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**CONSUMER PREFERENCES
RESEARCH.CASE YUMYUM
BAKING OY**



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CUSTOMER CONSUMER PREFERENCES RESEARCH.CASE YUMYUM BAKING OY

The main purpose of this thesis is to help YumYum Baking OY with research on customer purchasing preferences. Before opening a retail store, it is necessary for companies to know their target customers' shopping habits and figure out what kind of factors will influence customers while consuming. The research explored the importance of customers purchasing preferences and how customer preferences influence company products.

The theoretical framework of customer preferences in this thesis is created to be a fundamental basis for this research. about it explores the importance of customers purchasing preferences, and the framework will also explain the reason why customer preferences will influence company product production.

The research methodology of customer preferences was designed using quantitative methods. From quantitative methods, via survey and found information from customers, also YumYum Baking OY identified the real customers' preferences, which could help the company to produce products using the right way.

The thesis will provide YumYum Baking OY with a rigorous and precise survey results through the questionnaire and results analysis. Through this measurement, the case company can collect useful information and produce the right products which can help the company a lot during the initial period.

Keywords:

Customer purchasing preferences, customers' shopping habits, and products produced

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1 Introduction

Customer purchasing preferences are a tool that can reflect customers' different aesthetics to different services or products which is an important factor that influences market needs. In most situations, customers purchasing preferences are influenced by a local social environment, local customs, changeable fashion factors, or some particular groups. (Samuelson)

Therefore, knowing the target customers' preferences is necessary for a new company. This could influence product offerings. A good product not only needs to satisfy customers' needs but also will need to catch customers purchasing preferences and enhance their purchasing desire. Before a company starts to design and manufacture products, it cannot ignore customer preferences, so that the products can be ensured of their sales.

YumYum Baking OY is a new company which is located in Helsinki, it is the first time an Asian bakery store to open in Finland, hence this company's research is conducted before it opened. This research will explore Finnish people daily purchasing habits, their aesthetics, and their consumption level.

1.1 Research questions and purpose of the thesis

The main topic of this thesis is to research Finnish target customers purchasing preferences before YumYum Baking OY operates the business, to reach this goal, the thesis will deal with the questions shown above:

1. How much acceptance the customers have of Asian bakery products
2. Figure out potential customers' purchasing preferences and behavior in buying bakery products
3. how can customers' preferences be measured

1.2 Thesis Structure

The thesis contains 4 chapters, the first chapter will introduce the overall structure of the thesis and will introduce the basic information of the case company YumYum Baking OY. During the introduction, readers will get to know why the thesis needs to help the company to make customers purchasing preferences and know the company's business operations and its business fields.

The next chapter is going to provide the definition of customers purchasing preferences, from this chapter, readers will learn the fundamental knowledge of customers' preferences, also through this chapter, readers will know which situation will influence customers purchasing behavior, and what kind of factors will infect customers' preferences. What is more, in this chapter, the company will get to know how they will use the theoretical definition to cater to customers' preferences and produce the products customers like.

The research questionnaire is the next part. The data collection design, data collection via a survey from the company's target customers are explained. It is intuitive for the company to figure out customers purchasing preferences, and it is convenient for a company to design and produce its products before the store open.

The final chapter is the aiming to analyze the results, make conclusions for the company and use the data and results to help the company to operate its business.

2 YumYum Baking OY

2.1 Background

YumYum baking OY is a bakery company that is registered in Finland since 2019. However, during the covid-2019, the company did not operate, and the shareholders are not in Finland these years.

In September 2022, the company is going to start to operate, the main business is selling freshly baked Asian typed bread, Asian-type deserts, and drinks to people. Drinks will include boba teas, and coffee, these two types of drinks, will still include some detailed parts, for example, boba tea will divide into fruit tea, milk tea, iced tea, etc. As for the coffee, it will include a coconut latte, fruit latte, soda latte, etc.

From the research, it is known that typical European bread is hard, and drier, while baking, only a few bakers will put butter, sugar, and milk into the bread, yet Asian types of bread use a special way to make bread softer, springy, creamer and sweeter, which more like a desert, not a bread. (Saini)

Because of the differences, YumYum baking OY decides to open their unique bread company in Helsinki and provide this bread to target customers who live in Helsinki.

The company will divide products into 5 parts, drinks, coffee, bread, cheap snacks desserts, and breakfast/lunch. Bread is the main product of the company.

What is more, YumYum company also details drinks, coffee, bread, cheap snacks desserts, and breakfast/lunch into some small parts, for example, drinks and coffee have 3 parts: the cheapest coffee will be affordable to most of the customers, and milky drinks have a higher price for those customers who while purchasing will not care about the price. And the fruit drinks will

have the most expensive price to the people who care about the fresh taste and have healthy life habits.

While baking, YumYum baking OY is aiming to use local Finnish baking ingredients, which are more inclined to healthy ingredients. The figure above (Salonen, Food Preferences in Finland: Sustainable Diets and their Differences between Groups) implies that Finnish people eating preferences are close to healthy and environmental foodstuffs. (Salonen, Food Preferences in Finland: Sustainable Diets and their Differences between Groups)

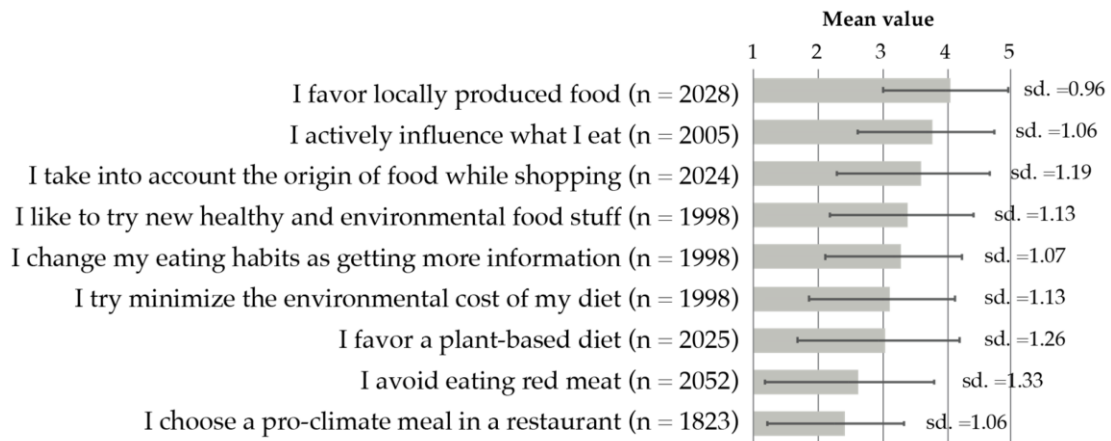
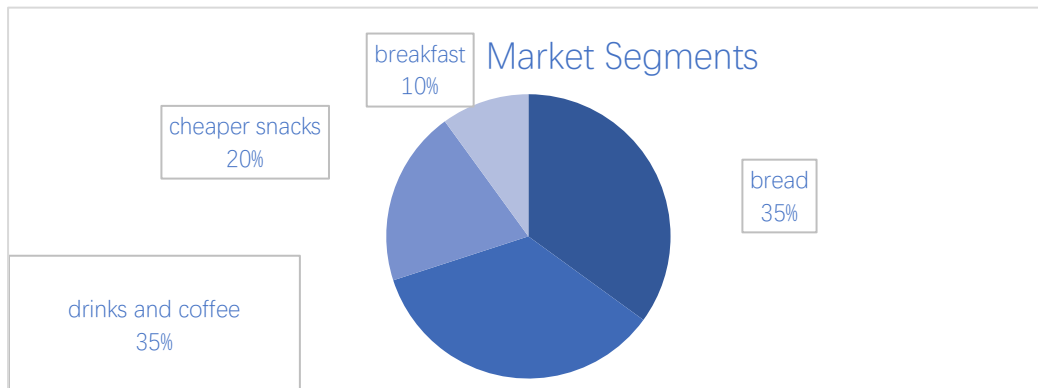


Figure1. From (Salonen, Food Preferences in Finland: Sustainable Diets and their Differences between Groups)

In addition, the company will change the menu throughout the countries, which means the company will regularly change the order menu like Lidl to ensure the diversity of customers to come. Because of the huge amounts countries in Asia, each country has its preference for bread, YumYum baking



OY will use healthy and local ingredients to make those special bread, which will help the company to attract different target customers, not only Asian customers, but local Finnish can also be the customers of the store.

Using local ingredients to attract local people to come is one of the plans in the YumYum baking OY arrangement. Because meeting the Finland customers' needs for fresh and acceptable products is the way to associate YumYum baking OY as a local retailer in the mind of Finland's local customers. (Mammadli)

A good store can attract people to come, the precondition for the customers to come is that customers know there is a good store exist, otherwise, people can't come without a good marketing plan. If a company would like to exist in such fierce competition in the market, combining internet marketing and traditional marketing, and combining both of them, is a critical thing that the company cannot ignore. However, it is also vital for a company to research customers purchasing preferences. Once a company product can cater to customers' preferences, when customers come into the store, they are willing to pay for these products.

For example, after researching of customers purchasing preferences, the company finally produces one product which can satisfy all the requirements from target customer, then purchasing can be easier than those products which cannot satisfy customers preferences.

Before operating the company, customers' consumer preferences research is important which the company cannot ignore. It is written that consumer preferences are the degree that customers prefer products. Normally customers will base their willingness to decide whether they pay or not. This behavior illustrates customers' self-need, interests, and habits. (Blume)-

People alive rely on food, and food is an irreplaceable point during people's whole life, besides, food is also a commodity that is continuously consumed

day by day. Hence food field still owns huge developing space either now or in the future.

Since February 2022, Russia and Ukraine wars have been happening, which cause price rises of food ingredients, oils, and living expenses, e.g., Ukraine flour, Russian oil, German natural gas, etc. (Nations) In such a demanding century, most entrepreneurs are facing critical competition in any working field, including bakery as well. The bakery field highly relies on both Ukraine and Russian grains, if the raw materials price rise, then the cost will rise as well, however during the war period, there is a future economic crisis is going to come to the world, which means customers will not have enough money like before. The decline in purchasing ability is a big blow to all companies. (Nations)

During this period, the company must be the first who mastering customers' preferences and make customers purchase willingly while in the store.

However, it is difficult for a foreigner-owned company opened in Finland, as communication barriers and unfamiliar social phenomena increase the difficulty of work. The thesis will aim to use consumer preferences theory to help YumYum Baking OY to analyze customers daily purchasing preferences and research their habits for example package design, store decoration, service providers, etc. after gathering the data from customers through the questionnaire and combining YumYum Baking OY actual situation to formulate right solutions and successful product and store.

Thus the thesis is writing the customer consumer preferences analysis for YumYum Baking OY and helping it to design successful products for customers in order to decrease the risks before the company opens and reinforce YumYum Baking OY's core competitiveness.

2.2 Description of Business

YumYum Baking company's main product is an Asian taste bakery, the company will make bread as a dessert, which is nearly like the Finnish local dessert, laskiaspulla. But it is only one of their products. They will also provide other Asian countries' bread, for example, pineapple butter bread from Hong Kong, curry bun from Japan, and sweet potato toast from Korea.

Therefore their business could provide customers with different products while customers hang out in the store. Through these various products, the company can attract different countries' customers as well.

YumYum Baking OY's primary goal is to use the shortest time to stable its customer circle and cultivate its customer relationship. As an Asian bakery company, they will ensure the potential customers in the early time, and before the store opens, will make sure the target customers' purchasing preferences and make research their Finnish customers purchasing behavior.

There will be different parts of target customers existing in the company, Asian customers will be the first part, including Chinese, Vietnamese, Japanese, Koreans, etc. Although there are some cultural differences between Asian countries, however, it still is easier for Asians to accept similar tastes in bakery products.

The second target customer is aiming to local Finnish people, to these customers, YumYum Baking OY will improve some of the product's tastes which can be much easier to be accepted by Finnish people. Therefore, once a new company wants to have a position in Finland, it is necessary for the company to improve some products in order to make sure their products can be accepted by local people. Researching local people's normal purchasing preferences and consumer behavior cannot be ignored by a new company.

A good location is one of the most important elements to YumYum Baking OY because their profit will rely on the customer's flow. Only while they develop the online mode service, then the location can be the second element they need to consider.

The company's target place is kamppi, punavuori, and kruunuuhaka in Helsinki, these places are the central places that own huge amounts of people flow, both local Finnish people and travelers.

The products from YumYum Baking OY will be changed by the weather, season, and each day's time. For example, the different periods will have different products, the company will not sell sweet bread desserts in the morning, and the company will provide poke bowls in the evening. As for the season change, for example, the company will provide local blueberry drinks or desserts in the summer and autumn, and mushrooms will come into the poke bowls as light meals.

There is an economic concept exists which is called the lipstick effect. (The Economic Times) Because lipsticks are in a proper price range, most customers can use less money to enjoy bigger joys while purchasing this light luxury. To use this economic concept, YumYum Baking OY is utilizing this trying to design the products, although this company is selling bakery products, this company will use cheaper prices but the best taste and unique, best appearances to produce their products. This company decides to make their products to be Finland's landscape and light luxury. The final target is that let customers be proud while buying this company's light luxury products. Although it is difficult for a food to be luxury, however being light luxury is the company's final market target.

It is observed that in Asian countries, catering is one of the biggest fields in recent years, well-looked, unique bread is becoming more popular in young customers' daily life. Not only in Asian countries, some other countries are

also prefer attractive staffs, for example: Indian Youngs (Aday) (unique appearances, special taste, extraordinary design. That is the reason why YumYum Baking OY is a bakery company, this company still want to utilize bakery store to be an unmatched landscape in Helsinki.

3 Theoretical Framework: Customers purchasing preferences

Over a long-term period of purchasing activities, customers have formed their consumer awareness gradually, for example, interested to company image, brand promotion, products feature. (Butler) However with changeable life, with income raised, and improvement of living standards, people's consumer perception also changes as well. (Elizabeth)

In order to catch customers' eyesight, and explore how customers' changes their purchasing, huge amounts of companies realize that they need to cater to customers purchasing preferences and research customers' consuming behavior.

According to (Lokhande, 2006) that companies start to pay more attention to market research, and based on this, companies deeply grasp customers' psychological pulse to improve their market share and brand loyalty. (Lokhande)

3.1 theory of customer preferences

Customer preference is defined as customers' subjective purchasing type, which is measured by their satisfaction after purchasing. It is difficult to predict customers purchasing preferences from research, however, customer preferences will help the company to set up product prices and can provide enough customer information to produce products to satisfy customers' requirements. (Fife-Schaw)

For example, YumYum Baking OY will produce hand-made bakery products, so it is necessary for the company to know what target customers preferred taste, product packaging, and store decoration style. Once a product and the

store would satisfy target customers' preferences, then it will be more possible for them to purchase. (Fife-Schaw)

Another example is consumer preference for mobile phone, before the touch screen phone became popular, most people preferred smaller phones to big phones, customers liked to put the phones into their pocket. However, in recent years, after the touch screen technology evolved, big screen mobile become a popular selling point. Big screens and bigger sizes are becoming customers' preferences. From this example, it can see that knowing what customers preferences are changeable, it is difficult, but they can change. Although customers preferences are changeable, companies not only need to pay attention to change customers preferences while producing products, aiming to change their consumption preferences cannot be ignored as well. (Fife-Schaw)

To make sure what customers like, consumer panel is a good tool which can help companies to know the customers' consumer preferences. (Oldfield)

3.1.1 Five Stage Model in Consumer Behavior

Consumer theory is research which observe how customers purchase according to their self-preferences and budget limitation. This theory show how customers make consume choices according to products and service prices and the consumer income. (Law) The five stage model in consumer behavior, which was organized by Kotler.

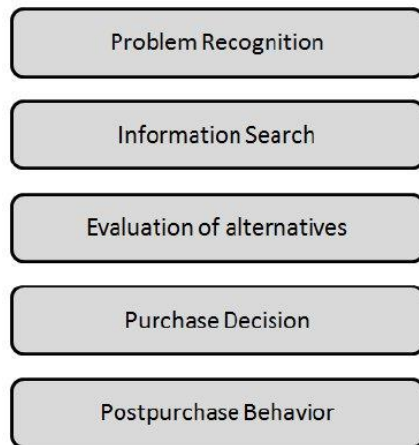


Figure2 from (K.L, Marketing Management 14th ed)i

In this model, Kotler analyzed that while customers are buying products, there will have a series of thinking before making the decision, in this thinking period they will finally make the decision to decide whether they will buy or not. As a matter of fact they are buying the recognition of requirements and needs. (K.L, Marketing Management 14th ed)

First: Problem Recognition

It is the first stage of purchasing, in this stage, customers realize their needs or requirements. While customers think they need to buy some particular products, to fulfill their need or wants If the problems exist, then the problems will cause needs. (K.L, Marketing Management 14th ed)

For example, in work life, a person broke his working desk, however this working desk is the thing that person often use, because of this problem, now the person is becoming a customer who is looking for the working desk and want to make purchase.

The needs appear, one reason is because person need products, another reason is that person perhaps is influenced by outside factors. (K.L, Marketing Management 14th ed)

For example, if a person uses desktop PC at work, although this PC works well in the person's daily work. However, the person's friend has a laptop, and maybe the person also saw some laptops' ads before, the ads show the person how convenient to use, then the ads will be the influence on the person. Because of this influence, the person will become potential customer who want to buy the laptop.

From the YumYum Baking Oy, this company is going to we will encourage our customers take products pictures and post into social medias, once a customer post some pictures, then the customer can get a free voucher and has discount while buying the products.

However after the customers post their pictures in social media, if someone in need and occasionally sees the ads, then this person is possibly to be the YumYum Baking Oy's potential customer in the future.

In this stage, professional marketers are supposed to recognize potential customers needs and provide products base on customers needs. (K.L, Marketing Management 14th ed)

Second: Information Search

During Information Search, normally customers have realized their needs and requirements, also they know they want to buy products which can solve their problems. Therefore, customers will actively search the information which can release their facing problems, which will cause information search. (K.L, Marketing Management 14th ed)

While customers are trying to search useful information to solve their problems, there will have two different places offer them information. One is outside business environment; one is inside customers daily relationships. (K.L, Marketing Management 14th ed)

Outside business environment means ads, videos, or social media propagandas, etc. and inside customers daily relationships means customers family, relatives or friends. (K.L, Marketing Management 14th ed)

For example, while customer wants to buy a laptop, he will want to know laptops various functions, prices, discounts, services, insurances or any other important factors.

As for the YumYum Bakin Oy, the company will build an official website, then the web link will be printed in the points card, if some customers would like to know the details with products, then they can come to the official website and the details introduction will all be showed in the website. Like what kind of ingredients the product use, if the product is lactose free or not, or the making process will be recorded and load into the webpage, one hand these details can help customers to know this company better, on the other hand, the clearly showcase will increase customers trust in both products and company.

Based on this situation, the marketers must utilize all promotional channels to provide a lot of relate information to customers to attract customers to come and make purchase behavior. (K.L, Marketing Management 14th ed)

Third: Evaluations of alternatives

Until now, customers already have enough information about the products he wants to buy and know how can solve his problems. Next step is evaluating the backup products which can solve customers' problems as well. Customers will normally collect information from different channels in order to select a better choice. (K.L, Marketing Management 14th ed)

Generally, customers will base final product based on functions, evaluate substitutes, for example, appears, multi-functions, qualities, prices, companies' services, brands, reputations, etc. (K.L, Marketing Management 14th ed)

Most of the time, the market will offer huge amounts of products, those products are all able to solve customers' problems, therefore customers need to make choices after many times evaluations to those products. (K.L, Marketing Management 14th ed)

After this stage finishes, customers will rank all the products which can solve their problems, and finally make choice to choose a product that meet their requirements most. (K.L, Marketing Management 14th ed)

Fourth: Purchase decision

In this stage, customers have explored many product choices, they know the product's prices and the payment ways, now customers are thinking about whether they need to buy the products or not. Even in this stage it is possible for customers to give up the purchasing behaviors. Kotler wrote that final purchase decision may be interrupted by two factors. One is interrupted by products negative feedbacks. (K.L, Marketing Management 14th ed)

For example, although a customer finally wants to buy a laptop, however his friend gives some negative feedbacks to him, that may change his purchasing choice, from positive to negative.

In YumYum Baking Oy, the company will avoid customers have some negative feedbacks in social medias, the company will provide cash voucher to customers who can give 5 stars feedback and good comments in social media, like wolt, foodora. Because according to theory, while a potential customer would like to come to the store, however when he searches some info from social media, he finds some negative feedbacks, then it is possible for me not to come. Therefore, good social media feedback control is necessary for a company and it cannot be ignored.

Also business plan change suddenly, bad financial ability, accident price increase, these factors will may also influence customers final choices. (K.L,

Marketing Management 14th ed) Because of these potential risks, marketers need to find the main reasons why customers are hesitated to buy the products.

Fifth: Post-purchase Evaluation

This is the last part which will normally be ignored by marketers.

After customers buy the products, they will compare their expectations with products, there will have two results: satisfied or unsatisfied.

If the customers are satisfied to their products and satisfy customers requirements successfully, customers will be quite contented, however if the products cannot satisfy products requirements, then the results will come to the opposite side. Even in this stage, the company may lose this customer in the future. (K.L, Marketing Management 14th ed)

The customers who are not satisfied to the products will think they make a wrong mistake, in this period, if the company provide a solution for example, offer a product exchange. This behavior probably brings a good impress to customers. But even the customers are satisfied with products, companies cannot guarantee that the customers can be repeat customers in the future. (K.L, Marketing Management 14th ed)

To solve this problem, company can offer a plat to customers and customers can make any feedback there, from these feedbacks, company can collect enough information and improve their services.

It is possible, that YumYum Baking Oy can design a secret circle to provide customers give anonymous feedback in this plat. The company can encourage customers to use this plat and there will have many coupons when customers use this plat to leave some feedbacks. Also, YumYum Baking Oy can put some discounts in the plat, if the customers use this plat, they can

know the latest info of companies, like the time of discount day, or they can buy today's discount products through this platform.

It would be a good tool for a company to know the real thoughts from customers and will be easier for the company to collect bad feedbacks to improve itself.

Also, secret platform can avoid social media's bad impression, and can ensure these bad feedbacks will not be seen by potential customers.

3.1.2 Four types of customers' consumer preferences

There are four types of consumer preferences

1. Customers of this type are normally vague and unsure of their preferences, they do not know what they exactly like, also it is difficult for the company to provide a product that can be satisfied by the customers. Based on this situation it will be much easier for customers to be influenced by the company. For example, they are much easier to be persuaded that the products company provide is good and can satisfy their desire, after the purchasing behavior is done, and the products can satisfy customers, later in the future, these successful products can be their preferences. (Fife-Schaw)

For example, a company's target customer would like to purchase a product, however, he does not know what kind of product he exactly wants, after a company provides a product that satisfied him, then this customer has his purchasing preference which is based on this product.

YumYum Baking Oy will provide many suggestions in the ordering menu, like there will have a fire logo near some popular products, which means really popular, and most people like.

If a customer come into the store without any concept what the he wants to buy, then the ordering menu notification can notice him to try some popular products, after that the customer will change his purchasing mode from vague in buying products to a clearly mind what he would like to buy.

2. The second type of customers normally do not have unchangeable and clear preferences, but their habits will sometimes based on product package attractiveness, although perhaps this product does not to their real liking.

In this type, customers will be easier to accept companies' advice and suggestions. (Ramachandran)

For example, a customer who would like to purchase wine, but he does not know what kind of wine he like, and he has no related info to his want, once a company could provide him with some suggestions and teach him how to choose a good wine, he is willing to accept this and be willing to choose wine directly from this company which gives him advice.

While come to the YumYum Baking Oy, during the period of designing the order menu, the company will point out some popular types of products in the menu, like put some small fire logos near some products. The number of fire logos will represent the popularity. Once the customers have no idea what they want, they can follow the introduction and buy the recommended products from the menu.

3. The third type of customer is rarely existing probably, the reason is that this type of customer generally has stable purchasing preferences, and these stable preferences will lead to customers' choices. However, as a matter of fact, this type of customer does not clearly realize that in fact, their preferences drive their consumption choices, for instance, perhaps they think their consumption is based on rational and objective judgment,

in fact, their choices are influenced by emotional and aesthetic factors.
(Ramachandran)

For example, a customer would like to buy something he needs, but he finds some other product he like, maybe because of the good packaging or the attractive advertisement, finally he chooses the product which attracts him more. Finally, he finds that this product is not the product he needs, and he will be unsatisfied with this product.

4. The fourth type of customer is the people who know their wants clearly and know their preferences clearly, which will lead them to judge what kind of product is the thing they really need. Therefore, these types of customers are the potential targets that can be provided by customized supply. Also, customers will be quite satisfied that marketing planners make effort to make research their preferences. Precisely because they know their preferences better, they hardly rely on marketers' advice.
(Ramachandran)

For example, once this type of customer is coming to purchase, they must know what they want and what they need, they will not be attracted by perhaps packaging or any other things, their consumption goals are really clear that cannot be changed by outside.

3.1.3 Consumer preferences assumption

There are three consumer preferences hypotheses that exist in modern economics, 1. Completeness, 2. Transitivity, 3. Non-Satiation. (Williams)

The hypothesis is the foundation that determines people's think and decide ways, it can also help people better to know the world, in consumer preferences assumption, companies use these assumptions to imagine what

customers like and think, and based on these assumptions to produce products and make product test. (Williams)

1. In the first assumption, it shows the customers are rational, and while they are making the decision, they will be based on all the information they have. The reason why this completeness assumption exists is that customers can control their preferences and will not be influenced by outside factors.

However, there are many evidences that can prove this completeness assumption is not true, because, in the real market, customers will make decisions even if they do not have complete information, which could show that they will make the decision without rational emotion. (Williams)

To summarize this assumption, customers will own two products A&B, although A is better than B, and more in line with customers' purchase needs, while in the assumption, customers will definitely choose A, however in the real market, to some reason happens, perhaps customers will like B's package more, finally, customers are choosing B as their purchase.

2. Transitivity is the assumption to assume customers' preference has its transitivity, which is the common fundamental principle of most objective, regular and descriptive decision models. It states that in transitivity preferences, most of the logic is shown above: (Stober)

$$A \succsim B \wedge B \succsim C \rightarrow A \succsim C \text{ (transitivity of weak performance)}$$
$$A \sim B \wedge B \sim C \rightarrow A \sim C \text{ (transitivity of indifference)}$$
$$A \succ B \wedge B \succ C \rightarrow A \succ C \text{ (transitivity of strict preference)}$$

From the picture, we can see that a customer has two products A&B, if the customer prefers A, then A will be the customer's choice. If the product becomes to B&C, once the customer likes B, then B will be the customer's choice. However once the product A&C is in the customer's choice, C will not

be the customer's choice at any time, that is called preferences transitivity.
(Williams)

If the theory of transitivity is invalid, then it will lead to an endless loop because no matter what customers choose, there will exist the first choice, it cannot be ignored. That is why this transitivity assumption is valid in most situations. Also, the transitivity assumption is one of the prerequisites for rational consumers in this market. (Williams)

3. The third assumption: Non-satiation, refer to the belief any commodity bundle with at least as much of one good and more of the other must provide a higher utility, showing that more is always regarded as 'better'.
(Bertoletti 和 Etro) This assumption is different from assumption 1, it is normally regarded as valid because while customers are trying to throw some free products away, customers will not be terrible only because of the extra free products.

For instance, as shown above,
Option A

- Apple = 5
- Orange = 3
- Banana = 2

Option B

- Apple = 6
- Orange = 4
- Banana = 2

In this example, there are two options, the only difference is Apple and Banana, B option is obviously better than option A, therefore customers will choose B. Because in the same situation, customers will automatically choose the things which they can have more. That is the assumption of non-satiation.

(Bertoletti 和 Etro)

3.2 The factors that influence customers' preferences

There are some factors will influence consumer behaviors, 1. Cultural, 2. Social, 3. Personal, 4. Psychological.

It is complicated to predict customers behaviors, because the main reason is that the behavior is irrational, it will be promoted by the four factors which mentioned above, include cultural, social, personal and psychological. And these factors are difficult for company to recognize, and only part of them will be influenced by companies. (Orsi)

Therefore segmentation, subdivision, and target search are all aiming to build marketing strategy and produce products which can satisfy customers' requirements.

Customers' consumption preferences mean the liking degree of customers to products. (Fife-Schaw) Customers will base their willingness to rank products that they will come to buy, and this ranking reflects customers' self-needs, interests, and desires.

However in fact customers' preferences will be influenced by many factors, for example, customers' requirements, product qualities, and customers' self-features. (Fife-Schaw) In this modern economics, customers' preferences are mostly influenced by company image. With the development of technology and information technology, the brand homogenization trend is enhancing gradually, and the product brand is going to be one of the most important factors which influence customer preferences. (Fife-Schaw) Once a company its brand image is established in customers' minds, it will be unique, and lasting, and cannot be placed and imitated by other competitors. Therefore, to YumYum Baking OY, it is important to cultivate its brand loyalty in their target customers' minds, a brand can bring preferences and loyalty to the company.

Also, the brand is not only a symbol of products, it can reflect product and company value. (Fife-Schaw)

While customers are choosing products, they will more concentrate on satisfaction in psychology and emotion. From this fact, the brand is becoming much more important to company development. (Fife-Schaw)

Another factor that influences customers' preferences is the product itself. The product itself will relate to the importance of products and the occasion of using the products. Normally customers will prefer a product that at the same time has quality, practicality, good reputation for its company. When choosing the products, there will exist many similar competitors in the market. But the fact is that in the same competition market, if a customer often purchases from the same company and this company's products are quite reliable, and can always satisfy customers' needs, then this company will be an unforgettable brand in customers' mind. Once the customers choose the product, this company will be the first preference in customers. (Richards)

Except for the factors from outside, some influences are coming from inside which means from customers themselves. These factors will include customers' economic status, it includes customers salary, deposits, and assets, etc. economic status will strongly influence customers' consumption preferences because a customer with poor economic status will not prefer luxury over their purchasing ability a lot. (Richards)

The next factor is customer occupation and social status, different customers' preferences are totally different, a model will prefer luxuries which will be a tool to help her to highlight their social status. Different social classes of customers have different values, purchasing preferences, and consuming concepts. (Richards)

The third factor is the customers' gender and age. Customers' preferences will also be influenced by changeable age, in different periods, customers prefer different products. For example, six to sixteen girls will prefer plastic, cheap, fabric, and non-metallic decorations, they will care whether the decoration is popular and whether this product can suit their clothing styles. However, after being over sixteen, during the 17-39 age scale, they will pay more attention to decoration value, at that time, decorations are becoming a tool to help them highlight themselves. (Richards)

Other factors will relate to customers' inner mind, which are called psychological factors, which include feeling, motivation, attitude, characteristics, etc. Also, pursuing famous brands, being competitive with other people, follow the masses, these motivations will be the factors that influence customers purchasing preferences. These factors are influenced by each other, leading to customer consumption preferences being completed and variously. (Richards)

Each customer has his or her own life experiences, which will cause variable characteristics and variable preferences in purchasing. It is different to summarize in an easy word, and it is an important thing for a company to make enough research to collect data before they produce products. Once a company confirms its target customers, then make customer preferences research is inevitable. The research will show above in the next chapter. (Richards)

4 RESEARCH METHODOLOGY

4.1 Research method

In order to fulfill the research goal, quantitative research method was employed.

Quantitative research is an effective way for researchers to collect data, statistical data, and analyze data, what is more using quantitative research can help researchers to control data validity as well. (Saunders) During this thesis research, quantitative method was used to collect potential customers demographics, which include 1. Age, 2. Gender, and some purchasing behaviors: 1. Purchasing budget, 2. Purchasing preferences, 3. Purchasing habits, 4. Purchasing frequency.

The advantage of using quantitative research is 1. Conduct large-scale social surveys quickly, which is better to adapt to the changing trend of contemporary social development. 2. Using statistical and mathematical analysis can enhance social research standardization and precision. Because quantitative research requires rigorous logical reasoning, therefore its results can be more accurate, more scientific. (Saunders)

Normally the results could be presented by charts, scales, tables, figures or some other forms, it can be easier for researchers to analyze through these graphs directly. (Saunders)

The questionnaire will be provided to the YumYum Baking Oy potential customers in target segmentation.

4.2 Survey Design

The research was administered at Asian bakery with consume. The questions were divided into two parts, the first part is customers demography, the second part is customers purchasing behavior which relate to customer preferences.

The first part was collecting most of customers basic information, through the survey, so that researcher could find out type kind of customers participate in the questionnaires, then it would be helpful for YumYum Baking OY to make relate marketing plan and make accurate segmentations.

The second part's main target s observing customers purchasing preferences, for example, to figure whether customers prefer to come to the bakery store near home or prefer the bakery house has good reputation.

From the second part, the researcher can know the acceptance from customers to its YumYum Baking Oy products, and the company can know what kind of products can be more accepted by customers, how can they propagate the company's products.

Survey was designed in English, although YumYum Baking Oy will also look forward local Finnish can be customers, however the YumYum Baking Oy still needs other countries' customers can accept and come to its place to shop. English language can be more accepted by customers to fulfill the questionnaires.

In order to stimulate customers to fulfill the questionnaires, the researcher prepared over 250 company vouchers to each customer. Once the customer

finishes questionnaire, the voucher for 50 percent discount while customer buys the product in YumYum Baking Oy.

4.3 List of question

Criteria	Detail
Background	Age Gender Recognition to products
Buying behavior	Purchasing frequency Distance influence
Purchasing preferences	Acceptance to products Eating habits Purchasing budgets
Social preference	Source of social media

5 Survey Results and Data Analysis

For one month, the questionnaire was sent to over 300 potential customers to collect question data. There are 225 potential customers chose to take this questionnaire it is successfully for the researcher to gather enough data. The response rate of the YumYum Baking Oy survey was 75%. And base on the location of YumYum Baking Oy is in Helsinki, therefore while sending the survey to potential customers, the researcher was choosing the people who live in Helsinki, Espoo or Vantaa.

In order to cover most of age groups, researcher was coming to find friends who were in Helsinki University, Aalto University, Metropolia AMK, and Haaga-Helia AMK, to please them send over 200 surveys to their classmates and tutors.

Also, the researcher sendt the surveys to the company premise building tenants to collect different age groups data. And it was good that the researchers collected over 5 age groups customers data.

1、 How old are you?

225 responses

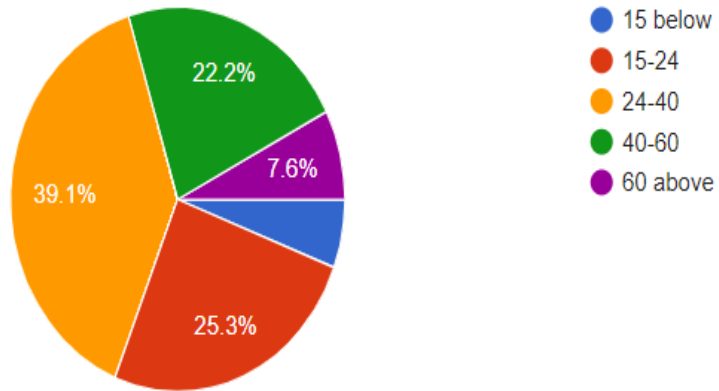


Figure 3. Age of potential customers

2、 Gender

225 responses

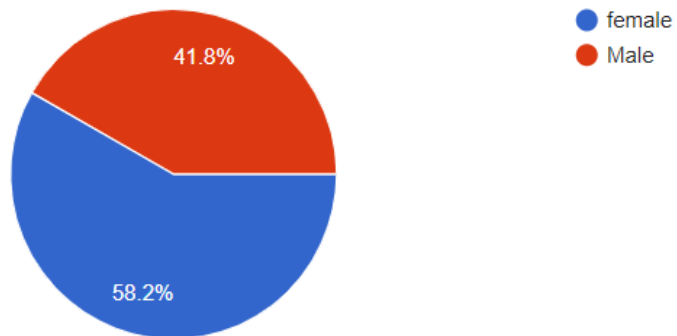


Figure 4. Gender of potential customers

From the research data which show above, that most of respondents belong to 15-24, 24-40 age groups. The percentage is 25.3% and 39.1%. However only 35.6% respondents belong to the old age groups and small age group. But the 40-60 age group takes part in 22.2%.

In the gender part, the female respondents represented 28.2% which is quite higher than male respondents. From these two data, it is known that the customers who are 15-40 years old, and the gender is female will be the most potential customers in YumYum Baking Oy customers. Especially the age of 24-40, the customers in this age group has a high probability of becoming a customer of YumYum Baking Oy.

From some research, there are some eating habits differences appear in gender, for example, male desires salty food, like hamburger, however females will more prefer sweets, like chocolate. (K.) That is the reason why there are more females to receive the research.

5、 How much money will you like to pay in bakery store in total?

225 responses

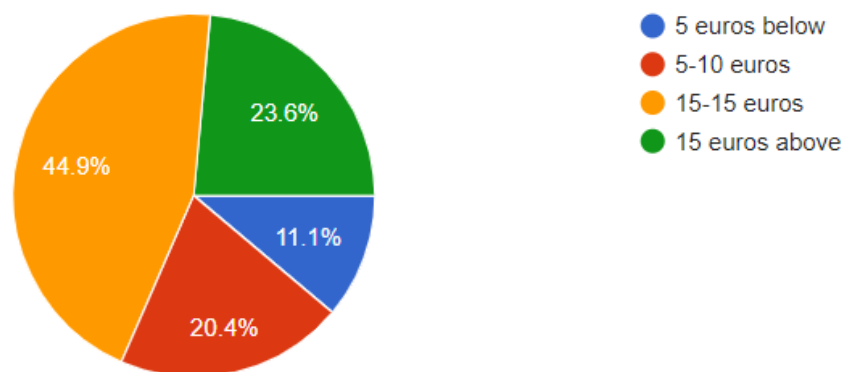


Figure 5. Budget of purchasing

In the budget research, the pie chart clearly shows that most of responds budget is 10-15 euros, which takes 44.9% in total. And then the next is 23.6% respondents are willing to pay over 15 euros to buy bakery products. And

20% of respondents prefer to use 5-10 euros in a bakery store. Only 11.1% respondents pay 5 euros below in purchasing bakery products. However from 5-euro-below respondents questionnaires, the researcher can know that most of the respondents are under 15 below which illustrate that youngers normally do not have strong purchasing ability, not same like other adults. Person who are under 15 will rely on their parents supports, that cause they will not pay more money in unnecessary consumptions.

On the other hand, the respondents whose budgets are 5-15 euros are mostly adults who have normal work and have savings. They have enough purchasing abilities to buy the products which can improve living quality. Therefore, the customers who are 15-40 years old need to be the main potential customers in YumYum Baking Oy. It is important for the company to know their habits and preferences.

As for the highest budget group, from the details of this group's each research, the researcher can know that the respondents who belong to this group is coming from the age 40-60. Although this age group's number of respondents is not as many as the 15-40. But their purchasing power is the highest comparing with other respondents.

3. Where do you buy bakery in daily life

224 responses

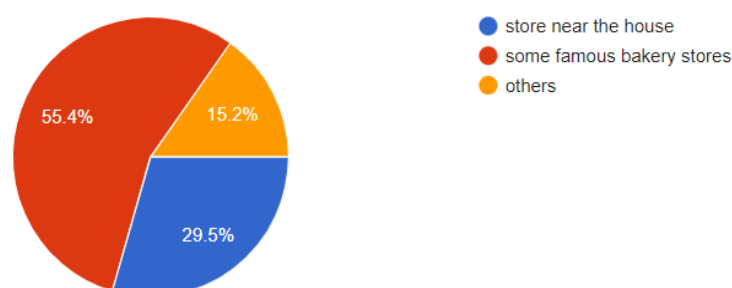


Figure 6. purchasing habits in bakery products

4. Will you often come to bakery store to buy bread?

224 responses

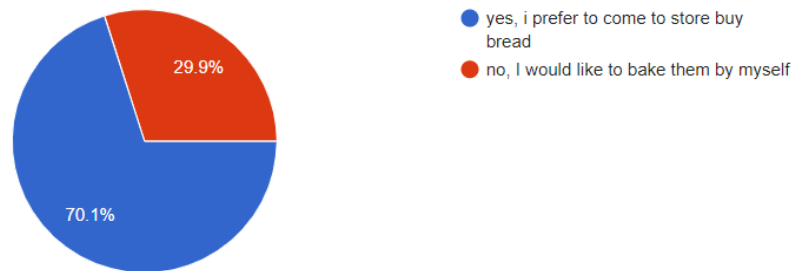


Figure 7. purchasing behavior in bakery products

6. If a bakery store has some bread which cannot copy at home, are you willing to come to the store to buy?

224 responses

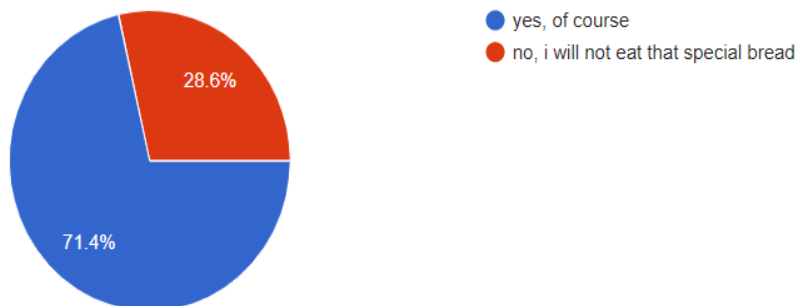


Figure 8. purchasing behavior in bakery products

Normally in Finland, people have 3 common ways to buy bakery products, the first one is going to some popular bakery stores to buy freshly baked bread, because freshly baked bread generally is made by bakers, the doughs are not frozen like semi-finished bread, these kinds of bread mostly have intense and charming bread aroma.

The second way is buying raw materials and bake the bread and other bakery stuffs by themselves. The main reason is most of residents have their own oven at home, and it is convenient to bake, also the price is much less than

buy the products outside. However home-made bread cannot have high quality of taste like outside bakery stores.

The third way is buying semi-finished bread in the market, like Lidl, K-Market, S-Market, etc. These chain supermarkets have many kinds of baked products, although the tastes are not that bad, the number of products is semi-finished products, the advantage is lower price, but good taste.

From the charts above, there are 70.1% respondents prefer to come to bakery stores to buy products, and 55.4% respondents claims that they are willing to some famous bakery stores to experience the freshly baked bread. And 71.4% respondents are pleased to come to bakery stores to experience some special and new taste bread.

Searching the details of each respondents separate research result, majority of customers who choose to come to famous bakery stores will also choose often to come to bakery stores and willing to experience the new type of bread. YumYum Baking Oy is aiming to invest new products development, the company goal is providing freshly baked bakery products to customers and ensure each bread's quality. The main core of YumYum Baking Oy can be completely suitable to respondents, every respondent can find satisfied products in the store.

7、 Do you know and have tasted Asian Bread?

224 則回應

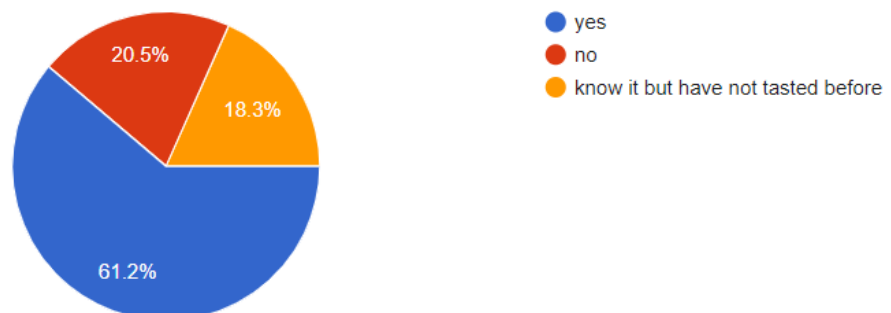


Figure 9. acceptance to Asian bakery stores
8、 Do you like sweet and soft bread as desert and snack?



224 則回應

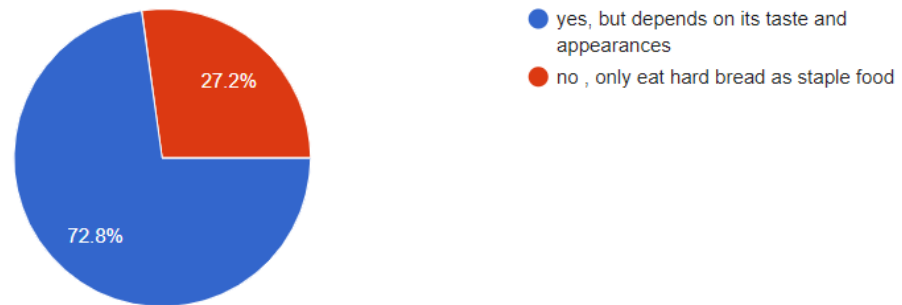


Figure 10. acceptance to Asian bakery stores

There are 61.2 respondents who know and have tasted Asian bread before, the main reason is in recent years, there are more and more Asian dessert studios, Boba tea stores, Dim Sum restaurants open in capital Helsinki. Most of the time, these Asian stores will sell many kinds of products which include Asian bread or any other bakery products.

The results show that there is a high acceptance from Helsinki residents to Asian bakery stores. However, the premise of acceptance from Figure 10 shows that the store needs to have a reliable product, taste needs to be good, and the appearance should be attractive, also the price cannot be too high, at least cannot over most of customers' purchasing budgets.

9、 If the bakery store is more likely a cafe shop, with sweet bread and drinks, will you come into it and rest?

224 則回應

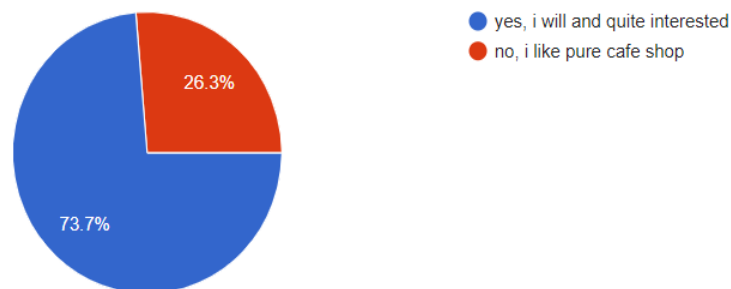


Figure 11. Respondents' behavior

10、 What kind of drinks will you buy when you hang outside or in the shopping mall?

225 則回應

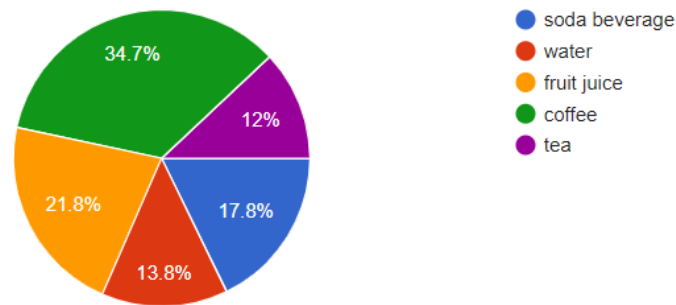


Figure 12. Respondents' preferences

The charts of 11 and 12 claimed the customers' behavior and their preferences.

The 11 chart shows that 73.7% respondents are willing to come to a new type of bakery store, they can accept impure bakery store and have a new experience of coming to a bakery store with new products.

Because Boba tea will also be the YumYum Baking Oy main product, therefore the research would like to know normally what kind of drinks Helsinki residents will like. From the chart, the data results are quite average, most of respondents (34.7%) chose coffee to be their first choice, fruit juice percentage is 21.8%, and the next is soda beverage (17.8%), tea and water is in total 25.8%.

From this data, YumYum Baking Oy needs to develop some new types of boba tea which can suit customers better. For example, from the data, the company can combine coffee and boba tea together, like expresso in boba tea milk, or put some toppings into the coffee.

11. Do you know Asian milk tea?

218 則回應

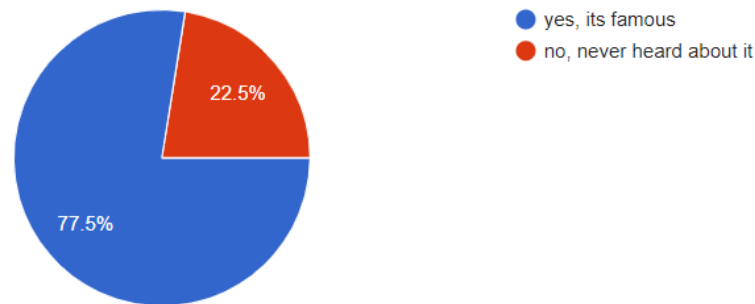


Figure 13. recognition of respondents to Boba tea concept

12. Have you tasted Asian milk tea before?

222 則回應

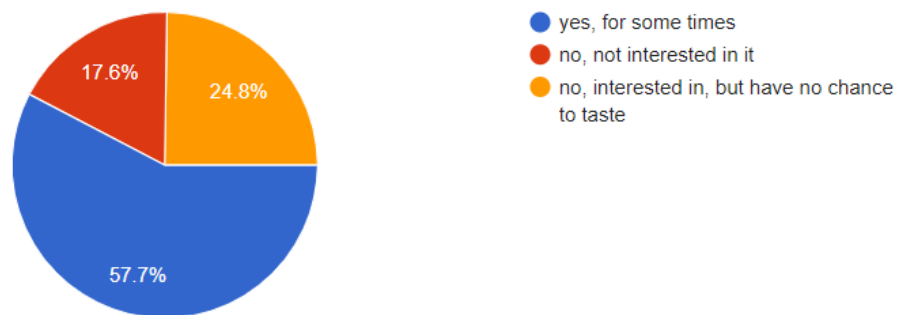


Figure 14. Acceptance to Boba tea products

From the charts 13 and 14, the research found that most of respondents (77.5%) know Boba tea concept and taste it before (57.7%). The reason is recent years, there are more than 5 brands Boba tea company develop in Helsinki, some famous brands are near city center, Helsinki railway station, like QITEA, ZHAOTEA, etc.

Although some respondents show they did not taste Boba tea before, however they show their interesting (24.8%) to this product as well. After long tem developing of Asian catering culture in Helsinki, there are more Helsinki residents can accept Asian taste now, over hundreds of Asian restaurants,

Cafe, bakeries appear in Helsinki. For example, Luckiefun is one of the biggest brands in Finland, some cities have this brand's branch.

Even there are large number of respondents have basic concept to Asian Boba tea, 22.5% respondents have never heard about Boba tea before, which will push YumYum Baking Oy in the future increase publicity in order to decrease the percentage of negative results.

13、 Which social media will you use to know the newest fashion info?

225 則回應

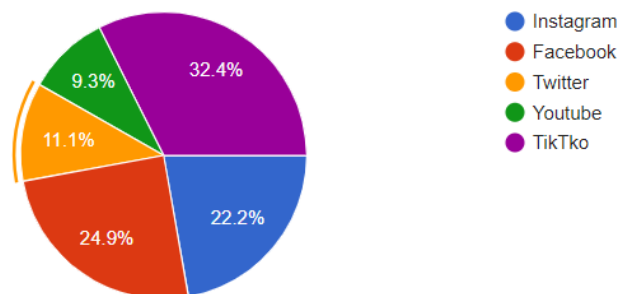


Figure 15. Social media preferences

The last question was prepared for YumYum Baking Oy future advertising campaigns. The question shows the respondents social media choice preferences, the results tell the researchers that now Tik Tok is the most popular app to some Helsinki residents. There are 32.4% of respondents are using Tik Tok as their information collector, but also there are 22.2% respondents choose to use Instagram as their normal social media tool. Then 24.9% of respondents are using Facebook. Only a few respondents use YouTube and Twitter as their normal social media tool. (9.3% and 11.1%)

It illustrates that in the future, YumYum Baking Oy needs to put its propaganda concentrate to Tik Tok and Instagram, then there will have more potential customers can see the advertisements of YumYum Baking Oy.

6 Conclusion

In the thesis, there are three questions need to solve, which show above:

1. How much acceptance the customers have of Asian bakery products
2. Figure out potential customers' purchasing preferences and behavior in buying bakery products
3. how can customers' preferences be measured

In the first question: How much acceptance the customers have of Asian bakery products.

The question can be found in the research, which illustrate that over 60% of respondents are willing to buy Asian bakery products, and they are willing to come Asian bakery store to purchase. It is a good phenomenon to YumYum Baking Oy to promote the company products in the future.

The second question: Figure out potential customer's purchasing preferences and behavior in buying bakery products.

In this question, the research show that most of respondents prefer to come to bakery stores to buy products, and they like to experience new bakery products if the products quality and taste can be ensured. Also over half of respondents know boba tea concepts, and 57.7% respondents tasted before. While they are hanging out, coffee will be their first choice to drink.

This question brings some advice to YumYum Baking Oy that products need to have attractive appearances and acceptable taste, then the potential customers would be willing to come and pay for the products.

Also, as for the drinking menu, it will be a good idea to put some coffee drinks in the ordering menu, not only have boba tea. So when customers come to the store, there will have more choices for them to choose.

The third question: how customers' preferences can be measured.

In order to solve this question, the researcher decided to design one questionnaire and send it to most of potential customers.

The research included 4 parts, one: respondents background, two: customers behaviors, three: purchasing preferences, four: social preferences.

From these questions, the researcher can collect enough and accurate data and then analyze these data.

These data show the most of potential customers preferences, which is validity and objective.

In conclusion, YumYum Baking Oy needs to use collected data to focus on catching customers' preferences and invest enough assets in products developing, in order to ensure their future business operation and safely through the opening period.

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