

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
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Alexandra Karaseva

Productization of a Potential New Service of Culinary Tours

Case Company: Holiday Club Saimaa

Thesis 2016

Abstract

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Instructors: Lecturer Emmi Maijanen, Saimaa University of Applied Sciences

Anatoly Lvov, Holiday Club Saimaa

The research was conducted for a case company Holiday Club Saimaa. The purpose of the study was to analyse the market for a potential new service of culinary tours in Holiday Club Saimaa and productize this service for the company.

The preliminary information for the research was gathered from resources such as scientific literature, the Internet resources, and also from a Bachelor's thesis by Anatoly Lvov. Moreover, the data were collected via personal interviewing of potential customers: an executive director of the culinary school Ragout (Moscow), a CEO of Ilya Lazerson's culinary studio (Saint Petersburg), and a leading specialist in budgeting strategy department of the Central Office of LUKOIL (Moscow).

In the study the following concepts were used: business-to-business marketing, market segmentation and marketing mix 7Ps.

Based on the research results, the plan on how a service should be productized was created.

Keywords: culinary tourism, culinary workshop, productization, teambuilding, B2B, 7Ps, Russia

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Appendix 1 The special offer with the approximate prices for organized culinary tours in the Holiday Club Saimaa

1 Introduction to the case company and culinary tours

Holiday Club Saimaa is a part of Holiday Club Resorts Oy, a Finnish company of resort hotels and an operator in the holiday housing and tourism field. The company owns 1700 holiday houses and 30 resorts, some of which are spa hotels, and operates internationally in Finland, Sweden, on the Costa del Sol in Spain and in the Canary Islands (Holiday Club Resorts 2015 a). This study is going to be focused only on Holiday Club Saimaa, which is located in 7 kilometres far from Imatra, in South Karelia part of Finland.

The Holiday Club Saimaa is a spa hotel, which provides 221 rooms (family-friendly Club hotel, 137 rooms; an intimate GANT hotel, 21 rooms; and luxurious Castle hotel). Moreover, Villas apartments, which include kitchen and sauna inside, are under construction now. It is important to note that such services as a visit to aqua park and World of Saunas (Cirque de Saimaa) and breakfast are provided for free, when guests are staying in rooms of Holiday Club Saimaa. (Holiday Club Resorts (2) 2015.)

It is significant to mention one of Holiday Club Saimaa co-operation partners, Saimaa Adventures. They offer activities and equipment, for example, snowmobile safaris, Nordic tours skating on natural ice, ice fishing trips to lake Saimaa in winter time, or fishing trips, lake Saimaa cruises, adrenalin adventure park in summer season, etc. Moreover, Saimaa Adventures give an opportunity to rent their cottage Pearl of Hossukka, which includes the following facilities: a kitchen, a dining room for 30 people, a sauna, a hot-tub in the porch and an outdoor grill. (Saimaa Adventures 2015.)

Holiday Club Saimaa together with Saimaa Adventures are already providing a wide range of services targeting different customer segmentation groups. However, they are aiming to launch a new one - culinary tours. This idea is based on the recent study by Anatoly Lvov.

The Bachelor's thesis by Anatoly Lvov "Culinary Workshops as a Competitive Advantage of Tourism Industry in South Karelia Region of Finland" (2014) introduces a fast-growing trend in culinary tourism: culinary workshops or

master-classes. His thesis has also been conducted for a case company Holiday Club Saimaa. In his study, Lvov analyses the culinary workshops from the perspective of having an unusual leisure activity. He insists that food can already be a destination for tourism. (Lvov 2014.)

Furthermore, he suggests a table of classification of culinary workshops divided into 4 types:

1. Culinary workshops as a business approach, participants are hotel guests and tourists. Pricing is flexible and competitive, marketing campaign is well organized. The evaluation criteria is that customers are satisfied and are willing to participate again;
2. Culinary teambuilding workshops, participants are companies. The main goal of such event is to unite the team. The evaluation criteria is the same as in a business approach culinary workshop case - customer satisfaction;
3. Culinary workshop as a professional studio, participants are professionals in restaurant business. The aim of these workshops is professional development. Special raw materials, extra equipment and modern technologies are used;
4. Culinary workshop as a place of intense socio-cultural communication, participants are different social groups. These are charity or government supported workshops with special social aim. (Lvov 2014.)

In his study, Lvov presents an incredibly detailed implementation of the culinary workshops as a competitive advantage in tourism industry (Lvov 2014). Now he is working for Holiday Club Saimaa, and his idea is to organize culinary tours aimed to teambuilding, which can be offered to private companies and to culinary schools in Moscow and Saint Petersburg as a package of services.

There are several reasons why targeting companies and culinary schools and offering them culinary workshops as a teambuilding activity is better and more beneficial than focusing on private customers. Teambuilding type of culinary workshop is designed for the participants who are already a group of people,

they are already a team. Therefore it would be much easier for Holiday Club Saimaa to predict costs, to organize transfer and sell the package, meaning that the service is sold once to the whole team, but not to each member separately.

The package is going to include such services as participation in a culinary master-class, accommodation at Holiday Club Saimaa hotel for a special lower price, which will also cover a visit to Cirque de Saimaa and breakfast. The transportation from a hotel to a Pearl of Hossukka cottages, a place where culinary master-classes are going to be held, is going to be included in the package as well.

However, to implement Lvov's idea in a case company Holiday Club Saimaa, some additional marketing research needs to be done.

2 Research objectives and methodology

In this chapter the thesis objectives and research questions are presented. Moreover, the methodology that is used in the research is explained. There are also delimitations given in the end of the chapter.

2.1 Thesis objectives

It is significant to note that culinary workshops as a teambuilding activity are getting more and more popular among the Russian population (Vsya Pravda 2015). However, only a few culinary schools offer their customers packages of culinary tours which are held abroad, so none of the companies are going to Europe to participate in a culinary teambuilding workshop.

Hence, the potential service of culinary workshops is planned to target a Business-to-Business (B2B) market. The culinary tours will be offered to the companies directly in order to introduce the unusual way of teambuilding activity. Moreover, these culinary tours will be offered to culinary schools and studios in Moscow and in Saint Petersburg. Culinary schools and studios in further perspective might become intermediaries between Holiday Club Saimaa and final customers, private companies. The packages will be the same to the

both above mentioned market groups. However, some research on the potential customers' needs and wishes must be implemented.

Consequently, the study is conducted in order to examine the needs and desires of potential customers:

1. Culinary schools and culinary studios in Moscow and Saint Petersburg;
2. Private companies in Moscow and Saint Petersburg.

Based on the research results, the plan on how a service will be productized is done. This plan is composed of the following: services included to the package (accommodation, transportation, etc.), details on how culinary master-classes will be conducted (cuisine, chef, language, etc.), and some extra information.

2.2 Research questions

The thesis project is aimed to create a better understanding of potential customers' desired outcomes from participating in the culinary workshops at Holiday Club Saimaa. The main questions of the research are the following:

1. How the productization of potential new service of culinary tours is to be done?
2. What do potential customers expect from culinary tours to Holiday Club Saimaa?
3. What services the culinary tour package will include?

2.3 Research methodology

Applied research, which is similar to consultancy, has been conducted. The results of this research are a solution of a particular problem. The approach used in this study is inductive. Data has been gathered from preliminary search and also acquired via semi-structured personal interviews. Subsequently, the conclusions are drawn based on the research.

Only qualitative data is necessary to answer the research questions of this study. The main research method is personal semi-structured face-to-face

interviews with the potential customers (Saunders et al 2009). For the study three people, who represent the potential group of customers, have been chosen: an executive director of Ragout culinary school in Moscow, the CEO of Ilya Lazerson's culinary studio in Saint Petersburg, and finally, a leading specialist in budgeting strategy department in LUKOIL Central Office.

The above mentioned people have been chosen because they are located in Moscow and Saint Petersburg, which are the target cities for the new service of culinary tours. The interviewees are highly qualified in their field. Moreover, LUKOIL and Ilya Lazerson's culinary studio are one of the strongest among their competitors. It is also significant to note that Ragout culinary school is the only private culinary school in Russia.

The interviews consisted mostly of open semi-structured questions. Such a conversation-like interview structure helped to understand better customers' needs and wishes. The interviews were conducted in Russian language. The answers have been recorded, carefully transcribed and translated into English. All the gained information is used to productize the potential new service of culinary tours.

2.4 Delimitations of the study

Only the Russian market is taken into consideration. The potential markets for the new service of selling packages of culinary tours are private companies and culinary school and studio in Saint Petersburg and Moscow. The study also considers only the second type of culinary workshop listed in Lvov's (2014) study, culinary teambuilding workshops.

Another extremely important delimitation is that the results of the research are considered to be relevant to a neutral external environment. It means that economic situation in Russia, political relationship between Russia and the EU are indifferent, and the exchange rate of Russian rouble are not fluctuating. Therefore, these factors are not affecting the consumer behaviour of Russian tourists.

3 Theoretical background

In this chapter the theories and concepts, which are used for this bachelor's thesis, are explained. The differences between Business-to-Consumer and Business-to-Business customers are presented, and the concept of customer segmentation is given. Then productization and 7Ps marketing mix concepts are defined. Moreover, the differences between the institutions dedicated to provide the education in a field of food preparation and cooking are explained.

3.1 Business-to-Consumer and Business-to-Business

The new service of culinary tours is targeting Business-to-Business (B2B) market, and not targeting Business-to-Consumer (B2C) market. Therefore, it is extremely important to distinguish the key differences between B2B and B2C groups of customers. The significant point is the differences in business and consumer markets buying behaviour.

In business marketing, the customers are organizations. The factors that distinguish business marketing from consumer marketing are the nature of a customer and the way a customer uses the product (Hutt & Speh 2013 a). Moreover, the different marketing approach is needed in order to reach the organizational buyer (Kurvinen 2015).

Business marketing strategy is different from consumer marketing strategy. For example, personal selling is more important in B2B than advertising (e.g. TV, newspapers) in order to reach potential buyers. Strong personal relationships are extremely important. Also price negotiations are very common in B2B. (Hutt & Speh 2013 b.)

3.2 Market segmentation

Market segmentation is a tool to define and target specific markets. Segmentation divides a market into a group of customers that need different products, services and marketing mixes. (Geetanjali 2010.)

Market segmentation has the following definition, according to Longman Business English Dictionary:

"Segment - a group of customers that share similar characteristics, such as age, income, interests and social class." (Pearson Education Limited 2007 a.)

There are several factors, by which a market can be segmented. The first one is demographics, which includes the dimensions as age, gender, religion, race, etc. The second factor is psychographics. It includes customers; lifestyles, opinions, perceptions and attitudes. The third one is geographics, including city, country, climate, region and other geographical elements. The last factor includes behaviouristic variables of customers. (Geetanjali 2010.)

In this research only business market is taken into consideration. Therefore, the segmentation is done slightly differently. For the study it is relevant to implement geographical segmentation. The target segment are the companies, which are operating in Moscow and Saint Petersburg.

In general, there are three segments of business market customers: commercial customers, institutional customers and governmental customers (Hutt & Speh 2013 c). This chapter considers the explanation of each business market customer. It also explains which business market customer segments are chosen for this research.

Each of the above mentioned business market sectors - commercial firms, institutions and governments - have unique characteristics. **Commercial enterprises** include manufacturers, service companies, transportation companies, selected professional groups, resellers, and etc. (Hutt & Speh 2013 c). In case of our research, under this definition fall private companies in Moscow and Saint Petersburg, which are considered as one of the main target customers of Holiday Club Saimaa.

Next customer segment is **government units**. Government units purchase a variety of good and services, for example, office supplies, computers, food, health care, etc. However, this segment is not included in the study.

Finally, under the third customer segment fall **institutions**. The purchases of this segment are similar to government units' in a way that the purchasing process is constrained by political considerations and directed by law. Some

institutions are administered by government units, for example, public schools. However, there are some institutions that are private, and managed like corporations. Under this sector are falling private culinary schools and studios, which are the second target group in the research.

3.3 The concepts of productization, marketing mix and 7Ps

It is significant to begin with the main concept of the study, which is productization and the way of implementing it. According to Longman Business English Dictionary, the definition of productization is the following:

"Productize (also Productize BrE, v., marketing) - to make something that previously only existed as an idea (...) into a product that can be sold." (Pearson Education Limited 2007 b.)

No standardized option or plan, how a productization has to be done, was found. Therefore, the 7Ps marketing mix is going to be taken as a tool in this research.

Marketing mix is the combination of marketing activities used to create, communicate and deliver value to a customer (Kotler et al. 2012). The 7Ps marketing mix is an improved version of a traditional 4Ps marketing mix. The concept of 4Ps model is created by McCarthy in 1964, and consists of Product, Price, Place and Promotion. This model was designed at a time where businesses were selling products, rather than services. In 1981 Booms and Bitner have improved the 4Ps model by adding 3 extra service Ps: Participants (or People), Physical evidence and Processes. (Hanlon and Chaffey 2013.)

However, when projected on the research questions, there are a few Ps which are known already, and there are also some that are going beyond the aim of the study. Consequently, it is reasonable to examine each of 7Ps one by one.

The first P is a *product*, or service as it is in the case of the study. Quality of a service, branding, service's features and availability are analyzed through this dimension (Hanlon and Chaffey 2013). The service of culinary tours does not exist yet in the case company, at Holiday Club Saimaa. Therefore, the

productization, research and development should be done. This dimension is absolutely suitable to the thesis research.

The second P stands for a *price* of a product or a service (Hanlon and Chaffey 2013). The special offer with the approximate prices for organized culinary tours in Holiday Club Saimaa have been already suggested by Lvov (Appendix 1). Since the price dimension is not so crucial for this specific study and not included to its aims, no extra attention is paid on price.

The third P is a *place*. Place, or access, define distribution options available for customers to experience products or services (Hanlon and Chaffey 2013). The place of offering the service of culinary tours is narrowly specified by a case company Holiday Club Saimaa and the cottage Pearl of Hossukka, located in Imatra, Finland. The areas, where the target customers segments live, are Saint Petersburg and Moscow, two big cities in Russia.

The fourth P is a *promotion*. In other words, how the service is going to be promoted to the target groups (Hanlon and Chaffey 2013). Some suggestions are going to be given in chapter 6 (Recommendations and suggestions).

The fifth P is a *physical evidence*. This dimension means the aims of how a company can assure its customers in quality of the service (Hanlon and Chaffey 2013). Some suggestions are going to be provided in the end of the study too, in chapter 6 Recommendations and suggestions.

The next P stands for *processes*. The solutions of how the service could be improved are meant by this dimension (Hanlon and Chaffey 2013). Since the product is new, the processes dimension is not suitable for the following research.

Finally, the seventh P is *people*. The employees, whose jobs are connected to the service of culinary tours, must be professionals. Customers have to be satisfied by working with these people (Hanlon and Chaffey 2013). The leader of culinary workshops as a teambuilding activity is not chosen yet. It is a part of productization research to understand customer's wishes concerning this element.

To sum up, not all of these 7Ps are included to the main analysis. The study is generally focused on the following parts: Product, Promotion, Physical evidence and People. However, all of seven Ps of the new service of culinary tours are described in chapter 6 (Recommendations and suggestions).

3.4 Culinary institutions in Russia

It is also extremely important to understand the difference between the institutions, which are devoted to education in the art and science of food preparation and cooking. There are several institutions in Russia, which can be identified:

Culinary colleges. Usually these colleges are state educational institutions with no tuition fees, and students apply to a culinary college right after graduating from a secondary or high school. The duration of studies is 2 - 3 years. After graduating from such college students receive an incomplete higher education diploma. The education in culinary college guarantees that alumni are skilled and gained enough knowledge to work on restaurants' kitchens (Ucheba 2014).

Culinary studios. The main purpose of such institution is to entertain foodies (people, who have a refined interest in food and alcoholic beverages; it is a hobby for foodies to seek new food experiences rather than simply eating because of convenience or hunger (Wikipedia 2015)), or to organise food preparation events for a group of people (for example, bachelorette or birthday party, where the main activity is cooking a certain meal together with friends).

Very often culinary studios are organising one-evening master classes dedicated to a certain dish ("homemade pizza" or "Tiramisu dessert" - as an example), then announcing it on their official web-page or in social media and therefore inviting everyone to take a part in it. It is not necessary to have any skills in food preparation in order to participate. Participants do not have to care about kitchen tools, ingredients for a meal and even about an apron - everything is provided by a culinary studio. (Lazerson 2015 a.)

Culinary schools. These are private schools, which are aiming to provide an excellent and modern education in the art and science of cooking. Culinary

schools offer several programmes for students with different levels of skills (basic cuisine course, advanced pastry course, etc.), duration of which is usually more than one month.

One of the most famous culinary schools in the world is Le Cordon Bleu, with the main campus located in Paris, France. The school has over 50 campuses on five continents and serves 20000 students annually. (Le Cordon Bleu 2015.)

However, there is only one culinary school in Russia, Ragout, which is located in Moscow. The school is considered to be a target customer, offered culinary master-classes by Holiday Club Saimaa.

4 Results of marketing research – culinary school and culinary studio

The main marketing research method was personal interviewing of the directors of a culinary school and studio. The interviews were to be conducted in a way of a dialog, idea-generating talk. However, an interview plan was a necessity, to structure a talk, and to set certain limitations. The interview plan is provided in Table 1 in English. However, the interviews were conducted in Russian language.

Table 1. The interview plan.

<p>1) Which transport do you prefer when travelling to Holiday Club Saimaa?</p> <ul style="list-style-type: none">– by Tolstoi train Moscow-Vainikkala– by plane– by other means of transport
<p>2) How many nights would you like to stay?</p>

- 1
- 2
- other

3) Cuisine -

- Scandinavian
- Russian
- other

4) In your opinion, who might be a leader of a workshop?

- the chef of your school
- a local chef
- other

5) If local chef, then...

- Russian speaker
- English speaker (+ translation into Russian)
- Finnish speaker (+ translation into Russian)

Since interviewing is a qualitative research method, most of the questions have an "other" option. Interviews were conducted in a conversational way. Hence,

some other questions appeared during the interview. These questions were with an open answer, meaning that no option to choose has been given. This way was done in order to provide more freedom to open-minded interviewees. It is also significant to note that the interview questions were created in a way to better understand the interviewee's attitude against the marketing mix (Product, Promotion, Physical evidence and People).

4.1 Ragout culinary school, Moscow

In this chapter the description of Ragout culinary school and the interview with its executive director are introduced. The key elements of culinary tours are suggested. Moreover, the overall expectations of Ragout culinary School from the culinary tours are given.

Ragout culinary school is located in the centre of Moscow. The interesting fact that the Ragout culinary school is run by Le Cordon Bleu alumni, therefore the programme, and the organization of Ragout, is very similar to Le Cordon Bleu's. Even the cuisine is French. (Afisha Gorod 2012.)

Ragout is the only private school in Russia, where the basic knowledge, which can be a starting point for future chefs, can be gained. However, these skills and knowledge can be useful for both the future of professional chefs and also amateurs who aspire to excellence in their own home-kitchens. Overall, the courses are not considered as entertainment, but as a professional education.

As it has been mentioned above, culinary schools offer several programmes for students with different levels of skills. Duration of the programmes is usually more than one month. The following courses are offered in Ragout culinary school:

1. Basic Cuisine Course;
2. Advanced Cuisine Course;
3. Basic Pastry and Baking Course;
4. Advanced Pastry and Baking Course;

5. Intensive Course in Cuisine;
6. Master-classes with a guest chef. (Ragout School 2015.)

The interview were conducted with Vitaliy Sorokin (2015), an executive director of Ragout culinary school. The package, which is considered to be attractive for the audience of Ragout culinary school, in opinion of Sorokin's opinion, consists of the following parts: transportation, duration of a tour, cuisine presented on the culinary workshop, leader of a master-class and the language. The details of a new service of culinary tours from Vitaliy Sorokin's perspective are explained below under sub-chapters respectively.

4.1.1 Ragout culinary school: key elements of culinary tours based on the interview

Transportation

In the opinion of Sorokin (2015), transportation should be decided by the group of participants of a culinary tour. Customer's budget plays an important role in choosing a mean of transport:

"It is hard to say which way of transportation is better. It must be suitable in terms of time and comfort. However, there are different points of view what is comfortable - some people think that it is better to spend a night in a train sleeping, some prefer travelling by plane. The mean of transportation should be decided by the group of travellers, and of course a budget has to be taken into consideration."

Duration of a tour

A tour duration has to be decided by the participants, too. Some people might be interested in seeing or visiting some special attractions in Imatra and Lappeenranta:

"This should be decided by the group of travellers. In my opinion, if there are some special interesting attractions in the area of Imatra and Lappeenranta, people might want to visit and see it, and that takes time." (Sorokin 2015.)

Cuisine

Sorokin is convinced that it is better to demonstrate the food and cuisine of the local area. Finnish or Scandinavian cuisine might become great options.

Leader of a master-class

Leader of a master-class should be a local Finnish chef:

"I guess, it would be better to have a local Finnish person as leader of master-class. He must know better not only the traditional recipes, but also tell some exciting stories of the cuisine of the South Karelian region." (Sorokin 2015.)

Language

And finally, the language, which the chef will be speaking in, can be - Finnish, English or Russian.

"Language can be any: Russian or translated into Russian. But if the speech of a chef is interpreted, it must be interpreted professionally, meaning that the information is not transmitted inaccurately or facts are misrepresented." (Sorokin 2015.)

4.1.2 Overall suggestions from Ragout culinary school

Through the interview it was obvious that Sorokin is interested in culinary tours. This idea seemed innovative for him. However, he pointed out two disadvantages of this idea. The first problem is a long distance between Moscow and Finland, and the second one is a type of a provided workshop.

Distance is a huge downside of the idea of offering the service to people living in Moscow. Transportation is cost and time consuming for them. Moscow is quite far from Finland, consequently, there are only a few options to travel to Imatra. It is either travelling by plane from Moscow to Helsinki, and then by train and bus, or by a night train "Lev Tolstoi" from Moscow to Vainikkala and then transportation from railway station to Holiday Club Saimaa.

Secondly, even though the idea of culinary tours seems attractive for the executive director of Ragout culinary school, the specific type of master-classes as a teambuilding activity is not suitable for the school. In general, Ragout culinary school tries to avoid organizing such events as teambuilding cooking classes. Instead, they are focusing more on the serious courses for people who would like to become chefs, or for the professionals who need to improve their skills and efficiency. Therefore, the suggestion for Holiday Club Saimaa could be to launch culinary workshops as a professional studio in order to attract such customers as culinary schools.

4.2 Ilya Lazerson's culinary studio, Saint Petersburg

As in the previous chapter, the description of Ilya Lazerson's culinary studio and the interview with its CEO and the main chef of culinary studio are introduced. The key elements of culinary tours are suggested. Moreover, the overall expectations of Ilya Lazerson's culinary studio from the culinary tours are given.

Ilya Lazerson's culinary studio was opened by the chef Ilya Lazerson in Saint Petersburg in 2008 (Lazerson 2015 b). This chef is an author of more than 20 culinary books, and a participant in several famous Russian TV-shows dedicated to the art of food preparation. Moreover, he is the president of Saint Petersburg chefs association.

As it has been mentioned above, the main purpose of culinary studios is to entertain foodies, or to organise food preparation events for groups of people. Therefore, the main audience of Ilya Lazerson's culinary studio are amateurs. The classes which are offered in his school are the following:

1. Culinary workshops, duration is usually 3 hours - one evening;
2. Event celebrations: birthday parties, teambuildings, etc. (Lazerson 2015 a.)

It is also important to note that there is no specific type of cuisine which is taught in the culinary studio. All the classes are different, usually it is Russian, Ukrainian, American, French, Taiwanese or Chinese cuisine.

The results of the interview with Ilya Lazerson, CEO and the main chef of culinary studio are presented below.

4.2.1 Ilya Lazerson's culinary studio: key elements of culinary tours based on the interview

Transportation

It is neither difficult nor either expensive to travel to Finland from Saint Petersburg. Lazerson (2015) suggested to organize a bus trip:

"It is extremely easy for people from Saint Petersburg to reach Holiday Club Saimaa. I have many times been driving myself to Imatra by car. Therefore, the best option in case culinary tours would be simply travelling by bus from Saint Petersburg directly to Imatra."

Duration of a tour

The most optimal tour duration is three days, from Thursday to Saturday. In this case, the traffic jams, that usually appear on Finnish-Russian border will be avoided.

"Of course, it depends on a group wish. But according to my personal experience, it is a bad idea to cross the Russian-Finnish border on Friday and Sunday evenings. Shop tours are still very popular among the Saint Petersburg citizens. Consequently, on Fridays and Sundays there are long traffic jams on Russian-Finnish border." (Lazerson 2015.)

Cuisine

Lazerson suggested the international dishes made with a use of grill:

"I do not think it matters much. Since there is a grill outside in the Pearl of Hossukka cottage, we can make a variety of recipes which are cooked with a use of grill. And the style of it does not matter."

Leader of a master-class

Lazerson believes that it does not matter, which nationality the chef is:

"It could be a chef of any nationality. The main criteria is that the people attending his culinary workshop must feel comfortable and relaxed with him. He should be friendly and entertaining."

Language

However, when it comes to language, Ilya Lazerson prefers the chef to speak Russian, the same language as participants of the culinary workshop:

"It is always better when the audience and chef are speaking the same language. Then there is a third party involved, the communication becomes more difficult and less close. There should be a direct connection and understanding between the chef and the audience, I reckon."

4.2.2 Overall suggestions from Ilya Lazerson's culinary studio

In addition to the above mentioned possible service package, Ilya Lazerson has pointed out the main advantage of targeting the service of culinary tours to the people from Saint Petersburg. Saint Petersburg citizens have no problems with Schengen VISAs, according to Lazerson, almost everyone has it. Therefore, it will not be a problem to travel to Finland spontaneously.

Moreover, he agrees to have a partnership with Holiday Club Saimaa and sell this package to his customers. Lazerson has a huge experience of organizing culinary workshop as a teambuilding activity. Moreover, Ilya Lazerson's culinary studio has many corporate clients, who are interested in such culinary master-classes.

5 Results of marketing research - Potential corporate customers

5.1 The Central Office of LUKOIL, Moscow

The opinion of the potential corporate client has also been important to understand and take into consideration in this study. Therefore, the interview with Olga Akinina, a leading specialist in budgeting strategy department, was

organized also. In this chapter the results of the interview with Olga Akinina are presented.

According to Akinina, in such big corporations as LUKOIL the fiscal year ends on 31st of May. On this day the company organizes a celebration with introducing the results of a year to employees. Another big corporate event is dedicated to the New Year celebration. To sum up, usually their company organizes teambuilding events twice a year - before the New Year holidays, which is the end of December, and in the end May.

Akinina revealed the fact that the employees of the Central Office of LUKOIL have never travelled abroad in order to organize a teambuilding event. There are two reasons why that never happened. They are presented below.

The first reason are the costs. Their department is quite big with many employees working there. Even though LUKOIL is the largest private company in Russia according to Forbes (Forbes 2015), they still consider it expensive to travel abroad in order to have a teambuilding event - there are many cheaper alternatives in Moscow.

The second reason is that it is difficult to organize. In order to travel to Europe a Russian person should have a valid international passport and a VISA to Schengen area.

From the interview it became obvious that Akinina does not understand all the benefits from going abroad to Holiday Club Saimaa in order to participate in a culinary workshop as a teambuilding activity. She suggested a good idea to make a promotional page on Holiday Club official web-site. This is a favourable way to promote the culinary tours directly to other companies.

6 Recommendations and suggestions for productizing a potential new service of culinary tours

6.1 Recommendations for 7Ps model

As it has been mentioned in chapter 3 (Theoretical background), the productization of a potential new service of culinary tools is to be done via using 7Ps marketing mix model. It is significant to keep in mind that not all of the 7Ps have been taken into the main research. The reason is the following: there are some Ps which are known already, and there are also some of Ps that are going beyond the aim of the study. Only product (service), promotion, physical evidence and people dimensions are analyzed in the study. However, all of seven Ps of the new service of culinary tours are anyway described in this chapter.

- Product. When it came to the service's details, in other words - the parts of the package, the interviewees introduced different preferable suggestions. However, as the blank version the following plan might be used by Holiday Club Saimaa:

Transportation	Bus
Duration of a tour	3 days (Thursday - Saturday (or Sunday morning))
Cuisine	Scandinavian, or Finnish; International recipes with the use of grill
Leader of a master-class	A local chef
Language	Any, but Russian is preferable

- Price. Transportation influences on the price of a package a lot. For example, it would be more expensive to travel from Moscow to Holiday Club Saimaa than from Saint Petersburg, since it is much further. An extra cost might appear if the participants of a culinary workshop and the chef are speaking different languages - in this case there is a need of hiring a professional interpreter for a group.

As it has been mentioned in chapter 3.1, B2C and B2B price negotiations are very common in B2B. Therefore, Holiday Club Saimaa should negotiate the prices individually with each customer. There should be several packages with different pricing options.

- Place. As mentioned in chapter 1 (Introduction to the case company and culinary tours), Holiday Club Saimaa has a partnership with Saimaa Adventures company. The potential culinary workshops as a teambuilding activity are to be held in the cottage Pearl of Hossukka, which includes the following facilities: a kitchen, a dining room for 30 people, a sauna, a hot-tub in the porch and an outdoor grill.
- Promotion, or how the service is to be promoted to the target groups. Akinina (2015) has made a suggestion, a promotional page on Holiday Club official web-site. This could be a cost-friendly solution. There might be some other promoting tools, however, it is always dependent on a budget, which Holiday Club Saimaa could offer.
- Physical evidence; the aims of how Holiday Club Saimaa can assure its customers in quality of the service of culinary tours. Partnerships with well-known culinary studios could be a solution. The trust of their customers is already achieved by the studios, therefore, the services of Holiday Club Saimaa would be recognized as trustworthy, too.
- Processes. As it has been explained in chapter 3.3, processes are the solutions of how the service could be improved. Since the service of culinary tours in Holiday Club Saimaa is new, the processes dimension is not relevant for the research.

However, through the interview it became clear that visas and passports issues are crucial. People from Moscow tend to travel to Finland less often than people from Saint Petersburg. Also, in order to travel abroad a Russian person has to have a valid international passport. It is quite difficult to organize a trip for a big group, because it is not guaranteed that everyone has a valid passport with a Schengen visa in it.

The suggestion for Holiday Club Saimaa could be hiring a person, who is expert in visas-making process. He or she can help customers with visa application processes and answer customers' questions concerning the necessary documents.

- People. A leader of culinary workshops should be carefully chosen. According to Lazerson (2015), there must be a connection between a chef and a group. A chef should be a local person, he must know the history and traditions of South Karelian region. Since the audience are not professional cooks, but amateurs, the attention should be more paid on entertainment, than on the difficulty of the recipes and techniques used.

6.2 Other suggestions

Since the interviews have been conducted in semi-structured format, the interviewees were allowed to share any ideas and opinions concerning culinary tours. Therefore, some extra suggestions, among the recommendations to 7Ps marketing model mix can be given.

Holiday Club Saimaa had decided to target two big Russian cities, Moscow and Saint Petersburg. However, there are some reasons why it is better to focus on the customers from Saint Petersburg only.

The potential customers from Moscow are facing many difficulties in planning the culinary tour to Holiday club Saimaa. The first difficulty is the documents. In order to travel to Finland, a person should have a valid international passport and a visa to Schengen counties. Not every person in Moscow travels to Europe often, and when it comes to organizing a group trip, it becomes

extremely troublesome to plan the validity of each team-member's documents. On the other hand, in Saint Petersburg almost everyone has a valid international passport with a Finnish visa in it.

The second reason is a distance between Moscow and Holiday Club Saimaa. According to table 2, an average time a bus should be travelling from Moscow to reach Imatra is 14 hours. By train and then by bus - 10 hours. This is not convenient at all. People from Saint Petersburg are not facing such problem.

	Ragout culinary school	Ilya Lazerson's culinary studio
Location	Moscow	Saint Petersburg
Estimated travelling time to Holiday Club Saimaa	by bus: 14 h by train: 10 h	by bus: 3 h by train: 2 h
Target audience / customers	Amateurs, professionals	Amateurs
Main type of classes	Basic Cuisine Course (28 classes) - duration 2,5 months	Evening master class - duration 3 hours

Table 2. Comparative table of Ragout culinary school and Ilya Lazerson's culinary studio.

Holiday Club Saimaa has also decided to target both culinary studios in schools. However, already from the preliminary research it has been know, that there is a huge difference between culinary schools and culinary studios.

Culinary schools are focusing on professional education more, while culinary studios are targeting their services on amateurs. Culinary studios provide short

entertaining classes. They also provide such service as a culinary workshop as a teambuilding activity. It is recommended for Holiday Club Saimaa to focus on culinary studios, when selling culinary tours package with a teambuilding culinary workshop.

If they want to sell culinary tours package to culinary schools, the workshops have to be designed for professionals. The third type of culinary workshop should be included: a culinary workshop as a professional studio, and the participants are professionals in restaurant business. The aim of these workshops is professional development. Special raw materials, extra equipment and modern technologies are used. (Lvov 2014.)

6.3 Limitations

Unfortunately, the study is not relevant in the current economic situation. One of the delimitations of this research is that the results of the research are considered to be relevant in a neutral external environment. However, during the period when this study has been conducted the economic situation in Russia was getting worse.

Due to devaluation, Russians in general tend to save money. RBC conducted a research in September 2015, aiming to understand what the citizens of Russia are trying to save for. According to the research, Russians try to avoid travelling abroad, or at least to reduce their cost on trips. (RBC 2015.)

Consequently, it would be a strong recommendation to Holiday Club Saimaa to wait some time before the economic and political situation in Russia is stabilized.

7 Conclusion

Holiday Club Saimaa, together with a company Saimaa Adventures are aiming at launching a new service of culinary tours as a teambuilding activity. The service is targeting a Russian business market, more specifically private companies, culinary schools and studios in Moscow and Saint Petersburg. The

research was conducted in order to understand customer needs better and to productize a new service of culinary tours.

Most of the necessary data for productizing were collected through personal interviews of potential customers, an executive director of culinary school Ragout (Moscow), a CEO of Ilya Lazerson's culinary studio (Saint Petersburg), and a leading specialist in budgeting strategy department of the Central Office of LUKOIL (Moscow). Based on the interviewees' answers the suggestions and recommendations for productization were formulated.

All the research questions have been answered. More detailed overview on the results of the study are explained in the following 3 sub-chapters. Each sub-chapter stands for the research questions respectively:

1. How the productization of potential new service of culinary tours is to be done?
2. What do potential customers expect from culinary tours to Holiday Club Saimaa?
3. What services the culinary tour package will include?

7.1 The way the productization of potential new service of culinary tours to be done

It was decided to use 7Ps marketing mix model in order to productize the new service of culinary tours. 7Ps marketing mix includes seven following dimensions: Product, Price, Place, Promotion, Participants (or People), Physical evidence and Processes. All of seven Ps of the new service of culinary tours are described in chapter 6 Recommendations and suggestions. Moreover, in the same chapter 6 some extra recommendations on productization were given.

Moscow is located too far from Imatra, therefore it is time and money consuming to travel from one place to another for the customers from Moscow. The suggestion would be to focus on people from Saint Petersburg more than targeting Moscow citizens.

Secondly, there is a big difference in culinary schools and culinary studios. The first ones focus on professional education more, while the second ones are targeting their services on amateurs. Culinary studios are providing entertaining classes, they are also providing such service as a culinary workshop as a teambuilding activity. It is recommended for Holiday Club Saimaa to focus on culinary studios, when providing culinary tours with a teambuilding culinary workshop.

7.2 Expectations of potential customers

Three interviews have been conducted during the study. Each person represented a target group: an executive director of culinary school Ragout spoke for culinary schools, a CEO of Ilya Lazerson's culinary studio represented the opinion of culinary studios, and a leading specialist in budgeting strategy department of the Central Office of LUKOIL represented the last target group, private companies.

Each interviewee had his / her own expectation from culinary tours to Holiday Club Saimaa. More details on each person's opinion can be found in chapters 4 and 5.

7.3 The services included to the culinary tour package

Each interviewee had his / her own opinion on the services to be included to the culinary tour package, which made it uneasy to combine the findings into one productization plan. However, the draft plan, which can be further modified with taking into account the personal wishes of a client, was made. It was already presented in chapter 5.1:

Transportation	Bus
Duration of a tour	3 days (Thursday - Saturday (or Sunday morning))

Cuisine	Scandinavian, or Finnish; International recipes with the use of grill
Leader of a master-class	A local chef
Language	Any, but Russian is preferable

7.4 Suggestions for the following study

There was only one person representing each target group. In order to make the research results more accurate, more people have to be interviewed.

It would be also recommended to focus on culinary studios and private companies in Saint Petersburg. Culinary studios should not be offered with the package that included culinary workshops as a teambuilding activity. Moreover, the focus should not be made on Moscow yet.

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Appendix 1. The special offer with the approximate prices for organized culinary tours in the Holiday Club Saimaa

Special offer for
Culinary School of Ilya Lazerson
Club De Chefs of St.-Petersburg,
Head-chefs' center of St.-Petersburg

For the organization of culinary workshops in **Holiday Club Saimaa**

Group: 10-15 persons

Accommodation 1 night (+breakfast +aqua-park)

Accommodation from Sunday till Thursday

- Single room 108 €
- Double room 128 €

Accommodation from Friday to Saturday

- Single room 118 €
- Double room 138 €

Presented prices are preliminary and can be different depending on season.

Lunch at EASY KITCHEN: 18 €

Rent of the banquet cottage Hossuka for an evening 16-22.00: 490€

Transfer HC Saimaa – Hossuka- HC Saimaa: 150 €

Food order to the cottage is according to the pre-order list and paid afterwards.

Representative Holiday Club Saimaa

Anatoly Lvov

Holiday Club Saimaa
Rauharinne 1
55320 RAUHA
Tel. +358451756633
anatolyvov@live.com

Holiday  *Club*

