Nelli & Kisu Pet Bakery

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Abstract

Date

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Pet bakeries are emerging from all around the world by providing gourmet food and treats edible for pets. And nowadays, they do not only offer baked goods anymore but also other services similar to planning celebrations for pet owners like birthday parties or organizing events that benefit local animal shelters. Since the number of pet lovers here in Finland are growing, the authors of this thesis would like to introduce the idea of a bakery that offers tasty and healthy products for dogs and cats that will be made from locally sourced products. Additional services, as mentioned before, such as pet birthdays and charitable events will also be a part of this concept. In this thesis, theoretical framework is provided along with extensive research done to support this idea. The theoretical framework comprises of creating customer experiences based on the theories of Experience Design, Experience Co-creation, the Experience Pyramid (Tarssanen & Kylänen 2009), and the DART model of co-creation (Prahalad & Ramaswamy 2004), and the Experience Realms (Pine & Gilmore 2011) to aid in introducing this concept to the readers. A customer-centric design approach is also justified in the subsequent chapters to support the bakery's aim in providing persona-specific consumers.

During the product development stage, the authors utilized user personas, value proposition canvas, and the Business Model Canvas. The user personas were used as fictional representatives of target customer segments. In this work, the authors will present two (2) user personas and these personas will be used as subjects in the value proposition canvas. This tool will be presented as part of the value propositions block in the Business Model Canvas with an aim to create feasible and engaging offerings for the Nelli & Kisu Pet Bakery. The Business Model Canvas will be both beneficial for improving and creating a new business idea. This canvas will provide a layout of the business model of a company and will present opportunities for creativity and innovation by generating combinations of ideas and help put these ideas into a structured form of a business model.

The third (3rd) chapter shall consist of the project plan which includes the steps the authors took during the creation of this work as well as the writing process. Additionally, the quantitative and qualitative methods used in this thesis will be explained in detail and the analysis of the results will be presented. Before presenting the final product, the authors will evaluate the thesis process as well as the learning outcomes.

The final product is presented in Appendix 1 and will include illustrations of the physical appearance of the bakery and its value propositions, a sample menu, the story of Nelli & Kisu Pet Bakery, samples of fliers about private and community events, as well as workshops. Appendix 2 will contain the survey questionnaire, user personas, value proposition canvas, Business Model Canvas.

Keywords
Experience design, experience co-creation, interaction design, customer-centric design

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1   Introduction

This thesis is a product-oriented type that will introduce a concept of a pet bakery that is strategized to be built in the center of Helsinki. The target group this thesis is aiming to reach are the people who would like to treat their pets to gourmet snacks and treats, as well as those who would like to be a part of a community where pets are loved and well taken care of. The authors hope to gain more information about target customer group's demands, needs, purchase habits as well as new product/service ideas through a qualitative survey in order to create a feasible product, which will lead to opening of physical premises of the bakery.

The proposed bakery will offer gourmet food for pet dogs and cats composed of locally sourced ingredients, and safe for them to eat. Not only will the bakery offer edibles but is also set to organize events e.g. to celebrate a pet's birthday, seasonal activities during Easter and Christmas and benefit for local animal shelters to support them

The authors of this thesis are pet owners themselves who are both searching for a better selection of exclusive edibles such as birthday cakes made purposefully to support pets' well-being. Unfortunately, in Helsinki there is no place yet that offers such kinds of products and/or services. Therefore, the business idea of this bakery is stemmed from the desire of having a place both for pets and their owners to socialize, celebrate milestones such as birthdays and adoptions in a community that is built to ensure the happiness of the furry members of our families.

Since the whole idea of this pet bakery is new to the locals, the authors will provide different approaches and facts that will aid in turning this concept into something attainable and profitable. The authors will use a variety of tools and methods that will determine the types of services and the process of how it will be delivered to the bakery's targeted customers. The following methods and tools shall be discussed in the succeeding chapters.

The authors will explain the concept of experience design starting from the first definition of experience economy, provided by Pine & Gilmore (1998), to the components of memorable experiences which will be explained with the help of experience realms and the experience pyramid. Specifically, the educational, entertainment and esthetic realms will be presented in the concept through workshops, meet and greet events, info sessions, community activities and games. Individuality, story, and interaction are the highlighted elements that are taken from the experience pyramid, created by Tarssanen and Kylänen (2009). Individuality will be presented in the concept in the sense that the products and

services that will be offered by the bakery are simply unique and story element will help in developing relatable and powerful brand stories. There is no other establishment that offers similar value propositions therefore there is no direct competition in the target market location which is the city of Helsinki. However, in the current market there are pet supplies store such as Musti ja Mirri and Faunatar which can be considered as future indirect competitors of the bakery.

In this thesis, the authors will begin with defining and explaining experience design framework. Second, chosen theories, namely Four (4) Reals of Experience by Pine and Gilmore (2011), Experience Pyramid by Tarssanen and Kylänen (2009), DART Model of Co-creation by Prahalad and Ramaswamy (2004) will be described. The authors also will elaborate on how these theories will be implemented on during development stage. Theoretical part will be concluded with user personas, Business Model Canvas (BMC) and authors' own framework (see Table 2) which illustrates how specific elements of each theory will be reflected on the final product. In the next part, these theories will be applied to create an experience product and finally, project plan and thesis outcomes will be presented to evaluate the writing process of this thesis.

1.1   Objectives

The main objective of this thesis is developing a food and beverage concept with experience elements for a pet bakery that offers products and services for cats and dogs, as well as their owners. Moreover, familiarizing the reader(s) with experience design and co-creation as well as introducing innovative tools to develop customer-centric concept is another objective that authors aim to reach.

One of the authors of this thesis decided to implement the bakery as a startup company. Therefore, background research that will go into this thesis as well as chosen methods will be helpful to gather data and insights about what customers think of the concept and if there is demand for it in the target market. Through investigating target market, the authors will create minimum viable product and test it out on possible consumers to get feedback and change or improve the product depending on customer preferences and suggestions.

The authors will create a table that illustrates which specific components of the chosen theories will be applied during the product development stage. Through this table, the authors will present how these theories will be reflected on the finalized product. Throughout

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the thesis, the authors will develop the concept of the pet bakery with the help of theoretical frameworks and innovative tools such as user personas, test it out and demonstrate the completed product in Appendix 1.

1.2 Nelli & Kisu Pet Bakery

The authors of the thesis decided to create this concept of the pet bakery since they have worked on several projects together throughout their studies and both of them share the passion to embark on an entrepreneurial journey and be their own bosses. Since the authors are both pet owners themselves, they wanted to develop a concept that would create socialization opportunities for their pets and themselves along with other pet owners. The idea of the bakery stemmed from the desire of providing the best for Kisu & Juan, which are the authors' pets. The authors know that every pet owner yearns to give their pets the happiest life possible. Even though our main tasters will be Kisu & Juan, the authors will develop products and services with love and care with all pets in mind. In Nelli & Kisu, pets are the prime guests and their comfort, safety, and happiness come before all. Even though they only have a decade or so to be with their owners, the impact they make in their owners' lives is an extraordinary experience by itself. Therefore, they deserve to be spoiled with the best products that are tasty, safe, and nutritional.

Nelli & Kisu will be a pet bakery that offers treats, snacks and special occasion foods such as birthday cakes for both dogs and cats. The bakery is specialized in handmade treats and sweets ranging from "*pupcakes*", which are little cakes made from organic and pet-friendly ingredients such as additive-free oat, coconut or almond flour, whole wheat flour, peanut butter, and pumpkins, to cookies and birthday cakes which can be customized for the needs and likes of each pet. As the bakery's menu is still in the making, the authors are constantly searching for new recipes in order to get inspiration in creating original and high-quality products. In the bakery, there could be a selection of wet food both for cats and dogs. It will consist of fresh ingredients that will be grown in the community garden of the bakery, e.g. carrots and tomatoes, and a choice of protein which can be meat, chicken, fish, or duck. Besides edibles, the bakery will also host events such as birthday parties, adoption events, celebrations, workshops, as well as charity events like bake sales to raise donations for HESY (Helsingin eläinsuojeluyhdistys), a shelter and protection association for cats and dogs.

In the first stages, the employees of the bakery would consist of one of the authors and possibly a business partner. However, in the future the bakery would be looking for employees that are good with both people and animals. As pets would be treated as family

members in the bakery, it is essential that employees treat our four-legged customers with love and care. Besides this, the authors aim to create a homely, comfortable atmosphere that would encourage customers to be part of bakery's community. Therefore, the employees should be friendly yet professional with a welcoming attitude. Since the pet bakery is a new concept in the target market, employees should be made aware that part of their job would be to educate individuals about business offerings. This requires a training process where employees are given all needed information such as ingredients used, optimal way to store products etc. to answer questions of customers and ensure them about product's safety by providing accurate information. Furthermore, the bakery would be following a strict a non-discrimination policy, everybody is welcome in Nelli & Kisu. Thus, employees would be evaluated on their open-mindedness and judgmental attitude as well how they appreciate and respect others' values and beliefs.

In the upcoming chapter, methods chosen by authors will be introduced. Throughout the thesis, both quantitative and qualitative methods will be used to gather and analysis data. Secondary research was the main method to collect information while establishing the theoretical framework of this thesis. While creating the product, the authors utilized user personas, Business Model Canvas and Value Proposition Canvas to develop a feasible product that may lead to launching Nelli & Kisu Pet Bakery as a start-up company. Moreover, a quantitative survey was conducted to gain a better understanding of target customers' needs, expectations and demands. The authors will provide a detailed analysis including the reasoning behind why each question was asked in the survey and participants' answers in the third (3rd) chapter of the thesis.

1.3 Methods

In this thesis, a combination of quantitative and qualitative methods during the research and product development stages. Quantitative research was conducted through a survey and the reason for that is that the authors needed objective data also in numerical form such as demographic information. Moreover, qualitative research is a descriptive approach which may provide insights about how ideas, thoughts and feelings of the target customer; helps to gain an in-depth customer perspective. The survey also includes open ended questions to bring in qualitative results. The analysis of questions and answers will be explained in the detail in chapter three (3) of this thesis.

The authors choose several methods to gather information, analyze the current data available and determine how these can contribute to the concept of the Nelli & Kisu Pet Bakery. First method used by the authors is desk (secondary) research. It refers to data that

has been previously collected for any purpose and it includes gathering and analyzing the data by investigating the writings from the sources existed such as data available on the internet, libraries, and databases of public universities (Curtis & Curtis 2011, 219).

During the product development stage, the authors used Business Model Canvas, value proposition canvas, and user personas. The methods are chosen in qualitative and were chosen to understand target customer better, examine the demand, purchase habits and gain insights of how customers feel about the current offerings. The authors plan to use results of the survey conducted to create user personas that provides a realistic visual representation of the target customers.

More information on methodology used for this thesis will be provided and can be found in chapter three (3).

1.4 Key Definitions

In order to provide the readers an understanding of the perspective taken on chosen subjects in this work, the key definitions for the following terms are provided:

Experience design – according to Wood (2018), is based on human expectations set specifically on products or services regarding its necessity or purpose. And moreover, he adds that experience design is iterative, meaning it identifies and resolves difficulties in design through processes of creativity and research. It is also collaborative, which includes experts, stakeholders, and end users. And lastly, it is measurable in the sense that physical and emotional results can be gauged from the experience or service received by targeted customers, and from which success is determined (Wood 2018).

Experience co-creation – as stated by Jaakkola, Helkkula, and Aarikka-Stenroos:

> "Service experience co-creation occurs when interpersonal interaction with other actors in or beyond the service setting influences an actor's subjective response to or interpretation of the elements of the service. Service experience co-creation may encompass lived or imaginary experiences in the past, present, or future, and may occur in interaction between the customer and service provider(s), other customers, and/ or other actors" (Jaakkola, Helkkula, & Aarikka-Stenroos 2015, 193).

Interaction design – interactions between the user and the product can occur in various environments. It can be shaped by social and cultural patterns (Ford & Forlizzi 2000). "It

(interaction design) triggers the user to incorporate the product (app, system) to your routine or use it just when necessary, to complete their tasks or achieve their goals" (Haliloğlu & Kahraman 2010). An example of this occurrence is how users' individual perception might affect how they see the exact same product. A coffee cup painted in rainbow colors may remind someone simply of a pretty rainbow that they caught a glimpse of, whereas a member or supporter of the LGBTQ community may relate rainbow colors to the values of their community. For one person it may just be a simple design but for the other it might mean supporting an important cause.

Customer-centric design – before customer-centric design is applied, it is essential to provide a definition for design thinking. "Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success" (IDEO 2019). As it can be derived from the definition, understanding the needs of the consumer is vital. According to Melanie Bell-Mayeda, service design instructor at IDEO, customer-centric design allows businesses differentiate from their competitors, grow loyalty, build trust, as well as create business value (IDEO 2019).

In the next chapter, the authors will explain the concept of Experience Design, starting from the definition of Experience Economy and moving on with the components of memorable experiences which includes the four realms of experience by Pine & Gilmore (1998). Moreover, the Experience Pyramid model (Tarssanen & Kylänen 2009) will also be presented to gain an in depth understanding on the elements of the experience as well as the levels which refers to the individual journey one goes through during the experience. In addition, experience co-creation and customer centric design will be introduced and supported by the DART model of co-creation (Ramaswamy & Prahalad 2004). The chapter will be concluded by presenting the business model plan and defining several tools namely user personas, Business Model Canvas, and value proposition canvas before introducing authors' own framework (see Table 2) which will be applied during creation and development of the product.

2   Creating Customer Experiences That Go Above and Beyond

Experiences were introduced as a fourth economic offering by Pine and Gilmore (1998), coming after goods, services and commodities. Goods refers to physical, tangible items that offer bare minimum to consumers such as raw fruits and vegetables that have been sold in markets by producers. These goods are in the heart of agrarian economy and it was not until end of nineteenth century that the services were added as distinct offerings and shift to service economy was completed by second half of twentieth century (Pine & Gilmore 2013, 25). This was followed by commoditization of the services; commoditization is defined as "a process in which goods or services become relatively indistinguishable from the same offerings presented by a rival company" (Kenton 15 July 2019). Commoditized offerings are distinguished by themselves solely based on their price. As more business offerings start to look alike, companies were forced to find ways to connect with consumers to deliver experiences using their goods and services. Well-designed experiences engage each individual on a personal level and remains in mind even long after experience is consumed.

In an article by Sydney Barrows in Entrepreneur (2010), it is mentioned little things are what customers more often remember rather than the actual product they buy or the service they avail. The author also cites ways on how experiences become memorable to guests. Attentiveness, meaning to pay attention to the tiniest of details especially towards customers is crucial. An example of this is when customers make requests like special diets and assuring them that those restrictions will be taken into consideration when they order their food. Recognition is also essential, and it is just as simple as greeting a regular customer by their name, similarly in a Starbucks coffee shop, baristas remember regular customers and even already know what they are going to order.

Throwing in personalization into that experience makes it also extraordinary. It is like going into a specific restaurant and the servers already know what a usual customer does and does not like on their breakfast plate. Consideration also goes a long way, for instance when a disabled guest comes in and you automatically offer to assist them as well as help in bringing their orders to their tables. Appreciation is significant as well, especially to those loyal customers, like giving them extra freebies on their tenth (10th) purchase of a business's product and/or services. And finally, is delight which simply means showing gratitude and or going a little bit out of your way to cheer them up like let us say offering a water bowl for their pets especially when allowed in the premises.

Those are just the few ways on how to make experiences memorable. To go further into detail, the following chapters will discuss more theoretical bases into creating remarkable experiences that customers remember. These concepts are Experience Design, the use of the DART model in co-creation, the Experience Pyramid, the use of transmedia as an effective strategy in marketing, Experience Co-creation, and customer-centric design.

2.1 Experience Design

In the book Experience Design: Technology for All the Right Reasons (Hassenzahl 2010, 8) experience is defined as "an episode, a chunk of time that one went through—with sights and sounds, feelings and thoughts, motives and actions; they are closely knitted together, stored in memory, labeled, relived and communicated to others." Moreover, a singular experience consists of smaller experiences with those people whose experiences are shared within environment that those experience occurred in (Ford & Forlizzi, 2000). For example, when one goes out to have a nice dinner in a restaurant, the experience does not commence upon entering the restaurant. It includes all the effort that that customer has made to get to the restaurant. From the moment of interest until the dining experience itself and all that occurred along the way. For instance, the interaction they had with other people as well as the positive and negative events that could have occurred along the way that may be irrelevant to the dinner but nevertheless affected the total experience. Because of these external factors, it is very difficult to evaluate the results before the customer actually goes through the whole experience. "Designers trying to craft an experience, we can only design situations, or levers that people can interact with, rather than neatly predicted outcomes" (Ford & Forlizzi 2000).

It has been more than 20 years since Pine and Gilmore (1998) claimed that the next competitive advantage for the companies will be based on how they stage and sell experiences to their customers. In the article "Welcome to the Experience Economy" (Pine & Gilmore 1998), "progression of economic value" was created which included elements of commodities, goods, services and experiences. (see figure 1) The figure illustrates the economic progress from extracting commodities (agrarian economy) to the experience economy where goods and services become experiences. Pine and Gilmore (2014) argue that goods and services do not provide enough sources for economic growth which then results in lacking new jobs and puts maintaining economic prosperity at risk. Therefore, to eliminate the risk, designing and staging experiences must be at every company's focus which aims for revenue growth.
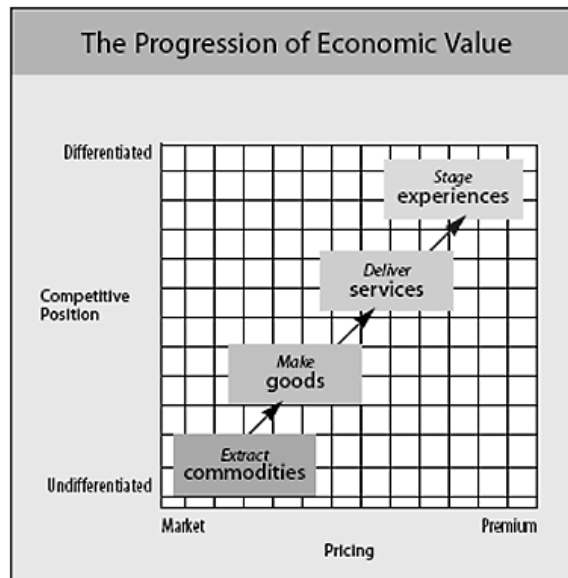
Figure 1. The Progression of Economic Value (Pine, Gilmore 1998)

Commodities are defined as "… vital components of commerce that are standardized and hence easy to exchange for goods of the same type, have a fairly uniform price around the world (excluding transport costs and taxes) and help make other products" (H. T. 3 January 2017). In the context of F&B businesses, for example a bakery, commodities economy would be raw ingredients that are needed for more advanced goods, such as fresh strawberries bought from producers to be turned into a pie. When it comes to the goods economy, the convenience of the product is getting better since it is an industrial-ized economy where the products are readily available. In the same context of a bakery, the strawberry pie can be made from a pre-mixed batter in the goods economy. This kind of economy provides a more convenient and efficient way compared to the commodities economy. However, since the products are standardized by the manufacturers, they are not tailored to meet with the customers' specific wants and needs. Moreover, the service economy manages to engage better with customers as the products and services are per-sonalized. However, the cost of the products and services offer rise as the personalization factor is added. In addition, the State of Personalization Report (Segment 2017) was found that among 1,006 participants who have taken the survey, 40% of U.S. consumers have expressed that they were willing to pay more than what they initially thought to spend for a product or service, only because it was personalized for them.

Lastly, the experience economy is experience-based in a way that the products and ser-vices are staged to offer to create unforgettable, long-lasting and even transforming expe-riences that fits with the customers' personal values. (Chaparro 6 November 2017). In the experience economy, the employees perceive their workplace as a stage and positions

they work in as roles which they perform in every workday (Tarssanen & Kylänen 2009, 9). According to Pine and Gilmore (2011, 9), the difference between organizations with a service mindset and experience mindset is that the first one focuses on the tasks that employees do whereas the latter concentrates on how job tasks are performed.

The ultimate goal of experience design is to provide customers with such meaningful encounters that trigger a positive change as well as offers opportunities towards personal development. After returning home, everyday life may be viewed in a totally new way; the experiences and knowledge gained during the trip can be absorbed as part of one's own everyday life (Tarssanen & Kylänen 2009). Even though designers should create experiences that aim for positive, memorable outcomes, it cannot be guaranteed that every experience will be an unforgettable one that brings positive changes for the customers.

To expand more on how to design memorable experiences, concepts by Pine & Gilmore shall be introduced and explained in detail on the following subchapters as well as the different realms of experience and its components such as the entertainment, educational, esthetic, and escapist dimensions.

2.2   What is a memorable experience?

According to Pine and Gilmore (2011), when making a memorable experience, you should not only provide entertainment to your customers, but it is also necessary to engage with them. As no two people can have the exact same experience, each experience is very closely connected to the interaction between the experience stager, the company who provides the experience, and one's state of mind and being (Pine & Gilmore 2011). They have also created a framework to illustrate these different realms on engaging customers. As shown below, the horizontal axis shows the *level of guest participation*. It shows on the far left, *passive participation*, meaning when customers do not actively participate in the experience. While on the other end is *active participation*, in which guests "personally affect the performance or event that yields the experience" (Pine & Gilmore 2011, 45). For instance, passive participation occurs only when a tourist comes into a museum to observe and gaze at the works of art as exhibited on the walls. On the other hand, active participation is similar to the concert goers in a rock concert, even add up to that the impression that fans radiate as they come for the show and cheer for the band and sing along to the music, which sets the atmosphere of the environment.
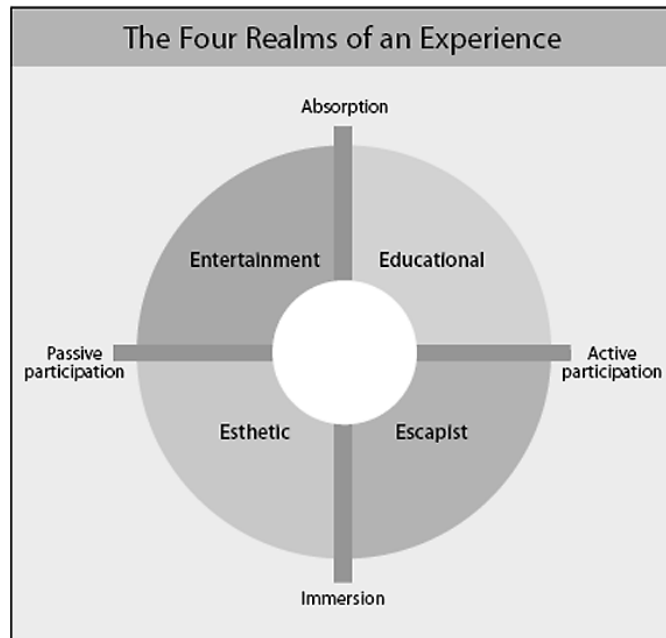
Figure 1. The Four Realms of Experience (Pine & Gilmore 2011, 46)

As for the vertical axis, it depicts how the customers' connections or relationships are affiliated with the experience itself and the environment where experience occurs in. On the upper end is *absorption*, meaning how the experience affects the guest mentally and on the lower end is *immersion* – which is when the guest is already physically or virtually involved. Being "absorbed" into an experience is similar to when customers play a video game with a console, while being "immersed" in an experience is playing it in virtual reality.

Now there are four (4) dimensions demonstrated in these realms. They are: entertainment, educational, esthetic, and escapist. These dimensions may be fused together to make unique experiences. For further understanding, these dimensions should be defined first. In the educational realm, you inform guests here and provide aid in advancing their knowledge or skills. In this realm, you mentally engage with people. As it was mentioned in the book the Experience Economy, educational experiences do not have to be too serious, and that integrating fun makes learning more appealing, especially to children (Pine & Gilmore 2011, 48-49). That includes adding features to these experiences that will make their learning worthwhile. An example for this could be a rewards system at the end of each lesson or creating a themed environment that suits your targeted customers' interests.

Secondly is the escapist realm where participants here actively affect the experience. Instead of just watching a TV show sitting around, guests have to be both physically and mentally involved in it. An example of this could be in "The Wizarding World of Harry Potter" in the Universal Orlando Resort. As a part of the guests' journey in this amusement park, guests get a chance to "cast spells" with an "Interactive Wand" to enjoy magical experiences as they walk through Diagon Alley™ and Hogsmeade™ (Universal Orlando Resort 2019).

And finally, there is the esthetic realm. This dimension is where participants come to see the esthetic aspects of the experience. Guests may be fully immersed in these environments visually, leaving the location unmarked. Examples are tourists visiting historical landmarks, dining in themed restaurants, or strolling in theme parks like Disneyland. As per Pine and Gilmore (2011), in this experience, partaking customers just want to "be". Another good implementation of this realm is The Weather Project created by Olafur Eliasson which makes an ordinary museum visit into a memorable experience by bringing elements of weather into a room in the museum. The room is covered with a light mist and a set of circular lights is placed to simulates the rays of sunlight. The experience combines multi-sensory elements and visual elements to keep the visitors within the experience. The mist is directed to sense of touch, the moisture deriving from it is felt on the skin. Moreover, the visitors are encouraged to lay down to better connect with the environment (Zwiebel 2015).

Even more, these experiences may be enriched when all these dimensions are fused together. As illustrated, when these dimensions cross each other, they hit the middle of the realm, which is called the "sweet spot" (Pine & Gilmore 2011, 58). An example of this could be the entire experience of visiting Singapore's Changi Airport. This is not a typical airport, wherein passengers flying around the world would only stop by, maybe buy food while in transit for their next flight or leave the airport as soon as they arrive. As you visit their website, they introduce themselves as "more than an airport". Not only could passengers experience "world-class shopping", but there is also the opportunity to try local and global cuisines, as well as attractions to visit and experience like gardens, museums, and digital attractions like immersive shows and events (Changi Airport Singapore). The sweet spot is an accessory to making memorable experiences. According to Pine & Gilmore, "its very design invites you to enter and to return again and again" (Pine & Gilmore 2011, 64).

In the revised edition of The Experience Economy, the authors mention different combinations of the dimensions. Aside from *Edutainment* (education + entertainment), there is

Eduscapist (education + escapist), *Edusthetic* (education + esthetic), *Escasthetic* (escapist + esthetic), *Entersthetic* (entertainment + esthetic), and *Escatainment* (escapist + entertainment) (Pine & Gilmore 2011, 64).

The concept of Nelli & Kisu will be comprised of educational, esthetic and entertainment realms. Educational aspects will be presented through workshops, info sessions, and shared learning opportunities with the community. For example, adoption opportunities can be displayed in the community bulletin board and social media accounts of the bakery and there will be always support and guidance for those interested. (see Figure 3) Entertainment realm is very important to the concept since the ultimate goal is to create a homely environment where people would enjoy spending time in. Events such as birthday parties, community get-togethers, meet & greets will be organized and the social media accounts of the bakery will be utilized as platform for games, contests, promotions etc. Esthetic aspects will be represented through the interiors and social media accounts of the bakery. The authors decided to include a mood board in Appendix 1 to illustrate their own vision of how the bakery would look like.

Figure 2. Examples of adoption infographics (Buckey 7 July 2013)

Realms are good tool for classifying the experiences based on the participation of the customers as well as the nature of the event that the experience takes place in. Depending on the content of the experiences, customers are absorbed or immersed in it. Besides categorizing the experiences, realms also spice up the experiences by bringing their own unique qualities to create memorable moments however they lack in a design element. On the other hand, the Experience Pyramid Model (Tarssanen & Kylänen 2009), focuses more on designing the experiences and presents aspects that distinguishes memorable experiences from ordinary ones. Furthermore, the model illustrates the journey the customers go through during an experience by dividing it into levels all the way from awakening the customer's interest to a positive emotional reaction that may even result in a personal transformation. The Experience Pyramid Model (Tarssanen, Kylänen 2009) will be explained in detail in the succeeding subchapter.

2.3 Experience Pyramid

The Experience Pyramid has six (6) elements which are individuality, authenticity, story, multi-sensory perception, contrast, and interaction. Each of these elements contribute to creating experiences that matter; giving individuals something they care about, represent similar values to theirs, therefore relevant and trustworthy. Elements of the experience are placed in horizontal axis of the pyramid and experience levels are on the vertical axis. Both these elements and levels of the experience will be further elaborated in the succeeding paragraphs.

As previously stated, for an experience to count as a meaningful one, it needs be made up of positive and unforgettable elements that may cause personal change for the customer. The Experience Pyramid was developed by Tarssanen & Kylänen (2009) in LEO - Lapland Centre of Expertise for the Experience Industry. They conducted this research with the purpose of discerning the factual definition of creating experiences. On top of this, they also intended to present an in-depth explanation on how to produce memorable experiences and how companies benefit from this. The Experience Pyramid demonstrates an overview on how experiences should mentally and physically affect customers. Further, the pyramid also aids in determining crucial details and/or characteristics that helps in enhancing the service(s) or product(s) offered. Experience Pyramid also highlights the importance of different themes, which will then be further discussed in the following paragraphs. These themes were constructed as "the most favorable framework is built for the creation of experience" (Tarssanen & Kylänen 2009). They referred to the experience pyramid as a foundation for the *"experientialisation"* of products and/or services.

In this model, experience is seen from two main perspectives: the elements of experience on the horizontal axis and to illustrate customer's journey through experience from the moment of interest to the actual experience is on the vertical axis. In the model, the ideal product must be the one that has all the experience elements at every level of experience (Tarssanen & Kylänen 2009).
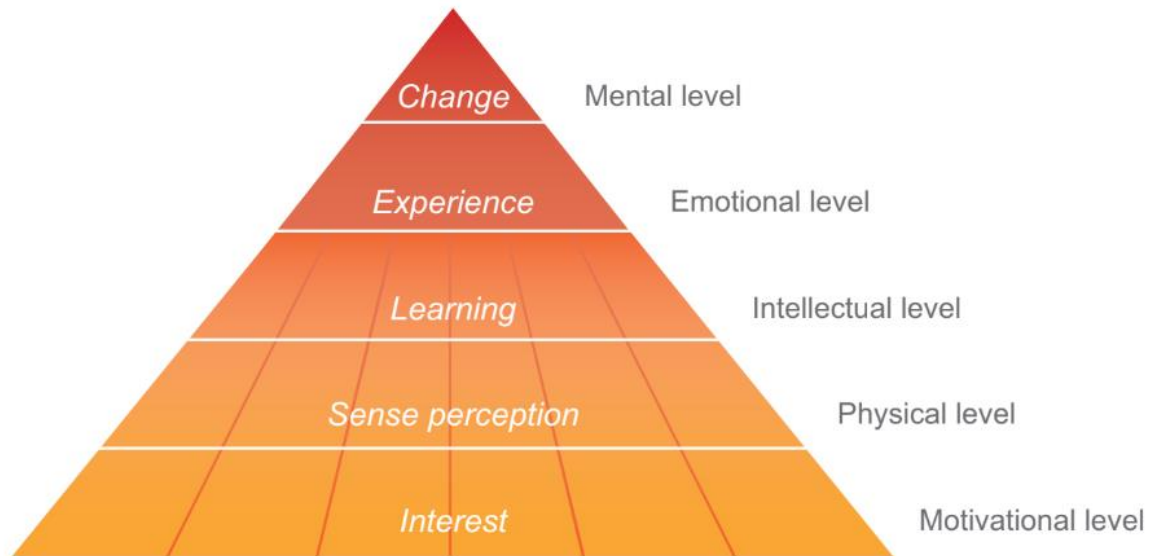
Figure 3. The Experience Pyramid (Tarssanen & Kylänen 2009)

2.3.1 Elements of meaningful experiences

Individuality – refers to how the experience product should have a unique quality, ideally one that a customer cannot get from elsewhere, and it is designed with the customer's best interest in mind therefore it matches their wants and needs. Individuality is the element of experience that represents flexibility. An experience product can be customized indefinitely until it is up to the customer's own preferences and expectations. The process of customization adds to the cost of the product, therefore the more individualized and customized the product is, the more expensive it would be (Tarssanen & Kylänen 2009).

Individuality is an essential element of experience design as no two people can have the same experience because the outcome of the experience varies according to the individual's mood, emotions, values, interactions, previous experiences, etc.

To overcome the challenge of designing easily customizable products, mass customization can be a useful opportunity. Pine and Gilmore (2019) argue that to implement mass

customization effectively, the companies should focus on eliminating the customer sacri-fice, which is the gap between what the customer actually wants and what the customer settles for. Gilmore (2006) discusses that the way to reduce customer sacrifice is "building a supply chain – or maybe better a demand chain – that can customize what a customer receives and provide something very close to an exact match." According to Gilmore:

> "when value propositions are customized to deliver exactly what consumers need in any specific moment, the experience automatically becomes a transformative one providing exactly what he needs right now – you cannot help changing that individ-ual. When you customize an experience, you automatically turn it into a transfor-mation." (Gilmore 2006)

Authenticity – means the credibility of the product. A product or service is considered au-thentic if the customer recognizes it as a genuine one. Authenticity is closely related to culture, therefore while designing authentic experiences, cultural and local identities need to be considered. As Tarssanen stated (2009, 12), "an important part of the product's au-thenticity lies in its culturally ethical sustainability". An authentic product will not seek to promote any culture nor offend any but simply, offer customers a chance to be part of that culture as authentic experiences are derived from history and culture and enriched by shared memories (Probst 8 November 2018).

Moreover, Pine and Gilmore (2008) discuss that every business that aims to create au-thentic value propositions should make sure that "the offering is true to itself" and "the of-fering is what it says it is". The first principle refers to the company's represented identity through ads, social media posts etc. The main point of advertising is to tell about offerings and create awareness on company's behalf. However, in an attempt of create as much demand as possible, only ideal scenarios are shown to the consumers. Therefore, this leads misrepresentation and causes frustration for customers when the actual interaction with the offerings is not up to standards set by the company through marketing efforts. On the other hand, when a company advertise offerings that they for some reason cannot provide it diminishes trust. Businesses first should have a good sense of their values, goals, visions as a company then ensure that the offerings are viewed and used in a way that it was intended by the consumers to reduce miscommunication. It is also important to be flexible and willing to change the offerings, location, even the business model if stands in the way of achieving authenticity. To overcome these challenges, companies must "pro-vide a place for customers to understand, use, play with, and fundamentally experience your offerings in a place and time that you are what you say you are" (Pine & Gilmore 2008).

In a study conducted by Shuling Liao and Yu-Yi Ma (2009), consumers' need for authenticity is old news. Grayson and Martinec (2004, in Liao & Ma 2009, 92) claim that authenticity has always been one of the top factors that consumers consider when deciding on purchasing something. The aforementioned authors have classified authenticity under *indexicality* and *iconic authenticity*. Indexicality means that when a product's authenticity has been proven and is said to be the original or real thing. On the other hand, iconic authenticity is when an item has an inscription or label that makes it out to be somewhat indexically authentic. In the same article, Liao and Ma echoes the findings of Leigh, et al. (2006, in Liao & Ma 2009, 93) in a research they have conducted and state that "authenticity enables consumers to feel a higher satisfaction toward a brand, to preserve brand heritage, to connect brand to car, and to shape their inner selves."

Story – is an element of experience that shapes different elements of the product into a cohesive, coherent story which would lead to impressive experiences. It is related to authenticity, as a story needs to be genuine and credible, in other words authentic, to encourage and motivate customers to try out the experience. (Tarssanen & Kylänen 2009 13).

Creating a good product story allows customers to connect with the product at an emotional level and help them to relate better with it as values of the product are conveyed through the story. In other words, a good story makes individuals feel. In the article "Dialogues: The Science and Power of Storytelling", storytelling is explained as a powerful tool for businesses to connect with the customers in an authentic way: "The personal narrative detail that is often at the heart of a good story is one of the most powerful forms of communication that exists" (Suzuki, Feliú-Mójer, Hasson, Yehuda & Zarate 2018).

The average attention span of humans is shrinking day by day in a world of extraordinary amount of choices, therefore first impressions are very valuable to create a spark of interest within the customers. Therefore, a good product story should be aligned with target customer's own story, evoke emotions, providing them with an experience that is worth to share (Mei, Hågensen & Kristiansen 2018).

Multi-sensory perception – contributes into designing memorable and immersive experiences through taking all the five senses into account for better engagement. Guzel and Dortyol (2016) claim that experiences created through multi-sensory design approach build an emotional connection between the customers and the product which may affect the perception of the product value and product quality.

Furthermore, sensory branding which is a marketing approach that aims to reach customers through appealing al the senses (sight, smell, touch, sound and taste). Sensory branding has been used by many companies such as Apple and Starbucks as an innovative marketing tool. For example, Dunkin Donuts came up with an innovative way use sensory branding in Seoul. Public busses were decorated with devices that give the smell of fresh coffee whenever the jingle was played and then, the bus stops near a Dunkin Donuts shop at the end of the jingle. Senses are directly connected to emotions and have a big role in shaping memories. Therefore, by involving sensory stimulations in creating and delivering value propositions, optimal conditions for positive outcomes e.g. customer trust and loyalty, can be set when customers are interacting with products and services (Rupini & Nandagopal 2015; Williams 23 April 2018).

Contrast – refers to the difference between the customers' every-day life and what the experience product offers. A well-chosen theme helps bring in a contrasting element into an experience as it affects one's sense of reality by creating a reality other than ordinary everyday events (Pine & Gilmore 2011, 73).

Tarssanen and Kylänen (2009) affirms that contrast brings in the opportunity for consumers to experience a product(s) and/or service(s) in an extraordinary way that is somehow unconventional from what they go through in their daily lives. Moreover, contrast also lets individuals see themselves from a different point of view in distinct surroundings. As for what has Tarssanen and Kylänen gathered in relation to tourism, this is what it is all about: to revel in and immerse one's self in these experiential encounters.

Contrast may be achieved through unexpected, positive surprises that transforms an ordinary experience to an extraordinary one. Above all, the authors believe that it is the extra little things that makes up an individual's experience unique and unforgettable. In a report published by the Canadian Tourism Commission (2004), the impact brought by surprise elements is explained as "the beauty of surprise situations is that they create unique opportunities for human interaction, generate a special connection with the place, and build a common bond between travelers."

Various companies such as Kleenex and Suja juice used social media hashtags to monitor and search for particular individuals to turn around a bad day into a happier one. For example, Kleenex, which is the leading brand for paper products such as facial tissues, looked for people who posted that they were ill. Kleenex made an effort to get in touch with their family members and delivered a "care package". This then resulted in over six

hundred and fifty thousand (650,000) impressions and about one thousand eight hundred (1,800) interactions with the brand on social media (St. Louis 28 August 2017).

Interaction – "However, experiencing something together with other customers makes the experience commonly accepted and appreciated raising the social status of the individual, or linking him more closely with a certain group" (Tarssanen & Kylänen 2009, 14).

There are several reasons that drives interaction process. Interactions may occur to gain more information about offerings between service providers and customers as well as between customers. Moreover, customers also share information by providing positive and negative feedback, which can reveal strengths and weaknesses of a business. Besides gathering and sharing information, interaction also takes places simply to fulfill social needs. Through starting and maintaining dialogues, customers have opportunities to take part in co-creation of value propositions, establish a network with customers, and be part of a community (Heinonen, Jaakkola, Neganova 2018).

However, some customers may be reluctant to participate in conversations or take the role of co-creator. Therefore, it all comes down to getting familiarized with individuals and understanding the best way to approach them. Tarssanen and Kylänen state that "experiencing something together with other customers makes the experience commonly accepted and appreciated raising the social status of the individual or linking him more closely with a certain group" (Tarssanen & Kylänen 2009, 14).

One of the ways of initiating and maintaining interaction process is through using multiple channels to ensure all the optimal channels are utilized and transmedia marketing can be a good avenue to create awareness about business offerings. In the book Transmedia Platforms: a creator's guide to media and entertainment, Anne Zeiser (2015) points out that with transmedia, it is not only limited to having a couple of social media accounts to interact with customers, it "must be part of a thoughtfully-designed plan to achieve enunciated goals with key target audiences" (Zeiser 2015). Transmedia is something you could actually be already doing in the first place. It could either be in a traditional avenue or through modern technology – all these could be found on the streets, could be heard through radio stations, an advertisement on someone's social media profile, etc.

Transmedia could be both storytelling and marketing. An establishment should not only be focusing on social media accounts like Twitter or Instagram. It should also be visible on TVs, books, online games, events, billboards, etc. "Today's transmedia is about creating, distributing, and marketing content simultaneously on air, online, in print, on the go, and

on the ground" (Zeiser 2015). However, the concept of transmedia marketing would not suffice alone without a good brand stories that is built around both company's and target consumers' values.

To use transmedia storytelling as a way to market a product or service to the public, McGuire argues that there are four steps that may be followed (McGuire 2016). First is to use "social currency", meaning experience providers could utilize their audience or customers instead to help promote their concept, to aid in building a reputation for them and establish what they could really offer. Second is for "prosumerism" to kick in, wherein businesses partner up with consumers to further improve their products and/or services. An example of this is when developers upload beta versions of their apps for mobile phones to do a test run. Third is to use "social triggers", in which the brand somehow becomes a part of a consumer's life. For instance, in the article, Kleenex was used as an example of how people utter the brand's name itself instead of saying 'tissue' when the need for it comes up. And lastly, when all the previous steps have been conducted, they are collectively, your inbound strategy. As a result, consumers might not only become loyal to your brand, but also share their experiences to their peers, creating this inbound cycle.

Individuality, story, multi-sensory perception, and interaction are the elements of the pyramid that will be used to create and develop the concept of Kisu & Nelli in several ways. Firstly, the offerings of the company are unique to the target market as concept of a pet bakery is completely new in Finnish market. There are places offering similar value propositions such as pet treats and snacks in Musti ja Mirri, however these stores do not offer products that can be personalized. In Kisu & Nelli, customers will be able to choose a range of different kinds of protein sources and flavors. Moreover, additional personalized touches, for example the pet's name written on a birthday cake or cookies can be easily added.

Furthermore, being first of its kind as a pet bakery also presents its challenges as target customers may be unwilling to interact with the product because it is unknown therefore, possesses risks for their pets. To overcome this challenge, target customers must be provided with very clear and reliable information which is supported with facts about general concept of a pet bakery as well as the about values and value propositions of Nelli & Kisu. The authors believe that setting as many interaction points as possible and reaching customers through multiple channels will be essential to create awareness about the offerings of the bakery. Therefore, the authors will be following pets related events in Helsinki such as "koiramessut (International Dog Fair)" or "Helsinki Puppy Parade" to find possible locations for pop-up shops.

Besides physical interaction points, social media platforms such as Instagram, Facebook and YouTube will be frequently used to reach out more possible customers. Finding the right content for social media posts will be crucial in delivering the exact message that the company wants to give. For example, informative posts should be created in a transparent manner that eliminate uncertainty about the safety and quality of products. Customers will be able to find all the information they need about products such as whole lists of ingredients, price, quantity, optimal storage conditions etc. in the bakery's website.

The levels of experience in the Experience Pyramid will be further explained in the coming subchapter. These are known as motivational, physical, intellectual, emotional, and mental levels and help businesses analyze as well as create experiences in consistency with previously mentioned elements on each step of the experience.

2.3.2 Levels of experience

Levels of the pyramid are demonstrated from the actual experience up until how it impacts the customer mentally to achieve excellence in each level, it is vital to include the elements of meaningful experiences. They are the motivational level, physical level, intellectual level, emotional level, and mental level. Each of these levels will be further explained in the succeeding paragraphs.

First is the motivational level. This is where the experience provider tries to introduce and establish their product. It is on this level that the product or service attempts to make a lasting impression based on how it was marketed. According to Tarssanen (2009, 15), "the marketing of the product should be individual, authentic, multi-sensory, interactive, and boost contrast." All business offerings need to be advertised in a way to deliver the right message very clearly to the right customer segments. Social media platforms are providing excellent marketing opportunities to create brand awareness as it exposes business offerings to potentially an audience of millions of people. Through increasing use of social media "every customer plays a role affecting the awareness, consideration, and customer experience of others" (Shih 2016). The authors believe that Instagram and Facebook would be the best social media channels to reach new consumers and keep in contact with existing ones such as announcing contents, events, workshops etc. Since the concept of the bakery is completely new for the Finnish audience, it is essential to educate individuals about value propositions to ensure the safety and quality of the products. Social media provides excellent opportunities to share knowledge, gather feedback and collect inspiration by observing how other brands are managing their social media accounts.

Second is the physical level. It is where the guest gets to experience the product or service through their senses. Customers on this level are conscious of what is going on around them, where they are, and what they are doing. Establishments should guarantee the safety and satisfaction not only of the experience or product, but also of the guests. Although in 'extreme' experiences, there is an exception.

The authors aim to create value propositions that engage multiple senses both for owners and their pets. Sense of sight will be highlighted through business offerings that can be designed individually for each pet; toppings, flavors, icing can be customized to suit different wants and needs of customers. All the product will be created by using high-quality, delicious ingredients to support pets' well-being and happiness and soundtracks which promotes a sense of tranquility will be played in the background to support homely and cozy atmosphere of the bakery. Moreover, the physical location of the bakery will be designed in a way that to promote the sense of peacefulness and is visually appealing to the customers. According to Rupini and Nandagopal (2015):

> A multi-sensory brand-experience supports individual value creation and refers to how individuals react when a firm interacts and supports their purchase and consumption processes through the involvement of the five human senses in generating customer value, experiences, and brand as image.

Subsequently, is the intellectual level. Here, customers will determine whether they are happy with the service or not. There should also be the possibility of learning new things or gaining knowledge. Learning can be facilitated though interactions between customer and experience provider. For example, verbally telling stories, as well as asking and answering questions. This level is especially important for the bakery as Finnish audience has not yet met the concept of a pet bakery. As mentioned earlier, social media platforms can be used effectively to educate potential customers about the business offerings. While researching material for this work, the authors came across with "doggiecatessen" account on Instagram which is a pet bakery operating in Canada. The educational posts shared by the bakery are good examples of how to provide clear and transparent information about business offerings to the existing and potential customers. (Figure 5). These posts will be used as an inspiration during creation of social media posts for Nelli & Kisu.

Figure 4. Example of an educational post. (Doggiecatessen 10 July 2019)

Then the emotional level, wherein if the experience went well in the previous levels, the results will be positive, and so is the effect on the customers. As stated by Perttulla (2004, in Kylänen & Tarssanen, 2009, 16), it should turn into something a customer considers meaningful. For instance, The *Doggiecatessen Homestyle Pet Kitchen* also shares photos sent by their customers, clearly showing how their pets enjoy the food, which provide a genuine positive feedback. These posts give customers the role of influencers support the brand through sharing own experience with others and also encouraging them to do so.

Finally, is the mental level. This is where guests have experienced the product or service that it has affected them personally, and that it could also cause a personal change in themselves, either on their perspective in life or way of living (Aho 2001, in Kylänen, Tarssanen 2009, 16). For example, Nelli & Kisu Pet Bakery will be offering products made with wholefoods such as a variety of vegetables and fruits as well as free range eggs and healthy protein sources. In addition, the products can be customized according to the customers' wants and needs by tailoring flavors or taste and appearance e.g. by adding pets' name in the icing. The offerings of the bakery may lead to a change in the customers' understanding of pet foods as the products will be much more visually appealing and will simply look like human food when compared to pre-packaged options found in pet supply stores. Another example is through the events that will be offered in the bakery such as birthday celebrations. The pet owners will get to share their love for their pets by celebrations a milestone with others in an environment where they and their pets are treated with respect and care.

In the previous paragraphs, the Experience Pyramid Model crated by Tarssanen and Kylänen (2009) was explained. The model analyzes experiences from two different perspectives: specific elements of a product and one's own experience while interacting with the product. The pyramid provides insights for businesses to understand how experience can be made memorable by having experience elements implemented in them which in turn results in a boost in customers' well-being and overall, customer satisfaction. In this work, authors decided to use individuality, story, interaction and multi-sensory elements in the product development stage. The reflection of the theory on the product is presented in Appendix 1.

The next sub-chapter will focus on how and why co-creation should be involved whilst developing experiences. Moreover, concept of service-dominant logic will be introduced and its differences from traditional goods-dominant logic as its relation to co-creation will be presented. Additionally, the authors will demonstrate the DART Model of co-creation (Prahalad & Ramaswamy 2004) which represents four building blocks (dialogue, access, risk-benefits, transparency) towards using co-creation to establish relationships with customers that are mutually based on promoting well-being and trust.

2.4   Experience Co-creation

Co-creation is defined as "the joint creation of value by the company and the customer through allowing the customer to co-construct the service experience to suit their context" (Prahalad & Ramaswamy 2004, 8). When customers are given the opportunity to actively participate into the creation and development of experiences, they bring in their own creative and intellectual skill set. In other words, through effective implementation of co-creation, customers become a source for flow of quality ideas and concept (Benson 9 May 2019).

Furthermore, the authors focus on the relation between co-creation and the use of service-dominant logic (S-D logic) as defined by Fischer, S-D logic "is intangible, based on an exchange of knowledge and skills" (Fischer 2012). Moreover, customers are not just satisfied with the presence of the physical products or services offered, but they also appreciate a "friendly, trustworthy, and timely" approach. It is also less likely for the product or service itself to be the reason of a customer's disappointment (Grönroos 2004 in Fischer, 2012).

Table 1. G-D logic vs S-D logic (Vargo, Maglio & Akaka 2008)

	G-D logic	S-D logic
Value driver	Value-in-exchange	Value-in-use or value-in-context
Creator of value	Firm, often with input from firms in a supply chain	Firm, network partners, and customers
Process of value creation	Firms embed value in ''goods'' or ''services'', value is 'added' by enhancing or increasing attributes	Firms propose value through market offerings, customers continue value-creation process through use
Purpose of value	Increase wealth for the firm	Increase adaptability, survivability, and system wellbeing through service (applied knowledge and skills) of others
Measurement of value	The amount of nominal value, price received in exchange	The adaptability and survivability of the beneficiary system
Resources used	Primarily operand resources	Primarily operant resources, sometimes transferred by embedding them in operand resources-goods
Role of firm	Produce and distribute value	Propose and co-create value, provide service
Role of goods	Units of output, operand resources that are embedded with value	Vehicle for operant resources, enables access to benefits of firm competences
Role of customers	To 'use up' or 'destroy' value created by the firm	Co-create value through the integration of firm-provided resources with other private and public resources

Additionally, service-dominant logic may be associated also with customer relationship marketing. Relationship marketing, a term coined by Berry (Berry 1983, 25 in Fischer 2012), composes of "attracting, maintaining, and – in multi-service firms – building customer relationships." Through cultivating these customer relationships, not only do businesses captivate new customers but they also get to keep their existing customers loyal.

Traditional marketing approach, which is transaction-oriented thus based on value-in-exchange, has the product at its core. All marketing efforts directed to distribution, promotion and price setting processes and opportunities for evolution of product through continuous relationships with customers are ignored as "the product exists at one given point of time." On the other hand, relationship marketing approach places customers subjective value-generation process in the core. Therefore, businesses should have a clear understanding of customer's own value creation journey, then proceed with propositions that are aligned with how customers perceive the value (Grönroos 2004).

Vargo, Maglio and Akaka (2008), define the difference between service-dominant logic and traditional goods-dominant logic through various elements: value driver, creator of value, process of value creation, purpose of value, measurement of value, resources used, role of firm, role of goods, and role of customers. (See table 1)

The components of Table 1 provide a guideline to ensure the concept is built around service-dominant logic. The products and services will be created in a way to encourage customers to participate in developing the concept even further by providing valuable feedback. The value propositions will be focused on supporting well-being of pets and their

owners, as well as creating a positive environment where customers feel comfortable enough to share their knowledge and skills. The main components that will be highlighted are the role of firm and the role of customers. Service providers will provide opportunities for co-creation such as creating and maintaining a community, and the customers will be collaborating through utilizing resources provided by the bakery.

Furthermore, co-creation equips both companies and customers to create value by interacting with each other and sharing ideals. It has become an avenue for both parties to collaborate and innovate products and/or services. Interactions are vital to maintain co-creation as without them, the process of value creation cannot begin. According to Grönroos (2011):

> "… although customers are in charge of their value creation and fundamentally are the value creators, during direct interactions, provided that the firm makes use of the opportunities of such an interactive process, the firm also co-creates value with the customers". (Grönroos 2011)

In G-D logic, value is created by exchange, in other words, products and services are exchanged for a price and customers have a passive role and they do not act as co-creators as "the focus is predominantly on a customized bundle of or services" (Grönroos, Voima 2012). On the other hand, S-D logic enables value-in use for customers, the value is co-created by customers and businesses through personalizing the value proposition offered, which can be a product or service. The customer's role is contributing with own experiences, logic and skills for value actualization which makes "customer's ability to extract value of products and other resources" essential for the co-creation process (Kuzgun, Asugman 2015; Grönroos, Päivi 2013). For example, IKEA has created a website to inform about co-creation activities and projects that customers can participate and further improve products and service together. As explained by Brownrigg (5 October 2018), all co-creation projects of IKEA have three main aspects. First, *exploring life at home* by asking customers to answer questions about their lifestyle through surveys, as well as sending photos and describing what creates problem at home. In the second stage, these insights gathered are used as a source of inspiration for innovative *ideas and prototypes*. After new concepts are introduced to the customers, the final step is *voting and feedback*. Through gathering opinions and criticism from customers even in earliest stages of the design process, IKEA aims to apply changes that are proven to be necessary due to customer's input towards identifying most efficient solutions for specific problems. All these core areas can be implemented successfully into design and development of the existing

and new products, only if customers are also willing to collaborate and share their experience and perspective with the company.

The authors consider co-creation practices vital for the successful implementation of the concept therefore, several ways of collaborating with future customers have been deliberated. As previously mentioned, one of the challenges will be educating Finnish customers about the concept and business offerings. Therefore, the authors believe that word-of-mouth will be the easiest and most economical way to reach out potential customers, thus small portions of the products will be distributed to the authors' social circle. After trying out the products, testers will be asked to provide feedback which will be used to improve existing products and create new ones based on consumers' demands. Later on, after launching the company, the samples will be given to influencers and bloggers with aim of spreading the word to a wider audience. Moreover, customer participation towards establishing a community will be encouraged by offering rewards such as freebies and discount coupons. Workshops will be created based on polls and surveys to ensure customers' wants and needs are aligned with the contents of the session. Social media accounts will be used as instruments to interact with existing and future customers as customers can communicate their wishes and suggestions easily by direct messages. Customers will be encouraged to share photos and videos of their pets enjoying the products and these posts will be shared on bakery's account therefore giving customers the role of brand ambassador.

As explained above, co-creation is important for Nelli & Kisu because it is beneficial to both customers and the business. While the companies get a much better understanding of customers' perspective, the customers get the opportunity to co-create products and services that are better suited to their wants and needs. In order to bring in the co-creation element into the final product, the authors decided to use the DART model created by Prahalad and Ramaswamy (2004); the model will be explained in the following sub-chapter. The model illustrates four building blocks of co-creation: dialogue, access, transparency, and risk benefits (see Figure 6). DART model is useful in creating meaningful experiences through enhancing the customer's role in the innovation process, as well as in defining and creation value.

2.5   The DART model of co-creation

Ramaswamy (2014) implies that "co-creation goes beyond the exchange process, with multi-sided interactions, through continuous dialogue and transparency, access, and visualization of experiences that can enable better risk-reward assessments."

Co-creation of

Value

Transparency   Access

Risk-benefits
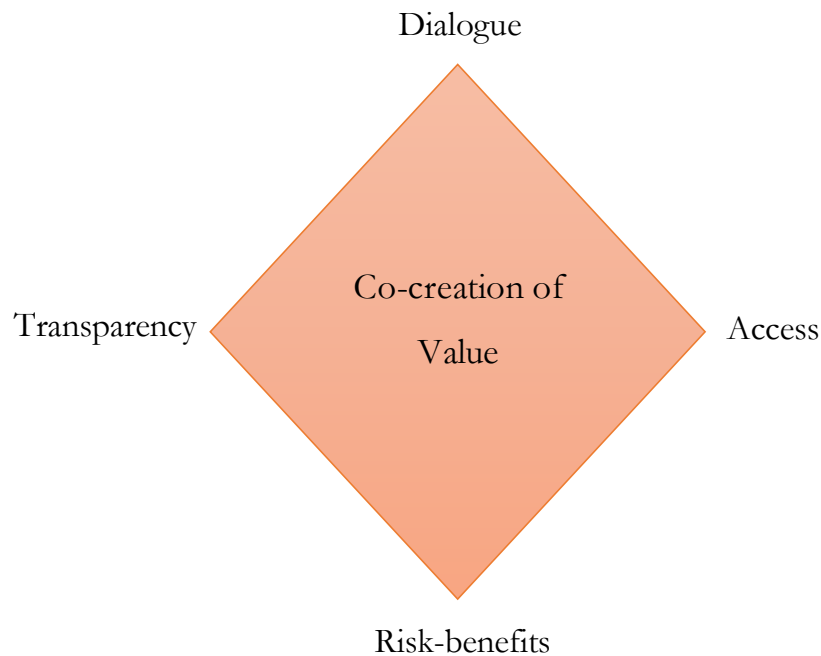
Figure 6. Building blocks of interactions for co-creation value (Prahalad, & Ramaswamy 2004)

Dialogue represent interactivity as well as shared learning and communication. As the dialogue is jointly created and guided by both sides, this means more than just listening to the customers, in the process both customer and the experience provider are involved in the decision process and learning from each other. Dialogue also refers to the customers' interaction with each other, for any business that aims to create a sense of community, providing customers with opportunities that would encourage them to start and maintain the dialogue is very beneficial.

Dialogue serves as a basis for personalized interactions, which in turn creates a unique value for each customer. Through adding their own personal touch and perspective into the experience, customers can have an experience that is meaningful specifically to them. The longer the shared communication and learning is maintained, the better understanding of individual perspectives can be achieved as what is meaningful to the individuals will be revealed through engaging in active conversation (Ramaswamy & Ozcan 2014, 55).

Access refers to what the customers are allowed into the company's value chain and service information through the tools and information provided. (Ramaswamy 2005). Through granting customers access, the service providers give the role of co-creators to customers, therefore they are able to contribute actively into the design and development processes towards more efficient dialogue and in turn better customer experience (Binkhorst

& Dekker 2009). Moreover, businesses should encourage customers to share their opinions and experiences by providing them technical capabilities and channels to freely communicate with the company as well as initiate and maintain dialogues among customers themselves to enhance value co-creation. (Masur & Zaborek 2015).

Risk assessment is about informing customers about any risk factors and providing data as well as guidance to evaluate the personal and societal harm that may come from interacting with the service and product. (Prahalad & Ramaswamy 2004). Risk assessment requires something more than informing customers about the risks, it needs to be combined with open dialogue. Through effective risk assessment, businesses are able to provide relevant information about their products and services. Furthermore, the customers should be encouraged to educate themselves with associated risks, business should interfere with purchase process and discourage customers who may be harmed in any way by the products and services offered to prevent further dissatisfaction. (Mazur & Zaborek 2015).

In the book "Co-creation Paradigm" (Ramaswamy and Ozcan 2014), risk assessment is replaced with reflexivity. The authors define reflexivity as "the movement that enables the transformation of outcomes of value." Reflexivity enhances innovation process and opportunities for learning as it is derived from "insights, recommendations, meaning, lived experiences and valuable creation of others" (Wan Ahmad & Mukhtar 2016; Ramaswamy & Ozcan 2014).

Transparency refers to how visible is the "flow of information" between service provider and the customer. Power of dialogue needs to be effectively used through interactions that provide open communication, enable access to information as well as support risk reduction. When combined all together, these components generate trust which encourages engagement in meaningful conversation that may expose critical information (Ramaswamy & Ozcan 2014). In practice, transparency is achieved by providing customers with all relevant, up-to-date information available, as well as encouraging them to actively participate in the innovation and development processes to become co-creators of their own experiences (Mazur & Zaborek 2014). According to Nysveen, Pedersen and Siverstol (6 November 2014) the flow of information that leads to transparency needs to be jointly created from both customers and businesses. Experience providers rely on the information that was derived from customer interactions, therefore both sides need to be willing to share the relevant information and knowledge to create unique experiences that are significant to a specific individual.

In the article "Co-creating unique value with customers" (2004), Prahalad and Ramaswamy presents the combination of the building blocks of the DART model. Access transparency enable ways of reaching relevant information for customers, therefore it provides technical capability to make conscious decisions related to products and services offered. Dialogue and risk assessment establish a platform where customers and businesses can engage in meaningful conversations that reveal all the risks associated with the offerings. As Prahalad and Ramaswamy (2004) pointed out, "combining dialogue with risk assessment enhances the ability to debate and co-develop public and private policy choices". For example, many coffee shops replaced plastic straws with reusable ones or at least they bring regulations towards reducing the plastic waste such as utilizing coffee cups that can be conveniently consumed without the need of a straw. Access and dialogue provide opportunities to create a well-informed community that actively takes place in development of concepts that are wrapped around a theme. For instance, Black Mirror Bandersnatch movie offers a new experience for the audience by allowing them to make interactive choices. The outcome of the story is based on the choices the audiences made which creates anticipation and keeps the audience in the experience until they reach one of the various endings.

The authors believe that the DART model presents very important consideration points as dialogue and access allow customers to make well informed decisions regarding their purchase intents and habits as well as how much they would like to be involved in co-creation of the products and services. Risk assessment equips customers with valuable information on what are the possible risks involved through interacting with a specific product or service. This shows care for the customers on business' behalf and initiate trust from customer's perspective. Transparency goes hand in hand with all other components of the model, as openness and honesty are vital for a wholesome customer experience. Given these points, the DART model will ensure a healthy foundation for building and maintaining sense of community, advocate trust on bakery's behalf by informing customers in open and honest manner and develop an environment where customers feel comfortable to express their own perspective and participate in a journey of shared learning both with the business and other customers.

In the next sub-chapter, total customer experience as well as the customer-centric concept will be introduced. Berry, Carbone, and Haeckel (2002) discusses that recognizing the clues is the first step towards managing total customer experience (TCE). TCE refers to "the customer's journey — from the expectations they have before the experience occurs to the assessments they are likely to make when it's over." The authors elaborate on

how companies manage customer experience through providing them with clues. An experience clue is "anything that can be perceived or sensed — or recognized by its absence" (Berry, Carbone & Haeckel 2002). These clues may be either functional such as a good or product functioning as it should be e.g. a car starting upon ignition, or they can be related to emotions or sensory experience. The latter may pertain to a themed restaurant where multiple senses are triggered and wrapped around the main functions of the products and/or services. As these clues are directly linked to emotions, they are the deciding factors on whether the customer will purchase the service and/or product.

2.6   Customer-centric design through Total Customer Experience

In the journal of The Path to Customer Centricity (Shah, Rust, Parasuraman, Staelin, & Day 2006), customer centricity is differed from product-centric approach based on its various aspects. In a customer-centric approach, firms focus more on serving its customers rather than just selling their products to them. They also aim to build relationships with their consumers, fixate on how their products would benefit individual customer needs. Customer-centric organizations also concentrate on gaining profit through the loyalty of their consumers and that employees fix their attention to customers instead of having another department handle customer-related matters. In terms of selling in a customer-centric approach, they ask the question "how many products can we sell to this customer?" instead of how many customers can they sell a product to. And finally is how these companies should value the customer's knowledge instead of using it as a way to manipulate them. In other words, customer centricity is not only about selling products and/or services, but it is also about creating value for consumers, which then leads to building something valuable for the company. On the whole, using the customer-centric approach means devoting all efforts into creating dual value creating (Boulding et al. 2005 in Shah, Rust, Parasuraman, Staelin, & Day 2006).

In addition, Mascarenhas, Kesavan, and Bernacchi (2006) have provided a framework to create customer-centric design for experiences through the concepts of total customer experience (TCE) and lasting customer loyalty (LCL). Total customer experience is:

> "a totally positive, engaging, enduring, and socially fulfilling physical and emotional customer experience across all major levels of one's consumption chain and one that is brought about by a distinct market offering that calls for active interaction between consumers and providers (Mascarenhas, Kesavan & Bernacchi 2006)."

Total customer experience is powered by unique products and/or services that incorporate both the participation not only of the business but also of the customers. TCE is also an excellent way to enhance a product/service through the provider and consumer's cooperation. As mentioned before, customer experience is a highly subjective process and it is affected by many internal and external components such as the emotional well-being of the customer, interaction between experience provider and the customers, and the dialogue that occur among customers themselves. Depending on these factors, an individual may have a completely different experience on the same product or service in different contexts. For example, a mother and their daughter is a frequent visitor to this local bakery, and they share a certain chocolate cake there. But then as time goes by it is just the daughter who visits, and this particular product only reminds them of recent events that results into something painful for them. Therefore, even if a product or experience seems to be answering customer needs in the best way possible, it may still not yield a positive outcome for other customers.

On the other hand, lasting customer loyalty pertains to how behavior, attitude, and situations affect consumer choices, and that how these factors also influence "brand loyalty" (Chaudhuri & Holbrook 2001; Uncles et al. 2003 in Mascarenhas et al. 2006). In order to achieve lasting customer loyalty, a consumer goes through a "ladder" of total customer experience. First is when they try out the product or service, their curiosity is triggered to test it, and once their expectations are satisfied, they go up the ladder and come back to the establishment and buy from the same brand. This means that the product/service has exceeded the consumer's expectations, and that at this point, consumers would recommend said product and/or service to their peers or community. Eventually their regular shopping habit becomes a unique, engaging experience, which then turns into lifetime purchases. In the end, consumers will have reached the top of the ladder that is the brand community purchase which is where they have built a lasting customer loyalty relationship.

The next chapter will be focusing on product development process. The authors decided to begin with user personas as visual representatives of target customers. Moreover, value proposition canvas will be backed up by these personas, so that the pain and gain points will be identified and benefits and solutions from interacting with the products and services of the bakery will be presented. Furthermore, Business Model Canvas will be introduced to provide an understanding of the business idea and its processes.

2.6.1 User Personas

As it would be nearly impossible to come up with a product that can satisfy all the customers, businesses need to divide target customers into segments that may be based on demographics such as gender, age, area of residence, or customers' lifestyle choices, purchase habits etc. Breaking down the target market into segments, helps businesses to stay focused on a specific segment's needs, demands and expectations. (Camilleri & M. A. 2018, 69-83). Moreover, segments can be made more detailed and visual by building personas around them. Williams (16 June 2016) discusses that "personas 'lift' segments by providing a much richer qualitative picture of a typical 'fictional' customer within that segment, animating their personality and values".

Personas are "hypothetical archetypes of actual users." (Cooper 2004). In other words, personas are created as fictional representatives of customers. Firstly, a persona should be given a name as without one, it will simply fade away from people's mind. Giving the persona a name is one of the most important parts of successfully defining one. A persona without a name is simply not useful. Without a name, a persona will never be a concrete individual in anyone's mind. Besides a name, personas also include an image and other personal details such as goals, character traits, incentives, hobbies and skills to display portrait of a memorable and ownable character (Cooper 2004; Miaskiewicz & Kozar 2011).

Personas are based on narratives that give customers a story and a character that they can relate with. When authentic and relatable, personas provide ways of connection and engagement. As explained by Herkovitz and Crystal (2010), "people naturally connect and identify with a believable and consistent brand persona – one whose words and actions are well matched." When designers fail to a persona as such, the story would lose its credibility thus diminishes the opportunities for customer loyalty and trust. The best brand personas are the ones that customers care about, even build a relationship as if the character is a part of their lives. Flexibility and consistency are both essential while designing personas because personas should be evolving through time to maintain believability and being up to date while remaining consistent and true to its core. (Cooper 2004; Herkovitz & Crystal 2010).
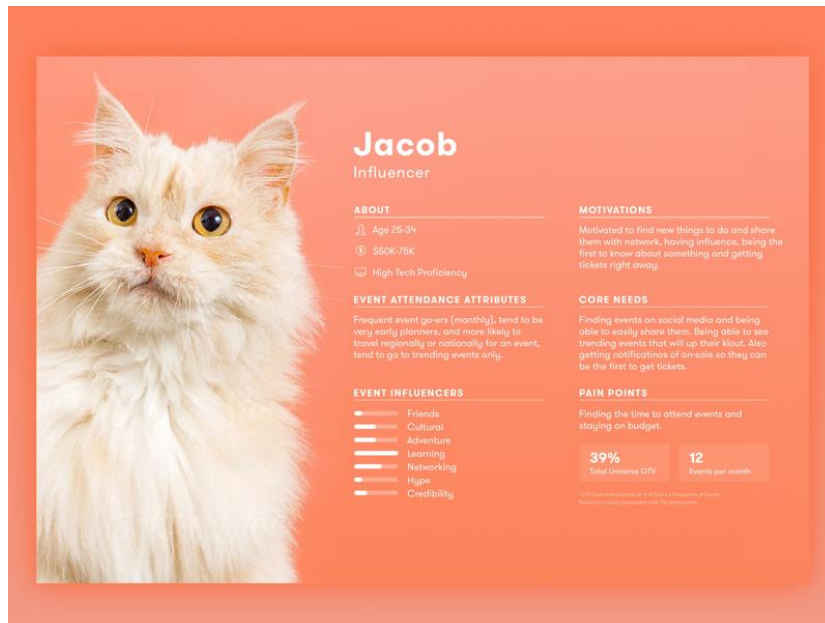
Figure 7. An example of a user persona (Chayka 6 March 2017)

According to Nielsen (2019, 8), personas are designed to reflect customer's perspective so that they provide a way to the customer's mind and so, involves insights about how customers may interact with the product and services. This makes personas to become tools of imagination that helps designers to create scenarios of real-life situations where the products and services can be tested and improved starting from ideation phase. When the character's story is enriched with specific details, it generates more opportunities to capture the customer's interest; something that provides a sense of familiarity, offering them something they would like to be associated with. For instance, "Ben" is a persona who is designed to promote a new plant-based product and the company is aiming to attract more vegan customers. Ben's profile should provide more information other than just the fact that he is vegan; it should include details such as the values that lead him to becoming a vegan which brand values would be revealed through the character story. In addition, individuals naturally feel a connection towards characters that went through similar experiences and struggles. A product or service can be presented as a solution to a pain factor both for the customer and the persona. This approach would lead to customer engagement only if the designers have the ability to empathize and to understand the customer's perspective and develop the product and services accordingly (Cooper 2004; Nielsen 2019).

From the authors' perspectives, the user personas carry a vital importance because it is the best way to illustrate how a potential customer may benefit from the bakery's offerrings which are necessary to know, to create value propositions that customers care about. The user personas also help visually represent an ideal image of the target

customer group. This realization on the business' behalf, results in products and services that are tailored for customer wants, needs, and expectations. The authors will create the user personas based on the information they will gather from conducting the survey. User personas is like a sign pointing to the right direction while approacing the guest to build and maintain relationships, however it is essential to keep in mind that every individual is unique so are their reactions, perspectives and stories.

User personas is a simple and time-efficient method to create representations of the target audience. The authors will create personas based on results of quantitative survey and the findings will be used as a basis for value proposition canvas. The survey is created for existing pet owners in Helsinki. As Nelli & Kisu will be open for everyone to visit and take place in the community events, the authors decided to give a broader view of possible future customers rather than just pet owners.

In this work, so far the authors introduced and explained several theoretical frameworks namely, Four Realms of Experience (Pine & Gilmore 2011), Experience Pyramid (Tarssanen & Kylänen 2009), and DART Model of Co-creation (Prahalad & Ramaswamy 2004). Moreover, various experiential concepts were described in aim to familiarize readers with the subjects of this work such as experience design, experience co-creation and customer-centric design. After presenting theoretical background, the authors will move on to creating and development of the product, which is an experience concept for Nelli & Kisu Pet Bakery. As one of the authors plan to implement the concept as a real-life company, Business Model Canvas and value proposition canvas will be explained in the succeeding paragraphs. The canvas will provide a basic layout of the business model including customer segments and the value propositions created for them. Additionally, the resources needed and tasks to be completed to reach business goals will also be defined through nine building blocks of the canvas. As this work is limited to creation of an experiential concept rather than a business plan for a start-up company, financial part will not be included further than listing out possible revenue streams and cost structure through the building blocks of Business Model Canvas. The Business Model Canvas was included in the thesis as the authors are familiar with the tool and it beneficial for creating, evaluating and improving business concepts through transforming abstract ideas into structured forms of business models.

2.6.2 Business Model Canvas

Business Model Canvas, created by Alexander Osterwalder (2010), is a tool that is used to describe, analyze, visualize, develop and modify a specific business model (see Figure 8). The canvas enables a simple but effective way to illustrate any business model through nine building blocks.The Business Model Canvas provides an overview of an actual business model of a company by presenting all the essential components; identifies target consumers, tasks and resources needed to reach a specific goal and defines value propositions and revenue streams as a result of successful value propositions. The canvas can be used both as a structured plan of an existing business model or a platform to test out new business ideas. Coes (2004) discusses that because of canvas' scope is limited by the building blocks, it is not an optimal tool for creativity, however since it helps to present ideas in a structured way which can lead to creative and innovative processes.
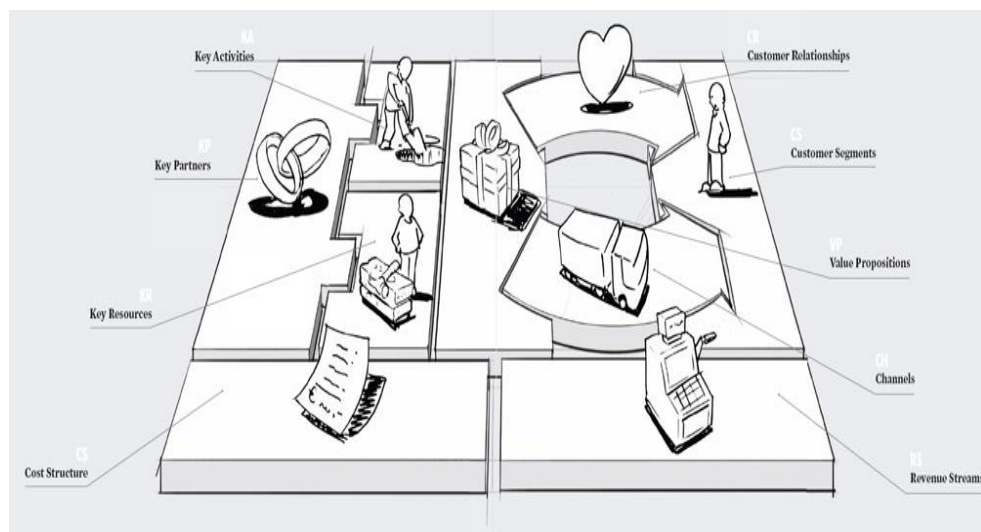
Figure 8. Blocks of the Business Model Canvas (Osterwalder & Pigneur 2010)

The first block is the customer segments which refers to the target consumer group which specific value propositions are created for. Osterwalder and Pigneur (2010, 20) explain that a customer group can be considered in separate segments depending on their unique needs and different, need of using different channels to reach at them and different aspects that encourages them to buy a specific product or service.

It is essential to answer the questions related to identifying consumer segments to be focused on such as for whom the value propositions are created and who are the most important customers. As mentioned previously, getting to know customers opens new doors to for opportunities to meet with customer's demands and expectations. With a

better understanding of factors affecting customer's decisions of engaging with a specific product or service, value proposition with unique and personalized value can be created. When customers are presented with offering that they can connect and ease the pain points for them, it will create customer engagement, loyalty and retention which in turn increases sales and revenue (Duczeminski).

Second block describes value propositions which refers to all the offerings of a business created for a specific customer segment. Through defining value propositions, company values, target consumers' problems and solutions to satisfy consumer's needs are also presented. As customer problems vary, the solutions are created through various aspects of value propositions. For example, only few-month-old models of smartphones are getting outdated by newer models at an immense speed as there is a customer segment which consist of consumers pursuing new, unique products which offer the best performance. Value propositions consist of promises that companies must deliver to customers as they claim through various business offerings. They are also statements that companies use to share their own values; communicate to customers whatever they stand for and convinces customers why a specific product is better for them than any other similar offferings (Twin 25 June 2019).

Uniqueness can also be reached through customized value propositions which attract massive number of consumers as products and services are individually tailored to meet with specific wants and needs of consumers. Moreover, specific brand that offers value propositions may affect consumers' purchase decision. For example, social media influencers make appearances with various designer brand items, as they represent wealth and culture of high fashion. Additionally, price of an offering as well as its accessibility and convenience have an impact on why consumers choose one value proposition over another. (Osterwalder & Pigneur 2010). Even though the reasons behind customer's decisions vary, value propositions should communicate how to bring a solution to help with the problem clearly. For example, Duolingo states their key value proposition simply as "Learn a language for free. Forever." From this statement, it can be understood that Duolingo provides resources to learn a language through no cost, therefore it allows Duolingo to be distinguished from similar other apps where a payment is required to reach resources (Fernandez 7 January 2019).

Furthermore, Coes (2004) claims the that value proposition is the most important block of the canvas as it consists of solutions that are created to help with customer pains, however the author finds the block needs to completed with addition of social value and social benefits.

Moreover, the value proposition canvas offers a simple and effective way to design value propositions that delivers exactly what customers are looking for. In the next few paragraphs, the value proposition canvas (VPC) will be explained in detail before moving on to the third (3rd) block which is customer channels. Value proposition canvas included in this work as it provides a simple, economic and time-efficient way to map out consumer wants and needs while designing value propositions that directly answer to those. Thus, before listing out the value propositions offered in the bakery, the authors decided to introduce, analyze and utilize the canvas while creating business offerings of Nelli & Kisu Pet Bakery.

Value proposition canvas illustrates emotional drivers (wants) and rational drivers (needs) that are behind purchase decisions of customers. Moreover, the canvas helps identifying aspects of the business offerings that matches with customers' expectations. Thus, it creates a bridge between customer and products and services. The main idea of the canvas is to find the "fit" which refers to the perfect match between the customer segment and value proposition. Ching and Fauvel (2013) discusses that fit can be achieved through identifying what customer is trying to get done, then identifying the pains on the path to completing the tasks and finally understanding how customer benefits from it; what gains will be achieved. For example, many pet owners care their pets' health and wellbeing so, the customer job for them would be finding a source of high quality pet food, or make homemade ones. The pain points may include lack of time and skills to cook homemade food, safety risks as a through research is required to map out safe ingredients and cooking methods for each pet or high cost of ready-made gourmet pet food and lack of choices. The value proposition offered by Nelli & Kisu would bring solutions to each of these problems as it will offer homemade pet food, variety of healthy treats in different price ranges in a convenient and transparent manner. Moreover, the customers would get opportunities to socialize and build networks with other pet owners and be part of a community where both the customers and their pets are respected and well taken care of.

First part of the value proposition canvas, customer profile, (see Figure 9) provides an understanding of your customer's perspective through customer jobs, pains and gains.

Customer jobs explains the tasks, struggles, problems that customers experience in everyday life and they are investigated from functional, social, and personal-emotional perspective. Functional jobs are for instance, tasks to accomplish, responsibilities that needs be taken care of, and problems to be solved. Social jobs are about how customers

wishes to be seen by others in society. Personal-emotional jobs are about how consumers search for conditions that guarantee them assurance or security. An example of this is when an immigrant tries to search for a community that would ease the homesickness and boost their sense of belongingness. In addition, customers also have supporting roles that are examined in three categories: Buyer of value is related to the tasks of the customer's purchase process such as choosing a product in an online shopping website, dealing with the delivery procedures and complete the purchase through a transaction. Besides this, customers can act as co-creators or "transferrer", which refers to the tasks to conclude customer's journey with a product or service, such as cancelling a subscription.

Moreover, customers jobs need to idenfied to clarify to understand reasons of why some value propositions are more attractive than other for specific consumer segments. Because customer jobs highlight the main reason a product or service is created for from customer's perspective. David and Norton (2013) explains this by saying:

> "customers don't "hire" a company to produce a theme park. They hire a company to make a vacation experience meaningful. They don't hire a company to create a bank branch. They hire a way to save and manage money. By identifying the job to get done companies clarify what aspects of the journey are most important to the customer" (David & Norton 2013).

Customer pains refer to anything that causes frustration for customers before, during or after completing the job. They are categorized in four ways: functional pains, which refers to when solutions brought by the product or service is insufficient or only worsens the pain. Social pain is about how people perceive their image in society and how the offerings of the business interfere with it. Moreover, emotional pain describes how customer feels about interaction with the product or service. And finally is ancillary pain, one that is not caused by the value proposition directly however related to it. Furthermore, customer pains involve anything that prevents customers to reach the desired outcome such as limitations and risks that need to be considered to complete the job. Identifying pain points is the first task towards eliminating or reducing them, the process can be triggered simply by asking questions to customers and using answers to make pain points

more accurate thus the solutions can be designed to solve a specific problem in a detailed manner (Osterwalder & al. 2014, 12-14).
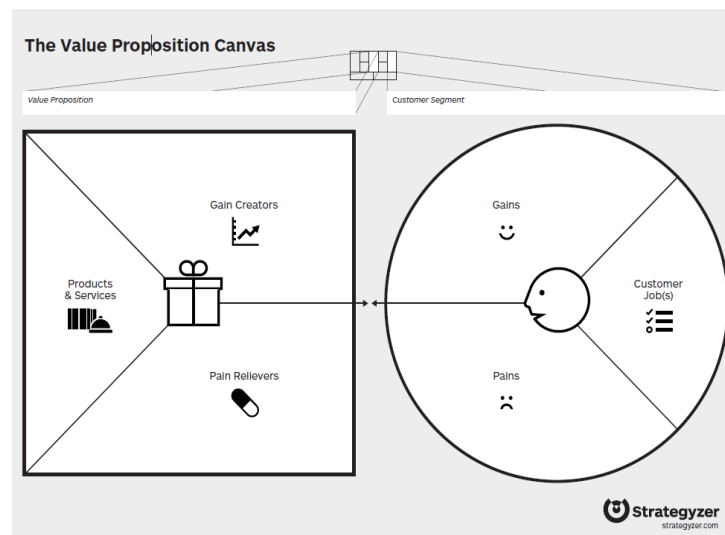
Figure 9. Value proposition canvas (Osterwalder & al. 2014, 61)

Gains refer to customers' expectations of benefits and positive outcomes they are hoping to reach with the help of the product or service. They are identified in four types: required, expected, desired and unexpected. Required gains are needed to be included in the solution to match with the expectations of the customers. Expected gains are additional ones that are necessarily covered in the solution. Desired gains refer to the customer's expectations that has gone beyond what the value proposition offers; these are specific wishes that would add to the product an immense value if delivered. Moreover, a product or service may even offer benefits or solutions to problems that customers did not actually initially thought of overcoming in the first place. (Osterwalder & al. 2014, 15-17).

In order to create a customer profile that illustrates customer values, expectations, and needs, the first step should be choosing a customer segment that value propositions will be created for, and then the customer jobs as well as pains and gains should be established. Finally, all these components should be measured and prioritized according to their importance from the customer's perspective

The Value Map provides details about value propositions that are offered by a business using three components. The map displays products and services that creates value propositions and explains how customers benefit from these with customer gains. In addition, pain relievers are listed in order to present solutions that would ease the customer pain through those offerings.

Product and services show all the offerings that a business' value propositions are based on. These value propositions can be delivered to the customers through physical or tangible, digital or financial kinds of products and services.

Pain relievers are the solutions that helps eliminate or reduce customer pains such as frustrations and obstacles before, during, and after the customer jobs are completed. After pain points are identified, the severity of the pain needs to be measured and this data should be used in prioritizing the pain relievers that that customer needs in specific products and services. Pain relievers are the most efficient when businesses offer value propositions that create perfect solutions for few essential pains instead of wasting time trying to find a solution for every single customer pain. (Osterwalder & al. 2014, 29-31).

Gain creators show how the value propositions intend to create and deliver benefits and solutions to make a positive difference in customers' lives. As it would be impossible to build value propositions that would meet every expectation and desire of the customers, the focus should be on identifying gain creators which brings in the most value.

To summarize, first step of designing a value map should be writing down all products and services, then pain relievers and gain creators are described and finally, the order is decided by ranking the products and services as well as determining which gain creators and pain relievers carries the most importance for the customers.

When both sides of the canvas are combined, "fit" is achieved if value propositions are aligned with the target customers' wants and needs, pain relievers are effectively helping with customer pains, and gain creators generate benefits and outcomes for gains that matches or even go beyond customer expectations. Fit can be reached through three stages:

1. Problem-solution fit is when specific customer jobs, pains and gains are identified and value propositions are decided accordingly however, it is not yet proven that customers would react positively to them.

2. Product-market fit happens when positive reaction from the customers is received therefore, it is proven that all the components of the canvas is creating value for the customers. In this stage, value propositions are tested and improved, re-designed or discarded until fit is reached.

3. Business model fit is when a profitable business model is built around value propositions that has proven its efficiency to make a positive impact in customers' lives. To reach this stage, companies need to design a business model that is beneficial for both sides by satisfying customer's wants and needs while maximizing the revenue (Osterwalder & al. 2014, 49).

Value proposition canvas provides valuable insights to develop feasible value propositions that are based on customer demands and expectations in a simple, structured way. The authors will create user personas with help of the canvas as it will aid in identifying and prioritizing functional, social, and emotional customer jobs as well as pain and gain points. After identifying these, the authors will move on to solutions and benefits that will be delivered to the customers through pain relievers and gain creators. As the authors have an objective of creating a minimum viable product, these components will set the base as they are indicators of what MVP should offer (Strategyzer 2019).

Minimum viable product (MVP) is the initial version of any product that presents customers only basic set of features of the product and provide fundamental value for customers. MVP is beneficial for startup companies in early stages because it allows businesses to create awareness and evaluate demand without spending excessive amounts of money before offering a complete product with full set of features. In addition, it creates a dialogue between company and customers that would yield positive outcomes for both parties. While companies understand customers' perspective through gathering their opinions, recommendations and analyzing their behaviors and preferences, the customers get opportunities to shape specific products to have personalized wants and needs (Forbes 27 February 2018).

Moreover, minimum viable product may be a course towards validating and demonstrating the value of a start-up company. As the pet bakery is a new concept for the target market, the authors wish not to lose the first-mover advantage by releasing an MVP as soon as possible. The minimum viable product should present only the basic set of product features rather than spending time and effort on adding more aspects to it. Instead, time and effort spent should be used on evaluating MVP's impact (Rancic Moogk 2012).

After analyzing the value proposition canvas, the value proposition block of Business Model Canvas is concluded. This will be folowed by the third block of the Business Model Canvas which is customer channels.

The next block of the Business Model Canvas is channels which describes the various ways to reach target customer segments. Businesses must put an emphasis on identifying right channels to deliver value propositions to consumers. The channels used may be owned by the business itself or belong to partner organizations and these channels can be direct e.g. sales through own website or indirect e.g. sales through retail stores and wholesale distribution. Both channels have own advantages and disadvantages. Owning a

channel may have a high cost to start and maintain the processes, but it has higher margins. On the other hand, partner channels have lower margins, however come with opportunities to use partner's strengths to promote and sell products in a wider range. Therefore business should find a balance mixed when making the decision of channels to ensure that value propositions are delivered and understood well by the target group (Osterwalder & Pigneur 2010).

Furthermore, the channels engage with the customers in five different levels: First, awareness is created about products and service offered and customers are educated about the value propositions, this is followed by evaluation where consumers form an opinion of the proposition and depending on the result, the purchase decision is made and value proposition is delivered the customers through channels. Final level concerns about after delivery, such as providing customer support regarding any problem or question about the product or service (Martin 2015).

Moreover, the first stage which is where customer made aware of the business offerings can be connected with the previously mentioned motivational level of Experience Pyramid (Tarssanen, Kylänen 2009). As businesses aim to capture customer's interest and make a lasting impression during motivational level, it is vital to identify most feasible and beneficial physical and digital channels to implement marketing efforts. As explained earlier in this thesis, transmedia marketing provides opportunities for businesses to create brand awareness through multiple channels.

Furthermore, educating customers about business offerings in a transparent manner may lead to a customer-supplier relationship that is established based on trust. Good brand stories help customers better relate and encourage this sense of trust. In case of educating the customers, the stories can easily be constructed to initiate the learning process and provide information about the brand values, value propositions etc.

The Customer Relationships block defines and describes different kinds of customer relationships to be built for different customer segments. This block gives insights about what kinds of customer relationships are expected from customer's point of view and how these fit into the rest of the business model. As customer needs, wants and expectations are ever-changing, the motivations which lead them to build a relationship with a business also vary. Customers may want to get more recognition and get familiar with the employees, or customizable product and services as well as offerings catered for their needs may appeal more to a specific customer segment. Moreover, relationships can be also established to enhance one's status in society and fulfill social needs. Well-

developed customer relationships result in a bond that ties business and customers together through trust and commitment (Osterwalder & Pigneur 2010, De Santis 22 June 2016).

Furthermore, there is some criticism towards the lack of difference between customer channels and customer relationship blocks. Coes (2004) states that the distinction of the blocks is not always clear, for example personal contact with the customer can be both considered as a channel and customer relationship as it includes personal conversation. However, the authors do not believe that overlapping of these two blocks creates important issues and does much affect the process of creating or testing out a business idea. Additionally, Maurya (27 February 2012) proposes that customer relationship block should be taken away as it does not bring an additional value and difficult to distinguish from customer channels. Instead, the author offers that "unfair advantage" should be added to the canvas. This block is created to discover and establish competitive advantages as the value propositions can be copied by competitors or new establishments (Dublin University of Technology 2017). For example, as there is no other business in Helsinki that offers value propositions created especially for cats and dogs, unfair advantage of Nelli & Kisu Pet Bakery would lie in that all the offerings are unique within the target market. However, secondary competitors of the bakery would include pet supplies stores such as Faunatar and Musti ja Mirri as they also offer pet treats and snacks for cats and dogs. However, offerings of these businesses are mass produced and do not leave any possibilties for personalization.

The last block on the right side of the canvas is revenue streams which represent all the sources of income of a company from different customer segments. Osterwalder and Pigneur (2010) describes two main kinds of revenue streams: Transaction revenues are singular payments and recurring revenues are acquired with continuous payments for example, through after-sale customer support or monthly/yearly subscription fees.

Coes (2004) criticizes the block by stating that revenue streams as well as the cost structure blocks of the canvas is inadequate to come up with detailed calculation and "time" element is ignored in the canvas thus, this makes it difficult to properly calculate the revenues and costs. In this work, the authors will not concentrate on the financial part but, on creation and development of a concept with experiential elements.

On the other side of the canvas are the key activities, key partners, key resources, and cost structure. To start with, Osterwalder (2010) defines key activities as the processes a business goes through for operations to go smoothly. These processes should deliver

value proposition, establish relationships with customers, reach the market, and yield earnings. In the Business Model Generation book, key activities are classified as: production, problem solving, and platform/network. In brief, production is when services and/or products are created and manufactured. Problem solving is where solutions are provided to customers e.g. when patients are tended to in hospitals. And as for platform/network, these mostly offer software, mobile applications, and online stores. Furthermore, these key activities will be plausible when key resources become readily available. Key resources also almost have the same function as key activities, such as bringing in revenue and sustaining relationships with customers. According to Coes (2014), "resources are needed to create, communicate, and deliver the value proposition." These necessities may be identified as either physical, intellectual, or human. It can also be owned by the business itself or leased from outsourced companies and could also be brought in by key partners.

Key partners make sure the business runs well. Partnerships aid in bringing an establishment's business model to its optimal state, lower liabilities, and as mentioned before, produce key resources. There are four types of partnerships (Osterwalder 2010):

- strategic alliances between non-competitors
- coopetition – strategic partnerships between competitors
- joint ventures to develop new businesses
- buyer-supplier relationships to assure reliable supplies

And found on the bottom left of the canvas is the cost structure. Basically, this is the block wherein all the costs from value creation, retaining customer relationships, and acquiring earnings are to be found. There are two types of cost structures: cost-driven and value-driven. Cost-driven models concentrate on reducing costs in each area possible. Value-driven models on the other hand focus more on delivering value. Costs do not matter, as the businesses can charge more, and products and/or services are usually more personlized and expensive. The cost structure block may be characterized by the following (Osterwalder 2010):

- fixed costs – these are unchanging expenses (e.g. salaries, rent)
- variable costs – expenses that change in terms of products and/or services delivered
- economies of scale – lower expenses that benefit the company as its produce increases (e.g. IKEA's mass-produced furniture for cheaper prices)

- economies of scope – expansion of products and/or services to reduce expenses (e.g. UPS broadening their services)

By way of contrast, Ash Maurya has created a different version of the Business Model Canvas, and thus has designed the lean canvas (2012). To be brief, the lean canvas is a modified version of Osterwalder's Business Model Canvas. Maurya has replaced key partners with "problem", the key activities with "solution", customer relationships with "unfair advantage", and key resources with "key metrics".

Maurya argues that, although the key partners block was the most difficult one to leave out, most products do not usually fit into this category. He adds that especially when a start-up company has not tested their product and/or service(s) yet, searching for key partners would be unnecessary.

Apart from the other blocks that were modified and updated by Ash Maurya (2012), the cost structure was unchanged and remains the same as where it should be. The Business Model Canvas may have been criticized, altered in different approaches, and tailored for different schemes. But its purpose remains the same, and that is to aid in building ideas and creating value for businesses.

The authors have decided to use the Business Model Canvas despite the cons because it is a more familiar model as the authors have come across with it many time during school projects. Therefore, they have better knowledge on utilizing Osterwalder's canvas. Apart from this, the authors were not able to comprehend well some parts of the lean canvas such as the unfair advantage block since there was not enough explanation on it. However, the authors agree with Maurya (2012) and Coes (2004) on the topic that it is very difficult to distinguish customer relationship block from customer channels one. In the authors' opinion, the customer channels block is not necessary as the channels may be presented in the customer relationship block. But even so, the Business Model Canvas and the value proposition canvas are very beneficial tools for a business ideas' early stages because even before implementing or creating any product or service, these canvases can help to lay out a business concept from multiple angles.

In the succeeding chapter, theoretical part of this thesis will be concluded by authors' own framework which was built with specific elements of each theory that were presented in this work. The authors will create moodboards, social media posts, a brand logo and background story, first ever products to test out as well as user personas as a visual

depiction of potential customers which can be found in Appendix 2. As this thesis is focused on creating an experience concept rather than a business plan, financial part is ignored in case of this work. However, one of the authors will create a financial plan later on as the concept is to be implemented in the future.

2.6.3 From Theory to Practice

After the theories have been explained, the next step is to illustrate how chosen components will be reflected upon the product(s) itself. In the succeeding chapters, the authors will create content to give an idea of how these theories would come into life.

Table 2. From Theory to Practice

Author	Theory	Components	The Product
Pine & Gilmore	Experience Realms	Educational	The bakery will offer many networking events such as meet & greet events, info sessions and charity projects.
Pine & Gilmore	Experience Realms	Esthetic	This realm will be presenting through visually appealing products, charming packaging design as well as moodboards that gives insights on how the physical store will look like.
Pine & Gilmore	Experience Realms	Entertainment	Fun never stops in Nelli & Kisu! Birthday parties, community get-togethers, play dates, games, etc. are only few examples of entertaining activities offered by the bakery.
Prahalad & Ramaswamy	DART model	Dialogue, risk assessment & transparency	In Nelli & Kisu, we believe that every pet deserves royal treatment. To ensure our guests' well-being and happiness, we take time and effort to understand wants and needs of our customers. Any form of feedback is always very valuable and will be considered to improve our concept and learn from our guests.

Tarssanen & Kylänen	Experience Pyramid	Individuality	The value propositions of the bakery are unique in their nature in the target market. As there is no other business which offers customizable, personalized pet snacks and treats or events for pets such as birthday parties
Tarssanen & Kylänen	Experience Pyramid	Story	The brand story will be told from the perspective that the founders of the bakery are also pet owners themselves. Therefore, they understand the triumphs and struggles of having pet(s) and are experienced in making homemade food for own cat and dog.
Tarssanen & Kylänen	Experience Pyramid	Interaction	The guests of the bakery will find many opportunities to interact with service providers as well as other pet owners through community events and gatherings. Social media platforms will be also be used to create awareness about business offerings and interact with potential and existing customers.
Tarssanen & Kylänen	Experience Pyramid	Multi-sensory perception	The bakery's interior will be designed with a modern rustic approach. The pastel colors will make up color scheme to create a cozy, bright, relaxing ambience. The products will be prepared with care and decorated with colorful frostings, sprinkles etc. The home-like atmosphere will be completed with the delightful smell of baking and delicious snacks to enjoy.

Moreover, as it is shown on the table, not all the components of every theory will be implemented in the product development stage. Instead of trying to cover everything, the authors have decided to focus on specific elements that will actually benefit the product(s) and/or service(s). These elements have been chosen for they can be easily connected

with each other and beneficial to improve the concept further. For example, while the educational realm will be also represented in the story element of the experience pyramid, the entertainment realm may be also experienced through interaction and multi-sensory perception elements of the pyramid. On the other hand, the DART model will be used to set the standards on how to efficiently interact and communicate with the target customers. An example of this can be seen Figure 5 on how the authors will plan to manage social media accounts. Social media will be actively used to discover co-creation opportunities. Additionally, educational posts about value propositions and the general concept will be created in a transparent manner that will allow customers to assess all the risks and benefits associated with the business's offerrings.

Thus far, several theories namely, Four (4) Realms of Experience by Pine and Gilmore (2011), Experience Pyramid by Tarssanen and Kylänen (2009), DART Model of Co-creation by Prahalad and Ramaswamy (2004) is introduced and explained in-depth. As educating the readers on a variety of experience concepts was defined one of the objectives in this thesis, the authors believed that an adequate information was provided to make the readers familiar with concept of experience design as well as experience co-creation. These theories were followed by user personas which are visual representatives of potential customers, and Business Model Canvas which shows basic layout of a business through nine building blocks which represent the essential components of a business such as target consumers and how to reach out to them, cost structure, products and services offered as well possible partners and resources needed to accomplish business objectives. In the next chapter, the authors will present the project plan and evaluate own writing process. In addition methodology used in this work will be explained and results of the survey will be analyzed. The charts and tables related to survey questions can be found in Appendix 2.

3 The Story of Nelli & Kisu Pet Bakery

3.1 Background of the project

This subchapter will discuss what this body of written work comprises of and how the ideas and the concept came to be. The inspiration came from the notion of how the authors were looking for a place where they can spend and enjoy free time with their pets, but that is still indoors, and that this place would somehow offer food not only for them but also for their pets. Since one of the authors not only has a special interest but also professional training in the field of baking, the concept of the pet bakery was born.

The authors first deliberated and toyed around with the conceptualization of a *feline center* or an amusement park for cats (e.g. *hoplop* for cats). Although when halfway through, the authors realized that the idea of it was too extensive to cover in this thesis. Afterwards, the authors have limited the idea in line of the food and beverage sector as well as in the concept of experience creation. When every idea fell into place, it was only supposedly for academic purposes. Conversely, one of the authors have decided to make the project happen and implement the idea as part of a startup company. Eventually, the ideas came together and were finalized by the month of June. It took several months to pick out theories and product development tools that would fit the concept well. The authors dedicated their time to delve deep into these theories and expound each ideology for the readers' further apprehension and to rationalize how these theories would correspond to each other for the improvement of the concept of the bakery.

3.2 Project plan

At first, the authors began their thesis research through mapping out theories related to experience design and co-creation, as well as tools that would aid in the product development stage of the thesis. The four (4) realms of experience (Pine & Gilmore 2011), Experience Pyramid model (Tarssanen & Kylänen 2009), and the DART model of co-creation (Prahalad & Ramaswamy 2004) were chosen as theories to support the framework of the thesis. The authors have decided to use these theories for they have studied and had previous knowledge due to their studies in Haaga-Helia.

Moreover, since the bakery does not have the physical resources yet such as location and an established customer base, the authors spent time searching for tools that will be most beneficial in this scenario. To illustrate target customers segment, user personas were created. To make these personas more realistic, the answers given by the participants of

the survey were used to identify demographics, purchase motivators, lifestyle, and pain and gain points. In total, four (4) personas were created, there are two (2) pet owners, and these were paired with a pet persona as well. The subjects of the value proposition canvas are based on the user personas in turn of the results from the survey. These results were used as a guide while developing products and services. For example, in the survey, the participants were asked how familiar they are with the pet bakery concept. More than half of the respondents answered with "not familiar at all". These then showed that target customers need to be educated and provided with sufficient information on what a pet bakery is. Thus, the authors decided to create infographical posts on social media to explain what kind of products and services will be offerred and how customers will benefit from them.

In the beginning, the authors were planning to use customer journey map to depict how customers will interact with each touchpoint before, during, and after consuming the products or services. However, after further discussions with the thesis supervisor, Customer Journey Map was discarded as the bakery has no existing customers so, the business idea is not implemented and tested yet. Instead, the authors decided to use the Business Model Canvas (Osterwalder & Pigneur 2010) because it is beneficial to present the business idea from different perspectives even in such an early stage.

Finally, a quantitative survey was conducted to identify consumer demands, collect demographic information, and to get an understanding of target customers' pet-related purchasing habits. After gathering the results, these were utilized to establish the groundwork for user personas, value proposition canvas, and Business Model Canvas. More information about the survey as well as its results can be found in the succeeding chapter.

Through the whole thesis process, the authors maintained communication with each other and the thesis supervisor. After completing milestones which were decided together with the supervisor, meeting were conducted to discuss the further work. After the last one, the aurhors put together the finalized product which which reflects on how the theoretical frameworks and innovative tools will be implemented. The evaluation of application of these frameworks can be found in project evaluation chapter.

3.3   Methodology

Qualitative data will be necessary for this written work because the authors will require more facts about for example, how the establishment's future customers think and how

they make decisions, what their lifestyle is, how the products and services will affect their well-being, and how to encourage them in creating concepts as actively participating members. Moreover, qualitative research is a descriptive approach which may provide insights about how ideas, thoughts and feelings of the target customer; helps to gain an in-depth customer perspective (Clow, James 2014, 42-43).

On the other hand, quantitative research is also incorporated in this thesis not only for the demographical results essential for this academic work. The information gathered from respondents through this method yields trustworthy, objective results since there is no concrete data available yet from the targeted scope of participants. Quantitative data will also provide input on the most general sense of who the target customers are and receive general opinion from them based on the concept of a pet bakery. What is more, this research method will generate imperative results that is bound in experiential concepts and for academic purposes. In addition, quantitative results will also back up the basis of the user persona that is created to represent the target market. In fact, due to the objective nature of the results from quantitative research, the numerical data gathered will paint honest results without discrepancies. Furthermore, additional boxes for personal comments were affixed in certain questions in case possible target customers wanted to make an input which pertains to the co-creation aspect of this research. Not only this but also the essentiality of the numerical results that will be gathered from this survey makes an easy way for the authors to evaluate data collected and may be effortlessly presented through tables, charts, etc. All these results and information accumulated from the survey shall be conferred in the evaluation chapter of this thesis.

Secondary research provides an understanding of the existing knowledge and ideas therefore it is easier to continue building on these rather than starting from scratch. This also helps to identify the mistakes the others did, therefore secondary research highlights pitfalls to avoid while containing opportunities to learn from all the relevant information as well as to analyze opposing views (Curtis & Curtis 2011, 226). Moreover, secondary data is widely accessible due to increasing number of online and physical sources, as the data can be reached inexpensively and immediately. On the other hand, it may not be possible to reach exact, reliable and relevant information through secondary research. Whereas technological advancement and increasing use of internet enabled easy and fast access to information, the overwhelming number of sources make it difficult to find and filter sources to gather and analyze data about a specific topic (Clow & James 2014, 63-64).

The authors used secondary research to gather and analyze information on several topics that will be presented during the thesis: experience design, characteristics of memorable

experiences, as well as co-creating experiences with customers and customer-centric design. Online search engines, public libraries and their online databases and Haaga-Helia's Finna database are the main sources that was used to gather data to build on theoretical framework.

The authors have also decided to conduct a survey to identify feelings and thoughts of the target customers towards the products and services of the bakery, which would help highlighting strengths and weaknesses for the authors. These results would be later used as pinpoints to decide what needs to be improved, changed or eliminated. The survey combines qualitative and quantitative approach as there are questions aimed to get numerical data such as the number of respondents, how many pets are owned by the respondents, respondents' income and how much is the cost of taking care of pet(s) in comparison to it. In addition to these, open-ended questions that would give respondents opportunities to freely express themselves and provide personal insights such as ideas to further improve the products and services of the bakery.

Business Model Canvas will be used to provide an understanding of processes and business offerings of the bakery. Value propositions will be created with the help of value proposition canvas. Authors believe that this tool will be useful to identify target customers' wants, needs, demands, struggles and aid in coming up with solutions that make specific aspects of the customers' life easier and more enjoyable (Osterwalder, Pigneur, Bernarda, & Smith 2014). Moreover, the authors will create user personas that are pet owners in the target market who love cats and dogs and would be interested in learning more about living with pets.

3.4 Obstacles along the way

This subchapter shall discuss stumbling blocks the authors have encountered during the processes of writing this thesis and how they made progress up until the completion of this research study.

First off was the mapping out of ideas and concept-building for the topic of the thesis. Since the authors both have an inclination towards creating something that is product-oriented and is also based on their interests, they came up first with an idea of a "feline center". The authors had to reconsider because the idea would have been too broad to make a research out of and that is how the pet bakery came to be. The second phase consisted of formulating the table of contents which defined the topics and contents of the thesis. A few tweaks were made here and there with the help of the thesis supervisor. A

couple of topics and theories such as the service design framework, the empathy canvas, the trend map, and the customer journey map were dropped as well not only due to time constraints but also because most of these concepts were deemed irrelevant to the process of developing the ideas and products for the pet bakery.

There were also other difficulties the authors faced in the midst of the writing process apart from the struggles they encountered, topic-wise. The authors were both on tight schedules because of alternating shifts at work, school, and daily lives in general. But even so, both authors tried to find a way to work around these dilemmas and thought to plan things ahead of time, to communicate regularly, equally divide tasks, and to meet on appointed days to check on each other's work, ensure cohesion, and finalize the ideas and content at the end of the day. These activities became routinary which made it easier for both of the authors which then resulted to meeting expectations and deadlines.

3.5   Evaluation

This chapter is designated to discuss data gathered from the surveys conducted, elaborate the information on the user personas and value proposition canvases created, and finally to explain as well the contents of the Business Model Canvas for Nelli & Kisu Pet Bakery.

3.5.1   Data Analysis

This subchapter shall present and discuss analyzations of data gathered from the surveys conducted. In addition to that, the user personas along with the value proposition canvas will be elaborated and interpreted in this part of the thesis as well. As a final point, the Business Model Canvas and its contents will be also explained in further detail. These canvasses can be found in Appendix 2.

The survey conducted was aimed to target customers to see and reflect from their inputs and responses to better improve the ideas and concepts of Nelli & Kisu Pet Bakery, additionally demographic data was also collected to identify and classify the respondents based on their age groups. There were a total of 50 respondents, 36 of whom were female, and 10 of which were male, while 1 did not want to say. Respondents were also required to declare the age group they belonged in. About 23 of those who answered the survey were ranging from 18-24 years old, 17 of those were from 25-30 years of age, there were also 6 respondents who are 30-40 years old, and 4 of them are 40-50 years and up.

The respondents were also asked to give an estimate of their average household income annually (in euros). There are 16 people who earn about 0-10k, 9 of those 50 respondents have an average annual income of 10k-20k. While 9 more of those who answered the survey said that they get 20k-30k worth of annual earnings. While those who acquire 30k-40k yearly are about 6 respondents, and about 8 out of the 50 respondents claim that they earn at least 40k or higher. Lastly is that there is 1 who estimated their annual income of about 50k and up and 1 other person said that they did not know.

The fourth (4th) question was about how much the respondents spend on pet food on a monthly average to identify they purchasing habits related to their pets. About 28 out of 50 said that they spend 0-25 euros, and 15 people said that pet food expenditures go from 25-50 euros. From the 50 people who answered the survey, 5 of those spend about 50-75 euros, while only 1 spends 75-100 and another 1 person said that they can spend up to more than 100 euros.

A number of the respondents live in Helsinki, which is 27 of them. There are other 5 people who said they are from Vantaa, and 3 more people declared they reside in Espoo. There are about 15 more people who live outside the metropolitan area, and across the world as well. There is 1 from the Philippines, 1 from Seattle (USA), 4 from Porvoo (Finland), 1 from Vilnius (Lithuania), 1 who is from Sydney (Australia), 1 more person from Dublin (Ireland), 1 from Munich (Germany), 1 from Barcelona (Spain), 1 from Mäntsälä (Finland), and 1 who came from Tampere (Finland).

The respondents were also inquired about their familiarity of pet bakeries, and most of them said that they have never heard of it, and it consisted of 23 people. This question was asked simply to determine the role of the educational realm and how it should be applied into the product. Out of those 50, 17 of the respondents said that they are not very familiar. There are also 7 more people who claimed that they are somewhat familiar, and only 3 mentioned that they are very familiar with the concept.

The people who answered the survey, 23 of them, stated that they usually purchase food including treats and/or snacks for their pet(s) from Musti ja Mirri, a local pet supply store chain in Finland. There were 3 only respondents who claim they get supplies from Faunatar, another local pet supplies store. Out of the 50 respondents, 10 declared thaat they order through online stores like zooplus. Finally, about 14 more other people mentioned various stores and places that they could buy pet supplies from. There are 9 others who claimed that they purchase pet supplies from local grocery stores like Alepa

and Prisma. Additionally, 1 more person said they obtain pet food from a local pet supply store in the Philippines namely Pet Express, and 1 other person said that they obtain pet food and other supplies from the veterinarian.

The 8th question from the survey inquires the respondents on what qualities they look for when deciding which pet food to purchase. The respondents were given several statements to help understand the motivators that affect the choices the participants make when it comes to purchasing pet food. The people who answered the survey were allowed to make more than one choice. For the results, please refer to Table 3 below:

Table 3. Pet food purchasing motivators and the number of respondents

	n
family/friend recommendation	19
price	27
social media (e.g. online reviews)	3
online advertisements	6
physical advertisements	3
use of organic products	12
preference of pet(s) (e.g. taste, flavor, texture)	22
veterinarian's recommendation	17
size/quantity of the package	16
package design	10
friendly/knowledgeable staff	9
others (please specify)	9

Out of the 50 respondents, 9 of them opted to give out answers that are not from the choices given. One of them declared that they prefer food that suits their pets' diet like allergens and also the quality of the food and its nutritional content. Another person said that they choose the food that contain ingredients that are good for their cats. One more person said that they choose base on quality, while the other decides based on healthy ingredients. Another respondent said that one of their deciding factors when buying pet food is depending on their pet(s)' dietary demands and possible allergens, etc. An individual respondent mentioned also that he/she decide on which pet food to purchase depending on what a seller recommends, especially in musti ja mirri that offers very good products and staff who knows very well about dogs. One more person said that he/she choose which pet food to buy basing on their pets' special needs. Lastly, one respondent declares that they prefer food for their pets that are without added sugar and grain.

For the 9th question in the survey, respondents were asked to rate the following situations or statements below based on their preferences to aid in better understanding their lifestyle. As show below (Table 4), there is a fair amount of the respondents who welcome the idea of visiting a pet bakery with their pets if it existed. Same goes for the number of people who are willing to buy specialty food for their pets even if it costs a bit more than normal. There is also a huge amount of people who usually buys non-essential items/food for their pets such as treats. Moreover, the percentage is above average of people who would allow social media accounts to share their pets' photos or videos from their profiles. Similarly, there is also a high percentage (52%) from the respondents who are most likely to participate in organized workshops and info sessions that will present ideas/topics for their pets' wellness. As a final point, about 30% of the respondents were less likely to avail services such as to organize a party for their pets.

Table 4. Result of respondents' preferences for question #9 in the survey.

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Average	Median
I would take my pet to a pet bakery if there was one.	4%	8%	26%	48%	14%	3.6	4
I would buy my pet specialty food even if it costs more than usual.	0%	12%	28%	44%	16%	3.64	4
I often buy non-essential items for my pets. (e.g. treats)	4%	24%	8%	54%	10%	3.42	4
I would be willing to give consent to social media accounts to share my pet's photos/videos on their profile(s).	0%	2%	22%	56%	20%	3.94	4
I would like to participate in workshops and info sessions related to pets' well-being.	2%	8%	22%	52%	16%	3.72	4
I am willing to pay a company to organize milestone events for my pet(s). (e.g. birthdays, adoption celebrations)	18%	30%	22%	18%	12%	2.76	3

Subsequently, the respondents were also asked what are their deciding factors when purchasing non-essential product(s) for their pets such as gourmet treats or birthday cakes. As seen on the chart below (Figure 10), about 20% said that the physical appearance of the store affects their decision-making while a bigger percentage of the respondents choose products that will help improve their pet(s)' well-being. Additionally, positive reviews and recommendations (34%) is also a big factor when deciding which product(s)/service(s) to avail. However, about only 8% of the respondents claim that advertisements affect their purchasing habits. Besides this, 42% of those who answered the survey insist that the price range is also a factor they consider when choosing which commodity they will buy. Alternatively, half of those participants in the survey conducted reveal that one of the aspects they look into when purchasing non-essential products is just the idea of wanting to spoil their pet(s).
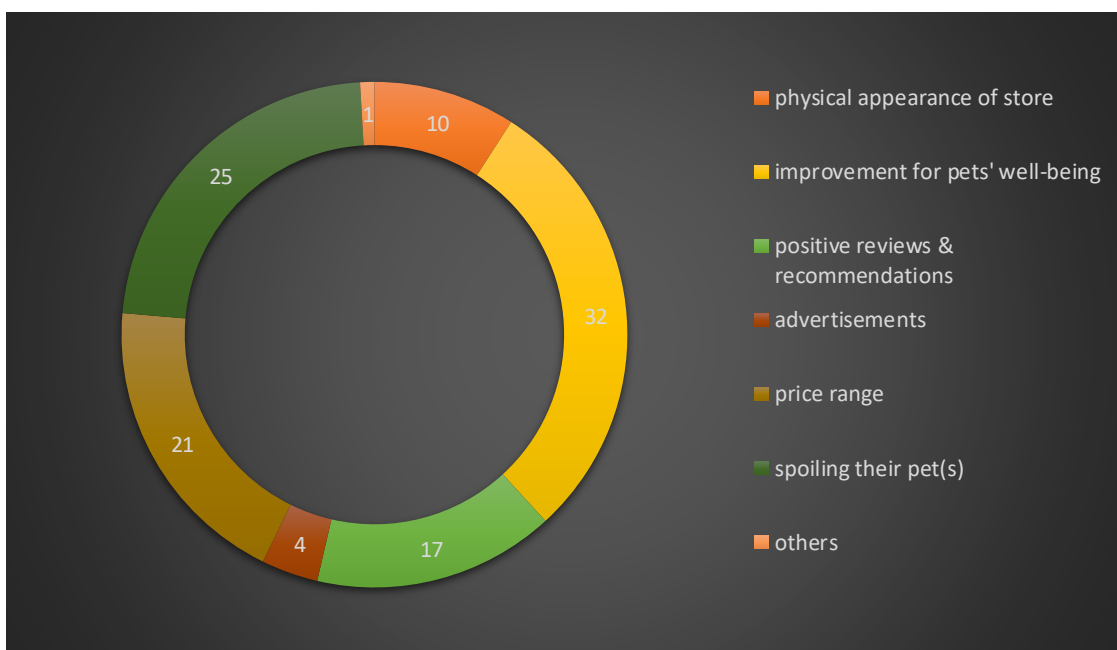
Figure 10. Purchasing motivators for non-essential products results

On the other hand, aforementioned parktakers of the survey were also asked to watch a short video to demonstrate to them the idea of what a pet bakery is. Participants were asked if they would visit and/or purchase products from a pet bakery somewhat similar to what was seen in the video. 84% of them said yes while those remaining (16%) answered no.

The respondents were also asked, based on their opinion, the best price range (lowest to highest) that they would consider when purchasing gourmet pet food products such as cookies, birthday cakes, cupcakes, etc. As seen on the chart (Figure 11), there is a tie between those who are willing to pay from €0-€10 and €10-€20.

However, 4 people were willing to pay more than €30 for such products and only 3 more were inclined to pay at least up to €40. Whereas 6 from the respondents said they are eager to spend about €40-€50 but not more than that.
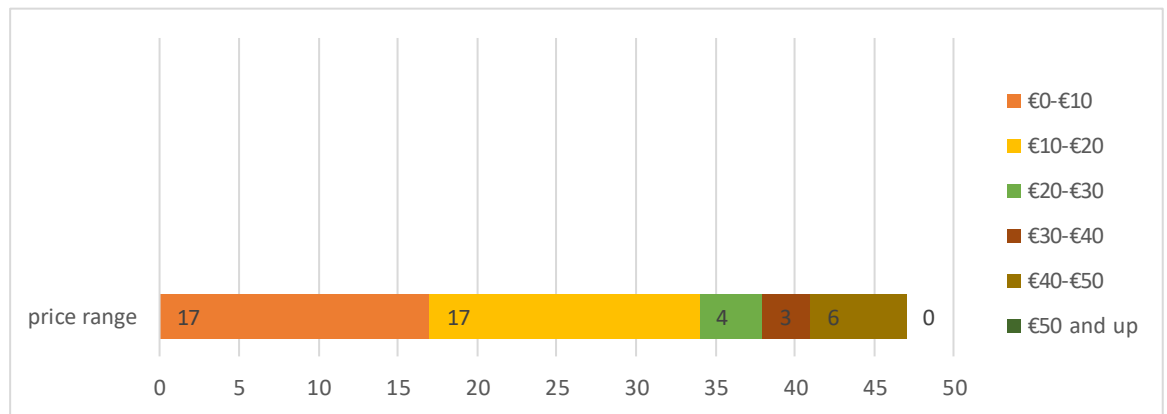
Figure 11. Respondents' opinion on the price range

Finally, participants of the survey were asked to leave comments and/or suggestions on what the pet bakery could offer apart from pet food products. Appended below aretheir answers based from their own opinions.

Table 5. Comments and suggestions from respondents for the survey.

▼	İ would like healthy homemade style food for my pets
▼	I would be interested in all the options listed.
▼	nice
▼	Puppy dates are great for young puppies and owners and also training seminars.
▼	organic ingredients
▼	Play ground
▼	Pop-up shops
▼	Pop-up shops, coffee for owners, place to sit down and meet people in the same environmet
▼	Goods for owners, so you can have something nice while your pet has something nice.
▼	Well i have cats and they dont care like sweet stuff, so i would like to buy them something fishy or meaty
▼	Cool bandanas & collars
▼	I think the pruducts used in the video are not that healthy for the dogs so that's why Im not too interested. I'd prefer some sort of caffeteria which offers healthy snacks for the dog and their owners.
▼	Workshops, selling other products for pets from smaller companies, events to collect money for shelters.
▼	Workshops seasonal events etc
▼	Workshops
▼	Private
▼	Seasonal events yea
▼	no suggestions.
▼	Organizing a trustworthy group of people willing to take care of my pet while I am out of town.
▼	I think a social media for the organization would bring a lot of customers
▼	Woekshops and speakers on pet-care
▼	Also some toys for them to entertain
▼	If it's a pet bakery, maybe you can add offering treats to owners as well like coffee and pastries😊
▼	N
▼	Meeting other pet owners, workshops (e.g. making pet food & treats together)
▼	All the suggested and maybe puppy meetups, pop-up photo sessions with themes?

The succeeding paragraphs shall now discuss and evaluate the user personas created for this pet bakery concept as well as the value propositions tailored for them, and the Business Model Canvas designed to introduce the basic elements and the foundation of

Nelli & Kisu Pet Bakery. All these aforementioned personas and canvasses can be found in Appendix 2.

Based on the online survey and market research, two (2) user personas were created and paired with pet(s) of their own. The main reason why different personas were created is that the authors wanted to show how both cat and dog owners will benefit from the value propositions of the bakery. The age, salary and average monthly spending on pets were aligned with the results of the survey.

The first persona is a 27-year-old female with two dogs, Daisy and Juan. As she lives in a small apartment building, she does not have much indoor space to play with her dogs and she worries that they do not socialize and get play time enough. She takes her dogs everyday couple times outside for walks, but she would like to spend more time outside the house with her dogs. There is a very small number of cafes/restaurants where she can go with her dogs and she wishes to have a place where both she and her dogs can be comfortable, socialize and have fun. She has been looking for a venue where she can celebrate her dogs' birthday with friends but there seems to be no place that is suitable. Besides lack of socialization opportunities for her dogs, another issue is that Juan is severely gluten-intolerant and should eat special food which she gets from a local pet supplies store. The options are very limited and expensive in her city so, she has to order treats and snacks online which takes time and she cannot test them out beforehand.

Through value propositions of the bakery, all these problems can be eased. In her case, the bakery's comfortable, home-like environment provides a space where both her and her dogs are welcomed and well taken care of. Moreover, there are many socialization opportunities through seasonal and community events, meet & greets, playdates and workshops. As all the products can be customized to fit with our customers' wants and needs, there will be plenty of grain-free and gluten-free treats and snacks to choose from for Juan. When it comes to the birthday party, we will plan all the details carefully together with our guests to ensure everything is just exactly how they wish to be. After details are cleared out, the guests can sit back and relax while we prepare the food and beverages and party decorations.

The second persona was created to represent a cat owner who has a senior cat (Lily) with teeth problems and diabetes. Thus, Lily needs to be monitored regularly to ensure she is okay which creates troubles for Minerva's busy schedule. Since there is no one to take care of Lily, it is very difficult to plan work and/or family trips to in another city. She wishes

to find a trustworthy cat sitter or a foster family who has experience with senior cats and will be very careful about what food is fed to her since Lily is diabetic.

Lily likes to go out for short walks outside, explore and socialize with other pets. The struggle is that, Minerva does not know many cat owners and it is difficult to introduce Lily to other cats as the cat owners do not have places even like dog parks that they can visit their cats. Minerva likes to visit the cat café in Helsinki and wishes to have a comfortable and safe place where she can visit with her whole family including Lily.

As Lily is a very social cat, Minerva plans to adopt another cat, preferably a kitten. She thinks that Lily would be happier with a little friend, and it would help Minerva to cope up with loss of Lily as the cat is sick and already 15-years-old. Minerva does not much experience in taking care kittens so, she needs to gain more knowledge on that before she is ready to adopt.

Minerva is spending up to 100 euros every month in hope to keep Lily comfortable and healthy. Even though she prefers to purchase pet snacks and treats from physical store, she is forced order them online because local pet supply stores have only few options which has preservatives and additives. Minerva prefers to feed Lily food that is %100 natural, healthy, grain-free and sugar-free.

Nelli & Kisu Pet Bakery would offer products suitable for diabetic cats and dogs on demand. The ingredients used, flavors and appearance can be changed according to customers' preferences and their pets' wants and needs. For example, in this case, the products can be made with coconut or pea flour as both or naturally grain-free instead of whole wheat flour.

Besides offering a wide range of treats and snacks suitable for Lily, the bakery also has another feature which makes it unique in Helsinki which is that all cats are welcome in our place! They can walk, smell, explore, enjoy delicious treats, play with cat toys or interact with other pets around or hang out in the cat corner that we created for them in the bakery.

The authors decided to include Value Proposition Canvas in the product development stage to identify target customers' wants, needs, struggles and how they would benefit from the bakery's products and services. The previously described user personas will be used as subjects to complete the customer profile.

The first canvas was created with April's user persona in mind, which is a young adult who lives in Helsinki and owns two dogs. She is a very social person who participates in volunteering projects often and donates to the local animal shelter every month. She would love to take her dogs to cafes when she meets with her friends, but dog-friendly cafes/restaurants are very limited in her city of residence. Therefore, the customers jobs that were defined for her included maintaining an active social life, finding more volunteering opportunities, creating socialization opportunities for herself and her dogs, and being part of a community of dog owners.

Besides customer jobs, April also has expectations and gains regarding how she would benefit from the products and services of the bakery. She hopes to find a selection of healthy and tasty treats for her dogs, a safe environment where she can have coffee with friends and take her dogs with her, a community for support and networking opportunities as well as fun events and workshops. Through participating in these events, she hopes to gain more followers on the Instagram account that she created for her dogs.
Following gains, April also has fears, struggles, and pains where she would like to be rid of. Her pain points include worries about her dogs staying home alone for long hours and do not socialize enough. In addition, she feels like she would be able take on more opportunities if she had someone whom she can trust to take care of her dogs when she is away.

After presenting the customer profile, the right side of the canvas is completed. This will be followed by products and services the bakery offers, gain points that shows how April would benefit from these offerings and pain relievers which helps to ease the customers' struggles or present solutions for problems.

The products and services refer to the value propositions offered by a business. In the case of Nelli & Kisu Pet Bakery, these are healthy, hand-crafted food & beverages specifically made for dogs and cats. Each offering can be customized to perfectly match with the pet owners' and their pets' preferences. The bakery is also an ideal place to host events such as birthday parties for pets. In addition to the private gatherings, there will be community events such as meet & greets, playdates, and seasonal celebrations e.g. a costume party in Halloween. These events are suitable for people of all ages, so this can be a very good choice for a fun day with the whole family.

Through gain creators, the authors aimed to show how business offerings will be used to deliver value and make a difference in people's lives that will also radiate to other animals. For example, the bakery will not only cater to pet owners' demands but will also create an

initiative to be of aid to people and/or families looking to adopt cats or dogs from local shelters. Moreover, the bakery is also aiming to provide support and donate a small percentage of its revenue to a local shelter e.g. HESY (The Helsinki Society for Animal Protection). Additionally, the pet bakery will also organize and host workshops that will teach the customers/participants to learn about the basics of homemade cooking for their beloved dogs and cats. As a result, customers will have learnt a skill that will be very useful for them, which will motivate pet owners to create something homemade and special for their dogs and/or cats. Furthermore, the bakery is a place where both cat and dog owners can spend time together indoors, safely, surrounded by their pets, friends, and family, with a selection of food and beverages to be offered to them. This will affect the target customers' social lives and could even help to improve it as well.

The pain relievers show how the business offerings of a company brings solutions to target customers' problems. As listed on April's frustrations is the loss of socialization opportunities for her pets. As it was mentioned before, the bakery will host private and communal events such as seasonal parties, meet & greets, playdates, and celebrations of many milestones wherein friends and other colleagues or acquaintances may either join or be invited. Another problem for April is the minimal number of places she can buy healthy snacks for her pets. Therefore, Nelli & Kisu Pet Bakery will offer a variety of treats and snacks made up of ingredients that are 100% safe and healthy that will come from trusted suppliers. Besides this, pet owners who are looking for people to take care of their pets while they are away may refer to a "community board" as well where there will be posts of people willing to do pet-sitting including their contact information. In reference to April's interest of getting more followers on social media, when they share images on Instagram for example, the bakery will also feature these posts that should include a photo of their pets in the bakery. This in turn could help April gain more followers on her Instagram account.

A second canvas was made for a user persona named Minerva McGonagall. She is a single mother with two (2) kids and owns a 15-year-old cate named Lily. Lily has suffered tooth loss due to diabetes. Minerva is anxious about leaving Lily alone at home too much which resulted in Minerva thinking of adopting another cat as Lily's companion at home. Minerva would also want to give all the best for Lily as she knows that the cat may not be with her for a longer time. Meanwhile, Minerva likes to keep an eye out not only for her and her kids' wellness but also her cat. Minerva also enjoys activities that improve one's well-being and is always on the lookout for healthy and sustainable trends.

Minerva hopes that through this pet bakery, she will be able to have finally found a safe environment for her senior cat to socialize in, to become a part of a community of cat owners, that she has already found a place to aid in pet adoption processes, and to treat Lily occasionally without feeling guilty.

Admittedly, Minerva is also frustrated about a few things. Choices for treats and snacks are very limited in her local supply pet store, there are also barely any place that she can take Lily to that would allow cats inside the premises, and that when Minerva has to go out of town, it will be quite inconvenient for her to take Lily with her.

As such, part of Minerva's customer jobs are: becoming a foster family for cats preferably kittens upon adoption, pursuing a happy and healthy lifestyle for her and her family, to look for local pet supply stores to offer healthier and diet-specific snacks and treats, and finding a cat-sitter who is experienced in caring for senior cats.

Looking on the left side of the canvas, shown are the products & services, gain creators, and pain relievers that the pet bakery is willing to offer to deliver value and solutions to Minerva's difficulties. The products & services that will be offered are edible cakes, treats, and snacks for dogs and cats that contain healthy, natural, and additive-free ingredients. Customers will also be offered the chance to customize the products according to their pet's preferences. They can either choose from meat, fish, or vegetarian options. Not only this but also the shape, colors, toppings, etc. can be changeable. Finally, is that the bakery will also be a space open for pet owners wherein they can socialize along with other pet lovers while enjoying their time spent in a place that will ensure satisfaction, comfort, and happiness.

On the other hand, as seen on the upper right are the gain creators, and as mentioned before, aims to provide value and affect change in the customers' lives. In Minerva's case, to help give Lily the best time of her remaining days, Nelli & Kisu Pet Bakery can organize a set of activities and/or events that will celebrate the cat's life and milestones like its birthday. Other feline friends are also welcomed to come in the bakery so that they can mingle as well with each other. Moreover, just like how it benefits April's user persona as someone who is always looking for healthy options for her pets' food, the bakery will also offer healthy ingredients from trusted suppliers that will cater to the specific diet of Lily the cat, in which case is her old age and is diagnosed of diabetes. Lastly is that, to aid in Minerva's search for a cat to adopt, there is going to be a community board that will carry notices or posters that inform customers of possibilities and information on who to contact and where they could get in touch with someone to adopt a cat, e.g. from the local shelter.

As for the pain relievers, to ease some of the struggles Minerva goes through like looking for a place where she can spoil her cat, the bakery will also offer cupcakes and "*paw-burgers*". In addition to this, to help solve those times that Minerva has to go out of town but with no one to look out for Lily, there will be also postings of people's cat-sitting ads with their contact information provided. As a final point, the bakery will be built as an accommodating place for all pets to play in and socialize as well.

These canvases were created to get a vision of how target customers will benefit from what Nelli & Kisu Pet Bakery is willing to offer and provide. Through a variety of products and services, the bakery aims to fulfil its target customers' expectations by looking into their possible pains and gains and try to create something that will be of great value and hopefully, solutions that will bring forth change in their daily lives.

This part of the data analysis subchapter shall now discuss and interpret Nelli & Kisu Pet Bakery's business model canvas. This is an overview of what will make up of the bakery's general concept as well as its essential components. For key partners, there are the cat and dog owners, cat and dog enthusiasts, suppliers, local producers, and marketing partners (e.g. social media influencers). The key activities on the other hand involve concept development, feasibility check, sales, marketing, creating brand awareness, and educating the target customer segment about business offerings. Alongside this is the value propositions block which are the proposed products and/services the bakery is planning to provide. These are:

- Food and beverages for cats and dogs: Healthy and tasty cupcakes, birthday cakes, cookies and delicious drink with pumpkin
- Private and seasonal events, celebrations: In our bakery, we will plan and celebrate milestones and give thanks for furry members of the family
- Workshops: The participants will learn about basics of cooking/baking for cats and dogs in a relaxing, fun environment
- Community of pet owners: Support, sharing responsibilities, socialization and networking opportunities, volunteering, helping animals in need and much more!

Furthermore, customer service, social media, and community events are the perfect avenues to build excellent customer relationships in the case of this pet bakery. Customer segmentation focuses on cat and dog owners, to whom the value propositions are created for. The channels that will be utilized to reach target customer segments are face-to-face, social media platforms, e-mail, and pop-up shops.

In addition to this is the cost structure, which represents all the expenses made from the value creation process, to maintaining customer relationships, up until the stage when obtaining revenue. The cost structure consists of the expenditures on raw materials as well as baking equipment. On the other side is the revenue streams, which will be derived from the sales of food and beverages offered also from the events and caterings services organized by the bakery.

3.5.2 Project Evaluation

The authors believe that this thesis will aid in launching the business idea as a start-up company. The research made conducted for the thesis as well as the creative work during the development stage and the tools used all aided in creating the first ever products of the bakery. During the writing process of the thesis, the concept of Nelli & Kisu pet bakery transformed from barely an idea to something concrete that the authors can build upon.

As previously stated, the main objective of the thesis is to develop a food & beverage concept for pets which is unique for the target market. Moreover, educating the readers about experience design and co-creation were included in the objectives. The authors believe that these concepts were explained well in detail and supported with examples when needed, as well as the innovative tools such as the experience pyramid and DART model were discussed in depth. Thus, the authors believe these objectives were met through careful secondary research which took a fair amount of time and effort.

As another objective, the authors have decided to create a minimum viable product (MVP) which will be the basis of the future products and services of the company. After searching for pet-safe ingredients and cooking methods, the authors created the first ever products and tested them out on pets. Then an Instagram account was created with the username of "***nellijakisupetbakery***", to share the products' photos and videos to the potential customers. The authors plan to keep the Instagram account active by posting weekly at least and creating and sharing products for seasonal events e.g. spooky cupcakes for Halloween, and reindeer-shaped cookies for Christmas.

All in all, the authors believe that the thesis process was quite difficult and nerve-wracking at times but rewarding as there were so many learning opportunities. It was a very good challenge to test the authors' knowledge and skills they have accumulated during their studies and to add more to it. In addition, it was very helpful to the authors in a sense that

they have figured out working with experience design is something they are very interested to work with in the near future. Especially since it encouraged one of the authors to pursue the dream of becoming an entrepreneur and creating her own brand.

The authors will evaluate the implementation of theoretical frameworks through Table 2 which was previously presented in this work. The application of these theories will be illustrated in the final product which can be found in Appendix 1. Canvasses for the user personas, value propositions, and the business model will be part of Appendix 2.

Table 6. From Theory to Practice

Author	Theory	Components	The Product
Pine & Gilmore	Experience Realms	Educational	The bakery will offer many networking events such as meet & greet events, info sessions and charity projects.
Pine & Gilmore	Experience Realms	Esthetic	This realm will be presenting through visually appealing products, charming packaging design as well as moodboards that gives insights on how the physical store will look like.
Pine & Gilmore	Experience Realms	Entertainment	Fun never stops in Nelli & Kisu! Birthday parties, community get-togethers, play dates, games, etc. are only few examples of entertaining activities offered by the bakery.
Prahalad & Ramaswamy	DART model	Dialogue, risk assessment & transparency	In Nelli & Kisu, we believe that every pet deserves royal treatment. To ensure our guests' well-being and happiness, we take time and effort to understand wants and needs of our customers. Any form of feedback is always very valuable and will be considered to improve our concept and learn from our guests.

Tarssanen & Kylänen	Experience Pyramid	Individuality	The value propositions of the bakery are unique in their nature in the target market. As there is no other business which offers customizable, personalized pet snacks and treats or events for pets such as birthday parties
Tarssanen & Kylänen	Experience Pyramid	Story	The brand story will be told from the perspective that the founders of the bakery are also pet owners themselves. Therefore, they understand the triumphs and struggles of having pet(s) and are experienced in making homemade food for own cat and dog.
Tarssanen & Kylänen	Experience Pyramid	Interaction	The guests of the bakery will find many opportunities to interact with service providers as well as other pet owners through community events and gatherings. Social media platforms will be also be used to create awareness about business offerings and interact with potential and existing customers.
Tarssanen & Kylänen	Experience Pyramid	Multi-sensory perception	The bakery's interior will be designed with a modern rustic approach. The pastel colors will make up color scheme to create a cozy, bright, relaxing ambience. The products will be prepared with care and decorated with colorful frostings, sprinkles etc. The home-like atmosphere will be completed with the delightful smell of baking and delicious snacks to enjoy.

1. The educational realm fits well into the final product as the target market lacks information about pet bakeries. To educate target customer segments, the authors created flyers and infographics for events, workshops and value propositions of the bakery. Since there are no existing customers yet, it was not possible to test

how effective these infographics are. However, the authors believed that they will provide adequate information about business concept and offerings.

2. The authors would like to create a home-like and peaceful environment which will be supported through cosy sofas, ethnic rugs, indoor plants and ambient lights. The moodboards, which can be found in Appendix 1 will give an idea of how bakery will look like when implemented. The authors enjoyed implementing aesthetic realm into the product as it was a creative process where they were free to create their own layout and content.

3. In the bakery, guests will have many entertaining activities to participate with their pets. The authors believe that illustrations in Appendix 1 will provide a good picture of how entertainment realm will be applied into the product. Similar to educational realm, it was also not possible to host any of these events as the bakery has no physical premises yet.

4. As it is vital to take time to understand customers' wants, expectations, struggles and needs to reach customer satisfaction, the authors will use several communication channels to interact with customers such as a website with online chat, social media accounts as well as physical store. The authors already opened an Instagram account for the bakery which can be seen in Appendix 1. All information needed regarding to the products and services will be available on bakery's website in a transparent manner to eliminate questions that customers might be having about e.g. safety of the products.

5. The bakery's value propositions are naturally unique in the target market as there is no other business that offer personalized pet treats and snacks nor events such as birthday parties for cats and dogs.

6. The authors included a story about how the idea of bakery was born where they identified themselves as pet owners who understand the joy and love that our pets bring into our lives as well as responsibilities that come with owning a dog or cat.

7. As explained before, the bakery has no existing customers yet thus, the authors were not able to test any of the interaction points yet. However, once the bakery starts operating the customers can reach out to place orders or provide feedback through several channels such as website, social media accounts, e-mail as well as physical store and events which will be hosted there.

8. Even though the products will be made for cats and dogs, they still need to be created in a way to attract pet owners. The authors have been doing research about how other pet bakeries present their products to gain some insights and following trends that are currently impacting the market to gather inspiration. The appendix 1 will include images of how bakery's products will look like however, the flavours decorations such as icing, and toppings can be tailored according to preferences of our guests. In the bakery, the interior will be created with modern rustic approach, wooden tables and chairs, cosy sofas, many green plants, colourful ethnic rugs, string lights, bookcases and playgrounds for cats and dogs. The moodboards reflecting these ideas will be placed in Appendix 1.

4   Discussion

4.1   Thesis Process

Before the authors set on creating an experience concept for Nelli & Kisu, the initial idea was to create a feline center, which can be described simply as amusement park for cats. After creating table of contents and discussing it with the thesis supervisor, the authors realized that the idea was too broad to cover in the thesis, therefore they decided to focus on food & beverages for cats and dogs. The topic of the thesis was chosen without any problems as both authors both found the idea interesting to write about.

The experience theories were chosen from the concepts that the authors already got introduced to during their studies. At first, service design framework was considered to create and develop the product however, it would be very time-consuming to go further with it. After consulting thesis supervisor, the service design framework was taken out. Moreover, empathy canvas and trend map were removed from this work because the authors realized that these tools would not bring much value into the final product. Instead, Business Model Canvas was added into the thesis since one of the authors decided to launch a start-up company in near future. The canvas was chosen as it is very useful to sum up the business plan, identify weaknesses and strengths, improve or eliminate business ideas when needed and generate new ideas towards an innovative, feasible business plan.

Moreover, Customer Journey Map was included in the beginning however, was removed later on as the bakery does not have any promises nor customers to test out the products/services and interact with touchpoints to create the customer path. The tool will be later on utilized before launching the start-up company to understand how customers engage with the products and services which provides valuable insights on what is done well and what needs be changed or removed to ensure positive customer experience.

Eventually, the authors finalized the theoretical frameworks used in this work as Four (4) Reals of Experience by Pine and Gilmore (2011), Experience Pyramid by Tarssanen and Kylänen (2009), DART Model of Co-creation by Prahalad and Ramaswamy (2004). After deciding on applying these theories, the whole thesis process took about four months. There were not any major problems while writing the thesis; the authors communicated regularly and set up meeting several times every week to ensure the work would be completed in time.

Moreover, the authors consulted and meet with the thesis supervisor whenever they were in need. These meetings were very helpful to set the focus straight, define further tasks and keep the contents cohesive.

4.2   Learning Outcomes

In this chapter, learning outcomes of this work will be defined. Looking back on the whole process, writing this thesis was much more difficult than the authors had expected, however it came with many great learning opportunities that made it interesting and memorable. From academical point of view, the authors gained valuable skills while doing research on the related topics. These skills include finding and evaluating academic sources, getting familiarized with the theoretical frameworks, combining, comparing and criticising existing theories to select most relevant ones. In addition, the authors improved their vocabulary and academic writing skills while searching for new words and new ways of putting theories into words without repeating themselves much.

Moreover, organization and time-management skills of authors were tested throughout the thesis as the authors did not have previous experience creating an academic paper as detailed and long as Bachelor's Thesis. On the other hand, challenges made the writing process more compelling and rewarding at the same time. As one of the objectives set in the beginning was to make readers familiar with several experience concepts, the authors presented various frameworks and learned a lot themselves during research and writing of this thesis. Even though the authors have studied the theories previously during their courses, explaining the concepts in-depth required going through many sources and gain as much knowledge as possible to reach thesis objectives.

Furthermore, one of the authors will be implementing the bakery in near future as a start-up company and this work helped very much to establish a ground as the concept was improved further, first products were created and tested out. In addition, the authors gathered knowledge about how to collect and analyse data through conducting a quantitative survey which also was beneficial to get the first impression of target customers about the pet bakery concept. Through applying user personas, Business Model Canvas and value proposition canvas, the authors identified target customer segments, create customer profiles and value propositions aligned with target customers' wants and needs which generated valuable information towards creating bakery's business plan.

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Nelli & Kisu Pet Bakery

DELICIOUS, NATURAL, ADDITIVE-FREE

PREMIUM
PET SNACKS

OUR PRODUCTS

Fresh n' Tasty!

At Nelli & Kisu Pet Bakery, we offer personalized treats and snacks made with care and love for furry members of our families.
All our products are made with natural and healthy ingredients which are perfectly safe for dogs and cats to consume.

MENU

OUR INGREDIENTS

Carrot

A great source of Vitamin A and beta-carotene

Apple

Full of fibers, Vitamin A and C. Plus it keeps your pet's breath fresh! We make sure the core and seeds are taken out, as they may be dangerous for pets.

Oatmeal

A great source of soluble fiber, which makes it perfect for for senior pets with bowel problems e.g. irregularity. It is also a perfect alternative for pets who have wheat allergies

Eggs

A very healthy and rich protein, riboflavin and selenium source, We use only organic, locally produced eggs to ensure high quality. .

Peanut Butter

So yummy and good source of protein, healthy fats, Vitamin B and E. We make our own peanut butter which has %100 peanuts without added sugar or sweeteners.

Pumpkin

This super-food is as healthy for pets as it is for humans because it has lots of fibers, beta-carotene and vitamin A .

Beef

We believe that every pet deserves the best. That is why we use only organic, free-range, and locally produced beef in our products

Chicken

In Nelli & Kisu, we use only organic, free-range chicken which is a great low-fat, easy to digest protein source for both cats and dogs

Fish

Our products are made with different kinds of fresh fish such as tuna, salmon and mackarel. Fish meat is a good protein alternative as it is low in fat and high in vitamins and minerals. Do not forget that cats and dogs should NEVER be fed raw fish

Yoghurt

A high quality source of calcium and protein. Plus, it is good for your pet's digestive system!

Cheese

In small amounts, low-fat cheese is perfect to make treats even more delicious! In our bakery, we use cheddar with reducat fat and cottage cheese

Nelli

Kisu

product mood board

OUR PLACE

Make yourself at home!

Nelli & Kisu Pet Bakery

READ MORE

Nelli

Kisu

pet bakery interiors
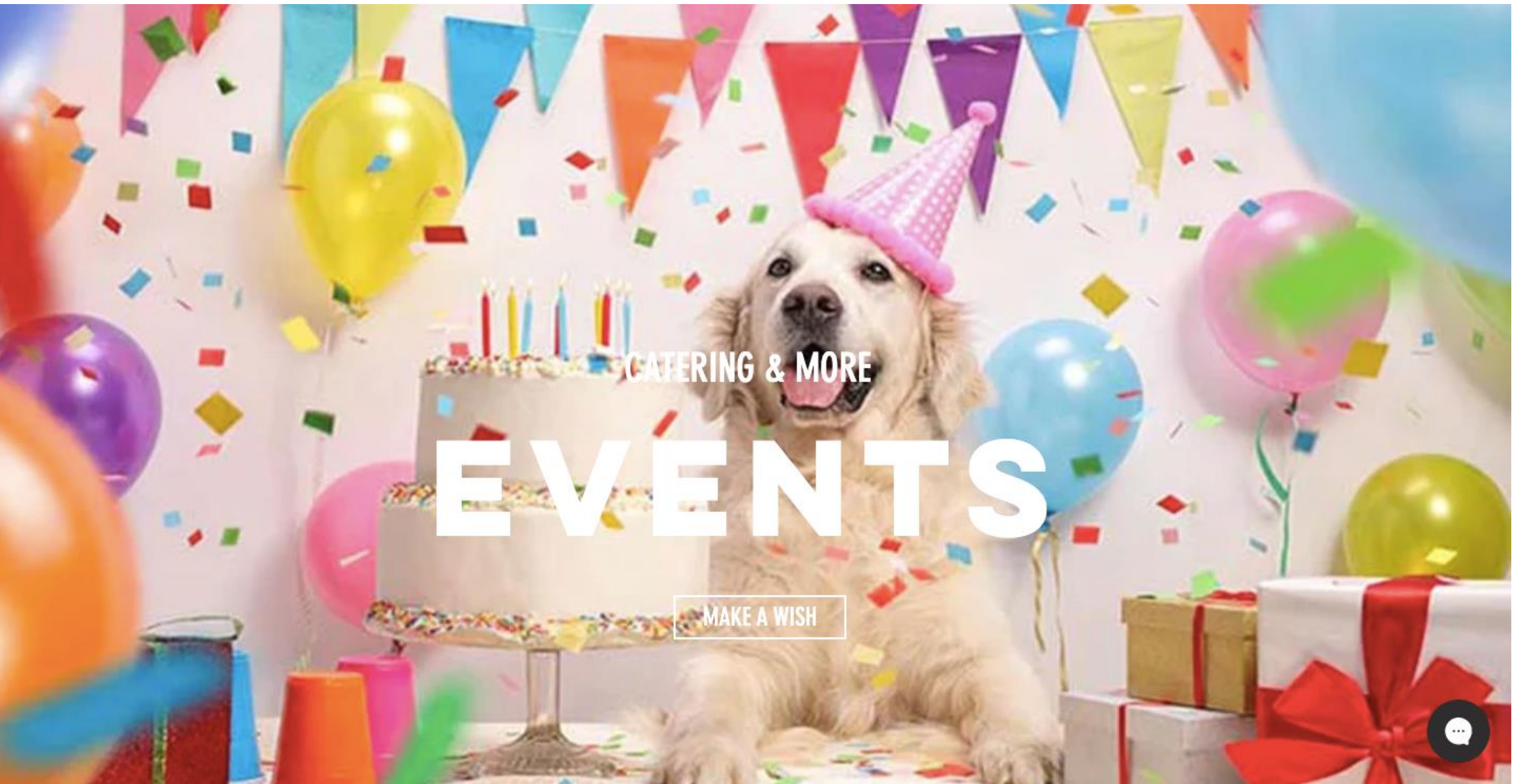
CATERING & MORE

EVENTS

MAKE A WISH

CELEBRATIONS

Every pet deserves to be treated like royalty. That is why we prepare our events with utmost care and attention to mark and celebrate joyous occasions with you.

Time to get spoiled!

I want to party!

WORKSHOPS

At Nelli & Kisu Pet Bakery, anyone can participate into our workshops to learn basics of baking for dogs and cats. The main goal is to have a relaxing, fun day while creating delicious treats for our pets whom we love very much.

Timetable for workshops can be found on the website and on social media accounts of the bakery. Stay tuned for following events!

Schedule

COMMUNITY EVENTS

In our community, you can meet and connect with other pet owners. We understand that owning a pet is awesome and struggling at times. Through our community, you can get support and advices from other pet owners, set up playdates and find/become a petsitter or foster family.

If interested, you can also discover volunteering opportunities to help animals in need in local shelters.

NELLI & KISU PET BAKERY

EASTER BRUNCH

Come join us to celebrate the lovely spring season!

APRIL 12, 2020. BUFFET BRUNCH STARTS AT 11AM AND ENDS AT 2PM.

EASTER BRUNCH

We have activities for the whole family!
- *egg hunt*
- *egg painting*
- *decorating willow twigs* and more!

BRUNCH WILL INCLUDE:
salad buffet
fresh fruits
pancakes
omelets
dessert table
coffee, tea, and flavored juice

The price for the brunch is €15 for adults and €10 for children under age of 12.

A time of warmth and gratitude

Let's Give Thanks

Celebrate Thanksgiving with us and join us for a feast with our furry friends!

NOVEMBER 24 | 12 NOON
NELLI & KISU BAKERY

Come and join us as we celebrate thanksgiving! Here's some of the fun activities for the whole family*:

- arts & crafts workshop for kids
- photobooth (best one wins a prize!)
- pie eating contest both for hoomans and pets
- creative storytelling session

*Admission is €5 for adults and free for children! Thanksgiving dinner buffet is served at 18:00 with an additional cost of €15 for adults and €10 for kids under the age of 12.

NELLI & KISU PET BAKERY

NELLI & KISU PET BAKERY

your time to shine

WEEKLY SOCIAL MEDIA CONTEST:
BEST CAPTION WINS!

MECHANICS:
FOLLOW US!
1.
2.   REPOST THE PHOTO OF THE WEEK (FEATURED ABOVE)
3.   EVERY FRIDAY, WINNERS WILL BE CHOSEN AND WILL BE

Here's a glimpse to our pawsome selection:
- *Mama's pawsome carob chip cookies*
- *Chunky monkey cupcakes*
- *Chicken and sweet potato muffins*
- *Turkey and cranberry pupcakes*
- *Peanut butter and apple cookies*
AND MANY MORE !

———

%25 of proceeds will benefit HESY,
The Helsinki Society for Animal Protection.

READY, GET SET, BAKE!

CHRISTMAS BAKE SALE

Cookies, cupcakes, muffins for cats, dogs and hoomans!

DEC. 20, 2020 • 3PM
NELLI & KISU PET BAKERY

OUR STORY

Nelli & Kisu Pet Bakery was inspired by our three-years-old rescue cat named Kisu and two-years-old chihuahua named Juan. As we had no previous experience in taking care of pets, it was struggling for us at first to ensure we are providing the best care for them. After trying lots of different brands of treats and snacks for our very picky cat, we decided to find and try some homemade recipes for both of our pets. Besides Kisu and Juan could not get enough of whatever we have baked for them, it was also very assuring to know these are completely healthy without the additives.

This is how the idea of the bakery was born, with love and care that we have for our dear pets. Now, we feel confident in our knowledge and skills to create the best treats and snacks with natural ingredients for our dearest friends. In Nelli & Kisu, pets are the prime guests and their comfort, safety, and happiness come before all.

HOW WE COOK

♥MADE WITH CARE & LOVE♥

———

nelli & kisu pet bakery

Balanced and Nutritious Diets for Cats & Dogs

- 100% FRESH AND ORGANIC INGREDIENTS
- HUMAN-GRADE INGREDIENTS
- ADDITIVE AND PRESERVATIVES-FREE
- CUSTOMIZABLE PRODUCTS: BATCHES MADE JUST FOR YOU!

nelli & kisu pet bakery

peanut butter

bananas

organic free-range chicken
free-range eggs
oats

carrots

carrots & bananas

unsweetened applesauce

fresh tuna
free-range eggs
oats

4
Posts

52
Followers

74
Following

Nelli & Kisu Pet Bakery
Premium treats for dogs and cats 🐶🐱
Helsinki 📍 Coming soon!

Edit Profile
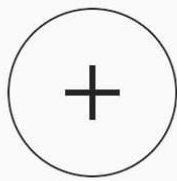
New   Halloween!!   Taste test!!
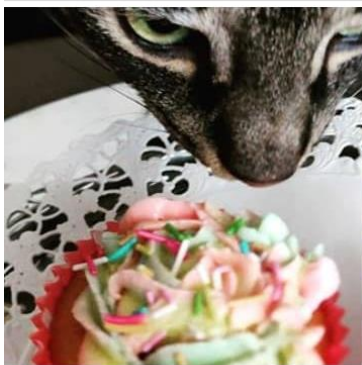
Appendix 2. Questionnaire & Canvasses

Nelli & Kisu Pet Bakery

This survey is created as a part of a bachelor's thesis in the Hospitality Management Degree. This will only take a few minutes of your time. We very much appreciate your input. Your information will be used only for academic purposes and will not be distributed.

1. Gender:

[Select ▾]

2. How old are you? Please check the box that corresponds to your answer. *

- ◯ 18-24
- ◯ 25-30
- ◯ 30-40
- ◯ 40-50+

3. What is your approximate average household income annually? *

- ◯ 0-10k
- ◯ 10k-20k
- ◯ 20k-30k
- ◯ 30k-40k
- ◯ 40k and up
- ◯ Others (please specify) [_____]

4. How much do you spend on pet food on a monthly average? (in euros) *

- ◯ 0-25
- ◯ 25-50
- ◯ 50-75
- ◯ 75-100
- ◯ 100 and up

5. Which city do you reside in? *

- ◯ Helsinki
- ◯ Vantaa
- ◯ Espoo
- ◯ Others (please specify) [_____]

6. How familiar are you with the concept of Pet Bakeries? *

- ◯ Never heard of it.
- ◯ Not very familiar.
- ◯ Somewhat familiar.
- ◯ Very familiar.

7. Where do you usually purchase food including also treats and snacks for your pet(s)? *

○ Musti ja Mirri
○ Faunatar
○ Online websites (e.g. zooplus)
○ Others (please specify) [   ]

8. How do you decide on which pet food to purchase? Please select all that apply. *

☐ family/friend recommendation
☐ price
☐ social media (e.g. online reviews)
☐ online advertisements
☐ physical advertisements
☐ use of organic products
☐ preference of pet(s) (e.g. taste, flavor, texture)
☐ veterinarian's recommendation
☐ size/quantity of the package
☐ package design
☐ friendly/knowledgeable staff
☐ others (please specify) [   ]

Next

0% Completed

9. Please rate the following statements based on your preferences: *

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I would take my pet to a pet bakery if there was one.	○	○	○	○	○
I would buy my pet specialty food even if it costs more than usual.	○	○	○	○	○
I often buy non-essential items for my pets. (e.g. treats)	○	○	○	○	○
I would be willing to give consent to social media accounts to share my pet's photos/videos on their profile(s).	○	○	○	○	○
I would like to participate in workshops and info sessions related to pets' well-being.	○	○	○	○	○
I am willing to pay a company to organize milestone events for my pet(s). (e.g. birthdays, adoption celebrations)	○	○	○	○	○

10. What motivates you to purchase a non-essential product for your pet(s)? (e.g. gourmet treats, birthday cakes, personalized pet snacks) *

☐ physical appearance of the store
☐ improving well-being of pet(s)
☐ positive reviews and recommendations
☐ advertisements
☐ price range
☐ spoiling my pet(s)
☐ others (please specify) [   ]

11. Based on the video, would you visit and/or purchase items from a pet bakery considering the prices were reasonable? [click link to video]

Select ▼

104

12. In your opinion, what is the best price range you would consider to pay for pet products as shown in the video? (e.g. cookies, birthday cakes, cupcakes, etc.) Please state the lowest to highest price you would be willing to pay. *

13. Please leave comments or suggestions based on what you would like a pet bakery should offer aside from pet food products. (e.g. community of pet owners, pop-up shops, workshops, private and seasonal events, etc.)

14. Thank you very much for your time. If you would like to get more information on this project, please leave your email address and stay tuned for news!

Previous   Submit

50% Completed

Persona 1: April Ludgate

PERSONALITY
- Dog Lover
- Clean eating
- Open-minded
- Social butterfly
- Social media lover

BIO
April is a graphic arts designer who works in Parks & Recreation. She has two dogs, Daisy who is a Dachshund and Juan who is a chihuahua. She adopted them three years ago from a local shelter. Since then, she spends most of her free time taking trips and enjoying life with her dogs.

Motivations
- Well-being of pets
- Spoiling her pets occasionally
- Volunteering
- Keeping an active social life

Goals
- Volunteering in several animal-related charity projects
- Being a part of a community that both she and her dogs are warmly welcomed
- Finding more variety of healthy dog treats and snacks
- Gaining more followers on her dogs' Instagram page

Frustrations
- Lacking socialization opportunities for her pets
- Limited healthy food options (specifically gluten-free ones) for her pets in Helsinki, therefore having to order online
- Not being able to find a place that would organize a birthday party that she has in mind for her dogs
- Not knowing people to trust enough to take of her dogs when she is away

APRIL LUDGATE
27, Helsinki

GRAPHIC DESIGNER

- **STATUS** SINGLE
- **SALARY** $50K
- **SPENDS ON PET** 25 EUROS PER MONTH
- **ARCHETYPE** SOCIAL BUTTERFLY

Daisy is a 4-year old playful dachshund who loves to go on adventures with April and Juan. She's a very social dog and loves to make new friends. Juan on the other hand is a bit shy but very affectionate. Juan is gluten intolerant, so he can only enjoy gluten-free snacks and dog food.

Likes and dislikes of Juan and Daisy
- Bananas and peanut butter
- Cuddling with April
- Stuffed teddy bears

Dislikes of Juan and Daisy
- Going outside while raining
- Being home alone

Favorite pet brands
- Musti ja Mirri
- Faunatar
- Zooplus Online Store

Persona 2: Minerva McGonagall

PERSONALITY
- Nurturing
- Spiritual
- Emotional
- Cat-lover

BIO
Minerva is a single mother with two children, Susie and Bob. She also has a 15-year-old cat named Lily who has lost her teeth due to diabetes. Lily and Minerva are very close and since Lily is very old Minerva feels very anxious leaving her alone in the house. She is also planning to adopt a kitten since she does not want Lily to spend her little time left alone.

It is very important for her to make the best out of Lily's remaining days. She wants to take every opportunity to spoil her while also watching out for health as much as possible.

Motivations
- WELL-BEING OF HER KIDS AND CAT
- FOLLOWING A HEALTHY LIFESTYLE
- Following healthy and sustainable food trends
- Practicing well-being activities e.g. yoga

Goals
- Keeping herself, her kids and Lily happy and healthy
- Finding a community where she can meet with other "cat persons"
- Finding a kitten for adoption
- Become a foster family for cats in need

Frustrations
- Trying to cope with Lily's condition
- Trying to find enough quality time to spend with kids and her cat
- Lack of time to search and cook/bake healthy and tasty recipes for Lily
- Not being able to trust anybody but herself with Lily's care

MINERVA MCGONAGALL
32, HELSINKI

MUSICIAN

- **STATUS** SINGLE MOTHER OF TWO
- **SALARY** $150K
- **SPENDS ON PET** 50-100 PER MONTH
- **ARCHETYPE** Explorer

Lily is a social, and affectionate cat who loves napping and following Minerva around the house when not sleeping or eating. Her favorite activity is going for short walks outside where she can meet with other animals and explore around-

Likes of Lily
- Catnip, liver, chicken hearts
- Going for short walks with Minerva
- Interacting with other cats and small dogs

Dislikes of Lily
- Vacuum cleaner
- Taking a bath
- Staying home alone for many hours

Favorite pet brands
- Purina Beyond
- Cheshire & Wain
- Petsmart

April Ludgate's Value Proposition Canvas

The Value Proposition Canvas

Value Proposition

Customer Segment

Gain Creators

Gains

Pain Relievers

Pains

Nelli&Kisu Pet Bakery offers a selection of treats and snacks which are %100 safe to eat with healthy ingredients from

The bakery will be hosting workshops where the participants will be learning about basics of

The bakery will have a community board where the pet owners can leave notices to adopt

Nelli&Kisu Pet Bakery will be hosting seasonal and private events such as meet &greets, play dates and celebrations of many mile-

Nelli&Kisu Pet Bakery specialize in baking cakes and treats for your dogs and cats with healthy,

Nelli&Kisu Pet Bakery will be donating a small percentage of the revenue to HESY (The Helsinki Society for Animal Protection) to

The bakery aims to be a place where the pets and their owners feel comfortable, happy and satisfied. The pet owners will be offered the chance to be a part of the community where many socialization opportunities await

The customers of the bakery will have the chances to customize the offerings. Every product can be tailored to each pet's wants and needs. After deciding the basic product e.g. birthday cake, the customers will choose from red/white meat, fish or vegetarian options. Besides the taste, the appearances of

Seasonal events, celebrations, gathering to meet with other pet

Opportunity to become or find a petsitter/ foster family through

All cats and dogs are welcome in the bakery so pet owners can spend time with their pets while

Getting her dogs featured in social media accounts of bakery to gain more followers

Network with a community of pet owners

Throwing a nice birthday party for dogs with minimal

Healthy, tasty and affordable selection of treats

Improved well-being through volunteering in the

How to make homemade dog food 101

I want to participate workshops to learn some recipes for my dogs

I want to keep myself and my dogs happy

I wish to be part of a caring community of dog owners

I have to maintain an active social li

My dogs need to socialize with other

It is expensive and difficult to find pet food for may gluten

I do not like leaving my dogs alone in

I want to find more volunteering opportunities

I do not have anyone whom I can leave my dogs when I am

I need more followers on my dogs' Instagram account

I want to throw a birthday party for my dogs, but I do not know

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Minerva McGonagall's Value Proposition Canvas

The Value Proposition Canvas

Value Proposition

Customer Segment

Nelli&Kisu Pet Bakery will offer activities that can be enjoyed by whole family such as seasonal celebrations, parties, workshops and volunteering opportunities

Nelli & Kisu Pet Bakery offers a selection of treats and snacks which are %100 safe to eat with healthy ingredients from trusted

A safe environment for my cat to socialize

I want to pursue a happy and healthy lifestyle for

Gain Creators

Gains

fun for whole family

The customers of the bakery will have the chances to customize the offerings. Every product can be tailored to each pet's wants and needs.
After deciding the basic product e.g. birthday cake, the customers will choose from red/white meat, fish or vegetarian options. Besides the taste, the appearances of the products are

Cats are welcomed in the bakery!

The bakery will have a community board where the pet owners can leave notices to adopt or find a new family for a pet

Spoiling Lily occasionally without guilt

networking with other cat

Opportunities to find another cat to

I want to become a foster family for

Nelli&Kisu Pet Bakery specialize in baking cakes and treats for your dogs and cats with healthy, natural, additive-free

Unique selection of snacks and treats for cats such as cupcakes, birthday

Lily is quite old, so I need to make sure every food she eats is

Customer Job(s)

I want to find a cat-sitter who has experience taking

The bakery aims to be a place where the pets and their owners feel comfortable, happy and satisfied. The pet owners will be offered the chance to be a part of the community where many sociali-

The variety of snacks and treats for cats is very limited in my local

I want my local pet supply store to have more treats and snacks suitable for Lily who has lost a large amount of her

Pain Relievers

Pains

It is very inconvenient to take Lily with me whenever I go to trips

Opportunity to become or find a petsitter/ foster family through community board

A safe and comfortable environment where Lily can socialize with other pets or play with cat toys

Even though Lily likes to spend time outside, there is no place where I can take her with me

Strategyzer
strategyzer.com

Business Model Canvas of Nelli & Kisu Pet Bakery

The Business Model Canvas

Designed for:	Designed by:	Date:	Version:

Key Partners 🔗

- Cat and dog owners

- Cat and dog enthusiasts

- Suppliers and local producers

- Marketing partners e.g. social media influencers

Key Activities ✓

- Concept development

- Sales and marketing

- Creating brand awareness

- Developing and testing out Minimum Viable Product

- Educating target customer segment about business offerings

Key Resources 🧑‍🏭

- Friends and family

- Start-up School of Haaga-Helia

- Talented and knowledgeable staff

Value Propositions 🎁

- Food and beverages for cats and dogs: Healthy and tasty cupcakes, birthday cakes and cookies

- Private and seasonal events, celebrations: In our bakery, we will plan and celebrate milestones and give thanks for furry members of the family.

- Workshops: The participants will learn about basics of cooking/baking for cats and dogs in a relaxing, fun environment

- Community of pet owners: Support, sharing responsibilities, socialization and networking opportunities, volunteering, helping animals in need and much more!

Customer Relationships ♥

- Co-creation of value propositions with the customers

- Physical contact with customers who visit the bakery

- Frequent events for community members

- Guidance and feedback

Channels 🚚

- Face-to-face

- Social media accounts

- Website of the bakery

- Pop-up shops

- E-mail

Customer Segments ⬤

- Cat and dog owners who lives in the Helsinki Metropolitan Area.

Cost Structure 🏷️

-Cost of raw materials

- Baking equipment

- Marketing costs e.g. free samples to create word-of-mouth

- Physical premises

- Staff

Revenue Streams 💰

Sales of business offerings

Event organization and catering