Saimaa University of Applied Sciences
Business and Culture, Imatra
Faculty of Tourism and Hospitality
Degree Programme in Tourism

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Development of a New Product in Tourism Business
Case: Restaurant "Tsaari" in Tampere Region

Thesis 2014

Abstract

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The purpose of the thesis was to study theoretical information on a theme of a new product development and to conduct a research for the thesis partners' company Zensation Oy, who opened a new restaurant in Tampere region; also to find possible ways to develop this restaurant .

The information for the theoretical part of the thesis was gathered from literature, the Internet, lecture materials and statistics. For the empirical part of the thesis, the information was gathered from the customers who visit restaurant "Tsaari" by the author of the thesis herself with the help of questionnaire.

The results of the research show which things have to be developed in restaurant to attract more customers and to make more people aware of the restaurant not only in Tampere region, but the whole country and even in Russia. The target groups of customers are known after research is conducted, therefore it is easier for the owners of the restaurant to implement changes that will develop restaurant in future.

Keywords: product development, statistics, consumer behavior

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Appendix 1 Questionnaire

1 Introduction

1.1 Tourism definition

"Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure". (IRTS 2008, 1.)

Visitor

This definition identifies two kinds of visitors:

- tourist
- excursionist

Visitor means every person who visits other country than where person usually lives.

Tourist

Tourist is a visitor who temporary inhabiting at least 24 hours in the country visited.

There are two groups of purposes:

- leisure, recreation, holiday, health, study, religion or sport;
- business, family, mission or meeting

Excursionist

Visitor who is staying temporary less than 24 hours in the country visited. (Edgell, Allen, Smith, Swansson 2008, 1-2.)

1.2 The aim of the thesis and research

The aim of the current research is to study how a new product in tourism business could be developed relying on the theory that has been investigated. In addition, another aim was to find statistics of the Tampere region connected with tourists visiting this region, to possibly help in conduction of the research.

The aim of the research was to find out needs and expectations of the customers in case to develop a new Russian restaurant called "Tsaari" which is situated in Tampere city center.

2 Development of the tourism in Tampere region

2.1 Statistics

To analyze statistics of number of tourists visiting Finland and especially Tampere region author of the current thesis preferred to investigate Official Statistics of Finland of past two years 2013/2014. Unfortunately, it was difficult to find data about Tampere region. However, that information is available in small amount. To understand the dynamics of incoming foreign tourists to Finland during years 2013 and 2014 the author studied statistics of nights spent by foreign tourists in Finland.

In total, the number of recorded nights spent by tourists from foreign countries at Finnish accommodation establishments was about 559000 in June 2014. This number was 2.9 per cent more than in year 2013. This data is official data from Statistic Finland's statistics, and this data have been collected from accommodation establishments, which have at least 20 beds, with electricity connection and youth hotels. (OSF 2014.)

Change in number of overnight stays by foreign tourists in June 2013/2014

Figure 1 shows the statistics of overnight stays in percent in years 2013/2014 by tourists from different countries.

From the figure one can find out that overnight stays decreased among tourists from Russia. About 101,000 overnight stays, which is 5.7% less than in year 2013 were recorded in Finnish accommodation establishments.

Russian tourists were the largest group of foreign tourists in June 2014 and previous years.
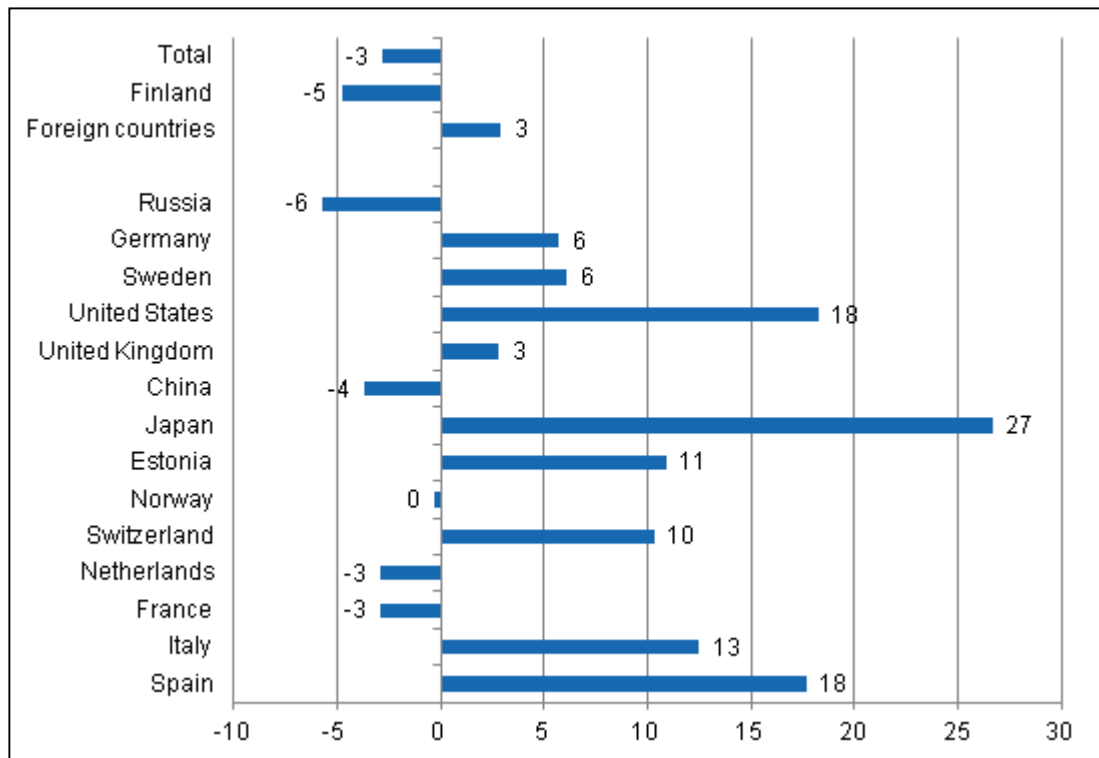
Figure 1. Change in overnight stays in June 2014/2013, % (OSF 2014)

The number of tourists from Germany, which is the second biggest group of foreign tourists by amount of nights spent in Finland, has also increased by 5.7 per cent in June 2014 compared to June 2013. Swedish tourists is the third biggest group, and they had 6.1 per cent more overnight stays at accommodation establishments than in previous year. Nearly 61,000 nights spent by Swedes were recorded.

Change of overnight stays in June by regions 2014/2013

To find out the dynamics of total number of overnight stays in Tampere region, the change in overnight stays in June 2014/2013 by region was explored.
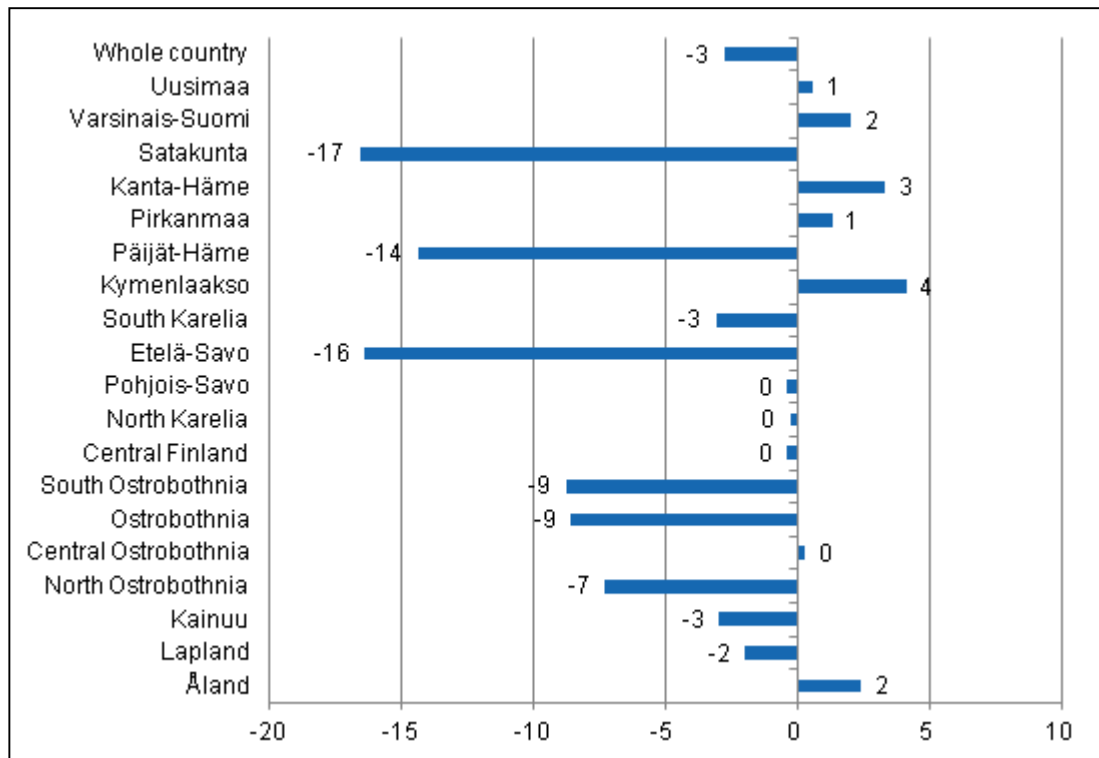
Figure 2. Change in overnight stays in June by region 2014 / 2013, % (OSF 2014)

The Figure 2 shows that the total number of overnight stays increased by 1 per cent. From table one can see that in Kymenlaakso was the highest growth of overnight stays comparing June 2014 and June 2013. Overnight stays increased by 4.1 per cent in comparison with year 2013.

Change in Total Number of Nights Spent in Accommodation Establishments in June 2014/2013

The total number of nights spent by foreign and resident tourists in hotels decreased by 1.5 per cent in June 2014 compared to year 2013. Under 1.5 million nights spent by tourists have been recorded.

As shown in Figure 1, the number of tourists from Finland decreased by 3 per cent. In contradiction to this, overnight stays by tourists from other countries increased by 2.4 per cent. Consequently, the total number of tourists decreased in comparison with previous year. (OSF 2014)

2.2 Orientation on customers

As it has been said earlier the largest number of tourists visiting Finland comes from Russia. The Figure 3 shows that in June 2014 52,305 Russians arrived at Finland.

Country of Residence	Visitor arrivals in all accommodation establishments	Nights spent in all accommodation establishments	Change of nights spent in all accommodation establishments, %	Nights spent in hotels	Change of nights spent in hotels, %
Total	1,139,583	2,093,407	-2.8	1,472,119	-1.5
Finland	835,106	1,534,592	-4.8	1,023,218	-3.1
Foreign countries	304,477	558,815	2.9	448,901	2.4
Sweden	34,248	60,855	6.1	39,577	7.6
Germany	43,582	69,592	5.7	52,457	5.4
Russia	52,305	100,821	-5.7	71,371	-11.3
United Kingdom	14,104	28,463	2.8	24,845	-1.1
United States	14,904	32,623	18.3	31,449	20.4
Norway	8,850	15,392	-0.3	12,537	1.6
Netherlands	8,945	15,221	-2.9	10,861	-3.7
Italy	5,455	11,028	12.5	9,594	11.5
France	8,587	14,815	-2.9	12,219	-3.3
Japan	9,796	16,861	26.7	16,329	28.1
Estonia	7,728	16,806	10.9	10,876	12.7
Switzerland	8,925	15,334	10.3	11,499	10.7
Spain	4,507	9,728	17.7	7,606	7.3
China	13,544	19,081	-3.7	18,695	-4.8

Figure 3. Visitor arrivals and nights spent by country of residence, June 2014 (OSF 2014)

This figure explains why focus especially on Russian visitors should be taken into account in Tampere region. (OSF 2014)

Figure 4 shows how the number of Russian tourists has increased over the years. During years from 1995 to 2010, the number of Russians who spent nights in Tampere Region has increased by 55 per cent (Kolari 2011).
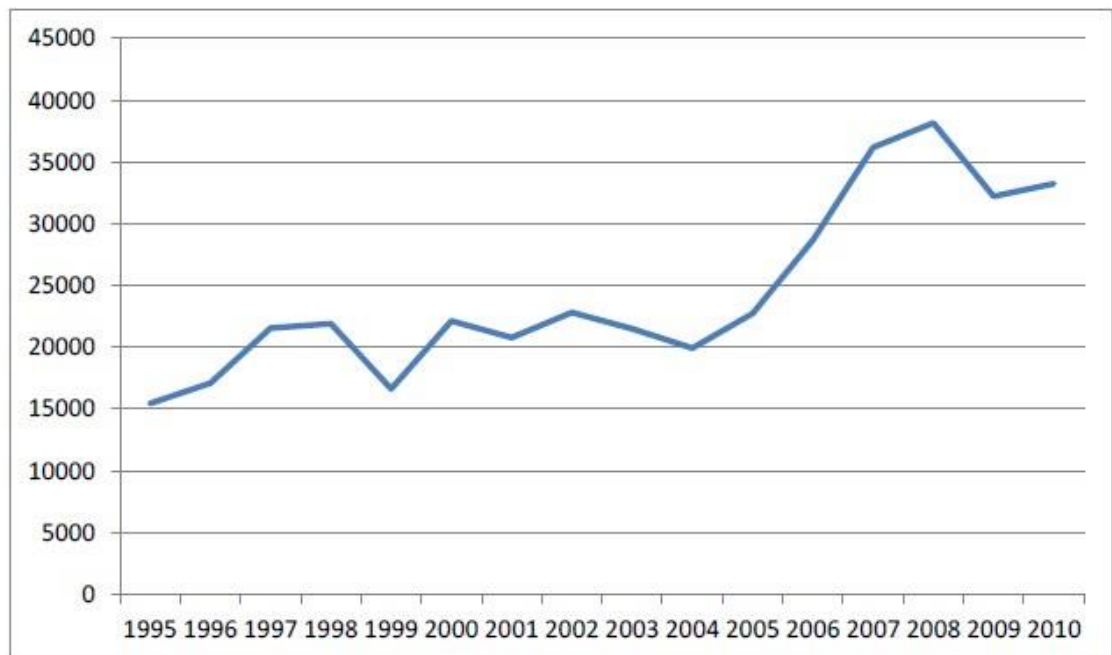

Figure 4. Number of overnights spend by Russian tourists in Tampere Region between the years 1995-2010 (Kolari 2011)

Moreover, the other issue why it is necessary to develop the focus on Russian tourists is that this tourist group spend more money in Finland than other nationalities. Accordingly, the data collected from the Border Interview Survey by Statistics Finland and Finnish Tourist Board expenditure by foreign tourists in Finland conducted in year 2011 was in total 2,222 million euro, where 858 million euro were spent by Russian visitors. That statistics are shown in Figure 5. (Border Interview Survey 2011).

Country of residence	Per visit, euro	Per day, euro	Total, million euro
All passengers	306	60	2 222
Russia	263	111	858
Estonia	192	23	136
Sweden	204	43	139
Germany	405	52	162
Great Britain	372	62	104
Norway	238	63	52

Figure 5. Expenditure by foreign passengers in Finland in 2011, by country of residence (Border Interview Survey 2011)

Based on author's own observation there is not enough information about Tampere for Russians, which plays a huge role when making decision on what town to visit in Finland.

From Figure 6 one can find out that only 7% of Russian Tourists would prefer to stay in Tampere. For sure, Helsinki is the most popular city for Russians (65%). Even it takes the third place among all the towns in Finland by amount or residents it takes only sixth place in scale of town to visit among tourists from Russia. (Manka 2010.)
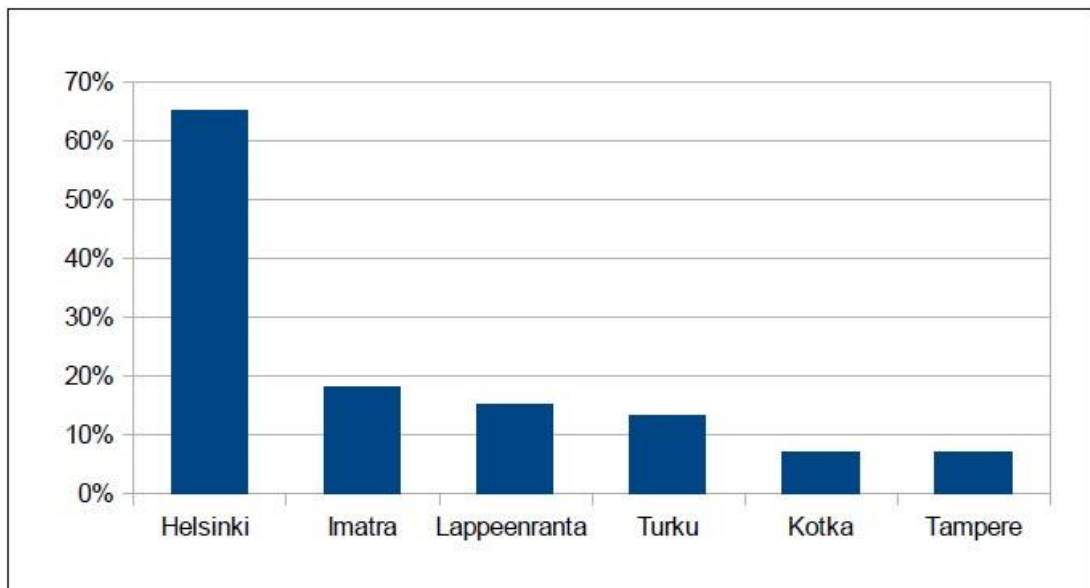
Figure 6. City where the Russian residents will stay night in Finland (Manka 2010)

One of the reasons for this could be that Russians do not know enough about that destination, and do not know what Tampere can offer.

2.3 SWOT–analysis of Tampere region

SWOT–analysis of Tampere region is made for the main tourist group travelling to Tampere. That group, as it was mentioned earlier, is tourists from Russia. In this thesis author uses SWOT-analysis is used to define attractive and uninviting factors of Tampere region for Russian tourists. The information to the SWOT-analysis is gathered from author's own observations.

SWOT of the Tampere region

S	W
location nature shopping events web-page attractions	language transportation
O	**T**
exemption of visa train connection	increasing of Euro exchange rate

2.3.1 Strengths

The location of Tampere is the first strength among others. It is easy for Russians to reach Tampere by own car. In addition, town of Tampere is not far from Helsinki, the most popular city for Russian tourists (Figure 6), and there is good infrastructure between these two cities.

Moreover, Tampere has very inviting nature. There are Tammerkoski rapids, forests, lakes and beautiful ridges located near the center of the city. Many activities all over the year could be found for tourists. For example, boat cruises, golfing, rowing and so on could be attractive during summer time. In wintertime ice-skating, ice fishing or snow shoeing are some examples of time spending in nature.

The other point that could be seen as strength is that Tampere has its own amusement park called Särkänniemi. This park attracts many tourists with children and there are many activities for the whole family. Web page of this park

can be translated to Russian language, which is definitely a strength for Russian tourists.

2.3.2 Weaknesses

Language issue is one of the main weaknesses of Tampere region from the author's point of view. Based on author's observations there is not enough information about Tampere available in Russian language. The fact is that not many Russians know English language and it is difficult for people who do not know English or Finnish to find out attractions of the region.

Another weakness of Tampere region is connected with transportation. The problem of the Tampere region is that there are few direct transport connections from Russia to Tampere. Tampere city has its own airport; however, there are no flights available from Russia. (Finavia.) Flights from Russia to Tampere could increase the number of Russian tourists.

For sure, there are few bus connections between St.-Petersburg and Tampere, but the way takes too long time (6.5 h) and the price is also too high for Russians (TouRus Charter bus).

2.3.3 Opportunities

The main opportunity not only for Tampere region but also for the whole country is exemption from visa between Russia and Finland. "According to estimates, the number of border crossings of persons may double at the crossing points of the south-eastern border with the introduction of the visa exemption". (European Migration Network 2011, 36.)

Direct train connection between Saint Petersburg and Tampere could be also opportunity for Tampere to increase the number of tourists from Russia.

Nowadays, if one would prefer to travel to Tampere by train it is impossible to get there without transferring. At least one has to change two trains to arrive to Tampere. (VR.)

2.3.4 Threats

One of the major threats now is the level of euro that is increasing constantly compared to ruble. This threat could influence the willingness of Russian tourists to visit Finland including Tampere region. Since June 2013, the exchange rate between Euro and Ruble increased from 41.5 Rubles per 1 Euro up to 47.5 Rubles per 1 Euro in June 2014. This definitely plays huge role for Russians when making decision whether to travel to Finland. (Suomen Pankki.)

3 The tourism product development

3.1 Main steps and tests in a new product development

New product development typically exists in stages. Stage by stage product is analyzed if it needs to be developed further. Mostly stages are as follows:

1. Idea generation
2. Concept development
3. Initial feasibility screening
4. Concept testing
5. Product development
6. Product testing
7. Market testing
8. Go-no go decision

(Lehmann & Winer 1997, 244.)

3.1.1 Getting ideas for new products

Customer analysis is usually used in case to know if the product is needed at all. It includes both unstructured and structured approaches. Competitor analysis is used to study how competitors perform, especially what they sell. The most part of new products are the copies of competitors' ones. In addition, category analysis examines changes in social trends and technologies.

Moreover, some sources such as company employees, suppliers, distribution channels and operations people often present ideas, suggestions and complaints that lead to new product. When these sources are combined with intuition or in other words managerial judgment, there is no lack of sources for new product ideas. (Lehmann & Winer 1997, 244-45.)

3.1.2 Formal testing of new products

This section will be about the most common tests regarding new products.

Concept testing

Concept testing gets customer reaction to the concept of a new product. The main aims of that test are to:

- choose the most successful concept;

- get an initial notion of the commercial prospects of a concept;

- recognize who is most interested in the concept;

- define the further direction of development.

Sources here are usually community groups, employees, and central locations. The common approach is to record reactions of the consumers about product idea.

In concept testing, surveys and demonstrations are usually used. To get large samples for projection purposes surveys are used. However, it is often impossible to send a concept through the survey.

The best way to present a concept is demonstrations. Recording reactions of the customers on presented story of a concept is meant by demonstration. Actually, concept tests vary. The easiest concept test is a concept screening test. It is concerned with brief description of a number of concepts, and evaluation of them. These tests are used to choose the most popular concept. In addition, concept generation tests exist. They are usually used after concept screening test to refine concept statements. Larger samples are used here and therefore quantitative research takes place. (Moore 1982, 279-94.)

Product use tests

Product Use Test is a kind of test, which is connected with getting response from the customers after using product concept that is planned to be launched.

The purpose of that test is to:

- find out possible product weaknesses;

- assess commercial prospects;

- assess alternative formulations;

- find out the popularity of a product to different segments of market;

- set ideas for marketing program.

There are three major types of product use tests. Usually small samples are used in such tests. Frequently, these tests eliminate possible problems connected with the future of the product. Commonly employee testing is used when the product is connected with food.

The other kind of use tests are about customer reaction on product after using it. The customer chooses the most successful product from the set of them or realize to buy or not to buy that product.

The most complex kind of product use test is requiring placing of the product in homes for a durable period. Usually "Before" and "After" questionnaires used here. (Lehmann & Winer 1997, 251-52.)

Market tests

The most realistic test is a market test. The aim of such a test is to predict sales and profit and practice if marketing, distribution, and production skills are developed enough. The main sources are trial rate, repeat rate and usage rate or number bought by customer. In addition, awareness, attitudes, and distribution are often monitored. Before conducting a market test, it is necessary to set what information is needed before proceeding.

Such issues as standards for evaluating the results, place of conduction of the test, what to do, duration of the test, costs, and kind of information that is going to be gathered should be taken into account. (Lehmann & Winer 1997, 255-56.)

Sales forecasting

The complex issue after market test is sales forecasting. It is possible just to wait when sales will stabilize. However, it takes a lot of time and money.

There are four basic factors to forecast the eventual sales level of a new product before it is attained:

- awareness;
- trial (final proportion of customers who will try the product);
- repeat (the proportion of customers who already tried the product and who will buy it again);
- usage rate among the eventual users.

Many different models exist to project these factors from the beginning. These models are developed constantly, but still these models follow a structure that has existed for at least forty years.

Parfitt and Collins made a model that focuses on market share prediction.
Their model is produced to:

- evaluate eventual penetration (P);
- rank the ultimate share of their purchases that buyers will make of the new brand (M);

- estimate the relative product category usage rate of buyers (U).

The estimated eventual share is thus simply the product of:

$$P \times M \times U.$$

(Parfitt, Collins 1968, 131-45.)

3.2 Strategic management

3.2.1 Function of strategy

The basic aim of strategy is to get to know the product manager about direction in managing a business during the completely planned period.

Strategy must:

- help in achieving coordination between all areas of organization;
- determine how resources are shared;
- show how it can lead to a top position in market.

A marketing strategy can be compatible sensible if:

- competitor cannot do it;

- competitor chooses not to do it;

- competitors would be at a disadvantage if they have chosen to do it;

- leads to gain if the competitor decided to do it. (Lehmann & Winer 1997.)

3.2.2 Elements of a product strategy

A complete formulation of a marketing strategy for a product consists of:

1. A statement of the objective(s) the product should attain.
2. Selection of strategic alternative(s).
3. Selection of customer targets.
4. Choice of competitor targets.

5. Statement of the core strategy.
6. Description of the supporting marketing mix.
7. Description of the supporting functional programs.

The first two statements set the general direction of the strategy. The next three principles are really the entity of the strategy. The last two elements are connected with the implementation of the strategy. (Hulbert 1985.)

Setting objectives

All organizations have a variety of objectives. Answering the question "Where do we want to go?" will set the objective. Of course, the answer will differ from one organization to other.

"The two areas in which objectives are most commonly set for specific products or services are growth – in terms of sales revenues or market share – and profitability" (Lehmann & Winer 1997, 215).

There are two key questions to a product manager:

1. Which of the objectives should be purchased?
2. How much should we go for in the objective?

Answering the first question, product manager should search for data from prior analyses and combine it with the company's situation at the moment. In addition, product manager should anticipate financial resources that can be dedicated to the product.

Answering the second question, product manager should think, for example, if there is increase in market share, then how much is appropriate level.

Selection of strategic alternatives

Strategic alternatives are chosen after the primary objective is selected. This is the first step when developing marketing strategy for the product or service.
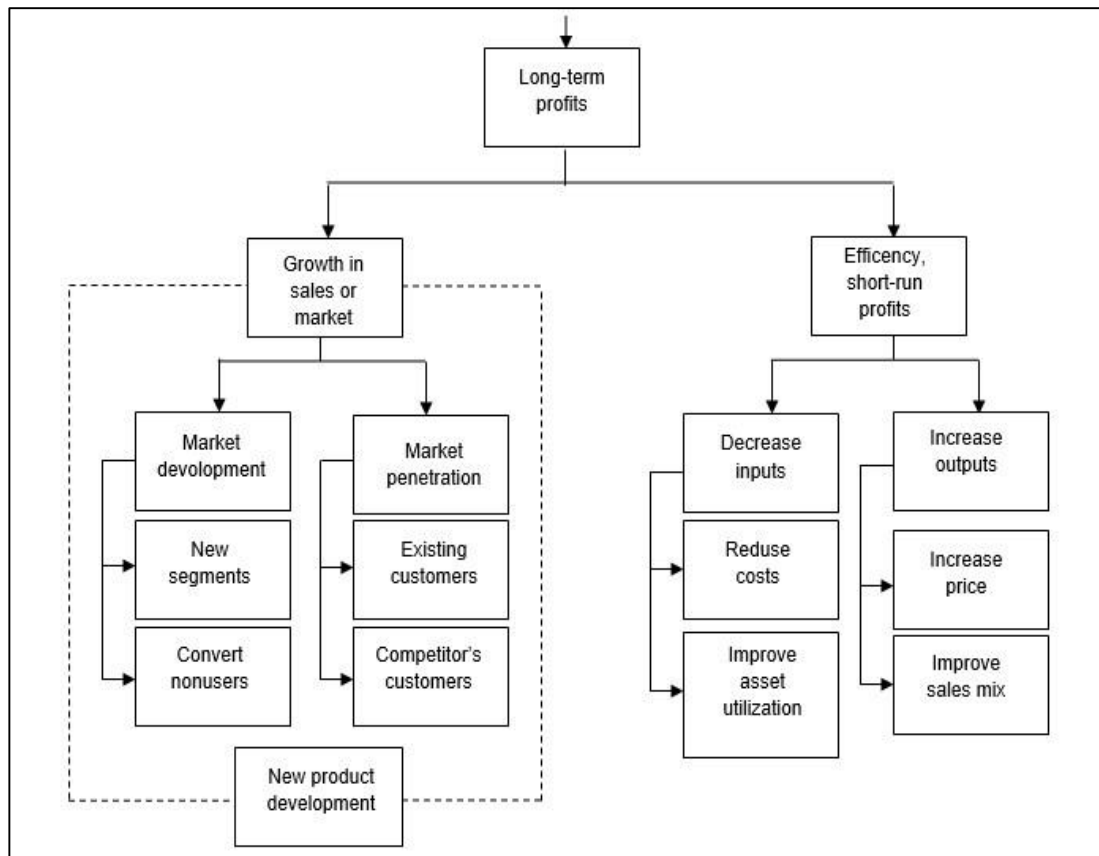
Figure 7. Strategic Alternatives (Lehmann & Winer 1997, 217)

Figure 7 shows the way marketing manager can clarify thoughts connected with strategy. This treelike diagram shows how to maximize the product profit.

3.2.3 Positioning

"Positioning is the act of designing the company's offering and image so that they occupy a meaningful and distinct competitive position in the target customers' minds" (Kotler 1997).

Positioning includes:

- customer targets
- competitor targets
- difference of the product from others

After the strategic alternatives and the customer analysis were specified, the choice of the customer target group can be made. It is important to take into account which competitors are the primary targets of the strategy. Even such method that includes stealing customers of competitor can take place.

The differential advantage should be presented to the target customers. There are two basic types of differential advantage:

- cost lower price;
- better product offering/service (Porter 1985).

In other words, "differential advantage" can be reached by cost/price or nonprice strategy.

Cost/Price Strategy

A low-price differentiation strategy can be prosperous if several activities are made. In the beginning, a huge number of products should be produced and sold. Focused production will accelerate cost reduction that must have the same tendency in future. Then investment should focus on different facilities and market share. Finally, the cost must be controlled when manufacturing products, delivering services, or marketing activities are implemented.

Nonprice strategy

The nonprice strategy can work only when the added value in the minds of the customers is created. The price can be higher than competitors have, when customers focus on product benefits. There are five areas for differentiation:

- quality

- status and image

- branding

- convenience

- distribution channels

(Schnaars 1991).

3.3 Planning marketing

3.3.1 Definition and objectives of plans

Development of a marketing plan is a main responsibility of product manager. In many companies, marketing planning is the most important part of product manager's job. (Stash & Lanktree 1980, 79-90.)

The marketing plan can be divided into two main parts:

- the situation analysis;
- the objectives, strategy and programs based on the background analysis.

"Planning marketing is the process by which businesses analyze the environment and their capabilities, decide upon courses of marketing action and implement those decisions." (Jobber & Fahy 2009)

The objectives of a marketing planning can be set in the following way:

1. Definition of the current situation considering the product.
2. Problems and opportunities definition considering the business.
3. Establishment of objectives.
4. Definition of strategies.
5. Identification of responsibility to achieve product objectives.
6. To support careful and disciplined thinking.
7. To set up a customer – competitor orientation.

3.3.2 The planning process

The Figure 8 shows how the planning process works in general. Firstly, the collection and analysis of data and the development of product strategies take place. Then implementation of such programs as distribution, promotion, advertising and the like are executed. Evaluating is a continuous part of the plan. This data feeds back into the formal planning part of the process.

There are two main approaches to planning:

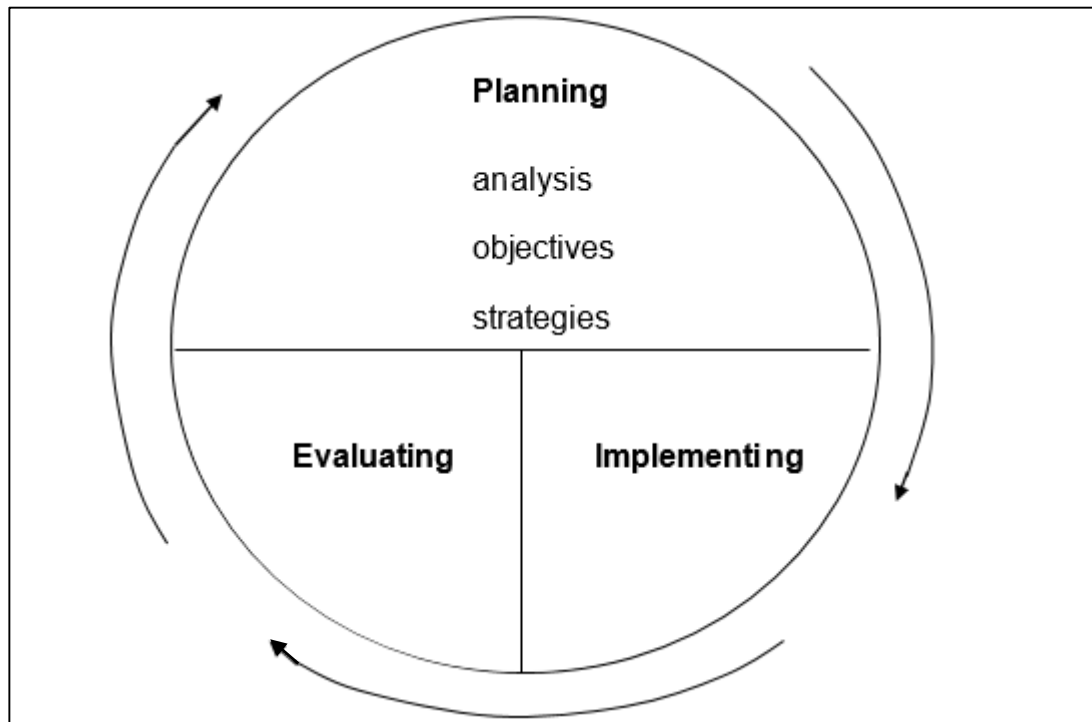- top-down planning;
- bottom-up planning.

Figure 8. The planning process (Pezzulo 1982, 32)

In top-down planning upper personnel of the company plays the main role in formulation of marketing plans. While in bottom up planning, the lower ranks of the organization play key roles in the process. (Lehmann & Winer 1997)

Steps on the Planning Process

The process of marketing planning includes light steps:

1. Update the facts of about the past.

2. Background data collection

3. Analysis of historical and background data.

4. Development of objectives, strategies and action programs. (It is the main part of planning process, as it shows what is going to be done).

5. Development of financial statements, including budgets and profit-and-loss figures.

6. Negotiation with a senior management.

7. Measurement of progress toward stated objectives must be monitored, to connect the plan if any changes happen.

8. Audit. (Planned versus actual results)

3.4 Consumer behavior

"Consumer behavior is process involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires" (Solomon 2004).

A business cannot survive without customers. To analyze a product's customers, answers for the six questions should be found:

1. Who - what type of person (socio-demographic characteristics and situational influences);

2. What – preferences, attitudes and beliefs of customers about product or service they buy;

3. How do they choose – which methods customers use to purchase the product;

4. Why – motives of customers for buying and their reaction on the messages through perception;

5. Where – the place customers buy the product or receive the message from;

6. When – time the customers buy and when they receive the message about product. (McCabe 2009)

3.4.1 Who buys the product?

The question "Who buys the product" is the first one occurring when the customers are analyzed. The most popular way to describe customers is to point

their general characteristics. Such characteristics as age, gender, family structure, social class and income, race and ethnicity, lifestyle, and geographic are the main characteristics when segmenting customers. (Solomon 2004.)

3.4.2 What do customers buy?

Benefits

Usually customers do not buy product or service for its features. Customer rather buy the benefits the product ensure. Focusing on benefits is also important when thinking about competitiveness. Therefore, the main problem of the product manager is to find out what benefits different groups of customers need through conducting marketing research.

Product assortment

Often panel or similar data are available for many frequently purchased goals. This data can be analyzed and the competitive patterns can be measured.

Product uses

Studying how the product is used can help company to make profit. In addition, defining situation in which the product or service is used helps to understand customers.

3.4.3 How do customers choose?

Customer decision making can be determined using the multiattribute model. This model consists of four questions:

1. Which attributes do customers use to define a product?

2. How do customers determine how much of each attribute a brand possesses?

3. How are the importance weights determined?

4. What decision rule is used to combine the information?

(Lehmann & Winer 1997, 162.)

The products are supposed to be a collection of attributes. Answer to the first question can define the attitude in terms of physical characteristics or benefits. Moreover, every customer has understanding about how much of each attribute the alternatives in a product rank contain. In addition, all the customers probably place an importance value or weight on obtaining each feature when making a choice. Finally, customers are supposed to integrate the attribute and importance weight information using some rule to make choice in the product category.

3.4.4 Why do customers prefer a product?

Answering the question "why do customers prefer a product?" thinking of customer value is important, especially, the cost of product to the customer. Therefore, customer value depends on benefits offered and the costs. When the value of the customer is known, it is easier to make price decisions.

The customer value of the brand makes up three points:

- importance of the usage situation;

- effectiveness of the product category in the situation;

- relative effectiveness of the brand in the situation.

Therefore, customer value includes two main concepts of value:

- absolute value (no competing brand exists);

- relative value (comparison of the brand with others).

There are four sources of customer value, such as:
- functional characteristics (understanding the components of the product is important);
- service;

- image of product;

- brand equity.

3.4.5 Where do customers buy?

The analysis of the question "where do customers buy?" helps to make decisions connected with distribution channels. Therefore, tracking trends in where customers are making purchase is important. Moreover, nowadays many new technologies for shipping exist, for example, the Internet.

3.4.6 When do customers buy?

The timing question is the last issue in understanding customer's behavior. Time actually means here time of year, month, and even, time of day. For example, the food companies usually divide time by breakfast, lunch and dinner. In addition, timing issue can be connected with sales time and price breaks.

4 Presentation of the partner

4.1 Introduction of the company

The partner of the current thesis is company called Zenzation Oy. In autumn 2013 this company opened a new restaurant called "Tsaari". The author preferred to make a research for that restaurant because it is a new restaurant and it needs to be developed as a new product in restaurant business. Therefore possible ways to develop this restaurant were studied relying on responses of the customers of the restaurant.

Restaurant "Tsaari" presents traditional Russian food. The idea of the owners of the restaurant is to introduce genuine Russian cuisine to Finnish people and to make Russians living in Tampere feel like in their own country. The most customers are Finns and Russians, but also tourists coming from other countries who visit Tampere sometimes come to try traditional Russian food.

Owners of the restaurant and the whole collective are Russians, therefore, atmosphere and feelings are authentic. The problem is that the place is quite new and there are not so many customers now as there could be. Therefore, this restaurant and especially owners of the restaurant need a research, to find out,

what customers like and what they would change not only in menu but also in service.

Now menu presents mainly dishes, which are eaten at Russian homes. However, in near future the menu will be changed and some items will be unique, different from other Russian restaurants in Finland. This menu will be changed based on results of the research.

4.2 Expectations of the partner

The owners of the restaurant expect increase in the number of customers after changes, accordingly results of the research will be implemented.

In addition, the research will help to find out a target group of customers visiting the restaurant, and it will be easier to make changes based on this data (Babich 2014).

5 Research methodology and research analysis

5.1 Differences between qualitative and quantitative research

"Marketing research can be defined as the planned, systematic collection, collation and analysis of data designed to help the management of organization to reach decisions, and to monitor the results of those decisions once taken" (Holloway 2004, 59).

The main differences between quantitative and qualitative researches are in methodologies that are used. Qualitative research does not subject research findings to quantification or quantitative analysis. It involves less structured interviews where the purpose is to examine attitudes, feelings and motivations of respondent. Usually respondent speaks freely about the issue that is investigated. Therefore, the data is verbal or visual. Questions such as 'Why?', 'How?', 'What kind?' are used in qualitative research. The boundaries of the data are open when conducting qualitative research. Analysis methods, which are used, are strongly related with the data and less linked to the rules than in

quantitative research. In conducting qualitative research there is interviewer with special skills required.

 "Quantitative research methods are those in which data are collected and subsequently analyzed through a process sometimes mockingly referred to as 'beancounting'" (Holloway 2004, 60).

In quantitative research data is presented in numerical format and questions such as 'What?', 'Where?', 'How much?' and 'How often?' are used. Quantitative research samples represent the population statistically. Therefore, statistics play huge role in quantitative research. Tests, surveys, interviews, statistics and content analysis are presented during conducting quantitative research. (Mirola 2013.)

5.2. Quantitative research method

Quantitative research method is described more deeply, because that research method is used in current thesis.

"Quantitative research is carried out to investigate, how many people have similar characteristics and views" (Wright & Crimp 2000, 19).

This method is used when there is large number of samples. The questionnaires are usually posted, faxed or shared by e-mail to respondents. Therefore, the data collected by quantitative research can be easier and cheaper to collect. Quantitative research method has been a subject of criticism, because the complexity of human soul is lost through the counting. The main reason for choosing quantitative research for current thesis was that the number of respondents was large.

6 Research analysis

6.1 Data collecting process

As said earlier, the aim of the research is to analyze what customers who visit restaurant "Tsaari" would like to develop in the restaurant and what their feelings

about that place are. In addition, their preferences among different issues concerning restaurants have been analyzed.

Data for the research is collected at the place, for which the research is made, in restaurant "Tsaari". The respondents are the customers of the restaurant. The research is held with the help of a questionnaire, which is enclosed to the thesis as Appendix 1.

Questions in the survey were divided into two parts. In the first part, general questions and questions connected with preferences of the respondents were presented. While the second part was about customer's feelings and feedbacks about the restaurant "Tsaari". Author of the thesis herself held the survey, as the restaurant is the current place of work of the author. Research results are conducted with the help of the IBM SPSS Statistic software.

6.2 Research results

There are 55 respondents in total who took part in the survey. All of the respondents were the customers of the restaurant and the author of the research asked them to answer the questions.

6.2.1 Background information

The first questions of the questionnaire were connected with the background information of the respondents. From those questions were found out what main target groups of customers visit restaurant. Questions were about sex, marital status, nationality and age of the respondents.

From 55 respondents participating in research, 29 (52 %) were females and 26 (47 %) were males. From these numbers can be derived that almost as many males as females come to the restaurant. It is shown in the Figure 9 made by IBM SPSS Statistic software.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	26	47	47	47
	Female	29	52	52	100
	Total	55	100	100	

Figure 9. Gender of the respondents

In the second question, respondents were asked to name their marital status. From the chart below (Figure 10), one can see that the main customers of the restaurant are families with kids. 32 (58 %) respondents from 55, which is more than a half of people taking part in research, are people with families. Out of this can be stated that mostly families with kids visit restaurant "Tsaari". It can lead to the fact that there is need in creating "kids' menu" for children.
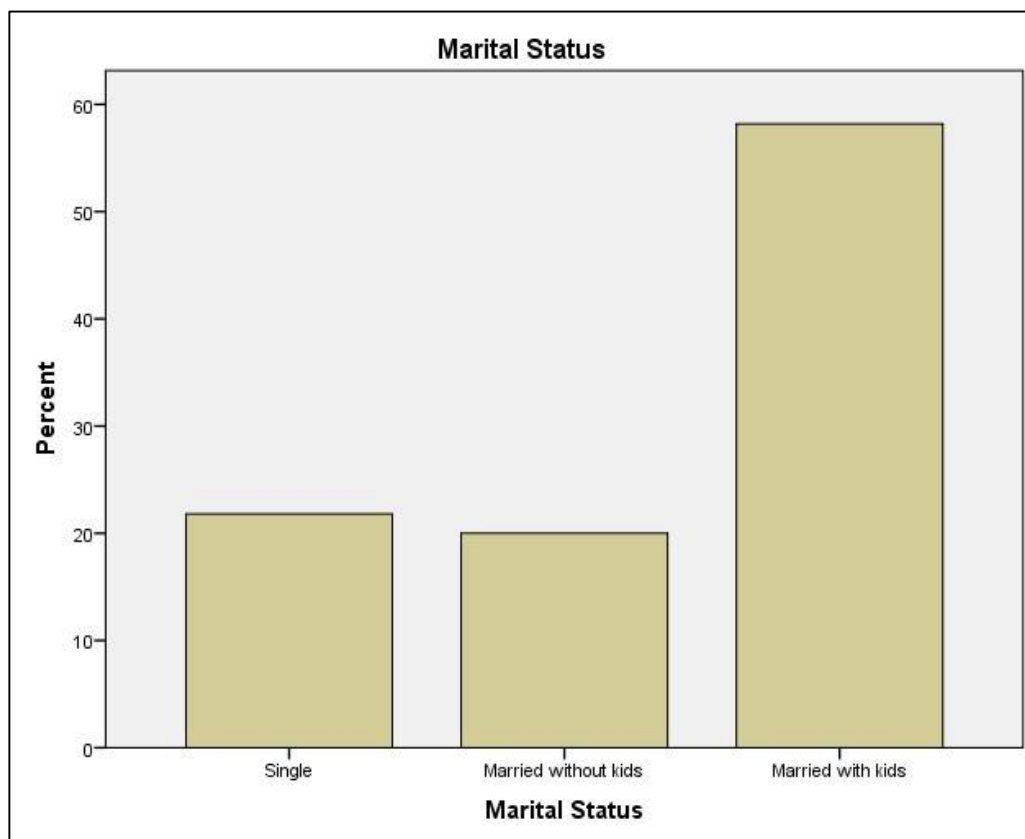

Figure 10. Marital status of respondents

The next question concerning background information investigated the nationality of the respondent to explore who are the most frequent customers: Finns, Russians or other nationalities. That question takes place in the survey because

it is important to know if the events are better to orient on Russian or Finnish customers. According to the results of the survey, the most part of customers are Finns (76 %), therefore restaurant should be more oriented on Finnish people, while save its concept as true Russian restaurant. Moreover, it is necessary to make more Russians to be aware of restaurant, as statistics presented in the current thesis show that Russians are the largest group of tourists in Tampere region. During the period of conduction of the survey only 10 Russians and three persons from other countries than Finland and Russia took part in survey. However, 18 % of Russians is a large enough number to realize that Russian customers should be taken into account at the same level as Finnish customers. (Figure 11)

Nationality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Finnish	42	76	76	76
	Russian	10	18	18	94
	Other	3	5	5	100
	Total	55	100	100	

Figure 11. Nationality of the respondents

The last question concerning background information investigated the age of customers. The diagram below shows that customers whose age is from 40 to 49 years (32 %) visit the restaurant more frequently. However, younger generation from 21 to 29 years should be taken in account when, for example making marketing campaigns. In near future restaurant plans to make an advertisement on radio, and the question which radio channel to choose takes place. This data can help in making decision, which radio channel to choose.
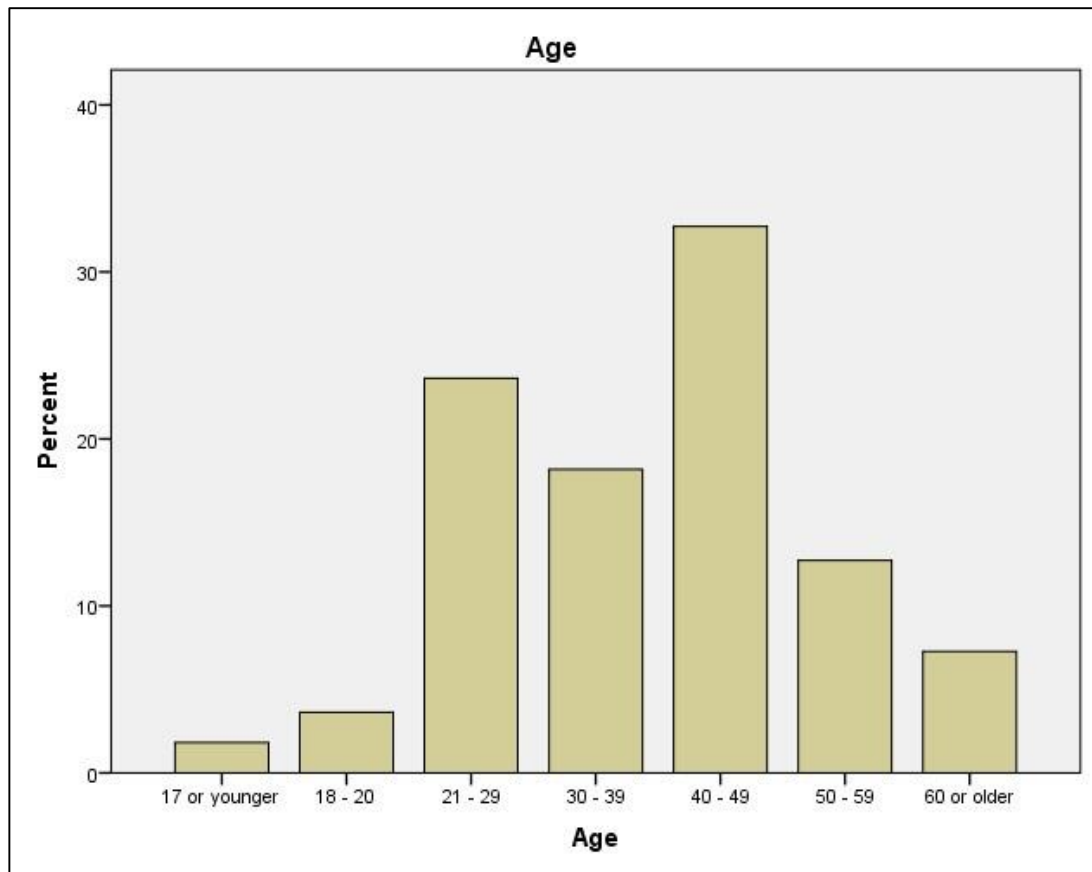
Figure 12. Age of respondents

6.2.2 Preferences of the respondents

In this section questions about preferences of the customers connected with different restaurant issues are analyzed. After the background information of respondents has been analyzed, the researcher preferred to investigate preferences of the customers connected with their usual behavior in restaurants. Questions, such as, how much money they usually spend in restaurants or how often they visit restaurants are presented in this section.

For the first question in this section, respondents had to answer how often they visit restaurants. Almost half of the respondents (43 %) go to restaurant once a month and 29 % from 55 persons visit restaurants less than once a month. (Figure 13.) These numbers show that people should be attracted somehow, for example giving discount for the next time within limited period of time could attract

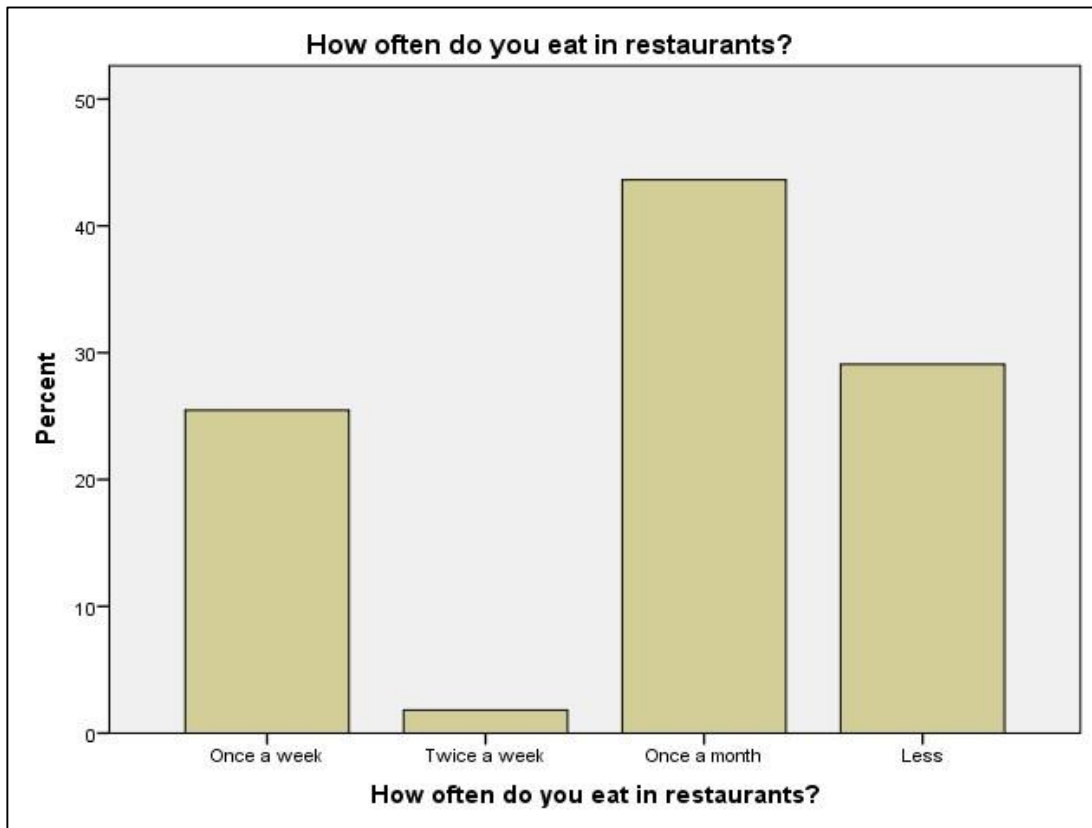customer to come to the restaurant more than once a month.

Figure 13. How often respondent eats in restaurant

The next question was conducted to investigate the importance of such criteria as food quality, service, environment and price for the respondent when visiting restaurant. Unanimously, 55 persons from 55 consider food quality as very important issue when visiting restaurant. (Figure 14a.)

Food quality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very important	55	100	100	100

Figure 14a. Importance of food quality for the respondent

Only one person regards service important, other 54 answer that quality of service is very important for the restaurant (Figure 14b).

Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	54	98	98	98
	Important	1	2	2	100
	Total	55	100	100	

Figure 14b. Importance of service for the respondent

For three persons from 55 price is not important at all and 43 of them consider prices in restaurant as very important issue. (Figure 14c)

Price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	43	78	78	78
	Important	5	9	9	87
	Neutral	4	7	7	94
	Not important	3	5	5	100
	Total	55	100	100	

Figure 14c. Importance of price for the respondent

Environment is also considered as very important for 45 respondents and three of them feel neutrally about the point (Figure 14d).

Environment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very important	45	81	81	81
	Important	7	12	12	94
	Neutral	3	5	5	100
	Total	55	100	100	

Figure 14d. Importance of environment for the respondent

From these numbers one could realize that the most important criteria for the customers are the quality of the food served and service presented in restaurant.

The question concerning the time customers prefer to visit restaurant is important for the restaurant. The question that currently occurs is about changing the opening hours of the restaurant "Tsaari". Partners of the current thesis are thinking of introducing lunches at the daytime. At the moment the restaurant presents as an evening restaurant. However, according to the results of the survey, there is no need for lunches for the respondents, as 50 respondents (90 %) prefer to visit restaurants to have dinner. Only five persons would prefer to visit a restaurant to have lunch. (Figure 15.)
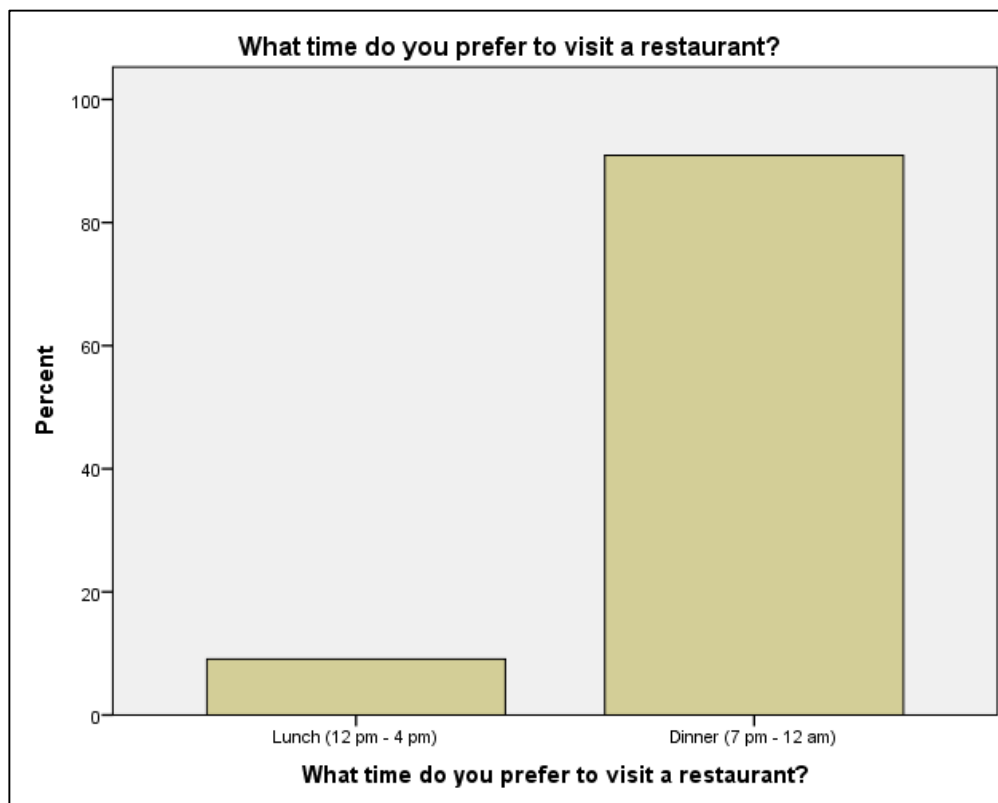
Figure 15. Time the respondent prefers to visit restaurants

After the preferable time of visiting restaurant has been analyzed, the issue concerning what kind of food customers like. In case that the new menu in the restaurant "Tsaari" is going to be introduced, the issue concerning food serving takes place. Respondents had to answer to the question connected with their preferences in how food should be served. The most part of respondents (69 %) prefer flavorful kind of serving food. (Figure 16) This should be taken into account when the new menu will be introduced.

How would you prefer the food to be served?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Simple	11	20	20	20
	Crafted	6	11	11	30
	Flavorful	38	69	69	100
	Total	55	100	100	

Figure 16. How respondent prefers food to be served

There was a question concerning money issue in the survey to recognize what kind of customers visit restaurant "Tsaari" and what financial position they have. That data is important when setting prices to the food served and constitute new menu. Half of the 55 respondents usually spend 30-40 euro per person, which means that presently in restaurant "Tsaari" they could take only main dish and a glass of wine, for example. (Figure 17.) This data can lead to the fact that there is no need for a large assortment of starters or desserts.

Figure 17. Money usually spent by respondent in restaurant

The next issue that has to be analyzed is music playing in restaurant. As Russia has a huge history, it has a huge diversity of different music. Different people prefer different music, but it is important for the restaurant to make a right atmosphere for its customers. The respondent chose one from live music, traditional Russian music or classical Russian music. Almost 62 percent of respondents chose the live music as preferable for them. Unfortunately, there is no opportunity for the restaurant "Tsaari" to play live music every day, but this information shows that there should be more events organized where live music takes place, for the restaurant to attract more customers. In 15 responses was said that the traditional Russian music should be played in Russian restaurant. (Figure 18.)

Figure 18. What kinds of music should be offered in restaurant

Asked about influence of ambience in restaurant on money spent by customer, 60 percent of respondents stated that the ambience would not make them spend more money. (Figure 19)

Would you prefer to spend more money because of ambience?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22	40	40	40
	No	33	60	60	100
	Total	55	100	100	

Figure 19. Influence of ambience on money spent by customer

6.2.3 Feedback from respondents concerning restaurant "Tsaari"

Last section of the research is connected with respondent's feedback concerning restaurant "Tsaari". Questions describing satisfaction of the customers after visiting restaurant are presented here.

After analyzing the data connected with responses of the survey participants to the question about frequency of their visits to restaurant "Tsaari", author realized that most part of respondents visit restaurant for the first time. There are 46 from 55 customers (83 %), who have never before visited restaurant "Tsaari". (Figure 20) This fact could tell about two possible reasons, first is that this restaurant is still new for the people in Tampere region and the second is that there is not enough marketing.
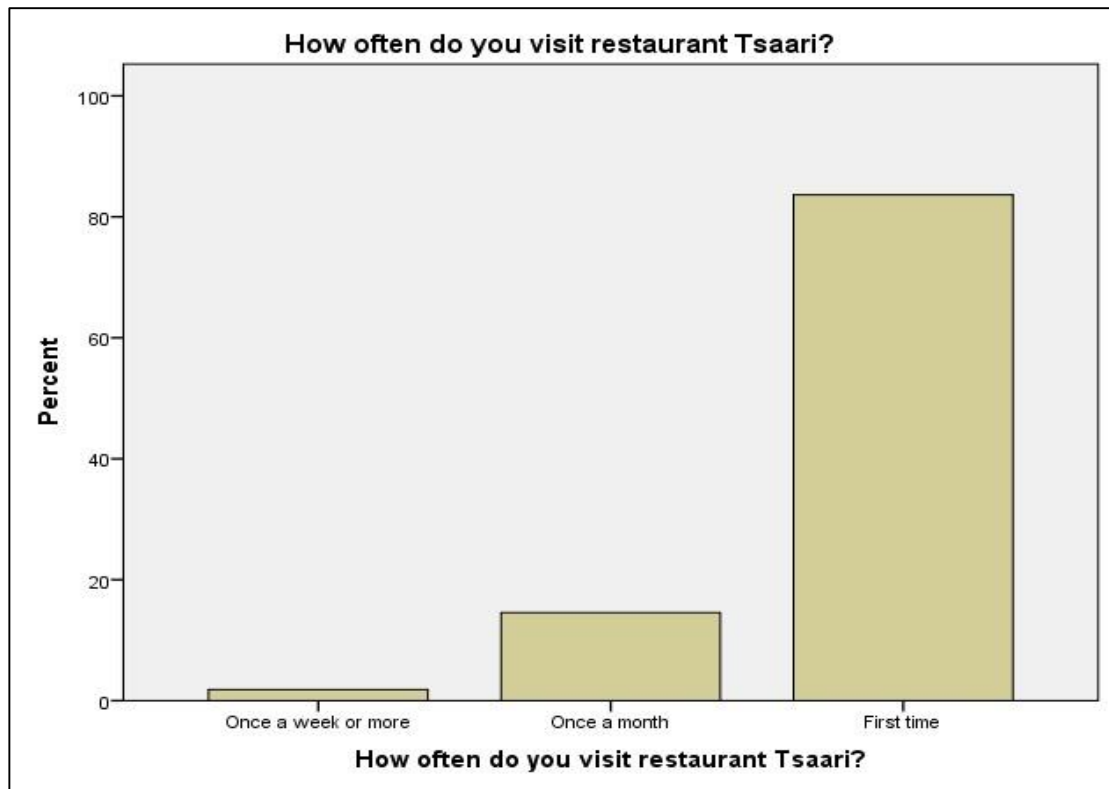
Figure 20. How often respondents visit restaurant "Tsaari"

Next three questions describe the level of satisfaction with the restaurant. These questions include overall satisfaction, satisfaction with the food and satisfaction from the service. Respondent chose between five levels of satisfaction from poor to outstanding level.

Overall, less than half of the respondents (45 %) feel the restaurant is outstanding. Almost the same number of respondents think that restaurant is very good (26 %) and good (22 %). Satisfactory feel 7 percent of respondents. (Figure 21.)

Overall, how satisfied are you with restaurant?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Satisfactory	4	7	7	7
	Good	12	22	22	29
Valid	Very good	14	26	26	54
	Outstanding	25	45	45	100
	Total	55	100	100	

Figure 21. Overall level of satisfaction with restaurant

With respect to the level of satisfaction with the food served in restaurant, almost the same numbers are presented. There are 45 percent of respondents, who consider food quality in restaurant "Tsaari" outstanding. However, there are fewer people, who think that the food is very good (22 %), and more, who think that food is good (24 %) or satisfactory (9 %). (Figure 22)

How satisfied are you with food?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Satisfactory	5	9	9	9
	Good	13	24	24	33
Valid	Very good	12	22	22	55
	Outstanding	25	45	45	100.0
	Total	55	100	100	

Figure 22. Level of satisfaction with the food

The last issue regarding level of customer's satisfaction is level of satisfaction with service presented in restaurant. More than a half of respondents (62 %) consider the level of service in restaurant is high. Only 2 (4 %) persons stated that the service is satisfactory. (Figure 23)

How satisfied are you with service?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Satisfactory	2	4	4	4
	Good	8	14	14	18
	Very good	11	20	20	38
	Outstanding	34	62	62	100
	Total	55	100	100	

Figure 23. Level of satisfaction with service

Two last questions in questionnaire are about respondent's willingness to visit restaurant again and their desire to recommend the restaurant to other people. From the chart (Figure 24) below is seen that most part of answers are positive. There are 43 respondents (78 %), who are likely to visit restaurant again.
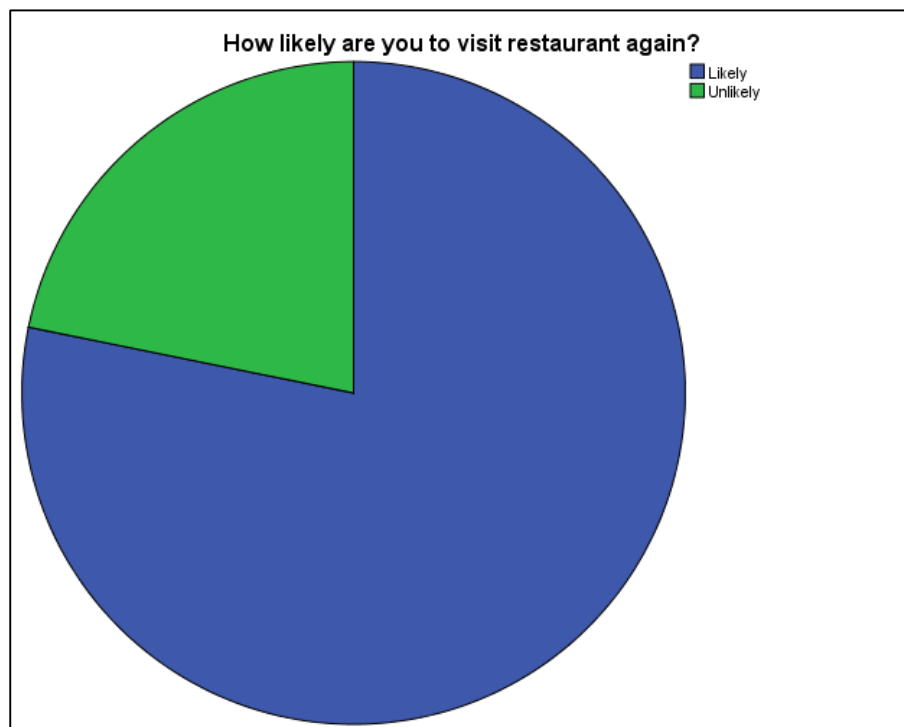
Figure 24. Willingness to visit restaurant again

In addition, 39 respondents (71 %) plan to recommend the restaurant to other people, which surely positively influences awareness of people of new restaurant in Tampere region (Figure 25).
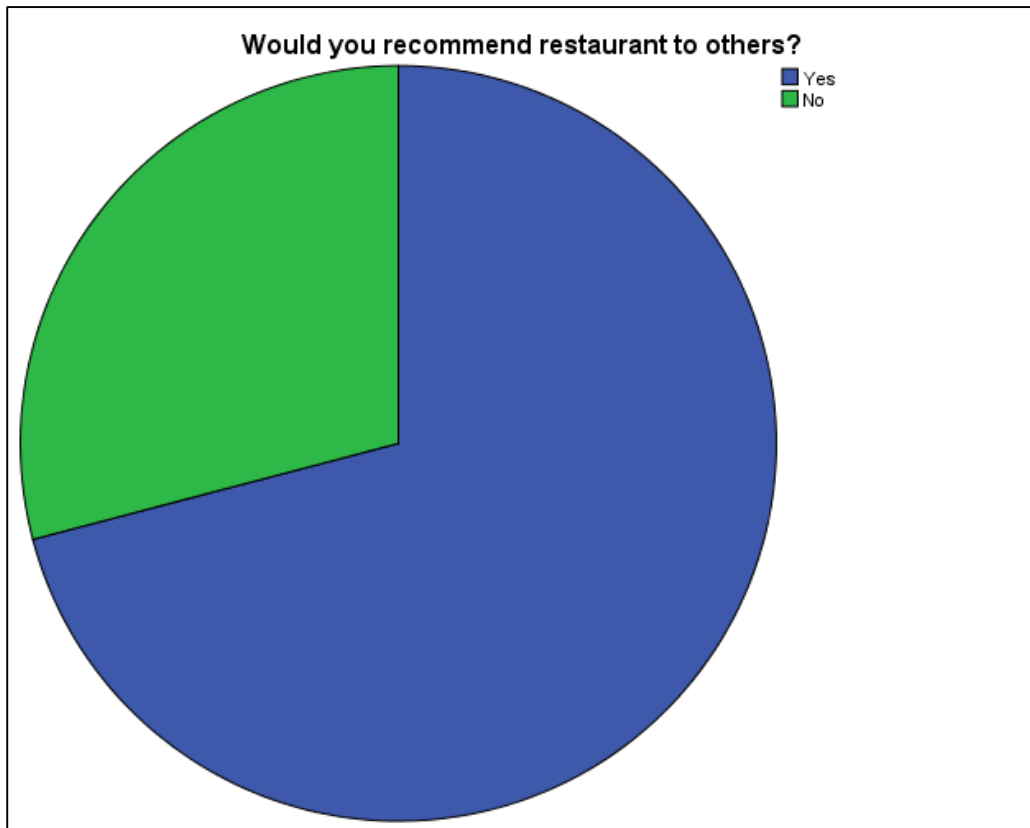
Figure 25. Desire to recommend restaurant to others

6.3 Summary of made research

Summarizing all the findings of the conducted research it is important to realize, what should be improved and developed in restaurant to attract more people to the restaurant "Tsaari". Conducting marketing campaign on the radio, the age of customers from 40 to 49 and from 21 to 29 should be taken into account. The radio channel, on which the advertisement will be announced, should be chosen properly to reach that audience.

Moreover, discount system should be developed to make people come more frequently. For example, flayers with 10 % discount for the next time could be introduced. Currently the restaurant is a new place for the people living in Tampere region, some people do not even know about restaurant "Tsaari and as an every new product it has to be promoted well. Of course, the service and food quality have to be on a high level to make "word-of-mouth" work.

Organizing more events, where live music plays, could attract people to the restaurant, and hence, make more people aware of good food and service in restaurant "Tsaari". From the author's point of view, issues described in this section are the most important to take into account when developing restaurant "Tsaari".

7 Conclusion

In conclusion, the author of the thesis would like to state that all the objectives and aims that were set in the beginning of the work are reached. The theoretical part of the current thesis describes many aspects of how to develop a new product in tourism business. In addition, statistic information that was found helps to realize that Russian tourists should be more informed about the place for which the research was made.

Moreover, SWOT-analysis helps to find all the advantages and disadvantages of Tampere region for the tourists. Identifying these issues helps to find more ways to attract more Russian customers to restaurant "Tsaari". The research that has been conducted, without controversy, will help the restaurant "Tsaari" to develop and to attract more customers.

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Please be kind and answer the following questions about restaurant "Tsaari". Your opinion is very important for us!

The questionnaire is part of the research made by the student of Saimaa University of Applied Sciences. The research is gathering information to conduct a research connected with development of restaurant "Tsaari". The aim is to collect information connected with customer's feelings according the restaurant.

QUESTIONNAIRE
1. Gender
- ☐ Male
- ☐ Female

2. Marital status
- ☐ Single
- ☐ Married without kids
- ☐ Married with kids

3. Nationality
- ☐ Finnish
- ☐ Russian
- ☐ Other

4. Age
- ☐ 17 or younger
- ☐ 18-20
- ☐ 21-29
- ☐ 30-39
- ☐ 40-49
- ☐ 50-59
- ☐ 60 or older

5. How often do you eat in restaurants?
- ☐ Once a week
- ☐ Twice a week
- ☐ Once a month
- ☐ Less

6. When going to a restaurant which criteria are important for you? (1-4, 1 being most important)

	1	2	3	4
Food quality	○	○	○	○
Service	○	○	○	○
Price	○	○	○	○
Environment	○	○	○	○

7. What time do you prefer to visit a restaurant?

☐ Breakfast (9 am – 11 am)

☐ Lunch (12 pm – 4 pm)

☐ Dinner (7 pm – 12 am)

8. How would you prefer the food to be served?

☐ Simple   ☐ Flavorful

☐ Crafted

9. How much normally do you spend for dinner in a restaurant?

☐ 20 – 30 € per head

☐ 30 – 40 € per head

☐ 40 – 50 € per head ☐ 50 € and more

10. What would attract you from the below if offered in restaurant?

☐ Live music

☐ Classical Russian music

☐ Traditional Russian music

11. Would you prefer to spend more money simply because of ambience?

☐ Yes

☐ No

12. How often do you visit restaurant Tsaari?

☐ Once a week or more

☐ Twice a month

☐ Once a month

☐ First time

13. Overall, how satisfied are you with restaurant? (1 = pour, 2 = satisfactory, 3 = good, 4 = very good, 5 = outstanding)

1	2	3	4	5
○	○	○	○	○

14. How satisfied are you with food? (1 = pour, 2 = satisfactory, 3 = good, 4 = very good, 5 = outstanding)

1	2	3	4	5
○	○	○	○	○

15. How satisfied are you with service? (1 = pour, 2 = satisfactory, 3 = good, 4 = very good, 5 = outstanding)

1	2	3	4	5
○	○	○	○	○

16. How likely are to visit restaurant again?

☐ Likely

☐ Unlikely

17. Would you recommend restaurant to others?

☐ Yes

☐ No

THANK YOU FOR YOUR ANSWERS!