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Conceptualizing and designing coffee-based drinks. Case study: Makea Coffee

Thesis 2020

Abstract

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Conceptualizing and designing coffee-based drinks.

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The goal of this thesis was to conceptualize and design coffee-based drinks based on Makea Coffee's customers, their tastes, predilections and desire. The objective of the project was to create products for the company, create a value and present full information to the general manager.

The product development process was made based on combination of customers' data with trends, concepts, and ideas that can create a conceptual drink. Qualitative research methods were used.

The thesis provides solutions and considerations for future studies and company's operations with the development of the product designed for the Christmas limited collection

Keywords: Coffee business, Product development, Marketing

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1 Introduction

In our modern world, a product is something that is offered to customers to bring joy, happiness, and satisfies needs. There are a variety of items that meet customer's expectations. It can be tangible and intangible. It can be liquid, a physical object, or an experience.

Coffee shops, similarly, offer people different kinds of products. One of them is a coffee-based drink. People are visiting coffee shops for a warm or cold beverage that ought to satisfy them and fulfil their desires. They always buy products that they want.

In this thesis, we will combine customers' predilections and tastes with creativity and will create "a perfect cup" that could make them even happier.

1.1 Research description

The subject for my bachelor thesis is "Conceptualizing and designing coffee-based products. Case study: Makea Coffee". This issue will generate an understanding of how to create a desirable product based on customers' needs, how properly produce coffee-based drinks and create value for it.

Target points of the research are to make customers closer to the coffee shop. By means of implementing research among potential and target customers of Makea Coffee about their preferences in different aspects of coffee consumptions to define common predilections. With the data collected to create perfect products that will satisfy every client, what consequently will affect future coffee shop's operations.

Research questions are: "What customers do want to drink?" and "How to satisfy customers with a coffee-based drink?" Answers for these questions can be found only after the whole research is done, analyzed and products are developed.

Having a business is an entity that requires a countless amount of knowledge, experiences, connections, and desires. It requires being familiar with customers that are intending to purchase your products and having it designed. Accordingly,

here we can see a need in studying and researching how to create a proper product for customers.

This research is an instrument for increasing sales of coffee shops, restaurants, and other points of sales that offer coffee-based drinks.

The data which is collected will become a foundation for further process of creating, designing, and developing products for customers. This research will lead to the creation of a new product for the market as well as for Makea Coffee.

1.2 Aims and delimitations of the research

Aims and delimitations are an integral part of every research. They worth a lot and underline blueprints of the entire thesis.

There are a few aims what this research is conducted for. First of all, it is necessary to understand customers' needs in the coffee consumption area. Understanding this point will help to specify and lead productization in the right way.

Secondly, the research is aimed at identifying the most desirable drinks for making suitable products on the market. People have common predilections and requests. By identifying these aspects, it would be easier to create products that the majority wants and to prevail in the current market.

Finally yet importantly, is a target point for increasing Makea Coffee sales from the current level, to make the business grow and develop together with products and customers.

Delimitations are presented as well. Within research and work under the thesis, we have had a couple of issues that affected the research. For instance, one of the main problems for the entire world is a pandemic caused by COVID-19. This virus has put the coffee shop industry in danger, as well as communications between thesis supervisors and thesis writers.

1.3 Research methods

In this report, qualitative research methods will be implemented. Questionnaires will be created through the process. Forms will be offered to Makea's customers, which contains a variety of questions, which can help to identify popular flavors and preferences. In addition, questionnaires will be offered to Makea Coffee Team from the perspective of customers.

Qualitative research involves the collection and analysis of data collected from primary sources. This kind of research is considered correct and complete when the researcher has managed to collect the entire spectrum of existing opinions, no matter how rare they may seem. In qualitative research, it is by no means possible to count how many respondents shared this or that opinion. It provides a wide range of information about the market and about a specific product.

1.4 Data collection

Data for further product development will be gathered through 12 questions that ask customers about their preferences and predilections. This questionnaire starts with a basic curiosity about the coffee outlook and ends with stronger questions about roasting types, serving, and flavors.

Customers of Makea coffee have reached the questionnaire through Makea's social media accounts and thesis author's community.

2 Coffee and Coffee Shops

2.1 Coffee in Finland

Finnish people consume considerable amounts of coffee (Caffeine (Coffee) Consumption By Country, 2018). It is often made from lightly roasted beans and has a sour note, but tastes have become more diverse, and with these new tastes, Finnish producers and a thriving coffeehouse culture offer a wider variety of coffees, from light to dark.

Coffee shops and restaurants can brew espresso in a coffee machine but often coffee is prepared in drip coffee makers at home. The aromatic drink plays an important role in the daily life of Finns - they drink it when they leave for work and return home, on the way somewhere, and for lunch. Finland may be the only country in the world where some companies have officially prescribed two 15-minute coffee breaks for employees in their daily routine. (Coffee culture in Finland: a story of togetherness, 2020.)

According to the International Coffee Association (2019), every Finn consumes 12 kilograms of coffee annually. This makes Finland the second largest coffee consumer per capita in the world. According to other estimates, it can even be considered a leader. Luxembourg is now in the first place but not based on the addiction of its inhabitants to coffee but because of cross-border trade with its neighbouring countries.

2.2 Current trends in the coffee shop business

Trends in the coffee shop business are changing every year. Customers, target groups, and a market, strongly affects it. There are a few trends that are, currently, making coffee shop businesses to remain on top and perfectly operate:

- **Implementing technologies**

If the restaurant business has been gradually moving towards automation, high-quality CRM systems, and digitalization for several years now, the coffee market has yet to come to this.

The immediate future of the coffee market is inextricably linked with marketing automation, personalization of offers, and new approaches to interaction with coffee shop's guests. Reimagining the coffee shop format within the digital future will bring the best experience in the restaurant market.

- **Natural products**

This trend has been actively languishing and developing in the bowels of coffee houses. It is now clear that natural syrups can work in large network concepts. They can be cooked and used in coffee shops in large quantities.

If it has not been done yet, then it makes sense to reformat into a coffee shop that works only on homemade natural syrups. This is still a good marketing benefit.

- **RTD drinks**

We live in a rapidly changing world. This means that people want their coffee to be ready as soon as possible. One reason why RTD (“ready to drink” coffee) could skyrocket in 2020 is the fall in popularity of soft drinks. It is probably not a coincidence that canned or bottled ready-to-drink iced coffee is gaining popularity at a time when there is less carbonated soft drinks, including caffeinated cola.

RTDs will create distinct product options as well as will become a tool for supporting and developing the brand

- **Ecological state of mind**

This trend is the most strongly expressed in HORECA and the coffee industry. Most of the new discoveries follow the principles of sustainability to some extent and strive to minimize waste and harm the environment.

Coffee houses recycle plastic lids, give discounts on coffee in their own cups, refuse to sell bottled water and plastic straws, and merch, which used to be exclusively marketing value, now takes on a separate meaning and carries the idea of a struggle for reasonable consumption.

This trend cannot be ignored. At first, it will be a marketing advantage, then it will grow into a necessity.

- **Takeaway leadership**

Take away concepts will continue to dominate sales. There are several reasons for this. The bulk of coffee-to-go sales takes place in cities, where the pace of life of people implies speed, affordability, and ease of obtaining a product, which somehow, suits Lappeenranta

Coffee concepts in small spaces remain a well-performing model, thanks to loyal rental rates for such spaces while maintaining high traffic. The threshold for

entering this business model is at a low, very affordable level, which increases the investment attractiveness of projects.

2.3 Makea Coffee description



Figure 1 Makea Coffee logo (Makeacoffee.fi, 2020)

Makea coffee is a cutting-edge coffee shop in a heart of Lappeenranta city. An award bronze medallist of a national Finnish coffee-related festival as the best coffee shop in Finland (Helsinki Coffee Festival 2020).

The coffee shop is offering new wave services and products. Coffee, tea, cocoa, and juices are made with passion and precision, from the highest quality ingredients, using the best equipment.

Makea coffee makes sweet baked goods and a little savory snack from raw material. Moreover, they offer high-quality beer, cider, and wine on house. Customers have the possibility to buy fresh coffee, tea, and other products from the factory store.

This coffee shop points attention to being 100% plant-based. All products, food, and beverages are made from vegan raw materials starting from coffee and ending with the bakery. Dairy products, which are used in Makea's goods, are also plant-based, for example, oat milk, almond milk, coconut milk, etc. Oat milk is a base for all milk-based coffees but customers may choose other options for their drinks.

Professional staff is a key aspect of the coffee shop. People with a piece of great knowledge and experience in coffee production, customer service, and hospitality are bringing a top-of-the-line experience for guests. The concept of Makea is Scandinavian simplicity and coziness mixed with an eco-friendly approach.

3 Productization and product development

In the face of constantly changing customer demands, technologies, and competitive environment, the survival of a company directly depends on how successfully it develops and introduces new products to the market.

Nevertheless, even after a new product is on the market, it cannot be left to itself. The right marketing strategies need to be applied to it as it progresses through the stages of its life cycle: birth, growth, maturity, and gradual displacement from the market by products that better satisfy consumer needs. (Fifield, P. 2008.)

A company that expects to maintain its market and be profitable, must constantly update the offer. Updating the offer includes a variety of measures for the development of new products: improving existing products, creating new ones and expanding the range of brands or increasing their number,

3.1 Product development

New product development is an individual and the most essential marketing actions. "New" describes as a product that is unlike, a manufactured good that has freshly performed on the market, and before been indefinite. (Ulrich, 2012.) Such ambiguity of the concept reflects the existing variety of characteristics of a new product.

A new product refers to a modification of an existing product or an innovation that the consumer considers significant. For a new product to succeed, it must have the parameters desired by consumers, be unique, and consumers must have information about its characteristics. (Fifield, 2008.)

The new product has three concepts:

- 1) Keeps on from the time principle: any newly formed product is referred to as fresh. The principle in this case is not the qualitative novelty of the product, but the time of its enlargement and production.
- 2) Is based on the requirement to extricate the criterion for distinguishing a new product from its analogues and prototypes. A principle, it is proposed to use the

norm of generating and filling a formerly unknown need with merchandises. Any progressive change that differentiates a product from previously known is also called a new product. These changes can affect raw materials, designs, technologies, external strategy, and more.(Gluck, S. 2012.)

3) is based on the following premise: it is necessary to proceed not from a single criterion, but from a certain set of them that characterize certain aspects of the novelty of the product. In this case, four levels of product newness can be used:

- change in external design while observing the existing consumer properties
- a partial change in the consumer properties of the product due to the improvement of the main technical characteristics but without fundamental changes in the manufacturing technology
- a fundamental change in consumer properties, making significant changes in the way of meeting the corresponding need
- the appearance of a product that has no analogues.

The development of a new product cannot be carried out without marketing research, since it minimizes the risks of market failure. Subsequently, marketing research is a systematic and objective identification, collection, analysis, dissemination, and use of information to improve efficiency, identify and solve marketing problems. It makes it possible to clarify the current situation in the external environment, to draw the structure of satisfaction of needs in a certain territory.

Currently, product development schemes typically include the following steps:

- idea selection
- product concept development
- marketing strategy development
- production feasibility analysis
- product development itself
- market testing
- commercialization.

This sequence of stages is of a general integrated nature and does not contain a detailed discussion of a number of significant blocks of the company's marketing activities.

3.2 Product strategy

In the modern world, the creation and production of new products are crucial for the prosperity of a company. Consumers want and expect innovative and improved products. Competitors will do their best to provide them with these innovations. (Gluck, 2012.) Consequently, each firm should have its program for the development of new products, directed towards the future, and considering such a property of products as “mortality”, which means leaving the market after a certain time.

The further life of the product is not possible without this beginning. The stage of strategy preparation takes place with simultaneous market research and analysis.

Market research includes information about customers and competitors. Here, both qualitative and quantitative analysis can be used to generate data. Any sources are in use to find additional information: websites, social media, trade press, open-source information from partners, opinions of influencers and opinion leaders, experts, books for product management. Some market research methods such as A / B testing, customer analysis, customer interviews, focus group, etc. will also be useful. In further research, we will implement a questionnaire.

A strategy is a bunch of accomplishments for the continuing expansion of a new product or enlightening the outcomes of an existing one. This is a marketing plan that can include brand architecture and identity, customer service, business model, design, features, release, market niche, pricing, promotion, risks, etc.

Strategies are aimed at nourishing the welfares of stakeholders and achieving goals. It should provide a clear understanding of the product's values for all team members.

The product strategy is the foundation of its life cycle. If it is valuable to shape a dependable and effective strategy for your product, have responsiveness to ideas, objectives, concepts, and ingenuities. (Gluck, 2012.) A product vision consists of market opportunity research, positioning issues, target audience, competitor analysis, etc. It describes the needs of the customers and how you plan to meet their needs.

Product goals must be clear, relevant, measurable, and time-specific. They can help product managers establish what they want to achieve in a specific time frame. Product ideas and initiatives are efforts that need to be implemented in order to achieve strategic goals.

When working with a strategy, today you cannot do it without the help of professional services and tools. The roadmap, for example, visualizes all product ideas and initiatives and helps to share them with team members and all stakeholders.

3.3 Product design

Packaging, or rather its appearance, plays a huge role in the sale of goods. After all, the buyer generally prefers bright packaging with individual designs. Beautiful and high-quality packaging in the future can serve the buyer for a long time, performing certain functions. Therefore, the design is very important. That is why packaging and product design is now a separate industry. Labels are a universal design twist, but they are less visible and not industrial designers are already working on their development, but graphic ones. (Lawely,2017)

In the development of packaging design, there is a place for both creative and consumer ideas, as this is a high-tech process. The work on creating brands is always done with high quality and on time because there are a clear sequence and interconnection of work.

The design has a unique meaning and gives the product a certain value. The value lies in its emotional and psychological content. The brand has one more feature, it has something that cannot be touched, but it can be bought by purchasing a product. You can gain self-confidence, feel strong and beautiful,

independent, and caring. A brand is a kind of reputation that accumulates through product sales, advertising, and marketing throughout its life in the marketplace.

The supply of new, diverse, and high-tech products from different manufacturers is growing, and the competition between them is increasing. The reaction to changes and novelties of one manufacturer on the part of others is quite fast. With the growth of standardization, product packaging assumes a special role, serving as a carrier of specific features and, often, the only source of information about a product.

In enterprises, where the marketing department is small, the creation of packaging is still carried out with a predominance of the role of production. The inherent love of manufacturers with their products makes them concentrate mainly on technological improvement. Before the buyer can appreciate the properties of the product, he must notice and select it.

A manufacturer calls a designer and relies on his imagination and creative flight, while the marketing and sales departments are assigned only the task of promoting products. If serious flaws in packaging design lead to a decrease in sales, it is much easier for production to "overlook" this or explain the technical or financial impossibility of change.

There are also times when a company redoubles its efforts to find optimal display opportunities in a store, saturating the shelves with in-store advertising, not realizing that the root of the problem lies precisely in the packaging design. With a weak design, the more products in the line, the more difficult it is to provide an effective display. (Oliva,& Kallenberg, 2003)

Table 2 below shows stages of working with the product design:

STAGE 1	Conceptualizing and creating the main idea, packaging design
STAGE 2	Creation of technical tasks for proper productization.
STAGE 3	Observation of concepts created and choosing the right one

STAGE 4	Product design testing: choosing rating methods, testing scenario development, researched results processing
STAGE 5	Making changes in design with consumers' feedback

Figure 2 - Stages of product design (Meybaum, Hardi. 2014)

What problems can arise when following this scheme? First, if the marketing department does not have sufficient experience to conduct research on its own or the means to attract specialized organizations, a commission, usually consisting of heads of departments, makes the selection of the best option. The choice, therefore, depends on the individual tastes, preferences, and prejudices of the decision-makers, and on how much time they can devote to the issue.

Secondly, if the opinion of potential consumers is considered, the following difficulties arise:

- It is not customary to invite people who are professionally involved in the design and advertising or have an art education to test packaging design. Imagine that the research participants "rejected" the packaging design. In the case of a negative attitude, a member of the artistic commission can justify his opinion: "Fonts do not match with each other, the combination of colors is annoying."

On the other hand, a person with ordinary purchasing competence feels discomfort when looking at the package, but is unable to answer the question of what exactly he does not like. Psychological techniques help to reveal the reasons for this or that perception, but there is a danger that trying to defend their point of view, consumers may find fault with irrelevant details.

- The cost of high-quality research is quite high. The fate of the new product is still unknown, and the costs of creating it are already growing. The main thing is that the time spent working on the packaging is significantly increased, and a new product (or an existing product in new packaging) must be launched quickly - competitors are not asleep.

It often turns out that the marketer who communicates with consumers, who could identify their tastes and expectations, is in the wake of researchers, manufacturers, and designers. Should he lead the packaging process for the product? On the side of the marketer - knowledge about consumer behaviour, psychological characteristics of perception but a good designer can participate in shaping the views of the population himself. Besides, he has access to the entire arsenal of visual arts accumulated over millennia. We can confidently say that the leader should be the one who can better respond to the challenges of the market. It seems that in order to carry out productive cooperation with a designer, a marketer needs to familiarize himself with the design rules and add this knowledge to the existing ones. It should be immediately determined what we mean by "design rules":

- basic composition techniques;
- theory of shapes and volumes;
- color theory (contrast, combinations, and tonality).

When designing (or revising) a product's packaging, it is very important to understand that the correct use and application of the basic design rules avoid many unpleasant moments and bitter disappointments. Nevertheless, these rules are demonstratively violated in several very successful design solutions.

These "violations" are anticipated in advance by experienced marketers and designers and are made on purpose to distinguish your product from others. Consumer reactions to them are well calculated. The target audience for such solutions are originals, bohemians, rebels, marginalized people, youth groups, artists, and other buyers who want to stand out from the crowd. Product commercialization

The packaging is a carrier of encoded information not only about the product itself but also about the manufacturer. Therefore, at the first stage of work, it is very important to contemplate the emotional relationship of the consumer to the

creator of the product. For those who have just entered the market or small manufacturers, the task is to attract attention and arouse interest in the product when large advertising costs are impossible. This can be achieved using original design solutions. (Oliva & Kallenberg, 2003) The image of a large, well-established manufacturer in the eyes of the buyer forms the credibility and character of the appeal to historicism and traditionalism in the image of the brand. When choosing a packaging design concept (era, style, material, fonts), it is necessary to answer the question: what do customers expect and want from a well-known manufacturer? In general, the design objectives should be aligned with the overall packaging design strategy chosen for the product.

3.4 Product launch

In a market where there is no scarcity, the abundance of goods and services makes it difficult to launch new products. These difficulties are especially noticeable when there is a lack of funds for diversifying production, organizing a full-scale advertising campaign, and positioning new products on the market (Soni & Cohen, 2000)

There are only three strategies for launching a new product to the market market (Soni & Cohen, 2000)

Classic launch: research - testing a prototype in a focus group - launching into production - marketing a finished product;

- Pre-order: research - prototype - prototype marketing - prepayment collection - production launch;
- Pure Marketing: Marketing - Community of Potential Buyers - Prototype - Pre-order - Product Manufacturing.

In further actions related to creating coffee-based drinks, classic launching will be used.

3.5 User-centered design

User-centered design (UCD) is a process in which the needs, wants, and constraints of the end-users of a product, service, or process are given extensive

attention at every stage of the design process.(Ulrich. 2012.) User-centered design can be characterized as a multi-step problem-solving process that not only requires designers to analyze and anticipate how users are likely to use the product but also to validate their assumptions about user behavior in real-world tests against actual users. (Blank 2013.) Such testing is necessary because it is often very difficult for product designers to intuitively understand what a new user of their design events is, and what each user's learning curve might look like.

The metamorphosis of alternative product design rudiments is that user-centered design endeavours to enhance the product around how users want to use the product, relatively imposing users to change their behaviour in order to accommodate the product.

UCD responds to questions about users and their goals and objectives, then uses the results to make development and design decisions. As an example of UCD perspectives, essential elements of a UCD are considerations of: (Blank 2013.)

Visibility

Visibility helps the user build a mental model of the product. Models help the user predict the effects of their actions while using the product. Users should be able to tell from a glance what they can and cannot do with the product.

Availability

Users should be able to use the product quickly and easily. Users need to be offered different ways to access the item. If the product is approachable then it is easier for customers to use it.

Definition

The product should be easy to use: Through analysis of the rhetorical situation, the designer should be able to determine a useful style and concept. Decorative with attractive and catchy outlook.

4 The consumer in product development

In the modern system of market relations, the consumer is the central element. Companies influence people's behavior with all sorts of marketing gimmicks designed to find ways to satisfy the needs and interests of the buyer that competitors do not have. By focusing on consumer behavior, enterprises build their marketing policy, set prices, determine the range of goods, and the method of their promotion.

It is necessary to distinguish a buyer (a person who directly purchases a product), and a consumer (a new owner of a product) as well as a client (an entity who is interested in a particular manufacturer or brand). Consumer behavior theory is the foundation on which any business is built. (Cole 2011.)

Three key points of consumer behavior:

- Rationality. Concentrating on your tangs, economic condition, and aspirations. For one person, a product will be more valuable than for another. Hence, the purchaser requests to deliver an extensive range - numerous varieties of goods from the same classification - which will be comparable.
- Sovereignty. This is when the consumer personally decides whether to purchase or not to purchase a product. In this case, the independence of behavior does not affect the main activity of the company but can be used for business development, for example, if such a decision is made by several unrelated buyers.
- Plurality. Consumer behavior is also formed under the influence of this factor - a huge choice that can satisfy the interest of almost everyone. It is logical that the greater the choice, the greater the variety of consumer behavior.

The following factors influence the consumer's decision:

- personal preferences, needs, and tastes
- the personal interest of the subject in the purchase of goods
- the usefulness of the product
- prices.

The listed factors make it possible to form a basic model of consumer behavior: customers will choose the most useful and personally interesting product for him, limiting himself to a price barrier (Blank, S. 2013.). As a rule, the consumer will buy what is most useful and interesting for him, but if he is limited in funds, the consumer will buy only one product or the next one in the scale of plurality, but affordable for him.

There are 5 stages of forming consumer's behavior:

1. Realization

A classic activity for consumers for distinguishing among their longings and real state. Differently, the customer creates a pronouncement built on definite influences. Thus, hunger prompts a person to buy a product, and if earlier he purchased a product to satisfy hunger, then he can buy it again. At the same time, the choice is influenced by taste, smell, color, and other senses. It is important for the seller to understand how certain inducements affect the consumer's choice and how to use them wisely.

2. Search

Under the influence of the inducement, the buyer begins to collect information about the product. Foundations of data can be private connections and profitmaking informers. (Cole 2011.) The buyer can be informed over mass media. The consumer can advise himself from side to side of pragmatic experience. The primary sources of data for the consumer are recommendations from friends or family members, followed by commercial informants, and if the first category convinces the buyer that the data is true, then the second simply provides information. Once data collected, the consumer matches quite a few products by alignment and merely after makes a choice.

3. Assessment

The collected information is used by the consumer to create a model of behavior, which will ultimately lead to a final decision.(Oliva & Kallenberg 2003.) Therefore, the seller or manufacturer needs to understand how the buyer collects information, evaluates it, and plans. A product for a consumer is not just an object, but a set of characteristics. Clients will have faith in altered individualities when selecting because different societies may have different requirements.

4. Decision making

After collecting and evaluating all the options, the consumer, forms a kind of hierarchy from the most desirable product to the least, but at this stage, his choice can still be influenced by the following factors:

- the opinion of strangers
- unseen circumstances.

5. Acquisition response

Consumer behavior does not end at the buying stage. The shopper may be able to respond to his obtaining in dissimilar ways. Customers are weather pleased or unhappy. It is important to know that satisfaction is formed based on personal ideas and the real properties of the product.(Cole. 2011.)

The choice is the best combination of goods (or consumer set) of all possible mixtures that bring the most utility to the buyer (Oliva & Kallenberg 2003). Marketing research has established that psychological and social factors have a significant impact on the behavior of buyers and the pricing policy of an enterprise.

4.1 Assimilating customer needs in product development

Working with needs is the backbone of a business, no matter what the company does. Some entrepreneurs relieve purchasers from the “acute pain” by creating “pill” products. Others work with less severe problems by selling "vitamins." However, they all fulfill the client's wishes.

Discount promotions, like other promotional messages, will not be effective until they cover needs. Therefore, they need to be determined even before the product is developed, and not during the implementation of the marketing strategy, as is often the case. In the sales cycle, solving problems is easier than stimulating interest in unnecessary products. Revealing motives helps to improve the return on advertising campaigns and make the product in demand.

In that case, it is crucial to study the types of needs and then determine which ones will push the person to buy. Scientist A. Maslow in the middle of the XX century divided the needs into levels. At the base of the pyramid, he created are physical needs, and at the top is self-expression. The hierarchy can be criticized, but the value of this theory to the marketer is a list of motives that can be used to drive sales.



Figure 3 Maslow hierarchy of needs (McLeod, 2020)

The easiest way to reach the client is by targeting basic needs: most pain points are concentrated on the first two levels. (Kimbell 2010.)

It is helpful to highlight the associated needs that help make the checks rise. For example, when you buy an iPhone, you choose a protective glass and case. You can also divide people's desires into explicit and hidden. Identifying unconscious needs is a difficult process, but there can be a gold mine hidden behind them.

People do not always realize that there may be something that will improve their lives. Questions about their desires take them by surprise. Therefore, you will not learn about the needs of a potential target audience if you do not carry out analytical work to determine them.

It analyses both latent and explicit, perceived needs. Clients order services not for our services. (Kimbell L. 2010.) For example, smartphones are no longer just a means of making a call. This happened because the manufacturers of push-button phones dug deeper, finding additional needs that could be covered by technology.

For a marketer, customer interest is valuable information that helps to:

- expand the product line, covering different target audiences
- increase sales by clarifying advertising messages
- to work out objections before they appear
- to endear the client by understanding his real pain

It is also necessary for sellers to identify needs because this is the only way to reach a person in a live conversation. (Kimbell 2010.) One product may be in demand among people with opposite values.

The search for the deep motives of potential customers must be divided into stages that complement each other, excluding erroneous conclusions. The correct assessment of desires is instantly reflected in sales.

It is necessary to identify them step by step:

1. Observation. It is important to spend a few days with a potential target audience to see what these people are guided on daily basis. This allows you to find out their real problems and explore related interests.
2. Formation of hypotheses. Based on observations and portraits, it is necessary to form assumptions about what consumers can be guided by when choosing.
3. Verification, which involves working directly with people when you ask questions to confirm or refute a point of view. In parallel, at this stage, you need to find out additional facts to clarify the available data.

Revealing the needs of the client is carried out with one goal - to lead him to purchase. There is no point in looking for information about statistics.(Kristensson, & Gustafsson & Archer, T., 2004) The task is to collect data to modify a product or service for the interests of the target audience, expand the product line, and highlight the benefits. If in the recap process business show that it can get rid of all the problems, another sale will close.

5 Analysis of Makea customers' preferences and favorites

Together with Makea Coffee, we have analyzed the preferences and favorites of its customers. Overall, we have got 71 responses and all of them will help to create special products for Makea's customers. The questionnaire contains 16 questions where 12 of them were made especially for the thesis and 4 questions were added by Makea coffee in order to collect information from customers who are willing to subscribe to a newsletter and participate in a giveaway.

5.1 Research results

What kind of coffee do you prefer?

71 responses

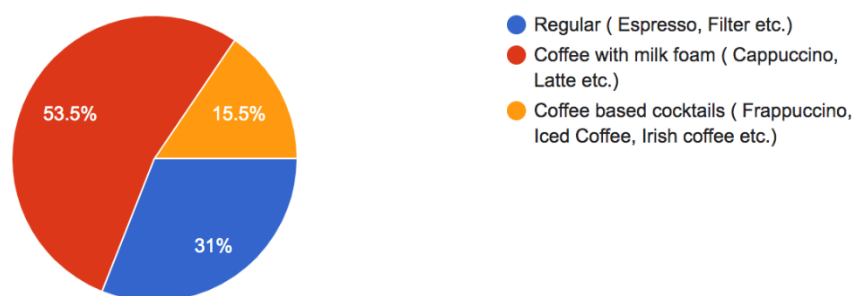


Figure 4 Question 1

Question 1: What kind of coffee do you prefer?

The first and introducing question was about the most important part of the coffee product's consumption. By asking, what kind of ready-made coffee product consumers will put their eye on, it will play a crucial role in further analysis.

As results state, 55,5% of customers are up to drinking coffee with milk foam, as an example, it could be a cappuccino, latte, etc. 31% of customers

are up to drinking regular, plain black coffee what shows meaningfulness of that kind of drinks on the market. Moreover, 15,5% of clients are into drinking coffee-based cocktails and it is obvious as Finnish people are better to stick to something familiar as well as trying some twists and alternatives.

Would you like your coffee to be.....

71 responses

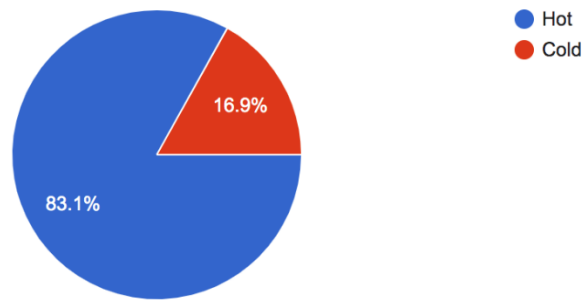


Figure 5 Question 2

Question 2: Would you like your coffee to be hot or cold?

As we can, mainly, serve hot or cold products, it was crucial to ask this question. Currently, in the coffee serving industry, customers are divided into two groups. The first group visit coffee shops for hot and warm drinks, whereas the second group is coming for cold and fresh drinks like Cold brew, Frappuccino, etc

To define future drinks development, this question was raised to see what Makea's customers especially drink and what kind of coffee drink will suit them. 83,1% of participants were pointing to the HOT version of their drink what emphasizes that **a majority of people who are visiting Makea are relating to a group of hot coffee drinkers and it is better to produce drinks especially for them.**

What kind of plant-based milk you prefer?

71 responses



Figure 6 Question 3

Question 3: What kind of plant-based milk you prefer?

As Makea coffee is a 100% plant-based business, our customers were able to choose the most desirable milk. As we can see, 56,3% are targeting themselves on using oat milk as a base for coffee drinks. 18,3% of clients were choosing coconut milk and 16,9% were up to drinking almond milk.

Soya milk as well as option as normal (cow) milk got overall 5% what was an obvious action. For now, we can see that **Oat milk is something that Makea's drinks should be based on**

Would you like your coffee to be sweet?

71 responses

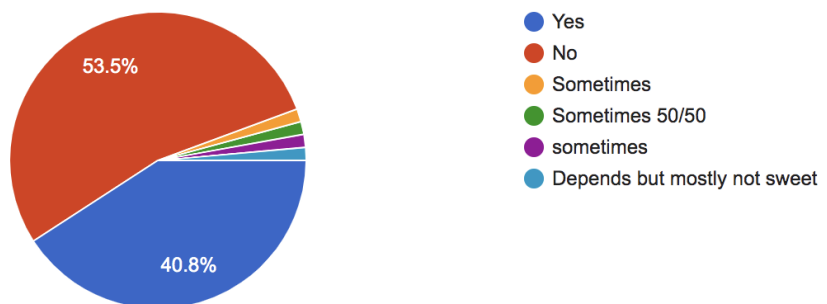


Figure 7 Question 4

Question 4: Would you like your coffee to be sweet?

Is sugar an important part of the drink? This question was raised to see customer's preference in one of the main "Extras" in a cup. 53,5% of participants are into drinking non-sweet beverages but at the same time, 40,8% of clients wish to taste sweet coffee.

Consequently, it is better to find an **average level of sweetness in the cup**, to satisfy every customer.

Would you like to have your coffee with extra flavours?

71 responses

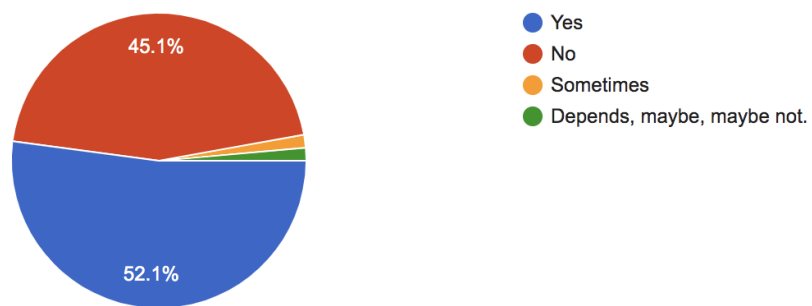


Figure 8 Question 5

Question 5: Would you like your coffee with extra flavors?

This question was about pointing attention to drinks that are served with extra flavors. As conceptual and new products always are something unique and special, it was decided to ask such a question.

52,1% of participants are willing to taste the extra flavor in the cup. At the same time, 45,1% of customers are not willing to drink extra flavored coffee, which gives a possibility **to create products for both target groups**, where is no extra flavor and with an additional taste.

What flavour would you add in your cup?

50 responses

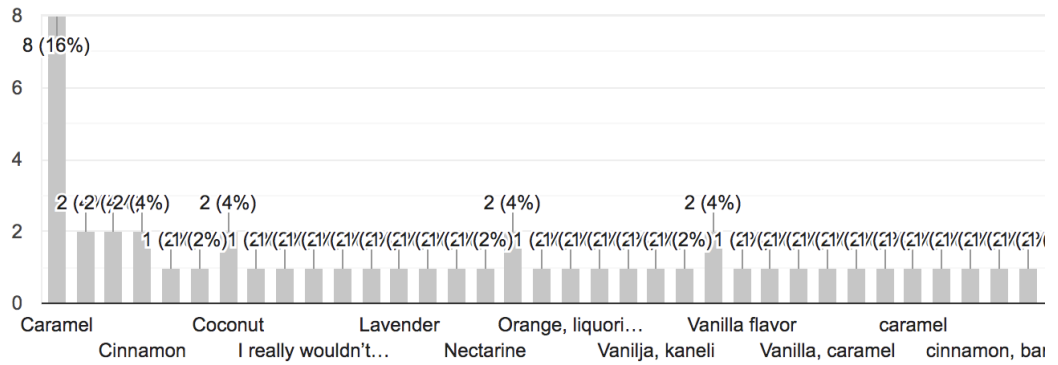


Figure 9 Question 6

Question 6: What flavor would you add in your cup?

The question above was asking customers about their wish about adding extra flavors, and consequently, question 6 is asking consumers about the exact flavor. This graph shows a significant amount of answers. They all are good and delicious but in order to satisfy everyone, **caramel and vanilla flavors** were highlighted and chosen the most out of participants.

Choose the most exotic flavour for your coffee

70 responses

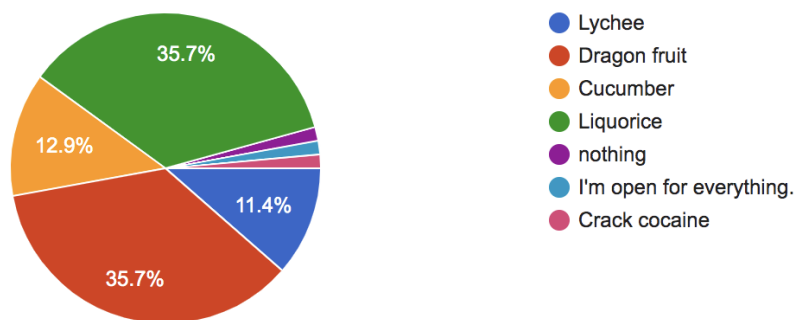


Figure 10 Question 7

Question 7: Choose the most exotic flavor for your coffee.

An exotic flavor is something that has not been consumed by customers before. Makea coffee is a unique project with a great possibility to try out the market with something special.

This question had 4 options to choose from as well as the “Other” option where people could add their exotic flavor. As the chart shows, customers of Makea have divided onto two sides, where the first group is **willing to try “Dragon fruit” and the second one is into trying “Liquorice”**. By that, it is palpable that 35,7% of each group would love to try these flavors in their cups.

Would you like to have your coffee coloured ?

71 responses

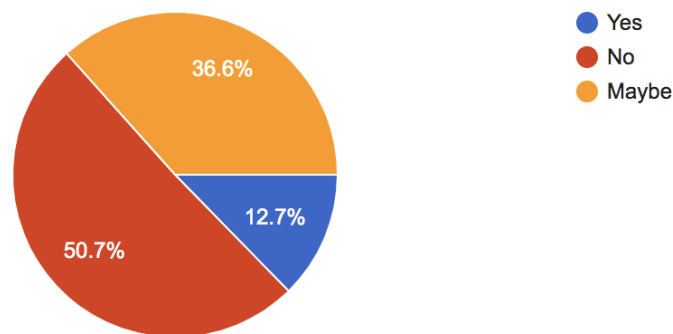


Figure 11 Question 8

Question 8: Would you like to have your coffee colored?

Colors are something that motivates customers for using a product. This question has been asked for observing the interest in colorful drinks. As the result, 50,7% of consumers are not willing to drink colorful drinks and 36,6% are not sure about colors. Accordingly, **we can drop away from the concept of colored drinks and put attention on something more valuable.**

Please, specify the colour if your answer was YES



32 responses

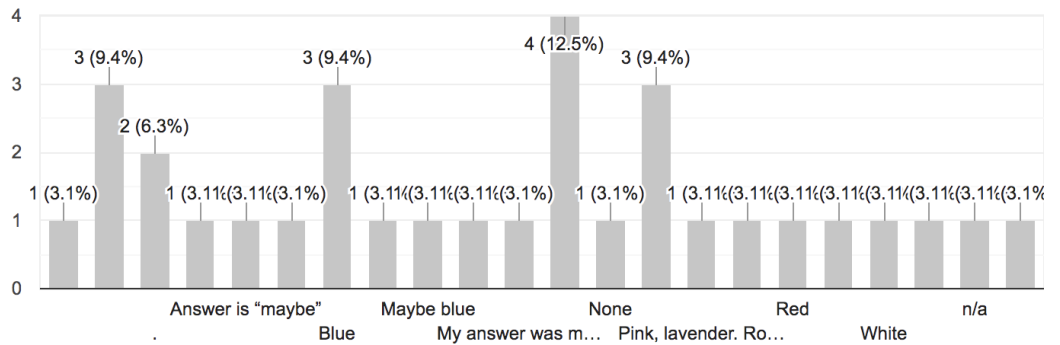


Figure 12 Question 9

Question 9: Please, specify the color if your answer was YES

Of course, 12,7% of “YES” customers together with 36,6% of those whose optioned was “Maybe” have been deciding on the color and nearly 15% of them have chosen blue as a color of their drink but due to Question 8, **the idea of colored drink is a no-go.**

What kind of roasting do you prefer?

71 responses

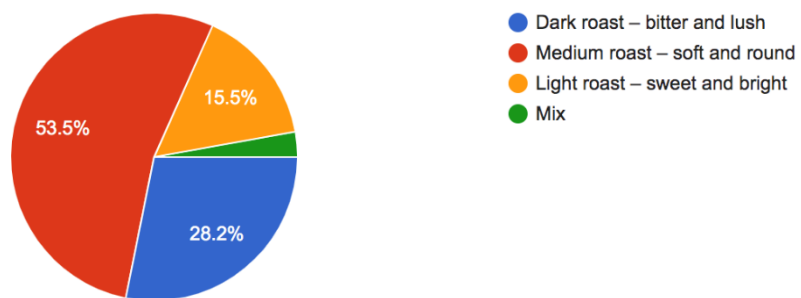


Figure 13 Question 10

Question 10: What kind of roasting do you prefer?

Roasting is one of the most important elements of a coffee drink. By the level of roasting, the flavor will be either bitter and tart or mild and rich.

53,5% of customers are consuming medium roast coffee, 28,2% enjoy dark roast and 15,5% were up to a light roast. This data helps to define what kind of coffee shall be brewed into the cup for making customers satisfied. **Medium roast, as a majorly chosen type of roast, shall be used in future production**

Does the serving matter on your choice?

71 responses

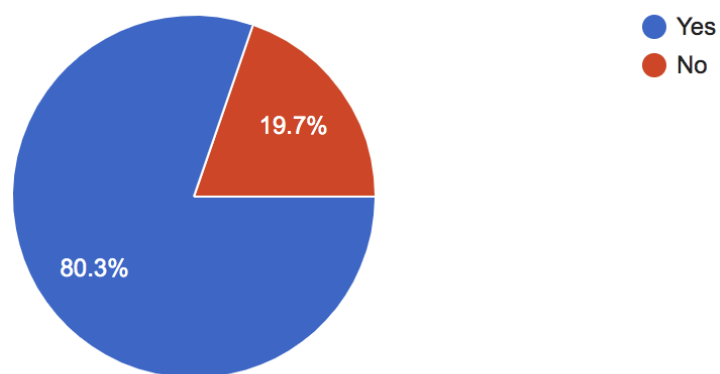


Figure 14 Question 11

Question 11: Does the serving matter on your choice?

As coffee shops are members of the restaurant and hospitality industry, it was important to identify if a serving matter. 80,3% of people are willing to see something that more than a white cup with a black liquid is inside. **For that reason, products should be served with a creative approach.** It will satisfy all 83,3% of clients as well as it will impress 19,7% of people to whom serving does not matter

Would you try drinks based on your answers above?

71 responses

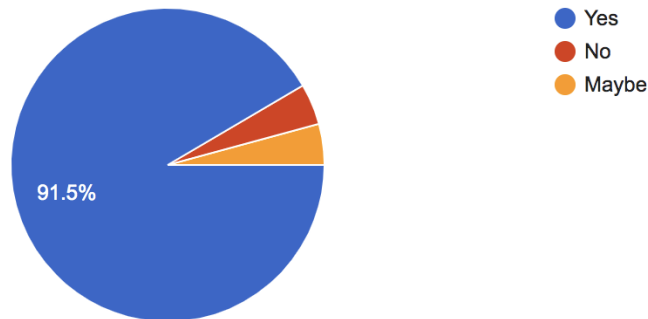


Figure 15 Question 12

Question 12: Would you try drinks based on your answers above?

All the above mentioned questions were asked to find out what could be done with a product for customers' satisfaction. Analysis of current predilections of Makea's customers has made a strong base for creativity and productization.

91,5% of responses are happy to try special drinks, which shows the interest of customers to try specially made products. The remaining 8,5% weather is not able to try due to their location at the moment or not into trying new products that seem normal.

6 Developing and creating coffee-based products

From the analysis, it becomes obvious what is needed for customers to get a desirable product. Further actions consist of getting deeper into developing and conceptualizing the drink in a way that it could match customers' predilections. It has been defined that we will develop 3 different drinks that could match every target customer.

6.1 Product development of drinks

Together with Makea coffee, we came up with ideas of making limited edition drinks with a concept of Christmas. These products should meet customers'

expectations, which could be seen from the research, as well as it should be designed under the concept.

Further actions are disclosing the product development aspects and help to create products for Makea Coffee's customers.

6.2 Ideation

The process of developing a new product starts with coming up with ideas but before that, it is important to define a couple of related issues. Customers buy products for a specific reason. Many different aspects may drive customers to purchase an exact product. It can be something that reminds a customer about specific times, events, or occasions that bring happiness, joy, or feelings. Products mainly purchased when there is a need for a product under some circumstances.

In the case of Makea Coffee, products can be offered with a concept of bringing emotions. If the product can offer additional experience and feelings then customers will have a countless interest in having it. As it was defined, that products should be created under the concept of Christmas, we have to identify what is the idea of Christmas, how to convey the idea of it, and how to create value for products

- **What is Christmas?**

An important event that happens on the night of December 24-25. Christmas is one of the most solemn holidays in Catholicism. The celebration begins with the appearance of the first star in the sky: it is believed that it was she who announced the birth of Jesus Christ.

One of the main symbols of Christmas is the festive fir tree. The whole family is going to dress it up. Candies, gingerbread cookies, and cards with wishes are often chosen as toys. Angels are obligatory symbols of this holy holiday. Catholics often decorate the festive table with souvenirs and figurines with their images.

Christmas associates with a taste of gingerbread, hot and delicious mulled wine as well as with a strong flavor of mandarin or orange.

- **What is a Christmas mood?**

The smell of spruce needles. The taste of gingerbread. For many people, the holiday mood is closely connected with childhood, when you believe in miracles. Nostalgia is at the core of the Christmas mood. It helps to keep in touch with people who are important to us and rituals concerning food, drinks, music, home decoration are also important.

This is partly something physical, a process that is triggered by our senses when we smell, hear, and taste what we associate with Christmas. This is partly due to our brain's memory book. At the heart of Christmas, the mood is nostalgia, a longing for what once was.

- **Combining the concept of Makea Coffee with Christmas and its mood.**

If we combine the current concept of Makea coffee together with Christmas, as a holiday, and the mood created by it, we can find a perfect drink that will meet customers' expectations and fulfill their desires.

As Christmas associates with gingerbread, mandarin, or orange it is right to create a drink that will contain these flavors. Gingerbread is a cookie, which is made out of ground ginger. The flavor of mandarin or orange can be extracted from its zest or juice.

Moreover, Christmas is a holiday that takes place in winter. Winter is a cold, snowy, and icy time of the year. Especially in Finland, the country where the case company locates, it is important to emphasize the idea of dark, freezing nights that cooperate with nature.

6.3 Consumer desires of a new product

As the research of customers' desires, tastes and predilections show - people would like to drink coffee, which is hot, averagely sweet, and based on medium roast espresso. It has to have an extra flavor that preferably reminds of a taste of vanilla or caramel. Serving is one of the most important things and a ready-made drink should be served with milk foam.

6.4 Product conceptualization

As can be seen from the ideation part, the Christmas idea is a creative approach for product conceptualization and development. Let us see what raw materials can be used in a drink and what kind of drink can be conceptualized for future production.

Firstly, we need to have a look at the above-mentioned questionnaire's results in a simple way:



Figure 16 Table of a perfect cup (Petrov, 2020)

This graphic representation of a coffee cup can outline what customers are willing to drink. For proper product development, it is important to understand this graphic deeper with every aspect.

Espresso

- As Makea's customers are interested in medium roast, it is obvious that our drinks will be based on the branded "CLUB" or "Gaspar Diez Domingo"



Figure 17 Makea's Club coffee



Figure 18 Makea's Gaspar Diaz Domingo coffee

Extra Flavor

- The questionnaire's result shows that flavors can be different. Customers are interested in flavors of caramel and vanilla but also are open to exotic flavors. Flavors usually are not used for basic coffee drinks.

For our products, we will use these three flavors as they are connected to the Christmas mood and meet customer's taste:

- Gingerbread

- Orange
- Caramel
- Mint.

Oat Milk

- Makea coffee follows the concept of being 100% plant-based. Customers of this coffee shop can order any type of plant-based milk for their coffee but if we look back on research results, oat milk is the most desirable milk version for future products.

Foam and Garnishing

- Foam is a face and key element of the coffee that customers want. It can be done on different options. It can be made with a help of a steam wand and poured into a cup of espresso base that may be covered with whipped cream.

Our products will be based on both approaches what can expand a product range and options that could suit customers.

- Garnishing or decorating is an integral part of a drink and serving. It shows the aesthetics of the coffee and facilitates visual satisfaction with a product.

Drinks for Makea coffee ought to be decorated with elements that are used in a drink. As it is prearranged to use gingerbread, orange, caramel, and mint. It could be great support of the concept to garnish drinks with mint leaves, gingerbread cookies, orange zest, and caramel in liquid and solid forms.

Final concept

- As a final point, we have to combine all of these ingredients and create names for the drinks. People are mainly into coffee drinks with milk foam. Latte and Cappuccino are these kinds of drinks. For naming and creating a product, these original coffee drinks will be used as the foundation for new products.

To begin with, it is important to observe how Latte and Cappuccino are made:

<p style="text-align: center;">LATTE</p>	<ol style="list-style-type: none"> 1. Whisk the milk. 2. Prepare espresso. 3. Pour espresso into an Irish coffee glass or ceramic mug. 4. Pour milk by a thin stream. In this case, the liquids should mix, and a foam, which is about 1 cm thick, should form on the surface.
<p style="text-align: center;">CAPPUCCINO</p>	<ol style="list-style-type: none"> 1. Pour double espresso (60 ml) into a tall coffee glass or a cup of at least 180 ml that has been preheated with steam. 2. Heat the milk to 60-70 ° C, then steam it with a steam wand until finely expands twofold. 3. While holding the foam with a spoon, add milk to the espresso, sweeten with sugar if desired, and stir. Put the foam on top.

Figure 19 Cappuccino and Latte routing (Iurii Petrov, 2020)

Millions of customers consume these drinks every day .If found on these routings, it is easier to develop drinks. A combination of medium roasted coffee, oat milk, and some “Christmas nostalgia” is a great option for a cold evening at Makea Coffee.

It has been decided that three kinds of products should be developed under this topic. Let us just divide flavors and try to make them dehisce in a cup. Gingerbread has a strong flavor of Christmas and a cozy evening. Adding a gingerbread cookie on top of coffee will not create a conceptuality for a product.

For the gingerbread based coffee, it has to be a special syrup that mixes inside the cup and brings extra flavor to the drink. If we will take the latte recipe as a base for the drink, it can satisfy every customer and force them to purchase it. Name for such drink should be easy and sonorous, as like **“Gingerbread Latte”**

Orange flavor brings memories from childhood when children were waiting for Santa Claus in front of a fireplace, surrounded by family. Orange is perfectly matching with cinnamon and cloves what makes a flavor strong and aromatic. As the base for the coffee, cappuccino suites here better, as latte is a milky drink and all the flavor will dissolve in the cup. This drink should be called with something where it flashes back. The name for such remembrance could be **“Orange Eve”**.

Christmas is not about Santa Claus, a bright and shiny tree but also about winter. Snowy, freezing weather that brings happiness to children while they are playing outside or a beautiful and outstanding nature that is covered with a white blanket. These are the things which winter offers to people.

The flavor that can represent experience can only be mint. The mint flavor is cooling, bright, and calming additional to a drink. When a drink with a minty essence is consumed, it relates to water that is freezing at a very exact time. In Lappeenranta, there is access to the big and great lake called “Saimaa”. This lake freezes every winter and maybe freezed until April.

Latte is better suits the mixture with mint as it has a strong taste. The lake is icy and cold. Then a drink will be called “Icy Saimaa”

6.5 Products’ routings

6.5.1 Gingerbread latte:

For syrup:

- 0,5 water;
- 2tb.s sugar;
- 1 tb.s ground ginger;
- 1 t.s cinnamon (ground);

- ½ tb.s vanilla sugar.

For latte:

- Espresso;
- Oat milk;
- whipped cream;
- nutmeg.

How we cook:

1. Mix water, ginger, sugar, cinnamon, vanilla sugar in a small saucepan
2. Bring to a boil, set the heat to a minimum, and leave it to languish without a lid for about 15 minutes, stir sometimes.
3. Take out from heat and cover with a lid.
4. Make espresso.
5. Whisk the milk.
6. Pour coffee into a large mug or tall glass, add half a cup of ginger syrup, whipped milk, and stir.
7. Decorate with cream on top and sprinkle with nuts.

6.5.2 Orange Eve

You will need:

- Oat milk
- 3 tb.s sugar and 2 tb.s cocoa
- 1 tb.s cinnamon
- Orange peel
- 3 small cloves.
- 2 servings of Espresso.
- Whipped cream.
- Caramel and cinnamon for decoration.

How to cook:

1. Mix milk, sugar, cocoa, cinnamon, zest, cloves in a small saucepan.

2. Stir the mixture so that the sugar dissolves and the cocoa does not stick to the bottom.
3. Bring to a boil, reduce heat, and simmer for about two minutes.
4. Cover the saucepan with a lid and let stand for ten minutes.
5. Brew two servings of espresso.
6. Take a coffee pot and mix the milk blend, coffee portions (mix well).
7. Pour into small cups, decorate with whipped cream on top.
8. Top with cocoa and cinnamon for extra beauty.

6.5.3 Icy Saimaa

You will need:

- 2 cups of oat milk
- $\frac{1}{3}$ cups of coconut milk
- $\frac{1}{2}$ tsp cinnamon
- 2 tbsp mint syrup
- 2 shots of espresso

How to cook:

1. Combine oat and coconut milk with all the spices. Heat for at least 15 minutes over medium heat.
2. When the mixture starts to boil, add the espresso shots.

6.6 Costing

Product's ideas, conceptuality, and conceptualization are essential but the calculation of the product's price, costs, etc. is an integral part of product development. When marketers are starting to create a concept, the company needs to know how much money to spend and how much to sell in order not to lose resources.

Our freshly created products are calculated in an easy and obvious manner. With a help of 5 options (Item, Ingredients, Price, amount, the price per cup) it became easy to calculate the approximate selling price for the drinks. All prices for

ingredients were taken from the Kespro Wholesale store and may differ from the prices of current Makea Coffee’s suppliers. (Kespro, 2020).

While calculating the price, some crucial numbers were used as the base. The capacity of a tablespoon, tea spoon, espresso shot, milk for latte and cappuccino consumption, whipped cream usage, a pinch of any powder, and a capacity of a basic Makea Coffee cup (Visa-Tuovinen, 2020).

1tb.s	0,025
1 t.s	0,01
1 espresso	0,008
1 Latte milk	0,335
1 cappu	0,2
1whipped	0,01
1 pinch	0,003
1 cup	0,25
Markup	250%

Figure 20 Extra data about capacity of equipment and usage of materials (Tuovinen, 2020)

Products’ routing is identifying how and what barista has to make to create a drink. Calculations, at the same time, identifying the same number of information but also indicate the price of every ingredient per cup.

All ingredients are presented with a price per kilogram, liter, or with the amount packed. By the addition of prices of all the ingredients per cup, raw price appears under the name “Total”. “Estimated price” is a price of how much a raw product cost if a markup will be added.

ITEM	Ingredients	Price	Amount needed	Price per cup
Gingerbread Latte	For syrup			
	water	€ -	0,5	€ -
	sugar/kg	€ 14,99	0,05	€ 0,75
	ground ginger/ kg	€ 9,69	0,025	€ 0,24
	ground cinnamon/250gr	€ 2,99	0,01	€ 0,03
	vanila Sugar/630gr	€ 5,19	0,0125	€ 0,06
	For coffee (per cup)			€ -
	Espresso (coffee beans/220gr)	€ 7,90	0,008	€ 0,06
	Oat Milk/ 1L	€ 2,20	0,335	€ 0,74
	Whipped cream	€ 15,90	0,01	€ 0,16
Nutmeg	€ 5,16	0,003	€ 0,02	
Total		€ 64,02		€ 2,06
Estimated price				€ 5,15
Final price				€ 5,20
ITEM	Ingredients	Price	Amount needed	Price per cup
Orange Eve	Oat Milk/ 1L	€ 2,20	0,2	€ 0,44
	sugar/kg	€ 14,99	0,075	€ 1,12
	Cocoa/kg	€ 4,29	0,05	€ 0,21
	ground cinnamon/250gr	€ 2,99	0,01	€ 0,03
	Cloves/15gr	€ 1,95	0,002	€ 0,0039
	2x Espresso (coffee beans/220gr)	€ 7,90	0,016	€ 0,13
	Whipped cream	€ 15,90	0,01	€ 0,16
			€ -	
Total		€ 50,22		€ 2,10
Estimated price				€ 5,24
Final price				€ 5,00

Figure 21 Costs estimations of Gingerbread Latte and Orange Eve

ITEM	INGREDIENTS	PRICE	Amount needed	Price per cup
Icy Saimaa	Oat Milk/ 1L	€ 2,20	0,5	€ 1,10
	Coconut Milk/1L	€ 2,45	0,08	€ 0,20
	Cinnamon	€ 2,99	0,005	€ 0,01
	Mint suryp/L	€ 19,86	0,05	€ 0,99
	2x Espresso (coffee beans/220gr)	€ 7,90	0,016	€ 0,13
				€ -
Total		€ 35,40		€ 1,12
Estimated price				€ 2,80
Final price				€ 3,00

Figure 22 Costs estimations of Icy Saimaa

The approximate markup for these products is 250%. By multiplying the total raw price by 250%, we can find out what amount of euros will be more convenient for the business. The final price occurs by a method of rounding. After the price is rounded, it is ready to be presented to customers.

6.7 Marketing of new products

6.7.1 Current activities

Products at Makea coffee are promoted through two main channels:

- Social Media (Mainly Instagram)
- POS marketing.

Makea coffee has created a great community on Instagram. Today (01.11.20) Makea's Instagram has 2145 active subscribers that are following the coffee shop and actively participate in any kind of promotional activities (@Makea.coffee, 2020).

Point of Sales marketing consists of different visual advertisements with products that are offered. Currently, customers can be informed about "OREO LATTE" as its advertisement is hanging on the entrance door. Different events and occasions also presented in the coffee shop

At present, Makea coffee is developing email-marketing solutions. Customers can subscribe to a newsletter where weekly they will receive different promotions, information about products and events, as well as some up-to-date information about the coffee shop, Makea roastery, and the coffee itself.

6.7.2 New products marketing

Instagram has become a crucial tool for marketing and promotion of business, products, and services. Newly designed and developed products should be promoted through this channel. Customers will be informed about the launching of limited edition products, underline a concept of Christmas, and will engage customers. Reaching customers through Makea Coffee's Instagram will create a start for the new product appears on the market. This is an example made by the author especially for new products and Makea Coffee.

POS marketing, at the most, affects customers at the time they arrive at the coffee shop. If clients see a poster, they immediately start thinking about buying a



Figure 23 Marketing design 1 (Petrov,2020)

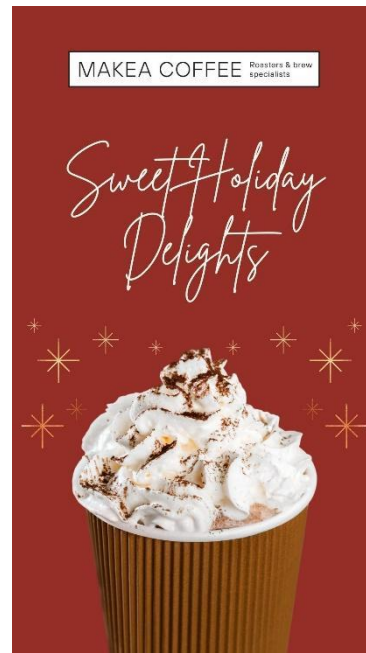


Figure 24 Marketing design 2 (Petrov,2020)

product illustrated on it. Posters presented above may hang over the coffee shop and inform customers about the possibility to buy it.

Newly created email-marketing solutions are a boundless channel for the promotion of conceptual Christmas edition drinks. Starting from December, Makea coffee may create a conceptual content, which will lead clients to the products and combine the promotion of drinks with the promotion of the coffee shop.

7 SWOT

SWOT analysis is a strategic planning method. It is used to help an organization to identify its strengths, weaknesses, opportunities, and threats associated with competition or project planning.

In short, the essence of the analysis is that a person or a group of specialists captures all the factors affecting business and activities. Already on the basis, conclusions are drawn about the prospects for the development of a company or a situation.

The figure below shows the SWOT analysis of new products created for Makea Coffee.



Figure 25 SWOT analysis of new coffee-based drinks for Makea Coffee (Petrov, 2020)

This analysis was completed together with the Makea Coffee management team and strongly describes the case of newly conceptualized drinks.

8 Conclusion

The processes that take place at the enterprise and are associated with the development and implementation of new products in production are an integral part of the activities of any self-respecting company or enterprise. The development of new products is far from the first and not the last phenomenon in the process of enterprise innovation. In this row, there are also processes associated with the generation of a new idea, the development of the concept of a product, and up to carrying out economic calculations of the price and possible profit from the release of this product.

Regarding the organization of the new product development process, it should be noted that it is important to have an organizational structure and staff that are receptive to new ideas. This is necessary to streamline the process of creating new products, ensuring its greatest efficiency, and thereby foster an entrepreneurial approach to problems.

The very process of developing a new product itself includes a lot of sub-stages, without which the effective subsequent implementation of the developed new product is impossible. A variety of ways to conduct product development have both advantages and disadvantages, so the enterprise must choose the appropriate method for itself independently, following its goals, objectives, and capabilities.

In the completed thesis, I examined in stages how new products are developed. The results can be used to develop a New Product Development analysis method. The theoretical significance of studying the problem "Development of a new product" lies in the fact that the problems selected for consideration are at the intersection of several scientific disciplines.

The object of this study is to analyze the conditions for "New Product Development". In this case, the topic of the research is to deliberate distinct subjects expressed as the objectives of this study. The development of a new product is one of the most important areas of marketing activities.

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