



TAMPERE POLYTECHNIC

BUSINESS SCHOOL

FINAL THESIS REPORT

**LAUNCHING A NEW RESTAURANT CONCEPT IN THE  
TAMPERE AREA**

**Case Company: Seppo Koskinen Ravintolat Oy**

**Anna Gran**

Degree Programme in International Business

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Supervisor: Shaidul Kazi

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**Author(s):** Anna Gran

**Degree Programme:** Degree Programme in International Business

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## ABSTRACT

In today's business world consumers are growing more knowledgeable to what features they want their products and services to include. This means that for businesses to keep up with consumer demands they must continuously renew their products and services. Pro-activity and innovation are used to fulfil these demands by being able to continuously offer consumers with new experiences and services to ensure continuous demand.

This study deals with Seppo Koskinen Ravintolat Oy launching a new restaurant concept in the Tampere area. The aim is to introduce the different aspects of the new restaurant concept, examine the marketing strategies of intangible goods and research whether it is a feasible concept to launch in the Tampere area. In order to find out whether it is plausible as a business venture, research is made and conclusions and development suggestions are proposed at the end.

A qualitative research method was used to conduct and study the launch of the new restaurant concept in the Tampere area. A SWOT analysis was made to get a more thorough picture of the situation, on the basis of the SWOT analysis an electronic research questionnaire was made that was then sent to a chosen sample group, consisting of experts in the field.

Based on the research, the new restaurant concept was perceived as interesting and versatile but the current supply of this type of service in the Tampere area was seen to meet with the current demand. Therefore taking the market equilibrium into consideration the launch of this concept in the Tampere area would be too risky as a business venture.

Even though at this time the concept is not worth launching in the Tampere area, the interest it awakened shows that as a concept it is unique and exciting. The time and place is just not ready right now. As Seppo Koskinen Ravintolat Oy is a company that strives towards renewing their services and image, a suggestion is that they stay on the path they have chosen to offer new experiences to their customers and deliberate the launch of this concept at a more appropriate time and place.

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**Keywords:** Innovation Proactivity Intangible Goods Trend Awareness  
Restaurant Service Sector

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# 1 Introduction

The development of products and services is essential in the business world. Consumers are becoming more knowledgeable to what features they want their products and services to include. This creates pressure on companies supplying these goods to renew their products and image to respond to customer needs. Key concepts to succeed in providing consumers needs and demands are **pro-activity** and **innovation**.

The growth of internalization has meant a growth in tourism, hence affecting the growth of the accommodation and restaurant service sector. In 2005 alone, the turnover of this service sector in Finland was 4.5 billion euros (€), meaning 2.8 % of Finland's GDP and employed over 49 200 people ([www.tilastokeskus.fi](http://www.tilastokeskus.fi)).

The continuous growth of this sector makes it an alluring one but also one of the most competitive businesses in Finland. To have a competitive advantage and success a strong brand and image is needed. By renewing the brand, image and concepts pro-activity and innovation are needed. But to guarantee success careful market and consumer research and analysis are needed, as in any business venture.

Finland's restaurant service sector comprises of both large public and private companies, either specializing in chain based restaurants or versatile restaurant services. One major player in the Finnish restaurant service sector is Seppo Koskinen Ravintolat Oy, better known as SK Ravintolat. SK Ravintolat is the largest privately owned company in the Finnish restaurant service, which is paving the way for future restaurant companies with its' fresh ideas, innovation and pro-activity. Introducing new restaurant concepts into the Finnish market to answer consumer needs is what SK Ravintolat prides itself by.

I spent six months working as marketing assistant at Seppo Koskinen Ravintolat Oy for my work placement. It was during this time that an idea for launching a new restaurant concept in Finland was planned. In collaboration with marketing manager Mr Olli Marttinen and CEO Mr Seppo Koskinen, it was decided that the needed research and analysis, resulting in an initial marketing strategy, would be used as a basis for my final thesis.

## 1.1 Background of the Research

SK Ravintolat is a company that is continuously aiming towards growth: establishing new nightclubs and providing their customers with new experiences. This means, in practise, coming up with fresh ideas, surprising customers and bringing new concepts into the Finnish restaurant service sector

An interesting new concept is restaurant theatre (ravintolateatteri), in other words theatre and music hall performances that take place in nightclubs: therefore maximising the “traditional” use of a nightclub space and providing wider spread services to a larger target group. As a concept, restaurant theatre is still fairly new in Finland, and therefore a “resource” that has not been tapped into yet.

As the intention is to open a Las Vegas style restaurant concept that includes theatre performances and a nightclub under one roof, it fulfils the mission and vision of SK Ravintolat. This is to provide a wide spread target group with new experiences and concepts and ideas in the Finnish restaurant service sector. By being the first player in the field to bring new concepts it proves trend awareness, pro activity and customer satisfaction as key business success factors.

## 1.2 Purpose of the Research

The purpose of the research is to discover whether there is a potential market niche for the launch of this new restaurant concept. This potential market niche will be analyzed by using extensive research and analysis of the potential market area, target group and competitors.

With the information discovered from the research a preliminary marketing plan will be made. This preliminary marketing plan will help assess whether theatre restaurant is a concept worth pursuing and whether there is a potential market niche. If the results are seen as promising this thesis will then help to make further marketing plans and a budget for the intended launch.

## 1.3 Research Problems

The intention of the research and this final thesis is to answer the key question **whether there is a potential market niche for theatre restaurant in the Tampere area**. The research and analysis will also answer the sub questions:

- What should be taken into consideration when launching a new concept?
- What kind of competition is there in the existing market?
- Is there a target group? If so, what?
- Is there a strong enough demand for the new concept?
- Is the concept feasible in the market where it is to be launched?

## 1.4 Research Methodology

Qualitative research methods were used in conducting the research for the launch of a new restaurant concept in the Tampere area. According to Kotler (1982, p. 36) qualitative research is a research method that measures information based on opinions and values as opposed to statistical data. Qualitative research in opposition to quantitative research, is the collection of secondary data, in other words methods such as observation, interviewing and document review can be used.

Qualitative research methods were chosen for this marketing research due to the nature of the product / service to be launched. As this study deals with a new restaurant concept, that is to be launched, no previous studies have been made on this specific subject. Also the preliminary sample group for the research was small therefore qualitative methods were more suitable.

The marketing research conducted for the launch of restaurant theatre in the Tampere area was initially divided into a SWOT analysis and an electronic questionnaire to gather primary information. The electronic questionnaire was chosen due to its' nature of efficiency, speed, irrelevant of time and place and easy to monitor. The questionnaire was sent to a sample group that was chosen because of the expertise in the field of selling theatre service packages in the Tampere area. Secondary information was gathered from books, the internet and newspaper and magazine articles. SK Ravintolat provided critical information concerning the company and their missions, visions and business ethics.

The intangible nature of the product / service was also taken into consideration when research methods were chosen. The

importance of communicating the right messages and “images” to consumers is a vital process of marketing intangible goods, therefore marketing research tools must also comply to these variables.

## 1.5 Structure and Limitations of the Research

This research and report is divided into three parts. The first is concentrated on introducing both the new concept and SK Ravintolat thoroughly. Great emphasis is made to introduce the company and their vision on renewing and innovating to change the Finnish restaurant service sector. Also the concept is introduced to give a clear perception of the entire idea.

The second part of this study is made up of the theory used to conduct the market research. The research phases and results are recorded and analyzed.

The third part of this thesis has results, analysis and conclusions on the basis of the conducted research.

As this study focuses on SK Ravintolat and their potential launch of restaurant theatre there were numerous limitations that affected this study. As this study is concerned with a new restaurant concept in Finland the nature of the study had to be kept under secret. This means that some valuable information that could have been gathered from interviewing and co-operating with competition was not possible to gain. Also as this research is concentrated on a fairly small enterprise the actual strategy and analysis for this certain venture were kept only at the most necessary to keep the study concise.

## 2 SK Ravintolat, Company Profile

Seppo Koskinen Ravintolat Oy (SK Ravintolat) was established in the end of the 1990's by Seppo “Sedu” Koskinen. It is one of the largest privately-owned restaurant companies in Finland today. SK Ravintolat is a conglomerate that comprises of 11 companies. Altogether the conglomerate consists of 40 different nightclubs and bars in 20 different cities: Rovaniemi, Oulu, Vaasa, Kuopio, Joensuu, Seinäjoki, Jyväskylä, Pori, Rauma, Tampere, Valkeakoski, Lahti, Imatra, Lappeenranta, Kouvola, Porvoo, Helsinki, Salo, Turku and Tallinn. New restaurants are also being opened in Kotka and Phuket, Thailand. The turnover of SK in 2005 was approximately 45 million euros (€). SK Ravintolat



employs over 850 people, out of which 9 people are in administration and 3 in corporate sales.

SK Ravintolat is a dynamic company that lives proactively, sensing coming trends. SK believes that continuous growth and the ability to change its' image are the key factors to succeeding in the restaurant service sector. SK wants to surprise its' customers and provide them with new restaurant experiences. Even though growth is an important success factor at SK, becoming a "chain based" concept is not an option. Every SK restaurant and nightclub is built respecting and taking into consideration the building, target group and city it is built in.

Owner and CEO Mr Koskinen has been an extremely influential figure in the growth and rise of SK Ravintolat. By using his persona as a basis for the SK brand and using the media, he has become the face behind the SK brand. The values of SK Ravintolat have been personified by Mr Koskinen and therefore values such as luxury, high quality and trend awareness are linked both with Mr Koskinen and SK as a brand.

In the last 13 years Mr Koskinen has designed and planned over 50 restaurants and established his company in Helsinki. The year 2000 saw the beginning of SK Ravintolat as the "empire" it is known as today. Mr Koskinen's aspiration is to own 50 restaurants by the time he turns 50 which is in the autumn of the year 2007. At the moment SK Ravintolat comprises of 40 restaurants, so this aspiration is no way far off for this pioneer of the Finnish restaurant service sector.

Mr Koskinen has a strong entrepreneurial persona that has built both his and SK Ravintolat image. With his previous background with being an entrepreneur, Mr Koskinen has been able to build a restaurant empire that has gained recognition, for example in the year 2005 SK Ravintolat was a finalist in the Entrepreneur of the Year. At Ernst & Young's, the official sponsor, website Mr Koskinen and his company were described as "*Sedu Koskinen is a serial entrepreneur who has a strong entrepreneurial persona. He has built his success from scratch, a true self-made man who isn't afraid of taking risks and who has become a household brand and media persona. Koskinen's restaurant empire has strong growth and profitability. Being rich in ideas, renewing ones image, flexibility and the ability to change personify SK Ravintolat*"

## 2.1 Services provided by SK Ravintolat

The main product / service of SK Ravintolat is to provide a diverse range of nightclub and restaurant services targeted at different segment groups. SK nightclubs' intention is to provide a widespread range of customers' new and different experiences and entertainment.

Providing experiences is something that SK strives towards using its' main strengths: **innovation, trend awareness and the ability to change at a fast pace**. SK, as a brand, is one of the most well-known and wide spread in the Finnish restaurant service sector.

SK Ravintolat provides services to a big customer group. The main target group (95 %) is an 18-35 year old, urban person that spends money on themselves, i.e. on fashion, lifestyle, going out etc.

### 2.1.1 Vision, Mission and Strategy of SK Ravintolat

**Vision** SK Ravintolat defines its' vision as **creating new experiences for customers**. To fulfil this vision SK Ravintolat uses many key success factors to strive towards providing a new, fresh experience for customers that succeeds in entertaining and surprising the customer every time, Seppo Koskinen Ravintolat Oy (2006) Yritysesittely.

**Mission** To succeed in its' vision, SK Ravintolat has a mission statement to give a clear strategy towards the collective goal. These missions have been divided into groups to build a complete entity for success. These missions are:

- build up new venues that offer better experiences to our customers than our competitors are able to offer
- continuously developing existing venues
- constantly trying to find a new competitive advantage
- rewriting the strategy all the time (ability to renew the whole concept)
- striving towards surprising the customer positively every time
- well-managed and continuous development of CRM (customer relation management)
- low organisation
- efficient and well-developed administration and controlling tools
- outsourcing non-business critical activities

- the growth of the group becomes before the owners' personal wealth

These missions strive towards the collective goal, which is to *be the market leader in the selected target groups in every location where SK operates and to achieve and exceed our income targets and maximise shareholder value.*

Strategy SK Ravintolats' main strategy is by being rich in ideas, renewing its' concept, flexibility and the ability to change to gain maximum growth and market leadership. By being the largest competitor on the market it is able to outplay competition. Thus leading to market leadership and growth of shareholder value.

The ability to change and renew SK's image and strategy are one of the major strengths. Not only does this keep competition "on its' toes" but also the consumers interested in the offered services.

Reaching the right target group is essential, therefore it is important to know what the customers want before they know how to ask for it. This proactivity is also a strength SK Ravintolat possesses by utilizing its' SK Member Card database.

This database is made up of approximately 110 000 registered SK Members (situation 2/2006) and is the most profiting registered members database in Finland ([www.tilastokeskus.fi](http://www.tilastokeskus.fi)) This database is used as the main marketing tool at SK Ravintolat and not only does it reach the target group immediately and efficiently, by either e-mail or SMS, but is a cost-efficient marketing tool.

As a method it has a potentially larger accessibility as it is reaching the target group that wishes to be contacted (customers register themselves as members). By using the database for direct marketing purposes SK Ravintolat saves money, therefore fulfilling its' mission to be cost-effective while striving towards consumer demands.

## 2.2 The Use of Media

Media and publicity have played a big role in both Mr Koskinen's and SK Ravintolat lives. Media and SK Ravintolat have proven to be in a two way relationship: the media "uses" Mr Koskinen and Mr Koskinen "uses" the media.

Mr Koskinen has given a face to the Finnish restaurant service sector by opening himself and his company to the public, therefore you could say that SK Ravintolat “strongly personifies itself around Mr Koskinen” ([www.sk-ravintolat.fi](http://www.sk-ravintolat.fi)). By being a known and visible media personality Mr Koskinen has given his company a certain profile that consumers can relate to. Thus, when thinking of SK Ravintolat it is inevitable to think of Mr Koskinen. It could be said in a media sense that Mr Koskinen is SK Ravintolat and vice versa.

The use of celebrities has also been an important marketing tool. At every opening of a new SK restaurant or nightclub Mr Koskinen has invited a large group of celebrities to make an appearance. This relationship is also two way, SK Ravintolat have celebrities at their openings for publicity and media coverage. Mr Koskinen was the first to introduce VIP-areas at his nightclubs. Therefore giving celebrities an own “safe haven” to enjoy a night out in, without the interference of paparazzi or fans.

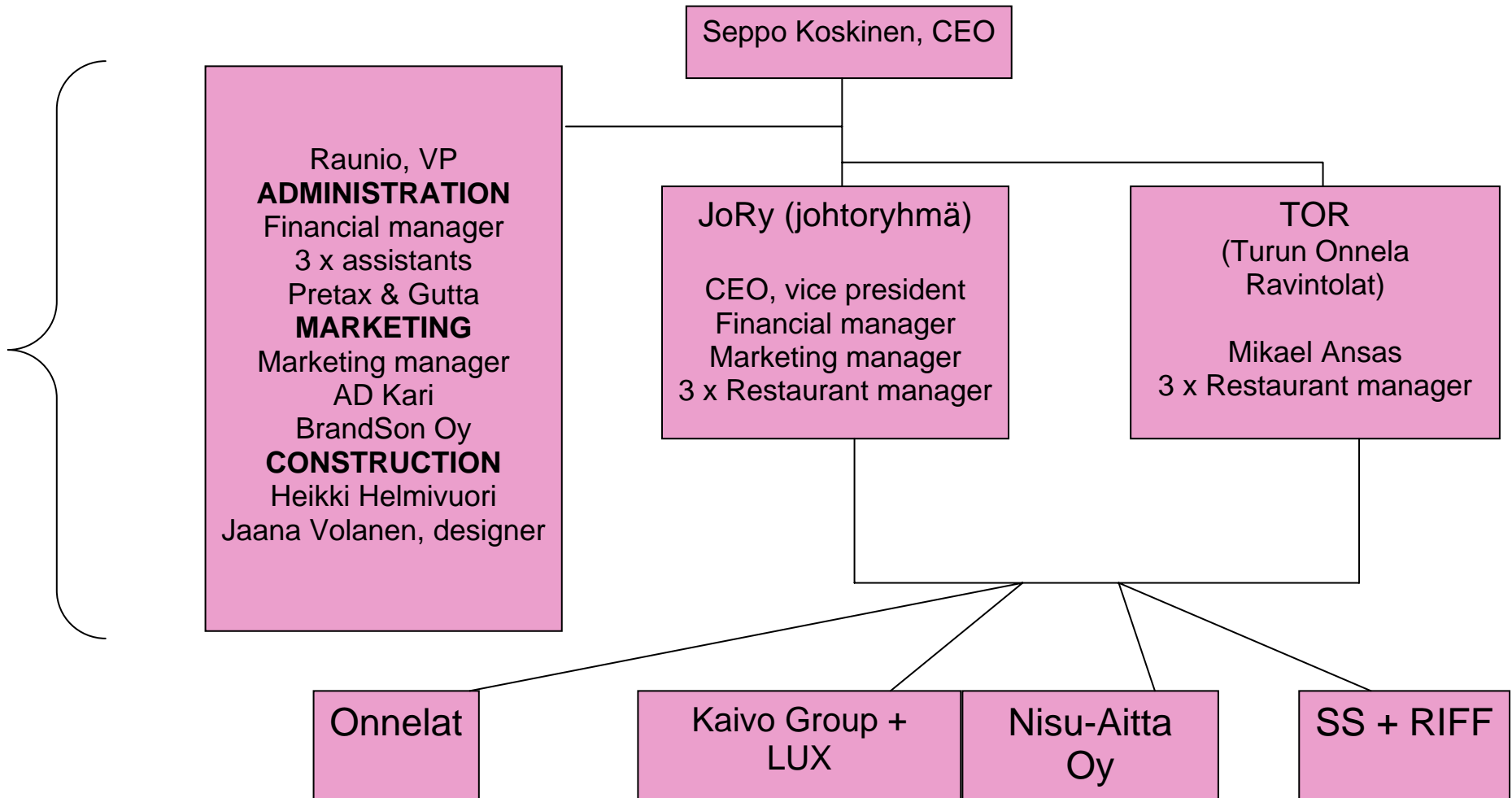
Media hype and the use of celebrities has proven to be an extremely effective way of marketing and “grabbing” the attention of the consumers. The potential target group wants to identify themselves as part of this phenomenon (trends, celebrities, media attention) and what it represents.

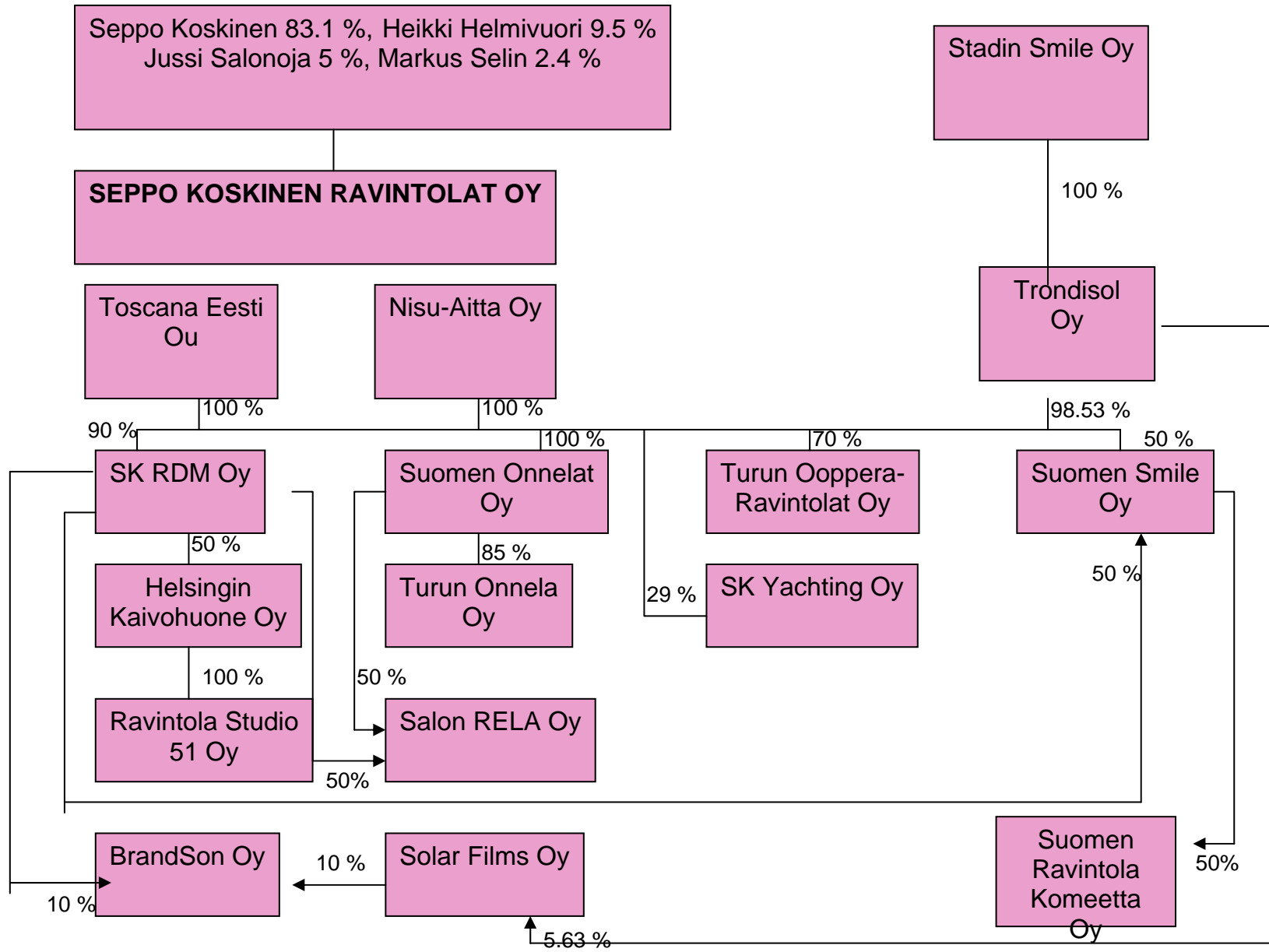
## 2.3 Organisation

SK Ravintolat has a low organisation, nine people in administration and three in corporate sales. The size of SK Ravintolat organisation has been kept small for a distinct purpose, to keep decision making in a “tight inner circle”. As the company is a conglomerate all the restaurant managers are working as managing directors of their own businesses. Thus meaning there are several smaller companies working under the SK Ravintolat brand name.

By using efficient and well-developed administration and controlling tools and outsourcing non-critical business activities, SK Ravintolat is able to employ over 800 people with only 9 persons in administration.

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Management SK Ravintolat is managed by founder and CEO Seppo “Sedu” Koskinen. All administrative decisions are, at the end of the day, made by the CEO. Mr Koskinen participates actively in the whole work process: from making new ideas and innovations, marketing strategies, construction and design to budgets and financing. As SK Ravintolats’ administration is small it enables the CEO to be an every day part of decision making and business life within the company.

Vice president Mr Antti Raunio assists the CEO in decisions regarding the company. Mr Raunio is also in charge of financing and human resource management.

#### Financial administration

Financial administrative tasks are managed by financial manager Miss Stina Theqvist and three administrative assistants. As SK Ravintolat has a vast amount of new projects at hand it is important for the financial administration to be effective. As there is only four people in charge of financing, budgets, invoicing, taxes, employee wages etc. they must use effective tools to help in these tasks.

Gutta system is a real-time ERP system used for following every restaurant’s sales and employee efficiency. Every restaurant fills out a certain form after every night with sales of the whole restaurant, sales of a single bar, employee work hours and efficiency. This data is then sent electronically to the financial administration. Therefore enabling administration to follow restaurant sales electronically in real-time.

Invoices are also dealt with electronically using Pretax system. This enables financial administration to handle invoicing in a faster and efficient way saving time.

Marketing Marketing, inner and outer communication and PR is handled by marketing manager Mr Olli Marttinen and one marketing assistant. Marketing is an important factor in the visible restaurant service sector. Publicity and the database of registered members are used as the main marketing tools.

Ipes is the database with all of the registered SK members (110.000 members, situation in 02/2006). By registering as an SK member, members get weekly e-mails and SMS messages informing of different events in SK Ravintolat and of member offers. By using electronic marketing (e-mails and SMS) SK Ravintolat can reach the target group effectively in a cost effective way.

Traditional marketing such as using print media's (magazines, newspapers etc.), radio and television are also used. Nowadays "traditional" marketing is not used as much due to the growing member database.

SK Ravintolat co-operates with advertising company ADKari Oy, which designs the visual look of SK Ravintolat adverts, invitations, posters and web pages. BrandSon Oy designs the outlook of member e-mails and sms, that are also in keeping with the "look" of SK Ravintolat.

**Construction** As SK Ravintolat comprises of 40 nightclubs and new restaurants are under construction it is essential to have a construction and design team that update existing establishments and plan new restaurants.

Every restaurant is planned under the surveillance of the CEO and construction manager Mr Heikki Helmivuori. The design and look of every nightclub is done in co-operation of Mr Koskinen and head designer Miss Jaana Volanen.

An important success factor for SK Ravintolat is trend awareness and pro-activity, every restaurant must visually reflect these ideals. Therefore great importance is placed on detail of construction, design and quality.

Head of construction purchases Mr Jerry Hartman manages the purchases of all construction and design materials. Partnerships with distributors and manufacturers are essential for seamless planning and implementing of new restaurants.

**Corporate sales**

Getting the maximum use and profit of different restaurants is essential for cost effectiveness. Corporate sales comprising of Mr Topi Hietala, Mr Niko Wikström and Mrs Tea Väisänen sell private events to corporations. Using the restaurants as venues for different events outside of normal functioning times means that as well as normal revenue coming from restaurant business, SK Ravintolat benefits by selling corporate events for extra profit.

### 3 Defining the new Product / Service

SK Restaurants have already made an elementary plan for their new restaurant concept, theatre restaurant. The potential theatre restaurant "Palatsi" (construction name) will combine theatre and dance hall, initially having 5 circulating theatre productions a year.



Construction plans of “Palatsi” will enable different seating and therefore different ticket possibilities: booths, seating larger parties, normal seating, for stage front seating, bar seating, for individual seating.

Tickets would be priced according to seating, from more expensive booth reservations to less expensive bar seating. All seating within “Palatsi” will have clear visibility to the stage therefore the stage can be seen from every direction in the restaurant. Bars will be installed with wide screen televisions to enable people to view the theatre performances whilst ordering and consuming drinks.

The wide variety of seating and visibility possibilities within “Palatsi” enables movement in the restaurant. Therefore enabling customers to move around whilst viewing theatre performances. This factor differentiates theatre restaurant from traditional theatre.

“Palatsi” theatre performance seating reservations would include a buffet dinner provided by Kaikilla Mausteilla catering. Therefore by reserving i.e. a booth for a larger party a three course buffet dinner is included in the ticket pricing. Beverages are not included in the ticket price.

After theatre performances “Palatsi” would convert into a traditional nightclub. This enables after party possibilities.

### 3.1 Making a Comparison

When comparing theatre restaurant with traditional theatre and evening entertainment possibilities the differences are apparent. Theatre restaurant combines many different services, theatre performances, buffet dinner possibilities, bar and nightclub under one roof, whilst traditional evening entertainment possibilities such as theatres, restaurants and nightclubs are restricted to one, or two services at the most.

The main competition for theatre restaurant is theatres, restaurants, nightclubs, bars and companies that sell theatre packages i.e. hotels (packages that combine i.e. theatre performance, accommodation and dinner). The largest threat for theatre restaurant out of these competitors is traditional theatre, as this is the only form of theatre service provided by any of the competition.

### 3.1.2 Competitive Advantage of Theatre Restaurant

There are apparent differences and advantages in the services that are combined in theatre restaurant in opposition to its competition. Theatre restaurant has the clear advantage over competition that it combines numerous different services, to get the same range of services as in “Palatsi” a customer must go to 3-4 different venues if using traditional services. This means extreme efficiency that has not yet been possible in this type of evening entertainment services. For example if a customer is interested in using / consuming all the same services as “Palatsi” combines but is using so-called traditional services he must book and buy theatre tickets, book a table at a restaurant and go to a nightclub, therefore changing place every time. Theatre restaurant would offer all these services under one roof, the customer does not have to go anywhere during the evening.

Theatre restaurant also gives consumers different choices for their evening entertainment, you can decide seating arrangements to your liking, the choice of dining or not and whether the night ends after the theatre performance or carries on to after party entertainment.

A traditional theatre has extremely limited seating arrangements seating tickets can only be booked according to the preference of where in the audience you choose to sit such as when booking movie tickets. The seating in a theatre is alike, rows of seats. In theatre restaurant there are 3 different choices of seating: booths, normal seating in front of the stage and bar seating. A customer can choose the seating type to ones own preference and book large or small amounts of seating in different areas of the theatre restaurant according to the size of the party. Opposed to traditional theatre, where ticket prices do not vary much theatre restaurant, as it has so much range and choice in seating arrangements have a large scope of ticket pricing according to the chosen seating.

Another advantage of theatre restaurant is that customers are not constricted to sitting down through out the entire theatre performance such as in traditional theatre. “Palatsi” has been planned so that the stage is visible from the whole restaurant either by eye or by screen. In traditional theatre a customer must sit through the whole performance before moving around to avoid disturbing other theatre goers, where as in theatre restaurant the venue has been planned so as the clients can move around i.e. from their seats to the bar without disturbing other clients. This gives a complete new freedom in the theatre experience.

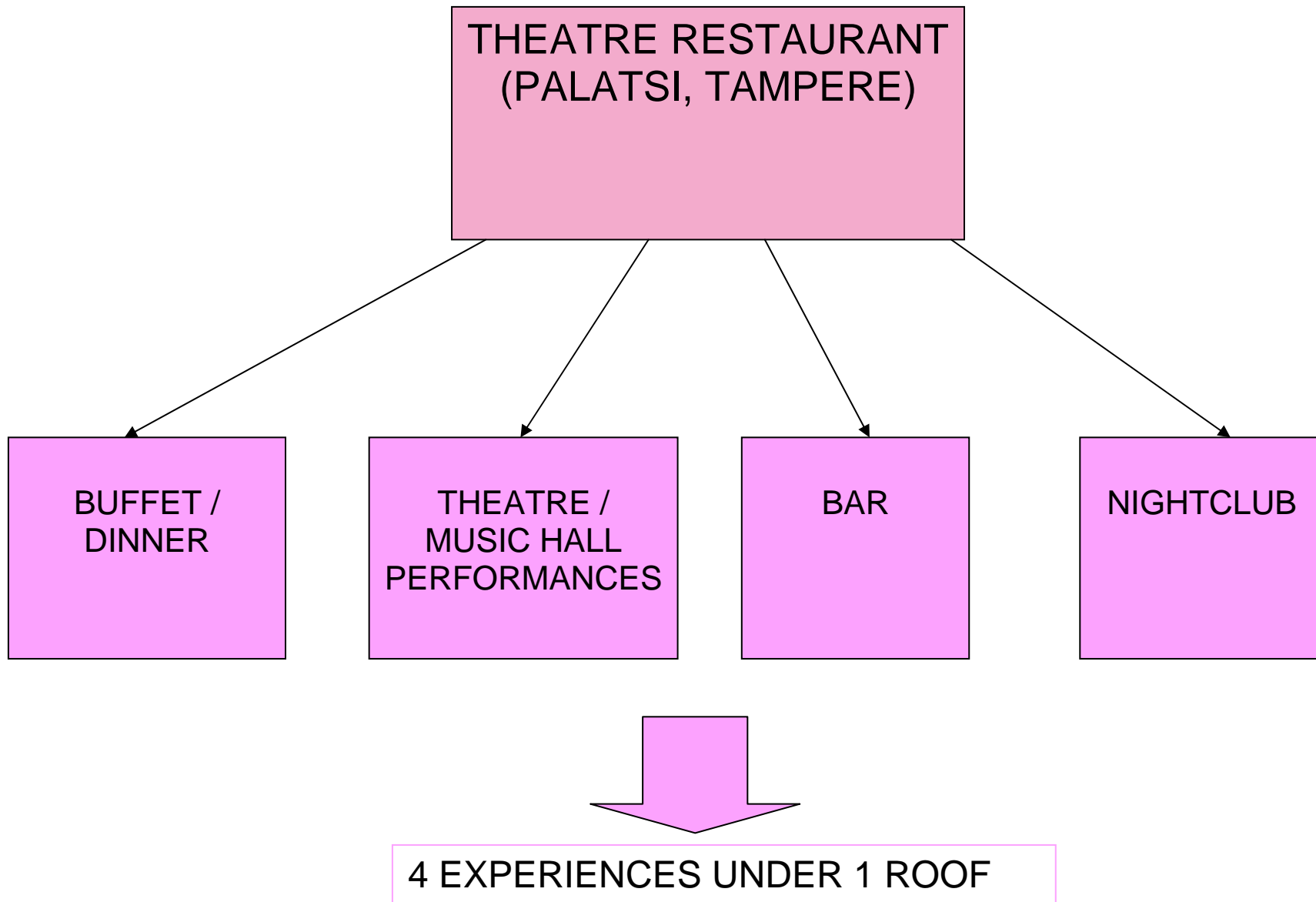
“Palatsi” theatre restaurant is aimed at a certain target group, therefore it is most likely that when going to spend an evening at theatre restaurant you are likely to be surrounded by people of the same tastes and likes. There is the danger that when using traditional services the risk of choosing an unpopular restaurant after the theatre or going to an unsuitable nightclub for after parties is larger. Theatre restaurant ensures a certain level of quality and fulfil certain demands from theatre performances, dining and bar and nightclub services as all the services are provided within one venue. The danger of making a “faux pas” is therefore smaller.

In theatre restaurant all the potential revenue is “kept” for one producer. In other words, using traditional services the theatre profits from ticket sales, restaurants from selling meals, nightclubs from selling beverages and entrance fees. In opposition as theatre restaurant is able to provide consumers with all these services it also profits from all these services. Therefore theatre restaurant has the potential to have lower and more competitive prices than their competition.

## 3.2 Potential Target Group

In the initial planning of “Palatsi” and the theatre restaurant concept a preliminary potential target group was made. When thinking of a restaurant service that combines as many products / services as “Palatsi” the potential group of consumers is large. For example tentatively the target group could be:

- older target group (not the normal SK target group of 18-35)
- wider spread target group
- theatre goer’s, interested in culture (art, music etc.)
- people who are ready to use money: who want the “complete” package, experience and content from their evening
- “comfort seekers”, multiple choices and services under one roof
- not only for consumers in the Tampere area: theatre packages gather interest from areas further away
- companies and corporations: company parties, corporate clients, corporate gifts
- bigger parties and function



## 4 Marketing Intangible Goods

*“There can be no effective corporate strategy that is not marketing oriented, that does not in the end follow this underlying prescript: **the purpose of a business is to create and keep a customer.**”*  
Theodore Levitt, *The Marketing Imagination* (1983, p. 19).

This definition of marketing and marketing strategy by T. Levitt in 1983 is still plausible nowadays. Marketing is an important factor of every corporate strategy. For a company to succeed in business it must be prepared for fluctuations and changes. Hence the importance of market research, marketing strategy and forecasting to enable maximum pro activity to determine consumer needs.

An adequately planned marketing strategy must take certain key factors into consideration, irrelevant to the nature of the product or service, Kotler (1982, p.146):

- targeted area
- targeted consumer group
- product / service fulfils consumer demands and wants
- awareness of competitors
- strengths, weaknesses, opportunities and threats (SWOT)
- forecasting change, enabling pro activity
- 

### 4.1 Definition of Intangible Good

A tangible good is a product that a consumer is able to use and touch, i.e. a car, food, clothes etc. An intangible good is a product, usually a service, that a consumer cannot touch, i.e. a service provided by a hairdresser, hotel, restaurant etc.

The aim of an intangible good is to provide the consumer with an experience and positive sensation from the service. The aim of every product and service is a **repeat buy**. If the consumer experiences a feeling of uniqueness, satisfaction and a good quality of service it is a strong possibility for the consumer to favour a certain service, hence producing a repeat buy.

The difficulty of selling an intangible good, in comparison to a tangible good, is that you are marketing and selling something that the consumer cannot touch or feel. In other words how do you sell promises and “air” to consumers? The answer is with a strong marketing strategy and persuasive communication and sending the correct messages to consumers.

## 4.2 The effect of Intangible Goods on Marketing

According to Kuusela (1998, p. 30), the marketing of intangible goods differs from that of tangible goods. As an intangible good is something that cannot be touched or felt the marketing tools and messages must be more persuasive.

When marketing intangible goods there are three perspectives that must be taken into consideration: **invisibility, overlapping of production and consumption, heterogeneity** Kuusela (1998, p.30). The next comparisons are of these three perspectives in relation to the effect on marketing tools and the effect on marketing strategy (all examples are not listed, only ones related to features of SK Ravintolat).

### **Invisibility:**

1. *Service cannot be stored or warehoused:* Marketing must focus on visible results of the service.

Example: SK Ravintolat surprises consumers with new concepts, therefore resulting in positive experiences.

2. *Service cannot be patented:* The service is given a “personal” message, instead of an “impersonal” one

Example: SK Member database and members, communication to SK Members is that by being a member they are part of SK Ravintolat and part of making the unique experience.

3. *Services function is difficult to communicate or introduce to consumers:* Organisation is given a strong company and service “image” through deliberated messages and communication.

Example: SK Ravintolat has a strong brand name that personifies around Mr Koskinen, therefore giving the brand a face which assures certain values, such as quality.

### **Overlapping of Production and Consumption:**

1. *The consumer is part of the production process:* The quality and standard of customer services is an important competitive advantage.

Example: At SK Ravintolat employees have regular courses that develop their skills and abilities in customer service.

**Heterogeneity:**

1. *The quality of service is difficult to control:* The continuity and standard of customer service is emphasized.

Example: The quality of customer service and employee effectiveness is continuously monitored, surveyed and controlled at SK Ravintolat.

### 4.3 Key Success Factors for the Marketing of Intangible Goods

Marketing tangible goods, the physical aspects of the product is emphasized: the quality, durability etc. When a product can be “touched” and “felt” it is also easier to sell these aspects to consumers, as they can physically see these factors. But as intangible goods are usually products, that cannot be measured, felt or seen other marketing tools must be used.

The most important marketing tool for intangible goods is the use of brand image and selling this image to consumers, thus using messages to communicate to consumers of the products / services strength. What then should be communicated to prospective consumers? For example by communicating a restaurant services intangible qualities such as experience, feeling, surprise element, quality, luxury and giving the restaurant a face (i.e. Mr Koskinen to SK Ravintolat) it is possible to create a strong brand image through consumer perceptions.

Seppo Koskinen Ravintolat has succeeded in this task: by using different variables of their intangible product they have created a strong brand image SK. There are four key success factors behind the strong SK brand: **emphasis on quality** (only the best construction goods, sold products and music performers, the motto being only the best for SK consumers), **the use of Mr Koskinen as a media persona** therefore becoming the “face” for the SK brand (the values of Mr Koskinen as a media persona reflect the values of SK as a brand), **the use of Finnish celebrities at restaurant openings and parties** (attracting media interest and therefore getting free publicity, consumers want to identify with celebrities “If that certain celebrity goes to SK’s restaurants, I want to go too”), **SK Members** (rewarding loyal customers with offers, special campaigns and member parties).

The success of the SK brand is visible in its’ continuous growth as the largest privately owned restaurant company in its sector. Consumers also favour SK Ravintolat in comparison to other restaurant and nightclub chains ([www.tilastokeskus.fi](http://www.tilastokeskus.fi)).

## 4.4 Messages for Marketing Restaurant Services

The marketing of intangible goods differs from the traditional procedures of marketing tangible goods. As consumers are not able to touch intangible goods, which are usually a service, the marketing of these products / services must happen by creating feelings and sensations through transmitting messages and images. As the services within the restaurant service sector vary a lot so does the different messages also. Every place wants to create a certain image in the consumer which then works in favour of the service they are selling.

SK Ravintolat has succeeded in creating a brand out of their restaurants and owner. Consumers link owner and media persona Mr Koskinen with the nightclubs owned by SK Ravintolat. As the SK brand has found a face in Mr Koskinen it is easier for customers to understand the messages transmitted by the marketing of SK Ravintolat. The personal values of Mr Koskinen are also the values of SK Ravintolat, therefore customers link these values to the service that is offered. The values of high quality, luxury, continuous growth, variety and experience are transmitted to customers with different messages transmitted through Mr Koskinen.

The use and visibility in media has been an essential key to getting the various messages across to customers. Media coverage has included interviews with owner and CEO Mr Koskinen as well as different SK nightclub openings. This type of media coverage is obviously very visible marketing as they deal with either Mr Koskinen, SK Ravintolat and their values. Another type of media coverage which is more hidden is that SK Ravintolat nightclubs are regularly used as backgrounds for fashion shoots or for tv shows. This type of use is more subtle marketing but surely transmits the messages of SK to readers and viewers.

Most of SK Ravintolat marketing is done by using the SK Member database. Therefore the use of traditional print media is lessened and marketing happens through SMS and e-mail to consumers, or SK Members. SK Members receive a weekly SMS and e-mail that includes offers and invites to parties. These messages include strong "propaganda" that give the consumer a strong image of SK Ravintolat. The values and images of luxury and exclusivity is emphasized with the image that only SK Members receive these messages. Also the certain offers and invites are also exclusively for SK Members, this obviously gives the message that loyal customers are rewarded and seen as part of the SK team.



The most central messages by SK Ravintolat are the use Mr Koskinen as a face for the SK brand and therefore the values of SK Ravintolat are personified in Mr Koskinen. The emphasis on quality is made by accentuating that every SK nightclub has been constructed and made using the best materials and that every nightclub is unique. Emphasis is also placed on service, the bartenders at SK nightclubs are the best in the business and the ingredients used to make beverages are of the best quality. Maybe the most important message that SK transmits to customers is that by becoming a SK Member you are rewarded for being a loyal customer with offers and invites. Therefore the message that every SK Member and customer is part of the SK team and therefore part of making the unique experiences that are generated at SK nightclubs, Seppo Koskinen Ravintolat (2006) Yritysesittely.

## 5 SWOT Analysis

SWOT analysis is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities and threats of a business venture. It involves monitoring the marketing environment internal and external to the organization.

To make a successful SWOT analysis a desired end state or objective must be defined. If a clear objective has been identified SWOT analysis can be used as an effective tool to pursue this objective.

SWOT analysis is divided into internal and external actions: **strengths** (attributes of the organization that are helpful in achieving the objective), **weaknesses** (attributes of the organization that are harmful in achieving the objective), **opportunities** (external conditions that are helpful to achieving the objective) and **threats** (external conditions that are harmful to achieving the objective).

### 5.1 SWOT Analysis of Theatre Restaurant

A SWOT analysis was compiled before other initial research steps to map out the objective and different aspects of the launch of a new restaurant concept in the Tampere area. Mapping out a SWOT matrix gave a basis for the rest of the research methods to be used and gave a preliminary picture of which aspects were to be taken into consideration when researching, planning and launching a new restaurant concept.

The main objective for the project and research is to successfully launch theatre restaurant in the Tampere area. This objective means that taking into consideration strengths, weaknesses, opportunities and threats it is visible whether the venture is plausible. By planning how to obtain this objective it is possible to establish the used marketing research tools and methods.

The SWOT analysis shows both main key success factors and also main weaknesses. Both success factors and weaknesses are important for a realistic picture of the actual situation and plausibility. The information gathered from the SWOT analysis show the methods how to obtain the objective.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• new concept in Finland</li> <li>• new concept in Tampere area</li> <li>• combines numerous restaurant concepts</li> <li>• SK: strong image and administration</li> <li>• SK: financially sound</li> </ul>	<ul style="list-style-type: none"> <li>• SK: not much experience in theatre performances and dining</li> <li>• venue still uncertain</li> <li>• customer base has to be created</li> <li>• is there interest for concept?</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• no competition specifically for restaurant theatre</li> <li>• Tampere area is known for theatre -&gt; possible strong demand</li> <li>• possibility to spread concept within Finland</li> <li>• B2B -&gt; offering service to corporations</li> </ul>	<ul style="list-style-type: none"> <li>• strong competition for theatre in Tampere area</li> <li>• inexperience</li> <li>• target group?</li> <li>• is repeat buy frequent enough for market leadership</li> </ul>

By studying the SWOT analysis made for SK Ravintolat, to study the plausibility of the venture for launching theatre restaurant in the Tampere area, the main strengths, weaknesses, opportunities and threats are visible.

The strengths of this venture were visibly the concept of theatre restaurant and the position of SK Ravintolat. As restaurant theatre is a new concept in Finland it can be seen as a major strength, not only in the Tampere area but the whole of Finland. The combination of many services under one roof is also a strength as this amount of services have never been offered in one venue. The strong image and brand name of SK Ravintolat is also a strength, as consumers already recognize the SK brand and have certain pre-recognition of SK as a company. The financial and administrative situation of SK Ravintolat is also sound enabling new ventures such as this.

Weaknesses of the launch of the new concept are linked to inexperience with the new service and the possible demand and target group. A major weakness for the venture is the inexperience of SK Ravintolat in the field of theatre performances and dining, this inexperience could cause problems in the future. Also uncertainty of the possible venue for the restaurant is a weakness, even if the restaurant concept is plausible and a demand and target group is found without a potential venue for the restaurant the new venture is impossible to launch. The demand and customer base situation is still uncertain so this factor may also play as a weakness.

Opportunities of the SWOT analysis were seen as possible strong demand for the concept, the possibility to spread the concept and the B2B (business to business) possibilities. As Tampere is known for theatre services there may be a strong demand for theatre restaurant services, as not only do consumers in the Tampere area use theatre services but also consumers from other areas of Finland come to Tampere for so called "theatre trips". If the concept is a success in the Tampere area there is the possibility to launch the concept in other Finnish cities also, as other larger Finnish cities also have large theatres and therefore a demand for theatre services. The opportunity for B2B operations means in practise selling theatre restaurant services to companies as opportunities to arrange corporate events in the venue, i.e. company Christmas parties, and also as corporate gifts.

Main threats of the venture were the strong competition in the Tampere area, inexperience, target group and repeat buy. The supply for theatre services is large in the Tampere area this means that also the competition is strong. Strong competition combined

with SK Ravintolat's inexperience in the field can prove to be a major threat. To gain market leadership the repeat buy of the service must be frequent, without this frequency market leadership is not possible. Without a clear target group for restaurant theatre there will not be the needed repeat buy, thus playing a major threat for the venture.

Using the results of the SWOT analysis a compilation of methods can be made that can be used to obtain the objective of launching restaurant theatre in the Tampere area. By looking at strengths and opportunities at learning and surveilling weaknesses and threats a "plan" to make the venture a success is possible.

It is important that there is a market niche for the service, thus there must be a target group for the service to ensure demand. By having a target group and demand ensures the repeat buy of the service that is vital for the success of the venture. By having repeat buy the competitive advantage of the service is also ensured. The character of the new concept and the combination of versatile services of the new concept also make the potential competitive advantage stronger.

A main key success factor, in addition to market niche, target group and demand, is the strong image of SK Ravintolat as a company. Not only does SK Ravintolat have strong brand recognition with the SK brand but also CEO Mr Koskinen work as the face of the SK brand. SK Ravintolat is sound financially hence enabling ventures of this grandeur. The infrastructure of this venture is extremely important, therefore having a central venue and an experienced staff.

The main weakness of this project is the inexperience of SK in the field of theatre and also dining. By combining the strengths and opportunities listed above SK Ravintolat can overcome this weakness. By combining quality with versatility SK can compensate for inexperience.

## 5.2 In-depth Marketing Research

After completing the SWOT analysis for the launch of theatre restaurant in the Tampere area the marketing research was continued with a plan for a questionnaire to be sent to a sample group. As the research is qualitative a questionnaire gathers primary information needed to make conclusions on the plausibility of the venture.

It was decided in collaboration with SK Ravintolat CEO Mr Koskinen and marketing manager Mr Marttinen that a questionnaire would be composed and used to gather information due to the nature of this research method. It is an in-depth and fast way to get needed information. Also peers and target groups are able to give their opinions on the subject. Gathering answers from a questionnaire gives an opportunity to draw conclusions based on answers for peer and target groups and thus decide whether the venture is plausible and worth carrying out.

The basis for the questionnaire was to be compiled around and using the made SWOT analysis. The major questions and challenges behind the questionnaire were who to send the questionnaire to and also what kind of questionnaire would be compiled. These factors would have major impact on the answers that would be gathered from the questionnaire and hence affecting the venture tremendously.

### 5.3 Sampling

Before the actual compiling of the questionnaire was made a sample group was decided. This sample group would then also affect the compilation of the questionnaire, as the choice of whether the sample group would consist of consumers or so-called experts and businesses the questionnaire would then have to reflect these aspects.

With marketing manager Mr Marttinen we reflected whether the questionnaire would be sent to either prospective consumer's, who would be interested in purchasing and consuming our service, or so-called expert companies who have previous experience in the field. The decision of choosing the expert companies with previous experience in the field over prospective consumers was made. This decision was made on the basis of that the so-called experts have more information and better insight on the field that SK Ravintolat is targeting with theatre restaurant.

These so-called expert groups were gathered and chosen on the basis that they sell theatre packages and trips in the Tampere area. These packages and trips have included for example theatre performances, dining and accommodation and have been able to purchase from one supplier. The suppliers of these packages therefore have knowledge of consumers who buy these services within the Tampere area and what kind of demand there is for these services.

The internet was used to find the suppliers of these theatre packages and trips, the so-called expert companies. After research was made it was visible that these expert companies could be divided into four major subgroups of suppliers for theatre services and packages: **theatres, hotels, travel agencies and transporting / coach companies.**

A directory of possible expert companies, within theatre, hotel, travel agencies and transporting / coach companies working in the Tampere area, was made. These companies were then contacted one by one to get a better picture of the line of services provided.

After contacting travel agencies and transporting / coach companies it was found out that these suppliers only sell ready services and packages purchased from i.e. theatres and hotels, to consumers. Therefore travel agencies and transporting / coach companies do not have the needed experience of compiling theatre packages and the needed knowledge of the consumers, target groups and demand. These two subgroups were therefore ruled out from the possible sample group to be used for the research questionnaire due to the lack of experience and knowledge of the field.

Theatres and hotels were then contacted to establish the nature of services and packages provided to consumers. Establishments that did not provide theatre packages were ruled out. Theatres and hotels that did provide theatre packages were taken into consideration. Theatre packages were to include in addition to theatre performances accommodation, after party possibilities, dining etc.

The Tampere area has an extremely strong history and tradition in theatre. Therefore theatres providing theatre packages in the Tampere area have strong experience in the field and therefore also a competitive advantage. The decision to rule out theatres from the sample group was made by marketing manager Mr Marttinen due to the strong competitive position posed by theatres in the Tampere area. Also by sending a questionnaire to theatres, who already serve consumers with theatre packages, would have given theatres an even bigger competitive advantage by informing them of new and possible competition on the market and of new services to be offered to theatre goers and consumers.

After the decisions of ruling out travel agencies, transportation / coach companies and theatres, the sample group consisted of hotels in the Tampere area that serve consumers with theatre packages. The sub-group that sold theatre packages consisted of 8

hotels in and around the centre of Tampere. Out of these 8 hotels a sample group of 5 hotels was chosen randomly.

The city of Tampere's tourism office was also contacted for advice and cooperation. The marketing manager and marketing assistant also agreed to participate in the marketing research as they had previous experience in providing and arranging theatre packages.

The chosen sample group of 5 hotels and the city of Tampere's tourism office contained a wide range of experience in the field and also the vastness of theatre package services provided to consumers. Experience varied from a few years of providing theatre packages to even arranging theatre performances in hotel night clubs. This range of experience served as an advantage for SK Ravintolat as the variety of scope and experience was vast and therefore giving a wide spread range of information regarding the theatre restaurant business in the Tampere area.

Each sample groups marketing manager was personally contacted to confirm willingness to participate in the questionnaire and marketing research. Before the questionnaire was composed the cooperation of each hotel was confirmed.

## 5.4 Researching Theatre Restaurant

After the sample group was decided and the cooperation of each sample group participant was confirmed the compilation of the questionnaire was started. In collaboration with marketing manager Mr Marttinen it was decided that the questionnaire was going to be electronic, using Tampere Polytechnics' Iomake-editori, rather than gathered by hand and interviewing. The attributes of an electronic questionnaire due to its nature of:

- Efficiency
- Speed
- Irrelevant of time and place: the research was made from Helsinki whilst the sample group was in Tampere
- Answers are recorded electronically and therefore easier to monitor

The initial planning of the questionnaire was started in the beginning of June 2006. The planning phase of the questionnaire worked under the research question "*What is the most effective way to introduce a new restaurant concept into the Tampere area and how to approach the potential target group?*" The first version of the questionnaire was divided into 5 main sub groups

with the intention to discover the target group, competition, supply, demand and potential market niche. These 5 sub groups were title enterprise, theatre supply in the Tampere area, demand, target group and the launch of theatre restaurant.

The first sub group in the questionnaire, under the working title of enterprise, was compiled with the intention to gather information of the answering sample groups' company, i.e. name of the company, how long has it been in business for, what kind of business is it, what kind of services does the business supply consumers with.

The second sub group, under the working title of theatre supply in the Tampere area, included questions that were intended to gather information on theatre services in the Tampere area, whether there is enough theatre services, are there deficiencies, do the theatre services answer to consumer demands and needs.

The third sub groups', under the working title of demand, purpose was to find out the demand of theatre services in the Tampere area. Interest was placed on what time period has the largest demand of theatre services, which theatre services are in the greatest demand, is there demand for so-called theatre packages, what is demanded from theatre packages (which aspects).

The fourth sub group regarding target group was to learn more about the potential target group. Information about consumers already using theatre services in the Tampere area was intended to be researched. Questions included age of the target group, gender and area in which the potential target group lives and works from.

The fifth sub group, under the working title of launch of theatre restaurant, was compiled to find out the opinion of the sample group to the new concept of theatre restaurant. This sub group was intended to introduce the concept to the sample group and to ask whether they believed that there could be a demand for this type of service in the Tampere area. Questions included introducing the service, whether there is a demand in the Tampere area for this service, would the sample group themselves buy this service and would they be willing to recommend it to their customers.

The first "prototype" of the research questionnaire was used as a basis for the end version of the electronic questionnaire. The initial division into 5 sub groups gave a good picture and idea to what issues should be tackled and asked in the questionnaire. With the help of marketing manager Mr Marttinen the first version was revised and the most important points were chosen.



As the first “prototype” of the questionnaire was divided into 5 sub groups and only listed the major points of what should be asked, the actual questionnaire had to be a narrowed down version as a long questionnaire could pose as too difficult for the sample group and lead to inaccurate answers that would be of no use in the research process. In the actual electronic questionnaire that was sent the division of sub groups was kept the same as in preliminary “prototype” questionnaires but the number of questions was narrowed down.

Whilst making a first electronic version of the questionnaire using 5 sub groups and a narrower scope of questions, the only major changes made in collaboration with Mr Marttinen was the choice of using multiple choice and open questions. The aim was for most questions to be open to gather as much candid information on the field of theatre package services. But to make certain research steps and analyzing easier most numerical questions were made into multiple choice questions.

## 5.5 Finalization of the Research Questionnaire

The final version of the electronic research questionnaire (APPENDIX 1) was made using Tampere Polytechnics intranet lomake-editori. The questionnaire was divided into 5 main sub groups using both open and multiple choice questions. The intention of the questionnaire was to gather information on the present situation of the field of theatre and theatre package services in the Tampere area.

The first sub group of the questionnaire was under the subtitle of background information of the enterprise (taustatietoa yrityksestänne). The aim was to find out background information about the sample group answerers enterprise, what field of business do they work in and what products / services do they sell. Therefore, a defining statement of why they are part of the sample group and seen as an “expert” of the field.

The second sub group of the questionnaire was under the subtitle of theatre service supply in the Tampere area (teatteritarjonta Tampereella). This sub group aimed at getting a picture about the theatre services and supply in the Tampere area and also finding out information on possible competition and whether they offer similar services. Questions included what services are on offer, whether these services are sufficient or inefficient in correlation to demand and if there was any deficiencies in the service field.

The third sub group was under the subtitle of demand (kysyntä), aiming towards finding whether there is demand for theatre package services and therefore also the potential existence of a market niche. The possible existence of demand and market niche where questioned by asking when the demand for theatre services is the biggest, which theatre services are in demand and whether the sample group (answerer of the questionnaire) sells ready theatre packages.

The fourth sub group under the subtitle of clientele (asiakaskunta) targeted at gathering information about the potential target group and basic questions of who, what and where? Basic marketing research questions on target groups included age, gender and area of occupancy. Also the aspect of whether this target group included mostly private or corporative clients was an interest in the research.

The fifth and final sub group of the electronic research questionnaire was subtitled the launch of theatre restaurant (teatteriravintolan lanseeraus). This sub group was formed to ask the sample groups opinion about the new concept as a service, as the sample group was seen as “experts” on the field. The sample group was asked what they initially thought about the functionality of the concept, whether they would be interested in buying the service both in the view of as private consumer and corporate client. As theatre restaurant, as a concept, has both the potential of being sold to both private consumers as well as the chance of B2B services.

After the finalization of the questionnaire was completed and checked by Mr Marttinen it was sent to the selected targeted sample group via email. After responding to the questionnaire the ready answers of the questionnaire were saved into Tampere Polytechnics intranet lomake-editori. The input of answers was surveyed using the lomake-editori.

## 6 Research Results

The research questionnaire was sent to the sample group containing 6 different answerers. This sample group was chosen after long deliberation and examination on the basis of experience and knowledge in the field. The answers gathered from the sample group were anticipated to give a wide spread scope on the theatre package market niche and also the demand of the potential target group.

Out of the 6 answerers of the sample group, 2 were unable to answer to the questionnaire. Follow up was made on the part of the 2 members of the sample group that was unable to answer. One member of the sample group had technical problems with the electronic questionnaire and was unable to save and send the answers to Tampere Polytechnics intranet lomake-editori. The other member that could not participate in the research was due to the fact that the person that had originally promised to take part in the research was on leave during the time and not able to take part. The personnel left to answer did not have the experience or knowledge in the field to take part in the research.

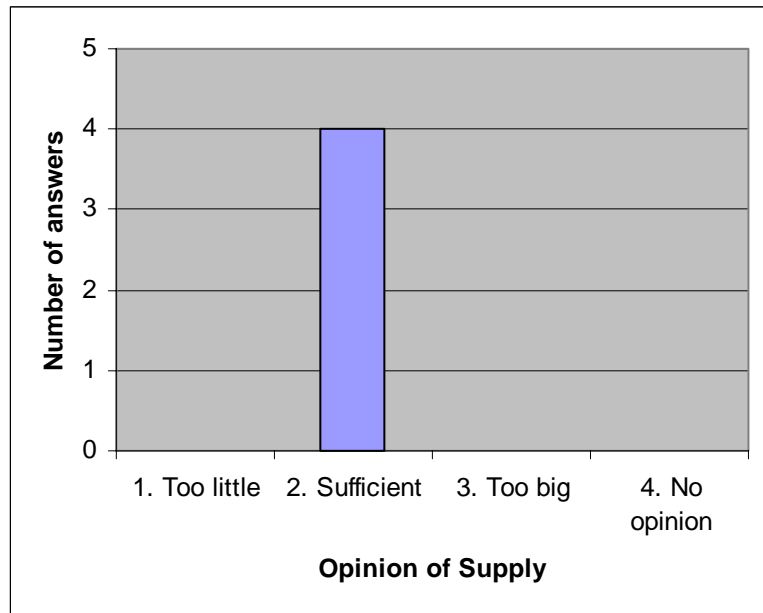
With this knowledge the questionnaire was therefore answered by 3 hotels and Tampere's tourism office. The 2 participants that were unable to answer were therefore hotels operating in the Tampere area.

## 6.1 Supply of Theatre Services in Tampere

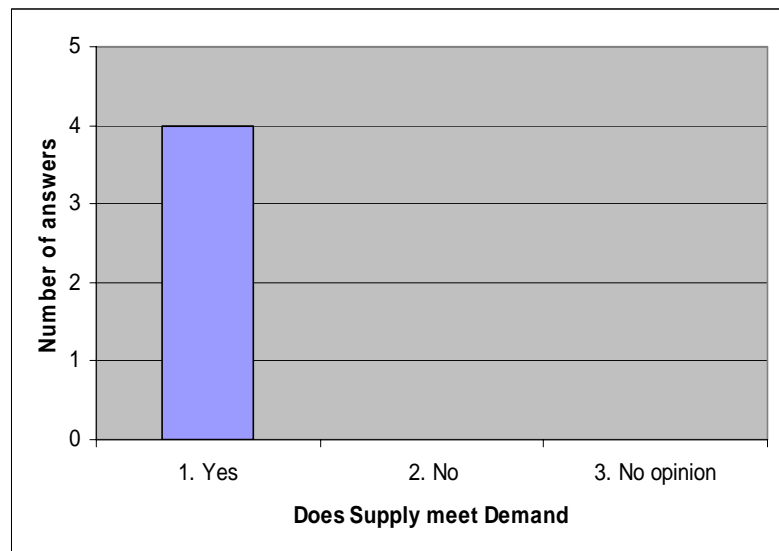
The sample group conveyed that there is a wide range and scope of theatre services in the Tampere area, ranging from basic theatre performances, summer and hobby theatre, childrens and puppet theatre, stand up performances, restaurant cabaret theatre performances, visiting theatre performances. The theatre services in the Tampere area were seen to be wide ranged and suitable for large and wide spread target groups and audiences.

Part of the sample group did not have any opinion on the possible lacks in theatre services. One member of the sample group thought that theatre services in the Tampere area lack artistically ambitious theatre performances. Another member of the sample group thought that a lack was that there are certain seasons when there is minimal supply in theatre services due to national holidays, i.e. Easter, when theatres do not put on theatre performances.

Only one member of the sample group had a development idea for new theatre services. The idea was that the chosen performances and plays would be more ambitious, in other words plays and performances would be more challenging and artistic.



All the members of the sample group believed that the supply of theatre services in the Tampere area was sufficient to demand.



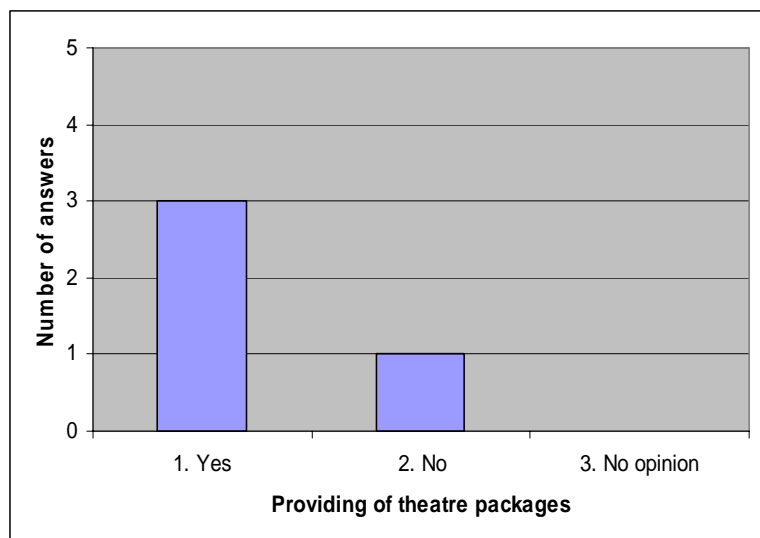
The members of the sample group were unanimous that the current supply of theatre services in the Tampere area meets with the demand of consumers.

## 6.2 Demand

The sample group answered that the biggest peak season in correlation with demand is situated in autumn, when both demand of private and corporate clients is largest. Spring and summer seasons were also found to be successful in terms of demand. Winter and early spring were seen as slow in terms of theatre service demand.

The sample group answers for the demand of theatre packages had a wide spread range. Answers ranged from small demand to moderate demand. One member of the sample group answered that they had a high demand for theatre packages and that in some seasons there is too high of a demand in correlation with supply.

The sample group answered that consumer expectations from theatre packages mostly include that the package consists of theatre tickets and accommodation. Some consumers also expect that these packages also contain dining. One member of the sample group also answered that theatre package buyers expect to have tickets in well situated seating areas in the theatre.



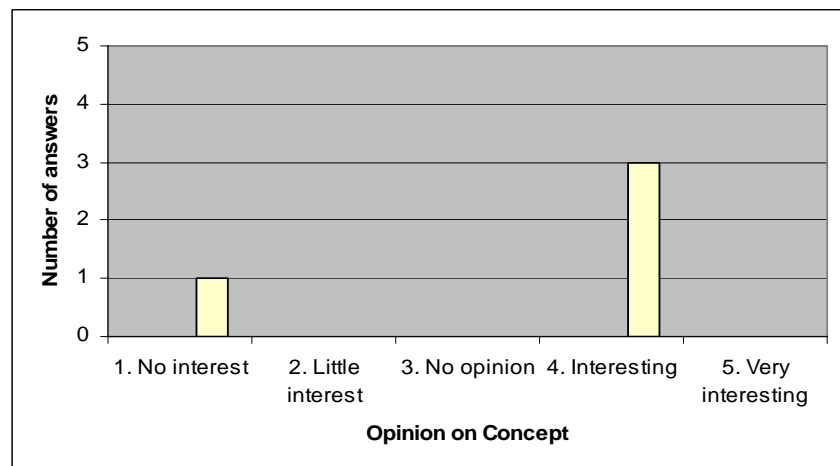
Three out of four sample group members answered that they provide consumers with theatre packages. The one member that answered no was Tampere's tourism office as they do not offer these services per say but in the collaboration with i.e. hotels or theatres.

## 6.3 Launch of Theatre Restaurant

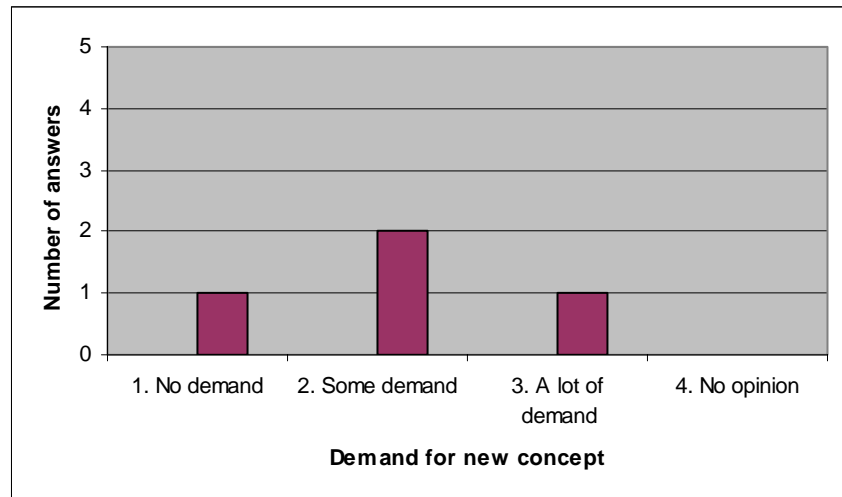
Members of the sample group were asked whether they would be interested in buying services of the new restaurant theatre concept. The answers were varied from negative to positive. Two members of the sample group were willing to buy the service, one member was not sure of the aspects of the service and one member was not willing to buy the service.

The members of the sample group had very similar views to the question of recommending the new theatre service to customers. All members of the sample group answered that they would recommend the service, two answers replied that they have demand for this type of service and have supplied applicable services within their own premises, one sample group member answered that they would recommend the service when applicable or if the concept was slightly altered to answer the demand of their clients.

The sample group was asked to evaluate the new concept of restaurant theatre and whether they found it to be an interesting and plausible idea. Interest was also placed on whether the sample group believed there would be demand for this type of service in the Tampere area.



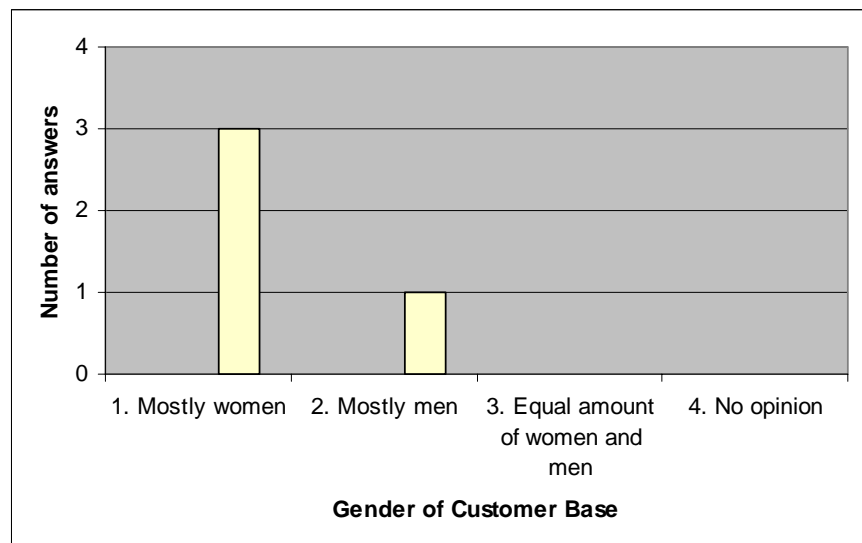
Three out of four answers of the sample group found the new restaurant theatre concept to be interesting. One of the members of the sample group did not find the concept at all interesting.



The answers of the sample group were widely spread when asking the demand for the new concept of restaurant theatre. One member of the sample group believed that there is no demand for the new concept. Two members believed that there would be some demand for the new concept, whilst one member believed that there could be a lot demand for the new service concept.

## 6.4 Customer Segment

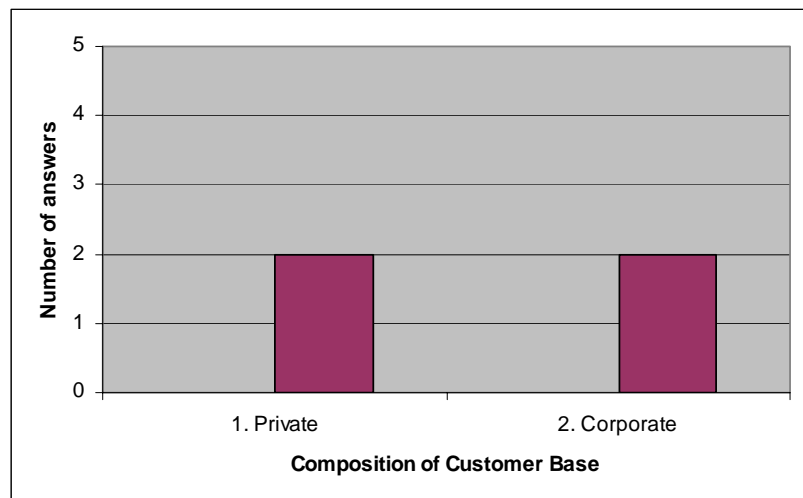
The sample group gave a concise range for the average age of their customer base. The range of average age was 40 – 55 year olds.



Three out of four members of the sample group answered that the majority of their customer base is women. One member of the

sample group answered that their customer base was made up of mostly men.

All members of the sample group answered that the target group is situated in other areas than Tampere or the Pirkanmaa county and with a sub question it was asked that if the majority of the customer base is situated in some other area (than Tampere or Pirkanmaa). The answers pointed out that the majority of the customer base is situated around Finland mostly in major cities such as Helsinki area, Turku and Jyväskylä.



The answers of the sample group were split 50 % vs. 50 %, thus half of the sample group answered that their customer base is mostly composed of private consumers, and half of the sample group answered that their customer base is mostly composed of corporate clients.

## 7 Analysis of the Research Results

After the answers for the research questionnaire were gathered and recorded they were analyzed. The analysis phase of the research is extremely important as the conclusions made on the basis of the analysis would define the future of the business venture.

The analysis was made into four phases to establish the main factors of interest: current situation and supply of theatre services, demand of theatre services in general, profile of the potential target group, interest and demand for the new concept.



The goal of the analysis of the answers of the research questionnaire is to find out whether there is a market niche for theatre restaurant. Therefore whether the launch of the new restaurant concept is feasible and financially worth it. As a business venture the launch of a new business concept is always risky and the concise analysis of information is essential to minimize these risks.

## 7.1 Current Situation and Supply

After surveying and analyzing the results of the research questionnaire the first stage of analysis was to understand the current situation of theatre services in the Tampere area and what the supply of these services are. In terms of launching a new product or service it is vital to understand the current market situation and supply to better understand the possible demand for the product to be launched.

The answers of the sample group for the research questionnaire revealed that theatre services in the Tampere area are wide ranged reaching from basic theatre to summer and hobby theatre, childrens' and puppet theatre, stand up and restaurant cabaret performances. It was seen that theatre services are suitable for a large consumer group, ranging from different age groups and suitable for many audiences.

A few possible lacks were also detected. More ambitious and artistic performances were hoped for. Also theatres' "off-season" was seen as a lack, or times when theatres has a slower season and does not have many or none performances. In the view of SK Ravintolat and the launching of theatre restaurant the lack of ambitious and artistic performances is a lack that cannot be fulfilled. But then again the lack of "off-season" performances is something that SK Ravintolat can fulfil with the concept of theatre restaurant, as it would operate around the year with circulating shows and performances.

The sample group perceived the supply of theatre services in the Tampere area as sufficient. In their opinion the supply of theatre services meets with the demand of consumers. The correlation of supply with demand means that there is an equilibrium in the Tampere area. This may mean that with the introduction of the new concept of theatre restaurant there may not be enough demand for the service which in terms means that market leadership and financial development is not attainable. This obviously poses as a big risk at the beginning of this new business venture.

At the moment there is no straight competition for theatre restaurant in the Tampere area. This would mean that as there is no service providing consumers with the services of theatre restaurant. No supply of this service at the moment makes it difficult to evaluate the correlation of supply with demand.

## 7.2 Demand of Theatre Services

When evaluating the current supply of theatre services it is essential to have a grasp on the current demand of the service. This means that the consumers are demanding the service enough for it to be financially risk-free to launch a new concept. Therefore meaning that the demand for current services and the new service to be launched are enough to guarantee financial stability.

The so-called peak seasons of demand for theatre services in the Tampere area were seen to be in autumn. Smaller peaks were said to be also in spring and summer. It is therefore detectable that there is a potential niche in the so-called “off-season” of winter and early spring months. SK Ravintolat, as mentioned in the previous chapter, with the new concept of theatre restaurant has the strength that there would be circulating shows and performances around the year therefore filling the gaps now left in the “off-season” period.

The sample group answering the research questionnaire was asked to evaluate the demand for their own theatre packages (packages provided by the member of the sample group). The answers varied a lot, which was due to the location of the member of sample groups' company (hotel or tourist office). The most central member of the sample group also had the most demand for theatre packages. This would mean that a key factor affecting demand would be the location of the theatre restaurant, in other words a central and accessible location of the theatre restaurant would also mean a stronger demand.

The sample group evaluated that the consumers of theatre services expected diversity and quality from the offered theatre packages. Thus meaning that the consumers are getting moneys' worth for that they are paying for. As the concept of theatre restaurant is a diverse service that offers consumers with multiple services under roof and a variety of package possibilities it would fulfil the demand for diversity from consumers.

## 7.3 Potential Target Group Profile

Using the answers of the sample group a potential target group profile was compiled. The sample group was asked to evaluate their customer base that purchased theatre packages. As there are similarities between the theatre packages provided by the sample group members and theatre restaurant, using the answers a potential target group profile was made for the concept of theatre restaurant.

This profile was compiled on the following answers of the sample group:

- Average age of consumers: 40 – 55 years old
- Mostly women
- Around Finland, mostly larger cities (Helsinki, Turku, Jyväskylä)
- Private consumers

The profile of a potential target group consumer is a **40 – 55 year old woman** who is a **private consumer**, living in one the **larger cities in Finland (Helsinki, Turku, Jyväskylä)**, expecting a **diverse and high quality** package of theatre services, the service being preferably located in **central Tampere**.

## 7.4 Interest and Demand for Theatre Restaurant

The concept of theatre restaurant was found to be interesting by the sample group. A majority of the sample group said they would buy the service. Also a majority of the sample group said they would recommend the service to their customers.

When asked about the demand for this type of restaurant service concept, the sample group believed that there would be some demand for it in the Tampere area.

Therefore the concept of theatre restaurant is seen as innovative and interesting. But the demand for the service is believed to be small / moderate in the Tampere area. This poses a problem for SK Ravintolat, is it too risky to launch theatre restaurant in the Tampere area due to the lack of demand even though there is clear interest for the concept. Or take the risk of going on with the venture and relying on the strong interest for the concept to lead to a stronger demand.

## 8 Summary and Conclusions

During the last few decades there has been a clear switch from a seller's market to a buyer's market. In general this means that consumers know what they want and are not afraid to demand for it. For a business to succeed and for a product to sell it is essential to provide consumers with products and services that they do not know even to demand for yet. This is pro-activeness at its best: forecasting new trends and being able to supply these modern and trendy goods to consumers before there is a large demand for it.

Pro-activeness is gained by being idea rich and having the ability to generate innovate, new ideas. In nearly every field of business it is essential to possess the ability to be innovative and know how to surprise customers time after time. For a product and even more importantly a service to succeed it is necessary for it to be a complete experience in order to generate the needed repeat buy to gain market leadership.

The restaurant and nightclub business is one of the fastest growing fields of commerce in Finland today. This naturally means that the competition is strong. For a company to succeed in the fast growing and competitive field of restaurant and nightclub business pro-activity is an essential tool to gain the needed competitive advantage. Listening to consumer wants and needs and turning these into the complete experience is the way to keep customers coming back for more.

Seppo Koskinen Ravintolat Oy is one of the largest players in the field, being the largest privately-owned restaurant company in Finland. SK Ravintolat strives towards renewing their image, concepts and restaurants at a steady interval to keep up with consumer wants and needs. These changes and renewals are made by using pro-activeness, trend awareness and being innovative.

SK Ravintolat has achieved the position of becoming a well-known brand in the restaurant and nightclub business, using CEO Mr Seppo Koskinen as the "face" behind the brand. By using Mr Koskinen as the face of the "SK brand", SK Ravintolat are attaching certain values to the brand which they want to convey to their consumers. These values include high quality, luxury and restaurant experiences that competitors are not able to offer. As a marketing tool using Mr Koskinen as a media persona and turning SK Ravintolat into a brand is extremely successful.

A new restaurant service that SK Ravintolat is hoping to launch into the Finnish restaurant field is theatre restaurant. This concept combines theatre and dance hall performances, dining and after party possibilities under one roof. The key word for theatre restaurant is convenience. You are able to enjoy multiple services under one roof. The launch of theatre restaurant would be a new notch in SK Ravintolats' "belt of pro-activity", meaning that they are able to provide an even wider range of customers with new restaurant experiences. With the launch of theatre restaurant SK Ravintolat would expand their know-how into theatre and dining and therefore enable the competition and challenging of a wider range of competitors in the Finnish restaurant service sector.

As a business venture the launch of new restaurant concepts is risky. Thorough market research must be made to understand the penetrated market as well as the supply, demand and competition in the given field.

The used marketing tools used for the launch of new restaurant concepts are also risky. As the "good" that is sold in the restaurant sector is a service the marketing tools must adapt to take this into consideration. As a service is an intangible good and in practise you are providing the consumer with nothing more than a sensation, experience and feeling you must market the product in a manner that differs completely from the traditional practise of a tangible good. According to *Hannu Kuusela (Markkinoinnin Haaste: Näkymätön näkyväksi (1998))* when marketing an intangible good the most important aspects are that the end result of the product is given weight meaning the feeling you get from purchasing the service, the service must have a personal message and a strong brand.

This thesis was based on the marketing research made for the launch of theatre restaurant in the Tampere area. Research methods included the gathering of thorough background information of SK Ravintolat as a strong player in the Finnish restaurant service sector. To gather knowledge on the feasibility on the launch of theatre restaurant in the Tampere area and the potential of Tampere as a market area was made by making a SWOT analysis on SK Ravintolat and the concept of theatre restaurant. A market research questionnaire was made on the basis of the SWOT analysis. This questionnaire was sent to a sample group, chosen because of previous experience in the field of the service to be supplied. The gathering of this material, choice of the sample group and the compilation of the research questionnaire could not have been made without the co operation and collaboration of SK Ravintolat and the support of marketing manager Mr Olli Marttinen and CEO Mr Seppo Koskinen.

## 8.1 End Results and Suggestions

After the analysis of the research results was made there was a clear picture of the situation at hand. The chosen sample group, that included experts in the field of offering consumers theatre packages in the Tampere area, had strong opinions on both the new restaurant concept as well as the current situation in the market area to be penetrated.

The concept of theatre restaurant was perceived as interesting by the sample group and generated the views of the concept being of high quality and diversity that would fulfil consumer wants. The sample group was unanimous in saying that they would recommend this type of restaurant service to customers.

The supply for theatre services in the Tampere area were seen as sufficient. The Tampere area has a diverse range in theatre services that are suitable for large and broad audiences. It was seen that the current situation in supply of theatre services meets the demand of consumers well. There is therefore a situation of equilibrium in the market. The competition in theatre services is also very strong in the Tampere area.

Taking these aspects into consideration it is my suggestion that as a business venture the concept of theatre restaurant is too large of a risk to tackle at this moment for SK Ravintolat. This suggestion is based on the knowledge of the current supply of theatre services in the Tampere area that correlates well with consumer demand. Also the strong competition for theatre services may serve too big of a risk taking into consideration that at the moment SK Ravintolat are inexperienced with theatre and dining, as SK's main services are limited to nightclub services. It was also perceived that the demand for the concept of theatre restaurant would be small this is not a strong enough basis to take the risk of venturing into the launch of the concept in the Tampere area.

## 8.2 Development Ideas

As the concept of theatre restaurant generated interest within the sample group there are a few development ideas to be suggested. Theatre restaurant as a concept was seen as interesting, high quality and diverse in services provided and thought to be able to meet the high standards of the target group consumers.

The first suggestion in regard of theatre restaurant is to wait for a better and more suitable time to penetrate the Tampere area. A time when the demand for theatre services would be larger than the supply.

A second suggestion is to launch theatre restaurant in other major Finnish cities where the target group is situated (Helsinki, Turku, Jyväskylä) to see whether the demand there would be bigger and therefore a safer bet to launch theatre restaurant. If the launch of theatre restaurant would succeed in another major city it could be plausible to spread the concept into other cities, i.e. Tampere, at a more suitable time.

In my opinion and on the basis of the made research the concept of restaurant theatre is worth pursuing but at a more suitable time. When the risks of the venturing into theatre restaurants are smaller it is a concept worth pursuing.

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Appendix I: Questionnaire for the Sample Group

## Teatteripalvelut Tampereen alueella

Kyselyn tarkoituksena on kartoittaa teatteripalveluiden nykyistä tilannetta Tampereen alueella ja analysoida potentiaalista asiakasryhmää. Käytä muutama minuutti aikaa vastataksesi kysymyksiin.

### TAUSTATIETOA YRITYKSESTÄNNE

Yrityksen nimi

Kuinka kauan ollut toiminnassa?

Minkä tyyppinen liiketoiminta on kyseessä?

Mitä palveluita tarjoatte asiakkailleen?

### TEATTERITARJONTA TAMPEREELLA

Minkälaista teatteritarjontaa on saatavilla Tampereen alueella?

liian vähän    sopivasti    liian paljon    en osaa sanoa

Onko tarjontaa mielestäsi





Kyllä    Ei    En osaa sanoa

Vastaako nykyinen tarjonta asiakkaiden tarpeisiin?




Mahdollisia puutteita?

Kehitysjatoksia?

### KYSYNTÄ

Mihin vuodenaikoihin teatteripalveluiden kysyntä on suurin?

Mihin vuodenaikoihin yksityisasiakkaiden osalta kysyntä on suurin?

Mihin vuodenaikoihin yritysasiakkaiden osalta kysyntä on suurin?

Mistä teatteripalveluista on suurin kysyntä?

Kyllä    Ei    En osaa sanoa

Tarjoatteko ns. teatteripaketteja (liput, kuljetus, majoitus jne.)?




Jos tarjoatte, minkälainen kysyntä teatteripaketeille on?

Minkälaiset odotukset asiakkaille on teatteripakettien suhteen (liput, majoitus, ruokailumahdollisuus tms.)?

## ASIAKASKUNTA

Arvioikaa asiakaskuntanne keski-ikää

	Enimmäkseen naisia	Enimmäkseen miehiä	Tasapuolisesti naisia ja miehiä	En osaa sanoa
Asiakaskuntanne sukupuolijakauma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Tampere ja lähialueet	Pirkanmaa	Muu
Miltä paikkakunnalta asiakkaanne ovat pääosin kotoisin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Jos vastasitte muu, niin mistä?

Yksityisasiakkaista Yrityisasiakkaista

Koostuuko asiakaskuntanne pääasiassa

## TEATTERIRAVINTOLAN LANSEERAUS

Mielipiteenne seuraavasta konseptista: ravintola, joka yhdistää teatteri-revyy esityksiä, ruokailu- sekä illanviettomahdollisuuden (arvioikaa mielenkiintoisuutta asteikolla 1-5: 1=ei mielenkiintoinen, 5=erittäin mielenkiintoinen)

1 2 3 4 5

Onko mielestänne Tampereen alueella kysyntää tällaiselle konseptille?

	Ei kysyntää	Jonkin verran kysyntää	Paljon kysyntää	En osaa sanoa
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ostaisitteko itse kyseistä palvelua?

Suosittelisittekko palvelua asiakkaillenne?