is so far only available at their business.

Second, a product or service innovation can mean to further develop and improve an existing product in order to find more approval at the customers and to provide them with a new solution to an old desire or need. This, for instance, can be the redesign of a current product or an addition to it which makes it appeal completely new to the consumers.

Moreover, an innovation can also mean to offer a product which distinguishes one's own offering from that of the local competitors. This form of innovation does not represent the development of a totally new product but rather the adoption of a product that is offered somewhere beyond the local competing area of the business. Thus, one is offering a "new" product in comparison to those of the direct competitors.

The last form of innovation mentioned by Bierger and Weinert (2006, 89) is the form of imitation. This means that a business emulates a product which is offered by its competitors, thus introducing a new product to one's own company.

Keeping these basic types of product development in mind, it is useful to explore its importance for the success and survival of businesses.

3.2 Importance of product development

Continuous development and innovation are widely acknowledged to be one of the most important factors for success of businesses (Waldner 2006, 8). It is crucial for the vitality of companies operating in the tourism industry to replace old products with new ideas in order to sustain competitive and to ensure survival of the business (Moutinho 1995, 359).

The development of new products and services for the customers is seen as a way to adapt to the changing environment and altering consumer preferences and wishes (Moutinho 1995, 365). As these preferences have shown to change faster and faster during the last years, the competitiveness of the products also declines in a more rapid way (Waldner 2006, 9).

According to the Product Life Cycle Analysis developed by the Boston Consulting Group, each product and service passes through certain phases of life similar to humans in the course of their lifetime, whereby the length of each phase varies from a few months to even a few decades according to the nature of the product. Generally, there are five principal phases of a product's life cycle: introduction, growth, maturity, saturation and decline. Like the life of a human, also the life of a product comes to an end after it has passed through the closely-related phases of saturation and final decline. (Freyer 2007, 316.)

During recent years, the life cycle of products in the tourism industry has considerably decreased, shortening the time between a product's development and exit out of the market (Waldner 2006, 8-9). Without the introduction of new or improved products and services, businesses are not able to compensate the unavoidable decline of turnover from current products and fail to meet the changing consumer needs (Moutinho 1995, 360).

When talking about product development in the context of the hotel and catering industry, its fragmented nature needs to be considered as the special characteristics of small businesses considerably impact on the industry's innovation potential (Bieger & Weinert 2006, 88).

As mentioned earlier, the hotel and catering industry is dominated by small individually owned and managed businesses (Dewhurst & Horobin 1998, 20). Most owner-managers in the tourism industry have to be seen in differentiation from the traditional entrepreneur as they do not show his basic characteristics. These characteristics include an entrepreneur's innovative and creative mind, his willingness to take risks, his pursuit for independence and achievement

as well as his wish to control. Although this approach to define an entrepreneur on basis of his character is controversially discussed in literature, it can provide a partial portrait of him and thus a starting point for the discussion about the tourism industry's propensity for development and innovation. (Dewhurst & Horobin 1998, 20-21.)

Unlike the traditional entrepreneur, tourism business owners are more driven by social motivations than by economic motives and they do not show great pursuit for growth and expansion. In addition, small business owners in the hotel and catering industry often have very few levels of employment in their organization and their managerial experience and expertise is very limited resulting in a high degree of personal criteria in decision making. Moreover, the financial base of small tourism firms is often reliant on the personal capital of the owner and therewith often very limited. (Dewhurst & Horobin 1998, 25.)

The fragmented nature of the tourism industry with the high intensity of competition often prevents small business owners from seriously engaging in innovation and product development. The incentive for those companies to innovate is very low due to the limited chance of achieving and sustaining a competitive advantage over rivals. (Waldner 2006, 11-14.)

Furthermore, new products and services can fail for a range of both, internal and external reasons like the lack of demand or dislike by the customers, strong pressure from competition or poor internal planning and research, illuminating innovation in the light of risk (Moutinho 1995, 363).

However, as the above discussion about the necessity of further development has shown, new product development is crucial for the survival of businesses. Small business owners have to realize this importance and should orient themselves towards innovation. (Moutinho 1995, 364-365.)

Therefore, Moutinho (1995, 364-365) further suggests to adopt the innovation process to the conditions of small firms. Thus, as the development of totally new products and services is strongly associated with high development costs and a resulting high operational risk, it is sensible for small businesses to engage in other, more secure forms of innovation instead of resisting change. Hence, the modification of and the adding to current products and services as already presented by Bieger and Weinert (2006, 89), seem a recommendable form of

innovation for small businesses operating in the highly dynamic and fragmented tourism industry (Moutinho 1995, 365).

3.3 Driving forces of product development and innovation

On basis of the identification of the importance of constant development in a changing environment as presented in the above subchapter, it is sensible to take a closer look at the particular external sources impelling innovation.

Waldner (2006, 9) has designed a model providing a comprehensive overview about the drivers of development on basis of the Diamond Model by Porter. Due to the model's good clarity and the author's excellent comprehensibility, the following section is mainly derived from this author's writings concerning the topic of drivers of innovations.

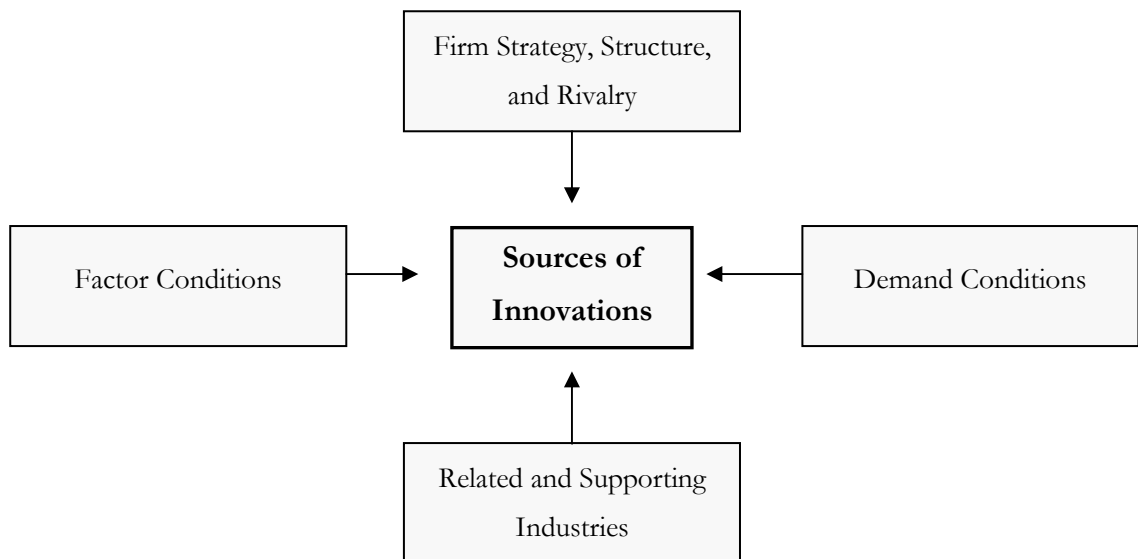


Figure 4: Sources of innovations in tourism (Waldner 2006, 9)

As can be seen from figure 4., a company's development potential is influenced by four types of external factors: the industry's structure and size with the resulting degree of rivalry, the demand conditions, the cooperation with suppliers as well as factor conditions like labor, capital or infrastructure.

The first driving source mentioned by Waldner (2006, 9), the role of competition, refers to the dynamic market mechanism resulting from the course of introducing a new product and its imitation by competitors. Companies that engage in development and innovation want to gain

economic advantages over their rivals (Moutinho 1995, 360). Once having developed and introduced a new product, further rivals are attracted, forcing the initiating company to introduce further innovations in order to maintain the gained market share (Waldner 2006, 11). This basic model shows the general driving nature of competition for development and change.

However, as mentioned earlier, the food and beverage service industry as part of the overall tourism industry is highly fragmented with many small suppliers and a high degree of competition. Since it is therefore very difficult to achieve a sustainable competitive advantage, the incentive for innovation is rather small (Moutinho 1995, 364-365). Hence, although a certain level of competition seems to generally stimulate development activity, the highly fragmented structure of the industry outweighs this driving power (Waldner 2006, 12-14).

The second source of innovation identified by Waldner (2006, 9) is demand. The tourism industry as buyers' market being characterized through an overhang of supply over demand (Freyer 2006, 294), is largely dependent on the wants and needs of the consumers. With the customers playing an active and indispensable role in the process of service production, customer involvement in the innovation process is crucial for its success as development ideas can only find a ready market when they correspond to the consumers' requirements. (Waldner 2006, 10.)

The integration of customers is therefore frequently seen as one main important factor for success in the development of products (Förster & Kreuz 2004, in Waldner 2006, 15). Waldner (2006, 10) further proposes businesses to carefully consider the consumers' potential roles within the development process. Consequently, customers can initiate change through providing remarks and ideas on basis of their wishes, and can even act as reference and promoter of a company's newly introduced products and services. Despite controversial opinions concerning the degree of customer involvement in the development process, Waldner (2006, 19) and Moutinho (1995, 360) identify the consumers' important position to prevent businesses from developing products which are purely resource-based, lack a market focus and fail to keep pace with changing consumer needs.

The third source of innovation presented by Waldner (2006, 9) in her model of the influences of innovation in tourism is the role of related and supporting industries. This source mainly refers to the potential of cooperation among small-sized tourism businesses to redress the

disadvantages imposed by limited finance and knowledge resources of the single companies and the polypolistic structure of the tourism industry. Waldner suggests to use synergy effects to share the risk imposed by the development and introduction of new or altered products and services, thus driving innovation and change. (Waldner 2006, 14.)

The last force of the model is the influence of factor conditions which concerns the availability of resources like labor, capital, know-how or infrastructure. Nevertheless, Walder (2006, 10-11) emphasizes the limited importance of this group of factors as source of innovation since they do not tend to vary greatly between companies operating in the same local region.

Knowing and understanding the external forces driving innovation are very helpful prerequisites for businesses in order not to forget certain relevant considerations when planning the development process (Waldner 2006, 10), which is presented in the following subchapter.

3.4 Steps of the product development process

The previous subchapters have revealed the comprehensive theoretical background of the concept of product development. In order to be able to provide feasible suggestions concerning the development of the offering of Cafe im Goebenhaus, as intended by this thesis, it seems necessary to give a brief overview about the practical and operational procedures associated with product development.

Feltenstein (1986, in Crawford-Welch 1994, 198-206) presents product development for the food service industry as a six-step process. Following this structured approach, businesses can better determine whether new product development ideas fit the company's current product mix, therewith decreasing the risk of new product failure (Crawford-Welch 1994, 198).

Feltenstein suggests in a first step to build a new product task force consisting of members of the company who aim at finding ideas on how to further develop the business' offering. In order to ensure that all aspects like financial, operational or marketing-wise factors are considered, members of the development team should come from diverse backgrounds representing the single functional areas of the company. (Feltenstein 1986, in Crawford-Welch 1994, 198-206.)

In a second step, priorities for the new product should be established. First of all, this includes the review of current company goals in order to make sure that a potentially developed product does not counter the overall intended path of the business. This is followed by an assessment of the current products in order to be able to determine those products out of the range offered which should be eliminated or show potential for advancement. After that, it should be stipulated which role and function the new or redeveloped product is supposed to take over, and it should be checked if the product fits the company's underlying concept or if it might cannibalize the existing offering in order to avoid a diminution of the intended positive effect for the business. Finally, Feltenstein suggests to conduct a SWOT analysis summarizing the earlier considerations in order to systematically identify the company's internal strengths and weaknesses as well as the opportunities and threats imposed by the environment. Thus, the company is provided with a sound basis for making product development decisions. (Feltenstein 1986, in Crawford-Welch 1994, 198-206.)

The third step of the product development process is to generate ideas. Thereby, the purpose is to come up with as many and as diverse ideas as possible to have a wide fundament for choosing the best suitable suggestion. (Feltenstein 1986, in Crawford-Welch 1994, 198-206.)

In the fourth step presented by Feltenstein, those ideas generated in step three are now screened and evaluated, and those with the most potential are selected to be put into practice. Common selection criteria are thereby the new products' prospective key strengths and weaknesses, the product's likeliness to meet the target group's needs or the resources needed to generate the new product (Feltenstein 1986, in Crawford-Welch 1994, 204-205). Bieger and Weinert (2006, 92-93) stress the importance of the role of the customer within the development process. They substantially recommend businesses to concentrate on a consumer focus when making development decisions emphasizing the customers' role as market pull for development

The fifth step by Feltenstein (1986, in Crawford-Welch 1994, 198-206.) concerns the considerations concerning the actual development of the product idea chosen in the previous stage. This includes the determination of the recipe as well as the planning of the operational procedures and cost aspects. Traditionally, this phase also involves testing activities in order to be able to estimate the new product's future performance. However, due to reasons of a sooner market entry, testing more and more loses its relevance in practice (Crawford-Welch 1994, 203-204).

The last step of the process is then concerned with planning the marketing activities for the implementation of the newly developed product before actually offering it to the customers. (Feltenstein 1986, in Crawford-Welch 1994, 198-206.)

3.5 Basic trends in the catering industry

When talking about the development of new products and services, it is essential to take a look at the newest trends in the industry concerning the consumers' wants, needs and wishes (Waldner 2006, 8-9). For reviewing the environmental opportunities as suggested by Feltenstein (1986, in Crawford-Welch 1994, 198-206) in his six-step model of the product development process, it seems sensible to take a look at the current market tendencies in Germany.

The industry report 2009 of the DEHOGA federal association (2009b, 18-19) identified six basic trends for the food and beverage service industry:

- regional origin, freshness and quality
- healthy and conscious nutrition
- “fast casual”
- ethno food
- experience and staging
- take away

According to the DEHOGA, consumers of today are looking for places of comfort for communication, relaxation and inspiration. Thereby, not only the freshness and quality of the food offered are decisive but also competent advice and a cordial service which should be also reflected in the tender atmosphere of the premises. Special value is laid on local cuisine with a return to regional products and seasonal specialties drawing the trend of “back to the roots”.

Furthermore, the trend of healthy nutrition gets more and more importance. Consumers are demanding products that are good for body and soul – the so-called “Wellfood”. This trend should be seen against the background of the fast food market which is about to be newly defined. Food should be offered freshly, fast and pleasantly meeting the consumers' wish for light, vitamin-rich and fast snacks served in a modern and pleasant atmosphere. In addition,

foreign influences from exotic cuisines like the Asian or Indian are very popular which perfectly fit in the trend towards “fast casual wellfood”.

The last trend mentioned by the DEHOGA (2009b, 19) is the popularity of take-away which suits society’s increased mobility and flexibility of their life and working environment.

This list of trends is added by the Rützler and Kirig (2007) in their review of the food trends for the upcoming decade. They emphasize the desire for transparency, trust and security. Consumers want to know about ingredients and food additives in the course of a conscious nutrition. Furthermore, they accentuate the trend of design in the catering industry. The act of eating is increasingly viewed as culture and art form. Eating is celebrated and rather serves the need for socializing and distinction than its mere purpose of keeping humans alive. (Rützler and Kirig 2007)

These basic trends form a sound starting point for the considerations concerning the offering of Cafe im Goebenhaus.

4 Cafe im Goebenhaus

Cafe im Goebenhaus is owned and managed by Anke Romund-Völckers who has opened the business in 1986. It is situated in a heritage-protected half-timber house with historic ceiling paintings which is located in the old town of Stade in the heart of the cultural and gastronomic center at the ancient fish market and historic harbor.

The cafe features around 45 guest seats indoors for all-year round use as well as additional 45 seats outside in the cafe’s garden during the warmer months of the year which commonly covers the period from April or May until September. Moreover, it is open Tuesdays to Sundays from 9:30 to 18:00 hours. Its basic offer consists of breakfast, a daily changing small lunch offer and snacks as well as coffee and cake specialties. In addition, different art exhibitions take place in the cafe’s premises on a six-week changing basis.

Ms. Romund-Völckers employs altogether ten staff members, among who four are full-time employees with 40 or 30 working hours per week, and six are part-time staff working on a small-hour basis. The general working distribution shows two employees working in the kitchen, two in the service area and one employee preparing the self-made cakes and pastries in the cafe’s bakehouse. The cafe’s manager, Anke Romund-Völckers, usually assumes the

administrative duties concerning personnel and procurement. Nevertheless, as representative and owner of the cafe, she also places great value on personal contact to her guests. Hence, she herself is almost every day present in the cafe, is responsible for arrangements regarding special guest events and often overtakes the service behind the counter presenting the various cake specialties to the guests. (Romund-Völckers, A. 28.02.2010)

4.1 Concept

The underlying concept of Cafe im Goebenhaus can be presented as a five-pillars-model.

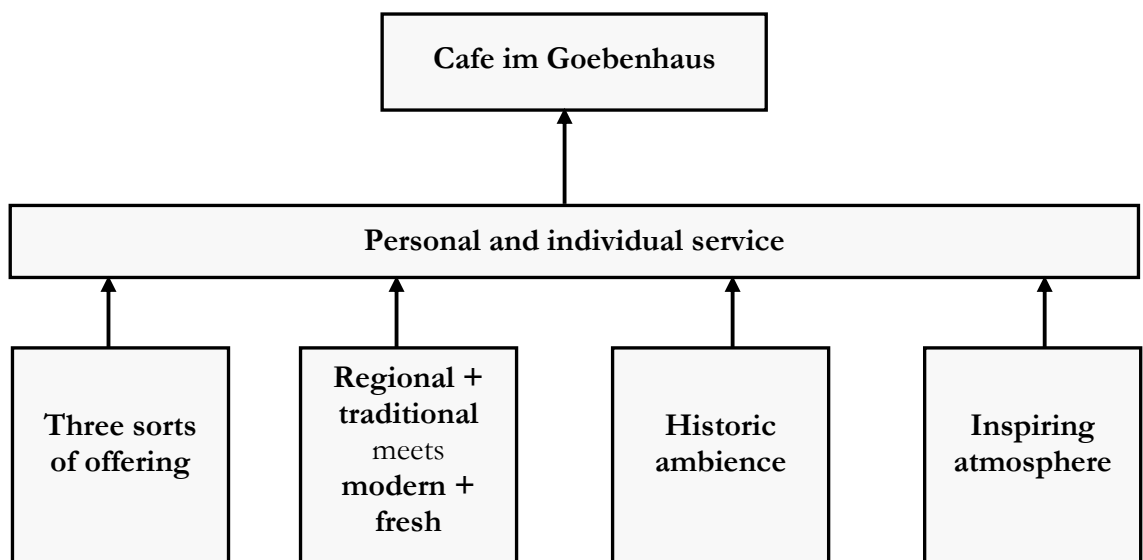


Figure 5: The concept of Cafe im Goebenhaus (Romund-Völckers, A. 28.02.2010)

The model presented in figure 5. is made of five elements forming the overall concept of Cafe im Goebenhaus. While the four basic pillars constitute the concept's fundament and concern, on the one hand, the cafe's offering and, on the other hand, the premises' attributes, the fifth pillar completes the concept with the overarching element of a personal and individual service.

With respect to the first pillar, the guests of Cafe im Goebenhaus are offered a range of different breakfasts, a selection of small lunch dishes and snacks as well as a large assortment of changing home-made cakes and tarts. While there is a constant menu with a basic variety of fresh salads, sandwiches and other snacks, the cafe provides a daily changing lunch menu with four different dishes and a dessert as well as changing cakes and tarts. On a weekly changing basis, the cafe offers a seasonal specialty for lunch as "highlight" of the week. This food offer is complemented by a variety of different coffee and tea specialties besides the general selection of soft drinks and alcoholic beverages offered. In this way, the cafe's offer meets the

different needs guests may have during the course of a day. Special value is thereby put on variation and room for customization giving guests the opportunity to always adjust the existing offering to their own wishes.

Referring to the second pillar, the cafe tries to combine regional and traditional with modern and fresh elements in their offering. On the one hand, this combination can be found in the apparent contradiction between offering cakes as per grandmother's recipe as well as young salad dishes or snacks with exotic ingredients, and, on the other hand, it can be seen in the single categories of meals. Thus, guests can both find traditional lunch dishes with local background as well as modern and fresh food offers which invite the guests for trying out something new. Thereby, the cafe sets great value on the aspect of offering fresh and home-made products instead of using completed products with preservatives which distort the original taste. Together with a cozy interior atmosphere, the guests are hence given the feeling as if eating at home just without having the efforts of cooking themselves.

The third pillar addresses the cafe's design. As mentioned earlier, Cafe im Goebenhaus is situated in a traditional and region-typical half-timber house with ancient ceiling paintings from the 18th century. This is complemented by antique wooden furniture and other decorative items like a collection of traditional coffee pots underlining the historic ambience and the cafe's strong bonds to the history of the Hanseatic town of Stade.

The fourth element of the concept is closely related to the pillar just presented and concerns the inspiring atmosphere of the cafe. Anke Romund-Völckers offers painters and photographers the opportunity to exhibit their art works in the cafe's premises on a six-week changing basis, therewith providing the guests with a diversified and varied picture of the cafe. Both, traditional and modern art works are presented so that the historic ambience is complemented by a dynamic wall decoration waking the guests' interest and offering an inspiring place to spend some time.

The overall element of personal and individual service unifies the four basic pillars. The cozy and comfortable atmosphere created through the ancient building and furniture is supported by a heartily service underlining the familial and inviting character of the cafe. Each guest shall be provided with a personal service leaving room for individual attention so that they can feel comfortable and indulged instead of merely being catered or supplied.

The home-made cakes and tarts can be seen as the figurehead and unique selling point for Cafe im Goebenhaus as it is the only cafe in Stade which offers self-prepared pastries in contrast to the usual confectionary. (Romund-Völckers, A. 28.02.2010)

4.2 Target group

According to Anke Romund-Völckers (28.02.2010), the target group of Cafe im Goebenhaus can be defined as wallowers who pay attention to a natural and varied diet, and who are looking for a food experience in a respective comfortable surrounding. She emphasizes that her cafe's offer does not address the common public but only those who place value more on quality than on quantity and who appreciate fresh and natural food without artificial additives. Among this group, the targets can be identified as being aged older than 35 years with a share of 60 to 70 percent women who enjoy a well-educated background. In addition, the cafe can also count many families among their clientele. The guests typically come from a well-situated background so that many teachers, judges, doctors or civil servants from the local municipal institutions can be found among the cafe's clientele.

During the summer months the cafe also attracts many tourists who are culturally interested and looking for a Stade-typical location where they are given the opportunity to try the regional cuisine. (Romund-Völckers, A. 28.02.2010)

4.3 Company goals

According to Anke Romund-Völckers (28.02.2010), the primary purpose of the cafe is to provide an additional supporting basis for the family income. Therefore, it is the manager's main goal to keep the business running, therewith providing a continuous source of income. She has no great ambitions to expand the operations although she is constantly looking for opportunities to advance and develop the current offering in order to move with the times.

Besides this main personal motivation and interest behind the business, it is the aim of Ms. Romund-Völckers to provide local women and mothers with both full- and part-time employment in order to give them the opportunity to combine family and children with a challenging and independent task. This aspiration to her business imposes a large responsibility for her employees which once again emphasizes her main objective to sustain sound and stable business operations. (Romund-Völckers, A. 28.02.2010)

4.4 Seasonality for Cafe im Goebenhaus

As mentioned earlier, the owner and manager of Cafe im Goebenhaus views seasonality and the resulting imbalances in demand and revenue as a considerable problem, especially throughout the annual course of the year (Romund-Völckers, A. 28.02.2010). According to her personal opinion and feeling, demand concentrates on the months from April to October with May, August and September showing the highest guest numbers while the period from January to March as well as the month November shows only little demand. Therewith, the cafe's seasonal distribution of demand fits in the general perception of seasonality in Stade as provided by the district representative of the DEHOGA Lower Saxony, Rolf Knetemann (25.03.2010).

This personal assessment is supported by the cafe's revenue numbers. Figure 6. provides an overview about the cafe's revenues per month from 2005 to 2009. In order not to display confidential information, the absolute revenue numbers are hidden behind a scale system. The revenue scale categories each represent steps of 1,000 Euros whereby 1 equals the lowest revenue generated in the period of interest in thousand Euros, and the subsequent steps show the particular revenue's value in relation to the lowest.

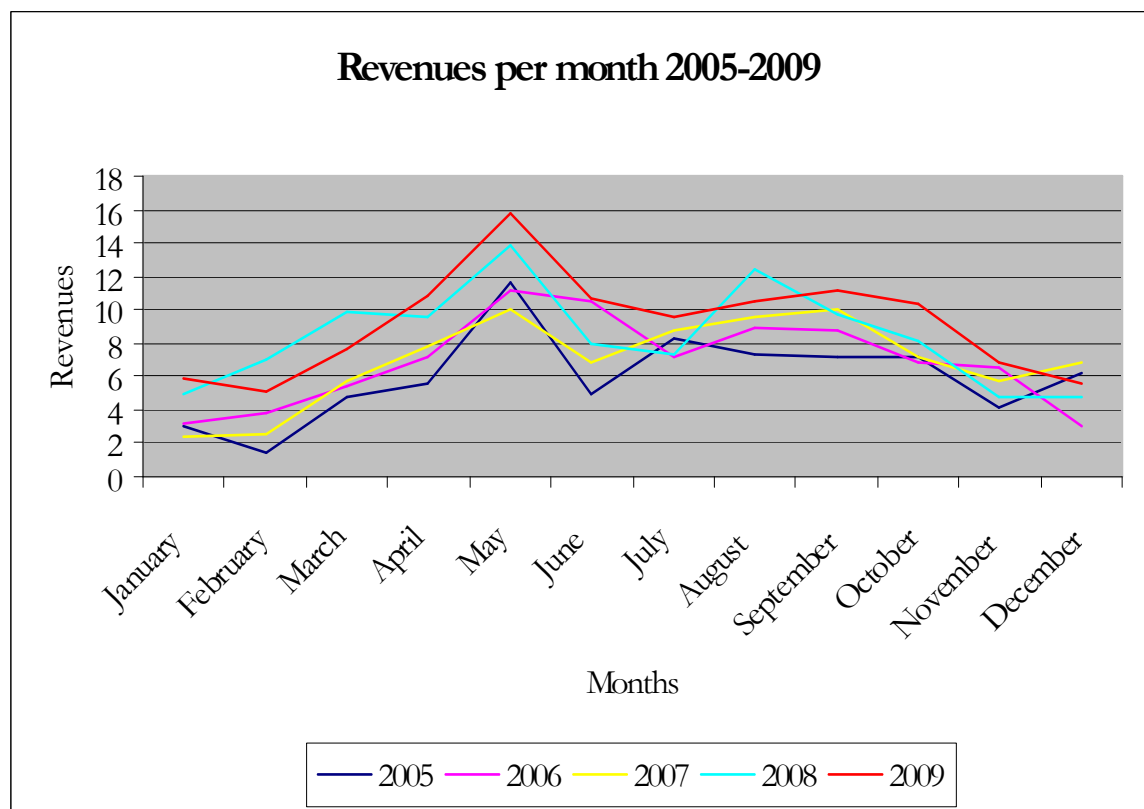


Figure 6: Revenues of Cafe im Goebenhaus 2005-2009

Comparing the monthly figures from the last five years (Romund-Völckers, A. 28.02.2010), it can be seen that the year-overlapping period from November until March generally shows the lowest revenues and consequently the lowest demand. While May, June, July, August and September can be viewed as the high season, April and October should rather be seen as shoulder season forming the transition between the general low- and high-demand times (Romund-Völckers, A. 28.02.2010).

When looking at the December revenues, it has to be considered that the cafe is closed from the afternoon of the 24th of December until the 2nd of January each year. Therefore, the low revenue numbers are more caused by a shortened selling time than by low demand as the Christmas time usually shows increased visitor numbers for the cafe. Viewing the fact that despite December's short opening time, the revenues are generally higher than in November, January or February, intensifies the significance of seasonality for Cafe im Goebenhaus. (Romund-Völckers, A. 28.02.2010)

While costs like rental payments or expenses for waste disposal, water or electricity are fixed and have to be paid for every month of the year, only seven months out of twelve considerably contribute to serving these costs. Surplus revenues from the high-demand months are needed to close capital gaps in the months of low demand. Due to increasing prices for labor, food products and maintenance, it becomes more and more difficult to fill these gaps in off-peak months and, thus, to keep the business alive. (Romund-Völckers, A. 28.02.2010)

According to the manager and owner of Cafe im Goebenhaus, seasonality poses strong difficulties for her business and can even endanger the cafe's survival. Hence, sustainable solution suggestions aiming at attracting additional customers in the main low-demand months from November until March are a necessary prerequisite for future business considerations. (Romund-Völckers, A. 28.02.2010)

4.5 SWOT analysis

In order to provide a clear picture of the cafe's situation, it seems sensible to conclude the chapter on the presentation of Cafe im Goebenhaus with an overview about the cafe's internal strengths and weaknesses as well as its external opportunities and threats. The SWOT analysis as suggested by Feltenstein (1986 in Crawford-Welch 1994, 198-206) is a useful prerequisite

for generating sound development ideas for Cafe im Goebenhaus in the framework of the concept of product development.

Table 1. Overview about the strengths, weaknesses, opportunities and threats of Cafe im Goebenhaus

Strengths	Weaknesses
<ul style="list-style-type: none"> - offering home-made cakes and tarts - attractive breakfast and lunch offer - ancient and traditional building and antique interior - changing art exhibitions - long business existence (regular guests) 	<ul style="list-style-type: none"> - small business with only small share of full-time employees - limited financial resources for investment - limited space (kitchen, guest area)
Opportunities	Threats
<ul style="list-style-type: none"> - location in the heart of Stade - opportunities for cooperations - unique offering in comparison to competitors 	<ul style="list-style-type: none"> - high competition - large seasonal variations in demand and revenue

According to table 1., Cafe im Goebenhaus has a list of strengths and opportunities on which to base future business activities as well as of weaknesses and threats which need to be considered and give indication for dangers, potential changes and advancement opportunities.

Concerning its strengths, the cafe's home-made cakes and tarts need to be mentioned because they do not only constitute a unique selling proposition on the local cafe market of Stade, but also a reflection of the traditional and regionally typical food culture. Combining this aspect with the cafe's ancient premises with the historic ceiling paintings, the traditional timber framework and the antique furniture, it is able to offer a cafe experience in accordance with the regional tradition. The wide variety of breakfasts offered as well as the daily changing lunch offer represent an additional strength providing the guests with a continuously altering offering which allows for variation and constant attraction without losing the guests' interest. This aspect is additionally reflected in the changing art exhibitions which take place in the cafe and provide the premises with a constantly changing face. The cafe's 24-year-long business existence has helped to build up a large base of regular guests and great business awareness

among potential customers which allows for more planning security and other benefits concerning cost savings for customer acquisition or marketing.

However, the cafe also has to face its weaknesses which mainly result from the small size of the business. Hence, the cafe only has few full-time employees and a large portion of temporary staff which impedes the implication and adherence to standards and can thus decrease the quality of services. Moreover, as small business, the cafe has to cope with the difficulty of limited financial resources for investments, development activities or staff education. While, on the one hand, the cafe's ancient premises can be seen as a great strength, it also restricts business activities. The heritage-protected building limits the space of kitchen facilities and guest areas and, thus, the development potential.

As mentioned earlier, the cafe is located in the heart of Stade and its gastronomic activity at the town's ancient fishing harbor and market in close vicinity to museums and art galleries. While this offers benefits with respect to customer flows and tourist attractions, it also places the cafe in the center of competition. On the one hand, the cafe can make use of synergy effects and potential cooperations with other gastronomes or the art galleries, but, on the other hand, the cafe is endangered by competing businesses taking customers and, thus, revenue away. However, the cafe's locally unique offering concerning the home-made cakes and tarts decreases the importance of this negative threat and offers opportunities for further development and demand stimulation. Nevertheless, the cafe has to cope with the phenomenon of seasonal demand variations with strong lacks in revenue in the months of general low demand. This threat is addressed and sought to be approached by the results of this thesis.

4.6 Concluding the theoretical background

Chapters two, three and four form the theoretical background of this thesis comprising the concepts of seasonality and product development as well as the introduction and presentation of the case of Cafe im Goebenhaus in Stade.

As revealed above, seasonality is mainly caused by natural and institutionalized factors leading to an imbalance in demand throughout the year. This faces businesses of the tourism industry with a range of negative impacts which result in the general view of seasonal demand variations as a problem endangering the industry. While a variety of approaches to solving the

problem of seasonality exists in literature, a common consensus is missing due to limited research conducted in this field. Many of the current strategies to counteract the negatively perceived impacts of seasonality lack a consumer focus as they merely address the development of the attractiveness of the offering without thereby considering the consumers' perceptions – although the consumers' demand is the basis of the phenomenon of seasonality.

The presentation of the concept of product development has shown how important constant development is for businesses operating in the highly fragmented tourism industry. The large significance of customer involvement in product development as market pull and driving force of innovation together with the so far limited success of the current attraction-based strategies to overcome seasonality suggests to consider product development as a promising tool to find sustainable solutions for particular businesses in order to stimulate demand in off-season times. Relating the basic product development process to the overall problem of seasonality tackled in this thesis, considerations concerning whether the product idea will meet the customers' wishes and needs are substantial in order to be able to identify a new product idea's potential to attract more customers in times of general low demand.

In the further course of the chapters, the practically oriented six-step model of the development process for the food and beverage service industry has been presented. In the purpose of building the fundament for particular development considerations for Cafe im Goebenhaus, representing a typical small business in the local gastronomy market of Stade, a comprehensive overview about the cafe's underlying concept, target group and objectives has been provided which was completed through a summarizing overview about the cafe's strengths and weaknesses.

5 Methodology

After having presented the theoretical background of the topic on basis of a review of different literature and industry sources, this chapter shall be concerned with an introduction of the research methodology additionally used to answer the research questions of this thesis.

Both, secondary and primary information are required to explore the topic of seasonality in the food and beverage service industry in relation to product development's potential to counteract its negative effects. The theoretical framework as presented in the previous chapters is based on different sources from literature as well as industry-based informants.

This includes professional books and magazine articles, statistical data from the Internet as well as information provided personally by industry actors from the public and private sector. A careful and comprehensive review of secondary data sources was an essential part of this thesis as it builds the theoretical fundament for fulfilling the aim of this thesis to develop feasible solution approaches for Cafe im Goebenhaus to stimulate demand during the annual low-demand periods. Secondary research delivered the key issues, their background, definitions and the associations between these key elements, therewith providing the vital golden thread guiding through this thesis.

In the following, the research approach and strategy used in this thesis for the primary data collection are defined. Furthermore, a description of the research procedure is given with a detailed explanation of the components of the research strategy and instrument applied. Finally, the reliability and validity of the methods as well as the limitations of this thesis are identified.

5.1 Research approach

A researcher can generally choose between the qualitative and quantitative approach when conducting research (Scanlon 2000, 6), whereby the decision which approach to use is dependent on the nature of the research questions and, therefore, on the information required to answer them (Wilkinson 2000, 20).

The research question in this thesis which is sought to be answered through primary data collection addresses the guests of Cafe im Goebenhaus who visit the cafe also in the traditional months of low demand as identified to be November, January, February and March. It needs to be found out who these guests are and what they request out of the cafe's offering.

On the one hand, this requires basic information on, for instance, their age or domicile as well as knowledge about their purpose of visit and the kind of offering they come for. On the other hand, also information on their personal perceptions, evaluations and ideas concerning the cafe and its offering are needed in order to fully explore the characteristics of the cafe's off-peak clientele.

Therefore, it seems sensible to combine aspects of both, the qualitative and quantitative approach to research. While the quantitative approach refers to the collection and analysis of numerical data to identify statistical relations of the aspects investigated, the qualitative approach to research bears on the gathering and analysis of non-numerical data in order to explore people's individual beliefs, attitudes, behaviours or experiences. (Scanlon 2000, 7-8)

The qualitative research approach is unstructured and exploratory in nature and leaves room for individual answers and interpretations. The results are usually presented in form of descriptions or quotations or in form of simple statistics. Quantitative research, on the contrary, involves data which is easily measurable and numerically processable. As the methods used in this approach to gather the information are highly structured, also the results are of this nature and can therefore be presented in form of descriptive statistics. (Scanlon 2000, 7-8)

5.2 Research strategy and instrument

As the research question which is sought to be answered by help of primary data collection deals with the characteristics of the guests of Cafe im Goebenhaus, a research strategy and instrument clarifying the causes and interrelations between basic features of the respondents and their particular perceptions and wishes with respect to the cafe's offering are required.

Therefore, the survey strategy with the data collection instrument questionnaire seems the most appropriate research methodology to apply. According to Saunders, Lewis and Thornhill (2007), the survey strategy usually aims at answering "who", "what", "where", "how much" and "how many" questions in order to identify the reasons for certain associations between different variables. It is concerned with gathering information on attitudes, opinions and ideas of the respondents (Hinds 2000, 41).

Using the survey strategy, the data is often collected by the help of questionnaires. The term questionnaire generally refers to all techniques used to gather information in which each of the respondents is faced with the same questions in the same order (Saunders et al. 2007).

Questionnaires are the suitable instrument to apply when people are supposed to be studied with respect to a particular problem definition providing answers that allow for generalizations and comparisons and give indication of developments (Hinds 2000, 43). Respondents usually complete the questionnaire on their own which makes it especially important to define the

questions very precisely since during the questioning there is no chance to alter the questions (Saunders et al. 2007).

In order to design the questionnaire as user-friendly as possible so as to ensure a high response rate, a mixture of both, open and closed questions seem appropriate for the use in this thesis. While closed questions provide the respondent with pre-designed answering possibilities they just have to tick off, open questions allow the respondents to fill in their own suggestions, ideas and opinions (Hinds 2000, 44). Hence, while closed questions are appropriate for gathering information about basic facts like the age or gender of the respondents, open questions are used for getting to know the guests' evaluation and ideas concerning the offering of Cafe im Goebenhaus.

Following the survey strategy using questionnaires as research instrument offers thus the potential to provide the necessary information to answer the respective research question and, consequently, to create the fundament for realizing the aim of this thesis.

5.3 Description of procedure

Prior to the actual questioning of the guests of Cafe im Goebenhaus, a test run was conducted in order to test the respondents' likely perception and attitude towards the questions, their understanding of the questions as well as the type of answers they give to see if the questions deliver the intended information.

After the questionnaire has shown to provide promising answers, the actual questionnaires were conducted on 10 and 11 March 2010. In order to be able to survey guests demanding the different kinds of the cafe's offering, the questionnaires took place during the entire daily opening period of the cafe. The researcher placed much value on a relatively equal distribution of questionnaires to breakfast, lunch and afternoon guests. Altogether, 53 guests have been asked to fill in the questionnaire during the two days of data collection, whereby only three refused to answer the questions, providing a total response base of 50 completed questionnaires. Each guest was personally introduced to the background of the questionnaire and its purpose, and was politely asked to complete it. The questionnaire was conducted in German language as this is the mother tongue of both, the respondents and the researcher. Attachment 1. shows the questionnaire which has been used to characterize the off-peak clientele of Cafe im Goebenhaus translated into English.

5.4 Guest questionnaire

As noted earlier, the questionnaire which was conducted with the guests of Cafe im Goebenhaus in the beginning of March 2010 was needed to approach the third research question addressing the cafe's off-peak customers and their purpose of visit. Only when knowing the guests who come during the months of general low demand and their opinions regarding the cafe's offering, it is possible to successfully develop and advance the products and services of Cafe im Goebenhaus according to the guests' wishes.

The questionnaire is divided into two sections with the first addressing the respondents' person and the second addressing their attitude and behavior.

Questions one to five display the first section and refer to the guests' basic features of age, gender, domicile and occupation. In order to design the questionnaire as simple and as time-saving as possible, the respondents were here provided with closed questions with pre-formulated answering possibilities. The pre-specified response options were carefully chosen so as to avoid confusion for the respondents. Hence, this first part aimed at identifying the basic characteristics of the off-peak clientele providing a fundament for later identified interrelations between certain guest features and their wishes.

The second section of the questionnaire composes of 10 questions being partly open or close-ended. Questions five, six and seven concentrate on the guests' visiting behavior asking if they have already been guest in the cafe before and, if yes, how regularly they come, and if they can identify a tendency for themselves to be more likely to visit the cafe in summer months than in the general off-peak months from November to March. Answers to these questions give information on the share of regular customers which presents a useful base for the identification of the most important ideas and wishes to consider for potential product development activities.

Questions eight to eleven concern the purpose of the guests' visit and their preferred type of offering they choose. With respect to the lunch menu, it was also asked if guests tend to choose from the regular menu or from the special menu of the day in order to get indications which offer shows more potential for successful development. In addition, it seemed useful to get to know the guests' frequency to bring children with them so as to get information on the potential of developing a more child-directed offer.

The last three questions have been asked open-ended leaving the respondents room for individual answers. This seemed of great importance as these questions address the guests' opinions and evaluations of the cafe and its offering. The respondents are asked to evaluate the variety of the different product categories and the cafe's atmosphere as well as to indicate what they are missing. Moreover, it was asked how they assess the weekly lunch highlight in order to explore its significance and potential for attracting additional guests or for stimulating regular customers to come more often in low-demand times.

Through these questions, a sound basis for the development and advancement of the different aspects of the cafe and its products and services offered was gathered in order to be able to direct Cafe im Goebenhaus towards greater guest acceptance in low-demand times.

5.5 Validity and reliability

Generally spoken, validity and reliability refer to the quality of the data collected as well as to the appropriateness of the research methodology applied in a research project (Cano 2000).

The term validity, in particular, relates to the strength of the inferences and conclusions drawn from the raw information gathered by help of the research instrument chosen. According to Saunders et al. (2007, 150) it is "concerned with whether the findings are really about what they appear to be about". Reliability refers to the persistence and consistency of a research's findings. It is concerned with the degree to which a research instrument would reveal the same results when applied under the same conditions but by a different observer or on a different occasion. (Hinds 2000, 42.)

In attempts to ensure validity and reliability in the research for this thesis, several efforts have been undertaken. Hence, the researcher was very careful in defining the aim and purpose of this thesis as well as in justifying the topic's importance. Together with the resulting research questions, she was thus able to define what she wants to find out, therewith providing the essential fundament for the process of framing the questions for the questionnaire (Wilkinson 2000, 16).

In addition, the researcher tested the questions' actual usefulness in advance to the concrete process of questioning the guests of Cafe im Goebenhaus and decided to apply the suggested set of questions not before she was convinced of their results' quality with respect to the respondents' ability to decode the questions in the intended way.

Furthermore, the researcher placed much value on a careful and comprehensive explanation of the questionnaire's background and purpose to the respondents in order to avoid participant bias which would endanger the results' reliability (Saunders et al. 2007).

The researcher is also aware of the problem of her individual interpretation's subjectivity and therefore strives to be as objective as possible when decoding the respondents' answers to the survey questions (Saunders et al. 2007). The large number of simple close-ended questions might help to keep the danger of this aspect relatively small.

Moreover, through the fact that the questionnaires were conducted during the general low-demand month of March, the researcher was able to ensure to actually meet the required target group for the study – namely those guests who visit the cafe in off-peak periods.

5.6 Limitations

As mentioned earlier, the primary research in this thesis is conducted to find answers to one particular question out of the four main research questions presented to finally being able to accomplish the overall aim of this dissertation. This respective question concerns the characteristics and purposes of the cafe's off-peak clientele which are a helpful and necessary prerequisite as basis for future product development ideas for Cafe im Goebenhaus. The other questions are sought to be answered through a thorough analysis of secondary sources from both, literature as well as industry-based informants.

One might argue that the primary data's quality might be limited by the fact that the inquiries took place in only one month of the low-demand period which usually covers four months. Nevertheless, this potential weakness can be mitigated by statements of the owner and manager of Cafe im Goebenhaus who says that the last 24 years of the business' existence and experience have shown no significant differences between November, January, February and March, and that they can be seen as one entity seceding from the remaining months of the year (Romund-Vöckers, A. 28.02.2010).

With respect to the aim and purpose of this thesis, the presented six-step process of product development as suggested by Feltenstein (1986 in Crawford-Welch 1994, 198-206) serves a useful guideline at which to orient the actual idea generation for Cafe im Goebenhaus. Nevertheless, due to reasons of scope as well as of the given conditions of this thesis, it is

neither sensible nor feasible to apply each step to the case of the cafe. Hence, this thesis is limited to those steps that refer to the idea generation for product developments and excludes aspects like a detailed description of the recipe or particular operational procedures, cost calculations as well as planning of respective marketing activities. Due to the aim of this thesis to generate opportunities for Cafe im Goebenhaus to stimulate demand in low-demand times and, thus, to counteract seasonality, the scope of this work is limited to the theoretical development of ideas and excludes its implementation.

Furthermore, as already mentioned, the theories to solving the problem of seasonal demand variations concentrate on those tools being in control of the individual private industry actors. The potential of tourism associations, state interference or cooperations between single businesses to counteract seasonality are not covered in this thesis although they are being presented in literature.

6 Findings and data analysis

The following chapter is concerned with the presentation of the findings of the primary research conducted by the help of questionnaires which were addressed at the guests of Cafe im Goebenhaus.

The chapter starts providing an overview about the respondents' profile before going on to an in-depth analysis of the findings revealed from the questionnaires' answers. A summary of the results presents the concluding section of this chapter providing the basis for the following section on conclusions and implications for Cafe im Goebenhaus.

6.1 Profile of respondents

Altogether 50 respondents have agreed to complete the above mentioned questionnaires which were conducted among the guests of Cafe im Goebenhaus in the cafe's premises on 10 and 11 March 2010. Thereby, 26 questionnaires were filled in on the first day of the survey and 24 followed on the second day. The respondents answered the questions anonymously without mentioning their name and have been made aware of the fact that their information will be made public in the framework of this Bachelor's thesis. The following presentation of the profile of the respondents refers to the basic features of the guests and is derived from the

first four questions of the questionnaire which address the respondents' personal data including age, gender, domicile and occupation.

Table 2. Profile of respondents

Feature/Age	< 20	21-30	31-39	40-49	50-59	60-69	> 70	Total
Gender								
Female	2	2	3	5	10	8	4	34
Male	2	1	2	2	3	4	2	16
Domicile								
Stade	2	2	3	3	6	4	4	24
Close vicinity	-	1	1	2	3	3	2	12
Hamburg	-	-	-	-	-	3	-	3
Beyond	2	-	1	2	4	2	-	11
Occupation								
Pupil/Student	3	1	-		-	-	-	4
Employed	1	2	5	6	12	3	-	29
Job-seeking	-	-	-	1	-	-	-	1
Retiree	-	-	-	-	1	9	6	16
TOTAL	4	3	5	7	13	12	6	
	50 respondents							

As can be seen from the above table, a major share of the respondents is aged 40 years or older, whereby the portion of those aged between 50 and 59 and 60 and 69 years is the most significant. The accumulation of the four age groups within this spectrum accounts for 76 percent of the total number of respondents with the age groups from 50 to 69 years alone representing half of all surveyed.

34 of the participants are women accounting for a share of 68 percent of all respondents. While the ratio between male and female guests seems to be relatively equivalent in the younger age groups up to 39 years, the dominant portion of women is most significant in the age groups of the 50-to-59-year-olds and the 60-to-69-year-olds. While 25 of all respondents are between 50 and 69 years old, only seven men are among them, being generic for the overall distribution of the genders.

Almost three quarter of all questionnaire participants live in Stade or its close surrounding, whereby 48 percent are direct residents of Stade. While eleven respondents state to come from places beyond the area of Hamburg and Stade, only three of the surveyed guests indicate to live in the city of Hamburg, together accounting for 28 percent of all participants. The greatest share of people who do not come from Stade or locations close by can be found among the age groups from 50 to 69 years with a total of 18 percent of the respondents.

Regarding the respondents' occupation, a major share of 58 percent are working with only one participant out of 50 being job-seeking. 16 of the surveyed guests are retirees accounting for almost one third of the total respondents. With only four guests having stated to be pupil or student, this group represents a vanishingly small share of the participants.

This basic profile of the respondents of the customer questionnaire provides the necessary fundament for being able to present the further findings of the research concerning the participants' visiting behavior with respect to Cafe im Goebenhaus. On basis of the central characteristics of age, gender, domicile and occupation, the researcher is able to draw conclusions and generalizations in order to establish associations between these characteristics and certain behavior traits.

6.2 Presentation of the findings

This subchapter is concerned with the presentation of the questionnaires' results regarding the respondents' behavior towards Cafe im Goebenhaus.

Following the answers to question five, 37 respondents stated that they have already been at the cafe before the visit on the day of the questionnaire, amounting to a share of 74 percent returning customers. Four of these guests indicated to come several times per week and ten to visit the cafe usually once per week, together constituting more than one quarter of all respondents. Further 14 guests reported to go to the cafe once a month (four respondents) or even several times per month (ten respondents). The remaining nine returning guests indicated to come at least once a year with six of them stating to visit the cafe several times throughout the annual course.

Further on, the returning guests have been asked if they can discover a personal tendency to visit the cafe less often during the months from November until March than in the period

from April to October. Ten participants reported to have this tendency while the remaining 27 answered to come equally frequent and therewith independently of the season. Hence, for almost 73 percent of the respondents, the annual season does not directly influence their visiting behavior.

Question eight addresses the respondents' purpose of visit. A major share of 44 percent of the participants stated a private meeting with friends or family to be their main cause for visiting the cafe. Twelve of the surveyed answered to use the cafe as place to spend their break during the working time and two reported to come to the cafe in the course of a business meeting. A share of 16 percent of all respondents indicated to visit Cafe im Goebenhaus as tourist during their holidays in the local area. The respondents were also given the option to fill in a self-defined purpose for their visit whereby two stated to come regularly to the cafe after their weekly shopping tour at the local market and four indicated to combine a visit of the "Stader Kunsthaus", the art gallery of Stade, with a visit of Cafe im Goebenhaus.

Further on, the guests were asked which type of offering they have come for. Respondents could either indicate their current choice for those visiting the cafe the first time, or could state what they usually come for, whereby it was possible to mark several types of offering to show the respondents' common preferences out of the cafe's offering. 26 participants answered to use the breakfast offer, 18 to have lunch, 38 to have coffee and cake and four just to drink something. Out of the 13 first-time-guests six indicated to have come for coffee and cake, three for lunch and two in each case for either breakfast or just to drink something.

Those who come to have lunch at the cafe were asked from which menu they have chosen or usually choose. While 66 percent of the 18 lunch guests reported to have chosen their dish from the special menu of the day, 34 percent took a meal from the regular menu.

The majority of 54 percent of the respondents indicated to generally come without children aged 12 or younger, while 34 percent stated to usually come in company of children. The remaining twelve percent of participants reported to bring children only occasionally with them.

Question twelve asked the respondents to evaluate the variety of the different types of offering. 36 of the surveyed guests appraised the variety of coffee and tea specialties as fully sufficient while four respondents indicated to miss a larger selection of green teas, three stated

to wish for a greater choice of herbal teas and two reported to miss soy milk on the menu. Two respondents did not evaluate the variety of coffees and teas. Only 18 out of the 50 surveyed guests appraised the choice of breakfasts, lunch dishes and snacks from both the regular menu and the daily special offer. All of these respondents evaluated the selection offered in both menus as fully sufficient and did not indicate advancement suggestions. Concerning the cake and tart selection offered, 38 respondents stated their opinions with 35 participants evaluating the choice as fully sufficient and three missing the offering of smaller cakes like muffins.

Being asked to appraise the atmosphere of the cafe's interior, 48 respondents evaluated the atmosphere as cozy and comfortable and 47 as reflecting the offering. Nevertheless, also two respondents perceive the ambience as narrow and loud and two see the interior not in line with the offering and think that they do not fit together. The respondents were also offered the option to provide individual descriptions of the atmosphere. Hence, seven participants stated to perceive the atmosphere as exciting, varied or inspiring with respect to the changing art exhibitions, nine described the ambience as similar to one's living room at home with the antique furniture and the timber framework and two guests evaluated the premises as cold and draughty when sitting close to the cafe's entrance door.

The last question of the questionnaire concerns the cafe's weekly lunch "highlight" asking the guests to appraise the idea behind and the significance for them as individual guest. Altogether 18 respondents answered this question, whereby 10 evaluated the "highlight" as good because it offers variation, four indicated to like it due to its reflection of the seasonality of the ingredients and two stated not to be interested in it. Two guests described the "highlight" as special and attractive as it cannot be expected and always provides a surprise for the guests.

6.3 Analysis and significance of findings

The previous sections on the profile and answers of the respondents provided an overview about the pure findings of the questionnaires. In order to be able to identify associations between single features and behavioral traits, it is sensible to view significant aspects in closer detail and interconnection to each other.

It was noticeable that the share of returning guests revealed by the customer questionnaire was considerably high. 74 percent of the respondents stated to have been at the cafe before with

56 percent even coming on a regular weekly or monthly basis, whereby in each case 28 percent of the surveyed guests indicated to visit the cafe once or even several times per week or per month.

To establish and maintain repeat guests and customer loyalty are one of the most important tasks for business managers in today's business environment (Duffy 2003, 480; Freyer 2007, 438). Economic benefits of loyalty like cost savings with respect to new customer acquisition or marketing activities (Duffy 2003, 480) or increased planning security emphasize this issue's important role in product decision making (Freyer 2007, 438). This implies the significant importance of those regular guests' characteristics and perceptions towards a business' offering. Therefore, it makes sense to take a closer look at the particular answers of the apparent regular guests of Cafe im Goebenhaus.

Table 3. Results of the questionnaire

	> 1 x per week	1 x per week	> 1 x per month	1 x per month
Total number	4	10	10	4
Gender	3x women 1x men	7x women 3x men	6x women 4x men	2x women 2x men
Age	2x 50-59 yrs. 2x 60-60 yrs.	2x 40-49 yrs. 2x 50-59 yrs. 2x 60-69 yrs. 4x >70 yrs.	1x 31-39 yrs. 2x 40-49 yrs. 4x 50-59 yrs. 3x 60-69 yrs.	2x 40-49 yrs. 2x 50-59 yrs.
Domicile	2x Stade 2x close vicinity	6x Stade 4x close vicinity	7x Stade 3x close vicinity	1x Stade 3x close vicinity
Occupation	3x employed 1x retiree	5x employed 5x retiree	10x employed	4x employed
Purpose	2x friends&family 2x working break	4x friends&family 4x working break 2x other: shopping	6x friends&family 4x working break	1x friends&family 2x working break 1x business meet.
Type of offering	2x breakfast 4x lunch 2x coffee & cake	4x breakfast 4x lunch 6x coffee & cake	4x breakfast 4x lunch 6x coffee & cake 2x only to drink	1x breakfast 3x lunch 2x coffee & cake 1x only to drink

Table 3. provides an overview about the detailed profile of the regular guests of Cafe im Goebenhaus including their purpose of visit and the type of offering they usually choose. The table shows their characteristics in groups according to their frequency of visit.

Altogether 28 respondents can be counted among the regularly returning guests. Almost 65 percent of these guests are women. It is remarkable that all of these guests are living in the area of Stade with a share of 57 percent being direct residents of the town of Stade.

The guests who visit the cafe most often with more than one visit per week can be found among the age group of the 50-to-69-year-olds. They stated their purpose of visit to be either a personal meeting with friends or family, or spending of the break during working time. While all four respondents of this group of regular guests reported to usually have lunch at the cafe, two in each case indicated to come for breakfast or coffee and cake.

Ten guests stated to come once a week to the cafe. The majority of these respondents is aged 50 years or older with a share of 40 percent being older than 70 years. Nevertheless, also two guests who are between 40 and 49 years old can be counted among this group of regularly returning guests. Half of the questionnaire participants are retirees and the other half reported to be working. Their main purpose of visit is either a meeting with friends and family, or again spending the working break in the cafe. Two of those regular guests also stated to commonly combine their weekly shopping tour with having lunch or coffee and cake at Cafe im Goebenhaus. 60 percent of the respondents of this group reported to come for having coffee and cake, whereby this answer was only found among the guests being older than 60 years. Breakfast and lunch as main type of offering chosen was only indicated by those four guests who are between 40 and 59 years old.

The guests who visit the cafe several times per month are mainly aged between 50 and 69 years, whereby also two respondents stated to be aged between 31 and 39 years, and two being aged 40 to 49 years. Three of the latter mentioned guests indicated to usually spend their lunch break at the cafe while they also occasionally come just to drink something or to have breakfast. The other respondents being aged older than 50 years mainly named coffee and cake as their main type of offering chosen.

The last group of the cafe's repeat guests consists of those four guests who visit Cafe im Goebenhaus once per month. They indicated to be aged between 40 and 59 years and to be employed. Half of these respondents reported the spending of their break during work to be

their main purpose of visit and named lunch as their common type of offering they come for. While the two younger guests stated also to come for having breakfast or just something to drink, the two respondents who are between 50 and 59 years old additionally like to take coffee and cake at the cafe.

Regarding the other questions of the questionnaire which have not been covered in the basic profile in table 2., it is remarkable that, out of the 15 respondents who indicated to come for having lunch at the cafe, only two reported to usually choose a meal from the regular menu.

Four of the regular guests indicated to usually bring children with them and two stated that they occasionally have children with them. The majority of the repeat guests, nevertheless, comes without.

With respect to the evaluation of the cafe' interior atmosphere it seems remarkable that all 28 regular guests responded to perceive the atmosphere as cozy and inviting. 24 of the participants evaluated the cafe's interior as being in accordance with the offering and altogether seven respondents commented to feel as if being in a living room at somebody's home, whereby this perception was only found among the answers of the guests aged 50 years and older. Another seven respondents indicated to like the changing art exhibitions and therefore to perceive the atmosphere as exiting, whereby those comments were mainly given by the guests aged between 31 and 49 years.

Cumulating the answers to the question about the cafe's weekly lunch "highlight", eight of the regular guests indicated to like the underlying idea as it offers variety, two stated to evaluate the "highlight" as good due to its reflection of the seasonality of the ingredients, and one respondent reported that he likes the "highlight" because one never knows what to expect. Thereby, all of the guests aged younger than 50 years (seven respondents) have commented on the "highlight" reflecting this age group's interest in this special offer. In addition, this view on the particular interest is supported by the fact that almost 70 percent of the evaluative comments come from those guests visiting the cafe on a regular weekly or monthly basis.

Being asked to evaluate the variety of the offering and to give advancement suggestions, it became evident that all of the repeat guests see the breakfast and lunch offer as fully sufficient. However, it was also these regular guests as the only ones in the questionnaire who have indicated to miss menu items. One woman who even comes several times per week

wishes for soy milk and a wider selection of herbal teas. Two respondents who indicated to visit the cafe once per week are also missing herbal teas and a greater choice of green teas, and small cakes like muffins are requested by one woman who comes several times per month.

6.4 Summary of results

Summarizing and generalizing the results of the questionnaires conducted in the general low-demand month of March, the profile of the guests of Cafe im Goebenhaus can be described as being dominated by older people aged between 50 and 69 years who constitute a share of 50 percent of the customers. A major portion of the cafe's guests are women which has been shown in a 68 percent share of females among the group of respondents. With almost 75 percent, the majority of the guests who have been surveyed come from Stade or a place in the town's close vicinity, whereby more than half of the guests have a job and are working, and almost one third are retirees.

Private meetings with friends or family members followed by spending the working break at the cafe are the most common purposes of visit among the surveyed, whereby the most favored types of offering are coffee and cake specialties and breakfast. However, the cafe also reveals to be a popular venue for lunch especially among the cafe's regular guests. Thereby, the majority of guests prefers to choose their meal from the menu of the day. Almost all guests perceive the atmosphere of Cafe im Goebenhaus as inviting, comfortable and as matching the offering, whereby special positive remarks were given on the cafe's antique interior and the changing wall decorations. The cafe's weekly lunch "highlight" is generally perceived as a positive addition to the traditional offering with respect to its variation, seasonality of ingredients and its special surprise factor.

Special attention should be paid to the large number of regular guests. The questionnaires revealed a share of 74 percent of returning guests with more than half of the respondents coming on a regular weekly or monthly basis. The majority of those guests is older than 50 years being especially dominant among the returning guests who weekly visit the cafe. Hence, also the share of retirees among the regular guests can be seen as considerably high.

As the closer analysis of the regular guests revealed, the coffee and cake offer is mainly favored by those being older than 50 to 60 years while the younger clientele tends to prefer to have breakfast or lunch at the cafe. All twelve respondents who have stated a visit during their

working break as purpose for going to Cafe im Goebenhaus are found among these younger regular guests. They also show large interest in the cafe's weekly lunch "highlight and commend its high degree of variation and surprise. While, also among the regular clientele, all like the atmosphere of the cafe, the younger guests aged up to 49 years tend to place more value on the art exhibitions and the older guests appreciate the cafe's living room ambience.

The characteristics and associations revealed and summarized above form a useful fundament for developing promising product ideas for Cafe im Goebenhaus. Hence, the cafe's offering can be shaped more towards the wishes and features of its off-peak clientele in order to finally find approaches to counteract the phenomenon of seasonality and stimulate demand in low-demand times.

7 Conclusions and implications

Based on above findings from both, the analysis of primary and secondary sources, it is now sensible to apply the theoretical considerations from the previous chapters to the actual business conditions of Cafe im Goebenhaus.

The literature review presented seasonality as a considerable problem for the tourism industry and constant development of a company's offering not only as a necessary prerequisite for businesses to stay competitive but also as a promising solution approach to counteract seasonality. Thereby, the special characteristics of small companies need to be considered giving indication on the form of product development to apply. In this context, it was revealed that small businesses should rather advance their existing offering instead of engaging in risky invention activities or failing to develop at all.

As it is the aim of this thesis to provide sound opportunities for the cafe to counteract seasonality, this chapter shall be concerned with the development and presentation of these opportunities out of the concept of product development adapted to the conditions of small tourism companies. The presentation of product and service ideas for the cafe is oriented at the six step process of product development created by Feltenstein (1986, in Crawford-Welch 1994, 198-206). Due to reasons of scope, only the first four steps of the model are applied to the situation of Cafe im Goebenhaus since the last two steps address the implementation of the selected development ideas which is not covered in this thesis.

7.1 The product development process: steps I & II – setting new product priorities

According to the first step of Feltenstein's product development process (Feltenstein 1986, in Crawford-Welch 1994, 198-206) all aspects from the different functions of the company need to be considered when generating development ideas. Special attention should thereby be paid to marketing-, accounting- and operation-wise frameworks within which to develop or advance a business' offering. Cafe im Goebenhaus is a small gastronomic business with limited financial and facility resources as presented in earlier chapters. These conditions narrow the scope of the cafe's development opportunities and provide the fixed frame for activity. Hence, the product ideas should be realizable without large capital investments, high operational risks, the need for additional kitchen facilities and equipment as well as intensive marketing activities.

Feltenstein's second step is concerned with setting product priorities (Feltenstein 1986, in Crawford-Welch 1994, 198-206). Reviewing the cafe's corporate goals, it is the company's main objective to sustain business operations in order to maintain a sound income for the owner's family. The development ideas should therefore be supportive additions to the current offering to attract further customers, especially in the critical months of low-demand, in order to thus contribute to the survival of the business.

Moreover, Feltenstein (1986, in Crawford-Welch 1994, 198-206) suggests to determine particular menu items for redevelopment and their future roles within the business' offering. Concerning Cafe im Goebenhaus, the results of the guest questionnaire can give useful indications on which areas to further develop. Thereby, the opinions and perceptions of the off-peak guests deserve additional value since the analysis of the results has revealed that almost three quarter of the respondents has stated to have no personal tendency for seasonality. This shows that the cafe's off-season clientele is reliable and therewith a sound basis for product development activities for Cafe im Goebenhaus.

Hence, it was shown that the coffee and cake offer is very popular among the majority of the cafe's guests and that particularly the younger part of the clientele uses Cafe im Goebenhaus as venue to spend their lunch break at, whereby the menu of the day and the weekly lunch "highlight" received special attention and interest by the guests. As especially the cafe's regular guests visiting the cafe even on a weekly basis come for these kinds of offering, it is sensible to renew them in order not to lose these important guests for reasons of saturation and lost

interest. Moreover, also the breakfast offer enjoys great popularity among the guests providing potential for further development to attract more guests.

However, not only successful menu items offer prospects for development. Thus, the majority of guests stated to chose their lunch menu out of the special offer and not from the regular menu. This gives indication on a lack of attractiveness of the regular menu and therewith on a potential for advancement. In addition, the critical remarks on missing items in the cafe's offering given by the surveyed guests also provide starting points for development. Hence, this proposes a revision of the coffee and tea specialties as well as of the cake offering.

The SWOT analysis of Cafe im Goebenhaus summarizing the business concept's strengths and weaknesses may also help finding indications on how to develop the cafe's offering. Hence, it was revealed, that the cafe has to face high competition due to its location in the gastronomic center of Stade. Nevertheless, through the cafe's unique offering of home-made cakes and tarts as well as its large breakfast and varying lunch offer, it is able to sustain competitive, showing these offerings' important roles and significant potential for development. Furthermore, the SWOT analysis in general revealed a small surplus of strengths and opportunities over weaknesses and threats. According to Feltenstein (1986, in Crawford-Welch 1994, 201), this situation suggests to follow a development strategy which aims at menu expansion or diversification through a review and advancement of the current offering.

Based on the above considerations, the next step concerns the actual generation of product ideas which will be presented in the following section.

7.2 The product development process: step III - generating new product ideas

The third step of Feltenstein's product development process is concerned with generating different ideas for potential future products (Feltenstein 1986, in Crawford-Welch 1994, 198-206). These product ideas are possible logical conclusions drawn from the considerations in step I and II. While the previous subchapter presents all obvious advancement potentials of the offering of Cafe im Goebenhaus as requested by Feltenstein, the following section will concentrate on the two most promising development ideas in order not to exceed the scope of this thesis. Hence, although the analysis in the previous steps also suggests to develop the breakfast offer and the regular lunch menu, the development ideas presented below will focus on a further advancement of the cake offering and the special lunch menu.

The first development suggestion for Cafe im Goebenhaus addresses the arrangement of the currently existing lunch “highlight” and aims at a reshape and adjustment to the off-season clientele’s wishes and needs. The idea is based on the implementation of a “Winter Special of the Highlight” offered during the months of low demand from November until March. The aspect of winter is thereby reflected in the use of winterly and therewith seasonal vegetables like different sorts of cabbage, turnips, potatoes or salads. Each month in this period represents a different motto, like “Cabbage month” at which the weekly “highlight” is oriented. The exceptional character is thereby achieved through the use of new, extraordinaire recipes transforming traditional, local vegetables into modern and innovative meals in combination with typical winter spices like cinnamon, vanilla, cloves or nutmeg. Furthermore, each main dish of the “highlight” is accompanied by a small soup functioning as appetizer. The soup is also oriented at the overall motto of the month and served in a small glass which is integrated in the plate composition of the main dish and also included in its price. All ingredients are supplied by local organic farmers thus guaranteeing good quality and comprehensible origin. While, hence, the “highlight” still follows its original and familiar idea of reflecting the natural seasonality of traditional ingredients, it is added and thus made special by complementing and offering it in a new, distinct and appealing way – week after week.

The second product idea for Cafe im Goebenhaus refers to a reshape of the cafe’s cake and tart offering in order to better adapt it to the off-peak guests’ wishes. This idea seizes on the “highlight’s” underlying idea of offering a weekly changing seasonal special during the low-demand months from November until March which will stand under the motto of a “Winterly Cake Ensemble”. The aspect of winter is again reflected in the use of the cakes’ ingredients for both, the dough and the topping or stuffing. Hence, winterly types of wholemeal grains like buckwheat, rye, spelt or winter wheat as well as winterly fruit sorts like oranges, pears, apples, mandarins and pineapples are used. This offer’s special character is based on the plate composition. The “Winterly Cake Ensemble” consists of two small pieces of the different winterly cakes of the week which are accompanied by a cream specialty and a small winterly fruit salad. The cream is flavored with winterly aromas like orange, cinnamon or chocolate. Along with it, the cafe recommends a winterly herbal tea with, for instance, apple, anise or rosehip, or a coffee specialty flavored with cinnamon, vanilla or orange aroma. In this way, the pattern used by the creation of the “highlight” has been applied to the development of the cake and tart offering seizing on the idea of seasonality of ingredients and variation of the offering.

7.3 The product development process: step IV – screening and selecting ideas

Step IV of the product development process by Feltenstein (1986, in Crawford-Welch 1994, 198-206) is concerned with a careful screening of the above presented product suggestions for Cafe im Goebenhaus. It confronts the ideas' characteristics with the conditions given by the cafe's concept and SWOT analysis, the results of the off-season guest questionnaire as well as the basic trends for the food and beverage service industry in Germany.

As stated before, the first product idea for Cafe im Goebenhaus, the "Winter Special of the Highlight", aims at a re-arrangement of the already existing lunch "highlight" and constitutes a further development and addition to it and its perceived value for the guests. In his process of product development for the food service industry as presented above, Feltenstein (1986, in Crawford-Welch 1994, 198-206) emphasizes the importance of the conformity of new potential products and the underlying business idea and corporate goals. Hence, the advancement of the current "highlight" contributes to the concept's first element of providing three sorts of offers because it represents an addition to the existing lunch menu. Moreover, the cafe's use of traditional seasonal vegetables as motto for the "highlight" in connection with modern and fresh recipes fits the concept's second pillar. Placing the new product idea in the overall picture of the cafe, the "Winter Special of the Highlight" in its special character combining traditional and new product elements is also able to suit the cafe's historic and region-attached ambience and its inspiring atmosphere.

As it is the major goal of the cafe to sustain business, to stay competitive and thus to offer especially women a secure job, the product idea's innovative and therewith interesting and attracting character plays an important role for the attraction of customers, the stimulation of demand and therefore the basis for stable employment. With its regional origin, its fresh quality standard from local organic farmers as well as its contribution to a healthy nutrition as vegetable-based meal, the "Winter Special of the Highlight" already meets the main trends of the German food service industry. This is further supported by the appealingly presented soup which accompanies the main dish, therewith serving the trend of the customers' desire for experience and staging of the food offer. Thus, the idea appears promising for achieving the corporate goals of Cafe im Goebenhaus.

As revealed by the guest questionnaire, especially the cafe's regular guests are interested in the lunch offer. Altogether 18 respondents stated to visit the cafe to have lunch there, whereby 15

of these respondents can be counted among the regular clientele, therewith showing the lunch offer's key role especially for satisfying the important returning customers' needs. Moreover, the questionnaire revealed that the guests who visit the cafe for having lunch are mainly aged younger than 50 years. With its modern composition integrating the soup into the main dish, its high degree of variation and surprise, its healthy basis as well as its fresh new recipes, the "Winter Special of the Highlight" shows the prerequisites to fit these guests' wishes and tastes. According to the questionnaire, especially the regular guests showed particular interest in the "highlight" as already offered. All regular guests younger than 50 years have commented on the "highlight", whereby they emphasized its positive features of variation, seasonality of ingredients and surprise, therewith giving indication on the "highlight's" popularity among the younger regular customers. As the "Winter Special of the Highlight" constitutes an advancement and addition to the currently existing "highlight", it obviously has the potential to meet the guests' interests, too.

Screening the second product idea for Cafe im Goebenhaus against the cafe's concept and goals, it can be said that also the "Winterly Cake Ensemble" stands in accordance with the underlying business concept and the main corporate objectives. As described before, the "Winterly Cake Ensemble" is based on the idea of creating a weekly changing cake special which reflects the annual season of winter through the use of winterly typical ingredients. Thereby, the offer consists of two small pieces of cake which are served on one plate accompanied by a seasonal cream specialty and a fruit salad. As it, thus, represents an addition to the current cake offering, it supports the implementation of the first pillar of the concept of Cafe im Goebenhaus. While traditional cakes are offered with regionally typical recipes, they are served in a fresh and modern way, therewith contributing to the concept's second element of integrating tradition and modernity. With this traditional basis combined with the extraordinary implementation, the "Winterly Cake Ensemble" furthermore suits the concept's aspects of an ancient, historic and inspiring atmosphere.

Like the first product idea, the "Winterly Cake Ensemble" also stands in accordance with the cafe's goal of sustaining a stable basis of income as it provides an interesting development of the cafe's offering with the potential to attract further customers and, thus, to maintain business operations. Moreover, with the regional origin of the recipes, the reflection of the natural seasonality of the ingredients and the high quality of the home-made cakes, the product idea meets the current trends of consumer wants in the German food service

industry. This is supported by the appealing plate composition of the two small pieces of cake with the special cream and the winterly fruits.

The idea of the “Winterly Cake Ensemble” also reflects the results of the guest questionnaire. Hence, it was revealed that the majority of guests come for having coffee and cake at the cafe, pointing to the great interest for this type of offering as well as to its significant potential for development. The coffee and cake offering additionally achieved special interest by the regular guests who are older than 59 years. With its traditional recipes and ingredients, the “Winterly Cake Ensemble” fulfils the prerequisites for meeting these clientele’s wishes. Moreover, as it offers the opportunity of trying not only one large piece of the home-made cakes but even two smaller ones, the idea is able to suit many older people’s wish for smaller portions while practically offering more – diversity and added value. As the offer consists of two different pieces, it is easy to adapt its size to the individual wishes of the guests, therewith perfectly suiting the special requirements of elderly customers. Since the majority of guests are women as revealed by the questionnaire, this aspect achieves additional attention. Women usually tend to eat less than men and therefore often request smaller portions while, nevertheless, they are very interested in trying different dishes. Moreover, the “Winterly Cake Ensemble” seizes on the remarks of missing menu items shown by the questionnaire. Hence, with the special cake offer, the opportunity for smaller cakes is provided and the accompanying winterly herbal teas extend the current offering of tea sorts as requested.

Opposing the product ideas presented above with the results of the SWOT analysis of Cafe im Goebenhaus, it becomes obvious that both, the “Winter Special of the Highlight” as well as the “Winterly Cake Ensemble” fit in the conditions given by the internal and external environments. Both suggestions aim at developing and expanding the cafe’s strengths, coping with its weaknesses, using its opportunities and fighting the threats.

The analysis of Cafe im Goebenhaus revealed the daily changing lunch offer as well as the home-made cakes and tarts as comprehensive strengths of the cafe. While the cake and tart offering is distinctive among the local competitors and therefore represents the cafe’s unique selling proposition, the changing lunch menu provides a continuously altering offering which presents constant variation to the guests. With the new product ideas being based on a further development of these two key elements of the cafe’s offering, the strengths of Cafe im Goebenhaus can be expanded and, thus, be used as basis for future success.

As shown by the SWOT analysis, the cafe has to face weaknesses referring to its limited financial and space-wise resources. Since the two product ideas merely constitute a further development and advancement of the current lunch and cake offering, their implementation and realization does not require new investments or additional space because the resource-based prerequisites are already established. Hence, the cafe is not confronted with the need for additional capital and therefore the operational risk is limited.

Viewing the opportunities imposed by the external conditions, Cafe im Goebenhaus is able to foster its uniqueness within the local cafe market of Stade. On the one hand, the new product ideas contribute to a development of the cafe's three-folded offering of breakfast, lunch and cakes, and on the other hand, they strengthen the cafe's unique selling proposition. Thus, the development ideas significantly consolidate the position of Cafe im Goebenhaus as competitive actor on Stade's gastronomic market.

As both product suggestions aim at stimulating demand through providing additional offers adapted to the guests' special requirements, they can be used to counteract the threats of high competition and seasonal demand variations. While, as already explained, the ideas contribute to the cafe's uniqueness and, consequently, to its differentiation from other suppliers, they show potential to attract further customers and therewith to withstand the competitive pressure, possibly even to balance the seasonal differences in demand.

As revealed above, both product development ideas contribute to the cafe's concept and goals as well as they suit the guests' wishes as shown by the results of the guest survey. Keeping their compliance with the conditions shown by the SWOT analysis in mind, it is sensible to examine their actual potential to solving the problem of seasonality of demand.

7.4 Product ideas vs. seasonality of demand

After having screened the product ideas against the cafe's conditions, their actual potential to approach the problem of seasonal demand variations needs to be scrutinized in order to place the development suggestions in the overall concern of this thesis and, thus, to fulfill the aim of the dissertation.

As the literature review revealed, seasonality of demand is viewed as a considerable problem for the tourism industry (Allcock 1995, 94-97; Baum & Lundtorp 2001, 2; Butler 2001, 5). In

the case of Stade and Cafe im Goebenhaus, even one third of the year has to be seen as period of low-demand resulting in considerably lower revenues (Romund-Völckers, A. 28.02.2010).

Most tools used so far to counteract its negative impacts focus on developing the attractiveness of the offering, thereby often concentrating on a mere product focus. The consumer as prevailing and decisive factor on the highly fragmented buyers' market of the tourism industry is often not taken into account although the significance of the institutionalized factors affecting seasonality and the persistent remain of the phenomenon of seasonality suggest to shift the focus on the consumers' behavior and to consider the consumers' wishes, needs and requirements. (Butler 2001, 13.)

The concept of product development shows this very consumer focus as it is its core task to develop a product that is in accordance with the customers' wishes, whereby active consumer involvement plays an important role in the development process (Waldner 2006, 15). Hence, the basic concept of product development in itself shows the potential to counteract seasonality (Flagestad 2006, 26; 35-36).

The product ideas for Cafe im Goebenhaus follow this key principle of product development as they are based on the results of the customer questionnaire which aimed at discovering the off-peak clientele's features in interrelation to their behaviors and opinions towards the cafe's offering. Through the development ideas' thorough screening against the cafe's concept, its corporate goals as well as its internal and external strengths and weaknesses, opportunities and threats, the ideas have been checked on their capabilities to be successful additions to the current offering and have proven to be promising developments.

Further on, the literature review has shown that constant development is essential for businesses to remain competitive. It ensures that a company's offering is continuously adapted to the changing environment and the altering consumer preferences. However, due to the characteristics of small businesses and the high competition on the tourism market, development practices are hardly found because change is generally perceived as risky operation. Nevertheless, these risks can be limited through an adaption of product development to the characteristics of small tourism firms. Hence, small businesses are suggested to engage in the more secure forms of innovation and development like modifications of and additions to the current offering. (Moutinho 1995, 359; 364-365.)

The product ideas for Cafe im Goebenhaus are, on the one hand, based on a further development of the cafe's already existing lunch "highlight" and, on the other hand, on the advancement of the cake offering, therewith meeting the suggestions for small businesses as presented above. While the "Winter Special of the Highlight" constitutes a fresh, newly appealing face of the lunch offering, and the "Winterly Cake Ensemble" an additional, new way to offer the familiar home-made cakes, they do not confront the cafe with the operational risk to introduce its guests to a completely novel product which has not yet proven to be successful.

Furthermore, Waldner (2006, 19) has emphasized the importance of customer involvement in product developing actions due to the consumers' indispensable role as powerful actors on the tourism market. The customers have the important position to prevent businesses from developing products which are purely resource-based, lack the market focus and fail to keep pace with changing consumer needs (Moutinho 1995, 360).

Hence, the product ideas' compliance with the majority of the main trends in the German food service industry as shown in the previous subchapter is another important hint towards their potential as successful additions to the offering of Cafe im Goebenhaus.

As presented above, it is the aim of this thesis to provide Cafe im Goebenhaus with feasible opportunities derived from the framework of product development in order to increase demand in low-demand-periods and, thus, to counteract seasonality. The confrontation of the product ideas with the cafe's internal and external conditions as well as with the overall context of seasonality of demand reveals that the two development suggestions for Cafe im Goebenhaus theoretically fulfill the prerequisites for stimulating demand in the low-demand months from November until March and, thus, for successfully contributing to tackling the cafe's problem of seasonal demand variations.

Nevertheless, as mentioned before, seasonality is a very complex phenomenon which's negative impacts have already been perceived for many years by actors of the tourism industry (Alcock 1995, 94). Both, the private and public sector have tried to tackle the problem of seasonal demand variations through various efforts, however, until now without sustainable success (Butler 2001, 13). The concept of product development to counteract seasonality through a customer-focused adaption of a company's offering in order to increase demand in off-peak times, as presented in this thesis, is a relatively new approach to tackling seasonal

demand variations and so far only sparsely exposed in literature – though it is. Unchallenged, however, is the view on product development's importance for the long-term competitiveness and success of businesses, especially in the customer-oriented tourism industry (Moutinho 1995, 359). Due to the limited scope of this thesis excluding the implementation and evaluation of the product ideas and their potential success in stimulating demand in off-peak periods, it remains to be seen if the ideas and, in inference, the concept of product development as a whole is an appropriate measure to counteract seasonality. Nonetheless, the sound elaboration in this thesis on the association between product development and the combat of seasonality shows product development's theoretical value of applicability in the context of seasonal demand variations and therefore constitutes another important step on the way towards solving the problem of seasonality.

7.5 Learning process

In order to review my personal learning process throughout the preparation of this thesis, it makes sense to orient this process at the five key stages of research by Scanlon (2000, 9) as already presented in the introduction of this thesis.

Addressing the first step of this research model, it was not difficult for me to find a general topic of interest for my thesis. With Cafe im Goebenhaus being owned and managed by my mother, I have grown up under constant influence of the cafe on my family's life. Hence, the food service and hospitality industry early caught my attention which has continued to endure throughout my school and university life until the preparation of this final thesis. As I know about the difficulties the cafe experiences each year through the seasonal demand variations, it seemed sensible for me to write my dissertation about the issue of seasonality in the food and beverage service industry.

Nevertheless, the identification of a clear focus within the area of interest was far more difficult. With the help of my supervisor as well as throughout the process of reviewing available literature on the topic, I was able to narrow it down to the definition of a small range of research questions on which to concentrate my elaborations. I thus learned to understand the importance of finding a focus as it provides the researcher with the opportunity to specifically contribute to a certain discipline without thereby losing oneself in the masses of information and possibilities.

The thorough considerations I was required to make during the phase of identifying a focus for my research have then helped me to design the actual research process appropriately. The clear direction being pictured in the research questions and aim was very helpful for me to define the results I wanted to find and the way how to achieve them. Literature on methodology provided me with useful information on research methods and instruments and I learned much about how to apply them in order to exploit their full potential for my thesis. The information I gathered during my literature review on the topics of my thesis as well as on research methods formed the basis for the questions of my guest questionnaire which I conducted in the premises of Cafe im Goebenhaus on two days during March 2010. I learned that the research process is not a stable procedure being followed step by step in chronological order but rather an interrelated model of different stages of research. Hence, also during the phase of primary data collection I was still reviewing literature and, thus, complementing my theoretical framework.

Analyzing the primary data from the guest questionnaires was a time-consuming task and showed me how important it is to develop a clear and lucid scheme for presenting the findings. I learned to organize my own thoughts and conclusions and to combine them with the actually obtained results from both, the primary and secondary data research in order to present them in a logical and understandable way for the reader.

All in all, writing this thesis has helped me to improve my abilities to organize comprehensive information, to present them in clear and reasonable coherences and to develop own conclusions on basis of a sound analysis of primary and secondary data.

7.6 Assessing the quality of the thesis

Assessing the quality of this thesis, the five key stages of research by Scanlon (2000, 9) may again be a useful guideline to review the value of this dissertation. As the whole structure is oriented at Scanlon's research model, it seems sensible also to present its quality assessment by means of this scheme.

Referring to the first stage, a clear focus has been developed and presented in the lucid aim of this thesis and the range of research questions. Hence, the reader can easily follow the structure and contents as the answers to the research questions step by step lead to the fulfillment of the aim. As author of this dissertation, I have placed much value on the linkages

of each chapter and subchapter to the overall aim of the thesis and to each other. I intended to thus provide a comprehensive structure of contents in order to ensure that the readers may follow the way of argumentation and coherences between the single issues of the thesis.

Concerning the research design including the review of secondary and primary data, the use of a variety of different sources of information seemed very important. Consequently, different professional literature from books and contemporary magazine articles as well as personal interviews with industry informants from the private and public sector have been utilized to build a sound basis for conclusions and recommendations. Nevertheless, it might be argued that some of the literature sources are obsolete because they date back to the 1970s, 1980s or 1990s. However, due to the fact that only little research has been done so far in the field of seasonality of demand, also current authors refer to these older sources. The reason for this lies in the significance of the findings attained at that time because the researchers back then have achieved seminal results on the fundamentals and backgrounds of the key issues which are still accepted nowadays as the references of contemporary professional authors show. Moreover, as various sources have been used in this thesis including up-to-date information from web pages and magazine articles, the mixture creates an overall sound picture of the situation, background and coherences.

Regarding the primary research, as already presented in the methodology chapter of this thesis, much value has been placed on the careful planning and organizing of the research process on basis of a comprehensive literature review. Hence, the prerequisites for a successful research and profound results have been created. Nevertheless, the significance of the findings might be narrowed through the coding frame used in the analysis of the results to summarize the answers of the open-ended survey question concerning the evaluation of the cafe's current lunch "highlight" and the interior atmosphere of the cafe's premises. As the answers have been very similar and easy to categorize due to their consistent direction, it seemed most sensible to summarize the results in order not to confuse the reader with the masses of material. Elementary differences or outstanding particularities would have been pointed out as they would have provided useful hints for the development of product ideas for Cafe im Goebenhaus.

In addition, it might be seen as a weakness of this thesis that only a small portion of the results from the guest questionnaire has actually been used and realized in the development of the product ideas for the cafe. Nonetheless, a comprehensive questioning of various aspects

around the cafe as well as the extensive presentation of the respective results was important for initially being able to discover tendencies and potentials as fundament for developing ideas for potential new products. Thereby, as stated before, the development process is mainly based on the perceptions and views of the regular guests revealed by the questionnaire. One might argue that, in doing so, one might neglect the opinions of those guests who currently visit the cafe from time to time but who potentially could become regular customers. However, as the current returning guests of the cafe constitute a major share of the off-peak clientele, it is very important to continuously satisfy their wishes and adapt the cafe's offering accordingly. The resulting products obviously have the potential to suit those guests who are willing to visit the cafe regularly – and therewith also additional potential regular guests.

The data gathered through the secondary and primary sources has been analyzed very carefully. Information on single issues of this thesis have been collected from various different sources and authors until an extensive overview including different perspectives could be summed up and presented. The results which have then been built on the information collected beforehand are oriented at the long-established model of product development by Feltenstein which is specially adapted to the food service industry. As this allowed me, on the one hand, to further follow a structured approach of presenting the results in a comprehensive way, it helped me, on the other hand, to ensure to consider all important aspects of the background information when developing my own results.

All in all, despite the weaknesses and limitations mentioned above, the overall quality and significance of the elaborations on seasonality of demand and its linkage to product development in this thesis can be seen as profound and substantiated, therewith creating credible and reliable results.

7.7 Future research opportunities

This thesis has attempted to provide contributing material for the research on seasonality of demand and the use of the concept of product development to stimulate demand in off-peak periods and thus to counteract the negative impacts of seasonal demand variations. Due to the limited scope of the thesis, some related aspects could not be covered and consequently provide interesting topics for future research activities. These concern, on the one hand, the direct results of this thesis and, on the other hand, the issue of seasonality in general.

Regarding the findings of this thesis and the case of Cafe im Goebenhaus, the two following questions offer potential for future research:

- How could the particular product ideas presented in this thesis actually be implemented and marketed? How could the last two steps of the product development process by Feltenstein be realized?
- Are the product ideas able to actually stimulate demand sufficiently to balance the seasonal demand variations during the annual off-peak period?
- Which other ideas could be developed on basis of the primary and secondary findings?

Concerning the general issue of seasonality of demand, the following questions might be interesting for future researchers:

- How in particular can the public sector interfere to counteract seasonality of demand?
- How can tourism associations and cooperations help tourism businesses to overcome the problem of seasonal demand variations?
- Are management-oriented and economic-based cost-optimizing practices alone able to outweigh the lack of revenues in off-seasonal periods without the use of traditionally applied demand-oriented methods to counteract seasonality?

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Guest questionnaire

Dear guests

My name is Christine Völckers and I am the daughter of the cafe's owner, Ms. Anke Romund-Völckers. I am studying Tourism and Hospitality Management and am currently working on my Bachelor's Thesis to complete my studies. My thesis is concerned with the issue of seasonal demand variations in the catering industry and with opportunities for gastronomes to solve this problem which is illustrated by means of Cafe im Goebenhaus.

Constant development and advancement of the current offering may help businesses to direct their offering more towards the needs and wishes of their guests and to design more attractive services. In order to build a basis for such measures, it is essential to get to know you and your opinions and wishes as the guests of Cafe im Goebenhaus.

For this purpose I need your support and therefore I kindly ask you for some short minutes of your visit to answer the following 14 questions. **Thank you very much.**

Your person

1. Age:

≤ 20 21-30 31-39 40-49 50-59 60-69 ≥ 70

2. Gender:

female male

3. Residence:

Stade close vicinity Hamburg beyond

4. Occupation:

Pupil/student employed job-seeking retiree

Your behavior

5. Have you already been guest in Cafe im Goebenhaus?

yes no (please turn to question 8)

6. Are you a regular guest of Cafe im Goebenhaus?

several times per week once per week
 several times per month once per month
 several times per year once per year

7. Do you visit the cafe more often during the months from April til October than between November and March?

yes, I can detect this tendency in my behavior
 no, I visit the cafe independently of the season

To be continued on the back page – Thank you very much!

8. What is the most frequent purpose of your visit?

- private meeting with friends or family
- business appointment
- break during working time
- visit as tourist during holiday
- other: _____

9. I visit the cafe mainly for... *(several marks are possible)*

- breakfast
- coffee and cake
- lunch
- having something to drink

10. If you come to the cafe for having lunch, from which menu did you choose your dish?

- regular menu
- menu of the day

11. Do you have children with you (up to 12 years)?

- yes, mostly
- now and then
- no, usually not

12. How do you evaluate the variety of the offering?

a) coffee and tea specialities

- fully sufficient for me
- I am missing _____

b) offer from the regular menu

- fully sufficient for me
- I am missing _____

c) offer from the menu of the day

- fully sufficient for me
- I am missing _____

d) cakes and tarts

- fully sufficient for me
- I am missing _____

13. How do you evaluate the atmosphere of Cafe im Goebenhaus? *(several marks possible)*

- cozy and inviting
- narrow and loud
- other: _____
- reflects the offering
- does not fit the offering

14. How do you generally evaluate the idea of the weekly changing, seasonal "highlight"?

Thank you very much for your support!